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Congressional Record

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PROCEEDINGS AND DEBATES OF THE 88th CONGRESS, SECOND SESSION

SENATE

THURSDAY, JANUARY 30, 1964

The Senate met at 10 o'clock a.m., and was called to order by Hon. LEE METCALF, a Senator from the State of Montana.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God, our Father, Thou searcher of men's hearts, who desireth truth in the inward parts, help us, we pray, in this opening moment of a new day's council to draw near to Thee in tranquillity, humility, and sincerity.

With the benediction of Thy grace, may Thy servants here face the demands of this day with honest dealing and clear thinking, with hatred of all hypocrisy, deceit, and sham, and in the knowledge that all great and noble action in this world is based on gentleness, patience, and self-giving. Across the debris of ancient wrong may our glad eyes see the coming of the glory of the Lord as in all the earth selfish exploitation makes way for brotherhood and for man.

In the Redeemer's name we pray. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 30, 1964.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. LEE METCALF, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. METCALF thereupon took the chair as Acting President pro tempore.

PROPOSED AMENDMENT OF RULE XXV OF STANDING RULES RELATING TO COMMITTEE MEETINGS DURING SESSIONS OF THE SENATE

The Senate resumed the consideration of the resolution (S. Res. 111) amending rule XXV of the Standing Rules of the Senate relative to meetings of committees while the Senate is in session.

The ACTING PRESIDENT pro tempore. Under the order of the Senate of January 28, 1964, as modified on yesterday, the Chair lays before the Senate the unfinished business, Senate Resolution 111, amending rule XXV of the standing rules relative to meetings of committees while the Senate is in session, upon which there is a limitation of debate and control of time.

The pending question is on agreeing to the amendment proposed by the Senator from Pennsylvania [Mr. CLARK], as a substitute for lines 4 to 7, inclusive, of the resolution.

THE JOURNAL

On request of Mr. HUMPHREY, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, January 29, 1964, was dispensed with.

REQUEST FOR 3-MINUTE LIMITATION IN MORNING HOUR

Mr. HUMPHREY. Mr. President, there is to be the regular morning hour. I ask unanimous consent that statements in connection with it be limited to 3 minutes.

Mr. DIRKSEN. Mr. President, I must object.

The ACTING PRESIDENT pro tempore. Objection is heard.

PROPOSED AMENDMENT OF RULE XXV OF STANDING RULES RELATING TO COMMITTEE MEETINGS DURING SESSIONS OF THE SENATE

The Senate resumed the consideration of the resolution (S. Res. 111) amending rule XXV of the Standing Rules of the Senate relative to meetings of committees while the Senate is in session.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from New York will state it.

Mr. JAVITS. Is the Senate now proceeding, under controlled time, with consideration of the Clark amendment to Senate Joint Resolution 111?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. JAVITS. Mr. President, will one of the Senators in charge of the time yield 2 minutes to me?

Mr. HUMPHREY. Mr. President, the Senator from Idaho [Mr. CHURCH] is in charge of the time available to the proponents of the resolution, and he will make whatever arrangements are necessary.

Mr. JAVITS. Mr. President, perhaps the minority leader will yield 2 minutes to me.

Mr. DIRKSEN. I yield 2 minutes to the Senator from New York.

The ACTING PRESIDENT pro tempore. The Senator from New York is recognized for 2 minutes.

DISCRIMINATORY USE OF FEDERAL FUNDS

Mr. JAVITS. Mr. President, I have in the past year directed a series of letters to various departments and agencies of the Federal Government asking their views as to discriminatory uses of Federal funds which are used to support various Federal-State programs under their jurisdiction. On July 2 and 10, 1963, I placed in the CONGRESSIONAL RECORD the bulk of those letters and the replies then received. Senator HART placed a parallel series in the RECORD. On December 5, 1963, I inserted additional answers. Most of these answers confirmed my belief that the agencies and departments of the Federal Government are presently under a constitutional mandate, even without the enactment of any legislation on the subject, to withhold funds, obtained through taxes levied on all citizens regardless of color, from any program or activity which is administered discriminatorily on grounds of race, creed or color.

Today, I add to this record three further items, two of which I believe demonstrate this proposition. The third agency apparently does not accept the principle that it may withhold funds from segregated programs; in spite of the overwhelming acceptance of this principle by all but one other—the Department of Health, Education, and Welfare—of the executive departments and agencies which have responded to my inquiries.

Last year a constituent brought to my attention the problem posed for equal employment opportunity and equal access to public accommodations in the surrounding communities, by the construction in Mississippi of a huge new test facility for the National Aeronautics and Space Administration. I ask unanimous consent that there be printed at this point in the RECORD excerpts from two letters from NASA in the course of our correspondence on the question, which indicate that concrete steps are being taken to insure equal opportunity where Federal funds are being used.

There being no objection, the excerpts from the letters were ordered to be printed in the RECORD, as follows:

NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION,
Washington, D.C., December 23, 1963.

Hon. JACOB JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: This is in reply to your recent letter in which you suggest that NASA consider posting at all its field installations a list of places of public accommodation which do not serve all persons regardless of race, color, creed or national origin. Concurrent with our consideration of your proposal, we also evaluated its converse, that a list be posted identifying establishments which do serve all persons regardless of religious or ethnic background.

As part of our study of your suggestions, we made the following findings:

1. Eight of NASA's 13 installations are located in California, Ohio, Maryland, Massachusetts and the District of Columbia. These jurisdictions have statutes requiring establishments of public accommodations to serve all persons and there appears to be no need to post and maintain a list at these facilities.

2. Generally, hotels, motels, and restaurants adjacent to the NASA installations at Hampton, Va., Cocoa Beach, Fla., and Houston, Tex., serve all patrons regardless of race, color, creed or national origin. Exceptions to this policy do exist, but they are rare. In addition, in Houston, Tex., where our manned spacecraft center is located, the hotel, motel, and restaurant owners agreed as of March 1, 1962 to integrate their accommodations.

3. Our remaining two installations, Marshall Space Flight Center, Huntsville, Ala.; Wallops Station, Wallops Station, Va., are located in areas where many motels, hotels, restaurants and theaters are segregated. To assure that places of public accommodation adjacent to these installations are available to all employees and official visitors, we have undertaken the following action:

a. Published a NASA management manual circular which requires the following:

"NASA installation offices placing reservations at hotels, motels, restaurants and recreational facilities shall limit such reservations to those places of public accommodation where NASA employees, other Government employees, and guests of NASA will be served without discrimination as to race, color, creed, or national origin.

"Offices within headquarters and field installations initiating travel requests for an employee, group of employees, or any guests will inform the local installation travel office of the names of employees and guests involved and whether any member(s) of the group concerned may be considered a 'minority group member' by those providing public accommodations."

b. NASA officials will continue to work through Federal executive boards and local human relations groups, both governmental and private, to obtain access to places of public accommodation for all their employees.

Our review, prompted by your suggestion, has brought to light one additional method we can use to implement the objectives of the President's equal employment opportunity program.

NASA's equal employment opportunity officers at Marshall Space Flight Center and the Wallops Station are being instructed to inform owners of places of public accommodation adjacent to or convenient to their installation of our interest in identifying those establishments which will serve our employees regardless of race, color, creed, or national origin. Those proprietors who do not discriminate on the above grounds will be listed on bulletin boards throughout the two installations.

We believe this method is more appropriate and effective than listing those places which we may believe do discriminate. The negative list, which may be construed as a black list, could be seriously challenged. Furthermore, as we have pointed out previously, we do not have the type of authority which the military has to enforce nonpatronization. Finally, by this approach, we will jeopardize the efforts, described above, to persuade other establishments to change their policy.

Your continuing interest in NASA and its equal employment activities is appreciated, and I will of course keep you informed about our efforts in the Huntsville area.

Sincerely yours,
(Signed) RICHARD L. CALLIGHAN,
Assistant Administrator for Legislative Affairs.

NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION,
Washington, D.C.

Hon. JACOB J. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: This is in further reply to your inquiry on behalf of ——— who is interested in the efforts of the Federal Government to promote integration in the communities adjacent to the National Aeronautics and Space Administration's Mississippi test facility.

As you know, NASA's authority to assure nondiscriminatory practices within a community is defined primarily by Federal laws and regulations which obligate the Government and its contractors. At present, this authority does not permit NASA to enforce its policies in areas unrelated to NASA by contract, nor does it give NASA the same control over the social habits of its employees that a military commander has over service personnel.

In addition, from our limited experience in dealing with communities near the Mississippi test facility, we have learned that there is strong resistance against efforts which may be exerted to complement the national policy of civil rights by extending economic benefits. For example, the U.S. Office of Education has advised us that St. Tammany's Parish, La., has refused its fiscal year 1963 entitlements to funds for public school assistance under provisions of Public Laws 815 and 874. These were available by virtue of NASA's impact on the schools in that parish.

We realize that our presence in a community involves us in the economic life of that community. With regard to employment of Negroes and their rights in the community, we will continue to act in a manner consistent with the responsibilities we derive from the President's total program.

The manner in which NASA pursues its commitment to equal opportunity varies, of course, with the character of the situation in each area and the nature of NASA's involvement. For instance, in Huntsville, Ala., where the George C. Marshall Space Flight Center, NASA's largest field installation, is located, we have been able to work actively in behalf of equal opportunity for all. NASA officials have met with officials of such educational institutions as Alabama Agricultural and Mechanical College, Oakwood Junior College, and Tuskegee Institute in order to render expert advice in the preparation of proposals by those schools for NASA grants and research contracts. Advice is being given to Alabama A. & M. College, Oakwood Junior College, and the Huntsville Trade School to assist them in the presentation of requests for surplus Government materials and equipment. NASA officials have enlisted the assistance of the presidents of Alabama A. & M. College and Oakwood Junior College in order to recruit qualified Negroes for employment with NASA. The Marshall Space Flight Center has convened a meeting of representatives from 13 leading Negro colleges and universities of the South to discuss the establishment of a cooperative education program.

As a result of a series of discussions with NASA officials, contractors based in the Huntsville area who support NASA programs have formed the Huntsville Contractors' Equal Employment Opportunity Association. This association has voted to raise $50,000 to finance its activities and proposes to pay up to $15,000 a year for an executive secretary who will be a Negro. The charter of the association provides for equal opportunity in public accommodations, recreation, education, and housing. The association will be open to all Federal contractors in the area. The association contemplates an aid-to-education program which will involve marshaling community support for State assistance, and providing its own assistance for instructors and modern equipment and scholarships. The association will also work with local lending institutions with the objective of assuring equal consideration in home loans. Progress in improving public accommodations has already been achieved with the desegregation of two leading hotels, the Sahara and the King's Inn.

These examples are indicative of NASA's intentions and efforts to assure equal opportunity. At the Mississippi test facility, we are currently engaged in the first phase of construction work, most of which is under the managerial responsibility of the Corps of Engineers of the Department of the Army. Our present impact on the neighboring areas is therefore limited. As we move into more advanced stages of construction and operation, we expect to use our increasing involvement in the economic life of nearby communities in order to carry out the type of programs initiated at Huntsville. Meanwhile, we shall continue to enforce the President's program of equal employment opportunity both within the agency and through our contractors.

There is the additional possibility that NASA's authority in the civil rights area will increase. The administration's omnibus civil rights bill now pending in the Congress (S. 1730, H.R. 7152), if passed in its present form, would both directly and indirectly alter NASA's relationship to a community near a central facility.

While it cannot be predicted what parts of the administration's proposals will become law, we can reasonably presume that some legislation bearing upon the Government's role in the promotion of civil rights will be passed in the near future. We intend to cooperate fully in the program and will continue to promote equal opportunity not only because it is the right thing to do but because we need the broadest possible participation in the space program to assure its success.

Sincerely yours,
PAUL G. DEMBLING,
Director, Office of Legislative Affairs.

Mr. JAVITS. Mr. President, I am particularly pleased that NASA has accepted in substance my suggestion that some indication be made for the benefit of NASA employees as to those public accommodations which are or are not available to all regardless of color. I hope that other civilian departments and agencies will take note of this development, which had its beginning in the Defense Department's longstanding practice of posting off limits establishments for the information of both civilian and military personnel. I commend highly NASA's initiative in creating the Huntsville Contractors' Equal Employment Opportunity Association, a kind of local businessmen's committee which I have long urged as an important element in developing community understanding and acceptance of equal treatment under the Constitution.

On December 5 last year, I inserted in the Record a letter, from the Department of Labor, describing its activities to insure nondiscrimination in the programs under its jurisdiction. Subsequently, on December 17, the Secretary of Labor, W. Willard Wirtz, gave final approval to regulations, which had been first proposed in October, setting standards and compliance procedures to insure equal opportunity in the apprenticeship program, which is in my judgment a key factor in our national manpower problem, especially in skilled employment and in the building and construction trades. I ask unanimous consent that there be printed at this point in the Record an article, from the New York Times, describing the new regulations.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Dec. 18, 1963]

U.S. Outlaws Bias in Apprenticeship—Issues Final Draft of Code for Job Training Plans

(By John D. Pomfret)

Washington, December 17.—The Labor Department issued final rules today outlawing racial discrimination in apprenticeship training programs.

The standards will be published in tomorrow's Federal Register and will go into effect on January 17.

They will apply directly in the 22 States where the Department's Bureau of Apprenticeship and Training registers apprenticeship programs.

Indirectly, they will apply in the 28 States, including New York, that have State apprenticeship agencies recognized by the Federal Government.

Apprenticeship programs that do not comply with the standards will face loss of registration.

Apprentices may not be employed on Government projects at apprentice wages unless they are in registered programs.

It is also possible that the President's Committee on Equal Employment Opportunity may decide to declare employers ineligible for Government contracts if the Labor Department rules their apprenticeship programs are discriminatory.

The Committee's job is to eliminate racial discrimination in employment by Federal agencies and departments, and employers holding Federal contracts. It has not yet issued standards for contractors in the construction industry, however.

The Labor Department rules issued today are the third draft. Like earlier drafts, it is expected to be criticized by some unions and employer associations, particularly in the construction industry.

The final draft does not differ materially in content from the second draft, made public in October, although it is more succinct. The last two drafts were reworded after lengthy consultations with unions and employers to allay fears raised by the first draft that the Government was trying to impose a racial quota system of selection.

Enforcement of the standards is in the hands of the Bureau of Apprenticeship and Training, which is to conduct systematic field reviews of Federally registered apprenticeship programs to make sure they are free of racial discrimination.

The standards also provide a procedure under which any applicant or apprentice who believes he has been discriminated against may file a complaint with the bureau.

A spokesman for the Building and Construction Trades Department of the American Federation of Labor and Congress of Industrial Organizations said the principal union complaint was that the new rules turned the Bureau into a policing agency.

The traditional relationship between the Bureau, the unions and the employers has been one of voluntary cooperation that may now be strained, he said.

Selection may be made on the basis of qualifications alone, in accordance with objective standards that permit review after full and fair opportunity for application.

Equality would be shown by the racial composition of the apprenticeship group, although no specific quotas are set forth. In fact, the rules specifically disclaim any intention of requiring selection on the basis of racial proportion in the total population.

They also require that there be no discrimination in training and employment during the apprenticeship period.

There are about 160,000 apprentices in programs registered with the Bureau or the States with agencies approved by it. They are in about 7,000 group programs and 20,000 single-employer programs.

Apprenticeship programs vary widely in entrance requirements, duration, and other factors. The construction trades usually require beginning apprentices to be between 18 and 25 years old, have a high school education and exhibit a degree of manual dexterity.

Training takes place on the job and in the classroom, and lasts usually from 2 to 5 years.

Apprentices are paid a percentage of the journeyman's wage, customarily beginning at half and raising every 6 months in steps to about 90 percent in the final months.

Mr. JAVITS. Mr. President, subsequent to the approval of these regulations but apparently too soon thereafter to take them into consideration, the U.S. Commission on Civil Rights published a series of reports on apprenticeship by the advisory committees to the Commission in nine States. These reports are, in my judgment, of considerable importance to this rapidly developing problem, and I ask unanimous consent that the recommendations of each of the advisory committees be printed at this point in the Record.

There being no objection, the recommendations were ordered to be printed in the Record, as follows:

The Apprenticeship Program in California

RECOMMENDATIONS FOR NEXT STEPS

Thus progress, slow but discernible, is recorded. However, the California experience has revealed certain central weaknesses which must be overcome:

1. An increase in the budget for the DAS must be provided in order to fill major gaps in the staff.

2. Additional provision must be made to disseminate facts, if young people of minority groups are not to be discouraged at the outset by unfounded charges of discrimination.

3. Apprenticeship openings do not exist in sufficient number for anyone at the present time. According to figures published in the Congressional Record, only 161,128 apprentices were registered in the entire country in 1961. Of these, nearly 21,000, or one-eighth of the total, were found in California which has the largest State program. However, the number of graduates each year is only about 40,000, a figure which must be measured against the 230,000 which the Assistant Secretary of Labor has stated we will need each year. California indentures only 8,000 to 10,000 new apprentices annually—of which some will drop out—for a population which in 1963 alone finds about 250,000 individuals reaching the age of 18. In short, apprenticeship opportunities are not numerous enough at present to provide the way to a better standard of living for many persons of any race. This is not because there is no need for such skills. In fact, some employers who provide substantial numbers of apprenticeship openings complain bitterly that once the men are trained other employers pirate them.

4. If the apprenticeship approach is as important to our national economy and defense as many public officials have indicated, it would seem clear that the Federal Government has a distinct responsibility to provide more openings in the sphere of its direct influence; namely, with Government contractors.

5. Although the practice of writing antidiscrimination clauses into apprenticeship agreements has value in establishing a basic moral tenet, it may not, in itself, serve to bring increasing numbers of minority young people into apprenticeships. Therefore, the staff of the DAS is making assiduous efforts to implement the Federal directive by which noncompliance would deprive an apprenticeship program of the right to be registered with the U.S. Department of Labor. Its work toward this end is showing quiet but steady progress.

THE CRUCIAL TEST

The California program is not based on sanctions except those of the strong FEP law. It rests, rather, on a combination of affirmative leadership by the Government through the DAS, the initiative and commitment of the State's top labor officials, the cooperation of some employers, and the devoted efforts of leaders in civil rights and minority group organizations.

In many respects, California is a testing ground. If this program works, it will prove that such a program can be carried on within the present framework of voluntarism. If it does not work, it will prove that Government sanctions are necessary.

Discrimination in Vocational Education and Apprenticeship Training in Connecticut

It seems to us that the agents of the Federal Bureau of Apprenticeship and Training in Connecticut should be directed by the Secretary of Labor to report monthly to the Secretary of Labor, to the U.S. Commission on Civil Rights, and to the President's Commission on Equal Employment Opportunity on the number of Negroes participating in all apprenticeship programs assisted by the Bureau. They should likewise be required to compile, publish, and make available to all interested persons directories of the names and addresses of all employers participating in apprenticeship programs and the names and addresses of the officers of all local joint apprenticeship committees. An order of this kind would be appropriate not only because representatives of the Bureau are Federal employees but also because the Fitzgerald Act, which established the Bureau, made the collection and distribution of information about apprenticeships one of the functions of the Bureau.

In the related areas of vocational education it seems to us that the U.S. Department of Health, Education, and Welfare could exert much useful pressure to break down the veil of secrecy that surrounds the whole area by strengthening all existing regulations, and developing and making information about apprenticeship more readily available to the public. The Department might require regular reports concerning the number of Negro students participating in the various programs subsidized by the Federal Government.

A common criticism of the whole program is that it tends to be out of touch with actual conditions in the labor market. An appropriate interest of the Department of Health, Education, and Welfare might well be the development and publication of specific up-to-date information concerning the employment opportunities and practices. The Department might also properly cooperate with the Federal Bureau of Apprenticeship and Training in the publication of directories of employers and local joint committees participating in apprenticeship programs.

In view of Federal grants in aid of vocational education, it seems to us that the Department of Health, Education, and Welfare might use its substantial influence to utilize the system of local vocational guidance officers as a means of improving the employment opportunities of Negro students. In communities having a Negro population sufficiently large to justify such action, the Department of Health, Education, and Welfare might foster the formation of local advisory committees to consult with guidance officers. These committees should be biracial in composition, and consist of parents, employers, and representatives of organized and unorganized labor. We recommend that the guidance officers be made the executives of these committees. It should be the function of the committees to collect information about the job requirements, employment needs, and practices of employers in the community, to compile lists of employers maintaining apprenticeship programs, make up directories of local apprenticeship committees and to find the means to inform Negro students and their parents of employment opportunities and opportunities for training.

It is to be hoped that the committees might be incorporated fully into the operations of the vocational education programs that they might be consulted in planning the work of the schools and be invited to organize meetings of teachers, parents, employers, and union members for the discussion of ways and means of eliminating bad practices in vocational education and apprenticeship training and that they be called on to report regularly to the State department of education and the U.S. Department of Health, Education, and Welfare.

We recommend also that all publications and all folders and leaflets and letterheads used by Federal, State, and local authorities having to do with apprenticeship training and vocational education include a statement to the effect that these are equal opportunity programs. Where the literature is already printed, the public agencies issuing it should be required to mark them conspicuously with a rubber stamp declaring that "This is an equal opportunity program."

District of Columbia

CONCLUSIONS

Apprenticeship programs for the skilled building trades remain resistant to accepting the principle of equal employment opportunity. The report from the District of Columbia Commissioners' Council on Human Relations that 11.7 percent of the apprentices currently registered are Negroes shows an encouraging improvement in recent months. But when the programs of the joint apprenticeship committees in the building trades are considered by themselves, the percentage of 5.5 for Negro participation seems alarmingly meager in a community that is more than 55 percent nonwhite. In some of these trades there continues to be no progress at all or none beyond mere tokenism.

The history of past discriminatory employment practices in the apprenticeable trades, as well as the continuation of such practices in many places, have discouraged Negro youth from applying for and seeking to participate in the programs. The creation of the apprenticeship information center by the Department of Labor marked the first serious attempt to correct this situation. It represents a conscious effort to reach young people from minority-group backgrounds who have previously been excluded from these fields because they lacked close contact with persons already in the crafts.

The District of Columbia Advisory Committee concluded its report on employment in Washington with a series of 13 recommendations for changes in law and official policy concerning equality of opportunity in all fields of employment. Of these, the recommendations to enact fair employment practices legislation as both District and national law were considered basic. With the same sense of urgency, the committee reaffirms its support of these reforms and its conviction that apprenticeship training must be opened by law fortified by community good will.

Apprenticeship Training Programs in Florida

Discrimination against Negroes in Florida's apprenticeship training programs is not overt. The Florida Apprenticeship Agreement does not have a race clause, which would act to preclude Negroes from applying for membership in any of the joint committees. Huffstetler reported to the subcommittee that, while he personally had heard accusations of discrimination, he later found them to be baseless, or based on matters other than race, creed, or ethnic background Individual representatives of the different trades asserted, moreover, that the reason there were no Negroes in the area's training programs was that none had ever applied for membership, adding that "if qualified, Negro applicants would be accepted and trained." Inadequate preparation and depression in some of the industries were cited by the witnesses as additional explanations of why there are no Negro apprentices in Dade County.

Further questioning of these same witnesses, however, led the subcommittee to suspect conditions of racial inequity in the State's apprenticeship program. There seemed to be an unspoken understanding among those interviewed by the subcommittee that Negroes were not expected to apply for the respective training programs, and would not be included if they sought membership.

The Dade County Board of Public Instruction teaches the apprentices, who are sent to it for instruction related to their trade by the joint apprenticeship committees. Since there are no Negroes presently receiving instruction from the board, the conclusion must be drawn that this is so because none are being sent by the joint committees. Assistant Superintendent Lowell B. Selby, a member of the board, said that if a Negro applied to participate in the board's program, he would not be included in the present joint apprenticeship committee classes. Selby added, however, that he would be perfectly willing to set up a class for such applicants if a sufficient number of students, 15 to be exact, applied—the implication being that these Negro students would be taught in segregated classes.

Belonging to a trade union gives a worker not only a guaranteed wage level but also a sense of identification with a standard of proficiency. Evident discrimination in Florida's trade unions deprives Negroes of these benefits. Further, since apprenticeship training programs are sponsored by unions, it is not unreasonable to assume that the policies that prevail in these programs reflect race consciousness on the part of the unions involved.

Apprenticeship Program in Maryland

1. A nondiscrimination clause should be required in the contracts awarded by every subdivision and incorporated municipality in the State. It would seem practical that a uniform clause be adopted throughout the State (which would also supersede the provisions of the State and Baltimore City) so that the provisions, penalties, sanctions, and enforcement features will be identical.

2. Enforcement of the nondiscriminatory clauses and pledges must be aggressively and affirmatively conducted at every echelon of government where they are applicable and at every level of the business, labor, and industrial community where they are enunciated.

At the national level, the President's Committee on Equal Employment Opportunity should delegate enforcement of clauses prohibiting discrimination in apprenticeship to the State offices of the Bureau of Apprenticeship and Training of the Department of Labor.

At the State level, the Maryland Commission on Interracial Problems and Relations should be assigned the task of enforcement and funds should be made available to staff this operation.

At the city of Baltimore level, the enforcing assignment should go to the Equal Opportunity Commission and funds also should be allocated to provide for a staff to carry out this function.

The scope of responsibility of the enforcing agencies must extend to the general contractors, the subcontractors, and to the unions when they are involved.

Extensive records on hiring, promotions, upgrading, and layoffs must be maintained by the hiring companies, and such records must be available to the governmental enforcing authorities. For unions engaged in work on Government-sponsored jobs, records must be maintained on applicants for journeymen and apprentice assignments, on hiring hall practices, and on assignment to jobs and to apprenticeship programs. All such records, insofar as they pertain to union involvement, also must be made available to the governmental enforcing authorities.

3. All apprenticeship training programs undertaken by any contractor, company, association, organization, business, industry, or union or group of unions engaging in interstate commerce or affected by a public interest should be registered with the Bureau of Apprenticeship and Training.

4. The Bureau of Apprenticeship and Training and other appropriate State and Federal agencies should institute aggressive programs encouraging all employers, whether dealing with apprenticeable trades or not, to establish training programs for various job categories and to encourage the use of such programs to train employees for various job classifications on a nondiscriminatory basis. The staff of BAT should be increased to permit adequate conduct of these activities.

In all such apprenticeship and training programs, BAT should establish objective criteria for admission; establish the ratio of apprentices to journeymen; receive the list of applicants and the subsequent list of accepted apprentices; certify the candidates accepted as qualified; review the list of disqualified candidates and determine whether, under the criteria established, such determination was proper; take affirmative steps to interest, counsel, and recruit Negroes into the apprenticeship and training programs under its jurisdiction; and maintain supervisory checks on the progress, status and, when it occurs, the dismissal of all trainees in such programs.

In the event BAT determines discrimination or prejudice to have been a factor in any negative action taken, BAT shall recommend the imposition of penalties and sanctions as prescribed by the President's Committee.

5. An apprenticeship and training information center should be established in the Maryland State Employment Service headquarters in Baltimore and subcenters should be established in the various regional offices of the MSES in other geographic areas of the State.

The center should maintain a complete dossier on all apprenticeship programs in the State including information on where they are located, how they are run and by whom, the number in each class, the scheduled opening of new classes, and the availability of openings and vacancies in the programs.

The center should be operated by staff personnel of the MSES and an advisory board should be created to give policy direction, counsel, and advice in the operation of the center. Membership of the advisory board should be made up of one representative each from the Bureau of Apprenticeship and Training, organized labor, and management, and one public representative each from Baltimore City, Baltimore County, Anne Arundel County, Prince Georges County, Montgomery County, the Eastern Shore, southern Maryland, and western Maryland.

The staff of the center should work closely with guidance counselors and vocational education departments throughout the State, and insure that the training provided at the secondary school level is attuned to the contemporary and future demands of the industrial community.

The center should coordinate its activities closely with the plans and programs of organized labor and management in the apprenticeship and training fields and take affirmative steps to encourage Negro youths to prepare for skilled work. It should also assume leadership in recruiting trainees from among nonwhite students into established apprenticeship and training programs.

6. The Maryland State Department of Education, through its division of vocational education, should immediately undertake a study to:

(a) Determine whether the training received in the vocational schools and other training classes is of a caliber high enough to meet the standards imposed by craft and trade unions and by employers generally.

(b) Determine whether the training given is of the nature and kind sufficient to meet the demands of an industrial community geared to a technology requiring special skills.

(c) Determine how the vocational curriculum should be revamped to meet the needs of a modern and fast-moving technical society.

(d) Determine whether the counseling and followup procedures given particularly to students from the minority community are sufficiently enlightened and intensive to insure that the potential of the minority youth is realized and opportunities for them are obtained and achieved.

7. The Maryland State Department of Education, and the departments of education in every subdivision of the State, should issue a policy directive barring the use of any school facility to any group conducting apprentice training on a segregated basis.

Apprenticeship Training in New Jersey

1. In concert with the regional director of the Bureau of Apprenticeship and Training of the U.S. Department of Labor and the director of apprenticeship and training in the New Jersey Department of Education, the Department of Labor and Industry of New Jersey should set up State apprentice training information centers in several of the largest cities of New Jersey. These centers would make available information on occupations which use apprentice systems; on industries and unions which have apprenticeship programs; on the procedures necessary to file applications for apprentice training; and on the qualifications for admission to the various programs. Following the experience of New York City, which has set up an information clearinghouse, the apprentice training information centers would not concern themselves with job placement.

2. A Joint Committee on Apprenticeship composed of representatives of labor unions, management, the Puerto Rican Department of Labor, the Manufacturers Association, the Urban League, the NAACP, the National Conference of Christians and Jews, and other religious and civic groups should be established by the Governor. In addition to these groups, the Committee should also include representatives of the New Jersey State Department of Labor and Industry, the chief of the Vocational Division of the Bureau of Apprenticeship Training of the New Jersey State Department of Education, and the State director of guidance counseling. Such a committee, now called the Statewide Committee on Equal Opportunity in Apprenticeship and Training for Minority Groups has been set up in California and has proved most useful.

3. In the expenditure of public funds, efforts should be made by Federal, State, and other government bodies to encourage apprenticeship programs, making sure that apprenticeship opportunities are open equally to all.

4. A plan for enforcement of existing legislation against discrimination should be developed by the State committee on equal opportunity in apprenticeship and training, providing for a reasonable number of nonwhites and Puerto Ricans in each program or trade. The number that should be considered reasonable should be determined by the Director of the Division on Civil Rights, in light of the proportion of these groups in the population, the nature of the work, and other similar considerations. No apprentice should be registered in any trade or program in which a reasonable number of nonwhites and Puerto Ricans is not enrolled without proof of efforts to obtain such apprentices by the contracting agency for apprentices. Proof of such efforts should be submitted to the Director of the Division on Civil Rights for approval, and certified by him as satisfactory to the State department of education. State and Federal directors of apprentice training should be responsible for compliance. In the absence of evidence of compliance, the responsible officers should be subject to dismissal. The decision of the Director as to a reasonable number should be final if supported by substantial evidence.

New York

The New York State Advisory Committee recommends to the U.S. Commission on Civil Rights that steps be taken to bring about the following changes in present practices:

1. (a) That the Federal Bureau of Apprenticeship and Training be authorized and empowered to require that all apprenticeship programs in the construction industry be registered by the Bureau; that it establish, in consultation with representatives of unions and management, objective criteria for admission to apprenticeship programs; that it determine the number of available apprenticeship openings in each program, giving consideration to the skilled manpower needs of the Nation as well as to those of the industry and the immediate locality; and that it establish a meaningful and effective evaluation system for each of the trades;

(b) That the Federal Bureau of Apprenticeship and Training be authorized and empowered to require that all notices of acceptance and rejection to apprenticeship programs be filed with the Bureau, and that acceptances and rejections be accounted for in terms of the established objective criteria of admission;

(c) That the Federal Bureau of Apprenticeship and Training be authorized and empowered to conduct systematic apprenticeship recruiting programs, in part by means of uniform vocational guidance procedures in public schools, and to investigate, on its own initiative, apprentice training programs which are, or are believed to be, engaged in discriminatory practices.

2. (a) That departments, agencies, offices, and bureaus of the Federal Government be required to withhold all financial support from apprenticeship programs which fail to admit qualified Negro applicants, or fail to comply with the requirements of the Bureau of Apprenticeship and Training described above;

(b) That departments, agencies, offices, and bureaus of the Federal Government be required to withhold all financial assistance from any contractor and from any building project employing the labor of any union, or local thereof, which cannot give satisfactory proof that it does not follow discriminatory practices.

3. In the event that the foregoing procedures are found to be ineffective, we recommend that Congress enact legislation declaring that admission to apprenticeship in the construction trades is a matter affecting interstate commerce and that such admission be vested in a suitable agency empowered to adopt and enforce procedures analogous to those employed by the Civil Service Commission.

Negro Participation in Apprenticeship Training Programs in Tennessee

SUMMARY

In summary, Negroes in Tennessee are grossly underrepresented in apprenticeship training programs. Several factors account for this:

1. Racial exclusion by craft unions;
2. Racial discrimination in hiring and other employment practices by business and industry;
3. Limitation of access to apprenticeship training generally to all-Negro unions or mixed unions (this confines Negro apprentices primarily to masonry, roofing, and carpentry and keeps them from more skilled occupations—see table II);
4. Lack of information concerning employment opportunities in the skilled trades;
5. Inadequate guidance and counseling at home and in school;
6. Limited opportunities in the public school system—Memphis alone has apprenticeship courses or related instruction available to Negroes;
7. Failure of informal training outside apprenticeship programs to develop skills to meet present-day standards.

Opportunities in Apprenticeship in Wisconsin

Equality of opportunity in apprenticeship training has not been achieved mainly because there has not been a community awareness of the problems to be overcome.

Faced with an almost total exclusion of Negroes from training for the skilled trades, we, as citizens, must do more than speculate about the causes and remedies.

The most constructive approach to achievement of equal opportunity in apprenticeship is to increase the role of the public in the programs, without regard to the racial implications. Although the actual selection of apprentices is performed by a joint apprenticeship committee consisting of labor and management, the hiring is technically in the hands of the employer. But it is the union's assessment of its needs for trainees which appears to guide the joint committee, and it is the will of the union as expressed in the apprenticeship provisions of the contract that determines the hiring of apprentices by the employer. Employers, especially in the construction industry, claim that they have never attempted to influence the decision to bring trainees into a craft. Even though Government agencies are charged with assessment of the needs of the labor market and the appropriate "promotion of apprenticeship," they play a passive role. Even on the public works contracts of State and local governments, and on manufacturing and construction jobs for the Federal Government, there is no governmental mechanism for expanding training opportunities to meet the demands of the labor market for more craftsmen as such needs arise.

The apprenticeship system must be reformed to allow for an increased public role in the selection process. The public should be represented on the joint apprenticeship committees for the trades. The Wisconsin Industrial Commission and the Federal Bureau of Apprenticeship and Training should exert influence on the contracting officers for public works and Federal contracts to stimulate apprenticeship programs. The influence of the public on the apprenticeship program would not only serve our economic needs for the training of skilled manpower, but would provide a framework for dealing with the problems of racial discrimination.

The vocational education program must be expanded to meet the demand for trained high school graduates prepared for entry into the trades. The school system has failed to provide adequate facilities for trade training. Counseling and guidance programs for high schools and the lower grades must be expanded.

To solve the problem of inclusion of Negroes in the crafts, there must be increased communication between the trades and the minority community. Labor and management could develop a program to disseminate information about apprenticeship to minority group youth, perhaps by means of apprenticeship information centers such as have been created in other areas. In addition, the State and Federal apprenticeship agencies, operating under current law, should initiate and effectuate meaningful programs to promote apprenticeship among minority youth.

There is a bright future for skilled workers in Wisconsin, and our Negro citizens must make every effort to share in it. Citizen groups concerned with civil rights should devote more forceful efforts to remove barriers which now keep Negro youth out of the skilled labor force. The result of increased efforts would benefit not only the nonwhites but in addition the economic and spiritual well-being of the entire State.

Mr. JAVITS. I am asking the Department of Labor to comment on these recommendations in the light of the new regulations and will bring these to the attention of my colleagues when the Department has replied.

Finally, last year the Small Business Administration issued regulations requiring the inclusion of employment nondiscrimination provisions in construction contracts where loans made by the SBA are used for construction. I sought to determine why the agency had limited its regulations to construction loans, especially in view of the apparent acceptance, by all but one of the other departments and agencies, of a constitutional power, if not mandate, to withhold funds from all the programs under their jurisdiction in which discrimination is practiced.

The ultimate position of the SBA on this question is negative and based upon grounds which are not meritorious in the face of the action taken by the other agencies. I ask unanimous consent that there be printed at this point in the RECORD the correspondence which I have had with the SBA on this issue.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

SMALL BUSINESS ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR,
Washington, D.C, January 6, 1964.
Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: This is in response to your further inquiry of October 1, 1963. You inquired whether the Small Business Administration considered that it has the power to withhold Federal funds from activities which are racially discriminatory or segregated.

You have also inquired whether, if SBA possesses such power, that power is derived from the U.S. Constitution or from legislative authority.

In my view, the Supreme Court has not yet determined constitutional questions which would arise in the administration by Federal agencies of SBA-type programs.

I believe, however, that the SBA has the power to withhold Federal funds from its program participants who discriminate in the course of their business activities. Section 5(b)(7) of the Small Business Act invests the Administrator with broad discretion to take any actions determined by him to be necessary or desirable in providing assistance to small business. This discretionary power is subject, of course, to the limitation that he may not act arbitrarily or capriciously, nor may his power be used in any manner which frustrates the purposes of the act.

This agency is conducting continuing research and investigation, the objects of which are to determine how best to solve the difficult administrative problems which broad exercise of the power entails. Title VI of the civil rights bill now before the House would clarify many of the issues involved and would explicitly state the will of Congress on this issue. I believe it desirable that Congress have the opportunity to express its views before we proceed.

You will appreciate, I am sure, that the entire subject of discrimination and the role of the Federal Government in connection therewith presents many complex problems, both legal and social, none of which are amenable to easy solutions. It is my belief that this agency should move rapidly, but not precipitously, to the end that equal rights and opportunities may be secured to all our people.

EUGENE P. FOLEY,
Administrator.

OCTOBER 1, 1963.

Hon. EUGENE P. FOLEY,
Administrator, Small Business Administration, Washington, D.C.

DEAR MR. FOLEY: I appreciate your replying to my letter of August 26 about the regulations recently issued by the Small Business Administration pursuant to Executive Order 11114.

I am pleased to know of the enforcement techniques which SBA will institute. However, I am still concerned as to why the regulations were limited to employment by construction contractors. I understand that the Executive order itself was limited to employment by construction contractors, but this does not in my view answer the question. A number of Federal departments and agencies have replied to my inquiries that they have the power to withhold Federal funds from activities which are racially discriminatory or segregated, without the enactment of further legislation. In most of these cases no Executive order existed.

I would appreciate your further advice as to whether the SBA considers that it has similar power, derived from the Constitution, or whether it considers that further legislation is necessary for this purpose.

With best wishes.
Sincerely,
JACOB K. JAVITS,
U.S. Senate.

SMALL BUSINESS ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR,
Washington, D.C., September 13, 1963.
Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: I have your letter of August 26, 1963, inquiring as to what machinery has been established to investigate compliance with the regulations recently issued by the Small Business Administration, pursuant to Executive Order 11114, requiring the inclusion in construction contracts, financed by loans from this agency, of clauses prohibiting discrimination in the hiring of workers. You also ask why this requirement is limited to employees in the construction industry.

The President's Committee on Equal Employment Opportunity has directed by regulation that each agency affected by Executive Order 11114 appoint a contracts compliance officer, and such deputy contracts compliance officers as appropriate to assist him in the performance of his duties. These appointments are being made.

The Small Business Administration through its regional offices will conduct routine compliance reviews and investigations of all construction contracts involving use of SBA funds. Each applicant and prime contractor will be required to file regular compliance reports. In addition, special compliance reviews may be conducted from time to time, in accordance with the Executive order, by the executive vice chairman of the President's Committee or by SBA.

In conformity with the scope of the Executive order we have limited the nondiscrimination requirement to employers in the construction industry. We look forward to the enactment of legislation along the lines of title VI of S. 1731, the bill embodying the President's civil rights program, under which the Government could conduct a concentrated drive, extending to SBA and all of its other credit agencies, to combat discriminatory practices by any recipient of Federal funds.

I trust that you will find the foregoing information useful.

With kind regards, I am,
Sincerely,
EUGENE P. FOLEY,
Administrator.

Mr. JAVITS. Mr. President, once again, as I did in December, I call upon the President, who has underscored repeatedly his interest in the civil rights bill being considered in the House of Representatives, to show a like interest in the antidiscrimination activities of the Federal Establishment itself. I call upon him to state the Executive policy on this question of the use of Federal funds and once and for all to eliminate the conflict with other agencies' policy which is presented by the Department of Health, Education, and Welfare and the Small Business Administration.

PROPOSED AMENDMENT OF RULE XXV OF STANDING RULES RELATING TO COMMITTEE MEETINGS DURING SESSIONS OF THE SENATE

The Senate resumed the consideration of the resolution (S. Res. 111) amending rule XXV of the Standing Rules of the Senate relative to meetings of committees while the Senate is in session.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania will state it.

Mr. CLARK. First, I wish to make a brief preliminary comment: I have been informally advised by the Parliamentarian that the pending amendment reads as follows:

> No standing committee shall sit without special leave while the Senate is in session during any time when debate is controlled by a rule of germaneness.

I believe that if the Acting President pro tempore and the Parliamentarian will refer to the Congressional Record for the day before yesterday and to my speech on that occasion—I made it shortly before the adjournment on that day—they will find that the amendment to which I have just referred is not the amendment now pending, but that, instead, the amendment now pending is as follows:

Strike out the quotation marks after the word "earlier", in line 7 of Senate Resolution 111, and insert in lieu thereof:

> A motion for leave for a standing committee to sit while the Senate is in session shall be a privileged motion, and shall not be debatable.

My parliamentary inquiry is as follows: Am I correct?

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is correct.

Mr. CLARK. I thank the Chair.

Mr. President, I should like to suggest the absence of a quorum.

Mr. CHURCH. Mr. President, I ask unanimous consent that there may now be a quorum call, and that the time required for it not be charged to the time available, under the unanimous-consent agreement, to either side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CLARK. Then, Mr. President, I suggest the absence of a quorum.

Mr. DIRKSEN. Mr. President, I ask that the attachés take note of the fact that I shall insist that this be a live quorum.

The ACTING PRESIDENT pro tempore. The absence of a quorum has been suggested, and the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

[No. 7 Leg.]

Aiken
Anderson
Bartlett
Bayh
Beall
Bennett
Bible
Boggs
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Case
Church
Clark
Cooper
Cotton
Dirksen
Dodd
Douglas
Eastland
Ellender
Ervin
Fong
Fulbright
Goldwater
Gore
Hart
Hayden
Hickenlooper
Hill
Hruska
Humphrey
Inouye
Jackson
Javits
Johnston
Jordan, N.C.
Jordan, Idaho
Keating
Kennedy
Kuchel
Long, Mo.
Long, La.
Magnuson
McClellan
McGee
McGovern
McIntyre
McNamara
Mechem
Metcalf
Monroney
Morse
Moss
Mundt
Muskie
Nelson
Neuberger
Pell
Prouty
Proxmire
Randolph
Ribicoff
Robertson
Russell
Saltonstall
Scott
Simpson
Smathers
Smith
Sparkman
Symington
Talmadge
Thurmond
Tower
Walters
Williams, N.J.
Williams, Del.
Yarborough
Young, Ohio

Mr. HUMPHREY. I announce that the Senator from Maryland [Mr. Brewster], the Senator from Oklahoma [Mr. Edmondson], the Senator from Alaska [Mr. Gruening], the Senator from Indiana [Mr. Hartke], the Senator from Florida [Mr. Holland], the Senator from Ohio [Mr. Lausche], the Senator from Montana [Mr. Mansfield], the Senator from Minnesota [Mr. McCarthy], the Senator from Rhode Island [Mr. Pastore], and the Senator from Mississippi [Mr. Stennis] are absent on official business.

I also announce that the Senator from California [Mr. Engle] is absent because of illness.

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. Allott], the Senators from Kansas [Mr. Carlson and Mr. Pearson], the Senator from Nebraska [Mr. Curtis], the Senator from Iowa [Mr. Miller], the Senator from Kentucky [Mr. Morton], and the Senator from North Dakota [Mr. Young] are necessarily absent.

The Senator from Colorado [Mr. Dominick] is absent because of death in the family.

The ACTING PRESIDENT pro tempore. A quorum is present.

The clerk will read the amendment offered by the Senator from Pennsylvania.

The legislative clerk read the amendment (No. 388), as follows:

> Strike out the quotation marks after the word "earlier" on line 7 and insert the following:
>
> "A motion for leave for a standing committee to sit while the Senate is in session shall be a privileged motion and shall not be debatable."

Mr. HUMPHREY. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield, for not more than 1 minute.

Mr. HUMPHREY. Does the Senator contemplate having a vote on his amendment in the next 30 minutes?

Mr. CLARK. I do. I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I hope Senators will remain in the Chamber. I ask the aids to start notifying other Senators that there will be a yea-and-nay vote and that it will be no later than 10 minutes after 11. They should be on notice, so they can be present.

Mr. CLARK. Mr. President, I yield 5 minutes to the Senator from Oklahoma.

Mr. MONRONEY. Mr. President, I support the Church resolution. I was a cosponsor. I also favor the Clark amendment. At the beginning of the session last year the leadership appointed an ad hoc committee. I had the honor to head that ad hoc committee. The function of the committee was to find ways and means to speed up the activities of the Senate and to try to devise amendments for the purpose of amending the rules in order to expedite the business of the Senate.

The rule of germaneness, which the Senator from Rhode Island [Mr. Pastore] offered and which was adopted by the Senate last week, and the Church resolution, which is before the Senate today, as well as the Clark amendment to the Church resolution, all point in that direction.

Without some means being found to speed up the business of the Senate, we cannot hope to move the vast workloads which seem to increase every year. We cannot move the workloads on the floor of the Senate unless the workloads in the committees are moved.

We all agree that it was the backup of work in committees which delayed consideration of much of the important legislation—appropriation bills and other items—before the Senate last year.

The Church resolution provides that committees could meet during the morning hour of the session of the Senate. The Clark amendment would allow the Senate to give permission to committees to sit while the Senate is in session, by providing that a motion for that purpose would be a privileged motion and would be voted on without debate.

I feel that both of these proposals are in the true spirit of the Reorganization Act. When that act was passed, we provided that committees could not meet without the consent of the Senate.

I believe every Member who served on the committee and who voted for that provision in committee, and every Senator who voted on it in the Senate, knew he was voting to give that decision-making power to the Senate, not giving the right to one Senator to object to a unanimous consent request for a committee to meet, and in that way tie up every committee in the Senate at a time when the Senate is going through a period of extended discussion or long term debate, especially at a time when the Senate is considering major legislation.

It was always intended that a majority of the Senate could grant the right of committees to sit during a session of the Senate.

If we flash back to the situation which existed at that time, before the rules change was made, it will be recalled that some committees regularly met in the morning and other committees met regularly in the afternoon. Consequently there was no time that the Senate could expect to have very many of its Members on the floor.

Let it be said to the everlasting credit of Senator Taft that it was he who proposed a way of expediting the work of the Senate, by setting aside 2 days a week on which committees could meet and dispose of the work of the committees, by devoting their full time to the work of the committees, and being free to attend the sessions of the Senate on the other days.

That procedure was tried out for about 6 months. It was found not to work, because Senators would learn of the days to be set aside for committee hearings and often would return to their home States to attend to important business there, or to make speeches scheduled for those days. Consequently, committees often would find that they could not develop a quorum to transact important business which had been scheduled to be transacted in committees on the days set aside for that purpose.

The Church resolution is a very good proposal. It could expedite the business of the Senate. However, it would allow standing committees of the Senate to meet only until the conclusion of the morning hour. It is true that when the Senate meets at noon, the morning hour is supposed to be concluded at 2 o'clock, if Senators are present to make their remarks during the morning hour. As Senators have observed, however, we run out of speakers, because we are limited to 2 or 3 minutes. Consequently, the morning hour is over in a shorter period of time. This gives us very little additional time to use for the consideration of committee business, particularly at peak periods of Senate work, which occur usually in the early days of the session, when it is important to report measures from the committees.

The Church resolution does not conflict with the Clark amendment, or vice versa, because on many occasions committees will not need to ask for more time than is available to them during the morning hour.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CLARK. I yield 1 more minute to the Senator from Oklahoma.

Mr. MONRONEY. The Clark amendment would be particularly important in situations in which unanimous consent requests for committees to meet were objected to. It would make it possible for a committee to sit during the consideration of a matter before the Senate, by providing for a majority vote on a motion to permit the committee to sit, which motion would not be subject to debate.

This is strictly in line with the purpose of the original act, to restrict but not to prohibit meetings of committees in the consideration of important business.

I believe that by adopting this rule now, along with other steps that have already been taken, we shall find that we will greatly expedite the transaction of the business of the Senate.

I believe the Clark amendment should be adopted; and I feel that the Church resolution must be adopted. Both of these valuable amendments should come into being to help us move our heavy workload.

Mr. CHURCH. Mr. President, I yield 5 minutes to the distinguished minority leader.

Mr. DIRKSEN. Mr. President, I am opposed to the amendment. It seems strange to me that a proposal of this kind should enjoy the privilege of the Senate. I can make it clear by any number of cases. A Senator might make a motion for leave for a committee to sit, and under the nondebatable rule and the privileged rule, the motion would not be debatable. The Senator could make a naked motion, unsupported, and without any reason assigned for making the motion. That is so because it is not possible to assign a reason without venturing into the domain of debate.

Suppose a matter of importance is pending in the Senate, in which the distinguished Senator from Oregon [Mr. MORSE] is interested. Suppose an effort is made to bring about a meeting of the Foreign Relations Committee, of which he is indeed a diligent member. He wants to be on the floor. Someone else wants to summon him to the committee. He does not have an opportunity to discuss or argue the merits of the motion.

How far have we gone down this road? Have we lost the whole attribute and quality of deliberation?

I see the distinguished Senator from Vermont [Mr. AIKEN], a distinguished member of the Committee on Agriculture and Forestry. There may be something of transcendent interest on the floor in which he is interested. However, a Senator on either side may stand in his place and move that the Committee on Agriculture and Forestry be permitted to meet. The Senator from Vermont cannot be here and in committee at the same time. However, such a motion closes his mouth. He can utter nothing. The motion would be nondebatable when it was made.

What a singular procedure to fasten upon the Senate.

I am against it. I am against the Clark amendment, and I am against the Church resolution also. I am not going to make the mistake that the Senate made last week, when it adopted the germaneness rule. I believe that before too long I shall prove to the satisfaction of the Senate that it made a colossal blunder.

We are chipping away at the rulebook a little at a time. Given time, virtually all freedom of action and freedom of debate will be cut off, and the Senate will be ordered, under the rules as interpreted by the Chair on the advice of the Parliamentarian, as to what it must do.

I have not reached the point where I will forfeit my rights under the rules; second, I shall not cast into the discard the fruit of experience and the benefit of long years of evolution under which the rules have developed.

It is said that this is all in the interest of expedition. As I said before, there can be such a thing as too much expedition. When that happens, the Nation can rush headlong into difficulty, before it gets through, whenever challenges both at home and abroad may arise to beset us.

The proposal to make nondebatable a motion for a committee to sit, so that our mouths will be sealed and we cannot utter a defense, and with no reason to be assigned why it is desired to have the committee meet, is going pretty far.

Mr. MORSE. Mr. President, will the Senator who is in control of the time in opposition to the amendment yield me 2 minutes?

The ACTING PRESIDENT pro tempore. Does the Senator from Idaho desire to yield time?

Mr. MORSE. I desire 2 minutes to speak in opposition to the amendment.

Mr. CHURCH. I am happy to yield 2 minutes to the senior Senator from Oregon.

Mr. MORSE. I shall oppose the amendment, not because I do not favor reform of the rules of the Senate, but because I do not believe the amendments would accomplish what the reformers seek to do. If it is desired to strengthen the filibuster in the Senate, the proposed rule should be adopted. When a filibuster starts in the Senate, the other business of the Senate should stop if it is desired to break the filibuster.

What is really advocated is a rule that will permit the Senate to continue to function, committeewise; that there may be committee meetings by majority vote of the Senate, which would enable filibusters to continue on the floor of the Senate. All that would happen under that kind of authorization would be to guarantee a much longer filibuster than would otherwise be the case.

If it is desired to break filibusters in the Senate, the Senate should not adopt the kind of rule that is proposed. To adopt such a rule would encourage the continuance of filibusters on the floor of the Senate while committees met.

Focus the attention of public opinion on the Senate. Stop the Senate from functioning in its committee operations. Focus attention on the floor of the Senate. Then it will be possible to break filibusters.

Although the motivations for the proposed rule are sound, the result, in my judgment, would be to defeat the very purpose we have in mind. If a filibuster is to continue while committees meet, eventually it will be necessary to have Senators return to the Chamber to break the filibuster.

I voted against the Pastore resolution last Thursday. I said then that it was a sham, and I repeat today that it is a sham and a superficiality. If we want to deal with the filibuster in the Senate, let us rally around a reform of rule XXII. Until we agree to a revision of rule XXII, all the other reforms we are talking about do not, in my judgment, amount to a tinker's dam. We ought to come to grips with rule XXII.

I shall vote against the amendment of the Senator from Pennsylvania because, in my judgment, it would entrench deeper the power of the filibusterers in the Senate.

Mr. CLARK. Mr. President, I know that the Senator from South Dakota wishes to speak. Will the Senator from Idaho yield time to him?

Mr. CHURCH. I have agreed to yield, first, 2 minutes to the distinguished Senator from Kentucky.

Mr. COOPER. Mr. President, as a member of the Committee on Rules and Administration, I had an opportunity to hear the testimony which was advanced both for and against the resolution of the Senator from Idaho [Mr. CHURCH] and the amendment offered by the Senator from Pennsylvania [Mr. CLARK].

I support the Church resolution because it would give committees an additional hour of time for the consideration of matters before them. This is an hour that is needed for committee work, and it would come at a time when legislative business is not being transacted in the Senate.

But I oppose the Clark amendment because I think its adoption would result in the dilution of attendance both in the committees and on the floor of the Senate when the attention of Members is needed. I believe that when business is pending before the Senate—business that we hope will be discussed germanely and relevantly—the duty of Senators is to be in the Senate Chamber.

I concur in what the Senator from Oregon [Mr. MORSE] has said. The way to direct the attention of the Senate and the country to the pending business is to have that business conducted in such a way that Senators will be fulfilling their responsibilities in the Chamber. An opportunity is afforded under the present rule to have committee meetings during consideration of pending business if the Senate as a whole feels that is important, and I do not think we should adopt this proposed amendment and have committee meetings dilute attention which should normally be directed to business on the floor.

I shall support the Church resolution.

Mr. CHURCH. Mr. President, I yield 1 minute to the Senator from South Dakota.

Mr. MUNDT. Mr. President, I support the position just enunciated by the senior Senator from Oregon [Mr. MORSE]. It seems to me that the measure now before the Senate would plainly be, in effect, to give a bounty to filibusterers. It would enable them to continue a filibuster and would also enable committees to continue their work. Thus, there would be no way to develop any pressure against the stopping of a filibuster, except by the slow, tedious process of having around-the-clock sessions.

I see no reason why we should make mischievous changes in the rules and confuse the public into thinking that we are making a reform, when actually we would be rendering a disservice to the expedition of the business of the Senate.

Mr. CHURCH. Mr. President, I yield 2 minutes on the resolution itself to the distinguished junior Senator from Pennsylvania.

Mr. SCOTT. Mr. President, if we were to hang this proposal on the question of whether we were giving aid and comfort to filibusterers, I think perhaps we would be missing the point. Filibusterers need no aid or comfort I grant that. I am certain that those who filibuster are Senators of distinction and ingenuity, who will find many ways to drag a debate on. I do not believe they would need or would find it necessary to use the additional help that is proposed.

What concerns me at this moment is my own problem, which is illustrative of that situation and, I feel certain, that of most other Senators. I am due at this moment at an open hearing of the Committee on Rules and Administration, which is considering a very important matter. I am due, likewise, at an open meeting of the Committee on Commerce, which is considering a highly important amendment to the Firearms Act, arising out of the tragedy of November 22, 1963. Still, I am obliged, because of the early hour of convening of the Senate, to be present in the Chamber in order to inform myself as to what is taking place.

I am also compelled, each night, when I have not been present at the session of the Senate during the day, to learn what took place when I was somewhere else, attending to some other part of my duties.

It seems to me that it is pragmatic, reasonable, and desirable that the proposal of the Senator from Idaho [Mr. CHURCH] be adopted for the simple reason that we must find some way to enable the Senate to transact its business in some reasonable degree approaching the way in which other Americans transact their business.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania will state it.

Mr. CLARK. How much time remains?

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania has 9 minutes remaining on his amendment; the Senator from Idaho has 5 minutes remaining.

Mr. CLARK. I yield myself 2 minutes.

First, the able minority leader did not, in my opinion, correctly state the procedure that would be followed under the Clark amendment. What would happen would be that a request would be made for unanimous consent to permit a committee to sit. In the course of that request, the reasons why the committee desired to sit would be given. It would only be if unanimous consent were refused that a nondebatable motion would be made to permit a committee to sit. Therefore, the Senate would surely know exactly why the committee wanted to sit.

With respect to the argument made by the able Senator from Oregon [Mr. MORSE], let me point out the consequences of defeating the Clark amendment.

The minority leader has already said he will object to requests for authority for committees to meet during the session of the Senate during the pendency of the debate on the tax bill. That means that the Bobby Baker subcommittee hearing will have to go into mothballs during the pendency of the debate on the tax bill, and so will the hearings by the subcommittee headed by the Senator from Alabama [Mr. SPARKMAN] on the proposed housing legislation; and it means that every committee or subcommittee charged with holding hearings or with considering some part of the Johnson program will have to suspend its hearings, when the Senate is in session, once the debate on the tax bill begins or once the Senate debate on the civil rights bill begins, for we can be assured that once the debate on the civil rights bill begins, one of the Southern Senators will object to any and all requests that committees be authorized to meet during the sessions of the Senate during the pendency of the filibuster which then no doubt will begin. That will mean that the Senate will not be able to have the legislative work of its committees continue until approximately the first of April.

Therefore, Mr. President, I point out that a vote against this amendment would make it entirely impossible for Senate committees to perform their legislative duties during the remainder of the 2d session of the 88th Congress.

Mr. President, I reserve the remainder of the time available to me.

Mr. MORSE. Mr. President, I should like to obtain 30 seconds.

Mr. CHURCH. Mr. President, I am happy to yield 30 seconds—from the remaining 5 minutes under my control—to the Senator from Oregon.

The ACTING PRESIDENT pro tempore. The Senator from Oregon is recognized for 30 seconds.

Mr. MORSE. Mr. President, in view of the explanation made by the Senator from Pennsylvania—namely, that unanimous consent can be requested, and that a Senator who objects to the granting of such unanimous consent can proceed to state his reasons for objecting—I point out that the only opportunity then available will be to object. As a result, both sides of that question could not be presented.

But I also point out that if a filibuster is to begin, all other business of the Senate should stop, and Senators should not then aid and abet the filibuster by taking steps to have other business of the Senate conducted at that time. If a filibuster is to commence, let us try to invoke cloture. Sufficient votes to break a filibuster will be available.

Mr. CLARK. Mr. President, I yield myself 1 minute.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized for 1 minute.

Mr. CLARK. In my judgment, the holding of a committee meeting while the Senate is in session has absolutely nothing to do with the question of whether a filibuster can be broken. A filibuster is well known to those of us who have sat through one—as we did in 1960; the floor is held hour after hour by one Senator, during which time it is perfectly reasonable for committees to conduct their business and for such committee meetings to have no effect whatever in terms of either abetting or deterring the filibuster.

So I suggest, in all good conscience, that the argument made by the Senator from Oregon is entirely irrelevant and unsound.

Mr. MORSE. Mr. President, will the Senator from Pennsylvania yield for a question?

Mr. CLARK. I yield.

Mr. MORSE. Does the Senator from Pennsylvania have the slightest doubt that if committees are allowed to meet during the sessions of the Senate when a filibuster is underway, the result is to weaken the desire of many Senators to take steps to break the filibuster—for if a committee meeting is scheduled, Senators who wish to participate in the meeting will share the widespread desire to take steps to break the filibuster. On the other hand, of course, if committees are allowed to meet at such a time, the desire of a certain number of Senators to break the filibuster will be weakened.

Mr. CLARK. All I can say, Mr. President, is that I completely disagree with the Senator from Oregon.

Mr. PROXMIRE. Mr. President, will the Senator from Pennsylvania yield for a question?

Mr. CLARK. I yield.

The ACTING PRESIDENT pro tempore. Does the Senator from Pennsylvania yield himself additional time?

Mr. CLARK. Mr. President, I yield myself 1 more minute.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized for an additional minute.

Mr. CLARK. Mr. President, I now yield for a question to the Senator from Wisconsin.

Mr. PROXMIRE. Is it not true that Senators who, on such occasions, object to requests for committees to meet while the Senate is in session are always those who favor and support the filibuster?

Mr. CLARK. With the exception of the Senator from Oregon, I think that is entirely correct.

Mr. PROXMIRE. Is it not also true that Senators who will vote against the Clark amendment will be—by and large—those who favor the use of the filibuster to prevent the passage of proposed legislation? Does the Senator from Pennsylvania not know that to be a fact?

Mr. CLARK. In my opinion, the Senator from Wisconsin is entirely correct.

Mr. DIRKSEN. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I have very little time left under my control.

Mr. DIRKSEN. Then I yield myself half a minute from the time available to the opponents.

The ACTING PRESIDENT pro tempore. The Senator from Illinois is recognized for one-half a minute.

Mr. DIRKSEN. A moment ago the Senator from Pennsylvania said I did not accurately state the proposition. I realize that my knowledge of the English language is feeble; but the Clark amendment reads in part as follows:

> A motion for leave for a standing committee to sit while the Senate is in session shall be a privileged motion and shall not be debatable.

Mr. CLARK. The Senator from Illinois is correct.

Mr. DIRKSEN. So I believe I correctly stated the amendment of the Senator from Pennsylvania.

Mr. CLARK. I think the Senator from Illinois ignored the fact that a request for unanimous consent would first be made, and then the reasons for the request would be stated; and in 9 cases out of 10 the request for unanimous consent would be made by the majority leader.

Mr. DIRKSEN. When such a request is made, the Senator making the request states the reasons therefor—which is quite different.

On the other hand, the amendment of the Senator from Pennsylvania would, if adopted, result in preventing debate; and Senators could not then say a word or utter a peep in regard to that matter, for it would be a privileged matter.

Mr. CLARK. The purpose of the amendment is to prevent one Senator from frustrating the rights of other Senators.

Mr. DIRKSEN. But it would make it impossible for the will of the majority to control.

Mr. HUMPHREY. Mr. President——

Mr. CLARK. Mr. President, I yield to the Senator from Minnesota the remainder of the time under my control.

The ACTING PRESIDENT pro tempore. The Senator from Minnesota is recognized.

Mr. HUMPHREY. Mr. President, I support the Clark amendment; I believe it is sound.

In my opinion, the arguments in favor of the Clark amendment have been well advanced by the Senator from Pennsylvania, the Senator from Oklahoma [Mr. MONRONEY] and the Senator from Wisconsin [Mr. PROXMIRE].

This amendment would provide for majority rule and control by majority vote, and would permit the institutions of the Senate to function.

Clearly it is about time for the Senate to begin to respect majority votes.

I heard a Senator say that under the pending amendment there could not be debate, and that such a situation would be a very bad one.

The Clark amendment which provides, in part:

> A motion for leave for a standing committee to sit while the Senate is in session shall be a privileged motion and shall not be debatable—

Before the vote on such a motion was taken, there would be ample time for debate on the motion. First, most likely, a Senator would request unanimous consent for authority for a committee to sit while the Senate was in session. Thereupon, each Senator could, if he wished, state that he would object or that he intended to object, and thereby he could reserve for himself time in which to debate that matter.

The Senator from Pennsylvania is attempting to provide a means of conducting the business of the Senate at times when several committees wish to hold meetings and when difficult questions are pending.

As to the effect of the Clark amendment on a filibuster, I point out that if at such a time Senators are at committee meetings, they will be available during the filibuster, for other Senators will know where those Senators are.

The problem encountered during a filibuster is that Senators become discouraged or disgusted, and go home, or leave the city or go somewhere else, and other Senators cannot find them.

If Senators would remain available to do the business they were elected to do—for example, participate in the proceedings in connection with the housing bill and the appropriation bills—Senators would know where they were and the work of the Senate could be done.

I believe the Senate should face the fact that there will be rather long debate on the highly controversial issue known as civil rights, and during that time the appropriation bills will be before Congress, but no action will be taken by the Senate on them unless some modification of the existing rule is made, because indication has already been given that unanimous consent will not be given at such times to requests for authority for the Appropriations Committee to meet during the sessions of the Senate.

Therefore, I think the Senator from Pennsylvania is performing a valuable service by proposing this particular amendment.

I say to the Senator from Idaho that the resolution he sponsored would also be most helpful, and that in that connection he, too, performed distinguished and valuable service, for I think that measure would help advance the work of the Senate and strengthen its procedures, and thus help to perfect and modernize the Senate's legislative machinery; but I think the Clark amendment should be supported by the Senate, if it wishes to have the Senate do the business which Senators are elected to do. The Clark amendment provides, in its first part, that, for the purpose of doing business, a majority shall be a quorum.

Therefore, I believe the Senate should be permitted to authorize its committees to have a quorum present, in order to be able to do business.

Mr. MORSE. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. The Senator from Pennsylvania has stated what would be the situation prior to putting the motion. Is the Senator from Minnesota of the opinion that if a Senator requested unanimous consent for authority for a committee to hold a meeting while the Senate was in session, other Senators could then take time, under reservation of the right to object—and, of course, if, under such a reservation, a Senator can speak for 1 minute, he can also speak for 1 hour—the purpose of the rule could be thwarted by a Senator who reserved the right to object, and then proceeded to speak at length?

Mr. HUMPHREY. I say to the Senator from Oregon that I am sure if Senators wish to apply the rule, even though they may still be within the rule, they could delay the procedures of the Senate for a considerable period of time, because reserving the right to object does permit, if need be—as the Senator has well put it—extended discourse upon it while reserving the right to object. Under the strict interpretation of the rules of the Senate, Senators can yield only for the purpose of a question. If the Chair strictly applies the rules of the Senate, Senators may not make speeches when another Senator has the floor.

For example, the Senator from Oregon just asked me a question—and in the process of asking the question he is within the strict interpretation of the rules—but anyone can see that it is not a question, that it is in the form of a speech; and the question is then put to the Senate for its resolution. I am willing to trust the majority of the Senate.

Mr. MORSE. If a rule is subject to this sort of procedure, I believe the rule is not worth the paper it is written on. However, the Parliamentarian advises me that under these circumstances we would not have the right to object, because it would shut off those who have objected to a committee meeting.

The ACTING PRESIDENT pro tempore. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute with the time thereon to be taken from the time on the resolution.

The ACTING PRESIDENT pro tempore. Without objection, the Senator from Minnesota is recognized for 1 minute.

Mr. HUMPHREY. The Senator from Oregon is an expert on the subject of rules. Before such motion was made, which is the action part, the majority leader or the chairman of the committee could seek recognition of the Chair and say frankly: "I must have time for the committee to meet," and explain why. Another Senator might say, "Will the Senator yield and explain why he did not believe the committee should meet?" But the Senator who first gains recognition by the Chair controls the time; and then, at the end of his discourse, he could make a motion for the committee to be granted leave to meet, and thereby cut off debate, which would have the same effect as a motion to table.

Mr. MORSE. Mr. President, I ask unanimous consent that I may have 1 additional minute, the time to be taken from the time on the resolution.

The ACTING PRESIDENT pro tempore. Without objection, the Senator from Oregon is recognized for 1 minute.

Mr. MORSE. First, if the position of the Senator from Minnesota is as just outlined, the majority leader would give notice that he was about to make a motion for a committee to meet. At that point, any Senator or any number of Senators could proceed to defeat the rule. They could speak at great length as to why a committee should not meet that day. They could talk for the rest of the afternoon, and the result would be the same type of sham procedure that was adopted the other day. A team of six horses could be driven through the rule of germaneness of the Senator from Rhode Island [Mr. PASTORE], and it will be done day after day and time and time again, because it is not a sound rule.

This proposal is not a sound rule. What we are really trying to reach is a filibuster. I do not believe that a rule that would really make it possible for us to stop filibustering could be obtained by circumventing rule XXII by this circuitous route. We must come to grips with rule XXII. That is why I shall vote against the pending resolution. The Senator from Minnesota, the Senator from Pennsylvania, and other Senators can declare that this proposal would not help filibustering. It would encourage filibustering, because the business of the Senate would be carried on while a filibuster was in progress in the Chamber.

Mr. HUMPHREY. Mr. President, I yield myself 1 minute from the time available on the resolution.

The ACTING PRESIDENT pro tempore. The Senator from Minnesota is recognized for 1 minute.

Mr. HUMPHREY. There is not a rule that man can devise that cannot be broken or abused. I have said repeatedly that the only way the Senate can operate with any degree of order or decorum is for Senators to have respect for one another, and attempt to abide by the spirit of the rules, and not merely the strict letter of the rules. Even under many strict interpretations of the amendment, if the majority leader, for example, rose and stated that he was about to invoke the rule and ask for a majority vote, he would be in control of the floor, and would not have to yield for any other purpose than a question. At any time, he could make a motion and demand an immediate yea-and-nay vote under the rule. Dilatory tactics, if the rule is strictly applied, would not be possible. However, the majority leader would most likely be considerate of all Senators and would attempt to permit adequate discussion of why he wished to make the motion.

Unless Senators are willing to be considerate of one another, they cannot write any rule. The Ten Commandments cannot be made to work unless we are considerate of one another.

Mr. MORSE. Mr. President, will the Senator from Minesota yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. The Senator from Minnesota is suggesting that the majority leader should be encouraged to apply this rule, by denying the floor to Senators who wish to speak against his proposal, and that they could speak against his proposal only upon his exercise of dictatorial control over the time of the Senate. I hope we will not adopt a rule that will lead to that kind of dictation, because then there will be no minority rights left if we start that kind of procedure. When we talk about respect for each other, we must make up our minds that we have respect for the minority because very often the majority can be tyrannical.

Mr. HUMPHREY. I say most respectfully that the minority can be equally tyrannical. Generally it is the minority that finds itself in that position when it exercises undue power. A majority vote in this body is not the rule of a dictator. A majority vote in this body is the rule of representative government.

Mr. MORSE. Does the Senator from Minnesota believe that cloture rule is unfair to protect the majority and the minority? I ask the question to direct the attention of the Senator from Minnesota to any requirement needed in the cloture rule, because then we have a rule that protects both the minority and the majority.

Mr. CHURCH. Mr. President, how much time is left to me?

The ACTING PRESIDENT pro tempore. The Senator from Idaho has 4 minutes remaining.

Mr. CHURCH. Mr. President, I urge the Senate—painful as it is for me to oppose an amendment offered by the Senator from Pennsylvania [Mr. CLARK]—to reject it.

I have listened to the debate with a great deal of interest. It seems to me that the principal defect in the argument offered by the amendment's proponents is the obvious attempt to eat their cake and have it too. For they say, on the one hand, that the motion should be nondebatable, in order that the majority can quickly exercise its will, but, on the other hand, they say, "Do not be fearful of this; it will not cut off debate because the procedure will be to ask for unanimous consent, in the first instance, and then debate the matter."

If that is to be the procedure, there is no reason to adopt the amendment. If it is not to be the procedure, the criticism that the amendment cuts off debate obtains. Anyway, commonsense directs that when a nondebatable motion is proposed, its purpose is to cut off debate.

Mr. CLARK. Mr. President, will the Senator from Idaho yield for a question?

Mr. CHURCH. I am sorry, but I should like to complete my argument first, and then, if I have any time remaining, I shall be happy to yield to the Senator from Pennsylvania.

Obviously, the purpose of the proposal is to cut off debate.

Now, what is the purpose of the resolution? It has a very clear and confined purpose. The resolution is an attempt to extend the time during which committees may sit, from the hour of 12 o'clock noon through that period of the morning hour when the Senate is engaged in extraneous matters, when insertions are placed in the RECORD, and 3-minute statements are being made; when private bills are under consideration, and when the Senate is not engaged upon the public business. This will give us anywhere from a half an hour to an hour and a half of extra time each morning in committee, which will be useful to the Senate in expediting its work. That is all that is proposed by the resolution.

I am fearful that if we now start to amend the resolution to provide for other things, we shall place its passage in jeopardy. This is another reason why I oppose the adoption of the Clark amendment.

The resolution, as it now stands, does not conflict in any way with the rationale of that provision in the law which provides that when the Senate is in session, committees shall not meet. The rationale is to encourage Senators to come to the Chamber and attend to the public business being transacted there.

This is a good and laudable objective, but if we adopt the amendment, the tendency will be against the objective of the law, for the purpose of the amendment is to permit committees to meet when the Senate itself is engaged upon the public business. That is not the purpose of the resolution which the amendment seeks now to change. The resolution, unamended, is perfectly consistent with the philosophy of the law, and I believe will attract the support of the majority of Senators.

I invite the attention of Senators to the fact that the Committee on Rules and Administration unanimously reported the resolution favorably. When the Clark amendment was offered, the committee voted it down 6 to 3. The committee carefully considered the pros and cons. I feel that the committee's judgment is sound. I hope, for that reason, that the Senate will see fit, in the coming yea-and-nay vote, to vote down the Clark amendment.

The ACTING PRESIDENT pro tempore. All time on the amendment having expired, the question is on agreeing to the amendment of the Senator from Pennsylvania. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTSON (when his name was called). On this vote I have a pair with the ditsinguished majority leader, the Senator from Montana [Mr. Mansfield]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. PELL (after having voted in the affirmative). On this vote I have voted "yea." I have a pair with the senior Senator from Florida [Mr. Holland]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withdraw my vote.

Mr. HUMPHREY. I announce that the Senator from Maryland [Mr. Brewster], the Senator from Oklahoma [Mr. Edmondson], the Senator from Alaska [Mr. Gruening], the Senator from Indiana [Mr. Hartke], the Senator from Florida [Mr. Holland], the Senator from Ohio [Mr. Lausche], the Senator from Montana [Mr. Mansfield], the Senator from Minnesota [Mr. McCarthy], the Senator from Rhode Island [Mr. Pastore] and the Senator from Mississippi [Mr. Stennis] are absent on official business.

I also announce that the Senator from California [Mr. Engle] is absent because of illness.

I further announce that, if present and voting, the Senator from Oklahoma [Mr. Edmondson], the Senator from California [Mr. Engle], the Senator from Indiana [Mr. Hartke], and the Senator from Minnesota [Mr. McCarthy] would each vote "yea."

On this vote, the Senator from Maryland [Mr. Brewster] is paired with the Senator from Mississippi [Mr. Stennis]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Mississippi would vote "nay."

On this vote, the Senator from Rhode Island [Mr. Pastore] is paired with the Senator from Ohio [Mr. Lausche]. If present and voting, the Senator from Rhode Island would vote "yea," and the Senator from Ohio would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. Allott], the Senators from Kansas [Mr. Carlson and Mr. Pearson], the Senator from Nebraska [Mr. Curtis], the Senator from Iowa [Mr. Miller], the Senator from Kentucky [Mr. Morton], and the Senator from North Dakota [Mr. Young] are necessarily absent.

The Senator from Colorado [Mr. Dominick] is absent because of death in family.

If present and voting, the Senator from Nebraska [Mr. Curtis], the Senator from Colorado [Mr. Dominick], the Senator from Iowa [Mr. Miller], and the Senator from Kentucky [Mr. Morton] would each vote "nay."

On this vote, the Senator from Kansas [Mr. Pearson] is paired with the Senator from Colorado [Mr. Allott]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Colorado would vote "nay."

The result was announced—yeas 36, nays 43, as follows:

[No. 8 Leg.]

YEAS—36

Anderson
Bartlett
Bayh
Burdick
Case
Clark
Dodd
Douglas
Fulbright
Hart
Humphrey
Inouye
Jackson
Javits
Keating
Kennedy
Long, Mo.
Magnuson
McGovern
McIntyre
McNamara
Metcalf
Monroney
Moss
Muskie
Nelson
Neuberger
Proxmire
Randolph
Ribicoff
Scott
Smith
Symington
Williams, N.J.
Yarborough
Young, Ohio

NAYS—43

Aiken
Beall
Bennett
Bible
Boggs
Byrd, Va.
Byrd, W. Va.
Cannon
Church
Cooper
Cotton
Dirksen
Eastland
Ellender
Ervin
Fong
Goldwater
Gore
Hayden
Hickenlooper
Hill
Hruska
Johnston
Jordan, N.C.
Jordan, Idaho
Kuchel
Long, La.
McClellan
McGee
Mechem
Morse
Mundt
Prouty
Russell
Saltonstall
Simpson
Smathers
Sparkman
Talmadge
Thurmond
Tower
Walters
Williams, Del.

NOT VOTING—21

Allott
Brewster
Carlson
Curtis
Dominick
Edmondson
Engle
Gruening
Hartke
Holland
Lausche
Mansfield
McCarthy
Miller
Morton
Pastore
Pearson
Pell
Robertson
Stennis
Young, N. Dak.

So Mr. Clark's amendment was rejected.

Mr. CHURCH. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. DIRKSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CLARK. Mr. President, I call up my amendment No. 389, and ask that it be read.

The ACTING PRESIDENT pro tempore. The clerk will state the amendment of the Senator from Pennsylvania.

The legislative clerk read the amendment (No. 389), as follows:

> Beginning with line 4, strike out all to and including line 7, and insert in lieu thereof the following:
>
> "5. No standing committee shall sit without special leave while the Senate is in session during any time when debate is controlled by a rule of germaneness."

Mr. CLARK. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CLARK. Mr. President, I yield myself 3 minutes.

First, I remind my colleagues that the Senate is operating under a limitation of 15 minutes on each side, so Senators can expect a vote on the amendment in a half hour, and probably before then.

The purpose of the amendment is to permit committees of the Senate to sit while the Senate is in session, except during the period when the rule of germaneness is in effect.

The Church resolution will take care of one-half of the purport of this amendment, because, under the Church resolution, committees of the Senate will be able to sit until such time as the rule of germaneness becomes effective; that is to say, during the morning hour, or until the pending business is laid down, whichever is the earlier. I strongly support the change.

The purport of my amendment would be to give an additional period of time after the rule of germaneness was no longer in effect, in which committees could sit without any further special leave.

To me, this is very important during the closing days of the session, and will be particularly important during the closing days of the current session.

Senators will recall that as a session of Congress grinds to an end, the second session in particular, legislation is piled up in committee. Most of the hearings have been held. There is almost a frenetic effort to have measures placed on the calendar and brought to the floor so that they can be passed before adjournment.

The situation will be particularly critical this year, because with the Republican National Convention being held in the middle of July and an extensive legislative program recommended by the Johnson administration before the Senate, it will be all the more important to give ample time for committees to meet and report bills. Unless my amendment is adopted it will be possible for any Senator who wishes to defeat legislation which remains in committee to keep that legislation from coming out of the committee by objecting to the committee's sitting while the Senate is in session after the rule of germaneness has gone out of effect.

My amendment makes it very clear that committees would not be entitled to sit while the rule of germaneness was in effect. Therefore, the objection raised by some Senators in connection with the previous amendment, that all Senators should be on the floor when a bill is being actively debated, would be met. This would mean that particularly during the closing days of a session committees which had important pending legislation before them, but which they had been unable to get to the floor, would have the privilege of meeting while the Senate was meeting.

This would be particularly true of the Appropriations Committee. That committee will have bills to report toward the end of the session. In my opinion, there is no valid basis whatever for the Committee on Appropriations to have blanket permission to sit during a session. I shall object to such blanket permission being given. There should not be first-class and second-class committees.

Mr. President, I yield myself an additional minute to answer a question of my beloved friend from Virginia.

Mr. ROBERTSON. Mr. President, I would like to ask the distinguished parliamentarian from Georgia [Mr. Russell] to tell me if I am correct that under the rules the Committee on Appropriations does not need to obtain consent to meet while the Senate is in session.

Mr. CLARK. Mr. President, I think I can answer that question on behalf of the Senator from Georgia. The procedure has been for the Senate to give consent to the Appropriations Committee to meet during sessions of the Senate. I have notified the leadership that I would object to such blanket permission being given.

Mr. ROBERTSON. The committee asks once for such permission, for the entire session?

Mr. CLARK. Yes.

Mr. CHURCH. Mr. President, I yield myself such time as I shall need to make a brief statement opposing the amendment of the Senator from Pennsylvania.

In doing so, I should like to reemphasize the fact that the only reason why committees do not sit when the Senate is in session, under the present procedure, is to enable Senators to attend the session of the Senate, to give their attention to the public business being transacted there.

The resolution before the Senate would modify this procedure in one respect only. It would permit committees to continue to sit during that period of the morning hour when public business is not before the Senate, but extraneous matters under the 3-minute consent procedure for making insertions in the Record, for the introduction of bills, and for the submission of resolutions, and so on.

If the amendment of the Senator from Pennsylvania were adopted, it would mean that the present procedures would be changed so that committees could sit as soon as the rule of germaneness had ended, even though the Senate had public business of great importance before it, and even though debate were continuing on that business and votes were impending. It would collide directly with the reason behind the rule that committees ought not to sit when public business is before the Senate.

I urge the Senate to reject the amendment. I remind Senators again that the resolution before the Senate has the unanimous approval of the Committee on Rules and Administration. It would serve a useful purpose in giving committees a little additional time to complete their hearings, while extraneous matters were before the Senate. It would do no violence to the concept that Senators ought to be in the Chamber when public business is underway. The amendment offered by the Senator from Pennsylvania would do violence to that concept. For that reason I hope the Senate will reject it.

Mr. CLARK. Mr. President, I am prepared to yield back the remainder of my time if the Senator from Idaho is prepared to do likewise.

Mr. CHURCH. I yield back the remainder of my time, if no other Senator wishes to speak.

The ACTING PRESIDENT pro tempore. All time has been yielded back. All time for debate has expired. The question is on agreeing to the amendment offered by the Senator from Pennsylvania [Mr. Clark]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL (when his name was called). On this vote I have a live pair with the senior Senator from Florida [Mr. Holland]. If he were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

Mr. ROBERTSON (when his name was called). Mr. President, on this vote I have a pair with the majority leader, the senior Senator from Montana [Mr. Mansfield]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Maryland [Mr. Brewster], the Senator from Oklahoma [Mr. Edmondson], the Senator from Alaska [Mr. Gruening], the Senator from Indiana [Mr. Hartke], the Senator from Florida [Mr. Holland], the Senator from Ohio [Mr. Lausche], the Senator from Montana [Mr. Mansfield], the Senator from Minnesota [Mr. McCarthy], the Senator from Rhode Island [Mr. Pastore], and the Senator from Mississippi [Mr. Stennis], are absent on official business. I also announce that the Senator from California [Mr. Engle], is absent because of illness.

I further announce that, if present and voting, the Senator from Oklahoma [Mr. Edmondson], the Senator from California [Mr. Engle], the Senator from Indiana [Mr. Hartke], and the Senator from Rhode Island [Mr. Pastore], would each vote "yea."

On this vote, the Senator from Maryland [Mr. Brewster] is paired with the Senator from Ohio [Mr. Lausche]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Ohio would vote "nay."

On this vote, the Senator from Minnesota [Mr. McCarthy] is paired with the Senator from Mississippi [Mr. Stennis]. If present and voting, the Senator from Minnesota would vote "yea," and the Senator from Mississippi would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. Allott], the Senators from Kansas [Mr. Carlson and Mr. Pearson], the Senator from Nebraska [Mr. Curtis], the Senator from Iowa [Mr. Miller], the Senator from Kentucky [Mr. Morton], and the Senator from North Dakota [Mr. Young] are necessarily absent.

The Senator from Colorado [Mr. Dominick] is absent because of death in family.

If present and voting, the Senator from Nebraska [Mr. Curtis], the Senator from Colorado [Mr. Dominick], the Senator from Iowa [Mr. Miller], and the Senator from Kentucky [Mr. Morton] would each vote "nay."

On this vote, the Senator from Kansas [Mr. Pearson] is paired with the Senator from Colorado [Mr. Allott]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Colorado would vote "nay."

The result was announced—yeas 34, nays 45, as follows:

[No. 9 Leg.]

YEAS—34

Bayh
Burdick
Case
Clark
Dodd
Douglas
Hart
Humphrey
Inouye
Jackson
Javits
Keating
Kennedy
Long, Mo.
Magnuson
McGee
McGovern
McNamara
Metcalf
Monroney
Moss
Muskie
Nelson
Neuberger
Proxmire
Randolph
Ribicoff
Scott
Smathers
Smith
Symington
Williams, N.J.
Yarborough
Young, Ohio

NAYS—45

Aiken
Anderson
Bartlett
Beall
Bennett
Bible
Boggs
Byrd, Va.
Byrd, W. Va.
Cannon
Church
Cooper
Cotton
Dirksen
Eastland
Ellender
Ervin
Fong
Fulbright
Goldwater
Gore
Hayden
Hickenlooper
Hill
Hruska
Johnston
Jordan, N.C.
Jordan, Idaho
Kuchel
Long, La.
McClellan
McIntyre
Mechem
Morse
Mundt
Prouty
Russell
Saltonstall
Simpson
Sparkman
Talmadge
Thurmond
Tower
Walters
Williams, Del.

NOT VOTING—21

Allott
Brewster
Carlson
Curtis
Dominick
Edmondson
Engle
Gruening
Hartke
Holland
Lausche
Mansfield
McCarthy
Miller
Morton
Pastore
Pearson
Pell
Robertson
Stennis
Young, N. Dak.

So Mr. CLARK's amendment was rejected.

Mr. CHURCH. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. DIRKSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

> On page 1, line 7, after the word "business," it is proposed to insert the following: "pending business, or any other business except private bills and routine morning business."

Mr. CHURCH. Mr. President, I yield myself such time as I may require to explain this amendment.

At the outset, I point out that it is merely a perfecting amendment of a technical character. The Parliamentarian suggested it, after he studied the text of the resolution.

As I have said earlier in the debate, the purpose of the resolution is as follows: We know that when the Senate is engaged in extraneous business, during the morning hours, under the morning business procedure, Senators introduce bills, under a 3-minute limitation, or submit resolutions, or request that editorials and other extraneous material be printed in the RECORD, or request the consideration of private bills and similar measures. On the other hand, during the morning hour, there are occasions when the unfinished business is called up; or the unfinished business may be set aside, and another bill considered; or a privileged motion for the consideration of a conference report might be made; or executive business might be transacted. On such occasions, normally decided upon motion of the majority leader, legitimate public business is before the Senate, and all Senators ought to attend. This perfecting amendment merely makes clear that the committees may meet while extraneous matter, routine morning business, is before the Senate in the morning hour, but the resolution would not apply when legitimate public business is called before the Senate before the hour of 2 o'clock.

The amendment is entirely consistent with the objective of the resolution. It is a technical or perfecting amendment. I can see no objection to it; I hope there is no objection to it, and that the Senate will see fit to adopt it, without the need for a yea and nay vote.

The PRESIDING OFFICER (Mr. WALTERS in the chair). The question is on agreeing to the amendment of the Senator from Idaho.

The amendment was agreed to.

Mr. DIRKSEN. Mr. President, I submit an amendment.

The PRESIDING OFFICER. The amendment of the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. In line 3, it is proposed to strike out the word "paragraph", and insert in lieu thereof the word "paragraphs".

In line 7, it is proposed to strike out the closing quotation marks following the word "earlier."

Between lines 7 and 8, it is proposed to insert the following new paragraph:

> 6. Whenever a standing committee, or any subcommittee thereof, takes action, after the time at which the Senate convenes on any day on which the Senate is in session, to amend or report, with or without amendment, any bill or resolution, the report made by that committee upon such bill or resolution shall contain (1) an accurate recitation of the time at which such action was taken, and (2) a certification to the effect that the number of members of the committee or subcommittee taking such action who were physically present at such time constituted a quorum of that committee or subcommittee.

After line 10, it is proposed to insert the following new section:

> SEC. 3. Rule VIII of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:
>
> "Whenever the Senate is in session on any calendar day, the Parliamentarian shall keep a record in which he shall enter accurately the precise time of the occurrence of the following events: (1) the conclusion of the morning hour, and (2) the time at which the unfinished business or pending business is first laid before the Senate. The record so kept shall be printed in the CONGRESSIONAL RECORD as a part of the proceedings of the Senate for that day. Upon the occurrence of each of the two events hereinbefore described in this paragraph, the Presiding Officer shall forthwith direct the Secretary to call the roll to ascertain the presence of a quorum, and such order shall not be rescinded."

Mr. DIRKSEN. Mr. President, this amendment is designed to avoid some mischief in the future if the Church resolution is adopted, for if a committee is allowed to meet until the end of the morning hour or until the pending business is laid down, there may be a record in the Journal—the reading of which is usually dispensed with, but in the CONGRESSIONAL RECORD itself, there is never any record to show precisely when these two required actions occur.

A committee might take action to report a bill, and in that connection might take a record vote; or it might amend a bill, and might take a record vote on the amendment; but the question would be: "At what time did it vote?" and how did that square with the end of the morning hour or the laying down in the Senate of the unfinished business, whichever occurred the earlier. Mr. President, I foresee—and I say frankly that I would exercise the privilege if this provision were written into our rules—that in that event, when a bill was introduced, a Senator could make the point of order that such action did not comply with the new provision of rule XXV.

There must be, somewhere, a showing of time as to whether the committee acted in time—whether it acted before the morning business was over, or before the unfinished business was laid down, whichever occurred the earlier. However, this amendment requires only that there be a certification of the time, and that the certification be included in the report accompanying the bill; and that, in addition, after each of those happenings, whether it was the end of the morning hour or the laying down of the unfinished business, there be a quorum call, which would be in the nature of a notice to any committee which might be meeting beyond the hour of 12 o'clock.

Mr. SCOTT. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. SCOTT. I wish to inquire of the Senator from Illinois whether, under the provision for a quorum call, it would be proper to ask unanimous consent that the order for the quorum call be suspended after the call of the roll has been begun or proceeded with for a time.

Mr. DIRKSEN. Of course, that is permissible under the regular Senate procedure, and would not be affected by this amendment.

Mr. SCOTT. Very well.

Mr. CHURCH. Mr. President, I yield myself such time as I may need to have in order to make a statement against this amendment.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CHURCH. First of all, Mr. President, I think this is a matter that ought properly to come before the Rules Committee for careful consideration and for appropriate hearings, so that we can ascertain whether such a rule change is needed, and, if such a change in the present procedures ought to be adopted, that the language be carefully drawn, after full benefit of testimony before the proper committee.

In the course of a cursory reading of the text of this amendment, immediate questions arise.

For example, the amendment requires that there shall be "(1) an accurate recitation of the time at which such action was taken, and (2) a certification to the effect that the number of members of the committee or subcommittee taking such action who were physically present at such time constituted a quorum of that committee or subcommittee."

That covers some matters that might be raised; but should not the date also be there? Should not the certification also show, if it be the case, that the Senate had given leave for the committee to meet at that particular time? There may be other matters that ought properly to be included, which can only be included by a committee which has given thorough study to a matter of this kind.

I would suggest that the argument made in behalf of this amendment is really not relevant to the resolution now before the Senate, because it is possible now for a committee to meet after the hour of 12 o'clock; it often occurs, and if no objection is raised, if no point of order is made on the floor concerning committee business transacted after 12 o'clock, the matter is not troublesome.

So, the adoption of the pending resolution would not change this situation at all, but the content of this amendment is ungermane to the pending resolution. It also deals with a subject of such complication as to properly require a hearing in the ordinary course before the legislative committee which deals with the Senate rules and administration.

So, for these reasons, many questions arise, but I do not believe I need to take the time of the Senate to go through them. They are questions that immediately suggest themselves from a cursory reading of the amendment. My point is that this underlines the desirability of having such questions considered by the Committee on Rules and Administration.

Mr. President, inasmuch as I do feel that this is a proper matter for the Rules Committee to consider, and inasmuch as it seems to me that the amendment is not germane to the resolution now before the Senate, I make the point of order that the amendment is not germane.

The **PRESIDING OFFICER**. The Chair sustains the point of order.

The resolution is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the resolution as amended.

Mr. CHURCH. Mr. President, I do not know whether there are further amendments to be offered.

Mr. DIRKSEN. Mr. President, I should like to be heard on the resolution.

I am opposed to the resolution. In the first place, I believe it is an imposition upon the behavior and the time of Senators. We know the certainty of the rule today, that after the hour of 12 o'clock committees cannot meet without special leave or special dispensation.

Senators make arrangements for luncheons; they make arrangements with people to come from their homes, and they make arrangements for informal conferences on other questions over the noon hour; and yet a committee could continue to meet until the morning hour had been concluded, or the business of the Senate has been laid before it. A Senator may be wrestling with his own timetable, or standing people up that he should see. However, under the Church proposal the committee could sit until the conclusion of the morning hour, or until the pending business was laid before the Senate, whichever was earlier.

How can a Senator keep his office appointments? Every Senator, of course, is constantly beset with the problem of meeting many people. He may have set a time at 12:15 or at 12:30, but the committee continues in session as long as the morning hour continues or the pending business has not been laid down.

Senators also receive mail. Over the noon hour period, when I have an opportunity, I have to look at a mountain of mail every day. All this proposal does is to circumscribe the time that should be devoted to other things that are the public business and the responsibility of Senators.

I point out, in the amendment as to which a point of order was made, that there is no precise determination of the time when these things will happen.

Mr. President, when a bill comes before the Senate with a report and a Senator undertakes to make a point of order—and I shall certainly be one to do so, to test the validity of the rule and the amendment that is here proposed—the burden of proof will be upon the committee chairman to demonstrate to the Senate that the action was taken before the morning hour was over or the pending business was laid before the Senate. There will be no certification that that was the burden of the amendment. There is no provision for having the CONGRESSIONAL RECORD show when the morning hour is over or when the pending business is laid down. Such an entry goes into the Journal of the Senate, but it does not go into the CONGRESSIONAL RECORD. When I make a point of order against the first bill that comes in, it will then be for the committee to demonstrate to the Senate that it has been in compliance with the rule.

I did not care to discuss the point of order, except to say that the amendment was closely related to the resolution before the Senate. It has in it inherently a good deal of mischief, and the Senate will discover it sooner or later.

The other point is that the resolution of the Senator from Idaho [Mr. CHURCH] contains nothing about the interposition of a quorum call the moment the Senate convenes. If I make a point of no quorum and the bells ring, Senators become agitated, and they wonder whether it will be a "live" quorum. But there is no provision to prevent the committee chairman from holding the committee in session and continuing to do business. I fancy that there will be quorum calls on some days; and I wish to assure the Senate on that point.

When we start tampering with the rules and begin to cut them up piecemeal, I am like old Jim Reed of Missouri, whose speech I fortunately have before me, who said, long ago:

> Whenever you grant a power you must assume that the power will be exercised. And, believe me, the power will be exercised.

But there is no provision about a quorum. So the timing is important. A note of uncertainty is injected into the whole Senate procedure. It is an imposition, in my judgment, upon the time of Senators, because they have many other things to do besides attending committee meetings and Senate sessions.

My office is full of people all the time. There are people there now whom I should see. I try the best I can to see them, from 12 o'clock on. But the committee is going to meet beyond 12 o'clock. No Senator can stop it, unless the morning hour is concluded, or the pending business is laid before the Senate.

The morning hour, for all practical purposes, is now foreshortened. If the Lord is willing and there is any vitality left in this "carcass" of mine, there will be no more 3-minute speeches in the morning hour, because there is no rule to provide for them. It is only a custom that has grown up in the Senate. There will be a recital of the items to be considered in the morning hour, such as petitions, memorials, bills and joint resolutions, and other resolutions. That is where it will end. The procedure will be an exercise in futility. All that is accomplished is constriction and inconvenience so far as individual Senators are concerned. I can see nothing happy in the resolution before the Senate.

Therefore, I propose to vote against the resolution; and on that note I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SALTONSTALL. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. SALTONSTALL. What the Senator from Illinois is saying, in substance, is that it will be difficult to accelerate the business of the Senate under the new procedure, and that there are many more difficulties to prevent it from becoming practical.

Mr. DIRKSEN. When it is considered in connection with the resolution of the Senator from Rhode Island [Mr. PASTORE], not only will there be no acceleration, but there will be delay; or, as Jim Reed said, give them the power and it will be exercised. And I intend to exercise it. I believe it is my duty to do so. I believe it is my responsibility, and I shall do so.

If we adopt this resolution as we adopted the Pastore resolution, we shall have to abide by it. I do not mean to be captious or capricious, but I say that we will adhere to the morning hour as provided in the rules, and we shall discover that there will be no expedition.

Mr. SALTONSTALL. Mr. President, will the Senator from Illinois yield further?

Mr. DIRKSEN. I yield.

Mr. SALTONSTALL. I say to the Senator from Illinois that I voted for the Pastore resolution because I believed——

Mr. DIRKSEN. The Senator made a great mistake.

Mr. SALTONSTALL. The Senator from Illinois has said that. I do not feel that I made a great mistake. I feel that I voted for it because I believed it would be helpful and that it would be a step toward acceleration of the business of the Senate in the proper way by requiring germaneness. It may be a little step forward. It may accomplish little. It may accomplish nothing. If not, it can be repealed. It may not accomplish what we believed it would, in conjunction with the resolution of the Senator from Rhode Island [Mr. PASTORE].

Mr. DIRKSEN. Mr. President, the minority leader would be placed in a rather awkward position.

Under the Pastore resolution the first operation occurred when my friend the Senator from Idaho [Mr. CHURCH] took the floor to present a matter for only 1 minute, but his procedure was not consonant with what was in the Pastore resolution. Yet he approved that resolution.

The next incident arose when the distinguished Senator from Wisconsin [Mr. PROXMIRE] wished to speak on the cigarette bill for 15 minutes. I was sorry that I had to interpose an objection. The majority leader had to ask a special dispensation and a waiver of the Pastore rule.

After the recess yesterday my good friend the Senator from Minnesota [Mr. HUMPHREY] came into the Chamber. I think what he intended to do was a matter of habit. And we are creatures of habit. He had a portfolio of subjects to place into the RECORD. I did not mean to embarrass him—and I am sure that I did not—when I said, "Mr. President, will the Senator yield?"

He said that he would. I said, "Mr. President, I ask unanimous consent that the distinguished Senator from Minnesota be permitted to continue out of order"——

Mr. HUMPHREY. I objected.

Mr. DIRKSEN. He was out of order because the Senate was operating under the germaneness rule. As a result, the Senator very kindly said, "I take everything back and will comply with the rule."

Then my distinguished friend, the Senator from New York [Mr. KEATING], wished to talk on some subject. My friend from Minnesota objected. I went to the Senator from New York and said, "Move to strike out the second section of the resolution. You do not have to have a germane amendment. You can offer anything you wish. But under the new interpretation your debate must be germane to the amendment."

Before we are through, we shall have confusion compounded. If power is to be delegated, I must assume that the power will be exercised. As minority leader, I must comport myself accordingly.

I believe it was about 2 years ago that the distinguished Senator from Arizona [Mr. HAYDEN] and I sat down to examine 25 proposed amendments to the rules. We finally agreed on one. The amendment was extremely innocuous. Had the question been left to me entirely, I would not have agreed to it at all. But we finally said, "Very well. Let us put the stamp of approval on one and no more."

Many of the amendments were very complicated. It seems to me as though there is an effort to shoot the rulebook full of holes. We are now making a start.

I ask Senators to examine the amendments offered by the distinguished Senator from Pennsylvania [Mr. CLARK] to the pending resolution. They would take us far down the road. After the stated amount of time had been devoted to germane debate, committees could go back into session under the amendment offered by the Senator from Pennsylvania, and notwithstanding all the work that Senators have in their offices, and notwithstanding the fact that the Senate is in session, possibly listening to a very illuminating speech, the committees could still remain in session. Senators would have to make up their minds where they were going to serve. Physically I cannot serve in two places at one time. So I will protect my rights as an individual Senator, and I will protect the rights of the minority as best I can.

I assure the Senate that nothing will be gained by the proposed resolution. All we have is a vehicle for mischief, and I intend to prove it. Someone will have to protect the integrity of the rules; and if no one stands at my right hand or left hand, so be it. But the rules have evolved out of long experience, and I shall not see them lightly cast in the rain barrel. I am opposed to the resolution.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HRUSKA. Did I correctly understand the Senator to say that the present rules do not provide for speeches with a 3-minute limitation during the morning hour?

Mr. DIRKSEN. Let us settle that point.

Mr. President, I ask the Presiding Officer and the Parliamentarian to state whether there is a rule which provides for 3-minute speeches during the morning hour.

The PRESIDING OFFICER. There is no such rule.

Mr. DIRKSEN. There is no such rule. It is a custom.

Mr. HRUSKA. Did I correctly understand the Senator from Illiniois further to say that when unanimous consent is requested for 3-minute speeches during the morning hour, he intends to object thereto?

Mr. DIRKSEN. No. We had that question out the other day. The then occupant of the Chair said that the rules were not self-enforcing. So every day I have objected to 3-minute speeches during the morning hour.

Mr. President, the desire on the part of those who propose the rule changes is speed—expedition—get the business out of the way—throw deliberation into the ashcan.

I thought the Senate was a deliberative body.

When I served in the House of Representatives, a Representative offering an amendment would be permitted 5 minutes. He would have to obtain a dispensation for additional time, as my distinguished friend from Nebraska so well knows. The germaneness rule was so strictly construed, the Senator will recall, that he was constricted in the deliberations. Always this great body has been pointed to with the statement: "The greatest deliberative body on the face of the earth." Now it is proposed to throw deliberation into the ashcan; and I do not propose to be a party to it.

Mr. HRUSKA. Heretofore each day there has been a request that speeches during the morning hour be limited to 3 minutes. Is it the intention of the Senator from Illinois to object to such requests?

Mr. DIRKSEN. Not only is that his intention, but he did so. Yesterday, because I was 30 seconds late in arriving in the Chamber, the request had already been made. I asked the distinguished acting majority leader, the Senator from Minnesota [Mr. HUMPHREY], to move to rescind the order, and he very graciously did so. But if we want speed, we shall have speed. Why chew up 60 minutes of the clock with 3-minute speeches? Sometimes we chew up more than that.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. McCLELLAN. I understand that now there is no rule permitting 3-minute speeches.

Mr. DIRKSEN. No.

Mr. McCLELLAN. These speeches have been delivered under a unanimous-consent agreement.

Mr. DIRKSEN. Entirely.

Mr. McCLELLAN. Assuming that the resolution is adopted, will there be any provision which would restrict or limit the request for permission to make 3-minute speeches?

Mr. DIRKSEN. Would there be anything restricting the requests?

Mr. McCLELLAN. Or limiting them.

Mr. DIRKSEN. Oh, yes. That can be done, in the absence of a rule, only by unanimous consent.

Mr. McCLELLAN. The point I make is that if the resolution is adopted, the same request can be made hereafter, that permission be granted for the delivering of 3-minute speeches during the morning hour.

Mr. DIRKSEN. I do not wish to belabor that point particularly.

Mr. McCLELLAN. I desire to follow that question with another question.

Mr. CHURCH. The resolution has nothing to do with that subject.

Mr. McCLELLAN. That request could still be made?

Mr. CHURCH. Yes.

Mr. McCLELLAN. Might requests be made for permission to speak for 10 minutes, 20 minutes, or 30 minutes?

Mr. CHURCH. Yes.

Mr. DIRKSEN. Certainly; and it has been done.

Mr. McCLELLAN. What would be gained by the adoption of the pending resolution?

Mr. DIRKSEN. Nothing.

Mr. McCLELLAN. That is what I should like to find out. We are permitting Senators now to make such speeches by unanimous consent. Under the resolution what would be prohibited? What would be excluded? What improvement would be made?

Mr. CHURCH. May I reply?

Mr. DIRKSEN. I yield.

Mr. McCLELLAN. I should be glad to have some information on that subject.

Mr. CHURCH. The resolution does not deal with the question of what can be done in the morning hour. It does not deal with the practice of the Senate under the 3-minute rule. The resolution is merely an attempt to permit committees to have additional time to meet when extraneous business is being transacted in the Senate during the morning hour.

Mr. McCLELLAN. Mr. President, will the Senator yield at that point?

Mr. DIRKSEN. I yield.

Mr. McCLELLAN. Suppose that a committee is sitting in a committee room engaged in the examination of witnesses. How will its members know whether the debate going on in the Senate is germane or is extraneous?

Mr. CHURCH. Whenever public business is called up, it is called up in one of several ways. The unfinished business might be laid down. That action is accompanied by a quorum call. The unfinished business might be laid aside, and a motion made to bring up and consider another bill. A privileged motion might be made to consider a conference report. A motion might be made to take up executive business. When anything of that kind is done, it is done by an appropriate motion, and a ringing of the bells to indicate that extraneous business is over, and that the public business is about to be considered.

Mr. McCLELLAN. Would not a particular bell signal have to be arranged in order to indicate that committees could no longer meet?

Mr. CHURCH. That is a question that can be handled by the Committee on Rules and Administration.

Mr. McCLELLAN. Is such an arrangement provided for?

Mr. CHURCH. Such a provision is not specified in the text of the resolution, but the arrangement would be left for the Rules Committee to make.

Mr. McCLELLAN. Committees would have the right to proceed until something had happened in the Senate Chamber that would stop the committees. How could we know when something had happened which would stop a committee from proceeding further?

Mr. CHURCH. This is normally done by a quorum call.

Mr. McCLELLAN. The quorum call bell itself does not signal that event. More is required.

Mr. DIRKSEN. I tried to make that clear by suggesting, in the amendment I offered, that there be a quorum call at the end of the morning hour, or a quorum call when the pending business was laid before the Senate. The amendment was ruled to be out of order.

Mr. McCLELLAN. I am pretty well convinced that the Senate had better leave the rules as they are.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MORSE. The Senator from Illinois has pointed out that when there is a morning hour, the majority leader usually rises and asks that morning hour speeches be limited to 3 minutes.

Mr. DIRKSEN. That is correct.

Mr. MORSE. The majority leader makes that request under no rule of the Senate. If he did not make that request, or if it were not granted, any Senator who might obtain the floor would be free to speak as long as he wished. Is that correct?

Mr. DIRKSEN. After compliance with the morning hour requirement. There must be a recital of the matters to be offered, for example, petitions and memorials, bills and resolutions, concurrent resolutions, reports of committees, and so forth.

Mr. MORSE. If there were a resolution or a petition, and the point in the morning hour had been reached where insertions, memorials, resolutions, and other matters were in order, once a Senator obtained the floor at that point in the morning hour where what he proposed to do would be in order during the morning hour, the Senator could hold the floor for the remainder of the morning hour.

Mr. DIRKSEN. The rule calls for brief statements in connection with items and other matters.

Mr. MORSE. I have not made myself clear.

Mr. DIRKSEN. A brief explanation is permitted, and nothing more.

I will ask the Parliamentarian and the Chair to indicate whether I am correct in that statement.

The question of the Senator from Oregon is whether, after the recitation of the catalog of items and the other requirements in the morning hour were met, if a Senator then presented something and obtained the floor, he could consume the rest of the morning hour.

The PRESIDING OFFICER. Morning business is presented and acted on without debate during the morning hour.

Mr. DIRKSEN. So there would be no extended speeches on anything during the morning hour. The rule calls for a brief statement, and nothing more.

Mr. MORSE. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. DIRKSEN. I yield.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Suppose the point is reached in the morning hour where Senators insert editorials in the RECORD, but in inserting an editorial in the RECORD a Senator wishes to comment at length on the editorial. Can he be taken off his feet while he is commenting on the editorial?

Mr. DIRKSEN. I think he can, and I think a point of order can be made.

The PRESIDING OFFICER. There is nothing in the rules that provides for insertions in the RECORD during the morning hour. Such requests require unanimous consent to be acted on.

Mr. MORSE. Suppose in the morning hour a Senator is presenting a petition, as provided for in the morning hour. He could present a petition. My question is, How long could he discuss it?

The PRESIDING OFFICER. The only thing he could do would be to make a brief statement about the matter involved in the petition or resolution, the nature of it, in order to identify what he is talking about. That is the limit. Debate is not in order.

Mr. MORSE. So the reason the Senate has developed the custom of a 3-minute limitation is that there is a sort of general understanding that a speech of 3 minutes meets the rule in regard to briefness. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. DIRKSEN. Mr. President, I am ready to yield back my time. I have made my statement on this point.

Mr. McNAMARA. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McNAMARA. Do I correctly understand that the record indicates that the interpretation of "brief period" is 3 minutes?

The PRESIDING OFFICER. The reference is to brief statements.

Mr. McNAMARA. The provision for time is totally absent. We do not have any interpretation as to what is a "brief statement." I should say that the practice of the Senate has established the fact that a "brief period" is 3 minutes. By custom, it is established to that extent. I do not know why the question is being raised at this time. I hope that will be understood.

The PRESIDING OFFICER. That question would have to be raised each day. There is nothing in the rules that relates to it.

Mr. McNAMARA. I did not quite understand the Chair.

The PRESIDING OFFICER. There is nothing in the rules setting any limitation of time except the phrase "brief statements."

Mr. McNAMARA. I understand that under the present rules, and by custom of the Senate, the limitation is 3 minutes. I have been in the Senate only about 9 years, but in that time it has been the custom to regard 3 minutes as the "brief" period.

The PRESIDING OFFICER. It is done each day by unanimous consent.

Mr. DIRKSEN. Mr. President, I yield myself 1 minute.

The Senate does not operate on custom; it operates on rules. It has been doing so since 1789. If it ever starts operating on the basis of custom, God help the Senate, and the country as well. The rules are the tracks on which the Senate runs. That is true of any parliamentary body of which I have any knowledge.

Mr. McNAMARA. It is my understanding that the Senate does not follow rules of order such as Robert's Rules of Order, but that the Senate makes its own rules. It operates under rules of the Senate.

Mr. DIRKSEN. That is correct. The Constitution of the United States provides that both bodies of Congress shall make their own rules of procedure.

Mr. President, I reserve the remainder of my time.

Mr. CHURCH. Mr. President, I yield 3 minutes to the Senator from Oklahoma [Mr. MONRONEY].

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 3 minutes.

Mr. MONRONEY. Mr. President, I think it should be clear to the Senate that it is proposed today, by the Church resolution, to open up a small opportunity so that one Senator cannot frustrate the desire and need of a committee to have 1 or 2 hours, during which extraneous business is being transacted on the floor of the Senate, to be able to complete the list of witnesses, hear testimony, or perhaps report an important bill for which the Senate is waiting.

Any 1 of the 100 Members of this body can raise the point and demand the reading of the Journal on a new legislative day and tie up the Senate. He can object to a custom which has been in effect during all my service in the Senate, and was in effect long before that, of being able to speak, by unanimous consent, for 3 minutes—a very important time for most Senators, a very important time for Senators to comment on important matters, and now very important in terms of the Pastore amendment to the rules.

All that is being asked is to prevent 1 Member out of 100 from being able to object to a committee's having a brief period to wind up the business before it or to order the reporting of a bill. One Member on the committee can say, "I object to the committee's continuing its business today. The hour of 12 has arrived, and the Senate is in session." Or, if the session of the Senate started at 10 a.m., a Senator could break up the meeting before it started.

We must realize how disgusted the country is with the ability of one Senator to stop the action of the Senate merely because he happens to use his power or his weight to delay the consideration of, or the movement of, legislation through the Senate. If we do not realize that, we can vote against the resolution. However, I believe that there will, be a different group of Senators sitting here eventually if we do this, because the public is disgusted with all the roadblocks that are being used to frustrate action by the Senate on important legislation.

One Senator could have prevented or blocked the tax bill from being completed and reported to the Senate by continually objecting on the ground that the Senate was in session. I feel that we are entitled to have the movement of legislation expedited and to have bills brought to the Senate and considered. That is true of all legislation, not only the tax bill. That will not be possible if one Senator is given such wide leeway.

The purpose of the Reorganization Act was to prevent the scheduling of meetings and the continual use of the afternoon period for committee meetings while the Senate was in session.

That procedure was changed under the leadership of the late Senator Taft. It was then provided that 2 days would be devoted to committee meetings. That system did not work, unfortunately. When there is important business before a committee the chairman should have the right to have the committee sit a little longer. Senators who would block the use of the traditional morning hour will find the public in complete disagreement with them and they will be proved out of step with the great mass of the people who do not like the dilatory tactics being employed in the Senate. It does not reflect any credit on any party or its leadership to frustrate the action of the Senate when it is trying to bring about this slight improvement, in the light of the inadequacy of the rules.

Mr. DIRKSEN. Mr. President, I yield 4 minutes to the Senator from Nebraska.

Mr. HRUSKA. I should like to call attention to the practical way in which the rule would work if it were adopted, in the light of the customary fashion in which the morning hour has been conducted. The parliamentary situation is such—and the Presiding Officer has so indicated—that there is no provision in the rules for the customary 3-minute speeches during the morning hour. When permission will be asked from time to time, for such speeches, if the minority leader is not in the Chamber, or if he fails to make that objection, the Senator from Nebraska will be prepared to make it.

I believe that we have at least as much obligation to attend to the business of the committees, where very important decisions are made, as we have to attend the sessions of the Senate in the Chamber. We cannot be in both places at the same time. If there were some magical way in which we could be, that would solve our problem, but there is not.

The important rule, the substantive rule, the wise rule, is that when this body is in session, committees shall not sit.

What will be the effect of this rule, if adopted? The effect will be that Senators will be sitting in committee. The bells will ring. The hour of 12 o'clock will arrive. After the prayer has been offered, Senators will attend to the introduction of bills, the presentation of memorials, and so on. In most cases that will not require more than 4 or 5 minutes. Then the morning hour will be over.

Thereupon, the business of the day will be laid before the Senate. Under the rule of germaneness, for 3 hours, Senators will not be able to depart from a discussion of that business unless a waiver is obtained. If a waiver is obtained, of course, it is not necessary to have the rule in the first place. If a waiver is granted to one Senator, it will be very difficult to refuse another.

That means that we shall be stultifying this body by preventing a Member from bringing to the attention of the Nation a wide range of subjects which Senators have heretofore been able to call to the attention of the Nation during the course of the morning hour. We will be stultified at least until 3 o'clock or 3:10 or 3:15. If that is the wish of the Senate, if that is the way we want to transact business, the amendment ought to be approved, and should be given a trial. I do not believe that is the way in which the business of the Senate should be conducted. I believe the country has a right to expect that when there are important matters that need attention in the Chamber and important matters must be attended to in committees, Senators will not be foreclosed from doing both.

If the Senate wishes to try the rule, let it be tried. I for one will oppose it. If the minority leader or some other Senator does not object when a request is made for 3-minute speeches during the morning hour, the Senator from Nebraska will register such an objection.

I yield back the remainder of my time.

Mr. MONRONEY. Mr. President, will the chairman of the subcommittee yield for a question?

Mr. CHURCH. I yield.

Mr. MONRONEY. I am sure that Senators who have served in the House know the tradition of the 1-minute rule in the House. That has been in effect for years. A Member of the House rises and says, "Mr. Speaker, I ask unanimous consent that I may address the House for 1 minute." That is the genesis of the working of the morning hour unanimous-consent procedure in the Senate.

If the minority party wishes to change a tradition in the Senate of almost equal duration, it is within its rights. I do not believe that it would add to the stature of the Senate or help the expedition of the business of the Senate.

Mr. CHURCH. The Senator is correct.

Mr. DIRKSEN. Every Member of the House must obtain consent for himself. There is no blanket request in the House.

Mr. MONRONEY. That is correct. Is not the waiving of the reading of the Journal also required to be done by unanimous consent?

Mr. DIRKSEN. Yes.

Mr. MONRONEY. There are dozens of ways to block the operation of the Senate. If the minority leader wishes to block the operations in that way, he can do so. There are many ways in which the business in the Senate can be blocked.

Mr. CHURCH. Mr. President, perhaps the minority leader feels that he is fully justified in doing what he threatens. That is his prerogative. However, it is hardly an argument against the merits of the resolution.

It is suggested that if we have the temerity to change the Senate rules in any way, unanimous consent for morning hour insertions will no longer be given. I can only say that each Senator examines his own conscience in a matter of this kind, but it is not a relevant argument against the resolution.

I hope the Senate will judge the resolution on its merits.

Mr. DIRKSEN. If there is a delegation of powers, the minority leader will insist that it be applied and complied with. He is perfectly within his right to do so, because he did not suggest this rule. He simply said, "Very well; we will abide by the rule."

Mr CHURCH. Mr. President, I yield myself such time as I shall need to make a summation on the resolution.

All that the resolution seeks to do is to permit Senate committees a little more additional time to complete their business, to hear remaining witnesses, during the period when the Senate is not engaged in the public business. No Senator, in the course of the debate, has suggested a single good reason why committees should not sit when purely extraneous matters are before the Senate, as when 3-minute insertions are being made, if they are to be permitted, or when bills are being introduced, resolutions presented, or other routine business is being transacted.

No one has suggested a single good reason why committees should not sit during that period. Every Senator who serves on a committee is aware of situations that have arisen, time and time again, when hearings are cut short by the morning hour, often when out-of-town witnesses have come from all the way across the country. The hour of 12 o'clock arrives, and every member of the committee senses that another 15, 30, or 45 minutes would complete the hearing, permitting the last witnesses to testify and go home, or would enable the committee to report the bill to the Senate. Yet, when the hour of 12 o'clock arrives, if one Senator objects, the result is that the committee must put over the hearing for another day, the witnesses must remain, the business of the committee is slowed, and people are put to an unnecessary inconvenience and expense. All this we seek to help correct by the resolution.

The most that has been said against the resolution is that it would not help much; but no Senator has suggested in debate that it would not help some. So we are really confronted with the choice of making some progress or no progress at all, and of making progress in a way that is perfectly consistent with the principle that Senators should be on the floor when public business is before the Senate for debate.

So I should say that the arguments against the resolution are exceedingly weak, unless the Senate wishes to bend before some form of intimidation. The distinguished minority leader [Mr. Dirksen] says we are shooting the rule book full of holes. My reply is that any resolution that is reported by the Committee on Rules and Administration by a unanimous vote is hardly one that tears the Senate rule book into shreds.

The resolution proposes a modest change. It makes sense. It would help to expedite business. It would do violence to none of the sacrosanct rules of the Senate. It is merely a second step, following upon the adoption of the rule of germaneness last week, to help expedite the business of the Senate. It comes at a time when the Senate has just completed the longest peacetime session in its history. Would any Senator say that some improvement is not needed, or that some expedition of the Senate's business would not be in the public interest? I think not.

Much has been mentioned about the rule of germaneness and how it can be avoided. I suppose there is no rule, as the Senator from Minnesota [Mr. Humphrey] said earlier in the debate, that cannot be avoided. Rules will either work or fail to work, depending upon the wish of the Senate that they should, or should not, work. If the distinguished minority leader wishes to object, so as to prevent Senators from making their customary 3-minute statements and insertions in the Record, although this has been the long-hallowed practice of the Senate lo these many years, then obviously the wish is that the new rules shall not work. Such is the spirit of a little boy who says, after losing the game, "I am going to take my marbles and go home."

This can be a good rule. It can improve and expedite the business of the Senate. I hope the Senate will adopt it. It would be easy enough to notify committees when the public business is laid before the Senate. We are not entering upon any great trackless jungle compounded with difficulties that are only the products of the minority leader's fertile imagination. What is proposed by the resolution can readily be done. That is why the resolution was unanimously approved by the committee. I hope the Senate will now proceed to adopt it.

The **PRESIDING OFFICER**. The time of the Senator from Idaho has expired.

Mr. **DIRKSEN**. I yield back the remainder of my time.

The **PRESIDING OFFICER**. The question is on agreeing to the resolution, as amended. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. **KUCHEL** (when his name was called). On this vote, I have a pair with the distinguished senior Senator from Colorado [Mr. Allott]. If the Senator from Colorado [Mr. Allott] were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. **METCALF** (when his name was called). On this vote, I have a live pair with the Senator from Florida [Mr. Holland]. If the Senator from Florida [Mr. Holland] were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. **ROBERTSON** (when his name was called). On this vote, I have a pair with the distinguished senior Senator from Montana [Mr. Mansfield], the majority leader. If the Senator from Montana [Mr. Mansfield] were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. **HUMPHREY**. I announce that the Senator from Oklahoma [Mr. Edmondson], the Senator from Alaska [Mr. Gruening], the Senator from Indiana [Mr. Hartke], the Senator from Florida [Mr. Holland], the Senator from Ohio [Mr. Lausche], the Senator from Montana [Mr. Mansfield], the Senator from Minnesota [Mr. McCarthy], the Senator from Rhode Island [Mr. Pastore], and the Senator from Mississippi [Mr. Stennis] are absent on official business.

I also announce that the Senator from California [Mr. Engle] is absent because of illness.

I further announce that, if present and voting, the Senator from Oklahoma [Mr. Edmondson], the Senator from California [Mr. Engle], and the Senator from Indiana [Mr. Hartke] would each vote "yea."

On this vote, the Senator from Rhode Island [Mr. Pastore] is paired with the Senator from Ohio [Mr. Lausche]. If present and voting, the Senator from Rhode Island would vote "yea" and the Senator from Ohio would vote "nay."

On this vote, the Senator from Minnesota [Mr. McCarthy] is paired with the Senator from Mississippi [Mr. Stennis]. If present and voting, the Senator from Minnesota would vote "yea" and the Senator from Mississippi would vote "nay."

Mr. **KUCHEL**. I announce that the Senator from Colorado [Mr. Allott], the Senators from Kansas [Mr. Carlson and Mr. Pearson], the Senator from Nebraska [Mr. Curtis], the Senator from Iowa [Mr. Miller], and the Senator from North Dakota [Mr. Young] are necessarily absent.

The Senator from Colorado [Mr. Dominick] is absent because of death in family.

If present and voting, the Senator from Colorado [Mr. Dominick] and the Senator from Iowa [Mr. Miller] would each vote "nay."

The pair of the Senator from Colorado [Mr. Allott] has been previously announced.

On this vote, the Senator from Kansas [Mr. Pearson] is paired with the Senator from Nebraska [Mr. Curtis]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Nebraska would vote "nay."

The result was announced—yeas 47, nays 33, as follows:

[No. 10 Leg.]

YEAS—47

Anderson
Bartlett
Bayh
Beall
Bible
Brewster
Burdick
Cannon
Case
Church
Clark
Cooper
Dodd
Douglas
Fulbright
Gore
Hart
Hayden
Humphrey
Inouye
Jackson
Javits
Keating
Kennedy
Long, Mo.
Magnuson
McGee
McGovern
McIntyre
McNamara
Monroney
Morton
Moss
Muskie
Nelson
Neuberger
Pell
Proxmire
Randolph
Ribicoff
Scott
Smathers
Smith
Symington
Williams, N.J.
Yarborough
Young, Ohio

NAYS—33

Aiken
Bennett
Boggs
Byrd, Va.
Byrd, W. Va.
Cotton
Dirksen
Eastland
Ellender
Ervin
Fong
Goldwater
Hickenlooper
Hill
Hruska
Johnston
Jordan, N.C.
Jordan, Idaho
Long, La.
McClellan
Mechem
Morse
Mundt
Prouty
Russell
Saltonstall
Simpson
Sparkman
Talmadge
Thurmond
Tower
Walters
Williams, Del.

NOT VOTING—20

Allott
Carlson
Curtis
Dominick
Edmondson
Engle
Gruening
Hartke
Holland
Kuchel
Lausche
Mansfield
McCarthy
Metcalf
Miller
Pastore
Pearson
Robertson
Stennis
Young, N. Dak.

So the resolution (S. Res. 111), as amended, was agreed to, as follows:

Resolved, That rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"5. No standing committee shall sit without special leave while the Senate is in session after (1) the conclusion of the morning hour, or (2) the Senate has proceeded to the consideration of unfinished business, pending business, or any other business except private bills and the routine morning business, whichever is earlier."

Sec. 2. Section 134(c) of the Legislative Reorganization Act of 1946 shall not be applicable to the standing committees of the Senate.

Mr. CHURCH. Mr. President, I move that the vote by which the resolution, as amended, was agreed to, be reconsidered.

Mr. HUMPHREY. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

TRANSACTION OF ROUTINE BUSINESS

Subsequently, and by unanimous consent, the following routine business was transacted:

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries, and he announced that on January 28, 1964, the President had approved and signed the act (S. 1604) to amend the provisions of the Agricultural Adjustment Act of 1938, as amended, relating to the transfer of producer rice acreage allotments.

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Commerce.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 243) authorizing the printing as a House Document in a form suitable for framing of the inaugural address of President John Fitzgerald Kennedy, in which it requested the concurrence of the Senate.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 243) authorizing the printing as a House Document in a form suitable for framing of the inaugural address of President John Fitzgerald Kennedy, was referred to the Committee on Rules and Administration, as follows:

Resolved by the House of Representatives (the Senate concurring), That there shall be printed as a House document the inaugural address of President John Fitzgerald Kennedy delivered at the Capitol, Washington, District of Columbia, on January 20, 1961. Such inaugural address shall be printed in a form appropriate for framing and office wall display, and in such colors and with such artwork, as the Joint Committee on Printing shall direct. In addition to the usual number, there shall be printed 322,500 additional copies, of which 103,000 copies shall be for the use of the Senate, and 219,500 copies shall be for the use of the House of Representatives.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following communication and letters, which were referred as indicated:

Proposed Legislation Relating to Labor

A communication from the President of the United States, transmitting drafts of proposed legislation (1) to amend the Fair Labor Standards Act to extend its protection to additional employees, and for other purposes; and (2) to increase employment by providing a higher penalty rate for overtime work (with accompanying papers); to the Committee on Labor and Public Welfare.

Report on Army ROTC Flight Training Program

A letter from the Acting Secretary of the Army, transmitting, pursuant to law, a report on the progress of the Army Reserve Officers' Training Corps flight training program, for the calendar year 1963 (with an accompanying report); to the Committee on Armed Services.

Reports of District of Columbia Armory Board

A letter from the Chairman, District of Columbia Armory Board, Washington, D.C., transmitting, pursuant to law, reports of that Board on the operation of the District of Columbia National Guard Armory and the District of Columbia Stadium, for the fiscal year ended June 30, 1963 (with accompanying reports); to the Committee on the District of Columbia.

Report on Unnecessary Costs Relating to Reassignment of Management Responsibility for Tool Sets

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on unnecessary costs relating to reassignment of management responsibility for tool sets, Department of the Army and Defense Supply Agency, dated January 1964 (with an accompanying report); to the Committee on Government Operations.

Report on Disposal of Foreign Excess Property

A letter from the Deputy Administrator, Veterans' Administration, Washington, D.C., transmitting, pursuant to law, a report on the disposal of foreign excess property by that Administration, for calendar year 1963 (with an accompanying report); to the Committee on Government Operations.

Proposed Amendment to Concession Contract in Crater Lake National Park

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed amendment to the concession contract of Crater Lake Lodge, Inc., to provide facilities and services in Crater Lake National Park (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report on Tort Claims Paid by Department of Health, Education, and Welfare

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on tort claims paid by that Department, during the calendar year 1963 (with an accompanying report); to the Committee on the Judiciary.

Report of Board for Fundamental Education

A letter from the firm of Ice, Miller, Donadio & Ryan, Indianapolis, Ind., transmitting, pursuant to law, a report of the Board for Fundamental Education, for the year 1963 together with a balance sheet of that Board, as of May 31, 1963 (with accompanying papers); to the Committee on the Judiciary.

Report Under Fair Labor Standards Act

A letter from the Secretary of Labor, transmitting, pursuant to law, a report under the Fair Labor Standards Act, dated January 1964 (with accompanying papers); to the Committee on Labor and Public Welfare.

Report on Positions in Grades GS-16, GS-17, and GS-18

A letter from the Director, Federal Bureau of Investigation, Department of Justice, reporting, pursuant to law, on positions in that Bureau in the grades GS-16, GS-17, and GS-18 for the calendar year 1963 (with accompanying papers); to the Committee on Post Office and Civil Service.

Report of U.S. Atomic Energy Commission

A letter from the Chairman and members, U.S. Atomic Energy Commission, Washington, D.C., transmitting, pursuant to law, a report of that Commission, for the year 1963 (with an accompanying report); to the Joint Committee on Atomic Energy.

EXTENSION OF TIME FOR SPECIAL COMMITTEE ON AGING TO FILE A REPORT

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the time for filing the report of the Senate Special Committee on Aging be extended from January 31, 1964, the deadline set by Senate Resolution 23, to either March 31, 1964, or such date as the Senate resolution shall determine, whichever shall be later.

The PRESIDING OFFICER (Mr. Walters in the chair). Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, without amendment:

S. Res. 252. Resolution to authorize additional staff for the Committee on Labor and Public Welfare (Rept. No. 858);

S. Res. 253. Resolution authorizing the employment of one additional staff member for the Committee on Labor and Public Welfare (printing clerk) (Rept. No. 859);

S. Res. 254. Resolution authorizing certain investigations by the Committee on Aeronautical and Space Sciences (Rept. No. 833);

S. Res. 255. Resolution authorizing the Committee on Interior and Insular Affairs to make certain investigations (Rept. No. 843);

S. Res. 256. Resolution authorizing the Committee on Banking and Currency to make certain investigations (Rept. No. 835);

S. Res. 257. Resolution authorizing the Committee on Banking and Currency to investigate matters pertaining to public and private housing (Rept. No. 836);

S. Res. 259. Resolution to provide additional funds for the Committee on Public Works (Rept. No. 862);

S. Res. 260. Resolution extending the Special Committee on Aging through January 31, 1965 (Rept. No. 865);

S. Res. 261. Resolution to study administrative practice and procedure (Rept. No. 844);

S. Res. 262. Resolution to investigate antitrust and monopoly laws of the United States (Rept. No. 845);

S. Res. 263. Resolution to consider matters pertaining to Government charters, holidays, and celebrations (Rept. No. 848);

S. Res. 265. Resolution to investigate matters pertaining to constitutional rights (Rept. No. 847);

S. Res. 266. Resolution to study matters pertaining to immigration and naturalization (Rept. No. 850);

S. Res. 267. Resolution to study and examine the Federal judicial system (Rept. No. 849);

S. Res. 268. Resolution to investigate the administration, operation, and enforcement of the Internal Security Act (Rept. No. 851);

S. Res. 269. Resolution to investigate national penitentiaries (Rept. No. 853);

S. Res. 270. Resolution to examine and review the administration of the Patent Office (Rept. No. 854);

S. Res. 271. Resolution to investigate problems created by the flow of refugees and escapees from communistic tyranny (Rept. No. 855);

S. Res. 272. Resolution to study revision and codification of the statutes of the United States (Rept. No. 856);

S. Res. 274. Resolution to investigate juvenile delinquency (Rept. No. 852);

S. Res. 275. Resolution providing additional funds for the Committee on Interior and Insular Affairs;

S. Res. 277. Resolution authorizing the Committee on Foreign Relations to examine and study the foreign policies of the United States (Rept. No. 838);

S. Res. 278. Resolution authorizing the Committee on Government Operations to make certain studies as to the efficiency and economy of the operations of the Government (Rept. No. 839);

S. Res. 279. Resolution to study certain aspects of national security operations (Rept. No. 842);

S. Res. 281. Resolution to provide additional funds for the Post Office and Civil Service Committee to make certain studies (Rept. No. 860);

S. Res. 282. Resolution to authorize the Post Office and Civil Service Committee to employ a temporary clerical employee (Rept. No. 861);

S. Res. 284. Resolution to investigate problems of American small and independent business (Rept. No. 864);

S. Res. 285. Resolution increasing the limit of expenditures for hearings before the Committee on Armed Services; and

S. Res. 286. Resolution authorizing the Committee on Armed Services to investigate certain matters relating to national defense (Rept. No. 834).

By Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, without additional amendment:

S. Res. 283. Resolution to authorize the Committee on Commerce to make certain studies (Rept. No. 837).

By Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, with an amendment:

S. Res. 264. Resolution authorizing a study of matters pertaining to constitutional amendments (Rept. No. 846);

S. Res. 273. Resolution to investigate the administration of the Trading With the Enemy Act (Rept. No. 857);

S. Res. 280. Resolution authorizing a study of intergovernmental relationships between the United States and the States and municipalities (Rept. No. 841); and

S. Res. 288. Resolution to provide funds for the study of matters pertaining to interagency coordination, economy, and efficiency (Rept. No. 840).

EXPENDITURE OF FUNDS BY COMMITTEE ON RULES AND ADMINISTRATION UNDER SENATE RESOLUTION 212 (INQUIRY INTO FINANCIAL OR BUSINESS INTERESTS OF ANY OFFICER OR EMPLOYEE OR FORMER OFFICER OR EMPLOYEE OF THE SENATE)—REPORT OF A COMMITTEE

Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, reported an original resolution (S. Res. 291), which was placed on the calendar, as follows:

Resolved, That for the purpose of discharging its responsibilities pursuant to S. Res. 212, to inquire into the financial or business interests of any officer or employee or former officer or employee of the Senate, agreed to October 10, 1963, the Committee on Rules and Administration is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other person employed under the authority of this resolution; and (3) with the prior consent of the heads of the departments or agencies concerned, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 2. Expenses of the committee, under this resolution, which shall not exceed $75,000 from February 1, 1964, to April 30, 1964, inclusive, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

EXPENDITURE OF FUNDS BY COMMITTEE ON RULES AND ADMINISTRATION AND EMPLOYMENT OF TEMPORARY PERSONNEL (S. REPT. 863)

Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, reported an original resolution (S. Res. 292); which was placed on the calendar, as follows:

Resolved, That the Committee on Rules and Administration, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate and make a complete study of any and all matters pertaining to—

(1) the election of the President, Vice President or Members of Congress;

(2) corrupt practices;

(3) contested elections;

(4) credentials and qualifications;

(5) Federal elections generally, and

(6) Presidential succession.

SEC. 2. For the purpose of this resolution, the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants; *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $150,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL EMPLOYMENT AND PAY

Mr. BYRD of Virginia. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a report on Federal employment and pay for the month of December 1963. In accordance with the practice of several years' standing, I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN EXECUTIVE BRANCH, DECEMBER 1963 AND NOVEMBER 1963, AND PAY, NOVEMBER 1963 AND OCTOBER 1963

PERSONNEL AND PAY SUMMARY

(See table I)

Information in monthly personnel reports for December 1963 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures is summarized as follows:

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In December numbered—	In November numbered—	Increase (+) or decrease (−)	In November was—	In October was—	Increase (+) or decrease (−)
Total [1]	2,487,853	2,493,379	−5,526	$1,280,630	$1,393,327	−$112,697
Agencies exclusive of Department of Defense	1,444,406	1,449,348	−4,942	738,377	806,394	−68,017
Department of Defense	1,043,447	1,044,031	−584	542,253	586,933	−44,680
Inside the United States	2,319,676	2,324,653	−4,977			
Outside the United States	168,177	168,726	−549			
Industrial employment	556,774	558,421	−1,647			
Foreign nationals	158,416	159,655	−1,239	28,554	28,143	+411

[1] Exclusive of foreign nationals shown in the last line of this summary.

Table I breaks down the above figures on employment and pay by agencies.

Table II breaks down the above employment figures to show the number inside the United States by agencies.

Table III breaks down the above employment figures to show the number outside the United States by agencies.

Table IV breaks down the above employment figures to show the number in industrial type activities by agencies.

Table V shows foreign nationals by agencies not included in tables I, II, III, and IV.

TABLE I.—*Consolidated table of Federal personnel inside and outside the United States employed by the executive agencies during December 1963, and comparison with November 1963, and pay for November 1963, and comparison with October 1963*

Department or agency	Personnel				Pay (in thousands)			
	December	November	Increase	Decrease	November	October	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	102,579	104,356		1,777	$51,275	$57,316		$6,041
Commerce	30,865	31,066		201	19,529	20,758		1,229
Health, Education, and Welfare	82,057	81,945	112		42,382	45,574		3,192
Interior	67,393	69,029		1,636	36,749	40,212		3,463
Justice	31,682	31,866		184	20,636	22,479		1,843
Labor	9,272	[1] 9,386		114	5,759	6,285		526
Post Office	[2] 595,571	594,805	766		277,891	307,040		29,149
State [3,4]	42,358	42,526		168	22,128	23,309		1,181
Treasury	84,783	85,127		344	49,573	53,964		4,391
Executive Office of the President:								
White House Office	376	365	11		246	272		26
Bureau of the Budget	487	[1] 487			429	462		33
Council of Economic Advisers	58	44	14		36	42		6
Executive Mansion and Grounds	77	74	3		53	36	$17	
National Aeronautics and Space Council	27	29		2	26	28		2
National Security Council	43	44		1	35	33		3
Office of Emergency Planning	407	440		33	365	397		32
Office of Science and Technology	48	58		10	35	41		6
Office of the Special Representative for Trade Negotiations	30	28	2		27	27		
President's Commission on Registration and Voting Participation	14	7	7		4	8		4
President's Commission on the Assassination of President Kennedy [5]	4		4					
President's Committee on Equal Opportunity in Housing	5	5			3	4		1
Independent agencies:								
Advisory Commission on Intergovernmental Relations	28	25	3		21	23		2
American Battle Monuments Commission	415	418		3	93	97		4
Atomic Energy Commission	7,239	7,241		2	5,374	5,843		469
Board of Governors of the Federal Reserve System	622	621	1		405	438		33
Civil Aeronautics Board	851	855		4	643	700		57
Civil Service Commission	3,984	4,035		51	2,355	2,657		302
Civil War Centennial Commission	5	5			4	4		
Commission of Fine Arts	6	6			5	6		1
Commission on Civil Rights	59	58	1		40	47		7
Delaware River Basin Commission	2	2			2	3		1
Export-Import Bank of Washington	293	294		1	201	200	1	
Farm Credit Administration	236	243		7	170	190		20
Federal Aviation Agency	45,539	45,667		128	32,189	34,141		1,952
Federal Coal Mine Safety Board of Review	7	7			4	5		1
Federal Communications Commission	1,461	1,462		1	1,014	1,105		91
Federal Deposit Insurance Corporation	1,246	1,253		7	804	892		88
Federal Home Loan Bank Board	1,249	1,252		3	838	906		68
Federal Maritime Commission	243	243			179	189		10
Federal Mediation and Conciliation Service	402	402			353	377		24
Federal Power Commission	1,120	1,143		23	799	870		71
Federal Radiation Council	4	4			4	4		
Federal Trade Commission	1,143	1,144		1	802	877		75
Foreign Claims Settlement Commission	160	153	7		83	87		4
General Accounting Office	4,387	4,454		67	2,885	3,174		289
General Services Administration	33,142	33,206		64	16,197	17,504		1,307
Government Printing Office	7,292	7,314		22	4,367	4,704		337
Housing and Home Finance Agency	13,994	14,055		61	8,616	9,287		671
Indian Claims Commission	21	21			21	21		
Interstate Commerce Commission	2,388	2,408		20	1,632	1,792		160
National Aeronautics and Space Administration	30,075	30,033	42		21,930	24,139		2,209
National Capital Housing Authority	445	449		4	203	219		16
National Capital Planning Commission	59	59			42	51		9
National Capital Transportation Agency	62	64		2	51	53		2
National Gallery of Art	312	314		2	138	148		10
National Labor Relations Board	1,972	1,972			1,383	1,504		121
National Mediation Board	142	139	3		126	124	2	
National Science Foundation	1,024	1,074		50	690	730		40
Panama Canal	15,051	15,085		34	5,479	5,345	134	
President's Committee on Equal Employment Opportunity	54	56		2	35	38		3
Railroad Retirement Board	1,893	1,912		19	1,060	1,165		105
Renegotiation Board	214	215		1	179	194		15
St. Lawrence Seaway Development Corporation	158	160		2	98	108		10
Securities and Exchange Commission	1,377	1,365	12		931	1,010		79
Selective Service System	6,981	6,944	37		2,168	2,366		198
Small Business Administration	3,369	3,381		12	2,172	2,361		189
Smithsonian Institution	1,523	1,522	1		774	828		54
Soldiers' Home	1,077	1,082		5	363	378		15
South Carolina, Georgia, Alabama, and Florida Water Study Commission [6]		10		10	3	3		
Subversive Activities Control Board	27	26	1		21	21		
Tariff Commission	274	275		1	201	208		7
Tax Court of the United States	153	154		1	129	139		10
Tennessee Valley Authority	16,372	16,998		626	9,749	11,420		1,671
U.S. Arms Control and Disarmament Agency	169	163	6		133	151		18
U.S. Information Agency	11,980	12,018		38	4,994	5,740		746
Veterans' Administration	173,473	173,688		215	77,900	83,366		5,466
Virgin Islands Corporation	496	512		16	144	150		6
Total, excluding Department of Defense	1,444,406	1,449,348	1,033	5,975	738,377	806,394	154	68,171
Net decrease, excluding Department of Defense			4,942				68,017	

See footnotes at end of table.

TABLE I.—*Consolidated table of Federal personnel inside and outside the United States employed by the executive agencies during December 1963, and comparison with November 1963, and pay for November 1963, and comparison with October 1963*—Continued

Department or agency	Personnel				Pay (in thousands)			
	December	November	Increase	Decrease	November	October	Increase	Decrease
Department of Defense:								
Office of the Secretary of Defense	2,125	2,083	42		$1,686	$1,855		$169
Department of the Army	371,637	373,019		1,382	186,738	202,085		15,347
Department of the Navy	338,072	338,863		791	185,497	201,077		15,580
Department of the Air Force	299,260	298,254	1,006		151,696	164,440		12,744
Defense Atomic Support Agency	1,957	1,974		17	982	1,074		2
Defense Communications Agency	703	674	29		426	450		24
Defense Supply Agency	26,407	25,864	543		12,978	13,713		735
Office of Civil Defense	1,050	1,057		7	855	929		74
U.S. Court of Military Appeals	39	40		1	33	36		3
Interdepartmental activities	8	12		4	8	8		
International military activities	60	62		2	47	46	$1	
Armed Forces information and education activities	425	427		2	215	225		10
Classified activities	1,704	1,702	2		1,092	995	97	
Total, Department of Defense	1,043,447	1,044,031	1,622	2,206	542,253	586,933	98	44,778
Net decrease, Department of Defense			584				44,680	
Grand total, including Department of Defense [7] [8]	2,487,853	2,493,379	2,655	8,181	1,280,630	1,393,327	252	112,949
Net decrease, including Department of Defense			5,526				112,697	

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[1] Revised on basis of later information.

[2] Excludes 144,057 temporary Christmas employees.

[3] December figure includes 16,932 employees of the Agency for International Development, as compared with 17,007 in November, and their pay. These AID figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The December figure includes 4,559 of these trust fund employees and the November figure includes 4,654.

[4] December figure includes 1,049 employees of the Peace Corps, as compared with 1,034 in November, and their pay.

[5] New agency, created pursuant to Executive Order 11130, dated Nov. 29, 1963.

[6] Agency abolished Dec. 23, 1963, pursuant to Public Law 85-850.

[7] Exclusive of personnel and pay of the Central Intelligence Agency and the National Security Agency.

[8] Includes employment by Federal agencies under the Public Works Acceleration Act (Public Law 87-658) as follows:

Agency	December	November	Change
Agriculture Department	4,153	4,546	−393
Interior Department	5,400	6,107	−707
Tennessee Valley Authority		43	−43
Total	9,553	10,696	−1,143

TABLE II.—*Federal personnel inside the United States employed by the executive agencies during December 1963, and comparison with November 1963*

Department or agency	December	November	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	101,369	103,003		1,634
Commerce	30,198	30,402		204
Health, Education, and Welfare	81,410	81,300	110	
Interior	66,777	68,420		1,643
Justice	31,326	31,506		180
Labor	9,198	[1] 9,302		104
Post Office	[2] 594,045	593,281	764	
State [3] [4]	10,624	10,695		71
Treasury	84,153	84,503		350
Executive Office of the President:				
White House Office	376	365	11	
Bureau of the Budget	487	[1] 487		
Council of Economic Advisers	58	44	14	
Executive Mansion and Grounds	77	74	3	
National Aeronautics and Space Council	27	29		2
National Security Council	43	44		1
Office of Emergency Planning	407	440		33
Office of Science and Technology	48	58		10
Office of the Special Representative for Trade Negotiations	30	28	2	
President's Commission on Registration and Voting Participation	14	7	7	
President's Commission on the Assassination of President Kennedy [5]	4		4	
President's Committee on Equal Opportunity in Housing	5	5		
Independent agencies:				
Advisory Commission on Intergovernmental Relations	28	25	3	
American Battle Monuments Commission	7	7		
Atomic Energy Commission	7,206	7,209		3
Board of Governors of the Federal Reserve System	622	621	1	
Civil Aeronautics Board	851	855		4
Civil Service Commission	3,980	4,031		51
Civil War Centennial Commission	5	5		
Commission of Fine Arts	6	6		
Commission on Civil Rights	59	58	1	
Delaware River Basin Commission	2	2		
Export-Import Bank of Washington	293	294		1
Farm Credit Administration	236	243		7
Federal Aviation Agency	44,475	44,607		132
Federal Coal Mine Safety Board of Review	7	7		
Federal Communications Commission	1,459	1,460		1
Federal Deposit Insurance Corporation	1,244	1,251		7
Federal Home Loan Bank Board	1,249	1,252		3
Federal Maritime Commission	243	243		
Independent agencies—Continued				
Federal Mediation and Conciliation Service	402	402		
Federal Power Commission	1,120	1,143		23
Federal Radiation Council	4	4		
Federal Trade Commission	1,143	1,144		1
Foreign Claims Settlement Commission	120	114	6	
General Accounting Office	4,305	4,371		66
General Services Administration	33,117	33,181		64
Government Printing Office	7,292	7,314		22
Housing and Home Finance Agency	13,798	13,861		63
Indian Claims Commission	21	21		
Interstate Commerce Commission	2,388	2,408		20
National Aeronautics and Space Administration	30,061	30,019	42	
National Capital Housing Authority	445	449		4
National Capital Planning Commission	50	50		
National Capital Transportation Agency	62	64		2
National Gallery of Art	312	314		2
National Labor Relations Board	1,939	1,939		
National Mediation Board	142	139	3	
National Science Foundation	1,011	1,061		50
Panama Canal	163	158	5	
President's Committee on Equal Employment Opportunity	54	56		2
Railroad Retirement Board	1,893	1,912		19
Renegotiation Board	214	215		1
St. Lawrence Seaway Development Corporation	158	160		2
Securities and Exchange Commission	1,377	1,365	12	
Selective Service System	6,832	6,794	38	
Small Business Administration	3,313	3,324		11
Smithsonian Institution	1,504	1,505		1
Soldiers' Home	1,077	1,082		5
South Carolina, Georgia, Alabama, and Florida Water Study Commission [6]		10		10
Subversive Activities Control Board	27	26	1	
Tariff Commission	274	275		1
Tax Court of the United States	153	154		1
Tennessee Valley Authority	16,371	16,997		626
U.S. Arms Control and Disarmament Agency	169	163	6	
U.S. Information Agency	3,405	3,409		4
Veterans' Administration	172,472	172,683		211
Total, excluding Department of Defense	1,379,845	1,384,464	1,033	5,652
Net decrease, excluding Department of Defense			4,619	

See footnotes at end of table.

TABLE II.—*Federal personnel inside the United States employed by the executive agencies during December 1963, and comparison with November 1963*—Continued

Department or agency	December	November	Increase	Decrease
Department of Defense:				
Office of the Secretary of Defense	2,074	2,032	42	
Department of the Army	320,382	321,545		1,163
Department of the Navy	313,618	314,287		669
Department of the Air Force	271,461	270,570	891	
Defense Atomic Support Agency	1,957	1,974		17
Defense Communications Agency	670	641	29	
Defense Supply Agency	26,407	25,864	543	
Office of Civil Defense	1,050	1,057		7
U.S. Court of Military Appeals	39	40		1
Interdepartmental activities	8	12		4
International military activities	36	38		2
Department of Defense—Continued				
Armed Forces information and education activities	425	427		2
Classified activities	1,704	1,702	2	
Total, Department of Defense	939,831	940,189	1,507	1,865
Net decrease, Department of Defense			358	
Grand total, including Department of Defense	2,319,676	2,324,653	2,540	7,517
Net decrease, including Department of Defense			4,797	

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[1] Revised on basis of later information.

[2] Excludes 143,949 temporary Christmas employees.

[3] December figure includes 2,884 employees of the Agency for International Development as compared with 2,879 in November.

[4] December figure includes 669 employees of the Peace Corps as compared with 662 in November.

[5] New agency created pursuant to Executive Order 11130, dated Nov. 29, 1963.

[6] Agency abolished Dec. 23, 1963, pursuant to Public Law 85-850.

TABLE III.—*Federal personnel outside the United States employed by the executive agencies during December 1963, and comparison with November 1963*

Department or agency	December	November	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,210	1,353		143
Commerce	667	664	3	
Health, Education, and Welfare	647	645	2	
Interior	616	609	7	
Justice	356	360		4
Labor	74	84		10
Post Office	[1] 1,526	1,524	2	
State [2] [3]	31,734	31,831		97
Treasury	630	624	6	
Independent agencies:				
American Battle Monuments Commission	408	411		3
Atomic Energy Commission	33	32	1	
Civil Service Commission	4	4		
Federal Aviation Agency	1,064	1,060	4	
Federal Communications Commission	2	2		
Federal Deposit Insurance Corporation	2	2		
Foreign Claims Settlement Commission	40	39	1	
General Accounting Office	82	83		1
General Services Administration	25	25		
Housing and Home Finance Agency	196	194	2	
National Aeronautics and Space Administration	14	14		
National Labor Relations Board	33	33		
National Science Foundation	13	13		
Panama Canal	14,888	14,927		39
Selective Service System	149	150		1
Independent agencies—Continued				
Small Business Administration	56	57		1
Smithsonian Institution	19	17	2	
Tennessee Valley Authority	1	1		
U.S. Information Agency	8,575	8,609		34
Veterans' Administration	1,001	1,005		4
Virgin Islands Corporation	496	512		16
Total, excluding Department of Defense	64,561	64,884	30	353
Net decrease, excluding Department of Defense			323	
Department of Defense:				
Office of the Secretary of Defense	51	51		
Department of the Army	51,255	51,474		219
Department of the Navy	24,454	24,576		122
Department of the Air Force	27,799	27,684	115	
Defense Communications Agency	33	33		
International military activities	24	24		
Total, Department of Defense	103,616	103,842	115	341
Net decrease, Department of Defense			226	
Grand total, including Department of Defense	168,177	168,726	145	694
Net decrease, including Department of Defense			549	

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[1] Excludes 108 temporary Christmas employees.

[2] December figure includes 14,048 employees of the Agency for International Development as compared with 14,128 in November. These AID figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The December figure includes 4,559 of these trust fund employees and the November figure includes 4,654.

[3] December figure includes 380 employees of the Peace Corps as compared with 372 in November.

TABLE IV.—*Industrial employees of the Federal Government inside and outside the United States employed by the executive agencies during December 1963, and comparison with November 1963*

Department or agency	December	November	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	3,905	3,890	15	
Commerce	5,612	5,565	47	
Interior	8,692	8,737		45
Post Office	264	263	1	
Treasury	5,252	5,279		27
Independent agencies:				
Atomic Energy Commission	258	263		5
Federal Aviation Agency	2,884	2,923		39
General Services Administration	1,765	1,794		29
Government Printing Office	7,292	7,314		22
National Aeronautics and Space Administration	30,075	30,033	42	
Panama Canal	7,443	7,517		74
St. Lawrence Seaway Development Corporation	157	159		2
Tennessee Valley Authority	13,159	13,794		635
Virgin Islands Corporation	496	512		16
Total, excluding Department of Defense	87,254	88,043	105	894
Net decrease, excluding Department of Defense			789	
Department of Defense:				
Department of the Army:				
Inside the United States	[1] 137,674	[2] 138,174		500
Outside the United States	[1] 4,580	[2] 4,600		20
Department of the Navy:				
Inside the United States	193,621	194,176		555
Outside the United States	1,273	1,275		2
Department of the Air Force:				
Inside the United States	129,618	129,392	226	
Outside the United States	1,028	1,026	2	
Defense Supply Agency:				
Inside the United States	1,726	1,735		9
Total, Department of Defense	469,520	470,378	228	1,086
Net decrease, Department of Defense			858	
Grand total, including Department of Defense	556,774	558,421	333	1,980
Net decrease, including Department of Defense			1,647	

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[1] Subject to revision.

[2] Revised on basis of later information.

TABLE V.—*Foreign nationals working under U.S. agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of December 1963 and comparison with November 1963*

Country	Total		Army		Navy		Air Force	
	December	November	December	November	December	November	December	November
Canada	9	11					9	11
Crete	85	82					85	82
England	2,880	2,878			124	121	2,756	2,757
France	20,421	20,651	16,703	16,889	11	11	3,707	3,751
Germany	77,811	78,021	65,738	65,897	84	83	11,989	12,041
Greece	262	259					262	259
Japan	49,413	49,738	17,151	17,247	14,244	[1] 14,327	18,018	18,164
Korea	6,190	6,203	6,190	6,203				
Morocco	750	1,205			708	730	42	475
Netherlands	55	54					55	54
Trinidad	540	553			540	553		
Total	158,416	159,655	105,782	106,236	15,711	15,825	36,923	37,594

[1] Revised on basis of later information.

STATEMENT BY SENATOR BYRD OF VIRGINIA

Executive agencies of the Federal Government reported civilian employment in the month of December totaling 2,487,853 as compared with 2,493,379 in November. This was a net decrease of 5,526 including a net reduction of 1,143 in temporary employment under the public works acceleration program authorized by Public Law 87–658.

Civilian employment reported by the executive agencies of the Federal Government, by months in fiscal year 1964, which began July 1, 1963, follows:

Month	Employment	Increase	Decrease
July	2,518,857	9,149	
August	2,515,033		3,824
September	2,492,170		22,863
October	2,494,175	2,005	
November	2,493,379		796
December	2,487,853		5,526

Net decrease for the first 6 months of fiscal year 1964, 21,855.

Total Federal employment in civilian agencies for the month of December was 1,444,406, a decrease of 4,942 as compared with the November total of 1,449,348. Total civilian employment in the military agencies in December was 1,043,447, a decrease of 584 as compared with 1,044,031 in November.

Civilian agencies reporting larger decreases were Agriculture Department with 1,777, Interior Department with 1,636, and Tennessee Valley Authority with 626. The decreases in Agriculture and Interior Departments were largely seasonal.

In the Department of Defense the largest decreases in civilian employment were reported by the Department of the Army with 1,382 and the Department of the Navy with 791. The Department of the Air Force reported the largest increase with 1,006.

Inside the United States civilian employment decreased 4,977 and outside the United States civilian employment decreased 549. Industrial employment by Federal agencies in December totaled 556,774, a decrease of 1,647.

These figures are from reports certified by the agencies as compiled by the Joint Committee on Reduction of Nonessential Federal Expenditures.

FOREIGN NATIONALS

The total of 2,487,853 civilian employees certified to the committee by Federal agencies in their regular monthly personnel reports include some foreign nationals employed in U.S. Government activities abroad, but in addition to these there were 158,416 foreign nationals working for U.S. agencies overseas during December who were not counted in the usual personnel reports. The number in November was 159,655. A breakdown of this employment for December follows:

Country	Total	Army	Navy	Air Force
Canada	9			9
Crete	85			85
England	2,880		124	2,756
France	20,421	16,703	11	3,707
Germany	77,811	65,738	84	11,989
Greece	262			262
Japan	49,413	17,151	14,244	18,018
Korea	6,190	6,190		
Morocco	750		708	42
Netherlands	55			55
Trinidad	540		540	
Total	158,416	105,782	15,711	36,923

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. METCALF (for himself and Mr. MANSFIELD):

S. 2479. A bill for the relief of Lester Goodwin and Louis Green; to the Committee on the Judiciary.

By Mr. MOSS:

S. 2480. A bill for the relief of Mrs. Roberta Fronteras de Aquino; to the Committee on the Judiciary.

By Mr. NELSON:

S. 2481. A bill to authorize the Secretary of the Interior to cooperate with the State of Wisconsin in the designation and administration of the Ice Age National Scientific Reserve in the State of Wisconsin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MONRONEY (for himself and Mr. EDMONDSON):

S. 2482. A bill to provide for the disposition of judgment funds now on deposit to the credit of the Pawnee Tribe of Oklahoma; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MONRONEY when he introduced the above bill, which appear under a separate heading.)

By Mr. WILLIAMS of New Jersey:

S. 2483. A bill for the relief of Christopholos Anagnostos; to the Committee on the Judiciary.

By Mr. BIBLE:

S. 2484. A bill for the relief of Anthony Jim Arapis; to the Committee on the Judiciary.

RESOLUTIONS

STUDY OF MATTERS RELATING TO MIGRATORY LABOR BY COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. WILLIAMS of New Jersey submitted the following resolution (S. Res. 290), which was referred to the Committee on Labor and Public Welfare:

Resolved, That the Committee on Labor and Public Welfare, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to migratory labor including, but not limited to, such problems as (a) the wages of migratory workers, their working conditions, transportation facilities, housing, health, and educational opportunities for migrants and their children, (b) the nature of and the relationships between the programs of the Federal Government and the programs of State and local governments and the activities of private organizations dealing with the problems of migratory workers and (c) the degree of additional Federal action necessary in this area.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

SEC. 4. Expenses of the committee under this resolution, which shall not exceed $75,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

EXPENDITURE OF FUNDS BY COMMITTEE ON RULES AND ADMINISTRATION UNDER SENATE RESOLUTION 212 (INQUIRY INTO FINANCIAL OR BUSINESS INTERESTS OF ANY OFFICER OR EMPLOYEE OR FORMER OFFICER OR EMPLOYEE OF THE SENATE)

Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, reported an original resolution (S. Res. 291) authorizing the expenditure of funds by the Committee on Rules and Administration in discharging its responsibilities under Senate Resolution 212 (inquiry into the financial or business interests of any officer or employee or former officer or employee of the Senate), which was placed on the calendar.

(See the above resolution printed in full when reported by Mr. JORDAN of North Carolina, which appears under the heading "Reports of Committees.")

EXPENDITURES BY COMMITTEE ON RULES AND ADMINISTRATION AND EMPLOYMENT OF TEMPORARY PERSONNEL

Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, reported an original resolution (S. Res. 292) authorizing the Committee on Rules and Administration to make expenditures and to employ temporary personnel, which was placed on the calendar.

(See the above resolution printed in full when reported by Mr. JORDAN of North Carolina, which appears under the heading "Reports of Committees.")

DISPOSITION OF JUDGMENT FUNDS ON DEPOSIT TO CREDIT OF PAWNEE TRIBE OF OKLAHOMA

Mr. MONRONEY. Mr. President, on behalf of myself and my colleague, the junior Senator from Oklahoma [Mr. EDMONDSON], I introduce, for appropriate reference, a bill to provide for the disposition of judgment funds now on deposit to the credit of the Pawnee Tribe of Oklahoma.

We announce for the Oklahoma congressional delegation that the Department of the Interior will support the proposed bill providing for distribution of a $6.4 million judgment fund to the Pawnee Indian Tribe of Oklahoma.

The proposed legislation will permit the Pawnees, subject to the approval of the Secretary of the Interior, to make their own determination of how they want their judgment fund programed.

Available for distribution is $6,439,088. It was awarded by the Indian Claims Commission and appropriated by Congress in May 1963.

Basis of the claim is that the Pawnees were inadequately compensated for lands in Kansas and Nebraska which were ceded to the United States from 1833 to 1893.

The Pawnee Tribe of Oklahoma is the same tribe that ceded the lands to the Government during that period.

The Pawnee Business Council, governing body of the tribe, currently is considering an approach that would distribute part of the money through a family plan program. The remainder would be deposited in the U.S. Treasury to draw interest.

Interest funds would be used to finance tribal self-help measures such as scholarship grants, industrial development, housing, employment assistance, and a loan program.

I ask unanimous consent that a letter from the Assistant Secretary of the Interior, relating to the bill, be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2482) to provide for the disposition of judgment funds now on deposit to the credit of the Pawnee Tribe of Oklahoma, introduced by Mr. MONRONEY (for himself and Mr. EDMONDSON) was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The letter presented by Mr. MONRONEY is as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., January 13, 1964.

Hon. CARL HAYDEN,
President pro tempore,
U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT PRO TEMPORE: There is enclosed a draft of a proposed bill "to provide for the disposition of judgment funds and other tribal funds now on deposit to the credit of the Pawnee Tribe of Oklahoma, and for other purposes."

We recommend that the bill be referred to the appropriate committee, and we recommend that it be enacted.

Docket 10 in the Indian Claims Commission involved a claim based upon the payment of inadequate consideration for lands in Kansas and Nebraska ceded to the United States during the period 1833 to 1893. The Commission found that the compensation paid to the Pawnee Tribe was unconscionable and by amended final order on July 9, 1962, the Commission determined that the tribe was entitled to recover from the United States the sum of $7,315,985.70, plus interest of $110.85 for a total of $7,316,096.55. Funds to satisfy the judgment were appropriated by the Supplemental Act of May 17, 1963 (77 Stat. 20). They are credited to the account of the tribe in the Treasury and bear interest at 4 percent per annum. After payment of attorney fees and expenses and other costs of litigation, there remains a present balance in the judgment fund of $6,439,088.88, including accrued interest.

The Pawnee Tribe as presently organized is the same tribe that ceded the lands to the Government during the period 1833 and 1893. It has been neither divided nor merged with other groups. We believe that the judgment fund should, therefore, be made available to the tribe for the use under the regular rules that apply to tribal funds generally. The money represents a tribal asset derived from a disposition of tribal land, and may appropriately be controlled in the same way the tribe would control it if the money had been paid when due and had remained in the tribal account since then.

The Pawnee Business Council, the governing body of the tribe, has presented a program for the use of the judgment fund. The program proposes a distribution per capita of approximately $4 million from the fund to the enrolled tribal members, regardless of their place of residence, and a retention in the U.S. Treasury of the remaining balance to draw interest and the interest earned therefrom to be used for such purposes as scholarship grants, industrial development, housing, employment assistance, loan program, etc. While we have no serious objection to the principle involved, we feel that the amount to be reserved for the several programs is insufficient and that the proposed per capita payment should be reduced and on a more controlled basis. The Commissioner of Indian Affairs and his staff have reviewed the general program with the tribal representatives and have discussed the possibility of a distribution of a portion of the judgment fund through a family plan program rather than through a per capita payment to the individual tribal members. We are advised that the tribal officials are now considering this approach and will revise their proposed program accordingly.

The proposed legislation will permit the Pawnees, subject to the approval of the Secretary, to decide precisely how they will program their judgment fund.

The Bureau of the Budget has advised us that there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,

JOHN A. CARVER, JR.
Assistant Secretary of the Interior.

EXTENSION OF SPECIAL COMMITTEE ON AGING

Mr. HUMPHREY. Mr. President, a few moments ago, I cleared with the minority leader a resolution (S. Res. 260) reported today by the Committee on Rules and Administration to extend the Special Committee on Aging. The purpose of the resolution is to extend the committee, whose life would otherwise expire tomorrow. I have discussed the proposal with the distinguished Senator from Louisiana [Mr. ELLENDER], who is deeply interested in the subject.

The only reason why I ask for the consideration of the resolution now is that the Senate is about to begin the consideration of the tax bill, and unless the resolution shall be agreed to today, the committee will expire tomorrow. I ask for the immediate consideration of the resolution.

The PRESIDING OFFICER. The resolution will be stated.

The Chief Clerk read as follows:

Resolved, That the Special Committee on Aging established by S. Res. 33, Eighty-seventh Congress, agreed to on February 13, 1961, as amended and supplemented, is hereby extended through January 31, 1965.

SEC. 2. It shall be the duty of such committee to make a full and complete study and investigation of any and all matters pertaining to problems of older people, including but not limited to, problems of maintaining health, of assuring adequate income, of finding employment, of engaging in productive and rewarding activity, of securing proper housing, and, when necessary, care or assistance. No proposed legislation shall be referred to such committee, and such committee shall not have power to report by bill or otherwise have legislative jurisdiction.

SEC. 3. The said committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Senate, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable.

SEC. 4. A majority of the members of the committee or any subcommittee thereof shall constitute a quorum for the transaction of business, except that a lesser number, to be fixed by the committee, shall constitute a quorum for the purpose of taking sworn testimony.

SEC. 5. For purposes of this resolution, the committee is authorized (1) to employ on a temporary basis from February 1, 1964, through January 31, 1965, such technical, clerical, or other assistants, experts, and consultants as it deems advisable: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (2) with the prior consent of the executive department or agency concerned and the Committee on Rules and Administration, to employ on a reimbursable basis such executive branch personnel as it deems advisable.

SEC. 6. The expenses of the committee, which shall not exceed $213,000 from February 1, 1964, through January 31, 1965, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SEC. 7. The time for filing a final report is hereby extended to January 31, 1965. The committee shall cease to exist at the close of business on January 31, 1965.

Mr. ELLENDER. Mr. President, how much more would be expended this year than last year?

Mr. HUMPHREY. The amount proposed to be expended would be less. I received that information from the Committee on Rules and Administration. I am not certain of the exact amount, but I will place it in the RECORD for the information of the Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 260) was considered and agreed to.

REVENUE ACT OF 1964—AMENDMENTS (AMENDMENTS NOS. 391, 392, 393, AND 394)

Mr. TOWER submitted four amendments, intended to be proposed by him, to the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes, which were ordered to lie on the table and to be printed.

EXTENSION OF TIME FOR COMMITTEE ON THE JUDICIARY TO FILE CERTAIN REPORTS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the time for filing annual reports by the Committee on the Judiciary, pursuant to Senate Resolutions 55, 56, 57, 58, 60, 61, 63, 64, 65, 66, 67, and 68, be extended to April 1, 1964.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object, what reports does that deal with?

Mr. HUMPHREY. These are annual reports of the Committee on the Judiciary on the Administrative Practice Act, antitrust laws, constitutional amendments, and so forth.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

POSTPONEMENT OF HEARINGS BY HOUSING SUBCOMMITTEE OF THE BANKING AND CURRENCY COMMITTEE ON THE 1964 HOUSING ACT AND OTHER MEASURES

Mr. SPARKMAN. Mr. President, on January 27 I announced that the Subcommittee on Housing of the Committee on Banking and Currency would commence hearings on February 3 on the 1964 housing bill of the President and other measures pending before the subcommittee. It is my understanding that, with the schedule the Senate will follow during debate of the Revenue Act of 1964, there would be objection to any committees sitting during next week. For this reason, I am postponing the hearings which have been scheduled by the subcommittee. Instead of the hearings being held as I announced on January 27, they will be held on February 19 through February 20 and February 24 through February 28.

Persons wishing to testify should contact Mr. Dudley L. O'Neal, Jr., chief counsel of the subcommittee, room 5228, New Senate Office Building.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILLIAMS of New Jersey:

Statement by him commending the service rendered to the public by radio station WNEW, New York City.

PROJECT ACTION NEWSLETTER NO. 1—THE I.O.U.'S

Mr. METCALF. Mr. President, on January 8, I inserted in the RECORD and discussed the script of the film, "The Power Within," and the text of the Project Action manual which investor-owned utilities are using around the country to misinform the public and arouse people to write, wire and call us in Congress, telling us what the power companies want told.

Project Action seeks, through this brainwashing technique which the investor-owned electric utilities are trying on 75 types of community organizations including church groups and PTA's, "action obtained to appear spontaneous to the recipient"—I am quoting from the brochure—"and not as though it were a planned, concerted effort by any one interested group."

The I.O.U.'s are also publishing a Project Action newsletter. Volume I, No. 1, describes the movie, "The Power Within," as follows:

> The movie opens minds which have long been closed to the problems of the investor-owned electric utility industry * * * prepares a path for further education or action, as your company directs.

Volume I, No. 1, also reports that the producers of Project Action declined the request of an official of a rural electric cooperative who wanted to purchase a copy—selling price $850 or, on a special offer, $675. This suggests to me that either the I.O.U.'s are making so much profit they are not interested in a good sale, or else they are afraid to expose their product to critical examination.

I shall insert this newsletter in the RECORD, for the information of Members, in a moment, but first let me report that a map in this newsletter lists the States in which Project Action is currently being utilized and/or tested.

These States—27 of them—are Alabama, Arizona, California, Colorado, Florida, Illinois, Indiana, Iowa, Kansas, Louisiana, Maryland, Minnesota, Mississippi, Missouri, Montana, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Pennsylvania, South Dakota, Texas, Utah, and Wyoming.

I should also report that the front page picture on this newsletter carries the following cutlines:

> Program previewed at EEI (Edison Electric Institute) convention.
>
> Shown left to right at EEI convention are Varicom President Wayne Bishop (holding a copy of the film, which is being offered to power companies by Varicom International of Boulder, Colo.), EEI's (managing director) Edwin Vennard, and Robert Person, president of Public Service of Colorado.

The Project Action Newsletter also carries three pictures showing young men and women listening to a speaker and then writing letters, with this cutline:

> Wayne S. Bishop, Varicom international president, uses techniques outlined in program guide—young peoples group acts.

Mr. President, I ask unanimous consent to insert Project Action Newsletter No. 1, dated September 1963, in the body of the RECORD.

There being no objection Project Action Newsletter No. 1 was ordered to be printed in the RECORD, as follows:

PROJECT: ACTION

STATEMENT OF PHILOSOPHY

"Ed Jenkins knows the sense of worth he feels when he looks at the barn he built with his own hands. He knows it was this same kind of drive, this same initiative that fashioned the richest land the world has ever known. Ed Jenkins knows this, for with his own ears he has heard the melody which made our country great.

"The hammer song of the 10,000 forges that moved America west.

"The insistent bark of a million axes biting into the wilderness.

"And he has heard the hymn of the men and women who built all this.

"The farms blooming out of wastelands.

"The sprawling cities built to house a growing nation.

"The schools rising up to advance the culture of the land.

"The vast new businesses booming out new products and giving work to millions.

"And the churches spiring up to God in thanks for the bounty of His blessing.

"And all this done, not by a dole, but by a great power within—a spirit, a giant within us all—a giant that kept the state his servant, not his master.

"Initiative, drive, spirit, independence—these are words that formed our American anthem." (From the script of "The Power Within.")

Our forefathers left us a precious heritage of freedom. Because of their conviction, determination, and foresight they endowed us with the greatest economic system on earth.

Today, that system is facing a severe test.

When government promises subsidy from crib to crypt, it is easy for the public to forget the undergirding free enterprise concepts of our American heritage.

It is hard for the public to recognize that government competition and encroachment is threatening the basic foundation of the American way of life.

Project Action has been produced, as a free enterprise endeavor, to make the public understand the true significance of what has been called, "the creeping shadow," and to reinstill a pride and respect for the true American system based upon individual initiative and ambition.

Our Nation was built on the free enterprise system.

The goal of Project Action is to help preserve that system.

Project Action had its preview during the annual Edison Institute convention held in Denver in June.

The multifaceted public information package was reviewed by several hundred utility executives during the 3-day meeting.

When asked for estimates of how many letters from the "grassroots" the program could instigate, executives from 30 industry companies figured that over 330,000 letters could be obtained from within their own operating territories.

One delegate commented, "(the program) * * * provides a simple, easily executed starting point to combat a problem so vast and complex as to frustrate the individual taxpayer."

Another stated, "This is obviously a well organized, thorough program. The significant point, of course, is the fact that it applies to all of us whether we're in an REA area or not."

One delegate who was not a representative of an investor-owned electric company noted, "This is a program for all who believe in the free enterprise, individual initiative system."

PROJECT ACTION—A FLEXIBLE PROGRAM

In recognition of the wide variety of positions regarding the REA which exist within the investor-owned electric utility industry, the producers of Project Action have designed a completely flexible program which may be utilized in any circumstance and to attain various goals. While the optimum which the program is designed to attain is immediate grassroots action of contacting congressional representatives, it may also be successfully utilized to: (1) merely inform the public of the extent and degree of Government competition with free enterprise; (2) build a mailing list of allies to be contacted on future specific issues within a company's area of interest; and, (3) to trigger immediate action by either telegram or individually written letters as directed by the company utilizing the program.

In order to attain this flexibility, the program is made up of many integrated parts.

"The Power Within": An inspiring Technicolor sound movie which tells the complete story of Government encroachment, rekindles the belief in our American heritage. The movie opens minds which have long been closed to the problems of the investor-owned electric utility industry—prepares a path for further education or action, as your company directs.

Complete program guide: Outlines a complete process for your company's program—suggests who to see, what to do. Proven techniques to arouse interest, instigate empathy with the cause of free enterprise are suggested in step-by-step format. Shows how to arrange and hold effective meetings with any group and how to gain their support.

Complete source materials: Includes "The Deviation of the REA," "Facts About the TVA Power Business," "From Rural Electrification to Empire Building," "Section 17 of the Hoover Commission Reports," and the complete script to "The Power Within." Allows any employee to become fully knowledgeable with the facts.

Plus three ready-to-use folders: "The Creeping Shadow," "The Power Within," "The Power of the People" may all be imprinted with your company name and utilized in many circumstances.

REA ASSOCIATION ATTEMPTS TO PURCHASE PROGRAM

Mr. C. M. Turner, executive manager of the New Mexico Rural Electrification Cooperative Association, Inc., attempted to purchase a copy of Project Action recently. The producers of the program declined his request.

Mr. Turner, in a telephone call from his headquarters in Santa Fe, would not divulge his intended use for Project Action nor where he had learned of the program.

PROGRAM SHOWN IN CONJUNCTION WITH PIP REGIONAL MEETINGS

The electric companies public information program consented to allow Project Action to be shown during its regional meetings held this summer.

The conferences were held in Atlantic City, Birmingham, Cleveland, Dallas, Duluth, Framington, Mass., and in San Francisco.

Along with the preview and critique of Project Action an illustrated talk, designed for use with employee and other groups, called "The Back Door," was also previewed. The pattern speech outlined the use of REA generation and transmission loans to firm up power from existing and planned Federal hyroelectric installations.

Central Surveys, Inc., reported the 1963 PIP survey results in each of these meetings. A PIP media report was also given.

Approximately 170 delegates attended the 1-day meetings.

PROGRAM SCHEDULED TO VISIT PUAA REGIONAL MEETINGS

Representatives from the Project Action staff or executives of companies presently utilizing the program plan to attend the eight scheduled Public Utilities Advertising Association regional meetings from September through January.

Companies who have not previewed the program will have the opportunity to do so by request during times which do not conflict with the programed agendas.

The meetings are scheduled as follows: September 12–13, Green Bay, Wis.; September 16–17, Newport, R.I.; September 26–27, Lake Minawosko, N.Y.; October 3–4, Sharon, Pa.; October 10–11, Jackson, Miss.; October 17–18, Oklahoma City, Okla.; October 31 to November 1, St. Louis, Mo.; January 23–25, Santa Barbara, Calif.

Varicom International, Inc., producers of Project Action, took the program into the field during the months of June and July to test and validate the techniques suggested for the use of the film, "The Power Within," to gain various types of action.

The program was tested under many circumstances and with a wide cross section of people. Businessmen, civic officials, political leaders, members of labor unions, professional men, and members of civic clubs were given the opportunity to voice their reactions and, in some cases, to actually express themselves to their Congressmen.

Meetings were held with civic clubs during the lunch hour. The program was previewed during an evening meeting of a political group. Special breakfast meetings were held for selected groups of people.

PROJECT ACTION TECHNIQUES PROVE EFFECTIVE IN FIELD TESTS

To prove the flexibility of Project Action different groups were asked to do different things. Some were asked merely to give their written opinion about the content of the film. Others were given the followup materials which supplement the program and asked to act on their own initiative at a later time. Some were even asked to act on the spot to join in signing a telegram to be sent to congressional representatives. The results were gratifying and astounding.

Those groups who were asked to act on the spot responded beyond expectations. An average of 84 percent of the individuals present asked that their names be included on the telegrams. The rate of response was 95 percent in one meeting. A great, but undocumented, percentage followed up with personal letters.

Comments from all groups were unanimous in praise of the program.

A county chairman of the Democratic Party: "This is a program which should be seen by the American public * * * because it offers substantial information not generally known."

A homebuilder wrote on his research questionnaire: "I did not know the full extent of Government encroachment and the extreme Government has gone to in business competition."

A legal secretary: "The movie conveys the message—delivers the impact. It made me want to do something, which is good—I feel that procrastination probably has partially caused the problem in the first place."

A member of a labor union: "The film gives the invitation to act. It's simple, but few seem to realize how simple."

ROCKY MOUNTAIN NEWS HITS REA SECTION FIVE LOAN

In an editorial headed, "REA on Skis," the Denver Rocky Mountain News blasted an REA loan to a western Pennsylvania ski resort.

The story, which appeared in the August 27 edition, stated: "It will be mighty nice, we should think, for those who are interested to have some new ski areas in western Pennsylvania. And if thousands of ski fans use this area it is likely to provide some employment that is not otherwise available.

"And since the Government is lending taxpayer money right and left to almost anyone who thinks he could use it, we see no objections to lending to a ski resort.

"But the Rural Electrification Administration has just lent a Pennsylvania cooperative $110,000 of taxpayer money which the co-op in turn will lend to the ski resort for electrical equipment. The REA claims this is within the original purpose because the ski resort will make business for the co-op, reduce the cost of electricity to other customers of the co-op and make jobs. "REA will lend money for 2 percent—a little more than half of what the taxpayers fork over to borrow it. What the co-op will charge the ski resort was not mentioned.

"The original purpose of the REA—and still the legal purpose—was to help get electricity to the farms of the country."

[From on editorial in the Dallas Morning News]

"CO-OPS' SUIT AGAINST PUBLICATION DISMISSED

"The West Texas Chamber of Commerce publication, West Texas Today, refused to publish advertisements submitted by two electrical cooperatives who were members of the group. The WTCC stated that the ads were rejected because they were contrary in content to the chamber of commerce's policies. Contending discrimination, the co-ops filed suit.

"WTCC contended that it is a private corporation, and as such, is free to accept or refuse advertising. The court upheld this and granted a motion to dismiss the suit."

BARRON'S BLASTS REA

Barron's, the national business and financial weekly, took the REA to task in a front-page editorial August 19. In a story headed, "Public Power Extremists: The Time Has Come To Throw the Switch on REA," the weekly stated, "Under Republicans and Democrats alike, the advocates of creeping socialism have steadily gained ground. Now under a freewheeling agency called the Rural Electrification Administration * * * they have launched their great leap forward. Today it has become a positive menace to free enterprise."

P.S. COLORADO OUTLINES 14 STEPS TO ACTION—A TOTAL COMPANY PLAN FOR UTILIZATION OF PROJECT ACTION

(Editor's Note.—Public Service Co. of Colorado purchased 15 programs—1 for each of their 12 operating divisions and 3 additional for the largest metropolitan area which they serve—Denver.)

In planning for the total implementation of Project Action, the Information Department of Public Service Co. of Colorado outlined 14 steps to be undertaken to assure its effective utilization.

1. A meeting of the company's executive committee was called and the program was explained in detail.

2. A special meeting of division managers was called and the program was explained in detail.

3. A 1-day training session has been scheduled for division personnel who will have the responsibility for presenting the program in the respective divisions. Two people will be called from each division.

4. To assure support of the company's union personnel, Project Action will be previewed by officials of the operating unions within the company.

5. Regarding the central office in Denver, a meeting has been scheduled for key department head personnel. Following their preview of the program, requests will be made for their services as conference leaders. This will assure department heads' understanding of the program and gain support in encouraging their personnel to participate.

6. Selected employees will then have a 1-day training seminar.

7. For the same reasons as outlined in 5, Project Action will be the subject of regularly scheduled supervisory development seminars.

8. During the month of October those who have been trained to use the program will present it to all the employees of the company during a series of 1-hour meetings.

9. Contacts would then be made immediately with all company personnel who are members of various civic groups in an effort to schedule Project Action on the programs of these various groups.

10. The company's information department will make a series of mailings, using the program's "power within" brochures, to various organizations in the Denver metropolitan area and begin scheduling meetings among the contacted groups.

This same procedure would be undertaken in each of the company's divisions.

11. Company management will review the brochure, "the Creeping Shadow," and determine the feasibility of mailing it along with a letter from the company president to all stockholders.

12. Consideration will be given to showing the program to local stockholders during special meetings in Colorado.

13. Special consideration will be given to the desirability of contacting public, parochial, and private school officials in order to determine if Project Action might be utilized in the high schools.

14. Lists of names of persons who have seen and are sympathetic to Project Action will be compiled from each of the meetings for future followup.

In addition to these 14 points, the information department of P.S. of Colorado will be meeting with a number of outside organizations, including junior chamber of commerce, Colorado Farm Bureau, Manufacturers Association, and others, in an attempt to get one or more of these groups to undertake Project Action as one of their specific programs.

NRECA REPORTS ON PROJECT ACTION

Bob Cronin, NRECA Washington correspondent, reported on Project Action following EEI Denver convention in his column in Rural Electric Newsnotes.

His story, although misquoting the script of the film, "The Power Within," and the program concept, was unusually well documented. All sources for his information were not given, although Electrical World was named.

Cronin labeled the program, "a new anti-Federal power propaganda campaign," and noted that it will be used in an attempt to discredit all noncommercial power projects in the United States including rural electrification.

He further names the film as "an attempt to plant seeds of distrust about Government power projects; claiming that these abuses must be eliminated by the individual. Its message is that the American people must put a stop to anything that is not commercial power by making themselves heard in the Halls of Congress."

CENTRAL SURVEYS FINDS URBAN CUSTOMER UNINFORMED ON REA

Central Surveys, Inc., Shenandoah, Iowa, reported in a recent survey that 62 percent of the respondents to interviewers' questions said they had heard nothing at all about REA co-ops.

Findings in this and other areas were published in a report of the survey conducted for the electric companies public information program. The study was a nationwide public opinion survey among urban customers of investor-owned electric companies.

The study was based on personal interviews conducted between January and March of 1962, in homes or business offices of 1,200 urban customers.

Central Surveys also reported that of the 38 percent who had heard of co-ops, only about one-third were aware that co-ops do not pay taxes on the same basis as investor-owned companies.

Only about one-third of these respondents (or 13 percent of all respondents) are aware that REA co-ops pay 2-percent interest on borrowed money.

The study further states, "Neither the tax inequality nor subsidized interest rate meets with approval, however. Those aware of REA co-ops say by nearly 6 to 1 that the co-ops should pay the same taxes as investor-owned companies, and by about 2 to 1 that 2-percent borrowing is not a good idea.

PROJECT ACTION AIDS PUBLIC SERVICE CO. OF NEW MEXICO IN REACHING LOCAL GOALS

Jerry D. Geist, director of communications for Public Service Co. of New Mexico reports that Project Action has been utilized successfully in its first test in Albuquerque.

His company's use of the program is one of not only educating the public about REA but to motivate the public to participate in the chamber of commerce sponsored "Action Course in Practical Politics." This is a new application for the program and one which the producers believe has merit.

Mr. Geist's comments appear in the letter reproduced here:

PUBLIC SERVICE CO. OF NEW MEXICO,
ALBUQUERQUE, N. MEX., *August 2, 1963.*

Mr. WAYNE BISHOP,
President, Varicom, Inc.,
Boulder, Colo.

DEAR MR. BISHOP: First may I thank you for your prompt service in supplying us with your film "The Power Within" on very short notice. We certainly appreciate the extra service.

As I described to you on the telephone, our idea in presenting this film to service clubs is to utilize it as a motivating factor. We hope that after seeing this film individuals will be motivated, not only to write, but also to participate in a chamber of commerce sponsored nonpartisan "Action Course in Practical Politics." Statistics in our community prove that after taking this chamber course, community, and if you will, political participation, is the rule rather than the exception.

The particular meeting that I wanted to utilize your film for was a meeting of a local Lions Club. The membership of this club is small, only about 35, and there were 20 in attendance today at noon. The reaction to the film was quite enthusiastic. Twenty-five percent of those present at the meeting signed up for both additional information on the REA and to participate in the Action course in fractional politics. There were also representatives of three other Lions clubs and the Shrine Caravan Club, who after seeing the film at this luncheon were very eager to schedule a program for their organization. Another of the individuals present was a precinct chairman who came up and said "These are the facts and I know they are true. I am happy to see that we finally have a vehicle for presenting these facts to the average person."

In addition to the Action course and urging people to write their elected representatives, we intend to supply each member of the group present with the name and address of our national elected officials, as well as suggested forms of correspondence. With the planning and forethought made available in the program kit, very little preparation is necessary to present a program which is well accepted and worthwhile.

We will look forward to discussing further results of this program with you.

Very truly yours,

JERRY D. GEIST,
Director of Communications.

MURDER OF AMERICAN FLIERS BY COMMUNISTS

Mr. YARBOROUGH. Mr. President, the shooting down of an unarmed American trainer plane by the Soviet Union over East Germany cannot be viewed as anything but international murder of three U.S. Air Force officers by the Communists.

At the very time when the Communists downed the American aircraft, American radiomen were messaging to the U.S. plane that it was off course and were trying to guide it back from the Communist zone.

The same Communist equipment used in interception and downing of the American plane must have revealed that the plane was there through error and not through intent.

The Soviet dominated East German zone has become too quick on the trigger, a fact too dangerous to the uneasy maintenance of peace to be treated in any but the gravest terms.

Adding diplomatic insult to triple murder, the Soviet Union charged "gross provocation" on the part of the United States.

It is absurd for the Communists to shoot down a trainer plane simply because it is in shooting range even if it is over their territory and they had the legal right to stop it. It has happened so often that they appear to have made a grim sport of death. Killing of unarmed trespassers by trigger-happy guards is not the civilized way to treat a simple mistaken trespass. The Communists still behave like Communists. The Communists are Communists still.

TAX CREDITS FOR EDUCATIONAL EXPENSES

Mr. FULBRIGHT. Mr. President, one of the most controversial issues that will come up for debate in connection with the Senate's consideration of the tax bill is the proposal by the junior Senator from Connecticut and a number of my colleagues to provide for educational tax credits. I believe Senators will be interested in reading the editorial opinions of the three major Washington newspapers on this question before they make up their minds about how to vote. I ask unanimous consent to have printed in the body of the Record an editorial from the Washington Post of December 16, one from the Evening Star of January 21, and, finally, one from the Washington Daily News of January 17.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Washington Post, December 16, 1963]

Tax Credits for Education?

The proposal to grant tax credits in order to lighten the burden of parents who are sending their children through college has an instant but superficial appeal. It is frequently defended by invoking an analogy: If the Federal Government can subsidize home ownership by making the interest on mortgages tax deductible, why shouldn't the same principle be applied to expenditures for higher education? The answer is that the analogy is not very close, and even if it were, there are other considerations which make such tax credits thoroughly undesirable.

Senator Abraham A. Ribicoff and a number of his colleagues are sponsoring an amendment to the administration's tax bill which would provide for educational tax credits on a graduated basis. Taxpayers with income of less than $25,000 would receive a credit of $325 on the first $1,500 of tuition paid, a person with a $35,000 income would get a credit of only $225—and so on up the income scale where a taxpayer in the $60,000 bracket would get no credit at all. The cost of this proposal in terms of revenue losses would run to more than $700 million in the first year, and with added deductions for gifts to institutions of higher learning it would soon cost the Treasury more than a billion dollars annually.

Some of the objections to the Ribicoff proposal are immediately apparent; others are not. First, it discriminates against those families who cannot in any case help their children through college. And unlike direct Federal grants, tax credits would provide no assistance to talented young people of limited means who must work their way through college. Worse still, the granting of tax credits would encourage private and public institutions to raise tuition and other fees.

The prospect that the granting of tax credits will touch off another round of tuition increases, thus making it even more difficult for persons of limited means to obtain a higher education, was anticipated by Dr. Roger A. Freeman in his testimony before the Senate Finance Committee. According to Dr. Freeman:

"If you grant a tax credit, you give the institutions an opportunity to increase their tuitions without putting a corresponding burden upon the families and the students. The main purpose is to increase the funds of the institutions."

The great State universities of this country, which are the beneficiaries of Federal land grants, have been guided by the principle that opportunities in higher education would be available to all talented young people, irrespective of financial resources. An adherence to that philosophy over the past century contributed rapid economic growth and greater social mobility. Granting tax credits in place of Federal grants will provide some relief for middle- and upper-income families. But by encouraging tuition increases which would tend to close the college doors to the children of the poor, the discriminatory tax credit plan would only set the clock back.

[From the Washington Star, Jan. 21, 1964]

Tuition Tax Credits

"I believe," says Senator Ribicoff, "that the heavy (financial) burden of a college education is just as entitled to be lessened through our tax laws as the heavy burden of medical expenses."

We agree. There is a wealth of precedent in the tax laws for concessions which are specifically designed to alleviate hardship. And surely there is no doubt that the ever-mounting costs of college today are straining the resources of millions of American families.

But whether Senator Ribicoff has the most equitable and effective solution, in his tuition tax-credit scheme, which the Senate Finance Committee is about to consider as an amendment to the new tax bill, is another question. On its face, the Senator's proposal is disarmingly simple. It allows a taxpayer with college expenses to deduct certain amounts directly from his tax bill. At the lower end of the scale, he could deduct 75 percent of the first $200 expense; at the top, a maximum credit of $325 on expenses of $1,500 or more.

The Treasury protests, however, that these modest amounts would result in a Federal revenue loss of more than $700 million the first year. Others protest that the plan gives only modest relief to land grant and other public colleges—where tuitions generally are low—but gives big credit to students at high-tuition private institutions, who can best afford to pay. And those families with incomes so low that they pay small taxes, or none, would obviously receive the least aid of all.

The most disturbing charge, however, is that parents would not really benefit directly from these credits—since colleges could be expected automatically to increase tuitions by perhaps three-fourths of credit amounts. And indeed there is strong evidence in the educational literature today to indicate that some school officials are thinking in precisely those terms.

All these charges need to be brought into the open and fully discussed. Perhaps there are effective answers. We think it is most likely however, that changes are indicated in the legislation. Certainly no program of this magnitude should begin until it is entirely clear who would benefit from it.

[From the Washington Daily News, Jan. 17, 1964]

Another Big Loophole

Tax credit for college tuition has an obvious surface appeal but basically the plan would bore another big loophole in our already loophole-ridden tax system.

Under the plan proposed to Congress by Senator Abraham Ribicoff and endorsed by the Association of American Colleges, parents with children in college would be allowed as a tax credit $150 of the first $200 spent for tuition, fees, and books, $75 of the next $300 and $10 of each additional $100 up to $1,500 a year. The maximum tax credit would be $325. This should not be confused with an exemption or deduction, which decreases the amount of taxable income. It is a credit against the total amount of income taxes owed, and thus could be the equivalent of several $600 exemptions.

Senator Ribicoff, urging the college executives meeting in Washington to "buttonhole their Congressmen," estimated there are 4.3 million college students who have voting parents. The Treasury estimates the plan would cost $750 million a year in lost tax revenues.

It is loopholes comparable to this which largely explain why present basic tax rates—notably those in the first, or 20 percent, bracket—are so high. The sliding scale of rates goes up to 91 percent, but this schedule is a farce since a bookful of special exemptions, allowances, and credits permits millions to dodge it. Practically no one pays the top rates, which remain in the law to support demagogic claims that the rich are being soaked.

It will be a great boon to parents with children in college, as well as to citizens with medical bills and the need to save something for old age, if basic tax rates can be reduced for everyone.

But this hardly will be possible so long as tax revenues are permitted to leak out for a multitude of special purposes, however worthy. The tax writing committees have made far too little progress in eliminating existing loopholes. The educators, it seems to us, are on unsound ground in advocating creation of still another.

TWO OUTSTANDING PUBLIC SERVANTS: EDWARD R. MURROW AND CARL T. ROWAN

Mr. HUMPHREY. Mr. President, I am confident that all Americans, concerned as they are with our Nation's foreign policy and our position in the world, share my gratitude in the distinguished service Edward R. Murrow has rendered this Nation these past 3 years as Director of USIA. In this short span of time he has been able to lift the status of this Agency in the councils of our Government, to improve the morale of its employees, to attract significant new talent to the Agency, and to tell our story to the world with new effectiveness, dignity, and creditability.

On the occasion of his leaving the post of Director I wish to add my thanks for a job superbly done.

In seeking to continue this forward progress of USIA, President Johnson could have appointed as his successor no man better qualified than my good friend, Carl T. Rowan. He has distinguished himself as a journalist and author. He has made outstanding contributions to our Government as an officer in our Navy during World War II and more recently as Deputy Assistant Secretary for Public Affairs at the State Department and as our Ambassador to Finland.

His appointment is a distinct credit to the Johnson administration. No man could be more suitable for the responsibility of telling our Nation's story to the world than Carl Rowan. We are proud of his Minnesota connections, where he has spent most of his adult life, and confident he will carry forward the work so ably begun by his predecessor.

Mr. President, I ask unanimous consent that newspaper editorials and columns expressing thanks to Edward R. Murrow and confidence in Carl Rowan be printed at this point in the Record.

There being no objection, the editorials and columns were ordered to be printed in the Record, as follows:

[From the New York Times, Jan. 22, 1964]

Mr. Murrow Resigns

Edward R. Murrow's resignation as Director of the U.S. Information Agency provides a vivid example of the heavy cost to the Nation of the rising incidence of lung cancer. Having assumed his post at great personal sacrifice, Mr. Murrow threw all of his very considerable talents and energy into the task of telling this country's story to the world as effectively as possible. As he retires to private life, he has the Nation's thanks, and also its warmest best wishes for a complete recovery from his illness.

Carl T. Rowan, who will now assume this post, was trained originally as a mathematician, but has distinguished himself this past decade as journalist, State Department official, and, most recently, as Ambassador to Finland. In his person, of course, he also provides concrete evidence that in the middle of the twentieth century the United States does have opportunities for talented Negroes to rise to positions of national importance.

Mr. Rowan takes over command of the USIA at a time of major shift in the focus of that Agency's activities. The propaganda battle which has occupied so much of USIA's energies is changing in character as the character of Soviet-American relations alters. Moscow's decision last year to halt jamming of the Voice of America is illustrative of a new situation. Now the need to get the United States' point of view over to the masses of turbulent Africa and Latin America is far more pressing and much better understood than it was in earlier years. But the lack of funds which has plagued USIA, and which Mr. Murrow sought unsuccessfully to rectify, continues.

From his personal experience, Mr. Rowan undoubtedly knows that the best propaganda is deeds, not words. A United States which exhibits economic vitality, takes concrete steps to further the cause of peace, and makes genuine progress toward equal treatment for all its citizens is one which gives USIA effective and irrefutable material with which to combat anti-American feeling abroad.

The image of America is what all of us make it daily. In that sense the Nation as a whole will determine how successful Mr. Rowan can be in his new assignment.

[From the New York Herald Tribune, Jan. 22, 1964]

AND GOOD LUCK

The Nation will regret the resignation of Edward R. Murrow as Director of the U.S. Information Agency, and hope that his health is quickly restored.

In his broadcasting days, Ed Murrow earned that hard-to-define but truly distinguished label, "an institution." In Murrow's case it bespoke more than fame, more than professional competence; it was a badge of moral courage, a citation for adherence to principle, the mark of an old-fashioned conscience that kept alive a sense of national duty. The latter prompted him, at the peak of his career, to leave the excitement and rewards of television for more thankless work in Washington.

In a paraphrase of Mr. Murrow's trademark, President Johnson said "Goodbye and good luck" to his departing official, thus expressing the gratitude of millions of Americans. Everyone wishes the best to a man who has devoted himself to the country's welfare to such an extraordinary degree.

[From the Minneapolis Tribune, Jan. 23, 1964]

MURROW: BEST OF A REMARKABLE AND UNLUCKY CREW—TRIBUTE PAID TO GREAT REPORTER

(By James Reston)

The official word at the White House was that Ed Murrow had quit his job as Director of the U.S. Information Agency, but this obviously couldn't be true, for Ed Murrow never quit anything in his life.

He has been thrown out of places, and has thrown a lot of people out of places, but if they mean by quitting that he gave up, then it's clearly not true.

Ed Murrow was this country's most distinguished and influential reporter of that critical period before the second war with Germany. He was the best of a remarkable and unlucky crew.

Among them were Ernie Pyle, Vincent Sheehan, Bill Shirer, Eric Sevareid, Wallie Deuel, Wallace Carroll, Elmer Davis, Edgar and Paul Scott Mowrer, Herbert Elliston, Joe Driscoll, Dorothy Thompson, Walter Duranty—and a lot more.

They told America what it didn't quite believe and certainly didn't want to hear, that a savage civil war was developing within the Western World and that it would reach a tolerable end only when the United States threw its power into the battle.

In the long story of American journalism, there was never a brighter chapter or a more talented and sensitive group of reporters, but it was not exactly an easy life, and the casualty list was heavy.

Some of them, like Pyle, were killed in battle, others like Sheehan, Shirer, and Edgar Mowrer decided to escape from the tyranny of the daily deadlines. Others, like Sevareid and Carroll carry on, but most of the rest, like Murrow, had trouble with their health.

Murrow, on the whole, was lucky. He operated during the war from London on the assumption that a man could exist happily for years on a diet of black coffee and cigarettes.

On the odds, he should have lost his life, but as it was, all he lost was a lung, and that should not be too much of a handicap, for Ed Murrow can say more on one lung than most other mortals can on two.

Murrow improved the U.S. Information Agency down here, not as much as he hoped to or would have if he hadn't been benched by cancer, but the main thing he did was to take the USIA out of the doghouse and into the White House.

Murrow had his disappointments too. He thought he would attract to the Agency more good men than he actually did. He greatly improved the film and magazine output of the Government, particularly the former, but he would be the last to say that he had achieved the ideal. Maybe he'll really take a rest this time, but don't bet on it. He used to broadcast from a dungeon on the BBC every night during the blitz on London and wind it up with a beer and a pack of cigarettes and a long nostalgic tale about how he was eventually going back to the west coast and run a small college and work on his golf slice.

This gradually developed into a family joke. After the war, he was a national figure, sort of a cross between John Barrymore and Richard Harding Davis. He was recognized everywhere he went, and his voice was better known than Roosevelt's.

If he really took time off to tell the story of this remarkable period, he would serve his country well. For one of the odd things about the men and women who reported the events just before and during and after World War II is that so few of them slowed down long enough to sum up their experiences.

Meanwhile, all golfers west of the Rockies are hereby put on notice. If you see a handsome southpaw who swings like a rocking chair, and hits a No. 3 wood from the tee with a little educated slice, don't be deceived. For Ed Murrow is the shrewdest first-tee negotiator in the country and the best left-handed putter in Christendom.

Everywhere else in the world he's a gentleman, but on a golf course, and particularly within 8 feet of the cup, he's a scoundrel.

[From the Christian Science Monitor, Jan. 24, 1964]

COURAGE AND CONSCIENCE

Even when Edward R. Murrow worked in the lucrative limelight of commercial broadcasting, he was a public servant. He took his courage and his conscience with him into the harassing behind-the-scenes task of directing the U.S. Information Agency. His resignation for reasons of ill health reminds "a grateful nation," in President Johnson's phrase, of Mr. Murrow's extraordinary contribution to responsible journalism in its widest sense.

To Americans the most vivid image of Mr. Morrow will probably remain that of the television commentator, sober-faced, iron-voiced, never the casual observer, always the committed human being, except when the less weighty world of "Person to Person" permitted him a smile of charming gaiety.

But to that image must be added that of the comparatively unsung Government administrator, bringing his skill and feeling to the official pursuit of what was always his personal campaign for truth and freedom. He fought and failed and fought again for the money to tell the facts about democracy and totalitarianism as he thought they must be told.

Last fall he said of American racial problems: "There is no other single subject, month in and month out, that so consistently occupies the cares and curiosities of other people about the United States." In the light of this widely shared opinion, President Johnson's choice of a successor seems particularly apt.

The appointment of Carl T. Rowan, presently Ambassador to Finland, not only calls on a man whom Mr. Murrow considers qualified for the post, but proves that a Negro of recognized qualifications is not always kept from the top job.

Mr. Rowan would be the first Negro to sit in the National Security Council. But more important for the USIA, he is a man experienced in both journalism and government. He has reported for the press how the American visage can be distorted overseas. He sees, as he told the Finns, that though the American Negro has not reached his goals he "has very important support—the support of the Government of the United States."

[From the Baltimore (Md.) Sun, Jan. 22, 1964]

CHANGE OF VOICE

The loss to the public of the services of Edward R. Murrow is distressing. Murrow, a distinguished reporter who became one of the great names of the radio and television news spots, joined the Government as head of the U.S. Information Agency at great personal sacrifice. He did it because he had faith in the United States, and because he believed its story should be told abroad in terms of facts, not of fanciful propaganda. He was not always successful, because the old ways of government are hard to change; but Murrow gave the job all he had, and that was considerable. He has resigned to convalesce from surgery for cancer, and the Nation wishes him full recovery.

In his place President Johnson has selected Carl Rowan, who has been serving as Ambassador to Finland. No appointment could be more appropriate. Mr. Rowan, too, is by profession a newsman and by performance a formidable one. With the usual reluctance of a man who prizes his craft, he went to the State Department at the request of President Kennedy, first as a Deputy Assistant Secretary for Public Affairs and later as an envoy. His familiarity with news and news media, and with the State Department and its oversea listening posts make him ideally qualified for the USIA directorate. It is altogether incidental that Rowan is a Negro, and will be the highest ranking Negro in Government. Carl Rowan would have distinguished himself in any society that gave him even half a chance.

[From the Minneapolis (Minn.) Tribune, Jan. 23, 1964]

ROWAN TO USIA

We have watched the rise of Carl Rowan in the councils of Government with special interest and particular pride. Our pride in Rowan's advance, of course, comes from the fact that for 12 years he was on the Minneapolis Tribune staff, where his talents became quickly apparent.

Reporter, author, diplomat and champion of racial equality, Rowan is eminently fitted for the post just assigned to him by President Johnson, that of Director of the U.S. Information Agency. He has served as Deputy Assistant Secretary of State for Public Affairs and steps out as Ambassador to Finland to succeed Edward R. Murrow as USIA Director.

Rowan will be the highest ranking Negro in the administration and the first of his race to sit regularly with the National Security Council. The new assignment will test his ability, administrative capacity, patience and tolerance, but we are confident that his performance will reflect credit on his country and race.

[From the Mankato (Minn.) Free Press, Jan. 23, 1964]

ROWAN AS HEAD OF USIA

(By Franklin Rogers)

When you have been a personal acquaintance of a fellow like Carl Rowan, you get a lot of satisfaction out of feeling that here was a perfect case of the job finding the right man. He will be the new Director of the U.S. Information Agency, succeeding the ailing Edward R. Murrow.

Rowan typifies the American story about as well as anyone you can name. He began modestly, managed to get a good job at a young age, did considerable writing for national publications and now has worked his way up in Government service. He will relinquish his duties as Ambassador to Finland to take over as head of the USIA.

He is a Negro, but that, happily, is unimportant. The color of his skin has nothing to do with his qualifications.

When the USIA tells about America and Americans, standing firmly in the front line will be the example of its Director. He is the kind of citizen you like to think of as reflecting the true image of the American you'd want the rest of the world to see. He is intelligent, affable, has a good sense of humor, has an attractive young family and exhibits the kind of independence of thought that is the birthright of the American citizen.

Too often, it seems, the Americans who are regarded as typical by the rest of the world aren't really typical at all. With the glare of international attention on them, they tighten up. They either try to portray the image of the wealthy braggart who assumes the foreigner ought to envy him, or they attempt to be the kind of persons they think is expected.

Rowan is neither of these. He is proud and confident, but he presents the picture of complete relaxation. He gives you the impression that the prominent stature in Government he already has attained fits him comfortably, and that he has nothing which isn't also within the reach of any other American.

The common impression many of us get of the USIA is that it is an Agency which deals in propaganda achieved by exaggeration. If this is true, we have a feeling Rowan will change the picture. His own story is one of the opportunity available to all Americans, and the way he has lived it makes you feel that his type of American is one the whole world will admire.

THE X-15 RESEARCH AIRPLANE PROGRAM

Mr. ANDERSON. Mr. President, the first flight of the first X-15 research airplane was made on June 8, 1959. The 100th flight was made yesterday. During the past 4½ years the program has achieved a very commendable record, providing a wealth of research data for the aeronautical and space programs of the United States. The past accomplishments of the X-15 program reflect a superb job of management, flight-test operation, and cooperation between the National Aeronautics and Space Administration, the Air Force, and the Navy.

The national research airplane program began in 1944 with the X-1 aircraft, the first airplane to achieve supersonic speeds in level flight. There have been 17 research airplanes, of 9 specific types, during this 20-year period, including the Douglas D-558-I and D-558-II, the Bell X-2, the Douglas X-3, the Northrop X-4, the Bell X-5, and the Convair XF-92A. The present, active member of this series is the X-15.

Over the years, from the first flight of the first X-1, on January 19, 1946, to the 100th flight of the X-15 in 1964, the NASA/USAF/USN flight-test-team concept has evolved into one of the smoothest running highly skilled organizations in the history of aeronautics. The present X-15 flight-test organization, the latest in the line and the current example of the results of this evolution, has demonstrated its skill, competence, and—when required—courage, throughout the 4-year history of Government flight tests of the X-15 airplanes which began on March 25, 1960.

The X-15 program began with the NACA/USAF/USN memorandum of understanding signed in December 1954 by representatives of the National Advisory Committee for Aeronautics, the U.S. Air Force, and the U.S. Navy made the Director of NACA responsible for the technical direction of the X-15 program. Financing of the design and construction phases of the X-15 project was made the responsibility of the Air Force and the Navy. The memorandum of understanding stated, further, that the aircraft upon completion would be turned over to the NACA for flight test. NACA also was given the responsibility for reporting the research results obtained from the X-15 program.

Construction of the first of three X-15 aircraft was completed late in 1958 and preparation for flight test began immediately. The first unpowered glide flight was made on June 8, 1959; the first powered flight, using low-thrust interim engines, was made on September 17, 1959. Since that time 100 flights have been made, and almost all of the original objectives of the program have been achieved. In the course of the flight research program a speed of 4,104 miles per hour and an altitude of 354,200 feet have been attained.

After 2 years of flight test, Mr. President, it became obvious that the X-15 aircraft had unique capabilities for serving as a test bed, to permit the use of the aircraft to carry advanced experiments to new environments of speed and altitude. In August 1961, the Research Airplane Committee—NASA/USAF/USN—signed a second memorandum of understanding which stated that it was necessary that an optimum follow-on research program be formulated to insure that maximum benefit to the national objectives would accrue from the X-15 research program. To date almost 20 experiments have been selected for this test-bed program and highly significant data are being obtained. This part of the X-15 program is continuing.

In November 1962, one of the three X-15 aircraft was extensively damaged in a landing accident. Early in 1963, a decision was made to repair the damaged airplane and modify it to increase its performance capability. The modification will provide a design mission of a mach number of 8 at an altitude of 100,000 feet. The increased performance will be achieved by longer burning time of the main engine, obtained through use of two external propellant tanks. Numerous other modifications were made while the airplane was being rebuilt, including improving the windshield configuration, landing gear, and research instrumentation, and providing changes required for the test-bed program. One of the more important changes will allow flight test of hypersonic air-breathing propulsion components and systems. The modified airplane will make its first flight this summer.

The Research Airplane Committee is currently considering additional test-bed experiments. About 52 additional X-15 flights would be required for these experiments. With these additional flights, the bulk of the program would end in 1967. One airplane—the X-15 with the mach 8 modification—would continue in flight-test to the end of 1968.

The X-15 program not only has contributed to the increased confidence of designers of current high-performance aircraft but, in doing so, has focused attention on a few areas which require additional research. The planned program will be directed toward these areas. This program is providing information for the next logical step in the NASA's flight research program, the hypersonic.

In addition, Mr. President, the X-15 program is going to produce information of value, I believe, to the development of supersonic commercial airplanes. This data will induce flight controls, materials and surface temperatures.

The lesson from the X-15 is that cooperation among agencies having an interest in a project pays off.

AMENDMENT OF LIBRARY SERVICES ACT

Mr. MORSE. Mr. President, I ask that the Chair lay before the Senate an amendment of the House of Representatives to Senate bill 2265, to amend the Library Services Act.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2265)

to amend the Library Services Act in order to increase the amount of assistance under such act and to extend such assistance to nonrural areas, which was to strike out all after the enacting clause and insert:

EXTENSION OF ACT TO NONRURAL AREAS

SECTION 1. (a)(1) Section 2 of the Library Services Act is amended by striking out "rural".

(2) Section 3 of such Act is amended by striking out "rural".

(b) Section 4 of such Act is amended by striking out "rural" wherever it appears therein.

(c)(1) So much of section 5(a) of such Act as precedes paragraph (1) is amended by striking out "to rural areas".

(2) Paragraph (3) of such section is amended by striking out "rural".

(d) Section 8(b) of such Act is amended by striking out "in rural areas".

(e) Section 9 of such Act is amended by striking out paragraph (e) and by striking out "; and" at the end of paragraph (d) and inserting in lieu thereof a period.

(f) The amendment made by subsection (a)(2) shall apply in the case of appropriations for fiscal years beginning after June 30, 1964. The amendments made by subsection (b) shall apply in the case of allotments from appropriations for fiscal years beginning after June 30, 1964. The amendments made by subsection (c) shall apply in the case of expenditures under State plans for periods after June 30, 1964. The amendment made by subsection (e) shall become effective July 1, 1964.

EXTENSION AND INCREASE OF AUTHORIZATION

SEC. 2 Section 3 of the Library Services Act is amended by striking out "is hereby" and inserting in lieu thereof "are"; by striking out "nine succeeding fiscal years" and inserting in lieu thereof "next six fiscal years"; and by inserting ", for the fiscal year ending June 30, 1964, the sum of $25,000,000, and for each of the next two fiscal years such sums as the Congress may determine," after "$7,500,000".

INCREASE IN MINIMUM ALLOTMENTS; AVAILABILITY OF ALLOTMENTS

SEC. 3. (a) Effective in the case of allotments from appropriations for fiscal years beginning after June 30, 1963, section 4 of the Library Services Act is amended by striking out "$10,000" and inserting in lieu thereof "$25,000", and by striking out "$40,000" and inserting in lieu thereof "$100,000".

(b) Such section is further amended by adding at the end thereof the following new sentence: "The allotment to any State under this section for the fiscal year ending June 30, 1964, shall be available for payments to such State with respect to expenditures under its approved State plan during such year and the next fiscal year."

DEVELOPMENT OF LIBRARY SERVICES FOR ALL STUDENTS

SEC. 4. Effective July 1, 1963, section 5(a)(3) of the Library Services Act is amended by striking the word "rural".

INCREASE IN MINIMUM STATE EXPENDITURES REQUIRED

SEC. 5. Effective in the case of payments from allotments for fiscal years beginning after June 30, 1963, subsection (a) of section 6 of the Library Services Act is amended by striking out "$10,000" and inserting in lieu thereof "$25,000", by striking out "$40,000" and inserting in lieu thereof "$100,000", and by striking out "June 30, 1956" wherever it appears therein and inserting in lieu thereof "June 30, 1963".

PAYMENT PROCEDURE

SEC. 6. Effective in the case of payments from allotments for fiscal years beginning after June 30, 1963, subsection (b) of section 6 of the Library Services Act is amended to read as follows:

"(b) Prior to each period for which a payment is to be made under subsection (a), but not less often than semiannually, the Commissioner shall estimate the amount to which each State will be entitled under subsection (a) for such period; and the amount so estimated shall be paid, in such installments and at such time or times as the Commissioner may determine, after necessary adjustment on account of any previously made overpayment or underpayment under this section."

CONSTRUCTION GRANTS

SEC. 7. (a) The Library Services Act is further amended by inserting "TITLE I—PUBLIC LIBRARY SERVICES" after section 2, by redesignating sections 3, 4, 5, and 6, and references thereto, as sections 101, 102, 103, and 104, respectively, and by inserting after such sections the following new title:

"TITLE II—PUBLIC LIBRARY CONSTRUCTION

"Authorization of appropriations

"SEC. 201. There are authorized to be appropriated for the fiscal year ending June 30, 1964, the sum of $20,000,000, and for each of the next two fiscal years such sums as the Congress may determine, which shall be used for making payments to States, which have submitted and had approved by the Commissioner, State plans for the construction of public libraries.

"Allotments

"SEC. 202. From the sums appropriated pursuant to section 201 for each fiscal year, the Commissioner shall allot $20,000 each to Guam, American Samoa, and the Virgin Islands, and $80,000 to each of the other States, and shall allot to each State such part of the remainder of such sums as the population of the State bears to the population of the United States, according to the most recent decennial census. A State's allotment under this subsection for any fiscal year shall be available for payments with respect to construction projects approved, under its State plan approved under section 203, during such year or (but only in the case of a State allotment for the fiscal year ending June 30, 1964) the next fiscal year.

"State plans for construction

"SEC. 203. (a) To be approved for purposes of this title a State plan for construction of public libraries must—

"(1) meet the requirements of paragraphs (1), (2), (4), and (5) of section 103(a);

"(2) set forth criteria and procedures for approval of projects for construction of public library facilities which are designed to insure that facilities will be constructed only to serve areas, as determined by the State library administrative agency, which are without library facilities necessary to develop library services;

"(3) provide assurance that every local or other public agency whose application for funds under the plan with respect to a project for construction of public library facilities is denied will be given an opportunity for a fair hearing before the State library administrative agency; and

"(4) provide assurance that all laborers and mechanics employed by contractors or subcontractors on all construction projects assisted under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276c–5), and shall receive overtime compensation in accordance with and subject to the provisions of the Contract Work Hours Standards Act (Public Law 87–581); and the Secretary of Labor shall have with respect to the labor standards specified in this paragraph the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z–15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

"(b) The Commissioner shall approve any plan which fulfills the conditions specified in subsection (a) of this section.

"Payments to States

"SEC. 204. (a) From its allotment available therefor under section 202 each State shall be entitled to receive an amount equal to the Federal share (as determined under section 104) of projects approved, during the period for which such allotment is available, under the State plan of such State approved under section 203.

"(b) The Commissioner shall from time to time estimate the amount to which a State is entitled under subsection (a), and such amount shall be paid to the State, at such time or times, and in such installments as the Commissioner shall determine, after necessary adjustment on account of any previously made underpayment or overpayment."

(b) Section 9 of such Act is further amended by redesignating paragraph (d) as paragraph (e) and inserting after paragraph (c) the following new paragraph:

"(d) The term 'construction' includes construction of new buildings and expansion, remodeling, and alteration of existing buildings, and initial equipment of any such buildings; including architects' fees and the cost of the acquisition of land;".

(c) Subsection (f) of the section of such Act herein redesignated as section 104 is repealed.

(d) Subsection (a) of such section 104 is amended by inserting at the end thereof the following new sentence: "from such allotments, there shall also be paid to each State for each such period the Federal share of the total of the sums expended by the State and its political subdivisions during such period for administration of the plan of such State approved under section 203."

(e) Subsection (e) of such section 104 is amended by striking out "Act" and inserting in lieu thereof "title".

(f) Such Act is further amended by inserting "TITLE III—GENERAL" above the heading for section 7 and by redesignating sections 7, 8, and 9 as sections 301, 302, and 304, respectively.

(g) The first sentence of such section 301 is amended by inserting "applicable" before "requirements of this Act" and by inserting "(or, in his discretion, that further payments will not be made with respect to portions of or projects under the State plan affected by such failure)" before "until he is satisfied". The second sentence of such section is amended to read: "Until he is so satisfied, no further payments shall be made to such State for carrying out such State plan (or further payments shall be limited to parts of or projects under the plan not affected by such failure)."

(h) Such Act is further amended by inserting after such section 302 the following new section:

"Reallotments

"SEC. 303. The amount of any State's allotment under section 102 or 202 for any fiscal year which the Commissioner determines will not be required for the period for which such allotment is available for carrying out the State plan approved under section 103 and section 203, respectively, shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments for such year to such States under such section 102 or 202, as the case may be, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the amount which the Commissioner estimates the State needs and will be able to use for such period of time for which the original allotments were available for carrying out the State plan approved under section 103 or 203, as the case may be, and the total of such reductions shall be similarly reallotted among the States not suffering such a reduction. Any amount reallotted to a State under this subsection from funds appropriated pursuant to section 101 or 201 for any fiscal year shall be deemed part of its allotment for such year under sections 102 and 202, respectively."

(i) The amendments made by subsections (c), (e), and (g) shall be applicable in the case of payments from allotments for fiscal years beginning after June 30, 1963. The amendment made by subsection (h) shall be applicable in the case of such allotments.

HEARINGS AND JUDICIAL REVIEW

SEC. 8. The section of the Library Services Act herein redesignated as section 302 is amended by adding at the end thereof the following new subsection:

"(d) (1) The Commissioner shall not finally disapprove any State plan submitted under this Act, or any modification thereof, without first affording the State submitting the plan reasonable notice and opportunity for a hearing.

"(2) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under title I or title II, or with respect to his final action under section 301, such State may appeal to the United States Court of Appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner or any officer designated by him for that purpose. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(3) Upon the filing of the petition referred to in paragraph (1) of this subsection, the court shall have jurisdiction to affirm the action of the Commissioner to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record the Commisioner may modify or set aside his order. The findings of the Commissioner as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(4) The judgment of the court affirming or setting aside, in whole or in part, any action of the Commissioner shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subection shall not, unless so specifically ordered by the court, operate as a stay of the Commissioner's action."

EXTENSION TO DISTRICT OF COLUMBIA

SEC. 9. Subsection (a) of the section of the Library Services Act herein redesignated as section 304 is amended by inserting after "State," the following: "the District of Columbia,".

CHANGE IN TITLE AND SHORT TITLE

SEC. 10. (a) The first section of the Library Services Act is amended by striking out "Library Services Act" and inserting in lieu thereof "Library Services and Construction Act".

(b) The title of such Act is amended to read "To promote the further development of public library services."

Mr. MORSE. Mr. President, S. 2265, the Library Services and Construction Act, passed the Senate on November 26, 1963, by a vote of 89 to 7. The House Committee on Education and Labor brought a similar bill, H.R. 4879, to the House floor on January 21, 1964; and the House debated it, amended it, and passed it by a vote of 254 to 107. This action was subsequently vacated. S. 2265 was then brought up and was amended by striking out the Senate language and substituting therefore the text of H.R. 4879 as it passed the House.

S. 2265, thus, is once more before the Senate.

In order that the Senate may have full knowledge of the position of the administration, I requested the Department of Health, Education, and Welfare to review S. 2265 as it now is before us, and to provide my subcommittee with its comments upon the effect of the action taken by the House.

I ask unanimous consent, Mr. President, that the text of a letter and the memorandum attached thereto, which I have received from Assistant Secretary Wilbur Cohen, be printed at this point in the RECORD.

There being no objection, the letter and the memorandum were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE,
January 29, 1964.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: Pursuant to the telephone request of Mr. Charles Lee, I am enclosing a memorandum which identifies, explains, and comments on the significance of, the various amendments made by the House of Representatives in passing S. 2265, a bill "To amend the Library Services Act in order to increase the amount of assistance under such Act and to extend such assistance to nonrural areas."

In the light of the enclosed analysis, we recommend that the Senate adopt the House amendment to S. 2265.

Sincerely,

WILBUR J. COHEN,
Assistant Secretary.

CHANGES MADE BY HOUSE OF REPRESENTATIVES IN S. 2265[1]

1. Page 2, between lines 9 and 10, insert the following:

"(f) The amendment made by subsection (a) (2) shall apply in the case of appropriations for fiscal years beginning after June 30, 1964. The amendments made by subsection (b) shall apply in the case of allotments from appropriations for fiscal years beginning after June 30, 1964. The amendments made by subsection (c) shall apply in the case of expenditures under State plans for periods after June 30, 1964. The amendment made by subsection (e) shall become effective July 1, 1964."

EXPLANATION

Section 1 of the bill (the above is subsection (f) of that section) deletes the word "rural" from various provisions in the Library Services Act. The only important deletions made by this section are in the allotment provision and the provision relating to requirements of State plans for extension of public library services. The inserted material specifies the effective date for these deletions.

These amendments would, under the Senate-passed bill, have been effective only with respect to appropriations made after enactment of the bill or allotments or payments from such appropriations, as the case may be (see section 10 of the Senate bill, which was deleted by the House).

Under the House-passed bill the amendment deleting the rural limitation from the allotment section is effective in the case of allotments from appropriations for fiscal years beginning after June 30, 1964.

Under the House-passed bill, the amendments striking the rural limitation from the provisions on State plan requirements (section 5 of the existing law) will apply in the case of expenditures under State plans for periods after June 30, 1964.

Comment: The significance of the above change by the House relating to allotments is that the Senate bill requires all allotments from any appropriation made after enactment of the bill to be based on total population instead of rural population, whereas the House change would make the amendment applicable only to allotments from appropriations for fiscal years beginning after June 30, 1964.

As to the above change relating to the State plan requirements, see comment under change No. 5, below.

2. Page 2, line 17, strike out "a sum not to exceed $25,000,000" and insert in lieu thereof "such sums as the Congress may determine".

EXPLANATION

The Senate bill provides a $25 million per year limitation on the 3-year authorization of appropriations for library services. The House amendment deletes the limitation for the second and third years.

Comment: The significance of this change is apparent on its face.

3. Page 2, line 21, strike out "Section" and insert in lieu thereof "Effective in the case of allotments from appropriations for fiscal years beginning after June 30, 1963, section".

EXPLANATION

The amendment of the existing law here involved increases the initial allotment for Guam, American Samoa, and the Virgin Islands from $10,000 to $25,000 and for the other States from $40,000 to $100,000.

The Senate bill (in sec. 10) makes this amendment effective in the case of allotments from appropriations made after the enactment of the bill. The House-passed bill provides that these amendments are applicable in the case of allotments from appropriations for fiscal years beginning after June 30, 1963.

Comment: See comment under change No. 6, below.

4. Page 3, line 6, insert "STUDENTS" at the end of the line.

EXPLANATION

This change has no effect, it being made only in the heading of the section.

5. Page 3, strike out lines 7 through 11 and insert in lieu thereof:

"SEC. 4. Effective July 1, 1963, section 5 (a) (3) of the Library Services Act is amended by striking out the word 'rural'."

EXPLANATION

Section 5(a) (3) of existing law requires a State plan for library services to provide policies and methods of administration which the State agency certifies will, in its judgment, assure use of funds under the plan to maximum advantage in further extending public library services to rural areas without such services or with inadequate services.

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[1] Page and line references are to S. 2265, as passed by the Senate.

The Senate bill would eliminate the provisions relating to further extension to the rural areas and would require merely assurance of use of the funds under the plan "to maximum advantage"; and it would add a requirement that the policies and methods will, in the judgment of the State agency, give consideration to the educational needs of people of all ages, including students.

The House change retains the existing law except that the assurance must relate to extension of services to all areas without such services or with inadequate services, instead of merely rural areas. The House change also makes its amendment effective July 1, 1963; the Senate-passed bill has its amendment effective in the case of payments from allotments from appropriations made after enactment of the bill.

Comment: We do not believe the change in the amendment made by the House has any real significance. On the significance of the change relating to the effective date, see comment under change No. 6, below.

6. Page 3, line 13, strike out "Subsection" and insert in lieu thereof "Effective in the case of payments from allotments for fiscal years beginning after June 30, 1963, subsection".

EXPLANATION

Under section 6(a) of the existing law no payments may be made to a State from its allotment for any fiscal year until the Commissioner finds that there will be available for expenditure under the plan from State or local sources during that year (A) a sufficient amount to entitle the State to Federal payments of $10,000 in the case of the Virgin Islands, American Samoa, and Guam, and $40,000 in the case of any other State, and (B) an amount equal to not less than the total expended in the areas covered by the plan for public library services from such sources during the fiscal year 1956. The Commissioner must also find, before any such payments are made, that there will be available for expenditure for public library services, from State sources alone, during the fiscal year not less than the total expended for such services from such sources in the fiscal year 1956.

Both bills would increase the $10,000 to $25,000 and the $40,000 to $100,000 and would change the base year from fiscal year 1956 to fiscal year 1963.

The Senate bill (in sec. 10) makes these amendments effective with respect to payments from appropriations made after enactment of the bill. The House change makes these amendments effective in the case of payments from allotments for fiscal years beginning after June 30, 1963.

Comment: It is our feeling that we will be able to construe the bill, if the Senate accepts the House changes, as not affecting payments already made from allotments for the current fiscal year. Thus, no State would have to refund any payments already made from these allotments. We also believe that the amendments would not affect the allotments already made for the current fiscal year; thus, the allotments already made would not have to be redetermined or redistributed.

Whether a State would have to increase its own or local expenditures so as to qualify for Federal payments of $100,000 (instead of $40,000 as under existing law) from its current allotment or to spend as much from State and local funds as it spent in 1963 instead of 1956, before it could secure any further payments from its current allotment, is not so clear. We believe, however, that we could arrive at an interpretation which permitted the States to get all of the payments to which it is entitled under existing law from the allotment already made to it, without making any changes in its State plan or complying with any new requirements, particularly if a helpful statement is made on this point on the Senate floor when the House changes are considered.

Our belief is supported by the treatment which, from the beginning of the Library Services program, has been accorded allotments as a commitment to the States at the time of promulgation by the Commissioner. This question was particularly relevant under the original act where provision was made for a second-year carryover of the allotment. After thorough consideration with the General Accounting Office, it was decided that since funds became committed at the promulgation of the allotment there was no necessity for the assignment of a 2-year appropriation symbol and title in the Treasury account. Moreover, while it cannot be said that there is any express statement in the legislative record before the House on this point, it is fair to say that the context of the floor discussion is inconsistent with any concept that the House intended to require States to change completely the plans which had been approved and were already in effect for operation during fiscal year 1964.

The above discussion does not deal with the question of the interpretation we would give to these amendments in the case of allotments (and payments therefrom) made from any supplemental appropriation which we secure after enactment of the bill.

7. Page 3, line 20, strike out "Subsection" and insert in lieu thereof "Effective in the case of payments from allotments for fiscal years beginning after June 30, 1963, subsection".

EXPLANATION

Section 6(b) of existing law sets forth the payment procedure. The section of the bill involved here would amend section 6(b) to simplify this procedure and bring the provisions of the statute more closely into line with the procedure actually followed in making the payments.

The Senate bill (section 10) makes this amendment effective with respect to payments from appropriations made after enactment of the bill. The House change makes it effective in the case of payments from allotments for fiscal years beginning after June 30, 1963.

Comment: This change has no real significance.

8. Page 4, lines 17 and 18, strike out "a sum not in excess of $20,000,000" and insert in lieu thereof "such sums as the Congress may determine".

EXPLANATION

The Senate bill provided a $20 million per year limitation on the 3-year authorization of appropriations for grants for public library construction. The House amendment deletes the limitation for the second and third years.

Comment: The significance of this change is apparent on its face.

9. Page 5, strike out lines 18 through 23 and insert in lieu thereof the following: "which are designed to insure that facilities will be constructed only to serve areas, as determined by the State library administrative agency, which are without library facilities necessary to develop library services".

EXPLANATION

The bill would add a new program of grants for construction of public libraries. The new section 203(a)(2), which the bill would add to existing law, requires the State plan for construction of public libraries to set forth criteria and procedures for project approval. Under the Senate bill these criteria and procedures were to be designed to insure priority for projects for areas having the greatest need for additional facilities and to give consideration to the educational needs of people of all ages, including students.

Under the House change, the criteria and procedures, instead of relating to priority of projects and to consideration of the educational needs of people of all ages, would have to be designed to insure that facilities would be constructed only to serve areas "Which are without library facilities necessary to develop library services."

Comment: The only significant effect of the change is that under the Senate bill the State agency would be required to adopt criteria for ranking eligible projects as to priority; under the House change the State agency may make funds available for the construction of any eligible project without necessarily making a priority ranking. The House version gives the State agency greater latitude in the certification of individual projects.

Under either version we believe that Federal grants could be used to construct public library facilities in areas without such facilities or with inadequate facilities.

10. Page 6, before the semicolon at the end of line 11, insert the following: ", and shall receive overtime compensation in accordance with and subject to the provisions of the Contract Work Hours Standards Act (Public Law 87-581)".

EXPLANATION

The new section 203(a)(4) which the Senate bill would add to the existing law requires the State plan for construction of public libraries to provide assurance that laborers and mechanics on projects will be paid prevailing wages.

The House change would add to this a requirement that the plan include assurance that the laborers and mechanics will receive overtime compensation as provided in the Contract Work Hours Standards Act. This provision relating to overtime pay was omitted from the Senate bill at the suggestion of the Labor Department since that Department was of the opinion that the overtime pay provisions would automatically apply to the new program.

Comment: The House change has no real significance.

11. Page 8, strike out lines 8 and 9 and on line 11 strike out "(3)".

EXPLANATION

Section 7 of the existing law (redesignated as section 301 by the bill) provides for the withholding of further payments to a State if, after notice and opportunity for hearing "to the State agency administering or supervising the administration of the State plan" approved under the law, the Commissioner finds there is noncompliance with the requirements of State plans. The Senate bill, in the light of the inclusion of State plans for construction of public libraries (along with the existing provisions relating to State plans for extension of public library services) would change "the State plan" to "a State plan", approved under the law. The House change deletes this conforming amendment.

Comment: The House change would have no real significance.

12. Page 9, between lines 18 and 19, insert the following:

"(i) The amendments made by subsections (c), (e), and (g) shall be applicable in the case of payments from allotments for fiscal years beginning after June 30, 1963. The amendment made by subsection (h) shall be applicable in the case of such allotments."

EXPLANATION

Among the conforming amendments made by the bill in the light of the inclusion of the new construction grant program are (A) an amendment deleting subsection (f) of section 6 of the existing law (redesignated by the bill as section 104) which prohibits the use of any funds, paid under the law to a State, to provide or improve library services in any nonrural area; (B) an amendment changing "Act" to "title" in section 6(e) of the existing law which prohibits the use of moneys, paid to a State under the law, for the purchase or erection of any building or buildings or the purchase of land; (C) amendments to section 7 of the existing law (redesignated as section 301 by the bill) to make that section, which relates to withholding of payments for noncompliance with State plan requirements, applicable to the new construction grant program and to permit withholding for only those portions of or projects under a State plan affected by the noncompliance; and (D) an amendment authorizing reallotment of the library services allotment or the construction allotment of any State to the extent it is not needed by that State.

The Senate bill (in section 10) makes these amendments effective with respect to appropriations made after enactment of the bill, or allotments or payments from such appropriations, as the case may be. The House change would make the first three amendments referred to above effective in the case of payments from allotments for fiscal years beginning after June 30, 1963, and the fourth amendment effective in the case of such allotments.

Comment: The change would have no real significance.

13. Page 10, line 16, strike out "(2)" and insert in lieu thereof "(1)."

EXPLANATION

The bill would add to the existing law a subsection requiring a hearing by the Commissioner before he disapproves of a State plan, and to give any State dissatisfied with such disapproval, or with the Commissioner's action withholding further funds from the State for noncompliance with State plan requirements, an opportunity to secure judicial review thereof. Paragraph (3) of this subsection, as contained in the Senate bill, refers to the "petition referred to in paragraph (2) of this subsection." The House erroneously changed the quoted phrase to "petition referred to in paragraph (1) of this subsection." There is no petition referred to in paragraph (1).

Comment: This change would have no real significance.

14. Page 11, line 13, strike out "Clause" and insert in lieu thereof "Subsection."

EXPLANATION

This is a drafting change.

15. Page 11, line 15, strike out "a State" and insert in lieu thereof "State."

EXPLANATION

This is a drafting change.

16. Page 11, strike out lines 17 through 22 and on line 24 redesignate section 11 as section 10.

EXPLANATION

This change eliminates the section on effective dates. The effect of this change has been explained above in connection with other House changes.

Mr. MORSE. Mr. President, the memorandum and the letter clearly indicate that no major problems of administration would be caused by the enactment of S. 2265, as it is now written. Therefore, after consultation with my colleagues on the subcommittee, I am prepared to move that the Senate concur in the House amendment.

Before I do so, there are one or two points which should be discussed from the standpoint of the legislative history of the bill, to clarify possible ambiguities.

When S. 2265, as reported by the Senate Labor and Public Welfare Committee, was before this body for consideration, last November, the Senate adopted amendments which resolved any ambiguity over the effect the bill would have on allotments already made from existing appropriations under the existing library services law, and on payments made or to be made from such allotments to the States. These Senate amendments made clear that those allotments and the payments therefrom would not be affected by S. 2265.

The House—and the floor debate in that body makes clear that this was due to a misunderstanding—did not adopt these amendments. It is our feeling that the failure of the House to include these Senate-approved, clarifying amendments does not signify an intention that these existing allotments and the payments therefrom shall be governed by the new provisions. We, in agreeing to the House amendment, confirm our original intention that these allotments and payments already disbursed shall not be affected by the bill when it becomes public law.

Mr. President, I move that the Senate concur in the House amendment to S. 2265.

Mr. JAVITS. Mr. President, I rise to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. JAVITS. Now that it is 2 minutes after 1 p.m., is the germaneness rule still in effect?

The PRESIDING OFFICER. It is not.

Mr. JAVITS. Then, Mr. President, I seek recognition.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. Is not the House amendment to Senate bill 2265 a privileged matter?

The PRESIDING OFFICER. Yes.

Mr. JAVITS. However, Mr. President, now that the rule of germaneness no longer applies to the remainder of the Senate's proceedings today, certainly I have a right to speak on any matter, at any time.

Mr. MORSE. I understand that; I wished to ascertain whether this is a privileged matter, because that situation will have a bearing, later on, on the question of the application of the rule of germaneness.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon that the Senate concur in the amendment of the House to Senate bill 2265.

The motion was agreed to.

Mr. MORSE. Mr. President, I think this is an appropriate occasion, upon the taking of final action by the Senate on the Library Services and Construction Act, to express on behalf of my subcommittee to Assistant Secretary Cohen, to Commissioner Keppel, and to Dr. John G. Lorenz, Acting Director of the Division of Continuing Education and Cultural Affairs, of the Office of Education, our appreciation for the great help they were to the committee at each stage of the legislative process. I am sure Dr. Lorenz and his hardworking associates will be as pleased as we on the committee are by the action taken today by the Senator in sending this bill to the President.

ORDER OF BUSINESS

Mr. MORSE. Mr. President, the Senator from New York [Mr. JAVITS] wishes to speak on the bill.

Mr. JAVITS. I have no intention of speaking on the bill. I have no objection to it.

Mr. MORSE. I am sorry. I misunderstood the Senator. I only wanted to protect his rights.

Mr. JAVITS. I thank the Senator from Oregon.

Mr. President, I wish to make the point that there is plenty of time for Senators to speak after the 3-hour rule of germaneness. Three hours is not a difficult restriction. It is now 10 minutes after 1 o'clock, and there is plenty of time for all the newspapers in the land, both morning and afternoon, to print their stories. Senators have observed the 3-hour rule of germaneness.

I do not intend to detain the Senate longer than a minute, but I do believe it illustrates the point that we must not forget that this limitation is for only 3 hours, and that the earlier the Senate convenes the earlier the 3 hours are over. There is really no great difficulty in administering this rule in a perfectly fair way; and I trust that after Senators have demonstrated their theories with respect to the question, we might even go back to a regular morning hour by unanimous consent and regularize what can be done one way or the other.

RUSSIAN DESTRUCTION OF U.S. PLANE

Mr. JAVITS. Mr. President, my purpose in rising at the moment is twofold. First, I wish to express my strong feeling in support of the protest of the U.S. Government against the downing of an American jetplane by the Soviet Union. The jet inadvertently flew over East Germany, resulting in the death of three American officers.

The Secretary of State called this "a shocking and senseless act." I believe it is even more than that. I believe it is not only a shocking and senseless act, but that it sets back the efforts of our bipartisan foreign policy—fully supported by Republicans as well as Democrats—to find as many areas as possible in which the grave tensions of the world, which have vast and critical implications for the survival of mankind, may be, if humanly possible, somewhat reduced by agreement.

I do not feel that the Kremlin should fail to note the serious imperiling of the basic policy which perhaps it is seeking to pursue—and certainly the basic policy which we are seeking to pursue—to find areas of agreement where tensions may be reduced, as was accomplished in the ratification of the limited test ban treaty and its consequent effect upon the relations of people to people.

If the Russians are as quick on the trigger as this latest incident demonstrates, they will destroy more in a split second than they have built up in months of effort.

So, Mr. President, we do not implore, or entreat, or ask anything; we only point out as basic policy and morality that where an inadvertent overflight is made over territory which is hostile, at least for this purpose, it does not mean the sending up of fighters to shoot people down but to give ample warning so that they can immediately leave the area. There is no evidence in this case that any espionage was involved or any effort to intrude on a secret installation which the Russians or the East German satellite might have had.

Mr. President, I believe this was a grave mistake, a serious blow to American opinion.

In addition, our hearts bleed for the families involved in these unnecessary deaths.

Beyond that, it puts in jeopardy the efforts which so many Senators are making on both sides of the aisle to find areas of agreement in which the deep causes of grave danger to the world may be reduced.

I hope very much that these fine officers will not have died in vain; that the lesson may sink in that in such an explosive situation they should not be so quick on the trigger, but should ask questions before shooting if we wish to maintain a framework in which there is hope for negotiation and agreement on the part of our great nations, the United States and the Soviet Union, in respect to the serious questions with which we are faced.

PROPOSED DISMANTLING OF THE PRESENT SYSTEM OF UNNECESSARY CONTROLS ON RESIDUAL FUEL OIL

Mr. JAVITS. Mr. President, on December 17, 1963, in a joint letter to Secretary of the Interior Udall, the Senator from New York [Mr. KEATING] and I urged him to dismantle the present system of unnecessary controls on residual fuel oil prior to the start of the new quota year on April 1, 1964, to permit normal competitive forces of the marketplace to prevail.

Secretary Udall's reply of January 20 is surprising and evasive, and once again fails to give any rational justification for the continuation of this administration's program of residual fuel oil import controls.

The maintenance of these controls cannot be justified in terms of our national security. This issue has clearly been disposed of on February 13, 1963, when the report of the Office of Emergency Planning to the President declared that—

> A careful and meaningful relaxation of controls on imports of residual fuel oil consistent with the national security and the attainment of Western hemispheric objectives which contribute to the national security.

The present basis for allocating quotas has also resulted in anticompetitive conditions in this industry and higher prices for the consumer.

The Secretary's reply openly admits that—

> It is most difficult to maintain effective controls of imports of residual fuel oil and at the same time engender within the industry the degree of competition which would exist in the absence of such controls.

He also concedes that control of oil imports entails "moderate" additional costs to the U.S. economy.

It looks as if Secretary Udall is justifying import restrictions of residual fuel oil on the basis of price considerations. This is in direct contradiction to his contention that these controls are needed for reasons of national security.

The Secretary also claims that the program was liberalized in the past 3 years. While in some respects this statement is true, it fails to point out that under the existing regulations the consumer is still tied to one supplier.

This is a deplorable situation, yet thus far an insoluble one. I would hope, therefore, that my colleagues from New England, the Middle Atlantic States, as well as Florida, would join us soon in a concerted effort toward rectifying this situation. Only in this way can we hope for effective and quick results.

In this regard, the Legislature of the State of Maine is to be commended for its courage in unanimously passing, at a special session of the legislature on January 16, 1964, a joint resolution calling for the removal or liberalization of import controls on residual fuel oil in the best interests of the consumer and the Nation.

I also point out that one of the things which is hurting Latin America almost irretrievably, and which is bedeviling the Alliance for Progress, is the fact that the terms of trade are turning against rather than in favor of Latin America. Latin American exporters are constantly buying less U.S. goods instead of more. One of the great difficulties is the arbitrary restrictions placed on Latin American exports, such as residual fuel oil, zinc, lead, and other commodities.

For all these reasons, I renew my plea that the residual fuel oil quotas be withdrawn and that the plan be canceled.

I ask unanimous consent to have printed in the RECORD Secretary of the Interior Udall's letter, the resolution of the Legislature of the State of Maine, and an editorial that appeared in the Miami Herald on January 6, 1964.

There being no objection, the letter, resolution, and editorial were ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., January 20, 1964.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: Thank you for the letter of December 18, 1963, signed by you and Senator KEATING. In view of your interest I thought it would be well to provide you with the current outlook for controls on imports of residual fuel oil for the coming year. This information is also being sent to Senator KEATING.

In early 1959, the President's Special Cabinet Committee To Investigate Crude Oil Imports recommended to the President that imports of crude oil and its derivatives, including residual fuel oil, should be controlled in the interests of the national security. These recommendations were adopted by the President and incorporated in Presidential Proclamation 3279 which sets forth the terms of the mandatory oil import control program. The control program, as you know, is designed to assure the maintenance of a healthy domestic petroleum industry capable of exploring for and developing petroleum reserves essential to the national security.

At the outset, it was recognized that control of oil imports would entail moderate additional costs to the U.S. economy. These costs were weighed against the benefits that flow to the economy from a healthy domestic oil industry and were found fully justified. Were the program, or any of its elements, abandoned, we might expect to see some immediate price reductions. The long-term costs to the economy of this abandonment might, however, prove to be very substantial. The moderate immediate additional costs attributable to the program are necessary to the maintenance of an industry that is perhaps the most essential of all to our national security.

Last year's report on residual fuel oil by the Director of the Office of Emergency Planning did not address itself to the broad question of the underlying requirement for the retention of controls on petroleum and its products. The report considered narrowly the statistical position of residual fuel oil, and its recommendations were drawn from this limited perspective. When the national security contribution of the residual fuel oil program is measured in the broader terms of the overall petroleum import control system, it is apparent that in order to maintain the integrity of the control program it is necessary to retain controls on all of the principal derivatives of crude oil, including residual fuel oil.

Taken alone, almost any product of petroleum could probably be determined to present no particular problem from the standpoint of national security, and the argument could be made that controls on such product could be eliminated without danger to the Nation. From the standpoint of the total petroleum position of the United States, however, the logical extension of this argument could and would lead to piecemeal dismemberment of a program which is almost universally recognized as being essential to the national interest.

We share your concern over the possible restraint of competition that a control program of this nature can create. As a reflection of this concern, the Department in the past 3 years has made important progress in liberalizing the terms of entry into the program. You will recall that when the program was initiated, participation was limited to those firms having an importing history. In April 1961, after my initial detailed review of the program, eligibility was broadened to include all individuals and corporations in the business of selling residual fuel oil who owned or controlled terminal facilities capable of receiving oceangoing vessels. In the revisions to the program, effective April 1, 1963, the proportion of oil available to this new class of eligibles was significantly increased.

These actions have had and will continue to have the effect of maintaining healthy competition within the industry. In this connection, I would be the first to admit that it is most difficult to maintain effective control of imports of residual fuel oil and at the same time engender within the industry the degree of competition which would exist in the absence of such controls. The Department has examined sympathetically numerous proposals which, according to their supporters, would have just this effect. We find on examination, however, that these proposals, while perhaps favoring one industry group over another, would not in fact increase competition within the industry, and would raise serious questions as to the equitable distribution of allocations.

For example, the Department has recently completed its analysis of the plan for revision of the procedures for making allocations which was presented by the Long Island Lighting Co. The proposal would extend eligibility for residual fuel oil allocations to consumers with deepwater terminals who had constructed new consuming facilities.

The Long Island Lighting Co.'s proposal has several fundamental weaknesses. First, it fails to give consideration to the availability for consumption of residual fuel oil of domestic origin. Under the plan, new eligibles would be assured of 100 percent foreign oil in meeting their additional requirements. Second, the proposal discriminates against older deep-water terminal consumers who had not added new facilities and who would, therefore, be ineligible for 100 percent import coverage.

Further, our review of this proposal suggests strongly that in many instances "new facilities" simply replace existing facilities which in turn are retired, placed on a standby basis or operated at less than capacity. For example, an analysis provided the Department by the proponents of the Long Island Lighting Co. plan indicated that in 1964–65 east coast utilities alone would place on stream new facilities with requirements of more than 123,000 B/D of residual fuel oil. Our examination of the individual company details of these additions to facilities indicates that the net increase in residual fuel oil consumption of the utilities involved will be only a small fraction of this amount. It would be manifestly inequitable to provide special treatment to consumers of residual fuel oil on the basis of new facilities when, in fact, their basic supply-demand positions would not differ significantly from competing consumers who had not installed new facilities but chose to operate existing facilities at greater capacity.

We will continue to examine carefully and sympathetically all proposals placed before the Department for improvement of this program, and we shall continue to work actively on our own to devise and incorporate further improvements. In the meantime, I wish to assure you that in the future, as in the past, the program will be so administered as to guarantee that sufficient supplies of residual fuel oil are made available to meet consumer requirements.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

[From the Miami (Fla.) Herald, Jan. 6, 1964]

AND YOURS INCLUDED: 50 MILLION OIL BILLS UP

A needless Federal restriction is taking money from 50 million Americans, including Floridians. Indeed, the cost is shared by every taxpayer in the United States.

This wasteful bit of red tape is called the quota system for residual oil imports—Bunker C, mainly.

You may never see a gallon of Bunker C, but you pay for it. This gooey oil heats the driers which take the moisture out of Florida phosphate, which, in turn, goes into fertilizer for the Nation's vegetable fields, into household detergents, baking powder, and many other products. Bunker C warms the vats that reduce Florida orange juice to concentrate for American breakfast tables. Mainly, Bunker C turns turbines which grind out electricity for everything from lights in the living room to dairy milking machines, chicken hatcheries, elevators in skyscrapers, and giant wheels in factories. Most electric rates rise and fall with the price of fuel.

Petroleum import quotas date from March 10, 1959. Dwight D. Eisenhower, then President, proclaimed the quota system under a 1954 law for protecting the national security. The theory is that a healthy domestic oil industry is essential to national security. Thus, bringing in too much foreign oil could discourage exploration for new wells. A voluntary quota system didn't work, so Mr. Eisenhower made it mandatory.

The system seems to have been accepted for crude oil and high-grade petroleum products. It has created an uproar over the lowest grade oils such as Bunker C.

Within a year, while residual oil prices around the world were falling, the total bill in the United States shot up by an estimated $167 million in 1960.

The 50 million people along the Atlantic seaboard were hardest hit, particularly in New England and Florida. Heating costs in chilly New England run 50 percent above the national average, and industry there relies heavily on oil. So does Florida, which has hardly any hydroelectric power or fossil fuels of its own and is remote from sources of supply.

An investigation was ordered early in 1961, as required by President Eisenhower's proclamation if prices rose. The report, almost 2 years later, favored a careful and meaningful relaxation of controls. But nothing happened.

Meantime, spokesmen for the domestic oil industry made clear that they had no interest in restricting imports of residual fuel oils. U.S. refineries were turning out nearly enough to fill demand 20 years ago for about 85 cents a barrel. As demand rose, they found ways of squeezing more valuable products from crude oil. Their cheap residues shrank, and foreign producers filled the gap. American oilmen are willing to let other countries have as much of this business as they want.

The only homefront beneficiaries of the quota system on residual fuel oil, it seems, are operators of coal mines. Two powerplants in New York have been forced to convert to coal for lack of oil. In one case, the conversion cost $135,000, plus $200,000 a year in extra expense—all to be recouped from consumers.

Yet compelling powerplants to use coal won't solve unemployment in West Virginia and other mining areas, according to Senator JACOB K. JAVITS, Republican, of New York. He says the competitive market for coal amounts to only about 6 million tons a year, compared with total output of 400 million tons. Besides, he notes, mechanization lets coal mines hold this production level with fewer than 170,000 miners compared with the former total of 400,000 miners.

Senator JAVITS calls the quotas "anticompetitive," causing "great injury to consumers, schools, hospitals, industrial plants, electric utilities, office and apartment buildings." He says most of the residual fuel oil allotments on the Atlantic seaboard are "in the hands of four oil marketers which between them have a 59-percent share of the total import allocation."

Even the fuel oil supply for Federal offices in Washington has been pinched. This is costing the Nation's taxpayers around $300,000 a year—not to mention the bill for all other Government installations using Bunker C or similar fuel.

President Johnson last month handed full power over oil quotas to Interior Secretary Stewart L. Udall. Senator JAVITS and his colleague, Senator KENNETH B. KEATING, Republican, of New York, promptly asked Mr. Udall to abolish quotas on residual fuel oils before the start of the next import year April 1. Similar requests are coming from New England and Florida. They should be nationwide.

JOINT RESOLUTION MEMORIALIZING THE HONORABLE STEWART L. UDALL, SECRETARY OF THE INTERIOR, TO REMOVE OR TO LIBERALIZE THE RESTRICTIONS ON RESIDUAL FUEL OIL IMPORTS

We in memorialization, the Senate and House of Representatives of the State of Maine in special session of the 101st legislative session assembled, most respectfully present and petition the Honorable Stewart L. Udall, Secretary of the Interior, as follows:

Whereas on Monday, December 9, President Johnson resolved to you responsibility and role of being the chief agency for petroleum policy matters for the Federal Government; and

Whereas it has been recognized that one of the major burdens placed on both industry and consumers in all of the North Atlantic States has been the restriction on residual fuel imports kept in effect for the past several years; and

Whereas the development and maintenance of the vital economy in the State of Maine is dependent upon a sufficient supply of imported residual fuel oil at competitive prices;

Be it resolved, That we recommend and urge the Secretary of the Interior that appropriate action be taken to either remove or revise present residual fuel oil import restrictions to the end that the best interests of both the consumer and our Nation are served; and be it further

Resolved, That a copy of this memorialization duly authenticated by the secretary of state be transmitted by the secretary of state to the Honorable Stewart L. Udall and the secretary of state to the Members of the Senate and House of Representatives representing Maine in Congress.

JANUARY 16, 1964.

EXECUTIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to consider executive business, for the purpose of considering the two protocols that are on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

PROTOCOLS AMENDING INTERIM CONVENTION ON CONSERVATION OF NORTH PACIFIC FUR SALES: AND PROLONGATION OF THE INTERNATIONAL SUGAR AGREEMENT

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate proceed to consider the two protocols on the Executive Calendar, and that there be a single vote on the two protocols.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the protocol, Executive O (88th Cong., 1st sess.) to amend the Interim Convention on Conservation of North Pacific Fur Seals; and Executive R (88th Cong., 1st sess.), the prolongation of the International Sugar Agreement, which were read the second time as follows:

PROTOCOL FOR THE PROLONGATION OF THE INTERNATIONAL SUGAR AGREEMENT OF 1958

The Governments party to this protocol;

Desiring, in accordance with the final resolution of the United Nations Sugar Conference, 1963, to continue in force, as between themselves, the International Sugar

Agreement open for signature at London from 1 to 24 December 1958 (hereinafter referred to as "the agreement");

Reaffirming their intention urgently to consider possible bases for a new draft International Sugar Agreement to replace the agreement;

Have agreed as follows:

ARTICLE 1

Subject to the provisions of paragraph (2) of article 2 and of article 3, the agreement shall continue in force between the parties to this protocol until 31 December 1965.

ARTICLE 2

(1) The Council shall forthwith initiate a study of the bases and framework of a new agreement to come into force not later than the date of expiry of this protocol, and shall make a report, including appropriate recommendations, to participating Governments not later than 30 June 1964.

(2) In the event of a new agreement coming into force before the date of expiry of this protocol, the protocol shall thereupon terminate.

ARTICLE 3

Paragraphs (2) and (3) of article 3, articles 7 to 25 inclusive, and paragraphs (4) and (7) of article 44 of the agreement shall be deemed to be inoperative; articles 41 and 42 shall cease to have effect.

ARTICLE 4

Governments may become party to this protocol, in accordance with their constitutional procedures,

(a) By signing it; or

(b) By ratifying, accepting or approving it after having signed it subject to ratification, acceptance or approval; or

(c) By acceding to it.

ARTICLE 5

(1) This protocol shall be open for signature at London from 1 August 1963 to 30 September 1963 inclusive, by the Governments party to the agreement and by the Government of any other country referred to in articles 33 or 34 of the agreement.

(2) Instruments of ratification, acceptance or approval shall be deposited with the Government of the United Kingdom of Great Britain and Northern Ireland.

(3) After 30 September 1963 this Protocol shall be open for accession by the Government of any country referred to in Article 33 or 34 of the Agreement, by deposit of an instrument of accession with the Government of the United Kingdom of Great Britain and Northern Ireland.

(4) This Protocol shall also be open for accession by the Government of any member of the United Nations or any Government invited to the United Nations Sugar Conference, 1963, but not referred to in Article 33 or 34 of the Agreement, provided that the number of votes to be exercised in the Council by the Government desiring to accede shall first be agreed upon by the Council with that Government.

ARTICLE 6

(1) This Protocol shall enter into force on 1 January 1964 among those Governments which have by that date become parties to this Protocol, provided that such Governments hold 60 per cent. of the votes of the importing countries and 70 per cent. of the votes of the exporting countries under the Agreement on 31 December 1963. Instruments of ratification, acceptance, approval or accession deposited thereafter shall take effect on the date of their deposit.

(2) For the purposes of entry into force of this Protocol in accordance with paragraph (1) of this Article a notification containing all undertaking to seek ratification, acceptance, approval or accession in accordance with constitutional procedures as rapidly as possible and if possible before 1 July 1964, received by the Government of the United Kingdom of Great Britain and Northern Ireland before 1 January 1964 shall be regarded as equal in effect to an instrument of ratification, acceptance, approval or accession; provided that, if the Council is satisfied that the Government concerned has not deposited its instrument owing to difficulties in completing its constitutional processes, the Council may extend the period beyond 1 July 1964 to such other date as it may determine.

(3) If by 1 January 1964 Governments holding less than the percentage of votes referred to in paragraph (1) of this article have become parties to this Protocol, the Governments which have signed, ratified, accepted, approved, or acceded to this Protocol may agree to put it into force among themselves.

ARTICLE 7

Where, for the purposes of the operation of the Agreement, reference is made to Governments or countries listed, named or included in particular Articles, any country not referred to in Article 33 or 34 of the Agreement the Government of which either has become a party to the Agreement prior to 1 January 1964 in accordance with paragraph (4) of Article 41 of the Agreement, or has become a party to this Protocol in accordance with Articles 4 and 5 of this Protocol, shall be deemed to be listed, named or included accordingly.

ARTICLE 8

Governments party to this Protocol undertake to pay their contributions under Article 38 of the Agreement according to their constitutional procedures.

ARTICLE 9

The Government of the United Kingdom of Great Britain and Northern Ireland shall promptly inform all Governments attending the United Nations Sugar Conference, 1963, of each signature, ratification, acceptance and approval of this Protocol, of each accession thereto, of each notification received pursuant to paragraph (2) of Article 6 and of the date of entry into force of this Protocol.

This Protocol, of which the Chinese, English, French, Russian and Spanish texts are equally authentic, shall be deposited with the Government of the United Kingdom of Great Britain and Northern Ireland, which shall transmit certified copies thereof to each signatory and acceding Government.

In witness whereof the undersigned, having been duly authorized to this effect by their respective Governments, have signed this Protocol.

Done at London the first day of August, one thousand nine hundred and sixty-three.

For Australia:
For Belgium:
For Brazil:
For Canada:
For Ceylon:
For Chile:
For China:
For Colombia:
For Costa Rica:
For Cuba:
For Czechoslovakia:
For Denmark:
For the Dominican Republic:
For Ecuador:
For El Salvador:
For the Federal Republic of Germany:
For the Federation of Malaya:
For Finland:
For France:
For Ghana:
For Greece:
For Guatemala:
For Haiti:
For Hungary:
For India:
For Indonesia:
For Ireland:
For Israel:
For Italy:
For Jamaica:
For Japan:
For Lebanon:
For Mexico:
For Morocco:
For the Netherlands:
For New Zealand:
For Nicaragua:
For Nigeria:
For Norway:
For Pakistan:
For Panama:
For Paraguay:
For Peru:
For the Philippines:
For Poland:
For Portugal:
For South Africa:
For Sweden:
For Trinidad and Tobago:
For Tunisia:
For the Union of Soviet Socialist Republics:
For the United Kingdom of Great Britain and Nothern Ireland:
For the United States of America:

Certified a true copy of the Protocol for the Prolongation of the International Sugar Agreement of 1958, adopted at London on July 4, 1963, by the United Nations Sugar Conference, 1963.

[SEAL] R. W. MASON,
Librarian and Keeper of the Papers for the Secretary of State for Foreign Affairs.

September 25, 1963.

PROTOCOL AMENDING THE INTERIM CONVENTION ON CONSERVATION OF NORTH PACIFIC FUR SEALS

The Governments of Canada, Japan, the Union of Soviet Socialist Republics and the United States of America, Parties to the Interim Convention on Conservation of North Pacific Fur Seals, signed at Washington on February 9, 1957, hereinafter referred to as the Convention.

Having given due consideration to the recommendations adopted by the North Pacific Fur Seal Commission on November 30, 1962, and

Desiring to amend the Convention,

Have agreed as follows:

ARTICLE I

The Convention shall be amended by this Protocol as from the date of its entry into force.

ARTICLE II

1. In Article II, paragraph 2 of the Convention, "and" at the end of subparagraph (f) shall be deleted and "(g)" shall be replaced by "(i)".

2. After Article II, paragraph 2(f) of the Convention, the following shall be inserted:

"(g) effectiveness of each method of sealing from the viewpoint of management and rational utilization of fur seal resources for conservation purposes;

"(h) quality of sealskins by sex, age, and time and method of sealing; and".

ARTICLE III

Article II, paragraph 3 of the Convention shall be replaced by the following:

"3. In furtherance of the research referred to in this Article, the Parties agree:

"(a) to continue to mark adequate numbers of pups;

"(b) to devote to pelagic research an effort similar in extent to that expended in recent years, provided that this shall not involve the taking of more than 2,500 seals in the Eastern and more than 2,200 seals in the Western Pacific Ocean, unless the Commission, pursuant to Article V, paragraph 3, shall decide otherwise; and

"(c) to carry out the determinations made by the Commission pursuant to Article V, paragraph 3."

ARTICLE IV

In Article III of the Convention, "and the Schedule" shall be deleted.

ARTICLE V

Article V, paragraph 2(e) of the Convention shall be replaced by the following:

"(e) study whether or not pelagic sealing in conjunction with land sealing could be permitted in certain circumstances without adversely affecting achievement of the objectives of this Convention, and make recommendations thereon to the Parties at the end of the eleventh year after entry into force of this Convention and, if the Convention is continued under the provisions of Article XIII, paragraph 4, at a later year; this later year shall be fixed by the Parties at the meeting early in the twelfth year provided for in Article XI."

ARTICLE VI

Article V, paragraph 3 of the Convention shall be replaced by the following:

"3. In addition to the duties specified in paragraph 2 of this Article, the Commission shall, subject to Article II, paragraph 3, determine from time to time the numbers of seals to be marked on the rookery islands, and the total number of seals which shall be taken at sea for research purposes, the times at which such seals shall be taken and the areas in which they shall be taken, as well as the number to be taken by each Party."

ARTICLE VII

In Article VIII, paragraph 2 of the Convention, "the Schedule" shall be replaced by "Article II, paragraph 3".

ARTICLE VIII

Article IX, paragraph 3 of the Convention shall be replaced by the following:

"3. In order more equitably to divide the direct and indirect costs of pelagic research in the Western Pacific Ocean, it is agreed that Canada and Japan for three years starting from the seventh year after entry into force of this Convention will forego the delivery of the sealskins by the Union of Soviet Socialist Republics as set forth in paragraph 1 of this Article and the Union of Soviet Socialist Republics will deliver annually to Canada and to Japan 1,500 sealskins each during these three years."

ARTICLE IX

1. In Article XI of the Convention, "sixth" shall be replaced by "twelfth".

2. In Article XIII, paragraph 4 of the Convention, "six" shall be replaced by "twelve" and "sixth" shall be replaced by "twelfth".

ARTICLE X

The Schedule annexed to the Convention shall be deleted.

ARTICLE XI

1. This Protocol shall be ratified and the instruments of ratification deposited with the Government of the United States of America as soon as practicable.

2. The Government of the United States of American shall notify the other signatory Governments of ratifications deposited.

3. This Protocol shall enter into force on October 14, 1963, if the fourth instrument of ratification is deposited on or before that date, and if the fourth instrument of ratification is deposited after October 14, 1963, on the date of its deposit.

4. Notwithstanding Article I of this Protocol:

(a) if this Protocol has not entered into force on or before January 31, 1964, the Convention shall apply with respect to pelagic research for the seventh year;

(b) even if this Protocol has entered into force after the beginning of the commercial sealing season of the seventh year, Article IX, paragraph 3 as amended by this Protocol shall apply with respect to the said season.

5. The original of this Protocol shall be deposited with the Government of the United States of America, which shall communicate certified copies thereof to each of the Governments signatory to this Protocol.

In witness whereof the undersigned, being duly authorized by their respective Governments, have signed this Protocol.

Done at Washington this eighth day of October 1963, in the English, Japanese, and Russian languages, each text equally authentic.

For the Government of Canada:
C. S. A. RITCHIE
For the Government of Japan:
RYUJI TAKEUCHI
For the Government of the Union of Soviet Socialist Republics:
A. DOBRYNIN [Romanization]
For the Government of the United States of America:
U. ALEXIS JOHNSON

I certify that the foregoing is a true copy of the Protocol Amending the Interim Convention on Conservation of North Pacific Fur Seals signed at Washington on October 8, 1963, in the English, Japanese and Russian languages, the signed original of which is deposited in the archives of the Government of the United States of America.

In testimony whereof, I, Dean Rusk, Secretary of State of the United States of America, have hereunto caused the seal of the Department of State to be affixed and my name subscribed by the Authentication Officer of the said Department, at the City of Washington, in the District of Columbia, this tenth day of October, 1963.

DEAN RUSK,
Secretary of State.
By BARBARA HARTMAN,
[SEAL] *Authentication Officer,*
Department of State.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays on the two protocols.

The yeas and nays were ordered.

Mr. HUMPHREY. The protocols before the Senate were reported unanimously by the Foreign Relations Committee. One of them is the protocol amending the Interim Convention on Conservation of North Pacific Fur Seals, and the other one involves the prolongation of the International Sugar Agreement.

Mr. President, I ask unanimous consent that the pertinent portions of the reports relating to the protocols be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

PROTOCOL AMENDING INTERIM CONVENTION ON CONSERVATION OF NORTH PACIFIC FUR SEALS

MAIN PURPOSE

This protocol continues with some modifications the basic provisions of the interim convention of 1957 for an additional 6 years. The interim convention prohibited the catching of fur seals at sea (pelagic sealing) except for scientific research and provided for a joint research program designed to determine the best way of insuring the maximum sustainable productivity of the North Pacific seal herd so as to form the basis for a permanent convention. The modifications made by the protocol relax the research requirements and relieve the United States from the obligation to deliver additional fur seal skins to Canada and Japan when certain conditions exist in the western Pacific.

BACKGROUND

The amphibious nature of the fur seal created the problem which a series of instruments, of which this protocol is the latest, is designed to control. The fur seal spends 9 months of the year on the high seas and 3 months on three island groups, two under the jurisdiction of the Soviet Union and one under the United States. The seal, therefore, can be hunted both at sea (pelagic sealing) and on land. Most scientists believe that pelagic sealing is very wasteful inasmuch as many seals are lost at sea, nursing females are often killed with the consequent loss of their pups, and the quality of the pelt is often poor.

When the United States acquired the Pribilof Islands—the U.S.-owned fur seal rookery—with the Alaska purchase in 1867, the fur seal population was estimated at 2 million. By 1911, uncontrolled sealing had reduced the Pribilof herd to 124,000. That year, a convention was signed by Canada, Japan, the U.S.S.R., and the United States to save the fur seals from extinction by following these basic principles: (1) pelagic sealing by the signatories was prohibited; (2) patrol vessels of any party could board and search suspicious vessels of any other signatory and arrest such vessels with their crews if there was a reasonable belief that the vessel was engaged in pelagic sealing, the vessel then to be tried by the flag state; and (3) each of the rookery-owning states—the United States and U.S.S.R.—distributed 15 percent of their commercial catches to Canada and Japan each in return for the latter forgoing the right to fish on the high seas.

By this formula, the Pribilof herd was restored to 1,500,000 by 1941 when Japan terminated the convention. From then until 1957 bilateral agreements, domestic legislation, and self-denial continued the ban on pelagic sealing. During this period, however, Japan did not receive any share of the commercial catch, such as Canada was getting under a bilateral agreement with the United States. Not only did Japan not receive any benefits from the fur seal conservation program during this period, but she also claimed that the seals were causing damage to her commercial fishing. After arduous months of negotiation the interim convention was signed in 1957, restoring basically the 1911 formula and providing for research to study the habits of fur seals, the extent of the damage which they inflict on fisheries of the parties, and the most appropriate ways of insuring the maximum sustainable productivity of the herds.

In the course of the 6-year duration of the interim convention, the Pribilof herd increased to 1,600,000—a size considered to be best for maximum pelt yield. The harvest of pelts, at the same time, increased from about 65,000 to 86,000 skins. The Soviet herds increased from 50,000 on each of their two rookeries (Robben Island, off Sakhalin, and Commander Islands, off Kamchatka) to a total of 250,000. About 13,000 were harvested by the Soviet Union in 1962.

At the same time the signatories fulfilled the assigned research tasks and exchanged visiting scientists to observe research and commercial operations on the rookeries. These exchanges have been mutually satisfactory.

In 1963, the sixth year of the interim convention's operation, the signatories met to consider the next step. The U.S. delegation had hoped that it would be possible to change from the interim convention to a continuing convention. This was not feasible, because Japan desired further research into the effect on the herds of a combination on controlled pelagic and land sealing. The protocol, therefore, continues the interim convention for an additional 6 years to allow for more research to be undertaken.

The other U.S. objectives—more flexibility in the research program and relief from the obligation to deliver additional skins to Japan and Canada under certain circumstances—were met.

COST TO THE UNITED STATES

The direct cost to the United States of participating in the fur seals arrangements has been in the neighborhood of $12,000 a year and is not expected to change under the protocol. The indirect cost—the 30 percent share of the harvest for Canada and Japan would be in the neighborhood of $2½ million, calculated on an annual harvest of skins of 86,000 and a price per skin of about $100. The 70 percent U.S. share has brought gross receipts of between $4,125,000 and $5,500,000 to the Treasury during the last 5 years.

One indirect cost to the United States will be entirely eliminated by the protocol. The protocol relieves the United States of the obligation to deliver 375 addition skins each to Canada and Japan in each year that the Soviet Union undertakes pelagic research beyond a certain level, which it did each interim convention year. These savings are estimated to range from $50,000 to $75,000 a year.

COMMITTEE ACTION AND RECOMMENDATION

The protocol was examined by the committee at a public hearing on January 21, 1964. William C. Herrington, special assistant for fisheries and wildlife to the Under Secretary of State, and Ralph C. Baker, Assistant Director for Resources Management, Fish and Wildlife Service, Department of the Interior, and U.S. Commissioner on the North Pacific Fur Seal Commission, testified in favor of the protocol. Their testimony follows in the appendix. No adverse comments were received by the committee. Following the hearing, the committee ordered the protocol reported favorably to the Senate.

The testimony showed that experience under the interim convention has been good. Harvesting has improved and the herds themselves have increased. The protocol will make it possible to continue this experience under conditions even more favorable to the United States. The committee believes that it is clearly in the U.S. interest to continue participation in this arrangement and urges the Senate to give its advice and consent to ratification.

PROLONGATION OF THE INTERNATIONAL SUGAR AGREEMENT

1. PURPOSE OF PROTOCOL

The purpose of this protocol is to extend for another 2 years (until Dec. 31, 1965) the organizational provisions of the International Sugar Agreement of 1958. The so-called export quota and related economic provisions of the 1958 agreement became inoperative as of January 1, 1962, and the protocol does not apply to them. It does, however, extend the organizational framework of the agreement and thus permits the International Sugar Council (the body which administers the provisions of the Sugar Agreement) to continue the collection and dissemination of statistical information and to hold periodic discussions of world sugar problems.

2. BACKGROUND

As early as 1864 certain sugar-exporting countries entered into an agreement to deal with the world's free market sugar surpluses and shortages. At that time, the problem was primarily the limitation of subsidized exports. Subsequently, on March 5, 1902, major sugar-producing countries of Europe signed an international convention for the suppression of export duties on sugar. This convention was annulled in 1919, with the signing of the Treaty of Versailles. Then, in 1931, after conditions became disastrous in the world market, industry groups in the principal sugar-exporting countries adopted the so-called Chadbourne Agreement to deal with the situation. Since this agreement was restricted to 5 years' duration, the International Monetary and Economic Conference held in London in 1933 recommended a wider and more effective sugar agreement. This recommendation resulted in the establishment of the International Sugar Council in accordance with the terms of the International Agreement Regarding the Regulation of Production and Marketing of Sugar which entered into force on September 1, 1937. This agreement, which included both importing and exporting countries, with equal voting power for each group, was the first such agreement to which the United States was a party. With the outbreak of the war in 1939, the quota provisions of the agreement were suspended and the administering agency, the International Sugar Council, continued essentially as a statistical agency.

At the Sugar Council's meeting in London in 1952, it was decided to ask the United Nations to call a world sugar conference to consider the negotiation of a new agreement. Such a conference was convened in London in 1953, and a agreement was signed which entered into force on May 5, 1954. Four years later, the International Sugar Agreement of 1958 was opened for signature. The 1958 agreement, which entered into force on January 1, 1959, represented an extension with some modifications of the Sugar Agreement of 1953, as amended by a protocol adopted in 1956.

Although the 1958 agreement was for a period of 5 years, the export quotas were negotiated for 3 years only. It was provided, however, that during the third year of the agreement, the International Sugar Council was to examine the entire agreement, especially those provisions dealing with quotas and prices. In addition, the Council was to consider amendments proposed by participating governments and make other arrangements concerning the agreement's operation during the fourth and fifth years.

A United Nations negotiating conference was held for this purpose in 1961. Since the participating governments were unable to reach agreement, the export quota and related economic articles of the 1958 agreement became inoperative as of January 1, 1961. (According to testimony presented to the Committee on Foreign Relations, the cause of the failure of the negotiating conference was Cuba's unreasonable demand for quotas 50 percent larger than her sugar exports during the average of the preceding 5 years.) However, the International Sugar Council, which is the body formed to administer the provisions of the International Sugar Agreement, has continued its economic and statistical work and remains a useful forum for discussion.

At its meeting in London in April of 1963, the Sugar Council decided that prevailing conditions were such as to make it highly unlikely that a new agreement could be negotiated, but that it was desirable to continue international cooperation in sugar matters. Accordingly, the Council unanimously adopted a resolution requesting the Secretary General of the United Nations to convene a brief conference to consider the adoption of a protocol to extend the International Sugar Agreement of 1958 in its present form (i.e., leaving the export quota and related economic provisions inoperative). This protocol for the prolongation of the 1958 agreement was approved for that purpose by the United Nations Sugar Conference at London on July 4, 1963. It was signed on behalf of the United States on September 27, 1963, and submitted to the Senate for its advice and consent to ratification on December 11, 1963. A total of 45 nations have signed the protocol, and 21 have either deposited their instruments of ratification, or notified the depository of their intent to seek ratification.

3. MAJOR PROVISIONS OF PROTOCOL

Articles 1 and 2 provide that the 1958 sugar agreement shall continue in force between the parties to the protocol until December 31, 1965, or until the entry into force of a new agreement, whichever is earlier.

Article 2 provides that the International Sugar Council shall make a study of the bases and framework of a new sugar agreement to come into force not later than the date of expiry of the protocol, and shall make a report, including recommendations, to participating governments not later than June 30, 1964.

(*a*) *Inoperative provisions of 1958 agreement*

Article 3 of the protocol provides that certain articles and parts of articles of the 1958 sugar agreement shall be deemed to be inoperative or cease to have effect. Under this provision, it is no longer necessary for participating governments to furnish the Sugar Council with information relating to the granting or maintaining of subsidies, or discuss the possibility of limiting such subsidies with other participating governments, as was formerly required pursuant to paragraphs (2) and (3) of article 3 of the 1958 agreement.

In addition, articles 7 to 25, inclusive, and paragraphs (4) and (7) of article 44 of the sugar agreement continue to be inoperative. These articles deal with such matters as the special obligations of exporting and importing countries; the limitation of sugar stocks in exporting countries; the regulation of sugar exports, including basic export tonnages and special reserves; price stabilization; limitations on reductions in export quotas; the exportation or use of sugar mixtures; monetary difficulties of participating governments; and certain other provisions no longer in effect because of their relationship to articles which are inoperative.

Article 3 of the protocol also states that articles 41 and 42 of the 1958 sugar agreement shall cease to have effect. These latter two articles relate to the signature, acceptance, accession, and entry into force, as well as certain provisions concerning duration, amendment, and withdrawal.

(*b*) *Ratification procedures*

Articles 4 and 5 of the protocol set forth the procedures to be followed by governments which may wish to become parties to the protocol in every case according to a country's constitutional processes.

(*c*) *Date of entry into force*

Article 6 provides that the protocol shall enter into force on January 1, 1964, among those governments which have by that date become parties to it, provided such governments hold 60 percent of the votes of the importing countries and 70 percent of the votes of the exporting countries under the agreement on December 31, 1963. For purposes of such entry into force, a notification containing an undertaking to seek ratification, acceptance, approval, or accession as rapidly as possible before July 1, 1964, received by the depositary before January 1, 1964, shall be regarded as equal in effect to an instrument of ratification, acceptance, approval, or accession. Article 6 further provides that if, by January 1, 1964, governments holding less than the stated percentages of votes have become parties to the protocol, the governments which have ratified, accepted, approved, or acceded to it may agree to put it into force among themselves.

(*d*) *Financial contributions*

Article 8 provides that governments which become parties to the protocol will undertake to pay their contributions under article 38 of the 1958 Sugar Agreement according to their constitutional procedures. Pursuant to the terms of that article, the expenses of delegations to meetings of the International Sugar Council and of members of the Executive Committee of the Council are to be met by their respective governments. The other expenses necessary for the administration of the 1958 Sugar Agreement are to be met by annual contributions from the participating governments. The scale of contributions for the Sugar Council is based on the number of votes to which the members are entitled, which in turn depends upon their relative status as exporters or importers of sugar. The United States, as a major importer, has 245 votes out of a total of 1,000 importer votes. It is estimated that the cost of continued U.S. participation in the 1958 agreement will amount to a little more than $16,000 per annum, which is approximately 12 percent of the Council's total budget of about $135,000.

4. FUNCTIONS AND COMPOSITION OF INTERNATIONAL SUGAR COUNCIL

The International Sugar Council, which was established under the provisions of the 1953 Sugar Agreement, continues in being for the purpose of administering the International Sugar Agreement of 1958. Prior to January 1, 1962 (when the export quota and related economic provisions of the 1958 agreement became inoperative), the Council was authorized to establish export quotas each year in accordance with world requirements for sugar and to adjust these quotas, whenever necessary, in order to maintain the world price of sugar within a range specified in the agreement. At the present time, however, its functions are largely limited to conducting studies and investigations of the world's sugar economy, to collecting and disseminating information pertinent to the operation of the agreement, and in general to serving as an international forum for the discussion of world sugar problems.

The International Sugar Council consists of one voting member from each of the countries participating in the International Sugar Agreement of 1958. A Chairman and a Vice Chairman are selected each year, and these offices are held in alternate years by delegates from importing and exporting countries. An Executive Director, Dr. Ralph E. Stedman of the United Kingdom, has been appointed by the Council to give full-time administrative direction to the work of the Council. The Council and its committees are given such staff as may be required for their work. An Executive Committee of 14 members, divided equally between the importing and exporting countries, has been established to exercise such functions as the Council may delegate to it.

The Sugar Agreement of 1958 provides that a total of 2,000 votes shall be apportioned among the members of the Council, divided equally between the importing and exporting countries. In general, the votes asssigned to the individual importing countries are related to their average imports. For example, the votes allocated to the United States and the United Kingdom, by far the largest importing countries, are 245 each. Taken together, these votes are slightly less than a majority of the votes of the importing countries. On the exporting side, votes are related to average exports. Cuba's votes under the 1958 agreement were fixed at 245, the same number of votes allocated to it by the 1953 agreement. It should be added, however, that Cuba, as the world's largest exporter of sugar, would have a preponderance of votes of the exporting countries if those votes were computed on a strict mathematical basis.

The Sugar Agreement of 1958 also provides that the decisions of the Sugar Council shall be reached by a majority of votes cast by the importing countries and a majority of the votes cast by the exporting countries. In addition, provision is made for a special vote in prescribed circumstances; e.g., to delegate the exercise of the Council powers and functions to the Executive Committee. When a special vote is required, decisions of the Council must be by at least two-thirds of the total votes cast, which must include a concurrent majority of both exporting and importing countries. Moreover, in both regular and special voting, a decision taken by the importing countries must include votes cast by not less than one-third of the number of the importing countries present and voting.

A list of the countries making up the International Sugar Council and its Executive Committee, as well as separate lists of importing and exporting countries on the Council, and the votes which may be exercised by the respective delegations, are reproduced in the appendix to this report.

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6. CONCLUSIONS AND RECOMMENDATIONS

This protocol will permit the International Sugar Council to continue its study and research activities, as well as to carry on discussions and to collect and publish information and reports relating to international sugar matters. Moreover, through continued participation in the activities of the Council, the United States will not only benefit from the receipt of useful data on which future national and international sugar policies can be based, but this country, as the world's largest sugar importer, will be in a position to exercise leadership in the formulation of any future international sugar agreement.

The committee has been advised by State Department representatives that neither this protocol nor the International Sugar Agreement of 1958 have any effect upon U.S. domestic sugar legislation. The fact that most of the sugar-exporting countries have signed the pending protocol is indicative of the advantages which may be gained through continued participation in the International Sugar Council. In addition, it is important to bear in mind that the major sugar-importing countries of the free world have signed this agreement; namely, Canada, West Germany, Japan, and the United Kingdom. In view of the foregoing, it is the committee's opinion that continued U.S. participation in the International Sugar Agreement and the International Sugar Council would be in the best interests of this country. It is recommended, therefore, that the Senate give its advice and consent to ratification of this protocol.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. YARBOROUGH. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield first to the Senator from New York.

Mr. JAVITS. I refer the Senator to the protocol relating to the prolongation of the International Sugar Agreement.

Mr. HUMPHREY. Yes.

Mr. JAVITS. I should like to ask the Senator what that means. My reason for asking is that testimony before the Joint Economic Committee revealed that it is claimed that material limitations on sugar imports are one of the things about which Latin Americans complain the most in terms of the adverse effect upon them and in terms of the trade to which I have just referred with respect to residual fuel oil. Domestic sugar is so much more expensive than imported sugar that it results in a very serious tax on the American consumer. May we have some idea of what the protocol is about?

Mr. HUMPHREY. I am happy to respond to the Senator. The protocol was submitted to the Senate by the Department of State on the 4th day of December 1963. The negotiations were carried out at the United Nations sugar conference. The protocol for the prolongation of the International Sugar Agreement of 1958 was adopted on July 4, 1963, in London.

The protocol would establish the International Sugar Council. The Sugar Council would consist of one voting member from each of the countries participating in the International Sugar Agreement. The Chairman and Vice Chairman would be selected each year. The Executive Director would be appointed by the Council. The protocol further provides for weighted voting in the Council. Two thousand votes would be apportioned among the members of the Council. In general, the votes assigned to individual importing countries would be related to the average imports. So the United States would have important voting rights in the Council. For example, the votes allocated to the United States and the United Kingdom, which are by far the largest importing countries, would be 245 each.

The Sugar Agreement also provides that the decisions of the Sugar Council shall be reached by a majority of votes cast by the importing countries and a majority of votes cast by the exporting countries. Our rights as importers would be protected. The exporting countries would not have control.

The committee concluded as follows:

6. CONCLUSIONS AND RECOMMENDATIONS

> This protocol will permit the International Sugar Council to continue its study and research activities, as well as to carry on discussions and to collect and publish information and reports relating to international sugar matters. Moreover, through continued participation in the activities of the Council, the United States will not only benefit from the receipt of useful data on which future national and international sugar policies can be based.

The protocol does not relate to prices. It is essentially a question of looking ahead to the problems relating to sugar production, the problems of the exporting nation, and the problems of importers, and setting up a mechanism which would be helpful to us in determining future policies in reference to the sugar commerce.

Mr. JAVITS. Would the protocol in any way restrict us as to what we might or might not do in respect of the quotas for sugar which are imposed by the Sugar Act?

Mr. HUMPHREY. None whatsoever.

Mr. JAVITS. I thank the Senator. I appreciate that assurance.

Mr. HUMPHREY. I have asked to have printed in the RECORD the pertinent portions of the report.

The chairman of the Committee on Foreign Relations is present. When the Senator from New York asked his question, I had not had an opportunity to converse with the chairman. Perhaps he would like to make some further comment.

Mr. FULBRIGHT. Mr. President, I did not realize that the Senator intended to bring the protocols before the Senate today. I am glad that he has.

The agreement is primarily an information gathering action. It has nothing to do with the quotas that we provide in our domestic sugar legislation.

It would have no effect upon price. We participate in the activity largely as a matter of collecting information for the purpose of studying the prospects of future supplies, and so forth, which questions are very important to our domestic policies.

I call the Senate's attention to the fact that our participation is estimated to cost $16,000 a year, which is a very modest sum of money for any kind of international activity. So it is not a very far-reaching matter, but it is important to the Department of Agriculture. There is no objection to the protocol from any source about which I know. I hope that the Senate will ratify both protocols.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. COTTON. I thank the distinguished acting majority leader. I do not wish to appear to be raising minor points in order to be critical, but there is one point that I wish the distinguished Senator would consider in the future as he bears the responsibility of leadership in the Senate.

Several years ago the Senate voted on treaties without a yea-and-nay vote. I believe I am correct in my recollection that the then distinguished majority leader, now President of the United States, was the first Senator who suggested that it would be reassuring to the people of our country, and would be conducive to safer and better action by the Senate, if a yea-and-nay vote were always required on the approval of treaties.

Mr. HUMPHREY. The Senator is correct.

Mr. COTTON. I believe that was a very excellent step. The point may seem trivial, but it occurs to me—and has occurred to me a number of times—that when a treaty is in question and some member of the public turns back and finds that the Senate acted on two or three treaties in one vote, it might be that such action, too, would be almost as destructive to the confidence of the people as voting without a yea-and-nay vote. While I do not raise any question, and I do not wish to cause any inconvenience to Senators, unless there is some reason for action to the contrary, I hope that the distinguished acting majority leader will consider whether we should not take the necessary few minutes more so the RECORD will show that the Senate did not have a yea-and-nay vote on both treaties but a yea-and-nay vote on each of the treaties.

Mr. HUMPHREY. I believe the Senator's point is well taken. I appreciate his generous attitude and his kindly way of bringing the fact to our attention. The present action should not be considered a governing rule. In the present instance the protocols are apparently noncontroversial. They are what might be called routine, or protocols of information. But on fundamental treaties, or treaties that would affect our commerce and our national sovereignty, it seems to me that separate yea-and-nay votes surely should be required. I for one would join with the Senator in saying that, if he will bear with us this one time, because we have given our assurance to other Senators that we would try to vote singly on the protocols——

Mr. COTTON. I had no intention of raising the point. I understand what the Senator has in mind perfectly. I merely hope that the Senator will consider that, even if treaties are noncontroversial, it would be a good custom to vote on every treaty separately in the future. I did not intend to raise the point at all.

Mr. HUMPHREY. The Senator is entirely correct.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. YARBOROUGH. I desire to inquire of the distinguished senior Senator from Minnesota whether or not the ratification of the International Sugar Agreement would limit the share of the sugar consumption in the United States that might be produced in the United States? Does the agreement limit the right of this country to produce the quantity of sugar used?

Mr. FULBRIGHT. Mr. President, this agreement has nothing whatever to do with the limitation of exports or imports of production. It involves a statistical study of world sugar production, estimates of future production, and so forth.

Mr. YARBOROUGH. The formal treaty of limitation is in effect; is that correct?

Mr. FULBRIGHT. It is inoperative in that respect. If the Senator will refer to page 3 of the report, he will see the subheading "Inoperative Provisions of 1958 Agreement." It details the fact that the former provisions are not reenacted or included in this agreement.

Mr. YARBOROUGH. So if there should be a new sugar-producing area in this country, it is a matter for internal regulation. Is that correct?

Mr. FULBRIGHT. The agreement has nothing whatever to do with sugar production in this country, in any respect.

Mr. YARBOROUGH. I thank the Senator.

THE FUR SEAL CONVENTION

Mr. BARTLETT. Mr. President, the Fur Seal Convention is a small one as international agreements go although it is a remarkably good one. It provides for the conservation and utilization of the valuable and unique fur seal resources of the North Pacific. It is an agreement among Canada, Japan, Russia, and the United States. The renewal of the convention terms for yet another 6-year period should be a source of satisfaction to all participating nations, and to all who look for a world of order and honor.

The North Pacific Fur Seal Convention is, of course, of importance to the State of Alaska. Settled by Czarist Russia in the 18th century, Alaska was a Russian colony until its sale to the United States in 1867. Both before and after the sale, revenues from the fur trade were important to Alaska. The annual fur seal harvest on the Pribilof Islands is still important to Alaska.

While some speak of Cuba as lying but 90 miles away from Florida, it is often forgotten that mainland Siberia lies but 50 miles away from the State of Alaska. History and geography have placed Alaska in the forefront of the cold war between the U.S.S.R. and the United States. It is pleasing, therefore, to be able to point out to the Senate the continuing good faith and respect for treaty obligations which have made possible the maintenance of this convention by the Russian and American nations from 1911 until the present day.

This convention, among the Soviet Union, Canada, Japan, and the United States, serves the just interests of each of the signatories and at the same time conserves the great North Pacific fur seal herd. It has survived because it benefits each of the signatories. The history of this small treaty gives hope for larger treaties on subjects of wider importance.

From earliest recorded time man has valued furs. No fur has been more highly treasured or more eagerly sought than that of the North Pacific fur seal. Its rich, deep underbody gives it a softness, a resiliency, and a warmth superior to that of any other seal, indeed, to that of most any other animal.

It was the lure of furs which brought the Russians to Alaska in the first place. For many years the fur trade constituted Alaska's most important industry. Until the original convention was signed in 1911, the taking of seal was a source of international dispute and piracy. Hunting was widespread and without control. Seals were shot at sea. Seals were harvested at their breeding grounds in the Pribilof Islands, owned by the United States, and on Commander and Robben Islands, owned by Russia.

The Pribilof Islands, St. Paul, and St. George, lie 300 miles off the coast of Alaska in the Bering Sea. On these 2 islands live over 500 Aleut Indians, descendants of those brought to the islands by the Russians in the early 19th century. Like their fathers and their grandfathers before them, the Aleuts' principal source of income is derived from the harvesting of the fur seals. Harvesting is done now just as it has always been.

Until the treaty, pelagic sealing—the killing of seals at sea—was practiced by Canadian and Japanese as well as Russian and American fishermen. The uncontrolled taking of seals had disastrous effects. Female seals were killed, their pups left to die. Pelts were wasted, too damaged by shotgun blasts to be salvaged; and, often as not, seals shot at sea would sink before the carcass could be retrieved. Where once there were over a million fur seals in the Pribilof Islands breeding grounds alone, the number shrank until by 1909 there were but 143,000. It was at this point the government of Woodrow Wilson opened negotiations with Czar Nicholas II and the Governments of Canada and Japan. The convention of 1911 was the result.

The convention was honored by the Communist Soviet Union after the revolution as it was by the czar's government before. It continued in effect for 30 years until it was broken by the Japanese Government October 23, 1941.

The terms of the convention agreed to in 1911 are virtually the same terms as in the renewal:

First. There was to be no pelagic sealing by nationals or vessels of the four nations.

Second. The kill of the seals on the breeding grounds was to be shared: 70 percent of the skins going to the nation owning the breeding site, the remaining 30 percent to be distributed among the other parties.

From 1941 until 1957, there was no formal agreement in effect. Even so, the Soviet Union and the United States continued to abstain from pelagic sealing and, after the defeat of Japan, under the occupation and by the voluntary action of the Japanese Government thereafter, Japan abstained from taking seals at sea.

In 1957, after several months' negotiations, the present convention was signed. It will terminate October 18, 1964. The agreement provides for a 6-year extension of the convention. It is significant that this extension took but 2 weeks in negoitation. Obviously the Russians are satisfied with the arrangement; so are we.

The reason for this satisfaction is the success of the conservation measures: In 1909, 143,000 fur seals on the Pribilofs; today a million and one-half. In 1957 there were 100,000 fur seals on the Russian islands; the herd today numbers 450,000. The U.S. yield in these 6 years is up from 65,000- to 80,000-plus pelts; the Soviet yield now stands at 13,000. The current value of a processed fur seal skin is between $100 and $125.

For some 50 years the Russians have abided by their obligations under the convention. They have allowed inspection of their fur seal rookeries by American, Canadian, and Japanese scientists and we in turn have allowed Russian scientists to inspect our rookeries. Onsite inspections may be difficult for the Russians to accept when disarmament is under discussion; they have always accorded us the privilge when it comes to fur seals. They have made clear, however, that inspection is a privilege, a grace, and not a right guaranteed by the treaty.

The convention allows American officials as well as the officials of the other signatory nations to board and arrest any suspected of pelagic sealing. The arrested persons are then to be turned over to their country of origin.

The protocol amends the convention but slightly. The principal change will mean a savings for the United States ranging between $50,000 and $75,000 a year. As now in effect, the convention provides that 15 percent of the Pribilof harvest skins shall go to Canada, 15 percent to Japan. Since 1911, a similar arrangement existed for the Russian harvest. Since 1957, however, whenever the number of Russian-based seals taken at sea for research purposes exceed a specified level, the Russians have been excused from their pelt obligations to Japan and Canada; and the United States has provided 375 skins each to the two countries over and above our own required 15 percent. This provision will be negated by the pending protocol; the Russians will resume their regular 15 percent of harvest payments to the Japanese and the Canadians. In deference to Japanese wishes, the four nations undertake to investigate and to research the possibility of the resumption of pelagic sealing, if such is consistent with adequate conservation procedures.

The convention has made possible a healthy and continuing fur seal industry in Alaska. This industry has, since 1940, produced over $70 million in revenue; revenue shared by the territory and State of Alaska and the Federal Government. This is 10 times the 1867 purchase price for Alaska.

The convention has been a good thing; the Russians say so, the Americans say so. It should be renewed and promptly.

The PRESIDING OFFICER. If there be no objection, the Executive O and Executive R will be considered as having passed through their various parliamentary stages up to and including the presentation of the respective resolutions of ratification.

The resolutions of ratification of Executive O (88th Cong., 1st sess.) and Executive R (88th Cong., 1st sess.) will now be read.

The resolutions of ratification to Executive O and Executive R were read, as follows:

EXECUTIVE O

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocol for the Prolongation of the International Sugar Agreement of 1958, dated at London, August 1, 1963. (Executive R, Eighty-eighth Congress, first session.)

EXECUTIVE R

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocol Amending the Interim Convention on Conservation of North Pacific Fur Seals, signed at Washington on February 9, 1957. (Executive O, Eighty-eighth Congress, first session.)

The PRESIDING OFFICER. The question is, will the Senate advise and consent to the resolutions of ratification?

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Nevada [Mr. CANNON], the Senator from Oklahoma [Mr. EDMONDSON], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Florida [Mr. HOLLAND], the Senator from Ohio [Mr. LAUSCHE], the Senator from Montana [Mr. MANSFIELD], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

I further announce that the Senator from California [Mr. ENGLE] is absent due to illness.

I further announce that, if present and voting, the aforenamed Senators would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Nebraska [Mr. CURTIS], the Senator from Iowa [Mr. MILLER], and the Senator from North Dakota [Mr. YOUNG] are necessarily absent.

The Senator from Colorado [Mr. DOMINICK] is absent because of death in family.

If present and voting, the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Nebraska [Mr. CURTIS], and the Senator from Iowa [Mr. MILLER] would each vote "yea."

The yeas and nays resulted: Yeas 80, nays 0, as follows:

[No. 11 Ex.]

YEAS 80

Aiken
Anderson
Bartlett
Bayh
Beall
Bennett
Bible
Boggs
Brewster
Byrd, Va.
Byrd, W. Va.
Case
Church
Clark
Cooper
Cotton
Dirksen
Dodd
Douglas
Eastland
Ellender
Ervin
Fong
Fulbright
Goldwater
Gore
Hart
Hickenlooper
Hill
Hruska
Humphrey
Inouye
Jackson
Javits
Johnston
Jordan, N.C.
Jordan, Idaho
Keating
Kennedy
Kuchel
Long, Mo.
Long, La.
Magnuson
McClellan
McGee
McGovern
McIntyre
McNamara
Mechem
Metcalf
Monroney
Morse
Morton
Moss
Mundt
Muskie
Nelson
Neuberger
Pell
Prouty
Proxmire
Randolph
Ribicoff
Robertson
Russell
Saltonstall
Scott
Simpson
Smathers
Smith
Sparkman
Symington
Talmadge
Thurmond
Tower
Walters
Williams, N.J.
Williams, Del.
Yarborough
Young, Ohio

NAYS 0

NOT VOTING—20

Allott
Burdick
Cannon
Carlson
Curtis
Dominick
Edmondson
Engle
Gruening
Hartke
Hayden
Holland
Lausche
Mansfield
McCarthy
Miller
Pastore
Pearson
Stennis
Young, N. Dak.

The PRESIDING OFFICER. Two-thirds of the Senators present having voted in the affirmative, the resolutions of ratification are agreed to.

LEGISLATIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

COMMITTEE MEETING DURING SESSION OF THE SENATE TOMORROW

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Committee on Agriculture and Forestry may be authorized to meet during the session of the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON subsequently said: Mr. President, I believe the Senator from Minnesota obtained permission for the Committee on Agriculture and Forestry to meet tomorrow.

Mr. HUMPHREY. Yes.

Mr. JOHNSTON. While the Senate is in session?

Mr. HUMPHREY. Yes.

Mr. JOHNSTON. Does it mean that the committee will meet while the germaneness rule is in effect on the tax bill?

Mr. HUMPHREY. It is entirely probable. If the Senator is asking for consistency in this body, I ask him not to look to me. I can give both public and private testimony to that fact.

ECONOMY—THE NEW FORCE THAT SWEEPS THE WORLD

Mr. FULBRIGHT. Mr. President, the destiny of men is shaped by ideas. In the 17th century Europe was rent asunder by conflicting ideas about religion. In the 18th and 19th centuries mighty empires were overturned by believers in the idea of democracy, and in the 20th century great conflicts have been spawned by the zealots of nationalism and conflicting ideologies.

In recent months a new, and singularly insidious, idea has been creeping onto the stage of world history: The idea of economy. Everywhere the fate of men is being reshaped by a glacial tide of frugality. Everywhere the designs of men and nations are being undermined by the pennypinching passion.

In Russia a great military establishment is being cut back—or so at least we are told—by a regime whose declining zeal for obliterating capitalism is being explained by the need for fiscal prudence.

In our own America thousands of Government employees have been set to the task of pruning expenses while the President of the United States stalks the White House searching for needlessly burning electric lights.

Now it has been revealed that the driving force of niggardliness has led the President of the Republic of Gabon to dissolve his country's national assembly. He has done so, according to reports, not because he opposes democracy or representative government, but as "an economy move."

Mr. President, as we contemplate the meaning of these events, and of the powerful idea that has unleashed them, I know that my colleagues will join me in my hope and prayer that the American people will not soon direct their appetite for economy at this august legislative body. It is my hope that, whatever the ravages of a national wave of parsimony, the American people will continue to regard the Congress as one extravagance with which they will not part.

Mr. President, I ask unanimous consent that there be inserted in the RECORD at this point the New York Times article of January 22, "Gabon Ousts Assembly in an 'Economy Move.'"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 22, 1964]

GABON OUSTS ASSEMBLY IN AN ECONOMY MOVE

LIBREVILLE, GABON, January, 21.—President Leon Mba dissolved the National Assembly of this west African country today, in what official circles described as an economy move.

The Assembly of 67 deputies was elected in 1961 for 5 years. Gabon, which borders the Congo, became an independent country within the French community in August 1960.

PARIS, January 21.—The desire for economy, given as the reason for dissolving the Gabon National Assembly, was received with surprise here. Gabon is relatively well off economically, although in need of aid to develop her resources.

ORDER OF BUSINESS

Mr. DIRKSEN. Mr. President, I should like to direct a parliamentary inquiry to the Chair.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. Business has been before the Senate since 10 o'clock this morning. The Senate is about to proceed to consider the tax bill. Will the germaneness rule apply to the tax bill?

The PRESIDING OFFICER. The time for germaneness has expired for this day.

Mr. DIRKSEN. For the day?

The PRESIDING OFFICER. Yes.

Mr. DIRKSEN. Therefore, as we take up the most important bill thus far to engross the attention of the Senate, the Pastore germaneness rule will not apply. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. Will the germaneness rule apply to the tax bill tomorrow?

The PRESIDING OFFICER. It will apply tomorrow.

Mr. HUMPHREY. For 3 hours?

The PRESIDING OFFICER. For 3 hours each day.

Mr. HUMPHREY. If Senators will stay within the scope of germaneness, it can apply for several hours.

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. I thank the Chair for those reassuring words.

Mr. WILLIAMS of Delaware. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WILLIAMS of Delaware. Will the rule of germaneness apply tomorrow if the Senate recesses tonight; or must the Senate adjourn to have it apply tomorrow?

The PRESIDING OFFICER. The resolution reads "each calendar day."

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REVENUE ACT OF 1964

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 805, H.R. 8363, the tax bill, one of the most important measures that will come before Congress at this session.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with amendments.

Mr. HUMPHREY. Mr. President, before the distinguished Senator from Virginia [Mr. BYRD] speaks, I wish to take a moment, on behalf of the distinguished majority leader and myself—and I am sure I speak for other Senators—to express our thanks to the Senator from Virginia for the manner in which he has conducted the hearings in his committee, the cooperation he has extended, despite his well-known opposition to the bill, and the fairness and consideration he has displayed toward all witnesses and members of the committee. This is a fine example of the workings of the Senate at its best. Once again, I express to the Senator from Virginia our sincere appreciation for his courtesy and helpful cooperation in moving the bill to the Senate, despite his sincere convictions of opposition.

Mr. BYRD of Virginia. I thank the acting majority leader. I greatly appreciate his kind words.

Mr. President, as chairman of the Senate Finance Committee, nothing would please me more than to report for Senate consideration a bill for sound and constructive tax reduction.

In the current fiscal condition of the Federal Government of the United States, it is my judgment that the tax reduction provided in H.R. 8363 is neither sound nor constructive.

For this reason, I have not reported the bill. I have asked the Senator from Louisiana [Mr. LONG], the ranking member of the committee, to report it in my stead and to manage it on the floor.

The committee ordered, by a 12-to-5 vote, the bill to be reported. I was among the five who voted against it in the committee. I shall vote against it in the Senate.

The reason for my position may be summarized by stating the fact that the effect of the bill is to charge tax reduction into the Federal debt, which already exceeds $300 billion.

The admitted facts are these:

Provisions of the pending bill, by the best available estimates, would reduce Federal taxes by $7.8 billion for the calendar year 1964, and by $11.6 billion for the calendar year 1965.

The Federal deficit last year was $6.3 billion. This year it will be $10 billion. Together, these will become the greatest 2-year peacetime deficits in history—totaling $16.3 billion.

The President, in a most conservative estimate, has said the deficit next year will be $4.9 billion. The combined 3-year deficit will total more than $20 billion at the absolute minimum.

The Secretary of the Treasury, on January 26, repeated his prediction of still another deficit in the fiscal year 1966. And he said, there was no reason to expect the Federal budget to be balanced again before the fiscal year 1967.

In that event, the Federal Government would have indulged itself in six consecutive peacetime deficits, totaling upwards of $35 billion. Its budget would not have been balanced since 1960.

There has been only one other period of as many as six consecutive deficits, in the entire peacetime history of this Nation. That was in the depression depths of the 1930's.

The current six deficits are adding some $35 billion to the Federal debt. All of the 10 depression deficits—1931-40, inclusive—added $27 billion to the debt.

The depression deficits of the 1930's raised the Federal debt from $16 billion to $43 billion. The bigger and faster deficits of the 1960's are raising the debt from $286 billion to some $320 billion.

There is no doubt about the fact that Federal taxes are too high. They should be cut. But the hard fact is that the basic reason for Federal taxes is to meet Federal expenditures.

If Federal taxes are too high—and they are—it is basically because Federal expenditures are too high. Reduction in both is long overdue. The pending bill cuts taxes substantially. Expenditure reduction is another matter.

Starting at $76.5 billion in the fiscal year 1960, Federal expenditures rose by $5 billion in 1961. They went up $6.3 billion in 1962. They went up $4.9 billion in 1963. And in the current fiscal year they are increased by $5.8 billion.

Federal expenditures, estimated this year at $98.4 billion, are $22 billion higher than they were 4 years ago. They have been increasing at an average rate of more than $5 billion a year.

The present administration is to be commended for stopping this upward trend—at least as of the first estimate—in expenditures in the coming fiscal year beginning July 1.

If expenditures next year are held to the original budget estimate of $97.9 billion, the reduction would be about one-half of 1 percent, as compared with the latest estimate for this year.

But in our consideration of tax reduction of the magnitude contemplated in the pending bill, it cannot be overlooked that the budget figures rely heavily upon contingencies which may—or may not—be fulfilled.

Contingencies involved in the $97.9 billion expenditure figure include enactment of new legislation, market conditions for the sale of Government-held assets, effect of weather conditions on agriculture, reduction in the postal deficit, and so forth.

It is easy to blame war, so-called cold war, and national defense for the steady rise in Federal expenditures. But the big increases in spending are in the domestic-civilian programs.

Since the end of the Korean war, the Federal spending total has been increased by more than $30 billion—from $67.5 to $97.9 billion, if the estimate for next year is good.

Of this $30 billion increase, $7.5 billion was for military and related activities, and foreign aid and foreign affairs. But expenditures for domestic-civilian programs have been increased by nearly $23 billion.

And expenditures for domestic-civilian programs are characterized by their self-perpetuating nature. Once they are inaugurated, they stay and increase. Urban renewal, health, education, and welfare programs are examples.

Relatively recent and proposed new programs indicate that expenditures through domestic-civilian programs will increase more rapidly than military and foreign aid expenditures will be reduced.

Whether Federal expenditures in the coming year will exceed the present estimate of $97.9 billion remains to be seen. But steadily rising expenditures in the foreseeable future are virtually certain.

An indication of the expenditure increases to come is to be found in the continuing buildup in unexpended balances which are being accumulated—in domestic-civilian and foreign aid programs.

Unexpended balances totaled $79.9 billion at the start of the fiscal year 1963. The total this year was $87.6 billion. They are estimated at $90.4 billion next year, and $95 billion at the start of the fiscal year 1966—a $15 billion increase in 3 years.

In order to estimate a deficit next year as low as $4.9 billion, the administration anticipates revenue totaling $93 billion. That would be the highest collection in history, despite the tax reduction.

Revenue of $93 billion next year would be $6.6 billion more than actual collections last year, and $4.6 billion more than the estimated total for this year.

To arrive at such a revenue estimate for the fiscal year 1965, the administration relies on what it calls a "feedback" from the effects of the tax reduction in the pending bill.

The validity of these revenue calculations—as well as the expenditure estimates—will be determined in due course. But, at best, the deficits are certain to continue, and the debt is certain to go up.

The President, in his budget message this month, clearly indicated that before June 30 it will be necessary for him to request another increase in the statutory debt limit.

He estimates that the Federal debt will reach $312 billion by the end of the current fiscal year, and rise to $317 billion during the course of the year beginning July 1.

The Federal debt has been increasing at the rate of more than $5 billion a year since 1961, and the new budget—with tax reduction—calls for another $5 billion increase in the debt next year.

Increasing debt and continuing deficits follow the pattern of economic philosophy which has been dominating Federal policy in recent years. Debt is used to increase the so-called gross national product.

Government economists have taken the position that a balanced budget is all right as a goal for the future, but to balance it anytime soon would make us poor because there is no deficit to make us rich.

The Government's policy has been characterized not only by increasing Federal debt through its own direct fiscal operations, but also by the encouragement of increased State and local spending, and promoting use of public credit.

Increasing Federal grants to States which require matching, promotion of urban renewal programs, et cetera, are examples of Federal activities which increase State and local spending and debt.

State and local debt now appears to be rising at a rate approaching $10 billion a year. The total, as of December 1963, was estimated at close to $90 billion.

Federal programs to encourage the use of public credit include those for the insurance and guarantee of private mortgages and loans. Commitments outstanding under such programs have been rising at the rate of some $5 billion a year. They now total $85 billion.

This debt philosophy has apparently permeated the national economy. Total debt—Federal, State and local, corporate, and private—has been increasing at a rate of about $65 billion a year. It now totals more than a trillion dollars.

It cannot be said that increasing population compensates for the tremendous increase in total debt over recent years. Per capita debt has been rising at about $250 a year. Per capita debt is now $6,400.

Proponents of the pending tax bill rely on increasing gross national product to justify increasing Federal debt for tax reduction. The soundness of such an approach, in my judgment, is highly questionable.

It may be that debt increases the gross national product, but official figures show that the gross national product has been rising at the rate of only about $1 for every $2 increase in debt.

This is true not only in the totals, but it is also true on a per capita basis. The danger of such a philosophy is obvious—not only in terms of ultimate insolvency, but also in terms of inflationary hazards.

The value of the dollar—on the 1939 index—has dropped to 45 cents. It dropped 23 cents during World War II. It has dropped nearly 7 cents since the Korean war. It has dropped nearly 2 cents since 1960. It dropped more than a half a cent last year.

Continuing inflation is a reality, and there is no doubt that the danger of spiraling inflation lurks in debt and deficit financing conditions which characterize the Nation's economy today.

The risks of massive debt and inflation incident to this tax reduction bill are inescapable. I question that its enactment at this time would contribute to sound and constructive progress.

We enacted a tax reduction bill in 1954. And in the 11 fiscal years since then net Federal deficits have totaled

$46.4 billion—including the budget estimates for this year and next.

The arguments for this tax bill remind us of the old bromide about "spending to save." Experience has long since proved that this contention is not valid in Federal fiscal affairs.

Mr. President, I make this speech today with great reluctance. I have always endeavored to follow the Senate Finance Committee, but as I could not do so in this instance, I thought it only fair and right that I should yield the floor to the Senator from Louisiana [Mr. LONG], for the purpose of presenting the bill to the Senate.

Mr. GORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Virginia yield to the Senator from Tennessee?

Mr. BYRD of Virginia. I yield.

Mr. GORE. At the beginning of the speech of the Senator from Virginia he used the phrase, as I recall it, that the bill would charge tax reduction to the public debt. Did the Senator mean that as a result of the bill the Government would borrow more money, thus increasing the public debt in order to provide tax reduction?

Mr. BYRD of Virginia. I certainly think so, and I believe it is evident that it will be done. The Government will have to borrow more money in order to bring about the proposed tax reduction.

Mr. GORE. Would the distinguished chairman of the committee characterize such a policy as fiscal responsibility or fiscal irresponsibility?

Mr. BYRD of Virginia. I would characterize it as fiscal irresponsibility. I have said so repeatedly, both in public and in private and in the Finance Committee.

Mr. BYRD of West Virginia. Mr. President, I want to express my admiration for the distinguished chairman of the Finance Committee, that sagacious gentleman from Virginia, Senator HARRY BYRD. I know that the senior Senator from Virginia has labored long and hard with his committee to bring a significant tax cut bill before this Chamber, and I can assure him of my support for the legislation which we are considering.

Mr. President, in terms of cash, I know of no other measure that would mean so much to every American—taxpayers and nontaxpayers alike—as the administration's pending tax bill.

For the average worker, a cut in taxes would mean a bigger take-home pay and more financial security for himself and his family. It could also mean a better home, a better education for his children—or both. And it will vastly improve his chances for a better job and a higher income.

Most importantly, the extra cash he receives will be released into the Nation's economy through the added purchasing power it provides—first, as it is spent, then as the grocer, plumber, appliance dealer and others respend it, and finally as it triggers new investment and new employment.

No other measure can lead us more quickly into greater prosperity for everyone. I again want to say that this bill to cut taxes will receive my full and vigorous support.

THE SMALL BUSINESSMAN

Mr. McGEE. Mr. President, the small businessman—the really small businessman—is often the forgotten man in the tax jungle. For the first time in years, the Johnson administration and this Congress is giving him a break he has so long deserved with this tax reduction bill.

Under this bill the little corporate business with an income of $25,000 a year will get a 27-percent cut in taxes. This is not only important to the little businessman individually, it is important to the entire economy because it is these little businesses who provide the bulk of goods and services and jobs throughout the Nation. Our economy could not operate without them.

The really small business community has no powerful voice, no influential lobby to plead their tax cause for them in Washington. They have had this tax break coming for a long time and I venture they will be the first to respond with plans for expansion and new investment, which is the basic purpose of the bill.

Mr. LONG of Louisiana. Mr. President, the tax legislation which has come before this body today is beyond any question the most important economic legislation to be considered in the past 15 years. When the late President Kennedy recommended this legislation in his tax message more than a year ago, it was already a subject of national debate. It had been debated at that time for something like 6 months or more, and the question of whether or not taxes should be cut to stimulate the economy was one of the major questions of the summer of 1962, 17 months ago.

That debate centered around whether there should be a quickie tax cut to speed up the economy, or whether the Nation could wait until Congress had fashioned legislation of a broader and more lasting nature.

In that debate the Congress sided with President Kennedy and decided to wait. For more than a year now the committees have been engaged in fashioning that broader and more lasting legislation.

The bill before you today represents a total of 60 substantive changes in the Internal Revenue Code. It is a product of more than 27 days of public hearings before the House Ways and Means Committee, of about 200 hours spent in executive sessions of that committee examining the bill in exhaustive detail, of the testimony of some 400 witnesses before that committee, and of a total of 10 hours spent in debate on the floor of the House.

The bill reached committee on September 30, 1963. Since that time, the committee has heard some 150 witnesses, and has listened, debated, discussed, and deliberated on this issue in committee for a total of about 50 hours. In all, a total of more than 80 substantive amendments were considered in committee, of which about 40 are incorporated in the bill before you.

The testimony offered on this bill fills 5 volumes—a total of 2,735 pages.

Few matters are more complex or more controversial than tax legislation. There is no group in our society which will not be affected by the bill before us. It deserves our close attention, our close consideration, our best understanding. I have studied it carefully for many months now and I must admit that at first I was less than enthusiastic about the idea, or even about the wisdom of an $11 billion tax cut—which has now become an $11.7 billion tax cut. But the more I considered this legislation the more I became convinced that it is sound legislation, that it is balanced legislation, that it is fair legislation, and that it is necessary legislation.

That is why, Mr. President, I support this legislation and why I seek the support of other Senators for it.

In presenting the case for this legislation I should like to discuss the four secondary but very important issues of which more will be heard, as debate progresses because there was some controversy in committee about them. I refer to the subjects of capital gains, the repeal of the dividend credit, the question of a tax credit for parents with children in college, and the repeal of certain excise taxes.

After that, I intend to discuss in general terms the major provisions of the bill.

I shall take up briefly possible criticisms of the bill, and then consider the benefits of the bill as I see them to the economy, to employment in the United States, and to the people of this country.

First, I wish to discuss in considerable detail the matter of capital gains. Senators will recall that the House bill provided for a reduction in the capital gains rates and that the committee's amendments do not include a reduction in the capital gains rates. This reduction in capital gains, or rather this lack of tax reduction in the bill as amended by the Senate Finance Committee is one of the most important aspects of the entire legislation. I do not intend to debate the virtues of whether or not there should be a separate tax rate for capital gains. The fact is that there is now such a special rate in our tax law. The question is should this preferential lower rate applied to such income be made even lower by this bill? President Kennedy was emphatic on this point. So was Secretary of the Treasury Dillon. President Johnson has been just as emphatic. They were in clear agreement that, in the bill as voted by the House, the reduction of capital gains rates was clearly unwarranted.

In fact, removal of the capital gains rate reduction was the only recommendation for change made by the administration when the House bill came before the committee. The administration strongly urged that this reduction in capital gains rates not be included and that the entire question of capital gains be postponed to a time when the subject could be studied more adequately. Why did the administration recommend this? And why did the committee agree with this recommendation of the administration?

At present all an individual with capital assets has to do to escape tax on the gain in value of those assets is to postpone the realization of that gain until the assets are in the hands of his heirs. A taxpayer who continues to hold his assets throughout his lifetime can completely avoid the income tax on the increase in value of those assets for the entire period during which he held them no matter if that be 10 years, 20 years, 30 years, 40 years, or even 50 years or more.

The failure of the tax law to provide for taxation of capital gains at death is considered by some to be a huge loophole in our tax law. Regardless of one's view of the merits of this tax policy, it has led investors to hold securities longer than they ordinarily would in order that the gains will escape taxation as the securities pass to their heirs. This so-called lock-in effect has contributed to rigidity in our capital markets and has frozen assets and capital. Thus, it has served neither the best interests of the taxpayers who benefit from it nor of those who seek investment capital.

The administration recommended that if there be any reduction in capital gains rates, it be accompanied by some provision to tax such unrealized gains. The House Ways and Means Committee at one point included a measure which would have provided for partial recovery of the present tax loss resulting from this loophole. While it did not provide for taxation at death—as initially recommended by the administration—it did call for a carryover of basis, which would have left the heir subject to income tax on a substantial portion of the unrealized gain which accrued during previous ownership at the time the heir disposed of the asset. If that sounds complicated, it was. In fact, it was so complicated that when the time came for a final committee vote on the bill in the House Ways and Means Committee, the carryover-of-basis provision was taken out of the bill because of the need for further consideration. That placed the capital gains section of the bill sadly out of balance. It included the capital gains tax cut—and it left out the closing of the loophole in the area of capital gains.

To put it another way, the administration proposed a sensible quid pro quo. The House adopted the "quid" but rejected the "quo" in the package deal proposed by the President.

On that basis the administration sought to have the committee eliminate this imbalance.

Let me review this question of capital gains in some detail.

Under present law, there are two ways to figure out a taxpayer's long-term capital gains tax—the tax on any excess of any net long-term gain over any net short-term loss. The standard procedure is to include in adjusted gross income one-half of the excess of net long-term gain over net short-term loss. In practical effect this means that the excess of net long-term gain is subject to tax at half rates.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. GORE. Does the Senator mean one-half of the taxpayer's normal rate?

Mr. LONG of Louisiana. That is correct. The taxpayer would pay one-half of the amount. The effect would be the same as though he were paying half the normal rate.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. LONG of Louisiana. I yield.

Mr. GORE. So if a taxpayer has an adjusted gross income, including the one-half of capital gains which is included therein, in an amount which would produce an applicable tax rate of less than 50 percent, he would have the advantage of paying the tax on his capital gains in the manner in which the Senator has described; namely, his normal rate applied to one-half of his capital gain?

Mr. LONG of Louisiana. Yes. Under existing law, the lowest rate is 20 percent. Under the bill it would be 14 percent. Half of 20 percent is 10 percent. So in effect he would be paying a 10-percent tax on his capital gain if he were in a 20-percent bracket.

Mr. GORE. The point I am trying to make is that the one-half of capital gains which is included in the taxpayer's adjusted gross income would determine, along with other income, the bracket in which he is included.

Mr. LONG of Louisiana. That is correct.

Mr. GORE. So at most under present law a tax of 25 percent of the income from capital gains is charged. Many taxpayers—some with sizable incomes—pay a rate on capital gains of less than 25 percent.

Mr. LONG of Louisiana. The Senator is correct. I am coming to that point. I explained it slightly differently, but I arrive at about the same conclusion the Senator has stated. There is also an alternative rate available. A taxpayer can compute what is called a partial tax on income, excluding even the 50 percent of his capital gain, and add to this partial tax 25 percent of the total capital gain. The alternative tax is obviously an advantage to high income taxpayers, those whose marginal tax rate is 50 percent or higher. Only 1 tax return in 13 involves any capital gains. In 97 percent of the returns of capital gain, the tax is computed according to the standard procedure by including 50 percent of the net gain in income.

All of these returns will enjoy the full benefit of tax rate reduction even on their capital gains. The arithmetic is simple.

A taxpayer whose taxable income is $1,000, including 50 percent—or $200—of a $400 long-term capital gain, will have his tax on this part of the gain reduced from 20 percent to 14 percent. The tax on his capital gain comes down from 20 percent of $200 to 14 percent of $200, a reduction of 30 percent.

Under the House version of the bill, his tax on this gain would have been reduced to 14 percent of $160, or $19.60, compared to $40 under present law, a reduction of 51 percent. On the average, this 97 percent of returns with capital gains would have received an average reduction of 35 percent on their capital gains, while the average rate reduction on ordinary income is 20 percent. Under the committee's bill, on these returns there would be the same reduction on capital gains as on ordinary income.

The fact to be faced is that under the committee's bill there will be no reduction on the capital gain income for the 3 percent of the returns with capital gains that pay the alternative tax. There are about 100,000 tax returns out of nearly 4 million with some capital gains. That is only two-tenths of 1 percent of all taxable income tax returns. Most of these returns, of course, show much ordinary income as well, on which the rates will be reduced. I am talking only about the tax on the capital gains part of this income.

The tax on this capital gains income is low enough already. In a long run, capital gains clearly represent an ability to pay taxes. When a man's stock investment has doubled in value, he is at least as well off as another man who has worked, and by the sweat of his brow, earned enough wages to double his savings. We do defer taxing these increases in property values until they are realized. Because this income is bunched, we tax it at lower rates; but is not 25 percent low enough?

In my activity related to this bill, I have tried to make clear that my concern about the progressiveness of the present tax system is with those cases where taxpayers really pay the 60-, 70-, 80-, or 91-percent rates under the present law.

This is where relief is needed. We can take pride in this legislation if we concentrate on reducing punitive tax rates that are self-defeating through the crushing burden that they impose on incentives. This is not preferential treatment, but only justice and wisdom.

This case for tax relief does not apply, however, for the alternative tax on capital gains. Since the bill came over from the House, there has been a great deal of discussion here on the floor of the Senate concerning the surprisingly low effective tax rates in the top brackets. Based on the 1961 statistics of income, all tax returns having an adjusted gross income of $1 million or more paid an average tax of 27 percent of their total income; that is, their adjusted gross income arrived at by restoring the 50 percent of capital gains not included in adjusted gross income. This rate, which is certainly low by comparison with the rates in the tax schedule, is the result of the high proportion of capital gains in the top brackets. On returns with adjusted gross income of over $1 million, 75 percent of the total income was from capital gains. Under the law, all of the deductions to which these taxpayers are entitled for taxes, interest, charitable contributions, and the rest, go first against the ordinary income, the income which is supposed to be taxed at relatively high rates. Since the ordinary income is such a low part of the total income to start with, very frequently this is completely wiped out by deductions, and the only tax paid is the capital gains tax on a portion of the income.

To make all of this quite explicit, let me present this statistic about the class of tax returns showing adjusted gross income of $1 million or more. Imagine that we divide this entire class of tax returns into two groups, those that have more than average capital gains, and those that have less than average capital gains. It turns out that, if we do this, the average tax rate for the high capital gains group is 20 percent, while the average tax rate for the low capital gains group is 56 percent. Of course, about half of the tax returns in the low capital gains group will actually have tax rates even higher than 50 percent, while about half of the tax returns in the high capital gains groups will have effective tax rates even lower than 20 percent. This does, however, give some indication of the enormous range of effective tax rates introduced in the high income brackets because of the alternative tax on capital gains.

If this bill is concerned with reducing punitive unfair tax rates on high incomes, then it is sound legislation. If it is concerned with providing additional tax relief for wealthy taxpayers whose effective tax rate is already lower than that of many workingmen, then the bill becomes an outrageous raid on the Treasury for the benefit of the rich.

I have not, however, described the full magnitude of this problem of capital gains. If we look at the total amount of capital gains reported on tax returns, we can calculate that the average tax rate paid on these gains is something like 18 percent under present law. The fact is, however, that only a relatively small portion of the increase in wealth arising from increasing value of assets ever becomes taxable as a capital gain. As much wealth increase is transferred by death or gift each year as is realized by sales. Another part of the annual increase in the value of property simply goes into the stock of unrealized appreciation held by current individuals, but it is nevertheless a portion of their wealth.

If we take into account the fact that only a small portion of this increase in wealth from appreciation is actually taxed as capital gain, it turns out that the average tax on this sort of wealth increase is well below 18 percent. It is even below 9 percent.

The late President Kennedy's tax message of last January urged the Congress to deal with a portion of this problem of untaxed wealth accumulations by imposing a tax on unrealized appreciation that was transferred at death or by gift. During discussion of this issue in the Ways and Means Committee, the Treasury indicated that it was agreeable to a modification called carryover of basis. Under present law, assets transferred at death receive an increase, or what is called a step-up, in basis to the value at the time of death. Thus, the appreciation in these assets while they were held by the decedent will never be subject to capital gains tax even if this appreciation is immediately realized by the heirs.

The carryover-of-basis proposal simply requires that the heirs treat the cost of the property to the decedent as their cost. Thus, when they ultimately realize the gain they would be taxable upon it. This measure would go a long way toward making more uniform coverage of capital gains taxation.

The Ways and Means Committee at one time made a public announcement of tentative acceptance of this carryover-of-basis proposal, and at a later stage they announced that they were dropping this proposal from the bill because the drafting of the proposal had become too complicated. It may be that such a proposal will turn out to be quite complicated, although careful work upon it can undoubtedly produce a number of simplifications. I think, as a matter of fact, however, that the Ways and Means Committee recognized the principle that under the present law a great many increases in wealth were going completely free of the income tax.

When this problem of step-up in basis at death is dealt with, it will be an appropriate time to consider further the reduction of taxes on capital gains. There appears to be no justification whatever for taking the position that we will postpone the consideration of a carryover-of-basis proposal on the ground that it is technically complicated, even though in principle correct, and at the same time extend further tax reduction to the capital gains.

In summary, even under the bill as reported by the Senate committee the overwhelming bulk of tax returns with capital gains gets the same reduction as other taxpayers—no more, no less. The very small portion of tax returns which are subject to the alternative tax on capital gains do not get an additional reduction under this bill for their gains because their treatment is very, very favorable compared to other taxpayers at the present time. Finally, the entire problem of capital gains taxation can be appropriately reexamined when we do face up to the issue of the avoidance of taxes on wealth increases from the transfer of these increases through death.

So much for capital gains. There is a related matter which may also come up for the Senate's consideration. The House bill provided for repeal of the 4-percent tax credit on dividend income, together with a doubling of the present $50 exclusion of such income from tax—an exclusion of $100 for a husband and wife if each received a dividend income. Thus, the exclusion becomes $100 and $200. The 4-percent tax credit would be eliminated in two stages, to 2 percent in 1964, and outright repeal in 1965.

The committee retained this repeal of the credit and doubling of exclusions without change. It voted on this very issue repeatedly—and repeatedly it rebuffed any effort to prevent or alter the repeal of this credit. Let me tell Senators why I believe it was very wise in doing so.

First of all, why anyone should receive tax credit because his income happens to consist of dividends instead of wages or salaries is something I find quite puzzling. I believe the original idea was to encourage broader participation in private investment. If that were the case, I would think the exclusion would be the proper instrument, and I am sure that the doubling of the exclusion will have a greater effect on promoting broader based stock ownership than would the continuation of the credit, which to a large extent merely provided a windfall for high-income taxpayers.

There are about 6.2 million taxpayers in the United States who receive dividend income. Of these, small investors whose dividends do not exceed $50—or $100 if married—will not be affected by the proposed change in the bill at all. Larger investors—those 2 million with moderate stockholdings for whom the doubling of the exclusion more than offsets the loss of the credit—will actually find their taxes on dividend income reduced as a result of this measure. That means that three out of every five dividend recipients will come out as well or better on their dividend income as a result of this change in the law. The remaining two out of five large investors—for whom the loss of the credit is more fully offset by the increase in the exclusion—would find this disadvantage more than offset by the rate reductions, both individual and corporate, provided in the bill.

In other words, only two out of every five investors would suffer any loss at all even in the taxation of their dividends as a result of this change, and they would end up ahead because of the tax reduction provided in other parts of the bill.

Clearly, it is unfair to retain the dividend credit any longer. It discriminates in favor of shareholders with large dividend incomes—principally those in the high brackets—compared to shareholders with smaller dividends. To retain the dividend credit, considering the other benefits to shareholders which would result from lower individual income taxes, lower corporate taxes, and the doubling of exclusion, would clearly provide a disproportionate share of the benefits of the tax reduction to shareholders in comparison with those whose income is chiefly derived from wages and salaries.

A third measure you may hear more of is the proposed amendment to provide a tax credit for educational expense. This was voted down in committee. I understand, however, that it will be offered again here on the floor as an amendment, and I am absolutely convinced it should be voted down again.

I will yield to no one in my interest in increasing the educational opportunities for our young people. Certainly we all share in the desire to make available to all qualified students the fullest possible educational program. The future of our country is in their hands. They deserve nothing less than the best and most complete schooling possible.

But, I submit, this amendment will not accomplish that objective. This is not a problem that can hastily be resolved by tacking on to this tax bill a special educational tax credit amendment.

In the first place, such an action would be totally at variance with the basic objectives of the bill—which are to broaden the tax base and to provide tax relief for all taxpayers through general rate reductions. Time and time again it has been emphasized that overall tax reduction—accompanied by base-broadening reforms—is vastly preferable to special tax allowances for narrow, special interest groups.

This bill represents a giant step forward in this direction. We must not let our concern, our deep interest in education, blind us to the matter immediately at hand.

The proposed education amendment would grant one class of taxpayers, those already able to afford to send their children to college—and I repeat those already able to afford to send their children to college—a grossly disproportionate share of the total tax reduction now provided for in the bill.

In so doing it would add, initially, $750 million to the cost of the bill. That is more than twice as much as the minimum standard deduction would give. We simply cannot permit such an enormous additional cost if we are really serious about keeping the Federal budget within bounds. By 1970, the costs of this proposed amendment would rise to $1.3 billion making it, with the exception of the GI bill, the costliest education measure for individuals ever adopted by the Congress.

The large revenue losses involved in such an amendment would, at this critical juncture, make it necessary to reconsider the rate reductions already in the bill for all taxpayers and, ultimately, revise rates upward—imposing higher rates on all taxpayers.

The plain fact of the matter is we simply cannot afford this costly addition to the new tax rate schedules.

Wholly beyond the tremendous costs involved there is the question of the discrimination inherent in the proposal. It would do nothing at all to assist those parents who cannot, under any circumstances, help their children even get to college in the first place—let alone complete a 4-year program. It would provide an additional measure of tax relief for middle and upper income families—relief above and beyond what the bill has already earmarked for them. It would provide no comparable relief for lower income families who cannot begin to contemplate financing a college education for their children.

In short, it will do nothing at all to assist the truly needy prospective student obtain a college education.

As it stands now a large proportion of families with incomes of $5,000 or less would simply have no tax liability against which the proposed educational tax credit could be applied. Of the 15.4 million joint returns with adjusted gross income of $5,000 or less in 1960, 6.6 million or 43 percent were nontaxable.

Out of the more than 60 million taxpayers in the country, less than 4 million would be eligible to receive any benefits under the proposed education amendment. Moreover, a large majority of these would receive only negligible benefits.

Another point that should not be overlooked in assessing this proposal is the extent to which it will benefit most the families who are able to send their children to the high tuition private schools. Its graduated tax credit is based on tuition costs and these costs are sharply lower for publicly supported schools.

The median charge for tuition and fees in all public institutions of higher education in 1962–63 was $170 compared with $690 in all private institutions. The credit provided under the proposed education amendment on this median charge for tuition and fees—plus an allowance of $90 for books—would be $165 for public institutions and $253 for private institutions.

The maximum credit—$325 on expenses of $1,500—will generally not be available at all to parents with children attending public institutions. Tuition and fees in 1962–63 in 25 percent of all public institutions were less than $100. On the other hand, for many students attending private universities a credit would be available on amounts above $1,000. At least 50 percent of the private universities and 10 percent of the private liberal arts colleges had charges of over $1,000 at the undergraduate level in 1962–63. Only the students at these institutions would get the full $325 credit.

Furthermore, the amendment, in providing tax relief for families able to send their children to college in the first place, may well pave the way for the colleges themselves to increase their tuition rates. Leading proponents of tax credits for education have, in fact, sometimes been frank enough to admit that the real purpose of the credit is to allow colleges to raise their tuitions. A school now charging $1,500 for tuition could increase its rate by the full amount of the credit—$325 to $1,825—without hurting the taxpayer eligible for the credit—but would make college impossible for those who are now just barely able to afford it and send it even further beyond the reach of those unfortunate people who cannot now afford it at all.

Dollar for dollar the tax system is an extremely inefficient method for supporting higher education. Far more could be done, for less money, to directly aid educational institutions or needy students through direct scholarships, grants-in-aid, work-study, and other specific educational measures.

The tax bill before us is ill suited to last-minute billion dollar jiggering, no matter how laudable the motives. We should not, at this late date, reduce the benefits already provided for the many to enlarge upon the benefits of the few. This is precisely what we have sought to eliminate from our tax structure. And this, above all, is no time to turn back the clock.

I believe the best illustration of what is wrong with the amendment, if I may be permitted to give a personal illustration, is this: I would have preferred that my daughter attend Louisiana State University, from which I was graduated. I yielded to my wife and daughter on that point. My daughter attends Smith College, in Massachusetts. If my daughter had attended Louisiana State University, under this amendment I would have the benefit of a $37.50 tax credit. Inasmuch as my daughter is attending Smith College, the tuition is around $2,800—I do not know whether that is the entire amount of the tuition, but it is enough to get the maximum $325 handout from the U.S. Treasury. I suppose I would take it if somebody insisted on giving it to me; but I do not need it, do not expect it, did not ask for it, and would be surprised if anyone gave it to me. I have some income in addition to my salary as a U.S. Senator, and I can well afford to educate my daughter.

On the other hand, let us take the example of a person who makes $6,000 a year and has eight children. Including his wife and himself and the eight children, he has $6,000 in exemptions, so he owes no income tax. He pays no income tax. He could not afford it and should not pay one. Congress should not try to make him pay an income tax.

What would the amendment do to help that man to educate his eight needy children? Nothing. Why give me $325? I do not need it. Why deny him something that he needs? Yet that is what is proposed in the Ribicoff amendment. You could get but a small benefit where your children go to State-supported colleges in Louisiana, which most young college students in our State attend. The proposed amendment would especially benefit a few big Ivy League schools, which, incidentally, are not enthusiastic about it, because they have more students than they have any need for.

It is difficult to explain the need for this proposal, except perhaps for someone in the upper income levels. Certainly it would not benefit the great majority of people who make less than the average amount of income. It would not benefit large families who have a large number of exemptions and deductions and therefore pay little in taxes.

Mr. McNAMARA. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. McNAMARA. I agree with the Senator's analysis of the proposed amendment. I should like to ask him several questions which I think bear on the amendment. The tax bill is really not a bill that deals with education; as I understand, it is a bill that relates to taxes.

Mr. LONG of Louisiana. The Senator is entirely correct.

Mr. McNAMARA. The amendment proposes to do something for parents—not for students, but for parents. Is that not correct?

Mr. LONG of Louisiana. I suspect that it would be found that the amendment would do more to provide a pay raise for college professors, than anything else.

Mr. McNAMARA. If it is proposed to do something for parents in the tax bill, I am all for it; but I am for doing it for all parents, not merely the parents who apparently need it least.

Mr. LONG of Louisiana. It seems to me that if it is desired to help a child obtain an education, or to help parents educate their children, assuming that their funds are not unlimited, we ought to start by helping parents who have worthy, deserving children, and who do not have the money and cannot afford to send their children to college.

After we have made it possible for families who do not have money to send their children to college, we can then work up to the middle income brackets, and perhaps go still further. But I do not agree with the idea that we should start from the top and work down. Why should a person, having an income of

$40,000 or $50,000 a year, be given up to $325 per child to help him to educate his family? He can afford to do it himself. Moreover, he would send his children to college anyway, so such a proposal would not obtain more education for his children.

Mr. McNAMARA. It seems to me that when we seek to aid education, we should do so in an education bill, not in a bill relating to finance. I think we get off the reservation when we talk about doing something for education by considering such an amendment in a tax bill, because the amendment is proposed for a part of the parents involved in this situation; and, as the Senator has already stated, some parents apparently need such assistance less than others. If it is proposed to provide tax relief for the parents, this is the worst way in which it could be done.

Mr. LONG of Louisiana. I thank the Senator from Michigan.

I observe in the Chamber the distinguished senior Senator from Oregon [Mr. MORSE], who is chairman of the Subcommittee on Education of the Committee on Labor and Public Welfare. His subcommittee considers most of the bills in this field. I understand that the proposed education amendment to the tax bill, when it was in full operation, would cost $1.3 billion. I am satisfied that if we could make available to the distinguished Senator from Oregon—$1.3 billion a year to help education—he could find ways in which much more could be done for education with the $1.3 billion.

Mr. MORSE. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. MORSE. I propose to discuss this afternoon the Ribicoff amendment. I am sure I shall discuss it at various times during the debate on the tax bill.

I would give the amendment the title of a rich man's amendment. In my judgment, the amendment would give an advantage to people of means who want to send their children to college. It would discriminate against the poor people of the country who also have children whom they want to send to college. I shall present my point of view at some length, and the facts as to why I believe the adoption of the Ribicoff amendment would constitute class legislation.

I shall also show why, in my judgment, taxes should be levied on the basis of ability to pay. The taxes should be placed in a common treasury, and withdrawn on the basis of public need, as Congress determines by legislation the existence of the need. Support for education is one such need, but I do not believe it ought to be adopted on a discriminatory basis.

My fourth objection—there will be others; I only mention this one now, because I was drawn into the debate, and I would not want my silence to be misinterpreted; it is bad enough to have vocalization misinterpreted without having silence misinterpreted—is that I do not believe this is the place to consider the Ribicoff amendment. When all is said and done, it is an education amendment. It ought to be considered in connection with education policy. The Committee on Finance ought not to be considering that amendment in connection with the tax bill until the educational policy inherent in it has first been passed upon by the legislative committee, the Committee on Labor and Public Welfare. I have already made known to the chairman of my committee, the distinguished Senator from Alabama [Mr. HILL], that I believe we ought to take the necessary steps to have consideration of the Ribicoff amendment, because of its educational policy, by the Committee on Labor and Public Welfare, whose jurisdiction includes education legislation. Hearings should be held before the committee; and the testimony of educators and others who are interested should be taken, to show what they think of the proposal as a matter of public policy. In the main, that will be the position of the senior Senator from Oregon. For these and other reasons, I shall vote against the Ribicoff amendment.

Mr. DOUGLAS. Does the Senator from Louisiana agree with the position taken by the Senator from Oregon—namely, that a tax bill should not be used as a vehicle for educational matters?

Mr. LONG of Louisiana. We have had no opportunity to study this matter, or even to consider it. I do not recall that a single witness appeared with regard to this particular amendment as his principal topic for testimony, and I believe it should be studied by the Subcommittee on Education.

Mr. DOUGLAS. Then I take it that the Senator from Louisiana is opposed to section 202(e), which is not a tax measure, but is a regulatory measure, and forbids the federally regulated utilities from passing on the investment credit to the consumers.

If it is improper for a tax bill to deal with an educational matter, then it is most certainly improper for a tax bill to deal with a regulatory matter. So I am very glad the Senator from Louisiana has, in his forthright manner, said that tax or finance matters should not be confused with educational and, by inference, regulatory matters.

Mr. LONG of Louisiana. Mr. President, first, let me respond to the Senator from Oregon. [Laughter.]

Mr. DOUGLAS. Or is the Senator from Louisiana only in favor of having a finance bill "stick to its knitting" insofar as educational matters are concerned, but believes that if the bill can be of help to the utilities, it is proper to "roam at large" in deciding on what provisions to include?

Mr. LONG of Louisiana. First, let me answer the Senator from Oregon.

Mr. MORSE. I think I should now state that I take the position that hearings should have been held on the educational features of the Ribicoff amendment; they should have been held before the subcommittee which has jurisdiction over education legislation. I do not contend that the Finance Committee does not have a right to conduct hearings on the Ribicoff amendment. I am sure the Finance Committee has a perfect right to conduct hearings on the tax section of the Ribicoff amendment; but I think this matter involves concurrent jurisdiction, and I do not think the Senate ought to be asked to act on the tax feature of the amendment until it first receives the recommendations of the Committee on Labor and Public Welfare as to the educational aspects of the amendment.

Mr. LONG of Louisiana. Mr. President, I thoroughly agree with the Senator from Oregon. If the Ribicoff amendment afforded us the only chance we would have to vote to do something for education, I might take a different view of the amendment, and I think the Senate would then be justified in taking a different view of it. But if the Senate should consider the problem of whether the Government is going to spend—for a tax credit is just like a check drawn on the Treasury—$750 million this year and $1,300 million, on down the road, to aid education—is this the way we would obtain the best possible benefit of the taxpayers' money?

At the minimum, that matter should be studied by the proper committee, to have it ascertain whether a more efficient and better use of the taxpayers' dollars can be obtained by proceeding in other ways.

Mr. DOUGLAS. Then should not section 202(e) be referred to the Committee on Commerce?

Mr. LONG of Louisiana. Mr. President, now I shall answer the Senator from Illinois.

Section 202(e)—section 203(e) in your committee's bill—was drafted in the House Ways and Means Committee. It was voted upon by the House committee.

One of the principal advocates I believe on the House side was the chairman of the House Committee on Interstate and Foreign Commerce, Mr. OREN HARRIS. It was supported by the chairman from that committee, it was discussed in the House, and it was sent to the Senate as a part of this tax bill.

Now, when this House section 202(e) was considered last year, the House made legislative history in its report and indicated who they intended were to obtain the benefit of the tax credit for regulated industry. The Senator in charge of the bill made exactly the opposite legislative history on the Senate floor. However, when he reported the conference action he changed his positions on this point.

The matter is presently in dispute before at least one Federal agency. Unless we act on this matter, it will be a matter of litigation in the courts, and the entire question will be: "To whom did Congress intend to direct the benefit of this tax credit when it enacted a tax credit 2 years ago?"

So the whole dispute is: "What was the congressional intent as to who was to get the ultimate benefit of a tax credit when it was passed in 1962?" As far as I am concerned, I quite agree with the argument that was made yesterday by the Senator from Illinois, with respect to the legislative history in the initial consideration on the Senate floor. It was then intended that the utilities be required to pass it through. On the other hand in the House report on the same subject—who incidentally were the ones who drafted the tax credit to begin with—it was clear that the utilities were intended, in the House measure, to keep the credit.

This statement is in accord with what is now in the bill and I will be happy to debate that when the matter comes up.

Mr. DOUGLAS. Would not a very good compromise be for the House to put it in and for the Senate to take it out?

Mr. LONG of Louisiana. Well, if the Senator wants to take it out, I hope he will do what I suggested to him; namely, take away the tax credit for all regulated industries. If he does that, he will be consistent. That will take the credit away from the railroads, bargelines, the buslines, and the airlines; none of the regulated industries would get it.

Mr. DOUGLAS. Would not a very simple thing be to let a regulatory commission decide it?

Mr. LONG of Louisiana. Well, if you do it that way, the Senator well knows there will be discrimination. The Interstate Commerce Commission is not going to take it away from the carriers at this moment. They have said so; they think the carriers ought to have it. On the other hand, the Federal Power Commission will take it away from their carriers. So you will have a completely different result.

It seems to me it would be unfair to give one segment of the transportation industry a competitive advantage over another; they ought to compete on the basis of who could more efficiently serve the public.

Mr. GORE. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. GORE. I hope the Senator from Louisiana will not object to a question about the accuracy of his interpretation of this provision.

I understood the Senator to ask: "Who will be the beneficiary of the investment credit?" There is no question as I see it, as to who the beneficiary will be.

In this case, the utilities will be the beneficiaries of the tax credit. The question is not: "Who will be the beneficiary." It is whether or not in a revenue measure we should include a provision to prohibit the Federal Power Commission from taking such benefits into consideration in arriving at a proper and a fair rate which consumers must pay.

This is not a question, let me repeat, of who will receive the benefit. The question here concerns a provision which denies consumers a benefit which the utility regulatory body may have the responsibility of extending, or at least considering.

Mr. LONG of Louisiana. Mr. President, this is a subject on which I am sure there will be disagreement, even when we have a final vote. I am sure that debate is not going to result in unanimous feeling. If I recall correctly, some of the Senators interested in this matter did not vote for the investment credit to begin with. If some of the Senators had their way, there would not have been any investment credit for anyone to have the benefit of. I believe the Senator from Tennessee [Mr. GORE] voted against the investment credit.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. GORE. I did, and least of all, do I think it is justified to give the investment tax credit to a private utility whose rates are fixed so as to insure a profitable return on the investment. Nevertheless, Congress decided to provide that benefit; and included in this bill is a provision which forbids the Federal Power Commission taking such benefits—even though they come from the U.S. Treasury—into consideration in arriving at a fair rate which the users of gas and electricity must pay. Any Senator who has genuine concern for the consumer will wish to look at this one very hard.

Mr. LONG of Louisiana. Mr. President, I had not meant to discuss that section at this point. However, since the point was raised, I shall state briefly the argument for section 202(e) as enacted by the House.

The purpose of investment credit was to stimulate investment and to encourage modernization in plants and equipment.

The views that were expressed on the House side indicate that the transportation industry is a competitive industry, that in the transportation industry the pipelines are competing with the railroads which is hauling coal and competing with gas being delivered. All three of these industries are competing with the barge lines, which are hauling both oil and coal. In turn, all three compete with the tankers which are hauling these fantastic quantities of residual fuel and other fuel oil, which in many areas can be put on the eastern seaboard, and in Philadelphia, I suspect, at a lesser unit cost, on a B.t.u. basis, than natural gas delivered by pipelines.

Transportation is a competitive industry, and it was felt that these industries should be given the same incentive to modernize, to improve, to adopt labor-saving devices as other industries. In other words, if we provide a tax credit to modernize American industry and we have manufacturing industries geared to the space age, we ought not to want the transportation industry to remain in the horse and buggy age. Therefore, we should give those industries an opportunity to modernize, to expand, and to improve—with the same profit motive as the others.

The other day, I had the pleasure of being at the White House with my senior colleague [Mr. ELLENDER], where the President pressed a button and launched a ship in New Orleans. That ship was much larger than any ship of its type heretofore built. It had far more automatic equipment; it requires one-third less crew members to run the ship—a tremendous increase in efficiency.

Some tankers are built so large that they cannot even get to the great port of New Orleans because they draw more than 40 feet of water. The vast efficiency of all this equipment in that field brings great competitive pressure upon others. When tankers can place oil in New York City below the cost of getting gas there, it presents the other fellow with the challenge to try to modernize, expand, and improve his own equipment so that he can do a better job. He may find that if he had built a 36-inch pipeline at 10 percent more cost, perhaps, he could have carried 100 percent more gas, and the operating costs would be, perhaps, only 10 percent extra. I am guessing at these figures but I know that the general idea of lower unit cost by greater capacity is sound.

Suppose he wants to deliver gas at a lesser unit cost by expanding his operations and by using a bigger pipe. If he seeks to do it, he has to go to the capital market in competition with railroads who are seeking money to modernize, with the bargelines who are also seeking money to build bigger and better barges, and with the great tanker fleets. He has to borrow money in competition with others or seek equity capital. If one carrier has the benefit of a tax credit to make his investment more profitable and the other carrier does not, then the other carrier will suffer.

I have been dismayed by the views of those who would like to have the Federal Power Commission regulate the pipelines more severely than other utilities. This provision would propose to treat them alike. It would assure that tax credits were made available to the airlines so that they could obtain more modern equipment, that tax credits were made available to the railroads to encourage them to modernize, that tax credits were made available to the pipelines to encourage them also to modernize and achieve a more efficient service, and that tax credits were made available to the trucklines and the buslines to encourage them to compete on an even basis with the others.

If it works out, and we hope it will, the vast modernization which is going on elsewhere, will also occur in the transportation industry.

Of course, Senators can take a different view, but it has seemed to me that the so-called labor economist always places a low value on the profit motive as far as stimulating employment, or advancing the national interest is concerned.

I believe that there is a strong argument to be made both for investment incentives on the one hand and for consumer spending on the other. This bill seeks to get to both and to encourage and stimulate both.

Mr. PROXMIRE. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. MCINTYRE in the chair). Does the Senator from Louisiana yield to the Senator from Wisconsin?

Mr. LONG of Louisiana. I yield.

Mr. PROXMIRE. Does not the Senator recall that the distinguished late Senator from Oklahoma, Mr. Kerr, was the Senator in charge of the tax bill?

Mr. LONG of Louisiana. Yes, in 1962.

Mr. PROXMIRE. There are several arguments revolving around——

Mr. LONG of Louisiana. If the Senator is asking me to yield, I can do so only for a question.

Mr. PROXMIRE. I have asked the Senator a question.

Mr. LONG of Louisiana. The Senator from Oklahoma, Mr. Kerr, made legislative history on the floor by suggesting that the investment credit was intended to be passed through to the consumer, and that the carrier was not to have the benefit of it.

The House conference report, however, explained the matter in exactly the opposite way, on the House side, and then when Senator Kerr brought the bill back to the Senate from conference he said this:

> It is the understanding of the conferees on the part of both the House and Senate that the purpose of the credit for investment in certain depreciable property, in the case of both regulated and nonregulated industries, is to encourage modernization and expansion of the Nation's productive facilities and to improve its economic potential by reducing the net cost of acquiring new equipment, thereby increasing the earnings of new facilities over their productive lives.

That language would imply that Senator Kerr at that time was agreeing with the House conferees when he brought the measure back from the House. It should be remembered that the investment credit came over to us from the House and the Senate committee voted to retain the House language.

As far as I am concerned, I personally feel that the transportation industry is competitive. If it is competitive, I believe that it should have the same benefit of tax incentives to modernize and expand as other industries do. Treatment accorded the electric utilities and the telephone company is different since they do not need to compete in order to stay in business. Their customers have no choice but to deal with them and to use their services. That being the case, I agree with the position of the House that it is a regulated industry, more or less in a monopolistic position. We must have electricity in our houses. Telephones are a necessity. That being the case, those companies do not have to compete. It can be well argued that they should not be able to keep the benefit of the investment credit indefinitely, since they do not compete.

Mr. PROXMIRE. Is the Senator from Louisiana saying that the way this tax bill would apply, that the American Telephone & Telegraph Co. could be required by the FCC to pass through the tax credit, and that the electric utilities would also pass through the tax credit to their customers, but not the transportation utilities?

Mr. LONG of Louisiana. The 3-percent utilities—I am talking about those who get the 3-percent tax credit—are required to pass through the tax credit to their customers over the life of the assets. I would assume that they would be in a position to use this money, during the time they are passing through the credit, so that there would be some advantage for them, but nothing like the advantage to those who would be in a position to retain the credit.

Mr. PROXMIRE. Is it not true that the basic reason why the Senator from Oklahoma made the argument he did, that there would be a pass-through by utilities to their customers, is that he recognized that there was no necessity whatsoever for any investment credit for regulated utilities, inasmuch as they could always secure the capital they need for all the modernization and expansion they require merely by going to the regulatory body and asking for an increase in rates for that purpose—a perfectly legitimate and proper purpose that is always recognized? Therefore the Senator from Oklahoma, being a very wise and able debater, realized that we had backed him into a corner on the question. He could not very well argue that the money was needed in order to permit capital acquisition and capital improvement, because any regulated utility can always attain those objectives by going to the body that regulates it for whatever was needed in the way of a rate increase.

Mr. LONG of Louisiana. Everyone has his own opinion. So far as I am concerned—and I know little about it—I gained the impression that the railroads are not unhappy with the ICC. They seem to think that the ICC is a fine body. I sometimes gain the impression that the railroads have had a considerable influence in determining who should be appointed to the Interstate Commerce Commission.

I have also gained the impression that the pipelines would drink the blood of the FPC if they could, and that the FPC would drink the blood of the pipelines if it could. There is no love lost between them. It seems to me that those who are appointed on the FPC are under great pressure. They have been screened and selected, in part at least, on the theory that they should be tough on the pipelines. It seems that the FPC is always at loggerheads with the pipelines, but the ICC is seldom at loggerheads with the railroads. That is the way the program has worked.

Mr. PROXMIRE. The difficulty is that in 1962, when the investment credit was first adopted, the Senator from Oklahoma took the position on the floor of the Senate that the investment credit should be applied to utilities only because it would be passed through to the consumer. He recognized that it could not be justified for the purposes of encouraging plant expansion or plant modernization, because the utilities have their clear opportunity to attain those results by seeking the approval of the regulatory body.

Now——

Mr. LONG of Louisiana. Just a moment. I do not yield to the Senator until I can respond. I have the floor, Mr. President. I shall be glad to yield to the Senator further, but I should like to respond first to his statement.

Mr. PROXMIRE. Very well.

Mr. LONG of Louisiana. If that is what the Senator from Oklahoma said on the floor of the Senate—and I think he said it——

Mr. DOUGLAS. He said it twice—on October 28, and on September 4.

Mr. LONG of Louisiana. I am not arguing that point. If that is what he said—and I heard him say something similar to that in the committee, though I did not hear him make the statement on the floor of the Senate—he must have changed his mind, because he said exactly the opposite when he brought before the Senate the conference report. I ask Senators to read it. When he brought the report back from the conference, he must have taken a different view. I am not here to tell what that fine man had in mind. He is no longer with us. We on this side of heaven cannot communicate with him, although I hope some day we can.

Mr. GORE. We shall all be consumers up there.

Mr. LONG of Louisiana. Mr. President, an argument can be made—and I think a good argument—that when those who are seeking to provide better transportation services seek capital, whether it be equity capital or loan capital, in competition with other carriers—or in competition with other industries, not in competition as carriers but competing for the capital market—they should be able to have some of the same chance for profit as is accorded those seeking venture capital or loan capital.

Mr. PROXMIRE. Mr. President, will the Senator yield to the Senator from Wisconsin to enable him to finish his question?

Mr. LONG of Louisiana. I yield.

Mr. PROXMIRE. Does not the Senator from Louisiana recognize that the Senator from Oklahoma took the very wise position that the proposal would not encourage modernization?

Now the Finance Committee's bill says that the saving would not go to the consumer. What is left, if the bill is not amended it will do one thing, and one thing only. It will provide a giveaway or handout to the stockholders of the utility companies. It will accomplish no social purpose except to increase the dividends that the utility stockholders receive. All the necessary expansion and modernization of equipment can be brought about any way by the utility merely going to the regulatory body and obtaining an increase in rates. That is recognized by everyone as being proper.

Mr. LONG of Louisiana. I am convinced that my good friend from Wisconsin feels that way about the question. He has convinced me that that is what he thinks. If that is the way he feels about it, I suggest that he offer an amendment to the bill which would provide the same treatment for the railroads, the bargelines, the trucklines, and every other carrier, so that they would all be on the same basis.

Mr. PROXMIRE. Last year I offered an amendment to the bill to knock out the investment credit, first, overall, and second, for utilities. I shall offer an amendment this year to eliminate the special privilege about which we have been speaking. I have already submitted an amendment, which is pending, as the Senator may know, to do just this.

Mr. LONG of Louisiana. If my three good friends had their way there would be no problem because there would be no investment credit to begin with, and we would not have to argue about who would get it.

Mr. GORE. And the country would be better off.

Mr. LONG of Louisiana. As Jesus once said, "Thou sayest"—which I always thought meant, "That is what you think."

Mr. GORE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. GORE. I invite the attention of the able Senator from Louisiana to page 1801 of the hearings. At that point in the record of the hearings the Senator will find not what the senior Senator from Wisconsin or the senior Senator from Tennessee or the senior Senator from Illinois thinks about the question. I should like to read two brief paragraphs and then solicit his comment. The testimony is that of Mr. Swidler, Chairman of the Federal Power Commission:

> Mr. SWIDLER. I want to call to the attention of the committee the fact that this would be the first time that Congress had prescribed the details, the specifics, of rate treatment of costs by any utility commission so far as I am aware, and if the Congress should prescribe this one, I presume it will be asked to prescribe more and different ones, and it will be besieged on both sides to allow more or less for this item or that until, I think one can visualize, the decline of the regulatory process progresses to the point where it could no longer produce just and reasonable rates in the current legal sense of that term.
>
> The amounts involved in this particular case are very large, about $60 million for the natural gas companies—

I digress to say that that is an annual amount. I continue to quote:

> about $86 million for the electric companies; and when the tax effect of these amounts is taken into account this could involve as much as $300 million in rate reductions annually.

I solicit the Senator's comment on what I have read.

Mr. LONG of Louisiana. The whole tax credit amounts to $1.2 billion. The transportation industry is not all of America. America has a great many industries besides the pipelines. I cannot understand how, with only a cost for the entire tax credit of $1.2 billion, this small segment of the total industries involved would amount to $300 million.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. GORE. This, I think, refers to the intrastate and interstate business of gas pipelines and electric utilities.

I should like to read to the Senator from a letter from Mr. Swidler, of January 29, 1964. I read the following paragraph:

> The Commission approved $812 million of new pipeline construction in 1963. The investment credit from this new construction is approximately $57 million which is a fair estimate of the amount the natural gas pipelines will eventually save. The potential savings to consumers is thus in the order of $120 million a year, as I testified before the Senate Finance Committee.

This was as late as January 29.

Mr. LONG of Louisiana. That does get to one point the Senator from Louisiana had in mind. The figure the Senator is using includes $60 million which is hoped to be had out of the Treasury of the United States in order to reduce the utility rates. It is complicated, but when there is a reduction of $1 in rates, it is also true that that is $1 after taxes. So the taxes are reduced by that proportion when the rates are reduced. So the Government loses $1 in taxes every time the agency requires the company to reduce profits by $1.

That was Mr. Swidler's opinion. The record shows that a representative of the Interstate Commerce Commission appeared and said he agreed 100 percent with the House position. He took an opposite view from that of Mr. Swidler. Mr. Swidler took a view against the pipelines. The gas people do not like him, and he does not like them. It was to be expected that he would be against that portion of the bill.

Those who testified for the Interstate Commerce Commission felt it was a good idea; they thought this was what Congress had in mind. Let the railroads have the benefit of the tax credit. Do not change it. So there is the conflict between those two opinions. Congress ought to decide one way or the other.

If the Senator from Tennessee feels so strongly about it, and thinks House section 202(e) should come out of the bill, why not propose that the railroads, bargelines, shipping interests, and airlines be treated the same way? Why not have the other carriers treated that way? Then he would be closer to the $600 million figure that the Senator from Illinois continues to use—I suspect half of that figure is taxes, anyway—whereby the Government gives the consumer a rate reduction with half of the reduction coming from the U.S. Treasury.

Mr. DOUGLAS. Mr. President, will the Senator yield with respect to his reference to $600 million?

Mr. LONG of Louisiana. I question what is involved in that figure.

Mr. DOUGLAS. I tried to tell the Senator yesterday what was in it. Once this procedure is started for the federally regulated utilities, it will spread until it involves the State regulated utilities too, especially because the accounting systems for State electrical systems are prescribed by the Federal Power Commission or followed by the State commissions. If the tax rebate is not counted as an earning in the Federal accounts, it cannot enter into the State accounts, and therefore will be disregarded by the State regulatory bodies. The situation is as simple as that.

Mr. LONG of Louisiana. This measure does not tell the State regulatory bodies what they should do. They can do what they like and that is what they will do. I glory in the fact that they can. I hope good commissioners will be selected for the regulatory bodies who can do the best job.

If I correctly understood the Senator from Illinois, he said he arrived at his big figure by imagining that all sorts of things are going to happen; that the State regulatory agencies will do something differently from what they are now doing; that something will be applied that is not done under this measure.

If one imagines all kinds of things and projects the figures over a 50-year period, he can arrive at a big figure. During consideration of the natural gas bill, the Senator did so with respect to natural gas. Natural gas can be bought for a price varying from 10 to 23 cents a thousand cubic feet. If one is talking about a large amount of gas to be delivered over a 50-year period, with the gas costing 10 cents a cubic foot, he can talk about a trillion cubic feet of gas, when he is speaking of $2 million per year for 50 years.

I am reminded of my early days, when I used to listen to Amos and Andy over the radio. They had the Fresh Air Taxicab Co. Andy had a plan for expanding the company. He would say nothing except big numbers. He would keep mumbling "Uh, $5 billion, $3 billion, $1 billion."

The Senator from Illinois had much influence on the floor. He talked about hundreds of billions and trillions of cubic feet of gas, and he scared other Senators out of their hides. But that is a different story. I hope to get back to my statement so other Senators can speak on the subject. I would like to proceed to a discussion of the bill and let the Senators debate section 202(e) when it is reached. Personally I favor it, and support the committee action, as well as the House action.

Mr. GORE. Mr. President, will the Senator yield once more?

Mr. LONG of Louisiana. I yield.

Mr. GORE. I hope the Senator, who bears with grace great distinction as a Member of this body, and who is the sponsor and manager of the bill——

Mr. LONG of Louisiana. I am not the sponsor of the bill. I am speaking for the bill at the moment.

Mr. GORE. The Senator who is chairman of the committee stated earlier that he had asked the Senator from Louisiana to manage the bill on the floor of the Senate. The Senator is capable of doing so with great effectiveness. It is not lightly that lesser Senators approach "His Eminence" to ask some questions.

Mr. LONG of Louisiana. Mr. President, that fact is purely the result of accident and fortuitous events, as the Senator well knows. But the bill is before the Senate, and the Senator from Louisiana is standing here. He feels more dignified because the Senator from Tennessee is a Member of this body.

Mr. GORE. I thank the Senator.

Mr. LONG of Louisiana. I now await the Senator's question.

Mr. GORE. The Senator said a few minutes ago that the bill did not undertake to provide what the Federal Power Commission or other regulatory agencies should do.

Mr. LONG of Louisiana. No. The Senator misunderstood me. I said the bill did not prescribe what the State regulatory agencies should do. The State regulatory agencies will decide for themselves what they are going to do, as they do at present.

Mr. GORE. I did not understand the distinguished Senator to confine his remarks to State regulatory agencies.

Mr. LONG of Louisiana. I did. I said the bill does not prescribe what State regulatory agencies should do or should not do. It refers only to Federal regulatory agencies.

Mr. GORE. Then the Senator concedes, I take it, that the bill does undertake to give instructions to the Federal Power Commission to the effect that it is not the intent of the Congress that the benefits of the investment credit be taken into consideration by the Federal Power Commission or any other Federal regulatory agency in arriving at what it considers to be fair and just rates for consumers to pay?

Mr. LONG of Louisiana. That is my understanding; yes.

Mr. GORE. I do not wish to endorse such legislative intent. I think the Federal Power Commission should be empowered to consider all elements of actual cost and actual profit. It has that legal responsibility.

It is its duty to arrive at fair and just rates for consumers of gas and electricity. Yet the Senator from Louisiana has just confirmed what we have been contending—that the bill is intended to prohibit the Federal Power Commission from taking these vast benefits into consideration in arriving at fair and just rates. It is taking from consumers that to which they are entitled. That is not a legislative intent with which I wish to be associated.

Mr. LONG of Louisiana. I understand that the Senator is not in favor of House section 202(e). I was not under any misapprehension that he was, to begin with. I hope nobody was under the misapprehension that the Senator from Tennessee was supporting the provision. I clearly understand that he is not for it.

Mr. GORE. I think before the debate is over a good many consumers may decide they are not for it, either. I hope this debate will enlighten a good many of our colleagues as to this provision, because it is a provision which I wish stricken from the bill. I shall offer an amendment to strike it.

Mr. LONG of Louisiana. I understand the Senator wants it stricken from the bill. I do not agree with the Senator from Tennessee. The majority of the committee did not agree with the Senator from Tennessee, although a considerable number of members did.

He had substantial support for his position in committee. I am sure he will have substantial support for his position when the roll is called on the amendment. I have given a great deal of thought to the subject. I believe that so far as the transportation industry is concerned, it is a competitive industry, competing both so far as one carrier as against another is concerned in carrying the same products, as well as competing against another carrier carrying competing products; and I believe that on that basis they are entitled to the benefit of the tax credit. It can be argued as to what the intention was. I feel they should have the benefit of it. I also feel that if the pipelines are to be denied the benefits, the railroads should also be denied the benefits.

Anything the Senator says about what a horrible thing it would be to have the pipelines receive the benefit applies with equal force to railroads. I hope he understands that, even though he may not agree with it.

If the Senator is correct about the pipelines, would not the same logic dictate that the same results should obtain for the railroads?

Mr. GORE. Mr. President, I did not support the tax credit for them, either. However, here we have a provision which directs the Federal Power Commission to do something. We must bear in mind that the Federal Power Commission has the responsibility of regulating the rates which the consumers must pay. Electricity is not exactly a transportation industry.

Mr. LONG of Louisiana. Does not the Interstate Commerce Commission have the responsibility of regulating railroad rates?

Mr. GORE. I will come to that in a moment. The consumers of electricity and gas in the city of Washington must heat and light their homes and cook their food with gas or electricity from a monopoly supplier. They have no choice; they cannot select a competing system. I am talking about gas and electricity. The investment credit is given to the utilities, unwisely, I believe; but we would compound the wrong by the provision under discussion, which would undertake to prohibit the Federal Power Commission from even taking it into consideration in arriving at a just and fair rate which the consumers in Washington must pay to the Potomac Electric Power Co. and the Washington Gas Light Co.

Mr. LONG of Louisiana. I should like to respond to the point made by the Senator from Tennessee; and I shall not yield until I have made my response.

Why do consumers here in Washington, D.C., burn natural gas? That is not what they started to use. They burn natural gas because pipeline companies were able to bring to Washington, D.C., a better product at a cheaper price. If some people had had their way, they would have made it so difficult and the profit so small that there would have been no incentive for pipeline companies to bring their product to the Washington area. The result would have been that the consumers in Washington would still be using the filthy manufactured gas, which is manufactured from coal, possibly from coal mined in the coal fields of southern Illinois and shipped into this area, instead of being able to use clean fuel piped into the Washington area from Texas and Louisiana.

That is not the situation in New York City, where tankers unload smelly, cheap residual oil from the Near East and Venezuela. People in New York will not heat their apartment houses with natural gas until the pipelines can bring the cost down to the point where those people can heat their homes with clean, natural gas at a cheaper price than they can heat their apartments with inferior, filthy residual fuel oil.

If enough incentive is provided for the pipelines to borrow money and invest money, instead of building a 24-inch pipeline or a 32-inch pipeline, they can build a 60-inch pipeline. Little more right-of-way is needed to put down a 60-inch pipeline than is required for a 24-inch pipeline, and the labor cost is not greatly increased. The delivery could be multiplied manifold. If that could be done, clean fuel from Louisiana could be piped into the apartment houses of New York at a cheaper price than the present filthy residual oil can be brought to New York in enormous tankers that draw as much as 60 feet. Some draw so much water that they cannot even reach the harbor of New Orleans fully loaded. I wonder whether or not the gas interests, who would be providing a better fuel, would be accused of beating down consumers because the companies would be making a profit sufficient to encourage them to build that pipeline. Of course, that would upset a great many people, and undoubtedly it does upset a great many people, to think that someone could provide something at a cheaper price, even though it is a better fuel, and at the same time be able to make a profit.

Is it fair to contend that without the profit motive this country might not have grown as great as it has? The Soviet Union does not have a profit motive. I contend that if we want people to do something we ought to let them make some money, by providing an incentive for them. We should let them have the benefit of some tax savings. We should let them make some money and keep it. I believe there is something to the profit motive, even in this industry. If we permit the regulated transportation carriers—the railroads, the airlines, the bargelines, the trucking lines—to make some money and to enjoy the same investment credit advantage that the other industries enjoy, looking 20 years ahead, we shall have both a space age manufacturing industry and a space age transportation industry. If the transportation industry cannot have that advantage, and the manufacturing industry can, we shall have a space age manufacturing industry hauled around by a horse and buggy transportation industry.

Mr. DOUGLAS. Mr. President, if we can turn from this panegyric on the natural gas of Louisiana to a consideration of the issues——

Mr. LONG of Louisiana. Of course I regret that many coal miners in southern Illinois have been put out of work. But that is something that will happen when a better service is provided to the public.

Mr. DOUGLAS. I understand the feeling of the Senator for natural gas. However, is it not true that the Federal Power Commission and the Federal Communications Commission are compelled by law to fix rates which will give a fair rate of return on a fair value? No one is against the profit motive. Indeed, it is guaranteed by legislation.

Is it not true that all the regulatory acts provide that the regulatory commissions must grant rates which will provide a fair rate of return upon a fair value; and that if regulatory commissions do not do this, a utility can take them into court and obtain a ruling to the effect that the rates shall be increased? That is different from a competitive industry.

This proposal provides that in addition to the fair rate of return, in addition to the guaranteed minimum, the utilities are to get the investment credit, which they are not compelled to invest in industry, but which they can distribute to their stockholders, if they wish to, as a bonus, annually.

Mr. LONG of Louisiana. As Jesus said, "Thou sayest." That is the Senator's opinion.

Mr. DOUGLAS. No, that is not my opinion; these are the facts.

Mr. LONG of Louisiana. They are what the Senator thinks are the facts.

When we voted the tax investment credit, the distinguished chairman of the committee, the Senator from Virginia [Mr. Byrd], whom I see in front of me, did not vote for it. It was adopted without his vote. I had considerable doubt about it. I offered an amendment which was adopted which had the effect of reducing the benefit by 40 percent. But when we voted the investment credit, to a considerable degree we made equity capital a more profitable venture than it was previously. We did it for manufacturing interests and for all others. In my judgment, at the equity capital market, and also at the market of those who lend to make equity investments, we created a problem for certain regulated industries who borrow money and must seek equity capital for industry. It is contended that the concept of a fair return of profit should be modified to their advantage, inasmuch as all manufacturing industry had stepped up its expectation of profit after taxes.

If we want to put it another way, in a more mundane, practical sense, we voted an investment credit 2 years ago. I had considerable doubt about voting for it at all; but eventually I voted for it when my amendment was accepted. Frequently I will vote for a Senator's bill if he will accept my amendment. So I voted for the investment credit subject to the Long of Louisiana amendment.

Having done that, we faced the problem of what to do about regulated industries. So far as the Senator from Illinois [Mr. Douglas] and the Senator from Tennessee [Mr. Gore] are concerned, no one would have received an investment credit, to begin with, if they had had their way. Unfortunately, from some points of view, they did not have their way. But so far as regulated industries were concerned, they would have again been effectively denied an investment credit, if the two able and distinguished Senators had had their way. But they did not have their way. If they had had their way, and the regulated industries had received the benefit, they would have had to give it back anyway. But they did not have their way, at least so far as every regulatory agency except the Federal Power Commission was concerned regulated carriers enjoy at this moment the investment credit.

If they want their way, why do they not seek to make the denial of credit uniform and apply it to other carriers? That would seem to me to be simple justice; and we may all have shared their view. Otherwise, it seems to me we are discriminating unfairly. I can appreciate the argument for it. I favored the proposal. But I can also appreciate the sincerity and the extremely strong feeling about this subject on the part of the Senator from Illinois and the Senator from Tennessee. This is one of those questions that we eventually decide by calling the roll; and the majority rules. Sometimes I do not like the result. I suppose I am disappointed as often as I am pleased. I like to indulge myself in the thought that I am not always right; otherwise, I would frequently be unhappy in this Chamber.

Mr. GORE. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. GORE. Yesterday, the Senator made a statement in a private conversation, which I hope he will not mind my repeating.

Mr. LONG of Louisiana. The Senator from Tennessee ought to be careful about that sort of thing.

Mr. GORE. Please understand that some statements may have been made by both of us that might not be quotable. However, I was about to repeat a statement which I applaud. Otherwise, I would not quote the Senator's private conversation. I thought he made a good statement. He said that sometimes he felt the necessity of recognizing that he himself might be in error, in order to keep his health and good humor in this body. I feel that necessity perhaps more often than he does.

However, I have not asked the Senator to yield in order to be further contentious about the issue. We have explained our respective views. I should like to boil the problem down in simple terms as to what it means in dollars and cents. I hope I understand it correctly. Does not the investment credit provide that if a gas pipeline company makes an improvement or an extension of an existing pipeline or builds a bigger pipeline into Washington, or extends its lines into suburban areas, at a cost of $100 million, the investment credit of 7 percent will reduce the actual cost to the company to $93 million?

Mr. LONG of Louisiana. That is assuming there is a tax against which to apply it. The company would have had to earn $14 million somewhere against which to use the credit.

Mr. GORE. That is correct. Assuming that the company can take advantage of the credit, that means it would have a facility that would cost the company $93 million. But this provision would force the Federal Power Commission to fix rates for the consumers of Washington with respect to that facility as if it cost not $93 million, but $100 million. That would be cheating the consumers.

Mr. LONG of Louisiana. The intent is to stimulate investment and encourage the construction of more pipelines.

Mr. GORE. I was not questioning the intent. I am trying to boil down the proposition to dollars and cents in an actual example, and to say that this provision would have the effect of cheating the consumers of Washington, by forcing the Federal Power Commission to set rates on the basis of $100 million, when, in fact, the actual cost was $93 million.

Mr. LONG of Louisiana. So far as Washington, D.C., is concerned, I do not know of any difference that that would make, because the pipeline to this area has already been constructed. The credit would apply to a pipeline constructed hereafter. It would have the effect of requiring that the Federal Power Commission should not reduce the rate by $7 million on a future $100 million pipeline.

Mr. GORE. That means that the consumer would not get the benefit of it. We give to the utility company a rate structure based upon an expenditure that it never made.

Mr. LONG of Louisiana. The Senator from Tennessee is somewhat in error about that. He might have arrived at the correct conclusion, but he is in error in his explanation. The $100 million would have been invested, and $100 million has been spent to build a pipeline.

Mr. GORE. But the company gets $7 million back. That means that $7 million is subtracted, and we arrive at the figure of $93 million.

Mr. LONG of Louisiana. Just a moment. We are assuming that the pipeline has cost $100 million. Does the Senator understand that?

Mr. GORE. Yes.

Mr. LONG of Louisiana. Assume that in that year the company had made $28 million from something and had paid $14 million taxes on the $28 million. The investment credit would be worth $7 million against the $14 million in profits. But that did not reduce the cost of building the pipeline. The pipeline cost $100 million to build, and the rates are set on $100 million.

Mr. GORE. But the company will get a $7 million deduction from its tax bill because it built the facility. If that does not, by simple arithmetic, arrive at the conclusion I have stated, I should never have taught school in the first place.

Mr. LONG of Louisiana. The Senator understands, does he not, that this provision has nothing to do with the existing pipeline to Washington, D.C.? It might affect a future pipeline; it does not involve the existing investment.

Mr. GORE. I agree.

Mr. LONG of Louisiana. This provision involves only investments made hereafter. The argument for this proposal is that it will afford an incentive to build pipelines to areas that have no such service at present.

Mr. GORE. I understand that it applies to future expansion.

Mr. LONG of Louisiana. It would.

Mr. GORE. But when a corporation pays its taxes, and when the Federal Power Commission sets rates, the Commission looks not only at an addition or extension, not at an enlargement of supply pipelines; it looks at the total corporate profits.

Mr. LONG of Louisiana. Mr. President, let me make this point clear, so far as I am concerned. Others may take a different view; and I understand that the Senator from Tennessee [Mr. Gore] and the Senator from Illinois [Mr. Douglas] will not agree at all with the position I take on this matter. But so far as I am concerned, I am aware of the fact that in the part of the country from which I come, there is a vast surplus of natural gas, and those who own or control it would like to sell it to someone.

I am not speaking of myself; I am speaking of the situation in the general area from which I hail. Those concerned would like to have natural gas pipelines constructed, in order to enable them to sell a product which they believe to be superior to coal, for must uses—and certainly for household heating. Certainly the gas will not be sold unless it can be sold either at a lower price or at a price equal to that presently being paid for the inferior product. So, if it becomes at all possible to sell the natural gas, the public will get a better product at a lower price.

Those concerned with natural gas would like someone to build pipelines to carry the gas to the consumers; but if they are to buy it at all, they must be able to do so at a price lower than that they are now paying for coal. Otherwise, they would not buy the gas, but would continue to buy coal, unless they were convinced that natural gas was a superior commodity. So if the natural gas is to be sold at all, the consumer must benefit.

I know the Senator from Tennessee may believe that his plan would benefit the consumers more; but, on the other hand, what he proposes might prevent the building of the pipelines, too.

Mr. GORE. I do not wish the natural gas industry to be curtailed. I wish to see it expand, and I hope it will expand, for natural gas is an efficient fuel and a clean fuel. But that is not the question, at all. If I had my choice, I would take away some of the tax subsidy we now give to foreign oil producers, who now bring into this country a highly competitive fuel, and sometimes a disastrously competitive fuel. But that is not the question, either. The question is whether the Senate will write into the tax law a provision which will deny the Federal Power Commission the right to consider the benefits of an investment credit, in deciding what are fair and reasonable rates, and thereby consider the actual cost of the facility.

I think the Federal Power Commission has leaned over backward—too far, according to my lights—in deciding what rates will be fixed. I know of no contention that the utilities—which, by the very nature of utility operations, have a monopoly—are not making sufficient returns upon their investments.

I am trying to prevent a requirement that the Federal Power Commission allow them rates high enough to enable them to make a profit on something they have not spent.

Mr. LONG of Louisiana. Assuming that the Senator from Tennessee is correct—and I know he is passionate about this matter, and certainly he is eloquent—why does not he seek to obtain for those who pay for rail service, those who pay for bus service, and those who pay for barge service, the same beneficial advantages that he seeks to obtain for those who seek to benefit from the gas pipelines? Why not treat all of them alike? Why does not he offer an amendment to do the same thing for the railroads and the same thing for the bargelines? After all, they compete in the same area.

Mr. GORE. I will answer that question. I am willing to leave that to the regulatory agencies.

Mr. LONG of Louisiana. Mr. President, either it is right or it is wrong. If it is right enough to persuade the Senator from Tennessee to shake the Senate Chamber with passionate expression, it certainly should be right enough to be applied to the railroads. If it is right, it should be done; if it is wrong, it should not be done at all.

Mr. GORE. In the case of the gaslines and electric companies, I would leave that to the Federal Power Commission, which is a Federal regulatory agency. But the bill provides for the provision of this benefit, and thus undertakes to require the Federal Power Commission to give to the Washington Gas Light Co. and the Potomac Electric Power Co. a return upon a $100 million investment which actually cost only $93 million.

Mr. LONG of Louisiana. Mr. President, my greatest difference of opinion with the Senator from Tennessee does not relate to whether the companies ought or ought not have the benefit of the tax credit, but relates to the point of discrimination—the fact that a Senator is perfectly willing to countenance the most hideous type of discrimination whereby one commission would fight to the bitter end to deny the carriers it regulates the benefit of a tax advantage which certainly Congress intended either to benefit all of them or deny to all of them while permitting other regulatory agencies to do the opposite. If Congress meant all of them to keep it, they should keep it. If Congress meant all of them to pass it on, then all of them ought to pass it on. But to discriminate between them, by taking the position that the ICC might be so friendly to the railroads that it would not require them to give back the tax credit, but that the Commission regulating the pipelines would be so unfriendly to them as to require them to give back the tax credit, seems to me to be so unfair as to be downright vicious. As one who comes from a gas producing area, I point out that there are railroads there, too, but I would not prevent the pipelines and bargelines from competing with the railroads. I know Illinois is a great hub of the railroad industry; but certainly the pipelines and the bargelines are entitled to compete with the railroads; and if they do, they will force the railroads to improve efficiency.

Finally, the railroads had to face up to the featherbedding question, because otherwise they could not compete with the pipelines and the bargelines, which gave them such bitter competition. So finally the railroads got around to facing the featherbedding problem; and finally they are becoming efficient. They had to do that; it was impossible for them to ignore that problem any longer. On the other hand, so long as they did not have competitors, they could ignore it.

But the pipelines demand the right to compete with the railroads, and they will compete with them. So why does the Senator from Tennessee want the pipelines taxed, but does not want the railroads taxed?

Mr. DOUGLAS. Mr. President, in the course of his last statement, the Senator from Louisiana perpetuated a false impression—although he did so unintentionally, I am sure—which is embodied in section 202(e), which reads, in part, as follows:

> It was the intent of the Congress in providing an investment credit * * * to provide an incentive for modernization and growth of private industry (including that portion thereof which is regulated).

I recall very clearly the situation on the 28th of August and on the 4th of September. The Senator from Wisconsin [Mr. PROXMIRE] was pushing the late Senator Kerr of Oklahoma, in a very close-in, precise manner; he was saying the investment credit should not be applied to any of the utilities, because, as he correctly pointed out, the rates of return for these industries—monopolistic industries or quasi-monopolistic industries—were such that they were guaranteed a return on their investment, and therefore did not need a bonus. Senator Kerr found it very difficult to answer that question.

Then Senator Kerr brought something "out of the hat." He said "Of course the commissions would order the utilities to pass this on." He said that on the 28th of August, and also on the 4th of September. If he had not given that assurance, I think the amendment of the Senator from Wisconsin [Mr. PROXMIRE] would have been adopted. But, being lulled into trusting confidence by Senator Kerr's statement—for Senator Kerr was then in charge of the bill we acquiesced, and the Senator from Wisconsin did not press for the adoption of his amendment.

Thereafter, the bill was sent to conference. But when the conference report came to us, we found then the jaws of the trap had shut, and that this provision no longer applied; and in that measure it was stated that it was the intent that this credit should not enter into the rate base and that it should not be passed on to the consumer.

In other words, when there was a chance that it would be denied by Congress, it was said that, of course, it would be passed on; but once the act was passed, it was said that it was never intended to pass it on. I am not charging the late Senator Kerr of Oklahoma with bad faith. He is no longer here to defend himself. We were lulled into not pressing the Proxmire amendment because of the assurance that was given, which is now denied. The CONGRESSIONAL RECORD bears that out.

Mr. LONG of Louisiana. I hope the Senator from Illinois will press the Proxmire amendment or any other amendment; but so far as I am concerned, I do not propose to deceive anyone. I know that the Senator from Illinois thinks that what he is advocating is a good idea, but it seems to me it is grossly unfair for the great city of Chicago, in which resides the senior Senator from Illinois, to have the benefit of tax credit for the railroad industry which is denied to the pipeline that seeks to compete with that industry. If the railroads can get it, the pipeline should get the same treatment. So far as I am concerned, if the pipeline cannot have it, the railroads should not have it. They should be treated the same. The same law applies to both. They are both entitled to make a fair return on their investment, and they should both be taxed on the same basis.

Mr. President, I shall not yield any more. I believe the record has been made clear that we do not agree.

Mr. DOUGLAS. I believe that is correct.

Mr. LONG of Louisiana. I should like to say, contrary, perhaps, to the feeling of some Senators, that I am proud to serve on the Committee on Finance. One reason I am proud to serve on that committee is that it is big enough to allow for a difference of opinion. The Finance Committee, in my judgment, includes some of the best liberals, the best conservatives, and the best moderates of the entire Congress. I believe that the various American attitudes toward politics—all the shades of the rainbow—are represented in the Finance Committee today. That is how it should be; and the debate on the floor here today has helped to demonstrate that is the case.

Another action rejected by the committee was any reduction or change in excise taxes. I think this is a desirable decision on the part of your committee and recommend that we do not add excise tax amendments at this time.

The late President Kennedy in his tax message of January 1963 asked for a tax reduction bill limited to income tax changes. The bill as passed by the House of Representatives was so limited. Excise tax revisions were not considered by the House and the extensive hearings before your committee were also devoted to the income tax provisions of the bill.

Our excise tax system, while subordinate to our income taxes in revenue terms, is relatively lengthy and complex. Obviously, the various sellers of items subject to excise taxes would like to see the excises on their products or services reduced or repealed. But the very complexity of the excise system means that any equitable adjustments can be undertaken only after a considered and thorough review of the effect of the taxes on the various items. Such a review has not been made.

Most of us, of course, have opinions on whether certain of the excise taxes should be changed. I am sure in many cases our reasons are very good ones. We had some discussion on a limited number of the excise taxes during our work in the Finance Committee, but the time factor limited the items that really could be considered. We finally decided not to recommend any changes in excise taxes in this bill. I think it would be only fair to all the interested parties to have a chance for full hearings if and when we decide to take up excise revision.

Mr. SMATHERS. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I am glad to yield.

Mr. SMATHERS. Does the Senator understand that it was recently announced by the able chairman of the House Ways and Means Committee that very shortly, this year, and during this session of Congress, he expects to start some hearings with respect to the excise tax program?

Mr. LONG of Louisiana. Yes; I understand that. He has announced that he will start hearings on the excise tax problem, and although he did not say it, I believe his committee had previously agreed not to get into the excise tax problem on this bill, but would undertake to study it and would start hearings within a few months. I assume, therefore, that we shall have an opportunity to vote on excise taxes later on.

Mr. GORE. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. GORE. Is that hearing for the purpose of possible repeal, or is it a forerunner of a Federal sales tax?

Mr. LONG of Louisiana. I assume that the hearings have to do with a reduction or possible repeal of some of the various excise taxes, and consideration of which ones should be the first to be revised.

Mr. SMATHERS. Does the Senator remember a record having been made by the able chairman of the Ways and Means Committee that he was in favor of a Federal sales tax, or is the Senator from Louisiana in favor of a Federal sales tax?

Mr. LONG of Louisiana. No; the Senator from Florida can be assured that will not happen in this Congress.

Mr. GORE. Mr. President, will the Senator from Louisiana yield again?

Mr. LONG of Louisiana. I yield.

Mr. SMATHERS. Is the Senator from Tennessee opposed to any kind of Federal sales tax?

Mr. GORE. If the Senator from Louisiana will yield, I do not speak facetiously at all. The pending bill is a major attack upon the progressive character of the Federal income tax.

With this gigantic loss in revenue the specter of a Federal sales tax looms up; and I am not so sure that the hearings of the Ways and Means Committee will not be a forerunner of a Federal sales tax. I do not speak facetiously.

Mr. DOUGLAS. Is it not true——

Mr. LONG of Louisiana. I would really not like to wander off into that subject. I believe the history of the next 6 months will prove that this action is not a forerunner of a Federal sales tax. I certainly do not believe it is.

Mr. DOUGLAS. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. DOUGLAS. Is it not true that $500 million of retail sales taxes is already in the system, and that taxes on toilet articles, including shaving cream, face lotion, cheap jewelry, including watches and clocks, pocketbooks, luggage, including women's handbags and men's wallets, and the tax on furs now bring in about $500 million a year in revenue from retail sales taxes? Does not the Senator from Louisiana believe, if he is opposed to a Federal sales tax, that this is a good time to begin to get rid of them? Now is the time to swear off.

Mr. LONG of Louisiana. Mr. President, I should like to answer the Senator from Illinois, but I should like to get back to my prepared text. I know that if I answer him I shall become involved in further colloquy, but I should like to get on with the part of my speech which is prepared.

One of President Johnson's recommendations in his budget message of January 21 was that we extend for another year the excise tax rates which are scheduled to be reduced or repealed as of July 1. These are the so-called Korean rates—although two of the items, local telephone service and transportation of persons by air, represent additions to this list of proposed reductions at a later date than the so-called Korean taxes. The items which are proposed to be reduced under the terms of present law, and which were increased in 1951, are the taxes on alcoholic beverages, cigarettes, passenger automobiles, and automobile parts and accessories. We have extended the tax rates on these items beyond the original reduction date every year since 1954. Reduction or repeal of other excise taxes at this time would be inconsistent with the President's budget request. If excise tax changes are to be made, it seems just as reasonable that we should consider whether the so-called Korean taxes are entitled to relief action.

In view of the fact that there has been no overall and systematic review of the excise taxes, I do not know what standards might be used against which to measure any reductions or repeals that might be proposed at this time. The committee considered suggestions for repeal or revision of the taxes on admissions to the legitimate theater, musical instruments, fountain pens and mechanical pencils, and the four retail excises on furs, jewelry, luggage, and toilet preparations. These taxes are only a small part in numbers and money terms of the excise system. Those interested in these particular taxes have naturally argued for tax relief in such cases. But I am quite sure—as a matter of fact I know—that many of those affected by other excise taxes refrained from advancing their case for excise tax relief because they realized that H.R. 8363 had been limited to income tax matters when it passed the House of Representatives.

If most persons had not refrained from advancing their cases at this time, there could well have been discussion of other excises beyond those actually considered by your committee.

Since we have not had the benefit of the considered arguments of all those interested plus the development of basic guidelines and standards against which we might evaluate the individual excise taxes, it seems to me that we really have no place to start or stop in deciding on excise changes. As I said, the committee considered the question of repealing the admissions tax on admissions to the legitimate theater. If this were to be done, I ask whether we could seriously consider retaining the tax on admissions to movies. Another item brought to the attention of the committee was the tax on fountain pens and mechanical pencils. These obviously are used for business purposes and by children in their school work.

But other items subject to tax also have a place in earning one's living. One of the most obvious, of course, is the automobile. Repeal of the retail excise taxes on jewelry, furs, luggage, and toilet preparations seems to be of special interest to some Senators at this time. Since these taxes are at the retail level, the consumer is much more aware of them than the taxes at the manufacturing level which tend to be hidden from the consumer. If we really had time to consider the manufacturers' excises, it might very well be that we might conclude that some were equally meritorious candidates for change as the retail excise. But until such time as we actually review the whole excise field, I do not see that we have any firm reason for changing any or all of them.

Those, then, are some actions which the bill deliberately avoids.

I should like to consider for a moment the general provisions of this bill—the general areas and ways in which the bill takes positive action. I would like to do so in two parts. First, I should like to consider who gets what. In other words, what benefits go to what people. When fully effective, the bill will reduce income taxes by $11.7 billion annually. Of this amount, $9.3 billion will go to individuals and $2.4 billion to corporations.

The rate reductions alone also amount to $11.7 billion annually. Above and beyond the rate reductions, however, the bill contains a number of provisions which reduce taxes still further. These additional tax reducing measures total about $800 million. They are balanced off, however, by a group of other measures which increase tax revenues by $800 million. Thus, the net effect of the tax cut is exactly the same as the amount which results from the rate reductions alone—$11.7 billion.

In hopes of avoiding confusion, I would like to point out that $11.7 billion is the revenue impact of the bill when it is fully effective—in other words, over the long run. In the committee report Senators will find that there is a very minor difference between this figure and the effect of the bill in 1965. The 1965 effect is somewhat less—$11.6 million—because some of the measures will have a changing revenue effect over time.

Mr. President, there has been some criticism from different quarters on the distributions and benefits under the bill. There have been some who call it a rich man's tax bill. There have been some who said that on the contrary the tax cut did not do enough to reduce high rates in the upper brackets. Still others have complained that the tax cut did not give enough to the middle-income taxpayers. Some felt individuals should get more of the cut; others felt that the bill did not provide enough for corporations.

When Senators consider the facts, it becomes quite clear that this is a very fairly balanced tax bill indeed. When Senators consider the cut in the corporate tax rate provided in this bill and combine that with $2½ billion in tax reduction American business received from the investment credit and the depreciation liberalization in 1962, they will find business will receive about $1 out of every $3 of the overall tax reduction provided for in all three measures and, when we compare the 1962 and 1964 tax cuts, we will find that overall business and individual taxes were reduced by the same proportion—19 percent.

Furthermore, this bill is reasonable in the way it distributes its benefits among different income groups. The taxpayers at the bottom, for instance, earning $3,000 or less, would average a tax cut of more than 38 percent—almost three times as much a cut in percentage terms as would go to top-bracket taxpayers, who earn $50,000 and up.

In connection with that we have heard a great deal lately about the tax treatment accorded millionaires and how liberal it is. I happen to be entirely in agreement with the critics. I see no reason why millionaires should be able to escape taxation as effectively as many of them do. It is interesting to note that in 1961 there were 446 returns which paid the 91-percent top marginal rate and 1,483 returns which paid the 89-percent marginal rate. Maybe we ought to put a provision in the bill somewhere providing a special section to create equity among millionaires. Incidentally, 67 taxpayers that year were eligible for the 87-percent limitation on effective tax rate. There, I would think, in those 67 names, would be a gold mine for a tax expert. Those are the people who deserve better treatment—not the tax avoiders.

Unquestionably, there are benefits to upper income taxpayers in our tax system. But they were there before this bill. They are not something which this bill is putting into the law. The charges that this is a rich man's tax bill have been made on a variety of grounds and it would take far too long to unravel now all the various facets and knots of confusion in which these charges have become entangled.

Those, however, who have suggested that the individual tax reductions favor the upper income groups forget that, by the very nature of our steeply progressive tax rate structure, any across-the-board rate reductions must inevitably mean greater increases in after-tax incomes in middle and upper brackets. To achieve equal percentage increases in after-tax income would require maintenance of a top rate of 90 or 91 percent and total abandonment of any thought of across-the-board reductions in our current excessively high rates. But this would be to abandon one of the chief objectives of the bill—a decisive shift away from the high marginal rates that inhibit incentives and serve as source or excuse for many of the distortions in our tax structure.

Beyond that, Mr. President, I would like to know what kind of a rich man's tax bill it is that would give three times the percentage tax cut of those in the bottom income group as it would to those in the top?

This bill would completely free a million and a half taxpayers at the very bottom of the income tax scale from paying any tax at all.

For families with total personal income of $3,000 or less and for individuals with personal income of $1,500 or less this bill would provide, on the average, tax relief in excess of 60 percent of their present taxes.

What about reforms? Well, how about them? How about the reforms in the 1962 bill? I do not have to tell Senators about all the problems involved in changing the taxation of mutual savings banks and savings and loans associations, mutual fire and casualty companies, cooperatives, expense accounts, business gifts, depreciable personal property, reporting on interest and dividends, foreign tax havens, foreign investment companies and foreign trusts, income taxation of Americans living abroad, and the estate tax exemption for foreign real estate. Those changes included in the Revenue Act of 1962 involved $855 million in revenue-raising reforms. The present bill involves about $800 million in addition to that—in elimination of the dividend credit, in limitations in such areas as personal deductions, sick pay, casualty losses, group term life insurance, stock options, personal holding companies, multiple corporations, and the first tax move to reduce tax benefits to the oil and gas industry that has been made in some time.

Put all those revisions together and they amount to over $1.5 billion in tax reform. That is nearly three times the total for all the Revenue Acts since 1940 put together, and it is ten times the total of the period from 1953 to 1960.

And I have not even mentioned the tax reforms that lose revenue instead of gaining them. Think for a moment about the minimum standard deduction, which will benefit 13.4 million low-income families. In addition to that, there is the liberalization of the charitable deduction, the medical expense deduction, the child-care allowance, moving expenses, and the first proposal in an area where I think Senators will all agree action is long overdue—income averaging.

At this point it might be useful, Mr. President, to compare, briefly, some of the major differences between the Finance Committee bill and the measure approved by the House.

The principal change—other than in capital gains—was in the withholding tax rate. The present 18-percent rate would be reduced to 14 percent, effective 7 days after enactment of the bill. The House had approved a reduction in the withholding rate to 15 percent this year and 14 percent next year. The committee acted in order to eliminate the overwithholding and compensate for the postponed economic stimulus that would have otherwise resulted from the 18-percent rate being in effect in 1964, pending final enactment of the bill.

In group term life insurance, the committee raised the House limit of $30,000 to $70,000 on employee exclusions for premiums paid by the employer. The Federal revenue gain from this change will be less than $2.5 million compared to the $5 million gain under the House provision.

The House bill denied deductions for taxes paid to States and localities on purchase of gasoline, auto licenses, alcoholic beverages, and so on. The committee reinstated the deductions for payments of State gasoline and automobile license taxes. This action reduces the revenue gains from these changes to $190 million instead of $520 million in the House measure.

In the case of child-care expense deductions, the committee extended the House provisions, raising the maximum deduction allowable where there are three or more children to $1,000 and the income limitation for married women from $4,500 to $7,000. The revenue loss from these changes is $20 million compared to $5 million in the House version.

In the section devoted to moving expense deductions, the committee added a provision to treat the reimbursement as sale proceeds rather than income, where existing employees are reimbursed for certain costs and losses in connection with the sale of their home, occasioned by a move. This change will add $45 million to the revenue loss stemming from the House provisions.

In eliminating entirely the House provisions for changes in capital gains taxation, the committee erased a $40 million revenue loss to the Treasury in 1965 and a much greater loss of $260 million in the long run.

The committee added a provision to the bill providing for deductions for political contributions, up to $50 for an individual taxpayer and $100 for a married couple filing jointly. This addition will mean a revenue loss of $25 million.

Finally, in another section not covered in the House bill, the committee added a provision for use of the installment method of accounting for additional types of sales of personal property and for time payment charges under revolving credit plans. The revenue loss from this section will be $140 million in the year of transition, but only $10 million a year thereafter.

Mr. President, this bill is, in the opinion of many responsible people, a matter of great urgency. I share that opinion.

This bill, however, is no rush job. It is, as I pointed out at the beginning of my remarks, the product of one of the most careful, detailed, and lengthy deliberations ever accorded a major piece of legislation. It had its roots back in 1955, when a subcommittee on tax policy of the Joint Economic Committee conducted a first, searching examination of "Federal Tax Policy for Economic Growth and Stability." Then in 1959, the House Ways and Means Committee held an exhaustive and voluminous investigation into revision of our Federal income tax structure.

Those efforts—begun here in the legislative branch of our Government—began to bear fruit when, in 1961, a new administration decided that our national economic condition called for new directions in fiscal policy, and recommended the first concrete proposals for action. The first step came with the Revenue Act of 1962. The second step now awaits our action.

As a specific piece of legislation, this bill contains more than 200 separate changes in our tax law. Each of these was carefully considered, weighed, and debated. Many more proposals were carefully considered, weighed, debated—and rejected.

There is, therefore, no danger of haste, for this bill is the product of nearly a decade of overall tax study and more than a year of specific deliberation. A year ago this bill was urgent. Now it is crucial. And now the danger is delay.

Let me summarize the situation as I see it: The purpose of this tax bill is not to satisfy everyone, for that is manifestly impossible—nor even to overhaul completely our tax structure, although the tax bill has significant reforms. The one overriding purpose of this tax bill is to achieve greater and more durable economic growth. And the one overriding task of this body is to agree upon a measure that will most effectively give us that growth.

We will inevitably differ on particular provisions. But we cannot pay so much attention to the particulars of the bill that we lose sight of its overall purpose or of its immediate and urgent need.

The legislation before us is not exactly what the administration wants. It is not exactly what I want. It is not exactly what any of us individually wants. It does represent, however, a careful balancing of different interests in an effort to arrive at a real and fruitful compromise which will best serve, not the isolated interest of anyone, but the common interest of all the people of this Nation. As such, it already rests upon the broadest base of support among the business, financial, labor, educational, and political sectors of our society of any legislative proposal in many years.

From the time this matter was first taken up by the House last year an impressive number of endorsements of the bill and its general principles have been heard from people in all walks of life. I believe it would be fitting to include here a partial listing of some of the diverse groups that have endorsed this legislation. Among them are:

The Business Committee for Tax Reduction, a temporary nonpartisan body organized last spring which brought together over 2,800 of the Nation's leading businessmen and bankers;

The Citizens Committee for Tax Reduction and Revision, comprising 45 national leaders of labor, small business, agriculture, housing, education, and welfare groups;

A group of over 400 leading academic economists at 43 major colleges and universities;

The United States Chamber of Commerce;

The AFL–CIO.

Beyond these there have been endorsements from the National Small Business Association; National Federation of Independent Business; National Association of Small Business Investment Companies; National Association of Home Builders; National Association of Real Estate Boards; National League of Insured Savings Associations; American Life Convention, Life Insurance Conference, Life Insurance Association of America; National Association of Retail Grocers; U.S. Wholesale Grocers Association, Inc.; Associated Retail Bakers of America; National Food Brokers Association; National Machine Tool Builders Association.

Also the National Coal Association; American Retail Federation; American Textile Manufacturers Institute; Electronics Industries Association; Investment Bankers Association of America; Financial Executives Institute; National Farmers Union; Americans for Democratic Action; Council of State Chambers of Commerce and Industry; Illinois State Chamber of Commerce; American Federation of Musicians, AFL–CIO; Government Employees Council, AFL–CIO; International Union of Electrical, Radio and Machine Workers.

The list also includes two Presidents, the House of Representatives, and more than 40 State Governors.

This, Mr. President, I submit is an impressive roster. Seldom if ever in our peacetime history has there been such widespread agreement on a major piece of legislation. And the measure before us is surely the most important economic legislation in the last 15 years.

Mr. President, there are indeed very few people throughout this land who oppose tax reduction in and of itself. For as the tax reduction program began slowly to take shape, and the discussion progressed, and the months moved on, there was scarcely one opposing voice that did not endorse the idea of tax reduction—the urgent need for tax reduction—indeed, scarcely one opposing voice that did not draw attention to its own long enlistment in the very first ranks of those for whom tax reduction has been for decades a matter of urgent national need. It was not tax reduction anyone opposed—it was this provision, or that loophole, or that reform, or the cuts for business, or the cuts for consumers, and so on.

One by one, Mr. President, as the months passed, these objections became weaker and more tempered as the urgency, the importance, and the magnitude of tax reduction itself became more and more apparent. One by one these objections faded and disappeared until only one fairly widespread doubt remained—not a forbidding doubt, but a seriously troubling and persistent doubt—a doubt in the minds of many about the wisdom of tax reduction in a year of deficit preceded by years of deficits and likely to be followed by at least a few more.

As it became clear that the administration was, indeed, committed to a course of expenditure control, eminent and responsible citizens—while they did not in the least relinquish their deep and abiding concern over our budgetary position—became convinced that expenditure control was well enough in the works, and that tax reduction was now becoming so urgent, that now there was not only no serious obstacle in the way but every compelling reason in favor of giving tax reduction their energetic and wholehearted support.

All that, Mr. President, was before the new budget not only changed the situation, but transformed it. For the first time in years, we have a budget which calls for a reduction in both expenditures and new obligational authority from the levels of the previous year. We are all familiar enough with the figures—I will not reiterate them here. What is of great import here is the remarkable accomplishment in frugality and prudence that the new budget represents. An accomplishment that led the executive vice president of the American Bankers Association—a group convinced that tax reduction should come only if strict expenditure control comes with it—to say of President Johnson's action on the budget:

> He has done much to remove the major stumbling block in the way of the income tax cut. Prospects for early enactment of the pending bill are much improved.

An accomplishment that led Mr. Stuart Saunders to say to the President:

> It seems to us that in light of your demonstrated determination to make a successful attack against unnecessary spending and to cut the Federal deficit, it would be most difficult to oppose enactment of H.R. 8363 on grounds of fiscal irresponsibility. On the contrary, prudent economics now demands more than ever the immediate enactment of this legislation as a necessary stimulant to the private sector of the economy.

In short, Mr. President, the new budget clears the way for those who desire to lighten the heavy tax load upon our private economy in a fiscally responsible manner.

And fiscal responsibility is increasingly important. It is not fiscal responsibility to follow a budget such as President Johnson's, and a tax program such as that before you now, with amendments which would add three-quarters of a billion dollars or a billion and a third dollars more for educational tax credits or $400 million or $500 million more for repeal of certain excise taxes, or any other such budget-busting amendments, no matter how worthy their intention or effect.

Such amendments would ultimately defeat their own object, by requiring either that the present rate schedules in the bill be taken completely apart on the floor, or that the careful fiscal program of tax reduction and expenditure control go up in smoke.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. DOUGLAS. That is not the alternative. It is possible to find certain notorious loopholes in the tax system which can be closed, and thus get the money for some of these reductions. The Senator from Louisiana himself proposed and had adopted an amendment last year to the investment credit provision, which had the effect of reducing the amount of the credit from approximately $1.9 billion to $1.2 billion. This year, we are eliminating the Long amendment. The restoration of the Long amendment would save $700 million. It would provide ample funds to offset the reduction that would come about from a repeal of the excise taxes.

I know that the Senator from Louisiana is a good soldier, but it is painful to hear him disavow his own child. If we restore the Long amendment, by striking out the repealer, we shall have money enough with which to reduce the excise taxes.

The most notorious and striking abuse is the depletion allowance. The extractive industries receive $3.5 billion a year in depletion allowance, of which $2.5 billion goes to the oil and gas industry. A very simple tightening amendment, which I have proposed for years and which I intend to propose again, would save $400 million there. There is money if we will use it.

However, my friend from Louisiana and his fellow spokesmen for the bill, every time we propose to reduce taxes to help the lower income groups, say, "You cannot break the budget." When we propose to make good the expenditures thus incurred by closing some of the most notorious loopholes, they say, "You cannot disturb sleeping dogs."

The sources exist, if we will but use them. It is not necessary to undertake a thoroughgoing revision. It is quite simple. We should put some fingers in the dike, and in that way help reduce some of the wastage.

Mr. LONG of Louisiana. The Senator from Illinois knows that I voted to approve a number of so-called loophole closing amendments which were offered in committee. I did not vote with the Senator from Illinois on the depletion issue. I do not agree with the Senator on that issue. We shall discuss that question later.

Mr. DOUGLAS. The Senator means the Long amendment, does he?

Mr. LONG of Louisiana. I am talking about the depletion allowance.

Mr. DOUGLAS. The Senator still stands by the Long amendment, does he not?

Mr. LONG of Louisiana. Let me respond to the Senator. I will try to cover the whole waterfront, if he will permit me to do so.

Mr. DOUGLAS. Let us talk about the Long amendment first.

Mr. LONG of Louisiana. I will get to that. I will debate the depletion allowance issue with the distinguished Senator from Illinois when he offers his amendment. Personally, I believe that the 27½ percent depletion allowance is perhaps a little too small, and that this industry should have a larger depletion allowance in view of the great risks involved in exploring in areas where oil is not presently known to exist.

Mr. DOUGLAS. I have always known the Senator from Louisiana to be a man of great forwardness, but I have never known him to propose that we should increase the depletion allowance. He has become bold with his successes.

Mr. LONG of Louisiana. I do not propose to offer an amendment to increase the depletion allowance, but will support the committee's position, even though the committee voted additional taxes on the oil industry, which I, representing a State which perhaps produces more oil and gas, for a State of its size, than any other State in the Union, would be compelled to vote against. However, that was the committee vote. I will endeavor to support the position of the committee on the floor.

Insofar as there is an additional tax of approximately $50 million provided so far as the oil industry is concerned, I will support the position that the Senator from Illinois and other Senators took in committee, insofar as it prevailed.

I have voted consistently in committee to strike from this bill the amendment which would strike the Long amendment. However, I am speaking for the committee now. I will support the committee's position, even though that was my amendment 2 years ago, and I fought for it in conference.

Mr. DOUGLAS. In other words, the Senator has become an organization man.

Mr. LONG of Louisiana. I am a spokesman for the bill. I will defend some parts of it, and support the committee's judgment on all other parts. That is the very position, I understand, that the Treasury Department has taken. Certain proposed modifications were turned down both in the House and in the Senate, even the Treasury experts believe we were right in turning it down. I am not going into them now, but some time in personal conference I will explain to the Senator situations with respect to which the Treasury, on further consideration, was convinced that we were right.

That is not always the case. I appreciate the argument for the repeal of the Long amendment, that it requires two sets of bookkeeping and waters down the tax credit incentive. I will support the committee's position, although I expect that the debate on that issue will be carried by Senators who were active in committee to retain it and by those who spoke in committee in favor of striking it.

With regard to the Senator's contention that we ought to recoup this additional amount of revenue, I can only say that we have to judge our tax structure from the base on which it stands today. I myself believe there is a serious question whether the right to tax interest on State and municipal bonds would be denied by the Supreme Court of the United States, if that question were tried before that body. I have strong doubts whether the Court would uphold it. As the Senator from Illinois knows, there are those in the Treasury who feel that if they were given a chance to try a case involving that question, they would win it, and prove that the Government has the right to tax such securities. They cannot get the case before the Court. I believe the Senator from Illinois feels that while the question deserves consideration, it is a lost cause, because there is no hope of persuading Congress to tax State and municipal bonds.

The Senator from Illinois offered an amendment, which I supported, to tighten the tax advantages for charitable contributions. That proposal made some headway, but not much.

I do not believe we can judge what we ought to do from now on by assessing what someone thinks should happen, but as to which we do not have the votes to prevail in the Senate.

If it is believed that there should be a balanced tax bill; and if it is thought that additional revenue can be raised, amendments should be offered. Let us see if they can be agreed to. If they can be, and if then it is desired to distribute the savings somewhere, let additional amendments be offered to provide how the additional tax savings shall be distributed.

But I believe we would be somewhat irresponsible if we voted additional billions of dollars of tax revenues unless we actually included some recoupment provisions in the bill.

So far as I am concerned, I expect to support the committee positions, both with regard to amendments which the committee rejected and amendments which the committee accepted.

As the Senator from Illinois knows, the bill contains many amendments suggested by him, amendments which tighten some of the loopholes. I have one in particular in mind. It would remove one glaring loophole from the tax laws, one which involves gifts of future interest. It is one of the glaring loopholes that would be eliminated.

Mr. DOUGLAS. To use a big word, it is a minuscule loophole. The big loopholes still exist, virtually no effort having been made to close them.

Mr. LONG of Louisiana. The Senator from Illinois is much too modest. I anticipated his generous modesty when I mentioned that he had closed a glaring loophole. It is a practice that should have been stopped a long time ago.

It could involve large amounts of money in the case of certain people who could take advantage of it. On that subject I would like to point out that there is now no apparent danger of inflation in the fiscal policy of which this bill is a part. There is now no danger of inflation despite the fact that calendar 1964 will see a greater stimulus on the economy than any other year in peacetime history.

Certainly there is still widespread unused plant capacity, and there is still an unemployment rate of about 5.5 percent of our labor force, but these are not the only reasons. One of the major reasons is that it will take a year or more, possibly two, for the full effect of the addition to consumer spending from the tax cut to reverberate throughout our economy—for the money to be spent and respent until it has its final effect on total output. And, perhaps most important of all, that impact will peak at the very time when the economy will be feeling the constrictive impact of President Johnson's expenditure cuts.

Far from carrying a threat of inflation, the bill is urgently needed if we are to keep our economy from falling even further behind its potential. Let me explain just what I mean.

The bill is urgent because when we move out of the month of March this current recovery will become the second longest peacetime recovery in this century. Only in the long slow haul out of the brutal depression of the 1930's has our economy maintained a peacetime expansion for longer than 37 months. We will enter our 38th month on April 1. After that we will, in a very real sense, be living on borrowed time—unless the tax bill is already at work within our economy.

The bill is urgent because, since the beginning of this year, delay has become extremely costly in terms of lost purchasing power. Reducing the withholding rate on salaries from the present 18 percent to 14 percent as President Johnson recommended would release $800 million a month into the spending stream. But a tax refund next year cannot be spent this year. To postpone this increased purchasing power at the steady inexorable rate of $200 million a week is to deny to our economy, at perhaps the most critical time in 3 years, a stimulus which could be vital and even crucial in averting a possible recession—and which is absolutely essential to raising our level and our rate of economic growth.

It has occurred to me, and perhaps to others, that if the veterans' bonus, which was long delayed, had been paid in 1929, the country might very well have avoided the terrible and cruel depression that commenced in that year. But the failure of any economic stimulus at that point and an economic policy of restriction of the budget, to try to balance the budget at a time when the Nation was falling into a terrible depression, actually tended to hasten the deepening of the depression, rather than to get the country out of it.

With that urgency in mind—and it must be foremost in our minds throughout this debate—let me briefly review some of the objections that might be raised against this bill or against tax reduction.

Some people object that the tax bill will not move the economy ahead. Only events can prove beyond any question that it will. The overwhelming consensus, however, of the many witnesses I listened to before the Committee on Finance was that it will. The 400 economists who came out in favor of the tax cut felt that it will. The 2,800 business and financial leaders who belong to the Business Committee for Tax Reduction feel that it will. The U.S. Chamber of Commerce believes that it will. When all of these persons join hands in the conviction that tax reduction of the magnitude proposed will move our economy significantly ahead, then events, and only events, can prove them wrong, and the odds are more than 100 to 1 that events will prove them more than right.

Some people have objected that the tax bill is not fiscally responsible. But that was before President Johnson reduced budget expenditure goals for fiscal 1965 so as to slash the national deficit more than in half. I cannot see how anyone can expect him, at this time, to go any further than he already has in this direction, when already he has cut the budget far more than anyone hoped or expected.

Some people object to cutting taxes when we need more schools, more roads, and many other public services, and favor increased Federal spending as a more productive route to prosperity. In this connection, I would merely point out that, despite the severe expenditure hold-down, the net fiscal stimulus to the economy in 1964 from the budget and the proposed tax cut will be greater than in any other peacetime year in the history of our Nation. Does anyone seriously contemplate proposing an increase in Federal spending of this magnitude as an alternative to tax reduction?

Some people object that the bill should be devoted entirely to individual taxpayers and should not have any incentives for investment by corporate taxpayers at all. One way to do this, of course, would be to simply increase the personal exemption. While such a proposal offers a virtue of simplicity, it has the disadvantage that for every $100 increase in the personal exemption, the man in the bottom bracket would receive only $14, while the man in the top bracket would receive $70.

Furthermore, ignoring the need for increasing investment incentives overlooks a vital part of our economy. Those who would eliminate the corporate rate reduction or cut it in half in order to provide more benefits at the lower end of the individual income tax scale have a tendency to underrate the importance of American business in providing the jobs we need so much in the years ahead. Our economy depends upon supply as well as on demand. If we stimulate both investment and consumer demand, we can expect a larger economic return for each dollar of tax revenue we give up than if we devoted the tax cut entirely to either consumer demand or investment. It is the interaction of consumption and investment that provides the greatest stimulus for an expanding economy and if we skip one side in order to give more to the other, we might well end up with less overall benefit to the economy—and in the long run, it is that overall economic benefit that will pay greater dividends to the individual taxpayers than the immediate benefit he will get in lower taxes.

Some people object to the tax cut on the grounds that it will not solve the unemployment problem. They are right, it will not. What it will do, according to the best estimates available, is to provide an extra 2 or 3 million new jobs a year over and above what the economy would do without it. That is not going to wipe out unemployment. That is not going to solve the problem of automation, and that is not going to put depressed areas back on their feet. What the tax cut will do is bring our economy up to the point—and unemployment down to the point—where we will be in a much better position to tackle these problems.

The final objection I would like to consider is that the tax bill will not do anything to alleviate the burdens of those in the lower income groups. That statement is not true. Those 10 million taxpayers with incomes of $3,000 or less now pay $1½ billion in taxes, and the legislation we are considering would slice well over a half a billion dollars from that amount and leave them with a total tax bill of less than $900 million. That means a tax cut of more than 38 percent, by far the largest any income group would receive, not to mention the million and a half people in the low-income groups who would be taken off the tax rolls entirely by the minimum standard deduction.

It can be argued that there are a great many poor people in the United

States who do not pay taxes. That does not mean, however, that they do not benefit from the tax bill. The tax bill, through its effect on the economy, could help the jobless to find jobs. It could provide an expanding economy, a higher level of State and Federal revenues so that it would be easier to finance necessary social services. The tax cut certainly would not solve the problem of poverty in America. It can, however, help to put us in a position where we can wage a far more effective war on poverty than we could with an economy merely limping along—or an economy in the depths of recession.

That, in brief, is the case for the tax bill—for this tax bill now. If anyone can prove to me or even convince me that debating changes, amendments, additions, alternatives, or whatnot can be done without risk to the overall welfare of the United States economy and the American people, I will be happy to stand here and debate and delay as long as necessary.

But I do not know exactly what our economy is going to look like tomorrow, or next week, and neither does anyone else. I do, however, know what it looked like 3 years ago, when unemployment soared to 7 percent. I know also that the economy will look worse in the months ahead without tax reduction than with it—and perhaps far worse. I know that, if a downturn should occur of the same magnitude of the last one, unemployment will be even higher than last time and our hopes for reaching rapid solutions to our pressing economic problems will be cast into limbo. I know that, while they have not used the word, nearly every authoritative survey among business economists over recent months has produced figures which clearly forecast recession levels by the end of this year if we do not have a tax cut. I know that such surveys have also forecast continued greater and healthier growth throughout this year—even reaching boom proportions—if we do have a tax cut.

I am mindful also of the remark not long ago by Dr. Raymond J. Saulnier, former chairman of President Eisenhower's Council of Economic Advisers—a man who differs sharply with many of the fiscal and economic policies of the past 3 years. Dr. Saulnier said—and I quote:

> As things stand now, the prospect of tax reduction has been so thoroughly built into expectations and plans and to some extent also into the financial commitments of individuals that it would be seriously deflationary to call it off.

I am convinced that not only must we refuse to call it off, but we must also refuse to put it off.

The tax bill before this body is a good, sound and balanced bill that will do its job of promoting more rapid and lasting economic growth. I am confident that we in the Senate will do our job of debating this bill—cogently and thoroughly, but without delay.

The bill before us also represents a good start toward greater equity in our tax structure. If it is not all that all of us would like, that is because the urgency of tax reduction already deferred for over a year must override our desire for a more thoroughgoing revision of our tax structure. It is a clear question of priorities—of which is more important, further efforts at structural change or greater and more durable economic growth with all that means to jobs, to investment, to incentives, to our budget, to our balance of payments that will flow from a substantial top-to-bottom reduction of individual and corporate income tax rates. It was not the issue of tax reduction—but the desire for tax reform—that was chiefly responsible for some 7 months of deliberation in the House Ways and Means Committee.

We should pass it because it represents sound, balanced, and carefully considered legislation. We should pass it for the sake of Americans, young and old, working or unemployed—in short, for the sake of our Nation, to provide for it the economic strength and potential to meet the hard tasks which the future surely holds.

Mr. President, in closing, I ask unanimous consent to have printed in the RECORD a summary of the principal points of the bill to which I have addressed myself.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

I. SUMMARY

This bill, H.R. 8363, the Revenue Act of 1964, provides $11.6 billion of tax reduction scheduled over a 2-year period, the bulk of the relief, however, becoming effective a week after enactment. The bill will cut back on excessive tax rates which unnecessarily restrain individual and business incentives, will provide the increased consumer and business purchasing power to assure continued expansion, and will improve the equity of the tax system.

(a) Revenue. The bill when fully effective in 1965 will reduce tax liabilities of individuals by $9.2 billion and of corporations by $2.3 billion. At constant income levels the bill would reduce receipts by $1.9 billion in fiscal year 1964 and $8.4 billion in fiscal year 1965 (including the $1.9 billion reduction from 1964). Taking into account the effect of this reduction in increasing private expenditures and income, the net effect on revenues is expected by the Treasury Department to be a reduction of $1.7 billion in fiscal year 1964 and $4.3 billion in fiscal year 1965.

(b) Rate reduction.

1. Individual. As in the House bill, individual rates are reduced from the present range of 20 to 91 percent to a new range of 16 to 77 percent in 1964 and to 14 to 70 percent in 1965. The bill provides that the withholding rate, presently 18 percent, will be reduced to 14 percent effective 8 days after enactment.

2. Corporate rate. As in the House bill, the tax rate for corporations in 1964 is reduced from 52 to 50 percent and is further reduced in 1965 to 48 percent. In addition, the rate applicable to the first $25,000 of corporate income beginning in 1964 is reduced from 30 percent to 22 percent. Furthermore, corporations are placed on a full pay-as-you-go basis so that ultimately all of their tax liability above $100,000 is to be payable in the year in which it is earned. This is achieved over a 7-year period so that it will not increase corporate cash outlays for tax payments in any year of the transitional period.

(c) Structural changes. In addition to rate changes the bill provides a number of provisions designed to increase the equity of the present tax law. Some of these increase and others decrease the revenue. The major items are:

1. Minimum standard deduction. The bill provides that each taxpayer may have a minimum standard deduction of $3,000 plus $100 for each additional exemption. This relieves from tax all single individuals with incomes up to $900, and all married couples with incomes up to $1,600. (Each minimum level is raised by $700 for each dependent.)

2. Dividend credit and exclusion. The 4-percent dividend received credit is reduced by the bill to 2 percent for 1964, and repealed for subsequent years. The $50 dividend exclusion is increased to $100 for 1964 and subsequent years. In practical effect, this increase is from $100 to $200 for married couples.

3. Retirement income credit. The bill provides the rate used in computing the retirement income credit is reduced from 20 to 15 percent (corresponding to the change in the bottom brackets). It also raises the limit on retirement income from $1,524 to $2,286 where a joint return is filed and both spouses are over 65 years of age.

4. Investment credit. In the case of the investment credit, the bill (a) repeals the provision requiring a 7-percent downward adjustment in the basis of property eligible for depreciation to the extent that the investment credit applies; (b) prevents regulatory commissions in certain cases from requiring the flow through of the benefits of the investment credit to the customers of regulated industries; and (c) makes other revisions in the investment credit.

5. Group term insurance. The bill limits the employee exclusion for premiums on group term insurance furnished through the employer to premiums paid for the first $70,000 of coverage.

6. Sick pay exclusion. The bill restricts the sick pay exclusion, of up to $100 a week, only to those who are absent from work for more than 30 days (and makes the exclusion available only for the period beyond that time).

7. Sale of residence by aged taxpayer. The bill provides an exclusion from the tax base for the gain on up to $20,000 of the sales price of a personal residence in the case of an individual aged 65 or over.

8. Deduction of certain State and local taxes. The bill denies a deduction in computing income subject to Federal tax for State and local taxes other than property, income, general sales taxes, gasoline, and auto license (the principal taxes for which a deduction is denied are alcoholic beverage, cigarette, and selective excise taxes).

9. Casualty loss deduction. The deduction for personal casualty and theft losses is limited to the amount in excess of $100 per loss (similar to $100 deductible insurance).

10. Charitable contribution deduction. Several changes are made in the charitable contribution deduction: (a) the 30-percent maximum deduction is made available generally for contributions to organizations other than private foundations; (b) the 2-year carryover of charitable contributions for corporations is extended to 5 years; (c) a 5-year carryover is provided for individuals with respect to contributions to organizations other than private foundations; (d) the unlimited charitable deduction is restricted to contributions to organizations other than private foundations; and (e) charitable contributions deductions for future interests in tangible personal property are denied until the gifts are completed.

11. Foreign expropriation losses. The bill permits a taxpayer which has sustained a foreign expropriation loss after 1958 to carry over that portion of a net operating loss arising from the foreign expropriation loss for 10 years without any carryback, provided at least 50 percent of the net operating loss arises from the foreign expropriation loss.

12. Medical expense deduction. The 1-percent limitation, or floor, on medicines and

drugs which must be taken into account in determining deductible medical expenses is made inapplicable where the taxpayer and his wife are over 65 and with respect to these expenses for independent parents over 65.

13. Child-care expense deduction. The child-care deduction is revised: (a) to make it available in the case of a wife who is incapacitated; (b) to make it available with respect to care for children up to age 13 (instead of 12); (c) the maximum deduction allowable where there are two or more children is increased from $600 to $900, and to $1,000 where there are three or more children; and (d) the present limit on the family income in the case of a working wife is raised from $4,500 to $7,000.

14. Moving expense deduction. A deduction for certain moving expenses—transportation of the household goods and the persons involved, and also their meals and lodging while in transit—is allowed for employees who are not reimbursed for these expenses and also for new employees. (An exclusion for these items is already available in the case of old employees who are reimbursed). Old employees who are reimbursed for certain costs and losses in connection with the sale of their old home, occasioned by a move, are permitted to treat the reimbursement as sale proceeds rather than income.

15. Political contribution deduction. The bill allows individuals a deduction, limited to $50 a year ($100 on a joint return) for contributions to any political candidate or political committee to further the candidacy of individuals.

16. Intercorporate dividend deduction for certain affiliated groups. The bill provides that certain affiliated groups, eligible to file a consolidated return, but not choosing to do so, may take, under certain conditions, a 100-percent deduction for intercorporate dividends received from other members of the group provided they take a single surtax exemption.

17. Face amount certificate companies. The bill provides that a "face amount certificate company" shall not be subject to disallowance of a deduction on interest paid with respect to face amount certificates under section 265(2) of the code (relating to interest on indebtedness on tax-exempt income) to the extent that tax-exempt obligations do not constitute more than 25 percent of total investments.

18. Bank loan insurance. An interest deduction is denied for amounts borrowed under a systematic plan to pay premiums on life insurance (certain exceptions are provided).

19. Corporate reorganizations. The bill provides tax-free status to a stock-for-stock reorganization, where the corporation acquiring the stock exchanges either its voting stock or the voting stock of a corporation which is in control of the acquiring corporation.

20. Travel expense deduction. The bill repeals the rule, adopted in 1962, which disallows a portion of travel expenses for certain business trips which are combined with a vacation.

21. Pension plans. The bill permits retroactive qualification for certain pension plans under multiemployer collective-bargaining agreements. It also permits a U.S. corporation to extend coverage under its qualified pension, profit-sharing, etc., plan to certain U.S. citizen and resident employees of subsidiaries operating outside of the United States.

22. Stock options. The present tax treatment of employee stock options is further restricted, the principal additional restrictions being that (a) the stock when acquired must be held for 3 years or more; (b) the option must not be for a period of more than 5 years; (c) the option price must at least equal the market price of the stock when issued; (d) stockholders' approval for the options must be obtained; and (e) the extent to which new options may be exercised when the old options are outstanding is restricted. Separate tax treatment is provided for employee stock purchase plans which are available to all employees on a nondiscriminatory basis under rules which are substantially the same as under present law.

23. Installment method. The bill provides for use of the installment method of accounting for additional types of sales of personal property and for time payment charges under revolving credit plans.

24. Deduction of contested liabilities. The bill would allow a deduction for the taxable year in which a taxpayer pays a tax or other liability, even though he contests the liability.

25. Interest on certain deferred payments. Where property is sold on an installment basis and either no, or very low, interest is charged on the installments, the bill provides that an appropriate amount of each installment is to be treated as if it were an interest payment.

26. Personal holding companies. The percentage of passive income which may result in a company being classified as a personal holding company is reduced from 80 to 60 percent and amendments are made so that the tax cannot be avoided by using rental or oil or gas or mineral royalties (or working interests) to shelter substantial amounts of investment income, such as dividends, and interest, from the personal holding company tax. Other restrictive amendments are also made. Relief is provided for those companies which are not now personal holding companies, but which would be under the new definitions. They are permitted favorable liquidation treatment in certain cases and also permitted a deduction, in computing the personal holding company income, for paying off existing debts.

27. Aggregation of oil and gas properties. For the future, oil and gas leases or acquisitions are no longer to be aggregated in determining what constitutes a property for purposes of computing the percentage depletion deduction.

28. Iron ore royalties. The bill provides capital gains treatment for certain domestic iron ore royalty payments.

29. Life insurance companies. The bill makes three changes with respect to the income tax of life insurance companies: (1) the bill removes the requirement of present law that life insurance companies, and mutual insurance companies electing to be taxed on investment income only, shall ratably accrue discount on purchased bonds as ordinary income; (2) the bill extends to 1962 the period for deductibility of payments under certain mutualization plans adopted prior to 1958; and (3) the bill assures a deduction to mutual insurance companies for their contribution to qualified employee pension and profit-sharing plans.

30. Regulated investment companies. The bill amends the regulated investment company provisions (1) by increasing from 30 to 45 days after the close of the taxable year for giving certain notices to shareholders, and (2) by not applying the disallowance of deduction for a preferential dividend to a unit investment trust.

31. Foreign tax credit on mineral operations. The bill provides that any excess foreign tax credit which arises from mineral extraction, because of the percentage depletion allowance under U.S. law, may not be used to offset U.S. tax on income from activities not related to extraction, processing, transportation, or marketing of minerals.

32. Sale of depreciable real estate. In the case of real estate sold in the future, any depreciation deductions, generally to the extent these deductions exceed depreciation allowable under the straight line method (to the extent of the gain), will be treated by the bill as giving rise to ordinary income. However, in the case of property held more than 20 months the amount treated as ordinary income will be reduced by 1 percent for each month of holding over 20, with the result that no amount will be treated as ordinary income in the case of real property held more than 10 years.

33. Averaging of income. The bill in effect provides for the averaging of income over a 5-year period where the income in the current year exceeds the average of the 4 prior years by more than one-third and this excess equals at least $3,000.

34. Subchapter S corporations. The bill amends the provisions for subchapter S corporations to provide: (1) that certain distributions of money made after the close of a taxable year shall be treated as made at the close of the year in order to prevent double inclusion of income; and (2) the fact that the corporation owns a subsidiary corporation will not prevent subchapter S qualification if the subsidiary is inactive.

35. Repeal of consolidated returns tax. The 2-percent penalty tax, which must presently be paid by corporations for the privilege of filing consolidated returns, is repealed.

36. Multiple surtax exemption. For corporations where there is common control to the extent of 80 percent or more, the corporations involved generally are limited to one $25,000 surtax exemption for the group or alternatively required to pay a special tax of 6 percent on the first $25,000 of their income. No penalty tax is imposed where a consolidated return is filed for the group.

37. Tax lien on automobiles. A purchaser, mortgagee, or pledgee of a motor vehicle will not be subject to a Federal tax lien against the motor vehicle, notice of which has been publicly filed, unless the purchaser, mortgagee, or pledgee had actual notice of the existence of the lien.

Mr. PROXMIRE. Mr. President, the Senator from Louisiana has delivered an excellent speech on the pending bill. Obviously he thoroughly understands this tax bill. He has made about as strong a case in favor of its enactment as I think can be made.

But I am very strongly opposed to the bill. Its basic theory is that it is now necessary to reduce Federal revenues, in order to stimulate the economy.

Yesterday we had a very interesting hearing before the Joint Economic Committee. Two of the most eminent economists in the United States appeared there. The committee asked them to appear there; and they were the only eminent economists—other than the top economic policymakers of our Government—who were selected to appear. These economists insisted that the enactment of a tax-reduction bill is necessary to stimulate the economy.

The distinguished Senator from Illinois [Mr. DOUGLAS]—who is in favor of the enactment of this tax-reduction bill, but disagrees, as I do, with many of the provisions of this bill—asked these economists if it might be more stimulating to the economy to increase Federal spending instead of reducing taxes, they said, "Yes, indeed, in the first place spending would be more stimulative according to them because the multiplier could be increased by one additional unit; and, in the second place additional Federal Government spending in education and research activities would promote growth more fully than private spending.

They also agreed that if we reduced taxes, the Government would come closer to balancing the budget in 1967 or 1968 than it would if we did not reduce taxes. But, Mr. President, if we reduced taxes and increased spending, the Federal Government would take in less money and at the same time would spend more money. How such a program would result in balancing the budget is a complete mystery to me and, I suspect, to almost everyone else.

So, Mr. President, what kind of a topsy-turvy world are these economists trying to drive us into? Their argument is that there are two ways to balance the budget: One, to decrease the revenue; two—and the second and better way, they say—is to increase spending. I submit that such a program would really turn the world upside down. I had always thought the way to balance the budget and reduce the debt was to increase the taxes—thus increasing the revenue—and reduce the spending. But those economists told us precisely the opposite. They say black is really white. Silence is noise. No is yes. How can you or I buy this in all commonsense?

It just does not make sense, Mr. President, to advocate that we should reduce the revenues in order to achieve a balanced budget more quickly. And yet this is the argument being made for the tax cut. Some will argue that we are going to have a larger national debt. They concede that the deficit will be larger if we reduce taxes; but they favor a tax cut, anyway, because they think it is necessary to cut taxes, in order to stimulate the economy.

Mr. President, certainly there is no question that there are some times when we should have a tax cut; but should we have a tax cut now? On the basis of the best economic advice he could get, the President has—within the past few days—sent an economic report to Congress. That economic report states that we are now engaged in by far the greatest, most widely shared expansion of our economy in the history of this Nation. Among other things, the President pointed out that in the last 2¾ years we have had a $100 billion increase in the gross national product.

Nothing like this has ever before been experienced by any nation. Expressed in percentage terms, it is a tremendous expansion. These are really boom times.

It is also pointed out that on the average, the individual has enjoyed a vast increase in per capita income. At the present time, a family of four earns an average income of $10,000, which is phenomenal national affluence.

There are pockets of poverty and there is unemployment; but I believe in the course of this debate the distinguished Senator from Tennessee and I will be able to point out that there are better ways and far more effective ways to eliminate unemployment.

As the Senator from Tennessee has pointed out, the bill itself would inhibit the unemployment programs aimed at diminishing unemployment.

Mr. President, the Senator in charge of the bill, the Senator from Louisiana [Mr. LONG], has talked about the economists arguing that we need the tax cut to stimulate the economy.

Fortune magazine, which has some of the finest economists in the country on its staff, published a report 2 days ago with an analysis, in which it said there is no question that, whether there is a tax cut or not, 1964 will be one of the best years we have ever enjoyed—a period of expansion and economic prosperity.

In spite of the fact that we anticipate this expansion, in fiscal 1965, we shall have a planned, unbalanced budget. I am sure that an unbalanced budget or a huge national debt will not mean the end of this great country, but I say that if we are ever going to reduce the debt, we should reduce it during our period of greatest peacetime prosperity. If we are not going to have a balanced budget this year, when will we ever have one?

Mr. President, in conclusion, I should like to refer briefly to two other issues. One is the argument that the tax bill——

Mr. GORE. Mr. President, will the Senator from Wisconsin yield at that point?

Mr. PROXMIRE. I am happy to yield.

Mr. GORE. The distinguished junior Senator from Louisiana [Mr. LONG] referred to a proposed amendment as a "budget busting" amendment. This is a "budget busting" bill. Could not the budget be balanced this year without passage of the bill?

Mr. PROXMIRE. There is no question in my mind that that is true. Absolutely. After all, the calculations are subtle. Economists have all kinds of notions on how much feedback there is from a tax cut, but with an $11.7 billion tax reduction, and with a resultant deficit predicted to be $4.9 billion, it is obvious that if we do not get the $11.7 billion tax cut we shall very likely balance the budget and have a reasonable surplus.

Mr. GORE. So Senators who vote for the bill will be voting for an unbalanced budget at the highest peak of prosperity this Nation has ever known.

Mr. PROXMIRE. The Senator from Tennessee is absolutely correct.

Mr. GORE. Under those circumstances, I cannot quite join the distinguished Senator from Wisconsin in writing off the distinguished senior Senator from Illinois. I believe, before this debate is finished, that he will be voting against the bill.

Mr. PROXMIRE. I hope the Senator from Illinois will vote against the bill. He is not only a truly great economist, but he is also a man with an open mind, a man who is not dogmatic, a man who is willing to be persuaded. The Senator from Illinois is a far more able and competent man in this field than I could ever hope to be. With my poor powers of persuasion and limited knowledge, I would not expect to be able to persuade him, but I think it is possible as he studies the bill that he will realize it would serve the public interest better to vote against the bill.

Mr. GORE. Mr. President, will the Senator from Wisconsin yield further?

Mr. PROXMIRE. I am happy to yield.

Mr. GORE. The distinguished senior Senator from Wisconsin [Mr. PROXMIRE] referred to the topsy-turvy world of economics. Is it not a fact that the movement for this bill was principally generated a year and half or more ago by an inept economic forecast on the part of Dr. Heller, and others with an equal record of miscalculation, that there would be a recession in 1963 and 1964; and is it not also a fact that the bill was advocated as insurance against a recession in 1964?

Mr. PROXMIRE. The Senator from Tennessee is absolutely correct. I can recall very well when it was said that we should not have a tax cut until it is obviously necessary, because we are in a recession. The words that were used, as I remember them, were that we should not fire our tax-cut ammunition until we can see the whites of the recession's eyes.

Mr. DOUGLAS. Those were my words.

Mr. GORE. But we are in 1964 already. The Senator has referred to the President's economic report. Can the Senator find any place in that report a description of a recessionary condition?

Mr. PROXMIRE. Absolutely no. The report completely denies that. It not only states that we are enjoying all-time boom conditions, but points out that the economy is absolutely sound and is moving toward even better conditions in the future.

Mr. GORE. Yet, in 1964, we still have a tax bill to insure against a recession in 1964. How topsy-turvy can we become?

Mr. PROXMIRE. I believe the point of the Senator from Tennessee is excellent, and should be underlined, because there is no question that economic policy depends above all on timing. Surely, there is a time for a tax cut, as the Senator from Tennessee has often said. There is a time when the Government must increase expenditures in a period of depression, and so forth. But this is not the time deliberately and consciously to unbalance the budget unless we follow the philosophy that we should consistently plan a deeper and deeper deficit and a bigger and bigger national debt always and forever.

I point out an important element in the economic argument. The real force behind the argument of the tax cut is not purely fiscal. If it were fiscal, I believe we would all agree that the fiscal responsibility is to achieve a budget balance, that fiscally we have a tax system that has as its only excuse to raise enough money to meet Government expenses.

But if we argue on the basis of the effect of our taxation policy on the national economy, the question is entirely different, and here is the single, sole reason for the tax cut. Now we should not use the administrative budget, or the cash budget, to determine economic efforts. But we should use the national income accounts budget—which is what the economists always and properly use when they want to show the impact of all Government spending in the economy, including that from trust accounts.

Now does this budget show a reduction in expenditures? No. It shows a substantial increase in expenditures between 1964, the present current fiscal year, and 1965, the year for which we are now budgeting. It shows an increase from $119.1 billion to $121.5 billion. It was stated by the Senator from Louisiana, as I understand, that expenditures by the budget were calculated to prevent inflation. I submit that if we look at the full economic impact of the budget, the one which economists recognize as the most pertinent and appropriate, we find that there will be an expansion of more than $2.5 billion in overall Government spending in the coming fiscal year plus, of course, the $11.7 billion tax cut.

Mr. President, this would be a highly expansive budget any time. But under present boom circumstances it is even more heavily stimulative.

From the standpoint of equity the bill is bad. First, there is no provision for increased exemptions. As pointed out by Senator GORE, in 1940 every person had a $1,000 exemption. During the war that amount was lowered to $600. In spite of the fact that the cost of living has greatly increased, that exemption has never been increased from $600.

I have talked with many thousands of people in my State who have brought up the issue. The one most burdensome and unfair aspect of the present tax law about which they always complain—and rightly—is that a parent cannot possibly care for a child on $600 a year. The $600 a year provision is inequitable and inadequate.

I understand that the Senator from Tennessee will offer an amendment to do something about that provision, and I intend to support the amendment.

Mr. GORE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Tennessee.

Mr. GORE. I shall not only afford the Senate an opportunity to restore to a married couple the same personal exemption that was permitted in 1940 when the cost of living was less than half what it is now, but also, in case the Senate should not wish to increase the personal exemption for a taxpayer and each of his dependents to $1,000, I shall afford the Senate a choice to raise the amount from $600 to $900.

If the Senate should decide that $900 is too great an allowance to permit the parent of a child, then I shall afford Senators an opportunity to raise the amount to $800. If in the unfortunate event the Senate should think that $800 is an unrealistic allowance for the rearing and the education of a child, I shall afford Senators an opportunity to raise the amount to $700.

Mr. PROXMIRE. Senators should be grateful to the Senator from Tennessee for offering them that excellent opportunity.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. DOUGLAS. Somewhere along that route I intend to get on board the "Gore train," too.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. LONG of Louisiana. This afternoon I voted on a change of the Senate rules. I was hoping that some member of the Committee on Rules and Administration would bring about the installation of a voting machine in the Senate, because I am satisfied that the Senator would get some votes. He will make a very appealing case for his amendment. But one of these days we ought to vote the bill up or down. It has always seemed to me that if a voting machine could be installed in the Senate, the Senate could move to act on amendments rapidly.

In the committee we adopted about 40 important amendments. While I see very few amendments in the Senate now, I imagine the Senate will be no less prolific than the members of our committee, and, as the days go by, we shall see many amendments on the desk. Undoubtedly there will be a great number of them to vote upon. Many will contain real food for thought.

I believe I have made my position clear. In the committee we have worked out the measure as best we can. I expect to support the bill. There is no doubt that there are some appealing and tempting amendments, such as the one which the Senator from Tennessee has suggested.

Mr. GORE. I am glad that my distinguished friend has found it appealing and tempting. Somewhere along the line I hope that we may have him aboard, because really I know of no provision in the tax law that is more unrealistic than the allowance of $600 as an exemption for a dependent. I know. I have had a child at college. I have one now in high school. But one of my neighbors has six children in school.

What does the Senator from Wisconsin think the average expenditure of a parent is for a child in school for a year?

Mr. PROXMIRE. The Senator from Wisconsin could not give a precise answer to the question. But I submit that if the Senator would go to the welfare authorities in Washington, D.C., and ask them how much they pay a foster parent to take care of a child of school age—and, of course, those payments are minimum and are computed very carefully; they are computed on the basis of the minimum amount upon which people can subsist and still live—the Senator would find that the amount would greatly exceed $600 a year.

Mr. GORE. In speaking of the minimum, I understand that the theory by which Congress has permitted a minimum exemption of income is to permit a taxpayer or a family unit to have a subsistence level of income before the Federal Government levies a tax upon that income. If $2,000 was a subsistence level of income for a man and wife in 1940, what would be a subsistence level of income in 1964?

Mr. PROXMIRE. There is no question that it would be twice as high, if only because the cost of living is twice as high. Multiply the amount by 2.

Mr. GORE. The cost of living is more than twice as high by a considerable amount. For that reason I say that the exemption provision is a very unrealistic provision in the tax law. The proposal would provide an added benefit. If the purpose of the bill is to stimulate the economy, it seems to me we ought to ask ourselves what part of the economy is in need of stimulation. Where are the shortages for which we need added production? Can the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Louisiana [Mr. LONG], the Senator from Illinois [Mr. DOUGLAS], the Senator from Oregon [Mr. MORSE], or the Senator from New Hampshire [Mr. MCINTYRE], or any other Senator, cite a single item that is in short supply? The truth is that if one has either the money or the credit, he can buy anything from a bulldozer to a button to his heart's content.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. LONG of Louisiana. I can cite something that is in short supply.

Mr. PROXMIRE. I yield to the Senator for that purpose.

Mr. LONG of Louisiana. Jobs. We need about 5 million more jobs than we have now—good ones.

Mr. PROXMIRE. I will reply to the Senator—and I am sure that the Senator from Tennessee wishes to do so also—and point out that there is no question that jobs are in short supply. But what kind of jobs are in short supply?

Mr. LONG of Louisiana. Good ones.

Mr. PROXMIRE. Jobs for the people who have little skill and the people who have no skill. There is a shortage of workers for the skilled jobs. What the bill tends to do is to put pressure in the bottleneck areas of our economy. It will not provide many more jobs for unskilled workers; but for the skilled, trained. What we need to do is to provide training for people who do not have necessary skills on a far greater basis than we have heretofore provided, although we have done pretty well in the past year or so.

Mr. GORE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. GORE. What the unemployed man needs is not a tax cut, but a job.

Mr. PROXMIRE. Yes.

Mr. GORE. The Senator from Louisiana poses a dilemma indeed to a man without a job. He says, "We are going to give you a tax cut." He does not pay any taxes in the first place. He wants to become a taxpayer.

Mr. PROXMIRE. The Senator could not be more correct. The one group certain to be left completely out of the benefits of any tax cut is the unemployed. As a man said to me in Milwaukee a week or two ago, "What good is a tax cut going to do me? After all, if I had a paycheck from which the tax could be withheld, it would do me good; but I do not have a paycheck."

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. LONG of Louisiana. As the Senator knows, we hope by this bill to provide a stimulus to consumer spending by reason of people having more money in their pockets, which would create a demand for products. We hope to provide additional incentives for industry and business to expand, construct new plants, provide new production. Industry is counting on an increased market for its products at the same time.

The Senator talks about there being plenty of jobs for highly skilled labor. I make the point that even in the worst of depressions, jobs are available to the best qualified, highly trained and skilled man who is less than 50 years of age. But invariably when there are not enough jobs to go around, the one without a job is the one with poor education, who has not had much of a chance in life, who may not have received much training, who may be a little slothful in his ways. But if the economy is rolling full speed, when there is a demand for all the labor that can be found—as we have seen in wartime—those people become qualified by on-the-job training and various other measures.

Mr. PROXMIRE. Before I reply to the Senator from Louisiana, let me say that the Senator from Oregon [Mr. MORSE] has waited very patiently. I told him I was going to take only 10 minutes for my speech. I have already taken a half hour. I shall not yield further, but shall complete my remarks and then yield the floor, because the Senator from Oregon has an appointment to keep.

I know the Senator from Louisiana has made a good point. It is the only legitimate argument that can be made for a tax cut. But the real answer is to provide this kind of training and mobility, and far greater opportunities, rather than to try for an overall gross increase in demand—which we have tried before and which did not work. In the past few years this country has had the biggest economic expansion we have ever seen, and there are still a great number of persons unemployed. Does this indicate that the remedy should be more of the same?

The bill is inequitable because it makes no provision for the elimination of the most regressive aspect of the whole tax structure—the excise taxes. We still have them. They are sales taxes, and the people have to pay for them whether or not they have an income on which to pay a tax.

It is inequitable because any reduction is bound to leave out a great many persons who need relief the most. Eighty percent of the people over 65 have no income tax liability. They will be excluded from the benefits of a tax cut. A majority of farmers have no Federal income tax liability, because their incomes are too low. These people most need relief, but they will be left out of the tax cut.

The Senator from Tennessee pointed out the fact that the unemployed will be left out of the tax cut.

Let me say in conclusion that I know, as the Senator from Louisiana has implied, that this is a popular bill. The Gallup poll shows that an overwhelming majority of the American people now support it. The American Bankers Association, the chambers of commerce, the AFL–CIO, the NAM, the—all the big pressure organizations—are behind the bill. But if a U.S. Senator has any duty, it is the duty to make up his own mind based on what he thinks is right, and to stick to it.

That is why I am going to join a small group of Senators in opposition to the most popular thing, a public official can do: cut taxes. I will do so because a tax cut now is unsound, inflationary, unjustified although immensely popular.

THE AMERICAN FOREIGN AID PROGRAM

Mr. MORSE. Mr. President, the futility of much of the theory, as well as the practice, of American foreign aid is again being demonstrated in the Mediterranean. Here there is occurring a repetition of the same fallacy that has cost the United States hundreds of millions of dollars in wasted foreign aid that has to be protected by American military forces.

Few nations in the world have received as much financial support from this country as have the nations of Greece and Turkey. They were the first of the recipients of large-scale U.S. aid. It was under the Truman Doctrine of 1947 that we first began pouring money into them, when Great Britain was no longer able to bear the burden of maintaining the interests of the West in that part of the world.

Since 1947, the United States has sent $3½ billion in economic and military aid to Greece, and over $4 billion to Turkey. In the single year of 1963, the figures were $129 million for Greece and $317 million for Turkey.

Much of this has been military aid, because both nations are members of the North Atlantic Treaty Organization and do not have the economic resources to maintain large military establishments of their own.

Hence, the large standing armies of both countries are completely equipped by the United States. We have done this with the idea that both armies would be available to NATO in case of a conflict with Russia.

But today, the conflict in the Mediterranean is between Greece and Turkey. It involves the island of Cyprus, which is inhabited by people of Greek and Turkish origin. The conflict which has smoldered between the two ethnic groups since the island became independent from Britain, has broken now into open violence.

As Senators know, British troops have tried to maintain order on Cyprus. But Britain objects to bearing alone the expense of this peacekeeping operation. She thinks all members of NATO have an equal interest in it and should join her.

There is much to be said for that point of view. But it is the same point of view that Britain herself has rejected when it came to helping supply Greece and Turkey with military aid on the basis of their NATO membership.

Not only Britain, but many of our NATO allies, have walked out on us so far as concerns fulfilling their NATO obligations with respect to supporting Greece and Turkey. But it does not take Britain very long to seek to get help from Uncle Sam, even though she is not fulfilling the responsibility of her obligations under NATO.

I have said before, and repeat today, that Britain is not keeping her own obligations in the maintenance of the manpower to which she is committed in respect to the NATO line. We have more American boys—and I shall continue to refresh memories about it—than Great Britain, France, and Canada combined have there.

Walter Lippmann points out, in his column of this morning, that Britain does not have a draft. Nor does France; nor does Canada. It would be impolitic for the British leaders to ask for a draft. But it is all right for the United States to have one.

Apparently it is all right for our NATO allies to impose a draft on American boys, and then, when trouble comes, to call upon us to send those boys into Cyprus and other trouble spots of the world. The time has come for Great Britain to start supplying her share of the military manpower to protect freedom, if she is to be considered an ally.

I am not falling for the appeal that we send American boys to Cyprus, until we obtain some commitments from Great Britain. Once the facts about these situations get through to the American people, Members of Congress had better watch out. The American people will take it out on them at the polls. It is about time they started taking it out on Members of Congress who have been letting them down on vote after vote in Congress in respect to the foreign policy of the United States.

I intend to raise my voice continually and give the facts on the Senate floor, no matter how unpopular it may make me here or elsewhere.

I do not intend to support the continued milking of the U.S. Treasury by our allies. When Great Britain enters into some understandings with us in regard to her assuming her share of the responsibility for protecting freedom around the world, I will look with some interest upon her request for sending American troops to Cyprus. I ask Great Britain again, as I have so many times, "Why are you not in South Vietnam if you think freedom ought to be protected there? Why only a token gesture?"

Why is there only a token gesture by our NATO allies in so many places in the world where the spots are hot and the U.S. forces are upholding the cause of freedom?

I say to the politicians at both ends of Pennsylvania that we cannot continue to deploy American forces in so many parts of the world at such great cost to the American taxpayers, without the American taxpayers catching up with them.

Before the United States becomes involved in any way in the Cyprus affair, we should make it clear that we do not intend to continue bearing alone the burden of financial aid to the poorer NATO members.

We should get commitments out of other NATO members, including Britain, to help finance Greece and Turkey before we go in to help Britain in what she sees as a NATO issue. We need a radical departure from the American policy which has undertaken all these obligations unilaterally, at the expense of the American taxpayers.

The sad truth is, however, that whenever we send foreign aid to protect American interests, we wind up by sending American forces to protect our interests. Thus, we pay twice to protect those interests. In this case, the mobilizations of Greek and Turkish forces against each other over the Cyprus issue will undoubtedly be paid for out of American military and economic aid payments. The irony will be compounded even further if we send our own boys to keep the peace in Cyprus.

What a paradox. What an irony. We send millions of dollars in military aid to Greece and Turkey, and they use such military aid to get into a conflict between themselves. Then our alleged allies—and I underline the word "alleged"—in NATO start asking us to send American boys over there to keep apart the two forces which we have fully equipped to carry on their military operations.

If that makes commonsense, we ought to strike the word "sense" from the phrase. There is no sense in it, common or otherwise.

I believe this to be such a ridiculous posture for us to be in that I have sent the following letter to the Secretary of Defense:

> Dear Mr. Secretary: It is my understanding from information brought out in foreign aid hearings that virtually all military aid that goes to Greece and Turkey comes from the United States. It is also my understanding that our aid furnishes most of the equipment for these two armies.
>
> I would appreciate knowing from you whether the above assumptions are correct and, if so, what steps are being taken to assure that none of the U.S.-furnished equipment is used in the current mobilizations over the Cyprus issue. I would also like to know what steps are being taken to assure that the cost of these military preparation by Greece and Turkey is not borne by American taxpayers through the military aid and economic aid programs for these countries.
>
> Sincerely yours,
>
> Wayne Morse.

It will be remembered that in the early days of the Algerian dispute, there was some discussion as to whether or not De Gaulle was using equipment that was being supplied to him under the NATO arrangement for France's nationalistic policies in Algeria. The consensus seemed to be that if he was doing that, it was wrong. I shared that opinion.

The world will not consider our hands to be very clean if we supply Greece and Turkey the very military equipment they need to use to mobilize their forces in Cyprus to threaten the peace of that part of the world. We had better start working toward some arrangement. I am perfectly willing to say to Greece and Turkey that if that is what they are doing, they had better get ready to go it alone. They would not last very long, so far as their military power is concerned, if they had to go it alone. Their military power rests upon the military power of the United States and the supplies which the United States provides them.

Therefore, I say we are implicated in this matter. We have some responsibilities in this matter. I am perfectly willing to have my country assume its responsibility, but I want my country to assume its responsibility as a part of a NATO plan. When Her Majesty's government makes an appeal for us to send troops over there, we should not automatically reply to the British by sending troops over there. Let Great Britain get busy and bring about a NATO conference, to decide what policies the NATO countries will follow in respect to Greece and Turkey. I respectfully suggest that American policy ought to be made perfectly clear to Greece and Turkey—that we are ceasing all American assistance if the response we get from those two countries is the carrying on of warlike activities in Cyprus which can very well threaten the peace of that area and, by threatening the peace of that area, threaten the peace of the world.

There is obviously need for much more far-reaching consideration of these problems in Congress. We need further statutory provisions that will protect the American taxpayers against the folly of arming foreign nations against each other. No administration of either party has been willing or able to face up to these issues. Yet I am satisfied that American foreign aid as spent in Greece and Turkey is a useless waste. It must be the subject of further amendment in the next foreign aid bill.

I find many so-called pro-foreign-aiders in Oregon very much upset because I have questioned the dogma of foreign aid. But I want to say to these advocates of foreign aid that they had better analyze the dogmas of foreign aid. I am for good foreign aid, but I am not for using our foreign aid to create such a situation as has developed in Cyprus and then expect the United States to send American boys to Cyprus to die there because Greece and Turkey are making use of American military equipment to carry on a conflict against each other. The time has come to halt that kind of business, and that is why I am going to continue to insist on a thorough analysis of our foreign aid, its effects, and what we can do to improve it.

The time has come for us to try to improve foreign aid by making perfectly clear to nations like Greece and Turkey that if they follow a course of action that threatens the peace, they will get no further assistance from the United States.

Mr. President, I ask unanimous consent that the article entitled "Peacekeeping in Cyprus," written by Walter Lippmann, and published in this morning's Washington Post, be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

PEACEKEEPING IN CYPRUS

(By Walter Lippmann)

Cyprus is an island off the coast of Turkey which was ceded to Great Britain by the Turks in 1878 and made independent on August 16, 1960. A sizable majority of the inhabitants are, however, Greeks, and the crucial problem of Cyprus is how the Turkish minority is to live in peace with the Greek majority. The two communities don't want to live with each other. The Greek Cypriots want union with Greece. The Turkish Cypriots want partition. Britain would like to find a way for the two communities to coexist and cooperate.

It would have been a marvel if the accords reached in 1959 had worked. For coexistence under one government requires a high degree of political maturity based on long habit under an accepted authority. Cyprus is not politically mature, as is Switzerland with its four ethnic communities and Belgium with its two communities. The unity of separate communities has not been possible in Ireland, in Palestine, and in India, and it has now been shown that it is not workable in Cyprus.

The problem which Britain has placed before us is what to do about the breakdown of the 1960 experiment. That it has broken down is shown by the fact that the British Government is asking the United States and other NATO countries for military help in keeping order in Cyprus. For there is immediate danger of a civil war among the Cypriots in which Turkey would intervene to protect the Turkish community and Greece would intervene to resist the Turkish intervention.

The alternatives to civil war are for Britain to police the whole island, an operation which would take, I am told, from 10,000 to 20,000 troops, or for the United States to join with other allied countries to police the island. The first alternative, an enlarged British intervention, is certain to be impossible for the Home government in London. For it does not dare to introduce conscription with an election just ahead, and without conscription the British do not have the forces to meet all their commitments from Germany to east Africa to the Middle East to Singapore and Borneo.

Although Britain is liquidating the empire, it is a long way from being able to disengage itself from the many responsibilities of empire. There is no use pretending that countries which conscript their troops relish being called upon to make up the military deficit which Britain is running.

Nevertheless, unattractive as is the prospect of American involvement, there is no doubt that massacres, civil war, and war between Turkey and Greece must be prevented. Our reservations do not arise from the risk of being involved in another indecisive guerrilla war as in Vietnam. If there is to be allied intervention, it can be massive enough to police the island and protect both the communities. Since Cyprus is an island this should be feasible.

The real problem is to decide who is to decide how Cyprus is to be governed in the future. In my opinion, the military risk of participation in a peacekeeping operation is not a very great risk. What the United States has to worry about are the moral and political risks of a new responsibility for which we are unprepared and in which we have only secondary national interest.

For this reason, we should be very careful not to let the political responsibility for Cyprus become ours alone. We should insist that that responsibility be distributed and shared at least among the NATO countries.

I say this because no global issue is involved which would call for the intervention of the United Nations. We should need the approval both of Greece and of Turkey and then of France, West Germany, and Italy.

MODIFICATION OF ORDER FOR ADJOURNMENT UNTIL TOMORROW

Mr. LONG of Louisiana. Mr. President, under the previous unanimous-consent agreement, it was understood that the Senate would adjourn until 10 o'clock tomorrow morning. However, I understand that it is proposed to modify that order.

Mr. SMATHERS. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it adjourn until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. SMATHERS. Mr. President, in accordance with the order previously entered, I move that the Senate adjourn until 11 o'clock a.m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 51 minutes p.m.) the Senate adjourned, in accordance with the order of January 28, as modified, until tomorrow, Friday, January 31, 1964, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate January 30, 1964:

U.S. COAST GUARD

The following-named persons to be rear admirals in the U.S. Coast Guard:

Capt. William W. Childress, USCG.
Capt. Chester R. Bender, USCG.
Capt. Paul E. Trimble, USCG.

The following-named persons to be captains in the U.S. Coast Guard:

Stanley H. Rice
Roderick L. Harris
Opie L. Dawson
Harold T. Hendrickson
Robert J. Clark
Clinton E. McAuliffe
Hugh F. Lusk
James D. Luse
George C. Fleming
William C. Morrill
John M. Waters, Jr.
Richard W. Young
Charles Dorian
Roger H. Banner
James W. Moreau
Robert P. Cunningham
Edward D. Scheiderer
Leroy A. Cheney
Frederick A. Goettel
Albert A. Heckman
Lewis W. Tibbits, Jr.
Donald H. Luzius
Urial H. Leach, Jr.
Ernest H. Burt, Jr.
Francis X. Riley
Bainbridge B. Leland
Jerry K. Rea
Richard L. Fuller
Billy R. Ryan
George H. Lawrence
Robert E. Emerson
Sherman K. Frick
Marcus H. McGarity
John E. Day
Fletcher W. Brown, Jr.
Francis D. Heyward
Edward F. Cotter
Claude W. Bailey
George W. Walker

The following persons to be commanders in the U.S. Coast Guard:

Sam Pisicchio
Robert D. Parkhurst
Otto F. Unsinn
Verne D. Finks
William L. Aitkenhead
Charles F. Baker
James P. Stewart
James H. Swint
Shirl J. Stephany
Leslie D. High
Stephen Varanko
G. H. Patrick Bursley
William F. Tighe, Jr.
Roy K. Angell
William J. Kirkley
Edward E. Chambers
Robert W. Johnson
Charles S. Marple
Wilfred F. Raes
Albert H. Clough
Randolph Ross, Jr.
Robert W. Smith
David E. Perkins
Robertson P. Dinsmore
Alfred J. Tatman
Malcom E. Clark
Charles M. Mayes
Dan Rayacich
David P. Bates, Jr.
Rudolph E. Lenczyk
William L. Faulkenberry
Donald C. Davis
John H. Bruce
James H. MacDonald
Donald R. Vaughn
Thomas W. Powers
Archibald B. How
Herbert H. Sharpe, Jr.
Michael B. Lemly
Glenn M. Loboudger
John E. Murray
Vincent A. Bogucki
Robert A. Lee
Lloyd W. Goddu, Jr.
Donald J. McCann
Edward D. Cassidy
John B. Hayes
Robert L. Davis, Jr.
Glenn R. Taylor
Walter F. Guy
Warren S. Petterson
Henry G. Cassel
Hardy M. Willis
Raymond M. Miller
Clarence G. Porter
Carroll T. Newman
Walton D. Alley, Jr.
Joseph A. Haynes
Gerald R. Decker
Glenn L. Smith
George W. Hardy, Jr.
Russell D. Erickson
William A. Mayberry
Rollin T. Young
Cornelius G. Farley
Philip A. Hogue
John W. Yager
Thomas W. Wolfe
Gerald J. Perron
Elliot S. Shafer
Robert E. Ogin
Samuel R. Early
Nelson W. Allen
Roger J. Dahlby
Edward P. Boyle
William W. Barney
William C. Behan
Edward F. Oliver
William L. Russon, Jr.
Edwin L. Knowles
Robert E. Wolfard
John F. Mundy, Jr.
Frank E. McLean
Roy M. Wimer
Robert F. Hornbeck
Robert H. Scarborough
Roland J. Frappier
Thomas L. Wakefield
William C. Jefferies
John C. Parker
Edward G. Ware
Dale J. Henderson
Kenneth B. Hofstra
Edward O. Wille
Robert H. Sabin
Emmett G. McCarthy
Edger W. Dorr
Joseph G. Fox, Jr.
Nathaniel F. Main
Vincent J. Mitchell
Richard T. Houlette
Thomas C. Duncan, Jr.
Adam S. Zabinski
Leonard M. Unterein
Thomas H. Carter
William J. Brasier
Edwin A. Schmidt
Walter E. Johnson

The following-named persons to be lieutenant commanders in the U.S. Coast Guard:

Walter R. Goldhammer
William P. Kozlovsky
Mark J. Millea, Jr.
Edwin L. Parker
Paul E. Schroeder
Ralph W. Judd
William T. Sheppard
James C. Morrow
James I. Doughty
Ernest J. Mayer, Jr.
Richard G. Kerr
James F. Culbertson
John M. Wilkinson
William J. Tillo
Gerald J. Budridge
Dwight T. Ramsay
Charles L. Clark
William F. Boucher
James L. Howard
Francis H. Molin
Kenneth A. Long
Richard B. Wise
Alfred F. Bridgman, Jr.
George T. Seaman
John R. Kirkland
Henry Lohmann
Milton Y. Suzich
Carlton W. Swickley
Arthur E. Ladley, Jr.
Jack E. Coulter
Richard T. Brower
Raymond J. Copin
Guy W. Mizell
Clyde "E" Robbins
Verne E. Cox
Robert B. Bacon
Philip J. Danahy
Joseph A. McDonough, Jr.
William C. Nolan
Clyde T. Lusk, Jr.
George H. Wagner
Billy E. Richardson
Thomas R. Tyler
Albert C. Tingley, Jr.
James A. Wilson
Charles F. Hahn
John E. Moseley
Beverly V. Billingslea
Leon Y. Wald
Nelson G. Emory
Richard K. Simonds
Joseph P. Dawley
Leigh A. Wentworth
Daniel S. Bishop
Jack E. Buttermore
Albert E. Reif, Jr.
Rex R. Morgan
Victor R. Robillard
Arnold M. Danielsen
Donald M. Thompson, Jr.
John P. Skillings
James L. Fear
James M. Fournier
Robert T. Getman
Norman E. Fernald
Eugene L. Davis
Dewey F. Barfield
Robert R. Houvener
Frank J. Diersen
Henry N. Helgesen
Sidney O. Tharrington, Jr.
Howard Janke
Martin J. Ruebens
Gordon D. Hall
Robert F. Mercier
Robert L. Sullins
James C. Knight
Norman A. Toon
Harry W. Perdue
Bill M. Aldridge
Alfred E. Sporl
Aubrey R. Patten
Maynard J. Fontaine
Harold W. Doan
Edgar S. Hutchinson
Merrill K. Wood
George F. Merritt
David B. Flanagan
Henry Haugen
David L. Green
Martin J. Kaiser
Alban Landry
Francis D. Forbes
Charles B. Glass
William N. Spence
Ira L. Krams
Kenneth W. Forslund
Irvin W. Lindemuth
James E. Ferguson
Joseph L. Coburn, Jr.
Richard Nielsen, Jr.
Richard Rounsevelle
Leon T. Dankiewicz
Robert L. Cook
Carmen J. Blondin
Bobby F. Hollingsworth
Leo Jordan
Charles A. Biondo
Howard M. Veillette
Arthur E. Gerken
Richard N. Abrahams
Charles F. McFadden
Howard B. Thorsen
Robert E. Larson
Charles A. Millradt
Jimmie D. Woods
John W. Sheedy
Charles Leddy
Edward W. Murphy
Thomas C. Lutton
John J. Dirschel, Jr.
Joseph N. Andrassy
George E. Walton
William J. Bickford
Henry Suski
Richard L. Brown
Frederick F. Herzberg, Jr.
Herbert H. H. Kothe

The following persons to be lieutenants in the U.S. Coast Guard:

Denny M. Brown
Cammeron A. Hatfield
Robert T. Morhard
Michael G. Spencer
Lawrence Graham
Robert D. Brown
David J. Bain
Max H. Casper
Lloyd D. Wilson
Louis R. McDowell, Jr.
Roy E. Clayton
Leo J. DeGraw
Howard W. Barkell
Robert E. Bagley
Joseph H. Martin
James F. Eckman
James A. Blake
Joseph M. Tanguay
Ronald H. Youngman
Dean L. Webster
Hubert T. Blomquist
John D. Drewer
Robert L. Barr
Jackie R. Gore
James E. Mitts
Peter B. Van Horsen
Robert V. Bouck
John T. Watson
Franklin H. Doughten
Kenneth W. Bates
William F. Hunter
Harvey R. Little
Francis J. Honke
Robert M. Terkelsen
Peter F. Sterbling, Jr.
Richard H. Hill
Cecil L. McManus
Raymond H. Spoltman
Richard C. Tims
Thomas F. Tutwiler
Elbert W. McKinney
Kenneth F. Wadman
Robert A. Perchard
Stewart A. Walker
Marshall H. Shytle
John H. Holmead III
Ralph O. Moore
Thomas J. Zipay
Normal E. Patterson
Thomas E. Langmann
Stephen D. Csintyan
Timothy J. Howard
Paul Resnick
Martin J. Nilson
Charles E. Siegman
William E. Newland
Edward L. Stubbs
Berl L. Williams
Robert E. Phelps
Thomas C. Schafer
Earl E. Edenfield, Jr.
Normand A. Brunelle
Leon Clarizo
Donald S. Krug
David M. McCann
Gary D. Palmer
Edward F. Boulanger
Steve W. Geletka
Phillip W. Harwood
Billie A. Campbell
Richard J. Clements
Robert F. Stoeltje
Byron T. McCullough
Jackie L. Ward
Robert C. Gussman
John A. Blanchard
George G. Turner
Joseph C. Thompson
Karl F. Wassenberg
Theodore E. Deming
Robert W. Davis
Fred M. Lane
Lloyd R. Lomer
Robert A. Ingalls
Paul D. Russell
Leroy G. Krumm
Jack W. Lewis
Robert J. Finan
Terry L. Lucas
Robert A. Burt
Ian S. Cruickshank
Michael R. Johnson
Roderick T. Edwards, Jr.
Allen J. Taylor
Charles W. Craycroft
Harry E. Obedin
Neal F. Herbert
Kenneth M. Rappolt
Frederick P. Karres
Robert J. Cheney, Jr.
Gerald F. Corcoran
Robert A. Creighton
Leonard F. Alcantara
Robert A. Schwartz
James T. Leigh
William T. Troutman
Richard E. Haas
John R. Hay
John T. McKean
Robert M. Wood
Thomas N. Sullivan
David H. Freese, Jr.

William R. Allen
Frederick M. Casciano
Robert A. Ginn
Robert E. Isherwood
David S. Smith
Richard R. Kuhn
William J. Walsh
Ralph E. Giffin
Joseph S. Blackett, Jr.
John R. Sproat
James G. Williams
Ronald P. Hunter
Alfred D. Utara
Eugene J. Hickey, Jr.
Carl E. Kunkel, Jr.
Edwin J. Roland, Jr.
John A. Schmidt
Richard W. Zins
John E. McCarty
Jefferson J. Walsh IV
Martin J. Moynihan
Charles L. Keller
Joseph B. Goodwin III
Merlin G. Nygren
Wesley G. Davis, Jr.
James D. Partin
Jerome M. Myers
Michael P. Maurice
Hugh D. Williams
James W. Haugen
Manuel Josephs, Jr.
Michael B. Dunn
William H. Hall, Jr.
Donald F. Jenkins
Robert G. Williams
Paul K. Hinkley
Paul R. Lewis
James F. Butler
Merrill C. Louks
Paul A. J. Martino
Donald A. Naples
David F. Cunningham
William H. Hayes, Jr.
Michael A. Duke
Leon E. Beaudin
Lawrence A. Kidd
Lloyd C. Burger
Daniel F. Bobeck
James H. Parent
Jerome P. Foley
William E. Ecker, Jr.
Eugene M. Kelly
Theodore H. Purcell
Carl M. Brothers
Alan F. Miller
Kenneth C. Cutler
Robert S. Bates

EXTENSIONS OF REMARKS

Commendation of Station WNEW, New York City

EXTENSION OF REMARKS

OF

HON. HARRISON A. WILLIAMS, JR.

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Thursday, January 30, 1964

Mr. WILLIAMS of New Jersey. Mr. President, one of the most important factors in the continued success of our democracy is an informed citizenry. Deprive the citizenry of the knowledge of our governmental activities and our system will fail. The primary force for informing the public is the press. It stands to reason that the United States should pride itself in the quality of the press corps, for it does an amazingly thorough job. But we should not be content with anything less than expert press coverage of the activities in our governmental centers.

WNEW radio in New York City has taken this responsibility seriously. Last year they sponsored for the first time a news workshop to train newsmen in the basic orientation of the radio news operation and to give them an insight into radio newswriting. The workshop was conceived by Lee Hanna, news director of WNEW radio. The station received enthusiastic cooperation from Columbia, Fordham, Rutgers, Long Island University, and New York University.

According to Hanna the workshop was established "to implement our belief that the broadcasting industry has a continuing responsibility to strengthen journalism."

The workshop gave students the opportunity to participate in on-the-job training at the station under the supervision of the WNEW radio news staff.

The students who participated in the first session of the workshop were Terrence Montgomery and Barry Kramer, Columbia; Ruth Kohn and Stephen Sheppard, New York University; John Halligan and L. Michael McCartney, Fordham; Steven Shifman and Joan Rosenstein, Long Island University; and Carolyn Tanton and John Armstrong, Rutgers. The students were selected by the heads of the departments at the various universities.

Members of the workshop's board of directors are: Chairman, John Van Buren Sullivan, vice president and general manager of WNEW radio; Edward W. Barrett, dean of the Graduate School of Journalism, Columbia; Prof. Hillier Krieghbaum, chairman of the Department of Journalism, New York University; Rev. William K. Trivett, S.J., chairman of the Department of Communication Arts, Fordham; Dr. Frederic E. Merwin, chairman of the Department of Journalism, Rutgers; Prof. Jacob H. Jaffe, chairman of the Department of Journalism, Long Island University; and Miss Evelyn Burkey of the Writer's Guild of America, east.

I would like to commend station WNEW in New York for its dedication to responsible journalism.

SENATE

FRIDAY, JANUARY 31, 1964

The Senate met at 11 o'clock a.m., and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Father of all mankind, as together we pause at this shrine of devotion our fathers built, grant us, we pray Thee, the steadying vision of Thy eternal goodness and a sense of Thy guidance.

We give Thee thanks for the lofty souls of the yesterdays which in the silence of this Chamber are our cloud of witnesses today, and whose fidelity in the past still urges us on to golden goals not yet reached. Join us to—

That company of souls supreme
The conscripts of the mighty dream.

In a day when all we value most seems so often to be at the mercy of what we value least, so direct Thy servants who here conduct the affairs of the Republic that the best which is expected of them, and of which their dedicated faculties are capable, may be brought to bear without fear or favor upon the confused issues of this critical day.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. SMATHERS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, January 30, 1964, was dispensed with.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. SMATHERS, and by unanimous consent, the Committee on Rules and Administration was authorized to meet during the session of the Senate today.

REQUEST FOR 3-MINUTE LIMITATION ON STATEMENTS DURING MORNING HOUR

Mr. SMATHERS. Mr. President, I ask unanimous consent that during the morning hour, statements be limited to 3 minutes.

Mr. DIRKSEN. Mr. President, I must object; and I do object.

The PRESIDENT pro tempore. Objection is heard.

AUTHORIZATION FOR ARMED SERVICES COMMITTEE TO MEET DURING SENATE SESSIONS NEXT WEEK

Mr. RUSSELL. Mr. President, I ask unanimous consent that the Committee on Armed Services and the Committee on Appropriations be authorized to meet next week, during the sessions of the Senate, to consider the authorization for procurement of military materiel, as required by Public Law 86-149 and appropriations for the Department of Defense; and I ask unanimous consent that the provision of any rule to the contrary notwithstanding, I may be permitted to make a brief statement in regard to the reason for this request.

The PRESIDENT pro tempore. Is there objection?

Mr. DIRKSEN. Mr. President, reserving the right to object—although I shall not object—I have discussed this matter with the distinguished Senator from Georgia. These committee hearings relate to an emergency situation, inasmuch as it is necessary to meet a deadline for a most important authorization. For that reason, I shall not object.

Mr. RUSSELL. I thank the Senator from Illinois.

The PRESIDENT pro tempore. Without objection, the request is granted.

Mr. RUSSELL. Mr. President, it is impossible for the Appropriations Committee to act on the appropriation bill until the authorization bill has been passed. Since the basic testimony supporting the authorization request is largely similar to that supporting the appropriations request, the Subcommittee on Department of Defense Appropriations will participate jointly with the Committee on Armed Services in these hearings. It is hoped that this procedure will expedite Senate consideration of the defense program and will avoid unnecessarily repetitious participation in hearings, both for the witnesses and the Senators concerned.

Of the $47,643 million requested in the budget for the Department of Defense, for the fiscal year 1965, $17,186 million must be authorized before any appropriations for that Department can be made.

Mr. President, I ask unanimous consent that there be printed in the RECORD a statement of the various items in the 1965 budget for the Department of Defense which must be authorized.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF DEFENSE BUDGET REQUESTS, FISCAL YEAR 1965

Appropriations included in the Department of Defense appropriation act

[In millions of dollars]

Title	Fiscal year 1965 budget estimate	Authorization required (sec. 412(b), Public Law 86-149, as amended)
I. Personnel	14,769	None
II. Operation and maintenance	12,396	None
III. Procurement:		
Army:		
Aircraft	444	444
Missiles	283	283
Ordnance, vehicles, and related equipment	695	None
Electronics and communications	201	None
Other	156	None
Total, Army	1,779	727
Navy:		
Aircraft	1,855	1,855
Missiles	[1] 673	[1] 673
Ships	1,966	1,966
Ordnance, vehicles, and related equipment	440	None
Electronics and communications	444	None
Other	342	None
Total, Navy	5,720	4,494
Air Force:		
Aircraft	3,663	3,663
Missiles	1,730	1,730
Ordnance, vehicles, and related equipment	230	None
Electronics and communications	435	None
Other	137	None
Total, Air Force	6,195	5,393
Defense agencies	62	None
Total, procurement	[2] 13,756	[3] 10,614
IV. Research, development, test, and evaluation:		
Army	1,397	1,397
Navy	1,451	1,451
Air Force	3,205	3,205
Defense agencies	519	519
Emergency fund	150	None
Total, R.D.T. & E.	[2] 6,722	[4] 6,572
Grand total, Department of Defense Appropriation Act	[2] 47,643	[5] 17,186

[1] Includes $13,100,000 for Marine Corps.

[2] 100 percent.

[3] Actually, $10,613,300,000; 77 percent.

[4] 98 percent.

[5] Actually, $17,185,300,000; 36 percent.

Mr. RUSSELL. Mr. President, I thank the Senator from Illinois.

TRANSACTION OF ROUTINE BUSINESS

The PRESIDENT pro tempore. The presentation of petitions and memorials is in order.

Reports of committees are in order.

The introduction of bills and joint resolutions is in order.

The submission of concurrent and other resolutions is in order.

If there be no morning business to be transacted, morning business is closed.

Subsequently, by unanimous consent, the following routine business was transacted:

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

AGRICULTURAL ECONOMY—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 210)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was referred to the Committee on Agriculture and Forestry:

To the Congress of the United States:

American agricultural economy is the most productive in the world. Its efficiency is constantly increasing. One American farmer today provides 25 domestic consumers and 4 people overseas with their total food and fiber needs. His output has increased 140 percent since the end of World War II, almost three times the gain in nonfarm productivity. The consumer, as a result, must spend a smaller percentage of his budget to meet his food needs than ever before in our history.

During the past 3 years a series of new farm programs and policies has achieved considerable progress toward three basic goals of this administration's agricultural policy, higher farm income, reduced farm surpluses, and lower governmental costs.

Gross farm income in 1963 was $3.2 billion higher than in 1960, a gain of 8 percent.

Net income per farm rose during this same period from $2,961 to $3,425, a gain of 16 percent.

Government stocks of feed grains have declined by 22 million tons from their 1961 high of 85 million tons, enabling us to save $230 million a year on storage and other carrying charges.

Our agricultural exports in 1963 were $5.6 billion, the highest in history. They represented one quarter of our total exports of goods and services.

Farm-dependent towns and industries have reflected this economic improvement. Bank deposits in agricultural counties have increased 20 percent; and farmers have been able to purchase an estimated $800 million more in farm equipment in the past 3 years than they would have been able to buy with a 1960 level of income.

But statistical totals can be deceiving. The income of the average farm family is still only 55 percent of that received by the average nonfarm family.

Steadily rising costs are still eating up the major portion of the increase in gross farm income, forcing upon the farmer a cruel cost-price squeeze.

Almost one half of our Nation's poor live in rural areas.

Farming communities have three times the proportion of dilapidated and substandard homes as the rest of the Nation.

Three-quarters of those employed as farm laborers earned less than $2,000 a year in cash wages from all sources.

Our task, therefore, is threefold:

First, to maintain and improve farm income, strengthening the family farm in particular; second, to use our food abundance to raise standards of living both at home and around the world; and third, to accelerate the development and conservation of both material and human resources in rural America, where one-third of our citizens live.

Policies to strengthen the economy of rural and urban areas must go hand in hand. Prosperity on the farm gives impetus to prosperity in the city. New uses of land and water which are no longer required to produce food and fiber can serve the needs of both urban and rural residents.

The family farm is, and should remain, the key production unit. Exposed over the years to the most severe comparative and competitive tests, it has proved itself to be the best adapted to the American free enterprise system.

I. STRENGTHENING AMERICAN AGRICULTURE

The agricultural commodity programs developed during the past 30 years have served us well. They are now an indispensable bulwark of our agricultural economy. Without them our food supply would be much less secure than it is today.

But they are in need of improvement. New conditions arising from the technological revolution in agriculture present a special challenge—a challenge based upon the problems of abundance rather than scarcity.

Food and fiber policies must reflect the opportunities as well as the problems which accompany abundance. The need to consider our agriculture policies in this light has recently been reflected in joint resolutions introduced in both Houses of the Congress which would establish a bipartisan Commission to study the food and fiber programs of the United States. The programs which I am proposing to the Congress in this message, reflect in turn, my own determination to view our agricultural abundance as an opportunity for achievement rather than a cause for alarm.

Those commodities requiring immediate attention are cotton, wheat, dairy products, sugar, and potatoes. At present, the programs for these foods and fibers serve neither the producer, the consumer nor the taxpayer as well as they should.

First. Cotton: The needs of neither the cottongrower, the cotton handler, the cotton textile mill, nor the consumer are being satisfied by the existing legislation. The cotton industry as a whole is our second largest. More than 1 million people are engaged in growing cotton—an additional 1.5 million people are employed in the production of cotton cloth and cotton products for consumers—and additional millions work in firms which supply the goods, machinery, and services to the industry.

Domestic cotton prices are much higher than world prices. Consequently, our textile mills must pay more for cotton than their foreign competitors.

In addition, despite the fact that the 1963 acreage allotment was held to the statutory minimum, sharply increased farm yields, combined with a continuing loss of markets—as cotton products are displaced by imports and by other fibers—has caused a sharp rise in the inventories of cotton held by the Commodity Credit Corporation. The carryover on August 1 will be almost 2 million bales higher than it was last year—adding over $300 million to the cost of the cotton program. The carryover will be enough to supply our domestic needs for 18 months.

Several legislative proposals are now pending before the Congress to deal with this program. I recommend the enactment of legislation which will first, make cotton more competitive with other fibers and eliminate the inequity of the present two-price system under which cotton used domestically is priced substantially higher than cotton sold for export; second, make it possible for growers who desire to do so to produce cotton at world prices, without any subsidy, on a basis which will not add to our stocks; and third, maintain the income of cotton growers while reducing excessive carryover stocks.

Second. Wheat: Changes in the wheat program are urgently needed to check a drastic decline in producer income from the 1964 crop. In the absence of additional legislation it is estimated that wheat producers will receive between $500 million and $700 million less in 1964 than they did in 1963.

I recommend that the existing law be amended to permit producers to participate in a certificate program on a voluntary basis. The law should be designed to, first, raise the income of wheatgrowers substantially above what it would be in the absence of new legislation; second, avoid increases in budgetary costs; third, maintain the price of wheat at a level which will not increase the price of bread to the consumer, and fourth, enable the United States to discharge its responsibilities and realize the benefits of the International Wheat Agreement.

In order to be effective for the 1964 wheat crop, the legislation must be enacted immediately. I urge prompt consideration and disposition of this legislation.

Third. Dairy: Modern dairying requires a large capital investment and a high degree of technical skill. No industry is more important to our health. Yet income to many efficient farmers is cruelly low, and this year it was reduced considerably by drought in many areas. I believe that a system for voluntary adjustment of output is the key to a successful dairy program. I recommend legislation to, first, provide incentives to dairy farmers to reduce surplus production, and, second, permit producers in Federal milk marketing order areas, through a "base excess plan" to reduce their production of milk without reducing their share of the class I market.

Fourth. Sugar: The rise in sugar prices in 1963 reflected a reduction in world supplies. The Cuban crop was about one-half the pre-Castro level. Europe had two poor sugarbeet crops. But the fears voiced last year that the United States would be unable to obtain sufficient sugar proved groundless. Action by the Department of Agriculture assured sugar users an adequate supply and helped halt the price increases that attended heavy buying in anticipation of shortages.

However, the experience of the past year—and the fact that foreign sugar quotas expire at the end of 1964—highlight the need for some action at this session of Congress to assure ample supplies of sugar to consumers at fair prices.

I recommend the removal of marketing restrictions on the sale of domestically produced sugar during the calendar year 1964. This legislation will relieve the pressure on world market supplies at a time when these supplies are short.

The effectiveness of our present arrangements for foreign sugar procurement are under intensive study. On the basis of this study I shall—early in this session—make recommendations for remedial legislation.

Fifth. Potatoes: Potato production is vulnerable to extreme price fluctuations resulting from wide variations in production. I recommend the enactment of legislation which will permit potato producers, if they so approve by referendum, to be given acreage allotment and marketing quotas aimed at stabilizing potato prices.

Sixth. Strengthening cooperatives: Farmers should be encouraged to maintain their position in the marketplace through their own efforts, and to utilize cooperative organizations for this purpose. This has been the declared policy of the Congress for many years, and the extremely large capital investments required in modern farming have increased the need for such cooperatives to furnish harvesting, storing, processing, transporting and marketing services, as well as electric and telephone services and other consumer needs, as a means of increasing net farm income. New legislation is needed to clarify the right of cooperatives to expand their operations by merger and acquisition. I shall shortly transmit to the Congress, also, legislation to provide additional credit facilities to permit rural cooperatives to assume additional responsibilities in the war to combat poverty.

Seventh. Futures trading: Trading in futures contracts on commodity exchanges is an old and valuable method of providing essential pricing service to farmers, processors, and handlers. When adequately policed and protected, it is an essential means of shielding producers from the hazards of major price fluctuations. Yet it is clear that the present authority of the Secretary of Agriculture—which covers trading of an annual value of nearly $50 billion—is inadequate for effective supervision of the futures markets. Accordingly, I shall shortly transmit to the Congress legislation to remedy the defects of the present law without impairing the basic operations of commodity exchanges.

Eighth. Shifting cropland to less intensive uses: One of the major problems facing American agriculture today involves the balance between land devoted to various crops and land used for other purposes. Cropland should be sufficient to produce all of the food and fiber we can expect to consume at home and export abroad; and all land not needed for this purpose should be shifted to other uses.

Rental contracts on 7.4 million acres of cropland that were placed in the conservation reserve between 1956 and 1960 expired December 31, 1963. That program was expensive, for it was designed—not to encourage long-term shifts of land to more desirable uses—but as a short-term measure. In its place I recommend a program which encourages the permanent transfer of excess cropland into trees, grass, wildlife habitat, outdoor recreation and other uses for which there is a growing public demand.

The Agricultural Act of 1962 authorized a pilot program of this kind under which $10 million is the maximum available. This limitation should be increased to $50 million.

Ninth. Market power: There is one more pressing need if American agriculture is to be strengthened. The recent changes in the marketing structure for distribution of food are as revolutionary as those in production. There are some 200,000 retail grocery stores, but we know that one out of every $2 spent for groceries goes to fewer than 100 corporate, voluntary or cooperative chains. Our information about how this greatly increased concentration of power is affecting farmers, handlers, and consumers is inadequate. The implications of other changes that take place as vertical integration and contract farming have not been fully explored. I urge that the Congress establish a bipartisan Commission to study and appraise these changes so that farmers and business people may make appropriate adjustments and our Government may properly discharge its responsibility to consumers.

II. INCREASING THE USE OF AGRICULTURAL ABUNDANCE

First. Domestic food distribution programs: Inadequate and poorly balanced diets both accompany and contribute to low income and low productivity. We now distribute surplus foods to nearly 6 million needy Americans.

Under the pilot food stamp program, initiated administratively in 1961, needy people in 43 areas can increase their food purchases through regular commercial channels. I recommend legislation to place this program on a permanent basis and to make it more widely available.

The school lunch program now insures nutritious lunches in 68,000 schools to one-third of the schoolchildren of the Nation. Federal funds to be provided for the attack on poverty should be used to enable schools in eligible low-income areas to install food preparation facilities necessary to permit participation in the school lunch program.

As a part of our war on poverty, I am directing the Secretary of Agriculture to give special attention to our hardest hit areas in all of the food distribution programs.

Second. Food for peace: The immense efficiency of American agriculture is dramatically illustrated to the rest of the world by our food-for-peace program. Under this unprecedented effort, the United States has supplied nearly $11 billion worth of food and fiber to over 100 countries. It is a powerful instrument of our foreign policy—directed toward peace, progress, freedom, and human dignity.

Food for peace serves many purposes. It feeds the hungry throughout the world; it is both symbolic of our concern for the less fortunate and concrete evidence of our own system's success; it furnishes resources for investment in the developing countries; and it opens up a productive outlet for current farm surplus while developing new commercial markets for future output.

Titles I and II of this law expire on December 31, 1964. Under title I—the principal authority for the food-for-peace program—sales of agricultural commodities are made for foreign currencies. Under title II, grants of food and other agricultural commodities are made to needy people abroad. I recommend extension of both of these titles for 5 years.

III. RURAL AREAS DEVELOPMENT

We have declared a relentless war on poverty in America. Our goal is not merely relief for the poverty stricken. We must undertake measures that will give the poor an opportunity to become productive citizens. No one weapon is enough. I shall shortly transmit to the Congress a special message on poverty. It will apply to both urban and rural people. The varied resources of many Federal agencies and of the State and local governments must be joined together. Better education, training, health services, and housing must be provided. Measures to increase the ability of our poorest citizens to become more productive must be devised, not as temporary relief, but as an investment in human resources.

The economic distress of many small communities is frequently different from its counterpart in the larger cities. There are many problems of those who use farming as a part-time occupation and must find their major livelihood in town; the special problems of the rural aged, and many others. I am asking the Secretary of Agriculture to increase the efforts of the Department in devising an effective attack on these problems, and to utilize the newly created Rural Development Committee in order to bring to bear the resources of other departments and services on these problems.

Much progress has been made under the Watershed Protection and Flood Prevention Act passed by the Congress 10 years ago. Watershed developments are now underway in more than 500 communities. Over 40 percent of these developments have multipurpose objectives, combining watershed protection and flood prevention with recreation, irrigation, fishing, and municipal water supply. These projects, though small, are of vital importance to rural areas. I recommend, therefore, that the Congress enact legislation to increase the project limitation of floodwater detention capacity from 5,000 acre-feet to 12,500 acre-feet.

Better use of our timber, wildlife, scenic, and other renewable resources of forest land presents a related and major challenge. Economically distressed areas often exist where there are heavy concentrations of forest land. Yet there is a great backlog of work to be done in these forests that can both provide employment and strengthen our economy. I am directing the Department of Agriculture to speed completion of a comprehensive review and appraisal of our timber resources, and to accelerate forest research to find new methods of wood utilization, better timber management techniques, improved fire protection, and more effective use of forest ranges.

More than a million rural families live in houses in such poor condition that they endanger the health and safety of the occupants. Another 3 million live in homes that need major repair. About one-third of our older citizens live on farms and in small country towns and villages—and too often their homes are poorly heated and lack bare necessities such as running water.

I renew the recommendation in the message on housing that the expiring authorization in the Housing Act of 1949 to insure loans on rental housing for the rural elderly be extended, and that the Congress authorize an insured loan program of reasonable dimensions in order to enlist the resources of private lenders in the construction of rural housing.

Among the poorest housed families are our 400,000 migratory farmworkers. They frequently live in shelters little better than the ditchbank housing of the thirties. I recommend that the Congress enact legislation broadening the assistance available to provide better housing for migratory workers and other farm laborers.

IV. CONCLUSION

Our agricultural problems are deepseate. Yet they are problems of abundance, not of scarcity. They tax our ingenuity, but they do not—unlike the situation in many other nations—form a bottleneck to economic growth. We must continue to seek methods for reconciling the needs of our farm families for a decent income with the necessity of making this abundance available at reasonable prices for domestic consumption and export. The improvements in farm commodity programs which I am recommending are a major step in that direction.

We must also look beyond agriculture to rural America as a whole. Fifty-five million Americans live in rural areas. Too many of them have not had an opportunity to acquire the education, skills, and earning power which their talents warrant. For too many of them the rural environment has proven a hindrance to a full life rather than the advantage it rightly can be. In this message, in my housing message, and in forthcoming special messages on poverty, education, and health, I am proposing a series of actions which will assist rural America to realize the promise of its potential—to carry out the Federal Government's responsibility to help these citizens help themselves. We have made great progress in recent years—but we can and must do better.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *January 31, 1964.*

REPORT OF U.S. CIVIL SERVICE COMMISSION—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 263)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Post Office and Civil Service:

To the Congress of the United States:

I transmit herewith the Annual Report of the U.S. Civil Service Commission for the fiscal year ended June 30, 1963.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *January 31, 1964.*

MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the President pro tempore:

H.R. 9076. An act to provide for the striking of medals in commemoration of the 200 anniversary of the founding of St. Louis; and

H.J. Res. 875. Joint resolution making supplemental appropriations for the fiscal year ending June 30, 1964, for certain activities of the Department of Health, Education, and Welfare related to mental retardation, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON REVIEW OF VOLUNTARY AGREEMENTS AND PROGRAMS

A letter from the Attorney General, transmitting, pursuant to law, a report on review of voluntary agreements and programs, as of November 9, 1963 (with an accompanying report); to the Committee on Banking and Currency.

AMENDMENT OF ACT RELATING TO THE PRACTICE OF PODIATRY IN THE DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the act entitled "An act to regulate the practice of podiatry in the District of Columbia," approved May 23, 1918, as amended (with an accompanying paper); to the Committee on the District of Columbia.

Statement of Receipts and Expenditures of the Chesapeake & Potomac Telephone Co.

A letter from the vice president, the Chesapeake & Potomac Telephone Co., Washington, D.C., transmitting, pursuant to law, a statement of receipts and expenditures of that company, for the year 1963 (with accompanying papers); to the Committee on the District of Columbia.

Report of U.S. Advisory Commission on Information

A letter from the Chairman, U.S. Advisory Commission on Information, Washington, D.C., transmitting, pursuant to law, a report of that Commission, dated January, 1964 (with an accompanying report); to the Committee on Foreign Relations.

Report of Advisory Commission on Intergovernmental Relations

A letter from the Chairman, Advisory Commission on Intergovernmental Relations, Washington, D.C., transmitting, pursuant to law, a report of that Commission, for the year 1963 (with an accompanying report); to the Committee on Government Operations.

Report on Overbuying and Unnecessary Overhaul Costs Relating to Certain Practices of the Army

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on overbuying and unnecessary overhaul costs resulting from the failure of the Army to follow the Navy's practice of separating accessories from spare reciprocating aircraft engines, Department of the Army, dated January 1964 (with an accompanying report); to the Committee on Government Operations.

Report on Increased Risk of Loss Because of Inadequate Mortgage Servicing Activities, Federal Housing Administration

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the increased risk of loss because of inadequate mortgage servicing activities, Federal Housing Administration, Housing and Home Finance Agency, dated January 1964 (with an accompanying report); to the Committee on Government Operations.

Certification of Adequate Soil Survey and Land Classification, South Gila Valley Unit, Yuma Mesa Division, Gila Project, Arizona

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, that an adequate soil survey and land classification has been made of the lands in the South Gila Valley unit, Yuma Mesa division, Gila project, Arizona, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation (with an accompanying paper); to the Committee on Interior and Insular Affairs.

Reports on Positions in Grades GS-16, GS-17, and GS-18

A letter from the Chairman, U.S. Civil Service Commission, transmitting, pursuant to law, a report on positions in grades GS-16, GS-17, and GS-18, for the calendar year 1963 (with an accompanying report); to the Committee on Post Office and Civil Service.

A letter from the Assistant Administrator for Legislative Affairs, National Aeronautics and Space Administration, Washington, D.C., transmitting, pursuant to law, a report on positions in grades GS-16, GS-17, and GS-18, during the calendar year 1963 (with accompanying papers); to the Committee on Post Office and Civil Service.

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., reporting, pursuant to law, on the GS-17 positions allocated to that Office, for the calendar year 1963; to the Committee on Post Office and Civil Service.

REVENUE ACT OF 1964—SUPPLEMENTAL REPORT OF A COMMITTEE (PT. 2 OF REPT. NO. 830)

Mr. LONG of Louisiana, from the Committee on Finance, submitted a supplemental report on the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes, which was ordered to be printed.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HRUSKA:

S. 2485. A bill to provide for the issuance of a special postage stamp in commemoration of the 100th anniversary of the founding of the Sokol Movement in America; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. Hruska when he introduced the above bill, which appear under a separate heading.)

By Mr. McNAMARA:

S. 2486. A bill to increase employment by providing a higher penalty rate for overtime work; and

S. 2487. A bill to amend the Fair Labor Standards Act to extend its protection to additional employees and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. McNamara when he introduced the above bills, which appear under a separate heading.)

ISSUANCE OF SPECIAL POSTAGE STAMP IN COMMEMORATION OF THE 100TH ANNIVERSARY OF FOUNDING OF THE SOKOL MOVEMENT IN AMERICA

Mr. HRUSKA. Mr. President, I introduce, for appropriate reference, a bill to provide for the issuance of a special postage stamp in commemoration of the 100th anniversary of the founding of the Sokol Movement in America. I ask unanimous consent that the bill be printed in the Record.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the Record.

The bill (S. 2485) to provide for the issuance of a special postage stamp in commemoration of the 100th anniversary of the founding of the Sokol Movement in America, introduced by Mr. Hruska, was received, read twice by its title, referred to the Committee on Post Office and Civil Service, and ordered to be printed in the Record, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Postmaster General is authorized and directed to issue a special postage stamp, of such appropriate design and denomination as he shall prescribe, in commemoration of the one-hundredth anniversary of the founding of the Sokol Movement in America. Such stamp shall be first offered for sale to the public on February 14, 1965, the date of such anniversary.

PROPOSED LEGISLATION TO AMEND THE FAIR LABOR STANDARDS ACT

Mr. McNAMARA. Mr. President, I introduce two bills to amend the Fair Labor Standards Act and ask that they be appropriately referred.

I ask unanimous consent that brief explanations of both bills be printed in the Record at this point in my remarks.

The PRESIDING OFFICER (Mr. Burdick in the chair). The bills will be received an appropriately referred; and, without objection, the explanatory statements will be printed in the Record.

The bills, introduced by Mr. McNamara, were received, read twice by their titles, and referred to the Committee on Labor and Public Welfare, as follows:

S. 2486. A bill to increase employment by providing a higher penalty rate for overtime work.

The explanatory statement accompanying Senate bill 2486, presented by Mr. McNamara, is as follows:

Explanatory Statement of a Bill To Increase Employment by Providing a Higher Penalty Rate for Overtime Work

The draft bill establishes industry committee procedures under which double time compensation would have to be paid for overtime work. These procedures would extend to employees who were covered by the provisions of the Fair Labor Standards Act prior to the 1961 amendments. The work period to which the double time standard applies could be longer than a workweek; however, payment of double time could not be required unless the hours of work exceeded 40 in a week.

The time and one-half overtime rate would continue to apply to work in excess of 40 hours in a workweek but less than the maximum hours prescribed through the industry committee procedures. It would also apply in periods of extraordinary emergency, including a national emergency, or where other compelling reasons exist.

The maximum hours in a work period for a particular industry would be specified in an order of the Secretary of Labor based on the recommendations of a special tripartite industry committee. The order would be issued only after the Secretary finds (after notice and hearing) that regular and substantial overtime employment exists in the industry and such overtime limitations will increase opportunities for employment in the industry without unduly increasing costs.

INDUSTRY COMMITTEE PROCEDURES

The bill authorizes the Secretary of Labor to appoint a special industry committee to recommend the maximum hours in a work period for the industry. The committee would be composed of an equal number of persons representing the public, employees in the industry, and employers in the industry. Any decision of the committee would require a majority vote of its members. If the members cannot agree, the public member or members would report this fact to the Secretary.

To assist in the committee's deliberations, the Secretary would furnish the committee with data pertinent to the inquiry. The committee is also authorized to summon witnesses or call upon the Secretary for additional information.

After the committee completed its study of conditions in the industry, it would recommend the hours of work during a work period (not less than 40 in a workweek) which it determines will have the effect of reducing work hours and increasing employment in the industry without excessive costs and with due regard to economic and competitive factors including costs, prices, and dislocations in the industry.

When the special industry committee has filed its report with the Secretary of Labor, he would—after notice and hearing—issue an order carrying out the committee's recommendations, if he finds that (1) the recommendations are in accordance with law, (2) they are supported by evidence adduced at the hearing, and (3) taking into account those factors the industry committee is required to consider, they will carry out the purposes for which the recommendations are made. Otherwise he would disapprove the recommendations. If he disapproves, the Secretary may again refer the matter to the committee or to another industry committee. The Secretary may also reestablish or reconvene a committee in order to redetermine and make new recommendations concerning the maximum hours standard for an industry.

In addition, the Secretary on his own motion or on petition could convene an industry committee to reconsider an existing order for that industry taking into consideration the same factors required in issuing the existing order.

NEED FOR THE LEGISLATION

The 40-hour workweek has become the standard in many industries. However, workweeks considerably in excess of 40 hours are widespread throughout the economy. They are not concentrated in any region, group of industries, or size-of-establishment group.

In industries generally subject to the FLSA maximum hour provisions, which account for about three-fifths of all nonsupervisory workers, the proportion of employees working over 40 hours a week is 28 percent. In manufacturing industries alone some 35 million hours of overtime were worked in 1963. This is the equivalent of 919,000 full time jobs.

In those industries and occupations in which sufficient skilled labor is available and where the average workweek can be reduced without unduly increasing costs, employment of some workers for excessively long hours while others remain unemployed cannot be defended. Tripartite committees, familiar with the work of these industries, could determine whether the required skills were available among the unemployed in the locality, whether a sufficient number of skilled workers could be obtained from other localities and the costs involved in replacing overtime hours with new employees. They could also determine the feasibility of training new workers, and the nature and extent of the required training.

Thus, on an industry-by-industry basis, guided by informed committees, a reduction in the amount of overtime by the means provided in this bill would serve to reduce unemployment.

S. 2487. A bill to amend the Fair Labor Standards Act to extend its protection to additional employees and for other purposes.

The explanatory statement accompanying Senate bill 2487, presented by Mr. McNamara, is as follows:

Explanation of Draft Bill "The Fair Labor Standards Amendments of 1964"

The draft bill would amend the Fair Labor Standards Act of 1938, as amended, to (1) extend its minimum wage and overtime provisions to workers employed in certain laundry, hotel, motel, restaurant, and other food service enterprises and in logging operations; (2) consolidate and clarify the act's present exemptions for the handling, packing, and processing of agricultural and horticultural commodities; and (3) apply the overtime pay standards of the act to the transportation industry and gasoline service stations.

The minimum wage and overtime standards to be applied to these newly covered employees would be at the same levels and scheduled in the same manner as was provided for employees brought under the act by the 1961 amendments. The 1961 amendments provided newly covered employees with a three-step minimum wage rate—an initial rate of $1 an hour for the 3-year period beginning on the effective date (120 days after enactment), $1.15 an hour during the fourth year, and $1.25 an hour thereafter.

Similarly, the 1961 amendments provided overtime protection for newly covered employees as follows: for a workweek in excess of 44 hours during the third year from the effective date; for a workweek in excess of 42 hours during the fourth year; for a workweek in excess of 40 hours thereafter.

COVERAGE OF WORKERS IN LAUNDRIES AND DRYCLEANING ESTABLISHMENTS

The laundry and drycleaning industry is one of our major service industries, with employment in excess of 500,000. Only 17,000 workers in this industry, however—those employed by industrial laundries, power laundries, and linen supply plants engaged in services to industrial users—are protected by the Fair Labor Standards Act.

Laundry workers are among the poorest paid in the country, and the disparity between their wages and the wages of workers in even the low wage manufacturing industries has been steadily increasing. For example, in 1947, average hourly earnings in laundries were 16 cents less than in fertilizer plants. By 1960 this difference had quadrupled—to 63 cents an hour. In three other low wage industries, the gap in average hourly earnings widened to 50 cents or more during this period.

State minimum wage legislation has proved inadequate to cope with this problem. Twenty-one States have no minimum wage legislation whatsoever for workers in the laundry and drycleaning industry. Only 14 of the 29 State laws covering these workers apply to both sexes.

To provide protection under the Federal wage and hour law for these employees, the draft bill would add a new section 3(s)(6) to the act extending coverage to employees in laundering and cleaning enterprises engaged in commerce or the production of goods for commerce and having gross annual sales of $1 million or more. These employees and certain other employees of laundry and cleaning plants would be excluded from the minimum wage and overtime exemption in section 13(a)(3).

COVERAGE OF WORKERS IN THE HOTEL, MOTEL, AND RESTAURANT INDUSTRIES

The draft proposal deletes from the minimum wage and overtime exemption in section 13(a)(2) of the act the special exemption for employees of hotels, motels, and restaurants; and repeals section 13(a)(20), which exempts employees employed by a retail or service establishment in preparing or offering food or beverages for human consumption. It also amends the definition of "wage" in section 3(m) to include the value of tips or gratuities accounted for or turned over by the employee to the employer, and authorizes the Secretary of Labor to determine their fair value. Of course, only those tips or gratuities actually apportioned among employees or otherwise returned to them by the employer would be counted in determining whether the employer has met the requirements of the act.

Much the same situation exists with respect to the level of wages in the hotel and motel industry as has already been described in laundries. Earnings data published by the Bureau of Labor Statistics show that over the 13-year period from 1947 to 1960, the spread between the wages of workers in year-round hotels and wages in the low-wage manufacturing industries has been widening. For example, in 1947 average hourly earnings in the fertilizer industry were 28 cents higher than the average hourly wage in year-round hotels. By 1960, this differential had expanded to 63 cents.

Occupational wage structure studies conducted by the Bureau of Labor Statistics in 1948, 1955, and 1960 in selected metropolitan areas also indicate the slow movement of wages in the hotel industry. In July 1948, when the minimum wage was 40 cents an hour, chambermaids in one large metropolitan area averaged 29 cents an hour. In June 1960, 4 years after the minimum had been raised to $1 an hour for industries under the Fair Labor Standards Act, the average hourly wage of chambermaids was only 41 cents an hour.

The level of wages paid in restaurants and other food service enterprises throughout the country is also substandard. In the Nation's large metropolitan areas, almost 75,000 of the 431,531 workers in eating and drinking places—17 percent of the total—were paid less than 75 cents an hour in June 1961. About one-third of the employees were paid less than $1 an hour. The situation is even worse in nonmetropolitan areas. In the South, 71 percent of the employees in nonmetropolitan areas were paid less than 75 cents an hour and 87 percent were paid less than $1. In nonmetropolitan areas of the north-central region, 30 percent of the workers were paid less than 75 cents an hour and 60 percent less than $1.

CLARIFICATION AND CONSOLIDATION OF EXEMPTIONS RELATED TO HANDLING AND PROCESSING OF FARM PRODUCTS

In enacting the 1961 amendments to the act, Congress directed the Secretary of Labor to "study the complicated system of exemptions now available for the handling and processing of agricultural products under such act and particularly sections 7(b)(3), 7(c), and 13(a)(10)," and to make "recommendations for further legislation designed to simplify and remove the inequities in the application of such exemptions."

The Department has made a detailed study of these exemptions and the amendments in the draft bill are a result of this study.

The bill would repeal the overtime exemption provided by section 7(c) and the minimum wage and overtime exemption in section 13(a)(10). Two other provisions closely related to the section 13(a)(10) exemption (sections 13(a)(17)—country grain elevators—and 13(a)(18)—cotton ginning) would also be repealed. The expanded section 7(b)(3), which would be substituted for the deleted provisions, would continue to provide a 14-week overtime exemption, limited to 12 hours a day and 56 hours a week, for employment in industries found by the Secretary of Labor to be of a seasonal nature. It would provide a similar exemption on an industry basis for all operations covered by the deleted provisions (except livestock slaughtering) if the Secretary of Labor finds that the industry is "characterized by marked annually recurring seasonal peaks of operation."

Legislation in this area is long past due. The "area of production" concept which is applied under the section 13(a)(10) and related exemptions and to some operations under section 7(c), is so complicated that employers and employees alike have found it difficult to ascertain their rights and responsibilities, despite extensive litigation.

The exemptions from the maximum hours provisions are also complex and frequently overlap. They apply on a number of different bases, and the extent of their application is limited by different terms. For some types of employment, an unlimited year-round overtime exemption is provided. For other operations, 28 weeks of exemption is provided—14 weeks unlimited and 14 weeks limited to 56 hours of the workweek. Since many processors are able to qualify for both the 7(b)(3) and 7(c) exemptions, their employees are not protected by the 40-hour workweek standard for a period of nearly 7 months in any year.

EXTENSION OF OVERTIME PROTECTION TO EMPLOYEES IN THE TRANSPORTATION INDUSTRY

1. Section 13(b)(1) of the act provides an overtime exemption for "any employee with respect to whom the ICC has power to establish qualifications and maximum hours of service pursuant to the provisions of section 204 of the Motor Carrier Act, 1935."

This exemption was included in the original act on the assumption that the hours of service of all motor carrier employees were being regulated by the ICC. Actually, the ICC has limited its regulations under section 204 of the Motor Carrier Act to drivers, thus leaving wholly unregulated the hours of work of many other motor carrier employees, including drivers' helpers, loaders and mechanics.

There are no persuasive reasons why all loaders and mechanics, as well as drivers and drivers' helpers working within a metropolitan area or within a limited radius of the home terminal at which their workday begins and ends, should not be subject to the overtime provisions of the FLSA. Many of these employees are already working a basic 40-hour week under union agreements. All of them have been subject to the act's minimum wage requirements since its inception.

On the other hand, the situation is somewhat different with respect to overtime regulation of the workweek of over-the-road drivers and helpers for whom maximum hours for safe operation are prescribed by the Interstate Commerce Commission. Overtime regulation of these employees does present somewhat greater difficulties, especially in connection with long hauls where there is no practical method of stopping the trip in order to conform with a 40-hour workweek standard.

The draft bill proposes that the exemption for motor carrier employees be limited to those employees who spend the greater part of their time as drivers or as helpers who ride on a motor vehicle and to workweeks in which such employees engage in over-the-road transportation of persons or property and are subject to regulations of the Interstate Commerce Commission prescribing maximum hours of service in such transportation.

2. Section 13(b)(2) of the act provides an exemption from its overtime provisions for all employees of an employer "subject to the provision of part I of the Interstate Commerce Act." These employers include not only the majority of railroad and express companies but also oil pipeline companies.

Hours of work of railroad employees are regulated by the ICC under the provisions of the Federal Hours of Service Act of 1907. However, this act (which is intended to promote the safety of employees and not to establish a standard workweek) applies only to train service employees—employees who either operate or are closely connected with the operation of trains. Since oil pipeline employers have no employees engaged in "train service" or comparable occupations, even that act's limited restrictions have no application in this industry.

Thus, while oil pipeline employees are completely exempt from the hours provisions of the FLSA, they are also entirely outside the limited protection of the hours of service requirements of the ICC.

The draft bill would remedy this situation by narrowing the overtime exemption in section 13(b)(2) to provide maximum hours protection for these employees.

(3) The draft bill would limit the overtime exemption in section 13(b)(3) of the act for employees of carriers by air to flight personnel.

Section 13(b)(3) provides an overtime exemption for "any employee of a carrier by air subject to the provisions of title II of the Railway Labor Act."

There is some justification for continuing to exempt flight personnel from the act's overtime requirements. However, they constitute only 15 to 20 percent of air carrier employees, and there is no reason why other employees of air lines should be denied the overtime protection of the act.

As in the case of motor carriers, the exemption of air transportation employees was based on the belief that exemption was necessary to avoid a conflict of regulatory authority between Federal agencies. However, no problems arising out of conflicts between the act's minimum wage provisions and CAB or FAA regulations have developed, and it could be anticipated that none would arise if nonflight crew members were extended overtime protection as proposed.

COVERAGE OF EMPLOYEES OF SMALL LOGGING CONTRACTORS

The proposal would repeal section 13(a)(15) of the act, which exempts from the minimum wage and overtime provisions small logging operations involving not more than 12 employees.

Employees of small logging contractors constitute one of those groups for which the act's protection is urgently required. Their work is irregular and uncertain, not only because of weather or other natural conditions, but also because of the quota system under which the logging contractors operate. Under this system the buyers, largely paper and pulp companies, divide their requirements among many contractors, so that each may obtain a relatively small order. This results in very low annual earnings for these workers, as well as low hourly wages. State minimum wage laws generally do not cover logging workers.

Since the enactment of the 13(a)(15) exemption in 1949 many large pulp and paper companies which previously operated their own woods departments have been subcontracting out their logging operations to the so-called independent contractors to avoid the requirements of the act. This practice results in the denial of the act's protection to large numbers of workers.

EXTENSION OF OVERTIME PROTECTION TO CERTAIN GASOLINE STATION EMPLOYEES

The draft bill repeals the present overtime exemption in section 13(b)(8) for "any employee of a gasoline service station." Approximately 86,000 employees would thus receive maximum hours protection.

The 1961 amendments to the FLSA extended coverage to five categories of enterprises engaged in commerce or production for commerce, including "Any gasoline service establishment if the annual gross volume of sales of such establishment is not less than $250,000, exclusive of excise taxes at the retail level which are separately stated" (sec. 3(s)(5)).

However, the amendments also included an overtime exemption in section 13(b)(8) for "any employee of a gasoline service station."

These employees work longer hours than employees in any other retail line, and their hours of work have been increasing rather than diminishing. In June 1961, 44 percent of the workers in large gasoline service stations worked 44 hours or more a week. By June 1962, the proportion had increased to 58 percent. Even more significantly, in June 1961, 24 percent of the employees of gasoline service stations worked 49 hours or more a week. By June 1962 the proportion working long hours had increased to 36 percent.

Requiring these employees to be paid premium pay for overtime work would undoubtedly reduce their workweeks even if all overtime were not eliminated. Premium pay for overtime hours which were continued would be a boon to this low-wage segment of the work force.

The President stated in his state of the Union message, January 8, 1964: "We must extend the coverage of our minimum wage laws to more than 2 million workers now lacking this basic protection of purchasing power."

	Number of workers
Extension of Fair Labor Standards Act coverage to	2,616,000
I. Minimum wage and overtime	735,000
A. Employees of large establishments of large enterprises:[1]	
Retail trade (food service workers)	74,000
Restaurants	180,000
Hotels	190,000
Laundries	80,000
B. Processing farm products within area of production	90,000
C. Cotton ginning	34,000
D. Small logging	87,000
II. Overtime coverage	1,881,000
A. Agricultural products processing and seasonal industries[2]	584,000
B. Transportation	1,211,000
C. Gas service stations	86,000

[1] Establishments with $250,000 or more in annual sales which are parts of enterprises with $1,000,000 or more in annual sales.

[2] Currently exempt from overtime provisions for all or part of the year.

AMENDMENT TO THE TAX BILL REPEALING THE THEATER ADMISSIONS TAX (AMENDMENT NO. 395)

Mr. JAVITS. Mr. President, on behalf of myself and Senators BEALL, BENNETT, and KEATING, I send to the desk an amendment to H.R. 8363, the pending tax rate reduction bill, which would repeal the 10-percent Federal excise tax on tickets to live dramatic and musical performances.

The amendment achieves the same purpose as a bill which I have introduced in the Senate over a period of years and which has been introduced in the House of Representatives by Congressman JOHN LINDSAY. It is similar to an amendment introduced in the Senate Finance Committee last week by Senator FULBRIGHT which was at first accepted by the committee and later dropped along with the other excise tax repeal amendments.

The excise tax on commercial theater tickets hampers very materially the development and growth of the live theater in the United States. The Finance Committee apparently understood and sympathized with this until the administration made it known that it opposed the repeal of any excise taxes.

The amendment would add to section 4233(a) of the Internal Revenue Code of 1954, relating to exemptions from the tax on admissions, the following new paragraph:

(12) Live dramatic or musical performances.—No tax shall be imposed under sec-

tion 4231 in respect of any admission to a live dramatic or musical performance presented in a theater, or presented in any other place if the presentation of such performance is the principal activity being conducted in such place at the time of such admission.

The **PRESIDING OFFICER**. The amendment will be received, printed, and lie on the table.

NOTICE CONCERNING NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. **EASTLAND**. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Edward V. Hanrahan, of Illinois, to be U.S. attorney, northern district of Illinois, for a term of 4 years, vice James P. O'Brien, deceased.

Roy Lee Call, of Alabama, to be U.S. marshal, northern district of Alabama, for a term of 4 years, vice Peyton Norville, Jr., deceased.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Friday, February 7, 1964, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Record, as follows:

By Mr. **RANDOLPH**:

Address by Senator Daniel B. Brewster delivered at the Jefferson County, W. Va., Jaycees Distinguished Service Award dinner, January 29, 1964.

SENATOR ROBERTSON OF VIRGINIA TELLS WHY AREA REDEVELOPMENT ADMINISTRATION WILL NOT WORK

Mr. **SIMPSON**. Mr. President, the February issue of Nation's Business magazine features an interview with the distinguished chairman of the Senate Banking and Currency Committee, my friend from Virginia, Mr. Robertson.

The Senator's incisive remarks are concerned primarily with the Area Redevelopment Administration, that massive pork barrel project created not as much to cut unemployment as to cut private enterprise and conservatism.

As Senator Robertson points out:

> The ARA is competition on one hand (with private enterprise) and taxation is a penalty on private enterprise on the other.

Through ARA we have the paradox of a nation's private enterprise establishments being taxed to finance their federally subsidized competitors in a program that is already, as Senator Robertson points out, "beyond efficient congressional control." The sum of all the parts is to give the administration and the liberals in Washington a device with which to exact political support from areas of chronic unemployment.

I ask unanimous consent that this salient interview be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Nation's Business, February 1964]

Key Senator Tells Why ARA Won't Work—Head of Senate Banking Committee Calls Administration Action Wrong Approach

President Johnson's attempts to expand the activities of the Area Redevelopment Administration face stiff opposition from a key Senator.

The nationwide operations of ARA are already beyond effective congressional control, according to Virginia Democrat A. Willis Robertson, chairman of the Senate Banking and Currency Committee, which has jurisdiction over the program to subsidize industry in depressed areas.

Existing machinery for routine scrutiny of Government programs simply lacks the resources to measure performance against the promises of the agency, he says, making it impossible to determine whether ARA helps create jobs as it claims.

In this interview, Senator Robertson tells how his initial misgivings about the program have been borne out during the agency's 2 years of operations, and urges that a special investigation be undertaken if the program is to be expanded.

Question. Senator Robertson, why have you consistently opposed the Area Redevelopment Act?

Answer. From the beginning I thought it was a wrong approach at the wrong time.

The bill was aimed, for example, at unemployment in the coal fields of Illinois, Pennsylvania, and West Virginia. Yet, we know that when John L. Lewis got the wages of miners up to $22.50 a day, he priced about half of his workers out of the market. This bill was supposed to put them back to work, and didn't do it.

The fundamental principle of the bill was that, if the Government would lend at a subsidized rate, it could expand industry in depressed areas. I predicted that would not work. I felt we should proceed on the assumption that business can be attracted by high-profit opportunities.

Question. Are you still of this opinion?

Answer. I certainly am. I can't see any tangible results that would justify the expenditures that are proposed.

I will give you an illustration. In the coalfields of southwest Virginia, where unemployment ran 15 percent, or three times the national average, they set up a program to train sewing machine workers. Well, there were no suitable factories there, and they trained mostly women, who had to go somewhere else to get a job.

Question. Has there been unusual pressure to continue the national program?

Answer. I couldn't really say that. The main reason advanced by the advocates was that it hadn't been fully tried: "Let's give it a better chance."

But I don't think it has justified itself.

We still have unemployment, although, of course, in the past 2 years a great many were employed that weren't employed before. Even in the most acute areas, there has been some relief.

Another thing, we found that the figures on unemployment were not too accurate, if you examine all the parts. They include 16- and 17-year-old boys who dropped out of school, who never had worked, and never wanted work. They just wanted to loaf.

Women who never had worked full time were listed as unemployed. That's not a realistic statistic. When you eliminate those that shouldn't be included, the figures—while higher than you would want—are not as discouraging as some would think.

Question. What causes an area to go into an economic decline?

Answer. I think that the unreasonable control of wages and working conditions by union labor is a great threat to some sections where industries don't have enough money to put into automation to offset the high cost of production. These areas will be squeezed out of the market.

Then you have the question of taxation. The corporate tax now is 52 percent, so the corporation has only 48 percent left. Then the stockholder can be nicked again on what he gets, up to 91 percent. Well, that doesn't leave much for investment. That's an invitation for programs like this.

Question. Would you characterize the situation as Government giving with one hand and taking with the other?

Answer. Well, to some extent that would be true. The ARA is competition on the one hand and taxation is a penalty on private enterprise on the other.

And laws that are very favorable to organized labor are a further handicap.

We have grown to our present strength under a system of private enterprise and we have outproduced any nation in the world under this system. So the faster we get away from our present system of private enterprise, and the more we go toward socialism, the faster we will approach the condition of bankruptcy that now confronts a nation like Brazil.

Question. How far do you feel that ARA would go if it got the chance?

Answer. My grandfather used to say the tendency of everything to be more so. I have never known a new agency that didn't try to expand its operations, to become more important, and to continue itself and to increase its compensation by saying, "Look at the number of people under us and how much we are doing."

I think that the political campaign this year is going to produce a check on these agencies that are headed in the direction of socialism. I believe that, unless the taxpayers of this Nation are less concerned about their own future than I feel they are, we are going to have some changes after next November.

Question. Do you feel there should be a more extensive congressional investigation of ARA?

Answer. We don't have the staff on the Banking and Currency Committee to go into a full study. It would take 25 men working 2 or 3 months to find out all the details of what this Agency has done in every State of the Union.

We would need $25,000 to employ a technical staff to make a study of that kind and we don't have it.

But if this is going to be expanded, I think Congress would be well advised to appropriate the necessary funds to find out just what is being done.

You are not going to get agencies, a bureaucracy of this kind, to come in and say, "Gentlemen, we wasted a lot of your money, but we want more money, and we want to stay in office."

Question. If ARA is not the answer to the unemployment problem, what is?

Answer. The tax cut will help. Making labor unions subject to the antitrust laws, so their progrems can't go beyond the legitimate functions of wages and working conditions—that would help.

A little more encouragement to business, and less threat of prosecution if you happen to make a profit, would go far in solving legitimate unemployment.

GONZALO FACIO COMMENTS ON CUBA

Mr. SIMPSON. Mr. President, the former Chairman of the much maligned Council of the Organization of American States, Gonzalo J. Facio, who is the Costa Rican Ambassador to the United States, has written a perceptive article for the February issue of Reader's Digest entitled "Castro Must Go."

In the hope, I would assume, of reviving now-dormant congressional opposition to the Communist dictatorship off our southern coast, Ambassador Facio states his premise unequivocally:

> The Soviet satellite regime of Fidel Castro in Cuba must be overthrown and replaced with a democratic government truly representative of its people.

It is the Cuban-based Communists, he points out, who have led the bombings, burnings, sabotage, and riots against the Government and industry of Venezuela in the past 18 months. It is they who intend to destroy law and order in Latin America and who work toward the day when Russian communism is in complete control of the Western Hemisphere and the world.

Ambassador Facio speculates that because of America's indecisiveness and timidity, the crisis in Latin America has reached the point at which "not even the United States could be confident of a quick, clean, military success," against Cuba.

The author lists four important ways in which we can help the enslaved people of Cuba and the refugees scattered throughout the hemisphere regain freedom for their island.

We can first hold to a clear firm policy; we can maintain economic strangulation; we can aid the freedom fighters, instead of treating them as if they were the enemy; and we can stamp out subversive activities. The latter step would undoubtedly be the most difficult, as the problems inherent in stamping out anything are axiomatic when the courage to lift the foot—or the voice—is lacking.

I feel, Mr. President, that Ambassador Facio has made an important contribution to the dialog on communism in the Western Hemisphere, and I ask unanimous consent that his program for removing the "cancer of subversion from our hemisphere" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Reader's Digest, February 1964]

CASTRO MUST GO

(By Gonzalo J. Facio, Ambassador from Costa Rica to the United States; Chairman of the Council of the Organization of American States, 1962–63)

("We Latin Americans have both the power and the responsibility to remove this cancer of subversion from our hemisphere," says a ranking Latin American leader. Here is his program for getting it done.)

We who are members of the Organization of American States must face up to a challenging, historymaking task. We must move promptly and decisively to eliminate the terrible danger that threatens all of us: the ominous menace of Communist subversion being thrust upon us from the unhappy island of Cuba. The Soviet satellite regime of Fidel Castro in Cuba must be overthrown and replaced with a democratic government truly representative of its people.

As a spokesman of a small but freedom-loving nation, I realize that our big neighbor, the United States is in no immediate danger from Cuba. But Latin American peoples and governments are. For example: every year there is a steady flow of Latin Americans to Cuba for ideological and paramilitary training. The number totaled 1,500 in 1962 alone. These "students" are taught all types of subversive techniques, then returned to their homelands to foment disorder and chaos aimed at the overthrow of legitimate democratic governments and the establishment of Castro-like regimes. It is they who have led the bombings, burnings, sabotage, and riots against the Government and industry of Venezuela in the last 18 months. They singled out Venezuela for special attention because Venezuela is oil rich, and oil is a vital need of the Soviet-Castro regime.

Tons of Communist literature, featuring antigovernment and "hate America" themes, are shipped into our countries from Cuba. Cuban radio stations beam programs of hate and revolt into our countries day and night. And then there are arms shipments. Just a few weeks ago, President Romulo Betancourt of Venezuela reported that a cache of 3 tons of modern automatic weapons had been found early in November on a Venezuela beach. He offered proof, in the form of markings, that these arms came from Cuba. "Joint action will be necessary," he said, "to finish with this bridgehead of communism in Latin America."

There is no doubt of the intention of our enemies: It is to destroy law and order in Latin America and to work toward the day when Russian communism is in complete control.

It is up to all members of the Organization of American States, not just the United States, to erase this danger to our stability and security. We Latin countries have both the power and the responsibility to do it. As U.S. Secretary of State Dean Rusk said at the national convention of the American Legion last September: "The political or military intrusion of Moscow into this hemisphere and the continued ambition of Castro to interfere in the affairs of other nations in this hemisphere are neither acceptable nor negotiable."

There are some who fear that any sort of action against Cuba would be a violation of our united policy of nonintervention. It is true that all nations of the OAS are pledged not to intervene in the domestic affairs of their neighbors. But an enemy intervention has already taken place. Through Cuba the Soviet Union has intervened in the very heart of the Americas. The proposal here is thus not to intervene, but to put an end to Soviet intervention.

What method can properly be used to remove the cancer of subversion that the Castro regime represents? Not direct military action. During the 1962 missile crisis such action by the United States would have been justified under the Monroe Doctrine, and would have been applauded by nearly all freedom-loving Latin American leaders. And it would have been effective. Today, however, not even the United States could be confident of a quick, clean military success.

Nor can we, as some people in apparent desperation have suggested, negotiate with the Soviet Union to bring an end to the bearded satrap. Khrushchev could not possibly entertain such a plan. Soviet leadership will suffer a tremendous loss of prestige when Castro falls; to expect the collaboration of that leadership in the process is unthinkable. What, then? The only solution is to encourage an internal revolt by the Cuban people.

The brave and talented people of Cuba do not willingly endure the subjection into which they have been betrayed. Yet they cannot shake off Castro and the Soviets without help from outside. We, their neighbors, can best give that help in four important ways. We must:

1. Hold to a clear, firm policy. We must make clear, repeatedly and unmistakably, through our respective governments, that it is our united policy to assist the Cuban people in regaining their independence. There can be no relaxation of diplomatic pressure, no "normalizing" of relations with Castro. A firm policy will give heart to the people of Cuba to endure hardship and to work with patience toward the day when their betrayer will be overthrown. And it will give notice to the Russians and the Castro gang that their days of rule in Cuba are numbered. Nothing so quickly saps the strength of a tyrant as to find that he is outnumbered and will one day be overpowered by those he oppresses.

2. Maintain economic strangulation. At a meeting of American foreign ministers at Punta del Este, Uruguay, in January 1962, it was agreed to suspend all trade in military and strategic materials to Cuba. I am proud to say that most Latin American countries have faithfully observed this policy of isolation. Moreover, shipping of all kinds to and from Cuba by firms in the Americas has fallen off to a mere dribble. The Government of Panama, which registers ships of many nations, recently canceled the registry of a vessel that delivered a cargo to Cuba. True, some West European countries and Canada still maintain a small volume of trade with Cuba. But, whereas more than 95 percent of Cuba's pre-Castro trade was conducted with free countries and less than 5 percent with the Communists, today these figures are being reversed—80 percent of Cuba's trade is now with the Communist bloc.

There can be no doubt that this policy is putting a severe strain on the Castro regime. Cuban export trade, worth $745 million the year before Castro, dropped to $521 million in 1962, and estimates for 1963 indicate a further drop—the remainder being mostly sugar to Soviet-bloc countries. In a speech last September, Castro complained of the "economic noose" about his neck and of his debt of 100 million pesos to the Soviet Union. He is increasingly dependent upon Moscow to prop him up, and Moscow is finding this colonial venture a more and more expensive drain.

We must make this economic weapon still more effective by gaining the cooperation of all free nations.

3. Aid freedom fighters. By every possible means short of military intervention we must help the Cuban people prepare for their revolt. With encouragement, the revolt is sure to come. Despite its boastful claims of popular backing, the Castro government has lost the support of an overwhelming majority of the population. Nearly 300,000 men, women, and children have fled the island since Castro betrayed the revolution into Communist hands. At least 315,000 more have requested visa waivers to leave. An average of a dozen persons per week still slip out in little boats.

Farmers and workers in Cuba express their unhappiness by refusal to produce. Castro and other officials are constantly making frantic appeals for "worker cooperation." Sugar is the basis of the Cuban economy, and Cuba normally produces nearly 6 million tons a year. Only 3,800,000 tons were harvested in 1963, and the estimates for 1964 are even lower.

The militia and the army are too close to their families back home to be indifferent to the popular mood. Aware of the security threat that these soldiers pose, the regime is following a policy of frequent and unexpected rotation of officers and units, as well as rationing of ammunition and close control over all issuance of arms. Still, there are constant defections and conspiracies. Late last summer several hundred navy officers and men were dismissed or arrested. Air force officers from three different bases were arrested, accused of disloyalty.

Many groups throughout the island are secretly preparing for insurrection. I know many of their leaders personally; I have seen their secret reports; I have read their appeals to their Latin American neighbors to be ready to assist them. At present, they lack the central leadership that will catalyze them into effective action. This cannot be handpicked by any foreign government; it must be born of the people themselves. All attempts by agencies of the United States to select leaders for the Cuban people have failed. But this leadership will come. When it does, it will need a sanctuary, a secret place where it can be armed and trained, from which to raid and return, and from which its propaganda can be broadcast. We of the OAS must provide that. And we must provide all Cubans with the assurance that when the revolt comes, they will receive all the military and economic assistance they need to succeed.

To hasten this insurrection for liberty, we must give Cuban exile groups all reasonable encouragement and help. At the very least, their activities must not be discouraged. The people of the United States should remember that their own Congress declared in September 1962 that the U.S. Government was determined to work with the OAS and freedom-loving Cubans to support the aspirations of the Cuban people for self-determination. Never let it be said that any of us prevented courageous citizens of our own hemisphere from trying to regain their homeland from an alien power across the globe.

4. Stamp out subversive activities. Each of us in the OAS, also, has a job to do at home. When the problem of defending free governments against Communist subversion was first presented to the American republics at the Conference of Bogotá in 1948, Communist-led rioters attacked the building where the conference was being held and set fire to downtown Bogotá. One of the rioters was the same Fidel Castro whose government now provides the base for Communist subversion throughout the Americas.

We must search out and punish all agents of international communism in each of our countries. We must cut off completely the transit across international boundaries of those foreigners who, there is good reason to expect, will attempt subversive acts against the security of any Western Hemisphere nation. We must make effective the resolution of the Inter-American Conference at Caracas in 1954, "to require disclosure of the identity, activities, and sources of funds of those who travel in the interests of the international Communist movement and act as its agents."

Finally, now that Cuba has clearly been caught slipping arms into Venezuela, I believe we must use whatever military power is needed to prevent such flagrant subversion. Secretary of State Rusk has warned that the United States would use its Armed Forces to intercept Cuban or Soviet arms shipments to any countries of this hemisphere. He told Congress that we intend to enforce the right to conduct surveillance of Cuba and surrounding waters despite the risk of incidents. Everything possible must be done in the months ahead to stop Cuba's aggressive ventures. Otherwise, we will only be faced with bolder, more dangerous Communist intrusions.

The program I have suggested for the restoration of freedom in Cuba depends upon collective action. But it grows out of a tradition. The hearts of all American peoples have always gone out to those willing to fight for their country's freedom. Certainly in their struggle for independence in 1898 the Cuban people had the active support of the United States. And when Castro was preparing for the revolution that overthrew Fulgencio Batista, many people in the Caribbean and in the United States, deceived by his promises of establishing a democratic regime, aided him in his struggle.

Now our hearts go out to the Cuban people, betrayed into the hands of a foreign oppressor. It is to them, for their sakes and ours, that we must devote our knowledge and our strength. We must help the Cuban people liberate themselves from the iron grip of communism; we must do it now, before that grip closes more tightly on our throats.

AMERICAN INDIAN LEADERS EXPRESS CONFIDENCE IN PRESIDENT JOHNSON

Mr. McGOVERN. Mr. President, on January 20, during the annual meeting of the National Congress of American Indians, a representative group of the congress called upon President Johnson at the White House. Albert S. Wetzel, president of the National Congress of American Indians, presented President Johnson with a letter setting forth the problems and objectives of the American Indian. This letter outlines eight specific considerations which the national congress considers paramount for Indian welfare. I ask unanimous consent that the letter to the President be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL CONGRESS
OF AMERICAN INDIANS,
Washington, D.C., January 20, 1964.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The National Congress of American Indians, representing the Indians of America, is deeply grateful for this opportunity to meet with you. We are fortunate that you are chosen to lead the Nation in these difficult times.

We are thankful that the great policies and programs of our late, beloved, fallen President, John Fitzgerald Kennedy, will go forward under your administration. We again express our deep sorrow and grief for our late chief, known to our people as Chief High Eagle.

President Kennedy twice met with us during his short years in office. We talked about the great objectives of this administration for the American Indians. We expressed our pleasure and thanks to him for bringing public housing to Indian reservations, for making jobs on Indian reservations under the Public Works Acceleration Act, and for permitting our people to share in the Federal benefits of community development.

We are delighted that you are going forward with President Kennedy's programs and that you desire to make his hopes for the American Indian come true. You remembered us in your state of the Union message, and this gave heart to all of our people. Now, in aid of your programs we should like to bring to your consideration our thoughts on some of our problems.

1. Unemployment is our major concern. Almost one-half of the employable American Indians are without jobs. On some reservations more than three-fourths are unemployed. Indian reservations are indeed pockets of poverty. We urge that they be given special consideration in the allocation of jobs under public works and other Federal programs, with special emphasis on continuation of force account operations.

2. Our trust land base must be protected from legislation reflecting the unrelenting pressures of external interests to separate the Indian from his trust land. This is not a case for the compromise heretofore expressed in the Department of the Interior's support of S. 1049, which has passed the Senate. We are unalterably opposed to that bill. It is a device which will shift much Indian trust land to non-Indian ownership.

3. Your administration is opposed to termination of the Federal relationship without the consent of the Indian people affected. But, termination may be accomplished by conferring a vote on nonreservation Indians who have no interest in the lives and welfare of the home folks who live on the reservation. For that reason we oppose S. 156 and similar bills and the Department of the Interior should unequivocally oppose such legislation.

4. Under existing law (Public Law 83–280) States may extend their jurisdiction over Indians in Indian country, without the consent of the Indians affected. This violates fundamental principles of self-determination. We urge that effective steps be taken to amend Public Law 280 to require consent by the Indians and to provide for Federal acceptance where a State wishes to return to the United States, jurisdiction it has assumed over Indians.

5. Funds in a meaningful amount should be sought from Congress to maintain the revolving loan fund by the Bureau of Indian Affairs. Tribes should not be charged interest up to 5½ percent on their loans, the current practice. Interest on loans to Indian tribes ought not be higher than interest on Federal loans for carrying out other Federal programs, such as REA.

6. Treaty rights and rights under the law should be enforced and protected. Tribal land protected against alienation by treaty with the United States ought not be subject to taking by eminent domain until there has been agreement and settlement with the Indian tribe.

7. The Indian Claims Commission should be called upon to exercise its powers to establish administrative procedures so that Indian claims cases, all now at least 14 years old, may be speedily completed. Justice delayed is justice denied.

8. The tribes of the United States and their people wish to cooperate and work in carrying out the policies and programs of your administration for the Indian people. We feel that it would be helpful if the responsible administrators were reminded of the need to carry out the spirit and intent of the policies. A good policy uttered in Washington has no significance unless it is brought to life on the reservation level.

Respectfully submitted.

WALTER S. WETZEL,
President, National Congress of
American Indians.

RETIREMENT OF DR. LEONARD CARMICHAEL FROM SMITHSONIAN INSTITUTION

Mr. SALTONSTALL. Mr. President, Dr. Leonard Carmichael is retiring today as Secretary of the Smithsonian Institution. He was appointed to the top administrative job in the Smithsonian 11 years ago while he was president of Tufts University in Massachusetts.

Leonard Carmichael has been the chief architect and moving force behind the remarkable job which has been done to modernize, enliven, and increase the complement of buildings, exhibits, publications, and research projects which comprise our historic Smithsonian Institution. He has turned a somewhat dusty, drab museum into a national showcase of history, technology, science and art. The exhibits now capture the attention and imagination of young and old alike and are presented in an attractive and educational manner. The Smithsonian's cataloged treasures have grown from 35 million to more than 57 million under Dr. Carmichael's management. It is astounding to realize that less than 1 percent of these treasures are actually on display at any one time. Just last week, Dr. Carmichael opened the new Museum of History and Technology on Constitution Avenue. He is particularly respected for his judgment on the quality of exhibits and for his ability to attract top scholars, researchers, and artists for Smithsonian projects.

I think one of the greatest tributes to Dr. Carmichael's work is the fact that the number of visitors to the Smithsonian has increased from 2 million to over 10 million annually since 1953.

As a regent of the Smithsonian, I have worked with Leonard Carmichael and shared his enthusiasm and pride in the accomplishments we now see at the Smithsonian. He has proved himself cooperative, understanding and zealous in his undertakings for the Institution. We owe him a great debt of gratitude for this outstanding public service.

I personally have valued his friendship from his Tufts University days throughout his 11 years as Secretary of the Smithsonian. Mrs. Carmichael, too, has been of immeasurable aid to him in his many civic endeavors in Washington. I know that Leonard Carmichael will continue in the future, as he has in so many ways in the past, to contribute his time and his talents to projects which benefit so many of us. We who have worked with him will miss him, but we wish him well in his new undertakings.

PROPOSED ELEVATION OF STATUS OF U.S. LEGATION IN BUCHAREST, RUMANIA

Mr. LAUSCHE. Mr. President, recently, the British Government agreed to raise its Legation in Bucharest to the rank of embassy and to admit a Communist Rumanian ambassador in London. Representatives of the Communist regime in Rumania have announced that the U.S. Government, in turn, would also be raising the status of the U.S. Legation in Bucharest to the rank of embassy.

I hope that the Government of the United States will not follow the British Government's example which, in effect, constitutes a new step towards the acceptance of the status quo in Eastern Europe and a heavy blow to the rights and hopes of the Rumanian people for liberty and independence.

The present Rumanian regime was forced upon the Rumanian people through Soviet Russia's use of armed force after having given the King a 2-hour ultimatum demanding the formation of a government drawn up in Moscow and dominated by Communists. This tragic violation of Rumania's sovereignty was committed by the Soviet Government only 2 weeks after the Yalta agreements, signed by the President of the United States, had promised Rumania a national, democratic, and representative government.

Furthermore, in an official statement endorsed by the Secretary of State of the United States of America and by the Prime Minister of Great Britain, the Soviet Government had pledged itself "to not interfere in the internal affairs of Rumania and to not change by force the social and economic structure of the country."

The Soviet Government likewise violated the armistice convention and the peace treaty, both signed also by the United States, guaranteeing the restoration of a national and democratic government.

Moreover, in December 1945, at the Moscow conference, the Soviet Government gave the United States and Great Britain her pledge that the Communist regime she had imposed upon Rumania would proceed to hold free elections. On the basis of this Soviet promise, the U.S. representative, Mr. Averell Harriman, gave the Rumanian democratic parties formal assurances, pledging the honor of the United States, that they would be able to participate in free elections for drawing up a representative and democratic government. But the elections which followed were declared by the American Government itself to have been "the most fraudulent elections ever known in history."

These Soviet aggressions and violations are the basis upon which the present Communist government of Rumania is founded. With all its good will, the American Government could not halt their consequences, but the Rumanian people hope it will not approve them.

The present "government" of Rumania was and has remained convicted—at the demand of the United States—by the United Nations and by the World Court at The Hague for violation of article 3 of the peace treaty, through which it had been pledged to respect the rights of man and the fundamental freedoms.

Today, in spite of all the propaganda it carries on for independence, the Communist regime in Rumania remains one of the harshest behind the Iron Curtain:

First. The prisons are filled with innocent men, and an atmosphere of persecution and terror hangs heavily over the entire country. The leaders of the three democratic parties have died in the Communist prisons in which the prominent members of those parties still languish, perishing one by one. Suffering with them are imprisoned peasants, workers, priests, intellectuals, et cetera, who have no other fault than that they love their country and worship God.

With the exception of a restricted number no one can leave the country. It is worth mentioning that a small number of Rumanians—some 20 or 30 in all—ransomed by their relatives in other countries, have been able to reach the free world.

Second. Religious persecution is greater in Rumania than in any other captive nation. The Uniate Church was suppressed by force and its leaders thrown in prison. Of the eight Catholic bishops in the country, six died in prison and the two who are still living, old and ill, are deprived of their liberty. The Orthodox Church is subjected to all kinds of pressure, even to the grave matter of corrupting its own ideals. Its natural hierarchy was destroyed and replaced with one subservient to Communist propaganda and activity. Hundreds of its priests were arrested.

The Communist regime in Rumania was the only one of the Communist regimes which did not permit a single Catholic prelate to attend the Ecumenical Council in Rome and which did not send an observer to that event.

Third. More than in any other captive country, writers and artists in Rumania are subjected to rigorous Communist control and are transformed forcibly into instruments of Communist propaganda. Released from prison only if they are willing to write for the glorification of communism, they are humiliated and terrorized as nowhere else.

Fourth. The peasantry was subjected to all kinds of persecution so that the regime could by force put into practice the collectivization of agricultural property. They live repressed and in poverty, as do industrial workers, too, for misery and terror reign over the greater part of the land.

These are but several examples of the regime of oppression in our country. The slight relief which has been permitted in some areas surely cannot justify a change of attitude on the part of the free world. And the propaganda for "independence" carried on by the Rumanian Communist regime, viewed close up in Rumania and not just by superficial or self-interested visitors, has no basis in reality.

The raising of the status of the U.S. Legation in Bucharest to the rank of embassy would be received with great sorrow by people. They would interpret this move as a sign that the Government of the United States is about to accept the status quo imposed upon them by Soviet aggression. The Communist regime would find it a sign of approval and prestige. But the Communist regime is an agent of Soviet Russia, while the Rumanian people—in any grave circumstances—are and will be the ally of the United States.

Our Government should have at heart the aim of maintaining the faith and courage of the Rumanian people and not of taking a course that will dim the hopes of these people for eventual freedom.

VOLUNTARY TYPE WHEAT PROGRAM

Mr. PEARSON. Mr. President, during 1962, the last year for which complete figures are available, wheat producers in this country harvested approximately 1,091 million bushels of wheat, with a value of approximately $2½ billion. Kansas was the largest producing State, providing approximately one-fifth of all of the wheat.

In many of our discussions of agricultural legislation, we tend to think of the problems and the solutions in terms of the specific agricultural commodity and, in this case, wheat. Wheat production, however, has much deeper roots in our Kansas economy. The agribusiness is often split off and represented in industrial payrolls or in retail activities when, in fact, it is so closely associated to wheat production that serious fluctuations in wheat prices or regulations adversely affecting wheat have equally destructive effects upon the agribusiness and, in fact, upon the total public and private economy of the State.

The concern of the people of Kansas regarding legislation which might be considered by this session of the 88th Congress is represented by a resolution adopted overwhelmingly by the Kansas House of Representatives, which is now in session.

I ask unanimous consent for this resolution to be placed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE CONCURRENT RESOLUTON 12

A concurrent resolution memorializing the Congress of the United States and the U.S. Secretary of Agriculture to provide for a voluntary type wheat program which will improve the economic condition of wheat producers in the United States

Whereas the production of Hard Red Winter wheat of superior breadmaking quality is the largest agricultural industry in the State of Kansas, and is one of the basic industries of our Nation; and

Whereas the economy of the State of Kansas is largely dependent upon the prosperity of the wheat industry; and

Whereas many businesses such as transportation, milling, storage, and merchandising, baking, wholesaling, and retailing firms, and all working people, as well as a vast field of agribusinesses are affected adversely by losses of income in the wheat industry; and

Whereas any adverse effect in our economy will affect State budgets and revenues and prevent accomplishment of the will of the people through governmental activities; and

Whereas a similar situation exists in all major wheat-producing States: Now, therefore, be it

Resolved by the House of Representatives of the State of Kansas (the Senate concurring therein), That we respectfully urge and request the Congress of the United States and the Secretary of the U.S. Department of Agriculture to provide a voluntary type wheat program for the wheat producers of the Nation. Any new legislation recommended and passed should provide for the maintenance and improvement of income and also allow some of our wheat production to be competitive in the markets of the world; and be it further

Resolved, That the secretary of State be directed to transmit enrolled copies of this resolution to the President and to the Secretary of Agriculture of the United States, and to each member of the Kansas delegation in the Congress of the United States.

U.S. REPRESENTATIVE ON INTER-AMERICAN COMMITTEE FOR ALLIANCE FOR PROGRESS

Mr. BURDICK. Mr. President, I invite attention to an editorial that appeared in the Washington Post, January 28, 1964, entitled "Moscoso's New Post." I join the Post in wishing Mr. Moscoso every success as the American representative on the Inter-American Committee for the Alliance for Progress. I ask unanimous consent that the article be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MOSCOSO'S NEW POST

Teodoro Moscoso, who has served with distinction as coordinator of the Alliance for Progress, has moved on to a new job of great potential importance. He will be serving as U.S. representative on the Inter-American Committee for the Alliance for Progress. This body, known as CIAP (the initials of the name in Spanish) is a major innovation agreed upon at last fall's hemisphere meeting in São Paulo. The purpose of CIAP is to strengthen the multilateral aspects of the Alliance.

No one as yet is certain how the system will work, and the man who will head CIAP remains to be appointed. But few question that there is a need for what President Johnson has called an effective multilateral organ to provide guidance and greater momentum to the Alliance.

Mr. Moscoso is deeply committed to the multilateral concept—in other words, to the proposition that our neighbors must share on a collective basis in the decisions of the Alliance. From this country's viewpoint, it is preferable that pressure for controversial domestic reforms come from a Latin American body rather than from the United States. Mr. Moscoso should prove an able adjutant at CIAP, providing he gets the understanding and support he deserves from the White House and the State Department.

STUDENT EXCHANGE PROGRAM

Mr. JAVITS. Mr. President, educational exchange programs have been carried on by Americans long before the Federal Government decided to participate in it as a part of our foreign policy. In New York City, a residence and program center for graduate foreign and American students has been functioning successfully since 1924. International House on Riverside Drive is a private charitable and educational organization famous throughout the world for its distinctive contribution to a better understanding of the United States. It is an outstanding example of the importance of private initiative in this essential area.

I ask unanimous consent to have printed in the RECORD the report of Howard A. Cook, president of International House.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE PRESIDENT REPORTS ON THE YEAR SEPTEMBER 1, 1962, THROUGH AUGUST 31, 1963

As every organization needs to do periodically, this past year we have taken a serious look at our program in the light of the current needs of our graduate students. The gravity of the world situation and the highly advanced technology of the times has produced a different kind of student today than in decades past. He is far more earnest about his studies, has to work harder to gain his educational goals, and feels the keen competition imposed by the inflation of the student population and the necessity to obtain a higher degree of professional specialization. In addition, students from developing countries are anxious to bridge huge educational gaps and are under far greater pressures in order to catch up.

We feel that International House, with 96 countries represented under its roof, has a unique opportunity in planning its program to assist tomorrow's leaders to work together in a common effort, while preparing themselves professionally. Our trustees' recognition of the importance of our program was reflected in the creation of a new position, that of vice president in charge of program, to give the program new balance, new dimensions. Dr. Richard P. Taylor, our program director for the past 2 years, was appointed to this post and the new emphasis he is giving the program can be seen in the program review following.

One of our House residents, James Davis, is completing a 2-year study on International House foreign alumni for his doctoral thesis. The findings from this study, presented to the board of trustees, show that International House has contributed significantly to the professional growth of its former members. It has likewise reemphasized our own conviction that the American students, residents in the House, play a vital role in molding the foreign students' attitudes toward the United States. We are now formulating plans for an Alumni Association of the New York House to strengthen the bonds between this important group and our country.

The man who first conceived the idea of an international student association back in 1909, which later materialized as International House, reached the venerable age of 80 years last spring. Harry Edmonds was honored by the House and hundreds of the alumni who knew him as the director of the House from 1924 to 1935. Scores of letters, congratulatory telegrams, and gifts poured into the House and a special dinner celebration on May 10 marked the warmth and admiration felt for this hale and hearty octogenarian, whose inspiration started the chain of events which has led to today's worldwide movement of international houses and centers.

"Gifted with rare insight and sympathetic understanding, you have made your own the family tradition of service throughout the world. Pursuing a strenuous life with zest and efficiency, you have challenged us by your example." Thus read, in part, the citation presented to David Rockefeller upon his retirement from our board of trustees in July of this year after 22 years of service. We shall sorely miss his presence on the board, but his interest and concern for the House remains as he takes the honorary position of trustee emeritus.

I would like to mention our pleasure at noting three of our trustees included in President Kennedy's list of 31 receiving the highest civilian award of the year, the Presidential Medal of Freedom. The honored are Ralph Bunche, Ellsworth Bunker, and our chairman of the board, John J. McCloy.

I want to extend special thanks to my staff and to the trustees for their patience and forbearance during the completion of my year as president of the National Association of Foreign Student Advisers. Devoting much time and energy to this professional organization was a most stimulating experience and involved International House in the wider horizons of the total foreign student exchange program. I was especially pleased that through a special grant from the Johnson Foundation, three of our students were able to attend the national NAFSA conference in California, meeting with professionals in their field. These students were taking part in our foreign student advisor training program which has been financed by that foundation for 3 years.

The financial picture for International House is a sound one. Corporate support increased from 85 to 97 donors this year, and a very high percentage of our friends, including individuals, and foundations, continued their generous gifts to make the program possible. Our increase in contributions this year was due to the untiring efforts of our development committee under the able chairmanship of Stanley Rumbough, Jr.

Also notable were the additions to our scholarship and fellowship funds, both annual, and endowment, with which we were able to give assistance to 54 students. Of special note was the gift of $13,750 from the Stiftung Volkswagenwerk in Germany to endow a room scholarship for a German student. This was the first grant made by the foundation to an organization in the United States.

No organization like International House could function without the concerted efforts of trustees, volunteers, and staff members. Because of their dedication to the ideals of International House, their contributions of knowledge, time, and talent are of singular importance to the success of this unique institution. My deepest appreciation goes to each and every one.

Howard A. Cook,
President.

November 1963.

NEW EVIDENCE OF CASTRO SUBVERSION

Mr. KEATING. Mr. President, the announcement that Castro-Communist agents are proven to have played a very large role in the recent outbreak of violence in Panama should be sufficient evidence that the United States can no longer delay effective measures to combat the export of terrorism and subversion from Cuba.

In mid-December I proposed and called to the attention of our Department of State the possibility of creating an Inter-American Subversion Control Board. Such a group, I believe, could perform the same kind of function that is performed so effectively and efficiently by Interpol. There is pressing need throughout this hemisphere for greater coordination of information. Every Latin American government should have immediate access to detailed records of Cuban-trained Communist agents, their whereabouts, their financial status, and their techniques of operation. This information should have been promptly available and made known to the world at the time of the Panamanian riots.

The need is critical but unfortunately the machinery is not yet in existence to provide the necessary surveillance of Communist movements. The entire hemisphere would benefit by the creation of a board with adequate authority to follow and to follow up on Castro's agents in the Western Hemisphere.

Mr. President, it is not enough just to talk. We have seen that that does not even persuade our own allies not to renew contact with Castro. What is needed is some action to set up the kind of machinery necessary to do the job that needs to be done. We cannot afford further delay. In 1961 and 1962 we permitted the progressive buildup of Soviet military power in Cuba until the United States and the world were confronted with a major military confrontation in the cold war. In 1963 we have permitted the progressive buildup of subversive training activities and terrorist potentialities in Cuba until the United States and the hemisphere are again confronted with a major threat to security and peaceful progress. How long will we continue to face the Cuba problem inadequately and ineffectively? How long will we continue to wait until a major crisis occurs before we establish the machinery and formulate the policies necessary to cope with it?

REVENUE ACT OF 1964

Mr. SMATHERS. Mr. President, I ask that the unfinished business be laid before the Senate.

The PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

The PRESIDENT pro tempore. Under the rule, the 3-hour period for germaneness of debate is now in effect.

Mr. SMATHERS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Illinois will state it.

Mr. DOUGLAS. I should like to inquire of the Senator in charge of the bill, the distinguished junior Senator from Louisiana [Mr. Long], whether any motion or request has been made to accept the committee amendments en bloc as a basis for discussion and action.

Mr. LONG of Louisiana. The request has not been made because it would not be agreed to. I expect to make such a unanimous-consent request later today, or perhaps on Monday. I have discussed this subject with a number of Senators. There would be objection if the request were made at the present moment. That being the case, I see no reason to make a futile request.

Mr. DOUGLAS. Speaking for myself, the Senator from Tennessee [Mr. Gore], the Senator from Wisconsin [Mr. Proxmire], and I believe the Senator from Connecticut [Mr. Ribicoff], we are ready to accept the committee amendments as text, with one exception—namely, the provision with respect to capital gains. We wish that provision to be put to a vote, in order to support the committee's position. I suggest that the Senate get on with the business of voting on the bill.

Mr. LONG of Louisiana. As far as I am concerned, I am perfectly content to do that, but a number of Senators are not.

Mr. DOUGLAS. Who is holding up the bill?

Mr. LONG of Louisiana. I am not holding up the bill, but there are others——

Mr. DOUGLAS. Who is holding it up?

Mr. LONG of Louisiana. I do not know, but various Senators are out of the city.

Mr. DOUGLAS. Let us test it by moving to adopt the committee's amendments as original text with the exception of the capital gains provision and if no objection is heard, let that amendment be brought up.

Mr. LONG of Louisiana. I do not wish to vote until they can return to Washington. As far as I am concerned, I am willing to accommodate them. I have no choice.

Mr. DOUGLAS. The Senator states he does not know who the Senators are, but he is ready to accommodate them. Who are these mysterious strangers who are holding up action on the bill?

Mr. LONG of Louisiana. I have no choice. As far as I am concerned, the pending business would be to vote on striking the preamble; and on that issue I am ready to vote now. I hope it may be done by unanimous consent.

Mr. DOUGLAS. Why not try a unanimous-consent request that the committee amendments be agreed to en bloc, and that the bill, as amended, be treated as original text for purposes of amendment? Ask unanimous consent.

Mr. DIRKSEN. Mr. President, I would object to the request.

Mr. RIBICOFF. Mr. President, I have received expressions of cooperation and courtesy from the Senator in charge of the bill, the Senator from Louisiana [Mr. Long], and also the minority leader. Without question, one of the major amendments to the bill will be my proposed tax credit for education expenses of youngsters in college.

I was interested in the considerable amount of attention paid to the so-called Ribicoff amendment at the start of the debate on the tax bill yesterday. I am honored by my distinguished colleagues' interest in my proposal to give a break to those who foot the bill for the education of our Nation's college youngsters.

But I was surprised at the amount of misinformation that crept into the discussion. In the public interest, I feel it is necessary to correct this misinformation. Therefore, I will discuss the amendment on the floor of the Senate in detail on Monday, if I can get the floor.

Meanwhile I will simply state a few facts. The senior Senator from Oregon, my eminent colleague and good friend, Senator Morse, called my amendment a "rich man's amendment."

It is anything but this.

Fact No. 1: My amendment provides not one dollar of benefit to the millionaire.

Fact No. 2: Families with incomes between $3,000 and $10,000 are 62 percent of our population.

Fact No. 3: Families with incomes between $3,000 and $10,000 get 62 percent of the dollar benefit under my amendment.

My amendment is an average man's amendment. It benefits the average American family. It helps them at a time when they need help.

By benefiting education, it would benefit America.

People—average people—seem to sense this. Everywhere I go nowadays, they stop to tell me they are rooting for my proposal. At home in Connecticut, here in Washington, and in other parts of the country where I have had speaking engagements, men, women—and youngsters too—speak to me about it.

College costs hit a family in just a few short years—and they hit with an impact that hurts. A $3,000 college expense is a staggering burden for a man earning $8,000, or $12,000, or $15,000. That is why when I was riding the elevator with the distinguished minority leader the other day, the elevator operator said, "Gee, Mr. RIBICOFF, you really are doing a job for all of us who are trying to get a college education. I hope your amendment passes."

The distinguished chairman of the Foreign Relations Committee, Senator FULBRIGHT, inserted editorials from the Washington newspapers about my amendment. Mr. President, I ask unanimous consent to insert in the RECORD at this point the letters I wrote in response to two of these editorials.

And, Mr. President, I also ask unanimous consent to insert in the RECORD at this point, editorials from across the land—where people live—supporting this measure. They show why it would further the cause of education in our land by helping to make college education realistically available to all boys and girls with a capacity for it.

There being no objection, the letters and editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Dec. 19, 1963]

TAX CREDIT FOR EDUCATION?

The Washington Post's opposition to my amendment giving tax credits for college costs deserves further discussion. Let me deal with your three objections in order.

"First," you write, "it discriminates against those families who cannot in any case help their children through college." If this is a criticism, it applies with equal force to every deduction and credit now allowed by the Internal Revenue Code, for it simply means that those who pay no expenses and have nothing to deduct, get no deduction. Surely, that is not discrimination.

The man too poor to pay his hospital bill gets no benefit from the medical deduction available to his neighbor who does pay his bill. That proves we need to help those who cannot pay their hospital bills; it does not prove that we should deny tax relief to those who pay these costs.

"Unlike direct Federal grants," you continue, "tax credits would provide no assistance to talented young people of limited means who must work their way through college." Not true. My amendment provides a credit for any person who pays for a student's tuition, including the student himself. A student working full-time in summers and part time during the school year will pay, even under the new lower rates, $225 in taxes on $2,400 income. If his tuition and books are $500 or more, my credit proposal would wipe out that tax.

"Worse still," you conclude, "the granting of tax credits would encourage private and public institutions to raise tuition and other fees." First, colleges have been raising their tuitions anyway. A recent study showed that in just 4 years a group of private colleges raised student costs 29 percent and the increase for a group of public colleges was 21 percent.

Furthermore, you assume that colleges set their costs by what the traffic will bear. I do not. I believe their student charges reflect the increased costs they face, not the increased ability of parents to pay. But if you are right, then tuition costs are going up anyway, because every college will know that the basic rate reductions in the pending bill give parents funds, which can be absorbed through increased tuitions.

I think it unlikely that colleges would raise tuitions to cover the entire tax relief given to parents by the pending bill, with or without my amendment. Conceivably, there would be possibility of a slight increase due to tax relief, if the tuition increase were fully or even substantially deductible.

But under my amendment, the major share of the credit is based on the first $500 of tuition and books. The credit is 10 percent on the next $1,000. So every $100 increase in tuition above $500 gives the taxpayer only a $10 credit. There is no more reason to oppose this 10 percent credit because of tuition increase than there was to oppose last year's 7 percent investment credit on the ground that equipment manufacturers would raise their prices.

In sum, I believe those who pay the high costs of a college education are as entitled to some tax relief as those who receive a deduction for medical expenses or casualty losses. There is no doubt that we also need aid to the colleges, as provided in the bill signed by the President this week. And we also need scholarship aid. But it is time to extend some relief to the middle income person who pays in a short span of years a high cost that benefits the entire Nation.

The middle income families are generally not eligible for financial aid. They are the ones my amendment benefits: 51 percent of the dollar benefit goes to families with incomes between $5,000 and $10,000, and 91 percent goes to families with incomes below $20,000.

ABRAHAM RIBICOFF.

[From the Evening Star, Jan. 24, 1964]

COLLEGE TAX RELIEF

I am very pleased the Star agrees that college costs, like medical expenses, are entitled to tax relief. And if, as your editorial said, some changes should be made in the amendment 16 Senators and I have proposed, we would be glad to have suggestions for improving it.

The college tax credit amendment I proposed has already benefited from the suggestions that have been made to improve the various proposals that have been introduced in prior years. For example, earlier proposals had been criticized for giving a preference to private colleges as against public colleges. We therefore adopted the idea of a sliding scale credit so that proportionately greater tax relief is given for the low tuition costs generally found at public colleges.

Even where the public college charges no tuition, the fees, books, and supplies generally add up to $200. My amendment would provide a credit of $150. That's 75 percent. Compare that to the $275 credit that would be available at a private college where tuition is $1,000; this comes to only 27 percent. Costs at low tuition colleges would get the greatest share of the benefit under my amendment.

Another criticism concerned the very wealthy person who benefited under prior proposals. My amendment reduces the credit in upper income groups and excludes the high income groups completely; 91 percent of the dollar benefit would go to families with incomes below $20,000. The millionaire would get no benefit at all.

Even with these points already written into the amendment, there may well be other suggestions worth adding. I would certainly give them careful consideration. In any event, I am glad you recognize that a basic problem exists and view with approval the general approach I have taken. You may be sure that every Senator will have a chance to vote on this proposal when I call it up on the Senate floor as an amendment to the tax bill.

ABRAHAM RIBICOFF.

[From the New York Daily News, Jan. 23, 1964]

HOPE RIBICOFF KEEPS FIGHTING

As a rule, we think pretty well of the Senate Finance Committee. We think anything but well of its vote Tuesday to leave out of the tax cut bill a provision for special income tax credits on college students' expenses.

This carefully thought out plan was offered by Senator ABRAHAM RIBICOFF, Democrat, of Connecticut. It blueprints only a modest amount of tax-deduction aid to college students and their parents.

We know of no fairer deductions—and we hope Senator RIBICOFF will take this fight to the Senate floor.

[From the Baltimore Sun, Jan. 23, 1964]

COLLEGE TAX CREDIT

It used to be that a family's biggest expense in the lifetime of its chief wage earner was the cost of buying a home—something that is entered into with many safeguards and paid off slowly over many years. Now the biggest expense may be the cost of sending three or four children to college, something that must be paid off more quickly and hits—as a rule—within a short period of time. Even at a State or other public college, the cost of 4 years of education can run as high as $6,600; an education at a good private college can cost double that sum.

Hence, millions of parents will watch anxiously the fate of Senator RIBICOFF's proposal to allow families special income tax credits (to a maximum of $325 a year) for each student in college. The administration is opposed to this amendment to its tax bill, but Mr. RIBICOFF, a former Secretary of Health, Education, and Welfare, feels that there is enough support for his plan to override an unfavorable vote by the Senate Finance Committee. The committee majority opposes the Ribicoff proposal following the administration's contention that education can be financed more efficiently through grants and loans.

But can it? The administrative costs involved in any Federal (or, for that matter, State) scholarship plan, the general tendency of scholarships to be restricted to levels below the middle-income group and the inevitable selectivity of Federal support for college scholarship systems provide less help for the average student, and at higher cost, than would a straightforward modest tax reduction. Mr. RIBICOFF's proposal, which would help a great number of families in the most direct way, is likely to be approved if it gets to the floor.

[From the Hartford (Conn.) Courant, Oct. 8, 1963]

WHY NOT TAX RELIEF FOR COLLEGE EXPENSES?

Senator RIBICOFF will find warm supporters among parents of children who are now in college, or who plan to go soon. Mr. RIBICOFF is hoping to introduce an amendment to the tax cut bill that will give some relief to those who are sending their children through college, and are footing the bills. He hopes to introduce a measure that would give these parents full tax relief for all expenditures up to $1,500. It is estimated that this relief would cost the Treasury around $750 million a year at this point, and that in a few years the figure will climb to $1 billion.

Even so, there are all kinds of relief measures built into the tax law that permit allowances for depreciation and depletion. For years some businessmen have had all kinds of extravagances deductible from their tax bills. Of all the citizens the one group that has never been recognized for tax relief is that great middle class that politicians like to call the backbone of their country. And these are the ones who pay their way, and try to give their children a decent education.

The Government itself has recognized the need for superior education, and stimulates higher education by a wide variety of grants and subsidies. But the one area where there is no relief is that where it pinches most. The man of moderate means whose children have not earned scholarships is doomed to at least 4 years of deprivation as he sends his boy or girl through college. And the parent of modest means who has two or more can look forward to a long period of shabby clothing and beat-up cars. It is not a nice feeling for these people to survey the tender, loving care that owners of oil wells, gold mines, or big industries get in contrast to their own shabby lot.

A part of this neglect stems from a now outmoded bit of folklore that only the rich send their children to college. The corollary is that a college education is a luxury. That is untrue now on both counts. A college education is as necessary now in earning a livelihood as high school education used to be 50 years ago. And today the colleges are filled with earnest and intelligent children from moderate income homes—or sometimes indeed from the homes of immigrants. Quality is the watchword, and our colleges were never so filled with intelligence as they are today. Only the most illiterate person would say that a college education is a luxury.

Still, the Ribicoff proposal may not have easy going. For one thing, the parents of these children who would profit are not organized the way the oil industry is. And many Congressmen still are moved by ignorant prejudices. Despite these bad omens, let us hope for the best.

[From the White Plains Reporter Dispatch, Dec. 26, 1963]

TAX CREDIT FOR TUITION

Gathering momentum in Washington is the proposal for a tax credit for college tuition. It is being offered as an amendment to the pending tax-cut bill.

The proposal isn't new. What makes it impressive at the moment is that 14 Senators who had introduced their own bills have now consolidated forces by cosponsoring the measure being pushed by Senator ABRAHAM RIBICOFF, Democrat, of Connecticut. Senatorial support is broad, including even such unlikely bedmates as HUBERT HUMPHREY and BARRY GOLDWATER.

The scale of tax credits that would be granted to parents of college students ranges from $150 for the first $200 at tuition up to a maximum of $325 for tuition of $1,500. That would apply to parental income up to $25,000.

The scale for parents with larger incomes slides the other way, until income exceeding $57,500 would exclude any credit.

Senator RIBICOFF contends this works out equitably, with 51 percent of the credit helping families in the $5,000 to $10,000 bracket, and 91 percent going to families with incomes under $20,000.

One big obstacle is that this arrangement would cost the Treasury more than $1 billion a year. Besides the revenue loss, there is the argument that it creates a new loophole at a time when Congress is being urged to close loopholes.

Ordinary mortals may, however, find it hard to get excited about the loophole of a tuition tax credit when Congress shows no discernible interest in doing a thing about truck-size loopholes that enable some of the highest income people to avoid paying a cent in taxes.

That, of course, doesn't make further loopholes any more desirable, per se. But is it fair to term a tuition tax credit a loophole? Is it any more of a loophole than certain dependency, age or illness exemptions with which there is no moral or practical argument?

We'd say the answer is no—particularly when the tuition tax credit is considered as an alternative to proposed multibillion dollar Federal programs designed to help pay faculty salaries and operating costs—in other words, via a roundabout tuition subsidy.

The difference is that the tax credit would be granted directly and without administrative expense. As we well know, the dollar that goes to Washington suffers shrinkage from the standard bureaucratic "handling charge" before it returns as Federal aid.

If the Government proposes to help parents meet the high cost of today's college education, why not do it the most efficient and inexpensive way? At that, $325 won't go far—but it'll go a lot farther if deducted at the source.

[From the Newark News, Jan. 23, 1964]

HELP TO PARENTS

Senator RIBICOFF's efforts to amend the tax-cut bill to permit deductions for college costs have suffered a setback in the Senate Finance Committee. Undaunted, Mr. RIBICOFF plans to carry the amendment to the Senate floor, where he views its chance as "excellent."

The Connecticut Democrat's optimism stems from the 10-to-7 vote, which found all 6 Republicans on the committee joining him in favor of the amendment. The deserting Democrats reflect the administration's feeling that Federal aid to education is best provided through grants and loans, rather than tax relief. But Senator RIBICOFF thinks he can convince his party colleagues to the contrary.

Mr. RIBICOFF argues that the Federal assistance programs benefit only the low-income family. His plan is designed to help parents who are neither wealthy enough to absorb the high cost of college education without hardship, nor poor enough to qualify for financial aid under existing scholarship programs. It would allow maximum credit of $325 for each student, with a descending scale for taxpayers in higher brackets.

Considering Congress' liberal policy toward business expense deductions, parents would seem entitled to some relief from the financial burden of sending their children to college. But they have no lobby in Washington and, along with Senator RIBICOFF, can only hope the Senate will view their plight with more sympathy than either the administration or the Finance Committee majority has shown.

[From the Denver Post, Oct. 8, 1963]

COULD HELP THE KIDS, COLLEGES AND PARENTS

A tax idea that strikes us as quite worthwhile is gaining support on Capitol Hill in Washington. It should appeal to every parent burdened with the expense of putting a child through college.

The idea is simply that parents would be allowed to add to their itemized Federal income tax deductions the cost of their children's college tuition, books and fees, up to a maximum of $1,500 a year.

This is the way a bill sponsored by Senator ABE RIBICOFF, Democrat, of Connecticut, reads, and RIBICOFF, as a member of the tax-writing Senate Finance Committee, is in a potent position to do something about it. The extent of support for the idea is shown by the fact that more than 120 bills of this general type have been introduced in Congress this session, and their sponsors range from liberals such as RIBICOFF to conservatives such as BARRY GOLDWATER.

RIBICOFF said this week that when the House-passed $11 billion tax cut bill comes up in the Finance Committee, he will try to get the college expenses tax deduction plan written into it.

The idea has been around for some years now, and was opposed by both the Eisenhower and Kennedy administrations on grounds that (1) direct student aid is better, and (2) tax deductions are no help to low-income families who pay no income tax.

Both administrations seem to have preferred direct support—loans or grants—presumably because these could be restricted to worthy students, whereas tax deductions might go to parents of children loafing their way through college for social status.

This was a more valid argument 5 or 6 years ago—before the sputnik era—than it is now. The better colleges are weeding out goof-offs more ruthlessly every year.

The other argument—that tax relief is no help to low-income families—doesn't impress us much. The Federal tax bite starts at $3,000 for a couple with one child, $4,000 for the parents of two children. Hence there aren't going to be many parents, who are interested in having a child go to college, who wouldn't get tax relief under this proposal. And for those in this bracket who are interested, such a tax deduction might well make the difference as to whether they could afford it or not.

Certainly, for the vast middle class, from which most collegians come, a college expenses tax deduction would be a real boon.

We checked with one father of a full-scholarship winner, who nevertheless has to foot a $750-per-year bill for books and other expenses for his son. His reaction was blunt:

"If wealthy people can get a tax break for their contributions to college endowment funds, why shouldn't I get one for my sizable—to me—contributions toward meeting college expenses?"

Why not indeed? Any proposal that has the backing of people as politically different as ABE RIBICOFF and BARRY GOLDWATER must have nonpolitical merit. We hope the Senate Finance Committee gives it an A-plus.

[From the Herald-Advertiser, Nov. 17, 1963]

AID FOR PARENTS

Parents with college-age children may be divided into three groups: Those who can afford, without question, to send their children to college; those who, without question, cannot afford to do so; and those who cannot afford to but who manage, somehow, to do it.

Interested lawmakers who sympathize with the last group and would like to make their sacrifices a little less painful, have sought for years to get these parents a better break with the tax collector.

West Virginia's Senator JENNINGS RANDOLPH is one Member of the Congress who repeatedly offered bills that would give parents with children in college larger deductions or tax credit to offset the high costs of higher education. Others have been equally solicitous and equally unsuccessful.

Senator ABRAHAM RIBICOFF, Democrat, of Connecticut, tried to interest the administration in some kind of tax relief for the parents of college students when he was Secretary of Health, Education, and Welfare. Now that he is in the Senate, he is reported to be trying to coordinate the efforts of individual Senators in a concerted move to get a tax-relief bill through Congress.

According to a copyrighted article in the Washington Star by Charles Bartlett, the bipartisan bill will have good support in Congress, but will be opposed by the administration, the Treasury Department, and even some education groups. Their opposition is explained as follows:

It would cost the Treasury about half a billion tax dollars on top of the anticipated $11 billion deficit involved in a general tax reduction:

Tax "purists" dislike the idea because it moves in the opposite direction of their drive to remove the "gimmicks" from the tax laws.

The education groups are afraid that enactment of such a bill will reduce chances of getting a Federal program of undergraduate scholarships to match the present program of Federal loans. They say scholarships would go only to deserving students, whereas tax relief would benefit both the deserving and the undeserving.

The Ribicoff compromise bill would offer a graduated scale of benefits to parents based on their incomes. The maximum tax credit, $325, would be available to parents with incomes up to $20,000. Then it would taper off, ending entirely if parental income was $60,000 or more.

As Mr. Ribicoff is discovering, it is not an easy bill to write or to defend against charges that it favors the middle-income and high-income groups. But the fact that there is general recognition of the painful sacrifices which middle-class parents must make—and do make—in order to send their children to college, gives hope that a satisfactory solution to this urgent problem will be found.

[From the Montgomery (Ala.) Advertising Journal]

Federal Aid That's Sound

Why not give special tax consideration to parents who are trying to put children through college? A Democratic Senator sponsored this plan and a Democratic administration is opposing it, but it makes more sense than most other education measures that originate in Washington.

Senator Ribicoff's is simplicity itself. For each child in college, a parent would be allowed a tax credit of 75 percent of the first $200 in tuition, books, fees, and supplies, 25 percent of the second $300 and 10 percent of the next $1,000—a total of $325 for each student. This amount would be directly subtracted from the amount of taxes due, except that parents in higher income tax brackets would be entitled to a smaller deduction or, above $60,000 a year income, none at all.

The Senate Finance Committee turned down Ribicoff's proposal by a vote of 10 to 7. Ribicoff's opposition included the Treasury Department, which estimated that the tax-credit scheme would cost the Government $750 million the first year and more than $1 billion by the third year.

So it might, but that's no greater than the 3-year $1 billion college aid bill approved by Congress last month and is considerably less than some other aid-to-education bills that have been proposed.

Better yet, it's a step toward making it easier for the States to sustain their educational systems without Federal help—by leaving more money at home.

If the Federal Government weren't sitting astride most of the productive tax sources, there would be no reason for the tax dollar to make that wearing, eroding trip to Washington and back, and the States could solve their own problems more easily.

Mr. RIBICOFF. Now, Mr. President, I have talked with the distinguished Senator in charge of the bill about the prospect of considering my college credit amendment on Monday. My hope that the Senate will enter into a unanimous-consent agreement to call up the amendment at about 4 o'clock on Monday afternoon and vote on the amendment some time late on Tuesday. I have discussed the subject with the distinguished minority leader. He said he would be more than willing to agree to that arrangement and he has indicated a desire to expedite the major amendments.

Mr. LONG of Louisiana. Mr. President, I am perfectly willing to make the request that the Senator from Connecticut be recognized as soon as the Senate has concluded its consideration of whatever amendment is pending at 4 o'clock on Monday.

I am not prepared to enter into a unanimous-consent request that the vote be taken at that time, because the amendment is a very important amendment and is one which should be discussed long enough so that Senators on both sides will feel that their arguments have been fully heard and that their answers to the opposing arguments have been heard. I assume that the Senate could vote on the question some time on Tuesday; but not knowing how the debate would go, I would not wish to ask unanimous consent that the Senate vote at any particular time.

I ask unanimous consent that the Senator from Connecticut [Mr. Ribicoff] be recognized immediately after the disposition of whatever amendment is pending on Monday at 4 o'clock for the purpose of offering his amendment related to tax credit for education expenses.

Mr. SMATHERS. Mr. President, reluctantly I am obliged to object to the unanimous-consent request at this time. I make the objection not because I believe that the Senate cannot get to the Ribicoff amendment, and not because I do not believe it should get to it. We have made great progress. We have proceeded with the bill within the committee in a fashion and at a rate that was much greater than any of us originally thought possible.

We discovered that rather than try to force any hard rules on the Senate, the best thing to do was to let the matter take its course. We would not try to set up any hard, fast, and rigid rules, but let the committee work its will.

The bill was reported from the committee considerably sooner than we expected. Every Senator knows that. The bill is now before the Senate. We desire to dispose of it as quickly as we can. At the moment the majority leader is in his own State, I believe, on necessary business. Other Senators who are interested in the bill are not present at this particular moment. There has been no disposition on the part of the Senator from Florida, the Senator from Louisiana [Mr. Long], the Senator from Connecticut [Mr. Ribicoff], the Senator from Wisconsin [Mr. Proxmire], or the Senator from Tennessee [Mr. Gore] to delay the bill. The Senator from Tennessee, who opposes the bill, has been the very soul of courtesy and cooperation on the whole question, even while he expressed his views. Nor has the bill been delayed by the Senator from Illinois [Mr. Douglas] or any other Senator. I do not believe it would be. A number of Senators are deeply concerned about the question. It would be a mistake at this particular time for the Senate to enter into any unanimous-consent agreement as to the time that the Senate would vote on the amendment.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. LONG of Louisiana. I am not in the least perturbed because the unanimous-consent request was objected to. Since the Senate proceeded to the consideration of the bill we have not been able to get 100 Senators to agree on anything. That is not unusual in this body. When we reach the point at which the Senate will be ready to vote, it will vote. That is the way we proceed on major proposed legislation. A number of Senators wish to make speeches for or against the bill, or desire to explain their positions against various amendments. Those speeches could be made today.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. RIBICOFF. It is interesting to me that the Senator from Illinois [Mr. Douglas], the Senator from Tennessee [Mr. Gore], and myself, who are unhappy with many parts of the bill and intend to offer amendments, are anxious to expedite the procedure. Yet Senators who are in charge of the bill and those who are supposed to be anxious to expedite it do not seem to be disposed to expedite the measure. At best that situation seems to be ironical.

Mr. SMATHERS. It seems that way to the Senator. It merely seems that way. The fact is that, through hard experience, we have learned that matters are expedited a little better when the leadership, in addition to the Senator in charge of the bill, gets the troops who have some interest in it in the Senate Chamber so that there can be some general accommodation. We know where we stand on the bill. There is no doubt in the mind of any Senator present. There are certain provisions in the bill of which I am not totally in favor. But I believe the bill is a good one. I voted for it, and I expect to vote for it again. I expect to continue to support it, although it is not exactly what I would like.

I believe that consideration of the bill will have been finished by the end of next week. I believe there is little doubt about that. I certainly hope so. But I do not believe that in order to succeed in that endeavor we need to enter into a unanimous-consent agreement in the absence of so many Senators who have a great interest in it, without at least checking with some of those Senators. Having told a number of Senators that they could be about other affairs and other business matters in connection with their duties in the Senate, I have some responsibility at least to discuss that particular point with them.

Mr. RIBICOFF and Mr. DOUGLAS addressed the Chair.

The PRESIDING OFFICER (Mr. Jordan of Idaho in the chair). To whom does the Senator yield?

Mr. SMATHERS. I yield to the Senator from Connecticut.

Mr. RIBICOFF. I do not see how any commitment the Senator might have made to any Senators for today, Friday, would interfere with the endeavor to bring before the Senate late on Monday the amendment to which I have referred, and then continue the discussion on the amendment into Tuesday and Wednesday, if necessary.

I talked with the Senator in charge of the bill about that point. Then I went to the distinguished minority leader to clear it with him. There was willingness on the part of both the minority leader and the Senator in charge of the bill to expedite its consideration. It was apparent from the statement yesterday of the Senator in charge of the bill that this amendment is worthy of discussion, and that it will require considerable time. I certainly do not wish to be accused of delaying the bill. I am ready to proceed to consider the major amendments as early as possible. I had cleared the question with the distinguished minority leader, who said that the procedure was satisfactory with him, and with the Senator in charge of the bill, who said that it was satisfactory with him. Obviously, a few major amendments will be offered, and if we get those major amendments out of the way, we shall be in a position to expedite consideration of minor amendments to make sure that the bill is cleared before the Lincoln Day recess.

Mr. SMATHERS. I thank the Senator. Everything he has said is crystal clear. It is exactly correct. He is ready to proceed. So is the Senator from Illinois [Mr. DOUGLAS], the Senator from Tennessee [Mr. GORE], and, in some respects, as an individual, the Senator from Florida. But our problem is that other Senators in this body of 100 Senators have necessary business elsewhere at this particular time.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. SMATHERS. I should like to finish my statement first. Those Senators have necessary business elsewhere. They are greatly interested in the amendment. Some are for and some are opposed to the amendment that will be offered.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. SMATHERS. I will yield in a moment. Certain Senators are interested in the Ribicoff amendment. We have made some commitments to them. Therefore I am in no position at this time to agree to any unanimous-consent request without at least checking with some of them. Perhaps later in the day we could enter into a unanimous-consent agreement, but we would have to get on the telephone and talk with some of them. It may be that they would favor the request. In the absence of those Senators or checking with them, I would have to object to the unanimous-consent request, as much as I dislike doing so.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. DOUGLAS. Abundant notice has been given to every Senator that the debate and action on the bill was to be started today, Friday, the 31st of January. The initial statement on the schedule was that the Senate would meet on Saturday and work through the evenings, if necessary, in order to complete consideration of the bill by nightfall on February 8, so that Republican Senators could then go out over the country and praise the memory of Abraham Lincoln.

I had hoped action could begin today. In order to facilitate action, in the previous days and weeks I have put several speeches in the RECORD at the conclusion of the day's business lest they take time on the floor during the discussion of the bill. In spite of that fact, a leading Member of this body from across the aisle declared a few days ago on a national television program, that Senator DOUGLAS and GORE intended to filibuster the bill. That is not our intention at all. We are anxious for action on the bill. I believe there should be a showdown as to who is delaying action on the bill. I want to see the Senate move into a discussion of it and take action upon it as rapidly as possible. I suggest, therefore, that the leadership propose the capital gains amendment. I can assure the Senate that the Senator from Tennessee [Mr. GORE], the Senator from Wisconsin [Mr. PROXMIRE], and I will support the leadership vigorously, and we can then get the bill off to a good start.

I would be willing to make the motion, myself, but I would perhaps be thought to be brash if I did, because it would be usurping the function of the leadership.

Mr. LONG of Louisiana. I have no objection to the Senator's doing so.

Mr. DOUGLAS. I think before discussion or action on the amendment, there should be a quorum call, which I think should be a "live" quorum call. Then we can see where Senators stand. And who are here and who have been encouraged to absent themselves from the city.

Mr. SMATHERS. Mr. President, if the Senator wants to look for someone to blame for delaying the bill, the Senator from Florida is willing to assume that responsibility.

Mr. DIRKSEN. Mr. President, let me share that responsibility.

Mr. SMATHERS. That is what we are doing, if the Senator wants to call it delay. The fact is that we are not delaying action. Actually, we are trying to facilitate action on the bill. But we are human. We are different from those who have all the answers to all the questions all the time.

In any event, we think that is what will happen. We can make mistakes. But the idea at the moment is that this is a better way to do it. We may be entirely wrong. For the time being I suppose we are responsible for a slowdown, if the Senator wants to call it such, for a couple of hours. I want to make a speech about the tax bill. I am sure some questions will be asked me, which will take a little time. In any event, we think that, overall, action on the bill will proceed with greater rapidity if we consult with some of the other Members of this 100-membered body who have some interest in the bill.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. DIRKSEN. First of all, I am glad to share with my friend from Florida the responsibility for what is happening. There were a good many discussions yesterday with respect to consideration of the amendments en bloc. All that will be taken care of in good time.

Open confession is good for the soul, and we may as well spread the facts on the record. Twenty-nine Members of the Senate are out of the city or elsewhere. Six or seven of those are from my side of the aisle. Frankly, after this discussion, I intend to protect them by every rule in the book that I can use. I may have to sharpen my knowledge of the rulebook in order to do it, although I have a decent familiarity with the book. But Senators were given assurance that there would be no yea and nay votes today, and I propose, by calling for live quorums and otherwise, and by any other dilatory method that I can use, to see that it is not done. So I rest my statement. I fully share responsibility with the Senator from Florida. My shoulders are broad enough.

Mr. SMATHERS. I thank the Senator from Illinois. I appreciate his statement. The Senator stated, frankly, that a number of Senators are absent. We did not think we would reach a vote on the so-called major amendments. As the Senator from Louisiana [Mr. LONG] knows, we had discussed the matter of trying to have the committee amendments accepted en bloc, and members of the committee said they would not agree to that on Friday, but that it might be done on Monday. So, if we can have 150 amendments agreed to en bloc by delaying action on them until Monday, we are going to make better time than if it is necessary to discuss 100 or 150 amendments now, some of which are very technical.

We are trying to accomplish a speedup of the bill. Some persons might say that it seems peculiar to say we are speeding up by slowing down, but this is the way the Senate works its will. Certain Senators are not present. They are Senators in their own right, and they want to be here when action is taken. It is only fair, after giving them the assurance we did, that we protect them.

I thank the Senator from Illinois for sharing this responsibility with me. I appreciate it because he is a man of good character.

CHARGES BY PANAMA AGAINST UNITED STATES

Mr. JAVITS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. SMATHERS. I yield.

Mr. JAVITS. Mr. President, I ask unanimous consent that certain material may appear in the RECORD with respect to the way in which the riots in Panama resulted in the death of Panamanians and Americans.

At 4 o'clock this afternoon the United States is going to be accused of aggression before the Council of American States. These revelations bear upon that subject. We have great generosity as a nation. I am confident we shall negotiate a treaty, or anything else necessary, with the Panamanian Government. But I do think the United States should not be painted in the eyes of the world as an aggressor in the face of these facts, and without at least these facts appearing in the Record, which indicate the fomenting of the riots by Castroites and other Communist leaders in Panama. They should appear in the Record. Whatever may be any other justification, they certainly ought to be a fact of record for our Government.

Mr. DIRKSEN. I suggest to my friend that at 2:03 p.m. the germaneness rule will run out. There will be plenty of opportunity to discuss this charge of aggression.

Mr. JAVITS. I gave the time of 4 because of that fact. I knew the Senator knew I was not pressing any point against the principle he has established; but the Senate is really proceeding under a time basis here.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

There being no objection, the material was ordered to be printed in the Record, as follows:

New York.—Communists and Castroites helped organize the anti-American rioting in Panama in which 21 persons were killed and several hundred wounded earlier this month, authoritative sources told the UPI today.

These sources supplied several photographs and identifications of participants.

About 70 known Communists and Fidelistas (Castro sympathizers) seized on an incident to spark and develop the outbreaks. Some 40 of these, who played leading roles, were said to have been recent visitors to Cuba, Soviet Russia, and Red China.

The Reds who led the demonstrations all were armed.

Panama authorities were reported to have arrested some of the better known subversives after American complaints. These were reported to have been released quickly because of their leading roles in student affairs and government fears of adverse public reaction in Panama. (A palace guard spokesman in Panama said he did not know anything about such arrests.)

The sources said a flag-raising incident at the Balboa High School in the Canal Zone, for which American students were to blame, gave the Communists and Castroites the incident they long had been seeking to provoke violence.

Their subsequent actions responded to appeals from Havana for riots and disorders throughout Latin America. It was hoped these would divert world opinion from formal Venezuelan charges to the Organization of American States that Communist Cuba supplied arms to the terrorist underground armed forces for national liberation (FALN). The appeals were intercepted in Caracas and form part of the Venezuelan case against Cuba.

UPI's sources traced organized agitation in the day's immediately preceding and following the flag-raising incident as follows:

On January 9, Communist speakers interrupted a student rally at the National Institute in Panama City to announce a march on the Balboa High School. The Communist orators at this rally were identified as Floyd Britton, Carlos Nunez and the leader of a women's affiliate, Virginia Ramirez.

The sources said they openly called for violence to follow the march.

Britton, 26, was described as the sparkplug at the January 9 rally.

A card-carrying Communist since 1960, he instigated demonstrations against the U.S. Embassy in Panama City in 1955, participated in the Cuban-sponsored guerrilla activity in the Panamanian interior in 1959, and in student riots against the Panama Canal.

He was a Castro guest in Cuba in late 1961 and early 1962.

On January 10, following a night of rioting, Panamanian Communist leaders appeared at the National Institute to distribute arms to demonstrators. Identified and reported to the Panamanian National Guard were Cleto Souza, Ruben Dario Souza, Jorge Turner and Cesar Carrasquilia.

Carrasquilia, the ringleader, was identified as a Communist cell leader in the science faculty at the University of Panama.

Speakers were heard urging the crowd to "kill Americans" and keep up the disorders "until all Americans have left Panama."

Later the same day, a deputy in the national assembly, Thelma King, a close friend of Fidel Castro and a frequent visitor to Communist Cuba, personally led a mob of about 1,000 persons to national guard headquarters to demand weapons.

At the same time, Radio Tribuna, a transmitter partly owned by Miss King, openly broadcast appeals for mob violence.

A subsequent meeting at Panama University, which led to further violence, was organized by Victor Avila, 24, Communist student leader. He was described as a Communist since 1960 and a former secretary general of the Panamanian Students Federation.

Avila, like Britton, was trained in Cuba. after the meeting, Britton was observed leading the demonstrations along the Zone border.

Other Panamanian Communists linked to active roles in the 4 days of anti-American sniping, rioting, looting, and sabotage, were said to include David Turner, Samuel Gutierrez and Alvaro Menendez Franco. They were photographed provoking violence.

One Communist leader was seen and identified as a sniper firing into the Canal Zone January 11 from the Johnny Waler Building in Cristobal, on the Atlantic side of Panama.

The sources also identified Andres Galvan Lorenzo, a leader of the Communist group, National Action Vanguard. He was seen during the Colon fighting with several other armed members of the party. They were among those arrested and released by the Panama National Guard. (The guard said subsequently it "knew nothing" of such arrests.)

Galvan Lorenzo trained for 6 months in Cuba in 1962.

Other known radicals identified in photographs by the sources included Alberto Calvo, 25, and Eligio Salas, Communist leaders in the law school, Augusto Arosemena, 23, who visited Cuba in 1960, an active Communist and former Student Federation secretary general.

Also Humberto Bruggiay, 22, a militant Communist in the School of Sciences and Pedro Rivera, a Communist student leader and member of the Central Committee of the University Students Union.

REVENUE ACT OF 1964

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

Mr. SMATHERS. Mr. President, prompt enactment of the pending tax bill is, in my opinion, vitally essential to provide a dynamic and vibrant economy, to strengthen the national security and economic well-being of this Nation.

The measure will provide an $11.6 billion tax reduction over a 2-year period for individuals and corporations.

When fully effective in 1965, it will reduce tax liabilities of individuals by $9.2 billion and corporations by $2.4 billion. Individual rates are reduced from the present range of 20 to 91 percent to a new range of 16 to 77 percent in 1964 and 14 to 70 percent in 1965.

Corporate rates will be reduced from 52 to 50 percent in 1964, and from 50 to 48 percent in 1965.

The withholding tax rate will be reduced from 18 to 14 percent effective 1 week after enactment. This action will give an immediate effect to the greater portion of the tax relief provided for in the bill.

The new budget recently submitted to this Congress gives clear testimony that the administration is determined to hold Government spending to the minimum necessary for essential needs.

The pending measure emphasizes that henceforth it shall be private spending—rather than Government spending—that serves as the larger and expanding force in stimulating the economic life of this Nation.

Together the new budget and the tax program make up a carefully considered and closely knit fiscal policy.

This policy is based on the assumption that in the long run Government should not usurp the prerogatives nor the responsibilities of the private sector of the economy.

As Secretary of Treasury Douglas Dillon put it recently:

> The tax bill represents a firm decision to rely upon greater private spending rather than upon greater Government spending as the prime factor in our economic growth.

By April 1 the present recovery will be 37 months old. That will make it the longest peacetime recovery since the turn of the century with the sole exception of the 1933–37 recovery from the great depression. Every succeeding hour thereafter is an hour of borrowed time—an hour in which the likelihood of continued recovery becomes less likely—if we do not have a tax bill on the books.

Another recession even of the fairly mild character of the last two downturns, could easily cost between $5 and $10 billion in lost tax revenue alone. Much worse, it would bring with it skyrocketing unemployment which in turn would inevitably lead to greater Government spending.

The result would be a deficit that could range as high as $15 to $20 billion.

The more we delay on the tax cut, the less time there is to choose. The choice before us today is whether to pass the tax bill now and promptly expand the role of the private sector in achieving economic growth and meeting national needs, or to delay and seriously impair the opportunity of choosing for ourselves which road to take. Let us make no mistake of the fact that another recession will require heavy Federal spending.

President Johnson's budget is almost $1 billion below the budget of the previous year. It cuts the Federal deficit more than in half. Yet—because of the tax bill—it provides for a fiscal stimulus greater by more than $3 billion than that of any other peacetime year in the history of the United States.

Despite the sharp spending cuts, the combination of tax reduction and prudent Federal expenditures will provide a stimulus to the economy this year, three times as great as any in the last 3 years.

There is no doubt in anyone's mind, I believe, that the performance of our economy since 1957, despite some rather optimistic statistics with respect to corporate profits and personal income, has been, on the whole, unsatisfactory, for our unemployment rate has averaged roughly 6 percent, about half again as high as the average for the first 10 years, after World War II. Our growth rate in that time has also been overall unsatisfactory, dropping well below 4 percent a year, for several years; and while in the last 2 years investment in new capital equipment has improved considerably, yet overall the best thinking of our most respected economists is that the levels of capital investment should be improved.

The Government has been well aware of the problem of lagging investment. That was the basis for the 7-percent investment credit which formed the principal provision of the Revenue Act of 1962. That was also why the Government hastened to complete in that same year its sweeping revision of the rules and guidelines governing the tax treatment of depreciable assets.

These two measures alone reduced business taxes by some $2½ billion a year, and significantly improved the investment outlook. They will prove more effective in the future. But with an ever-increasing population and an ever-increasing labor supply, more jobs for our people must be created. The late beloved President Kennedy recognized this fact a year ago when he sent his tax message to the Congress recommending a substantial reduction in the corporate and individual tax rates designed to spur investment and create consumer demand.

Unless we can increase the level of private investment in plant and equipment, it will be extremely difficult to produce more jobs, or achieve a lasting improvement in our national economic performance.

The investment level has shown a disappointing decline in recent years. It has dropped from 11 percent of gross national product in 1956 and 1957 to about 9 percent. The rate of increase in our stock of business plant and equipment has risen since 1957 by less than 2 percent a year. That is only half the rate of increase during the first postwar decade. Naturally, in this situation the proportion of our machinery and equipment over 10 years has risen significantly.

In that connection, sometimes we hear people talk about the fact that in our society today there is a great deal of idle plant capacity. Economists state that there is a 14-percent idle plant capacity. Approximately half of that results from the fact that much of our machinery and equipment is obsolete. Because there has been so little modernization until recent years in our industrial capacity we find it extremely difficult to compete with more modern machinery, which has been produced, with our financial help, in countries like Japan, West Germany, Italy, and other areas of the world.

Recently, the Finance Committee was told by the Business Committee for Tax Reduction, a group of 2,800 business leaders, that over a period of years corporate profits after taxes have come down. This was true whether measured as a percentage of investment capital, of sales, or of the corporate portion of gross national product.

The business group presented to the Finance Committee figures on the three major sources of economic growth—Government spending, consumer demand, and private investment.

These figures clearly show that, since 1957, the investment lag has played a major role in the failure of our economy to move closer to full employment.

The figures indicated that, from 1957 to 1962, Federal purchases of goods and services rose more than 13 percent, the gross national product went up more than 16 percent, consumer expenditures went up more than 17 percent, State and local government purchases went up 28 percent, but plant and equipment spending declined by more than 1 percent of the gross national product. The business group also made the following point:

> As a percent of stockholders' equity, profits of manufacturing corporations are far below the levels of 1955–57 and earlier postwar periods of prosperity. In fact, after-tax profit as a percent of stockholders' equity for the period since 1957 is below the recession level of 1953–54.

One of the most important aspects of creating a sustained economic expansion is the need to utilize the fruits of new technology in the form of new products or the adaptation of existing products to new markets.

Increasing the profitability of new investment is the most effective way to make more attractive the investment decisions which are not being taken today. It is the most effective way to make today's marginal project the acceptable venture of tomorrow. It is the most effective way to maximize the benefits of the tremendous technological, educational, and human resources of the United States.

As new techniques and new products are developed and as new markets are opened up, new demand will be created, new investment will be fostered, and most important of all, new jobs will be available that would never have been available otherwise.

Parenthetically, approximately 1 million young people are entering the labor force at the present time. It is estimated that that number will increase to 1,500,000 within the next 4 years. Some persons have estimated that the need for jobs will be even greater than that because of the increasing number of young people who will be entering the labor market for the first time.

In short, unless we get a substantial increase in investment, we are not going to create the jobs that are needed to reduce unemployment, the jobs that are needed to withstand automation or the jobs that are needed to provide productive work for the huge number of young people who are already beginning to enter the labor force.

Mr. LONG of Louisiana. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I am happy to yield to the distinguished Senator from Louisiana.

Mr. LONG of Louisiana. As the Senator well knows, the traditional Democratic argument for stimulating the economy, an argument which is usually supported by organized labor, takes the approach that generally if consumer spending power is stimulated by directing cash into the hands of the workingman, that will put people to work.

The argument that businessmen usually make, and which perhaps has more appeal to the Republican side of the aisle, is that the way to put more people to work is to provide some incentive to encourage persons to invest money to build or expand industry; that this will assist business to make money; and that by doing so, generally, society will be benefited by the creation of jobs and the improvement of industry and commerce.

Does not the tax bill now before the Senate really support both arguments?

Mr. SMATHERS. The Senator is correct. The bill supports both arguments. Of the $11,600 million which will be left, so to speak, in the private sector of the economy, to stimulate the economy and to provide jobs, $9,200 million will go to individuals in order to stimulate consumer demand.

The remaining $2.4 billion will go into the business and industrial community, so that it may invest money in modernization of plant and equipment or in the erection of new plants and the purchase of new equipment, which in itself will provide more jobs.

Mr. LONG of Louisiana. So, in effect, the bill answers the arguments of the person who says that the way to provide more jobs and get full production is to place more money in the pockets of the workingman. The bill, in effect, provides that $9.2 billion will go into the pockets of the workingman, to enable him to spend his tax reduction in whatever way he thinks is necessary, whether it be to educate his child or to buy something that his family needs, and which they have been denied for some time.

For persons who say that the way to get the economy rolling is to give business some tax advantage, if it is willing to risk its capital and build new plants or modernize old ones or expand existing ones, the bill provides that that argument will be accepted, too. The bill will provide advantages and benefits which the business community says will be good for the country, and that we agree will be good for the country.

Mr. SMATHERS. The Senator from Louisiana is correct. That has been established by the consensus of a large number of economists, who say that a dollar spent in the private sector of the economy will have a greater multiplier effect than a dollar spent by the Government. In other words, rather than to collect a tax dollar from the citizen and bring it to Washington and have it administered, washed up, and sent out to a WPA project, or even to a big dam or a flood control project, perhaps in my State of Florida—and Florida would like to have more of them—that Federal tax dollar will not do as much good in stimulating the economy as a dollar left in the hands of private or corporate business, on the one hand, or a private individual, on the other hand.

If the dollar is left in the taxpayer's pocket rather than taken from him in taxes, it will have a greater multiplier effect and will do the economy more good. The great weight of economic opinion agrees with that view. That is the theory of the bill before the Senate. It is believed that if $1,600 million is left in the private sector, it will do more good than if it were administered by the Federal Government. We are always talking about free enterprise and saying that we believe in it. Why not give free enterprise an opportunity to work?

In 1954, after the tax reduction bill had been passed, the budget was balanced and revenue was increased within the two succeeding years. I do not say this to start an argument or to compare what happened 8 years ago with what is happening today, but there were a number of deficits, but one of the few times the budget was balanced in the Eisenhower administration was 2 years following the tax reduction of 1954.

The Senator from Louisiana is absolutely correct.

Mr. GORE. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I yield to the Senator from Tennessee.

Mr. GORE. If the way to balance the budget is to reduce taxes, we should have made a substantial reduction in the national debt by now, because the tax cut in 1954 was approximately the same percentage of gross national product as the tax cut in the bill today. But, instead of that reduction resulting in a balanced budget and a reduction in the national debt, as the Senator from Virginia [Mr. BYRD] pointed out yesterday, since that time the national debt has been increased by more than $40 billion. So the nostrum of which the distinguished Senator from Florida seems to be enamored has not worked very well.

Since he is now advocating a tax reduction of $11,700 million as a means of balancing the budget, I wonder if he does not think that if a tax cut of $11,700 million would balance the budget in the near but as yet indefinite future, the addition of the excise tax reduction to the bill would accomplish this great feat a little more readily and a little sooner. If this magic formula works, why stop at an $11 billion or $12 billion tax cut? Why not make the reduction $22 billion and make a substantial reduction in the national debt?

Mr. SMATHERS. I have deep affection and respect for the distinguished Senator from Tennessee. I am sure he recognizes that when a patient is sick, a blood transfusion of a pint or a quart can sometimes be beneficial. But if the patient were given a transfusion of a gallon of blood, the effect might be severely in the reverse. It is often possible to carry a good thing too far. It is possible to destroy one's health even with steak. Steak is good for us. But it is possible to overextend anything to the point of diminishing return. We believe that in this bill we have struck a fairly good balance.

The Senator from Tennessee used the term "nostrum." I agree with him that actually we do not know precisely how much benefit will be derived from it. However, we are taking the best advice we can obtain from most of the economists, and also from the A.F. of L. and the CIO. They approve of this bill, although they would like to have a little more emphasis placed on consumption—a course which the Senator from Tennessee also favors. We are also taking the best advice of the business community and of everyone else who could possibly be affected. We have tried to arrive at a consensus. It is their consensus that the pending bill is the best way to proceed.

Three different courses are advocated to improve economic conditions. The able Senator from Virginia [Mr. BYRD] has consistently advocated the course in which he believes; and no one is more consistent than he. He wants the budget to be balanced; and he is convinced that so long as the budget is not balanced, Government expenditures should not be increased, nor should Congress pass a bill which would cause a decrease in the Treasury's revenues. The Senator from Virginia wants the budget to be balanced; and he believes that the best way to balance the budget is to have Congress refuse to pass a tax reduction bill of this sort, and also to reduce Government spending.

I know the Senator from Tennessee does not agree with the Senator from Virginia, even though from time to time the Senator from Tennessee quotes the Senator from Virginia. However, I know the Senator from Tennessee does not agree with the conviction of the Senator from Virginia in regard to the best means of dealing with the fact that in 24 of the last 30 years our Government has had deficits.

Both the Senator from Virginia and the Senator from Tennessee ask how we are to put an end to chronic deficits—which is what we seek to do by means of this bill. I do not subscribe to the view of the Senator from Virginia as to the best course for us to follow.

The second theory is the one subscribed to by Leon Keyserling; it is the so-called Keyserling theory. I do not subscribe to his view, although I know the Senator from Tennessee does. Mr. Keyserling believes that the best way is, not to decrease taxes, but to have high taxes, and use them for WPA projects, and so forth—in other words, to have the Government, not the private sector of the economy, spend that money.

The third course is the one the Senator from Tennessee calls a nostrum. However, we hope it is not; and it is the judgment of most people—including President Johnson and, I believe, two former Presidents, many Senators, and many other persons in the United States—that it is not a nostrum. This course is the one which accomplishes this result through private enterprise, which believes that we can end the chronic deficits by doing two things: First, by reducing the amount of the Government's expenditures, and—as the President advocates—by making the best possible use of every dollar of revenue. In this manner the estimated deficit has been reduced by 50 percent. Second, by releasing into the private sector of the economy approximately $11,600 million as a result of the tax reductions to be made by this bill. Of course, the exact amount of the tax reductions will be determined only after the conference report on the bill is written and is agreed to by both Houses. In that way, we release the private sector of the economy to give it a chance to achieve the result which all of us want achieved. We favor this course and most of the economists to whom I have listened, or whose works I have read, agree—although, as I have previously stated, not all of them do. The dollars spent by private business or by private individuals have a multiplying effect, and thus are definitely more effective than Government expenditures of the same amount.

Mr. GORE. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I am happy to yield to the Senator from Tennessee.

Mr. GORE. Mr. President, the distinguished junior Senator from Florida has made some very astute observations. He has said it is possible to eat too much steak—however good the steak may be. I agree. But I suggest to the able Senator from Florida that unless one examines the substance with some care, it is also possible to mistake leather for steak, and then very little nourishment will be had.

The Senator from Florida says he wants us to try this nostrum, in order to attempt to achieve a balanced budget. But I can suggest a much easier way. I am not sure it would be easier for him, but certainly it is a much quicker and a much more certain way to balance the budget; namely, to defeat this bill.

This is a budget-busting bill. The President's budget calls for a deficit, next year, of $4.9 billion, including the amount by which that deficit would be increased as a result of the enactment of this $11.7 billion tax-reduction bill. So if the distinguished Senator from Florida wants to balance the budget, and wants to balance it quickly, we should reject this bill. That would balance the budget next year.

If the Senator from Florida will let me go one step further, I point out that he has said he took the advice of certain economists and experts, and that this bill is the result of their recommendations.

This nostrum was recommended by the same men—Dr. Heller and Secretary Dillon—who forecast a recession in 1964. Indeed, this bill was urged as insurance against recession in 1964.

This bill is not particularly new; the same thing that Secretary Dillon says now, can be found almost verbatim in the book of the former Secretary of the Treasury, Andrew Mellon, in the late 1920's. That course was tried then, but with sad and disastrous results. So this bill is not based on a new notion; instead, it is based on one which has been advocated many times.

The same thing was said in 1954. We had a big tax cut then; we also had a big tax cut the year before last, with the passage of the investment credit and adoption of liberalized depreciation procedures.

These three actions, when taken together, add up to tax reduction of $5 billion annually, and largely for the benefit of the same segment of our society which would be the principal beneficiary of the pending bill.

But have those actions resulted in balanced budgets and a solution of the unemployment problem? Indeed, no. As the Senator from Virginia cited yesterday, the national debt has gone up more than $40 billion in that length of time. What has happened to the unemployment? True, we have seen much improvement in plants and facilities, and our factories are turning out many new products and much more production. But despite the fact that the production of our factories has greatly increased, today almost 1 million fewer men and women are working at production jobs in factories, as compared to the number who were working there 7 years ago.

So it does not automatically follow that the provision of Treasury funds for the purchase of labor-saving devices will create more jobs. I would not stop progress or automation, but I certainly will resist any phony argument to the effect that speeding up automation by taking funds out of the Treasury is the way to create more jobs. The result may well be fewer jobs.

I thank the distinguished Senator from Florida [Mr. SMATHERS] for yielding so generously of his time.

Mr. SMATHERS. I thank the Senator from Tennessee. I shall respond briefly to his remarks, and then shall yield to the Senator from Louisiana.

As to the predictions of Dr. Heller and Secretary of the Treasury Dillon, I do not believe they said that. What they said was that we might run into a recession in 1964, and that since World War II we have had an average period of 34 or 35 months during which the economy has risen.

If we can get safely through the next few months, the period will be the longest period during which the economy has been steady since the end of World War II. It has gone up slightly in the past 2 years, by virtue of investment credit and by virtue of the depreciation changes with respect to machinery and depreciable property. It has improved to the extent that the deficit has been cut in half this year, compared with what it was last year.

So there is evidence that the so-called "nostrums" are already working. The belief that we will pass this well-balanced tax bill has already led to an improvement. The tax cut we had in 1954 was only helpful temporarily, because it was not the right kind. The report of the Ways and Means Committee of the House states, on page 7:

> In 1954 Congress allowed the individual income tax increases imposed during the Korean war to expire, made certain excise tax reductions, allowed the excess profits tax to expire and made certain other tax reductions as well. The total of these reductions amounted to about $7.4 billion. Yet, only 2 years later, in 1956, receipts were $3.2 billion above the level existing before the reductions were made.

That proves that some stimulus was gained from that reduction. The report continues:

> However, these reductions did not get to the root of the matter, the high World War II rates, with the result that the poor economic performance of the economy since 1956 has left a heavy mark on the Federal debt.

I agree with the Senator from Tennessee that we do have unemployment, which he has talked about, and we do have automation, which he has also talked about. This bill is advocated in an endeavor to increase employment. Even though we build more machines—machines which will throw workers out of jobs—we must employ them in the increased activity resulting both from increased investment and from increased consumption.

The theory of the bill is that we hope to be able to stimulate the economy in a way to make possible greater capital investment to create more jobs. The $9.2 billion reduction provided in this bill to the consumer also will stimulate demand. Because of the increased consumer demand and investment stimulants, there will be additional plant expansion and modernization, and that will create more jobs. That is what we are working for.

Mr. LONG of Louisiana. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I yield.

Mr. LONG of Louisiana. The Senator will be interested to know that more than 400 leading academic economists in 43 major universities and colleges of America agree with his argument.

Mr. SMATHERS. How many?

Mr. LONG of Louisiana. More than 400 leading academic economists in 43 major universities and colleges agree with the arguments of the Senator from Florida.

Mr. SMATHERS. Is it not a fact, when one looks at the various elements in our economic, political, and working life, that ranging from the labor movement at one end of the spectrum to business councils on the other, they all approve of this approach?

Mr. LONG of Louisiana. Labor agrees that this is a good bill. The AFL and the CIO came before our committee to testify in its support. The bankers agree that it is a good bill. The chamber of commerce agrees that it is a good bill. The National Association of Manufacturers agrees that it is a good bill. The insurance interests agree that it is a good bill. Any time a crowd of that size gets together under one tent, there is a real combination working to agree that this is a good idea. That does not mean, of course, that we can get everyone to agree. The overwhelming majority of people who think about these questions, and are paid to think about them, agree that this is a good bill.

Mr. SMATHERS. As I recall, Lou Harris, who, I understand, is one of the most respected pollsters in the United States, conducted a poll which showed that the people of America favor the bill by well over 2 to 1. Yet certain highly respected Senators, some of whom serve on the Finance Committee with the Senator from Louisiana, still continue to wish to save the people in the fashion in which those Senators wish to save them, even if the people do not wish to be saved in that fashion. That is how it goes. That is what makes debate. But in response to the Senator from Tennessee [Mr. GORE], I believe that the approach we have taken in the bill, which puts the emphasis upon private enterprise and the private sector of the economy, will be much more effective than anything we have tried thus far. In the final analysis, it will prove to be the remedy which this country needs so badly, in order to reduce the number of unemployed and at the same time increase business activity so that the country will be strong, with plenty of jobs for everyone.

Mr. President, let me state what the bill is expected to do for corporate investment. It is expected, as the President indicated in his budget message, to increase corporate profits to about $56 billion—more than $12 billion above the level for 1961.

That figure, of course, does not reflect the $2½ billion a year in tax benefits from the investment credit and depreciation reform. Neither does it reflect the $1½ billion which the tax cut will provide in after-tax business profits this year, or the $2⅓ billion it will provide next year.

UNANIMOUS-CONSENT REQUEST

Mr. LONG of Louisiana. Mr. President, will the Senator from Florida yield for a unanimous-consent request?

Mr. SMATHERS. I am glad to yield.

Mr. LONG of Louisiana. I have discussed the proposed unanimous-consent request with all Senators on both sides of the aisle who to my knowledge are interested in it. Therefore, as far as I know, it should be agreeable.

On the pending measure, H.R. 8363, I ask unanimous consent that the committee amendments, with the exception of those relating to capital gains taxes beginning on page 233 of the bill, be agreed to en bloc, and that the bill as amended be considered as original text for the purpose of amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

> On page 1, after the enacting clause, to strike out:
>
> "SECTION 1. DECLARATION BY CONGRESS.
>
> "It is the sense of Congress that the tax reduction provided by this Act through stimulation of the economy, will, after a brief transitional period, raise (rather than lower) revenues and that such revenue increases should first be used to eliminate the

deficits in the administrative budgets and then to reduce the public debt. To further the objective of obtaining balanced budgets in the near future, Congress by this action, recognizes the importance of taking all reasonable means to restrain Government spending and urges the President to declare his accord with this objective."

On page 2, at the beginning of line 6, to strike out "Sec. 2." and insert "Section 1.".

On page 2, line 8, after the word "of", to strike out "1963" and insert "1964".

On page 13, at the beginning of line 21, to strike out "or the amount determined under section 1561 (relating to surtax exemptions in case of certain controlled corporations)" and insert a comma and "except that, with respect to a corporation to which section 1561 (relating to surtax exemptions in case of certain controlled corporations) applies for the taxable year, the surtax exemption for the taxable year is the amount determined under such section."

On page 26, line 13, after the word "of", to strike out "1963" and insert "1964".

On page 26, line 22, after the word "of", to strike out "1963" and insert "1964".

On page 32, after line 2, to insert a new section, as follows:

"Sec. 202. Limitation on Retirement Income.

(a) Increase in Limitation in Case of Certain Married Couples.—Section 37 (relating to retirement income) is amended by redesignating subsection (i) as subsection (j) and inserting after subsection (h) the following new subsection:

" '(i) Exceptions to Limitation on Amount of Retirement Income in Case of Certain Joint Returns.—In the case of a joint return of a husband and wife both of whom have attained the age of 65 before the close of the taxable year—

" '(1) Both spouses have received earned income.—If both spouses are individuals who have received earned income before the beginning of the taxable year (within the meaning of subsection (b)) and if the sum of the retirement income and the amounts described in paragraphs (1) and (2) of subsection (d) received by either spouse during the taxable year is less than $762, the $1,524 amount referred to in subsection (d) shall, with respect to the other spouse, be increased by an amount equal to the amount by which such sum is less than $762.

" '(2) One spouse has not received earned income.—If either spouse is an individual who has not received earned income before the beginning of the taxable year (within the meaning of subsection (b)), the $1,524 amount referred to in subsection (d) shall, with respect to the other spouse, be increased by $762, minus the sum of the amounts described in paragraphs (1) and (2) of subsection (d) received by his spouse.' "

"(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1963."

On page 33, at the beginning of line 10, to change the section number from "202" to "203".

On page 33, line 21, after the word "before", to strike out "July 1, 1963" and insert "January 1, 1964".

On page 33, line 24, after the word "before", to strike out "July 1, 1963" and insert "January 1, 1964".

On page 34, line 13, to strike out "July 1, 1963" and insert "January 1, 1964".

On page 35, line 1, after the word "after", to strike out "June 30, 1963" and insert "December 31, 1963".

On page 35, line 11, after the word "section", to strike out "202" and insert "203", and in the same line, after the word "of", where it appears the second time, to strike out "1963" and insert "1964".

On page 35, line 20, after the word "after", to strike out "June 30, 1963" and insert "December 31, 1963".

On page 35, line 23, after the word "before", to strike out "July 1, 1963" and insert "January 1, 1964", and on page 36, line 1, after the word "after", to strike out "June 30, 1963" and insert "December 31, 1963".

On page 40, line 1, to change the section number from "203" to "204".

On page 40, after line 16, to strike out:

"(1) the cost of so much of such insurance as does not exceed $30,000 of protection, and".

And, in lieu thereof, to insert:

"(1) the cost of $70,000 of such insurance, and".

On page 41, after line 19, to strike out:

"(c) Determination of Cost of Insurance.—

"(1) Uniform premium table method.—For purposes of this section and chapter 24, the cost of group-term life insurance on the life of an employee provided during any period shall be determined on the basis of uniform premiums (computed on the basis of 5-year age brackets) prescribed by regulations by the Secretary or his delegate.

"(2) Policy cost method.—If the employer so elects (at such time and in such manner as the Secretary or his delegate prescribes) with respect to any employee for any period, the cost of group-term life insurance on the life of such employee shall (in lieu of being determined under paragraph (1)) be determined on the basis of the average premium cost under the policy for the ages included within the age bracket which would be applicable to such employee under paragraph (1). The preceding sentence shall not apply for purposes of determining the cost of insurance provided under a policy if the premium on such policy is not computed on the basis of the cost of such insurance at the ages (or at the age brackets applicable under paragraph (1)) of the individuals comprising the group.

"(3) Employed individuals over age 64.—In the case of an employee who has attained age 64, the cost determined under paragraph (1) or (2), as the case may be, shall not exceed the cost which would be determined under such paragraph with respect to such individual if he were age 63."

And, in lieu thereof, to insert:

"(c) Determination of Cost of Insurance.—For purposes of this section and section 6052, the cost of group-term insurance on the life of an employee provided during any period shall be determined on the basis of uniform premiums (computed on the basis of 5-year age brackets) prescribed by regulations by the Secretary or his delegate. In the case of an employee who has attained age 64, the cost prescribed shall not exceed the cost with respect to such individual if he were age 63."

On page 43, at the beginning of line 17, to strike out "sections 79 and 218" and insert "section 79".

On page 43, after line 19, to strike out:

"(b) Certain Contributions by Employees for Group Term Life Insurance.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals) is amended by inserting after section 217 the following new section:

"Sec. 218. Certain Contributions by Employees for Group-Term Life Insurance

" 'In the case of an employee on whose life group term life insurance in excess of $30,000 is provided for part or all of the taxable year under a policy (or policies) carried directly or indirectly by his employer (or employers), there shall be allowed as a deduction for such taxable year an amount equal to the excess (if any) of—

" '(1) the amount paid by the employee toward the purchase of such insurance in excess of $30,000, over

" '(2) the cost (determined in the manner provided by paragraph (1) of section 79(c), without regard to paragraph (3) thereof) of such insurance in excess of $30,000.

For purposes of this section, there shall not be taken into account any insurance the cost of which is excepted from the application of subsection (a) of section 79 by subsection (b) thereof.' "

On page 44, at the beginning of line 24, to strike out "(c)" and insert "(b)".

On page 45, line 5, after the word "employee", to strike out the comma and "but only to the extent the cost of such insurance is not includible in the employee's gross income under section 79(a). For purposes of this paragraph, the extent to which the cost of group-term life insurance is includible in the employee's gross income under section 79(a) shall be determined as if the employer were the only employer paying such employee remuneration in the form of such insurance" and insert a semicolon.

On page 45, after line 13, to insert:

"(c) Information Reporting.—

"(1) Requirement.—Subpart C of part III of subchapter A of chapter 61 (relating to information and returns) is amended by adding at the end thereof the following new section:

" 'Sec. 6052. Returns Regarding Payment of Wages in the Form of Group-Term Life Insurance.

" '(a) Requirement of Reporting.—Every employer who during any calendar year provides group-term life insurance on the life of an employee during part or all of such calendar year under a policy (or policies) carried directly or indirectly by such employer shall make a return according to the forms or regulations prescribed by the Secretary or his delegate, setting forth the cost of such insurance and the name and address of the employee on whose life such insurance is provided, but only to the extent that the cost of such insurance is includible in the employee's gross income under section 79(a). For purposes of this section, the extent to which the cost of group-term life insurance is includible in the employee's gross income under section 79(a) shall be determined as if the employer were the only employer paying such employee remuneration in the form of such insurance.

" '(b) Statements To Be Furnished to Employees With Respect to Whom Information Is Furnished.—Every employer making a return under subsection (a) shall furnish to each employee whose name is set forth in such return a written statement showing the cost of the group-term life insurance shown on such return. The written statement required under the preceding sentence shall be furnished to the employee on or before January 31 of the year following the calendar year for which the return under subsection (a) was made.'

"(2) Penalties for failure to furnish statements to persons with respect to whom returns are filed.—Section 6678 (relating to failure to furnish certain statements) is amended—

"(A) by striking out 'or 6049(c)' and inserting in lieu thereof '6049(c), or 6052(b)'; and

"(B) by striking out 'or 6049(a)(1),' and inserting in lieu thereof '6049(a)(1), or 6052(a),'.

"(3) Clerical amendment.—The table of sections for subpart C of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following:

" 'Sec. 6052. Returns regarding payment of wages in the form of group-term life insurance.'

"(4) Cross reference.—

"For penalty for failure to file information returns required by section 602(a) of the Internal Revenue Code of 1954 (added by paragraph (1) of this subsection), see section 6652(a)(3) of such Code (as amended by section 222(b)(2) of this Act)."

On page 47, line 11, after the word "and", to strike out "(b)" and insert "(c), and paragraph (3) of section 6652(a) of the Internal Revenue Code of 1954 (as amended by section 222(b)(2) of this Act)", and in line 16, after the word "subsection", to strike out "(c)" and insert "(b)".

At the top of page 48, to strike out:

"Sec. 204. Inclusion in Gross Income of Reimbursed Medical Expenses to the Extent That the Reimbursement Exceeds the Expenses.

"(a) General Rule.—Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end thereof the following new section:

" 'Sec. 80. Reimbursement of Medical Expenses in Excess of Such Expenses.

" 'Notwithstanding any other provision of this subchapter, amounts received through accident or health insurance for medical expenses shall be included in gross income to the extent the aggregate of such amounts received for any personal injury or sickness exceeds the aggregate amount of the medical expenses incurred by the taxpayer for such personal injury or sickness. For purposes of this section, the term "medical expenses" means expenses for medical care as defined in section 213(e), except that it does not include amounts paid for accident or health insurance.'

"(b) Clerical Amendment.—The table of sections for such part II is amended by adding at the end thereof the following:

"Sec. 80. Reimbursement of medical expenses in excess of such expenses'.

"(c) Technical Amendment.—Subsection (c) of section 105 (relating to the definition of accident and health plans) is amended by striking out 'this section' and inserting in lieu thereof 'this section, section 80,'.

"(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1963."

On page 55, after line 21, to insert:

"(5) State and local taxes on the sale of gasoline, diesel fuel, and other motor fuels."

On page 55, after line 23, to insert:

"(6) State and local taxes on the registration or licensing of highway motor vehicles and on licenses for the operation of highway motor vehicles."

On page 57, after line 23, to strike out:

"(E) Separately stated general sales taxes.—If the amount of any general sales tax is separately stated, then, to the extent that the amount so stated is paid by the consumer (otherwise than in connection with the consumer's trade or business) to his seller, such amount shall be treated as a tax imposed on, and paid by, such consumer."

On page 58, after line 12, to insert:

"(5) Separately stated general sales taxes and gasoline taxes.—If the amount of any general sales tax or of any tax on the sale of gasoline, diesel fuel, or other motor fuel is separately stated, then, to the extent that the amount so stated is paid by the consumer (otherwise than in connection with the consumer's trade or business) to his seller, such amount shall be treated as a tax imposed on, and paid by, such consumer."

On page 62, after line 5, to strike out:

"(c) Effective Date. The amendments made by this section shall apply to taxable years beginning after December 31, 1963."

And, in lieu thereof, to insert:

"(c) Effective Date.—

"(1) General rule.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1963.

"(2) Special taxing districts.—Section 164(c)(1) of the Internal Revenue Code of 1954 (as amended by subsection (a)) shall not prevent the deduction under section 164 of such Code (as so amended) of taxes levied by a special taxing district which is described in section 164(b)(5) of such Code (as in effect for a taxable year ending on December 31, 1963) and which was in existence on December 31, 1963, for the purpose of retiring indebtedness existing on such date."

On page 64, after line 19, to insert:

"(b) Limitation of Unlimited Charitable Contribution Deduction.—Section 170(b)(1) (relating to limitations on amount of deduction for charitable contributions by individuals) is amended by redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C) the following new subparagraph:

" '(D) Application of subparagraph (c) for taxable years beginning after December 31, 1963.—If the taxable year begins after December 31, 1963—

" '(i) subparagraph (C) shall apply only if the taxpayer so elects (at such time and in such manner as the Secretary or his delegate by regulations prescribes), and

" '(ii) for purposes of subparagraph (C), the amount of the charitable contributions for the taxable year (and for all prior taxable years beginning after December 31, 1963) shall be determined without the application of paragraph (5) and solely by reference to charitable contributions described in subparagraph (A).

If the taxpayer elects to have subparagraph (C) apply for the taxable year, then for such taxable year subsection (a) shall apply only with respect to charitable contributions described in subparagraph (A), and no amount of charitable contributions made in the taxable year or any prior taxable year may be treated under paragraph (5) as having been made in the taxable year or in any succeeding taxable year.'

"(c) 5-Year Carryover of Certain Charitable Contributions Made by Individuals.—

"(1) In general.—Section 170(b) (relating to limitations on amount of deduction for charitable contribution) is amended by adding at the end thereof the following new paragraph:

" '(5) Carryover of certain excess contributions by individuals.—

" '(A) In the case of an individual, if the amount of charitable contributions described in paragraph (1)(A) payment of which is made within a taxable year (hereinafter in this paragraph referred to as the "contribution year") beginning after December 31, 1963, exceeds 30 percent of the taxpayer's adjusted gross income for such year (computed without regard to any net operating loss carryback to such year under section 172), such excess shall be treated as a charitable contribution described in paragraph (1)(A) paid in each of the 5 succeeding taxable years in order of time, but, with respect to any such succeeding taxable year, only to the extent of the lesser of the two following amounts:

" '(i) the amount by which 30 percent of the taxpayer's adjusted gross income for such succeeding taxable year (computed without regard to any net operating loss carryback to such succeeding taxable year under section 172) exceeds the sum of the charitable contributions described in paragraph (1)(A) payment of which is made by the taxpayer within such succeeding taxable year (determined without regard to this subparagraph) and the charitable contributions described in paragraph (1)(A) payment of which was made in taxable years (beginning after December 31, 1963) before the contribution year which are treated under this subparagraph as having been paid in such succeeding taxable year; or

" '(ii) in the case of the first succeeding taxable year, the amount of such excess, and in the case of the second, third, fourth, or fifth succeeding taxable year, the portion of such excess not treated under this subparagraph as a charitable contribution described in paragraph (1)(A) paid in any intervening year between the contribution year and such succeeding taxable year.

" '(B) In applying subparagraph (A), the excess determined under subparagraph (A) for the contribution year shall be reduced to the extent that such excess reduces taxable income (as computed for purposes of the second sentence of section 172(b)(2)) and increases the net operating loss deduction for a taxable year succeeding the contribution year.'

"(2) Technical amendments.—Section 545(b)(2) (relating to deductions for charitable contributions by personal holding companies) and 556(b)(2) (relating to deductions for charitable contributions by foreign personal holding companies) are each amended by striking out 'section 170(b)(2)' and inserting in lieu thereof 'section 170(b)(2) and (5)'.

On page 68, at the beginning of line 11, to strike out "(b)" and insert "(d)".

On page 70, at the beginning of line 7, to strike out "(c)" and insert "(e)".

On page 70, line 23, after the word "property.", to strike out "This subsection shall not apply to any charitable contribution where—

" '(1) the sole intervening interest or right is a non-transferable life interest reserved by the donor, or

" '(2) in the case of a joint gift by husband and wife, the sole intervening interest or right is a nontransferable life interest reserved by the donors which expires not later than the death of whichever of such donors dies later.

For purposes of the preceding sentence, a right to make an earlier transfer of the reserved life interest to the donee of the future interest shall not be treated as making a life interest transferable.'

"(d) Effective Dates.—The amendments made by subsections (a) and (b) shall apply with respect to contributions which are paid (or treated as paid under section 170(a)(2) of the Internal Revenue Code of 1954) in taxable years beginning after December 31, 1963. The amendments made by subsection (c) shall apply to transfers of future interests made after December 31, 1963, in taxable years ending after such date."

On page 71, after line 19, to insert:

"(f) Effective Dates.—

"(1) The amendments made by subsections (a), (b), and (c), shall apply with respect to contributions which are paid in taxable years beginning after December 31, 1963.

"(2) The amendments made by subsection (d) shall apply to taxable years beginning after December 31, 1963, with respect to contributions which are paid (or treated as paid under section 170(a)(2) of the Internal Revenue Code of 1954) in taxable years beginning after December 31, 1961.

"(3) The amendments made by subsection (e) shall apply to transfers of future interests made after December 31, 1963, in taxable years ending after such date."

On page 72, after line 9, to insert:

"Sec. 210. Losses Arising From Expropriation of Property by Governments of Foreign Countries.

"(a) Net Operating Loss Carryover.—Section 172 (relating to net operating loss deduction) is amended—

"(1) by striking out 'Except as provided in clause (ii)' in subsection (b)(1)(A)(i) and inserting in lieu thereof 'Except as provided in clause (ii) and in subparagraph (D)';

"(2) by striking out 'Except as provided in subparagraph (C)' in subsection (b)(1)(B) and inserting in lieu thereof 'Except as provided in subparagraphs (C) and (D)';

"(3) by adding at the end of subsection (b)(1) the following new subparagraphs:

"'(D) In the case of a taxpayer which has a foreign expropriation loss (as defined in subsection (k)) for any taxable year ending after December 31, 1958, the portion of the net operating loss for such year attributable to such foreign expropriation loss shall not be a net operating loss carryback to any taxable year preceding the taxable year of such loss and shall be a net operating loss carryover to each of the 10 taxable years following the taxable year of such loss.';

"(4) by adding at the end of subsection (b)(3) the following new subparagraphs:

"'(C) Paragraph (1)(D) shall apply only if—

"'(i) the foreign expropriation loss (as defined in subsection (k)) for the taxable year equals or exceeds 50 percent of the net operating loss for the taxable year,

"'(ii) in the case of a foreign expropriation loss for a taxable year ending after December 31, 1963, the taxpayer elects (at such time and in such manner as the Secretary or his delegate by regulations prescribes) to have paragraph (1)(D) apply, and

"'(iii) in the case of a foreign expropriation loss for a taxable year ending after December 31, 1958, and before January 1, 1964, the taxpayer elects (in such manner as may be prescribed by the Secretary or his delegate) on or before December 31, 1965, to have paragraph (1)(D) apply.

"'(D) If a taxpayer makes an election under subparagraph (C)(iii), then (notwithstanding any law or rule of law), with respect to any taxable year ending before January 1, 1964, affected by the election—

"'(i) the time for making or changing any choice or election under subpart A of part III of subchapter N (relating to foreign tax credit) shall not expire before January 1, 1966,

"'(ii) any deficiency attributable to the election under subparagraph (C)(iii) or to the application of clause (i) of this subparagraph may be assessed at any time before January 1, 1969, and

"'(iii) refund or credit of any overpayment attributable to the election under subparagraph (C)(iii) or to the application of clause (i) of this subparagraph may be made or allowed if claim therefore is filed before January 1, 1969.';

"(5) by redesignating subsection (k) as (l), and by inserting after subsection (j) the following new subsection:

"'(k) Foreign Expropriation Loss Defined.—For purposes of subsection (b)—

"'(1) The term "foreign expropriation loss" means, for any taxable year, the sum of the losses sustained with respect to property by reason of the expropriation, intervention, seizure, or similar taking of such property by the government of any foreign country, any political subdivision thereof, or any agency or instrumentality of the foregoing.

"'(2) The portion of the net operating loss for such year attributable to a foreign expropriation loss is the amount of the foreign expropriation loss for such year (but not in excess of the net operating loss for such year).'

"(b) Technical Amendments.—Section 172(b)(2) is amended—

"(1) by striking out subparagraph (B) and inserting in lieu thereof the following:

"'(B) by determining the amount of the net operating loss deduction—

"'(i) without regard to the net operating loss for the loss year or for any taxable year thereafter, and

"'(ii) without regard to that portion, if any, of a net operating loss for a taxable year attributable to a foreign expropriation loss, if such portion may not, under paragraph (1)(D), be carried back to such prior taxable year.'; and

"(2) by adding at the end thereof the following new sentence: 'For purposes of this paragraph, if a portion of the net operating loss for the loss year is attributable to a foreign expropriation to which paragraph (1)(D) applies, such portion shall be considered to be a separate net operating loss for such year to be applied after the other portion of such net operating loss.'

"(c) Effective Date.—The amendments made by this section shall apply in respect of foreign expropriation losses (as defined in section 172(k) of the Internal Revenue Code of 1954, as amended by subsection (a)(5) of this section), sustained in taxable years ending after December 31, 1958.

On page 76, at the beginning of line 22, to change the section number from "210" to "211".

On page 77, at the beginning of line 12, to change the section number from "211" to "212".

On page 78, after line 5, to strike out:

"(B) The $600 limit of subparagraph (A) shall be increased (to an amount not above $900) by the amount of expenses incurred by the taxpayer for any period during which—

"(i) the taxpayer had 2 or more dependents, and

"(ii) paragraph (2) does not apply."

And, in lieu thereof, to insert:

"(B) The $600 limit of subparagraph (A)—

"(i) shall be increased (to an amount not above $900) by the amount of expenses incurred by the taxpayer for any period during which the taxpayer had 2 dependents, and

"(ii) shall be increased (to an amount not above $1,000) by the amount of expenses incurred by the taxpayer for any period during which the taxpayer had 3 or more dependents."

On page 78, after line 21, to strike out:

"(2) Working wives. In the case of a woman who is married, the deduction under subsection (a)—

"(A) shall not be allowed unless she files a joint return with her husband for the taxable year, and

"(B) shall be reduced by the amount (if any) by which the adjusted gross income of the taxpayer and her spouse exceeds $4,500.

This paragraph shall not apply to expenses incurred while the taxpayer's husband is incapable of self-support because mentally or physically defective.

"(3) Husbands with incapacitated wives.—In the case of a husband whose wife is incapacitated, the deduction under subsection (a)—

"(A) shall not be allowed unless he files a joint return with his wife for the taxable year, and

"(B) shall be reduced by the amount (if any) by which the adjusted gross income of the taxpayer and his spouse exceeds $4,500.

This paragraph shall not apply to expenses incurred while the taxpayer's wife is institutionalized if such institutionalization is for a period of at least 90 consecutive days (whether or not within one taxable year) or a shorter period if terminated by her death."

And, in lieu thereof, to insert:

"(2) Working wives and husbands with incapacitated wives.—In the case of a woman who is married and in the case of a husband whose wife is incapacitated, the deduction under subsection (a)—

"(A) shall not be allowed unless the taxpayer and his spouse file a joint return for the taxable year, and

"(B) shall be reduced by the amount (if any) by which the adjusted gross income of the taxpayer and his spouse exceeds $7,000.

This paragraph shall not apply, in the case of a woman who is married, to expenses incurred while her husband is incapable of self-support because mentally or physically defective, or, in the case of a husband whose wife is incapacitated, to expenses incurred while his wife is institutionalized if such institutionalization is for a period of at least 90 consecutive days (whether or not within one taxable year) or a shorter period if terminated by her death."

On page 80, at the beginning of line 19, to strike out "(4)" and insert "(3)".

On page 83, at the beginning of line 1, to change the section number from "212" to "213".

On page 86, after line 5, to strike out:

"Sec. 218. Certain contributions by employees for group term life insurance."

And, in lieu thereof, to insert:

"Sec. 218. Contributions to political candidates and political committees."

On page 86, line 13, after the word "section", to strike out "203(c)" and insert "204(b)".

On page 87, line 2, after the word "after", to strike out "December 31, 1963" and insert "the seventh day following the date of enactment of this Act".

On page 87, after line 3, to insert a new section, as follows:

"Sec. 214. Deduction for Political Contributions.

"(a) Allowance of Deductions.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals) is amended by inserting after section 217 (as added by section 213(a)(1) of this Act) the following new section:

"Sec. 218. Contributions to Political Candidates and Political Committees.

"'(a) Allowance of Deduction.—In the case of an individual, there shall be allowed as a deduction any political contribution payment of which is made by the taxpayer within the taxable year.

"'(b) Limitations.—

"'(1) Amount.—The deduction under subsection (a) shall not exceed $50 for any taxable year, except that, in the case of a joint return of a husband and wife under section 6013 for the taxable year, the deduction shall not exceed $100 for the taxable year.

"'(2) Verification.—The deduction under subsection (a) shall be allowed, with respect to any political contribution, only if such political contribution is verified in such manner as the Secretary or his delegate shall prescribe by regulations.

"'(c) Political Contribution Defined.—For purposes of this section, the term 'political contribution' means a contribution or gift to—

"'(1) any political candidate, or

"'(2) any political committee,

but only if such contribution or gift is made to further the candidacy of one or more individuals in a general, special, or primary election or a convention of a political party.

"'(d) Cross Reference.—

"'For disallowance of deduction to estates and trusts, see section 642(i).'

"(b) Technical Amendment.—Section 642 (relating to special rules for credits and deductions of estates and trusts) is amended by redesignating subsection (i) as subsection (j), and by inserting after subsection (h) the following new subsection:

"'(i) Political Contributions.—An estate or trust shall not be allowed the deduction for political contributions provided by section 218.'

"(c) Effective Date.—The amendments made by this section shall apply only with respect to contributions or gifts made on or after the date of the enactment of this Act in taxable years ending after such date."

At the top of page 89, to insert a new section, as follows:

"SEC. 215. 100 PERCENT DIVIDENDS RECEIVED DEDUCTION FOR MEMBERS OF ELECTING AFFILIATED GROUPS.

"(a) 100 PERCENT DIVIDENDS RECEIVED DEDUCTION.—Section 243 (relating to dividends received by corporations) is amended to read as follows:

"'SEC. 243. DIVIDENDS RECEIVED BY CORPORATIONS.

"'(a) GENERAL RULE.—In the case of a corporation, there shall be allowed as a deduction an amount equal to the following percentages of the amount received as dividends from a domestic corporation which is subject to taxation under this chapter:

"'(1) 85 percent, in the case of dividends other than dividends described in paragraph (2) or (3);

"'(2) 100 percent, in the case of dividends received by a small business investment company operating under the Small Business Investment Act of 1958; and

"'(3) 100 percent, in the case of qualifying dividends (as defined in subsection (b)(1)).

"'(b) QUALIFYING DIVIDENDS.—

"'(1) DEFINITION.—For purposes of subsection (a)(3), the term "qualifying dividends" means dividends received by a corporation which, at the close of the day the dividends are received, is a member of the same affiliated group of corporations (as defined in paragraph (5)) as the corporation distributing the dividends, if—

"'(A) such affiliated group has made an election under paragraph (2) which is effective for the taxable years of its members which include such day, and

"'(B) such dividends are distributed out of earnings and profits of a taxable year of the distributing corporation ending after December 31, 1963—

"'(i) on each day of which the distributing corporation and the corporation receiving the dividends were members of such affiliated group, and

"'(ii) for which an election under section 1562 (relating to election of multiple surtax exemptions) is not effective.

"'(2) ELECTION.—An election under this paragraph shall be made for an affiliated group by the common parent corporation, and shall be made for any taxable year of the common parent corporation at such time and in such manner as the Secretary or his delegate by regulations prescribes. Such election may not be made for an affiliated group for any taxable year of the common parent corporation for which an election under section 1562 is effective. Each corporation which is a member of such group at any time during its taxable year which includes the last day of such taxable year of the common parent corporation must consent to such election at such time and in such manner as the Secretary or his delegate by regulations prescribes. An election under this paragraph shall be effective—

"'(A) for the taxable year of each member of such affiliated group which includes the last day of the taxable year of the common parent corporation with respect to which the election is made (except that in the case of a taxable year of a member beginning in 1963 and ending in 1964, if the election is effective for the taxable year of the common parent corporation which includes the last day of such taxable year of such member, such election shall be effective for such taxable year of such member, if such member consents to such election with respect to such taxable year), and

"'(B) for the taxable year of each member of such affiliated group which ends after the last day of such taxable year of the common parent corporation but which does not include such date, unless the election is terminated under paragraph (4).

"'(3) EFFECT OF ELECTION.—If an election by an affiliated group is effective with respect to a taxable year of the common parent corporation, then under regulations prescribed by the Secretary or his delegate—

"'(A) no member of such affiliated group may consent to an election under section 1562 for such taxable year.

"'(B) the members of such affiliated group shall be treated as one taxpayer for purposes of making the elections under section 901(a) (relating to allowance of foreign tax credit) and section 904(b)(1) (relating to election of overall limitation), and

"'(C) the members of such affiliated group shall be limited to one—

"'(i) $100,000 minimum accumulated earnings credit under section 535(c) (2) or (3),

"'(ii) $100,000 limitation for exploration expenditures under section 615 (a) and (b),

"'(iii) $400,000 limitation for exploration expenditures under section 615(c)(1),

"'(iv) $25,000 limitation on small business deduction of life insurance companies under sections 804(a)(4) and 809(d)(10), and

"'(v) $100,000 exemption for purposes of estimated tax filing requirements under section 6016 and the addition to tax under section 6655 for failure to pay estimated tax.

"'(4) TERMINATION.—An election by an affiliated group under paragraph (2) shall terminate with respect to the taxable year of the common parent corporation and with respect to the taxable years of the members of such affiliated group which include the last day of such taxable year of the common parent corporation if—

"'(A) CONSENT OF MEMBERS.—Such affiliated group files a termination of such election (at such time and in such manner as the Secretary or his delegate by regulations prescribes) with respect to such taxable year of the common parent corporation, and each corporation which is a member of such affiliated group at any time during its taxable year which includes the last day of such taxable year of the common parent corporation consents to such termination, or

"'(B) REFUSAL BY NEW MEMBER TO CONSENT.—During such taxable year of the common parent corporation such affiliated group includes a member which—

"'(i) was not a member of such group during such common parent corporation's immediately preceding taxable year, and

"'(ii) such member files a statement that it does not consent to the election at such time and in such manner as the Secretary or his delegate by regulations prescribes.

"'(5) DEFINITION OF AFFILIATED GROUP.—For purposes of this subsection, the term "affiliated group" has the meaning assigned to it by section 1504(a), except that for such purposes sections 1504(b)(2) and 1504(c) shall not apply.

"'(6) SPECIAL RULES FOR INSURANCE COMPANIES.—If an election under this subsection is effective for the taxable year of an insurance company subject to taxation under section 802 or 821—

"'(A) part II of subchapter B of chapter 6 (relating to certain controlled corporations) shall be applied without regard to section 1563(a)(4) (relating to certain insurance companies) and section 1563(b)(2)(D) (relating to certain excluded members) with respect to such company and the other corporations which are members of the controlled group of corporations (as determined under section 1563 without regard to subsections (a)(4) and (b)(2)(D)) of which such company is a member, and

"'(B) for purposes of paragraph (1), a distribution by such company out of earnings and profits of a taxable year for which an election under this subsection was not effective, and for which such company was not a component member of a controlled group of corporations within the meaning of section 1563 solely by reason of section 1563(b)(2)(D), shall not be a qualifying dividend.'

"(c) SPECIAL RULES FOR CERTAIN DISTRIBUTIONS.—For purposes of subsection (a)—

"'(1) Any amount allowed as a deduction under section 591 (relating to deduction for dividends paid by mutual savings banks, etc.) shall not be treated as a dividend.

"'(2) A dividend received from a regulated investment company shall be subject to the limitations prescribed in section 854.

"'(3) Any dividend received from a real estate investment trust which, for the taxable year of the trust in which the dividend is paid, qualifies under part II of subchapter M (section 856 and following) shall not be treated as a dividend.

"'(4) Any dividend received which is described in section 244 (relating to dividends received on preferred stock of a public utility) shall not be treated as a dividend.

"'(d) CERTAIN DIVIDENDS FROM FOREIGN CORPORATIONS.—For purposes of subsection (a) and for purposes of section 245, any dividend from a foreign corporation from earnings and profits accumulated by a domestic corporation during a period with respect to which such domestic corporation was subject to taxation under this chapter (or corresponding provisions of prior law) shall be treated as a dividend from a domestic corporation which is subject to taxation under this chapter.'

"(b) TECHNICAL AMENDMENTS.—

"(1) Section 244 (relating to dividends received on certain preferred stock) is amended by inserting '(a) GENERAL RULE.—' before 'in case of a corporation,' and by adding at the end thereof the following new subsection:

"'(b) EXCEPTION.—If the dividends described in subsection (a)(1) are qualifying dividends (as defined in section 243(b)(1), but determined without regard to section 243(c)(4))—

"'(2) for purposes of subsection (a)(3), the percentage applicable to such qualifying dividends shall be 100 percent in lieu of 85 percent.'

"(2) Section 246(b) (relating to limitation on aggregate amount of deductions for dividends received) is amended by striking out '243(a), 244,' each place it appears therein and inserting in lieu thereof '243(a)(1), 244(a),'.

"(3) Section 804(a)(5) (relating to the application of section 246(b) to taxable investment income of life insurance companies) is amended by striking out '243(a), 244,' and inserting in lieu thereof '243(a)(1), 244(a),'.

"(4) Section 809(d)(8)(B) (relating to the application of section 246(b) to the life insurance company's share of certain dividends) is amended by striking out '243(a), 244,' each place it appears therein and inserting in lieu thereof '243(a)(1), 244(a),'.

"(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply with respect to dividends received in taxable years ending after December 31, 1963."

On page 98, at the beginning of line 1, to change the section number from "213" to "216".

On page 98, line 20, after the word "after", to strike out "August 6, 1963" and insert "December 31, 1963".

On page 100, after line 2, to insert a new section, as follows:

"SEC. 217. INTEREST ON INDEBTEDNESS INCURRED OR CONTINUED TO PURCHASE OR CARRY TAX-EXEMPT BONDS.

"(a) APPLICATION WITH RESPECT TO CERTAIN FINANCIAL INSTITUTIONS.—Section 265 (relating to expenses and interest relating to tax-exempt income) is amended by adding at the end of paragraph (2) the following new sentence: 'In applying the preceding sentence to a financial institution (other than a bank) which is subject to the banking laws of the State in which such institution is incorporated, interest on face-amount certificates (as defined in section 2(a)(15) of the Investment Company Act of 1940 (15 U.S.C. 80a–2)) issued by such institution, and interest on amounts received for the purchase of such certificates to be issued by such institution, shall not be considered as interest on indebtedness incurred or continued to purchase or carry obligations the interest on which is wholly exempt from the taxes imposed by this subtitle, to the extent that the average amount of such obligations held by such institution during the taxable year (as determined under regulations prescribed by the Secretary or his delegate) does not exceed 25 percent of the average of the total assets held by such institution during the taxable year (as so determined).'

"(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to taxable years ending after the date of the enactment of this Act."

On page 101, after line 5, to insert a new section, as follows:

"Sec. 218. Repeal of Requirement of Allocation of Certain Traveling Expenses

"(a) Repeal of Section 274(c).—Section 274 (relating to disallowance of certain entertainment, etc., expenses) is amended by striking out subsection (c) (relating to traveling).

"(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to taxable years ending after December 31, 1962, but only in respect of periods after such date."

On page 101, after line 15, to insert a new section, as follows:

"Sec. 219. Acquisition of Stock in Exchange for Stock of Corporation Which Is in Control of Acquiring Corporation.

"(a) Definition of Reorganization.—Section 368(a)(1) (relating to definition of reorganization) is amended by inserting after 'voting stock' in subparagraph (B) '(or in exchange solely for all or a part of the voting stock of a corporation which is in control of the acquiring corporation)'.

"(b) Technical Amendments.—

"(1) Section 368(a)(2)(C) (relating to special rules) is amended to read as follows:

" '(C) Transfers of assets or stock to subsidiaries in certain paragraph (1)(A), (1)(B), and (1)(C) cases.—A transaction otherwise qualifying under paragraph (1)(A), (1)(B), or (1)(C) shall not be disqualified by reason of the fact that part or all of the assets or stock which were acquired in the transaction are transferred to a corporation controlled by the corporation acquiring such assets or stock.'

"(2) Section 368(b) (relating to definition of party to a reorganization) is amended by striking out the last two sentences and inserting in lieu thereof the following: 'In the case of a reorganization qualifying under paragraph (1)(B) or (1)(C) of subsection (a), if the stock exchanged for the stock or properties is stock of a corporation which is in control of the acquiring corporation, the term "a party to a reorganization" includes the corporation so controlling the acquiring corporation. In the case of a reorganization qualifying under paragraph (1)(A), (1)(B), or (1)(C) of subsection (a) by reason of paragraph (2)(C) of subsection (a), the term "a party to a reorganization" includes the corporation controlling the corporation to which the acquired assets or stock are transferred.' "

"(c) Effective Date.—The amendments made by this section shall apply with respect to transactions after December 31, 1963, in taxable years ending after such date."

On page 103, after line 7, to insert a new section, as follows:

"Sec. 220. Retroactive Qualification of Certain Union-Negotiated Multiemployer Pension Plans.

"(a) Beginning of Period as Qualified Trust.—Section 401 (relating to qualified pension, profit-sharing, and stock bonus plans) is amended by redesignating subsection (i) as subsection (j), and by inserting after subsection (h) the following new subsection:

" '(i) Certain Union-Negotiated Multiemployer Pension Plans.—In the case of a trust forming part of a pension plan which has been determined by the Secretary or his delegate to constitute a qualified trust under subsection (a) and to be exempt from taxation under section 501(a) for a period beginning after contributions were first made to or for such trust, if it is shown to the satisfaction of the Secretary or his delegate that—

" '(1) such trust was created pursuant to a collective bargaining agreement between employee representatives and two or more employers who are not related (determined under regulations prescribed by the Secretary or his delegate),

" '(2) any disbursements of contributions, made to or for such trust before the time as of which the Secretary or his delegate determined that the trust constituted a qualified trust, substantially complied with the terms of the trust, and the plan of which the trust is a part, as subsequently qualified, and

" '(3) before the time as of which the Secretary or his delegate determined that the trust constitutes a qualified trust, the contributions to or for such trust were not used in a manner which would jeopardize the interests of its beneficiaries,

then such trust shall be considered as having constituted a qualified trust under subsection (a) and as having been exempt from taxation under section 501(a) for the period beginning on the date on which contributions were first made to or for such trust and ending on the date such trust first constituted (without regard to this subsection) a qualified trust under subsection (a).'

"(b) Effective Date.—The amendments made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1953, and ending after August 16, 1954, but only with respect to contributions made after December 31, 1954."

At the top of page 105, to insert a new section, as follows:

"Sec. 221. Qualified Pension, Etc., Plan Coverage for Employees of Certain Subsidiary Employers.

"(a) Employees of Foreign Subsidiaries Covered by Social Security Agreements.—Part I of subchapter D of chapter 1 (relating to pension, profit-sharing, stock bonus plans, etc.) is amended by adding at the end thereof the following new section:

" 'Sec. 406. Certain Employees of Foreign Subsidiaries.

" '(a) Treatment as Employees of Domestic Corporation.—For purposes of applying this part with respect to a pension, profit-sharing, or stock bonus plan described in section 401(a), an annuity plan described in section 403(a), or a bond purchase plan described in section 405(a), of a domestic corporation, an individual who is a citizen of the United States and who is an employee of a foreign subsidiary (as defined in section 3121(1)(8)) of such domestic corporation shall be treated as an employee of such domestic corporation, if—

" '(1) such domestic corporation has entered into an agreement under section 3121(l) which applies to the foreign subsidiary of which such individual is an employee;

" '(2) the plan of such domestic corporation expressly provides for contributions or benefits for individuals who are citizens of the United States and who are employees of its foreign subsidiaries to which an agreement entered into by such domestic corporation under section 3121(l) applies; and

" '(3) contributions under a funded plan of deferred compensation (whether or not a plan described in section 401(a), 403(a), or 405(a)) are not provided by any other person with respect to the remuneration paid to such individual by the foreign subsidiary.

" '(b) Special Rules for Application of Section 401(a).—

" '(1) Nondiscrimination requirements.—For purposes of applying paragraphs (3)(B) and (4) of section 401(a) with respect to an individual who is treated as an employee of a domestic corporation under subsection (a)—

" '(A) if such individual is an officer, shareholder, or person whose principal duties consist in supervising the work of other employees of a foreign subsidiary of such domestic corporation, he shall be treated as having such capacity with respect to such domestic corporation; and

" '(B) the determination of whether such individual is a highly compensated employee shall be made by treating such individual's total compensation (determined with the application of paragraph (2) of this subsection) as compensation paid by such domestic corporation and by determining such individual's status with regard to such domestic corporation.

" '(2) Determination of compensation.—For purposes of applying paragraph (5) of section 401(a) with respect to an individual who is treated as an employee of a domestic corporation under subsection (a)—

" '(A) the total compensation of such individual shall be the remuneration paid to such individual by the foreign subsidiary which would constitute his total compensation if his services had been performed for such domestic corporation, and the basic or regular rate of compensation of such individual shall be determined under regulations prescribed by the Secretary or his delegate; and

" '(B) such individual shall be treated as having paid the amount paid by such domestic corporation which is equivalent to the tax imposed by section 3101.

" '(c) Termination of Status as Deemed Employee Not To Be Treated as Separation From Service for Purposes of Capital Gain Provisions.—For purposes of applying section 402(a)(2) and section 403(a)(2) with respect to an individual who is treated as an employee of a domestic corporation under subsection (a), such individual shall not be considered as separated from the service of such domestic corporation solely by reason of the fact that—

" '(1) the agreement entered into by such domestic corporation under section 3121(l) which covers the employment of such individual is terminated under the provisions of such section,

" '(2) such individual becomes an employee of a foreign subsidiary with respect to which such agreement does not apply,

" '(3) such individual ceases to be an employee of the foreign subsidiary by reason of which he is treated as an employee of such domestic corporation, if he becomes an employee of another corporation controlled by such domestic corporation, or

" '(4) the provision of the plan described in subsection (a)(2) is terminated.

" '(d) Deductibility of Contributions.—For purposes of applying sections 404 and 405(c) with respect to contributions made to or under a pension, profit-sharing, stock bonus, annuity, or bond purchase plan by a domestic corporation, or by another corporation which is entitled to deduct its contributions under section 404(a)(3)(B), on behalf of an individual who is treated as an employee of such domestic corporation under subsection (a)—

" '(1) except as provided in paragraph (2), no deduction shall be allowed to such domestic corporation or to any other corporation which is entitled to deduct its contributions under such sections,

" '(2) there shall be allowed as a deduction to the foreign subsidiary of which such individual is an employee an amount equal to the amount which (but for paragraph (1)) would be deductible under section 404 (or section 405(c)) by the domestic corporation if he were an employee of the domestic corporation, and

"'(3) any reference to compensation shall be considered to be a reference to the total compensation of such individual (determined with the application of subsection (b)(2)). Any amount deductible by a foreign subsidiary under this subsection shall be deductible for its taxable year with or within which the taxable year of such domestic corporation ends.

"'(e) Treatment as Employee Under Related Provisions—An individual who is treated as an employee of a domestic corporation under subsection (a) shall also be treated as an employee of such domestic corporation for purposes of applying the following provisions of this title:

"'(1) Section 72(d) (relating to employees' annuities).

"'(2) Section 72(f) (relating to special rules for computing employees' contributions).

"'(3) Section 101(b) (relating to employees' death benefits).

"'(4) Section 2039 (relating to annuities).

"'(5) Section 2517 (relating to certain annuities under qualified plan).'

"(b) Employees of Domestic Subsidiaries Engaged in Business Outside the United States.—Part I of subchapter D of chapter 1 (relating to pension, profit-sharing, stock bonus plans, etc.) is amended by adding after section 406 (as added by subsection (a)) the following new section:

"'Sec. 407. Certain employees of domestic Subsidiaries Engaged in Business Outside the United States

"'(a) Treatment as Employees of Domestic Parent Corporation.—

"'(1) In general.—For purposes of applying this part with respect to a pension, profit-sharing, or stock bonus plan described in section 401(a), an annuity plan described in section 403(a), or a bond purchase plan described in section 405(a), of a domestic parent corporation, an individual who is a citizen of the United States and who is an employee of a domestic subsidiary (within the meaning of paragraph (2)) of such domestic parent corporation shall be treated as an employee of such domestic parent corporation, if—

"'(A) the plan of such domestic parent corporation expressly provides for contributions or benefits for individuals who are citizens of the United States and who are employees of its domestic subsidiaries; and

"'(B) contributions under a funded plan of deferred compensation (whether or not a plan described in section 401(a), 403(a), or 405(a)) are not provided by any other person with respect to the remuneration paid to such individual by the domestic subsidiary.

"'(2) Definitions.—For purposes of this section—

"'(A) Domestic subsidiary.—A corporation shall be treated as a domestic subsidiary for any taxable year only if—

"'(i) such corporation is a domestic corporation 80 percent or more of the outstanding voting stock of which is owned by another domestic corporation;

"'(ii) 95 percent or more of its gross income for the three-year period immediately preceding the close of its taxable year which ends on or before the close of the taxable year of such other domestic corporation (or for such part of such period during which the corporation was in existence) was derived from sources without the United States; and

"'(iii) 90 percent or more of its gross income for such period (or such part) was derived from the active conduct of a trade or business.

"'(B) Domestic parent corporation.—The domestic parent corporation of any domestic subsidiary is the domestic corporation which owns 80 percent or more of the outstanding voting stock of such domestic subsidiary.

"'(b) Special Rules for Application of Section 401(a).—

"'(1) Nondiscrimination requirements.—For purposes of applying paragraphs (3)(B) and (4) of section 401(a) with respect to an individual who is treated as an employee of a domestic parent corporation under subsection (a)—

"'(A) if such individual is an officer, shareholder, or person whose principal duties consist in supervising the work of other employees of a domestic subsidiary, he shall be treated as having such capacity with respect to such domestic corporation; and

"'(B) the determination of whether such individual is a highly compensated employee shall be made by treating such individual's total compensation (determined with the application of paragraph (2) of this subsection) as compensation paid by such domestic parent corporation and by determining such individual's status with regard to such domestic parent corporation.

"'(2) Determination of compensation.—For purposes of applying paragraph (5) of section 401(a) with respect to an individual who is treated as an employee of a domestic parent corporation under subsection (a), the total compensation of such individual shall be the remuneration paid to such individual by the domestic subsidiary which would constitute his total compensation if his services had been performed for such domestic parent corporation, and the basic or regular rate of compensation of such individual shall be determined under regulations prescibed by the Secretary or his delegate.

"'(c) Termination of Status as Deemed Employee Not To Be Treated as Separation From Service for Purposes of Capital Gain Provisions.—For purposes of applying section 402(a)(2) and section 403(a)(2) with respect to an individual who is treated as an employee of a domestic parent corporation under subsection (a), such individual shall not be considered as separated from the service of such domestic parent corporation solely by reason of the fact that—

"'(1) the corporation of which such individual is an employee ceases, for any taxable year, to be a domestic subsidiary within the meaning of subsection (a)(2)(A),

"'(2) such individual ceases to be an employee of a domestic subsidiary of such domestic parent corporation, if he becomes an employee of another corporation controlled by such domestic parent corporation, or

"'(3) the provision of the plan described in subsection (a)(1)(A) is terminated.

"'(d) Deductibility of Contributions.—For purposes of applying sections 404 and 405(c) with respect to contributions made to or under a pension, profit-sharing, stock bonus, annuity, or bond purchase plan by a domestic parent corporation, or by another corporation which is entitled to deduct its contributions under section 404(a)(3)(B), on behalf of an individual who is treated as an employee of such domestic corporation under subsection (a)—

"'(1) except as provided in paragraph (2), no deduction shall be allowed to such domestic parent corporation or to any other corporation which is entitled to deduct its contributions under such sections,

"'(2) there shall be allowed as a deduction to the domestic subsidiary of which such individual is an employee an amount equal to the amount which (but for paragraph (1)) would be deductible under section 404 (or section 405(c)) by the domestic parent corporation if he were an employee of the domestic parent corporation, and

"'(3) any reference to compensation shall be considered to be a reference to the total compensation of such individual (determined with the application of subsection (b)(2)).

"'Any amount deductible by a domestic subsidiary under this subsection shall be deductible for its taxable year with or within which the taxable year of such domestic parent corporation ends.

"'(e) Treatment as Employee Under Related Provisions.—An individual who is treated as an employee of a domestic parent corporation under subsection (a) shall also be treated as an employee of such domestic parent corporation for purposes of applying the following provisions of this title:

"'(1) Section 72(d) (relating to employees' annuities).

"'(2) Section 72(f) (relating to special rules for computing employees' contributions).

"'(3) Section 101(b) (relating to employees' death benefits).

"'(4) Section 2039 (relating to annuities).

"'(5) Section 2517 (relating to certain annuities under qualified plan).'

"(c) Technical Amendments.—

"(1) The table of sections for part I of subchapter D of chapter 1 is amended by adding at the end thereof the following:

"'Sec. 224. Certain Employees of Foreign Subsidiaries.

"'Sec. 407. Certain Employees of Domestic Subsidiaries Engaged in Business Outside the United States.'

"(2) Section 3121(a)(5) (relating to definition of wages) is amended by striking out 'or' at the end of subparagraph (A) and by striking out subparagraph (B) and inserting in lieu thereof the following new subparagraphs:

"'(B) under or to an annuity plan which, at the time of such payment, is a plan described in section 403(a), or

"'(C) under or to a bond purchase plan which, at the time of such payment, is a qualified bond purchase plan described in section 405(a);'.

"(3) Section 209(e) of the Social Security Act (relating to the definition of wages) is amended to read as follows:

"'(e) Any payment made to, or on behalf of, an employee or his beneficiary (1) from or to a trust exempt from tax under section 165(a) of the Internal Revenue Code of 1939 at the time of such payment or, in the case of a payment after 1954, under sections 401 and 501(a) of the Internal Revenue Code of 1954, unless such payment is made to an employee of the trust as remuneration for services rendered as such employee and not as a beneficiary of the trust, or (2) under or to an annuity plan which, at the time of such payment, meets the requirements of section 165(a) (3), (4), (5), and (6) of the Internal Revenue Code of 1939 or, in the case of a payment after 1954 and prior to 1963, the requirements of section 401(a) (3), (4), (5), and (6) of the Internal Revenue Code of 1954, or (3) under or to an annuity plan which, at the time of any such payment after 1962, is a plan described in section 403(a) of the Internal Revenue Code of 1954, or (4) under or to a bond purchase plan which, at the time of any such payment after 1962, is a qualified bond purchase plan described in section 405(a) of the Internal Revenue Code of 1954;'.

"(d) Effective Date.—The amendments made by subsections (a), (b), and (c)(1) shall apply to taxable years ending after December 31, 1963. The amendments made by subsections (c) (2) and (3) shall apply to remuneration paid after December 31, 1962."

On page 118, at the beginning of line 8, to change the section number from "214" to "222".

On page 121, line 10, after the word "the", where it appears the second time, to strike out "amount," and insert "amount".

On page 122, line 17, after the word "after", to strike out "June 11, 1963" and insert "December 31, 1963", and in line 19, after "section 424(c)", to strike out "(4)" and insert "(3)".

On page 125, line 20, to strike out "June 11, 1963" and insert "December 31, 1963", and in line 24, after the word "before", to strike out "June 12, 1963" and insert "January 1, 1964".

On page 126, at the beginning of line 18, to strike out "or" and insert "and".

On page 128, line 1, after the word "the", to strike out "amount paid for" and insert "adjusted basis of".

On page 128, after line 12, to insert:

"(6) Exception to application of subsection (b)(5).—Paragraph (5) of subsection (b) shall not apply if—

"(A) the option being granted and all outstanding qualified (or restricted) stock options referred to in subsection (b)(5) are to purchase stock of the same class in the same corporation, and

"(B) the price payable under each such outstanding option (as of the date of grant of the option being granted) is not more than the option price of the option being granted."

On page 129, line 4, after the word "after", to strike out "June 11, 1963" and insert "December 31, 1963", and in line 7, after "section 424(c)", to strike out "(4)" and insert "(3)".

On page 130, line 6, after the word "such", to strike out "corporations" and insert "corporation".

On page 135, line 22, after the word "before", to strike out "June 12, 1963" and insert "January 1, 1964"; in line 24, after "subsection (c)", to strike out "(4)" and insert "(3)", and in the same line, after the word "after", to strike out "June 11, 1963" and insert "December 31, 1963".

On page 136, line 24, after the word "is", to strike out "granted," and insert "granted".

On page 139, after line 3, to strike out:

"(2) Stockholder approval.—For purposes of this section, if the grant of an option is subject to approval by stockholders, the date of grant of the option shall be determined as if the option had not been subject to such approval."

On page 139, at the beginning of line 9, to strike out "(3)" and insert "(2)".

On page 139, at the beginning of line 23, to strike out "(4)" and insert "(3)"; in the same line, after the word "after", to strike out "June 11, 1963" and insert "December 31, 1963"; in line 25, after the word "after", to strike out "June 11, 1963" and insert "December 31, 1963"; on page 140, line 4, after the word "before", to strike out "June 12, 1963" and insert "January 1, 1964"; in line 6, after the word "before", to strike out "June 12, 1963" and insert "January 1, 1964", and in line 7, after the word "of", where it appears the first time, to strike out "June 12, 1963" and insert "January 1, 1964".

On page 145, line 12, after the word "before", to strike out "June 12, 1963" and insert "January 1, 1964"; in line 13, after the word "after", to strike out "June 11, 1963" and insert "December 31, 1963", and in line 15, after the word "before", to strike out "June 12, 1963" and insert "January 1, 1964".

On page 146, line 7, after "(a)", to strike out "or".

On page 146, line 9, after "424(b)", to strike out "(2)." and insert

"(2); or

"(C) in the case of an option not immediately exercisable in full, to accelerate the time at which the option may be exercised."

On page 146, after line 18, to insert:

"(l) Stockholder Approval.—For purposes of this part, if the grant of an option is subject to approval by stockholders, the date of grant of the option shall be determined as if the option had not been subject to such approval."

On page 146, at the beginning of line 23, to strike out "(i)" and insert "(j)".

On page 149, after line 7, to strike out:

"(a) Returns Relating to Payments of Dividends, Etc., and Certain Transfers of Stock. In the case of each failure to file a statement of—

"(1) the aggregate amount of payments to another person required by section 6042(a)(1) (relating to payments of dividends aggregating $10 or more), section 6044(a)(1) (relating to payments of patronage dividends aggregating $10 or more), or section 6049(a)(1) (relating to payments of interest aggregating $10 or more), or

"(2) the transfer of stock or the transfer of legal title of stock required by section 6039 (relating to information in connection with certain options),

on the date prescribed therefor (determined with regard to any extension of time for filing), unless it is shown that such failure is due to reasonable cause and not to willful neglect, there shall be paid (upon notice and demand by the Secretary or his delegate and in the same manner as tax), by the person failing to so file the statement, $10 for each such statement not so filed, but the total amount imposed on the delinquent person for all such failures during any calendar year shall not exceed $25,000."

And, in lieu thereof, to insert:

"(a) Returns Relating to Payments of Dividends, Etc., and Certain Transfers of Stock.—In the case of each failure—

"(1) to file a statement of the aggregate amount of payments to another person required by section 6042(a)(1) (relating to payments of dividends aggregating $10 or more), section 6044(a)(1) (relating to payments of patronage dividends aggregating $10 or more), or section 6049(a)(1) (relating to payments of interest aggregating $10 or more),

"(2) to make a return required by section 6039(a) (relating to reporting information in connection with certain options) with respect to a transfer of stock or a transfer of legal title to stock, or

"(3) to make a return required by section 6052(a) (relating to reporting payment of wages in the form of group-term life insurance) with respect to group-term life insurance on the life of an employee,

on the date prescribed therefor (determined with regard to any extension of time for filing), unless it is shown that such failure is due to reasonable cause and not to willful neglect, there shall be paid (upon notice and demand by the Secretary or his delegate and in the same manner as tax), by the person failing to file a statement referred to in paragraph (1) or failing to make a return referred to in paragraph (2) or (3), $10 for each such failure, but the total amount imposed on the delinquent person for all such failures during any calendar year shall not exceed $25,000."

At the top of page 153, to strike out:

"(e) Effective Date.—

"(1) Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years ending after June 11, 1963.

"(2) The amendments made by subsection (b) shall apply to stock transferred pursuant to options exercised on or after January 1, 1964."

And, in lieu thereof, to insert:

"(e) Effective Dates and Transition Rules.—

"(1) Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to taxable years ending after December 31, 1963.

"(2) The amendments made by paragraphs (1) and (3) of subsection (b), and paragraph (2) of section 6652(a) of the Internal Revenue Code of 1954 (as amended by paragraph (2) of subsection (b)), shall apply to stock transferred pursuant to options exercised on or after January 1, 1964.

"(3) In the case of an option granted after December 31, 1963, and before January 1, 1965—

(A) paragraphs (1) and (2) of section 422(b) of the Internal Revenue Code of 1954 (as added by subsection (a)) shall not apply, and

"(B) paragraph (1) of section 425(h) of such Code (as added by subsection (a)) shall not apply to any change in the terms of such option made before January 1, 1965, to permit such option to qualify under paragraphs (3), (4), and (5) of such section 422(b)."

On page 154, after line 2, to insert a new section, as follows:

"Sec. 223. Installment Sales by Dealers in Personal Property.

"(a) Installment Plans.—Section 453(a) (relating to reporting of income by dealers in personal property from sales on the installment plan) is amended to read as follows:

"'(a) Dealers in Personal Property.—

"'(1) General rule.—Under regulations prescribed by the Secretary or his delegate, a person who regularly sells or otherwise disposes of personal property on the installment plan may return as income therefrom in any taxable year that proportion of the installment payments actually received in that year which the gross profit, realized or to be realized when payment is completed, bears to the total contract price.

"'(2) Installment plan.—For purposes of paragraph (1), the term "installment plan" includes any plan which provides for the payment by the purchaser for the personal property sold to him in a series of periodic installments of an agreed part or installment of the debt due the seller.

"'(3) Total contract price.—For purposes of paragraph (1), the term "total contract price" includes all charges relative to the sale of the personal property, including the time price differential which represents the amount paid or payable for the privilege of purchasing the personal property to be paid for by the purchaser in installments over a period of time.'

"(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1963."

On page 155, after line 7, to insert a new section, as follows:

"Sec. 224. Timing of Deductions and Credits in Certain Cases Where Asserted Liabilities Are Contested.

"(a) Taxable Year of Deduction or Credit.—

"(1) Section 461 (relating to general rule for taxable year of deduction) is amended by adding at the end thereof the following new subsection:

"'(f) Contested Liabilities.—If—

"'(1) the taxpayer contests an asserted liability,

"'(2) the taxpayer transfers money or other property to provide for the satisfaction of the asserted liability,

"'(3) the contest with respect to the asserted liability exists after the time of the transfer, and

"'(4) but for the fact that the asserted liability is contested, a deduction or credit would be allowed for the taxable year of the transfer (or for an earlier taxable year),

then the deduction or credit shall be allowed for the taxable year of the transfer.'

"(2) Section 43 of the Internal Revenue Code of 1939 (relating to period for which deductions and credits taken) is amended by adding at the end thereof the following new sentence: "If—

"'(1) the taxpayer contests an asserted liability,

"'(2) the taxpayer transfers money or other property to provide for the satisfaction of the asserted liability, "'(3) the contest with respect to the asserted liability exists after the time of the transfer, and

"'(4) but for the fact that the asserted liability is contested, a deduction or credit would be allowed for the taxable year of the transfer (or for an earlier taxable year), then the deduction or credit shall be allowed for the taxable year of the transfer.'

"(b) Effective Dates.—Except as provided in subsections (c) and (d)—

"(1) the amendment made by subsection (a)(1) shall apply to taxable years beginning after December 31, 1953, and ending after August 16, 1954, and

"(2) the amendment made by subsection (a)(2) shall apply to taxable years to which the Internal Revenue Code of 1939 applies.

"(c) Election as to Transfers in Taxable Years Beginning Before January 1, 1964.—

"(1) The amendments made by subsection (a) shall not apply to any transfer of money or other property described in subsection (a) made in a taxable year beginning before January 1, 1964, if the taxpayer elects, in the manner provided by regulations prescribed by the Secretary of the Treasury or his delegate, to have this paragraph apply. Such an election—

"(A) must be made within one year after the date of the enactment of this Act,

"(B) may not be revoked after the expiration of such one-year period, and

"(C) shall apply to all transfers described in the first sentence of this paragraph (other than transfers described in paragraph (2)).

In the case of any transfer to which this paragraph applies, the deduction or credit shall be allowed only for the taxable year in which the contest with respect to such transfer is settled.

"(2) Paragraph (1) shall not apply to any transfer if the assessment of any deficiency which would result from the application of the election in respect of such transfer is, on the date of the election under paragraph (1), prevented by the operation of any law or rule of law.

"(3) If the taxpayer makes an election under paragraph (1), and if, on the date of such election, the assessment of any deficiency which results from the application of the election in respect of any transfer is not prevented by the operation of any law or rule of law, the period within which assessment of such deficiency may be made shall not expire earlier than 2 years after the date of the enactment of this Act.

"(d) Certain Other Transfers in Taxable Years Beginning Before January 1, 1964.—The amendments made by subsection (a) shall not apply to any transfer of money or other property described in subsection (a) made in a taxable year beginning before January 1, 1964, if—

"(1) no deduction or credit has been allowed in respect of such transfer for any taxable year before the taxable year in which the contest with respect to such transfer is settled, and

"(2) refund or credit of any overpayment which would result from the application of such amendments to such transfer is prevented by the operation of any law or rule of law.

In the case of any transfer to which this subsection applies, the deduction or credit shall be allowed for the taxable year in which the contest with respect to such transfer is settled."

On page 159, at the beginning of line 3, to change the section number from "215" to "225".

On page 163, after line 10, to strike out:

"(c) Certain Carrying Charges.—The first sentence of section 163(b)(1) (relating to installment purchases where interest charge is not separately stated) is amended by striking out 'personal property is purchased' and inserting in lieu thereof 'personal property or services are purchased'."

One page 163, after line 16, to strike out:

"(d) Effective Dates.—The amendments made by subsections (a) and (b) shall apply to payments made after December 31, 1963, on account of sales or exchanges of property occurring after June 30, 1963. The amendment made by subsection (c) shall apply to payments made during taxable years beginning after December 31, 1963."

And, in lieu thereof, to insert:

"(c) Effective Date.—The amendments made by subsections (a) and (b) shall apply to payments made after December 31, 1963, on account of sales or exchanges of property occurring after June 30, 1963, other than any sale or exchange made pursuant to a binding written contract (including an irrevocable written option) entered into before July 1, 1963."

On page 164, at the beginning of line 7, to change the section number from "216" to "226".

On page 166, line 1, after the word "shareholders", to strike out the comma and "plus the interest described in section 543(b)(2)(C),".

On page 167, line 8, after the word "loans", to strike out "or".

On page 167, line 10, after the word "installment", to strike out "obligations." and insert "obligations, or (iii) rendering services or making facilities available to another corporation which is engaged in the lending or finance business (within the meaning of this subparagraph), but only if such other corporation and the corporation rendering services or making facilities available are members of the same affiliated group (as defined in section 1504)."

On page 169, after line 3, to strike out:

"(3) Income received from certain domestic subsidiaries.—For purposes of subsection (c)(6)(B), in the case of a lending company which is authorized to engage in and is actively and regularly engaged in the small loan business (consumer finance business) under one or more State statutes providing for the direct regulation of such business, and which meets the requirements of subsection (c)(6)(A), there shall not be treated as personal holding company income the lawful income received from domestic subsidiary corporations (of which stock possessing at least 80 percent of the voting power of all classes of stock and of which at least 80 percent of each class of nonvoting stock is owned directly by such lending company) which are themselves excepted under subsection (c)(6)."

And, in lieu thereof, to insert:

"(3) Income received from certain affiliated corporations.—For purposes of subsection (c)(6)(B), in the case of a lending or finance company which meets the requirements of subsection (c)(6)(A), there shall not be treated as personal holding company income the lawful income received from a corporation which meets the requirements of subsection (c)(6) and which is a member of the same affiliated group (as defined in section 1504) of which such company is a member."

On page 171, after line 8, to strike out:

"(B) the personal holding company income for the taxable year (computed without regard to this paragraph and paragraph (6), and computed by including as personal holding company income copyright royalties and the adjusted income from mineral, oil, and gas royalties) is not more than 10 percent of the ordinary gross income."

"(B) the sum of—

"(i) the dividends paid during the taxable year (determined under section 562),

"(ii) the dividends considered as paid on the last day of the taxable year under section 563(c) (as limited by the second sentence of section 563(b)), and

"(iii) the consent dividends for the taxable year (determined under section 565), equals or exceeds the amount, if any, by which the personal holding company income for the taxable year (computed without regard to this paragraph and paragraph (6), and computed by including as personal holding company income copyright royalties and the adjusted income from mineral, oil, and gas royalties) exceeds 10 percent of the ordinary gross income."

On page 178, line 14, after the word "and", to strike out "amortization," and insert "amortization of property other than tangible personal property which is not customarily retained by any one lessee for more than three years,".

On page 179, line 3, after the word "in", to strike out "subsection (a)(3)" and insert "paragraph (4)".

On page 180, line 24, after the word "from", to strike out "such royalties" and insert "mineral, oil, and gas royalties (including production payments and overriding royalties)".

On page 190, line 9, after the word "section", to strike out "552," and insert "552—".

On page 192, line 4, after "January 1,", to strike out "1966" and insert "1967"; in line 6, after "January 1,", to strike out "1966" and insert "1967"; in line 14, after the word "were", to strike out "class B" and insert "long-term"; in line 16, after the word "after", to strike out "August 1" and insert "December 31"; and at the beginning of line 20, to strike out "August 1" and insert "December 31".

On page 193, line 2, to strike out "1965" and insert "1966".

On page 193, line 4, after "December 31,", to strike out "1965" and insert "1966".

On page 193, line 13, after "January 1,", to strike out "1966" and insert "1967", and at the beginning of line 16, to strike out "class B" and insert "long-term".

On page 193, at the beginning of line 21, to strike out "August 1" and insert "December 31", and in line 24, after the word "on", to strike out "August 1" and insert "December 31".

On page 194, line 9, after the word "on", to strike out "August 1, 1963" and insert "January 1, 1964".

On page 194, line 12, after "January 1,", to strike out "1967" and insert "1968".

On page 195, line 5, after the word "on", to strike out "August 1, 1963" and insert "January 1, 1964".

On page 195, line 16, after the word "obsolescence", to strike out "or", and in line 17, after the word "amortization", to insert a comma and "or depletion".

On page 195, line 21, after the word "before", to strike out "the date of the enactment of this subsection" and insert "December 31, 1963", and on page 196, line 3, after the word "taxable", to strike out "year."" and insert "year.".

On page 196, after line 3, to insert:

"(4) Mistake as to applicability of subsection.—An election made under this section by a qualified electing shareholder of a corporation in which such shareholder states that such election is made on the assumption that such corporation is a corporation referred to in paragraph (3) shall have no force or effect if it is determined that the corporation is not a corporation referred to in paragraph (3)."

On page 198, line 2, after the word "before", to strike out "the date of the enactment of this subsection" and insert "December 31, 1963".

On page 198, line 19, after the word "before", to strike out "August 1, 1963," and insert "January 1, 1964,"; in line 21, after the word "after", to strike out "July 31, 1963," and insert "December 31, 1963,", and in line 24, after the word "but", to strike out the comma and "in the case of such a payment or set aside which is made on or after the first day of the first taxable year beginning after December 31, 1963,".

On page 199, line 9, after the word "after", to strike out "July 31," and insert "December 31,".

On page 200, line 16, after the word "obsolescence", to strike out "or amortization" and insert "amortization, or depletion".

On page 201, line 12, after the word "to", to strike out "the" and insert "an"; in line 13, after the word "obsolescence", to strike out "or amortization" and insert "amortization, or depletion", and in line 14, after the word "after", to strike out "July 31," and insert "December 31,".

On page 202, after line 9, to strike out:

"(j) Increase in Basis With Respect to Certain Foreign Personal Holding Company Holdings.—

"(1) In general. Part II of subchapter O of chapter 1 (relating to basis rules of general application) is amended by redesignating section 1022 as section 1023 and by inserting after section 1021 the following new section:

" 'Sec. 1022. Increase in Basis With Respect to Certain Foreign Personal Holding Company Holdings.

" '(a) General Rule.—The basis (determined under section 1014(b)(5), relating to basis of stock or securities in a foreign personal holding company) of a share of stock or a security, acquired from a decedent dying after August 15, 1963, of a corporation which was a foreign personal holding company for its most recent taxable year ending before the date of the enactment of this section shall be increased by its proportionate share of any Federal estate tax attributable to the net appreciation in value of all of such shares and securities determined as provided in this section.

" '(b) Proportionate Share.—For purposes of subsection (a), the proportionate share of a share of stock or of a security is that amount which bears the same ratio to the aggregate increase determined under subsection (c)(2) as the appreciation in value of such share or security bears to the aggregate appreciation in value of all such shares and securities having appreciation in value.

" '(c) Special Rules and Definitions.—For purposes of this section—

" '(1) Federal estate tax.—The term 'Federal estate tax' means only the tax imposed by section 2001 or 2101, reduced by any credit allowable with respect to a tax on prior transfers by section 2013 or 2102.

" '(2) Federal estate tax attributable to net appreciation in value.—The Federal estate tax attributable to the net appreciation in value of all shares of stock and securities to which subsection (a) applies is that amount which bears the same ratio to the Federal estate tax as the net appreciation in value of all of such shares and securities bears to the value of the gross estate as determined under chapter 11 (including section 2032, relating to alternative valuation).

" '(3) Net appreciation.—The net appreciation in value of all shares and securities to which subsection (a) applies is the amount by which the fair market value of all such shares and securities exceeds the basis of such property in the hands of the decedent.

" '(4) Fair market value.—For purposes of this section, the term 'fair market value' means fair market value determined under chapter 11 (including section 2032, relating to alternate valuation).

" '(d) Limitations.—This section shall not apply to any foreign personal holding company referred to in section 342(a)(2).'

"(2) Amendment of section 1016(a).—Section 1016(a) (relating to adjustments to basis) is amended by striking out the period at the end thereof and by inserting in lieu thereof a semicolon and by adding at the end thereof the following new paragraph:

" '(21) to the extent provided in section 1022, relating to increase in basis for certain foreign personal holding company holdings, or in section 216(j)(4) of the Revenue Act of 1963.'

"(3) Clerical amendments.

"(A) The table of sections for part II of subchapter O of chapter 1 is amended by striking out

" 'Sec. 1022. Cross references."

and inserting in lieu thereof the following:

" 'Sec. 1022. Increase in basis with respect to certain foreign personal holding company holdings.

" 'Sec. 1023. Cross references'."

"(4) One month liquidations. If—

"(A) a corporation was a foreign personal holding company for its most recent taxable year ending before the date of the enactment of this Act,

"(B) all of the stock of such corporation is owned on August 15, 1963, and at the time of liquidation, by individuals and estates, and

"(C) the transfer of all the property under the liquidation occurs within one of the first 4 calendar months ending after such date of enactment,

then such corporation shall be treated as a domestic corporation for purposes of section 333 of the Internal Revenue Code of 1954 (relating to 1 month liquidations), and shall be treated as a foreign corporation for purposes of section 367 of such Code (relating to foreign corporations). In applying such section 367 for purposes of this paragraph, references in the first sentence of such section 367 to other sections of such Code shall be treated as including a reference to such section 333.

"(5) Basis of certain property acquired from a decedent.

"(A) In the case of property described in subparagraph (B) acquired from a decedent or passing from a decedent (within the meaning of section 1014(b) of the Internal Revenue Code of 1954), the basis shall (in lieu of being the basis provided by section 1014 of such Code) be the basis immediately before the death of the decedent, increased by the amount of any Federal estate tax attributable to the net appreciation in value of such property (determined in accordance with section 1022 of such Code as if such property were stock and securities referred to in such section).

"(B) Subparagraph (A) shall apply to—

"(i) property which the decedent received as a qualified electing shareholder, and

"(ii) property the basis of which (without the application of this paragraph) is a substituted basis (as defined in section 1016(b) of the Internal Revenue Code of 1954) determined by reference to the basis of such property or other property received by any individual or estate as a qualified electing shareholder.

For purposes of this subparagraph, property shall be treated as property received as a qualified electing shareholder if, with respect to such property, the recipient was a qualified electing shareholder (within the meaning of section 333(c) of such Code) in a corporate liquidation to which section 333 of such Code applied by reason of paragraph (4) of this subsection.

"(C) In the case of property acquired from the decedent by gift, the increase in basis under this paragraph shall not exceed the amount by which the increase under this paragraph is greater than the increase allowable under section 1015(d) of the Internal Revenue Code of 1954.

"(6) Limitations.—The provisions of paragraphs (4) and (5) of this subsection shall not apply to any foreign corporation referred to in section 342(a)(2) of the Internal Revenue Code of 1954.

"(7) Meaning of terms.—Terms used in paragraphs (4) through (6) of this subsection shall have the same meaning as when used in chapter 1 of the Internal Revenue Code of 1954."

On page 208, at the beginning of line 1, to strike out "(k)" and insert "(j)".

On page 210, at the beginning of line 14, to strike out "(l)" and insert "(k)".

On page 210, line 16, after "(f)", to strike out "(g), and (j)" and insert "and (g))".

At the top of page 211, to strike out:

"(4) The amendments made by paragraphs (1), (2), and (3) of subsection (j) shall apply in respect of decedents dying after August 15, 1963."

On page 211, at the beginning of line 4, to strike out "(5)" and insert "(4)".

On page 211, at the beginning of line 6, to change the section number from "217" to "227".

On page 215, line 10, after the word "of", to strike out "1963" and insert "1964".

On page 219, at the beginning of line 1, to change the section number from "218" to "228".

On page 219, line 9, after the word "or" to insert "Domestic"; after line 10, to strike out:

"(B) by inserting 'or iron ore' after 'coal (including lignite)'; and".

And in lieu thereof to insert:

"(B) by inserting 'or iron ore mined in the United States,' after 'coal (including lignite),';".

In line 16, after "section 631" to strike out "(c)." and insert "(c); and".

"(D) by adding at the end thereof the following new sentence:

" 'This subsection shall not apply to any disposal of iron ore—

" '(1) to a person whose relationship to the person disposing of such iron ore would result in the disallowance of losses under section 267 or 707(b), or

" '(2) to a person owned or controlled directly or indirectly by the same interests which own or control the person disposing of such iron ore.' "

On page 220, line 13, after the word "Or", to insert "Domestic".

On page 221, line 2, after the word "Or" to insert "Domestic"; after line 5, in "Sec. 631", after the word "or", where it occurs the second time, to insert "domestic"; in line 8, after the word "Or", to insert "Domestic"; after line 11, in "Sec. 272", after the word "or", to insert "domestic", and in line 13, after the word "or", to insert "domestic".

At the top of page 222, to insert:

"(7) Section 211(a)(3) of the Social Security Act is amended by striking out clause (B) and inserting in lieu thereof '(B) from the cutting of timber, or the disposal of timber, coal, or iron ore, if section 631 of the Internal Revenue Code of 1954 applies to such gain or loss,'."

On page 222, after line 6, to strike out:

"(c) Effective Date.—The amendments made by this section shall apply to iron ore mined in taxable years beginning after December 31, 1963."

And in lieu thereof, to insert:

"(c) Effective Date.—The amendments made by this section shall apply with respect to amounts received or accrued in taxable years beginning after December 31, 1963, attributable to iron ore mined in such taxable years."

On page 222, after line 13, to insert a new section, as follows:

"Sec. 229. Insurance Companies.

"(a) Certain Mutualization Distributions Made in 1962.—

"(1) Deduction for certain mutualization distributions.—Section 809(d)(11) (relating to deductions in computing gain from operations in the case of certain mutualization distributions) is amended by striking out 'and 1961' and inserting in lieu thereof '1961, and 1962'.

"(2) Application of section 815.—Section 809(g)(3) (relating to application of section 815 to certain mutualization distributions) is amended by striking out 'or 1961' and inserting in lieu thereof '1961, or 1962'.

"(b) Accrual of Bond Discount.—

"(1) Life insurance companies.—Section 818(b) (relating to amortization of premium and accrual of discount) is amended by adding at the end thereof the following new paragraph:

"'(3) Exception.—For taxable years beginning after December 31, 1962, no accrual of discount shall be required under paragraph (1) on any bond (as defined in section 171(d)), except in the case of discount which is—

"'(A) interest to which section 103 applies, or

"'(B) original issue discount (as defined in section 1232(b)).

For purposes of section 805(b)(3)(A), the current earnings rate for any taxable year beginning before January 1, 1963, shall be determined as if the preceding sentence applied to such taxable year.'

"(2) Mutual insurance companies.—Section 822(d)(2) (relating to amortization of premium and accrual of discount) is amended by adding at the end thereof the following new sentence: 'For taxable years beginning after December 31, 1962, no accrual of discount shall be required under this paragraph on any bond (as defined in section 171(d)).'

"(c) Contributions to Qualified, etc., Plans.—Section 832(c)(10) (relating to deductions allowed in computing taxable income of certain insurance companies) is amended by inserting before the semicolon at the end thereof 'and in part I of subchapter D (sec. 401 and following, relating to pension, profit-sharing, stock bonus plans, etc.)'.

"(d) Effective Dates.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1961. The amendment made by subsection (c) shall apply to taxable years beginning after December 31, 1953, and ending after August 16, 1954."

On page 224, after line 13, to insert a new section, as follows:

Sec. 230. Regulated Investment Companies.

"(a) Time for Mailing Certain Notices to Shareholders.—The following provisions (relating to notices to shareholders by regulated investment companies) are amended by striking out '30 days', wherever appearing therein, and inserting in lieu thereof '45 days':

"(1) Section 852(b)(3)(C),
"(2) Section 852(b)(3)(D)(i),
"(3) Section 853(c),
"(4) Section 854(b)(2), and
"(5) Section 855(c).

"(b) Certain Redemptions by Unit Investment Trusts.—Section 852 (relating to taxation of regulated investment companies and their shareholders) is amended by adding at the end thereof the following new subsection:

"'(d) Distributions in Redemption of Interests in Unit Investment Trusts.—In the case of a unit investment trust—

"'(1) which is registered under the Investment Company Act of 1940 and issues periodic payment plan certificates (as defined in such Act), and

"'(2) substantially all of the assets of which consist of securities issued by a management company (as defined in such Act), section 562(c) (relating to preferential dividends) shall not apply to a distribution by such trust to a holder of an interest in such trust in redemption of part or all of such interest, with respect to the net capital gain of such trust attributable to such redemption.'

"(c) Effective Dates.—The amendments made by subsection (a) shall apply to taxable years of regulated investment companies ending on or after the date of the enactment of this Act. The amendment made by subsection (b) shall apply to taxable years of regulated investment companies ending after December 31, 1963."

At the top of page 226, to insert a new section, as follows:

"Sec. 231. Foreign Tax Credit With Respect to Certain Foreign Mineral Income.

"(a) Limitation on Amount of Foreign Taxes To Be Taken Into Account.—Section 901 (relating to taxes of foreign countries and possessions of the United States) is amended—

"(1) by redesignating subsection (d) as (e); and

"(2) by inserting after subsection (c) the following new subsection:

"'(d) Foreign Taxes of Mineral Income.—

"'(1) Reduction of amounts to be taken into account.—

"'(A) Per-country limitation taxpayers.—In the case of a taxpayer to whom the limitation provided by section 904(a)(1) applies for the taxable year, the amount of taxes paid or accrued during the taxable year to any foreign country with respect to mineral income which would (but for this paragraph) be taken into account for purposes of this subpart shall be reduced by the amount (if any) by which—

"'(i) the amount of such taxes (or, if smaller, the amount of the tax which would be computed under this chapter with respect to such income determined without the deduction allowed under section 613), exceeds

"'(ii) the amount of the tax computed under this chapter with respect to such income.

"'(B) Overall limitation taxpayers.—In the case of a taxpayer to whom the limitation provided by section 904(a)(2) applies for the taxable year, the amount of taxes paid or accrued during the taxable year to all foreign countries with respect to mineral income which would (but for this paragraph) be taken into account for purposes of this subpart shall be reduced by the amount (if any) by which—

"'(i) the amount of such taxes (or, if smaller, the amount of the tax which would be computed under this chapter with respect to such income determined without the deduction allowed under section 613), exceeds

"'(ii) the amount of tax computed under this chapter with respect to such income.

"'(2) Mineral income.—

"'(A) In general.—For purposes of this subsection, the term "mineral income" means income derived from sources without the United States from mineral activities, including, but not limited to—

"'(i) dividends received from corporations in which 5 percent or more of the voting stock is owned directly or indirectly by the taxpayer, to the extent such dividends are attributable to mineral activities, and

"'(ii) that portion of the taxpayer's distributive share of income of partnerships attributable to mineral activities.

"'(B) Mineral activities.—For purposes of subparagraph (A), the term "mineral activities" includes the extraction of minerals from mines, wells, or other natural deposits, the processing of such minerals into their primary products, and the transportation, distribution, or sale of such minerals or primary products.'

"(b) Effective Date.—The amendments made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1963."

At the top of page 229, to insert a new section, as follows:

"Sec. 232. Amounts Received From Employer on Sale of Residence of Employee in Connection With Transfer to New Place of Work.

"(a) Treatment of Certain Amounts Received From Employer on Sale of Residence of Employee in Connection With Transfer to New Place of Work.—

"(1) Part I of subchapter O of chapter 1 (relating to determination of amount of and recognition of gain or loss) is amended by adding at the end thereof the following new section:

"'Sec. 1003. Amounts Received From Employer on Sale of Residence of Employee in Connection With Transfer to New Place of Work.

"'(a) General Rule.—If—

"'(1) property (in this section called "old residence") used by the taxpayer as his principal residence is sold by the taxpayer or his spouse pursuant to a sales contract entered into within the forced sale period for the old residence, and

"'(2) the taxpayer's employer, not later than one year after the date such sales contract was entered into, pays part or all of the sale differential on the old residence.

then, for purposes of this chapter, the amount so paid shall be treated by the taxpayer or his spouse (as the case may be) as an additional amount realized on the sale of the old residence to the extent that it does not exceed the lesser of (A) the sale differential, or (B) 15 percent of the gross sales price of the old residence.

"'(b) Limitations.—

"'(1) Period of employment.—This section shall not apply unless, for the six-month period ending on the day on which the taxpayer commences work at the new principal place of work, he was an employee of the employer.

"'(2) Location of new place of work.—This section shall not apply unless the taxpayer's new principal place of work—

"'(A) is at least 20 miles farther from the old residence than was his former principal place of work, or

"'(B) if he had no former principal place of work, is at least 20 miles from the old residence.

"'(c) Definitions; Special Rules.—For purposes of this section—

"'(1) Forced sale period.—The term "forced sale period" means the period beginning 90 days before, and ending 180 days after, the date on which the taxpayer commences work as an employee at the new principal place of work.

"'(2) Sale differential.—The term "sale differential" means the amount by which—

"'(A) the appraised value of the old residence, exceeds

"'(B) the gross sales price of the old residence reduced by the selling commissions, legal fees, and other expenses incident to the transfer of ownership of the old residence.

"'(3) Appraised value.—The appraised value of the old residence is the average of two or more appraisals of fair market value made, on or after the valuation date and on or before the date on which the sales contract is entered into, by independent real estate appraisers selected by the employer, but shall not exceed the fair market value. Determination of appraised value shall be made as of the valuation date.

"'(4) Valuation date.—The term "valuation date" means the date selected by the employer for purposes of determining the amount to be paid with respect to the sale differential. Such date shall be on or before the date the sales contract is entered into and within the forced sale period.

"'(5) Employer.—The term "employer" means the person who employs the taxpayer as an employee at the new principal place of work. Such term includes any predecessor or successor corporation and any parent corporation or subsidiary corporation. For purposes of the preceding sentence, the determination of whether a corporation is a parent corporation or a subsidiary corporation shall be made under subsections (e) and (f) of section 425 but by reference to the date on which the taxpayer commences work as an employee at the new principal place of work (in lieu of as of the time of the granting of the option).

"'(6) Exchanges.—An exchange by the taxpayer or his spouse of an old residence for other property shall be treated as a sale.

"'(7) Tenant-stockholder in a cooperative housing corporation.—References to property used by the taxpayer as his principal residence includes stock held by a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section) if the house or apartment which the taxpayer was entitled to occupy as such stockholder was used by him as his principal residence.

"'(d) Regulations.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the purposes of this section.'

"(2) The table of sections for part I of subchapter O of chapter 1 is amended by adding at the end thereof the following:

"'Sec. 1003. Amounts received from employer on sale of residence of employee in connection with transfer to new place of work.'

"(b) Effective Date.—The amendments made by subsection (a) shall apply to amounts paid with respect to sales contracts entered into after December 31, 1963, in taxable years ending after such date."

At the top of page 272, to change the section number from "220" to "233".

On page 287, line 6, to change the section number from "221" to "234".

On page 292, line 2, after the word "income", to strike out: "'means, for any taxable year beginning after December 31, 1963, the amount (if any) by which—

"'(A) the sum of the adjusted class A capital gain and the adjusted class B capital gain, exceeds

"'(B) the deduction allowable under section 1202(a).

The term "capital gain net income" means, for any taxable year beginning before January 1, 1964,'"

And insert "means".

On page 300, after line 4, to strike out:

"(B) the sum of—

"(i) 21 percent of the adjusted class A capital gain, and

"(ii) 25 percent of the adjusted class B capital gain."

And in lieu thereof, to insert:

"(B) an amount equal to 25 percent of the excess of the net long-term capital gain over the net short-term capital loss."

On page 301, after line 21, to insert:

"(c) Amendment of Section 144.—Section 144 (relating to election of standard deduction) is amended by adding after subsection (c) (as added by 112(c)(2) of this Act) the following new subsection:

"'(d) Individuals Electing Income Averaging.—In the case of a taxpayer who chooses to have the benefits of part I of subchapter Q (relating to income averaging) for the taxable year—

"'(1) subsection (a) shall not apply for such taxable year, and

"'(2) the standard deduction shall be allowed if the taxpayer so elects in his return for such taxable year.

The Secretary or his delegate shall by regulations prescribe the manner of signifying such election in the return. If the taxpayer on making his return fails to signify, in the manner so prescribed, his election to take the standard deduction, such failure shall be considered his election not to take the standard deduction.'"

On page 302, at the beginning of line 17, to strike out "(c)" and insert "(d)".

On page 304, at the beginning of line 5, to strike out "(d)" and insert "(e)".

On page 304, at the beginning of line 24, to strike out "(e)" and insert "(f)".

On page 305, at the beginning of line 10, to strike out "(f)" and insert "(g)".

On page 306, line 17, after the word "Act", to insert "and (if he elects to have subsection (e) of such section 1307 apply) section 170 (b)(5) of such Code as amended by this Act shall not apply to charitable contributions paid in such taxable year."

On page 306, after line 20, to insert a new section, as follows:

Sec. 235. Small Business Corporations.

"(a) Ownership of Certain Stock Disregarded.—Section 1371 (relating to definition of small business corporation) is amended by adding at the end thereof the following new subsection:

"'(d) Ownership of Certain Stock.—For purposes of subsection (a), a corporation shall not be considered a member of an affiliated group at any time during any taxable year by reason of the ownership of stock in another corporation if such other corporation—

"'(1) has not begun business at any time on or after the date of its incorporation and before the close of such taxable year, and

"'(2) does not have taxable income for the period included within such taxable year.'

"(b) Certain Distributions of Money After Close of Taxable Year.—Section 1375 (relating to special rules applicable to distributions of electing small business corporation) is amended by adding at the end thereof the following new subsection:

"'(e) Certain Distributions After Close of Taxable Year.—

"'(1) In general.—For purposes of this chapter, if—

"'(A) a corporation makes a distribution of money to its shareholders on or before the 15th day of the third month following the close of a taxable year with respect to which it was an electing small business corporation, and

"'(B) such distribution is made pursuant to a resolution of the board of directors of the corporation, adopted before the close of such taxable year, to distribute to its shareholders all or a part of the proceeds of one or more sales of capital assets, or of property described in section 1231(b), made during such taxable year,

such distribution shall, at the election of the corporation, be treated as a distribution of money made on the last day of such taxable year.

"'(2) Shareholders.—An election under paragraph (1) with respect to any distribution may be made by a corporation only if each person who is a shareholder on the day the distribution is received—

"'(A) owns the same proportion of the stock of the corporation on such day as he owned on the last day of the taxable year of the corporation preceding the distribution, and

"'(B) consents to such election of such time and in such manner as the Secretary or his delegate shall prescribe by regulations.

"'(3) Manner and Time of Election.—An election under paragraph (1) shall be made in such manner as the Secretary or his delegate shall prescribe by regulations. Such election shall be made not later than the time prescribed by law for filing the return for the taxable year during which the sale was made (including extensions thereof) except that, with respect to any taxable year ending on or before the date of the enactment of the Revenue Act of 1964, such election shall be made within 120 days after such date.'

"(c) Effective Dates.—The amendment made by subsection (a) shall apply with respect to taxable years of corporations beginning after December 31, 1962. The amendment made by subsection (b) shall apply with respect to taxable years of corporations beginning after December 31, 1957."

On page 309, line 12, to change the section number from "222" to "236".

On page 318, line 1, to change the section number from "223" to "237".

On page 32, after line 11, to strike out: "This paragraph shall not apply to the taxable year of a corporation if no other corporation which is a component member of such controlled group on the December 31 included in such corporation's taxable year has taxable income for its taxable year including such December 31." and in lieu thereof, to insert "This paragraph shall not apply to the taxable year of a corporation if—

"(A) such corporation is the only component member of such controlled group on the December 31 included in such corporation's taxable year which has taxable income for a taxable year including such December 31, or

"(B) such corporation's surtax exemption is disallowed for such taxable year under any provision of this subtitle."

On page 325, line 23, after the word "December", to strike out "31," and insert "31".

On page 327, after line 17, to strike out:

"(g) Tolling of Statute of Limitations.—In any case in which a controlled group of corporations makes an election or termination under this section—

"(1) the statutory period for assessment of any deficiency against a corporation which is a component member of such group for any taxable year, to the extent such deficiency is attributable to the application of this part, shall not expire before the expiration of one year after the date of such election or termination is made; and

"(2) if credit or refund of any overpayment of tax by a corporation which is a component member of such group for any taxable year is prevented, at any time on or before the expiration of one year after the date such election or termination is made, by the operation of any law or rule of law, credit or refund of such overpayment may, nevertheless, be allowed or made, to the extent such overpayment is attributable to the application of this part, if claim therefor is filed on or before the expiration of such one-year period."

And in lieu thereof, to insert:

"(g) Tolling of Statute of Limitations.—In any case in which a controlled group of corporations makes an election or termination under this section, the statutory period—

"(1) for assessment of any deficiency against a corporation which is a component member of such group for any taxable year, to the extent such deficiency is attributable to the application of this part, shall not expire before the expiration of one year after the date such election or termination is made; and

"(2) for allowing or making credit or refund of any overpayment of tax by a corporation which is a component member of such group for any taxable year, to the extent such credit or refund is attributable to the application of this part, shall not expire before the expiration of one year after the date such election or termination is made."

On page 334, line 15, after "(2)", to strike out the comma and "but not including stock owned by the parent corporation which is constructively owned by such individual", and on page 335, line 2, after the word "such", to strike out "corporation"; and insert "corporation.".

On page 340, line 5, after "(D)", to strike out "The" and insert "Such".

On page 342, after line 21, to insert:

"(e) shall not be treated as owned by him for purposes of again applying such paragraphs in order to make another the constructive owner of such stock.

treated as excluded stock under subsection (c)(2), if by reason of treating such stock as excluded stock the result is that such corporation is not a component member of a controlled group of corporations."

On page 343, line 8, after the word "of", to insert "a corporation which is a member of", and in line 11, after the word "of", to strike out "a" and insert "such".

On page 347, line 3, after the word "or", to strike out "at least" and insert "more than".

On page 347, after line 9, to strike out:

"(c) CORPORATIONS ELECTING MULTIPLE SURTAX EXEMPTIONS.—If the surtax exemption is disallowed to a transferee corporation for any taxable year, section 1562(b) shall not apply with respect to such transferee corporation for such taxable year."

On page 347, at the beginning line 15, to strike out "(d)" and insert "(c)".

On page 348, after line 5, to strike out: "income tax) is amended—

"(A) by striking out 'then such deduction, credit, or other allowance shall not be allowed' at the end of the first sentence and inserting in lieu thereof 'then the Secretary or his delegate may disallow such deduction, credit, or other allowance'; and

"(B) by adding at the end thereof the following new subsection:

" '(d) CORPORATIONS ELECTING MULTIPLE SURTAX EXEMPTIONS.—If the surtax exemption is disallowed to an acquired corporation under subsection (a) for any taxable year, section 1562(b) shall not apply with respect to such acquired corporation for such taxable year.' "

And in lieu thereof to insert: "income tax) is amended by striking out 'then such deduction, credit, or other allowance shall not be allowed' at the end of the first sentence and inserting in lieu thereof 'then the Secretary or his delegate may disallow such deduction, credit, or other allowance'."

On page 350, after line 3, to insert a new section, as follows:

"SEC. 238. VALIDITY OF TAX LIENS AGAINST MORTGAGEES, PLEDGEES, AND PURCHASERS OF MOTOR VEHICLES.

"(a) MORTGAGEES, PLEDGEES, AND PURCHASERS WITHOUT ACTUAL NOTICE OR KNOWLEDGE OF LIEN.—Section 6323(c) (relating to exception in case of securities) is amended—

"(1) by striking out the heading and inserting in lieu thereof 'EXCEPTION IN CASE OF SECURITIES AND MOTOR VEHICLES.—';

"(2) by striking out 'a security, as defined in paragraph (2) of this subsection,' in paragraph (1) and inserting in lieu thereof 'a security (as defined in paragraph (2) or a motor vehicle (as defined in paragraph (3))';

"(3) by inserting after 'such security' in paragraph (1) 'or such motor vehicle'; and

"(4) by adding at the end thereof the following new paragraph:

" '(3) DEFINITION OF MOTOR VEHICLE.—As used in this subsection, the term "motor vehicle" means a vehicle (other than a house trailer) which is registered for highway use under the laws of any State or foreign country.'

"(b) LIENS FOR ESTATE AND GIFT TAXES.—Section 6324 (relating to special liens for estate and gift taxes) is amended—

"(1) by striking out '(relating to transfers of securities)' in subsections (a) and (b) and inserting in lieu thereof '(relating to securities and motor vehicles)'; and

"(2) by striking out subsection (c) and inserting in lieu thereof the following:

" '(c) EXCEPTION IN CASE OF SECURITIES AND MOTOR VEHICLES.—The lien imposed by subsection (a) or (b) shall not be valid with respect to a security (as defined in section 6323(c)(2)) or a motor vehicle (as defined in section 6323(c)(3)) as against any mortgagee, pledgee, or purchaser of any such security or motor vehicle, for an adequate and full consideration in money or money's worth, if at the time of such mortgage, pledge, or purchase such mortgagee, pledgee, or purchaser is without notice or knowledge of the existence of such lien.'

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply only with respect to mortgages, pledges, and purchases made after the date of the enactment of this Act."

On page 365, after line 13, to strike out:

"(a) PERCENTAGE METHOD OF WITHHOLDING. Subsection (a) of section 3402 (relating to requirement of withholding) is amended to read as follows:

" '(a) REQUIREMENT OF WITHHOLDING. Every employer making payment of wages shall deduct and withhold upon such wages (except as provided in subsection (j)) a tax equal to the following percentage of the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in subsection (b)(1):

" '(1) 15 percent in the case of wages paid during the calendar year 1964, and

" '(2) 14 percent in the case of wages paid after December 31, 1964.' "

And in lieu thereof to insert:

"(a) PERCENTAGE METHOD OF WITHHOLDING.—Subsection (a) of section 3402 (relating to requirement of withholding) is amended by striking out '18 percent' and inserting in lieu thereof '14 percent'."

On page 366, after line 10, to strike out:

"(b) WAGE BRACKET WITHHOLDING.—Paragraph (1) of section 3402(c) (relating to wage bracket withholding) is amended to read as follows:

" '(1)(A) WAGES PAID DURING CALENDAR YEAR 1964.—At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee during the calendar year 1964 a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be deducted and withheld under subsection (a):

" '*If the payroll period with respect to an employee is weekly*

And the wages are—		And the number of withholding exemptions claimed is—										
At least—	But less than—	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of income tax to be withheld shall be—										
$0	$13	15% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$13	$14	$2.00	.10	0	0	0	0	0	0	0	0	0
$14	$15	2.20	.30	0	0	0	0	0	0	0	0	0
$15	$16	2.30	.40	0	0	0	0	0	0	0	0	0
$16	$17	2.50	.60	0	0	0	0	0	0	0	0	0
$17	$18	2.60	.70	0	0	0	0	0	0	0	0	0
$18	$19	2.80	.90	0	0	0	0	0	0	0	0	0
$19	$20	2.90	1.00	0	0	0	0	0	0	0	0	0
$20	$21	3.10	1.20	0	0	0	0	0	0	0	0	0
$21	$22	3.20	1.30	0	0	0	0	0	0	0	0	0
$22	$23	3.40	1.50	0	0	0	0	0	0	0	0	0
$23	$24	3.50	1.60	0	0	0	0	0	0	0	0	0
$24	$25	3.70	1.80	0	0	0	0	0	0	0	0	0
$25	$26	3.80	1.90	0	0	0	0	0	0	0	0	0
$26	$27	4.00	2.10	.10	0	0	0	0	0	0	0	0
$27	$28	4.10	2.20	.30	0	0	0	0	0	0	0	0
$28	$29	4.30	2.40	.40	0	0	0	0	0	0	0	0
$29	$30	4.40	2.50	.60	0	0	0	0	0	0	0	0
$30	$31	4.60	2.70	.70	0	0	0	0	0	0	0	0
$31	$32	4.70	2.80	.90	0	0	0	0	0	0	0	0
$32	$33	4.90	3.00	1.00	0	0	0	0	0	0	0	0
$33	$34	5.00	3.10	1.20	0	0	0	0	0	0	0	0
$34	$35	5.20	3.30	1.30	0	0	0	0	0	0	0	0
$35	$36	5.30	3.40	1.50	0	0	0	0	0	0	0	0
$36	$37	5.50	3.60	1.60	0	0	0	0	0	0	0	0
$37	$38	5.60	3.70	1.80	0	0	0	0	0	0	0	0
$38	$39	5.80	3.90	1.90	0	0	0	0	0	0	0	0
$39	$40	5.90	4.00	2.10	.20	0	0	0	0	0	0	0
$40	$41	6.10	4.20	2.20	.30	0	0	0	0	0	0	0
$41	$42	6.20	4.30	2.40	.50	0	0	0	0	0	0	0
$42	$43	6.40	4.50	2.50	.60	0	0	0	0	0	0	0
$43	$44	6.50	4.60	2.70	.80	0	0	0	0	0	0	0
$44	$45	6.70	4.80	2.80	.90	0	0	0	0	0	0	0
$45	$46	6.80	4.90	3.00	1.10	0	0	0	0	0	0	0
$46	$47	7.00	5.10	3.10	1.20	0	0	0	0	0	0	0
$47	$48	7.10	5.20	3.30	1.40	0	0	0	0	0	0	0
$48	$49	7.30	5.40	3.40	1.50	0	0	0	0	0	0	0
$49	$50	7.40	5.50	3.60	1.70	0	0	0	0	0	0	0
$50	$51	7.60	5.70	3.70	1.80	0	0	0	0	0	0	0
$51	$52	7.70	5.80	3.90	2.00	0	0	0	0	0	0	0

"'*If the payroll period with respect to an employee is weekly*—Continued

And the wages are—		And the number of withholding exemptions claimed is—										
At least—	But less than—	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of income tax to be withheld shall be—										
$52	$53	$7.90	$6.00	$4.00	$2.10	$0.20	$0	$0	$0	$0	$0	$0
$53	$54	8.00	6.10	4.20	2.30	.30	0	0	0	0	0	0
$54	$55	8.20	6.30	4.30	2.40	.50	0	0	0	0	0	0
$55	$56	8.30	6.40	4.50	2.60	.60	0	0	0	0	0	0
$56	$57	8.50	6.60	4.60	2.70	.80	0	0	0	0	0	0
$57	$58	8.60	6.70	4.80	2.90	.90	0	0	0	0	0	0
$58	$59	8.80	6.90	4.90	3.00	1.10	0	0	0	0	0	0
$59	$60	8.90	7.00	5.10	3.20	1.20	0	0	0	0	0	0
$60	$62	9.20	7.20	5.30	3.40	1.50	0	0	0	0	0	0
$62	$64	9.50	7.50	5.60	3.70	1.80	0	0	0	0	0	0
$64	$66	9.80	7.80	5.90	4.00	2.10	.10	0	0	0	0	0
$66	$68	10.10	8.10	6.20	4.30	2.40	.40	0	0	0	0	0
$68	$70	10.40	8.40	6.50	4.60	2.70	.70	0	0	0	0	0
$70	$72	10.70	8.70	6.80	4.90	3.00	1.00	0	0	0	0	0
$72	$74	11.00	9.00	7.10	5.20	3.30	1.30	0	0	0	0	0
$74	$76	11.30	9.30	7.40	5.50	3.60	1.60	0	0	0	0	0
$76	$78	11.60	9.60	7.70	5.80	3.90	1.90	0	0	0	0	0
$78	$80	11.90	9.90	8.00	6.10	4.20	2.20	.30	0	0	0	0
$80	$82	12.20	10.20	8.30	6.40	4.50	2.50	.60	0	0	0	0
$82	$84	12.50	10.50	8.60	6.70	4.80	2.80	.90	0	0	0	0
$84	$86	12.80	10.80	8.90	7.00	5.10	3.10	1.20	0	0	0	0
$86	$88	13.10	11.10	9.20	7.30	5.40	3.40	1.50	0	0	0	0
$88	$90	13.40	11.40	9.50	7.60	5.70	3.70	1.80	0	0	0	0
$90	$92	13.70	11.70	9.80	7.90	6.00	4.00	2.10	.20	0	0	0
$92	$94	14.00	12.00	10.10	8.20	6.30	4.30	2.40	.50	0	0	0
$94	$96	14.30	12.30	10.40	8.50	6.60	4.60	2.70	.80	0	0	0
$96	$98	14.60	12.60	10.70	8.80	6.90	4.90	3.00	1.10	0	0	0
$98	$100	14.90	12.90	11.00	9.10	7.20	5.20	3.30	1.40	0	0	0
$100	$105	15.40	13.50	11.50	9.60	7.70	5.80	3.80	1.90	0	0	0
$105	$110	16.10	14.20	12.30	10.40	8.40	6.50	4.60	2.70	.70	0	0
$110	$115	16.90	15.00	13.00	11.10	9.20	7.30	5.30	3.40	1.50	0	0
$115	$120	17.60	15.70	13.80	11.90	9.90	8.00	6.10	4.20	2.20	.30	0
$120	$125	18.40	16.50	14.50	12.60	10.70	8.80	6.80	4.90	3.00	1.10	0
$125	$130	19.10	17.20	15.30	13.40	11.40	9.50	7.60	5.70	3.70	1.80	0
$130	$135	19.90	18.00	16.00	14.10	12.20	10.30	8.30	6.40	4.50	2.60	.60
$135	$140	20.60	18.70	16.80	14.90	12.90	11.00	9.10	7.20	5.20	3.30	1.40
$140	$145	21.40	19.50	17.50	15.60	13.70	11.80	9.80	7.90	6.00	4.10	2.10
$145	$150	22.10	20.20	18.30	16.40	14.40	12.50	10.60	8.70	6.70	4.80	2.90
$150	$160	23.30	21.30	19.40	17.50	15.60	13.60	11.70	9.80	7.90	5.90	4.00
$160	$170	24.80	22.80	20.90	19.00	17.10	15.10	13.20	11.30	9.40	7.40	5.50
$170	$180	26.30	24.30	22.40	20.50	18.60	16.60	14.70	12.80	10.90	8.90	7.00
$180	$190	27.80	25.80	23.90	22.00	20.10	18.10	16.20	14.30	12.40	10.40	8.50
$190	$200	29.30	27.30	25.40	23.50	21.60	19.60	17.70	15.80	13.90	11.90	10.00
		15 percent of the excess over $200 plus—										
$200 and over		30.00	28.10	26.20	24.20	22 30	20.40	18.50	16.50	14.60	12.70	10.80

"'*If the payroll period with respect to an employee is biweekly*

And the wages are—		And the number of withholding exemptions claimed is—										
At least—	But less than—	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of income tax to be withheld shall be—										
$0	$26	15% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$26	$28	$4.10	.20	0	0	0	0	0	0	0	0	0
$28	$30	4.40	.50	0	0	0	0	0	0	0	0	0
$30	$32	4.70	.80	0	0	0	0	0	0	0	0	0
$32	$34	5.00	1.10	0	0	0	0	0	0	0	0	0
$34	$36	5.30	1.40	0	0	0	0	0	0	0	0	0
$36	$38	5.60	1.70	0	0	0	0	0	0	0	0	0
$38	$40	5.90	2.00	0	0	0	0	0	0	0	0	0
$40	$42	6.20	2.30	0	0	0	0	0	0	0	0	0
$42	$44	6.50	2.60	0	0	0	0	0	0	0	0	0
$44	$46	6.80	2.90	0	0	0	0	0	0	0	0	0
$46	$48	7.10	3.20	0	0	0	0	0	0	0	0	0
$48	$50	7.40	3.50	0	0	0	0	0	0	0	0	0
$50	$52	7.70	3.80	0	0	0	0	0	0	0	0	0
$52	$54	8.00	4.10	.30	0	0	0	0	0	0	0	0
$54	$56	8.30	4.40	.60	0	0	0	0	0	0	0	0
$56	$58	8.60	4.70	.90	0	0	0	0	0	0	0	0
$58	$60	8.90	5.00	1.20	0	0	0	0	0	0	0	0
$60	$62	9.20	5.30	1.50	0	0	0	0	0	0	0	0
$62	$64	9.50	5.60	1.80	0	0	0	0	0	0	0	0
$64	$66	9.80	5.90	2.10	0	0	0	0	0	0	0	0
$66	$68	10.10	6.20	2.40	0	0	0	0	0	0	0	0
$68	$70	10.40	6.50	2.70	0	0	0	0	0	0	0	0
$70	$72	10.70	6.80	3.00	0	0	0	0	0	0	0	0
$72	$74	11.00	7.10	3.30	0	0	0	0	0	0	0	0
$74	$76	11.30	7.40	3.60	0	0	0	0	0	0	0	0
$76	$78	11.60	7.70	3.90	0	0	0	0	0	0	0	0
$78	$80	11.90	8.00	4.20	.30	0	0	0	0	0	0	0
$80	$82	12.20	8.30	4.50	.60	0	0	0	0	0	0	0
$82	$84	12.50	8.60	4.80	.90	0	0	0	0	0	0	0
$84	$86	12.80	8.90	5.10	1.20	0	0	0	0	0	0	0
$86	$88	13.10	9 20	5.40	1.50	0	0	0	0	0	0	0
$88	$90	13.40	9.50	5.70	1.80	0	0	0	0	0	0	0
$90	$92	13.70	9.80	6.00	2.10	0	0	0	0	0	0	0
$92	$94	14.00	10.10	6.30	2.40	0	0	0	0	0	0	0
$94	$96	14.30	10.40	6.60	2.70	0	0	0	0	0	0	0
$96	$98	14.60	10.70	6.90	3.00	0	0	0	0	0	0	0

" '*If the payroll period with respect to an employee is biweekly*—Continued

And the wages are—		And the number of withholding exemptions claimed is—										
At least—	But less than—	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of income tax to be withheld shall be—										
$98	$100	$14.90	$11.00	$7.20	$3.30	$0	$0	$0	$0	$0	$0	$0
$100	$102	15.20	11.30	7.50	3.60	0	0	0	0	0	0	0
$102	$104	15.50	11.60	7.80	3.90	.10	0	0	0	0	0	0
$104	$106	15.80	11.90	8.10	4.20	.40	0	0	0	0	0	0
$106	$108	16.10	12.20	8.40	4.50	.70	0	0	0	0	0	0
$108	$110	16.40	12.50	8.70	4.80	1.00	0	0	0	0	0	0
$110	$112	16.70	12.80	9.00	5.10	1.30	0	0	0	0	0	0
$112	$114	17.00	13.10	9.30	5.40	1.60	0	0	0	0	0	0
$114	$116	17.30	13.40	9.60	5.70	1.90	0	0	0	0	0	0
$116	$118	17.60	13.70	9.90	6.00	2.20	0	0	0	0	0	0
$118	$120	17.90	14.00	10.20	6.30	2.50	0	0	0	0	0	0
$120	$124	18.30	14.50	10.60	6.80	2.90	0	0	0	0	0	0
$124	$128	18.90	15.10	11.20	7.40	3.50	0	0	0	0	0	0
$128	$132	19.50	15.70	11.80	8.00	4.10	.30	0	0	0	0	0
$132	$136	20.10	16.30	12.40	8.60	4.70	.90	0	0	0	0	0
$136	$140	20.70	16.90	13.00	9.20	5.30	1.50	0	0	0	0	0
$140	$144	21.30	17.50	13.60	9.80	5.90	2.10	0	0	0	0	0
$144	$148	21.90	18.10	14.20	10.40	6.50	2.70	0	0	0	0	0
$148	$152	22.50	18.70	14.80	11.00	7.10	3.30	0	0	0	0	0
$152	$156	23.10	19.30	15.40	11.60	7.70	3.90	0	0	0	0	0
$156	$160	23.70	19.90	16.00	12.20	8.30	4.50	.60	0	0	0	0
$160	$164	24.30	20.50	16.60	12.80	8.90	5.10	1.20	0	0	0	0
$164	$168	24.90	21.10	17.20	13.40	9.50	5.70	1.80	0	0	0	0
$168	$172	25.50	21.70	17.80	14.00	10.10	6.30	2.40	0	0	0	0
$172	$176	26.10	22.30	18.40	14.60	10.70	6.90	3.00	0	0	0	0
$176	$180	26.70	22.90	19.00	15.20	11.30	7.50	3.60	0	0	0	0
$180	$184	27.30	23.50	19.60	15.80	11.90	8.10	4.20	.40	0	0	0
$184	$188	27.90	24.10	20.20	16.40	12.50	8.70	4.80	1.00	0	0	0
$188	$192	28.50	24.70	20.80	17.00	13.10	9.30	5.40	1.60	0	0	0
$192	$196	29.10	25.30	21.40	17.60	13.70	9.90	6.00	2.20	0	0	0
$196	$200	29.70	25.90	22.00	18.20	14.30	10.50	6.60	2.80	0	0	0
$200	$210	30.80	26.90	23.10	19.20	15.40	11.50	7.70	3.80	0	0	0
$210	$220	32.30	28.40	24.60	20.70	16.90	13.00	9.20	5.30	1.50	0	0
$220	$230	33.80	29.90	26.10	22.20	18.40	14.50	10.70	6.80	3.00	0	0
$230	$240	35.30	31.40	27.60	23.70	19.90	16.00	12.20	8.30	4.50	.60	0
$240	$250	36.80	32.90	29.10	25.20	21.40	17.50	13.70	9.80	6.00	2.10	0
$250	$260	38.30	34.40	30.60	26.70	22.90	19.00	15.20	11.30	7.50	3.60	0
$260	$270	39.80	35.90	32.10	28.20	24.40	20.50	16.70	12.80	9.00	5.10	1.30
$270	$280	41.30	37.40	33.60	29.70	25.90	22.00	18.20	14.30	10.50	6.60	2.80
$280	$290	42.80	38.90	35.10	31.20	27.40	23.50	19.70	15.80	12.00	8.10	4.30
$290	$300	44.30	40.40	36.60	32.70	28.90	25.00	21.20	17.30	13.50	9.60	5.80
$300	$320	46.50	42.70	38.80	35.00	31.10	27.30	23.40	19.60	15.70	11.90	8.00
$320	$340	49.60	45.70	41.80	38.00	34.10	30.30	26.40	22.60	18.70	14.90	11.00
$340	$360	52.50	48.70	44.80	41.00	37.10	33.30	29.40	25.60	21.70	17.00	14.00
$360	$380	55.50	51.70	47.80	44.00	40.10	36.30	32.40	28.60	24.70	20.90	17.00
$380	$400	58.50	54.70	50.80	47.00	43.10	39.30	35.40	31.60	27.70	23.90	20.00
		15 percent of the excess over $400 plus—										
$400 and over		60.00	56.20	52.30	48.50	44.60	40.80	36.90	33.10	29.20	25.40	21.50

" '*If the payroll period with respect to an employee is semimonthly*

And the wages are—		And the number of withholding exemptions claimed is—										
At least—	But less than—	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of income tax to be withheld shall be—										
$0	$28	15% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$28	$30	$4.40	.20	0	0	0	0	0	0	0	0	0
$30	$32	4.70	.50	0	0	0	0	0	0	0	0	0
$32	$34	5.00	.80	0	0	0	0	0	0	0	0	0
$34	$36	5.30	1.10	0	0	0	0	0	0	0	0	0
$36	$38	5.60	1.40	0	0	0	0	0	0	0	0	0
$38	$40	5.90	1.70	0	0	0	0	0	0	0	0	0
$40	$42	6.20	2.00	0	0	0	0	0	0	0	0	0
$42	$44	6.50	2.30	0	0	0	0	0	0	0	0	0
$44	$46	6.80	2.60	0	0	0	0	0	0	0	0	0
$46	$48	7.10	2.90	0	0	0	0	0	0	0	0	0
$48	$50	7.40	3.20	0	0	0	0	0	0	0	0	0
$50	$52	7.70	3.50	0	0	0	0	0	0	0	0	0
$52	$54	8.00	3.80	0	0	0	0	0	0	0	0	0
$54	$56	8.30	4.10	0	0	0	0	0	0	0	0	0
$56	$58	8.60	4.40	.20	0	0	0	0	0	0	0	0
$58	$60	8.90	4.70	.50	0	0	0	0	0	0	0	0
$60	$62	9.20	5.00	.80	0	0	0	0	0	0	0	0
$62	$64	9.50	5.30	1.10	0	0	0	0	0	0	0	0
$64	$66	9.80	5.60	1.40	0	0	0	0	0	0	0	0
$66	$68	10.10	5.90	1.70	0	0	0	0	0	0	0	0
$68	$70	10.40	6.20	2.00	0	0	0	0	0	0	0	0
$70	$72	10.70	6.50	2.30	0	0	0	0	0	0	0	0
$72	$74	11.00	6.80	2.60	0	0	0	0	0	0	0	0
$74	$76	11.30	7.10	2.90	0	0	0	0	0	0	0	0
$76	$78	11.60	7.40	3.20	0	0	0	0	0	0	0	0
$78	$80	11.90	7.70	3.50	0	0	0	0	0	0	0	0
$80	$82	12.20	8.00	3.80	0	0	0	0	0	0	0	0
$82	$84	12.50	8.30	4.10	0	0	0	0	0	0	0	0
$84	$86	12.80	8.60	4.40	.30	0	0	0	0	0	0	0
$86	$88	13.10	8.90	4.70	.60	0	0	0	0	0	0	0
$88	$90	13.40	9.20	5.00	.90	0	0	0	0	0	0	0
$90	$92	13.70	9.50	5.30	1.20	0	0	0	0	0	0	0
$92	$94	14.00	9.80	5.60	1.50	0	0	0	0	0	0	0

“ ‘*If the payroll period with respect to an employee is semimonthly*—Continued

And the wages are—		And the number of withholding exemptions claimed is—										
At least—	But less than—	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of income tax to be withheld shall be—										
$94	$96	$14.30	$10.10	$5.90	$1.80	$0	$0	$0	$0	$0	$0	$0
$95	$98	14.60	10.40	6.20	2.10	0	0	0	0	0	0	0
$98	$100	14.90	10.70	6.50	2.40	0	0	0	0	0	0	0
$100	$102	15.20	11.00	6.80	2.70	0	0	0	0	0	0	0
$102	$104	15.50	11.30	7.10	3.00	0	0	0	0	0	0	0
$104	$106	15.80	11.60	7.40	3.30	0	0	0	0	0	0	0
$106	$108	16.10	11.90	7.70	3.60	0	0	0	0	0	0	0
$108	$110	16.40	12.20	8.00	3.90	0	0	0	0	0	0	0
$110	$112	16.70	12.50	8.30	4.20	0	0	0	0	0	0	0
$112	$114	17.00	12.80	8.60	4.50	.30	0	0	0	0	0	0
$114	$116	17.30	13.10	8.90	4.80	.60	0	0	0	0	0	0
$116	$118	17.60	13.40	9.20	5.10	.90	0	0	0	0	0	0
$118	$120	17.90	13.70	9.50	5.40	1.20	0	0	0	0	0	0
$120	$124	18.30	14.10	10.00	5.80	1.60	0	0	0	0	0	0
$124	$128	18.90	14.70	10.60	6.40	2.20	0	0	0	0	0	0
$128	$132	19.50	15.30	11.20	7.00	2.80	0	0	0	0	0	0
$132	$136	20.10	15.90	11.50	7.60	3.40	0	0	0	0	0	0
$136	$140	20.70	16.50	12.40	8.20	4.00	0	0	0	0	0	0
$140	$144	21.30	17.10	13.00	8.80	4.60	.50	0	0	0	0	0
$144	$148	21.90	17.70	13.60	9.40	5.20	1.10	0	0	0	0	0
$148	$152	22.50	18.30	14.20	10.00	5.80	1.70	0	0	0	0	0
$152	$156	23.10	18.90	14.80	10.60	6.40	2.30	0	0	0	0	0
$156	$160	23.70	19.50	15.40	11.20	7.00	2.90	0	0	0	0	0
$160	$164	24.30	20.10	16.00	11.80	7.60	3.50	0	0	0	0	0
$164	$168	24.90	20.70	16.60	12.40	8.20	4.10	0	0	0	0	0
$168	$172	25.50	21.30	17.20	13.00	8.80	4.70	.50	0	0	0	0
$172	$176	26.10	21.90	17.80	13.60	9.40	5.30	1.10	0	0	0	0
$176	$180	26.70	22.50	18.40	14.20	10.00	5.90	1.70	0	0	0	0
$180	$184	27.30	23.10	19.00	14.80	10.60	6.50	2.30	0	0	0	0
$184	$188	27.90	23.70	19.60	15.40	11.20	7.10	2.90	0	0	0	0
$188	$192	28.50	24.30	20.20	16.00	11.80	7.70	3.50	0	0	0	0
$192	$196	29.10	24.90	20.80	16.60	12.40	8.30	4.10	0	0	0	0
$196	$200	29.70	25.50	21.40	17.20	13.00	8.90	4.70	.50	0	0	0
$200	$210	30.80	26.60	22.40	18.30	14.10	9.90	5.80	1.60	0	0	0
$210	$220	32.30	28.10	23.90	19.80	15.60	11.40	7.30	3.10	0	0	0
$220	$230	33.80	29.60	25.40	21.30	17.10	12.90	8.80	4.60	.40	0	0
$230	$240	35.30	31.10	26.90	22.80	18.60	14.40	10.30	6.10	1.90	0	0
$240	$250	36.80	32.60	28.40	24.30	20.10	15.90	11.80	7.60	3.40	0	0
$250	$260	38.30	34.10	29.90	25.80	21.60	17.40	13.30	9.10	4.90	.80	0
$260	$270	39.80	35.60	31.40	27.30	23.10	18.90	14.80	10.60	6.40	2.30	0
$270	$280	41.30	37.10	32.90	28.80	24.60	20.40	16.30	12.10	7.90	3.80	0
$280	$290	42.80	38.60	34.40	30.30	26.10	21.90	17.80	13.60	9.40	5.30	1.10
$290	$300	44.30	40.10	35.90	31.80	27.60	23.40	19.30	15.10	10.90	6.80	2.60
$300	$320	46.50	42.30	38.20	34.00	29.80	25.70	21.50	17.30	13.20	9.00	4.80
$320	$340	49.50	45.30	41.20	37.00	32.80	28.70	24.50	20.30	16.20	12.00	7.80
$340	$360	52.50	48.30	44.20	40.00	35.80	31.70	27.50	23.30	19.20	15.00	10.80
$360	$380	55.50	51.30	47.20	43.00	38.80	34.70	30.50	26.30	22.20	18.00	13.80
$380	$400	58.50	54.30	50.20	46.00	41.80	37.70	33.50	29.30	25.20	21.00	16.80
$400	$420	61.50	57.30	53.20	49.00	44.80	40.70	36.50	32.30	28.20	24.00	19.80
$420	$440	64.50	60.30	56.20	52.00	47.80	43.70	39.50	35.30	31.20	27.00	22.80
$440	$460	67.50	63.30	59.20	55.00	50.80	46.70	42.50	38.30	34.20	30.00	25.80
$460	$480	70.50	66.30	62.20	58.00	53.80	49.70	45.50	41.30	37.20	33.00	28.80
$480	$500	73.50	69.30	65.20	61.00	56.80	52.70	48.50	44.30	40.20	36.00	31.80
		15 percent of the excess over $500 plus—										
$500 and over		$75.00	$70.80	$66.70	$62.50	$58.30	$54.20	$50.00	$45.80	$41.70	$37.50	$33.30

“ ‘*If the payroll period with respect to an employee is monthly*

And the wages are—		And the number of withholding exemptions claimed is—										
At least—	But less than—	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of income tax to be withheld shall be—										
$0	$56	15% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$56	$60	$8.70	.40	0	0	0	0	0	0	0	0	0
$60	$64	9.30	1.00	0	0	0	0	0	0	0	0	0
$64	$68	9.90	1.60	0	0	0	0	0	0	0	0	0
$68	$72	10.50	2.20	0	0	0	0	0	0	0	0	0
$72	$76	11.10	2.80	0	0	0	0	0	0	0	0	0
$76	$80	11.70	3.40	0	0	0	0	0	0	0	0	0
$80	$84	12.30	4.00	0	0	0	0	0	0	0	0	0
$84	$88	12.90	4.60	0	0	0	0	0	0	0	0	0
$88	$92	13.50	5.20	0	0	0	0	0	0	0	0	0
$92	$96	14.10	5.80	0	0	0	0	0	0	0	0	0
$96	$100	14.70	6.40	0	0	0	0	0	0	0	0	0
$100	$104	15.30	7.00	0	0	0	0	0	0	0	0	0
$104	$108	15.90	7.60	0	0	0	0	0	0	0	0	0
$108	$112	16.50	8.20	0	0	0	0	0	0	0	0	0
$112	$116	17.10	8.80	.40	0	0	0	0	0	0	0	0
$116	$120	17.70	9.40	1.00	0	0	0	0	0	0	0	0
$120	$124	18.30	10.00	1.60	0	0	0	0	0	0	0	0
$124	$128	18.90	10.60	2.20	0	0	0	0	0	0	0	0
$128	$132	19.50	11.20	2.80	0	0	0	0	0	0	0	0
$132	$136	20.10	11.80	3.40	0	0	0	0	0	0	0	0
$136	$140	20.70	12.40	4.00	0	0	0	0	0	0	0	0
$140	$144	21.30	13.00	4.60	0	0	0	0	0	0	0	0
$144	$148	21.90	13.60	5.20	0	0	0	0	0	0	0	0
$148	$152	22.50	14.20	5.80	0	0	0	0	0	0	0	0
$152	$156	23.10	14.80	6.40	0	0	0	0	0	0	0	0
$156	$160	23.70	15.40	7.00	0	0	0	0	0	0	0	0

" '*If the payroll period with respect to an employee is monthly*—Continued

And the wages are—		And the number of withholding exemptions claimed is—										
At least—	But less than—	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of income tax to be withheld shall be—										
$160	$164	$24.30	$16.00	$7.60	$0	$0	$0	$0	$0	$0	$0	$0
$164	$168	24.90	16.60	8.20	0	0	0	0	0	0	0	0
$168	$172	25.50	17.20	8.80	0.50	0	0	0	0	0	0	0
$172	$176	26.10	17.80	9.40	1.10	0	0	0	0	0	0	0
$176	$180	26.70	18.40	10.00	1.70	0	0	0	0	0	0	0
$180	$184	27.30	19.00	10.60	2.30	0	0	0	0	0	0	0
$184	$188	27.90	19.60	11.20	2.90	0	0	0	0	0	0	0
$188	$192	28.50	20.20	11.80	3.50	0	0	0	0	0	0	0
$192	$196	29.10	20.80	12.40	4.10	0	0	0	0	0	0	0
$196	$200	29.70	21.40	13.00	4.70	0	0	0	0	0	0	0
$200	$204	30.30	22.00	13.60	5.30	0	0	0	0	0	0	0
$204	$208	30.90	22.60	14.20	5.90	0	0	0	0	0	0	0
$208	$212	31.50	23.20	14.80	6.50	0	0	0	0	0	0	0
$212	$216	32.10	23.80	15.40	7.10	0	0	0	0	0	0	0
$216	$220	32.70	24.40	16.00	7.70	0	0	0	0	0	0	0
$220	$224	33.30	25.00	16.60	8.30	0	0	0	0	0	0	0
$224	$228	33.90	25.60	17.20	8.90	.60	0	0	0	0	0	0
$228	$232	34.50	26.20	17.80	9.50	1.20	0	0	0	0	0	0
$232	$236	35.10	26.80	18.40	10.10	1.80	0	0	0	0	0	0
$236	$240	35.70	27.40	19.00	10.70	2.40	0	0	0	0	0	0
$240	$248	36.60	28.30	19.90	11.60	3.30	0	0	0	0	0	0
$248	$256	37.80	29.50	21.10	12.80	4.50	0	0	0	0	0	0
$256	$264	39.00	30.70	22.30	14.00	5.70	0	0	0	0	0	0
$264	$272	40.20	31.90	23.50	15.20	6.90	0	0	0	0	0	0
$272	$280	41.40	33.10	24.70	16.40	8.10	0	0	0	0	0	0
$280	$288	42.60	34.30	25.90	17.60	9.30	.90	0	0	0	0	0
$288	$296	43.80	35.50	27.10	18.80	10.50	2.10	0	0	0	0	0
$296	$304	45.00	36.70	28.30	20.00	11.70	3.30	0	0	0	0	0
$304	$312	46.20	37.90	29.50	21.20	12.90	4.50	0	0	0	0	0
$312	$320	47.40	39.10	30.70	22.40	14.10	5.70	0	0	0	0	0
$320	$328	48.60	40.30	31.90	23.60	15.30	6.90	0	0	0	0	0
$328	$326	49.80	41.50	33.10	24.80	16.50	8.10	0	0	0	0	0
$336	$344	51.00	42.70	34.30	26.00	17.70	9.30	1.00	0	0	0	0
$344	$352	52.20	43.90	35.50	27.20	18.90	10.50	2.20	0	0	0	0
$352	$360	53.40	45.10	36.70	28.40	20.10	11.70	3.40	0	0	0	0
$360	$368	54.60	46.30	37.90	29.60	21.30	12.90	4.60	0	0	0	0
$368	$376	55.80	47.50	39.10	30.80	22.50	14.10	5.80	0	0	0	0
$376	$384	57.00	48.70	40.30	32.00	23.70	15.30	7.00	0	0	0	0
$384	$392	58.20	49.90	41.50	33.20	24.90	16.50	8.20	0	0	0	0
$392	$400	59.40	51.10	42.70	34.40	26.10	17.70	9.40	1.10	0	0	0
$400	$420	61.50	53.20	44.80	36.50	28.20	19.80	11.50	3.20	0	0	0
$420	$440	64.50	56.20	47.80	39.50	31.20	22.80	14.50	6.20	0	0	0
$440	$460	67.50	59.20	50.80	42.50	34.20	25.80	17.50	9.20	.80	0	0
$460	$480	70.50	62.20	53.80	45.50	37.20	28.80	20.50	12.20	3.80	0	0
$480	$500	73.50	65.20	56.80	48.50	40.20	31.80	23.50	15.20	6.80	0	0
$500	$520	76.50	68.20	59.80	51.50	43.20	34.80	26.50	18.20	9.80	1.50	0
$520	$540	79.50	71.20	62.80	54.50	46.20	37.80	29.50	21.20	12.80	4.50	0
$540	$560	82.50	74.20	65.80	57.50	49.20	40.80	32.50	24.20	15.80	7.50	0
$560	$580	85.50	77.20	68.80	60.50	52.20	43.80	35.50	27.20	18.80	10.50	2.20
$580	$300	88.50	80.20	71.80	63.50	55.20	46.80	38.50	30.20	21.80	13.50	5.20
$600	$640	93.00	84.70	76.30	68.00	59.70	51.30	43.00	34.70	26.30	18.00	9.70
$640	$680	99.00	90.70	82.30	74.00	65.70	57.30	49.00	40.70	32.30	24.00	15.70
$680	$720	105.00	96.70	88.30	80.00	71.70	63.30	55.00	46.70	38.30	30.00	21.70
$720	$760	111.00	102.70	94.30	86.00	77.70	69.30	61.00	52.70	44.30	36.00	27.70
$760	$800	117.00	108.70	100.30	92.00	83.70	75.30	67.00	58.70	50.30	42.00	33.70
$800	$840	123.00	114.70	106.30	98.00	89.70	81.30	73.00	64.70	56.30	48.00	39.70
$840	$880	129.00	120.70	112.30	104.00	95.70	87.30	79.00	70.70	62.30	54.00	45.70
$880	$920	135.00	126.70	118.30	110.00	101.70	93.30	85.00	76.70	68.30	60.00	51.70
$920	$960	141.00	132.70	124.30	116.00	107.70	99.30	91.00	82.70	74.30	66.00	57.70
$960	$1,000	147.00	138.70	130.30	122.00	113.70	105.30	97.00	88.70	80.30	72.00	63.70
		15 percent of the excess over $1,000 plus—										
$1,000 and over		$150.00	$141.70	$133.30	$125.00	$116.70	$108.30	$100.00	$91.70	$83.30	$75.00	$66.70

" '*If the payroll period with respect to an employee is a daily payroll period or a miscellaneous payroll period*—

And the wages divided by the number of days in such period are—		And the number of withholding exemptions claimed is—										
		0	1	2	3	4	5	6	7	8	9	10 or more
At least—	But less than—	The amount of tax to be withheld shall be the following amount multiplied by the number of days in such period—										
$0	$2.00	15% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$2.00	$2.25	$0.30	.05	0	0	0	0	0	0	0	0	0
$2.25	$2.50	.35	.10	0	0	0	0	0	0	0	0	0
$2.50	$2.75	.40	.10	0	0	0	0	0	0	0	0	0
$2.75	$3.00	.45	.15	0	0	0	0	0	0	0	0	0
$3.00	$3.25	.45	.20	0	0	0	0	0	0	0	0	0
$3.25	$3.50	.50	.25	0	0	0	0	0	0	0	0	0
$3.50	$3.75	.55	.25	0	0	0	0	0	0	0	0	0
$3.75	$4.00	.60	.30	.05	0	0	0	0	0	0	0	0
$4.00	$4.25	.60	.35	.05	0	0	0	0	0	0	0	0
$4.25	$4.50	.65	.40	.10	0	0	0	0	0	0	0	0
$4.50	$4.75	.70	.40	.15	0	0	0	0	0	0	0	0
$4.75	$5.00	.75	.45	.20	0	0	0	0	0	0	0	0
$5.00	$5.25	.75	.50	.20	0	0	0	0	0	0	0	0
$5.25	$5.50	.80	.55	.25	0	0	0	0	0	0	0	0
$5.50	$5.75	.85	.55	.30	0	0	0	0	0	0	0	0
$5.75	$6.00	.90	.60	.35	.05	0	0	0	0	0	0	0
$6.00	$6.25	.90	.65	.35	.10	0	0	0	0	0	0	0
$6.25	$6.50	.95	.70	.40	.15	0	0	0	0	0	0	0
$6.50	$6.75	1.00	.70	.45	.15	0	0	0	0	0	0	0

"'*If the payroll period with respect to an employee is a daily payroll period or a miscellaneous payroll period*—Continued

And the wages divided by the number of days in such period are—		And the number of withholding exemptions claimed is—										
		0	1	2	3	4	5	6	7	8	9	10 or more
At least—	But less than—	The amount of tax to be withheld shall be the following amount multiplied by the number of days in such period—										
$6.75	$7.00	$1.05	$0.75	$0.50	$0.20	$0	$0	$0	$0	$0	$0	$0
$7.00	$7.25	1.05	.80	.50	.25	0	0	0	0	0	0	0
$7.25	$7.50	1.10	.85	.55	.30	0	0	0	0	0	0	0
$7.50	$7.75	1.15	.85	.60	.30	.05	0	0	0	0	0	0
$7.75	$8.00	1.20	.90	.65	.35	.10	0	0	0	0	0	0
$8.00	$8.25	1.20	.95	.65	.40	.10	0	0	0	0	0	0
$8.25	$8.50	1.25	1.00	.70	.45	.15	0	0	0	0	0	0
$8.50	$8.75	1.30	1.00	.75	.45	.20	0	0	0	0	0	0
$8.75	$9.00	1.35	1.05	.80	.50	.25	0	0	0	0	0	0
$9.00	$9.25	1.35	1.10	.80	.55	.25	0	0	0	0	0	0
$9.25	$9.50	1.40	1.15	.85	.60	.30	.05	0	0	0	0	0
$9.50	$9.75	1.45	1.15	.90	.60	.35	.05	0	0	0	0	0
$9.75	$10.00	1.50	1.20	.95	.65	.40	.10	0	0	0	0	0
$10.00	$10.50	1.55	1.25	1.00	.70	.45	.15	0	0	0	0	0
$10.50	$11.00	1.60	1.35	1.05	.80	.50	.25	0	0	0	0	0
$11.00	$11.50	1.70	1.40	1.15	.85	.60	.30	.05	0	0	0	0
$11.50	$12.00	1.75	1.50	1.20	.95	.65	.40	.10	0	0	0	0
$12.00	$12.50	1.85	1.55	1.30	1.00	.75	.45	.20	0	0	0	0
$12.50	$13.00	1.90	1.65	1.35	1.10	.80	.55	.25	0	0	0	0
$13.00	$13.50	2.00	1.70	1.45	1.15	.90	.60	.35	.05	0	0	0
$13.50	$14.00	2.05	1.80	1.50	1.25	.95	.70	.40	.15	0	0	0
$14.00	$14.50	2.15	1.85	1.60	1.30	1.05	.75	.50	.20	0	0	0
$14.50	$15.00	2.20	1.95	1.65	1.40	1.10	.85	.55	.30	0	0	0
$15.00	$15.50	2.30	2.00	1.75	1.45	1.20	.90	.65	.35	.10	0	0
$15.50	$16.00	2.35	2.10	1.80	1.55	1.25	1.00	.70	.45	.15	0	0
$16.00	$16.50	2.45	2.15	1.90	1.60	1.35	1.05	.80	.50	.25	0	0
$16.50	$17.00	2.50	2.25	1.95	1.70	1.40	1.15	.85	.60	.30	.05	0
$17.00	$17.50	2.60	2.30	2.05	1.75	1.50	1.20	.95	.65	.40	.10	0
$17.50	$18.00	2.65	2.40	2.10	1.85	1.55	1.30	1.00	.75	.45	.20	0
$18.00	$18.50	2.75	2.45	2.20	1.90	1.65	1.35	1.10	.80	.55	.25	0
$18.50	$19.00	2.80	2.55	2.25	2.00	1.70	1.45	1.15	.90	.60	.35	.05
$19.00	$19.50	2.90	2.60	2.35	2.05	1.80	1.50	1.25	.95	.70	.40	.15
$19.50	$20.00	2.95	2.70	2.40	2.15	1.85	1.60	1.30	1.05	.75	.50	.20
$20.00	$21.00	3.10	2.80	2.55	2.25	2.00	1.70	1.45	1.15	.90	.60	.35
$21.00	$22.00	3.25	2.95	2.70	2.40	2.15	1.85	1.60	1.30	1.05	.75	.50
$22.00	$23.00	3.40	3.10	2.85	2.55	2.30	2.00	1.75	1.45	1.20	.90	.65
$23.00	$24.00	3.55	3.25	3.00	2.70	2.45	2.15	1.90	1.60	1.35	1.05	.80
$24 00	$25.00	3.70	3.40	3.15	2.85	2.60	2.30	2.05	1.75	1.50	1.20	.95
$25.00	$26.00	3.85	3.55	3.30	3.00	2.75	2.45	2.20	1.90	1.65	1.35	1.10
$26.00	$27.00	4.00	3.70	3.45	3.15	2.90	2.60	2.35	2.05	1.80	1.50	1.25
$27.00	$28.00	4.15	3.85	3.60	3.30	3.05	2.75	2.50	2.20	1.95	1.65	1.40
$28.00	$29.00	4.30	4.00	3.75	3.45	3.20	2.90	2.65	2.35	2.10	1.80	1.55
$29.00	$30.00	4.45	4.15	3.90	3.60	3.35	3.05	2.80	2.50	2.25	1.95	1.70
		15 percent of the excess over $30 plus—										
$30 and over		4.50	4.25	3.95	3.70	3.40	3.15	2.85	2.60	2.30	2.05	1.75' "

At the top of page 372, to strike out:

"(B) WAGES PAID AFTER DECEMBER 31, 1964.—At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee after December 31, 1964, a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be deducted and withheld under subsection (a):".

And in lieu thereof, to insert:

"(b) WAGE BRACKET WITHHOLDING.—Paragraph (1) of section 3402(c) (relating to wage bracket withholding) is amended to read as follows:

"'(1) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be deducted and withheld under subsection (a):'".

At the top of page 378, to strike out.

"(c) WITHHOLDING OF TAX ON CERTAIN NONRESIDENT ALIENS.

"(1) Section 1441(a) (relating to general rule) is amended by striking out 'the tax shall be equal to 18 percent of such item.' and inserting in lieu thereof: 'the tax shall be equal to—

"'(1) 15 percent in the case of payments made during the calendar year 1964, and

"'(2) 14 percent in the case of payments made after December 31, 1964.'

"(2) Section 1441(b) (relating to income items) is amended by striking out '18 percent' and by inserting in lieu thereof '15 percent or 14 percent (as the case may be)'.

And in lieu thereof, to insert:

"(c) WITHHOLDING OF TAX ON CERTAIN NONRESIDENT ALIENS.—Subsections (a) and (b) of section 1441 (relating to withholding of tax on nonresident aliens) are amended by striking out '18 percent' and inserting in lieu thereof '14 percent.'"

On page 379, line 1, after the word "after", to strike out "December 31, 1963", and insert "the seventh day following the date of the enactment of this Act", and in line 4, after the word "after", to strike out "December 31. 1963" and insert "the seventh day following the date of the enactment of this Act."

Mr. LONG of Louisiana. Mr. President, I am happy to announce to the Senate that we have just agreed to 152 amendments to the bill.

Mr. SMATHERS. The Senator from Louisiana is absolutely right. I interrupt myself to say this, because it is just the point I was trying to make this morning when I was under rather heavy castigation from some Senators, that sometimes we can make more progress even if it does seem as though the Senate is going slow. After one has been in the Senate for a short while, we come to realize that every Senator considers himself an expert on every problem which comes before the Senate, and he wants to be consulted about it. I do not believe we are all experts but we all seem to feel that way.

Mr. GORE. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I am happy to yield.

Mr. GORE. I listened with amusement to the colloquy earlier in the day. I believe the distinguished junior Senator from Florida mistook it if he considers it castigation. I thought it was a clever job of defense.

Mr. SMATHERS. If one is on the giving end, it is needling. If one is on the receiving end, it is castigation. In any event, I think it demonstrates that the leadership always has some problems on these questions, why Senators cannot take over and say that they are ready, and therefore everyone else should be ready. It does not always follow that that is the best way to proceed.

I am delighted that the Senate has now adopted 152 amendments. That is great progress. I am sure that the President of the United States will be delighted to receive that information. Perhaps the telephones will not be in such constant use.

I am delighted that the Senator from Illinois is now present.

Mr. DIRKSEN. Which Senator from Illinois?

Mr. SMATHERS. The junior Senator from Illinois, the minority leader. The Senate has now adopted by unanimous consent 152 committee amendments. The junior Senator from Illinois and I were receiving some castigation this morning. By holding the line in the face of that castigation and touching the bases that we must touch in this body of 100 men, where every Senator feels that he as an individual Senator has a right to be consulted on his views, and we must at least talk with him about the question, sometimes we make greater progress when we seem to be going slow, as we were this morning, and now we have proved our point.

Mr. DIRKSEN. Yes.

Mr. SMATHERS. We are making a great deal of progress.

Mr. President, there are so few things to boast about these days that I could not help boasting a little about that.

These profit figures are vitally important, not only to American business but to all Americans, because investment is vital to all Americans. It is obvious under our system that business will not invest unless it can see a profit.

No head of a corporation is going to risk his stockholders' money on a venture that does not offer an adequate return.

No jobs are going to be provided and no incomes or tax revenues are going to be raised by investments that are not made.

Obviously if jobs are going to be provided, it is the private sector of our economy, through capital investment, that is going to provide them.

We can, of course, create new jobs by continually increasing Government spending, and letting out bigger and bigger defense contracts that will mean more jobs, more income, more tax revenue, but, of course, more Government spending. In other words the Government is principal spender, architect of, and controller of, the American economy under that particular weapon. That is the second theory about which I talked a moment ago in my colloquy with the able Senator from Tennessee. The Government would do it all. I have the feeling that certain Senators believe that that is the better way to proceed. However, fortunately, I think the majority of Senators on this side and on the other side of the aisle do not agree that that is the better way to proceed—to turn all the spending and the operation of the economy over to the Government.

I think the better way by far is to stimulate the private sector of the economy, to step up private consumer demand and at the same time give private business the additional investment incentives to modernize and build so as to make the most of that consumer demand.

I do not think there is any widespread opposition to the belief that the administration program of holding down on Federal expenditures and at the same time cutting taxes will prove effective in moving our economy ahead.

As the President indicated in his budget message, the estimated gross national product for 1964 would be $623 billion—an increase of more than 20 percent in 3 years. In dollar terms, this means that it would equal the largest year-to-year increase in total national output in the peacetime history of the United States.

We are all aware that with every passing month as the withholding rate stays at 18 percent, as under present law, instead of 14 percent as provided in this proposal, our economy is deprived of $800 million in additional spending power which it sorely needs.

I think that many of us have a tendency to overlook the importance of capital investment, to forget that ours is a market economy, and to ignore the responsibilities of the free enterprise system. Most people and most economists agree we need more demand. I agree. But I also think it is equally important if our system is to expand to maximum efficiency that we also have more investment. It is important not only for our domestic economy, but for international reasons as well.

Only by making the United States more attractive both for foreign and domestic investment capital, and by expanding our export trade, can we hope to maintain the significant improvement we have seen in our balance-of-payments picture in the last 6 months.

Only by increasing investment will our economy develop the dynamic expansionary momentum we need to keep domestic funds at home and attract foreign investment in greater quantity from abroad.

Only by increasing capital investment can we raise domestic productive efficiency to the point where our producers can overcome the increasing challenge from foreign producers in competitive markets at home and around the globe.

It is interesting to observe at that point that there have been unfavorable balances of payments for a number of years, but since we adopted the investment credit and since we changed the depreciation guidelines, we have found that by modernizing and improving our own industrial capacity, we have been better able to compete in the foreign markets. We have been better able to resist competition from foreign markets with the result that while we have not finally solved the balance-of-payments deficit problem, nonetheless it has been reduced substantially, and since last June we seem to be on our way to the solution of the balance-of-payments problem. Certainly we hope so.

Only by increasing capital investment can we step up our rate of economic growth and move toward the time when we can plan and accomplish a balanced budget without skimping on national needs.

Investment alone, of course, is not enough, for our economy depends on both supply and demand, on both investment incentives and consumer demand. The pending measure is a balanced bill with direct and indirect incentives to both greater investment and greater consumption.

Through its net reduction in individual rates, the bill involves an initial increase of more than $8 billion in consumer spending, and then it goes up to $9.4 billion in the second year.

In this reliance on both consumer demand and investment incentive to achieve economic growth lies the economic balance of this bill.

The sizable share of tax reduction devoted to consumer demand is a tangible recognition that, if we are to lift actual output, our most pressing and immediate need is an increase in consumer demand.

The bill, in short, recognizes that the forces of consumer demand and investment stimulus are mutually reinforcing and that their interaction will provide our economy with a strength that neither would offer alone.

This is also a fair bill in terms of the distribution of individual tax reductions among the various income groups.

Eighty-five percent of American taxpayers earn $10,000 or less. These people, who now carry 50 percent of the tax load, will receive 60 percent of the benefits under the bill.

Taxpayers in the bottom income group—earning $3,000 or less—will get three times the percentage tax reduction of those in the top of the income group—earning $50,000 up.

We have heard previously, and will hear again in the course of this debate, that the person who makes $100,000 actually will have a larger increase in take-home pay under this bill than the man who makes $3,000 or $4,000 a year, and therefore the bill is not fair. The man who makes $100,000 and who may be in the 78- or 80-percent bracket, pays a large amount of money in taxes. Although his percentage of reduction will not be as great as that of most men in the low-income groups, he will actually receive more tax dollars back, because he has been paying more into the Treasury in the past. Even though the percentage of reduction for him is lower than it is for most men in the lower-income groups, he will receive more money as a result of the bill than the man who has been paying a very small tax.

It seems to me that the argument is unfair, is fallacious, because if we believe in a graduated tax—which we do—in the case of a tax increase, the income after tax for the man in the higher brackets must decrease more than for the man in the lower brackets. Conversely, when there is a decrease in taxes the income after taxes of the man in the upper brackets must increase more. It is obvious that the man who has given the most will get back more when there is a reduction than the man who has been paying considerably less.

The benefits of this tax cut will not be limited to the direct and immediate dollar benefits that will go to taxpayers as a result of the cut itself. As consumer purchasing power is increased, it will provide a vital and immediate stimulus to our economy.

A higher level of economic activity will benefit those who are working, by increasing the opportunities for advancement. Even more important, it will benefit those 4 million Americans who are now jobless—because only with a higher level of production and demand can we expect our economy to generate the millions of additional jobs that those who now cannot find jobs need, as well as those that will be needed each year in the years ahead, as our labor force grows in numbers each year.

The major goal of the entire tax program is to provide more jobs. At present, an estimated million jobs a year are lost to automation. A million more will be required each year to meet the needs of new people entering the labor force.

It is impossible to predict with accuracy exactly how many jobs will be produced as a result of the tax cut, but it has been estimated that when fully effective, it will produce between 2 and 3 million additional new jobs each year. These are jobs that are vital to our Nation's youth, to our Nation's older people, and to our Nation's workers, consumers, and families.

The tax program will help in the war on poverty. It will help partly because, as more jobs are provided, there will be a greater chance that those new jobless can find work.

In short, this is a tax program which will benefit people, as anyone can see by considering what it does for taxpayers in various income brackets.

Again I want to emphasize that, in the final analysis, it is calculated to help people. In the final analysis, that is what we are concerned with doing. In the final analysis, they are the ones we should help.

Let me cite a few illustrations:

A married couple, with no dependents, with an income of $3,000, filing a joint return, taking the standard deduction, now pays $300 in taxes. Under the bill, the couple would pay $200, a reduction of $100, or 33 percent.

A married couple, with two dependents, with an income of $3,000, filing a joint return, taking a standard deduction, now pays $60 in taxes. Under this bill, the couple would pay no taxes.

On the average, those with incomes in the $3,000 to $5,000 range would have their taxes cut by over 27 percent.

A married couple with no dependents, and with a $5,000 income, filing a joint return, taking a standard deduction, now pays $660 in taxes. Under the bill, the couple would pay $501, a reduction of $159, or 24 percent.

A married couple with no dependents, with a $5,000 income, filing a joint return, typical average itemized deductions, now pays $540 in taxes. Under the bill, the couple would pay $405, a reduction of $135, or 25 percent.

A married couple with two dependents, and with an income of $5,000, filing a joint return, taking the standard deduction, now pays $420 in taxes. Under the bill, the couple would pay $290, a reduction of $130, or 31 percent.

A married couple with no dependents, with a $5,000 income, filing a joint return, taking the typical average itemized deductions, now pays $300 in taxes. Under the bill, the couple would pay only $218, a reduction of $82, or 27 percent.

On the average, those with incomes in the $5,000 to $10,000 range would have their taxes cut by nearly 21 percent.

A married couple, with no dependents, and a $10,000 income, filing a joint return, with standard reduction, now pays $1,636 in taxes. Under the new bill, the couple would pay only $1,342, a reduction of $294, or 18 percent.

A married couple, with no dependents, and a $10,000 income, filing a joint return, typical itemized average deductions, now pays $1,460 in taxes. Under this bill, the couple would pay only $1,201, a reduction of $259, or 18 percent.

It is interesting to observe, as we move from the $3,000 bracket up to the $10,000 bracket, that the percentage of reduction drops off as we move higher.

A married couple, with two dependents, and $10,000 income, filing a joint return, taking the standard deduction, now pays $1,372 in taxes. Under the bill, the couple would pay only $1,114, a reduction of $258, or 19 percent.

A married couple, with two dependents, a $10,000 income, filing a joint return, with typical itemized average deductions, now pays $1,196 in taxes. Under the new bill, the couple would pay only $973, a reduction of $223, or 19 percent.

On the average, those with incomes of more than $10,000, would have their taxes reduced by more than 15 percent.

In this bill we have tried to make special provision for elderly taxpayers.

There is great concern in the Nation over the fact that our elderly citizens have great difficulty surviving, economically speaking, because it is difficult for them to get jobs. They find that, every time the cost of living goes up, they are caught in the squeeze, because they live on fixed incomes. There is great concern in the Senate and the House, and throughout the Nation, about doing something for our elderly citizens.

I was happy to be one of those who joined with the able Senator from Connecticut, who now so regally presides over this body, in the amendment which made it possible for the elderly citizen with a wife to obtain a larger retirement income credit. That particular legislation, of which he is the author—and I wish I could have thought of it first and in connection with which I was happy to join the Senator from Connecticut—will be very much appreciated in the State of Florida.

Elderly taxpayers will also benefit substantially from the tax bill.

For example:

A single taxpayer over 65, with an income of $2,000, taking a standard deduction, now pays $120 in taxes. Under the bill, he would pay only $56, a reduction of $64, or 53 percent.

A single taxpayer over 65, with an income of $4,000, taking the standard deduction, now pays $488 in taxes. Under this bill, he would pay only $386, a reduction of $102, or 21 percent.

A married couple, both over 65, with an income of $3,000, filing a joint return, taking the standard deduction, now pays $60 in taxes. Under the bill, the couple would pay no tax.

A married couple, both over 65, with an income of $5,000, filing a joint return, taking the standard deduction, now pays $420 in taxes. Under the bill, the couple would pay only $290, a reduction of $130, or 31 percent.

The experience of the $6 billion tax reduction program carried out in 1954 is solid evidence of what can be achieved by adopting the course of the proposal before us. Two years after the enactment of the 1954 tax reduction program, our gross national product jumped from $363 billion in 1954 to $419 billion in 1956. Even at lower rates our tax revenues increased as a result. In 1954 our Federal tax revenues totaled $63.8 billion. In 1955 these tax revenues jumped well above their pre-tax-cut levels to a total of $72.8 billion.

Mr. LONG of Louisiana. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I am happy to yield to the distinguished Senator from Louisiana.

UNANIMOUS-CONSENT AGREEMENT

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that at 4 o'clock on Monday, amendment No. 329, to be offered by the Senator from Connecticut [Mr. RIBICOFF], be the pending amendment, and that the time for debate on that amendment be equally divided between the author of the amendment and the Senator in charge of the bill, the Senator from Louisiana [Mr. LONG]; that when the Senate meets on Tuesday debate on the amendment be limited to 1 hour, to be equally divided, as I previously described; and that the Senate vote at the conclusion of that 1 hour of debate.

The PRESIDING OFFICER (Mr. RIBICOFF in the chair). Is there objection?

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. That will include amendment No. 329 submitted by the occupant of the chair, the Senator from Connecticut [Mr. RIBICOFF], and all amendments thereto. Is that correct?

Mr. LONG of Louisiana. Yes.

Mr. DIRKSEN. That the debate begin at 4 o'clock and that it run, equally divided, until the Senate adjourns on Monday; and then the debate will be resumed after the morning hour on Tuesday.

Mr. LONG of Louisiana. It would be well to specify also that the time on amendments to the Ribicoff amendment will be divided equally between the author of the amendment and the Senator from Connecticut, unless the Senator from Connecticut agrees with the amendment, in which event the time in opposition to the amendment be controlled by the Senator in charge of the bill, the Senator from Louisiana [Mr. LONG].

Mr. SMATHERS. Mr. President, reserving the right to object—and I shall not object—in order to get this matter more clearly in my mind, is my understanding correct, that at 4 o'clock on Monday the Senate will take up for consideration amendment No. 329, the so-called Ribicoff education amendment, and that that amendment will be debated without limitation as to time, however late the Senate sits on Monday?

Mr. DIRKSEN. Yes. It may be late.

Mr. LONG of Louisiana. And Senators will continue to debate amendments to that amendment.

Mr. SMATHERS. How shall we know how to divide the time?

Mr. LONG of Louisiana. When one side has spoken for a half hour, the other side is entitled to speak for one-half hour. The time will be equally divided.

Mr. SMATHERS. May I make a suggestion? Would it not be agreeable to have a specified time—for example, to take it up at 4 o'clock and proceed to debate it that evening for no longer than 4 hours, which would make it 8 o'clock at night, and that the time be equally divided? Then we would know what to divide.

Mr. DIRKSEN. The Senate may sit until 10 o'clock on Monday night. In that event there will be ample time for consideration of amendments to the Ribicoff amendment.

Mr. SMATHERS. I hope I am not inadvertently complicating the situation. However, it seems to me that once the Ribicoff amendment is taken up, the debate on it, until the time of the vote, will be pretty well germane to the Ribicoff amendment. If some specified time could be set that could be divided, it would help.

Mr. LONG of Louisiana. How about 5 hours?

Mr. DIRKSEN. With the time for debate limited to 4 hours, equally divided, and 1 hour on each amendment thereto, equally divided.

Mr. SMATHERS. That would be much more desirable, it seems to me.

Mr. DIRKSEN. And that all amendments be germane.

Mr. SMATHERS. Yes.

(At this point Mr. BENNETT took the chair as Presiding Officer.)

Mr. RIBICOFF. First I thank the distinguished Senator from Utah for his courtesy.

I wish to say to the minority leader that my understanding is that, beginning at 4 o'clock on Monday the order of business will be the so-called Ribicoff amendment, No. 329; that the Senate will proceed to debate that amendment for 4 hours, the time to be equally divided between the proponents; that in accordance with the suggestion of the minority leader, 1 hour be allowed on each amendment to the Ribicoff amendment, the time to be equally divided.

Mr. DIRKSEN. Yes; and that on Tuesday morning the time be equally divided and limited to the Ribicoff amendment.

Mr. RIBICOFF. That means that on Tuesday for 1 hour the time of debate will be equally divided between the proponents and the opponents, and that the Senate will proceed to vote 1 hour after the morning hour is concluded on Tuesday.

Mr. LONG of Louisiana. Yes.

Mr. SMATHERS. I wish to emphasize, after what happened earlier, when we were being castigated——

Mr. LONG of Louisiana. I hope the Senator will not object. We would like to have the unanimous-consent agreement agreed to.

Mr. SMATHERS. I will not object, but I wish to make these remarks.

Sometimes we must emphasize the fact that the leadership, even if one is as far down on the scale as I am, has certain responsibilities, among which is the responsibility of touching all bases. Sometimes greater speed can be made than may seem to be possible on the surface, by proceeding in that way.

So we took it hot and heavy from the Senator from Tennessee [Mr. GORE] and the Senator from Illinois [Mr. DOUGLAS] today. The minority leader and I were accused of not wanting to get a quick vote; we were the ones who were delaying the bill. But since that particular colloquy occurred, 152 amendments have been agreed to.

The Senate has now agreed to a limitation of debate on a major amendment, and it is evident that we shall be finished with that particular amendment, if the Senate will convene at 10 o'clock on Tuesday morning, by 1 o'clock on Tuesday afternoon. By that time the amendment should be voted on one way or the other. So we are really making much progress. I find no fault with the position which the minority leader took earlier today. He had a responsibility to fulfill, and he did so with great courage.

The PRESIDING OFFICER (Mr. BENNETT in the chair). Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

The unanimous-consent agreement subsequently reduced to writing is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That on Monday, February 3, 1964, at the hour of 4 o'clock, p.m., the Senate proceed to consider the amendment (No. 329) intended to be proposed by the Senator from Connecticut, Mr. RIBICOFF, to the pending bill H.R. 8363, the tax bill; that debate on said amendment continue for 4 hours, the time to be equally divided between the proponents and the opponents and controlled in the manner provided by the usual form; that after the hour of 8 o'clock, p.m., the Senate proceed to the consideration of any amendment that may be proposed to the so-called Ribicoff amendment, the time on any amendment thereto to be limited to 1 hour and equally divided between the mover of the amendment and Mr. RIBICOFF, provided he is opposed to any such amendment: *Provided*, That no amendment that is not germane to the provisions of said amendment No. 329 shall be received.

Ordered further, That on Tuesday, February 4, 1964, after the conclusion of the morning business, the Senate resume the consideration of the said amendment No. 329, and that debate on it continue for 1 hour, the time to be equally divided between the proponents and the opponents, and that at the expiration of said hour, the Senate proceed to vote on the question of agreeing to the amendment.

Mr. RIBICOFF. Mr. President, now that the request has been agreed to, I believe there is no question that the distinguished Senator from Illinois [Mr. DIRKSEN] and the distinguished Senator from Tennessee [Mr. GORE] were "needling" in their earlier remarks this morning.

Mr. DIRKSEN. What were they doing?

Mr. RIBICOFF. Needling. But as a freshman Senator, I should like to say on the floor of the Senate, as I have said publicly around the country, that in a long experience in politicial life, in every branch of the government, I have never met or dealt with leadership on both the Republican and Democratic sides that has been so courteous and cooperative as are the distinguished men who lead the Senate on the Republican and Democratic sides of the aisle. They are thoughtful and courteous toward all 100 Senators. They are dedicated men, who seek the best for the country. We are fortunate in having the distinguished Senator from Montana [Mr. MANSFIELD] as the majority leader and the distinguished Senator from Illinois [Mr. DIRKSEN] as the minority leader. They always proceed, in the final analysis, to act for what they believe are the best interests of the Nation, taking into account the great winds of controversy and the diverse ideas that exist in the Nation at large. We represent 50 States, and the people of 50 States think differently, no matter how one or another would try to force their thinking into one groove.

Again, I express my thanks for the leadership on both sides of the aisle.

Mr. DIRKSEN. I thank the Senator from Connecticut.

Mr. SMATHERS. I, too, thank the Senator from Connecticut.

Mr. LONG of Louisiana. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I yield.

Mr. LONG of Louisiana. The Senator from Connecticut has described himself as a freshman Senator. The record should show that he is not a neophyte at the business of legislating. He is a former Governor of his State, a former Member of the House of Representatives, and a former member of the President's Cabinet. He is an able advocate or an able adversary depending on whichever side he decides to take on a particular issue. We all respect him for that.

Mr. RIBICOFF. I thank the Senator from Louisiana.

Mr. SMATHERS. Any time I can have the able Senator from Connecticut on my side, I feel much more strengthened, and confidence pours out of each and every pore of my body.

Mr. LONG of Louisiana. Mr. President, will the Senator from Florida yield?

The PRESIDING OFFICER (Mr. RIBICOFF in the chair). Does the Senator from Florida yield to the Senator from Louisiana?

Mr. SMATHERS. I am happy to yield to the Senator from Louisiana, who is in charge of the bill.

Mr. LONG of Louisiana. We were speaking of the progress that has been made. We have agreed tentatively to 152 amendments. We have agreed to vote not later than 1 hour after the Senate concludes its morning business on next Tuesday, on one of the most important, significant, and controversial amendments that will be offered to the bill.

I predict that with any sort of luck at all, the Senate will have voted by that time on another of the most important issues that will come before the Senate, namely, the capital gains proposal. So while we shall not have voted today on controversial amendments, we shall have set the stage so that, I believe, we can anticipate the passage of the bill some time next week.

Mr. SMATHERS. I completely agree with the able Senator from Louisiana, who is in charge of the bill. The agreements that we have been able to reach under his leadership today have been most useful. Frankly, I believe the bill will be passed or defeated—one way or the other—certainly by Thursday or Friday of next week, which is what we have hoped for from the beginning of the debate.

Mr. LONG of Louisiana. As the Senator in charge of the bill, I express my gratitude both to the Democratic and Republican Senators who had doubts about the progress of the bill. They have been considerate and cooperative in helping to make progress in the consideration of this important measure.

Mr. SMATHERS. I am sure the able Senator from Louisiana, in pursuing the goal of expediting the bill—which he has been doing so well—will continue to consult with the leadership on Tuesday. Possibly we may then be able to enter into a unanimous-consent agreement as to when the Senate might vote on the excise-tax amendment, the so-called Dirksen amendment. I would encourage him to do so. Since we are now in a happy situation, we might be able to continue the progress which we are making.

Mr. LONG of Louisiana. At the moment, we have made good progress from a procedural point of view. I wish we could make as good progress with substantive amendments. But we will worry about that later.

Mr. SMATHERS. Mr. President, England put into effect a program not basically different from the one we are now considering and is already reaping abundant economic benefits as a result.

The pending bill will breathe new life into our private economy.

It is a bill that will give our economy new weapons and new responsibilities to help it move with maximum momentum far closer to its enormous gross national product potential.

It is a bill that will contribute far more to the solution of our most pressing economic problems—unemployment, persistent deficits in our budget, and our international accounts—than any other proposal we have thus far had under discussion.

Mr. LONG of Louisiana. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I yield.

Mr. LONG of Louisiana. I believe the Senator from Florida well recognizes that a large number of our business economists advise that the prosperity the country is now enjoying, or the recovery from the last depression or recession, is the longest continued period of recovery in the history of the country, except one. That was the recovery that started from the very depths of the depression in the 1930's, when the country's economy had fallen so far down that the recovery had to be a long, gradual one, and continued until the eruption of World War II.

In peacetime, minus war and minus a major depression, there has never been a period of recovery as long as the present one. Many persons feel that the reason the present recovery has continued for so long is that business has already been discounting the tax cut.

Mr. SMATHERS. What the Senator means by "discounting" is that business has been anticipating the eventual approval of a tax reduction bill.

Mr. LONG of Louisiana. Yes. In any event, money is being spent to improve equipment and to do other things necessary to produce additional commodities, to provide new jobs, and to sell products for which the demand will be created by the proposed tax cut.

If the tax cut should not now be approved, a large number of people, including myself, greatly fear for the consequences of the national economy.

With regard to a balanced budget, many persons share the view that if a tax cut is not passed, there will be a tremendous deficit at existing tax rates, because there will be a deep recession. If that should occur, the Government would have to increase spending to try to get the country out of the recession or depression, as the case may be, and the deficit thus incurred would be far greater than it would be if the tax bill were passed and a recession avoided.

Mr. SMATHERS. I thank the able Senator from Louisiana for his statement. One reason for the almost unanimous support for a tax cut is that businessmen have been encouraged to believe that the bill will be passed and that it will enable them to spend additional money for improving and modernizing their plants. That in itself will mean more jobs. They have already begun to procure the material that will be needed, and that is one of the factors which account for the economy doing as well as it has.

As the able Senator points out, we have had downturns regularly—at least every 33 or 34 months since the end of World War II, I believe; although we have had none recently, as the Senator said, because the business community has either "discounted" this bill or, to state it another way, has counted on its being passed. As a result, the improvement in our economic position has continued. However, the fact remains that it has not improved rapidly enough.

Sufficient jobs are not available. We must do something more. We cannot leave the situation in its present condition, and just say, "It is going along great now; and if we do nothing, it will continue to do very well."

Mr. LONG of Louisiana. Is the Senator from Florida aware of the fact that Raymond J. Saulnier, who formerly was Chairman of the Council of Economic Advisers, under President Eisenhower—serving during a Republican administration—made the statement: "As things stand now, the prospect of tax reduction has been so thoroughly built into tax expectations and plans, and also to some extent into the financial commitments of individuals, that it would be seriously deflationary to call it off."

This man, who was President Eisenhower's adviser under a Republican administration, said he believed this would be a very serious matter; and he said that to call off this tax cut, after business had begun to rely on it, feeling that it was a certainty to become law, could have a dangerous impact upon our economy. That is precisely what President Johnson's economic advisers tell us, and it is also what President Kennedy's economic advisers were telling him. So while some may not agree with them, the storm warning is out; and, in the main, the ablest economists in the United States agree with the Senator's argument that enactment of this tax reduction bill is a "must," and that every day of delay in its enactment is a real danger to the national economy.

Mr. SMATHERS. I totally agree with the able Senator from Louisiana; and I must say that is one of the reasons why I decry—and I know the Senator from Louisiana does, too—changing the emphasis of the bill. The business community is discounting it, as the Senator from Louisiana says—and as I say—in the high expectation that shortly there will be this tax reduction. The corporations are expecting a reduction of $2.4 billion and individuals expect to receive a $9.2 billion reduction. If we begin to reduce excise taxes—thus changing the emphasis of the bill—and if, as a result, it is necessary to increase the individual tax rate schedules, I am afraid the national economy will be greatly harmed, rather than helped.

From the time when the bill was reported by the House Ways and Means Committee and then was passed by the House—on September 30 of last year—these men have anticipated that the Senate would finally pass a somewhat similar bill, based on a similar reduction. If we tinker very much with this bill, then—instead of accomplishing some great good—we might suddenly—although inadvertently—frighten and astound the business leaders of the Nation by our inconsistency. In that case, I am afraid they might withdraw or renege on their plans to expand their businesses; and the result might be a sudden and very serious depression.

Mr. LONG of Louisiana. Mr. President, will the Senator from Florida yield further?

Mr. SMATHERS. I am happy to yield.

Mr. LONG of Louisiana. Those of us who support this bill subscribe to the theory that if the bill is enacted, we shall have a balanced budget, and even a budget surplus by 1967 or 1968; but that if the bill is not enacted, not only will there not be a balanced budget, but—even worse—there will be a recession, because a failure to reduce taxes would result in a definite decrease in business activity. And, of course, decreased business activity would mean greatly reduced revenues, which in turn would mean an end to our hopes to balance the budget. In addition, the millions of jobs which the bill would make available would not become available, and therefore the anticipated increase in the gross national production—and an increase to the extent of billions of dollars is anticipated—would not occur. Of course, expanded gross national production benefits, directly or indirectly, all 190 million of the people of the United States. Does the Senator from Florida agree?

Mr. SMATHERS. I agree entirely. If the bill is not enacted, then I believe—and many others agree with me—that at no time in the future can we expect to have a balanced budget. I concur in the statement made recently by Mr. Stewart Saunders, formerly president of the Norfolk & Western Railroad, and now chairman of the board of the Pennsylvania Railroad Co., who—although he had been only a country boy—has worked his way to the top of perhaps the largest railroad in the United States.

Mr. Saunders said—as I recall—to the chairman of our committee, Senator

BYRD of Virginia, whom I admire and love very much:

> Mr. Chairman, we must change our method, if we are ever to get rid of these deficits. We have had them in 24 of the last 30 years, and we are in a chronic deficit position. I am afraid we shall stay there unless we free the private segment of the economy, by removing the deterrent of the $11.6 billions which is presently paid in taxes, and in that way stimulate business activity, and thereby increase the Government's revenues, and, as a result, bring about a balanced budget.

Mr. Saunders is not even a member of the party to which the Senator from Louisiana [Mr. LONG] and I belong; he is a well-known member of the other party, and is a conservative by every standard. Nevertheless, he told our committee that this is the only way to achieve the result all of us desire, and that we must proceed in this way if we are to avoid a series of chronic deficits similar to those we have been having.

Mr. LONG of Louisiana. I am sure the Senator from Florida realizes that nothing could have as great a stifling effect on initiative and business growth as a 91-percent tax rate on individual incomes. Consider the effect on the captains of American industry when they find themselves in such a tax bracket. As a result, they have very little incentive to expand or accelerate their business activities. That is inevitably the result when they find they can retain only 9 cents of every dollar they earn. Although it is true that some of them find ways to manipulate their positions so as to keep their taxes low, in many respects some of the things they have to do to arrive at that result are frequently not in the national interest.

Mr. SMATHERS. I totally agree with the able Senator from Louisiana that, as reasonable and sensible members of the committee—I hope we are reasonable and sensible; certainly we try to be—we must reach the conclusion, on the basis of the best information we can obtain about every segment of our economic life, our social life, and our political life, and the best advice we can receive from all sources, that only by means of the enactment of this bill will it be possible for the Nation to put an end to the cycle of chronic and serious deficits.

American business supports the tax cut. The American people are overwhelmingly in support of a tax cut immediately. A recent Louis Harris survey indicated that the public favors an immediate tax reduction by an overwhelming majority—better than 2 to 1.

If our free enterprise system is to maintain this country as the first among nations both militarily and economically, let us get on with the job of assuring that our economy will make a maximum contribution to that system.

Since the pending bill is in the national interest, it merits the overwhelming support of the Congress.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the order for the quorum call may be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG of Louisiana. Mr. President, I should like to say a few words about the problems involved in the controversial section 203(e) sent to us by the House of Representatives, and with which the majority of the Committee on Finance finds itself in agreement. Some large figures have been used in the discussion of the impact this would have on consumers and various and sundry other groups. It is the view of the majority of the committee that the transportation industry is a competitive industry, and that this industry should be permitted the same tax incentives in terms of a tax credit that is available to manufacturing industries.

According to some economists, transportation is a part of manufacture. In view of the fact that pipelines compete with other pipelines, and pipelines compete with the huge tanker fleets that sail the seas, one transporting one commodity and another transporting a competing commodity such as residual fuel oil, which in many instances can be provided on a B.t.u. basis at various points cheaper than gas, and in view of the fact that both those industries compete with the railroads, which haul coal in hopper cars and oil in tank cars, those industries should be encouraged to modernize, improve, and expand. That is the view which the Interstate Commerce Commission takes of the subject. The ICC has the responsibility of regulating the rates of the railroads, the bargelines, the trucking lines, and the buslines. That Commission takes the view that Congress intended that the transportation industry should have the tax credit as an incentive to modernize and improve that industry.

While it may have the power to do so, the Civil Aeronautics Board does not regulate the rates of the airlines. The airlines enjoy the full benefit of the 7-percent tax credit.

The tax credit has undoubtedly helped the airlines to buy new equipment and provide better and faster service, in many instances at lower cost than existed previously. The tax credit has already played a part in helping to modernize the railroads and provide new equipment, and to bring about better transportation service, in many instances at a lesser cost to the American people.

The Federal Power Commission takes a different view. The Federal Power Commission is of the view that the tax credit was not intended to benefit the pipelines themselves. They were to be required to pass the credit through to their users. The FPC seeks to do just that. Of course, if that is to be the result, from the point of view of the pipelines and the power companies, there would be no point in providing a tax credit.

None of the argument which I have heard against section 203(e) has been directed against section 203(e)(1). Section 203(e)(1) provides what the electric power companies and the telephone companies think would be fair in regulating them.

In other words, the proposal provides that they would pass through to the users the benefit of the tax credit, but only over the life of the product or the object that they buy. For example, if they should buy a large boiler and the boiler cost $1 million, or if they should install additional lines that would cost $1 million, they would have a tax credit of $70,000, and they would pass that amount through to their users over the life of the boiler or over the life of that line—perhaps 20 or 30 years. So the companies would pass a little through each year. Presumably they would have the benefit of the interest on the money during the period that the amount would be passed through. That is all they ask.

There is no logic in treating those utilities differently from the pipelines because a person has to have electricity in his home, whether one is heating his home with electricity or using it to operate a deep freeze or some major appliance. The fact nevertheless remains that that company is entitled to make a fair return on its investment, even if it has to make such return by charging a very high rate for the electricity that a consumer burns in a light bulb.

But there is a different problem with regard to the railroads and the pipelines. The Interstate Commerce Commission, with regard to both the pipelines and the railroads, has made it a point not to try to bring their rates down. The Commission is trying to keep them from bringing their rates down. The usual problem in the regulation of rail rates is that the railroad desires to cut its rates to a point at which it would be losing money in carrying traffic which would otherwise go to another carrier. The principal problem before the Interstate Commerce Commission has usually been to find some way to adjust the various differences so that neither a bargeline nor a rail line will cut a rate so low that it would lose money and hurt the other carrier at the same time.

I have heard no objection to that part of section 203. No Senator has argued about that. Apparently the fire is directed to section 203(a)(2), which would accord to the pipelines the same treatment that is presently being enjoyed by the railroads, the bargelines, the shipping lines, the trucklines, and others. So the proposal would treat that competitor the same as the other transportation competitors are being treated by the commissions that regulate them, including the airlines.

The figure has been used on the floor of the Senate rather loosely that that could mean $600 million a year in additional charges to the consumer. That did not make any sense to the junior Senator from Louisiana when it was uttered and it does not make any sense to him now.

Another figure was used that the proposal could make a difference of $300 million per year in consumer rates. That did not make any sense to the Senator from Louisiana when it was uttered. It does not make any sense to him now.

So I undertook to find out exactly how much we are talking about when we say that the pipelines are entitled to the same treatment that is presently being accorded to railroads. The best I could make of it is that the figures would work out approximately as follows: There are presently before the Federal Power Commission applications to construct approximately $1 billion of facilities in the nature of pipelines. Not all of the applications will be granted.

In some instances three or four companies make application to construct a pipeline to the same point. The Commission would be very much in error if it were to grant four or five carriers permits to build pipelines to one point. The only efficient way to operate would be to limit the utility to one pipeline. So in all probability about 50 percent of the applications would be rejected. It is likely that approximately two-thirds of them would be rejected. Then perhaps $300 million of pipelines would be constructed in a year. That is assuming that the $1 billion of applications could be processed in 1 year and that the pipelines could all be constructed in 1 year. That is entirely unlikely. It would be unlikely that more than half of the applications would be approved and contracted in 1 year. But assuming that they could be all processed and constructed in 1 year, the figure representing the amount of applications granted by the Commission would be $300 million, and 7 percent of that amount would be $21 million.

As the Senator from Louisiana understands, the tax incentive that Senators are looking at would be about $21 million. The Senator from Illinois [Mr. DOUGLAS] is not present, but he can refute what I am about to say in the RECORD if he cares to do so. When he uses the figure of $600 million, he is dreaming up hobgoblins. He is talking about a figure that is 20 times as large as the actual incentive figure about which we are talking, and even that figure may be high.

It is true that in the event the tax credit were denied to the pipelines and the case were pursued to the court of last resort, and that court decided against the pipelines, then the stage would be set to put pressure upon the Interstate Commerce Commission to proceed in a similar fashion against the railroads.

The Federal Power Commission generally spends its time trying to make the power companies bring their rates down; but the Senate, and the public, should realize that there is not going to be the efficient service there should be from any industry if that industry is not permitted to make a profit that is competitive with other industries. They all have to seek equity capital. They all have to borrow money, perhaps from New York banks or elsewhere, to finance their operations. If heavy taxes are placed on pipelines that are not placed on railroads, for example, if heavy taxes are placed on pipelines that are not placed on shipping companies or other competitors of the pipelines, pipeline services is restricted artificially, rather than letting competition decide what is the best service that can be provided users.

Many of the statements made on the Senate floor have left some people under the impression that the tax credit provision has something to do with rates consumers will pay for gas in New York, Philadelphia, Washington, and elsewhere. It does not. Those lines are already established. They would not be eligible for tax credit. The provision relates to new pipelines to be constructed to serve people who do not have such service now.

I wish to make the point that these pipelines will be constructed in places where people will be getting better fuel for lower prices than the consumers are receiving now. If a pipeline could not find enough customers to justify building it, the company would not build it, because it would lose money.

So, in order to justify the construction of the pipeline, someone has to see the prospect of making a profit commensurate with the risk of investing his money. Someone has to see the prospect of obtaining a sufficient profit to justify a loan and the venturing his own money in the pipeline.

When the product reaches the consumer, it will not be sold unless it is sold at a lower price than that which the consumer is now paying for a similar product, or will be sold at the same price for providing a better product.

Reference was made to the fact that consumers in Washington consume gas; and if this proposal had been the law, perhaps the consumers would be paying a little more than they are now. They might be paying exactly the same. The only difference would be that when the company built the pipeline, it would have had a little better tax situation than it has at the present time.

What did natural gas do for Washington, D.C.? Previously Washington homes had been heated by artificial gas manufactured from coal or oil. If one lived in a home or apartment heated with such gas, the person living there would have had to wash the walls down frequently to get rid of the residue from the inferior product of manufactured gas produced from coal or oil. The manufactured gas tended to accumulate a residue and tended to leave soot throughout the city. The atmosphere of Washington, D.C., is much cleaner today because this service was provided. We hope the same advantages will accrue to other communities that will use natural gas. The State of Louisiana has a very large amount of gas it would like to sell.

I point out that a good percentage of the gas belongs to the Federal Government, because it is beyond the 3-mile limit in the Gulf of Mexico. But it is not going to do anybody any good unless someone constructs a pipeline to the gas, brings it to shore, and brings it to another pipeline, so it can be sold to consumers. What would happen? The Federal Government would make a vast amount of money, the companies would make a profit, and the consumers would have a better product at a much cheaper price.

One reason why the atmosphere over Washington is much cleaner than that over New York City, for example, is that most apartment houses in New York City are heated by residual fuel oil. In this city natural gas is used, which is a much cleaner product. It is a competitive product, and competitors should be treated alike.

I have been dismayed at efforts to eliminate section 203(e), which provides simply for justice and equity. I have said to those who oppose it that if they are to deny this relief to pipelines—and some of them come from States that do not have a significant amount of pipelines, but have railroads—the railroads should then be treated the same way. So should the shipping companies, and the trucklines. What was their answer? They do not want to go into that. They know the case is just and that the pipelines should receive this investment credit.

To some of those gentlemen the word "discrimination" is not a pleasant word, but they would discriminate as between legitimate businesses which are seeking to serve the public and make a profit.

I wished to make this statement to clarify the misunderstanding as to the figures and to show that the amount of money involved has been grossly exaggerated. Simple justice and equity demand that these transportation companies be treated the same.

FRANCE RECOGNIZES RED CHINA

Mr. SIMPSON. Mr. President, the Republic of France has encountered unanticipated difficulties in becoming the 48th nation to extend diplomatic recognition to the Communist dictatorship which governs the mainland territories of China.

The decision of President de Gaulle to establish rapport with the Chinese Communists is especially tragic because he has caused our stanch ally France to become the first NATO power since the Korean war to indicate de facto approval of Asia's most dictatorial regime. Now his pact with Peiping has run afoul of contradictions as to conditions of recognition.

While the act of President de Gaulle is untenable in the minds of Americans, it is not entirely without explanation, nor is it without a causal relationship with American conduct in Europe.

The tragedy of French action is that it is a byproduct of what might be termed America's policy of "the great vacillation"—a policy evident not only in this country's attitude toward communism but also toward the vital Atlantic Alliance which has been such a potent factor in keeping the Soviet bear at bay.

I submit, Mr. President, that if the policymakers of the United States had caused us to stand firm in Europe and in our hemisphere the past 3 years and if we had guided with decisiveness the thrust of the free world against the menace of international communism, President de Gaulle would in all likelihood not have recognized Communist China.

The U.S. guilt in the French decision is in allowing the carefully forged Western European defense system to become in fact an iron chain studded with rockets—but replete with wooden links.

It is the presence of these wooden links—compounded by President de Gaulle's image of "le grand" Charles leading a renaissance in French nationalism—which has induced the second most powerful nation in Europe to reintroduce its influence in Asia almost a decade after an agonizing war in which it suffered nearly 141,000 casualties.

The United States, it should be noted, contributed roughly one-third of the $10 billion total cost of France's 8-year Indochina war and realized nearly 135,000 casualties fighting France's new found friend in the Korean aggression.

As I have said, France's action is untenable, but it is not without explanation. I am well aware that diplomatic recognition in the European view does not necessarily imply approval. As Britain's Prime Minister Sir Alec Douglas-Home put it on a CBS television program last Sunday when discussing his nation's recognition of Communist China:

> Our policy when we recognize a country simply means that we have a presence there. It doesn't mean we approve their policies in any way.

However, in the eyes of the United States and certainly the majority of the diplomats in the United Nations, whose judgments will be greatly affected by the French action, recognition is synonymous with approbation. There is little doubt that France could tip the next U.N. membership vote in China's favor even though the dictatorship fails to qualify for United Nations membership under the group's charter.

It should be pointed out that France is not the only member of NATO to recognize Communist China, but it is the only NATO member to elect to do so in the past 14 years. Britain and Norway both granted recognition in January of 1950. The Netherlands followed suit in March of that year—3 months prior to the Korean war. Sweden and Switzerland also recognized Red China, but they are, of course, not members of the North Atlantic Treaty Organization.

With only 4 of the 15 NATO nations having diplomats in Peking, it is incumbent upon the United States to look closely at the motives for France's unprecedented action.

It cannot be explained away simply by saying that President de Gaulle wishes to reaffirm France's role as a nation of stature. If recognition of China were the badge of preeminence, France could have acted in 1950 and had 14 years to beat its breast as a "major power."

Trade with the police state cannot be called a credible motive because France is already enjoying commerce with Communist China and other Red-ruled nations, although not nearly so extensive as United States trade with the Soviet bloc. French exports to China in 1960 totaled $53 million. Exports had gone steadily downward through 1962. They appear to have been on the way back up in 1963, the first half of which saw $53 million exported to China by France.

Parisians consumed $23 million worth of Red Chinese imports in 1960. The figure declined to $17 million in 1962 and stood at $14 million at the end of the first half of 1963. French trade with the entire Communist bloc, including China, was exceeded by Britain, West Germany, and more recently, Italy.

So, perhaps trade is not the answer. What then is the answer? Can it be said that after its tragic defeat at Dienbienphu, France is eager to reintroduce itself into the intricacies of Asian politics? The French could possibly tell us something about guerrilla warfare in southeast Asia, but the advice of the vanquished is easier to obtain than to trust.

France's Foreign Minister has been quoted as saying it would be impossible for France to reach any solution for southeast Asia without Peiping. But, can France actually offer any solutions for the crisis in Asia? It is very doubtful.

In the January 25 Washington Evening Star, columnist Constantine Brown, a knowledgeable writer qualified in foreign affairs, suggested that the French decision is attributed "in informed diplomatic quarters" to retaliation for America's policy of weakening French-German ties. This assumption certainly rates consideration, but I doubt that Mr. De Gaulle is motivated extensively by vindictiveness. He has too tough a mind to succumb to such a mundane frailty.

I submit that the greatest single factor in France's decision to recognize China is lack of confidence in America's motives and judgments in Europe.

As my friend and colleague, Senator DOMINICK, pointed out in a speech to the Air War College, January 16:

> Much of the French resistance to the proposal to create a multilateral nuclear force within the framework of the North Atlantic Treaty Organization is based upon a concern over the constancy of our commitment to come to the aid of Europe if she were under attack and we had been assured by the Communists that our own people would not be harmed if we withheld support. They also express concern over the wisdom of proposing a force which would either require several fingers on the launch button or would in the final analysis be under American control. Thus, rightly or wrongly, De Gaulle's unwillingness to place the fate of France under the umbrella of American protection reflects his evaluation of our dependability and consistency of purpose.

Mr. President, De Gaulle has had for some time ideas of playing the Chinese dragon against the Soviet bear. In the French view, if the Chinese were strengthened, the Soviets would be detrimentally affected with only a modicum of risk to Europe.

Knowing that she cannot match the military power vested in Moscow and doubting with the greatest sincerity the readiness of the administration to defend France in a war which the Soviets could describe as a "purely European confrontation," De Gaulle is taking what he hopes will be a course alternative to a blind trust in American reliability. He is interjecting French influence into the boiling caldron between Russia and China in the hope of forcing wider the schism between the Communist giants.

But, President de Gaulle has made a paramount mistake regardless of what his motives may be, for anything which enhances the prestige and potency of Peiping, damages the position of free China in and out of the United Nations, pulls more of NATO's teeth, and thereby increases the impotency of the alliance of which France is a key member.

There remains the possibility that De Gaulle's action would have been forthcoming regardless of our irresolution on the direction of the Western alliances. There are a myriad of nuances in the mind of De Gaulle, but it is, to my thinking, axiomatic that this administration's willingness to roll over and play dead in the name of peaceful coexistence greatly influenced the judgment of the French President.

France has not been static as a NATO partner. With two fully equipped divisions in Germany, France had the third largest troop commitment to NATO's force as of last May. France also has a tactical air corps in NATO.

And what of De Gaulle's regard for the United States and his reaction were France to be put to the supreme test? We can look back to October of 1962 for that answer in part. De Gaulle's France was one of the first nations to declare itself in accord with the President's short-lived Cuban blockade. Six months later, July 29, 1963, De Gaulle had this to say at a press conference:

> In the event of a general war, France with the means it has would be at the side of the United States, and this I believe is mutual.

The French President also said at that same session with the press that:

> The Atlantic community is an elemental necessity, and it is obvious that in this respect the United States and France have a capital responsibility. For us, the fundamental factors of French-American relations are friendship and alliance.

Whatever may be the actual motive for the hazardous action taken by France, that nation does, in my mind, remain an ally of the United States and NATO—but an ally with doubts.

Perhaps no better example of the paradoxes of American action can be found than in the administration's reaction to the sale of British buses to Communist Cuba.

Secretary of State Rusk on a nationwide television program some Sundays ago disclaimed any analogous similarity to Cuba's acquisition of British buses and the American sale of wheat to Communist bloc nations.

Amplifying his remarks in a statement released to the press January 23, the Secretary said that allied nations trading with Cuba are "prejudicing attempts to halt the spread of communism in the hemisphere." Mr. Rusk went on to state:

> We cannot accept the contention that trade with Cuba is comparable to ordinary trade with any Communist country. These countries which for commercial reasons supply Cuba, especially with goods critical to the Cuban economy, are prejudicing the efforts of the countries of the hemisphere to reduce the threats from Cuba.

But at the same time the Secretary was adamant in defending American subsidies to Communist dictatorships in Europe. We are led to believe, through some ambiguous treatment of reason, that aid to communism through the front door is less insensate than aid through the back alley. I should like to suggest that Mr. Rusk's tortured logic on that point elicited a cry of disdain from his audience.

There is little difference between the sale of a product directly to Cuba and the sale of a product to Cuba via Russia. Frenchmen know this as well as Americans. There is no difference in principle between the sale of buses to one Communist dictatorship and the sale of wheat to another. The only difference occurs in the details of the transaction.

Subsidizing communism, whether through peddling buses to Castro or wheat to Khrushchev for Castro, is underwriting the architects of our own destruction not only in Europe but also in the Western Hemisphere. The end result is the shoring up of dictatorships dedicated to the truncation of democratic thought and institutions.

Both the British and the United States are guilty of assisting a Communist regime which has triggered murder and violence in Panama, which has just established a "dark continent Cuba" on Zanzibar off the coast of Africa, and which is instigating mayhem throughout the Western World.

Adding frosting to our bitter cakes of duplicity, Castro returned from a brief vodka and caviar sojourn through the Soviet Union to denounced the "continued U.S. occupation" of Taiwan and Panama.

De Gaulle, like others of our allies, has watched our series of fantastic blunders the past 3 years—fantasies which included the withdrawal of our ballistic missiles from Turkey and our failure to utilize the bedrock of our foreign policy—the Monroe Doctrine—against communism's continued aggression in the Americas.

Mr. DOMINICK expressed his fears on the course of our ship of state in his speech at the Air War College. In his remarks—which, incidentally I was privileged to have entered in the CONGRESSIONAL RECORD, January 20—Senator DOMINICK noted that:

> We appear to be floundering and without direction. We are in a period which might be called our "fire drill diplomacy" where we race from one hotspot to another attempting to placate whoever is making new demands on us.
>
> Certainly our policy has not been consistent in all parts of the world. For example, we not only trip all over ourselves in a pellmell rush to recognize the military junta which overthrew and assassinated the elected rulers of South Vietnam, but we encouraged and perhaps even materially aided the conspirators. Yet at the same time we withheld recognition of a military junta in the Dominican Republic * * * the inconsistency of our national policy toward such situations causes many of us to be deeply concerned.

Senator DOMINICK continued by pointing to one of the greatest deficits in America's ambivalent diplomacy when he said:

> Inconsistencies in our reaction to Communist moves throughout the world only play into communisms' hands, for they undermine the most important bond between our allies and ourselves, that of mutual respect and trust.

It is paradoxical that the Western World—the free world—which has access to a free press and unlimited information should be so confused as to the thrust and purpose of Uncle Sam's presence in the cold war.

Compare the ambiguities, the contradictions, and the anomalies of the administration's pronouncements and policies with this clear statement of purpose by the Chinese Communists:

> We have a very clear attitude. We will not trade with the United States because the U.S. Government is hostile to us.

To the Chinese Communists we are their enemy and their treatment of us is contingent upon that postulate.

Mr. President, for an administration which so frequently castigates conservatives in Congress for their isolationist policies, may I suggest that the liberals in power today have done more to isolate the United States from its own allies than any conservative movement since the League of Nations Charter was rejected.

We are facing a growing hostility in Latin America because of Cuba and because we have allowed ourselves to be backed into a corner in Panama. Negotiations are underway at the OAS Building, just a few blocks from the Capitol, in an attempt to reach an accord on whether to renegotiate the terms of America's presence in the Panama Canal Zone.

To our north, our friend and neighbor, Canada, whose integrity I do not for a moment doubt, has nevertheless indicated her support for Red China in the upcoming session of the United Nations when the perennial question of membership is raised.

To the east of us now we have France, still an ally, but an ally, as I have noted, with doubts; and now an ally with diplomatic ties to Communist China.

We have anti-Americanism burgeoning in the Far East. A coup has just toppled the CIA's handpicked regime in Vietnam, and we have pronouncements by the Secretary of Defense to the effect that "we are losing all the battles in Vietnam, but the situation is just fine, and we might win the war if we don't lose it."

The antipathy for the United States has extended for the first time even to American dollars, which heretofore have been exempt from the often heard cry: "Yankee go home."

Mr. President, the United States is the only nation in the free world which has the power within itself to shape the future of alliances formed to confine international communism to the slave state which spawned it. If the United States cannot marshal consensus in its allies; if it cannot cooperate with friends across the seas who singularly are impotent, but who collectively can turn the tide; if it cannot take cognizance of the lessons of Munich and the dangers of disunity in the face of conflict, then Monday's action by President de Gaulle will have been but a prelude to a cascade of irrational acts which are diametrically opposed to the interests of the free world.

The time may come when the United States will stand alone fending blows from left and from right, from back and from front, as we seek in vain to regain the alliances vitiated by our own policies. God forbid.

ADJOURNMENT TO MONDAY AT 10 A.M.

Mr. SMATHERS. Mr. President, I move that the Senate adjourn until 10 o'clock Monday morning.

The motion was agreed to; and (at 1 o'clock and 36 minutes p.m.) the Senate adjourned until Monday, February 3, 1964, at 10 a.m.

HOUSE OF REPRESENTATIVES

FRIDAY, JANUARY 31, 1964

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Galatians 6: 10: *As we have therefore opportunity let us do good unto all men.*

Eternal God, our Father, as we unite our hearts in prayer, may we earnestly covet and lay hold of those ideals and principles which will make for the health of our own individual souls and the spiritual welfare of all mankind.

Inspire us with a singlehearted devotion and dedication to seek that which is noble and true and morally right, for our own conscience bears clear and unmistakable testimony that this is the secret of peace and power.

Make us eager to accept the challenge and opportunity to be fellow workers in the task of bringing to fulfillment and fruition that great truth of mankind's spiritual solidarity.

May we be eager and willing to the very core of our being to build a more humane social order where all the members of the human family shall live together in peace and honor and seek one another's good and happiness.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Ratchford, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 9076. An act to provide for the striking of medals in commemoration of the 200th anniversary of the founding of St. Louis.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2265. An act to amend the Library Services Act in order to increase the amount of assistance under such act and to extend such assistance to nonrural areas.

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate to a joint resolution of the following title:

H.J. Res. 875. Joint resolution making supplemental appropriations for the fiscal year ending June 30, 1964, for certain activities of the Department of Health, Education, and Welfare related to mental retardation, and for other purposes.

The message also announced that the Presiding Officer of the Senate, pursuant to Public Law 115, 78th Congress, entitled "An act to provide for the disposal of certain records of the U.S. Government," appointed Mr. JOHNSTON and Mr. CARLSON members of the joint select committee on the part of the Senate for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 64-9.

ACHIEVEMENTS IN SPACE

Mr. ROUSH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ROUSH. Mr. Speaker, the past 2 days have seen the United States forge ahead in the race to conquer the universe through scientific achievement. On Wednesday we saw the successful launching of the Saturn rocket carrying into orbit around the earth 18 tons. This included the largest payload ever placed in orbit by man and exceeds the largest Russian payload by 11 tons. For several years now this Nation has been plagued with the uncomfortable knowledge that the Russians were ahead of us in the space effort. This has been based primarily on the fact that they had a greater lift capability. The United States is now ahead in lift capability and in every other phase of the space program. The very next day after this very significant achievement the United States sent into flight toward the moon its spacecraft Ranger. All seems to be going well and if the latter phases of the flight are as successful as the first we will in a few hours have closeup television pictures of the moon and its surface taken as Ranger approaches the moon and finally impacts on its surface. The Nation's thanks and gratitude should go to those dedicated men and women whose talent and endeavors have made these achievements possible.

PROVIDING FOR PRINTING OF ADDITIONAL COPIES OF SENATE REPORT NO. 830

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration I call up House Resolution 614 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed for the use of the House document room six thousand additional copies of Senate Report Numbered 830 submitted by the Senate Committee on Finance to accompany H.R. 8363, the Revenue Act of 1963.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE AMERICAN AGRICULTURAL ECONOMY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 210)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Agriculture, and ordered to be printed:

To the Congress of the United States:

American agricultural economy is the most productive in the world. Its efficiency is constantly increasing. One American farmer today provides 25 domestic consumers and 4 people overseas with their total food and fiber needs. His output has increased 140 percent since the end of World War II, almost three times the gain in nonfarm productivity. The consumer, as a result, must spend a smaller percentage of his budget to meet his food needs than ever before in our history.

During the past 3 years a series of new farm programs and policies has achieved considerable progress toward three basic goals of this administration's agricultural policy, higher farm income, reduced farm surpluses and lower governmental costs.

Gross farm income in 1963 was $3.2 billion higher than in 1960, a gain of 8 percent.

Net income per farm rose during this same period from $2,961 to $3,425, a gain of 16 percent.

Government stocks of feed grains have declined by 22 million tons from their 1961 high of 85 million tons, enabling us to save $230 million a year on storage and other carrying charges.

Our agricultural exports in 1963 were $5.6 billion, the highest in history. They represented one-quarter of our total exports of goods and services.

Farm-dependent towns and industries have reflected this economic improvement. Bank deposits in agricultural counties have increased 20 percent; and farmers have been able to purchase an estimated $800 million more in farm equipment in the past 3 years than they would have been able to buy with a 1960 level of income. But statistical totals can be deceiving.

The income of the average farm family is still only 55 percent of that received by the average nonfarm family.

Steadily rising costs are still eating up the major portion of the increase in gross farm income, forcing upon the farmer a cruel cost-price squeeze. Almost one-half of our Nation's poor live in rural areas.

Farming communities have three times the proportion of dilapidated and substandard homes as the rest of the Nation.

Three-quarters of those employed as farm laborers earned less than $2,000 a year in cash wages from all sources.

Our task, therefore, is threefold: First, to maintain and improve farm income, strengthening the family farm in particular; second, to use our food abundance to raise standards of living both at home and around the world; and third, to accelerate the development and conservation of both material and human resources in rural America, where one-third of our citizens live.

Policies to strengthen the economy of rural and urban areas must go hand-in-hand. Prosperity on the farm gives impetus to prosperity in the city. New uses of land and water which are no longer required to produce food and fiber can serve the needs of both urban and rural residents.

The family farm is, and should remain, the key production unit. Exposed over the years to the most severe comparative and competitive tests, it has proved itself to be the best adapted to the American free enterprise system.

I. STRENGTHENING AMERICAN AGRICULTURE

The agricultural commodity programs developed during the past 30 years have served us well. They are now an indispensable bulwark of our agricultural economy. Without them our food supply would be much less secure than it is today.

But they are in need of improvement. New conditions arising from the technological revolution in agriculture present a special challenge—a challenge based upon the problems of abundance rather than scarcity.

Food and fiber policies must reflect the opportunities as well as the problems which accompany abundance. The need to consider our agriculture policies in this light has recently been reflected in joint resolutions introduced in both Houses of the Congress which would establish a bipartisan commission to study the food and fiber programs of the United States. The programs which I am proposing to the Congress in this message, reflect in turn, my own determination to view our agricultural abundance as an opportunity for achievement rather than a cause for alarm.

Those commodities requiring immediate attention are cotton, wheat, dairy products, sugar, and potatoes. At present, the programs for these foods and fibers serve neither the producers, the consumer, nor the taxpayer as well as they should.

1. Cotton: The needs of neither the cotton grower, the cotton handler, the cotton textile mill, nor the consumer are being satisfied by the existing legislation. The cotton industry as a whole is our second largest. More than 1 million people are engaged in growing cotton—an additional 1.5 million people are employed in the production of cotton cloth and cotton products for consumers—and additional millions work in firms which supply the goods, machinery and services to the industry.

Domestic cotton prices are much higher than world prices. Consequently, our textile mills must pay more for cotton than their foreign competitors.

In addition, despite the fact that the 1963 acreage allotment was held to the statutory minimum, sharply increased farm yields, combined with a continuing loss of markets—as cotton products are displaced by imports and by other fibers—has caused a sharp rise in the inventories of cotton held by the Commodity Credit Corporation. The carryover on August 1 will be almost 2 million bales higher than it was last year—adding over $300 million to the cost of the cotton program. The carryover will be enough to supply our domestic needs for 18 months.

Several legislative proposals are now pending before the Congress to deal with this program. I recommend the enactment of legislation which will (1) make cotton more competitive with other fibers and eliminate the inequity of the present two-price system under which cotton used domestically is priced substantially higher than cotton sold for export; (2) make it possible for growers who desire to do so to produce cotton at world prices, without any subsidy, on a basis which will not add to our stocks; and (3) maintain the income of cotton growers while reducing excessive carryover stocks.

2. Wheat: Changes in the wheat program are urgently needed to check a drastic decline in producer income from the 1964 crop. In the absence of additional legislation it is estimated that wheat producers will receive between $500 million and $700 million less in 1964 than they did in 1963.

I recommend that the existing law be amended to permit producers to participate in a certificate program on a voluntary basis. The law should be designed to (1) raise the income of wheat growers substantially above what it would be in the absence of new legislation; (2) avoid increases in budgetary costs; (3) maintain the price of wheat at a level which will not increase the price of bread to the consumer, and (4) enable the United States to discharge its responsibilities and realize the benefits of the International Wheat Agreement.

In order to be effective for the 1964 wheat crop, the legislation must be enacted immediately. I urge prompt consideration and disposition of this legislation.

3. Dairy: Modern dairying requires a large capital investment and a high degree of technical skill. No industry is more important to our health. Yet income to many efficient farmers is cruelly low, and this year it was reduced considerably by drought in many areas. I believe that a system for voluntary adjustment of output is the key to a successful dairy program. I recommend legislation to (1) provide incentives to dairy farmers to reduce surplus production and (2) permit producers in Federal milk marketing order areas, through a "base excess plan" to reduce their production of milk without reducing their share of the class I market.

4. Sugar: The rise in sugar prices in 1963 reflected a reduction in world supplies. The Cuban crop was about one-half the pre-Castro level. Europe had two poor sugarbeet crops. But the fears voiced last year that the United States would be unable to obtain sufficient sugar proved groundless. Action by the Department of Agriculture assured sugar users an adequate supply and helped halt the price increases that attended heavy buying in anticipation of shortages.

However, the experience of the past year—and the fact that foreign sugar quotas expire at the end of 1964—highlight the need for some action at this session of Congress to assure ample supplies of sugar to consumers at fair prices.

I recommend the removal of marketing restrictions on the sale of domestically produced sugar during the calendar year 1964. This legislation will relieve the pressure on world market supplies at a time when these supplies are short.

The effectiveness of our present arrangements for foreign sugar procurement are under intensive study. On the basis of this study I shall—early in this session—make recommendations for remedial legislation.

5. Potatoes: Potato production is vulnerable to extreme price fluctuations resulting from wide variations in production. I recommend the enactment of legislation which will permit potato producers, if they so approve by referendum, to be given acreage allotment and marketing quotas aimed at stabilizing potato prices.

6. Strengthening cooperatives: Farmers should be encouraged to maintain their position in the marketplace through their own efforts, and to utilize cooperative organizations for this purpose. This has been the declared policy of the Congress for many years, and the extremely large capital investments required in modern farming have increased the need for such cooperatives to furnish harvesting, storing, processing, transporting, and marketing services, as well as electric and telephone services and other consumer needs, as a means of increasing net farm income. New legislation is needed to clarify the right of cooperatives to expand their operations by merger and acquisition. I shall shortly transmit to the Congress, also, legislation to provide additional credit facilities to permit rural cooperatives to assume additional responsibilities in the war to combat poverty.

7. Futures trading: Trading in futures contracts on commodity exchanges is an old and valuable method of providing essential pricing service to farmers, processors, and handlers. When adequately policed and protected, it is an essential means of shielding producers from the hazards of major price fluctuations. Yet it is clear that the present authority of the Secretary of Agriculture—which covers trading of an annual value of nearly $50 billion—is inadequate for effective supervision of the futures markets. Accordingly, I shall shortly transmit to the Congress legislation to remedy the defects of the present law without impairing the basic operations of commodity exchanges.

8. Shifting cropland to less intensive uses: One of the major problems facing American agriculture today involves the balance between land devoted to various crops and land used for other purposes. Cropland should be sufficient to produce all of the food and fiber we can expect to consume at home and export abroad; and all land not needed for this purpose should be shifted to other uses.

Rental contracts on 7.4 million acres of cropland that were placed in the conservation reserve between 1956 and 1960 expired December 31, 1963. That program was expensive, for it was designed—not to encourage long-term shifts of land to more desirable uses—but as a short-term measure. In its place I recommend a program which encourages the permanent transfer of excess cropland into trees, grass, wildlife habitat, outdoor recreation and other uses for which there is a growing public demand.

The Agricultural Act of 1962 authorized a pilot program of this kind under which $10 million is the maximum available. This limitation should be increased to $50 million.

9. Market power: There is one more pressing need if American agriculture is to be strengthened. The recent changes in the marketing structure for distribution of food are as revolutionary as those in production. There are some 200,000 retail grocery stores, but we know that $1 out of every $2 spent for groceries goes to fewer than 100 corporate, voluntary, or cooperative chains. Our information about how this greatly increased concentration of power is affecting farmers, handlers, and consumers is inadequate. The implications of other changes that take place as vertical integration and contract farming have not been fully explored. I urge that the Congress establish a bipartisan commission to study and appraise these changes so that farmers and business people may make appropriate adjustments and our Government may properly discharge its responsibility to consumers.

II. INCREASING THE USE OF AGRICULTURAL ABUNDANCE

1. Domestic food distribution programs: Inadequate and poorly balanced diets both accompany and contribute to low income and low productivity. We now distribute surplus foods to nearly 6 million needy Americans.

Under the pilot food stamp program, initiated administratively in 1961, needy people in 43 areas can increase their food purchases through regular commercial channels. I recommend legislation to place this program on a permanent basis and to make it more widely available.

The school lunch program now insures nutritious lunches in 68,000 schools to one-third of the schoolchildren of the Nation. Federal funds to be provided for the attack on poverty should be used to enable schools in eligible low-income areas to install food preparation facilities necessary to permit participation in the school lunch program.

As a part of our war on poverty, I am directing the Secretary of Agriculture to give special attention to our hardest-hit areas in all of the food distribution programs.

2. Food for peace: The immense efficiency of American agriculture is dramatically illustrated to the rest of the

world by our food-for-peace program. Under this unprecedented effort, the United States has supplied nearly $11 billion worth of food and fiber to over 100 countries. It is a powerful instrument of our foreign policy—directed toward peace, progress, freedom, and human dignity.

Food for peace serves many purposes: it feeds the hungry throughout the world; it is both symbolic of our concern for the less fortunate and concrete evidence of our own system's success; it furnishes resources for investment in the developing countries; and it opens up a productive outlet for current farm surplus while developing new commercial markets for future output.

Titles I and II of this law expire on December 31, 1964. Under title I—the principal authority for the food-for-peace program—sales of agricultural commodities are made for foreign currencies. Under title II, grants of food and other agricultural commodities are made to needy people abroad. I recommend extension of both of these titles for 5 years.

III. RURAL AREAS DEVELOPMENT

We have declared a relentless war on poverty in America. Our goal is not merely relief for the poverty stricken. We must undertake measures that will give the poor an opportunity to become productive citizens. No one weapon is enough. I shall shortly transmit to the Congress a special message on poverty. It will apply to both urban and rural people. The varied resources of many Federal agencies and of the State and local governments must be joined together. Better education, training, health services, and housing must be provided. Measures to increase the ability of our poorest citizens to become more productive must be devised, not as temporary relief, but as an investment in human resources.

The economic distress of many small communities is frequently different from its counterpart in the larger cities. There are many problems of those who use farming as a part-time occupation and must find their major livelihood in town; the special problems of the rural aged, and many others. I am asking the Secretary of Agriculture to increase the efforts of the Department in devising an effective attack on these problems, and to utilize the newly created Rural Development Committee in order to bring to bear the resources of other departments and services on these problems.

Much progress has been made under the Watershed Protection and Flood Prevention Act passed by the Congress 10 years ago. Watershed developments are now underway in more than 500 communities. Over 40 percent of these developments have multipurpose objectives, combining watershed protection and flood prevention with recreation, irrigation, fishing, and municipal water supply. These projects, though small, are of vital importance to rural areas. I recommend, therefore, that the Congress enact legislation to increase the project limitation of floodwater detention capacity from 5,000 acre-feet to 12,500 acre-feet.

Better use of our timber, wildlife, scenic, and other renewable resources of forest land presents a related and major challenge. Economically distressed areas often exist where there are heavy concentrations of forest land. Yet there is a great backlog of work to be done in these forests that can both provide employment and strengthen our economy. I am directing the Department of Agriculture to speed completion of a comprehensive review and appraisal of our timber resources, and to accelerate forest research to find new methods of wood utilization, better timber management techniques, improved fire protection, and more effective use of forest ranges.

More than a million rural families live in houses in such poor condition that they endanger the health and safety of the occupants. Another 3 million live in homes that need major repair. About one-third of our older citizens live on farms and in small country towns and villages—and too often their homes are poorly heated and lack bare necessities such as running water.

I renew the recommendation in the message on housing that the expiring authorization in the Housing Act of 1949 to insure loans on rental housing for the rural elderly be extended, and that the Congress authorize an insured loan program of reasonable dimensions in order to enlist the resources of private lenders in the construction of rural housing.

Among the poorest housed families are our 400,000 migratory farmworkers. They frequently live in shelters little better than the ditch-bank housing of the thirties. I recommend that the Congress enact legislation broadening the assistance available to provide better housing for migratory workers and other farm laborers.

IV. CONCLUSION

Our agricultural problems are deep-seated. Yet they are problems of abundance, not of scarcity. They tax our ingenuity, but they do not—unlike the situation in many other nations—form a bottleneck to economic growth. We must continue to seek methods for reconciling the needs of our farm families for a decent income with the necessity of making this abundance available at reasonable prices for domestic consumption and export. The improvements in farm commodity programs which I am recommending are a major step in that direction.

We must also look beyond agriculture to rural America as a whole. Fifty-five million Americans live in rural areas. Too many of them have not had an opportunity to acquire the education, skills, and earning power which their talents warrant. For too many of them the rural environment has proven a hindrance to a full life rather than the advantage it rightly can be. In this message, in my housing message, and in forthcoming special messages on poverty, education, and health, I am proposing a series of actions which will assist rural America to realize the promise of its potential—to carry out the Federal Government's responsibility to help these citizens help themselves. We have made great progress in recent years—but we can and must do better.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *January 31, 1964.*

PRESIDENT JOHNSON'S AGRICULTURE MESSAGE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentlewoman from Missouri [Mrs. SULLIVAN] may extend her remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mrs. SULLIVAN. Mr. Speaker, as the sponsor of H.R. 8107, the administration's bill to authorize a permanent, nationwide food stamp program, I am pleased that President Johnson has again expressed his strong interest in this legislation, as he did previously in his state of the Union message. The pilot food stamp plans now operating in 43 areas of the country, including St. Louis, were initiated by President Kennedy using section 32 funds, and if the program is to be expanded, we must now pass enabling legislation authorizing direct appropriations.

The pilot plans have proved to be efficient and effective programs for assuring well-rounded, nutritious and appetizing diets for our lowest income families. Those who qualify for the food stamp program shop in the regular neighborhood grocery stores, purchasing any domestic food items they want out of their monthly allotment of stamps. They must buy these stamps with the money they would normally be expected to spend for food out of their limited incomes; in turn, they receive a sufficient dollar value of stamps to enable them to buy an adequate diet for their family. This plan works, and it eliminates all of the many abuses and disadvantages of the direct distribution method, at no greater cost to the public.

As chairman of the Subcommittee on Consumer Affairs of the House Committee on Banking and Currency, I am glad to note several other references in the President's agriculture message of great importance to urban consumers as well as to farmers. The need for sugar legislation is an example. Also, a complete review of trading in futures on all commodity exchanges is long overdue, as our study into sugar prices and speculation in sugar futures has been showing, and as the 1954 Federal Trade Commission investigation of coffee futures trading also proved, and as the recent scandal in soybeans further demonstrated.

Futures trading is undoubtedly important to an orderly marketing of many commodities, but wide gyrations in futures prices, often based on factors completely irrelevant to current supply situations, have cost consumers untold hundreds of millions of dollars in higher prices for food products.

PRESIDENT SHOWS CLEAR UNDERSTANDING OF FARM PROBLEMS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, I wish to commend the President of the United States on his farm message to the Congress, on his understanding of the problems of agriculture and rural America, and on his proposals to strengthen the economy of the rural as well as the urban areas of this land.

As the President so forthrightly stated, policies to strengthen the economy of rural and urban areas must go hand in hand.

And, as the Chief Executive so ably stated, the family farm is, and should remain, the key production unit of our agricultural economy.

I am glad to see, Mr. Speaker, that the President recognizes that our task is threefold—to maintain and improve farm income, to use our food abundance to raise standards of living at home and abroad, and to accelerate the development and conservation of both material and human resources in rural America.

President Johnson made a clear and unmistakable call for maintaining and strengthening and improving the agricultural commodity programs that have served us well for 30 years—the programs for cotton, wheat, dairy products, and sugar.

There are sharp differences, I know, in the Congress on just how to handle these commodity problems. But it is time for us all to close ranks and get together on solutions.

This Nation can ill afford to drift without adequate wheat legislation this year or to sit idly by and do nothing about cotton while we are losing our world markets and destroying our own domestic textile industry through inaction.

Mr. Speaker, I also am glad to see that the President recognizes the need for strengthening farm cooperatives, for stricter supervision of futures trading on the commodity exchanges, for the shifting of unneeded cropland to other uses, and for a study of farm marketing systems.

We should all join behind the President, too, in his program to increase the use of our agricultural abundance by expanding the food stamp program to aid the needy in our own country and by extending the food-for-peace program to help feed the hungry peoples of the world.

And, finally, Mr. Speaker, I commend our Chief Executive for his war on poverty in America, one in which we all must join, and for his call for increased rural areas development to strengthen the faltering economy of rural America.

The President's farm message was a high call for action by the Congress, Mr. Speaker, and I hope that here in the House of Representatives we can give full support to so worthy a program.

PRESIDENT'S MESSAGE REVEALS PROGRESS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. Matthews] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MATTHEWS. Mr. Speaker, while the President's farm message gave primary emphasis to what must be accomplished in the days ahead, there is cause for satisfaction in his brief review of the accomplishments of this administration.

A gain of 16 percent in net income per farm since 1960, a 20-percent gain in bank deposits in agricultural counties, a reduction of $230 million a year in Government costs associated with surplus grain storage represents significant progress.

As we accelerate our efforts to make our food abundance more effectively serve both its producers and consumers, we are starting from a much higher plateau than that of January 1961. The job ahead is going to be easier because of this progress.

The President's call for congressional and public support of his farm message proposals carries a firm endorsement in the record of the past 3 years.

PRESIDENT LYNDON B. JOHNSON IN HIS MESSAGE ON AGRICULTURE URGED CONGRESS TO HELP HIS ADMINISTRATION FURTHER HELP THE NATION'S FARMERS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. Morrison] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MORRISON. Mr. Speaker, the President has made quite clear his understanding of agriculture and its problems in his farm message delivered to Congress today.

In this message he has set forth realistic proposals to meet many of the problems agriculture faces in this year 1964 and in coming years. He has set forth a realistic and passable program that would move us forward toward a stronger agriculture, greater prosperity in the rural areas, and a stronger, better fed Nation.

But at the same time the President has set forth many of the problems facing agriculture. He also has enunciated the many gains agriculture has made since 1960. Too often, it seems to me, we forget that agriculture is one of America's success stories. Too often, it seems to me, the headlines seem to play up the difficulties agriculture is facing and the successes are sometimes forgotten.

It is a dramatic story that he tells—agriculture income up—net income per farm up—Government surpluses down—exports up—rural area economic improvement increasing.

Often, in our history, troubles in the rural agricultural areas have preceded national economic difficulties. The successes in agriculture since 1960, as set forth by the President, are one of the reasons that in the last 3 years our Nation has had increasing periods of prosperity.

When the farmer is in a healthy economic condition, this not only benefits him, it benefits our Nation as a whole.

The President shows that he realizes this and has proposed action that will protect the gains and bring future successes.

ANNUAL REPORT OF THE U.S. CIVIL SERVICE COMMISSION FOR FISCAL YEAR ENDED JUNE 30, 1963—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 263)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Post Office and Civil Service, and ordered to be printed with illustrations:

To the Congress of the United States:

I transmit herewith the Annual Report of the U.S. Civil Service Commission for the fiscal year ended June 30, 1963.

Lyndon B. Johnson.

The White House, *January 31, 1964.*

THE LATE HONORABLE FRANKLIN DELANO ROOSEVELT, FORMER PRESIDENT OF THE UNITED STATES

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, as no citizen of the world could forget, this is the anniversary of the birthday of one of the great men of all time; one of the outstanding Presidents in the history of the United States. Franklin Delano Roosevelt, more than any other man in this century, has shaped the destiny of this country. Perhaps more than any man ever to serve as President, he has left his imprint on the future of the United States. His administration truly bridged the gap between 19th and 20th century America. His name and his influence are upon all of those great landmarks of progressive legislation designed for the welfare of his fellow man and designed to upgrade America in this generation and for generations to come. A man of extraordinary ability, he served as President of the United States longer than any man in history. His contributions must rank along with those of Washington, Jefferson, Jackson, Lincoln, Wilson, Theodore Roosevelt, Cleveland, and McKinley. He was the idol of the American people. They loved him, because he served them so well.

GENERAL LEAVE TO EXTEND

Mr. Speaker, I ask unanimous consent that all Members desiring to do so may extend their remarks on this subject at this point in the RECORD and may have 5 legislative days in which to extend their remarks on the services of the late great President of the United States, Franklin Delano Roosevelt.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, it is with great pleasure that I announce that there will be presented today to the world renowned entertainer, Eddie Cantor, a special commendation from the President of the United States. The Governor of California, the Honorable Edmund G. "Pat" Brown will present the award in the President's behalf at Mr. Cantor's home in Beverly Hills, Calif., this afternoon.

Though we are all aware and appreciative of Mr. Cantor's many talents in the entertainment field, he is particularly loved by many of us for his devotion to charitable organizations, and it is his extraordinary dedication in this area that the President has saluted in his commendation, which reads as follows:

> The President of the United States of America awards this commendation to Eddie Cantor for distinguished service to the Nation. During his illustrious career Mr. Cantor has given unstintingly of his time, talent, and energy to humane causes of every description, lightening the personal burdens of the people of the Nation. His efforts have made possible major achievements in the constant struggle against disease and poverty. He has exemplified the spirit of selflessness, courage, and service that reflects the highest credit upon himself and his country. He has earned the esteem and admiration of his countrymen and the enduring gratitude of this Republic.

Today the Members of the House are wearing white carnations in honor of my father's birthday, which was yesterday. As you all know, father suffered severely from polio, and more than 25 years ago he called upon Mr. Cantor to help inaugurate a campaign to combat infantile paralysis. It was Eddie's suggestion that every American send in one dime to the White House, and he coined the phrase "March of Dimes." That first campaign in 1938 successfully focused public attention on the dreadful tragedies of the disease, and so the national foundation was born. Now polio has been virtually eradicated as a public health problem.

Mr. Cantor has well deserved and long earned this wonderful Presidential commendation. Still pending before the House is a joint resolution which I introduced during the last session to authorize the President to express the high esteem and appreciation of all the American people through the issuance of a gold medal to Eddie Cantor, and I am hopeful that the President's action will inspire the House to act favorably on House Joint Resolution 276 so that the public may share in paying tribute to Mr. Cantor for his generous expression of love to his fellow men.

Mr. HOLLAND. Mr. Speaker, I should like to join with my colleagues in commemoration of the birthday of our late President—Franklin Delano Roosevelt.

As one who served in the 77th session of the Congress—under his leadership—I have witnessed, over the years, the normal, everyday acceptance of many programs which he originated. Programs, I might add, which were considered—25 years ago—to be radical and unsound.

Yet, had he not had the courage and the foresight to initiate and get enacted into law the social security program, the Wagner Act, the Davis-Bacon Act, the Fair Labor Standards Act, and many others we still have on the books, where would this Nation of ours be today?

What shape would our economy be in, right now, if we did not have unemployment compensation, public assistance, social security pensions, and social security disability benefits, and public works programs—based on the pattern he established whereby the Federal Government steps in to create jobs through the construction of long-needed public improvements? Remember the NYA—it took our unemployed youth off the streets and made good citizens out of many of them.

Mr. Speaker, President Roosevelt helped this Nation—its people and its industries—to live with and prosper and benefit from the impact of the mass production line. We now must learn to live with, prosper and benefit from the impact of automation. We must find a method by which its benefits are enjoyed by the many—not just the few. And we must provide the facilities by which our people can be prepared to live and work in an industrial society which technology will develop, and one which we, right now, probably have difficulty in comprehending.

President Roosevelt was a dedicated man and an inspired leader.

He cannot return we know, but his acts and deeds can serve as an example for others to follow and I know many of us do.

Mr. ELLIOTT. Mr. Speaker, the life of Franklin D. Roosevelt was an inspiration to all America. He was the matchless leader who brought hope to the breast of the common people when there was great despair and economic desolation everywhere.

He gave our country the determination to go on and rebuild our free enterprise system with built-in protection to our citizens throughout the system.

When World War II came on, President Roosevelt turned his great leadership talents to leading our Nation and our people through that conflict to victory.

We salute his memory here today, and give thanks that we were privileged to feel the warmth and stability of his leadership.

PRIVILEGE OF THE HOUSE

Mr. HOLIFIELD. Mr. Speaker, I rise to a question of the privilege of the House.

The SPEAKER. The gentleman will state his question.

Mr. HOLIFIELD. Mr. Speaker, I have been subpenaed to appear before the District of Columbia Court of General Sessions, Domestic Relations Branch, to testify on the 3d day of February 1964, at 10 a.m., in the case of Mary McCormac Sheppard against Frank C. Sheppard.

Under the precedents of the House, I am unable to comply with this subpena without the consent of the House, the privileges of the House being involved. I therefore submit the matter for the consideration of this body.

I send to the desk the subpena.

The SPEAKER. The Clerk will read the subpena.

The Clerk read as follows:

DISTRICT OF COLUMBIA COURT OF GENERAL SESSIONS, DOMESTIC RELATIONS BRANCH

MARY M'CORMAC SHEPPARD, PLAINTIFF, *v.* FRANK C. SHEPPARD, DEFENDANT

(Civil action No. D 1921–61)

To Congressman CHESTER HOLIFIELD, Room 1236, New House Office Building, Washington, D.C.:

You are hereby commanded to appear in this court to give testimony in the above-entitled cause on the 3d day of February 1964, at 10 o'clock a.m.

WALTER F. BRAMHALL,
Clerk of the Court.
By B. WAGNER,
Deputy Clerk.
JOHN GEYER TAUSIG,
Attorney for Defendant.

Mr. ALBERT. Mr. Speaker, I offer a resolution.

The Clerk read as follows:

H. RES. 617

Whereas Representative CHET HOLIFIELD, a Member of this House, has been served with a subpena to appear as a witness before the District of Columbia Court of General Sessions, Domestic Relations Branch, to testify at Washington, District of Columbia, on the third day of February 1964, in the case of Mary McCormac Sheppard against Frank C. Sheppard, Civil Action No. D 1921–63; and

Whereas by the privileges of this House no Member is authorized to appear and testify, but by order of the House: Therefore be it

Resolved, That Representative CHET HOLIFIELD is authorized to appear in response to the subpena of the District of Columbia Court of General Sessions, Domestic Relations Branch, in the case of Mary McCormac Sheppard against Frank C. Sheppard, at such time as when the House is not sitting in session; and be it further

Resolved, That as a respectful answer to the subpena a copy of these resolutions be submitted to the said court.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present.

Mr. **ALBERT**. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 20]

Bates
Brademas
Cameron
Davis, Tenn.
Ford
Fulton, Tenn.
Johnson, Calif.
King, N.Y.
Laird
Lipscomb
McClory
McIntire
May
Montoya
Moss
Murray
O'Brien, Ill.
Passman
Pepper
Pool
Powell
Purcell
Rhodes, Ariz.
Roberts, Tex.
Rogers, Tex.
St. George
Staebler
Thompson, Tex.
White
Wright

The **SPEAKER**. On this rollcall 400 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CIVIL RIGHTS ACT OF 1963

Mr. **MADDEN**. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 616 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for four years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed ten hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any points of order the substitute amendment recommended by the Committee on the Judiciary now printed in the bill, and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill, and shall be read by titles instead of by sections. It shall also be in order to consider, without the intervention of any point of order, the text of the bill H.R. 980, 88th Congress, as an amendment to the said committee substitute amendment. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

The **SPEAKER**. The gentleman from Indiana [Mr. MADDEN] is recognized for 1 hour.

Mr. **MADDEN**. Mr. Speaker, this Resolution No. 616 calls up for consideration H.R. 7152, the first really comprehensive civil rights legislation in our history.

This bill is composed of eight titles dealing with the major problems concerning constitutional rights of American citizens. The Judiciary Committee of the House has held hearings and has deliberated weeks and months on provisions set out in these major titles dealing with Title I: Voting; Title II: Public Accommodations; Title III: Public Facilities and Authority of the Attorney General To Intervene in Equal Protection Cases; Title IV: Education; Title V: Civil Rights Commission; Title VI: Nondiscrimination in Federally Assisted Programs; Title VII: Equal Employment Opportunities; and Title VIII: Registration and Voting Restrictions.

Yesterday, the Rules Committee completed hearings which started on January 9. This resolution calls for an open rule with 10 hours debate and waiving all points of orders. Amendments to be offered to this legislation will be to each separate title.

The Rules Committee heard the testimony of 40 Members of Congress, consisting of proponents and opponents. No doubt, we will hear during this debate numerous charges that this legislation is saturated with unconstitutional provisions, and if enacted, will build up a monumental bureaucracy. I do hope all Members will remain on the floor during these extended discussions and learn firsthand complete facts regarding the contents of this legislation so they can vote with intelligence and knowledge on various amendments, which, I presume, will be offered. I have great faith in the good judgment of the House Members that if any provisions of this bill are unconstitutional, they will be deleted or amended.

JUDICIARY COMMITTEE

The Judiciary Committee which reported this civil rights legislation is composed of 35 experienced and high-grade lawyers. These members are schooled in parliamentary and legislative procedure. I cannot imagine a majority of the Judiciary Committee, trained in the law, voting for legislation so filled with unconstitutional boobytraps as charged by some of the bill's opponents. I think the members of the Judiciary Committee should be commended for the outstanding work and sacrifice they have made in devoting weeks and months to this complicated legislation. This debate gives a great opportunity for the Members of the House to learn from these experienced lawyers regarding the contents of this bill as to constitutionality and effectiveness in extending protection to the constitutional rights of all our people.

Congressmen CELLER, McCULLOCH, and ROGERS, Minority Leader HALLECK, Congressman BROWN, and other leaders on both sides, have worked in a highly unpartisan manner to succeed in bringing this legislation on the floor of the House. In my long service in Congress, this is the first major legislation on a controversial issue in my memory, wherein the provisions set out therein are almost identical with the platforms of the two major parties in the immediately preceding presidential election. This morning, I hold here in my hand copies of the 1960 platforms adopted at the Republican and Democratic National Conventions, and in a few minutes, I want to read some of the excerpts from both the Republican and Democratic planks on civil rights—the issues which both major parties used in their presidential and congressional campaigns of 1960.

For that reason, both major political parties are to be commended for supporting a major bill of this importance in carrying out their national party platforms.

VOTING

This legislation set up protections for all citizens to avail themselves of their basic right to vote in a free American election. This gives the disenfranchised citizens preferential and immediate remedies in courts so they can exercise their franchise, the greatest basic privilege possessed by all Americans.

SCHOOL DESEGREGATION

The bill provides constitutional remedies and financial assistance to aid school districts in the process of desegregation in compliance with the Constitution.

PUBLIC ACCOMMODATIONS

This legislation gives the Attorney General and the aggrieved citizen authority to institute a civil action in Federal court against any person who denies an individual, because of race, color, religion, or national origin, access to public transportation, interstate travel, public eating houses, hotels, admission to places of exhibition and public entertainment, and other establishments supported by public taxation. These provisions are limited in minor restrictions and exemptions considering the magnitude of the public operation as to size and scope of the business.

CIVIL RIGHTS COMMISSION

The Civil Rights Commission is to be made permanent and is authorized to serve as a national clearinghouse for information in respect to equal protection of the laws.

NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS

Each Federal department or agency, empowered to extend financial assistance by way of grant, contract, or loan, is authorized to terminate or withhold financial assistance to any recipient who, on account of race, color, or national origin, excludes citizens from participation or benefits thereof.

EQUAL EMPLOYMENT OPPORTUNITY

This legislation provides that there shall be no discriminatory practice by employers having 25 or more employees in the hiring, promotion, compensation, or other employment practices of an employee or an individual seeking employment.

REGISTRATION AND VOTING STATISTICS

Under this title, the Secretary of Commerce, through the Bureau of the Census, is to conduct a survey and make a compilation of voting statistics for the purpose of counting persons of voting age by race, color, and national origin, and for the determination of the extent to which such persons are registered to vote and individuals voting in any Federal election since January 1, 1960. This compilation shall be made in the geographical areas recommended by the Civil Rights Commission.

Some 30 States and numerous cities covering some two-thirds of this Nation's population have already enacted laws against discrimination in places of public accommodations—many in response to the recommendation of President Truman's Committee on Civil Rights in 1947. The failure of more States to take effective action makes it clear that this Federal legislation is necessary. The voluntary approach has been tried but has been found unable to eliminate widespread discrimination. Clearly, the Federal Government has both the power and the obligation to eliminate these discriminatory practices. Congress has been specifically empowered under the 14th amendment to enact legislation to make it a certainty that no State laws will sanction or give unequal protection or treatment to any of its citizens.

CONSTITUTIONALITY

The enactment of this legislation is clearly consistent with the Constitution and our concepts of both human rights and property rights. The courts have consistently rejected the theory that it is unconstitutional to interfere with the rights of citizens as they pertain to restrictions on voting laws, minimum wages, collective bargaining, air pollution, smoke control, pure food laws, and countless other measures designed to make certain that the use of private property must be utilized in conformity with the public interest.

Next week, a great number of our Members have set up a program to extoll President Abraham Lincoln on the anniversary of his birth. History reveals that in issuing his Emancipation Proclamation 100 years ago, he was accused by many of violating the property rights of slave owners. It is farfetched to believe that a man engaged in soliciting business from the American public for profit has an inherent right to exclude part of that public on the grounds of his race or color. Both human rights and property rights are basic foundations of our society, and the combination of both is highly essential to our economy.

CITIZENS IN WAR AND PEACE—WORLD WARS I AND II

Our Nation has fought to preserve liberty and freedom in a number of wars. The heroes who fought and died in World Wars I and II, as well as in the Korean war, saw no signs erected marked "White" or "Colored" in the trenches, foxholes, battleships, or in Flanders Field.

It is a deplorable situation that 100 years after the emancipation, it should be necessary for an American citizen to demonstrate in the streets for the opportunity to stop at a hotel or to eat at a lunch counter in the very department store where he is shopping, or to enter a motion picture house, recreation area, or other public places of accommodation on the same terms as any other customer.

The great struggle for civil liberties is a moral struggle demanding the effort of every American citizen who believes in democracy and freedom for themselves. They also should realize that freedom for minorities is indivisible with freedom for the majority and that unless everyone enjoys freedom, no one's freedom is secure. That is probably why all the major churches in the land, Protestant, Catholic, Jewish, and others, have endorsed the legislation which we are about to consider in Congress today.

CIVIL RIGHTS BILL OF 1960

In 1960, civil rights legislation was paralyzed and emasculated by a bitter and carefully calculated debate and filibuster.

It was severely weakened by amendments and its failure to provide sufficient power to enforce its provisions and to enact certain safeguards for other minority groups, and proved to be a weak watered-down bill in final form. It failed to make effective provisions for employment to improve the unemployment situation as it pertained to Negroes. In 1947 to 1951, the rate of unemployment for Negro men and women was 50 percent more than it was for whites.

This measure provides effective consideration for proper educational facilities for millions of the Negro children in America.

Both Presidents Kennedy, and Johnson, Eisenhower and Truman have urged the Congress for effective action on civil rights legislation. The time for citizenship equality for all Americans is here.

What greater event could come about in 1964 to 15 percent of our population than to realize that final victory is at hand. To be attained, not by demonstrations, sitdowns, and riots but by peaceful legislative processes under our Constitution. Both major political parties adopted strong, almost identical civil rights planks in their national platforms at their 1960 national conventions. To refresh the minds of our Members, I hereby read excerpts and pledges from the 1960 Republican and Democratic presidential election platform.

FROM 1960 REPUBLICAN PLATFORM CIVIL RIGHTS SECTION

Equality under law promises more than the equal right to vote and transcends mere relief from discrimination by Government. It becomes a reality only when all persons have equal opportunity, without distinction of race, religion, color or national origin, to acquire the essentials of life—housing, education, and employment.

We supported the position of the Negro schoolchildren before the Supreme Court. We believe the Supreme Court school decision should be carried out in accordance with the mandate of the Court.

The President's Committee on Government Contracts, under the chairmanship of Vice President Nixon, has become an impressive force for the elimination of discriminatory employment practices of private companies that do business with the Government.

Other important achievements include initial steps toward the elimination of segregation in federally aided housing; the establishment of the Civil Rights Division of the Department of Justice, which enforces Federal civil rights laws; and the appointment of the bipartisan Civil Rights Commission, which has prepared a significant report that lays the groundwork for further legislative action and progress.

We pledge: continued vigorous enforcement of the civil rights laws to guarantee the right to vote to all citizens in all areas of the country.

Legislation to provide that the completion of six primary grades in a State accredited school is conclusive evidence of literacy for voting purposes.

The Department of Justice will continue its vigorous support of court orders for school desegregation. Desegregation suits now pending involve at least 39 school districts. Those suits and others already concluded will affect most major cities in which school segregation is being practiced.

We will propose legislation to authorize the Attorney General to bring actions for school desegregation in the name of the United States in appropriate cases, as when economic coercion or threat of physical harm is used to deter persons from going to court to establish their rights.

Our continuing support of the President's proposal, to extend Federal aid and technical assistance to schools which in good faith attempted to desegregate.

We pledge continued support for legislation to establish a Commission on Equal Job Opportunity to make permanent and to expand with legislative backing the excellent work being performed by the President's Committee on Government Contracts.

We pledge action to prohibit discrimination in housing constructed with the aid of Federal subsidies.

We pledge removal of any vestige of discrimination in the operation of Federal facilities or procedures which may at any time be found.

Opposition to the use of Federal funds for the construction of segregated community facilities.

Action to insure that public transportation and other Government-authorized services shall be free from segregation.

We pledge our best effort to change present rule 22 of the Senate and other appropriate congressional procedures that often make unattainable proper legislative implementation of constitutional guarantees.

We reaffirm the constitutional right of peaceable assembly to protest discrimination by private businessmen who have abandoned discriminatory practices in retail establishments, and we urge others to follow their example.

Finally, we recognize that civil rights is a responsibility not only of States and localities; it is a national problem and a national responsibility. The Federal Government should take the initiative in promoting intergroup conferences among those who, in their communities, are earnestly seeking solutions of the complex problems of desegregation—to the end that closed channels of communication may be opened, tensions eased, and a cooperative solution of local problems may be sought.

In summary, we pledge the full use of the power, resources, and leadership of the Federal Government to eliminate discrimination based on race, color, religion, or national origin and to encourage understanding and good will among all races and creeds.

The Democratic presidential election platform of 1960 contains in general similar planks and pledges like the Republican platform of 1960, and I shall not take the time of the Members in reading the various excerpts and planks in order to avoid repetition.

Mr. Speaker, I reserve the balance of my time.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from Colorado.

Mr. ASPINALL. I do not believe I am oversensitive about the jurisdiction of the committee I have the honor to chairman, but will the gentleman point out how they lifted H.R. 980, which has been assigned to my committee by the Speaker of the House, and made it in order as an amendment to H.R. 7152 without any consideration by the committee having jurisdiction?

Mr. MADDEN. I would like to explain, but I promised time to others.

Mr. ASPINALL. That is the most inclusive and enlightening explanation that I have ever had of any question that I have asked in all seriousness.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. POFF].

Mr. POFF. Mr. Speaker, I will not address myself to the substance of the bill, nor will I undertake to evaluate the political implications involved. We are now discussing the rule written to govern the time and terms of debate on this legislation. It occurs to me that we might also usefully consider some of the unwritten rules which should govern our conduct in the course of debate. The subject of the debate is one which inescapably stirs the deepest emotions of men who hold the strongest convictions. No other kind of men populate this Chamber, because the American people do not choose as their representatives men without conscience or men without spirit.

Mr. Speaker, there is no reason why this debate should not be spirited; there is every reason why spirit should be tempered with conscience. No unconscionable comment uttered by any proponent or opponent of the bill can be condoned as the offspring of uncontrollable zeal. No scurrilous accusation made by any opponent or proponent can be pardoned as the accidental byproduct of honest emotion. No unworthy deed committed by any proponent or opponent can be justified as a means to a worthy end. No unkind word said by any proponent or opponent, the privilege of revising and extending notwithstanding, can ever be fully unsaid.

There is no reason why any proponent or opponent should challenge the moral integrity or impugn the motives of any colleague with whom he disagrees; there is every reason why each should acknowledge the sincerity and respect the purpose of the other. And this is not only because the men on both sides of this great issue are honest men and strong men, but because this issue, distilled to its most elemental components, involves a conflict between one thing one man calls "civil rights" and another thing another man calls "personal liberty." More accurately, the fundamental issue is how far, in obedience to the mandates and injunctions of the Constitution, one of these things can trespass upon the domain of the other. Said differently, what we are debating is what lawyers call the "metes and bounds" of each domain.

Men of good will, men of intellectual honesty can legitimately disagree as to where lies the boundary between these two domains. But only the doctrine of absolution can lead one man to contend that the location of the boundary is so perfect and precise that it separates, in its meanderings, always and altogether, right from wrong, love from hate and patriotism from chauvinism.

So, Mr. Speaker, as we begin to survey this boundary line, it would serve the purposes of this debate well, promote sensible solutions to the problems to which this legislation is addressed and reflect credit upon this great House as an institution and its Members as individuals if our markers are stable, our guideposts are true and our bearings are straight.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this rule because I believe it to be a good rule, the best rule that the Committee on Rules, of which I am a member, could possibly submit to this House. It is a rule that would permit each and every Member of this body to have a full and fair opportunity to speak his or her piece in connection with this legislation, whether it be on an amendment under the 5-minute rule or whether it be in general debate.

The question of civil rights legislation has been before this body for a long, long time.

Being a realist and—as has been said by a Member far wiser than myself—knowing the facts of life, I appreciate that there is much controversy connected with this legislation. Many differences of opinion are held by various individuals and Members of this House. Those differences of opinion I believe are based upon honest belief. Certainly they are differences of opinion to which every Member of this body is entitled under our Constitution, our laws, and our methods of operating this, the greatest legislative body in the world.

At the beginning of the present Congress, January a year ago, legislation was introduced by quite a few Members to deal with the various issues arising from the civil rights problem. Since that time other legislative bills have been introduced.

I will accept any correction if I am wrong, but I believe that early in May the Judiciary Committee of the House started hearings. That committee is made up of 35 able lawyers. Whenever you get more than two lawyers together you can always get an argument on any matter. Hearings or discussions were started about that time in the committee.

The then President of the United States—now, the martyred President—a man of different political affiliation from my own, submitted a civil rights message to the Congress and proposed the enactment of certain legislation which he submitted at the same time.

Hearings were held. Many changes were made in the Judiciary Committee. A subcommittee brought out a bill on civil rights. That action was followed, before the full committee passed upon the subcommittee measure, by conferences of committee members and others at the White House.

I am reciting these facts so that we may have a proper perspective of the problem now before us.

New legislation was brought before the Judiciary Committee and reported, I understand, without any lengthy hearings, to say the least.

Finally, in late November, prior to the Thanksgiving recess, the great Committee on the Judiciary submitted its report and a bill which it had voted on in late October to the Rules Committee of this House.

For many weeks the Rules Committee—having no jurisdiction whatsoever over the legislation, because it was not before the Rules Committee at that time—was criticized and condemned across the length, breadth, width, and depth of this land on the theory, which was of course false, that in the view of many citizens the Rules Committee was blocking consideration of the measure. That was, of course, absolutely contrary to the fact. There was no opportunity to hold full and extensive hearings in the Rules Committee on the legislation before the end of the last session of Congress in December.

I understand that some 60 or 70 Members of this House—each of whom has a right to express his view and opinion before the Rules Committee in connection with the issuance of any rule on any piece of pending legislation which may come before the committee—expressed interest in presenting views.

There was no opportunity before the end of the first session to hold hearings and to give an opportunity to those individuals who wished to be heard. So, later it was agreed that as soon as the new session, the 2d session of the 88th Congress, began, hearings would be scheduled in the Committee on Rules. These hearings started on January 9 and they were held in the morning and they were held in the afternoon. As the gentleman from Indiana [Mr. MADDEN] has told you, scores of witnesses were heard. The hearings were conducted on a very high level. A complete stenographic report was made of all testimony taken and it will be printed. All testimony taken before the Committee on Rules will be available to anyone who wishes to see it. Never in my 22 years on the Committee on Rules have I known of a time when more attention and more consideration was given in a dignified manner to a rule or to the issues of a rule than on this particular legislation.

I want to say that despite the differences of opinion that might have existed within the committee itself, as well as within the House, no member of that committee or of this body said or did anything that reflected adversely in any way upon the dignity of the House of Representatives or of its committees.

I want to congratulate the witnesses on both sides of this issue, those men who appeared to testify before the Committee on Rules, for the way that they presented their views for the committee's consideration.

The committee, in the same spirit of fairness, in an attempt to do only that which was right in their opinion and in the best interests of good legislative procedure, have voted out this rule.

The rule provides for 10 hours of general debate, which I understand under an agreement with the leadership will be concluded sometime tomorrow evening, and that on next Monday, when the House convenes, the bill will be read for amendment under the 5-minute rule.

Let me point out, if I may, that this rule also makes in order the substitute bill to be considered as if it were the original bill, that is, the substitute measure that was substituted by the Committee on the Judiciary for the other bill that has originally been before the committee without any other intervening motion of any kind.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New York.

Mr. CELLER. I am happy to have the gentleman yield, because I want to take this opportunity to say that I personally, as chairman of the Committee on the Judiciary, and I am sure I speak for my counterpart on the Republican side, the gentleman from Ohio [Mr. McCulloch], and for all members of the Committee on the Judiciary, am very grateful to Brother Brown, and to the chairman of the Committee on Rules, the gentleman from Virginia [Mr. Smith], because he kept his word, he kept the faith. He said he would grant a rule, and a rule was granted. Therefore, we are grateful to him.

Mr. BROWN of Ohio. May I reply to that simply by saying that the great chairman of the great Committee on Rules who in his own right is a great man—and I refer to the gentleman from Virginia, Judge Smith—conducted these hearings in an absolutely fair manner. He kept every promise and every pledge that he had made—that every Member of the House would have an opportunity to be heard by the committee and to be treated with the utmost respect when they appeared before that committee; and that the committee itself would be permitted to work its will, whether he might agree or disagree with the action of the majority of the committee. I personally am grateful to the chairman of the Committee on Rules and appreciative of the statesmanship that he demonstrated in connection with the hearings on this controversial legislation.

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Indiana [Mr. Madden].

Mr. MADDEN. Mr. Speaker, I wish to join in the statement of the distinguished gentleman from Ohio regarding a member of the committee.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman.

Mr. ASPINALL. Mr. Speaker, can the gentleman from Ohio explain how H.R. 980, a bill in the Committee on Interior and Insular Affairs, on which there has been no consideration, no hearings whatsoever, becomes a part of this rule?

Mr. BROWN of Ohio. No, I cannot explain that; I presume the Committee on the Judiciary can. Is that the Indian amendment?

Mr. ASPINALL. This is the Indian amendment.

Mr. BROWN of Ohio Yes; I forgot all about that. I forgot about it because I was accused of being against the Indians. In other words, I stood with the gentleman from Colorado in the attempt to protect the committee from the amendment which I believed did not have any business under the rule. I cannot explain why other Members believed that it should be a part of the rule. I cannot answer for anyone but myself and sometimes I am hard put to answer for myself.

Mr. ASPINALL. Mr. Speaker, would my colleague say that that would be the equivalent of the Powell amendment on some education bills?

Mr BROWN of Ohio. I do not know. I have heard of the Powell amendment, and I presume most Members have at times. I cannot speak for the Indians because they left Ohio a long, long time ago.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I am happy to yield to my distinguished chairman of the committee.

Mr. SMITH of Virginia. While the gentleman is explaining how the Indian bill got into the rule, will he also explain how the FEPC bill which is under the jurisdiction, and has been under the jurisdiction, of the Committee on Education and Labor, got into this bill?

Mr. BROWN of Ohio. I can explain that very readily to my dear chairman. The Committee on the Judiciary is controlled not by me, or my party, but by the gentleman's party, and that committee is the committee which put it into this bill. I did not. They put it in there. The gentleman from Virginia will have to ask the Judiciary Committee to explain that. I do not want to be responsible for the actions of other people. I have difficulty sometimes being responsible for my own actions.

Mr. SMITH of Virginia. I just did not want it to pass unnoticed.

Mr. BROWN of Ohio. Mr. Speaker, let us proceed to discuss the rule. Under the rule points of order are waived. Somebody may ask why points of order are waived. The answer is a very simple one, in my opinion; and that is that they do not want to take legislation of this importance and make it subject to points of order on some technical matter. This bill is filled with technicalities and a point of order might strike out a title or a section or, for that matter, the entire bill, just by the action of one individual. Instead, they wanted to permit the House to work its will by majority rule through waiving points of order; because, if there is any question that comes up that would be subject to a point of order, it could be stricken, it could be amended, it could be changed, anything anyone wanted to do with it could be done by majority vote. And after all, we do say that under our American system the majority shall rule. I do remember one time in the early morning hours in 1960 when I was sorry that we had that rule of majority control, but it does happen that way in America and I believe it ought to happen that way in the House. We ought not to take a chance that some technicality in this bill could be objected to which would result either in striking out the entire bill and killing it, which would compel us to go through this Gethsemane again in another year, or to strike out some important title or section of the bill.

Instead if such action is desired by the majority of the House of Representatives, then let it be done by a vote of the majority.

This rule protects in every way the right of all individuals to participate in the debate and in the offering of amendments. Let me go a bit further, if I may. There has been an agreement made between the leadership on both sides of the aisle, and between those who are opponents and proponents of this legislation, that no move shall be made—and I hope none will be made—to shut off or to close off debate on this bill, when it is being considered under the 5-minute rule, until and unless every Member of the House who may desire to do so will have the full opportunity to offer and to discuss any amendment that he may wish to submit for consideration.

I also understand that every attempt will be made not to waste the time of the Congress by unnecessary quorum calls or by filibustering tactics, but, instead, by carrying on the same high method of procedure, the same good conduct that existed in the hearings before the Rules Committee, this House will again demonstrate to the world that legislation of this importance—and I think the eyes of all America will be on the House when this bill is considered next week—is being considered in the cool light of reasoning, prayerfully, justly, and fully.

If I may I would like to appeal to the Membership of the House for cooperation to that end, regardless of whether you are for or against the bill, for or against any amendment or any change in it, that we do conduct this debate on a high plane, that we can at least say to our children and to our grandchildren, we participated in one of the great debates of modern American history and we did it as statesmen and not as quarreling individuals.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. I want to make clear the question that you have explained about a full debate on amendments and any attempt to cut them off. Does that mean so long as anybody stands up and wants to discuss an amendment the chairman of our committee should not act?

Mr. BROWN of Ohio. The chairman of your Committee on the Judiciary has stated he intends to divide the time that is available to him between the proponents and opponents of this legislation which is certainly a fair action on his part. I also understand that the gentleman who will control the time on the minority side, the gentleman from Ohio [Mr. McCulloch], expects to do practically the same thing. He will recognize Members on both sides.

Mr. ROGERS of Colorado. The point is, when we get into consideration under the 5-minute rule and an amendment is offered, and it is debated for 1 hour or 2 hours, can the time be limited?

Mr. BROWN of Ohio. I think you can limit time. The bill will be read title by title, as I understand it.

But I believe that after all debate has been exhausted, while there will always be the right to be heard on an amendment, you can control the length of time that an amendment may be discussed, within reason.

Mr. ROGERS of Colorado. Then I would think that the answer of the gentleman is that if there has been a full discussion of the amendment, then the Chairman may seek to limit the debate?

Mr. BROWN of Ohio. That is exactly the intent and purpose of this rule and the intent and purpose of the agreement the leadership of this House has in mind, that there be a full and a decent opportunity for everybody to be heard.

Mr. ROGERS of Colorado. And being heard would not be contrary to the usual procedure.

Mr. BROWN of Ohio. Except that, of course, you always have a right to bring an end to delaying tactics if it becomes a delaying tactic, rather than an honest effort to have a proper amendment considered.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio.

Mr. McCULLOCH. The rule meets our approval. It makes in order a good bill, the passage of which is necessary without further unnecessary delay. I hope the rule is adopted unanimously.

Mr. BROWN of Ohio. I do hope that the rule will be adopted without any intervening difficulty.

Mr. MADDEN. Mr. Speaker, I yield the remainder of the time to the gentleman from Mississippi [Mr. Colmer].

Mr. COLMER. Mr. Speaker, I possibly will not have another opportunity to speak to you on this most important and far-reaching bill, a bill to which I have given considered, thorough, and meticulous consideration. Now, if I may have your attention, realizing as I do, and as you must, that no man in this House far superior though he may be in intellect to an ordinary Member like me, could intelligently discuss this highly technical bill in 15 minutes. Therefore, I can only hope to touch upon some of the highlights and to call your exploring minds to the consideration of some of these provisions that I regard as most vicious assaults upon the Constitution of the United States and our great heritage, its institutions.

Let me at the outset, if I may, say that I wish I had the power to set the ground rules for the consideration of this debate. If I could, I would have at least two fundamental rules.

One of them would be that we stay on the floor of this House, every Member, regardless of party alinements and previous inclinations, and listen to the debate both on the bill and proposed amendments. Hear both sides of the issue, and consider what is proposed, in this revolutionary manner, to be done to all of the freedom-loving people of this country.

The other would be that whatever temptation there might be to wave the flag of sectionalism would be taboo.

For while it may be that some people have in mind that this is a loaded pistol aimed at a particular section of this country, from which I have the honor to come, I point out to you and I challenge you to deny—after you have considered this bill, if it is not also a scattergun that reaches every section of this country from north to south and from east to west.

So let us approach this consideration—let us approach this bill with all of its ramifications, not as southerners, not as so-called northerners or westerners or easterners. But I beseech you in the name of the Supreme Being, please let us consider this bill upon its merits, upon its constitutionality and upon the effect that it is going to have upon the future generations of this country who will follow you and me.

Oh, yes, I know, I am realistic too—I know of the political implications. I have had private conversations—and, of course, I would not call names—with many of you. I know how you feel about this legislation, those of you in high and those of you in low places in this House. I know of the popular political and sectional vote appeal of this legislation. But all I am asking you to do is to consider it upon its merits—to listen to the great constitutional lawyers on this committee—yes, on both sides—and weigh and consider the matter for yourself.

You know, you and I—and some of us have been here a long time and some of us have been here a short time—you and I prize these seats in this Congress of the United States. But our stay here is but transitory.

We sit here today—tomorrow we are gone. Someone else comes in to take our place. In other words, we are like the little bird which flies into the door of our living room on a summer's day. He flits about the room for a few seconds and then flies out an open window.

I ask you, as I have asked myself on many occasions, is the cherished privilege of sitting in this body worth the price that we are often asked to pay?

Every one of us—some of us 15 times, some of us more and some of us less—have stood in this House and held our hand to high heaven and obligated ourselves, in most solemn covenant with God to uphold the Constitution of the United States. Now I say to you, this bill, if not in whole, at least in part is unconstitutional, and I challenge you again to listen to the debate and determine that for yourselves.

I do not impugn the motives of anyone. I do not intend to reflect upon anyone. All I ask is for your honest and sincere consideration.

I have lived with this bill for some time myself during the past several weeks. I wish I had time to point out some of the unconstitutional proposals which have been made. I wish I had the time to point out the assaults being made upon the Constitution of the United States and our way of life. When I talk about "our way of life" I am talking about the American way of life as guaranteed to us in the Constitution by the Founding Fathers.

I do not have sufficient time to do so here. They will be pointed out by members of the Judiciary Committee.

My friends, consider the public accommodations title of the bill. There are those who say that the Supreme Court's ruling is the law of the land. I challenge the constitutional lawyers on the other side—on whichever side of the aisle they sit—to deny that the law of the land today is that an innkeeper cannot be required to take in somebody he does not want to take in, regardless of the color of his skin.

The Congress, in the hysteria which followed the fratricidal War Between the States, attempted to write such a provision. Congress wrote a statute in very much the same language we have in this bill. That was in 1875.

Eight years later, when some of the hysteria had passed, the Supreme Court of the United States jerked the Congress back on its feet and said that law was unconstitutional. I do not have the time to develop that case, either.

Let me remind Members of another thing. What is proposed to be done? It is proposed to grant the most extraordinary powers to the executive department.

I appeal to you conservatives. I point particularly to some of my Republican brethren, who regard themselves as conservative. I wish you would consider what we are asked to do here by way of granting power to the executive department. Is there anyone who has studied the bill who can deny that under the terms of the bill—as pointed out by the gentleman from Virginia [Mr. Poff] and the gentleman from Florida [Mr. Cramer] in the report; and as shown on page 104 of the report—power would be given not only to the President and to the Attorney General but, more than that, given to every bureaucrat in the executive department to cut off all Federal aid from your hometown, from your county, and from your State.

Of course, the advocates of this legislation are in favor of helping the Negro. So am I; but the fact that those people would be cut off apparently makes no difference to them.

Yes, we are asked to delegate to some man in a department, wherever he may be in all of the agencies of the Government, the power to cut off the school lunch program, the Federal aid to education program, aid to the farmers, to the bankers, to every citizen who is the beneficiary in any way of Federal assistance from this Government.

The Civil Rights Commission in its 1963 report had recommended that the President have the powers conferred in this title VI. At his April 17 press conference, the late President Kennedy was asked to comment on that recommendation. In response the President said:

> I don't have the power to cut off aid in a general way as was proposed by the Civil

> Rights Commission, and I would think it would probably be unwise to give the President of the United States that kind of power.

Yet "that kind of power" is given the President of the United States in title VI of this bill.

Mr. Speaker, in this connection may I point out that if this legislation was bad in the Kennedy administration, it is bad in the Johnson administration.

What do you do here? You put $100 billion, the annual budget, in the hands of the bureaucrats of this Government to say when the water will be cut off from your hometown or your district or your State. If you want to do that, go ahead with it. However, I finish where I started. I know some of the facts of life, too. I know—I hate to say this, but I am going to say it because some things ought to be said—I know when this bill is starting to be considered here, up to this time, there has not been 10 percent of the Members of this House who have read it. I know that when it is over many of you will not have read it.

Really, you are asked to legislate by labels. You are told that this is a moderate or watered down bill. I can assure you that it is neither moderate nor watered down. It is in reality as stringent as the original committee bill. In some instances, it is even stronger.

I hate to say what I am going to say now, but I think it ought to be said. I wish it were possible to have a secret ballot on this bill to see just what the real status of it is. I doubt that it would receive 20 percent of the votes.

Mr. Speaker, finally I ask, what is all this furor about?

What is the rush?

Why was this bill now under consideration rammed through the Judiciary Committee in a star chamber proceeding without debate, without an opportunity to offer amendments and with only a 2-minute discusson, 1 minute for Chairman Celler and 1 minute for his counterpart, Congressman McCulloch?

Why was all the pressure placed on the Rules Committee to clear the bill to the floor of the House with a minimum of hearings?

Why did the chairman of the Judiciary Committee file a petition to discharge the Rules Committee from consideration of the bill so prematurely, while at the same time fail to have hearings on the bill before his committee that would override the Supreme Court's decision permitting prayer in the schools of the land?

I ask, Mr. Speaker, is all of this done out of fear? Is the Congress of the United States to yield to threats of further demonstrations by minority group leaders—blackmail, if you please?

I ask you in all candor, to what end will this bring us? Is the Congress to comply by legislation with the demands and even riots of every organized minority group in the country?

We are confronted today with demonstrations and riots in the Canal Zone. Are the President and the Congress to surrender to unreasonable demands in that area?

If we are prepared to follow that course of appeasement, then it would appear that the end of this glorious young Republic is near.

The SPEAKER. The time of the gentleman from Mississippi has expired.

The gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. Meader], a member of the committee.

Mr. MEADER. Mr. Speaker, I support this rule, which will bring before the House what is probably the most difficult, the most complicated, the most controversial and emotional piece of legislation which has been considered by this body in the 14 years in which I have served in it. I am glad that there is opportunity for debate and amendment. I hope that the Members will take this measure seriously and here, in the Committee of the Whole, write a good, workable, reasonable, and fair civil rights bill of 1964.

Reference was made by the previous speaker to the hearings held by the Committee on Rules. The first volume of those hearings is available now containing the testimony of the three first witnesses, the chairman of the Judiciary Committee, the gentleman from New York [Mr. Celler], the ranking minority member of the Committee on the Judiciary, the gentleman from Ohio [Mr. McCulloch], and the gentleman from Louisiana [Mr. Willis]. I understand the remainder of the hearings are at the printer's and will be available as soon as the Printing Office can get them to us. I urge the Members to study the hearings before the Committee on Rules and the questions that were raised, and then to study the bill, and then to study the report.

My own views, based upon a year's work on this bill, are contained in the committee report on pages 43 to 59. I urge that special attention be given to two of the most difficult titles of this bill. I refer to title II on public accommodations and title VI, withholding of funds.

Title VI cuts across the board on every financial assistance program by the Federal Government and I daresay that after you read the report and after you read the hearings of the Rules Committee you will agree that under its present phraseology nobody knows what title VI means and nobody knows what damage it will do to a multitude of widely varying Federal financial assistance programs. I hope that Members will stay on the floor during the consideration of the bill under the 5-minute rule that we may improve and perfect this bill by adopting proper amendments.

Mr. McINTIRE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. McINTIRE. Mr. Speaker, the civil rights bill that is before this body today is vital legislation because it is concerned with the rights of individuals.

It is my personal opinion that the time is long overdue when legislation action should be taken to secure the rights of all citizens. We have talked long and hard on the subject, and the time for action is now.

The simple truth of the matter is that in our first-class society of America there should be no room for second-class citizens—all citizens should have first-class rights.

In the light of this I want to say that my hearty approval is extended toward bringing this civil rights legislation before the House of Representatives for its prompt and detailed deliberation.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

IN COMMITTEE OF THE WHOLE

Mr. CELLER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7152, with Mr. Keogh in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CELLER. Mr. Chairman, at the outset may I say that I shall yield one-half of my time, namely, 2½ hours, to the distinguished gentleman from Louisiana [Mr. Willis].

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Louisiana.

Mr. WILLIS. Mr. Chairman, I want to express to the gentleman my appreciation, and the appreciation of others who feel about the legislation as I do, for this very gracious treatment.

Mr. CELLER. Mr. Chairman, I yield myself 40 minutes.

Mr. Chairman, this is an opportunity for which we have been anxiously awaiting. You know, the Lord's best gifts to us are not things, but opportunities, and we now have bestowed upon us a golden opportunity to do a great thing.

Furthermore, it was John Milton who said "Peace hath her victories no less renowned than war."

I fervently believe that in the passage of this civil rights bill we are participating in a historic event in peacetime, an event that will shine in our history. It will be a triumph as great as many a marshal's victory. It will bring happiness to 20 million of our people and will impart to a great many of the rest of us the comfort of having done our duty.

I will say this: The onward march of civil rights cannot be thwarted, it cannot be abated. There is an old saying: "Some may cheer and some may leer, but the caravan moves on."

However, I am somewhat at a loss to understand why there was made impervious to a point of order as to germaneness the provisions concerning industries on Indian reservations with tax exemptions, the contents of H.R. 980. Those provisions in the bill, to my mind, are about as incongruous as the Devil in the cathedral. The bill was referred to the Committee on Interior and Insular Affairs, and it is passing strange that we are now compelled to vote on it. In the language of Churchill, some explanation is needed, because this is extremely strange, and in the language of Churchill it is like an enigma inside a riddle wrapped in mystery. I hope we will get some explanation before the debate is over.

Mr. Chairman, what we are considering this day in effect is a bill of particulars on a petition in the language of our Constitution for a redress of grievances. The grievances are real and genuine, the proof is in, the gathering of evidence has gone on for over a century.

The legislation before you seeks only to honor the constitutional guarantees of equality under law for all. It bestows no preferences on any one group, what it does do is to place into balance the scales of justice so that the living force of our Constitution shall apply to all people, not only to those who by accident of birth were born with white skins.

Perhaps what we are really talking about is the life of a human being in the United States, whether a human being because of the color of his skin is being deprived of his right to vote, or his right to equal opportunity for education, of his right to equal opportunity to earn a living for himself and his children, in short, of his rights, privileges, immunities, and responsibilities on the same basis as everyone else. A white man, no matter how depraved, can enter any place of public accommodation; a Negro, no matter how responsible, cannot. What then is the standard of judgment? Is the color of skin a legal disability anywhere defined in our Constitution? Can we not lay to rest this canker on the body politic? Can we not through the process of law place reason above passion and accept as responsible men the responsibility placed upon us by our Constitution?

I say we can, because each one of us in this body of elected Representatives within his mind, within his heart, and within his conscience knows the difference between right and wrong. There is no one here who will rise to say that all men are created equal except some are more so. That this is an issue charged with emotion we all acknowledge, but it is my hope that all the intelligence and responsibility each one can muster will be brought to bear during the discussion of this legislation, that neither the proponents nor the opponents of the bill will be reckless in interpretation of its titles.

I cannot say it better than President Johnson said it in the state of the Union message:

> For this is not merely an economic issue—or a social, political, or international issue. It is a moral issue—and it must be met by the passage this session of the bill now pending in the House.
>
> All members of the public should have equal access to facilities open to the public.
>
> All members of the public should be equally eligible for Federal benefits financed by the public.
>
> All members of the public should have an equal chance to vote for public officials—and to send their children to good public schools—and to contribute their talents to the public good.
>
> Today Americans of all races stand side by side in Berlin and Vietnam.
>
> They died side by side in Korea.
>
> Surely they can work and eat and travel side by side in America.

Let us ask ourselves, Has our U.S. Congress the duty to do something remedial about the following?

In 250 counties of the United States less than 15 percent of voting age Negroes are registered to vote. Can we remain indifferent to the fact that typical of numerous counties in the old Confederate States we have the following:

White population over 21	2,624
Registered whites (107.1 percent)	2,810
Negro population	2,250
Registered Negro	None

Another county:

White population over 21	1,900
Registered whites (118.4 percent)	2,250
Negro population	5,122
Negroes registered	None

Another county:

White population	4,116
Registered whites (148.9 percent)	6,130
Negro population	909
Negroes registered (6.1 percent)	56

Are we satisfied with the snail's pace of Congress in civil rights and education? Are we satisfied that if integration in the public schools continues at the present pace it will be 2063, 100 years from now, before we have real integration? Have we the right to be complacent when not a single Negro attends school below the college level in Mississippi, Alabama, and South Carolina?

Nine years ago, the Supreme Court ruled in Brown against Board of Education that racially segregated public schools are unconstitutional. One year later the Court ruled that desegregation shall take place "with all deliberate speed." Despite the passage of time since these decisions and the Court's recent reminder that the individual rights involved are present ones, public school systems in many parts of the country have done little or nothing at all to comply with constitutional mandates; there are still more than 2,000 school districts which require that white and Negro pupils attend separate schools.

Many Negro children entering segregated grade schools at the time of the Supreme Court decision in 1954 will enter segregated high schools this year.

These students have sufferd a loss in equal educational opportunities which can never be remedied. Barriers have been erected to discourage Negroes not only from voting but from holding public office. In one State all political candidates were required to list their race on the ballot beside their names. If white, the word "Caucasian" had to be added, if Negro, the word "Negro" had to be affixed. After a tortuous judicial course, the Supreme Court of the United States declared the act discriminatory and unconstitutional. In a county in another State 4 years ago, the public schools were closed rather than submit to integration. This was indeed unfortunate because it deprived the white pupils of education as well as the Negroes. If such contagion would spread, the Nation would abound in illiteracy. The onward movement to stop this type of discrimination cannot be abated.

The Nation watches what we do in this Chamber and desires that we do all and sundry to prevent these roadblocks to freedom for all.

Some of these States that suppress freedom for the Negro wish to continue the status quo. Indeed, States that deny such freedom are like children who shut their eyes in order not to see. But we see the intolerance. These States only blind themselves.

The Civil Rights Commission has clearly indicated, as a result of testimony taken since 1957, that prejudice, ostracism, discrimination, humiliation, and proscription in many places are the order of the day.

In those places the Negroes are like Sisyphus in Greek mythology. You remember Sisyphus who was consigned to Hades and who was compelled to go up a steep hill carrying a huge boulder. When he reached the top, the huge stone fell down on top of him and down he went along the steep incline. Then he would start up again and again the boulder came down upon him with the same disaster. I liken the Negro in many parts of the country to Sisyphus.

Civil rights must no longer be merely a beautiful conversation of sweet phrases and pretty sentiments. Civil rights must be the woof and the warp of the life of the Nation. The time has come for action—for the passage of the bill, H.R. 7152.

Indeed, an ounce of performance is worth a pound of preachment.

I am not unaware of the price that must be paid by some for the advance of the cause of civil rights. For many it may, indeed, be changing patterns of life that have existed for a century or more. I know it is easy for northerners and westerners to demand that mores and customs be changed; that there be a wrenching away from tradition. It is like asking one to sever hand from wrist. I wish truly that it could be otherwise, but unfortunately, it cannot. The die is cast.

UNFAIR REFLECTIONS ON THE BILL

Much unfair and unreasonable criticism has been leveled at the civil rights bill of 1964.

This criticism falls into three main categories and we heard some of that criticism just a few moments ago from the very distinguished and eminent Member of the House, the gentleman from Mississippi.

Opponents cry with alarm about what they claim are infringements of the rights of nonminority American citizens.

They invoke the baleful specter of Federal inspectors wielding unlimited power over innocent victims of governmental tyranny.

Finally, they attack the constitutional validity of the proposed legislation.

No one can object to legitimate criticism of any bill, no matter how worthy its objectives. What is objectionable about much of the criticism directed against the civil rights bill is that it seriously misrepresents what the bill would do and grossly distorts its effects.

The bill seeks simply to protect the right of American citizens to be free from racial and religious discrimination and to guarantee to them the full enjoyment of the rights of citizenship. It is a constitutionally and morally justified exercise of the obligations and authority of the Federal Government.

Let me cite some specifics.

EMPLOYERS, EMPLOYEES, AND LABOR UNIONS

It has been claimed that the bill would deprive employers, workers, and union members of their right to be free to control their business affairs and their membership. Specifically, the charge has been made that the Equal Employment Opportunity Commission to be established by title VII of the bill would have the power to prevent a business from employing and promoting the people it wished, and that a "Federal inspector" could then order the hiring and promotion only of employees of certain races or religious groups. This description of the bill is entirely wrong. The Equal Employment Opportunity Commission would be empowered merely to investigate specific charges of discrimination and to attempt to mediate or conciliate the dispute. It would have no authority to issue any orders to anyone.

In the event that wholly voluntary settlement proves to be impossible, the Commission could seek redress in the Federal courts, but it would be required to prove in the court that the particular employer involved had in fact, discriminated against one or more of his employees because of race, religion, or national origin. The employer would have ample opportunity to disprove any of the charges involved and would have the benefit of the protection of all the usual judicial procedures.

No order could be entered against an employer except by a court, and after a full and fair hearing, and any such order would be subject to appeal as is true in all court cases.

Even then, the court could not order that any preference be given to any particular race, religion or other group, but would be limited to ordering an end to discrimination. The statement that a Federal inspector could order the employment and promotion only of members of a specific racial or religious group is therefore patently erroneous.

Nor, as charged, would the fair employment provisions reach all employers and all businesses of any size or importance. Only businesses which affect interstate commerce would be covered, and, initially, even these businesses would be subject to the act only if they have more than 100 employees. In the later years, the act would apply to employers of 25 or more persons.

Finally, in order to provide an opportunity for adjustment and transition, the specific prohibitions on job discrimination would not become effective until 1 year after passage.

It has been asserted also that the bill would destroy worker seniority systems and employee rights vis-a-vis the union and the employer. This again is wrong. The bill would do no more than prevent a union, as it would prevent employers, from discriminating against or in favor of workers because of their race, religion, or national origin.

It is likewise not true that the Equal Employment Opportunity Commission would have power to rectify existing "racial or religious imbalance" in employment by requiring the hiring of certain people without regard to their qualifications simply because they are of a given race or religion. Only actual discrimination could be stopped. And there is, of course, no provision whatever for depriving unions of the rights and benefits under existing law.

The assertion that this is so is simply a total invention. Section 711 of the fair employment portion of the bill covers employment in the Federal Government and employment in firms having contracts with the Government. The President is authorized to take necessary action to insure equal employment opportunities in these areas. Contrary to the innuendos of certain critics of the bill, the President's authority is not unlimited. It is clearly confined to Government and Government contract employment. It is only just and reasonable that the Federal Government, representing and supported by all of its citizens, of whatever race or religion, insist upon fair and impartial employment procedures which allow equal opportunity to all qualified workers.

HOTELS, RESTAURANTS, THEATER, AND SIMILAR ESTABLISHMENTS WHICH SERVE THE PUBLIC

It is asserted that owners of business establishments will be deprived of the free choice of customers, be forced to tolerate undesirable patrons, and even thwarted in the hiring of a cook specializing in admittedly delectable delicacies such as gumbo, grits, or southern fried chicken. Those are the charges leveled against this bill. Why, such charges are ridiculous. As we have seen, the bill specifically aims at the hiring of employees on the basis of qualification, not on the basis of race. The bill does not require an establishment to serve unkempt, drunk, or disorderly persons whatever their color may be. The bill would require that certain business establishments, whose operations affect interstate commerce and which hold themselves out as serving the public, provide those services to the public without discrimination as to race. These establishments include hotels and motels furnishing lodging to transients; restaurants and lunchrooms; motion picture houses; theaters, gasoline stations. The conception of preventing discrimination on a racial basis is not new. We have had such laws in States for many years. As a matter of fact, some 30 States and the District of Columbia have such statutes. We never heard a whimper in this Chamber, not a protest against the operations of the provisions of those statutes in those 30 States, including the District of Columbia. All we do here is to apply what those 30 States are now doing and what the District of Columbia is now doing to the rest of the States so that there shall be no discrimination in places of public accommodation privately owned and in places of public accommodation publicly owned, such as swimming pools, parks, municipal golf links, and so forth.

The bill will also prevent racial discrimination in establishments when they are supported by the State. Discrimination of that type has already been declared unconstitutional by any number of cases. And certainly the bill does not interfere with anyone's right to earn a living.

SCHOOLS

It has been said that the bill would deprive both public and private schools of the right to manage their own internal affairs. This is clearly not the case, my good friends. The bill provides for technical assistance and financial grants to schools which are complying with the law of the land by beginning the desegregation of their classes—if—and only if—the local authorities request such assistance. Local authorities would remain in complete control of their school system. It is a startling fact that today, nearly 10 years after the Supreme Court of the United States declared that compulsory segregation in public education violates the Constitution, almost two-thirds—almost two-thirds—of the previously segregated school districts have still not afforded Negro children their constitutional rights. The bill would enable the Federal Government, under certain limited conditions, to bring suit in court for school desegregation in compliance with the Constitution.

Thus, the bill would simply implement the law of the land and hasten the enjoyment by all our citizens of their constitutional rights.

There is no authorization for either the Attorney General or the Commissioner of Education to work toward achieving racial balance in given schools. Such matters, like appointment of teachers and all other internal and administrative matters, are entirely in the hands of the local boards. This bill does not change that situation.

Nor would the result of title VI, covering Federal financial assistance, as has been charged, permit the Federal Government to control, for example, all employment of personnel and all facets of local education as well as other broad aspects of everyday life. This title simply provides that, where Federal money is used to support any program or activity—money which is paid into the Treasury by Negro and white citizens alike—the program must be used for the benefit of both races, without discrimination. This is basic American justice and fair play. There would be no basis under title VI for any Federal agency to attempt to control the contents of any educational program or the day-to-day personal dealings of private individuals.

HOMEOWNERS, FARMERS, FINANCIAL INSTITUTIONS

Much time was spent by detractors of the bill in predicting the dire results which they claim would follow from the application of title VI of the bill. Sweeping statements are made suggesting that the bill would intrude into every phase of private life. It is said, for example, that the bill would interfere with the rights of persons who borrow money from or deposit money in a federally insured bank, farmers and homeowners who have financial dealings with Federal agencies, and the like. Such statements are distortions designed to arouse resentment. The bill will not punish beneficiaries of Federal aid for wrong committed by others. The bill would not affect an individual homeowner or farmer, for example, who borrows money through a Government agency. It would affect only the distributor of those Federal funds if the distributing agency refused to lend to Negroes but did lend to white persons. Moreover, the bill does not require the calling of any loans or "blacklisting" of individuals.

The bill would require that each Federal agency which extends financial assistance of the type covered by title VI must establish nondiscriminatory standards of general application. This means that it cannot apply one standard of conduct to one person and a different standard of conduct to another.

The bill would offer assurance that hospitals financed by Federal money would not deny adequate care to Negroes. It would prevent abuse of food distribution programs whereby Negroes have been known to be denied food surplus supplies when white persons were given such food. It would assure Negroes the benefits now accorded only white students in programs of high education financed by Federal funds. It would, in short, assure the existing right to equal treatment in the enjoyment of Federal funds. It would not destroy any rights of private property or freedom of association.

Actually, no action whatsoever can be taken against anyone until the Federal agency involved has advised the appropriate person of his failure to comply with nondiscrimination requirements and until voluntary efforts to secure compliance have failed.

Thus, only after a recipient of aid has persisted in discrimination because of race, color, or national origin, and has refused to abide by the nondiscrimination rules involved, can the Federal Government make any move to terminate financial assistance. Even then, no assistance can be cut off until there has been an express finding of discrimination, and the bill clearly provides that any such finding is subject to review by the courts.

The financial assistance programs covered are only those involving grants, contracts, or loans. The bill does not cover insurance and would of course not affect banks' accounts insured by the FDIC or benefits due to individuals under social security and veterans' benefits, for example.

It is, in fact, difficult to see how anyone can claim that he has the right to demand Federal dollars to underwrite his own personal prejudices.

VOTING CASES AND OTHER LITIGATION

Great concern is expressed by critics that the bill divests the States of their right to determine the qualifications of voters. This is clearly not true. States remain free to establish their own standards. The bill simply would require that the same standards be used for both white and Negro applicants.

It is a sad fact that in many localities, local election officials have a habit of turning down Negroes on the ground that they are illiterate—even those who are teachers or college graduates—while at the same time registering white applicants who are unable to read or write. Title I of the bill would remedy this situation by amending existing law, which enables the Attorney General to bring suits to protect against racial discrimination in voting. It would also provide that suits, brought under existing law to protect the right to vote, be given prompt attention by the courts.

I hope I have made it clear that the civil rights bill of 1964 is not a hydra-headed monster which encroaches upon the private and personal affairs of the citizenry. It does not create a field day for Federal personnel, enabling them to control every aspect of American life. It does spell out the obligation of the Federal Government to protect the constitutional rights of all its citizens.

Congress has, of course, the constitutional power to require nondiscrimination in Federal elections—including elections in which both Federal and State and local officers are selected—under article I, section 4 of the Constitution and the 14th and 15th amendments. Under its power to regulate commerce, Congress can forbid discrimination in employment and in public accommodations in business involving interstate commerce. It goes without saying that the 14th amendment prohibits racial discrimination which is the result of State action, such as segregated parks and schools. It is only right that Congress should exercise these powers in 1964, over 100 years after the Emancipation Proclamation.

Survival of our democracy in its finest sense must depend upon informed, responsible discussions of the issues and challenges which we must face; gross distortion designed to mislead the public is to be deplored. Inaccurate and distorted charges are inconsistent with the very values upon which our Nation is founded and can only threaten effective resolution of issues so essential to our continued existence as a free nation.

Almost every week of this 88th Congress measures seeking the enactment of a civil rights law have been introduced. The Civil Rights Subcommittee of the House Committee on the Judiciary began public hearings on May 8, on these measures. By the time the public hearings were concluded on August 2, 1963, over 170 civil rights bills had been proposed by Members of the House of Representatives.

What does that mean? That means that there is grassroot support for this legislation—170 Members would not take the trouble to put into the hopper 170 bills unless they had the approval, advance notice, at least, from their constituents that their constituencies wanted action. That they were sick and tired of delay. They wanted constitutional rights to be accorded every man and woman in this country, and that the Negro should have rights of his own.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. JONES of Missouri. The gentleman is not trying to tell this House that all 170 of those bills were generated to give equality and all, and that politics did not motivate it, is he?

Mr. CELLER. I do not want to bring any charges of politics against a Member.

Mr. JONES of Missouri. I do not mind bringing such charges.

Mr. CELLER. I do not think any Member would stoop to that.

Mr. JONES of Missouri. I am surprised at the naiveness with which a man pretends to impress this House.

Mr. CELLER. I do not want to bring any charges against any Member of this House that he offered a bill for political purposes. If the gentleman wants to do that, that is his privilege, but I shall not do it.

The Civil Rights Subcommittee has taken into consideration all these bills. We held executive session for many days, seeking to fashion a bill that would not only prove effective but would also attract and retain sufficient support for its passage. The full Judiciary Committee, thereafter met in executive session and on November 20, 1963, favorably reported an amended version of H.R. 7152, which represented a substantial bipartisan committee consensus.

Both parties joined hands. We felt we represented a cause. We shunned a political issue. I am grateful to the ranking member of the Republican Party on the Judiciary Committee, the gentleman from Ohio [Mr. McCulloch]. He and I labored incessantly fashioning the bill. I pay tribute to him and his fellow Republicans who stood by him, and I am heartened by the support accorded me by my Democratic colleagues on the committee. I pay them tribute.

I turn attention to the provisions of the bill itself. H.R. 7152, as amended, contains 10 titles.

Title I of the bill deals with voting. It seeks to assure that no qualified voter is denied the right to vote solely because of his race or color. The deficiencies of the Civil Rights Acts of 1957 and 1960 which sought this same objective, require correction.

First, there have been lengthy and often unwarranted delays in court proceedings to vindicate voting rights. For example, one suit filed in July 1961 in a Louisiana parish where 24,000 of 40,000 eligible whites were registered but only 725 of 16,000 eligible Negroes were registered, is still pending after 2 years, and so is the Negro's right to vote. Obviously there is no such thing as retroactive relief with respect to voting rights. To eliminate the delay, title I of H.R. 7152, as amended, would require courts to give priority to voting cases brought by the United States; it would also authorize and direct the appointment of a three-judge court, upon the request of the Attorney General. Three-man courts are not new. We have them in transportation and antitrust cases.

Another voting abuse has been the resort to literacy tests and other devices as a means of discriminating against Negroes attempting to register. The bill would prohibit the discriminatory use of such tests and other devices by registered officials and would require such officials to apply equal standards with respect to Federal elections. The title requires that literacy tests, whenever given, must be in writing and creates a rebuttable presumption that an individual who has completed the sixth grade possesses sufficient literacy to vote in Federal elections.

Title II of the bill would establish the right of all persons to full and equal enjoyment, without discrimination or segregation, of the services and facilities of designated places of public accommodation if the operations of such places affect commerce or if the discrimination or segregation is supported by State action.

This title seeks to remove the daily affront and humiliation occasioned by discriminatory denials of access to facilities open to the general public. The mounting resentment to such discrimination has been responsible for numerous protests and demonstrations. Such discrimination not only inhibits the mobility of large groups of our citizens but results in substantial burdens on the free flow of commerce. While there has been steady progress in many areas, much remains to be done. Of 275 cities with populations in excess of 10,000 in the 11 States of the old Confederacy and the 4 border States, as of July 1963, approximately 65 percent have not yet desegregated their hotels or motels; close to 60 percent have not yet desegregated their restaurants or theaters and 43 percent still have segregated luncheon counters. An even bleaker picture is presented in 98 cities in the Southern and border States with less than 10,000 population—approximately 85 to 90 percent of these smaller cities have not yet desegregated their restaurants, hotels, motels, theaters, or luncheon counters.

Legislation to secure the right to service in places of public accommodation is no novelty in the United States. Some 30 States and the District of Columbia have laws prohibiting discrimination in places of public accommodation. The failure of more States to take effective action in light of the prevalence of discrimination makes Federal legislation necessary.

Title II of the bill prohibits discrimination on grounds of race, color, or national origin in hotels, motels, theaters, places of amusement presenting entertainment which moves in interstate commerce, and restaurants, luncheon counters, and gasoline stations which sell food or goods which move in interstate commerce or which serve interstate travelers. In addition to these enumerated establishments, the bill covers establishments which either contain, or are located within the premises of, any establishment that is specified in the bill. This would mean, for example, that retail stores, ordinarily not included, which contain public luncheon counters or restaurants would thereby also be subject to the nondiscrimination provisions of this bill. However, barber shops, beauty parlors and other such establishments are not covered unless they are contained within a hotel or are intended for the use of the patrons of the hotel, if the hotel is covered.

Discrimination is also proscribed in the establishments designated by the bill if such discrimination is supported by State action. Discriminatory practices are treated as so supported if carried on under color of any law or if they are required, fostered, or encouraged by State action.

Finally, the bill would prohibit discrimination in any establishment, whether or not in the enumerated categories if discrimination is required or purports to be required by State law.

The prohibitions in title II of the bill would be enforced only by civil suits for injunctions. Neither criminal penalties nor the recovery of money damages would be involved. Any person violating a court injunction issued under the provisions of title II, of course, would be subject to contempt proceedings. But these would be limited by the jury trial provisions of the Civil Rights Act of 1957. In addition to private action, the bill authorizes the Attorney General to bring suit in important cases but requires that the matter be first referred to local authorities to afford them a reasonable time to act if local law appears to prohibit the conduct complained of.

Title III of the bill concerns State or municipal facilities like parks, libraries, playgrounds—other than schools or colleges—the limitation of access to, or use of which, would be a denial of equal protection of the laws under the 14th amendment. This title would authorize the Attorney General, under specified circumstances, to initiate suits to desegregate public facilities, other than public educational institutions, which are operated, owned, or managed by or on behalf of any State. This title does not authorize suits against private, nongovernmental businesses or establishments. The mere fact that the prices or rates of a business were limited or controlled by State or local law, or that the business was subject to some form of license or regulation would not bring it within the scope of title III, since such regulation would not be enough to make the facility State managed for the purposes of the title.

Title III also authorizes the Attorney General to intervene in any action brought by a private person to obtain relief from a denial of the equal protection of the laws because of race, color, religion, or national origin. It would thus permit the Attorney General to participate in suits alleging denial of the equal protection of the laws for reasons of race or color, such as suits seeking to remedy official mistreatment, abuse, or denial of rights to Negroes because of their race or color.

Title IV of the bill deals with the desegregation of public education. Nine years have passed since the Brown against Board of Education decision, yet there still remain, I repeat, more than 2,000 school districts which require that white and Negro pupils attend separate schools. Many Negro children who entered segregated grade schools at the time of the 1954 Supreme Court decision entered segregated high schools this past year. These students have suffered loss of equal educational opportunities which can never be remedied. These failures represent not merely a technical or legal denial of rights. Today this Nation confronts the fact that, because of discrimination in education, great numbers of our citizens are hopelessly handicapped in the labor market.

Title IV would hasten the processes of desegregation in two important ways: First, it would authorize the Commissioner of Education to provide, upon application of local school authorities, technical and financial aid to assist schools in dealing with problems occasioned by desegregation; second, it would authorize the Attorney General to institute suits to compel desegregation where the private parties are unable to bring suit and where the Attorney General considers that a suit would materially further the national policy favoring the orderly achievement of desegregation in public education.

Title V of H.R. 7152, as amended, concerns the Commission on Civil Rights. In addition to minor procedural and technical changes, it gives the Commission permanent status. Title V also authorizes the Commission to serve as a national clearinghouse for information concerning denials of equal protection of the laws, and to investigate allegations as to patterns or practices of fraud or discrimination in elections for Federal office.

Title VI of the bill is intended to insure that no person in the United States is excluded from participation in, denied the benefits of, or subjected to discrimination on grounds of race, color, or national origin under any program or activity receiving Federal financial assistance. Title VI directs all appropriate Federal agencies to adopt rules, regulations, or orders of general applicability to effectuate this national policy of nondiscrimination. It would require each Federal agency administering Federal assistance, by grant, contract, or loan, to reexamine its assistance program to make sure that adequate action has been taken to preclude such discrimination.

The objective of title VI is to end discrimination, not to deny Federal assistance. The title requires that an effort be made to secure compliance by voluntary means before any enforcement mechanism is invoked.

The title will not punish innocent beneficiaries of Federal aid for wrongs committed by others. For example, title VI would not affect an individual farmer who borrows money through a Government agency. It would affect the distributor of those funds if the distributing agency practices discrimination. As to each assisted program or activity, title VI will require an identification of those persons whom Congress regarded as participants and beneficiaries, and in respect to whom the principle declared in title VI would apply. For example, the purpose of acreage allotments under the Agricultural Production Act is to assist farmers by stabilizing production and prices; it is not basically concerned with farm employment. As applied to this program, title VI would preclude discrimination in connection with the eligibility of farmers for allotment payments—but would not require action to end discriminatory employment practices by farmers receiving allotments. To guard against any possible abuse, ample opportunity is provided for judicial review of any Federal agency action terminating or refusing to grant or to continue financial assistance on grounds of discrimination.

The executive branch has generally followed nondiscrimination policies in the administration of Federal assistance programs when not limited by statutory provisions such as those contained in the Hill-Burton Act—42 U.S.C. 291e(f), and the second Morrill Act, 7 U.S.C. 323. Title VI would provide clear statutory support for such executive action, and would guarantee that it be continued in future years as a permanent part of our national policy.

Title VII of the bill establishes a Federal Equal Employment Opportunity Commission designed to eliminate discriminatory employment practices by certain employers, unions, and employment agencies. The Commission is empowered to: First, receive and investigate charges of discrimination in employment affecting commerce; second, attempt through conciliation and persuasion to resolve disputes involving such charges; and third, if efforts to secure voluntary compliance are unsuccessful, seek relief in the Federal courts where the matter will be heard de novo.

In order to enable employers, unions, and employment agencies to adjust their policies and procedures in conformity with the requirements of title VII, the provisions prohibiting discriminatory employment practices and providing relief therefrom do not become effective until 1 year after the date of enactment of title VII. Similarly, in order to provide for an orderly transition and adjustment, coverage in the first year of the law's operation is extended to employers and unions which have 100 employees or members; in the second year, 50 employees or members; and in the third year and thereafter, 25 employees or members.

To the maximum extent possible, title VII provides for the utilization of existing State fair employment laws and procedures. Existing State laws will remain in effect except as they conflict directly with Federal law. Through cooperative efforts with State and local agencies, title VII envisions an effective and harmonious mobilization of Federal, State, and local authorities in attacking this national problem.

Approximately half of the States today have laws prohibiting discrimination in employment. Title VII would extend this protection throughout the 50 States.

Title VIII of the bill directs the Secretary of Commerce—Bureau of the Census—to compile registration and voting statistics by race, color, and national origin in such geographic areas and to such extent as the Commission on Civil Rights recommends. The resulting data will provide an accurate and reliable fund of information helpful to the Congress in determining the dimensions of discrimination in voting. It will particularly aid in assessing progress made in assuring to each qualified citizen the fundamental right to vote.

Title IX of the bill amends existing law—28 United States Code 1447(d)—to expressly permit appeal from a Federal court order remanding to the State court from which it was removed any civil rights case removed pursuant to 28 United States Code 1443.

Title X contains three miscellaneous provisions. The first preserves existing authority of the Attorney General; the second provides for appropriations authority, and the third contains a general severability clause.

From the very beginning of this 88th Congress, measures seeking enactment of a civil rights law have been introduced. The Civil Rights Subcommittee of the House Committee on the Judiciary began public hearings on May 8 on these measures. By the time the public hearings were concluded on August 2, 1963, over 170 civil rights bills had been proposed by Members of the House of Representatives. The Civil Rights Subcommittee sat in executive session for a total of 17 days seeking to fashion a bill that would not only prove effective but would also attract and obtain sufficient support for its passage. The full Judiciary Committee thereafter met in executive session and on November 20 favorably reported an amended version of H.R. 7152 which represented a substantial bipartisan committee consensus.

While no bill can solve the complex problems of discrimination, I believe enactment of the measure approved by the Committee on the Judiciary would do more toward eliminating these wrongs than any other measure possible at this time. H.R. 7152, as amended, contains a most comprehensive program designed to resolve the issues which today challenge our national conscience.

The demonstrations and violence of recent months have served to point up what many of us have known for years: That this Nation can no longer abide the moral outrage of discrimination.

The enactment of this bill is required, as the late President Kennedy said, "not merely for reasons of economic efficiency, world diplomacy, and domestic tranquillity—but above all, because it is right."

Mr. Chairman, I ask unanimous consent to include a series of memorandums dealing with the constitutionality and legality of various titles of the bill. I commend, if possible, the reading of this document, which is rather expansive but covers the constitutionality of the principal provisions in the bill, to the Members of this House. It can be used for ready reference. It will appear at the end of my statement.

Mr. Chairman, I ask unanimous consent to put those documents in the RECORD.

The CHAIRMAN. The Chair reminds the gentleman from New York that he must obtain that permission in the House.

Mr. CELLER. I shall.

These memorandums deal with the following titles:

Title I: Voting.

Title II: Injunctive Relief against Discrimination in Places of Public Accommodation.

Title III: Desegregation of Public Facilities.

Title IV: Desegregation of Public Education.

Title VI: Nondiscrimination in Federally Assisted Programs.

Title VII: Equal Employment Opportunity.

THE CONSTITUTIONALITY OF THE PROVISIONS OF TITLE I

The constitutionality of the various provisions of title I may be based on any one of several sources: The 14th amendment to the U.S. Constitution; the 15th amendment; article I, section 4; and the implied power of Congress to protect the purity of Federal elections.

1. The 14th amendment

Under the Constitution the States have the general power to prescribe the qualifications for voting in both State and Federal elections. *Lassiter* v. *Northampton Election Board,* 360 U.S. 45, 60 (1959); *Breedlove* v. *Suttles,* 302 U.S. 277 (1937); *Pope* v. *Williams,* 193 U.S. 621, 633 (1904). But, like all other powers, it is limited by other provisions of the U.S. Constitution. *Gomillion* v. *Lightfoot,* 364 U.S. 339 (1960); *Gray* v. *Sanders,* 377 U.S. 368, 379 (1963).

The actions of voting registrars in applying literacy and other qualification tests so as to disenfranchise Negroes, while failing to apply the same tests to whites in the same manner, constitute a denial of the equal protection of the laws guaranteed by the 14th amendment. See, e.g., *Davis* v. *Schnell,* 81 F. Supp. 872 (S.D. Ala., 1949), affirmed, 336 U.S. 933. See also, *Cooper* v. *Aaron,* 358 U.S. 1 (1958); *Yick Wo* v. *Hopkins,* 118 U.S. 356 (1886); *Rice* v. *Elmore,* 165 F. 2d 387, 392 (C.A. 4, 1947). Thus, section 101(a)(2)(A) would require registrars to apply the same standards in registering Negroes, for example, as he has used in registering whites and is appropriate legislation under the equal protection clause. In fact, it does no more than the Constitution itself requires.

Similarly, sections 101(a)(2)(B) and 101 (a)(2)(C) which prohibit disqualification for immaterial errors in voting registration forms and require that literacy tests be administered in writing also implement the equal protection clause of the 14th amendment since they are aimed at unconstitutionally discriminatory practices.

As a privilege and immunity of national citizenship (*Twining* v. *New Jersey, supra*) and as a right implicit in and guaranteed by the Constitution (*United States* v. *Classic,* 313 U.S. 299, 315 (1941)), the rights qualified voters to vote for Federal officers cannot be denied by a State without violating "fundamental principles of liberty and justice which lie at the base of all of our civil and political institutions" *Hebert* v. *Louisiana,* 272 U.S. 312, 316(1926). The right to vote for such officers is therefore an aspect of "liberty" protected by the due process clause of the 14th amendment from arbitrary and unreasonable infringement by the States. Congress has power under section 5 of the

14th amendment to prohibit State qualification tests which are arbitrary and which for that reason violate the 14th amendment. The types of practices that would be prohibited by title I have proved to be means of arbitrary denial of the right to vote and they may therefore be prohibited by Congress.

2. The 15th amendment

The 15th amendment provides: "The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude." Thus, it prohibits the racially discriminatory administration of State voting laws, even if such laws are valid on their face. *United States* v. *Thomas,* 180 F. Supp. 10 (E.D. La., 1960), affirmed 362 U.S. 58 (1960); see *Davis* v. *Schnell,* 81 F. Supp. 872 (S.D. Ala., 1949), affirmed 336 U.S. 933. It also prohibits "contrivances by a State to thwart equality in the enjoyment of the right to vote by citizens of the United States regardless of race or color"; it "nullifies sophisticated as well as simple-minded modes of discrimination"; it forbids "onerous procedural requirements which effectively handicap exercise of the franchise by the colored race although the abstract right to vote may remain unrestricted as to race." *Lane* v. *Wilson,* 307 U.S. 268, 275 (1939); see also *Myers* v. *Anderson,* 238 U.S. 368 (1915); *Guinn* v. *United States,* 238 U.S. 347 (1915).

Each of the practices at which title I is aimed is a device found to have been utilized to discriminate against Negroes. There is no doubt but that under the 15th amendment the Congress can adopt legislation designed to end them. Under section 2 of the 15th amendment Congress is vested with the power to enact "appropriate legislation" to enforce the amendment. This power includes the enactment of all measures reasonably adapted to counteract discriminatory devices. See, e.g., *United States* v. *Raines,* 362 U.S. 17, 25 (1960); *Hannah* v. *Larche,* 363 U.S. 420, 452 (1960). Title I is such a measure.

The measure of congressional power to enforce prohibitory constitutional amendments is illustrated by *James Everard Breweries* v. *Day,* 265 U.S. 545 (1924). There, the Supreme Court held that, although the 18th amendment in terms prohibited only the manufacture and sale of intoxicating liquors for beverage purposes, Congress could, under the "appropriate legislation" clause of that amendment, bar the prescription of intoxicating liquor for medicinal purposes, for the sole reason that prohibiting traffic in the latter was reasonably adapted to enforcing the terms of the amendment. The Court said (265 U.S. at 561):

"The opportunity to manufacture, sell, and prescribe intoxicating malt liquors of 'medicinal purposes,' opens many doors to clandestine traffic in them as beverages under the guise of medicines; facilitates many frauds, subterfuges and artifices; aids evasion; and thereby and to that extent, hampers and obstructs the enforcement of the 18th amendment."

See also *Ruppert* v. *Caffey,* 251 U.S. 264 (1920); *United States* v. *Darby,* 312 U.S. 100, 121 (1941); *McCulloch* v. *Maryland,* 4 Wheat. 316 (1819); *Westfall* v. *United States,* 274 U.S. 256, 258–259 (1927).

This means that Congress, acting under its power to enforce provisions such as those of the 18th or the 15th amendment by "appropriate legislation," is not limited to outlawing practices which are forbidden by the terms of the provisions themselves. It may also do whatever is reasonably necessary to remove obstructions to fulfillment of the purposes of the provisions. The provisions of title I obviously are "reasonably necessary" to eliminate obstructions to the purposes of the 15th amendment—that the right of citizens to vote shall not be denied on account of race.

3. Article I, section 4, of the Constitution

Inasmuch as part of title I is limited to Federal elections, its constitutionality is supported also by article I, section 4 of the Constitution. That article adopts as the qualifications necessary to vote for Members of the House of Representatives the qualifications established by each State to vote for representatives to its most numerous legislative branch. The right to vote in senatorial elections is defined in identical terms by the 17th amendment. However, article I, section 4 of the Constitution further provides that:

"The times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations, except as to the places of chusing [sic] Senators."

The power given Congress by article I, section 4 provides the means for remedying abuses in the regulation of the manner of conducting congressional elections.

In *Smiley* v. *Holm,* 285 U.S. 355, 366 (1932), the Supreme Court spoke of article I, section 4 in these terms:

"It cannot be doubted that these comprehensive words embrace authority to provide a complete code for congressional elections, not only as to times and places, but in relation to notices, registration, supervision of voting, protection of voters, prevention of fraud and corrupt practices, counting of votes, duties of inspectors and canvassers, and making and publication of election returns; in short, to enact the numerous requirements as to procedure and safeguards which experience shows are necessary in order to enforce the fundamental right involved."

Section 101 (a) and (b) of title I in essence is but a regulation of the "manner" of holding elections for Federal officials. The title does not attempt to alter the qualifications a State may require for voting.

4. The implied power of Congress to protect the purity of the Federal ballot

It is settled that Congress possesses powers which, though not specifically enumerated in the Constitution, are implied because they are "necessary and proper" (article I, section 8, clause 18) to carry out the powers expressly delegated by the Constitution to Congress. See e.g., *United States* v. *Fox,* 95 U.S. 670, 672 (1878); *Ex parte Yarbrough,* 110 U.S. 651, 658–59 (1884); *Dennis* v. *United States,* 341 U.S. 494, 501 (1951).

In *Burroughs and Cannon* v. *United States,* 290 U.S. 534 (1934) the Court ruled that the implied powers of Congress extend to measures to insure the purity of the Federal ballot. In sustaining the validity of the Corrupt Practices Act, the Court declared (290 U.S. at 545):

"To say that Congress is without power to pass appropriate legislation to safeguard such an election (for President of the United States) from the improper use of money to influence the result is to deny to the Nation in a vital particular the power of self protection. Congress, undoubtedly, possesses that power, as it possesses every other power essential to preserve the departments and institutions of the General Government from impairment or destruction, whether threatened by force or by corruption."

The similarity between corruption of the Federal electoral process by the use of money and corruption of the same process by devices susceptible of being used and actually used to disenfranchise voters because of race is plain. If anything, the latter is more subject to congressional control because (1) it is directed toward a special class; (2) it is inconsistent with constitutional principles given express recognition in the 14th and 15th amendments, and (3) it is perpetrated by the State, or by State officials sworn to uphold the Constitution, rather than by private persons.

In short, Congress surely has the power to protect elections for Federal office from devices that are widely used to corrupt the purity of such elections. It is plain that the discriminatory devices which title I is designed to inhibit are within the ambit of congressional authority and that the provisions contained in title I are constitutionally proper devices to do so.

As the Supreme Court said in *United States* v. *Classic,* 313 U.S. 299, 315 (1941):

"While, in a loose sense, the right to vote for representatives in Congress is sometimes spoken of as a right derived from the States, see *Minor* v. *Happersett,* 21 Wall. 162, 170; *United States* v. *Reese,* 92 U.S. 214, 217–218; *McPherson* v. *Blackmer,* 146 U.S. 1, 38–39; *Breedlove* v. *Suttles,* 302 U.S. 277, 283, this statement is true only in the sense that the States are authorized by the Constitution, to legislate on the subject as provided by section 2 of article I, to the extent that Congress has not restricted State action by the exercise of its powers to regulate elections under section 4 and its more general power under article I, section 8, clause 18, of the Constitution 'to make all laws which shall be necessary and proper for carrying into execution the foregoing powers.'"

See also *Lassiter* v. *Northampton Election Board,* supra, 306 U.S. at 51.

THE CONSTITUTIONALITY OF THE PUBLIC ACCOMMODATIONS PROVISIONS OF TITLE II

Title II of H.R. 7152 provides a remedy by suit for injunction against discrimination at certain places of public accommodation. These provisions are applicable to certain designated establishments—places of lodging, eating places, gasoline stations, and places of exhibition or entertainment—if (1) their operations affect commerce or (2) discrimination or segregation by them is supported by State action (sec. 201). These tests are in the alternative, and an establishment is covered by title II if either one of them is met. Thus, as to the establishments designated in section 201, title II is an exercise of the power of Congress to regulate commerce among the several States under article I, section 8, clause 3, of the Constitution, and also of the power of Congress to enact appropriate legislation to enforce the 14th amendment.

In addition, title II is applicable to any establishment or place at which segregation or discrimination is or purports to be required by State or local law (sec. 202). As to the places or establishments covered by section 202, title II is an exercise of the power of Congress to enact appropriate legislation to enforce the 14th amendment. The provisions of title II may also derive support from the power of Congress to enact appropriate legislation to enforce the 13th amendment.

There is no objection to invoking several sources of constitutional authority to achieve a legislatively desired result. Federal statutes often rest on more than one source of congressional power.[1] In many cases, a particular establishment will clearly be subject to congressional power under both the commerce clause and the 14th amendment; in other cases, however, proof of effect on interstate commerce may be easier, factually or legally, than proof that discrimination is supported by State action, or vice versa. By relying on both sources of power, section 201 will facilitate proof and avoid doubts or gaps as to coverage which might result if exclusive reliance were placed on a single source. In title II Congress would state the result it seeks to achieve, and would marshal all available sources of congressional power in support of that result.

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[1] For example, the TVA Act was sustained as an exercise of the war and commerce powers. *Ashwander* v. *Tennessee Valley Authority,* 297 U.S. 288, 326–330.

The danger of tying the public accommodations provisions to a single source of congressional authority is illustrated by the original *Civil Rights* cases, 109 U.S. 3 (1883). In view of the Supreme Court, sections 1 and 2 of the Civil Rights Act of 1875 had been tied by Congress exclusively to section 5 of the 14th amendment. The Court held the statute unconstitutional as based upon that amendment, and refused to consider whether it would be constitutional in some of its applications under the power to regulate interstate commerce (id. at 19). See also *Butts* v. *Merchants and Miners Transportation Co.,* 230 U.S. 126. Section 201 of the present bill avoids this danger.

I. The commerce clause

Insofar as title II rests on the power of the Congress to regulate commerce, its provisions are amply supported by well-established constitutional principles.

The power of Congress over interstate commerce and activities affecting interstate commerce is broad and plenary. "The congressional authority to protect interstate commerce from burdens and obstructions," Chief Justice Hughes said in *Labor Board* v. *Jones and Laughlin Steel Corp.,* 301 U.S. 1, 36–37, "is not limited to transactions deemed to be an essential part of a 'flow' of interstate or foreign commerce. * * * The fundamental principle is that the power to regulate commerce is the power to enact 'all appropriate legislation' for 'its protection and advancement' * * * to adopt measures 'to promote its growth and insure its safety' * * * 'to foster, protect, control and restrain.'"

Congress may exercise this power notwithstanding that the particular activity is local, that it is quantitatively unimportant, that it involves the retail trade, or that standing by itself it may not be regarded as interstate commerce "[W]hatever its nature, [it] may be reached by Congress if it exerts a substantial economic effect on interstate commerce, and this irrespective of whether such effect is what might at some earlier time have been defined as 'direct' or 'indirect'." *Wickard* v. *Filburn,* 317 U.S. 111, 125.

Thus, in *Wickard* v. *Filburn,* the Agricultural Adjustment Act was applied to a farmer who sowed only 23 acres of wheat and whose individual effect on interstate commerce amounted only to the pressure of 239 bushels of wheat upon the total national market. In *Mabee* v. *White Plains Publishing Co.,* 327 U.S. 178, the Fair Labor Standards Act was applied under the commerce clause to a newspaper whose circulation was about 9,000 copies and which mailed only 45 copies—about one-half of 1 percent of its business—out of State.[2] And in *United States* v. *Sullivan,* 332 U.S. 689, the Supreme Court held, without dissent on this point, that Congress has power to forbid a small retail druggist from selling drugs without the form of label required by the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.), even though the drugs were imported in properly labeled bottles from which they were not removed until they reached the local drugstore and even though the drugs in question had reached the State 9 months before being resold.[3]

Of course, there are limits on congressional power under the commerce clause. It may be conceded that Congress does not have the power to regulate all of a man's conduct solely because he has some relationship with interstate commerce. What is required is that there be a relationship between interstate commerce and the evil to be regulated. Over the course of the years, various tests have been established for determining whether this relationship exists. The proposed legislation clearly meets these tests.

1. Restrictions on interstate travel

Congress has long exercised authority under the commerce clause to remove impediments to interstate travel and interstate travelers. As long ago as 1887, legislation was enacted (49 U.S.C. 3(1)) forbidding a railroad in interstate commerce "to subject any particular person * * * to any undue or unreasonable prejudice or disadvantage in any respect whatsoever." Similar statutory authority is provided with respect to motor carriers (49 U.S.C. 316(d)) and air carriers (49 U.S.C. 1374(b)).

These provisions have been authoritatively construed to proscribe racial segregation of passengers on railroads (*Mitchell* v. *United States,* 313 U.S. 80; *Henderson* v. *United States,* 339 U.S. 816; *NAACP* v. *St. Louis-San Francisco Ry. Co.,* 297 I.C.C. 335), on motor carriers (*Boynton* v. *Virginia,* 364 U.S. 454; *Keys* v. *Carolina Coach Co.,* 64 M.C.C. 769), and on air carriers (*Fitzgerald* v. *Pan American World Airways,* 229 F. 2d 499 (C.A. 2)). The decisions in these cases are, of course, direct authority for the proposition that Congress may enact legislation appropriate to secure equality of treatment for Negroes using the facilities of interstate commerce.

The constitutional authority of Congress under the commerce clause, moreover, extends beyond the regulation of the interstate carriers themselves; it covers all businesses affecting interstate travel (i.e., interstate commerce). Thus the wages of employees engaged in preparing meals for interstate airlines, sandwiches for sale in a railroad terminal, and ice for cooling trains have all been held subject to Federal regulation under the commerce clause. *Walling* v. *Armstrong,* 68 F. Supp. 870, affirmed, 161 F. 2d 515; *Sherry Corine Corp.* v. *Mitchell,* 264 F. 2d 831, cert. denied, 360 U.S. 934; *Mitchell* v. *Royal Baking Co.,* 219 F. 2d 532; *Chapman* v. *Home Ice Co.,* 136 F. 2d 353, cert. denied, 320 U.S. 761.

Similarly, Congress' authority under the commerce clause extends to restaurants at a terminal used by an interstate carrier. In *Boynton* v. *Virginia,* 364 U.S. 454, 463, the Supreme Court declared:

> "Interstate passengers have to eat. * * * Such passengers in transit on a paid interstate * * * journey had a right to expect that this essential transportation food service voluntarily provided for them under such circumstances would be rendered without discrimination prohibited by the Interstate Commerce Act."

While in Boynton the Court held as a matter of statutory construction that the Interstate Commerce Act reached only restaurants connected with the carrier itself, its reasoning with respect to effect on commerce is no less applicable to service stations, hotels, motels, and other establishments serving interstate travelers. Such establishments affect travelers, and therefore, interstate commerce, in the same manner as restaurants. Just as travelers need food, they must have gasoline and places to sleep. Clearly, discrimination by such establishments severely burdens and restricts interstate travel and may therefore be regulated by the Congress.

In removing impediments to interstate travel, Congress is not limited to forbidding discrimination against interstate travelers alone; it may forbid discrimination against local customers as well. Congress may "choose the means reasonably adapted to the attainment of the permitted end, even though they involve control of intrastate activities." *United States* v. *Darby,* 312 U.S. 100, 121. Interstate commerce is burdened if interstate travelers are required to carry with them proof that they are in the course of a trip through more than one State. See *Baldwin* v. *Morgan,* 287 F. 2d 750 (C.A. 5). And interstate travel is discouraged if the interstate traveler is aware that those of his race who are not involved in interstate travel are refused service or accommodations in facilities needed by interstate travelers. Congress may eliminate these incidental impediments to interstate travel along with the more direct burdens discussed above. *United States* v. *Darby,* 312 U.S. 100; *Currin* v. *Wallace,* 306 U.S. 1; *Thornton* v. *United States,* 271 U.S. 414; *Shreveport Rate Cases,* 234 U.S. 342.

Under the foregoing authorities there can be no doubt that Congress has power to legislate so as to prohibit discrimination in eating places and gasoline stations which serve or offer to serve interstate travelers (sec. 201(c)(2)); and in establishments which provide lodging to transient guests and hence by their very nature serve or offer to serve interstate travelers (sec. 201(c)(1)). Obtaining lodging, food, gasoline and related services and conveniences is an essential part of interstate travel, and discriminatory practices which restrict the availability of such goods, services and conveniences, or expose interstate travelers to inconvenience or embarrassment in obtaining them, constitute burdens on interstate commerce which Congress has clear authority to remove.

2. Artificial restrictions upon the market for goods

Supreme Court decisions have many times sustained the power of Congress to enact legislation which would remove artificial restrictions upon the markets for products from other States.[4] The removal of such restrictions, as the Supreme Court recognized in *Stafford* v. *Wallace,* 258 U.S. 495, promotes interstate traffic and therefore constitutes an appropriate object for the exercise of congressional authority. On that basis, restraints involving the local exhibition of motion pictures have been the subject of Federal regulation under the Sherman Act (*Interstate Circuit* v. *United States,* 306 U.S. 208; *White Bear Theatre* v. *State Theatre Corp.,* 129 F. 2d 600; *Youngclaus* v. *Omaha Film Board of Trade,* 60 F. 2d 538; *IPC Distributors* v. *Chicago Moving Picture Machine Operators Union,* 132 F. Supp. 294), and so have restraints involving stage attractions (*United States* v. *Shubert,* 348 U.S. 222), professional boxing matches (*United States* v. *International Boxing Club,* 348 U.S. 236), and professional football games (*Radovich* v. *National Football League,* 352 U.S. 445).

Like unlawful monopolies, racial discrimination and segregation in the establishments covered by the proposed legislation constitute artificial restrictions upon the movement of goods in interstate commerce, and they may be dealt with by the Congress for that reason. The restrictive impact of discriminatory practices is perhaps best illustrated by reference to the motion picture industry.

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[2] See also, *Labor Board* v. *Fainblatt,* 306 U.S. 601, 607; *United States* v. *Darby,* 312 U.S. 100, 123.

[3] Laws enacted pursuant to the commerce power have been applied to businesses furnishing accommodations to interstate travelers (*Hotel Employees Local 255* v. *Leedom,* 358 U.S. 99), to retail auto dealers (*Howell Chevrolet Co.* v. *National Labor Relations Board,* 346 U.S. 482) to drugstores (*United States* v. *Sullivan,* 332 U.S. 689), to department stores (*J. L. Brandeis* v. *National Labor Relations Board,* 142 F. 2d 977 (C.A. 8), certiorari denied, 323 U.S. 751; *May Department Stores, Co.* v. *National Labor Relations Board,* 326 U.S. 376), to theaters (*League of New York Theaters, Inc.,* 129 N.L.R.B. 1429; *National Labor Relations Board* v. *Combined Century Theaters,* 278 F. 2d 306 (C.A. 2)), and other retail enterprises (see *e.g., Meat Cutters* v. *Fairlawn Meats,* 353 U.S. 20; *San Diego Building Trades Council* v. *Garmon,* 353 U.S. 26; *National Labor Relations Board* v. *Reliance Fuel Corp.,* 371 U.S. 224; *National Labor Relations Board* v. *Gene Compton's Corporation,* 262 F. 2d 653 (C.A. 9).

Motion picture theaters which refuse to admit Negroes will obviously draw patrons from a narrower segment of the market than if they were open to patrons of all races. The difference will often not be made up by separate theaters for Negroes because there are localities which can support one theater but not two (or two but not three, etc.) and because the inferior economic position in which racial discrimination has held Negroes often makes their custom alone financially inadequate to support a theater. Thus, the demand for films from out of State, and the royalties on such films, will be less. What is true of exclusion is true, although perhaps in less degree, of segregation. During any particular performance, a segregated theater may well lack sufficient seating space in the "white" section while offering ample seating in the "Negro" section, or vice versa. Moreover, the very fact of segregation in seating discourages attendance by Negroes.

These principles are applicable not merely to motion picture theaters but to other establishments which receive supplies, equipment or goods through the channels of interstate commerce. If these establishments narrow their potential markets by artificially restricting their patrons to non-Negroes, the volume of sales and therefore the volume of interstate purchases will be less. Although the demand may be partly filled by other establishments that do not discriminate, the effect will be substantial in those areas where segregation is practiced on a large scale. The economic impact is felt in interstate commerce. The commerce clause vests power in the Congress to remedy this condition.

On the foregoing authorities it is clear that Congress has power to prohibit discrimination at places of exhibition and entertainment which customarily present films, performances, athletic teams, exhibitions, or other sources of entertainment which move in interstate commerce (sec. 201(c)(3)), and at eating places and gasoline stations which sell goods, a substantial portion of which has moved in such commerce (sec. 201(c)(2)).

3. Elimination of adverse effects on the allocation of resources and flow of interstate commerce

The commerce clause also vests Congress with the authority to deal with conditions which adversely affect the allocation of resources and the flow of interstate commerce.

The Federal Government has, of course, a legitimate interest in the interstate movement of capital and goods, and Congress has frequently acted in furtherance of that interest. Thus, in the Agricultural Adjustment Act of 1938 (52 Stat. 31, 46, et seq.), Congress provided for restrictions on production of certain agricultural products "in order to promote, foster and maintain an orderly flow of [supply of such products] in interstate and foreign commerce." Similarly, the Fair Labor Standards Act (29 U.S.C. 201, et seq.) speaks of the effect of "labor conditions detrimental to the * * * minimum standard of living necessary for health, efficiency and general well-being of workers" upon "the orderly and fair marketing of goods in commerce." See also the declaration of policy in section 1 of the National Labor Relations Act (29 U.S.C. 151 et seq.).

Experience shows that discrimination and segregation, when widely practiced throughout sections of the country, have a markedly adverse effect upon the interstate flow of both capital and goods. Capital is reluctant to invest in the region. Skilled or educated men who will be the victims of discrimination are reluctant to settle in the area even when opportunities are available. The inferior economic position to which general discrimination and segregation relegate a large segment of the population in some regions reduces their purchasing power, thus reducing the flow of goods and the incentive to bring capital into the area. It is perfectly apparent that Congress may legislate with respect to such conditions.

4. Elimination of causes of disruption in the flow of interstate commerce

There is a parallel congressional power to eliminate the causes of disputes that may curtail the flow of interstate commerce—power which was recognized and sustained in a number of decisions under the National Labor Relations Act. These decisions show that Congress may, by legislation, deal with labor disputes which halt production or the resale of manufactured goods because, based on the Federal interest in the elimination of obstructions to the free flow of commerce, there is a corresponding power to remove the causes of the disputes which are responsible for these obstructions. See *NLRB* v. *Jones & Laughlin Steel Corp.*, 301 U.S. 1; *NLRB* v. *Suburban Lumber Co.*, 121 F. 2d 829, cert. denied, 314 U.S. 693; *J. L. Brandeis* v. *NLRB* 142 F. 2d 977, cert. denied, 323 U.S. 751; *NLRB* v. *Reliance Fuel Corp.*, 371 U.S. 224.

Disputes involving racially discriminatory practices of places of public accommodation frequently give rise to picketing and other demonstrations which interfere with interstate travel and with the sale of goods and thus affect interstate commerce in precisely the same manner as would labor disputes involving such establishments.

* * * * *

Thus, insofar as the coverage of section 201 is based on an effect on commerce, the provisions of that section are clearly supported by a long line of decisions interpreting the power of Congress over interstate commerce. Nothing in the *Civil Rights* cases, 109 U.S. 3, creates any question as to congressional power under the commerce clause. In its decision holding the public accommodations provisions of the Civil Rights Act of 1875 beyond the power of Congress under the 14th amendment, the Court did not pass upon the power of Congress to enact similar legislation under the commerce clause. It had been argued to the Court that the act was effective at least as to public conveyances, since they were plainly in interstate commerce, but the Court felt that "as the sections in question are not conceived in any such view," the statute could not even be considered under the commerce clause and had to stand or fall on the power of Congress under the 14th amendment (109 U.S. at 19).

The fact that the proposed civil rights bill rests ultimately on a concept of justice and morality presents no reason for Congress not to avail itself of its powers over interstate and foreign commerce. Congress may exercise its commerce power to prevent injuries to "the public health, morals or welfare." *United States* v. *Darby*, 312 U.S. 100, 114. See also *Lottery Cases*, 188 U.S. 321; *Hipolite Egg Co.* v. *United States*, 220 U.S. 45; *Caminetti* v. *United States*, 242 U.S. 470. "The authority of the Federal Government over interstate commerce does not differ in extent or character from that retained by the States over intrastate commerce." *United States* v. *Rock Royal Cooperative*, 307 U.S. 533, 569-570. Congress power over interstate commerce "is complete in itself, may be exercised to its utmost extent, and acknowledges no limitations, other than are prescribed in the Constitution." *Gibbons* v. *Ogden*, 9 Wheat, 1, 196. Congress has frequently exercised its powers over interstate commerce to protect the public health, safety and morals, to protect various groups in society from exploitation or unjust treatment, and to prohibit or regulate practices deemed injurious to the public welfare.[4]

II. THE 14TH AMENDMENT

Section 1 of the 14th amendment provides that—

"No State shall * * * deny to any person * * * the equal protection of the laws."

Section 5 provides that "Congress shall have power to enforce by appropriate legislation, the provisions of this article."

On its face the amendment is aimed at discrimination by a State, and laws enforcing the amendment must therefore be aimed at State action. As the Supreme Court recently stated in *Burton* v. *Wilmington Parking Authority*, 365 U.S. 715, 722:

"It is clear, as it always has been since the *Civil Rights Cases*, [109 U.S. 3] that 'Individual invasion of individual rights is not the subject matter of the amendment,' at page 11, and that private conduct abridging individual rights does no violence to the equal protection clause unless to some significant extent the State in any of its manifestations has been found to have become involved in it."

To the same effect see *Shelley* v. *Kraemer*, 334 U.S. 1, 13; *Peterson* v. *Greenville*, 373 U.S. 244, 247.

In the *Civil Rights* cases, 109 U.S. 3, the Court held invalid sections 1 and 2 of the Civil Rights Act of 1875. Section 1 declared the right of all persons to the full and equal enjoyment of "the accommodations, advantages, facilities and privileges of inns, public conveyances on land or water, theaters and other places of public amusement." Section 2 made it a crime for "any person" to deny such rights to any other person. Because the statute "makes no reference whatever to any supposed or apprehended violation of the 14th amendment on the part of the States" (109 U.S. at 14), it was held to be beyond the power of Congress. The 14th amendment, and Congress' power to enforce it, were limited, in the Court's view, to cases in which "some State law has been passed, or some State action through its officers or agents has been taken, adverse to the rights of citizens sought to be protected by the 14th amendment." 109 U.S. at 13.

The provisions of title II, insofar as they rely on the 14th amendment, are limited to situations in which the requisite "State action * * * has been taken." Title II is therefore clearly distinguishable from the provisions of the Civil Rights Act of 1875 which were held unconstitutional in the civil rights cases. The constitutional validity of title II, insofar as it rests on the 14th amendment, is fully supported by the civil rights cases, as well as by later decisions applying the concept of State action.[5]

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[4] For a few out of the many examples, see the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. 301 et seq.; the Meat Inspection Act, 21 U.S.C. 71 et seq.; the Poultry Products Inspection Act, 21 U.S.C. 451 et seq.; the Plant Quarantine Act and related legislation, 7 U.S.C. 150-167; legislation regulating intrastate and interstate traffic in biological products, 42 U.S.C. 262; legislation prohibiting interstate traffic in lottery tickets, in liquor contrary to State law and in women for immoral purposes, 18 U.S.C. 1301 et seq., 1261 et seq., 2421 et seq.; prohibitions against interstate transmission of gambling devices and of switch blade knives, 15 U.S.C. 1171 et seq., 1241 et seq.; the Fair Labor Standards Act, 29 U.S.C. 201 et seq.; the Welfare and Pension Plans Disclosure Act, 29 U.S.C. 301 et seq.; the Labor-Management Relations Act, 20 U.S.C. 141 et seq.; the Federal Trade Commission Act, 15 U.S.C. 41 et seq.; the Securities Exchange Act, 15 U.S.C. 78a.

It is settled that judicial relief can be obtained against private individuals and organizations who engage in discrimination with which the State is sufficiently involved to warrant invocation of the 14th amendment. *E. G. Turner* v. *City of Memphis*, 369 U.S. 350 (action against city and a private restaurant); *Burton* v. *Wilmington Parking Authority, supra* (same); *Evers* v. *Dwyer*, 358 U.S. 202 (action against city and private transit company); *Browder v. Gayle*, 142 F. Supp. 707 (M.D. Ala.) aff'd, 352 U.S. 903 (same); *Flemming* v. *So. Carolina Electric and Gas Co.*, 224 F. 2d 752 (C.A. 4) (action against private transit company); *Baldwin* v. *Morgan*, 251 F. 2d 780, 287 F. 2d 750 (C.A. 5) (action against city officials and private terminal company); *Kerr* v. *Enoch Pratt Free Library*, 149 F. 2d 212 (C.A. 4) (action against privately endowed library); *Simkins* v. *Moses Cone Memorial Hospital* (C.A. 4, Nov. 1, 1963) (action against nonprofit hospitals).

A long line of decisions has made it clear that "State action," for purposes of the 14th amendment, is a broad concept which may be satisfied by any of a number of circumstances. Sufficient State involvement may result from "State participation through any arrangement, management, funds or property." *Cooper* v. *Aaron*, 358 U.S. 1, 4. Any significant "degree of State participation and involvement in discriminatory action" may bring it within the prohibitions of the 14th amendment. *Burton* v. *Wilmington Parking Authority*, 365 U.S. 715, 724; *Peterson* v. *Greenville*, 373 U.S. 244, 248. As will be shown below, sections 201 and 202, the provisions of title II which rely on the 14th amendment are based upon a concept of State action or involvement well supported by judicial precedent.

Section 202 would preclude discrimination at any establishment or place "if such discrimination or segregation is or purports to be required by any law, statute, ordinance, regulation, rule or order, of a State or any agency or political subdivision thereof." The section would reach only cases in which there is actually "on the books" a State or local law requiring discrimination.

Not only is it beyond dispute that any such law is patently unconstitutional, but it seems clear that racial segregation or discrimination which is or purports to be required by State law is prohibited by the 14th amendment. *Peterson* v. *Greenville*, 373 U.S. 244; *Lombard* v. *Louisiana*, 373 U.S. 267; *Gober* v. *City of Birmingham*, 373 U.S. 374. "When the State has commanded a particular result, it has saved to itself the power to determine that result and thereby 'to a significant extent' has 'become involved' in it, and, in fact, has removed that decision from the sphere of private choice." *Peterson* v. *Greenville, supra*, at 248.

Such a command has been found in a State statute, *Evers* v. *Dwyer*, 248 U.S. 202; a municipal ordinance, *Peterson* v. *Greenville, supra;* a regulation of a State agency, *Baldwin* v. *Morgan*, 251 F. 2d 780, 287 F. 2d 750 (C.A. 5); a practice of segregated seating in a courtroom, *Johnson* v. *Virginia*, 373 U.S. 61; and public statements of city officials, *Lombard* v. *Louisiana*, 373 U.S. 267. It is sufficient that the segregation or discrimination is "commanded * * * by the voice of the State," *Lombard* v. *Louisiana, supra*, at 274.

The cases draw no distinction based on the type of place or establishment involved. Segregation or discrimination commanded by the State has been held invalid in publicly owned facilities of every kind, *Watson* v. *Memphis*, 373 U.S. 526; in transportation facilities, *Bailey* v. *Patterson*, 369 U.S. 31; in restaurants, *Burton* v. *Wilmington Parking Authority*, 365 U.S. 715; *Turner* v. *City of Memphis*, 369 U.S. 350; in retail stores, *Peterson* v. *Greenville, supra;* in hospitals, *Simkins* v. *Moses Cone Memorial Hospital* (C.A. 4, Nov. 1, 1963). And see, as to private employment. *Colorado Commissioner* v. *Continental*, 372 U.S. 714, 721.

These precedents amply support the constitutionality of section 202.

The constitutional propriety of that portion of section 201 based on the 14th amendment is no less clear. Section 201(b) would preclude discrimination or segregation at any of the establishments specifically enumerated in that section (e.g., hotels, motels, restaurants, and other eating facilities, gasoline stations, places of public entertainment) if such discrimination or segregation is "supported by State action." This provision thus is applicable only to situations in which the constitutional requirement of State action is met.

Section 201(d) provides that discrimination or segregation is supported by State action if it is "carried on under color of any law, statute, ordinance, regulation, custom, or usage." The quoted phrase is taken from section 1 of the Civil Rights Act of 1871, 42 U.S.C. 1983. The constitutionality of that provision, as an implementation of the 14th amendment, is clear. *Monroe* v. *Pape*, 365 U.S. 167, 171–187.

Section 201(d) also provides that discrimination or segregation is supported by State action if it is "required, fostered, or encouraged by action of a State or a political subdivision thereof." It has already been shown that action "required" by a State is State action under the 14th amendment. It is also clear that State action falling short of a requirement may constitute a sufficient degree of State "participation and involvement" to warrant a holding of State action in violation of the 14th amendment. "It is settled that governmental sanction need not reach the level of compulsion to clothe what is otherwise private discrimination with 'State action'." *Simkins* v. *Moses Cone Memorial Hospital* (C.A. 4, Nov. 1, 1963) (typewritten opinion, p. 17). See also *McCabe* v. *Atchison, T. & S.F. Ry. Co.*, 235 U.S. 151; *Baldwin* v. *Morgan*, 287 F. 2d 750, 754 (C.A. 5). "Overt State approval" may in some cases be sufficient. *Simkins* v. *Moses Cone Memorial Hospital, supra*, 17, 18. Indeed, in some circumstances, the failure of the State to prevent discrimination in facilities in whose operation it is involved may constitute State action to which the 14th amendment applies.

Depending on the circumstances, any of a number of factors, singly or in combination, may establish State action.

Thus, the fact that a private establishment is allowed to use publicly owned property and facilities, or receives substantial financial or other benefits from the State, may tend to establish State action. *Burton* v. *Wilmington Parking Authority*, 365 U.S. 715, *Turner* v. *City of Memphis*, 369 U.S. 350, *Simkins* v. *Moses Cone Memorial Hospital* (C.A. 4, Nov. 1, 1963). State action may be found in "State participation" in the functioning of an establishment or institution, "through any arrangement, management, funds, or property." *Cooper* v. *Aaron*, 358 U.S. 1, 4.

State action may be found in the grant by a State of special franchises or privileges or in the delegating to a private organization of quasi-governmental powers. In *Steele* v. *L.& N. R. Co.*, 323 U.S. 192, 198, the Court indicated that Congress could not confer exclusive bargaining rights on a labor union, without placing it under a duty to refrain from discriminating against Negro workers. See also *Brotherhood of Railroad Trainmen* v. *Howard*, 343 U.S. 768. Compare cases holding that the prohibition in the 15th amendment of denial of voting rights by a State on grounds of race, color, or previous condition of servitude "is not to be nullified by a State through casting its electoral process in a form which permits a private organization to practice racial discrimination in the election." *Smith* v. *Allwright*, 321 U.S. 649; *Terry* v. *Adams*, 345 U.S. 461, 466. Like principles appear to preclude segregation or discrimination by public utilities which are executing public functions. *Baldwin* v. *Morgan*, 287 F. 2d 750, 755 (C.A. 5); *Boman* v. *Birmingham Transit Co.*, 280 F. 2d 531 (C.A. 5); cf. *Pollak* v. *Public Utilities Commission*, 191 F. 2d 450 (C.A.D.C.), reversed on other grounds, 343 U.S. 451. Mr. Justice Douglas has expressed the view that State licensing and supervision of places of public accommodation constitute sufficient State involvement to make applicable the prohibitions of the 14th amendment. *Lombard* v. *Louisiana*, 373 U.S. at 281–3 (concurring opinion).

State action may under some circumstances be involved where the State lends its aid to the enforcement of discriminatory practices carried on by private persons. Thus in *Shelley* v. *Kraemer*, 334 U.S. 1, the Court held that judicial enforcement of private restrictive covenants constituted State action in violation of the 14th amendment. The Court characterized the case as one in which the States "have made available" to individuals desiring to impose racial discrimination, "the full coercive power of government." 334 U.S. at 19. See also *Barrows* v. *Jackson*, 346 U.S. 249; *Boman* v. *Birmingham Transit Co.*, 280 F. 2d 531 (C.A. 5); *Lombard* v. *Louisiana*, 373 U.S. at 278–81 (concurring opinion). Coercion applied by public officials, whether or not authorized by State law, may constitute State action. *Lombard* v. *Louisiana*, 373 U.S. 267, 273.

The foregoing illustrations are neither comprehensive nor exhaustive. While the concept of State action cannot be circumscribed by "readily applicable formulas," and while the existence of State action "can be determined only in the framework of the peculiar facts or circumstances present," *Burton* v. *Wilmington Parking Authority*, 365 U.S. 715, 725, 726, the language of sections 201 (b) and (d) clearly would not extend to any case where, as a matter of constitutional law, State action is not present; hence there can be no doubt of its constitutionality as an implementation of the 14th amendment. Moreover, it should be noted that section 201 does not extend to all establishments in which discrimination may be "supported" by the State; section 201 covers, even with regard to State action, only those establishments within the specific categories defined in the section; i.e., hotels, motels, eating places, gasoline stations, places of amusement, etc. This limitation on its coverage, coupled with the fact that enforcement of the section is dependent upon a prior judicial determination that an establishment is covered, gives the section a more than adequate specificity of application.

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[5] Of course, arguments could be made for reconsidering and distinguishing or overruling the civil rights cases. Thus it could be urged that historically, public segregation is the product of and has been supported by State action; that Congress' power to enact "appropriate legislation" confers power to take in whatever additional area is necessary to make effective its prohibition of the use of State action causing and supporting racial discrimination and to undo the consequences of such action, compare *Everard's Breweries* v. *Day*, 265, U.S. 545; and that if Congress finds that the most effective way of eliminating unconstitutional State support for nongovernmental discrimination is to forbid all discrimination, the courts should sustain that determination as a rational one in light of the facts. However, to draft title II so as to make its constitutional validity depend on such theories would raise serious constitutional questions and would delay its practical effectiveness until a definitive constitutional adjudication could be had. These difficulties are avoided by H.R. 7152, which is clearly consistent with and supported by well-settled precedents.

III. THE 13TH AMENDMENT

It has also been suggested that additional support for the constitutionality of title II may be found in the 13th amendment, which outlaws slavery and involuntary servitude and authorizes Congress to enact appropriate legislation enforcing that prohibition. Unlike the 14th amendment, the 13th amendment contains no requirement of State action. It "denounces a status or condition, irrespective of the manner or authority by which it is created." "Congress may enforce the 13th amendment by direct legislation" which "operates directly on every citizen of the Republic." *Clyatt* v. *United States,* 197 U.S. 207, 216, 218. See 18 U.S.C. 1581; *United States* v. *Gaskin,* 320 U.S. 527. Thus the 13th amendment, if applicable, would support those provisions of title II which are applicable to purely private action as well as those provisions of title II which are applicable to purely private action as well as those provisions which are premised on some form of State involvement.

The first Mr. Justice Harlan, in his dissent in the Civil Rights cases, argued that the 13th amendment permits Congress to prohibit not only the legal institution of slavery itself, but also the collateral burdens and incidents—the civil disabilities and inequalities—which either accompanied or followed it. He said, "the power of Congress under the 13th amendment is not necessarily restricted to legislation against slavery as an institution upheld by positive law, but may be exerted to the extent, at least, of protecting the liberated race against discrimination, in respect of legal rights belonging to freemen, where such discrimination is based upon race," 109 U.S. at 37.

While the most salient characteristic of the institution of slavery was the ownership of one person by another, this was by no means the only one. The slave system also encompassed the imposition on the slaves of many degradations, inferiorities, and disabilities designed to make impossible any relationship of equality between the slaves and their masters. Ownership of one human being by another was itself ended by the 13th amendment, but racial segregation, promoted by State law and other State action, replaced it as a device for perpetuating the inferior position of the Negroes. Outlawing of this substitute for slavery, it is argued, is also within the reach of congressional power and under the 13th amendment, which was intended, along with the 14th and 15th amendments, to raise the Negro to a position of first-class citizenship with full civil rights.

The majority of the Supreme Court did not adopt the first Mr. Justice Harlan's views, perhaps because at the time the Civil Rights cases were decided State-imposed racial segregation was not yet a widespread fact. It was only in the latter part of the 19th century that Jim Crow laws, requiring segregation in establishments dealing with the public, spread throughout the South. These were the laws which reimposed on the Negro the badge of inferiority from which the 13th amendment, as read by Justice Harlan, sought to relieve him, and it is these laws, and their aftermath, with which we must deal today.

Thus, the arguments advanced by Justice Harlan lend support to the constitutionality of Federal public accommodations legislation under the 13th amendment. It must be recognized, however, that there is no decisional law to support such an approach and that the scope of the power of Congress under the 13th amendment is unclear. Hence, the 13th amendment may be available, not as a primary source of constitutional power for title II, but as possible additional authority for legislation which is believed to be fully authorized by the commerce clause and the 14th amendment.

IV. TITLE II DOES NOT VIOLATE EITHER THE 5TH OR THE 10TH AMENDMENTS

It has been suggested that for Congress to require places of public accommodation not to discriminate would be a taking of private property without due process of law in violation of the 5th amendment and would interfere with powers reserved to the States under the 10th amendment. Both arguments are clearly without merit.

A. *The fifth amendment*

So far as the fifth amendment is concerned, any Federal regulatory legislation is, to a certain extent, a limitation on the use of private property. "It is of the essence of regulation that it lays a restraining hand on the self-interest of the regulated and that advantages from the regulation commonly fall to others." *Wickard* v. *Filburn,* 317 U.S. 111, 129. See also *German Alliance Insurance Co.* v. *Kansas,* 233 U.S. 389.

The type of regulation proposed in title II is hardly novel. Some 30 States presently have public accommodations laws forbidding racial or religious discrimination. Many of these laws date back to the period immediately after the Civil War.

The power of the Federal Government to pass such laws is also clear. See *Boynton* v. *Virginia,* 364 U.S. 454. "The authority of the Federal Government over interstate commerce does not differ in extent or character from that retained by the States over interstate commerce." *United States* v. *Rock Royal Cooperative,* 307 U.S. 533, 569–570.

B. *The 10th amendment*

The 10th amendment provides that "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people." In the annotation of the Constitution, Senate Document No. 170, 82d Congress, 2d session, page 915, it is pointed out:

"That this provision [the 10th amendment] was not conceived to be a yardstick for measuring the powers granted to the Federal Government or reserved to the States was clearly indicated by its sponsor, James Madison, in the course of the debate which took place while the amendment was pending concerning Hamilton's proposal to establish a national bank. He declared that: 'interference with the power of the States was no constitutional criterion of the power of Congress. If the power was not given, Congress could not exercise it; if given, they might exercise it, although it should interfere with the laws, or even the constitutions of the States.'"

Prior decisions invalidating Federal legislation on the ground of conflict with the 10th amendment were overruled, expressly or impliedly, in *United States* v. *Darby,* 312 U.S. 100, 123–124. It is clear that legislation enacted by Congress pursuant to a power delegated to the Federal Government by the Constitution cannot be validly attached upon the ground that it infringes upon rights reserved to the States by the 10th amendment. See *Everard's Breweries* v. *Day,* 265 U.S. 545, 558, in which the Supreme Court held that:

"If the act is within the power confided to Congress, the 10th amendment, by its very terms, has no application, since it only reserves to the States 'powers not delegated to the United States by the Constitution.'"

Similarly, speaking of legislation enacted by Congress pursuant to the enforcement clause of the 14th amendment, the Supreme Court has said that State sovereignty cannot, by definition, be invaded by the enactment of a law "which the people of the States have, by the Constitution of the United States, empowered Congress to act." *Ex parte Virginia,* 100 U.S. 339, 346.

THE LEGALITY OF THE PROVISIONS OF TITLE III

1. *No increase in substantive Federal jurisdiction*

Title III does not extend or increase the area of civil rights jurisdiction in which the Federal Government is authorized to act. It merely provides an additional remedy for the assurance of existing constitutional rights. In a long series of cases the courts have established that the right to desegregated public (governmental) facilities is protected by the 14th amendment. Just recently a three-judge court in New Orleans, enjoining segregation in that city's municipal auditorium held:

> It is no longer open to question that a State (or city) may not constitutionally require segregation of public facilities. *Johnson* v. *Virginia,* 1963, 373 U.S. 61. In that case the Court held that a city may not segregate seating in courtrooms. In other cases courts have held that public parks and playgrounds (*Watson* v. *City of Memphis,* 1963, 373 U.S. 526), public beaches and bathhouses (*Dawson* v. *Mayor and City Council of Baltimore,* 4 Cir. 1955, 200 F. 2d 386, aff'd per curiam 1935, 350 U.S. 877), golf courses (*New Orleans City Park Improvements Ass'n* v. *Detiege,* 5 Cir. 1958 252 F. 2d 122, aff'd per curiam, 358 U.S. 54), and restaurants in public buildings (*Burton* v. *Wilmington Parking Authority,* 1961, 365 U.S. 715) may not be segregated. *Horace C. Bynum, et al.* v. *Victor H Schiro, etc., et al.* 219 F. Supp. 204, W.D. La. 1963.

2. *It is proper to authorize the Attorney General to bring suit*

In the Civil Rights Act of 1957, Congress expressly authorized the Attorney General to file suit for preventive relief against discriminatory denials of the right to vote (42 U.S.C. 1971(c)). The Supreme Court has held this provision to be constitutional. *United States* v. *Raines,* 362 U.S. 17, 27 (1960).

There is ample other precedent for suits by the Federal Government in cases where the real or incidental beneficiary would be a private person. Thus, the Sherman Act provides that the district courts have jurisdiction to restrain violations of the criminal sections of the act, and vests the Department of Justice with the power to institute proceedings to that end. Civil antitrust actions, of course, provide a benefit not only to the Government, but also to private persons and, in fact, violations provided by the Federal Government—either civilly or criminally, are often brought to light by the complaints of private parties.

Similarly, 15 U.S.C. 30a–34(d) authorizes the Securities and Exchange Commission to seek an injunction to prevent unlawful representations by investment companies. 33 U.S.C. 921(c) authorizes Federal officials to apply for a court order to enforce payment of a longshoremen's compensation award. Under the Taft-Hartley Act, the National Labor Relations Board may enter both cease and desist orders and affirmative orders to benefit employees (e.g., reinstatement with back pay) which are then enforced by way of injunction (29 U.S.C. secs. 160(c) and 160 (e)). Under the Fair Labor Standards Act (29 U.S.C. 201, et seq.) the Wage and Hour Administrator may sue employers on behalf of employees for back wages and unpaid overtime pay (29 U.S.C. 216(c)). Under the legislation dealing with reemployment rights of servicemen, U.S. attorneys may appear and act as attorneys for persons claiming to be entitled to reemployment benefits under that act (50 U.S.C. App. 459(d)).

In all these instances, as in antitrust and in civil rights cases, there is often substantial benefit to a group of individuals. But, basically it is the public interest in observance of the laws which justifies suit by the Government. Indeed, it may be argued that there is a greater public interest in protecting the constitutional rights involved in title III than in enforcing the statutory rights which underlie many of the other cases in which a Federal governmental agency is authorized to bring suit.

THE LEGALITY OF THE PROVISIONS OF TITLE IV

1. Title IV does not create substantive rights

Title IV does not create any new rights for individuals or any new obligations for State and local officials. It merely provides an additional remedy for the assurance of existing constitutional rights. There can be no longer any doubt whatsoever that the right to be free from racial discrimination in public education is a real and present right protected by the Constitution of the United States. *Brown* v. *Board of Education*, 347 U.S. 483; *Aaron* v. *Cooper*, 358 U.S. 1; *Watson* v. *City of Memphis*, 373 U.S. 526.

2. The Attorney General may be authorized to sue

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There is ample other precedent for suits by the Federal Government in cases where the real or incidental beneficiary would be a private person. Thus, the Sherman Act provides that the district courts have jurisdiction to restrain violations of the criminal sections of the act, and vests the Department of Justice with the power to institute proceedings to that end. Civil antitrust actions, of course, provide a benefit not only to the Government, but also to private persons. Similarly, 15 U.S.C. 80a-34(d) authorizes the Securities and Exchange Commission to seek an injunction to prevent unlawful representations by investment companies. 33 U.S.C. 921(c) authorizes Federal officials to apply for a court order to enforce payment of a longshoremen's compensation award. Under the Taft-Hartley Act, the National Labor Relations Board may enter both cease and desist orders and affirmative orders to benefit employees, e.g., reinstatement with backpay, which are then enforced by way of injunction, 29 U.S.C. 160(c), 160(e). Under the Fair Labor Standards Act, 29 U.S.C. 201, et seq., the Wage and Hour Administrator may sue employers on behalf of employees for back wages and unpaid overtime pay, 29 U.S.C. 216(c). Under the legislation dealing with reemployment rights of servicemen, U.S. attorneys may appear and act as attorneys for persons claiming to be entitled to reemployment benefits under that act, 50 U.S.C. App. 459(d).

In these, as in antitrust and in civil rights cases, there is generally a direct or an incidental benefit to a group of individuals. Basically it is the public interest in adherence to the law which justifies suit by the Government. Indeed, there may well be a greater public interest in protecting the constitutional rights upon which title IV is based than in enforcing the statutory rights involved in other cases in which the United States is empowered to bring suit.

THE LEGALITY OF THE PROVISIONS OF TITLE VI

Title VI is not an exercise of regulatory authority over activities within the States. Its application is confined to programs and activities which receive Federal financial assistance, by way of grant, loan, or contract and its validity rests on the power of Congress to fix the terms on which Federal funds will be made available.

In extending financial assistance, Congress unquestionably has power to impose such reasonable conditions on the use of the granted funds or other assistance as it deems in the public interest. E.g., *United States* v. *San Francisco*, 310 U.S. 16 (1940); *Oklahoma* v. *Civil Service Commission*, 330 U.S. 127, 142-144 (1942). Since the recipients of assistance are under no legal obligation to accept Federal assistance on the terms prescribed by Congress, there is no invasion of powers reserved to the States by the 10th amendment. "[T]he powers of the State are not invaded, since the statute imposes no obligation but simply extends an option which the State is free to accept or reject." *Massachusetts* v. *Mellon*, 262 U.S. 447, 480 (1923). Accord: *Steward Machine Co.* v. *Davis*, 301 U.S. 548, 598-598 (1937); *United States* v. *Bekins*, 304 U.S. 27, 51-54 (1938); *Oklahoma* v. *Civil Service Commission*, 330 U.S. 127, 142-146 (1947).[4]

In the last-mentioned case the Court sustained the constitutionality of provisions of the Hatch Act requiring dismissal, for political activities, of State officials administering programs supported by Federal funds. The Court stated, "While the United States is not concerned with, and has no power to regulate, local political activities as such of State officials, it does have power to fix the terms upon which its money allotments to States shall be disbursed." 330 U.S. at 143.

Congress power to attach reasonable conditions to its grant of financial assistance may be exercised by general, across-the-board legislation. Examples of such legislation are the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357) and the Anti-Kickback Act of 1934 (18 U.S.C. 874, 41 U.S.C. 276c) both applicable generally to contracts for work financed by Federal loans or grants, and the Hatch Act (5 U.S.C. 118k, 18 U.S.C. 595) applicable generally to activities financed by Federal loans or grants. The constitutionality of the Hatch Act, as applied to State programs supported with Federal funds, was sustained in *Oklahoma* v. *Civil Service Commission*, *supra*.

The effect of title VI would be prospective only. Section 602 authorizes each agency to adopt nondiscrimination requirements, by rule, regulation or other requirement of general applicability, and to terminate assistance or take other appropriate action to secure compliance with such requirements. Such requirements would be applicable only to assistance given after their effective date. Hence no question would arise as to the authority of Congress to attach new conditions to grants already made or other assistance already given.

There can be no doubt of the power of Congress to prohibit racial discrimination in connection with programs authorized by it. Congress has prohibited racial discrimination in connection with certain Federal assistance programs. See annexed list of Provisions of Existing Federal Assistance Statutes Which Relate to Racial Discrimination. Similarly, in the exercise of its power to regulate commerce, Congress has prohibited unjust discrimination by railroads, buslines and airlines; those prohibitions have been construed to prohibit racial discrimination or segregation, and, as so construed, have been sustained by the courts. *Mitchell* v. *United States*, 313 U.S. 80 (1941) (railroads); *Henderson* v. *United States*, 339 U.S. 816 (1950) (railroads); *Boynton* v. *United States*, 364 U.S. 454 (1961) (buslines); *Fitzgerald* v. *Pan American World Airways*, 229 F. 2d 499 (C.A. 2, 1956) (airlines); *United States* v. *City of Montgomery*, 201 F. Supp. 590 (M.D. Ala., 1962) (airlines).

As noted in point 2, the executive branch has taken a number of actions to preclude racial discrimination or segregation in connection with Federal assistance programs. The validity of these actions has not been judicially challenged. It is well settled that, except to the extent Congress may have required or prohibited certain action, the executive branch has discretion to impose such conditions and requirements as it deems appropriate in entering into contracts and agreements. E.g., *United States* v. *Tingey*, 5 Peters 115, 127 (1831); *United States* v. *Linn*, 15 Peters 290, 315-6 (1841); *United States* v. *Hodson*, 10 Wall, 395, 406-8 (1870); *Jessup* v. *United States*, 106 U.S. 147, 151-2 (1882); *Muschang* v. *United States*, 324 U.S. 49, 63 (1945); *Kern-Limerick, Inc.* v. *Scurlock*, 347 U.S. 110, 116 (1954); *Arizona* v. *California*, 373 U.S. 546, 580 (1963).[5] By enacting title VI, Congress would thus confirm an authority which the executive branch is now exercising in many areas, and is believed to have ample power to exercise.

Indeed, a strong argument can be made that the Constitution requires that programs and activities receiving significant financial assistance from the United States refrain from racial segregation or discrimination. The fifth amendment prohibits racial discrimination or segregation by the United States, at least in the absence of a compelling justification. *Bolling* v. *Sharpe*, 347 U.S. 497 (1954); *cf. Hirabayashi* v. *United States*, 320 U.S. 81, 100 (1943); and see *Steele* v. *Louisville and Nashville R. Co.*, 323 U.S. 192, 198-9 (1944). The prohibitions of the 14th amendment against racial discrimination by the States extend to governmental action "designed to perpetuate discrimination." *Railway Mail Ass'n* v. *Corsi*, 326 U.S. 88, 94 (1945). They may extend to actions of private persons and organizations if the Government participates in those actions. *Cooper* v. *Aaron*, 350 U.S. 1, 4 (1958). If the Government, through such an arrangement, can be said to have "elected to place its power, prestige, and property behind the adadmitted discrimination," the courts may deem it a "joint participant" and hold the segregation or discrimination unlawful, *Burton* v. *Wilmington Parking Authority*, 365 U.S. 715, 724, 725 (1961). In such circumstances, the Government may be under a duty to take affirmative action to preclude racial segregation or discrimination by private entities in whose activities it is a participant; *Burton* v. *Wilmington Parking Authority*, *supra*.

In *Simkins* v. *Moses Cone Hospital*, No. 8908, decided November 1, 1963, the U.S. Court of Appeals for the Fourth Circuit applied these principles to hold that the fifth amendment prohibited racial discrimination by nonprofit hospitals which had received Federal construction grants. One factor relied on by the court was the "massive use of Federal funds." (Slip op. p. 16.) The court emphasized that the application of these constitutional requirements to particular Federal assistance programs will depend on the particular circumstances. (Slip op. p. 16.)

Nevertheless, the decision, and the general trend of the authorities which it cites, indicates that, as to many of the Federal assistance programs to which title VI would apply, the Constitution may impose on the United States an affirmative duty to preclude racial segregation or discrimination by the recipient of Federal aid. In exercising its authority to fix the terms on which Federal funds will be disbursed (see *Oklahoma* v. *Civil Service Commission, supra*), Congress clearly has power to legislate so as to insure that the Federal Government does not become involved in a violation of the Constitution.

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[4] Grants-in-aid given on condition, are essentially contractual in nature. *McGee* v. *Mathis*, 4 Wall, 143, 155 (1866); *Burke* v. *Southern Pacific R.R. Co.*, 243 U.S. 669, 679-680 (1914). Loans and contracts are also clearly contractual. Congress has plenary authority to prescribe the terms on which the United States will contract, and the exercise of that authority involves no invasion of rights reserved to the States by the 10th amendment. E.g., *Perkins* v. *Lukens Steel Co.*, 310 U.S. 113, 127-129 (1940).

[5] As to the contractual nature of grants, loans, and other financial assistance, see note 4, supra.

There is no constitutional right to notice and hearing, or to judicial review, in connection with actions terminating or refusing to grant or continue financial assistance. The power of the United States to fix the terms and conditions on which Federal funds will be made available includes the power to establish such procedures for passing on applications for assistance, and for terminating or withholding assistance, as appear to it appropriate. Except where Congress has provided by statute for judicial review, courts have not undertaken to review actions of Federal officials refusing or terminating grants, or otherwise relating thereto. *State of Arizona* v. *Hobby*, 221 F. 2d 498 (C.A.D.C. 1954); see *City of Dallas* v. *Rentzel*, 172 F. 2d 122 (C.A. 5, 1949); *Clement Martin* v. *Dick Corp.*, 97 F. Supp. 961 (W.D. Pa., 1959); *cf. Perkins* v. *Lukens Steel Co.*, 310 U.S. 113 (1940). Thus, the provisions of sections 602 and 603 for an express finding of noncompliance and for judicial review, go beyond anything required by the Constitution.

THE LEGALITY OF THE PROVISIONS OF TITLE VII

Section 701(b) of the bill declares that the provisions of title VII are necessary "to remove obstructions to the free flow of commerce among the States and with foreign nations" and "to insure the complete and full enjoyment by all persons of the rights, privileges, and immunities secured and protected by the Constitution of the United States." Title VII is amply supported by Congress' power to regulate commerce among the States and with foreign nations (article I, section 8, clause 3).[3]

Title VII covers employers engaged in industries affecting commerce, that is to say, interstate and foreign commerce and commerce within the District of Columbia and the possessions. The title also applies to employment agencies procuring employees for such employers and labor organizations engaged in such industries. In order to protect the free flow of commerce, Congress has previously legislated with respect to the practices of employees and labor unions in industries affecting such commerce, National Labor Relations Act, 29 U.S.C. 151, 152, 160; Labor-Management Reporting and Disclosure Act, 29 U.S.C. 401, 402. The power of Congress to legislate in this area is no longer subject to question, *National Labor Relations Board* v. *Jones and Laughlin Steel Corp.*, 301 U.S. 1 (1937); *Lawson* v. *United States*, 300 F. 2d 252, 254 (C.A. 10–1962), and the amount of commerce affected in any particular case is not a material consideration in determining Congress' constitutional power, *National Labor Relations Board* v. *Fainblatt*, 306 U.S. 601, 606 (1939). (See also *Mabee* v. *White Plains Publishing Co.*, 327 U.S. 178 (1946), holding the Fair Labor Standards Act, 29 U.S.C. 201 et seq., applicable to the business of publishing a daily newspaper, only about one-half of 1 percent of whose circulation is outside the State of publication.)

The term "affecting commerce" has a long history of judicial application under the National Labor Relations Act, *National Labor Relations Board* v. *Fainblatt, supra* at 606; *National Labor Relations Board* v. *Reliance Fuel Corp.*, 371 U.S. 224, 226 (1963), and thus there should be little difficulty as to its meaning. As the Court said in the *Polish National Alliance, etc.* v. *National Labor Relations Board*, 322 U.S. 643, 648 (1944):

> "Whether or not practices may be deemed by Congress to affect interstate commerce is not to be determined by confining judgment to the quantitative effect of the activities immediately before the Board. Appropriate for judgment is the fact that the immediate situation is representative of many others throughout the country, the total incidence of which if left unchecked may well become far-reaching in its harm to commerce."

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. ABERNETHY. I notice in examining the various titles of the bill that an attempt is made to eliminate several alleged and various kinds of discrimination on the ground of race, color, religion or national origin. Did the gentleman's committee hear any testimony on any discriminations practiced against any people of this country because of their religion?

Mr. CELLER. We had testimony concerning religion. We did not have very much testimony of discriminations on the grounds of religion. You will notice in one of the titles, religion is left out.

Mr. ABERNETHY. I was going to come to that. Now what religion, or the people of what faith were discriminated against? And who was doing the discriminating?

Mr. CELLER. You are talking about title VI? We left it out.

Mr. ABERNETHY. I am not speaking of title VI just now. Who were the people who were being discriminated against because of religion, of what religious faith?

Mr. CELLER. We had very little evidence—I do not think we had any of it insofar as the Committee on the Judiciary is concerned that any particular sect or religion had been discriminated against.

Mr. ABERNETHY. Was any religion at all mentioned by name?

Mr. CELLER. There was religion mentioned. There was testimony.

Mr. ABERNETHY. I am not speaking in general terms—I am speaking of a specific religion.

Mr. CELLER. No, there was not.

Mr. ABERNETHY. There was not? All right, then.

Now what national origin—what group of that character have been discriminated against?

Mr. CELLER. There were discriminations mentioned concerning certain groups like Puerto Ricans.

Mr. ABERNETHY. They were not discriminated against then because of color?

Mr. CELLER. Well, they were discriminated against because of national origin.

Mr. ABERNETHY. You had testimony on Puerto Ricans. Let us go back to religion. Did you have any testimony on a specific religion?

Mr. CELLER. No, we did not.

Mr. ABERNETHY. Going to title VI, the gentleman made mention of the fact that the word "religion" was removed from title VI. Can the gentleman tell us why it is that the bill attempts only to eliminate the kind of discrimination referred to in title VI, discrimination with regard to race, color, or national origin only, but specifically omits discrimination as to religion?

Mr. CELLER. There was a good reason for that.

Mr. ABERNETHY. Will the gentleman enlighten us on it, please?

Mr. CELLER. Yes. There are organizations—religious organizations—churches and cathedrals and synagogues that have choirs, for example.

Mr. ABERNETHY. Protestants?

Mr. CELLER. Choirs. And you could not expect that a Catholic church would take in Jewish singers or that in a Jewish church you would have Catholic singers, therefore, there would have to be something in the nature of discrimination there, but rather than risk getting into a thicket of discrimination in that area, it was left out.

Mr. ABERNETHY. This title under discussion has to do with Federal assistance programs as I understand it. I do not know that it has anything to do with singing in a choir.

Mr. CELLER. I only have given an example. There may be an exclusion as to employees in a convent. There may be employees in a denominational college where it is required that people of certain faith do the particular kind of work that is required—and that is somewhat in the nature of discrimination if the authorities would only have those of a certain faith, consistent with the faith that dominates that college or seminary or that convent or academy and, therefore, it is essential to get the best talent and the best expertise they can for those kinds of jobs.

Therefore, they have to discriminate in favor of those of their religion.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from New Jersey.

Mr. RODINO. Mr. Chairman, there is a specific reason why religion was left out of title VI. There was no evidence that there was a need to include religion on the question of discrimination.

Various members of the clergy of the different faiths appeared before the committee and testified that religious discrimination was not a question. We attempted to meet the problems as they arose. As a result, we did not include religion. That is the answer to the gentleman's question.

Mr. CELLER. I mentioned title VI. I meant title VII.

Mr. RODINO. Mr. Chairman, will the gentleman yield further?

Mr. CELLER. I yield.

Mr. RODINO. Father Cronin, representing the Catholic faith; Dr. Blake; and other members of the clergy appeared before the committee.

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[3] Insofar as the title applies to commerce within the District of Columbia and the possessions of the United States, it is based on Congress' legislative authority over the District, article I, section 8, clause 17, and over the territories and possessions, article IV, section 3.

I quote from the testimony by Father Cronin, as shown on page 2030 of the hearings. Father Cronin stated:

> I don't believe that need is very pressing at this time. There are remnants of religious discrimination in the United States, but compared to the instant problem before us, of the civil rights of the Negro community, these are very, very minor and peripheral and I would not have any feeling that this should be broadened; no.

Dr. Blake, in answer to a question by Mr. Foley, counsel of our committee, stated:

> I would like to agree with Father Cronin in that too because one of the happy things that our joint testimony indicates is that the communications among the religious bodies have opened up in a very favorable way worldwide and certainly in the United States.

Dr. Eugene Carson Blake represents the United Presbyterian Church, United States of America, and represents the National Council of Churches. Rabbi Irwin Blank represented the Synagogue Council of America, and also appeared before the committee. Both made statements in a like manner.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I should like to go back to the first question I propounded.

The gentleman, in answer to my question stated that the committee did take testimony that there was discrimination in this country involving religions but that no specific religion was referred to. If the gentleman is unable to point to the page of the hearings specifying which religious faith was discriminated against, I hope that at least, in revising his remarks, he will insert in the RECORD the faith or faiths he has referred to. Will the gentleman do that?

Mr. CELLER. I shall.

Mr. ABERNETHY. Whether they be Protestant, Catholic, Greek Orthodox, Jewish, or whatever faith; and who is doing the discriminating.

Will the gentleman do that?

Mr. CELLER. Yes.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from California.

Mr. ROOSEVELT. I thank the gentleman for yielding.

I say to my distinguished friend who just propounded the question, that information is in the RECORD of the hearings of the Committee on Education and Labor. There is specific reference to discrimination because of religion. I will insert it in the RECORD in order that the gentleman may refer to it.

Committee on Education and Labor hearings, Equal Employment Opportunity, (pt. I), 87th Congress, 1st session (1961), at pages 21–32, 33–37, 568–581, 581–595. Also, hearings, Equal Employment Opportunity, 88th Congress, 1st session (1963), at pages 117–122.

Mr. CELLER. The gentleman from Puerto Rico asked me earlier if this bill would apply to Puerto Rico with the same force and effect as if Puerto Rico were a State. I assure him that that is so.

Mr. McCULLOCH. Mr. Chairman, I yield myself such time as I may consume. I rise to support the civil rights bill, H.R. 7152, as amended.

The bill now before the committee has been ably and accurately discussed title by title by the chairman of the Committee on the Judiciary. It is, therefore, not necessary for me to cover the same ground. I should, however, say that the bill is comprehensive in scope, yet moderate in application.

There are no primary criminal sanctions provided in the legislation. A sincere effort has been made to eliminate from the bill all provisions which improperly invade personal liberty and the rights of States and other political subdivisions. Diligent and effective effort has been made to surround each title with judicial safeguards and administrative limitations in order that fundamental rights and liberties be protected. The bill before you is basically a good bill and a bill that faces a pressing need for enactment.

There is considerable pressure for civil rights legislation from certain quarters on the ground that unless legislation is enacted there will be rioting in the streets, heightened racial unrest, and the further shedding of blood. This kind of activity, in my mind, is highly improper and could do much to retard the enactment of effective civil rights legislation.

No people can gain lasting liberty and equality by riot and demonstration. Legislation under such threat is basically not legislation at all. In the long run, behavior of this type will lead to a total undermining of society where equality and civil rights will mean nothing.

Behavior of this type also creates the false sense of hope that once legislation is enacted, all burdens of life will dissolve. No statutory law can completely end discrimination, under attack by this legislation. Intelligent work and vigilance by members of all races will be required, for many years, before discrimination completely disappears. To create hope of immediate and complete success can only promote conflict and result in brooding despair.

Not force or fear, then, but belief in the inherent equality of man induces me to support this legislation.

I believe in the right of each individual to have his constitutional rights guaranteed. On the other hand, he must always be prepared to shoulder the obligations and to assume the burdens of citizenship.

I believe in the right and duty of State and local authority to be primarily responsible for the conduct of all but limited areas of governmental activity, which it cannot do alone. But, I also believe in the obligation of State and local governments to ever work for the common good.

I believe in the effective separation of powers and in a workable Federal system, whereby State authority is not needlessly usurped by a centralized government. But, I also believe that an obligation rests with the National Government to see that the citizens of every State are treated equally, without regard to their race or color or religion or national origin.

Where, then, individuals, or governmental authorities, fail to shoulder their obligations, and only stress their rights, it is the duty of the Congress, under constitutional authority, to correct that wrong. To do less would be to shirk our responsibility as national legislators, and as human beings, who honor the principles of liberty and justice.

No one would suggest that the Negro receives equality of treatment and equality of opportunity in many fields of activity, today. Well-informed persons, everywhere, admit that in all sections of the country—North, South, East, and West—the Negro continues to face the barriers of racial intolerance and discrimination. Hundreds of thousands of citizens are denied the basic right to vote. Thousands of school districts remain segregated. Decent hotel and eating accommodations frequently lie hundreds of miles apart for the Negro traveler. Parks, playgrounds, and golf courses continue to be off limits to Negroes whose tax moneys go to support them. Many programs continue to be operated in a discriminatory manner. These, and many more such conditions, point the way toward the need for additional legislation.

In voting, the foundations of our Republic are enhanced by a free elective franchise. In public accommodations, the economy of our country and the enjoyment of its people are bolstered. In equal protection of our laws, the principle of justice is secured. In education, the superiority of our citizens and of our Nation is assured. In employment and Federal assistance, the opportunity and well-being of each individual is advanced and the taproot of the country's economy is strengthened. In every one of these categories, we will be doing ourselves, as well as our Nation, a lasting service by enacting H.R. 7152, as amended.

The constitutionality of certain titles of this bill has been questioned. Whether or not we all concur in the evolution of the law as it has developed at every step, I am of the opinion that the Constitution, as presently interpreted by the courts, supports each title. Congress has already acted in the field of voting. The Supreme Court has stricken down segregation in public education and publicly operated facilities. The Sherman, Taft-Hartley, Food-Drug-Cosmetic, and Fair Labor Standards Acts, and court interpretations thereof, have provided the legal support for the public accommodations and equal job opportunity titles under the interstate commerce clause of the Constitution. And, the Federal Government, through Congress, certainly has the authority, pursuant to the 14th amendment, to withhold Federal financial assistance where such assistance is extended in a discriminatory manner. The fact, moreover, that some 32 States have enacted public accommodations laws, frequently broader in scope than title I of H.R. 7152, as amended, 25 States have enacted fair employment legislation, and many States have enacted other sweeping civil rights provisions clearly demonstrates that Congress will not be invading privacy, overturning the sanctity of private property, destroying personal liberties, or in other ways acting in an illegal manner.

Certain provisions in certain bills, as introduced or as reported by the House Judiciary Subcommittee, very likely exceeded constitutional authority, or were otherwise objectionable and unacceptable; for example, the provisions concerning the elimination of racial imbalance in education and the control over private institutions, such as banks and mortgage companies merely because they were insured by the Federal Government. Such provisions are not a part of H.R. 7152, as amended.

I wish to reiterate that this bill is comprehensive in scope, yet moderate in application. It is hedged about by effective administrative and legal safeguards, which seek to advance the cause of civil rights in the United States. The reason for moderation and necessary safeguards is obvious. Those of us supporting H.R. 7152, as amended, are desirous of presenting legislation which stands a good chance of enactment. Reality is what we live by and solid accomplishment is what we seek.

Of equal importance is the fact that we are a nation of many people and many views. In such a nation, the prime purpose of a legislator, from wherever he may come, is to accommodate the proper interests, desires, wants, and needs of all our citizens. To alienate some in order to satisfy others is not only a disservice to those we alienate, but a violation of the principles of our Republic. For only in compromise, moderation, understanding, and good will are we able to fashion our society into a cohesive and durable whole. I recommend H.R. 7152, as amended, to all my colleagues from wheresoever they may come.

Mr. WILLIS. Mr. Chairman, I yield myself 45 minutes.

Mr. Chairman, I will have something to say about many parts of the bill before you, but I have been assigned the task of discussing titles I and II in particular. Other members of the Committee on the Judiciary, opposed to this legislation, will in turn undertake to discuss titles III to X in greater detail.

If that is your wish, I will be glad to answer questions as we go along but I think it would be better to give my views first. In that way I think we could save time because I suspect I might anticipate many of your questions in my general statement.

Before proceeding, however, I would like to say this: We live in an age of polls, labels, and slogans. In these polls, however, you and I are always the ratees and we are never given an opportunity to rate our raters. I assure you, however, that I do not mind this at all because I regard it as a small price to pay for the rewards that come with public service.

Every year we must be rated by various and sundry groups and organizations such as ADA, ACA, AFL–CIO, NAM, AMA, PTA, NEA, Farm Bureau, and so on and on. And the strange thing is that on identical bills one group might rate us as conservatives, while another might rate us as liberals, each according to their peculiar and rigid notions of the meaning of these relative terms.

I take the ratings as they come and can only draw some consolation from Robert Burns lament, "Oh, would some power the giftee give us, to see ourselves as others see us."

And the same is true with reference to legislation. Bills are almost invariably given "quickie" labels to either pass or defeat them. For example, foreign aid is called the Mutual Security Act. An act to quiet the longstanding title of a State is called tidelands oil. The public works bill is called a pork barrel—and so ad nauseam.

But that is not all, sometimes one can choose between two labels. He can be for medical care for the aged or against socialized medicine. And if he has not read the bill, he can say that he is for medical care for the aged and against socialized medicine at the same time. But for us there is always a day of reckoning. Ultimately we must vote on merits and not on labels and take the consequences—and that, too, is a small price to pay for responsible representation.

Now, some call this legislation civil rights legislation while others call it civil wrongs legislation. But a rose is a rose by whatever name it is called. Therefore, let us consider the proposal not either as conservatives or liberals, or whatever, but as responsible Members and let us study it on the basis of content and not labels.

It is on that basis that I would like to present my views. But first a word about the broad provisions of the bill and how it got out of the Committee on the Judiciary.

Mr. WAGGONNER. Mr. Chairman, I make the point of order that a quorum is not present.

The **CHAIRMAN** pro tempore (Mr. HOLIFIELD). The Chair will count. [After counting.] One hundred and thirteen Members are present, a quorum.

The gentleman from Louisiana is recognized.

HISTORY OF LEGISLATION AND BILLS INTRODUCED

Mr. WILLIS. The history of this legislation shows that the proponents became bolder and bolder as time went on, and wound up by employing tactics or procedures unprecedented during my period of service on the Committee on the Judiciary, in bringing it out of that committee.

As usual, many Members introduced various versions of civil rights bills during the last session of Congress. But the important bills to look at are the ones introduced by the Democratic chairman of the committee, the gentleman from New York [Mr. CELLER], and the senior Republican member of the committee, the gentleman from Ohio [Mr. McCULLOCH].

On January 31, 1963, the gentleman from Ohio [Mr. McCULLOCH], the senior Republican member on the committee, introduced H.R. 3139, containing four titles, as follows:

Title I: Making the Civil Rights Commission a Permanent Agency; Strengthening Equal Protection of the Laws in the Field of Education.

Title II: Equal Employment Opportunity by the Establishment of a Commission on Equality of Opportunity in Employment.

Title III: Assistance to States in the Field of Education.

Title IV: Literacy Tests, Establishing Presumption of Literacy in Federal Elections.

On April 4, 1963, the gentleman from New York [Mr. CELLER], the Democratic chairman of the committee, introduced H.R. 5455, entitled a bill to enforce constitutional rights and for other purposes, in the field of education only.

And, on the same date, he introduced H.R. 5456 to extend the life of the Commission on Civil Rights for 4 years.

Finally, on June 20, 1963, the gentleman from New York [Mr. CELLER], the Democratic chairman of the committee, introduced H.R. 7152, containing eight titles, as follows:

Title I: Voting Rights.

Title II: Injunctive Relief Against Discrimination in Public Accommodations.

Title III: Desegregation of Public Education.

Title IV: Establishment of Community Relations Service.

Title V: Commission on Civil Rights.

Title VI: Nondiscrimination in Federally Assisted Programs.

Title VII: Commission on Equal Employment Opportunity.

Title VIII: Miscellaneous.

HEARINGS AND PRELIMINARY ACTION OF THE COMMITTEE

To be sure, general hearings were held over quite a period of time; but the subcommittee came out with a complete substitute of its own, going far beyond both the scope and coverage of the bills as introduced, and the hearings thereon. The substitute then came up before the full committee for consideration in executive session. After some discussion even the most ardent supporters of civil rights legislation said or pretended to say that they could not stomach it. The Attorney General himself appeared before the committee in executive session and testified as follows:

> Title III would extend to claimed violations of constitutional rights in State criminal proceedings or in book or movie censorship; disputes involving church-state relations; economic questions such as allegedly confiscatory ratemaking or the constitutional requirement of just compensation in land acquisition cases; the propriety of incarceration in a mental hospital; searches and seizures; and controversies involving freedom of worship, or speech, or of the press.
>
> Obviously, the proposal injects Federal executive authority into some areas which are not its legitimate concern and vests the Attorney General with broad discretion in matters of great political and social concern.
>
> To illustrate: Which types of disputes should the Attorney General make a matter of Federal concern? Should he exempt disputes involving reading of the Bible in classrooms? If so, on what basis? What criteria should he adopt to determine whether to intervene in a particular case of an arrest for investigation, for example, or the banning of a movie as obscene, or a claim that the rate set by a State public utilities commission is unreasonably low?

(See p. 2658 of his testimony in executive session.)

Mr. GILBERT. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I would prefer to defer until later. I really would.

Mr. GILBERT. I wish to ask one question.

Mr. WILLIS. I yield for one question.

Mr. GILBERT. I wish to clarify which title III the gentleman is talking about.

Mr. WILLIS. I will come to that.

Mr. GILBERT. It is not the title III which is in the bill before us today.

Mr. WILLIS. The gentleman is absolutely correct, and I will come to that.

After the Attorney General's testimony it was agreed that a motion would be made to strike out title III when the time came for amendments of the subcommittee substitute.

And it was readily admitted by a number of the proponents that the section of the subcommittee substitute bill dealing with voting rights, and providing that it would apply to both Federal and State elections was unconstitutional. The only question was, Who would offer the amendment when we reached the point when amendments would be offered to the subcommittee substitute?

I have been with the Committee on the Judiciary for over 15 years. I have great respect for all the members. I consider all of them to be close personal friends; and at the same time I think I know my way around a bit in the committee. And from what I heard and observed, I was completely satisfied that there would be important modifications made in executive session, including a modification of the title dealing with public accommodations and other provisions. It clearly appeared to me that we were making headway and that reason and calm deliberations were prevailing.

I must have been dreaming, because in the words of the Governor of Louisiana, Jimmy Davis, in the song, "You Are My Sunshine," "the other night as I lay sleeping I dreamed I held you in my arms, but when I woke I was mistaken," because whatever ray of sunshine of reason appeared to be penetrating the clouds of confusion was immediately taken away from us.

FINAL COMMITTEE ACTION

On October 29, 1963, the proponents took over the proceedings in a grand style.

Chairman CELLER offered a brandnew 56-page mimeographed substitute bill which he described as an amendment, and moved that the committee approve it. The chairman announced that he would recognize a member of the committee to move the previous question, and if it were ordered, that no amendments could be offered to his proposal; no debate had, and no questions asked or answered.

The bill was, upon order of the chairman, read hastily by the clerk, without pause or opportunity for amendment. Several members of the committee repeatedly requested to be permitted to ask questions, have an explanation of the bill, discuss it, consider its provisions, and offer amendments. The Chair refused to grant such requests or to recognize these members of the committee for any purpose. After the reading of the bill in the fashion hereinabove described, the chairman announced that he would allow himself 1 minute to discuss the bill, after which he would recognize for 1 minute the ranking minority member, the gentleman from Ohio. This was an ostensible attempt to comply, technically, with the rules of the House but did not amount to debate, as debate is generally understood. Neither of these gentlemen discussed the bill for more than 1 minute; both of them refused to yield to any other member of the committee; and neither of them debated the bill nor discussed it in any fashion other than to say that they favored it. They made no effort in the 2 minutes consumed by both together, to even so much as explain the provisions of the bill. In short, there was no actual debate or even an opportunity for debate or to offer amendments. I doubt seriously that anyone really knew what he was voting on.

As stated in our minority report, in reciting these facts relating to the procedures employed in the full committee we do not do so in any captious spirit, but relate these facts to inform the Congress of the tactics employed to bring this bill before the House.

Mr. CELLER. Mr. Chairman, will the gentleman yield for a question?

Mr. WILLIS. Yes. Gladly.

Mr. CELLER. Did not the chairman, myself, follow parliamentary procedure?

Mr. WILLIS. I did not make an allegation to the contrary. I said, in an ostensible attempt to comply with the rules. I have not made that accusation, but I will say to the gentleman, and in all kindness, that this ostensible compliance with the rules which enables you to ask me the question now, were the rules complied with, is not debate as you and I know it. Nor have you over the course of 15 pleasant years employed these tactics in our committee.

THE BILL REPORTED OUT

Now that we have had an opportunity to compare the bills as introduced, the subcommittee substitute and the full committee substitute, we can assert this. The subcommittee wrote a bill with little relation and less regard to the general hearings, and then the full committee rewrote the final product with no hearings at all and with no opportunity for debate or to offer amendments.

There has been a lot of talk concerning the watering down of the subcommittee substitute by the full committee. About the only thing that can be said in this respect is, that the full committee took out from, and then put back in many important provisions in the subcommittee substitute. I desire to list just a few glaring examples:

First. As indicated by his own testimony in executive session, previously quoted, title III, in one fell swoop, would have permitted the Attorney General to file suits in the broad field of civil rights. This short sentence stared you in the face and it looked awful. It dug a glaring, deep penetration like a single rifleshot. So this title was removed by the full committee, but in shotgun fashion little titles III were inserted here and there in the reported bill.

And to be sure that the grab for power by the Attorney General is complete, title X provides that nothing in this act shall be construed to deny, impair, or otherwise affect any right or authority the Attorney General already has—broad as those may be and whatever they may be.

Second. It has been generally reported that the full committee changed the subcommittee substitute so as to restrict this bill to Federal elections. But this is not so. Although the full committee substitute refers repeatedly to "any Federal elections," in the body of the bill, section 101(c) defines a Federal election to mean:

> Any general, special, or primary election held solely or in part for the purpose of electing or selecting any candidate for the office of President, Vice President, presidential elector, Member of the Senate, or Member of the House of Representatives.

This means that the bill before you does apply to local and State elections in at least 46 States of the Union.

Third. There was added in the bill reported out by the full committee, in section 101(d), the unprecedented provision that:

> In any proceeding instituted in any district court of the United States under this section the Attorney General may file with the clerk of such court a request that a court of three judges be convened to hear and determine the case.

This provision giving the Attorney General the power to shop around for a quorum and special judges did not appear in any previous version of the bill.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman.

Mr. CELLER. Of course the gentleman is aware of the fact that in a number of classifications——

Mr. WILLIS. Oh, I will come to that—generalities. I read the bill with a fine-tooth comb. If the gentleman finds any misstatement about specific provisions in this bill I will gladly yield. I know of other precedents and all that, or alleged precedents.

Fourth. Section 602 makes it the mandatory duty of every Federal department or agency to utilize the funds provided for Federal financial assistance, in every program or activity to enforce civil rights requirement. This mandatory requirement did not appear in the administration bill.

Fifth. The full committee substitute added section 202. This section would make unlawful discrimination or segregation of any kind on the ground of race, color, religion, or national origin at any establishment or place, if either purports to be required by any rule, order, and so forth, of any State or any agency or political subdivision thereof. This section is not limited to public places or facilities and did not appear in any previous version of the bill. It reaches homes, churches, cemeteries, funeral parlors, every place or establishment.

Sixth. Section 711(b) contains the following blanket and unlimited authority:

> The President is authorized to take such action as may be appropriate to prevent the committing or continuing of an unlawful employment practice by a person in connection with the performance of a contract with an agency or an instrumentality of the United States.

This provision was not contained in the subcommittee proposal.

Seventh. Under section 201(b) and (c) an establishment is classified as engaging in interstate commerce if it "provides lodging to transient guests" or "if it serves or offers to serve interstate travelers." This broadens the coverage provided in the subcommittee proposal which made such classification if the accommodations, goods, and services "are provided to a substantial degree to interstate travelers" or if a substantial portion of the goods offered has "moved in interstate commerce." As to the latter requirements the wording of the bill is:

> It serves or offers to serve interstate travelers or a substantial portion of the food which it serves, or gasoline or other products which it sells has moved in commerce.

It will, therefore, be seen that the bill reported out of the full committee covers any establishment, offering lodging to transient guests, even though it does not have guests traveling in interstate commerce. The bill also covers an establishment which offers to serve interstate travelers even though a substantial portion of the food which it serves, or other products which it sells, has not moved in interstate commerce.

Eighth. The House Committee on Education and Labor has jurisdiction over labor legislation. Accordingly, that committee reported out the so-called FEPC bill, H.R. 405. That bill is now pending before the Rules Committee.

A few witnesses appeared and suggested that it would be nice to tack the provision of that FEPC bill to the present one. But the administration had not asked for it; the Democratic chairman of the committee had not included it in his proposal, and the senior Republican member of the committee has not included such an FEPC proposal in his bill. And I can say as a fact that the committee members did not take the suggestion seriously—not at the time the suggestion was made anyway.

Yet, without having jurisdiction over the subject matter, without hearings, without as much as a by-your-leave, the FEPC provision of H.R. 405, reported out by another committee and pending before the Rules Committee, was incorporated as title VII of the bill under discussion.

Ninth. Under title IV the Commissioner of Education is granted broad new powers. Under title VI every agency and department of the Federal Government administering activities or programs involving Federal financial assistance is required to take ill-defined action, in addition to cutting out Federal funds. And, as previously pointed out, under section 711(b) the President is granted unlimited and blanket authority to take whatever action he deems appropriate concerning employment in such programs.

It is not my task to measure the depth and breadth of these provisions and other Members will discuss their full impact. But it can be seen that a concerted exercise of a combination of these powers would bring about these results:

Public and private schools and colleges benefiting from any Federal financial program are placed under Federal control in the handling of pupils, and the selection of faculty members insofar as they relate to race, color, or national origin and desegregation or discrimination in connection therewith.

I am quite sure that most, if not all, of the proponents would tell you that they do not intend such results, but there they are, nevertheless.

Well, what do we do? We could recommit the bill, or we could defeat the bill, or we could and must at the very least amend it to take care of harsh and drastic situations and results, above outlined, among others.

RECOMMITTAL, DEFEAT, OR AMENDMENT

I do not think it can be denied by any serious-minded and responsible Member or person that the bill now before you is the most drastic and far-reaching proposal and grab for power ever to be reported out of a committee of the Congress in the history of our Republic.

I am quite certain that the foregoing and many other harsh, open-ended and unlimited provisions would have been removed if the committee had been given an opportunity to debate and amend the bill in calm and deliberate executive session. And in my opinion, the right thing to do would be to recommit the bill to the Committee on the Judiciary for further consideration.

If the bill is not recommitted, and if it is not defeated, however, I have outlined at least some of the kind of meaningful amendments that should be offered on the floor. And in resolving any course of action, I again appeal to the membership to vote on it on the basis of merit and content and not on the basis of sectionalism, prejudice, and label.

TITLE I

I shall now identify some of the major weaknesses of title I of the bill—the title on voting rights, starting with the provisions of subparagraphs (A), (B), and (C) of section 101(a)(2) of the bill. These begin at page 38, line 16. They impose prohibitions on State election officials in connection with so-called Federal elections.

Our Constitution provides for popular election of Senators and Representatives in Congress. It also provides for the election of electors who select the President and Vice President of the United States.

The right to vote for these Federal officials is a sacred one. It is protected by the 14th amendment to the Constitution, which prohibits the States from denying to any person the equal protection of the laws, and by the 15th amendment, which says that the rights of citizens to vote shall not be denied or abridged by any State on account of race, color, or previous condition of servitude.

While article I, section 4 of the Constitution empowers Congress to "make or alter" regulations as to the "times, places, and manner of holding elections for Senators and Representatives," there is no similar provision with respect to elections of presidential electors.

Article II, section 1 merely provides that each State shall appoint its electors in such manner as the legislature thereof may direct.

What is more, and this is most important, the Constitution gives Congress no power to determine the qualifications of voters in elections of Federal officials but leaves this to the States.

Article I, section 2 provides that the electors of Representatives in Congress shall have the same qualifications as the electors of the lower—"most numerous"—house of the State legislature. The 17th amendment provides the same qualification rule for electors of U.S. Senators. And article II, section 1 gives State legislatures control of the manner of election of presidential and vice presidential electors.

To sum up a very simple situation—under the Constitution people who are qualified by State law to vote for members of the lower house of the State legislature, are also qualified to vote for Representatives and Senators in Congress, and for electors of the President and Vice President. States must not deny equal protection of the laws, or abridge the right to vote because of race or color. Congress can affect the "times, places, and manner" of holding congressional elections, but not of the election of presidential electors, and it has no power over qualifications to vote.

With this simple situation in mind, let us look at the bill. Subparagraph (A) of section 101(a)(2) says that no person acting under color of law shall "(A) in determining whether any individual is qualified under State law or laws to vote in any Federal election, apply any standards, practice, or procedure different from the standards, practices, or procedures applied under such law or laws to other individuals within the same county, parish, or similar political subdivision who have been found by State officials to be qualfied to vote."

If this means that no State official shall deny or abridge the right of citizens to vote on account of race or color, or shall deny any person the equal protection of the laws, I am for it all the way. Because that is what the Constitution says in the 15th and 14th amendments. In other words, if subparagraph (A) means that no State officer shall discriminate with respect to voting rights by applying different voting qualifications to different persons because of their respective race or color, it is already the law. But the import of the subparagraph is to permit an encroachment on the constitutional power of the States to establish qualifications of voters.

The same is true of subparagraph (B) which begins at line 3 on page 39 of the bill. This subparagraph provides that no person acting under color of law shall "(B) deny the right of any individual to vote in any Federal election because of an error or omission of such individual on any record or paper relating to any application, registration, payment of poll tax, or other act requisite to voting, if such error or omission is not material in determining whether such individual is qualified under State law to vote in such election."

Here again, no one, least of all I, wants an applicant for voting registration to be turned away on the pretext of an error or omission that is not material to his qualifications. But here, again, the question is one of qualification to vote under State law. And here, again, the bill takes the determination of the qualifications away from the States. The Constitution placed it in the States. How, in the absence of a violation of the 14th and 15th amendments, can it be taken away? Yet that is what the bill does.

There is no precise way of measuring how grave an error or omission must be before it is "material" to the qualifications of a voter. The Constitution gave the question of qualifications to the States. The bill would give it to the Federal courts, again without any showing that the purported "immaterial" error or omission was used as a pretext for discrimination because of race or color. Mere nonuniformity among registrars is made the legal equivalent of deliberate discrimination. What is more, there is no reason to believe, and the committee had no basis for assuming, that Federal judges will be wiser or more consistent in their appraisal of what is "material" than the local registrars.

Thirdly, I turn to subparagraph (C) at line 10 of page 39. This provides that no person acting under color of law shall "(C) employ any literacy test as a qualification for voting in any Federal election unless (i) such test is administered to each individual wholly in writing except where an individual requests and State law authorizes a test other than in writing, and (ii) a certified copy of the test whether written or oral and of the answers given by the individual is furnished to him within 25 days of the submission of his request made within the period of time during which records and papers are required to be retained and preserved pursuant to title III of the Civil Rights Act of 1960."

Subparagraph (C) constitutes another unwarranted interference with the States with respect to their constitutionally granted power to determine eligibility to vote. There can be no denial that the form and content of a literacy test is an element in the establishment of a voter's "qualifications" as that term is used in article I, section 2 and in the 17th amendment, which relate to electors of Representatives and Senators respectively. It is, therefore, a prerogative of the States and not of the Congress. Finally, this prohibition of oral literacy tests is made to apply without regard to whether the test is used to discriminate on account of race or color in violation of the 15th and 14th amendments. Here again the Judiciary Committee lacks sufficient factual basis to support the blanket inference that the mere use of oral literacy tests, in and of itself, with nothing more shown, violates the constitutional injunction against discrimination in voting because of race or color.

These provisions of the bill, in my opinion, are unconstitutional substitutions of the judgment of Federal courts for the judgments of State officials. Their enactment would open a Pandora's box of further confusion in Federal-State relationships.

But the bill goes further than merely interfering with the right of the State legislatures to establish and administer their own qualifications for voting. In section 101(b) it establishes an affirmative test of its own. Section 101(b)—at page 40, line 7—provides that in any voting suit a person who has completed the sixth grade shall be presumed to have sufficient literacy to vote in any Federal election.

Let me make myself entirely clear. I personally agree that such persons should be allowed to vote. The exercise of the franchise should be universal and any literacy bar to voting should be minimal indeed. But this cannot disguise the fact that the Federal presumption created by section 101(b) establishes a qualification for voting. The Supreme Court has repeatedly ruled that the States, and only the States, have the right to establish voter qualifications. Usurpation of this right by act of Congress is clearly unconstitutional.

Nor can much comfort be found in the fact that this presumption of literacy is declared to be rebuttable. In a court case the State voting registrar would have the burden of proving by a preponderance of evidence that the voter applicant is illiterate. If the applicant can avoid a literacy test, this burden would be considerable.

In short, as written, title I goes far beyond denying or abridging the right to vote on account of race or color. It does not even mention race or color. It goes far beyond guaranteeing equal protection of the law to all citizens. If that's all it did I would be for it. What it does is to provide for the qualification of voters, and to control the election process in elections of Federal and State officials from Governors, on down to mayors, sheriffs, and justices of the peace.

Another innovation of title I is found in section 101(d) of the bill which authorizes the Attorney General, at his unreviewed discretion, to demand a three-judge court to hear and determine any voting suit. The chief judge of the circuit would have no choice but to comply with the Attorney General's request. Although one of the judges must be from the district in which the suit is instituted, the other two need not. This provision enables the Attorney General, when he has no confidence in a particular district judge, to convert that judge into a minority of a three-judge panel, if, indeed he is appointed to the panel at all.

It is difficult to understand why this provision, which did not appear in the administration bill nor in the subcommittee substitute, should now make its appearance. It is extremely difficult to perceive why, in this troubled field the Attorney General should have what amounts to a preemptory challenge to the district judge before whom the case would normally be tried. I seriously question whether such a flagrant form of forum shopping should be encouraged; least of all, should it be provided as an exclusive privilege of the plaintiff Government.

TITLE II

Just like good engineers construct our highways with separate lanes of traffic, so our Founding Fathers erected constitutional walls separating the functions of our Government into three branches—the legislative branch, the executive branch, and the judicial branch.

When a motorist drives out of his lane of traffic and occupies the lane of another, someone is going to get hurt.

And when one branch invades the functions of another branch, not only individual rights but the property rights of all the people will be impaired or destroyed.

As members of the legislative branch we are prone, in varying degrees, to condemn the other two branches, especially the judicial branch, for invading or intruding on our own functions. We insist that the function of the judicial branch is not to make laws but to interpret our laws in the light of the Constitution.

Yet, the legislative branch of our Government, in title II of this bill, undertakes to compel the courts to accept our interpretation of the Constitution, and especially the 14th amendment and the commerce clause, not only beyond and even contrary to the previous rulings of the courts, but beyond and contrary to the provisions of the Constitution itself. Let me give you two typical examples:

In the teeth of previous rulings of the courts to the contrary, title II undertakes to order that from here on the 14th amendment shall mean that the private owner of a place of business, such as a restaurant and many others, cannot choose his customers.

Despite previous court decisions, and beyond and contrary to the provisions of the commerce clause itself, title II undertakes to regulate intrastate commerce and to make a finding, intended to be binding on the courts, that the activities of the owner of a private establishment, such as a local hamburger stand, a local gasoline station, or a local grocery store constitutes interstate commerce.

Before discussing how and on what basis all of this is to be accomplished, let us consider certain fundamental provisions of the Constitution dealing with both civil rights and property rights.

We must and do respect all the provisions of the Constitution protecting the rights of the individual—the 5th amendment and other provisions of the Bill of Rights, the 14th amendment, and the 15th amendment, upon all of which civil rights are based.

But certainly without putting them above those dealing with individual rights, we must also respect and abide by the provisions of the Constitution dealing with property rights, upon all of which our system of free and competitive enterprise is based.

In fact, the 14th amendment protects the individual rights and property rights in the same sentence, which says:

> No State shall deprive any person of life, liberty, or property without due process of law.

And the first 10 amendments—the Bill of Rights—sought to protect property rights as well as personal rights. The third amendment protects the houses of people. The fourth amendment protects the people as to their houses, papers and effects, as well as their persons. The fifth amendment protects life, liberty, and property, and specifically forbids the taking of private property for public use without just compensation. The seventh amendment protects the right of trial by jury in cases involving property, just as the sixth amendment does in cases involving life or liberty.

And then, in order to give full meaning to the foregoing, and to insure and preserve the stability of all private agreements and commercial transactions, the Constitution adds the clincher that no State shall make a law impairing the obligation of contracts. What contracts? A sale, a lease, a note, a bond—any and all contracts freely and voluntarily entered into—verbally or in writing, written or spoken.

What is "property"? In its strict legal sense, "property" signifies that dominion or indefinite right of use, control, and disposition which one may lawfully exercise over particular things or objects. As so used, the word signified the sum of all the rights and powers incident to ownership. So defined, property is composed of certain constituent elements, including the unrestricted right of use, enjoyment, and disposal of the particular subject of property. Owners of real estate have the right under the Constitution to use, lease, and dispose of it for all lawful purposes. The right of free and untrammeled use for legitimate purposes is fundamental and within the protection of the Federal Constitution.

The sum total of all of the foregoing constitutional provisions and the foregoing illustrations of the meaning of property and property rights is the foundation of our free and competitive enterprise system, just as the sum total of the foregoing constitutional provisions dealing with individual rights is the foundation of all civil rights. And under our Constitution we can no more protect individual rights by impairing or destroying property rights than we can protect property rights by impairing or destroying individual rights. Nor can one freedom be advanced or protected by impairing or destroying others.

Title II of the bill draws under Federal control inns, hotels, motels, and other lodging houses, restaurants, cafeterias, lunchrooms, soda fountains, gasoline stations, motion picture houses, concert halls, theaters, sports arenas, stadiums, and other places of exhibition and entertainment.

Having named these categories of private business establishments, the bill adds a "catchall" category. Any retail establishment in which one of the foregoing categories of business places is located, or any retail establishment located in any of these categories, is covered. Therefore, if a lunch counter is in a drug store or a department store, the entire store is covered. If a doctor or lawyer has an office in a hotel building, he is covered.

In executive session, the Attorney General expressed concern about the broad coverage of the subcommittee substitute. He said:

> What businesses are covered by this provision (in the subcommittee substitute) are unclear—I have no objection to broadening the bill's reliance on the 14th amendment or broadening its scope if the Congress so desires. But invoking the 14th amendment generally is no substitute for specifying the establishments which Congress, enacting national law to solve a national problem, intends to cover.

Yet, the full committee added a new section—section 202—covering "any establishment or place if segregation is required by law or by order of a State."

The provisions of section 202 were not included in the administration bill or the subcommittee substitute. Its inclusion in the reported bill marks the blanket character of this legislation.

And the same can be said of the provisions of section 201 (b) and (c) which, as I have shown, broaden the coverage of the measure to include establishments which provide lodging to transient guests irrespective of their travel in interstate commerce—or if they "offer to serve" interstate travelers—irrespective of whether or not any substantial quantity of the food, gasoline, et cetera, has moved in interstate commerce.

Title II is said to be based on two concurrent constitutional provisions. The foregoing enumerated establishments are found by Congress to be "places of public accommodation" and are covered, first, if they affect interstate commerce, or second, if segregation is "supported" by State action. The word "supported" is defined as meaning that segregation, first, "is carried on under color of law, statute, ordinance, regulations, custom or usage, or second, is required, fostered, or encouraged by action of a State."

The constitutional grounds utilized in title II reflect new extremes in the attempted application both of the commerce clause and of the 14th amendment.

You will be hearing a great deal about the commerce clause in our Constitution. The exact clause reads as follows:

> The Congress shall have power to regulate commerce among the several States.

That is all the clause says. It does not say that Congress shall have power to regulate commerce. It says that Congress shall have power to regulate commerce among the several States. In other words, Congress cannot regulate intrastate commerce; it can only regulate interstate commerce. And the commerce clause does not say that Congress has the right to regulate habits, customs, human behavior, morals, or attitudes; it can only regulate interstate commerce.

You will hear about court cases concerning the manufacture of goods and farming operations, and so on. There is no doubt that the courts have gone far in this field. But you can at least see and feel corn and wheat; you can measure and buy these grains by the ton, and you can put them in a truck or a boxcar and ship them across State lines. But that is a far cry from what the proponents of this bill would twist the commerce clause to mean. And so even to those of you who are not lawyers, I ask you to remember the simple provision of the powers of Congress under the commerce clause, that is to regulate commerce among the several States.

In respect of "commerce" title II indulges the presumption that "transients" generate "commerce" and that offers to serve travelers affect "commerce." In the area of the 14th amendment and the concomitant requirement of some sort of "State action," it equates "custom and usage" to affirmative action by a State. In both respects, title II constitutes a novel and dangerous experiment in political theory. Its adoption could work a revolutionary change in the existing balance of Federal-State relationships.

In my opinion, however, the attempted utilization of the 14th amendment and the commerce clause to support title II cannot be defended on constitutional grounds. You are well aware of the decision of the Supreme Court in the *Civil Rights* cases—109 U.S. 3—which held squarely and unequivocally that the act of Congress of 1875, entitled "An act to protect all citizens in their civil and legal rights" and proposing to do exactly what is proposed to be done by title II, was unconstitutional and could not be supported under the 14th amendment.

Since my guess is as good as anyone's, I venture to say that the reason no effort was made to base the 1875 Statute on, or to justify it under, the commerce clause was because of the feeling that there was far less chance to support its constitutionality on the commerce clause than there was to have its constitutionality upheld under the 14th amendment.

One of the recent decisions of the Supreme Court of the United States reaffirming the principles announced in the Civil Rights cases is that of *Burton* v. *Wilmington Parking Authority*, 365 U.S. 715, 6 L. ed. 2d 45 (1961), in which the Court said:

> The *Civil Rights* cases, 109 U.S. 3 (1833), "embedded in our constitutional law" the principle "that the action inhibited by the first section (equal protection clause), of the 14th amendment is only such action as may fairly be said to be that of the States. That amendment erects no shield against merely private conduct, however discriminatory or wrongful."

As late as May 20, 1963, in *Peterson* v. *City of Greenville*, 373 U.S. 244, the Supreme Court stated:

> "Individual invasion of individual rights" is not within the purview of the 14th amendment, and "private conduct abridging individual rights does no violence to the equal protection clause."

In his concurring opinion in the Peterson case, Mr. Justice Harlan said:

> Freedom of the individual to choose his associates or his neighbors, to use and dispose of his property as he sees fit, to be irrational, arbitrary, capricious, even unjust in his personal relations are things all are en-

> titled to a large measure of protection from governmental interference.

In 1959 the Fourth Circuit Court of Appeals in the case of *Williams* v. *Howard Johnson*, 268 Fed. 2d 845, 847, stated clearly this well-recognized rule when it said:

> This argument fails to observe the important distinction between activities that are required by the State and those which are carried out by voluntary choice and without compulsion by the people of the State in accordance with their own desires and social practices. Unless these actions are performed in obedience to some positive provision of State law they do not furnish a basis for the pending complaint. The license laws of Virginia do not fill the void.

It is clearly unconstitutional to bottom any claim of Federal control of State action upon "custom or usage" involving acts which constitute merely private conduct.

The attempt to base Federal regulation of public accommodations upon the interstate commerce clause is equally unconstitutional.

"The broken package doctrine" is succinctly stated by the Supreme Court in *Dahnke-Walker Co.* v. *Bondurant*, 257 U.S. 282, 290, as follows:

> Where goods in one State are transported into another for purposes of sale, the commerce does not end with the transportation, but embraces as well the sale of the goods after they reach their destination, and while they are in the original packages.

The claim that the intrastate sale or renting of goods which have moved in interstate commerce is in itself interstate commerce is in the teeth of the long line of cases illustrated by the statement of Mr. Justice Brandies in *Pacific States Box & Basket Co.* v. *White*, 296 U.S. 176, 80 L. ed. 138:

The operation of the order is intrastate, beginning after the interstate movement of the containers has ceased, and after the original package has been broken.

That the basis used in this bill to attempt to transform intrastate commerce into interstate commerce is untenable, is demonstrated by the decision of the Court of Appeals of the Fourth Circuit quoted above, *Williams* v. *Howard Johnson*, 268 F. 2d 845 (1959) as follows:

> We think, however, that the cases cited are not applicable because we do not find that a restaurant is engaged in interstate commerce merely because in the course of its business of furnishing accommodations to the general public it serves persons who are traveling from State to State. As an instrument of local commerce, the restaurant is not subject to the constitutional and statutory provisions discussed above and, thus, is at liberty to deal with such persons as it may select.

See also ***Elizabeth Hospital, Inc.*** **v.** *Richardson*, 269 F. 2d 167, decided by the Court of Appeals of the Eighth Circuit in 1959, which cites the decision of the Supreme Court supporting the rule as follows:

> We think that the plaintiff's operation of a hospital, to include rendition of hospital services to some persons who came from outside the State, is no more engaging in interstate commerce than was Dr. Riggall in rendering medical services to persons who likewise came from other States. The fact that some of the plaintiff's patients might travel in interstate commerce does not alter the local character of plaintiff's hospital. If the converse were true, every country store that obtains its goods from or serves customers residing outside of the State would be selling in interstate commerce. Uniformly, the courts have held to the contrary. ALA *Schechter Poultry Corp.* v. *United States*, 1935, 295 U.S. 495, 55 S. Ct. 837, 79 L. Ed. 1570; *Lawson* v. *Woodmere*, 4 Cir., 1954, 217 F. 2d 148, 150; *Jewel Tea Co.* v. *Williams*, 10 Cir., 1941, 118 F. 2d 202, 207; *Lipson* v. *Socony-Vacuum Corp.*, 1 Cir., 1937, 87 F. 2d 265, 267, certiorari granted 300 U.S. 651, 57 S. Ct. 612, 81 L. Ed. 862, certiorari dismissed 301 U.S. 711, 57 S. Ct. 788, 81 L. Ed. 1364.

Congress cannot constitutionally enact a statute converting intrastate commerce into interstate commerce, as is here proposed, without upsetting every one of the original unbroken package cases and their long line of successors.

If Congress has the supposed power over hotels, motels and lodging houses here sought to be asserted, then Congress has the right to regulate them in every respect, even as to the rates they can charge for rooms. If Congress can say what guests they must take, then it can say what rates they must charge for their rooms, or even can tell them what they can put on their bill-of-fares, and maybe not to serve things that are objectionable to certain people.

If Congress can make a finding that the business of these private and independent operators constitutes "places of public accommodation," then we may as well make a finding that such private and independent businesses are "affected with a public interest" and regulate them like public utilities, guarantee them a return on their investment, or maybe just run them by the Government.

Mr. CELLER. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, we, the members of the Committee on the Judiciary, have a genuine fondness for the gentleman who has just spoken, the gentleman from Louisiana [Mr. WILLIS]. There is no one more just than he, no one more kind than our good friend from Louisiana. On the other hand, I should not let the occasion go by without countering one or two arguments he expressed. I have not the time now, but will under the 5-minute rule answer more materially some of the questions he raised.

He has referred to the fact that the Attorney General may shop around and get some particular judge. It is not a question of shopping around. There is a real evil in the situation. I want to say every provision of this bill is in the form of a remedy for some evil.

Why did we put in a provision for a three-man court? Incidentally, the matter of a three-man court is nothing novel. We have had three-man courts on many occasions. Let me recite some of the laws which we passed that provided for a three-man court: Restraint in trade and monopoly, antitrust suits we provided for the setting up of three-man courts, also in the regulation of rail carriers, in the regulation of motor carriers, in the regulation of water carriers, in the regulation of freight forwarders, and others coming under the Interstate Commerce Act. All those acts provide for three-man courts.

Why do we put in this particular provision; namely, title I? I will tell you why. We have some judges in the South on these civil rights cases who are dragging their feet for reasons best known to themselves. Cases have been on their dockets for months and months on end, and no action is taken. Congress by enacting the Civil Rights Acts of 1957 and 1960 took steps to guarantee to the ordinary citizen the right to vote without discrimination as to race and color. However, the experience in the implementation of these acts has disclosed very serious inadequacies in their operation.

First, lengthy and unwarranted delays have occurred in the course of court proceedings to vindicate voting rights. For example, a suit instituted in July 1961 in a certain parish in Louisiana, where 24,000 of 40,000 white eligibles were registered and only 725 of 16,000 eligible Negroes were registered is still pending after 2 years. So is the Negroes' right to vote. In the face of this kind of delays, and there are more than one such case, we provide that in order to expedite the situation the cases involving civil rights shall be placed at the head of the calendar and that shall be a solemn duty as an instruction from the Congress to the Federal judges. In order to shorten the delay, we provide that in a three-man court there must be one circuit judge and one district judge, and an appeal can be taken directly to the Supreme Court. That is done to shorten the appeal. There have been delays because of appeals and cross-appeals, motions and cross-motions, all these things that very astute lawyers are capable of, and they open trapdoors, and down go the rights of the applicant to vote or to register. That is why we put that provision in. We never would have put it in if it were not for that kind of delays.

My very good friend has spoken disparagingly of title I and what we had done concerning literacy tests, what we have done concerning voting. I am in thorough accord with the gentleman that the right to set up the qualifications for voting is an exclusive privilege of the States. When we say that schooling up to the sixth grade shall be a rebuttable proposition, as we do in this bill, that that individual is literate, that does not go to the qualification of the voter, that is a rule of evidence. It is not substantive. It is purely procedural. It means that in any kind of procedure the person who has had sixth grade schooling indicates that, and the presumption shall be in his favor, and the burden of proof shifts to the State to get evidence that he is nonetheless illiterate, and not illiterate, despite the sixth grade schooling. Then the person may be disallowed to vote. We do not touch the qualifications. The State can set up any qualification it wishes. We only provide that when it sets up qualifications there shall not be any distinction as between a white man and a Negro.

Mr. WILLIS. Mr. Chairman, I yield myself 3 minutes.

I appreciate my chairman's candor with reference to the reason for giving the Attorney General power to assemble a three-judge court, because he said in all frankness this procedure would take care of the situation where certain Federal judges are dragging their feet; which is another way of saying the Attorney General does not have confidence in them. Now, what does that mean?

We were responsible for a bill having to do with sentencing procedures. We attended a very pleasant seminar where we met with all of the Federal judges of the United States. We learned, and it is true, that some Federal judges in bootleg cases will not send the defendant to jail and others will.

There are some tax cases where some might think the court is too easy and in others some might think the courts are rather too cruel.

There are some in compensation cases that will give a high award to the property owner. There are some, it is said, who might take up for the Government. There are many other areas of disparity. Would it not be nice, therefore, if we could fix it so that the Government could never lose a case. We could assemble a three-judge court to take care of judges who do not do right. We will take care of those who are too liberal—or too tough—in income tax cases. We will take care of those who in compensation cases are fair or unfair—depending upon the point of view of the Federal Government. Sure, gentlemen, and I might say, I cannot say that this provision is unconstitutional because the Congress does have the power over the judiciary and Congress exercised that power during or right after the Civil War to pass a bill to pack the Supreme Court to handle a case in a certain way according to the administration in power at that time. There are some of us who do not like certain decisions, but I have not introduced a bill to curb or dilute power of the courts and I do not intend to, to be frank with you. But now the other side comes—those who intimate that some of us are the ones who are too critical of the courts, and now they have no confidence in certain lower Federal judges.

In all frankness and candor, the chairman tells you to take care of those cases in a certain way. If we can do that and take care of that as responsible Members of the Congress, we can fix it so that the Federal Government will never lose a case.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. McCULLOCH. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I shall answer or attempt to answer some of the specific charges of that great constitutional lawyer and my good friend, the gentleman from Louisiana [Mr. Willis]. I need not, and I say this in the utmost candor and friendship, remind the gentleman of the Supreme Court decision of only recent weeks or months involving the State of Louisiana and its literacy tests in Federal court. I shall have more to say about that tomorrow.

In addition to what the chairman said was his reason for providing a three-judge court, I have an additional reason which I think is of equal, if not greater, importance. Mr. Chairman, there has been inordinate delay in the disposal of these civil rights cases notwithstanding the fact that we created some 80 additional new judgeships within the last 2 or 3 years. But, let me say this to you, Mr. Chairman, a court order permitting a man to vote is a hollow victory, when the order is handed down after the election has been held and the votes counted.

Mr. Chairman, in three-judge courts where the case is one of immediate importance and where the decision to be effective must be quickly made, there has been action and decision with much greater speed than in many of the one-judge Federal court.

Mr. Chairman, in addition to what the chairman of the Judiciary Committee has said, there is precedent for the three-judge court to determine cases that are of paramount importance. Mr. Chairman, this particular section of the bill, and again I shall have more to say about the specifics of it tomorrow, was written into the bill at least in part with my support, if not my insistence.

There is one other matter that I cannot let go until tomorrow and that is again taking kindly issue with my able colleague, the gentleman from Louisiana. The legislation which is before us for consideration today does not change the present law with respect to holding State elections one iota, if the State and its election machinery wants to and can be geared to hold State elections on days other than when Federal elections are held.

I cannot help but ask this question, Mr. Chairman: If the election franchise is one of the cornerstones of representative government, is it not a cornerstone when the sheriff is elected and when the mayor—who chooses the chief of police in many cities—is elected? Is it not a cornerstone when all county and State officials are elected?

We tried to narrow this legislation to Federal elections, if that be the disposition of the State, but a time will come when some of the people living today will see antidiscrimination legislation cover all State elections, when there will be no authority to the States to get away from such requirement by holding an election on another day.

Again, to be specific, I wish to read section 202 of the bill which is before us. I shall have some more to say about it tomorrow, because today, as I have said, I only intended to discuss this legislation in a general way, since the chairman has discussed it title by title.

There is a reason why my good friend from Louisiana talked about this section. I probably would have talked about it too, were I a Representative from Louisiana.

I read from section 202:

> All persons shall be entitled to be free, at any establishment or place, from discrimination or segregation of any kind on the ground of race, color, religion, or national origin—

And this is the thrust of it—

> if such discrimination or segregation is or purports to be required by any law, statute, ordinance, regulation, rule or order, of a State or any agency or political subdivision thereof.

Mr. GUBSER. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield for one question.

Mr. GUBSER. As the gentleman knows, I am not an attorney. I need some advice from a good legal mind.

It is my understanding—and I hope the gentleman will correct me if my understanding is not correct—that in accordance with certain decisions of the courts it has been held that whenever Congress legislates in a field it preempts that field. If that be true, would not the effect of passage of the bill be to preempt all qualifications for elections or voting for the Federal Government?

Mr. McCULLOCH. Answering the first part of the gentleman's statement, in a case involving a Pennsylvania statute several years ago the Supreme Court of the United States vacated or voided a conviction of a gentleman in Pennsylvania for violation of a State law on the ground that U.S. statute had preempted the field.

It is not the intention to preempt the field with respect to State elections by passage of this legislation.

My answer is as I gave it in reply, in part, to my able colleague from Louisiana. Generally there is no intention to preempt the field in any title of this bill, if the State proceeds to perform its bounden duty under the Constitution of the United States.

Mr. GUBSER. I thank the gentleman for that comment.

Mr. McCULLOCH. Going one step further, in the voting section we do not seek to affect the qualifications as laid down by the State, in any manner.

I accept as completely accurate the statement of the chairman in this regard.

Mr. GUBSER. I thank the gentleman for his very clear statement. I would hope, in order that the legislative history could be very clear, we could get a similar statement from the chairman of the committee, the gentleman from New York [Mr. Celler].

Mr. McCULLOCH. In further answer to the question of my good friend the gentleman from California, there are certain titles as to which "no preemption" is particularly necessary to be spelled out in words and phrases and sentences.

Mr. Chairman, I now yield 10 minutes to the gentleman from North Carolina Mr. [Whitener].

Mr. WHITENER. Mr. Chairman, this bill, which many refer to as a civil rights bill, I think could more appropriately be called a bill to extend Federal control over individuals regardless of race, color, religion, or national origin. It destroys more civil rights than it protects.

At the time I understood the gentleman from Ohio was yielding to me for 15 minutes rather than 10.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. I yield to the gentleman from Ohio.

Mr. McCULLOCH. I always try to be generous to my able and persuasive friends all over the United States, and if at the end of 10 minutes there are not too many requests for time and I can do it, I certainly shall meet that tentative commitment for the additional 5 minutes.

Mr. WHITENER. I trust the gentleman will, to make up for the 5 minutes that he just took.

Mr. McCULLOCH. Not to be outdone, Mr. Chairman, I did not take 5 minutes. I took no more than 2, and I do give him an equal amount now.

The CHAIRMAN. The gentleman from North Carolina is recognized for an additional 2 minutes.

Mr. WHITENER. Thank you, Mr. Chairman. In the consideration of this legislation, as we have done in the consideration of previous so-called civil rights legislation, it has always been my purpose to avoid explosive conduct. I can very well do that, because I think in doing so that my conduct is consistent with the conduct of the people of the State which I represent.

We hear a great deal here about fair employment practices from some of these gentlemen from some of the States in the Union. Yet, I come from a State which employs more Negro schoolteachers than the States of New York, Pennsylvania, and Illinois combined. I come from a State where the average Negro schoolteacher had a higher average salary than the white schoolteachers. I come from a State where one of the large insurance companies in America is owned, operated, and employs exclusively members of the Negro race. In our State we have one of our largest banks which is owned, operated, and employs only members of the Negro race. We have in North Carolina the only major bus transportation company which is owned and operated exclusively by members of the Negro race and serves the people of all races.

I come from a city which has, and has had for at least 15 to 16 years, a member of the Negro race on the city council, elected by the people of the entire city, even though only 12 percent of our population is Negro. Some of these gentlemen want to talk about religion. On one occasion the people of my community were not too much worried about that, because at that time we had a member of the Jewish faith as our mayor and a member of the Negro race as the treasurer of our city.

Some of these folks who talk about civil rights could do a great deal more good by example and by abandonment of some of this political oratory. I have no prejudices and I would not here today urge anyone to support the position that I take because of racial or religious or national origin prejudice. I do say this: Every American, regardless of race, religion, or national origin ought to be interested in preserving this Constitution, a copy of which I hold in my hand, under which we have become the greatest Nation on the face of the earth.

I remember from reading our history that back shortly after the War Between the States a great President was pilloried and even was sought to be impeached because he had the courage to stand up for the Constitution of the United States; and by only one vote did he avoid impeachment. And yet tonight in the hills of Tennessee this man, Andrew Johnson, a native North Carolinian, who is now being recognized by historians to have been a great man rests in a grave on a hillside, at his request, with a dog-eared copy of the Constitution under his head and the American flag draped around his body.

Some of these folk who would destroy this Constitution in the name of what they call civil rights should take a look at the brief written, according to the chairman of our committee in his note of transmittal, by attorneys in the Department of Justice. I wish I had more time to discuss this with you and give to you the arguments of the Department of Justice in support of this bill, because they are the most cogent and convincing arguments against it that I have been able to find. I can give you a few examples.

As we go along in the debate it will be my purpose to give special attention to title VI. But let me tell you what the Department of Justice says about title VI.

In this brief they purport to ask questions and to answer their own questions. Some Members of Congress are somewhat expert in asking questions on questionnaires in order to get the answer that they want. The Department of Justice, I am sure, has equally capable people. In asking the questions they did not even in their wisdom, come up with answers which I think would satisfy a Member of this body. Let me give you one which appears on page 51. This is the question:

> Suppose a State or locality in administering unemployment compensation requires its officers to maintain separate waiting lines for white and Negro recipients. Would all workmen's compensation payments to the State or locality be terminated?

It seems to me that that could have been answered "Yes" or "No" without much trouble, but let us hear the answer of the Department of Justice.

> Answer. Such separate lines would clearly be inconsistent with title VI, but it is not contemplated that the Federal agency would take so drastic a step as to cut off all unemployment assistance until this form of segregation was ended.

At that point you will note "It is not contemplated." They are saying that they have the authority to do it but it is not contemplated that they would.

> Title VI is not intended to be punitive.

They say—

> To deprive all recipients of aid could result in great harm to many innocent individuals who desperately require assistance.

But yet, Mr. Chairman, they are saying in effect, these Department of Justice attorneys, that under title VI there is nothing to prevent their keeping innocent individuals who desperately require assistance from getting any assistance. I continue the answer:

> Thus, for example, the agency might provide that certain administrative costs would be disallowed if such segregation practice were followed.
>
> Or it might obtain a contractual agreement from the States not to engage in such segregation and bring suits to enforce the contract. In general, it is expected that Federal agencies would not cut off assistance where other means of enforcing nondiscrimination requirements could be found.

You see, the question and answer by the legal brains of the Justice Department clearly says all of these unfortunate results could be obtained by a bureaucracy here in Washington.

Let us read another interesting question that may apply to some of you folks in other areas of the country as well as it does to some of those south of North Carolina:

> Question: If a number of localities in a State discriminate in connection with a program receiving Federal financial aid, could all assistance to the State under the program be cut off? Would the same result follow if only one city or town in the State practiced such discrimination?

Listen to this remarkable answer of the lawyers of the Justice Department:

> It would depend on the circumstances and the way in which the Federal assistance is administered. Under section 602 assistance could be terminated or refused only to a "recipient as to whom there has been an express finding of failure to comply" with a nondiscrimination requirement adopted pursuant to that section. If under a proper program the State is the recipient, then action could be taken with respect to the State on a finding of failure by the State to comply with such requirements. If the discriminations were widespread or as required by State law or by plan approved by a State, a Federal agency might be justified in concluding that all recipients of aid in the State were discriminated against without having to make separate investigations and findings as to each locality receiving aid. In most cases, however, a separate finding and order as to each particular locality would probably be necessary. Thus, in the absence of some basis or finding that States were responsible for the discrimination, it would be expected that action would be taken only with respect to the local community or communities. For example, the city, towns, and counties actually involved.

In simple language, what does this say? It is saying if in the State of New Jersey or in the State of California or the State of Massachusetts there is one or maybe two or maybe five little communities where some alleged discriminatory conduct is being carried on or in connection with a Federal program, the Federal agency in any assistance program, according to the Justice Department, could say this indicates to the agency that discrimination in the State of New Jersey, California, or Massachusetts is so widespread that they will say to the entire State that it shall no longer participate in a program until we find or satisfy ourselves that these communities are no longer in violation.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. McCULLOCH. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. WILLIS. Mr. Chairman, I yield the gentleman from North Carolina [Mr. WHITENER] 5 additional minutes.

Mr. WHITENER. Mr. Chairman, this is not what I say about it. I point that out to you again. This is what the Justice Department, according to Chairman

CELLER of the Committee on the Judiciary, says is a proper interpretation of the language of title VI.

The same sort of thing is found in this publication in questions and answers dealing with other sections of the bill.

Let us get to another question that they ask and answer:

> Question. Would assistance be cut off to a private institution which engaged in segregation where the segregation is required by the State?
>
> Answer. The requirements of title VI apply "notwithstanding any inconsistent provision of any other law." Moreover, any State law or policy requiring segregation would clearly be unconstitutional. Hence, no such law or policy would excuse a failure to comply with nondiscrimination requirements imposed pursuant to section 602. Whether aid would be cut off or the nondiscrimination would be enforced in some other way would depend on the circumstances.

Now, what are these circumstances we hear about? The circumstance would be, who happens to be heading up a particular agency at the time the decision is made and whether it is a person with a judicial mind or a person such as some that we know in Government who do not seem to have the capacity to approach things judicially. If we had all people of judicial type, I am sure we would not have to worry too much about a lot of the legislation we have at this time.

Let me get to another rather remarkable answer to a question propounded to themselves by the Department of Justice:

> Question. Would Federal milk or school lunch programs be terminated because a school was segregated?

I imagine there are some dairy folks out in the dairy country interested in that. They have had it pretty good in the milk programs; and those of us who have children in school sort of like the school lunch programs. Let us see what they have to say about that. This is the answer of the Justice Department:

> It is not expected that such programs would be terminated so long as the milk and food were made equally available to white and Negro children alike. Such termination would seem to be inappropriate in view of the fact that other means of ending segregation were available which did not involve denying needed food to growing children. It would be more appropriate or more consistent with the objectives of the milk and school lunch programs, for example, to rely on suits by parents or by the Attorney General under title VI of H.R. 7152 as a method of bringing an end to segregation.

Is not that a remarkable answer? They say in effect there would be nothing to prevent a termination of the school lunch and milk programs if the head of the agency wanted to do so in a school where there was not as much mixing of the races or, we might just as well say, other discriminatory practices, because this title does not say "segregation," it says "discrimination." These statements made by the Department of Justice are to the effect it could be done. But when I read this answer, I was quite amazed that here again we see in the minds of the people who wrote this document the idea that the only way to approach this problem, and we all know it is a problem, is by the ugly hand of force. They say, it would be appropriate to rely, first, on suits by parents or, second, by the Attorney General.

Did it never occur to these brilliant scholars that it may be better to sit down with parents and with school administrators or with a community relations organization within a community and say, as did the prophet Isaiah, "Come, let us reason together," and try to work this problem out by amicable means?

Apparently, the answer to all of these problems and getting this business across on the part of some of these people is to go to the courthouse and bring the people in for a judicial proceeding.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. If the gentleman will get me more time, I will be glad to yield to the gentleman.

Mr. RODINO. I will give the gentleman 1 extra minute.

Mr. WHITENER. I yield to the gentleman, but please do not take more than 1 minute.

The CHAIRMAN. The Chair has to inform the gentleman from North Carolina that the gentleman from New Jersey does not have control of the time.

Mr. WHITENER. Then, Mr. Chairman, I must respectfully decline to yield to the gentleman.

Mr. Chairman, and my colleagues, these examples that I have given to you of questions and answers under title VI are merely typical of questions and answers under other sections.

Mr. ROGERS of Colorado. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. ROGERS of Colorado. Mr. Chairman, the gentleman from New Jersey is now in charge of the time in the absence of the chairman, the gentleman from New York [Mr. CELLER].

The CHAIRMAN. The Chair was not informed that the gentleman from New York is absent nor is the Chair informed that the gentleman from New Jersey is now in charge of the time.

The gentleman from North Carolina is recognized.

Mr. WHITENER. I thank the chairman.

Let me say this in the little bit of time I have left. I think all of us are men of good will. I think most of us see the defects in this legislation. We can take each title of the bill and anyone who has ever made the slightest study of constitutional law will recognize the problems in it. I would not undertake in the little time I have to discuss the entire bill, but let me point out one thing that I do not believe has been mentioned. I refer to title VIII directing the Secretary of Commerce to take a survey and compile registration and voting statistics by race, color, and national origin.

I will not take the time to read what the Department of Justice says about that, but it is interesting, I would say to my colleagues, if you have a chance to look at it. But let me say this to you. This is one of those sections or titles that is unworthy of the support of any of us. Because here you have not the Secretary of Commerce who is in charge of the Bureau of Census and empowered to collect these data and make these studies as he or his Census Bureau might think they would be of value to the country. Instead he is limited in his research and his census to the States and those sections of the country as designated by the Civil Rights Commission, and he cannot look further than they request him to do.

I hope as we go along under the 5-minute rule we will have more time to go into some of these rather unfortunate provisions of this proposal.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RODINO. Mr. Chairman, I yield myself 10 minutes, and I wish to state I am acting for the chairman of the Committee on the Judiciary who asked me to take charge of the time for him in his absence.

The CHAIRMAN. The gentleman from New Jersey is recognized.

Mr. RODINO. Mr. Chairman, before making a general statement on the need for this bill, I should like to refer to some of the statements made by some of the previous speakers—only very briefly, however—to clarify some of the points which were raised.

With reference to the statement made by the gentleman who preceded me on the question of title VI, I should like to point out to the gentleman that the answers which the gentleman read, which are purported to have been prepared by the Justice Department, are indeed not only reasonable answers to the questions which were raised but also expressly justify the action which would be taken in each particular case under title VI.

Title VI is designed not to cut off Federal financial assistance in any program, but is designed to prevent discrimination. It is true, as the gentleman from Louisiana remarked earlier, that there is a mandatory requirement on the particular agency to set up rules and regulations and requirements to effectuate the provision in section 601, which is intended to end discrimination; but, nonetheless, every opportunity is to be given under that section for the recipient of that assistance to comply. When he complies and there is no longer any discrimination, then there will be no need to cut off financial assistance.

I wish to also point out the fact that the question was raised as to title VII. How did title VII come into the bill? Title VII which deals with Federal employment practices, was a subject which was treated before our committee at great length. Many of the bills introduced and many of the bills spoken on before the Judiciary Committee covered the need to remove, to eradicate, or to eliminate discrimination in employment. As a matter of fact, the original administration bill related itself to the question of an Equal Employment Opportunity Commission, the President's Commission on Equal Employment Opportunity. So it comes with no surprise that title VII is in the bill.

Mr. Chairman, this is a historic week for the House of Representatives and for the Nation. The 88th Congress has had and will have no more important legislation before it than the civil rights bill which we are debating today.

Perhaps, Mr. Chairman, it might also be said that we shall debate no bill more controversial than this. From the time President Kennedy's message on civil rights was first transmitted to the Congress, in June of last year, it has been surrounded by an increasing tempo of debate, emotion, and, I fear, misunderstandings and misstatements of fact.

It is unfortunate that this should be so, for if any bill deserves a dispassionate weighing of needs and facts, this is it. This bill deals with the fundamental American dream that all men are created equal, and that equal opportunity for a better life should be within the reach of all. This bill deals with human beings, with their rights, their well-being, and their dignity.

The debate today has been without rancor and without bitterness.

I hope that, for the duration of this debate, the House will adopt the admonition of Isaiah:

> Come now, and let us reason together.

Mr. Chairman, this bill is founded upon those same principles which have formed the cornerstone of our democratic government from the very beginning. Even before our Constitution was adopted, the leaders of the American Revolution created a ringing statement of belief, a declaration of conscience which told the world how Americans felt about people and their governments.

As we debate this bill, I hope all of us will keep in mind these stirring words from the Declaration of Independence:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness.

It is up to us, 188 years later, to assure to all Americans these unalienable rights.

It is tragic that this should be so, for what we seek to do today should have been done long ago.

For too long Negroes in America have been denied that most fundamental democratic right, the right to vote.

For too long Negroes in America have been shamed by being turned away from a restaurant, a theater, or a hotel simply because of the color of their skin.

For too long Negroes in America have been deprived of equal access to schools and other public facilities, for which they help to pay with their own tax dollars.

For too long Negroes in America have been segregated in the hospitals and schools and other programs paid for in part with Federal funds.

And for too long Negroes in America have been denied the equal opportunity to jobs.

There are too many items on this list, Mr. Chairman. These wrongs cry out for redress.

I am proud to say that it is not only Negroes themselves who are today demanding redress of grievances. Religious and labor groups have been most active in focusing public attention on the problems of civil rights.

National bodies of Catholics, Protestants, and Jews have all taken strong stands in support of civil rights action by the Congress. A large number of priests, ministers, and rabbis in my own congressional district have communicated to me their keen interest in the passage of H.R. 7152. And it appears to me that the laity is in very substantial accord with the bill, for I have received a large number of comments not only in support of the bill, but in support of prompt passage of the bill.

Among the most enthusiastic supporters of civil rights legislation generally, and of H.R. 7152 in particular, is the labor movement. The AFL–CIO and many of its affiliated unions have urged the Congress to pass H.R. 7152, and I have received letters from a number of union members urging passage. Labor is especially interested in the adoption of the fair employment practices section of the bill.

Mr. Chairman, there are those who say that this bill is dangerous to the country, that it will destroy our social fabric and somehow shake the very foundations of our Government.

I may say that our experience in New Jersey is to the contrary. In my State, we have strong statutes assuring fair employment practices, guaranteeing equal access to public accommodations, prohibiting segregation in both public and private schools, and providing against discrimination in private housing.

Our first antidiscrimination law was adopted in 1945, and other laws have continually strengthened the State's antidiscrimination policy in subsequent years.

In all the time these laws have been in effect they have not destroyed the fundamental virtues of the people and government of the State of New Jersey, they have enhanced them. I believe we are stronger economically, politically, and socially in New Jersey than we were before these laws were passed.

The passage and enforcement of these laws have lifted from our consciences a part of the terrible burden which discrimination imposes on both Negro and white, and left us with greater freedom of both mind and spirit; greater freedom to march forward on the road to brotherhood and greater freedom to overcome all the other obstacles to a better life.

As it has been in New Jersey and in the other States which have recognized their responsibilities in the field of race relations and have moved to accept them, so it will be in the Nation as a whole when the Congress follows their example.

Let no man here today forget that this civil rights bill is not just for Negroes; it is for all of us.

Mr. Chairman, the Nation has made some progress in guaranteeing civil rights in recent years. Compared with the progress made in the 80 years following the Civil War, the progress achieved in the last 20 years has been substantial, perhaps even dramatic.

This progress, however, has not been at the hands of the legislative branch of the Government.

Through individual action, much progress has been made in desegregating public facilities and public accommodations. Some of this progress has been made by voluntary action of businessmen and public officials. Some of it has been made by private individuals through appeals to their fellow citizens through public demonstrations. Much of it has been made by quiet efforts at mediation and conciliation.

Through action of the executive branch of the Federal Government, segregation in the Armed Forces has been largely eliminated. Discrimination in employment by Government contractors, a group which includes most of the country's largest employers, is being steadily diminished. The Federal Government itself, the Nation's largest employer, has by order of the President increased its efforts to assure nondiscrimination in Federal employment. And an Executive order of the President has begun the long process of eliminating segregation in publicly assisted housing.

Through action of the Supreme Court, the segregation of public schools and other public facilities has been held unconstitutional, and the courts have begun to deprive the States of their use of police power to enforce segregation in privately owned public accommodations.

Through the Congress of the United States, no substantial progress has been made at all.

Up to this moment the Congress of the United States has yet to recognize in any official act the historic decision of the Supreme Court of the United States which rendered public school segregation unconstitutional.

It has failed to prevent the use of Federal funds to finance segregated schools.

It has failed to prevent the use of Federal funds to build segregated hospitals.

It has failed to provide an effective means for guaranteeing the right to vote.

It has failed to act against discrimination in employment, and in privately owned restaurants, hotels, theaters, and other public accommodations.

Let us end this record of failure with a record of achievement. Let us pass this civil rights bill.

The bill itself merits passage. It is not too moderate, as some have said. It is not extreme, as others have charged. It is a strong bill, designed to meet specific problems and meet them effectively.

The bill is a product of lengthy public hearings and exhaustive discussion and analysis in executive session. Those who say that there are provisions in this bill which were not considered in committee are wrong, because the hearings on civil rights conducted by the subcommittee covered everything in this bill, and far more.

I shall vote for this bill proudly. Although no bill can cure all the ills which our Nation tolerates, although this bill could be drafted to cure more ills than it does, yet this bill will achieve more to advance the cause of civil rights than all the governmental actions of the last 100 years put together.

H.R. 7152 will dramatically improve the opportunities of Negroes to vote. It will hasten the desegregation of public schools and public facilities, a process which has been intolerably delayed. In many areas of the Nation, it will give Negroes confidence to sit at a lunch counter—how modest an advance that is—or take an overnight drive or buy a ticket at a motion picture theater without fear. It will reassure them that the country which they love, the country which they fought for, and for which their fathers and husbands and sons died, the country which they serve as responsible citizens, that that country will honor its promise of respect and brotherhood.

Mr. Chairman, passage of this bill will be a monument to the Nation. It will show the world that we are what we say we are, a democratic society, based on the principle of equality for all men.

It will also be a monument to the great men of this and past generations whose ideas have pointed the way for us. To Thomas Jefferson, whose words in the Declaration of Independence I have already quoted. To Abraham Lincoln, the author of the Emancipation Proclamation. To President Kennedy, who first presented this bill to the Congress, and to President Johnson, who so strongly urges its passage.

For them, but mostly, for our fellow citizens of the United States who need it so badly, let us pass this bill.

Mr. BECKER. Mr. Chairman, will the gentleman yield for a question, please?

Mr. RODINO. I yield to the gentleman from New York.

Mr. BECKER. I think the gentleman is making a very fine speech, but what is bothering me is, if we are going to listen to 5 hours of speeches this afternoon, I wonder about this, because the gentleman said that we should debate this bill. I am wondering when we are going to get an opportunity to do some work on this bill. If we are going to have 10 hours of speeches on this thing, which is the way it looks now, I do not think we will ever get a chance to debate the bill. I wonder if the gentleman agrees with me that we should get a chance to debate this bill section by section, and under the 5-minute rule we will have not enough time.

Mr. RODINO. I am sure the gentleman will have substantial opportunity. There are many sections to this bill, and I understand both sides have agreed that no Member will be precluded from talking on this bill.

Mr. BECKER. As for talking on it, I will agree with the gentleman, but I do not know that that is going to serve any purpose. We would like to talk about what is in each section of the bill so we can get an understanding of it.

Mr. RODINO. I believe the gentleman will have that opportunity when we come to the 5-minute rule and debate each section of the bill.

Mr. BECKER. I disagree.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. CELLER. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Chairman, the bill now before us is unconstitutional for a substantial number of reasons and should therefore be defeated. There are things in race relationships which undoubtedly need remedying, but tyrannical and undemocratic procedures of unconstitutional legislation cannot be excused.

We must not yield to the pressure of mobs, threats, physical obstructions, disregard of public laws and private rights, and bow to the political expediences of the times to flaunt the Constitution. To do so would be a dangerous precedent and an unnecessary weakening of the stability of our Government, not only now, but in the future.

I have drafted a constitutional amendment, House Joint Resolution 728, known as the freedom of association amendment now pending before the House Judiciary Committee, in an effort to properly submit the issues to the country. I asked the Rules Committee to make it possible for this to be offered as a substitute amendment to the bill before us now, but they rejected this request and the House Parliamentarian has advised me it would therefore be out of order to offer this in the present debate.

In an effort to take a positive and helpful approach to the problems of housing, motels, hotels, restaurants, and so forth, for Negroes, I have introduced H.R. 8881, the Voluntary Accommodations Act now pending before the House Banking and Currency Committee. I have asked the appropriate committees to request departmental reports and I have also asked for early hearings to be heard on this legislation, which I hope can be accomplished.

In addition to the constitutional objections that I have to this bill before us now, I have many objections to specific provisions as creating in the executive branch, tyrannical powers both unjustified and improper.

I sincerely hope this bill be defeated.

Mr. CELLER. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. JOELSON].

Mr. JOELSON. Mr. Chairman, this week may possibly be regarded someday as a high moment in America's history. Our decision will determine whether or not we are willing to give meaning to the magical phrase about "liberty and justice for all." I shall certainly support the pending bill with hope, conviction, and enthusiasm.

Concerning the public accommodations section of the bill, we had heard much talk that it interferes with property rights. However, the history of America shows that when property rights and human rights collide, the human rights must be considered paramount. In the 1860's the cry was heard that the abolition of slavery would deprive the slaveholders of property rights, and in the ensuing century the similar argument was made against progressive legislation for the general welfare.

It is a simple fact that every person must use his property in such a way that such use will not defeat the public interest. Zoning laws forbid one to build a glue factory in a residential neighborhood, and fire laws require a tenement owner to construct fire escapes. In other words, it is apparent that one cannot use his property in disregard of the public good.

All the provisions of the bill are fair and reasonable. There is no defensible reason why Federal moneys can be used to promote segregated facilities. Nor is there any right to deny voting privileges to persons because of their race. Since all persons must pay taxes and fight their nation's wars, they must necessarily have the right to share in their nation's decisions. If taxation without representation was tyranny in 1776, it is no less tyranny in 1964.

The equal employment features of the bill will serve to give minority groups the economic advantages without which the other advantages will be meaningless.

I hope and pray that I can tell my grandchildren that I was a Member of the Congress which at long last breathed meaning into the phrase "liberty and justice for all."

Mr. McCULLOCH. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, the opposition to this bill seems to be based largely on the premise that there is a right to interfere with the constitutional rights of others. There is no such right as the right to deny others the full benefits and privileges of the Constitution. This legislation, Mr. Chairman, does not, as has been suggested heretofore both on and off the floor, force acceptance of people in schools, jobs, housing, or public accommodations because they are Negro. It does not impose quotas or any special privileges of seniority or acceptance. There is nothing whatever in this bill about racial balance as appears so frequently in the minority report of the committee.

What the bill does do is to prohibit discrimination because of race or religion.

This is a civil bill. It is not a criminal bill. The methods and procedures used in this bill throughout are time-honored methods and procedures, and the Congress has historically taken action whenever in this country the forces denying our citizens' rights are more powerful than the individuals whose rights are abridged.

This is especially true when the abridgment is supported by the act of a State government, for when is the constitutional right of an individual so much in jeopardy as when it is imposed and denied by his own State or municipal government?

Everything in this proposed legislation has to do with providing a body of law which will surround and protect the individual from some power complex. This bill is designed for the protection of individuals. When an individual is wronged he can invoke the protection to himself, but if he is unable to do so because of economic distress or because of fear then the Federal Government is authorized to invoke that individual protection for that individual, and not on behalf of anyone else.

The injunctive processes that are provided in this bill have been provided in all kinds of laws in our history: in labor relations, in trade regulation, and antitrust. These are processes which are time-honored, and which, I must stress as hard as I can, are surrounded by all of the safeguards that can possibly be given in terms of hearing, due process and, most important of all, review in the courts.

Just briefly I wish to touch upon title II, the public accommodations section, although my colleague on the Judiciary Committee, the gentleman from Minnesota [Mr. MacGregor], will speak about it at greater length later. The reason I want to talk about it is that the section and its commerce clause basis has been attacked so hard by our distinguished and able friend, the gentleman from Louisiana [Mr. Willis]. We all know this provision deals with a situation which is intolerable. I think even those who are in opposition to the bill here have agreed and will agree that practices by which Negroes are deprived of an opportunity to eat at a roadside stand or to have access to a hotel or a motel when they are traveling are not good. The question is, How is it to be remedied?

The Congress under the Constitution has the power to regulate commerce among the several States, and any time there is a problem which inhibits this commerce the Congress has the duty to act. We know, too, that any time there is State involvement in an area of discrimination of this kind the 14th amendment becomes applicable and the Federal Government, through the 14th amendment, not only has a right but a duty to do something about it. That is why title II is based in part upon the 14th amendment to the Constitution.

State involvement is difficult to define, we know that. I think in due course the courts will resolve it with greater clarity than they have in the past. There are various shades and degrees of what constitutes State involvement. Nevertheless, if the State is involved even by deliberately turning its back on a situation, the 14th amendment applies.

The commerce clause is just as effective, and even more ancient in its application. Here we are talking about the restriction of movement, whether it be the movement of a Negro who wishes to travel from Washington to New Orleans and cannot find a place to eat or to sleep or to gas up his car, or whether it be the movement in commerce and trade that is involved in commercial dealings with places of public accommodation.

The detrimental effect of racial segregation on commerce is illustrated by the report in the committee hearings of five students arrested when requesting service at a restaurant in a particular State. These students were charged by a locality, whose spokesmen oppose this legislation, with "unlawful conspiracy to commit acts injurious to trade or commerce."

Another report told of 53 students arrested for picketing to gain admission to a segregated movie theater. One of the charges lodged against this group of young Negroes by the local authority, whose spokesman opposes the application of the commerce clause, was as follows: "interfering with commerce and trade." It is ironic indeed that potential customers are refused service or admission to a place which seeks business income, yet at the same time are charged with injuring commerce.

Other reports in the hearings tell of citizens unable to attend conventions because of segregated hotel facilities, or hotels confirming reservations and accepting payments only to dishonor their commitment when the customer turns out to be a Negro.

The testimony reveals Negro truckdrivers excluded from operations involving overnight trips because of the difficulty of finding overnight accommodations. What could be more related to commerce between the States than the commerce involved in driving a truck?

My friends, this is not all. There are instances where the coercive arm of the State has been applied to encourage or to support policies of commercial segregation. In spite of the mandate of the Congress, local officials have continued to hinder or even to arrest Negroes for not obeying "White only" signs in interstate bus terminals and related dining facilities.

They have intimidated, coerced, and arrested those engaged in peaceful picketing to obtain equal rights and although the Court has spoken, State and local police continue to make illegal arrests.

Businessmen take refuge behind local ordinances purportedly continuing a policy of segregation. When forced to choose between local ordinances backed by the local police and a decision of the Supreme Court, local businessmen have felt constrained to defer to the asserted local right.

Therefore, it becomes necessary to enact legislation of this type so that no one can claim there is a reason for operating segregated activities that hold themselves out to the public for public accommodation on the grounds that they were forced to comply with State law, municipal ordinances, or practices.

We have heard and we will hear a good deal more talk from opponents of the bill about a businessman's right to select his own customers. These opponents for the most part are the same gentlemen whose States, until the Congress acted, have dictated to the businessman that he cannot serve citizens of a certain race. Compare this civil rights bill which merely forbids discrimination between customers on racial or religious grounds with those laws, some of which purportedly still stand, which categorically deny the businessman the right to serve a portion of the public even though he may choose to do so.

The picture of those opposing this legislation masquerading as protectors of the proprietor's right while at the same time supporting laws or practices designed to drastically curtail the same rights is strangely contradictory.

Finally, while I am on the subject of the right to select customers, let me dispose of the argument very briefly that this title takes away some property right, or some other kind of right, however you may wish to describe it, that the proprietor may have by forcing him to take or to accept in his business establishment undesirable customers.

The bill does no such thing. It does not force or require anyone to accept an undesirable person, a person who is disorderly, inappropriately dressed, rude, or drunk. It does prohibit race or religion from serving as a blanket basis of undesirabilty in establishment in interstate commerce.

Another untenable argument, is that this legislation should be rejected because it discriminates within a given class of establishments. This argument, I would suppose, means that a shoeshine parlor in an interstate bus terminal would be covered, but a neighborhood shoeshine parlor would not be covered; and, say the opponents to the legislation, this in itself is discriminatory because the statute picks out certain establishments to be covered.

However, the power to make reasonable regulatory distinctions within a class has long been recognized and upheld. For example, aircraft of different weight classes and different numbers of engineers may find themselves subject to different safety regulations or passenger limitations. Minimum wage laws are not applied in all vocations. Some workers are not covered. The test is whether the classification is reasonable. It seems to me that the distinctions drawn in this bill are clearly reasonable and consistent with the legitimate purposes of this bill.

In fact, I suppose that this title is vulnerable in that it is not comprehensive enough in this regard.

What is unreasonable is a classification and corresponding denial of use of facilities on grounds of race. This runs counter to our national heritage and purpose from as far back as the Declaration of Independence, which stated:

> We hold these truths to be self-evident, that all men are created equal.

Also, the relationship between racial discrimination and a restricted, inhibited national commerce has been made clear. Therefore, it is entirely reasonable and proper to enact legislation directed at remedying the deterrent feature of racial segregation on commerce.

So far as I personally am concerned, I would like to see an end to racial or religious discrimination in all businesses, be they interstate or intrastate in nature. But in legislation drawn in part under the commerce clause, we must first address ourselves to an area of business activity plainly within its purview.

Finally, I wish to say one more thing on this title, before moving on to one other: Much of our civil law today has its basis in the English common law. In the Revolutionary War period, when newly independent States were forming their governments and adopting legal systems, many States, including our Southern States, incorporated the English common law as the basis and foundation of their own legal system. Under the English common law it was the duty of the innkeeper and those in the public accommodations field to take in all travelers on a nondiscriminatory basis so long as payment was tendered and accommodations were available. By choosing a business endeavor in the field of public accommodations one has reason to know by law, and very ancient law, that he is relinquishing the right to make racial or religious discriminations between customers.

This has been historically true. Members may be interested in listening to the language of the Chief Justice of an English court, written in 1701, Chief Justice Holt. This is what the English court wrote; this is the law in England today. Insofar as I know it is the common law in the United States today. Any good hotel lawyer will tell you this.

I read what the court wrote in 1701:

> Whenever any subject takes upon himself a public trust for the benefit of the rest of his fellow subjects, he is eo ipso bound to serve the subject in all things that are within the reach and comprehension of such an office, under the pain of action against him. If on the road a shoe fall off my horse and I come to a smith to have one put on, and the smith refuse to do it, an action will lie against him because he has made profession of a trade which is for the public good and has thereby exposed and vested an interest of himself in all of the King's subjects that will employ him in the which of his trade.

I ask Members to note that it says:

> all of the king's subjects that will employ him in the which of his trade.

I continue the quotation:

> If an innkeeper refuses to entertain a guest, when his house is not full, an action will lie against him; and so against a carrier if his horses not be loaded, and he refuses to take a packet proper to be sent by a carrier.

That was the common law. That is the common law as stated in 1701, and that law is good and sound today.

Perhaps on a slightly lighter note Members may be interested in that very wonderful and pertinent statement made by St. Benedict in his words in the sixth century:

> If any pilgrim monk come from distant parts, if with wish as a guest to dwell in the monastery, and will be content with the customs which he finds in the place, and does not perchance by his lavishness disturb the monastery—

Parenthetically, he must be well behaved—

> but is simply content with what he finds: he shall be received for as long a time as he desires. If indeed he finds fault with anything, or exposes it, reasonably and with the humility of charity, the abbot shall discuss it prudently, less perchance God had sent him for this very thing. But if he be found gossipy and contumacious in the time of his sojourn as a guest—

Parenthetically, maybe he is drunk—

> not only ought he not be joined to the body of the monastery, but also it shall be said to him honestly, that he must depart. If he does not go let two stout monks, in the name of God, explain the matter to him.

Mr. McCULLOCH. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. LINDSAY. I thank the distinguished gentleman from Ohio.

Now, just a word, Mr. Chairman, on title VI and title VII, if I may. I shall not dwell long on it, because I expect to dwell further on it tomorrow if I have the time, or under the 5-minute rule if I do not.

Title VI involves Federal aid. The title establishes an orderly and fair procedure, with full court review, for cutting off Federal funds where those funds are used in a discriminatory manner. I have great respect and admiration for my friend from North Carolina who spoke on this subject a moment ago, and I think there is much in what he says. I think that the Department of Justice, in some of the material that it has supplied to Members on the intricacies of this bill, to some extent has been jumping through hoops in order to describe areas where the title of the section is not applicable. The fact of the matter is—and we all know full well—that the title is designed primarily to hit those programs where Federal funds are made available to localities for the benefit of individuals, and the funds are used discriminatorily.

Let us take a case involving unemployment compensation, and there is segregation in its administration, a Negro line and a white line for example. There is some mysterious language in the explanatory material referred to by the gentleman from North Carolina saying that it would not be necessary to cut off funds. I do not understand that. It seems to me the remedy there is to have one line, white and black. If you insist on having segregation in your procedures and your methods, I think the Government does have the power to deny funds. Very simple. Stop the discrimination, get the money; continue the discrimination, do not get the money.

I will agree, and I think it is absolutely plain as I read this statute, that in those areas where the individuals being discriminated against are not the beneficiaries, it is quite a different situation. However, in any case where there are human beings who are directly involved as recipients of Federal funds or foodstuffs of value, even though a State agency is in between, there title VI gives the Federal Government, quite properly, the power to cut off funds if race or religion is used as a reason for discriminating.

This, I say especially for my friends on the minority side of the aisle, is precisely what we have been asked for year after year and we have allocated huge sums of taxpayers' money to communities and localities who are more than happy to receive them.

If they do not wish to receive them, they do not have to receive them.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman.

Mr. RODINO. I merely want to point out that there is no need to get into any colloquy or into any extended explanation on this, but in the Justice Department's answer I think they were justified in talking about the fact that where there may have been a white and a black line, nonetheless the question is, "Were those people getting the funds under workmen's compensation?" And the question in this section is, "Do you effectuate the provision of section 601 and end discrimination?" Therefore I think that we should not be critical of the Justice Department's explanation.

Mr. LINDSAY. I thank the gentleman. I assure you I am not being critical at all. This is not an easy subject. The Justice Department has done its very best to be of assistance to Members on this question. All I say is that the law is quite clear. I hope Members will take the time to just look at it closely; it is only a page and a half and they will find it at page 62 of the bill, in section 601. It says:

> Notwithstanding any inconsistent provision of any other law, no person in the United States shall, on the ground of race, color, or national origin—

Here are the key words—

> be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

This ties it into a specific program. You are talking about one program and not a lot of programs. Each case is decided on its own merits, and each program is on its own. In the case that the gentleman from New Jersey and I were talking about there probably would not be a general cutoff, but there could be.

Mr. Chairman, I hope to speak more on title VII tomorrow, the FEPC section, which is key.

In closing I merely want to say this. This is not an easy bill. We are asked to do a lot. Those of us on the Judiciary Committee supporting the bill are asking our colleagues to go with us and to enact this bill on the floor of the House of Representatives as nearly intact as possible. It will not be easy. But I want to say this right now, and I speak for a great many on my side of the aisle who have long been fighters in the cause of civil rights; we do not expect to go up the mountain on this one and send the bill to the other body and then have any title or any major part of it traded away. We serve notice right here and now that should that occur we will not accept the compromise in conference. We think we are doing a service to the country, but it is a difficult one. We are carrying a load on our back. A lot of us are away out on the gangplank and we are asking you to come out with us. And when the time comes that the bill is wrapped up and sent to the President for signature we want to see to it, and will insist upon it, that that bill is the bill that contains all its parts.

Mr. McCULLOCH. Mr. Chairman, I am pleased to yield 15 minutes to the gentleman from Georgia [Mr. FORRESTER].

Mr. WILLIAMS. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Ninety Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 21]

Abbitt
Ashley
Auchincloss
Baring
Bonner
Brademas
Broyhill, N.C.
Cameron
Davis, Tenn.
Dent
Edmondson
Evins
Findley
Ford
Frelinghuysen
Fulton, Tenn.
Glenn
Harding
Harsha
Hays
Hoffman
Holifield
Johnson, Calif.
Jones, Ala.

Kee
Kilburn
King, N.Y.
Laird
Lankford
Lipscomb
McClory
McDowell
McIntire
Martin, Mass.
Martin, Nebr.
May
Miller, N.Y.
Montoya
Moore
Morton
Moss
O'Brien, Ill.
Osmers
Passman
Pepper
Pool
Purcell
Rhodes, Ariz.
Roberts, Tex.
Roush
St. George
Secrest
Sheppard
Snyder
Staebler
Steed
Thompson, Tex.
Tollefson
Tupper
Ullman
Utt
Van Deerlin
Vanik
White
Wilson, Bob
Wright

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 7152, and finding itself without a quorum, he had directed the roll to be called, when 363 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. FORRESTER].

Mr. FORRESTER. Mr. Chairman, I am highly grateful for that great prophet, Isaiah. I always admired him, but my admiration for him was magnified 100-fold when my good friend, the gentleman from New Jersey [Mr. RODINO], remembered that he said, "Come and let us reason together."

It has been a long time coming, but of course, an ordinary Congressman like me could not be expected to have any time on this bill when it was passed out of our committee, with 1 minute assigned to my wonderful friend, the gentleman from New York, and another minute to my distinguished friend, the gentleman from Ohio. There being only 2 minutes of debate, of course, I had no right on earth to expect any time. But I appreciate the privilege that I have and I am going to try my dead level best to talk to you for awhile. And I am full of it now because I have been charged with it for a year.

I want to talk to you a little while about the most far-reaching legislation that has ever been brought before any Congress of the United States during its entire history.

I am a southerner, and extremely proud of it, and an American. I will never cease to be grateful for that splendid privilege. If I have ever had any feeling against any of you, I will say to you it has long since been dissipated.

I am somewhat like the story they tell down my way. In one of our Army maneuvers planes flew over some of the swamps down in Georgia, and they dropped a bomb. In a little while they saw an old man running out of the woods, whiskers down to his stomach. He was swinging a musket. He ran up to the MP and said:

> Have you seen General Lee?

This man said:

> What do you want with General Lee?
>
> I am just going to tell him, between he and myself, if those darn Yankees shoot one more of those guns I am going to talk about surrendering.

I have something else I want to tell you. I read something in the Washington News last night. I hope you read it. If you did not I want you to read it. I want you to read one of the finest lessons in patriotism I have ever had the privilege to read. I am glad that he is a citizen of my native State of Georgia. He is a man by the name of Sergeant King. The sergeant has not been home for a long time. It said he has five Purple Hearts that he got because of wounds that were inflicted on him in defense of his country, and his Government's service. Some of the people were congratulating him and telling him that he had done so many wonderful and fine things. Here is what he said:

> Well, now, my friends, it is not as bad as you might think. I think I have scored some points for my country, the United States of America.

He said:

> If I did, I am awfully glad, because old Uncle Sam deserves it so richly.

Do you get what I am saying?

When we deliberate on legislation of this kind we need to be like Sergeant King, because Uncle Sam deserves so much at our hands.

You know, I have long since lost quite a bit of my patience with some of these boys privileged to be Americans but always talking about "my rights" and never talking about responsibilities. I am sick and tired of it. In these days you better get to talking about them too, because it is serious times and if we intend to serve our country we will never find a better time to do so than now.

I am going to talk about America, I am going to talk without rancor. As a matter of fact, I could not have any rancor if I wanted to. I have a tremendous regard for my chairman. I just think he is one of the finest men I ever knew. I follow him most of the time, but I do not go along with him in this, and the reason why I did not is because he does not know anything about it.

Let me illustrate what I am trying to say to you. A few years ago I got a letter from the Governor of his State telling me that Chairman CELLER had filed before our committee a bill, and he says "You must fight him now, because it infringes upon the rights of the State."

Do you know what I wrote back to him? I said:

> DEAR GOVERNOR: You nor my distinguished chairman would not know State rights if you met them in the middle of a big road. Consequently, you have not got a Chinaman's chance to take me away from the support of my chairman. I am with him.

The gentleman from New York [Mr. CELLER] said he wanted to see our States made a showcase like Washington. He did not mean that, no. Why, back home a woman can walk the streets with impunity. Up here, 200 yards from where I sleep, a rape was committed just a few nights ago. Not too long ago 300 yards from where I sleep a woman was stabbed nine times while she was worshiping her God in a Catholic church. You do not want to make my State a show case of democracy if it is to be like it is here do you? I do not think we need any more showcases like Washington.

Another thing, I hear these boys keep saying, "Oh, how we did study this bill and how we did consider this bill." Well, if you did, you did not let me in on it. No, I did not have anything to do with it. I do not think anybody studied this bill. The reason why I do not think you did is I just know that you good lawyers would not do some of the things you did if you did study it. You just start getting upset when you start talking about civil rights.

You take my good chairman. He said that he wrote a provision in this bill that the Attorney General could call for a three-judge court in these cases because some of the southern judges are dragging their feet. Well, you know you lawyers should not talk that much, or advocate speed. There is a whole lot more danger in haste than there is in a little procrastination. Did you know that?

I was prosecuting attorney for 27 years. I never let anybody inveigle me into calling a special term of court to try an outrageous criminal case. I had sense enough to know what they wanted me to do. They wanted a judicial lynching. Not only do you have to have this undue haste, and I know you do not mean it, but what you are doing is, you are setting up a legislative lynching, that is all. I want to be plain with you.

I love the law almost like a mother. It was the only profession on earth that an eighth-grader like me could enter, the only one, and I treasure it, and I respect it with all my soul. But I am just telling you now, and I am telling you for the work's sake, I am sorry that the Justice Department, the Attorney General, would even permit a request of that kind to be made to the Congress of the United States.

You know, I am going to tell you something, and I am not talking about any particular Attorney General, I am talking about several. I am condemning a system. I just do not like the way we set up our courts, anyway. I do not mind telling you it is a bad system when an Attorney General can invite a man to come down here and say, "I am looking you over for a judge. Tell me now how you are going to rule on such and such a case." I do not like the idea of the Attorney General setting up his own court. You are going entirely too far. It is about like saying, "I do not like this judge who is to try this case, he won't barbecue the defendant before sundown." I do not like it.

Another thing, no matter what you say you cannot get mad with "TIC" FORRESTER, because you know "TIC" FORRESTER is telling the truth.

I just do not like it and you do not, either. I am excusing you because it has to do with civil rights. You would not do it any other time—and I know it.

Now talk about haste. Now you know haste is kind of like truth. You know someone said, "What is truth?" Well, now, Brother BECKER, the gentleman from New York sitting there, about every time I see him asks me, "When is your Judiciary Committee going to get my prayer bill out?" I do not believe I heard anything about haste on that, did you? When I see some of the things we do I am of the opinion we stand in need of prayer.

Now another thing—you cannot afford to have all your Federal judges trying civil rights cases. Somebody has got to keep the store. Who is going to try these murder cases that you have now and then? These counterfeiters, these bribery and sedition cases?

You have a bill pending over there before the subcommittee and I am chairman of that subcommittee to make it a Federal offense to kill a President. Now just do not keep these judges trying civil rights all the time. Let us let them have a try at a few other cases, too, otherwise there is no reason to consider such a bill.

Then another thing that I heard, and I know the gentleman did not mean this. He said:

> Let those who practice discrimination be denied any portion of the funds that the Federal Government gives to its citizens.

I know he could not have meant that. There are a lot of things he could not mean. You know, I sympathize with what my good friend, the gentleman from New York [Mr. DELANEY] said. When he was before the Committee on Rules, he asked the gentleman from New York [Mr. CELLER] something about children going to school. The gentleman from New York [Mr. CELLER] said:

> If you do not like it, offer an amendment.

The gentleman from New York [Mr. DELANEY] said:

> My stars, it would take me a month to know about this bill. I do not know where I should offer an amendment and where I should not.

That is the truth—that is the truth.

Never has such a bill come before the Congress with the Congress knowing so little about it. I am telling you, I defy you—I tell you—not 12 men within the sound of my voice know this bill. I do not know this bill. I have studied it. I have studied it hard. Every time I read it, I find another boobytrap.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. McCULLOCH. Mr. Chairman, I yield 5 more minutes to the gentleman from Georgia.

Mr. FORRESTER. Could the gentleman give me a little more time, I have not talked in a long time.

Mr. McCULLOCH. Mr. Chairman, I am a generous man where money is not involved. I will consider the application when the time comes.

Mr. FORRESTER. Mr. Chairman, the gentleman is a wonderful man ordinarily. I feel somewhat as the Scriptures when it says, "Father, forgive him for he knows not what he does."

Let me say this to you. I wish I could talk to you a long time on this thing because I have some things in my heart about this. I would talk to you as an American to an American. I know how to talk to you. You know when I was in the Army in World War I, I thought I was ruined because I was the only southerner in my outfit. But I got along with you boys. I know you are pretty good—you boys are all right—on everything except civil rights—and we just have that once a year.

Now let me tell you what you have done. You have failed to profit by experience. In 1894, the Congress of the United States—probably in this very Chamber—wiped out election laws interfering with the States that they passed in times of hysteria and under the guise of civil rights. Do you know why? Because they were the crookedest elections ever conducted in this world. Those ultimate in crookedness were Federal elections—I have heard about certain elections—and not in Georgia either—where you do not count the votes—you weigh them.

But that was not even a circumstance, compared to what was going on under the guidance of the Federal Government, and you know it. If you do not believe it, you can get a copy of the House report, of the Congress, to see what they said about it. They said:

> Let every trace of these measures be wiped from the statute books. Let the States of this great Union understand that the elections are in their own hands and if there be fraud, coercion or force used, they will be the first to feel it.

Yet here they come back now, and they want to get to meddling again. Experience just does not teach us anything.

Members have the audacity to come and tell me that we would just be legislating on Federal elections. Well, I may be crazy, but I am no fool.

When anyone tells me that Federal elections means the election of a President, Vice President, Senator, Member of the House of Representatives, and other Federal officers, and "in whole or in part" I know better. I know better than that.

When they stuck in that "in part" I knew they were not dealing only with Federal elections. You know it, too. If you did make that mistake, I believe the gentleman from Louisiana [Mr. WILLIS] is going to accommodate you and permit you to rectify that. I believe he is going to offer an amendment to strike out "in part." If you do that, then we will have a bill on Federal elections. We should take him up on it.

The election proposals we are considering now would cover 46 States—that is right, there are 46 local and State elections. Do not tell me you do not want to do it, because you did do it. The intent is to meddle with State and local elections unless the phrase "in part" is not stricken from this bill.

Do you know what else you have done? You say you are not trampling on the rights of States to fix qualifications of voters. Why, you will fix them in my State. This thing was made for my State. You have them where they cannot wiggle.

You say that if certain questions are propounded to applicants for registration, and that is done for a little while, so as to become a pattern or practice, then they cannot deviate from it. Lord have mercy. If that is what you are going to do, why do you not simply say you are going to abolish the literacy test completely? A moron could sit outside and let the boys go in and get those questions. They would have to be the same questions. When they come out, they will tell what the questions are. They will be told the answers.

Can anybody deny that to be the truth? I suggested to the Attorney General, and I believe it shocked him, and he told me it was not true, but the Justice Department in its brief says it is true. I knew it was true all the time.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. FORRESTER. How much time was that, Mr. Chairman?

The CHAIRMAN. That was 5 minutes additional.

Mr. WILLIS. Mr. Chairman, I gladly yield 10 additional minutes to the gentleman from Georgia.

Mr. FORRESTER. I thank the gentleman.

The CHAIRMAN. The gentleman from Georgia is recognized for 10 additional minutes.

Mr. FORRESTER. Perhaps I should move on, but I cannot resist this comment. Members of the subcommittee say we studied and studied. We studied hard. I wish they had let some of us come in there. Perhaps we could have refreshed their memory a little bit. You prohibit poll taxes regarding Federal elections. I would have said to you boys, "What do you want to put this provision in there for, to say that a State cannot have a poll tax?" I would have loved to have said, "Do you not know that a year ago we agreed we had to do that, abolish poll taxes relating to Federal elections by constitutional amendment? Do you not know we are the ones who set that machinery in motion, who had all the States vote on it and ratify it? If you can do it by statute why did we put them to all this trouble?" I just simply do not think this was studied much.

Mr. WILLIS. Mr. Chairman, will the gentleman yield at that point?

Mr. FORRESTER. I am glad to yield.

Mr. WILLIS. The Judiciary Committee brought out that proposed constitutional amendment to abolish the poll tax in Federal election, not "wholly or in part."

Mr. FORRESTER. Yes.

Mr. WILLIS. We did not even ask the people to vote for the "in part" on that. That was strictly a Federal election proposition, on the repeal of poll tax.

Mr. FORRESTER. The gentleman is exactly correct.

Mr. WILLIS. It applies only to Federal elections.

Mr. FORRESTER. The gentleman is exactly right and with this here "in whole or in part," what they will do by statute is, it will be saying to the States they cannot collect a poll tax even in State elections when that State election is on the same day and on the same ballot with a Federal election. That is what it is

Let us pass on now. I want to tell you something else you have done, and this I deplore with all my heart. You have a bill here, a simple statute, providing for public accommodations. I asked the Attorney General this and I asked him this because it grieved me. I said, "Mr. Attorney General, is there not a decision of the Supreme Court holding this identical law or one similar to it absolutely unconstitutional?" And he said, "Yes, Mr. Congressman, that is true." But he said that down the line we required more information on the subject or something like that. He said, I think now that if you just give the Supreme Court another crack at it, they will hold it is legal. Well, I am not going to argue that with him. I think they will, too. That is just what I do not like; because they do not have any right to do it. You want to encourage me, a member of the Judiciary Committee, to draw a statute that I know is unconstitutional. I just simply refuse to do it, and I am not going to do it. Now I will tell you why I am not going to do it. It is the law of the land. And I will tell you another thing, too, and this is just as true as can be. The first decision of the Supreme Court on a constitutional question becomes the law of the land. At no time can it be repealed by a future decision and you cannot reverse it. The reason why you cannot is because you cannot make it fish today and fowl tomorrow. You have a wonderful remedy, though. If you think it is not the law, then you can amend the Constitution, and by doing that you will not get in this terrible mess. Nobody on God's earth knows what that Supreme Court will do, and you know it. Here you are now citing cases, commerce cases. Of course, the Supreme Court decided them, but you know they are ridiculous. You know they are utterly ridiculous. You know, I hope I will get up there, and I will see old St. Peter, and I want to tell him that I did not have a darned thing to do with stretching that commerce clause. I do not want to tell him who did; I tell you right now, you who are doing this—you are trespassing heavily upon the rights of the people, and making shambles of our Constitution.

Then above all, above all, these tolerance boys. I love everybody, but sometimes these tolerance boys strain me, be- just so doggone cruel. You know, no- cause they just advocate things that are body like me or sharing my philosophies advocates forfeiture, and that is what you are doing. You come up here and you say that if you practice discrimination you cannot get one cent of Federal money provided for Federal assistance to its citizens. That was not supposed to be a political bonanza. It was supposed to be based on humanity and justice and mercy. But you get not one penny if you discriminate. But the great trouble is you forget, sirs, that the Constitution gives you the right to discriminate. Did you ever stop to think about that? Did you ever turn to your Constitution and read that 14th amendment that you put so much stock by? That 14th amendment guarantees to you equal protection of the law. You cannot take that money away from me. The Supreme Court might do it, but, by the grace of God, they will never do it legally. I will tell you that. I will tell you that. You cannot do that. Why, the Constitution is just riddled through and through with the statements that a citizen is entitled to the rights of a citizen, and when you said that citizens of a certain class should get certain money and then you say if he is practicing segregation to any extent he cannot have a cent of it, you are violating the Constitution as violently as anybody ever violated it.

There is another thing, too.

Back in the days of old England when they were just learning something about law and order; during the time they were indicting, trying and hanging roosters for crowing and disturbing church services, they also had a law that if a murder was committed in a shire and they did not produce the murderer, everybody in that shire would be fined a certain sum. But at least back then they gave them the benefit of clergy. You folks do not forgive us at all. The preacher cannot help us. You will not let him. We are just finished.

Mr. Chairman, this thing does not make sense at all. Here you are saying, If you want this money, do not practice segregation, or do not discriminate. Well, how far are you going to take that? Does a blond have the right to protest one being partial to brunettes? Does the Post have the right to say that you must not take the Star? What is going to happen? I do not know.

If you take my people's tax money and you spend their money, you are taking something that does not belong to you. I will tell you that point-blank. But that is what you are trying to do. You will be enriching yourself at the expense of another taxpayer, some other good American who was honestly standing on his constitutional rights to discriminate. That is mighty strange to me; declaring a forfeiture against a law abiding citizen is shocking.

You know, this did not apply to Oswald. If Oswald had not been killed he could have been sitting in his cell and gotten one of these Federal assistance checks. And he could have endorsed it and given it to the jailer to cash for him and put it in the bank. It does not apply to any murderer or to any counterfeiter and it does not apply to us Congressmen. If we are moved to do this we ought to hasten and pass a law that if we do something unbecoming for a Congressman, that our annuities which we pay for shall be taken from us, and even from our widows. You are not going to say to the Congressmen that they are not going to be allowed to receive that money that is coming to them because they were not good citizens.

No, the only place on earth where you do it is in this area of segregation and discrimination.

Now, people who complain about mistreatment certainly should not use the very tools that they say somebody used against them. I do not know why in the world we are fighting for the right to be mediocre. Can you tell me why? Why do we want to reduce the standards of our voters, can you tell me that? There is nothing on earth that can save a democracy except an enlightened and intelligent electorate. One who is not, even innocently, could pull down the pillars that support the temple of democracy. Do not forget that.

The platforms of the different parties, Republican and Democratic, illustrate eloquently what I am trying to say to you. When they come out they will come out with so many promises that nobody will believe, even that sixth-grader who was referred to in this election law proposal as being presumed qualified to vote. That is a sad commentary but no one on either side of the aisle will dispute what I have said. Both platforms are drawn to appeal to an ignorant electorate.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. FORRESTER] has again expired.

Mr. McCULLOCH. Mr. Chairman, I yield the gentleman from Georgia 5 minutes.

Mr. FORRESTER. Mr. Chairman, I thank the gentleman from Ohio very much; I appreciate that. Let me say this to you. If you do not believe this covers the waterfront you had better read what the Attorney General and the Justice Department said. You appropriated over $100 billion last year and now they say that a segregationist or one who discriminates cannot get a penny of it.

I will say this, you have been very patient. I would like to say I am tired. I go to bed early and I get up early. But I want to leave this statement with you, then I am through.

You talk about a Democratic government. This legislation is the most dictatorial ever submitted to a Congress. You say this legislation is mild, or a watered-down bill. Mr. Chairman, it is impossible to make it any stronger. You talk about balancing the equities? There is nothing equitable about it. The complainant, almost invariably the Attorney General, has every advantage against the defendant. He has the Government behind him, and the entire legal department. The litigation is free so far as the complainant is concerned, because the taxpayers pay the expense of litigation, although it deprives them of their liberties.

We just passed a bill out of the House providing counsel for indigent defendants, yet here in a few days we see the legal machinery of the United States thrown against one poor, little, puny one-horse farmer who wants his soil bank check and he cannot get it because somebody in a bureau down here or some fool rule said he is guilty of discrimination. How crazy can we get.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FORRESTER. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. The gentleman mentioned about Members of Congress being excluded from this. Is there any danger in this bill if you do not integrate the staff in your office they may withhold your pay?

Mr. FORRESTER. I think we could do it, but I do not think we ever will.

Do you know what this thing reminds me of? It reminds me of a joke I heard. Down home one day two women were passing the terminal station. They looked in an express car and saw a little dog in a crate. One of them said:

> Poor little dog. I wonder if he has had anything to drink. I wonder if he has had anything to eat. I wonder where he is going.

The baggage master said:

> Lady, I do not know where that dog is going, that dog does not know where he is going, nobody knows where that dog is going, because the little devil has chewed up his tag.

Mr. McCULLOCH. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. WATSON].

Mr. WATSON. Mr. Chairman, I am sure all of us are thrilled at the terrific speech which has just been made by my very esteemed colleague from Georgia [Mr. FORRESTER]. It certainly would be a presumption on my part to imagine for a moment I could even attract your attention, let alone measure up to the job he has done. I am grateful to the gentleman from Ohio for yielding me 10 minutes. I did not expect this to come until tomorrow, but I am delighted to have the opportunity and welcome the privilege of saying a word or two concerning this matter which I feel so very strongly about.

Let me say that notwithstanding the accusations which have been made in other places that we of the Southland have put these people of the Negro race under subjugation, that we have treated them wrongly, that we are hatemongers, may I just remind you, Mr. Chairman, for a few minutes that over the past 100 years we have been the true friends of the Negro race.

Notwithstanding our defeat, and being in ashes 100 years ago, when we southerners ate, everybody ate. When we had clothes, everybody had clothes. To be sure, we had varying standards of living down there, just as you have them from one end of the States to the other, but we were continually helping the Negro although our means were very limited. I wonder where were all of these bleeding hearts back over the past 100 years when we of the South were trying to give an education to these people who were unable to pay for it themselves, and most of them were unable to pay any taxes whatsoever. Where were all of these bleeding hearts who want to come out today and say, "Let me be a Moses, let me lead you to the promised land?" Let there be no mistake about it, we in the Southland believe in opportunities for all. We have not had the wealth that many of you in other sections of the Nation have had and therefore we have not been able to make the progress we would have made in lifting the standard of living for all of our people; but at the same time, notwithstanding the heavier burden that we had, we did the best we could.

I think it is just short of treason now that we have so many from other sections of the country that are running down South and stirring up trouble and dividing people who have lived together so well in harmony. Do not think for a moment that it is not easy to create animosity and dissension in every section of the United States, to run over and try to pit this race against another race, and it will work everywhere.

Do you think there is any particular problem in running out there and saying, "Look on the other side of the street, John. Are you not as good as he? Do you have that home; do you have that nice car?" But again let me ask you, Where were all of these bleeding hearts for these folks who were supposedly suffering so much? Where have they been over the past 100 years when we of the Southland were trying to give better educational and economic opportunities for all of our people?

Another thing, let me point out to you, the passage of a law is ineffective in dealing with this very delicate problem. The chairman of the committee, the gentleman from New York [Mr. CELLER], said we have 30 States with statutes on their books forbidding discrimination, and 25 forbidding discrimination in employment. Yet at the same time some of those States have been plagued with riots, demonstrations, and disorders not even known to our Southland. I refer to the State of Ohio, in Cleveland. They had demonstrations last year and some 40 were injured. They are having serious racial trouble now. Perhaps you saw on television last night, the Cleveland disorders, demonstrations we have never seen in the Southland notwithstanding the agitation by outsiders who want to run down there and use our people and divide them for the sake of getting some money or some publicity. But do you realize the fact that the State of Ohio has had a law against discrimination I believe since 1955, yet is it effective in putting down or preventing these demonstrations and riots?

I am not trying to oversimplify this thing, but I think you must conclude one of two things. You look at Ohio, you look at Pennsylvania, you look at Colorado. I am not just singling out these States because most of our States have suffered these same problems. If you pass this bill all of the States will suffer this problem. You are agitating, you are asking for trouble, you are deluding, you are perpetrating a fraud on the people you purport to help, because you purport to open the doors of opportunity throughout the United States and you are not taking care of the basic need; that is, better education and economic opportunity for all of our people. That is what we are doing today in the Southland. That will solve the racial problems more than the passage of an unconstitutional and unworkable law.

If we look at these Northern States or other areas that are having trouble, most of which have laws forbidding discrimination on their books, we can either say that the law is ineffective in dealing with this very delicate personal problem of associations or else you must say that these States are not enforcing their civil rights laws. Do not say for a moment that I got up here and said that Ohio, Pennsylvania, Colorado or any of the other States or New Jersey are not enforcing their laws so far as civil rights are concerned. They are doing the very best they can. But it shows you that even a law on a State level is ineffective to deal with this very delicate personal problem.

Let us quit trying to deceive all of the people into believing that you can solve this problem with the wave of a magic legislative wand. All you are doing is asking for more trouble. History will show you—even recent history will show you—we have had more disorders and demonstrations and racial unrest since the advent of the Civil Rights Commission than we ever had before.

I am privileged to serve on the Manpower Utilization Subcommittee of the House Committee on the Post Office and Civil Service. There was presented to us last year in testimony by the director of the so-called division of equal employment opportunities of the Post Office Department that they have had more complaints in the past 2 years since they introduced or set up this division than they had in the 6 years immediately preceding its establishment.

All you are doing is asking for trouble by the passage of this bill. It has been pointed out so effectively and clearly by Judge Willis and others that the bill is clearly unconstitutional. Certainly, you are going to have to face up to the fact that we need something in America upon which we have to cling and must preserve and respect as one of the most sacred documents that has ever been written—the Constitution. There is a way to amend the Constitution. To be sure, the framers of the Constitution made it difficult to amend—that is one of the things that has made our Constitution survive when other constitutions have crumbled—the fact that it is difficult of amendment. But, yet, the amendment process is easy enough, and if the amendment is necessary, then it will be passed. I would plead with the gentleman from the Committee on the Judiciary and, indeed, with all of you—if this is needed so much and if the people are so much for it, then why do you not follow the orderly process of amending the Constitution by the provisions set forth in the Constitution rather than trying to amend it here by the passage of a bill such as this on the floor of the Congress?

Let me say again, and I believe I speak for everyone down South—when you say this is an emotional issue—we do feel very strongly about it because we yield to no one in our patriotism and our love of country and our love of the Constitution. This is a very emotional problem. We want to preserve our Constitution. We want to give all of our citizens equal rights and equal opportunities. We do not want to deceive any of our citizens into believing that the passage of this law will give them better jobs or will open the doors to all of these areas to them. You are going to find this bill will drive further the wedge of racial dissension and animosity not only in the Southland but throughout the country. Let us be fair with all of the people. I believe in respecting the rights of the minorities as much as any man or woman in this body. But at the same time, I believe in respecting the rights of the majority. You cannot give one excessive rights without in turn trampling upon the rights of others.

This is a serious matter. In fact, it is the most important piece of legislation that we have considered not only in the brief span that I have been privileged to serve here, but I dare say it will be the most important matter that we shall have to consider in this or any other Congress. I do not want to be a fatalist, but if this measure is passed, I predict it will live to curse this Congress.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McCULLOCH. Mr. Chairman, I wish to say to my distinguished colleague from South Carolina that the riots and demonstrations in Cleveland, Ohio, which we so much regret, were not the result of discrimination by reason of race, religion, or national origin, which is prevented by the Constitution. That fact is unmistakably clear.

Mr. WATSON. Mr. Chairman, will the gentleman yield for a minute?

Mr. McCULLOCH. I yield.

Mr. WATSON. I do not know what has precipitated the immediate disorders and dissension there. I understand from the press reports that it is a matter of the forced mixing in the school, perhaps trying to bring in the racial balance system which is foreign to education. Perhaps I am incorrect, but as I recall, the problem there last year arose from discrimination in employment at a hotdog stand at the Cleveland airport. If I am incorrect I apologize to the gentleman. I did not wish to single out Ohio.

Mr. McCULLOCH. I understand that, Mr. Chairman. Again I wish to make it unmistakably clear that the legislation now before the Committee has no effect and can have no effect on racial imbalance, as that term is known.

Mr. CELLER. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Mr. Chairman, I am reminded somewhat of the story which was told of a political meeting, where one of the long-winded speakers spoke for about 2 hours, and his audience proceeded to leave him until there was only one man down in front. When he had finished his speech he ran down to him and said, "Did you enjoy my speech?" And the man replied "Hell, no; I am the next speaker."

I trust that I shall not take too much time, but I wish to point out that this legislation, as proposed and reported by the Judiciary Committe, is constitutional in every respect.

If those who have addressed themselves to the so-called passion and pleas with respect to unconstitutional action by the Supreme Court will bear with me for a little while, I will try to point out that the Judiciary Committee, for a period of approximately 4 months, from May of this year until August, conducted hearings, and that for 7 weeks the committee sat and tried to write up a bill. On the 2d day of October we reported a bill. Thereafter, from the 7th of October until the 29th, those who have stood before the House today and said they had no opportunity to discuss it, I am sure will be interested to know that the record reflects it was before the committee on two separate occasions and fully discussed.

If Members wish to look further, they will find that the Attorney General was called before the Judiciary Committee and he was cross-examined for 2 days. The examination by the gentleman from Georgia took up exactly 10 pages, as Members will find if they take a look at the civil rights executive hearings that have been made available.

Let us get down to the question of what is in the bill and not what are the generalities.

Title I deals with voting rights. If Members have the committee report available and would like to follow along with me, I suggest they turn to page 33 of the committee report. The reason I suggest Members do that is because, under the Ramseyer rule, it is necessary to set forth first what is the law and second how it is intended to be amended. If Members will turn to page 33 they will find that section 2004 deals with voting rights, and section (a) (1) shows what is the law now. That statute has been in force and effect since 1870.

Now, what does that statute provide? It says:

> All citizens of the United States who are otherwise qualified by law to vote at any election by the people in any State, Territory, district, county, city, parish, township, school district, municipality, or other territorial subdivision, shall be entitled and allowed to vote at all such elections, without distinction of race, color, or previous condition of servitude; any constitution, law, custom, usage, or regulation of any State or Territory, or by or under its authority, to the contrary notwithstanding.

Now, that has been on the statute books since 1870, and any individual from that time down until 1957 had a right to go into Federal court and allege that he was being deprived of his right to vote and, upon that allegation and proof that he was qualified to vote under the State's laws, he could then be registered and permitted to vote. Now, what did we do? In 1957 we amended this section by adding another section which in effect said that if anybody intimidates or tries to coerce or threatens one with respect to his right to vote, then he could be enjoined, and we then authorized the Attorney General to become the lawyer of any individual who believed that his rights were being taken away from him.

Then again in 1960 we amended it further.

Let us follow through on this. It is the italicized part (a) (2) which follows thereafter, about which so much has been made of here, to the effect that we are changing State laws and that we by this legislation are moving into a field that is reserved exclusively for the State. First, I want to say that that statement is not true. Anybody that will analyze it will readily see that while the Federal Government has the authority to enter into certain areas of this, in this legislation they do not do so, because we say, "In determining whether any individual is qualified under State law or laws to vote in any Federal election." The determination is made under the State law. Then we go ahead and say that if they apply a different standard, then the courts should go in and say that you cannot apply a standard for a colored man on one end and a white man on the other end. That is what we mean by this and it does not affect the State law at all.

For the benefit of those who would also like to take a look at what has happened after the Civil Rights Act was passed in 1957 and again in 1960, you will find that the Attorney General of the United States, the former Attorney General, William Rogers, and the present Attorney General, filed at least 29 lawsuits under this setup. That is on page 2709 of the executive hearings conducted at the time that the Attorney General appeared before the committee and testified. This list shows that there was definitely a slowing down of these cases after they were filed in the courts.

Now, how do we proceed further under this section on voting rights? The next section says that if the election officials try to disqualify an individual because of an immaterial error or omission, then they should not disqualify him, but if it is a material error that has been made, then that is subject to proof before the court.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I will be glad to yield.

Mr. WAGGONNER. In trying to reach a determination as to what constitutes an error, what are to be the guidelines? If we try to judge theft, is it the theft of $100 or $1 million?

Mr. ROGERS of Colorado. May I say to the gentleman that each case will stand on its own bottom.

Mr. WAGGONNER. And who is to judge?

Mr. ROGERS of Colorado. Under this, the Federal judge of the district in which the case is filed. You are in court and he has the right to make the determination of whether or not this is a material error or whether it is immaterial and purposely done to prohibit the man from voting.

Mr. WAGGONNER. In other words, the gentleman is saying that the judge can say, "You have made just a little bit of an error, you are just a little bit unqualified but not unqualified enough."

Mr. ROGERS of Colorado. No; I am saying that the judge under this law has a duty and responsibility. If a registrar at an election place is disqualifying people—let us say he is asking how old the person is and the person said, "Well, I am 40 years and 8 months old," and the registrar says, "I see you were born on such-and-such a date, you are 40 years and 9 months old, hence you are not qualified to vote;" that is what we are driving at.

Mr. WAGGONNER. Then if that registrar applied the same sternness to every applicant, would the registrar be within the law as prescribed here?

Mr. ROGERS of Colorado. I do not know what law of what State the gentleman is talking about, but if it is under a State law where the registrar has the duty and responsibility and he discriminates against an applicant and fails to register him and gives some picayune excuse, some excuse that is not germane to the point whether this man is qualified, then the Federal judge upon an action being filed, is authorized to register him.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield further?

Mr. ROGERS of Colorado. I yield.

Mr. WAGGONNER. Can the gentleman tell me what would be picayune? If it were under State law and if the State law were administered without favoritism as to any applicant regardless of race, color, or creed, what would be picayune?

Mr. ROGERS of Colorado. I think the evidence is pretty clear on that. I want to direct the gentleman's attention to a list of cases that became necessary for the Attorney General to file with his own statement on page 2709 of the hearings. If the gentleman will examine those, he will find examples time and time again. If you want to take the case of United States against Rains where the Supreme Court said that this law was constitutional, and then see what the Federal court found in the State of Georgia as to discrimination that was being exercised by the election officials down there, it will give you enough information to understand what we are trying to get at in that area.

The next situation about which we have had so much criticism is in subparagraph (C)—"employ any literacy test as a qualification for voting in any Federal election unless (i) such test is administered to each individual wholly in writing except where an individual requests and State law authorizes a test other than in writing."

First of all let me make it clear that there is no requirement so far as this law is concerned that there be a literacy test, but if a State has one and they want to employ it what we are trying to say is that they employ it equally to everybody. Experience has demonstrated, according to the testimony that was given, that time and time again, if a white man came in he got one form of a test, and if a colored man came in he got another. This says that if the man comes in and says he wants to take it in writing, it will be reduced to writing so that no one can dispute what he has answered to the questions that were propounded.

That is the only reason the literacy test is given. The State is not obligated to have a literacy test, but if they do they have got to employ it with equal fairness to everybody.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield for a question?

Mr. ROGERS of Colorado. Yes.

Mr. WAGGONNER. Am I to believe from what the gentleman has just said that if the State has a literacy test as a prerequisite to voting, that they may have a requirement of more than a sixth-grade education?

Mr. ROGERS of Colorado. Certainly they can. Once you bring up the question of the sixth grade, this literacy test is a matter for the State to make the determination on. Those are procedural matters in the operation of a State law. It has nothing to do with Federal law. It says that if you have a State law which says that these standards shall be met, that these literacy tests shall be employed, we provide that it shall be applied fairly and equally to everybody. That is all we are trying to do.

Mr. WAGGONNER. Let me ask one other question with regard to this vote matter. If the State under this new legislation, if passed at the Federal level, so desires, can it continue to enact whatever voting registration qualifications and requirements they desire, if they shoulder the responsibility of administering those voter registration qualifications without favoritism to anyone under any conditions?

Mr. ROGERS of Colorado. We get to this point. You ask the question: Can they enact anything they desire?

Mr. WAGGONNER. Let me rephrase the question. Can they continue to enforce the registration laws that are presently on the books?

Mr. ROGERS of Colorado. If they apply them equally to everybody, they can. The point here is that the evidence before the committee reflected that time and time again, including the gentleman's State of Louisiana, there was an unequal application of the State laws to the people who made the request to be registered. That is the reason these provisions were put in here.

Mr. WAGGONNER. Regardless of what happens to this proposed legislation, should this legislation be enacted, my State of Louisiana, with their present voter registration laws, would have the option of continuing those laws which are presently on the statute books in Louisiana, if they enforced these laws without discrimination?

Mr. ROGERS of Colorado. There is this inhibition. No State has the right to say, for example, that only red-haired people can vote, or only those with blue eyes can vote—such limitations as that. Only reasonable limitations that are applicable for determining what is a qualified voter. If they apply equally you have no trouble. You would not have the Attorney General down there with Federal lawsuits. But if you do not apply them equally, if you have one standard for a white man and another standard for a black man, or if you require certain things of a black man in a literacy test and you require him to be exact in every particular, then we are giving to the Attorney General the authority to move in and prove to the court that discrimination has been practiced.

Mr. McCULLOCH. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. MacGregor].

Mr. MacGREGOR. Mr. Chairman, it is my purpose in the limited time I have, and at this late hour, to address myself to the constitutionality of the public accommodations section of this legislation, perhaps more specifically to the 14th amendment basis for title II.

The very distinguished gentleman from Louisiana [Mr. Willis] referred in his remarks to the fact that we are now saying that private restaurants cannot choose their customers and that in so doing we are flying directly in the face of a Supreme Court decision. The gentleman from Louisiana [Mr. Willis] undoubtedly refers to a Supreme Court decision of 81 years ago, a decision handed down determining that in part, but only in part, the Civil Rights Act of 1875 was unconstitutional.

A portion of that 1875 Civil Rights Act was shortly after its enactment held to be constitutional, and its constitutionality was reaffirmed in the decision to which the gentleman from Louisiana [Mr. Willis] referred.

Those portions held to be constitutional had to do with a prohibition on the part of a State in denying to a man by reason of his color service on a grand or a petit jury. The provision to which the gentleman from Louisiana [Mr. Willis] referred was undoubtedly that contained in sections 1 and 2 of the Civil Rights Act of 1875, those sections that deal with public accommodations. They sought, wholly ignoring the question of any State action, to operate directly on innkeepers and certain other persons engaged in holding out services to the public.

It will be readily seen by a cursory examination of title II proposed in the legislation before us that there are substantial differences between the Civil Rights Act of 1875 and its public accommodations provisions and title II of the act we will be passing next week. In the Supreme Court decision of 1883 the Court stated as follows:

> The 14th amendment is prohibitory upon the States only and the legislation to be adopted by Congress for enforcing it * * * is corrective legislation such as may be necessary or proper for counteracting and redressing the effect of such laws or acts.

This is precisely the legislation which you have before you, legislation which seeks in the public accommodations provisions to redress the effect of unconstitutional laws and acts by various of our States and municipalities.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. MacGREGOR. I yield to my chairman.

Mr. CELLER. In other words, what the gentleman believes the majority is seeking in the civil rights bill is that the Court said it is up to Congress to make the change, a change we are now making, and there is a likelihood that the Court would hold it constitutional.

Mr. MacGREGOR. The chairman put put it very well.

Further on in that opinion—and, of course, the gentleman knows there was a dissenting opinion by Justice Harlan—a clear distinction was made between direct legislation which was found to be improper and corrective legislation which sought to redress imbalances, which sought to redress grievances resulting from the passing of discriminatory laws or the conduct in a discriminatory fashion of State officials and agents.

The Court in 1883 found the 1875 act unconstitutional in part because it proceeded directly to declare:

> That certain acts committed by individuals shall be deemed offenses, and shall be prosecuted and punished by proceedings in the courts of the United States.

It was defective in that it did not profess to be corrective of any constitutional wrong committed by the States; it did not make its operation to depend upon any such wrong committed.

This, of course, as the chairman has indicated, is the thrust of the 1883 opinion, to which the gentleman from Louisiana referred, namely, that the legislation of 1875 in the sections referred to is unconstitutional because it is not corrective legislation tied to the 14th amendment and because its operative effect does not depend on any wrong committed by a State or State authority.

It is important to note that in the legislation we are now considering we have very carefully, in the Committee on the Judiciary, in the drafting of this legislation tied the operative effects of section 2 to various actions by the States. It is prohibitory in nature. It is not direct legislation but corrective legislation.

It is most important in reviewing the decision which the gentleman from Louisiana mentioned to note this language:

> Whether the statute book of the State actually laid down any such rule of disqualification, or not—

Here the Court was talking about that part of the act which it found to be constitutional.

> Whether the statute book of the State actually laid down any such rule of disqualification, or not—

With respect to Negroes serving on juries—

> the State, through its officer, enforced such a rule: And it is against such State action, through its officers and agents, that the last clause—

Of the Civil Rights Act of 1875—

> is directed.
>
> This aspect of the law was deemed sufficient to divest it of any unconstitutional character, and makes it differ widely from the first and second sections of the same act which we are now considering.

So, too, Mr. Chairman, the language of the public accommodations law under the 14th amendment we are now debating ties its operative provisions to the authorizing acts of a State or a political subdivision thereof. Thus, it divests itself of any unconstitutional character.

The courts have held, in a variety of situations, that State participation and involvement in discrimination or segregation by a private establishment may take the discrimination out of the area of purely private action, and subject it to the 14th amendment. This will clearly be the case if discrimination or segregation is required by State or local law, or by the actions of State or local officials. It may be the case if the establishment is located on public property, or operated under contract, lease, or similar arrangement with the State.

A number of cases have granted such relief against private businesses in such circumstances. In some cases, public officials were joined as defendants. In others, they were not. It is thus clear whenever discrimination or segregation even in private business involves State action, it is within the reach of the congressional power under the 14th amendment.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. MACGREGOR. I yield to the gentleman.

Mr. WAGGONNER. In section 201 of the report discussing title II, having to do with public accommodations, it says:

> Section 201(b) defines certain establishments to be placed as a public accommodation if their operations affect commerce, or if discrimination or segregation in such establishment is supported by State action.

Now what is the definition of State action here? Is it State legislation preventing such transactions?

Mr. MACGREGOR. Let me answer the gentleman by referring first to section 202, and I think this is important because it may help the gentleman, and also help to straighten out the minds of many of the members of the committee with respect to what the gentleman from Louisiana said. He referred to section 202, without mentioning it by name, and he said we were expanding the area of our public accommodations that were covered because, and he said, in a portion of the bill we are talking about, "any establishment or place."

What he did not explain to our committee, however, was that section 202 is limited in its scope to situations where a State requires segregation.

Section 202, if I may read it, and I think it is important, reads as follows:

> SEC. 202. All persons shall be entitled to be free, at any establishment or place, from discrimination or segregation of any kind on the ground of race, color, religion, or national origin, if such discrimination or segregation is or purports to be required by any law, statute, ordinance, regulation, rule or order, of a State or any agency or political subdivision thereof.

Mr. WAGGONNER. If there is no law, rule, or regulation or order, does this apply?

Mr. MACGREGOR. The answer is—it does not apply. Section 202 is limited to those situations in which a State is enforcing an unconstitutional law requiring segregation.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. MACGREGOR. I yield.

Mr. LINDSAY. I believe the gentleman is making an extremely important statement and one which should be made to clarify the confusion existing in the minds of some people.

It is true, is it not, that State involvement can go beyond a statute or ordinance of some kind, not in a section but in the full title?

Mr. MACGREGOR. Absolutely.

Mr. LINDSAY. For example, the Supreme Court has made a holding in a case involving a local sheriff. Perhaps the gentleman will touch on that.

Mr. MACGREGOR. Let me give a specific example of a case which was decided by the Supreme Court last year.

An example of what is meant by discrimination or segregation "fostered or encouraged" by State action is afforded by *Lombard* v. *Louisiana*, 376 U.S. 267 (1963). There, Negroes who attempted to obtain service at a restaurant in New Orleans were refused and, upon conducting a peaceful "sitin," were arrested and later convicted under a trespass statute. There was no applicable segregation law or ordinance. However, the chief of police and mayor of the city had previously made widely publicized statements to the effect that attempts to obtain desegregated service by sitins would not be permitted. The Court, in reversing the conviction, held that the absence of a statute or ordinance making desegregation unlawful was not decisive and that the statements and conduct of the city officials were sufficient to constitute State action.

Thus, it seems clear that any activities of public officials plainly calculated to maintain segregation in an establishment subject to the descriptive provisions of section 201, would result in a finding that such segregation is "fostered or encouraged" by State action.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. MACGREGOR. I am happy to yield.

Mr. CELLER. Do not the recent cases, including the Lombard case to which the gentleman refers, adumbrate the fact that one might infer from certain factors or facts in a given case that there is a custom or usage, and that might be sufficient to invoke the 14th amendment?

In the Lombard case Justice Douglas said, among other things:

> Segregation is basic to the structure of Louisiana as a community.

He went on to say:

> The custom that maintains it is at least as powerful as any law.

That case and other similar cases seem to point to the fact that it is not necessary to have an ordinance—it is not necessary to go as far as the Lombard case, to have a sheriff or some official give instructions or orders; that if there is in a community a custom or usage which requires or encourages segregation and discrimination that might be ample to invoke the 14th amendment.

Mr. MACGREGOR. I would agree with the chairman, but I believe there needs to be a further clarification.

The "custom and usage" to which the chairman and I have been referring is not constituted merely by a practice in a neighborhood or by popular attitudes in a particular community. The cases clearly hold that this "custom and usage" consists of a practice which, although not embodied in law, receives notice and sanction to the extent that it is enforced by the officialdom of the State or the locality.

Mr. Chairman, I fully recognize that with respect to title II and other controversial provisions of this legislation arguments may properly lie and differences may well exist among us, but in truth a serious student of the constitutionality of the public accommodations provision, as we have drafted it and submitted it to the House in this bill, would have no serious question that the legislation is constitutional, and legislation predicated on the 14th amendment is necessary in America today.

Mr. CELLER. Mr. Chairman, I yield the gentleman from Alabama [Mr. ELLIOTT] such time as he cares to use.

Mr. ELLIOTT. Mr. Chairman, I have studied this bill for the past 4 weeks, while it has been under consideration by the House Rules Committee, and while hearings on it have been held by that committee.

This is the most complicated bill that will be before the U.S. House of Representatives during this session. The bill has not yet had the careful consideration that it deserves. It has not been thoroughly considered by the press, or the people. A bill of such complexity and complication cannot be readily understood until there has been time for press, radio, television, and word of mouth to spread information about it. I do not believe the average American yet understands the full import, and the future impact of this bill. It is for this reason that I feel that the rule making this bill in order did not allow enough time for its consideration.

In the House Rules Committee I voted against giving this bill a rule. I urged in the Rules Committee that more time be allowed for general debate than the 10 hours which this rule provides for. In the House Rules Committee, I moved that the Civil Rights bill be indefinitely postponed. That motion was defeated. In the House Rules Committee, I supported the motion of the gentleman from Mississippi [Mr. COLMER] that the bill be sent back to the House Judiciary Committee. That motion was defeated also.

Mr. Chairman, the truth is that this bill has not heretofore had adequate consideration. We must give it the consideration here that our country deserves that it have. We must use all the time available for debate, and try to stretch that time over the whole bill as nearly as it can be done.

This bill is far reaching. It makes hundreds of changes in existing law. It goes much further than any prior statute, or court decision, or regulation has ever gone in the fields that it purports to cover. The people are entitled to know what it does. They are entitled to have their representatives consider it. They are entitled to have its provisions talked about over our land.

This is not the Kennedy civil rights bill. It goes much, much further than recommendations the late President Kennedy made. It gives the Chief Executive and the Attorney General powers which President Kennedy never had, and never even asked for. That is the kind of bill it is.

CUTTING OFF FEDERAL AID

This bill gives the Federal agencies and departments the right to cut off Federal aid of various kinds in the areas where some administrator decides that he will do so. Think of that. In the years immediately past I have heard tens of Federal officials say that they did not have that power. I have heard them say they did not want that power. I have heard many officials say that they would not care to exercise such power if they had it. Think of it, giving a Federal administrator the power to cut off the supply of milk to the school lunch program; there are a hundred other examples I could cite. Now, this bill lodges this power in Federal administrators and authorizes them to use it not against a person or a group of persons who have contrived to violate some criminal statute. Not at all. The Federal administrator in these cases is empowered to cut off Federal funds against a people for doing what they have been doing every day of their lives, and what their fathers, and forefathers, did every day of their lives going back to the beginning of America.

FEPC

Another title of this bill writes into law what used to be known as the Federal Fair Employment Practices proposals. The Committee on Education and Labor has jurisdiction over that subject matter but for some reason we find it here. Listen to these words. Listen to what the bill says:

> Section 704. (a) It shall be an unlawful employment practice for an employer—
>
> (1) to fail or refuse to hire or to discharge any individual * * * because of such individual's race, color, religion or national origin; or
>
> (2) to limit, segregate, or classify his employees in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee because of such individual's race, color, religion, or national origin.

Here we will have written into law, if this language stands up, the provision that an employer cannot fail or refuse to hire anyone because of the color of his skin, or his racial background, his religion, or his national origin if a job vacancy exists. Suppose that a restaurant operator prefers Negro waiters. Then this bill makes it unlawful for him to fail or refuse to hire a white man who wants to be a waiter and who is otherwise qualified for the job, if the restaurant owner has a vacancy. The same would be true in reverse if the restaurant operator wanted white waiters. Suppose that a restaurant caters in its food and service to persons of a particular national background, and suppose in furtherance of that preference or that specialty that he limits his waiters or other employees to persons of the particular national extraction that he prefers. To do so, under this language, would certainly be a violation of law whenever and wherever some person of another national origin prefers to fill a job vacancy that might exist on the staff of waiters or other employees of the restaurant.

There are many, many pitfalls in this bill. It shall be my intention to do what I can during this debate, both on the floor and off, to point out these pitfalls and shortcomings so that the American people may understand what the Congress is writing into law for them to obey and abide by in the future.

I oppose the rule. I oppose the bill.

Mr. ALBERT. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. MOORHEAD] may extend his remarks at this point in the RECORD and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MOORHEAD. Mr. Chairman, I think the remarks I recently made at Yale University Political Union are pertinent to the debate today. Under general leave, I insert these remarks along with an editorial from the Washington Daily News on this subject:

PUBLIC ACCOMMODATIONS AND DISCRIMINATION

The controversy over public accommodations and discrimination is one of the newest and yet one of the oldest that man has faced. It is as new as today's newspaper, and yet it is so old that it is said to go back to "time immemorial."

It is new because this year for the first time public accommodations has become the focal point, the rallying ground, for advocates of civil rights. For many years, this position was occupied by the controversy over fair employment practices.

Let's take a brief look at recent developments in the field of civil rights. From the time of the Civil War Reconstruction period until World War II, there was nothing in the field of civil rights which is worth recording.

When the issue arose again, it came in the form of fair employment practices. In 1941 after pressure from Negro leaders, President Roosevelt by Executive order established a Committee on Fair Employment Practices, with limited enforcement powers, to eliminate discriminatory employment practices in companies and unions with Government contracts, or engaged in war work. In 1946, by the device of a rider attached to an appropriations bill, this committee was killed.

Thereafter, in the postwar years, the greatest pressure was for fair employment legislation.

The strongest plank in President Truman's civil rights program was FEPC legislation. It was Mr. Truman's civil rights program which led to the Dixiecrat bolt from the Democratic Party and cost him the electoral votes of four Southern States. After several attempts, FEPC finally reached the floor of the House and after an amendment making it voluntary, it was passed by the House by a vote of 240 to 177, but this bill died in a Senate filibuster.

In the following years, fair employment practices was considered by various committees, but the 1957 Civil Rights Act as proposed by the President and adopted by Congress did not contain a fair employment practices section. Similarly, the 1960 Civil Rights Act as proposed an adopted did not contain fair employment practices, even though both party platforms adopted in the same year contained planks favoring fair employment practices. The civil rights bill as originally introduced this year did not contain fair employment practices.

However—and this is significant tonight—in 1960 neither party platform contained any provisions about ending discrimination in public accommodations. The first step toward desegregation of public facilities was done by Executive action in 1961 and related to facilities in rail, airport, and bus terminal facilities.

Until this year, so far as I can determine, there was no bill introduced in Congress, let alone considered in committee, which related to ending discrimination in public accommodations generally. Yet, because of the sitins and Birmingham and the rest, public accommodations has become the hottest item in the civil rights battle.

Yes, this subject is new and it is as hot as a 10-cent firecracker. Two weeks ago, a subcommittee of the House Judiciary Committee reported an omnibus civil rights bill with a strong public accommodations title. Just last week, the Senate Commerce Committee reported a bill devoted exclusively to ending discrimination in public accommodations. Just today, this very morning, the Supreme Court heard argument on the sit-in cases.

Mr. Chairman, you could not have selected a more timely or a more important subject for debate by the Yale Political Union.

But this controversy is not so new. The roots of the problem are buried deep in the common law.

The earliest common law decision I have found occurred in the reign of King Henry VII in 1450. In *De Termino Pascal,* Keilway 50, pl. 4 (1450), as translated from the Norman French, "It was declared by all of the court that if a smith refuses to shoe a horse or if a hosteler refuses to give me shelter, an action will lie against him." This principle was followed in *White's* case (2 Dyer Rept. 158 (1558).

The venerable Blackstone, author of the famous "Commentaries on the Laws of England" (vol. 3, p. 165) restates this common law principle as follows:

"Also, if an innkeeper, or other victualer, hangs out a sign and opens his house for travelers, it is an implied engagement to entertain all persons who travel that way; and upon this universal assumpsit an action on the case will lie against him for damages, if he, without good reason, refuses to admit a traveler." (P. 165, Blackstone's "Commentaries on the Laws of England," ch. IX, vol. 3, 1847.)

Undoubtedly, Blackstone was influenced in his "Commentaries" by the case of *Lane* v. *Cotton,* 12 Mod. 472, 484 (1701) in which the English court in 1701 anticipated the Yale Political Union debate tonight by saying:

"Whenever any Subject takes upon himself a Publick Trust for the Benefit of the rest of his fellow Subjects, he is *eo ipso* bound to serve the Subject in all the Things that are within the Reach and Comprehension of such an Office, under Pain of an Action against him. If on the road a Shoe fall off my Horse, and I come to a Smith to have one put on, and the Smith refuse to do it, an Action will lie against him, because he has made Profession of a Trade which is for the Publick Good, and has thereby exposed and vested an interest of himself in all the King's Subjects that will employ him in the Way of his Trade. If an Inn-keeper refuse to entertain a Guest, when his House is not full, an Action will lie against him; and so against a Carrier, if his Horses be not loaded, and he refuse to take a Packet proper to be sent by a Carrier."

When the United States achieved independence, most of the States by legislation or by judicial decision, adopted the common law. Therefore, they adopted the common law rule of public accommodations that an innkeeper was obliged to receive everyone who offered himself as a guest, so long as there was sufficient room to accommodate him, and no good reason for refusing him. Therefore, from the beginning, State laws generally prohibited discrimination, in public accommodations, at least insofar as innkeepers are concerned. Brief research indicates to me that the common law rule against discrimination continues to exist in such States as Georgia, North Carolina, Oklahoma, and Virginia.

Such States as Alabama, Florida, Delaware, Arkansas, and Tennessee which originally adopted the common law have recently enacted statutes expressly repealing the common law duty of an innkeeper.

Louisiana, not being a common law State, is a special case in point. Prior to 1954, the Louisiana Revised Statutes provided as follows:

"SECTION 4:4

"Licenses for places of public resort; conditions against discrimination; penalty; damages.

"All licenses granted by Louisiana and by all parishes and municipalities of Louisiana to persons engaged in the business of or keeping places of public resort shall contain the express condition that the place of business or public resort shall be open to the accommodation and patronage of all persons without distinction or discrimination on account of race or color.

"Whoever violates the condition of the license shall forfeit his licenses and his place of business or of public resort shall be closed. Moreover, he shall be liable at the suit of the persons aggrieved to such damages as the latter shall sustain."

I can just imagine the horror which must have been felt by some stanch segregationist in Louisiana, when he read this portion of the Louisiana laws. His horror was contagious and the Louisiana Legislature by Act No. 194 repealed these sections in 1954.

On the other hand, some 30 States[1] and the District of Columbia have statutes which either expressly prohibit discrimination on account of race or color in places of public accommodations or generally declare the right of all citizens to the full enjoyment of public accommodations.

As a Pennsylvanian, I am pleased that Pennsylvania is among those States. Pennsylvania's first public accommodations law was passed on May 19, 1887. It was a criminal measure declaring: "That any person, company, corporation, being owner, lessee or manager of any restaurant, hotel, railroad, street railway, omnibus line, theater, concert hall or place of entertainment or amusement, who shall refuse to accommodate, convey or admit any person or persons on account of race or color over their lines, or into their hotel, or restaurant, theater, concert hall or place of amusement, shall upon conviction thereof, be guilty of a misdemeanor, and be punished by a fine not less than $50 nor more than $100."

In 1935, the 1887 Statute was amended. First, this act affirmatively stated that all persons within the jurisdiction shall be entitled to the full and equal accommodations of public places, subject only to conditions and limitations applicable alike to all persons. Secondly, it was declared that no person, directly or indirectly, was to refuse, withhold from, or to deny such accommodations on account of race or color, or to advertise to that effect or to the effect that the patronage of persons of a particular race was unwelcome. The production of any such advertising was declared to be presumptive evidence in a criminal proceeding. Thirdly, places of public accommodation were broadly defined. It was expressly stipulated that the act did not apply to places which were distinctly private in nature.

In 1961, the Pennsylvania Fair Employment Act (Penna. Laws 1955, p. 744) was amended so as to embrace discriminatory practices in housing and public accommodations, as well as those in employment. This act creates the human relations commission in the department of labor and industry, defines its functions in hearing complaints of discrimination, provides for procedures of education and conciliation, establishes enforcement procedures, provides for judicial review and enforcement, and imposes penalties.

As a result of the 1961 law, for the first time, there was created efficient machinery for proper administration of public accommodation complaints. During the annual report year 1962 (ending Feb. 28, 1962), a total of 50 complaints was filed by individuals or the commission. The type of respondents were as follows:

Hotels, motels	13
Eating, drinking places	13
Retail stores	1
Recreation, amusements	17
Personal services (barber shops, beauty salons, etc.)	4
Resorts, lodges	1
Other	1

Of these, 7 cases were found as charged and adjusted, 7 cases were found to have no specific charge; the other 36 had adjustment pending.

The important thing to note here, I think, is the amazingly small number of cases in a year's time. Pennsylvania has a total of 864,616 nonwhite residents, or, over 7 percent of the population, and relatively speaking, these individuals would not fail to lodge a complaint should the need arise. This seems to point out to me that public accommodations laws have not resulted in chaos, in legal confusion, or in governmental bullying. I have neither seen nor heard any objections from the vast majority of businessmen of our State who have responded admirably to the law in point.

I believe that our experience in Pennsylvania is relevant. In the district which I represent in Congress, most Negroes are too economically deprived to exercise their right to equal use of public accommodations to which they are legally entitled. I think that the same condition exists in the South. This, however, does not make a public accommodations law unimportant. All Americans of all races and national origins are proud. They are more interested in the possession of a right than in the exercise of that right. Once the pseudolegal basis for the denial of a constitutional right is abolished, the importance of the exercise of that right is minimized.

There remains, however, the question as to whether public accommodations is a proper area for action by a Federal Government. Frankly, I would probably prefer that this action be taken at the State level. However, the legislative repeals of the common law rule of public accommodations by the States of Alabama, Florida, Delaware, Arkansas, and Tennessee clearly indicate that this will not be done. As a result, a constituent of mine, an American citizen, who travels in certain States will be subjected to public humiliation for no other reason than the color of his skin.

What are the accommodations measures currently being considered?

The Senate Commerce Committee has approved an accommodations bill which differs somewhat from the proposal written by a House Judiciary Subcommittee and sent to the full committee.

In the Senate version, the ban on discrimination is based entirely on the Federal power to regulate interstate commerce and extends only to those business enterprises which are primarily engaged in selling goods rather than providing services and which substantially affect interstate commerce. The House version, although based primarily on the commerce clause of the Constitution, draws power as well from the 14th amendment; it would forbid discrimination by any business under State or local authorization, permission or license, assuming action by any such business to amount to State action.

The Senate bill contains no long preamble, just a brief section that discrimination is a moral injustice and an affront to human dignity and a violation of the Constitution generally. Unlike the House version, the committee wrote in a new section outlawing racial or religious barriers to membership in labor unions and professional business and trade associations. The Senate version also contains a section involving criminal contempt and makes a shift of emphasis away from enforcement of the discrimination ban by lawsuit.

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[1] Alaska, California, Colorado, Connecticut, District of Columbia, Idaho, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Vermont, Washington, Wisconsin, Wyoming.

This entire question is now being debated in the Congress of the United States.

I believe that you are rendering the Congress and the country a great service by debating it here in the Yale Political Union. You are rendering a great service because this is an issue which needs to be deeply and thoroughly understood.

I look forward eagerly to hearing this debate.

[From the Washington Daily News, Oct. 18, 1963]

BLACKSTONE ON CIVIL RIGHTS

We are indebted to Representative WILLIAM S. MOORHEAD, of Pittsburgh, for further reminder that the public accommodations section of the civil rights bill is based on ancient Anglo-Saxon tradition.

A requirement that proprietors of public houses serve all comers existed in English law as early as 1450, Mr. MOORHEAD reports, citing a decision in the reign of King Henry VII.

He also calls attention to a section in Blackstone's Commentaries setting forth that "if an innkeeper or other victualler hangs out a sign and opens his house for travelers, it is an implied engagement to entertain all persons who travel that way * * * and an action will lie against him for damages if he, without good reason, refuses to admit a traveler."

Most American States adopted this as common law which still is in at least technical effect in some of the Southern States, though others have repealed it.

Reaffirmation, which is what the civil rights section on accommodations proposes, thus would recognize a traditional courtesy. This, in our opinion, is a key section of the bill. It should be passed.

Mr. TOLL. Mr. Chairman, the House Judiciary Committee, on which I serve, finally last November 20 reported out the compromise civil rights bill, which had been worked on for over 7 months.

This bill is not limited to one group of people. It has provisions which are very beneficial to all the people of our country.

One provision requires an educational survey on lack of opportunity due to race, color, religion, or national origin. The Attorney General is authorized to institute or intervene in cases involving denial of rights to full use of any facility owned, operated, or managed by public authority, where parties are unable to pursue legal remedy.

In connection with Federal aid, the administration bill contained a declaration that no law providing Federal assistance by grant, contract, loan, insurance, guaranty, or otherwise, shall require such assistance to be furnished in circumstances in which persons are discriminated against because of race, color, religion, or national origin. The compromise bill contains a declaration that all persons shall have the right to participate free from discrimination in all programs and activities receiving Federal financial aid.

The bill contains a section providing for the establishment of an Equal Employment Opportunity Commission which is authorized to initiate or receive charges, conduct investigations, seek voluntary solutions in cases where there is discrimination because of race, color, religion, or national origin. In the event of failure to secure voluntary solution, the Commission is authorized to file a civil action for enforcement in a Federal district court.

The coverage is limited to employment under Federal contract and Federal employment. It applies to most employers of 25 or more employees—100 for the first year, 50 for the second year—and most unions of 25 or more members—100 for the first year, 50 for the second year—and by employment agencies—including State employment agencies assisted by USES—supplying employers covered under this bill.

This is really a fair employment practice section and 23 States, including Pennsylvania, already have FEPC laws. Now an advancement has been made in this bill with the proposal to establish a Federal Fair Employment Practices Commission.

The bill also contains important sections on voting rights in Federal elections; public accommodations—Pennsylvania already has a law on this subject; Civil Rights Commission; and the civil rights protection in which the Attorney General is authorized to intervene in private action to prevent denial of equal protection of law on account of race, color, religion, or national origin.

I very much hope that the Congress will act favorably on this measure.

Mr. CELLER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes had come to no resolution thereon.

GENERAL LEAVE TO EXTEND

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include various letters, documents, and material, and I likewise ask unanimous consent that all Members have the right to extend their remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

DISPENSING WITH THE CALL OF THE CONSENT CALENDAR

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the call of the Consent Calendar on Monday next be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DISPENSING WITH THE CALL OF THE PRIVATE CALENDAR

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the call of the Private Calendar on Tuesday next be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

LEGISLATIVE PROGRAM FOR SATURDAY, FEBRUARY 1, AND FOR THE WEEK OF FEBRUARY 3, 1964

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. STAFFORD. Mr. Speaker, I ask for this time to inquire of the distinguished majority leader, the gentleman from Oklahoma [Mr. ALBERT], concerning the program for tomorrow and next week, if he can tell us.

Mr. ALBERT. Mr. Speaker, if the gentleman will yield, the program for the House of Representatives for the week of February 3, Monday, and the balance of the week is as follows: There are no suspensions. H.R. 7152, the Civil Rights Act, will be the sole order of business, except, of course, that conference reports may be brought up at any time and any further program may be announced later.

Mr. STAFFORD. Mr. Speaker, will the majority leader tell us what the program might be for tomorrow?

Mr. ALBERT. For tomorrow we will continue the consideration of the Civil Rights Act, and we will come in at 12 o'clock noon.

UNEMPLOYMENT AND ITS CLOSE RELATIONSHIP TO OVERTIME PAY

Mr. O'HARA of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. O'HARA of Michigan. Mr. Speaker, yesterday President Johnson sent to the Congress an important proposal on unemployment by emphasizing its close relationship to overtime pay in American industries. The President called our attention properly and forcefully, to the fact that 28 percent of the employees in industries presently covered by maximum hour provisions of the Fair Labor Standards Act work beyond the normal 40-hour week. The Department of Labor gives us even more dramatic figures in pointing out that in manufacturing industries alone employees worked some 35 million hours of overtime in 1963. When that number of hours is translated into jobs, we find that 919,000 of our unemployed might have full-time jobs.

Certainly, Mr. Speaker, these figures and others available at the Department of Labor make it clear that there is much to be gained in attacking joblessness in the United States by reducing excessive overtime in a number of industries. We cannot leave millions of American workers standing by idly while others regularly work 44, 46, 50, or even more hours every week.

The time has come for effective action on the overtime problem, and it is my pleasure to join with my distinguished colleague from Michigan, Senator McNAMARA, in introducing the Overtime Penalty Pay Act of 1964. This administration proposal represents a responsible approach to the problem of unemployment, and I am confident that this important legislation will win the approval of most Members of Congress.

Under unanimous consent, I include the explanatory statement of this proposal, followed by the text of the bill itself, at this point in the RECORD:

EXPLANATORY STATEMENT OF A BILL TO INCREASE EMPLOYMENT BY PROVIDING A HIGHER PENALTY RATE FOR OVERTIME WORK

The draft bill establishes industry committee procedures under which double-time compensation would have to be paid for overtime work. These procedures would extend to employees who were covered by the provisions of the Fair Labor Standards Act prior to the 1961 amendments. The work period to which the double-time standard applies could be longer than a workweek; however, payment of double time could not be required unless the hours of work exceeded 40 in a week.

The time-and-one-half overtime rate would continue to apply to work in excess of 40 hours in a workweek but less than the maximum hours prescribed through the industry committee procedures. It would also apply in periods of extraordinary emergency, including a national emergency, or where other compelling reasons exist.

The maximum hours in a work period for a particular industry would be specified in an order of the Secretary of Labor based on the recommendations of a special tripartite industry committee. The order would be issued only after the Secretary finds (after notice and hearing) that regular and substantial overtime employment exists in the industry and such overtime limitations will increase opportunities for employment in the industry without unduly increasing costs.

INDUSTRY COMMITTEE PROCEDURES

The bill authorizes the Secretary of Labor to appoint a special industry committee to recommend the maximum hours in a work period for the industry. The committee would be composed of an equal number of persons representing the public, employees in the industry, and employers in the industry. Any decision of the committee would require a majority vote of its members. If the members cannot agree, the public member or members would report this fact to the Secretary.

To assist in the committee's deliberations, the Secretary would furnish the committee with data pertinent to the inquiry. The committee is also authorized to summon witnesses or call upon the Secretary for additional information.

After the committee completed its study of conditions in the industry, it would recommend the hours of work during a work period (not less than 40 in a workweek) which it determines will have the effect of reducing work hours and increasing employment in the industry without excessive costs and with due regard to economic and competitive factors including costs, prices, and dislocations in the industry.

When the special industry committee has filed its report with the Secretary of Labor, he would—after notice and hearing—issue an order carrying out the committee's recommendations, if he finds that (1) the recommendations are in accordance with law, (2) they are supported by evidence adduced at the hearing, and (3) taking into account those factors the industry committee is required to consider, they will carry out the purposes for which the recommendations are made. Otherwise he would disapprove the recommendations. If he disapproves, the Secretary may again refer the matter to the committee or to another industry committee. The Secretary may also reestablish or reconvene a committee in order to redetermine and make new recommendations concerning the maximum hours standard for an industry.

In addition, the Secretary on his own motion or on petition could convene an industry committee to reconsider an existing order for that industry taking into consideration the same factors required in issuing the existing order.

NEED FOR THE LEGISLATION

The 40-hour workweek has become the standard in many industries. However, workweeks considerably in excess of 40 hours are widespread throughout the economy. They are not concentrated in any region, group of industries, or size-of-establishment group.

In industries generally subject to the FLSA maximum hour provisions, which account for about three-fifths of all nonsupervisory workers, the proportion of employees working over 40 hours a week is 28 percent. In manufacturing industries alone some 35 million hours of overtime were worked in 1963. This is the equivalent of 919,000 full-time jobs.

In those industries and occupations in which sufficient skilled labor is available and where the average workweek can be reduced without unduly increasing costs, employment of some workers for excessively long hours while others remain unemployed cannot be defended. Tripartite committees, familiar with the work of those industries, could determine whether the required skills were available among the unemployed in the locality, whether a sufficient number of skilled workers could be obtained from other localities and the costs involved in replacing overtime hours with new employees. They could also determine the feasibility of training new workers, and the nature and extent of the required training.

Thus, on an industry-by-industry basis, guided by informed committees, a reduction in the amount of overtime by the means provided in this bill would serve to reduce unemployment.

H.R. 9802

A bill to increase employment by providing a higher penalty rate for overtime work

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Overtime Penalty Pay Act of 1964."

SEC. 2. Subsection (a) of section 7 of the Fair Labor Standards Act of 1938, as amended, is amended by striking the word "and" following the semicolon in paragraph (1) thereof and inserting in lieu thereof the following:

"and, whenever such an employee is employed in any industry for which an order has been issued pursuant to paragraph (3) of this subsection, not less than the rate of compensation provided in paragraph (3) shall be required under the provisions of this section for any such overtime employment which is in excess of a maximum number of hours specified for a prescribed period in such order; and".

SEC. 3. Subsection (a) of section 7 of this Act is further amended by adding at the end thereof the following new paragraph (3):

"(3) (A) The Secretary may by order prescribe for any industry, with respect to overtime employment therein of employees to whom the maximum workweek provided in paragraph (1) of this subsection is applicable, maximum hours within a specified period (not less than 40 hours per week for the period) beyond which any overtime employment of such an employee shall be compensated by the employer at the overtime rate specified in this paragraph. Such overtime rate of pay shall not be less than two times, instead of one and one-half times, the nonovertime rate on which such employee's overtime compensation under this section is authorized to be computed, except that the overtime rate otherwise applicable may be paid notwithstanding such order if the overtime employment in excess of the hours specified in the order is required only by reason of a period of extraordinary emergency or unusually compelling need (as such terms are defined and delimited from time to time by regulation of the Secretary). The procedures and standards set forth in the following subparagraphs shall be followed by the Secretary in making any such order.

"(B) Upon petition or upon his own motion the Secretary may appoint and convene a tripartite industry committee for any industry in which it is alleged or he believes that substantial and persistent overtime employment exists and that the payment of overtime compensation as specified in subparagraph (A) would increase employment opportunities in the industry without excessive costs. The provisions of subsections (b) and (c) of section 5 shall apply whenever such a committee is appointed.

"(C) The Secretary shall conduct a preliminary survey to estimate the extent and amount of regular and substantial overtime in the various industries subject to the Act and shall submit to a tripartite industry committee appointed for any such industry any relevant information therefrom and a study of the industry together with statistical information and such data as he may have available on matters referred to it, with particular emphasis on the potential impact on costs and employment of the payment of overtime compensation as specified in subparagraph (A). The Secretary shall cause to be brought before the committee in connection with such matters any witnesses whom he deems material. An industry committee may summon other witnesses or call upon the Secretary to furnish additional information to aid it in its deliberations.

"(D) Upon the convening of an industry committee, the Secretary shall refer to it the question of the maximum hours standard to be established for the industry. The committee shall investigate conditions in the industry, and the committee, or any authorized subcommittee thereof, may hear such witnesses and receive such evidence as may be necessary or appropriate to enable the committee to perform its duties and functions under this Act. The committee shall recommend to the Secretary the maximum hours standard in a prescribed work period (not less than 40 hours in a workweek) which it determines will have the effect of translating without excessive costs regular and substantial overtime in the industry into increased employment in such industry. In making this determination the committee shall give due consideration to economic and competitive factors, including whether such recommendation minimizes changes in costs and prices and minimizes dislocations in the industry.

"(E) The industry committee for any industry shall recommend such reasonable classifications within any industry as it determines to be necessary for the purpose of fixing for such classification within such industry a maximum hours standard in accordance with the provisions of subparagraph (D) above.

"(F) The industry committee shall file with the Secretary a report containing its recommendations with respect to the matters referred to it. If a majority cannot agree on a recommendation, the public member or members shall report that fact to the Secretary. Upon the filing of the report, the Secretary, after notice and hearing and based upon the record as a whole, shall by order approve and carry into effect the recommendations contained in such report, if he finds that (i) regular and substantial overtime employment exists in the industry and the recommended overtime limitations will increase employment opportunities therein without unduly increasing costs, (ii) the recommendations are made in accordance with law and are supported by the evidence adduced at the hearing, and (iii) taking into consideration the same factors as are required to be considered by the special industry committee, the recommendations will carry out the purposes of this paragraph; otherwise he shall disapprove such recommendations. If he disapproves such recommendations, or if a majority of the committee members have not agreed on a recommendation, the Secretary may again refer the matter to such committee or to another industry committee for such industry (which he may appoint for such purpose), for further consideration and recommendations. After maximum hours standards have been established for an industry, the Secretary may reconvene or establish a committee for such industry for the purpose of making new recommendations in accordance with the procedures and provisions of this paragraph.

"(G) Upon petition or upon his own motion the Secretary may appoint and convene a tripartite industry committee for or including an industry for which an order has been issued pursuant to this paragraph to reconsider such order, taking into consideration the same factors required by this paragraph which shall apply to the appointment, and operation of such industry committee, and to the review of its recommendation by the Secretary."

THE LATE HONORABLE A. W. LAFFERTY

Mr. DUNCAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include an article from the Oregon Voter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. DUNCAN. Mr. Speaker, I was greatly saddened when I heard of the death, 2 weeks ago, of one of Oregon's best known senior citizens and a former Member of this body, Mr. A. W. Lafferty. I know that colleagues of his still in this body, and particularly the gentleman from Missouri [Mr. CANNON], will share my sense of loss at his passing.

Mr. Lafferty carved his own niche deep in the history of the State of Oregon. He not only served with distinction in this room but he conducted selflessly for many years complex litigation reaching to the Supreme Court of the United States. His successful handling of this case involving the O. & C. lands was of great service to the area I represent.

In his later years he retained his dogged determination and his finely honed reasoning ability and carried on single handed, a fight to expunge from the court records a finding of his own mental incapacity made without due process of law. I personally saw and heard him rise all alone against the hierarchy of the Oregon State Bar Association just a few years ago and carry his point by the very force of his arguments and his personality.

Only occasionally does an A. W. Lafferty come along. Oregon is the richer for his having passed through.

The Oregon Voter has published a résumé of the life of Mr. Lafferty. Under unanimous consent, I include the article following my remarks:

A. W. Lafferty's Work—Important in Oregon History; His O. & C. Land Fight and Foresight His Monument

A. W. Lafferty, who served as an Oregon Member of Congress a half century ago, dedicated a lifetime to the Oregon and California (O. & C.) land-grant problems and in Oregon Voter's opinion history will give him an enduring place for that work. His death in Portland at St. Vincent Hospital January 15 followed a light stroke which kept him, regrettably, unable to communicate with friends in his final days. He was approaching 89 years; born at Farber in Audrian County, Mo., June 10, 1875. He had outlived many who knew him as a vigorous young attorney, colorful in his political sparring, classic in historical knowledge, dogged in his determination to return O. & C. lands to Oregon in full title rather than have so vast an Oregon domain be a fief of the Federal bureaus, subject to the whims of a changing Congress and the pressures such potentially rich natural resources invited.

It is saddening that under the circumstances no funeral services were held in Portland where in recent years he had returned to make his last stand for the cause to which he had devoted much of his active life. His body was sent by J. P. Finley & Son to his birthplace for burial as he wished. He had reestablished his home there in recent years to be near his sister Mrs. Rose Robinson. His brother, Rolla Lafferty, retired from the U.S. Air Force staff, had come from Spokane to conclude his affairs. Attorney Don Walker of Portland has in hand the final legal problems that had frustrated Mr. Lafferty in his final years, when the Federal authorities attached $50,000 of his bank account pending adjustment of his tax liability on his share of a considerable fee ($150,000) he finally won for his O. & C. land work over a long period of years. The Oregon State Tax Commission also had a claim but had not attached his remaining funds. He was not in immediate need, for, with foresight he had kept possession of funds not attached. But the tax worry was heavy in his final days, for he wanted the United States to have its due, while not denying him justice.

The Portland newspapers with fine understanding reviewed Mr. Lafferty's career in some detail. It would have assuaged his feeling of frustration considerably, we think, could he have known such recognition was to be given him in death. He had a devoted attachment to sound law and to history and did much to have Col. Edward D. Baker, Oregon's early U.S. Senator—killed in a minor battle of the Civil War—recognized in the State he served briefly, but with oratorical greatness.

Mr. Lafferty in his later years, when he was capping his victories in the long O. & C. lands effort (which have been historically reviewed in Oregon Voter on several occasions) had developed into a legal figure of the old, oratorical school. In 1955 in the midst of one of his last court battles he was stricken with exhaustion and nervous collapse, without his awareness we sent him to the St. Elizabeths mental hospital in Washington, D.C.; without his knowledge then was adjudged of unsound mind; sent to the Oregon State Hospital from which he was unconditionally released after 6 months. To his great credit with a legal precedent resulting, Mr. Lafferty fought successfully in the courts at Washington, D.C., to have expunged from the court record all reference to any mental illness, winning an unprecedented decree. (Oregon Voter, Mar. 26, 1960.)

Biographically, briefly, Mr. Lafferty studied law at University of Missouri in 1895–96; admitted to the bar in 1896; came to Portland in 1906; started his long O. & C. legal career in 1907 with a suit to have the Southern Pacific (successor to the O. & C. RR.) live up to the terms of the original grant. He had been, in 1905 in the Land Office of the U.S. Department of the Interior and had knowledge of the situation. He successfully carried the action through the Federal courts and twice to the U.S. Supreme Court. In 1910 and again in 1912 he was elected to Congress as a Republican but in 1914 was defeated by C. N. McArthur. In subsequent years in the fifties and sixties Mr. Lafferty on several occasions sought nomination and election to Congress to finish his O. & C. fight, but was unsuccessful.

When history is written, regardless of the contributions of others including the late Senator Chamberlain, there should be little doubt that the 18 O. & C. counties in effect today receive 75 percent of the timber and other income from O. & C. lands partly, at least, because of Mr. Lafferty's work, instead of 25 percent now received from national forest lands. The O. & C. lands are a vast domain, some 2,500,000 acres over an area 60 miles wide and 300 miles long. For more than a decade these counties have been receiving from $12 to $20 million annually (over $111 million to date) and potentially in the present status, the O. & C. lands are a billion-dollar asset, and in time more, to these Oregon counties. Mr. Lafferty's goal, which he said was legally possible, was to have the title of the lands returned to Oregon so that the returns from them would go into the State treasury for the entire State. "Revested" to the U.S. Government, which had once given them to the railroad for Oregon's development, denied Oregon its full right in Mr. Lafferty's opinion. The history is long, involved, at times politically complex, and has often been reviewed in these columns and elsewhere. But for Mr. Lafferty, the fight for Oregon's rights and the returns now established, might never have been started. He had the vision; the legal know-how; the dogged determination; the political astuteness and the determination that accomplished so much, that when history is written, regardless of the credit due to some others, the Oregon status today in the O. & C. lands equity is a monument to Mr. Lafferty.

There was an interesting interim in Mr. Lafferty's life not of consequence to Oregon. Immediately after World War I he took the legal task which some eminent lawyers eschewed, and represented small German businessmen in reclaiming some of their equities in America seized by the Alien Property Custodian. He prospered, and practiced from New York where he owned a Park Avenue cooperative apartment; later bought the historic Calvert mansion in Baltimore, Md., which he sold at cost to the Maryland Historical Society for preservation.

Mr. Lafferty never married.

Eminent men in the courts and Congress, the legislatures and the law offices communicated with him. He cherished the Oregon State bar certificate honoring him as a 50-year member. In his leisure hours he could be the most entertaining of men, with classical reference, legal anecdote and oratorical expansion; a veritable Don Quixote in victory over real and imagined enemies. But his work plumbs deep in Oregon history and he is destined to a place in it.

FOREIGN POLICY AND VIETNAM

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LINDSAY. Mr. Speaker, I do not suppose I should have been surprised to have been told by the administration one day this week that the military situation in Vietnam remains grave, and then to hear the next day that there has been a very noticeable improvement in that war of late.

Defense Secretary Robert McNamara told the House Armed Services Committee Monday that this country must be ready to take all necessary measures to prevent a Communist victory in Vietnam. That is strong medicine.

But Tuesday, he told reporters that even though the picture in that embattled nation is not bright, he was encouraged by the progress of the last 2 weeks. Mr. McNamara reportedly believed that this Nation's press had written some overly pessimistic stories about his remarks to the Congress Monday.

Is Vietnam's war against the Vietcong improving or deteriorating? Will the United States be able to complete the major part of its military task in Vietnam by the end of 1965, as the White House said last October? Or must this country prepare to step even deeper into that war, as was implied in Mr. McNamara's first statement this week?

How can we, as Congressmen and citizens, answer these questions on the basis of Mr. McNamara's statements this week—his gloomy portrayal one day, then his more optimistic words the next? My constituents expect me to be informed. And they expect the press to give them an accurate reporting job. But I cannot be informed, and the press cannot report and analyze in the field of foreign affairs if our Defense Secretary and our Government insist on being inconsistent. I would like to voice my preference, too, for having the position of U.S. foreign policy stated by the President or the State Department rather than the Pentagon.

I cannot forget a statement made to a newsman during the Cuban crisis a little more than a year ago by Arthur Sylvester, an Assistant Defense Secretary for Public Affairs: News generated by actions of the Government as to content and timing are part of the arsenal of weaponry that a President has in the application of military force and related forces to the solution of political problems or to the application of international pressures.

He added, the results, in my opinion justified the means we used.

The public must rely on two sources for news about the struggle in Vietnam, and about U.S. involvement in it: reports from newsmen in that country, and U.S. Government statements.

Newsmen in that country can only indicate from their observations what our policies might be. And, I might note that our Government has criticized some newsmen for their reports on the situation.

Thus, it is left to the administration to make clear what its policies are, and to substantiate them. The people have not given the administration authority to write and shape the news to suit its own ends.

Yet, Mr. McNamara's statements this week have left us hanging. We cannot tell from the information he has given us whether we may have to put more effort into the fight with the Vietcong. He hints at this, but then he says recent progress has been "encouraging."

In fairness to Mr. McNamara, he may have, indeed, felt that his Monday remarks were misinterpreted in some news stories. And he may have felt the need to clarify them Tuesday.

But, as Mr. James Reston pointed out in his column Wednesday in the New York Times, Mr. McNamara leaves us in doubt as to whether the Johnson administration is preparing to pull out of Vietnam or step up the pace of the war.

Why should we be left in doubt?

Mr. Reston's column Wednesday seemed to me to be a very fair, intelligent analysis of Mr. McNamara's statements this week. I am inserting it with these remarks, and I urge my colleagues to consider its implications:

A MYSTIFYING CLARIFICATION FROM MCNAMARA

(By James Reston)

WASHINGTON, January 28.—The first casualty in every war is truth, and the war in Vietnam has been no exception. Only now is the Pentagon confirming the gloomy newspaper reports it was denying last autumn, but its official statements are still so confusing that nobody can quite make out what the official view of the war actually is.

Secretary of Defense McNamara, for example, said today at a news conference that he was "encouraged by the progress of the last 2 weeks."

Yesterday, however, Mr. McNamara told the House Armed Services Committee that the situation in Vietnam continues grave and I must report that they [the Communists] have made considerable progress since the coup against the Diem Government last November.

These two statements are not necessarily contradictory, but the rest of Secretary McNamara's written statement to the committee not only illustrates the change in the official line since last fall, but leaves doubt about whether the Johnson administration is preparing to pull out of Vietnam or step up the pace of the war.

THE OFFICIAL DENIALS

Last fall the Kennedy administration was both trying to bring down the Diem government and complaining about reports from newspaper correspondents there on its efforts to bring that government down.

The official complaint then was that the reporters, particularly David Halberstam, of the New York Times, and Neil Sheehan, of United Press International, were concentrating on the political events in the capital of Saigon and ignoring the fact that the war was going well out in the country.

Yesterday, in contrast, Secretary McNamara said "the Vietcong [Communists] was quick to take advantage of the growing opposition to the Diem government and the period of uncertainty after its overthrow. Vietcong activities were already increasing in September and continued to increase at an accelerated rate in October and November, particularly in the delta area. And I must report that they have made considerable progress since the coup."

Yet, despite this analysis, the White House announced last October 2, after Secretary McNamara's return from Saigon: "The military program in South Vietnam has made progress and is sound in principle, though improvements are being energetically sought."

The White House statement added that 1,000 U.S. military personnel were being withdrawn by the end of 1963 and that "the major part of the U.S. military task can be completed by the end of 1965, although there may be a continuing requirement for a limited number of U.S. training personnel."

Yesterday, however, McNamara, while defending this statement, both hoped that the Vietnamese could win the war by themselves and indicated that the United States might have to intervene with "all necessary measures within our capability."

"We hope that," he said, "with our full support, the new government can take hold and eventually suppress the Vietcong insurrection. The dry season will give us a firmer basis for this judgment. However, the survival of an independent government in South Vietnam is so important to the security of all of southeast Asia and to the free world that I can conceive of no alternative other than to take all necessary measures within our capability to prevent a Communist victory."

It may be that so many official statements on Vietnam have been so misleading in the past that observers here are seeing contradictions in McNamara's testimony that don't exist. But if the situation is "grave" and the Secretary of Defense can talk openly about even the possibility of "taking all necessary measures within our capability," then the time has come for a much wider inquiry into the Government's intentions.

If the situation is "grave," why are troops being withdrawn? If the Secretary of Defense is "encouraged by the progress of the last 2 weeks," why is he talking about "taking all measures within our capability"?

WHERE'S JOHNSON?

This would amount to a wholly new policy. Gradually, the United States has got sucked deeper and deeper into the bog in South Vietnam. First we were "training" the Vietnamese, then flying them into combat, usually without any clear knowledge among the American people about what was going on.

Our official objective there is very much like our objective in Korea: not to conquer the whole country, but to protect the independence of South Vietnam. So far as can be ascertained here, however, no effort has been made to negotiate a settlement before talking publicly about a wider war.

President Johnson has said nothing about this, and neither has Secretary of State Rusk, but it would be nice to know if any new intervention is now being considered.

I am also inserting an editorial that appeared yesterday in the Washington Post entitled "Retreat From Candor" the last sentence of which says:

> Isn't it time for the administration to show more faith in the intelligence and good sense of the American people?

Retreat From Candor

On Monday, Secretary of Defense McNamara told the House Armed Services Committee that the situation in South Vietnam remains grave and added: "I must report that they (the Communists) have made considerable progress since the coup." But on Tuesday, at a press conference, Mr. McNamara seemed to nullify his earlier comments by stressing that there has been a very noticeable improvement in the conduct of the war and that he was "encouraged by the progress of the last 2 weeks."

Verbal ambiguity is an old story on Vietnam. Americans, it seems, must be told that the war in that country is hard and difficult—but that it is getting better. This is an old story; the French generals in Indo-China made comments that sound very much the same.

As late as 1960, it was insisted that there was no guerrilla problem in South Vietnam, even though village chiefs were being slaughtered daily. A year ago, the Diem regime was praised as the shining hope of freedom and the strategic hamlet program was extolled as a cure-all for the guerrilla disease. Now we know that the Diem regime was widely detested, and that Mr. McNamara concedes that in the vital delta area the hamlet program was overextended.

Throughout, there is the impression that the administration is reluctant to tell the American people the undiluted truth—that the Vietnam war is being fought on terrain favorable to the guerrillas and that the outlook for clear-cut military victory is bleak. Thus every pessimistic report must be followed, as Mr. McNamara demonstrated with his Tuesday remarks, by optimistic exhortations.

Isn't it time for the administration to show more faith in the intelligence and good sense of the American people?

REDUCING THE TAX ON LONG-TERM CAPITAL GAINS

Mr. HALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HALL. Mr. Speaker, today I have introduced a bill which would reduce the tax on long-term capital gains realized by individuals who have to sell their property in order to make room for Federal projects.

The bill would amend the Internal Revenue Code by providing special rules for property condemned by governmental units, or faced with the threat of condemnation.

The problem has been called to my attention by persons living in the area of the Stockton Reservoir in southwest Missouri. Many farmers who are forced to sell their property are finding it impossible to relocate without considerable additional cost above any profit they may realize on the sale of their property to Government.

Under the present law, a farmer who, under the threat of condemnation, sells his $10,000 home for $11,000, makes a profit of $1,000. Section 1202 of the Internal Revenue Code now permits him to deduct 50 percent or $500 and the remaining $500 is taxed as a capital gain. If he is in the minimum 20-percent bracket, his tax liability is $100.

Under my bill, 75 percent of the profit, or $750 in this instance, would be excluded. Thus his tax would be only $50 or half of what it would be under the present system. The provisions of the bill would, of course, apply to all instances where property is sold as a result of the threat or imminence of condemnation under the right of eminent domain.

I believe that property sold under this kind of pressure should be treated entirely different than when the seller is willing and not under any compulsion to sell. At the Stockton Reservoir, for example, many farmers are giving up not only their homes but their means of earning a living. This consideration should be paramount to any momentary profit they realize from this kind of forced sale.

UNITED STATES SHOULD NOT SURRENDER ITS SOVEREIGNTY

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. HARSHA] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. HARSHA. Mr. Speaker, we are faced with many grave problems with the numerous Communist-inspired troublespots around the globe and, undoubtedly, one of the most painful at the moment is the Panamanian Government's demands.

The country of Panama owes its entire existence to the United States and we have continually given friendship and economic support to it.

We have already conceded far too much to the Communists by letting them get a foothold in the Western Hemisphere and I am, therefore, introducing a concurrent resolution in the House of Representatives expressing the sense of Congress that the United States shall not surrender its sovereignty or control over the Canal Zone or the Panama Canal.

The grant by Panama to the United States of exclusive sovereignty over the Canal Zone in perpetuity for construction of the Canal and its perpetual maintenance, operation, and protection was an absolute, indispensable condition precedent to the great task undertaken by the United States, and the United States has fully performed its responsibilities under the treaty of 1903. Therefore, there is nothing to negotiate, and this country should stand firm.

This Nation has paid Panama the full indemnity and annuities agreed upon by the two nations, has completely carried out the terms of the treaty, and stands on firm moral and legal footing in this dispute, and under no circumstances should it yield to the Communist-inspired demands of Panama.

QUESTIONS ON ADMINISTRATION'S ECONOMIC PROGRAM

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. CURTIS. Mr. Speaker, there are a number of important questions which should be raised by those who are concerned about the analysis and conclusions upon which the administration's economic program is based. The minority members of the Joint Economic Committee have prepared a number of questions which they are submitting to the Council of Economic Advisers for reply. When received, the answers will be included in the printed record of the committee's 1964 hearings on the President's annual economic report. I think it is important to call these questions to the attention of all who are interested in our economic situation since they may suggest fruitful lines for further investigation and inquiry.

Under unanimous consent previously granted I insert the list of questions at this point in the RECORD:

Suggested Questions for the Council of Economic Advisers From the Minority Members, Joint Economic Committee, Annual Hearings on the President's Economic Report

1. The administration has said the fiscal stimulus which the economy will receive from the Federal Government this year will be three times greater than the stimulus received in any of the 3 previous years. In the face of a vigorous expansion that is continuing without signs of abatement, how do you justify such a policy? Couldn't it lead to an inflationary boom in 1964 and a bust in a later year?

2. The Council said in its 1962 report that inflation is more difficult to avoid the smaller the full employment budget surplus. Since you expect to wipe out the full employment budget surplus this year, doesn't that increase the chances of inflation?

3. The request for reducing the withholding rate immediately from 18 percent to 14 percent moves some of the stimulus from the second stage of the tax cut from 1965 to 1964. The drop in the withholding rate to 14 percent would reduce lump-sum refunds next spring to individuals by about $2 billion. How is this likely to affect consumer spending and the general economy at that time?

4. The budget also shows that individual tax collections next year (other than that withheld) will increase by $1.8 billion, or to $16.7 billion from the $14.6 billion average of the previous 3 years. Presumably this will be a result of the immediate application of the 14-percent withholding rate? Won't this be a restrictive factor on the economy next spring?

5. Federal purchases of goods and services are expected to increase in 1964. By how much? Do you consider this a stimulative factor? What will be the trend of such

spending in calendar 1965? Do you consider this stimulative or restrictive?

6. The administration argues that inflation is not likely to occur because there are idle resources of men and equipment available for absorption in a new wave of expansion. Do you have any estimate of how much of our excess capacity is actually obsolete or which is capacity to produce goods no longer in demand? Is it not likely that too sharp an expansion could bring into operation inefficient, high-cost plants which would tend to put pressure on prices?

7. Do you have a breakdown of industries which are operating at or near their preferred operating rate? Is it not true that too sharp an expansion would cause price pressures in these industries which would tend to "spill over" into other sectors of the economy?

8. The unemployment rate in December for all married men was 3.4 percent. It was 4.4 percent for all men over 20. The rate for women over 20 was 5.2 percent, and for teenagers, it was 14.8 percent. Is it possible that a new wave of expansion would increase demand for married men, for whom the unemployment rate is already far below the administration's interim full employment target of 4 percent? If this occurred, would it not be likely to create serious labor and skill bottlenecks and put upward pressure on wages?

9. News stories indicate that organized labor plans to press for increased wages this year in contrast to its efforts of recent years to increase fringe benefits and improve job security. Does this indicate to you that labor feels it is in a better bargaining position because of a tighter labor market for experienced workers in 1964?

10. What would be the administration's policy in 1965 should the sharp expansion which it seeks result in a leveling off or a decline in the high level of economic activity attained in 1964? Do you think you would hold to the 1965 budget estimates or would spending be likely to increase substantially?

11. Anything which causes productivity to increase also causes our economic potential to increase and makes it that much harder to close the so-called "gap" between actual and potential production. While it is not an argument against the tax cut, doesn't the tax cut have this effect, since it is expected to increase our productivity?

12. The economic report frequently refers to the large recent increases in the absolute level of corporate profits. In order to be meaningful, shouldn't this be related to stockholders' equity or to the return on the invested dollar? Looked at in this way, aren't corporate profits still considerably below their pre-1957 level?

13. Please describe the "early warning system" being set up in the agencies to warn of impending price increases. How do you intend to differentiate between increases that are inflationary and those that are not? In what fashion will the President bring to the attention of the public increases which he considers inflationary? How will you avoid a repetition of the disastrous reaction to the steel pricing crisis in 1962? Since price changes serve a vital economic function of allocating resources, how will you avoid the harmful effects which would follow from any tendency to freeze price relationships?

14. The administration plans to ask for an extension of the coverage of the minimum wage and overtime provisions of the Fair Labor Standards Act. Do you have any studies of whether extension of minimum wage might tend to reduce job opportunities for teenagers and other unskilled or inexperienced personnel? In the long run might there be a tendency to introduce labor-saving machinery or procedures as a result of the minimum wage?

15. If the minimum wage and overtime provisions of the Fair Labor Standards Act are extended to new workers, how do you intend to make certain that the increases in labor costs do not exceed the administration's own noninflationary guidelines?

16. While income for the rest of the Nation was increasing, total agricultural income between 1962 and 1963 declined from $17.6 to $17.3 billion. In December the seasonally adjusted annual rate was down to $16.8 billion. How does the administration intend to stop the slide of farm income?

17. A sharp change has taken place in the proportion of GNP increase contributed by the Federal Government and the private sector in the three most recent recoveries. In the current recovery, 11 percent of the GNP increase came from Federal Government purchases, compared to declines of 10.9 percent and 1.2 percent in the two previous recoveries. At the same time, personal consumption expenditures accounted for only 48.9 percent of the GNP increase in this recovery, compared to 70.5 percent and 60 percent in the two previous recoveries. Explain the significance of the shift.

18. Total Federal expenditures increased 20 percent in the current recovery. How does this compare with increases in previous recoveries? Has this recovery been more dependent than others on increases in Federal spending? What are the implications of this?

19. It has often been said that Federal employment will increase as the population increases in order to meet growing demands for Government services. Isn't it true, however, that productivity of Government workers is increasing and that this largely offsets the need for the total to grow as the population grows? Do you have any estimate for the annual increase in the productivity of Government workers?

20. The budget document says that the annual net outflow of dollars overseas as a result of Federal Government programs is estimated to drop by $800 million between 1963 and 1964. What is the estimated change between 1964 and 1965?

21. The Council's report says that the administration will call public attention to decisions that seriously overstep noninflationary price and wage standards. How do you decide what is a noninflationary price? By the level of profits in a particular industry or company? What is the standard that you use?

22. The budget document comes out after the economic report. This particular economic report seems to point up the difficulties of describing economic policy without specifically referring to the budget figures. Wouldn't it be preferable if the budget document were released first, thus permitting the economic report to discuss fiscal policy with specific reference to the budget figures?

23. The Council of Economic Advisers each year issues a forecast of gross national product for the year. Is there a tendency for this forecast to become a target? Does Government fiscal and monetary policy, in other words, tend to be shaped in such a way that the Council's forecast will be realized?

24. Dr. Heller before the Senate Finance Committee on November 12, 1963, said: "I have a strong conviction, however, that if, on the one hand, we stimulate the economy by increasing private demand and, on the other hand, we cancel that out by reducing public demand, the total effect would be self-defeating because we would be canceling out with one action what we were undertaking with the other."

Judging by your report this year, you no longer have this opinion. Would you care to explain how you reconcile these positions?

VIETNAM CRISIS

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. Morse] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. MORSE. Mr. Speaker, the overthrow by a military junta of the military junta which overthrew the Diem regime in South Vietnam dramatizes once again the deteriorating situation in southeast Asia and points up more sharply the need for hard data about the progress of the war.

Whether out of confusion or design the administration has issued this week alone no less than three conflicting accounts of the Vietnam crisis. On Monday the Secretary of Defense reported gloomily to the House Armed Services Committee that the Vietcong Communist guerrillas have made considerable progress since the fall of the Diem regime. On Tuesday, the Secretary told a press conference that there has been a very noticeable improvement in the operations.

At this point in the review, the Washington Post called the administration statements a retreat from candor and called for an end to the verbal ambiguity on Vietnam.

Not to be deterred, however, the Secretary told the Armed Services Committee Wednesday:

> The new Government * * * has considerably more popular support than its predecessor and the military revolutionary committee is beginning to take action to intensify military operations and to improve civil administration.

At that very moment, the military revolutionary committee was being ousted by military dissidents who accused the ruling generals of negotiating with France to neutralize Vietnam. I am confused by this turn of events and I think the American people are also confused. As the Washington Post suggested in its editorial:

> Isn't it time for the administration to show more faith in the intelligence and good sense of the American people?

We know that some 15,500 American military troops and advisors and technicians are in South Vietnam. Beyond that we know little. The highly touted strategic hamlet defense system is generally agreed to be in shambles. The Vietcong have made military advances in recent weeks and have killed and wounded more men and captured more weapons than the anti-Communist forces.

James Reston put the matter well this week when he wrote that the "first casualty in every war is truth" and commented that the official statements on Vietnam are "so confusing that nobody can quite make out what the official view of the war actually is." I think that the Congress and the people of the United States must be told the facts about the situation in Vietnam. If the administration, as it increasingly appears, does not know what is going on, we must be told why we do not know. With all the Americans present in the country, with a direct line from Saigon to Washington, someone must have the facts and they should be presented clearly and objectively if the administration expects to retain support for its operations in Vietnam.

Under unanimous consent, I include the Post editorial of Wednesday, January 29, and the column of James Reston which appeared in the New York Times and the Boston Herald-Traveler of the same date in the RECORD.

[From the Washington (D.C.) Post, Jan. 29, 1964]

RETREAT FROM CANDOR

On Monday, Secretary of Defense McNamara told the House Armed Services Committee that the situation in South Vietnam remains grave and added: "I must report that they [the Communists] have made considerable progress since the coup." But on Tuesday, at a press conference, Mr. McNamara seemed to nullify his earlier comments by stressing that there "has been a very noticeable improvement" in the conduct of the war and that he was "encouraged by the progress of the last 2 weeks."

Verbal ambiguity is an old story on Vietnam. Americans, it seems, must be told that the war in that country is hard and difficult—but that it is getting better. This is an old story; the French generals in Indochina made comments that sound very much the same.

As late as 1960, it was insisted that there was no guerrilla problem in South Vietnam, even though village chiefs were being slaughtered daily. A year ago, the Diem regime was praised as the shining hope of freedom and the strategic hamlet program was extolled as a cure-all for the guerrilla disease. Now we know that the Diem regime was widely detested, and Mr. McNamara concedes that in the vital delta area the hamlet program was overextended.

Throughout, there is the impression that the administration is reluctant to tell the American people the undiluted truth—that the Vietnam war is being fought on terrain favorable to the guerrillas and that the outlook for clear-cut military victory is bleak. Thus every pessimistic report must be followed, as Mr. McNamara demonstrated with his Tuesday remarks, by optimistic exhortations.

Isn't it time for the administration to show more faith in the intelligence and good sense of the American people?

[From the Boston (Mass.) Herald-Traveler, Jan. 29, 1964]

MCNAMARA ADDS TO VIET CONFUSION

(By James Reston)

WASHINGTON.—The first casualty in every war is truth, and the war in Vietnam has been no exception. Only now is the Pentagon confirming the gloomy newspaper reports it was denying last autumn, but its official statements are still so confusing that nobody can quite make out what the official view of the war actually is.

Secretary of Defense McNamara, for example, said Tuesday at a news conference that he was encouraged by the progress of the last 2 weeks.

POLICY IN DOUBT

Monday, however, McNamara told the House Armed Services Committee that the situation in Vietnam continues grave and "I must report that they [the Communists] have made considerable progress since the coup" against the Diem government last November.

These two statements are not necessarily contradictory, but the rest of Secretary McNamara's written statement to the committee not only illustrates the change in the official line since last fall, but also leaves doubt about whether the Johnson administration is preparing to pull out of Vietnam or step up the pace of the war.

Last fall, the Kennedy administration was both trying to bring down the Diem government and complaining about reports of newspaper correspondents there on its efforts to bring that government down.

The official complaint then was that the reporters, particularly David Halberstam, of the New York Times, and Neil Sheehan, of United Press International, were concentrating on the political events in the capital of Saigon and ignoring the fact that the war was going well out in the country.

DIFFERENT TUNE

Monday, in contrast, Secretary McNamara said "the Vietcong [Communists] was quick to take advantage of the growing opposition to the Diem government and the period of uncertainty after its overthrow. Vietcong activities were already increasing in September and continued to increase at an accelerated rate in October and November, particularly in the delta area. And I must report that they have made considerable progress since the coup."

Despite this analysis, the White House announced last October 2, after Secretary McNamara's return from Saigon, "the military program in South Vietnam has made progress and is sound in principle, though improvements are being energetically sought.

The White House statement added that 1,000 U.S. military personnel were being withdrawn by the end of 1963 and that "the major part of the U.S. military task can be completed by the end of 1965, although there may be a continuing requirement for a limited number of U.S. training personnel."

WAIT DRY SEASON

Monday, however, McNamara, while defending this statement, both hoped that the Vietnamese could win the war by themselves and indicated that the United States might have to intervene with all necessary measures within our capability.

"We hope that," he said, "with our full support, the new government can take hold and eventually suppress the Vietcong insurrection. The dry season will give us a firmer basis for this judgment. However, the survival of an independent government in South Vietnam is so important to the security of all of southeast Asia and to the free world, that I can conceive of no alternative other than to take all necessary measures within our capability to prevent a Communist victory."

It may be that so many official statements on Vietnam have been so misleading in the past that observers here are seeing contradictions in McNamara's testimony that don't exist. But if the situation is grave and the Secretary of Defense can talk openly about even the possibility of taking all necessary measures within our capability, then the time has come for a much wider inquiry into the Government's intentions.

If the situation is grave why are troops being withdrawn? If the Secretary of Defense is encouraged by the progress of the last 2 weeks, why is he talking about taking all measures within our capability.

This would amount to a wholly new policy. Gradually, the United States has got sucked deeper and deeper into the bog in South Vietnam. First, we were training the Vietnamese, then flying them in combat, usually without any clear knowledge among the American people about what was going on.

President Johnson has said nothing about this, and neither has Secretary of State Rusk, but it would be nice to know if any new intervention is now being considered.

NOTHING NEW

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. HOEVEN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. HOEVEN. Mr. Speaker, President Johnson's message on agriculture is a "mish-mash" of old and rejected schemes. The President's push for the wheat certificate plan is a classic example of the bankruptcy of ideas in the Department of Agriculture. This plan has been floating around since President Calvin Coolidge vetoed it in 1926. It has been rejected by the Senate and the House in past years and was once vetoed by President Eisenhower. Some 597,776 wheat farmers emphatically said "No" to this scheme last spring. Now the President is trying to ram down farmers' throats a plan which history has proven they do not want. In pushing this wheat plan the President seems to have switched sides in his so-called war on poverty, because the people who would be hardest hit by the consumer tax features of it are low-income families.

The dairy Brannan plan proposal is also a retread of a plan which as recently as October 10, 1963, was defeated by a rollcall vote of 56 to 27 in the U.S. Senate.

His cotton plan is but another version of the often repudiated Brannan plan.

The entire message, in fact, is more significant in what it does not say, rather than in the retreads it attempts to sell to the American farmer.

It fails to mention that the parity ratio fell to 78 in 1963, a 24-year low; it fails to mention that realized net farm income in 1964 will be less than it was in 1960; it fails to mention that 475,000 farms have disappeared since 1960; and it fails to recognize the serious plight that U.S. livestock producers face from expanded imports. The President, in fact, proposes to aggravate this already serious problem by setting up a massive subsidized grazing program under the banner of cropland conversion.

I also point out that the President's budget message called for 115,376 employees in the U.S. Department of Agriculture at the end of fiscal year 1965. This means 1 bureaucrat for every 30 farms in the United States.

UNDERSTANDING ECONOMIC GROWTH

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. BROCK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. BROCK. Mr. Speaker, early indicators point to a boom year for 1964, and all Americans can take justifiable pride in our national economy, based as it is on the free enterprise principle. Unfortunately, however, there are those who feel that to increase consumer demand is the best approach to expanded national output. The tax reduction bill, now before the Senate, is aimed in this direction; so are the many make-work Federal employment programs sponsored by this administration. These economists believe that extra dollars in the consumer's pocket, at the same rate of labor, will automatically result in economic growth as businesses compete for the overflow of money. Overlooked, unfortunately, is the definite tendency for prices to rise commensurate with new money. If this occurs, those on fixed and inflexible incomes such as social security are, of course, caught in the inflationary squeeze. Also, as prices go up to catch the extra money, so, too, will the demands for higher wages.

On the other side of the economic picture, many of us feel the primary emphasis should be placed in new investment and the creation of job opportunities. We feel that true prosperity can best be achieved through full utilization of plant, equipment, and labor, and through research, producing better things for all Americans. Honest economic growth starts with production and service and is passed on to consumers in the form of decent wages, fair dividends, new jobs, and better products at lower prices. A steady currency builds business confidence.

A recent article in the Wall Street Journal points up the envious notes of industrial growth in Europe and gives credit to their understanding of a need for a spur to private investment to attain economic goals.

Mr. Speaker, under unanimous consent, I insert "Review and Outlook" from the January 28, 1964, edition of the Wall Street Journal at this point in the Record:

Review and Outlook: The Envious Economists

For some time now Washington's economists have been openly envious of Europe. If only we would follow the European formula, the reasoning seems to go, we could speed economic growth and curb unemployment.

Europe's gains in the years since World War II have surely been striking. Walter Heller, Chairman of the Council of Economic Advisers, called attention to some of them again in a statement appended to the President's economic report:

"The advance in productivity has been revolutionary. During the 1950's, output per manufacturing worker increased 2¼ times as fast in Germany as in the United States * * *. Nonetheless, the Europeans have maintained unemployment rates considerably lower than ours * * *. The average annual growth rate in France was 4 percent, in Italy, 6 percent, and in Germany, over 7 percent."

How was all this accomplished? "The major explanation," argues Mr. Heller, "lies in the maintenance of a very high level of demand." That conclusion is clearly shaping current Government thinking, as efforts are made to pump up demand through both monetary and fiscal policy—in this case, easy money and tax cuts. Unfortunately, however, the conclusion is based on a misreading of the European experience.

The prime concern of Europe's postwar leaders was not to inflate consumer demand. It was, instead, to promote the heaviest possible investment in the newest and most efficient types of capital equipment. Some of this was achieved with the aid of America's Marshall plan, but the nations of Europe adjusted their internal policies to assure a continuing flow of capital when the Marshall plan ended.

They did this, in part, through tax programs constructed specifically to spur private investment. Business profits were not a cause for concern; they were welcomed as the source of much of this investment.

There were other factors. In West Germany, monetary policy from the beginning of the recovery was geared not only to curb inflation but to provide interest rates high enough to induce needed new investment. In France, recovery did not get rolling until a few years later—until the French Government adopted monetary and other measures similar to those of Germany.

Not surprisingly, Europe's growing number of highly efficient factories provided steadily rising employment. Control of inflation made businessmen more confident of the future and helped open new external markets to European goods at the same time the Common Market was broadening internal demand.

The expansion was so rapid that it absorbed not only the refugees who streamed into Western Europe from behind the Iron Curtain but the many Europeans who, through these years, were migrating from farms to the industrial cities. The problem became not a shortage of jobs but a shortage of workers.

Thus Europe has indeed maintained a high level of demand. But it has done so by adopting measures calculated to produce sound economic growth—not by first trying to pump up consumer outlays.

And that, of course, is the prime aim of the tax bill now in Congress. Not only is it focused first on lifting consumer spending. In passing it also takes a direct slap at investors by eliminating the dividend tax credit.

Moreover, it is a tax cut coupled with a forecast of yet another budget deficit in the coming fiscal year. Though the projected deficit is a good deal smaller than the one expected this year, it is still large by any historical standard. And it is sure to store up still more fuel for inflation.

This danger isn't eased at all by the Government's continuing insistence on keeping money plentiful and cheap. Nor is it reassuring to learn that Washington still thinks it can fend off inflation merely by "persuading" businessmen not to raise prices.

It's not at all hard to understand why our economists envy Europe. But unless they begin to understand why Europe made its gains, Europeans may be able to restrain their envy of America.

INDEPENDENCE OF THE FEDERAL RESERVE

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. Brock] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. BROCK. Mr. Speaker, one of the great bulwarks of our free American economy is the traditional independence of the Federal Reserve Board. Only by being free of politics can the Reserve Board protect the dollar and maintain a sound supply of money and credit so necessary for economic advancement.

A recent editorial in the January 29, 1964, Wall Street Journal points out some of the problems in changing the concept of the Federal Reserve Board. Under unanimous consent I insert the article at this point in the Record, and commend it to the attention of each of my colleagues:

Review and Outlook: Perfection and Mr. Patman

When the Federal Reserve System was set up a half century ago, it was a cautious compromise between those who feared the power of bankers and those who feared, with equal fervor, the power of Government. So nobody thought it was perfect.

In the years since then even the system's strongest backers have shown a receptiveness to change. All they have usually asked has been evidence, or at least a reasonably convincing argument, that change might be for the better.

It was in this spirit that Chairman William McChesney Martin and other members of the Reserve Board approached the House Banking Committee hearings on the System. No ill will was evident despite Committee Chairman Patman's sweeping proposals for revising the Fed.

What dismays Mr. Patman, as well as a number of other Washington liberals, is the System's semi-independence of Washington politics. True, members of the Board are appointed by the President, but then they are free to go their own way. At no time is the Fed compelled to gear its policies to those of the Treasury, Congress, or anyone else though, as a practical matter, it has seldom been wholly aloof to the political world around it.

The Banking Committee chairman would be satisfied only with new legal curbs on the Fed's freedom. For one thing, he would like to shorten the current 14-year term of Board members. He may have been surprised when this proposal met no real opposition from Mr. Martin; the Reserve official's chief suggestion was that, if the term is cut, the law should also be changed to make it possible to reappoint Board members. There's no evidence that a member necessarily would exhaust his usefulness to the System in, say, 6 or 7 years.

Mr. Martin, however, did oppose Mr. Patman's plan to expand the Board from 7 to 12 members. But he did not mention the idea's obvious court-packing overtones; he merely commented that a 12-man Board would be unwieldy. A look around Washington hardly proves that efficiency of Federal agencies has any close relationship to size.

Similarly, experience hardly seems on the side of another Patman notion—that the Treasury Secretary should automatically head the Reserve Board. Mr. Martin reminded the legislators that the law had once specified that the Secretary should be a Board member. This provision was changed long ago because Congress decided the officer who paid the Government's bills should not have the power to create the money to pay them. Surely Congress has enough troubles now with conflicts of interest without going out of its way to revive an old one.

Moreover, the Nation has already sampled what it's like for the Federal Reserve to be firmly under the thumb of the Treasury. The experience was not one to encourage repetition.

It began during World War II, when the Federal Reserve poured billions of newly created dollars into the economy to facilitate financing of the hugely expanding national debt. While the war was on the inflationary effects of this procedure were limited by an array of Federal controls.

After the war the controls disappeared but the Fed still believed itself bound by the wartime commitment. By any U.S. standards, the ensuing price inflation was explosive; between 1945 and 1951, when the System regained a measure of freedom, the wholesale price index shot up by close to 70 percent.

Is there really any reason to believe the results of administration domination would be a great deal different now? Though President Johnson says Federal Reserve policy should be "flexible," he couples this with a warning that "it would be self-defeating to cancel the stimulus of tax reduction by tightening money." When it comes to resisting inflation, the administration seems to rely mainly on warning business and labor about raising prices and wages, instead of encouraging the Fed to protect the dollar.

The Reserve System still is imperfect, and perhaps it should move toward some improvements. But history suggests Mr. PATMAN is pointing in the opposite direction.

THE WORK OF CONGRESS AND OF A CONGRESSMAN

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. MACGREGOR] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. MACGREGOR. Mr. Speaker, my colleague the gentleman from the 12th Massachusetts District [Mr. KEITH] has issued a newsletter to his constituency that contains, in my opinion, many worthwhile comments on the work of Congress and of a Congressman. His notes on the education legislation passed during the last session and on that session's major achievement, the elimination of more than $6.5 billion from the budget for fiscal year 1964, will be of particular interest. Under previous unanimous permission, I insert pertinent parts of that newsletter at this point in the RECORD.

CONGRESSMAN HASTINGS KEITH, 12TH DISTRICT, MASSACHUSETTS

DEAR FRIENDS: The exhausting 12-month first session of Congress proved a dramatic, tragic, often frustrating and sometimes rewarding year on Capitol Hill—one we won't forget and one from which some of us will not fully recover for a long while. Yet, here we are deep into the second session. Its legislative course is still uncertain, but there can be no question that it will be filled with explosive controversy and that decisions face Congress on many of the major issues of our time.

BEHIND THE SCENES BOXSCORE

Before taking a brief glimpse at what lies ahead, I thought you might be interested in a few notes on what that recordbreaking first session meant to my office—from a practical, work-a-day point of view—and would perhaps be interested in a typical page from my 1963 appointment book. (The latter may partially answer critics of our "do-nothing Congress.")

VITAL STATISTICS

Twelve thousand two hundred and thirty-one letters written to constituents, Federal agencies, and colleagues; more than 3,200 cups of cranberry juice served to office visitors; 24,367 minutes of recorded long-distance telephone calls to the 12th Congressional District; 26,010 air and auto miles in travel between Massachusetts and Washington, or more than once around the world; 137 quorum calls and 117 rollcall votes, not counting the many simple voice votes on the House floor.

Congress as a whole saw the introduction of 14,168 bills and resolutions, and passed into law 257 public and 165 private bills.

I should note that the cranberry juice, which has made my office a very popular one, is supplied by Ocean Spray Cranberries, Inc., of Hanson and Onset. With regard to my telephone calls, I have averaged, each year, about $900 over the allotment. Another expense is travel. A Congressman is allowed only three round trips.

WHAT DID CONGRESS DO?

Critics of Congress, and they were legion this last session, complained, in effect, that Congress took too long to do what in the end was not enough. It did earn the dubious distinction of being the longest peacetime session in 22 years and there was much unfinished business—prominent was the civil rights bill and the proposed tax cut. One thing critics neglect to mention is the fact that Congress made the most significant cut in the budget since a Republican Congress chopped Harry Truman's budget requests by $11 billion. If anyone is interested in taking up an unpopular cause, i.e., defending his lawmakers, he might note that for every one of the 1,670 hours and 54 minutes the House and Senate met last year, the taxpayer was saved another $3,590,000—on the overall average, of course. (The chart I have prepared shows the amazing results that were achieved.)

TAX CUT COMING?

With April 15 bearing down upon us, and W-2 forms starting to appear, hard-pressed taxpayers are looking with increasing interest on the tax-cut controversy. The budget reduction, amounting to a total of nearly $6.5 billion, could set the stage for a meaningful tax cut in 1964. Much will depend upon President Johnson and his ability to carry out promised economies in his administration. Cutbacks in Federal spending can be made with little hardship and without jeopardizing our national health, welfare or security. The question is, will the cuts materialize? Or, is this just campaign-year talk? I want a tax cut as much as the next man, and have said that I will vote for one when convinced there is a serious and successful effort being made to cut the waste and inefficiency out of our domestic and foreign aid programs. A good start has been made, with the help of a cost-conscious Congress, and I hope the trend continues.

TRIBUTE TO THE LATE PRESIDENT

November 22, 1963, is a date that will live in infamy. The death of our President had a tremendous impact throughout the world, but to those of us in southeastern Massachusetts we lost more than a leader—we lost a friend and neighbor. As a special memento for residents of the 12th District, I am enclosing a copy of a speech in the CONGRESSIONAL RECORD, which contains remarks made in tribute to John Kennedy, plus several fine articles and editorials from newspapers in our district.

ROUND AND ROUND IT GOES, WHERE IT STOPS

The political wheels of fortune are spinning faster in this election year. There is little question who will head the Democratic ticket, but who will the Republicans pick as their nominee? For that matter, who will the Democrats choose as a running mate for their presidential candidate? Who are the favorites in the 12th Congressional District? We can conduct our own grassroots poll if you will send me a postcard (to room 1317, New House Office Building, Washington, D.C.) naming your own choice for either the Republican presidential nominee or the Democratic vice-presidential nominee. When all the ballots are in I'll announce the results in the local press.

NEW BEDFORD, ABINGTON MEN JOIN STAFF

Charles F. Butler, of Abington and Peter Sullivan, of 56 Hill Street, New Bedford, have joined my staff in Washington. Formerly with the Civil Aeronautics Board, Charlie has as one of his assignments the research on legislation before my committees, Interstate and Foreign Commerce and Merchant Marine and Fisheries. Replacing another former New Bedford student, Stanley Dabrowski, Peter works on Saturdays and after class on many projects, including keeping our mailing list updated. Incidentally, Stan is now an economist with the Bureau of Commercial Fisheries here in Washington.

MIDSEMESTER BREAK

The year 1963 was an educational year here in Congress. We authorized Federal assistance for the construction of higher education academic facilities, we initiated new vocational education assistance, we expanded the National Defense Education Act, we extended the impacted areas assistance programs, we authorized loans to medical, dental, and related professional schools for construction purposes, we approved student loans for those studying medicine, dentistry, and osteopathy, and we authorized Federal aid for combating mental illness and retardation.

There were weaknesses in some of these bills, but overall they will go far toward meeting the educational needs of the Nation. One weakness worth commenting upon was the departure from previous policy (which I opposed) in the Vocational Educational Act that established new Federal residential schools for unemployed youths, and federally financed work-study projects for selected high school students. These two programs—financed completely out of Federal funds, including salaries—will cost the taxpayers $150 million in the next 4 years alone. Once established, they will undoubtedly become permanent programs. The biggest danger, however, lies in diminished local interest in this kind of project and the possibility of political factors entering into the decision as to where the various schools will be located.

During the current session the legislative calendar will be crowded with the unfinished business of the old year. Before Congress goes out to meet the electorate this fall, we must resolve—in one way or another—questions on civil rights, tax reduction, and, hopefully, reform, presidential succession, hospital assistance for the aged, and tax credits for students and parents of students. These bills and many others much too numerous to list must be evaluated on their own merit, according to whether or not there is a real need, whether the Federal Government has a legitimate responsibility, and whether the proposal meets the test of sound fiscal policy.

Cost-conscious Congressmen were able to chop more than $6.5 billion off the fiscal year 1965 budget. President Johnson's budget for 1965 appears to vindicate the proposal Republicans made last year to hold spending to $98 billion in fiscal year 1965 as a condition for tax reduction. A firm commitment by the President and Congress to hold Federal expenditures within the 1965 estimates should set the stage for bipartisan support of the tax bill. One important test of good faith for the administration will be the size of its supplemental requests for 1964.

Detail of congressional cuts

Federal agency or department	Administration's budget request	Finally OK'd by Congress	Total net reduction
Interior	$998,009,000	$952,456,500	−$45,552,500
Treasury and Post Office	6,146,842,000	6,045,466,000	−101,376,000
Labor and Health, Education, and Welfare	5,759,489,000	5,471,087,500	−238,401,500
Agriculture	6,368,755,000	[1] 6,047,988,340	[1] −320,766,660
Legislative	182,218,450	168,293,069	−13,925,381
State, Justice, etc	2,159,891,900	1,820,093,000	−339,798,900
Defense	49,014,237,000	47,220,010,000	−1,794,227,000
District of Columbia	52,868,000	40,368,000	−12,500,000
Independent offices	14,658,588,000	13,224,518,050	−1,434,069,950
Military construction	1,966,400,000	1,585,880,000	−380,520,000
Public works	4,561,957,000	4,406,272,700	−155,684,300
Foreign aid	4,874,400,330	[1] 3,311,400,370	[1] −1,562,999,960
Total	96,743,655,680	90,293,833,529	−6,449,822,151

[1] Estimated.

The very brief recess between sessions did not permit me to make my usual tour of the district, which I regret very much. If there are matters that you would like to bring to my attention, however, please do not hesitate to write.

Sincerely,

HASTINGS KEITH,
Member of Congress.

LIMITATION ON RESIDUAL FUEL OIL

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. MOORE] may extend his remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. MOORE. Mr. Speaker, there are now pending before the House Ways and Means Committee some 40 bills which would impose by law a limit on the amount of residual fuel oil which can be imported each year into the eastern part of the United States. A similar measure, signed by 30 Senators, is up for action in the Senate.

This is important legislation, and as one of those Members who have introduced identical bills in the House, I urge the Ways and Means Committee to find the time during a busy schedule to hold hearings on it, and promptly report it to the floor for action.

This is important legislation, Mr. Speaker, because it is written to protect the domestic fuel industries and the large segment of the economy which depends on them against excessive imports of an unneeded foreign fuel. It is not a coal bill. I want to make that clear. Because a number of our colleagues from coal-producing States have introduced the legislation, some newspapers have reported the bill as being expressly—and only—designed to protect the coal industry.

Such legislation would help the coal industry against the flooding of the east coast fuel markets with this imported waste oil, to the exclusion of coal produced in the Appalachian area.

But I want to stress that as important as this proposed legislation is to the coal industry—the coal-producing companies, the miners, and to the coal-hauling railroads—there is yet another reason why this legislation should be passed.

I refer to the protection which residual oil import controls extends to the domestic oil industry. This is amply proved by the fact that many Members from oil producing States, without one pound of coal production within their borders, are enthusiastically supporting the legislation.

It would appear that Secretary of the Interior Udall, to whom President Johnson has delegated authority for administering the Nation's oil programs, including imports, fully recognizes the importance of residual import controls to domestic oil.

Mr. Udall, in a recent letter to opponents of the residual oil portion of the oil import program, declared:

> In order to maintain the integrity of the control program it is necessary to retain controls on all of the principal derivatives of crude oil, including residual fuel oil.

What Secretary Udall is so clearly pointing out is that if controls on residual fuel oil imports are removed the entire oil import program will be dangerously weakened, if not destroyed.

Surely, there is no one in this House who seriously believes that, in a period when low-priced crude oil has glutted the world markets, we can open wide the door of this Nation to free and unlimited imports. The result would be the utter destruction of the domestic oil industry—the independent producers and refiners who must have the protection afforded by the oil import program to survive against the competition of the large international oil companies.

More importantly, the national security would be gravely weakened if we permitted unlimited oil imports and the Nation could not maintain a healthy domestic petroleum industry capable of exploring for and developing new petroleum reserves.

The Presidential proclamation issued in March of 1959 establishing the oil import program was based upon the premise that such a healthy domestic petroleum industry could be maintained only if import controls were held in check and a balance maintained between imports and domestic production.

Nothing which has happened since that time has raised any question as to the wisdom of the President's decision. In fact, the tremendous increase of 1.5 billion barrels annually in oil production outside of the United States in the 1959–62 period provides compelling proof of the necessity of the President's action then and of the urgent need to continue and strengthen oil import controls.

It must be borne in mind that crude oil from the Near East can be landed at the head of the Houston ship channel for at least $1 a barrel less than oil produced in wells just a few miles away. If controls should be removed, this cheap foreign crude oil would come in in such vast quantities that domestic producing facilities would be forced out of business.

In discussing the relation of residual import controls to the domestic oil industry, Secretary Udall in his recent letter to congressional critics of the program also said:

> Last year's report on residual fuel oil by the Director of the Office of Emergency Planning did not address itself to the broad question of the underlying requirement for the retention of controls on petroleum and its products. The report considered narrowly the statistical position of residual fuel oil, and its recommendations were drawn from this limited perspective. When the national security contribution of the residual fuel oil program is measured in the broader terms of the overall petroleum import control system, it is apparent that in order to maintain the integrity of the control program it is necessary to retain controls on all of the principal derivatives of crude oil, including residual fuel oil.
>
> Taken alone, almost any product of petroleum could probably be determined to present no particular problem from the standpoint of national security, and the argument could be made that controls on such product could be eliminated without danger to the Nation. From the standpoint of the total petroleum position of the United States, however, the logical extension of this argument could and would lead to piecemeal dismemberment of a program which is almost universally recognized as being essential to the national security.

I assert, Mr. Speaker, that all these facts make it plain that maintenance of import controls on residual fuel oil are essential—to the domestic coal industry, to the domestic petroleum industry and to the national security. I urge my colleagues to join in the fight to preserve and protect our domestic fuels and thereby strengthen the national security by supporting legislation to continue controls on residual oil imports.

THE NEW RAYBURN BUILDING

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. BRAY] may extend his remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. BRAY. Mr. Speaker, it appears that the new House Office Building, which we call the Rayburn Building, may be ready for occupancy in January 1965. I am not attempting to pass an opinion on how useful this building will be, but I trust that every Member of this body is aware of the tremendous amount of the taxpayers' money that has gone into this pile of stone.

As I recall, excavation for this building commenced about 9 years ago, and while we cannot determine exactly what the cost will be, it has been estimated that it will be well over $100 million. It will be one of the most costly buildings ever erected by man, if not the most costly. The building is costing several times its original estimate. The Washington Post of January 29 had an interesting editorial critical of this building entitled "Edifice Rex."

Many Members of this body have been justly demanding that our Nation return to sound economy and cease spending the taxpayers' money as though it were confetti. But, Mr. Speaker, if we intend to really make the American people understand that we are deeply and sincerely interested in economy, we must stop such extravagance as that of which we are guilty in the new House office building. Many of our Members would have assisted in blocking the construction of this building had they known of its tremendous cost. Personally, I was apprehensive that the cost of this building would go far, far beyond its original estimate so at every opportunity I voted against this project. I want to point out that the gentleman from Iowa [Mr. GROSS], forcibly and clearly pointed out on the floor that this would be a tremendously costly operation and opposed it. I joined him in that opposition but I doubt that either of us at that time realized the great amount that this building would finally cost.

We in the Congress must look ahead and see to it that we are aware of the final expenses of projects which we allow to be started.

DISTRICT OF COLUMBIA TAX EXEMPTION FOR STUDENTS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MULTER. Mr. Speaker, I have introduced a bill to amend the District of Columbia Income and Franchise Tax Act of 1947 to provide an exemption for parents of children who are students and who earn more than $500 a year.

At the present time parents may not take as an exemption in the District of Columbia a student who earns over $500 even though the parent may still be bearing the full financial burden that higher education has become. My bill will bring the District law into line with Federal income tax provisions which do allow an exemption for students who earn over $500 per year.

I hope that the bill can be enacted during this session of Congress.

A BILL TO PROHIBIT BANKS FROM ENGAGING IN THE BUSINESS OF LEASING PERSONAL PROPERTY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MULTER. Mr. Speaker, I have today introduced a bill to prohibit national banks or banks operating under the laws of the District of Columbia or banks which are members of the Federal Reserve System or banks whose deposits are insured by the Federal Deposit Insurance Corporation from engaging in the business of leasing personal property.

Some members of the banking community have recently begun to purchase personal property, such as business or industrial machinery, and so forth, for the purpose of leasing it to businesses or industries. This is clearly outside of the traditional concept of banking. Banks are financial institutions and not commercial enterprises within the framework of our economic system. While national banks have the explicit power to acquire real estate, this power is limited to real estate to be used for bank premises. If Congress had intended banks to have the power to own personal property—other than the implicit power to own personal property for their own use—it would have explicitly set forth such power and established appropriate guidelines and limits.

In a March 18, 1963, letter to the presidents of all national banks, Comptroller Saxon has sanctioned the purchase and leasing of personal property by national banks. I believe he was wrong in doing so. I strongly urge that his directive cannot validate such illegal and ultra vires conduct. It is quite clear that the ownership and leasing of equipment is a business and commercial function unrelated to banking.

There are a long series of cases wherein this position is affirmed. I hope that this bill can be enacted during the current session so that the clear intent of the Congress on this subject is reaffirmed.

PANAMANIAN OUTBREAK, JANUARY 9, 1964: WHAT REALLY HAPPENED

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. FLOOD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FLOOD. Mr. Speaker, many Members of the Congress have observed the unfactual reporting of the Panamanian outbreak on January 9, 1964. In the deluge of words that followed there was much that was distorted or simply untrue. The people of our country and the Congress, however, were not driven to panic as was apparently expected in communistic revolutionary circles. Instead, they demanded that our Government stand firm at Panama and, when supplied with facts, supported the actions of Gen. Andrew P. O'Meara, commander in chief of the U.S. Southern Command, in defending the Canal Zone against mob invasion and in restoring law and order. Moreover, I may add that it was his effective action that enabled the civil employees of the Canal enterprise to operate the Panama Canal throughout the disorders without interruption to traffic and thus to add new glory to the history of the Panama Canal.

Fortunately, the Panama Canal organization assembled key facts as to what really happened and, in the January 20, 1964 issue of Spillway, a publication of the Panama Canal, published them with related information. This issue includes comments by the Deputy Secretary of Defense, the Governor of the Canal Zone, the U.S. district judge for the Canal Zone, an analysis of stories of the crisis as published in the United States and a summary of the economic benefits of the Canal Zone that flow into Panama, which in 1962 totaled $82,465,000.

The indicated issue of Spillway ought to be read by every Member of the Congress and the staffs of all committees with cognizance over canal matters; by officials in the executive and judicial branches of our Government; by editors, writers, and commentators; and by professors and teachers in our universities and schools who have the duty of teaching history to our youth.

To make this authoritative source material, prepared by the Canal Zone residents while the events they depict were still fresh in mind, available to the entire nation and the world at large, I quote all the articles and statements in the January 20, 1964 issue of Spillway as part of my remarks:

[From Spillway, Jan. 20, 1964]

WHAT REALLY HAPPENED

(This is a factual summary of the events of Thursday, January 9, plus some supplementary information, prepared and written by an experienced professional newspaperman, and printed in the Spillway as a service to its readers. It is not an official report of either the Panama Canal enterprise or of the U.S. Government.)

At about 4:40 p.m. on January 9 an estimated 200 Panamanian high school students, boys and girls, from the Instituto Nacional in Panama City entered the Canal Zone and proceeded up Gorgas Road carrying small Panamanian flags, the Panama National Institute Student Federation banner and the school flag. They also carried several provocative signs such as "Panama is sovereign in the Canal Zone." They proceeded in a peaceful manner to the Canal Zone Governor's residence, where they paused and sang the Panamanian national anthem and then went to the Panama Canal administration building, down the stairs and past the Goethals Memorial to an area one block from the Balboa High School, shouting "Yankee Go Home" and similar slogans. Here, they were halted by a squad of 10 Canal Zone police officers who had instructions from the Acting Governor, Col. David S. Parker, to stop the students at this point. The Canal Zone police were instructed to use no violence, but to halt the students, so as to avoid an incident.

(Governor Fleming had left the isthmus via Tocumen by air on January 9, 1964, at 5 p.m. en route to Washington for an official appointment with Thomas Mann, Assistant Secretary of State for Inter-American Affairs, and Stephen Ailes, Under Secretary of the

Army. On arrival in Miami, he was informed by Balboa Heights of the situation in the Canal Zone and Panama. After consultation with Washington, Governor Fleming returned to the Canal Zone by the first available flight to Panama. He arrived at Tocumen about 3:20 a.m. January 10, 1964, and reached the Canal Zone shortly thereafter.)

The leaders of the Panama student group informed Capt. Gaddis Wall, District Police Commander, Balboa, that they wished to go to the Balboa High School flagpole for the purpose of raising the Panama National Institute flag (a Panama flag with the school emblem and name in the flag's center) on the pole beside the U.S. flag, which was flying at the time, and to sing their national anthem. After some discussion among and with the students, the group was informed that five Panama students would be escorted by police to the Balboa High School flagpole, where they would be able to have their ceremony and display this flag in front of the flagpole, if they wished. Although the leaders of the group agreed to this proposition, there was considerable opposition to the proposal among the group. The opposition was led by an adult Panamanian, reportedly a Panama schoolteacher.

The five Panamanian students were escorted by the Canal Zone police to the Balboa High School flagpole. A number of Balboa High School students were gathered about the flagpole base. The Balboa High School students and a large group of adult U.S. civilians on the school grounds, who had gathered from nearby residential areas, joined in the singing of the U.S. national anthem.

The Panama delegation refused to have a ceremony unless they could have it on the spot occupied by the Balboa High School students, who would not move. The Panama delegation then wanted to raise the Panama school flag on the flagpole where the U.S. flag was flying, and Police Captain Wall refused permission. The Panamanian and Balboa students at the flagpole began exchanging insulting remarks.

Recognizing the tense atmosphere, the Canal Zone police endeavored to convince the five Panamanian students to rejoin the remaining members of their group before an incident could occur, but the students resisted violently. It was necessary for the police detail to forcibly push them from the flagpole. The flag was carried by four Panama students holding it at the top edge. Capt. Gaddis Wall, an eyewitness, made these two statements based on his own observations. No Canal Zone policeman tore or ripped the flag. No U.S. student tore or ripped the flag. There was a tight cordon of Canal Zone police surrounding the Panama students and separating them from the U.S. students. Since there was scuffling, pushing, and physical struggle between the Canal Zone police and the Panamanian students, the four Panama students holding the flag apparently tore it themselves during the scuffle.

The five students with the flag and a Panama National Institute Student Federation banner joined their waiting group, which was surrounded by a cordon of police to keep them separated from the Canal Zone high school students and adults in front of the Balboa High School. The Panamanian group shouted at the police for several minutes. At no time was there any encounter between the large group of Panama students and the students of the Canal Zone, as O'Connor Place Road separated them.

Canal Zone officials had requested the motor transportation division to send buses to the vicinity of Balboa High School, to stand by and provide shuttle transportation to the Republic for the Panamanian student demonstrators. At 5:45 p.m. three large buses were dispatched from the Ancon garage. The buses were parked on Gorgona Road alongside the Balboa High School Activities Building. The Panamanian students were offered this transportation but refused it.

The Panama students, after shouting insults, turned and started up the steep bank and 129 stone steps to the Panama Canal Administration Building. They halted near the dual flagpoles from which the U.S. flag flies beside the flag of the Republic of Panama. At 6:25 p.m., a group of the Panama students made an effort to lower the U.S. flag but were prevented from doing so by several U.S. civilians. With considerable shouting, the Panama students left the area and headed back to Panama city.

As the Panama students passed the Panama Canal Administration Building, they began damaging property. The group proceeded back over Gorgas Road, and en route threw stones. Five windowpanes of glass were broken on the east wing of the Panama Canal Administration Building. Twenty street lights were broken, a sign was torn off the pole in front of the Gorgas Laboratory Building, and approximately 40 louvers were broken in the Panama Canal Treasurer's Office. All the trashcans along the road were overturned. Many automobiles were stoned and car windows were broken.

The Canal Zone police refrained from making any arrests of the students in order to get the group out of the Canal Zone as quickly as possible.

While this Panama student group was en route to Fourth of July Avenue, the Canal Zone police contacted the Panama National Guard headquarters, and informed them of the situation.

From 6:45 until about 7:15 p.m., the Panama students milled around on Fourth of July Avenue, opposite the Panama National Institute, and large crowds started forming and increased rapidly.

By 7:30 p.m., the Panama mob, now grown to an estimated 2,000, moved north on Fourth of July Avenue and Kennedy Avenue to a point between the Tivoli Guest House and Shaler Triangle. Many of the demonstrators attempted to climb the fence between Kennedy Avenue and the Tivoli Guest House. A Canal Zone police detail at that location repelled them by laying a screen of tear gas along the fence. Three automobiles were turned over and burned by the demonstrators in their march from the Panama National Institute.

Only 19 Canal Zone police were on duty on the whole Pacific side when the Panamanian students entered the Canal Zone. By 7:30 p.m. practically the entire Canal Zone police force, totaling about 85 men, was deployed along the Canal Zone border and by 7:30 p.m. it was apparent the police could not hold the crowds. The police were authorized to use tear gas, and firearms if necessary to protect life.

At about 8 p.m., the Panama mob across from the Tivoli Guest House started to move along President Kennedy Avenue, heading for the Ancon Railroad Station and the freight house. Two Canal Zone police sergeants and eight Canal Zone policemen on duty in this vicinity fell back from the intersection of Frangipani Street and Roosevelt Avenue before the onslaught of at least 3,000. They took up position between the Panama Canal Sanitation Office and the civilian homes on Frangipani Street.

The mob upset and burned an unoccupied automobile at the intersection of Roosevelt Avenue and Frangipani Street and some of the Canal Zone police advanced and threw all the tear gas they had. The mob was stopped temporarily at this point from advancing farther into the Canal Zone and the homes were saved from being overrun.

About 2 or 3 minutes later, part of the mob started to burn and sack the Ancon freight house. Railroad passenger cars were set on fire and windows in the passenger railroad cars were broken. Other elements of the mob started breaking windows as they forced their way into the Ancon Laundry across the street from the railroad station. Several hundred of the mob started toward the Ancon Little Theater, where a rehearsal was in progress, and toward the Ancon housing area. One policeman with a shotgun and three other policemen were sent to protect life and property in that area.

As the mob headed for the residential area on Manzanillo Street in Ancon, the police were authorized to open fire with shotguns and revolvers, shooting over the heads of the mob and on the ground in front of them.

This action, at 8:20 p.m., as nearly as can be determined, was necessary to save lives. It was the first actual firing by Canal Zone police, although by that time seven Canal Zone policemen at that location had been injured in the hail of stones and flying objects directed against them.

For the next 10 minutes, the mob surged back and forth and made several efforts to penetrate the Frangipani Street residential area, but were turned back by tear gas and shots fired over their heads. Small arms fire was heard coming from Panama during this time. Considerable damage was done to the Shaler bus terminal.

The Canal Zone police received numerous reports that Molotov cocktails were being thrown against the U.S. District Courthouse in Ancon. A wire fence within the Zone was torn down in front of the U.S. district court and along Fourth of July Avenue.

Acting Canal Zone Gov. David S. Parker made a personal inspection of the Canal Zone-Panama border in the vicinity of the Tivoli guest house shortly before 8 p.m. His car was stoned twice in the vicinity of the Tivoli guest house. By that time a crowd estimated between 5,000 and 6,000 was gathering along Fourth of July Avenue. Molotov cocktails were being thrown against buildings in the Canal Zone and a number of cars had been set on fire. The Canal Zone police were having difficulty in holding back the crowds which had penetrated several hundred yards into the Canal Zone and it was apparent that life and property were in serious jeopardy.

At 7:59 p.m., Acting Governor Parker reported to Gen. Andrew P. O'Meara, commander in chief, U.S. Southern Command, that he was unable to maintain law and order in the Canal Zone with only the police and other civilian authorities. Acting Governor Parker requested General O'Meara to assume command of the Canal Zone.

Within 40 minutes from the time the first shots were fired by the Canal Zone police, U.S. Army personnel arrived at Portobello Street in Ancon. Complete Army control in that area was assumed about 20 minutes later after Brig. Gen. G. L. Mabry, Jr., J–3, Plans and Operations, U.S. Southern Command, had completed an assessment of the situation. He directed that no further firing be done unless an attack was made, as the Army was ready to move into that position and take over. Sporadic small arms fire was heard coming from Panama City.

A small group of policemen, sent to the Ancon freight house after the Army arrived, dispersed a mob armed with Molotov cocktails, which were being thrown at the freight house. A Canal Zone fire rig arrived in time to put out the fire at the freight house, caused by the fire bombs.

A Molotov cocktail was thrown through the windshield of an automobile that came out of Panama into the Canal Zone at Frangipani Street, Ancon. The car burst into flames, but the two passengers escaped.

At 9:15 p.m., upward of 1,000 Panama demonstrators proceeded from the Canal Zone-Panama limits into the Canal Zone toward Balboa on Balboa Road. They were stopped initially by an eight-man detail of policemen. The mob threw stones at the police and gunshots were heard. The Canal

Zone police fired over the heads of the mob and onto the roadway in front of them in an attempt to stop them. The demonstration continued and was still in progress when the Canal Zone police detail (which had been increased to 30 men) was relieved by a U.S. Army platoon about 10:30 p.m., after the mob had penetrated about 400 yards into the Canal Zone.

The large crowd on Fourth of July Avenue in the area of the "H" Street intersection in Panama City commenced coming across Fourth of July Avenue at about 9:35 p.m., throwing stones at the home of U.S. District Court Judge Guthrie F. Crowe. The stones broke through the screens and entered the house and were followed by three Molotov cocktails. One fire bomb landed underneath the house, against the wooden latticework, another landed on the front porch, and the third, upstairs inside the house. Despite the continuous hail of rocks thrown by the mob, Judge Crowe and Canal Zone police personnel at the scene succeeded in throwing the Molotov cocktails out of the house and extinguished one burning underneath the house.

Shortly afterward, several more Molotov cocktails were thrown and landed about in the same places as the first. The hail of rocks now was so thick it was extremely dangerous to go anywhere near the fire. Canal Zone firefighters appeared on the scene, but were unable to approach the house due to the continuous shower of rocks. A small Canal Zone police detail, reinforced by a squad of policemen who fired a number of shots into the air and into the ground, dispersed the rioters, who took cover in buildings across Fourth of July Avenue and down "H" Street in Panama City. Canal Zone Fire Division personnel went into action and extinguished the blaze at Judge Crowe's home, where only minor damage was done.

The rioters reappeared at 9:55 p.m. and demonstrated for about 2 hours. They burned automobiles they brought out of Panama, as well as cars that had been parked on the side of the road and in garages of the apartment houses in the vicinity. All these cars were pushed onto Fourth of July Avenue after they had been set on fire.

Sporadic shots were heard, apparently coming from buildings in Panama City near the Canal Zone border. From 12:45 a.m. to 3 a.m., January 10, the Canal Zone police furnished support to the military. After 3 a.m., the Canal Zone police were removed from the border and resumed Zonal police patrols. At no time during the above events did Canal Zone police enter the Republic of Panama.

During the period of attempting to control the Panama mob at various locations, many Canal Zone police officers received injuries, but none were serious.

The Atlantic side of the Isthmus was fairly quiet until 9:05 p.m., Thursday, January 9. When information was received by the Cristobal District Canal Zone police that rioting had broken out in the Balboa District, available personnel were called out and placed at strategic points along the boundary.

At 9:05 p.m. information was received that about 20 Panamanians were proceeding toward the Canal Zone-Panama border at Colon, carrying a Panamanian flag and shouting anti-United States insults. In little more than 15 minutes, the group grew to about 1,500 men, women, and children. They marched down Roosevelt Avenue to the Cristobal Administration Building, where, during the day, the Panama flag flies alongside the U.S. flag on dual flagstaffs. Some of the mob went to the second floor of the building and raised the Panama flag, under the surveillance of a riot squad of police.

During the flag raising, Daniel Delgado Duarte, mayor of Colon, accompanied by several members of the Colon Municipal Council, talked to the crowd and aided in averting violence at that time. Several agitators in the mob tried to incite the crowd, but were restrained.

At 9:30 p.m., the mob removed the Panama flag they had previously placed on the Cristobal Administration Building and started dispersing, many shouting insulting remarks as they passed the Cristobal Police Station. The crowd went back to Roosevelt Avenue and, on the way back to Colon, broke windows in two cars parked on the street and the lower windows of buildings along Steamship Row. The mob broke windows on the 11th Street side of the former Cristobal Commissary building and windows in the Masonic Temple.

National Guard headquarters in Colon was advised that elements of the mob were heading for the U.S. Consulate in Colon, and National Guardsmen were dispatched to that location.

The Colon mob grew in size but was contained by the Colon National Guard until about 10 p.m., when some of the mob broke past and moved up to Balboa Avenue.

Part of the mob moved south on Balboa Avenue into the Canal Zone, breaking windows in the Canal Central Employment Office, License Office, and in the Cristobal Railroad Station. Police held them at that location until troops arrived.

It was reported that windows were being broken at the Cristobal YMCA and that it was being looted. A riot squad of about 10 Canal Zone policemen routed some 50 looters. Four Panamanians arrested inside the building were brought to Cristobal Police Station and charged with participating in a riot. Several policemen were injured by brickbats.

Some Atlantic-side Canal Zone police officers had been injured during the rioting prior to the time the military assumed control.

After the U.S. military assumed command in the Canal Zone, most of the action on the Pacific side of the Isthmus was contained along the Panama-Canal Zone border. On the Atlantic side, the Colon mobs did intense damage. Canal Zone police and U.S. troops were subjected to rock-throwing and other attacks. Persistent sniper fire killed three American soldiers and wounded many others, including civilians.

No Americans were involved, except as victims, in the burning, looting, and other violence in Panama. No Canal Zone police or U.S. troops entered the Republic of Panama. Canal Zone residents remained at their residences and did not participate in, nor provoke, any violence.

Major damage on the Pacific side of the Canal Zone, as of Saturday night, included the following: Tivoli Guest House extensively damaged (persistent sniper fire forced evacuation of Tivoli Guest House Friday night); Ancon School damaged; one flagpole razed at Shaler Triangle, the first Canal Zone site where the Panama flag was raised to fly alongside the U.S. flag; Ancon Laundry damaged; and Canal Zone police booths at Balboa Road, the Limits, and the Ancon Gymnasium destroyed. The fence on Fourth of July Avenue was torn down at numerous places. The Shaler Bus Terminal was wrecked and street light standards on Fourth of July Avenue and Thatcher Ferry Bridge approach were damaged.

In addition, windows were broken in railroad coaches at Panama Railroad Station in Ancon and one coach set afire; all light fixtures on Panama Railroad Station platform were broken, station office records were scattered in the station and on the tracks, shipments in baggage rooms were pilfered, drug shipments were strewn along the tracks, office furniture and files in station office were overturned and scattered, lockers were broken open and vandalized; houses in Gavilan area were stoned; street signs were torn down on President Kennedy Avenue; some outside lights were broken at Gorgas Hospital and ambulances at Gorgas were dented by rocks; and windows were broken in the Sanitation Division's Ancon office.

The major damage in the Cristobal area included: the Cristobal YMCA, which was gutted by fire; the Masonic Temple, which was abandoned to fire; the sanitation office, which was destroyed by fire, and the Cristobal warehouse which was burned. The Panama Canal personnel bureau offices, the driver license examiner's office, and the nurse's office in the former Cristobal commissary building were left a shambles with all glass broken, furniture and typewriters thrown in the street, and papers strewn about the floor. The baggage room, ticket seller's office, dispatcher's office, yardmaster's office, car inspector's office, shop area, and toilet facilities were destroyed by fire and a shelter in the Dock Yard 9 outside fenced area was destroyed by fire. A dozen or more ties in the main line track in Colon and an equivalent number of ties on the ladder track also were burned out. As a result of this damage, railroad trains were unable to operate into the Cristobal pier area.

In Panama, within sight of the Canal Zone boundary, rioting mobs, partly students but with many adults, overturned and burned cars, and burned and damaged a number of buildings in Panama, especially those occupied by U.S. firms.

By taking emergency measures the transit operations of the Panama Canal continued uninterrupted. Thirty-one ships transited on Friday; 26 transited on Saturday, and 34 were scheduled to transit Sunday.

Canal Zone Gov. Robert J. Fleming, Jr., commended the outstanding performance of duty by the police officers and the personnel of the fire division, who loyally and courageously served long hours without relief. He spoke of the maturity displayed by nearly all Panama Canal employees, both United States and Panamanians, who stayed with their jobs and kept ships transiting and other essential supporting operations on schedule. Governor Fleming mentioned what a welcome sight the morning train was when it arrived at Balboa Heights Friday morning, as evidence of the organization's determination to continue on.

Background information on the Panamanian student march to Balboa High School on January 9 is given below:

On December 30, 1963, Governor Fleming issued a press release stating that commencing January 2, 1964, the Panamanian flag would be flown alongside the U.S. flag on civilian land areas in the Canal Zone wherever the latter flag was flown by civilian authorities.

This plan was described as implementing an agreement reached earlier in 1963 between the Government of the United States and the Republic of Panama.

The press release of the Governor was printed both in English and Spanish in local newspapers. It stated that both flags were flying at 11 different sites, including Shaler Plaza (near the Panamanian boundary at Ancon, Canal Zone) and at the Thatcher Ferry Bridge, and that six additional sites had been selected. It was also indicated that the U.S. flag would not be officially flown alone at certain other sites in civilian communities.

Among the places where the flag would no longer fly was outside Balboa High School. Some students, encouraged by their parents, resented the removal of the U.S. flag from their school.

On the morning of Tuesday, January 7, students ignored the Governor's directive and raised the U.S. flag at the flagpole on the lawn of Balboa High School. An hour later, Civil Affairs Director Bernard I. Everson, and High School Principal David A. Speir took down the flag and removed it.

A short time later, Balboa High School students gathered outside the school and massed for a demonstration. Some students raised a smaller flag on the flagpole and it was not removed the second time by school officials.

Students who feared the Panama Canal officials might remove the flagpole stood vigil during the night. The next day, students at several other schools also raised American flags.

The student activity with its controversial aspects was printed in detail. The majority of the Spanish language news media twisted the story to make it appear that the Balboa High School students objected to the flying of the Panama flag.

This was the situation which led to the visit to Balboa of the students from Panama's Instituto Nacional on the afternoon of Thursday, January 9, which, as it later turned out, was the catalyst for the violence which started that night.

SECRETARY VANCE COMMENTS ON ZONE PROBLEMS

(Recent queries to Deputy Secretary of Defense Cyrus R. Vance, and his comments):

Question. Mr. Secretary, we hear reports that a great deal of our trouble down there has been caused by the "ugly American" concept among the American civilians within the zone. How much of the responsibility should be attached to these people, or should any?

Secretary VANCE. I would say by and large, the people in the Canal Zone are a cross section of the American people and much the same as you would find them here. Down there, as here, there are some people who have different views from the others, so that I would say the situation is not too dissimilar from what you would find anywhere.

Question. Mr. Secretary, the stories out of Panama told about how the American high school students possibly provoked all of this by their conduct with respect to the flag. Is it so, did they provoke it that way, and were they wrong in what they did about the flag, and if they were wrong, has any disciplinary action been instituted against them? What is the story about the flag?

Secretary VANCE. The story about the flag is a rather complicated one. In 1963, there were flags flown at a number of locations within the Canal Zone where the United States and the Panamanian flags were flown side by side. It was decided by the Governor after consulting with the citizens, and he believed that he reflected the view of the majority of these citizens, that with respect to the Canal Zone schools he would not fly any flag outside those schools and would fly the American flag inside the schools. This decision went into effect after the Christmas holidays.

At that time students at the Balboa High School raised the American flag at the flagpole outside of the school. It was taken down and the students raised it again. The Governor acting in a fashion which, because of the high emotion involved, he thought would best preserve the peace while he was trying to work this out, permitted the flag to remain flying.

It was at this point that the Panamanian students, some 200 to 250, came into the Canal Zone and were permitted to send a delegation up to the flagpole with their flag, and there was an exchange of words between the students but they did not touch each other. The Panamanian students then went back and joined the balance at the administration building. Following that, the group of Panamanian students threw rocks at the administration building. The police, of whom there were about 10 to 15, moved them to get them out of the Canal Zone. On the way these students threw rocks at the Governor's house, at lightposts, at cars, and none of them were arrested and they were moved on until they got out of the Canal Zone.

GOVERNOR HAILS MAGNIFICENT RECORD: THANKS EMPLOYEES FOR LOYALTY, RESTRAINT, FORBEARANCE, DEDICATION

Fellow Employees:

With so much bad news reaching us these troubled days, it is cheering to have one positive report of good news each day. This good news is that the employees of the Panama Canal are continuing to transit ships expeditiously and safely. A magnificent record of sustained service to shipping is being maintained during this troubled period.

I thank the employees of the Panama Canal for their loyalty, restraint, forbearance, and dedication to duty. The lack of communication with our employees has kept them in a state of confusion and perhaps frustration. Conflicting reports and rumors have created tension and excitement.

My message to employees is this. Don't get excited about what you read in the local papers. English language newspapers printed in Panama are Panamanian papers and in all recent reports have been slanted. News favorable to Panama is highlighted. One of these papers for months has been dedicated to encouraging the controversy between Panama and the United States. And when the chips were down and all of us, Panamanians and Americans alike, needed objective reporting, the other one was not much better.

When you read the local newspapers, keep cool and remember that the items you read are calculated to stir you up and get you excited. Now you may ask about the United States press. The first batch of newspapers from the States really clobbered the Zonians. I have been working with correspondents and I believe the tide is changing. The next few days should bring stories from the United States which will be more objective. It is essential that we get the true story before the American public but it takes time and we couldn't do it during the first few days.

During the time of crisis along the borders, the Panama Canal administration could not publish, print, or disseminate news to its employees directly. It was necessary, and I am sure you know why, that only one voice should speak for the United States. Later the Peace Commission of the Organization of American States requested the Governments of the United States and the Republic of Panama to refrain from discussing the events starting Thursday, January 9, in an effort to improve the climate for resumption of relations. The United States has scrupulously observed this request. Our forbearance will earn us allies in the long term.

I do not need to tell you that the American employee of the Panama Canal has been singled out for special attack by many individuals and much of the press and radio media. I have been telling, and most emphatically, representatives of the press and radio that the American employee was not responsible for what has happened. The current conflict springs from something bigger, more basic, than we Americans in the Canal Zone.

Before the existing crisis is completely resolved an examination will be made of the basic causes of United States-Panama differences. To the extent that I am permitted to do so, I will keep the Panama Canal employee informed of what is going on. You can depend on this.

Panama Canal employees may receive more unwarranted criticism before the true facts are established and the United States public better understands the situation. In the meantime, keep your blood pressure down, ignore unfair and slanted publicity, and continue to do your work to the best of your ability. This will be a major contribution from each of you. Again, I thank you for your loyalty and steadfastness.

ROBERT J. FLEMING, JR.,
Governor.

POLICE COURAGE, RESTRAINT, PRAISED HIGHLY BY JUDGE

JANUARY 13, 1964.

Chief E. S. SHIPLEY,
Police Division,
Box M, Balboa Heights, C.Z.

DEAR CHIEF SHIPLEY: I am writing to express my appreciation for the fine work that was done by the courageous men under the direction of Lieutenant Richards at my home and the courthouse on Thursday night, January 9, when the rioting took place on the border between the Canal Zone and Panama City.

The rioters succeeded in breaking down the storm fence which separated my house and the courthouse from Fourth of July Avenue, and a howling mob of 400 or 500 were storming up the hillside and burning my house when a small group of your men came down and went in the house with me and fought the fire and assisted the fire department in extinguishing it.

At the time the mob was attacking the house, it was impossible to get the firetruck and equipment up to the front because the rioters were shooting and throwing rocks, and your men repelled the mob by opening fire and shooting a few bursts of ammunition over their heads. This permitted the firetruck to operate in the house and all of our personal effects were saved. The men performed with the greatest of courage as they were hopelessly outnumbered and very lightly armed.

I have had many years of experience with police officers, first as commissioner of the Kentucky State Police and later here in the Canal Zone as judge of the district court, and I have never seen men act with more restraint and composure in the face of extremely hazardous duty than the group of men assigned to this area Thursday night. I think you should be extremely proud of them and so should the civil authorities of the Canal Zone. I am forwarding a copy of this letter to the Governor of the Canal Zone and to the Director of Civil Affairs so they may be apprised of the splendid work that you and your men performed.

With kindest personal regards and again expressing my great appreciation, I am,

Yours sincerely,

GUTHRIE F. CROWE,
U.S. District Judge.

TIVOLI BUFFET INTERRUPTED

The traditional calm and dignity that has mantled the Tivoli Guest House from the day it was opened half a century ago was maintained throughout the current unpleasantness, up to and including the evacuation of the guests Friday evening, January 10.

The Thursday night buffet, January 9, was interrupted but the Pergola bar remained open several hours. Guests who had come to the buffet from the Republic of Panama remained overnight. A few members of the Lions Club, whose weekly meeting at the Tivoli had adjourned abruptly, also remained for the night.

Snipers' fire was directed at the Tivoli Friday night, but dinner was served to 60 guests in the darkened Pergola bar in the manner that is associated with the Tivoli's service. All the louver doors were closed and the lights were very dim in the Pergola bar, the only protected area in the hotel's public rooms. Most of the sniper action was directed against the south end of the building, but there was no serious concentration at dinner time. A sufficient staff was at the Tivoli to prepare the meal and serve. The guesthouse was in darkness and the evening's peace was punctuated by sniper's shots, but dinner proceeded as usual.

After dinner the Tivoli Guest House manager announced that evacuation of the guests was to start since the firing against the building had increased. The guests were led through the barbership and out the back door. By 11:30 p.m. Friday evening evacuation of the hotel was completed, without an incident.

Panamanians Helped Many U.S. Neighbors

One of the most discouraging aspects of the distorted news coverage of the first few days was the false reporting of attacks on American families throughout Panama (lynchings in David, etc.) with the connotation that there was a mass uprising against Americans throughout the Republic.

Fortunately for both sides, the reverse was true.

A very few American civilians were attacked by mobs along the boundary line in Colon and Panama City. Such mobs, incited to a frenzy by agitators, and mass communication media, are scarcely representative of their countrymen.

By far the majority of reports from individual families indicate that in the areas in which they reside, their Panamanian neighbors reassured them of their deep friendship and advised them that their Panamanian neighbors would protect them from the mobs.

In assessing the significance of recent events we should wait to pass judgment until the facts are established.

Typical Zonian—Well, He Just Could Be You

What is the typical Zonian like?

The typical Zonian is a U.S. citizen employee of the Panama Canal. He is not a second generation Zonian, but has come from the North Atlantic, Middle Atlantic, or East Central States. He is married and has two children. He has 13 years of education and 16 years' Federal service. Of this service, 13 years have been with the Panama Canal organization.

The typical Zonian is about 45 years of age.

He pays U.S. income tax just like persons working in Washington, D.C., and U.S. citizens in any part of the United States. If he owns property in the United States, he pays property taxes on it in the United States.

The typical Zonian is certainly no less than a typical employee of Uncle Sam anywhere in the States, whether in a naval shipyard on one of the coasts or in any of the Federal facilities scattered throughout the Nation. Some observers have asserted his skills level for his job is markedly higher than that of his counterpart on a similar job in the States.

He has the same normal economic and educational aspirations for his family and himself as any other employee of the U.S. Government.

The typical Zonian, however, has an education problem for his children. And his children recognize that when their schooling is completed, employment opportunities in the Zone are extremely limited. Upon graduation from their schools here, sons and daughters of the average Zonian accept employment in the United States.

The typical Zonian enjoys a relatively high standard of living which was imported into the Canal Zone from continental United States. The employment office recognizes the fact that there would be difficulty in recruiting employees for this area unless prospective employees had assurance of a comparable standard of living. Canal Zone housing is no better and, in many instances, far less adequate than the housing at Cape Kennedy in Florida.

The typical Zonian and his family have shopped in Panama, attended cultural and social functions in Panama, attended the country fairs, and made visits to towns and cities throughout the land. Some of the Zonians have established homes in Panama and when they retired planned to spend the remainder of their lives in the Republic. Others returned to the home areas from which they came.

According to statistics compiled with personal information sheets, only 15½ percent of the U.S. citizen employees are second generation. Many of these employees accompanied their parents to the isthmus at a young age and their parents have since left the isthmus.

Many of the typical Zonians are married to Panamanians. The typical Zonian dances the traditional folk dances of Panama, eats Panamanian food, and can make a pretty good seviche himself.

The typical Zonian is a man (or woman) of many hobbies: Painting, skin diving, fishing, sports, arts and crafts work (with emphasis on Panamanian themes), gardening, rock hounding, stamp collecting, folklore study, and charity or welfare work. In many of these fields, in many instances, he participates with Panamanians individually or in groups.

The Stateside Story of the Canal Zone Crisis

First reports of the Panama crisis were met in the United States with the belief that the incident would fade as quickly as it had flared up.

News reports gave no strong indication that the situation would take on the serious aspects that have brought it into the world spotlight.

The press, generally, gave the impression that this was a trouble spot, not an area where deepening difference would lead to a focus of world attention on the Canal Zone and United States-Panamanian relations.

What was the tone and content of U.S. newspaper and TV coverage of the situation?

It was characterized by a sincere effort at fair and objective reporting combined with an unfortunate lack of accurate information.

In a fast developing situation, pressed by deadlines and competition and working under the handicaps of reporting at top speed with almost no time for background research, the American press did its best to report a complex and fast changing situation.

But these conflicting reports led to some confusion and to the consequent formation of opinions, by American readers:

THE FLAG INCIDENT

There were at least four versions of the incident at Balboa High School. One said the American flag were torn down. Another reported that the Panamanian flag was ripped and spat upon. A third had the American and Panamanian students engaged in serious fighting. A fourth reported the school situation as a tense but calm one that led to later violence. It was difficult at times to conclude exactly what had happened, and why. Persons returning to the United States were interviewed and some of these interviews may have developed information that was not entirely accurate.

THE FIGHTING

There were false reports that Americans were lynched, left hanging from utility poles in the city. The number of persons reported killed and injured varied from a few to nearly a thousand, depending on which newspaper or wire service report was used.

THE BACKGROUND

How United States-Panamanian relations had developed in the past and in the days and weeks before the crisis and what issues are involved was also an area that received inadequate treatment. The reader needed several press reports, pieced together, in order to acquire a clear understanding of the causes underlying the situation.

THE BLAME

Perhaps too soon, commentators and editors began to assess blame on the editorial pages and in broadcasts. To editors, many of whom recalled "some trouble" in 1959, it was clear what the situation was and what action was called for on the part of the United States and Panama. Apparently, these patent solutions are clearer to editorial executives than to officials in the governments involved. Neither the American nor the Panamanian Government, nor any mediation group has found quick and easy remedies to satisfy both sides in this complicated situation.

THE RESULT

Some American press coverage has left some readers with a feeling that the United States has not been minding the store very well in Panama and that it has done little, if anything, for the country and its people.

The man on the street in the United States, with only what he reads and hears to guide him, discusses the Panama situation from a position of unbalanced and sometimes inaccurate information. And from this, he draws his conclusions.

With the growing atmosphere of calm and a restoration of normal channels of information, the press is giving less prominence and space to the situation, but Americans are now getting a clearer idea of what had developed. And, more and more, they are learning why and how it developed.

From this, Americans will be able to draw a meaningful appraisal of the Panama crisis.

Millions Flow From Zone Into Panama's Economy

In dollars, $82,465,000 was paid out from the Canal Zone to Panamanians in salaries, retirement, and disability payments, and through purchases of goods and services during 1962. These figures were submitted in April 1963 by the Embassy of the United States of America to the Ministry of Foreign Relations of the Republic of Panama in response to a request for statistics by the Comptroller General of the Republic. The $82,465,000 paid from the Canal Zone to Panama does not include the Canal Zone annuity of $1,930,000 which the United States pays to Panama.

Salaries to non-U.S. citizens employed in the Canal Zone accounted for $33,025,000 of the $82,465,000. The net payments of salaries to non-U.S. citizens, the report shows, rose from $25,258,000 in 1960 to $29,750,000 in 1961 and then to $33,025,000 in 1962. This figure includes estimated net payments to all non-U.S. citizens employed in the Canal Zone by U.S. agencies, contractors and private organizations such as shipping agents, clubs, churches, oil companies, banks, and employee associations.

Retirement and disability payments by the Panama Canal organization to Panama residents rose from $2,925,000 in 1960 to $3,469,000 at the time of the report.

Direct purchases by U.S. Government agencies in the Republic of Panama totaled $11,781,000 in 1962. Purchases of goods in Panama by U.S. Government agencies brought $10,479,000 into the Republic and purchases of services furnished the Republic of Panama an additional $1,302,000.

Purchases of goods in Panama by private organizations in the Canal Zone added another $4,400,000 to the sums that went into the Republic of Panama from the Canal Zone.

Contractors' purchases in Panama of goods and services for Canal Zone projects increased to $10,668,000 in 1962 from $8,400,000 in 1960.

U.S. citizens employed in the Canal Zone spent $19,155,000 in the Republic of Panama in the period covered by the U.S. Embassy report. Expenditures by the U.S. citizen employees of the Canal Zone showed an increase of $6,165,000 since 1960. The figure for that year totaled $12,990,000. In 1961 the U.S. citizens employed in the Canal Zone spent $15,675,000 in Panama and their purchases increased the following year to $19,155,000.

APPOINTMENT OF CARL T. ROWAN TO SUCCEED EDWARD R. MURROW, A DISAPPOINTMENT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. WAGGONNER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WAGGONNER. Mr. Speaker, I am sure a number of Members on both sides of the aisle and in both Houses, felt the same sickening sense of disappointment I did on learning of the appointment of Carl T. Rowan to succeed Edward R. Murrow as Director of the U.S. Information Agency, the oversea voice and image of the United States.

The post calls for a man of tempered judgment, maturity and, above all else, the ability of being able to represent the United States overseas as exactly what it is, a nation of men and women who hold conflicting views on a thousand subjects and do so without acrimony. Rowan does not have this ability. He is a hater from way back. He is vicious in his contempt for anyone who holds a conservative view; malicious in his repeated attacks upon the South; venomous in his lashings of those who do not associate with his extremist views.

He is intolerant of the opinions of others and has demonstrated so on many occasions. The only segment of the United States he can or will represent abroad is the leftwing side he is on and the image will be a distorted one.

This post deserved a better man than Rowan; one with a more even disposition and a greater sense of impartiality to all the many faces of this great Nation. The Washington Star shares this point of view with me in the following editorial taken from the Sunday, January 26 issue:

ED MURROW'S SUCCESSOR

It is too bad that Edward R. Murrow has resigned as Director of the U.S. Information Agency. This is an important post. If its job is to be done successfully, the man at the top must be endowed with tact, wisdom, and good judgment. If he lacks these qualities, the story of the United States will suffer in the telling.

Ed Murrow had the requisite qualities. Unfortunately, he must now step aside so as to rest and recuperate from his lung cancer operation.

As Mr. Murrow's replacement, President Johnson has picked Carl T. Rowan, a Negro, who has served as Ambassador to Finland and as Deputy Assistant Secretary of State for Public Affairs. We are not at all sure that Mr. Rowan, despite his many talents, is qualified for the job.

In December 1961, he prepared a brash speech for delivery to a Philadelphia audience. In that speech, as released for publication, he paid his respects to Americans who did not agree with our official Congo policy. In this country, he said, "We have a conglomeration of arch conservatives—people who oppose the income tax; avowed defenders of racial segregation; opponents of fluoridation; those who want to destroy the Supreme Court, largely because of its ruling on school segregation," and so on. The inference, we suppose, is that if you were for Moise Tshombe, you were against fluoridation or against the Court. It has been said that the speech was toned down before delivery. But as written, it reflected something less than good judgment.

On January 29, 1963, the Saturday Evening Post published an article by Mr. Rowan. In our opinion, it was notable chiefly for extravagance and intemperance. This is a sample: "I am inclined to think that in our affluent society a rash of phonies and sharpies on school boards and city councils is a far more dangerous sympton of social illness than large numbers of people who openly resist the Court ruling out of ignorance, time-encrusted fear or admitted bigotry." Or this: "Only dishonorable intent, a sleazy contempt for law, and a disregard for justice permit a community to use a pupil-placement law to put two Negroes in a white school and thus cloak policies that cheat 20,000 other colored kids."

Our doubts about Mr. Rowan's qualifications for his new post are not rooted in any thought that he should not hold his own opinions. He has every right to think as he wants to think, and to speak as he wants to speak. He does not sound to us, however, like a man who can be depended on to tell the American story to its best advantage in these complex and difficult days. Mr. Murrow deserves a surer successor.

LEGISLATIVE PROGRAM OF NATIONAL ASSOCIATION OF RETIRED CIVIL EMPLOYEES

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. DULSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. DULSKI. Mr. Speaker, in the early days of the 1st session of the 88th Congress, I introduced legislation to correct existing inequities in the civil service retirement system. In this connection, I wish to bring to the attention of my colleagues the legislative program of the National Association of Retired Civil Employees:

THE 1964 LEGISLATIVE PROGRAM OF THE NATIONAL ASSOCIATION OF RETIRED CIVIL EMPLOYEES

The civil service retirement system was designed and instituted for the benefit of the people of the United States. By making it possible for employees past the prime of life to withdraw from active service, the retirement system permits more frequent injection of new blood into important Government agencies.

The promise of retirement benefits enables the Government to attract and retain the best qualified persons for its varied activities. Providing the necessities of life to previous employees and their dependents permits savings in welfare services and expenditures at Federal, State, and local government levels. Extensions and liberalizations in the retirement system in the past have made it even more responsive to the needs of the people as well as to the needs of the beneficiaries.

The National Association of Retired Civil Employees is dedicated to constant improvements in this retirement system for the benefit of all of our people, including our members, all other beneficiaries of the system, and all citizens who desire a more efficient and competent public service. We believe that there are numerous ways in which additional improvements could be made in the retirement system, and we present the following summary for the careful consideration of all who are interested in a more perfect system.

1. GENERAL DISPARITIES

We find numerous instances of disparities between benefits now received by persons retired at different times with similar service and salary records, and under similar circumstances. For example, annuities starting in 1947, 1952, 1957, and 1962 for persons who retired from the same positions with the same amount of creditable service, are now widely different. The present charge for a survivor annuity for persons retired under different laws varies from 2½ to 25 percent. A more liberal recognition of extra-long service approved in 1960 has not been extended to those who retired earlier. A disability annuity "floor" introduced in 1956 is not retroactive.

We respectfully request that the Post Office and Civil Service Committees of both the Senate and House of Representatives proceed to an early study of all retirement benefits available to employees retiring currently, and compare them with related benefits now received by persons retired at various periods in the past, particularly concerning annuities, survivorship provisions and costs, disability provisions, and health benefits, with a view to developing legislation to correct any disparities that are found to exist. Furthermore, we urge prompt action in enacting legislation found to be desirable to correct such disparities.

2. PROTECTION OF EXISTING BENEFITS

We pledge our efforts to maintain all existing benefits to civil service annuitants, particularly the automatic cost-of-living provision whereby annuity increases are assured in the future whenever the Federal consumer price index advances 3 percent or more.

3. SURVIVOR BENEFITS

Survivor benefits are granted to spouses under the social security retirement system and under the railroad retirement system without any deduction from the annuities of the persons retired. Also, spouses married after retirement may receive survivor annuities under the social security and railroad retirement systems. These benefits are not comparable under the civil service retirement system where the election of a survivor annuity can be made only at the time of retirement and requires the penalty of a reduced annuity. Also the cost of a survivor annuity varies from 2½ to 25 percent of the original annuity, depending upon the period in which retirement occurred. Furthermore, many increases in original annuities are not reflected in survivor annuities, and a recent increase in the percentage of a survivor annuity was not made retroactive. As a result some surviving spouses under the civil service retirement system receive as much as 55 percent of the annuity of the deceased retiree, while others may receive much less than 50 percent of the decedent's annuity at the time of his death.

We recommend legislation providing an annuity to the surviving spouse of each retiree under the civil service retirement system, in the amount of 55 percent of such retiree's annuity at date of death, without charge to the original annuity, provided such spouse was married prior to retirement, or, if after retirement, the marriage had continued at least 3 years; and restoring full annuities to all retirees who are now receiving reduced annuities in order to provide survivor annuities; provided further that no existing annuity or right to receive an annuity is reduced or impaired.

4. HEALTH BENEFITS

Health benefits have been provided for most annuitants, but cannot be extended under existing law to about 12,000 "forgotten widows" of former employees who died before April 1, 1948, because they did not receive their annuities until the approval of Public Law 85–465 in 1958. Health benefits have also been denied to persons retired from particular agencies (such as the Tennessee Valley Authority and Farm Credit Administration) on legal technicalities.

We recommend legislation to extend benefits under the Retired Federal Employees Health Benefits Act to all "forgotten widows" who first received annuities under Public Law 85–465, and to all others receiving annuities based on at least 12 years of service.

5. PRICE-FIXING LAWS

Numerous campaigns are underway to enact legislation to authorize price fixing by manufacturers and distributors of food, medicine, and other products needed by annuitants. Sometimes such legislation is disguised as a scheme for the protection of trademarked brands, patented items or as a "fair trade" proposal, but the real purpose is to enlist the aid of Federal and State courts in forcing retailers to charge us more money for the necessities of life. Our annuity dollars are too precious to be cheapened by legalizing such price-fixing practices.

We urge all annuitants to be alert to laws proposed in our Congress and in our State legislatures which would enable manufacturers and distributors to use our courts to enforce higher prices of food, medicine, and other products necessary for the preservation of life.

6. SOCIAL SECURITY

Many civil service annuitants are also beneficiaries under the social security retirement system, and are interested in social security legislation. We will keep alert to legislative proposals to modify or liberalize social security benefits. At the same time we will honor mandates of numerous conventions and oppose any and all efforts that might have a tendency to combine benefits under the civil service retirement system with those in the social security retirement system.

7. CREDITING LONG SERVICE

Since July 12, 1960, employees who continued in service and made contributions to the retirement fund after they had accumulated enough service to earn the maximum annuity, have received credit for such contributions to purchase additional annuities, thus giving them more than the maximum basic annuity. There are many annuitants who retired before April 1, 1948, with service in excess of 35 years who received no credit for such excess service and contributions. There are many other annuitants who retired before July 12, 1960, who received no credit for contributions beyond the time during which they earned maximum annuities.

We favor an amendment to the retirement laws to require the recomputation of annuities of persons retired before July 12, 1960, who had rendered service and made contributions to the fund after completing the service on which their annuities were based, to bring about annuity increases under a formula of one-half the ratio of such excess service to the service on which their present annuities are based.

8. DISABILITY ANNUITY FLOOR

Disability retirement is a double calamity inflicted by loss of employment forced by loss of capacity to work. This hardship is more humanely recognized in Public Law 84–854, by a disability annuity floor equal to the annuity that could be earned by service to age 60, or 40 percent of the average salary, whichever is less, but this recognition is restricted to persons retired since October 1, 1956.

We favor extension of this annuity floor of the annuity which would have been earned by service to age 60, or 40 percent of the average salary, whichever is less, to annuitants retired prior to October 1, 1956.

9. AVAILABILITY OF RETIREMENT FUND

The retirement fund was established for the purpose of paying benefits under the civil service retirement system, but a provision in Public Law 85–844, approved August 28, 1958, forbids the use of this fund for paying any increase in benefits voted thereafter by Congress. This is an unnecessary restriction and should be removed.

We favor legislation to clarify the fact that the retirement fund was established to pay retirement benefits and to remove any restrictions in such use.

10. POSTAL RATE ADVANTAGES

All labor unions and many other nonprofit associations are enjoying preferential bulk mailing rates under Federal postal laws. Our association headquarters and many of our chapters have been denied this privilege.

We will continue our efforts to obtain postal rate privileges equivalent to those granted labor unions and other nonprofit organizations.

11. GROUP LIFE INSURANCE

Group life insurance retained after retirement is a very important benefit, and should not be subject to the present rapid depreciation in value at the rate of 2 percent per month until only a fourth of the original amount remains.

We will continue to urge legislation to cut the reduction rate of group life insurance to 1 percent per month and halt the reduction when it has reached 50 percent of the original value.

12. REVISION OF FEDERAL INCOME TAX LAWS

We favor reductions in Federal and State income taxes to ease the tax burdens on our members and we will be alert to protest any tax proposals that would discriminate against civil service annuitants.

13. PANAMA CANAL CONSTRUCTION ANNUITIES

Civilian workers recruited for service in the Panama Canal Zone during the period of the construction of the canal were promised that all who remained a full period of 2 years would share in the rewards for such service. A generation later, when annuities were awarded on the basis of such service, those with 2 years but less than 3 years' service were excluded from the benefits.

We support the request of Panama Canal construction workers that Congress now redeem the promise to them by granting annuities to 2-year service persons (about 65 survivors) for the remaining portions of their lives.

14. VETERAN BENEFITS

Civil service annuitants who have had military service should have the same opportunity to qualify for pensions and other veteran benefits as annuitants under any other retirement system. We are distressed to learn of a number of cases where the recent small increases in civil service annuities will rob the recipients of greater amounts in veteran pensions. This is not the fault of retirement laws, but is a consequence of restrictions in veteran benefit laws.

While we do not plan to sponsor any legislation in the field of veteran benefits, we will be alert to legislative proposals advanced by others and we will use every reasonable opportunity to present the viewpoints of our members and other civil service annuitants concerning such proposals.

TO AMEND SOCIAL SECURITY ACT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. St Germain] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ST GERMAIN. Mr. Speaker, the bill I am introducing today amends the Social Security Act by reducing from 72 to 67 the age at which deductions on account of an individual's outside earnings will cease to be made from benefits based on such individual's wage record.

At this time when rising costs adversely affect so many of our older citizens, it seems only fair to lower by 5 years the age at which an individual receiving social security benefits will not be penalized by deductions on account of outside earnings.

My colleagues will remember that I submitted this legislation during the 87th Congress. Unfortunately, favorable action was not taken. With today's reintroduction of this measure, I again stress the need for its prompt enactment. Further delay will only prolong the plight of those senior citizens for whom social security payments and meager outside earnings are not sufficient to afford them a decent standard of living. Many of these older people can and are willing to perform extra work for increased wages. They should not have to forfeit the social security benefits they have paid for in order to do this.

I strongly urge the early passage of this legislation.

PRESIDENT'S FARM MESSAGE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Rosenthal] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, I am impressed by the recognition given the Nation's food buyers in President Johnson's farm message.

As the only member of the House Agriculture Committee representing a district which has no farmers, I have attempted to carry the consumer's views and interests into the determination of food and agriculture policies and programs.

The President's message consistently urges that farm legislation give attention to consumer welfare, and emphasizes the interdependence of the rural and urban sectors of our society.

He calls for use of our food abundance to raise the standard of living for all Americans, and points out that policies to strengthen the economy of rural and urban areas must go hand in hand.

The President looks at improved legislation related to cotton, wheat, dairy products, sugar, and potatoes in terms of consumer and taxpayer as well as producer interests. For example, he suggests that new wheat legislation be of a type that will not increase the price of bread.

These proposals do not downgrade the farmer's role in policy and program determination, nor lessen the need to provide farm families opportunity to share fairly in the national income. Rather, they widen the responsibility for decisionmaking.

President Johnson's farm message is realistic and refreshing, and reflects concern for the growth of the entire economy.

PRESIDENT JOHNSON'S FARM MESSAGE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. Rostenkowski] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, after studying President Johnson's special farm message to Congress, I believe he has demonstrated a realistic understanding of the problems, and the potentials, of agriculture in today's world. His determination to tackle these problems in terms of utilizing abundance rather than encouraging scarcity should be welcomed by both the producers and consumers of food and fiber.

His recommendation for legislation extending food-for-peace authorities will be warmly endorsed across the country.

The use of our food abundance to combat human suffering, to help friendly undeveloped nations improve their living standards, and to lay the basis for future trade has always found firm support among rural and urban citizens.

Our food has perhaps done more than any word or deed to demonstrate the superiority of the free-enterprise system over Communist dictatorship.

Failure to renew the basic legislation which makes food for peace possible would remove one of the most effective weapons in the effort to promote adoption of open societies around the world.

We should follow the President's leadership in this area. His strong endorsement of the Public Law 480 food-for-peace program will be recommended not only in this country but throughout the world where it has meant so much in feeding the hungry and the needy in the underdeveloped countries.

His endorsement also means much to this country since the food-for-peace program has made such wise use of the abundance of American agriculture.

Great percentages of the production of wheat, rice, and other important commodities are used in Public Law 480 and the farmers and those who handle these commodities depend on the Public Law 480 program for part of their income and their well-being.

I hope and trust that the Public Law 480 food-for-peace program will move ahead rapidly and that it will receive again the bipartisan support it has received in the past.

Also reassuring was the President's emphasis on the common interests of rural and urban families. There has, in the past, been too much thinking in terms of the two national economies—one for the country and one for the city. Neither can afford such a division. President Johnson made it clear that "policies to strengthen the economy of rural and urban areas must go hand in hand."

While pointing out the commodity programs are basic to improvement of farm income while maintaining reasonable prices for food buyers, the President did not make them an omnibus answer to the complex questions associated with farming and rural life. His recommendations cover a broad area ranging from new uses for land and more effective utilization of food at home and abroad to marketing and multipurpose conservation projects.

It is a realistic farm message, carrying worthwhile challenges, and its implementation will enrich the whole of our society.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Edmondson (at the request of Mr. Albert), on February 1, 1964, on account of official business.

Mr. Dulski, for Saturday, February 1, to attend launching ceremony of the U.S.S. *Casimir Pulaski* in Groton, Conn.

Mr. Pepper (at the request of Mr. Albert), for today and tomorrow, January 31 and February 1, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Wilson of Indiana (at the request of Mr. Stafford), for 15 minutes, on February 4, to revise and extend his remarks and include extraneous matter.

Mr. Wilson of Indiana (at the request of Mr. Stafford), for 15 minutes on, February 5, to revise and extend his remarks and include extraneous matter.

Mr. Wilson of Indiana (at the request of Mr. Stafford), for 15 minutes, on February 6, to revise and extend his remarks and include extraneous matter.

Mr. Younger (at the request of Mr. Stafford), for 15 minutes, on February 3, to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Hosmer and to include extraneous matter.

Mr. Olson of Minnesota.

Mr. Philbin in two instances and to include extraneous matter.

(The following Members (at the request of Mr. Stafford) and to include extraneous matter:)

Mr. Bob Wilson.

Mr. Pelly.

(The following Members (at the request of Mr. Albert) and to include extraneous matter:)

Mr. St. Onge.

Mr. Abbitt.

Mr. Johnson of Wisconsin.

Mr. Colmer.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 9076. An act to provide for the striking of medals in commemoration of the 200th anniversary of the founding of St. Louis; and

H.J. Res. 875. Joint resolution making supplemental appropriations for the fiscal year ending June 30, 1964, for certain activities of the Department of Health, Education, and Welfare related to mental retardation, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on January 29, 1964, present to the President, for his approval, bills of the House of the following titles:

H.R. 1959. An act to authorize the transportation of privately-owned motor vehicles of Government employees assigned to duty in Alaska, and for other purposes;

H.R. 3368. An act to authorize the Administrator of General Services to convey by quitclaim deed a parcel of land to the Lexington Park Volunteer Fire Department, Inc.;

H.R. 4801. An act to amend subsection 506(d) of the Federal Property and Administrative Services Act of 1949, as amended, regarding certification of facts based upon transferred records; and

H.R. 5377. An act to amend the Civil Service Retirement Act in order to correct an inequity in the application of such act to the Architect of the Capitol and the employees of the Architect of the Capitol, and for other purposes.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 18 minutes p.m.) the House adjourned until tomorrow, Saturday, February 1, 1964, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1597. A letter from the Chairman, U.S. Advisory Commission on Information, transmitting the 19th report of the U.S. Advisory Commission on Information, dated January

1964, pursuant to Public Law 402, 80th Congress (H. Doc. No. 211); to the Committee on Foreign Affairs and ordered to be printed.

1598. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Farm Credit Administration for the fiscal year ended June 30, 1963 (H. Doc. No. 212); to the Committee on Government Operations and ordered to be printed.

1599. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Commodity Credit Corporation, Department of Agriculture, for the fiscal year ended June 30, 1962 (H. Doc. No. 213); to the Committee on Government Operations and ordered to be printed.

1600. A letter from the adjutant general, Veterans of Foreign Wars of the United States, transmitting the proceedings of the 64th National Convention of the Veterans of Foreign Wars of the United States, held in Seattle, Wash., August 25–30, 1963, pursuant to Public Law 249, 77th Congress (H. Doc. 214); to the Committee on Armed Services and ordered to be printed with illustrations.

1601. A letter from the Secretary of Agriculture, transmitting the annual report of the Federal Crop Insurance Corporation, pursuant to the Federal Crop Insurance Act; to the Committee on Agriculture.

1602. A letter from the Assistant Secretary of the Interior, relative to stating that an adequate soil survey and land classification of the lands in the South Gila Valley unit, Yuma Mesa division, Gila project, Arizona, has been completed, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

1603. A letter from the Secretary of the Air Force, transmitting the report of the Secretary of the Air Force on the progress of the flight training program for the period August 1, 1962, to November 30, 1963, pursuant to Public Law 879, 84th Congress; to the Committee on Armed Services.

1604. A letter from the Acting Secretary of the Army, transmitting a report on the progress of the Army Reserve Officers' Training Corps flight training program for the period January 1 to December 31, 1963, pursuant to title 10, United States Code, section 4384; to the Committee on Armed Services.

1605. A letter from the Attorney General, transmitting a report which contains the results of a continuing review of the outstanding voluntary agreements and programs established, pursuant to section 708(e) of the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

1606. A letter from the Chairman, District of Columbia Armory Board, transmitting the 16th Annual Report and Financial Statements of the Board's operation of the District of Columbia National Guard Armory and the 6th Annual Report and Financial Statements of the District of Columbia Stadium for the fiscal year ended June 30, 1963, pursuant to Public Laws 80–605 and 85–300; to the Committee on the District of Columbia.

1607. A letter from the president, Potomac Electric Power Co., transmitting a copy of a balance sheet of Potomac Electric Power Co., as of December 31, 1963, pursuant to title 37, Statutes at Large, section 979; to the Committee on the District of Columbia.

1608. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill to amend the act entitled "An act to regulate the practice of podiatry in the District of Columbia," approved May 23, 1918, as amended; to the Committee on the District of Columbia.

1609. A communication from the President of the United States, transmitting drafts of two bills: (1) "A bill to amend the Fair Labor Standards Act to extend its protection to additional employees, and for other purposes," and (2) "A bill to increase employment by providing a higher penalty rate for overtime work"; to the Committee on Education and Labor.

1610. A letter from the Secretary of Labor, transmitting a report prepared in accordance with section 4(d) of the Fair Labor Standards Act; to the Committee on Education and Labor.

1611. A letter from the Comptroller General of the United States, transmitting a report on overbuying and unnecessary overhaul costs resulting from the failure of the Army to follow the Navy's practice of separating accessories from spare reciprocating aircraft engines; to the Committee on Government Operations.

1612. A letter from the Comptroller General of the United States, transmitting a report on unnecessary costs relating to reassignment of the management responsibility for tool sets from the Department of the Army to the Defense Supply Agency; to the Committee on Government Operations.

1613. A letter from the Administrator, General Services Administration, transmitting the annual report of the Administrator of General Services for the fiscal year ending June 30, 1963; to the Committee on Government Operations.

1614. A letter from the Deputy Administrator, Veterans' Administration, transmitting the Veterans' Administration's report on its activities in the disposal of foreign excess property for the period January 1 to December 31, 1963, pursuant to Public Law 152, 81st Congress; to the Committee on Government Operations.

1615. A letter from the Chairman, Advisory Commission on Intergovernmental Relations, transmitting the Fifth Annual Report of the Advisory Commission on Intergovernmental Relations, pursuant to Public Law 86–380; to the Committee on Government Operations.

1616. A letter from the vice president, the Chesapeake & Potomac Telephone Co., transmitting a statement of receipts and expenditures of the Chesapeake & Potomac Telephone Co. for the year 1963, pursuant to chapter 1628, Acts of Congress 1904, and a comparative general balance sheet; to the Committee on the District of Columbia.

1617. A letter from the Assistant Secretary of the Interior, relative to proposed amendment No. 2 to concession contract No. I–1p–80, as amended, relating to Crater Lake Lodge, Inc., providing facilities and services in Crater Lake National Park, pursuant to 70 Stat. 543; to the Committee on Interior and Insular Affairs.

1618. A letter from the Chairman, U.S. Atomic Energy Commission, transmitting the Annual Report of the U.S. Atomic Energy Commission for 1963, pursuant to the Atomic Energy Act of 1954; to the Joint Committee on Atomic Energy.

1619. A letter from Ice, Miller, Donadio, & Ryan, transmitting the Annual Report of the Board for Fundamental Education for the year 1963, and a copy of the balance sheet as of May 31, 1963, pursuant to Public Law 507, 83d Congress; to the Committee on the Judiciary.

1620. A letter from the Secretary, Department of Health, Education, and Welfare, transmitting a report of all tort claims paid by the Department for the period January 1 to December 31, 1963, pursuant to section 2673 of title 28, United States Code; to the Committee on the Judiciary.

1621. A letter from the Chairman, U.S. Civil Service Commission, transmitting a report relating to positions in grades GS–16, GS–17, and GS–18 of the Classification Act of 1949, as amended, pursuant to Public Law 87–793; to the Committee on Post Office and Civil Service.

1622. A letter from the Assistant Administrator for Legislative Affairs, National Aeronautics and Space Administration, transmitting the report of the National Aeronautics and Space Administration with respect to certain civilian positions established under section 1581, pursuant to section 1582, title 10, United States Code; to the Committee on Post Office and Civil Service.

1623. A letter from the Director, Federal Bureau of Investigation, U.S. Department of Justice, transmitting a report with respect to positions in the Federal Bureau of Investigation in grades 16, 17, and 18 of the general schedule of the Classification Act of 1949, as amended, pursuant to Public Law 854, 84th Congress; to the Committee on Post Office and Civil Service.

1624. A letter from the Administrative Assistant Attorney General, U.S. Department of Justice, relative to appointments to supergrade positions allotted to the Attorney General by Public Law 133, 84th Congress and Public Law 87–793, pursuant to Public Law 854 of the 84th Congress; to the Committee on Post Office and Civil Service.

1625. A letter from the Director, Administrative Office of U.S. Courts, transmitting the annual report relating to GS–17 positions allocated to this agency, pursuant to section 1105a of title 5 of the United States Code; to the Committee on Post Office and Civil Service.

1626. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated November 29, 1963, submitting a report, together with accompanying papers and illustrations, on a survey of Heron Bay, Ala., authorized by the River and Harbor Act, approved May 17, 1950; to the Committee on Public Works.

1627. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated November 27, 1963, submitting a report, together with accompanying papers and an illustration, on a letter report on Little River, N.C. and S.C., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted April 30, 1940; to the Committee on Public Works.

1628. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated November 27, 1963, submitting a report, together with accompanying papers and illustrations, on a review of the reports on the Esopus Creek and tributaries, New York, in full response to a resolution of the Committee on Public Works, U.S. Senate, adopted February 15, 1951; and in partial response to resolutions of the Committee on Public Works, U.S. Senate and House of Representatives, adopted November 14, 1955, and June 13, 1956; to the Committee on Public Works.

1629. A letter from the Administrator, National Aeronautics and Space Administration, relative to a $3.9 million appropriation for fiscal year 1964 to begin construction of a NASA electronics research center to be located in the Greater Boston area; to the Committee on Science and Astronautics.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of January 29, 1964, the following bill was reported on January 30, 1964:

Mr. MADDEN: Committee on Rules. House Resolution 616. Resolution for the consideration of H.R. 7152, a bill to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes; without amendment (Rept. No. 1119). Referred to the House Calendar.

[Submitted Jan. 30, 1964]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAYS: Committee on House Administration. House Resolution 614. Resolution providing for printing additional copies of Senate Report No. 830; without amendment (Rept. No. 1120). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FEIGHAN: Committee on the Judiciary. S. 1488. An act for the relief of Alessandro A. R. Cacace; without amendment (Rept. No. 1121). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H.R. 5306. A bill for the relief of Paul James Branan; without amendment (Rept. No. 1122). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 3264. A bill for the relief of Esterina Ricupero; with amendment (Rept. No. 1123). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. O'HARA of Michigan:

H.R. 9802. A bill to increase employment by providing a higher penalty rate for overtime work; to the Committee on Education and Labor.

By Mr. BARRY:

H.R. 9803. A bill to authorize the Secretary of the Army to acquire the building constructed on the Fort Jay Military Reservation, N.Y., by the Young Men's Christian Association; to the Committee on Armed Services.

By Mr. COLLIER:

H.R. 9804. A bill to amend title II of the Social Security Act to increase the number of years which may be dropped out in computing the benefit of an individual who is forced by a Federal agency to retire at age 60 or earlier; to the Committee on Ways and Means.

H.R. 9805. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for certain expenses incurred by him for his education or the education of his spouse or any of his dependents at a college or university, to the extent that such expenses exceed the personal exemption or exemptions to which he is entitled for the individual or individuals involved; to the Committee on Ways and Means.

By Mr. MARTIN of Massachusetts:

H.R. 9806. A bill to amend title II of the Social Security Act to permit payment of child's insurance benefits after attainment of age 18 in the case of a child attending a college or university; to the Committee on Ways and Means.

By Mr. MILLER of California:

H.R. 9807. A bill to amend the Federal Employees' Compensation Act so as to permit injured employees entitled to receive medical services under such act to utilize the services of optometrists; to the Committee on Education and Labor.

By Mr. RIEHLMAN:

H.R. 9808. A bill to authorize the Federal Trade Commission to require that cigarette packages and cigarette advertisements bear cautionary statements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROBISON:

H.R. 9809. A bill to authorize a 3-year program of grants for construction of veterinary medical education facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROUDEBUSH:

H.R. 9810. A bill to amend title 38, United States Code, to permit, for 1 year, the granting of national service life insurance to certain service-disabled World War II and Korean conflict veterans; to the Committee on Veterans' Affairs.

By Mr. SICKLES:

H.R. 9811. A bill to amend the Vocational Rehabilitation Act to eliminate economic need as an eligibility requirement for vocational rehabilitation services; to the Committee on Education and Labor.

By Mr. TEAGUE of Texas (by request):

H.R. 9812. A bill to provide for the sale and investment of Veterans' Administration mortgages in beneficial interests or participation in such mortgages, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 9813. A bill to authorize the Veterans' Administration to extend aid on account of defects in properties purchased with financing assistance under chapter 37, title 38, United States Code; to the Committee on Veterans' Affairs.

By Mr. TUPPER:

H.R. 9814. A bill to amend the Internal Revenue Code of 1954 to authorize and facilitate the deduction from gross income by teachers of the expenses of education (including certain travel) undertaken by them, and to provide a uniform method of proving entitlement to such deduction; to the Committee on Ways and Means.

H.R. 9815. A bill to amend the act of June 12, 1960, relating to the construction of fishing vessels to extend it for an additional period; to the Committee on Merchant Marine and Fisheries.

By Mr. BOB WILSON:

H.R. 9816. A bill requiring military personnel of the United States to comply with the Constitution of the United States before accepting United Nations medals and service ribbons; to the Committee on Armed Services.

By Mr. ADDABBO:

H.R. 9817. A bill to authorize the payment of night differential to postal field service employees on annual or sick leave who are on regular tours of duty for which night differential is paid; to the Committee on Post Office and Civil Service.

By Mr. HALL:

H.R. 9818. A bill to amend the Internal Revenue Code of 1954 to reduce the tax on long-term capital gains realized by individuals with respect to property condemned by a governmental unit or sold as a result of the threat or imminence of such condemnation; to the Committee on Ways and Means.

By Mr. ST GERMAIN:

H.R. 9819. A bill to amend title II of the Social Security Act to reduce from 72 to 67 the age at which deductions on account of an individual's outside earnings will cease to be made from benefits based on such individual's wage record; to the Committee on Ways and Means.

By Mr. STEED:

H.R. 9820. A bill to authorize a 3-year program of grants for construction of veterinary medical education facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ELLIOTT:

H.R. 9821. A bill to amend title II of the Social Security Act to permit payment of child's insurance benefits after attainment of age 18 in the case of a child attending school; to the Committee on Ways and Means.

By Mr. MULTER:

H.R. 9822. A bill to prohibit banks from engaging in the business of personal property leasing; to the Committee on Banking and Currency.

By Mr. THOMSON of Wisconsin:

H.R. 9823. A bill to amend the Tariff Act of 1930 to impose additional duties on cattle, beef, and veal imported each year in excess of annual quotas; to the Committee on Ways and Means.

By Mr. ROOSEVELT:

H.R. 9824. A bill to amend the Fair Labor Standards Act to extend its protection to additional employees, and for other purposes; to the Committee on Education and Labor.

By Mr. BYRNE of Pennsylvania:

H.J. Res. 908. Joint Resolution to authorize the President to designate Philadelphia, Pa., as the site of a world's fair commemorating the 200th anniversary of the signing of the Declaration of Independence; to the Committee on Foreign Affairs.

By Mr. FINDLEY:

H.J. Res. 909. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. HARSHA:

H. Con. Res. 258. Concurrent resolution relating to Panama Canal sovereignty treaty interpretations; to the Committee on Foreign Affairs.

By Mr. MARTIN of Nebraska:

H. Con. Res. 259. Concurrent resolution relating to Panama Canal sovereignty treaty interpretations; to the Committee on Foreign Affairs.

By Mr. BARRY:

H. Con. Res. 260. Concurrent resolution expressing the sense of the Congress with respect to permitting and encouraging participation by additional free-world countries in the activities of the Inter-American Development Bank; to the Committee on Banking and Currency.

By Mr. SCHWENGEL:

H. Con. Res. 261. Concurrent resolution authorizing the U.S. Capitol Historical Society to sell its publications in the rotunda of the Capitol; to the Committee on House Administration.

By Mr. CHAMBERLAIN:

H. Con. Res. 262. Concurrent resolution relating to Panama Canal sovereignty treaty interpretation; to the Committee on Foreign Affairs.

By Mr. JONES of Alabama:

H. Res. 618. Resolution extending the congratulations of the House upon the successful launching of the Saturn rocket; to the Committee on Science and Astronautics.

By Mr. WILLIS:

H. Res. 619. Resolution to authorize the expenditure of certain funds for the expenses of the Committee on Un-American Activities; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

Mr. MOORE presented a memorial of the House of Delegates of the West Virginia Legislature, memorializing the Congress of the United States of America to undertake a study of the import duties on beef and veal, which was referred to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY:

H.R. 9825. A bill for the relief of Mrs. Vasilike Yakumithis; to the Committee on the Judiciary.

By Mr. BUCKLEY:

H.R. 9826. A bill for the relief of Mohamed Eusaph; to the Committee on the Judiciary.

By Mr. COLLIER (by request):

H.R. 9827. A bill for the relief of Sprydon Kromidas and John Kromidas; to the Committee on the Judiciary.

By Mr. DEROUNIAN:

H.R. 9828. A bill for the relief of Karina Mrosik; to the Committee on the Judiciary.

By Mr. DONOHUE:

H.R. 9829. A bill for the relief of Salvatore (Selvin) Zoppo; to the Committee on the Judiciary.

By Mr. ELLIOTT:

H.R. 9830. A bill to provide for the conveyance of certain mineral interests of the United States in property in Alabama to Fred Odom; to the Committee on Interior and Insular Affairs.

By Mr. FARBSTEIN:

H.R. 9831. A bill for the relief of Mary Ann Whitehead; to the Committee on the Judiciary.

By Mr. LEGGETT:

H.R. 9832. A bill to provide that certain service performed by employees of the Vallejo General Hospital, Vallejo, Calif., shall be considered covered employment for social security purposes; to the Committee on the Judiciary.

By Mr. LIBONATI:

H.R. 9833. A bill granting a renewal of Patent No. D–162,975, relating to a medal of the American Legion; to the Committee on the Judiciary.

H.R. 9834. A bill granting a renewal of Patent No. D–161,955, relating to a plaque of the American Legion; to the Committee on the Judiciary.

By Mr. LONG of Louisiana:

H.R. 9835. A bill for the relief of Mrs. Esther Aboud and her children, Samuel Eliahou, and Rahamin Aboud; to the Committee on the Judiciary.

H.R. 9836. A bill for the relief of Bahira Sutton, Ovadia Sutton, and Ruth Sutton; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 9837. A bill for the relief of Mrs. Mary Ahart; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 9838. A bill for the relief of Oswald E. Dempster; to the Committee on the Judiciary.

By Mr. ROSENTHAL:

H.R. 9839. A bill for the relief of Mrs. Marcelle Bean; to the Committee on the Judiciary.

By Mr. TEAGUE of Texas:

H.R. 9840. A bill for the relief of Bogoljoub Voukovitch; to the Committee on the Judiciary.

By Mr. TUPPER:

H.R. 9841. A bill for the relief of Henrik Daniel Sahakian; to the Committee on the Judiciary.

By Mr. ADDABBO:

H.R. 9842. A bill for the relief of Nikolaos Platipodis; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

673. By the SPEAKER: Petition of Henry Stoner, Avon Park, Fla., asking Congress to authorize republishing House Document No. 398, 69th Congress, 1st session, entitled "Documents Illustrative of the Formation of the Union of the American States"; to the Committee on House Administration.

674. Also, petition of Henry Stoner, Avon Park, Fla., asking Congress to pass legislation to amend title II of the Social Security Act to provide that an individual's entitlement to a child's insurance benefits shall continue after he attains age 18 for so long as he is regularly attending high school or college; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Dr. Franz Michael's Analysis: The Sino-Soviet "Split" Is From the Common Book of Communist Warfare

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, January 31, 1964

Mr. HOSMER. Mr. Speaker, there has been an extraordinary amount of speculation concerning the origins and causes of the Sino-Soviet split, but a great deal of it has taken on a sensational nature. For example, in the last year we have repeatedly heard that the split had become irrevocable, and that nothing the two powers could do would bring them back together again. While it is probably true that relations between China and the Soviet Union will never again be the same as in past years, it would be a grave and dangerous mistake to conclude that for the same reason their goals have also become antagonistic and mutually exclusive.

While Khrushchev boasted at a New Year's reception that the only difference the Soviets had with China was over how to bury the West, not whether to bury it, we seem to indicate that we prefer Khrushchev's strategy. Mr. Speaker, we will not be less defeated if we are taken over by the Khrushchev strategy as opposed to the Maoist variety.

Dr. Franz Michael, professor of Far Eastern history and government at the University of Washington, recently visiting professor at the Institute for Sino-Soviet Studies at George Washington University, and a distinguished expert on Communist affairs, has written in the fall 1963 University of Washington Alumnus one of the most penetrating analyses of the Sino-Soviet struggle which I have ever read. Dr. Michael points out:

> The fact that on given situations the Chinese Communist and Soviet policies do not always agree does not necessarily weaken the effectiveness of the overall Communist effort. In fact, it may make it more formidable.

Dr. Michael then clearly states his basic view:

> In my view, we face then not conflicting policies of rival totalitarian states, but the much more complex interrelationships of different strategies of attack all taken from the common book of Communist warfare. If the Communist attack is to become more sweeping, our defense must be equally broad.

I commend this outstanding analysis to my colleagues.

President John F. Kennedy

EXTENSION OF REMARKS
OF
HON. ALEC G. OLSON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, January 31, 1964

Mr. OLSON of Minnesota. Mr. Speaker, John F. Kennedy as a young man turned away from other careers and chose one of public service. In this career he attained excellence. His hope was peace and toward this end he selflessly devoted his fine intellect, his vast energies—in a word, his life. An assassin's bullet snuffed out this young life and shocked and saddened the world. That this sorrow was universally shared without regard to political philosophy, national origin, or creed is the best measure of the reality he was able to give his hope for peace in the few years permitted him.

The tragic events of November 22 will be written indelibly into our history books. Beyond this, I hope, will be preserved the memory of his example as a son, as a husband, as a father, and as a public servant.

It was my privilege to know him and my honor to serve under him.

Acceptance of U.N. Medals by the Military

EXTENSION OF REMARKS
OF
HON. BOB WILSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, January 31, 1964

Mr. BOB WILSON. Mr. Speaker, I rise to make brief remarks concerning a House joint resolution introduced by my colleague, the gentleman from California [Mr. UTT]. It provides that the military conform to the U.S. Constitution which requires that military personnel have congressional consent before accepting medals from the United Nations. President Johnson, by Executive order, has reversed the traditional constitutional review of foreign military honors. This is another step away from preserving the identity and national pride of our U.S. forces. It is simply deemphasizing patriotism in exchange for some vague honor conferred by a world group.

The Constitution says:

> No title of nobility shall be granted by the United States: And no person holding any office of profit or trust under them, shall, without the consent of the Congress, accept of any present, emolument, office, or title, of any kind whatever, from any king, prince, or foreign state.

In my opinion, the President's recent Executive order is unlawful, and the Congress must protect its rights in this matter.

Medical Care for the Aged

EXTENSION OF REMARKS

OF

HON. WILLIAM L. ST. ONGE

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1964

Mr. ST. ONGE. Mr. Speaker, under leave to extend my remarks, I wish to insert into the RECORD the text of a statement I am submitting today to the House Ways and Means Committee in connection with its current hearings on medical aid for the aged. The statement reads as follows:

STATEMENT BY REPRESENTATIVE WILLIAM L. ST. ONGE, OF CONNECTICUT, BEFORE THE HOUSE COMMITTEE ON WAYS AND MEANS

Mr. Chairman and members of the committee, I appreciate the opportunity to present my views on the proposal to provide medical care for our elderly citizens under the social security system.

The problem of providing medical care for the aged is one of major national importance. This problem is not going to get smaller but will increase with each year as the number of our aged citizens increases. The solution of this problem cannot be delayed much longer. It is one that requires top priority attention, and it is right here in this committee and in the Congress where the full responsibility rests for solving this problem.

To me, it is inconceivable that we should continue to ignore the hardships encountered by the elderly people of this country because of their inability to pay for adequate medical care in their declining years. We hear a great deal in recent days about plans for a war on poverty, and I want to commend President Johnson and his administration for initiating steps to eradicate poverty from our midst. A good place to begin is with our senior citizens, since it is estimated that about 8 million people over the age of 65—or about half of our aged population in this category—live in abject poverty.

The average per capita income of those over 65 is estimated at about $1,000 per year, or about $20 per week. If we take into consideration the huge increases in medical costs, hospitalization, group hospitalization premiums, and similar expenses, which have in some instances almost doubled in the past decade, it is impossible to understand how these people manage to get along. With the high cost of food, rent, and other necessities, they probably have no other alternative but to deny themselves the necessary medical care.

According to statistics issued by the Department of Health, Education, and Welfare the number of persons receiving monthly benefits under the social security system at the end of 1962 was 18.1 million. This total was comprised as follows: 12.7 million were retired workers and their dependents; 4.1 million were survivors of deceased workers; and 1.3 million were disabled workers and their dependents. In recent years the average annual increase in the number of beneficiaries in all groups is about 1.5 million, so that by now we have about 19.5 million people receiving social security benefits.

In my own State of Connecticut a total of 257,154 persons were beneficiaries under the social security system at the end of 1962. In the four counties comprising the Second Congressional District, which I have the honor to represent, the number of social security beneficiaries was as follows: New London, 16,626; Middlesex, 8,901; Windham, 8,433; Tolland, 5,221. The total for my district was 39,181. This is approximately 10 percent of the population of the district.

The problem of the aged is often described as a human problem. President Johnson spoke of it in such terms when he renewed his request for a program of medical care for aged under social security in his state of the Union address at the opening of the current session of Congress. Today it is generally agreed that the aged become ill more often, that they are sick for longer periods of time, that they require more institutional care, and that they possess less resources to meet the cost of medical care.

Of all the plans and proposals advanced so far, the King-Anderson bill supported previously by President Kennedy and now by President Johnson seems to make the most sense and comes closest to a solution of the problem. The King-Anderson proposal would be financed from a separate health insurance trust fund by an increase of one-fourth of 1 percent in the social security tax on both workers and employers. It would provide the following benefits: 45 days hospital care with no cost to the patient, or 90 days hospital care with a maximum deduction of $90, or 180 days hospital care with certain deductions; nursing home care up to 180 days; outpatient hospital diagnostic services; and home health services, including nursing care and therapy, up to 240 visits during the year. It should be noted that this bill does not provide for payment of doctors' bills.

Thus, the King-Anderson proposal would provide primarily hospitalization or institutional care and, as such, is actually a limited medical care program. I believe that this is the least we can do for our elderly people. Under this plan, they would have the health care needed to live in the twilight of life with dignity and self-respect. They do not want to be on relief, nor are they interested in living on a Government dole. Old-age assistance and similar welfare programs are not the solution to this problem, nor is the Kerr-Mills program which to date has been accepted by only about half of the States and where only about 7 out of every 1,000 persons in the country are receiving any assistance.

The difference between these welfare programs and the King-Anderson proposal for hospital care for the aged may be summed up as follows: The welfare programs would deal with the problem of poverty after it has occurred, while the King-Anderson medicare plan would establish a system of social insurance to prevent poverty among the aged. In view of our efforts to combat poverty in the Nation, there is no doubt as to which of these proposals or ways of approach is more desirable.

Mr. Chairman, in the King-Anderson proposal we have a self-paying plan not only to provide medical care for our aged citizens, but also the opportunity to help prevent and forestall poverty in this age group as brought on by health costs. Let us extend this medical care to those who have earned their retirement after a lifetime of labor, so that they may have the opportunity to spend their declining years in good health, fewer medical bills, less worries, and most of all the reassuring feeling that they are not forgotten nor ignored.

For these reasons, I appeal to the members of this committee to deal effectively with this problem and to take early and favorable action on the King-Anderson proposal to provide medical care for our elderly citizens.

Dollar Gap Must Be Closed

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1964

Mr. PHILBIN. Mr. Speaker, from time to time I have commented on various phases of the dollar gap problem.

Since I regard this problem as being of special urgency to the financial stability of this country and the free world, I am pleased to note the recent, moderate improvement in international dollar balances.

Perhaps it would be too much to hope for that the gold outflow can be stopped entirely during this year, since the basic cause—excess dollars in foreign hands—is with us, and is likely to remain with us for some time to come.

We should not look complacently upon the fact that the U.S. Treasury's monetary gold stock dropped $465 million in 1963 to $15.5 billion, roughly what it was when World War II started in 1939. This can be measured off against U.S. peak reserves of about $24.8 billion in August 1949.

In the interim, other nations rebuilding their own reserves with our help, in some cases from our continuing deficit in the balance of payments, have brought our gold reserve down to a figure which is certainly grounds for grave apprehension.

Whether it is international, cooperative methods and measures of attacking the problem, substantial amounts of new gold mined outside of the Communist bloc, purchase of grain surpluses by the Soviet, or the collapse of speculative onslaughts against the dollar, or other factors our international balances are somewhat better.

Our monetary reserves are made up of a combination of gold and the currencies of other nations. European countries like to keep most of their reserves in gold.

American citizens cannot turn in their dollars for gold, but central banks of other nations can use dollars to buy gold from the U.S. Treasury.

It is significant that at the end of 1963 Great Britain's gold holdings were about 92 percent of total reserves of $2.6 billion. West Germany's gold holdings late in the year were $3.8 billion. France was the leading purchaser of U.S. gold in 1963 and built its stock to more than $3 billion. Switzerland's gold stock is about 93 percent of its total reserves.

Gold holdings of all the non-Communist nations, save the United States, are now around $24 billion. So the $15.5 billion U.S. Treasury stock is considered by many in financial circles as a favorable percentage, about the same ratio as before World War II shook international monetary balances.

The problem is now to keep the outflow and inflow of U.S. dollars in better balance so that any further gold drain is stopped, or at least held to modest amounts.

This may be difficult for us to do, even though it must be done, if we are to avoid economic peril.

We must keep it in mind that import-export balances are the principal determining factor of the gold level. To the extent that our balance has been affected by foreign aid and expenditures for military and security purposes overseas, our balances are vulnerable, unless we preserve import-export ratios and effectively prevent cheap imports from swamping our economy. Reductions in foreign aid and our military expenditures abroad could greatly improve our international monetary balances and do much to close the dollar gap.

I realize that this and related problems are not for the determination of politicians, but rather for the monetary experts, but it is the obvious duty of Members of Congress to keep ourselves well informed in this field where awkward or unsound financial policies might continue to combine with unrealistic political policies to forestall the solution of the dollar-gap problem, or even cause it to become worse and more threatening than it is.

I hope the administration will continue to move very vigorously across the broadest possible front, and with reference to all, not just some, of the factors involved in accentuating the dollar gap, so that we can make further progress toward eliminating the substantial drop in our gold reserves that has occasioned a great deal of concern among informed, financial leaders and served to increase the magnitude and seriousness of our foreign affairs as well as our own challenging domestic economic problems.

I am glad also to note that several well-informed press commentators, like Sam Dawson, are giving the American public the benefit of their information and views, and I think this is extremely helpful to our thinking on the problem and to all those interested in finding satisfactory answers.

President Recognizes the Importance of Dairy Farmers and Cooperatives

EXTENSION OF REMARKS

OF

HON. LESTER R. JOHNSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1964

Mr. JOHNSON of Wisconsin. Mr. Speaker, I have read with a great deal of interest the President's message on agriculture, and I am pleased and encouraged by his thorough and working knowledge of the complex and many-sided problems of our farmers. His message does not simply look at the farmer on the farm. It outlines the important role which is played by our farmers in city life and world affairs.

No man is an island unto himself, and in today's complex world, no farmer is a producer of food and fiber just for his own family. As the President pointed out, one American farmer today provides 25 domestic consumers and 4 people overseas with their total food and fiber needs. He also noted an important but frequently overlooked fact—that prosperity on the farm gives impetus to prosperity in the city.

As a Representative of a dairy district in the great dairy State of Wisconsin, and as chairman of the House Dairy Subcommittee, I was particularly pleased that the President stressed the need for comprehensive dairy legislation and included dairy products among the five commodities requiring immediate attention. Specifically, he recommended legislation to first, provide incentive payments to dairy farmers to reduce surplus production and; second, permit producers in Federal milk marketing order areas, through a base excess plan, to reduce their production of milk without reducing their share of the class I market.

Mr. Speaker, both of these provisions are contained in the dairy bill which I introduced in the House during the 1st session of the current Congress. Hearings on this measure have already been held by the House Dairy Subcommittee, but no action has been taken.

My measure authorizes a 2-year program of direct payments to producers outside Federal milk marketing orders who voluntarily agree not to expand their production beyond that of the base year, or a percentage of the base year. Direct payments would be made on their marketings at a rate not to exceed 50 cents per hundred pounds of milk or milk equivalent. The bill retains the present floor of 75 percent of parity for dairy price supports.

In milk marketing order areas, the proposed legislation provides for producer allotments based on the market requirements in the highest use classification, plus essential reserves. Instead of receiving a uniform blend price, producers would get a higher return on milk covered by allotments and a lower price for milk in excess of allotments. The bill also includes payments for surplus reduction.

Mr. Speaker, the House Agriculture Committee currently has before it a Senate-passed dairy bill which is restricted to Federal milk markets. Well over 600,000 farmers sell their milk outside Federal order areas, as compared with 187,000 producers operating under the Federal milk orders. I have made no secret of my opposition to the Senate bill, for I do not believe the benefits of a dairy program should be confined to the minority of our dairymen who, because of a lucky geographical accident, are already benefiting from the higher price provision of Federal milk marketing orders.

I am hopeful that President Johnson's dairy recommendations will be of help to those of us in Congress who are working for a comprehensive dairy program for both manufacturing milk and Federal market order dairymen. The Senate-approved class I base excess dairy plan could easily be changed into an overall dairy program by adding my provisions for surplus reduction payments for manufacturing milk producers.

Mr. Speaker, I would also like to call the attention of my colleagues to the President's views on the necessity for strengthening our cooperatives to enable them to better meet the needs of our rural people.

Our cooperatives have done a magnificent job not only for farmers, but for consumers as well. However, they need to have the right to grow so they can compete on equal terms with the large business concerns that handle their products.

The President recognizes this. He is not asking for special treatment for cooperatives but for equal treatment. The President also recognizes that farmers need additional financial assistance to develop the kinds of cooperatives required to meet present-day needs. A little help along this line will enable farmers to do more things for themselves.

Mr. Speaker, the President's proposals strike me as being in the public interest. If we are going to help farmers improve their economic position, we can best do it by helping them strengthen their cooperatives.

I would like to emphasize that cooperatives are the one means by which farmers can help improve their own position. I have observed that the benefits of cooperatives go immediately and directly to those who use them. In fact, I know of no more effective way to assist farmers in working out solutions to their own problems than to provide them with the tools that are available through stronger and more effective cooperatives.

Over the years, cooperatives have demonstrated that they can greatly improve the economic and social conditions of farm people. However, to make their influence better felt in rural areas, they need just the type of assistance called for in the President's message.

Jefferson County (W. Va.) Jaycees Applaud Spirited Message of Hon. Daniel B. Brewster at Distinguished Service Award Dinner—Marvin A. Brooks Honored

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, January 31, 1964

Mr. RANDOLPH. Mr. President, on January 29, 1964, the Jefferson County, W. Va., Jaycees sponsored their 11th annual Distinguished Service Award dinner at the Citizens Fire Co., Charles Town. This important event was attended by local representatives of the chamber of commerce, Lions, Ruritan, Kiwanis, and other organizations.

Each year, a young man from Jefferson County is selected on the basis of his contributions to the well-being of the county and its citizens. The recipient of this year's award was Marvin A. Brooks, who was chosen by an impartial panel of businessmen because of his tireless efforts in a number of worthwhile civic projects.

Principal speaker was the junior Senator from Maryland, DANIEL B. BREWSTER, who brought a challenging message on the problems and progress of our Nation. To an attentive audience of approximately 200, Senator BREWSTER declared that although the economy is booming at present, "it must expand at an even faster pace."

He further emphasized:

> We cannot afford to rest on our laurels and smugly contemplate what has been accomplished. America is on the move, but we must keep her moving. We must step up the pace of our march toward maximum possible employment, and maximum use of our productivity and purchasing power within a free, competitive economic framework.

Harold Kisner, past president of the Jaycees, acted as toastmaster. The Reverend Richard E. Neal, pastor of the St. Thomas Lutheran Church, gave the invocation. A welcome was offered by Paige W. Jenkins, Jaycee president. The Distinguished Service Award for 1963 was presented by Roger R. Ramey, last year's winner.

Senator BREWSTER was introduced by Norman E. Kisner, program chairman, and a past vice president of the West Virginia State Jaycee organization.

I ask unanimous consent that the address of Senator DANIEL B. BREWSTER be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AMERICA ON THE MARCH—REMARKS OF DANIEL B. BREWSTER, U.S. SENATOR FROM MARYLAND, AT THE 11TH ANNUAL DISTINGUISHED SERVICE AWARD DINNER OF THE JEFFERSON COUNTY (W. VA.) JAYCEES, WEDNESDAY, JANUARY 29, 1964, IN CHARLES TOWN, W. VA.

Mr. Toastmaster, Reverend Neal, other distinguished guests, ladies and gentlemen, it is a great privilege for me to join you tonight in paying tribute to Marvin Brooks, winner of this year's Distinguished Service Award.

Maryland and West Virginia share many interests and face many of the same problems, particularly in those areas of our States which are part of Appalachia. Your Senators and Maryland's have worked for increased employment; we have recognized the need for a great Highland Scenic Highway which would create new recreational possibilities; we have supported manpower retraining and depressed areas legislation; we know that our States together can see a new day when the significant potentials of our respective mountain communities are again utilized.

West Virginia is fortunate to be represented in the Senate by men like JENNINGS RANDOLPH and BOB BYRD, and in the House by your own Congressman HARLEY O. STAGGERS. I am privileged to serve with JENNINGS RANDOLPH on the Senate Public Works and Post Office and Civil Service Committees. I can assure you that West Virginia's interests are ably represented on these committees.

Maryland's congressional delegation is indebted to Congressman STAGGERS and your two Senators for their assistance in our joint effort to have the Air Force renegotiate its rental contract for the Government-owned portion of the Fairchild Stratos plant in Hagerstown, Md. The new formula will enable the Fairchild Co. to continue production of the F-27 aircraft in Hagerstown. This will certainly provide additional employment opportunities for both Marylanders and West Virginians.

Turning now to the national picture, let me present you this report.

Our country is the most powerful Nation in the history of the world—but our place in the forefront of the farflung fight against international communism requires that we increase our strength—and that we use that strength wisely.

In President Johnson's words, "We must be strong enough to win a war and wise enough to prevent one. We shall neither act as aggressors nor tolerate acts of aggression. We intend to bury no one—and we do not intend to be buried."

Here at home the picture is bright. Our economy is booming—setting new records—reaching new heights every day, but it must expand at an even faster pace.

Slightly over 3 years ago a forceful, intense young man from the industrial east traveled back and forth across this country urging citizens from all walks of life to join him in an effort to get America moving again. Our people listened and they went to work. The results of their efforts have been phenomenal. Since early in 1961 we have added $100 billion to our gross national product which now stands at an alltime record of almost $600 billion. This growth rate is unparalleled in our Nation's economic history.

Today, a tall, somewhat older, but equally forceful Texan from our Nation's flourishing Southwest stands where the intense young man stood a little over 3 years ago. He has said to you and me and our fellow citizens that we cannot afford to rest on our laurels and smugly contemplate what has been accomplished. America is on the move, but we must keep her moving. We must step up the pace of our march toward maximum possible employment, and maximum use of our productivity and purchasing power within a free competitive economic framework.

The first 3 years of this decade, which has been referred to as the "golden sixties," have been marked by convincing performance in our Nation's economic expansion. The years ahead hold even greater promise.

Figures released by the National Planning Association show that by 1970 we can expect to see:

1. A total gross national product of $750 billion.

2. Industrial production two-thirds higher than 1959—the peak year of the 1950's.

3. A population increase of 25 million to around 210 million people.

4. Total employment of over 80 million—an increase of 10 million jobs.

Today slightly more than 70 million Americans are gainfully employed—an alltime high in our history, but this figure is not high enough because almost 6 percent of our total labor force is still unemployed. This means that almost 4 million wage earners are without gainful employment and are therefore unable to provide for their dependants.

All of us are aware of the tremendous burden which this places on the individuals involved, but we must not be unmindful of the burden which this situation places on our society as a whole. In terms of lost manhours the effect of this unemployment is equivalent to completely shutting down our Nation's entire productive capacity for a period of over 3 weeks. In the decade ahead over 26 million young workers will enter the labor market. At the same time, while our labor market is being called on to absorb these new workers, automation and improved manufacturing techniques will constantly reduce our requirements for production workers.

The logical answer to this paradox is an acceleration in our economic growth rate through additional incentive for private investment in the form of wider markets and larger benefits and increased participation in world markets.

The European Common Market is a firm and vital reality. It presents us with a tremendous economic challenge. This new world economic force can either be our fiercest competitor or it can be our best customer. The choice is largely up to us.

To meet this challenge, our industry must become increasingly more efficient. We must constantly reexamine the roles of business, labor and Government in our economy. We must not fear new developments; we cannot be preoccupied with job security; we cannot blindly adhere to the programs and practices of the past in either management, or in labor, or in Government.

Increased automation need not necessarily be a curse, but the effects of its application must be carefully studied. To this end the President has proposed the establishment of a high-level commission to determine how we can best gain the benefits of automation, while at the same time minimize its human costs.

We must continue our efforts to eliminate waste and uneconomical duplication wherever it is found. The Federal Government, as our Nation's largest employer, must take the lead in eliminating wasteful practices. We cannot inveigh against the practice of featherbedding in industry unless we eliminate featherbedding in Government.

All of us applaud President Johnson's determination to get a dollar's value for a dollar spent.

This can be accomplished without curtailing any of the essential services which our people must have. In the President's own words, "There is no inconsistency in being prudent and frugal and in being sensitive and sympathetic to the unfilled needs of the people."

For example, in his state of the Union message the President made particular mention of the acute problems faced by the people of Appalachia. Nowhere in your State or mine do we find conditions which parallel the dismal poverty which exists in the mountain areas of eastern Kentucky, but we do find conditions in our States which must be eradicated. I know that your Senators join me in support of the President's determination to institute forceful steps to revitalize the economic life of the Appalachian region.

The President has outlined a bold program to enable us to achieve the goal of matching our potential with our performance. The keystone of this multifaceted program is the proposed $11½ billion tax cut now pending in Congress. I confidently predict passage of this vital measure within the next few days.

Passage of this measure will provide an immediate stimulus to our economy.

When the full effect of this tax cut is felt in 1965, it will result in the diversion of over $11 billion annually into the channels of private enterprise. The expected increased purchasing by consumers and the accompanying increase in new plant investment by businessmen will increase the benefits many times over.

It will add between $35 and $45 billion to our annual gross national product. It will make possible from $25 to $30 billion annually in consumer purchases. It will add between $5 to $7 billion in profits for our Nation's businessmen.

These gains coupled with concurrent economies and reduction in Federal expenditures can lead us at long last to that illusive goal of a balanced budget and a full economy.

People often say to me, what would happen to us if suddenly world tensions eased to the point where we could drastically cut our tremendous defense related expenditures. They direly predict that our economy would collapse.

To these men of little faith, I say, give us the opportunity to show what we can do, if we are ever fortunate enough to live in a world at peace.

We need have no fear of a truly peacetime economy. Drastic cuts in military spending could and would be replaced by tremendously increased demands for consumer goods and services and we would then be in a position to fill our Nation's great unmet needs—for decent housing—better education—modern transportation networks—improved health care for our citizens—conservation of our water and other natural resources—and increased recreational opportunities for our people.

Now, as never before in our history, America is on the march—moving with quickening pace toward a better and fuller life for all our people—hopefully in a world which is freer from tensions and the specter of manmade holocaust.

Our job—yours and mine—is to keep that momentum up—to convert our frustrations and anger, over conditions of poverty and all other attacks on human dignity, into action. We must be unwilling to accept half a loaf or second best in any of our national endeavors.

Our President has issued a challenge to the Congress and to our people. He has challenged the Congress to meet its obligations by working to its full capacity. He has challenged our people to recognize and live up to their full potential. I am confident that the Congress and the American people will meet his challenge.

Resolution Adopted Pledging Opposition to Civil Rights Proposal

EXTENSION OF REMARKS

OF

HON. WILLIAM M. COLMER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1964

Mr. COLMER. Mr. Speaker, on yesterday, January 30, some 60 Members of the House from all of the Southern States caucused and discussed strategy in opposition to the extremely obnoxious miscalled civil rights bill now pending in this body.

The caucus, over which I had the high honor to preside, unanimously adopted, at the conclusion of the meeting, a resolution pledging themselves to oppose this iniquitous, sinister, and unconstitutional proposal.

I might add, Mr. Speaker, that not only the Members present, but many other Members, not only from the South but other sections of the country as well, have indicated that they, too, will oppose this assault upon the Constitution of the United States under the misleading title of civil rights.

Mr. Speaker, the resolution is as follows:

Whereas the House of Representatives will be called upon in the next few days to consider the mislabeled civil rights bill; and

Whereas this proposed legislation is extremely obnoxious to an overwhelming majority of the constituents whom we are charged with the responsibility of representing here in the Congress, as well as to millions of other freedom-loving citizens of other sections of our common country; and

Whereas it is our considered judgment that the bill, H.R. 7152, is not only an invasion of the rights, privileges, and responsibilities of the several States of the Union, but in fact is a violation of the Constitution itself; and

Whereas this proposed legislation is not in the best interests of those citizens whom the proponents profess to assist thereby; and

Whereas the threat of further demonstrations unless this bill is passed amounts to blackmail of the Congress; and

Whereas the bill would grant powers in this area to the executive department of the Government and particularly the Attorney General which have heretofore never been even seriously considered by the Congress; and

Whereas the proposed bill constitutes a dragnet embracing seven distinct bills which the Congress has repeatedly refused to enact; and

Whereas an ingenious attempt has been made by the proponents to mislead the Congress and the country by designating this as a moderate or watered down bill when in fact it is neither moderate nor watered down, and the Congress is being asked to legislate by labels; and

Whereas this bill, like a loaded pistol, may be aimed at our particular section of the country, we call attention to the fact that because of the broad powers it both specifies and delegates to the various Federal bureaucracies, it adversely affects the rights, liberties and privileges of the people of all other sections of the United States in that every citizen of the United States whether he be laborer, banker, farmer, innkeeper or merchant is caught in the tentacles of regimentation by the provisions of this proposal:

Therefore we, Members of the House of Representatives, in caucus assembled, conscious of our oath to uphold the Constitution of the United States, who have the honor to oppose this most reprehensible assault upon the Constitution of the United States, and who believe in the rights and privileges of the majority as well as the minority of our citizens, hereby renew with determined vigor our pledge to our constituents and all freedom-loving Americans to oppose this iniquitous, sinister, and unconstitutional proposal; and

We further invite and urge every Member of like mind, regardless of party affiliation, in the House of Representatives, and in the Senate where the rules of procedure are more flexible, to join with us to this end.

Annual Nelson Football Award

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1964

Mr. PHILBIN. Mr. Speaker, the annual Nelson Football Award was conferred on Saturday, January 4, 1964, at Boston upon Bob Cappadona, a fine young football player of Northeastern University, for his "sportsmanship and extraordinary loyal school spirit and teamwork."

The Nelson Award is one of the most cherished awards of its kind in American sports. It is given annually by the Gridiron Club at Boston in honor of my very dear friend, Mr. N. V. "Swede" Nelson, famous Harvard football star, sports figure, raconteur par excellence and distinguished business, civic, and humanitarian leader.

The award is predicated on sportsmanship and leadership—qualities so conspicuously demonstrated by Swede Nelson in his own life and career. It is wisely designed to select boys who have made contributions over and above the purely athletic or competitive phases of college athletics, exemplifying high traits of character, dedication and altruistic performance.

Throughout the years, the recipients of this celebrated award have been boys who have reflected exceptional credit upon themselves, their families, their respective colleges, and the thrilling American game of intercollegiate football.

Without exception, all the boys selected for this enviable honor have been most worthy of the award by reason of their high-minded qualities, honorable, competitive standards and willingness to go out of their way to act unselfishly in terms of considering and helping others. This years selection of Bob Cappadona is in its very best tradition.

It has been said that when the good Lord created the great Swede Nelson that he destroyed the mold, and that is very true. This celebrated American combines natural, competitive, athletic instincts and excellence of achievement with the adorning virtues of unexcelled patriotism and lofty civic spirit. His inspiring loyalty to American institutions, unselfish zeal for serving the people, young and old alike, and his gracious zeal in giving so very much of himself to the worthy tasks of encouraging and assisting the young generation, and advancing so many good human causes, mark Swede Nelson as one of the most dedicated leaders and sports figures of our times. Legions of people gratefully laud his outstanding contributions to our youth and to the building of high-minded, loyal, and informed citizenship.

It is most appropriate that our American youth should have Swede Nelson's high example before them as a source of stimulation, encouragement, and purpose to give their best to everything they undertake, to work and serve without the consuming, all-prevading thought of self, and with that broader interest in others, in the human problems of our society and in the preservation of its precious values.

It is a great honor and pleasure for me to extend my heartiest congratulations and best wishes for the future to this fine young man, Bob Cappadona, who has so worthily achieved this year's Nelson Award, and also to congratulate his proud family, the famous Gridiron Club of Boston, Mass., which made this award possible, and my dear, esteemed, valued friend, the inimitable Swede Nelson, his charming wife and devoted family.

May this dedicated, vital, warmhearted American, Nils V. "Swede"

Nelson, continue for many years to come to labor unselfishly in the vineyards of democracy, to radiate the warming charm and graces of his bouyant spirit to the people, and to set high example and inspiration for Americans of every age, class and station as we firmly pledge anew our faith in God and country and strive to make this great free land better and stronger for ourselves and those who come after us.

True Aim of Quality Stabilization

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1964

Mr. PELLY. Mr. Speaker, for months a virtual Niagara of misleading statements has been pouring from the propaganda mills of special interest opponents of quality stabilization. The primary aim of these opposition arguments has been to create a fog of misunderstanding around the true issue involved in the bipartisan effort to enact this vital legislation.

False issues have been raised and misconceptions created by these opponents of quality stabilization. They do not debate the merits of the bill, but rather the evils of a straw bill of their own propaganda invention.

The principal special interest opponents of quality stabilization constitute a relatively limited number of the new-type merchandising giants. These burgeoning would-be monopolists of the American retail system fear enactment of quality stabilization because they fear free and open competition. They do not seek to compete with the independent retailer—they want only to swallow him up.

The opponents know that independent merchants throughout the country are urging this Congress to enact quality stabilization into law, because it fosters fair competition between all retailers. Discounters will no longer be able to use brand name merchandise for bait-and-switch purposes and, as a result, consumers will be assured of the same quality and price in all stores.

These opponents know that quality stabilization, once it becomes law, will stand in the way of their plans eventually to monopolize the entire American retail market.

Yet these opponents, by unrelenting propaganda effort, have succeeded in misleading many otherwise well-informed people regarding the quality stabilization issue.

Recently, Mr. Nicholas B. O'Connell, Jr., the assistant attorney general of my own great State of Washington, wrote me concerning the quality stabilization bill. As I have previously pointed out in discussing this bill, the independent retail operators of the State of Washington have been hard-hit by the economic assault of the bait-and-switch merchandisers. Therefore, I might have hoped that Mr. O'Connell, who heads the Antitrust and Consumer Protection Division of the Washington State Attorney General's Office, would appreciate the true aims of quality stabilization sponsors.

Regrettably, Mr. O'Connell's understanding of quality stabilization is largely based on the misleading statements set up by the opponents of the measure. This is to say that when Mr. O'Connell argues that quality stabilization would not—and I quote:

> Give any rights or protection whatsoever to small business * * * that all rights and privileges created by the proposed bill are reserved exclusively for those large business enterprises which own brands, names or trademarks.

When Mr. O'Connell says this, he may be referring to some other legislation, but he is not talking about the quality stabilization bill pending in this Congress.

The fact of the matter is that the benefits this bill will confer on all merchants—large and small alike—are now held only by large, wealthy chains for their own private brands, which are sheltered under prices set by their owners. Only the small retailer has no such price protection. He must depend for his living on nationally advertised brands. In other words, the "large business enterprises which own brands, names, or trademarks" now exercise rights in the marketplace which we want to extend to the small- or medium-sized independent operator.

Quality stabilization is no economic panacea—but it will strengthen the hand of the independent operator in his competition with the giant mass merchandiser.

I am sure that upon further analysis, Mr. O'Connell will recognize that quality stabilization is intended to protect manufacturers in order to protect the small merchant against retail predators. These cutthroat merchandisers make a practice of selfishly exploiting nationally known trademarks, brands, and names for which the small merchant has done so much to create a public demand.

As assistant State attorney general responsible for consumer protection, Mr. O'Connell might well be concerned with the caveat emptor philosophy of these predatory merchandisers. They believe that there is nothing wrong in selling a manufacturer's trademarked brand at a loss if they can lure people into their store and then foist off cheap foreign and domestic goods on customers at markups as high as 1,000 percent.

Having traveled our State of Washington extensively, I am somewhat baffled at Mr. O'Connell's statement to me that "a majority of small businessmen themselves appear to be opposed to such legislation." I might suggest that he talk to some of his and my Washington State merchants, as I have, or visit some of the downtown areas in our great cities, where store after store has been boarded up, the owners driven out of business by bait-and-switch merchandisers.

I deeply regret that Mr. O'Connell has seen fit to take an adverse position to a measure I so strongly believe is needed to save our marketplace and the hundreds of thousands of jobs it provides. My reply to Mr. O'Connell's letter sets forth in detail the background and reasons behind the bipartisan, nationwide effort to enact quality stabilization.

I will continue to do everything in my power to bring H.R. 3669 and S. 774—the quality stabilization measures—to fruition at this session of Congress. My reply to Mr. O'Connell follows:

JANUARY 21, 1964.

Mr. NICHOLAS B. O'CONNELL, Jr.,
Assistant Attorney General, State of Washington, Seattle, Wash.

DEAR MR. O'CONNELL: In accordance with your request, I have been restudying the quality stabilization bill.

As a result of this reevaluation, I am even more for the enactment of this bill because it is in the public interest.

I cannot see how you could take such an unequivocable position as you did in your letter of January 9.

For example, you state, "This legislation would, if enacted, eliminate the right of Washington and its sister States to determine their own policy in the resale price maintenance field."

Yet, if you had read the bill as reported by the House Interstate and Foreign Commerce Committee in June of last year, you would have known that paragraph (13) of the bill provides "If any State, by any provision of its constitution adopted, or by any law enacted, after this paragraph takes effect, prohibits resale price maintenance in such State through the exercise of paragraphs (7) to (17), inclusive, of this subsection, then, while such provision or law is in effect, such paragraphs shall not authorize the establishment or enforcement of any resale price or resale price range with respect to any resale in such State of any goods if such goods so resold are to be delivered from a place in such State to a purchaser in such State and are not to be resold again for delivery to a purchaser outside of such State."

For example, you say "this bill is but another of the repeated attempts to lend Federal sanction to vertical price fixing, a practice condemned as you know, as long ago as 1911 in the *Dr. Miles* case (*Dr. Miles Medical Co.* v. *John D. Park & Sons Co.*, 220 U.S. 373 (1911))."

Yet, you fail to mention that 25 years after the *Dr. Miles* case the U.S. Supreme Court unanimously approved of resale price maintenance on its merits in the *Old Dearborn* decision (299 U.S. 183).

For example, you state (the bill) "is deleterious to those who are its asserted intended beneficiaries, the small business community."

Yet, more than 75 national associations have reached the opposite conclusion and represent a collective judgment of hundreds of thousands of the small businesses fighting for their survival. Certainly supporters of quality stabilization won the judgment of the 33-man House Interstate and Foreign Commerce Committee, which recommended enactment of the quality stabilization bill. This committee reported that "the bill is essential to the survival of hundreds of thousands of small, independent, businessmen—the corner druggist, the jeweler, the hardware merchant, the electric appliance dealer, the bookstore dealer, etc."

For example, you state, "Projecting an average price increase of 20 percent for all sales that may be covered by the operation of a national price maintenance law (which this bill would establish) shows that it would cost the American consumer billions of dollars and have a powerful inflationary effect."

Obviously, you have never been in the retail business. One discounter testified before the Senate Commerce Committee that some merchants selling national brands at loss-leader prices recouped those losses with a 1,000 percent markup on other merchandise.

A careful reading of the testimony on this subject matter would have informed you that the Department of Justice was responsible for the erroneous contention that legislation here would result in higher prices of 19 to 27 percent. The truth is that the Department of Justice has admitted it put the FBI to work to look for saving opportunities on selected items in eight cities. In other words, a pick-and-choose survey to find saving opportunities. But the Department of Justice later confessed: "However, it has not been our contention that savings of 27 percent were possible on all items within the retail outlets surveyed. The survey merely disclosed that such savings were available on the specific items surveyed to those prudent consumers interested in best buys." (P. 300 of Senate Commerce hearings of 1959 on national fair trade legislation.)

For example, you characterize this measure as vertical price fixing, a statutory scheme "to insulate distributors and dealers from the rigors of price competition."

If a careful objective evaluation of the prior testimony on this bill had been made, it would have been revealed to you that the Assistant Attorney General of the United States, in charge its Antitrust Division, conceded:

"Price fixing is essentially an epithet, and I suppose the witnesses who have been reluctant to admit the term have been correct in saying you simply should not use names of this sort." (P. 83 of 1963 hearings by House Interstate and Foreign Commerce Committee.)

I have not heard, nor seen, any objection by those who oppose this bill, regarding the fact that Sears, Roebuck, J. C. Penney, or A. & P. insulate its dealers from the rigors of price competition by using private-label products.

I have heard no protest from them that the price is printed on a postage stamp, nor about fixed prices in rents, unionized wages, insurance, electricity, the telephone, farm legislation, etc.

I note particularly complete omission by them that this bill is optional, with no manufacturer required to use it, no reseller required to handle any product stabilized under it, and no consumer required to purchase any product.

I am appalled that they give so little credit to the intelligence of the Members of Congress that have either introduced or are supporting vigorously this bill. The number is impressive, and they come from both parties, from both Houses, and they are both liberal and conservative.

I am appalled that the assistant attorney general of the State of Washington and the head of its antitrust and consumer protection division would charge that these distinguished Members of Congress are supporting legislation that would turn the clock back 30 years to depression days and inject an unnecessary, undesirable, and perhaps dangerous rigidity into our free, competitive enterprise system.

I respect views that differ from mine. But I also respect the judgment of the Members of this Congress and its committees. They give an objective study to the measures before this Congress. Chairman Harris of the 33-man House Interstate and Foreign Commerce Committee recently said:

"In recent years, our committee has held 24 days of hearings, covering almost 2,500 pages of a printed record, has heard well over 150 different witnesses, has received almost 500 supplemental statements and memoranda, and has held numerous executive sessions during which the bill has been thoroughly analyzed, considered word by word, and, in short, gone over as thoroughly as has been the case with any bill that has ever come out of the Interstate and Foreign Commerce Committee in my entire experience on the committee. In my opinion, this bill is one of the most important pieces of legislation presently before Congress."

And all of the above makes me wonder if we are discussing the same quality stabilization bill.

Sincerely,

THOMAS N. PELLY,
Representative in Congress.

Remarks of Congressman William M. Tuck at the Annual Ruritan National Convention at New Orleans

EXTENSION OF REMARKS

OF

HON. WATKINS M. ABBITT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1964

Mr. ABBITT. Mr. Speaker, Ruritan National, one of the great civic organizations of today, was formed in Holland, Va., in my congressional district, about 36 years ago. I have seen this organization grow by leaps and bounds and have noted with interest the great good it has done and is doing, not only in my section but in many areas of our Nation.

On January 27, 1964, the Honorable WILLIAM M. TUCK addressed the Ruritan National Convention meeting in New Orleans. Congressman TUCK, a former Governor of Virginia, is not only a close personal friend of mine but also a statesman whom I admire and who has done and is doing much to preserve the American way of life and to prevent the Communist influence from taking over this Nation of ours.

Mr. TUCK pointed out cogently in his address the perilous situation in which we now find ourselves. Realizing the importance of the matters brought out in this splendid address, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include Congressman TUCK's address and commend it to all the Members of this House.

The address is as follows:

REMARKS OF CONGRESSMAN WILLIAM M. TUCK, DEMOCRAT, OF VIRGINIA, AT THE ANNUAL RURITAN NATIONAL CONVENTION AT NEW ORLEANS, JANUARY 27, 1964

Fellow Ruritans, I consider myself highly honored to be invited to New Orleans, this extremely important and large southern city, to speak to the Ruritan National on the occasion of its annual convention.

I take particular pride in addressing you. As a lifelong Virginian, I appreciate the fact that Ruritan National was formed just 36 years ago in my home State. In this short span it has grown to be one of the most useful and widely known service organizations in the Nation and now ranks among these, sixth in size.

But the growth of Ruritan National, which has as its purpose the strengthening of the bond of friendship and understanding between business and rural people of a community, is not the only important thing about the organization. More laudatory is the great good it does for our young people, our handicapped, and other groups throughout the country.

In view of what I have to say to you today, it is quite appropriate that we should be meeting in New Orleans. It was in this city, you recall, that once lived the hate-crazed, soul-warped assassin who so recently took the life of our late President, John Fitzgerald Kennedy. It is needless for me to add that the individual to whom I am referring was not a product of New Orleans and was in no way representative of the wonderful type of citizenship residing here.

We have a great nation. It was founded by our forefathers who braved the turbulent and hazardous waters of the Atlantic in in search of freedom—in search of the right to live and work and worship as they chose and to discard the yoke of tyranny imposed upon them by the despots of Europe. They managed to attain this goal and, in so doing, established a country that is now a model for the rest of the world. It has become so fine a model that our enemies would tear it down and destroy it by whatever means is required.

We Americans have a common fault. We have a tendency to ignore an old proverb that told us to be forewarned is to be forearmed. We do not pay enough heed to these daily proclamations of danger. Instead, we enjoy our freedom under a policy of live and let live, granting an open-door attitude to those with whom we come in contact. For example, consider Pearl Harbor. We could not believe that the Japanese would spurn our friendship and attack us at a moment when we had our guards down and when their emissaries, clothed in the habiliments of peace, were in Washington engaged in lulling us into a sense of false security. We are lenient and tolerant to a point of ununderstandable carelessness that amounts to recklessness.

The most recent instance in which we have suffered from this common fault was the loss of that estimable, distinguished and beloved gentleman, the 35th President of the United States. That gentleman might be alive today had more attention been given evidence produced time and time again by the Committee on Un-American Activities of the U.S. House of Representatives. I have the honor to be a member of this committee.

The committee to which I refer is a standing committee of the House of Representatives consisting of nine Members of Congress, five of whom are from the majority party and four from the minority party. Let me hasten to add that, despite the disparity in party labels, there is no partisanship among the membership of the committee. It is a highly controversial committee, made so by its enemies and by the extreme left-wingers and so-called do-gooders, and many who pose as intellectuals, some of whom are college professors and others of whom are even ministers of the gospel. But there is no controversy within the committee itself. All of the members of the committee are dedicated Americans and are determined to stand upon the watchtowers of liberty and, whenever it is necessary, to inform the American people of the dangers we face.

The chairman of the committee is the Honorable EDWIN E. WILLIS, of Louisiana. He is an outstanding lawyer, an able Representative, highly respected by all his colleagues in the Congress.

The director of our staff is Francis J. McNamara. He is a college graduate, a man of the highest character, who rendered meritorious and distinguished service as a major in military intelligence in World War II. The gentleman who has been the committee counsel for many years is the Honorable Frank S. Tavenner, of Shenendoah County, Va. He is well known among the judiciary and the bar, as well as the people of Virginia, not only as one of the most outstanding lawyers of our State, but as a fine citizen.

There is a movement to abolish the Committee on Un-American Activities. It is supported by some Americans who are well meaning and of high standing, but the movement is actually inspired and directed by the Communists and emanates from Moscow.

We have positive evidence that the Soviets have as one of their prime objects the destruction of the Committee on Un-American Activities because this committee is one of the most effective anti-Communist forces that the United States has put forth in its war against subversion.

It is obvious that the overwhelming desire of the American people is as it should be to remain friendly with other nations and to further world peace. In doing so, we must not fail to be cognizant of the infiltration and evil designs of our enemies.

Months ago the Committee on Un-American Activities, in hearings in Washington and elsewhere concerning illegal travel to Cuba, pointed up the danger of a pro-Castro group known as the Fair Play for Cuba Committee. It has not been long, you will remember, since our congressional committee was having certain witnesses physically ejected from our hearing room in Washington. They were young people, most of them, students who had violated our passport regulations and flown to Cuba. While our hearings were in progress, a Communist-inspired clamor against our actions flared up in the press and over the air. I was present at these hearings and witnessed the flaunting of the Congress by an element of our population that has little regard for our American greatness and our American freedom.

Through these hearings, the Committee knew well the kind of lawbreaking fanatics, radicals, Communists, and advocates and practitioners of violence in the United States who were attracted to Castro's cause and to fronts set up to aid him. For this reason, we were not startled to learn that Lee Harvey Oswald, the President's assassin, was a local leader of the Fair Play for Cuba Committee.

What Oswald was and what he did shows the kind of people attracted to and connected with the Fair Play for Cuba Committee and other Communist fronts, as well as the Communist Party itself—fanatics who would kill because of their belief in communism, Marxism, and Castroism.

What Oswald did also illustrates the danger in the reams of viciously anti-American propaganda being turned out by various Communist groups in the United States every day. Oswald was a reader of this type of literature. There is no doubt in my mind that some of the vicious attacks made on President Kennedy in relation to our Cuban policy in these propaganda publications were responsible in part at least for what Oswald did.

"Oh, it is only some more Communist propaganda," some people say smugly. "It is nothing to be worried or concerned about." Now we know only too well what horrendous and tragic effect this hate-American propaganda can have on unstable persons in the Communist movement.

During its hearings, the House committee was able to get a strong indication of the real nature of these people connected with the Fair Play Committee. The open hearings and the subsequent reports of testimony were clearly indicative of their disregard for our laws and the welfare of our Nation. But somehow or other, not enough attention was given to the evidence thus produced. Instead, those who were guarding the President looked more for the threat to his life to come from rightwingers than leftwingers. And that is a lesson we should not soon forget.

The turning of the spotlight on the rightwingers in the Dallas area prior to the assassination opened the way for a killer to perfect his evil design. Who turned this spotlight on the rightwingers? Primarily it was the so-called liberals and leading opinionmakers in our country, aping as they so often do the Communist Party line. These people are horrified even at the thought of a conservative or anti-Communist or rightwinger. They see one under every bed, though they could not see a Communist if he flashed his party membership card in their faces.

The official organs of the Communist Party took a line identical to the liberals concerning the political motivations of Oswald, saying over and over that Kennedy was assassinated by "extreme rightwing elements."

Certainly the evidence of recent hearings of the Un-American Activities Committee and of many of its past hearings indicated that, if anyone posed a danger to our country and our President, it was the leftists and pro-Castroites rather than the rightwingers.

The reason why this evidence was not more closely sifted may again be due to the influence of the Communists and the help they had gotten from the so-called liberals. For years, as pointed out, they have been largely responsible for the unreasonable, unfounded and bitter attacks made upon the House Un-American Activities Committee. These attacks not only have been aimed at the purposes of the House committee, but upon its membership as well. We have been hooted at, jeered at, and openly insulted during some of our hearings.

These scamps and scoundrels who would destroy America and its institutions and everything that we hold dear do not hesitate to impede the work and impugn the character of the membership of this committee and its staff.

We must face up to the danger of communism. The peril or threat is probably more from within than from without. Certainly there has been no greater blow from our leftist enemies than the one struck from within at Dallas on November 22. The history of the advance of communism demonstrates this truth. The method used by the Communists is to infiltrate and destroy from within. That was the method employed by Oswald.

My frequent and extended reference to this notorious and infamous character is for the purpose only of illustrating the laxity of our various governmental agencies charged with the duties of promoting and protecting the public interest. Just as in other great moments in history when our enemies have struck, we had our warning.

Prior to the assassination, our governmental agencies knew that Oswald had defected to Russia. In addition, they could or should have known that he was incorrigible as a youth. When he was 13 years old, a psychiatrist under whose care he came diagnosed prophetically: "His tendencies and his thinking represent a serious danger to himself and others."

Even as a young teenager, he was an avid reader of Karl Marx.

We took him into the Marines. His behavior as a member of the military was of such a nature that the Marine Corps granted him a hardship discharge, which was later changed to an undesirable discharge.

Oswald was allowed to leave the Marines because his aging mother filed a plea for financial help, citing her son as the only immediate source of additional income. But once free of his duties as a Marine, he did not come to the aid of his mother. Instead, without telling her, he left for Russia.

In Russia, Oswald held a press conference. During this interview, he told that he was a Marxist, that he wanted to renounce his American citizenship and become a citizen of the Soviet Union.

The Soviet permitted him to stay, but it would not confer citizenship upon him. Sixteen months later he initiated efforts to return to the United States, and 2 months later he married a Russian girl. In May 1962, the State Department provided him with $435.71, a sum sufficient to enable him to return to the United States.

A year later he was living at 4911 Magazine Street in this city. It was not many weeks after he came here before he was distributing, on a corner of Canal Street, Communist and pro-Castro literature. Anti-Castro Cuban exiles got in a fist fight with him, the police arrested him, and he was fined for creating a disturbance.

Oswald claimed to be secretary of the New Orleans branch of the Fair Play for Cuba Committee. In September he moved to Dallas, still a member of the Fair Play Committee.

While Oswald was so busy in Castro's behalf in these two cities, the House Un-American Activities Committee was holding its hearings on illegal travel to Cuba. We had witness after witness connected with the Fair Play for Cuba Committee before us, and they demonstrated their devotion to Castro and Cuba and their hatred for America and the principles for which we stand.

Some of these witnesses had gone to Cuba and had returned to the United States to lecture and to show slides as a part of a propaganda forum for Castro. One of this latter group was Vincent Theodore Lee, reputedly the national director of the Fair Play for Cuba Committee. He was on the stand before our House Committee several hours. Eighty-one times, in answer to direct questions concerning his activities, he replied: "I decline to answer that question, and invoke my privileges under the fifth amendment to the Constitution." Over and over he said it, so often that it became highly monotonous. But the House members and the committee counsel continued with the investigation, not once allowing themselves to become frustrated and losing their tempers.

We had as another witness Mrs. Melitta del Villar, a Cuban-born U.S. citizen whose real name is Mrs. Louis J. Amster, a New York City singer and entertainer. She provided additional evidence about the kind of people in the Fair Play for Cuba Committee. The hearing revealed that on one occasion she sent a telegram to Albert S. Baker, identified as a subscriber to the Castro cause, and signed it "Pat O'Morte." The House committee took note of the striking similarity between the alias Pat O'Morte and a slogan popular in revolutionary Cuba, "Patria O Muerte," meaning "Country or Death." We suspect that Patria O Muerte was actually signed to the original telegram and that the telegraph operator who transmitted it became confused and misspelled it "Pat O'Morte."

While these hearings were in progress, telegrams protesting them were received. Many of the names signed were recognized as those of people with Communist connections, Communist Party membership, and Communist-front records.

Following are some additional examples of the nature of the Fair Play for Cuba Committee and its officers, members, and supporters:

A new ultra-radical Communist publication called "Revolution" was started by a group of Communists who advocate the violent line of Red China in Paris in October 1962 Its subject matter concerns Africa, Latin America, and Europe. This magazine glorifies Communist guerrilla warfare. It holds Castro's violent seizure of power up as a model to be followed by others.

What connection is there between this magazine and the Fair Play for Cuba Committee? Here are several examples of the ties between the two:

The Fair Play for Cuba Committee has taken full-page ads in several issues of the magazine. In these ads it announces to Communists and radicals everywhere—because this is an international publication—that they can order copies of the violent, revolutionary speeches of Castro and Che Guevara by writing to the Fair Play for Cuba Committee headquarters in New York City.

One issue of the magazine Revolution included articles by Carlton Beals, one of the two founding cochairmen of the Fair Play for Cuba Committee, who wrote a scurrilous piece accusing the United States of cold war designs and of the "rape" of Cuba.

Another article in Revolution was by Robert Taber, also a founder and the first executive secretary of the Fair Play for Cuba Committee, an exconvict who served time for armed robbery, auto theft and kidnaping. An advertisement on the back page listed writings and speeches about Cuba available in English. All but two of them were by Castro.

We have other evidence against the Fair Play for Cuba Committee. When an article in a New York newspaper charged that communism was being forced upon the Cuban people, the Fair Play for Cuba Committee put an advertisement in the New York Times that said: "False. Not a shred of evidence has been produced to support such allegations." This advertisement was paid for in part with money that came directly from the Cuban Government. It appeared a few months after the Communists had by violence taken over the Cuban Federation of Labor and the National Newspaper Guild, thus putting an end there to collective bargaining and freedom of the press.

Where Oswald got his idea of assassinating the President still has to be established, but in the meantime the Cuban Student Directorate in Exile has given us some interesting information. It tells us that at a reception at the Brazilian Embassy in Havana the first week of last September, Castro talked to a group of foreign ambassadors and threatened to kill major figures in the U.S. Government in reprisal for any attempt to overthrow his regime.

There is another mystery surrounding Oswald that so far has not been cleared up publicly. Shortly before he pulled the trigger at Dallas, he disappeared on a trip to Mexico. While there we know that he appeared in the office of the Cuban consul. We do not know why he went there, or whether or not it was while there that he finally made up his mind about the assassination.

It must have been a shocking and chilling experience to have heard Lee Harvey Oswald maintain last August, in a radio debate here in New Orleans in which he was invited to take part after his brush with the anti-Castro Cuban exiles, that the Fair Play for Cuba Committee was not a subversive organization. The evidence compiled by the House Un-American Activities Committee, as well as the Senate Internal Security Subcommittee, showed otherwise.

As a further condemnation, the Fair Play for Cuba Committee office in New York denied, at the time of the assassination, that it had ever heard of Oswald. This was a deliberate distortion of the truth, as evidenced early in December when Vincent Theodore Lee, the chairman of the committee and the same witness who took the fifth amendment 81 times in a single appearance before the House Un-American Activities Committee, released a series of letters written by Oswald to the Fair Play for Cuba Committee.

We have reason, in view of reports and evidence accumulated since November, to believe that Oswald was connected with the pickets who protested the Adlai Stevenson rally at Dallas and with the attempted assassination of former Gen. Edwin Walker. These two gentlemen, as well as Mr. Kennedy, had spoken out against Castro.

The case against the Fair Play for Cuba Committee goes on and on. One of its earmarks is the teaching of extreme hatred and contempt, something that is characteristic of the left-wing Communists.

This vicious and disreputable organization was so bold that in 1961 it committed John F. Kennedy to historical oblivion. It was reported in a Senate Judiciary Committee document which quoted the Fair Play Committee as follows: "Fidel has made it. Kennedy has muffed it. If Fidel Castro were to pass out of the picture tomorrow, it would not change this die. It has been cast. Throughout South America people will be building statues honoring Fidel Castro long after Kennedy has become the brand name for somebody's baked cookies or a new kind of Swiss cheese."

Despite all this array of evidence marking the Fair Play for Cuba Committee as a vicious organization plotting against the United States, word went out when the late President announced his plans to visit Dallas that the rightwing extremists were the element most to be feared. It is reliably reported that first among the six subjects to be studied by Chief Justice Warren, head of the assassination inquiry, is the influence of hate movements in the Dallas community. If I understand Mr. Warren, and I believe I do, the hate movements include only rightwing groups.

It is too late to undo what has been done at Dallas. But it is not too late to take proper cognizance of the very real danger that the Communists and their fellow-traveling radicals and left extremists pose to the United States.

The death of this assassin does not end the story. Oswald was not the only one connected with the Fair Play Committee. There are others, free in our land in spite of all the evidence compiled, who are just as strong believers in communism as he was.

I am in favor of a stringent law that will invoke severe penalties upon these traitors and traducers who would subvert us and destroy our country, our women, and our children by delivering us, lock, stock, and barrel, to the Communist conspiracy and to the rule of the Kremlin.

Castro must be deposed. Communism must be banished from our land and all the Americas. It should be done by diplomacy or by embargo, or by the employment of other methods of a similar nature, if possible, but if necessary it must be done by force. The Communists understand only the language of force. I am in favor, if necessary, of giving them a full dose of force and power, the only language they understand.

The longer we delay firm and resolute action, the more the situation worsens. The Panamanian situation should be handled with a firm and resolute hand. We should not surrender an inch to this Communist-inspired uprising. Our rights in the Panama Canal and the Panama Canal Zone are established and are as old as the independence of Panama, which was brought about by the naval aid and firmness of a great American President.

We must not wait until communism makes further and more deadly inroads into our society and into our Government before acting to uphold our cherished way of life.

The Monroe Doctrine is more important to us today than it was when it was proclaimed during the administration of President Monroe almost 150 years ago. The Monroe Doctrine must be upheld, and America must be freed from the devastating influences of communism—of the Oswalds and the others who place more value upon Marxism and Khrushchevism and Castroism than they do upon American freedom.

Despite the bleak and somber picture before us, we in this country can still live in hope, rather than despair. There is much for which to be thankful. Although the public indebtedness of the United States exceeds by $25 billion the public indebtedness of all the other countries of the world combined, we nevertheless remain the most powerful nation.

We are blessed with unbounded natural resources. In many instances, our natural resources exceed those of all the other nations combined. Our constitutional system of government as handed down to us by our forefathers cannot be matched by any other nation. It is to be hoped that we will preserve it in its pristine glory.

The people are patriotic, and when they recognize the flagitious forces tearing at the vitals of our form of government which we cherish, they will rise up and destroy our oppressors and secure our liberties and our feedoms. They will return our government to the form and type established by those men and women who loved liberty so dearly that they crossed an ocean and started a new nation to gain it.

In short, we need, and I believe we have, the manhood and the womanhood to uphold our cherished American principles which have been handed down to us through the sacrifices made by our citizens of this and previous generations who have shed their blood on the battlefields and battle seas of the world.

HOUSE OF REPRESENTATIVES

SATURDAY, FEBRUARY 1, 1964

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Luke 22: 42: *Nevertheless, not my will, but Thine, be done.*

O Thou God of all wisdom, we humbly confess that we are often confronted by difficult problems and significant demands and challenges which we cannot completely ignore and evade.

We are very sure that we cannot do less than to consider them seriously and honestly and prayerfully seek a solution that will be reasonable and satisfactory.

There are times when we are tempted to admit our ignorance and failure by simply saying that there is not sufficient evidence one way or the other to vindicate the acceptance or rejection of any of the solutions that are proposed.

God grant that in our confusion of thought and action we may feel the urge of Thy divine spirit to follow the trail that was blazed by our blessed Lord.

May we also daily ascend the highlands of prayer to seek Thy guidance and hold our own wishes and desires in abeyance until Thou dost reveal and declare Thy will.

Hear us in His name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

TRANSMITTAL OF BUDGET OF THE U.S. GOVERNMENT, 1965—APPENDIX—COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 266)

The SPEAKER laid before the House the following communication from the

President of the United States; which was read and referred to the Committee on Appropriations and ordered to be printed:

THE WHITE HOUSE,
Washington, February 1, 1964.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith the Budget of the U.S. Government, 1965—Appendix.

This appendix contains further information and detail concerning the proposals made in the Budget of the United States, 1965, which was transmitted with my message of January 21, 1964, to the Congress.

Respectfully yours,
LYNDON B. JOHNSON.

DR. BERNARD BRASKAMP, CHAPLAIN OF THE HOUSE OF REPRESENTATIVES

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent to address the House and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HOEVEN. Mr. Speaker, our beloved and esteemed Chaplain, Dr. Bernard Braskamp, today is commencing his 15th year as Chaplain of the House of Representatives.

Personally, I am very proud of Dr. Braskamp and his accomplishments as he and I grew up together in our hometown of Alton, Iowa. Dr. Braskamp has served us as Chaplain with great honor and distinction, and his daily prayers have inspired all of us.

I am sure that I express the sentiment of all Members of the House of Representatives in congratulating Dr. Braskamp as he commences his 15th year as our Chaplain. May he live long and happy and may his prayers and words of divine wisdom continue to enrich our lives as we labor together here for the welfare of our fellow men.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, I am very happy that our distinguished friend from Iowa has taken this time to pay a word of tribute to a man who really is a pillar of strength to all the Members of the House and to the House itself. Dr. Braskamp has followed a practice which I think is unique among chaplains, of giving us a verse or two from the Bible every day along with his beautiful and appropriate prayers.

Along with the wisdom and beauty drawn from the words of the ancient prophets and scribes, he has brought us his own message of comfort and inspiration. He has framed the words which sought the counsel of the Almighty in difficult issues, which beseeched his comfort in sorrow, and bespoke the grateful hearts of the Members of the House on occasions of triumph and joy.

Dr. Braskamp is responsible for perhaps the only quiet and contemplative period which we enjoy together as a body when we concentrate for a few moments upon the higher purposes of Christian life which underlie all worldly endeavor.

Dr. Braskamp's great talents for spiritual counsel and leadership arise out of his own great personal integrity and compassionate heart.

I join with my colleagues in commending him for his dedication and loyalty to the House and thanking him for the benediction of his daily spiritual message. I hope we may continue to benefit from his guidance in prayer for many years to come.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Speaker, I, too, want to join in these words of tribute to Dr. Braskamp. It is true, of course, as the gentleman from Iowa has pointed out, that he has a particular claim to Dr. Braskamp because both of them hail from the city of Alton, Iowa. But I should like to say, Mr. Speaker, that all of us claim Dr. Braskamp. We not only claim him, but when the time comes when we meet here to start a new Congress we all get together and vote for him. That is about the only thing on which there is unanimous agreement. I think that speaks very well for him.

May I say that unless something very important intervenes I am always here for the opening of the session. The gentleman from Iowa has used the word "inspiration." May I confirm that by saying that I always am inspired by the words of Dr. Braskamp. As long as I am here, and I trust that that will be a little while yet, and as long as he is here, and I hope that is a real long time yet, I expect to continue to be on hand to hear him as he opens our session.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from New York.

Mr. CELLER. Mr. Speaker, I am very happy that the gentleman has called attention to the many years of service of our dear beloved Chaplain. He is a splendid spiritual leader. We wish him well in every respect. He indeed is a great exemplification of the admonition of the Prophet Micah, who said we should do justly, love mercy, and walk humbly.

Mr. McCORMACK. Mr. Speaker, it is a personal and official pleasure for me to extend my sincere congratulations to Dr. Bernard Braskamp, our beloved and distinguished Chaplain, who has served with us for the past 15 years. I know I speak not only for myself, but for all the Members of the U.S. House of Representatives when I say that Chaplain Braskamp has been a most conscientious and devoted servant of all mankind. The ministry is a very exacting profession, and the dedication given to this most noble calling by Chaplain Braskamp is an inspiration to all of us. His warm and friendly spirit has been a source of comfort to all who have come to know him.

Chaplain Braskamp has devoted his life in the service of God, country, and mankind. He has dedicated his life to try and make this world of ours one in which all men would live at peace with respect for one another. His broad and understanding mind is an example for all others to follow.

I congratulate Chaplain Braskamp on this day and wish for him many more years of continued good health so that the Members of the House may be privileged to have his guidance and comfort, spiritual and otherwise.

Mr. MORSE. Mr. Speaker, I want to join with my colleagues here today in expressing my sincere congratulations and deep appreciation to Dr. Bernard Braskamp as he begins his 15th year of service as Chaplain of the House of Representatives.

I too, have always found inspiration in the daily prayers he offers at the beginning of each day's session of the House. But even more so, I have come to appreciate him for all of his kindnesses, not only to me and to the other Members of this House, but also to the number of staff employees who have come to him for his spiritual inspiration and guidance.

I wish him well. I join in with all others here today in the fervent wish that God will continue to shower upon him in great abundance, blessings of good health so that he may continue to be a strong inspirational and guiding force to the Members of the House of Representatives as well as all Americans, for many years to come.

Mr. LIBONATI. Mr. Speaker, may I add my wholehearted congratulations to Rev. Bernard Braskamp along with those of his many friends in the House of Representatives, upon his completion of 14 years of prayer service at the daily opening of each meeting of the House.

His deep knowledge of theology and liberal understanding of all the religious faiths has won for him the love, respect, and confidence of his fellow man.

His continued unanimous reelection to this high and sacred service to the Nation and the Congress attests to his superior attainments in the religious field.

One has to but weigh carefully to interpret his words of religious wisdom to learn the lessons of life's experience. May God bless him to keep him with us for the spiritual guidance that he proffers to us in the name of Christ.

Mr. O'HARA of Illinois. Mr. Speaker, for 15 years the Reverend Dr. Bernard Braskamp has given a spiritual enrichment to this historic Chamber. I remember him at the commencement of his ministry as our Chaplain, and it is hard to realize that so many years have passed. During all these years to me he has been a tower of strength as he has been to all my colleagues. The words of praise and appreciation voiced by the majority leader and the minority leader truly bespeak the universal sentiment of the House. Dr. Braskamp is deeply embedded in all our hearts, and we look forward to having him with us at least another 15 years.

Mr. DORN. Mr. Speaker, Rev. Bernard Braskamp is truly one of the outstanding men and spiritual leaders of our time. As Reverend Braskamp begins his 15th year as Chaplain of this House, I want to join my colleagues in paying special tribute to this great American for his dedicated service and spiritual guidance, over the years, and particularly during the last session of the Congress during one of the most critical periods in the history of our country. He has been a great source of personal inspiration. He always gives unselfishly of his time—when we call upon him, he is always available. His prayers with which the daily sessions of this House open have helped to maintain this body as truly the outstanding American institution envisioned by the Founding Fathers. Reverend Braskamp has indeed become an institution in this House. Mrs. Dorn joins me in best wishes to Reverend Braskamp and she joins me in wishing for him many more happy years of outstanding service in this great body.

Mr. ARENDS. Mr. Speaker, upon the occasion of the anniversary of Dr. Bernard Braskamp's 15 years of service as our Chaplain, I should like not only to congratulate him but to congratulate ourselves upon having this dedicated servant of God to guide and counsel us.

Over the years he has opened each day's session of the House with a verse from the Bible and a prayer. These few words of his, based on a short passage from the Good Book, are timely chosen to give us renewed strength and renewed courage as we are about to consider some specific problem. Each day he leaves with us an inspirational thought upon which we cannot but reflect from time to time during the day's deliberations.

Dr. Braskamp enjoys our confidence and respect not just because he is a distinguished theologian, nor because of his great wealth of knowledge, but rather because he himself, as a man, in his every word and deed, in the tone of his voice and every gesture, is the embodiment of wisdom and goodness.

We are deeply grateful to Dr. Braskamp for all he has done for us. He has enriched the lives of all of us and has made our burdens lighter. My prayer is that it will be God's will that he serve with us for many, many years.

Mr. McLOSKEY. Mr. Speaker, one of the first gentlemen I met upon coming to Congress was the quiet, unassuming Chaplain of the House of Representatives, Dr. Bernard Braskamp.

Since that day my respect and admiration for him have grown and I find daily inspiration in listening to the prayers he gives at the opening of each day's session.

Dr. Braskamp is a conscientious and devoted man of God, one who is respected by every Member of this body. He is warmhearted, understanding, and patient.

I am sure the words of praise from my distinguished colleague from Iowa, Mr. Hoeven, the Speaker, and the majority and minority leaders truly bespeak the thoughts of each Member of the House.

I am pleased to join with my colleagues in saying to Dr. Braskamp, congratulations and best wishes. May your service in the House continue for many years to come.

GENERAL LEAVE TO EXTEND REMARKS

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks at this point in the Record with regard to Dr. Braskamp.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AMERICAN INDIANS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the bill (H.R. 980) to provide a program for an Operation Bootstrap for the American Indian in order to improve conditions among Indians on reservations and in other communities, and for other purposes, and that the bill be referred to the Committee on Ways and Means.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 22]

Abbitt
Alger
Anderson
Avery
Barry
Battin
Bonner
Bow
Brademas
Broyhill, N.C.
Bruce
Davis, Tenn.
Dent
Dulski
Edmondson
Ford
Frelinghuysen
Fulton, Tenn.
Gary
Grabowski
Hoffman
Johnson, Calif.
Johnson, Pa.
Kilgore
King, N.Y.
Laird
Lankford
Lipscomb
Long, Md.
McClory
McDowell
McIntire
May
Miller, N.Y.
Montoya
Moss
O'Brien, Ill.
Osmers
Passman
Pepper
Pool
Pucinski
Purcell
Rhodes, Ariz.
Roberts, Tex.
Roush
Ryan, Mich.
St. George
Schenck
Scott
Sheppard
Staebler
Thompson, Tex.
Tupper
White
Wilson, Bob
Wright
Wyman

The SPEAKER. On this rollcall, 373 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CIVIL RIGHTS ACT OF 1963

Mr. CELLER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes.

The motion was agreed to.

IN COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 7152, with Mr. Keogh in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the gentleman from New York [Mr. Celler] had 1 hour and 8 minutes remaining; the gentleman from Ohio [Mr. McCulloch] had 3 hours remaining; and the gentleman from Louisiana [Mr. Willis] had 1 hour and 17 minutes remaining.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. McCulloch].

Mr. McCULLOCH. Mr. Chairman, I yield 10 minutes to the gentleman from South Dakota [Mr. Berry].

Mr. BERRY. Mr. Chairman, first I want to thank my colleague, the gentleman from Ohio [Mr. McCulloch], for giving me this time to explain this civil rights bill for Indians that will be offered as an amendment to the big civil rights bill, H.R. 7152.

I want to also express my thanks to the members of the Committee on Rules for making germane the provisions of the bill, H.R. 980, the Indian industrial development bill, or the Indian civil rights bill, if you please.

Mr. Chairman, in my years here as a Member of the House I have heard a large number of Members castigate the Communists because of the fact that they have during and since World War II entered into agreements and into treaties—I think the number is 182 treaties; and I believe all but two of those treaties have been broken—but I say to you that through the years our Government has entered into twice that many treaties with the Indian people and every single one of them has been broken. The last one, if you please, was within the last year up here in New York when we broke a treaty with the Seneca tribe, signed by George Washington in which the Federal Government agreed that they would never take any more of the land of the Seneca Indians. But, we took it away.

Now why is this true? It is true, my friends, because there are not very many Indians in this country. It is true because there are not very many Indian votes.

It was no surprise to me yesterday to hear the chairman of the full committee, when he started his explanation of the bill, refer to this proposed amendment as incongruous to this bill as the Devil in the cathedral.

As I say, there are not more than a half million Indians in America. Not more than half of that number live on reservations. There probably is not one single Indian in the gentleman's congressional district, so it is little wonder that he refers to this handful of captive people as a few red devils in a cathedral.

My friends, the bill, H.R. 980, which I shall offer as an amendment to the bill before the House, is germane.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. BERRY. I yield.

Mr. CELLER. Of course, even though I might characterize the bill that way, I did not mean to imply and I do not imply that I am opposed to the proposal. My opposition was directed to the manner in which the proposal will come before the House. I believe it should go to the Committee on Interior and Insular Affairs, or to the Committee on Ways and Means. I understand that bill has been re-referred to the Committee on Ways and Means. I hope that the gentleman will address himself to those committees, or to one of those committees. He probably could get action there.

I do not believe it is proper to bring that bill before the House, within the four squares of the pending bill. That is the point of my complaint.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. BERRY. I yield to the gentleman.

Mr. COLMER. I was impressed by the argument of the distinguished gentleman from New York. I am always impressed by his consistency.

By the same token, then, should not the FEPC provision of the bill go out? After all, the Committee on Education and Labor had jurisdiction over that proposal, and in fact reported a bill on that subject.

Therefore, by the same token, should not the FEPC provision be taken out? I wonder what the distinguished gentleman from New York would think of that?

Mr. BERRY. Mr. Chairman, I shall explain the provisions of H.R. 980, because I am as convinced, as is the gentleman from Mississippi, that it is germane, that it is a civil rights bill, and that it is on all fours with the pending bill.

Mr. Chairman, the bill under consideration today, H.R. 7152, deals partially with civil rights, but the bulk of the bill deals with economic rights and social rights for the Negro. H.R. 980 deals with economic rights and social rights for the Indian people.

It is a little bit difficult for me to understand the difference. A great deal of time was given over yesterday to talk about why the Negroes should be integrated into our white schools. My friends, while we here were talking about the need for integration of the Negro child, tax money which this Congress has appropriated is being used to build and to operate federally owned, built, and operated segregated Indian schools, schools which no white child is permitted to attend.

If integration is good for the Negro child, why is not integration good for the Indian child, too?

Some effort has been made through the years to induce industry to come onto these Indian reservations, almost all of which are located in very remote areas, but it is absolutely necessary to provide some kind of subsidy, or some kind of tax benefit, in order to get industry to come onto these Indian reservations, because of the fact that they are located in remote areas and industry cannot ship the raw material in, and then ship the finished product out without some tax benefit to offset these high transportation costs.

This civil rights industrial development proposal would provide the incentive to industry to move out into these remote areas. This is the only way we can hope to accomplish this very serious need.

How would the bill operate? It provides that the tribal council can enter into a contract with an industry to move onto the reservation to provide work, jobs, and training for these people. Secondly, it provides that the tribe may construct the buildings or, if necessary, that they can as a further inducement buy some of the equipment to help in getting the industry out on the reservation.

When this contract has been approved by the Secretary of the Interior, then the industry will be granted a 10-year Federal tax exemption, providing the industry each year certifies that more than 50 percent of its employees are Indians. When it files the certificate, it can get a tax exemption. Now, this will not disrupt the land base on these Indian reservations. It will not force the Indians to move from these reservations. It is not a landgrab, as a good many of the programs that have been offered have been. It simply provides civil rights, economic rights, and social rights.

This is not a new program. It follows almost exactly the program of Operation Bootstrap in Puerto Rico, a program which has in 12 years been responsible for the people of Puerto Rico lifting themselves by their own bootstraps from the lowest per capita income of any Latin American country to the highest per capita income of any Latin American country save only oil-rich Venezuela. It will work, it has worked, it has proven its value in Puerto Rico, it will prove its value on the Indian reservations of America, and I ask you to give the Indian people this same privilege.

In the minute that I have left I want to point out that after H.R. 980 has been offered, as an amendment, an amendment will be offered to amend this amendment to strike out all except the actual meat of the bill. The amendment will strike out all of sections 3, 4, 5, and 6 and all of that portion of section 7 of H.R. 980 following the period on line 7 of page 9 down to the end of the paragraph, including the word "purposes," on line 24, and it will strike out sections 10 and 11 of the bill H.R. 980. This is being done because these provisions in this bill are not essential to the operation of this bill and actually do not add to the civil rights provisions for the Indians.

Mr. Chairman, I ask unanimous consent that following my remarks H.R. 980 with the stricken portions left out, that is, with only those portions remaining, may be printed in the RECORD at this point in order that Members may have an opportunity to study H.R. 980 as an amendment to the bill H.R. 7152.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The material referred to is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the purpose of this Act is to bring about industrial development and economic advancement within Indian communities in order to aid in bringing Indian economic well-being more nearly to the level of the non-Indian community.

(b) This Act shall be liberally construed to authorize tribal action which will enable Indians to attract and retain new industry within Indian reservations and amongst Indian communities, to promote gainful employment of Indians, and to authorize steps to improve the lot of Indians, including self-help on the part of the Indians and Indian tribes and Indian communities, legislative and corporate action by them which will accord assurances and security to industries availing themselves of the benefits of this Act, and tribal action for self-help notwithstanding regulations or review by the Secretary of the Interior.

SEC. 2. As used in this Act—

(1) The term "tribe" means any Indian tribe, band, or other identifiable group living on one reservation or tract of trust land, and receiving direct services from the Bureau of Indian Affairs on the date of enactment of this Act.

(2) The term "Indian" means any recognized member of a tribe.

SEC. 7. (a)(1) Where any person, firm, corporation, or other business association proposes to establish a new industry on any reservation (hereafter referred to as the "investor"), he shall qualify for the incentives provided by this section if he enters into a contract with the tribe living on such reservation for the establishment of such industry, and the Secretary of the Interior approves such contract after finding that it will be of significant aid to the tribe. No such contract shall be approved if it is a device whereby operations of an existing industry are transferred from Indian or non-Indian areas; nor shall the investor qualify for such incentives for any period during which less than half of the employees of such industry employed on the reservation are Indians.

(2) Any contract entered into under paragraph (1) of this subsection with the approval of the Secretary of the Interior may include provisions under which the tribe shall construct the necessary buildings, and make such improvements as may be required, for the operation of such industry, and may sell such buildings and improvements, or lease them on a long-term basis, to the investor.

(3) Where any tribe is in need of funds to carry out construction or improvements under paragraph (2) of this subsection, such tribe may borrow such funds, under such regulations as the Secretary of the Interior may prescribe, from the revolving funds authorized by the Acts of June 18, 1934 (48 Stat. 984, 986), June 26, 1936 (49 Stat. 1967, 1968), and April 19, 1950 (64 Stat. 44), as amended and supplemented.

(b) No tax shall be imposed by chapter 1 of the Internal Revenue Code of 1954 on the income of any investor qualified for the incentives provided by this section, to the extent that such income is attributable to the operation of a new industry established on the reservation, for the ten taxable years ending immediately after such investor first qualifies for the incentives provided by this section.

(c) In the case of any capital investment made by any investor qualified for the incentives provided by this section in any new industry on a reservation, the basis of the property of such investor in such industry shall, for purposes of the Internal Revenue Code of 1954, at the election of the investor, be whichever is the higher, its fair market value at the end of the tenth taxable year after such investor first qualifies for the incentives provided by this section, or its cost. In addition, at the election of the investor, the deduction for depreciation allowed with respect to such property under chapter 1 of such Code may, for the eleventh through the fifteenth taxable year after such investor first qualifies for the incentives provided by this section, be computed at the rate of 20 per centum of the basis of such property.

(d) Where any member of a tribe who is receiving welfare income at the time he is employed in a new industry on a reservation by any investor who has qualified for the incentives provided by this section remains continuously employed in such industry during any taxable year, the investor shall be allowed a deduction from gross income, for the purposes of the Internal Revenue Code of 1954, in addition to any other deductions otherwise allowable, for the first five taxable years beginning after the tenth taxable year after the investor first qualifies for the incentives provided by this section, during any of which such member of the tribe remains continuously employed. Such deduction, for each year in which allowable, shall equal thirty-six times the monthly welfare payment being made to such member of a tribe at a time he was first employed.

(e) Where a new industry is established on a reservation and the investor therein qualifies for any of the incentives provided by this section, the Housing and Home Finance Administrator, acting through the Community Facilities Administration, shall be authorized to make loans to the tribe located on such reservation for the same purposes, and to the same extent, as he is authorized to make such loans under title II of the Housing Amendments of 1955 to any smaller municipality.

Sec. 8. (a) The Secretary of the Interior shall provide services to Indians under the various programs now in operation, including adult education and vocational training, on a priority basis with the view toward cooperating in the training of employable Indians for positions in industries availing themselves of this Act.

(b) The Secretary is authorized to lease for rentals, which may range from a fair market rental downward to nominal or no rentals, depending on the attraction of industry, any surplus or excess Federal lands (including improvements) under his jurisdiction.

(c) The Secretary is authorized, in his discretion, to lend Federal funds to be used in conjunction with tribal funds in such ratio as the Secretary may prescribe for construction of buildings and other facilities for investors seeking to qualify, or already qualified for the incentives provided by section 7, but only if the rentals to be paid by the industry over a period not exceeding fifteen years equal the original investment in Federal and tribal funds, plus interest thereon at a rate of 4 per centum per annum.

Sec. 9. (a) Section 201(a) of the National Housing Act is amended by striking out "or (2)" and inserting in lieu thereof ", (2)", and by inserting immediately after "was executed" the following: ", or (3) on tribally owned land on any Indian reservation where such leasehold is for not less than twenty-five years, and is subject to an option to renew for an additional period of not less than twenty-five years".

(b) Section 207(a)(1) of the National Housing Act is amended by striking out "or (B)" and inserting in lieu thereof ", (B)", and by inserting immediately after "was executed" the following: ", or (C) on tribally owned land on any Indian reservation where such lease is for not less than twenty-five years, and is subject to an option to renew for an additional period of not less than twenty-five years".

Mr. McCULLOCH. Mr. Chairman, I yield to the gentleman from California [Mr. Don H. Clausen] such time as he may desire.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise to associate myself with the remarks of the gentleman from South Dakota [Mr. Berry]. He is making a very thought-provoking statement in the interests of a group of American citizens whose rights have been overlooked, neglected, and exploited longer than any other so-called minority group in this country. If ever a group of people existed who have cause to demonstrate for recognition of their civil rights—it is the American Indian.

The section of this bill pertaining to Indians is deserving of proper attention by every Member of this body. The Operation Bootstrap concept which is the underlying objective of the recommended section is certainly the type of program that must be encouraged throughout America—if we are to revitalize the full growth potentials of this great Nation. The Indian simply asks for recognition of his plight—he asks only for equal opportunity to advance under his own initiative with a minimum of restrictions—and this section, as alluded to by the gentleman from South Dakota [Mr. Berry], would greatly assist their cause.

Mr. McCULLOCH. Mr. Chairman, I yield 20 minutes to the gentleman from Virginia [Mr. Poff].

Mr. POFF. Mr Chairman, in more than an hour's testimony before the Committee on Rules I was unable to deal definitively with the several titles of this bill and quite obviously I will not be able to do so in the time allotted me on this occasion. Specifically I will not have time to discuss titles IV, V, VII, VIII, or X. I would like to deal briefly with titles I, and VI and somewhat more in detail with titles II, III, and IX.

Title I of course has to do with voting. And may I make it plain by way of preface that I am one who enthusiastically supports the content and the purpose of the 15th amendment. Paraphrasing that amendment as best I can in lay terms it simply says that the right to vote shall not be either denied or abridged on account of race by government at any level. I repeat, to the philosophy which that amendment reflects I subscribe wholeheartedly. I do not, however, subscribe to the theory that anything in the Constitution or any amendment to the Constitution gives to the Federal Government any right to establish qualifications for voters. The Supreme Court repeatedly and consistently has ruled that the power to write voter qualifications lies exclusively with the State legislatures.

Now may I briefly address myself to the subject of the three-judge court? Someone previously in debate has said that this is not a novel provision. It is true, of course, that we have three-judge courts authorized in other statutes. It is not a fact, however, that there is nothing novel about this three-judge court provision; 28 U.S.C. 2284, provides for a three-judge court panel, it is true, but that statute requires that one of the three judges of the panel must be the district judge before whom the action is pending. The three-judge court concept in title I does not so provide. It only provides that a district judge of the district in which the case is pending shall be a member of the three-judge panel.

In that connection I call attention to the fact that it is now the practice for the chief judges to appoint so-called standby district judges; and that the standby district judge need not be a member of the bench in the district to which he is appointed.

I wish I had more time to deal further with title I, but I think that has already been covered in large measure by previous debaters and will be covered in more detail by those who follow.

Accordingly I would like to address myself now to title II, the public accommodations section. To begin consideration of that title I will read briefly the language excerpted from the decision of the Supreme Court in what has come to be known as the Cream of Wheat case, precisely the Great Atlantic & Pacific Co. against the Cream of Wheat Co.:

> We had supposed that it was elementary law that a trader could buy from whom he pleased and sell to whom he pleased, and that his selection of seller and buyer was wholly his own concern.

The Court, quoting favorably from Colley on Torts, continued:

> It is part of a man's civil rights that he be at liberty to refuse business relations with any person whomsoever, whether the refusal rests upon reason or is the result of whim, caprice, prejudice or malice.

Mr. Chairman, title II is sought to be predicated on two constitutional bases. First, the interstate commerce clause and, second, the 14th amendment. As has been indicated earlier there are five separate general categories of establishments which would be covered. First of all, lodgings, except an owner-occupied establishment with less than six rooms; second, eating establishments, and gasoline stations if interstate customers are served or if a substantial portion of products sold has moved in interstate commerce; third, places of amusement, if the performers or films have moved in interstate commerce; fourth, any retail establishment in which one of the foregoing is located, or any retail establishment located in any of the foregoing; and fifth, any establishment or place if segregation is required by law or order of a State.

In considering the validity of the interstate commerce clause as a constitutional foundation for the public accommodations section, I think it would be useful to review the history of the interstate commerce clause briefly. No one will deny that the original purpose and intent of those who wrote the commerce clause has been distorted by expansion. However, over the course of the years Congress and the courts in broadening the scope of the interstate commerce clause have wisely confined themselves to three broad categories.

The Congress and the courts first began broadening the clause by regulating common carriers which transport goods across State lines and, secondly, the Congress began broadening the scope of the clause by regulating the goods that moved in commerce across State lines and thirdly, in recent years the courts and the Congress have broadened the clause by regulating the circumstances under which the goods were manufactured or sold.

Title II would advance the broadening process a step further. For the first time the commerce clause would be broadened to regulate service establishments by establishing a requirement to serve. Rhetorically, let me inquire if we assume the Congress has the power to broaden the commerce clause in this new way, should we exercise that power? In answering that question, it is proper to consider the fact that human rights in property are involved.

The second constitutional base on which title II is sought to be predicated is the 14th amendment of the Constitution. The civil rights cases of 1883, I think, laid at rest the interpretation of the application of the equal protection clause of the 14th amendment. Those cases decided that the proscription of the equal protection clause of the 14th amendment applies only to State laws and actions by State officials acting under color of State law. It did not extend, the courts said, to acts of discrimination on the part of an individual citizen against another individual citizen.

The substance of those decisions has been repeatedly reaffirmed by the courts. Recognizing this as a fact, however, those who wrote the bill sought to circumvent the decision by employing artful language in title II. Title II becomes operative if discrimination is "supported" by State action. Then in section 201(d) the bill undertakes to define what the word "supported" means. It says that segregation will be considered State action if segregation is carried on "under color of any law, statute, ordinance, regulation, custom, or usage," or is "required, fostered, or encouraged by action of a State."

I have no difficulty at all with the words "law, statute, ordinance, or regulation." Clearly they connote State action. But if segregation is practiced in a community because it is the custom of that community, does that constitute State action within the proscription of the equal protection clause of the Constitution? If this bill becomes law in its present form, the answer is yes.

What do the words "encouraged by action of a State" mean? It is easy enough to understand the words "required" or "fostered" but what do we mean when we say that segregation is encouraged by a State action? I suggest that those words are entirely too broad and too imprecise, and I believe earnestly that the authors of the bill would serve their own cause by accepting an amendment to that language.

Now turn to title III, which authorizes suits by the Attorney General. I believe I can say and will not be contradicted that although a gesture was made conveying the impression of an effort to narrow the scope of the title and to soften its impact, title III as now written is broader in scope and deeper in thrust than the title III incorporated in the 1957 act which was rejected in the other body.

May I call your special attention to the fact that title III is in two parts. The first part authorizes the Attorney General to institute a suit to desegregate a public facility which is "owned, operated, or managed" by a State or a local subdivision of a State. There again I have no trouble with the language "owned" or "operated." I know that that means, but what does the word "managed" mean? If it means something more than "owned" or "operated" it must mean "regulated," and what facility is not managed by a State in the sense that it is regulated by a State or a locality? Here again I suggest that those who most earnestly seek the passage of this bill would do well to remove that word from the language.

The second part of the bill is the one which I think broadens the scope and increases the impact of title III beyond its original concept. This is the title which authorizes the Attorney General to intervene in suits brought by individual citizens. May I quote section 302 in title III in order that you may be able to follow the point I shall try to make:

> Whenever an action has been commenced in any court of the United States seeking relief from the denial of equal protection of the laws on account of race, color, religion, or national origin, the Attorney General for or in the name of the United States may intervene in such action.

What actions are embraced in that phrase, "such action"? I content myself by saying that the inventory is too long to attempt to compile, but turning to the words of the Attorney General himself, we can identify a few of the suits which may be involved.

In his testimony before the full committee the Attorney General, urging the committee to eliminate title III of the subcommittee bill, called attention to the fact that it might give the Attorney General power to participate in State criminal proceedings or in book or movie censorship; disputes involving church-state relations; economic questions such as allegedly confiscatory ratemaking or the constitutional requirement of just compensation in land acquisition cases; the propriety of incarceration in a mental hospital; searches and seizures; and controversies involving freedom of worship, or speech, or of the press.

Now the Attorney General did not complete that inventory. Indeed, his omissions are conspicuous. Under the law which is now on the books, 42 U.S.C. 1985 and 1986, it is possible for a private citizen to bring a private action for damages against another private citizen if he has deprived him of his equal protection of the laws. The Attorney General would be empowered to intervene in such a suit and would be another free attorney for the plaintiff paid by the taxpayers. Of course, the defendant would have no equivalent right.

There is one other suit, which I think would be of interest to every Member of this body, in which the Attorney General might intervene under this section of title III and I refer to suits under the equal protection clause brought by individual citizens to compel redistricting of State legislative seats or redistricting of congressional districts.

If I am in error on that, I invite any person in the Chamber to challenge me.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. POFF. I yield to the gentleman from Michigan.

Mr. MEADER. The gentleman has raised precisely the point about which I wish to interrogate. In Baker against Carr, the Supreme Court, based upon the equal protection of the laws clause of the 14th amendment, permitted citizens to commence suits to compel redistricting of legislative districts of the State legislatures and congressional districts. We have suits pending in Michigan with respect to both. I believe if the additional element of color, that is the denial of equal protection of the laws on the grounds of color—and I might say that many of these suits originate in metropolitan areas where there are great concentrations of colored persons—if that additional allegation is made in the complaint, section 302, which the gentleman has referred to, would authorize the Attorney General to intervene in those cases, and at the expense of the taxpayers of the United States engage in redistricting of State legislatures and congressional districts.

Mr. POFF. Mr. Chairman, the gentleman is eminently correct. At this point I would like to pay tribute to him for what I consider to be a brilliant discourse on the subject of government by injunction which will be found in the minority views which the gentleman prepared.

Now, Mr. Chairman, I think it would be well at this point to call attention to the fact that not only would the Attorney General be given the opportunity to intervene in suits which he never has enjoyed before, but the first part of title III adds other powers which when taken cumulatively with the rights granted to the Attorney General in statutes previously adopted by this body would make it possible for the Attorney General, not to intervene in, but to initiate suits in at least five separate categories. Let me enumerate them.

First of all, under the 1957 Civil Rights Act, part IV, section 131(c) the Attorney General today has the right to initiate suits in voting cases.

Secondly, under the public accommodations title of this bill to which I have just referred, the Attorney General would have the right to institute suit.

Third, under the public facilities title of this bill, the Attorney General would have the right to institute suits.

Fourth, under the public education title of this bill, the Attorney General would have the right to institute suits.

Fifth, under the unlawful employment practices title of this bill, it would be possible for the Federal agency which has let the Government contract to institute suits, and under section 711(b), the President could authorize the Attorney General to bring the suit.

Mr. Chairman, in connection with this recital I believe it should be understood that the proposed legislation would also do two other consequential things. First, it would abolish the doctrine of administrative and legal remedies. Second, in reaching a determination about the financial inability of the private citizen to maintain his own lawsuit, the decision of the Attorney General would be absolutely final and there would be no opportunity either for administrative or judicial review.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. SHRIVER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. WILLIS. Mr. Chairman, will the gentleman yield for a question on the very last point he has developed?

Mr. POFF. I yield.

Mr. WILLIS. In connection with the rather plenary power of the Attorney General to file suits, which the gentleman has so very ably developed, may I call his attention to the fact that under title VI of the bill—which has to do with shutting off funds in a way whereby each and every department and agency would be required to take action to shut off funds—no judicial review would be permitted, but the bureaucrats would make the decision and the people involved could not demand a court trial to determine whether they had discriminated. Is the gentleman aware of that?

Mr. POFF. I am entirely aware of that. The gentleman speaks of a trial de novo, of course.

Mr. WILLIS. Yes.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. POFF. I yield.

Mr. CELLER. In section 603 there is a provision for judicial review, and redress could be obtained in Federal court. If the gentleman will read page 63 of the bill he will see there is ample provision for appeal to the court in the event there is a feeling there should be review and an accounting.

Mr. POFF. Mr. Chairman, of course the gentleman is correct. May I ask the gentleman if he could give me a few minutes to respond to that question?

Mr. CELLER. I will give the gentleman 2 more minutes for him to reply to a question of mine.

Mr. POFF. I thank the gentleman.

Mr. CELLER. I should like to ask the gentleman, with respect to the question raised by the gentleman from Michigan [Mr. MEADER]——

Mr. POFF. Mr. Chairman, I had asked permission to respond to the point the chairman had made.

Mr. CELLER. I will give the gentleman 2 more minutes.

Mr. POFF. Mr. Chairman, it is true, as the chairman said, that a judicial review would be authorized under title VI, the cut-off-the-funds section. However, I believe it should be understood it would be a judicial review only and not a trial de novo.

Mr. WILLIS. That is the point I expected to make.

Mr. POFF. Second, I believe it should be understood that the judicial review to be granted would be restricted and limited against the citizen. What I mean by that is this: Under APA, in order for the Circuit Court of Appeals to uphold the decision reached by the Federal agency it need only find that the agency had found "substantial evidence" in support of its decision.

What does "substantial evidence" mean? It does not mean a preponderance of the evidence. It means only a reasonable quantum of the evidence to justify the agency's position.

I say that tying judicial review to APA means that the litigant, the citizen, would have no opportunity for a formal hearing, which would mean he would have no opportunity to present evidence, no opportunity to cross-examine the witnessses who are giving evidence against him. His first right would come in the Circuit Court of Appeals on the judicial review authorized under the Administrative Procedures Act.

Mr. CELLER. Will the gentleman yield?

Mr. POFF. I yield.

Mr. CELLER. Is that not the regular practice which is followed with reference to appeals from decisions by most administrative agencies? That is what we do. We provide that there shall be a review of the record which goes to the reviewing authority—to the Federal court. That is all we do in all cases involving administrative proceedings.

Mr. POFF. It is true that the Administrative Procedure Act requires only that. I am saying that that act should not be keyed to a section of new law which would enable an agency to cut off all funds, to terminate a contract or to withhold the granting of a new contract. In such cases I say that the matter should be litigated de novo in a judicial forum.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. CELLER. Mr. Chairman, I yield the gentleman 2 minutes to answer the question.

Mr. POFF. I thank the chairman.

Mr. CELLER. With respect to title III, the gentleman will remember that the subcommittee bill contained a broader provision which covered not only constitutional rights but all laws of the United States. That would cover every conceivable law that was ever adopted by the Congress. Finally, the Committee on the Judiciary came up with the more specific language that we have on page 49, section 302:

> Whenever an action has been commenced in any court of the United States seeking relief from the denial of equal protection of the laws on account of race, color, religion, or national origin—

The Attorney General may intervene.

Now, I cannot conceive how in a redistricting case if somebody merely arbitrarily, capriciously, or cavalierly alleges that the action is brought on the grounds of color or race that that will stand up. It could not possibly be sustained. When you have a question of redistricting, generally it is a matter of geography and population. That is all that is generally involved. I think the distinguished gentleman from Michigan is in error when he says it is to the contrary.

Mr. POFF. Mr. Chairman, may I ask if the chairman of the committee, for the purposes of writing legislative history by which the courts and the Justice Department will be guided, will announce that it is not his purpose that such suits should be covered under title III?

Mr. CELLER. I cannot anticipate all conceivable circumstances. However, I will say this: if somebody merely alleges race or color or national origin arbitrarily in the complaint, then I certainly would not sanction or give the imprimatur of my approval to the Attorney General to bring an action for redistricting on that basis.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

Mr. McCULLOCH. Mr. Chairman, I yield the gentleman from Virginia 1 minute to answer a question.

Mr. DEROUNIAN. Mr. Chairman, the gentleman from Virginia mentioned title III in the 1957 bill and intimates it was taken out in the other body. Is this the same title III which was taken out by President Johnson, then the majority leader of the other body?

Mr. POFF. I am not sure that I can make a responsive reply, but I must say that the title was eliminated from the House bill by the other body at the time President Johnson was majority leader of the other body.

Mr. DEROUNIAN. I think the gentleman will find on the vote taken in the other body the then majority leader of that body voted to take this out and took the lead in urging others to take it out. I thank the gentleman.

Mr. WILLIS. Mr. Chairman, I yield 20 minutes to the distinguished gentleman from Virginia [Mr. TUCK].

Mr. TUCK. Mr. Chairman, I am grateful for this opportunity to discuss this matter before the U.S. House of Representatives. I am doubly grateful because, although I am a member of the Judiciary Committee from which this bill was reported, I was denied the privilege of being heard despite my repeated and vigorous protests.

You may recall that the consideration of and debate on this bill when before the Judiciary Committee was somewhat abbreviated. Other than outraged protests against such procedure, the debate consisted of 1 minute for the gentleman from New York [Mr. CELLER] and 1 minute for the gentleman from Ohio [Mr. McCULLOCH], both for the bill, none against it. The accent on that occasion was on speed and brevity—not consideration and debate. Obviously there was a lame effort to comply with the rules governing the House of Representatives, but to say that this bill was debated is a sham and a pretense.

These citations are not made in any captious or unfriendly spirit toward the chairman of the Judiciary Committee. I make them because I believe the Members of the Congress and the people of the country are entitled to know what occurred.

Relatively few persons understand the impact on our Federal system or comprehend the effect of these proposals upon the activities and private lives of Americans everywhere. This bill, H.R. 7152, does not secure rights as claimed for it. It extends Federal power over the everyday life of every citizen and destroys the civil rights of all Americans, white and black.

This scheme is repugnant to my concept of constitutional government. It is utterly destitute of moral sensibility and has aroused against it much of the character and intelligence of the Nation. Thousands upon thousands of messages have come to us from across the country and constitute an inspiration against any faltering in this time of extreme peril to the charter of our liberties, which Gladstone pronounced "the most wonderful work ever struck off at a given time by the brain and purpose of man."

My statement in regard to this bill is quite lengthy. The effect of the bill upon our constitutional system and upon the lives of so many people in so many ways is so vast and is of such magnitude that its provisions will justify a statement of almost any length. Irrespective of the latitude I may be allowed in my remarks, it would be impracticable to discuss at one time each and every distasteful and objectionable feature of the bill.

In the course of my remarks, if my statements should appear to be intemperate and inflammatory, I hope that you will bear with me and will understand that it is not my desire to be offensive to anyone or to make any statement that is inappropriate. But in relating the plain, unvarnished truth and exposing the facts as they exist, I know of no way to do so except to employ descriptive words even if those words may seem harsh.

Despite the divergent views of some of us, I hope we can all approach this subject in as much a spirit of amity and good will as this tumultuous situation will allow, and that we can consider the problems with hearts unfilled with emotion and minds unclouded by prejudice or by passion.

In view of the sectional and racial bias of which those of us from our section are so often accused, I feel that I should state that I do not come before you as a racist or a hater of the Negro or any other race. I make these statements not to burnish my own shield, but in order to get the record straight in advance.

I have never used the powers of any office to which I have been elected in an unfair manner toward any man or any set of men, regardless of race or color, and what is more, I never will. As Governor of the State of Virginia for a term of 4 years, I tried to serve the colored citizens of Virginia with courtesy and consideration. I will not take the time to relate the myriad activities of that period to promote the living conditions of the Negro race during those 4 years. After the expiration of my term of service, the commissioner of public health advised me that more State funds were made available upon my recommendation for the treatment and the eradication of tuberculosis among the colored people of our State during those 4 years than all the previous administrations combined from the foundation of the Virginia Health Department down to that time.

I am not a recent convert to fairness and to concord between the races. Forty years ago as a young member of the Legislature of Virginia I voted for Governor Byrd's antilynch law, and there has not been a single death by lynching in Virginia since that time. Much more could be added, but suffice it to say that the virtuous record of the people of Virginia in race relations enables us to stand at this threshold and on that record unruffled, unashamed, and unafraid.

This bill is not designed to improve the lot of the colored man or to confer upon him any rights he does not already have. It confers no right upon anyone except the Attorney General of the United States and the bureaucrats at Washington. It deprives others of existing rights and strikes a fatal blow at the vitals of the fundamental principles upon which this Government is based. It is not the worthy and wholesome and moral piece of legislation that its proponents claim. If this is what it was, few voices if any would be heard in opposition to it. Certainly I would not be here.

The real vice of this bill is that it destroys our Constitution and shatters our Bill of Rights.

TITLE I

Title I is simple. It would take from the States and vest in the Federal Government the right to determine the qualifications of voters, and this is a violation of the Constitution of the United States.

In a sanctimonious and surreptitious approach to the subject, this title makes the pretense of affecting only Federal elections. As every one should know, there is no such thing as a Federal election. There are Federal officials to be elected, but they are historically chosen in elections conducted by the State. Moreover, anyone with only a superficial knowledge of election procedure and machinery knows that when the Federal Government undertakes to control the election of Federal officials they also control the election of State and local officials, and the language used in this title says so, wherein it provides, "any Federal election in whole or in part," and so forth.

I do not believe that it is desirable for the Federal Government to prescribe standards and to control the machinery of our elections. But, if the lot of our people would be improved for the Federal Government to have the power to prescribe voter qualifications, the Constitution of the United States should be changed to attain that end. And it should be changed in the regular manner and as set forth by the Constitution, and not changed by either the Congress or by the Supreme Court.

TITLE II

Title II is supposed to deal with public accommodations. A cursory reading of this section would lead one to believe that the sanctimonious sentences contained in it were formulated by none other than a modern day Apostle Paul.

But irrespective of this pretense of piety, one of the accomplishments of this section would be to deprive the owner of a place of public accommodation his right to operate his own business, to decide with whom he will deal, who will eat at his table, or will sleep in his beds. This section would confer upon the political hirelings and myrmidons of the ever growing and increasing bureaucracy of Washington the power to define such key words as "discrimination," "race," and "religion," and thus to coerce and compel submission of innkeepers and landlords to the dictatorial edicts of the overlords in Washington.

Any such law is clearly unconstitutional according to an unbroken line of decisions by the Supreme Court of the United States. The 14th amendment does not undertake to limit and proscribe the actions of individuals, but is an interdiction only against the State. The 14th amendment, in effect, says that no State shall make or enforce any law which shall abridge the privileges or the immunities of citizens. This is the equal protection clause of the Constitution and it is this very language that has been held uniformly throughout the years by all the courts to apply only to States as it evidently does.

But now come the proponents of this bill in a weirdly twisted and distorted reliance on the 14th amendment claiming that, where someone secures a license or a permit from the State, their business then becomes a State activity, or that if some individual businessman is following the customs and usages of his locality or State, his actions in so doing become State action.

The owner of a business finds himself on the horns of a dilemma. Either he has to abandon his right to freely choose his clientele or he must abandon the operation of his business.

TITLE III

This title has been designated, by name, the desegregation of public facilities, but principally it would confer almost unlimited power upon the Attorney General of the United States.

Among the provisions of this title is language to empower the Attorney General to file suits promiscuously for private litigants, to shop for judges of his choice as well as the forum in which the cases will be tried. This denies the defendants the privilege of evenhanded justice and confers upon his opponent the heavy hand of weighted justice. There are many other provisions in this title unconstitutional and unprecedented that should be carefully and judicially explored.

This title of the bill and portions of other titles would allow any person who alleges that his rights have been invaded to ask the Government to prosecute his case and the Attorney General could, if he so elects and desires, do just that and require the taxpayers to bear all expense of the litigation except that which would be borne by the harassed defendant. We are being asked to enact into law a bill that would underwrite a litigant's expenses. It constitutes champerty and barratry on the part of the Government in the most evil and ominous form. If an individual lawyer should engage in such conduct, he would be disbarred from practice in the courts of the land and would deserve and no doubt would have the disdain and scorn of both bench and bar.

This title would confer on the Attorney General autocratic power such as may befit a commissar of justice in a totalitarian country, but which is incompatible with our system of jurisprudence and constitutes a stench in the nostrils of all right thinking people.

TITLE IV

Title IV deals with our public school system. The Supreme Court decision of 1954 has engendered more strife and ill-feeling among all our people of all races, North and South alike, than anything that has happened in this country in the last 100 years. I fear that more is to come. The whole proposal since its inception has accomplished nothing except to foment strife and misunderstanding and to breed and excite bitterness, hatred, and discord where cordiality and understanding theretofore existed among persons of different views and different races. In addition, it has actually retarded the education of our children and has caused the Government and its citizens incalculable grief and sorrow, as well as the expenditure of hundreds of millions of dollars.

I predict that this whole subject will be marked by countless future years of irritation and acrimony and continued legislation. Instead of relieving the tension which already exists, these legislative contributions only add to further acerbity and bitterness in a seething caldron of hate.

This section all adds up to one thing and that is Federal control. And in this instance, to Federal control of our educational facilities, our schools, and our children.

In substance, the language of section 602 makes it mandatory that every Federal agency which renders financial assistance to schools must take action. One of the actions would be to cut off whatever financial assistance the Government is rendering to any school which is held to be in violation of this act. The bill says it is illegal to discriminate in respect to race, color, or national origin.

One among the many sleepers in this bill is that it applies to private schools as well as to public schools.

Since nearly all private schools benefit from Federal financial assistance in one degree or another, through the school lunch program or through the funds for construction purposes or otherwise, it is plainly evident that this bill is not confined to public schools.

The persons responsible for the operations of these schools, both public and private, would never know when they were in violation of the rules and regulations to be set by these new Federal commissars and thus would stand in constant doubt as to the status of their operation.

TITLE V

This title deals with the invidious organization called the Civil Rights Commission. It would make this group a permanent agency of the Government and would authorize and encourage it to turn loose on the people of the Nation a swarm of investigators, detectives, hawkshaws, and inspectors with unlimited authority to inaugurate inquiries, to harass the people, to issue subpenas, to bring miscreants before Federal judges and have them enjoined, fined, and imprisoned.

To me, the establishment of such an agency is repugnant to every concept of liberty. It will flare back to haunt those who empower it to intimidate, bullyrag, and torment an already aggravated citizenry.

There are those who advocate these stringent measures with the view and the desire of punishing Alabama, Mississippi, and other Southern States. But as I did once before, let me remind those of you who so complacently support this bill that in a few years you may find yourselves in the plight of Haman of old who constructed a scaffold upon which to hang Mordecai. But it was Haman himself, not Mordecai, who was hung on that scaffold. And Mordecai was there to witness the hanging while he luxuriated in the luscious arms of Haman's paramour. And this situation may be further aptly illustrated by this little limerick:

> There was a young lady from Niger
> Who smiled as she rode on the tiger,
> But at the end of the ride the lady was inside
> And the smile was on the face of the tiger.

TITLE VI

This section of the bill is entitled nondiscrimination in federally assisted programs. It is of such proportions and such far-reaching nature as to defy understanding. It is nauseating to me even to think of it.

Sections 601 and 602, among other things, require these several hundred governmental agencies who operate the various Federal programs to take action and to interdict those persons who discriminate under any governmental program or activity on the ground of race, color, and national origin. This section says nothing about religion. I suppose it is all right to discriminate against a person on account of his religion, but not on account of his race, color, or national origin. In Virginia, under the aegis of the leadership of Thomas Jefferson, we established the doctrine of freedom of religion. We still adhere to that doctrine and regard religious freedom as one of the great bulwarks of liberty that can be restrained but by despotic governments.

This puts into the hands of these Washington factotums a hundred-billion-dollar blackjack to browbeat the people of America into submission. The power conferred upon the Central Government under this one section of the bill is all encompassing. If this section is adopted, all other sections would be surplusage. This section touches every segment of society and business. Every activity of every citizen would be affected. Nothing would be exempt. All alike would be under the control and the direction of Washington. The bootblack and the banker would be equally affected. The one would be as powerless as the other to resist.

Under such a condition, no person could operate a business lawfully. No one would know the law. It would be what these various agencies say it is, and the law would vary from agency to agency and from mouth to mouth. In short, we would be living under the direction of a government of men, not of laws, a situation against which there has been much preachment. I am in favor of writing out the laws and making them plain so that all who read may understand.

I fear that I am talking too long. I will skip over the next two or three titles and will conclude with a discussion of title IX. All of these titles are bad. I have touched upon only a few of the most iniquitous features. Reams and volumes could be written in derogation of these proposals.

Others of like mind from the Judiciary Committee will discuss each and all of these titles in more detail and particularly the ones which I have not discussed in full.

TITLE IX

Title IX of this vicious package of legislation involves court procedure and thus has attracted probably less notice than any other part of the bill, but it is perhaps the most outrageous of all the provisions. I make this statement because the courts are the temples of justice which are so important in our system of government. They constitute the watchtowers of freedom in this great country we call America, and to the courts in times of storm, stress, and misunderstanding we can turn for redress of grievance and for relief and succor.

The legal problems involved in this proposal are not complicated. As almost all lawyers know, the Federal Code provides for the removal of certain causes of action from the State courts to the Federal courts. There are four types of cases which may be removed. First, those cases which involve an interpretation of the laws, Constitution, or treaties of the United States. Secondly, those cases where there is a diversity of citizenship between the litigants. Third, 28 United States Code 1442, permits certain Federal officers who are being prosecuted in the State courts to remove their cases. Lastly is the removal statute, 28 U.S.C. 1442, which is the statute in question. This permits the removal of cases wherein the laws of a State deny to one being prosecuted in the State courts his civil rights, and this, of course, is the statute with which we are dealing here today. Historically, this statute had its inception in a measure adopted by the Congress in 1863 and was designed originally to prevent the prosecution in unfriendly State courts of Union soldiers who were acting under color of authority in the line of duty. In 1866 the Reconstruction Congress dominated by the notorious and despicable Thaddeus Stevens took the statute applying to the prosecution of Federal officers in State courts and reworked it into the so-called civil rights removal statute—see 14 United States Statutes at Large 27:

> An act to protect all persons in the United States in their civil rights, and furnish the means of their vindication.

Since the adoption of this subsequent act, the removal statute has remained with certain recodifications over the years to this date.

In removal cases, the State court is completely divested of jurisdiction until such time as the Federal district court has determined whether or not it is going to assume jurisdiction of the removal case or until it has remanded the case back to the State court. Under 28 United States Code 1447(d) it is provided:

> An order remanding a case to the State court from which it is removed is not reviewable on appeal or otherwise.

The Federal courts have for many years interpreted this statute to mean that no order remanding a case from the Federal court back to the State court can be reviewed by appeal, writ of certiorari or mandamus or by any other method of review—see *U.S.* v. *Rice*, 32 U.S. 72. Except for a short period between 1865 and 1887 this has been the law concerning removals.

The obvious purpose of this proposed amendment to the statute permitting appeals from remand orders is simply to impede the processes of justice in the State courts. During the time of such appeal the State court would have no effective means of protecting the community in the exercise of local police power. Under such a condition, the officers of a locality would be unable to provide police protection to the law-abiding citizens, and thus lawless elements would be free to run rampant in the streets in an effort to blackmail the local government into nol-prossing charges against them before the cases could finally be extricated from a maze of laborious appeals in the Federal courts. Whenever the police power of a locality is restrained and whenever the ability of local government to protect its people is impaired, anarchy prevails, and the only recourse left to the people is to take the law into their own hands. It is impracticable, as every sensible person knows, for law enforcement and police protection to be kept at any level except the local level. The U.S. marshals and the U.S. Army cannot be everywhere and they are not a substitute for local police even if we were willing to divest our local authorities of these important powers.

These enactments would doubtless precipitate a resurrection of lawless elements such as the Ku Klux Klan and riotous situations would arise resulting in wholesale bloodshed throughout the country, a prime objective of the Communists and other lawless elements. It is a dangerous and ominous situation in this country when local law enforcement officers are prevented by Federal law from suppressing public mischief and violence and protecting the people of the localities in their lawful rights and pursuits.

This title which I have been discussing is highly discriminatory. To use the terminology of one of the counsel for the Committee on Racial Equality, it would give the so-called civil rights groups a special weapon all of their own. It would effectively prevent for a long period of time any trial, Federal or State, of these miscreants and disturbers of the peace.

If this section were adopted, it would enable a civil rights litigant to silence the voice and to stay the hands of the State courts for a period of 1 or 2 years, or more, even in the face of an adverse holding of a U.S. district judge.

The devastating effect of this proposed amendment upon State courts is apparent when it is realized that under the present statutes removal is accomplished by a simple act of the party, without the necessity of any order by either a State or Federal judge. One of the litigants, by a simple filing of the petition and pertinent papers, automatically removes the case to the Federal court. Thereafter no process of any kind can issue from the State court, no depositions can be taken, no hearings scheduled and all process must be suspended. The State court is powerless to maintain the status quo. Upon the return date of subpenas theretofore issued, witnesses need not appear, and there is no way to fix new return dates. Thus the processes of State courts are nullified and trampled upon. Witnesses who are sought for cross-examination in the cause may not be served with State subpenas and they may not even be reached by Federal process because there has been no determination by the Federal court of its jurisdiction. Restraining orders cannot be issued in the State court, although the Federal court has the power to do so in aid of its jurisdiction, pending a determination thereof.

The only legal relief available to the aggrieved community is an immediate application to the Federal Court for a remand, on the basis that the removal was improper and that the Federal court lacks jurisdiction. This is a matter presented to the Federal judge for determination by him as a part of procedure within the Federal judicial system. It is not within the control of the State courts.

Under the present statute, the litigant wishing the protection of the Federal courts already has two methods available. The motion to remand is decided by a Federal judge. If the Federal judge determines that the Federal court does not have jurisdiction and that the State court should be permitted to proceed, the litigant still has the right to obtain a determination of Federal questions in due course of appellate review by the Supreme Court of the United States.

There is absolutely no justification for the proposed amendment. It flies in the face of the experience which resulted in the passage of the act of March 3, 1887, chapter 373, section 6, 24 statute at law 552. This provided that an order remanding a cause to the State court shall be "immediately carried into execution" and "no appeal or writ of error" from the order should be allowed. Thereafter the present wording was embodied in section 1447 of title 28 so that subparagraph (d) now reads:

> An order remanding a case to the State court from which it was removed is not reviewable on appeal or otherwise.

The practical effect of the proposed amendment would be to place in the hands of a litigant in civil rights cases the power to destroy the efficacy of State proceedings, without any judge or any court having found that the State court was without jurisdiction and in the face of a finding by a U.S. district court that the State court was vested with jurisdiction and the Federal court has no right to proceed in the cause. In a case where the State courts has enjoined the commission of unlawful acts, the State court would be without power of any sort. By the time that the matter was reached on the appellate docket of the court of appeals of the particular circuit involved, the acts enjoined by the State court would have long since been carried to consummation in direct violation of orders of that court. The issues would have become moot.

It is readily apparent that title IX would create civil chaos without giving State authorities any remedy. After the prosecution is prepared, a criminal defendant could wait until minutes before trial and have the case removed. Then, when several days or a week later the Federal court has decided it has no jurisdiction and an order of remand is entered, such defendant could appeal that order. Trial could be put off almost indefinitely, especially considering the congested dockets of the Federal courts of appeal.

In short, the people, the State court, and the State judge would be at the mercy of the criminal defendant.

Attorney General Kennedy testified before the House Judiciary Committee on October 15, 1963, as follows:

> [The amendment] allows an appeal to be taken from Federal court orders remanding civil rights cases to the State courts from which they have been removed. While a special statute has long permitted such removal, the nonappealability of an order of remand has made the provision almost useless.

It is readily apparent that removal is useless where the Federal court has no jurisdiction. Attorney General Kennedy's inference that Federal district judges have been less than honest in testing their own jurisdiction seems to be either a terrible indictment of them, or the result of his lack of understanding of the purpose of removal.

It is very important that it be understood that an appeal for a remand is not necessary to protect Federal rights. A Federal judge does the remanding. The State courts can and will enforce the Constitution; if not, the Supreme Court of the United States can correct the mistake. Allowing appeal from remand, especially in a highly flammable atmosphere, leaves a hiatus, a vacuum in which law and order will eventually falter, and sets up an artificial obstruction to the administration of justice.

The dangers involved in this proposal are so widespread and so disruptive and destructive of usual judicial procedure and so dangerous that one can hardly conceive of an intelligent legislator undertaking to approve of any such provision as this. This amendment would destroy the delicate balance which has been maintained throughout the years between the jurisdiction and powers of the parallel systems of Federal and State courts.

This section is a studied insult to every U.S. district judge in the Nation and undertakes to reflect discreditably upon the honored judiciary of every State in the American Union.

The district which I have the honor to represent in the Congress includes within its boundaries the city of Danville. That city is a peaceful and tranquil community located in picturesque and placid southside Virginia just a few miles north of the Virginia-North Carolina line. It is inhabited for the most part by people of the highest type and its confines are as free of lawless elements as any place in America. The citizens of that city, both white and colored, are noted for their gentility, their kindness, and their obedience to law. The two races there have lived in peace and harmony and cordiality and understanding for centuries.

That city received nationwide, if not indeed worldwide, publicity in the year 1963 when a horde of incendiaries from other realms and parts descended upon it for no purpose on earth other than to foment discord and to provoke strife and to violate the laws of the city of Danville and the Commonwealth of Virginia.

This turbulent multitude of rapscallions and scullions succeeded in exciting the criminal element of the Negroes of that city to such an extent that senseless demonstrations and violations of law were recklessly engaged in for weeks.

The situation became so intolerable and so disruptive of the normal and peaceful conditions which existed there that it became necessary for the judge of the corporation court of that city to enter an order restraining and enjoining these rancorous and venomous forces from blocking the streets and creating disturbance and disorder. There were widespread violations of the court's injunction. As a result, a number of those who had violated the injunction were arrested for criminal contempt.

When the cases came up for trial on these charges, the defendants through counsel undertook to remove them to the U.S. District Court for the Western District of Virginia, under the removal statute heretofore referred to.

False and defamatory charges were made against Judge Aiken by counsel for these defendants. An attack was made upon the honor of this great judge. He was charged with being biased, his integrity and impartiality were questioned. The Attorney General himself was widely quoted in the press as having made violent and critical statements concerning Judge Aiken.

The Justice Department intervened in in the U.S. District Court for the Western District of Virginia in behalf of these criminals and thus joined these vagabonds in making false and baseless charges against Danville and its officials.

The charges were so groundless and so at variance with the facts that, despite the intervention of the Department of Justice, with the imprimatur of the Attorney General, the very judge whom the Attorney General had in effect recently appointed to the bench, and whose political philosophy prior to becoming a judge was the same as the Attorney General's, promptly remanded the cases back to the corporation court of the city of Danville as he ought to have done. That U.S. judge was none other than Judge Thomas J. Michie of Charlottesville. He is an upright and honorable man and jurist, which he nobly demonstrated on that occasion. Had the Justice Department known the reputation and worth of Tom Michie as I do, it would not have appealed to him to prostitute the high office of judge and thus to make himself and his court a party to such a travesty on public justice.

The State court has now tried the cases. Order has been restored. The excitement and turbulence has subsided and the people of Danville, both white and colored, are going about their usual business in a normal fashion. But I predict that disorderly attacks will be renewed if this bill is passed.

The parties who are responsible for drawing this legislation must have directed it at Danville and dedicated it to that hitherto beleaguered city. At least, I think this is so.

I am informed by persons in whom I have unbounded confidence that the public mischief and flaunting of the law which occurred at Danville last year could have been quickly and easily suppressed but for the fact that these political janizaries from the Department of Justice, who are paid by the taxpayers to work in Washington, promptly appeared on the scene and consorted and counseled with these reckless lawbreakers.

It is astonishing and shocking to me to learn from informed sources that the very agency of our Government set up to establish justice and to promote law enforcement would conduct itself in any such a fashion and thus demean and denigrate this hitherto highly important arm of Government.

The American Legion Post of the City of Danville headed by the Honorable W. C. Daniel, a past national commander of that patriotic and worthy organization, passed a resolution deploring the intrusion of the U.S. Department of Justice in the affairs of that city and stating that such action was unwise and unbecoming. This resolution at the same time commended the Honorable A. M. Aiken, the judge of the corporation court, the Honorable Julian R. Stinson and the Honorable T. Edward Temple, mayor and city manager, respectively, of Danville. I am glad to attach and to include, as a part of my remarks on this subject, a copy of this resolution.

On July 3, 1963, the Honorable George B. Anderson, president of the Danville Bar Association, dispatched to me a telegram which I likewise include as a part of my remarks. Mr. Anderson in his telegram stated that the Danville Bar Association, at a special session held on that day, reviewed statements contained in a Justice Department brief and filed in the U.S. District Court for the Western District of Virginia, and unanimously declared that these charges made by the Department of Justice and attributed to the U.S. Attorney General were false, without basis in fact and misleading. The bar association went on further to say that these charges were irresponsible and that they tended to degrade the dignity of the Justice Department, and that such charges as were made by the Justice Department constituted an unwarranted and irresponsible interference with administration of justice and an assault on the corporation court of Danville.

I know Judge A. M. Aiken of the corporation court of the city of Danville. I have known Judge Aiken for more than 40 years. He is my friend. I have appeared as an attorney many times in his court. No man could be more highly respected than he is by both the bench and the bar of our State, and by the people as well, all of which he richly merits and deserves. I deprecate and deplore the aspersions upon the character and the record of so able and so upright and so honorable a judge.

I take this opportunity of nominating the city of Danville, Va., as the "city of the year" for 1963. At the same time, I nominate the Honorable A. M. Aiken, judge of the corporation court of the city of Danville, as the "man of the year" for 1963. I do this because of the intelligent, the firm, and yet restrained manner in which the judge, the officials of the city of Danville, and the people handled the racial strife which arose there in 1963.

Judge Aiken comes from an old and distinguished Virginia family. His father before him presided over the corporation court of Danville around the turn of the century and was highly respected and beloved by the people of southside Virginia. The present Judge Aiken who is the object of this calumny is a man of impeccable character. He enjoys in an unusually high degree the confidence and the esteem of all who know him. He has a statewide reputation for fairness, virtue, and impartiality. He is a learned judge of long experience and possesses judicial temperament, a quality of mind and heart so necessary and indispensable in a judge. His conduct on and off the bench has been of such a character as to enhance the already high standing of our Virginia judiciary. And I may add, he was presiding over the deliberation of courts of record long before some of these character assassins ever saw the light of day.

I have good reason to believe that title IX was inspired by none other than a character by the name of William Kunstler, who has been the leading light throughout the various legal gyrations which have gone on in the city of Danville during the year 1963. This Kunstler has been doing all he could to impede the processes of justice in Danville. But impeding justice is not new for him. He has taken a lead in the movement for the pardon and the release of the notorious conspirator and enemy of America, Morton Sobell, who is currently serving a 30-year prison sentence for conspiracy to commit espionage in 1951 in connection with the Rosenberg case. This same Kunstler was sponsor of the rally to abolish the Committee on Un-American Activities of the House of Representatives held in New York City on April 21, 1961. Carl Braden and Frank Wilkinson were among the contemptible speakers at this rally. Both of them were then about to begin serving sentences in prison for contempt of the Congress of the United States, extending from their refusal to answer whether or not they were or had been members of the Communist Party.

Another speaker at the meeting was Pete Seeger, who had just been sentenced to a year in prison for the same reasons. This same Kunstler, who, posing as a respectable professor of law, plagued the people of the city of Danville, has been shown to be one of the signers of a petition which urged Presidential clemency for Carl Braden. I have evidence also that in March 1962, after having failed in his efforts to secure a pardon for Braden, he attended a reception in New York in honor of this convicted scoundrel.

Kunstler was one of the 25 of the signers of the endorsement of Justice Black's dissent from the 5-to-4 Supreme Court decision of June 5, 1961, requiring the Communist Party to register with the Government of the United States. The signatures were sponsored by the emergency Civil Liberties Committee, and this organization had been cited by the Internal Securities Subcommittee. And I could go on and describe further distasteful activities and offenses of this individual.

From that background one is led to suspect that Kunstler, who along with Carl Braden, Carl Braden's wife, and others of their ilk, was prominent in the strife which occurred in Danville, is less interested in the plight of the Negro race than he is the Communists and their causes, and that he is more interested in creating a stage for civil disobedience which will further the cause of lawlessness in this country.

These pious proponents of civil rights would feign righteousness. They masquerade in the habiliments of that universal world force of benevolence and brotherhood, but their very unctuosity and vigorous protestations arouse our suspicions. The words emanating from these sources would lead us to believe that these advocates of so-called civil rights have an unaffected devotion to the people of all races, of all creeds and color, of all national origins, of all religious beliefs and of all sections of the country.

By the actions of these imposters, I am reminded of the lady in the play who protested too much. It also serves to bring to mind a vision of the memorable episode on the field of Gideon, in the time of David, the King, when Joab met Amassa, whose face he caressed, but whose body he despoiled. You no doubt remember the story. With the customary salutation of affection and friendship, Joab approached and with his right hand stroked the beard of Amassa and asked: "Is it well with thee, my brother?" And Amassa noted not the sword that was in Joab's other hand, and Joab smote Amassa under the fifth rib and laid his bowels on the ground to mingle with the dust of that ancient and faraway battlefield.

The length of our beard may not be such as that of Amassa, but we have eyes keen enough to perceive the situation and to understand the stealth of this approach, even though the true intent may be concealed by the language used.

The demonstrations in New York, the riots in Birmingham, the troops in Alabama, the marches on Washington, the hoots and catcalls in Chicago and Philadelphia may not have dominated the news for 1963, but these expressions of threat and compulsion dominated the politics and the politicians for that year and also extend into 1964. As an acknowledged consequence of these ugly uprisings and menacing acts of violence, the administration abandoned its limited civil rights proposals of January 1963 and in June asked for approval of the most far-reaching legislation in the area of racial relations ever proposed to the Congress.

I earnestly submit that this proposed package should not be considered in an emotional atmosphere of compulsion or fear. Even if others should yield to pressures and threats exerted by any group irrespective of its power, merit, or worth, I hope that the Members of the Congress of the United States representing the American people will never submit to these champions of discord, strife, and evil.

It has been suggested that these proposals should be regarded as a symbol of love in memory of the late President of the United States. Surely history would regard it as a poor memorial to the late President for the Congress to violate the Constitution in his name and in his memory and to convey the memorial message in the trembling hands of trepidation and fear.

Laws enacted and placed on our statute book ought not to be considered as symbols or memorials; they ought to be considered as laws enacted on merit and in the public interest.

May we as citizens and Members of Congress, in these hours of travail, have the wisdom to know the right, and may we also have the determination and the courage to establish justice in this great land of ours.

A Resolution

PREAMBLE

On May 31, 1963, members of the minority race in Danville commenced a series of demonstrations which degenerated into lawlessness. These manifestations of discontent have fluctuated between a handful in number to more than 150. Frequently they have been encouraged and/or supported by outside agitators, many of them with subversive connections, the U.S. Department of Justice and the one-sided metropolitan press. They have resulted in extreme tensions, violence, and the violations of the civil rights of the vast majority of the citizens of the community.

We are sympathetic to the legitimate aspirations of responsible people to improve their lot in life. At the same time, we submit that alinement with criminal and subversive elements, the violation of law and order, the trampling on the civil rights of the majority can do nothing toward bringing to fruition those aspirations, but can only retard progress.

Crises sometimes bring to the fore the best in men. This axiom can be applied in the current situation to those in our city in positions of responsibility and trust.

Resolved, That we highly commend Mayor Julian R. Stinson, City Manager T. Edward Temple and their associates. We consider highly exemplary the conduct of the city and State police, the local FBI agents and the fire department in their efforts to maintain law and order. We call especial attention to the remarkable restraint they have exercised in the face of unwarranted and defenseless provocation.

We support the Danville Bar Association in its praise and defense of Judge A. M. Aiken.

Local industry and business deserves the support of the community for the use of sound judgment and maintenance of stability in the face of provocative harassment, threats, and picketing.

It is our judgment that the local ministers who have today publicly expressed an interest in the subject, could strengthen their position and better serve the interest of "religious principles" by encouraging the members of the minority race to divest themselves of subversive elements dedicated to the destruction of Christianity.

We consider as unwise, unbecoming, and unhelpful the intrusion of the U.S. Department of Justice in the affairs of our city. On the other hand, the intelligent and scholarly efforts of Commonwealth's Attorney Eugene Link, City Attorney James A. H. Ferguson, and Special Counsel John Carter are a credit to orderly judicial procedure, calculated to result in equal application of the law.

We condemn the reporting of the metropolitan press and Columbia Broadcasting System television as a travesty on the industry's code of fairness and an insult to the intelligence of the American people. We call upon the appropriate committee of Congress and the Federal regulatory agencies to conduct factfinding investigation.

We view the reporting of the local press as fair and objective.

Be it further resolved, That copies of this resolution be forwarded to City Manager T. Edward Temple, Congressman William M. Tuck, for appropriate distribution and action, and to the press.

[Telegram]

Danville, Va., *July 3, 1963.*

Hon. William M. Tuck,
U.S. House of Representatives,
Washington, D.C.

The Danville Bar Association at a special meeting on July 3, 1963, met and reviewed statements contained in a Justice Department brief filed in the U.S. District Court for the Western District of Virginia and in an AP press release under dateline "Washington, D.C., July 2, 1963," attributing to the Attorney General of the United States, Robert F. Kennedy, and to the Justice Department serious and unwarranted charges against the Honorable A. M. Aiken, judge of the corporation court of Danville, Va.

These charges state that the Honorable A. M. Aiken: operates his court in an atmosphere of rancor and suspicion; denies defendants equal civil rights under the law; tries cases in a prejudicial manner and setting; prejudges defendants; is guilty of racial antagonism; and so conducts his court that defendants are intimidated and cannot secure equal protection of the laws or a fair trial.

The Danville Bar Association states that such charges are false, without basis in fact, or misleading. It is the judgment of this association that such irresponsible charges degrade the dignity of the Justice Department as well as the dignity of the State courts of this Commonwealth of Virginia and that such charges constitute an unwarranted and irresponsible interference with the administration of justice in the corporation court of Danville, Va.

The Danville Bar Association expressed its unqualified confidence and support of Judge A. M. Aiken as a distinguished jurist and confirms that at all times Judge A. M. Aiken has conducted his court and administered justice in Danville in a fair, impartial, and judicious manner, without regard to race, religion, color, or creed.

The following resolution was thereupon unanimously adopted:

"Whereas the Danville Bar Association has taken due note of a widely published press release dated July 2, 1963, over AP wire from Washington, D.C., which contains statements attributed to the Attorney General of the United States and others contained in a brief filed by the Department of Justice in the U.S. District Court for the Western District of Virginia, which statements constitute an unwarranted, irresponsible, and unjust attack on the Honorable A. M. Aiken and on his conduct of the corporation court of the city of Danville, Va.; and

"Whereas such statements are false, without basis in fact, or misleading to such an extent that a wholly false impression has been conveyed to the public of the administration of justice in Danville: Now, therefore, be it

"*Resolved*, That this association does here record its strong resentment and unqualified disapproval of the aforementioned statements, and does hereby censure any representatives of the Department of Justice, including the Attorney General of the United States, who may be responsible for formulating, issuing, or giving circulation to such statements, to the discredit of the legal profession of which they are a part; and be it further

"*Resolved*, That this association does hereby affirm its support and admiration of the Honorable A. M. Aiken and of the extremely able and judicious manner in which he conducts his court, thus assuring a fair and impartial trial to every defendant, regardless of race, color, or creed."

George B. Anderson,
President, Danville Bar Association.

Mr. CELLER. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. Corman].

Mr. CORMAN. Mr. Chairman, yesterday one of my so-called southern colleagues urged that we so-called northerners, westerners, and easterners consider this bill on its merits. The gentleman's point was well and properly made—that geography tends to influence one's attitude when the topic of civil rights is discussed. I speak on this topic as no mere novice because for the past 18 years it has been my good fortune to share the joys of marital bliss with a Georgia peach, who has among her many attractive assets, a mother who, under California statute, becomes my mother-in-law. Concurrently, with my role as a husband, I have a role as Congressman, and, in this capacity, I have the rare privilege of serving under the able chairmanship of Congressman Celler from New York and the equally able subcommittee chairmanship of Congressman Forrester from Georgia. Those of you who attended the delightful portion of yesterday's session between 6 and 6:30 are well aware of the fact that there is a striking difference of opinion on the issue of civil rights between my chairman and my subcommittee chairman.

Coincidentally, there is this same striking difference of opinion on the matter between my wife, who agrees completely and unequivocably with my chairman, and my mother-in-law, who agrees equally vigorously with my subcommittee chairman. I trust my colleagues will not criticize me for deciding to throw my lot with my wife and my chairman. In addition to that decision being consonant with my convictions, it makes my life more serene. I burden you with these facts not to illicit your sympathy, though I do not question its propriety, but rather to call your attention to the fact that there are a great number of white southerners who are in the forefront of this Nation's battle to attain racial equality in our time. In truth, in many instances, it is the white southerner who has the most knowledge of the complexities of the problem, of the difficulty in finding solutions and of the urgency to find them now. He has seen the cruelty of the color line; he has seen the waste of second-class citizenship. I particularly call your attention to the statements of Ivan Allen, Jr., mayor of Atlanta, Ga.; Mrs. Margaret B. Dolan, president, American Nurses Association, and professor at the school of public health, University of North Carolina; and Rev. Heslip M. Lee of the Virginia Advisory Committee. The eight members of the Mississippi Advisory Committee to the U.S. Commission on Civil Rights, headed by Mrs. Wallis I. Schutt of Jackson, Miss. I shall ask to include their statements in the Record today. I also want to point out the distinguished southerners who have served on the Civil Rights Commission: Robert G. Storey, former vice chairman, head of the Southwestern Law School and past president of the American Bar Association; John S. Battle, former Governor of Virginia; and Doyle E. Carlton, former Governor of Florida. Robert S. Ranklin, chairman of the department of political science at Duke University, is presently serving on the Commission. In turning our attention to H.R. 7152, it seems to me that the bill has been best summed up by the ranking minority member of our committee, Mr. McCulloch, whose imprint is so deep on this bill. As he told us yesterday, the bill is comprehensive in scope, yet moderate in application. The opponents of this measure are accurate when they label it the most far reaching civil rights bill to ever come before this House, but they are completely inaccurate when they allude to the horrors of enforcement. Our committee made a laborious and successful effort to bring to this House, a law which would be temperate in its application and conciliatory in its effect. To guard completely the rights of all citizens, final determination in every instance was left to the judiciary, in keeping with fundamental American principles. Although H.R. 7152 is technical in its terms, its objective is very simple. It attempts to remove all color barriers, to give to all Americans equal access to the ballot box, to public facilities paid for with public funds and to the marketplace. Titles I, VIII, and IX deal with the ballot box; titles III, IV, and VI with public facilities; and titles II and VII with the marketplace. Title V provides for this Congress and the President a monitor to see how well we are doing.

I would like to address myself specifically to that portion of the bill which attempts to give access to the marketplace. Because of the fact that this is a new area of legislative concern for the Congress, it has come in for the most critical and searching analysis. As you heard yesterday, its constitutionality has been reviewed by my very able colleague from Louisiana, whose analysis I suggest is more eloquent than accurate, and by my colleagues the gentleman from New York [Mr. Lindsay] and the gentleman from Minnesota [Mr. MacGregor]. I concur completely with the views of these two latter gentlemen and am confident that the U.S. Supreme Court will do the same. Passing from the question of can we legislate in this field, to the question of should we, presents another problem. No one questions that every American citizen is guaranteed equal protection of the laws, under our Constitution, when he is dealing with his Government. But should this protection follow the American citizen into the marketplace where he earns his living and acquires the necessities and luxuries of life? My answer, and I hope the answer of this House, is a clear and unequivocable yes. Under our free enterprise system, most of our efforts, most of our accomplishments, and most of the things which determine our opportunities for a full life, are well outside direct governmental action and control. I do not want to understate the importance of education which is primarily a public activity. It constitutes our initial experience outside the home and is one of the most significant factors leading to our individual development. Beyond our schooling, it is our ability to convert our talents and efforts to money, and this money into food and clothing, a home, the necessities and luxuries for ourselves and for our families, that concerns us. This is what makes a free enterprise economy unique. We accomplish all these things outside the realm of governmental activity. Equal opportunity short of this arena would, in truth, be a sham. A hundred years ago, we took the Negro out of the marketplace as a commodity. It is time we put him back in the marketplace as a customer.

Someday, hopefully soon, our efforts to legislative civil rights will amuse those who sit in this great House, after we are gone and individually forgotten. They will be amused because to them, denying a person the right to vote or to work or to shop because of his skin pigment will seem as absurd as hanging a rooster for crowing during church services.

The Federal Government has legislated in the area of civil rights in 1863, 1865, 1866, 1868, 1870, 1871, and 1875; in 1957 and 1960; and now grapples with the civil rights bill of 1964. I have heard many Members ask whether this is to be the last civil rights bill or if we are going to be asked in a year or two or three to make new law. Others have contended that this bill goes much further than any law has ever gone before. As to the matter of new laws to meet future needs, I suggest that we will undoubtedly be faced with that prospect. In 1492 B.C., according to verses 1-17, chapter 20 of Exodus, God handed down the Ten Commandments to Moses. But some 1,500 years later, speaking through his Son, according to verse 34, chapter 13 of the Gospel of St. John, God amended those commandments by stating, "A new commandment I give to you, that you love one another even as I have loved you, that you also love one another." Now H.R. 7152 does not go as far as that commandment, but it does move us in that direction.

Mr. CELLER. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. COHELAN].

Mr. COHELAN. Mr. Chairman, this bill of civil rights will not, as some have argued, advantage one American over another. It will, however, go a long way toward fulfilling the pledges upon which this Nation was founded—pledges that all men are created equal; that they are endowed equally with unalienable rights; that they are entitled to equal opportunity in the pursuit of their daily lives.

It is well established that all individuals are not equal in ability, in motivation, or in talent. But it ought to be possible in a land where liberty, freedom, and justice are cherished rights, for all Americans to have equal opportunities to develop their resources to the fullest, free from restraint because of the color of their skin.

Our Negro fellow citizens—10 percent of our population—are required to meet the same obligations and responsibilities of citizenship as their white neighbors. They must obey the same laws. They must pay the same taxes. They must fight the same wars. But they are denied many of the same rights and many of the same privileges.

The Negro in America today has half as much chance of completing high school and a third as much chance of finishing college. He has a third as much chance of being a professional man and half as much chance of owning his own house. He has twice as much chance of being unemployed and the prospects of earning only half as much. He is denied the opportunity of being served in public accommodations, of attending the school of his choice, and of exercising the right to vote—a right which forms the cornerstone of our democracy.

Mr. Chairman, the dread disease of discrimination has plagued us far too long. It has weakened our economy. It has damaged the domestic tranquillity. It has made a black mark on our national conscience. And it is not sectional alone, as a look around our country so clearly reveals.

The enactment of this bill, which I am proud to have joined in sponsoring, will not by itself solve our remaining problems. It will need to be supplemented with enlightened action in every State; by every community group and individual citizen.

But this bill will go far toward providing reasonable men with reasonable tools for the job at hand. It will allow us to participate more effectively in the compelling fight for racial justice and human equality. It will allow us to do what is right.

Mr. Chairman, we have talked about this bill for long enough. Now the time and need is action—to pass this bill; to safeguard the basic rights of all Americans and the vitality of a fundamental American ideal.

Mr. CELLER. Mr. Chairman, I yield such time as he may require to the gentleman from New York [Mr. ROSENTHAL].

Mr. ROSENTHAL. Mr. Chairman, I rise in support of H.R. 7152. I wish to congratulate the chairman of the Committee on the Judiciary for the tremendous and valiant effort he has made in leading this Congress to meet its responsibilities to the Nation. The distinguished chairman, together with the ranking minority member, have made a noted contribution to American history, and for this our Nation shall long remain indebted.

I am particularly pleased that H.R. 7152 contains many of the provisions of legislation that I have sponsored in the past. Although H.R. 7152 does not go quite as far as some of its proponents had hoped, it is nevertheless a massive milestone in legislative enactment.

All of us are, or should be, aware that every American citizen is entitled to equality of treatment, whether it be political, economic, educational, cultural, or social. It is the responsibility of each individual to remain alert to this need until every American citizen has received his full rights and his fair share of the American heritage. Surely, government must be in the forefront as the protector of these rights, and even more certainly government, whether it be Federal, State, or local, must not be the instrument through which the exercise of these rights is prevented.

I am deeply grateful to the constituents of my district who have permitted me the high honor of serving in this House of Representatives at this time. The action we shall take in the passage of this legislation will bring great credit to this Congress, and will reflect a most notable achievement in the history of this Nation.

Mr. CELLER. Mr. Chairman, I yield such time as he may require to the gentleman from New York [Mr. FARBSTEIN].

Mr. FARBSTEIN. Mr. Chairman, I rise in strong support of H.R. 7152—the most far-reaching civil rights legislation to be considered by a Congress of the United States.

I wish that this legislation were unnecessary. But equal justice for all Americans has not been attained. The promise of the Declaration of Independence which declares that all men are created equal has not been fulfilled. The clear mandate of the 14th amendment which secures to all Americans equal protection of the laws has not been implemented.

Therefore, as long as we continue to deny to our fellow Americans the full blessings and responsibilities of citizenship—as long as we condone massive inequality of opportunity in housing, in education, in employment, and sanction wholesale denials of the right to vote and of access to public facilities—the enactment of this legislation is essential and is long overdue.

I am pleased that this bill comes to the floor with powerful bipartisan support. I commend the members of the Judiciary Committee for their patience and fortitude in fashioning this significant landmark measure.

Mr. Chairman, this bill was in large degree the creation of our late beloved President John F. Kennedy, who, in his June 19, 1963, message to Congress, called for "the most responsible, reasonable, and urgently needed solutions to this problem." President Johnson has thrown his unswerving support to the enactment of this bill.

In 1957 and 1960 Congress enacted legislation whose primary thrust was to safeguard and enforce voting. But endless delay in litigation and a lack of administrative resources to achieve proper enforcement have prevented these statutes from fulfilling the bright promise held by their ardent supporters. After years of bitter experience it is clear that voter discrimination enjoys widespread existence in many parts of the country.

Another serious aspect of the problem comes not only from discriminatory laws but from the unequal application and enforcement of apparently nondiscriminatory statutes. State and county officials have reached higher levels of ingenuity in devising techniques to stymie Negro registration. Negroes are often given impossible sections of the Constitution to analyze in the most recondite fashion while whites are assigned easy sections merely to read. Spelling errors or miscalculations of age or length of residence are conveniently overlooked for white applicants, while Negro applications are subjected to the most intense scrutiny and are rejected for the most trivial of reasons. It is truly astounding that in over 250 counties in the United States less than 15 percent of voting-age Negroes are registered to vote. In some counties where no Negroes are registered to vote at all the white population is exceeded by the number of white persons registered to vote.

Title I seeks to correct these abuses by providing that, in Federal elections State registration officials must: First, apply equal standards, practices and procedures to all individuals who seek to register to vote; second, disregard minor errors or omissions if they are not material in determining whether an individual is qualified to vote; third, administer literacy tests in writing.

Title I would also put an end to the discriminatory use of literacy tests in Federal elections and expedite the hearing of voting cases through the establishment of three-judge courts. These provisions are necessary and they are constitutional.

Perhaps the most degrading form of racial inequality is the denial of access to places of public accommodation. The uncertainty of knowing where one can stop for the night or where one can obtain a decent meal is a humiliation and hardship and a devastating blow to the dignity of an individual.

Congress has the moral and legal justification to eliminate segregation in places of public accommodation. Utilizing both the commerce clause and the 14th amendment as constitutional foundations title II of H.R. 7152 aims to prohibit anyone from interfering with another's right because of race, religion or national origin to be permitted access to places of lodging, eating establishments, places of entertainment and amusement, gasoline stations and other places within or encompassing the above establishments.

As our martyred President so eloquently stated:

> No one has been barred on account of his race from fighting or dying for America—there are no "white" or "colored" signs on the foxholes or graveyards of battle. Surely * * * it should not be necessary for any American citizen to demonstrate in the streets for the opportunity to stop at a hotel, or to eat at a lunch counter in the very department store in which he is shopping, or to enter a motion picture house, on the same terms as any other customer.

With that I strongly concur.

Mr. Chairman, title III of this bill would speed the desegregation of public facilities and give the Attorney General authority to intervene on behalf of the United States in cases involving equal protection of the laws—such as the celebrated case in Americus, Ga.

A decade after the epochal school desegregation decision of 1954 the Congress seeks in title IV to implement that decision with legislation empowering the Federal Government to provide technical and financial assistance to aid in solving problems of desegregation. To hasten the halting pace of school desegregation the Attorney General is authorized, upon receipt of a signed complaint, to institute appropriate legal action.

This legislation gives permanency to the Commission on Civil Rights which has labored tirelessly and with unceasing effort to alert the national consciousness to denials of constitutional rights. During its life the Commission has made a major contribution to our knowledge and understanding of the civil rights problem. It must be permitted to continue to do so.

Title VI enunciates what always should have been the policy of the United States—that no person should be denied equal benefits under any Federal financial assistance program because of his race, color, religion, or national origin. The fair enforcement of this title is in the highest national interest.

Title VII boldly attacks the chronic problem of discrimination in employment by creating an Equal Employment Opportunity Commission with authority to investigate complaints of discrimination in business establishments, labor unions, and employment agencies. Enforcement is secured through a trial de novo in district court proceedings.

This legislation is no sure-fire remedy for the blight of racial discrimination. It does represent, however, a major commitment by our National Legislature to meeting this problem head on. But the task requires the unstinting efforts of all Americans—at all levels of responsibility. A greater effort by all our citizenry is necessary.

The words of our late President should not go unheard:

> I ask you to look into your hearts—not in search of charity, for the Negro neither wants nor needs condescension—but for the one plain, proud, and priceless quality that unites us all as Americans; a sense of justice.

May I paraphrase the statement of the chairman of the Judiciary Committee, the gentleman from New York [Mr. CELLER] when I say, we are participating in a historic event in peacetime, one that will stand out in history. It will bring happinesss and comfort to 20 million of our people and give the rest of us the satisfaction of knowing we have done our duty by our fellow man. This legislation seeks only to honor the constitutional guarantees of equality under the law for all. It bestows no preference on any one group. It is intended that the living force of our Constitution shall apply to all people, not only those who, by accident of birth, were born with white skins. In short, I ask you to vote for this bill to recognize the equality of man under God.

Mr. McCULLOCH. Mr. Chairman, I yield such time as she may require to the gentlewoman from New Jersey [Mrs. DWYER].

Mrs. DWYER. Mr. Chairman, I strongly support the pending legislation, H.R. 7152, the Civil Rights Act of 1964, and I shall be brief in saying why. I support the bill as it was reported by the House Judiciary Committee and, therefore, I shall not take the time of the House to repeat a detailed analysis of the bill, information which is available and known to every Member of this body.

My own identification with the cause of civil rights is lengthy and extensive. Prior to my election to the New Jersey State Assembly, I served as a member of a citizen's committee appointed by the speaker of the assembly to arouse statewide support for our Republican-sponsored civil rights bill, which became one of the first comprehensive State-enacted statutes to deal broadly with this fundamental problem. As a freshman Congressman in 1957, I was privileged to cosponsor the Eisenhower administration's historic civil rights bill. This year, I was proud to join with several dozen of my Republican colleagues here in introducing two civil rights bills which became prototypes in several respects of the legislation we are considering today. And in between, I have supported on every occasion, in my committees and on the floor of the House, the effort to prohibit the use of taxpayer-provided funds for Federal programs which would discriminate against one group of those taxpayers.

I refer to my record in civil rights, Mr. Chairman, to indicate that my concern about civil rights has been consistent and long lasting and that it reflects my deepest convictions. By the same token, my reference to Republican activity in this field is meant to illustrate the bipartisan character of the fight to safeguard the rights of all Americans. We have, together, the rare opportunity with this bill to redeem the countless promises of the past, to implement the endless expressions of concern, and to reach the highest goal of our calling—by doing justice to our fellow citizens.

Justice is the only objective of this bill. There is nothing in it that is punitive or vindictive, negative or restrictive. The only right the bill would destroy is the right to violate the Constitution by denying the equal protection of the laws or by burdening commerce with discriminatory practices. The only liberty that would be lost is the liberty to deprive others of their liberties.

Mr. Chairman, this bill deserves the descriptions "moderate" and "compromise" which have so frequently been applied to it. It is restrained and reasonable. It provides adequate time for necessary adjustments to be made. It protects the procedural rights of all concerned, including those who might consider themselves to be adversely affected. Where appropriate, it permits or requires judicial review, appeal, rebuttal, the use of voluntary means of reaching agreement in a dispute, the right of trial by jury, and every other reasonable form of preventing possible abuse of the powers contained in the bill.

Mr. McCULLOCH. Mr. Chairman, I yield such time as he may require to the gentleman from New Jersey [Mr. WALLHAUSER].

Mr. WALLHAUSER. Mr. Chairman, I rise in support of H.R. 7152. It is my firm opinion that enactment of this legislation is long overdue and I sincerely hope that it will be enacted into law.

Thus, Mr. Chairman, this can be, and will be, a momentous period in the history of the United States of America. The 88th Congress will have made a great contribution to the future well-being of our people. The bipartisan approach, with Republicans contributing greatly to the impetus that focused the spotlight on the need, as well as to the final form of the bill, is especially important for future historians to note.

We, the Members of Congress, will strive to correct—and will correct—weaknesses in the structure of our laws that have made it, at the very least, extremely difficult for certain of our people to enjoy the rights that belong to them under the law of God, our Constitution, and our manmade laws.

We would be most naive to believe that obstructions have not been placed in the way of many of our citizens as they attempt to carry out the privilege of voting, the right for equal consideration in employment, the right for an equal opportunity of education, and the right to enjoy all the benefits that are here in our great United States of America.

The legislation that is before us will go a long way to assure all people that they can have and will have rights equal to those of any other individual. If enforced morally and legally, this legislation, when enacted into law, will end the more than 100-year period of second-class, third-class, fourth-class citizenship that has been present in this Nation.

This legislation covers a wide and necessary range and it is my sincere hope that not one section will be deleted or diluted. Each section will mean progress for the United States of America.

A reading of all sections of H.R. 7152 clearly shows the weaknesses in our present laws. This bill, as we all know, covers voting privileges, the use of public accommodations, the desegregation of public facilities, education, the ending of discrimination in federally assisted programs, equal employment opportunity, and making the Civil Rights Commission a permanent wing of Government.

And, importantly, the bill sets forth means through which actions may be taken to enforce the carrying out its provisions. It should be our hope that such enforcement will not be necessary, but the tools—as they must be—are provided in the event they are needed.

In discussions of the civil rights legislation that has been before the Congress and its committees for many, many months, I have heard dire forecasts as to what may happen if we enact H.R. 7152 into law. I have not been impressed one iota by these forecasts, for in my own State of New Jersey we have had similar statutes on our books for many years. It has not hurt New Jersey or any individual living in the State. In fact, the existence of such laws and the observance of them has made New Jersey a greater State, a better State to live in, a better State to work in. I do not contend relations among the peoples of New Jersey are perfect, but we are progressing with the help of the laws that we have enacted.

Mr. Chairman, it is my hope that there will not be undue delay in adopting H.R. 7152 so that the obstructions denying equal rights to all will be clearly removed.

Mr. McCULLOCH. Mr. Chairman, I yield 15 minutes to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, it will not be my purpose to duplicate arguments made by others with regard to this legislation where that can be avoided. However, there are a number of points that I do not believe have been considered in the debate and I intend to consider as many of those as time will permit.

First. I would like to state this factual information. No. 1, there is no serious racial problem presently, nor has there been in recent years, in my district. We have a community relations commission in my hometown. All elected officials are participating in it. I read in the paper this morning that there are 179 such community relations commissions, locally sponsored organizations, trying to help race relations on a local, negotiated basis. And that is the way it should be done and can be done and would be and is proving most effective.

Second. I have no deep-seated ill will for any race, color or creed or any practitioner of any religion. As a matter of fact, I went to Harvard Law School with some Negroes and they were some of the best qualified students in the whole school. So I speak as objectively as it is possible for a person to speak who served on the subcommittee for some 8 months hearing the testimony, and who also attempted during that period of deliberation to try to carve out what I believed to be as sound a bill as possible. I thought we were making some headway. That was before the tax bill was passed; I thought we were making some headway. Objectively we were, and a lot of good amendments were adopted. After that the roof fell in.

What about the bill we have before us? Is this in fact a compromise bill? It has been highly advertised as such. I would like to give brief consideration to that question at this point. What does this so-called compromise bill contain which I believe when considered can lead only to the inescapable conclusion that it is not much of a compromise? It is substantially stronger than the original administration bill in a majority of the more important aspects.

Let me cite a few examples of what I am talking about. The reason I cite these examples is that in our deliberations, I am sure you remember when the Kennedy bill first came to Congress back in June of this year, there were horrendous cries, "Going too far," "Much too strong," "The broadest bill ever proposed by the executive branch of the Government," some charged. Now we have before us on the floor of the House a bill that goes even much further.

Therefore, I want to discuss this point because I think it indicates obviously that numerous amendments are needed. If that is not accomplished, and a good bill written on the floor of the House, the only alternative to the House is to recommit the bill to the Committee on the Judiciary. The job of proper amendment has not been done in the past. The Members know what the history of the legislation is.

Let us take some examples: No. 1, compulsory FEPC, which is contained in title VII, remains with the slight modification of a right to a court trial de novo when the Commissioners bring such action. It says it shall bring such action when discrimination is found to exist. So it is in effect mandatory.

This was not in the proposal offered by the administration which it brought to the Congress in June.

Second. The 14th amendment approach to public accommodations is not limited to the proper definition of "establishments" under the interstate commerce approach. Under the interstate commerce approach is an effort to try to define what is meant by an establishment, but not under the 14th amendment approach. It covers "customers or usage," or where "discrimination is fostered or encouraged" by State action, which appears on page 44 of the bill.

Third. The bill is stronger than the Kennedy administration bill in section 202. That section is as broad as a section can be. It utilizes or preempts not only State statutes in conflict with Federal statutes but also all "ordinances, regulations, rules, or orders" of any State or political subdivision thereof if it purports to require discrimination or segregation.

This was not in either the subcommittee or the original bill, and I refer to section 202.

Where did it come from? So far as I am concerned it came out of the night as a part of this package, this 56-page bill. That is exactly what it was. It was handed me at 10:30 at night on Monday. We were expected to act on the bill at 10:30 Tuesday morning. It came out of the night. The proponents said this was called a compromise bill. We acted upon that bill within an hour and a half in the full committee.

Title III was retained from the subcommittee bill with the power of the Attorney General to bring suits on behalf of the aggrieved. This was not in the bill proposed by the administration on June 30, a new and more broad version of the old title III of the 1957 civil rights bill, which was defeated by the Congress and, as has been previously pointed out, defeated under the leadership of our present President of the United States when he was leader in the other body.

Section 302 was included in this bill under the public facilities section. It is in the public facilities section. This gives the Attorney General the power to intervene in any case dealing with "equal protection of the laws." You could not ask for broader coverage. This was not in the original administration bill, and has a broader application than the 1957 title III. I say that advisedly, and for the RECORD I shall ask unanimous consent at the proper time to include the provisions which were applicable in 1957, limited to conspiracies. That was defeated by the Congress. Limited first to conspiracies; second, limited in that it dealt with an official carrying out of official functions; and, third, it dealt with existing law in both instances. It dealt with hindering a constituted authority in very limited areas as applied to the Attorney General. But this is a broad, equal protection of the law, much broader than the proposition of 1957 which the Congress defeated. The Congress said at that time it was going too far.

I include the amendment in 1957 from the committee report at that time at this point:

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the House of Representatives, there is printed below in roman existing law in which no change is proposed by enactment of the bill as here reported; matter proposed to be stricken by the bill as here reported is enclosed in black brackets; new language proposed by the bill as here reported is printed in italics:

"SECTION 1980 OF THE REVISED STATUTES OF THE UNITED STATES

"SEC. 1980. First. If two or more persons in any State or Territory conspire to prevent, by force, intimidation, or threat, any person from accepting or holding any office, trust, or place of confidence under the United States or from discharging any duties thereof; or to induce by like means any officer of the United States to leave any State, district, or place, where his duties as an officer are required to be performed, or to injure him in his person or property on account of his lawful discharge of the duties of his office, or while engaged in the lawful discharge thereof, or to injure his property so as to molest, interrupt, hinder, or impede him in the discharge of his official duties;

"Second. If two or more persons in any State or Territory conspire to deter, by force, intimidation, or threat, any party or witness in any court of the United States from attending such court, or from testifying to any matter pending therein, freely, fully, and truthfully, or to injure such party or witness in his person or property on account of his having so attended or testified, or to influence the verdict, presentment, or indictment of any grand or petit juror in any such court, or to injure such juror in his person or property on account of any verdict, presentment, or indictment lawfully assented to by him, or of his being or having been such juror; or if two or more persons conspire for the purpose of impeding, hindering, obstructing, or defeating, in any manner, the due course of justice in any State or Territory, with intent to deny to any citizen the equal protection of the laws, or to injure him or his property for lawfully enforcing, or attempting to enforce, the right of any person, or class of persons, to the equal protection of the laws:

"Third. If two or more persons in any State or Territory conspire or go in disguise on the highway or on the premises of another for the purpose of depriving either directly or indirectly any person or class of persons of the equal protection of the laws, or of equal privileges and immunities under the law; or for the purpose of preventing or hindering the constituted authorities of any State or Territory from giving or securing to all persons within such State or Territory the equal protection of the laws; or if two or more persons conspire to prevent by force, intimidation, or threat, any citizen who is lawfully entitled to vote, from giving his support or advocacy in a legal manner, toward or in favor of the election of any lawfully qualified person as an elector for President or Vice President, or as a Member of Congress of the United States; or to injure any citizen in person or property on account of such support or advocacy; in any case of conspiracy set forth in this section, if one or more persons engaged therein do, or cause to be done, any act in furtherance of the object of such conspiracy, whereby another is injured in his person or property or deprived of having and exercising any right or privilege of a citizen of the United States, the party so injured or deprived may have an action for the recovery of damages, occasioned by such injury or deprivation, against any one or more of the conspirators.

"Fourth. Whenever any persons have engaged or there are reasonable grounds to believe that any persons are about to engage in any acts or practices which would give rise to a cause of action pursuant to paragraphs First, Second, or Third, the Attorney General may institute for the United States, or in the name of the United States, a civil action or other proper proceeding for preventive relief, including an application for a permanent or temporary injunction, restraining order, or other order. In any proceeding hereunder the United States shall be liable for costs the same as a private person.

"Fifth. The district courts of the United States shall have jurisdiction of proceedings instituted pursuant to this section and shall exercise the same without regard to whether the party aggrieved shall have exhausted any administrative or other remedies that may be provided by law."

TITLE 28, UNITED STATES CODE, SECTION 1343

"§ 1343. Civil Rights [.] *and elective franchise.*

"The district courts shall have original jurisdiction of any civil action authorized by law to be commenced by any person:

"(1) To recover damages for injury to his person or property, or because of the deprivation of any right or privilege of a citizen of the United States, by any act done in furtherance of any conspiracy mentioned in section 47 of title 8;

"(2) To recover damages from any person who fails to prevent or to aid in preventing any wrongs mentioned in section 47 of title 8 which he had knowledge were about to occur and power to prevent;

"(3) To redress the deprivation, under color of any State law, statute, ordinance, regulation, custom or usage, of any right, privilege or immunity secured by the Constitution of the United States or by any Act of Congress providing for equal rights of citizens or of all persons within the jurisdiction of the United States [.];

"(4) *To recover damages or to secure equitable or other relief under any Act of Congress providing for the protection of civil rights, including the right to vote.*"

I call your attention to the fact that little title III appears in three other titles of the bill in addition to title III on public facilities.

This bill is broader than the administration bill because it now has the mandatory withholding of Federal funds. The administration's proposal was discretionary and did not go nearly as far as the proposal contained in this legislation.

That was limited to "grants, contracts, or loans," although many of these contracts also include "guarantees or otherwise," which were in the initial bill, but only with the limited review under the Administrative Procedure Act which was maintained under title VI. I think the Administrative Procedure Act has been pretty well discussed in that it does not give a trial de novo or a real review of the fact involved and that is, Did or did not the person involved discriminate as a cause for withholding Federal funds. That vital fact of discrimination is not reviewed de novo under the bill. That fact, as a matter of fact, can only be reviewed on the basis of proving abuse of administrative discretion, and anybody who practices administrative law knows how impossible it is to overcome that burden.

The Civil Rights Commission was made permanent rather than on a 4-year extension as proposed in the administration bill.

The right of an appeal on remand orders only applicable to civil rights cases was retained although not in the original administration bill.

In title I, the temporary voting referee with impounding provisions was deleted and an all-encompassing three-judge court with direct appeal to the Supreme Court was established not only in this bill but in all voting rights cases under the 1957 and 1960 acts and under section 1971(a).

Let me call this to your attention, because it has not been pointed out before in the debate, to my knowledge. This section dealing with the three-judge court in the bill appears on page 41. Take a look at it. You will find the three-judge procedure, and you will see that in any district court of the United States under "this section," and this section means the 1957 Civil Rights Act relating to voting, the 1960 Civil Rights Act relating to voting, and the statutes that were previously on the statute books, referring to section 1971(a). The three-court procedure applies to all of these cases. Section 1971(a) reads:

> All citizens of the United States who are otherwise qualified by law to vote at any election by the people in any State, territory, district, county, city, parish, township, school district, municipality, or other territorial subdivision, shall be entitled and allowed to vote at all such elections, without distinction of race, color, or previous condition of servitude; any constitution, law, custom, usage, or regulation of any State or territory, or by or under its authority, to the contrary notwithstanding.

You could not have a broader application of the three-judge court in voting matters. The point I want to make is that the three-judge court is applicable to all existing law, including the particular section I have just read as well as the proposed bill that you have before you. The bill looks as if it is rather narrow in comparison.

I know a lot of people will brag as the debate goes on that there are a lot of sections here that are compromise sections that were worked out in the spirit of compromise. I do not know where the spirit was or where the spirit was moving. I do not think anybody has discovered yet where the spirit was moving, although I read the other day that there were going to be a lot of speeches made by a lot of people who had something to do with the civil rights bill, and I learned for the first time that Mr. Katzenbach was the author of that portion of the bill. But apparently there were some so-called compromises worked out. Let us examine some of them for a minute.

In title I, voting rights, supposedly State elections were eliminated. Let us look at that. However, a careful examination of the word "vote"—if you will look on page 40, you will see where it says that for the purposes of this subsection the term "vote" shall have the same meaning as in subsection (e) of this section. What does subsection (e) say? That means under present law. Subsection (e) of the present law says as follows:

> When used in the subsection, the word "vote" includes all action necessary to make a vote effective * * * with respect to candidates for public office and propositions for which votes are received in an election.

Every single candidate or proposition would be included—State, local, and Federal with this definition of "vote" remaining on page 40.

So I say to you in that respect, it is not a compromise and I do not think adequate thought was given to the matter. I raised the question in full committee when we had the subcommittee bill before us. Before we could get to this title of the bill and vote on it in full, the substitute bill came in and we did not even have a chance to clarify that point. I think it should be clarified in the debate and through amendment.

A more restrictive definition—and again I am considering the areas where it will be claimed a compromise was worked out.

A more restrictive definition of public accommodations was adopted as it relates to the Interstate Commerce clause, but then it was broadened again by section 201(d) relating to the 14th amendment approach. If you will look at the bill, you will see what I am talking about. Section 201(d) is on page 44. You will see there discrimination or segregation by and in effect is supported by State action within the meaning of this title if such "discrimination or segregation is carried on under color of any law, statute, ordinance, regulation, custom, or usage; or is required, fostered, or encouraged by action of a State or a political subdivision thereof."

Then go to section 202 and you will see the broadest preemption proposal, as I said before, that I have seen written in a bill or proposed to be:

> All persons shall be entitled to be free, at any establishment or place—

And so forth, which is a broad 14th amendment approach to accommodations.

Look at page 45, lines 8 and 9. The only way I know to discuss legislation is to talk about the legislation and from the bill itself and not what someone may think is in it, but what the language itself indicates it purports to do.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McCULLOCH. Mr. Chairman, I yield 5 additional minutes to the gentleman from Florida.

Mr. BECKER. Mr. Chairman, will the gentleman yield for a question?

Mr. CRAMER. I yield to the gentleman.

Mr. BECKER. I just want to compliment the gentleman from Florida for the wonderful way in which he is treating this bill. It is something I wanted to hear in these 2 days, a discussion, section by section of the bill. I hope before the gentleman finishes his talk, that we can ask him questions on this bill, section by section. I think the gentleman is doing a magnificent job.

Mr. CRAMER. I thank the gentleman. As I say, I think the only logical way to discuss legislation is to discuss what is the language of the bill and what is wrong with the provisions of the bill. To discuss what is in the bill. To discuss what in the bill goes too far. To discuss what in the bill involves individual property rights and freedoms. To discuss what is in the bill that involves constitutional questions. To discuss in the bill the delegation of too great power to the executive branch of the Government, the President or the Attorney General. To discuss in the bill the language that cuts out funds, for instance, from going to a recipient without proper review. These questions I ask are based upon what the bill contains, and I think they should be discussed and obviously time does not permit it at this time, but as we proceed under the 5-minute rule, it will be my intention to approach the bill on that basis, because I have tried to judge this bill just as I have tried to judge every other bill. I know Members on the floor of the House will recall me discussing these very same principles regarding other legislation, and I am discussing these principles just as vehemently with respect to this legislation as I did with respect to other legislation, and the fact that it is under the color, or under the tent, or under the umbrella of "civil rights" should make no difference if they are matters of principle in the first instance. It is either right or wrong, be it civil rights legislation or any other kind of legislation. Therefore, I think it is my duty with respect to this legislation as it is with respect to all other legislation, if I feel that certain fundamental principles are being violated, then I think it is my duty on the floor of the House to say so, to the best of my ability and point to the specific language that shows these basic principles are being violated.

Mr. BECKER. That is what I would like to hear from the gentleman. I hope the gentleman next week on the floor under the 5-minute rule will give me an opportunity to ask these very specific questions on these points.

Mr. CRAMER. I thank the gentleman.

And again I am talking of the so-called compromise: Public facilities was retained as a new title III.

Now, public facilities was not even in the Kennedy administration proposal. Public facilities got in the subcommittee from someone else's bill. There were no hearings on the question as to whether the public facilities title should be in the bill. There were no basic hearings with regard to that. It came in from the subcommittee.

Under the new title III, it will be claimed that cutting back the definition of any public facility to one that is "owned, operated, or managed" by a State or local government is a substantial compromise, but when it is realized that this new title was not contained in the administration bill, and that section 302 providing for Attorney General intervention in any "equal protection of the law" case was added, it does not appear to be much of a compromise.

Title VI, dealing with the cutoff of the Federal assistance program, was cut back to grants, contracts, or loans, deleting "guaranty or otherwise"; but this is not much of a compromise, when the administration bill contained a discretionary title and this "compromise title" remains mandatory.

The claim is a compromise title VII dealing with a compulsory FEPC. This was not in the administration bill at the outset. There were no hearings held on FEPC in our committee. This title came strictly out of the Education and Labor Committee. It was moved and adopted—"bang"—just like that in the subcommittee. It was put in, in its entire form in the subcommittee, as voted out by the Education and Labor Committee with one exception.

The so-called compromise made one change, and that was with relation to a trial de novo on review, but the FEPC provision still remains. That was not asked for by the administration of the then President Kennedy, but it is in the bill. Yet this bill supposedly is a compromise.

If I had sufficient time, I would go through the bill from page to page, pointing out some of the areas as to which I believe there is serious concern with regard to this legislation.

Let me give a couple of examples. This was not talked about in our committee since we did not have time to discuss it. I ask Members to look at page 81, lines 3 and 4. This language relates to a Federal Power Commission investigative power:

> The provisions of section 307 of the Federal Power Commission Act shall apply with respect to grants of immunity.

I am sure the distinguished chairman of the committee knows that I introduced, a few years ago, a bill to provide grants of immunity relating to fighting organized crime, and our committee failed and refused to take any action on the bill whatsoever, I assume on the basis that the committee did not feel that grants of immunity should be given relating to organized crime. Yet we find the grants of immunity in this FEPC title.

Which has the higher priority? Which has the higher priority as between organized crime and FEPC? Is it not as important to fight organized crime? Why is not consideration given to that proposed legislation when it is so easily and perfunctorily placed in this FEPC provision?

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. CRAMER. Mr. Chairman, will the gentleman yield me 5 additional minutes?

Mr. McCULLOCH. Mr. Chairman, I grant the gentleman from Florida 2 additional minutes.

Mr. CRAMER. I will put section 307 of the Federal Power Commission Act in the RECORD hereafter:

> (g) No person shall be excused from attending and testifying or from producing books, papers, correspondence, memorandums, contracts, agreements, or other records and documents before the Commission, or in obedience to the subpena of the Commission or any member thereof or any officer designated by it, or in any cause or proceeding instituted by the Commission, on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying. (June 10, 1920, ch. 285,

§ 307, as added Aug. 26, 1935, ch. 687, title II, § 213, 49 Stat. 856.)

The reading of section 307 clearly shows that no individual "shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction made or thing done when he pleads his privilege against self-incrimination."

That provision was written into the bill, although there was no discussion with regard to it, and although there was plenty of discussion with respect to not writing a similar immunity provision into the anticrime laws.

Apparently I am not going to be given adequate time to develop some of the other points I wish to, but I have one other point with regard to public education. There has been a lot of discussion as to whether or not racial imbalance remains in the bill. I maintain that it does. I know the gentleman from Ohio [Mr. McCULLOCH] disagrees, and I am not surprised.

I know the gentleman from Ohio in good faith tried to strike out racial imbalance in the legislation, after numerous questions which I asked the Attorney General and others concerning it.

I ask Members to look at page 50, lines 10 and 11, where the language reads:

> "Desegregation" means the assignment of students to public schools—

And I ask Members to look at page 51, line 7, involving the "Survey and Report of Educational Opportunities," where there is the language that these studies shall be made "concerning the lack of availability of equal educational opportunities."

I challenge anyone to disprove that racial imbalance is included in that section, beacuse certainly the study includes a study of racial imbalance.

Is it included in the public education title in general under the definition of "desegregation"? I think it still is.

I call attention to one case in this regard. Perhaps the gentleman from Ohio is familiar with this case. The case was recently decided on January 24, in Manhasset, N.Y. The Federal judge ordered the school authorities in Manhasset, Long Island, to end "de facto segregation." De facto segregation is racial imbalance. Reference was to the elementary grades, by next September. It is stated that as a matter of constitutional right those Negroes who were required to go to a given school in a given area, even though they lived in that area, were being denied their constitutional rights.

I say the question is very clear.

Mr. Chairman, I include in the RECORD at this point the news article setting forth this case for the information of the House:

INTEGRATE PUPILS, MANHASSET TOLD—FEDERAL JUDGE ORDERS BOARD TO DRAW UP PLAN TO END DE FACTO SEGREGATION

(By Leonard Buder)

A Federal judge ordered school authorities in Manhasset, Long Island, yesterday to end de facto segregation in the elementary grades next September.

Chief Judge Joseph C. Zavatt of Federal District Court in Brooklyn directed the school officials to submit a plan for fuller integration by April 6.

The National Association for the Advancement of Colored People, which had sued to halt what it called discrimination, hailed the ruling as a landmark decision. Robert L. Carter, the association's general counsel, called it "the best analyzed decision on this problem that has been handed down."

Mr. Carter said Judge Zavatt's decision, which was contained in a 59-page opinion, would "carry more weight" than other recent decision that have blocked efforts toward fuller integration in some communities. He predicted that the new ruling would "light a fire" under some school boards in the State.

MALVERNE RULING CITED

On January 10, State Supreme Court Justice Isadore Bookstein ruled in a case involving Malverne, Long Island, that school officials—whether their intentions were good or not—had no right to consider racial or ethnic factors in drawing school zones.

A similar decision, affecting the New York City Board of Education's zoning plans for a Brooklyn junior high school, was handed down last September by Justice Edward G. Baker of the State supreme court.

Mr. Carter said the Manhasset case could also have been taken to a State Court since it involved the State Constitution as well as the Federal Constitution. He said there was no special reason for bringing it before the Federal Court instead.

Mr. Carter said questions arising from the drive to attain fuller integration in schools would ultimately have to be decided by the U.S. Supreme Court. He added that the first case of this kind likely to reach the High Court was one in Gary, Ind.

NO NEGROES IN TWO SCHOOLS

The Manhasset case involved charges by Negro parents that their children were being discriminated against by being compelled to attend the Valley Elementary School.

The Valley School has 166 pupils, almost all of whom are Negroes. There are no Negroes in the district's two other schools—Plandome Road, which has 600 pupils, and Munsey Park, which has 574.

The NAACP charged that the Negro pupils received an inferior education and cited test scores to show that they were two or three grades behind pupils in other Manhasset schools and a year behind the national average.

School authorities said the concentration of Negroes at the school reflected housing patterns, not overt acts of discrimination by the school district. They also said scholastic achievement must be viewed in terms of intellectual capacity and social and economic factors. Manhasset's Negroes comprise the lowest income group in the relatively wealthy suburban community.

Judge Zavatt held hearings for 8 weeks last spring on the application of the NAACP for an injunction to restrain the district from continuing its school zoning policies. Without a jury, Judge Zavatt heard testimony from school officials, psychologists, teachers, university professors, and others.

In granting the injunction, the Judge said:

"The denial of the right not to be segregated cannot be assuaged or supported by evidence indicating that underachievement in the three R's may be due in whole or in part of low socioeconomic level, home influence or measured intelligence quotient.

"The role of public education in our democracy is not limited to these academic subjects. It encompasses a broader preparation for participation in the mainstream of our society."

SEGREGATION FOUND

Other points made by Judge Zavatt included these:

"On the facts of this case, the separation of the Negro elementary schoolchildren is segregation. It is segregation by law—the law of the school board. In the light of the existing facts, the continuance of the defendant board's impenetrable attendance does amount to nothing less than State-imposed segregation.

"In a publicly supported, mandatory State educational system, the plaintiffs have the civil right not to be segregated, not to be compelled to attend a school in which all of the Negro children are educated separate and apart from over 90 percent of their white contemporaries.

"The repeated reference (by school authorities) to possible community preference and the statement that the Valley situation is a matter of community determination betray an unwillingness to face an educational problem as such. It is the board, not the electors, who fix attendance policies. It is the board, not the electors, who must determine when, if ever, these policies should be modified.

"By maintaining and perpetuating a segregated school system, the defendant board has transgressed the prohibitions of the equal-protection clause of the 14th amendment."

OTHER DECISIONS NOTED

Taking note of other court decisions involving school segregation issues, Judge Zavatt emphasized that his decision did not hold that the neighborhood school policy by itself was unconstitutional or that racial imbalance and segregation were synonomous. He also said:

"The court does not hold that the Constitution requires a compulsive distribution of schoolchildren on the basis of race in order to achieve a proportional representation of white and Negro children in each elementary school district."

The suit, brought in behalf of seven Negro families, named the local board of education and Dr. Raymond L. Collins, the superintendent of schools, as defendants. The NAACP was represented by Mr. Carter and Jawn Sandifer, and the school board by Samuel Lane.

Mr. Carter said Manhasset could comply with the decision by turning the Valley School into an administrative building and distributing its pupils among the two other schools. The probable alternative to this would be to rezone the boundaries of the three schools.

There was no immediate comment from Manhasset authorities.

Mr. McCULLOCH. Mr. Chairman, I yield myself 3 minutes.

I presume that the gentleman from Florida is talking about the same New York cases of which I read. There were at least two New York cases in the State court which held that racial imbalance was contrary to law. However, I am sure that the very learned gentleman from Florida has heard or at least has read a summary of the decision by the Court of Appeals in Indiana which held to the contrary, and the Court of Appeals in Indiana was the U.S. Court.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Florida.

Mr. CRAMER. This decision came down on January 25, 1964, subsequent to our voting the bill out. So we could not possibly have it before us for consideration at that time. I think, if we had, we would have taken another look at the bill and probably put something specific in it saying that it is not the intention of Congress to include racial imbalance or de facto segregation. I think we should consider an amendment to that effect.

Mr. McCULLOCH. I reiterate the statement I made about the decisions from New York as well as the decision from Indiana.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from New York, the chairman of the committee.

Mr. CELLER. I thank the gentleman from Ohio. I want to state it is true there have been a few decisions in New York to the effect that you cannot gerrymander to cure racial imbalance. Those decisions are being appealed. We are striving with might and main to bring about solutions in the New York area with reference to schools. It is a very difficult and vexatious problem which will be cured in time. At least we are making an attempt to find a solution. Many of the States from whence come the opposition are not even attempting to cure that imbalance. At least we are attempting something. And we are experiencing difficulty. I have to admit that.

Mr. McCULLOCH. In addition to the two New York State court decisions which I mentioned, the gentleman from Florida has referred to a U.S. district court decision of which I was not informed. Of course, that court is inferior to the U.S. Court of Appeals in the State of Indiana.

Mr. CELLER. Mr. Chairman, I yield to the gentleman from Illinois [Mr. LIBONATI] such time as he cares to use.

Mr. LIBONATI. Mr. Chairman, the Constitution of the United States was written by our forefathers at Philadelphia after a series of conferences lasting 9 years—from 1780 to 1789. Although the Negro was considered a chattel, there was not one word in the Constitution denying him as being a member of the human race.

Later, Lincoln's emancipation proclamation and subsequent articles adopted through procedures established his status in society as a free man and, consequently, restored to him the so-called inalienable rights that all statesmen past and present so boastfully and with forensic splendor represent as God-given rights to God-fearing human beings. These rights are inherent to the members of the human race and could not be denied by statutory law.

Manmade laws cannot negate, deny or disregard these rights.

The United States exemplifies in its historical role as the most powerful freedom-loving nation of the world the dream of every other nation of freemen whose ambition is to perfect a government similar to our own. And, yet, the issue before us today disturbs the minds of men of the world as to the true meaning of our democracy. The loyalty of the American Negro belongs to no other flag. His lineage can be traced to no other nation. He was a captured human being. Yet, 100 years after his emancipation throughout the land he is denied the rights of citizenship and the opportunities of education, employment, and social status enjoyed by his fellow Americans. We can no longer tolerate this condition. We must act now. We must implement the law to carry out this purpose. It is a mandate that we cannot deny, if we love our country, our fellow man and the historical tradition of respecting the God-given belief in the inalienable rights of man and of nations. To preserve these rights, millions of Americans and men of our allies have died—and billions of dollars have been spent in the defense of these concepts of freedom and peace.

A good law is that law enacted for a certain intention and specific purpose for the promulgation of the public interest.

In its purpose it can be regulatory, remedial, or principled in terms for the common good.

Its sociological value must be reflected in its effect upon the masses in serving their needs and increasing their responsibilities to society.

H.R. 7152 would meet these fundamental requirements and contribute much to the advancement of our social well-being and economic strength.

Mr. CELLER. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. MINISH], such time as he may care to use.

Mr. MINISH. Mr. Chairman, I am pleased to rise in support of the momentous civil rights legislation now before the House. It is my earnest hope that the first Congress in which it is my honor to serve will fulfill its responsibility—too long delayed—to insure that the Constitution means what it says and that it applies equally to every American.

H.R. 7152 is a good bill. It provides fair and effective procedures to prevent denial of the constitutional rights of persons on account of their race or religion. It will do away with the favoritism shown by many State voting officials toward white applicants and the resulting unfair treatment of Negroes and denial of their right to vote. It will lift from our Negro citizens, whose dollars help to support the American economy, the humiliating burden of being treated as outcasts when they seek service in business establishments involved in interstate commerce or where discrimination is supported by State action. It will aid in removing the resistance which in many places continues to interfere with the well-established constitutional right of persons of all races to the equal enjoyment of State-supported schools, parks, libraries, hospitals, and other governmental facilities. It will enable the valuable services of the Commission on Civil Rights to continue on a permanent basis. It will assure fair and equal application of Federal assistance programs to all races. And it will strike at the pernicious practice of denying qualified persons the right to work simply because of their race or religion.

I should like to speak briefly on that title of the bill, title VII, which deals with fair employment. This is the heart of the civil rights issue since opportunity to earn a living is basic to the enjoyment of all other rights. It is essential that we assure equal employment opportunities for all Americans so that men and women will be considered for jobs on the basis of merit, not on the color of their skin. It is grossly unfair that the aspirations of so many of our fellow citizens continue to be frustrated by the discredited prejudices of racists. Legislation, of course, will not in itself solve the problem of discrimination in employment opportunity, let alone discrimination in other fields, but it does offer a positive step in the direction that we must go.

I would prefer stronger provisions than those contained in title VII but this does provide a good foundation on which to build an effective law. The title makes it unlawful for employment agencies to refer or to refuse to refer an applicant because of race or religion. It makes it unlawful for a covered employer to refuse to hire anyone because of race, religion, or national origin, or to fire or otherwise discriminate against an employee for these reasons. It prohibits racial discrimination by labor unions and in training programs. I should like to note in this connection that the labor movement has long advocated equal employment opportunity laws, applicable to unions as well as to management. The AFL–CIO conventions have repeatedly endorsed a Federal Fair Employment Practices Commission, armed with all necessary powers.

Under title VII, an Equal Employment Opportunity Commission made up of five members appointed for staggered 5-year terms by the President, with the advice and consent of the Senate, would be created to administer the law. No more than three members of the Commission could be members of the same political party.

The Commission would investigate charges of discrimination and attempt to settle disputes through conciliation and persuasion. The Commission itself will issue no enforcement orders. Instead, if its efforts to secure voluntary compliance fail, the Commission may seek relief in the Federal court, where the judge or a master appointed by him, will hear the matter de novo. This procedure will meet the objection which is sometimes raised to an agency serving as both judge and prosecutor, and is an effective means of achieving the objectives of the title. Should the Commission fail to bring suit within a specified time the aggrieved party may do so himself.

Congress has a clear mandate, under its power to regulate interstate commerce, to enact such a law. It has a moral obligation to do so. No one can deny that Negroes receive the brunt of the burden of discrimination. They are the last to be hired, the first to be fired. It creates a vicious circle. The incentive to obtain a good education, to try to develop his potentials to the full extent of his inherent talents, is stifled if a Negro feels he will not be able to rise above the lowest menial jobs. When I urge approval of title VII, I speak from intimate knowledge of the evils of discrimination in employment and of the misery and hopelessness visited upon its victims and their families. I am proud that the I.U.E., of which I have been a member and official for many years, has worked most vigorously for job integration. My union has consistently maintained that every American is entitled to be judged on his own, on the basis of his ability, in every field of endeavor. I can testify from personal experience that men and women of all races and creeds can work together harmoniously, with mutual respect and good will.

Under title VII, employment will be on the basis of merit, not of race. This means that no quota system will be set up, no one will be forced to hire incompetent help because of race or religion, and no one will be given a vested right to demand employment for a certain job. The title is designed to utilize to the fullest our potential work force, to permit every worker to hold the best job for which he is qualified. This can be done by removing the hurdles that have too long been placed in the path of minority groups who seek to realize their rights and to contribute to a full society.

Employment is only one facet of equal opportunity, but other basic rights hinge upon it. The problem of employment discrimination cannot be solved on a piecemeal basis. It must be attacked throughout the Nation. We can no longer afford to evade the issue; we must meet it squarely and firmly as provided in title VII. Let us settle now the too long unresolved question of whether all Americans should be equal in opportunity on the basis of justice and equity. Let us move forward to achieve our goal of maximum employment, production and purchasing power so that America will be truly the land of opportunity for all our citizens.

Mr. CELLER. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. DANIELS] such time as he cares to use.

Mr. DANIELS. Mr. Chairman, I rise in support of H.R. 7152, the Civil Rights Act of 1963.

The problem of civil rights will no doubt be the most important piece of legislation before this, the 88th Congress. We all must appreciate the seriousness of the problem and act affirmatively to guarantee to all citizens their constitutional rights regardless of race, color, creed, or national origin. It is our duty as responsible legislators to enact meaningful legislation which will assure full civil rights for all Americans.

Despite the great strides which we as a nation have made toward realizing the ideals of liberty and justice for all, the specter of racial prejudice still lurks in our midst. Racial discrimination still persists throughout our land, both North and South. Twenty million American Negroes are still denied the rights of first-class citizenship. Their voting rights are impinged upon. Their economic and social opportunities are still sharply curtailed. That such a situation should persist, 100 years after the abolition of slavery, is extremely tragic. We cannot allow this state of affairs to continue. As the leading nation of the free world, we must demonstrate our responsiveness to these continuing inequities and to the great domestic ferment which they have produced. It is my firm belief that the law is a great teacher, and that the enactment of effective legislation by this Congress can do much to speed the eradication of this moral and social blight. For these reasons, I strongly urge the passage, in undiluted form, of the present legislation.

In my opinion H.R. 7152 does no more than to secure for every American citizen those rights which are already his by virtue of the Constitution of the United States and the cherished traditions of American democracy.

The right to vote is, in a democracy such as ours, one of the fundamental prerogatives of a citizen of our republic. The ability to vote transforms government from an alien and hostile power to one in which the individual participates and one over which he can exert control. To deny the right to vote to any American citizen on the basis of race, color, creed, or nationality is an act which is not only unconstitutional, but also inimical to the political well-being of our society.

Title I, to enforce the constitutional right to vote, presents no new field for congressional action. Through the Civil Rights Acts of 1957 and 1960, the Congress has already shown its resolve to eliminate inequities in this area. The power to do so is derived from the 15th amendment, which states:

> SECTION 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.
>
> SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.

Although the 1st article of the Constitution gives the States the right to set voting requirements, I think it is correct to say that insofar as any racial discrimination is in evidence, the 15th amendment supersedes article I and gives Congress the power to enact "appropriate legislation" in order to eliminate such discrimination.

Of course, many of our Southern States put forth the following argument: "We do not deny a person the right to vote because of his color. Nay, all we seek to do is to insure that only those who are qualified are allowed to vote." Certainly, one cannot but agree with such an admirable thought. Nevertheless, when we examine the actual practices of the southern counties and parishes, we see how the qualification criterion can serve as a facade to mask acts of racial discrimination. For example, there is the Louisiana law requiring every citizen to display an ability to give a "reasonable interpretation" of any clause of the Constitution. Such a test is subject to the greatest placidity as the 1961 report of the Commission on Civil Rights makes clear. I quote the following example from pages 59 to 60 of that Commission's report on voting:

> Henry Kimp is a Negro ex-serviceman of Jackson Parish. When he sought to register in July 1960, he was asked to interpret an article entitled "Treason Against the United States." Treason against the United States is defined in the Constitution: it "shall consist only in levying war against them, or, in adhering in their enemies, giving them aid and comfort." He testified that he defined treason as "abetting and aiding the enemies in time of war with information that concerns the United States and its Government." He was rejected: the registrar, Mrs. Wilder, said: "I don't think you understand what you read."

If such a test were administered throughout the State of Louisiana, or any State, with equal stringency, I doubt if there would be many adults at all who would qualify to vote.

By attempting to insure uniform application of written tests, title I of this bill will, I think, go a long way toward preventing this kind of discrimination under the guise of qualification.

The same thing applies to the literacy tests which are employed in many States. In the State of Louisiana, for example, over 80 percent of the Negro population is literate, and yet less than one-third of the Negroes in that State are registered voters. It is hard to believe that sheer apathy accounts for the discrepancy in these percentages. It is even harder to believe, in light of the numerous reports of bogus literacy tests, of parishes in which semiliterate whites are permitted to register but clearly literate Negroes are not. The present bill will substantially eliminate the inequities in the administering of literacy tests. Under subsection 3 of title I, completion of the sixth grade will be a presumption of literacy. Such devices as this presumption of literacy, and the requirement for a written test, will help secure the uniform application of law which means the end of voting discrimination.

Racial discrimination in places of public accommodations is one of the most irritating and humiliating forms of discrimination the Negro citizen encounters and one which requires immediate remedy. The public demonstrations by Negro citizens which have occurred in the past 3 years are on the large part motivated by the insults and hardships caused by denials of equal access to restaurants, hotels, places of amusement, and other facilities serving the general public. Thirty States and the District of Columbia have already enacted antidiscrimination laws relative to places of public accommodations. Most of these statutes provide for criminal penalty and other remedies not authorized in the legislation which we are now debating. While this bill is more limited in scope, it still will be of great benefit especially in those areas where there are no State laws and particularly in those areas where discrimination is widespread.

Title II of this bill is designed to eliminate the daily injustices and affronts which many of our Negro citizens encounter by making discrimination illegal in those places of public accommodations which are the sources of the principal difficulties.

Almost 10 years have passed since the Supreme Court ruled in Brown against Board of Education that racially segregated public schools are unconstitutional. One year later, in 1955, the Court ruled that desegregation shall take place with "all deliberate speed." Despite the passage of time since these decisions, public school systems in many parts of the country have done little or nothing at all to comply with these constitutional mandates. There are still more than 2,000 school districts which require that white and Negro pupils attend separate schools. Many Negro children entering segregated grade schools at the time of the Supreme Court decision in 1954 will enter segregated high schools this year. These students have suffered a loss in equal educational opportunity which can never be remedied. Segregated education does not provide equal educational opportunity for Negro citizens and many Negro citizens today receive an education which is completely inadequate to their needs and the needs of the Nation. Progress has been too slow in the educational area and in order to achieve a more orderly and early compliance with the Court's decision legislation is needed.

One of the most widespread forms of discrimination and one which is more harmful to the Negro and the Nation as a whole is discrimination in employment. Denial to the Negro to be gainfully employed deprives him of the opportunity of economic advancement. The rate of unemployment of Negroes is 2½ times that of white workers, because Negro workers are the first fired and the last to be hired and the period of joblessness is much longer that that of white workers. Moreover, when a white worker finds a job he can perform, most likely he will get it, but when a Negro worker finds a job he can perform, he may or may not get it because of racial bias. Without jobs Negroes are without opportunity to earn wages with which to purchase the means of life. Not only are Negro workers looking for jobs they cannot find, but they find jobs that they cannot perform because of a lack of skill and training. Many Negroes are unable to qualify for jobs because of lack of training or skill. This is attributed in large part to present and past patterns of discrimination which discourages Negroes and other nonwhites from preparing themselves for those jobs from which they have been traditionally excluded by reason of their race. For this very reason, it is essential that we take prompt action to end discrimination in employment.

The right to vote, the right to equal education, the economic freedom of choice, the opportunity for self-betterment—these are ideals which Americans long have cherished. But if we fail to translate these ideals into the realm of practice, if we fail to give these ideals a universal application which is blind to color, then we are guilty of unpardonable hypocrisy. Racial discrimination is wasteful, improvident, and unconstitutional. This bill seeks, by thoroughly constitutional means, to put an end to racial discrimination. For this reason, I urge my colleagues to give this bill prompt and favorable consideration.

Mr. McCULLOCH. Mr. Chairman, I now yield to the gentleman from Maryland [Mr. Mathias] 10 minutes.

Mr. MATHIAS. Mr. Chairman, as I have sat here yesterday and today listening to both sides of this question, I have been impressed with the knowledge and the sincerity and the clarity of the arguments that have been made. I believe that the gentleman from Georgia [Mr. Forrester] took his place among the great orators who have spoken in this chamber when he addressed the House yesterday. Proponents of the bill, such as the gentleman from New York [Mr. Lindsay] have spoken with the urgency and the vibrancy that activates the younger leadership of this Nation. As I have listened to these arguments I have considered what it is that I could say that would be helpful to the House in considering the civil rights bill.

Yesterday's speeches and today's speeches on both sides of this question contained echoes of Civil War trumpets. By reference or by implication it was clearly indicated that the question before us was one of the unsettled issues of that great American struggle, or at least that it was a question unanswered since that struggle.

In the War Between the States my own State of Maryland had a difficult time. It is a border State. Opinion was divided within Maryland. The State itself was easily accessible to the troops of both armies during the war. In my childhood I can recall the many old friends who clearly remembered the trials and difficulties of life in Maryland during the Civil War. One of those who had lived during the war on one of Maryland's fertile farms used to tell the story of how the troops of one army would sweep into Maryland, would occupy a farm, would demand the key to the smokehouse or break the smokehouse door down, take down the hams from the racks and then boil them and bake them. But it was the troops of the other army who ate them. That was the situation in Maryland, in which the presence and the power of the opposing sides in the Civil War ebbed and flowed quickly and frequently. The people of Maryland received the cruel treatment that war always imposes at the hands of both sides with fine a degree of impartiality.

Just so today, in Maryland there is difference of opinion on this question. If you were to go to the streets of any city or town in Maryland and ask about this bill title by title I have no doubt that you would get a great variety of opinion. And so in rising today to tell you where I stand on the bill and why I stand there, I do so not because the pressures are so overwhelming on either side of this question but rather because of my conviction of what is necessary and what is right.

I ask your support for this bill because I believe the country needs it today. And yet in seeking your support I do not solicit your aid in erecting an immutable legislative monument for all time. This bill is a good thing. The need for the bill is a hateful thing. In season, with God's help, the American people themselves will eliminate the necessity which now exists for this bill at this time.

Mr. Chairman, the story is told that in ancient times three philosophers were gathered to discuss the very troublesome legal question which puzzles lawyers and courts to this day, of how to define the exact moment when the night turns into day. One of the wise men said that his definition of that moment when night turns into day was the instant when there is enough light that a man might distinguish a landmark at a distance of 1 mile.

The second wise man said his test for that moment was when there was light enough to distinguish between a dog and a wolf. The third philosopher waited a moment and said:

> The moment at which the night becomes day is when there is enough light that you may know the face of a brother.

So I hope, Mr. Chairman, all of us now in this Chamber will live to see the day when civil rights legislation is no longer needed in America, and when the Congress, having developed the human resources of America, may go on, as Daniel Webster has admonished us:

> To develop the resources of this land and call forth its power and build its institutions and promote its great interests.

If there is any doubt as to the necessity for this legislation, I would call the attention of the Members of the House to the additional views which have been filed by several members of the Committee on the Judiciary. These views have attempted specifically to undertake the job of underscoring the necessity which exists in America today. In filing additional views, we have set forth documented cases which involve the question of voting, cases which are so clear as to indicate in America today there is a necessity for some national law eliminating discrimination in voting. Since this is a matter of record in the House, I do not intend to go through the bill reviewing the question of necessity on each title. I do urge, however, that during the days before we vote on this matter the Membership will become thoroughly acquainted with the very important information that has been set forth in the additional views.

Mr. Chairman, among those who have undertaken to discuss this bill there has been some expression of reservation about constitutional points. This is the kind of argument which could go on for weeks. I do not intend to prolong it. I would only say that to most of these objections that have been raised there is an answer.

Let us take one example: the question that is raised with respect to the public accommodations section in the bill. This title has been characterized as an invasion of the rights of private property. As a matter of fact, this is some of the most unfounded criticism of title II on public accommodations by those who oppose the bill.

Heralded as an invasion of privacy, this title has been portrayed as presenting a radical new concept of law in that the proprietors of the listed establishments are required to serve the public.

I submit that the basic concept expounded here is nothing new. Rather, it is merely a statutory expression of a very old and well known doctrine of the common law.

At common law, an innkeeper was defined as the proprietor of a business establishment at which travelers and strangers were furnished with food, lodging, and protection. For at least several hundred years, it has been well settled that an innkeeper is deemed to be engaged in a business in which the public has an interest, and because he enjoys certain privileges not given to the public generally, he is required not to discriminate for or against any class, nor pick and choose his guests. As stated by Judge Coleridge in *Rex* v. *Ivens,* 7 Carrington's and Payne's English Nisi Prius Reports 213 (1835):

> The innkeeper is not to select his guests. He has no right to say to one, you shall come into my inn, and to another, you shall not, as everyone coming and conducting himself in a proper manner has a right to be received; and for this purpose innkeepers are a sort of public servants.

As in so many other instances in the evolution of our common law, the English rule became the American rule. Thus, since the early days of this Nation, an innkeeper has had an absolute duty to furnish equal facilities in providing food and lodging to all persons who applied for accommodations unless there was some reasonable ground for refusal. *Bowlin* v. *Lyon,* 67 Iowa 536, 25 N.W. 766; *Kisten* v. *Hildebrand,* 48 Ky. (9 B Mon) 72; *Markham* v. *Brown,* 8 NH 523; *De Wolf* v. *Ford,* 193 NY 397, 86 NE 527.

Even in the much discussed civil rights cases of 1883, Justice Bradley stated:

> Innkeepers and public carriers by the laws of all the States, so far as we are aware, are bound, to the extent of their facilities, to furnish proper accommodations to all unobjectionable persons who in good faith apply for them. If the laws themselves make any unjust discrimination, amenable to the prohibitions of the 14th amendment, Congress has full power to afford a remedy under that amendment and in accordance with it * * * that a right to enjoy equal accommodations and privileges in all inns, public conveyances, and places of public amusement, is one of the essential rights of the citizen which no State can abridge or interfere with (109 U.S. 3, 19).

Through the years, this particular common law concept has become the law of a majority of our States either through statutory adoption of the common law in general, or by specific adoption of the common law duty of innkeepers to receive guests. To be exact, there are now 33 States which fall in the latter category in that they have enacted public accommodation laws which spell out this doctrine. I am happy to point out that my own State of Maryland has enacted such a law.

Thus, it is clear that the basic theory embodied in title II is a part of an ancient heritage of jurisprudence which continues as a dynamic force in our law today. Therefore, while its provisions may be necessary in only a few areas of our country, I urge its adoption, under the authority of the commerce clause, in order that this fundamental doctrine of nondiscrimination in places of public accommodations will be uniformly applied for all.

A second example of unfounded criticism is the volume of mail that has been directed at farmers throughout the country. The burden of this postal barrage has been that title VI, relative to expenditure of Federal funds, would create arbitrary conditions reducing our farm population to a new condition of servitude.

Nothing could be further from the truth. It would comment that the original version of title VI as contained in the administration bill was very broad and might have contained some of the dangers that have been referred to in the alarm that has been raised. But that bill is not before the House.

The bill before us is a different and vastly improved legislative proposal.

Title VI of the bill before us forbids the Government agencies administering Federal programs to discriminate. This is intended to protect beneficiaries, not to control beneficiaries and the restriction is placed upon the agency not the recipient. Thus it would not affect a farmer who received payments for conservation practices, crop controls, price support, and so forth. Under amendments proposed by members of the Judiciary Committee, the bill does not cover insurance programs, mortgage guarantees, and so forth. Thus the provisions of title VI would have little or no effect on the average farmer. To insure that this is so, both the gentleman from New York [Mr. CELLER] and the gentleman from Ohio [Mr. McCULLOCH], the ranking Democrat and Republican, respectively, on the Judiciary Committee have agreed to amendments clarifying the point, as originally intended by the committee.

Title VII provides for fair employment practices and ultimately will cover all employers of over 25 employees whose business affects interstate commerce. This could include large commercial farms.

The bill grants, however, only investigatory powers. No administrative or bureaucratic order could be issued by any executive official, and only the attempt to conciliate under voluntary conditions is allowed. In the event discriminatory practice in hiring exists and continues, the parties may resort to a court where each will be fully protected by due process of law—not by administrative order.

It is not contemplated that even a conviction under title VII would have any bearing on payments covered by title VI.

I come before you seeking your support for this bill because I believe that America needs this bill today. I hope that it will not be long before this need will vanish. Americans can make it so. When the need has vanished, America will be a greater, a prouder, and a stronger nation than ever before in our history. But for today and for tomorrow this civil rights bill is a necessity and I shall vote for it. I am confident that it will receive the support of a majority of Members of the House, and I hope that it will be supported by an overwhelming majority. America's history of human aspiration demands no less and America's present need demands that much.

Mr. BROMWELL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BROMWELL. Mr. Chairman, I am in support of this bill. I have observed throughout the course of the debate its general tone and the restraint which has been consistently manifest. Perhaps these were not altogether to be expected and certainly they will provide material for future students of parliamentary processes who have in mind the vitality of the issue now before the House. In a definite sense, the concern with broad questions of policy and the restrained atmosphere which have prevailed I attribute to recognition of the consequences of the legislation before us. We should, of course, be deeply concerned with and intimately aware of the details of this bill, and I have no doubt that in the days to come, detail will be as characteristic of the debate as generality has been characteristic of it thus far. But the details of the bill are the means the committee has chosen to the broad ends it has chosen to serve. I suggest parenthetically that the most fruitful discussion of the specific language of this bill will be among those who are agreed on the worthiness of its purposes.

I have listened with sympathetic interest to the eloquent statements that have been made by my friends from the States of the old Confederacy. Many of them are aware of the affection and respect which I hold for them as persons and as public servants, and all of them I think have some reason to be aware of the community of interest which we share. In their devotion to the Constitution, in their respect for a government of laws, in their wisdom concerning the uses of legal institutions, in their recognition of the usefulness to the people of State government, I count them among the leaders of the Republic. Like them I am suspicious of any careless extension of the Federal writ into areas not earlier served by it, and I have often joined with them in opposing those measures in which I thought the germ of centralism had diseased otherwise wholesome law. But it is precisely because of these considerations and not in spite of them that on this measure I must part company with them.

That body of political thinking which would restrain the powers of the Central Government has often been labeled as "conservative" and the term itself has been used during this debate as representative of opposition to this bill. In my mind, a test of conservatism, the worth of restraint as applied to Federal processes, does not rest upon a dogged retention of the status quo, but rather upon a nice selectivity of the areas in which the Federal Government may most appropriately operate. And the vigor with which we restrain national legislation must, in my opinion, be matched by the skill and precision with which we legislate in appropriate areas.

If this be true, and I believe it is, we match respect for State and local institutions with respect for the institution of which we are a part, the Congress of the United States, and in particular, the House of Representatives. It has been charged that the House is operating in this matter under political coercion. To this we must plead in confession and avoidance. We may agree that we are acting because of stated demands from the people. Were there no general public interest in this legislation, we would have long ago rejected this proposal in favor of other legislative matters in which there was stated public need. And it is harsh to think in terms of political coercion. In better terms, we are meeting what one of our great justices once called the "felt necessities" of our times. It is the glory, not the shame of this House that it responds to the needs of the people. As I read the history of the drafting of the Constitution of the United States, and the history of this body, I find its very responsiveness to be its outstanding characteristic. The survival of our Constitution and by its token, our Republic, has depended upon the flexibility of this directly elected House to meet needs for laws as they have arisen. Our Government has not become brittle and it has not been shattered. This is the first, and the last tribunal of the American people as a whole. As we from day to day leave the sophistication of this Chamber and turn to the headlines, it is clear that the major problem of Government in the 20th century is the creation and maintenance of governments which are in fact responsive to the will of the people. Strong men rise and fall. Some of them do not last a season in power. They are followed by other strong men who fall before the restlessness of unsatisfied popular desire. If truth does not prevail, it is because its proponents are not articulate enough, and this is true in the governmental field as well as elsewhere. In my view, this House in considering H.R. 7152 is meeting a stated general public need in the manner in which it was designed to serve. And while I share the respect for institutions which is the pride of my southern colleagues, on this day I say that the House of Representatives has properly placed its hand to the plow and we as its Members must walk the furrow or degrade it as an institution.

To those of us who are proud to wear the label of "conservative," I suggest that this is conservative legislation in the grand manner. If any element of the conservative's creed concerns itself with advancing the stature of individuals in the world, then this bill recommends itself. What those who would benefit by this legislation seek, as I have understood their petitions, is the right to proceed in overcoming their environment in ways which are easy to understand. The right to a job commensurate with their abilities, the right to vote, the right to schooling on a basis of equality as established by the Supreme Court of the United States, the right to such simple benefits as the right to buy a meal, or of a child to buy a bottle of soda water; in short, the right to use self-help and the right to dignity—these to me are entirely in keeping with old and long familiar ideals. "That all men are created equal" is the rock upon which the institutions of American liberty have been founded and built. Recognizing as we must the inequality of men in natural endowments, we as Americans have scrupled throughout our history to guarantee their equality before the law in order that each may perfect his own abilities and make to the general welfare his own unique contribution. There is nothing new or frightening here for me. Rather, a failure to get on with the work would, in fact, be new and frightening.

One year ago yesterday, some 40 of us led by the gentleman from Ohio [Mr. McCulloch], introduced the first major civil rights legislation to this Congress. The members of the Committee on the Judiciary have worked in this field from that day to this. It has been stated that this bill was hastily conceived. To this charge, I reassert that quite the contrary is the case. The very volume of the reports, the hearing reports, the majority and minority reports from the committee, the additional views filed by the minority, and the report of the Rules Committee deny this assertion. In the beginning of this deliberation, indeed well past that point, stated opinion and advice on the subject was substantially limited to recollections, both written and oral, of work previously done in the field. And I believe the other members of the committee, shared my frustration at the lack of objective, penetrating opinion on the questions posed by proposed legislation. Emotion ran high, moralistic expression, fervent but somewhat vague, was abundant, and firm detailed comment and support for that opinion was in short supply. But as the hearings progressed and as general public interest in this field increased, there came to the Members of the House, both formally and informally, to the committee as witnesses, and to Members as individuals, persons who understood not only the moral questions, but the sociological, the economic, and the legal implications of the work which had been undertaken. They expressed their viewpoints not only as advocates of this or that provision in the bill, but they also expressed their opinions as experienced and objective experts in the field. And this bill is in part a composite result of the views of all interested parties.

I commend the views of the gentleman from Maryland [Mr. Mathias], when he set forth his perspective of this legislation on the floor. Those of us who have worked in this field for the past year have necessarily acquired a measure of humility which is sometimes not apparent in the heat of debate, but which I think has been well reflected in the remarks of the chairman of the committee, the gentleman from New York [Mr. Celler], and the gentleman from Ohio [Mr. McCulloch] as we have come more and more to realize the vastness of the work to which this bill speaks. I think this same humility may be one of the causes of the general tone of this debate. We have come, to a degree not always possible in the legislative process, to realize the limitations of legislation. We know that we are not erecting a timeless legislative monument, rather we would hope to make an acceptable journeyman effort to improve a difficult situation. The aspirations and desires of the objects of discrimination among us are as broad and as deep as the aspirations of any member of the body politic. We cannot guarantee human dignity, we cannot guarantee brotherly love, we cannot guarantee that the tool which we would place in the hands of our fellow citizens will be used, we cannot guarantee against abuses of this legislation, we cannot guarantee against misinterpretation of it, we cannot, sad to relate, even guarantee its effectiveness. Above all, we cannot anticipate and preclude all the problems which will arise perhaps because of its very existence. But I think we, as Members of Congress, will be judged not by the fact that we fail to solve all problems in human relations by one piece of legislation, but rather by the fact that in this time, and in this place we have proceeded in the general direction of improving those relationships.

It has been said that this law is harsh and Draconian. As I have grown familiar with this bill, I have gained respect for it precisely because it is not harsh and is not Draconian. Those among us who cry out against "government by injunction" must as lawyers realize that we are limited in our choice of sanctions to write into the bill. The Federal Government, if it is to enter this field, has its choice of injunctive sanctions or criminal sanctions. Mildness of remedy is instinct in this bill, if one considers the alternative of criminal penalties. Only in the extreme instance of the use of the injunctive process does the possibility of criminal penalty come into play, and between the fault and fine or imprisonment, this bill has provided a long road to travel. To those who fear the Federal courts, I must say that they are the only courts upon which we may rely in this instance as a Federal legislature. And when the day comes that we have reason to believe that the Federal courts are enforcing this bill beyond the scope of the moderate intention of this House, we have as much reason to reconsider this legislation as we shall on the day when we find them not enforcing it at all.

One of the areas in which I was greatly concerned was this: I realized as did most members of the committee that most of the States of the Union will be lightly touched by this bill. The greatest incidence of this bill will be in an area rather circumscribed geographically. I was concerned lest those of us who do not live with the problems spoken to by this bill might be inaccurate in our judgments and might be too willing to pass the burden on to those who do have the problems without adequate earnest of our good intentions toward all American citizens. I do not look, for example, upon the aid provisions of title IV as representing a harsh desire to extend the Federal authority. The aid must be requested by local school authorities. And it is, to my mind, satisfactory earnest of our good intentions that we are willing to help in the problems of school desegregation.

Fundamentally, the proponents of this bill are resting their action upon three propositions. The first is that on the basis of current knowledge, truth as it has been made known to us, no human race is superior to the other. Indeed, race like beauty, tends to be in the mind of the beholder. Secondly, by its power to regulate human contact, law may be properly used to place American citizens in relationships which will tend to increase the flow of understanding and good will. We are, for the long run at least, optimists. None of us expect to see the brotherhood of man under the fatherhood of God in our own time, and yet we believe it to be our responsibility to advance that date as hopeful as possible and believe it to be in the main stream of both constitutional and human development. From time to time, the chairman of the committee, the gentleman from New York [Mr. Celler] has made statements of regret that it is necessary to use the Federal engine to accomplish the purposes of this bill. I join him in that statement. And in joining him, I express the further belief that in due time this statute which we write today will become a vestigal part of the body of our law, and, having accomplished its purpose, will fall useless. Thirdly, this bill, being the imperfect product of human minds, is a tempered expression of promised usefulness for the general good.

Mr. CEDERBERG. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 23]

Abbitt
Alger
Anderson
Ashley
Avery
Ayres
Barry
Battin
Bolton,
 Oliver P.
Bonner
Bow
Brademas
Brown, Calif.
Broyhill, N.C.
Bruce
Davis, Tenn.
Dingell
Dulski
Edmondson
Ellsworth
Feighan
Fino
Fogarty
Ford
Frelinghuysen
Fulton, Tenn.
Gary
Grabowski
Griffiths
Harsha
Healey
Hoffman
Johnson, Calif.
Johnson, Pa.
Kilburn
Kilgore
King, Calif.
King, N.Y.
Kirwan
Laird
Lankford
Lipscomb
Long, Md.
McClory
McDowell
McIntire
Macdonald
May
Miller, N.Y.
Montoya
Morgan
Moss
O'Brien, Ill.
Osmers
Passman
Pepper
Pool
Pucinski
Purcell
Rhodes, Ariz.
Roberts, Tex.
Rogers, Tex.
Roush
Ryan, Mich.
St. George
St Germain
Schenck
Sheppard
Sisk
Staebler
Taft
Thompson, Tex.
Tupper
Vinson
White
Wilson, Bob
Wilson,
 Charles H.
Wright
Wyman
Zablocki

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Keogh, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 7152, and finding itself without a quorum, he had directed the roll to be called, when 345 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. CELLER. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. Selden].

Mr. SELDEN. Mr. Chairman, I rise in opposition to the pending measure (H.R. 7152). This legislation is based on the philosophy that the rights of individuals can be advanced by Government mandate and injunction. As such, it runs counter to the fundamental American principle that individual rights are best secured by limitations rather than extensions of Government regulation and interference.

Our Bill of Rights—the very bedrock of American law guarding the rights of our citizens—is itself an enunciation of restrictions of Government powers to regulate or interfere with individual rights in our society. Thus the Founding Fathers knew that centralized government is the enemy rather than the servant of these rights in any society. The ideology of all totalitarianism, left and right, Communist and Fascist alike, begins with this concept: that the most expedient way to advance the rights of one group of citizens is by regulating and limiting the rights of others.

H.R. 7152, therefore, carries within it the seeds of an American totalitarianism. It represents, in my opinion, the legislative antithesis of this country's Bill of Rights. The idea of true individual rights for Americans is inimical to the notion that centralized government enforcement is a means to achieve these rights.

Briefly, summarizing my objections as to the substance of this bill:

Title I, relating to voting rights, represents an assumption by the Federal Government of powers inherent with and restricted to the various States. The issue here is whether Federal authorities or the various States are best qualified to regulate voting within the States—and whether the Attorney General should be invested with regulatory powers superior to those of the States. Enactment of this provision into law would lay the groundwork for totalitarian control of the Nation's voting machinery.

Title II relates to Federal power to regulate the use of private property. It is this section of the bill that lays bare its underlying totalitarian ideology. Here, in the name of securing individual rights, we see Federal Government restriction of individual and private property rights. In other words, this purported public accommodations provision proposes to advance the individual rights of one group by restricting those of another group of American citizens. The enactment of this section of the bill into law would represent a degree of Federal intrusion into the area of individual relationships never envisioned by the framers of the Constitution. It could mean the beginning of the end of our free enterprise system by imposing restrictive Federal controls and sanctions over the free use of private property. The same criticism can be levied at title VII—the so-called equal opportunity provision of the bill.

Again, title IV relates to the desegregation of public education and would invest the Commissioner of Education and the Attorney General with powers which, under our constitutional system, are reserved to the States. Especially pernicious is the authority given herein to the Attorney General to initiate legal proceedings against State authorities.

We are here asked to provide the Attorney General with broad and ill-defined arbitrary powers, with few if any checks or controls. Such authority would make the Attorney General a virtual czar over the American educational system, empowered to regulate, order and dictate to the duly constituted educational authorities of the various States.

Title V relates to the Commission on Civil Rights, a Government agency whose past record is one of exacerbating rather than ameliorating racial tensions throughout the country. Certainly the poor performance of this unneeded Government agency does not warrant any congressional vote of confidence.

Title VI, relating to federally assisted programs, would give Federal departments and agencies practically unlimited powers to dictate the implementation of any and all Federal programs within the States. Under the guise of "antidiscrimination" this section of the bill is little more than a legislative weapon with which Federal bureaucrats can threaten and bludgeon State authorities into surrender of constitutional powers. If enacted into law, the provisions of title VI can mean either the hampering and breakdown of Federal-State cooperation in joint programs or the wholesale usurpation of State rights by Federal authorities.

Title VII, the FEPC section, has previously been mentioned. Let me add at this point what I have said on past occasions whenever the prospect of an FEPC law has been raised: this proposal would establish a veritable "Star chamber employment bureau"—a Federal commission empowered to regulate American business and economic relationships and rights hitherto reserved to individual Americans.

Title VIII once again relates to Federal intrusion into areas of authority properly reserved to the States.

These are the most important substantive provisions of this far-reaching bill which, in my opinion, represent the gravest legislative threat to the individual rights of Americans ever seriously proposed in this century.

To my mind, this threat posed by H.R. 7152 is not directed at a single region or a single group or class of Americans. No American, North, East, South, or West, urban or rural, Democrat, Republican, or independent, white or Negro, can afford to disregard the peril of totalitarian government control contained within this bill.

I have discussed this legislation with representatives of both parties in the Congress, and I find that there are members from all sections of the United States who have serious misgivings concerning the pending bill. It is my hope that these Members will give careful consideration to the grave impact which H.R. 7152 will have on traditional American principles, and upon the daily lives of every American citizen, as well as the dictatorial powers it confers on the Federal Government.

The issue here is neither regional nor partisan. What is at stake is the survival of the ideology contained in our Bill of Rights as opposed to the totalitarian philosophy contained in H.R. 7152.

Mr. CELLER. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Chairman, never has such an undeniable legislative wrong been entitled a "right." H.R. 7152 is less than a legislative bill, it is an invoice that, if allowed to pass, must be paid for by all Americans—the cost, a loss of individual freedom. In return for such a payment Americans would be subjected to Executive and judicial powers that would make a mockery of the Constitution of the United States.

The so-called civil rights bill of 1963 is legislation by duress and intimidation which finds its origins in unlawful disturbances and demonstrations of minority groups seeking to obtain special privileges infringing upon the rights of all other Americans. And it is a sad day for our great country when there is an attempt to pass something-for-nothing legislation in order to put a halt to "wallering" in the streets, threats of violence, deliberate violations of local laws, and harassment of established businesses. It is because of these carefully planned efforts to intimidate the majority of our people that this dangerous piece of legislation is being considered in the House today.

So hurried was the drafting of the so-called civil rights bill that the Constitution of the United States was completely ignored. This bill, a product of the dark of night, was reported to the House without the benefit of study by any committee or subcommittee and without regard to the Constitution of the United States. Even as the bill was hurriedly read by the clerk before the full Judiciary Committee, no recognition was granted to Members trying to ask questions, discuss, or to hear an explanation of this fly-by-night piece of legislation.

If this is a watered-down version of the subcommittee's civil rights bill, as the chairman of the full committee has said, the water was saturated with hemlock. On comparing the reported bill with the subcommittee proposal, it is obvious that the bill before you today was drafted in the cover of darkness and out of sight of Americans everywhere, including even the members of the Judiciary Committee. Any resemblance between the subcommittee bill and this bill is purely accidental.

The language written into the bill gives birth to entirely new Executive and judicial powers at the expense of individual rights and the powers of State and local governments. Such wording as "The President is authorized to take such action as may be appropriate to prevent"; "each Federal department and agency shall take action to effectuate"; "the Attorney General certifies that in his judgment"; "the Attorney General may deem a person or persons unable to initiate whenever he is satisfied"; "whenever any person has engaged or there is reasonable grounds to believe that any person is about to engage in any act," which appears constantly throughout the bill is only one of the more obvious characteristics of what many of us conceive as the most dangerous and vicious piece of legislation ever presented to the Congress. Under the so-called civil rights bill of 1963 every phase of free enterprise is subject to the investigation and control of Federal authority. In short, the Congress is asked to confer on the Executive and the courts entirely new concepts of Federal control in the relationship between Government and the free enterprise system.

Mr. Chairman, it is a terrible sign of weakness that the administration has given in to the demands of those troublemakers and agitators who have been trouping up and down the countryside during the past few months. H.R. 7152 is a stamp of approval for these actions. In truth and in fact, the bill, under the cloak of protecting the civil rights of certain minorities, will destroy civil rights of all citizens who fall within its scope. Farmers, homeowners, labor unions and members, the press, financial institutions, places of "public accommodation," public and private schools, higher educational institutions, State courts and local governments—all are seriously affected by the provisions of the so-called civil rights bill. Package legislation such as this, which truly embraces seven different legislative propositions, will surely bring more problems than its hidden and unknown authors ever dreamed possible.

As if it were not enough to have this bill railroaded through the Judiciary Committee without an opportunity for the members of that committee to discuss, debate, or amend it, it was offered as a completely new substitute to the bill then before the Judiciary Committee, a substitute which not even the subcommittee members had ever seen before.

Serious and grave dangers have become evident in every title and every section of this ill-conceived legislation: dangers to the individual citizen of this country, as well as to the traditional philosophy of separation of powers between the Federal and State Governments.

Take title I for instance, which relates to so-called voting rights.

Section 101(d) of title I empowers the Attorney General to decide for himself whether a proceeding brought under this title should be heard by a so-called three-judge Federal court or by a U.S. district court presided over by a single judge. This is obviously an unwarranted and unprecedented attempt to oust the jurisdiction of the U.S. district courts at the will of the Attorney General.

State elections, as well as the manner of choosing presidential electors and Members of the Senate and House of Representatives, are encompassed in the provisions contained in this title and would be placed under the control of the Attorney General and the Federal courts. The bill repeatedly refers to "any Federal election," but is cleverly designed to include many State elections. In section 101(c), we find "Federal election" defined as follows:

> Any general, special, or primary election held solely, or in part, for the purpose of electing or selecting any candidate for the office of President, Vice President, presidential elector, Member of Senate, or Member of the House of Representatives.

Mr. Chairman, 46 of the States in the Union elect local officials in the same election in which the congressional Members and presidential electors are chosen. This bill is worded in such a way as to place Federal control over State and local elections in such States. This, sir, is complete Federal control in State and local elections and to authorize Federal prosecution of State and local officials who, in the opinion of Federal officers, are guilty of arbitrary acts or inaction in the area of registration, voting, or counting of votes in any Federal election, is, in fact, to give to those in power in Washington complete control over State and local elections.

Mr. Chairman, I am limiting my discussion at this time primarily to title I, but all thoughful citizens must have grave doubts about every other title in this bill. Not the least of these is title II, the so-called public accommodations provision.

Under the phony guise of allegedly insuring to every American citizen the complete and full enjoyment of rights, privileges, and immunities under the Constitution, such gross restrictions on the use of individually owned property, on the right to conduct business with customers of one's own choosing, on the right to use one's own property as one sees fit, attack the very basis of American freedom.

One must abandon the principle that governments are instituted among men to make men's rights secure if this bill is passed, for no right is more ancient than man's right to hold, manage, and control the use of his property. This right for Americans is one of our most cherished possessions, along with other familiar rights—the right of free press, free speech, freedom of religion, freedom to bear arms, the right to trial by jury, the protection against excessive bail or cruel and unusual punishments.

Yes; H.R. 7152 is a maze of unacceptable, unconstitutional, unwarranted, and undefined provisions which endeavor to extend Federal powers and callously deprive private citizens of their individual freedoms and State and local governments of their traditional spheres of responsibility.

Surely the day has not yet come when we are prepared to write off all that has made this Nation our source of great pride and the envy of people all over the world.

Mr. CELLER. Mr. Chairman, I yield such time as he may desire to the gentleman from South Carolina [Mr. DORN].

Mr. DORN. Mr. Chairman, we will continue our determined and prolonged effort to bring to the attention of the House and the country the sinister design behind this, the worst civil rights bill in history.

I realize, Mr. Chairman, with limited debate, we face overwhelming odds and an uphill fight all the way. We are confronted with a powerful coalition of Republicans and northern Democrats who are determined in this election year to steamroll and railroad this bill over the majority of the American people. It has been assigned top priority by the Republican and Democratic hierarchy in a merciless effort to woo the controlled minorities of the great cities and place the

American people in a civil rights straitjacket. This bill is the most brazen, calculated attack on individual freedom and property rights in the history of Western civilization.

Title I of the civil rights bill would place the control of election machinery in the hands of the Attorney General. Under the power conferred by this section of the bill, the Attorney General could eventually influence every election for Federal office in this country. The people of Russia are permitted to vote and are virtually forced to do so, but with only one ticket on the ballot. Ninety-eight percent of the people in Germany under Hitler voted, but they could only vote for Hitler and his gang. The power given the Attorney General to go out and register voters under this title of the bill will be used to bloc vote these registered voters. This section will promote corruption, political machines, and will become a mockery of the right to vote one's choice. I maintain we should have the right to vote of our own free will and accord and the right to have that vote counted. There is a vast difference in voting in a free election and being voted.

Title II will give the Attorney General gestapo power over hotels, motels, restaurants, cafeterias, lunchrooms, gasoline stations, and so forth. This section is a most sinister and calculated attack on property rights. It is a long step toward collectivization of our private enterprise system. It is a direct attack on the ownership of property. It subverts the Constitution which guarantees property rights.

Title III would place every city and State park in the country under the complete domination of the Attorney General.

Title IV would complete Federal control of education. It legalizes bribery, grants, loans, and all the worst forms of trickery to gain control of and nationalize the education system of the United States. It will give the Department of Health, Education, and Welfare, with its Commissioner of Education, the authority and the obligation to indoctrinate teachers, to set curriculums, and to regulate even school social functions.

Title V will make permanent the Commission on Civil Rights—another permanent agency to harass, investigate, and intimidate the American people. It will be their business to find something to do to justify its existence. By its very design it will be the epitome of harassment and meddling, another empire-building, growing new agency in an already bloated and overexpanded Federal bureaucracy.

Title VI grants every department of the Federal Government and every agency of the Federal Government the power to withhold Federal assistance to any individual, local project, or local program unless that individual or program conforms to every contortion of the bureaucratic mind in the realm of alleged discrimination. This title of the civil rights bill would subject every farmer who receives soil conservation and soil bank payments or price supports, watershed projects, and farm ponds to blackmail and pressure to permit unwanted and unwarranted trespassing, fishing, hunting, and so forth. Private pine tree forests under the soil bank program could conceivably be opened up to trespassing and even condemnation and regulation by the Federal Government. Owners of farm ponds and pastureland created under the great soil conservation program could be subjected to charges of discrimination. This section of the bill would place every local city street and State highway project under the Federal Government.

Title VII creates the old discredited and often repudiated Fair Employment Practices Commission—FEPC. This section will place virtually every business in America, large and small, under the constant regulation and supervision of the Federal Government. Private enterprise in America, under this section, could become a political pawn in the hands of the Federal Government to be manipulated and forced to submit to the demands of minorities, street agitators, and violent demonstrations. No business in America would be free from constant harassment from screaming, yelling mobs, lay-downs and "injunctive intimidation." It would simply place the Federal Government in control of all employment, public and private. Of course, this section will create another commission of the Federal Government to be known as the Fair Employment Practices Commission with a high-salaried bureaucracy and per diem—a commission with numerous agents to check books, prod, and harass.

Under title VIII, even the Secretary of Commerce is brought into the act and is directed under this section to conduct surveys and compile registration and voting statistics in any geographic area recommended by the Civil Rights Commission. The Attorney General, the permanent Civil Rights Commission, the Commissioner of Education, FEPC, and every agency of the Federal Government, to the powers behind this bill, do not constitute enough instrumentalities of harassment; and therefore, the Secretary of Commerce is directed, with the Census Bureau, and so forth, to join the campaign against individual freedom and property rights.

Title IX and title X of the bill are additions to a very far reaching and dangerous bill. No two lawyers can agree on the future effects of this ill-conceived legislation. An overwhelming majority of the great lawyers throughout the country and in the Congress, privately and many publicly, agree that this is the worst bill ever to come before Congress.

This civil rights bill now before the House is the most far reaching and evil legislation in the history of this Nation. If enacted in its present form, it will shake the very foundation stones of our form of government. It will undermine the private enterprise system and individual property rights. It will destroy the Constitution and could lead to a Federal dictatorship with a Washington MKVD terrorizing the American people.

This bill is being considered as a direct result of pressure. It is forced upon the Congress by street violence, illegal demonstrations, and extreme agitation. It is here because of bloody attacks on the police officers of this Nation.

We should postpone consideration of this legislation and repudiate this method of obtaining consideration of any bill. Congress should legislate in a cool, deliberate, calm, and cautious atmosphere. We should not legislate at every whim of the street mob. Blackmail will whet the appetite of the mob for more blackmail.

Mr. CELLER. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. ADDABBO].

Mr. ADDABBO. Mr. Chairman, I rise in support of H.R. 7152. This bill in many ways parallels the laws of the State of New York, laws which have been in effect for many years. In actuality, New York State laws, in many instances, go further than the bill before us; and the laws of the State of New York provide, in many instances, penal penalties in addition to monetary penalties.

H.R. 7152 encompasses more of the moral rights than the civil rights of the people—the moral rights as guaranteed by the founders of our country and for which all races, colors, and creed have given of their life, life's work, and tax dollars. The civil rights laws and similar statutes in the State of New York have proved workable, and I believe this pending bill will be a great step forward in curing many of our domestic problems where so many of our citizens are deprived of their moral rights.

Basically, in this legislation, we are not seeking new rights for anyone. We are only endeavoring to insure to every American citizen that he will have free exercise of the rights and liberties guaranteed him by our Constitution. We know that every citizen has or is entitled to the same treatment, but we know also that great numbers of our citizens are deprived of many of their constitutional rights. Correction of this situation is long overdue.

I believe laws such as the bill before us today are meaningless unless the people understand and accept the moral and civil responsibilities and obligations that go with privileges and rights. Only through this understanding and acceptance of these principles can the rights and privileges of all Americans be properly enjoyed in this great free country of ours.

Mr. CELLER. Mr. Chairman, I yield such time as he may desire to the gentleman from North Carolina [Mr. FOUNTAIN].

Mr. FOUNTAIN. Mr. Chairman, I rise in opposition to this legislative shotgun, lock, stock, and barrel.

Mr. CELLER. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Chairman, in opposing H.R. 7152, I speak both as an American and as a southerner, because this evil proposal threatens all Americans, no matter what their background, or their social customs, or their color of skin, or their religious beliefs.

This so-called civil-rights legislation, Mr. Chairman, is the most radical proposal in the field of civil rights that I have encountered in my 17 years in this House.

This legislation would make a mockery of the constitutional rights and freedom of all Americans. For each freedom that would be artificially created, another freedom—granted to Americans by the Constitution—would be destroyed.

This is a sinister and revolutionary bill.

In the name of personal liberty, it would undermine personal liberty as we have known it under our Constitution.

This legislation, Mr. Chairman, would place unlimited power in the hands of the executive branch of this Government. It has been described as the greatest grasp for executive power conceived in the 20th century, and I concur in this view.

This legislation would give the Central Government broad and sweeping dictatorial powers to do what it will with individual freedom and property rights.

And all this, Mr. Chairman, in the name of granting special privileges to a minority group.

Under this legislation, the price of forced integration could be disastrously high. Here we have an artificial solution which will not eliminate the basic problems facing the Negro today.

Yes, these problems will remain but in the meantime we will have violated our Constitution and presented the Central Government with totalitarian powers to interfere with our traditional rights.

No thinking American, North or South, will dispute the right of the Negro to receive an education; to hold a job good enough to provide for himself and his children. Nor is there a quarrel with the right of qualified Negroes to vote.

It is true that serious social and economic problems face the Negro. But these problems, Mr. Chairman, will not disappear with passage of this vicious legislation now before the House.

The Congress has been under heavy pressure to act precipitously. Racial agitation groups have been successful They have won over the politicians and thus today we are faced with this monstrosity of a bill which would make a shambles of our constitutional system of government in seeking to establish an artificial equality.

One section of this bill deals with public accommodation. Under this section, the proprietor of a business will no longer have any choice to make with respect to whom he serves or hires. It is his business, his investment, and his source of livelihood—but the Government will tell him whom he must accommodate and employ.

In effect, in this instance, the control of the business has been switched to the Federal Government. The order from Washington may be contrary to local custom and social traditions—but that will not matter. The proprietor must do business under the rules emanating from Washington. This represents a shocking invasion of property rights and individuals rights.

Each section of this bill is repugnant to me, Mr. Chairman. But one section in particular I believe to be particularly dangerous and revolutionary. I refer to that wording which would give the executive branch authority to withhold Federal funds where it might decide racial discrimination exists.

Certainly in this particular section of the bill we have the perfect example of the grab for total executive power which is reflected, as well, in the other titles of the legislation.

Mr. Chairman, H.R. 7152, should it become law, would make a mockery of our American way of life.

It would solve no problems; only create more problems.

It would establish artificial rights while destroying traditional and constitutional rights.

It would place totalitarian powers in the hands of the executive branch of our Government.

It would, thus, critically undermine our constitutional system of government.

Mr. CELLER. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. CHELF.]

Mr. McCULLOCH. Mr. Chairman, I also yield the gentleman from Kentucky 5 minutes.

Mr. CHELF. Mr. Chairman, in 1957, when the civil rights bill was favorably reported out of our House Judiciary Committee, I signed the minority report. I did so because I felt that there were sections in it that were detrimental to the best interests of the Nation. It was my considered opinion that there was more harm than good contained in the bill.

I voted against this legislation in the House, later on, when the Senate amended the bill by striking out section III that had to do with forcing citizens of our country at the point of a gun barrel to comply with its provisions. I voted for the Senate's amended version.

When the 1959 civil rights bill was favorably reported out of our Judiciary Committee of the House, I again voted against it. However, on February 1, 1960, I signed the discharge petition to help bring the matter to the floor so that the House could work its will. In addition thereto, I voted "yea" on the rule because I have always felt that every piece of important legislation has a right to be brought before the House. Notwithstanding this action, I reserved the right to vote against the bill in its final form and did so because I felt it did not do justice to the majority along with the minority.

As you may recall, for quite some time this legislation had become securely stuck in "the flypaper" of legality in our committee. On October 28, 1963, several of us were invited to see President John F. Kennedy—God rest his sweet soul—and there in the Cabinet room, we discussed this legislation. It was at this meeting that our late and lamented and loved President, stated that he was in a very unfortunate, unusual, and unhappy predicament. This was true, he said, because his Negro friends seemed to doubt his sincerity of purpose in trying to pass civil rights legislation while, on the other hand, he pointed out, the opposition thought that he was doing too much to secure its passage.

Frankly, when I heard of the President's plight, I told him on that occasion that while I had some specific reservations with respect to some sections of the bill, in view of his dilemma I would join with him to vote the bill out of the full committee with the definite understanding that I reserved the right to oppose any portion thereof that I deemed unwise and unfair to the Nation as a whole. I told President Kennedy at that meeting that this legislation had a right to be heard, debated, and acted upon by the majority of the people's representatives in the House of Representatives. Since this terrible tragedy has befallen our country—how can I ever forget what I said to him—I said: "Mr. President, you are the coach of our team and, bless your heart, we have a government of the majority and I am not afraid to let the House of Representatives speak its piece and work its will." This, my colleagues, was the last time that I saw him alive. There he was working his heart out to help those who were underprivileged, and yet who doubted his motives. Yes, who doubted him.

According to my sacred promise, on Tuesday, October 29, 1963, I voted to report favorably the Celler version of the two bills which had been hopelessly locked in the legal quagmire of our committee.

With these facts in your possession, I believe you will agree that I have tried to be moderate, reasonable, and considerate not only last year, but in 1960, and as far back as 1957, when the first civil rights bill was enacted.

While Kentucky is south of the Mason-Dixon Line, nevertheless, father fought son and brother killed brother over their sincere differences in the War Between the States 102 years ago. I am proud to say that I hail from a little community where there are lots of fine salt-of-the-earth Negro people who, incidently, have never had any trouble in voting in our city, county, State, and Federal elections.

I would like to say this to you. In a previous speech I mentioned one of our sweet old colored gentlemen, and he was a gentleman, by the name of Mace Spalding, in my little town of Lebanon. After his death and at his funeral—I flew from Washington to attend—I was sitting there in the front row, the amen corner, so to speak, in that little Catholic chapel where the services were being held.

When the funeral services were over, the mayor of the town and I walked out. I said to the mayor, "Isn't it a shame that we have not appreciated our good, wonderful colored friends any more than we have?"

I said, "You know I wish with all my heart there was something we could do to honor this fine, outstanding, elderly gentleman. Do you know what I think I will do?"

He said, "What?"

I said, "I believe that I will ask the present Acting Governor of Kentucky if he will name him as a colonel on his staff posthumously."

I know that when I said this in my speech delivered a few years back, some of my colleagues laughed. And they should have laughed, my friends, because let me tell you it was a shame that I had to wait until this sweet soul—this man of God, this gentle person, Mace Spalding—had passed away before I appreciated his goodness, his kindness, and his consideration of his fellow man.

Yes—shame—shame on me—and Lord forgive me—I pray.

Oh, he had done so much for the colored people throughout all the length and breadth of Marion County and the State of Kentucky. Yes, I should have been laughed at real good, because I had not thought of it sooner.

Since our procedure on integration in Kentucky has been rather successful, I would recommend our modus operandi to those other States that may be interested in this vital social problem.

With but two possible exceptions we, in Kentucky, have had no serious integration upheavals. I think this is chiefly because our people in Kentucky of all faiths and of all races have sat down together, and they have done an excellent job in solving the problem. They were so successful. One of our school superintendents from Louisville, Ky., Mr. Omar Carmichael, was summoned here by President Eisenhower and was given an award at the White House because of the way and the manner in which they voluntarily, on a local basis in Louisville, Ky., did a beautiful job. But not at the point of a bayonet held by the Federal Government or at the rough end or the shooting end of a pistol held by a marshal. They did it, my friends, voluntarily.

There is an old adage that "you can lead a horse to water, but you cannot make him drink." This applies to people as well. The average American will follow a leader, but you cannot drive the American people. This is what this bill will do. It drives the people. You cannot legislate morals. We tried it with the 18th amendment. You cannot legislate the habits of people. It just cannot be done. Yes, I will say this to you, and frankly, as I view this legislation, there is one basic element that the leaders of the NAACP and CORE and other similar organizations have either forgotten, or unfortunately have never been told, and that is that persons of good breeding, first, never seek invitations and, second, they do not go where they are not invited; and, third, do not remain where they are not wanted.

In our society one does not act this way, with or without a court decision or a governmental edict. You just do not do it in America. We cannot legislate here nor can that court across the street over there determine or say whom you shall take into your home and whom you shall have as your friends and whom you shall associate with.

As I said in my first civil rights speech, in 1957, some of the civil rights leadership was as shaky as a guest bookstand in an undertaker's parlor, and will be about as long remembered by everyone when this legislation is all over as the final Indian war whoops from "Custer's last stand."

I repeat, we cannot legislate morals or habits. The good Lord gave me my relatives, but I have news for you—I reserve the right to fully select my friends and my associates.

If and when the time comes in America that we cannot do this, brothers, we have had it.

Congress cannot legislate nor can a Supreme Court decide who one's friends shall be. As I have said previously, back in 1776 the British were foolish enough to place an unjust tax on the backs of our people and a war was on. In 1861, there were those who were impatient, tactless, arrogant, and thoughtless; who literally tried to cram certain beliefs down the throats of the American people.

What was the result? Tragedy and a bitter, bloody war that cost the southern army 52,000 gallant soldiers and the northern forces 110,000 brave men.

Destruction, grief, and poverty followed this unnecessary war. Our people can be crowded just so far. It was true in 1776, 1861, 1918, 1941, and it is true today.

In 1960, in a speech in this Chamber, I said: "If these sitdowns keep up, such assemblies could break into riots which could cause grave trouble."

It is sad that my prediction was correct. Today there is rioting not only in the South but in the North as well.

One of the leaders of the civil rights movement, a minister of the Gospel, made the statement that it is all right to break the law. He said:

> One may well ask, how you can advocate breaking some laws and obeying others? The answer lies in the fact that there are two types of laws: there are just laws and there are unjust laws.

However, a New York City judge has said that it is not all right to break the law. In commenting upon the fact that eight clergymen and a social worker had linked their arms together to prevent a cement truck from entering a construction site, the judge said to the defendants:

> Peaceful demonstrations are not violative of the law but what if the brakes on that truck had slipped and someone had been injured? A riot would have broken out and you could not have convinced the crowd that it was an accident. You cannot decide what laws to obey and what laws to disobey. * * * If you don't like a law, the remedy is to go to the legislature * * * to the city fathers—not to take the law in your own hands. This will result in anarchy.

Representative ADAM CLAYTON POWELL—a Member of our own distinguished body—was quoted last August in U.S. News & World Report as having said:

> The Negro outside of the South is not interested in public accommodation or the right to vote * * * these rights are already available, more or less. What two-thirds of the Negro of this Nation want are jobs, upgrading, retraining for new industries, proper training for teenage dropouts and pushouts.

The leadership of NAACP, CORE, and others have been critical of their friends on the House Judiciary Committee for not reporting out a stronger bill. Frankly, I do not believe that they know just who their friends really are. It is about as frustrating as a woodpecker beating his gums out on an iron gatepost. Especially when this is the strongest civil rights bill ever to emerge from our committee. Yes, this leadership did not even feel that President Kennedy was helping them. Oh, if they could have seen his anxious brow and really known what was on his mind and in his heart—they would be put to shame. President Kennedy was their real friend. I know, because he asked me as a personal favor to help him get a bill out of our Judiciary Committee, and I did.

I apologize to no one—because I still believe that the House of Representatives of the United States is the best jury in the world. I want it abundantly clear that I am for the right to vote, the right to obtain a decent education, the right to secure and maintain a good paying job—provided, of course, the person is qualified—for all of our citizens, no matter who they may be or where they come from.

It is my considered judgment that, to a certain extent, improvements should be made in our so-called public accommodations. However, I would advise that such a sensitive matter should not be hastily covered by Federal law, proclamation, court decision, or an Executive order. I believe we should proceed with the utmost caution when we approach the doors of a privately owned business of any caliber.

Let me make a comment about some of these big department stores, who have chains all over and around the country. If they advertise suits, shoes, medicines, or any other item for sale and the colored customer's money is good enough for these purchases—then I am here to tell you that that same colored person's money is good enough to entitle him to go into their restaurant, if there is one, and to sit down and enjoy himself. These big outfits and department stores cannot take his money for one thing and deny him the right to use the restaurant or the other facilities of their grounds or buildings.

One of the most successful businessmen in the Nation happens to be a fine, upstanding Negro gentleman by the name of S. B. Fuller, of Chicago. He comes from the hometown of my good friend and our colleague, WILLIAM "BILL" DAWSON. I do not have a finer or better friend in this world than "BILL" DAWSON. I am proud to have his friendship. I respect you, I admire you—I have selected you as my good friend. I hope that you feel the same toward me, "BILL." You know why? It is because that you have won the right and the privileges "of the lodge" so to speak. In other words—you have so conducted yourself as to demand and to receive the great respect due to you. BILL—you did it for yourself on your own. No Federal law was necessary.

Mr. Fuller employs about 600 people, about 20 percent of whom are white. In August 1963, the U.S. News & World Report sent a staff to interview Mr. Fuller and here are the answers he made to several questions propounded to him.

> Question. In general, what do you think is the answer to the race problem in this country?
>
> Answer. Well, the problem is one the Negro has to work out himself. Negroes are not discriminated against because of the color of their skin. They are discriminated against because they have not anything to offer that people want to buy. The minute

> that they can develop themselves so they excel in whatever they do—then they are going to find that they don't have any real problems.
>
> An example is baseball. When the owners of the big leagues found out that Negroes could play just as well as whites, discrimination ended.
>
> Question. Are the racial demonstrations doing any good?
>
> Answer. The demonstrations have made the white man know that the Negroes are dissatisfied. * * * Beyond that, I don't think they have done any good. In fact, they have done harm in the picture they give of Negroes.
>
> Question. Do Martin Luther King and others of his views speak for the Negro people as a whole.
>
> Answer. No, they speak for certain small groups of people.
>
> Question. Why is it that we hear so much about the frustrations of the Negro?

Now get this answer, coming from a very successful Negro businessman in the city of Chicago. The answer is:

> It's because they have been played up so much on TV, radio, and in the newspapers.

If this bill, in its present form, becomes law and it is upheld by the courts, it will, in my opinion, extend Federal domination over businesses, industry, and over individual citizens in a manner never before attempted since the Constitution of the United States was adopted. It will destroy the constitutional checks and balances between Washington and the States. The Library of Congress research staff quotes Loyd Wright and John C. Satterfield as having said:

> The civil rights aspects of this legislation is but a cloak; uncontrolled Federal executive power is the body.

I could go on and give you much more, but my time is running out, and I will conclude with a quote from a study on research.

> An individual's right to restrict the use of his property * * * lies beyond the reach of the 14th amendment. Freedom of the individual to choose his associates or his neighbors; to use and dispose of his property as he sees fit; to be irrational, arbitrary, capricious, and even unjust in his personal relations are things all entitled to a large measure of protection from Government interference. Mr. Justice Harlan. *Peterson* v. *City of Greenville*, 373.

At this point, I want to salute Mr. Loyd Wright and John C. Satterfield for their great contribution and interest in our democratic way of life, by their study on this subject.

In view of the above research that I have attempted to bring to your attention—I shall have to vote for amendments that will correct and repair the potential damage that is presently locked up in this bill.

Mr. MORTON. Mr. Chairman, will the gentleman yield for a question?

Mr. CHELF. Yes. I yield to the gentleman from Maryland.

Mr. MORTON. Will my distinguished friend, the gentleman from Kentucky, tell me whether he is for or against the bill?

Mr. CHELF. That is a fine question. I had not said because I did not have the time that I had hoped to get to cover the matter. My remarks here were hurriedly thrown together. In its present form I am very much against the bill.

Mr. MORTON. Thank you very much.

Mr. CHELF. If we can amend this bill and make it a better one, I will support it. If we do not, I shall vote "no." I could ask my friend how he shall vote—but I shall not. Does that answer the gentleman?

Mr. MORTON. Thank you very much.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. McCULLOCH. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. SHRIVER].

Mr. SHRIVER. Mr. Chairman, yesterday afternoon one of our Members asked for an explanation of the bill before us and not generalized speeches. We have had a considerable amount of that type of presentation both yesterday and today. I intend to follow the suggestion of the gentleman made yesterday in the few minutes that I have in support of civil rights and in discussing in particular title I.

One of the most basic and important rights of citizenship in our great country is the right to vote. Title I consists of amendments to existing law. An 1870 Federal statute declared that all citizens of the United States should be entitled to vote without distinction of race, color, or previous condition of servitude. This statute, however, lacked effective enforcement machinery until 1957. So we have had legislation on our books since 1870, then revised in 1957, and then in 1960 the Congress enacted additional legislation to increase the ability of the Government to cope with the problem of discrimination in voting.

In addition to declaring that the prohibited acts and practices of State officials would be those of the State and specifically authorizing the naming of the State as a party defendant, Congress also made provision for the preservation of records and availability for inspection by the Attorney General of records made by the States pertaining to Federal elections.

The major contribution against discrimination in voting made in the 1960 Civil Rights Act was the plan for the appointment of voting referees to register persons of the same race as those proved in the lawsuit to have been discriminated against. These referees may be appointed by the court only after the court has made a specific finding in a suit brought by the Attorney General under the 1957 act that the discrimination in voting was pursuant to a pattern or practice; that is, that such discrimination was customary and usual rather than an out-of-the-ordinary isolated event.

Even after such a finding was made the referee could not begin to receive applications until the prospective voter had made application to the registrar appointed by the State and had been rejected.

The referee could then receive such applicant and would proceed to qualify such applicant under the State qualification standards. Where the court did not wish to appoint a referee, the court would receive such applications and pass on them.

Serious problems have arisen from experience under the 1957 and the 1960 laws.

First, lengthy and often unwarranted delays have occurred in the course of court proceedings. For example, a suit started in July 1961 where 24,000 of the 40,000 eligible whites were registered but only 725 of 16,000 Negroes were registered is still pending after more than 2 years.

There is no such thing as retroactive relief with respect to voting rights. No amount of later relief or subsequent litigation can repair this damage to the individual or to the public generally.

Provision is needed to expedite voting suits and to afford speedier relief to those who have been subjected to discrimination in seeking to exercise their right to vote, a basic right in this country.

Another problem has been the continued use of literacy tests and other performance examination as a device for discrimination. All too frequently, we are informed, tests given to one race are far more difficult than those given to another race.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. SHRIVER. I yield.

Mr. WAGGONNER. Mr. Chairman, yesterday I asked the gentleman from Colorado [Mr. ROGERS], some questions about this particular action on voting rights. I would like to ask the same questions of the gentleman in the well because I am still in doubt. Now, with regard to literacy tests for voter qualifications, is it the gentleman's opinion that if this legislation is enacted the State will still have reserved to it complete authority to prescribe whatever literacy voting qualifications they deem necessary, not only in State elections but Federal elections as well even if the State elections coincide with the date of Federal elections?

Mr. SHRIVER. I was here and heard the gentleman from Colorado [Mr. ROGERS], yesterday. My answer would be similar. The provisions of this act do not interfere with the right of the State to employ a literacy test as a means of judging qualifications. It is merely a procedural requirement relating to the manner of holding elections. Congress has the authority under article I, section 4, of the Constitution to do that.

Mr. WAGGONNER. The gentleman went along all right until he got to the last few words. Then he says the Congress has the authority. Up to that time the gentleman said the State had the authority.

Mr. SHRIVER. I said it is a procedural as to the manner of holding elections. There is some difference of opinion as to the fact that Congress may have that kind of authority. I think the authorities have pretty well indicated it has.

Mr. WAGGONNER. I think the gentleman has further confused the issue.

Who, in the gentleman's opinion, under this legislation has the authority to prescribe literacy tests, or a literacy test, as a requirement when State elections coincide with Federal elections?

Mr. SHRIVER. I think I have answered that. My time is rather limited. The provision the gentleman refers to does not interfere with the right to employ literacy tests to judge qualifications.

To help meet the problem of delay, title I would authorize and direct, upon application by the Attorney General, the appointment of a three-judge district court which would promptly hear and dispose of voting discrimination cases. Appeal from the decision of such a court would lie directly to the Supreme Court.

Title I would also require that all voting cases brought by the United States or the Attorney General under existing law be promptly assigned and be expedited.

Discriminatory practices by registration officials are dealt with by the requirements in title I that such officials apply uniform standards with respect to registration for Federal elections and by the prohibition against their disqualifying an applicant for immaterial errors or omissions in papers requisite to voting in such elections.

Title I would also require that if literacy tests are to determine qualifications to vote in Federal elections, they be in writing except where State law permits and the applicant requests a nonwritten test. In addition, copies of both the test and answers thereto, whether written or oral, must be retained and given to the applicant on request.

Finally title I would create a rebuttable presumption in voting cases that an individual who has completed the sixth grade possesses sufficient literacy to vote in Federal elections.

The question has been raised relative to this bill and literacy tests as to whether written literacy tests constitute qualifications? The answer is "No." This provision does not interfere with the right of a State to employ a literacy test as a means to judge qualifications. It is merely a procedural requirement relating to the manner of holding an election which Congress has authority to regulate under article I, section 4, of the Constitution. In addition, this provision is an adjunct to the recordkeeping provision of title III of the 1960 Civil Rights Act which has been held to be constitutional.

A key purpose of this bill is to secure to all Americans the equal protection of the laws of the United States and of the several States—all a part of the Constitution of these United States.

The secret ballot is a fundamental of representative government. Without it no other benefit or achievement can be considered secure. I do not mean, however, that the grant of voting rights will automatically equalize job or other opportunities.

But, the ability of the Negro to obtain material benefits and social and political achievement will long be retarded in those communities where he does not have the right to vote.

Concern has been expressed by critics of this bill that the bill divests the States of their right to determine the qualifications of voters. This is clearly not true. States remain free to establish their own standards. The bill simply would require that the same standards be used for both white and Negro applicants.

It is regrettable that in some localities, local election officials turn down some Negroes on the ground they are illiterate—even teachers and college graduates—while at the same time registering white applicants who are unable to read or write.

Title I of this bill would remedy this situation by amending existing law.

We have heard during the course of this debate that this bill and various parts of it are unconstitutional. There are those here and throughout the country who contend title I is not constitutional. It is natural that differences of opinion exist, but I submit that title I relating to voting rights is entirely proper and based upon the Constitution.

The constitutionality of the various provisions of title I may be based on any one of several sources: The 14th amendment to the U.S. Constitution; the 15th amendment; article I, section 4, and the implied power of Congress to protect the purity of Federal elections.

I particularly direct your attention to the 15th amendment which provides:

> The right of citizens of the United States to vote shall not be denied or abridged by the United States or by a State on account of race, color, or previous condition of servitude.

Thus, the 15th amendment prohibits the racially discriminatory administration of State voting laws.

And as pointed out in several Supreme Court decisions, it prohibits "contrivances by a State to thwart equality in the enjoyment of the right to vote by citizens of the United States regardless of race or color."

Under section 2 of the 15th amendment Congress is vested with the power to enact appropriate legislation to enforce the amendment.

This power includes the enactment of all measures reasonably adapted to counteract discriminatory devices. Title I is such a measure and is completely in accord with the U.S. Constitution.

The provisions of title I obviously are reasonably necessary to eliminate obstructions to the purposes of the 15th amendment—that the right of citizens to vote shall not be denied on account of race.

As we consider the bill before us, we must constantly remember its purpose is to assist toward eliminating discriminations and to further guarantee to all citizens their constitutional rights—their rights as human beings.

My distinguished chairman, the gentleman from New York [Mr. CELLER] yesterday said:

> The legislation before you seeks only to honor the constitutional guarantees of equality under law for all.

As legislators we should remind ourselves of the statement of our wise Founding Fathers who placed these words in the Declaration of Independence:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men * * *

Mr. RODINO. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, I have had much mail from the people of my district. They are active letter writers and their letters are from every class and segment of society, including Negroes. I like to think the mail I receive is generally an indication of their feeling. When I say this, I am eliminating consideration of "inspired" or "write your Congressman" campaigns. I have had more mail on civil rights than on any other issue before the Congress. I receive a few letters from people who advocate passage of the civil rights bill. But, I can safely say that 99.9 percent of my mail is against it. There is no reason to believe other than this is a genuine outpouring of the sentiment of the people whom I represent. I think this reaction is typical of nearly all the Nation. I do not believe the agitation for the bill is representative of the feelings of the people as a whole.

Now, of course, every American citizen should be equal under the law; should have an equal opportunity to compete in our free enterprise system. But there are those who would have us go far beyond this. They would have us seek to guarantee everyone security and happiness regardless of individual qualifications or attitudes. They would have us subordinate the rugged free enterprise system on which our economy rests to sociological precepts. They would even attempt with and set aside the Constitution. I do not believe we should cripple the free enterprise system in a "cure-all" attempt to satisfy any group, minority or othewise. Yet the civil rights bill now proposed would give the executive branch of Government vast powers heretofore unknown in this country to set aside the Constitution and the free enterprise system. I feel that any citizen, corporate or private, who through the opportunities afforded by our free enterprise system and despite heavy tax burdens has amassed enough capital to own and operate a business should have the right to run that business.

It is pure folly to abolish by laws or decrees traditional rights which have been the keystone of this country's greatness. We cannot gain one freedom by destroying another. The individual's right to own and manage property is a human right inseparable from other basic human rights. Once these rights are eroded or destroyed, the basis of freedom is destroyed and with it everything for which the United States of America has stood since it was founded is endangered. If the civil rights bill becomes law, it will destroy the American heritage of the right of possession of private property just as surely as Communist decrees have destroyed a similar right in other parts of the world.

We know there is vigorous agitation for its passage. It is a sustained agitation of the kind which Communists use so effectively to promote their own interest in many parts of the world. It is the only kind of agitation which will permit minorities to take over rights from the majority in whatever country it is practiced. The public is entitled to a voice in this matter, but the public quails before the noise and the agitation; does not know how to make its voice heard above the din.

Yet, I say that if this bill is passed to pacify the few who are noisy agitators, it will fail in its purpose. They can never be satisfied. They cannot afford to be satisfied. They must always agitate for more than they can possibly hope to achieve in order to maintain their status as leaders in a cause and their following.

I do not think we need delude ourselves about the real objectives of this legislation or the motives of the chief agitators back of it. Certainly, it is not the attainment of civil rights. Civil rights is a catch phrase. These are rallying words, used like anticolonialism, to cover anything and to serve any objective the user desires. And, generally, the use is just as phony as that of the term "anticolonialism."

In the same manner, the word "discrimination" has been made a whipping boy. Would it not be well to consider that this legislation would set up discrimination in reverse? Is it democratic to discriminate for the 11 percent of the Nation who are Negroes? Do the 89 percent have to give up rights which the Constitution guarantees just because their skins are white? Is a man to be denied a government job for the same reason? Apparently, it is happening in "free" America.

The real objective of those who agitate for the enactment of civil rights measures is social rights. Most people have civil rights. They can vote. They can be elected or appointed to office. They can own property. They can travel freely and in most travel they use the same public accommodations. They are not denied an education. In fact, they can have the use of the power of the U.S. Army, if necessary, to insure that they get an education. The real basis for complaint is lack of social rights. But social rights are not conferred by statute. They have to be earned.

Mr. Chairman, if this bill should become law, there would no longer be constitutional guarantees of the rights of the individual as we have known them through the years. These guarantees would be set aside. In their place would be blanket power for the Federal Government through the Attorney General and the President to control the lives, property, and eventually the thoughts of the people. We could have, for the first time, the basis in law for a police state with all its connotations. In nations where police state powers are in effect, history shows there have been few instances where the people ever regained freedom.

The legislation before us is contrary to the laws of my State. Some of these laws are of very recent enactment. Florida is a progressive State, a growing State made up of people from the four corners of the land. It is recognized as more liberal than most of its southern neighbor States. The enactment of laws by any State legislature which are contrary to the proposals contained in the civil rights bill is, in my opinion, a repudiation of the action which is proposed here.

Regardless of that, Mr. Chairman, I am opposed to any legislation which becomes an infringement upon the rights of another to conduct his business, his private business, as he sees fit. Any governmental control upon a man's right to protect his investment is an infringement upon his basic rights as an American. I am constrained to wonder whether the Government is going to guarantee protection against loss of income due to compliance with forced integration, or whether we are to have, as a followon, legislation which subsidizes those so deprived of a livelihood. It would be a logical next step in the march toward a socialized state.

People are not equal. They are not created in the same mold, they cannot be recast by law to be exactly alike.

In contrast, perhaps it would be well to recall that the rights of individuals cease when they trespass on the rights of others. This our Government seems to want to forget. Even the strongest civil rights proponents must admit that discrimination against the majority is as bad as discrimination against the minority.

I fully believe the situation which has arisen in this country through clamor for so-called civil rights means we are in danger of losing the image of freedom at home which we are seeking to establish for people abroad. In America the bastion of freedom to which all the world looks for strength, race has been set against race by glory seekers or vote seekers. They are attempting to bring about through unwanted and unneeded legislation that which can only be accomplished through voluntary cooperation.

Mr. Chairman, if ever there was a need for restoration of sanity, it is now. I look around me, and I see dynamic progress. I see a sound economy. I see opportunity for the people of this country to stand together and work together as never before. But instead, there is division and discord, primarily because there is constant agitation of the race question.

The Communist techniques of creating problems to gain concessions in the solution of these problems was never used to better advantage than in the manner in which some racial demonstrations were promoted in this country to create trouble and to involve the participation of the U.S. Government. And let me tell you here and now these demonstrations and the agitation which has helped push this bill on the floor of the House were not without involvement by Communists. They have worked to ferment and stir up trouble here just as they have everywhere else. If our Government does not know what is going on, it is utterly blind. This is not a movement which is pure and untainted and altruistic.

All of this has left bitterness, instead of understanding, chaos instead of solution. Administrative forces should never be used to bail out those responsible. The problems between the races cannot be solved in this manner.

If there is need for civil rights, it would not be achieved by the enactment of legislation which destroys the rights it pretends to insure. The proposed civil rights bill is probably the greatest single departure from constitutional government ever to advance this far in Congress.

Daniel Webster said in a speech 130 years ago that God grants liberty to only those who live it and who are always ready to guard or defend it. The security and the comfort which Americans have enjoyed for so many years is for the first time seriously threatened from within.

I am convinced that the majority of the people of the United States are not demanding that this Nation be turned upside down; that constitutional government be set aside; that the interest of the majority be subordinated to the desires of the minority; that one-man rule be substituted for representative government. I am certain that the majority of the people want none of this; do not want their tax money used for police-state purposes. But all of this is dangerously close.

Mr. McCULLOCH. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, before reading the statement I have prepared, I would like to pay tribute to the staff of the Committee on the Judiciary, which has worked long and arduously on this legislation. Our general counsel, Mr. Foley, and Mr. Benjamin L. Zelenko, and our minority counsel, William Copenhaver, and Allan Cors, have long, diligently, and intelligently worked in helping us shape this legislation even to the level of its present unsatisfactory status.

I must say I have never been inclined to be niggardly in providing committees of the House of Representatives with adequate funds to hire sufficient talented people to get our work done. Certainly there is no piece of legislation that is more important than this. I supported our chairman, the gentleman from New York [Mr. CELLER], the other day when there was a request for $250,000 additional for the Judiciary Committee. In fact, I have frequently chided the gentleman from New York [Mr. CELLER] for not having a larger staff.

Mr. Chairman, H.R. 7152, the Civil Rights Act of 1964, is the most controversial and far-reaching piece of legislation to be considered during my seven terms of service in this body.

Yet, it has not had the careful analysis, the thorough study and skilled legislative draftsmanship by the Judiciary Committee that a bill of this magnitude deserves.

H.R. 7152 confers upon the executive branch of the Government vast and uncontrolled powers phrased in ambiguous language. It expands the scope of authority of the Federal Government at the expense of powers of State and local governments as well as powers reserved to the people. For the enforcement of its provisions, it takes from all citizens their traditional constitutional protections by employing the device of government by injunction and financing redress of private grievances at public expense.

I am for civil rights and civil liberties. I will vote for any bill which in my judgment is a proper exercise of constitutional Federal legislative power to achieve equal treatment for all citizens.

I voted for the Civil Rights Act of 1957, the first legislation to enforce the 15th amendment in 85 years. I would have voted for the Civil Rights Act of 1960 if we had been able to delete from the bill the voting referee provision. This ingenious device distorted the proper role of Federal courts and authorized appointment of a receiver to seize and to exercise State authority.

This bill established a precedent for a method whereby the Federal Government could usurp State authority in any field in which the Federal Government chose to do so. I thought it led to the undermining and destruction of our unique governmental system. Therefore I opposed it.

My position on the civil rights issue has been clear and consistent. It has been our national policy since the Civil War to treat all citizens alike and the Congress is obligated to effectuate that national policy through the full exercise of its powers. But the Congress should not use this emotional issue as a vehicle for expanding its powers beyond proper limits of Federal legislative authority. Even more important, Congress should not strip citizens of rights the first 10 amendments to the Constitution gave them to insure that citizens would not be abused by tyrannical Government action.

As a member of the Subcommittee of the Judiciary which held hearings and studied this legislation for many months, I summarized my views in the committee report on pages 43 to 59. I suggested amendments subsequently improved which, if adopted, would render H.R. 7152 a reasonable, understandable, workable, and effective civil rights act, the adoption of which would be in the national interest.

Regardless of our differing views, as legislative mechanics, we should seek to find language which is meaningful and accurate in expressing public policy and grant only such power as is needed to accomplish our legislative objective. It is difficult for me to understand the position of any who would reject any and all amendments out of hand, regardless of logic and reasoning.

It is my hope that during debate under the 5-minute rule, Members will become sufficiently familiar with the provisions of this loosely worded, poorly drafted bill to accept perfecting amendments. If they are not adopted, I will be compelled to vote against the bill.

Mr. Chairman, I should like to have the attention of the chairman of our committee and also the ranking minority Member who I see is present on the floor. There have been rumors in the last few days that those in charge of managing this legislation and those who support them propose during the 5-minute rule to oppose any amendment, even a technical amendment, improving the language of the bill. In view of the fact that we were not able in the Committee on the Judiciary to consider and analyze the phraseology and the power in this bill. I hope that that rumor is untrue.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman.

Mr. CELLER. I am sure the rumor is untrue so far as I am concerned and I also am sure, so far as the gentleman from Ohio is concerned. There is no such agreement. We certainly will be amenable to any reasonable, sensible, and perfecting amendment, without question.

Mr. MEADER. I appreciate my chairman's assurance on that point.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman.

Mr. McCULLOCH. Mr. Chairman, I yield myself 1 minute to answer the question my distinguished colleague, the gentleman from Michigan who gave so many countless effective hours in the formation of this legislation from January 31, 1963, to this very moment.

I have heard such rumors. I am no party to such an agreement. I have not in the past opposed an amendment to any legislation which I thought improved that legislation.

Mr. MEADER. I appreciate the gentleman's assurance.

I do not propose in these brief remarks to attempt to review my comments on the entire bill which are set forth in some 16 pages of the committee report, but intend to discuss only two titles, which I regard as the most difficult and complex in the entire bill and on which I have done some work subsequent to the filing of my additional views with the committee last November.

I refer to title II, public accommodations, which is discussed commencing on page 54 of the committee report, and title VI, withholding Federal funds, which is discussed on page 56 of the committee report. In both of these passages of my additional views, I set forth proposed substitutes to these two titles. In the light of discussions subsequent to the filing of the report, including the testimony and colloquy before the House Committee on Rules, I decided to modify my proposed substitute title II on public accommodations by an additional amendment giving an action at law to any person aggrieved by refusal to provide the service or facilities guaranteed by the public accommodations provision. Such an action would provide for damages of not less than $100 or more than $1,000. The text of the amendment I intend to offer at the appropriate time is as follows:

Page 42, strike out line 14, and all that follows down through the period in line 3 on page 48 and insert in lieu thereof the following:

"TITLE II—NONDISCRIMINATION WITH RESPECT TO CERTAIN AREAS OF PUBLIC ACCOMMODATION

"SEC. 201. Chapter XXIV of the Revised Statutes of the United States (42 U.S.C. ch. 21) is amended by adding at the end thereof the following new section:

" 'SEC. 1992. (a) No owner, operator, lessee, agent, or employee of any hotel, motel, inn, restaurant, eating establishment, or gasoline station which is situated or advertised adjacent to an interstate or primary highway (as defined in title 23, United States Code, section 103) and which is held out as serving or offering to serve interstate travelers, and no owner, operator, lessee, agent, or employee of any public conveyance on land or water, or in the air, including the stations and terminals thereof, serving interstate travelers, shall directly or indirectly refuse, withhold from, or deny to any person any accommodations, advantages, facilities, or privileges thereof on account of race, creed, color, or national origin.

" '(b) Any person aggrieved by a violation of subsection (a) may bring an action at law in the United States district court for the district in which the violation occurred for the damages sustained by him, but in any such action damages sustained by a person shall not be deemed to be less than $100 or more than $1,000. No right of action accruing under this section and no proceeds thereof may be assigned before final judgment.

" '(c) Nothing contained in this section shall be construed as indicating an intent on the part of Congress to occupy the field in which such section operates, to the exclusion of any State laws on the same subject matter, nor shall any provision of this section be construed as invalidating a provision of State law which would be valid in the absence of such section, except to the extent that there is a direct and positive conflict between such provisions so that the two cannot be reconciled or consistently stand together.' "

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman.

Mr. CURTIS. I wish to refer to the point the gentleman made about the rumor. I received today—and I suppose every other Member of the House received—literature from the AFL–CIO. It is a very short statement urging every Member to oppose any amendment and all amendments to the bill. I was quite disturbed by that kind of approach.

I have heard the rumor. I have also heard that the so-called Democratic Study Group has met and caucused, and has taken the position that they are going to oppose any and all amendments. I trust that is not true, as well.

It would be a sorry day in the history of Congress and of the House if any such attitude were taken toward proposed legislation. I say that as one who favors the bill.

Under permission granted in the House, I am setting out the letter of the AFL–CIO to which I referred. How incongruous it is in suggesting that the important moral issue before us should be handled immorally.

> AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
> *Washington, D.C., January 31, 1964.*
> Hon. THOMAS B. CURTIS,
> *U.S. House of Representatives,*
> *Washington, D.C.*
>
> DEAR MR. CURTIS: The most important moral issue on which Members of the House will vote this year is now on the floor. H.R. 7152 is a long-delayed effort to guarantee our minority citizens certain fundamental civil rights which are now denied them. The resolution of this issue cannot be justifiably delayed.
>
> On behalf of the AFL–CIO, I urge you to vote for H.R. 7152 as reported by the Judiciary Committee, and to resist all amendments thereto.
>
> Especially meritorious are the sections on fair employment practices and public accommodations. The first can provide the financial ability to enjoy other rights, the second will enable the Negro to avoid many affronts to human dignity in his daily life.
>
> I further urge you to be on the floor throughout the entire amendment stage to vote down all amendments to H.R. 7152.
>
> Sincerely yours,
> ANDREW J. BIEMILLER,
> *Director,*
> *Department of Legislation.*

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman.

Mr. WAGGONNER. I am not at all disturbed, but I am surprised that some of the people who have been around so long still believe everything they hear. If they will wait until the amendments are presented and the 5-minute rule is invoked on the legislation, and consider the matter in that light, they will find that some amendments will be offered.

Mr. MEADER. I did not say that amendments would not be offered. I said that the rumor was that those in charge of managing the bill and those who support the bill had adopted a policy of not accepting any amendment, no matter how meritorious. I am glad to find out that the rumor is not true.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from New Jersey.

Mr. RODINO. As the ranking member of the subcommittee which considered the bill, I know I certainly had no part in any such arrangement. As I have stated to the gentleman, we will be glad to consider any amendments the gentleman might propose. If they are justified, reasonable, and felt to be amendments which will do anything to clarify the issue, we will certainly be willing to support them.

Mr. MEADER. I thank the gentleman.

Mr. Chairman, with respect to the public accommodations discussions, and particularly the coloquy in testimony before the House Committee on Rules, I was prompted to modify the proposed substitute title II on public accommodations which appears in the committee report. I have drafts of the refinement of this section.

Let me say that my title II would apply to interstate transportation of persons and would be enforced by criminal penalties.

There has been a suggestion that, in addition, a civil cause of action should be provided. I have drafted language for that purpose. Indeed, it might be possible to have both. The Michigan statute, on which my substitute title II is primarily based, I believe provides for both civil and criminal enforcement, as do the statutes of many States public accommodations laws. I believe some 33 States have such legislation.

I feel sure every member of the committee will agree with me in the statement, with respect to title VI, that the withholding of Federal financial assistance has given the Judiciary Committee members more trouble in legislative draftsmanship than any other title of the bill. The policy is clear and can be simply stated. Certainly it is within the power of the Federal Government, when granting financal assistance in a host of federally sponsored programs, to specify the conditions and terms upon which that assistance is granted. Clearly, the Federal Government should incorporate in any such grants or loans our well-established national policy against discrimination on grounds of race and color. Federal financial assistance should not underwrite the perpetuation of discrimination. While this policy is clear, it is not easy to express in clear statutory language.

It has always been my belief that in writing legislation, the same as in writing legal documents, a more skillful job is done if we take advantage of the past experience to the greatest extend and employ for carrying out policy, well-established principles and methods. Accordingly, my aim has been to draft phraseology which would enforce the public policy above stated by utilizing the existing body of law for the enforcement of contractual obligations. My amendment would therefore simply require the recipient of Federal financial assistance to enter into an enforceable undertaking that there would be no discriminatory practices engaged in with respect to the program as a condition precedent to the receipt of such assistance.

Federal financial assistance programs are vast in terms of dollars, affect every State and local unit of government in our Nation as well as multitudes of our citizens and perhaps what is more important, are widely different in their character. They range from scientific research grants and contracts through farm subsidies, school lunch programs, educational aid programs, airport aid, highways, hospitals and a whole host of other Federal programs involving financial assistance.

To write legislative language applicable to each such program, if not entirely impossible, would at least require many months, if not years of study by a legislative committee to find acceptable legal phraseology.

But the participants in the programs, and the administrators of the programs with respect to their own particular activity are fully aware of the problems and the manner in which discrimination might occur. In advance of the receipt of any money, these knowledgeable parties could negotiate and spell out in the document evidencing in the grant, contract, or loan precisely what the recipient would be bound to do or not to do in carrying out the policies announced in the Civil Rights Act that Federal assistance funds are not to be used to subsidize and perpetuate unequal treatment among citizens.

The text of my suggested substitute for title VI on H.R. 7152 appears on pages 56 and 57 of the committee report. Further study, however, with the assistance of legislative counsel and counsel for the Judiciary Committee has produced language which I consider preferable. The text is as follows:

> Beginning with line 3, page 62, strike out everything down through line 15 on page 63, and insert the following:
>
> "SEC. 601. Any executive department or agency of the United States which extends financial assistance in the United States (by way of grant, loan, or contract, other than a contract of guaranty or insurance) shall require, as a condition to the receipt of such assistance, that the recipient assume a legally enforcible undertaking designed to insure that—
>
> "(1) no person of a class for whose benefit such assistance was primarily intended will, because of his race or color, be excluded from all of or a part of the benefits of such assistance or be extended benefits of a different nature; and
>
> "(2) no such person, otherwise eligible to receive the benefits of such assistance, will be subjected to different treatment because of his race or color than other persons receiving such benefits.
>
> "SEC. 602. The undertaking referred to in section 601 shall contain such appropriate terms and conditions as the head of the department or agency granting the assistance may prescribe. The United States district courts shall have jurisdiction of civil actions brought in connection with such undertakings by either the United States or by any recipient aggrieved by action taken under any such undertaking, but no court shall issue an order or injunction restraining a breach of those provisions of the undertaking which are designed to carry out the policy set forth in paragraphs (1) and (2) of section 601."

Mr. WILLIS. Mr. Chairman, I yield 25 minutes to the gentleman from South Carolina [Mr. ASHMORE].

Mr. ASHMORE. Mr. Chairman, I feel at this late hour that most of us have already become somewhat weary. I know those of us feel that way who have been waiting to get here to the microphone. Also it might be an anticlimax at this late hour to try to tell you what I sincerely feel and believe to be the truth about this bill. Certainly it would be an anticlimax to speak after my good friend, the gentleman from Georgia [Mr. FORRESTER], who spoke yesterday, my good friend from Virginia [Mr. TUCK], and my colleague from Kentucky [Mr. CHELF], who spoke today. They gave you such eloquent and charming messages that it makes me feel inadequate to the occasion. There is not much left to say that has not already been said.

I shall not try to be eloquent. On the contrary, I shall do my best to present to you some facts and analysis of this important legislation primarily from a practical standpoint.

Mr. WILLIS presented a marvelous legalistic analysis of this legislation and I certainly could not improve upon that. As I stand here the names of different Members come to my mind who have spoken in an effort to bring all of the facts to you concerning this bill. We have heard numerous versions of the procedure followed in the Committee on the Judiciary in reporting this bill to the House. They have varied, and very few have agreed, as to just what happened in that regard. As a member of that committee I want to emphasize some of the things that did take place in our committee, and I do so not for the purpose of embarrassing or chastising anyone, certainly not to embarrass our good Chairman, Mr. CELLER, but I do so because I realize that a great majority of my colleagues in this House customarily support a bill in the form in which it is recommended by the Committee handling the legislation. I do not want you to be led astray in this case. This is true because the committee to which a bill has been referred by the Speaker has the responsibility and the duty to hold hearings, to analyze, to discuss, to debate and amend and alter and change the bill in any way the committee desires, so as to produce the best possible legislation for the House to act upon.

This is as it should be. That is the purpose of committee action and procedure and in 75 to 80 or probably 90 percent of the cases when this procedure is followed, a Member of this House is safe and right in supporting the committee bill. But, Mr. Chairman, if you take this bill today at its face value you will be deceived, miserably deceived, because what shows on its face is merely the beginning.

Briefly, here is what happened with reference to this bill before it got here for your consideration. I hope that my friends on the committee who proposed this procedure and who supported it will listen to me, and if I make one single mistake in referring to the procedure that we followed I hope that they will correct me. First let me say that Subcommittee No. 5 to which this bill was referred by our good chairman, did a fine job of holding hearings; there is no question about that. All of us realize that approximately 4 months' time was consumed in holding hearings.

They started in May, if I remember correctly, and they continued on until almost the end of August. Our chairman was most considerate. He gave everybody an opportunity to be heard.

Then on October 2, 1963, the subcommittee reported its bill to the full committee. The full committee had a brief discussion as to the procedure we would follow in the consideration of the bill. To begin with, we acted like lawyers, as we all are, and as we ordinarily act. Things were going along smoothly. It was agreed we would have chief counsel, Mr. Foley, read title I of the bill as it was then constituted, then title I would be open for discussion, debate, and amendments. And the same procedure was to be followed with each of the titles in the bill, titles II, III, IV, and so on, until we completed it. This was fine. There were 35 lawyers there to probe, analyze, and debate an important measure, so that we could calmly and dispassionately and judiciously reach a reasonable conclusion and come here with a measure we could be proud to present to the House of Representatives for your consideration.

But before we had finished title I it became evident to everybody on the committee that the subcommittee changed the original bill, the President's bill, so drastically it would be necessary for the Attorney General certainly if not necessary, most advisable, to appear before the full committee and state his and the President's position as to the changes made in the subcommittee's bill.

The Attorney General came up with a written statement. Most of the members of the committee questioned the Attorney General. In some instances he was frank and admitted that the subcommittee bill went too far, and it gave the Attorney General himself more power than he wanted, and authority and power that he did not need. He said the bill in its then form, as written by the subcommittee, and as has been referred to as the strong bill, could not in all probability be passed on the floor of the House and the Senate.

After questioning the Attorney General for 2 days, the Committee on the Judiciary started consideration of title I again, but before completing title I a motion was made to report the subcommittee bill, to the House. A motion was made to report it as it was then, without any debate or without any further amendments whatsoever having been had on titles II, III, IV, V, VI, VII, VIII, and IX. There were just a few amendments offered and a few minutes of discussion on title I.

When this motion was made we then and there reached an impasse, and for 3 days, if you will remember correctly, there was more or less chaos. The chairman announced that the committee would meet on the following day and each morning before the hour for the committee to meet the chairman announced about 30 or 40 minutes before the committee was to meet that the committee would not meet. So the meetings were called off daily. Then suddenly a 56-page bill, that some of my colleagues have referred to here, appeared at the office of each member of the Committee on the Judiciary. I received my copy of this completely new 56-page substitute bill less than an hour before the committee was to meet on Tuesday morning to take it up for consideration. Of course, anyone, lawyer or whoever he might be, could not begin to analyze and dissect and determine what a 56-page bill contained in as short a period of time as that.

We went to the committee to meet at the regular time after three prior meetings had been postponed. Counsel for the committee was ordered to read the bill—that is, the new bill—that we had never seen or heard of until the morning it was delivered to our office, although some Members have said they received a copy the night before. After the bill was read by counsel, members of the committee demanded the right to debate the bill, to ask questions about it, to offer amendments.

The chairman of our committee granted himself 1 minute to discuss the bill. Then he allotted 1 minute to the ranking minority member, the gentleman from Ohio [Mr. MCCULLOCH], to discuss the bill. That is the only discussion, the only debate, that was had on the bill. That is the way the present bill got to the House of Representatives. It has not been debated by the 35 lawyers who constitute the House Committee on the Judiciary. It has not been analyzed by the 35 lawyers except for these 2 minutes, by the members of the House Judiciary Committee. Not one single amendment has been offered in the full committee to the bill that is now pending before you, not one. In no single instance did the chairman recognize any member, any of these 35 lawyers, to offer an amendment to the pending bill. No one was permitted to debate it other than the 2 minutes to which I have referred. We could not even ask a question. That is no member was recognized by the chairman and consequently no questions were answered. Under these circumstances, 35 lawyers left the committee room on that day with amendments in their pockets and speeches in their systems which have never yet been delivered, certainly not before we came here to consider this bill yesterday.

Why was such procedure as that used in our committee? No one knows, but the only reason that I can think of is because it was a known fact that the 35 lawyers on this committee would emaciate this bill if we were permitted to put our legal minds to work on it, as we knew we had the right to do.

Every Member of Congress knows that you can get votes in committee which you cannot get on the floor of the House. We were denied the right or the opportunity to amend the bill in the full committee, and I want anyone on the committee who can dispute that fact to say so at this time—I am sure the chairman will not say so, the gentleman from Ohio [Mr. MCCULLOCH] will not say so, and none of my colleagues would think of saying that we were given this opportunity.

Why? Yes, why was it true? Why was it railroaded through the committee in any such manner? That question was asked immediately afterward and it has never yet been answered.

There has been a hue and a cry to pass what is known as the President's bill. They say, "Do it as a monument or a memorial to President Kennedy." Mr. Chairman, if you pass this bill, H.R. 7152, in its present form, you will not be passing the President's bill. It is far, far different from the bill heretofore known and commonly referred to as the President's bill.

For instance, the bill that is called by that name did not contain what we now find in this bill, title III, entitled "Desegregation of Public Facilities." There was no such section or title in the President's bill. Title III in that bill was known as "Desegregation of Public Education." That was moved over and made title IV in the pending bill that you now have before you.

In the President's bill, title IV provided for the establishment of a community relations service. It sounds to me like it might have been a pretty good idea. I think some good might have come from that title IV, the establishment of a community relations service.

Just listen to what it says. Its function was—not now because it is dead—the function of that service was:

> To provide assistance to communities and persons therein to resolve disputes, disagreements, or difficulties relating to discriminatory practices on the basis of race, color, or national origin which impaired the rights of persons in such communities under the Constitution or laws of the United States or which affect or may affect interstate commerce. The service may offer its services in such disputes, disagreements, or difficulties whenever in its judgment peaceful relations among the citizens of the community involved are threatened and it may offer its services either upon its own motion or upon the request of an appropriate local official or other interested person.

Its job was to avoid trouble. Its job was to create peaceful relations among the races. The function of this committee was to help settle trouble out of court—not in court. They did not want that, evidently, because they did not put it in the bill you now have before you for your consideration. They replaced that section with a title III which gives the Attorney General of the United States more power than any law enforcement officer ever had in the history of this country—the power to bring suits promiscuously, and not the power to go in and settle these matters in a peaceful manner as they should be settled, and as you and I prefer that they be settled.

Why this was taken out of the President's bill and replaced with this all-powerful section for the Attorney General, I wonder—no one has attempted to give you an answer to it.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ASHMORE. I yield to the gentleman from Iowa.

Mr. GROSS. I thank my friend, the gentleman from South Carolina, for yielding.

The gentleman has said that this bill is not the Kennedy bill. Could the gentleman tell me or is he prepared to say whether this bill has the blessings of the present President, Lyndon B. Johnson?

Mr. ASHMORE. I have not been called down to the White House to discuss the matter with the President, and I am not in a position to know. But I would say that unless President Johnson knows more about this bill than the members of the Committee on the Judiciary and the Members of the House of Representatives, I just do not see how he could hardly say whether he is for it or against it, because 35 lawyers absolutely disagreed as to what it contains and what its purpose is and how far it would go in taking away the rights of people of this country.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. ASHMORE. I yield to the gentleman.

Mr. CELLER. I want to indicate that President Johnson in his state of the Union message indicated clearly beyond peradventure of doubt that he wanted this bill which is before us today passed.

Mr. ASHMORE. I understood President Johnson was talking about the President's bill—President Kennedy—and that is the bill we have heard so much talk about as a memorial or monument to the President. This bill before us now is not the President's bill, say what you will.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. ASHMORE. I yield to the gentleman.

Mr. TEAGUE of California. The question I am about to ask the gentleman is not being asked by me as a Member of the Congress who is either a proponent or an opponent of this legislation. Frankly, at this moment I do not know whether I am to vote for the bill or against this bill. However, I am curious to know the answer to this question. It happens that Mrs. Teague and I have among our very best friends here a couple of the Jewish race and faith. We find if we want to go away for a weekend someplace together, they tell me they cannot go because they are not allowed in certain hotels.

They are looking for a home to buy. I pointed out what I thought would qualify, something I thought they wanted. They said, "No, not in that section or general area. Jewish people are not allowed."

Would the bill do anything about that?

Mr. ASHMORE. I believe the public accommodations section would do something about it.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. ASHMORE. Mr. Chairman, could I have a little more time, considering all these questions? How about some from the other side? Could I get time from you, Mr. McCULLOCH?

Mr. LINDSAY. I do not have control of the time. I merely wished to ask one question, but I will withhold it.

Mr. ASHMORE. I should like to yield, but it would take hours to discuss and to debate this bill—which should be done. I assure Members that is correct.

These perfecting amendments—these questions—these doubts in the minds of Members should have been settled before the Judiciary Committee. This is no place to perfect a bill of this nature. Every Member here knows that to be a fact. It is almost as bad to come before the House to try to perfect a bill of this type as it would be to try to perfect a tax bill, and we do not even attempt to do that. It is not fair to the Members of the House to believe that they can stay on this floor and put the bill in proper shape and form, when it was the duty of the Judiciary Committee to do that before the bill was brought to the House.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. ASHMORE. I yield.

Mr. WILLIS. I shall yield to the gentleman a little more time after a while, if he needs it, but I feel I must serve notice—I have never done this before—that unless some Members come to the floor I shall be constrained in a few minutes to ask for a quorum. A senior member of the Judiciary Committee is addressing the House. He has an important message to give. He has studied the bill. We do not seem to be able to keep Members on the floor.

We promised there would be no dilatory tactics, and none have been employed, but within the next few minutes, unless something is done, I personally am going to suggest the absence of a quorum. I am advised there is a whip call going on, and I compliment my friend for that.

Mr. ASHMORE. Mr. Chairman, the point I was trying to make was with reference to the power the bill would give to the Attorney General of the United States.

Mr. ALBERT. Mr. Chairman, will the gentleman yield to me, on the matter mentioned by the distinguished gentleman from Louisiana?

Mr. ASHMORE. I yield.

Mr. ALBERT. It is the duty of Members, I feel, to stay on the floor during the consideration of a bill of this importance, as much as they possibly can. All members on the committee and other Members who have studied the bill are entitled to have the benefit of an audience. I hope Members will stay on the floor. I admonish the Members on my side to stay on the floor.

Mr. LINDSAY. Mr. Chairman, I will be glad to accommodate the gentleman. I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

One hundred three Members are present, a quorum.

Mr. ASHMORE. Mr. Chairman, I had planned to dwell more fully on title III, regarding the tremendous powers to be given the Attorney General, but I do not have sufficient time to say much more on that point. However, I hope Members will permit me to remind them of the fact that the Attorney General, under the civil rights bill of 1957, was given authority and power to bring suit for nearly anybody who requested him to do so in election cases. But the proponents are not satisfied with that. Now they would give the Attorney General almost blanket authority to bring suit anywhere and everywhere when he is satisfied it would help to promote the purposes of this legislation.

He does not even have to file a petition; he does not even have to make out a prima facie case to bring one of these suits. He just has to satisfy himself, the Attorney General just has to satisfy himself, that it is in the best interests of the legislation and would promote the fulfillment of the purposes of this bill.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield for a question on that point?

Mr. ASHMORE. Yes. Just for a question.

Mr. LINDSAY. My friend from South Carolina complains that the title III provision is broad in scope and gives, as he states, too much power to the Attorney General, but did not the gentleman vote to report out a title III section that was far broader than the one in the bill pending at the moment?

Mr. ASHMORE. I do not support any of this type legislation, because I think it is unnecessary, it is unwise, and has done in many instances more harm than good. We have already passed two civil rights bills, one in 1957 and one in 1960, and we are having more trouble now in racial matters than we have had in many, many years. If you read the paper yesterday about what happened in Atlanta, Ga., the city that has been held out as a model city in the South regarding racial relations, you will see what I mean. More than 200 Negroes arrested I believe it was.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McCULLOCH. Mr. Chairman, I yield the gentleman 2 additional minutes in view of this very generous consideration of the gentleman from New York.

Mr. LINDSAY. Mr. Chairman, if the gentleman will yield further, I was not sure that the question was answered. Did not the gentleman vote to report out of the Judiciary Committee a title III provision that was broader than the one we have here?

Mr. ASHMORE. Some say it was broader. In reality I do not think so, but I voted with you because I hoped, as the Attorney General said, that would be a way to kill the whole piece of legislation.

My friends, you can see here, with all of this power in the hands of the Attorney General, whoever he might be, it is a serious matter. Fundamentally the question of whether I like, or you like or dislike the present Attorney General and whether he is a good lawyer or a mediocre lawyer or the best lawyer in the United States is not the problem at all, but it is whether this bill puts too much authority in the hands of any one human being. No person, in my opinion, should have any such unlimited power, because sooner or later some fallible human being will come along and abuse that power, and then you and I, who passed the law, will be to blame for it. It is our responsibility. So do not think if you are voting for this bill, you are voting for the bill that the President of the United States wanted. This is not what he asked for.

Let me go on. Definitely this bill has not been put in the proper shape for us to pass judgment on. As I stated a moment ago, I do not think that the President of the United States understands the bill. I know some of the best lawyers in this land of ours disagree as to the provisions and the implications of the bill. I do not believe one person in a thousand in America today understands what is in the so-called Civil Rights Act of 1963.

The CHAIRMAN. The time of the gentleman from South Carolina has again expired.

Mr. WILLIS. Mr. Chairman, I yield 5 additional minutes to my friend from South Carolina, and in the meantime, may I call this to his and to the membership's attention.

The gentleman from South Carolina has indicated at how many points in this bill the Attorney General may file lawsuits. Under title I, the voting rights provision, he may file lawsuits. And as I explained yesterday he may even choose his forum. Under title II, the public accommodations feature, he may file lawsuits. At practically every point in the bill he is authorized to file lawsuits; not to defend but to file lawsuits in behalf of plaintiffs and choose his forum.

But I pointed out a while ago and I repeat, because Members may as well keep it in mind because I am going to try to do something about it during the amendment period, under title VI, the title which compels every department and agency of the Government to do something about cutting off Federal funds under all Government programs—farmers, hospitals, old-age pensions, social security—funds are cut out on the alleged basis that there has been discrimination, what do we find? Oh, sure—we have judicial review under the Administrative Procedure Act. But do you know what that is? That is an interdepartmental bureaucratic agency to try disputes within agencies. That is not a lawsuit before the Federal courts. We are going to try to substitute real judicial remedies in that area.

Mr. ASHMORE. Mr. Chairman, I thank the gentleman. I was going to speak more about title IV and title VI as they are related, but the gentleman has covered the points so well that I will say just this. Title IV calls for the desegregation of public education facilities and title VI holds the financial sword of Damocles over the head of every person in this country who receives a social security check, a pension check, farm benefits, home loan benefits, veteran benefits, or whatever it might be, and these are probably the most dangerous portions of this bill. It would go so far as to say, although the President of the United States said he did not want it, when he was asked about withholding these funds—he said he did not think that was right, and he said it on two occasions, that he did not want that authority. But it is in the bill anyway and Mr. LINDSAY of New York admitted yesterday that it was in the bill and that these funds could be withheld. Now I ask who in this room, who among the membership of this Congress would be willing, who thinks it is right and just and equitable to hold up a veteran's pension check, when his wife and children may be suffering for lack of food and raiment and the necessities of life? That can be done and no doubt would be done and no doubt, the gentleman from New York [Mr. LINDSAY] would approve of it. I disapprove of it. I say that is not the American way, to force anybody to integrate, or whatever it may be called.

Mr. DORN. Mr. Chairman, will my distinguished friend from South Carolina yield?

Mr. ASHMORE. I yield to the distinguished gentleman from South Carolina.

Mr. DORN. Mr. Chairman, I want to commend my able and distinguished colleague for the very thorough dissertation he has given us and for the truthfulness of the statement he is making. As a member of the Veterans' Committee and the Public Works Committee, as a farmer, I am concerned about some of the sections of this bill, especially title VI, to which I think the gentleman is addressing himself. What about the soil bank? What about the watershed program?

Mr. ASHMORE. They are all included.

Mr. DORN. What about the farm ponds? What about the agricultural program, flood control, soil conservation?

Somebody walking down the road could demand the right to hunt on your private property on the basis that you receive a few dollars from the Federal Government under the soil conservation program and the soil bank. Who is going to prevent a man from establishing a park, or hunting on someone else's property, under the soil bank provisions?

I am referring to the far-reaching effects of this bill that have never been dreamed of by some of the Members of this House. I commend my colleague on his statement.

Mr. McCULLOCH. Mr. Chairman, I yield the gentleman from South Carolina 1 minute to answer a question.

Mr. ASHMORE. I am sure the gentleman from Ohio can answer the question, but I will make a stab at it anyway.

Mr. MACGREGOR. I am sure that the gentleman is perhaps the only one who can answer the question because the question has to do with a statement made by the gentleman from South Carolina. Here is the question: When the gentleman referred to the fact that the President had indicated on two occasions his opposition to title VI, the provision with respect to withholding Federal funds, was the distinguished gentleman from South Carolina referring to our current President?

Mr. ASHMORE. No. I was referring to President Kennedy. I am sorry I did not make that clear. He made the statement in April and later. One of the statements was made on April 17 when he was requested to make a statement in a news conference.

Mr. MACGREGOR. In light of the endorsement of the bill by President Johnson, would it be the opinion of the gentleman that President Johnson is opposed to title VI we are now considering?

Mr. ASHMORE. I hope he is.

Mr. MACGREGOR. Has he given any indication to that effect to the gentleman or anyone else?

Mr. ASHMORE. Not to me.

Mr. MACGREGOR. In the absence of that how can the gentleman say he is opposed to that section?

Mr. ASHMORE. I hope he does not support it. I do not see how he can support it.

Mr. ROBERTS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ASHMORE. I yield to the gentleman from Alabama.

Mr. ROBERTS of Alabama. I would like to compliment the gentleman on his splendid statement and say I am opposed to this legislation.

Mr. Chairman, I appreciate the opportunity of appearing today before this esteemed Committee to discuss with you H.R. 7152, the proposed Civil Rights Act of 1963. Mr. Chairman, I am unalterably opposed to this legislation because it is both unnecessary and unwarranted.

It is unnecessary because there are already on the books at least 185 pages of statutes, regulations, and Executive orders dealing with the same kinds of problems this bill deals with. If the problems have not been solved by this much Federal action it should be obvious that more Federal laws are not the solution.

It is unwarranted because in many parts of the bill Congress takes unto itself powers which the Constitution, under the 10th amendment, reserves to the States or to the people. I shall deal with these questions of constitutionality as I discuss the several titles of the bill.

So many of the titles are so bad, I have had a very difficult time deciding for myself which of them would do the most damage to our Federal system. One could not err by much, however, in giving that dubious distinction to the public accommodations provisions. I shall, therefore, discuss title II first.

The Judiciary Committee would use both the 14th amendment and the commerce clause as basis for denying the right to deal with customers of their own choosing to private owners of hotels, restaurants, and movie houses. Now, Mr. Chairman, I am not a constitutional lawyer but in my humble opinion I think I know what the Supreme Court said in the *Civil Rights* cases, 109 U.S. 3 (1883). I think it said that Congress acquired no right under the 13th and 14th amendments, nor did it have the right apart from those amendments, to prohibit the owner of a private business from refusing to deal with someone because of his race. I also think that, however broad some of the recent cases may be, the Court has not yet handed down a decision which would change the holding in the civil rights cases. Even in *Shelley* v. *Kraemer*, 334 U.S. 1 (1948), in which the Court held that judicial enforcement of a private racial restrictive covenant by injunction was State action prohibited by the 14th amendment, Mr. Justice Vinson noted that the 14th amendment "erects no shield against merely private conduct however discriminatory or wrongful," and said:

> We conclude, therefore, that the restrictive agreements standing alone cannot be regarded as violative of any rights guaranteed by the 14th amendment. So long as the purposes of those agreements are effectuated by voluntary adherence to their terms, it would appear clear that there had been no action by the State and the provisions of the amendment have not been violated (334 U.S. 1, 13 (1948)).

I like that language of Mr. Justice Vinson about the 14th amendment erecting "no shield against merely private conduct" and nothing the Court has said since he spoke changes the rule that unless a State or one of its political subdivisions exercises some measure of coercion upon a private business to discriminate, that business is free to discriminate without violating the prohibitions of the 14th amendment.

There is so much wrong with this bill that I am reluctant to spend too much time pointing out the evils of just one title, but I do want to say a few words about the commerce clause as a basis for title II. To use the commerce clause to prohibit discrimination on trains or buses traveling between the States is one thing. To use the commerce clause to require a tea room in Texas to serve some one it does not want to serve just because its tea comes from China and its cookies from Kansas is stretching the commerce clause to the breaking point. As a member of the Committee on Interstate and Foreign Commerce I think I am qualified to speak about the breaking point of the commerce clause. Which brings me to another complaint I have. While I recognize that the provisions of this bill fall predominantly within the jurisdiction of the Committee on the Judiciary, I think that the public accommodations portions of the bill should be referred to the Committee on Interstate and Foreign Commerce.

Title I, which deals with voting rights, may take even broader liberties with the Constitution than title II. No one can have any doubt about the meaning of the 15th amendment. It prohibits denial of the right to vote on account of race, color, or previous condition of servitude. But the Constitution, in article I, section 2, and the 17th amendment, gives the States the right to establish the qualifications of the people who vote for Senators and Representatives.

If a State uses race as a qualification, it violates the 15th amendment. If a State uses sex as a qualification, it violates the 19th amendment. In either case, Congress can enact whatever legislation is appropriate to prohibit the use of these prohibited qualifications. But there is nothing in the Constitution to permit Congress to establish qualifications of its own. There is nothing in the Constitution to permit the Congress to say that a man with a sixth grade education knows enough to vote even if the State finds him unqualified.

Title III has an insidious provision in it to which no one is alerted by the title heading. Lurking behind the name "Desegregation of Public Facilities" is section 302, which is not confined in any way to desegregation of public facilities. Section 302 permits the Attorney General of the United States to intervene in any action "seeking relief from the denial of equal protection of the laws on account of race, color, religion, or national origin." And once the Attorney General has intervened he is entitled to the same relief as if he had instituted the action. This seems to me to be a reprehensible way to revise and disguise that old title III which was excised from the 1957 act. This would permit the Attorney General to take over any action after an individual had filed a complaint and carry on the action as if he had commenced it himself. He would be permitted to do this not only in suits for desegregation of public facilities but in any kind of suit at all which alleges a denial of equal treatment because of race, religion, or national origin. The only difference between this provision and the old title III is that this does not authorize the Attorney General to commence the action. No Federal official should have this kind of power.

Title V would make the Commission on Civil Rights a permanent body and would give it new authority to serve as a national clearinghouse for civil rights information as well as to investigate fraud in Federal elections. Although the Congress has seen fit over the years to extend the life of the Civil Rights Commission, I am opposed to it. I am opposed to making it a permanent body. I am opposed to broadening its authority at all. But most of all I am opposed to giving a body of this kind the power to investigate voting frauds. The power to investigate voting frauds should remain just where it is—in each House of Congress and in the Department of Justice.

Title VI is even less necessary than title V, and I shall say no more about it.

The Federal Government is already overreaching itself, through Executive orders, in attempting to regulate employment practices by private businessmen who are Government contractors or subcontractors or who work under contracts financed by Federal grants or loans to States or other organizations. Title VII would set up another bureau, authorized to spend up to $10 million in the second year of its operation, to reach out and regulate the employment practices of almost all private businessmen employing 25 or more people. Whether it has the power to do this or not under the commerce clause or any other provision of the Constitution, this is not the kind of Federal activity the Federal Government should engage in.

Because I have taken so much of your time I shall say nothing in particular about the remaining provisions of the bill. They are embraced, however, in my opinion that the entire substance of this legislation should not be considered by the Congress.

Again, Mr. Chairman, let me say, that I appreciate very much the courtesy extended to me in appearing before you and it is my hope that the Congress will weigh very carefully the evidence presented over the past weeks and will find it appropriate to vote down H.R. 7152.

Mr. CELLER. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, H.R. 7152, the bill that is called the Civil Rights Act, is the most significant and far reaching measure pending before the Congress. If enacted, it is certain to precipitate a tremendous civil upheaval in our society, but not the kind of upheaval that its proponents apparently expect.

There was a time when the people of my part of the country stood alone in their opposition to the might of the Federal Government in forcing social change. But now we are not alone. Our support is coming from many places, especially the big metropolitan centers of the North and West—Philadelphia, New York, Detroit, Los Angeles—everywhere that there is a large and concentrated Negro population.

If this bill is enacted, I predict it will precipitate upheaval that will make the sit-ins, kneel-ins, lie-ins, stand-ins, mass picketing, chanting, the march on Washington, and all the other elements of the so-called Negro revolution, all of these—I predict—will look like kindergarten play in comparison with the counterrevolution that is bound to arise and continue to grow and grow and grow.

If the civil rights bill is passed, I predict that millions of Americans who know and love liberty as it was conceived and written by our Founding Fathers will themselves converge on Washington. They may not come in person, but if they don't come in person they most assuredly will send their sentiments by various effective means, including the ballot box.

If this bill becomes law in substantially its present form, the Attorney General will have vast, new, unheard of powers to blackmail, bully, and coerce the American people. In my opinion, they will not stand for it. There is bound to be a reaction. There ought to be and there will be reaction.

In this bill there is the latent power for the Federal Government to control our homes, businesses, farms, banks, schools, and election machinery.

Here is the power for the Federal Government to tell you—if you own or operate a business—whom you shall hire, fire, promote, or demote.

And here, under the guise of civil rights, lies the power for the Federal Government to commit the tremendous civil wrong of blacklisting individuals and firms from Federal programs, activities, subsidies, and benefits for reasons having nothing to do with the particular program or project.

If this civil rights bill is enacted the Government will have the power to regiment and coerce our citizens in ways and in areas of private endeavor hitherto undreamed of since the Revolution which freed us from the British Crown.

Our people will not stand for this and they ought not stand for it.

TITLE I. VOTER REGISTRATION

Title I of this bill would interpose Federal authority in an area reserved by our Founding Fathers for the separate States.

Most obvious of various foot-in-the-door tricks, the bill seeks legal presumption that any person who has gone to school 6 years is "literate" even if he can not pass a normal literacy test. Such presumption is open to debate and I for one do not accept the premise that a sixth grade education necessarily constitutes literacy. Some people become "educated" despite every obstacle and may well surpass literacy with little or no formal education. On the other hand, some people can have every educational advantage, including graduation certificates, without becoming literate.

In another area, the bill raises even more disturbing and potentially dangerous prospects. It refers several times to "Federal elections" and defines the term to mean: "Any general, special, or primary election held solely or in part for the purpose of electing or selecting any candidate for the office of President, Vice President, Presidential elector, Member of the Senate or Member of the House of Representatives."

Under this broad definition, the Attorney General of the United States would be an unseen delegate at every political meeting in the country, from precinct to national convention. If the Federal Government is clothed with authority to supervise voter registration for primary elections, obviously this would be broadened to cover conventions as well when such are held in lieu of primary elections. Otherwise, such conventions might be used to circumvent the law and evade the Attorney General's eyes and ears and nosy activity.

I have been to a good many political conventions and it is hard to recall when there was not one or more contests for convention seats and the accompanying voting rights. Heretofore such contests have been decided by a duly selected or appointed credentials committee.

If this bill is passed the losing side in any such contest where the selection of delegates is related to a national election would be able to throw a monkey wrench into the entire political machinery. The Attorney General would be the final arbiter—the "big bully" looking over the shoulder of the credentials committee.

This title of the bill without question violates the Constitution. In three separate places—article I, sections 2 and 4, and article II, section 1—the Constitution asserts the States authority and responsibility to fix voter qualifications.

TITLE II. PUBLIC ACCOMMODATIONS

Title II of the Civil Rights Act of 1963 has received a great deal of publicity. It is the part that would force race mixing in restaurants, department stores, hotels, motels, and elsewhere, when such establishments are engaged in interstate commerce. In defining interstate commerce, the bill uses such loose language as "substantial degree," "substantial portion," and "substantially affect" as the measurement to govern the amount of actual interstate commerce necessary to bring a business under its jurisdiction. Attorney General Robert Kennedy could not define these terms when asked to do so.

Interestingly, in one of the all too few instances of its kind, a Justice of the Warren Supreme Court has taken cognizance of property rights when such were in contest with so-called civil rights.

The following statements by Justice John M. Harlan were not made in opposition to the Civil Rights Act of 1963—as this bill is entitled—but in opinions rendered in Supreme Court sit-in cases, May 20, 1963, as follows:

> Limitation on the scope of the prohibitions of the 14th amendment serves several vital functions in our system. Underlying the cases involving an alleged denial of equal protection by ostensibly private action is a clash of competing constitutional claims of a high order: liberty and equality.
>
> Freedom of the individual to choose his associates or his neighbors, to use and dispose of his property as he sees fit, to be irrational, arbitrary, capricious, even unjust in his personal relations are things all entitled to a large measure of protection from governmental interference.
>
> This liberty would be overridden, in the name of equality, if the strictures of the amendment were applied to governmental and private action without distinction. Also inherent in the concept of State action are values of federalism, a recognition that there are areas of private rights upon which Federal power should not lay a heavy hand and which should properly be left to the more precise instruments of a local authority.

I object to title II on constitutional grounds. I object, too, and just as strongly, on moral grounds. An owner of property should not be compelled to serve or entertain or otherwise accommodate anybody that he, the owner, does not want to accommodate. His reason for so denying service may be business, it may be ignorance, pride or prejudice. But the free and uncontrolled use of private property is essential to freedom as we know it and as I pray, the majority of Americans want to retain it.

TITLE III. DESEGRATION OF PUBLIC FACILITIES

Title III would give the Attorney General authority to throw the weight of the U.S. Government into lawsuits on the side of an individual who claims racial discrimination in reference to any public facility which is "owned, operated, or managed by or on behalf of" any State or local government.

Everyone knows what the words "owned" and "operated" mean. But what about "managed by or on behalf of"? What does that mean? Could it be that the Attorney General will have power to peer into the management of any business firm licensed by a State or local government? If so, and I think it will be so, the scope of title III goes far beyond the limits of, say, public buildings, parks, recreation facilities, and so forth.

This title is designed to give the Attorney General power to "intervene" in any law suit instituted by an individual charging discrimination because of race. This would be an open invitation to troublemakers and malcontents. By shrewdly taking advantage of this, the NAACP, CORE, and other organized troublemaking groups and their professional, paid, leaders could and most certainly would accelerate their legal activities, with the U.S. Treasury footing the bills.

If this title becomes law, I predict that the Justice Department will have to quadruple its legal staff. I doubt that there are enough lawyers in the country to handle the cases that will result. To quote from the minority report on the bill, H.R. 7152:

> The inventory of the different kinds of such suits is too long to recite. Suffice it to say that the inventory would include suits charging racial discrimination in local elections, legislative apportionment, civil service employment, composition of grand juries and petit juries in criminal trials, etc. Indeed, if a Negro were arrested for unlawful conduct as a member of a violent mob, he could petition a Federal district court for a writ of habeas corpus on the grounds that he had been denied equal protection of the laws on account of his race, and the Attorney General could intervene as a party in the proceeding.

I repeat, there are not enough lawyers in the country to handle the suits for the Justice Department that would be generated by this provision. Furthermore, the cost would be monumental.

There is one other factor—a moral factor—that should make enactment of this provision completely out of the question. That is, the defendant in these suits would be paying not only his own lawyer and court costs, but he would be paying, through taxes, the lawyer and costs of the plaintiff as well. Such is not my idea of justice.

TITLE IV. THE CONCEPT OF RACIAL IMBALANCE

Moving on to title IV, we find the Attorney General seeking or having imposed on him even more power to force race mixing in public schools. This title has very cutely omitted use of the term "racial imbalance" that was used in previous versions of the bill. But, again quoting from the minority report:

> It appears that this action is a matter of "public relations" or semantics, devised to prevent the people of the United States from recognizing the bill's true intent and purpose.

Title IV also contains a "blackmail" clause which would permit the Federal Government to juggle funds earmarked for educational purposes. The Commissioner of Education would be allowed to fix rules and regulations for carrying out Federal programs to promote race mixing and to relieve "racial imbalance." This is pure blackmail and poor government.

But aside from the blackmail feature, how would this provision be applied? Does it mean that the children of Harlem must be shipped to Great Neck, Long Island, inasmuch as the latter community is virtually all white? They are already being carted by bus to Brooklyn and the Bronx. Or let us set out to achieve "racial balance" between the city of Washington, D.C., and Richmond, Va. Washington schools are 85 percent Negro and Richmond only 40 percent. Should not these percentages be averaged out to 62.5 percent in each city? And what about a county in Idaho which has no Negroes? Should not we gather up some colored families with little colored children and send them to Idaho? How else can "racial imbalance" be eradicated?

This is absurd, but no more so than the entire concept of "racial imbalance" and this proposed law which seeks to eliminate it.

More serious, in my opinion, are the provisions of title IV designed to grant new power to the already power-laden Attorney General, and to the Department of Health, Education, and Welfare. This double-barreled scattergun would authorize HEW to investigate the racial structure of schools, plan for desegregation, and propagandize the public to prepare them for desegregation.

The other barrel of the scattergun is loaded with buckshot. The Attorney General would have authority to back up the desegregation recommendations of HEW with lawsuits initiated by—guess who?—the Attorney General.

TITLE V. THE CIVIL RIGHTS COMMISSION

The Civil Rights Commission would be made a permanent agency of the executive branch under title V of this bill. This organization does not deserve to be in existence at all. Not even the Attorney General has asked for this provision.

The Commission is worse than useless—it is positively harmful. Its worst indictment is its own report, dated September 30, 1963. This is an infamous document reeking of racism and totally disrespectful of constitutionally guaranteed rights and liberties. Every paragraph, every recommendation of the report is an indictment of the Commission and good and sufficient grounds for killing it outright. Fortunately, the report was not treated seriously by the administration, but unfortunately, some of its half-baked notions have crept into the civil rights bill now under consideration. Among other things, I am thinking especially of the notorious concept of "racial imbalance," which I have discussed.

We are witnessing what appears to be the first serious effort by any recent administration to reduce Federal employment. I know of no better place to begin than with the Civil Rights Commission. We would do well to send all of its employees on their separate-but-equal ways toward some productive employment.

TITLE VI. COLORLESS FEDERAL AID

Title VI has been aptly described as the most harsh and unprecedented proposal contained in the bill, and the most radical departure from good government.

It is aimed toward eliminating discrimination in federally assisted programs. It contains no guideposts and no yardsticks as to what might constitute discrimination in carrying out federally aided programs and projects.

A distinguished constitutional lawyer who serves in the other body of this Congress has said:

> In essence what it does undertake to do * * * is to give the President or those to whom he may delegate his authority the unbridled discretion to use almost the entire Federal purse to achieve whatever purpose he might wish in the conduct of human affairs.

The late President Kennedy, in response to the suggestion that he cut off aid funds to a certain State, said he did not have the authority and did not think a President should have that kind of power. Title VI would clothe the President with such power whether he wants it or not.

It ought to be noted for the record that authority to cut off funds to any particular State might eventually be used to cut off funds to New York, New Jersey, California, and all the rest of the 50 States.

There has been considerable speculation as to who might be affected by this provision. Long lists have been compiled of Federal aid programs that go out to individuals, communities, and to States. Everyone connected with these programs would be affected.

Action to cut off funds can be taken when a person is "excluded from" or "denied benefits" from a Federal program and also if he is found to have been "subjected to discrimination" under the program. What do these phrases mean? The bill does not define them.

For example, suppose a Negro applies for a loan at a bank and, upon being turned down, claims racial discrimination on the grounds that the bank makes loans to white people. Would such a case fall under the purview of this bill? Apparently it would, since the bank has its accounts insured with the Federal Insurance Corporation.

Colleges and universities would be sure subjects of Federal intervention. This requires little in the way of qualification since all of us are aware of the vast research and development programs sponsored in whole or part by the Federal Government. Maybe they will require that an equal number of white and black mice be used in experiments. Why not?

Moreover, this concept of Federal controls over aid programs would doubtlessly reach those schools whose students secure or are offered loans under the National Defense Education Act. Presumably the college would have to have a "racially balanced" staff from the dean's office to the cafeteria.

Practically everyone associated with the home building enterprise would feel the effects of title VI for they deal with the FHA, VA, PHA, FNMA, the Federal Home Loan Board, and others. All who enter into loan contracts through or with the Area Redevelopment Administration, Small Business Administration, Federal Land Banks, Soil Conservation Service, Rural Electrification Administration, Forestry Service, and so on and so on through all of the alphabet agencies of the Federal bureaucracy.

Virtually every nook and cranny of the private lives of individual Americans woud be touched and tainted by this obnoxious proposal.

The effect of this title, if enacted into law, will interject race as a factor in every decision involving the selection of an individual for the cry of "discrimination" can bring trouble for the person or institution that is making the decision. The concept of "racial imbalance" would hover like a black cloud over every transaction, every loan, every grant, and every award or every assistance rendered under a Federal or federally financed program.

Title VI would give carte blanche to agitators and troublemakers. I can visualize thousands of law suits against thousands of business firms and local governments and institutions, and even if no discrimination is proved the damage will have been done for the bill would permit the Federal agency concerned to terminate its program, in other words, cut off Federal funds, prior to the judicial determination. As the minority report states:

> The cart is before the horse. Why should not the judicial determination be made first, and why should not the burden of bringing the suit rest upon the Federal Government rather than the State government or its citizens? Surely the accused should not be punished until guilt has been established

> under the rules of evidence and constitutional safeguards which our American system of jurisprudence provides.

TITLE VII. FPEC

With the passage of title VII of H.R. 7152, the proposed law, the Federal Government would assume authority over the American people in a manner unmatched in modern history outside acknowledged dictatorships. The Government of the United States would use the techniques of the lion tamers, cracking the whip and withholding rations, whenever the American businessman, labor leader, or hospital or university administrator showed any signs of exercising his free will to hire employees.

Title VII would set up a commission to assure equal employment opportunity. It would also direct the President to prevent racial discrimination among contractors and subcontractors of agencies of the Federal Government. This pretty well covers the waterfront, for the first proviso hinges on the interstate commerce clause and extends coverage to any employer, "affecting" interstate commerce, with 25 or more employees. It also covers labor unions with 25 or more members and any employment agency.

If the Government is given this sweeping power the effect upon our way of life will be profound.

Our colleague, the gentleman from Illinois [Mr. McLOSKEY], on September 25, examined this title as it would apply to labor unions. In the CONGRESSIONAL RECORD of that date, volume 109, part 13, page 18133, it is pointed out with unmistakable clarity that unions would have to recruit "racially balanced" membership. Time-honored seniority rules would be summarily nullified. In making job assignments through union hiring halls, it will not be enough to take qualified workers as they present themselves, one by one.

I can visualize the union of the future, if title VII is adopted. The union would have to send out a "racially balanced" staff of organizers to sign up a crew of "racially balanced" carpenters, a crew of "racially balanced" laborers, "racially balanced" plumbers, electricians, plasterers, roofers, and so forth, before a construction job could begin.

The Constitution does not confer upon the Federal Government authority to tell a private businessman who to hire. If a department store manager wants to hire all blond sales clerks, he can hire blond sales clerks. His wife might object but the Federal Government cannot.

Title VII would change all this, if the store employed as many as 25 persons full or part time and if the business affected interstate commerce. And, what affects interstate commerce? The bill does not say, but in the *Wickard* case (*Wickard* v. *Filburn*, 317 U.S. 111, 215 (1942)), a farmer who produced only 239 bushels of wheat which never left his own farm was declared to be affecting interstate commerce.

In the area of Federal contractors and subcontractors we have had samples of what the future will bring if this bill is passed. "Employment," part 3 of the 1961 U.S. Commission on Civil Rights Report, page 69, describes how an employer was browbeaten into submission, as follows:

> In many industries, such as the manufacture of aircraft, work performed under Government contracts constitutes a substantial part of total business performed. Companies in these industries rely heavily on the award of Government contracts, particularly in times of economic recession.
>
> Thus, for example, the recent $1 billion contract awarded to Lockheed Aircraft Corp. to be performed at its Marietta, Ga., plant will be a significant factor in the economic recovery of the plant and of the community. In order to obtain the contract, the company agreed to make substantial changes in its employment practices, as set forth in detail below.

The steps Lockheed had to agree to take are on page 79. Among other things, the company was forced to—

> Aggressively seek out more qualified minority group candidates (for many job categories, including engineering, technical, administrative, clerical, and factory operatives);
>
> Reanalyze its available salaried jobs to be certain that all eligible minority group employees have been considered for placement and upgrading;
>
> Institute a program of familiarizing universities with employment needs and opportunities, to include hiring teachers who are members of minority groups for summer work and arranging plant tours for teachers and student counselors; and
>
> Support the inclusion of minority group members in all its apprenticeship and other training programs including supervisory and presupervisory training classes.

I was somewhat encouraged to read in this same report that there were a few industries, such as textiles, in which the impact of Federal contracts is so negligible that the companies preferred not to bid on them rather than have to submit to the meddling into their administrative affairs by bureaucrafts from Washington. A similar situation was met in public utility companies. They could afford not to knuckle under since they are usually the sole source of supply in a given area. But with the enactment of title VII, their resistance would assuredly crumble. The definition of "interstate commerce" would get them.

To sum up, the most remote corner of our social structure and virtually all of our economic structure would be reached, cajoled, and controlled by this incredible proposal. Again quoting from the minority report:

> We do not believe that the American people as a whole, whether employers or employees, want to embark upon this new adventure. We do not believe that they want to make this departure in the functional aspects of the American free enterprise system. We do not believe that they want the Federal Government, through its administrators, commissioners, investigators, lawyers, and judges, to assume this quality and quantity of control over their property and personal freedom to manage their own affairs. If this title of this legislation becomes a statute, we predict that it will be as bitterly resented and equally as abortive as was the 18th amendment, and what it will do to the political equilibrium, the social tranquillity, and the economic stability of the American society, no one can predict.

TITLE VIII. VOTER STATISTICS

Title VIII puts the Bureau of the Census at the disposal of the Civil Rights Commission to help it prove racial discrimination when Negroes fail to vote. When the Civil Rights Commission orders it to do so, the Census Bureau will have to promptly conduct a survey to meet the Commission's specifications.

Regardless of any theoretical or high-minded purposes that may be attributed to this provision, all of us know that it would be used to guide the agitators and troublemakers in their strategy for future unrest, demonstrations, civil disobedience, breaches of the peace, and social upheaval.

TITLE IX. SPECIAL PROCEDURES

Title IX would permit the transfer of civil rights cases from State to Federal courts on the basis of a petition to remove. This is a very radical departure from accepted procedure. Why should civil rights cases receive such special treatment? This question has been raised, but not answered, by members of the Judiciary Committee, which Committee, of course, had jurisdiction over the bill. The gentleman from Michigan [Mr. MEADER] said:

> This title received only the most cursory consideration in the subcommittee and none at all in the full Judiciary Committee. Its ramifications are unknown. By granting an appeal from a remand order of the Federal court in civil rights cases, but not in any other cases, it is possible that dilatory tactics and repeated appeals might frustrate the execution of State laws.

This will mark another long step, heaped on many made in these current years, toward complete federalization of our Nation, and the eventual dissolution of the States.

TITLE X. A FINAL BLANK CHECK

Title X is a simple, final, blank check made out to the Attorney General, the Civil Rights Commission, and other agencies of the Federal Government who are clothed with extraordinary powers under this bill. They can fill in the amount and the sky is the limit. It would authorize the appropriation of unlimited sums to carry out "the provisos" of the bill—and indeed unlimited sums would be required. The cost would be astronomical.

If the bill is passed in its present form and if it is executed and enforced by the present Attorney General with his usual sophomoric energy, in my opinion, the sum required will surpass every other item in the Federal budget.

CONCLUSION

I firmly believe this so-called Civil Rights Act would cause strife and chaos among our people. I do not believe that the majority will accept it and I am not talking about the South alone. It will be resisted and contribute to violence in every State of this Union wherein the Federal Government intervenes under the various sections of the act. I make that as a flat prediction.

It takes little in the way of imagination to see that the proposals outlined in H.R. 7152 would project the long, snooping nose of the Federal Government into State, local, business, and personal affairs.

It would rob all Americans of precious freedom on the theory that this can give economic, cultural, and social equality to a minority of Americans who, let us face it, have failed to achieve such equality on their own initiative.

Let us call a spade a spade. What does the Negro want?

He wants a home, a job, a place for recreation. These are fundamental. Now, may I suggest, if he demands the right to be hired he has to recognize somebody else's right not to hire him.

If he demands the right to buy a particular house, somebody else has the right not to sell to him. If he wants to be served, somebody has the right not to serve him.

Individuals of any race or creed have but one road to social acceptance and economic abundance. There is no such thing as social equality. That road is the narrow, rocky, trail of personal exertion, peserverance, study, work, savings, and character building. It is a hard road. It is too bad that we cannot pass a law that would make the travel of this road unnecessary for all of us. This road is the only one that leads to self-respect and the respect of others. It leads to good will and understanding. It leads to economic security and abundance. The mere passage of a law will not bring any of these things to any person, or group of persons.

A speaker at the NAACP convention in Chicago last summer gave this same hard counsel. Work and save, he told them, and you will get what you want. He was booed for his advice.

The present Negro leadership blames every ill on racial discrimination. Every Negro failure, every Negro fault, every Negro crime, every Negro hurt, every Negro childhood trauma, is blamed on the white man's racial discrimination against the Negro.

Somehow, the Negro leadership is saying, "If we can get this new law—this new law that will make them stop discriminating—we can have that big house, that big car, that good job, instant equality, socially and economically." They are deluding themselves and their followers, too.

This is a bad bill and, if it is enacted, it will cause more problems for our Nation, including those it is designed to placate, that can be foreseen. The majority will not long submit to a tyranny of the minority.

Mr. CELLER. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. GRANT].

Mr. GRANT. Mr. Chairman, time will not permit anything like a full discussion of this iniquitous legislation. The bill is so broad; it covers the whole waterfront and then some; it would take weeks and weeks to point out only some of its major fallacies.

It has been said by some that the best way to defeat this bill is to just pass it as it is, and then the Senate will be sure to defeat it. I think there is some merit in this thinking because the country, as a whole, might be at last awakened to the evils and other terrible injustices to be visited upon a whole nation. On the other hand, such a legal monstrosity, with so many illogical and unreasonable provisions as this, must be defeated, or, at least, greatly amended. I expect—as do others—to offer sound amendments in an effort to make it as constitutional, fair and equitable as possible.

It is said that this is a moderate bill; this is not true. I have at least a smattering of law. I sometimes say that the Supreme Court has repealed all the law that I have ever learned; however, be that as it may, I have studied this bill night after night for several weeks, and it grows more disturbing to me each time I read it. I have read thousands of pages of testimony given before the Judiciary Committee and the Rules Committee.

This measure is fraught with danger. It is the most one-sided, packed piece of legislation ever presented to Congress. Everything in it is in favor of the Government agency—what a mockery of justice. This is a civil rights measure versus individual rights.

The Federal Government is authorized to fix voter qualifications and take over elections; nowhere in the Constitution, including the oft-quoted 15th amendment, is the power given to fix voter qualifications. On the other hand, this power is expressly reserved to the several States.

There are statutes in every State for the protection of the right of franchise; but you now have before you a new remedy.

Just take a look at the FEPC section. I have said it many times, and I say again that when the day comes that this all-powerful Government tells an employer whom he can and whom he cannot employ, then the day is coming when that same all-powerful, benevolent Government is going to say for whom a person can and must work. When that day comes, tell me what improvement we will have over a Communist or even a Socialist government? The laboring man, the union member, had better watch out for this type legislation. When this comes, I say a thousand times that you will not be a free man.

The absurdity of this FEPC section is borne out by the answers given by one of the leading proponents of this measure when he was asked by a Member of the Judiciary Committee:

> Suppose I run a motel. I have a restaurant in connection with the motel. Suppose I decide that I want to hire all red-headed girls. I like red-headed girls and want to hire red-headed waitresses. I couldn't do it, could I?

The answer—and note that this answer is by one of the two men who ramrodded this legislation through the committee:

> I am not sure of that. If you can prove that you like nobody but red-headed girls and that you have refrained from hiring other kinds of girls solely by reason of the fact that they don't have red hair and not because of their race or religion, then, in my opinion, you would not be guilty of discrimination under the law.

This puts the burden all on the employer. What a tragedy of so-called judicial tyranny.

Perhaps the leaders of this force bill—the chairman of the Judiciary Committee and the ranking minority member—would be more effective with their crocodile tears for the "mistreated" people of the South, if they would take into account what is happening in their own home districts. For only today, we see pictures of clashes in Ohio between individuals and police where some are demanding that Negro pupils be sent by bus away from their own section to schools in other parts of the city which are predominantly white. And, alas, in New York, in the chairman's own hometown, a mass holiday, without the permission of the school authorities, is being staged for the same purpose. Half a million children are to be denied their day in school because goons and troublemakers are picketing the school to keep them out, and 8,000 policemen are being called into service.

Holy writ admonishes "first cast out the beam out of thine own eye; and then shalt thou see clearly to cast out the mote out of thy brother's eye."

In the past on the floor of this House, I have paid my respects to the Civil Rights Commission; this Commission has gone far afield in its meddling—so far, I believe that even the originators and the proponents of this legislation will see that it should be discontinued. What earthly reason could this Commission have for spending the taxpayers' money in looking into the membership policies and requirements of the Masonic Order, the Kiwanis clubs, and college fraternities? I only name these specifically because these organizations were mentioned in the hearings before the Rules Committee.

Members of this House have had complaints from many other fraternal groups and organizations about this meddling by the Civil Rights Commission. Such applies equally to Elks, Woodmen, Moose, Knights of Columbus, and all other secret—as well as nonsecret organizations. Some church organizations are concerned that they will not be exempted from such meddling; there are religious organizations which feel that only members of their particular church should belong to their own group, organization, or lodge, however they may refer to it.

There are fine college organizations which limit their membership to certain races and religious faiths—one of them being Acacia of Masonic background and another is Phi Kappa Theta, which limits its membership to Catholics. Do you want to destroy such fine organizations as these? It would appear that the Civil Rights Commission would have enough to do without meddling in the affairs of good organizations such as these.

I am a member of the Masons, Kiwanis, Woodmen, Elks, Moose, and a Greek-letter college fraternity. I will fight to the bitter end for the right of all fraternal organizations to be just as selective as they wish to be about membership requirements.

In this legislation, you go into every phase of American life. If you have the power to investigate fraternal organizations, you have the same power as to churches.

I believe that all Members of this body recognize that this is one of the most—if not the most—far-reaching pieces of legislation ever considered by this body. Legislation allowing the Federal Government to go into every nook and corner of private life and affairs of the individual is more than serious.

If this legislation or any part of it passes, they certainly will not have time, unless they employ thousands and thousands of new employees. I expect to offer an amendment which will say to this power-grabbing outfit "Hands off these organizations."

Do you realize that all private clubs and organizations—regardless of what they might be—if they are protected by State law, they are, by this legislation, brought under Federal law and control and all are subject to the provisions of this bill? I expect to present an amendment taking them out of the jurisdiction of this bill, and I ask all Members of the House to support this amendment.

There is a lot of talk about the constitutional rights of the minority—then, what about the rights of the majority?

This is an unconscionable bill; it is a dastardly bill. The Judiciary Committee has gone far afield. You cannot put this legislation off on the late President. Note what he said in regard to the unwarranted power conferred by title VI which penalizes innocent people and makes them victims of an autocratic bureaucrat. He said:

> I don't have the power to cut off aid in a general way as was proposed by the Civil Rights Commission, and I would think it would probably be unwise to give the President of the United States that kind of power.

Simply, this section means that a town, district, or State receiving Federal funds as a matter of right or even an individual who is receiving a Government check of any kind can have this cut off, if he practices discrimination. Where did this infamous thing come from?

And, do you know how much time was consumed by the committee acting on it? Exactly 2 minutes. One minute was used by the chairman and 1 minute by the ranking minority member. These were the tactics employed by the representatives of both major political parties—both of these gentlemen refused to yield to any other member of the committee, and neither discussed it in any fashion—other than to say that they favored it. Then, to stand before this body and say there is no "politics" in this bill is more than absurd.

All of the agitation stemming from this subject of civil rights has given rise to high-sounding, catch-phrase organizations. Somebody is making a lot of money out of these demonstrations.

To those members of the Judiciary Committee who are so interested in measures of this type, let me appeal to and beseech you to give some attention to crime over the Nation, and especially here in the District of Columbia. Some rave about civil rights and then see poor, defenseless women right here on the Capitol grounds, robbed, knocked down, and assaulted, and fail to bring out legislation to help some of us who are interested in law enforcement clear up this sorry mess.

Now, a word or two about the public accommodations section. In 1875, there was ramrodded through Congress a public accommodations measure. Eight years later in 1883, this statute was declared unconstitutional. It may be a moot question as to accommodations on public conveyances or tax-supported institutions, but to take a barber shop, beauty shop, or manicurist shop, and to say that because they are located on the premises of a hotel or motel that this section applies and that they have to accommodate everyone who seeks their services, everyone knows the application of this section will soon be all embracing to include everything and everybody.

Some of the Members supporting this legislation, in order to bring in every argument for its passage, talk about our image before the rest of the world—what we have not done being used against us all over the world, et cetera. I, as one Member of this House, am getting sick and tired of being told that we must pass practically every piece of legislation that comes before this body because if we do not, it will create a bad image all over the world. If, after spending billions upon billions and, I add, more billions, we have been unable to create a favorable picture, it is high time that we stopped.

How is it that this Nation has become the greatest in the world—one that almost every foreigner in the would would move to if given the opportunity, has grown and prospered like no other nation on earth, when we are keeping up the greater part of the world, and then our policies are misunderstood and our representatives are mistreated even by our neighbors in South America? Do you mean to tell me that this is all because of the lack of this civil rights legislation? It is ridiculous on its face to even suggest such.

The States are, in this bill, surrendering their sovereignty to the Federal Government. At the same time, the Federal Government has its "experts" at the United Nations working on a proposed international treaty which includes far-ranging measures that would supposedly eradicate racial discrimination over the world.

Listen to this: The Soviet Union and the United States are leaders in this effort. The recommendations will be passed on, in turn by the United Nations Human Rights Commission, the Economic and Social Council and the United Nations General Assembly before such treaty can be ratified.

I noticed in the press a few months ago where the Russians told some African students, attending school in Russia, that if they did not like the way things are being run there, to get out of the country. I, for one, am not willing to turn these matters over to the Federal Government, and certainly not over to the United Nations. Just how far are we going in this matter? We had better stop, look, and listen.

This civil rights legislation is ill advised, punitive and will, in the final analysis, defeat its alleged purposes. It is not the proper approach to better race relations. In the long run, it will bring hate and strife. It will not lead to conciliation. The approach of a national election is not sufficient justification, by any means, for either political party to support this crash program.

Mr. CELLER. Mr. Chairman, I yield myself 5 minutes.

I do not wish the record to remain incorrect. There is an implication to the effect that pension checks, social security checks, and other checks would be cut off as the result of the operation of title VI. We struck out words which would have the effect of causing this kind of emolument or check to be prevented. Pension checks are not involved, veterans' checks are not involved, social security checks are not involved, because we struck out the words "insurance" and "guaranty" and because most of these programs involve direct Federal payments. I want the record to be clear as to that.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Louisiana.

Mr. WILLIS. Then the word "contracts" is substituted. What is a contract? Is not a contract a guarantee?

Mr. CELLER. No. Contracts must be construed in accordance with that which precedes and comes thereafter the word "contracts" in the meaning. The words that are used and which involve contracts are in line 11, page 62, "grant, contract, or loan," and the word "contract" must be construed to refer to grants and to loans, and it cannot be considered with reference to the wording we struck out. We struck out "insurance" and we struck out "guarantees."

Mr. WILLIS. How does the removal of "guarantee" have anything to do with an individual check?

Mr. CELLER. Because an individual is not involved. The only moneys that are cut off are cut off in respect to the program or activity of the entity that carries out the program or activity.

Mr. WILLIS. That means, then, that you hit everybody with one fell swoop, deny not one individual but everybody under the program.

Mr. CELLER. In the school lunch program, for instance, if the county which gets the funds discriminates in the distribution of school lunches, the county is going to be cut off of funds for school lunches. There is a simple remedy. Let the county do away with discrimination. If they do away with discrimination nothing happens to the school lunch program. This is not a program to stop aid to the needy or stop any kind of aid. This is a program to stop discrimination, and we must emphasize that with all the power within us, not to stop any kind of aid. We do not want to stop aid. We want to stop discrimination in the distribution of that aid.

Mr. WILLIS. When we criticize specific provisions, there is constant reference to mistreatment of individuals. There was reference made to feeding the needy. Is there a word in the record anywhere to the effect that Negroes were not given their fair share of food to the needy? I am for that program and I am getting sick and tired of implications that I am against the needy and the hungry. Is it not true as a matter of fact that in areas such as mine, where

I live, anyway, the greatest recipients of Government grants in the shape of food for the needy are overwhelmingly the people intended to be protected by this statute?

Mr. CELLER. I have the highest regard for the gentleman, but I want to say that if what he says is true the State of Louisiana has nothing to fear. If there is no discrimination in Louisiana, then the food would come and the moneys would come just as heretofore.

Mr. WILLIS. That is just another way of saying we do not need the bill.

Mr. CELLER. No, I do not say that, because there are places, and the record shows there are places, and the Civil Rights Commission has ample evidence to indicate there has been discrimination in the parceling out of food, there has been discrimination in the parceling out of all manner and kind of aid. It is to get at that type of program, to get at that type of unequal treatment that we are asking you to vote for title VI. Certainly you cannot expect the Federal Government, which is supported by taxes paid by Negroes and whites alike, to discriminate when it comes to aid or be a coconspirator and particeps criminis in the distribution of that aid, in which distribution favors one as against the other. We do not want that. It is for that reason we favor title VI.

Mr. WILLIS. If there is denial of an unfair share of food to the needy of the colored race, if the gentleman has statistics to that effect, that is one thing. I would ask of him that between now and Monday he contact the appropriate department, Agriculture or whatever, to show in relation to race whether it is true or not true that greater recipients are the minority, and I am glad for them. Will the gentleman procure those statistics by Monday?

Mr. CELLER. I will endeavor to do what I can.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. CORMAN].

Mr. CORMAN. Mr. Chairman, I take this time to ask my colleague from Louisiana or my colleague from South Carolina if they would tell us a specific program and the kind of discrimination they wish to retain. All this bill does is say you cannot discriminate on account of race. Would you give us an idea of the kind of program and kind of discrimination that you want excluded from this bill.

Mr. WILLIS. I do not know that I catch the gentleman's question. I want to answer just as frankly as I possibly can. You are not going to put in the RECORD an implication that at any time in my service on this floor that I personally advocated discrimination of the type you are talking about or discrimination of any type. If people are being denied equal protection of the laws under the 14th amendment or if their right to vote is being abridged or denied under the 15th amendment by State action, and if that is all you want, if you want a bill to take care of that problem, I would support it. But that is a far cry from the unlimited provisions of this bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CELLER. Mr. Chairman, I yield the gentleman from Virginia [Mr. SMITH] 10 minutes.

Mr. SMITH of Virginia. Mr. Chairman, you know if this colloquy between two of the ablest lawyers in this House, the gentleman from New York [Mr. CELLER] and the gentleman from Louisiana [Mr. WILLIS] could have continued a little longer, it would not have been at all necessary for me to say to you the things that I want to say because it is a perfect illustration of the theme that I want to talk about—that nobody in this House knows where this bill starts or where it stops or what it does or what it means. You cannot get two of them to agree upon anything in the bill.

Now I want to talk a little bit about the bill and what ought to be done to it. I claim the right to do that because the only hearings that were ever held on this bill were held over the protest of a great many people before the Committee on Rules. Apparently, nobody who favored this bill wanted the people to know what was in it or wanted them to know what this bill proposes to do for 90 percent of the people of this country whose liberties are being infringed upon.

So what I want to say to you in the few minutes available and they are very, very few has to do with what I think ought to be done to the bill.

May I inquire of the gentleman from Ohio whether he will yield me 10 minutes, if he has not already done so?

Mr. McCULLOCH. I will yield 10 minutes to the gentleman from Virginia at the conclusion of the time already yielded.

Mr. SMITH of Virginia. Mr. Chairman, I said early in the discussion of this bill before the Committee on Rules that I thought what the matter with the bill was is that it was as full of boobytraps as a dog is of fleas. Since that time I have been asked to point out some of the boobytraps. Well, I cannot point all of them out, but I can tell you that one title that is not anything but a nest of boobytraps. That is title VI Federal programs. I am going to point out to you a few things and the only reason I am doing it is that I am afraid this bill in some form is going to pass the House and I do not believe that Members when they know what is in it want it to pass the House in this form, whether they are for a civil rights bill or not.

I am glad the gentleman from South Carolina [Mr. ASHMORE] who preceded me saved me a good deal of time by pointing out to the House very specifically that this is not the bill that all the noise is about.

When this bill came to the Committee on Rules, there was a great furor all over the country, in the newspapers, by Members of Congress, by the NAACP, and what-have-you—all just raising a terrific row because I did not call a meeting of the Rules Committee immediately to report this bill out and pass it as a memorial to the late President of the United States.

That is something I am sure the person who was supposed to be honored by it would never have wanted to be done. We have never passed any legislation in memory of any individual. We did not pass any in memory of George Washington. When we reach the point that we legislate for the 180 million people of this country on the theory of memorializing somebody, then we shall be going a pretty long way.

So that brings me to the next point. What we are considering now is a substitute amendment for the President's bill. The time will come, after all of the amendments on the substitute have been considered, that we will be presented with a motion from the chairman of the committee for a vote on the substitute, and then there will be a vote on whether to substitute this monstrosity of unknown origin and unknown parentage for the President's bill, which he asked you to pass. I hope that we will not adopt this substitute, after you understand it.

If we have to pass some bill, let us pass something with at least some sense in it, such as the original bill, printed under the same cover with the substitute bill.

Let us talk about some of these boobytraps. I hope some Members will take a look at the bill as we go along. I hope some Members have copies, and I shall not be long at this.

I should like to point out to you something on page 40 of the bill, at line 21. It says that this shall apply to "Federal elections." All the way through we talk about "Federal elections."

As pointed out to the House by the gentleman from South Carolina [Mr. ASHMORE] a while ago, when the bill defines "Federal election" it says also "held solely or in part." That means that if a Congressman is to be elected in a State at the same time that the Governor is to be elected and the justices of the peace are to be elected, the bill would apply to all of the State elections.

All I have to say about that is, Why not be honest? Let us be honest with our people once in a while. Why not say that this shall apply to all elections, instead of trying to deceive the people by telling them that we are talking about Federal elections and then putting in the three little words "or in part."

I hope somebody will propose an amendment to strike out the "or in part." If you want to make the bill cover all elections, make it cover them all, but let us be honest about it.

The next one comes in title I. This is what I term—and what it is—the "court-packing provision." Members will find that on page 41. It provides that whenever the Attorney General distrusts the judge a case is to come before, he can have a three-judge court, and judges can be selected favorable to his cause, and they may not even come—not any of them—from the district in which the supposed offense occurred.

That is something unheard of. Now, I hope that may come out of there. I tried to find out why that was in there, because I read the Attorney General's testimony about that and, if you want to inform yourselves, you can read it also. His testimony occurs in part IV of the Judiciary Committee hearings on page 2764 where he said he was opposed to this court-packing provision, and he went on to say that we ought to have confidence in our courts, and I am going on to say that this provision is an insult to every Federal district judge in the United States and it ought to be stricken out. The Attorney General wanted it stricken out. He would not stand for it.

I tried to find out in these hearings why was that court-packing provision put in there. I thought I knew. I thought somebody would be honest enough to tell me why it was put in there, because I knew it was put in there to pack the court. Well, you know, I only got one honest witness. I only found one honest witness. That was a distinguished gentleman who is a member of that committee, and I am not going to mention his name, but when I asked him why it was put in there—and he is a distinguished lawyer—he said, "You know, I learned in my early days in law school that the best way to win a case was to get yourself a favorable judge."

Now, let me ask you assembled Members of this Congress, which is a great body, are you going to pass something with that kind of a stigma on it?

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. McCULLOCH. Mr. Chairman, I yield the gentleman from Virginia [Mr. SMITH], 10 additional minutes.

Mr. SMITH of Virginia. I pass to the next boobytrap, which is on pages 42 and 43. This is the public accommodations section. It undertakes to prohibit discriminatory things that are supported by the law of the State. It says that:

> Each of the following establishments which serves the public is a place of public accommodation within the meaning of this title if its operations affect commerce, or if discrimination or segregation by it is supported by State action.

Well, State action. What does "State action" mean? Law. It does not say so. I suggest that the word "action" be stricken and we insert the word that ought to be in there, and that is "by State law." The reason why I say that is I have read about places where they have had disturbances. I think this case occurred down in the Southland, but just remember when this bill is enacted into law you are going to have more trouble in the Northland than we have in the Southland. Do not forget about that now. And you are having it right today. You know that. There have been cases where people trespassed on other people's property without any right in law at all, and the police went in there at the request of those people to protect their constitutional rights and arrested those folks and took them out of there. The contention now is that that is supported by State action when the policeman comes in and stops a fistfight. Of course, when the policeman does anything he is supported by State action. I do not want to put the police out of business, and I ask you when the proper time comes to vote for an amendment, because what ought to be in there is "law." The word ought to be "law" instead of "State action."

Now, here is a lulu of a boobytrap. I wish you would look on page 43. This is supposed to be the public accommodations title of this bill. Down in there there is a nice little boobytrap. It puts under this title all hotels and eating places, roadhouses and inns, and so on. It is supposed to cover nothing but what it says it covers, but in subparagraph (4) it says that there shall be included—

> Any establishment (A) which is physically located within the premises of any establishment otherwise covered by this subsection, or within the premises of which is physically located any such covered establishment, and (B) which holds itself out as serving patrons of such covered establishment.

That means that anybody who has his office in the hotel and offers to serve the patrons of that hotel is covered by this bill. And so we get into the controversial question of the barbershop. As you all know, every hotel worthy of the name has a barbershop; some barber rents a room in the hotel and puts in a barbershop. He is covered by that bill. So there is a barber in that hotel and there is another barber, let us say, across the street in his own building. That barber is not covered by this bill, but the barber in the hotel is covered. Discrimination pure and simple.

The same applies to beauty shops or any other service establishment that may be located in one of these covered places. They are covered. Take chiropodists. Suppose there is a chiropodist in the hotel. Now he performs a very delicate personal kind of service. If I were cutting corns I would want to know whose feet I would have to be monkeying around with. I would want to know whether they smelled good or smelled bad. I would not want to have to use a gas mask. But if the chiropodist is in that hotel, then he has got to cut those corns.

Do you not remember, there was something said in the 13th amendment of the Constitution that "involuntary servitude" shall not exist anywhere in the United States. Are you going to put that into effect in every hotel in the country? Is not that involuntary servitude when you say to a man in any business, I do not care if he is a barber or a chiropodist, "If you do not serve this man we are going to arrest you and put you in jail." They did that to a man in Michigan yesterday under a State law, and you saw it in the newspapers. Is that the kind of bill you want to pass?

Mr. Chairman, my time has almost expired and I could not possibly get around to tell you about all of these boobytraps. I have been able only to give you a small sample of them.

But I want to make an appeal to you, that when this bill gets to the amendment stage, which will be on Monday, that we all stay around here. There are a lot of fellows whose normal habitat in this House is over in that far right-hand corner, and sometimes they do not stay around here. When there is a quorum call or a rollcall vote, an employee of the House stands at that door—and I have seen this happen—and when some of these Members come in they ask him, and I have asked him myself, "What is the vote?" And the answer is, "The vote is 'aye.'" Then the fellow comes in and he turns around and says to somebody, "What are we voting on?" And it happens over at that door on the left-hand side, too. Now, I am very serious about this matter. Just remember, you are going to pass a bill here that may become a law. But, thank God, I am not going to help you.

You are going to pass a law to impose this legislation on a 90-percent majority of the people of this country, pretty nearly 180 million people. You are going to pass it next week. Will you not stay here? Will you not listen? Will you not reason? Will you not try to know what is in this, because as we go along, and I have a list of all the boobytraps and I expect to be telling you about them; others are going to tell you about them. I reckon I do not know even half the boobytraps that are in this bill. When you get around to this thing where they take away from you Government programs, that is so full of boobytraps you cannot count them. Do you know that in the hearings and in the report on this bill, which some of you have not read, there are over 100 Government agencies that are mentioned in it—the list was given by the Department of Justice—that will be affected by this bill? Are you going to do that to your people?

Mr. Chairman, we will be here Monday. I hope the Lord will spare me to be here with you. I want to tell you about some of these things and people who know more about it than I do, who have studied it harder than I have had the opportunity to study it, who have lived with it and who know what is in the bill that is wrong, will also tell you what is wrong with it. If you will give your attention to this bill when it is considered under the 5-minute rule you will know what is wrong; you will know what you are voting for when you vote for it; and you will be accepting your responsibility as you should.

Mr. CELLER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, it is very difficult to follow one as eminent and erudite as the gentleman from Virginia, but I cannot let some of the statements he made pass unchallenged. I want to indicate to you with all the fervor and power within me that there is no such thing in this bill as punishment or sanction by way of arrest or jail.

He spoke of the provisions on public accommodations, privately owned. There is no jail penalty, there is no money penalty. All that is involved is a civil remedy by way of injunction. If there is a violation of the injunction by a continuation of discrimination, there may be a contempt of court proceeding.

Mr. ABERNETHY. And he may be sent to jail. Violation of the injunction for contempt and sent to jail.

Mr. CELLER. I cannot hear the gentleman.

Mr. ABERNETHY. The gentleman said there were no jail sentences in here. Does not the violation of an injunction result in a jail sentence?

Mr. CELLER. There might be, if there was a refusal to obey the injunction.

Mr. ABERNETHY. The gentleman was attempting to give the impression there were no jail sentences.

Mr. CELLER. This bill has no criminal penalties, and I say that with all the power within me. This is important. If there is a violation of the injunction, then the court has the right, if it is a criminal contempt, to impose a jail sentence. Now, I will not yield any further. That is the answer, and you can take it or leave it.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Virginia.

Mr. POFF. The gentleman does not, I am sure, want to make a mistake, I am sure. Section 715 of this bill makes applicable title XVIII of the United States Code, section 111, which authorizes penalties of up to 3 years in jail and/or fines up to $5,000 for conviction of resisting a Federal employee in the performance of his duty. This comes under the FEPC title of the bill.

Mr. CELLER. That is a very minute provision in the bill, and has very limited application in title VII. I will have more to say about that later in the debate.

Beyond that, much has been said about the barbers and chiropodists, but I think the answer was given by President Lyndon Johnson to that kind of argument in his state of the Union message. He said it in very simple language—

> Today Americans of all races stand side by side in Berlin and Vietnam. They died side by side in Korea. Surely they can work and eat and travel side by side in America.

If they go into a hotel and they want a shave or they want their feet treated, they should be treated equally with the whites or any other persons.

I have been charged legislatively with all the sins of the decalog. I have been charged with railroading the bill through the committee—ramrodding the bill through the committee. I want you to know that that committee is composed of distinguished, self-reliant, wise lawyers. They know what they are doing at all times. Could I ram down the throats of 23 of those Members who voted for this bill what has been called a monstrosity? I do not think it is very complimentary to those 23 Members who voted for this bill to say that they swallowed a monstrosity.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. SMITH of Virginia. I did not think I gave the impression that I was throwing bouquets.

Mr. CELLER. I know you are not throwing bouquets. But I think the implication is clear. Just think of this. A number of those gentlemen, who are opposing this bill, voted for a more drastic bill in committee. A bill far stronger than the bill that is before us today. Just think of what those men voted for. Mark you well this. They voted for so-called part III. What did it contain? It contained a provision that if any individual felt aggrieved because not only his constitutional rights were taken away from him but any right under the laws of the United States—the Attorney General could intervene and prosecute the suit. What does that mean, under the laws of the United States? That was in part III, that some of the gentlemen who were so vociferous in their objection to this present bill voted for.

That means that anybody who was accused of a violation of any provision of the criminal code, the Attorney General would have to come to his relief because he would say his rights were filched from him under one of the laws of the United States. It would cover narcotic laws, immigration laws, social security, the Mann Act, even—I should not be interested in that—and it would cover all the acts of the United States. That was what the gentlemen voted for. I opposed it. That to my mind was in the nature of a boobytrap.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Louisiana.

Mr. WILLIS. That was on the second go-round. The gentleman as chairman of the subcommittee was the one who recommended it to us in the first place.

Mr. CELLER. I have had my reservations on that bill and made my reservations very clear; and I want to say that the gentleman who has just spoken was wise enough not to vote for the so-called boobytrap.

Mr. WILLIS. I will say to the gentleman that he did express reservations in many areas. The gentleman even expressed reservations on a number of other features.

Mr. CELLER. In any event, do you think I would have the power, I would have the temerity to assert the power to cause 23 members of this very distinguished committee, that I could have the power to herd them with electric prods, as it were, into forcing them to vote for a bill full of boobytraps?

I do not think I could have that power and I did not have such power. The Members voted for this bill willingly with full knowledge of what they were doing. They were not blindfolded. They knew exactly what was in the bill. I would say to my colleagues on the Committee, do not be misled by this argument. This charge, I would say, is like the siren call to Ulysses. But he was not deceived and he went through Scylla and Charybdis and I am asking you not to be taken in by this argument.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. EVINS. In view of the apparent widespread disagreement among the members of the Judiciary Committee and the statement made earlier today that there were no hearings by the Committee on the Judiciary on the public accommodations section, I wish the distinguished chairman would clarify for the benefit of the Members of the House whether or not there were any hearings on the public accommodations section and the FEPC of the bill before the committee. We have been advised that hearings were held by the Committee on Education and Labor on these sections but not by the Judiciary Committee. Did you adopt the hearings of the other committee or did the Committee on the Judiciary hold hearings on these two particular sections to which I have referred?

Mr. CELLER. Hearings were held on the public accommodations provision for months and months and for days on end. We took over 3,000 pages of testimony on this bill and on these various titles. I will say there were not as much hearings on the so-called FEPC part of the bill as there were on other titles of the bill. But we did rely to a great and measurable extent on the hearings held by our sister committee, the Committee on Education and Labor. There is no question about that. So I ask you, gentlemen, not to be taken in by the argument that I have such tremendous and gigantic power as to be able to do all these horrendous things that I have been charged with doing.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, I yield such time as he may care to use to the gentleman from Pennsylvania [Mr. ROONEY].

Mr. ROONEY of Pennsylvania. Mr. Chairman, the legislation we are now debating has had a long and arduous journey. The careful and deliberate speed with which it is now being considered in this House, however, should prove beyond any doubt that America has made equal rights for all its citizens the first order of business.

As a Congressman from a Northern State—and a younger Member of this body as well—it may seem presumptuous of me to offer praise for one of the oldest and most respected Members of the House. But I want to add my voice to those which have already commended Chairman SMITH for expediting this bill.

Everyone in this Chamber knows that Chairman SMITH stands in opposition to most of the more controversial sections of this bill. But he made a promise to the American people in December. He said that the bill would be reported out of his committee before the end of January—and he lived up to his promise.

I should also like to praise Chairman CELLER and the members of the Judiciary Committee for their untiring efforts in drafting this bill.

So far as this legislation is concerned, it will have little or no effect in Pennsylvania or in the 29 other States in the Union which already have fair employment and fair housing acts on their lawbooks.

This does not mean, however, that we of Pennsylvania are any less interested in it or less concerned with the outcome of this debate.

Pennsylvania—and the people of my own district—stand in overwhelming favor of this bill, not only for the sake of the American Negro, his dignity and his future, but for the sake of all Americans who, knowingly or otherwise, sell their free birthright by practicing prejudice or bigotry.

The passage of this bill will not only insure the Negro of his rightful place in American society, but it will also lay to rest many of the unfounded fears which have plagued our national life. We cannot endure, as a free nation, if we are afraid to abide by the concepts of freedom which caused this country to be founded.

One of the greatest of all American Presidents, whose date of birth we celebrated only yesterday, once mobilized the spirit of his countrymen with these words: "We have nothing to fear but fear itself."

Those words are particularly appropriate at this hour in a time of great national responsibility.

Mr. McCULLOCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. SHRIVER].

Mr. SHRIVER. Mr. Chairman, I ask unanimous consent that the gentleman from New Jersey [Mr. CAHILL] may extend his remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. CAHILL. Mr. Chairman, while most of us on the committee regret the manner in which the bill presently before the House was handled in the committee, we regret even more the fact that a bill of this nature is necessary for presentation and discussion before the House of Representatives. If the Constitution had been properly implemented as ordered by the Supreme Court of the United States, I am satisfied that there would be no real need for this legislation.

It is interesting to note that those who have raised the greatest technical objections, those who have complained the most about the technicalities of the bill, and those who rely so much on constitutional objections are the very Members who opposed this legislation in the committee and who oppose it on the floor today.

Many of these Members have firsthand knowledge of the abuses which this legislation seeks to regulate, yet in spite of the many years of service in this House of Representatives I fail to discover any civil rights legislation introduced by the most vocal of the critics of civil rights legislation. It is my opinion that regardless of the nature of the bill the Representatives who are attacking it here on the floor would have opposed it in the committee.

While there have been many objections to technical features of the bill, I have heard no denial of the need for this legislation. There can be, of course, no argument to the need. There is an old axiom in logic: "Against a fact, there is no valid argument." And what are the facts?

Ten years ago the Supreme Court ordered desegregation of the public schools of America. Now, 10 years later, there are still 2,000 school districts in the United States that are segregated. I ask you: Is this legislation necessary to carry out the Supreme Court mandate?

Speakers have indicated that no legislation is necessary to permit the Negro to vote in certain States of our Union, yet there are 250 counties in the Southern States in this Nation where less than 15 percent of the Negroes of voting age are registered. Is legislation required to aid these citizens and their right to vote?

Statistics clearly illustrate that there are three times as many Negroes out of work as there are whites and that the median earnings of a Negro in this country are approximately 55 percent of the median earnings of the white man. Is legislation necessary to help in job improvement?

The facts are: There was a Little Rock, a Birmingham, and an Oxford; mass riots in Philadelphia, New York, and Chicago. The fact is that there is a social revolution in the United States and the fact is that it will continue until we in the Congress of the United States find a solution to the problem. Unless something is done by this 88th Congress, I fear that what has come before will pale into insignificance with what is to come hereafter. For what the Negro minority in the United States today wants are three basic things that all minorities have wanted:

First. He wants a job which will permit him to support his family to give them the necessities of life and a few of life's luxuries.

Second. He wants his children to have an adequate education and he wants them to enjoy the pursuit of education to the limits of their own talents and ability.

Third. He wants the right to eject from public office those elected officials who would deny him his constitutional rights and equal protection under the law. These are the three things that this bill seeks to give the Negro and all other Americans who are discriminated against because of race, color, or creed.

I, therefore, recommend this bill, and I commend the members of the Judiciary Committee and its staff for working so hard to put it together and present it to this House. I would be remiss, however, if I did not say that this legislation if enacted is due to the forthrightness and courage of two men, each of opposite political parties and neither members of the Judiciary Committee.

The first is Robert Kennedy, the Attorney General of the United States, who had the courage to come before the committee and oppose the subcommittee bill because he knew that that bill in the form presented would not be acceptable and would not pass. Thus, he subjected himself to criticisms by those favoring civil rights who believed that he had sold them out in accepting a weaker version of a civil rights bill.

The other gentleman was criticized for the exact opposite reason. He was criticized for opposing the subcommittee bill and approving the bill before the House by those against civil rights. I have reference to the minority leader, the gentleman from Indiana [Mr. HALLECK], who courageously withstood the criticisms of many opposed to civil rights. These people urged him to support the more liberal subcommittee bill knowing that it would be defeated and that it could not pass this House of Representatives or the other body.

The gentleman from Indiana, Congressman HALLECK, as the leader of the Republican Party, was urged to pursue an issue for the coming election rather than an effective civil rights bill. He chose to do the statesmanlike thing. He chose to ignore politics and do what was the right thing and he chose, therefore, to oppose the subcommittee bill and support the bill presently before the House.

Therefore, in my judgment, if an effective civil rights bill is enacted in this Congress, it will be because both major political parties and men of good will in the leadership of both parties wanted it. It is indeed and truly a bipartisan achievement and Robert Kennedy and the gentleman from Indiana, CHARLIE HALLECK, deserve the major portion of the credit.

I have always supported civil rights legislation and will, of course, vote for this bill. I urge all Members to vote for it.

Mr. McCULLOCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. KUNKEL].

Mr. KUNKEL. Mr. Chairman, in my judgment, it is imperative to have a sound civil rights bill placed on the statute books in the immediate future. After Congress enacts legislation clarifying the situation throughout the Nation, then much of the turmoil and confusion will begin to subside. When people know their legal rights and remedies, the need and temptation for other types of action will be removed.

It is now 100 years since the Civil War. It is a long time since the 13th, 14th, and 15th amendments to the Constitution were added. There is no question in my mind but that these amendments were intended to insure equal opportunity in every field for every citizen of the United States. Every citizen is entitled to the same chance for advancement and for the right to do the same things that other citizens are entitled to do just so long as they behave in an orderly and legal fashion.

The bill is an extension of authority by the Federal Government. But that authority is limited by the terms of the proposed legislation. The civil rights legislation now in force in Pennsylvania (and it has been on the statute books in our State for some years) is quite similar to the bill now pending before the House. A number of other States have similar legislation. In my opinion, it would have been far better if we had had more progress along this line in the past. We must take this opportunity to insure that everyone, regardless of color, race, creed, or national origin, shall be treated alike and have the same rights, privileges, and immunities throughout the Nation.

I am delighted that this bill came before the House under a rule from the Rules Committee. If it should have come up by means of a discharge petition, the bill would have been subject to points of order. It might have been thrown out entirely. As it is, the rule waived all points of order, thereby insuring a vote on the bill. Also, the hearings before the Rules Committee provided valuable information for my colleagues and me to consider in connection with the bill and the amendments which will be offered to it.

Since an orderly procedure has been followed, that fact will certainly be helpful in securing votes in favor of limiting debate when the Senate reaches the final showdown. All of us know that vote will really be the key vote on this whole matter. If the House had not followed this method, Members of the other body, who oppose cloture on principle, would certainly have used the House's departure from custom as a strong additional reason to vote against the imposition of cloture. No doubt some Senators would have been influenced by such an argument. Every vote will be needed when cloture is at issue, for two-thirds vote is required. As it is, I look forward with confidence to the passage of this bill by both Houses. I firmly believe that this measure, in basically its present form, will be enacted into law.

I have advocated civil rights legislation for many, many years. Progress has been slow, but I am happy that the final goal is now in sight.

Let me give this one word of warning. Legislation in itself is not the final cure. The final solution to the problem will take time, adjustment, and effort. In the last analysis, the answer can only be found in the hearts of men and women. May we all direct our thoughts to the great Christian principle of the equality of man. May the Divine Spirit instill in everyone the realization that their neighbors are all equal before God.

Mr. McCULLOCH. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. HALPERN].

Mr. HALPERN. Mr. Chairman, I rise in enthusiastic and vigorous support for this legislation with which I am privileged to be identified as a cosponsor.

This legislation represents the first step in righting the wrongs too long tolerated in our great country. True, it may not be as strong as I would like and as I have long advocated both before the Judiciary Committee and in other legislation I have introduced. But it is a reasonable, workable measure that is a long step forward in the progress of human rights. It is the very least we, in this Congress, should enact in keeping with our solemn obligation and oath of office to legislate always in the very highest interest of all the American people. I fervently plead that this measure now before the House will not in any way be watered down by amendment; and that any such effort will be resoundingly defeated.

I want to see the House approve the strongest, most effective, and workable civil rights bill. I am convinced that a majority of the American people are facing up to the issue of finally writing a historic chapter to the work started almost 100 years ago by adoption of the 13th, 14th, and 15th amendments.

Mr. Chairman, it is appropriate at this time of great decision that we reflect for a few moments on the fundamentals and historic ideas and ideals upon which our efforts to advance the cause of human rights and human dignity are based.

Such ideas and ideals have found lofty expression in many lands and at many times throughout history. For example, a Frenchman, Victor Hugo, almost a hundred years ago made an observation that is unsurpassed for a brief description of the power, idealism, and intensity that characterize the civil rights movement. He said:

> Nothing else in the world * * * not all the armies * * * is so powerful as an idea whose time has come.

Let me remind you, my colleagues, that almost two centuries ago, our forefathers sparked a democratic revolution whose intensity continues to produce repercussions even in this day and age.

The "shot heard 'round the world" had as its basis the two noblest ideas of all the ages. These immortal ideas—the keystone of our American democratic structure—are put forth with simple eloquence in the second paragraph of the Declaration of Independence:

> We hold these truths to be self-evident—

The Founding Fathers declared with majesty and conviction. Which truths? The first:

> That all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness.

The second:

> That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed.

The time for these ideas had come and, as Victor Hugo observed, the greatest armies of the world's outstanding military power—Great Britain—proved ineffectual against them.

The words of the Declaration of Independence are familiar—perhaps, overly familiar—to all Americans. Like a garment which has given many years service against the adversity of a cold and hostile environment, their security and comfort are too often taken for granted.

These ideas, deemed universal truths by the signers, were something less than universally recognized, much less universally applied in the 18th century. It is important today and in the coming days that as we listen to charges of radicalism and unconstitutional departures, that we recall that these same epithets were hurled at the likes of George Washington, John and Samuel Adams, James Madison, Thomas Jefferson, Patrick Henry, and others. The world of the 18th century—desperately clinging to the concept of divine right monarchs and of class distinctions—did not offer an optimum environment for such heretical notions as equal dignity and a government of laws.

Today, in this very House, we are being asked to reexamine these noble ideas and to determine whether they our lives. Our late President said much the same thing a few short months ago. On June 11, John F. Kennedy urged have any relevance in our times and in Congress—and I quote:

> To make a commitment it has not fully made in this century to the proposition that race has no place in American life or law.

Mr. Chairman, this is what lies at the heart of the proposal now under consideration; not, if you please, private rights and property rights, equal protection and State action, commerce power and burdens on business, States wrongs and legal niceties, and a whole host of strawmen. The only rights which concerned the drafters of the Declaration of Independence and the rights for which we are being asked to stand up and be counted are human rights.

Mr. Chairman, the events of 1963 make it abundantly clear that our civil rights chickens have come home to roost. The long-suppressed discontent over segregation and the frustration aroused by token racial integration have generated an upheaval of great intensity. Throughout the length and breadth of our land—in the North as well as in the South—Americans are demanding freedom now. This movement against discrimination has become a nationwide surge of protest. From a handful of sit-ins at segregation lunch counters and a score of freedom riders attempting to desegregate interstate travel facilities, the movement against racial injustice has grown into mass demonstrations by tens and yes, hundreds of thousands. These are peaceful protests and lawful petitions against an injustice that too many Americans have unawaredly been taking for granted all these years.

The fact that such protests have become necessary is a sad commentary for a nation which, in two world wars and in the past 15 years or so, has claimed the mantle of the world's leading democracy. In the forceful words of the columnist, Joseph Alsop:

> It is disgusting, not to say macabre, that American citizens should be driven to use the device of mass protest over 100 years since the Civil War began for the sole purpose of securing equal treatment with their fellows.

These manifestations of great social unrest are remarkable only in that they have taken 100 years to rise to the surface. To his everlasting credit, the American Negro has given his Government and his fellow citizens every opportunity to make good the promise of liberty and justice for all. This, Mr. Chairman, is the central tragedy of the present state of affairs—that it could have been avoided. The whirlwind of recent events was totally predictable. One hundred years ago, President Lincoln stated the proposition simply but forcefully:

> This Government cannot endure half slave and half free.

At a cost of a civil war and untold human misery we abolished the institution of slavery. But for the next 100 years, we left the Negro to flounder in a sort of limbo—a citizen in law, he exercised few of the rights and privileges of citizenship in fact. This, in brief, is the history of the last century. Omitted are the details of degredation, misery, and human indignities which attend second-class citizenship; squalid housing conditions; second-rate educational opportunities; employment at the lowest rung of the economic ladder. The list is virtually endless.

Time and events are beginning to outrun the legal processes and everywhere the same questions are being raised: Will the white man recognize in time his constitutional, moral, and spiritual commitments and live up to them? Will forces of moderation prevail or will they be ground underfoot by extremists on both sides? We must seize the present opportunity and act boldly and with courage. Above all, we must act—out of the firm conviction that what we do is right. There are no insurmountable obstacles in our path—we have only our own inertia to overcome. To quote Justice Goldberg, the rights claimed by Negroes:

> Are present rights; they are not merely hopes to some future enjoyment of some formalistic constitutional promise. The basic guarantees of our Constitution are warrants for the here and now * * * they are to be promptly filled.

This transition must be a peaceful one within the law, not a transition of hatred and violence and destruction. Anyone who observed the Washington march for freedom on August 28 came away convinced that the Negro's quest for equal opportunity will be conducted in the American tradition, which is to say, peaceably and well within the law. But, the time for temporizing with the issue has long since passed. As I have already said, the present time affords us the most opportune moment in the history of this country for finally coming to grips with this problem. As pointed out by the NAACP in its annual report:

For the first time since the Civil War the American people as a whole have come to realize the desperate plight of the Negro, the basic justice of his demands, and the need for remedial action.

On the other hand, if we allow the present moment to escape us:

> If—

In the words of Martin Luther King—

> the Nation returns to business as usual.

Then a solution will again be sought in the streets. When the late President Kennedy pointed out this alternative, many in these halls cried out that he was attempting to pressure the Congress into action. We all know, however, that the President merely stated a truism. When governments turn a deaf ear to cries of injustice—whether by indifference or in some brutally callous "let them eat cake" fashion, the streets, not the parliaments, have become the arena for political action.

Naturally, I would prefer that the civil rights issue be resolved on a voluntary basis. Persuasion and commonsense have been instrumental in reducing the humiliating experience of segregated facilities in many areas. The voluntary form of behavior will, I hope, continue and grow. But the experience particularly of the last 100 years is evidence that persuasion alone will not suffice.

The only institution in American society that has the power to end this overly prolonged crisis is the National Government. Also, it is that factor in the situation with the widest gap between its expressed values and its actual performance.

Mr. Chairman, as I said in my opening remarks, I would have preferred an even stronger bill—one consistent with the recommendations of the subcommittee which, I should point out, were in line with my own proposals to the subcommittee for strengthening the titles of the bill guaranteeing equality in voting rights, job opportunities, public accommodations, public education, and authority to the Attorney General to institute suits in all cases involving violations of constitutional rights.

However, although H.R. 7152 is not as complete as many of us would like, there is no question in my mind that in the end the Nation will be the beneficiary. This was recognized by the full committee which in its report said:

> No bill can or should lay claim to eliminating all of the causes and consequences of racial and other types of discrimination against minorities. There is reason to believe, however, that national leadership provided by the enactment of Federal legislation dealing with the most troublesome problems will create an atmosphere conducive to voluntary or local resolution of other forms of discrimination.

It is, however, possible and necessary for the Congress to enact legislation which prohibits and provides the means of terminating the most serious types of discrimination. This, H.R. 7152, as amended, would achieve in a number of related areas.

H.R. 7152, as amended, is a constitutional and desirable means of dealing with the injustices and humiliations of racial and other discrimination. It is a reasonable and responsible bill whose provisions are designed effectively to meet an urgent and most serious national problem.

The bill is divided into seven major parts or titles. Title I deals with the subject of voting rights. It is ludicrous, to say the very least, that in the 1960's and in light of the 15th amendment's prohibition against denials of the right to vote because of race or color, we are still debating the merits of legislation aimed at securing the right to vote. Yet, in over 250 counties in the United States, less than 15 percent of the voting-age Negroes are registered to vote. Even more disgraceful is the fact that in certain counties while the white population is exceeded by the number of white inhabitants who are registered, Negroes are either totally or all but totally denied the right to vote. As pointed out by the Attorney General:

> If Negroes could participate fully in the electoral process in areas where racial discrimination is most prevalent, their grievances would secure attention and legitimate demand would be speedily met.

Title I attempts to remove artificial barriers created by continued use of literacy tests and similar performance examinations as a device for discrimination. It would make three vital changes in this regard:

First, in voting suits, it would raise a rebuttable presumption of literacy upon a showing that the applicant has completed six grades of schooling. This is in accord with the practice in my own State which administers a literacy test on the sixth grade level of difficulty.

Second, it would require that if a literacy test is used as a qualification for voting in Federal elections, such test shall be in writing and the applicant shall be furnished, upon request, with a certified copy of the test and his answers. The purpose of this provision is to prevent the all too prevalent practice of using questions of differing degrees of difficulty depending upon whether the applicant is white or Negro, or the greater evil of refusing to register even though oral questions were answered correctly.

Third, it would specifically forbid denials of the right to vote because of trivial errors of omissions on applications for registration. In brief, the failure to insert a period or a comma may not be used to keep a Negro off the voting rolls.

Title I also seeks to speed up the processing of voting rights cases in the Federal courts. It would amend the Civil Rights Act of 1957 so as to permit voting cases to be tried by a three-judge district court. An appeal from a three-judge district court goes immediately to the Supreme Court obviating the intermediate court of appeals.

Does this bill undermine or usurp State powers in the area of voting? Not in the slightest. It simply sees to it that the States play the game according to the rules which the States themselves prescribe.

Title II deals with the problem of equal access to public accommodations. In the words of the minority member of the Judiciary Committee:

> This is the opportunity for every individual, regardless of the color of his skin, to have access to places of public accommodations. This right is so distinctive in its nature that its denial constitutes a shocking refutation of a free society.

Let us listen to the testimony of Roy Wilkins, executive secretary, NAACP, before the Senate Commerce Subcommittee, on what it means to be a Negro American in the summer vacation period:

> For millions of Americans this is vacation time. Swarms of families load their automobiles and trek across country. I invite the members of this committee to imagine themselves darker in color and to plan an auto trip from Norfolk, Va., to the gulf coast of Mississippi, say, to Biloxi. Or one from Terre Haute, Ind., to Charleston, S.C., or from Jacksonville, Fla., to Tyler, Tex.
>
> How far do you drive each day? Where and under what conditions can you and your family eat? Where can they use a restroom? Can you stop driving after a reasonable day behind the wheel or must you drive until you reach a city where relatives or friends will accommodate you and yours for the night? Will your children be denied a soft drink or an ice cream cone because they are not white?

In response to a question as to what the Negro must do, Mr. Wilkins replied:

> Where you travel through what we might call hostile territory you take your chances. You drive and you drive and you drive. You don't stop where there is a vacancy sign out at a motel at 4 o'clock in the afternoon and rest yourself; you keep on driving until the next city or the next town where you know somebody or they know somebody who knows somebody who can take care of you.

Many of the demonstrations that took place in 1963 were sparked by refusals to allow Negro Americans equal access to restaurants, movies, and the like.

Title II declares the right of all citizens, without regard to race or color, to the full and equal enjoyment of the facilities of inns, motels, or other establishments designed to furnish lodging to transient guests, restaurants, cafeterias, lunchrooms, lunch counters, soda fountains, or other places engaged in selling food for consumption on the spot if either their customers or their merchandise have moved in commerce; motion picture houses, theaters, concert halls, sports arenas, stadiums, or other places of exhibition or entertainment.

This title would prohibit any deprivation or interference with the right to use the public facilities within its coverage. It would grant persons aggrieved the right to sue for an injunction. It would also authorize the Attorney General of the United States to bring suit whenever satisfied that the purpose of the bill would be materially advanced and when the aggrieved persons lack either the funds or legal representation to do so themselves.

This is the title that has provoked a veritable torrent of words. Are the fears which have been uttered about the public accommodations section justified? My own opinion is that the opposite is more nearly the case. That is, when we place property rights—incidentally no one has troubled to explain property rights and responsibilities—above human rights, then we shall truly have a fearful situation.

I will only add that my State goes much further in this area, and provides criminal and civil penalties, as well as injunctive relief and covers many more kinds of establishments serving the public.

Title III deals with discriminatory denials in connection with access to public facilities. Since facilities "owned, operated, or managed by or on behalf of any State or subdivision thereof" fall within the scope of the 14th amendment, the purpose of this title is to authorize the Attorney General to enjoin denials to such places, as well as the right to intervene in equal protection cases generally.

Title IV deals with the all-important matter of segregation in public education. Ever since the Supreme Court's decision of 1954 declaring segregation of races in the Nation's public schools to be unconstitutional and directing school authorities to desegregate the schools with all deliberate speed, our Nation has awaited with mounting impatience the carrying out of the Court's instructions. While there have been significant compliances in several States and in numerous communities, desegregation has, on the whole, progressed too slowly.

As the Supreme Court pointed out in one of the sit-in decisions of last June:

> [These rights are] present rights; they are not merely hopes of some future enjoyment of some formalistic constitutional promise. * * * The decision in *Brown* v. *Board of Education* never contemplated that the concept of deliberate speed would countenance indefinite delay in elimination of racial barriers in schools.

Title IV of the bill has two basic purposes. First, it would authorize technical assistance to public school officials in preparing and carrying out desegregation plans. Second, it would grant authority to the Department of Justice to initiate civil suits in the Federal courts in cases involving discrimination in public schools and colleges.

Title V would make the Commission on Civil Rights a constituent agency of the Federal Government. This agency has performed a remarkable research service in the most trying circumstances. Since even the enactment of this bill will not solve all our racial problems we will continue to have need of this agency's invaluable service into the indefinite future.

Title VI deals with the serious and absurd problems of the use of Federal funds in programs which are administered so as to perpetuate racial discrimination. The Federal Government is under a moral and, as pointed out by the Fourth Circuit in connection with the Hill-Burton Act, a legal obligation to remedy this evil as soon as possible. The benefits of the programs and activities assisted by Federal funds are beyond question and should be available to all regardless of race or color. Title VI would enable Federal agencies to withhold Federal financial support from any program or activity administered on a segregated or discriminatory basis.

Title VII deals with the all important area of equal employment opportunity. I am proud of my own State's tremendous pioneering efforts in this area. Although this proposal has been denounced in terms merited solely by the infamous Star Chamber, its only purpose is to remove any standard in connection with securing and maintaining employment which is extrinsic to job qualifications. This is the whole of it—not socialism, communism, prostitution of free enterprise, and similar scarecrows designed to produce much heat and little light.

At the outset of my remarks, I alluded to the power of ideas, specifically the ideas of the American Revolution. In urging rapid passage of this sorely needed, long delayed legislation I would like to quote former Florida Governor, now head of the National Association of Broadcasters, LeRoy Collins.

Mr. Collins said that the principle "that all men are created equal" was not an empty cliche.

> It is a mighty idea that is the keystone of our Nation's whole meaning and perpetual commitment—

He asserted—

> It is the basic idea which supports the dignity of man as an individual. It is an idea that can never be stopped—not by custom, not by prejudice, not by hate, not by murder, not by armies, not by any mortal force.
>
> It may be thwarted, it may be delayed, its triumph may be at great cost and sacrifice, but it will keep coming on and on, for it has the invincibility of simple truth, justice, and right.
>
> It is the moral duty of our generation to plow under racial injustice everywhere in the United States, and to plant new opportunities for the generations which will come along after us and reside in this green part of our old planet.

Mr. Chairman, it is time to stand up and be counted in the ranks of those who would protect and promote our priceless heritage of equal rights, equal justice, equal opportunity, and an equal chance for the achievement of human dignity for all Americans.

Let us rise to the occasion. Let us meet the challenge of our ideals and the demands of our conscience by an overwhelming approval of this most meritorious legislation.

Mr. CELLER. Mr. Chairman, I yield such time as he cares to use to the gentleman from Alabama [Mr. ANDREWS].

Mr. ANDREWS of Alabama. Mr. Chairman, I am unalterably opposed to this pending bill—the so-called civil rights bill. If this bill is enacted into law then our system of constitutional government will come to an end. Our system of free enterprise will expire.

Have you thought, Mr. Chairman, what will happen to the business establishments of this country when the Federal Government—with all its power and might—steps into the internal affairs of a privately owned business, a restaurant, hotel, or motel—businesses that have been built up through years of hard work and frugal management by the owner—and says to the owner—you must operate your business in an entirely different way from that in which you have in the past.

You must accept any and all would-be customers regardless of the effect such customers will have on the future of your business, regardless of how offensive this might be to your other customers.

Mr. Chairman, the so-called public accommodations section of this bill stretches to the breaking point the interstate clause of our Constitution. Such a law was declared unconstitutional by the Supreme Court of the United States in 1873, and that decision has never been overruled. This section of the bill is clearly unconstitutional, but I share the opinion of many, many Members of this House, that the present Supreme Court will aprove it The last vestige of private ownership over private property will be wiped out if this section of the bill becomes law. Many Members of this House have expressed their apprehension over this section and their fear of the consequences if it becomes law, but they state they will have to vote for it. I only wish, Mr. Chairman, that a secret vote could be taken on this bill; if that happened I believe the bill would be defeated.

This FEPC section of the bill is just as bad as the public accommodations section. This section would subject every businessman in America to the constant harassment of the Federal Government. No longer could the owner of a business run it as he desired. The Government would be the overriding boss. The Government would determine who could work in the shop, store, factory or mill, and so forth. The Government would say who could be promoted, who could be fired. The owner's voice would be muted. And Mr. Chairman, this type of legislation is proposed for the United States of America, not Russia.

Mr. Chairman, I repeat, I am opposed to this bill in its entirety and I sadly predict that if this bill becomes law it will usher in another "Tragic Era" in the history of this country and will be viewed by future generations as one of the saddest days in our entire period of existence.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. NIX] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. NIX. Mr. Chairman, I will, at the outset of my discussion of this legislation enumerate a number of cold, unavoidable facts:

First. The U.S. courts alone are vested with the authority to decide the constitutionality of acts of Congress; therefore, it seems to me a futile and meaningless exercise in argument when the issue of constitutionality is raised in opposition to this legislation.

Second. The century-old Emancipation Proclamation, the 13th, 14th, and 15th amendments to the Constitution were enunciated and confirmed to free the Negro from physical bondage and to bestow upon him the fulfillment of every constitutional guarantee enjoyed by other citizens of this country. However, the overwhelming weight of evidence establishes the fact that the Negro is not free, and that the privileges, immunities, and protection of the law are not accorded to him.

Third. It seems incredible that anyone in the United States is unaware or insensible to the fact that even now, February 1964, the Negro suffers intolerable discrimination in: one, voting rights; two, public accommodations; three, public facilities; four, education; five, federally assisted programs; six, employment opportunities; and generally in all phases of community life.

These facts are abundantly confirmed by the findings of every major religious denomination in the land; by the findings and reports of the President's Committee on Equal Employment Opportunity; by the findings and recommendation of the Commission on Civil Rights; by the reports and testimony of representatives of organized labor; by the admissions and commitments of 100 private firms associated with the plant-for-progress program; by the actions of the Governors of North and South Carolina and Georgia; by the testimony of the mayor of Atlanta, Ga.; by the published reports and pleadings of the American Civil Liberties Union, the NAACP, and the Department of Justice; and by the 58 percent favoring passage of this legislation as reported by the Harris survey on December 9, 1963.

When a Negro's income is only 60 percent of the income of a white worker; when a Negro has no place to sleep or eat on the highways in more than a third of the Nation; when the taxes of a Negro supports parks and playgrounds and hospitals from which he is excluded; when only 1,129 or 3,053 multiracial school districts are desegregated 10 years after Brown against Topeka; when a Negro is the last hired and the first fired in private employment; when virtually all Negro Federal employees are in grades 1–5; when labor unions exclude Negroes entirely; and when the State courts conspire to deny a Negro equal justice under law—then it is time for the National Government, through this body, to step in and make the promise of the Emancipation Proclamation a reality.

To correct the abuses of some 345 years' duration, the Committee on the Judiciary has proposed a bill which is a step in the right direction. While I can think of some improvements, I am unequivocally in favor of passing this measure. Its provisions covering: First, voting rights; second, public accommodations; third, desegregation actions; fourth, public education; fifth the Civil Rights Commission; sixth, Federal assisted programs; seventh, fair employment practices; and sundry other necessary matters, are as right as rain in a democratic community. They spell out a major portion of governmental responsibility for securing the blessings of liberty and equal protection of the laws for every American. A democracy can do no less.

Mr. Chairman, were I to attempt to improve upon the record which testifies to the urgency of this measure, I could not find the words. The record speaks for itself; the need is clear; the rights are present; the duty of this body cannot be abandoned. Therefore, I say this to you—enact this legislation so that American democracy may flourish and all of the Nation's citizens may enjoy equality of opportunity and treatment in accordance with the law of the land.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. GILBERT].

Mr. GILBERT. Mr. Chairman, I wish to commend the chairman of our Committee on the Judiciary, the gentleman from New York [Mr. CELLER], for his splendid presentation and his erudite explanation of the civil rights bill now before us. Without his courage and brilliant leadership, this strong civil rights bill would not have been written or approved in committee. We owe him a debt of gratitude.

This is one of the most gratifying and thrilling moments of my life. I am grateful and proud to be a Member of this Congress, the greatest deliberative body in the world, which now has the privilege and duty of assuring to Negroes and members of other minority groups in our country their constitutional rights, so long denied them. By passing this bill, the most far-reaching and comprehensive civil rights bill ever considered by the Congress of the United States, we shall achieve an honored place in the history of our Nation. The opportunity to give renewed hope, a brighter future, dignity, equality, and freedom, to millions of people, does not come our way often; I am thankful that I have been accorded that opportunity.

I have used the word opportunity, because I have been working faithfully toward this moment during all my years of service in the New York State Legislature and since coming to Congress. But let me say to the opponents of this bill, that it is the duty of this Congress to pass the bill; that failure to do our duty will invite terrible consequences too awful to contemplate. The most powerful social revolution in our history is gaining in momentum; the Negro is demanding his constitutional rights now. We must recognize the unshakeable determination of the Negro to escape from second-class status. The bill is entirely reasonable—it grants no special favors or privileges; it merely assures to Negroes and others now wrongfully discriminated against, the same rights and privileges which other citizens have forever taken for granted.

One hundred years have passed since the issuance of Lincoln's Emancipation Proclamation. One hundred years is a long time to suffer under the evils of discrimination, to be denied opportunities in education and employment, to be denied the right to vote, a decent place to live. One hundred years is also a long time to give human decency, moral persuasion, tolerance, love for one's fellow man, religious teachings, the chance to eliminate and to overcome the discrimination and injustices directed against generations of Negroes. Now patience is at an end; a strong law is needed.

This Nation has been pleased to assist people of other nations when they have thrown off the oppressive yoke of a dictator, and when they have sought a democratic form of government. Let us face the truth. Right here in our own country we have permitted a dictator called discrimination to inflict cruelties, death of spirit, and inhumane treatment upon millions of our people for a hundred years; they have been denied the rights guaranteed them under our democratic form of government. The image we present to the world's family of nations is not very attractive at this point; we cannot expect to have our words and pleas in behalf of democracy accepted abroad when we live a lie here.

The conscience of every right-thinking American has now been aroused. State and city officials, religious leaders, civic groups of all kinds, business organizations, labor leaders, educational leaders, millions of individuals, have given us a mandate to pass this civil rights bill. We, the representatives of the people, must obey that mandate.

It is admitted that some good progress has been made in the field of civil rights since 1948: the end of segregation in the Armed Forces; banning of discrimination in Federal hiring; enforcing of nondiscriminatory clauses in Government contracts; the U.S. Supreme Court ruling in 1954 that public school segregation is unconstitutional; the granting of power to the Attorney General to enforce voting rights; establishment of a Civil Rights Commission; the anti-poll-tax amendment to the Constitution. However, we have seen that these actions have not always accomplished the aim intended and that we are a long way from our desired goal of equality for all Americans.

The bill before us will not accomplish all our aims, but it will go far toward correcting present glaring injustices, and it represents a good start toward our final goal.

Think of this scene. A white father looks upon his new-born son. He is proud of his beautiful baby and says; "He'll be President someday." Now think of this. A Negro father sees his son for the first time and is equally proud of him. But immediately the fears and doubts come to his mind. He knows that as things now stand, his son will not have good schooling, he will not be able to achieve his full potential in education or in employment, he will be insulted when he tries to find lodging while on a journey, he will be prevented from voting, his ambitions and hopes will die, he will be prevented from establishing a home of his choice, he will forever suffer under the scourge of discrimination because of the color of his skin. These evils of discrimination exist throughout our Nation. Negroes today say that for many of them, the benefits provided by the bill before us come too late to change their lives to a great degree. But they demand, now, that this law be passed and its provisions faithfully carried out. They want their children to have the opportunities provided by the bill and the protection and true freedom and equality they have never known themselves. They want the stigma of "welfare" removed from their families; they want to know that their children will be able to find work commensurate with their ability, and to enjoy the dignity of equality with their neighbors. They want their children to face the world with hope and courage, not heartache and despair.

At this time, I wish to discuss title III in some detail. This provides for desegregation of public facilities. It authorizes the Attorney General, upon receipt of a written complaint of an aggrieved individual, to bring suit to secure desegregation of public facilities—other than schools—owned or operated by State or local government. The Attorney General must certify that aggrieved persons are unable to initiate or maintain legal proceedings themselves because of financial limitations or potential damage to themselves. It authorizes the Attorney General to intervene in pending actions in the Federal courts seeking relief from discriminatory practices by State and local governments or officers, because of race, color, religion, or national origin.

The equal protection clause of the 14th amendment clearly forbids a State or municipality from segregating or discriminating on the basis of race or color in any of its activities. Notwithstanding this and the many decisions specifically applying this principle to such Government-owned or operated activities as public beaches, public golf courses, public parks and playgrounds, and others, racial segregation and discrimination remain rampant with respect to many such facilities. These unconstitutional and unlawful practices have resulted in the humiliation of many of our Negro citizens as well as deprivation of their rights. Negroes have sought by means of demonstrations and other forms of protest to secure the rights clearly guaranteed them by our Constitution. We should spare them from having to take such desperate measures.

Although private suits may be brought to secure such rights, many individuals are prevented from doing so because of lack of funds to finance lawsuits and because of fear of reprisal if they do so. This title seeks to meet these problems by empowering the Attorney General, upon receipt of a written complaint, to initiate suits to desegregate governmentally owned or operated public facilities whenever he finds the complainants unable to do so themselves and when the national policy favoring orderly desegregation of public facilities would be furthered materially by such a suit. The complainant must be unable, either alone or through interested persons or organizations, to bear the costs of litigation or obtain effective counsel; alternatively, he may be considered unable to sue, if to do so would result in economic or personal jeopardy to him or his family. Title III would authorize the Attorney General to bring suit for desegregation only of State or municipal facilities—other than schools or colleges—the limitation of access to, or use of which, would be a denial of equal protection of the laws under the 14th amendment.

To put it succinctly: The Attorney General may institute a suit to enjoin discrimination in any public facility which is owned, operated, or managed by or on behalf of any State or subdivision thereof, but not to enjoin discrimination in private facilities.

Under both sections 301 and 302 the jurisdiction of the district courts is mandatory, not discretionary, and the courts are not authorized to decline to exercise their jurisdiction. Specifically, neither the United States nor the persons discriminated against need exhaust any administrative or judicial remedies provided by the State prior to the institution of a suit by the United States or its intervention in private litigation.

When the Attorney General certifies, pursuant to section 301(a) that the signers of a complaint are unable to initiate proceedings or that the institution of an action will materially further the public policy of the United States favoring the orderly progress of desegregation of public facilities, his certificate is not subject to question in court.

The Attorney General may not be required to reveal the name or names of persons who signed such a complaint.

Under section 302 the Attorney General will be able to intervene in private lawsuits where local police officials are charged with denying equal protection of the laws by engaging in brutality or other improper conduct because of hostility to the race of the victims or to the goal of racial equality sought by the victims.

The term "action" as used in section 302 is not limited to suits for injunctive relief. It extends, for example, to a habeas corpus proceeding.

The right of private persons to sue is not affected by title III, nor is the validity of any State law or procedure which is consistent with, or designed to vindicate, constitutional rights.

Other titles of the bill are of equal importance. One of the gravest problems of the Negro today is job discrimination. Reports show that the income, per capita, of U.S. Negroes is $1,100, of U.S. whites $2,450. We know that Negroes are nearly always the last to be hired and the first to be fired. Also, most of the employed Negroes in this country are in the unskilled or semiskilled service trades, because they have been denied educational and training advantages enjoyed by the whites. It is important that we take prompt and effective action to end discrimination in employment, and title VII seeks to provide equal employment opportunity. It would make it an unlawful employment practice for employers of more than 25 persons, employment agencies, or labor organizations with more than 25 members to discriminate on account of race, color, religion, or national origin in connection with employment, referral for employment, membership in labor organizations, or participation in apprenticeship or other training programs. Provision for the Equal Employment Opportunity Commission is also important, and the Commission would have the right to bring a suit to enforce its view if it could not end discrimination by persuasion.

The right of all citizens to vote is fundamental and the Congress has taken steps to guarantee all citizens the right to vote without discrimination as to race or color. However, by devious and wrongful methods, the Negro has been prevented from voting in many areas of our country. The bill before us would prohibit the use of subjective literacy tests and other technicalities now utilized by registrars to bar Negro voters, in Federal elections. It would also expedite voting cases, and would create a rebuttal presumption in voting cases that an individual who has completed the sixth grade is sufficiently literate to vote in Federal elections.

The public accommodations section of the bill will give to Negroes all over the United States a measure of assurance against the ugly, cruel, destructive, and humiliating refusals of service which have made interstate travel a terrible experience for them.

Education of our youth—and all of our youth—is highly important to the future of our Nation. The Supreme Court decision regarding desegregation of schools has been ignored, flouted, and circumvented, in vast areas of our Nation. In many places, the condition is chaotic and children are receiving no education whatever because of the closing of schools by the authorities rather than obeying the law. This bill allows the Justice Department to bring school desegregation suits and authorizes Federal aid to school districts that are desegregating.

The Civil Rights Commission has done highly important work and it is necessary that it be given permanent status; this bill extends the life of the Civil Rights Commission permanently.

Another important section directs all Federal agencies to act against racial discrimination in any State or local program receiving Federal aid.

I wish to emphasize that it is imperative that we approve this bill in its present form; these are the minimum benefits we should provide and these reforms are long overdue. Any watering down of this bill would be entirely unacceptable to me.

It is an indisputable fact that the future and well-being of our Nation depends upon enactment of this civil rights bill. I sincerely hope and pray that this Congress will meet its responsibility and that we will now, finally, establish here in our Nation the true democracy of which we have boasted, and that all our citizens will be enabled to enjoy the equality and rights guaranteed them by our Constitution.

Mr. WILLIS. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. DOWDY].

Mr. DOWDY. Mr. Chairman, because of limited time, my remarks will be directed primarily to title VII, but as there are little title VII's in other titles, particularly title VI, some of them will enter into my discussion. If time permits, I will briefly discuss an amendment I will propose to title I, and an example of Federal discrimination in employment.

There has been considerable comment one way and the other about how this bill got reported from the Judiciary Committee in this form. A subcommittee had been considering various so-called civil rights proposals for a number of months, and had finally written a bill and reported it to the full committee. Afterward, the full committee was adjourned from day to day, with no opportunity to debate or amend the proposal. Finally, on the morning of October 29, 1963, the committee did meet at shortly after 10:30 a.m. At approximately 10:45 a.m., a mimeographed 56-page amendment was placed before us by the chairman, at which time he stated that the 56-page document would be considered as a unit, that we would not be permitted to have an explanation of it, nor would we be permitted to debate, discuss, nor offer amendments to it, nor ask questions about it, and that it would be voted upon that day prior to 12 o'clock noon. Some of us sought to have a little time to study the proposal, to see what it contained, but this was denied. The Clerk was ordered to read the 56 pages, which he did in a hurried, mostly unintelligible tone, in order to complete the reading prior to the noon hour.

It is regrettable that a situation could arise, wherein Representatives of the people would be deprived of the opportunity to take deliberate action, after due discussion and consideration, upon such a far-reaching piece of legislation. It is totalitarian in its nature, and will affect the lives and property of all our people, regardless of their color, race, religion, or national origin, and yet a powerful committee of Congress, composed entirely of lawyers who should think higher of themselves, permitted itself to be compelled to act under duress, and a majority of them vote for this pending bill, without even knowing what was in it. The truth of it is that the proponents did not dare let the members know what the bill provided.

I want to commend the Rules Committee for at least holding hearings on the bill, even though it was probably before closed minds. It is unfortunate, and even a disgraceful thing, that when this bill comes to a vote here in the House Chamber several days from now, few of the Members who vote on the question will have read the bill, and none will understand its purport. I have read the bill a number of times, and studied it closely, and I must admit that every time I read it, I find another scorpion, I had not found before.

This bill was not written by the Judiciary Committee; it was written in the Department of Justice, and was delivered to the House Office Building during the dark hours on the night before it was presented to the committee on October 29.

I would not have known this, but for the fact we had been working in my office late the evening of October 28. I had left the office about 9 p.m. One of my secretaries stayed to complete some of her work. At 9:15 two men presented themselves with this envelope, containing these 56 pages, and identified themselves as being from the Department of Justice. This envelope was placed among the other material that regularly comes from the various departments, for attention following first-class mail. Consequently, I did not learn of its delivery, and the manner thereof, until following the meeting of the committee on October 29.

Those of us who studied the bill after it was reported began pointing out its unconstitutionality, and the totalitarian powers it grants to the executive departments. When the proponents of the bill appeared before the Committee on Rules to explain it, they found themselves unable to answer questions about it, and to give wrong and contradictory answers to questions.

Apparently, it was only then that the Department of Justice was asked to prepare an explanation of the bill, and particularly about the powers granted to the executive. This explanation, called a memorandum, is about an inch thick, and contains, altogether, more than 200 pages. It was delivered under date of January 21, 1963; at least, that is the date on the cover letter to my office.

In examining this memorandum prepared by the Justice Department, it will be found that it does not deny the fact that the pending bill grants totalitarian powers to the executive departments. To the contrary, it seems to admit that fact, and then say, "we do not intend to use those powers." If the Justice Department does not intend to use those powers, then why did the Justice Department write them into the bill.

There is language in this bill which will quickly illustrate the point of unwarranted, dictatorial, and tyrannical powers granted. I will use a couple of them. Section 701 states:

> Opportunity for employment without discrimination is a right of all persons within the jurisdiction of the United States.

I think nobody would disagree with that, and most would subscribe to it. But section 711(b) says:

> The President is authorized to take such action as may be appropriate to prevent—

Such from happening.

Section 601 of the bill states:

> No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Again, everybody ought to agree to that, because it is right. But section 602 states:

> Each department and agency which is empowered to extend Federal financial assistance to any program or activity, by way of grant, contract, or loan, shall take action to effectuate same by rule, regulation, or order.

Nowhere in the bill is the word "discrimination" defined, so each department and each agency could prescribe its own definition, and the President could prescribe a definition for his actions. And these actions are made mandatory in the bill; the agencies and departments have no choice.

Suppose some person in Texas should claim that he was denied old age assistance because of race, color, or national origin, and the Federal bureaucrat in charge should agree with him. He could terminate all of the old age assistance of the State of Texas—or whatever of the sister States that might be questioned.

This could apply in like manner to Veteran's benefits, highway construction, Small Business Administration, Farmers Home Administration, or any of the other hundred or so programs. It would involve farmers, bankers, businessmen, professional men, and everybody, because there is no one today that is not either himself involved, or involved with someone who has a grant, contract, or loan from the Federal Government. It involves life and death control over whole cities, counties, and States, it concerns the survival of savings and loan associations, the well-being of laborers, homeowners, depositors, blind persons, aged, retirees, abandoned children, millions of Americans and unavoidably bound up in their daily lives in Federal contracts.

But to talk specifically about title VII. This is one title that the Judicial Committee did not have any hearings on; in fact, our committee does not even have jurisdiction over this title, and only assumed it by inserting it in among provisions that the committee did have jurisdiction over. When Attorney General Robert Kennedy appeared before our committee, after this was placed in the bill, he advised against including it.

American citizens have probably talked more about the public accommodations part of this bill, and it is bad enough, but I am afraid has caused sections 602 and 711(b) to be overlooked. I consider these two sections which grant the powers of a tyrant, to be the most vicious of anything contained in the entire bill. They go further than appears on the surface. Just as in taking sticks of wood from a woodpile, you look out for scorpions, here you find a scorpion under every word.

Any business or organization or individual could be used as an example, but I think we might take labor unions as an example of what can happen in the event this bill is enacted; and I have time to discuss only one effect on a union. Federal law protects representation rights and bargaining privileges granted to unions under the National Labor Relations Act, and the Railway Labor Act. Under the authority contemplated in the pending bill, the representation status of a union which fails to maintain a racial balance in its membership would be suspended or canceled. The suspended union would not have access to NLRB or the National Mediation Board procedures, and would lose its contract protections; it could not be placed on a ballot in any representation election; all of its rights under the law could be suspended, and its status would be similar to that of a union whose officers failed to file non-Communist affidavits under the law. Neither could it file any unfair labor practice charges.

The employer would be affected in that he would be required, in the face of the threat of jail and fine, to maintain a racial balance in his employees; in like manner, public and private schools would be affected in both faculty and student body. Even the individual would be affected down to the right he now has to rent, lease, or sell his home to whom he pleases, or who should build his new home, or repair his old one, and this is just a start of how this bill affects people and their property.

I do not believe the people of America are ready for this kind of regimentation, regardless of where they live, North, South, East, or West, or what their color, race, religion, sex, or national origin.

Now, I will mention an amendment I desire to propose to title I, the voting rights provision. Its purpose is to provide that none but living, eligible voters should be permitted to vote, and that they only vote one time, and that it be cast in the precinct of their residence.

This amendment might not have occurred to me, even though there was a voting box in Angelina County where the vote was 800 to 100 against me in my last primary. However, in August of 1962, following the primary, the CIO Committee on Political Education, which is the successor organization to the notorious CIO Political Action Committee, had a meeting in Chicago. This organization actively participated in the campaign that year, trying to defeat me. I had not thought much about it, but apparently the director of COPE had thought he had bought 100 percent of the votes at that box, because in his report, he complained bitterly about the 100 votes I got, out of the 900 cast there.

I made inquiry about the matter, and found that the opposition had paid poll taxes for more than 150 people, giving their residence as a small 2-room house. Subsequent to the election, an Angelina County grand jury investigated the matter and returned indictments.

One of the attorneys for the defendants in those indictments is the same person as the COPE-backed candidate in their campaign against me.

COPE's director accused the election judge of wrongdoing, but when the matter was adjudged by the grand jury, it was henchmen of the COPE-backed candidate who were indicted.

If we can guarantee the right of a person to vote, we certainly should guarantee that illegal votes shall not be permitted to offset those legal votes.

Now, the truth of the matter is that civil rights is merely a political slogan, nothing more nor less. The chest-beaters, themselves practice discrimination, and I will illustrate by a case of personal knowledge.

There has so much been said about discrimination by the self-righteous that perhaps I should not call attention to some of their own discriminatory action.

Let me say this—I believe in the full protection of the rights of everyone, regardless of color, race, religion, or national origin. I have practiced this, and have stood for the rights of a Negro any time I saw that he was being mistreated. I have done this, at times, to my political disadvantage, and certainly to my financial disadvantage. I will continue to do this, because it is a fundamental part of my life.

Downtown, the executive departments have been beating their chests for 2 years, accusing people of discrimination. I tell you they have themselves practiced discrimination because of color.

Year before last Frank D. Reeves, a Negro, was named by the Executive to be a Commissioner of the District of Columbia. It developed that he had been delinquent in paying his income tax in a total amount of $740. As a result, his appointment was withdrawn. Not long thereafter, Benton Musslewhite, a white boy, was appointed to a position with ARA, despite the fact that he had an income tax lien filed against him in the amount of $1,285.

I believe people ought to pay their taxes, and particularly those drawing salaries from tax funds; however, I do not believe there should be discrimination practiced by our Government—all should be treated alike—and if a white delinquent taxpayer is entitled to appointment, then a Negro should have the same entitlement—or, the converse, if the Negro is not, then the white should not.

To carry this a little further, if title VII of this bill is enacted, what is this House of Representatives going to do about the discrimination it is practicing. Down here in the House restaurant, there are only Negro men employed as waiters. Is that not discrimination against white waiters? You understand, I am not complaining about this, and have no objection to the system—the waiters are doing an excellent job—I am only asking—what are you going to do about it when these questions arise here, if this bill is enacted. Are you going to fire some of the present waiters, in order to obtain a racial balance in this employment? That will be the demand of the bill. It ought to be defeated, or drastically amended.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield to the gentleman from Mississippi.

Mr. WHITTEN. With reference to what people in Government will do, I think the gentleman might be interested in this: Under the accelerated public works program where this kind of right exists in the executive department, a project was approved and, while they had approved it, the two Senators from the States voted against the accelerated program and the man was taken off the plane and recalled. That shows you how these things can be handled.

Mr. DOWDY. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. McCULLOCH. Mr. Chairman, I yield the gentleman 1 minute, so that he may answer a question to be asked by the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield so that I may ask the question?

Mr. DOWDY. Will the gentleman yield to me 2 minutes?

Mr. McCULLOCH. I yield to the gentleman 2 minutes, provided the gentleman answers the question of the gentleman from California.

The CHAIRMAN. Does the gentleman from Ohio yield the additional 2 minutes?

Mr. McCULLOCH. I yield the additional 2 minutes, under the condition expressed.

Mr. DOWDY. I yield to the gentleman from California.

Mr. ROOSEVELT. I should like to ask the gentleman if he does not realize, in characterizing section 711 as being such a terrible thing, that section 711 simply makes into law what has actually been the practice of the executive branch of the Government for many years now under the President's Commission? Therefore, it is nothing new. This involves a power which obviously has been exercised by the President. Certainly, therefore, it cannot be properly characterized as something pulled out of the Dark Ages or as giving new, horrendous power to somebody, since it already exists. It does not seem to me that could be true.

Mr. DOWDY. I referred to section 711(b). If that is being practiced, then it ought not to be; that is all I can say.

Mr. McCULLOCH. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. SIBAL].

Mr. SIBAL. Mr. Chairman, I rise today with a deep sense of gratitude to support H.R. 7152. Since I first came to the Congress, 3 years ago, I have urged that we in the legislative branch assume the leadership in this battle for human rights under our Constitution. I am deeply gratified that at last we are meeting our responsibilities as a major branch of Government.

A year ago, in our efforts toward this end, many of us introduced a broad civil rights bill, which was supplemented by further legislation introduced in June.

These bills sought to fulfill the solemn pledges made by the Republican Party in its 1960 platform. As the only member of that party now in Congress from my State, I have a special obligation to uphold my party's traditional position in defense of individual liberty.

As a Member from Connecticut, a State which has been a leader in defending civil rights, I have a special obligation to carry out the wishes of the fellow citizens who sent me here.

Lastly, I fight for this legislation from deep personal conviction. Laws alone cannot hope to solve this intensely human problem but without the laws, it is not going to be solved. Some ask that we assign the question to reason and they tell us that the passage of time will wear it away.

I disagree. Time is also an eroder of spirit. Time is often a destroyer of rights, a father of evil, a wrecker of souls. Time knows no morals and dispenses no justice.

We have had time. We have had, on this issue, a hundred years of evolution. Now is the time, and what we are about to do is being done in good time and follows the natural course of that evolution. Indeed, it is past time, but at last we are acting.

This is an historic moment in the history of our country. We are about to create another landmark in the fight for human rights. Perhaps only in America could this happen in this way. I believe this to be so. I believe that when we have completed our work and this bill is law we will be able to walk more proudly in the world. The world knows what a problem we have. Everything is in the open in this country. Nothing has been hidden. Violence, murder, and riot, repeated time and again, have been displayed throughout the world. Our soul-wracking troubles have taken place in full view of friends and foe alike.

Our enemies may laugh at us and our pretensions to human liberty, but their shallow triumph will be stolen away from them by what we, in this free assembly of reasonable men and women, are doing. Where in the world of our taunters can men so gather to resolve a grave human crisis that has grown up in the community? In Cuba? In the Soviet Union? In Communist China?

Let them first look to the rights of their own people; let them learn to feed and clothe their own oppressed populations; let them educate their people and endow them with liberties free men should have. Let them do these things before they point at us with scorn and laughter.

We are making history, Mr. Speaker, proud history, and all of us should be proud to be a part of it.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. SIBAL. I yield to the gentleman.

Mr. WAGGONNER. Does the gentleman feel that this legislation should be enacted because the legislation was proposed in the Republican Party platform?

Mr. SIBAL. I am talking about my position on this. I feel honorbound to support my platform.

Mr. WAGGONNER. Does the gentleman realize the Communist Party platform in 1928 recommended this same legislation as part of their platform?

Mr. SIBAL. I do not think that kind of analysis is worthy of an answer. I refuse to yield further.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. McCULLOCH. Mr. Chairman, I yield 5 minutes to the gentleman from Vermont [Mr. STAFFORD].

Mr. STAFFORD. Mr. Chairman, I rise in support of H.R. 7152, the Civil Rights Act.

My decision to support this legislation actively and enthusiastically was not arrived at lightly, or without study.

Recognizing the compelling necessity to advance the cause of equal opportunity for all Americans, I was among those on my side of the aisle who introduced civil rights legislation last June 3d.

Although not a member of the Judiciary Committee, I have followed its deliberations carefully with respect to this issue. I am convinced that through bipartisan action we have been given a civil rights bill which is legally and morally sound.

It is a bill which, within the framework of our Constitution, will allow many Americans presently unable to do so, to exercise in full the privileges of their birthright, in common with the great majority of their fellow citizens.

I do not want more Federal controls over our individual lives. But I submit that the emphasis in this legislation is not upon Federal controls. It is upon individual liberties.

It is legislation to protect the right to equal opportunities of all Americans—regardless of race—regardless of creed—regardless of color.

We do not give special rights. We seek to guarantee equal rights.

We do not attempt to solve problems which essentially belong to the States. We strive for the solution of a great national problem, urgently demanding national legislation.

The United States contains people of many racial backgrounds. Their intermingling has led others to refer to our country as the "melting pot." Their developing fusion has been a source of much of our national strength and vitality.

It is, therefore, of paramount importance that each American—of whatever race, creed, or color—have full access to every opportunity enjoyed by all of his fellow citizens.

In closing Mr. Chairman, let me frankly concede that even this legislation will not fully solve the problems which confront us. It will advance the solution of that problem significantly, but this bill is not a panacea.

Actually, the problem will not be solved in its entirety until there is a desire on the part of all Americans to see that every other citizen has full access to all of the opportunities available under his American birthright. It will not be solved until all of us in our actions as human beings, do unto others as we would have done unto us.

I would hope that we here, by passage of this bill, will set an example for such action on the part of all of our citizens.

Mr. Chairman, I am proud to join in wholehearted support of the Civil Rights Act now before us.

Mr. McCULLOCH. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, as we assemble in these Chambers today to continue discussion of the civil rights bill, we also meet to pave a great new era in American life by reaffirming the essential dignity of man.

We are not in the process of creating this distinction, Mr. Chairman, because that has already been done for us in the great documents which lie at the foundation of our free, open democratic society.

For the issue at stake here is the issue of our very strength and unity in a Federal system of government.

It may very well be said that this legislation, as reported by the Judiciary Committee, will be the one single piece of legislation that will make the 88th Congress a historic one. In other areas —education, aid to mentally retarded, the test ban treaty, our unprecedented intervention to avert a nationwide rail strike—the Congress has moved forward, and accomplished much. But we will be rated, Mr. Chairman, on this legislation.

This bill, Mr. Chairman, is designed to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States and to provide injunctive relief against discrimination in public accommodations.

The legislation would also authorize the Attorney General to institute suits to protect constitutional rights in education.

Much has been said about the public accommodations clause.

It would establish a community relations service and extend for 4 years the Commission on Civil Rights.

It is also designed to prevent discrimination in federally assisted programs and would establish a Commission on Equal Employment Opportunity.

Taken together, these provisions are similar to the points made in the two civil rights bills I introduced during the first session of the 88th Congress, one in January and one later in June.

These two bills were designed to give the Attorney General additional authority to give the Negro the tools he needs in his valiant crusade for the freedoms that have been denied him.

My public accommodations bill would require that the Attorney General take action against any owner or operator of a business supplying accommodations, amusement, food, or services to the public—if such business is authorized by State or local subdivisions—where the business segregates or otherwise discriminates against customers because of race or color.

Under terms of the legislation, the Attorney General may also bring legal suit against any official who seeks to require or encourage segregation or discrimination.

These terms are almost similar to the administration bill which will be before the House and, for a Massachusetts resident, they are by no means unusual, since we have had similar laws on our books.

In fact, it is possible to go back to Colonial government in Massachusetts and find statutes dating 1710 which prohibit discrimination at inns and taverns and other places of public accommodations.

This legislation has been continually improved upon in Massachusetts and laws passed by the legislature in the early 1930's and later improved upon in the fifties are public accommodations law similar to the provisions under consideration at this time in the House.

I had the great privilege and honor of serving on the Republican platform committee in 1960 and finally chaired the subcommittee which wrote the final plank on civil rights legislation and I have believed that equality and dignity of every man must be part and parcel with our American democratic system.

This had been my position at the convention of 1960—it had been my position as a young student, as a serviceman, and later as a State and National officeholder. And then an amazing thing happened in 1963.

The race problem in the United States took on a dimension that shook every single American because it directly concerned everyone of us.

The Birmingham riots did not add this dimension, but they merely supplied proof that it already existed.

The Negro's fight for equality achieved powerful new thrust which could be summarized by the word "now."

The word "now" had more immediate meaning for him that it did 2 years ago, or 9 years ago when the Supreme Court desegregated the schools in law.

A new impatience swept through the land, and the Birmingham dogs who were let loose upon citizens who did nothing more than assemble in the street gave new impetus to a situation which—from that day onward—would never be the same again.

Now it has been approximately 188 years since the signing of the Declaration of Independence and it might be well to pause a moment and consider that great document which stated explicitly:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuant of happiness.

And immediately after these words we find that the Declaration goes on to state:

> That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed, and that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or abolish it, and to institute new government, laying its foundation on such principles.

And the key words here are "the right of the people to alter it"—a phrase that the Congress is now reconsidering. Therefore, 188 years after the Declaration of Independence—the Congress of the United States will be voting on an issue which is already stated as being a "self-evident truth" in one of the great documents which lies at the very foundation of our system.

But in all the words that will pour out of Washington in the next few weeks, all of us must realize that there is something a great deal more important than words that are at stake.

We can no longer tranquilize the Negro by words like "tolerance" and "token integration" because at this perilous stage in world history, there is the pressing need that all men come together once again in unity and purpose. It is time, clearly, for positive action.

And the first order of business here in the House is to insure that the Negro be given the basic rights of citizenship already stated in the laws of the land. This is the clear obligation placed upon all of us who have the responsibility of representing the U.S. Government in the year 1964.

And beyond these laws, the Negro needs to have his essential human dignity confirmed once again, at a time almost 100 years after Abraham Lincoln said:

> With malice toward none, with charity for all—let us strive to finish the work we are in.

In striving to finish the work we are in, Mr. Chairman, I am prepared to give my complete and continuing support in the House for the passage of the bill which will once again affirm our right to declare our independence and greatness as a nation. I enthusiastically endorse this legislation.

Mr. Chairman, I would like to finish my statement with a story because the men from the southland are elegant men, men who have made persuasive arguments. They have told many stories on the floor of the House during the last 2 days. But the story they failed to tell is the story about the Negro who went in to register to vote in a town in the Deep South that had a literacy test.

He said to the registrar, "I want to register to vote." The registrar said, "Can you read?" He said, "I certainly can read." The registrar took out a newspaper, which was written in Japanese, and he says "Can you read that headline?" He said, "No."

The registrar said, "I want to give you every opportunity to vote. Can you read that subheadline?"—which was written in Japanese. He said, "No, I cannot."

The registrar said, "Man, we love you people, so I will give you one other chance. Can you read this subheadline?"

The Negro studied it intently and said, "Yes, I can. It says 'No Negro is going to vote in this county.' "

I hope we can put a stop to that by this legislation.

Mr. McCULLOCH. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. REID].

Mr. REID of New York. Mr. Chairman, in this historic debate we must keep faith with the promise of our heritage.

We must make equality of opportunity and equal protection of the laws a present reality—not keep it a pious principle; nor a future hope.

One of the cornerstones of this bill is the FEPC title. It goes to the heart, Mr. Chairman, of human dignity and self-respect.

Without an opportunity to qualify for or obtain a job on merit—a man's horizons are dimmed and America's robes of democracy are dragged in the dirt and the cause of liberty—which should stand forth peerless—is soiled and sadly tarnished.

Discrimination against qualified men, whether it be by an employer, a labor organization, an employment agency, or in an apprentice or on-the-job training program—is morally reprehensible. It cannot be condoned. It is a tragic waste of America's human resources.

It is my hope that the FEPC title in this bill will be strongly supported in both this House and in the other body.

For if a man on merit be denied a job and a decent wage, all else of his family's future is imperiled; his house or apartment may be substandard and in rundown areas of our core cities—and this impinges directly on our schools and his children's opportunity for academic competition and excellence.

As a former chairman of the New York State Commission for Human Rights, the first such State body, created in 1945, perhaps you will permit me to say that an equal employment commission works and works well.

Results in human terms underscore this, and the figures further confirm it. From 1945 to 1963—10,869 total complaints were filed—over 8,000 of these on employment—and the vast majority were settled voluntarily by conference, conciliation, and persuasion. Of the some 1 percent that finally went to public hearings, only 12 today are still pending. The New York State Commission for Human Rights has pioneered effectively and it has now been copied in 22 States of the Union with fair employment laws covering some 64 percent of the American people.

Therefore, from conviction and from a little experience, I strongly support this title and the overall bill—H.R. 7152.

Now, in Lincoln's phrase, let the news go forth from this great House that America recognizes its responsibilities and, above all, that the American people—through this body—will make hope, human dignity, and equal opportunity a reality now for all Americans. Let it be said we kept covenant with the American dream.

I insert the following table of the disposition of complaints filed with the New York State Commission for Human Rights, 1945–63—for the information of the Members.

APPENDIX B

Complaints filed with the New York State Commission for Human Rights, 1945–63

Disposition	Total	Employment		Public accommodations	Housing	Education
		Age	Other			
Probable cause, specific complaint sustained:						
Adjusted after conference and conciliation	2,221	120	1,351	350	399	1
Ordered for hearing or consent order issued	[1] 123		73	17	33	
No probable cause found as to specific complaint but other discriminatory practices or policies found and adjusted	1,739	74	1,600	38	27	
No probable cause found, specific complaint dismissed and no other discriminatory practices or policies found	4,941	233	3,913	433	349	13
Withdrawn by complaint	285	14	172	47	50	2
Lack of jurisdiction, specific complaint dismissed	[2] 880	41	368	53	405	5
Total closed	[2] 10,189	482	7,477	938	1,263	21
Open, Dec. 31, 1963	680	36	378	42	221	3
Total filed	[2] 10,869	518	7,855	980	1,484	24

[1] 29 of these complaints were settled by a consent order without being ordered for public hearing. Of the remaining 94, their status as of Dec. 31, 1963, is as follows:

Settled or discontinued before hearing	49
Settled during hearing	23
Hearing completed	14
Pending (hearing started for 7)	8

A hearing is sometimes concerned with 2 or more similar complaints. The 94 complaints ordered for hearing were equivalent to 51 hearings, as follows:

Settled or discontinued before hearing	28
Settled during hearing	7
Hearing completed	12
Pending (hearing started for 3)	4

[2] Includes 8 complaints not related to employment, public accommodations, housing, or education.

Mr. McCULLOCH. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. DEL CLAWSON].

Mr. DEL CLAWSON. Mr. Chairman, to remain silent during the course of debate poses a difficult problem for a junior Congressman, and the time finally arrives when inner forces combine and impel even a freshman to speak out.

Within 2 months following my election last June, it was evident that legislation involving one of the most comprehensive and controversial subjects ever to face this Nation would be on the floor of the House during the 88th Congress. My examination of the proposed legislation convinced me that it was not in the public interest and would not meet the basic economic needs that are so vital to achieve the humanitarian goals that all of us desire.

A questionnaire was mailed to every residence in the 23d Congressional District in California in which a registered voter resided. This questionnaire contained only seven questions, all on the subject of civil rights and the administration's proposals at that time. Of the 102,000 people who received questionnaires, over 26,000 replied—a return of more than 25 percent, which, I am told, far exceeds the usual participation.

The 23d is a multiracial district in the center of Los Angeles County, about equal distance from the city of Los Angeles on the north and the city of Long Beach on the south. Politically, the registration is about 65 percent Democrat to 35 percent Republican. The people are a cross section of industrial America living in 13 incorporated cities ranging in size from a few hundred population in Vernon to about 90,000 in Downey. Without exception, each city was well represented in the returns, and almost 99 percent of the people provided names and addresses.

Californians are well aware that the proposed civil rights bill contains no provisions that offer more to minorities than laws already in effect in California. With this awareness, their answers revealed a keen cognizance and insight into the consequences of this legislation in their personal lives and activities. Of course, this Federal legislation in no way involves Californians' voting rights, public accommodations, desegregation of public facilities, school integration, FEPC or other areas of civil rights proposals. Such civil rights are a matter of law in California.

The tabulation of the returns is provided for the RECORD.

[In percent]

Civil rights survey	Replies		No reply
	Yes	No	
1. Should the U.S. Attorney General be given authority to file suit to desegregate local public schools and colleges?	23.1	76.6	0.3
2. Should discrimination be unlawful in any program or activity receiving Federal funds?	49.1	49.4	1.5
3. Should "any establishment where goods, services, facilities, privileges, advantages, or accommodations are held out to the public for sale, use, rent, or hire" be compelled to serve all persons, regardless of race, color, religion, or national origin?	25.3	74.4	.3
4. Do you favor creation of a Federal agency to supervise the solution of racial disputes in local communities?	15.1	84.3	.6
5. Do you favor changes in laws to increase job opportunities for Negroes and to provide better education and job skills?	37.3	61.3	1.4
6. Do you favor establishment of a Federal Fair Employment Practices Commission to outlaw job discrimination in private business?	15.1	84.0	.9
7. Should the Government, State or National, regulate the sale of your home or personal property? [1]	3.0	96.8	.2

[1] Of State and local interest.

Mr. Chairman, the people of the 23d District spoke with a voice loud and clear. This opinion survey was not a spot check, nor a sampling, nor worded in such a way as to solicit predetermined replies. Objective in nature, simple in approach, and honest in effort to obtain the attitudes of the people whom I have the honor to represent, the survey provided the vehicle for the individual expression of convictions by constituents. Hundreds and hundreds of letters were received, augmenting the "yes" and "no" answers recorded on the survey form.

Mr. Chairman, the comments and observations expressed by the people correspond closely to the objections that I have. We heard testimony yesterday stating that existing liberal civil rights statutes will not be affected by this legislation. This statement is just not true. The people of America vigorously protest further centralization of governmental power in Washington. In this proposed bill, the right of local government to resolve local problems is placed in jeopardy.

Few areas of our private or public life in the United States today are so remote or so insignificant that the groping tentacles of Federal authority have left them untouched. With this legislation, the Federal Government and its agencies are authorized to exercise almost complete control over the private sector of our economy and over local jurisdictions where any Federal aid or assistance is provided. Constitutional guarantees of personal ownership and control of private property are seriously imperiled in this proposed bill. No nation can extend the freedom of one group of its people by restricting the liberties of another.

Mr. Chairman, I urge my colleagues to support every constitutional civil rights proposal and oppose any further extension of the Federal Government into the private and local affairs of our people.

Mr. McCULLOCH. Mr. Chairman, how much time remains on this side?

The CHAIRMAN. The gentleman from Ohio has 28 minutes remaining. The gentleman from New York has 10 minutes remaining.

Mr. McCULLOCH. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. CELLER].

Mr. RODINO. Mr. Chairman, I yield such time as he may require to the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, I want to take this opportunity to reiterate my support of the provisions relating to equal employment opportunities.

There should be no controversy on this issue. If jobs in all walks of life and in every professional area can be made available to persons of equal qualifications and without discrimination, a giant step will have been taken toward the solution of all other problems which result from discrimination.

This section is a key section of the bill. The citizen employed to the full extent of his qualifications is much better prepared to help his family meet the educational and advancement goals for which every American prays. Equality of employment opportunities provides every citizen with the tools of self-help which is essential to his pride. The proposals which are being made today are a step in the right direction.

When President Lyndon B. Johnson headed the Equal Employment Opportunities Commission, he vigorously pursued the voluntary program to the limit of its mandate. While this experience in voluntary action vigorously pursued by President Johnson has achieved great success, it became evident that the high purposes of the Commission could not be fully achieved without the enactment of this proposal. The need for this legislation is clearly supported by the case experience of the voluntary program.

Through his leadership of the Equal Employment Opportunities Commission, President Johnson provides expert counsel when he urges the Congress to adopt this proposal along with the other proposals in the committee bill.

I urge the full support of this program to permit our country to thrive in the atmosphere of full and meaningful equality.

Mr. RODINO. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. St. Onge].

Mr. ST. ONGE. Mr. Chairman, civil rights has been a subject of concern to Congress and to the entire Nation for 100 years. The 13th, 14th, and 15th amendments to the Constitution plus numerous statutes enacted as early as 1861 show the great national interest in this matter.

In recent years, as the Negro citizens of our country have pressed their legitimate demands for full equality, the subject matter of civil rights has expanded from guarantees of the right to vote to include education, housing, and access to the marketplace—jobs and public accommodations. Today the problems of civil rights are nationwide. They are found in urban and rural areas in every section of the country.

Congress recognized the scope and complexity of civil rights problems in 1957 when it created the Civil Rights Commission. Knowledge and understanding are basic to the wise solution of a problem. The Commission was given the job of ferreting out the facts on denials of the right to vote and of the equal protection of the laws assured each citizen by the Constitution.

The Commission and its advisory committees in each State fulfill an important need by gathering the information required for intelligent action by Congress and the executive branch of Government. There is no other body in Government with this task. Its inquiries are not included within the jurisdiction of the FBI, the Justice Department, or other law-enforcement agencies.

During the 6 years the Commission has been in existence it has investigated denials of the right to vote, equal protection of the laws in public education, employment, housing, and in the administration of justice. Hearings have been held in all parts of the Nation—New York, Chicago, Los Angeles, Memphis, and New Orleans, to name just a few. The Commission's annual education conferences have promoted orderly school desegregation. All of these actions of the Commission, by bringing the facts to light, tend to reduce tensions and bring about rational solutions to racial problems. Once the facts are understood, men of good will can often resolve their differences amicably.

The Commission's findings and reports have provided the basis for Executive orders and legislative proposals. President Kennedy's order prohibiting discrimination in federally assisted housing was the result of recommendations made by the Commission in its 1959 and 1961 reports. The Commission's investigation of denials of the right to vote provided the impetus for the 1960 Civil Rights Act and formed the basis for several successful voting suits brought by the Justice Department. Much of the legislation we are now considering had its genesis in Commission reports. The 1963 report contains an impressive 17-page appendix listing all of the governmental actions taken as a result of Commission activity. In just a few short years the Commission has made a truly fine record. Congress can be justly proud of its wisdom in creating this agency.

Much of the credit for the accomplishments of the Commission must go to its distinguished members from both parties and every section of the Nation. The Chairman of the Commission is John A. Hannah, president of Michigan State University. Other members of the Commission are Erwin N. Griswold, dean of Harvard Law School, Rev. Theodore M. Hesburgh, president of Notre Dame University, and Robert A. Rankin, professor of political science at Duke University. Other members of the Commission have been Robert G. Storey, head of the Southwestern Law Center, former dean of Southern Methodist University Law School and past president of the American Bar Association, John A. Battle, former Governor of Virginia, and Spottswood W. Robinson III, former dean of the Howard University Law School.

Credit also must go to the 487 members of the 51 State advisory committees. These committees are composed of lawyers, businessmen, labor leaders, clergymen and civic leaders in all 50 States and the District of Columbia. The members of these committees serve without compensation and make a valuable contribution to racial harmony at the local level through surveys, public meetings and conferences with Government officials. These committees have no subpena powers, but in most areas those concerned with civil rights problems have cooperated voluntarily with the committees and much progress has been made by them.

Recently, these committees have inquired into equal opportunity in apprenticeship training, relocation under urban renewal and police-community relations. The information gathered by these committees is sent to the Commission and forms part of the basis for its reports.

All of this has been done with a staff of just 72 people and on an annual budget of less than $1 million—the appropriation for fiscal 1963 was $950,000. This is not a large sum when compared to the Commission's outstanding record.

The Commission's performance is all the more remarkable in view of the fact that it has done all this in spite of ever-present uncertainty over its future. The life of the Commission, originally 2 years, has twice been extended for an additional 2 years by riders to appropriation bills, and most recently for 1 year by an amendment to a private bill. This uncertainty has prevented the recruitment, training, and retention of top quality personnel and prevented the undertaking of extensive investigations and long-term projects.

After careful review of the entire record, it is the judgment of the committee that the Commission's operations will be strengthened and made more efficient and effective if it is put on a stable, permanent basis. This is particularly desirable if the Commission is to serve as a national clearinghouse for information on civil rights problems, as the bill proposes, and as President Kennedy recommended.

In view of its background and experience, the Commission is in a unique position to make available to those public and private institutions desiring it, information on how to resolve racial issues in a constructive manner. By advising communities and groups of the ways in which others have successfully dealt with their problems, the Commission can promote the speedy and orderly settlement of grievances.

In making the Commission permanent, Congress would be casting the Commission in a postive role and providing a much-needed service to the American people. By this action we will be facing up to the reality of the present racial situation.

There is no easy solution to our racial problems. They will be with us for a long time to come. Race relations is the No. 1 problem in our society. It can be solved only by reason and good will on the part of everyone. It is the firm belief of our committee that we can take a long step toward a solution of these problems by making the Commission permanent and expanding its functions to permit it to act as a national clearinghouse for civil rights information.

The principal amendments in title V would make the Commission a permanent agency and broaden the scope of its authority. By establishing it as a national clearinghouse for matters of civil rights, particularly denials of equal protection of the laws, this title would also give the Commission the power to investigate voting frauds or discrimination in Federal elections and makes technical and procedural changes. I want to make brief references to some of the sections under title V:

Section 501 makes minor amendments to section 102 of the Civil Rights Act of 1957—42 U.S.C. 1975a—which sets forth the rules of procedure for hearings held by the Commission.

Section 103(e) is amended to conform to the fairplay rules of House committees. It provides that where the Commission decides to take evidence in public which may tend to defame, degrade, or incriminate any person, that person must be given an opportunity voluntarily to appear as a witness.

Section 102(g), which relates to evidence taken in executive sessions, is amended to conform to the modifications in 102(e).

Section 102(J) is amended to increase witness fees and mileage reimbursements and decrease subsistence allowances to bring them into line with amounts generally allowed witnesses in other proceedings.

Section 102(k) is amended to grant the Commission power to subpena a witness who is domiciled in a State or who resides outside the State, if the hearing to which he is subpenaed is within 50 miles of the place where the witness is found or resides, or has appointed an agent for receipt of service of process. The purpose of this amendment is to allow the Commission to subpena a person who lives outside a State but within a metropolitan area and whose business or conduct affects conditions in the area. For example, when the Commission held a hearing on housing in the District of Columbia, the scope of its inquiry was restricted by its inability to subpena those who lived or did business in the surrounding area. The granting of this power is in no way unusual. Most other Government agencies have nationwide jurisdiction. The Tariff Commission, also an investigatory body, has the broadest jurisdiction, *Hannah* v. *Larch* (363 U.S. at 472).

Section 502 amends 103(a) of the act to increase the compensation paid nongovernmental members of the Commission to $75 per day and provide payment for their travel expenses and per diem in accordance with the Administrative Expense Act of 1946, in lieu of a subsistence allowance. This change is made to conform with the practice of other agencies.

Section 503 amends 103(b) to provide travel expenses and per diem for governmental members of the Commission, according to the Travel Expense Act of 1949, in lieu of subsistence allowances. This change is also made to conform to the practice of other agencies.

Section 504(a) amends 104(a) by enlarging the functions of the Commission in the manner described above.

Section 504(b) repeals 104(c) to make the Commission a permanent body, as stated above, and prescribes its duties and functions.

Section 505 amends 105(a) to increase the maximum fee to consultants to $75 per day. This change conforms to the practice of other agencies.

Section 506 amends 105(g) by providing for the issuance of an order for compliance with the Commission's subpenas to conform to the enlarged jurisdiction granted the Commission in 501.

Section 507 grants the Commission power to establish rules and regulation. This power is possessed by most other agencies

Mr. McCULLOCH. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman and members of the committee, yesterday in the brief period that I spoke I analyzed title VI of the bill to some extent, and then the gentleman from Minnesota [Mr. MACGREGOR], and I spent some time on the public accommodations section, title II. I stated then, that today I would spend as much time as would be permitted me on aspects of title VII, the controversial FEPC part of this legislation. I would like to begin that by saying a few words about how title VII happens to be in this bill.

Any number of speakers in opposition to the legislation have said that the Judiciary Committee did not consider the subject. Let us set the record straight and put the matter back in context. The first criterion for bringing legislation on the floor to be debated and discussed is whether or not a legislative committee has considered the facts, which is the basis for proposing a revision of the laws of the United States. Secondly, whether or not a legislative committee has considered proposed changes to those laws in order to adjust the laws to the facts. Well, now, there is no doubt not only has one committee but two committees of the House have examined this question. As the chairman of the Judiciary Committee pointed out, the Committee on Education and Labor has reviewed extensively this question of proposed FEPC legislation and job opportunities. That committee reported out a bill which remained in the Committee on Rules. I would like to remind the Members today, that that bill, as I read the report of the Committee on Education and Labor, had the support of an overwhelming majority of the Committee on Education and Labor on both sides of the aisle. The report of the committee shows that those who signed separate or minority views did so only because they wanted an important amendment which would make the test of charges about discrimination in unions, in management, or in employment agencies—to take place in the courts. They wanted trials de novo, as the lawyers call it, in the courts.

In other words, they wanted to avoid a commission of the U.S. Government which would make the charge and also conduct the hearings, with court review of the record later on. That change was made. That major amendment was made by the Committee on the Judiciary, and on that basis I cannot see that the overwhelming majority of the Committee on Education and Labor on both sides of the aisle can have substantial argument to make against the FEPC title in this bill.

Secondly, as to the facts, that same committee has examined the facts from top to bottom, and we, the Committee on the Judiciary, have the hearings. I think that the record ought to be made clear as to what the Judiciary Committee of the House of Representatives did on this subject, too. All Members have to do is to take a look at the hearings. They are in 4 volumes, over 2,600 pages, and if Members will turn to the index at 2651, they will see page after page of reference in the Judiciary Committee hearings to the question of discrimination in the labor market; they will find these under subtitles of "Employment," "Employment Practices," "Equal Employment Opportunity," "Unions," et cetera. There are references throughout. It may take Members who have not taken the trouble to read the hearings quite a bit of time to wade through the testimony that was elicited in the House Judiciary Committee on the question of jobs.

We have appropriated quite a bit of money and gone to quite a bit of effort in the past to equip a Civil Rights Commission with powers, staff, and time in which to examine this question throughout the country. We instructed the Civil Rights Commission to report to the President and to us, and it has been reporting to us quite regularly. I wonder how many Members of the House took the trouble to read, for example, this particular document that I have in my hand, which is volume 3 of the 1961 Civil Rights Commission report on the question of employment. This is a document which was given to us as legislators on the basis of which we are supposed to act or at least have the facts and figures that will enable us to draft legislation. It is a very interesting and very comprehensive report. No one can doubt, after reading it, that we have an enormous problem in this country.

Lastly, I think it has to be noted that we members of the Judiciary Committee even received a letter signed by majority and minority members of the Committee on Education and Labor pleading with us to bring out FEPC from the House Judiciary Committee because of their inability to get the bill onto the floor of the Rules Committee.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman.

Mr. ROOSEVELT. Mr. Chairman, I simply want to say that not only is what the gentleman has said absolutely true, but on top of that we appeared before the gentleman's committee and made a part of his record all of the hearings that we held in the Committee on Education and Labor.

Mr. LINDSAY. I thank the gentleman. I hope Members will take the trouble to study title VII with some care, particularly the procedures that are spelled out at page 74 of the committee print. The procedures are carefully spelled out at page 74 of the committee in the event that there is a charge of discriminatory practices in a labor union, in an employment agency or in management. Those procedures are designed to give due protection to everyone. They command that there first be voluntary procedures. They yield to the States. In fact, the whole scheme of this legislation is designed to yield to the States wherever and whenever possible.

And with the exception of the section in the bill quite appropriately pointed out by the gentleman from Virginia [Mr. POFF], this is a civil procedure. In fact, as I mentioned yesterday this whole bill is a civil act, not a criminal piece of legislation.

I would urge Members also to read with some care the supplemental report that was written by seven of the minority members of the House Judiciary Committee, led by the distinguished ranking minority member, the gentleman from Ohio [Mr. MCCULLOCH]. To give the report further distribution than it received at the time, this morning under the 1-minute rule I inserted the entire report in the CONGRESSIONAL RECORD. It is brief and will be easily read. We tried to emphasize in that report that title VII concerns economic waste; the economic waste that is caused by denial of job opportunities to citizens in this country. The figures are hardly believable.

Unemployment rates, for example, range from two to three times higher for nonwhites than for whites. The table which appears on page 27 of the supplement report demonstrates that nonwhites made up 11 percent of the civilian labor force in 1962 and 22 percent of the unemployed. Approximately 900,000 nonwhites were without jobs constituting an unemployment rate of 11 percent.

This retardation of economic standards is in nonwhite groups where we find hard-core unemployment today. It is made worse day by day by the upgrading of job skills associated with automation. It is a vicious cycle. Jobs and training go hand in hand. The widening difference in unemployment rates between whites and nonwhites will be, in 10 years, 4 to 1, unless adjustments are made.

Look at table 2 on page 27, if you will, on the question of unemployment by groups. Then take a look at page 28—comparisons of minimum annual income of whites and nonwhites—where you will see ratios of 2 to 1. The chasm gets wider instead of narrower.

Look also at page 1791 of the committee hearings before the Committee on the Judiciary, and you will see a very remarkable statement by George Meany, president of the AFL-CIO, when he was pleading for FEPC legislation. Here is what he says:

> We need the force of law to carry out our own principles. We need a Federal law to help us to do what we want to do, which is to mop up those areas of discrimination which still persist in our own ranks.

What Mr. Meany was saying was that in the ranks of labor the labor leaders in this country have not been able to eradicate Jim Crowism.

He went on to say that it was impossible to dictate to local unions around the United States that job opportunities and the opportunity to be a member of a labor union with all the benefits that go with membership should be opened up to Negroes as well as to whites. He was saying that he needed the backing of Federal law.

Mr. REID of New York. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from New York.

Mr. REID of New York. Is it not a fact, in furtherance of the point the gentleman has just made, that in apprentice training where the need is greatest in the employment area, only something like 2 percent that undergo apprenticeship training nationally are Negroes?

Mr. LINDSAY. That is correct. Apprenticeship training is probably the most immediate area of effort that has to be made in the United States today if we are going to conquer this problem of hard-core unemployment.

I hope the Members will take a look at page 30 of this same report, where you will see projections laid out for the future indicating the number of job skills that will be in short supply by 1975. These skills must be found if America is going to meet the demands and challenges of the technological age.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Iowa.

Mr. GROSS. Speaking of the future, page 84, top of the page, section 706 provides after the first year title VII of the bill will cost $10 million a year. Can the gentleman project over the future the total cost to put this program into effect?

Mr. LINDSAY. As the gentleman knows, and I am sure he has read the bill carefully, as he always does, after the first 3 years the bill will be in full swing and effect. The bill allows 3 years to bring within its scope those labor unions and those industries which are in interstate commerce, and only those are affected by this bill. At that time it is estimated that the cost will be $10 million. This cost is far lower than what it would be if the old FEPC bill, which would have provided for the administrative process to be carried on in the commission instead of in the courts, had been adopted by our committee.

Mr. GROSS. The $10 million applies to title VII?

Mr. LINDSAY. That is correct.

Mr. GROSS. There are six other titles. What is going to be the cost to finance the rest of the titles?

Mr. LINDSAY. I am sure that the gentleman will not object to the saving of possibly hundreds of millions of dollars and maybe going on into the billions ultimately in this country by the gross national product rising, by less unemployment, by hard-core unemployment reduced, by the fact that the labor market is opened up to all citizens of this country regardless of race.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from New Jersey.

Mr. RODINO. In a letter from Mr. Katzenbach, Deputy Attorney General, appearing on page 2772 of the hearings, the statement is made that:

> For the convenience of the committee, the estimates have been broken down by title and represent the expected average annual cost over a 5-year period.

TITLE VII, EQUAL EMPLOYMENT OPPORTUNITY:

Equal Employment Opportunity Commission	$5,760,000
Department of Labor (special study)	75,000
Total	5,835,000

Mr. LINDSAY. I thank the gentleman.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. SENNER].

Mr. SENNER. Mr. Chairman, within fairly broad limits I have carefully observed the time-honored adage that freshman Congressmen should be seen and not heard on the floor of this House. I would certainly recommend the practice to all future freshmen because it permits the accumulation of a most excellent and liberal education from our more seasoned and knowledgeable colleagues.

I had hoped to continue maintaining a golden silence at least until the close of the 88th Congress. But such hopes did not take into account the issue of civil rights, nor the plans of the brilliant and distinguished chairman of the House Judiciary Committee on which committee I am privileged to serve. As a result of both factors, it is my assigned task to discuss titles II and VIII of H.R. 7152 which, pending the will of Congress, represents one of the truly great advances in the cause of individual liberty in American history.

Mr. Chairman, let us take careful note of the fact that H.R. 7152 is not a one-man bill, an administration bill, a Democratic bill, or a Republican bill. In every sense of the expression, it is everybody's bill. It is truly the conscience of the American people speaking.

My Democratic and Republican colleagues on the Judiciary Committee deserve the highest praise and commendation for the long, troubled hours spent blending divergent ideas into a unified whole.

Permit me here to interject in advance, my humble apology for any feelings I may inadvertently offend. If my colleagues will attribute such an incident to the unintentional blundering of a freshman totally dedicated to the task before him, I will be most grateful.

By all that is reasonable, logical, and—yes—holy, we should not be here today. There should be no need to reaffirm what is basic truth. We may quote God himself—

> And God said, let us make man in our image, after our likeness—and let them have dominion over the fish of the sea, and over the fowl of the air, and over the cattle, and over all the earth, and over every creeping thing that creepeth upon the earth.
>
> So God created man in His own image, in the image of God He created him—male and female created He them.

Who then will say that Negro, Indian, Jew, or Greek is not of the race of man. For in our faith these distinctions have long since been abolished, not by act of man or by legislative fiat, but by God's own action. St. Paul assured us:

> There is neither Jew nor Greek, there is neither bond nor free, there is neither male nor female—for ye are all one in Christ Jesus.

Unfortunately, raw emotionalism has proven to be more powerful than reason and logic, and remedial legislation has become not only essential, but inevitable.

More than a hundred years ago, in the midst of a war whose roots grew in the first slave ship which discharged its cargo in the new world, President Lincoln issued the Emancipation Proclamation announcing that slavery in America was ended. The outcome of the war in 1865 constituted the ratification of that historic document. And the 13th, 14th, and 15th amendments to the Constitution wrote the essence of the proclamation into the highest law of the land.

The proclamation and the pronouncements of the Constitution gave promise that all Americans would have a position of equality under the law. Just as important, those great writings also held out the promise that the Negro would be able to make his way into the mainstream of national life—free of the civil disabilities which slavery had imposed on him. Yet here and now, a century later, those pledges remain unfulfilled.

Discrimination and segregation in any form are festering sores on the face of humanity. And the most galling form of all in this country, which was created by a struggle for freedom and equality, is for a man to be told openly and shamelessly that he is not entitled to equal treatment in places of public accommodation.

To be rejected as an individual because one is ill-mannered, improperly dressed or the like, is a rational, understandable act. But to be turned away because of the color of one's skin is an act of such irrationality as to be impossible of explanation in personal terms.

The Federal Government has been slow in coming to the assistance of those who are insulted and inconvenienced by racial discrimination in public establishments. Thirty States have enacted legislation to prevent this. The need for Federal intervention would never have come about had others followed.

Title II is designed to open to our citizens on a nondiscriminatory basis the major public facilities of this Nation. Title II is moderate legislation. It invades no man's privacy and compels no personal or confidential relationships. It deals only with places which have traditionally held out services and facilities to the general public. It simply makes plain that the general public consists of all the people throughout the whole of this great country, without regard to race, creed, color, or place of origin. And most important of all, it would advance the Nation along the paths of liberty and equality on which it was set by the events of its birth.

The places of public accommodation specifically designed in title II for coverage are set forth in section 201.

> SEC. 201.
>
> (b) Each of the following establishments which serves the public is a place of public accommodation within the meaning of this title if its operations affect commerce, or if discrimination or segregation by it is supported by State action:
>
> (1) Any inn, hotel, motel, or other establishment which provides lodging to transient guests, other than an establishment located within a building which contains not more than five rooms for rent or hire and which is actually occupied by the proprietor of such establishment as his residence;
>
> (2) Any restaurant, cafeteria, lunchroom, lunch counter, soda fountain, or other facility principally engaged in selling food for consumption on the premises, including, but not limited to, any such facility located on the premises of any retail establishment, or any gasoline station;
>
> (3) Any motion picture house, theater, concert hall, sports arena, stadium, or other place of exhibition or entertainment; and
>
> (4) Any establishment (a) which is physically located within the premises of any establishment otherwise covered by this subsection, or within the premises of which is physically located any such covered establishment, and (b) which holds itself out as serving patrons of such covered establishment.
>
> (C) The operations of an establishment affect commerce within the meaning of this title if (1) it is one of the establishments described in paragraph (1) of subsection (B); (2) in the case of an establishment described in paragraph (2) of subsection (B), it serves or offers to serve interstate travelers or a substantial portion of the food which it serves, or gasoline or other products which it sells, has moved in commerce; (3) in the case of an establishment described in paragraph (3) of subsection (B), it customarily presents films, performances, athletic teams, exhibitions, or other sources of entertainment which move in commerce; and (4) in the case of an establishment described in paragraph (4) of subsection (B), it is physically located within the premises of, or there is physically located within its premises, an establishment the operations of which affect commerce within the meaning of this subsection. For purposes of this section, "commerce" means travel, trade, traffic, commerce, transportation or communication among the several States, or between the District of Columbia and any State, or between any foreign country or any territory or possession and any State or the District of Columbia, or between points in the same State but through any other State or the District of Columbia or a foreign country.

The foregoing finds its constitutionality based on the commerce clause—article I, section 8, paragraph 3 of the U.S. Constitution.

Section 201(d) defines additional categories of public accommodations as follows:

> 201(d) Discrimination or segregation by an establishment is supported by State action within the meaning of this title if such discrimination or segregation (1) is carried on under color of any law, statute, ordinance, regulation, custom, or usage; or (2) is required, fostered, or encouraged by action of a State or a political subdivision thereof.

The constitutionality of this provision stems from the 14th amendment to the U.S. Constitution.

Certain exemptions, with modifications, are made to the provisions of title II and these are explained in section 201(e):

> 201(e) The provisions of this title shall not apply to a bona fide private club or other establishment not open to the public, except to the extent that the facilities of such establishment are made available to the customers or patrons of an establishment within the scope of subsection (B).

While the primary purpose of section 201 is to list those businesses expressly covered or exempted by title II, sections 202 and 203 specifically prohibit the practice of discrimination or segregation.

Section 202 declares:

> SEC. 202. All persons shall be entitled to be free, at any establishment or place, from discrimination or segregation of any kind on the ground of race, color, religion, or national origin. If such discrimination or segregation is or purports to be required by any law, statute, ordinance, regulation, rule, or order, of a State or any agency or political subdivision thereof.

Section 203 further provides that—

> SEC. 203. No person shall (a) withhold, deny, or attempt to withhold or deny, or deprive or attempt to deprive, any person of any right or privilege secured by section 201 or 202, or (b) intimidate, threaten, or coerce, or attempt to intimidate, threaten, or coerce any person with the purpose of interfering with any right or privilege secured by section 201 or 202, or (c) punish or attempt to punish any person for exercising or attempting to exercise any right or privilege secured by section 201 or 202, or (d) incite or aid or abet any person to do any of the foregoing.

To enforce the prohibitions of title II, as contained in section 203, section 204 provides that an aggrieved person will be able to file a civil action for preventative relief. In addition, the Attorney General would have the authority to bring suit whenever he is satisfied that such an action would materially further the purposes of this title.

However, in the event there is a State or local law forbidding the act or practice involved, the Attorney General would first be required to notify the appropriate State or local officials and, on request, allow them a reasonable time to act before he filed suit. In addition, he would be authorized in any case to use the services of available Federal, State, or local agencies to attempt to secure voluntary compliance with the provisions of title II.

The prohibitions of the title would be enforced only by civil suits. Neither criminal penalties nor the recovery of money damages would be involved. Of course, any person violating a court injunction under the provisions of title II would be subject to contempt proceedings, but any criminal contempt proceedings would be limited under section 205(c), by the jury trial provisions of the Civil Rights Act of 1957.

Much has been said that such contempt proceedings would represent trial without jury. This is true. However, if tried without a jury and convicted and sentenced to a fine greater than $300 or imprisoned for more than 45 days, the accused would have a right to obtain a new trial de novo before a jury.

Further, under section 204(b), the court may award costs, including a reasonable attorney's fee, to the winning party—whether plaintiff or defendant, in an action brought under section 204 (a). The United States, however, could not recover any amount for attorney's fees if it won, but might be required to pay costs if it lost.

Turning to title VIII, we find that the Secretary of Commerce would be directed to conduct a survey to compile registration and voting statistics by race, color, and national origin.

In order to avoid unnecessary burden and cost, however, the required survey would be made only in those geographic areas specificed by the Commission on Civil Rights.

In addition to requiring a count of persons of voting age by race, color, and national origin, the Commission could also call for data setting forth the extent to which such persons are registered to vote, and have voted, in any statewide primary or general election in which Members of the U.S. House of Representatives are nominated or elected, since January 1, 1960.

It is pertinent to note section 2 of the 14th amendment to the U.S. Constitution, that section generally provides that the number of Congressmen in the House of Representatives from States which deny or abridge the right of any of its citizens to vote shall be reduced in proportion to the number of persons so treated. Section 22 of the Revised Statutes—2 United States Code 6—repeats this provision of the 14th amendment.

Mr. Chairman, the Arizona congressional district I am privileged to represent here still retains a strong flavor of the old pioneer West. My constituents are rugged individualists. They welcome Federal participation in those areas where need exists, but they will vigorously resist anything that smacks of Federal intervention.

I believe their reaction to a questionnaire I circulated last year concerning civil rights legislation holds particular significance for this body. The question I posed was, Are you in favor of legislation that would prevent discrimination because of race, creed, or color in the following areas?

First. Right to vote; 86.8 percent said "Yes."

Second. Schools; 71.4 percent said "Yes."

Third. Employment; 69.9 percent said "Yes."

Fourth. Eating and sleeping facilities; 60.5 percent said "Yes."

Fifth. Common carrier travel; 76.2 percent said "Yes."

Mr. Chairman, history has a way of calling upon a nation to live up to the best in its creed. If it fails to respond, if it falls short of its moral responsibilities, it must surely pay the price either in human struggle or decline—or both. The call of history is now loud and unmistakeable. We cannot ignore it.

Mr. CELLER. I yield 5 minutes to the gentleman from California [Mr. EDWARDS].

Mr. EDWARDS. Mr. Chairman, I am going to discuss title IV of the civil rights bill, the section that is concerned with the desegregation of public schools.

It is the law of the land that separate education is not equal education and that desegregation must proceed "with all deliberate speed."

This law was clearly stated by the Supreme Court of the United States 9 years ago in Brown against the Board of Education.

And yet there are still at this date over 2,000 school districts which require separate schools for Negro and white children. As Chairman CELLER pointed out yesterday, at the present rate desegregation of these school districts would not be completed for a hundred years.

I do not think that any democratic country can long tolerate the deliberate flouting of its laws. And so this civil rights bill in title IV will provide the machinery to peacefully proceed with the desegregation of these school districts.

Title IV creates no new substantive law. It merely will assist these Negro children to gain the protection of their constitutional rights. There are two main provisions, each of which is designed only to give governmental aid in the actual achievement of rights clearly assured by law but denied in fact.

The first provision authorizes the U.S. Commissioner of Education to offer assistance to school boards which are seeking to implement desegregation.

The Commissioner will have no powers of coercion under these sections. His role will be restricted to one of technical advice, if asked for, and financial assistance for the purposes of training personnel in dealing with problems incidental to desegregation.

The Commissioner will have authority to arrange with colleges and universities for the training of personnel to enable them to deal effectively with the special problems occasioned by school desegregation.

Upon application of a school board, the Commissioner of Education will be able to provide money to pay for the training of these teachers and for the hiring of specialists on these problems.

The other provision confers authority on the Attorney General to institute civil suits in Federal district courts to achieve desegregation. He may only do so when certain conditions are met. There must be a written complaint, and the Attorney General must certify that the complainants are "unable to initiate and maintain appropriate legal proceedings" for relief, and that the institution of an action would materially further the public policy favoring the orderly achievement of desegregation in public education.

Under these provisions the Attorney General will be able to bring suit when he has received a written complaint from parents that the school board in their district has failed to achieve desegregation, or from a student that he has been denied admission or continued attendance at a public school by reason of race, color, religion, or national origin.

The Attorney General could only file the action if he determined that the complainant could not bear the expense himself, or could not obtain effective legal help, or that the legal action by the person himself might result in injury or economic damage to his family.

There can be no question of the constitutionality of giving this authority to the Attorney General. Under the Civil Rights Act of 1957 the Attorney General was given a similar power in cases of discriminatory denial of the right to vote, and that provision was held constitutional in 1960 in *United States* v. *Raines* (362 U.S. 17, 27). Other precedents on this point are evident in the Sherman Act, Taft-Hartley Act, and the Fair Labor Standards Act, in which the Government is empowered to bring suit to enforce rights held by individuals.

Other sections of title IV are auxiliary to the provisions I have just outlined and I will not take your time to go into them. Let me conclude by saying that while I have devoted most of my attention to title IV in these brief remarks, I am equally concerned about every section of this bill. No part of this bill is expendable if we intend to make an honest effort to cure the gross inequities of life in these United States which have been the common lot of our Negro citizens.

There are those who will urge that in seeking to protect those who have been denied the protection of our most fundamental source of law, our Constitution, we are endangering the freedom of the majority to exercise their constitutional rights. I believe that the freedom of the majority is endangered, and seriously so, when we permit the denial of freedom to a minority.

Our Negro citizens are not free today, and until they are truly free, everyone's freedom is in jeopardy.

Let us change that old saying which has long been the symbol of freedom from "free, white and 21" to "free, American and 21".

Mr. CELLER. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. RYAN].

Mr. RYAN of New York. Mr. Chairman, I rise in support of H.R. 7152—the civil rights bill. As I do so, I am reminded of the traveler who has come to the end of a very long road, only to discover that the journey is not yet complete. The bill before us is the most important legislation before the Congress. As a milestone toward the fulfillment of the principles upon which our Nation was founded and the guarantees of our Constitution, it presages the beginning of the end of racial discrimination in our country. I commend the distinguished chairman of the Judiciary Committee for having stated throughout the debate, the great moral issue which confronts us.

The bill commands our vigorous support. However, in passing this bill, we must not consider the subject closed or the goal of freedom for all our citizens achieved. We must also remember that in a very real sense this bill is before us now because of the courageous dedication of thousands of American citizens who have sacrificed their freedom, and in some instances their lives, to translate freedom's rhetoric into freedom's reality. The fight is not finished and will not end with the passage of this bill. But its enactment will hasten the day when the fight will finally be won.

By emphasizing the fact that the fight for equality must continue, I do not intend to minimize the importance of this all-important bill but rather to make clear the imperative need to establish equal treatment and equal opportunity for all our citizens. It is perhaps a sad testimony that 100 years after the Emancipation Proclamation we find ourselves as an institution and as a nation still debating the constitutional rights of our Negro and other nonwhite citizens. It is obvious that the conditions which this bill will ameliorate have been with us a long time. The grievances covered by this bill should have been redressed a long time ago. Some of us have been demanding substantial civil rights legislation for years. When I became a Member of the House, I added my voice to those who had been carrying on the fight for civil rights in the Congress, and I called for "a legislative war on discrimination." Among the civil rights bills which I advanced, I introduced a comprehensive bill to establish the Civil Rights Commission as the permanent governmental body to act in this area. Under my proposal the Commission would have the power to issue cease and desist orders against discrimination in housing, employment, public accommodations, labor union membership, and other areas affecting commerce.

Unfortunately, it took bus burnings, church bombings, and mass jailings to awaken the Nation to the desperate need for civil rights legislation. Now that civil rights is on top of the priority list, we at last have the opportunity to take a significant step toward redressing the wrongs of so many years by voting for the passage of H R. 7152. This will be more than a symbolic act, for we will be making a substantial contribution to freedom and will be hastening the day when all our citizens will be able to participate fully in the American way of life. How does this bill contribute to that goal?

Mr. Chairman, the bill before us is a comprehensive one with 10 titles and many provisions. In order to answer that question I would like to discuss briefly each title of the bill.

TITLE I—VOTING RIGHTS

In a democracy the right to vote is fundamental. Yet today, in 1964, a large number of our citizens are denied this basic right. The 1963 Report of the Civil Rights Commission reveals the following statistics which show the need for title I of H.R. 7152.

In Louisiana, in 1962, 64 percent of white people of voting age were registered, while 6.9 percent of Negroes of voting age were registered.

In Mississippi, in 1962, 69 percent of white people of voting age were registered, while 1.1 percent of Negroes of voting age were registered.

In South Carolina, in 1962, 83 percent of white people of voting age were registered, while 7.4 percent of Negroes of voting age were registered.

In eight southern States, in 1962—in Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee—89 percent of white people of voting age were registered, while 8.3 percent of Negroes of voting age were registered.

Mr. Chairman, how can Members of Congress, who are bound to uphold the Constitution, remain passive in the face of such obvious and outrageous violation of the 15th amendment and of the equal protection clause of the 14th amendment? Must we not act to protect the voting right of every American citizen?

Title I of H.R. 7152 is directed against specific practices by means of which voting officials have denied Negroes the right to register and vote.

The 1961 Report of the Civil Rights Commission points out:

> A common technique of discriminating against would-be voters on racial grounds involves the discriminatory application of legal qualifications for voters. Among the qualifications used in this fashion are requirements that the voter be able to read and write, that he be able to give a satisfactory interpretation of the Constitution, that he be able to calculate his age to the day, and that he be of "good character."

The civil rights bill aims at this kind of discrimination by forbidding differences in application among individuals of standards, practices, or procedures used to determine voter qualifications for Federal elections.

The Civil Rights Commission has also reported in its 1961 report:

> The rejection of applicants for registration, or the removal of voters from the rolls, on grounds of minor technical errors in the completion of required forms.

The bill forbids voting officials to reject any registrant merely because of errors or omissions in the filling out of forms when such errors or omissions have no real bearing on the question of whether or not the registrant is qualified to vote in any Federal election.

The bill requires that literacy tests, as a qualification for voting in any Federal election, be given in writing and that a copy of the test and answers be given to the applicant upon request. A literacy test includes "any test of the ability to read, write, understand, or interpret any matter." Literacy tests are widely used for the deliberate purpose of disfranchising Negroes, so written tests will help insure that all applicants are tested in the same way.

Title I also creates a rebuttable presumption in voting cases that an individual who has completed the sixth grade possesses a sufficient literacy to vote in Federal elections.

One of the greatest difficulties which the Justice Department has met in attempting to enforce the Civil Rights Acts of 1957 and 1960 is the length of time it takes to carry a voting suit to a successful conclusion through court. President Kennedy, in his civil rights message of February 28, 1963, cited as an example one case which took 19 months. As President Kennedy said:

> The legal maxim, "justice delayed is justice denied," is dramatically applicable in these cases.

H.R. 7152 directs the appointment of a court of three judges by the chief judge of the circuit upon request of the Attorney General to hear and determine voting rights cases. The bill also requires that voting rights cases be expedited.

The voting sections of title I will aid in the continuing fight for universal suffrage and deserve our support. However, it must be pointed out that these provisions are limited to Federal elections. I believe that under the 14th and 15th amendments to the Constitution the Congress has the power to apply these provisions to all elections. I also believe that it is essential that State elections be covered in the future. In the South particularly, the election of local officials—the mayor, the sheriff, the prosecutor, the city council—directly affects the civil rights of Negro citizens.

While I have introduced legislation to eliminate literacy tests, I believe that the completion of a sixth-grade education—in an English or Spanish language school—should be sufficient to satisfy any literacy requirement—and not merely create a rebuttable presumption as provided in this bill. Nevertheless, the provisions of title I are an important step forward in enfranchising the disenfranchised.

TITLE II—PUBLIC ACCOMMODATIONS

Racial and religious discrimination in places of public accommodation is an affront to our democratic principles. Title II of H.R. 7152 is designed to remove the daily humiliation inflicted upon American citizens by the denial of access to lodging, eating facilities, and the recreational, cultural, and entertainment offerings of their communities. Mr. Chairman, the Negro in a segregated city is excluded from the mainstream of community life.

For the white person traveling from State to State, the road is a series of familiar landmarks. Frequently his most difficult problem is to choose among the array of establishments offering food, lodging, and respite. But for the Negro traveler, the road may be more like a desert and each inviting sign a mirage or, worse yet, a humiliating rebuff to him, his family or companions.

Let us look at the plight of the Negro who is a member of the Armed Forces. He travels wherever ordered to serve his country—but once there he may be excluded from the surrounding community and virtually restricted to the base. For the American serviceman, neither his uniform nor his birthright entitles him to equal treatment.

Title II prohibits discrimination in specific places of public accommodations whose operation affects interstate commerce or whose racial practices are supported by State action, such as local segregation laws.

The places of public accommodation included within the coverage of title II are:

First. Hotels, motels, and other places offering lodging to transient guests. Facilities which are actually occupied by the proprietor and which offer no more than five rooms are excepted.

Second. Restaurants, lunch counters, soda fountains, and other facilities engaged mainly in the business of selling food to be eaten on the premises. Specifically included in this category are eating places located within retail stores.

Third. Gasoline stations.

Fourth. Theaters, sports arenas, and other public places of exhibition or amusement.

Fifth. Establishments which are either located within or contain a business listed above and hold themselves out as serving the patrons of such business.

Although these categories cover a wide range of activities under the 14th amendment and the commerce clause, the Congress can outlaw racial discrimination in all facilities which affect interstate commerce. This section should be expanded to the limit of Congress constitutional authority.

Title II provides for enforcement through preventive relief actions on the initiative of an aggrieved person or by the Attorney General whenever he is satisfied that the filing of an action would materially further the purposes of the title.

President Johnson, in his state of the Union message on January 8, 1964, stated the case succinctly:

> Today Americans of all races stand side by side in Berlin and in Vietnam. They died

> side by side in Korea. Surely they can work and eat and travel side by side in their own country.

TITLE III—DESEGREGATION OF PUBLIC FACILITIES

Under title III of the bill the Attorney General is authorized to initiate court action, or to intervene in suites, in order to bring about desegregation in public facilities owned or operated by governmental bodies. Discrimination in State or municipal facilities is a direct violation of the guarantee of "equal protection of the laws" in the 14th amendment of the Constitution.

TITLE IV—DESEGREGATION OF PUBLIC EDUCATION

Title IV of the bill is addressed to the desegregation of public education. Almost 10 years ago the U.S. Supreme Court declared segregated schools inherently unequal and in violation of the Constitution. Yet there are still more than 2,000 segregated school districts. School desegregation in the 11 States of the South has been no more than token. In December 1963, there were 2,901,671 Negro students living in school districts having both white and Negro students. Of this number, only 30,798 Negro students, or 1.06 percent, were in schools with white students.

Title IV authorizes the Attorney General, after receiving a written complaint, to bring an action to compel desegregation of public schools where he determines that individuals are unable to obtain such relief on their own and that a suit would further the goal of desegregation.

If the Attorney General had had this authority 10 years ago, real progress toward equal opportunity in education might have been made by this time.

Instead, court orders for school desegregation have been issued only as the result of actions initiated by private citizens or groups, with the means and determination to bear the costs of litigation and with the courage to face the possibility of economic and physical reprisals.

In addition title IV authorizes the U.S. Commissioner of Education to aid school districts throughout the country to achieve desegregation by providing technical assistance in the development and implementation of plans and grants for special training institutes for teachers.

It is imperative, Mr. Chairman, that the executive branch have the authority to open a twofold attack on inequality in educational opportunity: By assistance and cooperation, and by legal enforcement.

TITLE V—COMMISSION ON CIVIL RIGHTS

Title V makes the Civil Rights Commission permanent. Besides additional authority to investigate fraudulent or discriminatory election practices, the bill authorizes the Commission to:

> Serve as a national clearinghouse for information in respect to equal protection of the laws, including but not limited to the fields of voting, education, housing, employment, the use of public facilities, transportation, and the administration of justice.

The Civil Rights Commission is not an administrative or enforcement agency. It investigates, studies, and collects information about denials of the equal protection of the laws; it is also authorized to:

> Appraise the laws and policies of the Federal Government with respect to equal protection of the laws under the Constitution.

The Civil Rights Commission has made a monumental contribution to the cause of civil rights since it was set up in 1957. It has investigated particular practices which deny citizens their rights and recommended corrective legislative and executive action. As the eyes and ears of the Government in the field of civil rights, it deserves our continued support.

TITLE VI—NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS

Mr. Chairman, on a number of occasions I have urged congressional action to prohibit the use of Federal funds for programs in which discrimination or segregation is practiced. I have offered antidiscrimination amendments to bills appropriating funds for the Hill-Burton hospital construction program and the impacted areas school assistance program. I have introduced H.R. 5741 which would prohibit the furnishing of financial or other assistance by the Federal Government for any program or activity in the course of which any individual is discriminated against on the ground of his race, religion, color, ancestry, or national origin. As I said in testifying before the House Committee on the Judiciary, "Federal funds should not be used to underwrite segregation."

Title VI of the bill before us sets forth the policy that:

> No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Each Federal department and agency which extends financial assistance by way of grant, contract, or loan is directed to take action to effectuate the declaration of policy by eliminating discrimination in its assistance program. Where there is a failure to comply by the recipient, assistance may be terminated or withheld. The bill also provides for judicial review of such action.

Every Federal department and agency should have both the moral determination to eliminate discrimination and the authority to do so by withholding further assistance. I hope that this bill will finally end Federal underwriting of segregation.

TITLE VII—EQUAL EMPLOYMENT OPPORTUNITY

Mr. Chairman, racial discrimination pervades our social and economic life. It is particularly acute in the field of employment. Without equal opportunity for employment, citizens from minority groups will remain at the bottom of the economic ladder ghettoized in slum housing and segregated schools. While the unemployment rate hovers around 6 percent, the nonwhite labor force experiences over twice as much unemployment.

The comparatively low rates of employment of Negro professional and skilled workers, and the comparatively high rate of Negro unemployment, indicate the degree of employment discrimination which Negroes suffer.

In 1962, 12.3 percent of employed white men were doing professional or technical work. In the same year, only 4.4 percent of employed Negro men were engaged in such work.

In cities like Detroit and Pittsburgh the unemployment figures for Negro males hover around 17 percent, and consistently Negro workers stay unemployed longer than their white counterparts. The same sad story is reflected in the statistics on poverty. Sixty percent of all Negro families in this country still have incomes of less than $4,000 a year, compared with 25 percent of all white families.

Discouraged by job discrimination, minority group members are more likely to abandon vocational goals. Job discrimination is a most important factor in accounting for the high rate of school dropouts. Certainly the demoralizing effect of job discrimination is one cause of juvenile delinquency and adult crime.

Under title VII the civil rights bill sets forth a declaration of congressional policy:

> The Congress hereby declares that the opportunity for employment without discrimination * * * is a right of all persons within the jurisdiction of the United States, and that it is the national policy to protect the right of the individual to be free from such discrimination.

Title VII prohibits, and makes an unlawful employment practice, discrimination by employers, labor unions, employment agencies, and by those who control apprenticeship training programs. It covers employers affecting interstate commerce who have at least 100 employees during the first year after the law becomes effective, 50 employees during the second year, and 25 thereafter. The title also covers labor organizations which are in industries affecting interstate commerce, and which have at least 100 members during the first year after the law becomes effective. Fifty members during the second year, and 25 thereafter.

An Equal Employment Opportunities Commission consisting of five members is created to administer this title. Unfortunately, the Commission has not been given the power to issue cease-and-desist orders. The Commission can, however, seek to obtain voluntary compliance. If that fails, the Commission may seek relief in the Federal district court where the judge will hear the matter de novo.

I am disappointed that title VII is not as effective as it should be. In fact, the Equal Employment Opportunities Commission does not have as much power as some State fair employment practices commissions such as the one in New York. However, this represents an important first step in an area where the Federal Government previously has refused to intervene.

I should also point out that title VII provides a statutory basis for the President's Committee on Equal Opportunity to insure nondiscrimination in Federal employment and in work done on contract with Federal agencies.

Title VIII provides for compilation of registration and voting statistics by race. Such statistics should serve as an index of the protection of political rights and could be used as a basis for enforcing section 2 of the 14th amendment.

Title IX provides for appeal of a Federal court order remanding to a State court a civil rights case which has been removed to the Federal court. Experience in civil rights actions during the past few years has demonstrated the need for this protection.

Finally, title X provides that nothing in this act shall affect any authority which the Attorney General now has. It authorizes necessary appropriations, and has a separability clause.

Mr. Chairman, I have outlined the provisions of the civil rights bill to show how it will ameliorate racial discrimination in many areas. I have also pointed out some of its deficiencies and areas where it might be strengthened. The bill is not perfect or even, in some respects, wholly adequate. Nevertheless, it is the broadest civil rights bill ever brought to the floor of the House. That fact alone shows how late we are in our efforts to square our practices with our principles. We are late, but we now have a historic opportunity, in the words of President Lyndon B. Johnson, to "let this session of Congress be known as the session which did more for civil rights than the last hundred sessions combined." Let us move forward to renew the faith that this Nation is indeed "mankind's best hope," to quote Thomas Jefferson.

Mr. McCULLOCH. Mr. Chairman, I yield such time as he may desire to the gentleman from New Hampshire [Mr. CLEVELAND].

Mr. CLEVELAND. Mr. Chairman, I rise in support of H.R. 7152. Last year, with others, I introduced civil rights legislation similar in many respects to this bill. As a State senator in New Hampshire, I voted for legislation which enacted much of this bill into the laws of the Granite State. The fact that much progress has been made by many of the States, such as my own, should be stressed in this debate more than it has been. What disturbs me most about this legislation is that it may not sufficiently recognize the important role that must be played by State and local government—not to mention the even more important role that must be played by individuals and private organizations—if the battle for full civil rights is to be truly won. Too many people in this country are under the impression that all you have to do with a complex problem is to get Congress to pass a law. This dangerous illusion is fostered by the demagog and pleader for special interests. It is aided and abetted by wishful thinking and laziness of mind and spirit.

Mere passage of this law or any law cannot definitively settle the tortured problems of discrimination and second-class citizenship. The very fact that, in a great democracy such as ours, with its vaunted freedoms and equality of opportunity, we need such a law is a poignant commentary.

Mr. Chairman, it is my hope that amendments to this bill will be offered and adopted which will further reflect and underscore the important role that must be performed by State and local governments and by individuals and private organizations if this legislation is to be truly meaningful. The provisions of this legislation, its reason and its need, have been expressed articulately and well, as have the arguments against it. I will not repeat them again. My basic reason for supporting this legislation can best be expressed, briefly, in the words I used in reporting recently to my constituents.

> There can and will, of course, be arguments and disagreements on details of civil rights legislation. There can be no question that this Nation, conceived in the spirit of 1776 and reconsecrated by Lincoln at Gettysburg a century ago, must and will insure to all its citizens the rights and freedoms of which we are justly proud and for which so many have sacrificed.

While many States have undertaken effective action on civil rights, unfortunately others have not. It must be the responsibility of the Federal Government to act where discrimination exists when State and local governments have not acted and have refused to act. When human rights are involved we cannot ignore entire groups of our citizens who live in States where they are denied these rights. Our National Government has the duty to protect the constitutional freedoms of all its citizens. Our Nation cannot afford, either morally or economically, to have a large number of second-class citizens.

The Federal Government will not be imposing radical new standards upon us by enactment of H.R. 7152. Thirty-two States now have public accommodations laws and 25 have fair employment legislation. Court decisions indicate that the carefully drawn titles embodied in this civil rights bill are constitutional.

Many opponents of this bill seem to take a pre-14th amendment interpretation of the Constitution. But the 14th amendment to the Constitution clearly states:

> No State shall make or enforce any law which shall abridge the privileges or immunities of the citizens of the United States, nor shall any State deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws. * * * The Congress shall have the power to enforce by appropriate legislation the provisions of this article.

This civil rights bill does emphasize voluntary approaches to civil rights problems before legal remedies are taken. With one exception, it does not impose criminal penalties. It will, of course, be many years before discrimination is eliminated because the total elimination of racial prejudice depends upon the minds and the hearts of men. But this legislation should take this problem out of the streets and into the courts. It will help diminish the role of the demagog and thus strengthen democracy.

Mr. REUSS. Mr. Chairman, I support H.R. 7152, the omnibus bipartisan civil rights bill, in its entirety, including the sections on voting rights, nondiscrimination in public accommodations, desegregation of public education, and equal employment opportunity.

The principle of equality is clear. Our consciences feel it, our reason confirms it, the Constitution demands it. We are not here now to debate the principle, but to apply it. Equality of opportunity for all Americans must be the law of the land.

I am proud to add my affirmative vote to this long-delayed vindication of human rights. Let us pass this bill, undiluted and unweakened. Let us then move forward as Americans united—northerner and southerner—Negro and white—for the great battle against poverty and ignorance and injustice and war that confronts us in the world of today.

Mr. FOREMAN. Mr. Chairman, we must recognize the civil, individual, and property rights of all people, regardless of race, color, or creed. I am proud to represent the progressive area of west Texas where, within our own local communities, we have and are, solving our own differences.

I do not believe new Federal laws, can legislate social equality. This is a matter that only the people themselves—in our churches, civic clubs, schools, libraries, public meeting places, and so forth—can, must, and will solve.

Two titles of this proposed legislation, H.R. 7152, "Title II: Injunctive Relief Against Discrimination in Places of Public Accommodation," and "Title VII: Equal Employment Opportunities," concern me greatly, because in them, I find discrimination against the private property rights of all people, including colored and white.

We must clearly understand that there can be no distinction between property rights and human rights. There are no rights but human rights, and what are spoken of as property rights are only the human rights of individuals to property.

The Bill of Rights in the U.S. Constitution recognizes no distinction between property rights and other human rights. The ban against unreasonable search and seizure covers persons, houses, papers, and effects, without discrimination.

The Founding Fathers realized what some present-day politicians seem to have forgotten: A man without property rights—without the right to the product of his labor—is not a free man. Unless people can feel secure in their abilities to retain the fruits of their labor, there is little incentive to save to expand the fund of capital—the tools and equipment for production and for better living.

I would like to briefly discuss the so-called human rights that are represented as superior to property rights. By these, I mean the "right" to a job, the "right" to a standard of living, the "right" to a minimum wage or a maximum workweek, the "right" to a "fair" price, the "right" to bargain collectively, the "right" to security against the adversities and hazards of life, such as disability and old age.

Those who wrote our Constitution would have been surprised to hear these things spoken of as rights. They are not immunities from governmental compulsion; on the contrary, they are demands for new forms of governmental compulsion. They are not claims to the product of one's own labor; they are, in some if not in most cases, claims to the products of other people's labor.

These "human rights" are indeed different from property rights. They are not freedoms or immunities assured to all persons alike. They are special privileges conferred upon some persons at the expense of others. The real distinction is not between property rights and human rights, but between equality of protection from governmental compulsion on the one hand and demands for the exercise of such compulsion for the benefit of favored groups on the other.

This, then, gentlemen of the Congress, I believe, should be the light and the guidelines by which we reach our decision on this legislation, or for that matter, any legislation with which we may be confronted. We must exercise care not to violate the rights of all Americans in our efforts to secure social equality for some. Thank you.

Mr. GALLAGHER. Mr. Chairman, in the century since President Lincoln issued his Emancipation Proclamation, this country has not done nearly enough to assure that the intent of that historic document was carried out.

Too many Negroes to this day are denied the full rights of citizenship guaranteed to every American by the Constitution.

The responsibility, the privilege of correcting that injustice, of assuring that no American is nor will ever again be denied these rights because of race, color, or creed, rests with this Congress. We have inherited this duty by virtue of failures of the past.

Each of us knows that we can no longer shirk our responsibility to shape the legislaiton that will best accomplish this task.

Late as it is—a century past—now is the time. It is inconceivable that any American in this mid-20th century is denied the right to vote, the right to attend school with his neighbor whose skin may be a different color, the right to be served in a public restaurant, the right of travel accommodations.

But such situations do exist in many parts of this land 100 years after a great President reminded all Americans that "All men are created equal."

We hail Lincoln's remarks of that date as one of the great public addresses of all time, but a century later his words go unheeded by so many.

We seek nothing more than the American was promised 100 years ago. We seek nothing more than what our colonial forefathers guaranteed in the document which is the foundation of our Government—the Constitution of the United States.

The arguments have been stated. We must act now in this 88th Congress to correct the abuses of the past 100 years.

We cannot delay for a single year or for another century, to guarantee that every American will have the human rights that are provided for in this legislation—the right to vote, to attend the school of his choice, to be employed on merit, to public accommodations and to the full dignity of the individual. It is in our power to provide all this and I urge that we do so.

Mr. ALGER. Mr. Chairman, I rise to oppose this bill and to point out briefly one or two principal objections.

First, I would like to make it clear that few, if any, and certainly not this Member, are opposed to the rights of all citizens as guaranteed by the Constitution. Every man, under our system of Government, should be able to attain his goal in life according to his initiative, ability, willingness to strive and work and do and dare. But each man must accomplish for himself. The Government cannot guarantee that it will provide for each individual food, clothing, housing, jobs, medical care, and other basic necessiities, whatever the color of the individual.

A man's right to a job, to a decent home, to be able to provide for himself and his family, to enjoy extra luxuries in life, must be earned. He will never achieve these goals by the mere passing of a Federal law.

Neither can man's relationship with his neighbors be legislated. Understanding, tolerance, love, come from the heart of man. Good neighbors must attain that state by choice; friendship cannot be legislated nor forced on those unwilling to associate with one another whether it be between those of different races or even among groups within a single race.

So much for the general reasoning as to why the emphasis behind a so-called civil rights bill is wrong. Now, for a moment, let us consider at least two sections of this bill which, in my opinion, are unconstitutional and will, in fact, bring about discrimination in reverse by establishing the principle of special privilege for some Negroes at the expense of the rights of the overwhelming majority of our citizens of all races.

The first of these sections is the public accommodations section. If we adopt this section as part of the bill we will take a long step toward abolishing the right of ownership and management of private property. Under this section a man cannot operate his business according to his own ideas of what will make it successful, nor may he choose his customers and those whom he feels he will be able to serve best. On the contrary, he will be forced by law, backed up by the power of the Federal Government, to accommodate any who make demands upon him even though it means he will lose his business, the results of his own investment and sweat. Where is the justice there? How long can we maintain private enterprise with the management of private property taken out of the hands of those who own it and made subject to bureaucratic decisions based on concepts of social behavior?

Equally dangerous to the freedoms of all Americans, including those this bill professes to help, is the section which will force employers to hire workers on the basis of color rather than ability.

Mr. Chairman, this section not only subverts the right of an employer to hire those who can best do the job, who can fit into his organization, and who will be able to work alongside their fellow-employees in harmony and respect, but it shatters completely the concept of States rights by abolishing State laws now in operation by the will of the people of the individual States.

I would like to remind you, too, that here again we are being asked to legalize, in fact demand by law, special privilege for Negroes. The Negro represents about 10 percent of the population of the United States and it cannot be said he is being kept from opportunity if he is represented in 10 percent of the working force. Now we are asked to ignore population ratios and force the hiring of Negroes even when it will mean, as in Government, that they are given preferential hiring far beyond the 10 percent of the population they represent. Indeed, in the Post Office Department alone, the figure is all out of proportion with the Negro population.

Here again, I believe that Federal jobs as well as those in private industry should be earned as a matter of merit. Negroes will be able to take advantage of job opportunities according to the same rule that applies to each of us—we get better jobs, higher paid jobs, when we earn them through our willingness to learn, to apply ourselves, to show our initiative, and to convince our employer that we are worthy of his hire and his consideration for promotion.

We cannot enforce preferential treatment for the Negro by making jobs available to him for which he is not qualified because of injustices practiced upon his forebears, without doing violence to the rights and freedoms of all our other citizens.

Mr. Chairman, it is no secret that the real motivation behind civil rights legislation is political. The Negro has been used as a pawn to keep some officials in office and to insure the success of a single party in large sections of the Nation. Certainly all of us should continue to strive for a better country and a better world wherein all men may enjoy the full blessings of liberty. We can do that best in America by adhering to the Constitution, not by destroying it for political purposes or even in an attempt to make our relationships with each other more humanitarian.

No, we cannot guarantee the Negro greater opportunity by passing another law. We can best protect his rights and the rights of all Americans, by returning to constitutional, limited government which will strengthen our capitalist, free enterprise system and, in turn, create more jobs and better jobs for all our people. A strong private enterprise system creates better opportunity under the impetus of a free society, and will mean a better living for all those who want it and are willing to do what it takes to achieve success.

For these reasons, I am opposed to this bill. It will not do what it is hoped it will do for the Negro and it will further erode the rights and freedoms of all our people.

Mr. LANGEN. Mr. Chairman, we are gathered here to consider the inalienable rights of American citizens. It is a most worthy subject for this deliberative body.

That there is a national concern for the rights of citizens cannot be denied. That there have been grievous instances of discrimination against some of our people because of race, color, or creed is an accepted fact.

This same concern for the rights of our citizenry was felt and ably expressed by our forefathers when they drafted our Constitution. They wanted to make sure that this great country did not develop a caste system whereby we would have first- and second-class citizens. If a man was to be inferior, it would be by his own choice, not fostered on him by majority rulings.

If we are gathered today to reaffirm the basic American belief of equal opportunity and equal protection for every individual, then we are on the right track. But it occurs to me that the hysteria that has surrounded this legislation during the past months has caused us to lose sight of the goal we should want to accomplish.

In this discussion we must be aware of the pitfalls encountered with legislation of this type. Our thinking must stick to the subject at hand and not wander so far afield that we in reality become meddlers in the lives of Americans in the name of "rights." We can ill afford to grant rights to any group if we destroy existing rights in the process.

If this bill is to do what it ought to do, it should provide equity but not preference. We must relate our thinking to all of our citizens, regardless of race, color, national origin, or religious affiliation and not become so limited in our thinking that we consider but one particular group.

Equality is a state of being, not of law. The statutes we enact can protect our people, but they cannot achieve equality through force. The law can provide an atmosphere of opportunity, available to all on an equal basis, but it cannot force "rights" on a free people without destroying that freedom in the process. Force is, in such circumstances, the antithesis of freedom.

Once we have created an atmosphere of equality for all citizens, the actual fulfillment of that equality is up to the individual. He must accept the responsibilities that go with freedom. He must take his precious right to vote, for instance, and use it. Here today we can create the proper atmosphere, permitting every person to exercise his freedoms as his conscience dictates within the confines of that atmosphere. Thus he has the freedom to do, to choose, to decide, which is the force that provides individual initiative. It is the right of decision that gives his life its impetus.

The same situation is true when we provide every student in our Nation with the opportunity of attending public schools, regardless of race, color, or creed. We can provide him with the opportunity, but he must decide for himself to go. His initiative is not kindled by force. The desire to participate in this opportunity must exist if freedom is to be truly realized.

There is one force of democracy that has made this Nation the envy of the world. That force is the sum total of individuals who, in an atmosphere of free decision, gain initiative by the exercising of their freedoms. That is why our democracy is so superior to the forms of government that dictate to the people and maintain their existence through force.

To sell democracy to the world we must develop it in its purest form in this country. We have a great opportunity to move further toward this goal today by enacting legislation that will ensure every American of being free and equal so that he may stand alone or in a crowd, as he chooses, with the assurance that justice prevails.

Let us then proceed to exercise our responsibilities as Members of this House in accordance with the freedoms that brought us here—that the inequalities of freedom which have prevailed may be eliminated and the full quality of our Constitution restored. To do so will not only strengthen our own Nation and society but will raise the prestige and stature of democracy throughout the world.

Mr. FRASER. Mr. Chairman, I urge passage of the civil rights bill, in its present form. My plea is backed by overwhelming sentiment from my district—Minneapolis, Minn.—in favor of decisive action now to bring equality of opportunity to America.

Minneapolis was well represented in the large delegation from Minnesota that joined 200,000 other Americans in the August 28 March for Jobs and Freedom. Minneapolis' Mayor Arthur Naftalin marched with religious leaders, civic leaders, and other determined citizens from our city in that impressive display of support for President Kennedy's proposed Civil Rights Act of 1963.

Minnesota's Gov. Karl F. Rolvaag came to Washington last August to urge support for Federal civil rights legislation. As he told the Senate Commerce Committee:

> Unless those of us at all levels of government provide constructive and intelligent leadership in sustaining the rights of all citizens, this time of agony for our Nation will leave scars which will not heal for generations.

The mail I have received in the past few months is ample evidence of the support of the people for H.R. 7152. Long lists of members of churches and labor unions have arrived on petitions supporting the civil rights bill. Letter after letter asks for my vote for the Civil Rights Act of 1964. They urged me to sign the discharge petition last December to speed action on this bill, and I did sign it on the first day.

The Minnesota poll—an accurate poll taken by the Minneapolis Star & Tribune Co.—shows overwhelming support for civil rights legislation. Returns from a poll of Minneapolis citizens I have just conducted by mail show the same broad support for Federal action on civil rights.

I cosponsored President Kennedy's original bill for a Civil Rights Act of 1963. I have read the entire revision as recommended by the committee. The revision is sound. Each of the eight titles in the bill is needed to correct well-known abuses arising from the denial of civil rights and privileges to our citizens.

Intolerance is corrosive. It eats away at the heart and soul of our communities. When men who hold the positions of esteem and honor in government, in business, in organized labor are mute, prejudice spreads. The good citizen without personal prejudice finds himself motivated by his belief that others are prejudiced.

The greatest tragedy of all comes with our innocent children who, born without prejudice, quickly pick up on the playground the prejudices of the few, while the parents remain silent. We must act now to attempt to stop this perpetuation of prejudice.

Intolerance is not sectional. Intolerance exists in the North as well as the South, in the West as well as the East. There are few places in America today where full equality is a reality. Every part of our country suffers from irrational prejudice, the failure to measure a man for his individual worth and merit.

I come from a State which has adopted laws similar to those under consideration today. Not only do we have a public accommodations law, a public education law, and an FEPC law, but within the past several years we adopted a fair housing law. I had the honor of being the principal author of the housing bill in the Minnesota Senate. Minnesota is in the vanguard of the States which recognize the public character of racial and religious discrimination and the public responsibility to deal with this discrimination.

Some argue you cannot legislate morality.

The truth, however, is that law can and usually does change attitudes. Law is not only an injunction toward the individual to conform to its provisions, but just as important, it is a declaration of public policy in its clearest, most unmistakable terms. And even the process of enacting a law, such as the debate which we are having on this bill, contributes to wider public acknowledgment of the moral standards which must prevail in this Nation.

I have not heard anyone defend the morality of racial or religious discrimination. I have not heard anyone assert that segregation is right or proper. Everyone in this body knows in his heart that racial and religious discrimination is wrong—that it is evil. This debate centers only on the wisdom of the provisions of this bill which authorize sanctions against discriminatory conduct.

We need this law, not to make people like each other, but to prohibit overt actions of discrimination and abuse. My neighbor may not like me, but I feel much more secure in the knowledge that an assault upon me is prevented by law. And so it is with laws dealing with discrimination. The law deals with conduct. The Negro turned away from a restaurant, or denied the right to vote, or forced into a segregated school, suffers the injuries inflicted by the overt acts of others.

Congress has not hesitated to outlaw discriminatory conduct in the business world. Business competitors have good reason not to like one another, yet we prohibit certain types of discrimination which tend to impair competition. The Robinson-Patman Act prohibits price discrimination. Laws protect insurance companies, warehouses, airlines, and many other businesses from discriminatory business practices. We have enacted these laws to preserve the concept of free enterprise. Is it not about time that we act to preserve the spirit of freedom in our society?

Mr. Chairman, I am confident that when we finally act on this bill, the vote will be overwhelming. The vote will reflect the conscience of America. This conscience has been awakened by the Negro who acted after others had failed him. This conscience has been kept awake by the magnificent work of the churches and our church leaders in America and civil rights groups.

There can be no finer tribute to the memories of two great martyred Presidents—Lincoln and Kennedy—than the speedy passage of this important law. It is especially fitting that we should be engaged in the battle to enact President Kennedy's civil rights bill on the eve of Lincoln's Birthday. As a cosponsor of the original bill, I can think of no finer way to honor the work of President Kennedy than by the passage of a bill which will grant all Americans the basic rights of our Constitution.

Mr. Chairman, let us vindicate that ennobling declaration issued during the formation of this great Republic. Let us reaffirm our belief "that all men are created equal."

Mr. McCULLOCH. Mr. Chairman, the legislation which we have been discussing for 2 days is, I repeat, good legislation and it needs be passed with all deliberate speed. When the House has worked its will on this bill and it finally becomes law, which it certainly will, millions of Americans for the first time in their lives may dream new dreams and see nearly all of them come true.

The CHAIRMAN. All time has expired, and pursuant to the rule, the Clerk will now read by titles the substitute committee amendment printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Civil Rights Act of 1963".

TITLE I—VOTING RIGHTS

SEC. 101. Section 2004 of the Revised Statutes (42 U.S.C. 1971), as amended by section 131 of the Civil Rights Act of 1957 (71 Stat. 637), and as further amended by section 601 of the Civil Rights Act of 1960 (74 Stat. 90), is further amended as follows:

(a) Insert "1" after "(a)" in subsection (a) and add at the end of subsection (a) the following new paragraphs:

"(2) No person acting under color of law shall—

"(A) in determining whether any individual is qualified under State law or laws to vote in any Federal election, apply any standard, practice, or procedure different from the standards, practices, or procedures applied under such law or laws to other individuals within the same county, parish, or similar political subdivision who have been found by State officials to be qualified to vote;

"(B) deny the right of any individual to vote in any Federal election because of an error or omission of such individual on any record or paper relating to any application, registration, payment of poll tax, or other act requisite to voting, if such error or omission is not material in determining whether such individual is qualified under State law to vote in such election; or

"(C) employ any literacy test as a qualification for voting in any Federal election unless (i) such test is administered to each individual wholly in writing except where an individual requests and State law authorizes a test other than in writing, and (ii) a certified copy of the test whether written or oral and of the answers given by the individual is furnished to him within twenty-five days of the submission of his request made within the period of time during which records and papers are required to be retained and preserved pursuant to title III of the Civil Rights Act of 1960 (42 U.S.C. 1974–74e; 74 Stat. 88).

"(3) For purposes of this subsection—

"(A) the term 'vote' shall have the same meaning as in subsection (e) of this section;

"(B) the phrase 'literacy test' includes any test of the ability to read, write, understand, or interpret any matter."

(b) Insert immediately following the period at the end of the first sentence of subsection (c) the following new sentence: "If in any such proceeding literacy is a relevant fact there shall be a rebuttable presumption that any person who has not been adjudged an incompetent and who has completed the sixth grade in a public school in, or a private school accredited by any State or territory or the District of Columbia where instruction is carried on predominantly in the English language, possesses sufficient literacy, comprehension, and intelligence to vote in any Federal election."

(c) Add the following subsection "(f)" and designate the present subsection "(f)" as subsection "(g)";

"(f) When used in subsections (a) or (c) of this section, the words 'Federal election' shall mean any general, special, or primary election held solely or in part for the purpose of electing or selecting any candidate for the office of President, Vice President, presidential elector, Member of the Senate, or Member of the House of Representatives."

(d) Add the following subsection "(h)";

"(h) In any proceeding instituted in any district court of the United States under this section the Attorney General may file with the clerk of such court a request that a court of three judges be convened to hear and determine the case. A copy of the request shall be immediately furnished by such clerk to the chief judge of the circuit (or in his absence, the presiding circuit judge) of the circuit in which the case is pending. Upon receipt of the copy of such request it shall be the duty of the chief judge of the circuit or the presiding circuit judge, as the case may be, to designate immediately three judges in such circuit, of whom at least one shall be a circuit judge and another of whom shall be a district judge of the court in which the proceeding was instituted, to hear and determine such case, and it shall be the duty of the judges so designated to assign the case for hearing at the earliest practicable date, to participate in the hearing and determination thereof, and to cause the case to be in every way expedited. An appeal from the final judgment of such court will lie to the Supreme Court.

"In the event the Attorney General fails to file such a request in any such proceeding, it shall be the duty of the chief judge of the district (or in his absence, the acting chief judge) in which the case is pending immediately to designate a judge in such district to hear and determine the case. In the event that no judge in the district is available to hear and determine the case, the chief judge of the district, or the acting chief judge, as the case may be, shall certify this fact to the chief judge of the circuit (or in his absence, the acting chief judge) who shall then designate a district or circuit judge of the circuit to hear and determine the case.

"It shall be the duty of the judge designated pursuant to this section to assign the case for hearing at the earliest practicable date and to cause the case to be in every way expedited."

Mr. MEADER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MEADER. Mr. Chairman, I would like to ask, now that the first title of the bill has been read, whether that means that when we resume sitting in Committee of the Whole on Monday next it will be in order to offer amendments to this title.

The CHAIRMAN. It will be.

Mr. MEADER. I thank the chairman.

Mr. CELLER. Mr Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND

Mr. CELLER. Mr. Speaker, I ask unanimous consent that all Members have permission to extend their remarks in the RECORD on the current bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made during the general debate today on H.R. 7152 and to include extraneous matter; and that in the colloquy that occurred during my remarks with the gentleman from Missouri [Mr. CURTIS] he have permission to insert extraneous matter in connection with his remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

RIOTS IN PANAMA

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER**. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. **CRAMER**. Mr. Speaker, we in this body are today debating a civil rights bill. I think that it would be appropriate to raise at this time a serious question about other civil rights than those under discussion at the moment.

I refer specifically to two areas in the field of civil rights: First, the right of American citizens to be protected by their Government from bodily harm or from hindrance of any kind in the pursuit of their legitimate aspirations, no matter where in the world they might be pursued and; second, the right of the American people to know when this right has been infringed upon.

The La Crosse, Wis., Tribune, on January 30, carried a lengthy article written by a Mr. Don Athnos, a radio-TV personality, of that city, who was present in Panama during the recent riots there. He makes the most serious charges, including the murder and mutilation of Americans by Communist-directed terrorists and the suppression of facts surrounding these murders. I cannot vouch for the accuracy of these charges, but I feel that a thorough investigation of all the facts in this matter with the continuing accumulation of similar facts is called for. I have asked for such an investigation.

As chairman of the Republican policy committee's task force on Latin America I can promise this body that our group will, to the best of our ability, examine this matter thoroughly. But I believe that a full investigation by the Foreign Affairs Committee is not only in order but desperately needed.

The article follows:

LA CROSSE MAN, CAUGHT IN PANAMA RIOTS, WRITES HOME: "U.S. STILL DOESN'T HAVE TRUTH"—ATHNOS

(EDITOR'S NOTE.—Our readers have seen plenty in the papers about United States-Panama troubles at the government level since the riots earlier this month. They have heard much less about how it was for U.S. nationals and other non-Panamanians caught there, particularly outside the Canal Zone.

(The graphic and chilling account that follows is by Don Athnos, son of Mr. and Mrs. Louis Athnos of 451 North 23d Street, La Crosse. It is a part of the log Don and his wife have been sending home from a scooter trip that began last June, taking them to Alaska and more recently through Mexico and Central America. They were in Panama City, outside the Canal Zone, when the trouble broke out, and were trapped in a hotel for 3 days.

(Don (his radio-TV name was Don Lewis) worked for WKBH and WKBT in La Crosse until last summer.)

(By Don Athnos)

PANAMA CITY, PANAMA, January 9.—Back to the visa rat race today. We finally got a visa from Colombia, but Peru never showed up.

In the afternoon we sent out our mail and film and took a couple of pictures of the piers and the canal. We got our AAA book and map for South America, and listened to American complaints in the Canal Zone about the zone government putting a Panamanian flag next to the U.S. flag in the totally American Canal Zone.

The high school and college students there (in the zone) are making protests, coerced by U.S. TV networks and magazines. They had a flag parade in the zone today.

Panama wants the canal back. If they got it back it would be as screwed up as the rest of their country in 5 days. They took over garbage collection in Panama City a few months ago (the Americans had been doing it) and the streets are loaded with refuse now. A filthy place here; in the United States even the most lax health officer would be compelled to do something about conditions like this. The best thing would be to burn down the town, or evacuate it.

Tonight, something happened—we are in the hotel and a lot of commotion is reigning outside.

Shouting—aircraft—Panamanian students—loudspeakers—of Spanish radio stations—are yelling and hollering.

We've been warned not to go on the streets as I think (not sure right now) that Panamanian students invaded the Canal Zone on this flag business and at least three got killed in the rioting. The U.S. airplane loud speakers are demanding that nonresidents of the Canal Zone evacuate—immediately.

Spanish stations are screaming in a frenzy and playing martial music. The English stations are playing tape-recorded sermons, and we can't get an English broadcast.

Mobs in the street are shouting, and looking for trouble. Guess we'd better stay home tonight—but I wish I knew what it was all about. We're living downtown, outside the zone, and must be the only Americans in at least 2 miles in any direction.

FRIDAY, JANUARY 10

Wow. I guess we're in it.

Bullets wanging away all night. The Canal Zone radio went off the air at 11 last night—no more news until this morning, and all was bad. The radio announcers are screaming at the top of their lungs, on all the Spanish stations, "to kill all the Americans you see."

Thelma King, a deputado (congresswoman) and Communist, screaming for 2 hours on the radio and loudspeakers in the city—to hunt out all the Americans and butcher them in the street.

The Panamanian students, yesterday, "invaded" the zone to put their flag next to the U.S. flag at Balboa High School—and were allowed to, but the U.S. students didn't like it and interfered, tearing the flag.

The Canal Zone police stopped the scuffle. They then escorted the Panamanians out of the zone. But on the way the students broke some zone streetlights and tipped over some trash cans.

That was it. The students then regrouped with a new flag and returned.

The Commie agitators then went into action and raised a mob of bums and no-goods and tried again to crash the zone with the students, after the sun went down (about 8 p.m.).

There were students in that mob, but it was only a small percentage. The "students" were between 20 and 60 years old—probably had never seen the inside of a classroom—and never worked a day in their lives (unless pickpockets, murderers, drunk rollers, thieves, and pimps are workers). Ninety-five percent of this mob was the bad element of this rotten town, and 3 percent were students—the other 2 percent were Commie agitators using the same line and methods used in Cuba. (I was told this later by an American who lived through the Cuban revolution.)

There isn't a loose rock within a mile of the fighting zone, so I suppose the crowd was instructed to bring them along—and they did—by the ton.

The Canal Zone police held off this rock-throwing mob with tear gas and clubs for 2 hours—30 police to 3,000 or 4,000.

The first group of 300 to 400 demonstrators were driven back with tear gas—then another group would attack.

The police were being heavily stoned and beaten around. Finally, to drive this mob out of the zone, they fired their riot guns (shotguns) over the heads and at the feet of one of the advancing groups. The ricochets killed six of the mob—five were not students.

Before the action inside the zone took place, all the American cars in the area were stoned.

Four of these cars were turned over and burned—so it was not a "peaceful," or orderly demonstration, as the Commies said it was. These people were violent.

As the police fired on the crowd—suddenly, all kinds of armament appeared in the hands of the mob: pistols, clubs, Molotov cocktails. They were put into immediate use—and snipers previously posted on the surrounding rooftops opened fire with rifles at the police.

The zone police then called for help from the Army and U.S. Gen. Andrew P. O'Meara called out the troops to form a cordon inside the fence to keep the mob out. These troops had instructions not to shoot.

After 3 deaths and 18 gunshot wounds were registered on our soldiers by the mob, the general called out 9 sharpshooters, who fired exactly 9 well-placed shots into the mob. They hit only those firing weapons.

About the same time prepared tirades against the United States were being shouted at the mob from loudspeakers and over all the Panama radio stations, further exciting the violence.

"Kill the Yankees. Butcher them in the streets. Down with the U.S. murderers. Hunt down all the North Americans and fill the gutters with their blood. Viva Castro. Viva Fidel."

All this was being screamed over the radio stations and piped out into the streets. Immediately, out came the wirecutters, and the cyclone fence around the canal was attacked.

Preinstructed groups of students marched through town—boys and girls 5 to 13 years old—goosestepping—and shouting in unison: "Viva Castro."

Part of the mob moved down Fourth of July Avenue to the brandnew Pan American Airlines building, apparently shooting down five Panamanian employees and setting fire to the $450,000 structure, destroying adjoining buildings in the process, including the back end of a nearby church. Sniper fire then began from the Panamanian Government assembly building.

The Guardia Nacional were standing around watching the action, doing nothing—but some of them mysteriously "lost" their weapons, which appeared in the hands of the mob. While the Nacional Guardia was busy doing nothing the looters went into action—first looting the big Kodak Panama store of $200,000 worth of merchandise.

Then the whole downtown began walking away. Tires, plate glass, spark plugs, clothes, jewelry stores, everything. The violence continued all night and we were warned by our friends at the hotel not to go into the streets (as if we would).

All day today from our windows we saw these bums walking the streets carrying away their loot.

Running in mobs toward the scenes of action, looking in the streets and in windows for Americans to kill.

We were left listening to the rising and falling tides of gunfire, smelling the drifting tear gas—and listening to Spanish newscasts and tirades. We tried in vain to get a news cast from the zone station about what was going on.

Then they attacked the U.S. Embassy. We called (phoned) there, and were told to hang up as "they were busy evacuating." So, there we were—no protection and it appeared the United States didn't give a damn about us—the 4,000 or 5,000 Americans in the city, and thousands of others in the outlying areas.

In other words, "Protect yourselves." How?

We are in the Hotel Ideal in the city near the central area—only 4 blocks from the fighting zone.

Four Americans: Lucille and me, "King" David Shaffer, and Michail Uva, an Italian-American born in Boston, who talks and reminds me of Dad. There are two Venezuelans, three Cubans, one Panamanian male, and two Colombians—and four or five Panamanian prostitutes who keep bringing their boy friends in and out.

The staff is Panamanian (four of them) and the place is owned by two Greeks. Shaffer is a nut. He keeps going out to take pictures—twice he came back with a mob behind him.

Our friend Mike and his friend and the Panamanian girls managed to find food in town and so we are eating crackers and cheese anyway. We have a Pepsi machine—hope they hold out.

We're not really worried—but you won't catch me on the street. Heard two American Government workers were hung in Chiriqui Province in northern Panama.

Out of the 20 Panamanian dead, five were killed by the rioters in the Pan Am sacking. Two were killed by their own Molotov cocktails. One was killed by a Panamanian hit-and-run driver and the blame has been placed on the United States.

A steel grate door keeps the mob out of our hotel. No police at all.

SATURDAY, JANUARY 11

Gunfire all night and all day today. Mike went out—he doesn't look American—and speaks perfect Spanish, so he gets away with it—and was offered two machineguns for $100 (to kill Americans with).

He brought back more crackers and sardines. There's going to be a big food shortage pretty quick.

No bread baked since last Thursday, no restaurants open, grocery stores looted or closed—or open with double prices. No one is working. They're either watching the violence or in it, or staying home.

The mob beat up some Peruvian sailors today thinking they were Americans. They chase British, Dutch, Norwegians, everyone. No law at all. We hear they beat up an elderly American couple walking into the zone today. They think the man was dying and the woman badly injured. Also hear two more Americans were hung in the provinces.

Typewriters for sale for $5; spark plugs for a nickel; a suit for $3. It's all loot. They even have stolen doors off the stores, cut the plate glass windows out and carried them off, stripping plywood paneling off the walls.

They're even robbing and beating each other and stealing each others watches—and money. Commies still tirading on loud speakers and radios, the same line—"Butcher the murdering assassins in the streets."

They buried one of their dead today, a patriot. Phony bloody flag and all. I was on the sidewalk for a while. Much tear gas in the air.

SUNDAY, JANUARY 12

Quiet most of the day. Still ranting on the loudspeakers and radios.

The whole town turned out for the funeral of five "patriots"—A loudspeaker system connected to the mike at the university blasted all over town from 11 a.m. until 4 p.m.: "Kill all the Americans—attack the national guard—Viva Fidel—Viva Cuba—Russia and Red China are our friends and protectors against the American assassins."

The president of the university is believed Communist—and many of the professors, too. Nobody paid much attention, though—they seem to be tired of the violence (I hope). But it looks like a revolution and if the other party gets in, we're in for it because they're really anti-United States.

About 2,000 Americans have gotten to the zone. Lucille wants to go—so do our Venezuelan friends and even Mike. "King David" found a cab—impossible task, as they're all on strike. But he did it—hired a bodyguard and drove out to the airport 20 miles away—out the Trans-Ispian Highway and south toward Chepo, which is dangerous as hell.

He got a flight out last night—how—I don't know.

I told Lucille to go to the zone as I didn't want to leave the scooter—but when it got quiet, I decided to drive it out behind the paddy-wagon the Guardia Nacionals was going to send for us.

Just before the wagon got to the hotel at 5 p.m., the sniper fire started again, and instead of making a beautiful target of myself on Fourth of July Avenue, I decided to leave the Vespa scooter at the hotel under cover of boards and junk and ride out in the Panamanian paddy-wagon.

We loaded up and left for the zone, but on the way they stopped in five other parts of town to pick up more Americans who weren't there. These stops were in very bad sections of the city, too, and the crowds were very ugly.

Lucille and the Venezuelan's wife were in front with the Panamanian Guardia driver and Mike, the Venezuelan and myself were in the back with an armed Panamanian guard. (I don't trust them—they vacillate freely.) When the crowds would move in, the Venezuelans would tell them we were all from his country, including our light-skinned wives in the front.

We had two machetes and two hunting knives and one tear gas pen. If they had jumped us we would have been goners, but a few of them would have come with us. We were really worried about the Castro-trained snipers on the roofs.

Finally got into the zone at Fort Clayton and heaved a great sight of relief as we met two Swedish Salvation Army officers. There was hot coffee, and well-armed U.S. soldiers. We were put on a big bus and taken to a reception area, signed in and given cots.

Lucille is across the street in the Fort Clayton Service Club with the women and children, and Mike and I are in the Fort Clayton Teen Club, otherwise known as "The Clayton Hilton" with 75 other "refugees." There are about 3,000 of us bedded down in the zone, with 25,000 workers and 10,000 soldiers.

In retrospect—I never was scared—I was too damn mad.

I got angrier every minute. Very angry with the Commies—and just as angry with our State Department foreign policies.

Teddy Roosevelt would have never let this happen to American citizens. Now I know what a mouse feels like in a den of snakes.

How can you fight them? Ten thousand to one.

You stay off the streets like rabbits hiding from the wolves.

I am not ashamed of being an American. If the mob had asked me if I was a "gringo" I would have admitted it and been torn to pieces because of it.

But I am embarrassed as an American, embarrassed for my Government—and for the "lace panty" crowd in the U.S. State Department who are so afraid of world opinion they let innocent Americans be slaughtered by howling foreign mobs in foreign lands—lands who accept American dollars and spit in our faces for it.

A show of force any time during this anti-American Red-inspired riot would have brought a quick end to the disturbances, and saved how many American lives?

How many Americans are now dead in their apartments, or torn to pieces and hacked to bits?

How many are dead in the outside villages hanging from trees and lampposts? How many?

Why hasn't the outside world heard of these atrocities perpetrated by the Panamanians?

Why are we so worried about what some ignorant bushlander thinks of the United States? What is world opinion? Did Russia worry about world opinion when they raped Hungary?

P.S.—We kicked a slogan-spouting big-Red-lie-bearing Commie out of the hotel today. He really ran. I guess he thought he was going to get his throat cut, and he might have.

MONDAY, JANUARY 13

FORT CLAYTON, THE CANAL ZONE.—Sat around here all day. Mailed out some stuff and listened to more atrocity stories about lynched and chopped-up Americans.

We know for sure the Panamanians hanged five Americans. Cut one more up in little pieces with machetes.

This news—plus many more we haven't heard about—has been classified as secret and the United States isn't hearing about it. This classifying is being done by our own Government.

Found out today from a civilian who saw the whole thing, that—even before the Panamanian students got to the flagpole the first time in their peaceful parade—Commie-inspired taxi drivers were smashing their cabs into U.S.-owned cars on Fourth of July Avenue and then jumping out and fighting with the American drivers, thus trying to draw a crowd they could turn into a howling mob.

This was more or less unsuccessful. But when the second assault on the zone was in progress—before the shooting started—the agitators had 8-year-old children carrying cases of whisky bottles filled with gasoline (Molotov cocktails) to the site where they knew the disturbances were about to take place. Also, pickup trucks and cars, loaded with rocks, were on hand waiting for the first shots to sound. When they did, the gasoline and rocks and pistols that these bandits had on hand were put into immediate action. A list and pictures of the dead Panamanian "students" was published today in a Panama paper—one or two were students—but the rest were not.

In this list were three well-known Commie agitators, including a 28-year-old student who hadn't been to school for years. He was "Chepi" Gonzalez-Meneses, otherwise known as "the Courier," an active Castro-trained Communist who carried secret documents between here and Cuba.

He also worked for Thelma King, the Communist deputada in the Panamanian Government. This Gonzalez was also the leader of the Communist-led mob that marched on the Canal Zone with the Panamanian flag in 1959.

The government is housing us here at Fort Clayton, but so far we're responsible for our own food. The U.S. news media must be getting their reports from the Panama Government. We still haven't heard the truth of this situation on New York broadcasts.

TUESDAY, JANUARY 14

This afternoon I took my camera downtown and got some slides of the damage.

On the surface it's quiet, but below it's still very hot. Went for a walk in the tough district and was approached five times by punks, asking if I was a "gringo." I told them: "I'm not gringo—I'm a Yankee."

They backed down. They aren't so tough in groups of 5 or 10, but when the odds are 5,000 to 1 they are.

Got the scooter, and now everything we own is in the zone. Still more atrocity reports coming in about killed and beaten Americans—has the U.S. public heard about them yet?

One soldier caught downtown had his head caved in by the mob. When they got him here his brains were showing through a gigantic hole in his skull. He's still breathing, but that's all.

The mob on the first night was attacking civilians in their cars headed for the safety of the zone—trying to burn them in their tipped-over automobiles.

WEDNESDAY, JANUARY 15

Sat around all day, doing nothing. The situation is getting hotter downtown again.

THURSDAY, JANUARY 16

Still nothing doing. But the U.S. public still doesn't have the truth of this situation.

Did I say before that the U.S. Embassy is vacant, with all its windows smashed last Thursday night?

And the U.S. Information Agency, next to the Embassy, was thoroughly ransacked and then completely gutted by fire?

The Panamanians are supposed to hold a huge demonstration parade tomorrow so it could get pretty hot again.

The DENI (secret police of Panama) are busy rounding up Commies and looters and have the jails full. It's a little like locking the barn door after the horse has been stolen. This country is about to go up in the flames of revolution—and it's going to be a good one.

FRIDAY, JANUARY 17

Not much doing all day. The word is that it's not safe to leave the zone and return to live in Panama at present. But I guess we'll leave tomorrow for Colombia.

I don't really look forward to the 20-mile scooter ride to the airport, though. They (the Panamanians) had a big rally downtown tonight—and the President of Panama vowed "there would be no retreat on Panama's part." No violence, at least.

The army began giving us our meals today—before, we were buying them.

SATURDAY, JANUARY 18

We are still holed up here at Fort Clayton in the Canal Zone.

We'll probably leave for Colombia in the next day or two. This log will fill you in on the situation—and it's bad.

This log contains the God-honest truth of the situation—something the U.S. public no longer receives from our Government agencies.

PANAMA RIOT INVESTIGATION

Mr. CEDERBERG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an article.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CEDERBERG. Mr. Speaker, I rise in support of the demand by the gentleman from Florida for a full and complete investigation of the charges made in the article written by Mr. Don Athnos and which appeared in the La Crosse Tribune of January 30.

According to that paper, Mr. Athnos has a background on two La Crosse television and radio stations of sufficient dimensions to entitle him to a full hearing in relation to the charges he has made.

Two of the charges, as the gentleman from Florida has already pointed out, are of extreme importance—the murder of Americans during the riot and the suppression of facts by the administration.

I believe it appropriate also to mention an edition of "Spillway," the Canal Zone publication dated Monday, January 20, 1964, which gives a full picture of the riots.

I commend it to the attention of my colleagues.

The articles referred to are as follows:

THANKS EMPLOYEES FOR LOYALTY, RESTRAINT, FORBEARANCE, DEDICATION: GOVERNOR HAILS "MAGNIFICENT RECORD"

Fellow Employees:

With so much bad news reaching us these troubled days, it is cheering to have one positive report of good news each day. This good news is that the employees of the Panama Canal are continuing to transit ships expeditiously and safely. A magnificent record of sustained service to shipping is being maintained during this troubled period.

I thank the employees of the Panama Canal for their loyalty, restraint, forbearance, and dedication to duty. The lack of communication with our employees has kept them in a state of confusion and perhaps frustration. Conflicting reports and rumors have created tension and excitement.

My message to employees is this: Don't get excited about what you read in the local papers. English language newspapers printed in Panama are Panamanian papers and in all recent reports have been slanted. News favorable to Panama is highlighted. One of these papers for months has been dedicated to encouraging the controversy between Panama and the United States. And when the chips were down and all of us, Panamanians and Americans alike, needed objective reporting, the other one was not much better.

When you read the local newspapers, keep cool and remember that the items you read are calculated to stir you up and get you excited. Now you may ask about the United States press. The first batch of newspapers from the States really clobbered the Zonians. I have been working with correspondents and I believe the tide is changing. The next few days should bring stories from the United States which will be more objective. It is essential that we get the true story before the American public but it takes time and we couldn't do it during the first few days.

During the time of crisis along the borders, the Panama Canal administration could not publish, print, or disseminate news to its employees directly. It was necessary, and I am sure you know why, that only one voice should speak for the United States. Later the Peace Commission of the Organization of American States requested the Governments of the United States and the Republic of Panama to refrain from discussing the events starting Thursday, January 9, in an effort to improve the climate for resumption of relations. The United States has scrupulously observed this request. Our forbearance will earn us allies in the long term.

I do not need to tell you that the American employee of the Panama Canal has been singled out for special attack by many individuals and much of the press and radio media. I have been telling, and most emphatically, representatives of the press and radio that the American employee was not responsible for what has happened. The current conflict springs from something bigger, more basic, than we Americans in the Canal Zone.

Before the existing crisis is completely resolved an examination will be made of the basic causes of United States-Panama differences. To the extent that I am permitted to do so, I will keep the Panama Canal employee informed of what is going on. You can depend on this.

Panama Canal employees may receive more unwarranted criticism before the true facts are established and the United States public better understands the situation. In the meantime, keep your blood pressure down, ignore unfair and slanted publicity, and continue to do your work to the best of your ability. This will be a major contribution from each of you. Again, I thank you for your loyalty and steadfastness.

ROBERT J. FLEMING, Jr.,
Governor.

WHAT REALLY HAPPENED

(NOTE.—This is a factual summary of the events of Thursday, January 9, plus some supplementary information, prepared and written by an experienced professional newspaperman, and printed in the Spillway as a service to its readers. It is not an official report of either the Panama Canal enterprise or of the U.S. Government.)

At about 4:40 p.m. on January 9 an estimated 200 Panamanian high school students, boys and girls, from the Instituto Nacional in Panama City entered the Canal Zone and proceeded up Gorgas Road carrying small Panamanian flags, the Panama National Institute Student Federation banner and the school flag. They also carried several provocative signs such as "Panama Is Sovereign in the Canal Zone." They proceeded in a peaceful manner to the Canal Zone Governor's residence, where they paused and sang the Panamanian national anthem and then went to the Panama Canal Administration Building, down the stairs and past the Goethals Memorial to an area one block from the Balboa High School, shouting "Yankee Go Home" and similar slogans. Here, they were halted by a squad of 10 Canal Zone police officers who had instructions from the Acting Governor, Col. David S. Parker, to stop the students at this point. The Canal Zone police were instructed to use no violence, but to halt the students, so as to avoid an incident.

(Governor Fleming had left the isthmus via Tocumen by air on January 9, 1964, at 5 p.m. en route to Washington for an official appointment with Thomas Mann, Assistant Secretary of State for Inter-American Affairs, and Stephen Ailes, Under Secretary of the Army. On arrival in Miami, he was informed by Balboa Heights of the situation in the Canal Zone and Panama. After consultation with Washington, Governor Fleming returned to the Canal Zone by the first available flight to Panama. He arrived at Tocumen about 3:20 a.m. January 10, 1964, and reached the Canal Zone shortly thereafter.)

The leaders of the Panama student group informed Capt. Gaddis Wall, district police commander, Balboa, that they wished to go to the Balboa High School flagpole for the purpose of raising the Panama National Institute flag (a Panama flag with the school emblem and name in the flag's center) on the pole beside the U.S. flag, which was flying at the time, and to sing their national anthem. After some discussion among and with the students, the group was informed that five Panama students would be escorted by police to the Balboa High School flagpole, where they would be able to have their ceremony and display this flag in front of the flagpole, if they wished. Although the leaders of the group agreed to this proposition, there was considerable opposition to the proposal among the group. The opposition was led by an adult Panamanian, reportedly a Panama schoolteacher.

The five Panamanian students were escorted by the Canal Zone police to the Balboa High School flagpole. A number of Balboa High School students were gathered about the flagpole base. The Balboa High School students and a large group of adult U.S. civilians on the school grounds, who had gathered from nearby residential areas, joined in the singing of the U.S. National Anthem.

The Panama delegation refused to have a ceremony unless they could have it on the spot occupied by the Balboa High School students, who would not move. The Panama delegation then wanted to raise the Panama school flag on the flagpole where the U.S. flag was flying, and Police Captain Wall refused permission. The Panamanian and Balboa students at the flagpole began exchanging insulting remarks.

Recognizing the tense atmosphere, the Canal Zone police endeavored to convince the five Panamanian students to rejoin the remaining members of their group before an incident could occur, but the students resisted violently. It was necessary for the police detail to forcibly push them from the flagpole. The flag was carried by four Panama students holding it at the top edge. Capt. Gaddis Wall, an eyewitness, made these two statements based on his own observations. No Canal Zone policeman tore or ripped the flag. No U.S. student tore or ripped the flag. There was a tight cordon of Canal Zone police surrounding the Panama students and separating them from the U.S. students. Since there was scuffling, pushing, and physical struggle between the Canal Zone police and the Panamanian students, the four Panama students holding the flag apparently tore it themselves during the scuffle.

The five students with the flag and a Panama National Institute Student Federation banner joined their waiting group, which was surrounded by a cordon of police to keep them separated from the Canal Zone high school students and adults in front of the Balboa High School. The Panamanian group shouted at the police for several minutes. At no time was there any encounter between the large group of Panama students and the students of the Canal Zone, as O'Connor Place Road separated them.

Canal Zone officials had requested the motor transportation division to send buses to the vicinity of Balboa High School, to stand by and provide shuttle transportation to the Republic for the Panamanian student demonstrators. At 5:45 p.m. three large buses were dispatched from the Ancon garage. The buses were parked on Gorgona Road alongside the Balboa High School Activities Building. The Panamanian students were offered this transportation but refused it.

The Panama students, after shouting insults, turned and started up the steep bank and 129 stone steps to the Panama Canal Administration Building. They halted near the dual flagpoles from which the U.S. flag flies beside the flag of the Republic of Panama. At 6:25 p.m., a group of the Panama students made an effort to lower the U.S. flag but were prevented from doing so by several U.S. civilians. With considerable shouting, the Panama students left the area and headed back to Panama City.

As the Panama students passed the Panama Canal Administration Building, they began damaging property. The group proceeded back over Gorgas Road, and en route threw stones. Five windowpanes of glass were broken on the east wing of the Panama Canal Administration Building. Twenty street lights were broken, a sign was torn off the pole in front of the Gorgas Laboratory Building, and approximately 40 louvers were broken in the Panama Canal treasurer's office. All the trashcans along the road were overturned. Many automobiles were stoned and car windows were broken.

The Canal Zone police refrained from making any arrests of the students in order to get the group out of the Canal Zone as quickly as possible.

While this Panama student group was en route to Fourth of July Avenue, the Canal Zone police contacted the Panama National Guard headquarters, and informed them of the situation.

From 6:45 until about 7:15 p.m. the Panama students milled around on Fourth of July Avenue, opposite the Panama National Institute, and large crowds started forming and increased rapidly.

By 7:30 p.m., the Panama mob, now grown to an estimated 2,000, moved north on Fourth of July Avenue and Kennedy Avenue to a point between the Tivoli Guest House and Shaler Triangle. Many of the demonstrators attempted to climb the fence between Kennedy Avenue and the Tivoli Guest House. A Canal Zone police detail at that location repelled them by laying a screen of tear gas along the fence. Three automobiles were turned over and burned by the demonstrators in their march from the Panama National Institute.

Only 19 Canal Zone police were on duty on the whole Pacific side when the Panamanian students entered the Canal Zone. By 7:30 p.m. practically the entire Canal Zone police force, totaling about 85 men, was deployed along the Canal Zone border and by 7:30 p.m. it was apparent the police could not hold the crowds. The police were authorized to use tear gas, and firearms if necessary to protect life.

At about 8 p.m., the Panama mob across from the Tivoli Guest House started to move along President Kennedy Avenue, heading for the Ancon Railroad Station and the freight house. Two Canal Zone police sergeants and eight Canal Zone policemen on duty in this vicinity fell back from the intersection of Frangipani Street and Roosevelt Avenue before the onslaught of at least 3,000. They took up positions between the Panama Canal Sanitation Office and the civilian homes on Frangipani Street.

The mob upset and burned an unoccupied automobile at the intersection of Roosevelt Avenue and Frangipani Street and some of the Canal Zone police advanced and threw all the tear gas they had. The mob was stopped temporarily at this point from advancing further into the Canal Zone and the homes were saved from being overrun.

About 2 or 3 minutes later, part of the mob started to burn and sack the Ancon freight house. Railroad passenger cars were set on fire and windows in the passenger railroad cars were broken. Other elements of the mob started breaking windows as they forced their way into the Ancon Laundry across the street from the railroad station. Several hundred of the mob started toward the Ancon Little Theater, where a rehearsal was in progress, and toward the Ancon housing area. One policeman with a shotgun and three other policemen were sent to protect life and property in that area.

As the mob headed for the residential area on Manzanillo Street in Ancon, the police were authorized to open fire with shotguns and revolvers, shooting over the heads of the mob and on the ground in front of them.

This action, at 8:20 p.m. as nearly as can be determined, was necessary to save lives. It was the first actual firing by Canal Zone police, although by that time seven Canal Zone policemen at that location had been injured in the hail of stones and flying objects directed against them.

For the next 10 minutes, the mob surged back and forth and made several efforts to penetrate the Frangipani Street residential area, but were turned back by tear gas and shots fired over their heads. Small arms fire was heard coming from Panama during this time. Considerable damage was done to the Shaler bus terminal.

The Canal Zone police received numerous reports that Molotov cocktails were being thrown against the U.S. District Courthouse in Ancon. A wire fence within the zone was torn down in front of the U.S. District Court and along Fourth of July Avenue.

Acting Canal Zone Gov. David S. Parker made a personal inspection of the Canal Zone-Panama border in the vicinity of the Tivoli guest house shortly before 8 p.m. His car was stoned twice in the vicinity of the Tivoli guest house. By that time a crowd estimated between 5,000 and 6,000 was gathering along Fourth of July Avenue. Molotov cocktails were being thrown against buildings in the Canal Zone, and a number of cars had been set on fire. The Canal Zone police were having difficulty in holding back the crowds which had penetrated several hundred yards into the Canal Zone, and it was apparent that life and property were in serious jeopardy.

At 7:59 p.m., Acting Governor Parker reported to Gen. Andrew P. O'Meara, commander in chief, U.S. Southern Command, that he was unable to maintain law and order in the Canal Zone with only the police and other civilian authorities. Acting Governor Parker requested General O'Meara to assume command of the Canal Zone.

Within 40 minutes from the time the first shots were fired by the Canal Zone police, U.S. Army personnel arrived at Portobello Street in Ancon. Complete Army control in that area was assumed about 20 minutes later after Brig. Gen. G. L. Mabry, Jr., Director J-3, Plans and Operations, U.S. Southern Command, had completed an assessment of the situation. He directed that no further firing be done unless an attack was made, as the Army was ready to move into that position and take over. Sporadic small arms fire was heard coming from Panama City.

A small group of policemen, sent to the Ancon freight house after the Army arrived, dispersed a mob armed with Molotov cocktails, which were being thrown at the freight house. A Canal Zone fire rig arrived in time to put out the fire at the freight house, caused by the fire bombs.

A Molotov cocktail was thrown through the windshield of an automobile that came out of Panama into the Canal Zone at Frangipani Street, Ancon. The car burst into flames, but the two passengers escaped.

At 9:15 p.m., upward of 1,000 Panama demonstrators proceeded from the Canal Zone-Panama limits into the Canal Zone toward Balboa on Balboa Road. They were stopped initially by an eight-man detail of policemen. The mob threw stones at the police and gunshots were heard. The Canal Zone police fired over the heads of the mob and onto the roadway in front of them in an attempt to stop them. The demonstration continued and was still in progress when the Canal Zone police detail (which had been increased to 30 men) was relieved by a U.S. Army platoon about 10:30 p.m., after the mob had penetrated about 400 yards into the Canal Zone.

The large crowd on Fourth of July Avenue in the area of the H Street intersection in Panama City commenced coming across Fourth of July Avenue at about 9:35 p.m., throwing stones at the home of U.S. District Court Judge Guthrie F. Crowe. The stones broke through the screens and entered the house and were followed by three Molotov cocktails. One fire bomb landed underneath the house, against the wooden latticework, another landed on the front porch, and the third, upstairs inside the house. Despite the continuous hail of rocks thrown by the mob, Judge Crowe and Canal Zone police personnel at the scene succeeded in throwing the Molotov cocktails out of the house and extinguished one burning underneath the house.

Shortly afterward, several more Molotov cocktails were thrown and landed about in the same places as the first. The hail of rocks now was so thick it was extremely dangerous to go anywhere near the fire. Canal Zone firefighters appeared on the scene, but were unable to approach the house due to the continuous shower of rocks. A small Canal Zone police detail, reinforced by a squad of policemen who fired a number of shots into the air and into the ground, dispersed the rioters, who took cover in buildings across Fourth of July Avenue and down H Street in Panama City. Canal Zone Fire Division personnel went into action and extinguished the blaze at Judge Crowe's home, where only minor damage was done.

The rioters reappeared at 9:55 p.m. and demonstrated for about 2 hours. They burned automobiles they brought out of Panama, as well as cars that had been parked on the side of the road and in garages of the apartment houses in the vicinity. All these cars were pushed onto Fourth of July Avenue after they had been set on fire.

Sporadic shots were heard, apparently coming from buildings in Panama City near the Canal Zone border. From 12:45 a.m. to 3 a.m., January 10, the Canal Zone police furnished support to the military. After 3 a.m., the Canal Zone police were removed from the border and resumed zonal police patrols. At no time during the above events did Canal Zone police enter the Republic of Panama.

During the period of attempting to control the Panama mob at various locations, many Canal Zone police officers received injuries, but none were serious.

The Atlantic side of the isthmus was fairly quiet until 9:05 p.m., Thursday, January 9. When information was received by the Cristobal District Canal Zone police that rioting had broken out in the Balboa district, available personnel were called out and placed at strategic points along the boundary.

At 9:05 p.m. information was received that about 20 Panamanians were proceeding toward the Canal Zone-Panama border at Colon, carrying a Panamanian flag and shouting anti-U.S. insults. In little more than 15 minutes, the group grew to about 1,500 men, women, and children. They marched down Roosevelt Avenue to the Cristobal Administration Building, where, during the day, the Panama flag flies alongside the U.S. flag on dual flagstaffs. Some of the mob went to the second floor of the building and raised the Panama flag, under the surveillance of a riot squad of police.

During the flag raising, Daniel Delgado Duarte, mayor of Colon, accompanied by several members of the Colon Municipal Council, talked to the crowd and aided in averting violence at that time. Several agitators in the mob tried to incite the crowd, but were restrained.

At 9:30 p.m., the mob removed the Panama flag they had previously placed on the Cristobal Administration Building and started dispersing, many shouting insulting remarks as they passed the Cristobal Police Station. The crowd went back to Roosevelt Avenue and, on the way back to Colon, broke windows in two cars parked on the street and the lower windows of buildings along Steamship Row. The mob broke windows on the 11th Street side of the former Cristobal Commissary Building and windows in the Masonic Temple.

National Guard headquarters in Colon was advised that elements of the mob were heading for the U.S. Consulate in Colon, and National Guardsmen were dispatched to that location.

The Colon mob grew in size but was contained by the Colon National Guard until about 10 p.m., when some of the mob broke past and moved up to Balboa Avenue.

Part of the mob moved south on Balboa Avenue into the Canal Zone, breaking windows in the Canal Central Employment Office, License Office, and in the Cristobal Railroad Station. Police held them at that location until troops arrived.

It was reported that windows were being broken at the Cristobal YMCA and that it was being looted. A riot squad of about 10 Canal Zone policemen routed some 50 looters. Four Panamanians arrested inside the building were brought to Cristobal Police Station and charged with participating in a riot. Several policemen were injured by brickbats.

Some Atlantic-side Canal Zone police officers had been injured during the rioting prior to the time the military assumed control.

After the U.S. military assumed command in the Canal Zone, most of the action on the Pacific side of the Isthmus was contained along the Panama-Canal Zone border. On the Atlantic side, the Colon mobs did intense damage. Canal Zone police and U.S. troops were subjected to rock throwing and other attacks. Persistent sniper fire killed three American soldiers and wounded many others, including civilians.

No Americans were involved, except as victims, in the burning, looting, and other violence in Panama. No Canal Zone police or U.S. troops entered the Republic of Panama. Canal Zone residents remained at their residences and did not participate in nor provoke any violence.

Major damage on the Pacific side of the Canal Zone, as of Saturday night, included the following: Tivoli Guest House extensively damaged (persistent sniper fire forced evacuation of Tivoli Guest House Friday night); Ancon School damaged; one flagpole razed at Shaler Triangle, the first Canal Zone site where the Panama flag was raised to fly alongside the U.S. flag; Ancon Laundry damaged; and Canal Zone police booths at Balboa Road, the Limits, and the Ancon Gymnasium destroyed. The fence on Fourth of July Avenue was torn down at numerous places. The Shaler Bus Terminal was wrecked and street light standards on Fourth of July Avenue and Thatcher Ferry Bridge approach were damaged.

In addition, windows were broken in railroad coaches at Panama Railroad Station in Ancon and one coach set afire; all light fixtures on Panama Railroad Station platform were broken; station office records were scattered in the station and on the tracks, shipments in baggage rooms were pilfered; drug shipments were strewn along the tracks; office furniture and files in station office were overturned and scattered; lockers were broken open and vandalized; houses in Gavilan area were stoned; street signs were torn down on President Kennedy Avenue; some outside lights were broken at Gorgas Hospital and ambulances at Gorgas were dented by rocks; and windows were broken in the sanitation division's Ancon office.

The major damage in the Cristobal area included: the Cristobal YMCA, which was gutted by fire; the Masonic Temple, which was abandoned to fire; the sanitation office, which was destroyed by fire, and the Cristobal warehouse which was burned. The Panama Canal personnel bureau offices, the driver license examiner's office, and the nurse's office in the former Cristobal commissary building were left a shambles with all glass broken, furniture and typewriters thrown in the street, and papers strewn about the floor. The baggage room, ticket seller's office, dispatcher's office, yardmaster's office, car inspector's office, shop area, and toilet facilities were destroyed by fire and a shelter in the dock yard 9 outside fenced area was destroyed by fire. A dozen or more ties in the main line track in Colon and an equivalent number of ties on the ladder track also were burned out. As a result of this damage, railroad trains were unable to operate into the Cristobal pier area.

In Panama, within sight of the Canal Zone boundary, rioting mobs, partly students but with many adults, overturned and burned cars, and burned and damaged a number of buildings in Panama, especially those occupied by U.S. firms.

By taking emergency measures the transit operations of the Panama Canal continued uninterrupted. Thirty-one ships transited on Friday; 26 transited on Saturday, and 34 were scheduled to transit Sunday.

Canal Zone Gov. Robert J. Fleming, Jr., commended the outstanding performance of duty by the police officers and the personnel of the fire division, who loyally and courageously served long hours without relief. He spoke of the maturity displayed by nearly all Panama Canal employees, both United States and Panamanian, who stayed with their jobs and kept ships transiting and other essential supporting operations on schedule. Governor Fleming mentioned what a welcome sight the morning train was when it arrived at Balboa Heights Friday morning, as evidence of the organization's determination to continue on.

Background information on the Panamanian student march to Balboa High School on January 9 is given below:

On December 30, 1963, Governor Fleming issued a press release stating that commencing January 2, 1964, the Panamanian flag would be flown alongside the U.S. flag on civilian land areas in the Canal Zone wherever the latter flag was flown by civilian authorities.

This plan was described as implementing an agreement reached earlier in 1963 between the Government of the United States and the Republic of Panama.

The press release of the Governor was printed both in English and Spanish in local newspapers. It stated that both flags were flying at 11 different sites, including Shaler Plaza (near the Panamanian boundary at Ancon, Canal Zone) and at the Thatcher Ferry Bridge, and that 6 additional sites had been selected. It was also indicated that the U.S. flag would not be officially flown alone at certain other sites in civilian communities.

Among the places where the flag would no longer fly was outside Balboa High School. Some students, encouraged by their parents, resented the removal of the U.S. flag from their school.

On the morning of Tuesday, January 7, students ignored the Governor's directive and raised the U.S. flag at the flagpole on the lawn of Balboa High School. An hour later, Civil Affairs Director Bernhard I. Everson, and High School Principal David A. Speir took down the flag and removed it.

A short time later, Balboa High School students gathered outside the school and massed for a demonstration. Some students raised a smaller flag on the flagpole and it was not removed the second time by school officials.

Students who feared the Panama Canal officials might remove the flagpole stood vigil during the night. The next day, students at several other schools also raised American flags.

The student activity with its controversial aspects was printed in detail. The majority of the Spanish language news media twisted the story to make it appear that the Balboa High School students objected to the flying of the Panama flag.

This was the situation which led to the visit to Balboa of the students from Panama's Instituto Nacional on the afternoon of Thursday, January 9, which, as it later turned out, was the catalyst for the violence which started that night.

POLICE COURAGE, RESTRAINT, PRAISED HIGHLY BY JUDGE

JANUARY 13, 1964.

CHIEF E. S. SHIPLEY,
Police Division, Box M,
Balboa Heights, C.Z.

DEAR CHIEF SHIPLEY: I am writing to express my appreciation for the fine work that was done by the courageous men under the direction of Lieutenant Richards at my home

> and the courthouse on Thursday night, January 9, when the rioting took place on the border between the Canal Zone and Panama City.
>
> The rioters succeeded in breaking down the storm fence which separated my house and the courthouse from Fourth of July Avenue, and a howling mob of four or five hundred were storming up the hillside and burning my house when a small group of your men came down and went in the house with me and fought the fire and assisted the fire department in extinguishing it.
>
> At the time the mob was attacking the house, it was impossible to get the firetruck and equipment up to the front because the rioters were shooting and throwing rocks, and your men repelled the mob by opening fire and shooting a few bursts of ammunition over their heads. This permitted the firetruck to operate in the house and all of our personal effects were saved. The men performed with the greatest of courage as they were hopelessly outnumbered and very lightly armed.
>
> I have had many years of experience with police officers, first as Commissioner of the Kentucky State Police and later here in the Canal Zone as judge of the district court, and I have never seen men act with more restraint and composure in the face of extremely hazardous duty than the group of men assigned to this area Thursday night. I think you should be extremely proud of them and so should the civil authorities of the Canal Zone. I am forwarding a copy of this letter to the Governor of the Canal Zone and to the Director of Civil Affairs so they may be apprised of the splendid work that you and your men performed.
>
> With kindest personal regards and again expressing my great appreciation, I am,
>
> Yours sincerely,
>
> GUTHRIE F. CROWE,
> *U.S. District Judge.*

PANAMA RIOT INVESTIGATION

Mr. WEAVER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WEAVER. Mr. Speaker, I, too, support the call for an investigation of the Panama riots made by my colleague, the gentleman from Florida.

The article by Mr. Athnos, in the La Crosse, Wis., Tribune, January 30, 1964, if accurate, paints a sordid picture of the position of the United States in Panama. Statements in this article that Panamanians "hanged five Americans" and "cut one more up in little pieces with machetes" cannot be ignored or brushed aside without careful investigation.

Mr. Speaker, I strongly recommend that the House of Representatives take action to investigate these allegations. There have been instances in the past where such acts against U.S. citizens have been minimized or covered up under the guise of peaceful coexistence.

Many of us in the Congress have been concerned with a growing problem—the placing of a secret classification on matters that do not warrant that classification. This device has been used to spare the administration embarrassment. Let us seek the truth and thus strengthen our respect in the eyes of the world.

STATE DEPARTMENT AND ADMINISTRATION GUILTY OF NEWS MANAGEMENT ON PANAMA SITUATION

Mr. HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. HALL. Mr. Speaker, I, too, have examined the article written by Mr. Athnos. I am appalled.

If these charges are true the State Department and the administration which directs it, are both guilty of the worst form of news management—that which seeks to keep from the American people facts which would enable them to see firsthand and for themselves the total and complete failure of our weak-kneed foreign policy, or lack thereof.

I join with my colleagues in demanding a complete and thorough investigation of the entire incident of January 9. If Americans cannot live or travel abroad with reasonable guarantees of their safety, then this fact must be made known.

The following, which is taken from Mr. Athnos' article and purports to be a quote from "all" Panamanian radio stations indicates the seriousness of the situation:

> Kill the Yankees. Butcher them in the streets. Down with the U.S. murderers. Hunt down all the North Americans and fill the gutters with their blood. Viva, Castro. Viva Fidel.

Mr. Speaker, where is the "will" of our U.S. people? Where is our "gunboat diplomacy" or "big-stick policy"? Where are the U.S. Marines?

PRESIDENT PROPOSES AGRICULTURAL MARKETING COMMISSION

Mr. EVINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. EVINS. Mr. Speaker, the President's proposed Agricultural Marketing Commission deserves support.

Mr. Speaker, I wish to commend President Johnson on his farm message, delivered to the Congress on yesterday. After having had an opportunity to study this message most carefully, I am convinced that the President is moving in the right direction and on sound ground. The strengthening of our economy and American agriculture and our rural areas, along with urban areas, is important and must go hand in hand.

Mr. Speaker, the President rightly recognizes that our task in agriculture is three fold—to maintain and improve farm income—to use our food abundance to raise our standard of income at home and abroad—and to accelerate the development and conservation of both material and human resources in rural America.

I have long felt that the key to the solution to much of America's agricultural problem is in the marketing process, and I certainly commend especially the President for his proposal to establish a commission to study changes in the marketing system for farm products.

The President's proposal for the establishment of a Agricultural Marketing Commission deserves support.

Changes in agricultural marketing since the end of World War II have been phenomenal. The number of marketing firms at the processor, wholesale and retail levels has declined sharply, while the size of marketing firms has increased. Traditional buyer-seller relationships have been replaced by horizontal and vertical integration of production and marketing functions, contract farming, specification buying and all sorts of new market relationships.

There has been uneasiness on the part of both farmers and consumers concerning changes which have been taking place in the marketing system. The bargaining position of farmers has been seriously weakened in many areas. And consumers, despite the wondrous variety and availability of food products in the modern supermarket, have been concerned about a system dominated by ever fewer large marketing firms.

In terms of complexity and operating efficiency today's marketing system is a marvel of our age. But it has grown so fast and become so complex that our knowledge and understanding have not kept pace with it.

We need a thorough study by a group of competent and impartial experts to help us get answers to some of the questions which perplex us. We need to understand what is taking place in our marketing system so that we can devise public policies and programs to guide it in serving the public interest.

The President's proposal is an important first step in getting this job done. I repeat, there are many salient proposals in the President's message, but I especially would like to emphasize the importance of speedy approval of the President's proposed Agricultural Marketing Commission.

I hope that my colleagues will support this proposal which will benefit not only farmers, consumers, small businessmen, and others—but all segments of our population as well.

THE CIVIL RIGHTS BILL

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LINDSAY. Mr. Speaker, in certain propaganda being circulated around the country serious charges have been leveled at the pending civil rights bill. The measure has been called unconstitutional. It is said to destroy private property. It has been referred to as a "blueprint for Federal regimentation." It has been attacked as the "most drastic and far-reaching proposal and grab for power ever to be reported out of a committee of the Congress in the history of our Republic."

Mr. Speaker, these charges are patently untrue. They are such outrageous misrepresentations of the nature of the civil rights bill that they deserve full refutation. The best reply to these unfounded assaults on the bill is contained in part 2 of the committee report accompanying the civil rights bill (H. Rept. No. 914, pt. 2). The additional views on H.R. 7152 by Republican members of the committee, the gentleman from Ohio [Mr. McCulloch], myself, the gentleman from New Jersey [Mr. Cahill], the gentleman from Kansas [Mr. Shriver], the gentleman from Minnesota [Mr. MacGregor], the gentleman from Maryland [Mr. Mathias], and the gentleman from Iowa [Mr. Bromwell].

I commend our additional views on H.R. 7152 to the attention of my colleagues and to all Americans interested in a detailed documentation of the reasons for the civil rights bill. In order to give wide circulation to our report and to complete the record on the civil rights debate, I am inserting the report at this point in the Record. It is brief and will not take long to read:

Additional Views on H.R. 7152 of Hon. William M. McCulloch, Hon. John V. Lindsay, Hon. William T. Cahill, Hon. Garner E. Shriver, Hon. Clark MacGregor, Hon. Charles McC. Mathias, Hon. James E. Bromwell

GENERAL STATEMENT

No legislation of greater significance to the Nation has come before this Congress in our lifetime than the civil rights bill which the Judiciary Committee now presents to the Members of the House.

The 14th amendment to the Constitution of the United States declares:

"No State shall make or enforce any law which shall abridge the privileges or immunities of the citizens of the United States, nor shall any State deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws" (sec. 1).

"The Congress shall have the power to enforce by appropriate legislation the provisions of this article" (sec. 5).

Almost a century has elapsed since its ratification, yet not since Reconstruction has Congress enacted legislation fully implementing the article. A key purpose of the bill, then, is to secure to all Americans the equal protection of the laws of the United States and of the several States.

The majority report sets forth the purpose, history, and content of the legislation. It spells out the provisions and delineates their scope and application. We subscribe in substance to that report.

There is, however, a need for fuller documentation of the reasons for the bill. The urgency of the measure makes it imperative that its supporters state why it is so important. The omission in the majority report of summary statements on policies and practices which have led to this legislation is an unnecessary distillation of the report.

In these additional views we will point to the need for this civil rights bill. In so doing we are mindful that there are many areas of national concern entirely outside the scope of this legislation.

The bill is a comprehensive measure, but it cannot, nor should we expect it to, be a panacea for all our ills. It will not end racial turmoil. No legislation could do this. Nor can legislation relax all the tensions of our troubled times or wipe clean the blot of racial discrimination from our national conscience.

But this bill can and will commit our Nation to the elimination of many of the worst manifestations of racial prejudice. This is of paramount importance and is long overdue. The practice of American democracy must conform to the spirit which motivated the Founding Fathers of this Nation—the ideals of freedom, equality, justice, and opportunity. The entire Nation must meet this challenge, and it must do it now.

TITLE I—VOTING

More than a hundred years have elapsed since the Negro has been freed from the bonds of slavery. Yet, to this day, the Negro continues to bear the burdens of a race under the traces of servitude. In employment, education, public service, amusement, housing, and citizenship, the Negro has faced the barrier of racial inequality. In other titles of this legislation, we have sought to fashion workable tools to correct this inequity. But perhaps no right is more essential to citizenship than the right to vote.

The secret ballot is the touchstone of representative government. Without it, no other benefit or achievement can be considered secure. This is not to imply that the grant of the franchise will automatically equalize job or other opportunities. But, the ability of the Negro to obtain material benefits and social and political advancement will long be retarded in those communities where he is dispossessed of the right to vote.

In over 250 counties in the United States, less than 15 percent of the voting-age Negroes are registered to vote. What is more shameful is the fact that in certain counties while the white population is exceeded by the number of white inhabitants who are registered, Negroes are either totally or all but totally denied the right to vote. The figures below from sample areas illustrate this problem:

Counties illustrating denial of Negro right to vote

County and race	Population over 21	Registered voters	Percent
A:			
White	2,624	2,810	107.1
Negro	6,085	0	0
B:			
White	1,900	2,250	118.4
Negro	5,122	0	0
C:			
White	1,649	1,979	120.0
Negro	5,001	275	5.5
D:			
White	2,648	3,500	132.1
Negro	1,255	29	2.3
E:			
White	4,116	6,130	148.9
Negro	909	56	6.1
F:			
White	1,974	2,437	125.4
Negro	1,336	3	.2
G:			
White	6,415	5,212	81.3
Negro	5,032	34	.7
H:			
White	2,287	1,571	68.7
Negro	3,533	0	0
I:			
White	1,632	1,070	65.6
Negro	2,235	0	0
J:			
White	2,997	2,225	74.2
Negro	5,172	0	0
K:			
White	640	621	97.0
Negro	1,081	0	0
L:			
White	3,113	3,232	103.8
Negro	3,221	10	.3
M:			
White	3,324	4,025	121.1
Nonwhite	125	0	0

Note.—Since a number of other counties could illustrate the problem with equal force, the counties selected have been designated by letters of the alphabet.

Source: U.S. Commission on Civil Rights; 1963 report

In examining the economic, political, and social attainments of Negroes who live in voterless counties, the picture of present-day inequities is glaringly apparent. Educational achievement is pathetically low; jobs are allocated in discriminatory fashion; libraries, playgrounds, and other places of amusement are segregated or nonexistent for the Negroes; access to good restaurants, hotels, and other places of public accommodations are denied to Negroes; treatment of Negroes by police officials and other public servants is frequently hostile, if not brutal.

We do not maintain that these unsatisfactory conditions are laid directly at the door of vote denial. We do say that experience reveals that elected officials strive to aid and protect those who elect them. Strengthened measures to enfranchise the voterless Negro stand to benefit Negro and white together.

In 1957 and 1960 Congress enacted the first civil rights legislation since the Reconstruction era. The primary thrust of this legislation was to guarantee and enforce voting rights. The principal feature of the 1957 act authorized the Federal Government to bring civil injunctive suits to end discrimination in voting practices. The 1960 act permitted the appointing of Federal referees to speed up registration after a pattern or practice of discrimination had been found by a court.

After 5 years of experience, it is clear that these statutes have not been sufficient to end wholesale voter discrimination in many areas.

Part of this failure must be placed upon the Department of Justice. While recognizing that some 40 lawsuits have been instituted by the Department, success has been extremely limited. Some 13,000 additional Negroes have been placed on the rolls in Alabama and about 5,000 in Tennessee. But barely 2,000 in combined total have been added in Florida, Georgia, and North Carolina; and during the same period, about 3,500 Negroes were eliminated from the voting rolls in Louisiana, while Mississippi and South Carolina each succeeded in disenfranchising 500 more Negroes than were registered. In 5 years, then, except for Tennessee, we are presented with the same picture of marginal Negro registration which we faced in 1957.

The entire blame cannot be placed on the Department of Justice. The cost of litigation is high. The nature of the judicial process permits recalcitrant State and county officials to promote delay through the use of legal redtape on both the trial and appellate levels. The employment of involved registration techniques makes proof difficult and evidence hard to obtain. The appointment of a few judges whose public records demonstrate a lack of urgency has heightened the occasions for legal entanglement.

In spite of these factors, we do not believe that enough has been done in the field of voting rights. The Department rightly maintains that it takes thousands of man-hours to gather the evidence for each case. Yet, it only has about 20 lawyers assigned to voting cases in its Civil Rights Division as opposed to many times this number in other fields. We believe a greater effort should be made to request an increased appropriation for this Division. Meanwhile, the Department should create a task force to do the job. Attorneys must be loaned from other divisions and assigned to work with the Civil Rights Division until more permanent arrangements are made. Assistant U.S. attorneys in the affected districts should also be employed, together with such law students who might be attracted on a voluntary basis to participate in this program.

Certainly, the present situation is most unsatisfactory. Four counties in Florida have less than 3 percent Negroes of voting age registered. Yet, not one voting case has been instituted in the entire State of Florida. Alabama, Louisiana, Georgia, and Mississippi have counties with no registered Negroes but which have not been faced with a suit. Similarly, North and South Carolina have disproportionately low Negro registration in some counties and, yet, suits have been brought in neither of these States.

New means are to be granted in title I to assist the Federal Government in franchising qualified Negroes. But a law without a will to enforce it is a subterfuge. The Department must eliminate the last vestiges of voter discrimination in every county in the country.

The primary method by which title I is intended to assist in voting cases is through the authority granted to the Attorney General to request a three-judge court to hear voting cases. The testimony before the Judiciary Committee substantiated the fact that certain district court judges have been less than enthusiastic in their enforcement of the 1957 and 1960 acts. Evidence was presented that 2 or more years have elapsed in some cases before a decision could be obtained. Many of these decisions must be considered less than victories. Single judges have in some instances refused to act in the face of convincing evidence. We don't wish to argue the merits of those cases here. But we do say that the test of appeal should be expedited. Appeals can and have been taken to the courts of appeals and Supreme Court, but the process is slow and the prolonged denial of constitutional rights is discouraging to those whom the law is supposed to protect.

The committee concluded then that a means should be created to overcome this impasse which, while fully protecting the rights of all parties involved, would speed up the process. The vehicle chosen was the three-judge district court which has been authorized for many forms of action under the Judicial Code since 1903. A three-judge court is composed of, at least, one circuit court judge and at least one district court judge who resides in the district where the action is commenced. The balance and broad range of views that three judges can bring to bear upon a voting case should assure fewer instances of delay and a greater willingness to safeguard the individual's right to vote. In addition, the decisions of three-judge courts are appealable directly to the Supreme Court. By cutting down a layer of appeal, it is our hope that the time will not be long distant when the issue of voter discrimination is behind us.

Closely related to the delays in justice are the intricate methods employed by some State or county voting officials to defeat Negro registration. Among the devices most commonly employed are: (1) the application of more difficult literacy tests to Negroes than whites; (2) dilatory handling of Negro applications and failure to notify applicants of results; (3) employment of subjective character tests such as "good character"; and (4) applying more rigid standards of accuracy to Negroes than whites, thereby rejecting Negro applications for minor errors or omissions.

Testimony shows that Negroes will be given long and difficult parts of the Constitution to read, transcribe, and analyze, while whites will be assigned easy sections. Registrars have been known to aid white registrants but ignore the Negro applicant. Similarly, registrars will overlook minor misspelling errors or mistakes in age or length of residence of white applicants, while rejecting a Negro application for the same or more trivial reasons.

Here, then, is the crux of the problem. For the basic troubles come not from discriminatory laws, but (as the Civil Rights Commission so well expressed in its 1959 report, p. 133) "from the discriminatory application and administration of apparently nondiscriminatory laws."

It is for these reasons that the committee has amended the 1957 and 1960 Civil Rights Acts to provide that, in Federal elections State registration officials must: (1) apply standards, practices, and procedures equally among individuals seeking to register to vote; (2) disregard minor errors or omissions if they are not material in determining whether an individual is qualified to vote; (3) administer literacy tests in writing. If properly enforced, these provisions could close many loopholes in existing laws.

Furthermore, this legislation would put an effective end to the discriminatory use of literacy tests in Federal elections. Where such tests would be used to determine an individual's qualifications to vote, there would be created a presumption that an individual who had completed the sixth grade of school and has not been judged an incompetent shall be presumed to be literate to vote in Federal elections. The literacy presumption, however, is made rebuttable in a court action.

There are those who maintain that the enactment of these provisions conflicts with article I, section 2 of the Constitution and the 17th amendment. Under these, the States are given the right to establish voter qualifications in congressional elections. Similarly, article II, section 1 places the qualifications of presidential electors under the State authority.

In the case of congressional elections, however, article I, section 4 authorizes Congress to regulate the time, place, or manner of holding elections. A review of historical authority reveals that it was intended by this section to extend broad authority to Congress to control the substantive and not merely the mechanical aspects of elections. Furthermore, the Supreme Court has long held that the right to vote in Federal elections is derived directly from the Constitution of the United States and not through the State laws (*U.S.* v. *Classic,* 313 U.S. 299 (1941); *Ex parte Yarbrough,* 110 U.S. 651 (1884)).

Since the restrictions on State voting proceedings in the bill are limited to Federal elections, ample authority exists under section 4 to sustain these items in congressional elections.

In addition, the 15th amendment prohibits a State to deny a citizen the right to vote because of his race or color. State laws which attempt to do so are a direct infringement upon this amendment (*U.S.* v. *Raines,* 362 U.S. 17 (1960)).

Aside from direct infringements, such as through legislative means, the amendment also prohibits contrivances by States or State officials to deny the equal voting rights of all citizens. "Sophisticated as well as simple-minded modes of discrimination" are forbidden, and the use of "onerous procedural requirements" which handicap the exercise of the franchise are also prohibited (*Lane* v. *Wilson,* 307 U.S. 268 (1939); *Guinn* v. *U.S.,* 238 U.S. 347 (1915)).

Through the use of the 15th amendment, Congress is vested with the authority in section 2 to enact appropriate legislation to enforce the provisions of the amendment. Under standard constitutional interpretation, Congress has the power to enact necessary legislation to remove obstructions to the fulfillment of the intent and purposes of the amendment (*James Everard Breweries* v. *Day,* 265 U.S. 545, 1924). Since wide-ranging evidence has been produced before Congress and other executive agencies of Government that literacy tests and other State voter-qualification standards and procedures have been regularly used by some States to deny people the right to vote because of their race or color, Congress has the authority to eliminate such denials through legislative means. This, moreover, would not only cover congressional elections, but elections for presidential electors and State elections. The fact that, in title I, Congress is limiting its action to Federal elections can only be interpreted to mean that it has not chosen to exercise its full authority in the field of voting at this time.

Under the "equal protection" clause of the 14th amendment, Congress also has the authority to enact the voting provision of title I. Actions by State registrars to use literacy tests and other qualification standards in a manner which disenfranchises Negroes, while the same tests and standards are applied to white citizens in a different and more lenient manner, constitutes a denial of equal protection (*Davis* v. *Schnell,* 81 F. Supp. 872 (S.D. Ala., 1949), aff'd 336 U.S. 933 (1949); *Cooper* v. *Aaron,* 358 U.S. 1 (1958)). In this regard, Congress can, under section 5 of the 14th amendment, enforce the clause by appropriate legislation (*Virginia* v. *Reves,* 100 U.S. 313 (1879), *Ex parte Virginia,* 100 U.S. 339 (1879)). Faced with the same findings of denial of voting rights to Negroes, as was indicated above, Congress may properly enact the provisions contained in title I.

Finally, article I, section 8 affords Congress wide scope to devise "necessary and proper" means for carrying out the purposes of the Constitution. Since the 14th amendment forbids disenfranchisement on racial grounds, and the 15th amendment commands equal protection of the laws, Congress can under this section fashion reasonable tools for protecting the constitutional rights of American citizens.

It is our hope that the enactment of these provisions and the three-judge court proposal will insure speedy and effective remedies for the ills of voter discrimination.

TITLE II—PUBLIC ACCOMMODATIONS

Another signpost of freedom must be extended to the Negro if he is to overcome racial inequality and if our country is to live up to its national ideals. This is the opportunity for every individual, regardless of the color of his skin, to have access to places of public accommodations. This right is so distinctive in its nature that its denial constitutes a shocking refutation of a free society.

The impact of this inequity is not confined to our citizens and our shores. Many representatives of foreign governments have experienced at first hand this condition. Secretary of State Rusk, in testifying before a Senate Commerce Subcommittee, described the case of an ambassador of an African country, who, when taking a trip, was confronted with a canceled hotel reservation because of his color. Several other Ambassadors and lesser diplomatic officials have been denied service at restaurants while traveling about the country. Beaches, swimming pools, theaters, and similar places of accommodation and amusement have similarly been closed to foreign officials.

This form of discourtesy, if not hostility, has not been confined to diplomatic personnel. Students, representatives of private organizations, and other guests to this country have been equally insulted.

Our Nation is engaged today in cold war combat with an alien ideology. On every front—military, economic, political, and social—we must demonstrate the worth of our system. To do this, we need every ally we can obtain. Therefore, when representatives of other nations meet enmity and rejection from operators of public establishments on our soil, they carry away feelings of enmity and rejection themselves. There is little doubt that American citizens would react the same way if confronted in like manner in a foreign land. The result of this cannot but undermine our foreign policy.

We do not intend, however, to rest the need for public accommodations legislation on foreign policy. As stated earlier, the badge of citizenship—extended to Negro as well as white by the 14th amendment—demands that establishments that do public business for private profit not discriminate on grounds of race, color, national origin, or religion.

An official of the National Association for the Advancement of Colored People testified before the Senate Commerce Subcommittee as follows:

"For millions of Americans this is vacation time. Swarms of families load their automobiles and trek across country. I invite the members of this committee to imagine themselves darker in color and to plan an auto trip from Norfolk, Va., to the gulf coast of Mississippi, say, to Biloxi; or one from Terre Haute, Ind., to Charleston, S.C., or from Jacksonville, Fla., to Tyler, Tex.

"How far do you drive each day? Where and under what conditions can you and your family eat? Where can they use a rest room? Can you stop driving after a reasonable day behind the wheel or must you drive until you reach a city where relatives or friends will accommodate you and yours for the night? Will your children be denied a soft drink or an ice-cream cone because they are not white?"

In response to Senator PASTORE's question as to what the Negro must do, there was the reply:

"Where you travel through what we might call hostile territory you take your chances. You drive and you drive and you drive. You don't stop where there is a vacancy sign out at a motel at 4 o'clock in the afternoon and rest yourself; you keep on driving until the next city or the next town where you know somebody or they know somebody who knows somebody who can take care of you.

"This is the way you plan it.

"Some of them don't go."

Daily we permit citizens of our Nation to be humiliated and subjected to hardship and abuse solely because of their color.

Equally unendurable is the knowledge that this treatment is not limited to travelers. In habitants in local communities—citizens who are longtime residents, taxpayers, leaders in their locales—are similarly denied access to restaurants, hotels, gasoline stations, theaters, and similar establishments. Their money is gladly taken at the supermarket, variety shop, or department store. But, to buy a meal, cold drink, or a bit of entertainment and the cold hand of rejection stares them in the face.

On moral grounds, and from the standpoint of upholding human dignity, the U.S. Congress cannot tolerate such practices. In many other areas of life, Congress has enacted legislation on social and moral grounds. Kidnaping, child labor, prostitution, gambling, abuse of migrant labor, slave labor, adulterated food and drugs, mislabeling, and many other unacceptable activities have been legally proscribed by Congress. There is ample authority and equal justification for action here.

Similarly, Congress has the constitutional right to eliminate segregation or discrimination in places of public accommodation under the 14th amendment.

Section 201(d) precludes racial discrimination or segregation among the same categories of business as those covered by the commerce clause. Thus, hotels, motels, restaurants, gasoline stations, department stores (operating a lunch counter), and similar establishments may not deny service to Negroes if such denial is carried on under color of State or local law, or if a State or political subdivision requires, fosters or encourages discrimination or segregation. In addition, every form of public accommodation, covered through section 201 or not, is prohibited under section 202 from discrimination or segregation if denial of services is required by State or local law.

Pursuant to the "equal protection" clause of the 14th amendment, the Supreme Court has definitely established that a State may not legally require the segregation of places of public accommodation (*Peterson* v. *City of Greenville,* 373 U.S. 244 (1963)). Moreover, where a State makes segregation a public policy (*Lombard* v. *State of Louisiana,* 373 U.S. 267 (1963)); or where it seeks to utilize the police authority to uphold segregated laws or policies (*Wright* v. *State of Georgia,* 373 U.S. 284 (1963), *Garner* v. *Louisiana,* 368 U.S. 157 (1961)), Congress has authority and an obligation to proscribe such activities.

It is argued that the enactment of title II invades rights of privacy and of free association. In respect of the right of privacy, it seems ludicrous to pursue this form of argument since the types of establishment involved in title II are those regularly held open to the public in general. The fact that 32 States have also enacted public accommodations laws—frequently broader in context than this, and pursuing the reasoning of the old common law principle that inns and way stations were open to all, there seems little support for the "right of privacy" argument.

Turning to the "freedom of association" contention, there is little basis for urging this principle in behalf of owners of business who regularly serve the public in general. This "freedom" can only be claimed by the party of interest—the owner, not the customer; and the owner of a public establishment, as above mentioned, is hardly in a position to raise it. Moreover, where freedom of association might logically come into play as in cases of private organizations, title II quite properly exempts bona fide private clubs and other establishments. Finally, it must be said that even if freedom of association is considered to be affected to some degree by the application of title II, there is no question that the courts will uphold the principle that the right to be free from racial discrimination outweighs the interest to associate freely where those making the claim of free association have knowingly and for profit opened their doors to the public.

If we consider the matter solely in commerical and economic terms, we can also substantiate the need for title II. As was so aptly stated, "Some of them don't go." The strain of traveling long distances without respite, the nagging uncertainty of locating a decent place to eat or sleep, or the fear of finding oneself on a lonely road at night with car trouble and no place to turn for assistance has forced innumerable families and individuals to stay at home. The following table presented to the Senate Commerce Subcommittee by officials of the Commerce Department reveals the distances between certain selected cities that a Negro must travel to find a reasonably acceptable place of lodging:

TABLE I.—*Illustrative trip, Washington, D.C., to Miami, Fla., and Washington, D.C., to New Orleans, La., showing location of hotel-motel accommodations of "reasonable" quality readily available to Negroes*

	Route	Miles
Washington, D.C., to Miami, Fla.:		
Washington to Petersburg, Va.	U.S. 1 and 301.	135
Petersburg to Raleigh, N.C.	U.S. 1	150
Raleigh, N.C., to Columbia, S.C.	U.S. 1	185
Columbia to Savannah, Ga.	U.S. 1	116
Savannah to Jesup	U.S. 301	65
Jesup to Jacksonville, Fla.	U.S. 17	100
Jacksonville to Ormond Beach.	U.S. 1	142
Ormond Beach to Miami	U.S. 1	232
Total mileage, Washington to Miami.		1,125
Average miles between locations.		141
Washington, D.C., to New Orleans, La.:		
Washington, D.C., to Columbia, S.C. (including stops shown above).		470
Columbia to Atlanta, Ga.	U.S. 29	215
Atlanta to Tuskegee Institute, Ala.	U.S. 29	134
Tuskegee Institute to Mobile, Ala.	U.S. 29 and 31	250
Mobile to New Orleans, La.	U.S. 90	148
Total mileage, Washington to New Orleans.		1,217
Average miles between locations.		174

The effect of these distances of "no man's" land that must be crossed before a sanctuary can be found is ample evidence that travel among persons of dark skin is sizably reduced. In a related manner, testimony was presented before the House Judiciary Subcommittee by an official of the International Brotherhood of Teamsters, that Negro truckdrivers are not sent on overnight trips in certain areas of the country because of a lack of rest accommodations. Likewise, even though regulations of Government prescribe otherwise, many Negroes are subjected to or fear discrimination in railroad, bus, and airlines terminals—thereby reducing interstate travel. Without question, these denials have an immediate and measurable effect on curtailing interstate commerce.

Turning to another example of impediment upon interstate commerce, the Commerce Department presented statistical evidence of the imbalance between Negroes and whites—within the same income classes—in expenditures for admissions to recreational facilities, food eaten away from home, and automobile operations. This imbalance exists to a limited extent throughout the country, but it is significant that the greatest disparity occurs in those areas where places of public accommodation are widely segregated.

TABLE II.—*Average family expenditure for admissions, food eaten away from home, and automobile operations, for 3 income classes, large northern and southern cities, by race, 1950*

Income class and region	Admissions			Food eaten away from home			Automobile operation		
	Negro	White	Negroes percent of whites	Negro	White	Negroes percent of whites	Negro	White	Negroes percent of whites
$2,000 to $3,000:									
Large northern cities	$31	$29	107	$148	$184	80	$52	$86	60
Large southern cities	$23	$31	64	$113	$194	58	$52	$95	55
Northern expenditures as percent of southern	135	81	--------	131	95	--------	100	91	--------
$3,000 to $4,000:									
Large northern cities	$45	$37	122	$138	$170	81	$67	$158	42
Large southern cities	$37	$39	95	$117	$180	65	$86	$170	51
Northern expenditures as percent of southern	122	95	--------	118	94	--------	78	93	--------
$4,000 to $5,000:									
Large northern cities	$57	$48	119	$182	$234	78	$148	$220	67
Large southern cities	$39	$45	87	$166	$257	65	$136	$225	60
Northern expenditures as percent of southern	146	107	--------	110	91	--------	109	98	--------

Source: "Study of Consumer Expenditure Income and Saving," tabulated by Bureau of Labor Statistics, U.S. Department of Labor, for Wharton School of Finance and Commerce, University of Pennsylvania, Philadelphia, Pa., 1956-57.

Still another burden on commerce involves the many instances in which existing business has been retarded or new business discouraged in an area where public accommodations are not open equally to all races. This drag upon the expansion of business occurs even in those communities where such segregation has not caused reaction. But, it is particularly evident in those areas where protest occurs. And, it is obvious that protests are going to continue and increase in response to human reaction. Educated college students, returning military veterans, professionals, and skilled workers, longtime residents and newly arrived inhabitants from more tolerable climates are little inclined to this day and age to sit back with folded hands at the prospect of closed doors, white-only lunch counters, insolent reservation clerks, and the rest.

In Atlanta, Ga., intermittent demonstrations occurred during 1960 and 1961 and during the same period department store and other sales were frequently off 10 percent or more. In the same period, sales were down in Savannah, Ga., by as much as 50 percent during lunch counter sit-in demonstrations. The same has occurred in the past few years to a lesser or greater extent in Columbus, Ga.; Cambridge, Md.; Charlotte, N.C.; Tallahassee, Fla.; Jackson, Miss.; Danville, Va.; Nashville, Tenn.; and many other places. Earlier, Little Rock, Ark., witnessed a complete stoppage of industrial investment following the riots of 1957, although such investments averaged many millions in the years preceding the riots. Equally significant, investment by industry throughout the whole State of Arkansas declined by almost 25 percent in the same period—thereby demonstrating that a local disturbance can affect the commerce of an entire State, region, and the country. Most recently, the segregation of public accommodations and other sources of racial unrest in Birmingham, Ala., have induced many businesses to reconsider their plans to move into or to expand their existing operations in the area.

Closely associated with a general downturn in business, which occurs with resentment and concern over racial discrimination is the heightened difficulty many businesses face in attracting experienced personnel from other areas. Boeing Co. and Kaiser Aluminum have reported facing a difficult task in attracting skilled help in their New Orleans operations. Faculty positions at the universities of Mississippi and Arkansas have been terminated or hard to fill because of resentment over local discriminatory practices. The Alabama Medical Center at Birmingham has had difficulty in attracting topflight scientists, in spite of an expansion of facilities, for reasons of a similar nature.

Many additional forms of evidence can be produced to support the fact that resentment and bitterness produced through segregated public accommodations exerts a pronounced adverse effect on interstate commerce. Planned conventions in many cities are canceled while others are automatically scheduled elsewhere because of segregation. The assignment of military personnel is affected or, if assignments take place, they have a direct effect on the morale and reenlistment rate of those who, together with their families, suffer the hardships of discrimination.

Title II of H.R. 7152 seeks to prohibit anyone from denying or interfering with another's right, because of race, religion, color, or national origin to have access to places of lodging, eating establishments, places of entertainment and amusement, gasoline stations, and other places located within or housing such named establishments. From the factual data presented above, there seems no doubt that the continued segregation of these categories of business have a direct and immediate effect upon interstate commerce. And, there is also no doubt that Congress has the constitutional authority to enact legislation to prohibit such segregation.

Congress has the authority to prohibit segregation in interstate and intrastate common carriers and terminal facilities (*Mitchell* v. *U.S.*, 313 U.S. 80 (1941); *Henderson* v. *U.S.* 339, U.S. 816 (1950); *Boynton* v. *Virginia*, 364 U.S. 454 (1960); *Baldwin* v. *Morgan*, 278 F. 2d 750 (C.A. 5, 1961)).

The courts have long upheld the right of Congress to enact legislation which would eliminate causes of disruption of the free flow of interstate commerce. Previously, we discussed how, utilizing the commerce clause, Congress can curtail social and moral abuses. The Fair Labor Standards Act and child labor laws are certainly examples of this. By the same means, Congress has widely resorted to the commerce clause to correct economic abuses. In doing so, it has instituted and the courts have upheld Government regulation of local activities when they have had an effect on interstate commerce.

The 1942 decision of the Supreme Court in *Wickard* v. *Filburn*, 217 U.S. 111 (1942) is noteworthy. Under the Agricultural Adjustment Act of 1938, Filburn harvested 239 more bushels of wheat than he was authorized. Even though the wheat was for consumption on the farm, the Supreme Court upheld the penalization of Filburn. The theory the Court rested upon might be labeled the "aggregate" theory. That is, the excess production by one farmer might not have an effect on the Nation's wheat market, but the overproduction by the aggregate of American wheat farmers certainly would have had disastrous results. By the same theory, denial of a motel accommodation to one Negro traveler might be insignificant as far as damaging interstate commerce. But the denial, if extended to 20 million Negroes would and does cause a significant disruption of interstate commerce.

Following the same line of thought, Congress has imposed pure drug regulations on local druggists, *U.S.* v. *Sullivan*, 332 U.S. 689 (1947); milk regulation on dairymen, *U.S.* v. *Wrightwood Dairy*, 315 U.S. 110 (1942); and similar supervision over retail auto dealers, tobacco growers, meat dealers, stockbrokers, and many more.

Under the same theory, the antitrust laws have been enacted, upheld, and widely applied. The Sherman, Clayton, Robinson-Patman, and Federal Trade Commission Acts are all largely tied to the concept that artificial restrictions upon local markets can, if permitted to go unchallenged, ultimately interfere with intestate commerce. Practically every category of business has felt the bite of the antitrust laws, including local bakeries, *Moore* v. *Mead's Fine Bread*, 348 U.S. 115 (1954); local contractors, *U.S.* v. *Employing Plasterers Association*, 347 U.S. 186 (1954); local liquor dealers, *Hanf* v. *U.S.*, 235 F. 2d 710 (C.A. 8, 1956), certiorari denied, 352 U.S. 880 (1956). In direct association with the categories of coverage of title II, the courts have upheld Federal antitrust regulation of motion pictures, *U.S.* v. *Crescent Amusement Company*, 323 U.S. 173 (1944); *Interstate Circuit* v. *U.S.*, 306 U.S. 208 (1939). Legitimate theaters have been covered as in *U.S.* v. *Shubert*, 348 U.S. 222 (1955); while professional sports have been included in such decisions as *U.S.* v. *International Boxing Club*, 348 U.S. 236 (1954), and *Radovich* v. *National Football League*, 352 U.S. 445 (1957).

Pursuant to the same theory, but also tied in with the concept of social burden, Congress enacted the National Labor Relations Act, the Fair Labor Standards Act and similar pieces of legislation. Taking the NLRA, for example, there developed a general revulsion against the violence and turmoil that resulted from labor unrest. A continuation could have caused havoc to our political and social structure. At the same time, however, labor unrest was, through work stoppages and slowdowns, producing a recognized impediment to interstate commerce—and thereby the national economy. In the case of *NLRB* v. *Jones and Laughlin Steel Corporation*, 301 U.S. 1 (1936), the NLRA was upheld and the Government was given sanction to take jurisdiction over intrastate businesses which had an effect, even if indirect, upon interstate commerce. See also *NLRB* v. *Fainblatt*, 306 U.S. 601 (1945).

Since the validity of the NLRA has been sustained, practically every category of business has become involved and, generally, the type and size of business which would regularly be considered intrastate in nature. Retail meat markets, *Meat Cutters* v. *Fairlawn Meats*, 353 U.S. 20 (1957); retail auto dealers, *Howell Chevrolet Company* v. *NLRB*, 346 U.S. 482 (1953); local fuel dealers, *NLRB* v. *Reliance Fuel Corporation*, 371 U.S. 224 (1963); and many others. Directly related to those categories specified in title II, places of lodging have been covered, *Hotel Employees* v. *Leedom*, 358 U.S. 99 (1958); also, department stores, *May Department Stores Company* v. *NLRB*, 326 U.S. 376 (1945); and theaters, *NLRB* v. *Combined Century Theaters*, 278 F. 2d 306 (C.A. 2, 1960).

Finally, the Fair Labor Standards Act was enacted by Congress with the same social and economic principles in mind as the National Labor Relations Act. In the same manner, the Court upheld the right of Congress to regulate intrastate activities which have a direct bearing on interstate commerce. In *U.S.* v. *Darby*, 312 U.S. 100, 118 (1941), the Supreme Court laid down a clear criteria in this regard which has since been followed:

> "The power of Congress over interstate commerce is not confined to the regulation of commerce among the States. It extends to those activities intrastate which so affect interstate commerce or the exercise of the power of Congress over it as to make regulation of them appropriate means to the attainment of a legitimate end, the exercise of the granted power of Congress to regulate the interstate commerce."

And, since the enactment of this act, practically every classification of business has met the test of interstate commerce. Publication of a local newspaper, *Mabee* v. *White Plains Publishing Co.*, 327 U.S. 178 (1946); local ice dealers, *Gordon* v. *Paducah Ice Mfg. Co.*, 41 F. Supp. 980 (W.D. Ky., 1941); window-washing concerns, *Martino* v. *Michigan Window Cleaning Co.*, 327 U.S. 173 (1946); wrecking and towing services on turnpikes, *Crook* v. *Bryant*, 265 F. 2d 541 (C.A. 4, 1959).

Therefore, whether it be the desire to encourage greater Negro travel in interstate commerce, elimination of turmoil which discourages the flow or the transfer and exchange of financial wealth and personnel in interstate commerce, or other impediments to the free flow of goods in interstate commerce, Congress possesses adequate constitutional authority to enact title II. This is especially so when its purpose is linked with the desire to correct moral abuse.

Naturally, we would prefer that the desegregation of public facilities take place on a voluntary basis. Persuasion and commonsense have been instrumental in lowering the color bar in many communities. This voluntary form of behavior will, we hope, continue and grow. But experience has taught that persuasion alone will not suffice. Particularly in a community where a leading hotel or restaurant, for example, holds out, its competitors are reluctant to proceed for fear of economic damage. Thus, in many areas the process must be begun by legal action or the threat of legal action. However, experience has also taught that, once the process is started, the movement toward desegregation advances smoothly and rapidly. Furthermore, example after example has shown that any initial decline in business that many occur with desegregation is readily overcome and business thereafter climbs to new peaks.

For these many reasons, then, we believe that title II represents sound legislation and provides the means for overcoming one of the greatest irritants to racial equality that exists in our Nation today.

TITLE III—DESEGREGATION OF PUBLIC FACILITIES; CIVIL ACTION FOR DEPRIVATION OF RIGHTS

This title, which is an extension of existing law in 42 U.S.C. 1883 and 42 U.S.C. 1885 is a valid and necessary implementation of the 14th amendment.

The U.S. Supreme Court, since 1954, has uniformly struck down State or local government laws and policies which segregate publicly owned or operated facilities. In *Johnson* v. *Virginia*, 373 U.S. 61 (1963), the Court stated that "it is no longer open to question that a State may not constitutionally require segregation of public facilities." In the case of *Wright* v. *Georgia*, 373 U.S. 284 (1963), it was held that a municipality could not arrest and prosecute Negroes who were peaceably seeking the use of city owned and operated facilities. The municipal judge in the Georgia case found that while their conduct had been orderly, their conduct could have provoked a breach of the peace by others. The Supreme Court, in reversing, declared that the mere "possibility of disorder by others cannot justify exclusion of persons from a place if they otherwise have a constitutional right to be present." Similarly, in *Watson* v. *City of Memphis*, 373 U.S. 526 (1963), the protestors were charged with breach of the peace and disorderly conduct. The Court in this case ordered a prompt desegregation of the public facilities that were involved stating that the "basic guarantees of our Constitution are warrants for the here and now and, unless there is an overwhelmingly compelling reason, they are to be promptly fulfilled." However, as the hearings have indicated, there is still a crying need for the opening up of tax-supported facilities to Negroes in certain sectors of this Nation.

With solid Court support for the principle of public facilities open to all, we have sought in title III to authorize the Attorney General to uphold the rights of the individual where he is unable to protect himself. However, in order to avoid the Attorney General from becoming a gratuitous public counsel for all who claim a denial of equal protection of the laws, this provision is worded to circumscribe the Attorney General's activities to only these most necessitous of circumstances. Not only must the complainant be unable to initiate and maintain legal proceedings for defined reasons, but the Attorney General must find that the institution of an action will materially further the public policy of the United States.

In section 302, there is provided authority for the Attorney General to intervene in cases where an individual claims a denial of equal protection of the laws because of race, color, religion, or national origin. These provisions are vitally necessary if all Americans are to enjoy the equal protection of the laws. It is true that there are now in existence Federal civil statutes which allow the victims of civil rights violations to institute actions for money damages against those who violate their rights. Injunctive relief is also available against government officials who interfere with or deny to an individual his constitutional rights. Unfortunately, however, these remedies are only available to private persons who are able through their own resources to obtain justice.

It is anticipated, however, that the Attorney General will need to intervene in certain key areas. Among these will be restraints by local officials upon the right of free speech, assembly, and petition, as well as the previously discussed suits to end discrimination in public facilities. In addition, attention must be given to denials of equal protection of the law by local officials who force segregation or who, in the administration of justice, treat individuals differently because of race, color, religion, or national origin.

The hearings before the subcommittee this year are replete with narrations of police inequality to civil rights demonstrators. Though being perpetrated by only a very small portion of the police in a limited area of the country, these acts constitute a frightening violation of constitutional rights. The Civil Rights Commission has substantiated many of these claims, and has found a definite pattern of police abuse of civil rights protestors in Jackson, Miss., and Birmingham, Ala. Such abuse has been manifested not only in the violence used to dispel the demonstrations, but in the mistreatment of those arrested. Whether such abuse was dealt out to Negroes, a minority group, or to whites, it violates the 14th amendment in either case. As held in *Lynch* v. *U.S.*, 189 F. 2d 476 (C.A. 5, 1951), cert. den., 342 U.S. 831 (1951), persons under arrest have a right to be tried and punished in the same manner as others accused of crime, and they have an equal right to protection from injury by officers having them in their charge. An injustice done to one person is an injustice to all.

Failure to provide adequate protection to persons asserting their constitutional rights itself is an invasion of the Constitution. When police failed to protect freedom riders in Montgomery in 1961, a Federal district court said:

> "The failure of the defendant law enforcement officers to enforce the law in this case clearly amounts to unlawful State action in violation of the equal protection clause of the 14th amendment" (*United States* v.*U.S. Klans*, 194 F. Supp. 897 (H.D. Ala., 1961)).

But the Constitution is not self-executing in the protection of individual rights. Implementing legislation is required if the Federal Government is to have the power to protect their rights.

The rights of free speech, assembly, and petition are subject to reasonable regulation and control under the police power of the States, but State laws or orders which are discriminatory in effect must be struck down by the courts as a clear violation of the 1st and 14th amendments. In a similar manner, there is much evidence that equal protection of the laws in this area has been denied by the action of local officials who harass peaceful demonstrators by arrest and prosecution. The Civil Rights Commission has found in Jackson and Birmingham not only a pattern by police to maintain segregation and to suppress protest, but support for that policy by the local prosecutors and courts. There is much evidence that such practices are also maintained in other cities. That such official action is violative of the Constitution was again reiterated this year by the Supreme Court in *Edwards* v. *South Carolina*, 372 U.S. 229 (1963). Here, a group of Negro demonstrators, who were making known their grievances to the State legislature and the public, were arrested and convicted for breach of the peace. The Court, finding that the demonstrators had been orderly, had not obstructed traffic, and that there had been no threat of uncontrollable violence from bystanders, reversed the convictions. "[I]n arresting, convicting, and punishing the petitioners under the circumstances disclosed by this record, South Carolina infringed the petitioner's constitutionally protected rights of free speech, free assembly, and freedom to petition for redress of grievances" (p. 235). The Court concluded that the exercise of the first amendment freedoms could not be abridged "* * * unless shown likely to produce a clear and present danger of a serious evil that rises far above public inconvenience, annoyance, or unrest" (p. 237).

No man should be forced to bear unwarranted discrimination and thus be denied the equal protection of the law because he cannot fully invoke in a court of law the constitutional protections that are his by right.

TITLE IV—EDUCATION

On May 17, 1954, the Supreme Court of the United States in the momentous *Brown* v. *Board of Education* decision held that enforced racial segregation in public education is a denial of the equal protection of the laws guaranteed under the 14th amendment to the U.S. Constitution and of the due process of law required by the 5th amendment. Overturning the heretofore constitutional "separate but equal" doctrine, the Court held that "separate educational facilities are inherently inequal." The Court said that the opportunity for an education, "where the State has undertaken to provide it, is a right which must be made available to all on equal terms."

In implementing the decision of the Supreme Court, we urge the Congress to be guided by two fundamental premises: (1) The American system of public education—an essential bulwark of a democratic system of government—should be preserved unimpaired; (2) the constitutional right to be free from racial discrimination in public education must be realized.

A number of communities—in response to the Court decision—took immediate steps to implement desegregation in the public schools. Greatest initial progress in the 17 States and the District of Columbia which had required segregation occurred in metropolitan areas (Washington, Baltimore, Wilmington, St. Louis, and Kansas City, Mo.) and in the border States: Missouri, Oklahoma, Maryland, West Virginia, and parts of Texas. Desegregation in these areas was accomplished largely without incident.

The chart to the right outlines the early progress in the desegregation of school districts.

By the close of the school year 1956–57, a total of 699 southern and border school districts had implemented desegregation plans. Significantly, only 9 of the 699 acted under the compulsion of Court order. By May 1959, there were 797 desegregated biracial districts—a small fraction of the number of districts which could be desegregated.

The period 1959–61 was marked by two significant trends which slowed the pace of school desegregation. Progress was hampered by consolidation of school districts and by the failure to implement desegregation plans.

TABLE 1.—*Progress in desegregation of school districts, 1954–59*

	Total number of school districts, 1958–59	Total biracial districts—both segregated and desegregated, 1958–59	Number of districts newly desegregated in school year beginning September					Total desegregated, May 1959	Number desegregated by court order	Number segregated, May 1959
			1954	1955	1956	1957	1958			
Alabama	113	113	0	0	0	0	0	0	0	113
Arkansas	423	228	2	2	1	4	0	9	1	219
Delaware	97	57	13	0	1	0	0	14	2	43
District of Columbia	1	1	1					1	0	0
Florida	67	67	0	0	0	0	0	0	0	67
Georgia	200	198	0	0	0	0	0	0	0	198
Kentucky	215	175	0	37	71	8	7	123	7	52
Louisiana	67	67	0	0	0	0	0	0	0	67
Maryland	24	23	1	8	11	3	0	23	2	0
Mississippi	151	151	0	0	0	0	0	0	0	151
Missouri	3,600	243	114	39	40	16	2	211	0	32
North Carolina	172	172	0	0	0	3	1	4	0	168
Oklahoma	1,469	271	0	124	70	22	22	238	4	33
South Carolina	107	107	0	0	0	0	0	0	0	107
Tennessee	152	141	0	1	1	1	0	3	2	138
Texas	1,650	722	1	73	48	1	1	124	0	598
Virginia	129	128	0	0	0	0	4	4	4	124
West Virginia	55	43	22	13	5	3	0	43	4	0
Total	8,692	2,907	154	297	248	61	37	797	26	2,110
Number acting under court order, by years			2	3	4	9	9			

Source: From the Report of the U.S. Commission on Civil Rights, 1959, p. 296.

The following chart indicates that heavy consolidation of school districts occurred in Delaware, Georgia, Kentucky and especially Missouri, Oklahoma, and Texas which caused a reduction in the number of biracial districts. The reduction which occurred in Missouri and Oklahoma caused a decline in the total number of desegregated school districts.

TABLE 2.—*Progress in desegregation of school districts, 1959–61*

	Total school districts, 1960–61	Total biracial districts—segregated and desegregated, 1960–61	Desegregated, May 1959	School districts		Desegregated by court order, 1959–61	Desegregated, May 1961	Segregated, May 1961
				1959–60	1960–61			
Alabama	114	114	0	0	0	0	0	114
Arkansas	422	228	8	1	1	0	10	218
Delaware	93	50	13	7	5	3	24	26
District of Columbia	1	1	1	0	0	0	1	0
Florida	67	67	0	1	0	0	1	66
Georgia	198	196	0	0	0	0	0	196
Kentucky	211	170	123	6	0	0	128	42
Louisiana	67	67	0	0	1	1	1	66
Maryland	24	23	23	0	0	0	23	0
Mississippi	151	151	0	0	0	0	0	151
Missouri	1,889	214	200			0	200	14
North Carolina	173	173	4	3	3	1	10	163
Oklahoma	1,276	241	187	0	2	0	189	52
South Carolina	108	108	0	0	0	0	0	108
Tennessee	154	143	3	1	2	3	6	137
Texas	1,531	720	124	3	1	1	128	592
Virginia	130	128	4	2	5	4	11	117
West Virginia	55	43	43	0	0	0	43	0
Total	6,664	2,837	733	24	20	13	775	2,062
Percent			25.8				27.3	72.7

Source: From U.S. Commission on Civil Rights Report on Education, 1961, p. 236.

A second factor was responsible for the decrease in the total number of desegregated school districts from 797 in 1959 to 775 in 1961. Although desegregation had taken place in 44 school districts during that period, a number of school districts which had commenced desegregation either reverted to segregation or failed to take any steps to carry out their own desegregation policy. It is also clear that as opposition to the Supreme Court decision hardened there has been an increased reliance on court action creating the necessity for the Attorney General to intervene as a friend of the Court.

TABLE 3.—*Status of desegregation of school districts, 1962–63 (Aug. 1, 1963)*

	Total school districts, 1962–63	Total biracial districts segregated and desegregated, 1962–63	School districts desegregated	School districts segregated
Alabama	114	114	0	114
Arkansas	416	228	12	216
Delaware	87	87	87	0
District of Columbia	1	1	1	0
Florida	67	67	10	57
Georgia	198	182	1	181
Kentucky	205	166	149	17
Louisiana	67	67	1	66
Maryland	24	23	23	0
Mississippi	150	150	0	150
Missouri	1,607	213	203	10
North Carolina	173	173	18	155
Oklahoma	1,180	241	196	45
South Carolina	108	108	0	108
Tennessee	154	143	26	117
Texas	1,461	919	177	742
Virginia	130	128	32	96
West Virginia	55	43	43	0
Total	6,197	3,053	979	2,074
Percent			32.1	67.9

Source: From report of the U.S. Commission on Civil Rights, 1963, p. 64.

During this most recent period the number of desegregated school districts has increased. Progress was centered primarily in Delaware, Kentucky, and Texas. In spite of progress, however, three States, Alabama, Mississippi, and South Carolina, continued to have no Negroes attending school with white students below the college level.

What perhaps is most remarkable about recent patterns of school desegregation is that while consolidation of school districts continued unabated during the period 1962–63, the number of biracial districts has shown a substantial increase. This has in turn caused a percentage decline in the number of the desegregated school districts. For the crux of the matter is that while there may be more biracial school districts which have commenced desegregation, there are almost as many segregated school districts in late 1963 as there were at the end of 1959. In short, by running hard we have succeeded in standing still.

Year	Total school districts with Negro and white pupils	School districts desegregated	School districts segregated
1959	2,907	797	2,110
1961	2,837	775	2,062
1963	3,053	979	2,074

With the commencement of the 1963–64 school year, some 150 school districts, including districts in Alabama and South Carolina (according to the Southern School News), spurred by the tragic rush of recent events announced that they would begin desegregation sometime during the present academic year. We hope that this will be an augury of progress. Nevertheless, at this pace, it will still take until the year 2063 before the compliance order of the 1955 Supreme Court decision which called for school desegregation in biracial school districts "with all deliberate speed" will be carried out. This must be remedied by affirmative congressional action.

During the past decade vigorous opposition to desegregation has led to legal measures aimed at restricting and circumventing the mandate of the Brown decision. The various legal attempts to avoid the consequences of desegregation can be divided into four major categories: (1) A number of Southern States have introduced one or more of the multiple variables of the pre-Civil War doctrines of interposition and nullification. The Supreme Court has dealt summarily with devices such as a State withdrawing its consent to be sued or justifying segregation as an exercise of police power. (2) Other States have entered upon a course of action aimed at disqualifying potential plaintiffs most notably the NAACP (which in the absence of governmental initiative has by default shouldered most of the burden of instituting litigation) from bringing court actions to end segregation. The basic issue came before the Supreme Court in 1958 in *N.A.A.C.P.* v. *Alabama ex. rel. Patterson* (357 U.S. 449 (1958)), when the Court struck down the Alabama law which compelled the NAACP to produce records indicating the names and addresses of members and agents on the ground that such a requirement was an unconstitutional restraint upon the members' right to freedom of association and thus a denial of due process of law. (3) A number of States have implemented pupil placement and assignment laws which alter the theoretical basis of separation from a classification based on race to one dependent on such factors as "scholastic aptitude," "room and teaching capacity," "free choice of pupil," and "home environment." In the crucial case of *Shuttlesworth* v. *Birmingham Board of Education* (358 U.S. 101 (1958)) the U.S. Supreme Court upheld as valid on its face the Alabama pupil placement law on the assumption that the law would be administered in a constitutional fashion. (4) The fourth category comprises the various devices employed to separate the operation of the schools from the State. This generally involved the establishment of a "private-public" school system as a means of circumventing desegregation and in some cases the closing of schools. But this device has failed to provide an effective escape from the law of the land. In 1959, the Supreme Court of Virginia decided after action had been instituted by white parents seeking the reopening of the Norfolk public schools that the State school closing laws violated the Virginia constitution, *Harrison* v. *Day* (106 S.E. 2d 636 (Va. 1959)). Nevertheless, the net result has been massive delay in implementing the mandate of the Court.

In our judgment the Congress has a clear obligation to act in three areas.

The Government has for some time abdicated its responsibility to acquire accurate information concerning the state of public education in the United States. If the Nation is to achieve desegregation in public education, it requires complete and accurate information concerning the ethnic composition in the public schools.

Therefore, the Judiciary Committee, in H.R. 7152, has authorized the Commissioner of Education to conduct a survey and report to Congress within 2 years concerning the lack of availability of equal educational opportunities for individuals by reason of race, color, religion, or national origin in public educational institutions at all levels in the United States.

The transition from all-Negro to integrated schools is at best a difficult problem of adjustment for teachers and students alike. Many teachers and officials have been harassed and obstructed from doing their jobs. The gap in scholastic achievement of students is often considerable. The hurdles that must be overcome in teaching biracial classes and in administering biracial school systems are similarly tremendous. There is an obvious need to provide special counseling, guidance, and remedial instruction to overcome the past deprivation caused by inferior schools. For no matter how the opponents of this legislation may complain to the contrary public education may have been separate but it was seldom equal.

It is clear then that the Congress must enact legislation empowering the Federal Government to disseminate information concerning desegregation plans, problems, and possible solutions, and that it must provide technical and financial assistance to local school officials to enable them to overcome the difficult problems which accompany the desegregation of the public schools.

The committee, therefore, authorized in title IV the Commissioner of Education to extend technical and financial assistance to school boards and school personnel where such assistance would aid in solving problems of desegregation. The committee failed to extend this assistance to problems frequently referred to as "racial imbalance," as no adequate definition of this concept was put forward. The committee also felt that this could lead to the forcible disruption of neighborhood patterns, might entail inordinate financial and human cost and create more friction than it could possibly resolve.

We have tried to point out that the progress in school desegregation so well commenced in the period 1954–57 has been grinding to a halt. The trend observed in 1957–59 toward desegregation by court order rather than by voluntary action has continued. It is not healthy nor right in this country to require the local residents of a community to carry the sole burden and face alone the hazards of commencing costly litigation to compel school desegregation. After all, it is the responsibility of the Federal Government to protect constitutional rights. This responsibility is not being shouldered when the U.S. Government is only free to enter a desegregation suit as amicus curiae, unless of course a court decree should already be in effect. We do not think it is proper to require organizations such as the NAACP to take the lead here either. This is the peoples' responsibility and it must be carried out.

The committee, therefore, has adopted a provision authorizing the Attorney General, upon receipt of a signed complaint, to institute a legal action in behalf of schoolchildren or to intervene in a legal action already commenced in behalf of schoolchildren in order to desegregate public schools and colleges. This proposal has received bipartisan support for many years.

TITLE V—CIVIL RIGHTS COMMISSION

During a brief but active life, the U.S. Commission on Civil Rights has made an essential contribution to the national awareness of denials of constitutional rights. A creation of the Civil Rights Act of 1957, the Commission has held hearings in many parts of the country. It has engaged in intensive research and investigations in the areas of voting rights, denials of equal opportunity and protection in housing, education, employment, and the administration of justice. It has presented its findings clearly and usefully in its reports and recommendations.

The Commission has exposed numerous injustices and indignities thrust upon our Negro citizens. It has gained the confidence and cooperation of individuals and groups with similar goals and has provided them with expert guidance and assistance. For many the Commission has become a symbol of the massive struggle to secure equal rights for all Americans.

The important contribution made by the Commission has been achieved under almost impossible handicaps. It has labored constantly in a climate of uncertainty over its future. It has had, and unless it is made permanent will continue to have, serious difficulties in recruiting and retaining the services of top caliber personnel. Each time, as the Commission draws nearer to its demise, the unfortunate state of its morale is attested to by a rash of resignations. This is in no way a reflection on the dedication of the employees, but rather a reflection upon the system which saves it each time only after an 11th hour reprieve. By attaching riders to appropriations bills in 1959 and 1961 Congress assured 2-year extensions of the Commission's life. This year, through an amendment to a private bill, Congress gave the Commission an additional year of life.

The second handicap imposed by the Commission's impermanent status is the constant harassment and obstruction which it faces. With its every existence hanging by a thin thread, it cannot steer an independent course. A good example of this problem was the attempt of the Civil Rights Commission to hold hearings in Mississippi. Last December, the Commission's planned hearings in Mississippi on voting discrimination, economic reprisal, education, Federal programs, and other matters were postponed as a result of strong persuasion from the Justice Department which feared that the Commission's presence might prejudice the Government's case against Governor Barnett. While the hearings were repeatedly postponed at the urging of the Justice Department, the blame for the failure to hold the hearings fell on the Commission.

Situations such as this clearly demonstrate the importance of a permanent independent commission. Both of our great political parties made specific pledges in their 1960 platforms to make the Civil Rights Commission a permanent body. It is time we honored those pledges.

Title V, therefore, provides for a permanent Commission on Civil Rights. The Commission is also authorized to serve as a national clearinghouse for information concerning equal protection of the laws, including but not limited to the fields of voting, education, housing, employment, the use of public facilities, transportation, and the administration of justice.

Finally, title V gives the Civil Rights Commission additional authority to investigate instances of vote fraud, including the denial of the right to have one's vote properly counted.

When our committee reported out a bill in the 87th Congress to extend the life of the Civil Rights Commission, this provision, known as the Cramer amendment (sponsored by our colleague on the committee, Representative **WILLIAM CRAMER**, of Florida) received the approval of the committee at that time.

Again in 1957 an amendment was adopted by the House during debate on the civil rights bill which empowered the Commission to investigate voting irregularities, but the amendment failed to survive the legislative journey.

Vote fraud is a widespread phenomenon. Thousands of Americans go to the polls every year never knowing whether their votes will be counted honestly. This is not just a local or regional problem; it is a problem that has constitutional overtones and affects all Americans. Reliable studies made by the Honest Ballot Association and other civic groups indicate that more than 1 million votes are "stolen or lost" in every national election—through such time-tested devices as "chain balloting," "tombstone voting," "ghost" election boards, false canvasses, vote buying, multiple voting, disqualification of valid voters, qualification of invalid voters, and falsification of voters' affidavits. Other devices include rigged election machines, jammed machines, and tampering with absentee ballots.

We have been told that the Commission on Civil Rights should not be involved in this area; that it is more properly the province of the Department of Justice. In a letter to Congressman **CRAMER** on March 22, 1962, the then Deputy Attorney General Byron R. White: "* * * that the problem of election frauds is essentially one of law enforcement and the Commission is not a law enforcement agency. Its primary purpose is to collect and accumulate data so that a more intelligent study of the civil rights problem may be made."

Of course, the Civil Rights Commission is not an enforcement agency. We are not asking the Commission to become one. We are calling upon it through this provision "to collect and accumulate data" on this problem because we believe and are certain that our view is shared by all Americans that the right to vote is meaningless unless one's vote is properly counted. They are interrelated and are both civil rights.

TITLE VI—NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS

The policy underlying the enactment of title VI is so fundamentally correct that there is little need for an additional statement in its behalf.

Section 601 concisely announces this policy, which must be the policy of the Government of the United States and all its citizens who support the Constitution:

"No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

Testimony before the House Judiciary Subcommittee and data gathered by the Civil Rights Commission is available which demonstrates that in many regions of the country, citizens are denied the equal benefits from Federal financial assistance programs because of their color.

The Hill-Burton Act is a relevant case in point. Under this act, Federal funds are granted to assist in the construction and equipment of public and voluntary general, mental, tuberculosis, and chronic disease hospitals. Assistance is also provided for the establishment of other forms of medical care facilities such as nursing homes and public health centers. As of May 1963, $2 billion have been devoted to this purpose by the Government. Despite the extent of this Federal contribution, however, example after example is available which establishes that Negroes are denied equal treatment under the act. Negro patients are denied access to hospitals or are segregated within such facilities. Negro doctors are denied staff privileges—thereby precluding them from properly caring for their patients. Qualified Negro nurses, medical technicians, and other health personnel are discriminated against in employment opportunities. The result is that the health standards of Negroes and, thereby, the Nation are impaired; and the incentive for Negroes to become doctors or to remain in many communities, after gaining a medical education, is reduced.

In a related fashion, racial discrimination has been found to exist in vendor payment programs for medical care of public assistance recipients. Hospitals, nursing homes, and clinics in all parts of the country participate in these programs and, in some, Negro recipients have received less than equal advantage.

The school lunch program is another instance of unfair treatment. Through this program, the Federal Government seeks to provide surplus food in order that needy children may have a nourishing meal at least once a day. Many Negro families, in particular, rely upon this program as a means of maintaining the health of their children. The denial of other rights—especially the lack of equal job opportunities—demands the acceptance of this support. Yet, testimony presented before our committee reveals that Negro children have been denied free lunches on the unfounded claim that their parents could afford to buy their noontime meals.

Similarly, Negro families have been denied access to or eliminated from receiving surplus agricultural commodities which are distributed by the U.S. Department of Agriculture. Whether through coincidence or otherwise, instances of this nature have occurred in counties where resistance was strongest to the Negroes attempt to gain voting rights. Interestingly enough, though, distribution was recommenced when the Federal Government made it clear that it would take over direct distribution unless the counties managed the program fairly.

Billions of dollars of Federal money is expended annually on research. This money which primarily goes to universities and research centers for scientific and educational investigation is granted regularly by such agencies as NASA, AEC, the Department of Defense, NIH, Office of Education, and National Science Foundation. Regrettable as it may seem, a number of universities and other recipients of these grants continue to segregate their facilities to the detriment of Negro education and the Nation's welfare.

Funds for guidance training of high school teachers and administrators are also unavailable to Negroes in a number of Southern States, while, in the same regions, schools remain segregated which have been constructed, maintained, and operated by means of Federal financial assistance.

Many additional examples can be cited where Negroes are continuing to be denied equal protection and equal benefits under Federal assistance programs. Vocational and technical assistance, public employment services, manpower development and training, vocational rehabilitation are only a few of the examples which can be cited.

In every essential of life, American citizens are affected by programs of Federal financial assistance. Through these programs, medical care, food, employment, education, and welfare are supplied to those in need. For the Government, then, to permit the extension of such assistance to be carried on in a racially discriminatory manner is to violate the precepts of democracy and undermine the foundations of Government.

In carrying out the commands of title VI, however, the administrators of Federal financial assistance programs must be careful to not punish the innocent along with the guilty. Section 602 prescribes that assistance must not be terminated unless efforts to end discrimination by voluntary means fail.

Generally, we believe that compliance with the provisions of title VI can be accomplished through the application of persuasion and commonsense. In 1962, for example, 11 colleges and universities in the South, rather than face the loss of assistance, agreed to admit qualified Negroes to summer courses which were financed under the National Defense Education Act. A few years previously, the State of Mississippi decided to open a veterans' hospital to citizens of all races in preference to having no hospital at all. Only this year, Florida and Texas desegregated several schools constructed and maintained under the impacted area laws rather than lose the benefits of these funds.

If voluntary action fails, however, and assistance must be terminated, the termination should be "pinpoint(ed) * * * to the situation where discriminatory practices prevail" as Secretary Celebrezze has stated in his testimony. By this means, the effect upon cutting off funds will be limited to the county or immediate area where racial inequality exists. An unfair burden will not be placed upon those who do not deserve it and innocent recipients will not be punished for the wrongs of others. Moreover, upon the insistence of the gentleman from Ohio [Mr. **MCCULLOCH**] and other members of the committee, any recipient who has had financial assistance terminated may obtain judicial review of such action.

Spottswood W. Robinson, former Commissioner of the U.S. Commission on Civil Rights, has, we believe, given voice to thoughts which properly summarize our views on title VI. While explaining in testimony before the House Judiciary Subcommittee the Commission's recommendation that the Government consider withholding financial assistance from the State of Mississippi, Judge Robinson stated: "* * * By this recommendation the Commission was seeking remedial, not penal or punitive, action. What the Commission had in mind was that the expenditure of Federal funds be made in a manner which would benefit all citizens without distinction on account of race or color. What it had in mind were safeguards against the use of Federal funds in a way that encourages or permits discrimination.

"The report itself states that the Commission's goal is that all citizens in the United States be assured the full enjoyment of the rights guaranteed by the Constitution."

TITLE VI—EQUAL EMPLOYMENT OPPORTUNITY

In other titles of this bill we have endeavored to protect the Negro's right to first-class citizenship. Through voting, education, equal protection of the laws, and free access to places of public accommodations, means have been fashioned to eliminate racial discrimination.

The right to vote, however, does not have much meaning on an empty stomach. The impetus to achieve excellence in education is lacking if gainful employment is closed to the graduate. The opportunity to enter a restaurant or hotel is a shallow victory where one's pockets are empty. The principle of equal treatment under law can have little meaning if in practice its benefits are denied the citizen.

Testimony supporting the fact of discrimination in employment is overwhelming. The following table contained in the Manpower Report of the President, 1963, prepared by the Department of Labor, presents the dramatic contrast:

TABLE 1.—*Unemployment rates, by color, age, sex, and by selected major occupational group, 1962*

Characteristics, age, and sex	White	Nonwhite
Total	4.9	11.0
Male	4.6	11.0
14 to 19 years	12.3	20.7
20 to 24 years	8.0	14.6
25 years and over	3.6	9.4
Female	5.5	11.1
14 to 19 years	11.5	28.2
20 to 24 years	7.7	18.2
25 years and over	4.3	4.8
Selected major occupational group:		
Clerical workers	3.8	7.1
Craftsmen and foremen	4.8	9.7
Operatives	6.9	12.0
Nonfarm laborers	11.0	15.8
Private household workers	3.1	7.1
Service workers, except private household	5.3	10.8

In 1962, nonwhites made up 11 percent of the civilian labor force, but 22 percent of the unemployed. Approximately 900,000 nonwhites were without jobs during the year—thereby constituting an unemployment rate of 11 percent. This was more than twice the rate of white unemployed workers. The breakdown among age, sex, and occupational categories is even more striking as the above table reveals. Moreover, among Negroes who are employed, their jobs are largely concentrated among the semiskilled and unskilled occupations. This has the effect of severely retarding the economic standards of the Negro population. Likewise, concentration at the lower levels of employment heightens the chances of early and long duration layoffs. This is particularly evident today with the rapid upgrading of job skills which is closely associated with automation. The table which follows, included in the manpower report, clearly reflects this unbalanced occupational distribution:

TABLE 2.—*Employed persons by occupational group and color, 1948 and 1962*

Major occupational group	White		Nonwhite	
	1948	1962	1948	1962
Total	100.0	100.0	100.0	100.0
White-collar workers	39.1	47.3	9.0	16.7
Professional and technical	7.2	12.6	2.4	5.3
Managers, officials, and proprietors	11.6	11.9	2.3	2.6
Clerical workers	13.6	15.8	3.3	7.2
Sales workers	6.7	7.0	1.1	1.6
Blue-collar workers	40.5	35.4	39.7	39.5
Craftsmen and foremen	14.6	13.6	5.3	6.0
Operatives	21.0	17.5	20.1	19.9
Nonfarm laborers	4.9	4.3	14.3	13.6
Service workers	7.9	10.6	30.3	32.8
Private household	1.5	2.1	15.6	14.7
All other	6.4	8.5	14.7	18.1
Farmworkers	12.4	6.8	21.0	11.0
Farmers	7.8	4.0	8.5	2.7
Laborers	4.6	2.8	12.5	8.3

Similarly, a comparison of median annual incomes of whites and nonwhites from 1939 to 1960 as published by the Department of Labor, reveals the economic straitjacket in which the Negro has been confined.

TABLE 3.—*Median annual wage and salary incomes of white and nonwhite persons, 1939, 1947, 1957, 1960*

	1939	1947	1957	1960
Males:				
White	$1,112	$2,357	$4,396	$5,137
Nonwhite	$460	$1,279	$2,436	$3,075
Nonwhite as a percent of white	41.4	54.3	55.4	59.9
Females:				
White	$676	$1,269	$2,240	$2,537
Nonwhite	$246	$432	$1,019	$1,276
Nonwhite as a percent of white	36.4	34.0	45.5	50.3

The effect of this severe inequality in employment is felt both on the personal level and on the national level. On the personal level an entire segment of our society is forced into a condition of marginal existence.

From the standpoint of health, the Negro experiences a higher infant mortality rate, a higher incidence of tuberculosis, and a lower life expectancy than whites. The incentive to strive for excellence in employment and education is undermined. Interests in cultural development are undernourished. Interest in social betterment remains retarded. The effect of this is to deny to the Nation the full benefit of the skills, intelligence, cultural endeavor, and general excellence which the Negro will contribute if afforded the rights of first-class citizenship.

The failure of our society to extend job opportunities to the Negro is an economic waste. The purchasing power of the country is not being fully developed. This, in turn, acts as a brake upon potential increases in gross national product. In addition, the country is burdened with added costs for the payment of unemployment compensation, relief, disease, and crime.

National prosperity will be increased through the proper training of Negroes for more skilled employment together with the removal of barriers for obtaining such employment. Through toleration of discriminatory practices, American industry is not obtaining the quantity of skilled workers it needs. With 10 percent of the work force under the bonds of racial inequality, this stands to reason. Similarly, an examination of job openings that are regularly advertised discloses that the country is not making satisfactory use of its manpower. Consider how our shortage of engineers, scientists, doctors, plumbers, carpenters, technicians, and the myriad of other skilled occupations could be overcome in due time if we eliminate job discrimination.

A nation need not and should not be converted into a welfare state to reduce poverty, lessen crime, cut down unemployment, or overcome shortages in skilled occupational categories. All that is needed is the institution of proper training programs and the elimination of discrimination in employment practices.

Twenty-five States have enacted fair employment practice legislation. Through effective enforcement by many States, job inequality has been reduced in a number of areas. Similarly, during the administrations of Presidents Truman, Eisenhower, and Kennedy, considerable advances have been made in eliminating racial discrimination in Federal Government employment and in employment connected with Government contracts and subcontracts.

As the above tables have disclosed, however, the incidence and depth of inequality remain widespread. Discrimination continues to exist in all parts of the country.

More positive and enduring steps must be taken, therefore, to cure this evil and before racial unrest eats irretrievably into the body of the American industrial system.

In response to this need, the Judiciary Committee incorporated title VII into H.R. 7152. This title establishes an Equal Employment Opportunity Commission which shall be charged with the task of investigating complaints concerning the existence of discrimination in business establishments, labor unions, and employment agencies.

As the title was originally worded, the Commission would have had authority to not only conduct investigations, but also institute hearing procedures and issue orders of a cease-and-desist nature. A substantial number of committee members, however, preferred that the ultimate determination of discrimination rest with the Federal judiciary. Through this requirement, we believe that settlement of complaints will occur more rapidly and with greater frequency. In addition, we believe that the employer or labor union will have a fairer forum to establish innocence since a trial de novo is required in district court proceedings together with the necessity of the Commission proving discrimination by a preponderance of the evidence.

It must also be stressed that the Commission must confine its activities to correcting abuse, not promoting equality with mathematical certainty. In this regard, nothing in the title permits a person to demand employment. Of greater importance, the Commission will only jeopardize its continued existence if it seeks to impose forced racial balance upon employers or labor unions. Similarly, management prerogatives, and union freedoms are to be left undisturbed to the greatest extent possible. Internal affairs of employers and labor organizations must not be interfered with except to the limited extent that correction is required in discrimination practices. Its primary task is to make certain that the channels of employment are open to persons regardless of their race and that jobs in companies or membership in unions are strictly filled on the basis of qualification.

The rights of citizenship mean little if an individual is unable to gain the economic wherewithal to enjoy or properly utilize them.

As the following table, included in the manpower report, reveals, the American economy shall be in an increasing need for skilled manpower in the years to come.

TABLE 4.—*Employment by major occupational group, 1960–75*

Major occupational group	Actual, 1960		Projected, 1970		Projected, 1975		Percent change		
	Number (in millions)	Percent	Number (in millions)	Percent	Number (in millions)	Percent	1960-70	1970-75	1960-75
Total	66.7	100.0	80.5	100.0	87.6	100.0	21	9	31
Professional, technical, and kindred workers	7.5	11.2	10.7	13.3	12.4	14.2	43	16	65
Managers, officials, and proprietors, except farm	7.1	10.6	8.6	10.7	9.4	10.7	21	9	32
Clerical and kindred workers	9.8	14.7	12.8	15.9	14.2	16.2	31	11	45
Sales workers	4.4	6.6	5.4	6.7	5.9	6.7	23	9	34
Craftsmen, foremen, and kindred workers	8.6	12.8	10.3	12.8	11.2	12.8	20	9	30
Operatives and kindred workers	12.0	18.0	13.6	16.9	14.2	16.3	13	4	18
Service workers	8.3	12.5	11.1	13.8	12.5	14.3	34	13	51
Laborers, except farm and mine	3.7	5.5	3.7	4.6	3.7	4.3			
Farmers, farm managers, laborers, and foremen	5.4	8.1	4.2	5.3	3.9	4.5	−22	−7	−28

NOTE.—Individual items may not add to totals because of rounding.

The employment needs in practically every professional and technical field are expected to rise substantially—teachers, doctors, lawyers, scientists, and engineers. Likewise, the requirements for managers, clerical workers, sales workers, craftsmen, foremen, and similar skilled occupational groups are all projected for large increases. To deny to the Nation the means to fill these needs and, thereby, to maintain its economic superiority is to deny the Nation the ability to continue as the leading country in the world.

Aside from the political and economic considerations, however, we believe in the creation of job equality because it is the right thing to do. We believe in the inherent dignity of man. He is born with certain inalienable rights. His uniqueness is such that we refuse to treat him as if his rights and well-being are bargainable. All vestiges of inequality based solely on race must be removed in order to preserve our democratic society, to maintain our country's leadership, and to enhance mankind.

TITLE VIII—REGISTRATION AND VOTING STATISTICS

Reliable information on voting turnout in the United States is incomplete. There is a general deficiency of data on voting turnout by race, color, or national origin particularly on a comparative basis for States, counties, or congressional districts. Fragmentary material derived from voter samplings taken by public opinion institutes is helpful but not comprehensive enough to be significant. Some States furnish limited information such as total registration figures which in a number of cases are broken down by counties. For example, complete registration figures for Mississippi, South Carolina, and Georgia, as well as many Northern States are unavailable.

At present an imprecise measurement of nonvoting is obtained by subtracting the number of actual voters from the total number of voting age persons. Because of State residence and other requirements this is a highly unreliable means of determining the actual vote.

There is an urgent need therefore for reliable registration figures broken down by State and county. With this information, more complete and accurate statistics can be made available to the general public to help eligible citizens register who have neglected to do so.

Lacking this information, the Commission on Civil Rights has labored under a severe handicap in its factfinding functions. The Department of Justice has also been hindered in its litigation efforts by not having complete and reliable registration and voting statistics. It was this handicap which prompted the Civil Rights Commission in its first report in 1959 and again in 1961 to recommend that the Bureau of the Census be authorized to undertake a nationwide compilation of registration and voting statistics. Although it was not possible to gather such information in conjunction with the 1960 census, the Commission felt nevertheless that there was such a compelling need for these statistics that Congress should determine the feasibility of having a supplementary census.

For some time it has been our belief that such a census is both feasible and of immense value. It was for this reason that the provision was included in H.R. 3139 and identical bills—omnibus legislation introduced on January 31, 1963, by the gentleman from Ohio [Mr. MCCULLOCH], the ranking minority member of our committee, and cosponsored by ourselves and about 40 of our colleagues.

The provision was supported by many who testified before Subcommittee No. 5 during its hearings on civil rights legislation including an official of the AFL–CIO who commended the provision "to the favorable attention of the committee" (July 17, 1963), and the Department of Justice. It was included in the bill favorably reported by the subcommittee on October 2, 1963.

Mild opposition to the scope of the provision was registered by the Bureau of the Census which feared that the cost of the census might be prohibitive. The Department of Commerce preferred that they should have the authority vested directly in the Secretary of Commerce in conformity with the Reorganization Plan of 1960.

Agreement was readily reached in the bill favorably reported by the committee. The provision (sec. 801) now directs the Secretary of Commerce to promptly conduct a survey of registration and voting statistics in areas recommended by the Commission on Civil Rights. The survey will include a count of persons of voting age by race, color, and national origin and a determination to the extent to which such persons are registered to vote and have voted since January 1, 1960.

It is our expectation that the Commission, in accord with the direction of Congress and its own past expression of need for this provision, will recommend that the survey conducted by the Secretary of Commerce be as complete and comprehensive as is feasible. This survey should, if necessary, be national in its scope and not merely limited to the South. There is no question as to the constitutionality, necessity, and potential value of this census.

TITLE IX—PROCEDURE AFTER REMOVAL IN CIVIL RIGHTS CASES

An amendment to the Judicial Code of May 24, 1949, added a new subsection (d) to section 1447 of title 28, United States Code, which provided that the remand by a Federal district judge of a removed case was not reviewable by a U.S. court of appeals or the U.S. Supreme Court. This provision has been used with extraordinary effectiveness by many southern Federal judges to deny judicial relief for citizens who have been prosecuted in the State courts for exercising their rights guaranteed by the Constitution.

This is a severe and unjustified encumbrance on citizens engaged in the struggle for equal rights. In fact, this inability to appeal remand orders has effectively barred citizens from obtaining a redress to their denial of civil rights. The committee, therefore, adopted a provision (title IX) which makes the remand of a civil rights case to a State court by a Federal court after the case had been removed to the Federal court reviewable by appeal. This is a useful provision which merits support.

CONCLUSION

The United States is a nation of many peoples. The interests of some are not always the interests of all. In sustaining our way of life and in preserving our historic traditions, however, the fundamental rights of each citizen must be protected. And, in order for our Nation to maintain its role as world leader, the hopes and aspirations of minorities must always be safeguarded. The enactment of H.R. 7152, while by no means a panacea, will be a significant beginning.

Every segment of American life must bear a heavy burden in this epochal struggle. Congress must move rapidly—more rapidly than it has to date—to legislate intelligently and effectively in this critical area. The agencies of Government must strive more actively to enforce the law of the land. The courts—State and Federal—must exercise greater vigilance in guarding the interests of all the people. Each citizen must make a greater effort to respect the dignity of his fellow man.

Representative government itself is on trial at this critical juncture in the life of our Nation. With the tragedy of our President's death we have witnessed a glaring example where hatred and intolerance triumphed over compassion and reason. Through the action we take on this important bill, we in Congress can do much to conquer the forces of hatred and intolerance which have been unleashed in our land and thereby revive and sustain the faith of the American people in the viability and strength of our great Nation.

It is a challenge we must not shirk and dare not fail to meet.

WILLIAM M. MCCULLOCH,
JOHN V. LINDSAY,
WILLIAM T. CAHILL,
GARNER E. SHRIVER,
CLARK MACGREGOR,
CHARLES MCC. MATHIAS, Jr.,
JAMES E. BROMWELL,
Members of Congress.

THE LATE MARY ANDERSON, FIRST DIRECTOR OF WOMEN'S BUREAU

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON] may extend her remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mrs. FRANCES P. BOLTON. Mr. Speaker, the death of Mary Anderson, first Director of the Women's Bureau, Department of Labor, is mourned by the many who had the opportunity to know and work with her over the years, as well as all who have benefited from her work. One could not work with her without loving her. It was as if she carried a light, deep within, which shone upon all she did and all who knew her.

Mary Anderson's life and career is an inspiration to all who believe in the principles of fairness and progress and the power of the human spirit. Arriving in the United States from Sweden at the age of 16, she struggled as a domestic worker, an exploited factory hand, as a trade union organizer, and then as the first "up from the ranks" labor woman to head a division of the executive department of the Federal Government. She was appointed Director of the Women's Bureau by President Wilson in 1920 and was reappointed by every successive President until her retirement in 1944. The effects of her work have benefited not only women of this country but those in distant lands. Among the many tributes Miss Anderson received last year on her 90th birthday were those from President Kennedy, former Secretary of Labor Arthur Goldberg, and Swedish Prime Minister Tage Erlander. We women of America owe her much.

As part of this tribute I include the following account from the Washington Post:

MARY ANDERSON DEAD; AIDED WORKING WOMEN

(By Sterling Seagrave)

Mary Anderson, the first director of the Labor Department's Women's Bureau and one of the Nation's most celebrated champions of better working conditions for women, died yesterday at the age of 91.

Miss Anderson suffered a broken hip last November and was recuperating in her apartment in the Roosevelt Hotel, 2101 16th Street NW., at the time of her death.

Her death was mourned by many who came to know her as a remarkable woman whose life was devoted to improving social standards while serving as director of the Women's Bureau for 25 years, through two wars and under five Presidents.

Last year, Miss Anderson received tributes on her 90 birthday from President Kennedy, former Secretary of Labor Arthur Goldberg and Swedish Prime Minister Tage Erlander.

ADVENTURE IN NEW LAND

Miss Anderson was a wide-eyed, blue-eyed blond of 16 when she came to the United States from Sweden in 1873. She spoke little English. She had grown up on a farm with her parents and four sisters and three brothers. It was a time of strife and poverty in Sweden, and an older sister had already emigrated to the United States and settled in relative comfort in Michigan.

But the wide-eyed anticipation faded quickly in those early years after her arrival, years in which she struggled as a domestic worker, an exploited factory hand, then as a trade union organizer.

In her autobiography, "Women at Work," published by the Minnesota Press in 1951 and transcribed by her close associate Mary Winslow, she told in her own simple diction an almost incredible life story.

FIGHT FOR UNIONIZATION

She described her bitter struggle for unionization of the garment, shoe, and other industries in Chicago and the activities of the Chicago and National Women's Trade Union League in helping factory and mine workers make a start toward living wages, shorter hours, and safer working conditions.

She told finally of a quarter century of Federal service, setting standards for women's employment, serving the cause of labor effectively as the first U.S. Government representative to the International Labor Organization.

She was close to such notables as Frances Perkins, first woman to serve in a President's Cabinet (as Secretary of Labor under President Franklin Delano Roosevelt), President and Mrs. Roosevelt, Woodrow Wilson, John L. Lewis, and many others.

Mary Anderson never married. She was a woman of extraordinary energy. She loved parties and games of canasta, attending social functions even at 90.

VFW PROPOSES NAVAL PATROL IN PANAMA CANAL CRISES

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BECKER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. BECKER. Mr. Speaker, the Panama crisis is, with good reason, of deep concern to every citizen of our Nation.

One of the most serious aspects of this Panama Canal crisis has been the well established role of Cuban-trained agitators. Once again our national interests have been victimized and threatened by the Kremlin-controlled Communist base in Cuba. Again we have a clear demonstration of the manner in which Cuba is being used as a base for conducting Communist aggression against Latin America. This is a situation that calls for deliberate, well considered, and effective measures for the United States.

Consequently, it was with deep interest that I noted the proposal of the national commander of the Veterans of Foreign Wars, Mr. Joseph J. Lombardo, of Brooklyn, N.Y. I share with other Members of this House in an admiration for the straight thinking and commonsensed views which the VFW has taken with respect to national security and international developments. As would be expected, Commander Lombardo's proposal for U.S. action in the Panamanian crises is sound, practical, and I believe it would be highly effective.

Briefly, the commander in chief of the VFW, Mr. Lombardo, proposes that the United States immediately establish a naval patrol, which he terms "a quarantine," between Communist Cuba and the Panama area. This would, Commander Lombardo stated, go far toward preventing further export of subversion and aggression from Cuba into the deeply troubled Panama area. Also, the VFW proposal would be clearly recognized by our friends, as well as our enemies, as a demonstration of our Nation's determination to stand firm in the face of threats, violence, and mob demonstrations in Panama.

Personally, it is for me a particular pleasure to bring this statement and proposal of the VFW commander in chief, Joseph J. Lombardo, to the attention of this House. Commander Lombardo, or Joe as he is known to many friends in New York, is well qualified to speak on such subjects. He has long been recognized as an authority on Communist doctrine and methods, and he has spoken extensively on the subjects. As one who has been privileged to be counted among Joe's friends for many years, I share the widespread admiration of his deep understanding of defense and international matters.

Commander in Chief Lombardo's proposal was contained in a press release of January 14, and appeared in numerous newspapers throughout the country. Because of its soundness, I include that press release at the conclusion of these remarks.

The VFW press release follows:

WASHINGTON, D.C., January 14.—The national commander in chief of the Veterans of Foreign Wars, Joseph J. Lombardo, Brooklyn, N.Y., today urged the establishment of a naval patrol between Red Cuba and the Panama Canal.

Explaining the VFW suggestion, Commander Lombardo said, "It is abundantly evident that Communist agitators were behind much of the tragic rioting against the U.S. zone in Panama. On the basis of the past record of Red subversion, it is merely realistic to expect that there will be more Red effort to embarrass, weaken, and dislodge the United States from control of our vital Panama Canal lifeline.

"This is no spur-of-the-moment incident," Commander Lombardo added, "and the United States must take positive and effective measures for our own strategic safety.

"Therefore," Commander Lombardo said, "our Government should immediately establish a naval patrol—a quarantine—between Castro's Cuba and the Panama Canal area. The purpose of this patrol would be to prevent the further export of Red subversion, weapons, and propaganda from Cuba to Panama and all Central America.

"It should be remembered," Commander Lombardo emphasized, "that there is much precedent for such a quarantine patrol. One was established by President Eisenhower during the Honduran crisis. Also, President Kennedy put elements of the 2d Fleet between Cuba and the Dominican Republic during the crisis resulting from the assassination of Trujillo. In both instances a purpose was to prevent Cuban-based Communists from exploiting the troubled areas."

Continuing, Commander Lombardo said, "if such action was justified then, and it certainly was, then a similar naval patrol between Red Cuba and the Panama area is fully justified now. Such a patrol would in a real sense be a quarantine, preventing communism from further poisoning our relationships with our longtime friends in Central America."

Concluding, Commander Lombardo said, "We had better let our friends, as well as our enemies, know that we don't intend to be intimidated by the mobs, and we aren't going to knuckle under to arrogant demands to renegotiate our control of the Panama Canal Zone. If we ever agree to renegotiating our rights and authority in the U.S. Zone, then we will have triggered a chain reaction of disaster, and our base rights at Guantanamo Bay will be the next Communist target for 'negotiation.'

"The only thing negotiable about our rights and authority in the U.S. Panama

Canal Zone, or Guantanamo, is the security of the United States, and that's not negotiable."

BEEF IMPORTS AND THE CATTLE INDUSTRY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. Smith] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. SMITH of Iowa. Mr. Speaker, there has been a lot of attention given recently to the importation of meat and its relationship to livestock prices on the farms of America. Since U.S. production of meat increased 1,600 million pounds in 1963 while imports of beef increased 311 million pounds, no one will honestly claim that imports were the whole cause of the price decline. Also, no one claims that imports did not contribute to the price situation since they increased at the same time that domestic supplies increased.

The feed grains program greatly reduced the supply of feed available for conversion into beef during 1963. Had it not been for that feed grains program which has been in effect the past 3 years and was so vigorously opposed by many cattle associations, the price of beef would probably have reached the low prices of 1956. Had cattle prices reached those low prices, imports would have been less but the loss to cattle feeders would have been greater with less imports.

The Department of Agriculture has been working hard on this problem for more that a year and must consider the harm that any action will cause as well as the benefits. The best compilation of important statistics related to the problem that I have seen recently was set forth in a speech by Assistant Secretary of Agriculture Roland R. Renne to the American National Cattlemen's Association in Memphis, Tenn., last Tuesday. So that the many thousands who are interested in this subject may have a better opportunity to secure these facts, I am setting forth the speech in the Congressional Record.

It is as follows:

Beef Imports and the Cattle Industry

Imports are an important factor influencing current beef prices. The U.S. Department of Agriculture and the administration recognize this and are taking prompt steps to improve the situation.

The main approach in finding a solution has been our negotiation with chief suppliers (Australia and New Zealand) to secure voluntary agreement for them to limit their exports to the United States to the level of a recent period. Results to date, although short of reaching final agreement, are encouraging.

The basic principle of market sharing is sound. Other nations that have had access to our markets under the General Agreement on Tariffs and Trade (GATT) have certain access rights just as we have such rights of access to other markets for the sale of our products. If agreement can be reached voluntarily concerning a given amount of access, then both importer and exporter have a firm basis on which to operate. The importer is protected against disastrous flooding of the market and the exporter is assured of a market for a specified amount of his product.

The main problem in negotiating market sharing is agreement on the basis on which the share to be allotted is determined. In the case of beef imports our largest supplier is Australia and her exports have increased phenomenally since 1958, from less than 18 million pounds to 517 million pounds in 1963. Obviously, Australians would like to have the most recent year or years used as a basis for determining her share of our beef market. In addition, since the U.S. beef market is growing as a result of both an increase in our population and a rising per capita consumption of beef, Australia would like to share in this growth, and we agree that they should. We are insisting on this right for ourselves in dealing with nations to whom we export agricultural products. The key question is how much should Australia or any other country share in the growth of our beef market? One suggestion is to renegotiate periodically on the basis of what is happening to our population numbers, income levels, and livestock prices.

A further factor which should be kept in mind in negotiating market shares is the quality of the product. In the case of beef, if a certain proportion of the imports were made up of primal cuts during the base period, then this should be considered in the share allotment for future years or until a renegotiation of the market share is undertaken.

The current beef import situation in the United States illustrates the modern complexities and interdependence of international trade relationships among major nations. The U.S. share in world beef imports increased from one-fourth (26 percent) in 1950 to over one-half (51 percent) in 1962. Further increased imports in 1963 raised the U.S. percentage of the total world import figure still higher.

This great increase in beef imports has been encouraged by the increase in import restrictions in other major markets. Today the United States is the only major beef market without any quantitative restrictions and with a very nominal fixed import duty.

More than 1 billion pounds of beef and veal (product weight) were imported by the United States in 1963. This was equivalent to 1¾ billion pounds (carcass weight). This was an increase of 20 percent over 1962 and represented 11 percent of U.S. production in 1963. This is in sharp contrast to a few years earlier (1956) when imports were equal to only 1.6 percent of U.S. production.

Not only have beef imports increased at a faster rate than domestic production since 1956, but they have increased more in absolute terms. Imports in 1962 were more than 1 billion pounds over the amount imported in 1957, whereas domestic production in 1962 was only 583 million pounds more than in 1957. However, in 1963 domestic production increased by about 1 billion pounds over the 1962 level while imports increased only 311 million pounds.

Imports of live animals (feeder cattle) in sharp contrast to imports of meat, were lower in 1963 than in 1962 by some 23 percent. Moreover there has been no marked trend in the increase of imports of feeder cattle over the years.

Almost without exception an increase in the production of beef has meant a price decline. On an average a 10-percent change in the production of fed beef has been accompanied by a price change of 13 to 14 percent in the opposite direction. In other words, if production of fed beef increases 10 percent there will be an accompanying price decline of 13 to 14 percent. The production of fed beef increased by over 11 percent in the United States in 1963 over 1962 and would cause a significant decline in American beef cattle prices.

When to this heavy increase in domestic production of beef during 1963 is added the increase in imports (311 million pounds) it is clear why beef cattle prices were appreciably lower in 1963 than in 1962.

The decline in domestic production of cow beef since the middle 1950's has been largely offset by increases in imports of cow meat. The decline in cow beef production resulted from holding back beef cows from slaughter and building up herds. The number of cattle and calves on farms January 1, 1964, is estimated at 107 million compared with about 104 million the year before, 100 million January 1, 1962, and 91 million January 1, 1958.

Utility cow prices (Chicago market) have been quite stable until this past fall and averaged between $15 and $16 per hundredweight in each year since 1960. However, between August and December of 1963, utility cow prices broke by about $3 per hundredweight declining from an average of $15.65 in August to $12.71 in December. Since much of the imported meat is cow meat, it is believed that increased imports along with increased domestic slaughter in 1963 accounted for the sharp decline in utility cow prices last fall.

There is evidence that beef prices are turning upward from their recent lows. On Friday, January 27, prices of choice slaughter steers in Chicago ranged from $22 to $23.75 and averaged $22.88. This is 59 cents above the average for December 1963. Utility cow prices ranged from $12 to $13.75 and averaged $12.88. This is 17 cents per hundredweight above the December figure.

The meat price situation is further complicated by the heavy U.S. supplies of meats other than beef. In 1963, beef and veal production reached an alltime high; broiler production reached an alltime high; pork production was larger than in any previous year since 1944, and total meat showed a major increase over 1962 and reached an alltime high. Total U.S. meat production was 37.7 billion pounds (carcass weight) in 1963 compared with 36.1 billion in 1962. This is an increase of about 4½ percent in total meat production. In 1964, total meat production is estimated at 38.1 billion pounds or a further increase of 1 percent over 1963 and about 5½ percent above 1962. Beef and veal production are largest with about 18 billion pounds, pork second with some 12 billion pounds, poultry third with about 7½ billion pounds, and lamb and mutton last with 750 million pounds.

Australia is the leading shipper of beef to the United States and accounted in 1963 for nearly half of total beef imports (44 percent), New Zealand, one-fourth (23 percent), with Ireland, Argentina, and Mexico each supplying about 6 percent, and Canada, Brazil, Denmark, West Germany, Poland, the Netherlands, and other countries supplying the remaining 15 percent.

Although the United States is the world's largest importer of meat ($360 million) our exports of livestock and meat products were almost as large as imports. We exported $347 million worth of livestock and meat products in 1963 or only $13 million less than our imports. Wheat and flour are our largest export item ($1.2 billion 1963) with feed grains ranking second with nearly a billion dollars ($977 million) followed by oil seeds and oilseed products, cotton, fruits and vegetables, and tobacco, all exceeding in value our total livestock and meat product exports.

APPOINTMENT OF CARL T. ROWAN, USIA CHIEF

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. Fraser] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FRASER. Mr. Speaker, I would like to express my deep sense of personal satisfaction over the recent appointment of Carl T. Rowan to succeed Edward R. Murrow as Director of the U.S. Information Agency.

This appointment is especially welcome to me and the people of my district because Carl Rowan is a former newspaperman in my home city of Minneapolis. I have known Carl Rowan for many years and personally attest to his integrity and ability. His journalism experience makes this appointment especially fitting. Under Edward R. Murrow the reputation of USIA grew immeasurably. Carl Rowan will continue the work of Edward R. Murrow to make the USIA one of the most effective instruments of peace in the free world.

President Johnson aptly characterized Carl Rowan when he described him as "the man most eminently qualified to supervise this vital program of telling America's story abroad," and as a man who "is young and dynamic with a breadth of private and governmental experiences that are especially valuable qualifications for this job."

I think that Carl Rowan's brilliant record in the fields of journalism and Government service is an adequate answer to the charges made against him by a Member of this body in yesterday's Congressional Record. President Johnson said that he had many opportunities to work closely with Rowan and "to see for myself the skill and good judgment, the idealism, and integrity, that he has applied to each task placed before him."

Those who know him best—his former journalism colleagues in Minnesota—have hailed his appointment as a great step. In the daily Record today I am placing two editorials from Minneapolis papers praising the appointment of Carl Rowan. I shall also insert evidence of the approval of this appointment expressed in newspapers here and abroad.

VOTING CASES

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. Corman] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. CORMAN. Mr. Speaker, I believe that there is a great need to precisely spell out for the benefit and guidance of the courts that will be enforcing this legislation what we mean when we repeatedly say in title I that these voting cases shall be expedited and immediate action taken.

I make these remarks against a background of almost unbelieveable delays and frustration in the granting of the relief which the voting rights acts of 1957 and 1960 should have long ago secured to all of our citizens. Congress never intended that the right to vote should be granted in a piecemeal fashion over periods beset by delays of years in the judicial process. The 1957 and 1960 acts repeatedly speak of 10-day periods and granting immediate relief so that persons can vote in the upcoming elections. I believe that we—today—must say what we mean in terms of enforcement of this voting rights title; there is no need for our having to consider every 2 or 3 years the question of the right to vote. Let us make it crystal clear now that we mean for the courts to enforce this legislation and to do it expeditiously—as the law provides and has provided for 4 or more years.

As additional background, permit me to refer you to an exhaustive study of cases of delay, inaction, and even total refusal to enforce the laws that we have enacted. This study consists of an excellent article appearing in the November 1963 issue of the Yale Law Journal entitled "Judicial Performance in the Fifth Circuit." The article extensively documents the conditions that exist in regard to the enforcement by Federal courts in the South of Federal civil rights law.

As just one example of what can be done, let me refer you to the case of *Davis* v. *Schnell*, southern district of Alabama, U.S.S. Ct., 1949. In that case a private counsel, a Negro attorney of considerable ability, Mr. George Leighton, of Chicago, Ill., filed an action to declare unconstitutional the so-called Boswell amendment to the constitution of the State of Alabama, which provided for a constitutional interpretation test. A three-judge court was convened, a trial—brief but adequate—was held, and the court ruled that the Boswell amendment was unconstitutional. The State of Alabama appealed to the Supreme Court of the United States and the Supreme Court affirmed per curiam. And, Mr. Speaker, this case from start to finish—tried basically by just one attorney on a part-time basis and involving at that time new questions of law—was concluded from the filing of the complaint to the final decision in the Supreme Court of the United States in approximately 1 year. I also refer to the cases decided by Judge J. Skelly Wright, formerly of the eastern district of Louisiana and now of the Court of Appeals for the District of Columbia Circuit. Judge Wright saw to it that the law was enforced without undue delay and prejudice to the constitutional rights of the litigants. Two such cases were Bush against Orleans Parish School Board and Hall against St. Helena Parish School Board, decided respectively on May 16 and May 24, 1960. In the latter case, Judge Wright granted a motion for summary judgment to integrate the school involved and enjoined any further segregation practices.

Returning now to the proper enforcement of the voting rights legislation—which mainfestly should have been done years ago without further action by the Congress, let me point out that the Federal voting referee provisions provided for in the 1960 act have never been used at all. No Federal voting referee has even been appointed by any southern Federal district judge regardless of the degree of voting discrimination proved in court. And I might add that, in my judgment, "overproved" might be a better word. The amount of proof being required in these cases to enforce the right to vote would make an antitrust case pale in comparison. As an extreme example of the "overproof," the case now pending in Mississippi, U.S. against Mississippi, already has volumes and volumes of records involved, and the case has not even come to trial. A good part, if not all of the entire voting records of the complete registration system in the State of Mississippi may be introduced in evidence. While it is true that this is a case of statewide implications, so was Davis against Schnell, in which the total proceedings consisted of two small volumes, or so. Many other voting cases of smaller import are involving a comparable degree of proof. This is strikingly reminiscent of the English courts as described by Mr. Charles Dickens and is obviously not worthy of the judicial system of the United States.

Now to be very specific and very precise: There is no reason why—based upon the outrageous evidence found in the well-documented voting rights reports of the U.S. Commission on Civil Rights—that a Federal district court in the State of Mississippi cannot decide that a pattern or practice of discrimination exists within a reasonable time after the complaint is filed. I might add at this point that it is utterly ridiculous to think that the entire facilities of the U.S. judiciary which this Congress has directed to be put at the disposal of immediate securing of the right to vote cannot accomplish in short order voting registration to those denied this right on account of race while, at the same time, people throughout the Nation—including whites throughout the South—accomplish registration within a matter of minutes.

As a matter of fact, when I look at page 272 of the Commission's 1961 voting report—which figures testimony before my committee shows is still about accurate even after 2 years—and notice that 29 of Mississippi's 82 counties have combined Negro voting age population of about 110,000 and only about 100 of them are registered to vote—which, I might remind you, is still not the same thing as being able to vote—I think that there is no reason why a Federal district court should need more than 3 or 4 days in such factual situations after the filing of the complaint to make such a determination and proceed immediately to the appointment of referees. The explicit language of sections 1971 (c) and (e) of title 42, which is the voting rights section, clearly provide that a finding of a pattern or practice can be based upon any proceeding filed by the Attorney General pursuant to subsection (c), which explicitly includes the temporary restraining order that is normally granted within a couple of days. After the finding of a pattern or practice the court should that day proceed to appoint Federal voting referees to receive applications from persons denied the right to vote by State officials and proceed to register them. In the example of the State of Mississippi, the court should appoint a high percentage of Negroes as voting referees, since the State is 43 percent Negro. And sufficient referees should be appointed for each county so that they can do their job within a week or two, which should include going to various communities and rural areas throughout the county. The court should invest the referees with plenary powers to cope with any person or group that might try in any way to interfere with or frustrate the referee's work, as explicitly provided by 1971(e) in the next to last paragraph; this provision was added by this House on the floor in 1960 and has never come even close to being used. There should be no longer than 2 or 3 weeks consumed at the most—and then only in exceptional cases—in finally determining voting applications filed with the referees, including the pro forma reporting by the referee to the court that is required. The 1960 act explicitly allows the court to refer all matters to the referee—paragraph 5 of 1971(e)—including any exceptions raised by the State. Again, of course, none of these provisions have ever come close to being used.

In closing, Mr. Speaker, permit me to add that the Congress has provided ample tools for the judiciary itself to police the court system to secure prompt and efficient administration of justice and enforcement of the laws passed by the Congress. The designation and assignment powers coupled with the powers of the judicial council of a circuit to issue all orders necessary for the more efficient conduct of a circuit's business can be effective procedures and are binding by law upon the district judges. Another effective and perhaps even more proper tool is the power delegated by the Congress to the Supreme Court of the United States to promulgate rules to govern the procedure of the district courts. That statute, section 2072 of title 28 of the United States Code, gives ample power to the Supreme Court to take measures to provide for expeditious procedure in regard to voting rights cases and to provide for time limits upon granting or denying injunction in cases involving the denial of constitutional rights. If necessary, a civil rights and civil liberties docket could be set up in a district or districts. All of these provisions would be supported by the alternative of the designation of another judge to take over and hear the case expeditiously. Accordingly, I suggest this draft of a new rule 71B of the Federal Rules of Civil Procedure:

RULE 71B. CIVIL RIGHTS CASES

(a) In any case filed pursuant to sections 1971 or 1983 of title 42 of the United States Code [or pursuant to the provisions of the Civil Rights Act of 1964], the following procedure shall apply:

(1) A request for a preliminary injunction pursuant to rule 65 shall be heard and decided by the court within 30 days. If such request is not heard and decided within such period, then the chief judge of the circuit shall immediately designate a judge to hear and decide such request. Such designated judge shall continue to exercise full jurisdiction over such case until its final disposition.

(2) A request for a finding of a pattern or practice under section 1971 shall be heard and decided within 60 days. Final rulings by the court upon voting registration applications (whether or not a voting referee conducts the initial hearings) shall be made within 30 days after such application is initially received. Failure of the court to comply with this paragraph shall invoke the provisions of the last two sentences of the preceding paragraph.

(b) In the discretion of the chief judge of a circuit and with the approval of the Chief Justice of the United States, a civil rights docket may be established in any judicial district or districts to consist of cases filed pursuant to sections 1971 or 1983 of title 42 of the United States Code [or pursuant to the provisions of the Civil Rights Act of 1964]. The chief judge of the circuit shall assign any judge or judges to hear and decide the cases on such docket.

In summary, Mr. Speaker, this Congress, and particularly this House, intended that the 1957 and 1960 acts bring swift relief to those persons unconstitutionally denied the right to vote. Let there be no mistake about it this time, we intend that these voting rights provisions be enforced and be enforced vigorously and promptly. Large numbers of persons denied the right to vote—hundreds of thousands of them—should be registered pursuant to the 1957 and 1960 acts and pursuant to this act in time to vote in the national elections of this year. This is the intent of the Congress, and let no doubt remain.

STATEMENT BY MRS. MARGARET B. DOLAN, PRESIDENT, AMERICAN NURSES' ASSOCIATION

The American Nurses' Association is the organization of about 170,000 registered professional nurses, with constituent associations in 54 States and territories, including Puerto Rico and the District of Columbia. The bylaws of the ANA include a nondiscriminatory provision within the statement of purpose of the organization in article I, section 2, which reads:

"The purpose of the American Nurses' Association shall be to foster high standards of nursing practice, promote the welfare of nurses to the end that all people may have better nursing care. These purposes shall be unrestricted by consideration of nationality, race, creed, or color."

Ever since the national association was founded, in 1896, it has offered membership to all qualified professional nurses, regardless of race, color, creed, or national origin. This has not always been true of some of the State associations. However, since January 1962, membership has been open to all qualified professional nurses in the 54 constituent associations.

Since 1946 conscious and increased effort has been made by ANA to eliminate racial and ethnic segregation and discrimination in nursing.. By 1950 sufficient impact had been made so that ANA by mutual agreement absorbed the functions of the National Association of Colored Graduate Nurses, thus assuring the Negro nurse of acceptance and recognition within the professional association. The National Association of Colored Graduate Nurses was dissolved at this time.

In April 1954 the ANA board of directors, on recommendation of the committee on intergroup relations, adopted a policy specifically authorizing the ANA to support civil rights legislation. Subsequently, the following statement of principles to guide ANA action was approved by the board of directors in 1956:

"1. A favorable climate of Federal and State law is essential to the achievement of the long-term goals of the intergroup relations program of the American Nurses' Association. The association should promote and support legislation designed to provide a climate in which discriminatory practices affecting nurses, nursing, and health may be eliminated.

"2. All qualified applicants, regardless of race, creed, color, or national origin, should have the same opportunities for sound educational preparation for nursing. Tax funds for the support of nursing education should not be used to initiate or perpetuate discriminatory practices.

"3. Legal restrictions to the full utilization of nursing personnel which are based on race should be eliminated.

"4. Legal restrictions to the unsegregated use of public accommodations should also be eliminated.

"5. Health and welfare programs supported by tax funds should promote and protect the physical, mental, and social well-being of all citizens regardless of race, creed, color, or national origin."

Since 1946 the objectives and goals of the association have been stated in a platform adopted by the house of delegates. One plank which appeared in that first platform and in all subsequent platforms states that the association "will encourage all members, unrestricted by consideration of nationality, race, creed, or color, to participate fully in association activities and to work for full access to employment and educational opportunities for nurses."

The association itself has a role in the continuing education of its members through conducting conferences, meetings, and conventions. Conventions are held biennially and are open to all members. At these conventions, major business of the association is conducted by an integrated house of delegates who represent each jurisdiction. Here the policy decisions are made. Educational programs are held that are designed to assist the nurse in her practice. Attendance at these conventions is generally about 10,000.

In 1948 the ANA board of directors established the policy that there be no discrimination as to race, creed, or color in accommodations obtained for ANA meetings. Because we have this position, we do not schedule conventions or conferences in cities where all of our membership cannot enjoy the same rights to accommodations—in hotels, restaurants, and transportation facilities. From the practical and economic point of view, the city which has segregated facilities, thereby denying like accommodations to all, loses financially since the purchasing power of 10,000 people is considerable.

In addition to the biennial convention, the association conducts many smaller conferences, institutes, and workshops in various parts of the country. These meetings may focus on a specific clinical area such as psychiatric nursing practice or the nursing care of patients with cardiac disease or on specific concerns of the nurse, such as economic and general welfare, and legislation.

An area that has segregated facilities presents a hardship for all nurses, not just to those who belong to a minority group. Some nurse members are faced with the prospect of always going outside their own region to attend meetings and to participate in the affairs of the association. However, in spite of this problem there has never been any effort by a group within ANA to bring about a change in the association's position.

The only criterion for employment of American Nurses' Association staff is the qualification for the position. Staff implements the programs of the association and provides consultant services, either through correspondence or in person, to the constituent State associations. In some instances, highly qualified staff members, with special knowledge and skills, are not available to serve the total membership in person because of restrictions in the use of public accommodations. The American Nurses' Association cannot send some of its staff members to some communities because segregation practices exist.

Our constituent State nurses' associations have attempted to achieve progress and secure facilities where all can be accommodated, through seeking the cooperation of owners and managers of community facilities. This is not always possible, even granting the good intent of management, because of restrictive State laws. In other areas no amount of effort will secure facilities in which the State associations can meet since there are no public buildings available. Some of our State associations have arranged meetings in Federal buildings such as an armory where everyone can sit down together. In some instances, only limited effort has been made in recent years to hold integrated meetings because of fear of local censure.

We wish to express our concern over the fact that the proposal to end discrimination in public accommodations may not apply to the hospital industry.

Yet hospitals are built and operated for the public good. Admission of patients should be based on need. Employment of staff within the hospital should be determined solely on the basis of qualifications. Maintenance of separate facilities within a community seriously dilutes the number of qualified staff available for employment. In nursing, we are especially concerned about the shortage of professional nurses, who are responsible for meeting nursing care needs and for the direction and supervision of less well prepared personnel in nursing service. At this time, the ratio of professional nurses to population is lowest in regions which have the largest number of segregated hospitals.[1]

A study of several hospitals that undertook integration of staff shows that two basic factors, the nature of the hospital as an institution and the nurse's role in the hospital, work to the advantage of integration. Characteristics of nursing and of the hospital as an institution that facilitate integration are—

Emphasis on other than racial criteria in definitions of the "preferred type" of nurse.

The humanitarian ethos of nursing and its expression in nursing organizations.

The occupational status system of the hospital which overrides other types of status divisions.

The emphasis on professional role relations and recognition of authority.

The nature of the nurse-patient relationship.

A reprint from the American Journal of Nursing describing this study is attached to this statement for further information.

The ANA code of ethics, adopted in 1950, states that professional staus in nursing is maintained and enriched by the willingness of the individual practitioner to accept and fulfill obligations to society, coworkers, and the profession of nursing. The code for professional nurses contains additional guides to the individual nurse in fulfilling her obligations. These are:

The nurse provides services based on human need, with respect for human dignity, unrestricted by considerations of nationality, race, creed, color, or status; and

The nurse as a citizen understands and upholds the laws and performs the duties of citizenship; as a professional person the nurse has particular responsibility to work with other citizens and health professions in promoting efforts to meet health needs of the public.

Integration within the association has been accomplished through the voluntary effort by the nursing profession. We believe that all Americans should enjoy the same political and civil rights and recognize that, in some instances, these can be secured only through legislative action. The association has chosen to support civil rights legislation that would have a favorable effect on nurses, nursing, and health, and the provision of health services. We urge this committee to take favorable action on this proposed civil rights legislation.

There are several pieces of printed material attached to each statement supplied to the committee members and which we thought might be of interest to you.

STATEMENT OF IVAN ALLEN, JR., MAYOR OF ATLANTA, GA.

Senator PASTORE. Mayor, you have submitted a written statement to the committee. I am going to ask you to present it any way you like.

Mayor ALLEN. Thank you very much, Senator.

I am honored to appear before your committee.

At the beginning I would like to make it clear that I feel qualified to speak on the subject under discussion which is the elimination of racial discrimination, on what I have learned from personal experience and observation in my home city of Atlanta, Ga. As perceptive men of wide experience I feel confident that you will agree with me that this is as serious a basic problem in the North, East, and West as it is in the South.

It must be defined as an all-American problem, which requires an all-American solution based on local thought, local action, and local cooperation.

The 500,000 people who live within our city limits consist of 300,000 white citizens and slightly more than 200,000 Negro citizens. That makes the population of Atlanta 60 percent white, 40 percent Negro.

That 60–40 percentage emphasizes how essential it is for the people of Atlanta, on their local level, to solve the problem of racial discrimination in order to make Atlanta a better place in which to live.

Elimination of racial discrimination is no far-off philosophical theory to the more than 1 million people who live in and around Atlanta. The problem is part and parcel of our daily lives. Its solution must be studied and worked out on our homefront.

As the mayor of the Southeast's largest city, I can say to you out of firsthand experience and firsthand knowledge that nowhere does the problem of eliminating discrimination between the races strike so closely home as it does to the local elected public official. He is the man who cannot pass the buck.

From this viewpoint, I speak of the problem as having been brought into sharp focus by decisions of the Supreme Court of the United States and then generally ignored by the Presidents and Congresses of the United States. Like a foundling baby, this awesome problem has been left on the doorsteps of local governments throughout the Nation.

Now to take up specifics. You gentlemen invited me to tell you how Atlanta has achieved a considerable measure of comparative success in dealing with racial discrimination.

It is true that Atlanta has achieved success in eliminating discrimination in areas where some other cities have failed, but we do not boast of our success. Instead of boasting, we say with the humility of those who believe in reality that we have achieved our measure of success only because we looked facts in the face and accepted the Supreme Court's decisions as inevitable and as the law of our land. Having embraced realism in general, we then set out to solve specific problems by local cooperation between people of good will and good sense representing both races.

In attacking the specific problems, we accepted the basic truth that the solutions which we ought to achieve in every instance granted to our Negro citizens rights which white American citizens and businesses previously had reserved to themselves as special privileges.

These special privileges long had been propped up by a multitude of local ordinances and statewide laws which had upheld racial segregation in almost every conceivable form.

In Atlanta we had plenty of these props of prejudice to contend with when we set out to solve our specific problems of discrimination. In attacking these problems, I want to emphasize that in not one single instance have we been able to retain or enhance the privileges of segregation.

It had been a long, exhausting, and often discouraging process and the end is far from being in sight.

In the 1950's Atlanta made a significant start with a series of reasonable eliminations of discrimination such as on golf courses and public transportation. We began to become somewhat conditioned for more extensive and definitive action, which has been taking place in the 1960's.

During the past 2½ years, Atlanta has taken the following major steps to eliminate racial discrimination:

1. In September 1961, we began removing discrimination in public schools in response to a court order.
2. In October 1961, lunch counters in department and variety stores abolished discrimination by voluntary action.
3. On January 1, 1962, Atlanta city facilities were freed from discrimination by voluntary action of municipal officials.
4. In March 1962, downtown and art theaters, of their own volition, abolished discrimination in seating.
5. On January 1, 1963, the city voluntarily abolished separate employment listings for whites and Negroes.
6. In March 1963, the city employed Negro firemen. It long ago had employed Negro policemen.
7. In May of 1963 the Atlanta Real Estate Board (white) and the Empire Real Estate Board (Negro) issued a statement of purposes, calling for ethical handling of real estate transactions in controversial areas.
8. In June 1963, the city government opened all municipal swimming pools on a desegregated basis. This was voluntary action to comply with a court order.
9. Also in June 1963, 18 hotels and motels, representing the leading places of public accommodations in the city, voluntarily removed all segregation for conventions.
10. Again in June 1963, more than 30 of the city's leading restaurants, of their own volition, abolished segregation in their facilities.

You can readily see that Atlanta's steps have been taken in some instances in compliance with court decisions, and in other instances the steps have been voluntary prior to any court action. In each instance the action has resulted in white citizens relinquishing special privileges which they had enjoyed under the practices of racial discrimination. Each action also has resulted in the Negro citizen being given rights which all others previously had enjoyed and which he had been denied.

As I mentioned at the beginning, Atlanta has achieved only a measure of success. I think it would assist you in understanding this if I explained how limited so far has been this transition from the old segregated society of generations past, and also how limited so far has been the participation of the Negro citizens.

Significant as is the voluntary elimination of discrimination in our leading restaurants, it affects so far only a small percentage of the hundreds of eating places in our city.

And participation by Negroes so far has been very slight. For example, one of Atlanta's topmost restaurants served only 16 out of Atlanta's 200,000 Negro citizens during the first week of freedom from discrimination.

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[1] "Facts About Nursing," 1963 edition, American Nurses' Association; "Toward Quality in Nursing," Surgeon General, USPHS. Consultant Group on Nursing.

The plan for eliminating discrimination in hotels as yet takes care only of convention delegates. Although prominent Negroes have been accepted as guests in several Atlanta hotels, the Negro citizens, as a whole, seldom appear at Atlanta hotels.

Underlying all the emotions of the situation is the matter of economics. It should be remembered that the right to use a facility does not mean that it will be used or misused by any group, especially the groups in the lower economic status.

The statements I have given you cover the actual progress made by Atlanta toward total elimination of discrimination.

Now I would like to submit my personal reasons why I think Atlanta has resolved some of these problems while in other cities, solutions have seemed impossible and strife and conflict have resulted.

As an illustration, I would like to describe a recent visit of an official delegation from a great eastern city which has a Negro population of over 600,000 consisting of in excess of 20 percent of its whole population.

The members of this delegation at first simply did not understand and would hardly believe that the business, civic, and political interests of Atlanta had intently concerned themselves with the Negro population. I still do not believe that they are convinced that all of our civic bodies backed by the public interest and supported by the city government have daily concerned themselves with an effort to solve our gravest problem which is relations between our races. Gentlemen, Atlanta has not swept this question under the rug at any point. Step by step, sometimes under court order, sometimes voluntarily moving ahead of pressures, sometimes adroitly, and many, many times clumsily, we have tried to find a solution to each specific problem through an agreement between the affected white ownership and the Negro leadership.

To do this we have not appointed a huge general biracial committee which too often merely becomes a burial place for unsolved problems. By contrast, each time a specific problem has come into focus, we have appointed the people involved to work out the solution—theater owners to work with the top Negro leaders, or hotel owners to work with the top leadership, or certain restaurant owners who, of their own volition, dealt with the top Negro leadership. By developing the lines of communication and respectability, we have been able to reach amicable solutions.

Atlanta is the world's center of Negro higher education. There are six great Negro universities and colleges located inside our city limits. Because of this, a great number of intelligent, well-educated Negro citizens have chosen to remain in our city. As a result of their education they have had the ability to develop a prosperous Negro business community. In Atlanta it consists of financial institutions like banks, building and loan associations, life insurance companies, chain drugstores, real estate dealers. In fact, they have developed business organizations, I believe, in almost every line of acknowledged American business. There are also many Negro professional men.

Then there is another powerful factor working in the behalf of good racial relations in our city. We have news media, both white and Negro, whose leaders strongly believe and put into practice the great truth that responsibility of the press—and by this I mean radio and television as well as the written press—is inseparable from freedom of the press.

The leadership of our written, spoken, and televised news media join with the business and government leadership, both white, and Negro, in working to solve our problems.

We are fortunate that we have one of the world famous editorial spokesmen for reason and moderation on one of our white newspapers, along with other editors and many reporters who stress significance rather than sensation in the reporting and interpretation of what happens in our city.

And we are indeed fortunate in having a strong Negro daily newspaper, the Atlanta Daily World, and a vigorous Negro weekly, the Atlanta Inquirer.

The Atlanta Daily World is owned by a prominent Negro family, the Scott family, which owns and operates a number of other newspapers.

The sturdy voices of the Atlanta Daily World and the Atlanta Inquirer, backed by the support of the educational, business and religious community, reach out to our Negro citizens. They speak to them with factual information upon which they can rely. They express opinions and interpretations in which they can have faith.

As I see it, our Negro leadership in Atlanta is responsible and constructive. I am sure that our Negro leadership is as desirous of obtaining additional civic and economic and personal rights as is any American citizen. But by constructive I mean to define Atlanta's Negro leadership as being realistic—as recognizing that it is more important to obtain the rights they seek than it is to stir up demonstrations. So it is to the constructive means by which these rights can be obtained that our Negro leaders constantly address themselves. They are interested in results instead of rhetoric. They are realists, not rabblerousers. Along with integration, they want integrity.

I do not believe that any sincere American citizen desires to see the rights of private business restricted by the Federal Government unless such restriction is absolutely necessary for the walfare of the people of this country. On the other hand, following the line of thought of the decisions of the Federal courts in the past 15 years, I am not convinced that current rulings of the courts would grant to American business the privilege of discrimination by race in the selection of its customers.

Here again we get into the area of what is right and what is best for the people of this country. If the privilege of selection based on race and color should be granted, then would we be giving to business the right to set up a segregated economy? And if so, how fast would this right be utilized by the Nation's people? And how soon would we again be going through the old turmoil of riots, strife, demonstrations, boycotts, picketing?

Are we going to say that it is all right for the Negro citizen to go into the bank on Main Street and to deposit his earnings or borrow money, then go to department stores to buy what he needs, to go to the supermarket to purchase food for his family, and so on along Main Street until he comes to a restaurant or a hotel—in all these other business places he is treated just like any other customer—but when he comes to the restaurant or the hotel, are we going to say that it is right and legal for the operators of these businesses, merely as a matter of convenience, to insist that the Negro's citizenship be changed and that, as a second-class citizen he is to be refused service? I submit that it is not right to allow an American's citizenship to be changed merely as a matter of convenience.

If the Congress should fail to clarify the issue at the present time, then by inference it would be saying that you could begin discrimination under the guise of private business. I do not believe that this is what the Supreme Court has intended with its decisions. I do not believe that this is the intent of Congress or the people of this country.

I am not a lawyer, Senators. I am not sure I clearly understand all of the testimony involving various amendments to the Constitution and the commerce clause which has been given to this committee. I have a fundamental respect for the Constitution of the United States. Under this Constitution we have always been able to do what is best for all of the people of this country. I beg of you not to let this issue of discrimination drown in legalistic waters. I am firmly convinced that the Supreme Court insists that the same fundamental rights must be held by every American citizen.

Atlanta is a case that proves that the problem of discrimination can be solved to some extent—and I use this "some extent" cautiously—as we certainly have not solved all of our problems; but we have met them in a number of areas.

This can be done locally, voluntarily, and by private business itself.

On the other hand, there are hundreds of communities and cities, certainly, throughout the Nation, that have not ever addressed themselves to the issue. Whereas others have flagrantly ignored the demand, and today stand in all defiance to any change.

The Congress of the United States is now confronted with a grave decision. Shall you pass a public accommodation bill that forces this issue? Or, shall you create another round of disputes over segregation by refusing to pass such legislation?

Surely the Congress realizes that after having failed to take any definite action on this subject in the last 10 years, to fail to pass this bill would amount to an endorsement of private business setting up an entirely new status of discrimination throughout the Nation. Cities like Atlanta might slip backward.

Hotels and restaurants that have already taken this issue upon themselves and opened their doors might find it convenient to go back to the old status. Failure by Congress to take definite action at this time is by inference an endorsement of the right of private business to practice racial discrimination and, in my opinion, would start the same old round of squabbles and demonstrations that we have had in the past.

Gentlemen, if I had your problem, armed with the local experience I have had, I would pass a public accommodations bill. Such a bill, however, should provide an opportunity for each local government first to meet this problem and attempt to solve it on a local, voluntary basis, with each business making its own decision. I realize that it is quite easy to ask you to give an opportunity to each businessman in each city to make his decision and accomplish such an objective, but it is extremely difficult to legislate such a problem.

What I am trying to say is that the pupil placement plan, which has been widely used in the South, provided a timetable approved by the Federal courts which helped in getting over the troubled water of elimination of discrimination in public schools. It seems to me that cities working with private business institutions could now move into the same area and that the Federal Government legislation should be based on the idea that those businesses have a reasonable time to accomplish such an act.

I think a public accommodations law now should stand only as the last resort to assure that discrimination is eliminated, but that such a law would grant a reasonable time for cities and businesses to carry out this function before Federal intervention.

It might even be necessary that the time factor be made more lenient in favor of smaller cities and communities, for we all know that large metropolitan areas have the capability of adjusting to changes more rapidly than smaller communities.

Perhaps this, too, should be given consideration in your legislation. But the point I want to emphasize again is that now is the time for legislative action. We cannot dodge the issue. We cannot look back over our shoulders or turn the clock back to the 1860's. We must take action now to assure a greater future for our citizens and our country.

A hundred years ago the abolishment of slavery won the United States the acclaim of the whole world when it made every American free in theory.

Now the elimination of segregation, which is slavery's stepchild, is a challenge to all of us to make every American free in fact as well as in theory—and again to establish our Nation as the true champion of the free world.

Mr. Chairman and members of the committee, I want to thank you for the opportunity of telling you about Atlanta's efforts to provide equality of citizenship to all within its borders.

Thank you very much.

This is a summary report of the activities of the Mississippi Advisory Committee to the U.S. Commission on Civil Rights during the 14-month period ending in January 1963. The advisory committee held 6 open meetings in this period, in Jackson, Greenville, Clarksdale, and Meridian, and received approximately 150 complaints of alleged denial of equal protection of the law.

The procedure followed by the committee in holding open meetings may briefly be described as follows: A public announcement was made of our intention to hold a meeting, and the press and the public were invited to attend. Persons desiring to submit pertinent information or complaints were invited to appear. The committee has been gratified by the response of many of the citizens of the State to these meetings. Attendance increased with nearly every meeting and as many as 29 persons have testified at a single meeting. In some instances, citizens were unwilling to voice their complaints in open session because they feared violent reprisals. Such complainants were held in executive session. Whenever the committee had an indication that certain law enforcement agencies or officials were to be involved in a complaint, advance notice was sent to such agencies or officials together with an invitation to participate. Although we usually received no response to these invitations, sheriffs have occasionally attended meetings as spectators, though declining to participate. The press has usually been in attendance and has, on the whole, reported our proceedings fairly and objectively.

Our purpose in holding open meetings was to collect factual information regarding possible denials of equal protection of the law in Mississippi. We believe this purpose has been accomplished to the extent that we have established beyond doubt that a formal inquiry into alleged civil rights denials in this State is an urgent necessity. We have also been able to forward to the Commission specific complaints which involved infractions of existing Federal statutes.

All of us are Mississippians and some of us have lived all our lives in Mississippi. Yet the extent and the manner of apparent denials of equal protection of the law on the basis of color, as revealed in these meetings, has been a profound shock to us. We are alarmed at the direction our society seems to be taking, and we believe that the overwhelming majority of Misissippians will share this alarm as the facts become known to them. It is our hope that the open meetings have been useful in making these facts known.

The committee regrets to report that its factfinding efforts were actively opposed by agents and instrumentalities of the State government. It might be assumed that equal protection of the laws, particularly as it applies to the administration of justice, is such an intrinsic part of the American system, or of any true democracy, that officials would be eager to demonstrate their respect for this basic concept. Unfortunately, such is not the case at this time in Mississippi. State officials advised other officials and private individuals who are questioned by the committee in 1961 to refuse to provide information. In 1960, the Mississippi Legislature passed an act designed, we believe, to intimidate persons who might wish to assert their rights as citizens by appearing before this committee. This act alters the requirements of proof for prosecutions of perjury solely in cases where the defendant has testified before this committee, Commission on Civil Rights, the FBI, or another U.S. agency on the subject of deprivation of rights guaranteed by the Constitution of the United States or of Mississippi.[1] The act contains the following remarkable wording:

"Corroboration or proof by more than one witness to establish the falsity of testimony or statements under oath is not required in prosecutions under this act. It shall not be necessary to prove, to sustain or charge under this act, that the oath or matter sworn to was material, or, if before an executive, legislative, or judicial tribunal committee or commission had jurisdiction." (The full text of the act, enacted as sections 2155.4–2155.6 of the Mississippi Code, is appended to this report.)

The committee has also learned, in at least one case, of the intimidation of a witness who appeared before us.

The committee's investigations have indicated that in all important areas of citizenship, a Negro in Mississippi receives substantially less than his due consideration as an American and as a Mississippian. This denial extends from the time he is denied the right to be born in a nonsegregated hospital, through his segregated and inferior school years and his productive years when jobs for which he can qualify are refused, to the day he dies and is laid to rest in a cemetery for Negroes only. This committee could have chosen to concentrate on any aspect of discrimination and found a plethora of examples of denial of equal protection of the law. This includes the denial of the fundamental right to vote and have that vote counted in elections. Sixty-five sworn voting complaints from 13 Mississippi counties have been received by the Commission. This is third highest in the Nation.[2]

In spite of the seriousness of the inequities in these areas of citizenship, this report is concerned with another subject which recurred constantly in the testimony at our meetings. It is a subject that has implications even more damaging to the principles of the American way of life than denial of the right to vote. That subject is police brutality. The following incidents are illustrative of the alarming number of complaints on this subject received by this committee.

A word of caution and explanation is in order. In view of its lack of adjudicative power, the committee was at first hesitant to delve too deeply into this sensitive area. Our committee can offer no relief to individual complainants and is not in a position to make final determinations regarding the validity of the complaints it receives. Yet, it soon became apparent that no conscientious group that is concerned with constitutional rights could ignore the innumerable charges of police mistreatment in our State. The complaints are too numerous; too many of them are made under oath; too many complainants have corroborative evidence; and only too rarely have we seen any indication that the State is eager or even willing to punish those who, in its name, engage in the terrorization of the innocent and the defenseless.

We name no names in this report, and reach no final conclusions in individual cases. We do, however, believe that a pattern exists in our State that leads to the denial of constitutional rights and, in some instances, to brutality and terror. From the moment a Negro adult is hailed as "boy" or "girl" by a police officer, through his arrest, detention, trial—during which his Negro lawyer is treated with contemptuous familiarity by the judge and other officers of the court—and eventual imprisonment, he is treated with a pernicious difference. This difference is incompatible with Christian ideals about the dignity of man and with the principles of Anglo-Saxon criminal law.

How often this atmosphere produces actual terror and brutality is a question that demands further investigation. We feel strongly that we have probable cause to believe that police brutality is a continuing problem in at least certain sections of our State, and that a formal investigation into this problem must be undertaken. The cases that follow give some indication of the severity of the problem. The names, places, and dates have been omitted to protect the witnesses. All incidents reportedly occurred in Mississippi in the last 3 years. Unless otherwise indicated, all of the statements that are included in this report were made under oath.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BOW (at the request of Mr. HALLECK), on account of official business.

Mr. ANDERSON (at the request of Mr. ARENDS), for today, on account of illness in his family.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. PATMAN to postpone his special order for 60 minutes, on Monday, February 3, to Monday, February 17.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD or to revise and extend remarks, was granted to:

Mrs. SULLIVAN.

Mr. LINDSAY and to include extraneous matter.

Mr. REID of New York and to include extraneous matter in the remarks he made in the Committee of the Whole today.

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[1] The ordinary rule of perjury in Mississippi is that conviction of perjury is not sustained by the uncorroborated evidence of a single witness. *Lee* v. *State* (105 Miss. 539, 62 So. 360(1913)).

[2] The voting problem remains serious in the State. Activity by the Justice Department in Mississippi promises some slow relief in counties where suits have been initiated. Yet the State government continues to erect all possible barriers to equal access to the franchise by our Negro citizens. In 1962, the Mississippi Legislature enacted a new law requiring the publication of the names and addresses of all new voting registrants for 2 weeks in a newspaper of general circulation. This law is ostensibly designed to facilitate challenges of registrants on moral grounds. In fact, it can be used to facilitate reprisals against Negroes who seek to register.

(The following Member (at the request of Mr. ALBERT) and to include extraneous matter:)

Mr. CLARK.

Mr. CRAMER (at the request of Mr. STAFFORD) his remarks during debate on H.R. 7152 and to include extraneous matter.

(The following Members (at the request of Mr. STAFFORD) and to include extraneous matter:)

Mr. FOREMAN.

Mr. OLIVER P. BOLTON in two instances.

Mr. JENSEN.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on January 31, 1964, present to the President, for his approval, a bill and a joint resolution of the House of the following titles:

H.R. 9076. An act to provide for the striking of medals in commemoration of the 200th anniversary of the founding of St. Louis; and

H.J. Res. 875. Joint resolution making supplemental appropriations for the fiscal year ending June 30, 1964, for certain activities of the Department of Health, Education, and Welfare related to mental retardation, and for other purposes.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 1 minute p.m.) the House adjourned until Monday, February 3, 1964, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1630. A communication from the President of the United States, transmitting the Budget of the U.S. Government, 1965—Appendix (H. Doc. No. 266); to the Committee on Appropriations and ordered to be printed.

1631. A letter from the Postmaster General, transmitting a report relating to the estimated amount of the losses or costs incurred by the Postal Establishment in the performance of public services for the fiscal year ending June 30, 1964, pursuant to Public Law 87-793; to the Committee on Post Office and Civil Service.

1632. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting information regarding the allocation or placement of positions in grades 16, 17, and 18 of the general schedule of the Classification Act of 1949, as amended, under the jurisdiction of the Commissioner of Immigration and Naturalization during the calendar year 1963, pursuant to Public Law 84-854; to the Committee on Post Office and Civil Service.

1633. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952, as amended by Public Law 87-885; to the Committee on the Judiciary.

1634. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952, as amended by Public Law 87-885; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 9640. A bill to authorize appropriations for procurement of vessels and aircraft and construction of shore and offshore establishments for the Coast Guard; with amendment (Rept. No. 1124). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FULTON of Pennsylvania:

H.R. 9843. A bill to amend the Internal Revenue Code of 1954 to provide deduction from gross income for certain nonreimbursable expenses incurred by volunteer firemen; to the Committee on Ways and Means.

By Mr. GUBSER:

H.R. 9844. A bill to provide for the issuance of a special postage stamp in honor of the city of Santa Clara, in recognition of its historical significance in the western United States; to the Committee on Post Office and Civil Service.

By Mr. JENSEN:

H.R. 9845. A bill to provide for a voluntary wheat domestic parity program; to the Committee on Agriculture.

By Mrs. GREEN:

H.R. 9846. A bill to amend and extend the National Defense Education Act of 1958; to the Committee on Education and Labor.

By Mr. CLARK:

H.J. Res. 910. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States relative to urging the Congress of the United States to support a firm policy against communism, which was referred to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURKE:

H.R. 9847. A bill for the relief of Daniel Walter Miles; to the Committee on the Judiciary.

By Mr. GIBBONS:

H.R. 9848. A bill for the relief of Barney E. McElyea; to the Committee on the Judiciary.

By Mr STUBBLEFIELD:

H.R. 9849. A bill to provide for the sale of a housing project in Paducah, Ky., to the Paducah Junior College; to the Committee on Banking and Currency.

PETITIONS, ETC.

Under clause 1 of rule XXII,

675. The SPEAKER presented petition of Henry Stoner, Avon Park, Fla., relative to incident of the Communists shooting down an American training plane over East Germany, and requesting that the wheat to Russia plan and law be repealed, which was referred to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

President Johnson's Invitation to a Fiscal Happy Hour

EXTENSION OF REMARKS

OF

HON. OLIVER P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Saturday, February 1, 1964

Mr. OLIVER P. BOLTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I would like to include the recent remarks of my distinguished friend and colleague from Ohio, the Honorable ROBERT TAFT, JR., before a Republican gathering in Westminster, Md.

Congressman TAFT's remarks follow:

PRESIDENT JOHNSON'S INVITATION TO A FISCAL HAPPY HOUR

At the outset of his administration, the late President John F. Kennedy called for a willingness on the part of all Americans to sacrifice for the welfare of the Nation. Speaking from the point of view of the fiscal management of the affairs of the country, the budget and spending records for 1963 and 1964 then proceeded to rise to a new level and to promise to all a more liberal dispensation of Federal benefits and a higher level of Federal spending, coming not from increased taxation but from increased borrowing and an increase in the national debt. President Johnson, in submitting the 1965 budget, in interesting contrast has now invited the American people to join him in what might be called "a happy hour" which is intended to last until next November, without any cutback in the planned programs to be started and carried on by the Federal Government. Somehow we are to believe that just a little bit better housekeeping is going to result in our being able to cut back on planned expenditures, reduce taxes in larger amounts with earlier dates, and enjoy the greatest prosperity and growth this Nation has ever had. In the second place, if this can be done, why was not the Kennedy administration doing it? The suspicion grows, unfortunately, that it is to be a monumental juggling act to keep all the balls in the air for at least the next 9 months and then to scramble for cover in one direction or another. Perhaps this can be pulled off and perhaps the country will not get wise to what is going on, but there are several signs that might be pointed out for study.

Furthermore, it is interesting to note that while the President acts in cutting back on a few armed services depots, the actual spending rate of the Nation has risen. As few of us realize, this actual spending rate is solely up to the President and is controlled by the Congress in only the most remote manner by its action to approve expenditure programs, an approval which often lasts over several years and gives a great deal of flexibility to the Executive. Looking at this actual spending level, we find that the last report by the Kennedy administration in November was that the rate of spending of this fiscal year would be at $97.8 billion. Now we learn from President Johnson that his expected rate of expenditures for this same fiscal year is $98.4, or an increase of over $600 million. At the same time, in order to finance this spending rate, the President has asked for supplemental appropriations in 1964 of $2.2 billion. Quite a lot of this is to restore some $535 million that was cut by the Congress from the fiscal 1964 budget during the appropriating process. There are those who wonder whether the cuts claimed by the President for the 1965 budget are not merely shifts being made back into fiscal 1964 or forward into fiscal 1966.

In other words, the claim that we will operate at a smaller deficit is subject to serious question, except perhaps as a temporary expedient by a speeding up or a postponing of expenditures.

It is also questionable because many of the figure estimates for both revenues and exenditures are subject to doubt. A tremendous amount of faith is put by the President in the prospect of a great boom in the economy and the tremendous impetus which is supposed to come from the tax cut if and when it occurs. Some of the cuts are in defense items because of an actual claim to relaxation of the tension with Russia, but there is little in the international picture today, other than words, which seems to justify such an approach.

Perhaps we can find some hope in the fact that the President seems, at least on the surface, to be abandoning the theory of deficit spending as a stimulant to the economy. Mr. Johnson can hardly take credit for this change. The American people demanded it and have forced it. At the outset of 1963, it was clear that the Kennedy administration, under the leadership of Mr. Heller, was convinced that what the economy truly needed for stimulation was a cut in revenues and an increase in expenditures. In other words, massive deficit spending was to be the cure-all. This was to be accomplished not only by increasing Federal programs but also by the tax cut proposal. A flood of mail to Congressmen on both sides of the aisle, opposing the tax cut in the absence of a cutback in expenditures, led to a reversal of this position by President Kennedy by the time the tax cut bill came to the floor in August of 1963. While no actual change in plans for spending occurred at that time, lipservice at least was given to the idea that if the tax cut was to have the favorable effect desired, it would be necessary not to increase expenditures but perhaps to level them off or decrease them. Congress, through its hard work on the appropriations bills, at that time had already succeeded in cuttting some $3.5 billion out of the new obligational authority asked by the administration, and this gave just enough hope of improvement to justify the House in passing the tax bill. Actually, the record of the House and the Senate, when finally completed, resulted in a cutback in the appropriations requested of almost $6.5 billion. Obviously President Johnson read the handwriting on the wall as to public sentiment on the spending issue. This is all very well, and certainly a change in attitude on spending, if one has indeed occurred, is most welcome. But, unfortunately, what the current administration is failing to level with the American people on is the fact that it is unwilling to pay the price. While there has been a little corner cutting and minor penny pinching where it would squeak loudly, the overall plans of the current administration are pretty clearly for continuing and expanding various Federal programs that over the years are going to cost many more billions of dollars. What has been lost sight of is that the figures show that in 5 years Federal expenditures will have gone from a level of $76,500 million to $98 (plus) billion, or an increase of almost 33⅓ percent. In other words the comparisons to which the President is referring are the immediate past ones and at that are not to the actual level of expenditures, but rather are as compared to the recommended expenditure level of his predecessor, levels that the American people, through the Congress, have already indicated that they are not disposed to accept.

Out of the maze of flying figures that are sure to cloud the atmosphere in the next few months, surely this fact must stand out—those who would increase almost every Federal program and would add many new ones at the same time they are advocating reduction in taxes are playing a fast and loose game with the future soundness of our economy, the soundness upon which our growth, full employment, as well as our national security are based.

A New Wheat Plan

EXTENSION OF REMARKS

OF

HON. BEN F. JENSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Saturday, February 1, 1964

Mr. JENSEN. Mr. Speaker, I have today introduced a wheat bill which is identical to the bill introduced recently by Congressman MARK ANDREWS, of North Dakota, in the House, and in the Senate by Senators FRANK CARLSON, of Kansas, KARL MUNDT, of South Dakota, and MILT YOUNG, of North Dakota.

Iowa, of course, is not one of the leading wheat-producing States of the Union, but we do produce millions of bushels of wheat annually, and because the need is so great for an increased income for our Iowa farmers I feel dutybound to introduce this bill, after making a thorough study of the bill introduced by my colleagues in both Houses of Congress.

On Last December 4 when the gentleman from North Dakota, Congressman ANDREWS, introduced his bill H.R. 9344, he said, in part, in explaining his bill—the CONGRESSIONAL RECORD, volume 109, part 18, page 23326:

> The plan we are suggesting would amend the present law to make it voluntary. There would be no referendum. The act would be far easier to administer than any of the wheat plans that have been promoted by the Department of Agriculture. Actually our bill is closely akin to the principles of the old McNary-Haugen farm bill.

Mr. Speaker, I agree and I am sure a great majority of our farmers will agree with the gentleman from North Dakota, Congressman ANDREWS, when he said:

> I believe sincerely that both taxes and Government expenditures must be cut and that other wheat legislation before Congress could cost the taxpayers up to $2 billion annually, while our program would be self-supporting if the President chose to have processors acquire the marketing certificates.

The gentleman from North Dakota, Congressman ANDREWS, went on to explain that our bill would—

First. It preserves the cherished American tradition of freedom of choice. Those farmers wanting no program at all could stay out. Those who feel they need price supports could participate.

Second. It provides full parity for that wheat produced for domestic consumption.

Third. It is a much less complicated program and can be administered with a minimum of cost to the taxpayer and a minimum of interference with the farmer.

Fourth. There would be an interchangeability feature by which a farmer could substitute his feed grain acres for wheat and vice versa.

Fifth. It would allow freer export of American wheat, giving us the opportunity of using our God-given abundance as a positive weapon for peace in the world.

And lastly, the price for wheat would be set in the marketplace, with the result that we in North Dakota would get more for our quality wheat.

The Secretary of Agriculture, of course, would determine each year what amount of wheat we need to meet both domestic and export requirements. The amount set could be not less than 1 billion bushels. Each year the Secretary would announce what acreage was needed to meet the necessary annual production goal. The State, county, and farm allotment would be determined with the national allotment in the same manner as allotments are now determined.

The national allotment for next year using this formula which would require the production of approximately 1.2 billion bushels would be about 50 million acres.

It now appears entirely possible that present export levels could be maintained or even increased. In the event of an increase, of course, acreage allotments would be somewhat higher. A minimum export level would be set by the Secretary as provided under existing law which the Secretary has announced at $1.30 per bushel. The individual farmer would receive, however, 100 percent of parity, which is currently $2.51 per bushel, for that portion of his wheat consumed in the United States—approximately 500 million bushels. This would give a blended price of about $1.80 per bushel to the participating farmer for all of his wheat.

The market price would be set entirely by the demand for that particular type of wheat sold, and if the farmer were raising wheat which has always commanded a premium, or if expected heavy exports materialize, the farmer would, of course, receive a higher blended price.

Besides the assured blended price of at least $1.80 a bushel, farmers complying with the program who reduced their acreage would receive diversion payments the same as we have had under wheat and feed grain programs for several years.

The President of the United States would have discretionary authority under the provisions of this bill to make wheat certificate payments directly through the Commodity Credit Corporation as is done under the present wheat and feed grain program. Or he could elect, by requiring the domestic processors to purchase the wheat certificates as is presently required under the wheat-certificate law, to make the program largely self-financing.

The elimination of most, if not all, Government storage payments would be another great saving. The repeal of wheat marketing quotas and marketing penalties would be a part of this new wheat price support proposal.

Statement of the Honorable William M. McCulloch of Ohio, Before the Rules Committee on Civil Rights Legislation

EXTENSION OF REMARKS

OF

HON. JOHN V. LINDSAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, February 1, 1964

Mr. LINDSAY. Mr. Speaker, the distinguished gentleman from Ohio, Representative WILLIAM M. MCCULLOCH, the ranking minority member of the House Committee on the Judiciary delivered an excellent statement in behalf of H.R. 7152, the civil rights bill, before the Committee on Rules on January 15, 1964. I am happy to bring his statement to the attention of my colleagues.

The text follows:

STATEMENT OF WILLIAM M. MCCULLOCH, REPRESENTATIVE IN CONGRESS, FOURTH DISTRICT OF OHIO, BEFORE RULES COMMITTEE, U.S. HOUSE OF REPRESENTATIVES, IN SUPPORT OF CIVIL RIGHTS BILL, H.R. 7152, JANUARY 15, 1964

Mr. Chairman, and members of the Committee on Rules, I appear today in support of the civil rights bill, H.R. 7152, as amended.

The bill now before the Rules Committee is comprehensive in scope but moderate in application. There are no primary criminal sanctions provided in the legislation. A sincere effort has been made to eliminate from this bill all provisions which improperly invade personal liberties and the rights of States and localities. Similarly, efforts have been made to surround each title with judicial safeguards and administrative limitations in order that fundamental rights and liberties be protected. Undoubtedly, other amendments or limitations could be made from the vantage point of hindsight. Perhaps such amendments or limitations will be in order in the House or in the other body, but the bill before you is basically a good bill and a bill that faces a pressing need for enactment.

There is considerable agitation for civil rights legislation from certain quarters on the ground that unless legislation is enacted there will be rioting in the streets, heightened racial unrest, and the further shedding of blood. This kind of activity, in my mind, is improper behavior and could do much to retard the enactment of effective civil rights legislation.

After the tragic death of President Kennedy, one would assume that certain uncontrolled groups would recognize the futility of riotous behavior.

No people can gain liberty and equality through storm troop or anarchistic methods. Legislation under threat is basically not legislation at all. In the long run, behavior of this type will lead to a total undermining of society where equality and civil rights will mean nothing.

Behavior of this type also creates the false sense of hope that once legislation is enacted, all burdens of life will dissolve. No statutory enactment can accomplish that. Intelligent work and vigilance by members of all races will be required for many years before inequality completely disappears. To create hope of immediate and complete success can only promote conflict and brooding despair.

Not force or fear, then, but belief in the inherent quality of man induces me to support this legislation.

I believe in the right of each individual to have guaranteed his constitutional rights and to shoulder the burdens of citizenship. But I also believe in the obligation society owes to each citizen to afford him equality of opportunity.

I believe in the right and duty of State and local authority to be primarily responsible for the conduct of all but limited areas of governmental activities which it cannot do alone. But I also believe in the obligations of State and local governments to ever work for the common good.

I believe in the effective separation of powers and in a workable Federal system whereby State authority is not needlessly usurped by a centralized Government. But I also believe that an obligation rests with the National Government to see that the citizens of every State are treated equally without regard to their race or color.

Where, then, individuals or governmental authorities fail to shoulder their obligations, and only stress their rights, it is the duty of the Congress, under constitutional authority, to correct that wrong. To do otherwise would be to forgo our responsibility as national legislators and as human beings who honor the principles of liberty and justice.

No one would suggest that the Negro receives equality of treatment and equality of opportunity in many fields of activity, today. Well-informed persons, everywhere, admit that in all sections of the country—North, South, East, and West—the Negro continues to face the barriers of racial intolerance and discrimination. Hundreds of thousands of citizens are denied the basic right to vote. Thousands of school districts remain segregated. Decent hotel and eating accommodations frequently lie hundreds of miles apart for the Negro traveler. Parks, playgrounds, and golf courses continue to be off limits to Negroes whose tax moneys go to support them. Surplus agricultural supplies, State employment agencies and vocational training programs continue to be operated in a discriminatory manner. These, and many more facts, point the way toward the need for additional legislation.

I have prepared a short analysis of H.R. 7152 which I have distributed to the members of this committee. I need not, then, dwell on the contents of the bill. But I do wish to stress that what we seek to accomplish through enactment of this bill is a legal and moral climate of fairness and first-class citizenship for all Americans.

In voting, the foundations of our Republic are enhanced by a free elective franchise. In public accommodations, the economy of our country and the enjoyment of its people are bolstered. In equal protection of our laws, the principle of justice is secured. In education, the superiority of our citizens and of our Nation is assured. In employment and Federal assistance, the opportunity and well-being of each individual is advanced and the taproot of the country's economy is strengthened. In every one of these categories, we will be doing ourselves, as well as our Nation, a lasting service by enacting H.R. 7152.

I recognize that arguments have been raised concerning the constitutionality of certain titles of this bill. Whether we all concur or not in the evolution of the law as it has developed at each step, I believe the Constitution, as presently interpreted by the courts, supports each title. Congress has already acted in the field of voting. The Supreme Court has already stricken down segregation in public education and publicly operated facilities. The enactment and court interpretations of the Sherman, Taft-Hartley, Food, Drug, and Cosmetic, and Fair Labor Standards Acts, among others, has provided the legal support for the public accommodations and equal job opportunity titles under the interstate commerce clause of the Constitution. And, the Federal Government, through Congress, readily has the authority pursuant to the 14th amendment to withhold Federal financial assistance where such assistance is extended in a discriminatory manner. The fact, moreover, that some 32 States have enacted public accommodations laws (frequently broader in scope than title II), 25 States have enacted fair employment legislation, and many States have enacted other sweeping civil rights provisions clearly demonstrates that Congress will not be invading privacy, overturning the sanctity of private property, destroying personal liberties, or in other ways acting in an illegal manner.

Certain provisions in the bill, as introduced or as reported by the House Judiciary Subcommittee, exceeded constitutional authority. The permission of persons to vote, for example, on the mere word of the Attorney General was an illegal provision of this nature. So, too, were the provisions concerning the elimination of racial imbalance in education and the control over private institutions such as banks and mortgage companies merely because they were insured by the Federal Government. Other provisions were similarly of an objectionable nature and they were eliminated.

The bill that was favorably reported to the House and which the committee is considering is moderate and, in my opinion, constitutional. Admittedly, changes have been made which were not fully debated in the Judiciary Committee. But, the committee did spend months and months taking testimony and amending language on the principal titles, either as they now stand or in a closely related fashion.

Therefore, I urge this committee to grant a rule on H.R. 7152 in order that it may be enacted in an orderly fashion.

National Childern's Dental Health Week

EXTENSION OF REMARKS

OF

HON. FRANK M. CLARK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, February 1, 1964

Mr. CLARK. Mr. Speaker, I would like to bring attention to the Congress that February 2 to February 10 is National Children's Dental Health Week. This celebration is used as a means of promoting interest in the care and preservation of the primary and the young permanent teeth, not only from the ravages of decay but also from poorly equipped participants of contact sports.

The Role of Captive Nations Groups in U.S. Foreign Policy in 1964

EXTENSION OF REMARKS

OF

HON. OLIVER P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Saturday, February 1, 1964

Mr. OLIVER P. BOLTON. Mr. Speaker, it gives me great pleasure to bring to our colleagues' attention a recent address by the Honorable ROBERT TAFT, JR., on the subject of current United States policy and attitudes toward captive nations.

In his remarks before the Assembly of Captive Nations in New York City, Congressman TAFT very accurately defined present U.S. policy as "confused." He cited recent policy declarations as underlining the confusion that exists not only within top echelons of our Government, but also among our people. Without in any way suggesting a radical departure in U.S. policy, Mr. TAFT astutely called attention to the dangers inherent in a policy of abandoning our former strong position against the continued existence of captive nations in the name of pragmatic diplomacy.

Congressman TAFT's address follows:

THE ROLE OF CAPTIVE NATIONS GROUPS IN U.S. FOREIGN POLICY IN 1964

(Address of ROBERT TAFT, JR., to Assembly of Captive European Nations, on occasion of commemoration of Asian peoples Freedom Day)

Mr. Chairman, members of the Assembly of Captive European Nations, and your guests. It is appropriate that we meet here today to commemorate the 10th anniversary of the Anti-Communist Freedom Day of the Peoples of Asia. As you probably know, the chairman of this assembly is today participating in observances in Taipei. While this organization has by its nature been concerned primarily with the captive European nations, the problems with which you have been dealing and the purposes to which you are dedicated are far wider in scope. During the last year we have seen the invidious spread of Communist activity from Cuba into Central America and, particularly in recent days, into Panama, Brazil, and Venezuela; from China into Laos, Vietnam, and Cambodia; and, most recently, from as yet undetermined sources into Zanzibar and Tanganyika. Certainly this is no time for complacency or relaxation of our efforts or lowering our guard against the dangers. It is to the credit of your group that you will not allow this to happen.

At the outset I would like to make it clear that I consider myself no expert in the areas we discuss today. But I do welcome the opportunity to visit and talk with you because I feel that your problems are ones that should deeply concern all good Americans. Our heritage, beliefs, and interests are deeply involved with Eastern Europe and with the tradition of individual freedom there and throughout the world.

Somewhat symbolically, my personal connections with the problem began with my father's activities in the food administration with Mr. Hoover after World War II and extend even today to my son of the same name, who is working in the Peace Corps in Tanganyika.

The subject I have chosen today is "What Should Be the Role of Captive Nations Groups in U.S. Foreign Policy?" It is my belief that the primary role should be to demand and obtain a clarification of the thinking of this country on the broad problem of our attitude toward the captive nations. This clarification should come from the President and from the Secretary of State and should be examined and tested in the crucible of public opinion throughout the country. The broader the debate the more likely are we to be united and firm in the courses that we decide to pursue. The inherent strength of our democratic form of government has been its requirement and ability to establish a consensus of opinion on matters of national policy. Only as we understand the issues and establish a preponderance of public opinion can we, as a nation, best use our abilities, resources, and efforts toward the objectives and aspirations of ourselves and of those who share with us the goal of a free world.

One of the most serious problems we face today in dealing with the threat of international communism is confusion. Perhaps some degree of confusion is inevitable in a presidential election year, but I think it should be particularly noted that there has come from the leadership of our administration no clear statement of our direction and of our policy in the cold war, particularly on the fate and plans for the captive nations. The American people and the world are confused as to whether the United States has not abandoned a policy of standing on principle for freedom and self-determination for all peoples throughout the world for a policy of coexistence and expediency. In 1952 President Eisenhower pledged:

"To aid by every peaceful means, but only by peaceful means, the right to live in freedom. The containing of communism is largely physical and by itself an inadequate approach to our task. There is also need to bring hope and every peaceful aid to the world's enslaved peoples."

Later Secretary of State Dulles made our position even clearer.

"The captive peoples should never have reason to doubt that they have in us a sincere and dedicated friend who shares their aspirations. They must know that they can draw upon our abundance to tide themselves over the period of economic adjustment which is inevitable as they rededicate their productive efforts to the service of their own people, rather than of exploiting masters."

Yet, in the discussions during 1963 and this year, there have been no reassurances from U.S. leadership that these policies remain our primary objectives. To the contrary, President Kennedy, in discussing the nuclear test ban on July 27, 1963, stated:

"Under Secretary Harriman made it clear that any nonaggression arrangements across the division of Europe would require full consultation with our allies and full attention to their interests."

The implication, which correctly or incorrectly has been drawn from this statement and others, is that our only reservation in entering a nonaggression pact with the Warsaw powers would be the reluctance of our allies. A clear statement of policy on this point should be made and should reassure those who continue bravely to hope and aspire for freedom. Without such a statement the danger is that those in Europe and elsewhere, who seek and rely on the United States for moral backing against Communist tyranny, will lose their hope. While some hope sprang again from the Cuban confrontation in 1962, it vanished in disillusionment from the failure to follow up. Panama today only adds to the impression of confusion and weakness.

In examining what the role of organizations such as yours should be in the U.S. policy, we should first recognize that the President is primarily responsible for the formation of policy. Yet, even the executive branch is usually responsive to public opinion. The demands of East-European Americans have in the past been of invaluable assistance to the Executive in discrediting phony claims of the Communists and for generating diffusion and illusions within the Communist bloc. However, in periods when the United States seemed to be seeking a detente with the Soviet Union, such weapons have tended to be put on the shelf. The present period seems to be such a one. Today executive policy depends on three factors. First is a balance of nuclear terror approach. Secondly, there is the factor that the overall prevailing state of Soviet-American relations generally determines the nature of Eastern European-American relations. Probably this is inevitable because the political structure of the Soviet bloc and Russia's completely dominating power in it means that U.S. relations with Eastern Europe will be governed by the line established in Moscow. Thirdly, there remains the factor that in American policy there is a desire to continue to take advantage, where possible without affecting overall American-Soviet relations, of any political ferment existing in the area. Captive nation groups have been most helpful in this.

Based on these factors, our East European policy continues to be that outlined by Assistant Secretary of State for European Affairs William R. Tyler in 1962, as follows:

"The systematic expansion of contacts and activity which would tend to maximize United States and Western influence in that area, demonstrate our interest in the people's welfare, help to sustain their national traditions and aspirations, keep them in touch with Western thought, and help them preserve a true perspective on world developments in all fields of human endeavor and achievement."

This is all very well if we do not in pursuit of other policy reasons such as the nuclear threat and the desire for a detente lose sight of our overall goal and principles. In seeking improved relations and increased trade we should and must continue to demand and charge the price of increased autonomy for national groups and recognition of human rights and dignity within those nations. Your voice and the voices of all who understand the present weakening trends may be essential to prevent the executive overlooking principles and relying on vain promises in the all-out quest for reduced international tension.

Nor should your efforts be limited to the executive. The function of Congress in foreign policy is secondary, it is true, but it is extremely important. It is particularly important to groups such as yours, for our history has shown that the Congress, as the constitutionally designated voice for the people, has naturally been the main focal point of ethnic pressures seeking particular goals. The most important function of the Congress in foreign policy problems has been that of a consensus builder, and this has been particularly true with regard to Eastern European problems. Beyond this public-opinion-forming function there are also specific powers of Congress relating to Senate consent of treaties, appropriations for military and foreign aid purposes, and the power to trade through embargos, tariffs, and the like. An example of how the Congress can get into areas such as this one can be found in the recent wheat sale discussions. The guarantee of credits now made possible for almost all bloc nations will almost certainly be an issue in the coming elections. The attitude of groups such as yours in opinion forming throughout the country can be an important one and may well determine the future course of trade policies and financing policies with regard to the Soviet and its satellites. On issues such as these you should and can take the lead.

Beyond specific policy questions your continued efforts for the preservation and, hopefully, the strengthening of the traditions of Captive Nations Week and your backing of a Select House Committee To Study the Captive Nations with particular reference to moral and legal status of Red control and the means by which the United States can assist them by peaceful processes in their present plight, are both objectives that should be pushed and can with support be successfully adopted.

Nor should you drop your efforts or support for the proposal of a Freedom Academy, a measure in which I am an author in the present session, so that we may have in policy positions those who are trained to understand the true nature of communism.

But most of all, as I indicated, it is important that you continue to insist that increased contact, trade, and recognition, if given to the Communist-dominated governments of the captive nations, be with a guarantee of increased liberties and independence. We must make it clear once again that there will be no sacrifice of principle for expediency and no bartering for freedom for temporary false security.

These are the tasks for which you are particularly suited to do service for this Nation and for the world. You are a catalyst that can force this clarification of our thinking and our policies.

H.R. 7152, the Civil Rights Bill

EXTENSION OF REMARKS

OF

HON. ED FOREMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Saturday, February 1, 1964

Mr. FOREMAN. Mr. Speaker, we must recognize the civil, individual, and property rights of all people, regardless of race, color or creed. I am proud to represent the progressive area of west Texas where, within our own local communities, we have and are, solving our own differences.

I do not believe new Federal laws can legislate social equality. This is a matter that only the people themselves—in our churches, civic clubs, schools, libraries, public meeting places, and so forth—can, must, and will solve.

Two titles of this proposed legislation; H.R. 7152, "Title II—Injunctive Relief Against Discrimination in Places of Public Accommodations," and "Title VII—Equal Employment Opportunities," concern me greatly, because in them, I find discrimination against the private property rights of all people, including colored and white.

We must clearly understand that there can be no distinction between property rights and human rights. There are no rights but human rights, and what are spoken of as property rights are only the human rights of individuals to property.

The Bill of Rights in the U.S. Constitution recognizes no distinction between property rights and other human rights. The ban against unreasonable search and seizure covers "persons, houses, papers and effects," without discrimination.

The Founding Fathers realized what some present-day politicans seem to have forgotten: A man without property rights—without the right to the product of his labor—is not a free man. Unless people can feel secure in their abilities to retain the fruits of their labor, there is little incentive to save to expand the fund of capital—the tools and equipment for production and for better living.

I would like to briefly discuss the so-called human rights that are represented as superior to property rights. By these, I mean the "right" to a job, the "right" to a standard of living, the "right" to a minimum wage or a maximum workweek, the "right" to a "fair" price, the "right" to bargain collectively, the "right" to security against the adversities and hazards of life, such as disability and old age.

Those who wrote our Constitution would have been surprised to hear these things spoken of as rights. They are not immunities from governmental compulsion; on the contrary, they are demands for new forms of governmental compulsion. They are not claims to the product of one's own labor; they are, in some if not in most cases, claims to the products of other people's labor.

These "human rights" are indeed different from property rights. They are not freedoms or immunities assured to all persons alike. They are special privileges conferred upon some persons at the expense of others. The real distinction is not between property rights and human rights, but between equality of protection from governmental compulsion on the one hand and demands for the exercise of such compulsion for the benefit of favored groups on the other.

This, then, gentlemen of the Congress, I believe, should be the light and the guidelines by which we reach our decision on this legislation, or for that matter, any legislation with which we may be confronted. We must exercise care not to violate the rights of all Americans in our efforts to secure social equality for some. Thank you.

Consumers Should Oppose Budget Proposal for User Charges for Meat and Poultry Inspection

EXTENSION OF REMARKS

OF

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Saturday, February 1, 1964

Mrs. SULLIVAN. Mr. Speaker, the Budget Bureau for years has been proposing user charges for a variety of Federal services to business or industry reflecting the actual cost to the Government of providing these services. I believe that the Hoover Commission proposed increases in the fees charged, or the institution of fees where none were charged, to cover such Federal costs. Congress has enacted some of the specific proposals of this nature, but many of them have been extremely controversial, and have been rejected. One such proposal, I remember, would have instituted a form of tolls for river navigation. There have been others proposed by President Eisenhower and also, in his budget recommendations, by President Kennedy.

The first Johnson budget, I find, not only renews some of the proposals made by President Kennedy and President Eisenhower in their budget messages for user charges—for commercial and general aviation and for transportation on inland waterways, and for patents—but indicates the intention of striking out into a new area: user charges to cover the complete cost to the Federal Government of meat and poultry inspection by the Department of Agriculture.

A STEP BACKWARD IN CONSUMER PROTECTION

This would be a great step backward. Poultry inspection, prior to the passage of the 1957 act for compulsory inspection of all poultry in interstate commerce, used to be on a voluntary, fee-for-service basis. It was inadequate as a consumer protection and we abandoned it in 1957 when we placed the costs of the compulsory service on the Department of Agriculture just as we had done for years in the case of meat inspection.

We have had meat inspection since 1906 and I think all the costs of this service have been paid by the Federal Government except for 1 year—1948—following which we went back to the previous arrangement.

Poultry inspection as originally set up—as a voluntary, fee-for-service program—was intended primarily as a marketing promotion idea to push the sale of poultry by educating the public to the fact that federally inspected poultry was wholesome poultry. Processors, in many cases, were willing to pay the fees for the inspection service because of the sales promotion value of the "U.S. Inspected for Wholesomeness" stamp. Competitively speaking, it was worth the cost to the processor to have this stamp on his product.

CONCERN IS NOT FOR PROCESSOR, WHO WILL PASS CHARGES ON

We discovered in the mid-1950's however, that a great deal of poultry being sold in interstate commerce without Federal inspection was unfit to eat and constituted a health hazard for the public and also for the employees of the uninspected plant. That is why I introduced the first poultry inspection bill, proposing the idea of compulsory Federal inspection which we finally enacted in 1957. We recognized that poultry inspection was more important as a consumer protection than as an industry marketing aid. That is why the costs of poultry inspection are assessed against all the taxpayers rather than against the processors. As a public health program, it should be paid for by the entire public through taxes levied on the basis of ability to pay. The very same thing has always been true on meat inspection, except for the 1 year when the costs were assessed on the industry.

Mr. Speaker, my concern over this proposal in the budget to transfer meat and poultry inspection costs from Government to industry is not based on any crocodile tears for the "poor" producers or processors. My concern is strictly for the consumer. The processors are required by law to have interstate shipments of meat and poultry continuously inspected for wholesomeness by the Federal Government. Charging them for this service now provided free by the Government would mean two things:

First of all, it would mean an automatic pass-through of this added cost to the consumer, by the processor. True, the consumer is now paying for this service through his income taxes. But his income tax is based on his ability to pay. A processing fee for a compulsory service rendered by the Federal Government would, in effect, be a Federal sales tax on the consumer at the retail level on meat and poultry. Therefore, the lowest income families would pay a disproportionately high share of the cost of Federal inspection. That is completely unfair and I am sure it is not President Johnson's intention.

DANGER OF PROCESSOR CONTROL

The second serious consequence of transferring the cost of compulsory Federal inspection of meat and poultry from the Government to the processors would be more subtle but no less significant, from a consumer standpoint. When poultry processors were paying the costs of Federal inspection of their product, many of them insisted upon—and obtained—what amounted to a form of hire-and-fire control over the personnel who did the inspecting. Inspectors were transferred because processors complained about the toughness of their decisions in rejecting shipments or individual birds. When you place the financing of a Federal service in the cash registers of private businesses, you run the risk of pressures which are heard to resist. After all, if the businessman is paying for this service, he is going to insist on a stronger voice in the manner in which the service is rendered. I can foresee consumers losing faith in the integrity of the stamp "U.S. Inspected for Wholesomeness" if the inspection service should be redirected in philosophy from a public health service for consumers into a service for business for which business pays the cost.

REVERSAL OF KENNEDY CONSUMER MESSAGE

Mr. Speaker, the proposal in President Johnson's budget for user charges for meat and poultry inspection runs exactly counter to the recommendation of President Kennedy in his historic consumer message of March 15, 1962, when he recommended expansion of meat inspection to include much of the meat sold only in intrastate commerce. On that same day, I introduced a bill to expand the meat inspection service to cover all meat shipped into designated major consuming areas whether across State lines or not. One of the main talking points in support of this idea was the fact that under it the small processors operating only in intrastate commerce could obtain the Federal inspection service on the same free basis as interstate processors, once they installed the required sanitation equipment and facilities. If we establish a user charge, the small processor who does not now have Federal inspection will certainly have no incentive to obtain it.

For all of these reasons, Mr. Speaker, I urge the President to reconsider this proposal and order the Budget Bureau to withdraw it. In an attempt to save a comparatively tiny fraction of the Federal budget—$49 million out of nearly $100 billion—this proposal would jeopardize two of the most successful consumer programs of the Federal Government. I have called to the attention of the President's Special Assistant for Consumer Affairs, Assistant Secretary of Labor Esther Peterson, the dangers I feel are inherent in the budget proposal to place meat and poultry inspection on a fee-for-service basis. The processor will only pass on the charges to consumers in the form of higher prices, falling unevenly on lower income families which now have difficulty enough in finding the money to afford a decent diet.

HOUSE OF REPRESENTATIVES

Monday, February 3, 1964

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Isaiah 37:14: *Hezekiah, the king, read the letter which the messenger had brought him and went up unto the house of the Lord, and spread it before the Lord.*

Most merciful and gracious God, at this noon hour, we are spreading our problems before Thee and opening our hearts in prayer to be filled and controlled by Thy divine spirit.

Thou knowest how greatly we need Thee in the adventure of life with all of its various events and experiences, duties and responsibilities, struggles and sorrows.

We candidly confess that we frequently beseech Thee for blessings which Thou already hast bestowed upon us but which we have neglected and failed to appropriate.

Inspire us to make a more serious trial of prayer for our minds are often thronged with conflicting and confusing thoughts and we are finding ourselves wavering between opposite answers and decisions.

Help us to believe that sincere and heartfelt prayer will clarify our minds and that our desires and wishes, purified of all prejudice and pettiness and disinfected of all suspicion and selfishness, will be in accord with Thy holy will.

In the name of our blessed Lord we pray and dedicate our lives. Amen.

THE JOURNAL

The Journal of the proceedings of Saturday, February 1, 1964, was read and approved.

THIRD INTER-AMERICAN PARLIAMENTARY CONFERENCE

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, I should like to inform the House that on Wednesday, February 5, that is the day after tomorrow, the Third Inter-American Parliamentary Conference will take place here in Washington. We will have roughly 70 members from South and Central America. They will come here to discuss two problems, notably the Alliance for Progress, and, secondly, parliamentary government in the Americas.

I think at this time it is most important for all of us parliamentarians—and, of course, for every Member of this House and every Member of the Senate who is a member of the Interparliamentary Union—to try to come and listen and also to participate in the discussions at these five sessions. There will be two sessions on Wednesday, two sessions on Thursday, and one session on Friday, after which the group will leave for Cape Kennedy to see our missile bases.

I want to issue a cordial invitation to everyone as president of the U.S. National Group to try to attend at least some of the sessions of the Interparliamentary Union.

THE FOOD STAMP PROGRAM

Mr. HAGEN of California. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HAGEN of California. Mr. Speaker, I am most gratified that the President has again recommended that legislation be passed to place the food stamp program on a continuing basis so that it may be expanded to additional urban and rural areas throughout the country.

This program, inaugurated on a pilot basis in the summer of 1961, has been an unqualified success. But, because Congress has not taken action to extend this program beyond the pilot stage, it is now operating only in 39 counties and 3 large cities with 366,000 people participating.

Under the stamp program, families purchase some coupons and receive additional coupons free of charge. These coupons are then used by the families to purchase more and better food at retail stores in the local community.

Where the stamp program is in operation, participating families have greatly improved the nutritional value of their diets. They strongly favor the program and feel it gives them dignity because they invest some of their own money in the coupons. As well, retail food store sales have increased by about 8 percent, according to research findings.

Over and beyond these immediate results, the stamp program brings new money into the community and acts as a stimulant to business. This is a positive and progressive step that is sorely needed in the economically depressed areas if we are to get at the causes of poverty.

Finally, this program means more and better markets for farmers for important items such as livestock products and fruits and vegetables.

A bill, H.R. 8107, which would provide the necessary enabling legislation to place the stamp program on a continuing basis, is now being considered by the House Committee on Agriculture. An identical bill—S. 1387—has been introduced into the Senate.

I urge that prompt action be taken by the Congress to enact these bills into law.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER.** Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 24]

Avery
Belcher
Blatnik
Broyhill, N.C.
Buckley
Davis, Tenn.
Derounian
Dingell
Fogarty
Frelinghuysen
Fulton, Pa.
Hays
Healey
Hoffman
Johnson, Calif.
Karth
Kilgore
May
Michel
O'Brien, Ill.
Passman
Purcell
Rogers, Tex.
Schenck
Staebler
Thompson, Tex.
Ullman
White
Wilson, Bob
Wright

The **SPEAKER.** On this rollcall, 401 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CIVIL RIGHTS ACT OF 1963

Mr. CELLER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 7152, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

The **CHAIRMAN.** When the Committee rose on Saturday, February 1, 1964, the Clerk had read through title I, ending on line 13, page 42 of the bill. Are there any amendments to title I?

AMENDMENT OFFERED BY MR. WILLIS

Mr. WILLIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WILLIS: On page 41, line 3, after the word, "section" strike out all of the language through and including the word "proceeding," on line 22.

Mr. WILLIS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point and to proceed for an additional 5 minutes.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILLIS. Mr. Chairman, my amendment would, beginning at line 3 on page 41, strike all the language succeeding the word "section" down to and including the word "proceeding" on line 22. I will read the pertinent portion of what is proposed to be stricken out.

This deals with doing away with the power to be granted to the Attorney General of the United States, on his own motion, to demand the assembling of a three-judge court to hear voting cases.

The language presently is:

> In any proceeding instituted in any district court of the United States under this section, the Attorney General may file with the clerk of such court a request that a court of three judges be convened to hear and determine the case. A copy of the request shall be immediately furnished by such clerk to the chief judge of the circuit (or in his absence, the presiding circuit judge) of the circuit in which the case is pending. Upon receipt of the copy of such request it shall be the duty of the chief judge of the circuit or the presiding circuit judge, as the case may be, to designate immediately three judges in such circuit—

And so on—

to hear the case.

As Members will see, this is to be a preemptory demand upon the part of the Attorney General. He would not make that request for a three-judge panel to the sitting district judge, the standard procedure under other statutes providing for a three-judge panel court, but he would file a request with the clerk of the court, without consulting the judge, and then the clerk would have to send the request to the chief judge of the circuit court of appeals, and then the chief judge of the circuit court of appeals would have to respect the request.

So there is to be no choice. The Attorney General is not only to be authorized to file suit on behalf of aggrieved voters, but also he is to have a right to choose his judge. There is no doubt about the fact that this is contrary to the normal direction of the Anglo-American system of law. In a criminal case, for example, when there is local agitation or local prejudice and a fear that perhaps the people are so inflamed that the defendant's rights might be prejudiced, that he, the defendant, is entitled to move for a change of venue, which means, really, a right to choose another jury elsewhere.

In this instance not the defendant but the Attorney General of the United States, at his unreviewed discretion, is to be given a right to demand that there be assembled a three-judge court.

Now, in a colloquy between myself and my good chairman, the gentleman from New York [Mr. CELLER], in general debate he readily conceded with his usual candor that the reason for this is, as he expressed it, certain judges in certain areas could "drag their feet" in these cases. Now, what are you going to do? I admire his concession, but this is the same, I should say, as saying that if the Attorney General has no confidence in a Federal district judge, he does not as much as by your leave consult him. He gives a letter to the clerk of that court, and then the chief judge of the circuit must assemble a three-panel court, according to this machinery. To do what? To outnumber the district judge, if he sits at all, by two to one; or maybe to deprive him of being a member of that three-judge panel.

Now, how far are we going to go in lending the aid of Congress to express a lack of confidence in our judiciary? You know, Attorneys General come and go. They are under the executive department. They are appointed; they are not elected. But the courts, I hope, will be with us for a long time. I happen to know, as does my chairman, that there are disparities in sentencing procedures—because he and I were responsible for the passage of a bill in that regard. We attended a conference with nearly all of the Federal judges of America at the University of Denver some time ago and we heard pitiful instances of disparity. Let me just give you a few illustrations. I will not mention any names, of course, but in bootlegging cases some Federal judges are tough, while others are lenient. In cases of income tax violations it seems some Federal judges sometimes will take a stand for or against the Government or for or against the defendant. There is a terrific disparity in connection with condemnation suits. Some judges will grant a substantial award for land which is taken from private use. Others perhaps will be influential on the jury in giving a bigger award in a civil case. But what are we going to do? Is the answer therefore to say, We can fix it so that the Federal Government will never lose a case? If the Attorney General believes that a Federal judge is too soft or too hard in connection with Mann Act prosecutions, or in cases involving the transporting of automobiles across State lines or in income tax matters or in bootlegging or in myriads of other situations, knowing the apparent disparity of disposition between judges, shall we say therefore that the Attorney General in each instance will appoint a three-judge panel? This is going pretty far. I do not reproach the particular Attorney General in power. As I said a while ago, here we are dealing with people belonging to the executive department by giving the Attorney General this broad, unlimited, unreviewed discretion in this sensitive area of civil rights; by giving him the right not even to consult the presiding judge before whom normally he would go in other cases involving the assemblage of a three-judge panel we would permit him to go to the clerk of the court and demand this. The power of that judge to whom normally the case would be assigned would not only be diluted, two to one, but perhaps he would not be appointed at all by the presiding circuit court judge.

As I say, these are broad powers, unjustified powers to give to the Attorney General. I know that many of us, in varying degrees, are critical of the decisions of the Supreme Court in certain areas. It is strange to me that this effort should emanate from people who so often favor decisions of our highest court, maybe more than I; but knowing the facts of life I have not introduced any bill to curb the Federal court's powers or to enlarge its membership or deny them their jurisdiction.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. Willis] has expired.

(By unanimous consent (at the request of Mr. Whitener), the gentleman from Louisiana [Mr. Willis] was given permission to proceed for 5 additional minutes.)

Mr. WILLIS. Mr. Chairman, I remember a peculiar incident 2 or 3 or 4 years ago when Mr. Hoffa's union was in the Federal courts under some kind of Federal receivership. Somehow he wanted the right to call an election to see whether he would be reelected. It was a hot potato and some kind of motion or resolution was drafted to give him a hearing before the Judiciary Committee. I did not see any objection to giving him a hearing, as my good friend the gentleman from Illinois [Mr. Libonati] will tell you; we gave him his day in court. If there must be suits in these areas, so be it. But let us not make the Attorney General the moderator and the czar of all of this. By the way, the thought occurs to me that the present Attorney General could choose his jury to try Hoffa. Maybe he would like that, too. But I do not think this is proper. I do hope you will reflect on this amendment, and I ask your support of it.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from North Carolina.

Mr. WHITENER. Would the gentleman agree that the language which he seeks to strike from the bill merely provides that only one judge from the circuit would have to be a member of this three-judge panel?

Mr. WILLIS. No; I do away with the power to assemble the three-judge panel.

Mr. WHITENER. The gentleman, I believe, misconstrued my question. It will be noted in the language of the section which the gentleman seeks to strike that the chief judge of the circuit or the presiding circuit judge shall designate three judges in such circuit of whom at least one should be a circuit judge and another of whom shall be a district judge of the court in which the proceeding was instituted.

Mr. WILLIS. All that language is stricken.

Mr. WHITENER. If the gentleman will hear me: This language would merely require that one of the three judges be of the circuit in which the case was heard. I see some of my friends shaking their heads, and I shook mine, too, until I read the brief from the Department of Justice.

Mr. WILLIS. I am not following the gentleman because there would be no trial by three judges. The matter would be tried by the district judge to which the case would go if we do not have this language.

Mr. WHITENER. I am talking about the three-judge court. In this brief of the Department of Justice this question is asked:

> Title I requires that at least one of the judges of the three-judge court appointed under section 101(d) be a district judge from the district in which the suit has been brought and that at least one of the panel be a circuit judge.
>
> Would the third judge be a district or circuit judge and where would he and the required circuit judge be from?

The answer is as follows:

> The bill does not deal with these questions. They involve matters of internal judicial administration within the circuit and can best be dealt with by the particular circuit. Appointment of the three-judge panel would be made in accordance with any procedures which the circuit may have adopted to guide it in such matters and in accordance with the overall objective of expediting voting suits. Thus, it is to be expected that among the important factors would be the immediate availability of any given judge and the demands and allocation of other pending judicial matters.

As I read the brief they are saying that in net effect this three-judge court would necessarily be comprised of one judge from the circuit in which the proceeding initiated.

Mr. WILLIS. There is no question about that. The language does permit shopping around. There is no doubt about that. In other words, it would be required that one judge would be a district judge from the district involved, and at least one judge would be from the circuit. However, the third judge could be another circuit judge, or could be another district judge, but the district judge who normally would get the case would not necessarily be one of the three.

Mr. WHITENER. It may be, and it could be on any list that the Attorney General would pick from.

Mr. WILLIS. It would be the chief judge of the circuit who would select the panel.

Mr. McCULLOCH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, lest we start off on the wrong foot and under misinformation, I wish to say I cannot agree with the statement of the gentleman from Louisiana [Mr. Willis], nor can I agree with the implications in the questions asked by the gentleman from North Carolina [Mr. Whitener].

I want to read the language in question, Mr. Chairman. I begin with a sentence in line 9, page 41:

> Upon receipt of the copy of such request it shall be the duty of the chief judge of the circuit or the presiding circuit judge, as the case may be, to designate immediately three judges in such circuit.

For the time being I am ending there because I think it deserves comment. I read that language as meaning that those three judges will be from within that circuit, one of whom, at least, shall be a circuit judge, and another of whom shall be a district judge of the court in which the proceeding was instituted.

I think that language is clear. It means that the judge who is called upon to name the three-judge court must name three judges from the circuit where the case was filed, and one of those three judges must be a trial judge in the jurisdiction in which the case originated.

Mr. WILLIS. Is there any difference between what I said and what the gentleman is saying?

Mr. McCULLOCH. I understood the gentleman from Louisiana—I hope I am wrong—to say, in effect, that these judges could be selected from the State of Washington, the State of Maine, or the State of Nebraska. That is not the intention of this language.

Mr. WILLIS. I did not comment on that. I am saying that it needs clarification, but I said nothing about that. What I said was, of the three judges one must be a circuit judge, which would be one out of six or seven States, including the Canal Zone, composing the fifth circuit.

Mr. McCULLOCH. That is right.

Mr. WILLIS. Another could be a district judge where the suit is filed.

Mr. McCULLOCH. That is right.

Mr. WILLIS. And the third could be another circuit judge or a district judge.

Mr. McCULLOCH. I agree with that statement. That was the language that was deliberately chosen. That is the meaning of the language. But I am sure there was doubt left in the minds of some of the members of the committee by reason of the question of my very able colleague, the gentleman from Louisiana [Mr. Waggonner]. I again say to the Members of the House that this three-man court must be constituted within the circuit. One of them must be a trial judge in the district in which the cause of action arose, and the other two judges can be selected from that district or elsewhere in the circuit.

Mr. Chairman, this is not a new proposal. It has precedent in our statutory law for years, if not for generations. The antitrust laws provide for selection of a three-judge court. The ICC legislation provides a three-judge court. There have been no charges, to my knowledge, that any Attorney General of the United States or any district attorney improperly shopped for judges. The attack on this section could be an attack on the integrity of the judiciary in the circuit in question and upon the chief judge, who will make the nominations.

I should like to make a statement to the members of this committee. It is almost unbelievable. I do not know the reason for the delay in a district court in one of the States of the Union, yet the fact remains that a suit under the old law was brought in August 1960 and, according to the latest report, the case had not yet been finally decided.

For that and other reasons which other people will mention, I hope the amendment will be rejected.

Mr. CELLER. Mr. Chairman, I oppose the amendment for the following reasons: I have the greatest respect for the proponent of the amendment, but I believe in this instance he is enthusiastically misguided. There is nothing novel, there is nothing strange, there is nothing occult about a three-judge court. We have had three-judge courts for a great many, many years. We have had the three-judge court set up as the result of the passage of a number of antitrust bills. We have a three-man court set up as a result of the passage of rail legislation. We have a three-man court as the result of the passage of a bill called the regulation of motor carriers. Another three-man court was set up under the passage of a bill passed by Congress covering water carriers. We have had a three-man court set up concerning freight forwarders. We have had a three-man court set up as the result of a statute involving loan guarantees under the Interstate Commerce Act.

I do not recall a single complaint or a single objection leveled against any one of those three-man courts in this Chamber when this series of bills were passed. I have heard no objection against the three-man court since the passage of these bills. No injustice has been done as the result of the setting up of a three-man court. No one can point out to me any injustice.

There is no shopping around for judges. Under these facts I have mentioned, why would there be any shopping around with reference to a three-man court under the instant bill. There would be no such shopping around.

What is the purpose of the three-man court here? The purpose is to expedite the proceedings. As has been indicated by the gentleman from Ohio, there have been inordinate delays and this would shorten the cost en route to the Supreme Court because the appeal from the three-man court would go directly to the Supreme Court. The purpose is primarily to expedite the proceedings. In no way is there involved a deprivation of anyone's rights. It is solely for the protection of rights. Now beyond that, it is interesting to note that in any case where the constitutionality of a State law or of a Federal law is tested, the individual aggrieved can make an application and it is mandatory for the setup of a three-man court. So we have another instance where we have a three-man court and never have any complaints been offered.

Let me read you from a paragraph from the report of the U.S. Commissioner of Civil Rights issued in 1963 at page 25:

> The second factor which has prevented a greater increase in Negro registration during the life of the civil rights act is the delay in reaching final decision in the courts. In some instances—as in the Lynd case—trial courts have refused to rule on injunctions where the Government loses or obtains an order it considers ineffective. Further delays are encountered in seeking reversal on the appellate level. The time lag for civil rights suits has been no greater than for any other class of cases. However, a year spent in seeking reversal of a district court decision is a long time when the subject of litigation is the right not to be denied the franchise on the basis of race, a right not openly challenged by any responsible person North or South.

Now I ask you, Members of this House, how does it avail anybody if the individual aggrieved gets relief—and what is the right that he seeks? The right to vote—and he gets that relief 1 year after the election. That is an empty right. It means naught.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Chairman, it gives him nothing and it is for these reasons that we seek to have in this bill the setting up of this three-man court.

It is interesting to note that in the State of Louisiana, in the home State of the proponent of these amendments, there was a case only a year ago, and I am quoting from the annual report of the Attorney General of the United States, 1962, on page 162:

> Among the pending cases, one of major significance is the United States against the State of Louisiana filed in December 1961.
>
> This suit seeks a declaratory judgment from a three-man court that the Louisiana constitutional interpretation test contravenes the 14th and 15th amendments, and it seeks injunctive relief against the application of the statute.

I heard no complaint from anybody from Louisiana about the setting up of that three-man court in this instance.

Furthermore, since the beginning of the present fiscal year, a similar case has been filed against the State of Mississippi and nine other defendants seeking a ruling by a three-judge court on the validity of various Mississippi constitutional and stationary provisions used to discriminate against prospective Negro voters—United States against the State of Mississippi.

A good deal has been said about the type of judges who would constitute the three-man court.

We have been very careful to state in the provision which is sought to be stricken out that, upon application of the Attorney General, the chief judge of the circuit shall select three judges. Who would they be? One would have to be a U.S. district judge of the district court where the case arose. The second would have to be a U.S. court of appeals judge of the circuit. The third, in the discretion of the appointing chief judge of the circuit, could be a district judge of the circuit or a member of the court of appeals of the circuit. But one of the judges would have to be a member of the district court wherein the proceeding arose. That is very important in this situation. It has not been made clear until this time. It was made clear also by the gentleman from Ohio.

I hope the amendment will be rejected.

Mr. CRAMER. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

There are certain facts which I believe should be brought to the attention of the House if full consideration is to be given to the amendment.

First, the proposed three-judge court provision was not contained in the administration's proposal. It was not contained in the bill acted upon by the subcommittee. It was only contained in the substitute bill which came before the committee under a 2-minute debate method of procedure. Therefore, there was no hearing on it in the committee. There was no hearing on it in the subcommittee—with regard to the need for it, the propriety of it, or the effect of the three-judge court proposal.

Therefore, the only means of accomplishing the objective of determining what the provision would do, what it would effect, and what the justification for it may be, is through the debate on the floor of the House at the present time. Under those circumstances I feel compelled to say a few words with respect to what the three-judge court provision would do.

Admittedly, this was substituted for the temporary voting-referee provision for which the administration had asked, but which it was found, after deliberation, could not possibly be used to carry out the desired function.

It is not proper to have people voting even before determining that a pattern or practice of discrimination exists, as proposed by the administration, and later on determine that a pattern of practice does not exist, after the votes have already been counted. The man already would have served in the office, and obviously possibly some of his actions could be considered ultra vires. It was obvious that proposal was not workable. So this proposal was offered as a substitute for that.

I reiterate again that no hearings were held with respect to what effects the three-judge court proposal would have.

The principal justification which has been cited is the expedition of the case. I would suggest that the amendment which has been offered by the gentleman from Louisiana leaves the language relating to expedition of the case in the bill. On page 42 the words "immediately designate a judge" would remain in the bill.

There is involved, as I see it, no effort in the amendment to delay the proceedings.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Louisiana.

Mr. WILLIS. I was very careful not to delete that language. In other words, we want expeditious consideration of these cases. That language would remain.

Mr. CRAMER. Yes.

Mr. WILLIS. I am glad the gentleman has brought that to the attention of the membership.

Mr. CRAMER. Yes. It is further stated, beginning on lines 11 and 12, that it shall be the duty of the judge designated pursuant to this section to assign the case for hearing "at the earliest practicable date" and "to cause the case to be in every way expedited."

There is no attempt on the part of the proponent of the amendment, as I view the matter, to delay consideration of the cases.

Further, the justification which has been cited for the three-judge court is, supposedly, the fact that there is not adequate speed in the handling of cases being decided at the present time. Let us examine that contention.

I wish every Member had before him the civil rights hearings, serial No. 4, part IV, wherein appears the Attorney General's testimony, the questions propounded and the answers given.

If you will look there on page 2708, you will see in my interrogation of the Attorney General I brought out the fact, No. 1, on pages 2709 and 2710 and 2711, that there have first as of that date only been 29 cases filed under this legislation since 1957 and 1960. Where is proof of the need for these cases and for all the rush? Where is all the determination of the Attorney General or otherwise to make sure everybody is registered? Twenty-nine cases since 1957.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. Yes. I will be glad to yield.

Mr. WILLIS. Is it not a fact that although we went up and down the hill concerning the necessity and the imperative necessity to provide for referees, for temporary referees, of some kind, or whatever word was used, that not one was ever appointed?

Mr. CRAMER. The gentleman is absolutely correct. That is the other point I wanted to make. In many of these 29 cases a pattern of practice has not been found to exist. That was supposedly the justification to try to get in the back door with the temporary voting referee, to permit people to vote even though a pattern of practice did not exist. A pattern of practice has been found not, as a matter of fact, to exist in many of these 29 cases. Now, what has happened in the cases where a pattern of practice has been found to exist? I am sure that the Members of this House remember well, and I remember it particularly well, when the civil rights bill was on the floor of this House before in 1960, I made a statement then and I repeat it now, that I would have supported it with right of trial by jury as it came from the Senate if the temporary voting referee had not been included to take over the function of the local voting registrar, which is a duly constituted State responsibility and office. What has happened to that provision that was insisted upon as a must in 1960? Under the courts at the present time, here is one cited on page 2709 where the court found a pattern of practice but no one has applied to date to the court to register under section 1971(e), although their efforts to register locally have not met with much success, they still have not applied.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. The fact of the matter is, if there has been any real dilatory action or failure to carry out the mandate of the Congress, it is, in my opinion, the lack of effort to initiate and thereafter to push the cases by the Attorney General. The adequate tools, the laws of 1957 and 1960 are there to do the job. It says in the present law and in the proposed bill that they shall expedite these cases.

So much for the need for the expedition of the cases. Let us see what this amendment by the gentleman from Louisiana [Mr. WILLIS] if not adopted, would do and what the bill does without this amendment.

If you look at page 41, you will see the language attempted to be stricken by the gentleman's amendment gives the Attorney General—it does not give it to the defendant and it does not give it to your registrar and it does not give it to your duly constituted State authority set up under State law and under your State constitution, who has the duty of registering these people—it gives the Attorney General that power. I want to make it perfectly clear that I think they should register everyone qualified to vote regardless of race, color, or creed, but this is a question of what the proper function of the Federal Government is. The Attorney General has the power to ask for and has an option to apply for a three-judge court, but the defendant and the State have no such right. Is that equitable? Is that proper? Does not that indicate this whole section is improperly thought out and conceived? It was conceived I do not know by whom and was put in the compromise bill and never considered in the hearings as a proposal before the committee or the subcommittee prior to that time.

Mr. CORMAN. Mr. Chairman, will the gentleman yield for an answer to that question?

Mr. CRAMER. I will be glad to yield.

Mr. CORMAN. Can the gentleman tell me a factual situation where the State would need to apply for a three-judge court? The fact of the matter is he cannot.

Mr. CRAMER. I can think of a number of cases. The trouble with the gentleman is that in his approach to the legislation he does not give any State authority the credit of good faith. I think there are numerous State officials and registrars who would probably like to have the power to go to a three-judge court to expedite the thing so that a decision could be made before an election if one were pending in the near future, and this was a vital question. So I do not impute, as the gentleman does, bad faith to every registrar in many sections of this country.

That is the difference between the gentleman's approach and mine.

Now, with regard to what this section is applicable—and it is imperative that we understand what it is applicable to—this not only amends this bill; this amends the 1957 act and the 1960 act and the act that was on the statute books prior to that time. Let me tell you what it amends—and I am reading the language here:

> In any proceeding instituted in any district court of the United States under this section the Attorney General may file—

For a three-judge court. Now, what is the section this procedure amends? This is 42 U.S.C. 1971 and it includes the amendments of 1957 and 1960. Now, listen to the power that you are giving to the Attorney General and how broad it is and its application to all of these cases. It applies not only to these amendments proposed in this legislation but it applies to all the voting rights legislation of 1957 and 1960 prior thereto. I am reading you subparagraph (a) of section 1971:

> All citizens of the United States who are otherwise qualified by law to vote at any election—

Let it be clear, this applies to State and local elections as well—

> any election by the people in any State, Territory, district, county, city, parish, township, school district, municipality, or other territorial subdivision, shall be entitled and allowed to vote at all such elections, without distinction of race, color, or previous condition of servitude; any constitution, law, custom, usage, or regulation of any State or Territory, or by or under its authority, to the contrary notwithstanding.
>
> (b) No person, whether acting under color of law or otherwise, shall intimidate, threaten, coerce, or attempt to intimidate, threaten, or coerce any other person for the purpose of interfering with the right of such other person to vote or to vote as he may choose, or of causing such other person to vote for, or not vote for, any candidate for the office of—

And the Federal officials are cited. This amends the existing law which I just read. It also amends the law with regard to voting referees of the 1960 act. And I call your attention to the fact that this record I just cited shows that the voting referee function today in all the 29 cases is being carried out by your local district judge. Who is going to carry out that function of registering voters in this three-judge court setup?

The CHAIRMAN. The time of the gentleman from Florida [Mr. CRAMER] has expired.

(By unanimous consent (at the request of Mr. WILLIS) Mr. CRAMER was given permission to proceed for 5 additional minutes.)

Mr. CRAMER. The point that I am making is this—and I will be glad to yield to the distinguished Chairman, the gentleman from New York [Mr. CELLER], of course—the point that I am making is that under the present law, where we set up voting referees by a court order, under the 29 cases to date, no voting referees have been appointed. Those functions where a pattern or practice has been determined to exist by the district court, the judge himself has carried out the function of hearing the individual cases by the applicants in determining the facts of such cases as to whether or not the complainant is entitled to register and thus vote.

Who is going to carry out that function in this three-judge court setup? As a practical matter, the district judge is doing it, the man on the scene, the one who heard the evidence. I ask you further, how in the world under the three-judge court proceeding are you going to be able to guarantee, as limited as it is and was under the 1957 act, the right of trial by jury if in fact the Government authority that is ordered to register people, if that person does not do so and the party is determined to be in contempt and hearings are held on it—how is the man going to be entitled to a trial by jury before a three-judge court?

That is a pretty interesting question, and I wish the chairman of the committee would answer it. How can you have a trial by jury in a three-judge court?

Mr. CELLER. These proceedings are equitable in reference to interfere with a right involved. There is no trial by jury in any of these cases.

I want to add that the right to go into court for deprivation of a franchise goes back to 1870. The 1870 act gave the right to proceed in courts for a deprivation of that right. In the 1957 and 1960 act we made the provisions apply not only to State elections but to Federal elections. I cannot understand how or why the gentleman is complaining.

Mr. CRAMER. Here is the point I am making. The gentleman in his statement agrees with it. This gives the three-judge court jurisdiction under section 1971(a) applying to citizens in all elections. I want the House to understand we are not providing a three-judge court procedure only for the amendments before us, but for the acts which the chairman has himself indicated under an act passed shortly after the Civil War. There is no question but that it is extremely broad in scope. It would take out of the jurisdiction of the district court the jurisdiction it has over this particular area.

Mr. WILLIS. In connection with the colloquy between the gentleman and the chairman on trial by jury, it is true that there is an injunction initially, and it may result in contempt. That is where the jury trial comes in as it was reported in the Civil Rights Act passed years ago.

Mr. CRAMER. The penalty if it exceeds a certain amount of money, $300, or 45 days in jail, then the party who is supposed to have committed the wrongdoing is in contempt of court and he has the right under the 1957 act to a trial by jury. That issue was argued on the floor of the House. How is the official proceeded against going to have a trial by jury in a contempt proceeding before a three-judge court?

Mr. CELLER. If there is a contempt that would go beyond the three-man court. If there is a contempt, then the proceeding under that contempt action would be under the 1957 act. What does that mean? That means there would be a trial on the contempt before a district judge. Then if the district judge makes a ruling that the penalty is more than $300 or more than 45 days in jail, the defendant or the person charged can demand a jury trial de novo in that very district court. That is the proceeding. There is no deprivation of any of the jury trial rights conferred in that connection under the act of 1957 providing for a trial by jury de novo under those limited circumstances.

The CHAIRMAN. The time of the gentleman from Florida has again expired.

(By unanimous consent (at the request of Mr. WILLIS) Mr. CRAMER was allowed to proceed for 3 additional minutes.)

Mr. WILLIS. Mr. Chairman, I am afraid our chairman got himself in hot water when he said that if the trial before the three-panel court results in contempt it is a situation that would go before the district judge. The district judge who did not hear it would not know anything about it.

Mr. CRAMER. The district judge would know none of the facts.

Mr. WILLIS. I ask the chairman—how can a district judge who does not know a thing about the evidence, nobody is contemptuous of him, he was not offended, he did not try it. Do you mean to say they have to go back to the district judge? I am talking about civil contempt. Unless I misunderstood the gentleman he said contempt would not be tried by the three judges, it would go to the district judge. But the district judge had nothing to do with the case.

Mr. CRAMER. I yield to the gentleman from New York to answer the question.

Mr. CELLER. The gentleman from Louisiana loses sight of the fact one of the judges is a district judge on this panel of a three-man court.

It is the criminal contempt that is involved here.

Mr. CRAMER. The chairman must admit that that contempt case does not have to be assigned to the district judge that sat on the three-man court, or the contempt question.

Mr. CELLER. I did not say that the judge of the district court who was a member of the panel would be the one likely to try the criminal contempt.

Mr. CRAMER. Yes, but there is no requirement that that be the case. The three-judge panel that hears all the evidence and is familiar with all the facts would not have the responsibility of determining the contempt, according to the chairman's own presentation of the case. On the district level under present laws the judge that heard the case has the duty to make the primary determination whether this person is in contempt or not in contempt.

Mr. CELLER. I cite the case of *Central Railroad Company* v. *Kentucky Railroad*, 1 Fed. 2d 803, and this is the citation:

> After hearing before three judges under former section 380 of this title they could delegate to the local judge the issue of injunction after conditions are performed, but they will not decide a motion to dismiss the bill.

There is a citation to indicate a three-man court assigns to the local judge the question of the issuance of the injunction. Therefore, it is sufficient ground to state that they would assign to the district judge who is a part of the panel the question of the criminal contempt.

Mr. CRAMER. That case involves an injunction. It does not involve contempt where the contempt charge should be before the judge who heard the case.

Mr. ROGERS of Colorado. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I do this for the purpose of trying to dispel the confusion the gentleman from Florida has tried to inject into this situation. First of all, if there is a three-judge trial court assembled, and they hear evidence as to whether or not people have been deprived of the rights to vote, then they enter orders as provided by the laws that have heretofore been enacted by the Congress of the United States. That becomes a court order for the defendants to obey. There is no contempt up to that point. If the registrar is under an obligation to obey an order of the court, and he fails to do it, what is the procedure that you take? The ordinary procedure is that you proceed under the rules of civil procedure as they relate to the Federal Government. The U.S. attorney then goes into the district court where the action is pending. Mind you, this three-judge court has the requirement that there be at least one judge in the district where it is filed on the panel. So, if the man is haled in for violation of the injunction that has been issued by the three-judge court, and an affidavit and showing has been made, it then becomes the usual duty of that judge to carry out the court order that had heretofore been entered. It is that simple. The district judge who has the authority to hear and determine whether this man has violated the court order, then makes a determination of whether he stands in contempt of court.

In the 1957 Civil Rights Act there was placed in the law an unusual and, should we say, an unprecedented provision in our judicial system. It took from the Federal courts authority to enforce their own law up to a certain point. That was when we said that if a man stands in contempt of court, we take from the Federal judge the authority to punish him according to the judgment of that judge by giving him more than 45 days for contempt of court or in fining him more than $300.

That provision crept into our judicial system, and as I said, it is unprecedented. It has resulted in much complication as to its interpretations. Because if in the opinion of the judge a man has violated an action or judgment of the Federal court and is subjected to punishment, his punishment is limited; and if the judge thinks it should be more than 45 days or $300 fine, then the defendant has the right to demand a jury trial. The jury trial would follow the rules of civil procedure under which the injunction was entered.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman.

Mr. WILLIS. What the gentleman is saying, and he is so right, is that we just succeeded in confusing this whole matter with respect to the type of jury trial that is provided for in these circumstances. Now, it would seem that the gentleman wants to confuse it some more. Sure enough, we will not know where we stand if ever there should be a contempt proceeding as the result of this type of three-judge court procedure. We will be in a worse mixup.

Mr. ROGERS of Colorado. What I am trying to point out is that the situation could not possibly be any worse than the situation that developed when in 1957 you put a restraint on the Federal courts.

Mr. WILLIS. Do not say that I put any restraint on the court. I did not vote for that.

Mr. ROGERS of Colorado. I know, but in 1957 when you took from the judiciary the right to enforce its own orders by limiting the contempt of court citations, that was unprecedented in the judicial history of the United States. It is unprecedented anywhere else for that matter, because it is a fundamental right of a judiciary and a judicial system to enforce its own orders. The moment you reach the point that the court cannot do that, then you have taken from the court the duty and responsibility that has been assigned to it under the Constitution.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LINDSAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will not take up the whole 5 minutes, but I want to say this about the three-judge-court provision: The three-judge-court provision has been in the law for a great many years in this country. The ranking minority member of the Committee on the Judiciary, the gentleman from Ohio [Mr. McCulloch] mentioned two or three instances where the provision exists with respect to regulatory agencies.

In addition to these, for over 50 years there has been a provision for a three-judge court in any case where the Federal Government or anyone else challenges the constitutionality of a State statute. The reason you have a three-judge court in that instance is because of the gravity of the matter, for expedition, and also for the protection of States and localities. Yes, the provision we provide for here, as to a three-judge court, is an expediting procedure. We admit that; and there must be such expedition because to date the situation has been just the reverse—there has been no expedition in the process of these voting cases.

I should like to add also that the three-judge-court provision was the brainchild of the gentleman from Ohio [Mr. McCulloch] who advanced it as a moderating procedure. The device that earlier was proposed was, as has been mentioned, a device that called for provisional voting, which allowed citizens to vote while the process was going on of determining whether the citizens involved were entitled to vote. That was struck out, and a three-judge-court provision was put in. Throughout our Federal jurisprudence, the three-judge court has been a balancing factor for the protection of all parties to the contest.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from New York.

Mr. CELLER. Is it not also true that in the subcommittee there was a most mature discussion of this provision?

Mr. LINDSAY. Absolutely. Not only has it been discussed time after time in the subcommittee, but also the gentleman from Ohio [Mr. McCulloch] has talked about the importance of this three-judge-court provision for so long that it goes back into history, to the beginnings in the early days of the discussion of the Civil Rights Act which the House is considering today.

I should think that those who are in opposition to the bill would welcome the moderating effect of a three-judge court. If I were in the position of the gentleman from Louisiana [Mr. Willis], who is my good friend and who I greatly admire, I would be fighting for a three-judge court rather than a one-judge court.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield for a question?

Mr. LINDSAY. I yield to the gentleman from Ohio.

Mr. McCULLOCH. Is it not a fact that the provision in the bill which was under discussion, for which this was a substitute, would have permitted the voting such as the gentleman described, and the counting of the votes without impounding them in the Federal court, and that election could well have been determined by people who were not qualified to vote under the law?

Mr. LINDSAY. The gentleman is correct. I would point out, in addition, that there could be, I would suppose, a possibility that in close cases a one-judge court might permit the registration of persons whereas a three-judge court might decide the other way with respect to the same persons.

With a three-judge court, there is greater protection to all parties on both sides of the issue. I, as a citizen—no matter from where I might come, no matter what problem I might have—if the U.S. Government were after me in any particular case, would feel more comfortable with a three-judge court than with a one-judge court particularly in those instances where there is no provision for a jury.

Mr. SMITH of Virginia. Mr. Chairman, I move to strike the requisite number of words.

Mr. SMITH of Virginia. Mr. Chairman, I ask unanimous consent to address the House for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SMITH of Virginia. Mr. Chairman, I wish to inform the Members of the House that the hearings held on the bill before the Committee on Rules are now printed and available in the Chamber. I hope all Members will avail themselves of their use, because they are the only hearings ever held on the particuar bill now being considered.

There has been a good deal of debate about the amendment. Some Members may have come to the floor since the debate started.

The debate is about the three-judge-court provision which is in the bill, which was not provided for in any other bill considered by the committee. How it got in the bill seems to be a mystery, because there is an unresolved mystery still about the parentage of this bill, which was conceived and born during the middle of the night and delivered to the Members to be voted upon at noon the next day.

Mr. CELLER. Mr. Chairman, will the gentleman yield briefly?

Mr. SMITH of Virginia. I am always glad to yield to my good friend from New York. He is not one of the authors of this bill, to tell you the truth.

Mr. CELLER. Not even a teeny-weeny bit? I believe my name appears on the bill, at least.

Mr. SMITH of Virginia. I did not ask whose name appeared on it.

Mr. CELLER. Will the gentleman explain whether the Rules Committee held any hearings on the so-called Indian bill, H.R. 980?

Mr. SMITH of Virginia. No; but somebody would like to protect the Indians, and we are all for the Indians, so we just put it in.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. Yes, I will. I have one or two things I should like to say, but I will first yield to the gentleman and then I will proceed.

Mr. McCULLOCH. I should like to say to the Members of the House and to the distinguished gentleman from Virginia that I admit the parentage of this well-written and effective amendment, and will defend it whenever there is time available for me to defend it.

Mr. SMITH of Virginia. I am glad to get that admission. It took me a month to get that much information on the bill's parentage. I am glad to know who is the author of the bill.

But let us talk about the bill. Now, I have talked to a lot of the Members of this House who are going to vote for this bill and are going to vote for whatever dish we dish up here in the Committee of the Whole. However, I know from conversation with Members who are going to vote for it that they want a sensible bill and that they realize there are some bugs and some boobytraps in this bill and they want to take them out. We are going to have here, during the week, some meritorious amendments. They will be serious amendments. But this is one of the most important amendments that will be offered to this bill, and I hope the House will consider it seriously, because this affects the very integrity of the judiciary of the Federal Government. This is a court-packing provision. We have heard a lot of legalistic language this morning that many of us did not understand. You can talk around it all you want, but you are going to wind up finally with the conclusion that this is a deliberate, studied effort without hearings or consideration to pack the courts that are going to try these civil rights cases. Where did it originate?

All the conversation and all the noises we have heard all over the country about civil rights has been that they wanted us to pass the administration bill. Well, the administration bill did not undertake to pack the courts. You will not find it in the President's bill, and here it is printed right in the first few pages of the substitute one you are now considering. Well, there has been a lot of talk about the Attorney General wanting great powers. We must not do these things, they say, because the Attorney General was asking for them. He wanted these powers. Did the Attorney General ask for the power to pack the courts? Oh, no. On the contrary. Let me tell you what the Attorney General did do. Now, the gentleman from Maryland [Mr. MATHIAS] was questioning him in the hearings that took place prior to the time that the gentleman from Ohio [Mr. McCULLOCH] conceived this monstrosity that we are now considering. The gentleman from Maryland [Mr. MATHIAS] was asking the Attorney General, on page 2764, about this. The gentleman from Maryland [Mr. MATHIAS] was saying that some people wanted a three-judge court or something of that kind. The Attorney General said, and it is just one sentence, "I would be against that." That is what the Attorney General said. He does not want this extraordinary power. He does not believe in packing the courts of the United States. And I honor him and I am glad to stand up here and compliment him for taking that sound position. I think it is a real extension, and I think members of the judiciary take an oath of office. The Attorney General said further:

> We must have confidence in them; otherwise it questions our whole judicial system.

Do you want any better authority than that? This is the very man whom they tried to force this authority on.

This is a vital amendment, my friends. If you wanted to take any bugs out, here is the place to start. You know, I kept asking up in the Committee on Rules where we had these hearings—I kept asking about where did this provision come from. I wanted to find out. I kept asking who put that in there? Who thought up this scheme of packing the courts? And just as we did here this morning when I asked that question of these witnesses, I would get a long, legalistic answer, and they would tell us all about how there were some other kinds of three-judge courts and how we always had some under certain circumstances. But I never got a direct answer. I kept on asking and had a little better luck than Diogenes did though I had no lantern. I found an honest man, one who would give me an honest answer. I found him in the gentleman who just preceded me, my good friend, the gentleman from Colorado. I asked him that question. I asked him whether he was one of the authors of this bill and he said, yes, he helped to write it. He was speaking of selecting his own forum. I had asked him the question where this language came from that we were trying to strike out. And without wanting to prolong the discussion, here is what he said:

He said he wanted to pick his own forum, meaning where the lawsuit was going to be tried. But he was wrong, because we were not picking forums, we were picking judges. I then said this:

> In everyday language that means to pick the judges that are going to try this case?

And here is where Diogenes had some luck and found an honest man. This is what Mr. ROGERS of Colorado said:

> One of the first things they taught me in the law school was to get in front of a favorable judge if you can.

Is that what you want to do? Has this Congress reached the point where, in considering any legislation, however prejudiced it may be—and this bill is prejudiced; this bill is stacked against the majority of the people of this country from cover to cover. Do you want to pack the court? Do you want to try your case upon the theory that the first thing you learned when you went to law school was to get before a favorable judge, if you can? If you are getting ready to go to that extreme, we might just as well not debate this bill.

Now, we are asking you to adopt a sensible amendment.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. SMITH] has expired.

Mr. SMITH of Virginia. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SMITH of Virginia. This provision that we are trying to strike out was opposed by the President. It was not in the administration bill. It was never considered in the committee. It was opposed by the Attorney General upon whom you expect to place this burden. I ask you to strike it out.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Unfortunately, the part of this bill that is reported for your consideration does not permit us to select the forum, because it must be filed in the district where the discrimination took place. What it does is this: If the Attorney General wants to and files a certificate with the clerk of the court he may then take it to the circuit court and from the circuit court get at least one other, either circuit or district judge to try the case in that district. Hence it may help a little bit, following my education in law school, that from that maybe you can get some judges who will move forward and try some of these cases that have been pending in the southern part of the country for many years. That is what I had in mind.

Mr. SMITH of Virginia. I thank the gentleman for contributing some more legalistic language to this debate that none of us understand. But I stand upon his own statement that he wanted to pack the court so he could try his case before a favorable judge and that that is what he learned in his law school.

Mr. WHITTEN. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, certainly as a lawyer, having been engaged in the practice of law until I came here, I feel we owe a debt of gratitude to the fine lawyers who have developed, for the record, in legal terms the meaning of what is embodied in this bill, at least as to the intended meaning of the language, though it is apparent that the meaning to one side is opposite to that of the other.

I am afraid, however, that lawyers are too much lawyers sometimes and stress legalistic principles to the point of losing the interest, perhaps, of the membership. In that connection I want you to think a little further than the language of this act. Let us think of what is embodied in it, and what it will do.

LOCAL JUDGE BYPASSED

If you want further evidence of what is really behind the language referring to judges, look at the last word in sentence 13, on page 41. It does not say you shall appoint "the" district judge of the local area as one of the three. It says merely "a" judge. In everyday language when you say to the Attorney General or the chief judge of the court that "you shall appoint three judges" but do not require them to include the local district judge, it clearly says you want to get away from the judge before whom the proceedings would normally be held—we have seen this done in a number of cases already.

FAILURE AS STATE LAW

In that connection let me carry this one step further, and this is not legalistic. I understand 26 States of this Nation now have State laws on civil rights. These laws have not worked in a single, solitary State. They have caused strife, riot, and bloodshed. The integration sought has not followed, but the races have grown further apart and the relationship worse. Instead of peace we have more turbulence, more disturbance, and more violence in New York, Chicago, Philadelphia, Cleveland, Cambridge, Los Angeles, and many, many other places. I repeat, laws do not solve these differences.

Let me point out to you the procedures involved here, once you pass this law. What does it mean? It means you have a law on the statute books. It means you have an Attorney General, now a Democrat, who we all know; who next? One time too quick to act, another perhaps slower? The holder of this position of Attorney General, on his own motion, can go into a certain section of the country. By now he knows he will create trouble by filing these actions, while he ignores the rest of the country. Then, after picking his section and his case, he would, under the terms of this bill, be able to go in and pick his judges, and disregard the local judge of the district in which the whole matter started—and all the time he can ignore those areas of the Nation where it would be poor politics to act.

LAWS ARE NOT SELF-ENFORCING

Mr. Chairman, we must remember laws are not self-enforcing. Thus, if this bill is passed, and may God forbid, the enforcement would put the Attorney General, U.S. marshals, the Army, Navy, and Air Force, if need be, not only in every public building but in every home, every business, and every election in the Nation. Hitler, Stalin, nor Khrushchev, were never the holders of more naked power than would be granted to the executive department if these measures are passed by the Congress.

It is true that many actions in these areas have already been taken by the Supreme Court, the President, the Attorney General, and others in the executive department, in many instances in my opinion, in violation of the letter as well as of the spirit of the Constitution.

THE COURT, THE EXECUTIVE AND NOW THE LEGISLATIVE

Mr. Chairman, we first saw the Supreme Court take over dictatorial powers by amending the Constitution. Next we saw the President or executive underwrite such action.

Now we are asked to have the legislative body underwrite both—gone is the last vestige of the separate but equal powers of the judiciary, the executive, and the legislative.

We are asked here to say "me to," when we have seen just how far the executive department will go in carrying out the dictates of a controlled court.

The late President Kennedy said in a letter to me and I quote:

> Under the Constitution, it is my duty to enforce Federal law, including the orders of the Federal courts.

Thus we see, Mr. Chairman, when the Attorney General, picks his case, picks his judges, gets his court order, then force will not be limited to two or three marshals, but will include the Army, the Navy, and the Air Force.

The President did not even say "orders of the Supreme Court," he did not say the court of appeals, but all this might is behind a district court order, or any kind of order, which may follow from this bill before us. Mr. Chairman, we have seen what this means. We have felt it to the tune of 28,000 soldiers, and $5 million in expenses to the Federal Government—all before there was a Supreme Court decision.

So, Mr. Chairman, that is what can be done if you pass this bill.

Mr. Chairman, this bill would give to the Attorney General far more power than a bad, a quick tempered, or ambitious man should have—and more power than a good man would want. In fact the hearings show that even Attorney General Kennedy is fearful of all this power which a majority of my Republican colleagues, and a majority of the Democrats are placing upon us.

Never in history has there been a man wise enough or good enough to handle the powers you would grant under this bill unless it be the Christ himself.

I only hope that intelligent Americans will look behind this debate and behind these demands. If so, they will see the U.S. military with fixed bayonets acceding to the direction of every little Tom, Dick, and Harry who speaks in the big chief's name, moving in and taking over the liberty of all nonwhite people, as well as of the white people of this great Nation.

As pointed out by the Coordinating Committee for Fundamental American Freedoms, this act would affect you if you: own a home or help build, buy, or sell one; own a business where the goods you offer or use have moved in interstate commerce; are receiving or expect to receive veterans', social security, or welfare benefits; own a farm and/or receive the benefit of any Federal farm financial program, such as production credit, REA, soil conservation, or deal with land, cooperative, or soil banks, and so forth; own stock in a corporation which offers or uses goods which have moved in interstate commerce or have loans or other contracts with banks affected by the FDIC, FHA, SBA, VA, or any other Federal financial program or activity; have or expect to have a child in elementary school, high school, or college; vote in Federal, State, or local elections, special or primary elections; and the might of an all-powerful Government would make you "knuckle under."

I know the sponsors of this bill say what they believe the Attorney General would not do, but they do not deny what the Attorney General "could do." They are too good lawyers for such denial.

Mr. Chairman, we have felt the fire. We know what can and will happen. Ours is a small State. Neither party can lose many votes there, for we do not have them, but power once granted, is never surrendered and perhaps may be used on you next time.

When you let the Attorney General pick the section, pick his case, pick his judges, with a Supreme Court to back him up and a President saying—"it is my duty to enforce Federal law including the orders of the Federal courts"—"all orders" mind you, truly, Khrushchev, Stalin, nor Castro had within their hands little if any more power.

Of course, when you let the Attorney General bypass the local judge, and get three others, you know and I know—he will not have to wait for the Supreme Court.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Is it not a fact that present law provides that in cases similar to this any individual who files a suit in Federal court and a suit on which he is entitled to have hearing or consideration by a three-judge court, can request a three-judge court at the time this suit is filed?

Mr. WHITTEN. That is my understanding of the matter, and that would be changed under the pending bill.

A SAD DAY—A POLITICAL WORLD

Mr. Chairman, we live in a political world. I was shocked when I heard my friend Bill McCulloch, the Republican minority leader, admit that he authored this bill.

Mr. Chairman, many folks had looked to the Republicans for some semblance of protection from an all-powerful Federal Government. Apparently they look in vain.

I wish some of my friends here on the Republican side had the courage today to recognize that in passing this law bringing into every home, into every business, into every family, into every school the powerful might of the U.S. Air Force, the Army, the Navy, and everything else, in the guise of solving problems, we are dividing our people, separating the races, and destroying all rights. I might note, if you destroy property rights, the right to earn and to save, soon there will be no personal rights.

Mr. Chairman, laws on this subject do not solve problems. They create them. Look at the States where they have passed these laws, and the situation has grown progressively worse in every instance.

Mr. Chairman, I can see the coalition of northern Democrats and Republican leaders on the Judiciary Committee have the votes to defeat us. However, truly, Mr. Chairman, they—I hope unwittingly—centralize power in an all-powerful Federal Government, power which it took 1,000 years for English-speaking peoples to wrest from the King. I can only say it is a sad day, indeed.

Mr. POFF. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I support the amendment for a variety of reasons, but the principal among those has to do with our form of jurisprudence. American jurisprudence has always raised every safeguard to protect the rights of any man who is accused of having done wrong. American jurisprudence presumes that a man charged with a crime is innocent until he is proven guilty. Admittedly, the cases which would be involved under title I would not necessarily involve criminal conduct. They would, nevertheless, necessarily involve a charge of wrongdoing. If that be true, how can we safeguard the rights of the person charged if we give to the Federal Government a procedural privilege which the citizen charged does not enjoy? And, of course, that is precisely what is being done here.

While the Attorney General may have some doubt about the objectivity of the trial judge and in such case might have the right to demand and receive a different forum, consisting of a panel of three judges, the citizen charged with wrongdoing has no equivalent right. I suggest as a matter of basic fairness we should not give the Attorney General this additional procedural right because involved in the procedures which we pursue in the courts are the substantive rights of individual citizens.

So, Mr. Chairman, I urge the adoption of this amendment.

Mr. CELLER. Mr. Chairman, I see two or three Members standing. I ask unanimous consent that all debate——

Mr. JONES of Missouri. I object, Mr. Chairman.

The CHAIRMAN. No request has been made yet.

Mr. JONES of Missouri. He said he was going to make a unanimous-consent request.

Mr. CELLER. I withdraw it, Mr. Chairman.

Mr. FARBSTEIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not expect to take the 5 minutes allotted to me. However, there is a point I would like to bring to the attention of the House. If this provision creating a three-judge court is as abhorrent as has been suggested or as they would have us believe, with which incidentally, I disagree, this can be avoided very simply. Let us remember this is not a mandatory provision. This is a permissive provision. The reason I believe it was written into the law was in order to obviate delay. It seems to me this provision has been added solely for the purpose of serving notice upon the judges in any area where the question may arise, that if they do not try civil rights cases expeditiously, then the three-judge court will be invoked. This does not mean that it must be invoked. It seeks by this means to urge these judges who do not tend to their knitting by permitting inordinate delay in the trial of civil rights cases to do so and give justice to those people who are being deprived of their right to vote.

Mr. Chairman, I yield back the balance of my time.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I realize this is lawyers week in the House of Representatives, and it is with some trepidation that I asked for this time. I am not a lawyer, but I am very much concerned now, and was very much concerned in 1957 when a civil rights bill passed the House of Representatives because of the fact that that bill, as I remember it, as it left the House of Representatives, outlawed trial by jury in contempt cases flowing from civil rights actions.

If my memory serves me correctly, it went to the other body and either in the other body or in the conference that followed, certain provisions were written in which were alluded here today, one dealing with the $300 fine or the 45 days in jail or both.

I ask the gentleman from Louisiana if it is not true that as the 1957 bill left the floor of the House, it outlawed trial by jury in contempt cases beyond the premises of the court or in the presence of a Federal judge in cases flowing from civil rights actions.

Mr. WILLIS. It did not go that far, I must tell the gentleman. However, the type of jury trial provided for, as my friend the gentleman from Colorado said, was so peculiar that still no one knows what it means because you have to distinguish between criminal contempt and civil contempt.

Mr. GROSS. But those provisions were added either by the other body or in the conference that followed; is that not correct?

Mr. WILLIS. Exactly so.

Mr. GROSS. Now I ask the gentleman from Louisiana, suppose a three-judge court is established and there is a contempt flowing from a civil rights action. Before whom would the person cited for contempt appear; and would he have the right of trial by jury?

Mr. WILLIS. The chairman of the full committee said the other day it would be "a district judge," meaning not the three-judge court. That is astounding to me. Why should that be assigned to a court which did not hear the evidence, a judge who had not been offended by the contempt?

As to the trial by jury provision, I confess that the other day, when I appeared before the Rules Committee, I asked if my understanding was correct, and if anyone wished to correct me, and no one did. I may be wrong in my understanding, but the way the law usually reads is that whoever is found guilty of an offense is to be fined not more than $300 or imprisoned for not more than 45 days.

We do not know what might be in the judge's mind. Let us assume that a district judge says that someone is in contempt of his order. He would try him first. Something would be locked in the judge's mind. If he imposed a sentence involving more than 45 days and $300, at that point the man would realize he might be entitled to a jury trial. But the judge could impose a lesser sentence; let us say 44 days imprisonment and a fine of $299. He could keep on imposing similar sentences.

Mr. GROSS. That is correct.

Mr. WILLIS. The man would not know initially where the jury trial would fit in. If I am mistaken, I wish someone would correct me.

Mr. GROSS. I heard the gentleman from New York [Mr. CELLER] suggest that the contempt action would go to the district judge, who would be a member of the three-judge tribunal.

Mr. WILLIS. Why not?

Mr. GROSS. If it went to that particular district court judge, then the contempt action would become in fact and in effect a kangaroo court, because the defendant would go before one of the same judges who had cited him for contempt.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield at that point?

Mr. GROSS. I yield.

Mr. ROGERS of Colorado. I ask the gentleman to read the language on page 41 of the bill, at line 13, which says:

> At least one shall be a circuit judge and another of whom shall be a district judge of the court in which the proceeding was instituted.

That means that the case would be filed in a certain district court of the United States. That is the first thing. If it involved a three-judge decision, they would act upon a complaint that had been filed in behalf of the Attorney General. When they got through taking the evidence and ascertained their judgment as to whether or not the law had been violated and the man had been deprived of his right to vote, they would then enter an order of the court. That would be a court order.

That is where the proceeding then and there would stop, unless after the man had been enjoined he failed to respond. Then upon a proper application being made, in accordance with an affidavit and the rules of civil procedure——

Mr. GROSS. Let me say, before my time expires, that I shall support this amendment until and unless someone tells me that the person who may be cited for contempt by the three-judge tribunal will have redress other than to one of the judges who cited him for contempt. The gentleman has not done that, and apparently he cannot do it.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I reiterate that the only fair and decent action is to write a provision into this bill to protect such an individual. I am opposed to the three-judge provision in this title of the bill and support the amendment to strike it out.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I recognize, as does the gentleman from Iowa, that this is Lawyers' Week, and I share his trepidations as a nonmember of the bar; but, in the final analysis, all of us who serve in the House, whether or not we are members of the bar, will have to vote on the amendments and will have to vote on the final issue.

I take this time to raise two or three questions, for the purpose of enlightenment. I direct the questions particularly to the gentleman from Louisiana [Mr. WILLIS] and to the distinguished chairman of the committee [Mr. CELLER].

There has been a great deal of reference made here to the existence of statutes which provide in one fashion or another, discretionary or mandatorily, for a three-judge panel. I would like some enlightenment—and I suspect some of my nonlawyer colleagues would—as to the general reason for statutes and for situations in which this is provided. I understand in this case the argument is to avoid delay. I am wondering whether that is the factor or whether there are other factors in other instances.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield to the chairman of the committee.

Mr. CELLER. The main purpose is to avoid delay, and it enables the Government prosecutors to get to the Supreme Court as quickly as possible, because the appeal from the three-man court must be directly to the Supreme Court. That is the only purpose of this three-man court; namely, to expedite the proceedings and the pressure of the right to vote.

Mr. JOHANSEN. I thank the chairman, and I see the gentleman from Louisiana [Mr. WILLIS], shaking his head, so I yield to him.

Mr. WILLIS. I would say that is one of the purposes but not the only purpose; that is, to expedite the proceedings, because to start with, these three-judge courts are always created by an act of Congress—always. Now, the question is whether we should enact this one. There are varying reasons. The first three-judge court ever created by Congress, I think, was back in 1899. I may be wrong about that, but it had to do with a declaration of was a State statute constitutional or unconstitutional. Therefore, they preferred three minds to one. So there are varying reasons. The question of expedition is certainly not exclusive.

Mr. JOHANSEN. Will the gentleman from Louisiana respond to this, then? Am I to understand this matter of expediting cases relates, as I thought the chairman indicated, to the elimination of one step in getting to the Supreme Court, or is it based on the allegation that there have been deliberate dilatory tactics by district judges?

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. Surely.

Mr. CELLER. No. It is the first suggestion you made; that is, enabling the Government to go to the Supreme Court as quickly as possible, because the testimony adduced before the Civil Rights Commission and given by the Department of Justice intimated inordinate delays. If there are delays in these matters involving voting, the remedy comes after the election. They want to get the remedy before the election so the vote can be cast.

Mr. JOHANSEN. Is the gentleman speaking of delays in the matter of appeal higher up?

Mr. CELLER. All manner and kinds of delays, in the court of original jurisdiction and in the appeal.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield to the gentleman from New York.

Mr. LINDSAY. I thank the gentleman for yielding. The gentleman's question is, What is the reason for these three-man panels?

Mr. JOHANSEN. Precisely.

Mr. LINDSAY. And that is a good question. I am glad that very excellent lawyer, my friend from Louisiana [Mr. WILLIS], made the statement he did, because he put the second half to the coin. It is expedition, that is true, but it is also because of the gravity of the matter. The gravity of the matter which says that it is the will of the Congress that there be not one judge deciding the matter but three. The theory is not only expedition but that three U.S. judges will produce a result which is more likely to be correct in a very weighty and important matter.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield to the gentleman from Florida.

Mr. CRAMER. That is a very interesting observation that the gentleman from New York just made, because it leads only to the conclusion that there is not equal gravity to other matters in the bill. It leads only to the conclusion that there is not equal gravity to the question of public accommodations, or public facilities, or to the question of desegregation of schools, or in the other titles of the bill, because they do not contain three-judge court procedures. They do not contain them for the obvious reason that in this type of legislation the Congress has consistently disfavored three-judge court proceedings except in cases where you have existing regulatory agencies in special circumstances. And then, it should be with the right of both the Government and the defendant to use it. In this instance it is only the Government that has the right.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. JONES of Missouri. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, we have been assured that we are going to have plenty of time on this bill. But I do not want any discrimination. I do not think we should try to keep the laymen from the opportunity to say what the bill says. I am not a lawyer but I can read the English language. I think too many of us are being taken in by all of this legalistic mumbo-jumbo.

I think the chairman of the committee laid himself wide open on several matters when he was before the Rules Committee the other day. He made a lot of statements there which a layman can understand and particularly about his being familiar with the operation of Government programs.

I am going to call attention to the fact that he was referring to the distribution of Federal funds in the farm program and he said, "When the farm bureau gets funds." Anybody who knows anything about the farm program knows that the farm bureau does not get any of these funds.

Also the chairman on page 175, talking about the aggrieved person referred to the fact that when a person's funds were cut off, that was not a punishment. He said that was an imprecise and inexact word. But when you cut off a man's funds I do not see how you can punish him any more. And that is what they are trying to do.

These people who are supporting this bill voted for the bill in 1957 which took away the right of trial by jury. You say you are going to give him a jury trial if you throw him in jail for more than 45 days or fine him more than $300. But I cannot satisfy the people in my section of the country by telling them that, "We can take $299 away from you and we can throw you in jail for 44 days, and you do not have the right of a trial by jury."

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I am not going to yield to you. You have already admitted you do not know anything about this bill. You are prejudiced.

I am talking about expediting the matter. Anybody who can read the English language can understand what this amendment does. If you put this amendment in there it says this:

> In any proceeding instituted in any district court of the United States under this section—

And then you skip down and say—

> it shall be the duty of the chief judge of the district—

And so forth. He will do it. Of course, I can understand why the Attorney General wants to get into a favorable court. He wants to get into a packed court. I can understand why some of these people who are supporting this bill follow that line of reasoning. They are more interested in having a government of men than they are in having a government of laws.

The lawyers who write these bills get so many words in here that nobody can understand them. They are going to keep it in court all the time. I say, let us say what we mean and mean what we say and not take away any of the personal or property rights of the people that are guaranteed to them under the Constitution.

Mr. Chairman, many of these people have not read the bill or the report, have not read the hearings before the committee. But they are committed to go blindly down the road and it is for politics. I challenged the chairman of the committee. I said that this was a politically inspired bill and he has admitted that it is a politically inspired bill. At one place in the hearings he admitted that he had been dragging his feet. He said:

I have been dragging my feet.

Why? It was for politics. He was trying to hold this bill up at one time. I said, "Why do we not get some action, why do not we get some votes on this thing?" And the chairman admitted, he said, "I have been dragging my feet." He has admitted it, that it is political. That is all in the world this bill is. Take the politics out of it and you would not have a bit of interest in passing this kind of a bill at all.

I am going to have more to say about this. But I am going to tell you, Mr. Chairman, that I am going to object to cutting off any of the debate until and unless some of the laymen in this House have the opportunity to talk, so that we do not give all of the time to the lawyers. After all, all the brains in this House are not in the Judiciary Committee. There are some other people here who have some thoughts about this matter.

I think we can make some contribution. I want you to read this. I think anyone who would vote either for or against this bill, without having read the bill, without having read the report, without having read the hearings before the Committee on Rules, which was the only opportunity we had to have this thing explored, is making a mistake. The hearing before the Rules Committee was the only hearing we had on this bill. Certain people have held this up as being President Kennedy's bill. It is not, and everyone knows that it is not. They all admit that except the chairman, who took the fifth amendment when they asked the question if it was debated more than 2 minutes. He said:

> I will neither affirm nor deny that.

What do you think about that?

Mr. CORMAN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the fact of the matter is that a three-judge court was the consensus of 23 members of the committee. It was written into the bill when some other provisions which had been proposed by the administration to appoint referees was taken out. It was finally the consensus of opinion that this would be a more moderate approach. I would like to pay my personal respects to the gentleman from Ohio [Mr. McCulloch], who has admitted authorship of it. As I mentioned the other day, his imprint is deep on this bill.

Let us look at some of the strawmen.

It has been maintained this gives the Attorney General the power to pick the three-judge court, but not the defendant. The fact of the matter is there will be no case unless an American citizen attempts to register and is denied that privilege by a registrar. Obviously, if the registrar permits his registration, there will be no case. So there would not be a factual circumstance where there would be a need to expedite a voting case. It is only when a man has attempted to register and has been denied that privilege.

Somehow or other, because of the fact that the Attorney General has this ability to circumvent a particular Federal district judge, that is horrible. The fact of the matter is Federal judges are appointed by the President and confirmed by the Senate. The Attorney General is appointed by the President and confirmed by the Senate. The only difference is once a man is on the Federal bench he is there for life. The Attorney General is there only until the American people decide to change the administration. So the voters do have some authority over the Attorney General. I do not anticipate any change in the administration this year or in the next 5 years.

Another point, the reason this is so important is that the relief sought is relief for something for which there can be no damages recovered. It means the right to vote is involved, and unless this is adjudicated prior to the next election the plaintiff has lost a right which he can never recover. That is the reason the administration wanted referees appointed to expedite the matter, and the reason when the committee decided they would not write into the bill a referee provision, that they would set up a three-judge court, so that these matters can be handled expeditiously. This is a booby trap to blow out of the way of the qualified Negro who wants to vote, a Federal judge who does not want him to vote. Now I have not been here long but this is not the first time I have voted to pack something when it seemed to me it was necessary to protect the democratic processes of this Government and the rights of this Nation's citizens.

Mr. MacGREGOR. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Minnesota.

Mr. MacGREGOR. With respect to the relative importance of title I and the other titles of the bill, does the gentleman agree with me there is nothing so precious as the right to vote?

Mr. CORMAN. Yes. The gentleman is right.

Mr. MacGREGOR. Would the gentleman agree further that justice delayed is justice denied, and in this particular case that truism has particular applicability?

Mr. CORMAN. Yes. And particularly in the matter of voting rights. The right to vote in a given election can never be regained if it is denied on election day.

Mr. TAFT. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, as an attorney I have some question whether it would be appropriate at this time to take the floor, but I will do so and risk the wrath of the lay Members.

I respect the differences of opinion and the reasons behind them about this bill. I respect the men who have those differences of opinion. I may not agree with them on many of the points but I do think they certainly have a right to be heard, and often have sound reasons backing up their arguments. However, I have a hard time seeing how that applies to this section.

This section relates to voting. It seems to me that if we look at it with regard to what the section involved and attempted to be stricken by this amendment does, it merely is an expediting provision. I call to your attention the laws of your own States. I have not made any survey of them. I do not know exactly how many this applies to. But I believe that in a great many States of the Union today (and I know that in the laws of Ohio) there are such provisions for expediting voting cases, and there are good reasons for those laws. They exist because, as has been mentioned, once you lose the right to vote, it is gone forever. This is because when a man is elected in an election, somebody has to take over the office involved. So there are in the States many laws that have given recognition to these points.

In many courts, for instance in the State of Ohio, you have an original right to file a voting case right in the Supreme Court of Ohio. It seems to me the only thing involved here is whether or not you are going to try to cut down this voting type of case to two determinations rather than three in your regular Federal court system. There are very good reasons for attempting to cut it down to two. Again, if you are going to cut it down to two, is it not fair and logical to start with a three-judge court rather than starting with a one-judge court?

That is involved in this section. I do not see any reason for making an issue of it relating to the general differences that may exist with regard to other points.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. TAFT. I yield to the gentleman from Virginia.

Mr. POFF. May I ask the gentleman from Ohio if he would be willing to provide the same privilege to the defendant in a case?

Mr. TAFT. I would be willing to accord the same privilege, but I do not know that it is particularly pertinent in this case. The need is in the person who has not been voting. This statute is modeled on the antitrust statute, which gives to the Attorney General (where the Government is involved) the right to make this kind of determination. In a case of this importance it should be up to the person who is involved in the enforcement of the law, the Attorney General to make the original decision to say whether the case needs to be speeded up or not.

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, you have heard much debate on this amendment. Therefore, I hesitate to impose myself on you. As a lawyer I know I am taking chances in view of what just has been said about us lawyers. But suffer me a few remarks, if you will.

I was admitted to the bar in July of 1924, almost 40 years ago. For most of my life the law has been my living. I have great respect for our legal system. During the years I was engaged in the practice of law, my principle direction during all of that time was to be fair, to be just, take advantage of no one and demand comparable treatment from opposing counsel.

I never filed a lawsuit in my life in the court of a judge who, I thought, would not be fair and impartial. I never sought an unfair advantage. I spurned such.

I was a prosecutor for several years. I prosecuted many men for capital offenses as well as for simple misdemeanors. I never knowingly picked a jury or accepted a jury on which there was a stacked juror. I do not like stacked courts and I do not like stacked juries.

The only recorded statements in the hearings on this bill in behalf of the three-judge provision came from the gentleman from Colorado who testified before the Committee on Rules that he was taught in law school—thank God I was not—that the best place to file your lawsuit was in the court of a favorable judge. He is the author of this three-judge idea. He admits he was seeking an unfair advantage for the Attorney General and the Federal Government.

They did not teach such as that in my law school and I never practiced it. I hate to see the Congress on the basis of this sort of testimony write a provision into this bill. Regardless of what your feeling might be on civil rights, I believe you—at least most of you—want to be fair. It is wrong to put this kind of provision in the bill for the reason assigned by the author; that is, to make available to the Attorney General a favorable judge.

The President did not ask for this. The distinguished gentleman from Virginia, Judge Smith, read to you from the record where the Attorney General himself testified before the eminent Committee on the Judiciary, saying he did not want it, and that he did not like it.

I know what is behind this, but it has not come out here yet. Let me tell you the secret motive behind this provision.

The region of Fifth Circuit Court of Appeals is the area where they expect most of these cases to be tried. The chief judge of that court is the man they are attempting to reach. And I do not mind calling his name—everyone knows the judge—Judge Elbert P. Tuttle. He was charged last year by one of the associate members of his own bench with stacking almost every three-judge court that he assembled. The charge was published in the papers throughout this land, and I suspect there are some here who read those papers. Hence this three-judge provision. It is all so plain.

Yes, there are some skeletons in my closet and there may be some in the closet of my State. But there are some in yours, too. I am neither infallible nor perfect. Neither are you. I am not without sin and neither are you. I can be fair and so can you. If you are going to write a civil rights bill, and I know you are, write it on a record that will justify it. Be fair. Let us not write a section into the bill on the testimony of one who takes credit for this provision saying that he wants to get these lawsuits filed in the courts of "favorable" judges. This is not my idea of justice.

Yes, I love the law. It is the oldest science known to man. It is a great science. The law is the only science that was spiritually inspired. The original code to guide the conduct of man was handed down to us by the Lord himself to Moses on Sinai in a bolt of fire. Down came the Ten Commandments. It was the first code that man ever knew:

> Thou shalt not steal.

Not Thou shalt not steal a little.

> Thou shalt not covet.

Not Thou shalt not covet today, but every day.

> Thou shalt not murder.

Not Thou shalt not murder certain people. The Lord commanded man to murder no one.

"Thou shalt not—'not.' "

Mr. Chairman, the codes which guide our lives, every code written since and including the Ten Commandments, expects us to be fair at all times, not just a part of the time. It is expected that our courts will be fair, at all times, even when trying a civil rights case. A judge "favorable" to one's cause is not fair.

I trust the Members of the House will support this amendment. If you must pass the bill, and I hope you will not, at least support the amendment and assure us a fair trial before a fair and reasonable judge.

Mr. WILLIAMS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WILLIAMS. Mr. Chairman, the issue before us is very basic. It is a matter that strikes at the very roots of constitutional government. We are now at the crossroads—we are forced to decide, whether we will be stripped of the few remaining rights we now possess and be governed by men, or whether we will continue to be governed by law.

If we allow the Attorney General or anybody else to shop around for his judges in order to obtain a desired result, we have set up a kangaroo court and have made a mockery out of our entire judicial system.

The Attorney General of the United States expressly stated that he should not be given the authority to shop around for his judges; the administration's bill was silent on this subject. No hearings were held in the Judiciary Committee on this particular language.

My distinguished colleague, the gentleman from Mississippi [Mr. ABERNETHY] has just exposed the real booby trap that is in the three judge provision that would be corrected by this amendment. Of course, the supporters of this bill know that most of these cases will be brought before the Fifth Circuit Court of Appeals, for indeed, this bill is intended to harass and punish the good people in that area. They are seeking some means to get these cases before Chief Judge Tuttle, who like a "sinker" on a jury, has already ruled.

If you think this is a frivolous charge, then I am prepared to furnish a bill of particulars.

Chief Judge Tuttle has long since proven his willingness to stack these three judge courts so as to insure their being decided in a way he favors. He has abused his power to docket and assign cases, as has been pointed out by one of his colleagues on the Fifth Circuit Court bench, Judge Ben Cameron.

This opinion is not an attack by a politician on the integrity of our judiciary; this could not be politically motivated in any way; this is a well documented opinion by one of the greatest jurists of our time, which serves to expose the evils of the present language in this bill.

I include excerpts from Judge Cameron's charges which were contained in his dissent in the case Dwight Armstrong et al. against The Board of Education, Birmingham et al.

III

I think, too, that a solution of the problems facing this court will be helped by a study of the handling of racial cases during the immediate past, in which period so much haste has been made and so many procedural innovations have been utilized that the general impression has grown up and has been expressed that this court has one set of procedures covering racial cases and another set covering all other cases. I have accordingly made a study of the cases as they appear in the Federal Reporter, 2d series, involving controversies heard before panels of this court bearing date within the 2 years preceding the hearing of the present case on June 26, 1963. I believe this survey to be correct. It covers 25 cases, which are listed in appendix "A" to this opinion. Of the 25 cases listed, the majority of the panel in 22 of them was composed of some combination of the 4 who constitute a minority of the active judges. In only two cases did two of the remaining five members of the court sit together.

Of the circuit judges of this circuit, the 4 sat 55 times; the other 5 sat 12 times. The 4 wrote 23 of the 25 opinions, including per curiams: Chief Judge Tuttle wrote 6 including 4 per curiams; Judge Rives wrote 6 including 2 per curiams; Judge Brown wrote 4, and Judge Wisdom wrote 6 including 1 per curiam. The per curiam order (app. A, No. 21) adjudging Lieutenant Governor Johnson to be in civil contempt was entered by a panel consisting of Judges Rives, Brown, and Wisdom, and one of them wrote the opinion. One per curiam was written by one of the five remaining judges of this court and one full opinion was written by a district judge.

IV

The handling by Chief Judge Tuttle of three judge district courts in the State of Mississippi is a part of the picture of the crusading spirit which I think has been largely responsible for the errors here discussed and is relevant to the discussion of a solution of the problems before us. The statute providing for such courts is in these words:

"§ 2284. Three-judge district court; composition procedure

"In any action or proceeding required by Act of Congress to be heard and determined by a district court of three judges the composition and procedure of the court, except as otherwise provided by law, shall be as follows:

"(1) The district judge to whom the application for injunction or other relief is presented shall constitute one member of such court. On the filing of the application, he shall immediately notify the chief judge of the circuit, who shall designate two other judges, at least one of whom shall be a circuit judge. Such judges shall serve as members of the court to hear and determine the action or proceeding."

In the performance of the ministerial duty so imposed upon him, the universal practice, except in this circuit in the last 4 years, has been for the chief judge to appoint the circuit judge resident in the State for which the district court is constituted and one of the district judges resident in such State as the other two members. I have been able to find no instance where this procedure has not been followed except those here mentioned.

The State of Mississippi has citizens residing within its borders one circuit judge, three active district judges, and one senior district judge designated for active service, all of whom have been at all times mentioned citizens of Mississippi, qualified for the positions they hold, and ready, willing and able to perform the duties incident to service upon such a district court.

Since November 9, 1961, and prior to the submission of the instant case, three district courts of three judges have been constituted to hear racial cases in Mississippi.[1]

For the first of these District Courts of the United States for the Southern District of Mississippi, Judges Tuttle, Rives, and Mize were designated; for the second, Judges Rives, Brown, and Mize were designated; and for the third, Judges Brown, Wisdom, and Cox were designated. A member of the four was substituted for the resident circuit judge in each instance, and another member of the four was substituted for the additional district judge. The idea that the chief judge may thus gerrymander the U.S. judges of a State in order to accomplish a desired result is, I think, entirely foreign to any just concept of the proper functioning of the judicial process.

V

If this court is to regain the stature it owned on March 16, 1959, when Judge Hutcheson laid down the duties of chief judge it must, in my opinion, forsake the special procedures which have been discussed and adhere to those which are "time-tested" and legal. It is important, I think, that "the court as a body" on whom the responsibility rests take hold of the problem and solve it.

I, therefore, respectfully dissent. *United States* v. *New York, New Haven & Hartford Railroad Co.*, 2 Cir., 1960, 276 F. 2d 525; *Puddu* v. *Royal Netherlands, Etc.*, 2 Cir., 1962,

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[1] No. 3215, Jackson Division, Southern District, *United States* v. *City of McComb, et al.*, order entered Nov. 9, 1961;

No. C–3235, Jackson Division, Southern District, *Reverend Clark et al.* v. *Allen Thompson, Mayor, et al.*, order entered Jan. 23, 1962; and

No. C–3312, Jackson Division, Southern District, *United States* v. *State of Mississippi et al.*, order entered Sept. 5, 1962.

303 F. 2d 752; and *Walters* v. *Moore-McCormick Lines, Inc.*, 2 Cir., 1963, 312 F. 2d 893.

Orderly judicial procedure goes out the window with this provision. It thwarts the judicial process. It discriminates against other cases pending, and the parties thereto, because preference is given to cases arising under this section of the bill.

I hope the amendment is adopted.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

It had not been my purpose to speak on this bill. I am a lawyer, but I am not a member of the Judiciary Committee. I listened to 2 days of splendid debate. All the debaters, on both sides, were good lawyers. They were fair in their treatment of a sensitive subject, and regardless of their different approaches all were learned and eloquent in their presentments. I was proud of this body and proud of the legal profession.

I am speaking now because I, too, am a lawyer. My family has practiced law for as many generations as there is a record. Like my distinguished and beloved friend from Mississippi [Mr. ABERNETHY], the love for the law is part of my very being.

But I know, Mr. Chairman, that in the law, as in lay pursuits, there are human frailties against which the makers of our Constitution sought to caution us.

Never once have I assailed the integrity of a judge; whether of a local, State, or Federal court. I have always defended the integrity of the bench. But, Mr. Chairman, I know there are judges of integrity but who nevertheless are biased, and prejudiced by the experiences, the associations, and the philosophies of a lifetime.

I know that the heart of a man who has been a defense counsel is with the defense, and when he serves on the bench he subconsciously favors the defense. Also I know that a man who has been a good and sincere prosecutor, when he serves on the bench, subconsciously, though honestly and with integrity, nevertheless bends to the side of the prosecution.

I know, Mr. Chairman, that there are honest and sincere men who serve on the Federal bench who, if left to a determination by themselves in a matter which concerns civil rights, the rights of Americans of different colors and of different races to vote, would be swayed not consciously to a departure from the rules of integrity but subconsciously would be under those influences of the status quo in our own lives from which none of us can completely divorce himself.

So, Mr. Chairman, I compliment the drafters of this bill for putting in the provision that there may be a court of three judges, so that everyone will have an opportunity for impartial justice. In provisions in our laws for change of venue we seek to defend the rights of the accused to have a fair trial in a locality and before a tribunal free of all possible prejudice. Should not one who has been deprived of his right to vote—a sacred right, Mr. Chairman, in a government of, for, and by the people—have an opportunity for a fair hearing in his suit for the restoration of that sacred right?

I commend the drafters of this bill for their wisdom in providing for a court of three judges, when thought necessary to guard against unreasonable court delays and to protect against the human frailty that is inherent in all mankind. I trust that the amendment will be overwhelmingly defeated.

Mr. RODINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I served as a member of the subcommittee which considered this bill, at great length. The testimony was replete with instances of the denial of the right to vote. Numerous statistics have been cited in the hearings.

The purpose of this section is merely to insure that there be no deprivation of or denial of the right to vote. The committee considered this question on its merit. We considered how to protect the right to vote and yet follow legal precedent. And we have followed recognized legal procedures. There are a substantial number of precedents in the ICC cases and the antitrust cases for the setting up of or the empaneling of a three-judge court.

We went further. Under the transportation and antitrust cases, the provision for a three-judge court merely requires that one of the judges be from the circuit, but we have gone further. We require that at least one of the district court judges be from the district where the suit was instituted, and that the three judges be from the circuit. We therefore tried to meet all the charges possible that there would be an attempt to go out "to shop" for judges.

Actually, Mr. Chairman, I believe that all we are trying to do in this provision is to insure, one, that there not be a delay in the trial of these cases and that cases be expedited. The gentlemen who are on the subcommittee know this. There have been cited innumerable instances of delay and we know that justice delayed is justice denied. The testimony from our hearings is clear that there has been denial after denial of the right to vote. I say in all sincerity this is what we believe to be the best method of protecting a citizen's right to vote. We must not wait—we must insure now that the right to vote which is guaranteed by the Constitution is fully protected and be free from discrimination based on race or color.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

The question is on the amendment offered by the gentleman from Louisiana [Mr. WILLIS].

The question was taken; and on a division (demanded by Mr. WILLIS), there were—ayes 103, noes 137.

Mr. WILLIS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WILLIS and Mr. CELLER.

The Committee again divided, and the tellers reported that there were—ayes 125, noes 176.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. WHITENER

Mr. WHITENER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITENER: Page 38, line 13, strike out all the language beginning with line 13 on page 38 through line 24 on page 40, and renumber subsection (8) by designating the same as subsection (a).

Mr. WHITENER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WHITENER. Mr. Chairman, the amendment which I have offered is quite clear, I believe, when one refers to the bill.

Briefly stated, it would have as its purpose striking all of the language which would bring about a Federal intervention into the determination of the qualification of voters in Federal or State or local elections. Let me say at the outset I would certainly not want to be interpreted as advocating that any qualified voter anywhere be denied the right to vote. As a matter of fact, there are very few people in this Chamber who would not battle to preserve to any qualified citizen the right to cast his vote in an election—State, Federal, or local. But there are also some of us who believe that the authors of the Constitution, which I hold in my hand, had some pretty good ideas, and that until there is a constitutional amendment adopted by the people of this country we cannot change the basic law by enacting legislation of this sort.

I know that the argument has been made that under the 14th and 15th amendments the Federal Government has some proper area in determining the qualifications of people to vote in elections. I would point out to the Members of the House that the 14th amendment was declared to have been ratified on July 28, 1868, and many years later the 17th amendment was presented to the people of the United States and was declared to have been ratified on May 31, 1913. The 17th amendment provided for the direct election of Members of the U.S. Senate, and we find this language in that amendment:

> The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislatures.

This is language similar to that which appears in article I, section II, with reference to the election of Members of the House of Representatives. It is the latest utterance of the people on this matter of qualification of voters, which is an utterance many years after the adoption of the 14th amendment, and preserves the proposition that the determination of qualification of electors shall remain in the States.

Is there any Member of this House, lawyer or layman, who would contend that the Congress of the United States has the right to determine the qualifications requisite for electors of the most numerous branch of the State legislatures? Would you say that we here today could change the law of the State of North Carolina or of New York or Alabama with reference to the qualifications of persons who vote to determine who shall sit in those general assemblies or State legislatures? I think this is the issue with which we are confronted.

I realize that there will be other amendments offered to this same area of the bill, but it seems to me that any amendment short of striking down any attempt on the part of the Federal Government to interfere in an area which the Constitution preserves to the States of the Union would fail to do the job which should be done.

I can talk about the literacy tests. The literacy test is nothing other than the creation of qualifications of an elector or the determination of whether they have the qualifications, by Federal agencies. We could talk about sixth grade provisions, we could talk about the giving of an examination and how it should be done, but that does not get to the constitutional problem that confronts all of us who serve in this body, and I know all of us want to do that which is constitutional.

There has been something said here by the other speakers about the provision in the bill which in effect would say that even though we have these literacy tests the Federal statute would say you have to preserve the tests, you have to tell everybody what is in it, you have to give everybody the same kind of test. I say to you, you could probably take one of these talking birds, a parrot or something, and drill him long enough and he can parrot off answers to questions.

I happened yesterday to be in the home of a friend of mine when a little dog ran in. The lady of the house said, "Get out of here, boy." And then a little bird talking in the room said, "Get out of here, boy."

That is the sort of test that you are going to prescribe for voters in State and Federal elections, if you adopt this bill.

Now do not be misled by any argument that may be made that this merely applies to Federal elections. It applies equally to other elections. If you will read the language of this statute, and look at the report, you will find that there are very few States in this Union that have separate elections for State officials and Federal officials. The overwhelming majority of the States have the elections simultaneously. I know we do in my State and in my neighboring States. So we are not talking here just about Federal intervention and Federal determination of the qualification of voters in Federal elections. It brings about Federal regulation of local elections as well.

I say to you, my friends, that the whole approach is wrong. In saying this, I want to again make it abundantly clear that I think every State in this Union should take such action as is necessary to see that any person depriving a qualified voter from voting is punished. And I am not here advocating that we should in any way do anything which would be construed as saying that we believe qualified voters of whatever race, religion, or national origin should have that right in any way infringed upon. Of course, they should be permitted to vote. I believe, however, that you who have studied this bill and you who heard the testimony of the Attorney General in executive session, and you who have read the brief of the Department of Justice will agree that we are in constitutional quicksand if we enact into law this legislation. If the Court that sits across the street will pay some attention to the purpose and intention of those who gave us this great political document which we call the Constitution of the United States, these provisions would be ruled unconstitutional if brought before the Court.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. I am glad to yield to the majority leader, the gentleman from Oklahoma.

Mr. ALBERT. It seems to me that this section of the bill, and the gentleman of course has studied this bill as much as any Member, goes beyond the mere question of setting qualifications. It goes to the point of preventing discrimination as to qualifications and is basically procedural. If this provision is stricken out by the gentleman's amendment, it would make it impossible to do what the gentleman says he would like to do, and that is to see to it that every qualified voter has the right to vote.

Mr. WHITENER. I think the gentleman did not correctly understand what I said. I said, I feel if we, as Members of Congress, try to usurp that constitutional function of the States of the Union, we will not be serving our people well and as we should serve them because the qualification of electors in Federal elections shall be, as the Constitution says, the same as for the most numerous body of the State legislatures. That is the very point I am getting at. I do not think we can nit pick and play around with this thing. By our vote here today, we must take a stand for the Constitution or against the Constitution. If we are going to say that when the 17th amendment was adopted in 1913 that the people of this country did not mean what they said, then we will vote against this amendment. But if we believe in constitutional government, then we will vote for the amendment.

Mr. ROGERS of Colorado. Mr. Chairman, I rise in opposition to the amendment.

Mr. ROGERS of Colorado. Mr. Chairman, I ask unanimous consent to proceed for an additional 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ROGERS of Colorado. Mr. Chairman, the amendment offered by the gentleman from North Carolina relates to the first portion of title I and attempts to destroy the entire bill. The gentleman from Louisiana offered a motion to strike the last portion. That was unsuccessful. Now the gentleman from North Carolina has moved to strike the remainder of the section, on the theory, as he advocates, that it deals with States rights, that the Federal Government is trying to say who shall be entitled to vote in State elections.

The gentleman from Virginia [Mr. SMITH] made some reference to testimony I gave before the Rules Committee. If Members are interested, I suggest that they read the hearings held on January 21 before the Rules Committee, pages 309 to 349, where all those matters were fully discussed.

I direct attention of the Members to page 33 of the report which has been filed by the Committee on the Judiciary. There they will find the information required under the Ramseyer rule, as it relates to the amendments in the bill. Particularly I direct attention to the first part thereof, which in effect says that all citizens are entitled to vote in all elections. This is a constitutional right.

That has been a statute of the United States since 1870. It means that any individual who believes his rights as a citizen have been taken away from him—that is, that he has been denied his right to vote—may go into Federal court and institute an action and, if he proves he is qualified under the State law, can vote.

In 1957, in order to make sure that we were not transgressing upon any rights of the States as they relate to voting, we added an amendment to this section limited to those elections in which were for President, Vice President, Senators, or Representatives in Congress. We made it unlawful for anyone to threaten or to intimidate a voter who was to vote for persons seeking those offices. At the same time we gave to the Attorney General the right to be the lawyer for every individual who believed that his rights were being taken away from him. That is what we did in 1957.

In 1960 we went one step further. We said then that when the Attorney General instituted an action under these provisions and proved that a pattern or practice existed then the Federal court could appoint voting referees. We provided for authority then, to determine whether or not a person had been discriminated against because of race, color, or creed, and provided that if the person met the qualifications for voting, the court could direct that the voting referee register him. That was to be a registration for all purposes.

The gentleman from North Carolina emphasized certain sections of the Constitution. He made reference to article I, section 2, and the 17th amendment to the Constitution. Those provide that the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

That was adopted at the time we first adopted the Constitution. At the same time section 4 thereof provides that the time, place, and manner of holding election for Senators and Representatives shall be prescribed in each State by the legislature thereof, but the Congress may at any time thereon make or alter such regulation except as to the place of choosing Senators. That was prior to the time we elected U.S. Senators by popular vote.

We are not, under these proposals or under this legislation, trying to bring into force and effect this particular section of the Constitution, which we have a right to do. We say that under this proposal we are not in the first instance setting up any standards, nor are we requiring any literacy tests.

May I point out specifically, if you will direct your attention to the first part of this section, it says:

> No person acting under color of law.

Now, what does that mean? That means that the registrars of the respective voting precincts throughout the United States, when acting under color of law, shall not apply a different or separate standard under the State law to a person who wants the right to vote. In other words, the State is not obligated to declare any standard. All we say in this title is that if you do declare a standard, then you shall apply that standard equally.

Now, the next section under this title is subsection (B). That says:

> Deny the right of any individual to vote in any Federal election because of an error or omission of such individuals on any record or paper relating to any application, registration, payment of poll tax—

And so forth, as a requisite to voting. What that means is the registrar shall not discriminate against individuals or hold up his right to vote simply because he may have made an immaterial error in giving the information to the registrar.

Now, the next point in section (C) which says:

> Employ any literacy test as a qualification for voting in any Federal election.

Now, it does not require any State to have a literacy test, but it does say, if you do have one, then if a person who presents himself to register asks for it, he be permitted to answer the questions in writing. Why is that? Because you want to make sure, if the examination is given to him, then there is proof positive of whether or not he meets the qualifications as may be prescribed.

Now, a great deal has been said about Federal elections as they are outlined in (A), (B), and (C), which I have now discussed. May I point out to you that Federal elections as defined here can be determined by turning to page 34 of the report.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. ROGERS] has expired.

(By unanimous consent (at the request of Mr. RODINO) Mr. ROGERS of Colorado was given permission to proceed for 5 additional minutes.)

Mr. ROGERS of Colorado. I refer you to page 34 of the report, at the bottom of that page, where it says:

> (f) When used in subsections (a) or (c) of this section, the words "Federal election" shall mean any general, special, or primary election held solely or in part for the purpose of electing or selecting any candidate for the office of President, Vice President, presidential elector, Member of the Senate, or Member of the House of Representatives.

"Solely or in part" actually came to us out of the Civil Rights Act of 1957 where those words are used. In this legislation we do not in any manner whatsoever change any State law. The only thing we say is that if you have a standard, if you have a literacy test you shall apply it fairly so that in the future the judge will have evidence on which to proceed. It is a procedural matter and nothing more.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Arkansas.

Mr. HARRIS. Mr. Chairman, I thank the gentleman for yielding. The gentleman has endeavored to explain the provisions of subsection (a), and I must say there is something to what the gentleman says with reference to the constitutionality of it. Subparagraph (B) has to do with error or omission. It has to do with the error or omission that is not material in determining whether such individual is qualified. Who is going to decide whether or not it is material?

Mr. ROGERS of Colorado. Let us say as an example there is a lawsuit filed, and it is said, "He denied me the right to vote because when he asked me where I lived I said 1854 West 10th Street, and it turned out I lived at 1809 West 10th Street."

Mr. HARRIS. That is what the gentleman says, but that is not what the language says.

Mr. ROGERS of Colorado. I beg the gentleman's pardon. It says not material in determining whether such individual is qualified.

In other words, if you ask a picayune question or use some kind of an excuse that is not material to determine whether or not he is qualified to vote, that is an immaterial question and hence the judge is authorized to say, "Now, Mr. Registrar, you have not the right to disqualify this man on that alone."

Then, in addition to that, if the gentleman is interested, there are at least two cases, one in Alabama and the other in the State of Georgia, where the Federal court has gone into this in explicit detail and showed instances where registrars have violated their duties and responsibilities under the law.

Mr. HARRIS. On this question we had in my own district in my State in the past a rather serious contest on elections and particularly I have in mind a primary election. The contest went on for many, many weeks. As a matter of fact, after about 2 years had expired then the courts held that there was a difference of 13 votes.

It was determined on the basis of whether or not hundreds and hundreds of people had obtained a poll tax, which was a requirement of voting, and when they had obtained it, the date they had obtained it, many of these what we call under this admissions to qualify with what the State law says.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

(By unanimous consent (at the request of Mr. HARRIS) Mr. ROGERS of Colorado was allowed to proceed for 3 additional minutes.)

Mr. HARRIS. They may be considered not material insofar as this language is concerned, but the outcome of that election may be extremely material. How are you going to expect a court to interpret this when the judge is faced with a decision whether or not it is material? If that is not a part of the qualifications of voters, I do not know what would be.

Mr. ROGERS of Colorado. Certainly the question of whether it is material or immaterial becomes a matter for the judge himself to determine whenever the lawsuit is filed.

Mr. HARRIS. There is the real question.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from New Jersey.

Mr. RODINO. In the final analysis is it not the State authorities who determine whether or not the fact is material or not material? Then when that question goes to suit there is an issue and a decision as to whether or not it is material.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Arkansas.

Mr. HARRIS. I know there are some great legal minds who have been discussing this, but I do not think anybody could read this language, if they know anything at all about the Constitution, and put that construction on it.

Mr. ROGERS of Colorado. I beg the gentleman's pardon. To begin with, under the sections of the Constitution I read a moment ago the Congress of the United States has explicit power, as it relates to the election of Federal officers, to prescribe the "times, places, and manner." There is no question about that under article I, section 4.

Mr. HARRIS. I am not arguing that.

Mr. ROGERS of Colorado. Then it is not fair to say that this legislation is not based upon the Constitution because, first of all, it is a violation of the 14th amendment if you do not apply equal protection of the laws. In the second place, under the 15th amendment we can pass legislation so that a colored man would be entitled to vote without being subjected to discrimination.

Mr. HARRIS. Let us forget about the white man, the black man, or the red man. Let us stick with the facts.

Mr. ROGERS of Colorado. The issue is whether or not a man is qualified to vote under State law. We have the right to do this under the 15th amendment to the Constitution of the United States. In addition to that, the gentleman might be interested to know that the Supreme Court here in the Rains case held the 1957 act constitutional. There is no question about its constitutionality. There is no question but what the Congress has a right to insure equal protection of the laws under the 14th amendment. So any time you say it is not constitutional, it is supported by the Constitution.

Mr. HARRIS. Mr. Chairman, I am unalterably opposed to this admittedly far-reaching, special privilege bill.

As I read the reports of the majority of the Committee on the Judiciary, it is quite clear that this bill, if approved by the Congress as reported, is intended to have far-reaching effect.

> A key purpose of the bill—

Says the report—

> is to secure to all Americans the equal protection of the laws of the United States and of the several States.

It does not say equal protection of the laws as provided by the Constitution, implemented and supplemented by amendments thereto. It says the key purpose is equal protection as defined and interpreted by the majority members of the Judiciary Committee or I might say, parenthetically, by someone who drafted this and handed it to them. In my judgment, this is dangerous and contrary to the basic concepts of our democratic form of government and the true meaning of freedom and equality of opportunities.

In the second place, it is admitted to be special legislation because the reports make it abundantly clear that it is intended to be applicable in its favorable application to one minority group, and that is the Negroes.

Let me make it perfectly clear that I support wholeheartedly any efforts for strengthening the right or privilege of any citizen of this country, if otherwise qualified, to exercise the franchise at any election and vote according to the dictates of his own conscience. I have observed and participated in the elections of my State of Arkansas for more than 40 years. When I was a small lad, I personally observed Negroes voting in the school election, as well as in county and State elections. Since the 19th amendment to the Constitution, every citizen, white or black, man or woman, can and has been voting in my State if they so desire and we have not had to rape the Constitution to bring it about.

In its present form, the bill is dangerous in that all it purports is to guarantee privileges to a certain special group. It would transgress the rights, the freedom, the protection, equality of treatment, justice, and opportunity, as provided and intended by the Constitution.

It is a dangerous concept, Mr. Speaker, in that it stomps in the mire the carefully planned and resolved form of government which our forefathers considered the best method of bringing about the long-sought ideals of freedom, equality, justice, and opportunity.

They had suffered tyranny in their efforts to reach these ideals and to strengthen the dignity of mankind. They had this experience in mind, and let me say to you, Mr. Speaker, in all frankness, we do not know what it means when a tyrannical government can trod on the consciences and the lives of men. They did.

In view of their experiences, a new nation was born—a new concept was designed, and a great nation was organized. Shall we destroy it? Not I, Mr. Speaker.

The Constitution was carefully, patiently, and tediously written and agreed to. We had better ponder well before we change it so drastically as this bill would.

Not even those following the Civil War and during the era of Reconstruction ever proposed to change the original concept of our constitutional Government by amendment, as this bill before us would do by congressional fiat.

> Government is not reason—

Said the father of our country, George Washington—

> it is not eloquence—it is force. Like fire, it is a dangerous and fearful master.

He uttered these prophetic words in a climate of political revolution. So there were theories, honest theories, inspired in the hearts of early Americans by their treatment at the hands of a tyrannical government.

It was their intuitive suspicions toward the very government they were bringing into being that motivated the Bill of Rights which has made this country the land of free men.

You may say "Be more specific." Well, let me be more specific.

I do not question the motivation and the sincerity of my colleagues who are supporting this drastic proposal in the name of civil rights. I do not impugn any motives of the sponsors. Granting that the intention to do something for a special group may be laudable, I seriously question the method because, Mr. Speaker, if this bill as is now proposed becomes law, it will:

First, federalize the elections throughout the Nation; second, federalize education of our children; third, federalize the employment responsibilities of private business enterprise throughout this country; fourth, federalize our public service institutions; and fifth, it not only goes the rest of the way and federalizes the business community of this Nation, but even it purports to federalize the social lives of our people.

Though this bill specifically provides that these principles shall become a part of our national life, it admits that it is no panacea for those ideals hoped for. The proponents admit that it will not end racial turmoil. It is admitted that no legislation could do this.

But in an effort to do something for this pressure group and that pressure group, we are willing to change our concept completely and ignore the spirit and the letter of certain constitutional provisions that have given us strength and stamina.

And how would they bring it about?

By giving the Attorney General of the United States unlimited authority and, yes, direction as a one-man dictator to enforce upon our people what the proponents say cannot be done, and with which I thoroughly agree. He would be the most powerful one man in the United States, even more than the President himself, so long as he was Attorney General, and you would give him power to back up his one-man operations.

We have felt the sting of the power of an Attorney General in our State without this congressional direction.

We believe in the government laws and not of man. When one man gets such power over the lives of our people, we have a government of man and no longer a government of law.

I am amazed that some who seem to me so determined to reach certain ideals which cannot be attained or submit to organized pressures for political purposes would be led down the blind alley as we are witnessing here and now—1964.

Why, I have heard on this floor from Member after Member from both sides of the aisle that we are a nation conceived in the firm belief in action by the will of the majority of its citizens.

Oh yes, it may be acceptable or all right today. It may be popular in the emotional turmoil and as lobbied by powerful organizations, particularly the news media of this country. But what about tomorrow? In the lust for power inherent in man, there is real threat of tyranny by the minority.

What about the incident in the streets of Chicago a few days ago? Communist-led demonstration by welfare recipients hurled bitter invective at the city and welfare agency which has provided more generously for the underprivileged of Chicago than most cities of this country.

If we are going to do anything, Mr. Chairman, let us develop a bill that at least will bear some resemblance to the principles on which this country was founded.

Let me point out more specifically some of the objectionable aspects of this bill, beginning with title I, voting rights.

First. Denial of the rights of States to determine the qualifications of voters in all Federal elections and in most State elections.

Let us begin with the proposition that Congress has no power other than the powers delegated to it by the U.S. Constitution. Then let us examine the Constitution. Article 1, section 2, provides that the U.S. House of Representatives—amendment 17 makes same provision for the Senate—shall be composed of Members chosen every second year by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

Article 1, section 4, states that—

> The time, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations; except as to the places of choosing Senators.

Article 2, section 1, provides that—

> Each State shall appoint in such manner as the legislature thereof may direct, a number of electors equal to the whole number of Senators and Representatives to which the State may be entitled in the Congress.

Note that the Congress has authority only to regulate the time, places, and manner of holding elections of Senators and Representatives. In every instance, both in Federal and State elections, only the State has authority to determine the qualification of electors.

Section 101(a)(A) of H.R. 7152 is the only section which purports to deal with voter discrimination, and I submit that this paragraph is not necessary because amendments 14 and 15 of the Constitution adequately safeguard the voting rights of all citizens. If these constitutional provisions are enforced, as they certainly should be, and are in my State, section 101(a)(A) is not needed. At any rate, enforcement is not a problem which can be solved in Congress. This is a problem for courts and law enforcement agencies.

The remaining sections of title I deal not with discrimination but with voter qualification.

Section 101(a)(B) provides that individuals cannot be denied the right to vote in Federal elections because of an error or omission in the registration record. This is clearly a limitation of the States authority to establish voter qualifications. This authority is further restricted by section 101(a)(C), which limits the States power to employ a literacy test fixing the qualifications for voting.

Section 101(b) goes even further in that it establishes a "presumption that any person who has not been adjudged an incompetent and who has completed the sixth grade * * * possesses sufficient literacy, comprehension, and intelligence to vote in any Federal election." This in fact establishes a Federal literacy test as a qualification for voting in Federal elections. Nowhere in the U.S. Constitution is Congress empowered to do this.

Section 101(c) defines Federal election as "any general, special, or primary election held solely or in part for the purpose of electing or selecting a candidate for the President, Vice President, elected Members of the Senate, and Members of the House of Representatives."

Most States combine their State elections and Federal election into one general election. Therefore, this bill will either force the States to establish a cumbersome, expensive, dual election system or it will place the Federal Government in the ridiculous position of prescribing qualifications for electors in State elections. Neither of these results is desirable.

In other words, Mr. Chairman, this cleverly designed approach, such as special or primary elections "held solely or in part," cannot purport to do anything else except for the Federal Government to control the political elections of this Nation, whether it is for President, Governor, school board director, or justice of the peace. It would be applicable up and down the line, from the highest to the most humble elective position.

And I again remind you that it gives the Attorney General authority to back it up.

Mr. MEADER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I listened to the discussion by the author of this amendment raising the question of the constitutionality of the provisions which he would strike from the bill. I discussed this matter in testimony before the Rules Committee, in part II of their hearings, which was available for the first time today, commencing at the bottom of page 351 and going down two-thirds of the following page.

There is no question of the right of the States under article I, section II, and the 17th amendment to establish by law the qualifications of electors for their State legislatures, which automatically are the qualifications for electors for Members of the House of Representatives and the U.S. Senate.

He did not mention that there are two limitations, however, upon that power of the States, namely, the limitation of the 15th amendment and the limitation of the 19th amendment. The States may not set qualifications of sex as electors for the State legislature nor may they set the qualifications of race, color, or previous condition of servitude. They are prohibited from doing that. It is a limitation upon the State power to determine qualifications for electors.

In addition, both of those amendments limiting the power of the States to establish qualifications for electors specifically authorize the Congress to pass appropriate legislation to carry out the provisions of the 15th and the 19th amendments. The provisions which the gentleman from North Carolina would like to strike on the ground of constitutionality are an exercise of that power vested in the Congress. These provisions are not qualifications. These provisions do not tell the State legislature, "You set such and such a qualification." These are simply limitations upon the administration of State laws. The registrars who do the registering are State agents exercising State authority, and they come within the prohibitions of the 15th and 19th amendments saying, "No State shall."

The reason for the provision is that notwithstanding the qualification set forth in the State statute, in administering State law, officials shall make no distinction on the grounds of race, color, or previous condition of servitude. State registrars exercising State authority have ingenious methods of administering State registration and election law unequally, and the provisions would prohibit some, at least, of those administrative methods and relate only to procedural matters. This is a case for the Congress to deal with. I think it would go farther than we have been able to go in the past in assuring the right of all to vote as guaranteed by the Constitution.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from North Carolina.

Mr. WHITENER. Does the gentleman take the position that because of the 14th, 15th, and 19th amendments the Federal Government has authority to regulate the election of Federal officials in the several States?

Mr. MEADER. If the gentleman means the kind of regulations which are provided in this section, the language he would strike, my answer is "Yes."

Mr. WHITENER. I notice that the Department of Justice attorneys in their brief, on page 5, interpret this legislation as legislation to regulate Federal elections, and point out that typically there is but a single registration procedure for both Federal and State elections. Ipso facto, they would say, by this device they are going to regulate State and Federal elections.

Mr. MEADER. I was present in the Rules Committee when the gentleman made what I thought was a very effective job of attacking the Department of Justice memorandum. I had no part in the preparation of that brief or commentary on this bill and do not intend now to take any responsibility for it.

Mr. WHITENER. Let me make this abundantly clear, that I did not attack this brief in the Rules Committee. I do not attack it now because, as I said in the Committee on Rules, it was apparently written by conscientious lawyers in the Department of Justice, who, even though they were thinking contrary to my thinking, were sufficiently fair lawyers not to try to delude anyone—or else they were the biggest bunch of con men ever in Washington. That is what I said about them. I am pleased to have their brief and think it is one that all of us should read carefully.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CELLER. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

Mr. Chairman, I have looked at the proposed amendment of the gentleman from North Carolina, for whom we all have very high regard. I believe he is in error on this matter that he would strike out, which might be in common parlance called the very guts of title I. There would be practically nothing of any real consequence left except the provision for the three judge court.

We provide in title I that if there are any standards or criteria laid down by the States with reference to qualifications for voters that those standards shall be applied equally to all; they shall not be applied in a manner that would bear heavily against one race and lightly against another race; that there shall be no discrimination in the carrying out of those provisions as a condition precedent to obtaining qualification for voting.

It seems anomalous that we would strike out that which would make for fair and evenhanded justice; and would continue as is the case now—utter discrimination against the people of the colored race who are seeking or who are attempting to put their names on the enrollment blanks.

There is ample evidence by the Civil Rights Commission and evidenced adduced by the Department of Justice of rank discrimination. Let me give you one illustration. And I could give you a great many.

I am reading now from the volume entitled "Voting, U.S. Commissioner on Civil Rights, 1961, Report"—page 54:

> A young Negro veteran was in the Jackson Parish registrar's office. It was his first effort to register to vote. He completed his application card and handed it to the registrar. She examined the card and exclaimed, "No, no, I see one mistake."
>
> She returned the card for him to examine. He took it and then double checked it. He could not see anything wrong. He told the registrar he saw no mistake and returned the card to her. "Oh, yes," she said, "but there is one."
>
> As he got up to leave, he inquired, "Mam, would you do one thing for me?"
>
> "What is that?", she said.
>
> "Will you tell me the mistake I made?"

> "Oh, sure," she said, "you underlined 'Mr.' when you should have circled it."

That I fear is typical of some of the irregularities and some of the discriminations that exist, and it is for that reason we put these provisions in that are now being sought to be striken from the bill.

We provide in title I that immaterial errors in an application shall not be deemed fatal. They have been deemed fatal by many registrars in many of the parishes and in many of the counties in our States. As a result, the citizen has been declared not qualified to vote.

Now an application form is not a test. In and of itself it is not an examination. An application blank is merely used to obtain information. It is very much like the application you sign for a driver's license. It is to obtain information, and if there are some inconsequential mistakes made in your application for the driver's license, you are not deprived of the right to have that driver's license. In certain sections of this country those minor errors are ballooned out of proportion, if a person happens to be of a certain race, and the final qualification is denied to him.

We try to prevent that kind of irregularity.

As to the literacy tests, the provisions we would apply so far as literacy tests are concerned likewise, as a result of the amendment, would go out the window.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. WHITENER. I ask the gentleman, who is my distinguished chairman, if he would not agree that under the language which we seek to strike out by my amendment the States would be denied the right to have oral or reading examinations in connection with a literacy test?

Mr. CELLER. That is correct; we do not attempt to do that. The State could set up any qualification it wished, provided that, in the implementation of it, it did not deal in discrimination.

Mr. WHITENER. Mr. Chairman, will the gentleman yield further?

Mr. CELLER. I yield.

Mr. WHITENER. Would it not also be a requisite, if the bill should become law, that the State give an identical written examination to every single applicant for registration?

Mr. CELLER. Not necessarily, because there is a provision that it may be waived. I will read the language.

> Such test is administered to each individual wholly in writing except where an individual requests and State law authorizes a test other than in writing.

That is shown on page 39, lines 11 to 14.

Mr. WHITENER. I ask the gentleman also whether, under the language the bill contains, what the Justice Department calls "standards" for testing literacy are not prescribed by Federal legislation, or proposed to be prescribed by this Federal legislation?

Mr. CELLER. No; that is not the case. We would not touch the standard or the qualifications or what have you which might be prescribed by the State. All we would do is to provide that the State could have any kind of standard it wished but could not discriminate in the implementation of its standards.

Mr. WHITENER. Does the gentleman not know that the Justice Department refers to this provision in the bill as the "standards provision"?

Mr. CELLER. I believe what is meant is a standard application.

Mr. WHITENER. But we are dealing here with language, as a legislative body, and not with application. I am sure the gentleman will agree that we are not undertaking to legislate as to application by so many words.

Mr. CELLER. I ask the gentleman to read what it states. Read subdivision (B) on page 39. The word "application" is on line 6, as is "registration."

Mr. WHITENER. Does the gentleman contend that when the language which we seek to strike refers to qualifications of voters it does not constitute Federal intervention in determining which electors shall vote for State representatives and other local officials?

Mr. CELLER. No. I would agree with the gentleman that if the language were tantamount to the Federal Government laying down what the qualifications shall be, that would be true. We would not do that. I tried to make that as clear as I could. We would not touch what States deem to be qualifications. All we say is, "Make whatever qualifications you wish, but apply the qualifications equally and evenly to the people of the colored race and the people of the white race." That is all we would do.

Mr. WHITENER. The gentleman is a fine lawyer. Does the gentleman contend that the rebuttable presumption created by this proposed language would not undertake to tell the States, "You either do what we say or else you come in and offer evidence"?

Mr. CELLER. No. I will state the reason why I say "No" with all the emphasis within me.

We very carefully used the words "rebuttable presumption." The lawyers undoubtedly know what that means.

That means if a State feels that the individual is not qualified and is not literate, after the applicant has said, "I have gone to school and completed the sixth grade"—and the bill provides that that is tantamount to a rebuttable presumption that the individual is literate—then the burden shifts.

Then the burden shifts; then the State has the duty, in order to show that the applicant is illiterate, that the sixth grade has not made him literate. But in the first instance, the minute the applicant says, "I finished sixth grade," that is sufficient, and unless the Government or the State rejects that presumption, the person shall be deemed literate. All you do here is to set forth a rule of evidence. We do not touch the qualifications one iota.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WHITENER. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. CELLER] may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WHITENER. Mr. Chairman, will the gentleman yield to me at that point?

Mr. CELLER. Yes. Certainly.

Mr. WHITENER. Now, the gentleman well knows that the reason you attempt to write into legislation these rebuttable presumption provisions, and the only reason for it, and the reason the gentleman from New York had it put in this bill was that he wanted to relieve the party that should have the burden of proof that he was literate from that duty of proof and place it on the State so that the locality, State, or community registrar would come into court as the accused, so to speak, and would have to come forward with evidence.

Mr. CELLER. No, I do not say that.

Mr. WHITENER. This is not a new device that legislators use when they feel there will be trouble proving a case.

Mr. CELLER. No, sir. This is a rule of evidence very frequently found in many, many statutes, and there was no trickery here and there was no thimble rigging here. We simply put this is as we felt it ought to be in.

Mr. WHITENER. Let me correct the gentleman. I did not mean to imply trickery, but I will say delicate craftsmanship was displayed.

Mr. CELLER. No, there was not even that, but in the normal course of events when we were fashioning this statute. Why did we put these statutes in? What were the reasons? Let me read you some of the conclusions of the Civil Rights Commission as a result of which they recommended something that would do away with the abuse in the application of the literacy test. The Commission says, and I am reading from page 84 of the report of the Civil Rights Commission, 1961:

> In administering literacy tests requiring Negroes to read aloud and to write from dictation, while not so requiring white applicants, but instead requiring white applicants only to write by copying, administering literacy tests to Negro applicants singly and apart from white applicants while administering such tests to white applicants in groups.

Mr. CELLER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Let me give you one or two more illustrations of the abuse of the applications of literacy tests.

In one county, while Negroes have been required to copy and interpret long and archaic sections of the State constitution and rejected for punctuation errors, whites have been required to copy such simple provisions as "There shall be no imprisonment for debt." A white applicant who was registered interpreted this provision as follows:

> I think that a Negro Should Have 8 years in college B fore voting Because he dont under Stand.

And if I may just tell a facetious story: A Negro was handed a very abstruse provision of a particular State's constitution and the registrar asked him, "Do you know what this means?" He thought a moment and he said, "Yes, I know what this means. It means that this Negro cannot vote."

In another county, while Negroes were rejected for miniscule errors, a white man was registered despite his answer to a question inquiring what he thought the duties and obligations of citizenship were, which was:

> My obligation having kissed the glass over the Constitution of the USA and the State of Georgia.

The applicant was registering in Alabama.

In another parish the following answer was accepted by a registrar from a white applicant to a request that he interpret a provision of the State constitution. This was his answer through the spelling "frdum." I suppose that means freedom. "foof"—that is probably "from." The third word was "spetgh." I suppose that meant "speech."

That applicant was qualified in that parish.

An applicant in a parish was registered despite what the three-judge district court described as "the all-time all-nation nadir of constitutional interpretation," that is, that "the answer card was blank except for the the applicant's signature and address." *United States* v. *Louisiana,* C.A. 2548 (E.D. Louisiana 1963, Slip Opinion, p. 36).

In all of these cases obviously well-qualified Negro applicants were rejected while the registrars were accepting the white applications.

We cannot let this situation go on. It sticks up like a sore thumb. Something must be done about it. It affects the whole Nation; not only the people of the State where these abuses occur. It affects the ladies and gentlemen of this House no matter where they may reside. It affects the whole Nation. We cannot let this blot on our escutcheon remain. Therefore I do, indeed, hope that we will reject the amendment offered by the distinguished gentleman from North Carolina.

Mr. MACGREGOR. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the author of this amendment has suggested that, while title I is limited in terms to Federal elections, its effect would be to regulate State elections as well, because in almost all our States both State and Federal elections are typically held on the same day and on the same ballot, and the same qualifications to vote apply to both.

Title I is directed primarily at discriminatory practices applied in the process of registering voters. It requires the application of uniform practices in determining whether an individual is qualified to vote and forbids the disqualification of an individual for immaterial errors or omissions. It also requires that if a literary test is employed, it be in writing and certain procedures be complied with. Finally, it creates a rebuttable presumption, applicable in any Federal court proceeding where literacy is a relevant fact, that a person who has completed the sixth grade is literate; that is to say, it shifts the burden of proof on this question to the State.

All these provisions are applicable only to registration and voting in Federal elections. If a State wishes to follow other procedures with respect to State elections, title I would not prevent this so long as there was no prohibited interference with the right to vote for Federal officials. Thus, the State could set up separate registration procedures for State and Federal elections.

It has been further suggested that the definition in section 101(a) of "Federal election" to include "any election held solely or in part for the purpose of electing any candidate for Federal office" means that the provisions of title I necessarily apply to any State elections held contemporaneously with a Federal election. This is not true. If a State maintains separate registration lists and separate ballots for State and Federal elections, the provisions of title I here under consideration would apply only to the Federal elections, notwithstanding that both elections were held on the same day or in the same place. The purpose of title I is simply to assure that no one is arbitrarily deprived of his right to vote in Federal elections.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. MACGREGOR. I yield to the gentleman from New York.

Mr. CELLER. Is it not true that in the State of Virginia, which State anticipated the passage of the poll tax, set up different qualifications for voting in State elections than in Federal elections? They provided there should be the same qualifications through the payment of a poll tax when it came to Federal elections. There is nothing in this act to prevent the State from setting up separate conditions apart from the provisions of this statute when it concerns the State elections.

Mr. MACGREGOR. I agree with the gentleman.

Of course, the provisions of the 14th and 15th amendments and section 1971 of title 42 of United States Code which presently apply to prohibit discrimination and arbitrary, unequal procedures with respect to registration and voting in all elections, including State elections, will continue to be applicable. It may be, therefore, that if a State continues to disqualify voters in State elections through the application of unequal standards or other discriminatory devices, it will run afoul of these other constitutional and statutory prohibitions. But surely there can be no just complaint against being required to comply with the terms of the Constitution.

It could be that title I will result in allowing some persons to vote in Federal elections who, nonetheless, continue to be denied the right to vote in State elections. But if this occurs, it will be because the State still denies them the right to vote in State elections. Title I creates no discrimination; it seeks to end it. Title I merely requires that as to Federal elections the qualifications established by the State must be applied with an even hand and nondiscriminatorily. Title I does not establish voting qualifications. If prohibition of discriminatory devices by title I results in more people being permitted to vote in Federal elections, so much the better; that is what is intended. Continued discrimination in State elections is to be laid at the door of the States, not the provisions of title I.

If this amendment passes, and the words "solely or in part" are lost, it will provide every State with a mechanism for evasion which will render nugatory the very heart of the voting provision of this civil rights bill.

Mr. WAGGONNER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in view of what has been said heretofore on this section today it may come as a surprise to some of you to know that in the State of Louisiana, which I am privileged to represent, many Negroes are registered to vote. The registration books were closed for our Governor's election a few days ago, and I should like to say there were 160,533 Negroes registered to vote in the State of Louisiana. Some of you will say, "I did not know that."

It may come as a surprise to some of you to know that the district I represent in Congress has more Negroes registered to vote than the combined Negro population of 11 States in these United States.

It may come as a surprise to some of you to know that the district I represent in this U.S. Congress has more Negroes registered to vote than the combined Negro population of five States in these United States. So I wondered as I listened to all of this chitter-chatter here where this discrimination is, and who is trying to cover up a sense of guilt. There is no sense of guilt on my part about Negroes being denied the right to vote in Louisiana; for indeed, there is no such denial.

Now we come to the crux of this entire section, because voting is the only real concern.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Colorado because he has been so generous to me.

Mr. ROGERS of Colorado. Is the gentleman familiar with the case of United States against State of Louisiana and others?

Mr. WAGGONNER. There are quite a few lawsuits down there. Regrettably, the Attorney General and outside groups have not seen fit to instigate this type of action in many other areas where conditions are much worse. My hope is that when this bill is enacted the provisions of this legislation and its alleged blessings will be extended to all parts of this country, and some people then may change their minds.

Mr. ROGERS of Colorado. Is the gentleman familiar with the decision in that case which shows 212,273 white people of voting age, and 107,000 colored people of voting age, and as to the registration of that group, only 25,000 of the 107,000 Negroes were registered to vote while 162,000 whites were registered to vote?

Mr. WAGGONNER. I am certainly familiar with that, and I will be the first to admit there has been discrimination in my State, as there has most certainly been discrimination of one kind or another in your State. To the end of time there will be discrimination in every State of the United States. There is no way to legislate nondiscrimination. It simply cannot be done.

Mr. ROGERS of Colorado. The gentleman would have no objection to any action taken by Congress to try to eliminate that discrimination, would he?

Mr. WAGGONNER. Yes, because I feel it is unconstitutional for the Congress to interfere in the rights of the States to prescribe their own electors. In recent months it has been reaffirmed that the States have the right to prescribe for their voters the qualifications they feel necessary. I am the first to admit that if they have the right to set the qualifications they should stand by those qualifications, and I stand on that.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from North Carolina.

Mr. WHITENER. The gentleman has elicited from the gentleman from Colorado the fact that he is battling discrimination. I understand there is an Indian amendment to be offered. Colorado has a great many of those. I was hoping Colorado would join in ending that discrimination.

Mr. ROGERS of Colorado. The only Indians I have in my district are from Brooklyn.

Mr. WHITENER. I have known the gentleman from Colorado many years and know he does not mean to say that his interest in fairplay is confined to his district.

Mr. WAGGONNER. On voter qualifications we have some other problems. It is not who are allowed to vote but in some elections it is who finally counts the votes. In some cases they have trouble counting votes. Perhaps that is where the trouble lies, not in allowing people to vote but in who counts the votes. If the Congress is going to prescribe qualifications, and evidently it is going to prescribe all qualifications, in the end you will let the Federal Government say who may run for office in the United States.

Mr. WILLIAMS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WILLIAMS. Mr. Chairman, I rise to support the amendment offered by the gentleman from North Carolina to strike the so-called literacy test provision from this bill.

It is well settled law that each State has exclusive authority to set the qualifications of its voters so long as there is no denial or abridgement on account of race, color, previous condition of servitude, or sex. Speaking in Minor against Happersett, the Supreme Court said:

> Certainly, if the courts can consider any question settled, this is one. For nearly 90 years the people have acted upon the idea that the Constitution, when it conferred citizenship, did not necessarily confer the right of suffrage. If uniform practice, long continued, can settle the construction of so important an instrument as the Constitution of the United States confessedly, most certainly it has been done here. Our province is to decide what the law is, not to declare what it should be.

Mr. Chairman, suffrage is not an absolute right. The State can prescribe its limitations, its conditions, and its standards. The only function served by the Federal Government in the matter of suffrage is purely a procedural function.

The provision in this bill which would substitute a sixth-grade education for present literacy tests is unconstitutional on its face. Moreover, it would be discriminatory in that there is no standard sixth-grade education in this country. No one would dispute the fact that there are many illiterates who were passed from grade to grade until they finally completed the sixth grade.

Before the Congress is through with this bill, I believe that Members will learn that the minority pressure groups behind it have an insatiable appetite for power which can never be satisfied. Abolishing literacy tests is only one step toward their ultimate goal of exercising political control over every aspect and level of government in this country. To achieve their goal, they need illiterate voters; they need persons willing to accept political bondage. I trust the House will reject this alien philosophy and serve notice that the privilege of voting is sacred and should be trusted only to those who intelligently exercise it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. WHITENER].

The question was taken; and on a division (demanded by Mr. WHITENER), there were—ayes 50, noes 124.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. POFF

Mr. POFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. POFF: On page 41, line 3, after "Attorney General" insert "or any defendant in the proceeding".

Mr. POFF. Mr. Chairman, I shall not consume the 5 minutes.

Mr. Chairman, this amendment addresses itself to that section of the bill that has become to be known as the three-judge court provision. As explained in connection with the Willis amendment, this language grants the Attorney General the right in his own discretion to ask for and to be awarded a different forum in the nature of a three-judge court panel. The language does not give an equivalent right to the defendant in these proceedings. The amendment that I have offered will give the defendant a right to ask for and to receive a three-judge court panel in his own discretion.

Mr. Chairman, I ask that the amendment be accepted.

Mr. FLYNT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. FLYNT. Mr. Chairman, I support the amendment offered by the gentleman from Virginia [Mr. POFF] to this section of title I.

At the time the gentleman from Virginia was recognized and offered his amendment, I was seeking recognition for the purpose of offering an amendment substantially identical to his. I gladly support his amendment.

The subject matter of this amendment is related to the amendment heretofore offered by the gentleman from Louisiana [Mr. WILLIS], for which I voted. If the amendment offered by this gentleman from Louisiana had been adopted there would be no need for this one. The rejection of the Willis amendment makes this amendment vital to the principle of fairness.

If the language on page 41 relating to the empaneling of a three-judge court shall remain in the bill, it is fair to grant to any defendant in the same procedure the right which this section confers on the Attorney General.

In the interest of fairness, which is the objective of all of us, surely the defendant or respondent in such proceeding should be accorded the same right which the petitioner or the Attorney General shall enjoy.

Under the language of the bill as written, no one can question that the Attorney General with the vast resources of the Department of Justice is granted rights and privileges in the trial of such a case which would be denied to a party or parties who are made defendants or respondents.

In such a proceeding it is possible and probable that a defendant registrar might be a small businessman or farmer or a retired person and be represented by individual counsel provided either at his own expense or by the county on whose board he may serve. Such a person, if he so desires, should be accorded the same right to file a request with the clerk of the district court for a three-judge court. He may not desire to exercise this right as the Attorney General may decline to exercise his right, but the language of the statute should subject all parties to the same legal proceeding to the same rules.

It has long been the general rule in Anglo-American jurisprudence that a party litigant shall accept the law, the forum and the judge as he finds them when the case is filed. If that principle is to be abridged to permit the practice of "shopping around" for favorable judges then all parties to the same proceeding should have the same right.

I support the amendment and I urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. POFF].

The question was taken; and on a division (demanded by Mr. CELLER) there were—ayes 100, noes 68.

Mr. CELLER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. POFF and Mr. ROGERS of Colorado.

The Committee again divided, and the tellers reported that there were—ayes 134, noes 98.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. CRAMER: On page 40, line 13, after "Territory," strike "or" and insert a comma. After "Columbia," on line 14, insert "or the Commonwealth of Cuba."

Mr. CRAMER. Mr. Chairman, I ask unanimous consent to revise my amendment so as to change the word "Cuba" to the words "Puerto Rico."

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The Clerk will report the corrected amendment.

The Clerk read as follows:

> Amendment offered by Mr. CRAMER: On page 40, line 13, after "Territory" strike "or" and insert a comma. After "Columbia" on line 14 insert "or the Commonwealth of Puerto Rico."

Mr. CRAMER. Mr. Chairman, that is a rather devious way of getting Cuba into this debate, but the intention was obviously to include the Commonwealth of Puerto Rico on page 40 relating to the literacy tests. If you will read the language presently in the bill, you will see that the Commonwealth of Puerto Rico is left out. That very simply means that the Puerto Ricans who live in this country and the Puerto Ricans who vote in this country, all of them being citizens of this country, are not permitted to have the rebuttable presumption as contained in the literacy test section and are not permitted to have the rebuttable presumption of literacy when they go through the sixth grade simply because they went through the sixth grade in Puerto Rico.

That does not make any sense whatsoever. I raised this question in the full committee as to why Puerto Ricans should not be included in a right to have the rebuttable presumption that if they went through the sixth grade in Puerto Rico they should have the right to vote in the United States the same as any other American citizen. Now, for those who really believe in civil rights for everybody, I am at a loss to know why Puerto Ricans were not included in the legislation; why Puerto Rican citizens of this country, living in this country, were not given the right to this rebuttable presumption. I am particularly concerned about it when I read this in the bill introduced by the distinguished chairman of the committee. I address myself to the chairman of the committee. The bill which he introduced, H.R. 1768, on January 14 of 1963, contains this very language:

> If such other person has not been adjudged incompetent, and has completed the sixth primary grade of any public school or private school of any State or territory, the District of Columbia, or the Commonwealth of Puerto Rico.

That is the language contained in the distinguished chairman's bill at the very outset.

I will be also equally quick to admit that the chairman in introducing a subsequent bill, H.R. 5455, on page 3, in subsection (b) of section 2 deleted "Puerto Rico." I am one who believes the Puerto Ricans in this country should have an equal right. If you are going to give it to all citizens, why discriminate against the citizens of Puerto Rico? Why should they not have the right to this rebuttal presumption, in that they have a right to vote in the United States and if they have gone through the sixth grade and as is contained here, in a school where the instruction is carried on predominantly in the English language, why should they not have the right to vote?

I address that question to the distinguished chairman.

Mr. CELLER. Mr. Chairman, I will say to the gentleman that I have no objection to the inclusion of the words of his amendment. It was my understanding that even without those words title I would have the same effect; that the people of Puerto Rico domiciled in this country would be treated like everybody else. I have no objection.

Mr. CRAMER. I thank the gentleman.

Mr. HUTCHINSON. Mr. Chairman, will the gentleman yield for a question?

Mr. CRAMER. I yield.

Mr. HUTCHINSON. In Puerto Rico is instruction predominantly carried on in the English language in the schools?

Mr. CRAMER. I will say to the gentleman that I am considering a subsequent amendment which may take care of that situation although it is a tough question and rightly raised by the gentleman. I have objected to the "de-Americanization" of the U.S. schools in Puerto Rico.

Mr. HUTCHINSON. I thank the gentleman.

Mr. GILBERT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILBERT. Mr. Chairman, I am very happy to support and vote in favor of the amendment to title I on "Voting," which would specifically grant the rights and protection provided by title I to Puerto Rican people. It is most important that the rebuttable presumption in voting cases, that an individual who has completed the sixth grade possesses sufficient literacy to vote in Federal elections, apply to Puerto Ricans.

I have many Puerto Ricans in my congressional district and have always had their best interests at heart. I have lost no opportunity to assist them in every way possible.

At the time the civil rights bill was being considered by our Committee on the Judiciary, I offered an amendment to assure that they would be permitted to vote if they had completed 6 years of schooling, but it was not accepted by the committee, much to my regret. However, I am pleased that the amendment has now been accepted by the House so that Puerto Ricans may be assured of their voting rights.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I do not intend to use 5 minutes, but I should like to comment on what I suppose may be called a Freudian slip of the gentleman from Florida in substituting the name "Cuba" for that of "Puerto Rico."

I recall a statement that was made to me by a distinguished former U.S. Ambassador to Cuba who said that we missed the boat when we backed out of our responsibilities to Cuba, that we should have been heading in the direction of statehood for Cuba. I regret that it was not in order that this particular amendment could be offered with respect to Cuba. If we had followed through on the job that we ought to have done in Cuba we would be having either the equivalent there of the Philippines or the equivalent of Puerto Rico or the equivalent of Hawaii and we would not have the disgraceful and shameful situation we tolerate down there now.

The CHAIRMAN. Without objection, the amendment of the gentleman from Florida [Mr. CRAMER] is agreed to.

There was no objection.

AMENDMENT OFFERED BY MR. SMITH OF VIRGINIA

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. SMITH of Virginia: On page 40, line 21, strike out the following words: "or in part".

Mr. SMITH of Virginia. Mr. Chairman, I will read you the part of the section that contains this amendment so that you will understand what I am driving at:

> When used in subsections (a) or (c) of this section, the words "federal election" shall mean any general, special or primary election held solely or in part for the purpose of electing or selecting any candidate for the office of President and Vice President, presidential elector, Member of the Senate, or Member of the House of Representatives.

All the way through this bill, from cover to cover, you refer to Federal elections, and we are told that all that is intended is that it shall cover Federal elections. It is not intended, I am told by the advocates of the bill, to cover our State elections. But when you put in the words "wholly or in part" for the election of Federal officers, then you include every State in the Union that holds its State elections at the same time that it holds its Federal elections.

I am told there are 40-some States that hold their elections for Governor and everything down to the justice of the peace at the same time that they hold their Federal elections for the election of Congressmen, Senators, and President. It was never intended that we should combine the two, it was never intended that should be in this act.

For that reason I have offered an amendment to strike out the words "or in part." It will then apply, as it was proposed to apply, to Federal elections wholly and solely.

You have the votes here in the House, but if you want to include State elections, if you want to go back home and tell your people that you have included the election of mayors, and so forth, under Federal law, and the Federal Government is going to take them over, all right, but do it honestly and aboveboard and say it shall apply to all elections. You have the right to do it—not the right, but you have the votes to do it—and that is what counts in this man's body.

Let us be fair about it, and let us not try to fool anybody because you are not going to fool anybody.

If you mean Federal elections, say Federal elections. If you mean all elections, say all elections. So I offer this amendment with the hope you will strike out these words and leave it confined solely to Federal elections, what the bill all the way through says it does.

Mr. McCULLOCH. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the amendment offered by the gentleman from Virginia aims at the very heart of the effectiveness of this title of the bill. If the amendment is agreed to, the whole title might just as well be stricken.

The gentleman from Virginia is a shrewd, capable, persuasive lawyer. Before the Rules Committee when I was testifying on this section he referred to the words in question as a booby trap. It is not a booby trap. In fact, he has just told you it is not a booby trap. If it should be a booby trap it has the brightest warning pan that any booby trap ever had.

If there be an election in whole or in part for any Federal official, this act is effective. If you strike out "in part", then even if a township constable were on the ballot with the President, Vice President, or any Federal official, it will not be effective.

Mr. Chairman, instead of the phrase being a booby trap it is a possible loophole for the States that choose to practice discrimination in their State elections. If they do not want this bill when it finally becomes law to apply to their State elections, they may do the very simple thing of scheduling their State elections the next day or the next year.

Mr. Chairman, this amendment must be defeated if this title is to be effective.

Mr. MacGREGOR. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Minnesota.

Mr. MacGREGOR. Will the distinguished ranking minority member of the committee agree that if this amendment carries it not only renders nugatory the whole purpose of title I but it provides a mechanism for evasion by which any State could, as the gentleman has indicated, couple as much as one local or State officer with any Federal election, thus knocking out what we are seeking to accomplish here with reference to discrimination in Federal elections?

Mr. McCULLOCH. The question is clear and penetrating. The answer is unequivocally, "Yes."

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield.

Mr. SMITH of Virginia. Does the gentleman mean to say, then, that he intends to include State elections with Federal elections?

Mr. McCULLOCH. We did not intend to include State elections in any manner. We have given the States this loophole. I repeat, if you do not want to have your State election covered, if you want to discriminate against people by reason of race, color, religion, or national origin, let the world know it. Have your elections the next day or the next year.

Mr. SMITH of Virginia. Some of us have been suspicious of you Yankees for some time, and we anticipated what you intended to do. If you want to do that, why do you not say so?

Mr. McCULLOCH. If you do not want your State election covered by this provision, then hold it the next day. While you have described this provision as a boobytrap; it is not a boobytrap, it is a loophole for you.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Michigan.

Mr. JOHANSEN. I should like to clear up one question here. The 15th amendment to the Constitution says the right of citizens of the United States to vote shall not be denied or abridged by the United States or any State on account of race, color, or previous condition of servitude. Does that prohibition apply to State and local elections or just Federal elections?

Mr. McCULLOCH. It applies to State elections, but we are not trying to reach them, if the States do not want it to. Ultimately those State elections will be affected by congressional law. As a matter of fact, they are now affected by the constitutional provision.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. LINDSAY. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio [Mr. McCulloch] may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JOHANSEN. The reason I raised the question particularly was because I understood the gentleman in the colloquy with the gentleman from Virginia to say that if they wanted to go ahead and discriminate in State or local elections to go ahead and do it. I am sure the gentleman did not want to imply that with this particular bill, where you are attempting to limit it to Federal elections, it would be constitutional for anyone to deny the right to vote because of race or color.

Mr. McCULLOCH. No, they proceed for a different reason. We are not trying to prohibit it in their election unless they want to have their election the same day that the President, Vice President, or other Federal people are elected.

Mr. LINDSAY. I just want to ask two or three questions. It is true, is it not, I ask the gentleman from Ohio, that under the Constitution, if the Congress of the United States wishes to pass legislation of this kind embracing State elections as well as Federal elections, it could do so?

Mr. McCULLOCH. Oh, certainly, beyond any question.

Mr. LINDSAY. And is it not correct also that any number of bills and proposals were submitted to our Committee on the Judiciary by Members on both sides of the aisle asking that our committee report out a bill embracing Federal and State elections.

Mr. McCULLOCH. That is true.

Mr. LINDSAY. And is it not also true that a majority of the members of our committee, in the exercise of restraint and in moderation, reported out a bill which applies only to Federal elections?

Mr. McCULLOCH. That is true, and we thought that that bill would stand a much better chance of being enacted and that we could win the support of some of our friends south of the Mason-Dixon line.

Mr. LINDSAY. I compliment the gentleman on the excellent statement that he has made and I would underscore that portion of it in which he said, were this amendment that has been offered by the gentleman from Virginia to be adopted, it would virtually destroy title I of this bill; it would mean that no Federal election, with a very few exceptions would be covered.

Mr. McCULLOCH. That is right.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Florida, a member of the committee.

Mr. CRAMER. On the question of Federal elections, I would like the record to be perfectly clear. The gentleman can certainly clarify it. The gentleman knows in the proposed bill on page 40, the term "vote" is defined "shall have the same meaning as in subsection (e) of this section" relating to literacy tests and otherwise. Subsection (e) of this section says about the word "vote" in existing law—when used in the subsection the word "vote" includes all action necessary to make a vote effective including but not limited to registration or other action required by State law as a prerequisite to voting and casting a ballot for such candidate and including in the appropriate totals of the number of votes cast with respect to candidates for public office and propositions for which votes are received in an election."

Which I think the gentleman will acknowledge is a much broader concept than just Federal elections—all candidates and all kinds of propositions. Will the gentleman say for the record his opinion as to the page 40 definition of the term "vote"—Does it or does it not write back in a local proposition or candidate rather than being limited to Federal election as the gentleman's obvious intention is?

Mr. McCULLOCH. It is the intention of this legislation to cover Federal elections under the conditions set forth in the paragraph beginning on page 40, line 19.

Mr. CRAMER. As I understand the gentleman's reply, it is that he believes "Federal election" definition would govern rather than the term "vote".

Mr. McCULLOCH. In this legislation, that is my opinion.

Mr. CRAMER. I thank the gentleman.

Mr. CORMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the ranking minority leader made eminently clear that if this amendment passes, there will be no purpose to this title because any State could escape it by putting in State or local elections on the ballot at the same time as a Federal election.

But I would like to call your attention to the fact that we are not here dealing with the right of a State to discriminate because of race. That is prohibited by the Constitution. It is prohibited in the 1957 and 1960 acts. The only thing this title does is to set up some presumptions in determining literacy. That is the only thing that is involved here. The committee decided they would not raise those presumptions in an election which was solely for State or local officers. But this in no way alters the prohibition against discrimination and I would suggest, if the States do set up dual voting systems and it turns out there is a pattern or practice of denying Negroes the right to vote in a local election when they are given that right in Federal elections, there is no question but that such practice will be stopped.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman.

Mr. COLMER. What I want to get pinned down here once and for all is this. I ask the gentleman if I understood the distinguished gentleman from Ohio [Mr. McCulloch] correctly to say that under the language of this bill, either in whole or in part, under the term "Federal election," if another election was held on the same day and I would point out that 48 of the 50 States have their State elections for their State offices at the same time as the election for Federal offices such as Members of Congress, then the State offices and the State election would be covered under this bill. Is that what I understood the gentleman from Ohio to say?

Mr. CORMAN. I yield to the gentleman from Ohio to respond, since the gentleman asked what he said. I shall be glad to give my own view, after he finishes.

Mr. McCULLOCH. I have no hesitancy, Mr. Chairman, in answering that question. I said that the election of Federal officials would be covered, and if the State officials chose to have their election or if the State chose to have its election for State officials on the same day the Federal officials were elected, then this legislation would cover the elections of the State officials.

I further said—and this is repetition for the third time—that if the State did not wish to be covered by this legislation and wished to take a chance in discriminating against prospective voters by reason of race, color, religion, or national origin it could hold its election the next day or at some place else that day, or the next year.

Mr. COLMER. Mr. Chairman, will the gentleman yield for an additional question?

Mr. CORMAN. I yield.

Mr. COLMER. If 48 States conduct their elections for State officials at the same time elections are held for Federal officials in those 48 States, the State elections would be covered?

Mr. McCULLOCH. So far as discrimination by reason of race, color, religion, or national origin are concerned that is correct.

I am happy to say, Mr. Chairman, that Ohio has no fear about the result of such coverage. We do not discriminate by reason of race, color, religion, or national origin. Furthermore, there is no literacy test in Ohio.

We are proud of the Presidents we have provided for our country. We are proud of the people who have served us in the other body. Excluding your humble servant, we are proud of every Member of the House today.

Mr. CORMAN. Mr. Chairman, I would vary only slightly from the answer given by the gentleman from Ohio.

I do not believe that the States should feel that this would give them any opportunity to discriminate because of race in any election, whether for a Federal office or not. The only thing this would do is to give the States an opportunity to hold State elections separate from Federal elections and thereby avoid the provisions which have to do with literacy.

Mr. COLMER. While I appreciate the speech made by the gentleman from Ohio—and I could make one just as complimentary about Mississippi, if time permitted—the thing I wished to know was whether, under the proposal—if the 48 States held their State elections at the same time—the elections would be covered; and the gentleman has very graciously answered that. I appreciate it.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. Corman] may proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. It is conceivable, is it not, that at the same time the State held a State election there might be a special election for a Member of Congress?

Mr. CORMAN. I believe that if the election were held it would be required that they permit people who qualified under this presumption to vote in the election.

If the amendment to strike out the "or in part" should be agreed to, then the people who would be permitted to vote because of the presumption possibly would not be allowed to vote, because it would not be a Federal election in whole, but would be a Federal election in part.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Adoption of the amendment which has been offered by the gentleman from Virginia would do violence to the act previously passed in 1957. From that act we get the words "solely or in part," for the purpose of electing any such candidates. In the 1957 act we provided for elections that relate to the offices of President, Vice President, presidential electors, Members of the Senate, and Members of the House of Representatives.

Now, when we mean "solely," a good example of that is where in some States you have a special election for Senator. That is an election solely for U.S. Senator. Also in some States, where you have a special election for the House of Representatives, that is solely. If you have a general election and all of the names are on there and you have the name of a Senator or a presidential elector or a candidate for the House of Representatives, any one of them may be a part of the ballot that is submitted to the voters for them to cast their ballot on election day. There is no question but what we have the authority under the Constitution, as was heretofore pointed out, to go into this area. However, what we have done here was only to take what authority we have and say that the States shall follow a procedure to see to it that discrimination is not practiced, and we intend it to apply in all elections where a Federal official is being elected and nothing more. If a State election happens to be incidentally on the same day and on the same ballot, we are not concerned with that in this proposal.

Mr. CORMAN. I would agree with the gentleman.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from New York.

Mr. GOODELL. I agree with the gentleman's point that we should be against the amendment. It would destroy the whole purpose of title I. The gentleman emphasized two or three times that title I applies only in the case of literacy. It seems to me that statement ignores the fact that there are two other sections, subsection (A) on page 38 and subsection (B) on page 39, that do not apply to literacy alone. They are not limited in this respect. This title will require that they apply equal standards to all individuals in Federal elections under subsection (A), and under subsection (B) that they not eliminate any voters for immaterial error or omission. Neither of those subsections has anything to do necessarily with literacy.

Mr. CORMAN. Yes, sir. I spoke too narrowly, and I appreciate the gentleman calling my attention to it. Any type of protection in this title would be applicable. This should not be taken as an invitation to States to set up dual voting systems for the purpose of denying Negroes the right to vote in local elections, because that is clearly a violation of the Constitution and the 1957 and 1960 acts. It seems to me a dual system set up for this purpose would constitute itself the pattern or practice of discrimination necessary to put into operation the 1960 act.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. WINSTEAD. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, of course we should adopt this amendment preventing this presumption of eligibility from applying to State elections. However, it will take more than this amendment to clean up this bill.

Mr. Chairman, I pointed out to the Rules Committee just how far reaching this bill would be. Truly Castro in Cuba has no more power in more places than the Attorney General would have under this bill. Oh, it is true the Attorney General could not direct that any individual be shot—but the Attorney General could drag any citizen out of his business, his home, or his school and have him tried before handpicked judges. I hope you approve this amendment. Further, Mr. Chairman, since our presentation here will be before this House for the remainder of this week, I wish to discuss here just how thoroughly this bill would destroy the Constitution and centralize power in a handful of people.

Mr. Chairman, H.R. 7152 without exception is unconstitutional, undesirable, and an unnecessary proposal now under consideration by this House. Never in my 21 years in the House, have I seen a more open nor a more brazen attempt to prostitute constitutional principle and popular sovereignty to the dictates of political opportunism and vengeance. This bill, if enacted and sustained by the courts, would signify the end of any semblance of federalism, private property, freedom of contract, and individual liberty. I was elected to office to uphold the Constitution, not to bury it.

This whole bill comes to us under the false title of the "Civil Rights Act of 1963." If the authors of this infamous proposal had demonstrated a proper concern for candor, they would have found themselves compelled to label their unconstitutional brainchild the "Naked Grab for Power Act of 1963." This is the plain truth of the matter and no amount of high sounding pretension, hypocritical tear jerking, and phony liberal moralizing can disguise its dictatorial essence.

The real intent of the bill to subvert once and for all the remaining independence of the sovereign States of this Union. The movement against the independence of the States has proceeded apace in the last three decades. Power is centralized in Washington to an unhitherto dreamed of degree. Characterized by an uncontrolled lust for power, the Federal bureaucracy has increasingly encroached upon domains reserved by the Constitution to the several States and the American people. Dedicated to its own self-perpetuation, its greedy appetite remains unappeased notwithstanding the wholesale usurpation of State sovereignty in recent years. This bill is devised to deliver to the Central Government one glorious, magnificent feast. Instead of the "insulated—experimental—chambers" so mightily envisioned by Justice Holmes, this bill would render the several States to the shrine of history.

John C. Satterfield, distinguished lawyer and past president of the American Bar Association, clearly perceived this when he said:

> It (the administration bill) is clothed in the name of civil rights and is called the Civil Rights Act of 1963. As a matter of fact, it is 10 percent civil rights and it is 90 percent extension of Federal power at the expense of individuals, States, and municipalities—in fact, at the expense of everyone.

Conceived in hypocrisy, and fired by intimidation, coercion, and duress; this bill cannot rise above its shoddy beginnings. Let us for a moment, if you will, examine the unwholesome background of this bill. At the outset of the Kennedy administration, it was announced that there was "no need for civil rights legislation at this time." Truer words were never spoken. A glance at the statute books conclusively proves the accuracy of this statement. I have in my possession a compilation of constitutional, statutory, executive orders, and regulatory provisions relating to so-called civil rights.

This report, prepared by the American Law Division, Legislative Reference Service, covers no less than 235 pages. This encyclopedic body of legislation taxes not only the ingenuity of the legal fraternity but the imagination of everyone. What, however, was considered adequate in the first instance to do the job of the New Frontier has now been termed woefully inadequate by its principal spokesmen and certain bloc-voting minority organizations. If this imposing body of legalistic effort is insufficient—and I might point out that this report does not recite the altogether too many instances of judicial legislation in this area—then, one is strained to imagine any amount of legislation which will satisfy the desires of the Justice Department and its hangers on. It may be—and I am simply hypothesizing, Mr. Chairman—that these people have misconceived their remedy. It could be that social relationships and individual choice are not appropriate matters for legislation and criminal sanctions.

If this is the case—and I am convinced that it is—then no amount of legislation will turn the trick. What, then, is the basis for this renewed demand for law? It is nothing more than the lust for power for power's own sake. Lord Acton stated it with precision and clarity:

> Power corrupts, and absolute power corrupts absolutely.

The initial statement from the White House that there was no need for so-called civil rights legislation at this time was to prove the lull before the storm. In ensuing months, we were treated to the spectacle of the executive branch of the Federal Government condoning, aiding and abetting, and counseling "nonviolent" terrorist groups who have demonstrated their respect for our legal institutions by violating State laws, local ordinances, and court orders.

Having surrendered their lawful responsibilities for the sake of political gain, the Kennedy and the present administrations were beset on all sides by these same extremist groups whose demands outran all the bounds of reasonableness and who, as might be expected, criticized White House leadership for not moving fast enough. In a fashion reminiscent of the hapless French general who exclaimed, "Tell me where the people are going so that I may lead them," administration forces indulged the excesses of the lawless mobs even more. These events revealed that the counsel so eloquently expressed some months earlier to the effect that "those who foolishly sought power by riding the back of the tiger ended up inside," had been promptly forgotten.

The game of politics is neither a strange nor a new game in this National Capital City. It is a fact of Government and governmental life, and as a consequence we all steel ourselves against it. With the passage of time, we all develop a certain immunity to some of the more obvious and indelicate attempts to curry political favor. No amount of political "savvy," however, could lessen the shock and dismay caused by the administration's justification, if not encouragement, of the wave of mass demonstrations, accompanied by so-called pacifist practices, such as sit-ins, lie-ins, school-ins, kneel-ins, and similar hocum designed to make light of disorder, discord, and disobedience to constituted authority. Nothing in the history of this country had prepared the American people for the sight of the occupant of the high office of the Presidency bowing before disorder and unlawful intrusions upon private property.

These illustrations of official encouragement of civil disobedience may be multiplied many times. The executive branch of the Federal Government, particularly the Department of Justice, made every effort to assist the so-called freedom riders whose sole ostensible purpose was to sow racial strife and distress throughout the land. Telephone calls in behalf of Martin Luther King and other Negro leaders were the order of the day. Meetings with unofficial groups of agitators were so commonplace that it seems very much in order to ask who was minding the store. In one instance, a meeting—and I refer in particular to the New York meeting between the Attorney General and a group of importunists headed by James Baldwin—degenerated into a public fiasco when the Nation's No. 1 legal officer was summarily informed: One, that big brother should lead a "school-in," and two, that unless Negro demands were complied with, they, the Negroes, would not lift a finger to defend this country in the event of a national crisis. When the Attorney General expressed shock and dismay, he was promptly labeled "naive." There are few points on which James Baldwin and I are in agreement, but I heartily agree with his assessment of the Attorney General—it is naivete of the grossest sort to demand civic responsibility and fidelity once having fired the passions of racial antagonism.

In contrast with this sometimes tacit, sometimes overt support, of civil disorder, it is impossible to recall any attempt by the administration to persuade the leaders of these lawless groups to call a halt to their illegal activities.

A great many messages of sympathy and regret have emanated from the White House whenever white reaction to untoward provocation has occasioned some tragedy. I make no brief for the perpetrators of these unfortunate incidents. I condemn criminal behavior for whatever reason and by whomever perpetrated.

This apparently is not the view of executive officials, however. I have seen no report of any message of condolence being sent the loved ones of the white man killed last summer by a "nonviolent" Negro demonstrator in South Carolina. Apparently no White House message of sympathy or expression of regret accompanied the shooting of white National Guardsmen by Negro agitators in Cambridge. "The quality of mercy," Portia to the contrary notwithstanding, has definite limits.

In this context of racial strife and civil disobedience and obviously unable to restrain the "tiger" any longer, President Kennedy turned to the Congress with an outlandish bill. H.R. 7152, which has been strongly endorsed by President Johnson, is the end result of this bill. In an eloquent message—the authorship of which has been obscured by a speech in Long Beach, Calif., on June 21, 1963—we were charged that "unless the Congress acts, their only remedy is in the streets." This thinly veiled threat to the Congress, serious as it is, is anticlimactic after the tragic events of 1963.

This, Mr. Chairman, is the backdrop against which we are called upon to legislate. What has been termed "the administration's summer of discontent" has now become the Congress "long day's journey into night." We are not asked, rather we are threatened with more racial strife unless we salvage the administration's ship of state—a ship mired in a morass of its own excesses.

Let us take a look at this bill, without doubt the most extreme and far reaching proposal ever presented to the Congress.

Although it is supposed to be in favor of civil rights, its effect, as I have already noted, is quite the opposite. It adds power to the Government at the expense of certain fundamental and elemental rights reserved by the Constitution to the people and the several States.

Before I examine the details of this bill, let me point out some of the ways in which it would violate the Constitution:

First. It would usurp the States' authority to determine voter qualifications.

Second. It would erroneously invoke the 14th amendment.

Third. It would distort the commerce clause and make it the ultimate power.

Fourth. It would undermine the rights of private property.

Fifth. It would limit the constitutionally protected right to jury trial.

Sixth. It would turn the National Government into a national board of education.

Seventh. It would force Congress to abdicate its responsibility for policy formulation and origination.

Mr. Chairman, those persons who have neglected to familiarize themselves with this bill may think that it cannot possibly be so extreme. That no bill so patently unconstitutional, no bill so directly contrary to legal precedent and to our great traditions could be reported to the floor of this House. Regardless of our own individual feelings on civil rights, the simple truth is that this—dicatorial power—is the nature of the proposal being considered here today. But for the extreme emotional climate engendered by events of the past few months, I cannot conceive the introduction of such a measure in the Congress of the United States.

In discussing this bill, Mr. Chairman, I beseech the Members of this House to consider its effect on our free institutions. I sincerely urge that in our discussions we focus attention on the cost in freedom that must be paid for this legislation, the morality of enforcing imagined morals through law, and the likely consequence for law enforcement trying to do so.

TITLE I

Title I of this bill deals with the question of voting. It purports to speed up the the judicial process in connection with voting suits in a number of ways which are of grave concern to those of us who firmly believe that the sole manner for changing the Constitution is by constitutional amendment.

One proposed change is to permit the Attorney General to request a three-judge district court to decide voting cases. Little time need be spent on this provision for there is little doubt that Congress has the power to expand the jurisdiction of three-judge district courts if it so desires.

It would be proper for us to note, however, that at present such courts exercise a very limited jurisdiction. That is, they are convened solely to try cases which present serious constitutional questions. The reasons for this limited jurisdiction are a response to necessity and commonsense practicality. A three-judge district court requires the services of a circuit judge and two district judges. Under existing practice these men are pulled away from their normal duties in the event of an exceptional case. Under the bill, however, the Attorney General would be authorized to make the exception the rule in voting cases. I do not have to remind any of you of existing conditions in the district courts, conditions which, by and large, impose a 2- to 4-year wait before a litigant may have his claim adjudicated. The effect of this bill, therefore, would be to accelerate the processing of voting suits at the expense of the remainder of the docket. This is of little concern, however, for the run-of-the-mill litigant is not represented by any powerful Washington lobby, he is not a member of any voting bloc, and, he does not conduct sit-ins in our halls of justice. If enacted, I confidently predict that this proposal will undo our recent efforts to accelerate the process of justice by enlarging the Federal judiciary.

Another section of title I provides that in determining the qualification of any individual to vote, no standard shall be applied which differs from that applied to any other individual. In his testimony on this provision the Attorney General charged that discrimination attended the application of literacy tests and that this provision would serve in part, to remedy the situation. Although the Attorney General based his observations on nothing more substantial than his personal opinion, let us see where this logic takes us. As I have said, the bill provides that the standard applied to one person in determining his qualification to vote, shall apply to all registrants. If, as the Attorney General suggests, this is an unlawful standard, this provision of the bill commands that such illegal procedures be applied universally. In brief, this bill directs the commission of countless illegal acts. I shall not belabor this point for it should be manifest to all that his proposal, however appropriate in the world of the Mad Hatter and the March Hare, should not occupy the precious time of this House.

Serious as these ill-conceived proposals may be, they pale beside the renewed demand for a Federal literacy standard. Obviously smarting from the wholesale criticism that was directed at this admittedly unconstitutional proposal in the 87th Congress, the authors of this legislation have narrowed its scope in order to make it more palatable. This portion of the bill now establishes a rebuttable presumption of literacy in the case of a person with a sixth grade education in order to vote in Federal elections. The special Spanish language requirement, the coverage of State elections and the fixing of an absolute presumption have been discarded in a gambit that bears all the earmarks of the old hidden-pea trick. What the proponents of this measure fail or are unwilling to see is that any inroads upon the Constitution, however minor, are subversive of free institutions. This truism was given eloquent expression by a former Supreme Court, when it said:

> Every journey to a forbidden end begins with the first step, and the danger of such a step by the Federal Government in the direction of taking over the powers of the States is that the end of the journey may find the States so despoiled of their powers, or—what may amount to the same thing—so relieved of the responsibilities which possession of the powers necessarily enjoins, as to reduce them to little more than geographical subdivisions of the national domain.

Mr. Chairman, every Member of this House is familiar with the Constitution of these United States. In view of the extensive documented statement submitted in connection with this proposal in the last Congress, it should not be necessary at this time to recite chapter and verse with respect to the matter of elections. The States are prohibited from using certain criteria in drawing up their qualifications for voting, otherwise the Constitution provides that all persons qualified to vote for the most numerous branch of the State legislature shall also be qualified to vote in congressional elections.

The Supreme Court has examined the question of literacy tests and their possible relation to the 15th amendment on a number of occasions and has uniformly acknowledged that their use "was but the exercise by the State of a lawful power vested in it not subject to our supervision." We are familiar with Justice Field's comment that the power to regulate the "times, places, and manner of holding elections" conferred on the Congress by article I, section 4, clause 1, does not "authorize Congress to determine who shall participate in the election or what shall be the qualifications of voters." The sole remaining possible source of congressional power in this area is the 14th amendment. That amendment's applicability was summarily dismissed by the Supreme Court which held that the ability to read and understand any section of a State constitution, did not discriminate between white and Negro citizens, and did not amount to a denial of the equal protection of the laws, secured by the 14th amendment.

This summary, admittedly not detailed, is nevertheless a part of the law in this area.

The provisions of title I of the bill are not related to the denial or abridgment of the right to vote "on account of race, color, or previous condition of servitude." In its provisions relating to a standard literacy test, the bill has nothing to do with State deprivation in the area of "race, color or previous condition of servitude." This proposal deals with the qualification of electors in the several States—an area which for sound reasons was reserved by the Constitution to the several States.

Mr. Chairman, I submit that a constitutional amendment is the only legal vehicle for the enactment of this proposal.

TITLE II—DESEGREGATION OF PUBLIC ACCOMMODATIONS

Title II of the bill, the so-called public accommodations section, is without a doubt, the most glaringly unconstitutional piece of legislation ever introduced in the Congress. Termed the "heart" of the bill by the proponents, it disregards reason, human experience, and constitutional principle. Its enactment would, not only do violence to our traditional law of private property, but more significantly, it would alter the constitutional theory of Government so as to destroy any vestige of a balance of powers.

It should not be necessary to review constitutional history, but so flimsy and obscure are the reasons advanced in support of this proposal, that it is incumbent upon us to revert to certain fundamental principles. Our system of government is predicated upon the existence of two sovereign entities. It is a compact among the several States delegating some of their powers to a central government but retaining all powers not granted to that government to themselves and to the people. The Federal Government, neither executive, judiciary, nor legislative, can exercise any power not granted to it by our fundamental charter. This idea is not any general notion on my part, but is the eternal pledge embodied in the 10th amendment. It states:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

That amendent is not in the Constitution without good and sufficient reason. Our forefathers who framed the Constitution knew the dangers of governmental tyranny and the mainspring from which it flowed. It comes from an over concentration of governmental powers. They knew from sad experience that liberty was best secured by endowing government with limited and enumerated powers. They placed their trust in the people's ability to manage their own affairs. The 10th amendment is the repository of these beliefs.

Under the provisions of title II, owners of certain establishments, arbitrarily deemed places of public accommodation, would be denied the right to use their own property. This title applies to any inn, motel, or other establishment designed to provide lodging to transient guests. It would also cover any restaurant, cafeteria, lunchroom, lunch counter, soda fountain, or other place engaged in selling food for consumption on the spot. Also subject to the bill are motion picture houses, theaters, concert halls, sports arena, stadiums, or other places of exhibition or entertainment.

In addition, this title would authorize the Attorney General to institute legal proceedings in the event of discrimination in connection with any of the mentioned facilities. A careful reading of this section discloses that this power is virtually limitless. The act of discrimination need not have occurred; it is sufficient for purposes of this section, if there exist reasonable grounds to believe that any person may be discriminated against.

In brief, this title would vest the Attorney General with powers unprecedented in the history of this country. It would enable him to exercise life-and-death control over the conduct of private business operations by dictating customer policies. If enacted into law, the so-called public accommodations provisions would make it impossible for the owner of a covered business to freely select his customers for whatever reason for fear of exposing himself to a lawsuit. A lawsuit, I might point out, in which the accused would have to confront the overwhelming resources of the Federal Government; a lawsuit which may eventuate in prison terms without benefit of jury trial.

Here you have it, Mr. Chairman, the heart of the civil rights proposal. It may be heart, for surely there is little evidence of head, or the use of it, in framing this blueprint for dictatorship.

The bill asserts as a basis for its enactment the congressional power to enforce by appropriate legislation the prohibitions of the 14th amendment and the power of Congress to regulate commerce among the several States.

As every law student knows, the 14th amendment does not prohibit acts of private discrimination in ordinary daily life. The Supreme Court in an unbroken line of case decisions reaching back to 1883 has ruled that that amendment prohibits only those acts of discrimination which may be traced by State action. The amendment declares that no State shall deny the equal protection of the laws. Although the acts of individuals may appear shocking, sinful, or even immoral to the eyes of another, such conduct is not cognizable by the 14th amendment. In the words of the Court:

> It is State action of a particular character that is prohibited. Individual invasion of individual rights is not the subject matter of the amendment.

This holding was reaffirmed in the flood of so-called sit-in cases recently decided by the court.

In the hopes of circumventing the full import of these decisions, "the law of the land," proponents of this measure have indulged in a number of fantasies. One of the more subtle meanderings of the liberal mind has produced what is concisely termed the "license theory." Under this theory, the act of licensing an enterprise by the State converts that enterprise into an arm of the State. This proposition brings to mind the childhood limerick:

> Yesterday upon the stairs,
> I saw a little man
> Who wasn't there.
> He wasn't there again today,
> Oh how I wish he'd gone away.

The act of licensing, as every Member knows, is a tax, not a certificate to make the business an agency of the State. This distinction has been clearly acknowledged by both State and Federal courts. In a recent decision, the fourth circuit summarily dismissed this bit of unsound argument by saying, the license laws of Virginia do not fill the void—of State involvement.

Cognizant of the overwhelming weight of legal authority to the contrary, the administration has cast about for something more substantial upon which to hang this radical proposal. In typical ends justifies means fashion, we are now told that the power of Congress to regulate commerce among the several States implies the power to prohibit acts of private discrimination. I am sure, Mr. Chairman, that such an assertion would astound the Framers of the Constitution. It is clear to all but administration forces that the commerce clause was designed to insure uniformity and prevent economic chaos in the commercial relations among the several States and between the States and foreign nations. In brief, its purpose was to regulate commerce, not to prohibit discriminaton. It is sufficient to say that if the commerce clause can be stretched as far as the Attorney General suggests, then no sphere of human activity is beyond the reach of Federal regimentation. If this assertion is sustained, the remainder of the Constitution might well be discarded, for this would be the ultimate power.

The commerce clause will not, however, sustain this unashamed grab for power. Commonsense should have led the authors of the bill to this conclusion. Failing in commonsense, these good gentlemen should have done a little legal homework. In the course of such research, they would have eventually unearthed the Howard Johnson's Restaurant case wherein the fourth circuit held "we do not find that a restaurant is engaged in interstate commerce merely because in the course of its business of furnishing accommodations to the general public it serves persons who are traveling from State to State."

This is the basis asserted to support the constitutionality of this proposal. If the state of the law were less clear or less emphatic it would be possible to attribute proponents' claims of alleged constitutional validity to an excess of zeal and enthusiasm. Absent these considerations, however, the conclusion of political expediency is inescapable. I submit that the latter is the real basis of title II.

TITLE III—DESEGREGATION OF PUBLIC FACILITIES

Title III deals with purported discriminatory denials of access to so-called public facilities. This term is defined to include any facility which is "owned, operated, or managed by or on behalf of any State or subdivision thereof," save public schools or colleges. Since the Federal courts in a series of cases dealing with municipal swimming pools and other recreational facilities, public libraries, and even a restaurant leased from a State highway authority, have held such facilities subject to the prohibition of the 14th amendment, this bill adds little to the law in this regard.

The real thrust of this title is to vest authority in the Attorney General to bring civil actions to desegregate public facilities. Lest he miss an occasion to wield the Federal club, the bill would grant to the Attorney General leave to intervene in such cases in any court of the United States.

It is all too apparent that the sole purpose of this title is to vest elaborate new powers in the Attorney General. It would allow him to throw the mighty weight of the Department of Justice, into the lap of any person inclined to institute a lawsuit. Disguised in the form of justice, this imperial potentate and his successors could initiate action which may result in prison terms without the traditional guarantee of jury trial.

This title deserves much more examination, but in the interest of brevity, and in order to examine even more outrageous provisions, I shall pass on to the next section.

TITLE IV—DESEGREGATION OF PUBLIC EDUCATION

Title IV of the bill has two basic purposes: First, to provide financial and technical assistance to local educational bodies in order to facilitate public school desegregation; second, to empower the Attorney General to initiate civil actions to force desegregation in public schools and colleges. The former is a bribe designed to obscure a further intrusion by the Federal Government into public education. I defy any Member of this House to find a provision in the Constitution which delegates to the Federal Government any role, however minor, in the area of public education. I confidently predict, that if enacted, not one single State will rise to take the bait behind which lurks the barbed hook of Federal intervention.

More sinister than this ingenuous proposal is the renewed demand for power to force desegregation of public schools by civil actions brought in the name of the Federal Government. This completes the administration "troika," Mr. Speaker; this wolf in sheeps clothing now stands revealed. It should be apparent to all what we are asked to do in titles II, III, and IV of this proposal. Title II authorizes forced desegregation of public accommodations; title III authorizes forced desegregation of public facilities; title IV authorizes forced desegregation of public schools and colleges. By means of trickery and deceit, we are once again confronted with the ill conceived and thoroughly discredited part III provision rejected in 1957.

> Oh what a tangled web we weave when
> first we practice to deceive.

The administration should be congratulated for a remarkable display of consistency. In its relations with the American people and now in the form of this bill in its relations with the Congress, it has pursued a policy of divide and conquer.

This title is unnecessary, unwarranted, and unjustifiable. It is a typical example of Federal power grabbing at the expense of the several States. It is a direct attack on the independence of the State. It is based on the fallacious premise that all justice and wisdom reside in the Federal Government; a premise rejected out of hand by the Founding Fathers.

This proposal would enlarge the Department of Justice and make it an adjunct of NAACP, CORE, the Student Nonviolent League, the Southern Leadership Conference, and similar agitating groups. I do not think the public is aware of the extent to which they have been paying for the legal services of these and similar groups responsible for this wave of unrest. Justice and fairness dictate that we put an end to this outrageous use of public funds. I defy any Member to demonstrate the existence of any moral code at any time in history which sanctioned the use of funds derived from the hard efforts of the vast majority of law abiding citizens for the support of lawless agitators. Commonsense and decency call for an end to this plundering of the Public Treasury. A true love of liberty requires that this demand for universal power in the hands of a single individual be nipped in the bud.

TITLE V—COMMISSION ON CIVIL RIGHTS

Title V of the bill would make the Commission on Civil Rights a permanent agency of the Federal Government. I am opposed to the extension of the Commission, however limited, much less a proposal to make it a permanent arm of the Federal Government. Instead of renewing and expanding its authority, the Commission should be allowed to die.

Still born under the lack-luster leadership of Gordon Tiffany, this agency has demonstrated a singular disposition toward bias and prejudice which should disqualify it from further operation. Its vicious recommendations amount to nothing less than betrayal of trust. A tribute to its radical tendencies is evidenced by the rejection of many of its recommendations by the present arch liberal administration. Let us eliminate this group of anticonstitutionalists.

TITLE VI—NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS

Title VI would authorize Federal agencies to withhold Federal financial support in connection with any program where there is racial discrimination in its application. The powers sought in this title would affect virtually every man, woman, and child, business and other institutions in this country. Under this authority, this or any other administration, could effectively withhold funds, under the guise of racial discrimination, from any project financed directly or indirectly by Federal funds. It is unnecessary for me to point out the potential for evil implicit in this proposal.

I am not alone in my apprehension about the uses to which this awesome power may be put. Many Members of Congress have openly, or in more secluded confines, expressed amazement and fear regarding this request. It is a spear poised to strike, at any moment and for whatever reason—racial consideration being a subterfuge—at any opponent of the occupant of the White House. My Republican colleagues are fully aware of its dangers. Perhaps Members on this side of the aisle need a little prodding to make them aware that no political party has a property right in 1600 Pennsylvania Avenue.

The President, in somewhat less frenzied moments, betrayed a similar awareness. When the Commission on Civil Rights suggested this method to club the State of Mississippi into line, Mr. Kennedy emphatically disassociated himself from the proposal. He announced that he did not have this power nor did he think any President should have it.

On the heels of a denunciation of this proposal—characterized by the late Chief Executive as being of doubtful wisdom and morality—we are now asked to legislate this power. In the words of the famous truckdriver: I am beginning to look askance at the equivocation of administration leaders.

It is obvious to all of us that problems are not solved by vindictiveness and punitive sanctions. We have on numerous occasions acted on a contrary premise; that is, that the promotion of the general welfare outranked in significance the eradication of segregation. Are we now to abandon this policy judgment on the narrow grounds that we do not like a neighbor's ethics or conduct?

Mr. Chairman, I suggest we follow the late President Kennedy's original position in this matter. This, I submit, was the better view—the only view compatible with wisdom and morality.

TITLE VII—EQUAL EMPLOYMENT OPPORTUNITY

Finally, title VII would authorize the enactment of so-called fair employment practices legislation. This is not a new proposal. According to a recent count, 217 identical or similar proposals have been introduced in the Congress since 1941. In only a few rare instances has this proposal, designed to destroy freedom of contract and the free enterprise system, been given more than casual attention. The Congress in its wisdom, and at an early date, pierced the veil of false assumptions and doubtful constitutionality which cloud FEPC and shelved it as antagonistic to a nation dedicated to freedom.

It has been said before, but I would repeat that you do not enhance any individual's liberty by taking liberty from another. This bill is calculated to do just that. Taking the right of an employer to determine who he wants to hire, how he wants to promote them, or who he may fire, is in my opinion, destructive of his constitutionally protected freedom.

Other than its use in the title, I suggest that there is nothing whatsoever fair about title VII. It discriminates against all employees by forcing them to work with persons with whom they may not be compatible. Human history is a testimony to the fact that you cannot legislate people into liking one another. Recent attempts at such legislation have served to heighten tensions and lessen the good will between the races. This bill would be destructive of whatever existing harmony remains.

This legislation, in my opinion, would be destructive of the powers reserved to the States in the Constitution. To impose these unwanted regulations on the individual States would be to act in complete disregard of the almost certain consequences of distress, discord, and disunity.

Mr. Chairman, the so-called civil rights bill is at odds with the Constitution, reason, and experience. The destruction of our Federal form of Government and individual liberty will not promote civil rights—on the contrary, it is calculated to destroy any vestige of civil rights.

I appeal to the good sense of this House. I remind you that the road to tyranny, like that to hell, is paved with good intentions. In the name of our blessed liberty, I beseech you to study these facts and on final vote to reject this bill as beyond the power and wisdom of Congress to enact.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. SMITH of Virginia) there were—ayes 55, noes 155.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. POFF

Mr. POFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. POFF: Page 41, line 13, strike out the last word on line 13 and all of line 14 and insert in lieu thereof: "the district judge of the court before whom the proceeding was".

Mr. POFF. Mr. Chairman, I shall be brief. It will be seen that this amendment, too, is addressed to the three-judge provision of title I. As the language now reads at least one of the three judges on the panel must be "a district judge of the court in which the proceeding was instituted." The amendment which I have offered will strike that language and will require that at least one of the judges of the three-judge panel must be the district judge before whom the proceeding is pending.

Mr. Chairman, may I call your attention to the language of title 28, U.S.C., section 2284. That statute reads in part as follows:

> In any action or proceeding required by Act of Congress to be heard and determined by a district court of three judges the composition and procedure of the court, except as otherwise provided by law, shall be as follows:
>
> (1) The district judge to whom the application for injunction or other relief is presented shall constitute one member of such court.

Mr. Chairman, I can see no reason why there should be any departure from this traditional concept of the constitution of three-judge court panels. It seems to me on the contrary that there is every reason why the judge before whom the complaint is originally registered, being knowledgeable of the pleadings and knowledgeable perhaps in part of the facts should sit as one of the three judges of the panel.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. POFF. I am glad to yield to my colleague from Colorado.

Mr. ROGERS of Colorado. Suppose we have more than one judge in the district where the action is filed? The Attorney General has made an application for a three-judge court. Who is the judge to whom this case has been assigned if the Attorney General has made an application for a three-judge court? Suppose it is filed in the southern district of New York where you have 43 judges? The Attorney General makes the application. Which one of the 43 judges in the southern district of New York would this case be assigned to?

Mr. POFF. Mr. Chairman, of course the gentleman is a learned lawyer and has had quite a good deal of experience in the practice of the law. I am sure he is aware that when a case is filed ordinarily the chief judge of the district assigns the case to one of the judges on the bench. That is the judge intended in this amendment. He is the judge intended in the language of the statute I just read. In this context may I explain further there has grown up a practice whereby the chief judge of the district appoints what is called a standby district judge.

Your standby district judge may or may not be a retired member of the bench in the district involved. Quite often, and most often, he is not a member of the bench in that district, but he becomes a district judge of the district and as such he could be appointed as one of the judges on the three-judge panel.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. POFF. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Under the section as it now stands with the amendment previously adopted this right to in effect disqualify a judge to a three-judge court is a right that can be exercised either by the defendant or by the Attorney General?

Mr. POFF. Exactly.

Mr. EDMONDSON. Presumably, it would be exercised only if there was a feeling this particular judge was prejudiced or would not give a fair trial or was not in position to have a trial.

Mr. POFF. I do not yield further because the gentleman is arguing for my case.

The chairman of the Judiciary Committee indicated repeatedly that the purpose of this three-judge panel was simply to expedite the case and make it possible to go to the Supreme Court on appeal promptly. He said there was no effort to try to bypass an individual district judge, and he resented the suggestion that the Attorney General might be suspicious of any district judge. So unless the gentleman disavows the position of the chairman of the committee, he must accept my argument.

Mr. EDMONDSON. If there was a feeling on the part of either the defendant or the Attorney General that for some reason the three-judge court that might be brought in does not include the judge before whom the case was pending, does the gentleman say there should be a system in this law that that particular judge could sit on the case?

Mr. POFF. I do indeed, just as there is an insistence in the present law to that effect.

Mr. LINDSAY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think we had better get this thing back in context. The gentleman from Virginia is an excellent lawyer. He knows when a proceeding is commenced, or instituted, which is the word used in the bill; it is not pending before any judge. A complaint is filed, the action is then commenced, but normally it is not assigned to any judge. It remains on the calendar until called. In those districts where there is only one judge, obviously a different situation may prevail. What the bill supposes, of course is that at the time an action is instituted or at some time thereafter, there will be a request made for a three-judge court. At that point the proposed legislation calls for the assignment of a three-judge court, but until this has occurred the case is not pending before any particular judge. The gentleman from Oklahoma, I think, left the impression there is a matter pending before a judge, but that is not the fact.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Virginia.

Mr. POFF. I shall not dispute what the practice is in the gentleman's district, but I do know that in some districts it is the practice to assign a case as soon as it is filed.

Mr. LINDSAY. The gentleman knows perfectly well if this procedure works out as it is supposed to work out, a proceeding will be instituted, the Attorney

General will then ask for the assignment of a three-judge court immediately. This usually will occur before the matter is before any particular district judge. It seems to me that the gentleman will have to admit that in most jurisdictions a case pends on the calendar and in due course when it comes up for trial it is assigned to a judge. That takes quite a bit of time, maybe a period of months or even years.

Mr. EDMONDSON. In this section as written at the present time the right exists for either the defendant or the Attorney General to make the request. I do not understand it is limited to a request to be made at the initiation of the lawsuit. I think it can be made at any time prior to trial. If that is the case, the effect of adopting the amendment the gentleman is offering could be to delay for a long time disposal of the case because if you have an insistence that it be tried before a judge who heard the motions, and so forth, then you could delay it indefinitely until he was available to sit on a three-judge court. I think this amendment should be defeated.

Mr. LINDSAY. Again, it seems to me that the proposal of the gentleman from Virginia here is a non sequitur. It falls off a cliff. It goes around an attempted circle that does not make a circle. I do not know what his intention is. The only case I can think of where it has any applicability at all is in districts where there is only one judge.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Suppose there is a vacancy, a position that needs to be filled, and you do not have a judge for that district. Then do you hold it up, under the gentleman's amendment, until a man is appointed?

Mr. LINDSAY. I would like to ask the gentleman from Colorado what is the practice in the State of Colorado? When a case is instituted it is in the court. How long does it take to get a judge assigned? Usually, when it comes up for trial, is that not correct?

Mr. ROGERS of Colorado. We make the assignment to try to expedite the hearing.

Mr. LINDSAY. We had a bill not long ago to create additional judgeships because of the backlog of cases around the country. None of those cases have any judge assigned to them. They are just coming up to the calendar.

Mr. Chairman, the amendment should be voted down.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in my judgment this amendment would vitiate this three-judge court proceeding. It would be an indirect way by which we would prevent the constitution of a three-man court. You would not know who the third judge would be, because the case is not before any judge, the case is before a clerk.

In districts where you have a great many judges, as in the southern district of New York or in the District of Columbia, these judges rotate. It would take a long time if you want a particular judge. His name may not be reached for some time, so that in a certain case instead of expediting the proceedings you would be delaying the proceedings. You would be balking the effort in writing the original bill.

We had no such provision in the three-judge court provision under the antitrust laws, the railroad cases, the water carrier cases, and the cases involving loans and guarantees in interstate commerce. Why should we make more restrictive the three-man court when it covers civil rights cases than in antitrust cases? For that reason, I think it would be inane, untoward, and would be very fatal to this whole proceeding if we adopt this amendment. Therefore, I hope the amendment will be voted down.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I am not acquainted with non sequiturs, whatever that means, but I am still interested in this three-judge tribunal business. I have a hazy memory of an election a few years ago, about 1948, a senatorial election in Texas. As I remember the story, a Federal judge finally got hold of the returns in one county and impounded the ballot boxes in that senatorial election. He appointed a commissioner, and eventually found trash and shredded newspapers in the ballot boxes. The ballots had disappeared in that county in Texas in that senatorial election. Somehow or other a three-judge tribunal, a court in New Orleans, got hold of the case.

But somehow or other those three judges in New Orleans lost it in a real hurry. At any rate, it soon wound up in the U.S. Supreme Court in the hands of one, Justice Black, whose judicial experience, as I understand it, amounted to about a year and one-half as a police court judge before he was appointed to the Supreme Court bench. At any rate the three-judge tribunal in that particular election in Texas by which the Democrat senatorial candidate won by a landslide of 87 votes, did not have very much to do with the case. I do not know—I am not a lawyer—I do not know what this three-judge court business means. The three-judge court did not mean very much in that 1948 senatorial election in Texas and I would be glad to have anyone tell me why those three judges could not protect the ballots in question.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. POFF].

The amendment was rejected.

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. CRAMER: Page 39, line 16, after "individual", insert "in writing or when oral when the individual requests such oral test and the answers thereto be reduced to writing."

Mr. CRAMER. Mr. Chairman, in order to clarify the purpose of this amendment, I will read the language as it would appear if the amendment were adopted. It involves subsection (C) on page 39:

> (C) employ any literacy test as a qualification for voting in any Federal election unless (i) such test is administered to each individual wholly in writing except where an individual requests and State law authorizes a test other than in writing, and (ii) a certified copy of the test whether written or oral and if the answers given by the individual—

And this is what is added—

> in writing or when oral when the individual requests such oral tests and the answers thereto be reduced to writing is furnished within twenty-five days—

And so forth.

Mr. Chairman, the objective of the amendment is to conform paragraph (ii) with paragraph (i). I am sure the gentleman from New York and the gentleman from Ohio recognize that paragraph (i) was amended largely on the questions answered or partially by the gentleman from Florida where the question was asked:

> Why should all written tests be included when, in fact, State law in many instances permits tests other than oral tests?

Therefore, the exception was made in paragraph (i). But no conforming language was added in order to provide that if an alternative test is, in fact, requested, which the law authorizes being other than in writing—then what happens? It appears by the present language if the test is other then in writing—if it is oral—and the individual requests such an oral writing—therefore it is oral—then even in that instance there is a necessity for a transcript in every case to be kept, in order that at a future date, if that individual within 25 days thereafter asks for a production of that record, that that record thus can be produced.

It is obvious that it would be wholly unreasonable for the registrar to have to transcribe the questions and answers on every simple test.

All the amendment provides is that when the test is oral and when the person asks for an oral test and the State permits an oral test pursuant to paragraph (i), at the same time the person shall also ask that the test be reduced to writing, which would mean that the registrar then would be put on notice that the party might at a subsequent time want to use that test—the questions and the answers—and therefore it would have to be transcribed. It would not require that in every instance when a person asked for an oral test the registrar would have to transcribe his questions and all the answers.

If the amendment is not adopted, it seems to me that the proposal in paragraph (ii) would be unnecessarily burdensome. Second, it would not conform to the amendments adopted to the first paragraph, because the only way there could be an oral test to determine literacy would be for the person to ask for it and the State law to authorize it.

I call attention to the fact that there are many State statutes which provide only oral examinations for literacy. It would be wholly unreasonable to require in every instance that the registrar transcribe the test.

This amendment is a clarifying one, with an intent of being helpful, so as not to put an undue burden on the registrars.

All a person would have to do, when he requested an oral examination, would be to ask that the questions and answers be reduced to writing.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman.

Mr. ROGERS of Colorado. Under the present provision, which the gentleman is talking about, it is stated:

> Such test is administered to each individual wholly in writing except where an individual requests and State law authorizes a test other than in writing—

Then the paragraph (ii) provides:

> A certified copy of the test whether written or oral and of the answers given by the individual is furnished to him within 25 days of the submission of his request made within the period of time during which records and papers are required to be retained.

What would the gentleman's amendment do, other than that?

Mr. CRAMER. I am sure the gentleman realizes, since he is familiar with the 1960 act, which this would amend, that if the amendment is not adopted, in every instance in which an examination is oral the party will have a right, if he intends to bring a case under the 1960 act, to demand, within 25 days thereafter, that he be provided with a written statement of the questions asked and the answers given.

In order to be prepared to accomplish that, every registrar would find it necessary to have transcribed every oral examination and every answer given.

My amendment would provide that when a person asks for an oral examination, pursuant to paragraph (i)—"an individual requests and State law authorizes a test other than in writing"—that person also would ask that his questions and the answers thereto be reduced to writing.

Is it not obvious that if that is not done every single oral test and every single answer thereto would have to be transcribed by the registrars throughout this country? This applies not alone to the South. There are other States all over the Nation which give oral literacy tests. In order to comply they would have to transcribe them.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

This is a very dangerous amendment. It would do away with the written record of the proceedings. It would really prevent the keeping of an oral record.

If the proceedings were oral, unless the individual asked that there be a record made there would be no record made.

This involves an escape clause which to my mind would be highly dangerous. A person could not prove, in most instances before the court, that there was any discrimination. Reliance would have to be placed on oral testimony, and the individual, standing alone, would be confronted by several other individuals who would deny that there was any discrimination. To the contrary, if there were a written record of the proceedings there would not be that ease of dissipating the charge of discrimination.

Innocent persons, particularly those who are discriminated against, usually do not know their rights and they are not likely to ask for a written record. In truth and in fact I do not think 9 out of 10 would even ask for a written record much less know whether they have a right to it. Therefore, this would be a loophole or an escape hatch by which a great deal of wrong could be done. For that reason I do hope that the amendment will be voted down.

Mr. CRAMER. Mr. Chairman, would the chairman of the committee yield for a question?

Mr. CELLER. I yield to the gentleman from Florida.

Mr. CRAMER. The chairman, I am sure, realizes, on page 39, line 13, in order for a release to be given in the first instance on line 13 it is where an individual requests and the State law authorizes. So there has to be both.

Mr. CELLER. That is right.

Mr. CRAMER. But the person has to request it in the first instance to trigger the State law into effect. All I am saying is when he requests the examination to be orally made, if he intends to use it as a contest in the future and thus require a registrar to keep these records, he should also ask it be reduecd to writing so that the proof will be on the record. Otherwise all records must be kept by transcription. Is that not correct?

Mr. CELLER. That is exactly what we want; to have as many as possible of the records kept so that there can be no skulduggery. That is one of the reasons for these provisions—to prevent that kind of situation arising. We do not want the skulduggery, and if you have a written record there, you have it spread on the record so that anyone can read it. But if it is oral, we have difficulty in proving it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was rejected.

AMENDMENT OFFERED BY MR. DOWDY

Mr. DOWDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. DOWDY: On page 39, following line 21, insert a new provision "(D) neither permit to be cast nor count any vote except that of a living, eligible elector, who personally casts his vote and whose residence is within the voting precinct in which the vote is cast, or sought to be cast."

Mr. DOWDY. Mr. Chairman, this is the amendment that I mentioned last Saturday that I would offer when we got to this place in the bill. As I mentioned at that time, I have a rather personal interest in this amendment. Now, may I state it will not affect absentee voting. It will not affect the voting of a blind person or a person otherwise casting his own vote. This amendment would apply to persons who vote outside the precinct in which their residence qualifies them to vote. In other words, they could not cast their votes in several precincts, and the casting of votes of dead people and that sort of thing would be forbidden. As I mentioned Saturday, down in my district there was a box in which 157 or 167 poll taxes were paid giving the residence of a 2-room shack for all 167 poll tax payers in that particular box There was some complaint made by this organization, the CIO Committee on Political Education, the successor organization to the CIO Political Action Committee, because I got 100 votes in that box.

There were over 900 votes cast and I did get 100 of those votes. I think they thought that they had bought all of the votes in the box. Now, in checking up as best I could I found that some of the people were nonexistent whose names were listed as having paid poll taxes at this address. Others were dead and others lived in other precincts.

Now, if we are going to have a bill that guarantees the right of a person to vote, if that vote of a person who is eligible to vote is to be worth a continental then there ought to be something in the bill that would bar ineligible votes from being counted in an election. Otherwise you are fighting windmills because stuffing ballot boxes will overcome it. This incident happened in my district.

Several years ago there was an incident in another part of Texas; I am sure it was coincidental, but between 500 and 600 people voted in alphabetical order in that box. That will not happen often, but it did then.

I have heard of other places in the United States in other States where complaints have been made that dead people were voted, or ineligible voters cast votes. Now, if you mean a thing by this bill, if there is any honesty at all in the hearts and souls of those who offer this bill then there will not be a single vote cast against my amendment.

That is all I have to say about it.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield to the gentleman.

Mr. LINDSAY. I am just seeking information only. As the law now stands any challenges to residence, age, and those other requirements, would normally be settled in the State court.

Mr. DOWDY. So would all this other stuff in the bill.

Mr. LINDSAY. That is what I would like to find out. Would the gentleman's amendment have the effect of throwing into the Federal courts the adjudication of all those questions as to age, the length of time in residence, capacity, and all the rest of it? I just do not know.

Mr. DOWDY. I can answer the gentleman's question this way. I think the provision in the bill is unconstitutional. It has no place here. All of the other matters presented in the bill are presently handled in the State courts. If you are dead set and bound to have part of it in the Federal courts, why not have it all there? That is the only way I can answer the gentleman's question.

Mr. LINDSAY. In other words, if there is a question as to a person's age or the length of time he has lived at such-and-such a place, the gentleman's amendment would contemplate that that would be tested in the Federal court and not in the State court.

Mr. DOWDY. If a dead person is voted in an election, if an ineligible voter casts a vote in an election, if a voter casts his vote in more than one box in an election, that has just as much place in this bill as anything else you have got in it.

Mr. LINDSAY. Under the law of Texas it is not permitted for a dead person to vote.

Mr. DOWDY. That is true in any State. But also under the law of Texas anybody may vote who is qualified, regardless of race, color, religion or sex or whatever else you have in this bill. You do not have to have a sixth-grade education.

Mr. LINDSAY. I am not arguing with the gentleman, I am just seeking information.

Mr. DOWDY. I am trying the best I can to tell the gentleman. I want to educate him, if I can.

Mr. LINDSAY. The question of residence, then, would be in the Federal court under the gentleman's amendment.

The CHAIRMAN. The time of the gentleman from Texas [Mr. DOWDY] has expired.

Mr. CELLER. Mr. Chairman, I rise in oppositon to the amendment. We never considered this amendment. It comes rather strangely now.

As I envisage the amendment, it is a rather unusual one because, as far as I know, the States usually protect the integrity of their own ballot and they protect their own voters. This is an attempt, it strikes me, to dictate to the States what they should do with reference to their own voters. It states certain conditions that must be lived up to. They must personally cast their ballot.

I would like to know what happens to the absentee ballots if a ballot is not cast, and it strikes me there may be. If we adopt this amendment it is an impingement on the right of an absentee voter to have his ballot cast and to have his vote counted. Beyond that, if we put this phraseology in the act we may be putting in something that is quite inconsistent with State laws. State laws are different from one another with reference to voting qualifications, and places where you may vote, how you may vote, and so forth. So that we are entering into a thicket of rather considerable difficulty if we adopt this amendment and it would be in a way an advocacy of the right of the Congress to tell the States exactly what they should do with reference to absentee ballots, what they should do with reference to ordinary ballots, and how they shall be voted. It goes into every conceivable direction as far as the States are concerned. For that reason I hope the amendment will not prevail.

Mr. DOWDY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Texas.

Mr. DOWDY. The gentleman says this amendment was not considered in the committee. If the gentleman will recall, he specifically said no amendment would be permitted to be considered in the committee.

Mr. CELLER. That is not quite accurate. The subcommittee considered many, many amendments. This was not considered during the many months that we held hearings. Those hearings went from May to November and, as far as I know, not a word was uttered concerning the import of the amendment suggested by the gentleman from Texas. It comes here at the 11th hour and it is difficult to evaluate exactly what its import is.

Mr. DOWDY. There is a provision in the bill that a vote will be counted. It is only the honest votes that are counted, and I think that is the only thing this amendment is directed to. It is not directed to absentee ballots. An absentee ballot is personally cast.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Florida.

Mr. HALEY. Do I understand the gentleman is saying now he is in favor of voting tombstones and dead people? That is all the amendment covers.

Mr. CELLER. No. Your State and my State prevent voting the names on tombstones. I hope your States does; mine does.

Mr. HALEY. Mine does, but I know some States that do not.

Mr. CELLER. My State is not included in that nefarious list.

Mr. CORMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I urge a "no" vote on this amendment. I must confess I could not in an orderly way analyze it because I have heard it said that it was technical. I will point out it very probably affects the law in California and in a number of other States which permit people to return to the precinct in which they lived even after they have moved out before the election. Furthermore, we have very, very carefully imposed the Federal will on State standards only in those cases where there has been an overwhelming amount of evidence there was necessity to protect the right to vote. There was no such testimony before the committee. If the State of Texas is unable to protect the right of its people to vote, that should be presented to the committee and we would deal with it. I should be very apprehensive if we adopted an amendment here that none of us understands too well, that would invade all the States and practically force them to change their State laws.

Mr. CRAMER. Mr. Chairman, I rise in support of the amendment.

This does what the committee indicated they wanted to do as relates to the duties of the Commission. I call your attention to page 59 of the bill.

In the bill the Commission has the authority to investigate allegations in writing under oath or affirmation that citizens of the United States are being deprived of the right to vote and to have that vote counted. I fought to get this provision in the law since 1957. In 1957 the Committee on the Judiciary voted such a provision out and by procedures in the House and in the other body it was ruled out. But our Committee on the Judiciary has stated on numerous occasions the need for such a proposal that votes be counted, and that the public be assured those votes are counted. The Committee on the Judiciary said in 1957:

> The right to vote is the cornerstone of representative self-government. As such it is imperative that the franchise of every qualified citizen is adequately and effectively safeguarded and protected.

I point also to the supplemental views of the gentleman from Ohio [Mr. MCCULLOCH] and others on page 23 where it is stated:

> In support of this honest ballot proposal—

And that is what it is for all citizens—it said in that report:

> This is not just a local or regional problem. This is a problem that has constitutional overtones affecting all Americans.

And listen to this:

> Reliable studies made by the Honest Ballot Association and other civil groups indicate that more than 1 million votes are stolen or lost in every national election.

Now the amendment offered by the gentleman does nothing more than to pinpoint one of these areas of stolen votes and that is graveyard voting. I cannot imagine how anyone could oppose a provision that would make a civil right the right of a person not to have opposing his vote a vote that is voted from a graveyard because that dilutes completely our whole representative form of government.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman.

Mr. CELLER. The Committee on the Judiciary accepted your amendment and you will find it on page 60, lines 7, 8, and 9 which refers to fraud or discrimination in the conduct of such election. That is quite different from the import of the amendment now pending of the gentleman from Texas.

Mr. CRAMER. I will say to my distinguished chairman, so far as I am concerned there is no more fraudulent practice can be conceived than voting graveyard votes of people who are deceased and permitting them to vote which is the very area of fraud that the gentleman's amendment intends to do something about. I say to you, if you want a real civil rights bill, we will write into this section this amendment which protects the right of all people to vote and not have their votes diluted by graveyard votes.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman.

Mr. DORN. I join in support of this amendment. I would like to refresh the memory of my distinguished and beloved colleague, the gentleman from Ohio [Mr. MCCULLOCH] by stating, I thought this was the general agreement the day I appeared before the Committee on the Judiciary. I remember very distinctly the gentleman from Ohio saying that a provision of this nature should be in the bill and he was joined in that assertion by practically all the members of the committee. So I hope this amendment will be adopted. Of course, I want to say to my friend, the gentleman from Florida, that it is worse than fraud to vote a man who is deceased in any of the great metropolitan areas of this country. If we are going to have a civil rights bill, this provision certainly should be in the bill.

Mr. CRAMER. I referred to the supplemental views of the minority on page 23 where it says:

> Reliable studies made by the Honest Ballot Association and other civic groups indicate more than 1 million votes are stolen or lost in every election and specifically "through such time tested devices as tombstone voting."

Now this amendment intends to do something about that.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman.

Mr. RODINO. Does not the gentleman recognize, however, that the very proposal which was adopted in committee as the result of his urging, states specifically that the Civil Rights Commission must first investigate. But here what you are doing is immediately stating that such is the condition and that there is no need for investigation.

Mr. CRAMER. I will say to the gentleman, I am willing to accept as a finding of fact as of this moment that tombstone voting is wrong; that tombstone voting is a fraud; and that tombstone voting should not be permitted in the future. That is all this amendment does. We do not need any investigation into tombstone voting. We know it is wrong.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROOSEVELT. Mr. Chairman, I move to strike the requisite number of words.

Would the gentleman from Florida explain something to a nonlawyer? How does one get an injunction against a dead man's vote, as to its not being counted?

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. Certainly.

Mr. CRAMER. Obviously, you get an injunction against those State election authorities who are trying to count and to make valid the fraudulent, invalid votes. That is exactly the thrust of the whole voting section.

Mr. ROOSEVELT. How does one know about it until after the election?

Mr. CRAMER. The thrust of the section is against the election supervisors who permit the wrong people to vote—on the question of race in one instance, and on the question of being dead in this instance.

Mr. ROOSEVELT. I ask the gentleman how anyone would know that until after the election had been held.

Mr. CRAMER. It would be known by the process of determining whether anybody who is listed as voting is in fact dead.

Mr. ROOSEVELT. It is not possible to get an injunction on something that has already happened. That seems rather ridiculous.

Mr. CRAMER. It could be done in exactly the same manner for votes which must be counted under the present law. It is possible to get a review of an election under the present law. The same procedure could be used.

Mr. DOWDY. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to my friend from Texas.

Mr. DOWDY. The gentleman did not read the few words preceding it. It is (A), (B), (C), and (D). I offered (D).

Mr. ROOSEVELT. I tried to get a copy of it at the desk, but it was not available.

Mr. DOWDY. It would provide "No person acting under color of law shall permit to be cast nor count" any such vote.

Mr. ROOSEVELT. I believe it is correct to say that in order to have any proof that such was done a person would have to wait until the election was over, and then it would not be possible to get an injunction after the fact. I cannot understand how it would operate at all.

Mr. DOWDY. There are a lot of fool things in this bill I cannot understand.

Mr. ROOSEVELT. I am glad the gentleman admits that there is a lot of fool stuff. I admit the amendment is a lot of fool stuff.

Mr. ANDREWS of Alabama. Mr. Chairman, I move to strike the requisite number of words.

I should like to ask the gentleman from Florida [Mr. CRAMER] a question.

Is it not true that the bill would give the Federal authorities jurisdiction over elections?

Mr. CRAMER. That is exactly the objective, to give the Federal authorities jurisdiction over qualifying to vote and actual voting.

Mr. ANDREWS of Alabama. The purpose of the amendment of the gentleman from Texas is to give the Federal Government jurisdiction over fraud in elections.

Mr. CRAMER. Exactly. I cannot understand, I will say, if the gentleman will yield further, how anyone could oppose outlawing "tombstone voting" and using the same procedures to prevent such fraudulent voting as it relates to all our citizens, as compared to doing something when it relates to a minority group which may be denied the right to vote.

If all of the votes in America are going to be "watered down" by the permitting of "tombstone voting" then our representative system might just as well go out the window.

Mr. ANDREWS of Alabama. Is it not simply stated as follows: The Federal Government would assume jurisdiction over elections, if the bill becomes a law?

Mr. CRAMER. To some extent that is correct.

Mr. ANDREWS of Alabama. So the amendment of the gentleman from Texas, if adopted, would require that the Federal Government assume jurisdiction over fraud in elections.

Mr. CRAMER. It would give a person a right to complain if his vote were "watered down," and it would permit the district court to decide whether it had been "watered down," and to rule out the votes that had been "tombstone votes" and fraudulently cast, which is something that should have been in the law years ago. This is the best amendment which could be considered to do that.

Mr. ANDREWS of Alabama. I am in favor of the amendment. I wish to say that if the Federal Government is going to assume jurisdiction over all elections, it ought to take over lock, stock, and barrel, and take charge of fraudulent voting as well as any other.

Mr. CRAMER. Certainly it ought to take jurisdiction over "tombstone voting."

Mr. WESTLAND. Mr. Chairman, I move to strike the requisite number of words.

I do this for the purpose of asking the author of the amendment a question.

There is one phrase in the amendment which intrigues me. I refer to the words: "who personally casts his vote."

I wonder whether the gentleman from Texas intends in any way to interfere with absentee voting.

Mr. DOWDY. Certainly not. An absentee ballot would be personally cast. It would be a live vote.

Mr. WESTLAND. A what?

Mr. DOWDY. A live vote. It would not be cast by a dead person.

Mr. WESTLAND. I understand that. I am not in favor of having any dead people vote.

Mr. DOWDY. I should like to have it understood that my amendment is nondiscriminatory in nature. It would apply to dead white folks as well as to dead colored folks.

Mr. WESTLAND. That is fine, but I should like to get on the record that this would in no way interfere with the absentee balloting.

Mr. DOWDY. No. I stated that as a preface to my remarks when I offered my amendment.

Mr. HUTCHINSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I desire to ask the gentleman from Texas [Mr. DOWDY] a question. I am certainly sympathetic with every attempt to do away with tombstone voting. However, I think there is one element here in this amendment that has not been brought out yet. Let me put this situation to you. In Michigan, under our State constitution, a registered eligible voter in Michigan can move out of Michigan down to the gentleman's State, Texas. Within the period of time during which the person who has moved cannot establish residence in Texas for the purposes of voting, nevertheless under the Michigan constitution that voter, who is no longer a resident of Michigan, you understand, because he has moved to Texas, is permitted to cast a vote in Michigan for presidential electors or for President and Vice President. Now, he is no longer a resident in the precinct in which the vote was cast. Would this provision not supersede the constitutional provision of the State of Michigan?

Mr. DOWDY. No. I think not. I think not. He would be under the law a legal resident for voting purposes of the precinct.

Mr. HUTCHINSON. The gentleman will notice his residence is not within the voting precinct, and those are the words of your amendment.

Mr. DOWDY. But under your laws you say he is still considered an eligible voter and his residence is still Michigan for the period of time, whatever you provide. It would not be my intention to override any State law in respect to voting residence.

Mr. HUTCHINSON. Then we have a legislative history on this point.

Mr. DOWDY. That is right.

Mr. LINDSAY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I had not intended to speak, but lest there be any danger that Members vote for this amendment thinking there will be some improvement in vote frauds in the United States, a word of warning is necessary. What the bill before us proposes to do in respect of voting rights is to involve the Federal Government in an area where there has been a clear demonstration that States and localities have not been able to do right by a certain segment of the population. And we do so reluctantly. In fact, with great restraint. As it has been pointed out, we refused to go into the question of State elections even though there is power under the Constitution for the Congress to do so.

The gentleman from Texas proposes an amendment that is going to put the Federal Government and the Federal courts in a great many areas where your Committee on the Judiciary has not intended it go. You will make the Federal courts the judge of every aspect of voting qualification—residence, age, not incarcerated, and more of them having anything to do with race, religion or national origin. We think that these matters are properly left to State courts. We do not think that the Federal Government and Federal courts should involve themselves. The Federal Government and Federal courts are involved in those areas where the right to vote in Federal elections is denied because of race, religion, or national origin. We do not propose to go beyond that in this bill.

Mr. DOWDY. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman.

Mr. DOWDY. I have the highest esteem for the gentleman, but I never thought I would hear him make a speech for States rights. I want to thank him for that. My question is this. I thought maybe we could reach some area of agreement on this. Perhaps no vote shall be cast for a dead person after two elections have transpired.

Mr. LINDSAY. Is the gentleman proposing an amendment to his amendment? If the gentleman will offer an amendment to his amendment, the members of the committee will consider it.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman.

Mr. CELLER. Is not the real danger here that this amendment will have the effect of subverting and changing quite a number of State statutes?

Mr. LINDSAY. Possibly.

Mr. CELLER. And is it not also true that if the words used—"personal voting"—were changed and could be maintained, if we adopted this amendment, it might have the serious effect of interfering with absentee voter ballots in a number of States?

Mr. LINDSAY. Yes, it might. Mr. Chairman, I would like to conclude by saying that I supported my friend from Florida on the question of the Civil Rights Commission's authority to examine the matter of having votes counted. Even that is limited and subject to the problem of racial discrimination. But this pending amendment is quite different. The Civil Rights Commission reports to the President and to the Congress as to the state of the facts on certain matters involving civil rights. That is something quite different from writing into Federal law at this moment a new provision with respect to qualifications of voters in the States.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. DOWDY. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. JOHANSEN. Of course, I yield.

Mr. DOWDY. Mr. Chairman, on reexamining my amendment I find I used "neither/nor" and it should be "either/or." I ask unanimous consent that that correction be made.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. JOHANSEN. Mr. Chairman, I have waited 3½ years to make these remarks and I do not want to be denied the privilege. I recognize that we are at the spoofing stage of this afternoon's session. I will not protract that. I would like to mention to the gentleman from Florida [Mr. CRAMER], that it was down in his district in Florida 3½ years ago, immediately after the November 1960, election, that I heard the most eloquent and most indignant States rights "Keep the Snooping Federals Out," speech I ever heard anywhere. The remarks were not made by any gentleman from Florida or any other southerner. They were made over television. They were made because of the proposal of a distinguished Member of the other body, who happened at that time to be the Republican national chairman, asking for a Federal investigation of alleged voting frauds in the Presidential election; the voting of gravestones, and the failure to count votes in a certain major metropolitan area. The great States rights speech was made by the very distinguished mayor of the city of Chicago, Mayor Daley. So I guess it is just a question of whose ox is gored.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. DOWDY].

The question was taken; and on a division (demanded by Mr. DOWDY) there were—ayes 98, noes 109.

Mr. DOWDY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. DOWDY and Mr. ROGERS of Colorado.

The Committee again divided, and the tellers reported that there were—ayes 117, noes 124.

So the amendment was rejected.

Mr. CELLER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes, had come to no resolution thereon.

STATES GRAB GAMBLING REVENUES

Mr. FINO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, many years ago horseracing was considered the sport of kings not because it provided excitement and pleasure but because it helped to breed better horses.

But, that was a long, long time ago. Today, horseracing is no longer the sport of kings but rather the sport of Governors. Horseracing is no longer used to test and breed better horses but to fatten depleted State treasuries. Horseracing, today, is no longer a sport but big business.

We have seen, Mr. Speaker, more and more legalization of parimutuel betting in order to capitalize on the instinctive gambling spirit of the American people. As a matter of fact, in the past year, the States of Vermont and Nevada have joined the other 24 parimutuel betting States in order to participate in this lucrative gambling business which has grown into a $4 billion a year industry.

We have also seen, Mr. Speaker, State after State lengthening its racing seasons not so much for the amusement of the attendance at the racetracks, which last year was over 54 million, certainly not to breed finer horses, but to pump more of this gambling revenue into the coffers of the government treasuries.

A classic example is my own State of New York which expects to again increase its racing season an additional 10 days in order to grab another $5 million in parimutuel taxes. It has already been estimated that New York's share of parimutuel betting revenue for this year will reach the sum of $125 million. Not bad.

All of this, Mr. Speaker, points to the hypocrisy that exists in this country. We practice one thing and preach another. We maintain a pious and sanctimonious attitude about gambling but become active partners in all of the gambling action at the racetracks. The U.S. Treasury has been and continues to be the glad recipient of millions of dollars a year in admission taxes collected from over 54 million persons whose thirst to gamble brings them through the racetrack turnstiles. We preach the evils of gambling but, yet, in 1951 we recognized and sanctioned gambling in the United States by imposing a 10 percent tax and the requirement of a $50 tax stamp on all gamblers in this country.

The 26 States which have legalized betting on horses, have proven one thing: that the urge to gamble is deeply ingrained in most human beings and that a tax on this gambling activity can and does produce great incomes which are essential to balancing government budgets.

Mr. Speaker, if the Members of this Congress would only remove the blinders, they would see that gambling in the United States is a $100 billion a year tax-free monopoly. If they would only open their eyes and accept the fact that millions of our citizens enjoy the relaxation and pleasures of gambling, we can pump over $10 billion a year in additional revenue into our treasury through a Government-run lottery.

Legalization of a national lottery in this country would not only satisfy this human thirst to gamble—would not only meet the approval of the people who favor a Government lottery 9 to 1—but would provide the additional income to cut burdensome taxes and reduce our national debt.

When are we going to get smart?

POTENTIAL SECURITY RISKS IN THE STATE DEPARTMENT

Mr. STINSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. STINSON. Mr. Speaker, many people in the United States have been wondering why our foreign relations have been going so badly for us for the past several years. Perhaps the attached newspaper article provides some explanation.

> [From the Evening Star, Washington, D.C., Feb. 1, 1964]
>
> ### SECRET LIST NAMES 800 AS POSSIBLE RISKS
>
> A list of potential security risks in the State Department, kept secret since it was prepared in 1956 by a now-deceased departmental security chief, has been turned up by congressional investigators.
>
> Dated June 27, 1956, and signed by Scott McLeod, administrator of the Bureau of Security and Consular Affairs in the Eisenhower administration, the memorandum states:
>
> "On the Department rolls are some 800 individuals concerning whom the Office of Security has information which raises questions in major or minor degree with respect to the criteria of Executive Order 10450, namely questions as to possible past Communist activity or associations, false statements, immoral conduct, homosexuality, intoxication, mental defects, etc. All have been cleared as qualified for access to classified information.
>
> ### 250 CASES CALLED SERIOUS
>
> "Of the 800-odd listed, there are approximately 250 on whom the questions are, in my opinion, serious in relation to the broad security responsibilities of the Department. Sixty percent are incumbents in high level assignments in the Department or in the field.
>
> "About one-half are assigned to what can be categorized as critical intelligence slots in the Department or to top level boards and committees.
>
> "The situation described is obviously serious and deserves urgent attention."
>
> In an attempt to find out what action was taken on the list and how many of the employees were cleared and are still in the Department, the Senate Internal Security Subcommittee met in closed session this week with an official of the State Department.
>
> ### DEPARTMENT IS CONCERNED
>
> The witness, according to congressional sources, provided no information but is to be questioned again after he has consulted with top State Department officials.
>
> It was understood, however, that officials in the State Department were deeply concerned about the appearance of the list in the hands of the committee.
>
> Mr. McLeod left the security post in 1957. He was named U.S. Ambassador to Ireland, and remained on oversea assignment until the Democratic administration came to power. He died in 1961.
>
> The last of the security officials in the Department from the McLeod regime was Otto F. Otepka, who is now fighting dismissal charges filed against him by the Department.

SOVIET MURDER OF THREE U.S. AIR FORCE FLIERS

Mr. JOHANSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JOHANSEN. Mr. Speaker, apparently our give-up-easy State Department has closed its file on the Soviet murder of three U.S. Air Force fliers in the unarmed jet trainer plane over East Germany last week.

An Associated Press news report in yesterday's Washington Star opens with this statement:

> U.S. officials say they consider the shooting down of an American jet trainer plane over East Germany to be a closed incident so far as its effect on larger East-West policy issues is concerned.

This shameful decision—if in fact it is the official decision—is rendered doubly shameful by its apparent anonymity.

I challenge the State Department to identify the unnamed U.S. officials who reportedly have decided to sweep the matter under the rug.

I challenge the Secretary of State to inform the American people whether he, personally, is a party to or supports this disgraceful decision.

The Associated Press report contains this further statement:

> The judgment of the U.S. policymakers is that there was no excuse for the Russians to shoot down the plane and that their efforts should have been continued to force it to land safely or to turn it back.
>
> However, since the Russians have returned the bodies of the airmen as well as the wrecked aircraft, the view of officials now is that no worthwhile purpose can be served by continuing to make an issue of what they consider an extremely unfortunate, but closed incident.

The American people—and the nearest of kin of the Air Force officers thus brutally murdered—are entitled to clear and categorical answers to these questions:

First. Who precisely are the "policymakers" who have decided that this is a "closed incident"?

Second. The Associated Press report states that two U.S. fighters were sent up to intercept the trainer when it was found impossible to communicate with its crew. It states that "these planes were unable to reach the trainer before it went over the boundary." Why did these planes not cross the boundary in an effort to locate, protect, and turn back the unarmed trainer?

Third. Was there any means by which either the fighter planes or American ground control officers could communicate with the Soviet fighter which intercepted the American trainer or with any Soviet or East Germany ground control officers?

Fourth. Have American State Department or Defense Department officials any answer to the question raised editorially by the Chicago Tribune on January 31 as follows:

> What is the much vaunted "hot line" between White House and Kremlin for if not to avert incidents such as this, where an inadvertence may be mistakenly interpreted as an act of aggression?

Fifth. Most important of all, is it official State Department and administration policy to regard such "incidents" as having no bearing or effect on "larger East-West policy issues?" In other words, does the State Department and this administration propose to persist in wheat sales, cultural exchanges, disarmament negotiations, and other cooperative dealings with Soviet Russia based on the premise of "mellowing" Communists while those selfsame Communists persist in brutal and murderous acts of this type?

Sixth. In a word, has our State Department lost all contact with reality?

Incidentally, I wonder if our State Department has officially tendered their thanks to the officials of Soviet Russia and East German for their courtesy in returning the bodies of the men they murdered.

Under permission to include extraneous material, I insert the Washington Star article and the Chicago Tribune editorial which I referred to:

> [From the Washington Sunday Star, Feb. 2, 1964]
>
> ### RED DOWNING OF U.S. PLANE NOW CALLED CLOSED INCIDENT
>
> U.S. officials say they consider the shooting down of an American jet trainer plane over

East Germany to be a closed incident so far as its effect on larger East-West policy issues is concerned.

Officials were still mystified yesterday as to why American ground control officers were unable to contact the plane and call it back when they realized it was off course in flying toward the East German border last Tuesday. The mystery may never be solved. The three officers aboard were killed in the crash.

Information now available in Washington is that strenuous efforts were made by the Air Force to get the crew to turn aside before crossing the border.

These efforts, it was reported, included sending up two U.S. fighters to intercept the trainer. These planes were unable to reach the trainer before it went over the boundary. Attempts then were continued to establish communications contact with the aircraft but they failed to get any response.

NO EXCUSE FOR SHOOTING

U.S. officials have been told that a Russian fighter which intercepted the trainer first waggled its wings in a signal that the trainer should land and then fired warning bursts in front of the aircraft to force it to land.

The judgment of U.S. policymakers is that there was no excuse for the Russians to shoot down the plane and that their efforts should have been continued to force it to land safely or to turn it back.

However, since the Russians have returned the bodies of the airmen as well as the wrecked aircraft, the view of officials now is that no worthwhile purpose can be served by continuing to make an issue of what they consider an extremely unfortunate, but closed, incident.

Meanwhile, the fire-scarred remains of the downed jet were trucked into West Berlin yesterday for study by U.S. Air Force investigators.

TRUCKS BRING WRECKAGE

The largest fragments of the unarmed, twin-engine T-39 North American Sabreliner were its swept-back wings. One had been torn away in the air during the shooting.

Using two trucks, a six-man U.S. Air Force team brought in the wreckage.

Investigators probed the debris for information that might shed light on why the Sabreliner strayed across the Iron Curtain on its flight above the clouds. Instrument failure was one suggestion in speculation as to why the plane drifted over East Germany.

A mortuary team on Friday recovered the bodies of the fliers—Lt. Col. Gerald Hannaford, 41, of Austin, Tex.; Capt. Donald Millard, 33, of Ukiah, Calif.; and Capt. John Lorraine, 34, of Jacksonville, Fla.

WING MILE FROM CRASH SITE

Capt. Miles J. McNaughton of St. James, Mo., who directed the recovery, said 95 percent of the plane's wreckage was scattered over a relatively small area.

The stray wing was handed over to the Americans by Soviet troops and East German police. Capt. McNaughton said the Russians told him this wing had been found about 1.2 miles from the site crash. Finding of the wing this far away could mean it was shot off or that the plane exploded in the air.

Civilians living in the Vogelsberg area, where the crash occurred, reported they had heard machine gun and cannon fire.

[From the Chicago Tribune]

MURDER IN THE SKIES

The Russians have replied in their usual brutal and perfidious manner to the so-called "peace offensive," proclaimed just 4 weeks ago by President Johnson. They have admitted "undertaking measures" which resulted in the crash of an unarmed U.S. Air Force training plane in Communist East Germany and the death of all three officers aboard it. It was hardly necessary for Washington to add that these "measures" meant shooting the unarmed T-39 jet trainer down.

This is the Soviet reply to Mr. Johnson's invitation for peace. This is Mr. Khrushchev's contribution toward the "joint effort" which, he said in a New Year's message, could make 1964 "a year of decisive change for the better." This is his response to his own plea for "peaceful cooperation, good neighborliness, and friendship."

This is the brutal treatment we get in reply to Mr. Johnson's offer to negotiate our differences when he recently opened the latest session of the perennial disarmament conference at Geneva. This is how we are repaid for our wheat and our cultural exchanges and all the other signs of friendship we have blindly given or promised.

The small plane apparently strayed across the Iron Curtain in a thunderstorm. The resulting atrocity should remind those in charge of our Air Force abroad that neither mercy nor restraint can be expected from our alleged friends in the Kremlin.

It was patently absurd for the Soviet note to refer to the flight as a "gross provocation." What is the much vaunted "hot line" between White House and Kremlin for if not to avert incidents such as this, where an inadvertence may be mistakenly interpreted as an act of aggression?

If Khrushchev wants friendship, let him first demonstrate by affirmative acts that he will rectify the innumerable wrongs which exist in the world as a direct result of his policies. Until then, let our leaders stop their sentimental and unrealistic chatter about the "mellowing" nature of guntoting Communists, and let them cease heaping gratuitous favors on bloody-handed tyrants.

As we said only last Sunday, "It would seem to be high time that the administration got the idea that there are bad guys in this world and they do not change—a rule which disposes of any illusions about Khrushchev, Sukarno, Tito, and the lot."

OUR POLICY TOWARD RUSSIA—LET US TAKE A GOOD LOOK

Mr. AUCHINCLOSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. AUCHINCLOSS. Mr. Speaker, under permission granted me by the House, I am very pleased to include in my brief remarks the leading editorial appearing in the Washita Valley Herald of Thursday, January 30, 1964, of which my nephew, Bayard C. Auchincloss, is publisher. This editorial entitled "Our Policy Toward Russia—Let Us Take a Good Look," is very timely and to the point and I hope that my colleagues will read it carefully.

I believe it discusses a thought which is in the minds of a great many people throughout the country because everyone is concerned about the encroachment of communism throughout the free world and particularly the Western Hemisphere. I believe the time has come, if indeed it has not already passed, when we should stiffen our attitude toward this godless ideology and it is a concern to all Americans that as the editorial says:

> Lately, of course, we have noticed them [i.e., Communists] inching along making gains anyway, despite our efforts to contain them.

I think also the observation that "It is the small businessman that represents the greatest threat to communism" is fundamentally true and we as a nation should give this fact the support and attention it deserves.

The editorial follows:

[From the Chickasha (Okla.) Washita Valley Herald, Jan. 30, 1964]

OUR POLICY TOWARD RUSSIA—LET'S TAKE A GOOD LOOK

Just what is our policy toward the Russians, anyway? We seem to be mollycoddling them all the time. What kind of a strategy do we have that prompts this sort of thing?

Recently I received a copy of a little biweekly pamphlet put out by the Government which explains the official point of view on world problems. Our policy toward communism was outlined quite simply and concisely.

(1) We aim to have a strong enough military and nuclear force to provide a deterrent to the Russians starting any large-scale war. This force is especially important, because we do not have any defense against nuclear weapons, as the article puts it.

(2) We aim to always try to settle all disputes by negotiations rather than by the use of force.

Well, both of these aims seem to be good enough, looked at superficially. Of course it all depends on how we handle them. What kind of negotiations are we going to follow with the Russians? Would we give in to them to prevent the use of force? While these two aims of our foreign policy toward the Russians might seem pretty good on the outside their worth very much depends on our attitude and method as we pursue them.

There is another consideration, however. For many years we have adopted a view of holding the Russians where they stand. We want to draw a line, and beyond this they shall not pass, we say. Lately, of course, we have noticed them inching along making gains anyway, despite our efforts to contain them.

There is a basic fallacy in the idea of simply containing our enemies. It's as if there were two competing businesses across the street from each other. One man holds the line with the customers he already has, the other aggressively seeks new customers, actively promoting his wares. Who wins? Everyone knows that the aggressive merchant will eventually take over the other man's business.

It's the same in international affairs. We need to adopt a more active view toward our kind of government. We need to promote democracy vocally and aggressively throughout the world. It is the best way, we have proved it, why not push for it as the best way of life yet found on this earth. Let's not promote socialism around the world, as we have been doing, let's continually seek out the private investor, with the accent on the small businessman. It's the small businessman that represents the greatest threat to communism: he's the Communists' first target wherever they go. He is the real symbol of free enterprise, and where the small businessman exists in great numbers, there you will find freedom.

If we will stop apologizing for our greatness, and begin selling the way we got there, then this losing holding operation will stop, and we'll really push back the Communists into the tight little cell where they belong.

CUBAN AND SOVIET FISHING VESSELS WITHIN FLORIDA TERRITORIAL WATERS

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the

House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, early this morning the U.S. Coast Guard escorted four Cuban fishing boats into Key West after they had been caught within the territorial waters of Florida. It is reported that the captain of the mother ship of this group said that they were engaged in fishing, which was in violation of the law of the State of Florida.

Cuban and Soviet fishing vessels are not a new sight in Florida waters, or anywhere along the eastern seaboard of this Nation, where they have been sighted in increasing numbers. In the past, when they have been seen inside our territory off Florida, the Coast Guard has either been unwilling or unable to catch them, insisting that the passage was innocent. To the best of my knowledge none of these ships had ever been boarded to prove or disprove this assumption. The Coast Guard and the State Department are to be highly commended, therefore, for their actions last night and this morning.

We are probably the only Nation in the world that would make a presumption in favor of an adversary. Our own fishing fleet is constantly being harassed by other nations around the globe, sometimes when we have come no closer to their shores than a hundred miles. Yet our own Government has permitted foreign vessels to not only approach, but actually come within our outmoded 3-mile limit.

In this latest action, the Coast Guard has at last recognized the need for our vigilance, a fact that must have been backed up by the State Department which seems to have a veto power over such matters.

Only last week a spokesman for the State Department told the Senate Merchant Marine Committee that there was a potential threat to U.S. security from these fishing boats, and that we would soon see an increase in their activity due to new bases being completed in Cuba with Russian help.

Now that we have seen some action taken along the lines asked for last year by Chairman PORTER HARDY and his Investigations Subcommittee of the House Armed Services Committee, which met on this matter at my request, the follow-through becomes all important.

A complete investigation by responsible Federal officials should be undertaken to see exactly what these four Cuban boats were doing in our waters. They may in fact have been fishing. If so, their catch and boats should be forfeited for violating the law. If they here to do more than just fish, we should determine their true mission. It is reported that some 46 men were board these small ships, a large number for the size of the vessels and their stated operation.

Of course, in a question of security, Federal law should be enforced. If, however, the violation is for fishing in Florida waters, the Federal Government should turn the ships and men over to Florida State officials for prosecution under the State laws.

As a warning to the Russian and Cuban trawlers which operate near the United States, an example should be made of these four boats, so that all will know we will take every step necessary for our own security. This action was long in coming—I had requested it many months ago—but we can congratulate those responsible in this case for their good work, and hope that it is the beginning of a more realistic policy toward Castro's Cuba.

COMPETITION, THE CONSUMER, AND MARKET POWER IN FOOD DISTRIBUTION

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, the President's message on America's agricultural economy of last week was both realistic and incisive. He addressed himself squarely to finding ways for our Nation to better achieve the potential of the abundance with which those growing food and fiber have blessed us.

It was a far-reaching message, dealing with a great number of vital problems, including food for peace, the administration's war on poverty, resource conservation, and surplus food programs.

In the main, the message related to the agricultural sector of our economy and the problems faced by the rural portions of our Nation. But the message contained much of importance to those living in urban centers, too.

All consumers everywhere, the small business sector of our economy, and those engaged in agriculture are all vitally interested in the President's call for a study of the effects of market power in food distribution. As you will recall, the President said:

> Ninth. Market power: There is one more pressing need if American agriculture is to be strengthened. The recent changes in the marketing structure for distribution of food are as revolutionary as those in production. There are some 200,000 retail grocery stores, but we know that $1 out of every $2 spent for groceries goes to fewer than 100 corporate, voluntary or cooperative chains. Our information about how this greatly increased concentration of power is affecting farmers, handlers, and consumers is inadequate. The implications of other changes that take place as vertical integration and contract farming have not been fully explored. I urge that the Congress establish a bipartisan Commission to study and appraise these changes so that farmers and business people may make appropriate adjustments and our Government may properly discharge its responsibility to consumers.

I heartily applaud the President's call for study and appraisal of the distributive sector of the food industry. The price of food, its production and distribution, are vital to our entire economy. The consumer is entitled to the full benefit of competition, unshackled by any vestige of restraint of trade, unfair practices or undue economic concentration. It is our duty to act promptly now so that we may act wisely later. The study urged by the President will supply Congress with all the facts. We then will be able to proceed with such legislation as appears needed in this most important area.

The increasing integration which is taking place within the food industry has been a subject of continuing scrutiny by the Select Committee on Small Business through its Subcommittee on Distribution, of which I have the honor to serve as chairman.

During the 88th Congress, the food industry was one of those covered by our hearings on dual distribution. In making our study we received testimony from several segments of the food industry. We also availed ourself of the recent Federal Trade Commission report on the frozen fruit juice and vegetable industry and the excellent analysis on dual labeling by Willard F. Mueller, Director of the Commission Bureau of Economics. Each of these shows disturbing amounts of increasing concentration in food distribution.

Both the Assistant Attorney General, Antitrust Division, Department of Justice, and the five members of the Federal Trade Commission appeared before the subcommittee. Included in the matters on which they were questioned were integration and price discrimination in the food industry.

Many recent cases concerning food distribution have been before the courts and the Federal Trade Commission. A brief description of some outstanding examples will, I believe, illustrate the serious and widespread nature of the problems described by the President in his message. Truly, if the consumer is to continue to enjoy the benefits of competition, action must be taken:

Beatrice Foods Co. v. *U.S.* 312 F. 2d 29 (8th Cir. 1963). Court affirmed conviction of combination and conspiracy to eliminate and suppress competition.

U.S. v. *Greater New York Roll Bakers Assn.* (Southern District, New York 1963). Proposed consent judgment which would prohibit defendant from fixing prices, allocating markets or restricting competition.

Central Arkansas Milk Producers Association, Inc. (FTC docket No. 8391). Respondent guilty of unlawfully coercing processing plants.

Bakers of Washington, Inc. (FTC docket No. 8303, 1962). Respondent trade association guilty of price-fixing.

Washington Crab Association (FTC docket No. 7859, 1963). Association guilty of unlawfully restraining competition.

National Macaroni Manufacturers Association (FTC docket No. 8524, 1963). Members had violated section 5 of FTC act by concerted action resulting in a per se illegal effect on prices.

U.S. v. *Carnation Co. of Washington.* Civil damage action for alleged bid rigging.

U.S. v. *H. P. Hood & Sons, Inc.* Civil double damage suit alleging bid rigging.

U.S. v. *H. P. Hood & Sons, Inc.* Indictment charging attempt to drive milk dealers out of business.

U.S. v. *H. E. Koontz Creamer, Inc.* Companion criminal and civil actions alleging conspiracy to fix prices and eliminate competition in the sale of milk.

Carvel Corp. (FTC docket No. 8574, 1963). Alleged restrictive soft ice cream.

North Texas Produce Association v. *Young* 308 F. 2d 235 (5th Cir. 1962). Affirmed a district court judgment based on Sherman Act sections 1 and 2.

Swift & Co. v. *U.S.* (7th Cir. 1963). Upheld a Department of Agriculture judicial officer's ruling that Swift discriminated in the sale price of hams to competing customers.

National Tea Co. (FTC docket No. 7453, 1963). Dismissed charges that National had violated section 7 of the Clayton Act by acquiring 23 concerns subsequent to December 29, 1950.

National Dairy Products Corp. (FTC docket No. 6651, 1963). Consent orders prohibited future acquisitions.

Consolidated Foods Corp. (FTC docket No. 7000, 1962). Divestiture case resulting from conglomerate merger.

Borden Co. (FTC docket No. 7129, 1962). Price discrimination.

Borden Co. (FTC docket No. 7474, 1962). Area price discriminations.

Pacific Molasses Co. (FTC docket No. 7462, 1963). Guilty of price discriminations.

Foremost Dairies, Inc. (FTC docket No. 7475, 1963). Price discrimination.

U.S. v. *National Dairy Products Corp.* 372 U.S. 29 (1963). Selling milk in certain markets "at unreasonably low prices for the purpose of destroying competition."

Hruby (FTC docket No. 8068, 1963). Unlawful brokerage or discounts.

Flotill Products, Inc. (FTC docket No. 7226, 1963). Hearing examiner ordered respondent, a canner of fruits and vegetables, to stop paying illegal brokerage and discriminating among customers.

Exchange Distributing Co. (FTC docket No. 8061, 1962). Wholesale distributor of citrus fruit, vegetables and produce was ordered to stop accepting illegal allowances.

Dixie-Central Produce Co. (FTC Docket No. 8475, 1962). Food wholesaler was ordered by the FTC to stop accepting illegal brokerage.

Western Fruit Growers Sales Co. (FTC docket No. 8194). The FTC adopted an initial decision ordering a citrus fruit distributor to stop paying unlawful brokerage.

J. A. Folger Co. (FTC docket No. 8094, 1962). Granting discriminatory promotional payments.

Frey Meyer, Inc. (FTC docket No. 7492, 1963). Supermarket chain violated Robinson-Patman Act by inducing suppliers to grant discriminatory price concessions and promotional payments.

Foremost Dairies, Inc. (FTC docket No. 7475, 1963). Local price discriminations.

North Texas Producers Association v. *Young* (5th Cir. 1962). Group boycotts and individual refusals to deal.

U.S. v. *Ward Baking Company* (M. district, Florida). Consent judgment prohibiting collusive or rigged bids to Government. In companion case one firm was convicted criminally.

U.S. v. *San Diego Grocers Association, Inc.* (Southern District, California, 1962). Agreement held to be fixing of prices in violation of Sherman Act.

The record substantiates the President, showing greatly increased concentration of power. It also reveals price fixing, rigged bids, boycotts, illegal allowances; these practices must be stopped. These cases, and others, are currently under study by the staff of the committee, in conjunction with its consideration of concentration and integration in the food industry, which had tentatively been placed on the agenda for study this year. Our chairman, the Honorable JOE L. EVINS, has demonstrated keen insight into and great interest in this problem and its implications.

The interest of the Small Business Committee and its distribution subcommittee in this problem can be traced back to the committee's earliest days, under the chairmanship of the Honorable WRIGHT PATMAN. In recent years the subcommittee has also done extensive work on this problem. Stress has been put upon determining the effect of current trends upon both the consumer and the small businessman.

In its final report to the Congress the Select Committee on Small Business for the 87th Congress made the following recommendations and conclusions:

3. It is recommended that the Packers and Stockyards Act of 1961 be amended to strengthen independent competition in the sale of meat and meat products by making it unlawful for packers and retailers to integrate their functions in the processing and the marketing of meat and meat food products in excess of an aggregate annual volume where competition would be adversely affected by the integration of such functions.

Since the issuance of the meatpacking decree of 1920, the principle has been well established that the large packers may not vertically integrate "downward" into retailing. The provisions of this decree have served the public interest well in curbing this threat to competitive markets. In recent years, however, large retail food chainstores have been integrating "upward" into the feeding, slaughtering, and preparing of livestock. Many small, independent businesses are being destroyed in this process.

Representative JAMES ROOSEVELT, chairman of Subcommittee No. 5, introduced H.R. 10392 to protect these small businesses by preventing further integration of the functions of packers and retailers.

Testimony adduced at hearings and continuing investigations have fully established the necessity for this legislation. Large packing concerns continue to strain for recision of the 1920 decree; the giant food chains continue to enlarge their slaughtering operations. The independent meatpacker is caught in a pincer between the two.

4. It is recommended that the Federal Trade Commission Act be amended to prohibit vertical integration in the food industry where the integration of the functions of processing, wholesaling, and retailing of food would have the effect of substantially lessening competition or tending to create a monopoly in any line of commerce.

As a result of extensive hearings held during the 86th Congress and continuing investigations during the 87th Congress respecting small business problems in food distribution, it was found—

(1) That the 10 largest chain food stores in this country account for almost 30 percent of all U.S. food sales, and

(2) That the three largest chain stores in this country account for approximately 47 percent of the total of all chain food store sales.

(3) That there is evidence that, if left unchecked, a decreasing number of food stores will obtain an increasing share of the market, and

(4) That retail chain food stores have so vertically integrated their operations that they are now engaged in business at every stage—from control of the basic foodstuff or related commodity, through its manufacture, processing, or other preparation, to its retail sale to the consumer, and

(5) That, as a result of this vertical integration, many independent operators of businesses at all levels of the food industry have been eliminated.

The committee feels that, as shown by these facts, vertical integration of the food industry is developing at a rate destructive to free competition. To permit this development to continue unchecked would be to deny the economic principles upon which the antitrust laws are based.

6. The Department of Justice and the Federal Trade Commission should determine whether contract growing of poultry is diminishing through the cooperative and voluntary efforts of the various segments of the broiler industry. If it is found that the practice is not diminishing, the Department of Justice and the Federal Trade Commission should actively investigate, under the antitrust laws, the legality of the contract growing of poultry.

(a) The Department of Justice and the Federal Trade Commission should examine the operations of food chain stores to ascertain whether unlawful buying practices of poultry exist.

Hearings were held by special subcommittees concerning the milk industry and the tomato industry with regard to problems similar to those described by the President. As a member of these subcommittees, under the chairmanship of the Honorable TOM STEED, I can say that the problems studied were most serious. Of special interest is the following conclusion of the Special Subcommittee on the Tomato Industry:

5. This concentration of economic power in the buying and selling of food products involves also a power to influence in a substantial way, if not to control, prices paid to producers as well as the prices charged consumers for products such as the fresh tomatoes produced and sold from the Rio Grande Valley of Texas.

During the 86th Congress, it was my privilege, as chairman of the Distribution Subcommittee, to hold extensive hearings on problems in the food industry. Hearings were held in Washington, Denver, and San Francisco, which ran to approximately 1,500 printed pages. The staff, under the very capable leadership of then General Counsel Everette MacIntyre, now a member of the Federal Trade Commission, studied 2½ tons of industry documents in San Francisco alone. The conclusions of the report issued on those hearings included the following:

The committee concludes and finds that—

1. The broad public interest demands the maintenance and preservation of competitive free enterprise in the food industry.

* * * * *

5. The evolutions of food distribution of the food industry in recent years have developed tendencies to concentration of economic power, to collusive price action, and to unfair competitive policies, practices, and methods which, if continued unchecked, will preclude the maintenance of fair competitive conditions and threaten the growth and survival of small business in the food distribution industry.

6. The extent to which the concentration of economic power has been achieved by large corporate chain food retailers on the selling side in grocery retailing at the national level, and to a measure at the level of regional markets, has been fairly accurately determined, but to the extent this has occurred at the level of the many widely separated local markets and submarkets remains in dispute and should be subject to more investigation and study to permit precise determination of what the facts are.

7. The tendencies to the concentration of economic power, to collusive price action, and to unfair competitive methods which have been uncovered through this and other

investigations of the food industry are shown to have arisen in part from—

(a) Acquisitions and mergers by large corporate chain food retail firms of competing retailers and of facilities engaged in food manufacturing and processing;

(b) Vertical integration by corporate chain food retail firms of the functions of food retailing with wholesaling, transportation, manufacturing, processing, and in some instances, with the production of food products, such as for example the feeding of livestock;

(c) Utilization of concentrated economic power by large chain food retailers in the buying and marketing of private label food items to the exclusion of competing brands from the marketplace, such as for example the exclusion from appropriate shelf space in the stores of the chain retailers;

(d) Use of buying policies, practices and techniques which tend to restrict competition and the opportunities of competitors;

(e) Inducing and knowingly receiving preferential treatment from suppliers and using the benefits flowing from its subsidizing in part the selling at prices in some instances at levels below cost where the resultant effect is the substantial lessening of competition and the tendency to the creation of monopolies.

11. Unless Congress acts to strengthen the substantive and procedural provisions of our antitrust laws, makes available to the enforcement agencies greater resources and more attention is directed to these problems, we may expect an acceleration of these tendencies to concentration of economic power, to collusive price action, and to unfair competitive methods in food distribution.

Other committees are also active in this field. The Subcommittee on Livestock and Feed Grains of the Committee on Agriculture held hearings during the first session of this Congress on H.R. 1706, a bill which I have introduced for the purpose of preventing further vertical integration in the sale and production of meats, meat food products, livestock products, dairy products, poultry, poultry products and eggs.

In conclusion, I would like again to commend the President for his action in urging a study of concentration and integration in the vital field of food distribution. It is my hope that the Congress will act at once in the interest of American consumers, small businessmen, farmers, and other affected areas of the economy by providing for such a study. We must not allow a few giant corporations to dictate to the consumer the price he must pay for his daily bread. The forces of competition within our economy must be preserved.

THE NEED FOR EQUAL ACCOMMODATIONS

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, a group of white citizens, acting privately and unofficially in cooperation with the West Virginia Human Rights Commission, recently looked into the subject of equal accommodations for Negro citizens in West Virginia. Traveling along 750 miles of West Virginia's highways, this group reported on individual discussions with 144 West Virginia hotel and restaurant proprietors.

I believe this on-the-spot survey is significantly related to the current discussion of the civil rights bill. Specifically, over three-fourths of the hotel-motel and restaurant proprietors interviewed are providing equal accommodations for Negroes now, or would do so if requested. Virtually all the remaining proprietors interviewed would "go along if everyone else did."

In short, 95 percent of West Virginia's hotel-motel and restaurant proprietors would readily comply with an equal accommodations law if passed.

Under unanimous consent, I include the text of the report to the West Virginia Human Rights Commission, including the names of the interviewers:

We have this past summer undertaken to discuss, informally, with individual hotel and restaurant proprietors how they feel about equal accommodations. The primary objective has been to learn their views on the subject; insofar as possible our own views have been kept in abeyance throughout most of the discussion period. We did, however, end the discussions by encouraging them to offer equal accommodations, and to display the equal accommodations emblem.

Before beginning these field interviews the project was discussed with Mr. Howard McKinney, executive director of the Commission. One of the purposes was to learn those areas of the State where systematic information on equal accommodations facilities were not then available. It is in these areas we have concentrated our efforts.

In general, discussions were sought with proprietors of (1) hotels and motels; (2) table or counter service type restaurants where beer was not the primary commodity sold. In addition, drive-in type restaurants were interviewed in some areas.

White interviewers were used throughout. Generally we worked in teams of two. No claim was made to represent any particular group; we worked only as interested individuals. A total of 31 people from the Beckley and Charleston areas participated in this project.

SUMMARY

Just over 750 miles of West Virginia highways have been covered in the equal accommodations discussions reported here. West Virginia hotel-motel and restaurant proprietors have without exception been most courteous and cooperative. Even in those rare instance where our respective points of view on the subject were far apart, polite and fruitful conversations were achieved. In short, our lines of communication on this subject in West Virginia are still open; we can discuss this question without rancor or dissension.

Individual discussions were held with a total of 157 proprietors, lasting from a few minutes to over an hour each. Of these, definite classifications can be made in 144 cases.

Over three-fourths of the proprietors interviewed are either providing equal accommodations for Negroes now, or would do so if requested.

Less than one-fourth of the group interviewed do not now serve Negroes on an equal basis. The great majority of these proprietors would, however, "go along if everyone else did." The uncertainties of the present situation lead to their reluctance to serve at this time.

Only a minute number of proprietors—a total of 8 in the 750 miles of highway covered—could be classed as "hard core" segregationists—those who would provide equal accommodations only under considerable pressure.

There is no discernible pattern among those who did or did not now provide equal accommodations. The proportion of those who now provide equal accommodations varies from one locality to another; in every locality, however, there is at least one proprietor who is now providing equal accommodations for Negroes. Similarly, there are in every region of the State covered by this survey sections of highway in which virtually all proprietors are providing equal accommodations.

In view of the specific situations which have arisen with regard to equal accommodations in the Huntington area, it is of interest to note that the great majority of proprietors located on highways radiating out from Huntington, 72 percent, are accommodating Negroes on an equal basis now, and without incident.

Numerical summary of results is shown in table I. The actual highways covered are shown graphically in figure 1 (not printed in the Record).

Table I.—*Summary of results, final*

[In percent]

Proprietors who are either providing equal accommodations for Negroes now, or will do so if requested (112)	78
Will put up Human Rights Commission emblem now (58)	40
Probably will not put up emblem now (54)	37
Proprietors who would not now provide equal accommodations for Negroes (32)	22
Would likely "go along if the others did" (24)	17
Probably would not go along except under considerable pressure (8)	5
Don't know (13)	---

INTERVIEWERS

Rev. Louis Buckalew, Mr. R. W. Collard, Mr. and Mrs. Nathan C. Eastman, Mrs. Thomas Estlack, Mr. and Mrs. Charles E. Hartman, Mr. John Hazle, Dr. Edwin Hoffman, Miss Ethel Keyser, Miss Eva Keyser, Mr. and Mrs. David Marples, Mr. James B. McIntyre, Miss Kay Michaels, Mrs. John Pianfetti, Mrs. Ross Pierson, Miss Becky Smith, Miss Karen Smith, Mr. and Mrs. Keith L. Smith, Mr. Ralph Webb, Mr. and Mrs. Harry Walker, Mrs. Glenn Warner, Mr. and Mrs. G. Chambers Williams, Dr. Kenneth Williamson, Mrs. Nicholas Winowitch, Mr. Lewis Young.

CIVIL RIGHTS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I have today filed a petition with over 7,500 names of good Californians attached. I congratulate them all on their real contribution to good government and the rights of their fellow Americans.

I also attach the excellent letter of transmittal from my constitutents.

AMERICAN CIVIL LIBERTIES UNION,
OF SOUTHERN CALIFORNIA,
Los Angeles, Calif., January 30, 1964.
Congressman JAMES ROOSEVELT,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN ROOSEVELT: Enclosed you will find petitions containing approximately 7,500 signatures of people, many of them your constituents, who have indicated their desire to abolish racial discrimination and segregation in the United States.

We would appreciate if you would use your own discretion as to how these can best be utilized in the effort to pass a strong civil rights bill.

Thank you for your cooperation.

Good luck.

Sincerely,

MISS YVETTE ABELMAN,
Chairman, Civil Rights Committee, Beverly Hills-Westwood Chapter, American Civil Liberties Union.

CIVIL RIGHTS ACT OF 1963

Mr. RIEHLMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, the civil rights bill we are debating today is the most important piece of legislation to affect the lives of American people that I have participated in during my 18 years in Congress.

There is no way of avoiding the fact, and we should not, that too many American citizens are not being treated with the courtesy and respect due them.

Not only have our minority groups suffered in that regard, but also in the matters of employment and housing.

As Americans who have studied the Constitution and who have attended classes of civics and religious instruction, we realize that everyone is entitled to equal treatment under the laws of man and God.

Unfortunately, at times, all our citizens are not treated alike. That is the circumstance which impells me to support this bill.

However, I must call to the attention of my colleagues and the American people that this bill alone will not solve all the problems.

The difficulty in this area of personal relations stems from the feelings in human hearts and minds. Those feelings cannot be eradicated by the legislative process.

All of us must do more each day to strive for understanding, cooperation and tolerance between races.

We must approach the problems as they arise with compassion and with a keen awareness of the dignity of each human being. We all tread the same worldly path in our search for freedom and peace of mind.

I have no doubt that some portions of this bill will be extremely difficult to enforce.

In my brief discussion I do not intend to deal with all sections of the bill because they have been throughly discussed by outstanding members of the Judiciary Committee.

I am particularly concerned with title VII, dealing with equal employment opportunities. Not only does the difficulty of enforcement bother me but we must surely realize that many businesses are going to be faced with the possibility of considerable legal costs in defending actions in U.S. courts.

This will arise if a governmental commission questions an employer's unfavorable decision and exercises its judgment on a man's qualifications. The commission will be imposing its wisdom on that of an experienced businessman earning his livelihood in a highly competitive field.

This bill will provide the opportunity for employment, but we cannot lose sight of the fact that an applicant must have the capabilities and the qualifications for the job he seeks.

This bill must not make it possible to substitute minority status for qualifications.

To everyone involved—employers, applicants, and Government officials—I would make this sincere plea: Let us all exercise restraint and understanding. Let us all try to reconcile differences in a manner as civilized as possible.

Let me urge also that full use be made of the several laws we have passed to give training to those persons who are sadly lacking in skills.

I mean those skills that are needed to make a decent living and to upgrade a person's standard of living and to improve one's status in the community.

Vocational training in high schools and on-the-job training classes sponsored by local communities with Federal funds already available are the programs I have in mind.

My own State of New York has been a leader in abolishing inequality and discrimination in all areas.

Its laws are similar to the provisions of the bill under debate.

Our State laws have been beneficial and have operated with very little difficulty. Most of the complaints arising under them have been settled without the necessity of court action.

Since New York has been successful in this field, it seems logical to me that the rest of the Nation could profit by her example.

Therefore, I hope this bill will be passed without any substantial changes for the good of every citizen and will be administered with justice and compassion.

HOW MANY MORE HAVE TO DIE BEFORE WE STOP THIS MADNESS?

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. FINDLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. FINDLEY. Mr. Speaker, since three U.S. airmen were murdered by the Communists last Tuesday over East Germany, the world has been waiting to see what the Johnson administration would do about it. How much compensation would be demanded for the loss of life and destruction of property. Would the United States break diplomatic relations with Russia if prompt settlement was not forthcoming. The answer came over the weekend.

First, in words: The administration said simply, case closed, adding incredibly that no worthwhile purpose could be served by continuing to make an issue of the incident.

Second, in action: The administration announced another wheat sale to the Russians with the U.S. taxpayers financing a scandalous million-dollar discount which, according to official explanation, benefits the same Communist government responsible for the murder of the U.S. airmen. The USDA announced the sale Friday of 8 million bushels of Durum wheat to Cargill Grain Co. for Russia at a price $1,200,000 less than the world price for that amount.

In other words, we bail them out, and they bury us. The U.S. taxpayers bail Khrushchev out with a million-dollar discount on wheat, just 3 days after he sent three unarmed U.S. airmen to their grave.

Instead of getting compensation, we toss an extra million dollars in the Communist coffers. They throw bullets at us. We throw money at them.

How many more Americans will have to die before we stop this madness?

When the airmen were shot down, I demanded that President Johnson stop all wheat shipments to Russia. He responded by increasing the shipments.

Last Friday—the same day the new wheat deal was announced—Secretary Freeman made it official and on official stationery. In a letter to me, he insisted that the big discount—which can be estimated in value variously between $1,700,000 and $2,600,000—was made to Continental Grain Co. on January 2 for its Communist customer because of the size of the transaction. The premium cost of hauling part of the wheat in U.S. ships was not listed as one of the reasons. The same explanation was given me Saturday night by a top USDA official in connection with the second discount deal for the Communist, this time involving Cargill Grain Co.

This explanation is more incredible than what I consider to be the true reason. The Johnson administration would be in a stronger moral position—if not legal—if it would simply confess the truth. The truth is the discount was intended to defray the higher cost of hiring U.S. vessels. Even though of dubious legality, this would have been easier for the U.S. taxpayers to digest.

Here, curiously, is an example of fiction being stranger than truth.

Savings to taxpayers claimed by Secretary Freeman as a result of Russian wheat sales must be taken with a grain or two of salt.

In recent speeches Secretary Freeman has been stretching the credulity of the American people by the phony statement that the Commodity Credit Corp. was saving $800,000 a day in storage and handling charges for grains as a result of the various multibillion dollar diverted acreage programs for wheat and feed grains which he is sponsoring so avidly.

The figure is phony, as is revealed from the budget data which I have obtained from the Director of Finance in the Office of the Budget and Finance of the Secretary of Agriculture.

The following figures show the precise data:

The carrying charges for five feed grains—corn, grain sorghums, barley, oats, and rye—and wheat for fiscal year 1961 through 1963 and estimates for fiscal year 1964 are as follows—in millions of dollars:

	Fiscal years			
	1961	1962	1963	1964 [1]
Storage and handling	$391.4	$370.1	$329.1	$294.3
Transportation	146.7	113.0	135.3	119.9
Processing, etc	.7	6.8	7.3	4.9
Reseal storage payments	48.6	70.5	74.5	74.0
Interest (imputed)	260.4	217.0	237.7	234.9
Total carrying charges	847.8	777.4	783.9	728.0

[1] Estimated.

The difference between the fiscal year 1961 costs and the 1964 estimated costs is $119,800,000. This works out to $328,219 per day, which is just about 60 percent less saving than indicated by our Secretary of Agriculture. So the Secretary is about 40 percent accurate. If we compare 1963 costs with 1961 costs the discrepancy is even greater.

It may be that in today's world, as it is lived on the New Frontier that a difference of $500,000 per day is not noted. However, in the area from which I come, this adds up to a mighty tidy sum.

A SALUTE TO THE BOY SCOUTS OF AMERICA

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Kentucky [Mr. NATCHER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. NATCHER. Mr. Speaker, our Nation will observe the 54th anniversary of the Boy Scouts of America the week of February 7 through 13. I salute this organization which has conscientiously and consistently devoted itself to the development of courage, self-reliance, and patriotism in the youth of America.

This movement has not only a promising future but a fascinating history. In the early 1900's, a young British officer in South Africa was given the responsibility of training some new arrivals from England. Noting their lack of skill in outdoor living, he initiated his own training program with the aim of cultivating mental alertness, physical vigor, self-reliance, and skill in his men. This scheme was brought home to England, becoming the "Scout" movement. In 1910, the "Scouting" idea had been carried across the ocean to America and incorporated in the District of Columbia. Its application paper read—

> That the purpose of this corporation shall be to promote, through organizing and cooperating with other organizations, the ability of boys to do things for themselves and others, to train them in scoutcraft and to teach them patriotism, courage, self-reliance, and kindred virtues, using the methods which are now in common use by Boy Scouts by placing emphasis on the Scout oath or promise, and law, for character development, citizen training, and physical fitness.

Today, the Boy Scouts of America has expanded to include over 5 million boys and leaders associated with Cub Scout packs, Boy Scout troops, and Explorer troops.

Guided and inspired by their Scout oath or promise:

> On my honor I will do my best: To do my duty to God and my country, and to obey the Scout law; To help other people at all times; To keep myself physically strong, mentally awake, and morally straight.

They have steered a course rewarding to their participants and to America. Their badge, the sign of the North taken from the mariner's compass, is symbolic of the commitment to their destination of becoming men of fine character and sound principles.

I am proud and grateful that the Scout groups, from Cubs to Explorers, are dynamic resources in the Second Congressional District of Kentucky which I have the honor to represent. It is indicative of the fine caliber of men who lead the Boy Scout troops—voluntarily devoting ceaseless hours of preparation and activity with their boys—receiving the remuneration of observing their Scouts strive toward their Scout oath and law. It heralds the future strength of our communities by developing young men who know the value of good citizenship, and practice it. The strength of our Nation lies in the character of its people and the work being done by the Boy Scouts of America makes it a participant of inestimable value to our future.

Mr. Speaker, I salute the Boy Scouts of America on their 54th anniversary, recognizing their pledge "to do my duty to God and my country" as one each American should consider.

NOTHING TO HIDE

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. FRASER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. FRASER. Mr. Speaker, a number of Members have made a disclosure of the property which they own because they believe that such disclosure is in the public interest.

I share the views of these other Members who have already taken this step. Accordingly, I am submitting the following statement of the assets held in my name and my wife's name:

In addition to residential property in Minneapolis and Washington, D.C., and property on the St. Croix River, life insurance, automobiles, household furniture, and a liquidated sum due from the law firm from which I have resigned, we have the following additional interests:

One school district bond of Bloomington, Minn., School District No. 271; nine shares common stock, U.S. Fidelity & Guaranty Co.; 42 shares, T. Rowe Price growth stock fund; 82 shares, Scudder, Stevens & Clark common stock fund; 176 shares, General Securities, Inc.; beneficial interest in 562 shares, Code-A-Phone, Seattle, Wash.; and two shares, Planned Communities, Inc., Philadelphia, Pa. The foregoing is subject to various loans and mortgages.

A GREAT HUMANITARIAN

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. RODINO] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. RODINO. Mr. Speaker, it is always a heartwarming pleasure to read of the efforts of a great humanitarian who seeks to give assistance to his fellow man.

Yesterday, I read such a story, in my hometown newspaper, the Newark Star-Ledger. Since it was a part of the column of the distinguished, nationally syndicated Drew Pearson, it has doubtless already been read by many of our colleagues.

For those who may not have seen the story, I would like to bring it to their attention now:

> Gaunt, grey Speaker JOHN MCCORMACK has one of the best attendance records in Congress, but also a secret vice which sometimes causes him to play hookey.
>
> While he spends much of his time on Capitol Hill trying to persuade recalcitrant Congressmen to vote for the President's program, he does sneak out occasionally to indulge his secret vice.
>
> That vice is helping people build hospitals. He has helped get $4,750,000 plus land for the Sibley Hospital, a Methodist institution; several million for the George Washington Hospital, which is nonsectarian, and for the Georgetown Hospital, which is Catholic.
>
> But he also sneaks away from the drudgery of bossing Congress to raise money in small denominations. When leaders of southeast Washington had spent 4 years trying to raise money for a community hospital, and were still short of their goal, MCCORMACK held a luncheon in his office. After lunch he made an appeal, pledged $175,000 from the guests.
>
> With $30,000 still to raise, he attended another luncheon in the Ambassador Hotel with more potential donors. Southeast Washington is a long way from Boston. There were no votes involved. The Speaker was just enjoying his secret vice—trying to help his fellow men.

SUSPENSION OF EQUAL TIME PROVISION OF THE COMMUNICATIONS ACT

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. YOUNGER] is recognized for 15 minutes.

Mr. YOUNGER. Mr. Speaker, this is a life story of House Joint Resolution 247, the Suspension of Equal Time Provision of the Communications Act for the 1964 presidential campaign.

This resolution was reported out of the Interstate and Foreign Commerce Committee by a vote of 12 to 4. I was one of the four voting against the resolution, on the grounds that I felt we should specify that the program should be limited to a true debate. The measure was heralded as a necessity, rapidly passed the hurdles, Rules Committee, and the Speaker's Calendar, and came to the floor of the House on June 19, 1963 where it was endorsed by an overwhelming vote of 163 to 126. Continuing on its legislative route it cleared the other body on October 2, without even a rollcall and with less than one page of debate in the Record.

This legislative sweetheart of the first session of the 88th Congress then returned to the House, but it was not received with open arms, as is customary in similar cases, but it was placed to rest on the Speaker's table where it still lies.

In January of this year, Mr. Julius Duscha, a staff reporter on the Washington Post discovered the poor little House Joint Resolution 247 on the Speaker's table, and finding that it still evidenced some degree of life, wrote a story which was readily accepted by the editorial staff, as evidenced by the fact that it appeared in the first edition with a three-column head, as follows:

[From the Washington (D.C.) Post, Jan. 17, 1964]

TV Debate Bill Stall on Hill Laid to Johnson's Hesitancy

(By Julius Duscha)

A bill clearing the way for television debates in the 1964 campaign is stalled in Congress reportedly because President Johnson is hesitant about face-to-face encounters with his Republican opponent.

The "equal time" bill is hung up in the House Commerce Committee.

Chairman Oren Harris, Democrat, of Arkansas, is reported to have told some members of the committee that he is waiting to learn Mr. Johnson's views on the legislation.

It is understood that the President feels he can do without debates because he believes he does better in other kinds of campaign appearances.

OTHER CONSIDERATIONS

It is also understood that there is some feeling on Mr. Johnson's part that a President should not demean himself by engaging in a debate.

Another realistic political consideration on the President's part is reported to be his feeling that debates would only serve to help build up his lesser-known opponent.

Mr. Johnson is in a difficult political position because President Kennedy announced at his second press conference early in 1961 that he would participate in debates if he were a candidate for reelection this year.

At its meeting in Washington last week, the Republican National Committee passed a resolution calling on Mr. Johnson to honor Mr. Kennedy's commitment and announce his intention to debate the Republican presidential nominee.

Republican Members of Congress seem to argee with the national committee that their party has everything to gain from debates in 1964.

DEBATES COULD BE CRUCIAL

No matter who the Republican candidate is he will not be as well known next fall as Mr. Johnson is today.

And the 1964 debates could be crucial to the campaign. In 1960, the first of the four debates between Mr. Kennedy and Vice President Richard M. Nixon, the Republican nominee, was acknowledged to have been the turning point in the Kennedy campaign.

The course of the legislation that is needed to clear the way for 1964 debates could be another cause of embarrassment to Mr. Johnson and the Democrats.

Last spring, both the Democratic and Republican national chairmen supported debates at hearings before the House Commerce Committee.

In June, the House passed the bill with little debate, and in October the legislation sailed through the Senate.

Both bills provide for the suspension of the section of the Communications Act that provides that all candidates for a public office must be given equal time on a radio or television station if one candidate for the office is allowed free time to state his views.

Without the legislation, radio and television stations would have to give time to self-proclaimed candidates for President.

With the legislation, time can be set aside next fall for debates between only the Republican and Democratic presidential nominees.

The major difference between the House and Senate bills is the length of the grace period. The House bill provides for a 75-day period before the election and the Senate bill for only 60 days.

Under House rules, the legislation went back to the Commerce Committee after it had been passed by the Senate. Ordinarily the legislation would have been sent to a House-Senate conference committee as a routine matter.

But the legislation got delayed in the usual end-of-the-session jam and since Mr. Kennedy's assassination in November, the delay has been reportedly in deference to Mr. Johnson's concern about engaging in debates.

Unfortunately this news item was short lived because it contracted the most deadly disease known to the journalistic world as controlled news. Some Vice Presidents or the Vice President at the big White House at 1600 Pennsylvania Avenue, surmising that the story might inject new life into House Joint Resolution 247, called the authorities at the Washington Post, so the story goes, and asked them to remove the article. Perhaps it was because if House Joint Resolution 247 was rejuvenated it might have some adverse effect on the image of one of the presidential candidates. In any event, the story did not appear in the home edition or any of the later editions of the Post, and so the poor little House Joint Resolution 247, which could have increased the batting average of the 1st session of the 88th Congress by a number of percentage points, had it passed, is in the last painful throes of death on the Speaker's table. And so, this may well be the closing history of House Joint Resolution 247 of the 88th Congress—the perfect example of controlled news and of how a small minority joined by the executive branch with an entirely different purpose in mind, can defeat an overwhelming majority of the Congress.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. Thompson of Texas (at the request of Mr. Young), for an indefinite period, on account of illness in the immediate family.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. Pelly (at the request of Mr. Thomson of Wisconsin), for 30 minutes, on February 5, and to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Flynt and to include an address by Mr. Dorn.

Mr. Roberts of Alabama.

Mr. Duncan and to include extraneous matter.

(The following Members (at the request of Mr. Thomson of Wisconsin) and to include extraneous matter:)

Mr. Johnson of Pennsylvania.

Mr. Alger.

(The following Members (at the request of Mr. Matsunaga) and to include extraneous matter:)

Mr. Boland.

Mr. Healey.

Mr. Brown of California.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the following title:

S. 2265. An act to amend the Library Services Act in order to increase the amount of assistance under such act and to extend such assistance to nonrural areas.

ADJOURNMENT

Mr. MATSUNAGA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 8 minutes p.m) the House adjourned until tomorrow. Tuesday, February 4. 1964, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1635. A letter from the Comptroller General of the United States, transmitting a report on ineffective program planning and uneconomical utilization of personnel assigned to the Air Force Reserve program; to the Committee on Government Operations.

1636. A letter from the Comptroller General of the United States, transmitting a report on the increased risk of loss to the Federal Housing Administration because of inadequate mortgage servicing activities; to the Committee on Government Operations.

1637. A letter from the Chairman, Federal Trade Commission, transmitting the 49th Annual Report of the Federal Trade Commission covering the fiscal year ended June 30, 1963; to the Committee on Interstate and Foreign Commerce.

1638. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated November 29, 1963, submitting a report, together with accompanying papers and illustrations, on an interim hurricane survey of the south shore of Chesapeake Bay, from

Hampton Roads to Little Creek, Va., authorized by Public Law 71, 84th Congress, approved June 15, 1955 (H. Doc. No. 215); to the Committee on Public Works and ordered to be printed with six illustrations.

1639. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated November 29, 1963, submitting a report, together with accompanying papers and illustrations, on an interim hurricane survey of Garden Creek, Mathews County, Va., authorized by Public Law 71, 84th Congress, approved June 15, 1955 (H. Doc. No. 216); to the Committee on Public Works and ordered to be printed with three illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. H.R. 9739. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, to provide for labeling of economic poisons with registration numbers, to eliminate registration under protest, and for other purposes; without amendment (Rept. No. 1125). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DENT:

H.R. 9850. A bill to amend the Davis-Bacon Act to provide for establishing prevailing wages on the basis of wage rates arrived at through collective bargaining; to the Committee on Education and Labor.

By Mr. ELLSWORTH:

H.R. 9851. A bill to amend section 221 of the National Housing Act to provide that single persons shall be eligible. on the same basis as families, for occupancy in housing projects constructed by nonprofit mortgagors thereunder; to the Committee on Banking and Currency.

By Mr. HERLONG:

H.R. 9852. A bill to amend the Internal Revenue Code of 1954 relating to the manufacturers excise tax on television sets to alleviate the economic burden on consumers caused by the enactment of the all-channel law; to the Committee on Ways and Means.

By Mr. ROBERTS of Texas:

H.R. 9853. A bill to provide for the conveyance of certain real property under the control of the Administrator of Veterans' Affairs; to the Committee on Veterans' Affairs.

By Mr. WYDLER:

H.R. 9854. A bill to amend the Internal Revenue Code of 1954 to provide a credit against the individual income tax for certain amounts paid as educational expenses; to the Committee on Ways and Means.

By Mr. ASPINALL:

H.R. 9855. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. EDMONDSON:

H.R. 9856. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. JOHNSON of California:

H.R. 9857. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and means.

By Mr. WHITE:

H.R. 9858. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. BURTON:

H.R. 9859. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. CURTIN:

H.R. 9860. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. CLARK:

H.R. 9861. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. LLOYD:

H.R. 9862. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. CHENOWETH:

H.R. 9863. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. HORAN:

H.R. 9864. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Commitee on Ways and Means.

By Mr. MONTOYA:

H.R. 9865. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. OLSEN of Montana:

H.R. 9866. A bill to protect the domestic economy, to promote the general walfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. SKUBITZ:

H.R. 9867. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. THOMSON of Wisconsin:

H.R. 9868. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources; and for other purposes; to the Committee on Ways and Means.

By Mr. ULLMAN:

H.R. 9869. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. QUILLEN:

H.R. 9870. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. MORRIS:

H.R. 9871. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. SAYLOR:

H.R. 9872. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways Means.

By Mr. BLATNIK:

H.R. 9873. A bill to authorize the transfer of a vessel to the State of Minnesota for nontransportation use in the training of seamen, stevedores, and other merchant marine personnel; to the Committee on Merchant Marine and Fisheries.

By Mr. McCLORY:

H.R. 9874. A bill to amend section 7701 of the Internal Revenue Code of 1954 to clarify the tax status of certain professional associations and corporations formed under State law; to the Committee on Ways and Means.

By Mr. RHODES of Pennsylvania:

H.R. 9875. A bill to authorize a 3-year program of grants for construction of veterinary medical education facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SICKLES:

H.R. 9876. A bill to amend the Juvenile Delinquency and Youth Offenses Control Act of 1961 by extending its provisions for 2 additional years and providing for a special project and study; to the Committee on Education and Labor.

By Mr. GOODELL:

H.R. 9877. A bill to amend the Juvenile Delinquency and Youth Offenses Control Act of 1961 by extending its provisions for 2 additional years and providing for a special project and study; to the Committee on Education and Labor.

By Mr. WESTLAND:

H.R. 9878. A bill to provide that certain electric power facilities shall not be disposed of by the Virgin Islands Corporation except at public sale; to the Committee on Interior and Insular Affairs.

By Mr. SENNER:

H.R. 9879. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. WIDNALL:

H.R. 9880. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. HARDING:

H.R. 9881. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. ROBERTS of Texas:

H.J. Res. 911. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. BATES:

H.J. Res. 912. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MINISH:

H. Con. Res. 263. Concurrent resolution expressing the sense of Congress that the United Nations conduct free elections in Lithuania, Latvia, and Estonia under its supervision and punish all Soviet Communists who are guilty of crimes against the peoples of the Baltic States; to the Committee on Foreign Affairs.

By Mr. PHILBIN:

H. Res. 620. Resolution extending greetings and felicitations of the House of Representatives to the people of Fitchburg, Mass.; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the State of South Carolina memorializing the President and the Congress of the United States to investigate the importing of foreign beef looking to limiting the quantity allowed to enter the country and to improving the quality of that which does reach our markets, which was referred to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BALDWIN:

H.R. 9882. A bill for the relief of Moon Fay Louie; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 9883. A bill for the relief of Bernice Ferguson; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 9884. A bill for the relief of Victoria Frederick; to the Committee on the Judiciary.

H.R. 9885. A bill for the relief of Esperanza M. Toledo; to the Committee on the Judiciary.

By Mr. QUILLEN:

H.R. 9886. A bill for the relief of W. H. Pickel; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

676. By Mr. ROOSEVELT: Petition of Miss Yvette Abelman, chairman, Beverly Hills-Westwood Chapter A.C.L.U.; Rev. Edward Crowther, president, Fellowship for Advancement of Intergroup Relations; Bob Yaller, president, Santa Monica Chapter Congress of Racial Equality; and approximately 7,500 other names and addresses of individual citizens urging passage of a strong civil rights bill and stressing the importance of: (1) A meaningful accommodations section; (2) a workable and enforceable Fair Employment Practices Commission; and (3) the right of the Department of Justice to initiate civil rights suits; to the Committee on the Judiciary.

677. By the SPEAKER: Petition of Henry Stoner, Avon Park, Fla., relative to Russian depredations on American coastal fishing, and requesting that the size of the U.S. Coast Guard be tripled; to the Committee on Merchant Marine and Fisheries.

678. Also, petition of Henry Stoner, Avon Park, Fla., to provide for a special committee to be called the "Or In Any Way Abridged" Committee; to the Committee on Rules.

SENATE

MONDAY, FEBRUARY 3, 1964

The Senate met at 10 o'clock a.m., and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou whose throne is truth: As together we face the tasks of yet another week, we come to this altar of prayer, not to ask for easy paths without wounding thorns, but for guidance that will save us from losing our direction or from becoming men and women of dimmed faith. In Thy searching light we would lay aside our haughty self-sufficiency as we humbly beseech Thee that we may keep step with what Thou dost purpose for us and for all Thy children on this little spinning island in the sky. Make us valiant to face falsehood without flinching, and to face it with the truth over which at last no weapon can prevail.

Even amid a barrage of abuse from those who in their blindness imagine a vain thing, keep our hearts void of hatred, our speech temperate, and to keep as our ruling passion the desire for a just and righteous peace binding all peoples, remembering that Thy Word declares that he that keepeth his own heart is greater than he that taketh a city.

We ask it in the Redeemer's ever-blessed name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, January 31, 1964, was dispensed with.

ORDER DISPENSING WITH CALL OF LEGISLATIVE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the Legislative Calendar, under the rule, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REQUEST FOR 3-MINUTE LIMITATION IN MORNING HOUR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements during the morning hour be limited to 3 minutes.

Mr. HRUSKA. Mr. President, there is objection.

The PRESIDENT pro tempore. Objection is heard.

ABSENTEES AND PROGRESS ON THE TAX BILL

Mr. MANSFIELD. Mr. President, it is my understanding that on Friday last, there were in the neighborhood of 30 absentees in the Senate. I am frank to say that the majority leader was necessarily among them. But I am also frank to say that I did not ask for any special consideration because I was unable to be on the floor that day. I did not ask that any vote or votes be put off because of my absence. I sought no understanding to that effect with any other Member, and I had no such understanding.

The fact is that I was unable to be present on Thursday, as well as on Friday; and on Thursday, there were votes which I missed. But thanks to the graciousness and consideration of the Senator from Virginia [Mr. ROBERTSON], for which I am most grateful, a live pair that had the effect of neutralizing my absence was arranged.

I fully expected that on Friday there would be additional votes for which I could not be present. It is entirely true, as was stated, that, along with others, the Senator from Illinois [Mr. DOUGLAS] and the Senator from Tennessee [Mr. GORE] were here, prepared to do the business of the Senate, despite their known opposition to substantial portions of the pending tax bill. They were prepared to help move the measure forward without delay. Indeed, may I say that there has not been any disposition on the part of Senators who do oppose this measure in whole or part to delay. They have acted most responsibly, expeditiously, and cooperatively in this matter from the outset; and I regret most sincerely that the large number of absences on Friday may have inconvenienced them in any way. Nevertheless, an excellent beginning was made on the tax bill on Friday, thanks in great part to their cooperation and to the efforts of the acting majority leader, the Senator from Florida [Mr. SMATHERS], the distinguished floor manager of the bill [Mr. LONG], and the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN]. I do hope that with most of the committee amendments now disposed of en bloc we shall move steadily and promptly toward the final disposition of this measure.

I want to say again that while it is invariably necessary for Senators to be absent on occasion, I would hope that no Member would expect the work of the entire Senate to be held up for that reason. I would hope that when these occasions do arise, Senators would be prepared to take their chances, insofar as votes are concerned. The majority leader has proceeded on that basis, as he did last Thursday and Friday, and it would be my hope that other Members would be similarly disposed.

Mr. LONG of Louisiana. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. LONG of Louisiana. I was compelled, for various and sundry reasons—partially the political situation in my State—to be absent a considerable portion of last year; but I tried to accommodate myself to the situation of other Senators and to the situation in the Senate; and I tried to agree that, so far as I was concerned, the Senate would proceed to vote and, if possible, to accord me a pair on votes I had to miss.

Generally, it makes very little difference whether one Senator is absent, because most issues are not decided by a single vote; also, in most instances a Senator is able to arrange a pair, so that the result is the same as it would have been if he had been present and voting, insofar as voting on amendments is concerned.

On the other hand, it is a great inconvenience to the Senate if a Senator sends word that he does not want any action taken until he returns. Furthermore, if one Senator begins to do that, others will feel similarly privileged; and soon the Senate will be unable to take any action, because of the fact that many Senators will be absent and will not want any action taken until they return. In such a situation, it is as if 99 or even 100 Senators were absent.

Mr. MANSFIELD. The Senator from Louisiana is correct, and that has been done time and time again. I hope that from now on, no Senator will make such a request.

I repeat that, so far as I am concerned, I am willing to take my chances, and I hope other Senators will take the same position.

Furthermore, the use of the live pair should be given serious consideration by Senators on both sides, so that in the future it can receive the recognition and meaning that it used to receive in years past.

Mr. DOUGLAS. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. DOUGLAS. I thank the Senator from Montana for his characteristically generous statement, which I deeply appreciate.

I had hoped the Senate would take some definite votes on Friday, and thus would be able to move the bill further along. However, that situation is now a bygone; and I am ready to forget all about it. I appreciate very much the statement the Senator from Montana has made.

So far as I am concerned—and I believe I also speak for the Senator from Tennessee [Mr. GORE], the Senator from Wisconsin [Mr. PROXMIRE], and other Senators who propose to offer amendments, and who are critical of at least some portions of the bill—we shall not resort to delaying tactics. We shall offer the amendments, and make our statements in regard to them. I hope there will be a full attendance of Senators, so that the amendments can be promptly considered and voted on.

I believe it would be unfortunate if amendments were to be offered when there was a very small attendance in the Senate, with the result that when the remaining Senators came to the Chamber, to participate in the vote, they would not be precisely certain as to what they would vote on, and would follow what they believed to be directives coming from the outside.

Again I thank the Senator from Montana.

I also thank the secretary for the majority, Mr. Valeo, who, I believe, behaved with complete rectitude in connection with this matter; and if any information to the effect that Senators on our side of the aisle would be able to absent themselves without incurring any risk was given, I am sure such information did not come from him. I have found Mr. Valeo to be completely honorable and completely reliable, and I regard him as a distinctly valuable addition to the Senate staff.

Mr. MANSFIELD. I thank the Senator from Illinois for his statement. He is always courteous, gracious, and understanding. I also thank him for his kind words about the secretary for the majority, Mr. Valeo, who is absolutely trustworthy and will give to all Senators the same information at all times.

OBSERVATIONS ON THE CYPRIOT CRISIS

Mr. MANSFIELD. Mr. President, the crisis in Cyprus is of greater concern to our European allies—notably to Britain—than it is to us. And we ought to do everything that we can to keep it that way. There is nothing for us to gain by involving ourselves in replacement of Britain as the No. 1 outside power, after Greece and Turkey, in this situation. There is every danger that if we do so we will reap a harvest of cost, blood and resentment and little more. There is no basis that I know of for assuming that we can be more effective than the British or the Europeans in bringing the crisis to a satisfactory and enduring solution.

It would seem to me that any policy which we may pursue which does not begin by facing the above realities is not well founded in terms of U.S. interests. This is not to say that we can divorce ourselves completely from the Cypriot situation. We cannot, unless we are prepared, at least, for the dissolution of the eastern wing of NATO.

What the realities of our interests would appear to suggest is a course of extreme reticence on our part insofar as our direct involvement in military peacekeeping functions on Cyprus may be concerned. This course would not foreclose any of the following positive and antecedent approaches in policy.

First. We can exert every possible effort in diplomacy, particularly with respect to Greece and Turkey, in support of a predominant British peacekeeping role on Cyprus. In this connection, it should be possible, if necessary, to provide out of foreign aid funds a financial contribution to the British effort to maintain the lid.

Second. We may be able to discourage through our close association with Greece and Turkey any precipitous and hostile Greek or Turkish intervention in Cyprus or an outbreak between them on the Eurasian mainland.

Third. We should be able to provide a share of financial support for a West European composite peace force on Cyprus, if that can be devised and if it promises to be more effective than unilateral British action in maintaining the lid.

Fourth. We can consider support for a U.N. noninvolved nations international peace force—in the pattern of the Suez group—if that promises to be more effective than unilateral British or composite European intervention in maintaining the lid.

In short, it would appear to be in our national interest to participate indirectly and in a secondary role in whatever approach seems, on the basis of all available intelligence, to offer the best promise of maintaining a lid on the situation. The need for such a lid may well persist for some years, until either the present constitution of Cyprus has had an opportunity to establish itself or until some other more satisfactory solution is devised.

Whatever the cost of indirect and secondary participation on our part, it will be small as compared with the cost of direct involvement with our own forces. Even more important, by avoiding direct involvement we will have a measure of flexibility which may enable us to exert a constructive influence toward an enduring political solution as opportunities present themselves.

It may be that none of the above alternatives will work. It may be that only U.S. participation in military intervention will prevent the lid from coming off in Cyprus. But before we commit ourselves to such an undertaking, there ought to be no question that our intervention is essential to prevent the total collapse of the eastern wing of NATO in a Greek-Turkish conflict. Further, there ought to be no question that the intervention by the United States will, in fact, prevent this collapse, for it would make little sense for us to stop the conflict in Cyprus with U.S. forces only to see it break out on the Eurasian mainland.

Finally, if we are to participate, there ought to be no question that European participation in the intervention in Cyprus will include all NATO nations except, perhaps, Portugal and Iceland which has no forces and that its total weight will greatly exceed our own. For if the intervention is necessary to prevent the collapse of the eastern wing of NATO then the undertaking ought to be of at least as much concern to the Europeans as it is to us. If it is not, the continuing validity of NATO's eastern wing would then come into question and would compel reexamination of our own basic concepts of policy for that part of the world.

Mr. AIKEN. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. AIKEN. Mr. President, I hope the State Department and the executive branch of our Government will heed the words which the majority leader has spoken today. I have been very much worried over what I have been reading in the press during the last few days, that we are exerting pressure on Cyprus, on President Makarios, even on Greece, to permit what is called a police force of United States and British troops on Cyprus. We read that the executive branch suggests placing 10,000 U.S. troops on Cyprus. Suppose the British also put 10,000 troops on Cyprus. Twenty thousand troops on Cyprus would amount to occupation by British and American forces. We can imagine how that will appeal to the rest of the world, to have these two great nations occupying the small country of Cyprus, which has a population of some 600,000 souls.

If Cyprus is to be policed, first the Government of Cyprus should agree to it, as should the Governments of Turkey and Greece. If it is to be policed, it should not be policed or occupied by the United States and Great Britain alone, unless we are looking for more serious trouble than we have encountered so far.

There is the United Nations. I do not know whether we should have United Nations troops there, but they would be preferable to the troops of only two countries. We seem greatly alarmed for fear that Russia might be permitted to share some of our extreme difficulties. I do not believe it would be necessary to have United Nations troops, but, as the majority leader has stated, if Cyprus is policed by NATO forces, it should be policed by all its forces.

Preferably, if Cyprus desires it, I would not object to having a police force made up of the smaller countries of NATO, leaving the United States and Great Britain out completely.

I am at a loss to understand the suggestions which have been made for the occupation of Cyprus, and that is about what it would amount to if 20,000 British and American troops were to be stationed there.

I realize that Great Britain has a special responsibility. Probably Great Britain should meet that responsibility to help maintain order, but certainly we must watch our step. We have had an experience in Cuba, we have had one in Panama, Cambodia, Laos, Vietnam, and many other places in the world. This is one area we have skipped. I do not understand what makes it so important that we become involved in that area and make three more countries—Cyprus, Greece, and Turkey—hate us as much as we are hated in some parts of southeast Asia today.

I believe that the Senator from Montana has performed a real service. I believe that the executive branch will be negligent if it does not heed his words.

Mr. MANSFIELD. I agree with the distinguished Senator from Vermont that if any outside power is to have primary responsibility, the British should have that responsibility.

It is my further understanding that the pressure for this move came from Great Britain, although I cannot document that fact. It is my further understanding—and this is based on knowledge—that as far as Great Britain is concerned, in contrast to this country, it has done away with conscription. It seems to me that all too often the burden is being transferred to us and other countries; and we do not have the resources or the personnel to carry on these kinds of operations throughout the world.

Mr. AIKEN. Mr. President, will the Senator from Montana yield further?

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Does the Senator from Montana yield to the Senator from Vermont?

Mr. MANSFIELD. I yield.

Mr. AIKEN. Great Britain has the same obligation with respect to Cyprus that France has with respect to the southeast Asian countries. After having possessed them as colonies for a long time, and obtaining all the profits they could from those countries, they finally gave them their freedom, and assumed that they had no further responsibility to them. They say to the United States: "You take the responsibility, because we have gotten all we can out of these countries. Assume the expense from now on, inasmuch as our profits have come to an end."

I believe it is time for the United States to stand up on its feet and say to France, England, and all the other colonial empires, "You have a responsibility to these people, whom you have considered a part of your empire over the past century or two, and we expect you to meet that responsibility."

Mr. MANSFIELD. The Senator from Vermont is correct. I believe it would do this country good to follow the familiar sign on railroad crossings: "Stop, look, and listen."

I yield to the Senator from Kansas.

Mr CARLSON. I commend the distinguished majority leader for his statement in respect to what threatens to be a very difficult situation for our Nation in a particularly troubled spot in the world. If I correctly understood the statement, the majority leader said that if we did go into Cyprus, we should keep in mind that we might be there for a long period of time. I commend him for that statement, because there is a tendency on the part of the State Department and the Defense Department to indicate that some of our participations in other countries are merely temporary undertakings. I well remember that last summer we were advised that by June 30, 1965, we would be out of Vietnam. We were so advised by the very top people in the present administration.

We should realize that the French were in Indochina for years. We were in the Philippine Islands for years. We have been in Korea for years. When we enter nations such as Vietnam, we know that we will be there for a long period of time. It is well that the American people realize that once that step is taken, we must not feel that it is a temporary procedure, and we should realize the full impact of what might happen. We should not try to deceive the American people. I appreciate the statement of the majority leader.

Mr. MANSFIELD. I thank the Senator from Kansas.

ORDER OF BUSINESS

Mr. HRUSKA. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HRUSKA. Is the Senate still in the morning hour?

The PRESIDING OFFICER. The morning hour will continue until 12 o'clock. The Senate is proceeding with the consideration of morning business, which usually embraces only a part of the morning hour. The first item is the presentation of petitions and memorials.

Mr. HRUSKA. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HRUSKA. Under the rule, is not the morning hour supposed to be devoted to the introduction of bills, joint resolutions, and other resolutions, accompanied by concise statements as to their nature, the presentation of petitions and memorials, and reports of standing and select committees, to the exclusion of statements on other subjects?

The PRESIDING OFFICER. The matters referred to are presented, and disposed of during the morning business period. In order to make statements in the nature of debate during the consideration of morning business, unanimous consent is required. If the Senator has in mind the colloquy that has taken place, the Chair assumes that the colloquy took place under an implied unanimous consent.

Mr. HRUSKA. Mr. President, a further parliamentary inquiry.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HRUSKA. I am happy to yield.

Mr. MANSFIELD. Mr. President, I now ask unanimous consent that I be granted permission to make the statement that I have previously made.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HRUSKA. Mr. President, I listened with great interest to the statement of the majority leader, and with even greater interest, if that were possible, to the colloquy on the part of the Senator from Vermont [Mr. AIKEN] and the Senator from Kansas [Mr. CARLSON] which followed. Although the Chair has already answered the question, I suggest that the statement and the colloquy which followed were subject to a point of order. I do not intend to make a point of order. As I said, I listened with a great deal of interest, and I subscribe to the views of Senators participating in the colloquy, as well as the views of the majority leader himself. I should like to associate myself with them. I merely wished to check the parliamentary situation. If there is any disposition to make further statements during the morning hour, I suggest that it should be done pursuant to a unanimous consent request.

The PRESIDING OFFICER. The Chair so understands the rule.

Mr. HRUSKA. The procedure has some bearing on the entire parliamentary procedure in the Senate now, because at a later time when the Senate proceeds under the so-called germaneness rule, very likely requests will be made from time to time for unanimous consent that nongermane material be inserted in the RECORD. It is for that reason that I make my present statement and the inquiries which I have made.

Mr. KEATING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KEATING. Would it be in order for me at this time to send to the desk an amendment to the bill H.R. 8363 and take about 1 minute to explain what it would do?

The PRESIDING OFFICER. It would not be in order unless unanimous consent were obtained. Does the Senator ask unanimous consent that he may do so?

Mr. KEATING. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KEATING. I do not desire to proceed out of order. Under the morning hour is there not time provided for the introduction of bills?

The PRESIDING OFFICER. There is a certain stage where bills may be introduced, but the Chair is advised that unless unanimous consent is obtained, under the rules the Senator from New York would not have the right to debate the matter. Only the reading of the bill by title would be permitted under the rule.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. HRUSKA. As I recall, last week we received the information that when the introduction of bills was called for during the morning hour, a brief statement on a bill might be made. Perhaps my recollection is incorrect, but that was my definite recollection.

The PRESIDING OFFICER. The third item of business, as stated in the rules, is the introduction of bills and joint resolutions. When that item is called, the Senator from New York would be in order if he then introduced his bill or joint resolution.

Mr. HRUSKA. It must be a bill or a joint resolution.

The PRESIDING OFFICER. Yes.

Mr. HRUSKA. Would it be in order at that time if the document presented were an amendment to the pending bill?

The PRESIDING OFFICER. It would not be.

Mr. HRUSKA. I thank the Chair.

Mr. KEATING. Mr. President, I ask unanimous consent that I may send to the desk for printing an amendment to the pending bill, and that I may proceed for 1 minute to explain the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEATING. Mr. President, I send to the desk an amendment (No. 396) intended to be proposed to the bill (H.R. 8363), the proposed Revenue Act of 1964. The amendment would repeal the 10-percent Federal retail excise tax on ladies' handbags. The distinguished minority leader [Mr. DIRKSEN] has already indicated his intention to call up and press to a vote his amendment No. 380 to repeal a considerable number of retail excises, including those on ladies' handbags. I expect to support that amendment. If it should win Senate approval, the amendment to which I refer would not be necessary. If, on the other hand, the minority leader's proposal should fail, it will be my intention to call up the separate amendment limited to the single item of ladies' handbags.

Ladies' handbags are in no sense a luxury. They are a necessity. I suggest that any Senator ask any female member of his family whether handbags are as necessary as stockings. I believe I have seen more ladies without stockings than without handbags. They are a necessary part of a woman's apparel. The tax was authorized in wartime. It was supposed to be a temporary measure. I believe it is high time to remove the tax. I shall therefore offer the amendment, if it becomes necessary to do so I ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment willl be received and printed, and will lie on the table.

Mr. HRUSKA. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. KEATING. I yield.

Mr. HRUSKA. I ask unanimous consent that I may be permitted to become a cosponsor of the amendment submitted by the Senator from New York.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEATING. I am delighted to have the cosponsorship of the amendment by the Senator from Nebraska.

ROUTINE BUSINESS

The PRESIDING OFFICER. Are there any presentations of petitions and memorials to be made?

Are there any reports of standing or select committees to be presented?

Are there any bills or joint resolutions to be introduced?

Are there any concurrent or other resolutions that any Senator desires to submit?

If not, morning business is closed.

TRANSACTION OF ROUTINE BUSINESS

Subsequently, and by unanimous consent, the following routine business was transacted:

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

APPENDIX TO THE BUDGET, 1965—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 266)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying document, was referred to the Committee on Appropriations:

THE WHITE HOUSE,
Washington, D.C., February 1, 1964.

THE PRESIDENT PRO TEMPORE OF THE SENATE.

SIR: I have the honor to transmit herewith the Budget of the U.S. Government, 1965—Appendix.

This appendix contains further information and detail concerning the proposals made in the Budget of the United States, 1965, which was transmitted with my message of January 21, 1964, to the Congress.

Respectfully yours,
LYNDON B. JOHNSON.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 2265) to amend the Library Services Act in order to increase the amount of assistance under such act and to extend such assistance to nonrural areas.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON PROPOSED NASA ELECTRONICS RESEARCH CENTER

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., transmitting, pursuant to law, a report on the proposed construction of the NASA Electronics Research Center, to be located in the greater Boston area (with accompanying papers); to the Committee on Aeronautical and Space Sciences.

Report of Office of Civil Defense

A letter from the Secretary of Defense, transmitting, pursuant to law, a report of the Office of Civil Defense, for the year 1963 (with an accompanying report); to the Committee on Armed Services.

Balance Sheet of Potomac Electric Power Company

A letter from the president, Potomac Electric Power Co., Washington, D.C., transmitting, pursuant to law, a balance sheet of that company, as of December 31, 1963 (with an accompanying paper); to the Committee on the District of Columbia.

Extension of Time To Submit Report of D.C. Transit System, Inc.

A letter from the vice president and comptroller, D.C. Transit System, Inc., Washington, D.C., requesting an extension of 60 days in which to submit the report required by law to be submitted by that system; to the Committee on the District of Columbia.

Report on Need for Better Supervision and Administration of Business Loan Activities of Small Business Administration

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the need for better supervision and administration of business loan activities of the Small Business Administration, dated January 1964 (with an accompanying report); to the Committee on Government Operations.

Report of Ineffective Program Planning and Uneconomical Utilization of Personnel to the Air Force Reserve Recovery Program

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a secret report on the ineffective program planning and uneconomical utilization of personnel assigned to the Air Force Reserve recovery program (with an accompanying report); to the Committee on Government Operations.

Audit Report of Farm Credit Administration

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Farm Credit Administration, fiscal year 1963 (with an accompanying report); to the Committee on Government Operations.

Audit Report of Commodity Credit Corporation, Department of Agriculture

A letter from the the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Commodity Credit Corporation, Department of Agriculture, fiscal year 1962 (with an accompanying report); to the Committee on Government Operations.

Suspension of Deportation of Certain Aliens

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

Report on Losses Incurred by the Postal Establishment in the Performance of Public Services

A letter from the Postmaster General, reporting, pursuant to law, on the estimated amount of the losses or costs incurred by the Postal Establishment in the performance of public services, for the fiscal year ending June 30, 1964; to the Committee on Post Office and Civil Service.

Amendment of Title 37, United States Code, To Authorize Payment of Special Allowances to Dependents of Members of the Uniformed Services

A letter from the Under Secretary of the Navy, transmitting a draft of proposed legislation to amend title 37, United States Code, to authorize payment of special allowances to dependents of members of the uniformed services to offset expenses incident to their evacuation, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

Report on Positions in Grades GS-16, GS-17, and GS-18

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, reporting, pursuant to law, on positions in grades GS-16, GS-17, and GS-18; to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIAL

Petitions and a memorial were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of South Carolina; to the Committee on Finance:

"S. 562

"Concurrent resolution memorializing the Congress of the United States to investigate the importing of foreign beef locking to limiting the quantity allowed to enter the country and to improving the quality of that which does reach our markets

"Whereas the raising of cattle for beef purposes has increased in all parts of the State during recent years in such proportion that it has now become one of the major factors in our agricultural economy and produces a sizable part of the farm income; and

"Whereas the general assembly is informed that this important segment of our economy is seriously threatened by the influx of large quantities of imported beef which is far below the standard that is demanded of local producers; and

"Whereas a large part of the imported beef is produced in distant lands where living standards and labor standards are low and the scale of wages is still lower; and

"Whereas these facts make fair competition impossible and place our cattle industry at a distinct financial disadvantage which is felt throughout the entire business structure of the State; and

"Whereas the general assembly believes that the adverse effect which this import is having in South Carolina has reached other areas of the United States, and at a time when the President of the United States has voiced a determination to improve business conditions throughout the Nation and has made a general declaration of war against poverty throughout the length and breadth of the land; and

"Whereas the general assembly believes that attention should be given to this important problem by the Congress and that stricter regulations should be imposed and serious consideration should be given to limiting the annual introduction of foreign beef into the country: Now, therefore, be it

"*Resolved by the senate (the house of representatives concurring)*, That the Congress is memorialized to investigate the importing of foreign beef into the United States looking to limiting the quantity allowed to enter the country and to improving the quality of that which does reach our markets; and be it further

"*Resolved*, That a copy of this resolution be forwarded to the President of the U.S. Senate, to the Speaker of the House of Representatives in the Congress, to each of the U.S. Senators from South Carolina, and to each member of the delegation from South Carolina in the Congress of the United States."

The petition of Ruby M. Hightower, of Texarkana, Tex., relating to civil rights, and so forth; to the Committee on the Judiciary.

A letter in the nature of a memorial from the Young Women's Christian Association, Wilmington, Del., signed by Mrs. John J. Ahern, chairman, YWCA public affairs committee, remonstrating against an amendment to the tax bill which would remove any initiative for charitable contributions by disallowance of deductions for tax purposes; ordered to lie on the table.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. McCLELLAN, from the Committee on Government Operations, without amendment:

S. 1233. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the Administrator of General Services to enter into contracts for the inspection, maintenance, and repair of fixed equipment in Federal buildings for periods not to exceed 5 years, and for other purposes (Rept. No. 866).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HUMPHREY:

S. 2488. A bill for the relief of Lum Tat; to the Committee on the Judiciary.

By Mr. CARLSON:

S. 2489. A bill for the relief of Miss Luisa Fernandez Perez; to the Committee on the Judiciary.

By Mr. HARTKE:

S. 2490. A bill to provide assistance for students in higher education by increasing the amount authorized for loans under the National Defense Education Act of 1958 and by establishing programs for scholarships, loan insurance, and work-study; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. Hartke when he introduced the above bill, which appear under a separate heading.)

RESOLUTION

INVESTIGATION OF SOLICITATIONS OF CERTAIN CONTRIBUTIONS FROM GOVERNMENT EMPLOYEES FOR CHARITABLE PURPOSES

Mr. PEARSON submitted the following resolution (S. Res. 293); which was referred to the Committee on Post Office and Civil Service:

Whereas the United States Civil Service Commission has announced a proposal to carry out on an experimental basis in certain test areas a plan for combining in a single campaign all solicitations of contributions from employees of departments and agencies of the Federal Government for the United Givers Fund, Community Chests, national health organizations, and certain other groups engaged in charitable or similar activities;

Whereas this proposal will involve major changes in methods of conducting these campaigns which will not only affect agencies of government and their employees but also will have far-reaching effects upon the fund-raising efforts of local and national charitable organizations;

Whereas such proposal should be carefully examined and thoroughly understood before being permitted to go into effect: Therefore be it

Resolved, That (a) the Committee on Post Office and Civil Service is authorized and directed to make a full and complete study and investigation with respect to the proposal of the Civil Service Commission for combining in a single campaign all solicitations of employees of Federal departments and agencies of contributions to certain national and local charitable organizations, with a view to ascertaining (1) what effects such proposed plan would have on the fund-raising efforts of local and national charitable organizations, (2) what if any benefits will accrue to the Government and its employees from such plan, (3) whether alternative methods are available for dealing with solicitation problems which would be more effective or desirable, (4) what methods and criteria are to be used in (i) choosing the charitable organizations to participate in the plan, (ii) determining the test areas in which the plan will be initially placed in effect, and (iii) determining whether the plan should be continued and extended to other areas. In carrying out its functions under this resolution, the committee shall obtain the views of representatives of national and local charitable and other groups which would be affected by the proposal, as well as those of representatives of interested government agencies.

(b) The committee shall report to the Senate at the earliest practicable date the results of its study and investigation together with such recommendations as it may deem desirable.

REVENUE ACT OF 1964—AMENDMENTS (AMENDMENT NO. 396)

Mr. KEATING (for himself, Mr. HRUSKA, and Mr. JAVITS) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. WILLIAMS of Delaware submitted four amendments (Nos. 397, 398, 399, and 400), intended to be proposed by him to House bill 8363, supra, which were ordered to lie on the table and to be printed.

Mr. PROUTY. Mr. President, on behalf of the Senator from New York [Mr. KEATING], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Pennsylvania [Mr. SCOTT], the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], the Senator from California [Mr. KUCHEL], and myself, I submit an amendment (No. 401) to H.R. 8363, which would provide a deduction from adjusted gross income for certain educational expenses. I request that the amendment lie on the desk for cosponsors until the close of business today and that it be printed.

In one respect this amendment is complementary to Senator RIBICOFF's proposal to provide tax credits for some educational expenses. I hope that I do not have to bring up this amendment. I am a cosponsor of the Ribicoff amendment and I have utmost faith in its objectives. Should the Ribicoff proposal be turned down, my amendment would be available as an alternative.

My amendment would allow students only to receive tax benefits. Undergraduates could deduct no more than $1,200 worth of educational expenses during any tax year; a graduate student would be limited to $1,500. For a typical student, single and making about $5,000, my amendment would provide tax relief on the order of $250.

The Joint Committee on Internal Revenue Taxation has estimated that this amendment would result in only $55 million of revenue loss.

I want to make it indelibly certain that I stand 100 percent behind the Ribicoff tax credit proposal. I ask my colleagues to view my amendment only as a buffer between a failure to act affirmatively on the Ribicoff proposal and the undeniable needs of the working student.

The PRESIDING OFFICER (Mr. WALTERS in the chair). The amendment will be received, printed, and lie on the table; and, without objection, the amendment will lie on the desk, as requested by the Senator from Vermont.

Mr. KEATING submitted an amendment (No. 402), intended to be proposed by him to House bill 8363, supra, which was ordered to lie on the table and to be printed.

Mr. McCARTHY submitted an amendment (No. 403), intended to be proposed by him to House bill 8363, supra, which was ordered to lie on the table and to be printed.

Mr. YOUNG of North Dakota submitted an amendment (No. 404), intended to be proposed by him to House bill 8363, supra, which was ordered to lie on the table and to be printed.

Mr. LAUSCHE. Mr. President, I send to the desk an amendment (No. 405), which I may call up for consideration in connection with the Ribicoff amendment. This amendment does not change a single word of the Ribicoff amendment. It merely adds two new sections at the end of that amendment which are designed to produce funds to offset the cost of the proposed tax credit.

The first amendment to the amendment provides a little less of an income tax rate reduction for corporations than is proposed under the bill before us. Under my perfecting amendment, the new surtax for corporations is to be 29 percent for 1964 rather than 28 percent, and for 1965 and thereafter it is to be 27 percent, rather than 26 percent. This will make the combined normal and surtax rate 51 percent for 1964 (instead of 50 percent) and 49 percent after 1964 (instead of 48 percent).

If this amendment is agreed to, it will produce $425 million in revenue yearly.

The other amendment to the amendment which I propose, provides for progressive reduction of the percentage depletion allowance for oil and gas as income from oil and gas increases. Under my amendment the allowance would remain unchanged, at 27½ percent, if oil and gas income is $1 million or less. The allowance would decrease to 21 percent with respect to oil and gas income between $1 million and $5 million, and it would decrease to 15 percent with respect to oil and gas income in excess of $5 million.

If this amendment is agreed to, it will produce $400 million in revenue yearly.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. CARLSON submitted an amendment (No. 406), intended to be proposed by him, to House bill 8363, supra, which was ordered to lie on the table and to be printed.

Mr. McCLELLAN. Mr. President, I submit for appropriate reference, an amendment (No. 407) to H.R. 8363, the pending tax bill, which is designed to relate the tax reduction provisions of the pending bill to the administrative budget expenditures of the National Government. I ask unanimous consent that the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 27, after line 24, insert the following:

"PART IV—TERMINATION OF TAX REDUCTION

"SEC. 141. TERMINATION WHEN ADMINISTRATIVE BUDGET EXPENDITURES FOR ANY FISCAL YEAR EXCEED $100,000,000,000

"(a) IN GENERAL.—If the net administrative budget expenditures made during any fiscal year ending on or after June 30, 1965, exceed $100,000,000,000, then—

"(1) with respect to taxable years beginning after the December 31 following the close of such fiscal year, the amendments made by part I (relating to individuals) and part II (relating to corporations) of this title and the amendments made by section 301 (relating to optional tax if adjusted gross income is less than $5,000) of title III shall not apply, and the provisions of the Internal Revenue Code of 1954 amended by such parts I and II and such section 301 shall apply as if this Act had not been enacted, and

"(2) with respect to remuneration paid and payments made after such December 31, the amendments made by section 302 of title III (relating to income tax collected at source) shall not apply, and the provisions of the Internal Revenue Code of 1954 amended by such section shall apply as if this Act had not been enacted.

"(b) ANNOUNCEMENT BY SECRETARY OF THE TREASURY.—The Secretary of the Treasury shall, on or before September 1, 1965 (and on or before September 1 of each succeeding year, if the amendments made by parts I and II of this title and by title III have not been terminated under subsection (a)) announce and publish in the Federal Register the net administrative budget expenditures made during the fiscal year ending on the preceding June 30.

"(c) RATE OF CORPORATE NORMAL TAX.—For purposes of subsection (a), if the provisions of section 11(b) of the Internal Revenue Code of 1954 (relating to rate of corporate normal tax) apply as if this Act had not been enacted, the rate of the normal tax under such section 11 (b) shall be 30 percent.

"(d) CHANGE IN RATES DURING A TAXABLE YEAR.—Section 21 of the Internal Revenue Code of 1954 (relating to effect of changes in rates during a taxable year) shall apply with respect to changes in the rates of tax which take effect under the provisions of this section."

Mr. McCLELLAN. Mr. President, my amendment provides that if the net administrative budget expenditures made during any fiscal year ending on or after June 30, 1965, exceed $100 billion, then on January 1 of the calendar year immediately following, the tax rates, both individual and corporate, as well as the withholding rates provided for in the pending bill, would cease to apply, and the rates would revert back to those contained in the Internal Revenue Code of 1954, which is presently in effect. It provides further that on or before September 1, 1965, and on or before September 1 of each succeeding year, the Secretary of the Treasury would be required to announce and publish in the Federal Register the net administrative budget expenditures made during the fiscal year ending on the preceding June 30.

The net effect of this amendment would be first, to require the administration to exercise great caution in its administrative budget requests; second, to require the administration to come to Congress if it becomes necessary to exceed the limitation of $100 billion in any one fiscal year; and third, to put a brake on deficit spending by providing adequate tax receipts to meet increases in administrative budget expenditures which exceed the ceiling of $100 billion provided for.

I do not believe that the adoption of this amendment would result in hardships or difficulties. The total estimated administrative budget expenditures for fiscal year 1964 are $98.4 billion, and the amount requested for fiscal year 1965 is $97.9 billion. Thus, it will be seen that the $100 billion limitation contained in my amendment still leaves a leeway in excess of $2 billion.

I submit this amendment because I believe that it will assist in a return to prudence and thrift in the operation of our National Government. It will help bring about a reduction in expenditures that will move us toward a balanced budget. I am motivated in introducing this amendment by a belief that spending reforms are just as essential and as urgently needed as the passage of this tax bill. Furthermore, I submit that a slowing of the rate of increase in the cost of Government will contribute more to the future permanent progress and prosperity of our country than will a tax cut that is unearned and unsupported by revenues sufficient to pay the current opperating cost of Government. More basically, Mr. President, I would hope that this amendment might be adopted so as to indicate that the Senate of the United States is firmly opposed to embarking deliberately upon a prolonged program of planned deficits. Recurring heavy deficits, such as we have accumulated in past years, can only produce serious roadblocks to sustained progress and prosperity. By incorporating this amendment into the tax bill, we will show that we believe a tax cut should be justified by holding the line on Federal expenditures.

I recognize, Mr. President, that the ceiling provided for in this amendment could be raised just as the debt ceiling is periodically raised, but I believe that the adopton of this amendment will make a substantial contribution to economy in Government. The provisions of this amendment will make it more difficult to continue to increase the cost of Government. In my judgment, the adoption of this amendment would be a great step in the direction of bringing about some restoration of sanity in the fiscal affairs of our Government. Every citizen of our country knows that some restoration in the field is needed. It is needed now and that need is growing with every passing hour and with every budget message that comes to this body. It cannot be delayed much longer.

Mr. President, I also ask that the amendment be held at the desk until the close of the session next Wednesday, so as to give other Senators an opportunity to join in sponsoring the amendment, if they desire to do so.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table; and, without objection, the amendment will lie on the desk, as requested by the Senator from Arkansas.

BOARD OF VISITORS TO MERCHANT MARINE ACADEMY

Mr. MAGNUSON. Mr. President, pursuant to Public Law 301, 78th Congress, as chairman of the Committee on Commerce, I have appointed the following members of that committee to be members of the Board of Visitors to the Merchant Marine Academy: The Senator from Alaska [Mr. Bartlett], and the Senator from Vermont [Mr. Prouty].

Under the provisions of the law, the chairman of the Committee on Commerce is an ex officio member of the board.

BOARD OF VISITORS TO U.S. COAST GUARD ACADEMY

Mr. MAGNUSON. Mr. President, pursuant to Public Law 38, 75th Congress, as chairman of the Committee on Commerce, I have appointed the following members of that committee to be members of the Board of Visitors to the U.S. Coast Guard Academy: The Senator from South Carolina [Mr. Thurmond], and the Senator from Pennsylvania [Mr. Scott].

Under the provisions of the law, the chairman of the Committee on Commerce is an ex officio member of the board.

REVENUE ACT OF 1964—ADDITIONAL COSPONSOR OF AMENDMENT NO. 395

Mr. JAVITS. Mr. President, I ask unanimous consent to have the name of the Senator from Pennsylvania [Mr. Scott] added to my amendment No. 395, of which I am the sponsor, relating to repeal of the tax on theater admissions, the special problems of which I shall deal with at an appropriate time.

The PRESIDING OFFICER. Without objection, it is so ordered.

POSTPONEMENT OF HEARINGS BY REORGANIZATION SUBCOMMITTEE OF THE GOVERNMENT OPERATIONS COMMITTEE ON THE USE OF PESTICIDES ON TOBACCO

Mr. RIBICOFF. Mr. President, on January 28, I announced that the Subcommittee on Reorganization and International Organizations of the Committee on Government Operations would commence hearings on February 4 on the use of pesticides on tobacco. Because of the Senate's schedule this week, during consideration of the tax bill, it will be necessary to postpone the hearings until February 18 at which time representatives of the Public Health Service, National Institutes of Health, Food and Drug Administration, and Department of Agriculture will be heard.

FUNDRAISING PROGRAMS IN FEDERAL INSTALLATIONS

Mr. PEARSON. Mr. President, today I wish to call the Senate's attention to a recent proposal, made by the Chairman of the Civil Service Commission, designed to alter the local United Fund and Community Chest fundraising programs where Federal installations are involved.

We are all familiar with these local campaigns to raise funds to support local charitable organizations in our home States and cities. Because their future may be in jeopardy, I present this matter to the Senate today with a resolution calling for a detailed study by the Senate Post Office and Civil Service Committee of the Chairman's proposal. I am submitting this resolution because I fear that even on an experimental basis, the Chairman's plan may destroy many years of local planning and negotiation which have been necessary to build effective local support of local organizations.

Civil Service Commission Chairman John W. Macy, Jr., proposes that in the future all solicitations at Federal installations for United Givers Fund, Community Chests, national health agencies, and international campaigns be handled in a single campaign during the fall of each year. The new plan is proposed with good and sincere intentions. The Chairman believes that the cost in manhours to the Government, when Federal employees use Government time for office solicitations, amounts to several million dollars annually. It is estimated that the savings to the Government could reach $2.5 million each year, if the program is approved.

I congratulate Mr. Macy for his personal concern and his individual effort to seek reduced expenditures within Government agencies. However, I believe there are many factors involved in this plan which need considerably more attention before any plan is implemented.

For example, it is proposed that each Federal installation organize its own campaign, manned by Federal personnel and conducted as a single campaign in the fall of each year. Solicitation for this single campaign would include all health and welfare agencies approved by officials in Washington. Presently, the Civil Service Commission has tentatively approved 22 agencies which would be listed on forms distributed at Federal installations. Others are expected to apply for approval.

I point out, however, that the choice of the agencies to be included on the Government "approved" list is not to be made by local Federal agencies, but is made at the national level. Further, such international groups as Radio Free Europe Fund and CARE, Inc., would be included for participation in the single campaign. The need for further study of this plan is clearly evidenced in this particular proposition. International agencies have never been included in local United Fund and Community Chest campaigns, because it is next to impossible to determine what a local community's fair share of an international operation would be.

Mr. Macy's point of view on this section of the proposal is based upon the assumption that, to quote him, "the interest of Federal military and civilian personnel in voluntary health and welfare agencies and services has always been broader than the community where they live." Fear has been expressed by local charitable organizations that the contributions they have received in the past will be diluted, should their local agencies be included along with national and international agencies. Mr. Macy contends that total pledges would increase campaign receipts so that while there might be some further spreading of income, old community campaign beneficiaries would not lose out.

The Commissioner proposes that the names of major national health agencies appear on the Federal pledge card, thus there would be listed UGF and national health and international categories. Under these would appear specific organizations, such as the listing of CARE and HOPE under the international heading. The determination of how the United Fund will appear is to be left to the discretion of the Federal coordinating group after consultation with local United Fund representatives. The difficulties involved in listing all of the agencies which participate in the United Fund or Community Chest campaigns in order that they might parallel the subordinate listings under the national health or international categories are obvious. The District of Columbia UGF includes 143 agencies, for example.

In many communities, the public considers the combined fund solicitation campaigns as such that little effort is made on the part of the public to make specific designations to member agencies. The distribution agreement is made by those who manage the fund on the basis of their judgment of individual agency needs and community consensus. The inclusion of specific national and international agencies as equals to the local participating agencies reduces the relative stature of the local agencies and their ability to attract support.

I also might note here that even though the national and international agencies are listed, they still retain the right to conduct private fundraising campaigns and approach Federal employees at their homes or on the street. Many of the agencies presently suggested for approval have never carried on fund drives in local communities.

This could well reduce solicitation in Federal installations to nothing more than a popularity contest between all groups approved for listing on the Federal voluntary allotment form.

To test these revisions in charitable fund drives, Mr. Macy proposes to conduct experiments in eight local United Fund and Community Chest campaign areas in the fall of this year. He agrees, however, that if, after careful analysis, "they are not successful, then the single drive will be discarded."

While Mr. Macy's suggestions appear to be eminently fair, it is my personal fear that the test may upset agreements long in the making and, for that reason, I have submitted to the Senate my resolution for committee hearings.

These hearings by the Post Office and Civil Service Committee of the Senate should include testimony from United Fund and Community Chest officials and representatives of all agencies that would be affected by this single Federal solicitation program. Objections to the plan have been raised by United Funds and Community Chests from all across the country and I have no doubt that many of you have received the same correspondence as has my office. Senate hearings scheduled before the tests get underway in the fall might serve to eliminate some misunderstandings which I am certain exist at this time.

Many industries in this Nation long ago recognized the value of single solicitation campaigns for local groups. These corporations have originated many plans which have reduced and, in some cases, eliminated the cost of solicitation.

I can cite examples of four well-known Kansas firms where employees are given the opportunity of participating in the payroll withholding program sponsored by the company. Boeing has its good neighbor fund. Cessna Aircraft Co. sponsors the Cessna United Friendship Fund. Coleman Co. has its Coleman Employees Fund and Beech Aircraft has a program which they have designated the "golden rule plan."

The key point here is that the agencies which are aided by these internal programs are all chosen on the local level, not from another city or another section of the country. A board of trustees is elected by the participants in the company withholding plan and they decide how much is to be given and to what organizations. In each case, however, the local agencies receive first consideration and their gift is determined on the amount of service they perform in the community.

It is because of these and many other questions and problems involved in the so-called Macy plan that I introduce this resolution requesting the Post Office and Civil Service Committee of the Senate to carefully review this matter.

I would urge also, Mr. President, that Chairman Macy refrain from initiating a test program until the eight communities which he proposes to designate for test purposes can have an opportunity to present their views to the committee.

In conclusion, Mr. President, I ask unanimous consent to place in the RECORD at this point a selection of correspondence addressed to me, which outlines additional objections to Mr. Macy's proposal.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED FUNDS BOARD, INC.,
Kansas City, Mo., January 27, 1964.
Hon. JAMES B. PEARSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PEARSON: You have probably received a copy of the January 7, letter from Mr. John W. Macy, Jr., Chairman, U.S. Civil Service Commission to Mr. John S. Hayes, president, United Community Funds and Councils of America. This has reference to the proposed Federal Government charitable solicitation experiment.

We are attaching a copy of Mr. Hayes reply to Mr. Macy dated January 20. Mr. Hayes' letter clearly sets forth the position of the United Funds Board of Kansas City, Mo., which operates the Heart of America United Campaign in the five-county metropolitan area and represents 118 participating health, welfare, and character building agencies.

The United Funds Board, Inc., is on record asking the Congressmen of this area to stop this experiment which we consider to be unsound and discriminatory.

Very truly yours,
JOHN F. RENICK,
Executive Director.

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF KANSAS CITY IN KANSAS,
Kansas City, Kans., January 24, 1964.
Hon. JAMES B. PEARSON,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR MR. PEARSON: This agency, which has been supplying welfare services in 21 counties of northeast Kansas for over 10 years and has been a participating agency in United Fund campaigns in a number of communities in our service area, is strongly opposed to the campaign plan for Federal employees now proposed by the chairman of the U.S. Civil Service Commission.

We are opposed to this plan for the following reasons:

1. This plan would discriminate against our United Fund campaign agencies by putting the over 30 agencies in our United Fund group on a par with the 6 agencies which conduct national campaigns for funds, and the 4 agencies of the joint crusade, because we feel in many cases the employees will say "Divide it up three ways." This is unfair to the traditional Red Feather agencies which have pioneered the program of giving service in so many areas of need.

2. These same agencies have also pioneered the "united way" to economize in the costs of collection and distribution of funds.

3. This "designation of beneficiaries from the top" denies the principle of local autonomy in community collection and distribution of funds. The right to apportion funds to those agencies which serve the needs of the community at an economical rate, giving the best service for each dollar contributed, is taken away from the local leaders and planners who are in the best position to judge the needs of the community.

4. The statement that this plan will protect the Federal employee from multiple

campaigns will not achieve this goal because the community chest agencies are committed to the role of "one united campaign." The Federal employees can and will be solicited in many ways by these other organizations outside the united campaign appeal, because they are not bound by any such agreement.

Finally, if this plan were adopted because it will be easier to administer, without giving proper consideration to the rights and principles involved, it could set a precedent for the entire Nation.

Our agencies have cooperated through many years with local chests and councils in educating industry and individuals as to the need and the right method of meeting these needs. These values must not be lost sight of in a drive for simplification. True economy is to be obtained by strengthening and expanding the united way.

We, therefore, sincerely request your interest and assistance in this matter by urging the Chairman of the Civil Service Commission to reconsider this plan and give consideration to other means of providing a just method which will provide payroll payment for Federal employees to the traditional and proven united campaign.

Respectfully yours,

Rt. Rev. Msgr. JOHN W. HORVAT,
Director, Catholic Charities.

JANUARY 24, 1964.

Hon. JAMES B. PEARSON,
U.S. Senate,
Senate Office Building,
Washington, D.C.

SIR: The Salvation Army is one of the participating agencies of the United Community Fund and Council and derives a good part of its financial aid from this fund.

The advisory board of the Salvation Army of Kansas City, Kans., is in full accord with the thinking of Mr. Carl V. Rice, president of the United Community Fund and Council of Kansas City, Kans., in his disapproval of a separate campaign as proposed by the U.S. Civil Service Commission.

We appreciate the problems that face the Federal establishment and its employees but sincerely feel that the program of the united community fund and council better serves all of the charitable needs of our people and respectfully request that the proposed demonstration program of the U.S. Civil Service Commission be called off at this time.

Sincerely yours,

F. P. ABERNATHY,
Chairman, Advisory Board of Salvation Army of Kansas City, Kans.

LIFE LINE CHILDREN'S HOME,
Kansas City, Kans., January 28, 1964.

Hon. JAMES B. PEARSON,
U.S. Senate, Senate Office Building,
Washington, D.C.

DEAR MR. PEARSON: As a participating agency of the United Community Fund and Council of Kansas City, Kans., we would like to voice our protest and opposition to the campaign plan for Federal employees as proposed by the Civil Service Commission. We feel that this plan would discriminate against agencies such as ours who have been members of Community Chests or United Funds for many years and have been happy in our relationship to them.

Many Federal agencies and some others as well are unwilling to participate in the local united campaign since they are not willing to accept the standards adopted by the United Funds Association.

We trust you will use your influence in whatever way possible to help to assure the success of the annual campaigns in minimum fund-raising costs.

Sincerely yours,

ETHEL HARDIE,
Superintendent.

COLLINS, HUGHES, MARTIN,
PRINGLE & SCHELL,
Wichita, Kans., January 28, 1964.

Hon. JAMES B. PEARSON,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR PEARSON: I am informed that the Chairman of the U.S. Civil Service Commission is proposing to designate in Washington the agencies which will be the beneficiaries of the donations from Federal employees regardless of where located. This, in effect, will take from the Federal employees working in Kansas the right to contribute to their local community funds and, in short, have the acts of their generosity determined by someone in Washington rather than themselves or a local group.

Under the United Fund here in Wichita, each donee has the right to select which agency shall receive his donation and even without that right, it seems to me that the local community should have the right to make this selection rather than to have it determined in Washington. I hope you agree with this position and will use your influence to stop another step toward the regimenting of our lives from Washington.

With all good wishes.

Sincerely yours,

GEORGE B. COLLINS.

GIRL SCOUTS OF SANTA FE TRAIL
COUNCIL, INC.,
Kansas City, Kans., January 16, 1964.

DEAR SENATOR PEARSON: The Santa Fe Trail Council, Girl Scouts of America, serves over 4,000 girls in six Kansas counties. In every community served where a United Campaign or Community Chest exists, we are a participating agency. And we believe in the united appeal, as the best answer to providing the important character-building services known the world over as Girl Scouting.

It is because of our belief in united giving that we are deeply concerned with plans of the Civil Service Commission to inaugurate even a pilot program on Federal employee payroll deduction for all organizations on the terms now being proposed. We believe the proposal would remove a great deal of the traditional values that the generous American public has a right to expect. For example, the local self-determination on campaign plans, what agencies can participate, and overall local community financing of needs would be removed insofar as Federal employees are concerned.

In short, we would endorse a straight united campaign among Federal employees, just as has been held in the past, but adding only the privilege of payroll deduction provided by the Federal Government. The other features incorporated in the proposal by Civil Service Commissioner Macy are, in our opinion, dangerous to the strengths of organizations like Girl Scouting that depend so heavily upon united campaigns.

You are asked to urge Commissioner Macy to halt plans for the pilot program or demonstration scheduled for 1964 and to consider some of the various alternatives.

Respectfully,

BEN CRAIG, Jr.,
President.

P.S.—Because of the uncertainty as to when you will be in your Washington office, we are sending a copy to your home.

THE CHILDREN'S MERCY HOSPITAL,
Kansas City, Mo., January 21, 1964.

Hon. JAMES B. PEARSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PEARSON: Please communicate to the Chairman of the U.S. Civil Service Commission opposition by this hospital to the plan for the Federal Service Campaign for Voluntary Health and Welfare Agencies, which is currently under consideration and which I understand will be tried on a test basis in the fall of 1964 in selected cities.

The central governing board of the Children's Mercy Hospital enacted a resolution in opposition to this plan in its meeting which was held January 14, 1964.

We feel that the proposed plan is unsound because:

1. It arbitrarily takes from the local community the right of self-determination as to which agencies may solicit and what campaign plan will be used, since these decisions will be made in Washington.
2. The plan does not employ budgeting by citizens of each community.
3. It does not support the concept of a single united campaign for each community since solicitation privileges and payroll deduction will be granted to agencies who have been unwilling to have their budgets reviewed through community-based committee processes.

Please help us to oppose this plan. We will appreciate your strongest support.

Very sincerely yours,

MRS. C. E. WEAVER,
President, Central Governing Board.

THE AMERICAN NATIONAL RED CROSS,
WYANDOTTE COUNTY CHAPTER,
Kansas City, Kans., January 15, 1964.

Hon. JAMES B. PEARSON,
U.S. Senate, Senate Office Building, Washington, D.C.

DEAR SIR: This correspondence is directed to you in behalf of the board of directors of the Wyandotte County Chapter, American Red Cross, a working partner with the United Community Fund and Council of Kansas City and Wyandotte County, Kans. There are 850 active volunteers who work under the Red Cross symbol in our chapter.

Our Red Cross chapter is opposed to the plan for one campaign per year among Federal employees as now outlined by the U.S. Civil Service Commission.

We object to the proposal of one campaign for all organizations. Many are of indeterminable value and, by policy, do not participate in local united fund drives. Actually, this would indicate that all organizations have about the same needs and would in effect reduce the 34 organizations in the local united fund to the level of one single organization.

The one campaign concept for Federal employees rules out local autonomy in arriving at a workable plan to support the traditionally worthwhile organizations. The Federal employees are very much a part of this community, derive benefits from these organizations just like everyone else, and should be permitted to support the local united fund solicitation with the right of payroll deduction.

The Wyandotte County Chapter, American Red Cross, earnestly requests your support in giving serious consideration to planning which would prevent the U.S. Civil Service Commission from experimenting with a single fundraising effort at Federal installations.

Sincerely,

DON STARRY,
Chapter Chairman.

UNITED SERVICE ORGANIZATIONS, INC.
January 20, 1964.

Hon. JAMES B. PEARSON,
U.S. Senate,
Washington, D.C.

DEAR SIR: It is the wish of the USO Council of Greater Kansas City to enter a protest against the type of campaign plan which the Chairman of the Civil Service Commission proposes to experiment with in 1964 in selected communities.

United Community Funds and Councils of America has studied and evaluated many fundraising plans during its career and is constantly suggesting the latest scientific and practical methods to its members throughout the country. Certainly a plan which penalizes the agencies accepting the disciplines of cooperative fundraising should not originate with, or have any labeling of Federal Government policy as this unsound Civil Service Commission plan would imply if it is allowed to be put into effect.

An acceptable payroll deduction plan that would fit within the pattern of united giving would be a terrific help to each united fund and to the many millions of people affected by united giving.

May we sincerely hope that your efforts will be concentrated on this very worthwhile goal.

Yours sincerely,

KEN CORCORAN,
Secretary,
Greater Kansas City USO Council.

JANUARY 2, 1964.

Hon. JAMES B. PEARSON,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR PEARSON: We are quite concerned with the campaign plan now being proposed by the Chairman of the U.S. Civil Service Commission for Federal employees.

As you know, many national health appeals are really educational programs. The money raised is somewhat secondary to alerting people generally to the dangers of the particular disease and suggesting early checkups when symptoms of the disease are present. That is why, for the most part, they stay out of the local united campaigns.

In contrast to these national groups, the agencies in the local united campaigns depend on "fair share" giving by large numbers of people in the community to provide the actual funds for their operating budgets. We feel that our local agencies would suffer greatly if these national appeals, some even of doubtful value, were included in one overall campaign for Federal employees.

Serving the youth of eight eastern counties in Kansas, comprising some 18,000 active scouts and over 5,000 volunteer scouters is a big job. To do that job effectively we need considerably more money than we now get from the united campaigns in which we now share.

This one campaign plan for Federal employees is bound to hurt. First, we feel it will confuse Federal employees in our community who will not realize their contribution is not going in the same proportion to local agencies from whom they receive service. Second, the national agencies would get a "free ride" on the efforts of the local agencies who provide the basic manpower for the united campaign solicitations. Third, it would take away some of the rights of local study, research, and budget review for the participating agencies who are to be included in the united campaigns.

We can't help but feel this proposal is contrary to the campaign plans and principles that have been used with such success by business and organized labor.

We hope you will use your considerable influence to endorse the straight united campaign among Federal employees as it has been in the past with the continued privilege of payroll deduction to be made available to the Federal Government.

Very sincerely,

HOMER E. PARIS, Jr.,
President, Kaw Council,
Boy Scouts of America.

RESOLUTIONS OF KANSAS OIL MEN'S ASSOCIATION

Mr. PEARSON. Mr. President, the Kansas Oil Men's Association recently held its annual business meeting at which time it adopted three resolutions relating to Federal legislation. One of these is a matter which will undoubtedly be debated during our current consideration of the tax bill, namely the oil depletion allowance. I ask unanimous consent that these resolutions dated January 20, 1964, be printed in the RECORD in order that Senators may study them.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

PERCENTAGE DEPLETION

Whereas an adequate supply of oil and continuous oil exploration is essential to the national welfare and defense; and

Whereas Congress in 1926, recognizing the need for incentive for oil exploration, enacted a provision for percentage depletion, allowing 27½ percent of gross income from an oil well as a tax deduction, limited to any 1 year to 50 percent of the taxable income from the well; and

Whereas less drilling activity would soon cause shortages of domestic supplies bringing about higher prices for gasoline and oil products, contributing to inflation and accelerating the trend toward smaller cars, resulting in less tax revenue; Now, therefore, be it

Resolved by the Kansas Oil Men's Association, That we strongly oppose any effort to reduce, eliminate, or otherwise tamper with present percentage depletion for oil and natural gas.

FEDERAL MOTOR FUELS AND AUTOMOTIVE EXCISE TAXES, DIVERSION OF

Whereas a substantial amount of the Federal excise taxes collected on motor fuels, new automobiles and trucks, tires and automotive accessory items, are being diverted into other funds; and

Whereas taxes of this nature should be collected for the construction and maintenance of highways: Now, therefore, be it

Resolved by the Kansas Oil Men's Association, That we ask Congress to expressly segregate all such taxes for highway purposes.

FEDERAL GASOLINE TAX REFUND LAW

Whereas the Federal Government is making a refund available of Federal gasoline tax used in agricultural or other nonhighway uses; and

Whereas such refund can be secured although neither payment for the gasoline itself, or the Federal tax having been paid to the distributor or commission agent; and

Whereas this refund has been secured and the gasoline or tax in some instances never paid for: Now, therefore, be it

Resolved by the Kansas Oil Men's Association, That we request Congress to amend this law to require the applicant for such tax refund to furnish evidence or file an affidavit that said gasoline and the Federal tax have been paid.

FARM BUREAU AND WHEAT LEGISLATION

Mr. McGOVERN. Mr. President, on January 20 I placed in the CONGRESSIONAL RECORD a part of an article from the Heppner (Oreg.) Gazette-Times reporting that a group of farm organizations from Morrow, Umatilla, and Gilliam Counties in that State had endorsed a voluntary wheat certificate plan. I referred to the fact that the State president of the farm bureau had participated in the meeting.

Mr. Harold Beach, president of the Oregon State Farm Bureau, has sent me a letter protesting any inference that the State farm bureau—as contrasted with the three county farm bureaus—support a voluntary certificate plan.

The State organization, he advises, supported the Quie-Dole wheat plan, but were unsuccessful in getting their view adopted at the American Farm Bureau convention last fall.

In order to keep the RECORD entirely clear, and in fairness to Mr. Beach and his organization, I ask unanimous consent, Mr. President, to put in the RECORD Mr. Beach's letter and a copy of the complete text of the Heppner Gazette-Times article which Mr. Beach has supplied to me.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

OREGON FARM BUREAU FEDERATION,
Salem, Oreg., January 28, 1964.

Hon. GEORGE McGOVERN,
Senate Office Building,
Washington, D.C.

DEAR SENATOR McGOVERN: I was shocked to read in the January 20, 1964, CONGRESSIONAL RECORD your statement under the heading "Support for Voluntary Wheat Certificate Bill." Your particular reference to my participation as State chairman of the Oregon Farm Bureau in the meeting in the first and fourth paragraphs would infer that the action at this meeting was sanctioned by the Oregon Farm Bureau and myself. This inference is not correct and I would be betraying my obligation to the membership of the Oregon Farm Bureau by not correcting the record and presenting the position of the majority of the members of the Oregon Farm Bureau.

I am a member of the Morrow County Farm Bureau and was invited to attend this meeting by its president, Herman Blettell. It was necessary for me to be in western Oregon at our State office that day and I returned to eastern Oregon that evening accompanied by Lou Norris, our legislative and tax director, to attend this meeting. We were detained by highway construction work and arrived at the meeting approximately 30 minutes late.

At the first interval Mr. Blettell asked me if I had any comments. From the discussion I had heard, it appeared as though some action had already been taken. I apologized for being late and asked the chairman if any action had been taken and was advised that the group had already passed a resolution favoring a voluntary certificate program for 1964. I asked for the reading of the resolution. I then pointed out that the Oregon Farm Bureau at their annual meeting in November 1963, had passed a resolution endorsing the principles of the Quie-Dole bill. I stated I had presented this resolution to the delegates at the American Farm Bureau Federation annual convention in Chicago, but was not successful in getting it approved. Since action had already been taken, this concluded my comments.

The chairman then asked Mr. Norris if he had any comments and he stated he had none unless there were some questions on some of the other bills which had been introduced. At the request of the chairman, Mr. Norris very briefly discussed the various features of the Quie-Dole, McGovern, and Humphrey bills. Mr. Norris did not state that the principles of the McGovern bill came closer to acceptance, because he stressed the point that this bill was not voluntary.

I would like to call to your attention that this point was printed in the newspaper article, but was omitted in the article as you presented it for record. This is the statement in the CONGRESSIONAL RECORD: "Lou Norris, legislative and tax consultant for the State Farm Bureau, explained the principles of each bill, with the feeling that principles of the McGovern bill came closer to acceptance." This is the statement as printed in the newspaper: "Lou Norris, etc.—acceptance, except in the area of the voluntary program." Attached is a copy from the paper.

The resolution passed at this meeting was signed by Morrow, Gilliam, and Umatilla County Farm Bureaus and would not be approved by the majority of the 34 county farm bureaus in Oregon, or by myself.

I believe the above facts clearly indicate that the newspaper article and your statement to the Senate have not expressed the thinking of the Oregon Farm Bureau and the RECORD should be corrected.

I would like to add further that I do own and operate a wheat ranch in eastern Oregon and am opposed to the voluntary certificate plan for wheat for the following reasons: (1) It encourages the production of wheat in nontraditional wheat producing areas as well as in traditional wheat areas, (2) it promotes inefficient operation, (3) it makes no recognition of quality varieties of wheat over poor varieties, (4) it is not voluntary as practically all of the market is reserved for those who comply for certificates, and (5) the cost of the certificates will be passed on to the consumer.

I sincerely hope you will give consideration to the above comments.

Sincerely,

HAROLD BEACH,
President.

[From the Heppner (Oreg.) Gazette Times, Jan. 16, 1964]

LEADERS OF FARM GROUPS ADOPT VOLUNTARY PLAN

Representatives of seven organizations from Morrow, Umatilla, and Gilliam Counties were present for a joint meeting at Lexington Grange hall last Tuesday evening, January 7, to discuss ideas and suggestions relative to a unified agreement on a resolution to be sent into Congress.

The meeting was sponsored by the Morrow County Farm Bureau. Other organizations represented included Morrow County Pamona Grange, Morrow County Farmers Union, Heppner-Morrow County Chamber of Commerce, Morrow County Unit Oregon Wheat League, Umatilla County Farm Bureau, and Gilliam County Farm Bureau.

Farm Bureau President Herman Blettell called the meeting to order and explained the desire for a unified farm bill. After considerable discussion, a motion was made and carried that the group go on record as favoring a resolution of a voluntary certificate program for 1964. It reads as follows: "We favor a 1964 wheat program calling for the basic principles of a voluntary certificate program. This resolution was carried without opposition at Lexington, Oreg., on the 7th of January 1964."

General feeling was that individual letters carry weight in Washington, D.C., with those present urged to write letters and encourage others to write letters to Congressmen and aid in getting the unified wheat program through Congress.

Harold Beach, State chairman of Oregon Farm Bureau Federation, was present to discuss phases of the Quiedowell plan, the McGovern bill, and the Humphrey bill. Lou Norris, legislative and tax consultant for the State bureau, explained the principles of each bill, with the feeling that principles of the McGovern bill came closer to acceptance, except in the area of the voluntary program.

Diversion payments, support prices, and parity prices were discussed, as well as a retirement plan and problems of the feeding industry.

The predicted wheat exports estimated at 1.5 billion bushels and their predicted cost of export, along with no dramatic increase in wheat planting and more new wheat legislation, brought considerable comment. The desire and aim to set up a guideline, a helpful unified plan for all farm groups—cattlemen, wheatgrowers and others, was the general feeling of the group.

Heads of the organizations made up and signed the resolution to be sent in.

THE PRESIDENT'S FARM MESSAGE

Mr. McGOVERN. Mr. President, I am extremely gratified that the farm message which the President submitted to Congress Friday endorses the voluntary wheat certificate proposal, and asks for immediate action on it to be effective on the 1964 crop and prevent a $500 to $700 million drop in wheat producer income.

It is entirely possible, without increasing costs to the Government and without increasing the price of bread, as the President points out, to avoid this unnecessary blow to the farmers and to the whole national economy through the wheat certificate proposal.

I would like to point out that the proposal, which I introduced last July 29 for myself, both Senators from North Dakota [Mr. BURDICK and Mr. YOUNG], and for Senator McCARTHY, of Minnesota; McGEE, of Wyoming; and NELSON, of Wisconsin, has bipartisan authorship and support both in and out of the Congress. The National Association of Wheat Growers, its subordinate organizations from the 11 major wheat States, the Missouri Farmers Association, the National Grange, and the National Farmers Union have all endorsed the measure in principal, and many of them in detail. The President's approval of it, as meeting criteria in regard to costs and results which the late President Kennedy first established, brings this measure closer to unanimous approval than any farm bill we have considered in my experience in the House and Senate.

I hope and trust that the President's endorsement, and the coauthorship of the senior Senator from North Dakota, who has steadfastly kept the welfare of Dakota farmers and the Nation's farmers foremost in his consideration and decisions on agricultural legislation, will make it possible to move this legislation quickly.

I want to thank my chairman, the Senator from Louisiana [Mr. ELLENDER], for having scheduled wheat hearings for next week, and for his present efforts to find a way, consistent with the situation here on the floor, to expedite consideration of wheat legislation and meet the need for early action which the President has underlined in his message.

Entirely apart from the President's comments on wheat legislation, I regard the President's farm message today as one of the finest, the most comprehensive and enlightened farm messages I can recall.

The President's grasp of farm problems includes not only the overshadowing income problem of livestock, dairy, wheat, and cotton producers but ranges to the need of the elderly and of migrant workers for better housing, to problems of poverty and the necessity for developing new economic opportunities in the rural areas of the Nation.

He has identified activities in the marketing sector—futures trading, chainstore operations, and vertical integration—which need to be studied and controlled in the interest of maintaining truly free markets and a truly free agriculture.

He has shown his appreciation of the value of our highly productive American agriculture in the international field in his call for a 5-year extension of the food for peace program, embodied in titles I and II of Public Law 480.

We have received a great farm message, submitted by a Texas rancher with a practitioner's personal knowledge of the problems of agriculture.

I want to congratulate the President and his agricultural aids on an outstanding charter for rural progress.

FARMERS UNION GRAIN TERMINAL ASSOCIATION RESOLUTIONS

Mr. McGOVERN. Mr. President, one of the great annual farm meetings in the Northwest, stretching from Wisconsin, Minnesota, the Dakotas, Montana, and into Idaho, Washington, and Oregon, is the annual convention of the Farmers Union Grain Terminal Association in St. Paul.

Several thousand delegates attend this meeting of stockholders in a great regional grain marketing cooperative. But it is more than a stockholders business meeting. It is invariably a great review of farm affairs and of farm policies; for M. W. Thatcher, general manager of GTA, knows that the future of farmers is involved in legislation, in Federal and State farm programs and other areas as well as marketing. For example, at the GTA's recent meeting, Secretary of State Dean Rusk, as well as Secretary of Agriculture Orville Freeman addressed the huge gathering.

The 26th annual meeting of this great cooperative group was held in St. Paul on December 9, 10, and 11. The delegates adopted a number of resolutions reflecting the views of farmers in the area. Interestingly enough, Mr. President, the first resolutions, following a tribute to our late President Kennedy, emphasize cooperative development and expanding agricultural cooperatives in all fields in which they can serve farm people.

President Johnson's farm message, urging the development of agricultural cooperatives, comes almost as a response and endorsement of the position taken by these farm people.

The resolutions committee of the GTA convention was headed by one of our most distinguished South Dakota farm leaders, Mr. Bob Johnson of Groton, S. Dak.

I ask unanimous consent, Mr. President, to include in the RECORD these resolutions adopted by the delegates to the GTA convention.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS ADOPTED AT THE ANNUAL MEETING OF FARMERS UNION GRAIN TERMINAL ASSOCIATION, DECEMBER 9, 10, AND 11, 1963

INTRODUCTION

We are assembled for our 26th annual meeting of the Farmers Union Grain Terminal Association. It is clear that there is serious difficulty in terms of prices and incomes in the agricultural economy of this country; that unless prompt and energetic steps are taken, the situation will further deteriorate.

Our system of American family farms is fighting for survival. The decline in the number of farms and in the number of farm families residing on the land presents a grave problem. This should be of concern to every American who loves his country.

Farmers simply cannot continue in business, much less prosper, unless they receive a fair return on their labor and investment. This is the heart of the problem.

This prosperous country benefits from abundant agricultural production. There is a rising standard of living for most groups. This has been experienced at a time of declining farm net income. An agricultural program that will contribute to improving and stabilizing farm prices and income has become increasingly essential. For many families each year it is again the story of too little, too late.

We urge that our cooperatives strive even harder to give leadership and expression to the needs of farmers in the territory served by GTA. A united front, carried on in the spirit of cooperation, is needed, and in this spirit, these resolutions are presented.

RESOLUTION NO. 1: IN APPRECIATION OF PRESIDENT KENNEDY

"Ask not what your country can do for you; ask what you can do for your country."

These memorable words, spoken by President Kennedy on the day of his inauguration as President of the United States, will never be forgotten. They were courageous words uttered by a brave man whose untimely death we all view as a great national tragedy.

He will not be forgotten; but in the same moment that we express our sorrow at his passing we join with other Americans in pledging our support and cooperation to his successor, President Lyndon B. Johnson. We join in hoping and praying for a successful administration by the Nation's new leader; we pledge our support as he carries on the grave responsibilities of leadership of this great Nation.

RESOLUTION NO. 2: THE FARMERS UNION PROGRAM

Present conditions and the outlook for agriculture emphasizes the need for intensifying the teamwork of this organization, of the National Farmers Union, and the various Farmers Union State organizations in order that the most effective contribution to the welfare of producers is achieved.

It is discouraging to view the steady decline in the number of farms in this country and the prospective future decline in farmers' net income forecast for 1964. More can and must be done through expanding the work of agricultural cooperatives in all fields. Vigorous action is needed in State legislatures and by the Congress of the United States on behalf of producers.

We believe that we need vigorous representation of farmers through the farmers union program and as members of GTA we pledge that this organization will continue to be an integral part of the Farmers Union movement.

RESOLUTION NO. 3: PUBLIC RELATIONS PROGRAM

The agricultural problem will never be solved without widespread understanding of its elements by the farmers themselves and by the public. There is an outstanding need to get the truth to the general public and to producers through objective analyses of current events relating to economics and legislation. Ignorance is the enemy of progress.

We therefore urge continued support for the Farmers Union Herald, the GTA Digest, the GTA radio and TV programs, and the use of all media of communication to help farm families in the years ahead.

It is necessary to explain and to reexplain the needs for improved farm legislation; for stronger cooperatives, for recognition of the family farm, for an adequate standard of living for rural people. There continues to be need for the coordination and unification of public relations and educational efforts. We believe that progress in this regard has been made, but more is needed.

For many years the Farmers Union Herald has been published for and in behalf of the members of the Farmers Union Grain Terminal Association and for and in behalf of the stockholder members of the Farmers Union Central Exchange, Inc., and the Farmers Union Marketing Association.

During this time the Farmers Union Herald has been the recognized official publication of these cooperative associations and has in each issue published facts and information relative to the operation, plans, business and affairs of these cooperatives of value and importance to farmers and especially to the members of these cooperative institutions.

Such information covers marketing of grain and livestock and the distribution of farm supplies. The members of this association and the stockholder members desire that the Herald continue to be issued and forwarded to them through the U.S. mail and that the subscription price be paid for them by this association. Because this association is a cooperative association wholly owned by its members and is in fact their agent, payment of such subscription price by this association on behalf of said members is actually paid by them.

It is therefore resolved that the management of this association be and is hereby directed to subscribe to the Farmers Union Herald for and in behalf of each of its members and each of its stockholder members and pay the subscription price therefore for each of said associations and individuals.

RESOLUTION NO. 4: RURAL AREAS DEVELOPMENT IN THE BROADEST SENSE

Rural areas development in the broadest sense is essential to desirable and progressive development of the resources on behalf of the people of areas served by the Farmers Union Grain Terminal Association. There are a number of institutions which have established major programs, but there remains other important work to be done.

For example, we appreciate the valuable contribution made to rural life by the rural electric and rural telephone cooperatives. These employ the well-established cooperative method of organization and financing. These programs continue to justify expansion and support.

Similarly, we are extremely appreciative of the work carried on in the field of soil conservation by the U.S. Department of Agriculture, and recognize that continued support for programs in this field are essential when full account is taken of the needs, not only of the present but also of future generations.

We also recognize the need for continuing and expanding a program of crop insurance; also the important contribution which the farm credit system is making to the farm business and its helpfulness in reducing the rate of interest to producers.

We recognize that freight costs continue to be high and that public transportation facilities, especially boxcars, are seemingly inadequate to meet present-day requirements.

Together with the institutions we have referred to in the foregoing, we now welcome and pledge support to the efforts of the U.S. Department of Agriculture in the field of rural area development made possible by the Area Redevelopment Act.

We urge our delegates and members to work with officials of the U.S. Departments of Agriculture and Commerce, responsible for the administration of this act, in an effort to locate and initiate needed commercial, public, and rural prospects for useful development.

Certainly a standby program of proposed rural conservation works, land improvement, road and other public projects, with loans and technical services to communities and small businesses must have a place in assuring the orderly utilization of resources and opportunities in this territory.

Rural development projects have in many cases immediate application, especially in disaster areas. They can prove under many conditions to be supplemental sources of income for the employment of farmers at prevailing labor union wages for similar work to meet challenges of economic or national disaster.

Programs of training farmers facing displacement as the result of changes in agriculture should have redoubled emphasis.

RESOLUTION NO. 5: OPPOSING CHANGES IN WHEAT GRADES

Farmers are concerned over the proposal by the U.S. Department of Agriculture to change the established and accepted system of wheat grading. Studies indicate the cost of such changes would be from 2 to 4 cents per bushel, with these costs inevitably borne by the farmer. We find no reliable evidence to substantiate the claim that changes in wheat grades would result in increased exports.

We deplore the restrictive parliamentary procedures used at the regional grain grading hearings in October, which denied farmers and their representatives the opportunity to present alternatives to the proposed changes. These alternatives, we believe, would be in the best interest of all wheat producers and the wheat merchandising industries.

Repeatedly over the years this organization has adopted resolutions urging farmers to keep grain clean, and notable progress in this regard has been achieved. We note that the October 1963 report of the Food and Drug Administration of the U.S. Department of Health, Education, and Welfare, Washington, D.C., stated under the heading, "Clean Wheat Program Making Progress," as follows:

"The clean wheat program, a joint effort by Federal and State agencies and the grain and milling industries to improve the quality of grain, continued to yield good results in the fiscal year 1963. During the year FDA district offices collected and examined more wheat samples and found less rodent and insect contamination than in any previous year."

The report then cited data in support of the above conclusions.

The major changes in wheat grades proposed by the U.S. Department of Agriculture would simply result in further downgrading of wheat, with no commensurable advantages. We believe it would also have the effect of increasing the margin required by the grain handling and marketing industry which would be borne by producers in the final analysis.

Therefore, be it resolved that we the membership of Farmers Union Grain Terminal Association go on record as opposed to USDA's proposed changes in wheat grades.

RESOLUTION NO. 6: THE NATIONAL FEDERATION OF GRAIN COOPERATIVES

Since its founding in 1938 the Farmers Union Grain Terminal Association has been closely associated with other national cooperatives through membership in the National Federation of Grain Cooperatives. We are proud to be associated with 26 other different cooperative marketing associations, serving some 2,800 local cooperative associations providing primary markets in more than 5,500 rural communities through this federation.

We congratulate this federation and its membership on a notable record of accomplishment. It serves as a bridge for stimulating the growth and expansion of cooperative activity throughout the Nation and is working constantly for the support and expansion of cooperative principles.

RESOLUTION NO. 7: THE ROLE OF THE COMMODITY CREDIT CORPORATION IN GRAIN MARKETING

The loan program operated by the Commodity Credit Corporation has been and is invaluable to the producers. Several aspects of its operation, however, have been detrimental to the interests of the farmer and the grain trade in general. We recommend, therefore, the following modifications and practices:

(a) The Commodity Credit Corporation, when disposing of or rotating stocks, should move grain into commercial channels as near as possible to the point of origin. Where available, commercial marketing channels should be used exclusively;

(b) Commodity Credit Corporation bins, when unneeded because of increased availability of commercial storage facilities, should be retired; and that substandard storage should be removed from governmental loan programs immediately when storage crises are ended. The farmers' interest should receive first priority in the disposition of these bins;

(c) Commodity Credit Corporation stocks should not be sold during harvest time. These sales obviously have an unduly depressing effect on the commercial grain market;

(d) The U.S. Department of Agriculture should restore the loaning policy that was used before the present practice of making deductions for storage from loan proceeds was established. Farmers should, as was the intent of Congress, receive the full loan support; and

(e) No Commodity Credit Corporation sales should be made at less than 115 percent of the support level, and there should be added to this the actual average carrying charges, including storage, handling, and interest costs. This charge would allow the farmer to derive the full benefits of expanding consumer and export markets.

RESOLUTION NO. 8: NATIONAL FARM POLICY

Farmers lack bargaining power because they do not have nationwide economic machinery to make themselves effective in the markets on a basis equivalent with labor or industry.

Enabling legislation that would put into the hands of farmers the means to manage their own agricultural industry is desirable and could be enacted into law if a program to that end were developed and supported.

This convention of producers therefore calls upon its elected representatives in the Congress of the United States to begin the formation of a National Agricultural Act whereby farmers, working with representatives of government and consumers, can provide for national abundance, stability of the markets, and a fair return on farm labor and investment for producers of food and fiber.

RESOLUTION NO. 9: NATIONAL RESERVES

In view of the rapid changes in food and feed grain supplies and of the large investment in equipment to produce and store these grains, it is urgent that Congress take the following steps:

(a) Direct the Secretary of Agriculture to declare an official policy providing for national reserves of wheat and other food and feed grains, including definite amounts, kinds, qualities, locations, and ages of stocks to be maintained;

(b) Provide long-range commitments for such reserves so that producers and others concerned can adjust their operations with some certainty that such policy will not be suddenly withdrawn; and

(c) Decide what share of the necessary costs should be charged to the respective budgets for national defense, consumer welfare, business and commercial stability, as well as to agriculture.

RESOLUTION NO. 10: COMMENDATION OF DIRECTORS, MANAGEMENT, AND STAFF

We commend the leadership, the harmony and alertness shown over the years by the board of directors of Farmers Union Grain Terminal Association.

We appreciate the outstanding leadership of Mr. M. W. Thatcher, the general manager, and we desire to express our appreciation for the valuable and faithful services provided by the cooperative's staff of employees.

We also desire to express appreciation for the efforts which have been made to make GTA and other cooperatives serve with greater effectiveness the function of marketing and service to which they have been assigned.

In this connection we urge that the cooperative philosophy of the farmers union program be given emphasis in the training of managers and other employees of cooperatives. GTA is in business to stay, and an able, experienced, and devoted staff such as we have is essential to its progress and success.

RESOLUTION NO. 11: APPRECIATION OF ST. PAUL HOSPITALITY

This is to express appreciation to the officials and citizens of St. Paul for their hospitality manifested once again during our annual meeting.

We appreciate the St. Paul newspapers, the television and radio stations which have sought to give accurate and full accounts of our activities and deliberations. For this we desire to express our appreciation.

RESOLUTION OF BOARD OF SUPERVISORS, ERIE COUNTY, N.Y.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Board of Supervisors of Erie County, in the State of New York.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

MEMORIAL RESOLUTION

Recent tragic circumstances compel us at this time to reappraise and reevaluate our Nation, its foundations and institutions, and its people.

Magna Carta began "by the grace of God" and "in the presence of God."

The Declaration of Independence reaffirms that all men are endowed by their Creator with certain unalienable rights and that governments are instituted among men to secure these rights.

These documents and their concepts became the very bedrock of our Nation.

The United States came into being to secure the blessing of liberty for ourselves and our posterity, and in article 2 vested executive power in the President of the United States of America.

At a high time in our history, John Fitzgerald Kennedy was chosen as our Chief, and vested with the awesome powers and responsibilities of that high office.

The scope of that leadership extended beyond our geographic boundaries, and our President is the leader of free men everywhere and the hearts and minds gain strength and courage from the torch of liberty held in his hand.

In a world torn by strife, bitterness and insecurity John Fitzgerald Kennedy looking toward new horizons accepted the challenge of the 1960's and became our 35th President.

Sworn to uphold our Constitution and our laws, this young man of strength and courage and vision came forward, accepted the burdens and moved ahead into dangerous and uncharted waters.

Peace with dignity, rights of fellow man, love for neighbor, respect for others all gathered with an abiding belief in a Supreme Being with recognition of His supremacy became the credo to lead our Nation and the world from darkness to light.

Symbolically his public life in this capacity lasted for 3 years.

However, the forces of hate, and bigotry, and bias, and prejudice had too long gone unattended in the hearts of many men.

With valiant effort, he strove to rekindle in his people humility before God, understanding among men.

He showed us the way, but his candle alone was not enough and we must rededicate ourselves and our Nation to the cause, and the flame which flickers must be joined by all of us so that his supreme sacrifice will have not been wasted on an unappreciative mankind.

He could give no more than his life; he gave no less.

He told us among many other things that we shouldn't ask our Government what it could do for us, but rather should ask what you can do for it.

We must profit from the presence of this man in our midst, and his life, his energies, his ideas, ideals, and spirit must go forth in all of us everywhere.

Let us think on Friday, November 22, 1963, not as a day of despair and hate or we forget him and his message too quickly, and his supreme sacrifice will have been wasted among us.

Wherefore it behooves us to set aside a day annually for each man to meditate in his own way, to examine our individual consciences, to remove blackness, bitterness, and hate from our hearts and instill therein a dedication of love and understanding for our fellow man so that all peoples everywhere can truly learn by our example and we can secure for our posterity a world for all mankind that will meet not only the challenge of the 1960's but thereafter: Now, therefore, be it

Resolved, That this, the Erie County Board of Supervisors memorialize the Congress of the United States of America to set aside as a national holiday the 22d day of November as one of memory and remembrance and reevaluation and dedicated to the spirit of love and freedom throughout this great Nation and among our peoples.

FRANK E. WENDLING,
Supervisor, 11th Ward.

CIVIL RIGHTS—STATEMENT OF FEDERATION OF PROTESTANT WELFARE AGENCIES

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a statement of the Federation of Protestant Welfare Agencies, in support of House bill 7512, relating to civil rights.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FEDERATION OF PROTESTANT
WELFARE AGENCIES, INC.,
New York, N.Y.

STATEMENT OF THE FEDERATION OF PROTESTANT WELFARE AGENCIES IN SUPPORT OF H.R. 7152

The most important single issue before the Nation and the Congress at this time is the free exercise of the legal rights to which all Americans are entitled. The entitlement of the Negro people to equal rights can no longer be a matter of controversy. These rights are clearly established by our Constitution, the law of the land, and time and time again they have been upheld by the Supreme Court of the United States. The Negro is not asking for special rights or privileges, he is asking that his rights as an American be effectively assured.

History has disclosed that the passage of time alone will not bring about the nationwide voluntary recognition of these rights. The Negro people have been waiting for almost a century; their patience is understandably strained. Effective action is needed by the Federal Government—now—not to grant new rights but to guarantee that established rights are fully protected.

The Federation of Protestant Welfare Agencies, as a Christian organization devoted to the cause of human welfare, has always recognized that the issue of civil rights is inextricably interwoven with problems relating to the welfare of all people. Not only is the work of improving the physical well-being of all underprivileged people acutely hampered by discrimination in all its forms, but the goals of welfare work are effectively thwarted. These goals do not involve bringing about the mere physical improvement of the individual's lot; they involve the establishment of an environment in which the moral and spiritual well-being of the individual can flourish. This cannot be achieved if legal rights are denied or are not effectively enforced.

The federation welcomed, therefore, the efforts of the late President Kennedy to bring about legislation that would do much to enforce recognition of the established rights of the Negro people. It welcomes the support President Johnson is giving to this legislation, and it strongly urges the speedy enactment of H.R. 7152 by the Congress.

Approved: December 16, 1963.

PROJECT ACTION NEWSLETTER NO. 3 OF OCTOBER 1963—THE IOU'S

Mr. METCALF. Mr. President, the investor-owned utilities continue to be successful in their efforts to get other organizations to spread their propaganda.

As I reported to the Senate on January 8, the IOU's are distributing an anti-REA, anti-TVA, film, "The Power Within," along with a manual telling company officials how to manipulate public opinion. This program is called Project Action.

The second issue of the "Project Action" newsletter, dated October 1963, reported that 51 companies were using or testing "Project Action." One company was showing the film in a foreign country. These companies included four gas companies and one telephone company. Community Public Service of Fort Worth reported success "in obtaining community leaders who are not associated with the company to introduce the film at club and civic organization meetings." The Englewood, Calif., Chamber of Commerce and the First National Bank of Englewood "promoted the program through the Englewood Herald."

According to the first issue of the "Project Action" newsletter, which I previously inserted in the Record, Public Service Co. of Colorado planned meetings with a number of outside organizations, "including junior chamber of commerce, Colorado Farm Bureau, manufacturers association and others, in an attempt to get one or more of these groups to undertake 'Project Action' as one of their specific programs."

In my comments the other day on the first issue on the "Project Action" newsletter, I reported that the propaganda film was being used in 27 States and listed them. The map in the second issue of the newsletter shows, in addition to those 27 States, an additional 8 where "Project Action" is "currently being utilized and/or tested." The eight additional States are Arkansas, Georgia, Kentucky, Massachusetts, Oklahoma, Oregon, South Carolina, and Wisconsin.

The 15 States yet to be "educated" and perhaps some of them are under education by the power trust by now—are Alaska, Connecticut, Delaware, Hawaii, Idaho, Maine, Michigan, Nebraska, Nevada, Rhode Island, Tennessee, Vermont, Virginia, Washington and West Virginia.

I can appreciate the problem which the IOU's have in some of those States. A certain amount of conditioning is no doubt necessary.

It will take more than Vermont syrup and Wall Street sugar to get some folks in the Green Mountain State to parrot the IOU's line about the "Deviation of the REA" to the senior Senator from Vermont [Mr. Aiken].

Nebraska, a public-power State, may also be difficult. Its citizens know corn, even in fancy packages.

And when the residents of Tennessee hear that—I am quoting from the script of "The Power Within"—"companies were swallowed up by TVA—a back-door Federal takeover of the investor-owned companies"—they might laugh, instead of wiring their Senators and Congressmen. As I recall the history of that period, a utility official named Wendell Willkie helped negotiate a sale to TVA, and made such a good deal it helped get him the Presidential nomination. In the IOU's rewrite of history, they even denigrate the record of one of their own.

Mr. President, I ask unanimous consent to insert, in the body of the Record, the October 1963 issue of the "Project Action" newsletter.

There being no objection, the October 1963 issue of "Project Action" newsletter was ordered to be printed in the Record, as follows:

Project Action

PROJECT ACTION ON TV IN BATON ROUGE

Gulf States Utilities, in order to reach a larger segment of the population in their Louisiana service area than could be accomplished through service clubs, sponsored the film, "The Power Within," twice on WAFB-TV, Baton Rouge.

According to Jack Worthy, assistant advertising manager of the Baton Rouge division, the film was shown in its full 37-minute length midweek following the station's 10 p.m. news show and on Sunday following the "Pro Football Game of the Week."

Worthy stated that he felt the only drawback to the showings was that they were not scheduled in prime time. In a telephone report, he went on to say that the station had publicized the showings with numerous promo spots and that his company had placed a 4-column by 10-inch newspaper advertisement to announce the program.

Regarding the reception to the show, Worthy said, "I have received comments from a number of people who have called me and said they thought the film was excellent. We have had lots of letters. I feel that it had very good impact." He quoted one letter he had received which read, "I hope this letter and scores of others will encourage your company to continue such presentations as 'The Power Within.'"

Worthy also reported that his company was using the program in the field and had received a very good reaction to it.

PENNSYLVANIA COMPANIES USE PROGRAM FOR EMPLOYEE EDUCATION

Two Pennsylvania companies have purchased "Project Action" for use in conjunction with employee education programs on the subject of REA. One is presently utilizing five programs, the other, which has no REA problem in its service area, purchased six copies after extensive testing with the public through a comprehensive 14-part questionnaire. Results from the tests will be released at a later date.

THREE SOUTHEASTERN GAS COMPANIES REVIEW PROGRAM

Natural gas companies in Alabama, Georgia, and Kentucky recently asked for copies of "Project Action" for preview by their personnel. A representative of one of the companies stated that Government encroachment was becoming the gas industry's fight as much as it was the electric industry's. He voiced an interest in any program which would help combat Government competition in any field.

HOUSTON LIGHTING & POWER PREPARES BROCHURE TO USE WITH PROGRAM

Houston Lighting & Power Co. has prepared a brochure which deals with the REA problems in Texas. The brochure was prepared specifically for use in conjunction with "Project Action." Copy from the folder is reprinted beginning on page 2.

COMMUNITY PS GETS OTHERS TO SPONSOR PROGRAM

Community Public Service of Fort Worth reports excellent results from initial showings of "Project Action" in its service area. According to a company spokesman, the company has been successful in obtaining community leaders who are not associated with the company to introduce the film at club and civic organization meetings.

PS COLORADO SETS GOAL OF 250,000 VIEWERS FOR PROGRAM

Public Service of Colorado has set as its goal for "Project Action" to reach 250,000 viewers before January 1, 1964.

According to a company spokesman, Colorado Public Service has utilized the film to obtain action in the form of letters and telegrams to Congress in each of its meetings. To date, the program has been successful in motivating 63.4 percent of the viewers to participate in congressional contact. "Each showing of the film results in requests for additional showings," said the spokesman. Comments from the audiences have been most favorable. He related the following:

"Excellent film—can I show it at our next meeting?"

"It's time someone started to awake the public."

"I'm going to write a letter, too." (Speaker sent telegram).

"Why hasn't someone done this before?"

"I didn't realize the problem."

"Is banking next?"

"Can this really be stopped."

"Very pleased with company for all-out effort."

"Good film, should be shown to everyone—didn't realize conditions of country."

FIFTY-ONE COMPANIES HAVE "PROJECT ACTION"

Fifty-one companies in 38 States and 1 foreign country are presently utilizing or testing "Project Action." The list of users includes four gas companies and one telephone company. A map of the States covered appears on page 4.

Houston Lighting & Power Creates Folder To Tell Texas Story

GOVERNMENT IN BUSINESS COSTS YOU MONEY

The advertising department of Houston L. & P. recently created the folder reproduced here to be used in conjunction with the scheduled showings of "Project Action" in the company's service area.

The folder spells out the REA problem in general and deals specifically with local problems which affect the people of Texas.

Attached to this folder was an invitation to write the congressional delegation and a list of names and addresses of legislators from the Houston-Gulf area.

No matter what business you are in, Uncle Sam is on your company's payroll. In fact, his "take" may exceed the combined salaries of all the people who actually produce the goods and services your company sells.

And that's only part of the story. Uncle Sam's paycheck—the money paid to him in taxes—is often used to establish and operate Government business enterprises in direct competition with your source of income.

Uncle Sam operates one of the largest and most diversified business empires in the world. He owns 19,000 separate commercial and industrial enterprises, plus 2,500 more in the Defense Establishment. And he employs more people, owns more money and generates more electric power than any of the largest free enterprise companies in the country.

Most of these Government enterprises do not operate for your profit or benefit. For example, neither your family nor any other in this area of Texas uses Government-produced power. Yet, the Federal Government has already spent $5 billion of the American taxpayers' money for unnecessary electric power projects. And it proposes to spend another $10 billion in the years ahead—whether you like it or not. These projects produce little except below cost electric rates to the privileged few they serve. Moreover, the millions of dollars they consistently lose in their unbusinesslike operations must be made up by you and other taxpayers. So-called public power is a big reason why you pay high taxes today and will pay even higher taxes in the future * * * unless something is done.

You might ask—How has Uncle Sam moved so far in areas which were pioneered by individual initiative? The answer is simple: Empire-building opportunists in and out of Government—many within the Congress—have led him there through stealth and subterfuge.

Government's ventures into the electric power business provide two prime examples of how Federal encroachment gets a foothold. Both the TVA and REA got their starts in the 1930's offered as emergency measures to combat the effects of the great depression.

The TVA was originally planned as a flood control and navigation project, with the generation of a small amount of electric power at its dams only an incidental factor. Today, after investment of some 2 billion of the Nation's taxpayers' dollars, TVA is the sole supplier of electric power to an 80,000 square mile area in seven States, having swallowed up and destroyed the investor-owned companies that previously served the region. And 75 percent of the power TVA sells today is generated not by falling water, but by steamplants which were not even remotely envisioned at the time TVA was established.

The Rural Electrification Administration's lending program was initiated for the worthy purpose of providing electric service to farms which struggling electric companies, at that time, could not afford to serve because of the high costs and low return involved in extending lines into sparsely populated areas. But REA has strayed so far from its original purpose that today it is potentially even more costly to you that TVA. Despite the fact that the job of electrifying rural America has long since been completed, and that the majority of the customers rural electric co-ops hookup today are urban suburban homes and businesses, appropriations for REA loans are at an alltime high. It now lends most of its funds for the building of unnecessary generating plants and transmission lines, which duplicate and supplant those of taxpaying companies. What's more, REA'S funds—actually, of course, your taxes—are used for some of the most absurd purposes you could imagine. A $30,000 loan to a ski resort for the purchase of snow-making equipment is just one example.

Some of the antics of Federal power bureaucrats would be laughable if they were not so costly and were not recognizable as part of an ominous pattern. That pattern is one of continuing encroachment by Government into the electric power business until ultimately the entire industry becomes socialized. Since the investor-owned electric industry produces more taxes than any other—over $2½ billion per year—its loss as a tax source would greatly increase the burden on remaining taxpayers. You, and others like you, would have to make up the lost billions in tax revenues.

But you would lose more than money. Experience elsewhere has shown that the takeover of the electric industry would be only the first step. Other industries would fall in quick succession, with universal socialism and a basic change in the form of government the final result. Will your business or your job be next?

There is a growing clamor throughout the country for an end to the tremendous waste of taxpayers' dollars on unnecessary Government business ventures, and a restriction of Government to its proper functions. Chambers of commerce at the local, regional, State, and National levels and businessmen everywhere have condemned the policies and practices of Government which threaten our free enterprise system. Many newspapers, journalists, commentators, magazines and trade journals have also taken up the fight.

Elected representatives in Washington report a sharp increase in the volume of mail they are receiving from constituents, possibly yours included, expressing deep concern about the pace at which the Nation is moving toward socialism and insisting that something be done about it. Some lawmakers have responded by introducing legislation which would put an end to many glaring betrayals of the public trust and raids on the Federal Treasury. They need encouragement in such efforts because they face a monumental task.

Will you add your voice to the swelling chorus echoing through the halls of Congress? Write your Congressman and Senators today. If they are doing a good job, commend them. If they're not, tell them so.

GULF POWER'S "REDDY-BRIEFS" REPORTS IMPORTANCE OF LETTERS TO CONGRESS

Gulf Power Co., Pensacola, reported on the desirability and importance of letters from voters to Congressmen in its September 12 issue of "Reddy-Briefs," an information memorandum edited by Peter M. Perceval, information services head.

Source for the story which pointed out that Senators and Representatives do want letters from their constituents was a survey reported in United States Steel News.

According to the report, a number of Congressmen volunteered their comments to some pertinent questions:

DO YOU WANT LETTERS?

Senator Everett M. Dirksen, Republican, of Illinois (considers constituent mail as): "A Senator's private Gallup poll and makes it possible to know the trends of public sentiment on the various problems that arise from time to time."

Senator Vance Hartke, Democrat, of Indiana: "Letters from constituents are to my office what the pulse of a patient is to the doctor. I cannot overemphasize the importance of letters from constituents in assisting me to decide on a stand, particularly in matters of a controversial nature."

ARE LETTERS IMPORTANT?

Representative George Huddleston, Jr., Democrat, of Alabama: "While a Congressman must, in the last analysis, vote according to the dictates of his own conscience, one of the most vitally important aspects he must always weigh is what attitude the majority of his constituents take toward a given bill. Only by letters from home can such an attitude be ascertained."

Representative Edward J. Derwinski, Republican, of Illinois: "Public opinion clearly plays a key role in influencing legislation. I believe that the grassroots public opinion, as exhibited by people throughout the country, reflects more inherent commonsense than the scatterbrained schemes of Washington bureaucrats. Direct contact by mail with a Member of Congress is a most effective means by which a taxpaying citizen maintains a voice in the operation of his Government."

Senator Thomas H. Kuchel, Republican, of California: "I cannot engage in long-range debate by mail. Communications phrased to stir controversy serve no useful purpose. Pressure mail, especially the unimaginative sending of immense numbers of identically worded messages is a waste of time, effort, and money as far as I'm concerned."

Gulf States Utilities Receives Praise for Television Showing

Reproduced here is 1 of 50 letters received by the Baton Rouge office of Gulf States Utilities following the showing of "The Power Within" on a local television station. According to a company spokesman, all letters received were in support of the company's action. The spokesman also related that he had received several telephone calls congratulating the company.

Baton Rouge, La.,
October 21, 1963.

Gulf States Utilities Co.,
President,
Baton Rouge, La.

Dear Sir: On Sunday, October 13, 1963, your company presented a television program on WAFB-TV, entitled "The Power Within." I am in complete agreement with the views expressed in that program and would like to see more such programs in the future. The major drawback about this presentation was that the time of presentation (mid-afternoon) was not prime viewing time. I believe that more Americans would join in the fight against "big government" if they knew the other side of the story. As you know, no area of our lives is exempt from Government takeover. I often wonder if my field of work is going to be next.

I hope that this letter and scores of others will encourage your company to continue such presentations as "The Power Within."

Very truly yours,
Ashton L. Sommers,
Attorney at Law.

CHAMBER OF COMMERCE, LOCAL BANK PROMOTES SHOWING OF "THE POWER WITHIN"

In conjunction with the scheduled showing of "Project Action" to the Englewood (Colo.) Chamber of Commerce meeting, the chamber and the First National Bank of Englewood promoted the program through the local paper, the Englewood Herald, by use of the advertisement and news story reproduced below.

Do you know your own power as a citizen?

Do you know you are taxed to support competition against you?

Do you know what to do about it?

Hear and see "The Power Within" at the Englewood Chamber of Commerce, first fall monthly membership meeting, Friday noon, Masonic Temple.

COMPETITION FROM GOVERNMENT TO BE REVIEWED

The Englewood Chamber of Commerce will open its fall activities at the September general membership meeting at noon Friday at the Masonic Temple.

Featuring the program will be the presentation of a program illustrated by a movie. "The Power Within," by Daniel R. McNellis, assistant director of public information of Public Service Co. of Colorado.

Give away cream

In addition to the program a new feature, a free prize will be given.

This will be a year's supply of ice cream for a family—one-half gallon a week—by Carl Perry, chamber board member and manager of Sealtest Dairies in Englewood.

"The Power Within" is a story of how more and more taxpayers' money is being used to support "Government in business" and tracing the rapid operation in all phases of business, Bob Scarffe, chamber manager, said:

It tells of how there is more and more Government ownership and operation, restrictions and controls in all areas of business, unfair competition in many industries and the taking away from all business of needed income, Scarffe said.

What to do?

The power of citizens to stop this trend and how to go about using their power also is included in the presentation.

Scarffe asked all who wish to attend to make reservations by noon Thursday with the chamber office, 781-7938. Tickets are $1.50.

DEATH OF MRS. LOUISE GAYLORD DILLINGHAM

Mr. FONG. Mr. President, today a most gracious lady is being laid to rest beside her husband in my State of Hawaii. Death claimed Mrs. Louise Gaylord Dillingham, who for more than a half century was a most outstanding and leading citizen of Hawaii, on the island of Majorca in the Mediterranean last week, Tuesday, January 27.

Within a span of only 3 months, a great and gracious couple was taken from our island scene. On October 22 last year, Walter F. Dillingham—industrialist, builder, civic leader, and philanthropist—passed to his eternal reward. And just a week ago his lifelong partner and companion joined him in the great beyond.

The names of Walter and Louise Dillingham have been linked together in the annals of Hawaiian history as few other names have been. They gave to Hawaii their outstanding talents and irrepressible energies.

Together Louise and Walter Dillingham figured prominently in the growth and progress of Hawaii. While Industrialist Walter Dillingham engaged in the varied enterprises contributing to the economy, development, and expansion of Hawaii, Mrs. Dillingham actively promoted civic and cultural affairs.

Known as a crusader, Louise Dillingham was outspoken for the causes in which she believed and worked. It mattered little whether her viewpoint was popular, she did not hesitate to speak her conscience in behalf of projects or movements affecting Hawaii and its people.

Those of us who knew her—and others who did not have that privilege but who knew her by reputation—know that she was the epitome of graciousness and hospitality. Louise and Walter Dillingham welcomed many world-renowned personages to La Pietra—their home picturesquely situated on the slopes of Diamond Head. La Pietra, named for the Florentine villa in Italy where they were married on May 2, 1910, was kindly opened for tours to raise funds for philanthropic causes. During major conferences in the islands, their lovely home was made available for receptions.

Born in Chicago, Ill., on November 3, 1885, Louise Gaylord was tutored as a child, attending schools in New York as a young girl.

While on a world tour, she stopped in Hawaii where she met Walter Dillingham who headed businesses founded by his ailing father. She was courted and proposed to by wireless and accepted the proposal to wed by that means of communication.

The Dillinghams had four children, one of whom—Gaylord, a naval aviator in World War II, crashed and died in the harbor of Yokohama, Japan, in 1945.

From the time of her arrival as a young bride, Mrs. Dillingham took matters of the island community to heart and her interest and efforts never waned.

For more than 30 years, Louise Dillingham served on the parks board of the city and county of Honolulu. She was very active in the Outdoor Circle, Hui Manu, the Hawaii Shade Tree Council, the Garden Club of Hawaii, and the Garden Club of America.

She was also a member of the Pacific War Memorial Commission, the Lahaina Restoration Committee and the Hawaii Citizens Council for Community Service to International Visitors, and Imua.

During Word War II, she was named director of the Civilian War Services Division of the U.S. Citizens' Service Corps of the Territorial Office of Civilian Defense.

As a Gold Star Mother, she turned the first spadeful of earth when work was initiated on the Garden of the Missing in the National Memorial Cemetery of the Pacific at Punchbowl.

In her more than 50 years as an adopted citizen of Hawaii, Louise Dillingham gave unstintingly of herself, her time and her energies to commissions, boards—of both civic and social groups, and organizations.

The passing of Louise Dillingham only 3 short months after her husband marks the demise of an era in Hawaii. With the people of Hawaii, I join the Dillingham family in mourning the loss of a grand lady whose very existence enhanced Hawaii and enriched the lives of so many by her friendship and by her numerous community endeavors.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point editorials published on January 29 in the Honolulu Advertiser and the Honolulu Star-Bulletin eloquently eulogizing Mrs. Dillingham.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Honolulu Advertiser, Jan. 29, 1964]

LOUISE DILLINGHAM

And now she has gone off to rejoin her husband, and the chapter which approached its end last October is fully and finally closed.

Louise Gaylord Dillingham—wife, mother, civic spirit, a name and a presence in Honolulu for half a century. She came here from her native Chicago as a postdebutante in 1910 and met the dashing young businessman, Walter F. Dillingham.

They were married in Italy, built a home on the slope of Diamond Head patterned after the villa where the ceremony took place, and raised three sons and a daughter. Walter, the builder and man of vision, died at 88 last October.

As Walter left his mark, so did she. The children she bore, the many community projects she sponsored, the quiet charities she supported, the causes she served helped make this a richer, finer community.

She was the ideal wife for the tall, aristocratic Walter. She herself was quality to the marrow, and it showed in the tilt of her chin and the flash of her eye.

Honolulu was always a society town, though it used to be more so, and she was a natural leader in the goings-on at the big homes. But she was far more than a society matron.

No one knows how many thousands of dollars she personally and quietly gave to worthy causes—and stoutly refused to be given credit for in public.

And then there were the long years of devoted service on the parks board, beginning in 1931 and keeping right on. That one led to some amusing incidents, such as the time she opposed the purchase of a new lion for the zoo on grounds that lions are mangy and make disturbing noises in the nighttime.

But if anyone is still chuckling over that, they should look at more than 30 uninterrupted years of public service.

And then there was the Friends of the Academy which she started in 1938 to support the fledgling Academy of Arts. Her energy and direction for 11 years helped the academy become the distinguished institution it is, and were largely responsible for the acquisition of works by such masters as Picasso and Matisse.

Civic beauty, politics, charities—all occupied her enormous energy and her wide-ranging mind.

Walter F. Dillingham did a fantastic lot to advance Hawaii's economic growth and strength, and the most fitting thing that can be said of his wife is that in her own community service she was fully equal to his example.

[From the Honolulu Star-Bulletin, Jan. 29, 1964]

A SPLENDID PAIR

Mrs. Louise Gaylord Dillingham has joined in death the distinguished husband with whom she spent 53 years. Three months and 6 days after his passing last October 22 she died yesterday morning in Majorca, one of the Balearic Islands in the western Mediterranean.

It is difficult if not impossible to make anything like an accurate assessment of the contribution which people like Walter and Louise Dillingham made to the community in which they cose to spend their lives. With Mr. Dillingham it was foresight and faith that made his vast empire possible; with his wife it was indomitable energy that carried her forward; with both it can be said of their actions that they were always constructive.

Time passes, and one generation must give away to the next. It is sad to see such people go, but they would have been the last to say they were irreplaceable. It is to be said also that Walter and Louise Dillingham had done so much together that they had become a splendid pair, and one without the other could not be the same. Others will rise in their stead, but it will take vast capacity, enormous industry, and relentless courage to emulate what they accomplished.

THE PEACE CORPS IN PANAMA

Mr. PELL. Mr. President, during the recent crisis, which went on in Panama, it was significant to me that only one agency of the American Government operated normally throughout the country of Panama with the almost complete support of the people of that country. This agency was the Peace Corps.

If ever there was a test under fire of the Peace Corps, this was the case, and again the Peace Corps volunteers came through with flying colors. In at least two instances during the 3 days of demonstrations, which began January 9, Peace Corps volunteers who had been assigned to outlying villages were sought out by anti-American groups from the more urban areas. However, in each instance, these intruders were turned back by the villagers. In fact, the Peace Corps has informed me that the villagers actually surrounded the village huts of the Peace Corps volunteers, like a human fence, so that our American men and women would not come to harm.

There are presently two Peace Corps projects in Panama. The first project to enter the country was a rural community action project on health. It is my understanding that there are now 46 health workers from the Peace Corps, who are teaching health activity, environmental sanitation, first aid, and community development. These volunteers are helping to staff small outpatient clinics in rural areas which are lacking doctors and nurses. The Peace Corps volunteers in many instances have to travel from the rural clinics to remote Indian territories on horseback with a Ministry of Health doctor to provide, under his supervision, basic medicines, inoculations, vaccinations, and first aid, and to teach environmental sanitation. This project correlates completely with the high priority the country of Panama has given health projects in its 5-year plan.

The Agency for International Development in fiscal year 1962–63 also assisted the country of Panama in the field of public health. However, it is my belief that nothing can replace the goodwill that has been created by Peace Corps volunteers in this person-to-person humanitarian assistance.

Our present complement of Peace Corps volunteers are operating in and around approximately 40 different communities in the rural areas of Panama. Many of them are helping to show the people of that country how to construct latrines; how to protect their wells and springs for an adequate water supply; how to control flies and insects; and how to store foods for preservation.

These volunteers are also participating in community development work and this consists in providing assistance in the organization of libraries, school lunch programs, recreational programs, community centers, health centers, and school construction.

There is also underway in Panama, a Peace Corps agricultural extension and co-op development program. At the present time, there are 10 Peace Corps volunteers working as agricultural extention assistants. These Peace Corps volunteers are working with the Government of Panama which has recently undertaken land reform measures, and has begun rural improvement programs. The volunteers are mainly teaching better agricultural methods.

Under the administration of the Cooperative League of the U.S.A., there is a federation of major marketing, supply, credit, and other cooperatives with a membership of some 15 million families. The Peace Corps volunteers, who are in Panama, have been assigned to the agricultural extension service, and are working under local agricultural extension agents. Many of them are helping the local agents to instruct the farmers to better farming methods. They also help with farmwork; seed distribution and planting; harvesting; equipment maintenance; innoculation, and vaccination of farm animals. This program has met with the overwhelming support of the farmers and all the people of the rural areas, who have come into contact with the American Peace Corps volunteers.

Mr. President, I would like to reiterate that throughout the Panama crisis, the Peace Corps was the only U.S. agency that continued operations without any serious interruptions. It is my belief that we in the Congress ought to give serious thought and consideration to the expansion of the Peace Corps throughout Latin and South America. For this agency, which is operating at small expense to the taxpayers, has produced more good will and performed more good works than all of the cumbersome and long established bureaucratic machinery has done in the past at far greater expense to the taxpayer.

Furthermore, Mr. President, at this point I should like to ask unanimous consent to insert into the RECORD the article which appeared on page 1 of the New York Times on Saturday, January 25, 1964, entitled "Peace Corps Stays on Job in Panama." This article, I believe, completely illustrates the value the American taxpayer is getting from the dollars which are expended on supporting the Peace Corps program.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PEACE CORPS STAYS ON JOB IN PANAMA

PANAMA, January 24.—The U.S. Peace Corps is operating normally throughout the country. It believes it successfully met its test of fire in the recent disorder over the Canal Zone.

In at least two instances during the 3 days of demonstrations, which began January 9, Peace Corps volunteers assigned to tiny villages were sought out by marauding anti-American groups from nearby cities. In each case the intruders were turned back by the villagers.

Full reports are still not in from all the villages in which Peace Corps volunteers are operating, but the indications are that the villagers supported their guests in the fact of the anti-American sentiment.

David J. Boubion, a 37-year-old social-service worker from Los Angeles who heads the contingent here, said he felt the incidents had presented a "good illustration of what a people-to-people program can do."

The Panama contingent of the Peace Corps began operations in April with a group of 30. The first arrivals dealt in public health and environmental skills.

Another group arrived in November for agricultural-extension and cooperative-organization programs. Of the 56 volunteers, 12 were women and 45 men. One man has been relieved to return home for personal reasons.

COMMUNITY WORK STRESSED

All the volunteers are engaged primarily in community development; that is, even if they are specialists, they may be required to take part in a wide variety of improvement projects.

Mr. Boubion said the ideal volunteer "should be a catalyst in his particular community, the fellow who stimulates activity, gets things going."

The majority of the Peace Corps personnel in Panama is assigned to small villages, preferably to those with 1,000 people or fewer.

The volunteer is given the choice of living alone, in a family, or with a fellow volunteer. The ideal situation, according to Mr. Boubion, is to live alone but in close association with a Panamanian family.

LANGUAGE IS PROBLEM

Language presents peculiar problems. The volunteers in one section, for instance, found that the inhabitants spoke neither English nor Spanish, but only an Indian dialect called Guaymi. The volunteers now speak their own version of Guaymi and appear to be doing quite well.

The classification of the volunteers by age, education, and skills is difficult. The youngest here is 19 years old, the eldest are in their fifties. The average age is 24. Most have attended college and are unmarried.

Three-quarters of the volunteers receive $80 a month. The others receive up to $100. They are not allowed to buy automobiles, but they may buy houses and some have done so.

PROJECTS ARE VARIED

The accomplishments of the volunteers may appear to some to be small, but in their small villages they seem large. In one village where the community project has been to persuade the people to use footwear, a sandal production line is working efficiently.

In another village diseases were traced to faulty sanitation. Within weeks, 46 latrines had been dug.

Schools have been built and footbridges thrown over deep rivers so children can get to them. One of the first projects in a community program is to plant a community garden and raise the food level in quality and quantity.

About the time the Panamanian Government broke relations with the United States, some Ministries, particularly Health, Education, and Agriculture, were asking for an increase in the Peace Corps program.

It was the only U.S. agency that continued operations without interruption throughout the crisis.

LATIN AMERICA—NOW OR NEVER

Mr. KEATING. Mr. President, I should like to call the attention of my colleagues to a challenging and highly constructive address recently delivered at the Columbia University Graduate School of Journalism by Col. Harry F. Guggenheim, a former U.S. Ambassador to Cuba.

Mr. President, in a far-reaching analysis of U.S. Policy—or lack of policy—toward Latin America, Colonel Guggenheim concludes:

> Our present policy is based on the hope that with aid to the countries of Latin America we shall prevent the growth of communism and encourage democratic regimes. This is a forlorn hope. Latin American governments are playing Russia against the United States; Russia is helping them.

Colonel Guggenheim also points out a danger that is widely recognized but that Washington unfortunately has so far proved wholly unable to cope with. In Colonel Guggenheim's own words,

> The Monroe Doctrine has already been breached in Cuba. Now every country in this hemisphere is subject to invasion by international communism. Invasion is no longer a matter of warships and armed forces; now it is a matter of infiltration by stealth; of technicians and combatants in business suits bringing with them the more modern implements of conquest. This is the Trojan horse of the 1960's.

Mr. President, I ask unanimous consent to include, following my remarks in the RECORD, the text of the address referred to by Harry F. Guggenheim.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

LATIN AMERICA: NOW OR NEVER

(An address by Harry F. Guggenheim, former U.S. Ambassador to Cuba)

It is more than 30 years ago since I left my post as U.S. Ambassador to Cuba.

The world is a totally different kind of planet now. The nations on it are different; the forces which rule it are different; the international politics are different; the physical sciences are different; the means of self-destruction are different. Unfortunately, however, human nature remains the same as it was then—grasping, ambitious, selfish, reckless, power hungry, destructive.

As in many other parts of the world, this is clearly shown in Latin America. And it is there that these characteristics present the greatest danger for the United States. I am here to express my view that, if the peace of the world is to continue, these dangers must be met and repulsed—now. I am not here to try to blame anyone for permitting this gun to be placed at our chest. That kind of effort can serve no purpose, except a partisan one. I am not interested in partisan advantage. I am interested in my country. I am interested in my fellow Americans—and in all my fellow human beings of all colors and religions all over the world. I am interested in peace. And in the pursuit of peace, I am interested in the international politics on which peace must be built.

There are in our day many trouble spots in the world from which war could come. To name them all, I fear, would sound like repeating the atlas. Some of these places are more dangerous to peace than others. But none is more dangerous than Latin America; and no single spot in Latin America is more dangerous than Cuba.

If I may cry for only one moment over spilled milk, Latin America should have been one of our firmest bulwarks for peace—and could have been. There we should have had friends and allies to stand with us against all threats of aggression and war—and could have had. That chance we threw away. The United States has always neglected its neighbors to the south. Since World War II its apathy has increased, and its neglect has been aggravated. Our potential friends and allies in that part of the world have looked to us—but we have looked away.

The result, in one country after another, has been disorder, revolution, chaos. The physical outbreaks have come overnight; they have crackled onto our radios with shocking suddenness in the morning. But their causes have not been sudden; they have been smoldering, rumbling and threatening for years. In 1960, too late to stem this tide, too late to cool the volcanoes before they blew up, came the "Alliance for Progress." It offers too little and 1960 was much too late. It was thrown together in the midst of a crisis—a crisis which called for much sterner stuff.

There are several important facts of life in Latin America which, instead of being ignored, should have been the very basis of our policy in that part of the world.

The cause of revolution in Latin America is not primarily ideological. Revolution there has been either a protest against a hated administration in power, or support for some demagog who sought power. Revolution has come so often in Latin America because so often there has been a justifiable protest against the administration in power. In Latin American countries, where illiteracy is the rule and not the exception, where a large middle class is the exception and not the rule, where there are only the comparatively rich and the very poor—democracy must of a necessity be more a matter of form than of fact.

Because the resources of most Latin American countries are wholly inadequate to satisfy the needs of their large and exploding populations, our present approach is based on the hope that the electorate can be won by promises of a more abundant life. The more abundant life in these countries would not seem very abundant to us. It would be a life of comparative simplicity: A primary education, some form of decent housing, usable hospitals, land ownership large enough to support a family, farm-to-market roads—necessities which we enjoyed in full in the United States many generations ago.

The Latin American electorate, in most countries, is not prepared for democratic processes and elections as we understand them. To prepare them will take many years. To prepare them will require resources of finance which the countries involved do not own. Meanwhile, local demagogs, too often trained and financed in Moscow, do not wait. They find it easy to arouse people to revolution by promises of the paradise of communism. When the revolution succeeds, a dictatorship of the left is established. When the revolution fails, a dicatorship of the right is established by the military. Too often we have started the process all over again by demanding the end of the military dictatorship because it is undemocratic.

No matter how prodigal the United States might be with its aid—it could not be enough to stop this dangerous and disastrous cycle. Even if the United States gave a billion dollars every year to Latin America to develop those countries, the sum now earmarked for the Alliance for Progress, that would be only $5 per capita.

The large amounts of capital needed cannot come from the United States alone. It can come only from two sources. One is private investors abroad. But where will you find private investors for a country whose government is endlessly changing, or for a country committed to eliminating private enterprise? The other source is slave labor. This has been used by tyrants since the earliest times of history—from the days of the ancient Egyptians for their pyramids, down to the days of Stalin, Hitler, Khrushchev and Mao for their war machines and national farms and factories. Humanity rejects this system—wherever humanity is allowed to express its views.

Most of those who have used slave labor in past history have freely admitted it—indeed boasted of it. Khrushchev and Mao, however, have added a new wrinkle. They try to hide their slave labor, and claim that all labor in their countries is free and happy and contented. We know they lie, but do the starving people who live in Africa, Latin America and Asia know it? Will they be able to resist embracing this kind of labor—or will they be seduced to it to fill their bellies?

There have been, unfortunately, glaring abuses associated in the past with bringing foreign capital into undeveloped countries. It has been suggested that these can be avoided by discouraging private investment but encouraging the rich nations themselves to come to the direct assistance of the undeveloped ones. This assistance would be government gifts or loans. These gifts and loans would be not only for immediate needs—to relieve urgent distress—but would be used to exploit and develop the resources of the beneficiary countries.

These suggestions miss another important fact of life in Latin America: That the governments of undeveloped countries cannot supply the energy, initiative, know-how or ingenuity required. Therefore, they have to entrust to their politicians, dictators and bureaucrats whatever they get from their richer neighbors.

The economic life of many Latin American countries depends on the world prices of their raw products, some of which are of vital need to the United States. In the interest of all the countries of this hemisphere, including, of course, Canada, a common market is long overdue and should be negotiated now. The whole Western Hemisphere should be welded into a viable economic unit, within which each nation would produce what was suited to its natural resources.

Within this framework, Latin America might at last achieve its dream of stable prices for its raw materials and industrial development; Canada might achieve its hope for greater population; and the United States as the hub would certainly achieve what is vitally important to it—a financially healthy, cooperative hemisphere capable of standing on its own feet.

As the European Common Market has demonstrated, fiscal soundness is best achieved by cooperative effort. And certainly the United States as dean and prime protector of this hemisphere needs to encourage such soundness—to strengthen its own dollar and to bring its neighbors north and south up to equality in their standards of living.

History has now debunked the glamorous myth which surrounded Castro's advent to power. In the mid-1950's Castro was presented to the American public as a modern Robin Hood, come to save the poor of Cuba by social reforms from their enslavement to native dictators and exploiters and foreign capitalists.

In Castro's bid for power, this new Robin Hood had the financial backing of important foreign capitalists and local politicians. Each of them was satisfied that Castro would be "his" man. The Communists, as always, were delighted by the thought of a revolution; they knew Castro's political faith, so they too were for him—to a man.

There he now sits—in complete control. He has suppressed all freedoms and civil liberties. He has ruled by police brutalities. He has seized private properties not only of foreigners but of Cubans themselves. But no matter what he tried—it did not work. Faced by dangers from within and without, standing on the brink of disaster, he finally dropped all pretense, and called in his Russian comrades. He asked them to take over Cuba—and to save him. He and his comrades are now engaged in a conspiracy to communize all Latin America. This, Khrushchev has been happy to do. He has boasted that what's good for Cuba will be good for all Latin America.

What do we do about this? What can we do about it? We just cannot continue to sit and wring our hands. The Monroe Doctrine is a strong, moral and justifiable doctrine—even in a jet age. But it has been flouted practically out of existence. How to save it? How to save Latin America? How to save ourselves? All Americans ask these questions. And so do many Latin Americans.

It seems clear, to tackle first things first, that the Latin American policy of the United States needs modernization, clarification, definition and implementation. Presumably the well-being of the United States and its citizens is the ultimate objective of our foreign policy. One of the means toward this objective is the establishment of stability in Latin America. Stability, in turn, depends upon the social, political and economic development of the states of Latin America. However, in implementation of our policy, often the end has been lost by choosing the wrong means. We have embraced a development program which is based on loans or gifts. In many cases, this has been a misdirection of realistic policy. Our actions have been "shot through with meddlesomeness and sentimentality" (to use a phrase coined by De Gaulle) that has obscured the purpose of our policy—and has resulted in failure.

The one outstanding characteristic of our so-called American policy is that we really do not have one. As a result we continue to deal with political upheavels there in emergency fashion. The sad fact is that our lack of policy is actually one of the contributing causes for those political upheavals.

It is helpful that we now have the United Nations and the Organization of American States. But they are not substitutes for a foreign policy. They are of greatest use after the emergencies have arisen—where joint action can be taken quickly against threats to peace and aggression. They are forums where foreign policy can be examined, debated and developed, and where good will can promote international harmony and human well-being.

But until all the strong nations have reached a state of enlightenment, and willingness to temper strength with reason and justice, the United Nations and the Organization of American States will not substitute for a definite, well-defined foreign policy. And surely before justice becomes fully acceptable to the few strong nations, they will require assurance that justice will not later be replaced by a selfish self-interest imposed by the majority—the weaker nations.

Our present policy is based on the hope that with aid to the countries of Latin America we shall prevent the growth of communism and encourage democratic regimes. This is a forlorn hope. Latin American governments are playing Russia against the United States; Russia is helping them.

The Monroe Doctrine has already been breached in Cuba. Now every country in this hemisphere is subject to invasion by international communism. Invasion is no longer a matter of warships and armed forces; now it is a matter of infiltration by stealth; of "technicians" and combatants in business suits bringing with them the more modern implements of conquest. This is the Trojan horse of the 1960's.

The well-being of this hemisphere is dependent on a realistic policy toward Latin America. But much more important, the actual safety of the United States is at stake.

Contrary to our own uncertainty, Russia has a well developed, consistent policy in Latin America. It is also very simple. Her policy is to foment revolutions. Her hope is that communism will follow revolutions. It did in Cuba—why not all over?

Russia has no substantial property in Latin America; but she would like to have. She plays a more stealthy role than we ever did—in all our past relationship with Latin America. Our marines, our dollar diplomacy, our good neighbor policy, our efforts to make the world safe for democracy—these are now all outmoded. Russia uses other methods—highly trained gunmen and goons to mug, murder, and bomb—all in order to create chaos. She sends trained orators to arouse the poor with promises, and to inflame the passions of the students with the kind of talk to appeal to their hopes and ideals. While the United States waits uncertainly to try to meet new crises, Russia creates them.

Our policy is inept, but our objective is highly moral. Our aim is to help Latin America establish free institutions, develop their resources and alleviate the crushing poverty that besets millions of Latin Americans.

Our policymakers and reformers are impatient and demand immediate action and progress. Apparently they believe that the same ingenuity that has lightened the burdens of the American housewife can be used to improve the political life of Latin America. They demand instant democracy. If the landowners and lawmakers are unwilling to yield at once, then overthrow them.

A realistic Latin American policy to be pursued by the United States should be based on the trends and facts of today's international relations. It should be acceptable to the majority of our citizens and be in consonance with their sense of justice and desire for progress. What are these trends and facts?

1. The colonial era is of the past. However, this fact of life must be accepted by the East as well as by the West.

2. The right of self-determination for peoples and nations is essential and must be encouraged.

3. The use of taxpayers' money to aid undeveloped nations is accepted in principle. But the citizens of the United States are highly critical of money spent in a wrong direction and abuse of this aid.

4. The people of the United States believe in the free enterprise system as a means for humanity's progress. They are opposed to aid to governments that do not subscribe to free enterprise. They will reject a government which confiscates the wealth of the past in demogogic appeal to revolutionaries.

5. They are opposed to aid to governments which suppress the human liberties embraced in our Bill of Rights.

6. They believe in the right of revolution. However, not when revolutions are led by characters hungry solely for power. They are coming to believe that, as of today, the pure social revolution in Latin America is impossible.

7. They are conscious of the fact that many Latin American countries are not yet prepared for democracy as it is practiced in the United States.

8. There is no policy that the United States can develop that will be approved by the highly articulate minorities throughout Latin America. These are for the most part dissident minorities under the influence of Russia. In addition, there are other highly articulate political elements in all Latin American countries who will never approve what we do, because their selfish interest is promoted by using the United States as a whipping boy with their cries of "Yankee imperialism."

A policy of realism for the United States in its dealings with Latin America should include the following:

We should return to our ancient policy of recognition of sovereign states with absolute impartiality and not as a weapon to force reform. Within that policy, "(1) the new regime must appear to have control of the governmental machinery of state; (2) it must have the assent of the people without 'substantial resistance to its authority'; and (3) it must be in a position to fulfill all its international obligations and responsibilities."

The details and interpretation of such a policy on recognition allow much room for discussion and disagreement. This is inevitable in diplomatic relations. However, if the policy is consistently adhered to in good faith, a pattern will eventually be woven which those seeking truth will acknowledge as fair, even though not unanimously agreeable.

Equally important with the formulation of a policy is the creation of the machinery to supervise it. The machinery now in being will not do the job.

The Department of State is inadequately organized to deal effectively with our ever-increasing Latin American problems. This is only partly due to the ever-increasing problems in the other parts of the world. Since World War I our international problems have multiplied to such an extent that hardly a day passes without the advent of a crisis in some part of the world.

Things were different when I went to Cuba as Ambassador in 1929. President Hoover then said to me: "We have only two trouble spots in the world, one of them is Mexico and the other one is Cuba." That was a long time ago.

In those days, everyone in high office in the administration, beginning with the President, was informed about, and ready to deal with, the problems of Cuba. Today the President, the Secretary of State, and the various Under Secretaries have little or no time for the problems of Latin America. That is—until a crisis has been reached. And a crisis is reached only too soon and too often. The crisis comes with only as Assistant Secretary of State for Inter-American Affairs watching it arise, in consultation with certain advisers to the President. When the crisis does come it must be solved largely by those same advisers who had not been able to avert it.

An Assistant Secretary of State for Latin America by his status is like a lieutenant colonel in the Army. Latin America is like a great theater of war and deserves to have a five-star general in overall command.

I have no desire to reflect on the capabilities of any of our past Assistant Secretaries of State for Latin America. I do however emphatically state that the direction of Latin American affairs requires an incumbent of prominent international stature and unusual abilities. Covering the past 30 years I cannot think of one Assistant Secretary of State for Inter-American Affairs whose name was internationally known and respected before his appointment, or even more to the point, after he left office.

We have need for an Under Secretary of State of unusual qualifications in overall charge of Latin American affairs. In addition we still require as Assistant Secretary of State a highly knowledgeable technician for Latin American affairs.

The history of the past years indicates that—without upgrading the position—it is impossible to get a man of adequate ability, reputation, and force to keep us out of trouble, impress our true image, and make progress in Latin America. In order to attract to this job a man of the required qualifications, he must not only have the authority, but the title as well.

Over the years I have been told by the officers of the Department of State: "We must upgrade our Assistant Secretaries." But this has never been accomplished.

Some of the duties and some of the qualities that we require for this man are:

(a) He must have the respect and admiration of Latin America to such an extent that he will be able to negotiate with heads of states with ease and authority.

(b) He must be an able, patient, and tough negotiator with wide financial and economic experience.

(c) He must be able to use and persuade various agencies of our Government to help solve the economic, financial, and social difficulties confronting Latin American States.

(d) He must be willing to fight for adequate heads of missions to Latin America. They have unique power for good or evil. There has never been a time when we needed more the cream of our diplomatic corps for service there. They are usually far more interested in more socially congenial and geographically desirable posts. The need is recognized, but for innumerable reasons not implemented. If it were, a revolutionary change would occur in our Latin American relations.

(e) He will have to be able accurately to appraise whether U.S. governmental assistance is still essential and to what extent, or whether it is futile in dealing with the present crises.

(f) He will have to be able to discover means to safeguard U.S. private capital already invested, or to be invested, in Latin America.

(g) He will have to be able, with the help of the President and the Secretary, to persuade the people of the United States how vital Latin America is to our national interests, and to convince the Congress of the necessity for adequate trade concessions to Latin America.

It is no answer to say: "If we have an Under Secretary for Latin America, we shall have to have one for Europe, for Asia, for Africa." Latin America is sui generis. It is practically in our backyard. Trouble there touches us more quickly, more deeply, and with greater impact than trouble any place else. Cuba is only 90 miles away; and Cuba is dangerously close to the rest of Latin America. Our allies have left Latin America to us alone, to our exclusive responsibility. To meet it we must furnish our very best manpower.

It is late, but it will never be earlier than today. It may not be too late to save a large part of this hemisphere from the fate of Castro's Cuba. It is, however, too late for one thing—for wishful thinking about the blessings that would come to Latin Americans if they would only reform in our image. It is too late to sit supinely still, while Russia creates revolutions in Latin America.

The President and the Congress of the United States must act promptly and forcibly. Only by quick decisive action can this hemisphere, where so many races of the world have come seeking peace, progress, and freedom, be saved from disaster.

SOVIET ECONOMY

Mr. KEATING. Mr. President, in the past year we have received numerous reports of economic difficulties in the Soviet Union, and once again the Russians have turned to America and other free societies for food and machinery to help hide the flaws and weaknesses of their planned economy. Private Soviet citizens, dissatisfied with the inability of their leaders to satisfy pressing consumer demands, have devised their own solutions, setting up a thriving underground economy that handles an estimated $12 billion worth of goods annually.

An interesting series called "The Secret Soviet Economy," by Mr. J. M. Hochstein of the Advance News Service, discusses the Soviet black market in detail. Mr. Hochstein has done a first-rate intelligence job in culling from Soviet newspapers and statements, valuable information on the ways and means of this separate economy.

It is an economy that flourishes under the noses of Soviet planners beset with the problems of a limping rate of growth. Interestingly enough, this secret network of production and marketing is in part condoned by high-ranking Communist officials. Although some people have been singled out for criminal prosecution, many continue their activities while officials turn the other way.

Mr. President, I ask unanimous consent to include, following my remarks in the RECORD, the text of several of these perceptive reports, which appeared in the Long Island Press, the Syracuse Herald Journal, and the Long Island Star Journal.

There being no objection, the reports were ordered to be printed in the RECORD, as follows:

THE SECRET SOVIET ECONOMY—PART 1

(A special 12-part series beginning today in this newspaper will tell for the first time how clandestine private enterprise is flourishing today in the Soviet Union. This fact-filled report on the secret Soviet economy is based on wide research including weeks of analysis of local Soviet newspapers whose disclosures seldom circulate outside the U.S.S.R. or even in Moscow. The writer is State Department correspondent and foreign affairs analyst for Advance News Service.)

(By Joseph M. Hochstein)

Private enterprise is operating on a grand scale inside the Soviet Union, constituting an underground Soviet economy of immense proportions.

Factories are producing tons of goods for under-the-table sales to other factories as well as to the public. Private farms provide more than half the U.S.S.R.'s supply of potatoes, eggs, milk and other foods. Clandestine transportation networks crisscross thousands of miles of roads, railways, and air routes.

Underground businessmen wax rich by feats such as these:

1. The owner of a secret lipstick factory in a Moscow suburb sold his output throughout the U.S.S.R. and became so prosperous that he salted away part of his wealth in Russian bonds purchased through an underground Soviet securities market.

2. Thirteen officials at Dnepropetrovsk created a secret produce corporation by juggling the state's accounts, piling up large undetected surpluses of fruit and disposing of their wares privately. Elsewhere, a mill examiner did the same with hundreds of tons of grain.

3. Private construction brigades that roam the U.S.S.R.'s interior serve collective farms so promptly and efficiently that farm officials have publicly praised their work.

4. Private poultry farmers supply more than 75 percent of the Soviet Union's eggs.

5. More than 90,000 tons of grains were privately exported from one district of a central Asian territory where more than 16,000 officials were fired in a single year for activities that disrupted the official economy.

6. Private housing accounted for almost 30 percent of the Soviet living space built during 1952–60.

The framework in which those activities are taking place is peculiary Soviet in nature.

The underground economy is not capitalism, and it should not be equated with American private enterprise.

Soviet spokesmen insist on linking the secret economy with capitalism and middle-class life, and many anti-Communist Americans probably would tend to echo this Soviet line, for different reasons.

But the truth appears to be that the underground economy has sprung from earlier Russian tradition in response to modern conditions.

The reasons for the secret economy's vitality today are many, but they stem from a single central fact: The Soviet Union's official Communist economy is beset by serious unsolved problems that create a climate in which private enterprise can not only subsist but blossom.

Shortages of goods leave markets that private operators rush to fill. Administrative confusion leaves many officials with no reliable channels of supply except the underground economy. The same administrative confusion makes it possible for private operators to hoodwink the official auditors.

And, above all, the earnings of the modern Soviet citizen are so low that private business is clearly the most promising way of gaining material comforts.

The total number of Soviet citizens who gain income and profits through the secret economy ranges into the millions and, from Moscow's point of view, includes an alarming number of officials and Communist Party members.

Their activities extend far beyond personal black-marketeering, small-scale private shops, and petty bribery and pilferage.

One published estimate has set the yearly volume of the underground economy at $12 billion—a sum almost as great as Brazil's entire national product or more than four times as big as the military budget of nuclear-armed France.

That estimate, attributed to intelligence sources, is not precise. But it is a revealing indicator of how experts view the size of the underground economy.

Because false bookkeeping of the most ingeniously devious sorts is so much at the heart of the secret economy, the exact total probably will remain forever a mystery to the Kremlin as well as to American intelligence specialists.

Many specific facts and figures that shed light on the secret economy can be pinned down, though, and will be reported in this newspaper.

The story that will unfold in succeeding issues of this newspaper has been drawn from many sources and wide research. Official Soviet statistics have been analyzed. Qualified experts have been interviewed. Special study has been directed at disclosures in local Soviet newspapers whose reports seldom are published in the West or even in Moscow. Particular attention has been given to cities and farms in the 26 percent of the U.S.S.R. permanently closed to Americans.

As the story is reported here, several points should become apparent:

Much but not all of this activity is illegal.

All is a blunt refutation of official claims that the U.S.S.R. has completed the building of socialism and is speedily moving toward the creation of total communism by 1980.

The underground economy is filling a demand, and many of its activities are tolerated by the Soviet leadership.

Even now, as firing squads and show trials are employed in a massive crackdown on some forms of illegal Soviet business, Moscow finds it possible to look the other way while a wide variety of private ventures continues.

The story is as often ugly as inspiring. Its elements include greed, deceit, and widespread corruption. It is basically a story of men who live by their wits, some because they see chances of personal gain, others because their world appears to offer no better alternative.

THE SECRET SOVIET ECONOMY—PART 5

(By Joseph M. Hochstein)

A woman in Siberia was sentenced in the fall of 1963 to a year in prison for a crime few Americans would understand. Her offense was that she fed 18 loaves of bread to pigs and other animals.

Her reasons for doing so, and the state's reasons for punishing her, shed light on still another branch of the underground Soviet economy—the private livestock business.

As this newspaper reported yesterday in an account of private farming in the U.S.S.R., almost half of the Soviet meat supply is privately produced.

How is the private meat industry related to the jailing of the Siberian woman?

When her case was announced at the onset of a crackdown against wasters of bread, some Western observers quickly assumed it was a simple matter of shortages in grain. They linked it to the Soviet Union's short grain harvest and Moscow's well-publicized deals to buy Canadian and American wheat.

That was only part of the picture.

The rest of the story involves the fact that a major and special role in the private raising of Soviet livestock has been played by bread. In cracking down on the waste of bread, the state was speaking to only one group—the private livestock owners.

Private raisers of livestock have counted on bread as feed for their animals. They do so for three main reasons.

One is that grain is not available. It is a monopoly of the state. The private farmer is seldom able to grow his own grain and cannot buy much from the state, which sharply limits even the amount of flour a housewife can purchase.

The second reason is that bread is as plentiful as grain is scarce. The largest single food item available in the U.S.S.R., bread is sold at a considerable loss by the state. According to Soviet Premier Nikita S. Khrushchev, bread costs have risen 700 percent in the last 10 years. Yet the subsidized price of bread to the Soviet public has been kept the same—about a penny an ounce.

The third reason is that rising costs of meat have made it profitable for private farmers to buy bread as feed for livestock. Ever since the state established a 500-percent rise in meat prices in September 1953, bread has paid for itself as feed.

One farmer fed a single cow 5,475 loaves of bread in 1 year. (Source: Izvestia, Aug. 2, 1962.)

In 1963, after a March 12 speech by Premier Khrushchev, the state began cracking down.

"Recently many instances have been established in which speculative elements—livestock owners who are not employed in socially useful labor—are using inexpensive state bread and other grain products to feed livestock for purposes of personal enrichment," an official decree said May 6, 1963.

The decree set punishments of hard labor up to 1 year or jail from 1 to 3 years for large violations. The prohibition itself was not new. A law banning farm use of bread for livestock had been on the books since August 1956, and bread had been officially rationed to two loaves per customer daily since September 1962. All that was new was the crackdown.

It was this crackdown that was signaled by the arrest of the Siberian women in the fall for feeding bread to her pigs, geese, and turkeys.

Intelligence specialists in Washington were aware the crackdown's main effect would be to hinder private livestock raisers. They promptly labeled the new decrees the "anticow laws."

The May 6 decree also set tighter limits on the number of livestock that can be owned by workers on state farms. Each worker now can have only one cow and one pig. Collective farmers are allowed bigger holdings.

Official figures show private livestock holdings have fluctuated between 30 and 50 percent of the Soviet total since World War II and are probably now about 33 percent.

In May 1961, Soviet figures showed for the first time more state-owned cows than private cows. The figures said that at the start of 1961 the state had 18.5 million cows and private farmers had 16.3 million. A year earlier the state figure was 16.8 million as opposed to 17.1 million private cows.

The accuracy of such figures can be questioned, especially in the light of frequent disclosures that the state inflates its totals while private operators with unauthorized livestock conceal theirs.

For example, a survey by a Soviet youth newspaper found illegal herds of sheep in the central Asian farm territories of Kirghiza, Kazakhstan, and Uzbekistan. Although the legal limit of private sheep is 6 per owner, flocks of several hundred were discovered. (Source: Komsomolskaya Pravda, Feb. 16, 1963.)

A close look at statistics for the Karakul district of Uzbekistan shows figures that appear severely out of line.

Officially, 109,911 sheep were in collective ownership and only 30,000 in private herds in 1962.

Yet the private owners produced 210 tons of Karakul wool while almost four times as many collective farm sheep yielded only 209 tons.

From the same flocks private owners sold 27,000 Karakul pelts while almost four times as many collective sheep provided only 22,500 pelts. If the figure of 30,000 privately owned sheep is accurate, it would mean that private farmers slaughtered 90 percent of their valuable sheep in a single season for pelts. The Soviet Union's private farmers are not that improvident.

The best explanation of the apparent discrepancies is provided by a newspaper's charge that local authorities simply are not checking peasants' declarations of the size of their flocks.

One set of official statistics gives the following picture of livestock ownership as of 1958:

Cattle—29.1 million privately owned, 29.2 million on collective farms, 8 million on state farms.

Sheep—25.7 million privately owned, 70 million on collective farms, 24 million on state farms.

Pigs—14.6 million privately owned, 20 million on collective farms, 9 million on state farms.

What the figures do not show is the impact of the underground ranching business on Soviet agricultural theories and practices.

One clue to that impact is provided by a newspaper's complaint that local officials of the Communist Party and Soviet Government, because of vested interests in their private livestock, have become indifferent to the official herds. (Source: Sovetskaya Rossiya, Feb. 4, 1961.)

THE SECRET SOVIET ECONOMY—PART 6

(By Joseph M. Hochstein)

A Ukrainian film troupe that traveled to the Caucasus to shot a movie did some shopping on the side.

By the time the group returned home from its 1,500-mile round trip, it had obtained 10 tons of citrus fruit grown in the sunny Caucasus. The fruit was for resale in the Ukrainian capital of Kiev.

To dispose covertly of 20,000 pounds of fresh fruit is an easy and profitable undertaking in most Soviet cities because of still another type of Soviet private enterprise—the underground supermarket.

In two previous reports, this newspaper has described how private farms flourish in the U.S.S.R. They depend for sales outlets on city markets involving further private enterprise.

The existence of these markets elicits mixed attitudes from Soviet officials. In discussing the Ukrainian movie company's citrus operations, for example, a Communist newspaper deplored the private trade but treated as a "bright spot" the fact that 10 tons of fresh fruit had become available to the people of Kiev. (Source: Pravda Ukrainy, Jan. 10, 1962.)

In the main, the markets are tolerated as effective suppliers of food. They are criticized at the same time for being non-Communist in spirit, for exorbitantly raising prices and for disrupting and corrupting Soviet trade networks.

The best known markets to westerners are those of Moscow, where dealers come from more than 1,000 miles away to sell food at prices far above the official state rates.

Western newsmen stationed in the Soviet capital reported in October that potatoes were selling in the Moscow markets for four times the official price of 5 cents a pound.

In the interior of the U.S.S.R. and in cities closed to westerners, flamboyant market activity is described in the local press.

Soaring prices in the summer of 1963 were reported in Tula, Magnitogorsk, Perm, Krasnoyarsk, Minsk, Novosibirsk, Vladivostok, Sverdlovsk, Gorky, Orel and Kazan. (Source: Izvestia, July 12, 1963.)

In Turkmenia, tomatoes were sold in 1962 for more than six times the official state price. (Source: Turkmenskaya Iskra, June 26–30, 1962.)

Shipments of fruit, potatoes, vegetables and melons beyond the borders of Georgia became so numerous that they were banned by special decree in 1962. Private traders were taking extraordinary advantage of official shortages and high prices in other regions. (Source: Zarya Vostoka, July 14, 1962.)

When a similar ban was extended in 1963 to shipments of flowers, shortages in central cities sent prices zooming 500 percent in a few days. Moscow in early March received 24 tons of flowers but could have used 150 tons. Private traders stepped in to fill the gap. (Source: Komsomolskaya Pravda, March 14, 1963.)

The worry caused to the state by the higher private prices is more than a matter of Communist theory.

The private traders, in a position to offer more to farmers then the state, have gained a monopoly of farm produce in some items and some areas. For instance, they have driven the state out of the market in mushrooms, honey and various berries.

Yet the state has not moved decisively to crush the private dealers with its overwhelming police power. The state's inaction seems due in part to fear of tampering too much with a system that is efficiently distributing large amounts of food to the Soviet people. Another factor is that millions of Soviet citizens engage in trade, and no crackdown could avoid a direct clash between them and the authorities.

When the state tried an opposite course, raising its meat and butter prices in 1962 to offer higher incentives to the farmers, public riots were reported in the interior of Russia.

It should be noted that the markets are not entirely unauthorized.

The state has for years permitted the existence of city markets where collective farmers can sell the crops of their personal plots.

This authorized trade amounted to more than $3.3 billion in 1962.

Along with the permitted business, private traders have moved in on a big and illegal scale.

At the collective farmers' market in the city of Baku, for instance, 75 percent of the sellers have no connections with collective farms and 25 percent have no regular jobs. More than half, incidentally, are in the 18 to 25 age group—a situation that belies official claims that all private traders are but an elderly remnant of the pre-Soviet days. (Source: Komsomolskaya Pravda, May 22, 1963.)

A Soviet decree in force since 1954 has instructed local authorities to let all sellers operate at city markets without showing their credentials.

The effect of the decree is obvious. It keeps the extra food supply coming by giving illegal traders a measure of freedom to operate. If the state began insisting on proper credentials at the markets, it would drive many private sellers out of business.

Another reason private markets are strong is simply that the state trade network is weak.

A Soviet militia colonel has pointed out that official consumer cooperatives accounted for less than 1 percent of total food sales in 1962.

"The statistics speak for themselves," he wrote in a Communist periodical.

"Prices at urban markets are now determined not by the central division of consumers cooperatives of the Ministry of Trade, but by the speculators.

"There is a surprising attitude among some officials of the Russian Republic Ministry of Trade. They hold that it is impossible to regulate market prices, that spontaneity reigns in the markets as absolute master.

"There is no question but that a market is a market and has its own special characteristics which must be taken into account. But to permit this spontaneity to prevail anywhere means to lay one's arms down in the battle against parasites and speculators.

"The question is not a simple one, of course * * * unfortunately, this problem has not really been studied, and there are no recommendations based on thoroughgoing research." (Source: Economic Gazette, July 6, 1963.)

The official went on to contend that police activity alone cannot solve the problem.

"For some reason," he wrote, "the militia are expected to play a great role in the solution of this problem. No doubt they can do a great deal, but they certainly cannot do everything.

"The important thing is not only to halt the activities of the speculator elements but chiefly to create an economic situation in which there is no room for the parasites."

A report on the closing of a flea market in Alma Ata gives a clue to the size of the effort required. When officials shut the central Asian city's market in 1963, they displaced 534 private clothing dealers, 259 private sellers of new furniture, and 80 private traders in auto spare parts. (Source: Leninskaya Smena, June 4, 1963.)

If the Soviet state is ever to create its own answer to private trade, it will have to alter vastly the condition that encouraged that volume of underground activity.

Reports from one of the newest fringes of Soviet society—seaside resorts that are being developed as workers' vacation spots—indicate the tide might even now be running in favor of expanded private trade as the U.S.S.R. grows more prosperous.

"On the markets, beaches, and streets of Sochi, Yalta, Alushta, and other resort cities, one can always see people selling shells, boxes, beads, homemade postcards, and flowers. In the cities of the Caucasian mineral springs region there is large-scale speculation (private trade) in shoes, rugs, and home-made woolens. In the resort areas of Abkhazia many residents manufacture and sell chach and other alcoholic beverages," one press report said. (Source: Pravda, Aug. 3, 1963.)

THE SECRET SOVIET ECONOMY—PART 9

(By Joseph M. Hochstein)

Private suburban homes such as can be found on the outskirts of many modern Soviet cities have appeared around the west Siberian metallurgical factory in Kemerovo Province, some 1,800 miles from Moscow.

What is curious about these homes is that they are built of materials officially unavailable in that locality. (Source: Komsomolskaya Pravda, May 26, 1963.)

At the same time, the official construction of housing in Kemerovo is lagging so severely as to attract national criticism. (Source: Proceedings of U.S.S.R. Trade Union Congress, Oct. 28, 1963.)

By what means did the private homes with automatic steam heat, reinforced concrete cellars and prefabricated wall panels come to be built?

The answer, shedding light on a vast construction industry that has developed through underground Soviet private enterprise, comes from an official Soviet publication. It says:

"One-third of the materials came officially from a state construction administration in under-the-table deals. The remaining two-thirds came from purely illegal private deals, bribery, and theft."

Such occurrences are not surprising to American specialists who keep tabs on the U.S.S.R.'s continuing struggle to cope with its unsolved construction problems, which include severe housing shortages and vast numbers of unfinished projects.

Official Soviet figures give a hint of the extent of the problems.

Privately built housing accounts for almost 30 percent of the new living space built in the U.S.S.R. in 1952–60. (Source: The U.S.S.R. in statistics, 1961.)

In the first half of 1962, $80 million in state funds was spent without permission on construction by diverting the money from working capital budgets. (Source: Pravda, Izvestia, Dec. 11, 1962.)

Despite a crackdown on illegal lumber deals in rural areas, such sales continued in 1962 at a rate of more than $2.2 million yearly. (Source: Rural Life, Nov. 27, 1962.)

Because construction by the state has been inefficient and chaotic, leaving 195,000 new industrial buildings unfinished as of early 1963, private builders are sought not only among individuals but by official units.

An economist for the Soviet State Bank has reported that large amounts of funds from collective farms are going to private builders who have big work crews and are ready to accept lucrative contracts. He said the situation exists because the already large volume of unfinished official construction is rising. (Source: Pravda, Dec. 3, 1962.)

His solution was greater centralization of the official economy, the same answer advanced in the Ukraine by Communist publication that complained of an increase in the number of private construction brigades. The publication reported that private operators were working faster, cheaper, and better for collective farms than the state had done. (Source: Pravda Ukrainy, Oct. 9, 1962.)

A collective farm director said he had no choice but to use private builders.

"We have to deliver milk and butter," he said. "For this we also have to build our own sheds. But if we ask state organs, we are told that since we are not a state farm, we are not to be serviced by the state. So collective farms are compelled to provide for themselves without recourse to state channels." (Source: Oktyabr, Nov. 5, 1962.)

A top U.S.S.R. construction official, commenting on collective farmers' complaints about the scarcity of building materials, was at a bit of a loss.

"It is still premature, of course, to discard completely private housebuilding, especially in rural areas," he said. But the emphasis should be on nonprivate construction, he added. (Source: Izvestia, Oct. 16, 1960).

Since late 1960, the Soviet Union has been passing decrees against construction and ownership of private homes. But the decrees have not been well enforced.

The decrees have also been outmaneuvered. Even as new regulations in mid-1962 were ordering confiscation of homes built with "unearned income"—that is, with privately obtained funds—large numbers of officials began selling their homes and moving into comfortable apartments. Apparently the officials had advance knowledge of the decrees and moved swiftly to protect their interests. (Source: Pravda, July 18, 1962.)

With private homes, particular attention has been directed lately to resort areas where owners of buildings are developing a growing rental business to serve increasing numbers of vacationers who arrive without official accommodations.

Possession of a home for one's personal use has been accepted and at times encouraged by the Soviet leadership. As recently as mid-1963 city officials in Alma Ata were pushing for private homebuilding because of a local housing shortage.

But renting is firmly regarded as wrong. It is viewed as use of private property to exploit others.

Rentals in the Black Sea resort of Sochi alone are said to total $33 million a year. Local authorities have not once applied a 1961 law against apartment owners. (Source: Trud, Oct. 16, 1963.)

A press account of three partners in Sochi who built a three-story house for rent shows how such work is done by underground operators.

"Bricks, cement, gas pipes, galvanized iron and mirror glass all were acquired at wholesale prices," the report says.

"And the 'developers' did not have to transport these scarce materials on their backs. No less than 100 trucks belonging to various organizations were used for the job.

"They operated on a big scale. They had a lift crane and some cement mixers and at night their grounds were illuminated by floodlights. All that they did not have was their own carpenters.

"But even in this respect the contractors came out on top. All the cabinetwork was produced at cost at state enterprises without a grumble or balk." (Source: Pravda, Apr. 27, 1963.)

The size of each of the three apartments in that building was greater than 1,300 square feet—almost four times bigger than the average Soviet dwelling unit.

The state's targets for 1965 will, if fulfilled, provide housing space averaging 69 square feet for each Soviet city dweller. The Americans closest to that average are in jail.

The impact of the Soviet housing shortage cannot be ignored. It has spurred clandestine construction and a wide variety of abuses centering around bribes for favored treatment in distribution of apartments.

One of the more spectacular cases of housing bribery was brought to justice in 1963 in the Tadzhik Republic, where the mayor of its capital city of Dushanbe was sentenced to be shot for fraud involving $100,000 worth of repairs to his private home. Others punished in the same case included the city Communist Party chairman, the prosecutor, and the chief executive of one borough.

U.S. SAVINGS BONDS ARE SOUND INVESTMENT—FACTS REFUTE SENATOR GOLDWATER'S CONTENTION

Mr. RANDOLPH. Mr. President, the November 30, 1963, edition of the Parkersburg News in West Virginia contained an article by the affable and able Senator from Arizona which questioned the soundness of U.S. savings bonds and stated they were suffering a decrease in popularity.

This assertion, carried in newspapers throughout the country, concerned me because I believe savings bonds to be an investment in the future of our country and vital to its strength. I, therefore, requested a report from the Treasury Department and rather than decreasing in demand, the U.S. series E savings bond is enjoying a popularity with the American people it has not had since 1955.

Last year's sales of $4,185 million was the highest E-bond total since 1955 when sales were $4,192 million—the highest point in the fifties.

But the true popularity of the E-bond is not found in the total sales for 1963. For this, we must turn to the number of small denomination E-bonds sold—the $25, $50, $100 and $200 bonds. Purchased through the payroll savings plan in business and industry, these E-bonds form the backbone of the savings bond program. The Treasury Department, I believe, measures its overall success in proportion to the number of individual small denomination bonds purchased by the American working man and woman.

Last year, more smaller denomination E-bonds were sold than at any time since the end of World War II. When the final sales figures by denominations are in, Treasury estimates these small denomination sales will exceed $2.8 billion—the highest since the war loan days. This success the Treasury attributes to increased payroll savings campaigns, which were spearheaded by 28 top industrialists who compose the U.S. Treasury Department's Payroll Savings Committee. Under the chairmanship of Harold Geneen, president of International Telephone & Telegraph Corp., the committee launched campaigns in major industries. In 1963 these campaigns—plus those among Federal employees—resulted in 1.6 million new enrollments, which brought the total of those buying savings bonds through the payroll savings plan to more than 8.5 million.

Treasury Secretary Douglas Dillon has appointed Frank Milliken, president of Kennecott Copper Corp., to succeed Mr. Geneen as chairman of the Treasury's Payroll Savings Committee. Campaigns during 1964 for the regular, automatic purchase of savings bonds by employees in every major industry will be shortly undertaken. Treasury has every reason to believe that 1964's payroll savings campaigns will be as successful as 1963's because of the appeal that savings bonds have as an instrument of savings.

There are other aspects of last year's sales that belong on the plus side of the savings bonds ledger:

Cash sales of series E and series H bonds rose 11 percent, or $482 million, to $4,760 million—the largest sales total since 1956 when sales were $5,043 million.

Redemptions during 1963 declined 2 percent, or $79 million, from 1962 to $4,557 million.

The margin of sales over redemptions yielded a net gain of $203 million—the largest since 1956 when the net gain was $211 million and in sharp contrast to 1962's net loss of $358 million when redemptions exceeded sales.

The cash value of outstanding series E and H savings bonds rose to an alltime high of $47,106 million.

The savings bonds program is designed for the average saver who wants a safe security returning a good rate of interest for the life of the bond. The yield of 3¾ percent, compounded semiannually, is an attractive one. Not only does this rate compare favorably with the nationwide average rate for savings, but savings bonds offer individuals the ultimate in security, a highly liquid asset with an assured return guaranteed by the full faith and credit of the U.S. Government. That is why, once a savings bond is purchased, the owner is assured of the interest for the full life of the bond.

In addition, the owner of a savings bond enjoys other special advantages. The bond can readily be converted to cash in time of emergency. If it is lost, stolen, or destroyed, it will be replaced without charge. It can be purchased in installments through the payroll savings plan in industry, and many banks also offer an automatic purchase plan without charge to the customer. For many people the automatic quality of saving through savings bonds is of great value in itself. In addition, there are certain tax advantages—accrued interest on E bonds need not be declared for tax purposes until the bonds are cashed or reach final maturity.

For these and other reasons, the American people buy savings bonds. In doing so, they are expressing a portion of their faith in their country's future growth and development. The partnership that exists between the American people and their Government through the form of savings bonds is not only unique, but implies a mutual faith and trust.

Mr. President, I ask unanimous consent that the Senator Goldwater article appear at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Parkersburg (W. Va.) News, Nov. 30, 1963]

MONEY IS SAFER ELSEWHERE: SAVINGS BOND POPULARITY IS WANING

(By BARRY GOLDWATER)

Perhaps nothing the Federal Government has done in this century has been surrounded by such a thick aura of patriotism as the offering of U.S. savings bonds.

In World War I, millions of our people, to the accompaniment of such George M. Cohan tunes as "I'm a Yankee Doodle Dandy" and "Over There," rushed to buy the liberty bonds to help us "beat the Kaiser."

During World War II, there was different musical accompaniment, and the enemy constituted both the Germans and the Japanese, but the patriotic motivation behind bond purchases was the same: unless we bought bonds, Uncle Sam would not have the wherewithal to build planes, tanks, guns, and bombs.

The payroll deduction plan was instituted and made it easier for all of us to invest. We were able to build a military machine and provide our allies—even the Russians—with the arms they needed to crush Hitler's army and Hirohito's forces.

No serious military scientist would suggest that we could have done away with either—and certainly not both—of these military giants without the mightiest of all weapons, America's industrial might. And that, as we all know, is a machine that operates on the fuel of American dollars.

Our savings bond purchases with its needed fuel, and our industry was converted at tremendous cost to produce the implements of war instead of refrigerators, automobiles, and stoves. Planes, guns, tanks, arms, munitions poured off the assembly lines for our troops and those of our allies.

After 4 years of unprecedented carnage and an outpouring of funds which surpassed all previous spending records, the war was won. Troops returned, families were united and the Nation began the long task of returning to peace at home, even though we well may have been in the process of losing it abroad.

But we did not, by ordinary standards, return to what should have been a peacetime economy. Funds for the rehabilitation of war-torn economies abroad and massive new spending programs at home made additional borrowing necessary, and one of the principal media for getting this money remained the savings bond. That some of this money was going into programs the vast majority of our people opposed did not in itself alter or change the patriotic motivation behind bond buying.

The Nation needed the money; all of us who could afford it were willing to invest. In addition, the interest rates offered, equal to that of many savings banks, made the investment less painful.

In the past few years, however, despite population increases, higher income and a rising gross national product, the savings bond has suffered a plunge in popularity. Neither patriotism nor the desire for savings has been able to overcome this collapse in sales appeal. The reasons are simple:

All those who must live wholly or in part by their investments have found that, because of the constant erosion of the dollar by inflation, their money is safer elsewhere. Common stocks, for instance, even those which pay dividends of only 1 percent, increase in capital value as inflation progresses while bonds lose capital value.

Today, in order to maintain no more than the initial value of the dollars invested—in other words to guarantee yourself that the money you invest will not be worth less when and if you ever want to withdraw it—you must realize capital growth. The degree of that growth will depend upon the inflationary rate itself. In other words, if the inflationary rate is 2 percent a year, the investor must expect his stock or other investment to increase in value by that amount annually.

In the case of bonds, the yield must be sufficient to offset this loss in capital value due to inflation. In all cases, the dividend, interest, or other yield should be great enough to offset inflationary growth and State and Federal income tax payments.

The U.S. bonds today are not meeting these standards as well as other forms of investment is the reason for their decreasing popularity. To restore our Government's prestige as a financial institution and again make U.S. bonds attractive to the investor, it will be necessary for the Government to cut back sharply the free-spending programs which cause inflationary erosion of our dollar.

How do you stand, sir?

NECESSITY FOR OVERHAULING FOREIGN AID PROGRAM

Mr. MORSE. Mr. President, I ask unanimous consent to insert in the RECORD an article of mine published in the January 12, 1964, issue of the Hong Kong Tiger Standard. It sets forth some of my arguments in support of a thorough overhauling of our foreign aid bill.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Hong Kong Tiger Standard, Jan. 12, 1964]

AID DEFENDERS ARGUE OUT OF DESPERATION

(By Senator WAYNE MORSE)

Rising opposition to foreign aid within the United States is leading to desperation arguments in its defense.

Most of these are being offered to counter the alarm over America's bad balance-of-payments position and our declining gold reserves, and some are so fallacious and misleading as to cause concern for the illusions and delusions they tend to create.

We are told, for example, that 80 percent of foreign aid is spent in the United States, and hence the program has little bearing on the balance of payments. But when we do not ask for or receive payment for our goods, dollar reserves from trade, investment, tourism, and American military spending are built up that otherwise might be used to purchase some of these goods from us.

No one will ever buy what is being given away. Hence, dollars can then be used for other purposes, including the purchase of our own gold.

Our civilian commercial activities alone are not responsible for our plight. It is the addition of our worldwide Military Establishment and foreign aid spending that has put us in the hole.

SPENDING

I am strongly of the opinion that the United States must curtail this spending abroad. Certainly we waste money when we duplicate our on-the-spot defense against Communist aggression with foreign aid to countries we think might be threatened by communism. Either U.S. military forces or U.S. foreign aid in these areas should be reduced and possibly both.

Suppose, for example, that instead of giving military equipment to NATO partners, we ask them to pay for whatever they receive from us. If that equipment is really needed for their defenses, they would buy it. If they decline to pay for it, then I question whether it is essential enough for us to give it.

Similarly, nations which hold large dollar reserves should take over some of our military and economic aid programs to third parties that do not have dollar reserves. That they have not done so is one of my chief reasons for opposing the high level of aid planned for fiscal 1964. These dollar-wealthy countries never will take over any part of this burden so long as the United States continues to finance it.

Let us not kid ourselves, either, that because money does not change hands, foreign aid is not a drain. Some spokesmen for aid have gone so far as to refer loosely to those goods as exports, apparently in an effort to imply that they are paid for by foreign governments or by foreign importers. They are not. They are paid for by American taxpayers. When we send capital goods abroad instead of money, that is still an outflow of our resources that goes to another country, not our own.

It is also a burden in the interest we pay on our Treasury borrowing. Even that part of aid which is in loans carries very easy terms. They are usually 40-year loans with a 10-year grace period during which no principal is repaid. Only one-quarter of 1 percent service charge is collected in lieu of interest on most, while we are paying around 3¾-percent interest on it here at home.

SKEPTICAL

I am also highly skeptical of the likelihood of repayment. Repayment depends upon future conditions of growth that seem to have little chance of being fulfilled. Some nations have already borrowed from us to pay off other creditors. Just who is going to lend them money to pay their debts to the United States when those debts fall due? I shall be surprised if renegotiation and eventual total forgiveness does not close the book on many of these foreign aid loans.

One of the most insidious arguments being made for foreign aid is that it provides jobs and keeps factories running. It is, in other words advanced as a "make work" program. But its products do not accrue to the benefit of Americans.

If the country needs "make work" to provide full employment then I favor programs that will increase our own capital plant. We already know we need to build schools, factories, and harbors and industrial plants here, that will advance the education level and the technology of our own industry. We have built schools and factories and harbors abroad that are now competing with us, and our aid advocates are planning more of the same.

Don't forget, either, that much of foreign aid is plain old munitions. If their production is needed to provide jobs, then I shudder to think of the arguments that will be made against reductions in our defense budget, should they become possible.

These 11th hour arguments do nothing to shore up the highly questionable assumptions which underline aid as a foreign policy. Some of the latter are: that communism will take over any country where U.S. aid is not on the scene first; that foreign governments will protect the interests of the United States in exchange for aid; that capital will promote growth and stability even without self-help; that we are better off to back a tyrannical government than to take a chance on the unknown; and that the United States can finance indefinitely these shapeless expedients.

REASONS

For all these reasons, I propose amendments to the foreign aid bill that would reduce it by about 25 percent. They would cut all aid for Turkey, Portugal, Spain, Greece, Taiwan, South Korea, South Vietnam, Indonesia, Israel, the United Arab Republic, Iran, Jordan, and Saudi Arabia by 25 percent. Another amendment would cut military aid to India and Pakistan by 50 percent and their economic aid by 25 percent.

These are the nations which account for the bulk of our aid, outside the Western hemisphere. The only way to cut is to cut. Across-the-board reductions are usually denounced as a meat-ax approach, so I shall offer these country-by-country reductions, too.

Finally, I offer another amendment to revise the entire basis for foreign aid. It would terminate all current aid, except for irrevocable commitments, on June 30, 1965. Thereafter, aid would be extended only upon the request of a borrowing nation.

To get it, the applicant would have to show that the project sought will contribute to its economic or social development; that its own capital is being used at home; that it is bringing about measures of self-help, including land and tax reform, where they are needed; that it is encouraging free enterprise; that it is promoting personal and political freedom; and that its military forces are only those needed to prevent the overthrow of an elected government, or deter threatened external Communist aggression.

AMENDMENT

This amendment would also require that loans carry an interest rate that covers our own cost of borrowing.

This amendment is intended to reverse the notion held here and abroad that every non-Communist nation (and some Communist ones, too) has a right to American assistance.

NEBRASKA, LAND OF OPPORTUNITY

Mr. HRUSKA. Mr. President, occasionally, an idea is expressed with such simplicity and such clarity that one wonders why it has never been stated quite that way before.

Such is the case with a brief speech made to the Nebraska Association of County Officials at their annual meeting in Omaha on last December 12.

The speaker was Mr. Jule W. Burbach, of Crofton, a member of Nebraska's Unicameral Legislature. His theme was the virtues of our State of Nebraska. He recited a long list of natural resources in which the State excels.

But more important than these, he stressed, are our human resources—our people.

All Nebraskans share Senator Burbach's pride in our State and I ask unanimous consent, Mr. President, that portions of his remarks be printed in the RECORD.

There being no objection, the remarks, were ordered to be printed in the RECORD, as follows:

THIS IS NEBRASKALAND

It will be impossible for me in 7 minutes to tell you all of the good things about our State. I will, therefore, attempt to cover just a few of the high points to convince you and to show you that our State is a wonderful place in which to live.

The experts in Washington projected the growth of Nebraska population between 1960 and 1970 to be 9.5 percent. They expected the country as a whole to expand 37.8 percent. I believe that the experts in Washington are just about 100-percent wrong.

The last time an expert made a statement about Nebraska was when Maj. Steven H. Long in 1820, after his return from his expedition throughout Nebraska, said that Nebraska was almost wholly unfit for cultivation. Major Long did not know Nebraska because these are the facts on our cultivation records:

1. We are second in the Nation for rye.
2. Third in the Nation for corn production.
3. First in production of wild hay.
4. Third in production of Winter wheat.
5. Third in production of sorghum.
6. Fifth in the Nation in production of field beans.
7. Fifth in the Nation in sugarbeets.
8. Nebraska holds the world's record for corn produced per acre with a whopping 386 bushels per acre yield.

This kind of record certainly doesn't belong to a land that is wholly unfit for cultivation.

Nebraska is the No. 1 livestock market. Nebraska is the No. 1 meat packer. Nebraska is the No. 1 cash livestock auction. Nebraska is the No. 2 food processor of the Nation. Add to this little list that we are one of the leading States in land under irrigation—2,750,000 acres of Nebraska farmland are being irrigated. Add to this the fact, Nebraska has the largest underground water reservoir in the Nation. A whopping 36 trillion gallons of water lay under Nebraska's fertile land, and if California, Arizona, or any other Western State had this reservoir of water their main problems would be over. I have shown you a few of the items in which Nebraska excels. Consider this, when Nebraska is only the 15th State in area and 33d State in population.

What makes Nebraska accomplish these things? Natural resources, of course, but most of all the people. Consider these facts closely:

1. About 61 percent of Nebraskans own their own homes compared to 55 percent for the Nation.
2. About 66 percent voted in the last election compared to 60 percent for the Nation.
3. About 53 percent hold church memberships compared to 49 percent for the Nation.
4. About 35 percent completed 4 years of high school compared to 33 percent in the Nation.
5. Approximately 6 percent of Nebraskans compared to 17 percent for the Nation were declared unqualified, mentally, for selective service.

This means that the people of Nebraska are more stable, are more interested in their own government, are more active in church work, have become more educated, and are mentally more competent than the average person in the Nation.

With our resources, with our type of people, with our State government that is unique in the Nation, a government that allows us no bonded indebtedness, pays as you go, and has one of the lowest per capita taxes in the Nation, there is no reason why Nebraska can't grow at a record rate these next 10 years.

A few more facts that may make it interesting for you to know when you think of Nebraska.

We have a cowboy type history in the Oregon Trail and Chimney Rock.

We have the early settlers in the Mormon camp.

Rock Creek Station is where Wild Bill Hickok gained his fame in the McCandless duel.

We have the Gothenburg Pony Express Station.

We have a most unique history. January 12, 1872. Grand Duke Alexis, of Russia, had the largest buffalo hunt in the history of man, led by Nebraska's own Buffalo Bill Cody.

Nebraska owns the No. 1 homestead patent in the United States.

It also has a better record of peaceful civilized agreement with the Indians than any other State.

You, as citizens of this State, should know these things that you can tell people what a wonderful place Nebraska is to live. You should also know that when we bring new people into Nebraska we have plenty for them to do other than work. We have 77 recreation areas, 8 major State parks, 4 reservoir areas where boating is unparalleled, 11,000 miles of rivers, and 3,350 lakes.

You can hunt and fish 12 months of the year and you can sightsee to these wonderful places: Badlands, agate fossil beds, Scottsbluff National Monument, Snake River Falls, the many national wildlife refuges, and the Halsey National Forest, which is the largest manmade forest in the country.

Nebraska has everything necessary to bring in new industry, if you people have the desire to bring new industry into this State.

Nebraska has everything in the way of opportunity for our young people to stay in the State if you people have the desire to keep them here. We, and by we, I mean you and me, must be the ones to spread the word that our Nebraskaland is truly the land of opportunity, is truly the land with a future.

JUDICIAL DISCRETION NEEDED IN NARCOTIC SENTENCING

Mr. HRUSKA. Mr. President, last weekend the President's Advisory Commission on Narcotic and Drug Abuse published its final report. The report is the product of a year's work by a distinguished panel of experts under the chairmanship of Judge E. Barrett Prettyman and consisting of Dr. James Dixon, Mr. Harry M. Kimball, Dr. Roger Egeberg, Mr. Austin McCormick, Dr. Ralph Sanchez-Ubeda, and Mr. James Dumpson.

The Commission was aided by an able staff directed by Mr. Dean F. Markham and by representatives at the Assistant Secretary level from the Departments of State, Treasury, Defense, Justice, and Health, Education, and Welfare in a wide-ranging inquiry that covered not only the breadth of this Nation, but international organizations as well.

Principal attention in the press has centered on the Commission's recommendation that the functions and responsibilities of the Bureau of Narcotics in the Treasury Department be transferred to the Department of Justice and the Department of Health, Education, and Welfare.

I am confident that the Congress will weigh carefully the merits of this proposal. However, it has long been my observation that organizational solutions to problems like drug addiction always leave a great deal to be desired. What is needed is substance, not form.

For this reason, I was favorably impressed with the Commission's recommendation concerning modification of the present mandatory long-term sentences in narcotics convictions.

This recommendation closely accords with the purpose of a bill I introduced last year and which is now pending before the Judiciary Committee. It is closely allied, as well, with the 1961 report of the Joint Committee of the American Bar Association and the American Medical Association on Drugs.

This latter group commented on the dissatisfaction within the legal and medical professions concerning current policies which tend to emphasize repression and prohibition to the exclusion of other possible methods of dealing with addicts and the drug traffic.

The 1961 report recognized that drug peddling is a vicious and serious crime, but it questioned whether severe jail and prison sentences are the most rational way of dealing with narcotic addicts.

The President's Advisory Commission agrees with this reasoning concerning the mandatory penalties. It says:

> These provisions have deprived the Federal courts of almost all discretion in sentencing and have had discernible bad effects. They have made rehabilitation of the convicted narcotics offender virtually impossible. There is little incentive for rehabilitation where there is no hope of parole.

Mr. President, S. 794 recognizes the inherent philosophy in the Narcotics Control Act of 1956; namely, that trafficking in drugs is an extremely serious offense and should be so regarded by the community and law enforcement officials.

But experience has shown that by its very lack of latitude, the act actually worsens, rather than improves, the problem of control of drug addiction.

As long ago as 1959, this problem was recognized by the Ninth Circuit Judicial Conference which said in its report:

> The Federal courts have been deprived of all discretion in providing for the individualized treatment of the victims of the drug traffickers; and Federal judges in sentencing violators of the Narcotics Control Act are given no opportunity to distinguish, when pronouncing sentence, between the greedy narcotic racketeer on the one hand and his hapless victim on the other, or between those addicted to opium and its derivatives, and those who use marihuana.

It is precisely this point—the difference between the dope racketeer and his victim—that needs to be clarified. In virtually no other area of the law is the sentencing court deprived of the opportunity to carry out its responsibility to society, as it is in the rigid requirements of the Narcotics Control Act.

This point is stressed in the new report of the President's Advisory Commission which points out that mandatory prison sentences without hope of parole should be retained only for offenders smuggling or selling large quantities of narcotics. The Commission notes that the big-time racketeer is seldom himself an addict, but is a hardened criminal, interested only in the huge profits of illicit narcotics traffic.

The small-time pusher, the Commission observes, usually is an addict. He should be punished, but instead of locking him up for inflexible periods of 5, 10, or more years, society should try to rehabilitate and release him as soon as he demonstrates his capability to return to a useful life.

In this regard, the decision as to whether the addict should be committed under the indeterminate sentencing alternatives of the 1958 Sentencing Act should be left in the hands of the court.

At a hearing on the Federal prison system conducted by the Senate National Penitentiaries Subcommittee on January 22, 1964, new emphasis was given to the necessity of modifying the mandatory aspects of the Narcotics Control Act.

Mr. James V. Bennett, Director of the Bureau of Prisons, spoke of the much-needed change in present policies. Explaining why little progress had been made up to now, he pointed principally to the fact that "there is a good deal of misunderstanding and misinformation about the kind of person who uses drugs and about his dangers."

The final report of the President's Advisory Commission on Narcotics and Drug Abuse goes a long way toward crystallizing professional judgment and correcting public opinion. It is my hope, Mr. President, that the release of this important report will lend a new sense of urgency to the consideration of new legislation. I ask unanimous consent that the section of the report, entitled "Statutory Penalties," be printed at this point in the RECORD.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

STATUTORY PENALTIES

Present Federal narcotics and marihuana laws set forth a complex pattern of offenses. For the present bewildering variety of offenses the present Federal narcotics and marihuana laws prescribe a range of mandatory minimum sentences: They impose a minimum sentence of 2 years for a first offense of possession of narcotics or marihuana, and a minimum of 5 years for a second offense, and a minimum of 10 years for any subsequent offense. They impose a minimum sentence of 5 years for a first offense of smuggling, selling, or otherwise transferring narcotics or marihuana, and a minimum of 10 years for a second or subsequent offense. These laws forbid the probation or parole of any offender except a first offender whose crime is the possession of narcotic drugs or marihuana.

These sentencing provisions have deprived the Federal courts of almost all discretion in sentencing and have had discernible adverse effects. They have made rehabilitation of the convicted narcotics offender virtually impossible. Those who have dealt with narcotic offenders in the Federal prisons agree that there is little incentive for rehabilitation where there is no hope of parole. Moreover, parole would provide for extensive supervision of the narcotic abuser following his release from prison.

The Bureau of Narcotics maintains that the present severe penalties act as a powerful deterrent. The Commission does not agree. As the Commission pointed out in its introduction, it is difficult to believe that a narcotic addict who is physically and psychologically dependent on a drug will forgo satisfaction of this craving for fear of a long prison sentence, or that a marihuana user obsessed by the "high" sensation of marihuana will think of the penalty that awaits him if he is caught possessing it. The weakness of the deterrence position is proved every day by the fact that the illicit traffic in narcotics and marihuana continues.

The basic theory of the present penal provisions is that offenses under the narcotics and marihuana laws are, regarded collectively, offenses of equal gravity. This should not be so. While there is some overlap among all these offenses, important differences in their underlying criminal content do exist.

In terms of gravity, narcotics offenses fall into three categories:

1. The smuggling of or trafficking in narcotics in large quantities and the possession of narcotics in large quantities for sale. In the Commission's view, and in the view of every informed observer, these are heinous crimes. They are committed primarily by hardened criminals, whose sole interest lies in reaping huge profits and who profit from the weakness and misery of the narcotic abuser. The traffickers are seldom addicts themselves.

2. The smuggling, selling, and giving away of narcotics in small quantities and the possession of narcotics in small quantities for sale. This offender is most often a narcotic addict himself. He may be trying to finance his habit or to create a drug companion or to accommodate a fellow addict who will in turn reciprocate on occasion. This crime is likewise a serious one. The person who sells or gives away small quantities is contributing to the narcotic habit of another, and the same may well be true of the small-scale smuggler.

3. The possession of narcotic drugs without intent to sell. One cannot quarrel with the view that narcotic drugs can be extremely harmful to the individual and to society. The abuse of the opiates can lead to a lifetime of physical dependence, and the abuse of cocaine can lead to aggressive forms of illegal behavior. Thus the possession of narcotics (other than by doctors, researchers, and others similarly engaged) is and should continue to be forbidden by law. Possession without intent to sell, however, should not be equated with selling or smuggling.

The Commission recommends that the penalty provisions of the Federal narcotics and marihuana laws which now prescribe mandatory minimum sentences and prohibit probation or parole be amended to fit the gravity of the particular offense so as to provide a greater incentive for rehabilitation.

These amendments should provide:

1. That mandatory minimum sentences and a prohibition of both probation and parole be retained for offenders smuggling or selling in large quantities or possessing large quantities for sale.

2. That the offender who smuggles, sells, or gives away small quantities or possesses small quantities for sale should receive some measure of imprisonment. The Commission believes that he should be subject to a fixed maximum sentence and be denied any suspension of sentence, but that he should not be subject to a mandatory minimum sentence and not be denied the hope of parole.

3. That the Federal courts be given complete discretion in the sentencing of those whose offense is possession without intent to sell. There should be no mandatory minimum sentences for these offenders and no prohibition of probation and parole. The court would, as appropriate, impose a fixed maximum sentence (with eligibility for parole), suspend sentence, or impose an indeterminate sentence under the Federal Youth Corrections Act or the act of August 25, 1958.[1] The person who buys narcotics for his own use is similar to the person whose offense is possession without intent to sell, and he should be treated likewise in any amended revision of narcotics penalties.

In recommending that the offender smuggling or selling large quantities and the offender smuggling or selling small quantities be subject to different sentencing, the Commission is not setting up a novel distinction. The recommendation will require that a line be drawn between a small quantity and a large one, but such lines are frequently drawn in law. For example, the seventh amendment preserves the right to trial by jury in common lawsuits in controversies exceeding $20. Almost all criminal codes differentiate between grand larceny and petty larceny. A factor in a legal vote or a legal contract is an arbitrary line based on age.

The present Federal narcotics and marihuana laws equate the two drugs. An offender whose crime is sale of a marihuana reefer is subject to the same term of imprisonment as the peddler selling heroin. In most cases the marihuana reefer is less harmful than any opiate. For one thing, while marihuana may provoke lawless behavior, it does not create physical dependence. This Commission makes a flat distinction between the two drugs and believes that the unlawful sale or possession of marihuana is a less serious offense than the unlawful sale or possession of an opiate.

The Commission believes that the sentencing of the petty marihuana offender should be left entirely to the discretion of the Federal courts. There should be no mandatory minimum sentences for marihuana offenders and prohibition of probation and parole. The courts should have the discretion to impose a fixed maximum sentence (with eligibility for parole), to suspend sentence, or to impose an indeterminate sentence. The Commission is opposed to mandatory minimum sentences, even in the case of multiple offenders.

The Commission feels that any legislation amending the penalty provisions of the Federal narcotics and marihuana laws should authorize a review of the sentences of the offenders presently serving mandatory minimum sentences and should permit parole to be granted where justified.

While the Commission's recommendations on statutory penalties relate only to the Federal narcotics and marihuana laws, it is the hope of the Commission that its recommendations will serve as a guide for the States in the amendment of existing State laws to conform more closely to the Federal revisions recommended.

The complex pattern of offenses under the Federal narcotics and marihuana laws has created a special sentencing problem. Under these laws a single sale of narcotic drugs may violate several statutory provisions. It may constitute at one and the same time a violation of the prohibition of the Narcotic Drugs Import and Export Act against trafficking in illegally imported narcotics, a failure to comply with the requirement of the Harrison Act that a transfer of narcotic drugs be made pursuant to a written order on the prescribed Treasury form, and a failure to comply with the requirement of the Harrison Act that narcotic drugs shall be sold in or from the original package containing the requisite tax stamps. If there is a verdict of guilt on several counts, separate sentences may be imposed upon each, the result being a cumulative sentence considerably more severe than the total narcotics transaction warrants.

At the meeting of the Judicial Conference of the United States on March 11–12, 1963, the chairman of the Committee on the Administration of the Criminal Law informed the Conference of the mandate given this Commission by President Kennedy. The conference authorized the committee to cooperate with the Commission and to report on the Commission's proposals. The Commission suggests that the Attorney General utilize this proffered channel of communication to invite to the attention of the judiciary the problem of the cumulative sentence in narcotics cases.

DEFICIT GROWS, NOT CUT IN HALF

Mr. HRUSKA. Mr. President, there has been a great deal of discussion since the submission of the President's budget message about the administration claim that the budget cuts the deficit in half.

While the projected deficit for fiscal 1965 is only half that for the current year, it is still a staggering $4.9 billion and scarcely something to rejoice about.

The whole matter is put into its proper perspective in an editorial in a recent issue of the Norfolk, Nebr., Daily News. The editorial applauds the fact that at long last there seems to be some concern about the size of the deficit but it reminds that instead of being cut in half, our deficit—that is, the national debt—continues to grow.

I ask unanimous consent, Mr. President, to have printed in the RECORD the editorial from the Norfolk Daily News entitled "Deficit Grows, Not Cut in Half."

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[1] United States Code, title 18, secs. 4208–4209. The act authorizes indeterminate sentences for adult offenders (over the age of 25) and makes the sentencing provisions of the Federal Youth Corrections Act available to offenders between the ages of 22 and 25, inclusive.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DEFICIT GROWS, NOT CUT IN HALF

President Johnson's $97.9-billion budget for fiscal year 1965—which begins next July 1—is widely advertised as cutting the deficit in half.

The statement is used to refer to the fact that estimates of this year's budget deficit—for the fiscal year ending this June 30—are $10 billion. So a budget that proposes to spend an amount which will result in a deficit of only half that figure gets widespread applause. And it is a welcome trend.

Yet it remains a budget which will create an additional $4.9 billion deficit, still among the Nation's historic red-ink totals.

The Nation's current deficit is slightly more than $300 billion. It cannot be cut by any percentage at all by the sending to Congress of a budget which proposes the spending of $4.9 billion more than is to be accounted for by revenues. The result is an addition to the deficit, and a reduction only in amounts that might have been added to the deficit.

The one encouraging sign is that there appears to be some attention paid to the necessity of achieving a balance in the future if that has not yet been accompanied by any feeling of urgency about halting further additions to the deficit total.

In the meantime, crediting the administration with having cut the deficit in half is a little like getting praise for a 50-percent markdown in price of sale merchandise which had never been priced in the first place.

When someone begins to pay off the actual $300 billion-plus deficit, then speechwriters and newsmen will be justified in concluding that the deficit is cut, rather than added to with another red-ink budget.

REVENUE ACT OF 1964

Mr. TALMADGE obtained the floor.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. TALMADGE. I am delighted to yield to my friend from Louisiana.

Mr. LONG of Louisiana. I believe that the Senator intends to address himself to the tax bill. Automatically the bill would come before the Senate at 2 o'clock. Since the Senator intends to address himself to that bill, I ask unanimous consent that the tax bill now be laid before the Senate.

There being no objection, the Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

Mr. TALMADGE. Mr. President, 1 year ago, when tax reduction legislation was proposed to this Congress, I shared with many here in this Chamber—and with many thoughtful citizens throughout our land—the gravest doubts about its wisdom.

I did not doubt that tax reduction was desirable, for I was convinced that the removal of restrictive tax rates, which have so long helped dampen the historic American reliance upon private initiative and incentives, was long overdue.

But I was gravely concerned that the fiscal posture of this Nation was too warped, and too weakened with deficits and debt, to bear the burden of so large a tax reduction.

I will never cease to be concerned about the fiscal posture of this Nation as long as we have deficits—as long as we are adding to our debt instead of reducing it.

But I am encouraged by indications that the budgetary reins of this Nation are being pulled in, and that we seem to be taking positive steps toward fiscal soundness and solvency.

I am convinced that we can now vote for this tax bill in good conscience—and according to the severe dictates of prudence and frugality.

The new budget calls for estimated expenditures in fiscal 1965 of $97.9 billion, more than half a billion dollars below the level of the current fiscal year. It calls for new obligational authority of $103.8 billion—more than $4 billion under last year's request of $107.9 billion. It forecasts a deficit of $4.9 billion—less than half the deficit for the current year and less than half the widely anticipated deficit for next year. It proposes a reduction in civilian employment in the executive branch—not a reduction to be publicized now and by the end of the year to exist only on paper, but a reduction we can expect to actually occur by the steps the President has already taken to make certain that it will.

Mr. President, I cannot say that these reductions are all I would like to see. But they are more—far more—than I could see on any realistic horizon when the proposals for tax reduction were first presented.

I am also aware that budgetary reductions—and budgetary figures—are not always what they seem. But I have examined this budget with great care and with considerable skepticism, and I am satisfied that this budget is relatively lean and hard. I am satisfied that its reductions in expenditures and in new obligational authority will be reflected in real savings this year, and for several years to come.

I do not pretend to endorse each item in this budget—but this is not the time, nor have we now the time or the need, to go into that kind of detail. We will have ample opportunity to deal with appropriations as the session goes on. Meanwhile, the need for this tax bill is urgent, and the important facts about our new budgetary and expenditure posture are simple and clear. I would like, briefly, to highlight these facts as I see them.

First, I recall how last year the figure of $98 billion had a habit of appearing and reappearing as the unalterable ceiling beyond which 1965 expenditures could not pass if the tax cut were at all to be justified.

That was the limit that the minority party in the House of Representatives proposed to set upon the expenditure estimate for 1965—or else foreclose upon the tax cut.

That was the limit upon expenditures that General Eisenhower said we should commit ourselves to until the budget was balanced—or else forgo the tax cut.

And that is the limit beyond which the new budget does not pass—the ceiling which the new budget, in fact, observes.

I realize that, from time to time, other assorted ceilings were suggested which the new estimates for the current and the coming year do not observe. But while ceilings can remain immutable and unmoved by either argument or event, men cannot. And I say that the new budget does generally meet reasonable conditions for frugality and prudence.

The fact that the reduction in expenditures was accomplished in the face of the so-called built-in increases of $3½ billion not only highlights that accomplishment—but far more importantly, it underscores the significance of the more than $4 billion drop in requests for new obligational authority.

Every Member of this Congress knows that while it is not beyond the pale of possibility for an administration to cut current spending, it is beyond the pale of probability. For current spending is born of past appropriations—of past proposals and approvals of new obligational authority. At any given time, a good half of current spending goes to pay old bills.

The way to cut spending is not to refuse to pay those bills—the way to cut spending is to cut down on new bills. And the way to cut down on new bills is to cut down on requests for new obligational authority—and on approvals for new obligational authority.

Last year, this Congress appropriated $6.5 billion less than it was asked to appropriate. This year, the President has met us at least half way by asking less. I will not say that I would not have preferred the President to have met us all the way by presenting a balanced budget—or that I would not have preferred greater savings in appropriations last year.

But I am impressed with the hard evidence—with the promise, not of word alone, but of deed as well—that this Congress is making an effort to prune spending, and that the administration is joining us in that effort.

In short, Mr. President, there are, I am convinced, solid grounds for hope that the day when once again the fiscal affairs of this country will be set aright, when once again we can conduct the business of government within the security of a balanced budget—that that day is now nearer at hand than it has been for years. And there are, I am convinced, equally solid grounds to expect that the tax bill will bring that day nearer yet.

For as the Congress and the administration unite in holding Federal expenditures down, there is every evidence that the tax cut will bring Federal revenues up by generating greater economic activity. This is no new and untried theory—it is a historical fact. I am sure that every Member of this Congress remembers how we cut taxes in 1954, and how within 2 years' time revenues exceeded pretax cut levels by 7 percent. Not only was that no isolated instance, but it reflected the consistent experience this country has had with major tax cuts throughout this century.

One of the most incisive and persuasive analyses of this question appeared just a year ago in Fortune magazine in an article authored by one of its editors, Max Ways.

Mr. Ways points out what we too often forget in our discussions of this tax bill—that:

> Our tax structure, even when its rates are left unchanged, tightens its restrictive grip on the economy in every year that the economy grows at all.

He shows for example that, as fast as our economy grows, the individual income tax grows even faster. In 1929, the individual income tax was only 1.1 percent of the gross national product; in 1952 it was 8 percent of the gross national product; and in 1962—despite the modest tax cut of 1954—it was 8.3 percent of the gross national product.

Mr. President, I say we can no longer afford the luxury of a tax system that bites the very hand that feeds it—that ultimately defeats its own purpose of raising adequate revenues by encroaching upon its very source of revenue.

I say that we must once again allow our private economy the freedom it needs to draw upon its own inherent resources for growth—that we must once again restore individual initiative and incentive and effort to the proud and prominent place in our economic life that they must have if our system is to grow and thrive.

This tax bill, I am convinced, is a program to promote economic growth by promoting economic freedom. It is a program that—vigorously accompanied by the expenditure control already in evidence—will restore balance to the fiscal affairs of this Nation by removing the imbalance that now exists between the public and private sectors of our economy.

Mr. President, let no one mistake the choice that now confronts us. No one could put it better than did the distinguished chairman of the House Ways and Means Committee, Mr. WILBUR MILLS, when he opened the House debate on the tax bill. He said:

> I am convinced that there are two roads the Government can follow. * * * I believe we are at the fork of those two roads today. One of these is the tax reduction road. The other is the road of Government expenditure increases.

I think that, with the new budget and with the record of this Congress last year on appropriations, we have already taken the better of those choices—that we are at last moving down the road toward fiscal soundness and solvency.

The passage of this tax bill will put us a lot further down that road—and make it a lot harder to turn back.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. TALMADGE. I am delighted to yield to my friend the distinguished Senator from Louisiana.

Mr. LONG of Louisiana. I congratulate the junior Senator from Georgia on the outstanding statement he has made on the subject of the tax bill. I should like to ask him if I correctly understand the point he has made; namely, that those who contend they want a balanced budget should realize that some of us feel that the problem is one for consideration by the Appropriations Committee, not by the Committee on Finance.

Mr. TALMADGE. The Senator from Louisiana is entirely correct. As I pointed out—and I thank my friend from Louisiana for his kind personal references to me—the way to control expenditures is by doing two things: first, to deny new obligational authority, and, second, to reduce appropriations. Of course, as the Senator so well knows, the Finance Committee has the obligation of raising the necessary revenue with which to pay appropriations, not to appropriate money or to approve obligational authority.

Mr. LONG of Louisina. Therefore, if the budget expenditures could be reduced and if Senators who are on the Appropriations Committee would vote to do that, it would be agreeable to many of us on the Finance Committee. We would be happy to see the foreign aid appropriations reduced, for example, and also to see certain other unnecessary expenditures reduced.

Mr. TALMADGE. The Senator from Georgia has so voted on many occasions. I point out that the Congress rendered an outstanding service last year in reducing requests of the budget by $6½ billion. If something like that could be done this year the budget might well be balanced next year.

Mr. LONG of Louisiana. I thank the Senator from Georgia.

I now ask that the Senate proceed to the consideration of the remaining committee amendment.

The PRESIDING OFFICER. The amendment will be stated.

The next committee amendment was on page 233, after line 10, to strike out:

SEC. 219. CAPITOL GAINS AND LOSSES

(a) ALTERNATIVE TAX, ETC.

(1) IN GENERAL.—

(A) ALTERNATIVE TAX.—Subsection (b) of section 1201 (relating to alternative tax on taxpayers other than corporations) is amended to read as follows:

"(b) OTHER TAXPAYERS.—If, for any taxable year, a taxpayer (other than a corporation) is allowed a deduction under section 1202, then, in lieu of the tax imposed by sections 1 and 511(b), there is hereby imposed a tax (if such a tax is less than the tax imposed by such sections) which shall consist of the sum of—

"(1) a partial tax computed on the taxable income reduced by an amount equal to the sum of—

"(A) 40 percent of the adjusted class A capital gain, and

"(B) 50 percent of the adjusted class B capital gain,

plus

"(2) an amount equal to the sum of—

"(A) 21 percent of the adjusted class A capital gain, and

"(B) 25 percent of the adjusted class B capital gain."

(B) DEDUCTION FOR CAPITAL GAINS.—Section 1202 (relating to deduction for capital gains) is amended to read as follows:

"SEC. 1202. Deduction for Capital Gains.

"(a) GENERAL RULE.—In the case of a taxpayer other than a corporation, a deduction from gross income shall be allowed equal to the sum of—

"(1) 60 percent of the adjusted class A capital gain, and

"(2) 50 percent of the adjusted class B capital gain.

"(b) SPECIAL RULE.—In the case of an estate or trust, the deduction allowable under subsection (a) shall be computed by excluding the portion (if any), of the gains for the taxable year from sales or exchanges of capital assets, which, under sections 652 and 662 (relating to inclusions of amounts in gross income of beneficiaries of trusts), is includible by the income beneficiaries as gain derived from the sale or exchange of capital assets."

(C) DEFINITIONS.—Section 1222 (relating to other terms relating to capital gains and losses) is amended to read as follows:

"SEC. 1222. OTHER TERMS RELATING TO CAPITAL GAINS AND LOSSES.

"(a) TERMS APPLICABLE TO ALL TAXPAYERS—For purposes of this subtitle—

"(1) SHORT-TERM CAPITAL GAIN.—The term 'short-term capital gain' means gain from the sale or exchange of a capital asset held for not more than 6 months, if and to the extent such gain is taken into account in computing gross income.

"(2) SHORT-TERM CAPITAL LOSS.—The term 'short-term capital loss' means loss from the sale or exchange of a capital asset held for not more than 6 months, if and to the extent that such loss is taken into account in computing taxable income.

"(3) NET SHORT-TERM CAPITAL GAIN.—The term 'net short-term capital gain' means the excess of short-term capital gains for the taxable year over the short-term capital losses for such year.

"(4) NET SHORT-TERM CAPITAL LOSS.—The term 'net short-term capital loss' means the excess of short-term capital losses for the taxable year over the short-term capital gains for such year.

"(b) TERMS APPLICABLE TO CORPORATIONS.—For purposes of this subtitle, in the case of a corporation—

"(1) LONG-TERM CAPITAL GAIN.—The term 'long-term capital gain' means gain from the sale or exchange of a capital asset held for more than 6 months, if and to the extent such gain is taken into account in computing gross income.

"(2) LONG-TERM CAPITAL LOSS.—The term 'long-term capital loss' means loss from the sale or exchange of a capital asset held for more than 6 months, if and to the extent that such loss is taken into account in computing taxable income.

"(3) NET LONG-TERM CAPITAL GAIN.—The term 'net long-term capital gain' means the excess of long-term capital gains for the taxable year over the long-term capital losses for such year.

"(4) NET LONG-TERM CAPITAL LOSS.—The term 'net long-term capital loss' means the excess of long-term capital losses for the taxable year over the long-term capital gains for such year.

"(5) NET CAPITAL GAIN.—The term 'net capital gain' means the excess of the gains from sales or exchanges of capital assets over the losses from such sales or exchanges.

"(6) NET CAPITAL LOSS.—The term 'net capital loss' means the excess of the losses from sales or exchanges of capital assets over the sum allowed under section 1211(a). For purposes of determining losses under this paragraph, amounts which are short-term capital losses under section 1212 shall be excluded.

"(c) TERMS APPLICABLE TO TAXPAYERS OTHER THAN CORPORATIONS.—For purposes of this subtitle, in the case of a taxpayer other than a corporation—

"(1) CLASS B CAPITAL GAIN.—The term 'class B capital gain' means gain from the sale or exchange of a capital asset held for more than 6 months but not more than 2 years, if and to the extent such gain is taken into account in computing gross income.

"(2) CLASS B CAPITAL LOSS.—The term 'class B capital loss' means loss from the sale or exchange of a capital asset held for more than 6 months but not more than 2 years, if and to the extent that such loss is taken into account in computing taxable income.

"(3) CLASS A CAPITAL GAIN.—The term 'class A capital gain' means gain from the sale or exchange of a capital asset held for more than 2 years, if and to the extent such gain is taken into account in computing gross income.

"(4) Class A capital loss.—The term 'class A capital loss' means loss from the sale or exchange of a capital asset held for more than 2 years, if and to the extent that such loss is taken into account in computing taxable income.

"(5) Net class B capital gain.—The term 'net class B capital gain' means the excess of class B capital gains for the taxable year over the class B capital losses for such year

"(6) Net class B capital loss.—The term 'net class B capital loss' means the excess of class B capital losses for the taxable year over the class B capital gains for such year.

"(7) Net class A capital gain.—The term 'net class A capital gain' means the excess of class A capital gains for the taxable year over the class A capital losses for such year.

"(8) Net class A capital loss.—The term 'net class A capital loss' means the excess of class A capital losses for the taxable year over the class A capital gains for such year.

"(9) Adjusted class B capital gain.—The term 'adjusted class B capital gain' means the net class B capital gain for the taxable year reduced by losses which reduce such net gain as provided in subsection (d).

"(10) Adjusted class A capital gain.—The term 'adjusted class A capital gain' means the net class A capital gain for the taxable year reduced by losses which reduce such net gain as provided in subsection (d).

"(d) Rules for Reducing Net Capital Gains by Capital Losses.—For purposes of paragraphs (9) and (10) of subsection (c) and for purposes of reducing any net short-term capital gain, if for a taxable year a taxpayer (other than a corporation) has a net short-term, net class B, or net class A capital loss, such loss shall reduce any net short-term, net class B, or net Class A capital gain for such year by applying paragraph (1), then paragraph (2), and then paragraph (3):

"(1) A net class A capital loss shall reduce first any net class B capital gain and then any net short-term capital gain.

"(2) A net class B capital loss shall reduce first any net class A capital gain and then any net short-term capital gain.

"(3) A net short-term capital loss shall reduce first any net class B capital gain and then any net class A capital gain."

(2) Property used in the trade or business and involuntary conversions—

(A) Subsection (a) of section 1231 (relating to property used in a trade or business) is amended to read as follows:

"(a) General Rule.—If, during the taxable year—

"(1) the recognized gains from sales or exchanges of property used in the trade or business, plus

"(2) the recognized gains from the compulsory or involuntary conversion (as a result of destruction, in whole or in part, theft or seizure, or an exercise of the power of requisition or condemnation or the threat or imminence thereof) of property used in the trade or business and of capital assets held for more than 6 months into other property or money,

exceed the recognized losses from such sales, exchanges, and conversions, each such gain or loss shall be considered as gain or loss from the sale or exchange of a capital asset. If such gains do not exceed such losses, such gains and losses shall not be considered as gains and losses from sales or exchanges of capital assets."

(B) Section 1231 is amended by adding at the end thereof the following new subsection:

"(c) Special Rules.—

"(1) Gains and losses taken into account.—For purposes of subsection (a)—

"(A) Any gain described in subsection (a) shall be included—

"(i) only if and to the extent taken into account in computing gross income, and

"(ii) only to the extent not required (by any provision of this subtitle other than this section) to be treated as gain from the sale or exchange of property which is neither a capital asset nor property described in this section.

"(B) Losses described in subsection (a) shall be included only if and to the extent taken into account in computing taxable income, except that section 1211 shall not apply.

"(C) Losses upon the destruction, in whole or in part, theft or seizure, or requisition or condemnation of property used in the trade or business and held for more than 6 months, or of a capital asset held for more than 6 months, shall be considered losses from a compulsory or involuntary conversion.

"(2) Certain losses from casualty or theft.—In the case of any property used in the trade or business, and in the case of any capital asset held for more than 6 months and held for the production of income, subsection (a) shall not apply to any loss, in respect of which the taxpayer is not compensated for by insurance in any amount, arising from fire, storm, shipwreck, or other casualty or from theft.

"(3) Gains and losses treated as class B gains and losses.—In the case of a taxpayer other than a corporation, gain or loss—

"(A) from a sale, exchange, or conversion of property to which subsection (b) (2), (3), or (4) applies, and

"(B) which by reason of subsection (a) is considered as gain or loss from the sale or exchange of a capital asset,

shall be considered as class B capital gain or loss whether or not such property was held for more than 2 years."

(3) Certain distributions under employees trusts and annuity plans.—

(A) Distribution under employees' trusts.—Section 402(a) (relating to taxability of beneficiary of exempt trust) is amended—

(i) by adding at the end of paragraph (1) the following new sentence: "Any gain on the subsequent sale or other disposition of any such security by the distributee (or by any other person in whose hands the basis of such security is determined by reference to the basis of the security in the hands of the distributee) shall, to the extent of the amount of such net unrealized appreciation attributable to such security, be considered a gain from the sale or exchange of a capital asset held for more than 6 months but not more than 2 years.";

(ii) by adding immediately before the period at the end of the first sentence of paragraph (2) the words "but not more than 2 years"; and

(iii) by adding immediately before the last sentence of paragraph (2) the following new sentence: "Any gain on the subsequent sale or other disposition of any such security by the distributee (or by any other person in whose hands the basis of such security is determined by reference to the basis of the security in the hands of the distributee) shall, to the extent of the amount of such net unrealized appreciation attributable to such security, be considered a gain from the sale or exchange of a capital asset held for more than 6 months but not more than 2 years."

(B) Distributions under employee annuities.—Section 403(a)(2)(A) relating to capital gains treatment for certain distributions) is amended by adding immediately before the period at the end of the first sentence the words "but not more than 2 years".

(C) Effective date.—

(i) The amendments made by subparagraphs (A)(ii) and (B) shall apply with respect to distributions or amounts paid in taxable years of the distributees beginning after December 31, 1963.

(ii) The amendments made by subparagraphs (A) (i) and (iii) shall apply with respect to securities which are sold or otherwise disposed of in taxable years beginning after December 31, 1963.

(4) Sale or exchange of patents.—Subsection (a) of section 1235 (relating to the sale or exchange of patents) is amended by adding at the end thereof the following new sentences:

"In the case of a holder described in subsection (b)(1), any gain or loss on such a transfer shall be treated as class B capital gain or loss. In the case of a holder described in subsection (b)(2), any gain or loss on such a transfer shall be treated as class A, or class B, capital gain or loss depending on the period for which the property was held (or deemed held)."

(5) Employee termination payments.—Section 1240 (relating to taxability to employee of termination payments) is amended by striking out "6 months" and inserting in lieu thereof "6 months but not more than 2 years".

(b) Unlimited Capital Loss Carryover.—Section 1212 (relating to capital loss carryover) is amended—

(1) by striking out "If for any taxable year the taxpayer" and inserting in lieu thereof:

"(a) Corporations.—If for any taxable year a corporation"; and

(2) by adding the following new subsection:

"(b) Other Taxpayers.—

"(1) To the extent, for any taxable year, a taxpayer, other than a corporation, has a net short-term net class B, or net class A, capital loss which does not reduce capital gains under the rules provided in section 1222(d), such loss, reduced as provided in paragraph (2), shall be carried forward and treated in the succeeding taxable year as a short term class B, or class A, capital loss, as the case may be, sustained in such succeeding year.

"(2) An amount equal to the excess of the sum allowable under section 1211(b) over the gains from sales or exchanges of capital assets for the taxable year shall reduce, in order, any net short-term class B, or class A, capital loss for the taxable year which does not reduce capital gains for such year under the rules provided in section 1222(d).

"(3) For purposes of this subsection, a net capital loss for a taxable year beginning before January 1, 1964, shall be determined under the applicable law relating to the computation of capital gains and losses in effect before such date, and the amount of any such capital loss so determined which such applicable law allows to be carried over to the first taxable year of the taxpayer beginning after December 31, 1963, shall be treated as a short-term capital loss occurring in such taxable year."

(c) Technical Amendments.

(1) Section 172(d)(2)(B) (relating to net operating loss deduction) is amended by striking out "long-term".

(2) Section 333(e)(2) (relating to noncorporate shareholders of certain liquidating corporations) is amended by striking out "short-term or long-term capital gain," and inserting in lieu thereof "short-term, class A, or class B capital gain,".

(3) Section 341(a) (relating to collapsible corporations) is amended by striking out "6 months" and inserting in lieu thereof "6 months but not more than 2 years or held for more than 2 years, as the case may be,".

(4) Section 584(c)(1) (relating to common trust funds) is amended—

(A) by striking out in subparagraph (B) wherever it appears "6 months" and inserting in lieu thereof "6 months but not more than 2 years", and

(B) by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

"(C) as part of its gains and losses from sales or exchanges of capital assets held for more than 2 years, its proportionate share of the gains and losses of the common trust fund from sales or exchanges of capital assets held for more than 2 years;".

(5) Section 642(c) (relating to special rules for credits and deductions) is amended by striking out "6 months," and inserting in lieu thereof "6 months but not more than 2 years or held for more than 2 years, as the case may be,".

(6) Section 702(a)(2) (relating to income and credits of partners) is amended by striking out "6 months," and inserting in lieu thereof "6 months but not more than 2 years or held for more than 2 years, as the case may be,".

(7)(A) Section 852 (relating to taxation of regulated investment companies and their shareholders) is amended by striking out subparagraphs (B) and (C) of subsection (b)(3) and inserting in lieu thereof the following:

"(B) Treatment of capital gain dividends by shareholders.—A capital gain dividend shall be treated by shareholders, other than corporations, as a class A or class B capital gain to the extent so designated by the company. Shareholders which are corporations shall treat a capital gain dividend as a long-term capital gain.

"(C) Definition of capital gain dividends.—For purposes of this part, a capital gain dividend is any dividend, or part thereof, which is designated by the company in a written notice mailed to its shareholders not later than 30 days after the close of its taxable year, as a distribution of class A or class B capital gain. In the case of a shareholder which is a corporation, if the aggregate amount designated as a capital gain dividend with respect to a taxable year of the company (including capital gains dividends paid after the close of the taxable year described in section 855) is greater than the excess of the net long-term capital gain over the net short-term capital loss of the taxable year, the portion of each distribution which shall be a capital gain dividend shall be only that proportion of the amount so designated which such excess of the net long-term capital gain over the net short-term capital loss bears to the aggregate amount so designated. In the case of a shareholder other than a corporation, if the aggregate amount designated as class A capital gain, or as class B capital gain with respect to a taxable year of the company (including capital gains dividends paid after the close of the taxable year described in section 855) is greater than the adjusted class A, or adjusted class B capital gain, respectively—

"(i) the portion of each distribution which shall be treated as a class A capital gain shall be only that proportion of the amount so designated as class A capital gain which the adjusted class A capital gain bears to the aggregate amount so designated, and

"(ii) the portion of each distribution which shall be treated as a class B capital gain shall be only that proportion of the amount so designated as class B capital gain which the adjusted class B capital gain bears to the aggregate amount so designated.

For purposes of the preceding sentence, the adjusted class A or adjusted class B capital gain shall be computed as though the company were a taxpayer other than a corporation except that section 1212(a) shall apply in lieu of section 1212(b)."

(B) Section 852(b)(3)(D) is amended by striking out clauses (i), (ii), and (iii) and inserting in lieu thereof the following:

"(i) Every shareholder of a regulated investment company at the close of the company's taxable year shall, in the case of a corporation, in computing its long-term capital gains, and, in the case of a shareholder other than a corporation, in computing his class A and class B capital gains, include in his return for his taxable year in which the last day of the company's taxable year falls, such amounts as the company shall designate in respect of such shares in a written notice mailed to its shareholders at any time prior to the expiration of 30 days after the close of its taxable year, but the amount so includible by any shareholder shall not exceed that part of the amount subjected to tax in subparagraph (A) which he would have received if all of such amount had been distributed as capital gain dividends by the company to the holders of such shares at the close of its taxable year.

"(ii) For purposes of this title, every such shareholder shall be deemed to have paid, for his taxable year under clause (i), the tax of 25 percent imposed by subparagraph (A) on the amounts required by this subparagraph to be included in respect of such shares, in the case of a corporation, in computing its long-term capital gains, and, in the case of a shareholder other than a corporation, in computing his class A and class B capital gains, for that year; and such shareholder shall be allowed credit or refund, as the case may be, for the tax so deemed to have been paid by him.

"(iii) The adjusted basis of such shares in the hands of the shareholder shall be increased by 75 percent of the amount required by this subparagraph to be included in computing his capital gains."

(C) Section 852(b)(4) is amended to read as follows:

"(4) Loss on sale or exchange of stock held less than 31 days. If, under subparagraph (B) or (D) of paragraph (3) a shareholder of a regulated investment company is required, with respect to any share, to treat any amount as long term, class A, or class B capital gain, and such share is held by the taxpayer for less than 31 days, then any loss on the sale or exchange of such share shall—

"(A) in the case of a corporation, to the extent of such long-term capital gain, be treated as loss from the sale or exchange of a capital asset held for more than 6 months, or

"(B) in the case of a shareholder other than a corporation—

"(i) to the extent of such class A capital gain, be treated as loss from the sale or exchange of a capital asset held for more than 2 years, and

"(ii) to the extent of such class B capital gain, be treated as loss from the sale or exchange of a capital asset held for more than 6 months but not more than 2 years.

If there is a loss on the sale or exchange of such share which is less than the sum of such class A and class B capital gains, then a portion of such loss equal to the proportion which such class A capital gain bears to the sum of such class A and class B capital gains shall be a class A capital loss; and the remainder of such loss shall be a class B capital loss.

For purposes of this paragraph, the rules of section 246(c)(3) shall apply in determining whether any share of stock has been held for less than 31 days; except that '30 days' shall be substituted for '15 days' in subparagraph (B) of section 246(c)(3)."

(8)(A) Section 857 (relating to the taxation of real estate investment trusts and their beneficiaries) is amended by striking out subparagraphs (B) and (C) of subsection (b)(3) and inserting in lieu thereof the following:

"(B) Treatment of capital gain dividends by shareholders. A capital gain dividend shall be treated by the shareholders or holders of beneficial interests, other than corporations, as a class A or class B capital gain to the extent so designated by the real estate investment trust. Shareholders or holders of beneficial interests which are corporations shall treat a capital gain dividend as a long-term capital gain.

"(C) Definition of capital gain dividend. For purposes of this part, a capital gain dividend is any dividend, or part thereof, which is designated by the real estate investment trust in a written notice mailed to its shareholders or holders of beneficial interests at any time before the expiration of 30 days after the close of its taxable year as a distribution of class A or class B capital gain. In the case of a shareholder or holder of beneficial interest which is a corporation, if the aggregate amount designated as a capital gain dividend with respect to a taxable year of the trust (including capital gain dividends paid after the close of the taxable year described in section 858) is greater than the excess of the net long-term capital gain over the net short-term capital loss of the taxable year, the portion of each distribution which shall be a capital gain dividend shall be only that proportion of the amount so designated which such excess of the net long-term capital gain over the net short-term capital loss bears to the aggregate amount so designated. In the case of a shareholder or holder of a beneficial interest other than a corporation, if the aggregate amount designated as class A or as class B capital gain with respect to a taxable year of the trust (including capital gains dividends paid after the close of the taxable year described in section 858) is greater than the adjusted class A or adjusted class B capital gain, respectively—

"(i) the portion of each distribution which shall be treated as a class A capital gain shall be only that proportion of the amount so designated as class A capital gain which the adjusted class A capital gain bears to the aggregate amount so designated, and

"(ii) the portion of each distribution which shall be treated as a class B capital gain shall be only that proportion of the amount so designated as class B capital gain which the adjusted class B capital gain bears to the aggregate amount so designated.

For purposes of the preceding sentence, the adjusted class A or class B capital gain shall be computed as though the trust were a taxpayer other than a corporation except that section 1212(a) shall apply in lieu of section 1212(b)."

(B) Section 857 is amended by striking out paragraph (4) of subsection (b) and inserting in lieu thereof the following:

"(4) Loss on sale or exchange of stock held less than 31 days.—If, under subpararaph (B) of paragraph (3) a shareholder of, or a holder of a beneficial interest in, a real estate investment trust is required, with respect to any share or beneficial interest, to treat any amount as a long term, class A, or class B capital gain, and such share or interest is held by the taxpayer for less than 31 days, then any loss on the sale or exchange of such share or interest shall—

"(A) in the case of a corporation, to the extent of such long-term capital gain, be treated as loss from the sale or exchange of a capital asset held for more than 6 months, or

"(B) in the case of a shareholder other than a corporation—

"(i) to the extent of such class A capital gain, be treated as loss from the sale or exchange of a capital asset held for more than 2 years, and

"(ii) to the extent of such class B capital gain, be treated as loss from the sale or exchange of a capital asset held for more than 6 months but not more than 2 years.

If there is a loss on the sale or exchange of such share or interest which is less than the sum of such class A and class B capital gains, then a portion of such loss equal to the proportion which such class A capital gain bears to the sum of such class A and class B capital gains shall be a class A capital loss; and the remainder of such loss shall be a class B capital loss.

For purposes of this paragraph, the rules of section 246(c)(3) shall apply in determining whether any share of stock or beneficial interest has been held for less than 31 days; except that '30 days' shall be substituted for '15 days' in subparagraph (B) of section 246(c)(3)."

(9) The last sentence of section 1232(a)(2)(A) (relating to bonds and other evidences of indebtedness) is amended to read as follows: "Gain in excess of such amount shall, in the case of a corporation, be considered gain from the sale or exchange of a capital asset held more than 6 months or in the case of a taxpayer other than a corporation, be considered gain from the sale or exchange of a capital asset held for more than 6 months but not more than 2 years or held for more than 2 years, as the case may be."

(10)(A) Subsection (b) of section 1233 (relating to gains and losses from short sales) is amended to read as follows:

"(b) Short Term and Class B Gains and Holding Period.—If gain or loss from a short sale is considered as gain or loss from the sale or exchange of a capital asset under subsection (a) and if on the date of such short sale substantially identical property has been held by the taxpayer—

"(1) for not more than 6 months (determined without regard to the effect, under the second sentence of this subsection, of such short sale on the holding period), or if substantially identical property is acquired by the taxpayer after such short sale and on or before the date of the closing thereof, any gain on the closing of such short sale shall be considered as a gain on the sale or exchange of a capital asset held for not more than 6 months (notwithstanding the period of time any property used to close such short sale has been held); or

"(2) in the case of a taxpayer other than a corporation, for more than 6 months but not more than 2 years (determined without regard to the effect, under the second sentence of this subsection, of such short sale on the holding period), any gain on the closing of such short sale shall be considered as a gain on the sale or exchange of a capital asset held for more than 6 months but not more than 2 years (notwithstanding the period of time any property used to close such short sale has been held).

The holding period of such substantially identical property shall be considered to begin (notwithstanding section 1223, relating to the holding period of property) on the date of the closing of the short sale, or on the date of a sale, gift, or other disposition of such property, whichever date occurs first. The preceding sentence shall apply to such substantially identical property in the order of the dates of the acquisition of such property, but only to so much of such property as does not exceed the quantity sold short. For purposes of this subsection, the acquisition of an option to sell property at a fixed price shall be considered as a short sale, and the exercise or failure to exercise such option shall be considered as a closing of such short sale."

(B) Subsection (d) of section 1233 is amended to read as follows:

"(d) Long Term, Class A, and Class B Losses.—If on the date of such short sale substantially identical property has been held by the taxpayer—

"(1) In the case of a corporation, for more than 6 months, any loss on the closing of such short sale shall be considered as a loss on the sale or exchange of a capital asset held for more than 6 months (notwithstanding the period of time any property used to close such short sale has been held, and notwithstanding section 1234).

"(2) In the case of a taxpayer other than a corporation—

"(A) for more than 2 years, any loss on the closing of such short sale shall be considered as a loss on the sale or exchange of a capital asset held for more than 2 years (notwithstanding the period of time any property used to close such short sale has been held, and notwithstanding section 1234), or

"(B) for more than 6 months but not more than 2 years, any loss on the closing of such short sale shall be considered as a loss on the sale or exchange of a capital asset held for more than 6 months but not more than 2 years (notwithstanding the period of time any property used to close such short sale has been held, and notwithstanding section 1234)."

(C) Paragraph (1) of section 1233(e) is amended to read as follows:

"(1) Subsection (b) or (d) shall not apply to the gain or loss, respectively, on any quantity of property used to close such short sale which is in excess of the quantity of the substantially identical property referred to in the applicable subsection. In the case of a taxpayer other than a corporation—

"(A) subsection (b)(1) or (d)(2)(A) shall not apply to the gain or loss, respectively, on any quantity of property used to close such short sale which is in excess of the quantity of the substantially identical property to which either subsection (b)(1) or (d)(2)(A) applies (determined without regard to this subparagraph), and

"(B) subsection (b)(2) or (d)(2)(B) shall apply only to the gain or loss, respectively, on the excess described in subparagraph (A), but only to the extent of the quantity of the substantially identical property to which either subsection (b)(2) or (d)(2)(B) applies (determined without regard to this subparagraph)."

(D) Section 1233(e)(4)(A) is amended by striking out "for not more than 6 months," in clause (i) and inserting in lieu thereof "in the case of a corporation, for not more than 6 months, or in the case of a taxpayer other than a corporation, for not more than 2 years," and by striking out "subsection (b)(2)" in the language following clause (ii) and inserting in lieu thereof "the second and third sentences of subsection (b)".

(E) Section 1233(f) is amended by striking out "subsection (b)(2)" each place it appears and inserting in lieu thereof "the second and third sentences of subsection (b)".

(11)(A) Section 1247 (relating to election by foreign investment companies to distribute income currently) is amended by striking out subparagraph (B) of subsection (a)(1) and inserting in lieu thereof the following:

"(B) designate in a written notice mailed to its shareholders at any time before the expiration of 45 days after the close of its taxable year the pro rata amount for the taxable year of the adjusted class A and adjusted class B capital gain (determined as though such corporation were a taxpayer other than a corporation except that section 1212(a) shall apply in lieu of section 1212(b)); and the portions thereof which are being distributed; and"

(B) Clause (i) of section 1247(a)(2)(A) is amended to read as follows:

"(i) the adjusted class A and adjusted class B capital gain referred to in paragraph (1)(B),"

(C) Subparagraph (C) of section 1247(a)(2) is amended to read as follows:

"(C) Carryover of capital losses from nonelection years denied.—In computing the adjusted class A and adjusted class B capital gains referred to in paragraph (1)(B), section 1212 shall not apply to losses incurred in or with respect to taxable years before the first taxable year to which the election applies."

(D) Section 1247(c)(2) is amended by striking out "his long-term capital gains" and inserting in lieu thereof "in the case of a shareholder which is a corporation, its long-term capital gains, and in the case of a shareholder other than a corporation, his class A and class B capital gains";

(E) Subsection (d) of section 1247 is amended to read as follows:

(d) Treatment of Distributed and Undistributed Capital Gains by a Qualified Shareholder.—Every qualified shareholder of a foreign investment company for any taxable year of such company with respect to which an election pursuant to subsection (a) is in effect shall—

"(1) if such shareholder is a taxpayer other than a corporation—

"(A) include in computing his class A or class B capital gain for his taxable year in which received, his pro rata share of the distributed portion of the adjusted class A or adjusted class B capital gain, respectively, and

"(B) include in computing his class A or class B capital gain for his taxable year in which or with which the taxable year of such company ends, his pro rata share of the undistributed portion of the adjusted class A or adjusted class B capital gain, respectively, or

"(2) if such shareholder is a corporation, include in computing its long-term capital gains—

"(A) for its taxable year in which received, its pro rata share of the distributed portion of the sum of the adjusted class A and adjusted class B capital gains, and

"(B) for its taxable year in which or with which the taxable year of such company ends, its pro rata share of the undistributed portion of the sum of the adjusted class A and adjusted class B capital gains.

For purposes of this subsection the adjusted class A and adjusted class B capital gains shall be determined as provided in subsection (a)(1)(B)."

(F) Subsection (i) of section 1247 is amended to read as follows:

"(i) Loss on Sale or Exchange of Certain Stock.

"(1) Shareholders other than corporations. If, under this section, any qualified shareholder other than a corporation treats any amount designated under subsection (a)(1)(B) with respect to a share of stock as—

"(A) class B capital gain and such share is held by the taxpayer for 6 months or less, then any loss on the sale or exchange of such share shall, to the extent of the amount treated as class B capital gain, be treated as a loss from the sales or exchange of a capital asset held for more than 6 months but not more than 2 years,

"(B) class A capital gain and such share is held by the taxpayer for 2 years or less, then any loss on the sale or exchange of such share shall, to the extent of the amount treated as class A capital gain, be treated as a loss from the sale or exchange of a capital asset held for more than 2 years, or

"(C) both class A and class B capital gains and such share is held by the taxpayer for 6 months or less and there is a loss on the sale or exchange of such stock which is less than the sum of the amount so designated, then an amount of such loss shall be treated as a loss from the sale or exchange of a capital asset held for more than 6 months but not more than 2 years which bears the same relation to such loss as the class B capital gain so designated bears to the sum of such class B and the class A capital gains so designated; and the remainder of such loss shall be treated as a loss from the sale or exchange of a capital asset held for more than 2 years.

"(2) Corporate shareholders. If, under this section, any qualified shareholder which is a corporation treats any amount designated under subsection (a)(1)(B) with respect to a share of stock as long-term capital gain and such share is held by the taxpayer for 6 months or less, then any loss on the sale or exchange of such share shall, to the extent of the amount treated as long-term capital gain, be treated as a loss from the sale or exchange of a capital asset held for more than 6 months."

(12) Section 1248(b) (relating to gain from certain sales or exchanges of stock in certain foreign corporations) is amended by striking out "6 months," each place it appears and inserting in lieu thereof "6 months but not more than 2 years or held for more than 2 years, as the case may be,".

(13) Section 1375(a) (relating to special rules applicable to capital gains of electing small business corporations) is amended to read as follows:

"(a) Capital Gains.—

"(1) Treatment in hands of shareholders.—The amount includible in the gross income of a shareholder as dividends (including amounts treated as dividends under section 1373(b)) from an electing small business corporation during any taxable year of the corporation, to the extent such amount is a distribution of property out of earnings and profits of the taxable year as specified in section 316(a)(2), shall be treated (i) as class A capital gain to the extent of the shareholder's pro rata share of the adjusted class A capital gain (computed by the corporation as though it were a taxpayer other than a corporation except that section 1212(b)(2) shall not apply) for such taxable year, and (ii) as class B capital gain to the extent of the shareholder's pro rata share of the adjusted class B capital gain (computed by the corporation as though it were a taxpayer other than a corporation except that section 1212(b)(2) shall not apply) for such taxable year. For purposes of this paragraph, the adjusted class A capital gain or the adjusted class B capital gain shall be deemed not to exceed an amount equal to that portion of the corporation's taxable income (computed as provided in section 1373(d)) for the taxable year which bears the same ratio to such taxable income as such adjusted class A capital gain or such adjusted class B capital gain (determined without regard to the provisions of this sentence) bears to the sum of such adjusted class A and adjusted class B capital gains.

"(2) Determination of shareholder's pro rata share.—A shareholder's pro rata share of the adjusted class A or adjusted class B capital gain (computed as provided in paragraph (1)) for any taxable year shall be an amount which bears the same ratio to such adjusted class A capital gain or such adjusted class B capital gain as the amount of dividends described in paragraph (1) includible in the shareholder's gross income bears to the entire amount of dividends described in paragraph (1) includible in the gross income of all shareholders."

(d) Effective Date.—

(1) General rule.—Except as otherwise specifically provided, and except as provided by paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1963.

(2) Transition rules.—

(A) Distributions of capital gains.—

(i) If a taxpayer, other than a corporation, is required to include as capital gain in his gross income for a taxable year beginning after December 31, 1963, an amount attributable to sales or exchanges of capital assets held for more than 6 months and such gain was realized in a taxable year beginning before January 1, 1964, by a person described in clause (iii), such amount shall be treated by such taxpayer as class B capital gain.

(ii) If a taxpayer, other than a corporation, is required to include as capital gain in his gross income for a taxable year beginning before January 1, 1964, an amount attributable to sales or exchanges of capital assets held for more than 6 months and such gain was realized in a taxable year beginning after December 31, 1963, by a person described in clause (iii), such amount shall be treated by such taxpayer as long-term capital gain.

(iii) This subparagraph applies in respect of a regulated investment company or a real estate investment trust to which subchapter M of chapter 1 of the Internal Revenue Code of 1954 applies, a foreign investment company to which section 1247 of such Code applies, an electing small business corporation to which subchapter S of chapter 1 of such Code applies, a common trust fund to which section 584 applies, a partnership, an estate, and a trust,

(B) Loss on sale or exchange of certain stock. If a shareholder (or a holder of a beneficial interest), other than a corporation, in a regulated investment company, real estate investment trust, or foreign investment company is required for a taxable year beginning before January 1, 1964, under section 852(b)(3) (B) or (D), section 857(b)(3)(B), or section 1247(d), to treat an amount with respect to a share (or beneficial interest), as a long-term capital gain, and such share (or beneficial interest) is held by the taxpayer for less than 31 days (6 months or less in case of a shareholder of a foreign investment company), then a loss on the sale or exchange of such share in taxable year of such shareholder beginning after December 31, 1963, shall to the extent of such long-term capital gain, be treated as loss from the sale or exchange or a capital asset held for more than 6 months but not more than 2 years.

(C) Regulatory authority. The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the purposes of this subsection.

(D) Meaning of terms. Terms used in this subsection shall have the same meaning as when used in chapter 1 of the Internal Revenue Code of 1954.

Mr. LONG of Louisiana. I believe that the case has been made, both in the committee report and in the Senate discussion, that the House amendment on capital gains should not be agreed to. There are a number of reasons for that. In the first place, notwithstanding the high rate of progression in the tax on the upper bracket income taxpayers, many of the people in the upper brackets find ways to avoid paying large amounts of taxes which the steep graduated rates would seem to demand of them. The most effective way to reduce tax liability seems to be by means of capital gains income and by taking advantage of the provision in the law relating to charitable contributions.

A Treasury study of the subject of capital gains indicates that persons with relatively high percentages of capital gains pay relatively low effective rates, considering their income.

For example, if persons making $2 million or more, have a high ratio of capital gains income, they pay an effective rate of about 20.9 percent under present law, or roughly 21 percent.

Persons having a low ratio of capital gains income, the same Treasury study shows, have an effective rate of tax of 56.7 percent.

I ask unanimous consent that the Treasury study be included in the Record at this point in connection with my remarks.

The PRESIDING OFFICER (Mr. Walters in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the Record, as follows:

Changes in effective tax rates from present law, under House bill, and under Finance Committee bill which returns present capital gain provisions, for high-income taxpayers with low, medium, and high proportions of capital gains

Adjusted gross income	Tax under present law	Tax under House bill[1]	Tax under Finance Committee bill	Tax reduction as percent of present law tax	
	Percent of realized income			House bill[1]	Finance Committee bill
	High proportion of capital gains				
$120,000	27.6	24.2	25.9	12.2	6.3
$170,000	25.4	22.4	24.5	11.9	3.6
$300,000	22.4	19.6	22.3	12.5	.4
$700,000	20.1	18.1	21.1	10.4	−4.5
$2,000,000	20.9	18.5	21.3	12.6	−1.9
	Medium proportion of capital gains				
$120,000	32.0	28.1	29.1	12.1	8.9
$170,000	31.6	27.8	29.2	11.8	7.5
$300,000	30.5	27.1	28.9	11.2	5.4
$700,000	26.3	23.1	25.4	12.3	3.5
$2,000,000	30.2	25.7	28.0	14.9	7.3
	Low proportion of capital gains				
$120,000	39.6	34.8	34.9	12.2	12.1
$170,000	42.2	37.0	37.2	12.4	11.9
$300,000	48.2	41.3	41.6	14.0	13.5
$700,000	47.6	39.9	40.6	16.3	14.8
$2,000,000	56.7	46.0	46.4	19.0	18.2

[1] Assumes that the 40-percent inclusion factor would be applicable to 90 percent of net capital gains.

Note.—Realized income is the adjusted gross income increased by the 50 percent of capital gains excluded in computing adjusted gross income. Realized income does not include tax-exempt interest and the deduction of depletion from gross income.

Source: Treasury Department.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. MILLER. Does the Treasury study give any indication of how the capital gains impact works with respect to assets held within the periods envisioned by the House amendment? I mean as between class A and class B?

Mr. LONG of Louisiana. No; it does not.

Mr. MILLER. Would the Senator estimate that the bulk of the capital gain arises in the transfer of assets which have been held for less than 2 years?

Mr. LONG of Louisiana. No; the bulk of the gains involved would be with respect to assets which had been held for more than 2 years. As the Senator well knows, there is no tax on capital gains unless and until a person disposes of an asset, no matter how long he may have held it.

The appreciation in the value of assets, whether they be stocks or bonds or anything else, is, in effect, income to a person which is not taxable until he decides to sell the stock or bond.

If, under the various exemptions in the tax law, a person gives appreciated property either to a foundation or to some charitable or educational institution, the income never becomes taxable, either in his lifetime or after his lifetime.

Mr. MILLER. I am familiar with that point. As I understand the House-passed bill, the only change that would be made would be that if an asset were held for more than 2 years, the maximum capital gains rates would drop from 25 to 21 percent, and the amount to be reported on the income tax return would drop from half of the gain to 40 percent of the gain.

I thought it would be helpful if we had an idea of how much of the total capital gains taxation is derived from assets which had been held for more than 2 years, because it is that area which is receiving the benefit under the House provision.

Mr. LONG of Louisiana. I should say that, overall, it is perhaps more than 50 percent of all capital gains income on assets held more than 2 years. If the Senator will turn to page 162 of the committee report, he will notice the great difference that is made so far as high bracket income taxpayers are concerned. For example, if one reads table 11 in connection with table 12, on page 162 of the report, it will be seen that taxpayers having an adjusted income of more than $200,000 represent only about one one-hundredth of 1 percent of all taxpayers. However, note that these taxpayers receive 16 percent of all capital gains income.

Taxpayers having incomes of more than $100,000 represent four one-hundredths of 1 percent of taxpayers, and they receive 24 percent of all capital gains income. That is a small percentage of all taxpayers; but, as the Senator can see, they would receive a large percentage of all capital gains income.

I ask unanimous consent that the two tables shown on page 162 of the committee report be printed at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 11.—*Capital gains, by income levels*

Returns with adjusted gross income of—	Comprise this percentage of all taxpayers—	But receive this percentage of all capital gains
$200,000 and over	0.0096 of 1 percent	16
$100,000 and over	0.04 of 1 percent	24
$50,000 and over	0.2 of 1 percent	35
$10,000 and over	8.7 percent	69
Less than $5,000	57.8 percent	17

Source: Treasury Department.

TABLE 12.—*Overall distributional effects of the House bill (including capital gains changes) and the Finance Committee bill (which retains present law capital gains treatment)*

Adjusted gross income class (in thousands of dollars)	Total tax reduction as percentage of present tax		Capital gains tax reduction in House bill as percentage of total present tax
	House bill	Finance Committee bill	
0 to 3	38.6	38.6	0.3
3 to 5	26.5	27.3	.3
5 to 10	20.1	20.9	.2
10 to 20	16.9	17.3	.4
20 to 50	16.0	15.8	1.0
50 to 100	13.5	12.3	2.0
100 to 200	12.2	9.7	3.4
200 to 500	12.4	8.1	5.0
500 to 1,000	12.1	5.7	7.2
1,000 and over	12.0	5.6	7.4
Total	18.9	19.1	.7

Source: Treasury Department.

Mr. MILLER. Mr. President, I am not certain that I understand the last column. If we add the figures shown in the last column, the total is more than 100 percent.

Mr. LONG of Louisiana. That column presents a cumulative total down to adjusted gross income levels of $10,000.

Mr. MILLER. Then the point the Senator from Louisiana is making is that people enjoying incomes of $100,000 or over would receive 40 percent of the total of capital gains, according to the last column.

Mr. LONG of Louisiana. It would be 24 percent. I was not totaling the figures. Those having incomes of more than $100,000 represent four one-hundredths of 1 percent of all taxpayers, and they receive at present 24 percent of all capital gains income. That is the adjusted gross income; it is after one deducts business expenses and after he deducts one-half of his capital gains. Those with adjusted gross income of $50,000 and over represent two-tenths of 1 percent of all taxpayers. They are getting 35 percent of all capital gains income.

Taxpayers having incomes of over $10,000 represent 8.7 percent of all taxpayers, and they receive 69 percent of all capital gains income.

By contrast, let us drop to a lower income level and see what the distribution of capital gains is to taxpayers having less than $5,000 income. Those taxpayers represent 57.8 percent—almost 60 percent—of all taxpayers, but they receive only 17 percent of all capital gains.

The point has repeatedly been made on the floor of the Senate by a number of Senators—especially the Senator from Tennessee [Mr. GORE] and the Senator from Illinois [Mr. DOUGLAS] that taxpayers having large incomes frequently do not pay a large percentage of their incomes in taxes. I placed in the RECORD a table to illustrate that point. The fact agreed that only one-half of capital gains are taxable is the principal reason for those low effective rates.

Mr. MILLER. I appreciate having the Senator from Louisiana point this information out, but I am still confused about the last column, which indicates that taxpayers having less than $5,000 income receive 17 percent of all capital gains. Is that correct?

Mr. LONG of Louisiana. Yes.

Mr. MILLER. The next group, moving up the column, consists of taxpayers having incomes of $10,000 and over, and they receive 69 percent of all capital gains.

Mr. LONG of Louisiana. I regret to say that this table may be somewhat confusing. If the Senator will proceed down the column, starting with taxpayers having $200,000 adjusted gross income and over, he will note that these taxpayers receive 16 percent of all capital gains.

The next group are those having incomes of $100,000 and over, and that $100,000 includes those making over $200,000.

Mr. MILLER. I understand. That is 24 percent. Then the groups proceed to 35 percent, to 69 percent, and 17 percent. Why it does not go to 100 percent, I cannot understand.

Mr. LONG of Louisiana. The last figure is cumulative in the other direction. It proceeds upward from those who have zero percentage of taxable income to $5,000.

Mr. MILLER. Surely it must proceed from those who make less than $5,000 to bring the figure up to 100 percent.

Mr. LONG of Louisiana. The missing figure would be for those having adjusted gross incomes between $5.000 and $10,000. They receive 14 percent of the capital gains.

Mr. MILLER. That clears up the problem. I suggest that the Senator from Louisiana modify the table he has placed in the RECORD so as to show that information, because as it is now constituted, I believe the table is confusing. Would the Senator be willing to do that? It would require the addition of one more line in the table.

Mr. LONG of Louisiana. I will undertake to see that the RECORD is not confused.

Mr. MILLER. Perhaps an explanatory note would suffice.

Mr. LONG of Louisiana. Yes.

Mr. MILLER. On the same point we are talking about, the Senator from Louisiana has shown where the great impact of capital gains benefits is, but I am sure he recognizes that one of the purposes of the House amendment, or the House provision, if not the only purpose, is to encourage the holding of capital assets for a longer period, rather than to make quick in-and-out profits. Does not the Senator from Louisiana believe that it might be beneficial to encourage the holding of capital assets for longer than 6-month periods by providing some preferential treatment in rates? For example, if a person makes an investment for 2, 3, or 4 years, why should not his capital gains benefit be a little better than that of someone who is in and out in a matter of 6 months?

Mr. LONG of Louisiana. By holding on to his asset longer, a person obtains a rate of return on his capital gains not reduced for taxes, for that much longer. The full asset is available to him, when otherwise a portion of it would be paid in taxes. He can earn a rate of return on this portion as long as he does not have to pay tax on it.

Mr. MILLER. There is no incentive for him to hold his assets for more than 6 months.

Mr. LONG of Louisiana. The very best that can be said in this regard is that a person who had $1 million of capital-gains income—which was all appreciation—and who proceeded to realize that income would have to pay part of it in taxes. However, he would certainly realize that the longer he kept that asset and did not sell it, the longer he could defer that tax liability and could earn income on that amount in the meanwhile. If when he passed away he had not sold that asset, the potential capital-gains tax liability would never accrue. So there is an incentive to keep such an asset.

The longer he was in possession of that valuable asset, which would include the 25 percent which otherwise would have gone into taxes, the longer he could make additional income on it.

Mr. MILLER. But in the case the Senator has mentioned, the tax would be the same regardless of whether the person realized a capital-gains profit in 6 months or whether he retained the asset for 5 years.

Mr. LONG of Louisiana. But there would be a substantial incentive to postpone a tax liability of one-quarter of a million dollars. He still would have the one-quarter of a million dollars; and he could use it in various and sundry ways to his advantage, so long as he postponed entering into a transaction which would make the tax due. So he would have the advantage of having $250,000 of assets which otherwise would have been taken from him in taxes if he had made a transaction in which he had realized a gain which was taxable.

Mr. MILLER. I realize that, and I appreciate the helpfulness of the Senator from Louisiana in pointing it out.

Is it the conclusion of the Senator from Louisiana that it is not desirable for us to try to scale down the capital-gains tax rates according to whether a person holds his property for 6 months or whether he holds it for 1 year or 2 years or 5 years? Is that the policy the Senator from Louisiana favors?

Mr. LONG of Louisiana. Not precisely. I support the Treasury's view that this field needs reform, but that it should not be reformed in the wrong direction. In other words, the Treasury's recommendation was that this whole subject should be reformed, both by making the capital-gains treatment more favorable, and by making these gains subject to tax at death.

As for the argument in favor of the position taken by the House, I point out that the House version would make a very great reduction for those who profit from capital gains, because it would cut the tax both from the top and from the bottom. In other words, at present only 50 percent is taxable, whereas under the House provision only 40 percent would be taxable, where the asset was held 2 years or more. That in itself would reduce by 20 percent the tax on capital gains.

In addition, a person who is paying in the 50-percent bracket would be benefited by the overall limitation of a 25-percent tax on capital gains. The House bill would have provided a reduction from 25 to 21 percent in this case where the asset is held over 2 years. In this case he receives an additional 14-percent reduction. This would appear to be the most favored group of taxpayers in the entire country, and they would receive a tax reduction on that portion of their income from capital gains over and above the reduction generally available.

If the Senator will examine the table which I placed in the RECORD earlier today, he will find that the classes of taxpayers in the brackets of $2 million and over who realize a high percentage of their income by means of capital gains are now paying at an effective rate of only 21 percent; whereas, those who have the same amount of income, but with only a small percentage of it coming from capital gains, are presently paying at an effective rate of 56.7 percent; so they are paying at more than twice the others' rate.

With regard to what the pending bill will do, the Senator from Iowa will note that the House version would have the effect of conferring a much higher percentage of tax reduction on those who realize a higher percentage of their income as capital gains, as compared to what the Senate committee version would do.

Actually, under the Senate committee version, those who received more than $2 million a year, with most of it in capital gains, would be paying a little more tax than is presently required, because of the loophole-tightening provisions elsewhere in the bill. In other words, those who have been the subject of the illustration used by the Senator from Tennessee—persons who have millions of dollars of income, but pay little tax—would pay more under the Senate Finance Committee version; but taxpayers with incomes of similar amount and who pay more than half of it in taxes would be substantially benefited by this version.

Mr. GORE. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. GORE. In this particular instance, I wish to compliment and congratulate the Senate Finance Committee upon its action. As the distinguished junior Senator from Louisiana knows, I have disagreed many times with the majority of the Senate Finance Committee. However, I am pleased to state that in this instance I voted with the majority, and I was highly pleased by the action of the Senate Finance Committee, which by a small majority voted to strike this provision out of the House version.

As the Senator from Louisiana has pointed out, under existing law this is an area of very preferential treatment, not only with respect to the inclusion of only 50 percent of gain in adjusted gross income, but also with respect to the maximum rate of 25 percent. In addition, many gains which are not in fact capital gains are so treated by the law. So even under present law, capital gains income is given very preferential treatment. However, the House version of the bill—as the able Senator has so well pointed out—would make the existing situation much worse in two respects, if I may repeat: first, by reducing the amount which must be included as income from 50 percent to only 40 percent; second, by reducing the maximum rate from 25 percent to 21 percent.

If the Senator from Louisiana will yield further, at this point I should like to call the attention of the Senate to what I believe to be a fact—and the junior Senator from Louisiana has just now indicated that it is also his belief—namely, that the preferential treatment of capital gains profits or income is one reason why persons with very large incomes pay a relatively low effective tax rate. Capital gains is by no means the only vehicle used to reduce effective rates; there are many other exclusions and deductions.

I wish to call attention to the chart which is displayed on the easel in the rear of the Chamber. It is constructed from statistics which have been supplied by the Treasury Department. Those statistics can be found on page 181 of the committee report. Contrary to the impression which many persons have gained—that all persons in the very high income groups pay the so-called confiscatory taxes about which we hear—this table shows that the highest rate among "typical" taxpayers is reached at an income of $100,000, and that under the House version of the bill the "typical" taxpayer in the $100,000 bracket—one with adjusted gross income of $100,000 a year—would pay, not the maximum 70 percent rate, but an effective rate of only 26.2 percent of his realized income, in taxes.

From there on, startling as it may appear, as the income goes up the tax rate goes down until we reach the "typical" taxpayer with a realized income of $1,500,000 a year, where the effective tax rate is reduced to less than 16 percent.

This has proved shocking to many people, but it is in accordance with the statistics of the Treasury. I did not select the term "typical." It was explained later that "typical" meant more or less the average.

Mr. LAUSCHE. Mr. President, will the Senator from Tennessee yield?

The PRESIDING OFFICER (Mr. NELSON in the chair). Does the Senator from Tennessee yield to the Senator from Ohio?

Mr. GORE. I yield.

Mr. LAUSCHE. Will the Senator from Tennessee inform me how that result is achieved, in the face of what was supposed to be a higher figure for those who pay only 16 percent? How does it come about?

Mr. GORE. The Senator has asked a key question: How do people with large annual incomes avoid paying much tax?

To begin with, there are loopholes in the law. One can take advantage of many of these loopholes, however, only if he has large financial resources. One man may be able to buy a painting for $50,000 and contribute it to an institution and have it valued at a quarter of a million dollars, but he must have the $50,000 and be able to invest in a painting in the first place.

What I am trying to say is that there are many loopholes in the law of which one can only take full advantage if he has large amounts of money.

Mr. DOUGLAS. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I shall be glad to yield when I have finished one more point on this chart.

We were told in executive session—and I am not violating any confidence; I am sure the Treasury Department would be glad to furnish the statistics in open session—that of the assets contributed to so-called charities, including private foundations, for which the taxpayer gets a deduction of the current value——

Mr. LONG of Louisiana. The fair market value.

Mr. GORE. The current fair market value, which is often arrived at by estimates—the average markup from cost, or basis in the hands of the donor, is 45 to 1.

Mr. LONG of Louisiana. Appreciation in value.

Mr. GORE. In other words, the average taxpayer who contributes assets to a foundation, school, museum, or something that is deemed to be organized for a charitable purpose——

Mr. LONG of Louisiana. Even to his own private foundation.

Mr. GORE. Even to his own private foundation, which may be a far cry from charity—he gets a tax deduction on the average of 45 times the cost of the assets. This is one way in which this low rate is accomplished, but only one of the many ways.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the Senator from Tennessee may yield to the Senator from Illinois, with the understanding that I do not lose my right to the floor.

Mr. DOUGLAS. In addition to what the Senator from Louisiana and the Senator from Tennessee have been discussing, there is our old friend the depletion allowance, which greatly reduces the rate of taxation.

Mr. GORE. That is true, although this income is not reflected in adjusted gross income.

Mr. LONG of Louisiana. Since the Senator from Illinois has brought up the subject of depletion allowance, and he will be offering his depletion allowance amendment after a while, let me say that studies I have made indicate that insofar as the Senator wishes to contend that more income taxes should be levied against the oil companies and people who receive an income from oil, most of what he is talking about is at the corporate level. I believe the overwhelming bulk, about 80 percent, of what he is talking about with regard to depletion allowances, is at the corporate level, not at the personal level.

In addition, when the time comes to debate this question, I shall present some charts showing the amount of taxes that the oil companies actually are paying.

It will astound the Senator from Illinois, because while he looks upon the depletion allowance as an advantage that a manufacturing industry does not get, because it does not have the same problem, if we consider all the taxes the oil industry pays and take into account excise taxes, for example, those companies pay a high amount of taxes. It is doubtful whether one could justify increasing them. We shall reach that subject at the appropriate time, but I should like to say one additional thing——

Mr. GORE. Let me refer to my chart at that point.

Mr. LONG of Louisiana. Certainly.

Mr. GORE. No income from tax-exempt securities, no income that is tax exempt because of the depletion allowance and intangible drilling costs, is involved in this chart. If Senators will refer to the table——

Mr. LONG of Louisiana. The Senator has all the capital gains included in his chart, I believe?

Mr. GORE. The Senator is correct.

Mr. LONG of Louisiana. And I would assume the chart of the Senator from Tennessee treats charitable contributions as though they had actually been a product of personal income realized in the first instance, which in my judgment they were. The taxpayer made the money, but we make the allowance. But one reason the effective rate comes down is that those people make large contributions to charities and, to be fair about it, they are legitimate and proper contributions. The Senator knows charitable contributions generally are limited. There is the 20-percent limitation, and the 30-percent limitation based on income; and in addition, there is the so-called limited charitable contribution which is available where the person has given 90 percent of his income in charity or taxes during 8 out of the past 10 years.

That latter provision was subject to severe question by the Senator from Tennessee, and certainly by the Senator from Illinois. If I remember correctly, I believe it became law as a result of a legitimate situation involving a Catholic nun who did not have a tax avoidance purpose as her intention, of course; but subsequently certain schemes have been developed which make the 100-percent charitable contribution deduction one of the finest tax-avoidance schemes in the entire Internal Revenue Code.

But, if one looks to the legislative intent that was involved at that point, he will see that it involved a legitimate intent at the time it was voted.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. GORE. I wish to emphasize a phrase which the Senator used. He said, "if the tax and the so-called charitable contribution together total 90 percent of income." For example, suppose a person is in the 70-percent bracket.

Mr. LONG of Louisiana. If the Senator will make it 87 percent, then he will be talking about the kind of people who would employ that practice.

Mr. GORE. I should like to use the 70-percent figure. Then all that person would be required to do to achieve a preferred status would be to contribute some paintings on which he had obtained a very handsome evaluation, or some old building that he needs to get rid of anyway, and on which he has a high estimated value, for the remaining 20 percent. Under present law he can donate the painting and get a reduction for it, even though he keeps it on his own wall as long as he lives. Another provision in the Senate bill, that is an improvement, would change that. I wish to be fair about this bill. There are a few items in the bill that are good.

Mr. LONG of Louisiana. The Senator is not getting at one of the principal loopholes that the Committee on Finance and also the Committee on Ways and Means seek to close. Suppose a taxpayer were to go to a professional tax consultant. I mean a good one. I do not mean one of the "fly-by-nights" who hang shingles in various places. I mean a person who has three or four college degrees and who makes a good income showing taxpayers how to keep their tax liabilities low. Suppose that taxpayer made $1,500,000 last year and paid out most of it in taxes, and that he expected to do the same thing again. As the law has stood up until now, one of the first things the professional tax consultant would do would be to explore the possibilities of establishing for that taxpayer personal holding companies. He would then find ways to contribute money to those personal holding companies, and the income on this money would be retained in those holding companies and the taxpayer would pay a very small amount of tax. He could perhaps reduce the amount of tax he would pay by 90 percent through holding the money in the holding companies rather than receiving it directly himself. The Senator is familiar with that practice.

The Senator knows that we have proposed a very effective set of amendments to the bill to prevent that result from occurring. I believe one reason that we are doing a good job is that the Treasury expert who helped to draft the proposals is one who, as a private practitioner of law, used to advise people how to set up devices of that sort. So I believe the Senator will find that there is another way in which we have undertaken to strike out what we believe to be loopholes that should be closed.

Incidentally, I have received enough protests to know that we must be squeezing someone with our proposal. There are a great many people who feel that we are going far beyond what they believe our legitimate intent might be.

In connection with what we have been discussing, I point out that there appeared in yesterday's issue of the New York Times, a most unfair editorial entitled "Recklessness on Taxes." That editorial seemed to assume that the Congress—and it used the term "Congress"—had done certain things merely because some Senator proposed that they be done. It seems to be most unfair in the first place for the editors of that great newspaper to seek to blame the House of Representatives for something that the Senate is merely thinking about doing. The Senate has not agreed to do it. If I understand what was stated in the editorial to which I have referred, that newspaper seems to assume that the Congress has done something merely because a minority of Senators on the committee seem to think that that result should obtain.

It seems most unfair to me that writers of editorials should say that we are creating vast additional loopholes when, as a practical matter, we have proposed to strike out the $250 million item which, if I were a millionaire, would be the first thing I would be looking for to arrange things so that whatever small percentage of taxes I had failed to avoid, I could proceed to avoid in the future to a considerable degree. It seems to me that that is unfair when one considers the very large extent to which we are actually closing tax loopholes with the bill.

The chart submitted by the Senator fails to illustrate something which I believe would make his point even better. He has a line which would seek to arrive at a so-called average or typical taxpayer. The fact is that that line is arrived at by averaging two taxpayers together. At the $1,500,000 level, Senators will find one taxpayer who is paying 87 percent of his income in taxes. There are very few. Then Senators will find another taxpayer who is paying from 1 to 5 percent of his income in taxes.

The Senator has arrived at that 17-percent point for a taxpayer whose income is $1,500,000 by averaging the income of those two taxpayers together—the one who is paying altogether too much in that prohibitive tax bracket, and the other who is paying not nearly enough.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. DOUGLAS. The Senator has made a very significant point. In fact, tables which I introduced some weeks ago indicate that in 1959, 20 Americans with incomes over $500,000 did not pay a single cent in taxes. I believe 15 of those had incomes over $1 million. They did not pay a single cent. Some of those men have not paid a single cent for 4 years in succession. We believe that there was one man who, from 1948 to 1960, received an income every year of over $1 million, and yet he never paid a cent in taxes.

Mr. LONG of Louisiana. The Senator has examined the tables. He did not analyze all of them. He analyzed the one which the Senator described on a television program. He thought that that one was misleading. That table involved a taxpayer who was alleged to have made $26 million and had paid no taxes in that year. The Senator corrected the RECORD after he put in that table, and I looked at it. I noted that it happened to involve an installment sale, in which only $10 million of the $26 million was collected, and therefore taxable in the year to which the Senator referred. So he was not talking about a $26 million sale, insofar as the installment sale was concerned. He was talking about a $10 million sale. Under the capital gains provision only one-half of that amount would have been taxable. The part that was taxable would have amounted to about $5 million. That individual had a loss carryforward of $3,900,000 from the previous year.

If I recall correctly, the man had spent an amount that considerably exceeded the $1,100,000, which was then taxable, in his attempt to find additional oil in that year. He was selling his oil properties. I assume that he was selling the entire field. But in doing so he was trying to find more oil and drilling more wells in trying to achieve that result.

I do not know whether the Senator has ever discussed the oil problem and intangible drilling costs with those in the business. The large independents tend to think in terms of trying to take what they get from their intangible drilling costs and what they are allowed by their percentage depletion for the entire operation, and putting that back into drilling more wells in the same year, on the theory that in the business one either grows or contracts, and if a drilling program were not continued, eventually one would be out of business.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. DOUGLAS. We shall come to the question of depletion allowances later. On that point the Senator from Louisiana and I shall differ. What I am trying to do at the moment is to reenforce the position of the Senator from Louisiana, who is trying to reduce some of the damage created by the House bill. The Senator from Tennessee has pointed out that the average is only about 16 percent.

Mr. GORE. A little less than 16 percent.

Mr. DOUGLAS. 15.9 percent. Not only were there 20 men in the year 1959 with incomes of over $500,000 who paid no taxes, but 17 of those 20 had incomes of over $1 million. Five of them had incomes of over $5 million. Out of a total of 1,002 Americans who had incomes of over $500,000, there were only 8—less than 1 percent—who paid from 80 to 85 percent; only 54 from 70 percent to 80 percent, which would be 5 percent; and only 89 from 60 percent to 70 percent.

The point is that there are great loopholes, of which the capital gains loophole is, I think, the greatest; and the House bill made it worse. The Senate committee at least prevented it from becoming worse. I congratulate the Senator from Louisiana for defending the committee's position. I hope the Senate will support it, and that we shall be able to hold the line in conference, where we may be in real trouble.

Mr. LONG of Louisiana. The Senator from Illinois and I agree on the capital gains provision, and we agreed in committee.

For the benefit of Senators who might be interested in the capital gains provision and the way in which it may be used to avoid paying taxes. I placed in the RECORD the complicated procedure which can be used to pay little or no tax through using the capital gains provision with other provisions in the tax laws.

Suppose my credit were good enough for me to borrow $17 million at the bank. The interest on that amount, at 6 percent, would be $1 million. Suppose I bought stocks with that amount assuming I knew enough about what I was buying to protect myself. But let us assume that I realized $2 million on those stocks. The money need not have been made on those stocks. I could have had other property. On that realization of a $2 million capital gain, only half of it would be taxable, namely $1 million. Since I paid $1 million in interest on the amount I borrowed, that interest can be deducted against the $1 million which remains taxable. So, although I would have realized a net gain of $1 million I owe no income tax. That is legally within my right.

When we obtain from the Treasury Department the list of taxpayers who made large incomes but who paid no taxes, most likely it contains a list of those who realized capital gains but who had large interest payments to make.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. GORE. The Senator from Louisiana is very fair, and he is being very fair in the presentation of this amendment and this issue. The example he has just given illustrates the accuracy of my reply to the Senator from Ohio a few moments earlier when I said there are many loopholes in the tax law, of which only those with very large financial resources can take advantage.

If the Senator will be good enough to allow me to take a moment to refer to another amendment, and I hope he will not think me immodest if I refer to it as my amendment, I shall be very grateful. I think it is a very important one. The amendment would eliminate the eligibility of a contribution to a private foundation for the so-called unlimited charitable contribution deduction.

The Senator from Louisiana supported that amendment in Committee. I hope this amendment can be held in conference. After it was fully discussed in committee, as I recall, the amendment was unanimously adopted.

May I ask the Senator from Florida [Mr. SMATHERS] if that is correct?

Mr. SMATHERS. That is my recollection. It was unanimously adopted.

Mr. GORE. The Senator from Louisiana is more familiar with foundations than is the Senator from Tennessee.

Mr. LONG of Louisiana. I would not say the Senator from Louisiana is——

Mr. GORE. At least, he knows that many foundations which have been eligible for the unlimited charitable contribution are not charitable at all, but many of them remain in the control of taxpayers and are used as financial resources for just such other operations as the Senator from Louisiana alluded to.

Mr. LONG of Louisiana. I would not like to specify any names, but I think there have been cases in which individuals have used charitable foundations——

Mr. GORE. So-called charitable.

Mr. LONG of Louisiana. In certain cases it seems to me that tax avoidance might have had more to do with the creation of the foundation than the desire to benefit charity. In most States such foundations are not strictly regulated.

Mr. GORE. Or there is no regulation.

Mr. LONG of Louisiana. In most States there is no limitation on how such funds can be used.

I believe I am correct in saying that some of the foundations are permitted to lend money back to relatives of the same persons who put the money into them. So taxes can be avoided by putting money into the foundations and lending it to relatives to buy, for example, a hotel in Miami, or an office building, or a shopping center. If the project succeeds, the children who may own the equity in it can pay the foundation interest; and if the project fails, of course, the foundation has lost the money. There are a number of ways in which foundations can be used almost as a second form of title ownership on behalf of the so-called trustees of the foundation.

Mr. GORE. It is also encouraging, I believe, to know that the Senate Finance Committee, after a discussion of the entire problem of foundations, agreed to undertake, and requested the Treasury immediately to begin, a thorough investigation of the operations of foundations and the tax avoidance schemes and devices employed in connection with foundations. I believe this is to the credit of the Finance Committee.

Mr. LONG of Louisiana. There are some restrictions in the code to the extent to which taxpayers may use the foundation for their own benefit, but my understanding is that they are not too strict.

In order to be fair, let me state that many of those who are affected by this provision—perhaps even a majority—set up foundations in complete good faith and undertake to operate in that manner. The only complaint I have heard from those who would be affected is that they should have 3 years to pay out the money that has been put into the foundations. They would like to have that much time to have those managing the foundations decide how the money should be used and where it should go, whether to colleges or charities, for example.

Mr. GORE. I join the Senator from Louisiana in the statement that many persons have set up foundations for such a purpose. Unquestionably some of them have the very best of motives. But some have not. Some have had tax avoidance as the motive.

Mr. LONG of Louisiana. When one really analyzes the question, insofar as Congress is concerned, Congress should stop the use of foundations for tax avoidance, when they are not used for benefiting education or charity. In other words, while we are trying to give favorable tax treatment to people who seek to contribute generously to education and charity, Congress certainly does not have the intention—and not having intended it, should not permit it to happen—of permitting some individuals to avoid the payment of millions of dollars in taxation through the device of offering assets to charity.

This illustrates why I think the overweaning need in tax legislation is tax reform.

There is a modicum of tax reform in the bill. The pending amendment on capital gains, which the committee has reported, is not tax reform. We are trying to hold the line against a worsening of an already very bad, inequitable situation. I will support the committee. I hope the conferees will never consider, even for a moment, bringing back to the Senate a reduction in the capital gains inclusion factor or a maximum rate.

This chart illustrates a danger to our tax system. The average citizen who takes his lunch pail to work and whose tax bite is taken out of his weekly check does not realize, and perhaps he never will, in the mass, that the very rich people in this country pay a very low tax rate.

This is wrong. It endangers our system of income taxation, which depends largely upon voluntary compliance. If the mass of our people should come to realize what this chart reveals, we might be in danger of a taxpaying strike. Consider the unfairness of the system. Consider how steeply the rates are graduated on the lower incomes. The chart shows almost a straight line, almost a perpendicular rise. Then, when we get above $15,000, it becomes a curve. Then when we pass $50,000, it begins to curve some more. The highest point of effective taxation is reached at an adjusted gross income of $100,000 a year. The rate is only 26 percent under the pending bill. Under present law, the highest effective rate is reached at an income of $100,000 a year, and that is an even 30-percent rate.

From there on, both under present law and under the pending bill, as the realized income goes up, the effective tax rate goes down. The people of the country do not realize this to be the case.

I believe the Senator should keep in mind that in the chart the Senator uses only 1 inch on the lower horizontal line for 98-plus percent of the taxpayers who pay less than $50,000. Then he proceeds to use about 4 feet on the chart for the other 2 percent of the taxpayers on his chart. If he had made a chart graduated from zero tax income up to $50,000, the rate would gradually increase. Then there would be a decline from the $100,000 point.

Mr. DOUGLAS. If I may interrupt, that would have required a chart 40 feet long.

Mr. LONG of Louisiana. The Senator could have used semilog paper. So there are ways to show such a situation. If a taxpayer were making about $3,000, he would be paying in tax only a very small percentage of his income. Then we would gradually reach the point where a taxpayer would be paying 20 percent; and so on up. It would illustrate the point that in the area between $50,000 and $100,000, a hiatus seems to occur. People in that bracket actually pay at a higher rate than those who have a great deal more income. The reason is that when they find themselves paying at the tax rate applicable to those brackets they go to see a tax lawyer to see what they can do about their income tax rates—in line with what others are doing.

Mr. GORE. If the Senator will refer to the table on page 181 of the committee report, he will find that the rates increase sharply on the lower incomes. For instance, the rate jumps from 2½ percent on $4,000 of adjusted gross income to 9½ percent on $10,000 of income.

Then it goes from 9.5 to 13.6 percent at $20,000 of adjusted gross income per year. If we look over to the right, we find the incongruous situation that from the high point of 26.2 percent at $100,000 the rate is reduced to 22.9 percent at $200,000; to 19.2 percent at $500,000; and at $1 million of adjusted gross income the rate comes down to 15.9 percent.

So to put the chart in perspective, it had to be overcrowded on the low end of the scale. There is an almost perpendicular rise in the lower brackets.

Mr. LONG of Louisiana. The Senator from Tennessee and I both reach the same result, but perhaps by a slight difference of reasoning. Nevertheless, we both reach the same result. The footnote to the chart to which the Senator refers states that this figure exceeds the adjusted gross income largely because adjusted gross income includes only 40 percent of capital gains, under H.R. 8363.

Mr. GORE. That is correct.

Mr. LONG of Louisiana. That is how the House provided for this situation, but it is not what the Senate committee voted.

Mr. GORE. I agree. If we adopt the committee amendment, we come nearer to 30 percent instead of 26 percent, and we arrive at somewhere between 16 and 17 percent at the figure of $1,500,000 of realized income.

Mr. LONG of Louisiana. Yes. I regret very much that the Treasury study, which I placed in the RECORD earlier is not available to you to make this clear.

But this is the difference in the way the situation would stand. When a person making $2 million, who has a high proportion of capital gains, pays taxes, according to the Treasury study, his effective rate is 21.3 percent. That is his effective rate, if we consider capital gains as being a part of income.

That figure is somewhat at variance with what the Senator from Tennessee has shown, but it illustrates the same point. Keep in mind that this is a different study, using a different set of tax returns. It supports the Senator's conclusion but does not arrive at the same point, because the Treasury has used a different set of returns to make its study.

This is the average for taxpayers having incomes of $2 million with a lower percentage on capital gains. These taxpayers are paying 56 percent of their income in taxes. They are paying an effective rate twice as high as that paid by those who have a higher percentage of capital gains.

The House bill would make a 12.6-percent tax reduction available to those who are already paying far too little, and it would make a 19-percent reduction available to those who are paying far too much at present. But if we consider the overall effect of the $2 billion, when we include the provisions to tighten the loopholes, passed by the House, and to some degree strengthened in the Senate by the Committee on Finance, the bill would provide, with regard to the group of taxpayers who are paying far too little under the bill, that they would pay more taxes. Those having an income of $2 million under the Finance amendments would pay at an increased rate of 1.9 percent. This is the group with the high ratio of capital gains income. Those having an income of $700,000 would pay at an increased rate of 4.5 percent. This also is the group with a high ratio of capital gains.

On the other hand, those who have $2 million or more of income but a low ratio of capital gains would receive, under the Finance Committee version of the bill, a reduction of 18.2 percent, which is only slightly less than the House would have provided. At the same time, it would do justice and equity, when one recognizes that it affects the people who are really paying the high tax rates on most of this money.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. DOUGLAS. The Senator has made an interesting statement. I wonder if he has an estimate of the amount of money that would be lost if the House version were to become law.

Mr. LONG of Louisiana. With the law in full operation, the loss would be $260 million a year. The House defense of this provision makes much of the fact that in the first taxable year, the gain to the Government would actually amount to about $100 million. That estimate is based on the assumption that people would be encouraged to sell many of their assets which at present they do not find it advantageous to sell.

Mr. DOUGLAS. But ultimately the loss of revenue would be $200 million a year, would it not?

Mr. LONG of Louisiana. $260 million.

Mr. DOUGLAS. That amount would relate almost entirely to those having incomes of $50,000 or $100,000 a year, would it not?

Mr. LONG of Louisiana. In large part, it would. The overwhelming bulk of it would perhaps affect 3 percent of all taxpayers.

Mr. DOUGLAS. Therefore, to this degree, the Senate amendment plugs one of the big loopholes in the House bill.

Mr. LONG of Louisiana. That is shown in table 12 of the Senate report. If the bill should become law, and if it should be subject to the charge that it is unduly partial to the wealthy, it would be because the House provision with respect to capital gains had prevailed.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. GORE. The Senator has cited another table supplied by the Treasury, and which he has just read, showing that a taxpayer having a realized income of $2 million pays at the 20-percent tax rate. The table which the Treasury supplied in response to my request——

Mr. LONG of Louisiana. Keep in mind that those are individuals who have a high proportion of income as capital gains.

Mr. GORE. Yes; I understand. The high proportion of capital gains, as the Senator said earlier, is confined to less than one-tenth of 1 percent of the taxpayers.

The Senator may recall that the table from which this chart was made was presented in answer to the charge I had made that, under the bill, the average worker would receive an increase in take-home pay of only 4, 5, or 6 percent, while persons having large taxable incomes would receive more than 100-percent increase in take-home pay. In other words, the after-taxes income for the average worker in the United States would be increased by a small percentage amount. But for people having large taxable incomes, incomes of $200,000, $400,000, or $500,000, the bill would provide a very high percentage of increase in after-tax income. Secretary Dillon cited one instance of an actual taxpayer who would receive an increase in after-tax income of 84 percent. Mind you, this is 84 percent of a large amount. It is the reverse of tax reform which favors equity.

To answer my charge that this bill would give a very high percentage increase in take-home pay, or after-taxes income, to the persons in the high brackets, the Treasury prepared this table, which shows that the average or "typical" taxpayer with a large income does not get a big benefit, because he does not pay very much taxes anyway. This small chart, to which I now call attention, a sort of homemade one, prepared by my own staff, shows the percentage increase in take-home pay under the bill. It is based on taxable income. Notice how steeply the line on the graph rises. At a $500,000 taxable income, there is a 100-percent increase in after-taxes income, under the House bill.

I shall not mention any names; but if the pending bill is enacted, certain persons will have twice as much money left after they pay their taxes under the bill as they now have after paying taxes under the present law; and the present law is bad enough.

Mr. DOUGLAS. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. DOUGLAS. Should not we at least give the Finance Committee credit for the good things it has done in trying to prevent the present law from becoming worse?

Mr. GORE. I am willing to do that; and if the Senator from Illinois will examine the Senate committee's version of the bill, he will find that I placed in it about as many amendments as any other member of the committee did; and all five or six of those amendments are designed to curb the excesses contained in the House version.

Mr. DOUGLAS. That is correct.

Mr. GORE. Even so, despite the improvements we have made, it still is a very bad bill, making a very bad and very inequitable situation much worse.

Mr. LONG of Louisiana. Mr. President, I have been yielding to the Senator from Tennessee, and I do not mind having him debate on my time because I do not care to insist upon a great amount of formality; but I wish the Senator would leave his chart here long enough to enable me to comment on it. Unless I miss my guess, he will find that his so-called homemade chart is based on the assumption that those whom he has demonstrated in the first instance not to have a high percentage of tax actually have been paying the confiscatory rates. In other words, if we assume that they were paying 87 percent of their income in taxes, this measure would increase their take-home pay; but if we assume that they were paying at a rate of approximately 20 percent, this bill would not increase their take-home pay as much.

Mr. GORE. Mr. President, will the Senator from Louisiana yield further?

Mr. LONG of Louisiana. I yield.

Mr. GORE. I acknowledge the accuracy of the Senator's statement; and I have tried to state clearly that this homemade chart on take-home pay is based on taxable income. I confined it to that.

If a corporation executive has a $200,000 salary, that income is taxable at ordinary rates. If he receives his income from restricted stock options, it is not. That income does not show on this chart. This chart is based on taxable income which is taxed at ordinary rates. This is the kind of income the mass of our people have. The persons who "get it in the neck" on taxes are those whose income is composed of wages or salaries or fees subject to the ordinary income tax rates.

Mr. LONG of Louisiana. Then the Senator's chart presents an even more misleading picture because a working man who has a wife and three children, let us say, and is earning $3,500 a year has no taxable income; all of his income is tax exempt. On the other hand, if he is paying an income tax of only $20, based on only $100 of taxable income, if we reduce his tax liability to zero, we still have not greatly increased his take-home pay.

Mr. GORE. But I fear that the Senator from Louisiana misunderstands the term. Taxable income is arrived at after taking the exemptions and deductions to which a taxpayer is entitled. Therefore, a man who has a wife and two children, and receives annual wages of $5,000, would by no means have a taxable income of $5,000 a year. He might well have a taxable income of $2,000 a year. This table shows, as I have said, that after taking the personal exemptions and after making the normal deductions, the amount which is taxable is arrived at. But under the pending bill, the percentage increase in take-home pay rises very rapidly, and thus we have the incongruous result that the average citizen would receive a small percentage increase in his small take-home pay, whereas those with very large incomes would receive a very large percentage increase in their already very large take-home pay.

How a Democratic Congress would ever enact a measure of that sort is a mystery which I am unable to solve.

Mr. LONG of Louisiana. Mr. President, inasmuch as the Senator from Tennessee is now presenting his views, perhaps I should now yield the floor, so that from now on he will speak on his time, not on mine.

Mr. GORE. I apologize, Mr. President.

Mr. LONG of Louisiana. It is not necessary for the Senator to apologize; I am perfectly willing to yield to him. I question the propriety of my holding the floor, because the Senator from Tennessee has some very fine points to make, and I am perfectly willing to yield.

The first time I heard the argument that the tax cut on the take-home pay should be considered was prior to the time when I became a Member of Congress, prior to the 80th Congress. At that time, the AFL and CIO made much of the fact that the bill had, according to them, greatly increased the take-home pay of the wealthy, but that there had been only a small increase in the take-home pay of the poor. I am happy to say that the AFL–CIO, which made that argument, and made it effectively in the campaign that followed, is strongly in support of the pending bill. Those groups have a strong responsibility to their union members, and they are very much pleased with this bill.

A number of provisions greatly favor the persons in those income tax brackets. In terms of take-home pay—and I do not understand that any comments about tax reduction or tax rate reduction have practical meaning unless they are related to take-home pay—let us consider the situation of a single man who earns $900 a year. He is paying a tax of approximately $46 a year, give or take a dollar. Under the present bill, he will pay no tax; so he will have a 100-percent reduction in his tax, but his take-home pay will be increased by only about 5 percent. Of course we cannot cut his taxes more than 100 percent. One can argue, and I believe the Senator from Tennessee so argues, that we should do something else—perhaps put him on relief and give him welfare checks, or do something along those lines. However, when we increase his take-home pay by 5 percent, that is all we can do in terms of tax relief, because that will mean a 100-percent cut in his taxes.

In the case of a person making $1,000, he is paying a tax of approximately $62. The pending bill would give him a tax cut of 75 percent; and some contend—and with good logic—that his tax ought to be cut to zero.

Such a reduction would cause a considerable revenue loss. If that reduction were made, in the future we could not make a further tax reduction for him, because then he would not be paying any income tax. However, if it were still argued that he should receive more of a tax cut than a 100-percent tax cut, what could we give him? The only way to help him would be to raise the minimum wage—for which I have voted on a number of occasions, and for which I will vote in the future—or to give him welfare checks.

But so far as increasing the take-home pay, we did all we could when we took him completely off the roll as an income-tax payer.

As I stated those who have the responsibility of looking after the interests of wage earners feel that this is a good bill. They feel that some matters in which they have a great deal of interest are a part of the bill. I know that the Senator from Tennessee will remain of the same opinion, that this should provide a bigger cut for the man at the bottom, but those who have a direct responsibility to that man at the bottom feel that it is a good bill for him.

Mr. GORE. The Senator from Louisiana has just demonstrated that tax reduction does not, in fact, do much for people of ordinary income and does not, in fact, do anything for the unemployed. Indeed, it seems to me he has demonstrated that the bill will play no part in the war on poverty. There is one way we can help the taxpayers who need help most, and that is by raising the personal exemption instead of enacting this kind of rate decrease contortion. We can thereby give the largest tax reduction to those who need it most, to the parents of the largest number of children.

I thank the able Senator from Louisiana. I shall not ask him to yield further. He has been most generous. I wish to close, however, by joining him 100 percent in the committee amendment to strike out the capital gains provision in the House bill. I was among those who insisted that this committee amendment be reserved for a separate vote, and rollcall vote, in order that the conferees may know that the Senate strongly resists the provision which would make more inequitable an already highly inequitable provision of present law.

Mr. MILLER. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. McINTYRE in the chair). Does the Senator from Louisiana yield to the Senator from Iowa?

Mr. LONG of Louisiana. I yield.

Mr. MILLER. I thank the Senator from Louisiana. I invite the attention of the Senator from Tennessee to two or three comments just made which I believe should be clarified. One is with respect to the so-called homemade chart. I find it difficult to reconcile the chart which is explained on page 181 of the report under the separate comments of the Senator from Tennessee with the homemade chart.

It appears to me that in the chart which the Senator inserted in the report under his separate comments, the percentage increase in after-tax income of the typical taxpayer is rather uniform all the way down the scale, all the way from the low bracket to the high bracket. I cannot reconcile that chart with the homemade chart.

Mr. GORE. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. GORE. If the distinguished Senator from Iowa will turn to page 190 of the committee report, he will see the chart on after-tax income. Column 8 on page 190, which incidentally is explained on page 191, shows the percentage increase in after-tax income.

Mr. MILLER. On page 191, the chart refers to the percentage increase in after-tax income, and it ranges mostly from 1 to 5 percent. I should like to know, how the Senator puts the two tables together.

Mr. GORE. The chart which the Library of Congress prepared was prepared on the basis of effective tax rates on realized income.

Mr. MILLER. Is the Senator from Tennessee referring to the chart on page 181?

Mr. GORE. That is correct. The chart which my own staff made conforms to the table on page 190, which was prepared by Mr. Colin Stam and his staff of the Joint Committee on Internal Revenue Taxation. Column 8 of the table on page 190 shows the percentage of increase in take-home pay, running from a low of 4.7 percent on taxable income of $4,000 to a 134-percent increase on a taxable income of $1 million.

Mr. LONG of Louisiana. Mr. President, I now ask for the yeas and nays on the committee amendment relating to capital gains, on page 233 of the bill, after line 10, striking out certain language.

The yeas and nays were ordered.

Mr. SMATHERS. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I hope that the cloakroom attachés will inform all Senators that a yea-and-nay vote is expected in about 10 minutes on the committee amendment with respect to capital gains, so that Senators may be alerted and so that the time for a quorum call may perhaps be saved.

Mr. MILLER. I thank the Senator from Tennessee for the explanation, but I do believe that if one considers the chart which he inserted on page 181, it is a little more realistic approach. Of course, we can always make charts using almost any combination of figures, but I do believe that the chart which he himself inserted on page 181 of the Finance Committee report is more realistic.

Mr. GORE. I thank the Senator from Iowa.

Mr. MILLER. Although the Senator from Tennessee and I may not use the same reasoning, I believe that his point concerning the beneficial impact of the bill is well taken. The idea of raising the individual exemptions might work in the opposite direction from the direction in which he is striving, because the Senator from Tennessee well knows that if a person in a high income bracket were to receive a higher personal exemption, the tax savings to him would be much greater than to the individual in the lower income bracket. So I believe that his proposal to increase the $600 exemption would actually work to increase the inequity to which he has been referring in this colloquy.

I should now like to add one further point, on which I may have more to say later. The Senator from Louisiana talks about certain wage groups being interested in and favoring the bill. I should like to suggest that those in the wage brackets of $4,000 and under, are probably cold to the tax bill; and that gets over into the war on poverty sector about which we are supposed to be deeply concerned.

Mr. LONG of Louisiana. If the Senator will permit me to speak for one moment, I know that what he is looking at might convey that impression. I should like to direct his attention to something else in the bill.

Mr. MILLER. I am looking at the table on page 181 of the report which shows the $3,000 adjusted gross income for a married couple with two dependents as now taxed, and after the bill. Also in the $4,000 bracket, the tax now is $143 and the tax after the bill would be only $40 less, almost an insignificant amount.

Mr. LONG of Louisiana. A 30-percent reduction, however.

Mr. MILLER. Percentages mean little when one is in that kind of bracket. The point that can be made is that a married couple with two children would receive a $40 tax cut on a $4,000 income, yet the Senator knows that the way the value of the dollar is going down—and will continue to go down as long as we continue to have billion-dollar deficits—they will probably have twice that much inflation tax to pay.

The poor devils in the $3,000 tax bracket would have no tax benefit at all, but they would be stuck with inflation. That is the poverty sector about which we are supposed to be worried.

The argument of the Senator from Tennessee as to the tax bill's having a bad impact on the poverty sector is very well taken, but I do not share with him his approach in trying to cure it. I cannot understand how any group of wage earners in the $4,000-and-under bracket could possibly be favoring the bill.

Mr. LONG of Louisiana. We have heard reference to the fact that a taxpayer who is presently paying $140 in taxes would save only $40 of his taxes. I should like to point out that if we provided a 100-percent tax saving for him, he would be saved only $140. That is all we are talking about.

If we should explore into the question of who would receive the benefit of the bill, we would find that about 50 percent of the Government's income is derived from approximately 17 percent of the taxpayers. The taxpayers who are paying 50 percent of the cost of the Government would receive about 40 percent of the contemplated tax relief. Those who pay the other 50 percent, receive the other 60 percent of the proposed tax relief.

Dollarwise they would receive the bulk of the tax relief.

The bill is worked out on a percentage basis. The wealthier the taxpayer, the smaller the percentage of tax cut he would receive. The poorer the taxpayer, the higher percentage of tax cut he would receive. I must confess that we would not find it within our power to save the person who is not paying a tax anything in taxes. If some Senator would wish to introduce a minimum wage bill, I would vote for such a bill. If a Senator would introduce a bill to provide welfare for such a person, and if he could make a good case for the bill, I would vote to give that man a welfare check. But it is beyond our power to give that man a tax cut if he is not paying any taxes.

Mr. MILLER. For that reason a large group of people—apparently 20 percent of the families in the poverty sectors—would receive absolutely no benefit from the tax bill, and yet they are the ones who would bear a good chunk of the inflation tax that would ride along with the $5 to $7 billion deficit that we are anticipating.

Testimony was received by the Joint Economic Committee that in the next year we can expect $5 to $7 billion in inflation. That amounts, roughly, to a 2- to 4-percent hidden sales tax on the backs of the people throughout the country.

Those are the people who would get it in the neck without any tax benefit whatsoever under the bill, or with very little benefit.

Mr. LONG of Louisiana. Mr. President, those of us who support the bill, and certainly those of us who took the position of the two Presidents who recommended it, do not believe that the bill would have an inflationary effect. Therefore we do not believe that the result to which the Senator has referred will come about.

If an individual is paying taxes, many provisions in the bill would help him Many people would pay no taxes. Suppose a person is earning $900 a year and we cut his taxes $46. That is all he has been paying on his income of $900. Would that not mean much to the man who is making the $900? If he is getting by on $80 a month and we give him a $46 tax cut, he would be tickled pink with it.

I should like to do more for him. But the bill is not the whole war on poverty. It is but one aspect of it. What we hope to do for that taxpayer more than anything else is to get him out of the $900 a year income bracket and get him into the $3,000 a year income bracket by creating more jobs. That is how we hope to make the war on poverty effective for him.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield to the Senator from Kentucky.

Mr. MORTON. Would it be in order to suggest a unanimous-consent request that the Senate vote on the committee amendment relating to the capital gains section of the bill at 1 o'clock?

Mr. LONG of Louisiana. Mr. President, if no other Senators desire to discuss the amendment, I am ready to vote now.

Mr. MORTON. I should like to make a brief statement.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the vote on the committee amendment commence at 12:45 p.m. If Senators desire, there can be a quorum call between now and 12:45.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MORTON. Mr. President, without going into the merits or demerits of the overall bill, which the debate has been encompassing in the past half hour or so, I should like to address myself briefly to the particular amendment that is before the Senate. My statement is in the nature of opposing the committee amendment which would strike the so-called capital gains section from the House bill. The amendment came before the committee. At that time a debate developed in the committee as to certain features of the capital gains tax which deal particularly with purebred livestock and certain other agricultural provisions in the bill. I happen to favor the present law in connection with the application of capital gains to our agricultural economy, in the case of purebred livestock and otherwise. I was afraid that amendments might be offered and adopted which would impair the present law as it applies to purebred livestock. I therefore voted in the committee to strike the section, knowing that those who wanted to amend it then would have nothing to amend. Now that the bill has reached the floor of the Senate, I am sure there is sufficient representation from States that are affected by the present provisions as they pertain to the agricultural economy to sustain the present law. I did not mean to imply by my vote that I thought there was anything wrong with the House language insofar as the new rates would apply to capital gains in connection with stocks, real estate, and so forth.

The Treasury itself has said that it will get more money—at least for the first couple of years—under the House language than under the Senate language. I am inclined to think that that situation would prevail for many years. I believe that one thing that we are up against now is that too many funds are locked in. If we were to unlock those funds by enabling people to sell a piece of real estate and develop another one and to sell out one company and build up another one, we would provide more employment and do more to stimulate the economy than would be the case under existing law. Adoption of the committee amendment would continue existing law.

For that reason I expect to vote "nay" on the committee amendment. This would have the effect of maintaining and supporting the House language in regard to capital gains.

As I understand the philosophy behind this measure, it is to stimulate the economy; and we need investment in order to stimulate the economy. I believe the purpose of the bill would be better served by adopting the House language in this regard.

I am not optimistic about the number of jobs that the tax bill, when enacted into law, will create. I am not too optimistic about how much it, in itself, will stimulate an economy that is already operating at a high rate. But some of these tax rates are not justified, and I think a tax cut proposal has had, and will continue to have, a disciplinary effect on spending.

Already we have seen some evidence of it. Congress cut, by $6 billion-plus, the request for the obligational authority in the current fiscal year. I believe one reason Congress did it was that the tax cut bill was so much in the forefront, and because we have been hearing from our constituents, "Let us have a tax cut, but let us exercise some discipline in spending."

The budget recently submitted for the coming fiscal year may have been affected and influenced by the knowledge that the tax bill was before the Senate for consideration.

Finally, and specifically about this section, the Treasury will certainly get more money in the next 2 or 3 years if the House language is retained, and I am not so sure it will not get more money for all time, for there will be a release of money that has been "locked in." Today, for a man to sell property in which he has a profit and get another piece of property, he has to be 25 percent smarter than the market. It is, of course, a great restraint on development of capital and assets which lead to job opportunities.

So I trust the Senate will support the House language in this respect.

Mr. JAVITS. Mr. President, after the vote is taken, I hope to address myself to the general policies of the bill and what it will and will not do economically—a matter to which I have given great consideration. I should like to take a moment on this amendment.

I shall vote "yea" on the committee amendment, because we are at the crossroads with respect to the tax bill. I agree with much of what my friend the Senator from Kentucky has said. As we look at the area of experience, reducing the capital gains rate might conceivably result in loosening up a great many sales which have not been made, and stimulate the loosening of profits which are now unrealized, and perhaps there would be a greater tax net. It is significant that in the United Kingdom there is no capital gains tax.

For those reasons, I think we are at the crossroads on the bill, when we are to take one road or the other. Either we are going to provide for revenue loss and speculate that people will pay back far more than what it costs us in revenue, in the development of the economy, or we must use the bill as the tool with which to change the tax law in ways which are socially and economically more desirable.

I am sure we shall not change the rate structure and that the tax loss of roughly $11½ billion will stand. I find it very difficult to vote for further erosions of revenue. There may be items hidden here and there which represent serious problems of a rather individual nature which ought to receive consideration in connection with a tax bill. I shall make such a proposal in trying to do away with the 10 percent tax on theater tickets, for reasons different than the question of revenue, which amounts to only $5 million.

There is some desire to take off the tax on handbags, which is the only item of women's apparel on which an excise tax is imposed. It is a tax on an item of necessity. I shall vote affirmatively on some of these matters. But when we reach the question of big reductions in revenues, we must take our choice between the plan as it has been laid out, and whittling away further, in a major way, very large amounts of revenues which under this bill will be invested in terms of economic recovery.

Therefore, while I feel it desirable to reform the capital gains provision, if we did it now we would be running a risk that was unjustified unless at the same time we felt free to revise the rate reductions which are made for individuals and corporations in the bill. I do not want to do that. I want to support the bill as an economically constructive move forward.

It is for that reason that I shall vote for the amendment, rather than for the reason that I am satisfied with the capital gains provision. I am dissatisfied with it. I think it is exactly the kind of thing that should be reformed. But then we would start further major erosions of revenues, rather than provide relief; and there is not room for scaling down further the revenues as provided by the bill.

Mr. SMATHERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The hour of 12:45 p.m. having arrived, the question is on agreeing to the committee amendment on page 233, after line 10. On this question, the yeas and nays have been ordered.

Mr. MORTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORTON. As I understand, a "nay" vote is a vote to retain the House language; a "yea" vote is to retain the present law. Is that correct?

The PRESIDING OFFICER. A "nay" vote is a vote to retain the House language; a "yea" vote will strike the House language.

Mr. SMATHERS. And adopt the Finance Committee view?

The PRESIDING OFFICER. And adopt the Finance Committee's amendment.

The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr Bartlett], the Senator from North Dakota [Mr. Burdick], the Senator from West Virginia [Mr. Byrd], the Senator from Nevada [Mr. Cannon], the Senator from Pennsylvania [Mr. Clark], the Senator from Connecticut [Mr. Dodd], the Senator from Arizona [Mr. Hayden], the Senator from Massachusetts [Mr. Kennedy], the Senator from Wyoming [Mr. McGee], the Senator from Michigan [Mr. McNamara], the Senator from Maine [Mr. Muskie], the Senator from Oregon [Mrs. Neuberger], the Senator from Rhode Island [Mr. Pastore], the Senator from Texas [Mr. Yarborough], and the Senator from Ohio [Mr. Young] are absent on official business.

I further announce that the Senator from California [Mr. Engle] is absent because of illness.

I further announce that, if present and voting, the Senator from Alaska [Mr. Bartlett], the Senator from North Dakota [Mr. Burdick], the Senator from West Virginia [Mr. Byrd], the Senator from Nevada [Mr. Cannon], the Senator from Pennsylvania [Mr. Clark], the Senator from Connecticut [Mr. Dodd], the Senator from California [Mr. Engle], the Senator from Arizona [Mr. Hayden], the Senator from Massachusetts [Mr. Kennedy], the Senator from Wyoming [Mr. McGee], the Senator from Michigan [Mr. McNamara], the Senator from Oregon [Mrs. Neuberger], and the Senator from Rhode Island [Mr. Pastore] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. Cotton], the Senator from Illinois [Mr. Dirksen], and the Senator from Arizona [Mr. Goldwater] are necessarily absent.

If present and voting, the Senator from Illinois [Mr. Dirksen] and the Senator from Arizona [Mr. Goldwater] would each vote "nay."

The result was announced—yeas 56, nays 25, as follows:

[No. 12 Leg.]

YEAS—56

Aiken
Anderson
Bayh
Beall
Bible
Brewster
Case
Church
Cooper
Douglas
Edmondson
Ellender
Ervin
Fong
Fulbright
Gore
Gruening
Hart
Hartke
Hill
Holland
Humphrey
Inouye
Javits
Johnston
Jordan, N.C.
Keating
Kuchel
Lausche
Long, Mo.
Long, La.
Mansfield
McCarthy
McClellan
McGovern
McIntyre
Metcalf
Miller
Monroney
Morse
Moss
Nelson
Prouty
Proxmire
Randolph
Ribicoff
Russell
Smathers
Smith
Sparkman
Stennis
Symington
Talmadge
Thurmond
Walters
Williams, N.J.

NAYS—25

Allott
Bennett
Boggs
Byrd, Va.
Carlson
Curtis
Dominick
Eastland
Hickenlooper
Hruska
Jackson
Jordan, Idaho
Magnuson
Mechem
Morton
Mundt
Pearson
Pell
Robertson
Saltonstall
Scott
Simpson
Tower
Williams, Del.
Young, N. Dak.

NOT VOTING—19

Bartlett
Burdick
Byrd, W. Va.
Cannon
Clark
Cotton
Dirksen
Dodd
Engle
Goldwater
Hayden
Kennedy
McGee
McNamara
Muskie
Neuberger
Pastore
Yarborough
Young, Ohio

So the committee amendment, to strike out the language beginning on page 233, after line 10, down to and including line 24 on page 271, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. GORE. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment of the Senator from Tennessee will be stated.

The LEGISLATIVE CLERK. On page 40, in line 19, after the words "cost of", it is proposed to strike out "$70,000" and to insert in lieu thereof "$30,000."

Mr. GORE. Mr. President, on the question of agreeing to this amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. GORE. Mr. President, if Senators will give me their attention, I promise not to use more than 10 minutes on this amendment.

A new form of compensation is recognized by a provision now in the bill. It is compensation for corporate employees, in the form of tax-free group term life insurance. Under present law, there is no limit to the size of a policy of which a corporate employee or official may be the beneficiary, and the premium is not included in the employee's taxable compensation. But the cost is deductible for the corporation.

I repeat that under present law there is no limit. The Treasury recommended that a limit be placed at $5,000. The House version of the bill provided for a limit of six times that amount, or $30,000. The Senate Finance Committee voted to increase the $30,000 figure to $70,000. My amendment would strike out the $70,000, and would return it to the House figure. I think the Treasury's recommendation of $5,000 is preferable; but as between $30,000 and $70,000, it seems to me the $30,000 limit is preferable.

The Secretary of the Treasury testified on this subject, and if other Senators would like to refer to his testimony in this regard, they will find it in part I of the hearings, on pages 306 and 307. What is the situation now? First, I repeat that there is now no limit whatever; but the Secretary of the Treasury told us of instances in which corporate officials were the beneficiaries of insurance policies running as high as $900,000, payable to their estates. They pay no income taxes on the compensation represented by the premium paid for them, but the premiums are deductible by the corporation.

Secretary Dillon told us of one company which paid premiums on a policy for four company executives, with coverage running from $300,000 to $400,000 for each. Mr. President, so long as we tax the wages of every man who has a meager income and take that tax out of his paycheck, I do not know how in good conscience we can permit tax-free insurance of $70,000 to be made available to corporation executives.

I wish to read a part of a letter into the RECORD; and I shall ask unanimous consent that the entire letter be printed in the RECORD. I have just received the letter from Mr. Carlyle M. Dunaway, general counsel of the National Association of Life Underwriters. He endorses the position I take, and says a failure to take such action would be unfair to other forms of insurance.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE NATIONAL ASSOCIATION OF
LIFE UNDERWRITERS,
Washington, D.C., January 31, 1964.

Hon. ALBERT GORE,
Senate Office Building,
Washington, D.C.
Re: Section 203, H.R. 8363.

DEAR SENATOR GORE: At the direction of my association's board of trustees, I am writing this letter to you relative to the actions taken by the Senate Finance Committee, and by you in particular, on section 203 of tax bill H.R. 8363. This is the section that would require employees to include in gross income the cost of a portion of any group term life insurance coverage paid for by their employers.

When the Senate Finance Committee initially voted to delete section 203 from the tax bill, we were both amazed and disappointed. We therefore were extremely gratified when the committee subsequently reversed its earlier action by adopting your motion to restore section 203 in the bill. You may be interested to know that at its meeting here last week, our board of trustees unanimously voted that you be commended for this sound and forthright action on your part.

We note that on page 46 of its report accompanying H.R. 8363, the Senate Finance Committee expresses agreement with the House Ways and Means Committee that the present "tax-free status for employer-financed group term life insurance is inconsistent with the tax treatment of other types of life insurance protection furnished employees by their employers." To illustrate the existence of the inconsistency referred to, I can cite the situation that prevails in the case of the employees of my own association.

For example, we have a pension plan for our headquarters employees which is funded in part by individual ordinary life insurance contracts purchased and owned by the trustee of the plan on the lives of the participating employees. The plan is financed entirely by the association, as the employer. Under long-standing law, every participating employee is required to include in gross income each year that portion of the insurance premium that is attributable to the term cost of the pure insurance protection provided by the contract or contracts on his life—i.e., the difference between the face amount of the contract or contracts and the accumulated cash value thereof.

Our pension plan also requires that employees must, among other things, be in the association's employ for 5 years before becoming eligible to participate in the plan. Pending the completion of this 5-year waiting period by certain employees, the plan trustee purchases and owns on the life of each such employee an individual 5-year convertible term insurance contract in a face amount equal to the face amount of the ordinary life insurance contract which would be required if the employee were then eligible to be a participant in the pension plan. Every covered employee must, in turn, include the entire premium for this term insurance in his gross income each year.

In summary, the above examples (which are quite commonplace) clearly demonstrate that the tax-free status of employer-financed group term life insurance is indeed completely inconsistent with the tax treatment of other types of life insurance protection furnished by employers to their employees. The examples also demonstrate that, as concluded by both the House Ways and Means Committee and the Senate Finance Committee, continuation of the complete exclusion of the cost of employer-financed group term life insurance from the income of covered employees is inequitable.

In connection with this last point, you will recall that the Treasury Department originally recommended to the Ways and Means Committee last year that the cost of all employer-financed group term life insurance in excess of $5,000 be includible by a covered employee in gross income. During the hearings held by the Ways and Means Committee on the tax bill, my association objected to the proposed $5,000 limit as being unreasonably low and recommended that it be increased to $40,000. We recommended the $40,000 figure largely because this figure has long been recognized in a number of State laws as being an acceptable maximum limit for employee group term life insurance, at least from the standpoint of sound underwriting.

As you know, the Ways and Means Committee ultimately wrote a $30,000 limit into section 203, and this was approved by the House of Representatives. Then, in acting on your motion to restore section 203 in the tax bill, the Senate Finance Committee first increased the dollar limit to $50,000 and, finally, to $70,000. In our opinion, even a $50,000 limit would seem to be unduly liberal, and a $70,000 limit very definitely excessive. We trust that when H.R. 8363 goes to conference, the limit will be fixed at the $40,000 figure that we originally recommended.

Apropos of the foregoing, insurance industry statistics set forth in the table below clearly indicate that enactment of section 203 would result in the discontinuance of the complete tax-free status of group term life insurance for only a relatively insignificant number of the estimated 38 million or so employees who have such insurance, even if (1) the limit were set at $30,000 and (2) it could be assumed that all plans providing coverage in excess of this amount are entirely employer-financed.

Amount of insurance	Percentage of employees insured for more than this amount	Number of employees insured for more than this amount
$30,000	0.9	300,000
$40,000	.3	110,000
$50,000	.15	55,000
$60,000	.08	30,000
$70,000	.06	20,000

Sincerely yours,
CARLYLE M. DUNAWAY,
General Counsel.

Mr. GORE. Mr. President, I repeat my previous statement: By means of this bill, we shall be recognizing a new form of compensation of both employees and officers of corporations.

My amendment would permit either all employees or one employee of a corporation to receive, tax free, a group term insurance policy in an amount up to $30,000. The House of Representatives thought that was sufficient. I believe it is more than sufficient. It seems to me that $5,000—as the Treasury recommended—would be better; but $70,000 seems to me to be unconscionable.

So, Mr. President, without further debate—for this is a very simple issue—I yield the floor.

Mr. BENNETT. Mr. President, as one of the members of the committee who voted for the $70,000 limit, rather than the $30,000, I wish to comment on this particular feature of the bill.

In the beginning, the Treasury recommended a limit of $5,000, to be calculated in every case on the wages of the employee to whom it was to be applied. But the Treasury officials have admitted that the cost of calculating how much each employee would be allowed at the $5,000 limit would be so great that the $5,000 limit would be completely unrealistic; and I believe that by now they have changed their support for their original position.

It is true that under present law, group term life insurance, with no limit, can be provided by the employer. The committee decided that that should be changed—although at one point in its deliberations, the committee voted to reject the language which had been voted of the House of Representatives, and to permit the present law to continue to apply.

So now we are dealing with a "numbers game." The House of Representatives has voted for a $30,000 limit. The Senate Finance Committee has voted for a $70,000 limit. If the language voted by the Senate committee is voted by the Senate, this issue will be decided in conference.

Suppose an employee dies, leaving his widow only the group term life insurance policy that the company has provided.

If the widow were 65 and if she bought an annuity worth $30,000, the maximum amount she would receive from the policy would be less than $150 a month. The $70,000 limit would provide her with approximately $300 a month, if that were the basis of her income. I believe that if we leave the $70,000 figure in the bill, we can go to conference and probably come out with around $50,000, which would provide approximately $300 a month to a widow, if that were her only source of income. Since the present abuse, which rests entirely on the limit, has been corrected by both committees, I hope the Senate will approve the decision of the Senate Finance Committee and leave it something to debate on with the House in conference, with the general feeling that we hope to come out with somewhere between $40,000 and $50,000. If we accept the House language, there will be no oportunity to review the question in conference.

Mr. RIBICOFF. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. I yield.

Mr. RIBICOFF. Is it not true that the various States have different limits of how much we can write the insurance for? In other words, States have different figures, and this has become a confusing situation.

Mr. BENNETT. It is true in some States. As I remember, 22 or 23 States have a limit of $30,000. Perhaps that is why the House used that figure. But the rest of the States have a limit higher than that, or no limit at all.

Mr. RIBICOFF. Is it not further true that what we have is not the question of whether an individual has a $70,000 income, but whether his employer has provided group term life insurance that covers him up to that limit?

Mr. BENNETT. We have an opportunity for an employer to buy group term life insurance for an employee that—at the death of the employee, provided he dies while still covered—will pay $70,000 to his widow. That is not a $70,000 income. That is a flat sum. When translated into income, as I suggested a minute ago, it probably will mean a $300 or $400 a month income for the widow.

Mr. RIBICOFF. Is it not further true that as we analyze many of these plans, many employers have pointed out that the administrative difficulties would be so great that they would be discouraged from undertaking these broad-based plans? I believe we wish to encourage employers to take out group term life insurance on their employees, because many employees are in the lower and middle income brackets, and when they die the only asset their families have would be the group insurance.

Mr. BENNETT. The Senator is correct that many millions of employees in the United States have no private life insurance coverage, or insufficient life insurance coverage, or insufficient coverage, and if the employer is willing to make this arrangement for his employees I believe we have set a fair limit at $70,000.

Mr. LONG of Louisiana. The main concern of the Treasury Department on this question is not the revenue aspect of it; instead the Treasury does not wish, as I understand, to allow group term life insurance to become a major tax avoidance device. That being the case, the Treasury Department wished to place a limit on how much insurance could be taken out for the benefit of corporate executives of the company on other group life insurance plans in which individuals contributed to them, but paid the average rate.

The $70,000 figure is an appropriate figure to establish some limit on this operation. The original Senate committee judgment was to strike the matter and let it go to conference and see what agreement we could reach with the House, which apparently felt more strongly about it than the Senate. But the compromise was to adopt the figure of $70,000 to assure the limit of an amount of group life insurance on executives who could benefit from it, and leave it between the Senate and House in conference to arrive at what they might feel to be a fair figure, which would presumably be somewhere between $70,000 and $30,000 after studying the further economic aspects.

Mr. BENNETT. I should like to make one additional point. If we had struck this provision from the bill, we would have lost the opportunity to make technical changes in the House language which the Treasury Department had agreed were necessary. Otherwise, the Treasury could not have operated under the terms of the bill.

Mr. ANDERSON. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. I yield.

Mr. ANDERSON. I should like to supplement what the Senator from Utah has just said. Certain technical changes should be made. The Senate committee did not strike this item from the bill. Had it struck the item from the bill, it would not have gone to conference and we would not be able to meet on it at all. We need this language in conference. That is why this language should not be stricken out.

A great many States have already dealt with this problem. For example, the States of Arizona, Arkansas, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Montana, Nebraska, Nevada, New Jersey, Ohio, Oklahoma, Pennsylvania, South Carolina, Texas, Vermont, Washington, West Virginia, and Wisconsin already have dealt with this problem, and have the situation under control. There are many areas where it was not under control, and the Treasury Department has suggested that it should be placed under some control. The House has put a control on it, as the Senator from Utah has said, and the Senate committee had decided, as the Senator from Louisiana has just said, to put a control on it also.

It so happens that I voted against the $70,000 figure. I thought $60,000 was enough. But I pointed out that if this provision goes to conference we might do some trading. I am not disturbed by the $70,000 figure. We should keep the figure in the bill. We should make sure a reasonable conclusion comes from it.

States like Colorado, Connecticut, Florida, Iowa, Kentucky, New Hampshire, North Carolina, and Tennessee have a somewhat higher figure than the first group of States which I read. The problem the Finance Committee faces is, What is a reasonable figure? We must base that decision on discussion with the House. I believe that question will arise. It does not concern many States. It does not concern the State I represent, or North Dakota, Hawaii, and States of that nature because they have no limit on it. Theoretically, anyone could have a million-dollar policy in my State, but there is no demand for it. We do not have the type of executive that could command that figure. The average policy is based on $10,000 or $15,000, but there are $20,000 plans, and they go as high as $25,000. This amount is reduced after the age of 65. In my own case, because of the business I was in, I had a $25,000 coverage until I became 65. Now it is under $10,000, and if I should live for a few more years it would disappear entirely.

These are my reactions to the figures. They should remain in. This was based on a wise decision. We should not strike the entire section, but it should go to conference with a reasonable figure, and I hope that will be the result.

Mr. JAVITS. Mr. President, as we debate the bill, certain fundamental principles are emerging. The amendment of the Senator from Tennessee further illustrates the fact that if we wish to cut reductions based upon a rate cut, we run into a situation in which we cannot have it both ways.

This illustrates another principle which is important, and that is the principle of management. It is easy to assume that we need not worry about anyone earning substantial sums of money because they are looking after themselves very well, but in the entire industrial complex the country depends as much upon management as it does upon labor.

I yield to no other Senator in my work over the years in fighting for and protecting the interests of labor, even when my position was unpopular with some rather rich constituents of mine.

Management is equally important. I have in mind that during the campaign of 1962 I visited a great many industrial plants. I went to one plant outside Schenectady, which had been largely unionized by the United Steel Workers Union, which was supporting me in the campaign in New York. This was a large metal-working plant employing some 1,500 workers.

I went around with the president of the company. It was extraordinary to me to see the way in which the workers spoke to him. They treated him not with deference or any such attitude as patronizing, but with the feeling that he was the most valuable asset in the plant walking around. They did not wish him to get hurt, get scratched, catch a cold, or anything else.

I asked the union delegates about that. I said, "What is this all about?"

They replied, "This plant has been a losing plant. It was laying off workers every week. Everyone in Schenectady thought that it would shut down until this fellow came along. He has a real formula for selling the stuff and making the right things. This plant is going great guns. We are working overtime. We think it is great. The one thing in the world we want to see is that management stay in authority and not do anything to jeopardize it."

That situation is as true in a Communist society as in a capitalist society. The Communists reward their management in a sense far more than we do, because they understand the quotient which is critically important in management in any enterprise.

We plan to cut the top-bracket tax rate from 91 to 70 percent. That is still a pretty large bite. I do not think we could do any better. I do not think we should do any better under present circumstances. But let us understand that it is still a very large proportion of income. Therefore, we should not rule out the need for other inducements which represent incentives to management in order to make it feel that it really has a big stake in the success of an enterprise. That goes for stock options of a reasonable character. It goes for group life insurance of a reasonable character. I cannot say whether $40,000, $50,000, $60,000, or $70,000 is the correct figure but the principle is right, and so I shall stay with the committee recommendation.

One final point about the principle which underlies the present amendment and will underlie other amendments which will be directed to the bill, is exactly what we will or will not accomplish if we pass the tax-cut bill. The most difficult problem in respect to the bill—and I support the bill—is to understand clearly what it will and what it will not do.

If we fail to define this precisely, there is grave danger that we will be under delusions, or will be complacent and will fail to take other measures which can really deal with the dangerous problems that are not susceptible of solution by the tax cut. The danger is of an economic downturn notwithstanding a tax cut, if we do not take these other measures in time. This tax cut will not guarantee us against a recession or even a depression.

The tax cut will stimulate our economy and give us a good chance to stretch out the expansion of our economy beyond the present 35 months—which already is the longest continuous period of expansion in the last hundred years excluding expansions in times of war. It will also have benefits for U.S. sellers in competition with other sellers on the world market and for bringing about a greater modernization of the U.S. production machine, which, in some areas, is getting dangerously obsolescent.

The tax cut will not deal effectively with endemic unemployment that has kept our percentage of unemployed around the 6 percent mark, notwithstanding the extended recovery from the 1961 recession. This type of unemployment promises to continue. This unemployment rate alone can cause a sharp economic downturn, even with the tax cut, if it continues to frustrate us for too long.

Nor will the tax cut win the "war on poverty" declared by the Johnson administration. Indeed, since this war of poverty lumps together the unemployed and the endemic poor, and is a way of politically begging the question of the inability of the Kennedy and now the Johnson administration to make a material dent in endemic unemployment, it could confuse the issue further and could itself be the basis for a marked economic downturn. It is, therefore, essential that we keep our lines of governmental action clear as to the objectives of the tax cut, and that we take in time the really meaningful additional measures to deal with endemic unemployment and poverty.

The causes of poverty are many and complex. Merely labeling existing education, training, and health programs put into effect by President Kennedy and his predecessors, as a "war on poverty," and adding the $250 million newly budgeted for fiscal year 1965 by the Johnson administration, cannot make a real dent in the twin problems of reducing the substandard living conditions of 30 million Americans with incomes less than $3,000.

I am all for raising the living standards for our people, a process which has been going on in this country for decades with considerable success. And I am all for a concentrated attack on continuing poverty by our affluent society. But we must not let both the unemployed and the poor suffer because we try to "sweep the unemployed under the welfare rug" or pretend that it is Government alone which can eradicate poverty. The fact is that as the American economy expanded over the years, the percentage of Americans in the low-income brackets has declined steadily, until in 1962, only 20 percent of American families had less than $3,000 of income per year. Fifteen years before that, for example, 32 percent of American families were in this category.

Much of this success should be attributed to the steadily advancing private economy and our mass production and distribution system. I fully recognize that government has a major responsibility to stimulate the economy to its maximum potential and that it has a great role in welfare and training. But it is the private sector which can attack the causes of unemployment and poverty in America with the most lasting effect.

It is also undeniable that there is need for Federal expenditures to build roads and hospitals, to aid education, and to modernize our Defense Establishment. But, it would be folly to maintain that government alone must or can carry the burden to attack the root causes of poverty. The most effective and realistic approach would be in the form of cooperative undertakings between private enterprise and government.

This concept could be applied in the field of medical care for our elder citizens, as a joint enterprise of government and private insurance companies, according to a bill which a number of Senators and I have recently introduced, and the same principle can obtain in other areas.

In the area of labor-management relations there is much room for cooperation between labor, management, and government to resolve differences over wages, the impact of rapid technological change, and other problems which involve the public interest. The Manpower Development and Training Act of 1962 contains section 205(b), an amendment which I proposed, calling for the establishment of such tripartite groups on a local, regional, and industry basis. Forty-seven State and 740 local groups have been formed across the country under this provision of the act. This movement needs to be pressed, since there were 5,000 such committees in the United States during World War II.

There is also a need for cooperation between philanthropic organizations and foundations, corporate giving, and local, State, and Federal governments in the area of social welfare at the local level. There is a great need in this area for a new organizational concept to focus at the very heart of real poverty in America—the family and its immediate environment.

I could cite numerous other examples. The point I wish to make here is that it would be cruel to create the belief in the minds of the American people that the proposal offered thus far by the Johnson administration under the slogan of "War on Poverty" has the resources, the programs, or even the conceptual formula to lift the economic burden of social and economic disadvantage from the shoulders of the 30 million Americans in our lifetime.

A successful effort in this area must come from a partnership between the proven ingenuity of American enterprise—management and labor—and local, State, and Federal government. To leave this "war on poverty" largely to the Federal Government would be a mockery of the American people's confidence in the ability of our economic system to meet the challenges of our time.

Nonetheless, in addition to a tax cut, the Federal Government can, and must, take measures to help in those areas where only it can help.

I therefore recommend, as we debate the tax cut bill, the following measures:

We must radically increase our manpower training program to enable at least 50 percent of our trainable unemployed, or roughly 450,000 individuals, to learn the skills which can make them, once again, productive members of society. As against that figure, it is estimated that now only 135,000 workers are scheduled for retraining in fiscal year 1964. That is only 15 percent of the number actually needed.

We must establish and adopt a Fair Employment Practices Commission to deal with discrimination in employment which deprives our country of $15 billion a year in productive power. That is the estimate of the Council of Economic Advisers, not mine.

We must accelerate, extend, and expand Federal assistance to vocational and technical education programs.

We must provide still further additional incentives for plant modernization.

We must provide a tax incentive for exports.

We must bring the U.S. private enterprise system effectively into foreign aid. A top committee to do this is called for by the Foreign Assistance Act of 1963—an amendment of mine which is now in the law—but has not yet been named.

We must establish a Commission on Automation to make urgent recommendations in this critical area and to provide for the transition of workers and businesses to automation. That proposal is now pending before the Committee on Labor and Public Welfare.

We must modernize the antitrust laws—one of the crying needs of our country.

We must enact permanent improved Federal standards of unemployment compensation, which today is bedeviled by varying standards, and in many of the States is completely unfair and impractical to the unemployed.

Finally, as already suggested, we must accelerate the use of labor-management-public committees provided under section 205(b) of the Manpower Development and Training Act of 1962.

This is a program really apposite to our situation, and is urgently needed.

My purpose in speaking today is merely to make clear with all the conviction of which I am capable that the tax cut alone will not do it, desirable as it is and desirable as are a number of reforms which are made in the bill, for example, relating to charitable contributions made by individuals, charitable contributions made by corporations, political contributions, which is an excellent provision, averaging of income for artists and writers and others whose incomes fluctuate widely, some help to small business in the basic tax on corporations, and problems involving tax liens and personal holding companies.

All of these are important but they do not deal with the fundamental problems of meeting the vast needs of a modern, complex economy required to cope with the challenges imposed by endemic unemployment, obsolescence, discrimination, the expansion of our foreign trade, rapid technological change, and the poverty of one-fifth of our people.

As we complete action on the tax bill, I hope we shall bear these principles in mind. Once having cut the rates, we cannot cut everything else.

This is by no means the end of the road. The tax bill is going to help, but not cure the situation. If we really want to deal with the fundamental problems which assail our economy and lead us to a new economic plateau in which we do not have to fear another cyclical recession, which it is said we must expect, it is necessary to adopt many of the measures which are now being considered.

Mr. LONG of Louisiana. Mr. President, in order that Senators may know when the Senate will vote on the amendment, I ask unanimous consent that the vote on the Gore amendment come at no later than 1:45 p.m., which is 10 minutes from now.

The PRESIDING OFFICER. Without objection, it is so ordered.

What is the will of the Senate?

The question is on agreeing to the amendment of the Senator from Tennessee [Mr. GORE]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from West Virginia [Mr. BYRD], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from Arizona [Mr. HAYDEN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Maine [Mr. MUSKIE], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

On this vote, the Senator from Alaska [Mr. BARTLETT] is paired with the Senator from Nevada [Mr. CANNON].

If present and voting, the Senator from Alaska would vote "yea," and the Senator from Nevada would vote "nay."

I further announce that, if present and voting, the Senator from Connecticut [Mr. DODD], the Senator from California [Mr. ENGLE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Rhode Island [Mr. PASTORE] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. COTTON], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

If present and voting, the Senator from Illinois [Mr. DIRKSEN] and the Senator from Arizona [Mr. GOLDWATER] would each vote "nay."

The result was announced—yeas 16, nays 69, as follows:

[No. 13 Leg.]

YEAS—16

Burdick
Church
Clark
Douglas
Gore
Gruening
Humphrey
McCarthy
McGovern
Metcalf
Monroney
Moss
Mundt
Nelson
Proxmire
Young, Ohio

NAYS—69

Aiken
Allott
Anderson
Bayh
Beall
Bennett
Bible
Boggs
Brewster
Byrd, Va.
Carlson
Case
Cooper
Curtis
Dominick
Eastland
Edmondson
Ellender
Ervin
Fong
Fulbright
Hart
Hartke
Hickenlooper
Hill
Holland
Hruska
Inouye
Jackson
Javits
Johnston
Jordan, N.C.
Jordan, Idaho
Keating
Kuchel
Lausche
Long, Mo.
Long, La.
Magnuson
Mansfield
McClellan
McGee
McIntyre
Mechem
Miller
Morse
Morton
Pearson
Pell
Prouty
Randolph
Ribicoff
Robertson
Russell
Saltonstall
Scott
Simpson
Smathers
Smith
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Walters
Williams, N.J.
Williams, Del.
Young, N. Dak.

NOT VOTING—15

Bartlett
Byrd, W. Va.
Cannon
Cotton
Dirksen
Dodd
Engle
Goldwater
Hayden
Kennedy
McNamara
Muskie
Neuberger
Pastore
Yarborough

So Mr. GORE's amendment was rejected.

Mr. GORE. Mr. President, I offer an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to add the following new section:

SEC. —. EARNED INCOME OF CITIZENS OF THE UNITED STATES FROM SOURCES WITHOUT THE UNITED STATES

(a) REDUCTION OF CEILING ON EXEMPTION.—Section 911(c)(1) (relating to earned income from sources without the United States) is amended—

(1) by striking out, in subparagraph (A) thereof, "$20,000" and inserting in lieu thereof "$4,000"; and

(2) by striking out, in subparagraph (B) thereof, "$35,000" and inserting in lieu thereof "$6,000".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be applicable only with respect to taxable years beginning after December 31, 1963.

Mr. GORE. Mr. President, on this amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. GORE. Mr. President, this is the first of a series of amendments I shall offer dealing with tax exemptions. The pending amendment proposes to reduce from $35,000 to $6,000 the exemption provided in the law for an American citizen living abroad for 3 years or more and having a permanent residence abroad, and to reduce the exemption for an American citizen temporarily living abroad from $20,000 to $4,000.

The late President Kennedy, in a message to Congress, recommended that the exemption for income earned abroad "be completely terminated for those residing in economically advanced countries," and that the exemption be limited for those living in underdeveloped countries.

For American citizens living at home, working at home, rearing and educating their children at home, the law provides an inadequate personal exemption of only $600 for each taxpayer and each of his dependents; but for the citizen who lives in Nassau, across a relatively narrow stretch of water from Miami, the exemption is $35,000 before the U.S. Government levies a tax upon his income. That citizen may commute to Miami to look after his business, but have his cottage on the seashore in Nassau; or he may live in Tijuana; indeed, he may live just outside the Canal Zone, at Panama; and still be exempt for $35,000. Meanwhile, he owes the same responsibility to contribute to the defense and welfare of his country as do any of us. He is a U.S. citizen, enjoying all the privileges of his country and the protection of his interests, but the tax law gives him a highly preferred status. If he has permanent residence outside the United States, he receives an exemption of $35,000; if he has temporary residence outside the United States, he has an exemption of $20,000.

What Senator will return to his State and say that he voted against increasing an exemption for the people of his State who labor and toil and have taxes deducted from their paychecks every Friday night? What Senator will say that he voted against raising the exemption for such a taxpayer and his children above $600, but then voted against reducing the exemption of $35,000 for those who have established a residence in Italy, Switzerland, Monaco, Mexico City, Bermuda, Jamaica, or Panama? There are many tax havens in the world to which the very rich repair for tax purposes.

When this amendment has been voted upon, and provided I receive recognition by the Chair—and I ask that I be recognized following the vote on this amendment—I shall then offer an amendment to increase the personal exemption for persons who live and work at home.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield.

Mr. LAUSCHE. What is the advantage of granting a $35,000 exemption to American citizens permanently residing abroad, and only a $6,000 exemption to those who reside in this country? Is there any particular theory in support of such a distinction?

Mr. GORE. First, let me state that I do not think any exemption should be granted; I wish that clearly understood before I reply. The late President Kennedy asked that it be eliminated entirely in the case of Americans living in developed countries, which is where most Americans who reside abroad live.

In answer to the question asked by the Senator from Ohio, I reply that those who advocate this exemption say it will be easier for American companies who want to send employees abroad to persuade them to go there, if by so doing they can receive this big tax bonanza.

I would say it would be much easier. In fact, some of the companies have more or less of a practice of passing this favor around, and letting first one group and then another group serve abroad, and thus receive these large tax benefits.

In order to be as explicit as possible, I shall read from Secretary Dillon's testimony on this point:

> There are about 50,000 U.S. citizens living abroad who claim an aggregate exemption of more than $500 million under these 2 provisions. The President recommended elimination of the exemption privilege for American citizens living in economically developed countries, since neither living conditions in such countries nor national policy requires special tax benefits in these cases. Because it is in our national interest, however, that Americans skilled in industry, education, medicine, and other professions be encouraged to go to less developed countries and contribute to their economic growth, the President also recommended continuing the exemption for our citizens who qualify as foreign residents of these less developed countries or who are present there for 17 out of 18 consecutive months, but only to the extent of $20,000 a year.

Only last week, the Senate passed a bill giving a cost of living allowance to employees of the U.S. Government who live abroad. I voted for the bill, and the Senate passed it. Under it the highest amound paid is $4,440. That is for service in a place such as Brazzaville; for those who live in other countries, the allowance is not as large.

The amendment I have offered would not go as far as the late President Kennedy recommended, for he recommended that the allowance be eliminated entirely, so far as Americans employed in developed countries are concerned. My amendment would reduce the exemption for the American citizen who has established a permanent resident for that purpose from $35,000 to $6,000, which would be exactly 10 times the exemption for a citizen who lives and works at home. Furthermore, such an American citizen would not have to live very far from the United States in order to be entitled to receive the $6,000 exemption which my amendment would permit. I think it is only a 30-minute flight from Miami to Nassau.

The amendment I have offered would also reduce the exemption for such an American citizen who has a temporary residence abroad from $20,000 to $4,000, which is far in excess of the exemption provided for a citizen who lives in the United States.

Mr. BENNETT. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. BENNETT. Is it true that a U.S. citizen can live in Nassau and can commute to Florida and can still retain his status as a bona fide U.S. citizen residing abroad? Will not he lose that exemption the minute he establishes a pattern of returning to the United States? It is my understanding that if he returns at all within 3 years, he loses his exemption.

Mr. GORE. He could only suffer a reduction from $35,000 to $20,000. Moreover, I think the telephone charge from Nassau to Miami—although I do not wish to rely on my memory—is not over $2.50.

Mr. BENNETT. But one cannot always do business on the telephone. I am told that if such a U.S. citizen returns for 1 month out of 18, he loses his exemption; he must be abroad 17 out of the 18 months or else he will lose the entire exemption.

Mr. GORE. That rule does not apply, as I understand, to a U.S. citizen who has established what has been held to be a bona fide residence abroad. The "17 out of 18 months" rule, to which the Senator from Utah has referred, applies to one who is temporarily abroad—such as a movie star who goes abroad to make several movies, and stays there for 17 out of 18 months, and thus has an exemption of $20,000 a year.

Mr. BENNETT. Does not the Senator from Tennessee believe that if the Internal Revenue Service found that a man who had once established a legal bona fide residence abroad had subsequently changed that pattern, and came back to the United States frequently, the Service would reject his claim as being a bona fide resident abroad?

Mr. GORE. I doubt it very much. If the Senator from Utah were to go to Nassau and see the prices of seashore real estate, the number of cottages being built there, and the number of American institutions that are establishing so-called subsidiaries there, I think he would come to the same conclusion that I have.

I wish to read briefly from an article published in the New York Times on November 21 of last year:

> One of every 30 American taxpayers lives in some other country.

Does that come as a surprise to the Senator from Utah?

Mr. BENNETT. How many taxpayers are there in the United States?

Mr. GORE. Permit me to read just a little further, and I believe we shall find the answer:

> Ten years ago, there were 500,000 of them outside the United States. Today there are 2 million.

Last year, the Secretary of the Treasury advised us that they claim total exemptions of $500 million.

I wish to read further:

> No one knows for certain whether they are as law abiding overseas as they are at home, or whether they slip into some of the lax ways of the natives among whom they are living. In either event the Internal Revenue Service thinks they deserve more attention.

I certainly agree with that statement.

Mr. President, I ask unanimous consent that the article be printed in full in the RECORD.

The PRESIDING OFFICER (Mr. WALTERS in the chair). Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Nov. 23, 1963]

TAX CHIEF CHECKS ON PAYERS ABROAD—TOURS EUROPE ON INSPECTION AND VISITS TO OFFICIALS

(By Richard E. Mooney)

PARIS, November 21.—One of every 30 American taxpayers lives in some other country.

Ten years ago there were 500,000 of them outside the United States. Today there are 2 million.

No one knows for certain whether they are as law abiding overseas as they are at home, or whether they slip into some of the lax ways of the natives among whom they are living. In either event the Internal Revenue Service thinks they deserve more attention.

Mortimer Caplin, the U.S. Tax Commissioner, has completed an inspection trip through six countries of Europe—the first foreign field trip that any Commissioner has ever taken. He will leave London tomorrow for his return to Washington.

To skeptical Americans he has been saying that their friendly tax collector wants to help them. With American officials stationed here he has been discussing where to open new offices.

TALKS WITH EUROPEANS

To less successful European tax collectors he has been explaining how it is done back home. And with these same European officials he has been discussing a special kind of foreign aid—how he and they can help each other catch their respective evaders.

Mr. Caplin pointed out in an interview that his increased foreign problems have three dimensions.

First, there is the oversea American population explosion. Second, the oversea stake of American business capital has reached $37 billion. And finally, there is last year's new law that makes both the people and the businesses more taxable.

The new law, effective for income earned this year and henceforth, ends the total U.S. tax exemption that oversea residents used to enjoy. Now, they are subject to U.S. tax on any income over the specified tax-free minimums—$20,000 a year at first, including housing subsidies and other extras; $35,000 after the person has been away 3 years.

For businesses, most foreign profits are henceforth taxable in the year they are earned. In the past, the U.S. tax did not apply until the foreign branch or subsidiary sent the money home.

Mr. Caplin has oversea branches himself, in London and Paris, covering Europe and the areas surrounding, and in Ottawa, Manila, Mexico City, and São Paulo, Brazil.

On his trip he has covered Paris and London, The Hague, Rome, Bonn, and Frankfurt, and three cities in Switzerland. With its relatively low taxes, Switzerland has been a particularly popular spot for setting up American oversea business headquarters.

On his way, Mr. Caplin noticed a new type of boom in American oversea business—new branches of New York law firms, particularly in Paris.

Mr. Caplin's wife, Ruth, has accompanied him on his European rounds. Is she a deductible business expense?

"Oh, no," the Commissioner replied.

Mr. GORE. I shall not burden Senators by reading the entire article to them; but it indicates that it is very difficult for the Internal Revenue Service to obtain accurate information about the incomes and the activities of U.S. citizens who are living abroad.

I believe this situation is an injustice which should be corrected. It seems to me it does not require lengthy debate. I have stated the issue, and I am ready for the vote to be taken.

Mr. LONG of Louisiana. I am a member of the Finance Committee. The majority of the members agree with my position on the committee amendments. I believe about six committee amendments were offered and four others were subsequently offered. I would hope that members of the committee would not come before the Senate and ask it to agree to amendments that were not offered in committee and were not therefore given an opportunity to be voted on in committee.

The proposal of the Senator from Tennessee is one which I believe was discussed about 2 years ago. The late President Kennedy recommended that there be some tightening up in this field. We recommended a law to tighten up on income made by foreign residents abroad. The original proposal that was made covered only developed countries. After we had had an opportunity to study the law, we drafted legislation which we believed would catch up with the tax haven situation, and which would not unduly penalize legitimate American business interests doing business abroad, where their activities were in many instances parallel to the interests of this Government.

With regard to individuals living abroad, we amended the law so that it now provides: If a person lives abroad 17 out of 18 months—keep in mind that under this system he is being taxed by a foreign government because he is earning his income over there—that person would be entitled to have his income taxed by that government and excluded from what he made in the United States.

The Senator from Tennessee said something about employees of the American Government. This exclusion does not apply to them. There are a great number of such employees abroad, working in various phases of the American Government's programs but they pay their taxes to this Government. The purpose was to help those companies obtain personnel to manage their operations, such as operating a pipeline in the Near East, or a business of that kind in areas where the climate is bad and Americans would be reluctant to go. Such personnel would be taxed by the laws of that country, provided they were gone from this country 17 out of 18 months, and that they would not be taxed by the laws of this country if they were overseas for at least 17 out of 18 months.

If those people happen to be in the developed countries, such as western Europe for the most part, which have high taxes on income just as we do in the United States, there is little advantage to them in the exclusion provision, if they are living in a country like England or France, because they are being taxed on their income in those countries at rates about the same as ours. The tax credit for foreign taxes paid on income earned in those countries would, for the most part, wipe out the tax they would owe in this country.

With regard to those people working in an unfavorable climate or in a backward area, at present they have an exemption of $20,000, subject to the taxes charged them in the foreign country. This amendment would reduce the exemption to $4,000.

If they were in a country as long as 3 years, and were bona fide residents of a foreign country for those 3 years, they would enjoy the present $20,000 exemption during those years. This amendment would reduce that amount to $4,000.

If they lived for more than 3 years as bona fide residents of a foreign country, the exemption would be $35,000, which would be reduced to $6,000 by this amendment. This was not requested by the Treasury in connection with the bill.

In 1962, a recommendation along this line was made. Congress studied it. Congress acted on it. Congress gave us the present law. This particular proposal has nothing more in the record than a simple question and answer by a Senator to the Secretary of the Treasury about the matter.

The President did not in 1963 recommend this provision. It is not being asked for in this year's recommendations. This is an old recommendation. It was made in the 1962 program. It was acted then. Congress then tightened up on the law, in the way that Congress believed it should be tightened up and considered. The Senate committee did not even have an opportunity to vote on it because of the fact that the Senator now offering the amendment did not suggest it to the Finance Committee of which he is a member during the many long sessions of consideration of the bill.

Mr. LAUSCHE. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. LAUSCHE. Is there any flexibility in the rule with respect to countries that impose a tax on the American national as distinguished from countries that do not; or is the rule uniform, that the exemption is $35,000 or $20,000?

Mr. LONG of Louisiana. The foreign tax credit exists in any case. Assume that a taxpayer owed a $10,000 tax to this country. If he paid $10,000 to a country where he made it, the tax credit would mean that he would owe no tax to this country.

Mr. LAUSCHE. I understand.

Mr. LONG of Louisiana. That is a uniform rule with regard to all countries.

Mr. LAUSCHE. Does that mean that the tax phase has no applicability to the reasons supporting the rule?

Mr. LONG of Louisiana. In the great majority of developed countries for the most part, in the major developed countries like England, France, Italy, and Germany, the levy is based on a high income tax rate. A tax credit in those countries would take care of the problem so far as all taxpayers are concerned.

The areas where the tax situation is favorable usually are the so-called less developed countries—although there are perhaps a few isolated situations, such as Monaco, where it might be advantageous to a movie star or someone of that sort to live there. However, we enacted a law in 1962 and in earlier years to deal with situations in which someone might want to live there for the purpose of benefiting from a large tax exemption. Motion picture stars have been cited as an example. That is why existing law provides only the first $20,000, of income will be excluded if a person has lived in a foreign country for 17 out of 18 months. If he returns here for 40 days of the 18 months, he does not come under that provision. Such taxpayers have the privilege of complying with the provision applicable to those who are bona fide residents of any foreign country. For the first 3 years they would be allowed a $20,000 exemption, and thereafter they would be allowed a $35,000 exemption. In other words, the law had been drafted to deal with situations in which wealthy persons would go to another country to avoid paying taxes to this Government.

Mr. LAUSCHE. I do not wish to challenge the Senator from Louisiana, but I have the distinct impression that all of the Western European countries and Japan have a far smaller income tax than the United States and that they rely primarily for their revenue upon excise and indirect taxes.

England is the only country that has a higher income tax than the United States. I am quite sure that I am correct in my assertion. As I have said, I do not desire to challenge the Senator's statement, but I believe that an examination of records will show that all the nations of Western Europe, excluding England, collect their taxes primarily through excise, sales, and indirect taxes, while the United States collects practically 89 percent of its taxes through the income tax.

Mr. LONG of Louisiana. My impression is that the income tax rates in most Western European countries tend to approach those in the United States.

Mr. LAUSCHE. I have a tabulation on the subject and I shall discuss it on the floor of the Senate.

Mr. LONG of Louisiana. I regret to say that I cannot give the Senator as much information as I should like.

Mr. LAUSCHE. I am pleased to observe the broad knowledge which the Senator from Louisiana has on the whole subject. It is excellent to listen to him discuss it.

Mr. LONG of Louisiana. I should like to provide the Senator with more information. But the Senator who offered the amendment is a member of the Committee on Finance. Apparently he did not think the committee would agree to his amendment and did not offer it in the committee.

The general problem is one which the Finance Committee studied 2 years ago. I believe that it was also studied by the Committee on Ways and Means. I believe that 2 years ago we voted on the same general principle. At that time I believe the Senator offered a somewhat similar amendment, and it was rejected in favor of the present law. So while it is true that we have not had an opportunity to study it this time, we did have an opportunity to study it 2 years ago and the committee then voted to have the law as it is today.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. GORE. Two or three times the Senator has stated that the amendment was not offered in the committee. I beg to correct the distinguished Senator. I am not sure that he was present at that time. As the Senator knows, the committee was in session many days. But the amendment was offered in the committee. It has been studied. The late President Kennedy made a recommendation to the Congress with respect to it.

Mr. LONG of Louisiana. I do not challenge the Senator's statement that the amendment was offered. I am sure the Senator will not challenge my recollection that I do not recall it. The distinguished chairman of the committee, the Senator from Virginia [Mr. BYRD], is in the Chamber. Perhaps he will recall it.

Examining the notes, I now find that apparently the amendment was offered on January 23. I venture the assertion that there was not much consideration, given to it at that time because the Senator from Louisiana did not hear much about it until the Senator offered it in the Senate. Perhaps the Senator can recall what the vote was on the amendment.

Mr. GORE. I shall make further remarks on the subject later.

Mr. BENNETT. Mr. President, will the Senator yield so that I may ask a question of the Senator from Tennessee?

Mr. LONG of Louisiana. I yield to the Senator so that he may state his question.

Mr. BENNETT. May I have the attention of the Senator from Tennessee?

Mr. GORE. Yes.

Mr. BENNETT. A little earlier the Senator from Tennessee offered an article from the New York Times stating that 2 million American taxpayers were living abroad. Does the Senator wish the Senate to believe that those were all bona fide residents who could take advantage of the exclusion, or did the 2 million figure include all the members of the Armed Services, who are also taxpayers, all the Federal employees, who do not get the advantage of the exclusion, and the members of the Diplomatic Corps, who do not have diplomatic immunity? Can the Senator answer the question?

Mr. GORE. Mr. President, will the Senator from Louisiana yield for that purpose?

Mr. LONG of Louisiana. I yield.

Mr. GORE. I read to the Senate an article appearing in the New York Times. I read it verbatim. I did not place the interpretation upon it which the distinguished Senator from Utah has now placed upon it.

As I understand the article, it states that 2 million taxpayers live abroad. I did not say that all of them had permanent residence. Some of them do. Some questions could be raised about what is and what is not a permanent residence. But the record shows that more and more Americans are establishing residence abroad, and are doing so in some cases for purposes of tax avoidance. The Treasury Department estimated what those numbers are.

If the Senator will yield further, my staff has given me some exact statistics. As long ago as 1960, more than 41,000 Americans claimed exemption by reason of living abroad. I have no way of knowing how many did not show up on returns. I have no way of knowing the number, or to what extent the practice has grown. Perhaps the Treasury Department could give us an estimate. Two years ago the Treasury estimated that if the Congress would enact the law which the late President Kennedy recommended in that regard, $25 million would be recovered. How many million it would be now I do not know.

However Senators may struggle with the issue, the question is one of fairness. We have ambassadors living abroad with responsibility for representing the U.S. Government and for the implementation and the execution of its policies.

The highest allowance provided by the bill we passed only last week was $4,440, and that in only a very few countries—the class 10 countries, so-called, where the hardships are severe. The Government employee living abroad does not get the benefit of the exemption we are discussing. This is a special arrangement. I ask Senators to examine their conscience. With many thousands of individuals establishing residences in tax havens, it is unfair to give them a tax exemption of $35,000, particularly when the law allows only $600 for the rearing and the education of a child here at home. The Senate will vote on that question next.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I have the floor. I wish to make the following statement:

Even President Kennedy, when he made the recommendation, did not recommend that this exclusion be eliminated, even in the case of countries where low taxes existed. This question was considered and acted on. Congress endeavored to act on the tax loopholes where it felt it should act. That did not satisfy the Senator from Tennessee. At that time we were tightening the loopholes. The House made its suggestions in this field. It acted to tighten up on the abuses in that respect.

The chairman of the House Ways and Means Committee called on the Treasury to make a recommendation with respect to the areas in which tax reforms were needed, where there might be loopholes and tax avoidance. The Treasury made a study of this subject, and made recommendations, many of which are included in the bill. This is not an area in which it recommended such a provision. There was a list of questions and answers as to whether or not the law should be changed, which was gone into fully.

Before the Senate acted on such a proposal, I hoped it might have the benefit of more information and study to see to what extent the law which was enacted 2 years ago may have failed to tighten up adequately on those who might be enjoying some sort of tax advantage.

I submit the $20,000 limitation for those who have been enjoying much better treatment represents a tightening up for those who may have been avoiding liability to this Government.

Mr. BENNETT. Mr. President, I appreciate the opportunity to listen to the explanation of the Senator from Tennessee. What he said brings out the fact that we are now discussing not taxes from 2 million people abroad, but additional taxes, if the amendment is adopted, that would be collected from 40,000 to 50,000 Americans living abroad. The Treasury has said that would mean $25 million in additional taxes. If that amount were to be collected from 2 million taxpayers living abroad, it would mean $2.50 from each one, and would not be worth the effort of going through this procedure. We are talking about approximately 41,000 legitimate or established residents living abroad. We are not talking about nearly 2 million Americans who live abroad. This brings the problem into focus.

Like the Senator from Louisiana, I hope the Senate will stand with the committee in its determination not to change this particular provision of the law.

Mr. LONG of Louisiana. It seems to me that if we are to place an additional tax burden on Americans who may be working in very unpleasant tropical climates, or various and sundry places where their companies tried to get them to go to by offering them some incentive, the matter should at least be studied by the Treasury, as a starting point, to see if there is tax avoidance. The Treasury studied the whole gamut of the tax law. It was well aware of the recommendations that were made 2 years ago. What Congress thought should be done, was done, about tax havens in foreign countries 2 years ago. The Treasury did not make further recommendations along this line.

If something is to be done, it seems to me the Treasury should study the question and tell Congress what it knows about it, and Congress should study the question and ascertain how well the law it enacted 2 years ago has worked to avoid abuses in this regard.

Mr. BYRD of Virginia. Mr. President, the question has been raised as to whether this amendment was offered in committee. The record of the committee shows that on January 23, in the morning session, an amendment relating to the exclusion of income earned abroad was offered in the committee. The committee considered and rejected an amendment which would have reduced the present $35,000 or $20,000 exclusion of income earned abroad by those who are bona fide residents or who live in foreign countries 17 or 18 months to $6,000. So the amendment was offered.

Mr. LONG of Louisiana. One similar to this was offered. This in part calls for a $4,000 exclusion.

Mr. BYRD of Virginia. It involves the same general principle.

Mr. GORE. Mr. President, I thank the distinguished chairman of the committee. I knew I had offered the amendment. The pending amendment, contrary to the statement just made by the distinguished junior Senator from Louisiana, is not a $4,000 exemption amendment. It is $4,000 in one respect, and $6,000 in another respect. Let me restate the amendment.

It would provide a $6,000 personal exemption for American citizens who have established a so-called bona fide residence abroad, if they have lived there for 3 years, and so forth. Some question can be raised with respect to what constitutes a permanent residence, but I shall not go into that question. I think those living abroad have as much responsibility for the defense and welfare of their country as do any other American citizens. The exemption which my amendment would afford them is 10 times that which the law provides for a citizen who lives and works at home.

I should state what the present law is. The present law provides them an exemption of $35,000. They also have the benefit of the foreign tax credit.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. GORE. Let me state my amendment, and then I shall yield.

The second part of the amendment would reduce from $20,000—which is the present law—to $4,000, the exemption for a person with a temporary residence abroad, or if he is a bona fide resident abroad, but has not lived there for as long as 3 years.

Now I yield to the Senator from Vermont.

Mr. AIKEN. Could this question be reduced to specific cases, which perhaps would be more understandable? If American citizens live and work in the Panama Canal Zone, are they entitled to any exemption at the present time?

Mr. GORE. I do not think so.

Mr. AIKEN. But if an American citizen works in the Panama Canal Zone and lives in the Republic of Panama, is he entitled to an exemption at this time?

Mr. GORE. Not if he is a Government employee; but if he lives in Panama and works for a private company, yes.

Mr. AIKEN. But if he works for the United States, he is not entitled to an exemption?

Mr. GORE. That is correct, but then he gets an allowance for living abroad. That allowance is not very generous, but the Senate reconsidered the matter last week and passed a bill in that connection.

Mr. AIKEN. But if he lived in Panama and worked for the United Fruit Co., which is one of the big private companies, or an airline, or a shipping line, he would be entitled to an exemption?

Mr. GORE. He would be. Furthermore, if he lived there and worked for a foreign tax haven subsidiary, he would receive it. There are many such companies. In Nassau, on the windows of office buildings there is not enough room for all the names of the tax haven subsidiaries who go there. They have employees who go there, and who do not live very far from home.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. Take the example of the American who has established a permanent residence in Paris, France, and who has a gross annual income from American investments of $100,000. What has concerned me is how much of that $100,000 income would be taken by the French authorities, how much would be taken by the American Government under the Senator's amendment, and how much would be left for the man to live on? Is there any basis for saying that the credit for permanent residence abroad is allowed because of the heavy taxation such taxpayers have to pay to the country where they have chosen to reside?

Mr. GORE. My amendment would not affect the foreign tax credit.

I do not know precisely the tax rates in France, but for whatever tax he paid to France or to any other country he would be given the foreign tax credit against his tax liability to the United States.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. Then what possible justification is there in the minds of the committee for giving this additional tax break, which, as the Senator points out, is many times higher than what he would get if he lived in his own country?

Mr. GORE. I know of no justification. I could not see any. That is why I made the fight 2 years ago. That is why I made the fight in committee this year. That is why I am making the fight now on the floor of the Senate. I see no justification.

Mr. CLARK. Perhaps the Senator in charge of the bill could enlighten me.

Mr. GORE. Of course this exemption applies only to earned income.

Mr. BENNETT. I would make the same point. The question raised by the distinguished Senator from Pennsylvania was with reference to an expatriate who lives abroad on dividends earned in the United States. He gets no benefits from that income. This discussion refers only to bona fide income earned abroad.

Mr. GORE. I thought I stated the situation correctly. I thank the Senator for placing the proper emphasis on it.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. AIKEN. Suppose an American citizen lives abroad and works for an American or foreign corporation abroad, and pays taxes to the country where he is living. Does he now get a credit for the taxes which he pays to the country where he is living? Are those taxes deductible? Does he pay a tax to the United States on the balance, or must he pay the United States on the entire income, disregarding the obligation which he may have to pay to the country of which he is a resident?

Mr. GORE. He is given a credit against his tax liability to the United States for the taxes he pays abroad.

Mr. AIKEN. Just as though he were living in Tennessee and were given a credit for the taxes he paid to Tennessee.

Mr. GORE. This is more generous than would be the case if he paid his taxes to the State of Tennessee or the State of Vermont. In the case of a State income tax, there is a deduction. In the case of payment of a foreign tax, there is a credit against U.S. taxes. Even if my amendment were adopted, this man living abroad would still be put in a preferred position. He gets a tax credit instead of a tax deduction. If he is a so-called permanent resident, we give him 10 times the exemption he has if he lives at home. We give him $4,000 instead of the $600 if he is temporarily abroad.

The senior Senator from Pennsylvania asked me what justification there was for this. I do not see any justification for not adopting the amendment. President Kennedy recommended that all preferential treatment be removed, and that such a person be granted the same exemption, if he lived abroad in a developed country, as he would receive if he lived in Tennessee or in any other State of the Union.

Mr. AIKEN. Suppose an American citizen lives in a foreign country and earns $40,000 and pays $5,000 in taxes to the country where he resides. What would his tax liability to the United States be?

Mr. GORE. Nothing.

Mr. AIKEN. He is exempt for the other $35,000?

Mr. GORE. He is completely exempt.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. During the colloquy which has just ensued, a very knowledgeable attaché in the rear of the Chamber told me that the Senator's amendment applies only to income earned abroad, and not to interest or dividends received by a person abroad from an American investment.

Mr. GORE. That is correct.

Mr. CLARK. No credit would be given to the American citizen by reason of the present law or the Senator's amendment.

Mr. GORE. A credit would apply to whatever tax liability he had, but my amendment would be inoperative unless he had earned income.

Mr. CLARK. But if the taxpayer in question had income only from interest and dividends on securities of U.S. companies which he owns, the Senator's amendment would not apply, and the man would pay the same tax as if he lived anywhere else?

Mr. GORE. He would get a credit, of course, for his foreign tax, which might or not might not be a great advantage. In any event, the amendment I propose would not affect him.

Mr. CLARK. I thank the Senator.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. GRUENING. The Senator from Tennessee, in answer to a question from the Senator from Pennsylvania, stated that he saw no justification for this gross discrimination, by which a man employed abroad, and resident abroad, gets a $35,000 exemption. I wonder whether some Senator who is in favor of the amendment would give us an explanation or a justification for the existence of such discrimination.

Mr. GORE. I am perfectly willing to have the distinguished junior Senator from Louisiana make whatever statement he desires. There is now under consideration in the Senate a bill which deals with taxation of American citizens. It is the largest tax reduction bill in the history of the country. A part of that bill deals with income after personal exemptions. Therefore I resist the suggestion that in some way my amendment is improper because it deals with exemptions of American citizens who happen to live abroad.

The distinguished Senator from Utah indicated that I was talking about 40,000 people. I do not know how many. We were told in 1962 that this involved $500 million of claimed exemptions. I do not know what it is in 1964. However, it is a part of the income of American citizens and taxpayers. The matter is properly before the Senate. There is before the Senate a bill of more than 300 pages. The whole Internal Revenue Code is before the Senate. There is involved a provision of favoritism with which I propose to deal in an amendment, though inadequately.

I do not believe the exemption should be as much as $6,000. I have chosen that amount. It is 10 times what is allowed to a person at home. Perhaps my proposal is not low enough. I certainly think it is high enough. I resist the suggestion that it is not proper to consider this amendment. We are dealing with taxes on American citizens. I am talking about American citizens. I am talking about American citizens who establish a bona fide residence abroad or who temporarily live abroad. Many of them both live temporarily abroad and establish a bona fide residence abroad merely to claim this unjustified exemption.

Mr. JORDAN of North Carolina. Mr. President, I should like to clarify something in my own mind. Will the Senator yield?

Mr. GORE. I yield.

Mr. JORDAN of North Carolina. A person living abroad could not claim this exemption unless he earned some money abroad. Is that correct?

Mr. GORE. If it is earned abroad.

Mr. JORDAN of North Carolina. Abroad.

Mr. GORE. Yes.

Mr. JORDAN of North Carolina. I do not see how we have any right to tax the income of anyone who earns income abroad if he pays a tax on the money he earns in the United States. On whatever he earns in the United States, he pays a tax in the United States, does he not?

Mr. GORE. Yes.

Mr. JORDAN of North Carolina. He pays an income tax, the same as anyone else.

Mr. GORE. Yes.

Mr. JORDAN of North Carolina. We are talking about money that he earns abroad. It has nothing to do with earnings in the United States.

Mr. GORE. That is correct.

Mr. JORDAN of North Carolina. I am not at all certain that we have a right to tax him at all. He is not even living in this country. He makes his money abroad and pays an income tax abroad. Why should he not be allowed to keep what he earns while he is living abroad? If he wishes to, he can give up his citizenship, but he does not want to do that. He wants to keep his citizenship, without paying any income tax to the United States on what he earns abroad. But he would not want to do that. He would not want to give up his citizenship. He is willing to pay some taxes.

Mr. GORE. We hardly leave taxation to the willingness of people to pay taxes. The Government assesses liability under appropriate circumstances.

Mr. JORDAN of North Carolina. Yes, but it is the right thing to do.

Mr. GORE. The Senator has raised an interesting point, but one which I respectfully suggest is entirely without merit. I shall give my reasons for so thinking.

Mr. JORDAN of North Carolina. I should like to have them.

Mr. GORE. I know the Senator will accord me the privilege of thinking that his suggestion is without merit.

To begin with, I think an American citizen owes as much allegiance to his flag, whether he lives in Nassau or Miami, whether he lives in Zurich or in Florida or in North Carolina. He has the protection of his Government. His children, his relatives, his interests are protected by the U.S. Government.

Moreover, he may be an employee of a tax haven established abroad by American capital, and the real money may be earned in the United States but, by bookkeeping devices, transferred to the tax haven. So the standard which the distinguished junior Senator from North Carolina raises is not a standard of equity as between taxpayers. It is not a measure of fidelity and obligation to one's country. It seems to me it is utterly unrealistic. If there is any standard that has been established over many years of taxation, it is that the U.S. Government has the right to levy taxes upon the income of American citizens, American taxpayers, whether corporate or individual, wherever that income is. Even without my amendment, the principle which the Senator from North Carolina advocates is violated, because taxes already apply on income above $35,000.

Mr. JORDAN of North Carolina. I know that.

Mr. GORE. This is not a new question. Some citizens living abroad have undertaken court action to avoid tax liability to this country. But the question has been tried and adjudicated. In Cook against Tate, the Supreme Court decided the question quite conclusively. So I respectfully suggest that, in the view of the Senator from Tennessee, the Senator from North Carolina does not make a valid argument.

Mr. JORDAN of North Carolina. Mr. President, will the Senator further yield?

Mr. GORE. I yield.

Mr. JORDAN of North Carolina. Suppose, for example, a British citizen establishes temporary residence in the United States and lives here 1, 2, or 3 years. Suppose he pays the U.S. income tax, whatever it might be, and that the

British Government taxes him on the remainder of his income here. That is the same situation in reverse, is it not?

Mr. GORE. I am not questioning the right of the taxpayer to such a credit. But to answer the Senator's question, I am not well versed in British tax law. Generally, I understand that the taxpayer would receive credit for the taxes he paid to the United States.

Mr. JORDAN of North Carolina. I am sure of that.

Mr. GORE. In any event, an American citizen living in England and paying the British tax would receive credit for the taxes he paid there against his tax liability here.

Mr. JORDAN of North Carolina. I understand; but to return to my question, would not the reverse also be true?

If an Englishman paid his tax on what he earned here, would not the British Government then tax his income on top of that at any figure, and would not that be the reverse of what we are now doing?

Mr. GORE. Please do not hold me to an exact understanding of British tax law. As I understand whatever he remits to his country is subject to tax by the Crown.

Mr. JORDAN of North Carolina. But does he have to remit to his country a tax on what he earns in this country?

Mr. GORE. If he lives here, he pays taxes to the U.S. Government. If he becomes a citizen of the United States——

Mr. JORDAN of North Carolina. I am not suggesting that he might become a citizen of the United States; I am supposing him to be a temporary resident of this country. The Senator is talking about Americans having temporary residence abroad.

Mr. GORE. I do not understand the Senator's point. Is he suggesting that we should follow British tax law?

Mr. JORDAN of North Carolina. No. Are we doing something that other nations are not doing, so far as U.S. citizens who are temporary residents abroad are concerned?

Mr. GORE. I am not sure about what all countries do. I certainly do not wish to speak as an authority on that subject. I am undertaking to measure American citizens with a yardstick of reasonable equity.

Mr. JORDAN of North Carolina. Those are all the questions I wished to ask.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. GRUENING. I would appreciate having information from a member of the committee who favors the $35,000 exemption as to the justification for it. The senior Senator from Tennessee, who is trying to change the law by amendment, seems to me, on the face of the situation, to be fully justified. He says he has no explanation to justify the law as it now is. Could the distinguished Senator from Louisiana [Mr. Long], the Senator in charge of the bill, explain the justification for this large exemption? Why does a citizen living abroad receive a $35,000 exemption when a citizen living at home receives an exemption of only $600?

Mr. LAUSCHE. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Tennessee has the floor.

Mr. GORE. I should like to yield the floor.

Mr. GRUENING. Then I have the floor, and I am directing a question to the Senator from Louisiana.

Mr. LONG of Louisiana. I thought the Senator from Alaska asked me a question. I should like to respond to it when I obtain the floor.

Mr. GRUENING. I would appreciate having a response.

Mr. LONG of Louisiana. I would prefer to respond in my own time. I will wait until other Senators who wish to speak have spoken. When I receive recognition, I will speak; until then, I shall wait.

Mr. GRUENING. With the understanding that the Senator from Louisiana will answer my question, an answer which is necessary for some of us who would like to vote intelligently on the amendment proposed by the Senator from Tennessee, I will yield the floor. However, the question is a vital one, one which I find it difficult to understand.

Mr. LAUSCHE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Ohio will state it.

Mr. LAUSCHE. Who has the floor? The Senator from Tennessee has yielded, and I thought the Chair recognized the Senator from Ohio.

Mr. LONG of Louisiana. Mr. President, I thought the Chair recognized the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. LONG of Louisiana. Now that I am recognized, I shall answer the question.

Mr. GRUENING. I thank the Senator.

Mr. LONG of Louisiana. This particular provision of the law goes back a few years to the days when the United States undertook to treat its citizens abroad in the same way that most countries treat theirs here, as I understand. That is, for an American living in a foreign country, the United States does not provide any defense of his person. He is not provided with sanitation facilities. He could contract any disease, from malaria to bubonic plague, and the United States would not protect him. It does not provide the highways on which he rides. It does not provide him with facilities for the education of his children. He obtains them as best he can in the foreign land where he lives.

Great Britain and other countries have in the past become rich by accepting the theory that if an individual is able to earn something, he brings it back to his country, and it is then added to the total wealth of the land. They encourage their citizens to go abroad, invest their money, make something on it, and bring it back to "Merrie Old England," if they succeed in business.

Some years ago, it was felt that this arrangement offered advantages to wealthy persons—moving-picture stars and others—who might want to use it as a tax avoidance scheme. So we said we would limit the exemption to $20,000, unless the person had lived in the foreign land for more than 3 years, in which event the exemption would be $35,000.

So on income earned abroad, from foreign sources, he could make $20,000; or if he had lived abroad for more than 3 years, $35,000; and he would not be taxed in the United States.

I know that a case can be made that even though a U.S. citizen has been living in a foreign country and has not returned to his homeland for 10 years, and still retains his citizenship, he should be taxed in the same way as those living at home, even though this country has provided him with no services.

Some contend that such an American living in a foreign land would have the benefit of having Uncle Sam protect his rights and protect his property in the event the foreign country sought to confiscate it, take all of it away, or do violence to his person. However, the protection the American citizens have had in that connection has diminished in recent years. When an American is living in a foreign country, and is relying on that country for defense against the enemy, defense against invasion or defense against violations of the law, police protection, sanitation protection, and the education of his children, and is paying taxes in that country for those purposes while he is a resident there, it is difficult to see why we should tax him.

Not only do we forego tax because such a country is providing those services to a U.S. citizen who is living there, but also we wish such Americans to be able to compete on terms of equality with the Germans, the Chinese, or the Japanese who may be living in that country. We do not tax income such U.S. citizens earn abroad, because they are competing with foreigners engaged in the same enterprise. It was felt that this justified an exclusion from U.S. taxation up to $20,000; or, if they have been there for more than 3 years, up to $35,000 in some cases. That is what the committee felt.

Much has been said about what President Kennedy recommended. Two years ago President Kennedy recommended that the income of Americans in developed countries be fully taxed. But the amendment of the Senator from Tennessee [Mr. Gore] seeks to go beyond that, and to tax such income of our citizens who are in undeveloped countries as well. In that respect, his proposal goes much further than anything the late President Kennedy recommended.

Our committee considered this matter 2 years ago, and brought out the provisions which are presently in the law, which amount to a very substantial tightening of the law. We adopted what I thought both desirable and very generous in 1962.

Whether we went far enough and made the law sufficiently severe could be questioned; but the Treasury Department has not seen fit to recommend a change in this field. Furthermore, President Kennedy did not recommend a further change. Moreover, President Johnson certainly has not recommended a change in the law, and the Treasury is not asking for the provision the Senator from Tennessee has now proposed.

If we should ask the Treasury what it believes we should do with this amendment, it would reply, "We recommend no change on this, this year." That is about the situation we face.

Mr. CURTIS. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. CURTIS. Is it not true that we are here confronted with a basic problem of jurisdiction? If a citizen of State A earns income in State B, and he is not living in his home State, to what extent can one jurisdiction tax income earned in another? That is also true among nations.

So here we have a question about income not earned in the United States, and oftentimes not brought to the United States. That is the basic problem.

Then there arose a necessity for some limitation on that, because a loophole developed from the fact that the entire activities or business transactions of certain persons or firms were moved outside the United States—whether those involved the making of a movie film or something else. The purpose was to avoid U.S. taxation on a sizable amount of income that went beyond what could be regarded as remuneration for personal services. For that reason, there was some limitation.

But does this question go back in the Senator's opinion, to the basic problem of jurisdiction over taxable income earned in a foreign country? Is it any more likely that such countries would permit United States taxes on income earned by United States citizens there, than that the United States would permit those countries to tax income earned in this country by their nationals?

Mr. LONG of Louisiana. The United States claims the right to tax the earnings of every U.S. citizen, wherever he may be—even if he is on the moon, if he can get there. On the other hand, such a foreign country has the right to tax the amounts he earns in that country.

Mr. CURTIS. Is it not true that, historically, income earned by U.S. citizens while living outside the United States, regardless of their particular situations, is subject to U.S. taxation?

Mr. LONG of Louisiana. At one time there was no exclusion. Then in the 1920's we provided an exclusion. Then in the 1950's the United States reasserted its right to tax the income of U.S. citizens who were living in other countries above $20,000 in some cases.

We believe that if there should be any further tightening of the act, it should await some further study. We believe we have tightened enough to prevent abuses, and that further tightening should await the making of further studies to determine where the law should be changed.

Most of the countries where this would have its greatest application are not developed countries; but the amendment of the Senator from Tennessee would apply both to our citizens in the developed and our citizens in the undeveloped countries. However, neither President Kennedy nor any other U.S. official has recommended that we do what the Senator from Tennessee wants done, so far as those countries are concerned.

Mr. GRUENING. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. GRUENING. Is it not true that when a U.S. citizens chooses to establish his residence abroad, and makes his choice freely, thereafter—while he is abroad—he does not drive his automobile over our roads or send his children to our schools, although he could do so. So I fail to understand why he should get a special exemption. If he is taxed by the country in which he works and makes a profit, that is his business. I find it difficult to understand why the U.S. Treasury should be the victim of an act which he performed of his own free choice. Under these circumstances, I intend to support the amendment of the Senator from Tennessee.

Mr. CLARK. Mr. President, before the vote on the amendments is taken, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. CLARK. A few moments ago the Senator for Tennessee stated that the substance of his amendment had been recommended by both President Kennedy and Secretary of the Treasury Dillon; the Senator from Tennessee made that categorical statement.

Mr. LONG of Louisiana. This amendment was not recommended by either President Kennedy or the Secretary of the Treasury.

Mr. CLARK. But it was recommended at the time when the initial recommendation for tax reform came to Congress, was it not? Is that not what the distinguished Senator from Tennessee said?

Mr. LONG of Louisiana. No. This amendment had not been recommended by anyone at the administration level. In other words 2 years ago, under the Kennedy administration, a recommendation was made that the exclusion should be eliminated, insofar as U.S. citizens in developed countries were concerned.

The great majority of countries are not regarded as developed countries, and therefore there was not recommendation of a change insofar as the less developed countries were concerned.

Mr. CLARK. Is it not true, however, that the vast majority of the money involved comes from our citizens who live in developed countries, and that the President recommended elimination of the entire credit, not just a reduction to $6,000, as the Senator from Tennessee has recommended?

Mr. DOUGLAS. That is correct.

Mr. CLARK. I ask for a factual answer.

Mr. LONG of Louisiana. Well, let me say that although this amendment was voted on by the committee, it was considered there only briefly—which accounts for the fact, so I am advised by one of our ablest staff members, that to the best of his recollection the amendment was not considered at length in the committee.

In my judgment, if the committee had studied the provision more it would have been still stronger in opposition to the amendment. In any event, the possibilities are that the bulk of what we would have talked about in terms of revenue is in the less developed countries, because the tax rates in the so-called developed countries, the advanced countries, are more nearly in line with ours. Insofar as persons making a substantial income in those countries are concerned, they are already paying a substantial income tax on the income derived in those nations, and they would have the benefit of the foreign tax credit with regard to income earned there.

Mr. CLARK. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. CLARK. The Senator from Louisiana agrees, does he not, with the Senator from Tennessee, that a more rigorous amendment than the one proposed by the Senator from Tennessee was proposed both by President Kennedy and by Secretary Dillon 2 years ago?

Mr. LONG of Louisiana. More rigorous in one respect and less rigorous in another respect.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. HOLLAND. I believe most Senators have traveled in Central America and Latin America. I have noticed that in those countries there are large investments of American money, in connection with the operation of all types of business, and that most of those investors prefer to have American executives at the head of their businesses and also in all other high-level echelons.

I inquire of the Senator from Louisiana whether it would be reasonable to expect trained executives of such a type to go into those countries without having some assurance of the type that is offered by existing law—namely—that they would not have full accountability to the countries where they were residing and working for the moment for the payment of income taxes, and at the same time have accountability to their home nation for payment of the full amount of the ordinary income. Would it be reasonable to encourage them or to expect them to accept assignments to those positions if they had to pay taxes in both directions?

Mr. LONG of Louisiana. I agree with the Senator from Florida. I do not believe it would be reasonable to expect that. I also remind the Senator so long as Americans with large investments overseas are competing with foreigners who are becoming more efficient from day to day, we must recognize the growing ability of these foreigners to compete with Americans. If we were to undertake to discriminate by taxing our people at a far heavier rate than that applied to others in those lands, it would seem to me that over a period of time we would tend to make Americans less competitive with the citizens of advanced nations who are competing with our citizens in countries where the resources need to be developed.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield further?

Mr. LONG of Louisiana. I yield.

Mr. HOLLAND. In conjunction with other members of the Appropriations Committee, I heard the distinguished Secretary of the Treasury, Mr. Dillon, report on the original conferences in Uruguay which preceded the Alliance for Progress. One of the things on which he insisted most fully was that the contributions to be made by our country over this period of years be very heavily divided between public contributions and private investments, and that it was a part of the program to encourage both large companies and small companies of our country to transact business in the countries covered by the Alliance for Progress.

So I repeat the question: With the emphasis being laid in every way by our country upon increased investments and increased operations by American capital and American business in these countries, would it have been reasonable or feasible to adopt a tax program which would have discouraged our own people who were qualified to be executives of those businesses from going there with our capital, to manage them in the American way?

Mr. LONG of Louisiana. It would not have been reasonable. That is why the Kennedy administration recommended some action in this field and recommended that we not change the exclusion at all in the less-developed countries. The administration was not particularly concerned about retarding the efforts of Americans in connection with developed enterprises in the developed countries, but it wished to retain the incentive and encouragement that existed then, and presently exists, for Americans to go into the less-developed countries, to help them get on with the job of the Alliance for Progress and with the advancement of their economic interests. So even the present law is more restrictive in that type of situation than the President Kennedy administration was disposed to recommend.

Mr. LAUSCHE. Mr. President——

The PRESIDING OFFICER (Mr. EDMONDSON in the chair). The Senator from Ohio is recognized.

Mr. LAUSCHE. Mr. President, there has been some discussion about the relative income tax burdens imposed by the Government of the United States and Western European countries. The point I wish to make is that the U.S. Government imposes the highest income tax of any of the Western European countries, or even those in the Western Hemisphere. The statistical yearbook issued by the United Nations in 1961 is a narration of the percentage of taxes from major sources collected by certain central governments. The tabulation is most interesting because it shows that the nations of Western Europe rely primarily upon excise and indirect taxes.

The report shows that the United States collects 79 percent of its revenues through income taxes; Australia, 51 percent; Canada, 52 percent; Austria, 30 percent; Belgium, 37 percent; France, 28 percent; Germany, 38 percent; Italy, 21 percent; the Netherlands, 55 percent; and the United Kingdom, 38 percent.

Arguments have been made—and it was so testified by Secretary Dillon—that the European nations have reduced their income taxes and have found that that action has stimulated business. The parallel is drawn that if the stimulation arose there it will likewise come in the United States. But the whole story was not told, because Europe relies primarily upon excise, sales, and other indirect taxes to provide its revenues.

Now I go to another tabulation. This is one issued by the First National City Bank of New York in 1962. This one shows that the United States collects 83 percent of its revenues by income tax; Canada, 65 percent; Japan, 64 percent; the Netherlands, 64 percent; Germany, 60 percent; Australia, 58 percent; Great Britain, 55 percent; France, 51 percent; Belgium, 51 percent; Sweden, 50 percent; Italy, 49 percent, a disparity between this one and the last one I read; Denmark, 40 percent; and Norway, 37 percent.

I am not arguing in favor of collecting revenues through excise, sales, and indirect taxes. The point I wish to make is that most Socialist countries in Western Europe are collecting their revenues primarily through excise taxes.

That brings me to the following point: We contemplate losing revenues in the approximate amount of $11 billion in 2 years. We speak only of a 2-year period. The proposed action would mean a loss of revenues forever unless the tax laws were changed again. It is one thing to argue for the reduction of income taxes and to substitute for the loss the imposition of an indirect or an excise tax; but it is another thing to argue merely to reduce the tax and then depend upon the possibilities that with reduction greater revenues will flow to the state. I do not believe that will happen.

Mr. President, I contend that the tabulations which I have discussed are exceedingly important. Secretary Dillon, in answering the questions asked by the Senator from Virginia [Mr. BYRD], used Europe as an example of why we should do what is proposed in the United States. Therefore I ask unanimous consent that those tabulations be printed at this point in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

[In cents]

	Out of every $1 of tax revenue of central governments—		
	Taxes on income produce—	Taxes on capital produce—	Taxes on sales produce—
United States	83.4	1.8	14.8
Canada	65.0	1.6	33.4
Japan	64.9	.6	34.5
Netherlands	64.6	3.4	32.1
Germany	60.2	1.6	38.2
Australia	58.1	1.3	40.6
Britain	55.3	3.7	41.0
France	51.7	1.9	46.4
Belgium	51.4	1.5	47.1
Sweden	50.6	1.5	47.8
Italy	49.7	1.7	48.6
Denmark	40.0	5.3	54.7
Norway	37.5	2.2	60.3

NOTE.—Taxes on income include payroll taxes. Those on capital include estate, inheritance, gift and property taxes. Taxes on sales include excises, other consumption taxes. Figures are for fiscal years ended in 1960, except for Scandinavian countries, where years ended in 1959 are the latest available.

The Statistical Yearbook issued by the United Nations in 1961 gives an information narration of the percentage of taxes from major sources collected by certain central governments; the tabulation is as follows:

Percentage of taxes from major sources central governments, selected countries, 1960

	Personal income	Corporate income	Import duties	Excise duties	Turnover tax	Others	Total income tax
United States	51.9	27.4	1.4	11.6		7.6	79.3
Australia [1]	51.0		6.5	19.2	[2] 12.5	10.8	51.0
Canada	30.6	22.3	10.3			36.8	52.9
Austria [1]	30.9		7.3		21.3	40.5	30.9
Belgium [1]	37.6		5.4	14.6		42.4	37.6
France	16.0	12.6	2.2	9.5	35.2	24.5	28.6
Germany (Federal Republic)	28.8	10.1	4.8	14.5	28.5	13.0	38.9
Italy [1]	21.3		[3] 22.3		19.4	36.9	21.3
Netherlands	40.3	15.0	10.0	8.5	18.7	7.4	55.3
United Kingdom [1]	38.2		[3] 33.4			28.4	38.2

[1] A breakdown between personal and corporate income taxes is not provided.

[2] The Australian tax is classed as a sales tax.

[3] Import and excise duties are stated as 1 figure for Italy and the United Kingdom.

NOTE.—The turnover tax is a multiple-stage sales tax which is applied at all stages in the production and distribution channels. There are varied and modified forms of it in the countries where it is used.

Percentages may not total 100 due to rounding.

Mr. LONG of Louisiana. Mr. President, in order that Senators may know when the vote will come on the Gore amendment, I ask unanimous consent that the Senate vote on the Gore amendment in 10 minutes, which would be at 35 minutes after 3 p.m.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that immediately following the vote on the Gore amendment the Senator from Indiana [Mr. HARTKE] be recognized.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LONG of Louisiana. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG of Louisiana. I ask unanimous consent that the Senate now proceed to vote on the Gore amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from West Virginia [Mr. BYRD], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from Arizona [Mr. HAYDEN], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Connecticut [Mr. DODD], the Senator from California [Mr. ENGLE], and the Senator from Nevada [Mr. CANNON] would each vote "yea."

On this vote the Senator from Arizona [Mr. HAYDEN] is paired with the Senator from Rhode Island [Mr. PASTORE]. If present and voting the Senator from Arizona would vote "nay," and the Senator from Rhode Island would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. COTTON], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The result was announced—yeas 47, nays 41, as follows:

[No. 14 Leg.]

YEAS—47

Aiken
Bayh
Beall
Burdick
Byrd, Va.
Case
Church
Clark
Cooper
Curtis
Dominick
Douglas
Edmondson
Ervin
Fong
Gore
Gruening
Hart
Hruska
Johnston
Keating
Kennedy
Kuchel
Lausche
McGovern
McIntyre
McNamara
Mechem
Metcalf
Miller
Monroney
Morse
Mundt
Muskie
Nelson
Pearson
Prouty
Proxmire
Randolph
Ribicoff
Russell
Scott
Smith
Symington
Thurmond
Williams, Del.
Young, Ohio

NAYS—41

Allott
Anderson
Bennett
Bible
Boggs
Brewster
Carlson
Eastland
Ellender
Fulbright
Hartke
Hickenlooper
Hill
Holland
Humphrey
Inouye
Jackson
Javits
Jordan, N.C.
Jordan, Idaho
Long, Mo.
Long, La.
Magnuson
Mansfield
McCarthy
McClellan
McGee
Morton
Moss
Pell
Robertson
Saltonstall
Simpson
Smathers
Sparkman
Stennis
Talmadge
Tower
Walters
Williams, N.J.
Young, N. Dak.

NOT VOTING—12

Bartlett
Byrd, W. Va.
Cannon
Cotton
Dirksen
Dodd
Engle
Goldwater
Hayden
Neuberger
Pastore
Yarborough

So Mr. GORE's amendment was agreed to.

Mr. GORE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOUGLAS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARTKE. Mr. President, shortly this body will take up consideration of an amendment by the junior Senator from Connecticut, my distinguished and learned friend [Mr. RIBICOFF]. This amendment deals with tax credits for those who are supporting children attending colleges and universities.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. HARTKE. I am happy to yield to the Senator from Florida.

Mr. SMATHERS. Is the Senator discussing an amendment or proposal which has something to do with the so-called Ribicoff amendment?

Mr. HARTKE. My intention is to discuss at this time a proposal which would be an alternative to and a substantial improvement over the proposal of the distinguished Senator from Connecticut. I hope that Members of the Senate who are interested in the vote on the so-called Ribicoff amendment will give this matter their utmost consideration, because I believe they will be interested in learning how this approach will go to the heart of the problem. This may end what I consider to be some confusion, and may at the same time eliminate the illusion which I believe has been created. The proposal which I intend to offer looks to the future rather than to the immediate past or to the present in the field of education.

Both the subject matter—that of assistance to youngsters in college and their families—and the specific proposal of the junior Senator from Connecticut are familiar to me. I have had to come to grips personally with the problem of helping children in college all too soon after my own labors at trying to earn a degree and money at the same time. Moreover, I have offered as bills several proposed solutions to this problem. I have considered carefully, long ago, the idea of tax credits, of writeoffs for college expenses, of double exemptions for college students and of a guaranteed loan program organized along the lines of FHA. My point is, Mr. President, that I am no Johnny-come-lately to this problem. Nor am I a Johnny-come-lately to seeking a solution.

Along with many others in the Senate, I have come to the conclusion that a solution cannot rest with one facet of this problem. It is not primarily a problem of taxation and the solution cannot be provided exclusively with taxation, if at all. Certainly, any measure which porports to be a solution to the problem of helping students and their parents afford college should offer sufficient relief and help so that we may reach a goal of a college education for every American youngster who wants to go and who has the capacity to do the work.

I do not believe that the junior Senator from Connecticut's amendment would do this job. I think it would add to the confusion and in fact be an illusion. I believe we need a broader, more comprehensive program to do this job.

Last Thursday, the distinguished senior Senator from Michigan stated here:

> When we seek to aid education, we should do so in an education bill and not in a bill relating to finance.

I believe this was one great factor which caused the Finance Committee to reject the proposal of the junior Senator from Connecticut.

When it fell to my lot to face a committee vote on this matter, I took up the whole idea of aid for students in colleges and universities with the highest echelons of Treasury and the Department of Health, Education, and Welfare. I discussed with them my own ideas and the need for something to be done to help solve this problem of trying to put higher education within the reach of every qualified youngster. I have come up with a comprehensive solution which has met with considerable approval at Treasury and HEW and which I believe will be approved by parents, students, educators, and lawmakers. My proposal looks forward rather than backward.

But first, Mr. President, I wish to discuss for a moment my objections to the Ribicoff amendment of the junior Senator from Connecticut.

The graduated tax credit proposed by the junior Senator from Connecticut is extremely costly. Estimates of Treasury are that it will cost $750 million the first year and that, by 1970, the cost will be $1.3 billion for that year. Should costs of tuition and other items of obtaining a college education rise in the period, the loss would, of course, be even greater.

To obtain relief under the proposal of the junior Senator from Connecticut, a man would have to be paying income taxes. There can be no tax relief to the student from a family whose income is too low to be paying taxes. Moreover, it can be assumed that those who would get relief would be sending their children to college anyway. Laudable as this may be, it does not solve the problem of putting college within the reach of every qualified student.

As the 1960 census shows clearly, so far as the present income groups are concerned, if we divide them into upper income, middle income, and lower income groups, we find that two-thirds of those who are in the upper income groups are sending their children to college; one-half of the middle income, and one-fifth of those who are in the lower income groups. Those are the people who are providing an opportunity for a college education.

Colleges and universities would be aided by the amendment of the junior Senator from Connecticut only in that they could raise tuition and other costs. Any tax credit to an individual might then be virtually wiped out by increased costs. In other words, a father might well be out of pocket just as much after getting tax relief because of also getting a bigger bill from the school. The net result could well be aggravation of the disease rather than a cure. There might be little gain—if any—for those who benefit and a loss to those not benefiting. The greatest loss of potential—that is, the lower income group—would be aided least. In fact, the needy will be worse off.

Major benefit to individuals from the plan would go to those who send youngsters to expensive, private institutions. Students in public institutions generally would get shortchanged and States with highly developed public education into the college level would be discriminated against.

In evaluating the tax credit as a means for encouraging higher education, through helping institutions and families of students, we should consider whether spending this kind of money can accomplish more some other way.

In following this approach, Mr. President, I have come up with a solution which I believe does just this. That is, the spending proposed is not as great or no greater than the loss of revenue anticipated by passage of the amendment. Yet, I believe, the benefits are greater to those whom we wish to help. I believe that the Labor and Public Welfare Committee should consider my suggested solution, that of our distinguished colleague from Connecticut and, perhaps, others.

I believe, as does the Senator from Louisiana [Mr. LONG], when he said Thursday, in the initial discussion about this matter, that if we could make available the same sum of money that the Ribicoff amendment would cost the Treasury for direct use in assistance to students for higher education, it would be far more effective. I am today introducing a comprehensive bill to achieve those purposes, a bill which bears the short title, "Higher Education Student Assistance Act of 1965."

In my opinion, it would do more to achieve the same ends than would the so-called Ribicoff amendment, because it would reach the needier students from families which cannot benefit from the tax credit, because they would have no taxes, or insufficient taxes, from which to deduct a credit. It would do more because, first, it would create a scholarship program for talented and needy young people. It would do more because it would expand the loan opportunities available under the National Defense Education Act. It would do more because it would make more easily available to students and their families loans through commercial channels, and perhaps from funds of the institutions not now available for loan, by providing for Government guarantee of such loans. It would do more because it would provide a work-study program under which qualified students will be able to do useful course-related work on the campus for pay, giving them aid while at the same time helping the institution by their work, and incidentally removing many students from filling stations, taxi driving, and other part-time work which would thus help make jobs for some unemployed.

Mr. President, there is need for a broader consideration of the needs of higher education in the area of student assistance than can be given hastily on the floor of this body. This has previously been pointed out by others among my colleagues, including the junior Senator from Louisiana and the senior Senator from Michigan, as well as the senior Senator from Oregon, who is chairman of the Education Subcommittee of the Labor and Public Welfare Committee. It is for that reason that I present the comprehensive student assistance bill at this time, in order that it may be considered as a far better alternative than that which the junior Senator from Connecticut is offering. The total sums involved are less than those which that amendment anticipates, according to Treasury figures, and its full consideration by the subcommittee of the senior Senator from Oregon will give us a basis for consideration which adoption now of the so-called Ribicoff proposal will not do.

The bill I am about to introduce is one which the administration will find it is possible to support. Three of its four methods of approach have been proposed in previous drafts of legislation, and one of these, the student loan guarantee proposal, is before a committee separately in a bill introduced by me, S. 1115, and was once proposed in a bill introduced by the distinguished President of the United States when he was a Member of this body.

But the fourth, the work-study program, is a new and most promising additional approach.

Under my bill, the cost would be $353,500,000, compared with $750 million under the so-called Ribicoff amendment, for the first year, fiscal 1965, rising in 1968 to a maximum of $650 million, compared with the $1.3 billion under the Ribicoff amendment. Thus, the cost of my program would be about half of that involved in the Ribicoff amendment. I have seen no estimate of the number of students who would be aided by the Ribicoff amendment. The number of students who would be aided by my bill would be 905,000 in the first year and 1,240,000 by 1968.

Moreover, these will be students who have proved in the competition for scholarships, in the restrictive provisions requiring a combination of ability and need, and in the measures providing for judicious administration of the assistance to those most deserving, that the aid they receive will be contributing most efficiently to our future citizenry.

My bill has four parts. First, the undergraduate scholarship program would provide aid in the first year for 50,000 students, and for 200,000 by 1968. This would be direct scholarship assistance on a State-administered basis, based on merit. Here we would reach students who have real need but who in many cases, although even brilliantly qualified for college, are unable because of the family economic situation to attend without scholarship help. This is the group untouched by the Ribicoff proposal.

Second, the National Defense Education Act would be expanded in its aid, with the loan limit lifted from $1,000 to $1,500 for undergraduates and from $2,000 to $2,500 for graduate students. It would further expand the application of the National Defense Education Act to technical institutions of less than 4-year degree-granting status, which are not now eligible. The number of students aided by this expansion would be 470,000 in 1965 and 600,000 in subsequent years.

Third, the student loan insurance program would be accomplished by a very nominal expenditure of $1 million for a revolving fund which would become self-sustaining. One could draw a parallel to the Federal Deposit Insurance Corporation and its operations. It might open up the possibility, with Federal loan guarantees, for the loaning out of restricted funds now being held by many of the institutions themselves, giving them a return on their funds as great as they are now receiving but putting the funds to work directly in support of the educational programs at the heart of their concern. The estimate is that this program, which would include a limitation on the amount of interest chargeable under an insured loan to 6 percent, would help 55,000 students in its first year and 110,000 each year thereafter.

Finally, the work-study program would make available $250 million annually to the cooperating institutions, which would parcel it out in pay to students for work of benefit both to them in relation to their college work and of significant benefit to the institution. For example, it would allow the use of more student assistants to professors. It might encourage teachers by making some payment for their practice teaching, or for field work by students in social work areas, and in other ways. In addition, it would have the "fallout effect" of removing many students from part-time work which could be done as well by nonstudents. This most important new proposal would aid 330,000 students annually.

But although I am speaking of this subject in the context of the amendment to the tax bill before us, I am introducing it as a bill which deserves its own consideration as a preferable attack upon the problem of aid to students. I believe that we must vote against the Ribicoff amendment or at least to refer it to committee, where it can be examined minutely in comparison with my own proposal in the bill I am introducing today.

Mr. President, I introduce the bill at this time and ask that it be appropriately referred for full consideration by a committee.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2490) to provide assistance for students in higher education by increasing the amount authorized for loans under the National Defense Education Act of 1958 and by establishing programs for scholarships, loan insurance, and work-study, introduced by Mr. HARTKE, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. SMATHERS. Mr. President, will the Senator from Indiana yield?

Mr. HARTKE. I yield.

Mr. SMATHERS. I congratulate the able Senator on the concept of his bill. I should like to ask the Senator several questions that arose in my mind as I listened to him speak.

First, does his proposal envision taking care of and providing education for a young man who might be orphaned, who has no family to provide for him? Would the Senator's concept provide education for that type of person, who otherwise would not be eligible?

Mr. HARTKE. Most especially that is true. There would be assistance to the student who needs this assistance in order to be able to go to college. In other words, his tax would be cut.

Mr. SMATHERS. Does that differ from the Ribicoff proposal, in that the Ribicoff proposal does not provide at all for the boy who might be in need, but rather, envisions taking care of the parents? Is that correct?

Mr. HARTKE. Yes. There is no doubt about it. The Senator from Florida is exactly correct. In the case of the orphan, the parents are no longer living. So, under the Ribicoff amendment, the child could not receive the tax credit; and the parents would no longer be in need of it, for their assistance.

Mr. SMATHERS. As I understand the Ribicoff amendment, if a man has a large number of children, but has no way to send them to school, would this amendment provide a way to send them to school?

Mr. HARTKE. No, it would not, for under the Ribicoff amendment he would not be eligible to receive such a tax credit. No tax credit can be given to a man who does not have any money with which to pay taxes and does not pay them.

The PRESIDING OFFICER. Under the unanimous-consent agreement entered into on January 31, the time available for debate on the Ribicoff amendment is now under control.

The amendment of the Senator from Connecticut will now be stated.

AMENDMENT NO. 329

The LEGISLATIVE CLERK. At the proper place in title II of the bill, it is proposed to insert the following new section:

SEC. . TAX CREDIT FOR EXPENSES OF HIGHER EDUCATION.

(a) ALLOWANCE OF CREDIT.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by renumbering section 39 as 40, and by inserting after section 38 the following new section:

"SEC. 39. EXPENSES OF HIGHER EDUCATION.

"(a) GENERAL RULE.—There shall be allowed to an individual, as a credit against the tax imposed by this chapter for the taxable year, an amount, determined under subsection (b), of the expenses of higher education paid by him during the taxable year to one or more institutions of higher education in providing an education above the twelfth grade for himself or for any other individual.

"(b) LIMITATIONS.—

"(1) AMOUNT PER INDIVIDUAL.—The credit under subsection (a) for expenses of higher education of any individual paid during the taxable year shall be an amount equal to the sum of—

"(A) 75 percent of so much of such expenses as does not exceed $200,

"(B) 25 percent of so much of such expenses as exceeds $200 but does not exceed $500, and

"(C) 10 percent of so much of such expenses as exceeds $500 but does not exceed $1,500.

"(2) PRORATION OF CREDIT WHERE MORE THAN ONE TAXPAYER PAYS EXPENSES.—If expenses of higher education of an individual are paid by more than one taxpayer during the taxable year, the credit allowable to each such taxpayer under subsection (a) shall be the same portion of the credit determined under paragraph (1) which the amount of expenses of higher education of such individual paid by the taxpayer during the taxable year is of the total amount of expenses of higher education of such individual paid by all taxpayers during the taxable year.

"(3) REDUCTION OF CREDIT.—The credit under subsection (a) for expenses of higher education of any individual paid during the taxable year, as determined under paragraphs (1) and (2) of this subsection, shall be reduced by an amount equal to 1 percent of the amount by which the adjusted gross income of the taxpayer for the taxable year exceeds $25,000.

"(c) DEFINITIONS.—For purposes of this section—

"(1) EXPENSES OF HIGHER EDUCATION.—The term 'expenses of higher education' means—

"(A) tuition and fees required for the enrollment or attendance of a student at a level above the twelfth grade at an institution of higher education, and

"(B) fees, books, supplies, and equipment required for courses of instruction above the twelfth grade at an institution of higher education.

Such term does not include any amount paid, directly or indirectly, for meals, lodging, or similar personal, living, or family expenses. In the event an amount paid for tuition or fees includes an amount for meals, lodging, or similar expenses which is not separately stated, the portion of such amount which is attributable to meals, lodging, or similar expenses shall be determined under regulations prescribed by the Secretary or his delegate.

"(2) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means an educational institution (as defined in section 151(e)(4))—

"(A) which regularly offers education at a level above the twelfth grade, and

"(B) contributions to or for the use of which constitute charitable contributions within the meaning of section 170(c).

"(d) SPECIAL RULES.—

"(1) ADJUSTMENT FOR CERTAIN SCHOLARSHIPS AND VETERANS' BENEFITS.—The amounts otherwise taken into account under subsection (a) as expenses of higher education of any individual during any period shall be reduced (before the application of subsection (b)) by any amounts received by such individual during such period as—

"(A) a scholarship or fellowship grant (within the meaning of section 117(a)(1)) which under section 117 is not includible in gross income, and

"(B) education and training allowance under chapter 33 of title 38 of the United States Code or educational assistance allowance under chapter 35 of such title.

"(2) NONCREDIT AND RECREATIONAL, ETC., COURSES.—Amounts paid for expenses of higher education of any individual shall be taken into account under subsection (a)—

"(A) in the case of an individual who is a candidate for a baccalaureate or higher degree, only to the extent such expenses are attributable to courses of instruction for which credit is allowed toward a baccalaureate or higher degree, and

"(B) in the case of an individual who is not a candidate for a baccalaureate or higher degree, only to the extent such expenses are attributable to courses of instruction necessary to fulfill requirements for the attainment of a predetermined and identified educational, professional, or vocational objective.

"(3) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) to the taxpayer shall not exceed the amount of the tax imposed on the taxpayer for the taxable year by this chapter, reduced by the sum of the credits allowable under this subpart (other than under this section and section 31).

"(e) DISALLOWANCE OF EXPENSES AS DEDUCTION.—No deduction shall be allowed under section 162 (relating to trade or business expenses) for any expense of higher education which (after the application of subsection (b)) is taken into account in determining the amount of any credit allowed under subsection (a). The preceding sentence shall not apply to the expenses of higher education of any taxpayer who, under regulations prescribed by the Secretary or his delegate, elects not to apply the provisions of this section with respect to such expenses for the taxable year.

"(f) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section."

(b) CLERICAL AMENDMENT.—The table of sections for such subpart A is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 39. Expenses of higher education.

"Sec. 40. Overpayments of tax."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1963.

Mr. ANDERSON. Mr. President, I yield 3 minutes to the Senator from Montana [Mr. MANSFIELD].

The PRESIDING OFFICER. The Senator from Montana is recognized for 3 minutes.

Mr. MANSFIELD. Mr. President, I have discussed with the distinguished Senator from Connecticut [Mr. RIBICOFF], the mover of the amendment; with the Senator in charge of the bill [Mr. LONG of Louisiana]; with the distinguished senior Senator from New Mexico [Mr. ANDERSON]; with the ranking minority member of the committee on the bill, the senior Senator from Delaware [Mr. WILLIAMS]; and with the distinguished junior Senator from Kentucky [Mr. MORTON] the possibility of changing the unanimous-consent agreement to a more understandable basis.

The unanimous-consent agreement now reads in part as follows:

> That debate on said amendment continue for 4 hours, the time to be equally divided between the proponents and the opponents and controlled in the manner provided by the usual form.

I ask unanimous consent that the words "that after the hour of 8 o'clock p.m." be stricken out.

The PRESIDING OFFICER (Mr. BREWSTER in the chair). Is there objection?

Mr. PROUTY. Mr. President, reserving the right to object, would that mean that the vote on the Ribicoff amendment would be taken tonight?

Mr. MANSFIELD. No. The vote on the Ribicoff amendment would still be taken tomorrow, as now provided for; but the votes on amendments to the Ribicoff amendment would be taken tonight, and there would be debate for 4 hours or less. In other words, if that debate ended before the 4 hours elapsed, the debate tonight could then turn to other amendments.

Mr. PROUTY. Can the Senator from Montana give us assurance that a motion to lay the Ribicoff amendment on the table will not be made by him, and that the Senate will have an opportunity to vote the Ribicoff amendment either up or down?

Mr. MANSFIELD. No, I cannot now give such assurance, because at this time I do not know what I am going to do.

Mr. PROUTY. Then, Mr. President, under the circumstances, I am constrained to object; and I do object.

The **PRESIDING OFFICER.** Objection is heard.

Mr. RIBICOFF. Mr. President, on the question of agreeing to my amendment, I ask that when the vote is taken tomorrow, it be taken by the yeas and nays.

The **PRESIDING OFFICER.** Is there a sufficient second?

The yeas and nays were ordered.

Mr. RIBICOFF. Mr. President——

The **PRESIDING OFFICER.** How much time does the Senator from Connecticut yield to himself?

Mr. RIBICOFF. As much of the available time as I may need.

The **PRESIDING OFFICER.** The Senator from Connecticut is recognized.

COLLEGE TAX CREDIT AMENDMENT

Mr. RIBICOFF. Mr. President, this is a significant moment in the long fight that was begun many years ago to provide tax relief for the costs of a college education. The debate we now begin will end tomorrow with a vote—a rollcall vote—on this issue. As far as I know, this is the first time the issue has come to the floor of the Senate for serious debate and tomorrow will be the first time the issue has been voted on.

I believe this is significant for two reasons. First of all, it has been my view while serving both in the executive branch and in the legislative branch, that the legislative branch too rarely initiates its own legislative proposals. Most of the bills that move through Congress begin their journey in the executive branch. There is a reluctance here to break new legislative ground. The system whereby the executive proposes and the Legislature disposes has come to dominate not just consideration of Presidential requests, but the entire legislative process. Too often Congress accepts the passive role of disposing, and fails to assume its proper responsibility for doing some proposing of its own.

Second, the reluctance of Congress to initiate legislation becomes almost absolute when a proposal is actively opposed by the executive branch.

So it has been in the past with the proposal for tax relief for college costs. Each year Senators and Congressmen introduce bills on this subject. There have been 450 bills in the last 10 years. In this Congress more than 100 Congressmen and 19 Senators have introduced such bills. After the bills have been introduced, little or nothing happens. The bills are not pressed in the face of administration disapproval, they are not debated, and they are not brought to a vote.

This year is different. This year those of us who had introduced bills on this subject resolved to press the issue and have it decided. Senators from both parties, representing different parts of the country and different points of view, worked together to fashion a proposal that contained the best features of the bills each of us had prepared. From that effort came the amendment that is now before the Senate. This is the amendment we will debate and this is the amendment we will vote on tomorrow.

The executive branch has been opposed to this amendment and is still opposed. But nevertheless we are going forward. This is the way I believe the legislative process should work.

Let me now explain exactly what this amendment is and how it works.

The amendment provides an income tax credit for college costs. The credit is based on the first $1,500 of tuition, fees, books and supplies per student at an institution of higher education. The amount of the credit is 75 percent of the first $200, 25 percent of the next $300, and 10 percent of the next $1,000. The maximum credit is $325.

The credit is available to anyone who pays the qualifying costs—parents, students, or any other person who wants to help a deserving boy or girl obtain a college education.

The amount of the credit is reduced by 1 percent of the amount by which the taxpayer's adjusted gross income exceeds $25,000. In other words, for each $5,000 of adjusted gross income above $25,000, the credit is reduced $50. For taxpayers with adjusted gross incomes above $57,500, the amount of the credit is 0.

This credit for college costs, like all credits, is a subtraction from the amount of taxes the individual would otherwise pay. Each $1 of credit reduces a person's tax by $1. Because the amendment uses a credit instead of a deduction or an exemption, the tax relief is provided uniformly without regard to the taxpayer's tax bracket. A deduction or an exemption saves a $15,000 man more tax dollars than a $5,000 man. But a credit saves both the exact same amount.

I ask unanimous consent to insert in the RECORD at this point tables 1 and 2 showing the amount of the credit at various levels of tuition and at various levels of income.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—*Dollar benefit under Ribicoff amendment providing tax credit on 1st $1,500 of tuition, fees, books, and supplies at an institution of higher education*

	Adjusted gross income up to—							
	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000
Tuition per student:								
$100	$75	$25	0	0	0	0	0	0
$200	150	100	$50	0	0	0	0	0
$300	175	125	75	$25	0	0	0	0
$400	200	150	100	50	0	0	0	0
$500	225	175	125	75	$25	0	0	0
$600	235	185	135	85	35	0	0	0
$700	245	195	145	95	45	0	0	0
$800	255	205	155	105	55	$5	0	0
$900	265	215	165	115	65	15	0	0
$1,000	275	225	175	125	75	25	0	0
$1,100	285	235	185	135	85	35	0	0
$1,200	295	245	195	145	95	45	0	0
$1,300	305	255	205	155	105	55	$5	0
$1,400	315	265	215	165	115	65	15	0
$1,500	325	275	225	175	125	75	25	0

TABLE 2.—*Taxpayers with adjusted gross income of $25,000 or less*

Tuition, fees, books, and supplies per student	Tax credit allowed taxpayer for each student whose expenses he paid	
	Amount	As a percentage of higher education expenses
$100	$75	75.0
$200	150	75.0
$300	175	58.3
$400	200	50.0
$500	225	45.0
$600	235	39.2
$700	245	35.0
$800	255	31.9
$900	265	29.4
$1,000	275	27.5
$1,100	285	25.9
$1,200	295	24.6
$1,300	305	23.5
$1,400	315	22.5
$1,500	325	21.7

Mr. RIBICOFF. The primary purpose of this amendment is to ease the heavy financial burden of college costs and thus to help reach the goal of enabling every deserving young man and woman in this country to obtain a college education.

The financial burdens of high college costs are just as entitled to be eased through tax relief as medical expenses and casualty losses. These college costs hit middle income and lower middle income families with an impact that hurts. The man earning $8,000, $10,000 or $15,000 faces a heavy burden in paying $2,000, $1,000 or even $500 for college costs. And this man is generally not eligible for scholarship or loan funds to aid his son or daughter. For example, under the National Defense Education Act loan program, 71 percent of the families receiving loan funds have incomes below $6,000.

This is an amendment for the average family in America. Their income is made up almost entirely of salary. They have no capital gains, no tax-exempt interest, no depreciable property, no stock options, no oil depletion allowances, and no investment credits.

These people are the backbone of America. They work hard. They earn their salaries. Every cent of it is taxable. They have the price, the desire, and the hope to educate their children in the best American tradition.

If they pay a $1,000 medical bill, they get some tax relief. If a tornado or a flood causes them $1,000 of damage, they get some tax relief. But when they pay $1,000 a year for 4 years to send their sons and daughters to college, they bear that burden without help from our tax laws.

I believe the time has come to recognize that these average Americans are entitled to a break. When they pay large sums to provide their children or themselves with a college education, they are spending money in the national interest, and it is entirely appropriate for the Nation to ease their burden through the tax laws.

Who are these average Americans, and what benefit would they get from this amendment? Families with incomes between $3,000 and $10,000 are 62 percent of our population. These are the families who will receive 62 percent of the dollar benefit under my amendment. In other words, 62 percent of American families are between the $3,000 and the $10,000 class. It is exactly this group of Americans who earn between $3,000 and $10,000 per year that will receive 62 percent of all the benefits under the Ribicoff amendment.

One of the premises of the bill is that incentives should be given to capital investment. Yet there is no better form of capital investment we can make than investment in the education of our children. The investment credit in the 1962 bill and the revised depreciation guidelines provide over $2 billion in tax relief for investment in machinery. The pending bill provides hundreds of millions of dollars more for this purpose. I believe we should invest in the education of our youth. In the last analysis, trained minds, not just new machines, will insure the success of this Nation.

Mr. President, I await with great eagerness debating this very point with the proponents of the bill, and with the opponents of this amendment who are willing to come to the floor of the Senate and advocate additional revenue losses of millions of dollars for doubling the investment credit for machinery and equipment, but who will oppose a credit for investment in the education of the youngsters of America.

This amendment is not offered as a subsitute for any other form of aid to higher education. We need funds for buildings, for scholarships, for loans, for teacher training institutes, for graduate fellowships, and for research. All will help higher education, and I support these programs—as the distinguished Senator from Oregon [Mr. Morse] knows, and I shall continue to support such higher education programs as he may advocate. But the need for these programs in the field of higher education does not in any way lessen the need to ease the financial burden of high college costs.

This amendment has been criticized on a number of counts, often by critics who did not know what the amendment provides. Let me deal with these objections one by one.

First. It is claimed the amendment helps the wealthy. The fact is, the $5,000 man gets more benefit than the $30,000 man and the $60,000 man gets no benefit at all.

Let me repeat: 62 percent of the dollar benefit goes to families with incomes between $3,000 and $10,000. Ninety-one percent of the benefit goes to families below $20,000 of income.

This is not a millionaire's amendment for one simple reason: the millionaire gets no benefit whatsoever under the Ribicoff amendment.

Second. It is claimed the amendment discriminates against the poor. The fact is, the credit operates exactly like all other tax relief provisions of the Internal Revenue Code: it is available only to those who pay a tax. The medical deduction is not used by nontaxpayers, yet who would oppose it on that ground? And who would argue that it discriminates against the very poor? All credits and deductions provide no relief to those who pay no tax. Why then should this one credit be attacked for such a reason?

Those in the very low income groups who pay no taxes need a sound program of student aid including scholarships. I am for such a program. It is needed in addition to tax relief for middle-income families. These are not alternatives. They are both necessities.

Third. It is claimed the amendment favors the high tuition colleges, most of which are private colleges. The fact is the amendment favors the low tuition colleges, most of which are public colleges.

The credit on a $200 expense is $150. That is 75 percent. The credit on a $1,000 expense is $275. That is only 27 percent. Even where a college charges no tuition, the expense of fees, books, and supplies invariably totals $200 or more.

This proportionately greater benefit for the low tuition results from the sliding scale formula in this amendment. Let me tell you why that sliding scale was used. During preliminary work on this amendment we asked all Senators who were interested in the program to meet in my office, and during the conference the Senators from the Western States pointed out that they have a special problem because of State universities where the tuitions are low, and therefore they wanted a program that would give proportionately more assistance to the students who go to the community and State colleges where tuitions are usually low than to the great universities and the private colleges.

The sliding scale benefits came as a result of suggestions from the Senators from Western States, especially the junior Senator from Colorado [Mr. Dominick]. He is aware of the basic problems of the Rocky Mountain States, and he made the suggestion; and I was quick to adopt the suggestion, and so were the other Senators there, because we realized it was important. This is how the sliding scale came about.

Those who claim the amendment favors high tuition colleges are looking just at the dollar amounts of the credit. It is true that the credit of $1,000 of tuition is more dollars than the credit on $200 of tuition. But that cannot possibly be the test of discrimination or else every credit and deduction in the Internal Revenue Code would be similarly attacked. The investment credit gives for more dollar benefit to the man who buys a $100,000 machine that to the man who buys a $10,000 machine, but who would call that a discrimination?

Most credits in the Internal Revenue Code work on a flat percentage basis. Thus the dividend credit is 4 percent whether the dividends are $100 or $1,000, and the investment credit is 7 percent whether the investment is $100 or $1,000.

It would have been possible to use a flat percentage rate in computing this college credit. Indeed the American Council on Education for years advocated a flat 30-percent college credit.

But we felt that the credit should be weighted in favor of the low tuition colleges. So we adopted the sliding scale formula, whereby the greatest percentage of credit is computed on the lowest amount of tuition.

The only sensible way to measure the fairness of a tax relief measure is to see what share of the burden is eased. This credit saves 75 percent of the $200 burden and only 27 percent of the $1,000 burden. So the man with a $200 expense has $50 left to pay, and the man with a $1,000 expense has $725 left to pay. How that result can be said to work against the $200 man is more than I can understand.

This argument about the low tuition colleges has been put forth most vigorously on behalf of the land-grant colleges and the State universities. I strongly suspect that many presidents of these colleges who have attacked the amendment do not realize that the amendment actually favors the low tuition colleges. And I am sure that many other critics of the amendment have no idea what the costs really are of attending these colleges.

For example, in the debate last week, the Senator from Louisiana said the credit would amount to only $37.50 for a student at Louisiana State University. I checked the tuition and fees at LSU and found that they are $170 for State residents. If you add $90 for books and supplies, the average figure used by the Office of Education, you find that allowable expenses total $260. On this sum the credit would be not $37.50 but $165. I wonder how many parents paying the costs of sending a son or daughter to LSU think that this $165 credit is unfair to them.

I have prepared a table showing what the dollar benefit of the credit would be on tuition, fees, books and supplies at most of the State universities and land-grant colleges of America. The tuition and fee figures were supplied by the Office of Education. To these has been added the Office's $90 estimate for books and supplies. I ask unanimous consent to insert this table in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 3.—*Dollar benefit of Ribicoff tax credit amendment on tuition, fees, and books at State universities and land-grant colleges*

	Resident		Nonresident	
	Tuition, fees, and books	Dollar benefit of tax credit	Tuition, fees, and books	Dollar benefit of tax credit
Alabama A. & M. College	$274	$169	$394	$199
Auburn University	315	179	615	237
University of Alabama	350	188	700	245
University of Alaska	328	182	628	238
Arizona State University	320	180	920	267
University of Arizona	297	174	897	265
Arkansas A. & M	270	168	470	218
University of Arkansas	290	173	560	231
University of California	263-314	166-179	863-914	261-266
Colorado State University	330	183	750	250
University of Colorado	370	193	994	274
University of Connecticut	250	173	650	240
Delaware State College	245	161	495	224
University of Delaware	405	201	740	249
Florida A. & M	270	168	620	237
University of Florida	316	179	666	242
Florida State University	316	179	666	242
Fort Valley State College	315	179	615	237
Georgia Institute of Technology	399	200	789	254
University of Georgia	350	188	695	245
University of Hawaii	338	185	338	185
University of Idaho	254	164	564	231
Southern Illinois University	275	169	425	206
University of Illinois	360	190	710	246
Indiana University	390	198	795	255
Purdue University	390	198	940	269
Iowa State	387	197	690	244
University of Iowa	380	195	710	246
Kansas State University	334	184	664	241
University of Kansas	314	179	664	241
Kentucky State College	264	166	414	204
University of Kentucky	310	178	610	236
Louisiana State University	260	165	560	231
University of Maine	490	223	890	264
University of Maryland	396	199	746	250
Maryland State College	271	168	421	205
Massachusetts Institute of Technology	1,790	325	1,790	325
University of Massachusetts	514	226	914	266
Michigan State University	414	204	960	271
University of Michigan	370	193	990	274
Wayne State University	402	201	840	259
University of Minnesota	405	201	870	262
Alcorn A. & M. (Mississippi)	276	169	476	219
Mississippi State University	361	190	761	251
University of Mississippi	371	193	770	252
Lincoln University (Missouri)	223	156	323	181
University of Missouri	305	176	605	236
Montana State College	420	205	758	251
Montana State University	$400	$200	$738	$249
University of Nebraska	354	189	594	234
University of Nevada	351	188	951	270
University of New Hampshire	492	223	1,037	279
Rutgers (New Jersey)	596	235	696	245
New Mexico State University	340	185	590	234
University of New Mexico	390	198	660	241
Cornell University	1,790	325	1,790	325
State University of New York	515-865	227-262	515-1,085	227-284
North Carolina Agricultural and Technical College	410	203	660	241
University of North Carolina	375	194	800	255
North Carolina State College	409	202	834	258
North Dakota State University	390	198	660	241
University of North Dakota	390	198	660	241
Kent State (Ohio)	486	222	816	257
Miami University (Ohio)	490	223	890	264
Ohio State University	465	216	960	271
Ohio University	540	229	940	269
Langston University (Oklahoma)	274	169	537	229
Oklahoma State University	314	179	666	242
University of Oklahoma	300	175	630	238
Oregon State University	465	216	1,035	279
University of Oregon	420	205	990	274
Pennsylvania State University	615	237	1,140	279
University of Puerto Rico	247	162	1,057	281
University of Rhode Island	415	204	915	267
Clemson College (South Carolina)	546	230	796	255
South Carolina State College	380	195	610	326
University of South Carolina	460	215	660	265
South Dakota State College	388	197	526	228
State University of South Dakota	378	195	546	230
University of Tennessee	315	179	615	237
Prairie View A. & M. (Texas)	239	160	539	229
Texas A. & M. University	257	164	557	231
Texas Technology College	242	163	542	229
University of Texas	234	159	534	228
Utah State University	309	177	474	219
University of Utah	390	198	585	234
University of Vermont	581	233	1,365	312
Virginia Polytechnic Institute	420	205	750	250
Virginia State College	430	208	600	235
University of Virginia	467	217	967	273
University of Washington	390	198	690	244
Washington State University	390	198	690	244
West Virginia University	320	180	850	260
University of Wisconsin	390	198	1,090	284
University of Wyoming	386	197	686	244

Mr. RIBICOFF. Mr. President, fourth, it is claimed the tax credit will produce tuition increases. The fact is that tuitions go up whether tax relief is granted or not. Colleges set their charges by the expenses they face, not by what the traffic will bear. But if there are colleges that raise their tuition whenever they find that parents have some extra money, then they will do so whether or not this amendment is included in the bill. For these colleges will know that parents have extra money because of the rate reductions in the bill. Finally, the amendment provides only a 10-percent credit on expenses over $500, so every added $100 of tuition over $500 results in only a $10 saving to the parent—scarcely an incentive to the college.

Fifth. A final objection has been the revenue loss of $750 million in the first year. This is a lot of money. But I must point out that there are ample opportunities in this bill to make up the revenue loss of this amendment. Rather than seriously pursue these loopholes, the Treasury attacks the college credit amendment and at the same time fights to double the investment credit—at a revenue loss in 10 years of $740 million.

So this revenue argument is not a real obstacle. We can overcome it if we really want to. I am sure that if this amendment is adopted, the conferees on this bill will be able to weigh the revenue loss of this amendment against all the other provisions of this bill that either give away revenue or fail to make it up. Then they can make the necessary changes in the bill to keep the total revenue loss approximately the same as the bill now stands.

These are the principal objections to this amendment, and these are my answers.

This amendment has not been hastily conceived or drafted. The proposal in one form or another has been before Congress for years. A score of Senators have introduced their own bills on this subject; some of them have done so for several years.

I am sorry the distinguished Senator from Indiana [Mr. HARTKE] and the distinguished Senator from Florida are not in the Chamber. I was very much interested in their earlier colloquy that we should defer this type of tax relief amendment and, instead, should make further studies on further proposals. I wonder whether those distinguished Senators held those views when they, themselves, over the past number of years introduced measures such as this.

Let me ask the distinguished Senator from Indiana whether he was serious when he introduced S. 602 in the 87th Congress—a bill providing tax relief for college costs; and let me ask the distinguished Senator from Florida whether he was serious when he introduced S. 58, in the 87th Congress—a bill providing similar relief.

Mr. President, many Senators have been introducing proposals such as this one, but those proposals have died; they have never seen the light of day. To my knowledge, this is the first time there has been serious debate on a proposal for tax credits for college costs.

Tomorrow, we shall have an opportunity to vote on this issue. Tomorrow, the issue will not be whether we shall introduce a bill or make a speech about a bill; the issue then will be whether we shall vote for a bill. That is why we are here.

I believe this amendment should be adopted; but whatever the outcome, I believe we are making the legislative process work as it should work, by developing such a proposal here in the legislative branch of the Government, by pressing forward with it, despite the opposition of the executive branch, and by bringing it to a forthright "yea" or "nay" decision by each Member of the Senate.

Mr. President, in conclusion, I state that it would be very disappointing if a motion to lay this amendment on the table were made. Frankly, such a motion would come to me as a great surprise. Not the majority leader, but other members of the leadership have told me that this amendment would come to a yea-and-nay vote. I have been told that there would be no diverting tactics, and I thought I had the assurance that Senators would thereby have a right to stand up and have their votes counted.

Mr. President, throughout the United States there is deep interest in this amendment. Many people are aware of it. At luncheon today the distinguished Senator from Wisconsin said to me: "On Saturday, ABE, I was walking along the street in Oshkosh, and people stopped me and asked, 'What are you going to do about the Ribicoff amendment.' "

Every place I go in the United States, people are aware of this issue; and I think we shall be doing the people of this country and ourselves a great disservice if we do not give the Senate an opportunity to vote on this amendment, thus giving Senators an opportunity to stand up and have their votes counted.

I believe the Senate should be willing to face up to an issue like this, and not run away from it.

Mr. RANDOLPH. Mr. President, will the Senator from Connecticut yield?

Mr. RIBICOFF. I yield.

Mr. RANDOLPH. Mr. President, I am a cosponsor of the college tax credit amendment proposed by the capable and resourceful junior Senator from Connecticut [Mr. RIBICOFF]. I commend him for his leadership on this issue and for bringing the matter to a vote in the Senate after so many years in which similar measures have been introduced but have failed to reach the action stage in this forum.

I have consistently advocated such tax relief as that proposed in the pending amendment for those parents who bear the inordinate costs of sending their children through college. During my campaign for reelection in 1960, after consultations with many educators and discussions with citizens throughout the State of West Virginia, I spoke in some detail on the subject at Beckley on October 12 of that year.

I stated then that the years during which parents have children in college are years of heavy impact on the family budget and that it is incumbent on the Government to recognize this burden, especially for those persons in the middle-income group whose children do not qualify for scholarship assistance on grounds of financial need.

Following my reelection in 1960, I introduced early in the 87th Congress for myself and my colleague [Mr. BYRD of West Virginia] a bill to amend the Internal Revenue Code to allow a deduction for certain amounts paid by a taxpayer in providing higher education for himself, his spouse, and his dependents. Later in the 87th Congress, I supported a similar amendment to the tax legislation of 1962 proposed, but subsequently withdrawn by the diligent and dedicated junior Senator from Nevada [Mr. CANNON].

The pending amendment is the most recent in a series of efforts to provide what many of us consider an equitable and necessary form of tax relief for heavily burdened parents in the middle income group. And like similar measures in previous years, it has been attacked as a rich man's measure and a bonus for the more expensive private colleges. It is neither of these, Mr. President, for as the Senator from Connecticut [Mr. RIBICOFF] has demonstrated, the great bulk of the benefits will go to those in an income range from $3,000 to $10,000 per year, and there will be only a 10-percent tax credit on tuition and fee costs between $500 and $1,500 and none above $1,500.

Mr. President, part of the opposition to the pending proposal rests on the fictious premise that our public universities are practically free, and that parents of students attending such institutions are not in need of relief. This is a highly misleading view of the problem. At West Virginia University, for example, which is near the middle of the spectrum of costs for State universities and land-grant colleges, the average expenditure for tuition, fees, and books is $320 for a State resident and $850 for a nonresident. The tax credit under the proposed amendment for the parent of a student attending West Virginia University would thus be $180 for a State resident and $260 for a nonresident. These are significant amounts if one is attempting to send two or three children through college on a family income of $7,000 or $8,000 per year.

As of last fall there were 35,644 students in the colleges and universities of West Virginia.

In 1962 there were 4,207,000 undergraduates enrolled in American colleges and universities. Office of Education estimates project an increase to 5,220,000 in 1965 and 6,959,000 in 1970. The parents of most of these students will carry the financial burden of their education without scholarship assistance, despite the fact that they are directly contributing not only to the enhancement of their children's lives but also to the community welfare and the development of our national manpower resources. The overwhelming majority of these parents are in the middle-income group which is in many ways the most neglected segment of our population in terms of the regard it receives in Federal legislation.

The pending amendment, Mr. President, does not compete with other measures which I favor now in being or under consideration which would provide greater assistance for the very needy in assuring the opportunity for higher education. It would supplement these programs and provide equitable relief for the much-harassed middle-income earner.

For these reasons, I support the amendment.

Mr. RIBICOFF. I thank the distinguished Senator from West Virginia for his most thoughtful and persuasive remarks. The Senator from West Virginia has worked closely with me in the preparation of this amendment, and I have valued his cooperation and his wisdom. Serving as he does as a member of the Advisory Council for the Advancement of Small Colleges, the Senator speaks with special competence in this field.

Mr. RANDOLPH. Mr. President, will the Senator from Connecticut yield for an inquiry?

Mr. RIBICOFF. I yield.

Mr. RANDOLPH. As stated, I support the amendment. Meanwhile, I inquire if it is true, that the private institutions operating without State aid—especially the small colleges having 1,000 to 1,200 enrollment—in West Virginia and other States are in need of funds? Is not it factual that they are having difficulty facing up to their financial responsibilities and goals in operating as high-quality institutions? It is my understanding that very few of the small and the relatively small non-tax-supported colleges are free of the limitations imposed by tight income conditions.

Mr. RIBICOFF. The Senator is absolutely correct. We have in this Nation about 2,100 colleges. Sixty percent of them are private institutions. These colleges educate 40 percent of the boys and girls of the United States of America.

Education in America would wither and die if we did not have the benefit of the private institutions such as the distinguished Senator from West Virginia talks about. Education is an entire process which we must recognize. There is a role for the private colleges to play. Should private colleges go under or shut down? We do not have enough public institutions to take the millions of boys and girls that private colleges now enroll. As the Senator realizes, to the extent that a young man or woman goes to a private institution, in the State of West Virginia, in Connecticut, Maryland, or Colorado, it takes the burden off State taxes and makes more room for other young men and women who would like to go to the State university. One of the greatest traditions of America is the private college. There could be no greater tragedy than that of closing our small colleges. I should like to see our small colleges grow. I should like to see more of them. Measures such as the one proposed would be of great help to our smaller colleges. For that reason the overwhelming number of small colleges all over the United States are overwhelmingly in support of the amendment.

Mr. RANDOLPH. Mr. President, will the Senator yield further?

Mr. RIBICOFF. I am pleased to yield.

Mr. RANDOLPH. It is my privilege and responsibility to serve on the boards of trustees of two colleges in the category of those now being discussed. They are Salem College at Salem, W. Va., the institution from which I was graduated, and Davis and Elkins College at Elkins, W. Va., the institution on the faculty of which I had the very gratifying experience of serving. I mention those institutions by name because they are typical of others in our State. They are colleges which are, in very considerable degree, giving sound education to youth within the State of West Virginia, many of whom are unable to go into other States to be enrolled and to be graduated from private or church related colleges, or from the public colleges and universities of other States.

Mr. RIBICOFF. I thank the distinguished Senator for his contribution.

Mr. President, I ask unanimous consent to have printed in the RECORD the latest figures showing a total of 2,043 colleges and universities in the country, attended by 4,800,332 students. The private colleges, totaling 1,314, outnumber the public institutions, which number 729, about 2 to 1.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

State	Public enrollment	Private enrollment
Alabama	34,556	13,098
Alaska	3,549	339
Arizona	43,000	741
Arkansas	22,753	8,125
California	466,737	84,787
Colorado	42,384	10,256
Connecticut	24,317	34,775
Delaware	7,788	1,191
District of Columbia	5,211	45,944
Florida	61,596	28,206
Georgia	38,277	17,951
Hawaii	11,575	1,424
Idaho	10,869	3,043
Illinois	121,419	108,696
Indiana	69,025	42,836
Iowa	32,416	32,512
Kansas	48,512	11,388
Kentucky	35,544	17,817
Louisiana	51,022	15,670
Maine	9,078	5,947
Maryland	40,086	25,024
Massachusetts	28,987	126,660
Michigan	146,253	36,574
Minnesota	69,777	19,524
Mississippi	33,887	7,276
Missouri	47,343	49,508
Montana	12,826	2,171
Nebraska	25,937	10,442
Nevada	4,761	----------------
New Hampshire	6,205	6,971
New Jersey	50,297	51,122
New Mexico	19,630	1,209
New York	144,897	250,277
North Carolina	47,819	36,568
North Dakota	15,459	567
Ohio	115,303	87,071
Oklahoma	51,664	12,033
Oregon	41,233	10,715
Pennsylvania	31,332	182,912
Rhode Island	10,371	12,328
South Carolina	20,040	15,102
South Dakota	11,818	4,590
Tennessee	44,248	28,596
Texas	149,494	67,147
Utah	25,157	13,783
Vermont	5,151	5,972
Virginia	45,182	20,762
Washington	59,884	17,607
West Virginia	25,877	7,823
Wisconsin	63,389	24,014
Wyoming	7,707	----------------

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. RIBICOFF. I am pleased to yield to the distinguished Senator from Missouri.

Mr. SYMINGTON. I am much impressed with the facts being presented by the distinguished Senator from Connecticut He has placed on the desks of all Senators a list of benefits available for State universities and land-grant colleges. But, as I understand, students at all colleges and higher education institutions would receive the proposed tax benefits, would they not?

The tax benefits would not be confined merely to State universities and land-grant colleges—an inference which someone might get by reading the analysis of the distinguished Senator.

Mr. RIBICOFF. I thank the distinguished Senator for calling that point to my attention. The credit would go to the student, his parents, or any other person paying the expenses of a student attending any college. The reason for the table is that the point has been made that we would discriminate against land-grant colleges. The land-grant college presidents have gotten together and said that they were against the proposal. Many Senators are under the impression that there are no fees, tuition, or costs at the State universities. I am using the present means to call to the attention of each and every Senator the cost of fees, tuition, supplies, and books at their State universities and land-grant colleges, and indicating in the table the benefits that would be available to every boy and girl attending the State university or college in a Senator's State.

So as far as I am concerned, it should be kept in mind that while State college presidents may be opposed to the amendment, I have the feeling that nearly every boy and girl and their parents who must pay the expense of sending a boy or girl to a State university may be in disagreement with the president of the State university. Perhaps the president of the State university is not interested in whether Papa or Mama Jones receives an income tax credit. But I am sure that with hundreds of thousands of boys and girls attending the State universities, in spite of what the president of their State university may believe, their fathers and mothers are eager to have the benefit of the income tax credit. The purpose of the table is to indicate to Senators how the proposal would benefit students who attend the State universities, and their parents.

Mr. HART. Mr. President, will the Senator yield?

Mr. RIBICOFF. I am pleased to yield to the distinguished Senator from Michigan.

Mr. HART. Before leaving that point, would the Senator say that, although the language is perhaps more harsh than he would use, the table is in response to those who have lobbied us on the following basis: "Vote for the Ribicoff amendment, and when you get back home you will find that you are described as one who fronted for the Ivy League only"?

Mr. RIBICOFF. The Senator is correct. The reference to the Ivy League is very interesting. If we consider the Ivy League to include Yale, Harvard, Columbia, and Princeton, my understanding is that these institutions happen to be against the proposal. That is the argument which is being used by some to defeat the proposal. It is exactly for that reason that we are meeting the argument by indicating that the largest proportion of the benefits would go to the parents of students who attend our public universities. What we are fighting for is a proposal which would aid youngsters who go to all State universities and their parents. Let us not rule the amendment "off the face of the map" with a sneer that the proposal is for the Ivy League because the fact is it is specifically designed—and I believe later the distinguished Senator from Colorado will have much to say on the point—to give the largest share of benefit to young men and women who go to the State colleges.

I was Governor of a State. There is a great State university in the State of Connecticut. There is an impression in the State of Connecticut that no tuition is charged at the State university. As Governor I always fought the board of trustees of the State university who wanted to make a tuition charge for attendance at the State University of Connecticut. I felt that every boy and girl should have an opportunity to attend college with as little expense as possible. But as Governor I realized that there were certain fees and expenses. Although there was no tuition, expenses for room, board, and other costs at the university amounted to several hundred dollars.

I know people who are in the $5,000-, $8,000-, and $9,000-a-year class who deprive themselves and their families of basic needs because their greatest ambition is to improve the lot of their sons and daughters by sending them to college. To parents who send their boys and girls to college, that $200 or $300 saving on the tax bill is an extremely important saving when they are trying to make ends meet.

The distinguished Senator from Michigan is absolutely correct. I believe that no greater favor could be done for the many thousands of boys and girls in the State of Michigan who go to one of the greatest State universities in the entire United States—the University of Michigan—than to provide this credit, and I have the feeling that the young men and women who go to the University of Michigan would find it very advantageous to have the benefit of that saving.

As I look at the table, I notice that the cost for the fees, tuition, and books at the University of Michigan amounts to $370. Therefore, for parents who had a child at the University of Michigan, the credit would be $193. My feeling is that $193 is a great amount of money for the parents who sent one of their boys or girls to the University of Michigan.

Mr. HART. Mr. President, will the Senator yield further?

Mr. RIBICOFF. I am glad to yield.

Mr. HART. I appreciate very much the Senator's responding to the question I raised. First of all, I was offended by the approach of those who were lobbying against the Ribicoff amendment. I think the factual reply the Senator from Connecticut has given will be more persuasive than the emotional one I delivered to the lobby.

Secondly, I shall await with interest the discussion of the Ivy League delegate from Colorado. But the truth is that we are talking about the parents and children of America, and the proposal is aimed at them, at whatever university or college they seek to find their opportunity.

I think it is a great mistake to suggest to any of us that we should oppose the amendment because when we get home we will be described as having fronted for private education, for having served the cause of discrimination in higher education, for having fronted for private church-related schools. There are other arguments that could be made.

Admittedly, in a problem which is so complex, one should have some reluctance in expressing the idea that he has the ultimate answer. But we should concentrate our attention on how many parents there are in this country who seek desperately to provide their children with educational opportunities. Then we should determine how many of those parents would be assisted by the Ribicoff amendment. The number would be substantial. Then let us not be deterred from voting for the Ribicoff amendment because we have not gone to the heart of the matter, namely, taking care of those whose parents are not taxpayers. That problem has been before us ever since I came to the Senate, and we have not done anything about it. Let us take care of the problems we can take care of, and take care of the basic problem tomorrow.

Mr. RIBICOFF. I thank the Senator for his wise, brilliant, and trenchant remarks. I think the opponents of the amendment who have used the argument referred to by the Senator from Michigan have done the country a great disservice by setting class against class, by trying to divide men and women on the basis of whether students go to private colleges or State universities. Each and every student makes a valuable contribution to American society. I agree with the Senator from Michigan. I am for a scholarship program, the type of scholarship program I offered in 1961, as Secretary of Health, Education, and Welfare, which received very short shrift from the Congress of the United States. It was a scholarship program offered to boys and girls from families, most of whom have so little income that they do not pay taxes.

We should try to solve the entire education problem. We should use every facet of an education program—grants and loans to build facilities, scholarships for the nontaxpayers, and tax credit for those who are trying to make ends meet and are paying some taxes. This is all a part of the program.

I commend the distinguished Senator from Michigan for calling the Senate's attention to the arguments being used by opponents of this amendment and for refuting those arguments.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. SYMINGTON. There is reference in the Senator's table to Lincoln University at our capital city of Jefferson City, Mo. This is an interesting university. At one time, technically speaking, it could have been considered segregated, because only Negroes went to the University; but for many years the number of white students who have gone, and are going, to Lincoln University has increased steadily, to the point where there has been complete integration without any trouble of any kind. One might say it has been integration in reverse.

As a result of the Ribicoff proposal, I note that $156 might be saved, in the way of a tax credit, for the average student going to Lincoln University.

The distinguished Senator from Connecticut is an authority in this field. As he has mentioned, he has been the Governor of a State. He has also been Secretary of Health, Education, and Welfare. In my many years of experience with him, I know of his deep interest in developing the greatest natural resource we have; namely, our youth.

Does not the Senator agree that this $156 saving would be important to many people? It might not be to somebody who wanted to go to an Ivy League college or university. Nevertheless, that $156 might represent the difference between whether or not a family could afford to send a son or daughter to Lincoln University.

Mr. RIBICOFF. Not only that; that $156 going to the parents who sacrificed their last dime, proudly, to send the boy or girl to Lincoln University, might make the difference between whether they could pay some medical bills for the mother or father, or whether they could buy shoes or clothing for a younger boy or girl.

Many people do not realize the sacrifices made by families in sending boys or girls to college. I have seen family after family getting together in a family discussion and saying, "We have three or four boys or girls. We have only enough money to send one to college." There can be no more heartbreaking decision than that of deciding that Johnny will go to college and Jimmy or Tommy will have to go to work. To a family like that, $156 is a great deal of money.

We are fighting for people like that. There are many places in this bill where money can be saved. We should not save money at the expense of education.

Mr. SYMINGTON. Mr. President, will the Senator yield for one more question?

Mr. RIBICOFF. I am pleased to yield.

Mr. SYMINGTON. Is it not true, also, that many families now financially unable to send one or more children to college, might be able to do so because of the passage of this amendment; and is it not also true that the welfare or security of the United States at some future date might be materially affected as a result of the broader education which had been given to that child?

Mr. RIBICOFF. The Senator is correct. The distinguished Senator from Missouri has had experience as Secretary of the Air Force, and he has served on the Aeronautical and Space Sciences Committee, the Armed Services Committee, the Foreign Relations Committee. He knows that education is power. What is the competition in which we are engaged with the Soviet Union?

When we boast that we place a vehicle into space that outdistances what the Soviet Union has done, is it done by uneducated people? No; it is done by educated people. The Soviet Union is producing engineers at a rate three times that in the United States. We are living on a reservoir of talent that is not being sufficiently replenished. We are living with the fact that the competition for the future of the world will be decided by educated people. Education is power. Education is freedom. Education is happiness. Education is not merely a problem of individual profit or individual advancement, but education is necessary to build up our reservoir of talent in the national interest. What we are doing here is encouraging education. That is why an amendment like this is so needed.

Mr. SYMINGTON. I thank the Senator.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. CARLSON. I commend the distinguished Senator from Connecticut not only for offering the amendment, but for making a fight for it. If there is any question about the interest of the people in the amendment, I point out that I spoke last Friday at a meeting held in Wichita of 1,200 school superintendents and supervisors. They were overwhelmingly in favor of this amendment.

It is essential that we do something for the education of our youth. This is an opportunity for us to do so. Most of us have assisted boys or girls in attending college. I have had that personal experience. One can contribute $500 to a college or school and make it a deductible tax item, but if he pays $500 for a student attending school, he cannot deduct any of it. It seems to me that is one of the points we should stress, in order to help those who make a contribution or a gift to help a boy or girl go to school. I am sure everyone in the Senate has done that.

It seems to me that there is a real opportunity to help parents who not only take care of their own children but who want to help other children to go to college. I sincerely hope that the amendment will be approved by the Senate.

Mr. RIBICOFF. I thank the Senator from Kansas. The suggestion that the credit be available to those other than parents who help pay for the education of boys and girls came to me from the distinguished Senator from Kansas and the distinguished Senator from Nebraska [Mr. CURTIS]. The Senator is absolutely correct. Men and women who have educated their own families and who would like to help other boys and girls to be educated should be encouraged to do so.

We should encourage as much use of private resources for education as we possibly can. There is a big role for Government, local, State and Federal, to play. However, to the extent that private resources can take care of education, to that extent we need not use public resources to do so.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. MILLER. I wonder if the Senator will be good enough to tell the Senate, if he has not already done so, what the estimated cost will be.

Mr. RIBICOFF. The estimated cost for this year is $750 million. It is estimated that in 1970 the estimated cost will be $1,300 million.

Mr. MILLER. Seven hundred and fifty million dollars for the fiscal year 1965?

Mr. RIBICOFF. For the calendar year 1964.

Mr. MILLER. What would be the estimated cost for fiscal year 1966?

Mr. RIBICOFF. I do not have the figure, but it will go up in increasing steps, gradually as enrollment rises, to about $1,300 million for 1970.

Mr. MILLER. Is it the Senator's judgment that the cost will be somewhere near $800 million or $900 million for fiscal year 1966?

Mr. RIBICOFF. It is, generally, but I do not know exactly.

Mr. MILLER. Will the Senator be good enough to place in the RECORD the basic estimates on the basis of which these computations were furnished? I have heard that the cost would be considerably in excess of $750 million during the first year.

Mr. RIBICOFF. I believe the cost figures were estimated and agreed to by both the Treasury Department and the staff of the Joint Committee on Internal Revenue Taxation. That is where the figures came from.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. RIBICOFF. I am pleased to yield to the Senator from New Mexico.

Mr. ANDERSON. Would it not be correct to say that the Treasury estimated the cost during the first calendar year at $750 million, rather than during the first fiscal year?

Mr. RIBICOFF. Yes.

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. RIBICOFF. I am pleased to yield to the Senator from Colorado.

Mr. DOMINICK. I should like to suggest that we put this subject in terms not of cost, but of savings to the taxpayers. What we are doing is to say that the taxpayer can use this amount of money in order to pay for his own education. It may be that it is revenue which is not coming in to the Federal Government. However, it is taxpayer money which the taxpayers are saving for their own educational purposes.

While on this same subject, I should like to say that when I had an estimate furnished on my own bill, which provided for a maximum of a $600 credit, as opposed to the $325 maximum in the pending amendment, the Treasury stated to me that it was estimated, on a very careful analysis, that the cost would be in the neighborhood of $400 million, not even near the amount that the distinguished Senator from Connecticut has referred to.

I agree that this is what the Treasury and the staff have determined. However, I suggest that there is no knowing whether it will be that much until we know how many people can or will take advantage of it.

Mr. RIBICOFF. While often the figures given by the Treasury Department, whenever they are opposed to a proposal, are high, I am willing to accept the suggestion in the estimates of the Treasury, that in the first calendar year the cost would be what I have said.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. ANDERSON. I wondered if the figures stated by the Senator from Colorado applied to the same bill. It was my understanding that he did not have in mind a wide-open provision, but confined it to the members of a family.

Mr. DOMINICK. No; it was a wide-open bill.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. MILLER. I wish the Senator from Connecticut to know—and I am sure he knows already—that I share the concern he has expressed over difficulties in paying the cost of higher education, which confront many of our children and parents. That is one reason why the Senator from Iowa has wholeheartedly supported the increased loan and scholarship provisions which Congress has legislated over the last 3 years.

However, I differ with him in the thought that has been expressed, that the amounts of savings to the individual students or their parents are going to be decisive, or as decisive as the Senator would suggest.

I have talked with a good many educators, and I never talked with one who has told me that the difference of $200 woud determine whether a boy or girl would go to college or would not go to college. That is particularly true nowadays, when there are available an increasing number of scholarships loans, not only through the Federal Government's programs, but through State programs and, indeed, through private lending institutions. There are at present advantages and opportunities which were not present 10 or 15 or 20 years ago. I find it difficult to believe that the money savings set forth would make the difference between a boy or girl going to college and not going to college. I can understand how a scholarship or a loan situation, which we have made possible through legislation in Congress, could represent the difference, but not with respect to the amount of $200.

Mr. RIBICOFF. The records and the statistics under the National Defense Education Act show that 71 percent of the loan money goes to families with incomes below $6,000 a year.

Mr. MILLER. I would have to defer to the Senator from Connecticut on that point, because I am sure he is much more familiar with that statistic than I am, and I would therefore be willing to accept it for the sake of argument. However, I say to the Senator from Connecticut that if we take a family in the $8,000 income area, and it is suggested to me that $200 is going to make the difference between sending or not sending a boy or girl to college, I cannot accept that argument.

Mr. RIBICOFF. Perhaps the distinguished Senator does not realize what $200 may mean to a family in the $8,000 class.

Mr. MILLER. I understand very well the value of money, and perhaps a little better than some of our colleagues in Congress.

Mr. RIBICOFF. By the time a family with 3 or 4 children, trying to make ends meet, even with the overall cost of education at the University of Iowa or the University of Connecticut, gets through paying for room and board and all fees, it will find it very hard to make ends meet. To an $8,000 a year family in Iowa or Connecticut, $200 is a great deal of money. Two hundred dollars can buy many things and pay for many necessities of life. Two hundred dollars to such a family is important. To me, the irony of the opposition to my amendment by the Treasury Department is its approval or acquiescence in what I consider to be raid after raid upon the Federal Treasury. The distinguished Senator from Tennessee [Mr. GORE] and the distinguished Senator from Illinois [Mr. DOUGLAS] will be bringing up some of those items as the debate on the bill progresses. When I consider the loopholes that could be closed more than enough to pay for this expensive proposal—and I admit that it is expensive—I think the Senate has a question of priorities to discuss.

If it is important to give investment credits of more than $2 billion and in 10 years, by the repeal of the long amendment, of $740 million for machines, it is equally important to make certain that we are willing to invest $740 million in the education of our children. We can provide for all the machines in the world, but if we do not have educated people to operate them, the machines will be useless.

What I am fighting for, as are the other proponents of the amendment, is to try to do something for the total education picture of the United States.

I have said, and I say again to the distinguished Senator from Iowa, that I do not say my amendment is the answer to the entire educational program, but it is a piece of the answer. One of the extremely frustrating problems in trying to solve the question of what shall be done for education, is to have every little group seek to have its particular piece of education legislation adopted, and fight to the death only for its proposal. I say the time has come to consider the entire education proposal, instead of having one proposal offered by one group of proponents fought to the death, and other proposals offered by other groups, all of them going down to defeat in mutual frustration.

The time has come for those interested in education to try to propose comprehensive ways in which to solve the problems of education. Such a method will not be cheap. Education in America is not cheap. It will cost money. Let us face that fact. If it is necessary to have priorities, let us find other places, not so important, in which to reduce expenditures.

Mr. MILLER. I could not more thoroughly agree with what the Senator from Connecticut is saying, especially when he puts his finger on that nice little word "priorities." I have been a Member of the Senate almost 4 years. One of the great frustrations or disappointments that I have found is the failure to place priorities on some of the programs. The net result is billions of dollars of deficit spending and billions of dollars of inflation.

We talk about $100 or $200 meaning something to a family having an income of $8,000 a year. I point out that a family having an income half that much has been paying, indirectly, a hidden inflation tax as a result of the billions of dollars of deficit spending programs.

If the tax bill were in such a position that the Ribicoff amendment were the heart of it and the tax rate revisions were greatly curtailed or eliminated, we would have a real priority from which to work. I agree with the Senator that if we are to assign priorities, the first should be national defense. The second, almost a national defense item in itself, should be education. I have been saying this for many years. But we are not getting the priorities, and it is not my fault or the fault of the Senator from Connecticut. That is something over which we have no control. We are getting priorities for spending revenues in the example the Senator from Connecticut cited and in many other ways, as well. We are providing reductions in tax rates which will greatly benefit some persons, but are providing no relief for persons in the $3,000 bracket, because they do not pay any income tax.

Mr. RIBICOFF. The Senator said the lack of priorities is not our fault. I respectfully disagree.

It is our fault because Congress refuses to set priorities.

It is our fault because Congress will swallow or veto what the executive branch sends to us.

It is our fault because we will not press ahead with thoughts and ideas of our own.

It is our fault because by a majority vote we can determine what measures we favor and what measures we oppose.

It is our fault because the tax bill is loaded with loopholes costing billions of dollars.

It is our fault because we have an opportunity by our votes in the Senate to be either for education or for oil depletion allowances.

It is our fault because in the Senate we can favor education or increased investment in machinery.

It is our fault because we have an opportunity to be for education or for giveaways to a few department stores in the United States.

It is our fault because if we are worried about the $3,000 or $4,000 class, we can do something for those people. The distinguished Senator from Tennessee [Mr. GORE] will provide us an opportunity later during the consideration of the bill to show whether we are concerned with the $3,000 or $4,000 class.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. RIBICOFF. In a moment.

I am talking about the problem of whose fault it is if no priorities are voted upon in the Senate. I say to the distinguished Senator from Iowa, based upon my experience in the executive department, as a Member of the other body, and as the Governor of a State, that it is our fault if we stand silently by, completely acquiescent, when the proposals of the executive branch are accepted, if we limit ourselves to accepting or rejecting those proposals, and if we are unwilling to plow new ground and propose new ideas of our own.

The fight we are making today is not only a fight for tax credits; it is a fight to determine whether Congress can take the initiative over the opposition of the Treasury Department. I, for one, believe that Congress should not hesitate to take the initiative whenever it is important in the national interest, whether the executive branch agrees or disagrees.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. RIBICOFF. I am pleased to yield.

Mr. MILLER. The Senator speaks about the situation being our fault. I am sure he is not speaking of the fault as being his or that of the Senator from Iowa, because the RECORD will show clearly, when it comes to the question of priorities, that we have been talking about priorities and have been advocating them. Certainly, the Senator from Iowa has been criticizing the Senate in general for its failure to set priorities during the past 3 years.

The point is that a majority of the Members of Congress are responsible for the failure to establish priorities.

To make the record clear with respect to the proposal of the Senator from Tennessee, to which the Senator from Connecticut alluded, that proposal will be to raise the individual exemption from $600 to a higher figure, as I understand. The Senator from Iowa is not about to support that proposal, because it would give undue advantage to those in the high tax brackets as compared with those in the low tax brackets.

The area which concerns me is the one in which no income tax is paid now, or in which the tax paid is very small. Those taxpayers will not receive any benefit under the bill.

I wish it were possible for the Senator from Connecticut to arrange with the leadership to have his amendment laid aside until after the Senate has had an opportunity to vote up or down some of the other provisions in the tax bill, so that we might see what the priorities will be. If they are to be such that education will be placed first, and some of the other items placed second, the Senator from Connecticut will have my support. But in the present state of affairs, I am afraid we do not have that picture before us.

The Senator from Connecticut has made an excellent effort, and should be commended for bringing his idea before the Senate, particularly in terms of priorities. But we cannot talk about priorities without doing something about them; and we shall not be doing anything about priorities if the bill proceeds in the way it is proceeding now.

Mr. RIBICOFF. In reply to the distinguished Senator, I point out that what the Senator proposes is exactly what I do not intend to do. I do not intend that other amendments be adopted first, with the result that then Senators would ask us, "How can you vote for this proposal, after we have already voted to spend so much money?" I sought early consideration of this amendment for just that reason.

Since the Senator agrees with me that education comes next to national security in importance, if the Senate adopts this amendment, it will have voted a priority for education. Since the Senator agrees that this measure does not affect defense, and since education is a priority, let the argument about revenue be used against other proposals. Let it then be said, for example, that we have already spent $750 million for the benefit of education.

I considered myself fortunate, I state frankly, to be able to get this educational amendment taken up early, because I believe this is the best way to show that we believe in setting our own priorities.

Mr. ANDERSON. Mr. President, will the Senator from Connecticut yield?

Mr. RIBICOFF. I yield.

Mr. ANDERSON. I merely want to ask the Senator a series of questions.

This measure does not in any way require that the one who takes the credit must be either a parent or even a relative of the child, does it?

Mr. RIBICOFF. That is correct.

Mr. ANDERSON. Some have said only the parents could take it. I was sure the Senator would state what he has, because he made it very clear to the committee. I thank him for doing so.

Mr. RIBICOFF. That is absolutely correct.

Mr. ANDERSON. There would be no limit on the number of credits one might take, would there?

Mr. RIBICOFF. That is correct.

Mr. ANDERSON. I so understood, but I thought it best to ask that question while the Senator still had the floor.

Mr GORE. Mr. President, will the Senator from Connecticut yield?

Mr. RIBICOFF. I yield.

Mr. GORE. I have listened to the very able, constructive and engaging remarks of the distinguished junior Senator from Connecticut. It has not been a surprise to me that he has comported himself in so laudable a manner as a Senator, because several years ago it was my privilege and honor to serve in the House of Representatives with him. Therefore, before he came to the Senate, I was well acquainted with his abilities and his character—and likewise during his distinguished tenure as Governor, during which time it was the pleasure of Mrs. Gore and me and our daughter to visit in his home—and also when he was a member of the executive branch. But even with that knowledge of his work and his capacity, I am constrained to rise at this time and commend him. I think that the clarity with which he has presented his views, the forcefulness of his arguments, the courtesy of his presentation, and the power of his reasoning make him a Member of this body to whom all can point with pride. Indeed, he graces the U.S. Senate.

Mr. RIBICOFF. Mr. President, I am overwhelmed by the gracious words and the compliment paid me by the distinguished Senator from Tennessee. I cannot imagine a higher compliment than those words from one of the Senate's most able and respected Members; and I am very grateful to him.

Mr. President, I yield the floor.

TAX RELIEF FOR PARENTS AND STUDENTS—AN INVESTMENT IN AMERICA'S FUTURE

Mr. PROUTY. Mr. President, at this hour we meet to decide whether the cost of providing a college education places too heavy a burden on the average American family and, if so, whether we intend to do anything about it.

Elmer Roper, in a study for the Ford Foundation, discovered that 69 percent of the parents interviewed expect to send their children to college, but 40 percent of these families feel they cannot afford to do so.

The same study disclosed that 60 percent of American parents have no savings and the other 40 percent have only an average of $150 put away for college costs.

Let us not kid ourselves. Let us face the facts—and the facts show that the mothers and fathers of this country are staggering under the heavy expense involved in giving their youngsters a higher education.

When you ask them whether Congress should do something about this tremendous burden, they are of one voice and that voice is a cry for help.

On October 14, 1963, I sent out over 60,000 questionnaires which posed questions on aid to education. Vermonters replied with characteristic frankness. While opposing increase in Federal spending, almost to a man they put aside their qualms about the budget in the field of education.

About 82 percent of all replies favored loans to needy students; 92 percent of all replies favored a bill I introduced earlier in the year which would give tax allowances to students supporting their own education, and 78 percent of all replies favored tax allowances for parents who are trying to finance the education of their children.

I cannot recall any other occasion when I have witnessed such grass-roots support for a change in tax laws.

Tax relief for students or their parents has something more than grass-roots support. It has the support of educators, a host of the members of the House and Senate and numerous student organizations.

Literally hundreds of proposals have been introduced in Congress over a number of years to provide tax relief for students or their parents for tuition costs. The bills have been of three general types: tax credit, tax exemption, or tax reduction. The amendment I rise to support had its origin in the Ribicoff tax credit bill. As a cosponsor of both the bill and the amendment, I see in its objectives some welcome relief that will be meaningful to many, perhaps most, American families.

When I was a boy, only one out of seven youngsters attended college. Today, almost half of our young men and women are in college, and the percentage will continue to grow.

During the last 30 years, college tuition costs have risen nearly 500 percent and the American Council on Education sees no relief in sight. The council estimates that tuition will rise by another 50 percent in both private and public institutions over the next decade.

I have shown that 60 percent of American parents have no savings and that the other 40 percent have an average of only $150 put away for college costs. If they are having a hard time now, think of what the burden will be as tuition costs rise another 50 percent.

Mr. President, it is all too clear that the cost of giving a son or daughter a higher education places too heavy a load on the mothers and fathers of this country.

The question which remains is: What do we intend to do about it?

Make no mistake. The people are watching. They want and expect action. They want and they expect to see adoption of the Ribicoff amendment.

While the Senator from Connecticut has done a masterly job of outlining all the potentialities of this legislation, I should like to add my own personal reasons for supporting it.

First of all, the amendment provides assistance for the bulk of the expenses of a person's education. The amendment gives an income tax credit to any individual who pays college expenses, such as tuition, fees, books, and supplies.

There are no limitations imposed upon the type of education to be supported thereby, except that the tuition must be paid to an institution of higher learning for credit courses leading to a baccalaureate degree, or for courses of instruction necessary to "fulfill requirements for the attainment of a predetermined and identified educational, professional, or vocational objective."

In a word, Mr. President, we who support the Ribicoff amendment wish to give some relief to the youngsters and parents who frantically try to scrape together money for college costs.

We wish to do away with the discrimination which exists in present law and which works hardship on those least able to bear it.

When I say discrimination, I do not exaggerate. At the present time, persons may deduct contributions to colleges for educating other peoples' children, but not their own. In addition, corporations may spend money toward the education of young men and women, and toward the training of executives, and deduct every dollar spent.

Why, in Heaven's name, should we deny similar help to those who do without the necessities of life in order that they, or their children, may have a college education?

Those who oppose the Ribicoff amendment had better be ready to answer this question.

Some who are not really interested in education have attempted to justify their opposition to the Ribicoff proposal on the ground that tax laws should not be used to accomplish social goals. They cleverly overlook the fact that tax statutes already afford special treatment for the blind, the aged, the disabled, and place in a special category gifts to charitable, religious and, of course, educational institutions.

I ask unanimous consent that a statement of how present tax laws relate to education be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Vermont? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. PROUTY. Mr. President, it is true that there will be a short run revenue loss if we enact the Ribicoff amendment, but ultimately it will bring about a tremendous increase in Federal revenues.

The amendment allows a maximum tax credit of $325 per student per year. During the 4 years it takes to get a college education, credits given would total not more than $1,300 per student. This, then, is the maximum short-term tax loss.

Let us take a look at the other side of the picture. Surveys show that the college-trained boy will earn at least $150,000 more than the noncollege boy in an average working life. This would mean a long-term gain in Federal revenue of at least $30,000 for each college-trained boy. Or, to put it another way, the Federal Government would get back $30,000 for each $1,300 it loses in giving out a tax credit to the student or his parent.

I think a 2,300-percent return on investment is ample evidence of the financial soundness of the Ribicoff amendment.

The junior Senator from Connecticut has designed his amendment to take into account not only the needs of parents and their college-bound youngsters, but also the problem of all colleges, both public and private.

It will be noted that his tax credit is based on a sliding scale and gives a proportionately greater credit to the students attending institutions with low tuitions.

Indeed, a student who enrolls in a tuition-free institution will benefit from the Ribicoff amendment because under its terms he can get a tax credit for the expense of books and supplies.

Private colleges have been faced with real problems because of the decreased value of endowment income and because of rising costs. State institutions have been injured because of the Federal-State tax structure which takes more and more money from the people for operation of the Central Government and leaves less and less for State, county, and individual activities.

The Ribicoff amendment will take some of the pressure off our private and public colleges because it will enable more parents to play a greater role in financing the education of their children.

Many fathers in the $9,000 to $10,000, and even $13,000 a year brackets now have children seeking scholarship funds. With a tax break, they will be able to do more for their youngsters, and thus more scholarship money can be made available to boys and girls coming from lower income families.

Mr. President, a vote for the Ribicoff amendment is a vote to aid all families that have children in college—especially the 40 percent that have only an average of $150 put away for college costs. A vote for the Ribicoff amendment is a vote in accord with the overwhelming grassroots demand for tax relief for those who must pay the college bills.

A vote for the Ribicoff amendment is a vote to end the discrimination in existing law which permits persons to deduct contributions to colleges for educating other people's children, but not their own.

A vote for the Ribicoff amendment is a vote for an investment in the future of this country and its children which will ultimately bring back a 2,300-percent return on investment in terms of dollars and unparalleled advancements in terms of social progress.

A vote for the Ribicoff amendment is a vote to free more scholarship funds for use by those in the lowest income brackets, and a vote which will enable millions of parents and children to finance more easily the cost of a college education.

After years of waiting, the Senate has an unprecedented opportunity to redress a longstanding need. I am confident that we will not, for we must not, lose that opportunity.

The distinguished Senator from Connecticut was a cosponsor with me of an amendment which would alter the bill related to higher education that was reported by the committee. We failed in that objective, but I am happy to say that in conference many of the provisions that were suggested in our amendment were approved, and were subsequently approved by the Senate and the House of Representatives.

I am delighted to be a cosponsor of the amendment and to support the junior Senator from Connecticut most enthusiastically. I congratulate and commend him for an outstanding job for the benefit of the youngsters of our country. I am grateful to the Senator for yielding to me.

Mr. RIBICOFF. Mr. President, I thank the distinguished Senator for his remarks. The constructive suggestions of the Senator from Vermont were most valuable in support of the amendment. The proposal is not my handiwork. It is the handiwork of all the cosponsors, who worked together. I happened to be a member of the Committee on Finance. Therefore the amendment bears my name. But the distinguished Senator from Vermont [Mr. Prouty] the distinguished Senator from Colorado [Mr. Dominick], and other Senators joined me and helped to make the amendment a joint amendment. The Senator from Vermont made a great contribution toward the proposal.

Mr. PROUTY. I am grateful to the Senator. I also associate myself with the feeling that he expressed sometime earlier when he urged that the Senate vote the amendment up or down rather than resorting to a parliamentary stratagem to lay it on the table. I concur wholeheartedly with the Senator.

Exhibit 1

How Present Tax Laws Relate to Education

1. Title 26, United States Code, section 151: A parent with a child who makes more than $600 per year does not lose him as an exemption if he is a student.

2. Title 26, United States Code, section 117: Income from scholarships and fellowships is not includable in gross income; likewise, amounts received for travel, research, clerical help or equipment which are incident to scholarship or fellowship income are to be excluded from gross income.

3. Title 26, United States Code, section 170(b)(I)(A): Educational contributions are deductible and taxpayers are given an incentive toward educational contributions by being permitted to raise the allowable amount of contributions deductible if 10 percent of adjusted gross income is contributed to educational institutions.

4. Title 26, United States Code, section 170(d): Up to $50 per month paid to maintain a student as a member of the taxpayer's household is deductible as a charitable deduction under certain circumstances.

5. Title 26, United States Code, section 3121(b)(10)(B): Remuneration for services performed by a student regularly enrolled in an institution of higher education when employed by that institution are exempt from the old-age, survivor, and disability insurance tax; included in this exemption is domestic service performed by a student in a local college club or local chapter of a college fraternity or sorority (26 U.S.C. 3121(b)(2)) and studies-related income of certain nonresident alien students (26 U.S.C. 3121(b)(19)).

6. Title 26, United States Code, section 3306(c)(10)(B): Employment of enrolled students by their school, college, or university if the student is regularly attending classes is exempt from unemployment insurance.

THE BOBBY BAKER INVESTIGATION

Mr. MILLER. Mr. President, not being a member of the Senate Rules Committee, which is conducting the so-called Baker investigation, I perhaps can make an observation which may be considered completely objective and free from partisanship which, unfortunately, has apparently arisen within the committee.

I have said publicly that I thought this investigation should be pressed completely and without regard to partisan considerations, letting the chips fall where they may; that the integrity of the U.S. Senate and, indeed, very possibly certain offices within the executive branch of our Federal Government are involved.

In today's issue of the Washington Daily News there is an article entitled "Two Senators Urge No Holds in Baker Inquiry." The article points out that the Senator from Delaware [Mr. Williams] and the Senator from Pennsylvania [Mr. Scott] have both said the same thing; namely, "Let the chips fall where they may in this investigation."

Currently there appears to be a dispute over the testimony of one Albert G. Young, a cookware manufacturer, who appeared before the Rules Committee last week and furnished information which tends to substantiate previous testimony by insurance man Don B. Reynolds, as follows:

First. Mr. Young stated that Reynolds came to him in 1957 and said that he was "obligated" to purchase $3,000 in advertising time on the L.B.J. Co. station in Austin, Tex.; that as a Maryland insurance man such advertising would be of no value to him, so he wanted to have Young take over the advertising time for his own products.

Second. Mr. Young stated that Reynolds told him he would have Walter Jenkins telephone Young about the matter, and that an individual identifying himself as Jenkins did call him and confirmed the arrangement that had been made with Reynolds.

This testimony appears to conflict with a sworn statement filed with the committee by Mr. Jenkins which, according to reports, denies any knowledge of such an advertising arrangement by Mr. Reynolds with the L.B.J. Co. Letters and checks in the committee files, I understand, substantiate Mr. Reynolds payment of at least $1,208 for such advertising.

In view of what appears to be a conflict in testimony, I trust that the committee will call all of the parties before it to have it out—once and for all, and, may I add, to let the chips fall where they may. The public has a right to know the whole truth about this transaction—not just half of the truth. And I presume that the committee will also want to have Mr. Baker shed some light on the situation too.

I ask unanimous consent to have printed at this point in the Record the article published in today's issue of the Washington Daily News to which I have referred; and also an article entitled "Williams Says Baker Case as Issue Depends on Rivals," published in this evening's issue of the Washington Star.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington (D.C.) Daily News, Feb. 3, 1964]

Fellow Lawmakers Included—Two Senators Urge No Holes in Baker Inquiry

(By Julian Morrison)

The Senator who triggered the Robert C. (Bobby) Baker probe, John J. Williams, Republican, of Delaware, said last night that anyone involved in the case—Senators included—should be questioned by the Senate Rules Committee.

Rules Committee member Hugh Scott, Republican, of Pennsylvania, said he'd insist that any witness who could supply information be called.

The chairman of the Democrat-controlled committee—B. Everett Jordan, Democrat, of North Carolina, has insisted that the probe is limited strictly to present or former employees of the Senate, such as Mr. Baker, its ex-majority secretary who quit October 7 when word of his financial empire began to spread.

SACRED

Senator Williams said he didn't go along with the Democrats' line of reasoning that "the Senators themselves are too sacred to touch."

The only Senator publicly mentioned so far as being linked to a business deal with Mr. Baker is Senator George Smathers Democrat, of Florida.

TESTIMONY

Senator Smathers cut Mr. Baker and his former assistant, Scott I. Peek, in on a lucrative land development near Orlando, Fla., it was testified.

Asked several weeks ago whether he would question Senator Smathers about the transaction, Senator Jordan said: "We're not investigating Senators."

Asked if he thought the Baker case would become a campaign issue, he said:

"The indictment against a political party arises when the political party finds corruption and tries to cover it up.

"Now if that develops, it will be a campaign issue. Senator Scott also accused the Rules Committee majority of deciding whether to call a witness to testify publicly 'according to how sensitive or how dangerous his testimony may be.'"

He was apparently referring to testimony concerning the role of Presidential aid Walter Jenkins in an alleged kickback to the L.B.J. Co., by a Silver Spring insurance man who sold the company $200,000 worth of insurance on President Johnson's life.

[From the Washington (D.C.) Star, Feb. 3, 1964]

Williams Says Baker Case as Issue Depends on Rivals

Senator John J. Williams, Republican, of Delaware, who initiated the Senate investigation of Robert G. Baker, says the case should not become a political campaign issue unless the Democrats try to cover up misconduct.

It was a resolution offered by Senator Williams and passed by the Senate that launched the Senate Rules Committee's current investigation of the outside business dealings of Mr. Baker, former secretary to the Senate's Democratic majority. The committee seeks to determine whether Mr. Baker was involved in conflicts of interest or other improprieties.

William E. Miller, Republican National Chairman, has said the Baker case "is going to be a big issue and it ought to be."

WILLIAMS ANSWERS

Senator Williams, answering questions of Senator Keating, Republican, of New York, yesterday in an interview taped for Senator Keating's weekly television broadcast over New York stations, said he does not regard such matters as political issues.

"How do you feel about a campaign issue being made out of the Bobby Baker case?" Senator Keating asked.

"I don't think so," Senator Williams replied. He said he considers "the overwhelming percentage of the members of the Democratic Party are just as honest as the members of our party" and that an investigation of one man in either party should not be a campaign issue.

CORRUPTION AS ISSUE

It's when a political party "finds corruption and tries to cover it up," Senator Williams said, that an issue would arise. "Now if that develops, it will be a campaign issue."

Senator Williams said he feels the Rules Committee should call in for questioning any Senator or member of the executive branch of Government if it finds evidence against them.

Senator Keating, for his part, said Congress long ago should have laid down a code of ethics for its Members and employees. Federal law now provides penalties for employees of the executive branch who get into conflict-of-interest situations, but is silent about Members of Congress and their staffs.

"Congress' failure to set its house in order is a major reason for declining public confidence in the legislative branch," Senator Keating said.

The Rules Committee has canceled plans for hearings during the coming week because of long daily sessions of the Senate scheduled to speed action on the $11.6 billion tax cut bill.

However, it plans to release tomorrow closed-door testimony taken last week from Thomas Webb, Jr., and Francis Law, described as law partners here. Mr. Webb is the Washington representative of the Murchison interests in Texas.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MILLER. Yes, indeed.

Mr. GORE. A very distinguished radio and television commentator, Mr. Richard Harkness, was one of the panel who questioned the Senator from Illinois [Mr. Dirksen] and Representative Halleck on the program called "Meet the Press" yesterday. I do not have the exact words before me, but I am sure I recall accurately the purport of a statement made by Mr. Harkness. The purport of the statement, which was a preface to a question asked of the Senator from Illinois [Mr. Dirksen], was that in the Press Gallery there was a feeling that only the distinguished senior Senator from Delaware [Mr. Williams], among the 100 Senators in this body, really wanted a thorough investigation of the matter. I do not claim to have possession of any facts which have not been brought to public attention. I am not privy to the operations of Mr. Baker. I lay no claim to knowledge that is not in the public domain. But I wish to say emphatically that the Senator from Delaware is not the only Senator who wishes the entire episode thoroughly investigated. As the Senator has said, the incident brings into question the integrity of the Senate and of every Senator. I do not know why the committee has not subpenaed Mr. Baker. I do not know why it has not looked at Mr. Baker's income tax returns.

Those two actions might or might not reveal pertinent information.

Mr. President, I do not know why the resolution authorizing the investigation is so restrictive. It did not come to my attention until after adoption that the resolution does not permit an investigation of an employee of a Senator. I am now advised that it is confined to employees of the Senate as a whole. It does not apply to employees within the office of a Senator.

Tomorrow I shall submit a resolution to broaden the scope of the investigation. I do not desire to stand before the whole country as one of 99 Senators who do not want the matter investigated thoroughly and the public informed; and I shall not so stand. I resist such charges.

Mr. MILLER. In reply to the distinguished Senator from Tennessee, I should like to say that I am sure he recognizes that what the Senator from Iowa had to say could in no way be intended to reflect upon the wishes of any other Senator. There was no such intention in that regard. The point is that the publicity that is coming out in the newspapers indicates that there is some controversy within the committee arising out of certain testimony. There is an apparent conflict in testimony. There seems to be some difference of opinion over whether or not there is indeed a conflict in testimony. But there certainly is in the minds of many members of the press. While that situation exists, the Senator from Iowa is expressing the hope and the trust that the committee will see to it that the apparent irreconcilable points of view that have been expressed are cleared up once and for all so that no one is in the dark as to who is saying what.

Furthermore, it is important that the general public not get the impression that the committee is trying to hide anything from the people; that the chips fall where they may; that it is the job of the committee; and that the integrity of the U.S. Senate, and possibly of some of the officers in the other body, is at stake. The confidence of the public is involved here.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. GORE. I did not understand the Senator himself to make any such allusions. For my own part, I have no information about the alleged conflict of testimony. I do not know whether such conflict exists. I do not now presume that this committee is lacking in intent to go into it. But when on a nationally televised program a distinguished commentator says, or leaves the impression, that many people who observe the functions of this body feel that only one Senator wants to get to the bottom of this case, I rise to say that I would like to see a full disclosure of the facts.

Mr. SCOTT. Mr. President, will the Senator from Iowa yield so I may ask a question of the Senator from Tennessee?

Mr. MILLER. Yes.

Mr. SCOTT. I am not sure I caught the phraseology of the distinguished Senator from Tennessee when he said he planned tomorrow to introduced a resolution which would broaden the investigation. I am wondering how broad the resolution of the Senator from Tennessee will be. I ask for information since, so far as I know, I am the only member of the Committee on Rules and Administration now in the Chamber.

The Senator spoke of the integrity of the Senate. Just how far does he plan to go with his resolution, as regards the persons or institutions to be investigated, above and beyond the present purport of the resolution?

The PRESIDING OFFICER. The Senator from Iowa has the floor. Does the Senator from Iowa yield further?

Mr. MILLER. The Senator from Iowa is happy to yield to the Senator from Tennessee for a reply.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. GORE. Before making an affirmative reply, may I inquire of the distinguished junior Senator from Pennsylvania if I am correctly advised that the resolution has been interpreted by the subcommittee as restricting the scope of the investigation to employees of the Senate?

Mr. SCOTT. I will say that a difference of opinion appears to exist, judging from what Senators have said. The chairman of the committee, to the best of my recollection, has so interpreted the resolution. The senior Senator from Delaware [Mr. Williams] has said its purport and intent are broader.

I am simply inquiring, for my benefit, just how the Senator plans to extend the scope of the resolution. He said he wants everybody and everything investigated that may have something to contribute. I just want to know how much further he wants to go because at this moment the matter appears to be, as the lawyers say, inchoate, or up in the sky.

Mr. GORE. I will say to the Senator that I have not drafted any such resolution. I had been informed—which the

Senator from Pennsylvania now corroborates—that the resolution had been interpreted to restrict the scope of the investigation to employees of the U.S. Senate as a whole, but to exclude the investigation of employees in various Senate offices. I certainly see no justification for that kind of restriction.

I shall be glad to confer with the Senator. I wanted to broaden the scope if there was doubt about it. The Senator says there is some doubt about it. As long as there is doubt, let us resolve that doubt.

Mr. SCOTT. The junior Senator from Pennsylvania observes that the Senator from Tennessee might consider conferring with the senior Senator from Delaware [Mr. WILLIAMS], who has taken the position that the resolution has a much greater scope. I myself have not at this time taken a position, because I do not want to reveal whatever may have been said in confidence within the Rules Committee.

I do want to respond, however, to two points.

First. The implication that only one Member of the Senate wants a complete investigation. I assure the Senator that the junior Senator from Pennsylvania wants a complete investigation. The problem is the dilemma which confronts a member of the Rules Committee at this time. If a member of the committee insists upon continuing a search for truth, no matter where it may lead, he is described in the newspapers and the columns—and I may say I think Mr. Baker is conducting his war against the committee through the columns and columnists—as "an eager beaver," or a "busy digger," or a "politician," or whatever. If, however, a member of the Rules Committee is felt by the press not to be engaged as diligently in pursuing the truth as they would wish him to do it, he is then accused of dragging his feet or not wishing to arrive at the entire truth.

Therefore, members of the Rules Committee may as well face the fact that, no matter what they do, they are going to be unpopular with a certain number of people.

If they do that job thoroughly, they have only their own consciences to consult.

I think it should be, and is, the intent of members on the Rules Committee—I can only speak for myself, but I can speak in terms which are not derogatory, surely—to get down to the truth of what is involved, no matter how many veiled threats may be conveyed to members of the Rules Committee. By the way, I saw a column only the other day—and I think it was undoubtedly planted by Mr. Baker—indicating that a Senator who asks Mr. Baker a question will be immediately charged with some incriminating conduct on his part.

If Mr. Baker wishes to incriminate a member of the committee before he appears to testify, or while he is contemplating testifying, the Senator from Pennsylvania wants him to know that he is not the least bit concerned by the threats which have come to this Senator in various ways; and they are now coming through the columns in the newspapers.

I think the place to investigate anything which reflects on the integrity of the Senate is in the committee which was entrusted with the responsibility of investigating, time consuming as it is. That is why I have tried not to discuss things that were said in committee. Certain things that I have said publicly are in the public domain. All witnesses who have testimony relevant to the scope of the investigation should be heard.

Second. Except in the case of witnesses who have only fragments or matters of more or less routine information, witnesses ought to be heard, in my judgment, in public hearing.

Third. Any inconsistency between the testimony of witnesses and those who are familiar with some phases of the facts ought to be resolved in the Committee on Rules and Administration by obtaining the testimony of those persons.

Fourth. In support of what the Senator from Tennessee has said, I feel that he is absolutely right when he says:

> Why not subpena Bobby Baker? Why do we not subpena his records?

To that extent I am not referring to testimony or to any matter which in any way refers to anything in executive session. However, I assure the Senator that certain members of the Committee on Rules and Administration have from time to time insistently raised this same question; namely, that Mr. Baker ought to be under subpena, that his records should be put under subpena, and that the Internal Revenue income tax returns and other records should be sought and obtained by the committee and made available to members of the committee.

So I agree that one way to resolve this question is exactly the way the Senator from Tennessee has suggested.

In response to what the Senator from Iowa has stated, I have been very careful, in what I have said, to confine myself to witnesses, and not to seek to throw mud or to take political advantage of this subject, because I doubt very much that any member of the Rules Committee sees any political advantage in the pain and suffering which we are undergoing as members of that committee.

I would like to see all the witnesses called and all the evidence pursued, so that the committee may be free to resume its normal and somewhat inconsequential pursuit of other matters.

Mr. GORE. Mr. President, will the Senator yield?

Mr. SCOTT. I should like to finish this one thought. One columnist, with whom I have no quarrel as regards to what he says, has made this statement, referring to an interview that he had or had someone else have with Baker.

> So Baker said he put Reynolds together with Walter Jenkins.

There is one more witness who adds a question which of necessity, it seems to me, the Rules Committee must consider.

I do not know who is right or wrong, or who is a bad witness or a good witness, who is a truthful witness or who is a lying witness. What I do know is that any witness who cites a conflict with existing testimony ought to be heard.

That brings me to Mr. Baker, because that is what I am getting at. Mr. Baker should be heard. If he should decide not to be heard, he should be given an opportunity to avail himself of the protections which the Constitution and statutes provide. I do not mean that he should be called today or tomorrow. We cannot meet tomorrow, I understand, under objection that has been noted. However, I believe that since testimony has been obtained pertaining to any transactions within the scope of the resolution, we should make sure that he be called, and we ought to make sure that he is here, as I am sure he is here now, in view of his activities in trying his case in the newspapers and through columnists.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMINICK. Mr. President——

The PRESIDING OFFICER. The Chair has recognized the Senator from New Mexico.

Several Senators addressed the Chair.

Mr. GORE. Mr. President, a point of order.

Mr. LONG of Louisiana. Who has the floor?

Mr. MILLER. I understood that I had the floor.

Mr. ANDERSON. Mr. President, if Senators will be patient, the Senator had the floor for 7 or 8 minutes, and that time has long been used up.

Mr. MILLER. I believe, in all fairness, that I should be permitted to yield to the Senator from Tennessee to make a brief reply.

Mr. ANDERSON. I do not wish to cut off anyone. I shall be glad to yield to the Senator from Tennessee.

Mr. LONG of Louisiana. We have not had an opportunity to respond to the Senator from Connecticut with regard to his amendment. It is a very important amendment. We are somewhat concerned about our time being used up on the Baker issue, when we are interested in discussing the Ribicoff amendment. Our time is being consumed on the Baker matter. Perhaps the Senator from Connecticut will yield some of his time. We had no idea of using our time to talk about Bobby Baker while the Ribicoff amendment was under discussion.

I yield a minute to the Senator from Tennessee.

Mr. GORE. Mr. President, I rose only to remove any doubt as to whether or not the senior Senator from Delaware is the only Senator who wishes to have a thorough investigation of this unfortunate episode. I want a thorough investigation also. I rose merely to make that perfectly plain, and to indicate that, since other members of the committee had said to me—which is now corroborated by the junior Senator from Pennsylvania—that there was a doubt or controversy as to the scope of the resolution, I would propose to submit a resolution to remove that doubt.

I shall be happy to confer with the junior Senator from Pennsylvania and to comply with his suggestion that I confer with the senior Senator from Delaware. This I shall be happy to do. I shall be happy to confer with any other Senator. That is all I rose to do. I am sorry that I have taken so much time.

REVENUE ACT OF 1964

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

Mr. RIBICOFF. I yield 10 minutes to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 10 minutes.

Mr. DOMINICK. Mr. President, I rise to support the amendment offered by the distinguished Senator from Connecticut [Mr. Ribicoff]. With the consent of the distinguished Senator from Connecticut I have been writing some letters to my constituents referring to the amendment as the Ribicoff-Dominick amendment. I hope that other Senators have been doing the same thing. I have done this because of my interest in this form of tax relief, for these expenses connected with higher education, particularly for those who bear the expense of higher education.

My interest in tax relief for those who bear the expense of higher education dates back to my first days in public office.

I first introduced legislation on this subject while a member of the State Legislature in Colorado. In my campaign for the House of Representatives and in my campaign for the Senate this proposal was a part and parcel of my platform. When I came to the U.S. House of Representatives in 1961, I introduced a bill which would allow a tax credit of 30 percent, not to exceed a total of $600, for expenditures for tuition, fees, book, and supplies in seeking higher education.

A poll of my constituents on my bill showed more than 80 percent in favor of the principle of the bill. I again introduced such a bill, S. 98, when I came to the U.S. Senate, in 1963. I have heard the arguments against the proposal for 12 years. I do not believe they stand up any better than when I first heard them.

I believe the very capable and highly polished remarks of the junior Senator from Vermont [Mr. Prouty] are extremely important with regard to the merits of the pending amendment. I know that there is widespread interest in such a tax relief proposal throughout the country and in Congress. My good friend from Connecticut [Mr. Ribicoff] has already inserted in the Record of Friday, January 31, articles and editorials from many areas of the country expressing support for such a proposal. In addition, more than 100 Members of the House of Representatives and more than 20 Members of the Senate have already introduced similarly designed legislation during the 88th Congress.

Among the editorials that have been introduced in the Record there is an excellent editorial published in the distinguished newspaper, the Denver Post, of Denver, Colo. The Rocky Mountain News, another distinguished newspaper of Colorado, has also come out in favor of it.

Various approaches to the problem have been tried. Personally, I believe that the tax credit approach is preferable, although plans advanced by other Members of the Senate and the other body, giving tax relief for such expenses by allowing some type of deduction or additional exemption, also have merit. In an effort to pull together and get behind a bipartisan compromise solution, I am pleased to join with the distinguished Senator from Connecticut [Mr. Ribicoff] and my other colleagues in the Senate in urging the adoption of the amendment now before the Senate.

I worked with the distinguished Senator from Connecticut, as he so graciously said, to design a scale of credits, so that the attacks on previous amendments which had some credence, would not apply. To say that the tax credit amendment will help only those having high expenses, does not, in fact, have even a modicum of truth.

The Senator from Connecticut [Mr. Ribicoff], as a former Member of the House, former Governor of the great State of Connecticut, and former Secretary of Health, Education, and Welfare, lends great weight and persuasion to such a proposal. I am pleased to join with him in advocating the adoption of the amendment.

In view of the seriousness and importance of the amendment, several things about it ought to be made eminently clear.

First, it does not, and indeed no tax proposal can, provide relief to low-income families who pay no income tax. Those families and their children can continue to take advantage of scholarship, loan, and grant programs, specifically designed for them, and dealt with, in many cases, both by State legislatures and by Congress. Most colleges and universities also give students from low-income families first priority on student employment programs. So there is no point in saying that low-income families do not receive any relief under this amendment.

Second. It does benefit the low-income families who do pay tax, and the middle-income families. It has already been pointed out that families with incomes between $3,000 and $10,000 comprise 62 percent of our population, and thus the greatest benefit will be within this income group. Let us remember, too, that the tax credit inures to any taxpayer who pays for the expenses of higher education. Thus, the single person who must pay tax while working himself through college will benefit as well as employed married couples where one spouse works while the other attends school.

Third. It is not a "rich man's" amendment, and anyone who so contends simply does not understand the sliding scale provisions of the amendment. Over 90 percent of the tax benefit will go to families with incomes of less than $20,000 per year

Fourth. The tax credit approach avoids many of the serious problems involved with Federal aid to education. The religious controversy and its constitutional difficulties is completely avoided. No additional Federal bureaucracy is required since we utilize the existing machinery of the Internal Revenue Service. No Federal control is encountered.

In effect, the amendment, if adopted, would permit those desiring a college education, so important to the growing stature of this country, to use pretax earnings for this purpose.

There is every indication that the costs of obtaining a higher education will continue to increase, as they have done over the years. In my own State of Colorado proposals are now pending before the legislature to raise tuition costs and fees. Many families in my State are having great difficulty in meeting the expenses of educational requirements even now. In all probability, the adoption of the amendment will not curb these costs. However, its adoption would give much needed tax relief to families and individuals whose financial burden is particularly great. It would also have the effect of feeding back much needed revenues into the private sector of our economy.

Some have speculated that the adoption of this amendment would directly cause public and private educational institutions to raise their tuition and fee schedules. Ths is pure speculation. I think history has shown us that these costs have been rising steadily anyway. It seems to me that it is equally logical to assume that the people who will realize tax savings from this amendment might be inclined to plow these savings back into public and private educational institutions. These savings would also give the States a greater source of tax revenue to tap in order to sustain their own educational systems. Finally, it would allow the recipients of these tax benefits to contribute toward the education of more of their children beyond high school and may well form the incentive for some to pay part of the expenses for children of neighbors or friends.

The amendment has been specifically designed to be of assistance to the lower cost public universities. One of the major attacks on the amendment has been that it is designed to be of assistance to Ivy League colleges or higher cost private institutions. This argument has some validity, enough to make it a rallying call for those who are opposed to the principle. So we have designed a sliding scale to answer this argument, one which will give maximum credit benefit to institutions which charge the least tuitions but which still have expenses involved in education fees and books, and some tuition. This scale is designed to assist many public institutions of the West and Southwest, some of which do not charge any tuition fees, as has been stated, but which do have education fees and charges.

A brief examination of the excellent dollar-benefit schedule, which was placed on the desk of every Senator today by the Senator from Connecticut [Mr. Ribicoff], will show clearly that the maximum benefits go to the lower cost institutions. I refer, for example, to

Colorado State University, the only land-grant college in my State. I understand that the president of that college has been opposed to the amendment; but I do not believe he has really studied it, because it provides that someone paying $330 for tuition and books would be granted a $183 credit compared to a $193 credit for $370 of such fees at the University of Colorado.

So the proposal is to try to take care of universities which are supplying a maximum need for people having the lowest incomes.

The same thing can easily be seen, on pages 1, 2, and 3, with respect to universities in States adjoining Colorado.

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Mr. RIBICOFF. I yield the Senator from Colorado 2 additional minutes.

Mr. DOMINICK. The Universities of Arizona, New Mexico, and Utah are on the same schedule.

The amendment will provide tax benefits to those low and middle-income families who desperately need it, and to those who would receive the very least benefits under the pending tax bill. The pending tax bill provides maximum benefits for the low-income families and for those whose incomes are quite high. But the majority of the people of the country, who are in the middle-income group, would not be substantially assisted by the tax bill unless the tax credit for education were adopted.

Mr. President, the amendment will not solve all of our educational problems, but it will be a significant step toward helping those who do need the assistance in bearing the costs of higher education. It will fill in part of the gap which we now have in our efforts to assist all Americans to have the opportunity for receiving higher education. We have given grants and loans to the universities and graduate schools for buildings and equipment, we have made progress toward helping teachers, we have advocated special programs to stimulate interest in secondary education. Will we now recognize the problem of those who struggle to give their children the chance to improve and better their lot through higher education or simply write them off as expendables? Mr. President, the country needs this amendment and it needs it now.

Mr. HART. Mr. President, will the Senator from Connecticut yield briefly to me?

Mr. RIBICOFF. Mr. President, I yield 2 minutes to the Senator from Michigan.

Mr. HART. Mr. President, tomorrow we shall vote on the amendment offered by the Senator from Connecticut [Mr. Ribicoff] to provide a sliding-scale tax credit to parents who seek to provide college education for their sons and daughters. This proposal has been discussed rather fully, with a sharp division of opinion developing. As I stated in a colloquy, with the Senator from Connecticut, as he opened the debate, I shall vote for the amendment.

I ask unanimous consent to have printed in the Record an editorial from the Detroit News of January 27, 1964, which presents a balanced analysis of the reasons for support of this amendment.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

College Tax Credit

The income tax bill now being written in Congress ought not to be cluttered with controversial sections, but if the result is not to be a simple tax reduction bill then a tax credit for college expenses is worth further consideration.

Senator Abraham A. Ribicoff, Connecticut Democrat, proposed that parents be allowed to subtract a maximum of $325—reached on a sliding scale—from their income tax bills. The Senator is an expert in the field and wrote his proposal so that the richer the taxpayer the less the credit that could be taken. A taxpayer earning $30,000 a year had his credit reduced by $50 to $275 and an income of $60,000 bars any credit at all.

Ten Democrats on the Senate Finance Committee listened to administration objections as to the cost of the proposal to the Treasury and voted it down. Ribicoff and six Republican committeemen voted for it.

Ribicoff said that he had tremendous public support for his idea and said that he would bring it to a rollcall vote on the floor, where it might very well pass.

Anyone with a child in college these days is acutely aware of the costs and those costs are expected to rise sharply for many years to come. A credit against tax of $325 will by no means solve the problem, but it will slightly ease it. It may very well make the difference between going and not going to college for children of parents in the middle income bracket.

Mr. HART. Those of us who support this amendment, should acknowledge, I believe, that it falls far short of reaching an area of very great need in higher education. Students assistance and scholarships for students with demonstrated desire and capacity to benefit from higher education should be available. We need such programs from Federal funds. Only then shall we have responded to the need of children whose families are in the lowest income groups, and who will benefit little, if at all, from the Ribicoff amendment. While I recognize the sincerity and conviction of those who urge defeat of the Ribicoff amendment because it attacks only a part of the problem, I intend to support the amendment, for the reason that it does respond to at least a part of the problem. I suggest that there is a heavy obligation on those of us who do support the Ribicoff amendment to see enacted a student assistance and scholarship program, because I think it quite true that the availability of tax credit can increase tuition costs, and consequently can make even more difficult the plight of the child of a parent who will not benefit from the tax credit.

Before this session of the Congress ends, I hope this tax credit and substantial scholarship assistance will be enacted.

A sense of values and an order of priority are essential in meeting every one of our public responsibilities. It is not inappropriate to note that the $750 million which is represented by the first year of the college tax credit is about the same as the amount Congress is urged to appropriate to develop a supersonic jet transport. In terms of contributing to national strength, I hope there is general agreement that increasing opportunities for higher education will in the long term be the more significant.

Mr. McINTYRE. Mr. President, will the Senator from Connecticut yield a few minutes to me?

Mr. RIBICOFF. I yield 8 minutes to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 8 minutes.

A TAX CREDIT FOR EDUCATION

Mr. McINTYRE. Mr. President, I am indeed happy to join in supporting the amendment submitted by my fellow New Englander, the Senator from Connecticut [Mr. Ribicoff], whose distinguished experience—before coming to this body—as Secretary of the Department of Health, Education, and Welfare is well known to all in New England.

Mr. President, it is altogether fitting and appropriate to provide a tax credit for higher education expenses. This amendment would provide a 75-cent tax credit for each dollar up to $200 spent by a parent or student on books, fees, and tuition, a 25-cent tax credit for each dollar of the next $300, and a 10-cent tax credit for each dollar of the next $1,000. The maximum credit would be $325 on up to $1,500 in books, fees, and tuition. If the taxpayer's income exceeded $25,000 the amount of the credit would be reduced gradually, disappearing above income levels of $60,000.

RECOGNITION FOR PUBLIC BENEFITS

We talk about education and its contribution to economic growth, about education helping to meet national manpower needs, and about the way education strengthens our society. These are public benefits which the tax laws should recognize and encourage.

Parents sacrifice much in order to educate their children. The expenses of a college education are heavy and are felt in the short space of the years when each child is actually attending college. Like the expenses of illness, which are deductible under certain conditions, education expenses often take almost all of a family's spare income. This amendment will ease the impact of this heavy burden for many families.

ASSISTANCE FOR FAMILIES OF MODEST INCOME

The tax credit will be available, Mr. President, whether the parent's expenditure is from income or a loan obtained at the local bank. Passage of the amendment will make it possible for many families of modest income to borrow, even if only the limited amounts for which the credit is most generously provided.

"CLASS" LABEL DISPUTED

The argument has been made, Mr. President, that this is class legislation. While it is true that only taxpayers receive its benefits, I would like to draw attention to the fact that its principal benefits would be realized on the first $200 spent for higher education. Moreover, the glaring loopholes in our present tax laws are of primary benefit to the very rich. If the adoption of this amendment were to create pressures for tax reform, it could hardly be called class legislation. It was my intention in sponsoring this amendment to support revenue-raising reforms to at least the amount this amendment is estimated to cost.

THE AMENDMENT WILL AID THE CAUSE OF TAX REFORM

It is not beyond the power of the Senate to correct or offset any revenue losses that might arise from the adoption of this amendment. In fact, maybe that is the real issue before us. If the tax rates which prevail in theory were applied in practice, by some estimates the Federal Government would realize an extra $40 billion every year. It is against that $40 billion, not against the projected budget deficit for fiscal year 1965, that the revenue-losing effect of the Ribicoff amendment must be judged. We have permitted special deductions and exemptions and privileges to grow up.

Whenever we move toward closing those loopholes, we find each one inhabited by a swarm of angry bees, easily disturbed by any threat to their private honeycomb. The education tax credit may help to change all this. It has a broad public appeal and will reach into millions of homes. And if we vote it down, the public will become aware of special advantages which we cannot bring ourselves to change. The choice may be as simple as "education" on the one hand, or "tax writeoffs for stock options and depletion allowances" on the other; "books, tuition, and fees" on the one hand, and "foreign tax havens" on the other.

The defeat of this amendment will bring home to every town and city of this country the price the ordinary citizen must pay to maintain a tax system riddled with special privileges. There are far more parents skimping to put their children through college than there are wealthy taxpayers obtaining advantages from loopholes in our laws. Perhaps the only way to close loopholes and bring a greater measure of economic justice to our tax laws is to invoke the great principle of popular sovereignty.

If the people had a chance to decide between education for their children and the ridiculous structure of special tax benefits now in force, there could be no doubt as to their decision. And yet it is seriously argued that we cannot replace a slight fraction of the special benefits now in force. The Ribicoff amendment would be progressive legislation in the best practical sense of creating immense public support for revenue-raising reforms in our entire system of tax laws.

THE AMENDMENT WILL HELP EDUCATION

Let us not forget, Mr. President, that it is education we seek to assist. At a time when public investment in education threatens to assume a dominant role, the benefits of increasing private investment should be obvious. Whether the passage of this amendment leads to higher tuition rates or increased family outlays for education, it will increase private investment and help to maintain the freedom, integrity, and independence of our institutions of higher education. For these are the qualities we associate—and rightly so—with private financing in education.

A second problem affecting our institutions of higher education, Mr. President, has been that public funds are not generally available to private schools. And yet we believe it desirable to maintain a system of diversified schools. If we are sincere in stating this ideal, we should proceed to adopt an amendment whose benefits would be available equally, to private and public schools alike, to parochial schools, military colleges, other sectarian institutions, at a constitutional disadvantage in this respect, and to all the other great private institutions of the land.

Mr. President, the passage of this amendment would help to maintain a proper balance between public and private sources of funds for education. It will increase the overall amount available for investment in education. To some extent this will increase enrollment capacity and college attendance. In other respects, that are almost as important, it will permit colleges to raise tuition charges in order to improve the quality of research and instruction. Last year, I spoke in support of a National Science Foundation program requested by President Kennedy to create new centers of excellence. The passage of this amendment should have a similar effect and will give many colleges the resources they need in order to compete more successfully for Federal research funds and institutional support.

By a favorable vote on this amendment, the Senate will provide urgently needed and effective support for higher education in America. Families will be helped. Students working their way through college will be helped. The amendment would be in the public interest, as it is undoubtedly what the public desires. I hope the Senate will adopt it.

Mr. MANSFIELD. Mr. President, will the Senator from Connecticut yield briefly to me?

Mr. RIBICOFF. I yield.

Mr. MANSFIELD. Mr. President, I propound a revision to the unanimous-consent agreement now in effect; this provision has been cleared, I believe, all around. It is quite similar to the one I proposed earlier this afternoon.

I propose the following changes in the unanimous-consent agreement now in effect: In the unanimous-consent agreement as printed on the first page of today's Legislative Calendar, in line 4, strike out the word "for", and insert in lieu thereof the words "not to exceed"; and in lines 5 and 6, after the word "that", strike out the words "after the hour of 8 o'clock p.m."; and in line 6, after the word "Senate", insert the word "then"; so that the agreement, as thus amended, will read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That on Monday, February 3, 1964, at the hour of 4 o'clock, p.m., the Senate proceed to consider the amendment (No. 329) intended to be proposed by the Senator from Connecticut, Mr. RIBICOFF, to the pending bill, H.R. 8363, the tax bill; that debate on said amendment continue not to exceed 4 hours, the time to be equally divided between the proponents and the opponents and controlled in the manner provided by the usual form; that the Senate then proceed to the consideration of any amendment that may be proposed to the so-called Ribicoff amendment, the time on any amendment thereto to be limited to 1 hour and equally divided between the mover of the amendment and Mr. RIBICOFF, provided he is opposed to any such amendment: *Provided*, That no amendment that is not germane to the provisions of said amendment No. 329 shall be received.

Ordered further, That on Tuesday, February 4, 1964, after the conclusion of the morning business, the Senate resume the consideration of the said amendment No. 329, and that debate on it continue for 1 hour, the time to be equally divided between the proponents and the opponents, and that at the expiration of said hour, the Senate proceed to vote on the question of agreeing to the amendment.

Mr. President, I ask unanimous consent that these changes in the unanimous-consent agreement now in force be made.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Mr. President, reserving the right to object—although I have no intention of objecting—let me ask whether the agreement as thus revised will mean that after it is found that no other Senator wishes to address the Senate this evening, the Senate can then adjourn until tomorrow, at which time it will continue the debate on the Ribicoff amendment.

Mr. MANSFIELD. Yes, with the proviso that any amendments to be submitted to the Ribicoff amendment must be submitted before conclusion of the debate tonight, and will be voted on tonight; and that one hour after the Senate convenes on tomorrow, the vote will be taken on the Ribicoff amendment as it then stands—either with or without amendments to it.

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, at this time, I ask unanimous consent that when the Senate concludes its session tonight, it adjourn until 10 a.m. tomorrow.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

REVENUE ACT OF 1964

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

Mr. MANSFIELD. Mr. President, now that the order for the Senate to convene at 10 a.m. tomorrow has been entered, I wish to state that, under the provisions of the unanimous-consent agreement now in effect, the vote on the Ribicoff amendment will be taken at 11 a.m.; or, if by that time the Ribicoff amendment has been amended, the vote will then be taken on the Ribicoff amendment, as amended.

Mr. TOWER. I thank the Senator from Montana.

The PRESIDING OFFICER. Is there objection to the proposed revision of the unanimous-consent agreement now in effect? Without objection, it is so ordered.

Mr. BEALL. Mr. President, I support the amendment of the distinguished Senator from Connecticut, providing for an income tax credit for college costs.

College costs hit that segment of our population which provides the bulk of our tax revenue. This financial burden falls heaviest on those of our citizens who are buying homes and raising families, as well as carrying the heaviest part of the burden of Government. Yes, the people who are carrying the load are the people faced with the heavy cost of sending their sons and daughters to college. In today's economy, education represents one of the major family investments.

I feel that those who must bear the financial burden of high college costs are just as entitled to tax relief as are those with medical and casualty losses, which are already given consideration in the tax setup.

One of the premises of the new tax bill is that incentives should be given to capital investment. In my opinion, there is no better form of capital investment than in education for our children. Trained minds will insure the continued success of this Nation.

In the tax reform bill before us, we have an unparalleled opportunity to prove the sincerity of our interest in higher education. Without resorting to the establishment of another bureau or office or even another Government project or program, we can advance the cause of education, and, at the same time, give a much deserved break to the man who very rarely is the beneficiary of the Government programs which to a great extent he finances.

The 1964 tax bill is not a simple, across-the-board tax reduction. The bill is a complicated measure containing more than 300 pages of detailed provisions effecting changes in 37 separate areas of the Internal Revenue Code. The sacrifice in revenue caused by the Ribicoff amendment can be offset by needed reforms in other areas. The new tax bill is far from perfect, but this amendment will make it greatly better.

As the Senator from Connecticut has explained, 63 percent of the families which would be benefited by this amendment have incomes of below $10,000.

As the amendment provides for a 75-percent credit on the first $200 spent for college costs, this means a credit of $150; on the next $300, the credit is 25 percent, or $75; on the next $1,000, the credit is 10 percent, or $100. Thus, by accepting this amendment, we would be providing a credit of $325 on the first $1,500 spent on tuition, fees, books, and supplies at colleges—and this credit would be available to anyone who pays these costs.

Taxes are too high. They are a burden on our people and a drag on our economy. They must be cut—not with reckless bludgeon blows, but with skillful, selective pruning. Such pruning is perfectly illustrated in the Ribicoff amendment.

Let us give our substantial family heads a long overdue break by approving the Ribicoff amendment for tax credit for college costs, an amendment which meets a pressing need.

Mr. President, I yield back the remainder of my time.

Mr. RIBICOFF. Mr. President, I yield to the Senator from Texas [Mr. TOWER].

Mr. TOWER. I thank the Senator from Connecticut. I do not plan to call up my amendment No. 393, which bears upon the same question, except that other Senators join with me in supporting the amendment of the Senator from Connecticut.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD the remarks I have prepared in support of that amendment.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR TOWER

I have introduced several amendments to the pending tax bill. These amendments would grant a tax credit for certain education expenses and contributions on both the college and the elementary-secondary levels.

As a former teacher myself, I am fully aware of the worries of many American families about the adequacy of schools and of curriculums. I am fully aware of the equal worries of many families that the costs of college education for their children are far beyond them.

I find this to be a pressing problem. And I find that the best solution to it lies in the tax credit field.

During hearings, the Labor and Public Welfare Committee received testimony from witnesses representing the presidents of 20 independent colleges and universities in support of aid to higher education through tax credits. The principle also applies to tax relief in the field of elementary-secondary education.

The advantages of this approach are as follows:

1. It would release increased funds which could be used for those purposes most directly related to the real needs of each institution, public or private. In most cases, the most urgent financial needs have to do with the paying of salaries and other operating costs.

2. It would help to preserve the diversity and flexibility of the whole American educational system which, we believe, is important in maintaining the freedoms and pluralism in our national life.

3. It would offer a solution to the grave constitutional question which casts a dark shadow over the whole issue of aid to private, independent, and church-related colleges. Such tax credits would offer an acceptable means of channeling greatly enlarged new funds into education, tax-supported or privately supported, State-controlled or independent, secular or religious—and within the framework of a policy long established by the Congress of giving incentive to taxpayers to make voluntary contributions for the support of educational services of all types of organization, philosophy, and control.

4. The independence of action of each institution would be strengthened, and enhanced.

My first amendment would provide a tax credit to homeowners for that portion of their real property tax which is used for the maintenance, operation and construction of public elementary and secondary schools. This tax credit would be the amount paid by the taxpayer in support of local education—or $100, whichever is less.

My second amendment would provide tax credit relief for taxpayers who are themselves students or whose spouses or children are attending college. College expenses covered by the amendment would include tuition and fees; books, supplies and equipment; and room and board. Total expenses would be limited to $2,000 for each student attending college, and the cost of room and board would be limited to no more than $90 a month. A progressive limitation feature would curtail the amount of credit granted to taxpayers in higher income brackets.

My third amendment is a more limited version of the second amendment's provisions. It would provide a tax credit to parents for tuition and fees incurred by their dependents attending college. In this alternate approach, the maximum credit allowance would be $420, with credit for tuition and fees allowed on the following schedule: (a) 100 percent of the first $100; (b) 30 percent of the next $400; (c) 20 percent of the next $1,000.

My fourth amendment, and one that I regard as highly important, would grant a tax credit to individuals and corporations for gifts and contributions made to nonprofit institutions of higher education. This contribution credit could not exceed $100 for an individual, or $1,000 for a corporation.

A summary of the provisions of my amendments, is as follows:

AMENDMENT 1

Tax credit to homeowners for that portion of their real property tax which is used for the maintenance, operation, and construction of public elementary and secondary schools.

(a) The taxpayer would continue to deduct the amount of his real property tax from his gross taxable income; after he determines what his tax will be, he then credits against his final tax that amount of his real property tax which is used for the maintenance, operation, and construction of public elementary and secondary schools.

(b) Tax credit would be the amount actually paid by the taxpayer or $100 whichever is less. To illustrate, a taxpayer pays a real property tax of $600, of which $350 is used for public school purposes. As he does at present, the taxpayer would be able to deduct from his taxable income $600, and assuming that he is in the 20-percent bracket, this would result in a tax saving to him of $120 (20 percent of $600). After determining his final tax, for example, $500, the taxpayer in addition would be able to take a credit of $100 against his net tax, thus, instead of paying a tax of $500, he would pay only $400.

(c) The taxpayer who takes a standard deduction would also benefit since the credit granted is taken against the final tax after all exemptions and deductions have been made.

(d) The deduction together with the tax credit cannot result in a saving to the taxpayer of more than the actual amount of that portion of the real property tax devoted to public school needs. For example, the taxpayer pays a real property tax of $100, of which $60 is used for public school purposes. Assuming the taxpayer is in the 20-percent bracket, he would be able to reduce his tax by $20 (20 percent of $100), $12 of which is attributable to the tax for school purposes. Giving such a taxpayer a $60 credit—the actual amount paid for school purposes—would return a saving to the taxpayer of $72 or $12 more than the tax he paid for support of the public schools. Thus, the tax credit in this case would be limited to $48.

AMENDMENT 2

Tax relief for families with children attending college.

(a) The taxpayer is granted an additional deduction from his taxable income for the expenses incurred by him, his spouse, or his dependent or dependents, while attending college.

(b) Expenses shall include tuition and fees charged by the college for a course of instruction and attendance at such college; books, supplies, and equipment; room and board, whether the student is living on or off the campus. The amount the taxpayer may deduct shall be the actual amount of expenses paid but not to exceed $2,000 for each child attending college. Of this amount, the cost of room and board may not exceed $90 a month while the student is in attendance at college ($45 in the case of a student living at home).

(c) In addition to his child or children, the taxpayer may also deduct such expenses which he incurs as a student as well as those of his wife and anyone else whom the taxpayer can lawfully claim as a dependent.

(d) The deduction is available to a taxpayer whose dependent is attending a college, university, or other institution of higher learning, such as medical school, dental school, law school, or other graduate school. This deduction is not available to a taxpayer whose dependent is attending a trade or vocational school or any other school which does not award a baccalaureate or higher degree.

(e) The amount of expenses which the taxpayer may deduct from his taxable income shall be reduced by the amount by which the taxable income of the taxpayer exceeds $10,000 if the taxpayer is unmarried or if married, files a separate return or, $20,000 if the taxpayer is married and files a joint return or is a head of a household or a surviving spouse. Thus, if a taxpayer has $2,000 in educational expenses and a taxable income of $20,800, he would be entitled to a deduction of $1,200 ($2,000 less $800, the amount in excess of $20,000). The taxpayer thereby reduces his taxable income from $20,800 to $19,600. If the taxpayer is in the 50 percent bracket, he would thereby reduce his tax by $600 (50 percent of $1,200).

AMENDMENT 3—TUITION AND FEES PAID TO INSTITUTIONS OF HIGHER EDUCATION

(a) Taxpayer is allowed to take as credit against his final tax the amount of tuition and fees paid by him during the taxable year to one or more college or institution of higher education for himself or for any other individual for whom he can claim an exemption.

(b) (1) Credit for tuition and fees shall be allowed on the following schedule: (a) 100 percent of the first $100; (b) 30 percent of the next $400; (c) 20 percent of the next $1,000.

For example, a parent pays $1,350 in tuition and fees to a college on behalf of his son. Thus the parent would be entitled to a credit of $390 as follows:

(a) 100 percent of first $100	$100
(b) 30 percent of next $400	120
(c) 20 percent of next $850	170
Total	390

The maximum credit allowance under this provision would be $420.

(b) (2) Where more than one taxpayer pays the tuition and fees the credit allowance shall be prorated among the taxpayers. For example, a parent pays $500 and his son pays $1,000 in tuition and fees to a college. The credit allowance would be $420, of which the parent would be entitled to one-third or $140, and the son would be entitled to two-thirds or $280. (NOTE.—The application of this subsection would be very limited inasmuch as each taxpayer must be able to claim an exemption for the individual for whom tuition and fees are paid. In the case cited above, the parent could continue to claim his son as an exemption even though the son is himself a taxpayer provided that the parent contributes more than one-half of his son's support while the son is a student.)

(c) (1) Defines "tuition" and "fees" as those required for enrollment or attendance or required for courses of instruction at an institution of higher education. It excludes amounts paid for meals, lodgings, and other personal living or family expenses. If the tuition and fees include an amount for meals, lodgings, etc., not separately stated, the portion of the amount attributable to meals, lodgings, etc., shall be determined by the Secretary of the Treasury.

(c) (2) Defines "institution of higher education" as one which: (1) normally maintains a regular faculty and curriculum; (2) normally has a regularly organized student body in attendance where the educational activities are carried on (thereby excluding correspondence schools); (3) offer education at a level above 12th grade; and, (4) gifts made to it constitute charitable contributions within the meaning of the code.

(d) (1) If an individual receives a scholarship or fellowship grant (which are not included in gross income) or receives an education and training allowance under the Korean GI bill or War Orphans' Educational Assistance Act, the amount of such grant or allowance is deducted from the amount paid for tuition and fees in determining the credit allowance. Thus, if the amount paid for tuition and fees is $1,500 and the individual receives a grant or allowance of $800, then the credit allowance is based on $700, and not $1,500.

(d) (2) In the case of an individual who is a candidate for a college degree, credit allowance will be given only for tuition and fees paid for courses for which credit is allowed for a college degree. In the case of an individual not a candidate for a degree, credit allowance will be given for tuition and fees paid for courses required for that attainment of an educational, professional, or vocational objective. For example, a Foreign Service officer, transferred to a new post, may take a limited course of instruction in the language, culture, and history of the country to which he has been assigned, or a lawyer may wish to enroll in several graduate law courses to upgrade and enlarge his legal skills. Under both examples, it is intended that credit for tuition and fees paid would be allowed. On the other hand, a certified public accountant who enrolls in a course on Shakespeare merely for his own enlightenment and entertainment would not be entitled to a credit for tuition and fees paid, since the course in Shakespeare would not be part of an educational, professional, or vocational objective.

(d) (3) Provides that the credit allowance cannot exceed the amount of tax owed by the taxpayer. If the credit allowance is $420 and the amount the taxpayer owes is $400, then the credit allowance is reduced to $400. Simply a technical amendment to prevent a claim by the taxpayer that the Government owes him $20 or the amount in excess of his tax.

(e) If a taxpayer is entitled to a deduction under section 162 (relating to trade or business expenses) for tuition and fees paid, he may continue to claim the deduction and the credit allowance as well. However, the deduction and the credit together cannot exceed the amount actually paid for tuition and fees. For example, a taxpayer in the 30-percent bracket pays $150 in tuition and fees. He reduces his tax by $45 (30 percent of $150) by way of the deduction and is entitled to $115 as a credit. Since the total amount of the credit and the deduction is $160, the credit is thereby reduced to $105.

(f) Secretary of the Treasury is given authority to prescribe regulations to carry out this provision.

AMENDMENT 4—CONTRIBUTIONS TO INSTITUTIONS OF HIGHER EDUCATION

(a) Provides a credit against his final tax for an individual for the amount of his contributions to one or more institutions of higher education during the taxable year.

(b) The credit cannot exceed $100 in the case of an individual or $10,000 in the case of a corporation.

(c) Such credit will apply only if the contribution to or for the use of an institution of higher education is deductible as a charitable contribution. Where the contribution is made not to a college or university but to an agency, foundation or institution, such contribution may be only used by the agency for the same purposes that a college or university may use its funds.

(d) Definition of "institution of higher education" same as section 39(c) (2).

(e) Same as section 39(d) (3).

(f) Permits taxpayer to continue to take a deduction for charitable contributions as well as the credit provided by this section. In no event shall the deduction and the credit together exceed the actual amount of the contribution. Similar to the example set forth in section 39(e) (2).

(g) Secretary of the Treasury authorized to issue regulations to carry out provisions of this bill.

(h) Technical amendment—renumbering of code sections.

Section 2: Provisions shall apply to taxable years ending after the enactment of this act. If this bill becomes law in September 1963, a taxpayer may take advantage of the credits provided herein in filing his income tax return for the taxable year 1963.

Mr. TOWER. Mr. President, I commend the Senator from Connecticut for offering his amendment, which is similar to the legislative proposals that have been introduced in the past by the Senator from Arizona [Mr. GOLDWATER] and myself.

I should like to commend the Senator from Connecticut for attracting such bipartisan support to his amendment; and I also commend the junior Senator from Colorado [Mr. DOMINICK] for the active work that he has done in behalf of the amendment.

I am vitally interested in the amendment because although the State I represent is the sixth State in terms of size of population, it ranks fourth in terms of college enrollment.

This tax-credit proposal has been widely discussed and is well understood by Members of the Senate. And, I feel it is unnecessary for me to recount here the needs and requirements of American education in this space age. Indeed, these needs have been discussed and dealt with by this body so that many refer to our last session as "the Education Congress."

I remain unconvinced that the massive grant and loan program of aid to education represents the most satisfactory method of dealing with the needs of education. I regard the tax-credit approach as a better approach. And, I also know that many Senators believe that the tax-credit plan is at least necessary as a supplement to grants and loans.

As a college teacher in our State, I was closely exposed to the worries of many families about the expenses of higher education. I certainly can say that this is a No. 1 problem right now of parents with youngsters in high school.

It is by no means certain that all of our talented high school students will get into college, for the costs of college can range up to $3,000 a year these days.

My amendment and the similar amendment of the Senator from Connecticut are designed to alleviate part of the costs of college education borne by American parents.

If this amendment is incorporated in the new tax law, Americans will be able to figure up their income taxes, and then subtract from the tax due their costs for college tuition and fees—up to the sliding limits provided.

Under a tax credit, such as I am proposing and supporting, a taxpayer's money payments for education expenses never would leave his control. His money never would be sent to Washington and then partially sent back to his schools, with lots of Federal strings attached.

Under a tax credit plan his education payments would stay in his pocketbook until applied directly by him in support of higher education.

Mr. President, in the last Congress there were more than 100 bills introduced providing certain tax concessions for education expenses. In the 88th Congress there are more than 120 bills proposing such tax credits.

I am not aware of any other subject upon which there are as many legislative proposals pending as there are for tax credits for education expenses. It would appear that there is substantial support for the idea on both sides of the aisle and in both bodies.

Perhaps the most attractive advantage of the tax credit approach is that it would completely eliminate the church and state issue because there would be no connection between the Government and the educational institution. The relationship would only be between the Internal Revenue Service and the individual taxpayer.

The tax-credit plan also would eliminate the objections about Federal control of education, because tax credits would leave completely undisturbed the existing relationships in higher education.

Many variations of this plan have been discussed in past years and weeks. If we had a low percentage credit, as, for instance, 20 or 30 percent, with a high limit of, say, $2,000, then we would benefit institutions with high fees, or private institutions, and those taxpayers in the higher income brackets. If we had close to 100-percent credit with a low limit, we would benefit more directly public institutions and lower income families.

It has appeared obvious that a compromise percentage-rate system is necessary between those two extremes. Such a rate system would amount to an average annual tax saving of some $750 million a year, of which educational institutions would recover a major portion through increases in tuition and fees. We must remember that the goal of this plan is not only to grant tax relief, but also to provide a method by which educational institutions may obtain additional revenue.

As an example, if the institutions recovered, say, $500 million a year, they could use the money to cover finance charges on bond issues of perhaps $5 billion and still have cash left over with which to augment scholarship and grant funds to needy students.

I have heard it said that some public institutions would not fully benefit, since some are not allowed to charge tuition. I suspect that it would be possible for those schools to increase individual course fees so as to benefit. Also, if this program were in operation, States might well revise their laws to allow tuition charges. At any rate, most private and public colleges already charge both tuition and fees.

One continuing objection has been raised against this plan; namely, that it would be of no benefit to families who pay no Federal income tax. It seems to me that there is no validity to that objection.

At the present time virtually all families, in their productive years, pay Federal income tax. Six out of seven fathers of children reaching college age are between the ages of 38 and 58, which are the top earning years. I estimate that at least 90 percent of the families of students in college today do pay Federal income tax, and it might easily be as high as 95 percent. So this plan would benefit directly almost all college students; and—important but often ignored—it would open the way to increased benefits for students in families that do not pay Federal tax.

If a benefit of this type were provided, many of the students of middle-income families, who at the present enjoy scholarships, could then forego a scholarship, and those scholarships could be concentrated on families who have lower incomes and pay no Federal tax.

Thus, Mr. President, it is obvious that the tax credit for education expenses as provided in the amendment of the Senator from Connecticut would operate to the benefit of every American who is concerned about the costs of higher education. And the tax-credit plan would administer those widespread benefits without the dangers of bureaucratic control of education and absolutely outside of the issue of separation of church and state.

Mr. President, seldom does the Senate have an opportunity to pass upon a program with such massive benefits and at a time when the granting of such benefits would be of such great assistance to our Nation.

I hope, as a former college educator and for the sake of improved college education in America, that the Senate will accept this tax-credit amendment.

I yield back the remainder of my time, and thank the Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I yield 5 minutes to the distinguished Senator from Maryland [Mr. BREWSTER].

Mr. BREWSTER. Mr. President, since its original proposal by President Kennedy, I have strongly advocated an overall reduction in taxes as the best means to stimulate investment expansion, industrial development, and overall economic growth.

While I continue to consider this tax legislation to be of top priority, I have become increasingly concerned with its failure to recognize, its failure to stimulate, investment in our Nation's No. 1 resource, the minds of our young people.

Our progress as a nation is dependent on our progress in the education of our citizens. The complexities of diplomatic negotiation, of space exploration, of modern weaponry, of atomic research, of agricultural surplus, medicine, civil rights, automation, and unemployment can only be met by an enlightened citizenry. The probems of domestic and international society yield to no simple solutions. Education is the single most important factor in our successful handling of these problems. For this reason, I have long been convinced of the importance of efforts at all levels of government to stimulate investment in our human resources. I believe that this kind of investment will pay the richest dividend in the years ahead, in enlightened citizens, in economic strength, and in national excellence.

Assistance of local, State, and Federal governments in the education of our future citizens is long established. We are continually pressed for the extension of governmental participation in positive new programs to meet the dual challenge of an explosion in population and in knowledge.

The amendment proposed by my distinguished colleague from Connecticut to the tax bill now under consideration represents a new proposal—a kind of do-it-yourself education measure—one designed to encourage each American citizen to invest his own financial resources in his own education or in that of his sons or daughters. This eminent proposal is intended to stimulate investment in the education of our young people—an investment of equal significance to those which may be made in new plants and equipment as a result of other provisions of the tax legislation we are considering.

I am proud to be a cosponsor of this proposal, and to urge its acceptance by the Senate.

Proposals for tax relief for the cost of higher education have been made many times before in the Senate and in the House of Representatives. At no previous time has there been a greater need for such relief. At a time when the need for education is growing by geometric progression, the cost of education is advancing by the same measure.

What has this meant to the individual? After the cost of buying a home, it has meant that the largest single expense sustained by a family unit is likely to be the cost of sending their three or four children to college. It has meant that at a State or other public college the cost of 4 years of education can run as high as $6,600. It has meant that education at many private colleges can cost double that sum. In my own State of Maryland, there are 75,556 students enrolled in college as of the fall of 1963. For residents of the State, the cost of tuition at the University of Maryland is $396. For an out-of-State resident, the cost is $746.

This is not the whole story. Unlike many of the other serious expenses that a family must bear, the cost of college education hits a family in a short span of years with staggering impact, and with no relief similar to that available under present tax laws for medical expenses or casualty losses.

Again, using my own State of Maryland as an example, the resident enrolled at the University of Maryland paying $396 annually for tuition, fees, and books would receive under the Ribicoff amendment $199, a little over 50 percent in tax credit. The nonresident, paying $746, would receive a tax credit of $250, or slightly over 25 percent.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BREWSTER. Mr. President, will the Senator yield me an additional minute?

Mr. RIBICOFF. Mr. President, will the Chair inform me as to how much time I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. RIBICOFF. I understood that the present occupant of the chair [Mr. Edmondson] would like to have that minute. However, I believe that the distinguished Senator who now occupies the chair would yield that time to the Senator from Maryland.

I yield 1 additional minute to the distinguished Senator from Maryland.

Mr. BREWSTER. At no previous time has such an excellent proposal as the one made by the distinguished Senator from Connecticut been before this body for consideration. This proposal has been carefully framed to meet all previous objections. This proposal provides a tax credit which will be available to each and every person subject to the Federal income tax who is paying tuition or fees or costs associated with education at an institution of higher learning. It provides a sliding-scale formula to equalize the benefits of the credit with respect to students at public and private colleges. Finally, it limits the credit so as to provide greater dollar benefits for lower- and middle-income families.

Since this proposal of income tax credit for college expense came to national attention, I have received a large volume of mail, favorable without exception. I am informed that no less than 19 Senators and 101 Members of the House of Representatives have introduced similar legislation. This represents eloquent testimony to the broad range of support for this proposal.

Mr. President, I believe now is the time for the Congress to adopt the provisions of this amendment, and to include them in our action on the most important tax legislation in many years.

Mr. RIBICOFF. Mr. President, I reserve the remainder of my time.

Mr. LONG of Louisiana. Mr. President, I yield 45 minutes to the Senator from Oregon.

Mr. MORSE. Mr. President, I rise to oppose the Ribicoff amendment. It grieves me very much to find myself in disagreement with the Senator from Connecticut [Mr. Ribicoff] on any subject pertaining to education. He and I have worked shoulder to shoulder on education problems when he was Secretary of Health, Education, and Welfare. He and I worked since then, shoulder to shoulder, in the Senate on proposed legislation falling within the jurisdiction of the Senate Committee on Labor and Public Welfare. There is no one for whom I have more respect as to his sincerity of purpose in wanting to do whatever can be done, according to his sights, for the best interests of American education.

But honest and sincere men can differ, and in the present instance I find myself diametrically opposed to the position of the Senator from Connecticut. In the next few minutes I shall set forth my major objections to his amendment.

I have listened to much, if not most, of the discussion this afternoon. I have been asked by my leadership to put into the Record tonight the main reasons for my opposition to the bill. I shall do so in continuity. When I finish presenting my argument against the Ribicoff amendment I shall be glad to respond to any question that the proponents of the amendment wish to ask me.

MAJOR OBJECTIONS

My objections to the Ribicoff amendment are very much the same as those expressed by the Senator from Louisiana [Mr. Long] in his Senate speech of January 30. I am opposed to it as a special tax privilege to one class of taxpayers; and I am also opposed to it for its impact on our educational system.

It is not entirely clear whether its supporters intend it to be the first or second—a financial break for parents who send their children to college or a means of channeling money into institutions of higher learning, especially private institutions. Obviously, this tax credit cannot be both. If the colleges are to gain anything at all from it, they must raise their tuitions so as to absorb the $700 million to $1.3 billion loss to the Government. If the taxpayers are to enjoy any of it, the colleges and universities must not raise their tuitions.

Some college presidents have been very frank about this. They say exactly what I have said. Of course, it is the intention of these college presidents to raise their tuitions. They have pointed out in their statements that the amendment will not be of any particular help to the institutions unless the tuitions are raised.

What we really are considering in this amendment is a bill which, in essence, is an aid-to-higher-education bill. The decision we must make is what form that aid should take. We must decide whether, if the aid should take the form of a tax credit or if it should come from appropriated funds. The first course will permit the parent or the child to decide, at the expense of all the taxpayers of the United States, what institution will be assisted. The second course will permit the Congress on the basis of sound public policy through a general law to determine what the aid to public and private institutions of learning in this country shall be.

AMENDMENT AIDS COLLEGES, NOT PARENTS

I would never have Senators forget that point throughout the debate. This is a Federal-aid-to-education bill under the guise of a tax credit. It is a proposal whereby the Treasury of the United States says to the parent of the child, "Here is the money." It could even be more valuable to the parent of that child than a tax deduction. This is a handout to the parent of the child after all tax deductions under existing law are considered, and it comes down then to what is left. That is the amount of money he would otherwise have to pay in taxes. It is proposed to say to him, "We give you a credit of so many hundred dollars from money you otherwise would pay into the Treasury of the United States."

CHURCH-STATE ISSUE

I have battled on the floor of the Senate—and against some pretty long odds at times—for what I consider to be a fair deal within the Constitution of the United States for the church-related and the private colleges of America.

I know that there are those who do not like to have the church-state issue discussed in connection with the Ribicoff amendment; but it is imbedded in it. We cannot escape the fact that the Ribicoff amendment raises head on the state-church issue in this Republic. I prefer to meet that issue by amended legislation, not by tax indirection.

There is no doubt that a great many of the religious college administrators in this country are fully in support of the amendment. They see an opportunity to obtain substantial financial aid through this amendment that they could not get any other way.

I shall fight to obtain for the religious affiliated colleges in this country the aid to which I think they are entitled under the Constitution of the United States, but no more.

Consider the total amount of money which is going to pour into the bank accounts of the church-related colleges of this country and into Yale in Connecticut, Princeton in New Jersey, and Harvard in Massachusetts through the operation of this amendment, if it ever is entered on the statute books. I cannot escape the fact that every dollar of that money is the taxpayers' dollar. I do not think it is right for us to do this until the state-church issue is settled by a U.S. Supreme Court decision.

JUDICIAL REVIEW

There is pending before the Senate now a bill, of which I am the author, and on which there are a goodly number of cosponsors, which seeks to establish a procedure for judicial review in connection with the question of the extent to which the taxpayers' dollars can be used to help finance religious affiliated colleges and schools.

The senior Senator from Oregon proposed and fought for, and the Senate passed as the higher education facilities bill, which provided categorical-use grants to religious affiliated as well as public colleges. I think that approach is constitutional. I think it is the kind of approach we should make to the church-state issue.

TAX CREDIT NO SOLUTION TO CHURCH-STATE PROBLEM

If one thinks that, by way of a tax credit "gimmick," there is going to be eliminated the church-state issue of aid to church-related schools, he could not be more badly mistaken.

The adoption of the amendment—and I sincerely hope it will not be adopted—will raise that issue in an inflamed form. Already telephone calls, letters, and other communications make it clear to me that across the country great dissension is being raised over the Ribicoff amendment on the ground that it is an attempted circumvention of the church-state separation principle.

It is a great mistake, in my judgment, to approach the issue that way. We are making progress in resolving constitutionally the state-church issue. It is my view that we should give the maximum support to all of the colleges of the country, private and public, including the church-related college, that can be given under a general aid bill within the limitations of the Constitution. That is why I am working so hard to try to obtain consideration for the judicial review bill I have authored, not only in connection with higher education, but also secondary and elementary schools, because there is a great problem in that connection, too.

One of the controversies which I fear will be stirred up over the Ribicoff amendment, if it ever becomes law, is the whole question of the aid and the form of aid which can be given, with propriety under the Constitution, to parochial secondary and elementary schools.

I have not made these comments because I am happy to make them. I would prefer not to have to discuss the subject. But in my capacity as chairman of the Subcommittee on Education of the Committee on Labor and Public Welfare, I would be derelict in my duty if I did not point out that, in my judgment, the Ribicoff amendment does raise the church-state issue and will arouse great controversy.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. MORSE. Because of the nature of the point I make, I think it is only fair to yield to the able Senator from Connecticut, but I shall not yield when I reach the other points.

Mr. RIBICOFF. How does this amendment raise the church-state issue?

Mr. MORSE. It raises the church-state issue because the Senator proposes to give a tax credit, which benefits the parent who finances the education of his child in a Catholic, a Presbyterian, a Lutheran, a Jewish or a Baptist or any other denominational college or university. I note that there will be no check over the programs of the church-related schools which ultimately get the money under the tax credit proposal.

Mr. RIBICOFF. The Senator knows that the private colleges will not get this money under the tax credit. It will go to the parents.

Mr. MORSE. The Senator can console himself by such a statement, but if the tax credit is given to the parents, it will be given to the Catholic schools or the Presbyterian schools or the Baptist schools. Whose money is it? It is the public money which would be given to the parent under the amendment. The Senator should not try to kid me by such fantastic logic.

Mr. RIBICOFF. Mr. President, I am not kidding myself. Neither do I expect the Senator from Oregon to kid the Senate on this issue.

Mr. MORSE. I will not run away from the mathematical facts, as the Senator is apparently doing.

Mr. RIBICOFF. I am not running away from anything.

Mr. MORSE. How does the Senator think these schools will get the money? How will the Catholic schools and the Presbyterian schools get the money? Where do they get the tax credit dollars? They get them from the student who takes them to the Catholic school or the Presbyterian school or the Baptist school. That is where they get the dollars. Those dollars are not the student's dollars. They are public dollars. We are indirectly giving those dollars to the schools from the Treasury of the United States.

Mr. RIBICOFF. The overwhelming amount of the money goes to families whose children attend public and private colleges which are nonreligious.

Mr. MORSE. But we do not know that until the amendment starts to work.

Mr. RIBICOFF. When it starts to work, the money goes to the parents, basically.

Mr. MORSE. And they decide where the child shall go to school.

Mr. RIBICOFF. As they decide at the present time. It makes no difference where they decide to send the child.

Mr. MORSE. There is no restriction with respect to a Catholic or Presbyterian or Baptist college, as there is under Public Law 88–204, which restricts the money to a categorical use.

Mr. RIBICOFF. When a charitable contribution is made to a private college, whether it be Catholic or Baptist or Presbyterian, the same situation exists.

Mr. MORSE. It is an old legal maxim that when one pierces the veil, one reveals the subterfuge which is attempted. I have pierced the veil, and the Senator from Connecticut does not like it. The American people understand it. He will know that they understand it before we are through with this issue.

Mr. RIBICOFF. I understand the issue very well. It is an issue that we should debate here and now. This issue involves a tax credit. It is not going to the school, whether it be a State school or a private school or a church school. It goes to the parent.

Tuition fees have gone up 25 percent during the last 5 years.

If the Senator talks about schools raising the tuition, I point out that the schools have already raised their tuition. When they find that the parents have extra money in their pockets, they may again raise the tuition fees. Therefore, if we follow the Senator's logic, we could say that the basic tax reduction bill being proposed by the administration aids religious institutions, because colleges, knowing that the parents will have extra dollars in their pockets, will be able to raise their tuition fees. That argument is just as logical as the one the Senator uses by saying that, because there is a tax credit for education, the money will go to religious institutions.

I respect the Senator from Oregon. He knows that privately and publicly and from platforms I have given him great credit for his fight and leadership in this field. I have never doubted the sincerity of the Senator from Oregon. I have always defended his sincerity and have always contended that he was sincere.

It is rather strange that at this stage in the debate the distinguished Senator from Oregon should appear to question my sincerity, because my respect for him is very high indeed.

I wish to argue this issue on its merits. To say that I am using this issue as a subterfuge for benefiting religious schools is unworthy of the great Senator from Oregon, for whom I have such high respect.

Mr. MORSE. If the Senator's sincerity is being questioned, he is questioning it himself. I assure the Senator I am not attacking it.

His judgment can be defended on this issue.

However, when he tries to make the fallacious argument that Catholic and Presbyterian and Baptist colleges are not going to get the money out of the U.S. Treasury in the long run by way of the tax credit which he proposes, by handing it to the parent, I do not go along with him. His amendment would take money from the Treasury thus permitting the parents to spend it for tuition wherever they want to spend it, in a Catholic or a Presbyterian or any other private denominational institution, with no restraint whatever put upon their decision at all. That is what would happen.

We had a great fight on the higher education facilities bill, in seeing to it that money for categorical uses only was made available to Catholic, Presbyterian, Baptist and other institutions of higher education. I was in favor of it. I voted for it. In fact, I proposed it. As we battled for it, we put restraints on it. We made it clear that not a dollar of that money could be used except for categorical use purposes. There is no restriction in the pending amendment upon the use of the money that is proposed to be given to these beneficiaries. It is possible that it will be held legal to proceed in this manner. The courts will have to decide that question.

The Senator from Connecticut obviously disagrees with my argument. He is entitled to do so. However, I do not intend for a moment to let him think that he is going to persuade me into believing that there is no church-state issue in his amendment, just because he proposes to give the money to the parents in the first instance.

We must take a look at the effect of the use of the money. The presidents of church-related institutions of higher education are in a terrific drive to have this amendment adopted. They know the effect of it. They know that they will get in this amendment what they could not possibly get through a general Federal aid bill. That is the difference between us.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. RIBICOFF. If we should follow the logic of the distinguished Senator from Oregon, the Senator would be against allowing deductions for charitable contributions to religious education or to religious colleges, be they Catholic or Protestant or Jewish.

Mr. MORSE. No. We have an overall, general public policy, which has prevailed in this country, that deductions for humanitarian purposes are considered to be in accordance with the Constitution. In the pending amendment, I believe we have a "gimmick" which is designed to get around the first amendment to the Constitution. That is what is in this amendment.

Mr. RIBICOFF. How can the Senator say this is a "gimmick," when the money is going to the parents, not to the college? I point out that, according to statistics, there are only 353,167 students in Catholic colleges, and 2,700,000 students in public colleges.

Mr. MORSE. If I have ever heard a non sequitur, that is one. We must wait to see how many will be affected and who will go to these schools after the adoption of the amendment.

Mr. RIBICOFF. The amendment has nothing to do with that. The amendment is specifically designed to help parents to decide to what college their children shall go, in exactly the same way as we give a deduction for charitable contributions, irrespective of the type of college to which a parent will make his contribution.

Mr. MORSE. I have no quarrel there.

Mr. RIBICOFF. If this amendment is to be opposed on this ground, then to follow the logic of the Senator, and not to indulge in a non sequitur, another amendment would have to be proposed to deprive every church-related college of tax-exempt status and every taxpayer of the right of deduction for a charitable contribution to such a college.

I believe that is the problem we face if we adopt the logic of the Senator from Oregon.

It is surprising indeed, that this argument is projected at this time in the debate. It is very interesting, because this is the first time it has been done, and it indicates how frightened the opponents of this amendment are, when at this late time in the debate the accusation is made that it raises the church-state issue.

Mr. MORSE. I am sorry if the Senator from Connecticut has not heard of it earlier because for weeks, while this proposal has been under discussion, there has been great activity by private schools and private school administrators. They have been urging the adoption of this amendment, because they feel it is the best way in which they can get the money that they could not get before.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. MORSE. I will first complete my argument. If I have time remaining, I will yield to him. But I wish to complete my main speech.

EFFECT OF RIBICOFF AMENDMENT

I realize what chasms apart we are. I repeat my argument that when we take tax dollars—I do not care what the vehicle is; I do not care what the medium is for transferring them—we can apply the doctrine of law that the veil can be pierced to follow through to see what the effect is. In this instance, the effect will be that we will make available through this device, without any restrictions as to how a religious school may spend accumulated funds in the Treasury, with no such categorical use restrictions as are in the aid-to-higher-education bill which was passed a few weeks ago, huge sums of money without specific constitutional protection to the taxpayers.

SPECIAL PRIVILEGE

If we are to consider it as a tax break to parents of college students, I think we have riddled our tax system far too much already with special privileges. I am astonished to see so many Members of Congress who ordinarily oppose special privilege taxation supporting this amendment. And I am disappointed that a move that had gained some strength not long ago to wipe out special tax features and then reduce rates substantially all across the board has fallen victim to the pressure of one special interest after another.

Let us bear in mind that this is not basically an education measure. If it were, it would be before the Subcommittee on Education of the Committee on Labor and Public Welfare. I once said that I thought it would be good to have hearings on educational proposals considered by the Subcommittee on Education. But I agree that the bill is basically a tax measure. It is not a measure to help the young people or to ease a financial strain on their parents. The question is whether a financial strain should be eased for one class of taxpayers when it will not help many other parents who also would like to provide their children with a college education. It is a question of whether sending a child to college is the kind of expense that justifies shifting a substantial tax burden onto taxpayers whose incomes are not large enough to take advantage of the credit, or who have no college-age children.

EDUCATION CONSIDERED AS AN INVESTMENT

Basically, I see no difference between the Ribicoff amendment, and the oil depletion allowance or any other of the special privileges in our tax code. It is simply a good investment to send a youngster on to college. It is profitable for the child and profitable for the Nation. A college-educated man or woman stands to make an income several times that of the man or woman who lacks a higher degree.

Figures brought out in the Education Subcommittee show that in the year 1961, men 25 years of age and over had the following incomes, according to their years of schooling:

Less than 8 years	$2,998
Grammar school (at least 8 years)	4,206
1 to 3 years of high school	5,161
4 years of high school	5,946
College (1 to 3 years)	7,348
College (4 years or more)	9,817

Over their economic lifetime, meaning from age 18 to death, these men will realize the following total incomes according to their educational levels:

Less than 8 years	$151,348
Grammar school (at least 8 years)	204,530
1 to 3 years of high school	234,960
4 years of high school	272,629
College (1 to 3 years)	333,581
College (4 years or more)	452,518

Certainly a college education is good for the child and good for the Nation as a whole. But does that mean that on top of the financial advantage of the education itself we should allow a tax rebate for the investment? My answer is no. We might with equal justification allow a tax rebate for any other sound financial investment.

BENEFITS NOT ACCORDED LOW-INCOME FAMILIES

Senators know that parents with an adjusted gross income of $5,000 or less will have no taxable income against which this credit can be applied. They will gain nothing from it. Like so many other tax features, you have to have considerable income to begin with before you get preferred treatment. The Bible refers to this system as one of: "To them that hath, it shall be given," which in American parlance is called: "Them as has, gits."

Under the Ribicoff amendment, if you have at least a middle bracket income or more, you will get a tax break when you send your children to college. If you are in the lower brackets, you will get no tax break from sending your children to college.

This is the kind of inequity that we should be eliminating from the revenue code instead of adding.

If I were asked what kind of taxpayer would benefit most from this amendment I would say the taxpayer with no more than four children who has an income of at least $10,000 and who plans to send his children to college in any event. Taxpayers with many children, or with low incomes who send their children to public school, will benefit much less, if at all.

College-educated American families are going to send their children to college in any case, tax credit or no tax credit. We know that to be true. That is the pattern of American family life and education. Higher education tends to beget higher education within a family. Our social mores and economic desires perpetuate a need for higher education once it is established in a family.

These parents do the right thing by themselves, by their children, and by their Nation. They do not need a tax credit to induce them to do it, however much they might like to have one. We would all like to have a tax credit for our sound investments in our own and in the Nation's future. Education is not the only such investment; why should it receive this special reward?

BAD PRECEDENT

This amendment makes no sense unless we plan to continue down this road and give tax credits for all kinds of investments and for all expenditures on self-improvement. I am against them in principle, and therefore I am opposed to the Ribicoff amendment as a tax privilege.

So am I also opposed to it for its effect upon our educational system. From all the data and figures I have accumulated on the amendment, I am convinced that it will make more difficult the overcoming of our Nation's greatest economic problem—the education, retraining, and absorption into useful employment of young people who lack the family finances and family motivation to educate themselves.

AMENDMENT WILL NOT SOLVE POVERTY PROBLEM

Let Senators not be deluded. This is our great problem of education. It is also our problem of economics; our problem of poverty. It is the problem of bringing into the mainstream of American life the boys and girls whose families before them were outside it. It takes shape in the form of generations who continue on public welfare because their parents were on public welfare and their parents before them, and whose own children will be on welfare, too, unless something is done to break this vicious circle.

In terms of higher education, it takes the form of dropouts from high school, or brilliant high school graduates who do not go on to college because their parents have no interest in encouraging them, and whose cultural background does not prepare them nor inspire them nor encourage them nor require them to obtain education at the college level.

This is a terrible loss both for the young people and for the Nation. I have already alluded to the reduced incomes they will earn because of their educational deficiency. These same figures are a measure of the financial loss to the Nation, both from the output that will not be realized and the revenues that will not be collected.

PROJECT TALENT FINDINGS

How serious this problem is was brought out recently by the Commissioner of Education before the Education Subcommittee. His testimony about "Project Talent" shows a distressingly high proportion of young people with remarkable talent and ability who do not enter college upon the completion of high school.

Based on the 1961 survey, there were some 11,400 young boys and girls who were in the top 10 percent of their high school graduating classes who did not go on to college. They came from families where the family income was less than $6,000 a year—the very families who will get little or nothing from this amendment. This is the group that our national efforts must be directed to if the recurring cycle of educational deficiency, underemployment of talent, and unemployment itself is ever to be attacked successfully.

I say to Senators: We are not attacking the major education problem of this country if we do nothing for this group of young people, and we will do nothing for them with the Ribicoff amendment.

Moreover, 24,800 more young people were in the next to the top 10 percent of their classes and still in the upper fifth who did not go on to college whose family incomes were less than $6,000. We will be doing little or nothing for this group, either, under the Ribicoff amendment.

It is the approximately 46,000 boys and girls in the top 10 percent of the 1961 high school classes whose family incomes were over $6,000 and who did go on to college who will benefit from this amendment. In my opinion, that is bad tax legislation as well as bad education legislation.

Next, it is my opinion that if this amendment is ever adopted, it will enlarge and extend the imbalance, to which I have referred. The testimony has been that colleges and universities, especially private ones, will promptly increase their tuition costs in order to gain a windfall from the tax credit. Many of their administrators have said so. That is what the presidents of Catholic, Presbyterian, Baptist, Lutheran, and other church colleges and of private colleges say they will have to do, to receive any benefit. They will have to raise their tuition fees in order to receive the benefit of a tax credit. The testimony has been that colleges and universities, especially the private ones, will promptly increase their tuition in order to gain a windfall through the tax credit.

That is a major source of support for this amendment. The private schools are not interested in the tax break for parents; they are interested in absorbing as much of it as they can, as soon as they can, and they have said so in public many times. They will increase their tuition; they will add to the rising cost of education to the rising number of college age children by raising the tuition; and the pressure will be on. The boards of regents and the boards of education of State institution after State institution will also raise the tuition. That will happen in all public colleges, State universities, land-grant colleges, and all the rest; they will not be able to withstand the temptation when they are under that pressure.

Mr. RIBICOFF. Will the Senator from Oregon yield?

Mr. MORSE. Not until I conclude my argument. I know the answer the Senator from Connecticut will make, for I have heard him state it all afternoon; and I disagree with him.

The boards of regents and the boards of education will meet the rising costs of education and the rising numbers of college-age children by raising the tuition. That is one avenue open to them. They plan to take advantage of it, and indeed many schools which do not favor having the problem met by increased tax revenues are backing the Ribicoff amendment as the alternative.

But that is not going to solve the problem of the loss of topflight students who cannot afford college. It will increase that problem. Higher tuition charges will exacerbate what is already a bad situation. By adopting this amendment, the Senate will merely act to raise the family income level below which the children cannot expect to attend college, and will merely act to increase the numbers of otherwise qualified high school graduates who will not get a college education because the Senate will price many more of them out of the market.

Too many are already priced out of the market. I have already referred to those in the top 10 percent of their high school classes who do not go on to college. All told, over 100,000 boys and girls who graduate from high school each year with the qualifications for college do not go to college. Enactment of this amendment will drive this figure much higher in the years to come.

A recent study, Mr. President, indicates that it is 2½ times as likely that a child will go to college if his parents' income is in excess of $9,000 than if it is less than $5,000; and that a child in the lower academic half of his high school class is more likely to attend college if his parents' income exceeds $9,000 than is even a child in the upper quarter of his class, if his parents' income is less than $5,000. An estimated one-third of our brightest high school graduates are unable to attend college, primarily for financial reasons.

Mr. President, I am greatly concerned about another problem that will arise if, by mistake, Congress were to adopt the Ribicoff amendment. We know how the legislative process works. Toward the end of last session, the Senate passed the higher education facility bill, and also passed the "omnibus" vocational education bill. We still have before us the fundamental problem of providing aid to elementary school and secondary school education.

I have already outlined to the Senate the problem we face concerning the talented young men and young women who could go to college if means to enable them to do so were provided. What will happen to those from the low-income family group?

If anyone thinks we can just keep on passing education legislation, session after session, he is merely ignoring the facts in regard to how the legislative process works. Mr. President, cannot you hear Senators who then would be trying to find reasons for not voting for another aid to education bill of vital importance, say, "But consider what we have done for education in the last 2 or 3 years. We should wait a while, to see how those bills work."

Mr. President, it will then be easy for the opponents of this bill to join with the opponents of other education bills and to say: "Of course we need educational fellowship and scholarship legislation. Of course we need Federal aid to education legislation." But, Mr. President, in Congress there is always a tendency to slow down, once a bill or two of major importance in a given field are put on the books; and I believe one of the effects of the Ribicoff amendment would be to slow down the legislative process in coming to grips with the problem of the students who need the aid most.

I believe it would then be found that a very large percentage of the students most in need of aid would not receive it under this amendment, and I am also afraid that at that time they would find objection in Congress to the passage of further legislation in their behalf, because certainly they come from families who will see that they get into colleges, somehow, in some way, in almost any way, as the figures I have already pointed out show. Those figures have been put in the RECORD, and others will continue to be recorded.

As Senators know, I believe in Federal assistance to our colleges and universities. Few have devoted more time and effort to this subject than I have in the past 3 years. In fact, I cosponsored my first education bill in 1947, and since then I have either authored or cosponsored every major piece of legislation for Federal aid to education.

I do not doubt that after a few years, a very large sum—close to $1 billion a year—would under the Ribicoff amendment, go to enlarge the resources of institutions of higher learning.

But that $1 billion could be used with infinitely more efficiency and effectiveness to promote education. Just think, Mr. President, of the administrative bureaucracy which it would be necessary to add to the Office of the Secretary, merely in order to administer this program, unless its administration was to be shockingly wasteful, or unless the money was to be shockingly misused. Just consider the administrative setup which would be required under the Secretary—the bill says the Secretary or the delegate—to carry out the administrative rules and regulations as would have to be prepared in order to make sure the money was spent in accordance with the purposes of the bill. What a waste that would be. I do not believe we need to set up an administrative system of that type, Mr. President. I believe it is much better to hold fast to the overall program we have been following—namely a program of passing education legislation within the framework of Federal aid to education, to meet the various categories of need.

Mr. President, in that way, we shall succeed in having the academic facilities enlarged, without having the tuition charges increased, if we follow the program we have been following under the College Construction Act of 1963.

However, the Ribicoff amendment envisions raising more money for schools by having the tuition raised—charges which then would be met by tax exemptions. But, Mr. President, that is not the sort of aid our educational structure needs.

I suppose that in view of the current competition among prospective students to gain admission to institutions of higher education, there is not much danger that those institutions will price themselves out of students. There is danger, however, that they will price themselves out of quality, by increasing the correlation between education and the ability to pay, rather than between education and the ability to learn. There is a great difference, Mr. President; and I think we ought to be directing our attention to the large group of potential American students who have the ability to learn, although we have not yet passed a Federal aid to education bill which provides for enough scholarships and fellowships and loan provisions to make it possible to assure such students that they will be able to go to college. That is the kind of legislation we ought to be fighting for, Mr. President—not for the tax-credit handout legislation.

Mr. President, it must be remembered that the intellect of our youth is a vital human resource that must be developed, not only for the sake of the individual, but also for the sake of our national economic growth, our cultural advancement, and our international understanding. Aid to higher education must enhance the maximum development of able students, regardless of whether they can pay for it. To slant our aid to institutions by favoring those most able to pay would not only be undemocratic; it would also be a waste of our human resources.

American higher education needs expanded facilities that will be available at least to the same percentage of young people graduating from high school, and preferably to an increasing percentage of those youths. Legislation which did not accomplish this purpose would not deal with the education problems that face the American people.

Mr. President, I think it would be a great mistake for the Senate to pass proposed legislation which would discriminate against taxpayers who did not have children who were ready to go to college, because let us not forget that someone has to pay for the cost of operating this Government.

CLASS LEGISLATION

When we give a tax credit to the parent of a potential college student who can qualify under the Ribicoff amendment, we merely pass the tax burden on to those who do not qualify for this handout. I always thought we considered discriminatory legislation or class legislation in the field of taxation to be bad, and not sound policy. It is no answer to me to say, "Ah, but we have other such legislation honeycombed elsewhere in this bill and in the tax laws." If so, Mr. President, we should get them out. That should be the answer. Let us eliminate the tax loopholes, not add to them, for class legislation in the field of taxes is unjust to the great body of U.S. taxpayers who are not the beneficiaries under the discriminatory favoritism that such legislation makes available to them.

This amendment is not a step backward; it is a march backward, leagues in length, away from the field of fair taxation. This proposal would impose a greater burden upon those who do not qualify under the terms of the amendment.

TESTIMONY OF THE COMMISSIONER OF EDUCATION

Mr. President, I have here a statement by the Commissioner of Education, which was given this morning before a House committee. I wish to read it. This is a statement by a great educator, for Commissioner Keppel was one of the great deans of education in the country before his appointment as Commissioner of Education. He is recognized as one of the Nation's outstanding educational authorities.

Commissioner Keppel testified:

> It has been and continues to be my view that the Federal resources should be utilized to assist increasing numbers of able but needy students to continue with their education. Tax credit proposals, in my judgment, contribute very little toward achieving this goal. Since actual college costs are now considerably more than tuition, it is reasonable to assume that a tax credit amendment would encourage institutions to raise tuition and thus make it even more difficult for students from low-income families to get a college education. It is my feeling that the limited Federal resources should be pinpointed to the need.
>
> I would urge that rather than the indirect and possibly regressive approach of a tax credit proposal, that favorable consideration should be given to the forms of direct aid contained in the administration's proposals in S. 580. These proposals include insurance of commercial loans to college students, a work study program providing up to one-half the pay of students employed by colleges, increasing the number of National Defense Education Act fellowships, and extensive enlargement of the National Defense Education Act student loan program.
>
> Furthermore, if funds of the magnitude suggested in this tax credit proposal are to be made available for extending higher educational opportunity, I feel that they could be used to much greater advantage by establishing a scholarship program along the lines of the program recommended by the President to the 87th Congress.

Mr. President, that is the opinion of the U.S. Commissioner of Education. I have also talked with him in the past several weeks in connection with my work in the Senate Subcommittee on Education.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The time of the Senator from Oregon has expired.

Mr. MORSE. Mr. President, I ask unanimous consent that I may proceed for 5 additional minutes; and if I have not finished by that time to have the rest of my remarks printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered; and the Senator from Oregon is recognized for 5 additional minutes.

Mr. MORSE. The U.S. Commissioner of Education has made it clear to me time and time again that he believes that legislation of the Ribicoff amendment type not only would be regressive in its implications so far as taxation is concerned, but it would also be regressive from the standpoint of advancing a sound educational program for the young men and women of this country who need it most.

TESTIMONY TAKEN BY EDUCATION SUBCOMMITTEE

My attention was first called to this proposal last May, when individuals representing 20 colleges asked permission to testify before the Education Subcommittee which I head in behalf of a proposal to aid colleges and universities through tax credits. The presidents of Rockford College, Earlham College, and Stetson University appeared before the committee as representatives of the group of 20 college presidents to recommend, and I quote, "that the Federal Government seek a wholly new approach to providing financial assistance to higher education." The proposal involved tax credits against tuition and fees in higher education, and tax credits for gifts to institutions of higher education. Tax credits, of course, involved a deduction from the amount of net income taxes owed after all deductions, and therefore are in their total amount funds which otherwise would go to the Treasury for general governmental purposes. These gentlemen were explicit in describing their proposal as Federal aid to higher education, but were advised that because amendments to the tax laws were involved, the Senate Finance Committee had jurisdiction.

I was particularly interested in their proposal, however, because a year earlier 13 of the 20 college presidents supporting this proposal for Federal aid, including the 3 who attended the hearing, had been among a group of 29 college presidents who expressed undying opposition to Federal aid to higher education in a statement widely disseminated to the press and appearing in the CONGRESSIONAL RECORD.

ROGER FREEMAN TESTIMONY

A witness before the Education Subcommittee of the Senate Labor and Public Welfare Committee was Dr. Roger A. Freeman, staff member of the Hoover Institute for War, Revolution, and Peace, Stanford University, who opposed the pending legislation and advocated tax-credits as a more effective method of aiding higher education than grants and loans. Dr. Freeman, in an extended statement before the Senate Finance Committee, devoted a major section to the argument for tax credits. After describing the difficulties surrounding legislation for construction grants, and noting that these are not available for salaries and operations, Dr. Freeman observed that:

> It is for this among other reasons that numerous proposals have been introduced to achieve by indirect means what apparently cannot be accomplished directly.

Dr. Freeman advocated both tax-credits for educational expenses and for gifts to higher education, but devoted most of his attention to the former. That he viewed tax-credits for educational expenses as a means of revenue for colleges and universities is clear from his testimony. Discussing a table of tax-credits which he had devised, Dr. Freeman said:

> The tax-saving, or revenue loss, under my schedule, may be estimated at $700 million per annum or more. Institutions may be expected to recoup as much as three-fourths of that amount through increased tuitions. They could apply the added funds to salaries or earmark part for the service of bonds issued to finance the construction of academic facilities. Congress could determine how much it desires to aid institutions of higher learning and revise the credit schedule accordingly as time goes on.

Applying Dr. Freeman's estimates that colleges and universities would recapture three-fourths of the amount of the tax-credit allowed by raising fees, to the Treasury estimates of revenue loss, we find that under his proposal some $528 million of the first year's revenue loss of $750 million would flow to colleges through tuition increases, and by 1970 the figure on tax funds going to colleges and universities under this plan would be $975 million, out of $1.3 billion. Mr. President this is Federal aid to higher education on a scale far beyond that ever considered by the education committee and it could, of course, be used for any purpose, including sectarian instruction.

A press release issued by Stanford University in connection with Dr. Freeman's testimony further bears out this interpretation. However, may I say emphatically in this connection that Dr. Freeman in advocating this approach does not represent the views of Stanford University, whose president, Dr. Wallace Sterling, has stated his strong opposition to this form of Federal aid. Dr. Freeman appeared as an individual, under the fine tradition of academic freedom that prevails at Stanford, to express his own views.

OTHER VIEWS

Mr. President, I dwell on these points because the tax-credit proposal as applied to tuition and fees has been characterized by its sponsors in this body as aid to hard-pressed parents, and not as intended to provide aid to colleges. I do not doubt for a minute the sincerity of their views, but I believe the record should also make clear the fact that many of the chief supporters of this legislation outside the Congress regard it quite differently.

For example, the Chicago Tribune, in endorsing this proposal in an editorial appearing on December 1, 1963, said, and I quote:

> This would be new educational money, shifted in effect from Federal to collegiate treasury with a minimum of fuss.

It is interesting to note that in a signed article in the publication Human Events for November 23, 1963, President John Howard of Rockford College said:

> Project the Federal aid programs ahead, not too many years the way things are going, to the time when all colleges and universities will receive the largest part of their budgets from the U.S. Treasury. It is likely that all faculty members in that day will feel some obligation to vote for whichever party promises the largest amount of additional educational subsidies, regardless of other partisan differences.

Mr. President, if Dr. Howard's views are correct, and I do not share them, what will be the effect of making the colleges dependent by 1970 on receipt of nearly a billion dollars of Federal funds for general operational purposes? Does anyone believe that the tax laws, like other laws, are not subject to change or amendment, or that colleges will be less dependent on the Federal Treasury and tax structure because of a device calculated to do indirectly what Dr. Freeman says cannot be done directly?

As further evidence I quote from a statement by President George C. S. Benson, of Claremont Men's College, California, when the tax-credit proposal was being discussed in 1958. In reply to the question of whether or not colleges would increase tuition to recapture the tax credit from the parents he wrote under date of May 5, 1963:

> I can assure you that they would. I have seen them increase tuition substantially without the tuition deduction and I feel sure they would do so more certainly if there were a tuition deduction.

Dr. Benson was one of the 20 sponsors of the statement in favor of the tax-credit approach to which I referred earlier, and one of the 29 who in 1962 opposed all Federal aid.

Writing in the December 1963 issue of the Journal of Higher Education in support of the tax-credit approach, Dr. Virgil Blum, chairman of the department of political science at Marquette University, used as an illustration that a university with 5,000 full-time tuition paying students could, by increasing its tuition fees by the amount of the tax credit proposed—in this instance $465—get an increase of $2,250,000 in income from tuition charges.

In recent weeks, Mr. President, an organization called the Citizens National Committee for Higher Education, Inc., has appeared on the scene. Headed by Dr. O. C. Carmichael, Jr., former president of Converse College in South Carolina and now chairman of the board of the Associates Investment Co., of South Bend, Ind., and other financial institutions, this group has headquarters in South Bend, and its chief objective since formation has been advocacy of the tax credit plan, although it has other more general stated objectives. Vice president of this committee is President Edmunds of Stetson University, to whom I have referred earlier.

In conclusion, Mr. President, I should like to quote from a leaflet issued by the student council of a college which I will not name, urging all students to write their Representatives and Senators in support of tax credit legislation.

Under the heading: "Why Action Now?" the leaflet says:

> Congress is now in the process of revising the tax code. It's much easier for Congress to adopt the tax credit plan as a part of a tax revision bill, than to enact it as a separate program.

This is an interesting observation, Mr. President. This proposal was not, so far as I am aware, considered by the House Ways and Means Committee. It is not in the tax bill as passed by the House. It was rejected by the Senate Finance Committee. If it is a worthy proposal I see no reason why it cannot be made the subject of full hearings in both Houses and enacted as a separate proposal. It involves three-quarter billion in revenue immediately and $1.3 billion by 1970. If it is adopted, tax rates will have to be higher than otherwise to make up the revenue loss, or other educational programs of a much less controversial nature must suffer.

Mr. President, at this point, I also ask unanimous consent to have printed in the RECORD a synopsis of the objections to tax credit or tax deduction legislation from the Treasury Department; a summary of my argument in opposition to the Ribicoff amendment, a letter to the chairman of the House Ways and Means Committee dated December 12, 1963, from the Department of Health, Education, and Welfare in opposition to sundry educational tax credit and tax deduction bills. A telegram addressed to me on

January 22 from President James H. Janson of Oregon State University at Corvallis, Oreg., in opposition to the amendment; a statement on tax credits for educational purposes adopted January 31, 1964, by the Executive Committee of the Association of State Universities and Land Grant Colleges, an excerpt from the Report of the Commission on Legislation of the Association of American Colleges, and a press release dated January 31, 1964, issued by the Association of State Universities and Land Grant Colleges in opposition to the proposed amendment.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

PROPOSALS FOR AID TO HIGHER EDUCATION THROUGH TAX DEDUCTIONS OR CREDITS FOR COLLEGE EXPENSES

Numerous bills now pending in the Congress propose aid to higher education through income tax deductions or credits for college expenses or additional exemptions for college students.

The tax credit proposals are generally limited to expenses for college tuition, fees, and books. Some provide for a flat percentage of these expenses (generally 30 percent) to be allowed as a credit against tax liability; others a graduated percentage (declining as the expenses increase) which is intended to reduce the amount of the credit for persons attending private institutions with higher tuition charges.

These tax allowances would be costly to the Federal Government in terms of loss of revenue and would be an inefficient and inequitable means of achieving the objectives of sponsors of this legislation.

The graduated credit proposals (such as the Ribicoff amendment), although limited to tuition, fees, and books, would cost from $725 million to $800 million annually at present levels and $1.3 billion to $1.5 billion within the next few years.

Sponsors of tax allowances place emphasis on different objectives: (1) to assist persons in financing a college education, (2) to give tax relief to middle-income families with children in college, (3) to give indirect assistance to institutions of higher education by making possible tuition increases (thereby providing either an alternative to direct grants to such institutions or a supplement to direct aid).

A deduction or credit, regardless of its form, will not give relief where it is most needed. Large families with low incomes would receive little or no benefit while families of fairly substantial means who would send their children to college in any event would get the most relief.

The tax saving from a deduction or credit in many cases would be of negligible value to millions of low-income families who pay little or no taxes. In 1962, 40 percent of the 47 million families had incomes of less than $5,000. Income tax data for 1960 show that of the 15.4 million joint returns with adjusted gross income of $5,000 or less, 6.6 million, or 43 percent, were nontaxable. Many others who may have sufficient taxable income to take advantage of a deduction or credit would be unable to supply the remaining costs, such as room and board, which can be more substantial than tuition costs.

The dual objectives of encouraging college attendance and indirectly assisting institutions of higher education are inconsistent because to the extent that tuition increases result from the tax allowance the problem of financing a college education becomes more difficult, particularly for students from low income families who may benefit least from the tax allowance.

Some sponsors of tax allowances suggest that students from low income families should be taken care of through scholarships. They suggest that most scholarship assistance now goes to students from low income families. The College Scholarship Service, however, reports that the median income of families of students receiving scholarships from colleges and universities is $8,500 (which means that families of half of the recipients have income above $8,500).

Tax deductions or credits based on college tuition discriminate against students in public institutions. A large proportion of students needing financial assistance attend public institutions where tuition is lower. Office of Education data indicate that the median charge for tuition and fees in all public institutions of higher education in 1962–63 was $170 as compared with $690 in all private institutions. The credit under the Ribicoff amendment on this median charge would be $165 for public institutions and $253 for private institutions. Any deduction or credit based on tuition, regardless of its form, will give more benefit to students in the higher priced institutions.

Federal aid to higher education by means of a tax allowance would give little or no assistance in meeting college expenses to students in those States with a strong tradition of providing higher education at low or no student tuition cost. Institutions in such States could benefit only if they impose tuition or increased tuition charges, as the case might be.

A deduction or credit for college expenses will set a precedent for allowing similar allowances at the elementary and secondary levels. Bills providing such allowances are pending in Congress.

With respect to the indirect assistance provided to the institutions themselves, the share of aid each would get would depend on its tuition level, and the higher the tuition the more benefit it would receive. It is doubtful that this distribution would give Federal assistance where it is needed most or would correspond to the way in which direct aid would be distributed by the Congress.

Nontax legislation now pending in the Congress will give considerable aid to college students and institutions of higher education. H.R. 4955 will aid students through expansion of the present National Defense Education Act loan program. H.R. 6143 will give direct aid to institutions for construction of facilities.

The American Council on Education has recommended that first priority in the thinking of the Congress and the Executive be given to the construction of academic facilities and the preparation of qualified teachers and a second priority to student financial assistance.

The need for tax allowances of the type proposed will be greatly reduced by the rate reductions which all income classes will enjoy under the tax bill before the Congress. The Ribicoff amendment for the families benefited would in most cases more than double their tax cut under the bill, thereby giving these families a disproportionate share of the tax reduction.

PROPOSALS FOR AID TO HIGHER EDUCATION THROUGH TAX DEDUCTIONS OR CREDITS FOR COLLEGE EXPENSES

Numerous bills now pending in the Congress propose income tax deductions or credits for college expenses or additional exemptions for college students.

I. TYPES OF PROPOSALS

The deduction proposals in some cases are limited to expenses for tuition, fees, and books, but frequently extend to all types of college expenses, including meals and lodging and travel expenses up to a specified dollar limit.

The tax credit proposals are usually limited to college tuition and fees (plus expenses for books, supplies, and equipment in some cases). Earlier credit proposals provided for a flat percentage of tuition (generally 30 percent) to be allowed as a credit against tax liability. More recent credit proposals allow a graduated percentage of tuition which declines as tuition increases. The various types of graduation are indicated in table 1. One graduated credit has an additional feature under which the credit, determined on the basis of the graduated percentage, is reduced for taxpayers with adjusted gross income in excess of $25,000 and is completely disallowed at $57,500 of adjusted gross income.

II. REVENUE LOSS

All of these tax allowances for college expenses would be costly to the Federal Government in terms of loss of revenue. The graduated credit proposals, although limited to tuition and fees and books, would cost from $725 million to $800 million annually at present levels, depending upon the nature of the graduation.[1] If the present trend in tuition costs and number of students continues, the annual loss from these credits would be $1.3 billion to $1.5 billion within the next few years.

A deduction for tuition, fees, and books would cost $375 million annually at current levels; at projected levels the cost would be $700 million in a few years. A broader deduction covering in addition to tuition, fees and books expenses of a student for room and board while away from home and travel would cost $900 million at current levels and $1.7 billion at projected levels in a few years.

If, as is generally assumed, colleges and universities increase their tuition charges as a result of the tax allowance more than they would otherwise have done, the revenue loss will be still greater in all cases.

An additional exemption for a college student would cost about $400 million at current levels and $600 million in a few years.

The revenue cost of other proposals with various types of limitations, at 1964–65 levels, is shown in table 1 below. The extent to which these revenue costs may be expected to increase within the next 5 years is indicated by the projected increases in college enrollments shown in table 2 below. By 1970 the estimated 4.8 million enrollment in 1964 is expected to reach 7 million (an increase of 46 percent).

III. OBJECTIVES OF PROPOSALS

1. Assistance to students

Sponsors of tax deductions or credits for college tuition have stated their objectives in different ways. Sponsors of earlier legislative proposals expressed concern about the economic barriers which prevent capable students from obtaining a higher education and offered tax allowances as a means of overcoming these barriers and encouraging college attendance.

In connection with the introduction of recent bills, however, sponsors of such legislation have recognized that tax allowances for college expenses would not necessarily give relief where it is most needed, that families of fairly substantial means who would send their families to college in any event would get the most relief, and that the tax saving from a deduction or credit, in most cases would not be sufficient to be a deciding factor in determining whether a child can go to college.

It has also been recognized that the full benefits of a deduction or credit for college tuition would not necessarily accrue to taxpayers since colleges could be expected to increase their tuition charges.

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[1] The various types of graduated credits are shown in table 1 below.

2. *Assistance to students and aid to institutions of higher education*

The sponsor of one bill has stated that the various proposals for deductions or credits for college expenses have dual objectives: First, to assist persons in financing a college education, and second, to provide indirect assistance to institutions of higher education. The assistance to institutions would come through the expected tuition increases. This indirect method of aiding higher education is offered by some as an alternative to direct grants to institutions of higher education, and by others as a supplement to direct aid.

3. *Tax relief for middle-income families*

One sponsor of a recent legislative proposal has shifted the emphasis more completely from encouraging college attendance to the giving of relief to middle-income families with children in college. He states, "But I frankly recognize that the amount of the credit will not make the decisive difference for a majority of taxpayers as to whether or not they can afford the costs of a college education. It will be helpful to all taxpayers, but probably not decisive for many of them."[2] He refers particularly to the need for relieving the burden of college expenses on middle-income families. College expenses are compared with medical expenses and casualty losses and it is suggested that college expenses are just as entitled to tax relief as these other types of expenses.

IV. EFFECT OF TAX DEDUCTION OR CREDIT

1. *Fails to give benefit where most needed*

Insofar as the objective of the proposed tax allowances is to encourage college attendance by helping to overcome economic obstacles, it is highly doubtful that they would be effective. A deduction or credit would be of negligible value to millions of low income families who pay little or no taxes. In 1962, 40 percent of the 47 million families had incomes of less than $5,000. One family in five had an income of less than $3,000, and another one in five received income between $3,000 and $5,000. A large proportion of families with incomes of $5,000 or less would have no tax liability against which the tax credit could be offset. Statistics of income data for 1960 indicate that of the 7.1 million joint returns with adjusted gross income of $3,000 or less, 5.1 million, or 70 percent, were nontaxable. Of the 15.4 million joint returns with adjusted gross income of $5,000 or less, 6.6 million, or 43 percent, were nontaxable. In addition, many others would not have sufficient taxable income to take full advantage of a deduction or credit. Furthermore, many families in these groups, even if they had sufficient taxable income to take advantage of the tax allowance, would be unable to supply the remaining costs of college, such as room and board, which can be more substantial than tuition costs.

While recognizing that low income families will receive little benefit from such allowances, some sponsors of tax allowances contend that this is no reason for denying tax relief for middle income families and point to scholarship aid as a means of assisting students from low income families. They suggest that most scholarship assistance now goes to students from low income families.

A recent study of the American Council on Education on "Financial Aid to the Undergraduate," however, states: "Evidence also suggests that scholarship funds are going to children of families with incomes substantially above that of the average for families in the United States. This may be due to the fact that high-income families are more apt to seek education and to seek higher-priced education, which usually is found in institutions with large scholarship funds. Whatever the reason, lower economic classes are not favored by scholarship funds proportional to their numbers, abilities, or economic status."

The College Scholarship Service reports that the median income of families of students receiving scholarships from colleges and universities is $8,500 (which means that families of half of the recipients have income above $8,500). Office of Education data show that a small percentage of colleges and universities controls a substantial proportion of scholarship funds and a few States (with large total population) provide most of the scholarships supported by State funds. This concentration of scholarship funds means that scholarships presently available do not take care of low income families.

2. *Difficulty of achieving through tax allowances dual objectives of aid to students and aid to institutions*

The dual objectives of encouraging college attendance and indirectly assisting institutions of higher education, are inconsistent because to the extent that tuition increases result from tax allowances the problem of financing a college education becomes more difficult, particularly for students from low income families who may benefit least from a tax allowance.

3. *Discrimination against students in public institutions*

Sponsors of a graduated tuition credit have indicated that the purpose of the graduated credit (declining as tuition increases), as opposed to a flat percentage credit, is intended to avoid giving greater assistance to persons attending private institutions with higher tuition charges.[3] As they point out, traditionally a large majority of students needing financial assistance attend public institutions where tuition is low. Despite the graduation feature, however, the operation of the proposed credit would discriminate against those attending public institutions who generally come from modest income families.

Tuition charges at public institutions are generally lower than at private institutions and this would place a maximum limitation on the allowable credit which would be much lower than that applicable at private institutions. Private institutions have higher tuition charges. Consequently the benefit derived from the proposed credit would tend to be greater. Moreover, students at private institutions tend to come from higher income families.

The discrimination of a tax credit based on tuition in favor of those who attend private institutions is best illustrated by typical tuition fees at private and public institutions. Office of Education data indicate that the median charge for tuition and fees in all public institutions of higher education in 1962–63 was $170 as compared with $690 in all private institutions.[4]

The credit provided under the Ribicoff amendment on this median charge for tuition and fees (plus an allowance of $90 for books) would be $165 for public institutions and $253 for private institutions. Although the graduation provided by the Ribicoff credit gives most relief (75 percent) on the first $200 of expenses and the percentage allowed on expenses above $500 drops to 10 percent, the assistance given to students in public institutions is severely limited by the automatic ceiling placed on the credit by the lower tuition charges of these institutions. The maximum credit ($325 on expenses of $1,500) will generally not be available to students attending public institutions. On the other hand, for many students attending private universities a credit will be available on amounts above $1,000. At least 50 percent of the private universities and 10 percent of the private liberal arts colleges had charges of over $1,000 at the undergraduate level in 1962–63.[5]

A credit based on tuition would also be discriminatory as between various regions of the country because of the wide variation in tuition charges. Little or no assistance in meeting college expenses would be given to students in those States with a strong tradition of providing higher education at low or no student tuition. Institutions in these States will derive no assistance from tax allowances unless they impose larger tuition.

4. *Proposed credit for college tuition is not analogous to deductions for medical expenses*

The analogy drawn between the medical expense deduction allowed under present law and the proposed tax credit for college tuition may be questioned. The medical expense deduction relates only to "extraordinary" expenses (under present law those in excess of 3 percent of adjusted gross income). It rests on the assumption that most taxpayers have "ordinary" medical expenses and a deduction is allowed only when expenses exceed this "ordinary" level. The tuition credit would be allowed with respect to the first dollar of tuition paid.

The medical expense deduction is available only to those who itemize their deductions.[6] Taxpayers using the 10 percent standard deduction derive no additional benefit from the medical expense deduction. The proposed tax credit for college expenses would be available to taxpayers in addition to the standard deduction.

College expenses are of an optional nature as contrasted with medical expenses which cannot be avoided. Also, in the case of college expenses the taxpayer has some control over the amount of expenditures since in the selection of a college he generally has the choice of a low cost public institution or an expensive private institution.

Finally, the medical expense deduction was enacted during World War II when heavy wartime tax rates were being imposed. The credit for college expenses is being offered as an amendment to a tax reduction bill which provides $8.9 billion reduction in individual income taxes with relief to all income classes.

5. *Effect of Ribicoff tax credit on tax reduction under H.R. 8363*

The table below shows the tax reduction provided by the tax bill, H.R. 8363 (as passed by the House), for a married couple with two dependents as compared with the Ribicoff tax credit on (1) median tuition and fees plus books, and (2) the maximum allowable credit.

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[2] Senator RIBICOFF's statement in connection with the introduction of his proposed graduated tax credit (CONGRESSIONAL RECORD, vol. 109, pt. 17, p. 22591).

[3] See table 1 for the various types of graduation proposed.

[4] "All institutions of higher education" include in addition to universities and liberal arts colleges, teachers, technological, other professional, and junior colleges. The median charge in universities is $268 for public and $1,038 for private universities; in liberal arts colleges is $168 for public colleges and $751 for private colleges.

[5] Louis A. D'Amico and W. Robert Bokelman, "Tuition and Fees Charged by Universities and Liberal Arts Colleges: 1962–63," Higher Education, Office of Education, Department of Health, Education, and Welfare.

[6] In 1960, more than 14 million of the total of 24 million returns with itemized deductions took a medical expense deduction. It is estimated that about 4 million returns would have some credit under the Ribicoff credit.

Income	Present tax	Tax Cut under H.R. 8363	Ribicoff tax credit [1]		
			On median tuition and fees plus $90 for books [2]		On maximum allowable expenses ($1,500)
			Public	Private	
$5,000	$300	$77	$165	$253	$325
$6,000	456	113	165	253	325
$7,500	720	144	165	253	325
$10,000	1,196	202	165	253	325
$12,500	1,664	264	165	253	325
$15,000	2,213	348	165	253	325
$25,000 [1]	4,821	758	165	253	325

[1] Senator Ribicoff's amendment to H.R. 8363 proposes a graduated tax credit for college tuition, fees, and books as follows: 75 percent of the first $200, 25 percent of next $300, and 10 percent of next $1,000 (with a maximum credit of $325). The credit is reduced by $1 for each $100 of income in excess of $25,000 so that no credit is allowed to taxpayers with incomes in excess of $57,500.

[2] Median tuition and fees in all institutions of higher education for 1962–63 were for public institutions, $170; for private institutions, $690. The cost of books and supplies is estimated at $90 per student (Office of Education, Department of Health, Education, and Welfare).

V. TYPES OF EDUCATION COVERED

Many proponents of a tax allowance for tuition have talked in terms of providing relief to parents who are sending their children to college. The recent tax credit proposals, however, are not limited to expenses of full-time students who are candidates for a baccalaureate or higher degree, but would apply to all education above the 12th grade in institutions of higher education. This means that expenses for all types of advanced education, professional and technical, would qualify for the credit. Since educational expenses which qualify as business expenses are already deductible under present law, it would be necessary to integrate the proposed credit with this deduction to avoid a double allowance. The question has been raised by technical, trade, and business schools whether the tax allowance would apply to their tuitions. As most of the bills are drafted, the tax allowance is restricted to institutions of higher education and to education above the 12th grade and would not be applicable to trade and vocational schools.

Provision of a deduction or credit for college tuition would also raise the question of a similar allowance for tuition in elementary and secondary schools. In fact, several bills now pending in Congress propose such a deduction.

VI. TAX ALLOWANCES VERSUS DIRECT AID

In evaluating the proposed tax credit as a means of encouraging college attendance and aiding institutions of higher education, it is necessary to consider the cost to the Government and whether, if this amount of Federal funds can be devoted to this purpose, a tax allowance is preferable to a program of direct aid to higher education. An advantage of direct aid in general, as compared with a tax allowance, is that the Congress retains control of the amount of aid through the appropriation process and can distribute the aid where needed most. Tax allowances have been termed a kind of "backdoor" appropriation which is not subject to regular review by the Congress.

Legislation now pending in Congress (H.R. 6143) which has been agreed upon in conference between the two houses and passed by the House would give direct aid to colleges and universities through loans and grants for construction of facilities. Another bill (H.R. 4955) which is now in conference would aid students through expansion of the present National Defense Education Act loan program.

In addition to these forms of assistance, the administration has recommended a new program of Federal insurance of commercial loans by banks and other institutions which is designed to help students who cannot meet the needs test under the National Defense Education Act loan program. The Federal guarantee would encourage banks and other credit institutions to lend for educational purposes on interest and repayment terms suited to the special needs of college students and their parents. The insured loans would be available to all self-reliant students in good standing willing to invest in their own future.

In recognition of the fact that many students rely on employment, the administration has also recommended a new work-study program under which the Government would provide up to half the pay for students employed by the colleges in work of an educational nature as, for example, laboratory, library, or research assistants.

It is noteworthy that the American Council on Education, which several years ago sponsored a 30-percent tax credit for tuition, no longer includes a proposal for a tax credit in its program of Federal action for higher education. In their proposed program of Federal action, adopted this year, the council stated "the construction of academic facilities and the recruitment and preparation of qualified college teachers must have first priority for the academic community and should have first priority in the thinking of the Congress and the executive. The need for more student financial assistance holds a second priority."

TABLE 1.—*Revenue cost of various proposals for tax deductions or credits for college expenses*

Deductible item	Limitation	Incurred for—	Revenue loss, calendar year	
			1964	1970
Tax credits:			*Million*	*Billion*
1. 30 percent of tuition, fees and books	No limit	Taxpayer, spouse, or dependent	$525	$1.0
2. 20 percent of tuition, fees and books	do	do	350	.7
3. Graduated tax credit for tuition, fees and books:				
(a) Ribicoff amendment to H.R. 8363:				
75 percent of 1st $200	$325 [1]	Taxpayer and any other individual	750	1.3
25 percent of next $300				
10 percent of next $1,000				
(b) Goldwater-Curtis bills (S. 2269 and H.R. 8981): [2]				
100 percent of 1st $100	$420	Taxpayer, spouse, or dependent	725	1.4
30 percent of next $400				
20 percent of next $1,000				
(c) Humphrey bill (S. 1677):				
75 percent of 1st $100	$485	do	800	1.5
40 percent of next $400				
30 percent of next $500				
20 percent of next $500				
4. $100 credit for each full-time student; credit prorated for part-time students.	$100 per student	do	375	.5
Additional exemption:				
1. $600 extra exemption for each full-time college student	$600 per student	do	400	.6
Itemized deductions:				
1. Tuition, fees, and books	No limit	do	375	.8
2. Tuition, fees, and books	$300	do	250	.4
3. All costs, including tuition, room, board, and travel, etc	No limit	do	900	1.7
4. Tuition, fees, books; living expenses in excess of home living expenses	do	do	550	1.0
5. Tuition, books, and living expenses, less $600 personal exemption	do	Dependent	425	.9
6. Graduated deduction of tuition, books, and fees, by adjusted gross income classes:				
Adjusted gross income class: — *Percent deductible*				
0 to $5,000 — 100	do	Taxpayer, spouse, or dependent	150	.3
$5,000 to $7,500 — 75				
$7,500 to $10,000 — 50				
$10,000 to $12,500 — 25				
$12,500 or more — 0				
7. Deduction of tuition and fees in excess of 5 percent of taxpayer's adjusted gross income (Keating amendment to H.R. 8363).	do	do	70	.13

[1] The credit is reduced by 1 percent of the amount by which the taxpayer's adjusted gross income exceeds $25,000 and is completely disallowed at $57,500 of adjusted gross income.

[2] Limited to tuition and fees.

Source: Office of the Secretary of the Treasury, Office of Tax Analysis.

TABLE 2.—*Projections of college enrollments to 1970 (fall 1963–70)*

1960 (actual)	3,583,000
1962 (actual)	4,174,936
1963	4,386,000
1964	4,775,000
1965	5,220,000
1966	5,668,000
1967	6,074,000
1968	6,397,000
1969	6,674,000
1970	6,959,000

Source: Office of Education, Department of Health, Education, and Welfare.

SUMMARY OF ARGUMENTS AGAINST TAX CREDIT FOR COLLEGE EXPENSES

A. Such a credit will cost $750 million currently and $1.3 billion in 1970.

B. The credit will not expand educational opportunities because it does not give relief where relief is most needed.

1. The most serious problem in education is that able students from low-income families are not able to afford a college education. The credit is of no value to a family whose income does not require a payment of tax. The credit will probably not enable any additional families to educate their children.

2. It will principally provide relief to middle-income families who already send their children to college. There is no justification for using Federal funds to relieve the burden on this group before assuring that children from low-income families receive a college education.

C. The credit will encourage tuition increases which will make it even harder for low-income families to afford college educations. Colleges will inevitably raise tuition costs as a result of the credit. For example, a college with tuition of $200 could increase the tuition to $350 without any additional cost to a parent with sufficient income to take full advantage of the credit.

D. Since the total amount of the credit increases as the tuition increases, the credit discriminates in favor of private universities which normally charge much higher tuition than State universities. This will tend to give greater benefits under the provision to persons living in those areas where children normally attend private universities.

E. No intelligent judgment can be made on this proposal without considering it in connection with other proposed methods for providing assistance for higher education.

The Education Subcommittee is considering work-study proposals of title I of S. 580, and the student loan insurance proposals of S. 580. A Federal scholarship program would cost far less and do more good for those who have both talent and need. Our legislative road is made more difficult by tax proposals such as this.

DECEMBER 12, 1963.

Hon. WILBUR MILLS,
Chairman, Committee on Ways and Means, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your requests for reports on H.R. 22, H.R. 49, H.R. 134, H.R. 383, H.R. 595, H.R. 794, H.R. 852, H.R. 1809, H.R 2121, H.R. 2386, H.R. 2831, H.R. 3393, H.R. 3430, H.R. 3540, H.R. 3778, H.R. 4539, and H.R. 4775.

Generally speaking, these bills would allow a deduction, a tax credit, or an additional or expanded personal exemption, frequently within limitations, for tuition, fees, and, in some bills, a variety of other expenses relating to the education of the taxpayer, his spouse, or his dependents at an institution of higher education. The bills are similar to many of those discussed in this Department's adverse report of September 14, 1961, on H.R. 233 and related bills.

In his message to the 88th Congress proposing a program for education, the President has expressed the Nation's concern over the distressing fact that "only 8 percent of our adults have completed college; and only 16 percent of our young people are presently completing college. * * * one of our most serious manpower shortages is the lack of Ph. D.'s in engineering, science, and mathematics; only about one-half of 1 percent of our school age generation is achieving a Ph. D. degree in all fields." To remedy this, the President has urged "special attention to increasing the opportunities and incentives for all Americans to develop their talents to the utmost—to complete their education and to continue their self-development throughout life."

In prior reports to the Congress on bills similar to those that are the subject of this letter, the Department has repeatedly stressed that many of the Nation's most able young people do not continue their studies beyond high school because of the substantial economic burden that their further education would thrust upon them and their families.

Title I of the proposed National Education Improvement Act of 1963, introduced as H.R. 3000, is in large measure a response to this problem.

A major objective of its four parts is to encourage able students to undertake and continue their higher education by offering them various means of meeting the financial obligations that this would entail.

The deficiency of the instant bills, in our view, is that despite their cost (probably between $120 and $450 million annually) they would contribute very little toward the goal of enlarging the opportunity of the Nation's youth to obtain a college education or to engage in graduate work.

Realistically speaking, the higher education of children from families that enjoy a relatively large increase would be unaffected, in the main, by the tax incentives proposed. These families will, in most cases, provide their children with a higher education in any event. On the other hand, low-income families would derive little or no benefit from the proposals because they pay little or no tax. Yet it is the low-income family that is most in need of assistance and encouragement in seeking to obtain a higher education for its children.

In general, the bills would provide assistance in inverse proportion to the taxpayer's need for such assistance.

In this regard, the proposals to allow a tax credit equal to a fixed percentage of tuition and fees are less defective than those to allow a deduction for this purpose because, to the extent that the taxpayer has taxable income, the credit would give a benefit without regard to the size of such income. Nevertheless, high-income families would enjoy the greatest benefit from a tax credit because their children are, in the main, educated at the more expensive schools. Conversely, lower-income families, with little or no tax to pay, or with much smaller educational expenses, would derive correspondingly less benefit. As was pointed out in a recent note in the Harvard Law Review (76 Harvard Law Review, 369, 384) on "Federal Tax Incentives for Higher Education," in regard to bills which would allow a 30-percent tax credit for tuition: "Students in reduced circumstances, if they did attend college, probably would attend a public institution with low tuition, probably $400 or less. To such families the 50 percent credit would be worth about $120, and correspondingly less if the tax otherwise due were less than that amount. It seems doubtful that many students would be able to attend because of such a saving, when they faced room and board expenses of $500 or more."

H.R. 22 would take a somewhat novel approach. It proposes a tax credit of up to $50 per year per child during the child's precollege years, obtainable by the taxpayer's purchase of "educational investment certificates" of equivalent amount from designated financial institutions, which certificates would eventually be available for defraying the child's higher educational expenses (including room and board). The bill would also allow a tax credit of up to $100 for each dependent of the taxpayer for current higher educational expenses (not including room and board). These proposals would not favor students attending the more expensive schools, and by in effect allowing the accumulation of credits during the years before the child is old enough to go to college could provide even the relatively low-income taxpayer with several hundred dollars per child for the education of his children. However, many taxpayers would still not earn enough to enable them to obtain the full benefit of the credits, and the more children the taxpayer has the more income will be necessary to enable him to do so. In any case, the accumulated credits would be far from sufficient to meet the costs of a college education.

Moreover, in view of the fact that tuition now averages $700 to $800 below the cost of the education furnished, the enactment of legislation affording credits for educational expenses might well result is no benefit to the student whatsoever, because of the substantial possibility that it would be the occasion for increases in tuition. Indeed, the tax credit proposals might well worsen the financial position of the student with the least means, because not only would he be unable to avail himself of their benefits, but he would be required to meet the increased tuition charges that the enactment of the proposals would be likely to stimulate.

It has been argued that deductions or credits for educational expenses would release college and university scholarship funds to assist the neediest students, but the difficulty with the argument is that scholarship funds are now generally allocated to assist students from the neediest families, who would benefit little, if at all, from such deductions or credits. The problem is not in the allocation of institutional scholarships, but in their limited availability.

In our view, aid to the educational structure should be pinpointed to the need, as the President's proposal attempts, and should be in a form amenable to adjustment to the changing needs of education.

For these reasons we recommend against the enactment of the instant bills.

We are advised by the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

WILBUR J. COHEN,
Assistant Secretary.

DISCRIMINATION OF A TAX CREDIT BASED ON COLLEGE TUITION AGAINST STUDENTS IN PUBLIC INSTITUTIONS AND AGAINST TAXPAYERS IN STATES WITH HIGHLY DEVELOPED PUBLIC EDUCATION SYSTEMS

A tax credit based on college tuition would discriminate against students in public institutions and against taxpayers in States with highly developed public education systems reaching through the college level.

The tax benefit from a tax credit based on college tuition generally would be extremely limited for students attending public institutions of higher education because of the low level of tuition at such institutions. Traditionally a large majority of students needing financial assistance attend public institutions there tuition is low. A tax credit based on tuition would thus discriminate against those attending public institutions who generally come from modest income families. This discrimination is best illustrated by typical tuition fees at private and public institutions. Office of Education data indicate that the median charge for tuition and fees in all public institutions of higher education in 1962–63 was $170 as compared with $690 in all private institutions.[1]

The credit provided under the Ribicoff amendment, for example, on this median charge for tuition and fees (plus an allowance of $90 for books) would be $165 for public institutions and $253 for private institutions.[2] Although the graduation provided by the Ribicoff credit gives most relief (75 percent) on the first $200 of expenses and the percentage allowed on expenses above $500 drops to 10 percent, the assistance given to students in public institutions is severely limited by the automatic ceiling placed on the credit by the lower tuition charges of these institutions. The maximum credit ($325 on expenses of $1,500) will generally not be available to students attending public institutions. Tuition and fees in 1962–63 in 25 percent of all public institutions were less than $100 and in 10 percent were less than $20.[3] On the other hand, for many students attending private universities a credit will be available on amounts above $1,000. At least 50 percent of the private universities and 10 percent of the private liberal arts colleges had charges of over $1,000 at the undergraduate level in 1962–63.

Because of the great regional diversity in the American higher education system some regions of the country would benefit significantly from a tuition tax credit while others would receive little benefit. In the East high tuition private institutions predominate. In the West universities and colleges supported by public funds become increasingly important. These public institutions of higher learning have been developed and operated at great cost to the taxpayers in the States which have them. The main philosophy behind the creation of these institutions was to provide higher education opportunities at low cost to all capable students. It is a worthy objective which, in fact, is attained. But it should be emphasized that it has been achieved by the taxpayers of States which voluntarily have taken on a substantial financial burden.

In view of the regional differences in the structure of higher education as between States, a credit for tuition must redound more to the benefit of residents of States which have limited public institutions of higher education, since private schools are characterized by higher tuition charges than public ones. Conversely, residents of States with extensive public institutions would not only bear the cost of supporting their State and community colleges through their existing tax systems, but also they would bear a higher proportion of Federal income taxes since they would not share as extensively in any Federal tax credit scheme. No existing exemption or credit in the Federal income tax has such diverse regional implications as would one for higher education.

The following table shows the number of public and private institutions and their distribution by major regions:

Number of institutions by region and type of institution, fall 1962 [1]

	Total	Public	Private	Percent of total	
				Public	Private
North Atlantic	571	128	443	22.4	77.6
Great Lakes and Plains	594	193	401	32.5	67.5
Southeast	434	161	273	37.1	62 9
West and Southwest	429	236	193	55.0	45.0
Total United States	2,028	718	1,310	34.5	64.6

[1] The States included in each of the major regions are shown in App. A.

Source: U.S. Department of Health, Education, and Welfare, Office of Education.

It is significant that in the West and Southwest region 55 percent of the colleges and universities are public as compared with only 22 percent in the North Atlantic region.

More significant is the number and distribution of students by type of institution and region as shown in the following table:

Enrollment in institutions of higher education, by type of institution and region, fall, 1962

Region	Total	Public	Private	Percent of total	
				Public	Private
North Atlantic	1,112,843	363,720	749,123	32.7	67.3
Great Lakes and Plains	1,194,374	764,652	429,722	64.0	36.0
Southeast	677,795	460,801	216,994	68.0	32.0
West and Southwest	1,175,710	950,465	225,245	80.8	19.2
Total United States	4,160,722	2,539,638	1,621,084	61.0	39.0

Source: U.S. Department of Health, Education, and Welfare, Office of Education.

Of the more than 4.2 million students enrolled in the 2,028 institutions of higher learning throughout the United States in the fall of 1962, 61 percent were in public institutions, and 39 percent were in private institutions. The regional distribution, however, is more important (State-by-State detail is shown in app. A). In the North Atlantic region, 67 percent of the students attend private institutions, while only 33 percent attend public institutions. This is almost the reverse of the nationwide distribution. In some of the North Atlantic States the percentage of students attending private institutions reaches 80 and 85 percent (Massachusetts and Pennsylvania, respectively). In sharp contrast is the situation in the West and Southwest region where 80 percent of the students attend public institutions, and only 20 percent attend private institutions. In New Mexico 94 percent of students are in public institutions, in Arizona 98 percent, and in California 85 percent. Of the 551,000 students enrolled in all California institutions, 50 percent are in publicly supported junior colleges supported by local school districts which have free or very low tuition.

As is indicated in the following table, 46 percent of the total number of students attending private institutions in the United States in the fall of 1962 were enrolled in private institutions in the North Atlantic region:

Percentage distribution of enrollment by type of institution and by region, fall, 1962

	Total	Public	Private
North Atlantic	26.8	14.3	46.2
Great Lakes and Plains	28.7	30.1	26.5
Southeast	16.3	18.2	13.3
West and Southwest	28.2	37.4	13.9
Total	100.0	100.0	100.0

Four States alone—New York, Pennsylvania, Massachusetts, and Maryland—account for 36 percent of all students enrolled in private colleges and universities. The North Atlantic and Great Lakes and Plains regions together account for nearly three-fourths of all students enrolled in private institutions.

On the other hand, the West and Southwest region has 37 percent of the total number of students attending public institutions; and four States—California, Oklahoma, Texas, and Washington—have 29 percent of all students enrolled in public colleges and universities.

APPENDIX A

State-by-State enrollment in institutions of higher education, by type of institution, fall, 1962

Region	Total	Public	Private	Percent of total	
				Public	Private
NORTH ATLANTIC					
Connecticut	59,092	24,317	34,775	41.2	58.8
Delaware	8,979	7,788	1,911	86.7	13.3
Maine	15,025	9,078	5,947	60.4	39.6
Maryland	65,110	40,086	25,024	61.6	38.4
Massachusetts	155,647	28,987	126,660	18.6	81.4
New Hampshire	13,176	6,205	6,971	47.1	52.9
New Jersey	101,419	50,297	51,122	49.6	50.4
New York	395,174	144,897	250,277	36.7	63.3
Pennsylvania	214,244	31,332	182,912	14.6	85.4
Rhode Island	22,699	10,371	12,328	45.7	54.3
Vermont	11,123	5,151	5,972	46.3	53.7
District of Columbia	51,155	5,211	45,944	10.2	89.8
Total	1,112,843	363,720	749,123	32.7	67.3
GREAT LAKES AND PLAINS					
Illinois	230,115	121,419	108,696	52.8	47.2
Indiana	111,861	69,025	42,836	61.7	38.3
Iowa	64,928	32,416	32,512	49.9	50.1
Kansas	59,900	48,512	11,388	81.0	19.0
Michigan	182,827	146,253	36,574	80.0	20.0
Minnesota	89,301	67,777	21,524	75.9	24.1
Missouri	96,851	47,343	49,508	48.9	51.1
Nebraska	36,379	25,937	10,442	71.3	28.7
North Dakota	16,026	15,459	567	96.5	3.5
Ohio	202,374	115,303	87,071	57.0	43.0
South Dakota	16,409	11,819	4,590	72.0	28.0
Wisconsin	87,403	63,389	24,014	72.5	27.5
Total	1,194,374	764,652	429,722	64.0	36.0
SOUTHEAST					
Alabama	47,654	34,556	13,098	72.5	27.5
Arkansas	30,878	22,753	8,125	73.7	26.3
Florida	89,802	61,596	28,206	68.6	31.4
Georgia	56,228	38,277	17,951	68.1	31.9
Kentucky	53,361	35,544	17,817	66.6	33.4
Louisiana	66,692	51,022	15,670	76.5	23.5
Mississippi	41,163	33,887	7,276	82.3	17.7
North Carolina	84,387	47,819	36,568	56.7	43.3
South Carolina	35,142	20,040	15,102	57.0	43.0
Tennessee	72,844	44,248	28,596	60.7	39.3
Virginia	65,944	45,182	20,762	68.5	31.5
West Virginia	33,700	25,877	7,823	76.8	23.2
Total	677,795	460,801	216,994	68.0	32.0

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[1] "All institutions of higher education" include in addition to universities and liberal arts colleges, teachers, technological, other professional and junior colleges. The median charge in universities is $268 for public and $1,038 for private universities; in liberal arts colleges is $168 for public colleges and $751 for private colleges.

[2] The Ribicoff amendment provides the following credit: 75 percent on the first $200, 25 percent on the next $300, and 10 percent on the next $1,000, with a maximum credit of $325. The tax savings from the Ribicoff tax credit on the median charge for tuition and fees (plus $90 for books) in public and private institutions in the various regions of the country are as follows:

	Institution median tuition plus books		Institution tax credit	
	Public	Private	Public	Private
All institutions	$260	$780	$165.00	$253.00
North Atlantic	334	945	183.50	269.50
Great Lakes and Plains	275	763	168.75	251.30
Southeast	262	598	165.50	234.80
West and Southwest	193	731	144.75	248.10

[3] The low 10 percent includes the large number of free junior colleges.

***State-by-State enrollment in institutions of higher education, by type of institution, fall, 1962*—Continued**

Region	Total	Public	Private	Percent of total	
				Public	Private
WEST AND SOUTHWEST					
Alaska	3,878	3,549	329	91.5	8.5
Arizona	43,736	42,995	741	98.3	1.7
California	551,524	466.737	84,787	84.6	15.4
Colorado	52,640	42,384	10.256	80.5	19.5
Hawaii	12,999	11,575	1,424	89.0	11.0
Idaho	13,912	10,869	3,043	78.1	21.9
Montana	14,997	12.826	2,171	85.5	14.5
Nevada	4,761	4,761		100.0	
New Mexico	20,839	19,630	1,209	94.2	5.8
Oklahoma	63,697	51,664	12,033	81.1	18.9
Oregon	51,948	41,233	10,715	79.4	20.6
Texas	216,641	149,494	67,147	69.0	31.0
Utah	38,940	25,157	13,783	64.6	35.4
Washington	77,491	59,884	17,607	77.3	22.7
Wyoming	7,707	7,707		100.0	
Total	1,175,710	950,465	225,245	80.8	19.2
Total, United States	4,160,722	2,539,638	1,621,084	61.0	39.0

Office of the Secretary of the Treasury, Office of Tax Analysis.

Source: U.S. Department of Health, Education, and Welfare, Office of Education.

CORVALLIS, OREG.,
January 21, 1964.

Senator WAYNE MORSE,
Senate Building,
Washington, D.C.:

Essential to register strongly our views on income tax credit proposal coming to Senate soon.

From my understanding, this bill highly discriminates against public institutions and low income students and families. Has effect of negating basic principles of income tax philosophy. Public higher education needs help and not additional handicaps in maintaining comparable quality of education. The public institutions will continue to serve the large numbers of students; we need to do our work as well as possible for all students.

Best personal wishes to you.

JAMES H. JENSEN,
President of OSU.

STATEMENT ON TAX CREDITS FOR EDUCATIONAL EXPENSES BY EXECUTIVE COMMITTEE OF THE ASSOCIATION OF STATE UNIVERSITIES & LAND-GRANT COLLEGES, FRIDAY, JANUARY 31, 1964, WASHINGTON, D.C.

Proposals for a direct deduction from income taxes owed the Federal Government because of tuition and required fees paid colleges and universities have attracted substantial popular support because of two widespread and contradictory assumptions: (a) That they will provide relief to hard-pressed parents, and (b) that they provide a way around the problems related to direct Federal aid to nonpublic institutions. We believe the tax-credit proposals to be unsound from the standpoint of fiscal policy, educational policy, and national policy in general. The Treasury Department has stated the objections from the standpoint of national fiscal policy. The cost is estimated at $750 million the first year and to reach $1.3 billion annually in 3 years. This loss to the Treasury would have to be made up through increased tax rates.

Some proponents of this legislation have made it clear that its essential purpose is to give tax support to educational institutions proportional, to some extent at least, to the fees charged students. Since the fees would have to be raised to provide the additional income desired, the benefit would flow to the college, not the taxpayer. To the extent that fees were raised, students from low-income families would find their educational costs increased rather than decreased. Institutions with low tuition charges would be placed under pressure to increase them in order to collect Federal aid by this route. Institutions which wish to engage in discriminatory practices and still enjoy Federal support would be encouraged to do so.

This association takes the position that, to the extent that Congress finds it in the national interest to provide either general or specific purpose support from public funds for institutions of higher education, ways can and should be found for doing this which retain the principles of public accountability for the expenditure of public funds, which are fiscally and educationally sound, and which do not in their operation discriminate against large groups of students and institutions. The tax-credit approach does not meet these standards.

EXCERPT FROM THE REPORT OF THE COMMISSION ON LEGISLATION OF THE ASSOCIATION OF AMERICAN COLLEGES

"From the beginning there seems to have been confusion about the aims of the proposal (tax credit plan). The original promoters claimed that their plan would help both colleges and parents, and the validity of the claim has been generally accepted ever since. Still, the proposals continue to force the counterargument that it is hard to see how both the college and the parents can benefit at the same time. In order to gain any financial advantage the college would presumably have to increase its charges to students, but if charges were raised they would tend to nullify any advantage derived by parents from tax remission. The poorest parents, who would get little or no relief from tax credits, would be even worse off than they are now. The force of this argument is such that we believe that, before giving further support to this proposal, the association should make a truly serious study of the results that might realistically be expected of it."

MEMBERS OF THE COMMISSION

Calvert N. Ellis, president, Juniata College, Huntingdon, Pa. (chairman); Sister Maryann Ida, president, Mundelein College, Chicago, Ill.; A. Blair Knapp, president, Denison University, Granville, Ohio; John D. Moseley, president, Austin College, Sherman, Tex.; Glenn S. Dumke, chancellor, California State College System, Inglewood, Calif.; Paul S. Havens, president, Wilson College, Chambersburg, Pa.; Otto F. Kraushaar, president, Goucher College, Towson, Baltimore, Md.; John R. Howard, Lewis & Clark College, Portland, Oreg.; Rev. Paul C. Reinert, president, St. Louis University, St. Louis, Mo.

STATEMENT OF ASSOCIATION OF STATE UNIVERSITIES & LAND-GRANT COLLEGES, WASHINGTON, D.C.

WASHINGTON, D.C.—Tax credits for college expenses will force tuition costs up and provide little relief to hard-pressed parents, a group of State university presidents said here today.

The Interim Executive Committee of the Association of State Universities & Land-Grant Colleges meeting in Washington January 30 and 31 expressed opposition to efforts to add a tax credit amendment to the tax reduction bill now pending before the Senate.

President Novice Fawcett, of Ohio State University, chairman of the executive committee, said his association's position coincides with that of the legislative commission of the Association of American Colleges. The commission which includes presidents of eight private colleges and one State college system, recently reported that "it is hard to see how both the colleges and parents can benefit (by the tax credit proposal) at the same time. In order to gain any financial advantage the college would presumably have to increase its charges to students, but if charges were raised they would tend to nullify any advantage derived by parents from tax remission. The poorest parents, who would get little or no relief from tax credits, would be even worse off than they are now."

President Fred H. Harrington of the University of Wisconsin, chairman of the Legislative Committee of the Association of State Universities & Land-Grant Colleges, noted that Dr. Roger Freeman of the Hoover Institution at Stanford University testified before the Senate Finance Committee that colleges would recapture 75 percent of the tax credit by tuition increases.

The Senate Finance Committee recently rejected a tax credit amendment to the tax bill by a 10 to 7 vote, but sponsors announced they would ask for a vote on the amendment on the floor of the Senate.

President Harrington called attention to the high cost of the amendment and said it would necessitate higher tax rates than the scheduled reductions in the administration bill. The Treasury Department estimates the tax credit amendment would cost $750 million the first year and increase to about $1.3 billion annually within 3 years.

(Members of the association's interim executive committee participating in the press conference were President Elmer Ellis, of the University of Missouri, who is also president of the association; President Novice Fawcett, of Ohio State University, who is chairman of the executive committee; President Fred Harvey Harrington, of the University of Wisconsin, who is chairman of the association's legislative committee; President Richard Harvill, of the University of Arizona; President James Jensen, of Oregon State University; President William Morgan, of Colorado State University; and President Wayne Reitz, of the University of Florida; also, Russell I. Thackrey, executive secretary of the association.)

Mr. MORSE. Mr. President, I close by saying to the Senator from Connecticut that he and I are poles apart in regard to this matter. I have expressed my sincere conviction that the church-state issue is written all over the Ribicoff amendment. I feel we cannot escape the church-state issue in the application and the implementation of the Ribicoff amendment.

Adoption of the amendment would give to parents the choice of deciding how they would spend hundreds of dollars of the taxpayers' money which would be given to them as a free gift under the Ribicoff amendment. In many instances the public money would be spent in aiding Catholic, Presbyterian, Baptist, Episcopalian, and Lutheran or other denominational or church-related institutions of higher education over which there is no restraint or check in regard to the expenditure of the public money.

The cost of this amendment, which would have to be made up from a bigger tax bite elsewhere, is estimated to rise from $750 million to a high of $1.3 billion.

As I say, I pierce the veil and look at the effect. I do not accept the argument made by the Senator from Connecticut that the church-state issue is not involved merely because the Senator from Connecticut tells us that it is not involved.

It is involved. It is involved because we have to look where the money will be spent.

Find for me, please, half a dozen presidents of Catholic, Lutheran, or Baptist schools in this country who do not want the amendment. They know on which side their bread is buttered. They know the effect and the value of the Ribicoff amendment as a device to circumvent the first amendment to the Constitution. By it they hope to obtain millions of dollars which Congress could not directly appropriate in aid of church-related or religious schools.

Mr. RIBICOFF. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. The Senator from Connecticut should obtain his time from the Senator from Louisiana, but I would be glad to answer any question I can, once the Senator obtains his time.

Mr. LONG of Louisiana. Mr. President, has the time of the Senator from Oregon expired?

The PRESIDING OFFICER (Mr. RANDOLPH in the chair). The time of the Senator from Oregon has not expired. He has about 2 minutes remaining. He said he would answer any question that the Senator from Connecticut might wish to ask.

Mr. MORSE. Yes; I will be glad to do so.

Mr. RIBICOFF. The Senator from Oregon contends that because I say something is not so, that does not mean it is not so. I can return the compliment by saying the fact that the Senator from Oregon says something is so does not mean that it is necessarily so.

Mr. MORSE. On that point we agree.

Mr. RIBICOFF. We agree. Furthermore, the Senator from Oregon talks about $750 million to be made available for parents to spend as they wish, to pay tuitions at any private college, be it Catholic, Presbyterian, Jewish, or Baptist. By the same argument, any part of the $11.6 billion provided as savings to taxpayers in the bill could likewise be allocated to pay these fees or contributions——

Mr. MORSE. But the total tax saving is not earmarked for a specific educational purpose to aid Catholic, Presbyterian, and other colleges.

Mr. RIBICOFF. No, it is not earmarked. It is earmarked to go into the pockets of parents to be spent as they see fit for clothing, to paint their house, or, with the money they have left, to pay their medical expenses.

I point out, too, that if the Senator from Oregon were to follow his argument to its logical conclusion, it would be incumbent upon him, and his duty, to strike out from the Internal Revenue Code the deductibility of charitable contributions to church-related colleges and universities.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. MORSE. The Senator knows that I have already answered that point. There is a public policy which has been considered as consistent with the Constitution, that for charitable and humanitarian uses certain deductions are available to all. Such is the policy. What the Senator and I disagree upon is that the tax credit money is, without a word, earmarked for the benefit of religious colleges and universities.

Mr. RIBICOFF. The Senator from Oregon, who is an alert scholar, says that such deductions are historical. But they go back only 50 years or less. The Internal Revenue Code provides for deductibility of charitable contributions, and the 16th amendment authorizing the code goes back only to 1913.

Mr. MORSE. A half century makes a great deal of history.

Mr. RIBICOFF. When we examine the record back to 1913 and observe what changes have since been made in the Internal Revenue Code, we can understand that there is no reason why we cannot give a deduction or a tax credit to parents for educational expenses just as we give them a deduction for charitable contributions.

Mr. MORSE. I say again that a half century makes a great deal of history.

Mr. RIBICOFF. Let us then start on another half century.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG of Louisiana. I yield 3 minutes to the Senator from Oklahoma.

Mr. EDMONDSON. Mr. President, I thank the Senator from Louisiana for yielding to me this brief opportunity to speak on behalf of the Ribicoff amendment. Earlier today it was stated that a $200 tax credit would be a small percentage of the cost of higher education and would be no incentive to encourage people to send their children to an institution of higher learning.

As was stated at the time, although the question is debatable, it is worthy of note for the record that when the amount involved is computed in relation to one State—as I did roughly for the State of Oklahoma—we are enabled to make some observations. I found that the dollar relief for the State was approximately $9 million. Although it might appear that the average of $200 per student would be a small amount, when the total amount involved is computed, we see that it amounts to $9 million.

It is easy to see the substance of the proposal and its materiality when we consider that last year there was a lengthy debate on the question of relief for higher education. The Congress passed a bill which would provide substantial sums of money for facilities construction at our institutions of higher learning. That authorization was computed for my State to amount to approximately $4 million.

So when we turn the picture around and look at all the lengthy debate over that facility construction authorized in the higher education bill that was passed, and observe, in the very short time we are given the opportunity to consider the Ribicoff amendment, that the relief in the instance of that one State is twice as much directly to the taxpayer who is providing that higher education, I find it to be substantial relief to the taxpayer, and for that reason worthy of adoption. I shall support the amendment.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield 2 minutes to the Senator from Ohio.

Mr. LAUSCHE. I look sympathetically upon the proposal of the Senator from Connecticut. But according to the statements made, it would add to the expected deficit resulting from the passage of the bill an additional deficit of $650 million for the first year.

Why did not the Senator from Connecticut attempt to provide new revenues that would replace the losses in revenue which would result from the adoption of his amendment?

The Senator from Connecticut knows that I offered an amendment today which would recapture about $850 million in order to finance the program envisioned in the amendment of the Senator from Connecticut. My amendment is not germane, and therefore will not come before the Senate. Why does not the Senator from Connecticut, on his own volition, modify his own amendment so as to recapture moneys which would be adequate to finance his program?

Mr. RIBICOFF. If the distinguished Senator from Ohio will look at the votes on the amendments in the Finance Committee, he will see that I voted against loopholes that are in the tax bill which exceed the sum of $750 million.

The amendment offered by the Senator from Ohio does not involve a question of germaneness. It is subject to a point of order in relation to my amendment. But in the event the Ribicoff amendment is rejected tomorrow, an amendment subsequently offered by the distinguished Senator from Ohio that would recapture some oil depletion money would then not be subject to a point of order. If my amendment is rejected, I shall join the Senator from Ohio as a cosponsor of his amendment, and fight shoulder to shoulder with him.

But the argument I made in the absence of the Senator is that the Senate has a duty of seeking priorities. The Senate has the duty to cast its votes in respect to the many amendments proposed to the bill. The Senator will have an opportunity to vote for the Ribicoff amendment.

The distinguished Senator from Delaware [Mr. WILLIAMS], the distinguished Senator from Tennessee [Mr. GORE] and the distinguished Senator from Illinois [Mr. DOUGLAS], will offer a series of amendments which, if adopted by the Senate, would provide revenues in excess of $750 million.

An opportunity will be afforded to the Senate to be affirmative and to take positive action on the priorities, and determine whether it believes, on the basis of priority, that education is important.

Let the Senate adopt the Ribicoff amendment, which would provide the priority that we believe is necessary for the future of our country. Then let us get together in respect to the loopholes and the giveaways that exist throughout the bill. Let us vote out those provisions; that action would result in revenues which would more than make up the $750 million.

Mr. LAUSCHE. What will the Senator from Connecticut do in the event his amendment——

The PRESIDING OFFICER (Mr. EDMONDSON in the chair). The time of the Senator has expired.

Mr. LONG of Louisiana. Mr. President, I will yield one more minute, but I hope that Senators will conclude their colloquy soon in order that those of us who wish to speak against the amendment will have an opportunity to be heard.

Mr. LAUSCHE. What will the Senator from Connecticut do in the event his amendment is adopted? Will he then join the Senator from Ohio in trying to find revenues that will finance his program?

Mr. RIBICOFF. The Senator has my assurance that I shall join with him and other Senators in seeking to find revenues that would far exceed the $750 million. I think we can find a series of amendments which would accomplish that objective.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG of Louisiana. I yield 1 additional minute.

Mr. LAUSCHE. Will the Senator from Connecticut join the Senator from Ohio in exacting from the oil and gas producers a greater share of their income, and also reducing the concessions that have been made to corporations by 1 percent to provide the money needed to finance the program?

Mr. RIBICOFF. Yes; I will join the Senator. I point out that in the Committee on Finance I joined the Senator from Delaware [Mr. WILLIAMS]. My vote was one of four votes in support of the proposals of the Senator from Delaware [Mr. WILLIAMS] on oil depletion allowances. Under those circumstances I certainly will again support the proposals of the Senator from Delaware when they come to the floor of the Senate. Not only that, but I shall be glad to sit down and show the distinguished Senator savings of hundreds of millions more that could be made in the bill.

Mr. LAUSCHE. Mr. President, will the Senator yield me 1 more minute?

Mr. LONG of Louisiana. I yield 1 additional minute.

Mr. LAUSCHE. Mr. President, I ask that my amendment No. 329 to the Ribicoff amendment be brought before the Senate for consideration. It is my understanding that challenges have been made as to its germaneness. I wish that issue decided at the present time.

Mr. LONG of Louisiana. Mr. President, I ask the Chair to rule on whether or not the Lausche amendment is germane to the Ribicoff amendment.

The PRESIDING OFFICER. The amendment has not been offered up to this time.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that I may offer the amendment at this time, even though under the agreement amendments are not in order until 8 o'clock.

The PRESIDING OFFICER. Does the Senator from Louisiana yield for that purpose?

Mr. LONG of Louisiana. I yield for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will read the amendment offered by the Senator from Ohio to the amendment offered by the Senator from Connecticut [Mr. RIBICOFF].

The legislative clerk read the amendment (No. 405), as follows:

On page 7, after line 3, insert the following new sections:

"SEC. 2. AMENDMENT OF PROPOSED CORPORATION INCOME TAX RATES."

On page 13—

(a) strike out "28 percent," in line 14, and insert "29 percent," and

(b) strike out "26 percent," on line 17, and insert "27 percent,".

"SEC. 3. PERCENTAGE DEPLETION FOR OIL AND GAS WELLS."

At the end of the bill, add the following new section:

"SEC. —. PERCENTAGE DEPLETION FOR OIL AND GAS WELLS.

"(a) GRADUATED RATES.—Section 613 (relating to percentage depletion) is amended—

"(1) by striking out in subsection (a), 'specified in subsection (b)' and inserting in lieu thereof 'specified in subsections (b) and (d)';

"(2) by striking out paragraph (1) of subsection (b) and inserting in lieu thereof the following:

" '(1) OIL AND GAS WELLS.—The percentage applicable under subsection (d)(1).'; and

"(3) by redesignating subsection (d) as (e), and by inserting after subsection (c) the following new subsection:

" '(d) OIL AND GAS WELLS.—

" '(1) PERCENTAGE DEPLETION RATES.—In the case of oil and gas wells, the percentage referred to in subsection (a) is as follows:

" '(A) 27½ percent—to the extent that, for the taxable year, the taxpayer's gross income from the oil and gas well, when added to (i) the taxpayer's gross income from all other oil and gas wells, and (ii) the gross income from oil and gas wells of any taxpayer which controls the taxpayer and of all taxpayers controlled by or under common control with the taxpayer, does not exceed $1,000,000;

" '(B) 21 percent—to the extent that, for the taxable year, the taxpayer's gross income from the oil and gas well, when added to (i) the taxpayer's gross income from all other oil and gas wells, and (ii) the gross income from oil and gas wells of any taxpayer which controls the taxpayer and of all taxpayers controlled by or under common control with the taxpayer, exceeds $1,000,000 but does not exceed $5,000,000; and

" '(C) 15 percent—to the extent that, for the taxable year, the taxpayer's gross income from the oil and gas well, when added to (i) the taxpayer's gross income from all other oil and gas wells, and (ii) the gross income from oil and gas wells of any taxpayer which controls the taxpayer and of all taxpayers controlled by or under common control with the taxpayer, exceeds $5,000,000.

" '(2) CONTROL DEFINED.—For purposes of paragraph (1), the term "control" means—

" '(A) with respect to any corporation, the ownership, directly or indirectly, of stock possessing more than 50 percent of the total combined voting power of all classes of stock entitled to vote, or the power (from whatever source derived and by whatever means exercised) to elect a majority of the board of directors, and

" '(B) with respect to any taxpayer, the power (from whatever source derived and by whatever means exercised) to select the management or determine the business policies of the taxpayer.

" '(3) CONSTRUCTIVE OWNERSHIP OF STOCK.—The provisions of section 318(a) (relating to constructive ownership of stock) shall apply in determining the ownership of stock for purposes of paragraph (2).

" '(4) APPLICATION UNDER REGULATIONS.—This subsection shall be applied under regulations prescribed by the Secretary or his delegate.'

"(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply only with respect to taxable years beginning after the date of the enactment of this Act."

Mr. LAUSCHE. Mr. President, the amendment offered is not germane because it contemplates an increase of revenues, while the amendment of the Senator from Connecticut contemplates providing relief for parents to send their children to institutions of higher learning for education. Is that correct?

The PRESIDING OFFICER. The amendment is not germane and is subject to a point of order.

Mr. LONG of Louisiana. I make the point of order. In any event, the position of the Senator from Louisiana, as spokesman for the committee, would be to block any amendment which has as its purpose the suspending of taxes with one hand and the imposition of taxes with the other hand. If a Senator wishes to offer an amendment which provides that some companies should pay more taxes, I think the amendment should be offered on its own merits and the Senate should vote on it.

The Senator from Louisiana will insist on a division when amendments are offered that have double-barreled purposes—to give relief with one hand at the expense of someone else. If someone is entitled to relief, an amendment for that purpose should be offered and the Senate should act on it. If someone else should be taxed additionally, an amendment should be offered for that purpose, to stand or be rejected on its own merits.

Mr. DOMINICK. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. LONG of Louisiana. I yield.

Mr. DOMINICK. I should like to inquire whether the point of order was sustained.

The PRESIDING OFFICER. The Chair was waiting for the Senator from Louisiana to conclude before he ruled.

Mr. MANSFIELD. Mr. President, I ask for a ruling on that point.

The PRESIDING OFFICER. The point of order is sustained.

Mr. LONG of Louisiana. Mr. President, the amendment of the Senator from Connecticut [Mr. RIBICOFF] would provide a graduated tax credit for expenses of tuition, fees, books, supplies, and equipment paid to an institution of higher learning. I consider the Ribicoff amendment to be outside the scope of the bill, and believe it should be deferred until it can be given further study. The amendment also is undesirable for the reasons I shall now state.

First, the revenue loss would be very substantial. It would result in a revenue loss of $750 million at current levels and of $1.3 billion in 1970. This cost can best be evaluated by comparing these amounts with those contained in the recent legislation providing aid to higher education. It is six times the cost of the National Defense Education Act student loan program. The expansion of the National Defense Education Act student loan program involves an increase in the authorizations from $90 million to $125 million for 1964 and $135 million for 1965. The total loans and grants for higher education facilities authorized for the 3 years 1964-66 amount to $1.2 billion.

Second, the amendment would not provide relief where it is most needed, and therefore would not expand educational opportunity. The tax credit would be of negligible value to millions of low income families who pay little or no taxes.

A large proportion of families with incomes of $5,000 or less would have no tax liability against which the tax credit could be applied. Of the 15.4 million joint returns with adjusted gross income of $5,000 or less in 1960, 6.6 million, or 43 percent were nontaxable.

The Senator from Connecticut [Mr. Ribicoff] makes no claim that his proposed credit will help lower income families or expand educational opportunity. On the contrary, he has stated:

> But I frankly recognize that the amount of the credit will not make the decisive difference for a majority of taxpayers as to whether or not they can afford the costs of a college education. It will be helpful to all taxpayers, but probably not decisive for many of them. (Congressional Record, vol. 109, pt. 17, p. 22591.)

He presents his proposal as a means of providing tax relief to middle income families. It is difficult to justify the use of Federal resources of so substantial an amount for relief of families who are sending their children to college while many qualified students are unable to go to college because of lack of financial means. The Office of Education estimates that each year some 120,000 to 200,000 qualified high school graduates fail to go to college because of financial inability to do so.

Third, the dual objectives of aid to students and aid to institutions are inconsistent.

Sponsors of a tax credit for tuition have stated different objectives. Senator Ribicoff has asked that the credit be viewed primarily as a tax measure for providing relief to middle-income families and only secondarily as an educational measure. On the other hand, the credit has been offered by representatives of institutions of higher education, particularly private institutions, as a means of giving institutions additional funds through increased tuition charges.

As the Commission on Legislation of the Association of American Colleges pointed out recently:

> It is hard to see how both the college and the parent can benefit at the same time. In order to gain any financial advantage the college would presumably have to increase its charges to its students, but if charges were raised they would tend to nullify any advantage derived by parents from the tax remission.

Tuition increases will be a new hardship on low-income families. The nontaxable person and the taxpayer who has insufficient tax liability to take full advantage of the tax credit would obtain little or no benefit from the credit, but might be subject to increased tuition charges. These persons would be less able to afford college educational expenses than before the credit.

An important limiting factor on the amount of the credit is the tax liability of the taxpayer. Senator Ribicoff states that the credit benefits the $30,000 man less than the $5,000 man. He refers to the fact that the credit is reduced for taxpayers with income above $25,000 and the maximum credit for the $30,000 man would be reduced by $50 to $275. Under the tax bill a married couple with $5,000 adjusted gross income with two dependents and average itemized deductions has a tax liability of $218 and can use only this amount of credit regardless of the tuition paid. If the $30,000 taxpayer has two children in college he could have a tax credit of as much as $550.

Senator Ribicoff contends that since his amendment allows only a 10-percent credit on expenses over $500, and every added $100 over $500 results in only a $10 saving, the credit would not give an incentive to the colleges to raise tuition. The important point, however, is the amount of the total credit. For example, a college which now charges $200 can increase tuition to $350 without additional cost to the parents receiving the credit; one now charging $500 can raise tuition to $725; one now charging $1,500 can raise tuition to $1,825. Senator Ribicoff contends that tuition costs will go up whether tax relief is granted or not. The point, however, is the tax credit would obviously remove restraints on tuition increases.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. RIBICOFF. Did the manufacturers of machinery raise their prices to their customers when the customers received the investment tax credit which was given to them in 1962?

Mr. LONG of Louisiana. I believe the intent was to encourage people to buy more machinery. I believe they did buy more machinery.

Mr. RIBICOFF. Did the manufacturers raise the prices to their customers?

Mr. LONG of Louisiana. Not so far as I know; but I believe that the competitive effect on many manufacturers probably had as much to do with the fact that prices of machinery were not raised as anything else.

Mr. RIBICOFF. Why would the distinguished Senator feel that the colleges would automatically raise their tuition to the recipients of the proposed tax credit?

Mr. LONG of Louisiana. I doubt that colleges can be expected to compete with each other for more students in today's market where more and more students will be seeking a college education. There are some indications already—and I believe there will be more—that schools would find this credit an appropriate handle to say to parents, "Since you are going to get a tax credit of $325, you can afford to pay us $325 more in tuition."

Mr. RIBICOFF. Let me inquire further on this point. Since the Senator advocates the passage of the pending bill—and I will join him in voting for it—and because that bill involves an overall tax savings of $11.6 million, if the Senator believes that colleges will raise their tuition fees because there are extra funds in the possession of the taxpayers, why would not this bill be a grabbag for colleges to dip their hands in to get this money, if there is such a question concerning the integrity and good faith of American colleges?

Mr. LONG of Louisiana. I believe the argument is clear to many of us who oppose the amendment that this credit would be an incentive, and would offer considerable encouragement, to colleges who may be short of funds to raise their fees in order to obtain more revenue for schools, and that that would be the likely result of the adoption of the amendment.

The amendment does not foreclose anything of this nature from taking place.

I should like to yield further, but now our time is running out. I am sure the Senator will concede that those of us who are opposing the amendment have yielded time both to the proponents and the opponents, and we have even yielded some time to Senators who wished to talk about Bobby Baker.

Mr. RIBICOFF. I thank the Senator for his courtesy throughout the entire debate.

Mr. LONG of Louisiana. I thank the Senator.

Fourth, students of low-income families are not taken care of by scholarships. Some advocates of the tax credit, the Senator from Connecticut said this afternoon, contend that the fact that the credit will not help low-income families is no reason for opposing it and point to scholarships as the answer for low-income families. They suggest that most scholarship assistance now goes to students from low-income families.

The fact is that scholarships presently available do not take care of low-income families.

Various recent studies state that scholarship funds are going to children of families with incomes substantially above the average for families in the United States. This is due to the fact that high-income families are more apt to seek education and to seek higher-priced education which usually is found in institutions with large scholarship funds. Elmer West of the American Council on Education states:

> Whatever the reason, lower economic classes are not favored by scholarship funds proportional to their numbers, abilities, or economic status.

A small percentage of colleges and universities control a substantial proportion of scholarship funds and a few States—with large total population—provide most of the scholarships supported by State funds. This concentration of scholarship funds means that scholarships presently available do not take care of low-income families.

Some have reasoned that rising college tuition will permit institutions to set aside an increasing share of income to their scholarship funds. Experience in this regard reveals that prevailing competitive pressures for increased faculty salaries, for expanded research budgets, and for college facilities to house mounting student enrollments more often mean that student financial aid funds are diverted rather than increased.

Fifth. The amendment gives double tax relief to a special group of taxpayers. The effect of the Ribicoff tax credit would be to grant one class of taxpayers a grossly disproportionate share of the total tax reduction. Families who would benefit from the Ribicoff credit would receive double relief under the tax bill. Under the Ribicoff amendment, the tax credit on the median cost of tuition—plus $90 for books—at a public institution would be $165 and at a private institution, $253. The maximum credit would be $325. Tax reductions of this magnitude are greater than those which most taxpayers would enjoy under the tax bill. Thus, a married couple with two dependents and average deductions would receive under the tax bill—before the Ribicoff amendment—the following reductions:

Adjusted gross income:	*Tax cut*
$5,000	$82
$6,000	118
$7,500	159
$10,000	223
$125,000	287

Thus a taxpayer with $10,000 of adjusted gross income who paid median tuition at a private institution would receive more than twice as much tax reduction under the Ribicoff amendment as under the present tax bill.

Senator RIBICOFF's credit has a limitation based on income, but the limitations begin at such a high level as to be ineffective. A taxpayer can have a full credit until his income reaches $25,000 and some credit, although reduced, is allowed until income reaches $57,500. In 1961 only 1.3 percent of taxable returns had adjusted gross income of more than $25,000.

Sixth. The amendment discriminates against students in public institutions and against taxpayers in States with highly developed public education systems. The benefit from a tax credit based on tuition would be extremely limited for students attending public institutions. Under the Ribicoff amendment the tax credit on the median cost of tuition—plus $90 for books—would be $165 at a public institution and $253 at a private institution. Tuition and fees in 1962–63 in 25 percent of all public institutions were less than $100—on which the credit would be $75. On the other hand, for many private institutions a credit will be available on $1,000—amounting to $275.

The sponsor of the amendment contends that the credit favors low tuition colleges because the credit allowed on $1,000 tuition—$275—is only 27 percent of the tuition while the credit on $200—$150—is 75 percent of the tuition. The fact remains, however, that the total amount of the credit is $275 in the high tuition college while it is only $75 in the low tuition college in this example. Despite the graduation of the credit, the fact that public institutions have low tuition charges places a ceiling on the total benefit which can be received for a student in a public institution.

The relative importance of public and private institutions of higher education varies greatly as between regions and States in this country. A credit for tuition would be of most benefit to residents of States which have limited public institutions of higher education since private schools are characterized by higher tuition charges than public ones. In the West and Southwest 55 percent of the colleges and universities are public as compared with only 22 percent in the North Atlantic region. Also, in the North Atlantic region, 67 percent of the students attend private institutions while only 33 percent attend public institutions. This is almost the reverse of the nationwide distribution.

Per capita expenditures of State and local governments for higher education in California were $45.14 in 1962 as compared with $6.47 in Massachusetts. Heavy State and local expenditures for institutions of higher education make possible low or free tuition. Consequently, the tuition tax credit would be of little benefit in such States.

Seventh. The tax credit amendment should be considered along with other methods of granting assistance to those seeking higher education. To date there have been no full public hearings held by any committee, including the Labor and Public Welfare Committee, concerning the use of tax credits to assist those seeking higher education in comparison with other methods of granting assistance. These proposals involve a fundamental change in the traditional methods of providing such assistance, as well as a significant change in the tax laws. Full public hearings should be held on these proposals, so that all interested parties, such as the educational institutions involved, may be afforded an opportunity to be heard. For example, the Association of State Universities and Land-Grant Colleges is strenuously opposed to the use of tax credits or deductions to assist higher education. The American Council on Education is not sponsoring a tax credit.

Neither has there been full consideration by Congress of competing methods to assist those seeking higher education which do not involve the use of the tax system. For example, a broad federally guaranteed student loan program has been part of the administration's program—see S. 580—and bills have been introduced by Senators HUMPHREY and HARTKE—S. 390 and S. 1115—along similar lines. President—then Senator—Johnson sponsored a bill in the 86th Congress—S. 2710—which provided Federal guarantees of loans to both students and institutions of higher education. Thirty-two other Senators cosponsored this bill. The administration's guaranteed loan program would encourage banks and other credit institutions to lend for educational purposes on interest and repayment terms suited to the special needs of college students and their parents. There is no means test involved in the administration's program, so that it would be available to middle and upper income families as well as low income families. This program would provide a significant encouragement for college attendance, and would involve far less revenue cost than the use of tax credits or deductions. To date, no full public hearings have been held on federally guaranteed student loan proposals. Again it would be desirable to have the benefit of full public hearings on the full range of and competing priorities involved in such proposals before considering the use of tax credits or deductions.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks the estimated revenue loss from this proposal, together with a table showing the percentage of the proposal that would fall in various income brackets. I believe the revenue loss alone indicates that a large percentage of the tax advantages of this proposal would go to those who are well able to provide for the cost of educating their own children, while altogether too little—in fact, pitifully little—of the estimated benefit of the amendment would go where it is badly needed—to aid those having incomes of $3,000 or less, and who have a desire and a genuine need for some sort of assistance to help their children obtain higher education.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REVENUE EFFECT

It is estimated that, if individual income taxpayers were granted the tax credit for higher education expenses provided for in proposed amendment 329 to H.R. 8363, the revenue loss would be $740 million. This estimate assumes levels of college attendance, tuition, and scholarship grants estimated for calendar year 1964 and the individual income tax provisions of H.R. 8363 as passed by the House of Representatives.

The table below, which gives the distribution of the revenue loss by adjusted gross income class, indicates that 79 percent of the tax savings would go to taxpayers with adjusted gross income of $5,000 to $20,000.

Estimated revenue loss which would result from granting individual income tax credit for expenses of higher education as proposed in amendment 329 to H.R. 8363

Adjusted gross income class (thousands)	Revenue loss	
	Amount (millions)	Distribution (percent)
0 to $3	$10	1
$3 to $5	85	11
$5 to $10	375	51
$10 to $20	205	28
$20 to $50	65	9
$50 and over	(1)	(2)
Total	740	100

[1] Less than $2,500,000.

[2] Less than 0.5 percent.

Source: Staff of the Joint Committee on Internal Revenue Taxation, Dec. 12, 1963.

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. DOMINICK. During the process of the Senator's able discussion of reasons why he is opposed to the amendment, he cited some figures to show that tuition and fees of public institutions would be about $170, and of private institutions, about $250.

Mr. LONG of Louisiana. Those are the median figures.

Mr. DOMINICK. The Senator indicated that by virtue of this cost there would be a higher credit for the $250. The Senator was really favoring the higher or independent institutions. I think that what the Senator has forgotten in the process is that this amount includes also the fees for books and supplies.

Mr. LONG of Louisiana. Those figures take $90 into account for books.

Mr. DOMINICK. The figures which the Senator from Connecticut [Mr. RIBICOFF] has placed on our desks would indicate that the expenses in a majority of the universities—and I am speaking of State universities throughout the country—range from $250 to $390. One of the reasons, on account of this estimate, why we have definitely applied the first 75 percent of the credit to the first $200 of expenses is to make certain that the maximum credit would be received for the lower cost institutions. I wished to make that fact clear.

Mr. LONG of Louisiana. In the figures to which the Senator has referred, it would be my impression that the second column—in other words, the dollar benefit of tax credit—would be the important figures to consider. Those figures seem to be very much in line with the representations I made for the RECORD.

Mr. DOMINICK. Then I misunderstood the Senator's presentation.

Mr. LONG of Louisiana. The Senator will notice that those figures are all considerably below the $325 maximum to which I made reference.

Mr. ANDERSON. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. ANDERSON. The reason they are low is that that money does not go to private schools. If it went to private schools, it would be found to be very definitely demonstrated.

Mr. LONG of Louisiana. When it goes to private schools, the maximum is reached in a great number of cases.

Mr. President, I desire to yield to the Senator from New Mexico, who has been waiting for some time to address the Senate. How much time remains?

The PRESIDING OFFICER. Four minutes.

Mr. LONG of Louisiana. I apologize to the Senator and yield to him. I had hoped it would be possible to reserve more of my time.

Mr. ANDERSON. First, Mr. President, I wish to call attention to what I think are two important editorials, the first published in the Washington Post of Friday, July 6, 1962, the other published in the Washington Post of Monday, December 16, 1963. Both editorials deal with the question of what sort of amendment this is and what it means to us. I call attention to a statement made in the first editorial, which is entitled "Schools and Taxes." The editorial refers to Secretary Ribicoff, because at that time the present junior Senator from Connecticut held the position of Secretary of Health, Education, and Welfare. The editorial states, in part:

> The Secretary's proposal seems to us to raise some extremely troublesome questions. If a Federal income tax credit is justified in the amount of the Federal Government's contribution to public education, is there not, then, equal justification for State and local tax credits in proportion to State and local contributions to the public schools? And if such credits should be granted, what would happen to public school financing?

We should remember that when the proposal was made to strike down the Federal tax on communications, Governor Rockefeller, of New York, was at once ready to claim that tax for his State. In other words, once the Federal Government eliminated that excise tax, Governor Rockefeller was ready to take it up at once.

The same thing will happen in this instance. If this proposal is proper and Congress can provide for the payment of tuition costs in private institutions of higher learning, there is no reason why it should not be asked to take care of such costs in private grade and elementary schools.

The Washington Post points this out by asking:

> If a tax credit is justified as a means of recognizing that private school parents lift a burden from the shoulders of the community, is it not equally justified in the case of taxpayers who lift a burden from the community by, say, building and maintaining their own tennis courts, swimming pools and other conveniences which keep them from crowding public facilities of the same sort?

Then the editorial contains an interesting paragraph, because I understand that if things go well in the House, the Senate may soon be entering upon a discussion of civil rights. The Post editorial stated:

> If the suggested tax credit should be granted as part of a Federal aid-to-education measure, would tax credits be available to parents in Southern States who removed their children from integrated public schools in order to put them into segregated private schools?

We had better be prepared to answer that question. It will be before us. We cannot avoid it.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the two editorials published by the Post, the one entitled "Schools and Taxes," the other entitled "Tax Credits for Education?"

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Post, July 6, 1962]

SCHOOLS AND TAXES

Secretary Ribicoff, on the eve of his departure from the Department of Health, Education, and Welfare, has ocme forward with a proposal that a Federal tax credit be granted to parents who send their children to private schools. His reasoning, as stated yesterday to a reporter, is as follows:

"Tax credits or deductions would give recognition to at least a part of the burden which private school parents are lifting from the shoulders of all the taxpayers of their communities. A credit might work this way. If a public aid bill were to be figured on a per pupil payment to the States of $20, then a tax credit of $20 for parents of private school pupils would seem entirely reasonable."

The Secretary's proposal seems to us to raise some extremely troublesome questions. If a Federal income tax credit is justified in the amount of the Federal Government's contribution to public education, is there not, then, equal justification for State and local tax credits in proportion to State and local contributions to the public schools? And if such credits should be granted, what would happen to public school financing?

If a tax credit is justified as a means of recognizing that private school parents lift a burden from the shoulders of the community, is it not equally justified in the case of taxpayers who lift a burden from the community by, say, building and maintaining their own tennis courts, swimming pools and other conveniences which keep them from crowding public facilities of the same sort? Would not the whole theory of progressive income taxation break down if Mr. Ribicoff's formula were generally applied?

If the suggested tax credit should be granted as part of a Federal aid-to-education measure, would tax credits be available to parents in Southern States who removed their children from integrated public schools in order to put them into segregated private schools? And in this event, would the Federal Government not be in the business of subsidizing a circumvention of the U.S. Constitution?

There would, of course, be an effective rebuttal to these questions if the tax credit were made available to further a settled public policy—if, in this instance, it were public policy to foster the development of private schools throughout the Nation. While American policy has always been hospitable to private schools, however, and has recognized them as an important and useful alternative to the public schools for those who prefer them, the main thrust of American policy in respect to elementary and high school education has long been to foster a system of free public schools available to every American child regardless of race or creed.

The public school system has been one of the most unifying influences in American life. Few institutions have contributed so much to American growth and to the development of an American ethos. Mr. Ribicoff's proposal would, we fear, take a dangerous step toward abandonment of that long settled, wise and salutary public policy.

[From the Washington (D.C.) Post, Dec. 16, 1963]

TAX CREDITS FOR EDUCATION?

The proposal to grant tax credits in order to lighten the burden of parents who are sending their children through college has an instant but superficial appeal. It is frequently defended by invoking an analogy: If the Federal Government can subsidize homeownership by making the interest on mortgages tax deductible, why shouldn't the same principle be applied to expenditures for higher education? The answer is that the analogy is not very close, and even if it were, there are other considerations which make such tax credits thoroughly undesirable.

Senator ABRAHAM A. RIBICOFF and a number of his colleagues are sponsoring an amendment to the administration's tax bill which would provide for educational tax credits on a graduated basis. Taxpayers with income of less than $25,000 would receive a credit of $325 on the first $1,500 of tuition paid, a person with a $35,000 income would get a credit of only $225—and so on up the income scale where a taxpayer in the $60,000 bracket would get no credit at all. The cost of this proposal in terms of revenue losses would run to more than $700 million in the first year, and with added deductions for gifts to institutions of higher learning it would soon cost the Treasury more than a billion dollars annually.

Some of the objections to the Ribicoff proposal are immediately apparent; others are not. First, it discriminates against those families who cannot in any case help their children through college. And unlike direct Federal grants, tax credits would provide no assistance to talented young people of limited

> means who must work their way through college. Worse still, the granting of tax credits would encourage private and public institutions to raise tuition and other fees.
>
> The prospect that the granting of tax credits will touch off another round of tuition increases, thus making it even more difficult for persons of limited means to obtain a higher education, was anticipated by Dr. Roger A. Freeman in his testimony before the Senate Finance Committee. According to Dr. Freeman:
>
> "If you grant a tax credit * * * you give the institutions an opportunity to increase their tuitions without putting a corresponding burden upon the families and the students. The main purpose * * * is to increase the funds of the institutions."
>
> The great State universities of this country, which are the beneficiaries of Federal land grants, have been guided by the principle that opportunities in higher education would be available to all talented young people, irrespective of financial resources. An adherence to that philosophy over the past century contributed rapid economic growth and greater social mobility. Granting tax credits in place of Federal grants will provide some relief for middle- and upper-income families. But by encouraging tuition increases which would tend to close the college doors to the children of the poor, the discriminatory tax credit plan would only set the clock back.

Mr. ANDERSON. I should like to make it clear, in delineating the question of spending money in this way, that such a proposal might be all right if tax credits were made available to further a national policy, if this were a public policy to foster the development of private schools throughout the Nation. While American policy has always been hostile to private schools, it has recognized them as useful for those who prefer them. Nevertheless, the main thrust of American policy in respect to elementary and high school education has long been to foster a system of free public schools for every American, regardless of race or creed.

This situation has been called to the attention of many people, and the Joint Office of Institutional Research has published some material on it. That was interesting, because they pointed out that some questions was raised as to whether interest rates would be raised.

Mr. President, this situation has been called to the attention of many persons and many organizations.

An analysis of the tax credit plans for educational expenses has been published by the Joint Office of Institutional Research, and I thought it interesting to note what is set forth in that analysis on the question of whether the tuition rates should be raised. I cannot state whether they will be raised or will not be raised, but Dr. Roger A. Freeman, of the Hoover Institution on War, Revolution, and Peace, of Stanford University, is another very vigorous proponent of the tax credit plan, and he is generally recognized as the originator of the sliding-scale proposal incorporated in legislative proposals which apparently are presently enjoying very wide support. I quote from his statement:

> The tax saving, or revenue loss, under my schedule may be estimated at $700 million per annum, or more. Institutions may be expected to recoup as much as three-fourths of that amount through increased tuitions.

I do not know whether Dr. Freeman is right or is wrong, but certainly he is generally recognized as the originator of the sliding-scale proposal, and he has been a very vigorous proponent of it.

The PRESIDING OFFICER. All time on the Ribicoff amendment has expired.

Mr. SMATHERS. Mr. President, are any amendments to the Ribicoff amendment now pending or at the desk?

The PRESIDING OFFICER. No.

Mr. SMATHERS. If not, Mr. President, I ask unanimous consent that the Ribicoff amendment be laid aside until tomorrow morning.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SMATHERS. Mr. President, at this time I yield to the Senator from New Mexico.

Mr. ANDERSON. I thank the Senator from Florida.

Mr. President, a moment ago I quoted the statement made by Dr. Roger A. Freeman, who, as I stated, is generally recognized as the originator of the sliding-scale proposal incorporated in legislative proposals which apparently enjoy very wide support. Dr. Freeman said $585 million of the tax benefits he recommends would, on an annual basis, flow to colleges and universities, and only $115 million would represent relief to parents and children.

I am not an expert on this matter; but Dr. Freeman professes to be, and he has been an advocate of every bit of this proposal, and he states that these institutions will obtain this money through increased tuition. Perhaps he is correctly informed as to that, or perhaps he is not; but he seems to be in a very good position to be informed and to be able to prove the accuracy of the statement he has made, if anyone can prove it.

The analysis published by the Joint Office of Institutional Research also includes a statement by Dr. Virgil Blum, chairman of the Department of Political Science at Marquette University. In an article which he wrote, which was published in the December 1963 issue of the Journal of Higher Education, at page 479 and following, he stressed the flow of Federal funds to colleges and universities. He has had a great deal to say about this education plan; and in the article to which I have referred he discussed a bill which had been introduced by the Senator from Minnesota [Mr. HUMPHREY]. In the article, Dr. Blum wrote:

> In view of the critical financial condition in which so many colleges and universities find themselves, Senator HUMPHREY's tax-credit plan merits consideration.

Also in the same article, Dr. Blum discussed aid to students, in the following terms:

> A university which charges $950 in tuition fees, but actually spends $1,800 a year to educate a student, gives each student a subsidy of $850. Under the Humphrey plan, such a university could raise its tuition by $450 to $1,400, the student thereafter receiving these aids: from his father, in tuition payments, $935; from the Federal Government, in tax credits, $465; and from the university, $400. Under such conditions, a university of 5,000 full-term tuition-paying students would get an increase of $2,250,000 in income from tuition charges.

Mr. President, the Citizens National Committee for Higher Education, an organization formed to support the tax-credit plan both for educational expenses and for gifts to education, stated, in setting forth the advantages of the plan:

> It would effect a significant tax reduction for several million individual taxpayers, many of whom are hard pressed by the extraordinary costs of college education for their children.

At a later point, the same committee stated, however, that the legislation would—

> permit the entire amount of each allowable credit to go directly to an institution of higher learning.

The leaflet or booklet containing those statements was published by the committee, at South Bend, Ind.; and that group had also been supporting this proposal.

The analysis states:

> Again it is difficult to comprehend how the same funds could both relieve individuals and provide increased income for colleges and universities. It might do one or the other, but not both.

Therefore, Mr. President, I think this matter could well have been considered by the Education Subcommittee and could well have been passed upon by it.

Finally, Mr. President, I point out that the analysis to which I have been referring states:

> U.S. Government figures also show that 43 percent of all U.S. families with incomes under $5,000 pay no Federal income tax. This is a total of about 8 million families, or slightly more than one-sixth. None of these who have children in college would benefit from the tax-credit plan; all would be adversely affected by a rise in tuition charges.
>
> Also adversely affected would be students who are attempting to work their way through college and are essentially self-supporting. A study at one major public university showed that one-half of the male students, and one-third of the women, were completely "on their own," without family help.
>
> Under the tax-credit plan, both children of families which pay no Federal income taxes and students who are self-supporting would face substantial increases in the costs of attending college, with no compensating tax relief.

In short, Mr. President, not one of those families would have in college one child who could benefit by 1 penny by means of this proposal.

When we begin to consider such proposals, I believe we should carefully consider who would be benefited—whether the institutions or the pupils or the parents. When we give careful consideration to that aspect of the proposal, I believe we then reach the conclusion that this proposal would not result in a very wise use of public funds.

TRIBUTE TO EDWARD M. TURNER

Mr. HART. Mr. President, funeral services today, in Detroit, marked the passing of a valiant leader in the struggle for racial justice and equality of opportunity in this country. Edward M. Turner has for almost 15 years served as president of the Detroit branch of the National Association for the Advancement of Colored People. Under his leadership, the Detroit branch has become the largest in the Nation, with 25,000 members. I am proud, Mr. President, to number myself as one of those members.

Mr. Turner was on the national NAACP board, was cochairman of the Citizens Committee for Equal Opportunity, and was chairman of the Michigan Coordinating Council for Civil Rights. Over the years, he served with distinction in many posts of community responsibility: the State Fair Election Practices Commission, the Michigan Probation and Parole Committee, the White House Conference on Education—and the list goes on and on. In this connection, I certainly wish to stress the fact that he served on the first Michigan Advisory Committee to the U.S. Commission on Civil Rights.

Mr. President, Edward M. Turner was born 57 years ago in Arkansas. As a young man, he graduated from the University of Michigan and, subsequently, from the Detroit College of Law. He worked his way through college by being employed as a Pullman porter. Over the years—engaged, as he was, in that intense struggle—many of those who did not know Mr. Turner assumed that he must be 7 feet tall, breathing fire, and carrying an iron club.

In truth, he was a gentleman whose strength came from the depth of his conviction and from his own integrity.

It was given to him to see advances in the area of his primary concern—advances far beyond those which I suspect he had ever dreamed possible.

I remember his last visit to me, here in Washington. It was the occasion of the very moving march of last summer. Even then the mark of the illness which eventually claimed him was upon him. But he saw at hand a new day—a day to which he made magnificent contributions.

I am sure he is now at rest in the hands of the Creator of each of us, the Creator whom each of us is told to meet in his own image and likeness.

I know that the lesson of the life of Edward Turner will not be lost upon the people of Detroit or the people of Michigan or the people of the Nation.

It is small comfort, but I would wish to tell his wonderful wife and their two fine sons that their husband and father will be remembered fondly by all who knew him, and that his services will benefit generations who will never even hear of him.

But, Mr. President, the cause of freedom and justice in the United States has been advanced immeasurably by the presence on the earth of this good man, of whose passing I regret to inform the Senate. I do so at the close of this busy day, thus marking the funeral today, in Detroit, of Edward M. Turner.

ADJOURNMENT TO 10 A.M. TOMORROW

Mr. SMATHERS. Mr. President, if no other Senator desires to address the Senate at this time, I move that the Senate adjourn, under the order entered earlier today, until tomorrow.

The motion was agreed to; and (at 8 o'clock and 7 minutes p.m.), the Senate adjourned, under the order entered earlier today, until tomorrow, Tuesday, February 4, 1964, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate February 3, 1964:

U.S. District Judges

A. Leon Higginbotham, Jr., of Pennsylvania, to be U.S. district judge for the eastern district of Pennsylvania. He was appointed during the last recess of the Senate.

John Morgan Davis, of Pennsylvania, to be U.S. district judge for the eastern district of Pennsylvania. He was appointed during the last recess of the Senate.

David Rabinovitz, of Wisconsin, to be U.S. district judge for the western district of Wisconsin. He was appointed during the last recess of the Senate.

Spottswood W. Robinson III, of the District of Columbia, to be U.S. district judge for the District of Columbia. He was appointed during the last recess of the Senate.

Diplomatic and Foreign Service

W. Tapley Bennett, Jr., of Georgia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominican Republic.

William Attwood, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Kenya.

James D. Bell, of New Hampshire, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Malaysia.

In the Navy

Rear Adm. Benedict J. Semmes, Jr., U.S. Navy, for appointment as Chief of Naval Personnel for a term of 4 years pursuant to title 10, United States Code, section 5141.

Having designated Rear Adm. Benedict J. Semmes, Jr., U.S. Navy, under the provisions of title 10, United States Code, section 5231, for commands and other duties determined by the President to be within the contemplation of said section, I nominate him for appointment to the grade of vice admiral while so serving.

The following-named officers of the Navy for appointment to the grade of vice admiral on the retired list in accordance with title 10, United States Code, section 5233:

Vice Adm. Herbert D. Riley, U.S. Navy.

Vice Adm. Rufus E. Rose, U.S. Navy.

In the Army of the United States

The following-named officers for temporary appointment in the Army of the United States to the grades indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be major generals

Brig. Gen. William Charles Haneke, O20263, U.S. Army.

Brig. Gen. Kenneth Gregory Wickham, O21073, Army of the United States (colonel, U.S. Army).

Brig. Gen. Hamilton Austin Twitchell, O19843, U.S. Army.

Brig. Gen. John Hart Caughey, O19885, U.S. Army.

Brig. Gen. Frederick James Clarke, O20572, Army of the United States (colonel, U.S. Army).

Brig. Gen. James Edward Landrum, Jr., O20216, U.S. Army.

Brig. Gen. Walter Thomas Kerwin, Jr., O21963, Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Ferdinand Joseph Chesarek, O21177, Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert Henry Schellman, O22002, Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. George Henry Walker, O20617, Army of the United States (colonel, U.S. Army).

Brig. Gen. Joseph Rieber Russ, O19860, U.S. Army.

Brig. Gen. Bruce Edward Kendall, O30623, U.S. Army.

Brig. Gen. James Willoughby Totten, O19834, U.S. Army.

Brig. Gen. Frederic William Boye, Jr., O21891, Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Lloyd Elmer Fellenz, O19485, U.S. Army.

Brig. Gen. Roy Lassetter, Jr., O51714, U.S. Army.

Brig. Gen. Howard McCrum Snyder, Jr., O20213, U.S. Army.

Brig. Gen. Robert Hawkins Adams, O19474, U.S. Army.

Brig. Gen. Carl C. Turner, O31909, Army of the United States (colonel, U.S. Army).

Brig. Gen. Douglas Blair Kendrick, Jr., O20511, Army of the United States (colonel, U.S. Army).

To be brigadier generals

Col. Lawrence Joseph Fuller, O22901, Army of the United States (lieutenant colonel, Judge Advocate General's Corps, U.S. Army).

Col. Victor Woodfin Hobson, Jr., O23038, Army of the United States (lieutenant colonel, U.S. Army).

Col. John MacNair Wright, Jr., O23057, Army of the United States (lieutenant colonel, U.S. Army).

Col. Charles Thompson Horner, Jr., O23530, Army of the United States (lieutenant colonel, U.S. Army).

Col. Elmer Hugo Almquist, Jr., O24228, Army of the United States (lieutenant colonel, U.S. Army).

Col. Paul Francis Smith, O33169, Army of the United States (lieutenant colonel, U.S. Army).

Col. Stephen Wheeler Downey, Jr., O22649, Army of the United States (lieutenant colonel, U.S. Army).

Col. Shelton E. Lollis, O32575, Army of the United States (lieutenant colonel, U.S. Army).

Col. Kenneth Wilson Collins, O22169, Army of the United States (lieutenant colonel, U.S. Army).

Col. Ellis Edmund Wilhoyt, Jr., O20593, U.S. Army.

Col. Donald Ralph Pierce, O43332, U.S. Army.

Col. Paul David Phillips, O22939, Army of the United States (lieutenant colonel, U.S. Army).

Col. Lawrence Harland Walker, Jr., O34243, Army of the United States (lieutenant colonel, U.S. Army).

Col. Melvin Zais, O33471, Army of the United States (lieutenant colonel, U.S. Army).

Col. Roger Merrill Lilly, O21924, Army of the United States (lieutenant colonel, U.S. Army).

Col. Edmund Louis Mueller, O34292, Army of the United States (lieutenant colonel, U.S. Army).

Col. Hal Dale McCown, O23532, Army of the United States (lieutenant colonel, U.S. Army).

Col. John Hancock Hay, Jr., O25290, Army of the United States (lieutenant colonel, U.S. Army).

Col. Howard Francis Schlitz, O38956, U.S. Army.

Col. Robert Clyde Gildart, O20703, U.S. Army.

Col. Charles Henderson Hollis, O38981, Army of the United States (lieutenant colonel, U.S. Army).

Col. George Cicero Fogle, O44428, Army of the United States (lieutenant colonel, U.S. Army).

Col. James Sykes Billups, Jr., O210932, Army of the United States (lieutenant colonel, U.S. Army).

Col. Glenn David Walker, O33282, Army of the United States (lieutenant colonel, U.S. Army).

Col. Walter Bernard Bess, O20151, U.S. Army.

Col. William Henry Blakefield, O33927, Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard Thomas Knowles, O35418, Army of the United States (lieutenant colonel, U.S. Army).

Col. Frank LeRoy Gunn, O34734, Army of the United States (lieutenant colonel, U.S. Army).

Col. Thomas Brownbridge Simpson, O20902, U.S. Army.

Col. Roy Tinsley Dodge, O21468, Army of the United States (lieutenant colonel, U.S. Army).

Col. Charles Carroll Case, Jr., O43824, Army of the United States (lieutenant colonel, U.S. Army).

Col. Jack Snead Blocker, O32118, U.S. Army.

Col. Harley Lester Moore, Jr., O40729, Army of the United States (lieutenant colonel, U.S. Army).

Col. Charles Harold Gingles, O20920, Medical Corps, U.S. Army.

Col. Laurence Addison Potter, O22294, Medical Corps, U.S. Army.

POSTMASTERS

The following-named persons to be postmasters:

ALASKA

Margaret E. Watson, McKinley Park, Alaska, in place of N. I. King, resigned.

Oscar R. Haynes, Pelican, Alaska, in place of D. Z. Sadlier, resigned.

CALIFORNIA

Gerald J. Stephens, Stirling City, Calif., in place of H. J. Martin, retired.

COLORADO

Olie H. Lee, Arriba, Colo., in place of J. R. Kraxberger, deceased.

Ernest R. Alexander, Glenwood Springs, Colo., in place of W. H. Farnum, Jr., deceased.

Carrol E. Byerrum, Grand Valley, Colo., in place of, Otis Murray, retired.

Clara W. Dennison, Hesperus, Colo., in place of Ethel Dunn, retired.

Jacob N. Schmidt, Montrose, Colo., in place of F. H. Buskirk, deceased.

Reyburn I. Morgan, Platteville, Colo., in place of G. E. O'Neill, retired.

DELAWARE

Melvin R. Hearn, Georgetown, Del., in place of H. T. Swain, retired.

HAWAII

Thomas T. Oyasato, Wahiawa, Hawaii, in place of M. C. White, retired.

ILLINOIS

Orlin H. Nuernberger, Barrington, Ill., in place of H. C. Berghorn, retired.

R. Kent Billingsley, Buncombe, Ill., in place of B. H. Davis, deceased.

Harold H. Westendorf, Dieterich, Ill., in place of G. C. Hardiek, transferred.

Elmer C. Kerley, Colp, Ill., in place of Raleigh Miller, retired.

Bennett V. Dickmann, Edwardsville, Ill., in place of R. A. Hanser, retired.

Robert T. Elgin, Fairmount, Ill., in place of R. M. Hart, retired.

Carol C. Wolwode, Forest City, Ill., in place of L. E. Folkman, retired.

William L. Parker, Genoa, Ill., in place of J. R. Sester, removed.

Richard W. Kempster, London Mills, Ill., in place of L. M. La Tourette, deceased.

Chris T. Stathis, Montgomery, Ill., in place of B. M. Paris, retired.

Joseph B. Reichard, Jr., Prophetstown, Ill., in place of M. D. Pritchard, deceased.

Ernest W. Bradley, Jr., Raleigh, Ill., in place of E. L. Glascock, retired.

Edward S. Howe, Robinson, Ill., in place of H. L. Thompson, deceased.

Alice L. Williams, Rockbridge, Ill., in place of R. W. Jacobi, retired.

William E. Manley, Sherman, Ill., in place of L. M. Allmon, resigned.

Wallace B. Rice, Williamsfield, Ill., in place of A. G. Daub, retired.

INDIANA

Mildred L. Burchett, Romney, Ind., in place of G. G. Barker, retired.

IOWA

Charles H. Hamilton, Barnes City, Iowa, in place of R. T. Allen, retired.

Byron L. Evans, Centerville, Iowa, in place of W. W. Koestner, deceased.

Lester C. Schulte, Elkader, Iowa, in place of Lyle Barthel, retired.

Lucille J. Erickson, Hartford, Iowa, in place of R. W. Schooler, retired.

John H. Tutje, Matlock, Iowa, in place of J. C. Koele, deceased.

Clarence W. Sorenson, Melvin, Iowa, in place of M. J. Wackerbarth, resigned.

Thomas L. McDermott, Oto, Iowa, in place of C. P. McKenna, deceased.

Dorothy M. Lowell, Postville, Iowa, in place of Keith Gray, retired.

Carl A. Thompson, Promise City, Iowa, in place of J. W. Smith, retired.

Harry G. Powell, Jr., Troy Mills, Iowa, in place of Paul Wilson, retired.

KANSAS

Donald C. Ratcliff, Belle Plaine, Kans., in place of W. L. Hartley, deceased.

Harold H. Derby, Dresden, Kans., in place of P. T. Welter, transferred.

M. Kenneth Morgan, Dwight, Kans., in place of L. A. Holshouser, retired.

Everett W. Hull, Fredonia, Kans., in place of W. W. Koch, retired.

Clarence E. Zarnowski, Halstead, Kans., in place of E. H. Malleis, retired.

Hubert P. Johnson, Harper, Kans., in place of W. W. Nye, transferred.

Raleigh J. May, Haven, Kans., in place of W. M. Stoffer, transferred.

Harold A. Tongish, McDonald, Kans., in place of J. W. Boyle, retired.

F X Buche, Miltonvale, Kans., in place of E. E. Buche, retired.

James R. Hogue, Pomona, Kans., in place of E. J. Neely, transferred.

Harold E. Good, Wellsville, Kans., in place of J. R. Simmons, retired.

Charles G. Meadows, Yoder, Kans., in place of D. M. Beachy, retired.

KENTUCKY

David S. Miranda, Ashland, Ky., in place of H. D. Shanklin, retired.

Bayne A. Keller, Dawson Springs, Ky., in place of G. B. Ramsey, retired.

John S. Humphrey, Jr., Jeffersontown, Ky., in place of R. H. Dickson, deceased.

Newell M. Hargett, Maysville, Ky., in place of N. M. Hargett, removed.

Jerry W. Davis, Radcliff, Ky., office established September 15, 1962.

Harry C. Wheeldon, Jr., South Carrollton, Ky., in place of H. C. Wheeldon, deceased.

James H. Sutton, Woodbine, Ky., in place of A. O. Perkins, retired.

MAINE

Evelyn W. Stinson, Dryden, Maine, in place of A. M. McLaughlin, retired.

Philip A. Whitehouse, Winter Harbor, Maine, in place of A. B. Gerrish, resigned.

MASSACHUSETTS

Maurice F. Foley, Rockport, Mass., in place of R. R. Wilson, retired.

MINNESOTA

Anton J. Foss, Houston, Minn., in place of A. S. Peterson, retired.

Ervin T. Wiebolt, Ogema, Minn., in place of D. C. Groth, transferred.

MISSISSIPPI

Harry O'Neill, Crenshaw, Miss., in place of F. H. Womack, retired.

Roy Robertson, State Line, Miss., in place of E. D. Barkley, retired.

Mary E. Meteer, Union Church, Miss., in place of Annie Saxon, retired.

MONTANA

Philip E. Pings, Augusta, Mont., in place of J. A. Manix, retired.

John J. McGlynn, Whitehall, Mont., in place of D. C. Bryan, retired.

NEBRASKA

Lorene M. Smith, Benedict, Nebr., in place of Viola Calhoon, retired.

Gerald V. Caldwell, Campbell, Nebr., in place of E. V. Balthazor, retired.

Nadine F. Summers, Creston, Nebr., in place of G. H. Summers, retired.

Orvale J. Widick, Farnam, Nebr., in place of W. E. Parker, retired.

Robert L. Jelden, Hildreth, Nebr., in place of Carl Kruse, transferred.

NEVADA

Vivian A. Cranmer, Pahrump, Nev., in place of F. L. Turner, resigned.

NEW HAMPSHIRE

Arthur J. King, Conway, N.H., in place of E. L. Richardson, retired.

Willis A. Ober, New Hampton, N.H., in place of D. L. Moody, retired.

NEW JERSEY

Claude R. Poyer, Belvidere, N.J., in place of N. H. Deshler, retired.

John B. White, Brielle, N.J., in place of A. L. Kroh, retired.

Jane M. Seelman, Dorothy, N.J., in place of C. R. Andersen, deceased.

Ida E. Smith, Goshen, N.J., in place of H. C. Shaw, deceased.

John G. Hurley, Hackettstown, N.J., in place of J. G. Stout, retired.

Harold R. Braun, Holmdel, N.J., in place of F. L. Pitcher, resigned.

Emma M. Stout, Island Heights, N.J., in place of E. V. Sharp, retired.

Stewart J. Hyland, Lakehurst, N.J., in place of H. J. Fuccile, removed.

Norman H. Levbarg, Lakewood, N.J., in place of W. H. Applegate, deceased.

Edward R. Haag, Levittown, N.J. Office established October 2, 1961.

H. Pearl Hinshaw, Long Valley, N.J., in place of Clarence Frone, retired.

Wilson G. Bell, Normandy Beach, N.J., in place of W. L. Kessler, resigned.

F. Robert Siebert, Point Pleasant Beach, N.J., in place of C. A. Synder, Sr., deceased.

Evelyn Burger, Quakertown, N.J., in place of P. P. Burger, deceased.

Warren T. Moulton, Rahway, N.J., in place of M. F. Gettings, deceased.

Samuel A. Van Sant, South Seaville, N.J., in place of M. M. Ratcliffe, resigned.

William E. Nagle, Vernon, N.J., in place of A. E. Baldwin, deceased.

John E. Lillback, Vincentown, N.J., in place of H. S. Elbert, removed.

Allan E. Hamilton, Waretown, N.J., in place of P. O. Bonnell, retired.

NEW MEXICO

Frances G. Shaw, Capitan, N. Mex., in place of O. V. Cloud, deceased.

Artenia L. Crick, Williamsburg, N. Mex., in place of T. B. Williams, removed.

NEW YORK

Joseph A. Smith, Jr., Barneveld, N.Y., in place of W. C. Wells, retired.

Oreina L. Lavoie, Champlain, N.Y., in place of E. A. Coonan, deceased.

James D. Folts, Cohocton, N.Y., in place of P. A. Kinkaid, retired.

Louden Rampe, East Hampton, N.Y., in place of S. B. Cline, retired.

John L. Kress, Jr., Galway, N.Y., in place of J. T. Hunter, retired.

Howard D. Holland, Hadley, N.Y., in place of V. B. Hawk, retired.

Carol A. Young, Hughsonville, N.Y., in place of J. F. Clark, resigned.

June J. Sinius, Huntington Station, N.Y., in place of L. P. Cass, deceased.

Martin J. Harr, Jr., Indian Lake, N.Y., in place of J. F. Farrell, retired.

Laura A. West, Livonia Center, N.Y., in place of N. M. Panipinto, deceased.

Francis P. Secor, Otego, N.Y., in place of R. A. Southard, declined.

Albert G. Evans, Saratoga Springs, N.Y., in place of J. T. Bryant, deceased.

Margaret B. Forbes, Smithtown, N.Y., in place of F. T. Nichols, retired.

Vincent J. Boccalini, Valley Cottage, N.Y., in place of Frank Piliere, deceased.

Louis P. Kriss, West Islip, N.Y. Office established September 15, 1958.

Francis J. Foote, Valois, N.Y., in place of J. E. Hawes, declined.

NORTH DAKOTA

Arthur B. Haakenson, Tioga, N. Dak., in place of G. E. Mark, retired.

Earl B. Lindstedt, Cardington, Ohio, in place of P. D. Fleming, deceased.

Nelson E. Sundermeier, Cleveland, Ohio, in place of J. S. Frantz, retired.

OKLAHOMA

Ward W. Newport, Cushing, Okla., in place of T. A. Holland, retired.

Frank H. Hall, Seminole, Okla., in place of W. E. Logan, retired.

PENNSYLVANIA

Edward L. Ricci, Ambridge, Pa., in place of E. L. Sohn, retired.

Charles H. Heffner, Arendtsville, Pa., in place of W. A. Raffensperger, retired.

John A. Zoppetti, Darlington, Pa., in place of A. K. Hunt, retired.

Margery B. Lehman, Duke Center, Pa., in place of Semelsberger, deceased.

Catherine S. Golobish, East Millsboro, Pa., in place of Besse Daugherty, retired.

Nicholas C. Nachman, East Springfield, Pa., in place of M. G. Spencer, retired.

George T. Steinberger, Fairfield, Pa., in place of J. W. Beach, resigned.

Charles C. Kerlin, Falls, Pa., in place of C. H. Freas, resigned.

Adeline M. Waters, Gifford, Pa., in place of Elizabeth Shelley, deceased.

Ruth L. Funk, Glenwillard, Pa., in place of G. W. Golden, retired.

Walter G. Woolbaugh, Hallstead, Pa., in place of F. E. Chamberlin, retired.

Andrew F. Gresh, Hiller, Pa., in place of F. E. Blair, deceased.

Robert M. Kellerman, Irvine, Pa., in place of H. K. Kellerman, resigned.

Russell R. Weaver, Jackson Center, Pa., in place of J. H. McConnell, retired.

Victor N. Deane, Kane, Pa., in place of J. G. O'Connor, deceased.

George A. Ciprich, Laceyville, Pa., in place of A. C. O'Mara, retired.

William E. Nolan, Lake Ariel, Pa., in place of E. A. Deming, retired.

John F. Walker, Leechburg, Pa., in place of J. E. Clark, retired.

Warren B. Stapleton, Lewisburg, Pa., in place of G. L. Johnson, retired.

George M. Guswiler, Mechanicsburg, Pa., in place of G. C. Dietz, transferred.

Edward B. Henning, Mehoopany, Pa., in place of D. R. Sheehan, retired.

George Mermon, Nesquehoning, Pa., in place of V. J. Koomar, deceased.

Donald J. Bogert, North East, Pa., in place of L. A. Clavin, retired.

Ned M. Hartsell, Oil City, Pa., in place of L. J. English, retired.

Charles N. Moyer, Jr., Reinholds, Pa., in place of W. C. Brendel, resigned.

Ethel E. Murphy, Rossville, Pa., in place of M. E. Spangler, resigned.

Jerome A. Frank, Saint Marys, Pa., in place of D. A. Phelan, retired.

Lester L. Miller, Slatedale, Pa., in place of F. O. Shenton, retired.

Fred M. Kerr, Stoneboro, Pa., in place of W. D. McIntire, retired.

William D. Hartman, Stouchsburg, Pa., in place of M. W. Loeb, retired.

Everett A. Holmes, Thompson, Pa., in place of P. W. Walker, retired.

Walter P. Quintin, Thornton, Pa., in place of Lawson Stinson, resigned.

William J. Shields, Tidioute, Pa., in place of L. B. Atkin, retired.

Walter S. Morrison, Jr., Transfer, Pa., in place of R. D. Heile, retired.

Jane W. Hinkle, West Hickory, Pa., in place of H. B. Wheeler, retired.

John D. Kershner, Witmer, Pa., in place of W. W. Kershner, retired.

RHODE ISLAND

Raymond N. Lombardi, Warren, R.I., in place of J. E. Conley, deceased.

SOUTH CAROLINA

John W. Rogers, Pelzer, S.C., in place of Sue Scott, retired.

TEXAS

Charlie T. Cummings, Alvarado, Tex., in place of E. P. Robinson, retired.

Robert E. Baccus, Athens, Tex., in place of G. A. Boswell, transferred.

Charles D. Brown, Bremond, Tex., in place of A. H. Clark, retired.

Jimmie L. McFarland, Claude, Tex., in place of C. W. Appling, retired.

Ted Reeder, Crowell, Tex., in place of Alva Spencer, retired.

Henry F. Sheppard, Cuero, Tex., in place of S. G. Tarkington, Jr., retired.

James W. Dowe, Jr., Falfurrias, Tex., in place of T. R. Bennett, retired.

Verna A. Vanderlip, Kemah, Tex., in place of A. M. Martin, retired.

Finis L. Jeter, Kemp, Tex., in place of H. W. Haynis, retired.

James W. McMillan, Kingsville, Tex., in place of P. D. Cauley, Sr., retired.

Dan J. Morse, Lewisville, Tex., in place of J. C. Cobb, retired.

W. Phillips Wolford, McKinney, Tex., in place of D. O. Davis, retired.

Ted F. Robinson, Marietta, Tex., in place of R. L. Harris, transferred.

Charlie Scaff, Matador, Tex., in place of E. F. Springer, retired.

Donald C. Reece, Prosper, Tex., in place of A. E. Robison, deceased.

Ben H. Moeller, Jr., New Ulm, Tex., in place of H. L. Muenzler, transferred.

Eddith P. Mattox, Rio Vista, Tex., in place of I. C. McClellan, retired.

Leo Strange, Trinidad, Tex., in place of W. A. Trotman, retired.

Florence E. Warren, Wilmer, Tex., in place of H. M. Stadden, retired.

WASHINGTON

D. Ben Meservey, Aberdeen, Wash., in place of G. D. Magee, retired.

WISCONSIN

Charles F. Lieder, Cornell, Wis., in place of R. W. Howard, retired.

CALIFORNIA

Loraine B. Rolfe, Garden Valley, Calif., in place of B. H. Ostenrieder, retired.

Walter E. Nielson, Hawthorne, Calif., in place of A. F. White, retired.

Grant H. Carpenter, Pacific Grove, Calif., in place of Howard Neubauer, deceased.

Roberta E. Chilton, Willow Creek, Calif., in place of E. D. Robinson, retired.

COLORADO

Warren E. Gresham, Elbert, Colo., in place of M. L. Orin, transferred.

CONNECTICUT

Wilfred O. Racicot, Dayville, Conn., in place of W. A. Rollinson, retired.

GEORGIA

W. Louie Smith, Reidsville, Ga., in place of Rushin Watkins, retired.

ILLINOIS

James D. Lacey, Centralia, Ill., in place of O. E. Harmon, retired.

George S. Molton, Glen Ellyn, Ill., in place of H. J. Kribs, resigned.

Albert Mecozzi, Hennepin, Ill., in place of L. M. Forcht, retired.

Anna Mae Droit, Thompsonville, Ill., in place of H. M. Bowman, deceased.

INDIANA

Naomi R. Parks, Centerpoint, Ind., in place of W. E. Huber, retired.

Roy M. Cummings, Chandler, Ind., in place of C. E. Perigo, deceased.

Charles J. Waiz, Sellersburg, Ind., in place of C. A. Waiz, retired.

IOWA

Marvin W. Dammann, Little Rock, Iowa, in place of W. J. Lindaman, retired.

Lewis E. Pond, Marshalltown, Iowa, in place of C. A. Norland, retired.

KENTUCKY

John J. Tohill, Somerset, Ky., in place of M. E. Burton, retired.

Lillian B. Vass, Stone, Ky., in place of J. S. May, retired.

MAINE

John C. Hayman, Danforth, Maine, in place of C. J. Lausier, resigned.

MASSACHUSETTS

Thomas F. Burke, Chelmsford, Mass., in place of S. C. Perham, deceased.

Mary C. Egan, Siasconset, Mass., in place of Philip Morris, retired.

MICHIGAN

Robert W. Nimmo, Vicksburg, Mich., in place of C. S. Carvell, retired.

MINNESOTA

Richard J. Smith, Morris, Minn., in place of Margaret Mahoney, retired.

Clement M. Mickus, New Prague, Minn., in place of A. J. Suel, retired.

MISSISSIPPI

James M. May, Jr., Florence, Miss., in place of D. B. Courtney, retired.

MISSOURI

John D. MacDonald, Poplar Bluff, Mo., in place of Z. L. Stokley, retired.

NEBRASKA

Leonard A. Mangold, Bennington, Nebr., in place of W. G. Mangold, retired.

Geneva E. Colerick, Brock, Nebr., in place of M. L. Haneline, retired.

George Skokan, Niobrara, Nebr., in place of A. J. Netherda, retired.

Edward E. Tomek, Table Rock, Nebr., in place of William Vondrasek, retired.

NEW YORK

Gordon P. Atwell, Clarence, N.Y., in place of C. A. Daigler, deceased.

John P. Hennessy, Geneva, N.Y., in place of D. F. Driscoll, retired.

Augustine J. Matone, Haverstraw, N.Y., in place of E. A. Ganson, resigned.

Marguerite G. Clay, Middle Island, N.Y., in place of G. E. Pfeiffer, retired.

Norma F. Bodratti, Round Top, N.Y., in place of H. M. Engelmann, resigned.

Lena P. McPeck, Staatsburg, N.Y., in place of Helen Murphy, deceased.

NORTH CAROLINA

Charles Barden, Clayton, N.C., in place of H. Q. Hocutt, deceased.

Earl W. Vickers, Elon College, N.C., in place of H. E. Whitesell, retired.

OHIO

Chalmer H. Smith, Alliance, Ohio, in place of R. J. Gamble, transferred.

Kenneth H. Myrick, Amelia, Ohio, in place of A. M. Waggal, retired.

Ray W. Malott, Georgetown, Ohio, in place of C. F. Thompson, deceased.

Edward H. Shrodes, Martins Ferry, Ohio, in place of O. C. Frantz, retired.

OKLAHOMA

Fannie M. Martin, Langley, Okla., in place of Lola Knotts, retired.

Dayton H. Hoffman, Shadypoint, Okla., in place of Ava Waters, retired.

PENNSYLVANIA

Paul B. Vandevander, Bellwood, Pa., in place of R. M. Dysart, retired.

Timothy C. Donohue, Bradford, Pa., in place of C. E. Sheldon, deceased.

Arthur E. Smith, Crooked Creek, Pa., in place of J. A. Brown, transferred.

Robert K. Tabler, Echo Lake, Pa., in place of A. A. Strunk, retired.

Vernon E. Oberdorff, Sr., Windsor, Pa., in place of E. A. Hartman, retired.

SAMOA

Aifili P. Lauvao, Pago Pago, Samoa, in place of Edward Hunkin, removed.

TENNESSEE

Charles A. Whitaker, Bells, Tenn., in place of G. W. Mobley, deceased.

TEXAS

James T. Maness, Granbury, Tex., in place of C. R. Cleveland, retired.

Irleene G. Irwin, Tehuacana, Tex., in place of M. L. Cogdell, retired.

VIRGINIA

Ruth N. Morgan, Clover, Va., in place of A. L. Williams, resigned.

Katherine L. Richwine, Urbanna, Va., in place of E. P. Jones, retired.

WASHINGTON

Martin D. Westphal, Bellevue, Wash., in place of V. R. Nixon, deceased.

WEST VIRGINIA

Gene E. O'Bryan, Jenkinjones, W. Va., in place of W. E. Gravely, retired.

WISCONSIN

John J. Dachel, Neenah, Wis., in place of G. F. Rasmussen, retired.

ALABAMA

Walter H. Bryan, Columbia, Ala., in place of G. L. Oakley, removed.

Mary M. Hope, Henagar, Ala., in place of J. E. Summerour, retired.

ARIZONA

Ula J. Merrell, Pinetop, Ariz., in place of J. C. Cox, deceased.

Wallace Ashcroft, Springerville, Ariz., in place of P. E. Udall, retired.

CALIFORNIA

Oleta M. Walker, Chualar, Calif., in place of A. O. Brown, retired.

William I. Haynes, Fillmore, Calif., in place of J. K. Schwartz, retired.

Robert Olsen, San Luis Rey, Calif., in place of M. M. Brown, resigned.

FLORIDA

Henry A. Brosnaham, Jr., Pensacola, Fla. in place of M. O. Brawner, retired.

Mary L. Norwood, Waldo, Fla., in place of V. D. Welch, deceased.

GEORGIA

George F. Whatley, Cedartown, Ga., in place of Thomas Adamson III, retired.

Andrew J. Trulock, Climax, Ga., in place of C. O. Carter, retired.

Glenn G. Burch, Dallas, Ga., in place of F. T. Cochran, removed.

John C. Wayne, Grayson, Ga., in place of W. T. Britt, retired.

William F. Harris, Roberta, Ga., in place of R. E. Walker, retired.

ILLINOIS

Emerson M. Chapman, Atwood, Ill., in place of M. E. Harder, retired.

William T. Pleasant, Cornell, Ill., in place J. R. Jirus, deceased.

Vincent A. Lawniczak, Depue, Ill., in place of S. R. Piascyk, deceased.

William A. Loy, Murphysboro, Ill., in place of H. W. Cleland, retired.

Harry K. Hughes, Table Grove, Ill., in place of O. S. Bradford, retired.

INDIANA

Robert E. Haynes, Converse, Ind., in place of G. L. Knox, retired.

L. Evelyn Seymour, Fishers, Ind., in place of Francana McGhehey, retired.

Guy J. Sutton, Gas City, Ind., in place of W. G. Burgess, deceased.

Patrelia J. Ansberry, Yoder, Ind., in place of D. L. Patten, transferred.

IOWA

Harold J. Stender, Denison, Iowa, in place of L. J. Miller, retired.

KANSAS

James D. McDermed, Effingham, Kans., in place of C. A. Hegarty, retired.

M. Vernon Kuckelman, Everest, Kans., in place of H. J. Kuckelman, retired.

Doris O. Landry, Zurich, Kans., in place of O. E. Landry, deceased.

KENTUCKY

Norris M. Willett, Jr., Masonic Home, Ky., in place of John Reinhard, retired.

Hiram C. Morris, Woodburn, Ky., in place of L. W. Hobbs, retired.

MAINE

Clayton E. Child, West Peru, Maine, in place of W. L. Jordan, retired.

MASSACHUSETTS

Robert H. Donovan, Bolton, Mass., in place of S. G. Rhodes, retired.

MICHIGAN

Joseph L. Pintek, Goodrich, Mich., in place of Roy Mellon, retired.

Herbert W. Lynch, Montague, Mich., in place of E. R. Thompson, resigned.

MINNESOTA

William E. Boyer, Cloquet, Minn., in place of R. O. Johnson, deceased.

Francis W. Smith, Laporte, Minn., in place of F. J. Peterson, retired.

MISSISSIPPI

Lex Brame, Jr., Bay Springs, Miss., in place of L. B. McDonald, retired.

NEBRASKA

Roy E. Boham, Bassett, Nebr., in place of F. C. Diehl, deceased.

Irvin V. Worden, Friend, Nebr., in place of J.C. Horner, resigned.

Richard A. Moller, Irvington, Nebr., in place of K. D. Timperley, resigned.

Victor E. Kuhlmann, North Platte, Nebr., in place of H. B. Burton, retired.

Leonard P. Kavanaugh, Tecumseh, Nebr., in place of L. C. Kuster, retired.

NEW HAMPSHIRE

Marjorie A. Kimball, South Danville, N.H., in place of M. M. Heath, retired.

NEW JERSEY

Edward J. Phipps, Chatham, N.J., in place of F. D. McHugh, retired.

NEW YORK

John J. McNamara, Commack, N.Y., in place of M. E. Clark, removed.

Robert L. Callahan, Cooperstown, N.Y., in place of M. C. Bundy, retired.

Herbert L. Poore, New Lebanon, N.Y., in place of M. L. Smith, retired.

Clifford F. Hourihan, North Lawrence, N.Y., in place of J. T. Lockbaum, retired.

NORTH CAROLINA

Lucious J. Stallings, Enfield, N.C., in place of R. A. Whitaker, deceased.

John B. Bell, Macon, N.C., in place of M. B. Hilliard, transferred.

Clifford S. Goddard, Millers Creek, N.C., in place of N. E. McNeil, retired.

OHIO

E. Wayne Blake, Belmont, Ohio, in place of E. W. Carman, retired.

Richard H. Stegner, Malta, Ohio, in place of Forrest Finley, retired.

William B. Berkey, Smithville, Ohio, in place of V. O. Hutchison, deceased.

OKLAHOMA

Francis C. Goodpaster, Vinita, Okla., in place of Frank Bailey, deceased.

PENNSYLVANIA

Anna M. Houck, Birchrunville, Pa., in place of J. H. Dewees, retired.

William L. Dennis, Drexel Hill, Pa., in place of S. M. Considine, retired.

Mary B. Defibaugh, New Kingstown, Pa., in place of M. S. Raudabaugh, retired.

RHODE ISLAND

William P. Harrington, Newport, R.I., in place of J. S. Lehane, retired.

TENNESSEE

Howard R. Benson, Concord, Tenn. Established, October 2, 1961.

Walter F. Dyer, Mohawk, Tenn., in place of S. E. Kidwell, retired.

William D. Parham, Tullahoma, Tenn., in place of Floyd Mitchell, retired.

TEXAS

Grover C. Rue, Celina, Tex., in place of V. D. Phillips, retired.

H. Green Stoker, Mineral Wells, Tex., in place of S. C. Moore, resigned.

B. Price Franklin, Seymour, Tex., in place of R. L. McGuire, retired.

UTAH

Gladys M. Schroeder, Willard, Utah, in place of L. J. Baird, retired.

VERMONT

Donald H. Scribner, Ascutney, Vt., in place of A. C. Marston, retired.

VIRGINIA

William H. Eure, Wakefield, Va., in place of G. T. Allen, retired.

VIRGIN ISLANDS

Curneall Watson, Frederiksted, V.I., in place of Adele Berg, resigned.

WASHINGTON

John I. Ogburn, Wapato, Wash., in place of George Rodman, retired.

WEST VIRGINIA

Fred H. Kelly, Bruceton Mills, W. Va., in place of Q. V. Steving, resigned.

WISCONSIN

George D. Ovans, Keenan, Wis., in place of V. J. Adomaitis, transferred.

EXTENSIONS OF REMARKS

Broadcasting Industry Polices Itself

EXTENSION OF REMARKS
OF

HON. KENNETH A. ROBERTS

OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 3, 1964

Mr. ROBERTS of Alabama. Mr. Speaker, I wish to take this opportunity to congratulate the broadcasting industry for the action it has taken to place restrictions on the depiction of cigarette smoking.

The Television Board of the National Association of Broadcasters recently approved two recommendations from its Television Code Review Board which are a credit to the industry.

First, it is stated with respect to TV programs that "care should be exercised so that cigarette smoking will not be depicted in a manner to impress the youth of our country as a desirable habit and worthy of imitation."

With respect to commercial announcements, the code will have a new provision stating that "the advertising of cigarettes should not be presented in a manner to convey the impression that cigarette smoking promotes health or is important to personal development of the youth of our country."

In addition, the director of the code authority, Howard H. Bell, reported that these actions do not represent the end of the TV industry's review and study of the matter. Both the radio and the television code review boards have appointed special committees to determine what future steps should be taken in the light of further information and developments.

In the meantime, the Radio Code Board urges code subscribers and all licensees to scrutinize carefully all cigarette advertising copy to determine whether or not its broadcast is in the public interest.

This positive action is a fine example of the sense of public responsibility and self-regulation exercised by broadcasters through their radio and television codes.

As chairman of the Subcommittee on Health and Safety, I am most pleased with this action of the industry.

As a member of the Interstate and Foreign Commerce Committee I have had a considerable interest in the radio and television media and have introduced legislation to prevent the Federal Communications Commission from deintermixing and taking VHF from certain areas of the country. As a result legislation was enacted to require all-channel tuners on sets manufactured after May of this year, thus enabling viewers to receive both VHF and UHF.

I also introduced legislation to prevent the Federal Communications Commission from carrying out its proposal to limit the time and frequency of commercials. As a result of the hearings held by the Subcommittee on Communications and Power, of which my distinguished colleague from Texas, WALTER ROGERS, is chairman, the Commission withdrew its proposal.

Mr. Speaker, I believe that the action taken by the industry in this case certainly very clearly points out the desire of the media to police itself in order that the highest standards of broadcasting can be maintained without undue and unnecessary interference by agencies of the Government.

I wish to congratulate the industry for the affirmative action it has taken in the public interest and I am hopeful that the Federal Communications Commission will take proper note of the efforts the industry is taking on its own initiative.

The Honorable Mr. Groundhog

EXTENSION OF REMARKS
OF

HON. ALBERT W. JOHNSON

OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 3, 1964

Mr. JOHNSON of Pennsylvania. Mr. Speaker, yesterday, February 2, 1964, was Groundhog Day and the groundhog emerged from his burrow on Gobbler's Knob in Punxsutawney, Pa., at 7:29 a.m. Unfortunately he saw his shadow and by reason of this incident we can look forward to 6 more weeks of winter.

The entire Nation these days is talking about civil rights and it is the subject before the Congress this very week. It was pointed out at the annual banquet of the Punxsutawney Groundhog Club that no creature has had to fight for his rights or his place in the sun harder than the Punxsutawney groundhog.

In the first place, he has had to fight off imposters such as Quarryville, Pa.'s, alleged weather prophet, and that imitator from Sun Prairie, Wis.

It has been successfully proven that the Punxsutawney groundhog is the only true and pure groundhog in the world and the only one that can claim the distinction of being the infallible weather prophet. Despite those who would proselyte the King of Gobbler's Knob he continues to reign supreme.

Much is being said these days about housing and other accommodations. In this field the Punxsutawney groundhog has his troubles. Of all those wanting equal shelter rights no one has to work harder than he. He works and slaves and digs a nice home under the sod only to have it invaded by skunks, rabbits, foxes, weasels, and even raccoons have been known to try to dispossess him. If he makes a nice home out in the middle of a golf course in keeping with his aristocratic blood lineage, someone comes along with a tractor and it is no more.

As a weather prophet he also has his troubles and is the subject of discrimination. No other topic these days on radio and television receives as much prominence as the forecasting of the weather. If the Punxsutawney groundhog sees his shadow and goes back into his warm bed for 6 more weeks you can rest assured we will have 6 more weeks of winter. But despite this trustworthy forecast the weathermen say spring is just around the corner and ignore the advice of Mr. Groundhog.

Despite the fact the groundhog saw his shadow immediately and was impelled to make a rapid retreat to his burrow he took time out to intone the following well-known song:

> Me and my shadow
> All alone out in the snow.
> Me and my shadow
> Trying to decide just where to go.
> And as the world outside
> Watches my day
> The cold north wind
> Drives sunshine away.
> Then, me and my shadow
> Disappear 6 weeks from view.

Israel Shows the Way to Regional Development

EXTENSION OF REMARKS
OF

HON. JAMES C. HEALEY

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, February 3, 1964

Mr. HEALEY. Mr. Speaker, 2 weeks ago the heads of the 13 Arab States met in Cairo and when they concluded their 3-day summit meeting they released a communique replete with invective against the State of Israel.

What was this so-called dangerous and ominous act of aggression on the part of Israel which brought together such enemies as Yemen's President Sallal and Saudi Arabia's King Saud, Algeria's Ben Bella and King Hassan of Morocco, Jordan's King Hussein, and Gamal Abdel Nasser? It was the imminent completion of Israel's Jordan River development project. Because of their irrational hatred of Israel, the Arabs have adopted a dog-in-the-manger attitude toward Israel's water program. They fight it and inveigh against it, even though it would do them no harm. Israel will gain much-needed water for irrigation. The Arabs will lose not one drop because of it.

Actually, the Middle East does not lack for water. It has, in some areas, plenty of rainfall. Four of its rivers—the Euphrates, the Orontes, the Litani and the Jordan—hold more than 30 billion cubic meters of water. But most of it is wasted. The water runs, unused, into the sea. In the rainy season, torrents of water flood northern Israel, but, uncontrolled, they drain wastefully away.

Many American statesmen and engineers have long been interested in putting these waters to work. In 1918, when the mandates for Palestine and Syria were being negotiated, President Woodrow Wilson proposed that Palestine's northern border include the Litani River. His recommendation was not accepted and so today most of the Litani River water, allocated to Lebanon, is wasted.

But Britain's Prime Minister Lloyd George insisted that the Jordan River and its sources be within Palestine's borders. "The waters of Palestine," he said, "are essential to its existence. Without these waters Palestine would be a wilderness. On the other hand, these waters are of no use to anyone holding Syria." And so the international frontier of Palestine was fixed east of the Jordan and Lake Tiberias.

Israel is already using 80 percent of its total water supply to irrigate cultivated land. Almost all of the remaining 20 percent comes from the Jordan. But in the southern Negev, which is arable, there is no water. To irrigate this land, Israel must move its northern water to the south—by canals, tunnels, and pipes. This is the system that will be put into operation this spring. It is completely within the guidelines of what is known as the Johnston plan.

This is not a new scheme. The eminent American conservationist, Dr. Walter Clay Lowdermilk, proposed a Jordan Valley Authority—something like our own TVA—in 1939, to use the Jordan for both power and irrigation. But the Arabs went to war against Israel and the plan had to be dropped. In 1953, however, Israel began work on its own and started to build a canal which would lead to a hydroelectric plant and then move the water through a pipeline to the south. The work was begun at Bnot Yaakov, which is in a "demilitarized zone" and Syria protested the canal's construction with gunfire. The issue went to the U.N. Security Council. The work was stopped while the United Nations studied ways of mollifying the Syrians.

In 1953, President Eisenhower sent Ambassador Eric Johnston to the Middle East. After 2 years of negotiations, Mr. Johnston was able to secure the agreement of Israel and Arab technicians to a unified plan. Syria and Lebanon, which need very little of the Jordan River waters, were allotted the small percentage they requested. Jordan was given all the water it needed to irrigate the irrigable land on its side of the river—about 120,000 acres. Israel was allotted what was left.

That meant that 61 percent of the water would go to the three Arab countries and Israel would get about 39 percent. In addition, Israel was to bank about 300 million cubic meters of water to Jordan's account in the Sea of Galilee, releasing it in the dry season to be conveyed to Jordanian lands east of the Jordan River.

Despite the fact that the figures had been suggested by the Arab technicians and Israel accepted them only because of her eagerness for an overall agreement, Arab politicians refused to ratify the plan. They would enter into no agreement that would benefit Israel in any way.

But even without an overall agreement, both Israel and Jordan have gone ahead with separate plans consistent with Mr. Johnston's original proposal.

Jordan has nearly completed its East Ghor Canal, utilizing most of the Yarmuk waters. This $25 million project—the United States is contributing $19 million of it—will irrigate 30,000 acres and Jordan will increase its acreage by 25 percent, resettling 3,000 families.

The route Israel is taking to draw water from Lake Tiberias to irrigate the Negev avoids the problems which would arise if the project went through the demilitarized zone. But the problems presented by the new plan are costly. The original plan would have drawn water which was virtually salt free. But, because of the salt springs on the floor of Lake Tiberias, the water that Israel will now draw from the Jordan has high salinity and must be mixed with ground water from the coastal plain to make it suitable for irrigation.

One thing should be kept clearly in mind. Israel will not draw any more water from the Jordan than was allotted to her under the Johnston plan. In fact, she will draw less. Israel will use only 1 percent of the 30 billion cubic meters of water available to the Arab States. But this fact does not seem to impress the Arabs. They now threaten to divert the headwaters of the Jordan, cutting the flow of the river to a trickle. Even though such a diversion would be one of the most expensive and surely the most impracticable engineering feat in history, they came to the astounding conclusion at the Cairo meeting that this would be their answer to Israel's lifegiving program. And the worst of this bizarre scheme is that the diverted waters would, after all, again flow wastefully into the sea.

Recently, Deputy Under Secretary of State U. Alexis Johnson said that the United States will come speedily to the aid of "any intended victim of any would-be aggressor" in the Middle East. Mr. Johnson also said that one of our foremost goals in the region is "an accommodation between Israel and its Arab neighbors." I am very glad to hear this and I hope our Government loses no time in trying to implement this goal. I am convinced that if we can get the Arabs to sit with Israel and negotiate with her, the whole region would benefit to an extraordinary degree. With peace, there could be not only regional water plans—but regional cooperation in technology, medicine, and education—a real meeting of people's minds and an end to the arms race. There is a great potential in the Middle East that is now being wasted—not only water.

Mr. Speaker, my resolution, House Resolution 447, proposes that the U.S. House of Representatives urge that the U.S. delegation to the U.N. support a resolution for direct negotiations between Israel and the Arab States as "an indispensable condition toward the attainment of peace and cooperation and the settlement of all outstanding disputes between them."

I urge our Government to work for regional understanding—an end to boycotts, blockades, threats, and the building up of aggressive arsenals. It would seem that the Arab leaders decided at Cairo that the time to attack Israel is not now but I think it would be premature for us to breathe a collective sigh of relief. If, when they feel strong enough, they make any move toward action against Israel, our Government must make it clear that we will stand by our commitment to keep the peace in the Middle East.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1964

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following Newsletter of February 1, 1964:

WASHINGTON REPORT BY CONGRESSMAN BRUCE ALGER, FIFTH DISTRICT, TEXAS, FEBRUARY 1, 1964

HOW DO YOU VOTE ON THE KEY ISSUES OF 1964?

The Government of the United States is a republic in which the people govern themselves through elected representatives. In order to better represent the people of the fifth district, I send out each year a questionnaire on the most vital issues facing the Nation so that I will be constantly abreast of your thinking.

This year, because of the importance of the key issues, I am making every effort to make it possible for every citizen of Dallas County to express an opinion. In the past I have sent the questionnaire to all those on the poll tax list, but am not using this system now because—

1. The Constitution has now been amended to rule out the collection of poll taxes in Federal elections. Because the office of Congressman is a Federal office, I do not believe I should confine future mailings to those paying the State poll tax. Also, I represent everyone, even those who won't vote.

2. The speedup in congressional activity will result in three of the five key issues being settled within the next few weeks, and I think it only proper that you have the opportunity to express your views while the issues are still pending.

I am asking your help in taking an active part in your Government. Everyone is involved. You will make the choice of what kind of a Nation and what kind of a world we will have tomorrow, or it will be made for you. I believe every citizen should be contacted on these issues. After all, I represent all the people of Dallas County, those who don't vote in the elections as well as those who do. I wish every citizen would accept the responsibility of voting for those who represent you in Government, but whether you vote or not, your views will be considered when I study the legislation before Congress. Also, I am not merely seeking the views of those who support me or who agree with me. In a truly democratic effort I want the views of all the people, including those who may even use the poll against me. Questions and opinions other than those covered by this questionnaire are certainly in order.

Regardless of the results of this poll, or regardless of the criticism I am bound to receive, as there are always those who criticize whatever a public official does, I believe your vote in this survey is important and I want you to have the opportunity to let me know how you feel.

Therefore, I am using every available news media in Dallas County to get this message across. I have personally contacted every newspaper, daily and weekly, in the city of Dallas and throughout the county, inviting them to join in this effort to get the views of the most people. I am happy to say the response of many of the publishers has been excellent and the ballot will appear in a number of publications. Fill it out and mail it to me. Urge your friends to fill out a questionnaire. Talk it up in your social clubs, civic organizations, and church groups. I hope that each of you who receive this newsletter will become a committee of one to circulate it, by either duplicating it yourself or securing extra copies from my Dallas office, 408 Federal Building, Bryan and Ervay Streets, or call Riverside 1-1041.

CONGRESSMAN BRUCE ALGER QUESTIONNAIRE

FOREIGN POLICY

The struggle in the world today is between capitalism and communism. We must decide on an effective policy to win the war which is already in progress to preserve our freedoms and our national security.

1. Should we give financial aid to Soviet Russia and other Communist countries through our foreign aid program, subsidies to permit them to purchase our goods, or loans to help them stabilize their economy? Yes ☐ No ☐

2. Should we give aid to countries who openly side with the Communists or who do business with the Communists when it is against American policy? Yes ☐ No ☐

DOMESTIC POLICY

3. Should we cut taxes (without regard to spending) during periods of deficit financing, before actual cuts in Federal spending are accomplished? Yes ☐ No ☐

4. Should we pass civil rights legislation that will limit the right of ownership and management of private property? Yes ☐ No ☐

5. Should we pass the "hospital insurance" (medicare) bill and establish the principle that the Federal Government has a duty to provide medical aid for all the people, paid for by a compulsory payroll tax, regardless of need? Yes ☐ No ☐

Name ------------------------------------
Address ---------------------------------
City ------------------------------------
Precinct --------------------------------

It is not necessary to sign the ballot if you do not care to do so.

Return to Congressman BRUCE ALGER, 408 Federal Building, Dallas, Tex., 75201.

Postmaster General Adopts Humane Personnel Policies

EXTENSION OF REMARKS

OF

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1964

Mr. BROWN of California. Mr. Speaker, Postmaster General Gronouski has done a great many things since arriving in Washington to establish a good name with the public and the farflung operation he is charged with directing. In complying with President Johnson's request for economy, Postmaster General Gronouski has, as the American Federation of Government Employees notes, realized "there is a human side of personnel management."

"Postmaster General Gronouski has shown that the problem of job reduction can be handled effectively and at the same time compassionately," according to John F. Griner, national president of the AFGE, who writes in a recent issue of the Government Standard, a publication of this union of Government workers.

Mr. Speaker, I ask unanimous consent that the statement by Postmaster General Gronouski dated January 10, 1964, be inserted at this point in the RECORD.

The statement follows:

POSTMASTER GENERAL WRITES PERSONAL ARTICLE TO REASSURE EMPLOYEES ON ECONOMY MOVE

(By John A. Gronouski, Postmaster General)

It will be important now and during the next several months for our employees to understand that the Post Office Department's current economy steps do not pose any threats to their job security.

Immediately after conferring with President Johnson in Texas on January 2—even before I announced our determination to do our part in his program to spend less and get more—I called Washington and asked my staff to get the word out quickly: that we will save without scrimping, cut without clobbering and manage to do better without making things worse.

We have set up a task force, headed by Deputy Postmaster General Sidney W. Bishop, and including our five Assistant Postmasters General, to work with your officers to cut jobs—not livelihoods.

This force will have started its meetings with your leaders, in an atmosphere of friendship and cooperation, by the time most of you read this. I met with them on January 8, and was gratified to receive their offers of help and their constructive suggestions.

Of course, it's not possible to see most of you personally to enjoy the same personal relationship with you that I have with your leaders—a relationship that is one of the many landmark legacies from our late great President and his programs for improved employee-management relations in the Federal Government. And so I readily accepted a suggestion that I write for you my own sincere conviction that, with intelligent planning and cooperation, we will have more if we will get by on just a little less in the postal service.

President Johnson's program makes plenty of economic sense for all of us individually. We all know that tightening the belt a little can often mean fattening the wallet a lot.

I am reminded of the story about the man driving along in an economy car when a smart-aleck friend in an expensive job raced alongside and yelled, "what's that clanking noise in your car?" "That," replied the other driver, "is the $5,000 in small change I carry around."

As the President said on January 8 in his state of the Union message when he announced his plans for governmentwide savings of more than $500 million in his new budget compared with the outgoing budget—while waging war against poverty: "This budget—and this year's legislative program—are designed to help each and every American citizen fulfill his basic hopes."

This give-a-little-gain-a-lot program means our postal people stand to share in a tax cut, their children to benefit from the schools and libraries, their teenagers to have better education and job opportunities, and they and their fellow citizens to enjoy unprecedented benefits now as well as protection in old age.

I would like to recap the exact points which were brought out in my meeting with your own organization leaders on January 8:

1. We will achieve economies through imaginative management. Given the present organizational structure, our employees accomplish as much as they can in a regular work day. Therefore, management must develop better use of our work force through improved planning, more rapid implementation of our ZIP code program, better scheduling of manpower, smoother workflow, increased patron cooperation and similar programs.

2. We will work out the program through full cooperation with employees and will give full attention to the needs and problems of employees at all times.

3. At least 75,000 job turnover vacancies can be anticipated annually on the basis of past experience. Therefore, we can get down to our target (to 590,000 from 595,000) and still fill essential jobs.

4. Employee organizations are invited to submit specific instances to the task force where they feel the economy program is not working properly, and prompt, corrective consideration will be in order.

5. Every effort will be made to make certain no curtailment of essential employee facilities is made.

While we are determined that the steps I have discussed will be followed carefully and there will be no loss of career jobs or essential benefits, we must expect some periods of trial in the months ahead as we meet our goals. Our mail volume and service problems will put constant pressures on us. For example, since last July alone, we have extended city delivery to more than 700,000 families and business firms. And, we expect such pressures to continue and to increase.

However, we are equal to the challenge. Though I have been in my position only a few months, I have been greatly impressed by the ability of postal employees to do the seemingly impossible and to meet virtually any challenge. I know we can do this job—even in the face of our growing work volume. And, we can do it without fear of loss—in fact, we will do it with the knowledge that we have much to gain.

Open Season on Congress

EXTENSION OF REMARKS

OF

HON. JOHN J. FLYNT, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1964

Mr. FLYNT. Mr. Speaker, our able colleague, Hon. WILLIAM JENNINGS BRYAN DORN, Representative of South Carolina, addressed the Alexander, Va., Chamber of Commerce at its 57th annual banquet on Saturday, February 1, 1964.

Representative DORN chose as his subject "Open Season on Congress," and in a short but clear and concise speech answered the efforts of those who are engaging in a campaign of abuse of the Congress of the United States. This campaign to abuse and vilify Congress is simultaneously engaged in by those who intentionally would destroy representative government and also by those who do not intend to do so but nevertheless effectively support such efforts.

Since Congress is composed of men and women, it is subject to human errors just as any other group or institution made up of people. Notwithstanding its human frailties, the Congress of the United States is the only vote in government directly responsible and amenable to the will of the people. As Congressman DORN points out, "the attack on Congress is an attack on individual liberty, the private enterprise system, and our representative form of government. It is an attack upon the Constitution of the United States and the role of the Congress under that Constitution."

I recommend the reading of his splendid address to all, and it is with pleasure that I include his address as an extension of my remarks.

The address follows:

OPEN SEASON ON CONGRESS

(Excerpts of address of Representative WILLIAM JENNINGS BRYAN DORN, Democrat, of South Carolina, before 57th annual banquet of Alexandria, Va., Chamber of Commerce at Marriott Twin Bridges Motor Hotel)

Congress is being abused and vilified as never before in our history. It is "open season" on Congress. There is a sinister campaign now underway to discredit and destroy Congress as a coequal branch of the Federal Government, and as a great traditional American institution. Many, oblivious to the grand design, are unwitting peddlers of distortion and half-truths about the Congress and its individual Members.

Benito Mussolini, the Fascist dictator, is reported as having referred to the American Congress as "parliamentary charlatans." Echoing Mussolini's contempt for representative government, like a Hitlerian voice from the grave, the current propagandists are blasting Congress, thus the people's ability to select their representatives. One famous journalist said the prestige of Congress "has sunk lower than a snake's belly."

This campaign is not only an attack upon Congress, but an attack on individual liberty, the private enterprise system and our representative form of government—it is a vote of no confidence in the people. It is an attack upon the Constitution of the United States and the role of the Congress under that Constitution.

Before the Constitution was even considered there was a Congress. The Continental Congress, acting for the people, created the United States as a free nation. The first article in the Constitution itself and the first words following the preamble deal with the creation of the Congress with a House and a Senate.

The Congress is today simply guilty of representing the American people as provided in the Constitution. Congress is only performing its duty, under a solemn oath taken to uphold and preserve the Constitution. The Constitution has endowed Congress with the authority to make the Nation's laws.

Congress has been criticized for staying in session too long. It is being lambasted for its seniority system. Every activity of Congress has been raked over the coals. Both barrels have been leveled at the 1st session of the 88th Congress.

The first session of the 88th Congress, ending during the Christmas holidays, was a great and fruitful session of the Congress. It represented the wishes of a majority of the American people. The American people were willing and are today anxious for the Congress to remain in session as long as necessary, not only to consider good legislation but, what is more important, to prevent the passage of bad legislation. The American people want this Congress to preserve their Constitution.

The last session of this Congress exhibited a courage and stamina beyond the call of duty. It withstood all pressure, ridicule, and abuse to remain in session and preserve the integrity of the Congress as a coequal branch of the Government and to directly represent the American people.

Through calm, cool, exhaustive study and discussion by this Congress, the American people will get a vastly improved tax bill—a bill which affects every man, woman, and child in this Republic. After days and even months of deliberations and thorough consideration, I believe the Nation will get a better civil rights bill which will affect the very foundation stones of the Nation for the next 100 years. By prolonged study, the entire free world will have an improved foreign aid bill. Congress has gone over the $50 billion military expenditure with a fine-toothed comb. The very security of this country and freedom everywhere, throughout the globe, depend upon this appropriation and careful scrutiny by the Congress. Congress ushered in the age of atomic power, astronautics, and space. The stock market and current economic trends emphasize the wisdom of Congress in staying in session and doing its duty. Prosperity indexes continue to spiral almost daily.

The United States has reached its exalted position as the arsenal of democracy and the heart and core of the free world under our representative form of government. We have the highest standard of living in all the history of the world. The American people enjoy more luxury, the highest wages, the best roads, the finest working conditions, equal rights for men and women largely as a result of wise legislation by the Congress over the years. We manufacture over half of the world's automobiles, television and radio sets and, yes, a great percentage of the world's instrumentalities of science and culture. We have a great portion of the world's libraries, public schools, hospitals, colleges, churches, daily newspapers, and periodicals. The Congress played no small role in these fantastic accomplishments not only for the American people but we have shared them with the world. Congress helped create this palladium of religious freedom and material and cultural plenty by rejecting unwise legislation as well as enacting good laws.

The American people should look into the associations and the background of those who constantly attack their Congress. What is the purpose of this chorus of detractors? Whose bread do they eat? Why? What is the source of their retainers? How much and from whom?

We should resist these calculated efforts to stampede Congress into ill-conceived and hasty reforms. There are those who want to reform Congress out of existence. There are those who are trying to nibble it to death.

Lately the Members of Congress have been flooded with questionnaires from students, study groups, professors, and foundations. Polls, inquiries, and fantastic suggestions are pouring in—all implying the need of reform and suggesting that our representative government is outmoded.

Many of the more vicious attacks on Congress result from the repudiation by the Congress of selfish interests legislation and pet schemes of certain cliques and groups. Had their personal projects and programs been passed, in rubberstamp fashion, they would be praising the Congress as Hitler praised the Reichstag and Tojo the Japanese Diet. Had their idealistic brainstorms been railroaded through by the Congress, then their chorus of abuse would have been changed to a song of praise.

The Congress must not be intimidated and pressured by selfish interests. The Congress must legislate for all of the American people. We must continue to be the citizen's contact with his Federal Government. Our door must always be open to him. Public office is a trust bestowed by the people and I believe this Congress has kept that trust. We have kept a firm and critical reign over the people's bank account—the public treasury. We are the avenue—and sometimes the only avenue—through which the people can reach the executive agencies and departments of the Government, supported by their own tax money. As servants of the people, the Congress is the guardian of their liberty and the trustees of their treasury.

May I remind you, my fellow Americans, of the destruction of great representative institutions and individual liberty in the ancient world. The Greek Republic, with its forums and public discussions, was destroyed through unjust criticism of its representative champions and lethargy by the people. The magnificent power of the Roman Senate, with its championship of Roman liberty, law, and order, was gradually whittled away by bureaucracy and indifference. The great Republic of Cicero, with its individual liberty, became the Roman Empire with its dictatorship, liquidation, and persecution. The world soon lapsed into the Dark Ages where civilization and freedom were buried under a thousand years of deterioration.

I do not believe the American people have ever elected a more conscientious Congress than the 88th. I have been associated, over the years, with many organizations and legislative bodies, but I have never been affiliated with a more dedicated, determined, courageous and patriotic group of men and women. I have confidence in its leadership, its committee chairmen and its individual Members; and I can assure you that they will keep their sacred covenant with the American people and uphold their oath of allegiance to the Constitution of the United States.

Sisters of the Holy Child Observe Centenary of Founding of Sharon School of Holy Child

EXTENSION OF REMARKS

OF

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1964

Mr. BOLAND. Mr. Speaker, the Sisters of the Holy Child of Sharon Hill, Pa., observed the centenary of the Sharon School of the Holy Child on January 25, 1964. The 100th anniversary celebration included a thanksgiving mass and the receipt by the Sisters of the Holy Child of a special message from President Lyndon B. Johnson. Under unanimous consent, I include with my remarks a story written by one of the students at the school, Teresa Satoris, about the observance, the message from President Johnson, and the sermon delivered at the mass by Rt. Rev. Msgr. Charles Mynaugh:

HOLY CHILD OBSERVES 100TH ANNIVERSARY—PROGRAM FEATURES MASS, FILM

(By Teresa Satoris)

SHARON HILL.—As part of Holy Child School's centennial celebration, students attended a mass today in thanksgiving for the blessings given Sharon during the past 100 years.

Sharon was founded in 1864 when the Reverend Charles Carter gave the Society of the Holy Child a tract of land for the establishment of a girl's school.

The Sharon Glee Club sang Pslam 18 in an arrangement by the French Jesuit Father Gelineau. This arrangement closely resembles the Hebrew psalmody. The student body made the responses to the psalm.

A film was shown this afternoon for both schools in Sharon's gym.

ENTRANCE EXAM

The entrance exam will be given Saturday at Sharon.

Scholarship applicants will take the morning test at 8:45 a.m. and entrance applicants will take the afternoon test at 12:45 p.m.

Freshmen volunteers and student officers will be hostesses to the eighth graders.

SODALITY WORKSHOP

Ten senior sodalists left this afternoon for a weekend school workshop for the lay apostolate at the University of Scranton.

The meeting aims to make the high school student aware of his responsibilities in Catholic action, the areas he can serve in and the techniques he can use.

Emphasis will also be directed toward the development of the sodalist's spiritual life.

Planned are seminars, daily mass, an informal dance, a talent hour, and a movie.

Sharon delegates to the meeting are Carroll Juliano, Anne Schulcz, Teresa Satoris, Charleen McCann, Karen O'Brien, Denis Casciato, Margaret Reavey, Jane Szczepaniak, Dianne Kerr, and Mary Jagodzinski, prefect.

L.B.J. CITES HOLY CHILD

SHARON HILL.—The School of the Holy Child has received a telegram from President Lyndon B. Johnson congratulating it on its 100th anniversary.

The telegram, addressed to Mother St. Andrew, mother superior of the Holy Child Convent, said:

"On the occasion of the 100th anniversary of Sharon school, I am delighted to extend my warmest congratulations to you, to all the sisters of the Holy Child of Sharon Hill, the alumnae, and to all participating in the memorable celebration.

"With every good wish for the future.

"LYNDON B. JOHNSON."

SERMON BY THE RIGHT REVEREND MONSIGNOR CHARLES MYNAUGH, CENTENARY OF THE SHARON SCHOOL OF THE HOLY CHILD, FEAST OF THE CONVERSION OF SAINT PAUL, JANUARY 25, 1964

Conversion in the mind of Our Lord was a very significant and sometimes very easy thing. Many came to Christ to ask Him how to achieve the Kingdom of Heaven; how to turn themselves about that they might follow His teaching. Nicodemus came by night asking how to accomplish the Kingdom of God. Our Divine Savior told him: "Unless you be born again of water and of the Holy Spirit, you cannot enter into the Kingdom of Heaven." This caused confusion in the mind of the seeking Nicodemus because he could not understand just how he could become a child again. Many months later they came to ask in a group how to seek the Kingdom of Heaven. Our Lord took a child and stood him up before Him and said: "Unless you be converted and become as little children, you shall not enter the Kingdom of Heaven." In the one instance Our Lord asks for rebirth through Baptism, and in the other the immediate following of Him in the imitation of the childlike qualities of a young person.

Conversion in the mind of Christ is predicated upon the simplicity of a child's life, for as the child is in nature, God expects us to be in grace. What he has by point of age and innocence, God demands of His followers—a complete resurgence in grace itself, so that He was not giving two separate answers on the same idea—one to Nicodemus and the other to the people. He was still talking about the same thing—conversion. The conversion that He sought of Nicodemus was that of childlike simplicity. The conversion he sought for Saint Peter who had denied Him was to bring him back once more through the simple protestation of childlike love. When He said to Saint Peter: "Lovest Thou Me more than these?" and Saint Peter answered: "Yea, Lord, Thou knowest that I love Thee", that was simple love, a childlike quality.

The conversion of Saint Paul followed the same pattern. This man was so confused, all mixed up on what he believed to be inimical to his country and to the welfare of the people. Then suddenly he found himself confronted, when God revealed himself while Paul was on his way to Damascus. On this feast we celebrate today we can miss its intimate simplicity unless we realize the approach Christ made to His own persecutor. When blinding Him, calling attention to His Presence, Christ cried: "Why persecutest Me?" and Saint Paul asked the question: "Who art Thou?"—simply—"Jesus, Whom thou persecutest"—the direct approach, the need for conversion for him was once more presented to us in the sense of how to return to God.

If a simplicity is the answer, we would do well to analyze this simplicity. And this is had in the sense of a child for as God made His own entrance into our world, our human history, in the form of a child, He gives us the first personal example in that He draws us on in this following conversion of our lives for Him and all those who will be benefited by it. He has the right to insist upon the unification of our love for Him. Any complication in our lives is really developed from the idea that our passions are confused. Once they are coordinated and brought into a single love for God Himself, then we begin the simple approach, uncomplicated love, and, therefore, perfect service of the Divine Majesty. Further, true simplicity is built on a concept of a lack of self-consciousness and so the child loves everybody and finds everything easy to accept. He does not think of himself; he thinks only of the love he can find and give to the world about him. This, then, becomes the real secret of the practical conversion of our lives to follow Christ.

If this is the success of conversion in the mind of Christ—simplicity, childlike love, then it is no wonder that it found such success in the life of Cornelia Connelly, for here was one who had a simple love of God, not childish, but untrammelled—clear, pure, lacking all self-consciousness, and so her whole approach, not only to the conversion of herself toward God, but the conversion of her own subjects to God, would find itself so wonderfully expressed in the one instruction she gave to all her children and which epitomizes her whole attitude of development of religious life: "Be yourself, but let that self be what Christ wants," the simple lack of self-consciousness, simply to be what Christ wants you to be to fulfill the designs God had in mind when He made you, to develop the intimacy of the glory you can give to God by being what Gad made you to be.

Thus the development of the Sisters of the Holy Child has been historically, and properly so, one of simplicity. The very idea that sought this new community to move to a place called Australia was at once glamorous, interesting, fascinating, but this was put aside because it was too complicated, too involved, not so much as the idea of the missionary expedition, but too much involved in the idea that it would bring the pure, simple love of the community to itself, not to God's service. So the decision was made that they should come to America.

Coming to the United States during wartime, they were given a place at Towanda, Pa., about 190 miles from here, on the border of New York State. Starting off to America with the idea of the missionary notion, they came to Towanda, Pa., following the simple, unaffected presentation of those things which were offered to them at the time for service. They came to a nation that was complicated—complicated in the time of warfare, complicated with ideas of social injustice, and coming to this Nation at this time, knowing the political difficulties in which they might be involved, they still came with an untrammelled love of God to serve Him. Towanda was not easy—almost a desperation—but it wasn't that tragic. Towanda lasted for about 2 years. In the meanwhile Father Carter, vicar-general of the archdiocese, had invited Mother Connelly to send more sisters for his school at the Assumption parish in Philadelphia. So the sisters came, and all the while Towanda got worse. It became imperative for the bishop of Philadelphia, Bishop Wood, and Father Carter, to make their ideas known very strongly to Mother Cornelia that Towanda had to be abandoned. So Sharon was born.

Sharon came into existence because of the needs in this archdiocese and the needs of this country for simple love of God. Sharon came into existence, not because of a defeat at Towanda, but Sharon came into existence because the complications of Towanda made it necessary that it be abandoned. The complexities of all the involvements of the family who owned the property, of the other community who had the need for the resources of the fields and the farms, made it impossible for the sisters to stay there—all complications brought on by human ideas, not by God. God's own intervention came in the mind and the voice of the church that brought the sisters back to Philadelphia.

And so Sharon began its history 100 years ago, in 1864, and from that moment the impact of the Sisters of the Holy Child Jesus here at Sharon has been that of simple love of God and the elegance of being one's self. This impact has been felt not only by the community in which it lives, but also by the community of the church whose children have grown under these teachings, under these indoctrinations. It is so easy to take the word "simplicity" and put it aside as something very nice to talk about, but the hard fact of developing a pure, clear love of God, lacking in selfishness, is the greatest difficulty in following Christ because it means putting aside everything else and seeing only His way of doing things. The direct approach of doing God's will is found evidently in the history of the archdiocese of Philadelphia for, having established Sharon in 1864, the simple approach then was: "Where's the work to be done?" The academy was to be established under Mother Cornelia's ideas. This would be done, but the church was growing in Philadelphia. In the year 1865 only three parishes were established in the archdiocese, and all three of them were staffed by the Sisters of the Holy Child—St. Agatha's, St. Edward's, and St. Clement's. All of them became staffed by these sisters who went with a simple direct approach to serve God in this new community in this new world. So they began to develop not only their sensitivity toward the organization of the church in the archdiocese, but also their own sensitivity in building among themselves the spirit of their community in the notion of conversion which epitomized the whole life of Mother Connelly.

We do well to analyze very carefully today the impact of the Sisters of the Holy Child in the century they have served at Sharon.

Sharon will always be the center of the Sisters of the Holy Child in the United States—not Towanda—for Sharon was the simple way to do things. Sharon will always be the great role of the life of Mother Connelly among the American people—not the colleges, not the institutions, not the great spread idea of missionary endeavor, because Sharon is the simple heart of the family of God under Mother Cornelia's notion: "Serve God and be yourself here," and from this selflessness, in God's idea, then communicate the love that only man can give to God because his heart and his will are so formed in God's plan.

We, therefore, congratulate—all of us today—the Sisters of the Holy Child on their stability and fundamental principle of conversion. Growth can be characterized by schools, by students, by members of the community, but the only growth worth while characterizing at this moment is the growth in sensitivity to the service of God, and if the term "Holy Child" has ever meant anything it has to mean simplicity. If the very title for the community is to have any bearing upon its traditions and upon its development through the last century and the years in God's Providence to come, it will be epitomized in the sense of what childlike life means as it is communicated by these Sisters and by all those who learn to love God and serve His Divine Majesty with the simplicity of the Infant King. It was the way that God chose to enter our history—as a Child; it was the way Christ delineated our conversion—to be childlike. Therefore, it is no small wonder that Mother Connelly could bring us to this point. Thank God this day for the understanding of the sense of childlike love of God in full simplicity and what it means to be friends, children, and members of the Sisters of the Holy Child. We can leave you only, therefore, with the very ideas of Mother Cornelia herself—not simply to be yourself, but to make sure that you are the self God made you to be, but also the driving theme of her own life now a world can see in her own epitaph, for "it is love which knoweth no measure; love which feareth no labor; it is love that maketh sweet all that is bitter; and it is love which findeth rest in God alone. This is the story of Mother Cornelia.

There are many interesting and fabulous things to talk about in her life—the difficulties and problems. They all must be recorded and they all mean much in the development of her ideas and her personality impinged upon us, followers of the Sisters of the Holy Child, but, more important, the promotion of Mother Cornelia Connelly will be made successful only if it is uncomplicated. The development of her personality for us as American Catholic people that we might be able to lead the rest of the Catholics in the world to understand the full meaning of the sense of the Holy Child—that merit will be had when we are able to present to the rest of the world a full understanding of Mother Cornelia Connelly's idea of sanctity—simplicity. This makes it the more difficult to pursue her cause and offer our prayers in her behalf that Almighty God may see it provident to bring her to the special position in our community and in the world. Sharon will have its part, not only because of the centenary of service, but in the teachings and title of Mother Cornelia Connelly, but Sharon will have its part in the promotion of Cornelia Connelly's cause only if it keeps us alive in the sense of untrammelled love that serves God perfectly and really makes the spirit of Mother Cornelia Connelly live. In this sense, then, we—all of us—offer our congratulations to the Sisters of the Holy Child Jesus on the accomplishments of this centenary at Sharon, but more than anything else, we promise them the ambition in our lives to serve in simplicity the God to whom we are converted out of love, and if that conversion of ours can be the mark of Mother Connelly's sanctity, God be praised for our efforts.

FUSLA: Friends of the United States of Latin America

EXTENSION OF REMARKS

OF

HON. ROBERT B. DUNCAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1964

Mr. DUNCAN. Mr. Speaker, I am honored to be able to bring to the attention of this body some outstanding work in the field of foreign service being done by a private organization with headquarters in Washington, D.C. It is known as "Friends of the United States of Latin America," or FUSLA, for short.

FUSLA is headed by a dynamic attorney named Stanley Posner. Mr. Posner still devotes a great deal of his abundant energy and talent to this nonprofit, charitable organization—despite the fact that he has suffered a heart attack and has been warned by his doctors to curtail his activities as much as possible. For 23 years Mr. Posner has been general counsel for the National Institute of Diaper Services and for a number of other trade associations, including the Linen Supply Association and the National Institute of Industrial Launderers. Among the firms he has represented in Washington, D.C., are three in the largest city in my congressional district, the Northwest Industrial Laundry, the American Linen Service, and Eugene Linen Supply Co., all of Eugene, Oreg. In addition, he has served for 16 years as president of FUSLA. He has committed himself heavily, in both time and money, to the success of the organization.

Many of my colleagues have read, I am sure, the articles in the press in the past few days about the relief expedition which Mr. Posner and his coworkers have organized and sent to Costa Rica. For those who have not, I am including, under the leave to extend my remarks, two items from last Sunday's editions of the Washington Post and the Washington Star. I am proud that one of the ambulances in the caravan is being driven by, and the convoy is being led by, a former employee of mine, the wife of my administrative assistant, Mrs. Jack L. Billings.

Gloria Billings and her 7-year-old son, Jason, will arrive in Miami today. They and the four ambulances and a truck loaded with medical supplies and equipment will travel by ship from Miami to Guatemala City. From there, the vehicles will be driven over the Inter-American Highway to San José, Costa Rica, where they will be presented to hospitals. Some of the supplies will be used for the relief of many who have been left homeless by the eruption of a volcano in that country.

President Johnson very kindly sent a telegram of congratulations to Mr. Posner and to FUSLA over the weekend. By unanimous consent, I am also including the text of that telegram following the two newspaper items.

I am pleased to join with President Johnson in commending this worthy organization for its efforts to improve our relations in Central America, where good relations are so important to us. Mr. Posner and FUSLA are responding nobly to President Johnson's call in December for more private aid in Latin America in cooperation with the Department of State and the Alliance for Progress.

Following the telegram, I have included, for the information of those who would like to know more about this project, some of the material from a general press release issued last week by FUSLA. The various items referred to follow:

[From the Sunday Star, Washington, D.C., Feb. 2, 1964]

COSTA RICANS TO GET RELIEF—GIFT OF U.S. GROUP

Four ambulances and a panel truck, piled high with blankets, clothing and medicine, were to leave Washington at dawn today on a 5,000-mile trek to the little Central American Republic of Costa Rica.

The gift of an organization known as FUSLA (Friends of the United States of Latin America), the ambulances and equipment are destined for Costa Rican hospitals and for the relief of persons whose homes were destroyed in recent volcanic eruptions.

Three District residents—Gloria and Jason Billings of 3810 T Street NW. and Zelig Robinson of the George Washington Inn—were among the nine who volunteered for the trip.

THREE CHILDREN INVOLVED

The other six adults and three children who were to go were from Baltimore, Pikesville, and Frederick, Md.

President Johnson, in a telegram to Stanley I. Posner, FUSLA president, cited the organization for its "past accomplishments" and wished "abundant success" for the caravan.

FUSLA calls itself a voluntary, nonprofit, foreign service organization.

Mr. Posner pointed out that when President Johnson appointed Thomas C. Mann his Assistant Secretary of State for Inter-American Affairs, he urged Mr. Mann "to work closely with private U.S. groups and institutions carrying out activities in Latin America."

"This is the first step in that direction," said Mr. Posner.

The motorcade, which is expected to arrive in Costa Rica February 15, will go first to Miami where it will be ferried down across the Gulf of Mexico, taking to the road again in Guatemala.

All of the vehicles in the motorcade are used and reconditioned. They were purchased through contributions made to FUSLA, Mr. Posner said.

ONE MILLION DOLLARS IN SUPPLIES

He said that this year FUSLA will make available to the Costa Rican public health authorities more than $1 million worth of supplies.

"Why Costa Rica?" he says. "Because first of all we know the supplies are going to get to the people who need them. There is no graft in Costa Rica. And second, these people are our friends. They have great respect for the United States and for the American people."

Getting the caravan on the road and safely to its destination is the result of teamwork and kindness of a great many individuals and business firms, Mr. Posner said.

The drivers of the ambulances and their wives were guests of honor last night at a reception tendered by Gonzalo J. Facio, Costa Rican Ambassador to the United States.

Also honored were Dr. and Mrs. Jose Figueres. Dr. Figueres, a director of FUSLA, is the former president of Costa Rica.

His American-born wife, Mrs. Karen Olsen Figueres, will direct the distribution of the supplies when the motorcade reaches Costa Rica.

[From the Washington Post, Feb. 2, 1964]

MERCY TRIP TO COSTA RICA STARTS TODAY

Four used ambulances are to leave Washington this morning for San José, Costa Rica, where they will be used to aid volcano victims.

The expedition has been mounted by the Friends of the United States of Latin America, a nonprofit organization based in Washington.

FUSLA has spent the past 6 months gathering funds for ambulances and medical supplies.

The ambulances will be driven to Miami, where they will be shipped to Guatemala while their drivers fly to Guatemala City. They will then be driven the rest of the way to San José, the capital of Costa Rica, where they will be turned over to local hospitals.

The volcano, Mount Irazu, first erupted in September 1962 and has yet to quiet down. Entire villages in the 5-mile zone surrounding it have been evacuated, and lava ash has fallen on San José, 25 miles away.

The drivers in the caravan include Gloria Billings of 3810 T Street NW. and Zelig Robinson of the George Washington Inn; Dr. Vincent Lopez, Nathan Mash, and Leon Zeller, of Baltimore; Mr. and Mrs. Rubin Waranch, of Pikesville, Md.; and Dr. Thomas Michael, of Frederick.

THE WHITE HOUSE,
Washington, D.C., January 31, 1964.

STANLEY I. POSNER,
President, FUSLA,
Washington, D.C.:

I am happy to greet members of the Friends of the United States of Latin America, Inc., and all those participating in the caravan of ambulances to Costa Rica.

During the past 15 years, your organization has played a significant part in the promotion of hemispheric friendship and solidarity.

I warmly commend your past accomplishments and in your future endeavors I wish you abundant success.

LYNDON B. JOHNSON.

COSTA RICAN RELIEF CARAVAN DEPARTS WASHINGTON, D.C., FOR SAN JOSÉ, AT DAWN, SUNDAY, FEBRUARY 2, 1964—WILL CARRY HOSPITAL EQUIPMENT, MEDICINES, CLOTHING FOR VICTIMS OF COSTA RICAN VOLCANO

Seven men and two women, driving a caravan of four ambulances and one panel truck will depart from the Plaza of the Organization of American States, 17th Street and Constitution Avenue, NW., Washington, D.C., about 7 a.m., Sunday, February 2. The drivers are a group of business and professional men, doctors and a lawyer, plus two American housewives who have volunteered to undertake the long and possibly hazardous trip to demonstrate the friendship of the American people for the people of Costa Rica. These volunteers will pay their own expenses and, in addition, have contributed the money necessary to buy two of the ambulances.

The caravan has been in the planning stage for about 6 months as a project of FUSLA (Friends of the United States of Latin America), a nonprofit organization which has been active in encouraging the Central American common market, giving scholarships and special relief projects, as well as wide dissemination of information in Washington concerning the Central American countries. The officers and directors of the organization are a blue-ribbon group including university professors, the president of the American University of Washington, D.C., eminent physicians, and some distinguished diplomats including His Excellency Jose Mora, Secretary General of the Organization of American States.

FUSLA has undertaken to assist the entire hospital system of Costa Rica by gathering from hospitals, business firms and individuals in the United States used and surplus equipment of all kinds, medicines, diapers, nurses' uniforms, sheets, blankets—in fact, almost anything which can be used by the impoverished hospitals in the small Central American republic. The Costa Rican project is intended as a demonstration project which, if successful, can be copied by any of the other Latin American republics.

Originally it was planned to drive a few ambulances to Costa Rica over the Inter-American Highway as a symbol of the program. The ambulances were to carry signs: "To the People of Costa Rica from the People of the United States." However, 3 weeks ago an appeal was received from Costa Rica to load the ambulances with blankets, clothing and medicines for the 1,500 persons whose homes were destroyed or made uninhabitable as a result of the volcano which is now in active eruption. A group of FUSLA members in Baltimore enlisted the active support of Mayor Theodore R. McKeldin who has issued an appeal to the people of that city to participate in the program. Similar programs are rapidly being organized in New York and Boston. It will be too cumbersome to handle individual contributions of used clothing which might require repair, sterilizing, etc. Therefore, the program is concentrating its appeal on the commercial launderers, drycleaners, linen supply companies and industrial launderers in five major east coast cities—Boston, New York, Philadelphia, Baltimore, and Washington. Many laundries and drycleaners have on hand large quantities of unclaimed clothing which is already repaired, cleaned and packaged. Linen suppliers have large quantities of needed sheets, towels, nurses' and doctors' uniforms. Industrial launderers have huge quantities of work shirts and work pants worn by the typical factory worker, gasoline station attendant and truckdriver which are ideal for this relief project. These garments are in excellent condition but are on the shelves of the laundries due to employee turnover in the factories and other enterprises where they are worn. In similar drives of the past, FUSLA has collected thousands of such garments as well as diapers for the hospitals of Costa Rica.

Members of the National Institute of Diaper Services in all parts of the United States have been assisting FUSLA in its work with all 37 hospitals of Costa Rica since May 1963 when the joint program "Operation Baby Bootstrap" was initiated in Puerto Rico. Each of the diaper service companies have adopted one of the hospitals in Costa Rica and is regularly engaged in collecting usable hospital equipment, baby clothing, etc., in its home community, frequently from its own customers.

The drivers and their wives will be honored on Saturday evening, February 1, at a dinner reception to be given by the Ambassador of Costa Rica to the United States, His Excellency Gonzalo J. Facio and Mrs. Facio. They will also honor Dr. and Mrs. Jose Figueres, a director of FUSLA, is the former President of Costa Rica, well known as one of the outstanding liberals of the hemisphere. Mrs. Karen Olsen de Figueres, his American-born wife, is directing the distribution of these supplies in Costa Rica. In a recent speech to the Pan American Society of New England she told a group of distinguished Bostonians, "You may be sure that every diaper, every ounce of medicine which you send to us will go to the hospitals and the people who need them. There will be no black market in Costa Rica."

The caravan may bring back memories of the covered wagon of American history. There will be several family groups on the trip. Rubin Waranch, president of FUSLA of Baltimore, will be accompanied by his wife and three sons, Mark, Isaac and James. Mrs. Waranch and the two older boys are drivers. Jimmie, age 11, refused to stay home when all the rest of the family were going on this exciting trip, and his school gave him leave of absence to join in this educational adventure. Mrs. Gloria Billings, who is the volunteer transportation director of FUSLA, will serve as convoy leader. She has already made four round trips from Washington to Eugene, Oreg., in a Volkswagen, since her husband is administrative assistant to Congressman DUNCAN from that city. She will be accompanied by her 7-year-old son, Jason, who has been excused from Sidwell Friends School for the educational advantages of the trip.

The present shipment of ambulances and their contents which are badly needed in Costa Rica at this time are only a small part of the continuing program which FUSLA is carrying out in Costa Rica. Already more than $100,000 worth of clothing, laundry machinery, hospital equipment has been delivered to San Jose, made up in major part by gifts from several Washington hospitals and delivered free of charge by the United Fruit Co. During 1964, FUSLA will make available to the beleaguered Costa Rican public health authorities more than $1 million worth of badly needed supplies. The program is in every sense a people-to-people program such as President Johnson has called for when he appointed Thomas C. Mann, Assistant Secretary of State for Inter-American Affairs. President Johnson instructed Mr. Mann on December 16: "I want you to work closely with private United States groups and institutions carrying out activities in Latin America. These include, but are not limited to, the AFL–CIO, religious and charitable groups, cooperatives and the private business sector, which can make the significant contributions envisaged in the Punta del Este charter." The caravan of ambulances is real evidence of North American cooperation by the individuals who are driving the ambulances and the many business firms, large and small, who have contributed the goods, supplies and equipment which make the trip possible. For example, the U.S. Freight Co., one of the largest freight forwarders and consolidators in the world, is providing free ocean transportation from Miami to Guatemala for the ambulances through its affiliate, the Coordinated Caribbean Transport Co. In addition, the U.S. Freight Co., through its branch warehouses and terminals throughout the country, is picking up other contributions of clothing, hospital equipment and textiles from members of the National Institute of Diaper Services throughout the United States. About 10 days after the ambulances leave Washington, the U.S. Freight Co. will transport from New York City 40,000 pounds of relief supplies for the victims of the Irazu volcano, consolidating the contributions from New York, Boston, Philadelphia, Baltimore, and Washington.

The international affiliate of the Esso Standard Oil Co. is providing all the gasoline and lubricants for the trip. The Cadillac Motor Car Division of General Motors repaired the four ambulances and put them into first-class operating condition for their 3,000-mile drive. Mr. H. O. Balls, president of the Nashville Auto Diesel College, Nashville, Tenn., rebuilt the panel truck. He has also contributed scholarships in the value of $25,000 for a group of young Costa Ricans who will learn automobile and diesel engine repair, welding, soldering at his school. Later, these technicians will receive supplementary training from other American firms who manufacture laundry equipment, X-rays, and other modern appliances which so frequently become useless through breakdown which could be corrected by simple repairs. Many others, individuals and business enterprises, have contributed crating, free transportation, tires, medicines, too much to list individually. Mr. Posner, president of FUSLA, stated, "These many contributors to whom we cannot give individual recognition will nevertheless find their complete satisfaction from the knowledge that their contributions will comfort and help many worthy citizens of this truly democratic country which has time after time demonstrated its friendship and help for the United States. Actually, at this moment it is Costa Rica who represents the United States in Panama.

A request has been made by Mrs. Billings to the metropolitan police and to the State police of each State en route to provide an escort for the convoy so that they may meet the requirements of their itinerary in safety and without alarming the public who may feel that there has been some terrible accident if they see these ambulances traveling on the road. Radio and TV stations are urged to make appropriate announcements of the time when the ambulances will be passing through their area. A copy of the itinerary is attached.

Fifteen directors and officers of FUSLA will hold their annual meeting at the School of International Service, the American University, Washington, D.C., at 2 p.m., Saturday, February 1. There are two especially important items on a very crowded agenda. The directors must consider whether it is more useful to use the scholarships available at the Nashville Auto Diesel College to train teachers who will then return to Costa Rica and teach these crafts or to use the training to prepare technicians pledged to work in Costa Rica for a number of years but free to establish themselves as businessmen in their country which needs these skills. The other major item is a decision of the most effective way to raise the 1964 budget of approximately $100,000 necessary to carry out FUSLA's many activities. The officers will present to the directors the alternatives of utilizing professional fund raisers or direct solicitation.

FUSLA CARAVAN COUNTDOWN—ITINERARY AND SCHEDULE

Caravan of four ambulances leaves Washington, D.C., February 2, 1964, and arrives in San Jose, Costa Rica, February 14 or 15, 1964.

Sunday, February 2: Leave Washington, D.C., 7 a.m. from Organization of American States, 17th and Constitution Avenue NW., arrive Summerton, S.C.—Spend night Windsor Motel. (Driving time approximately 10½ hours.)

Monday, February 3: Leave Summerton, S.C., arrive Daytona Beach, Fla.—Spend night Mid-Town Motel. (Driving time approximately 9 hours and 30 minutes.

Tuesday, February 4: Leave Daytona Beach, Fla., arrive Miami, Fla.—Everglades Hotel. (Driving time approximately 7 hours and 30 minutes. Arrival in Miami must be no later than 4 p.m. in order to complete arrangements for shipping ambulances. Ambulances will be loaded and sail from Miami either February 5 or 6.) Mrs. Billings and her son will accompany the ambulances to Guatemala on the ship.

Wednesday, February 5: Leave Miami, Fla.—Pan Am flight No. 503, 8 a.m., arrive Guatemala City—10 a.m. Drivers will be met at airport by Mr. Sam Greene and will spend the day at his home at Lake Atitlan. Drivers will be in Guatemala City until departure on February 11—Palace Hotel.

Monday, February 10: Part of the drivers will be taken from Guatemala City to Matias de Galvez to pick up the ambulances and drive them back to Guatemala City.

Tuesday, February 11: Leave Guatemala City, Guatemala. Arrive San Salvador, El Salvador—Spend night at Hotel El Salvador Intercontinental. (Departure from Guatemala City must be early enough so that caravan reaches border before midday closing. It will be necessary each day to arrange departure times to coincide with open hours of border crossings.)

Wednesday, February 12: Leave San Salvador, El Salvador. Arrive Tegucigalpa, Honduras—Spend night Gran Hotel Lincoln.

Thursday, February 13: Leave Tegucigalpa, Honduras. Arrive Managua, Nicaragua—Spend night Gran Hotel.

Friday, February 14: Leave Managua, Nicaragua. If possible caravan will reach its destination of San José, Costa Rica. If not, caravan will stop for night at Puntarenas, Costa Rica, and on February 15 will leave for San Jose, arriving about noon. In San José, contact may be made through V. James Furniss, FUSLA de Costa Rica, Post Office Box 301, Telephone 4595 or J-3023 (telephone communication very unsatisfactory). Cable address: FUSLA, San José.

The following are contacts through which drivers can be reached during the caravan trip to Costa Rica.

Until drivers arrive in Miami, call 233-9200 in Baltimore. This is the office of Mr. Nathan Mash which he will contact each day at noon up to and including Tuesday, February 4. After that use cable addresses listed below:

Miami: Mr. Charles B. Whitney, Coordinated Caribbean Transport, Inc., 3400 NW. 62d Street, phone: Oxford 6-5450.

Agents for Coordinated Caribbean Transport in Central America:

Cable address of each agent listed below is: COORDCARIB plus applicable city and country. For example, "Billings COORDCARIB Guatemala City, Guatemala" or "Waranch COORDCARIB San José, Costa Rica."

Henry Suarez, Avenue La Reforma 6-30 Zona 4, Guatemala City, Guatemala (Post Office Box 1527), phone 60597.

Mario Gonzalez, 5a Calle No. 303, Managua, Nicaragua, phone 2752.

Orlando Delgadillo, Calle Arce 1155, San Salvador, El Salvador (Post Office Box 669), phone 4257.

Jose L. Odio, Post Office Box 3763, San José, Costa Rica, phone 5485-4724.

To send cables, call Western Union and specify "Via Tropical Radio."

Names and addresses—drivers—caravan to Costa Rica, February 1964:

Gloria Billings (group leader), 3810 T Street NW., Washington, D.C., 20007.

Jason Billings, 3810 T Street NW., Washington, D.C., 20007 (passenger).

Rubin Waranch (assistant group leader) and Mrs. Waranch, 7915 Ivy Lane, Pikesville, Md.

Mark Waranch, 7915 Ivy Lane, Pikesville, Md.

James Waranch, 7915 Ivy Lane, Pikesville, Md.

Isaac Waranch, 7915 Ivy Lane, Pikesville, Md. (passenger).

Dr. Vincent Lopez (group medical officer), 3900 Loch Raven Boulevard, Baltimore, Md.

Nathan Mash, 3405 Winterset Court, Baltimore, Md.

Dr. Thomas Michael, Frederick, Md.

Leon Zeller, 941 North Calvert Street, Baltimore, Md.

Zelig Robinson, George Washington Inn, Washington, D.C.

SENATE

TUESDAY, FEBRUARY 4, 1964

The Senate met at 10 o'clock a.m., and was called to order by Hon. LEE METCALF, a Senator from the State of Montana.

Albert G. Minda, D.D., rabbi emeritus, Temple Israel, Minneapolis, Minn., offered the following prayer:

Almighty God, ruler of men and nations, we humbly invoke Thy holy presence in today's deliberations of the U.S. Senate.

Reveal unto us Thy will, that we may implement it in all matters that come before us for consideration.

Above all else, may we be motivated by that which will redound to the welfare of our beloved country and to the well-being of the entire human family.

Make each of us Thy messenger, charged with the mission to bring light where there is darkness, healing where there is pain, and peace where there is strife.

Inspire us, O Heavenly Father, with a sense of human fellowship that makes us conscious of our dependence on each other as individuals, as a people, and as members of the society of nations.

As we seek the paths of peace, may we fulfill the vision of Thy seer of old:

Peace, peace be to him that is far off and to him that is near, saith the Lord that createth the fruit of the lips.

Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 4, 1964.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. LEE METCALF, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. METCALF thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, February 3, 1964, was dispensed with.

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, what is the parliamentary situation?

The ACTING PRESIDENT pro tempore. Morning business is in order.

Mr. MANSFIELD. It is my understanding that there is to be an hour—between 10 and 11 o'clock this morning—

to be equally divided, and to be devoted to further consideration of the Ribicoff amendment.

The ACTING PRESIDENT pro tempore. The Parliamentarian informs the Chair that that procedure will follow conclusion of regular morning business.

Mr. CLARK. Mr. President, will the Senator from Montana yield for a question?

Mr. MANSFIELD. Yes, if I may.

Mr. CLARK. I have a committee report which I thought I would submit in the morning hour, if I may. May I do so?

Mr. MANSFIELD. Yes.

Mr. President, will the Chair begin the call of morning business?

The ACTING PRESIDENT pro tempore. The submission of petitions and memorials is in order.

Reports of standing committees are in order.

EQUAL EMPLOYMENT OPPORTUNITY ACT—REPORT OF A COMMITTEE—ADDITIONAL, MINORITY, AND INDIVIDUAL VIEWS (S. REPT. NO. 867)

Mr. CLARK. Mr. President, from the Committee on Labor and Public Welfare I report favorably with an amendment the bill (S. 1937) to promote equal opportunity in employment without regard to race, color, religion, or national origin. I ask unanimous consent that the report be printed together with the additional views of the Senator from New York [Mr. Javits], the minority views of the Senator from Alabama [Mr. Hill], and the individual views of the Senators from Arizona and Texas [Mr. Goldwater and Mr. Tower].

The ACTING PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Pennsylvania.

Mr. CLARK. Mr. President, the bulk of the nonwhite workers in the United States——

The ACTING PRESIDENT pro tempore. Debate is not in order.

Are there other committee reports to be submitted?

If not, the introduction of bills and joint resolutions is in order.

Mr. JAVITS. Mr. President, if I may have the attention of the majority leader for a moment, I wish to discuss a matter which concerns the New York City school boycott. However, I have no desire to interfere with the leaders' program. If the majority leader will assure me that after the vote on the Ribicoff amendment is taken, he will help me obtain an opportunity to speak for a few minutes, I shall refrain from speaking now.

Mr. MANSFIELD. Mr. President, of course I cannot give such assurance, inasmuch as the Senate is proceeding under the rule of germaneness, which was adopted a few days ago.

However, I point out that a very important vote is to be taken at 11 o'clock; and it was my understanding that there was to be a certain amount of time—I thought it was to be 1 hour—for debate prior to the taking of the vote on that amendment, with the time to be divided equally between the proponents and the opponents of the Ribicoff amendment, and to be controlled by the Senator from Connecticut [Mr. Ribicoff] and the Senator in charge of the bill, the Senator from Louisiana [Mr. Long]. So I shall appreciate it if the Senator from New York will withhold his comments on the matter to which he has referred, until this subject is disposed of.

Mr. JAVITS. I thank the Senator from Montana.

The ACTING PRESIDENT pro tempore. The submission of concurrent and other resolutions is in order.

If there is no further morning business, morning business is closed.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

Subsequently, by unanimous consent, the following additional routine business was transacted:

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

REPORT OF U.S. ARMS CONTROL AND DISARMAMENT AGENCY—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 219)

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I have the honor to transmit the Third Annual Report of the U.S. Arms Control and Disarmament Agency.

In this report, submitted pursuant to law, the Agency describes its activities for the calendar year 1963.

Lyndon B. Johnson.

The White House, *February 4, 1964.*

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

Amendment of Farm Credit Act of 1933, Relating to Certain Refunds

A letter from the Governor, Farm Credit Administration, Washington, D.C., transmitting a draft of proposed legislation to amend further the Farm Credit Act of 1933, as amended, to provide that part of the patronage refunds paid by a bank for cooperatives shall be in money instead of class C stock after the bank becomes subject to Federal income tax, and for other purposes (with an accompanying paper); to the Committee on Agriculture and Forestry.

Report on Property Acquisitions of Emergency Supplies and Equipment

A letter from the Assistant Secretary of Defense, reporting, pursuant to law, a report on property acquisitions of emergency supplies and equipment, for the quarter ended December 31, 1963; to the Committee on Armed Services.

Report of Interstate Commerce Commission

A letter from the Chairman, Interstate Commerce Commission, Washington, D.C., transmitting, pursuant to law, a report of that Commission, for the fiscal year 1963 (with an accompanying report); to the Committee on Commerce.

Publication Entitled "Typical Electric Bills, 1963"

A letter from the Chairman, Federal Power Commission, Washington, D.C., transmitting, for the information of the Senate, a publication entitled "Typical Electric Bills, 1963" (with an accompanying document); to the Committee on Commerce.

Report on Excessive Stocks at Selected Bases in Japan and Korea

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on excessive stocks at selected bases of U.S. Fifth Air Force in Japan and Korea, Department of the Air Force, dated January 1964 (with an accompanying report); to the Committee on Government Operations.

Report on Certain Weaknesses in the Management of Orbiting Solar Observatory Projects

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on certain weaknesses in the management of orbiting solar observatory projects, National Aeronautics and Space Administration, for the period January 1959 through December 1962 (with an accompanying report); to the Committee on Government Operations.

Report on Excessive Charges for Components for M60 Tanks

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on excessive charges for components for M60 tanks under contract with Chrysler Corp., Detroit, Mich., Department of the Army, dated January 1964 (with an accompanying report); to the Committee on Government Operations.

Report on Increased Costs Incurred for Ammonium Perchlorate Purchased During 1961

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on increased costs incurred for ammonium perchlorate purchased during 1961 for solid-propellant missile motors, Department of the Air Force, dated January 1964 (with an accompanying report); to the Committee on Government Operations.

Report on Waste of Funds and Adverse Effects on Certain Patient Care, Veterans' Administration

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the waste of funds and adverse effects on patient care from procurement of unsatisfactory X-ray film development equipment, Veterans' Administration, dated January 1964 (with an accompanying report); to the Committee on Government Operations.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

The petition of Charles W. Gillett, of Chicago, Ill., relating to the position of the United States in the control of the Panama

Canal; to the Committee on Foreign Relations.

By Mr. GOLDWATER:

A resolution of the House of Representatives of the State of Arizona; to the Committee on Foreign Relations:

"House Memorial 1

"Memorial urging the Congress of the United States to support a firm policy against communism

"*To the Congress of the United States*:

"Your memorialist respectfully represents:

"Whereas it is the belief of the members of this house of representatives that the current events of world affairs are of vital importance to each and every individual on this American Continent; and

"Whereas the recent activities of the Communist world have brought riot and bloodshed to the very doorstep of our United States, and there is a very real danger and threat unless these activities are met and dispelled; and

"Whereas it is the belief of this elected body of representatives that the concern and interest of the State of Arizona should be expressed to our Representatives in the Congress of the United States for assistance in their deliberations.

"Wherefore your memorialist, the House of Representatives of the State of Arizona, prays:

"1. That the Congress of the United States fully support the present and future administrations of the U.S. Government in fulfilling all commitments to meet and repel Communist infiltration of the free world wherever it may occur. In relation to the recent events in Latin America, we urge the support of a firm stand against appeasement and retreat and a positive policy to prevent the domination of any country on the American Continent by foreign powers or ideologies; that we do not retreat on these commitments in relation to the present problems with Panama and that our firm position be upheld.

"2. That the secretary of state be directed to transmit copies of this memorial to the President of the U.S. Senate, the Speaker of the House of Representatives of the United States, and to each member of the Arizona congressional delegation."

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States, dated January 28, 1964, that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mrs. SMITH (by request):

S. 2491. A bill for the relief of Evelyn R. Chase; to the Committee on the Judiciary.

By Mr. BURDICK:

S. 2492. A bill to provide a voluntary wheat adjustment and price support program for the 1964 and 1965 crops of wheat; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. Burdick when he introduced the above bill, which appear under a separate heading.)

VOLUNTARY WHEAT PROGRAM

Mr. BURDICK. Mr. President, I introduce, for appropriate reference, a bill to provide a voluntary wheat program for 1964 and 1965.

For some time I have been concerned about the estimated $600 million drop in farm income that will occur if no wheat legislation is enacted. I have studied various proposals to improve wheat income and have cosponsored bills with two of my Senate colleagues.

My bill draws on the best features of these plans and would raise agricultural income more than any of the major legislative proposals analyzed by wheat program experts.

Mr. President, our economy so operates as to put the farmer at a serious disadvantage. Oversupply drives his income down, while prices increase for the things he must buy. We used to talk about total economic equality for the farmer, but in recent years we hear only about 75 or 80 percent of equality—or parity of price.

My plan keeps alive the principle that a farmer is entitled to full parity in the marketplace by insuring him for his share of domestic wheat production a return of $2.50 a bushel, the amount required under current prices to give him 100 percent of parity. I want the Record to show that I believe in parity for the American farmer and that my constituents on the farms of North Dakota, as in all other States, are entitled to receive it.

Raising income, of course, was one of the guidelines set forth by President Johnson last week in his agriculture message. My plan would raise income and follow his other two guidelines—reducing costs and surplus.

The program I propose would raise wheat income about 5 percent over the 1963 level to $2.54 billion in 1964. In a wheat State like North Dakota, income would be increased $35 million over 1963 and more than $100 million over the program we would have under present law in 1964.

Costs would be trimmed $200 million below 1963 and surplus whittled down.

The plan would simplify administration by eliminating diversion payments, with their complicated formulas and irritating regulations. Paperwork and costs for administration would be substantially reduced.

Producers would be permitted to substitute or interchange wheat and feed grain, introducing a needed flexibility to farming operations, particularly in drought years.

The program also incorporates the principle that price supports should be available only to a reasonable level. They would stop at the 12,000-bushel mark, meaning that producers having up to 500 acres of wheat would have substantially all their production supported.

The program would operate in the following manner:

To qualify, a farmer would have to reduce his acreage 10 percent below his permanent allotment based on 55 million acres, the same requirement as for the 1962 program. Although he would receive no diversion payments, he could grow oil seed crops—guar, sesame, safflower, caster beans, mustard seed, canary seed, soybeans, flax, and others, without price supports, if those crops are not in surplus.

A participating farmer would receive a basic loan rate of $1.30 a bushel. For his share of the 500 million bushels of wheat required for domestic consumption, he would receive certificates worth $1.20 a bushel. For his share of the 500 million bushels of export wheat, he would receive an export payment of 70 cents a bushel. For his remaining production, estimated at 200 million bushels, he would receive the $1.30 basic loan rate. The production goal under the program would be 1,200 million bushels.

Noncooperators would not be eligible for any of the above types of price support.

Under the program, sale by the Commodity Credit Corporation of wheat stocks would be at 115 percent of the support level plus handling charges.

Mr. President, we currently are considering the tax reduction bill, which will increase purchasing power and spur employment and business incentives.

The stimulus of the tax cut would be offset to a significant degree by the sharp drop in purchasing power that will result if no action is taken on wheat. A loss of $600 million in farm income would dry up markets for farm machinery, building material, home appliances, and automotive equipment and other industrial items.

Mr. President, in support of the national economy and in equity to farmers and rural areas, I feel very strongly that Congress should pass this proposed legislation as soon as possible.

I ask unanimous consent that the text of the bill be printed at this point in the Record.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the Record.

The bill (S. 2492) to provide a voluntary wheat adjustment and price-support program for the 1964 and 1965 crops of wheat, introduced by Mr. Burdick, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the Record, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to provide for a voluntary wheat adjustment and price-support program for the 1964 and 1965 crops of wheat, the following provisions of law relating to wheat are amended or are made inapplicable to such crops as follows:

(a) The Agricultural Adjustment Act of 1938, as amended, is amended—

(1) by striking out of the first sentence of section 334(a), section 334(b), and the last sentence of section 334(c)(1), respectively, that part beginning with a colon and the word "*Provided*" down to but not including the period;

(2) by striking out section 334(d);

(3) by striking out at the end of the first sentence of section 334(h) the following: "except as prescribed in the provisos to the first sentence of subsections (a) and (b), respectively, of this section";

(4) by striking the fourth sentence of section 334 (i) relating to paragraph (6) of Public Law 74, Seventy-seventh Congress;

(5) by striking from section 335 the first sentence and the next to the last sentence;

(6) by striking out section 336;

(7) by striking out section 338;

(8) by amending section 339 to read as follows:

"SEC. 339. (a) In order to be eligible for price support on the 1964 or 1965 crop of wheat the producer on any farm (except a new farm receiving an allotment from the reserve for new farms) shall be required to divert from the production of wheat to soil conserving uses not less than 11.11 per centum of the farm acreage allotment for wheat in accordance with the provisions of this section.

"(b) The Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, canary seed, soy beans, and flax and other oil seeds, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage. No price support shall be made available on any commodity produced on such diverted acreage.

"(c) The Secretary shall not permit such diverted acreage to be grazed.

"(d) The Secretary shall require the producer to take appropriate measures to keep such diverted acreage free from erosion, insects, weeds, and rodents.

"(e) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.";

(9) by striking "wheat," from section 372(a);

(10) by amending the first and second sentences of section 379b to read as follows: "If a marketing quota for wheat is in effect for the 1964 or 1965 crop, a wheat marketing allocation program shall be in effect as provided in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat which, in determining the national marketing quota for such marketing year, he estimated would be used during such year for human consumption in the United States, as food, food products, and beverages, composed wholly or partly of wheat, and on which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the national marketing quota.";

(11) by striking out of the second sentence of section 379c (a) "(i)" and that part which begins ", plus (ii)" down to but not including the period;

(12) by striking out the period at the end of the first sentence of section 379c (b) and inserting in lieu thereof a comma and the following: "or in which the producer does not participate in any acreage diversion program which may be in effect for feed grains to the extent required by the Secretary."

(13) by striking out the last two sentences of section 379c (b) and inserting in lieu thereof the following: "No producer shall be eligible for wheat marketing certificates under this section on any amount of wheat in excess of twelve thousand bushels."

(14) by amending the first sentence of section 379d (b) to read as follows: "During any marketing year for which a wheat marketing allocation program is in effect, all persons engaged in the processing of wheat into food products shall, prior to marketing any such product for human food in the United States, acquire marketing certificates equivalent to the number of bushels of wheat contained in such product.";

(15) by striking out in the second sentence of section 379d (b) "or exportations", "or export", and "or an export of wheat" wherever such language appears therein;

(16) by striking out in the third sentence of section 379d(b) "or exportations" wherever such language appears therein;

(17) by striking out in section 379d (c) "or export"; and

(18) by striking out "warehousemen and exporters" in section 379h and inserting in lieu thereof "and warehousemen".

(b) (1) That portion of section 107 of the Agricultural Act of 1949, as amended, as precedes clause (3) is amended to read as follows:

"SEC. 107. (a) Notwithstanding the provisions of section 101 of this Act, for the 1964 and 1965 crops—

"(1) price support for wheat accompanied by marketing certificates shall be at such level as will, when added to the face value per bushel set for marketing certificates under section 379 of the Agricultural Adjustment Act of 1938, as amended, provide full parity for such wheat,

"(2) price support shall be made available to cooperators on the exported portion of their 1964 and 1965 crops of wheat at such level as will, when added to the direct payment per bushel authorized by clause (6) of this section, provide a national average price of $2 per bushel on such wheat; and price support shall be made available to cooperators on wheat which is not accompanied by certificates and on which direct payment is not provided under clause (6) of this section at such level as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains,".

(2) Such section is further amended by striking out "and (ii)" in clause (5) and inserting in lieu thereof "(ii) participates in any acreage diversion program which may be in effect for feed grains to the extent required by the Secretary, and (iii)".

(3) Such section is further amended by striking out "and" at the end of clause (4); by striking out the period at the end of clause (5) and inserting in lieu thereof ", and"; and by adding at the end of such section a new clause as follows:

"(6) the Secretary shall make a direct payment of 70 cents per bushel to cooperators on the exported portion of the 1964 and 1965 crops of wheat. A producer shall be eligible for direct payment on that portion of his farm marketing quota which bears the same relationship to the farm marketing quota for wheat as the total anticipated exports of wheat and products thereof in the marketing year concerned bears to the national marketing quota for wheat for the marketing year concerned. The total number of bushels on which such payments shall be made in any year shall not be less than 500 million bushels. No direct payment shall be made under this clause in the case of any producer on any amount of wheat which, when added to the amount of wheat on which such producer is entitled to marketing certificates under section 379 of the Agricultural Adjustment Act of 1938, as amended, will exceed twelve thousand bushels. Payments under this clause shall be made in kind or in cash. Payments-in-kind may be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for the wheat which shall not be valued at nor sold for unrestricted use for less than 115 per centum of the support price plus reasonable carrying charges and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of this Act. In the case of any certificate not presented for redemption within 30 days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate."

(c) Section 407 of the Agricultural Act of 1949, as amended, is amended by striking out the second proviso and inserting in lieu thereof the following: "*Provided*, That effective with the beginning of the 1964 marketing year for wheat, the Corporation shall not sell any such designated grains for unrestricted use at less than 115 per centum above the current support price for wheat not accompanied by certificates plus reasonable carrying charges."

(d) The amendments made by this section shall be effective only with respect to the 1964 and 1965 crops of wheat.

(e) Public Law 74, Seventy-seventh Congress, as amended, shall not be applicable with respect to the 1964 and 1965 crops of wheat.

SEC. 2. The voluntary adjustment and price support program provided for by this Act shall be in effect for the 1964 crop without further proclamation of marketing quotas or allotments.

REVENUE ACT OF 1964—AMENDMENTS (AMENDMENT NO. 408)

Mr. **HICKENLOOPER** (for himself and Mr. DIRKSEN) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. **TOWER** submitted amendments (No. 409), intended to be proposed by him, to House bill 8363, supra, which was ordered to lie on the table and to be printed.

Mr. **YARBOROUGH** submitted an amendment (No. 410), intended to be proposed by him, to House bill 8363, supra, which was ordered to lie on the table and to be printed.

Mr. **DOUGLAS** submitted amendments (No. 411), intended to be proposed by him, to House bill 8363, supra, which were ordered to lie on the table and to be printed.

Mr. **PROXMIRE** submitted an amendment (No. 412), intended to be proposed by him to House bill 8363, supra, which was ordered to lie on the table and to be printed.

ENROLLED BILL SIGNED

The ACTING PRESIDENT pro tempore announced that on today, February 4, 1964, he signed the enrolled bill (S. 2265) to amend the Library Services Act in order to increase the amount of assistance under such act and to extend such assistance to nonrural areas, which had previously been signed by the Speaker of the House of Representatives.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, February 4, 1964, he presented to the President of the United States the enrolled bill (S. 2265) to amend the Library Services Act in order to increase the amount of assistance under such act and to extend such assistance to nonrural areas.

GALBRAITH ON HUMBUG

Mr. McGOVERN. Mr. President, Prof. John Kenneth Galbraith of Harvard University, our former Ambassador to India, delivered a humorous but well-pointed speech at the Washington Post book and author luncheon here in Washington on January 23.

Professor Galbraith has devoted a good portion of his crowded life to the attack on hypocrisy and sham. He treats this theme in a most delightful style in his January 23 speech.

I ask unanimous consent that excerpts from his speech, printed in the Sunday, February 2, Washington Post, be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

A JOYOUS HATE OF HUMBUG

(By John Kenneth Galbraith)

I think we are on the edge of a minor but highly salutary revolution in writing and journalism—a revolution against humbug and in favor of saying what ought to be said regardless of what awesome power or personage is in the line of fire.

A few years back, a considerable spate of books—by Vance Packard, John Keats, A. C. Spectorsky—capitalized on public discontent with the more meretricious features of suburban housing and the struggle for social status. They did not identify targets; they saved their malevolence for society as a whole, which is safe.

There were no recommendations calculated to disturb General Motors, General Sarnoff, General Clay or the General Services Administration. They did not accomplish much except for themselves and their publishers.

But now we have a breed of writers which identifies targets with great precision, scoffs at the most awesome pretense and proposes the most disagreeable and effective solutions. A surprising number, although happily not all, of these determined truth-tellers are women.

Maurine Neuberger, who anticipated the Surgeon General in asking if lung cancer was inherently a part of the American patrimony; Rachel Carson, with her assault on the indiscriminate use of chemicals, and Jessica Mitford, on the obscenity of the modern funeral, are the avenging angels of this revolution.

But Harry Caudill has shown what has been done in the sacred name of free enterprise to one of the richest and most beautiful regions of the United States, the Cumberland Plateau. And Philip Stern's new book on the tax scandal has a fair chance of accomplishing for the depletion allowance—and quite a few other devices for sheltering the revenues of the rich—what Joe Welch did for Joe McCarthy.

JOYOUS DEBUNKERS

The common quality of all of these writers is a deep and often joyous dislike for humbug. They reject, with real glee, the warning that cigarette advertising is protected not only by the first amendment but also by HAROLD COOLEY; that the modern cult of body-robbing is hallowed by both Christianity and advanced grief therapy; that the reckless destruction of mountains and forests is made permissible by a rising GNP, and that an exemption for capital gains even more privileged than the present one is needed, to quote the plentiful words of Keith Funston, in order to encourage "the long-term investment this country so badly needs to sustain its economic growth and to create more jobs in industry."

I hope that this new revolution against humbug will go far. Having been a public servant on numerous occasions, I have a poor opinion of our response to Toynbeeian challenge. A rapid calculation as to who will deal you the most bruising blow is the primal instinct of public life.

What we want is a society in which the most horrid noises come first from the most sensible people. Their reaction must be first on men's minds. The public servant or elected official must never be allowed to imagine that his principal danger is from the communicants of the John Birch Society.

PLENTY OF TARGETS

There is still room at the barricades for the new recruits. The recent contention that the American system of broadcasting has the right of unlimited insult to our ears should have aroused a larger measure of organized amusement. The amount of time devoted to advertising by organizations operating under a public franchise should obviously be limited.

I would like to urge close attention to those who, when something important needs to be done, propose that there be a token or pilot program. Pilot programs were invented a few years ago for simulating action without accomplishing anything. I note with considerable approval the evident decision in the new budget to turn some of our pilot plants into serious enterprises.

I would like to see a more candid discussion of the effect of very great age on legislative competence. Unless we are careful, historians will say that this was the era when the well-salaried old men denied medical care to the other old men and then, to maintain equity, denied everything else to everybody else.

But candor and an uncouth reaction to humbug should not be confined to Congress. It is time we paid more irreverent attention to those solemn speeches which tell us that negotiation, search for accommodation, efforts to diminish tension must be pursued with all vigor but that it is unrealistic to expect any progress.

I had thought that classic manifestation of humbug, the effort to merchandise our errors and omissions as the machinations of the Communists, went out approximately with Harold Talbot. But evidently that also still requires attention. In the last few days, in the person of Castro, Communists have become responsible for everything that has gone wrong from Medicine Hat to Dar es Salaam.

For years, diligent public servants have tried to do something about Panama. There they have encountered a backward social structure and the revelation of some of the American residents that they were another chosen people. Here at home, they have encountered the conviction that, unlike the repressive colonialism of the British or the French, our needs in other countries are sanctified both by high strategy and the peculiar purity of our hearts.

Given these difficulties, there was much to forgive in the recent crisis. But the prompt and wonderfully reminiscent statement from the foreign policy establishment that it was mostly the fault of the Communists should have been greeted with public hilarity.

We can all be persuaded that Fidelistas were around and available. We might even be willing to assume that there was a certified, registered, insured, prepaid, copper-riveted (and remarkably foresighted) plot. Even then, the first thought of an American official should have been: Won't the American people ask who gave them their chance?

Henceforth, when anyone loads our errors onto the Communists, I hope he, too, will have a rude encounter with the revolution against humbug. If some Communist charge is responsible for everything that goes wrong, Americans, obviously, have very few responsibilities.

Just before Christmas and amid the Christmas travel rush, I got aboard the shuttle in Boston for New York. It was an Eastern Airlines plane; the company was still headed by Rickenbacker; I wish I knew the pilot's name, but I do not.

The plane did not take off; we waited first for the takeoff and then for the traditional announcement: "Ladies and gentlemen, we regret to inform you that because of unforeseen equipment problems, there will be a slight further delay and we are asking you to disembark temporarily and proceed to the terminal building to await our further announcement."

Instead, the loudspeaker squeaked a couple of times and the pilot said "Ladies and gentlemen, you'll have to get off. This airplane is no good." He, too, was a simple soldier of the revolution. I am happy to tell you that his announcement was greeted with loud and prolonged cheers.

THE SECOND ANNUAL SENATE YOUTH PROGRAM

Mr. CURTIS. Mr. President, last week the U.S. Senate was visited by a group of young high school students chosen from the very cream of the Nation's young men and women. These students were gathered together by means of an invitation from this body to the superintendents of public instruction in each of the 50 States to select, by various means, two elected high school officers from their respective States to represent all young Americans here in Washington.

The students selected were brought to Washington for a week of intensive study of the legislative system of the Federal Government, particularly that of the Senate. The young men and women met with many distinguished Senators and some of the outstanding leaders of this country, including the First Lady, Mrs. Johnson, who took time from a busy schedule to welcome them at an afternoon reception at the White House.

On behalf of the Senate Advisory Committee and my cochairman for this year, Senator HOWARD W. CANNON, I would like to thank all of those who made last week's visit possible, such as Dr. Evan Kirkpatrick, director of the American Political Science Association, whose staff worked out the agenda for the program: Mr. Avard Rigby, director of Adult Education of Salt Lake City, Utah, who served as educational observer; Dr. Roy McKeown, president of Teen World International, for his spiritual guidance and fine support; and, of course, the William Randolph Hearst Foundation which provided the generous grant which financed the entire program. Senate Resolution 147, passed unanimously last spring, gave permission of the Senate for the program with the understanding that it would be staged at no cost to the Government. I can assure the Senate that this, the second annual Senate youth program, exceeded even the very successful program of 1963, and it is to be hoped that 1965's program will continue in the same fine pattern.

Finally, I should like to point out that good ideas, such as that for the Senate youth program, are the brain children of good idea men. Mr. Ira Walsh, director of the Senate youth program for the Hearst Foundation, is an excellent idea man who not only conceived the original plan but generaled it personally, each successive year, to outstandingly successful conclusions.

Now, I should like to submit for inclusion in the Congressional Record, the names of all the participating students and their respective States, and the names of the officers of the four branches of military service who assisted the program in the capacity of escorts for the young visitors.

There being no objection, the names and addresses were ordered to be printed in the Record, as follows:

Military Escort Officers for the 1964 Senate Youth Program

Navy: Lt. Robert Steele, Lt. (junior grade) John C. Roberts, Ens. Mark W. Bonham, Ens. Michael J. Beaky, Ens. Melanie Landou, and Ens. Carol Ann Matheson.

Marine Corps: 1st Lt. John T. Wolfe, 1st Lt. Arnold R. Nelson, 1st Lt. Patrick J. Lawler, 1st Lt. James E. Moore, 1st Lt. Adele A. Graham, and 1st Lt. Jeanne A. Botwright.

Army: 1st Lt. Lee E. Guetschow, 2d Lt. Quentin W. Richardson, 2d Lt. William F. Creager, 2d Lt. Anthony H. Wallace, 1st Lt. Carol S. Hicks, and 2d Lt. Catherine E. McGrath.

Air Force: 1st Lt. John W. Butler, Jr., 2d Lt. Verl A. Chase, Jr., 2d Lt. Noble F. Hundley, 1st Lt. Diane Batchelder, and 1st Lt. Mary E. Baker.

William Randolph Hearst Foundation U.S. Senate Youth Program, 1964

Alabama: Lee F. Davis (Lee), 241 Cary Drive, Auburn; Thomas Stevenson Walker (Steve), 2166 Campbell Road, Montgomery.

Alaska: Ann Christine Butcher (Ann), 2400 Douglas Drive, Anchorage; Phillip Thomas Wallona (Phillip), Post Office Box 73, Dillingham.

Arizona: Richard Raymond Galbraith (Dick), 2120 Encanto Drive SE., Phoenix; Geraldine Pearl Goldstein (Gerry), 1208 West Weldon, Phoenix.

Arkansas: William Mayo Lee, Jr. (Mayo), Box 404, Clarendon; Thomas Franklin McLarty, III (Mack), No. 1 McLarty Drive, Hope.

California: Kenneth Allen Adams (Ken), 227 East 17th Street, Pittsburg; Eleanor Ferris Beach (Eleanor), Post Office Box 147, Fillmore.

Colorado: Dwight Tilden Gregory (Dwight), 107 A Street, Ault; James Clinton Moore II (Jim), 2019 Elizabeth, Pueblo.

Connecticut: Vincent Giordano, Jr. (Vince), 21 Elizabeth Street, Branford; Robert George Sheeley, 295 Norton Street, New Haven.

Delaware: Jonathan Edward Summerton (Jon), 2 Crippen Drive, New Castle; Robert Lee Thomas (Bob), 8 Vining Lane, Westhaven, Wilmington.

District of Columbia: Carolyn Sue Chin (Carolyn), 414 17th Street SE; Marc Stephen Spiegel (Marc), 1380 Fort Stevens Drive.

Florida: Gerald Barnette Cope, Jr. (Jerry), 933 West Whitmire Drive, Eau Gallie; James Isaac Valentine, Jr. (Jim), 1910 Curran Street, Lakeland.

Georgia: Howard Owen Hunter III (Howard), 322 Reynolds Street, Brunswick; Donald Richard Jeanes (Don), Route 2, Buffington Road, College Park.

Hawaii: Gertrude Louise Lewis (Gertie), 110 South Cane Street, Wahiawa, Oahu; Leroy Yoshio Uyehara (Leroy), 1760 Gulick Avenue, Honolulu.

Idaho: Curtis Eaton (Curtis), Route 2, Twin Falls; Rita Fay Kiebert (Rita), Box 297, Hope.

Illinois: Alan Peter Santini (Al), 1424 61st Court, Cicero; Gregory Howard Stanton (Greg), 317 South Monroe Street, Streator.

Indiana: Richard John Herring (Red), 620 North Hawthorn Road, Muncie; Charles Rickie Miller (Rick), 1912 Valley View Road, New Albany.

Iowa: Jerald Robert Gerst (Jerry), Yarmouth; Barry Howard Nemmers (Barry), 201 East Third Street, Anamosa.

Kansas: William Harry Lee (Bill), 2400 Granthurst, Topeka; Susan Kay Taylor (Susan or Sue), 530 North Hoover, Wichita.

Kentucky: Linda Diane Crabtree (Linda), Rural Route 2, Mt. Sterling; Noré Vincent Winter (Noré), 805 North 16th Street, Murray.

Louisiana: Patricia Dunn (Patsy), 819 Touchy Street; Lake Charles; Patrick James Briney (Pat), 1622 Harvard Street, Alexandria.

Maine: George Daniel Field (Danny), 19 Wood Street, Bangor; Peter Joseph Wiley (Peter) 3 Packard Avenue, Norway.

Maryland: Susan Elaine Culver (Susan), Route 2, Williams Road, Salisbury; Roberta Dolores Evans (Robbie), 3535 Benzinger Road, Baltimore.

Massachusetts: William A. Bleasdale (Bill), 20 Adamsdale Avenue, Attleboro; Wayne Everett Shaw (Wayne), 63 Vernon Street, Whitman.

Michigan: James Alan Fisher (Jim), 5525 Martin Road, Muskegon; John Clare Petranek (John), 404 Ascherman Street, Wakefield.

Minnesota: Bonnie Jo Anderson (Bonnie), 10 West Shore Road, St. Paul; Judith Bruce (Judy), 1776 Knox Avenue, South, Minneapolis.

Mississippi: Barry Michael McGehee (Barry), 804 Howe Street, McComb; Alan Lynwood Moore (Alan), 4539 Eastwood Road, Jackson.

Missouri: Donna Yancheck (Donna), 211 Chauquette Avenue, Lemay; William Craig Ernest (Bill), 8621 Joseph Avenue, Brentwood.

Montana: Jim William Fox (Jim), 1620 Gerald Avenue, Missoula; Cherryl Anne Reid (Cherry), Box 104, Poplar.

Nebraska: Barbara Jane O'Neal (Barb), 104 West 19th Street, Grand Island; Jerome Taylor, Jr. (Cubby), 5215 Webster Street, Omaha.

Nevada: Frederick William Battcher (Fritz), 745 Western Avenue, Lovelock; Mary Lynn McCormick (Mary), P.O. Box 231, Fallon.

New Hampshire: Karen Jean Seaver (Karen), Water Street, Marlboro; Robert Francis Wenners (Rob), 533 Holly Avenue, Manchester.

New Jersey: Denise Ann Brooks (Denise), 45 Cardinal Drive, Toms River; Daniel Charles Nemeth (Danny), 1502 Ivy Road, Point Pleasant.

New Mexico: Joseph Robert Burgess (Joe), 1328 West Market Street, Silver City; Elizabeth Ann Whitworth (Libby), 1304 South Avenue A, Portales.

New York: Joseph Lewis Izzo, Jr. (Chips), 39 Woodcrest Drive, Rochester; Robert Martin Samuels (Bob), 148–14 87th Avenue, Jamaica.

North Carolina: Aaron Neal Clinard (Aaron), 706 Overbrook Drive, Thomasville; Shearon Holmes McIntosh (Sherry), Montevista Avenue, Marion.

North Dakota: David Stuart Micklin (Dave), 2528 Belmont Road, Grand Forks; Douglas Jennings Ray (Doug), 422 First Avenue West, Dickinson.

Ohio: Michael Nelson Loitz (Mike), 3220 Street, Route 18, Rootstown; Solomon Polachek (Sol), 4100 West Third Street, Dayton.

Oklahoma: David Alan Burns (David), 37 Hillcrest Road, Ponca City; Lanna Louise Green (Lanna), 1314 South Ninth, McAlester.

Oregon: Paul Kenneth Graves (Paul), 9850 SW. Melnore Street, Portland; Trudee Marie Lewis (Trudee), 288 Ridge Road, Ashland.

Pennsylvania: Christopher Bennett Keys (Chris), 606 Market Street, Warren; Mollie Ann McNeil (Molly), Rural Delivery 4, Terri Glen, Brookville.

Rhode Island: David Viall (Dave), 45 James Street, East Providence; William Edmund Yates (Bill), 42 Kiwanee Road, Warwick.

South Carolina: Stephen Terry Savitz (Steve), 1800 Belmont Drive, Columbia; Victor Otis Wilson, Jr. (Otis), 50 Riley Street, Sumter.

South Dakota: Constance Woods (Connie), 114 South Van Buren, Pierre; Frederick Lloyd Shinnick (Fred), 1504 East Second Street, Redfield.

Tennessee: Cheryl Eileen Grant (Cheryl), 3209 Idlewild Circle, Chattanooga; Tracy Land Mott (M) (Tracy), 105 North White Station Road, Memphis.

Texas: Mary Macreeda Watson, 716 Neyland Street, Houston; Richard William Wood (Bill), 1302 West Indiana, Midland.

Utah: David Allen Greenwood (David), 167 East 6100 South, Murray; Jeffrey Craig Hale (Craig), 1122–B Georgia, Area "A," Hill Air Force Base.

Vermont: William James Prior (Bill), 20 Maplewood Drive, South Burlington; Harold Mosher Pulling, Jr. (Harold), Chittenden Road, Rutland.

Virginia: Thomas Carlton Arthur (Tommy), Ferrum Junior College, Ferrum; Patricia Ellen Monnington (Patty), Chester Gap Road, Front Royal.

Washington: Judith Ann Mayer (Judi), 7055 58th, NE., Seattle; William Glenn McMeekin III (Bill), 4446 West Mercer Way, Mercer Island.

West Virginia: Lee David Cutrone, Jr. (Lee), 409 Kentucky Avenue, Fairmont; Scott Lindsey Messmore (Scott), 1050 Beverly Hills, Fairmont.

Wisconsin: Barbara Louise Hayes (Barb), 210 Ruder Street, Wausau; Paul William Voegeli (Paul), P.O. Box 232, Monticello.

Wyoming: Bern Monroe Bonifant (Bern), Quarters 78–B, F. E. Warren Air Force Base, Cheyenne; Joan Angela Magagna (Joan), 813 Young Avenue, Rock Springs.

HANDLING CIVIL RIGHTS PROBLEMS AT THE GRASSROOTS LEVEL

Mr. HART. Mr. President, opponents of civil rights often argue that laws will not change a person's attitude. Those who believe the solutions to civil rights problems involves changing individual attitudes, and with emphasis at the local level, should rejoice at the program which began last Saturday in New York City under the auspices of the Eleanor Roosevelt Memorial Foundation.

Twenty-five interns—many of them veterans of the Peace Corps—have been selected by the foundation for a 1-year training course in easing racial frictions and solving human relations problems at the grassroots level. Following their training period, the interns will take permanent jobs with local agencies working in this area.

News of this program came to me through Edward P. Morgan's broadcast of January 30 over the American Broadcasting Co. Mr. President, I ask unanimous consent that a transcript of Mr.

Morgan's remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Six years ago, on the 10th anniversary of the adoption of the United Nations Declaration of Human Rights, Eleanor Roosevelt, one of the principal architects of that document, posed an important question. "Where, after all," she asked, "do universal human rights begin?" Then she provided her own important answer:

"In small places, close to home—so close and so small that they cannot be seen on any map of the world. Yet they are the world of the individual person: The neighborhood he lives in, the school or college he attends; the factory, farm or office where he works. Such are the places where every man, woman and child seeks equal justice, equal opportunity, equal dignity without discrimination. Unless these rights have meaning there, they have little meaning anywhere. Without concerted citizen action to uphold them close to home, we shall look in vain for progress in the larger world."

"Concerted citizen action to uphold them close to home." This is what we have been lacking, even more than legislation, in the battle to drain the hypocrisy from and add positive meaning to civil rights. So how fitting it is that the Eleanor Roosevelt Memorial Foundation has hatched a program aimed at meeting the scarcity of trained personnel, amateur volunteers and professional workers, to translate, as one foundation document has put it, the victories in the "civil rights revolution of the sixties into meaningful gains."

Tomorrow in New York City, 25 interns—half of them veterans of the Peace Corps recently returned from hitches abroad—will be formally selected for a 1-year training course on how to handle civil rights problems at the grassroots level. They divide about 50-50 between men and women and their average age is 24. Those who aren't Peace Corps graduates had similar interests at home. Each of them will be paid $5,000 for this year of training, the total cost of which will be some $275,000. Half of this will be borne by the Eleanor Roosevelt Foundation, the other half to come from matching funds provided by other participating organizations.

The interns' first assignment will be a 2-week seminar here in Washington at the Potomac Institute, a race relations research organization. There they will meet with leading authorities in law, education, sociology and psychology. Then they will be assigned to what might be called "observer jobs" in private and governmental agencies dealing directly with civil rights. Some, for instance, will join the Southern Regional Council, one of the South's most effective interracial groups. Its headquarters are in Atlanta. Others will find themselves working with New York State's Education Practices Administration, which deals, obviously, with educational problems and which is up to its institutional neck at the moment in the complicated issue of how to strike an equitable balance in the black, white, and brown populations of New York public schools which are technically but not actually desegregated.

In these and many other agencies the interns will find themselves grappling with such tasks as interviewing Negro and/or Caucasian parents on the classroom problem; trying to persuade a taxicab company to hire more Negroes; tracing the sources of intimidation of a Southern clergyman who is trying to convert the preaching of the Christian ethic into practice, and so on.

After their year of training, the interns will take permanent jobs in the agencies with which they trained or with other outfits doing similar work. While 25 is an awfully modest number for the first class in the face of the work to be done, the operation had to start somewhere and there are encouraging reasons to believe that it can expand steadily every year. There have already been 121 applicants from the Peace Corps alone, half of whom are not even back yet from their present assignments in some 27 different countries.

The people in both Government and non-Government agencies already laboring in the tangled vineyard of civil rights are not novices—or if some of them are their experiences will quickly season them. But this internship program marks the first systematic attempt to produce a fresh cadre of young workers trained in this field at the very start of their careers. "The basic idea," explains Hyman H. Bookbinder, director of the Eleanor Roosevelt Foundation, "is that while direct action on behalf of civil rights is useful and necessary, the difficult job of translating civil rights victories into concrete terms requires a tremendous number of skilled practitioners and a wide range of talents."

It has been repeatedly said, in effect, that you can't legislate a change of heart. Maybe so. But these workers are not law-enforcement officers. They will be, in a sense, heart specialists; doctors of human relations trying to cure old fears and prejudices by easing frictions in the private worlds of people.

The fact that today is the 82d anniversary of Franklin D. Roosevelt's birth and that his wife's new foundation project starts tomorrow is good cause for both homage and hopeful celebration.

This is Edward P. Morgan saying good night from Washington.

CONFERENCE REPORT ON S. 298, TO AMEND THE SMALL BUSINESS INVESTMENT ACT OF 1958

Mr. SPARKMAN. Mr. President, this afternoon, the House and Senate conferees voted to report S. 298, a bill to amend the Small Business Investment Act of 1958.

The conferees agreed to accept the Senate version of section 2 of the bill, which authorizes SBA to purchase up to $700,000 of subordinated debentures of an SBIC on a matching basis. These debentures may be purchased within 5 years of the date of the licensing of the SBIC or the passage of this act, whichever is later.

The conferees agreed to accept the Senate version of section 3 of the bill, with two exceptions.

First, the conferees accepted a House amendment to section 3 of the bill providing that the interest charged by SBA for loans made to SBIC's under section 303(b) of the act shall never be less than the average yield on outstanding marketable obligations of the United States outstanding at the time the loan was made.

Second, the conferees accepted a House amendment retaining the present statutory $4 million limit in the amount which may be loaned by SBA under section 303(b) of the act to a single SBIC.

The conferees agreed with the Senate version of section 4 of the bill which eliminates the present $500,000 limit in the amount which an SBIC can furnish to any single small business.

The conferees also agreed to accept the Senate version of section 5 of the bill, which permits SBIC's to invest idle operating funds in federally insured savings and loan associations up to the amount of the insurance.

REVENUE ACT OF 1964

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

Mr. MANSFIELD. Mr. President, I move that the unfinished business be laid down and be made the pending business.

The ACTING PRESIDENT pro tempore. Under the unanimous-consent agreement, the unfinished business is now before the Senate.

The question is on agreeing to the amendment proposed by the Senator from Connecticut [Mr. Ribicoff], on behalf of himself and certain other Senators, inserting a provision dealing with tax credits for certain educational expenses.

Upon said amendment there is a unanimous-consent agreement limiting to 1 hour the debate thereon.

Mr. MANSFIELD. Mr. President, if the Senator from Louisiana [Mr. Long] will yield 1 minute to me, I should like to ask unanimous consent that there be a pro forma quorum call, so that Members will be alerted; and in that connection, I ask unanimous consent that 1 minute be devoted to the quorum call, with one-half of that time to be charged to each side under the unanimous-consent agreement.

Mr. LONG of Louisiana. Mr. President, I yield for that purpose.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered; and the clerk will proceed to call the roll.

The Chief Clerk proceeded to call the roll.

The ACTING PRESIDENT pro tempore. In accordance with the order, inasmuch as 1 minute has now expired, let the Chair ask whether there is objection to rescinding at this time the order for the quorum call? Without objection, the order for the call of the roll is rescinded.

Mr. COOPER. Mr. President, will the Senator from Connecticut yield briefly to me?

Mr. RIBICOFF. Mr. President, I yield 4 minutes to the distinguished Senator from Kentucky.

The ACTING PRESIDENT pro tempore. The Senator from Kentucky is recognized for 4 minutes.

Mr. COOPER. Mr. President, I intend to vote for the amendment offered by the Senator from Connecticut [Mr. Ribicoff], on behalf of himself and other Senators.

This has been a difficult decision for me to reach. My first inclination was to vote against the amendment. However, after studying the report, listening to the debate and considering the arguments of the Senator from Connecticut [Mr. Ribicoff], Senator Dominick, Senator Prouty, and other Senators, I have reached the conclusion that I shall vote for the amendment.

Let me say, with all deference to the authors of the amendment, that I do not think it is perfect. I hope very much that if the amendment is adopted by the Senate, the upper limits for those who would receive tax credits will be reduced, because the amendment would accord disproportionate aid to those in the higher income brackets. I would suggest an upper level of $10,000 to $15,000 in the adjusted gross income limitation, for those who are able to pay for the education of their children should do so.

I also note that the amendment would not reach those in the lowest income brackets who pay little or no taxes, and does not provide aid and incentive in sending their children to college. Nevertheless, they can be reached through other legislation providing loans and scholarships; and I do not think the fact that they are not reached by this amendment constitutes an argument sufficiently strong to warrant denying assistance to taxpayers in low and middle income brackets, who need help in sending their children to college. The amendment would provide aid to the parents of hundreds of thousands of children in college and over 60 percent of its relief would accrue to taxpayers with incomes between $3,000 and $10,000.

We cannot always wait until we develop a perfect bill. I believe that the fundamental bill which should be enacted is one which would give aid to the primary schools, the elementary schools, and our high schools. However, it is evident that the questions of integration, of religion, and even of cost, and other objections raised by those who do not think education is a sufficiently important matter, in my judgment, would make it very difficult to enact such a measure. Nevertheless as one who has supported and cosponsored such measures since I joined Senator Taft in 1947 in his bills which would have aided such schools, I believe they will eventually be enacted. But we cannot wait for perfection. This amendment gives aid and encouragement to the education of thousands of young men and women at the college level. That is the reason I have determined to vote for it. I believe that education is, after our national security, the first imperative of our land. In this age, it is the base of our military strength and our economic strength. We cannot move forward without more fully developing our educational opportunities, which are an extension of our age-old interest in the fullest development of every individual.

The amendment has defects, but there are good reasons for its adoption. Its defects can be corrected in conference. The problem of cost must be weighed, but there are other programs supported by our government which are not as important as education. After studying the matter and listening to the able arguments of my colleague Senator RIBICOFF and others, I support the amendment which will give assistance in the field of education, which is basic to the growth and security of our country, and to the development of our people.

Mr. CLARK. Mr. President, in the absence of the Senator in charge of the bill, I should like to ask the majority leader if he would yield me 3 minutes in opposition to the amendment.

Mr. MANSFIELD. I am glad to yield 3 minutes to the Senator from Pennsylvania.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized for 3 minutes.

Mr. CLARK. As a member of the Education Subcommittee of the Committee on Labor and Public Welfare, I shall reluctantly vote against the Ribicoff amendment. Educational proposals of the Kennedy and the Johnson administrations, with respect to scholarships and loans to students who could not without assistance afford to go to college, are now pending before the Education Subcommittee of which the distinguished Senator from Oregon [Mr. MORSE] is chairman.

This approach was contained in Senate bill 580, the omnibus education bill of the administration which is, in my opinion, a sounder method of dealing with the need to get more talented young men and women into college than the pending amendment, for the following reasons:

First, because the credit under the Ribicoff amendment would cost $750 million currently, and $1,300 million by 1970.

Second, the credit would not expand educational opportunities because it does not give relief where relief is most badly needed.

The most serious problem in education is that able students from low-income families are not able to afford a college education. This credit will be of no value to such a family. On the other hand, it would provide relief to middle-income families who already send their children to college.

The credit would encourage tuition increases. Since the total amount of the credit increases as the tuition increases, the credit discriminates in favor of private universities which normally charge much higher tuition than State universities. This would tend to give greater benefits under the provision to persons living in areas where children normally attend private universities.

No intelligent judgment can be made on this proposal without considering it in connection with other proposed methods for providing assistance to higher education. Under the Senate rules, that obligation is lodged with the Committee on Labor and Public Welfare, and its Subcommittee on Education.

I urge Senators not to legislate on such important and educational matters on the basis of a report of an amendment to a bill coming from the Finance Committee. The Committee on Labor and Public Welfare should be given an opportunity to deal with this question.

Mr. President, I yield back the remainder of my time.

Mr. RIBICOFF. Mr. President, I yield 3 minutes to the senior Senator from Connecticut, my good friend and colleague [Mr. DODD].

The ACTING PRESIDENT pro tempore. The Senator from Connecticut is recognized for 3 minutes.

Mr. DODD. Mr. President, I thank my colleague. I wish to commend him and explain to him and to other Senators that I was not able to be present in the Chamber yesterday because of pressing personal commitments in Connecticut. However, I did read the CONGRESSIONAL RECORD this morning, and I believe the argument made by my colleague, the Senator from Connecticut, is unanswerable. I believe he deserves great credit for the manner in which he has presented his case.

Mr. President, the Senate is now considering one of the most far-reaching and important amendments that will be offered to the tax bill.

I support the proposal to allow a modest tax credit to those who are paying the expenses of higher education for themselves or their children. This amendment is not only proper and sensible as a matter of justice, it is also, I believe, essential to our national effort to aid education.

Two of our greatest objectives in the 88th Congress are to pass a substantial tax cut and to do something for education.

In the amendment sponsored by my colleague, the Senator from Connecticut, myself, and 12 other Senators, these 2 objectives join forces.

One reliable study cited earlier in this debate shows that in the past 4 years costs at a typical group of private colleges have gone up 29 percent while costs at a comparable group of public colleges have risen 21 percent.

There is no letup in sight in the rising costs of obtaining a higher education, and the time is long overdue for the Federal Government, through the tax laws, to do something to help lessen the heavy burdens that so many parents and students are carrying.

The ACTING PRESIDENT pro tempore. The time of the Senator from Connecticut has expired.

Mr. RIBICOFF. Mr. President, I yield 1 more minute to my colleague, the Senator from Connecticut.

Mr. DODD. I thank my colleague.

For 10 years I have been trying to call attention to the great need for fairer tax treatment in this area.

I have supported and introduced bills, both in the House and as a Member of the Senate, to provide this kind of tax relief. And, many colleagues in both bodies have pressed for this kind of legislation.

But every administration as far back as I can remember has been strongly opposed, and our efforts have been unsuccessful.

I am hopeful that this year, however, the time has come when Congress will no longer ignore this issue, and will not bow down to the opposition of the Treasury Department.

Under the leadership of my able colleague from Connecticut, Senator RIBICOFF, who is a member of the Finance Committee, 14 of us who have proposed various ways to allow tax relief for educational purposes have agreed upon a common approach which is contained in the amendment we will vote upon shortly.

This amendment has been carefully drawn by my colleague to meet the various arguments that have been raised against it.

To meet the objection, that it inordinately benefits those in the higher income brackets, there is a sliding scale of tax credits which seeks to equalize benefits for all economic levels.

Similarly, it takes into account the fact that expenses of publicly supported institutions are less than those of private colleges and universities.

There are some who oppose it on the ground that it would be of no help to those who pay no income tax at all, and would be of no help to those who do not pay the cost of higher education and, therefore, is discriminatory. This is a specious argument and were it applied to all of the tax deductions and credits, they would all have to be eliminated. Medical deductions are of no use to people who are not sick. Dependency deductions are of no use to those who have no dependents, and, of course, no deductions apply to those who pay no taxes. But that does not make these deductions discriminatory.

So long as we are to have a very complicated system of tax deductions and credits, there is no more worthy cause than credits for money spent for higher education.

For most people, the years when children are away at school are years of crushing financial burdens, years during which they must deprive themselves and frequently go heavily into debt as well.

The tax credit would lessen this burden to a substantial degree and would also provide needed tax relief for students who are working their way through school and who need every dollar they can get for educational purposes.

It is time we recognized the fact that the financing of educational costs is more than a personal problem faced annually by millions of people.

It is a vital national problem and should be recognized as such in our tax laws.

This is no tax loophole that we are trying to open up. These parents and students are making a tangible contribution to the future of our country, and they need and deserve the limited assistance provided in this amendment.

This week is the best opportunity we will have for a long time to make an educational tax credit a part of our tax laws.

We should not give in to the complaint of the Treasury Department that this credit will cost the Federal Government too much revenue.

For 3 years the Treasury Department has been contending that a multibillion-dollar tax cut was fiscally sound and essential to the economy of the country. In this background we should not take very seriously the contention that a $750 million loss in revenue for so worthy a cause would harm the Nation's fiscal posture.

And we should not give in to the argument that further hearings should be held by the tax and the education committees in both Houses, before this bill is voted on in the Senate.

I have heard these arguments before. They sound reasonable and have a certain appeal. But this issue has been studied and debated for many years, and we have no assurance that further study will lead to any progress.

I believe we have waited long enough to take this important step and I urge my colleagues who have not yet made up their minds to join with us in voting for this educational tax credit amendment.

Mr. AIKEN. Mr. President, I am in favor of every young person in the United States who has the ability and the willingness to learn to get a college education with public support or at public expense if necessary.

Congress has made great strides in that direction during the past year, under the leadership of the chairman of the Subcommittee on Education of the Committee on Labor and Public Welfare, the senior Senator from Oregon [Mr. MORSE] and my colleague Senator PROUTY, of Vermont.

I am opposed to awarding assistance for higher education on the basis of wealth, or for the purpose of acquiring a college degree for use as a status symbol. Assistance should be given on the basis of ability and willingness to learn, and thus to make a later contribution to the United States.

I do not believe the amendment offered by the Senator from Connecticut [Mr. RIBICOFF] is a start in the right direction. I believe that it leads in the opposite direction.

Some of the greatest men in our society, scientists, lawyers, doctors, and men in public office, have come from the lower economic levels of life and I believe that if they had the willingness and the ability to learn, so have other young people in the lower economic levels of today. They should be given equal opportunity with those young people whose parents are able to send them to the more expensive colleges.

Mr. LONG of Louisiana. Mr. President, I yield myself 3 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana is recognized for 3 minutes.

Mr. LONG of Louisiana. I went to college at the Louisiana State University under what was the forerunner of the NYA program to help young men and women work their way through college.

I helped a number of young boys who were classmates of mine, and others, to obtain entry into the university and also to find work so that they could earn their way through school. Most of those young men were sons of large families or were themselves orphaned, or were the sons of foreign families who would have received no benefit whatever from this proposal had it been law.

For a fraction of the cost of adoption of this amendment, we could have a loan program, not merely a $100 handout or a $200 handout. The amendment is so framed that the more expensive the school attended the larger the handout would be.

For a fraction of the cost of the program embodied in the amendment our Government could have a sound loan program which would assure every young man and young woman an opportunity to provide himself or herself with a college education.

What do the sponsors of the amendment say about that proposal?

The amendment would not help those who are most needful. The young man or woman who had to work his or her way through college would receive relatively little of the benefits which would result from the $1,300 million program.

What do the sponsors say about that? They say we should do whatever is necessary to help the young people who work their way through school, but we should do, also, what is proposed in the amendment.

Mr. President, the question is one of priority. Should we start giving $1.3 billion of tax money from the Federal Treasury to people who do not need it, do not require it, do not expect it, and who are well able to educate their own children, or should we start by giving the first $1.3 billion to people who do need it?

The proposal is very similar to the case of a Senator who might come here and say, "Let us not provide aid to the aged at the Federal level. Let us give a tax credit of $100 to every man or woman who must look after an aged father or aged mother." How would such a program work?

Usually if a man is poor and aged, his son is likely to be in about the same condition as his old dad. He is a poor man, too. He is not paying much in the way of taxes and could not take advantage of such a tax credit. People of wealth would have the benefit of the $100 tax credit to enable them to give their fathers and mothers that extra assistance without any need requirement.

The amendment has in it practically no need requirement. Those who are already wealthy would be in a position to dip into Uncle Sam's Treasury to help their own folks who do not need it. Those who are hungry and have little ability to provide for the needs of their own families, much less their grandfathers, and grandmothers, would receive no benefit because they would have no income on which to take the credit in the beginning.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. LONG of Louisiana. I yield myself 1 additional minute.

If we want to do first things first, if we want to help young people who desire to go to school, I suggest that the proposed credit would not even begin to meet their expenses. What they need is about a $2,000 a year, which they can either borrow or earn. Not enough would be provided to help them.

If we wish to help students we should start with the kind of bill which the Senator from Oregon is studying and recommending to this body. If all we wish to do is to make a great, generous display of the gratuities of the Federal Government by passing out tax advantages to people who have no real need for them and people who would put their children through school anyway, I suggest to Senators that they vote for the amendment, because that is what it would do. Those who can afford to put their children into expensive eastern colleges where the cost is $2,500 or $3,000 a year in tuition would receive more benefit than those who cannot afford to put their children in expensive eastern colleges.

Mr. DOMINICK. Mr. President, will the Senator yield for a question?

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. LONG of Louisiana. Mr. President, I yield myself 1 additional minute. I yield to the Senator from Colorado.

Mr. DOMINICK. Is the Senator aware that every person who puts himself through college must pay taxes on the income he receives with which he pays the cost? Every elevator boy in the Capitol and every employee here who is attending school is pleading for us to adopt the amendment in order to help him along.

Mr. LONG of Louisiana. The credit would be limited to whatever the tax would be. If a person pays little tax, he would have nothing against which to take the credit. If the Senator will look at page 1733 of the testimony, he will see who would receive the distribution of the benefits. They are those who have adjusted gross incomes of $3,000 or less. What would they get? One percent. That is where the need is. The other 99 percent of benefits would go to those who are in a position to provide adequately for the education of their children.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. Mr. President, I yield myself 3 additional minutes, and yield to the Senator from Oregon.

Mr. MORSE. Does the Senator from Louisiana agree with the Senator from Oregon that the elevator boys and employees who are appointed and are beneficiaries of that employment are fortunate to have jobs that enable them to pay their way through college, and that they ought to be happy that they have jobs so that they can pay the small amount of taxes that is collected from their income?

Mr. President, the question is basic. What are we trying to do? We are trying to breed a younger generation in this country into believing that they ought to get everything that they can get for nothing.

It is about time that we adopt a program which would put a stop to handouts such as those which would be provided under the Ribicoff amendment.

Mr. LONG of Louisiana. Mr. President, how much additional time have I under the time I have allotted to myself?

The ACTING PRESIDENT pro tempore. The Senator has an additional minute.

Mr. LONG of Louisiana. Mr. President, the Senator from Oregon has exactly stated the point. An elevator boy who is being paid $400 to $500 a month would be benefited by the proposal. How about the boy who does not have a job and who would receive no benefit? That is what is wrong with the proposal. We would provide Federal money to the tune of $1,300 million for the benefit of those who do not need it, those who would go to college anyway, and those who are already in college. We would deny help to those who really need it. We would deny assistance to the man who has a wife and 10 children, and does not pay taxes and should not pay any taxes. He may be making $5,000 or $6,000 a year. He must feed his family on red beans and rice.

Let us try to find the money necessary to put those children through school. Suppose we help them. With a $100 or so as a credit we would help a limited number of people, but continue to deny help to those who are most in need.

Mr. RIBICOFF. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield on the time available to the Senator from Connecticut.

The ACTING PRESIDENT pro tempore. The time of the Senator from Louisiana has expired.

Mr. RIBICOFF. Mr. President, I yield myself 2 minutes.

I have listened to the argument of the distinguished Senator. I have heard of his deep concern about the youngsters who work and might get a tax credit. How concerned is the distinguished Senator about the $2 billion under the investment credit and the additional hundreds of millions under the new investment credit amendments in this bill which would go to General Motors and other corporations whose earnings are the highest ever?

Mr. LONG of Louisiana. That is an entirely different subject. To begin with, I have had some doubts about the investment credit proposal. One doubt I had about it concerned the fact that once we open the Treasury to some groups, we invite others to get their fists in too.

It is like proposing that Uncle Sam write checks for that amount of money. We would be opening Pandora's box. That is one aspect of the proposal which raises doubt as to the investment credit.

Perhaps if the amendment of the Senator from Connecticut is agreed to, we shall have to proceed to strike the proposed section 203, thus repealing the Long amendment, which would cut by 40 percent the credit benefit provided for General Motors and others.

If we wish to provide the proposed program for education, in my judgment, we ought to start at the bottom, with those having the lowest incomes, and work up—we should start with youngsters who otherwise would not be able to attend college, rather than to start at the top with those who are already in school and whose families are able to send them to school to begin with.

Mr. RIBICOFF. How about the $140 million provided in the tax bill for the benefit of a few department stores, none of which need the money—although they think they need the money—rather than the elevator boy who is operating an elevator in the Capitol for a wage of $400 a month? How about the $140 million which would benefit the department stores? Let us begin to look at the loopholes in the bill.

Mr. LONG of Louisiana. We are talking on the Senator's time.

Mr. RIBICOFF. Yes.

Mr. LONG of Louisiana. What we are talking about is the method of taxing revolving credit. That is a provision which, if the committee amendment is retained would largely be a one-time revenue loss. The provision is concerned with the procedure of applying taxes on the revolving credit balance. Those involved would not escape taxes. It would be a question whether the taxpayer would pay tax, in the year the sale is made or in the year the credit balance is paid. It is a one-time loss.

The ACTING PRESIDENT pro tempore. The time of the Senator from Connecticut has expired.

Mr. RIBICOFF. Mr. President, I yield to the distinguished Senator from New York 3 minutes.

Mr. KEATING. Mr. President, I ask the Senator from Connecticut if I may have 5 minutes.

Mr. RIBICOFF. Mr. President, how much time have I remaining?

The ACTING PRESIDENT pro tempore. The Senator from Connecticut has 22 minutes remaining.

Mr. RIBICOFF. I yield 5 minutes to the distinguished Senator from New York.

Mr. KEATING. Mr. President, the able and distinguished junior Senator from Connecticut [Mr. RIBICOFF] and a number of my other distinguished colleagues and cosponsors of this amendment have, in the last 2 days, set forth with clarity and persuasion, the objectives and the details of this amendment. By now, everyone has had a chance to familiarize himself with the technicalities of our plan—the sliding scale tax credit, the ceiling to prevent windfalls to wealthier taxpayers, the inclusion of fees, books and supplies as well as tuition, and the availability of this credit to anyone who actually pays the bills—so I will not take valuable time to repeat the details. It is sufficient to state that those of us who have, for years, supported some kind of tax relief for those making this kind of investment in America's future, have agreed that this measure should be enacted now.

In the few minutes remaining before we vote, therefore, I would like to answer what seem to be the two major objections to this amendment; namely, first, that it is not the best means of aiding higher education, and, second, that it costs too much.

The first charge, the primary argument of the Department of Health, Education, and Welfare, is made by those who wish to retain the image of "progressive and liberal friend of education" while voting against the amendment.

Their argument implies that the sponsors of this proposal have offered it as a panacea for all the financial problems of American higher education and as an alternative to all other forms of more direct aid. This is simply not so. We have not abandoned construction grants to universities, scholarship aid to needy students, research stipends, insured loans or student work programs.

I, for one, hope I am given the opportunity to vote on a score of new and imaginative proposals to aid education in the next few years.

But 18 years in the Congress has taught me a certain amount of pragmatism. I know better than to advise a hungry man to pass up a piece of bread because a whipped-cream cake is on the way. Let's hope we get both, but let's not bet on "double or nothing."

The cost argument is less subtle. It is made by those who acquiesce in oil-depletion allowances, investment credits, dividend received credits, foreign tax credits, entertainment deductions, and a score of other tax gimmicks, but who, in admirable candor, declare that tax relief for investors in America's future is too costly. Well, Mr. President, it is very possible that if this amendment is not adopted, the American taxpayer will have to assume the considerably greater cost of an expanding public university system. Let me elaborate briefly, and prove my point with a few interesting figures.

There are 1,357 independent colleges and universities in this country. I make no judgment on whether these colleges are better than the large State universities but do state that they provide the diversity in higher education which Americans generally agree is desirable, and should be fostered. Since they are privately endowed, they also save the taxpayer a considerable amount of money.

In 1949, 50.4 percent of all college students attended private institutions; by 1962, the percentage had dropped sharply to 38.3 percent. The reason: a "tuition gap." The Office of Education has estimated that the average tuition and fee charge to a student in a State university is $185. This is one-eighth of the cost of educating him, and the taxpayer, of course, makes up the difference, to the tune of over $2 billion a year. This figure does not include capital outlay, but merely operating costs.

The private institution, which does not have the benefit of this taxpayer subsidy, has been forced to increase tuition charges 100 percent or more during the last 10 years. The resulting "tuition gap" has caused a shift in student population from the private to the public colleges at an average rate of 1.4 percent a year. Dr. Carroll V. Newson, former president of New York University, has estimated that "by 1975, perhaps not more than 4 percent of the post-secondary students of the country will be attending private institutions." Even if the rate of shift remains constant, at 1.4 percent a year—which is doubtful—and 80 percent of the students are in public colleges by 1975, the taxpayer will have to shell out $8½ billion in capital outlay and $6 billion a year in operating costs to accommodate the increase. If we can preclude the shift by tax relief and keep the ratio of public to private college students substantially the same as it is today, the taxpayer would save $3.6 billion in construction costs and $1½ billion a year in operating costs. The Treasury has estimated that this plan will cost $750 million a year in reduced revenue. In view of the figures I have just cited, it is worth every penny it costs.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. KEATING. I shall not take more time in view of the time situation.

I hope the amendment will be adopted.

The ACTING PRESIDENT pro tempore. Does the Senator from Louisiana desire to yield any time?

Mr. RIBICOFF. Mr. President. I yield 2 minutes to the Senator from Delaware [Mr. WILLIAMS].

The ACTING PRESIDENT pro tempore. The Senator from Delaware is recognized for 2 minutes.

Mr. WILLIAMS of Delaware. Mr. President, the purpose of the amendment of the Senator from Connecticut is to allow those parents who wish to educate their children to pay the tuition and then get a deduction when they file their tax returns. I see nothing wrong with the proposal.

The argument made by the Senator from Louisiana that this is a gift from the Treasury has developed from the theory that all that a man earns belongs to the U.S. Government and that when the Government reduces his taxes it is giving him something. That is a new philosophy and one to which I do not subscribe.

I always felt that what a man earned was his own. Sure he must pay taxes, but it is the taxpayer who gives to the Government.

The Senator from Louisiana says that a poor man does not get anything from this measure. No tax cut will help the unemployed. A tax cut will not help those whose income is so low that they pay no taxes. That is understood. But this proposal is for the benefit of those in the low-income groups who do pay taxes and who do have to pay tuition costs to educate their children.

It is far better to let people select their own colleges and make their own payment. The American people can better prepare themselves to educate their own children if we give them a deduction or a credit, rather than to make them send all their money to the Federal Treasury and then have the Federal Treasury set up a bureaucracy to distribute a part of it back to him. That is not the way to have people educate their children. This amendment offers a much better approach. I have greater confidence in the ability of the American people to select their own colleges than in anyone in the Federal Government.

Mr. RIBICOFF. Mr. President, I yield 2 minutes to the Senator from Kentucky [Mr. MORTON].

The ACTING PRESIDENT pro tempore. The Senator from Kentucky is recognized for 2 minutes.

Mr. MORTON. Mr. President, I shall support the amendment offered by the Senator from Connecticut. I do not think I have to answer the argument made by the Senator from Louisiana as to the rich benefiting from the proposal. I think it was eloquently set forth in the presentation made yesterday by the Senator from Connecticut [Mr. RIBICOFF].

I notice that the presidents of some of our American universities have come out in opposition to the amendment, saying that the only thing that will happen is that college tuition will go up $200 a year if this amendment is adopted. I have greater confidence in the present trustees and in the presidents of the colleges and universities of this country than that. I do not believe that they would be so irresponsible as to follow such an obviously selfish plan.

I could hardly believe it when I read that their opposition was based on the ground that this amendment would increase the cost of college education. We all know that in the next few years more and more people are going to college. We all know that, unfortunately, we are in a situation in which the costs of education are going up. But when the presidents of great colleges and universities in this country say the costs are going up because we are giving a tax break to those who would prefer to educate their own children rather than to have them educated under some kind of scholarship fund administered by the Government, I must decry such statements.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. RIBICOFF. Mr. President, I yield 2 minutes to the Senator from Nebraska [Mr. CURTIS].

The ACTING PRESIDENT pro tempore. The Senator from Nebraska is recognized for 2 minutes.

Mr. CURTIS. Mr. President, this is a poor boy's amendment. It provides that if anyone pays tuition and fees to send a neighbor boy to college, he receives a tax benefit. This is one incentive for the citizens of the United States to assist worthy young people to go to college. It channels the tax benefit in such a way that there is no Federal control. No ruling of the Supreme Court or any other conflict will determine what may be taught in that school. If a parent wants his child or his neighbor or a poor boy who is a member of the Boy Scout troop to have an opportunity to go to college where there is compulsory religious instruction, he may do so. It avoids a huge bureaucracy. It avoids a situation in which, if one institution receives a grant, all the rest will demand it.

I hold in my hand a book of 358 pages, each page containing three columns of fine print, containing names of institutions, a contribution to which is allowed as a tax deduction.

The ACTING PRESIDENT pro tempore. The time of the Senator from Nebraska has expired.

Mr. CURTIS. Many of them are not as worthy of a deduction as would be a contribution for a college education.

Mr. RIBICOFF. Mr. President, I yield 1 minute to the Senator from New Hampshire.

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire is recognized for 1 minute.

Mr. COTTON. Mr. President, there are observations I would like to make on this bill, but I was unavoidably absent yesterday, and I have but 1 minute today.

All these forensics to which we have been listening leave me unimpressed. It is the old lullaby we are given, that if we refuse to do something for somebody today, sometime next month or next year we shall be given an opportunity to do something more magnificent and bounteous for him.

I listened to that lullaby when I was trying to get doctors for rural communities. I listened to that lullaby when we were trying to abolish some of the pocket-picking war excise taxes. I have listened to the lullaby many times on the floor of the Senate.

I consider this to be a fair amendment, which sends money back where it is needed, without the administrative cost or the setting up of a new bureaucracy. I do not intend to wait for some future opportunity. This is a chance to do something for people who are straining their resources to educate their children, and do it now. I shall vote for it.

Mr. LONG of Louisiana. I yield 4 minutes to the Senator from Maine.

The ACTING PRESIDENT pro tempore. The Senator from Maine is recognized for 4 minutes.

Mr. MUSKIE. Mr. President, democracy is an exacting form of government and requires an educated and informed citizenry. In recent years, the cold war has become in large part a battle for men's minds, and it is no exaggeration to say that our educational system is one of freedom's first lines of defense.

If we are to survive, if we are to prosper, if we are to achieve for every American that opportunity for spiritual and material fulfillment to which each is entitled, we must insure that our educational system effectively serves our needs. Above all, we must see to it that its opportunities are fully available for the development of our young people whatever the limitations of their own financial resources.

The Senator from Connecticut has performed a great service. Although he describes his amendment as a tax measure, rather than an education measure, it is clearly designed to advance the cause of education.

But worthy as is that cause, agree though I may with its objective, I do not believe that this is the time or the place for enactment of this measure.

Whatever it may be called, this amendment is an education measure. The pending business is a tax bill. The two should not be confused. An overwhelming and most unusual national consensus has coalesced in support of this tax bill, as an economic measure. Adoption of this amendment would throw the proposed rate structure into confusion and may seriously delay—or even jeopardize—passage of this most important bill.

For the proposed amendment will, in fact, be the most expensive education bill for individuals ever enacted—with the sole exception of the GI bill. Its cost alone—$750 million the first year, $1.3 billion by 1970—requires that it be considered in conjunction with our overall education policy. Federal aid to education on such a massive scale deserves the deliberate, careful scrutiny of Congress within the framework of our national policy in this important area.

It should not be in the form of an amendment to an economic measure.

It should not be considered without the benefit of wide-ranging and detailed hearings. Our educational needs are many; our resources, great as they are, are limited. Is every Member of this body firmly convinced that the priorities established by this amendment are warranted in an investment of such magnitude? Is it not possible that a more searching investigation will reveal that a different order of priorities is called for?

Mr. President, the objections I have raised have not been directed to the merits of the amendment. They have been concerned with the wisdom of approving it at this particular time.

In addition, there are, it seems to me, some valid questions with respect to the amendment itself which require consideration.

As proposed, the amendment would be of little or no help to those countless thousands of young Americans who cannot now afford to go to college. It will do nothing at all for the millions of Americans in the lower income brackets. It will simply make it a little easier for those who can already afford to send their children to college. Certainly, this is a laudable objective. But should not a program of this magnitude provide some assistance to those who cannot now even begin college?

Second, there seems to be little doubt that many colleges will increase their tuition rates. Thus, it may well be that the taxpayer entitled to the credit will obtain no real benefit, while the problem of getting a college education will become even greater for those now unable to do so.

Third, the fact that the amount of the credit depends upon the tuition rate means that the amendment provides the greatest measure of relief where it is generally needed least: To taxpayers paying tuition for students at high-tuition colleges. Those students attending low-tuition institutions will, in most cases, be unable to qualify for the maximum credit.

Finally, Mr. President, I should note that, as a father of five whose college careers will begin in 4 years, I find the benefits under the Ribicoff amendment very tempting. But, I would like to point out that this would be in addition to benefits already afforded me under the bill. The relief would be most helpful to me, but it would be of little value to families in Maine with income of $5,000 and less.

The Ribicoff amendment would provide, in effect, double relief for a small portion of the middle income group—relief which would not be available to our lower income families. The tax bill, as reported to us by the Finance Committee, is designed to provide equitable relief to a wide spectrum of taxpayers. The Ribicoff amendment would distort that effect.

Here are some examples, using the average family, with two children at $10,000. Such a family would receive a $223, or 19-percent cut under the tax bill. The Ribicoff amendment would add a $325 cut, or an additional 26 percent, for a total net reduction of 45 percent. At $15,000, such a family would receive a $369, or 17-percent, cut under the tax bill. The Ribicoff amendment would add a $325 cut, or an additional 15 percent, for a total net reduction of 32 percent. At $20,000, such a family would receive a $560, or 16-percent cut under the tax bill. The Ribicoff amendment would add a $325 cut, or an additional 10 percent, for a total net reduction of 26 percent.

Mr. President, I hope that the interest in meeting our educational need which has been kindled by this amendment will continue long after this tax bill is passed. I hope that this Congress, which wrote a remarkable legislative record in the field of education last year, will not rest upon its past achievements, for much remains to be done. And although I will vote against this amendment, I wish to make it unmistakably clear to the Senator from Connecticut and to the rest of my colleagues that this is not a vote against the objective of the amendment. It is rather an expression of my belief that the objective can be better served, the priorities more precisely established, and the resources more equitably distributed.

Mr. President, I ask unanimous consent that several telegrams from both supporters and opponents of the proposed amendment, in Maine, be inserted in the RECORD at this point.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

AUGUSTA, MAINE, *February 3, 1964.*

Senator EDMUND S. MUSKIE,
Senate Office Building,
Washington, D.C.:

I respectfully urge you to oppose the Ribicoff amendment 329. Scholarships and loans make it possible for many students to go to college who couldn't otherwise go. Tax credits rarely make that much difference. Maine teachers have expressed repeatedly their support of a scholarship and loan program. They have never shown any enthusiasm for tax credits which would reduce taxes to the benefit of many who are able to finance the education of their own children.

CLYDE RUSSELL,
Executive Secretary, Maine Teachers Association.

ORONO, MAINE, *February 3, 1964.*

Senator EDMUND S. MUSKIE,
Washington, D.C.:

I firmly believe the Ribicoff-Keating tuition tax credit plan detrimental to broadening of opportunity in higher education. Respectfully request your opposition.

LLOYD H. ELLIOTT,
President, University of Maine.

PORTLAND, MAINE, *February 3, 1964.*

Senator EDMUND MUSKIE,
Senate Office Building,
Washington, D.C.:

Diocesan school department approves Ribicoff tax credit bill. Would appreciate your support.

Msgr. ARMAND E. CYR,
Superintendent.

PORTLAND, MAINE, *February 3, 1964.*

Senator EDMUND MUSKIE,
Senate Office Building,
Washington, D.C.:

We favor the Ribicoff tax credit bill.

ST. DOMINICS MOTHERS CLUB.

Mr. LONG of Louisiana. Mr. President, I yield 2 minutes to the Senator from Florida.

Mr. SMATHERS. Mr. President, I believe we all agree that all of us are in favor of education for all of our students. The question is how to proceed to carry out that wish in the best possible way. For my own part, and in the opinion of most people who are really concerned about this problem, the best way to proceed is through the Committee on Labor and Public Welfare, with a total program which correlates the National Defense Education Act to the student loan program and all the other programs. If we have money to give away, let us give it to the students who need it the most.

My objection to the amendment—and I do not like to call it the rich man's amendment—is that it helps parents who do not need any particular help.

If we take the figures given by the author of the amendment, we see that that means persons who make $35,000 a year. Such a person, under the amendment, would get a tax cut of $675. That is a straight credit. Such a person would send his children to Princeton or Harvard, no matter what. Therefore, what we do is give the money to people who do not need it.

As had been pointed out, what would happen with respect to private schools would be that private schools would raise their tuition, so that everyone who sent his children to private schools would have to pay an additional $350. The poor boy who does not have a family, who does not have a father, would not be able to go to school. We thus will make the problem more insurmountable for him so far as obtaining an education is concerned.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. PASTORE. I should like to have it made clear to me just what is the basis for the argument that if we give parents some kind of consideration in helping them send their children to college that——

Mr. SMATHERS. I would like to have the Senator ask me a question, but I would appreciate it if he would take the time from the side controlled by the author of the amendment.

Mr. RIBICOFF. I am pleased to yield a minute to the Senator for that purpose.

Mr. PASTORE. Where do we get the notion that the university will raise its tuition merely because, for meritorious reasons, we give some credit to parents of the middle class who want the pride and respect of paying their own children's tuition. This amendment would give them a little help in bearing the terrific expense involved. Does that mean that the university will raise its tuition as a device to nullify the relief? Where do we get that notion?

Mr. SMATHERS. I am glad the Senator asked that question. I will read him what the originator of the sliding scale proposal which is apparently incorporated in the amendment, said. He is Dr. Roger A. Freeman of the Hoover Institution on War, Revolution, and Peace, of Stanford University.

Mr. RIBICOFF. Mr. President——

Mr. PASTORE. Let the Senator from Florida finish.

Mr. SMATHERS. Let me answer the Senator's question. He asked me a question, and he is entitled to have an answer. This is what he says——

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. LONG of Louisiana. I yield 1 more minute to the Senator from Florida.

Mr. SMATHERS. Dr. Freeman said:

> The tax saving, or revenue loss, under my schedule may be estimated at $700 million per annum, or more. Institutions may be expected to recoup as much as three-fourths of that amount through increased tuitions.

Mr. PASTORE. The schools must adjust their charges as their costs mount. They will do it whether we adopt this amendment or not.

Mr. SMATHERS. This is what the original author of this idea says about it.

Mr. PASTORE. The schools will raise or lower their tuition whether we do this or not. Charges will change with the times—as costs are greater or less.

Mr. SMATHERS. No; they say they will do it if such an amendment is adopted.

Mr. PASTORE. That is nonsense to me.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield, if I have some time remaining.

Mr. RANDOLPH. The Senator's argument is very persuasive. However, is it not a fact that educational costs are going up year by year?

And they have been rising year by year, irrespective of what the Congress does on tax legislation. This measure does not purport to solve all the problems of financing higher education. Last year the Congress enacted the Higher Education Facilities Act, the National Defense Education Act Extension and Amendments, the Vocational Education Act of 1963, and amendments to the Manpower Development and Training Act. The senior Senator from West Virginia supported all of these measures, and I shall support any measure to advance the educational opportunities of our youth, especially for those from the lower income groups. But the fact that the proposed amendment does not do all things for higher education is not, in my opinion, a valid argument for opposing it.

Mr. SMATHERS. The Senator does not want to help education any more than does the Senator from Oregon or the Senator from Florida. We all want to help. The question is how do we do it best? The amendment would cost $1,300 million. Is that the way to do it? What about the poor boy in West Virginia who has no father or mother but who wants to go to school ? Where would he get the money? He would not get it by reason of this amendment.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. SMATHERS. He would not get it by reason of the amendment. It does not offer him anything.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. SMATHERS. If the time comes out of the time controlled by the Senator from Connecticut.

Mr. RIBICOFF. I am pleased to have such an effective ally as the Senator from Rhode Island. I yield 1 more minute to the distinguished Senator from Rhode Island.

Mr. PASTORE. I have 1 minute, 60 seconds. Has the Senator ever examined a scholarship application?

Mr. SMATHERS. Yes; I have.

Mr. PASTORE. Where it is necessary to swear away half of one's life in order to qualify for a scholarship on the basis of need?

Mr. SMATHERS. I have seen such an application. I have a brother who is supporting four children and——

Mr. PASTORE. Are we on my time?

Mr. SMATHERS. Yes. That does not mean that we ought to adopt such an amendment.

Mr. PASTORE. I say to the Senator from Florida that, insofar as the low-income groups are concerned, there is no problem.

For the low-income group—and properly so—there is every encouragement of scholarships and loans so that the capable and ambitious may develop their talents. There is no discredit to this. It is fitting that our Nation should provide every facility of scholarship.

Any man in the low-income group who wants to send his child to college will find that it will be made possible for that child to go to college, because somewhere or other the facilities exist and some arrangements will be made to that end.

Mr. SMATHERS. Now——

Mr. PASTORE. Now we are on my minute. Anyone who is in the low-income group—and the very wealthy parent has no problem at all. The problem lies in the great $10,000 to $15,000 a year class, in which a man wants the pride of saying, "I want my child to go to the college of our choice. I feel that his education will benefit not only him but his country. I want to pay for his tuition, but I need the consideration of my country in meeting this cost."

That is the kind of people we are worrying about.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield a minute to the Senator from Florida.

Mr. SMATHERS. The statistics were placed in the RECORD for the edification of all of us. I would appreciate it if the Senator from Rhode Island would read them. They give the percentage of the pupils from families of certain income groups who go to school, and they list the number of students in the schools. Percentagewise, one-fifth come from the lowest income group.

Mr. PASTORE. That is correct.

Mr. SMATHERS. So most of the youngsters who go to college come from the middle income groups.

Mr. PASTORE. This amendment would not hurt them.

Mr. SMATHERS. It distributes the credit, as the Senator says.

Mr. PASTORE. It certainly does.

Mr. SMATHERS. The amendment would do nothing for the poor boy who wants to get an education.

Mr. LONG of Louisiana. Mr. President, let us see how this proposal would work. It is simple enough. What would happen if the amendment were adopted? We would reach into Uncle Sam's Treasury for $1,300 million a year. Every child——

Mr. RIBICOFF. Mr. President, will the Senator yield on my time?

Mr. LONG of Louisiana. I am speaking on my time.

Mr. RIBICOFF. Will the Senator yield on my time?

Mr. LONG of Louisiana. Let me make my statement, first; then I shall be glad to yield.

It is proposed to reach into Uncle Sam's Treasury for a tax credit, which is like drafting a check on the Treasury for $1,300 million a year. If one's child is in Princeton, he will get $325 from the Treasury. If he has a child in one of the expensive eastern girls' schools, where the tuition is $1,500, he will get a credit of $325. If one is worried about the expense of such an education, he should not have sent his child to such a school, to begin with. Let him send his child to the State university, where the tuition is only half or one-fourth as much. Then he would receive a benefit of $100.

In any event, it is proposed to give families whose children are in college a share of $1.3 billion. What kind of sense does that make? What about the poor devil who could not put his child through college? The under $3,000 income class—he needs help. What would he get? Look at page 1808. What does that class of family get? The ones who really need help, the kind of people who deserve help, who do not have meat on the table because they are trying to send a child through college, get plus 1 percent of $1.3 billion.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. The table appears on page 1808.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield first to the author of the amendment, on his time.

Mr. RIBICOFF. On my time. I am sure the distinguished Senator from Louisiana, the Senator in charge of the bill, has no intention of misleading the Senate. When he talks about $1.3 billion, is he talking about $1.3 billion this year or in 1970?

Mr. LONG of Louisiana. I am talking about $750 million this year, and $1.3 billion as soon as the program goes into full operation. That is the estimate.

Mr. RIBICOFF. It is $1.3 billion in 1970, not now.

Mr. LONG of Louisiana. That is not my estimate. So far as I know, that is the only responsible estimate. Who will get the credit? The families with adjusted gross incomes below $3,000 will get 1 percent.

Mr. RIBICOFF. Is the Senator speaking on his time?

Mr. LONG of Louisiana. I am speaking on my time. I yield myself 2 additional minutes.

Consider the families that do not need this assistance. Let us consider families having incomes of $10,000 to $20,000.

They do not need it. They get 51 percent of the tax reduction. Their incomes range from $10,000 to $20,000.

Mr. RIBICOFF. Mr. President, will the Senator yield for a correction of facts?

Mr. LONG of Louisiana. It is proposed to spend the taxpayers' money to the tune of $1.3 billion a year, 51 percent of which goes to families who are already getting big tax reductions in the bill as it stands, families who already have children in college, children who will be well educated whether the families get a share of $1.3 billion or not, while no benefits are provided for that pitiful class that needs help. What about the poor West Virginia coal miners?

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. They cannot afford to send their children through college. What about families whose children are working their way through college, working half the night to stay in school? What would the amendment do for them? It would not do a blessed thing. But it would take care of families who are already able to put their children through school.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I am sorry; I should make a correction. Twenty-eight percent of the tax reduction goes to families earning between $10,000 and $20,000; 51 percent of the reduction goes to families having incomes between $5,000 and $10,000. They are not the families that need the proposed assistance.

Mr. RIBICOFF. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. RIBICOFF. I am sure it is not the intention of the distinguished Senator from Louisiana——

Mr. SMATHERS. Mr. President, on whose time is the Senator from Connecticut speaking?

The PRESIDING OFFICER. The time of the Senator from Louisiana.

Mr. LONG of Louisiana. I yield to the Senator from Connecticut on his time.

Mr. RIBICOFF. On my time.

Mr. LONG of Louisiana. I will yield the Senator 1 minute of my time.

Mr. RIBICOFF. The amendment provides that 62 percent of the benefits would go to those with incomes between $3,000 and $10,000. That is where most of the benefits would go; 91 percent of the benefits would go to families having incomes under $20,000. It is very interesting to observe the deep concern of the distinguished Senator from Louisiana for the lower income groups. If there is any group in American society that will get nothing out of the bill, it is the lower income group, about whom the Senator is so worried.

If the Senator is worried about the low income group, he will have an opportunity to assist them by supporting an amendment to be offered by the distinguished Senator from Tennessee [Mr. GORE]. I shall observe with interest the concern of the Senator from Louisiana for the lower income groups as against the upper income groups. If there is one group in American society that is being protected by the bill, it is the wealthy oil interests of the State of Louisiana. There is a group that will receive benefits.

The bill contains numerous loopholes and truckholes. The bill takes care of the upper income levels but does the least for the middle income groups of America.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG of Louisiana. I hope that in due course the Senator will get around to the amendment to increase the tax on oil income. When he does, I shall be prepared to prove that the oil industry is one of the most heavily taxed industries in the United States. I shall bring forth the figures.

Mr. RIBICOFF. The distinguished Senator from Delaware [Mr. WILLIAMS] will offer that amendment.

Mr. LONG of Louisiana. I am speaking on my time. I yielded the Senator from Connecticut a minute of my time after he had used his. I wish he would let me use my time.

The Senator from Connecticut stated that the bulk of the credit under his amendment would go to families having incomes between $3,000 and $10,000. But he did not say that the great bulk would go to those having incomes of $5,000 to $10,000, not to those having incomes under $3,000. Only 1 percent would go to families in the under $3,000 bracket, while 88 percent would go to families making more than $5,000, and practically all of them now have children in school.

Mr. President, I yield 3 minutes to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I must admit that I see no connection between the amendment intended to be offered by the distinguished Senator from Delaware [Mr. WILLIAMS] and his cosponsors and the amendment now under discussion. I hope we can stick to the facts, and not discuss possibilities. There are some facts which should be reiterated over and over.

The Ribicoff amendment, although limited to tuition, fees, and books, would cost from $725 to $750 million in the first year, and by 1970 would cost between $1,300 and $1,500 million. So if it is desired to have a very expensive education bill or amendment, rather than to help those who need help, Senators should vote for the Ribicoff amendment. The cost under the amendment would be some six times as great as the National Defense Education Act student loan program and three times the maximum cost of the original grant portions of the Higher

Education Facilities Act of 1963; but it would distribute most of the money where it was least needed.

Millions of large families having low incomes, and who pay little or no taxes, would receive little or no benefits, while families having fairly substantial means, and who would send their children to college or universities in any event, would get the most relief. The Ribicoff amendment, for the families benefited, would in most cases more than double their tax cut under the bill, thereby giving such families a disproportionate share of the tax reduction.

To the extent that tuition increases would result from such a tax allowance, the problem of financing a college education would become more difficult, particularly for students from low-income families who might benefit the least from the tax allowance.

Any deduction or credit based on tuition, regardless of its form, would give more benefit to students in the higher priced institutions—and this discriminates against those students—including a large proportion of those students needing financial assistance—who attend public institutions where tuition is generally lower. It would also discriminate against those States with a strong tradition of providing higher education at low cost or no student tuition cost. The share of aid each institution would get would depend on its tuition level—the higher the tuition, the more benefit it would receive. It is doubtful that this distribution would give Federal assistance where it is needed most.

Mr. President, let me point out to the Senate that there is already before Congress proposed legislation, originally introduced in 1960 by the then Senator Lyndon B. Johnson, calling for a guaranteed loan program for needy college students. President Kennedy proposed a similar program in his educational message of last year. Instead of now tying up the tax bill with the additional and costly weight of the Ribicoff education amendment, Congress should separately consider the guaranteed loan program and other positive aids for higher education as a direct, nondiscriminatory route to the same end.

In conclusion, Mr. President, let me state that I have been assured by the distinguished senior Senator from Oregon [Mr. Morse] that it is his intention to have his Subcommittee on Education hold hearings on the guaranteed loan program.

The ACTING PRESIDENT pro tempore. The time yielded to the Senator from Montana has expired.

Mr. PASTORE. Mr. President, will the Senator from Connecticut yield briefly to me?

Mr. RIBICOFF. I yield 2 minutes to the Senator from Rhode Island.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island is recognized for 2 minutes.

Mr. PASTORE. Mr. President, this amendment is not new; this subject has been debated on the floor of the Senate several years in succession.

I support the amendment, but I have no illusions as to its fate. Even if the Senate adopts the amendment, I fear it will be killed in conference.

Nevertheless, Mr. President, if we are to pass such an amendment, I say that it should be a good one. I favor aiding the poor; no one favors aiding them more than I do. However, although I do not know what the personal situation of any other Senator is, I point out that we have engaged in much debate about persons who have incomes of between $10,000 and $15,000 a year. Such persons pay out of their net incomes after taxes the college tuition of their sons and daughters. If their sons and daughters go to colleges of their family tradition, the annual tuition cost is probably between $2,500 and $3,500 a year.

So, Mr. President, suppose the head of a family has an income of $10,000 a year. If he does not want to take a pauper's oath, to secure for his son or daughter a free scholarship based on need, that father must, after he has paid his taxes, pay the college his son and his daughter attend a total bill of approximately $6,000 a year; and he makes that payment from his income after taxes. How does he do it? Senators have argued, "Well, he is doing it, anyway." That, of course, is no answer. Mr. President, I will tell you how he is doing it. And I will tell you how it is done by many taxpayers who were not fortunate enough to attend college themselves and have not reached a high plateau of prosperity and do not have sufficient income to be able to pay such college tuition bills. In that case, what do they do? They mortgage their homes. They do the same thing that many other middle class, respectable families in the Nation which experience costly chronic illnesses do. What do they do?

The ACTING PRESIDENT pro tempore. The time yielded to the Senator from Rhode Island has expired.

Mr. PASTORE. Mr. President, may I have 2 additional minutes?

Mr. RIBICOFF. I yield 2 additional minutes, Mr. President, to the Senator from Rhode Island.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island is recognized for 2 more minutes.

Mr. PASTORE. In short, Mr. President, such persons mortgage themselves up to their ears, in order to be able to live in respectability. In that way they pay their bills, including heavy medical expenses and including the tuition charges when their sons and their daughters attend college. The same is true of all other families in the United States; as good citizens they pay their bills; as good parents they mortgage their homes, in order to pay the college tuition for their sons and daughters.

It is argued that those families are doing that, anyway. Yes, Mr. President; they are—but at what a sacrifice.

It is a sacrifice that this amendment would soften. Parents deserve a little consideration, too.

Mr. President, the loopholes which already exist in the Internal Revenue law are so great that a Mack truck could be driven through them. However, we are doing little or nothing about putting an end to them. For instance, there is the oil depletion allowance of 27½ percent, but Congress is doing nothing about it.

Today we are debating the situation of the head of a family who we say has an income of $10,000 a year, that parent wishes to be able to send his children to college. What does the Senator from Louisiana say that person should do? He says the children of that family should be sent to a State university. But, Mr. President, suppose it is the wish and judgment of the parent and the son that the son should attend Princeton or Yale—or Notre Dame? Does he not have that right of choice?

Mr. President, I support this amendment.

The ACTING PRESIDENT pro tempore. The time yielded to the Senator from Rhode Island has expired.

Mr. MORSE. Mr. President, will the Senator from Louisiana yield briefly to me?

Mr. LONG of Louisiana. I yield 1 minute to the Senator from Oregon.

The ACTING PRESIDENT pro tempore. The Senator from Oregon is recognized for 1 minute.

Mr. MORSE. Mr. President, my answer to the argument submitted by the Senator from Rhode Island, who has asked what we should do about the situation he has discussed, is that Congress should enact a loan bill which would provide benefits which would be available to all American families; and then let them borrow the money needed in order to enable their children to attend college, and pay it back out of the increased earnings which our educational system makes available to them. That is what Congress should do—namely, enact a democratic bill, without having it provide for the sort of discrimination which favors the giving of aid to those who can take a tax-credit deduction.

This amendment calls for an out-and-out gift to those who have sufficient earnings to be able to pay the college tuition of their children from their income after taxes.

Mr. President, what we should have is a democratic loan bill which will make such funds available to those who attend college; and later they will be able to pay it back, under the terms of the bill.

Mr. FULBRIGHT. Mr. President, I should like to have approximately 30 seconds in which to speak.

Mr. RIBICOFF. Mr. President, how much time remains?

The ACTING PRESIDENT pro tempore. The Senator from Connecticut has 3 minutes remaining. The Senator from Louisiana has 1 minute remaining.

Does the Senator from Connecticut desire to yield time at this point?

Mr. SCOTT. Mr. President, at this time will the Senator from Connecticut yield briefly to me?

Mr. RIBICOFF. I yield 1 minute to the Senator from Pennsylvania.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized for 1 minute.

Mr. SCOTT. Mr. President, I rise in support of the Ribicoff amendment to H.R. 8363, the tax reduction bill.

I am proud to say that I have introduced legislation similar in purpose to that embodied in the pending amendment in several Congresses dating back to my service in the House of Representatives. My most recent bill, for example, is S. 259, which I introduced on January 16, 1963, and which is pending in the Committee on Finance. Under my bill, a taxpayer would be permitted to deduct up to $600 from his taxes in a given taxable year for tuition and fees in providing a higher education for himself, his spouse, and his dependents.

My bill recognizes the heavy burden borne by parents who are sending their children through college or by college students who themselves are working and paying their way through school. Tax relief for education is deserved, it seems to me, by those who are trying to prepare themselves or their children to be of more useful service to our society. Not only would such tax relief benefit those seeking a college education, it would in turn benefit our society as a whole by enabling more young people to pay for their college education. It is, I believe, the best form of Federal aid to higher education, and it has the additional merit of providing this aid without accompanying it with the undesirable features of Federal control.

Although the Ribicoff amendment differs substantively from my proposal, it would accomplish the same objective. Under the Ribicoff proposal, a taxpayer paying for his own, his child's, or another individual's college education would receive a tax credit on expenses for tuition, fees, books, and supplies. Under the sliding scale outlined in the amendment, such annual educational expenses totaling $1,500 would result in a tax credit of $325—a substantial relief to the overburdened taxpayers concerned.

I am conscious of the fact that several objections have been voiced by opponents of the Ribicoff amendment. It is not necessary for me to answer these arguments here, for I feel that the able junior Senator from Connecticut [Mr. RIBICOFF] has already rebutted them satisfactorily, and I would point out that the amendment's author was for some time, not so long ago, Secretary of Health, Education, and Welfare. As such, he was in a position properly to appraise the requirements of the institutions of higher education and the needs of the students attending them.

And so, Mr. President, I am happy not only to express my support of this amendment at this time, but to be one of its cosponsors as well. And I respectfully urge my colleagues in the Senate to adopt it.

Mr. RIBICOFF. Mr. President, I yield myself the remaining time under my control.

The ACTING PRESIDENT pro tempore. The Senator from Connecticut is recognized for 2 minutes.

Mr. RIBICOFF. First, Mr. President, I wish to take this opportunity to thank the distinguished Senator from Louisiana [Mr. LONG], the Senator in charge of the bill, for his courtesies throughout the heated debate we have had. I also wish to take this opportunity to thank the cosponsors of my amendment, without whose aid this measure could not have been drawn, and without whose help we would not have advanced it as far as we have. These cosponsors are the following: The Senator from Maryland [Mr. BREWSTER], the Senator from West Virginia [Mr. BYRD], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from Colorado [Mr. DOMINICK], the Senator from Alaska [Mr. GRUENING], the Senator from Minnesota [Mr. HUMPHREY], the Senator from New York [Mr. KEATING], the Senator from Missouri [Mr. LONG], the Senator from Utah [Mr. MOSS], the Senator from Vermont [Mr. PROUTY], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Pennsylvania [Mr. SCOTT], the Senator from Maryland [Mr. BEALL], the Senator from Idaho [Mr. JORDAN], and the Senator from Oklahoma [Mr. EDMONDSON].

To put this issue in perspective, I close by simply pointing out the analogy between what we are trying to do in the field of higher education and what we now do in the field of health.

First. Millions of dollars have been voted by Congress to build hospitals. Millions of dollars were voted by Congress last year to build college classrooms and libraries.

Second. The Federal Government also contributes money to provide some help to low-income families who face high medical costs. The Federal Government should contribute some money to a sound student aid program, including scholarships, to help low-income families who face high college costs.

Third. Finally, our tax laws now provide tax relief to those who pay the high costs of medical care. By the same token I believe our tax laws should provide tax relief to those who pay for the high costs of a college education.

All of these programs are accepted in the field of health. All of these programs are just as needed in the field of higher education.

I believe the amendment should be adopted.

The ACTING PRESIDENT pro tempore. The time of the Senator from Connecticut [Mr. RIBICOFF] has expired.

The Senator from Louisiana [Mr. LONG] has 1 minute remaining.

Mr. LONG of Louisiana. I yield that time to the Senator from Minnesota.

The ACTING PRESIDENT pro tempore. The Senator from Minnesota is recognized for 1 minute.

Mr. McCARTHY. Mr. President, I oppose adoption of the amendment to H.R. 8363 which has been offered by the Senator from Connecticut [Mr. RIBICOFF].

I do so even though I have consistently supported aid to higher education and even though I am very sympathetic to proposals to meet the educational problem to which his amendment relates. I have, in fact, introduced similar legislation in the past. In 1959, in 1961, and again early in 1963 at the opening of the 88th Congress I introduced bills in the Senate which take the same general approach as provided in the pending amendment—that is, a tax credit for tuition for higher education. My bill, S. 800, would provide a 30-percent tax credit to individuals for tuition and fees up to a maximum of $450.

I introduced and supported the tax credit bill at previous sessions because it provided an appropriate means of moving toward two important objectives:

First, a measure of tax reduction, which has been long overdue; and

Second, some limited assistance in meeting the needs of higher education. The bill would provide benefits to students and their parents and somewhat enlarge the opportunity for more young people to go to college. Indirectly, it would benefit the colleges, at least to the extent of reducing the need for scholarships to qualified students of limited means.

In my judgment both of these were proper objectives. Considered separately and apart from other recent action of the Congress the Ribicoff amendment or the bill which I introduced or similar measures would be deserving of consideration at this time. However, there are now significant differences which have changed the situation. Congress has moved in both the area of tax reduction and of assistance to higher education in a substantial manner.

We are completing work on the largest tax reduction in history. The present bill, when it becomes fully effective in 1965, will reduce the tax liabilities of individuals by about 20 percent, or $9.2 billion. The reduction of taxes to corporations over the same period will amount to $2.4 billion. This means a total reduction of $11.6 billion scheduled over the 2-year period. Over half of the cut in individual taxes will go to those with adjusted gross incomes of $10,000 a year or less, the group who file nearly 85 percent of the tax returns. Many of these families will benefit from the general tax reduction as much as they would if the bill provided only tax credits for higher education expenses.

This is a major reduction, and it is questionable whether we ought to adopt an amendment which will add another $750 million reduction. Even if there were agreement that we could safely provide an additional $750 million cut—and the Treasury estimates are that the loss of revenue would increase annually to an amount of $1.3 billion in 1970, if the amendment is adopted—there would still be a question of whether this is the most effective place to make the additional cut, keeping in mind the purposes of this bill.

The second fact which we must take into account is that we have already approved a major measure to assist higher educational institutions in the 88th Congress.

The Higher Education Facilities Act enacted last December authorizes $230 million annually for matching grants for construction and improvement of undergraduate facilities, and it provides $120 million annually for loans for construction and rehabilitation. In addition it authorizes $25 million in 1964 and $60 million for 1965 and 1966 for construction grants for graduate schools. This means a total for grants and loans of $1.2 billion over a 3-year period.

The Higher Education Facilities Act does not meet all the problems, but it does substantially assist higher education institutions and reduce to this extent the need of the institutions to raise tuition or otherwise to secure resources for necessary facilities. In this respect it benefits both students and institutions. In addition, the Congress has extended and increased the authorization of the student loan program under the National Defense Education Act and raised the institutional ceiling in the student loan program, and made other improvements and additions.

The Higher Education Facilities Act was considered carefully over a long period of time. Extensive hearings were held. The question of benefits to public and to private institutions was gone into in great detail and a compromise reached which was acceptable to the majority.

Formulas were devised to make allotments to the States for grants for construction which would assure an equitable amount to the institutions of each State. Limits to the amount to be loaned to institutions in any one State were provided.

Funds were designated to give proportionate assistance to undergraduate institutions, to community colleges and to graduate schools.

The types of facilities which could be built were specified and other types were excluded from eligibility.

The funds authorized were divided between those to be used for matching grants and those available for loans.

The Congress found it necessary to take all these steps for a higher education measure which provides $375 million for 1964 and $410 million annually for the next 2 years.

The Ribicoff amendment, on the basis of estimates supplied by the Treasury, will result in a revenue loss of $750 million in 1964 and increase to an estimated loss of $1.3 billion for the year 1970.

The pending amendment, which relates entirely to expenses for higher education, will thus result in a revenue loss of twice the amount so carefully worked out for the Higher Education Facilities Act of this year.

Yet, there have been no full hearings held by any committee on this amendment. Neither the Committee on Finance nor the Committee on Labor and Public Welfare have given it adequate attention. There has been no comparable investigation of its effects on higher education, although estimates have been made that only 20 to 25 percent of the tax credits under the amendment would eventually be reflected in improved or extended education. There is disagreement about whether the amendment has built-in discriminatory features between private and public institutions as well as between institutions in different States and sections of the country where there are wide differences in the public contribution to higher education.

Questions have been raised as to whether the effect of the amendment would be to give preferential treatment to middle income families at the expense of lower income families who have the greater need.

Finally, there has been no thorough study of whether such an amendment would provide as much assistance to students and their parents as the same or a lesser amount made available in scholarship or insured loan programs.

For these reasons I believe the Ribicoff amendment should be rejected. I believe the debate on the amendment has been useful insofar as it has called attention to a continuing need for legislation to assist the higher educational effort and also insofar as it highlights the special problems of families to provide opportunities for higher education for their children. College education does place an extraordinary burden on parents during a limited time.

Because this is a most serious problem we should give it careful study and look for the formula which will both best assist parents and advance higher education. Study may show that a combination of tax credits and of insured loans will do the best job, or that other formulas will provide a more equitable and adequate program. This kind of study has not been made, and for this reason this is neither the time nor the bill for so important and far-reaching program as provided by the pending amendment. I urge that it not be adopted.

The ACTING PRESIDENT pro tempore. All time has now expired.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that I may proceed for 30 seconds. I understood that I had 30 seconds remaining of my time.

Mr. LONG of Louisiana. Mr. President, I yield 30 seconds to the Senator from Arkansas.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas is recognized for 30 seconds.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the RECORD a statement on this subject.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR FULBRIGHT

As a former educator and one who has a deep interest in all efforts to improve our educational system, I am concerned about the lack of discussion of some of the fundamental aspects of the Ribicoff amendment. On the surface the proposal appears quite meritorious and I know from reading my mail that many parents look forward to having the burden of putting a son or daughter through college eased by a cut in their tax bill. However, I think that we must remember that we are in reality debating a basic question of public policy toward Federal support and encouragement of higher education.

The Congress last year enacted the Higher Education Act which established the policy that the Federal Government will help improve higher educational facilities to accommodate the increasing student loans. Aid to needy, qualified students through a loan program was accepted as sound public policy a number of years ago and was reaffirmed by Congress last year. In 1962, the Senate voted more direct student assistance by approving a scholarship program which, unfortunately, was rejected by the conference committee.

The point is that the Congress has thus far concentrated its efforts on the primary goals of aiding students and the educational system directly. This amendment represents a new and costly departure from that policy. What is proposed by this amendment boils down to a very substantial subsidy from the general public to parents of college students. I have always supported direct Federal aid as the most effective way to improve our educational system and to enable needy students to develop their full potential. In my opinion, tax benefits and other indirect relief devices should not be enacted until after the primary objectives have been attained. Much remains to be done before this is accomplished.

The scholarship program approved by the Senate in 1962—a very modest plan—has not been enacted. The administration's proposal for establishing an insurance program for private loans to students remains on the congressional agenda. Our student loan and fellowship programs could be made more effective. These and other proposals for direct aid to students should receive priority action over special tax benefits for parents.

There is no doubt that this proposal would help many middle-income families who are having a difficult time financing their children's college education. I sympathize with their situation. But at least they have managed to send their children to school, which is better than many poor families are able to do. Passage of this amendment will not make it easier for parents to send their children to college who cannot afford to do so now. As a matter of fact, it can be argued that the colleges will raise tuition if the tax credit is enacted, which will worsen the financial problems of many parents and working students. Perhaps the most telling criticism of the proposal is that it will not help students from low-income families—those who most need help. And once tax credits are available for parents there will be little hope of generating sufficient grassroots support to secure passage of a scholarship program to aid the most needy young people.

A look at income statistics should be fairly convincing proof that this amendment will be of little benefit to most families in low-income States, such as Arkansas. Per capita income in Arkansas in 1962 was $1,504 compared with the national average of $2,366 and the average in the State of Connecticut of $3,089—more than twice the Arkansas average. In 1959, the latest year for which Federal statistics were available, median family income in Arkansas was $3,184 compared with $6,887 for Connecticut. Few Arkansas families earning $3,184 and less need worry about paying Federal income tax. But most of these families would like to see their children go to college. They won't be helped by the amendment of the Senator from Connecticut. Over 70 percent of all Arkansas families in 1959 had incomes of less than $5,000. Only about one-fourth of the Connecticut families were in this range. Tax credits are of little benefit if you do not have enough income to have to pay taxes.

Unfortunately, this proposal has developed into a public versus private schools controversy, to some extent. The question should not be considered solely in that light, but the issue should not be overlooked entirely. In Arkansas, nearly 75 percent of the college students attend publicly supported schools. The national average is somewhere around 60 percent, I believe. According to the Office of Education, the median charge for tuition and fees in public colleges and universities last year was $170 compared with $690 in private institutions. On this basis, the credit will be $165 for those in public schools and $253 for those in private institutions. This clearly indicates which segment of our educational system will receive the greatest benefits from the proposed credit.

Adoption of this amendment will cost the general public or the Treasury, if you like, $750 million in the first year, and it is estimated that the cost will mount as much as $1.3 billion by 1970. In contrast, the authorization for the grant provisions of the higher education bill passed recently amount to $290 million a year. The total for the 3-year program is only $120 million more than the cost in lost revenue for 1 year of the college credit proposal. The cost of the scholarship program enacted by the Senate in 1962 totaled $148 million for a 5-year period. The loan guarantee program proposed by President Kennedy last year and supported by President Johnson is budgeted for a grand total of $500,000 reserves for the next fiscal year. When the tax credit proposal is judged alongside other educational proposals and existing programs, it does not appear to be much of a bargain for the taxpayer.

I am not opposed to tax relief for parents of college students. In fact, I have introduced educational tax deduction proposals in the past. I still believe there is a need for such relief, but we are faced with the question of priorities and tax relief for parents should come only after we have enacted programs that will give every qualified, needy youngster a chance to go to college. I favor investing an additional $750 million for education this year, preferably by transferring this amount from the space budget. But I am unwilling for Congress to chalk up $750 million as aid to education when it is really aid to parents. Genuine aid to education—and students—should come before special aid to parents, especially in view of the fact that they will share in the general tax relief under this bill.

I hope that the Senate will defeat the amendment.

I attach hereto a letter I have received from A. W. Ford, commissioner of education of Arkansas, and a telegram from Dr. David Mullins, president of the University of Arkansas.

State of Arkansas,
Department of Education,
Little Rock, Ark., January 24, 1964.

Hon. J. W. Fulbright,
U.S. Senate,
Washington, D.C.

Dear Senator Fulbright: This correspondence is for the purpose of expressing opposition to the Ribicoff tax credit amendment which was defeated by a 10-to-7 vote in the Senate Finance Committee. I understand that Senator Ribicoff will bring this up for a vote on the floor.

This proposed amendment would damage the chances of going to college for students with slim financial resources because the institutions will raise tuitions. High cost private colleges and universities would benefit most; poor parents do not pay enough taxes to be helped substantially.

Sincerely,

A. W. Ford.

Fayetteville, Ark.,
December 10, 1963.

Senator J. W. Fulbright,
Senate Building,
Washington, D.C.:

I understand the Senate Finance Committee may vote this week on amendment 329 to the tax bill. A careful analysis of this amendment convinces us that it is not in the best interests of higher education. It fails to provide substantial and essential support for higher education. It fails to provide meaningful assistance to families of students both in need of such assistance. Moreover the principle involved is unsound as a procedure for giving aid to higher education. We earnestly urge your opposition to this amendment.

David W. Mullins,
President, University of Arkansas.

Mr. FULBRIGHT. Mr. President, I merely wish to announce that the committee considered this question at great length.

I am opposed to the Ribicoff amendment. I believe it deserves serious consideration, but not in this bill, and I hope that the Senate will not agree to the amendment today.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the Senator from Minnesota [Mr. Humphrey] be allowed 1 minute.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I profoundly regret that under the present circumstances I will find it necessary to vote against the Ribicoff amendment. As many Senators know, I have sponsored similar legislation for many years and I have been deeply concerned with the plight of parents seeking to provide their children with the advantages of a college education. I still express this concern and will continue to seek Federal assistance in their behalf.

There have, however, been several significant developments which must be taken into account since the introduction of my tax credit bill (S. 1677) in June 1963. We have enacted an expanded program of National Defense Education Act loans. We have approved the largest construction program for higher education in history. We are, moreover, debating the largest tax cut in this Nation's history and this reduction will become law in the near future. The adoption of this amendment, however meritorious, under these circumstances would wreak havoc with the Federal budget. These factors must be faced realistically and honestly.

The Senator from Oregon [Mr. Morse] has promised to hold full scale hearings on various proposals to provide scholarship and loan insurance for higher education. Earlier this year I introduced two bills (S. 389 and S. 390) to provide precisely such assistance for millions of college students and their parents. The Senator from Minnesota will spare no effort to advance this legislation and to initiate hearings before the Morse subcommittee on tax credit proposals as well. We must meet this challenge of expanding the financial resources of this country available for higher education. Let the record be perfectly clear on this point.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Connecticut [Mr. Ribicoff]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. YOUNG of North Dakota (after having voted in the negative). Mr. President, on this vote I have a pair with the distinguished Senator from Illinois [Mr. Dirksen]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. Cannon], the Senator from Arizona [Mr. Hayden], the Senator from Arkansas [Mr. McClellan], and the Senator from Oregon [Mrs. Neuberger] are absent on business.

I also anounce that the Senator from California [Mr. Engle] is absent because of illness. I further announce that, if present and voting, the Senator from Oregon [Mrs. Neuberger] would vote "nay." On this vote, the Senator from Nevada [Mr. Cannon], is paired with the Senator from Arizona [Mr. Hayden]. If present and voting, the Senator from Nevada would vote "yea," and the Senator from Arizona would vote "nay."

Mr. KUCHEL. I announce that the Senator from Illinois [Mr. Dirksen] is necessarily absent and his pair has been previously announced.

The result was announced—yeas 45, nays 48, as follows:

[No. 15 Leg.]

YEAS—45

Allott
Beall
Bennett
Boggs
Brewster
Carlson
Case
Cooper
Cotton
Curtis
Dodd
Dominick
Eastland
Edmondson
Fong
Goldwater
Gruening
Hart
Hickenlooper
Hill
Hruska
Jackson
Jordan, Idaho
Keating
Kuchel
Lausche
Long, Mo.
Magnuson
McIntyre
Mechem
Morton
Mundt
Nelson
Pastore
Pearson
Pell
Prouty
Proxmire
Randolph
Ribicoff
Scott
Simpson
Symington
Tower
Williams, Del.

NAYS—48

Aiken
Anderson
Bartlett
Bayh
Bible
Burdick
Byrd, Va.
Byrd, W. Va.
Church
Clark
Douglas
Ellender
Ervin
Fulbright
Gore
Hartke
Holland
Humphrey
Inouye
Javits
Johnston
Jordan, N.C.
Kennedy
Long, La.
Mansfield
McCarthy
McGee
McGovern
McNamara
Metcalf
Miller
Monroney
Morse
Moss
Muskie
Robertson
Russell
Saltonstall
Smathers
Smith
Sparkman
Stennis
Talmadge
Thurmond
Walters
Williams, N.J.
Yarborough
Young, Ohio

NOT VOTING—7

Cannon
Dirksen
Engle
Hayden
McClellan
Neuberger
Young, N. Dak.

So Mr. Ribicoff's amendment was rejected.

Mr. LONG of Louisiana. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SMATHERS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROUTY. Mr. President, before calling up my amendment No. 401, I wish to point out that I shall be very brief. I hope to have a yea-and-nay vote on the amendment; so I think Senators would save a great deal of time by remaining in the Chamber, if it is convenient to do so.

Mr. President, I call up my amendment No. 401 and ask that it be stated.

The ACTING PRESIDENT pro tempore. The amendment of the Senator from Vermont will be stated.

The Chief Clerk read as follows:

At the proper place in title II insert the following new section:

"Sec. Certain Expenses for College Education.

"(a) Allowance of Deduction.—In the case of an individual who during the taxable year is a student at an institution of higher education, there shall be allowed as a deduction amounts paid by him during the taxable year for—

"(1) tuition and fees required for his enrollment or matriculation at such institution, and

"(2) fees, books, supplies, and equipment required for courses of instruction in which he is enrolled at such institution.

"(b) Limitations and Special Rules.—

"(1) Amounts deductible.—

"(A) In general.—The deduction under subsection (a) for any taxable year shall not exceed—

"(i) $133 times the number of months during the taxable year during which the taxpayer is a student and is not the holder of a bachelor's degree, plus

"(ii) $166 times the number of months during the taxable year during which the taxpayer is a student and is the holder of a bachelor's degree.

For purposes of clauses (i) and (ii), a month during which the taxpayer is a student for less than 15 days shall be disregarded.

"(B) Maximum amounts deductible.—The deduction under subsection (a) for any taxable year shall not exceed—

"(i) $1,200, in the case of a student who is not the holder of a bachelor's degree at the close of the taxable year, or who has been the holder of a bachelor's degree for less than 3 months at the close of the taxable year, and

"(ii) $1,500, in the case of a student who has been the holder of a bachelor's degree for 3 months or more at the close of the taxable year.

"(2) Meals and lodging.—No deduction shall be allowed under subsection (a) for any amount paid, directly or indirectly, for meals or lodging. In the event an amount paid for tuition or fees includes an amount for meals or lodging which is not separately stated, the portion of such amount paid which is attributable to meals or lodging shall be determined under regulations prescribed by the Secretary or his delegate.

"(3) Certain noncredit courses.—

"(A) In general.—For purposes of subsection (a) the amounts paid for tuition and fees required for the taxpayer's enrollment or matriculation at an institution of higher education shall be reduced by the portion of such amounts which is attributable to any course which is not a course of instruction within the meaning of subsection (d)(1). The portion of such tuition and fees which is attributable to any course shall be determined under regulations prescribed by the Secretary or his delegate.

"(B) Exception.—Subparagraph (A) shall not apply to any course which the taxpayer is required to take by the institution of higher education.

"(4) Fees, etc.—The determination of what fees, books, supplies, and equipment are required for any course of instruction shall be made under regulations prescribed by the Secretary or his delegate.

"(c) Reduction for Certain Scholarships and Veterans' Benefits.—The amount otherwise allowable as a deduction under subsection (a) (after the application of subsection (b)) shall be reduced by any amounts received by the taxpayer during the taxable year as—

"(1) a scholarship or fellowship grant (within the meaning of section 117(a)(1)) which under section 117 is not includible in gross income, and

"(2) education and training allowance under chapter 33 of title 38 of the United States Code or educational assistance allowance under chapter 35 of such title.

"(d) Definitions.—For purposes of this subsection—

"(1) Course of instruction.—The term 'course of instruction' means only a course for the successful completion of which credit is allowed toward a baccalaureate or higher degree by an institution of higher education authorized to confer such degree.

"(2) Institution of higher education.—The term 'institution of higher education' means an educational institution (as defined in sec. 151(e)(4))—

"(A) which is accredited by a recognized national or regional accrediting agency or, if not so accredited, is an institution whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis if transferred from an institution so accredited, and

"(B) (i) which is authorized to confer any baccalaureate or higher degree, or (ii) the curriculum of which consists of courses at least two-thirds of which are courses of instruction within the meaning of paragraph (1).

"(3) Student.—The term 'student' means an individual who is regularly enrolled in one or more courses of instruction at an institution of higher education.

"(e) Exception.—Subsection (a) shall not apply to any amount paid which is allowable as a deduction under section 162 (relating to trade or business expenses)."

(b) The table of sections for such part VII is amended by striking out the last item therein and inserting the following:

"Sec. 217. Certain expenses for college education.

"Sec. 218. Cross references."

Sec. 2. The amendments made by this Act shall apply to taxable years beginning after December 31, 1963.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Vermont.

Mr. PROUTY. Mr. President, I ask for the yeas and nays.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. LONG of Louisiana. I urge the Senator to withhold his request for the yeas and nays until Senators have had an opportunity to understand the amendment. I have not had an opportunity to study it and find out what it would do. If the Senator wishes to insist on his request at a later time, I shall have no objection to the yeas and nays on the amendment, but I should first like to know what the amendment embodies before undertaking to decide what to do with it. I would appreciate it if the Senator would withhold his request until we hear the merits of the amendment before the yeas and nays are ordered.

Mr. PROUTY. I believe the Senator from Louisiana has a general idea as to what the amendment would do. I now ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PROUTY. Mr. President, yesterday I sent to the desk a proposal to grant tax relief to students. At that time I reasserted my hope that the Ribicoff tax credit proposal would be adopted. My amendment was to be called up only in the event the Senate rejected the amendment offered by the Senator from Connecticut [Mr. Ribicoff]. That unhappy time has arrived, so I call up my amendment. It is cosponsored by the Senator from New York [Mr. Keating], the Senator from Massachusetts [Mr. Saltonstall], the Senator from Pennsylvania [Mr. Scott], the Senator from Colorado [Mr. Allott], the Senator from California [Mr. Kuchel], and the Senator from Colorado [Mr. Dominick]. Through some error, the name of the senior Senator from Hawaii [Mr. Fong] was omitted; he is a cosponsor. I ask unanimous consent that his name be listed as a cosponsor of the amendment at its next printing.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROUTY. Mr. President, I also ask unanimous consent that the name of the senior Senator from Maryland [Mr. Beall] be listed as a cosponsor at the next printing.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROUTY. And the name of the senior Senator from Nebraska [Mr. Hruska].

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROUTY. And the name of the junior Senator from Texas [Mr. Tower].

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. RIBICOFF. I would be pleased to join as a cosponsor of the amendment of the Senator from Vermont.

Mr. PROUTY. I am delighted to have my friend from Connecticut join as a cosponsor.

Mr. President, I ask unanimous consent that the name of the junior Senator from Connecticut [Mr. Ribicoff] be indicated as a cosponsor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROUTY. If there are no more Senators who desire to be cosponsors, I shall proceed to explain the amendment.

At the outset, let me say that my proposal, which provides deductions from adjusted gross income for certain educational expenses, entails a revenue loss of only $55 million, as compared with the $750 million loss associated with the tax credit proposal.

The $55 million figure is somewhat overstated because it was based on current tax rates rather than those in the proposed tax bill. The actual revenue loss may be less than $55 million.

The revenue saving device is essentially this: The party to receive the tax benefit is the working student. Deductions are only available to those duly enrolled in an institution of higher education.

The deduction is calculated on the basis of $133 times the number of months in any tax year an undergraduate student is enrolled; for a graduate student the rate is $166 times the number of months he is enrolled. Each of these amounts is subject to a maximum annual limitation of $1,200 for an undergraduate and $1,500 for a graduate student.

In the case of a typical working student, single, and earning in the area of $5,000 a year, a tax savings of $250 might result.

The deduction is available for expenses incurred in paying tuition and buying books, equipment, and supplies. Such expenses must have been incurred for courses for credit in institutions accredited by a regional or national accrediting agency or if not accredited, in institutions whose credits will be accepted for transfer by three or more accredited schools.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. PROUTY. I yield.

Mr. SALTONSTALL. As I understand the Senator's amendment, in which I have joined as a cosponsor, it provides a tax deduction, for certain purposes and certain payments, to a boy or girl who is working his way through college.

Mr. PROUTY. That is correct.

Mr. SALTONSTALL. And it involves a maximum loss to the Treasury of $135 million.

Mr. PROUTY. About $55 million based on existing rates. Actually, the loss will be less if the proposed rates are adopted.

Mr. SALTONSTALL. In other words, if a boy or girl were working his or her way through college, unless he earned an amount which would make him subject to a tax in any event, he would not receive any benefit from this measure; but if he made enough to come within the tax bracket, then certain expenses he had would be deducted. Is that correct?

Mr. PROUTY. That is correct.

Mr. SALTONSTALL. I thank the Senator.

Mr. PROUTY. A recent National Science Foundation study reveals that "among the upper 30 percent of 17 year olds, the largest single reason for failure to enter college appears to be inadequate financing resources."

The study went on to say that lack of money caused up to 50 percent of male dropouts and 33 percent of female dropouts.

My proposal does not put money in the hands of every needy person across this Nation. It does, however, mean that if a person scrimps and saves in order to go to college, he will not be penalized for that valiant effort.

What is to become of those millions of students who yearly are confronted with financial adversities? The tax bill, H.R. 8363, recognizes their plight. The focus of proposed rate revisions is to provide greatest relief for those in the first tax bracket.

The Finance Committee reports that over half of our taxpayers have taxable income of $2,000 or less. How is the girl or boy with that kind of income to pay the thousands of dollars a modern education costs?

In the next 20 years our national population will have jumped approximately 60 percent from its 1960 level; we will be a nation of 285 million people. By 1985, there will be 32 million college-age boys and girls as compared to the 16 million of 1960. Fall college enrollments in colleges and universities will jump from a 1962 level of 4 million-plus to 12.8 million. A recent study indicates that an overwhelming number of these new students will of necessity gravitate to the public institutions, forced there by the cost of a private education. If something is not done to ease the burden of a self-financed education what will become of that American ambition—education for all our youth?

Congress has recognized the ever-mounting problems a student faces. Appropriations for grants, fellowships, and research projects have been provided for by the National Science Foundation Act of 1950, the National Defense Education Act of 1958, the various National Institutes of Health Acts, and the Atomic Energy Commission Act. Recent legislation has provided loans to colleges and universities for housing facilities. In recent years, the Federal budget has contained expanded programs for scholarships and development of academic facilities. The march is on, but the programs are not meeting the student's basic needs.

Mr. President, we have our obligations to our young people. Much has been said in favor of the Ribicoff amendment. I want to incorporate those statements on behalf of my own amendment.

Senator Ribicoff and I have the same objectives: to promote through a passive Federal program the best interests of our future generations.

A tax credit plan or a tax deduction plan aids the student by not taking from his pocket as taxes sums he needs for school. This is aid to education which invokes no bureaucracy. There are no administrators, no commissioners, no advisory committees, no staff, no publications, no office buildings. How rarely we get such an opportunity to enact a program so broad in scope without at the same time creating machinery to hang about its neck.

I am sorry the Ribicoff proposal did not succeed. It would have worked wonders. I ask my colleagues to consider my meager proposal and vote it up or down.

A vote in favor of the amendment is a vote for the working student. A vote against it is a vote which will come back to haunt this body. If this amendment does not succeed, we will have to ask ourselves on the next occasion when federally sponsored and administered scholarship and fellowship plans are proposed, whether such action might not have been avoided by a positive vote for the Prouty amendment.

Mr. JAVITS. Mr. President, will the Senator yield for a question?

Mr. PROUTY. I yield.

Mr. JAVITS. There are a few questions that interest me. In the first place, I approach the amendment with an open mind, though I voted "nay" on the Ribicoff amendment.

I wish to ask the Senator whether the phrase "the number of months" that the taxpayer is a student means the number of months he attends classes or the number of months he is enrolled as a student, which would be 12 months.

Mr. PROUTY. The amendment assumes a 9-month school year and the deductions are based on the time the student is actually in school and attending classes.

Mr. JAVITS. To emphasize a point which I believe to be a good point in the Senator's amendment, the Senator provides for a deduction from adjusted gross income. Therefore, if a student works and he has dividend income or interest income, the deduction would be a deduction against the totality of his income. Is that correct? That is the meaning of the phrase "gross income"; namely, from all sources.

Mr. PROUTY. Yes.

Mr. JAVITS. He does not qualify for a deduction unless he works. Is that correct?

Mr. PROUTY. Yes.

Mr. JAVITS. Does the Senator have any schedule worked out? Suppose the student is working as a waiter in a college dormitory. Let us take that as an example. Suppose he receives $20 or $25 a week. Let us assume further that this student also has a considerable income. He may be a very wealthy young man, with a trust income. Does not the Senator feel that such a student should safeguard that income and make the credit applicable only against the income actually earned while working as a waiter?

Mr. PROUTY. I have considered the question the Senator raises. The number of students with incomes in the brackets to which the Senator has referred would be so minimal as to be almost meaningless. We could set a definite limit, but it did not seem that important to me, because of the small number of students involved.

Mr. JAVITS. I can understand the Senator's point. However, would he object, if the amendment did succeed, if in conference an effort were made to fix a minimal amount of earnings that such a student should have in order to qualify? If we did not do that, this would present a very easy way for a student to get a $1,500 deduction, by getting a job for an hour or two a week in order, technically, to qualify under the amendment.

Mr. PROUTY. There would be a few in that category. However, I thought the number would be so small as to be hardly worth considering in connection with the amendment. If the conferees decided to place a limitation on it, I would have no objection.

Mr. JAVITS. The Senator relies on the famous doctrine of de minimis. I am inclined to agree. However, I thought this point should be discussed.

Mr. PROUTY. I appreciate the Senator's comments.

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. DOMINICK. I am not quite sure that I understood the last colloquy. It is my understanding that this deals with any student who is a taxpayer, regardless of whether he is working.

Mr. PROUTY. The Senator is correct.

Mr. DOMINICK. If he had an income from other sources, which required him to pay a tax, he would get the exemption.

Mr. PROUTY. That is correct.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. COOPER. When we think of tax credits or deductions for students, we are inclined to think of young students who have left high school or preparatory school and have entered college. I am thinking of another group of students, namely, teachers. Under the laws of most States, teachers must keep up their studies. They must take courses to receive credits, in order to enable them to meet certain qualifications as teachers. Many of them have great difficulty in that connection. They have families, and earn low salaries, and find it difficult to do additional college work. The Senator's amendment, of course, embraces them. Is that correct?

Mr. PROUTY. Yes.

Mr. COOPER. I knew that; but I thought it would be helpful to point it out.

Mr. PROUTY. The amendment includes those who are training to qualify as teachers. They would be included as long as they were actually in school and studying.

Mr. COOPER. Many school systems, especially in States with lesser income, are faced with the problem of teachers in elementary schools and high schools, who have temporary qualifications but who cannot fully qualify because they cannot attend institutions of higher learning. Does the Senator consider that his amendment would be an incentive to such teachers?

Mr. PROUTY. I am sure it would be.

Mr. COOPER. To help them qualify as teachers?

Mr. PROUTY. It would render a tremendous service to both the teachers and our educational system. I am completely in accord with the Senator's feeling.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. TOWER. I believe too many people, in connection with assistance to education, think in terms of it being beneficial to students who attend private or church-sponsored institutions of higher education. There is also involved the matter of books and supplies and equipment that a student needs. That would be of benefit to students attending State schools. Is that not correct?

Mr. PROUTY. Yes.

Mr. TOWER. It would be a further advantage and incentive to students doing graduate work. Equipment costs and books are far more expensive for graduate students than they are for undergraduate students. We have a crying need for people to go into graduate studies. As a former professor, I thank the Senator from Vermont for offering his amendment. I have been a graduate student myself, and I know what a financial struggle it is to meet the needs. The Senator's amendment would provide an incentive to graduate students.

Mr. PROUTY. I agree with the Senator. Many graduate students are married and have families. They have real problems in furthering their education. I am very happy to have the comments of the Senator from Texas; he is familiar with the situation.

Mr. President, I have about concluded my remarks. Today's students are tomorrow's leaders. I believe they are waiting and watching to see if we have faith in their future.

I mentioned, yesterday, a poll on educational questions which I conducted in my own State. Perhaps it would be well to mention it again. Eighty-two percent of Vermonters who responded to an extensive questionnaire favored loans to needy students. Ninety-two percent of all the replies favored the amendment which I am offering at this time. Seventy-eight percent of all the replies favored a tax allowance for parents who are trying to finance the education of their children. That amendment was just rejected.

I believe my approach is reasonable and sound. It would be of inestimable value and benefit to many of our young people who are working hard to get an education.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PROUTY. I am glad to yield to my senior colleague.

Mr. AIKEN. I commend my colleague for offering his amendment. I could not vote for the Ribicoff amendment, because I felt it led in the wrong direction. However, I believe that the amendment of the Senator from Vermont, puts the emphasis on assistance for education where it properly belongs, on the student himself. I feel that his amendment should be adopted. If it is adopted and remains in the bill after conference, it will be a great aid in helping those who are helping themselves to get an education.

Mr. PROUTY. I thank my senior colleague. As usual, what he says makes a great deal of sense.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. PROUTY. I am glad to yield to the Senator from Pennsylvania.

Mr. SCOTT. I am glad to be one of the cosponsors of the Senator's proposal. It seems to me most desirable, as the senior Senator from Vermont has observed a moment ago. It puts the emphasis on the working student, directly on the aspect of need, and encourages ambition and enterprise, virtues which are not quite as paramount in some Government programs as one would like.

Although the senior Senator from Vermont said he was opposed to the Ribicoff amendment, while I was in favor of the Ribicoff amendment, I believe it is interesting to note that although one is in favor and the other opposed to the previous amendment, both of us find it possible to support the distinguished Senator from Vermont in what he is trying to do.

The amount involved in the amendment bears no more than a minimal relationship to the enormous cost of the project of sending a man to the moon. It costs far less to provide working American students with some aid to enable them at least to keep the money they earn long enough to pass it on to the college or institution which they attend, because soon enough in the life of everyone will the man with the whiskers come around and seize from him as much of his earnings as the legislators have dared to impose.

At least, money that is hard earned, gathered in for the sole purpose of enabling one to better his own economic future, and thereby to pay Uncle Sam more if one can get his education than if he cannot, should not, it seems to me, be subject to the whiplash of the income tax, which in many cases would diminish one's earnings to a point where he might not be able to continue to study.

On the floor of this Chamber are Senators who would cry their very hearts out for every one of the 115 or 117 countries in the world. There are Senators who would pay the debts of Russia and any number of other countries at the United Nations. There are Senators who would support the sale or permit the transportation of food, gifts, and other goodies to our enemies. There are Senators who would do almost anything in the world except to help the people who need help the worst, the great masses of citizens whom everyone pretends to want to help through the various alleged wars on poverty. They comprise the untold number of people who are promised or told things which they will not receive, when they merely desire the ordinary typical New England remedy of helping people to help themselves to get an education, so that they can increase their earning capacity and their enjoyment in the course of their lives, by asking Uncle Sam to stay his ready and grasping fingers long enough to help the person to earn enough to give Uncle Sam more in the long run than he would get by taking it at the root before the plant had had an opportunity to reach fruition.

The proposal of the junior Senator from Vermont is so reasonable and simple, and so based on commonsense and founded on New England thrift, that it may not be adopted by this body. But if Senators will bring themselves back from sweet-scented Zanzibar, from their desire to hurl our money headlong at the moon for indefinite periods and for unknown and remote purposes, perhaps we can get back to the schoolhouse idea and find support for the very worthwhile amendment offered by the junior Senator from Vermont.

So my appeal is an appeal to reason. Because it is an appeal to reason, it may be rejected. Let us hope that even in the U.S. Senate, on some rare occasion, reason may prevail.

Mr. PROUTY. I am most grateful to the distinguished Senator from Pennsylvania for his forceful argument in support of the amendment.

As I said yesterday, it is estimated that a college-trained person will earn $150,000 more during his life than one who has not had that advantage. This would mean a long-term gain in Federal revenue of at least $30,000 for each college-trained person, a return on our investment of 2,300 percent. How sound an investment. I wish we could do much more; this is a step in the right direction. I sincerely hope that Senators will find it possible to support it.

Mr. **LONG** of Louisiana. Mr. President, I have had very little opportunity to study this proposal. So far as I recall, it was not presented to the committee. If it was offered before the committee, I hope the Senator from Vermont will correct me, because I do not recall that it was.

As I understand existing law, a parent may deduct $600 if he contributes as much as 50 percent to the support of his son or daughter who is attending college. In addition, under H.R. 8363, the young man or woman attending college may claim a combined $900 exemption and deduction against his own income. In other words, the student would receive a $600 personal exemption and, in addition, a $300 standard deduction as provided by the amendment.

Mr. **ANDERSON**. The Senator from Louisiana should make it clear that the $600 deduction is allowed under present law.

Mr. **PROUTY**. Certainly the child may receive a $600 exemption, but his parents will not unless they are contributing at least 50 percent of his living expenses. This proposal is primarily directed to children who are paying their educational expenses in full.

Mr. **LONG** of Louisiana. I do not quarrel with the Senator over the fact that if a parent is not supporting the child, the parent does not receive the deduction. But I believe that in most situations the young person who is attending college is being supported, at least to the extent of half his support, by his parents. So the parents get a deduction of $600, because they supply or provide as much as half the support of the child.

In addition, if the child were receiving income he would receive a $600 exemption.

H.R. 8363 provides a minimum standard deduction of $300, which would give the income-earning college student a combined $900 exemption and deduction.

When we add the exemption the parent gets to the exemption and deduction the student gets, the total allowance would be $1,500 attributed to that one individual.

As I understand it the amendment would provide an additional deduction of up to $1,200 in the event the young undergraduate college student were earning income. If the young person were engaged in advanced studies or postgraduate work, the amendment would provide deduction of up to $1,500. In the latter case the young person and his parent would have the benefit of $3,000 of income without paying any taxes on it.

This amendment raises the same sort of questions which were raised in connection with the Ribicoff amendment, and also some additional ones. For instance, do we really want to have the equivalent of a $3,000 deduction allowed to a young person with income who attends college and his parent—inasmuch as a young man or young woman who is unable to attend college receives only a $900 deduction? In other words, do we really want to give a young person who is able to attend college three times the deduction to be received by one who is unable to go to college? That question in itself suggests that this amendment constitutes class legislation, and also raises various other problems which arise in connection with an aid-to-education bill. In other words, the cost of the amendment would be approximately $55 million. This proposal has not been studied, and it represents only one of a very large number of possible ways in which the Federal Government might be helpful to education—all of which should be considered by the appropriate committee, which then would have an opportunity to consider the entire field.

Earlier—in connection with the Ribicoff amendment—it was proposed that the Federal Government devote $1.3 billion for this purpose. The pending amendment involves a cost of approximately $55 million. If we wish to provide aid to education, what is the best way to do so?

Mr. President, I regret to say that the Senate Finance Committee is not the one which has special knowledge in this field; but there is a Senate committee which does have special knowledge in this field, and has done a large amount of work in it; and I wish it to have an opportunity to report a bill dealing with this subject. I refer to the Education Subcommittee, headed by the Senator from Oregon [Mr. Morse], of the Committee on Labor and Public Welfare.

Mr. **MORSE**. Mr. President, will the Senator from Louisiana yield?

The **PRESIDING OFFICER** (Mr. McGovern in the chair). Does the Senator from Louisiana yield to the Senator from Oregon?

Mr. **LONG** of Louisiana. I yield.

Mr. **MORSE**. I wish to state that the Senator from Vermont [Mr. Prouty] is one of the most valuable members of the Subcommittee on Education, and I cannot pay too high a compliment to him for his most valuable work on the subcommittee. In fact, as he knows, at the last session I stated on the floor of the Senate that, in my judgment, the higher education bill would not have been brought out of conference except for the fine and very valuable work done by the Senator from Vermont [Mr. Prouty] and the Senator from New York [Mr. Javits]. Time and time again they made it possible to bring that measure out of conference. Because of the warmth of my feeling for the Senator from Vermont and my debt to him in connection with Federal aid-to-education legislation, I regret that I find myself in disagreement with him on this amendment to the tax bill.

I do not think this amendment is the way to handle this matter. The Senator from Vermont knows that time and time again in the committee I expressed my feeling about this matter.

Within the hour, I have given to the counsel of the Senate Committee on Labor and Public Welfare instructions to schedule, at the earliest possible date, hearings on the entire student loan program, so that we can study all of the various proposals for legislation for a student loan program that will be completely nondiscriminatory and will give every student—without regard to the financial means of his parents—an equal chance to take advantage of a college education. I believe we should make that approach first.

Furthermore, as Senators know, during the previous session I stated over and over again to the Senate, when it was considering education legislation, that I would pledge to the Senate that it would get a chance to vote on every section of President Kennedy's original omnibus bill. The Senate will have an opportunity to vote on it. We are moving as fast as we can in connection with all sections of that bill; and it includes proposals in regard to elementary school and secondary school education. But because of the great concern in regard to helping students attend college, this morning I scheduled the hearings on loan legislation ahead of the hearings on other sections of the omnibus bill; and I felt perfectly justified in doing so.

All I can do is plead with the Senate to continue to give us a chance to report an educational program bill. It should not be mixed up at all with the tax bill. However, the pending amendment would mix them, with the result that we would be bound to run into many instances of unfair discrimination based on means. Many, many students or potential students would be unable to obtain the advantages of the tax deductions we have in mind. We think that most of the objections to the Ribicoff amendment apply equally to the Prouty amendment.

So, Mr. President, I do not think this is the time to handle this matter by way of the Prouty amendment to the tax bill. Before this session of the Congress is over, we shall have time to decide what we want to do about education legislation. Who can say what the decision then will be? However, if we assume, hypothetically, that the Senate decides, after the committee hears the testimony of witnesses, and after the record of their testimony on Senators' desks, that it does not favor such proposed legislation, but that it prefers legislation of some other type, that will be the time for the decision to be made.

But, Mr. President, in my judgment, if that decision were made before the holding of the hearings and without a record of the testimony of the educators as to how best we can proceed to achieve the desired result, we would be prejudging the proposals for aid to education; and I do not believe that would be a wise thing to do.

Furthermore, as I stated last night, during my speech on the Ribicoff amendment, we realize that Congress can be taken "up to the line" only so many times in a certain period of time, on the question of passing proposed legislation in a particular field. If we persist in bringing forward one proposal of this sort after another—again and again—there will be a tendency to ask, "How many more times must we vote on an aid-to-education program? Let us wait until we see what we have already done works out."

Mr. President, we do have a great problem in connection with our desire to help students who wish to attend college. It is my view that those who are most in financial need should receive the most help.

I was surprised, this morning, to hear some Senators say that such students can go to college if they really want to. Mr. President, tens of thousands of them cannot go to college, because they do not have sufficient means. So it is a serious mistake to assume that the children of low-income families can go to college if they want to. It is a great mistake to assume that all who wish to attend college are able to do so; such an unwarranted assumption amounts to whistling in the dark while going by an educational graveyard. It is not true that all who wish to attend college can do so.

I can give my pledge to the Senate that before this session is over, it will get a chance to consider proposed legislation, reported from our committee, providing a uniform loan program with respect to education, so as to enable all students to borrow the necessary funds on a reasonable repayment basis, and then attend college, and subsequently repay to the U.S. Treasury the loans they received.

Next, Mr. President, I wish to state that the Senator from Louisiana believes, as I do, that the figures he has cited are the correct ones. A few minutes ago, he and I worked over them with the assistance of the able counsel of the Senate committee. Already, parents who are providing aid to their children who are attending college are allowed a $600 deduction for that purpose; and if the student earns up to $900, he, too, can obtain a $600 exemption on his earnings, plus an additional exemption of $300. Of course, the total of those amounts will not cover the cost of his education; but it is worthwhile to point to the fact that his earnings of up to $900 will not in any way prevent the parent from obtaining the $600 deduction, if the parent is paying more than one-half of the cost of the keep of the student.

Last of all, let me say that when the committee obtains all the evidence, we should consider whether we should do something about the dependency allowance. Perhaps it should not be $600; perhaps it should be $900 or $1,000 or some other amount. But we should arrive at our determination of the correct amount on the basis of the making of a record which we do not have at this time.

The danger with the sort of approach proposed to be made by means of the pending amendment is that it has a plausible label, and it excites our sympathy, for all of us desire to give a helping hand. But, Mr. President, first, we should know whether the proposed method would be fair.

I believe there are so many weaknesses in the approach now proposed that I close my statement by pleading with the Senate to give me a chance to finish the subcommittee's hearings and to report to the Senate an education bill—as the Senator from Pennsylvania [Mr. CLARK] urged earlier today, in the course of his remarks; and then, if the Senate does not like that measure, it can decide whether it wishes to make a tax-bill approach.

Mr. LONG of Louisiana. The amendment leaves one big question unanswered, which to me is the very question to ask: Why not make a distinction between earned income and unearned income? The amendment would benefit the child of parents who left a trust fund in stocks and bonds so that money for the child could be offset against this special deduction which might amount to $2,100 or $2,400. The parent would be able to set that much money aside for the child in a trust, or by other arrangement.

The amendment does little to help the person who really needs help. Most college students do not pay much in taxes to the Federal Government and they do not have that much income, when one looks at the fact that their parents are entitled to a $600 exemption, and they are entitled to $900 which they apply against their earnings, a total of $1,500 for parent and child before tax is paid. This is under present law alone.

This amendment would provide, I am informed by the Treasury Department, provide substantial advantage to those who are well provided for, those lucky students who have parents who can leave them a trust fund, or an estate with dividend income, or interest income from trusts, in order to finance their education.

It seems to me that instead of devoting Federal revenue to that type of purpose, we should once again consider the type of student who is a deserving student, the kind we wish to put through school, and proceed on that basis. That is the way in which I recommend that the approach should be made, that we start with the subcommittee headed by the distinguished Senator from Oregon [Mr. MORSE] and look into the various ideas. We should ascertain what would be the most efficient and the most fair way to use this money for the benefit of students.

Mr. PROUTY. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. PROUTY. If the Senator would prefer a limitation on earned income, I would have no objection to that. I believe we might well reach an agreement in conference, assuming that the amendment is approved.

Or we can continue to talk about what we are going to do. We have been talking for 10 or 12 years. We now have an opportunity to act. Most people will agree that this amendment would have some real advantage for our young people.

Mr. LONG of Louisiana. The distinguished Senator from Vermont is a member of the very subcommittee which has the responsibility to report to the Senate what we should do about this question. The Senator from Oregon [Mr. MORSE] announced only an hour ago that he has instructed his committee to undertake the necessary preparations for hearings to bring up an aid-to-education bill. The distinguished Senator from Vermont is on that committee, and I am confident between the two of them, they will bring up something that will provide an appropriate answer to this problem.

But they come to us, a tax-writing committee, and suggest to us that we should solve all their education problems as a tax-writing committee. This leaves us in the position of having to resist things which we believe would not have the most desirable effect on the tax laws. I hope the Senator will bring a recommendation from the committee, of which he is a member, after hearings have been conducted, and tell us what they think would be the best way to meet this educational problem.

Mr. PROUTY. Mr. President, will the Senator from Louisiana yield further?

Mr. LONG of Louisiana. I yield.

Mr. PROUTY. I should like to emphasize what the distinguished Senator from Oregon said a few minutes ago. I do not mean to compliment myself, but we have worked closely on all education measures, and I believe we have seen eye to eye on many of them. If we have not, we have been able to reconcile our differences.

He has proposed a far-reaching student loan program instead of my amendment. I cannot assume that the other body will give great consideration to the loan program he proposes. To put my amendment aside on such an assumption would be an unreasonable failure to seize a great opportunity. My amendment is a start. We can always perfect it in conference. If the Subcommittee on Education determines that there is a better approach, we can always amend the tax laws and come forth with something new.

Mr. ANDERSON. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. ANDERSON. Does the Senator realize that the maximum a young married couple just having left college can claim is a $1,600 deduction? Is that not correct?

Mr. LONG of Louisiana. That is correct.

Mr. ANDERSON. Yet a young man who inherits a fortune from his family can have $2,400 of income and not pay a penny in tax.

Mr. LONG of Louisiana. I believe it is $3,000, taking into account the deduction his parents may receive.

Mr. ANDERSON. That is for a student doing postgraduate work.

Mr. LONG of Louisiana. Yes.

Mr. PROUTY. Mr. President, will the Senator from Louisiana yield further?

Mr. LONG of Louisiana. I yield.

Mr. PROUTY. If there are many in that category, and I am sure there are, we can always take care of the situation by imposing a limitation on earned income.

Mr. ANDERSON. That is the danger. Senators try to write such provisions in the Chamber. The Finance Committee should have an opportunity to consider the subject.

Mr. PROUTY. The bill has been before the Finance Committee for several months.

Mr. ANDERSON. I agree with everything the Senator from Oregon said about the Senator from Vermont [Mr. PROUTY]. I know he is a fine, conscientious, hardworking Senator. But I point out to him that when one of such amendments is offered, and the proponents say, "This is wrong, but the conferees can redefine it." In my opinion, it should be redefined in advance.

I do not believe the Finance Committee should be spending 1 minute discussing this sort of proposal, because it is wrong, it seems to me, to say to a young married couple that they can be allowed only a $1,600 deduction, but a young man living by himself at the university who happens to inherit some money from his parents can have a $2,400 income and not pay a penny in tax. That is the wrong way to approach this question.

A better approach to Federal aid to education is to consider all students in need, and not those in fine shape. Children of parents who contribute one-half the expenses can get $2,700 under this procedure, and those doing postgraduate work can get $3,000. It makes no sense to say to a young married couple starting out in life that they can have $1,600 but someone going to school by himself, because his parents are able to help him along, can have $2,700 or $3,000 of income.

I hope this amendment will not be adopted.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. MORSE. I should like to ask the Senator from New Mexico a question. Earlier we discussed these figures. By the way, I pledge to the Senator from New Mexico that there will be early hearings. I wish the Senator from New York [Mr. JAVITS] to know this also, because I had a personal conversation with him, as I did with the Senator from New Mexico, and I have asked counsel for the Education Subcommittee to endeavor to arrange hearings before the subcommittee next week, to show how fast I intend to proceed with hearings on these bills.

The question I should like to ask my "teacher," the Senator from New Mexico, is with regard to the loophole which the Senator and I have been discussing which I believe is a very real loophole. A parent who had a business could put his student son or daughter on the payroll. He would then go on to college. The parent would get considerable benefit on his tax return because he would be taking into consideration counting the pay he would be giving the child, is not that true?

Mr. ANDERSON. That is true. Not only that, but the parent could give his child stocks which he had not planned to give him, because it would be an ideal way to give them to him tax free. Ordinary bonds are not tax free, but they can be given to his child. Inasmuch as the child would be allowed a $2,400 deduction, and the parent would be entitled to more, a substantial number of government bonds that are not tax-free could be given to the child, which would make them immediately tax free.

These are things that cause trouble. Someone will say, "Do not do this and do not do that; these things cause loopholes." This amendment would open the door, rather wide, and I would be happy to see the legislative committee take a look at this question because the legislative committee, I believe, would come forth with a wise decision.

Mr. MORSE. We intend to take evidence concerning such loopholes.

Mr. ANDERSON. We may have to refer the question back to the Finance Committee, but the able chairman, the Senator from Virginia [Mr. BYRD] would know that he had a recommendation from the proper authorized legislative committee. I hope this amendment will not be adopted. When we discuss depreciation allowances, it is said, "You did all this for one group." We must admit that we did create a special situation, in which a man can have millions of dollars of income and pay no tax whatever.

I believe it is a bad procedure. I am glad that the Senator in charge of the bill is opposed to the amendment.

Mr. LONG of Louisiana. Mr. President, I ask Senators to keep in mind that the committee has had no opportunity to study the amendment. It is true that the measure was introduced by the Senator as a separate bill. It was not offered as an amendment to the bill (H.R. 8363), which is before the Senate. No request was made that the proposal be considered in connection with the bill.

The Finance Committee does not have the necessary expertise, experience, or responsibility in that field. If Senators will look at their rule book, they will see stated the responsibility of the committee starting with revenue measures generally. If Senators will read down through the 13 responsibilities assigned to the Finance Committee, they will see that it is a big order, but there is no responsibility assigned to that committee relating to education.

I ask Senators then to refer in the rules book to the responsibilities assigned to the Committee on Labor and Public Welfare. The Senator from Vermont [Mr. PROUTY] is a member of that committee. He is on that committee with the Senator from Oregon [Mr. MORSE].

Both Senators are members of the Subcommittee on Education, which is headed by the Senator from Oregon. I ask Senators to examine the responsibilities assigned to that committee. The first item is "measures relating to education."

The measure before the Senate was not recommended by the executive department. The executive department has not had an opportunity to study and examine it. It was not recommended by those who have the responsibility for revenue measures at the administrative level. It was not recommended by the committee. It was not recommended by the chairman of the committee that would have the responsibility in relation to the subject.

Mr. President, we have talked about loopholes. Has it ever occurred to Senators that the proposal could be used as a means of employing trust income, dividend income, and various other types of income which ordinarily should be taxable? Did it ever occur to Senators that the proposal could develop into a large loophole, and that those who might receive a benefit from such a proposal would attempt to make the loophole bigger?

The question is often asked, "How did such a loophole come about?" Many times loopholes have come about as the result of Congress adopting a proposal without intending that certain uses should be made of the proposal; yet we wind up with a big tax loophole which costs a great deal of money.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. CLARK. I should like to indicate my strong support for the position taken by the Senator from Louisiana. As a member of the Subcommittee on Education, I support my chairman, the Senator from Oregon. I ask Senators to afford an opportunity to deal with the problem within the committee which has been given jurisdiction under the Senate rules—the Subcommittee on Education of the Committee on Labor and Public Welfare—and not legislate on an important question relating to education on a bill which comes from the Finance Committee and has had no real hearings in connection with its educational overtones.

Mr. LONG of Louisiana. I thank the Senator. He has indicated what I would like to know on the question of education. What does the committee which has been assigned the responsibility recommend? The committee of which the Senator from Pennsylvania is a member has been assigned that responsibility, and it has the responsibility to tell us what it suggests. What does the committee feel would be the best way to handle the problem?

How can a Senator who is arguing on taxes generally be an expert on the subject of education? Those questions should await the recommendations of those who have responsibility in that field.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield to the Senator from Minnesota.

Mr. McCARTHY. I commend the Senator from Louisiana for fighting against these amendments, many of which sound very good. Handling a tax bill on the floor of the Senate is a difficult task—much more difficult than it is for the Committee on Ways and Means of the House of Representatives to handle bills in that body, because in the House, bills come before that body under a closed rule. Problems are worked out in committee, and generally they are worked out very well.

But in the Senate, the Senator in charge of the bill and those who support him are expected to answer every charge that may come from any direction.

Mr. President, it would be fine if we could take care of every worthy cause through the Internal Revenue Code. I sometimes think that we should not expose Senators to the full potential of the Internal Revenue Code all at once in this way. The light is almost too bright for ordinary eyes. We ought to look at it through a shaded glass for awhile and then begin to work on it. We could tax away all the income earned in our country, if we followed the thesis of some Senators, and then give it back to worthy people and worthy causes. That is one way in which we could handle the tax problem.

What we primarily undertook to do with the tax bill was to significantly improve the economy of the United States. I believe that we have worked out a balanced program of relief for business. We made a great improvement in the rate scale as it applies to individuals. The income which would be made available under the bill would have a significant effect in stimulating the economy in the capital sector and would have a significant effect in encouraging consumer spending. We will have made approximately $9.5 billion available to individuals in America. The educational need is great, I believe that the people of the country are responsible enough to respond and to meet the educational needs of their children. If they cannot do so we must, as we have done, consider additional aid to education.

I must say, Mr. President, that I am a little disappointed in some of the college presidents and education officials in the country. This Congress has acted responsibly to aid higher education.

I suppose the Land-Grant Act of 1962 would be considered more comprehensive, although no one knew what it was to become. Of course, the GI bill was a great educational program. But in terms of education bills directed at particular needs, the program that was approved by this Congress was a significant one, and a right beginning on a great problem. College officials ought to allow that program to operate and gain some experience with it. They may come in and ask us for more money, as I think they will and should. The solution to this problem is not by way of special tax consideration and special tax reductions.

The Senator is correct in what he has said about the beginning of loopholes. When a first opening like this is made—and this has happened before—the next move is for someone to say, "There is an inequity in the program. Let us extend the inequity to other people."

Eventually we reach the point at which someone will say, "Let us make the inequity universal, and thus establish justice." That is not the way we should proceed.

The Senator from Louisiana is to be commended for his fight for the bill and his defense of its integrity.

Mr. JAVITS. Mr. President, I offer an amendment to the pending amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from New York to the amendment will be stated.

The LEGISLATIVE CLERK. On page 1, line 7, it is proposed to insert the following:

> "From earned income as defined in paragraph 911(b) of the Internal Revenue Code," after the word "deduction."

Mr. PROUTY. Mr. President, I ask unanimous consent that I may be permitted to accept the amendment to my amendment which has just been offered by the distinguished senior Senator from New York.

The PRESIDING OFFICER. Is there objection?

Mr. LONG of Louisiana. Mr. President, reserving the right to object, I would prefer that the amendment be debated before it is accepted by unanimous consent. Unanimous consent is required. I do not know whether we would wish to agree to the request or not.

I point out that that is the kind of problem that arises when the yeas and nays are ordered. The Senator insisted on his request for the yeas and nays. I should like to know what the revenue impact would be before I would be ready to agree to the unanimous-consent request.

Mr. JAVITS. Mr. President, I had hoped that the Senator would permit the amendment of the Senator from Vermont to be amended so that the question could be dealt with on its merits. I believe my qualifications to make that request are pretty good, since I voted "nay" on the Ribicoff amendment. My best conscience dictated my vote on that amendment.

My amendment to the Prouty amendment may not be technically perfect. I tried to frame it in the best language possible. But its intent is to make the deduction applicable only to earned income, so that if there were no earned income, no deduction would be available. If there were earned income, the deduction would obtain only to the extent of the earned income.

We all understand that if the amendment is agreed to and it should prevail in conference, the conferees will work it out in accordance with that intent. Perhaps the language is inartistic, though I tried to write the amendment in the best language I could on the spur of the moment.

The intention is that it should be only a deduction applicable to earnings of students, and only to the extent of such earnings.

Mr. LONG of Louisiana. Let us assume a boy is working for his father. Daddy gives him a job. He has little work to do but gets good pay. Would that qualify as earned income?

Mr. JAVITS. I will not say "Yes" or "No." I would be perfectly happy, once the intent of the Senate was manifested, to leave those refinements within the fundamental proposal to the conferees. All I am trying to establish is the basic intent of the Senate.

Mr. LONG of Louisiana. If the Senator wants to offer an amendment, he should have more than a vague notion as to what he wants to do. If he wants to amend the proposal to limit it to earned income, it is fair to ask whether the intention also is to cover income received from a father, when a rich man puts his son on the payroll and the son does little or nothing for his pay. That is the type of loophole that I am sure the Senator would not want to provide.

Mr. JAVITS. For myself, let me say that if such a person paid a salary as earned income when it was not earned, it would come under the Internal Revenue Code, and he could go to jail for it——

Mr. LONG of Louisiana. No. We are talking about a situation in which a son does some work, but it is very clear on the face of the situation that he does not do the amount of work that he would have to do if he were working for someone else.

Mr. JAVITS. Then I think the authorities would know that it was unearned income.

Mr. WILLIAMS of Delaware. Mr. President, the law already provides that the Treasury Department can disallow payments made by parents to children which cannot be justified on the basis of comparable earnings paid other employees. A parent cannot, under the law, split his income with his children and get away with it, either with or without the amendment of the Senator from New York.

Mr. LONG of Louisiana. Mr. President, if the Senator will yield, I shall not object to the unanimous-consent request. I wanted to demonstrate the difficulty of legislating on the floor and also the problem involved when a Senator asks for the yeas and nays before Senators know what the amendment is. If it is desired to modify the amendment, it requires unanimous consent after the yeas and nays have been ordered.

Mr. JAVITS. I thank the Senator.

Mr. President, I ask unanimous consent that the Prouty amendment may be modified accordingly, with the consent of the Senator from Vermont.

The PRESIDING OFFICER (Mr. INOUYE in the chair). Without objection, the modification is agreed to.

Mr. JAVITS. Mr. President, it is necessary for me to explain why I voted against the Ribicoff amendment, in order to demonstrate my interest in this amendment.

I believe the basic purpose of the tax bill, its fundamental thrust—whether we achieve it or not—is to retain the economy at a high enough level to do something about the problem of endemic employment and about the dangers of a recession if the economy is not sustained in a vigorous way.

Therefore, when we talked about adding to a $11.5 billion tax reduction an additional reduction which would involve immediately three-quarters of a billion dollars and more later, it seemed we were starting a process to destroy the basic purpose of the tax bill. For that reason alone I felt, in good conscience, that I had to vote against the Ribicoff amendment. With that amendment we would have both the tax cut bill, and the same people who were getting the cuts in that bill would have received in addition the credits against tax the Senator from Connecticut [Mr. RIBICOFF] contended they should receive. That would have defeated the purpose of trying to keep the bill within reasonable limits and at the same time do a broad-scale job of economic stimulation.

But that argument does not apply to peripheral matters that will not materially change the thrust of the bill because they do not involve great sums of money.

That is evident from the bill itself. What has the size of the medicine and drug expense deduction to do with the major economic thrust of a tax reduction bill designed more importantly to sustain the economy? Yet $10 million is the revenue loss because of a provision of that character in the bill.

What does the part of the bill having to do with a change in the exclusion from income of gain on the sale of a residence of a taxpayer over 65 have to do with the basic economic power of the bill in connection with unemployment, and so forth? The answer is "Nothing." Yet it involves a revenue loss of $10 million.

When we dig into the corporate phase of the bill, what has amending the existing investment credit to do directly with economic stimulation as a result of a tax cut? We are anxious to arrive at the maximum point of efficiency of American business, so we include it in the bill, and it involves a revenue loss of $170 million.

In short, we are not purists. We cannot be, considering the terms of the bill. But we are considering the bill in the best way we can, and I think we have done a good job of giving to the bill the most thrust on the economic side.

I think the members of the Finance Committee themselves would not want to plead omniscience, with respect to putting everything in the bill that could conveniently and appropriately go into the bill. Perhaps they will consider that the Senator from Vermont [Mr. PROUTY] has thought of one thing which is a small effort to help in a critical area, that of encouraging young people to work for a living and thereby earn their way through college.

Therefore, not departing from basic devotion to the fundamental purpose of the bill, I showed my good faith by casting a difficult vote of "nay," which was also difficult for many other Senators, on the Ribicoff amendment. With the present amendment I do not think we distort the fundamental purpose of the bill, because we have already accepted other provisions in the bill, which are not particularly necessary for the economic thrust of stimulating the economy, but which relate to tax injustices or some other matter which can be dealt with conveniently in the bill.

So I feel that as the revenue loss in the Prouty amendment now must be less than $50 million—his own figure—under this version of the amendment, I do not think it represents a material distortion of the purpose of the bill.

Second, I am delighted by the announcement of the Senator from Oregon, with whom I think I have loyally cooperated in the fundamental need of developing the proper kind of aid for higher and all levels of education, that there will be hearings on that subject, which is precisely the right thing to do. I do not think the Ribicoff amendment would have had the desired effect, which is the encouragement to people of modest means to earn their own way through college, which is a delightful American custom, a custom which I am proud to say I practiced in all the years I went to law school; and it was a good one.

Finally, one of the great arguments with respect to the Ribicoff amendment was its ambit. What would be reached? It appears that in 1960 total income tax receipts from individuals amounted to $39.5 billion. Although this figure is for a previous year, it gives us an order of magnitude. That amount was paid by 48 million taxpayers who filed taxable returns. In other words, an average of $800 was received from the individual taxpayer who filed a taxable return. Another 13 million people owed no taxes at all, although they filed returns. But 48 million taxpayers each paid an average of $800 in tax.

Under the Ribicoff amendment, that was a pretty big piece of additional revenue loss to add to a tax bill under which there will be a substantial reduction in revenues.

I do not believe the same argument can be directed against the Prouty amendment. The point is that it goes to encourage something that is really socially useful. I do not see that whatever is done in connection with Federal aid to higher education, to which I am thoroughly devoted, would in any way conflict with this kind of encouragement. It comes within the same order of magnitude as some of the other things which are done in the bill, both in money and intent, as we are satisfied with the urgency of the need. I am inclined to feel that it represents a fair proposal, fair even in the opinion of those like myself who do not in any way wish to complicate, jeopardize, reduce, or distort the fundamental thrust of the bill. Therefore, I shall support the amendment.

Mr. President, there is one other thing that is very important to me, considering my own position in connection with this whole subject. While I go along with the administration, even casting the hard votes on capital gains—and we must remember that I come from New York, where capital gainers, so-called, are very important, in terms of the stock exchange and the security business—in order to sustain the position that the tax cut will do the things the administration thinks it can do for the economy, I have no illusions about it. I believe the tax cut would help, but I do not believe it would cure. I would be fooling myself and the people of the State of New York if I thought otherwise. The tax cut will be helpful. It should be voted. Its essential thrust will not be jeopardized by the amendment of the Senator from Vermont.

Mr. President, the tax cut will not cure endemic unemployment. It will not win the war on poverty. It will not insure us against a recession or a depression. It will help.

I deprecate the fact that the administration, every time we ask, "What are you going to do about unemployment? What are you going to do about poverty? What are you going to do about trying to lengthen out the present 35-month-old economic expansion?" says, "We are proposing a tax cut."

This seems to be the only thinking in the administration upon the American economy.

I know that the tax cut alone is inadequate. I know I must vote for it. It will help. It is the only thing, apparently, upon which the administration is willing to give us support. So, let us do it. It will not cure the defects in the economy with which we contend.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MORSE. I could not sit here in silence, since these votes have started, and see the Senator from New York cast courageous vote after courageous vote as he did, on the capital gains issue and on the Ribicoff amendment, without congratulating him. I wish to associate myself with the observation he made on the effect the tax bill will have on the economy of the country as a whole and on the economic problems which are impinging upon the welfare of the American people.

I agree that it will help. It will not be of major help in solving these problems. I shall be standing shoulder to shoulder with the Senator in urging direct attacks on the unemployment problem, direct attacks on the problem of poverty, direct attacks on the great problem that confronts us with respect to the water problems in this country. I do not believe the American people realize what is happening to the water of this country. If they do not get busy and do something about it, our civilization will decline with our water table and with our polluted water supplies, as well as with the problem of the health of this Nation. All these problems will call for a direct, frontal attack, issue by issue. The tax bill will not solve them or help very much in solving the problem.

I wish to associate myself with the Senator from New York. Again I compliment him on the courage of his convictions.

I only regret I cannot join him on the Prouty amendment. I believe he is greatly mistaken. As a member of our subcommittee, I feel somewhat like a father who has a couple of wayward boys. Nevertheless, I am still hoping, before the final vote is had, that he will agree to give us time to hold hearings on this whole problem. If, after the hearings, we find that we should come back to the Prouty amendment, there will be ample time for us to do so. I believe he will find that this proposed procedure is not the best way in which to handle the problem. We can advance the cause of education much better in the way I have suggested.

Mr. JAVITS. I am grateful to my chairman of the subcommittee. I do not believe that this will bring about a parting of the ways between the father and his two children.

Mr. PROUTY. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. PROUTY. I also wish to congratulate the Senator from New York and to express to him my deep appreciation for the amendment which he has proposed to my amendment. It seems to me that it has eliminated most of the objections which were registered earlier today. I am very grateful to him.

I ask unanimous consent that the senior Senator from West Virginia [Mr. RANDOLPH] be listed as a cosponsor of my amendment, at the next printing.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I wish to finish my remarks upon the bill and bear upon the colloquy with the distinguished Senator from Oregon [Mr. MORSE] on the subject of what the tax cut will or will not accomplish. I never like to leave a thought unfinished, if I can avoid doing so.

Some of the things that are needed in respect to the fundamental problems of our economy, quite apart from and in addition to a tax cut—I cannot hope to name all of them, but I can cite some—are: First, we are losing an estimated 40,000-plus jobs a week because of automation. That is, the jobs need to be changed, and people need to be retrained and moved or removed to other sections of the country. It may be necessary to await a point of training in the use of new machines and the servicing of them. The fact that workers will go into service businesses more than they do in production lines, as automation takes over, may have an effect. This may require a period of transition of 1, 2, 3, or perhaps as much as 5 years. The transition may have to be helped with financing by the Government. That would be a very direct and immediate way in which to deal with a large volume of unemployment.

The maximum number of personnel scheduled for retraining under the manpower retraining programs will be 135,000 in fiscal year 1964. That compares with estimates of up to 1 million persons a year who will need retraining. That is one thing that should be done.

Another thing that needs to be done is to stimulate exports. It is true that we now have an export surplus of about $5 billion; yet we are running a very serious imbalance in our international payments. Notwithstanding some shakeout of foreign financing in this country by the threatened interest equalization tax bill that is now pending in the other body, there is still an imbalance in the area of about $3 billion a year. Exports can deal with that. In addition, exports could do much more for the American economic system and employment. Other countries encourage exports of their products by providing special tax treatment for additional exports. We ought to do the same thing.

The investment of American capital abroad by American firms is also inhibited by the antitrust laws. Mr. President, I seem to be about the only one here who appears to be very much concerned about this; but I think it is a material inhibition of the operation of the private enterprise system, both in this country and abroad. As we encounter competition from the European Common Market—which has a very different concept from that of our antitrust laws—we shall find that that competition will hurt us very materially.

Mr. President, the fourth thing that must be done is the elementary step of introducing the private enterprise system into the foreign aid program. In view of our economic resources, we have not begun to do what should be done in connection with the development of the underdeveloped countries of the world. The reason for that situation is that we are trying to do that job solely—almost solely—through Government. There are vast opportunities in this area.

If I were summing up, Mr. President, I would now mention many other measures which I think need to be taken—including measures to give the workers profitsharing and stockownership in the United States businesses—a development which I believe will be the wave of the future, insofar as American workmen are concerned. Yet in practical terms, we have scarcely begun to do that.

Mr. President, the American people still—strangely, interestingly, and charmingly—lack a consciousness of the power of their production. The power of production, valued at $600 billion a year, is really beyond belief, especially when it is unleashed for purposes of development and construction both in the United States and in all other countries which wish to be free or to remain free.

We have not begun to learn how to use that power, in terms of credit, in terms of production and distribution, and in terms of making use of both men and machines now unused. Until we learn how to do that—and Congress should act to enable the United States to teach, to guide, and to facilitate it—we shall have a very rough time in attempting to deal with endemic unemployment, endemic poverty, and the other problems which give us great pause and concern when we wonder whether, with the pending tax-cut bill, we shall be able to do that job.

I favor the proposed tax cut, Mr. President; but I do so without having any illusions about its value and also without having any illusions that we shall be able to keep it absolutely clear of any other tax change, because provisions of that sort are already included in it.

I hope very much that the Prouty amendment will be agreed to.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MILLER. I should like to ask a question of either the Senator from New York or the Senator from Vermont. What concerns me about the amendment is that it does not seem to be harmonized with section 151(e) of the code. Senators will recall that a few years ago Congress provided for a special exemption in the case of a student who was earning enough money so that he ordinarily would have lost his dependence on a parent. If he is a student working his way, partly, or wholly, through college, for the purpose of supporting himself, or at least furnishing more than half of his own support, his father still gets a $600 exemption.

If the Senator's amendment should prevail, we would create an inequitable situation if we left the present code section to which I have referred on the books. We would create an inequity between a student who has a parent and a student who does not have a parent, or at least a parent who is not making enough in income to get the benefit of the $600 exemption.

I am wondering if it would not be practical and fair and equitable for the amendment of the Senator from Vermont to be modified by providing for the repeal of that portion of section 151(e) of the code which sets up this extra exemption for the parent.

Mr. JAVITS. I yield to the Senator from Vermont.

Mr. PROUTY. I should like to point out that we did not make any change in section 151(e) because the parent, in most cases, still will have to provide for the student's food and lodging. My amendment does not allow a student to deduct such sums.

Mr. MILLER. The Senator's amendment provides for a deduction of $1,200, in the case of an undergraduate, and the $1,200 is equivalent to two $600 exemptions. Without the Senator's amendment there is now a $1,200 exemption, total, for this situation. There is a $600 exemption for the parent and there is a $600 exemption for the student also.

Now the Senator's amendment comes along. It will add another $600 exemption to that total. So I shall cite an example. Let us assume that the Senator from Vermont has a son who is working, and that the son earns $1,800 during a year. The Senator from Vermont could claim a $600 exemption for the boy, even though the boy might have supported himself all the way through the year. Certainly if he provided more than half of the board, he could claim a $600 exemption for the boy on his income tax return. The boy himself as a taxpayer would have a $600 exemption. Under the Senator's amendment, he would have a $1,200 deduction. That would make a total of $2,400 in exemptions or deductions, however the Senator might wish to apply them.

I suggest to the Senator from Vermont that that would do inequity to another lad who did not have a parent or whose parent did not have enough income to receive any benefit from the $600 exemption.

So to put the two situations on an equal basis, it seems to me that what ought to be done is to couple with the amendment of the Senator from Vermont the repeal of section 151(e) of the code.

Mr. PROUTY. The present $600 is an exemption. What the amendment seeks to do is to provide a deduction. That is the difference between the two items.

Mr. MILLER. From a practical standpoint, it does not make any difference whether it is called a $600 exemption or a $600 deduction; the amount still would come off the income before determining the amount of taxable income. In the example I cited, the Senator's family entity would have a $2,400 reduction from taxable income—$600 for the parent and $1,800 for the son, under the Senator's amendment.

Mr. PROUTY. The $600 exemption taken by the parent is for the child's support as a dependent, regardless of whether he is a student.

Mr. MILLER. Whether is was called an exemption or not, it would still come off the income to arrive at the taxable income.

Consider the example of another boy; one who does not have a parent, but who earns $1,800. In that instance, there would be only an $1,800 reduction in income; there would not be the other $600. That situation would remain on the books unless it were repealed by a modification of the Senator's amendment.

Mr. PROUTY. Is the Senator from Iowa under the impression that the parent could take the proposed deduction?

Mr. MILLER. Under section 151(e), it is specifically provided that the taxpayer may claim a $600 exemption for a child who is a student.

Mr. PROUTY. Provided the parent pays more than 50 percent of the expenses.

Mr. MILLER. No; regardless of that.

Mr. PROUTY. I had not been told of a provision so holding; I am not familiar with any such proposition.

Mr. MILLER. I am glad the Senator has raised that question, because I wish to make the point very clear. Congress changed the law. Prior to the time when section 151(e) was placed in the code, if a student furnished more than half his own support by working, the parent lost the exemption altogether. In order to encourage students to work, Congress said, in effect, "It is all right even if the student furnishes all his support or more than half of it. It will make no difference. The parent may claim the $600 exemption anyway."

I think Congress made that change in the code having the same motivation that the Senator from Vermont has with respect to his amendment; that is, to encourage students to help themselves in obtaining their education.

But I suggest that if we did not repeal section 151(e) concurrently with the adoption of the Senator's amendment, an inequitable situation would arise. An inequitable situation would exist as between students who were working and trying to earn their way through college, and whose parents were living and had income against which the $600 exemption under section 151(e) would be helpful, and students who did not have parents living.

Mr. PROUTY. Does the Senator believe that this deduction could be taken by a parent?

Mr. MILLER. Which deduction?

Mr. PROUTY. The $1,200 deduction.

Mr. MILLER. Not under the Senator's amendment.

Mr. PROUTY. It could be taken only by the student who files a tax return?

Mr. MILLER. That is correct; there is no argument about that.

Mr. PRQUTY. The parent might well have to spend quite a substantial sum to send a child through college; most parents provide for the cost of room, board, and items of that nature.

Mr. MILLER. He might; but suppose one student did not have a parent, while another one did.

Mr. PROUTY. I do not think we can draft legislation which will be equitable to everyone under all circumstances. My amendment is an approach which will benefit the working students who are trying to obtain an education, and that is what I am interested in.

The Senator from Iowa is a tax lawyer, and a very able one. I cannot argue the intricacies of the code with him. But I believe the purpose of the amendment is plain. So far as I am concerned, it will help a great many thousands of boys and girls who are trying to obtain a college education. That is my chief interest.

Mr. MILLER. The Senator from Iowa is trying to be helpful to the Senator from Vermont, because the Senator from Iowa can support the amendment if it is modified so as to eliminate section 151(a). I recognize that tax legislation that will be equitable all the way along the line cannot be drafted; but we are in a position now to make the amendment of the Senator from Vermont equitable by coupling it with the repeal of section 151(e). I do not disagree with the motive of the Senator from Vermont at all. I am intrigued by his proposal. But I do not believe it harmonizes with the Internal Revenue Code as it now exists. All that would be required to harmonize it would be to repeal section 151(a). I do not think anybody would be hurt by doing so. I think it would prevent an inequitable situation from arising as between children whose parents will receive a $600 exemption if the section is not repealed and children who do not have parents. After all, the student is the one we are thinking of.

Mr. PROUTY. If my amendment is approved, a detail of that nature might be adjusted in conference, where experts are available to assist the conferees. I cannot at this time discuss this proposal in detail with the Senator because I am not sufficiently familar with the language of the code. I am not a tax lawyer. I do not find it possible to accept the Senator's proposal to modify the amendment.

I am ready to vote at any time. I think that everything that needs to be said has already been said.

Mr. MILLER. The Senator from Iowa is merely trying to be helpful. I do not wish to make this a technical, complicated matter, although I do not believe it is technical. The law was passed by the Congress of which the Senator from Vermont was a Member, and of which the Senator from New York [Mr. JAVITS] also was a Member.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the vote be taken on the Prouty amendment, as modified, be taken at 1:30 p.m., and that the time between 1:20 and 1:30 p.m. be equally divided between the sponsor of the amendment, the Senator from Vermont [Mr. PROUTY] and the Senator in charge of the bill.

Mr. JAVITS. Let me ask whether the Senator from Vermont agreed to that.

Mr. LONG of Louisiana. As a practical matter, I believe that all Senators who wish to speak on the amendment have done so.

The **PRESIDING OFFICER.** Is there objection to the proposed unanimous-consent agreement?

Mr. JAVITS. Mr. President, reserving the right to object——

Mr. LONG of Louisiana. Mr. President, I withdraw the request.

SUBSTANTIAL IMPROVEMENTS IN PENDING TAX BILL ARE NEEDED

Mr. GRUENING. Mr. President, at last we are debating an epochal law, the Revenue Act of 1964. This legislation, which will affect the course of our history in ways yet to be revealed, is a measure for which our late, great President Kennedy and, now, his able and dynamic successor, President Johnson, have expressed great hopes of its efficacy in relieving the all too serious distress which we find in certain aspects of our domestic economy today. At a time when our unemployment rate remains stubbornly high—at more than 5 percent of our work force, and more than 4 million of our employable citizens cannot find work—it is clearly desirable that we act to bring relief to such economic malaise as besets us. Is this the proper approach?

I confess, at the outset, my own serious doubts that the pending legislation for the reduction of taxes, especially a reduction weighted on the side of decreases at the top levels of income, will prove as beneficial to our economy as its sponsors assert. It is my analysis, supported by the opinion of highly respected economists, that a better way of stimulating our economy and insuring jobs for those who need them is by direct participation of the Federal Government in providing jobs. I am fully aware of the theory that the release of funds otherwise taxed for the use of corporations and of individuals in the high income brackets will result in increased expansion of productivity and thus, increased employment. I doubt, however, whether we can expect private enterprise, which naturally is concerned with operating profitably for its private ownership to undertake a purely altruistic course of action directed solely to improvement of the Nations' economy. While it is undoubtedly true that this tax reduction will increase profits of private enterprise and in that respect, improve the economy, there is no provision in this bill or any other law that requires and will insure that benefits flowing to private business will be translated into general public benefit. Indeed, no one would suggest that the private sector of the economy be coerced into expenditure of its profits for purposes other than those it chooses.

As President Johnson has so clearly recognized in his statements on the necessity of Government action to obliterate the existence of poverty in the United States, it is only the Federal Government, moving with all its resource of funds, of manpower, and of action directed specifically in the public interest that can bring about significant improvements in the economy. Thus, it is with great interest we await further revelation of the administration's plans for the commendable war on poverty newly launched.

It is my hope that the President's program will include greatly increased sums for the accelerated public works program, and that there will be no stinting on imaginative and constructive projects for the development of our natural resources. These, indeed, are sound investments. Many of these programs only the Federal Government can finance, and, I believe, are of overwhelming importance in providing the steady employment which is of first importance in eradicating poverty.

Nearly a year ago, on March 19, 1963, I introduced a bill, S. 1121, to increase the amounts authorized for the accelerated public works program. It was found then, and remains the case, that there is no dearth of projects in towns and cities and counties across the Nation that are needed and which would provide jobs for people who need them. Many of these projects have been approved and await only the appropriation of funds. The original authorization of $900 million provided for this program was entirely inadequate and must be increased. I regret this has not been accomplished long before this time, and I shall continue to work for an increase in funds for this important purpose.

It is my fervent hope the choice of tax reduction as the means to improve our economy will prove to be a remedy that will work—though I doubt it. As it has come to be the judgment of those who have studied the matter over slow and painful weeks and months of deliberation that the reduction of taxes is the way to prosperity for our people, and as those promoting this approach will prevail, then we must enact the best tax reduction bill we possibly can.

In commenting on the bill now before us, I wish, first, to congratulate the Finance Committee for the herculean job it has done in studying, and bringing to the floor of the Senate a measure that has been heralded as of enormous importance to all. The hundreds of hours of consideration, of hearings, and of careful deliberation have engaged members of the committee in a difficult and complicated task requiring diligent and patient effort.

I believe the bill that has emerged from the Senate committee maybe slightly better than it was as it came to us from the other body, although there is room for doubt even so to that. However, I am compelled to state that I wish it were a far better bill than it is, and that the opportunity might have been taken to recast our income tax structure to distribute more equitably the burden of taxation than will be accomplished by H.R. 8363.

Mr. LONG of Louisiana. I say to the Senator from Alaska that I believe if he will study the measure on the basis of the areas where some of these loopholes exist, he will find that there is no loophole in the bill. The administration made recommendations in all fields where the Treasury Department felt structural reform was necessary. In other words in areas where the Treasury Department felt someone was escaping his fair share of taxes, a great portion of those recommendations are contained in the bill.

For example, if someone wished to escape liability for taxes due, his tax lawyer might advise him to organize a personal holding company, thereby reducing income by having it go through the holding company and saving much of the taxes he might owe. The bill would tighten up on that loophole, although not as much as I should like to see it. Also under the bill we put a 6-percent penalty on the use of multiple surtax exemptions.

Senators have heard some criticism of charitable contributions. Charitable contributions are second only to capital gains in accounting for the chart which the Senator from Tennessee [Mr. GORE] placed at the back of the Chamber, indicating that persons with high amounts of income pay relatively low rates on the average against realized income. The deduction allowed for charitable contributions and the fact that only half of capital gains are taxed account in the main for that situation.

Senators will find that we have tightened the law on charitable contributions in substantial degree. Group term life insurance is another factor. The committee has moved to prevent its abuse in the future. So, I believe the Senator will find, if he will look at the changes which are being made in the law, that there is a great amount of tightening up on various and sundry groups of taxpayers in the bill to make them pay more taxes where it can be properly contended that more taxes are owed.

Some people wish to tax the oil industry more. This bill taxes the oil industry more by about $40 million as reported by the House and Senate committees.

I should like to debate the advisability of pressing more taxes upon the oil industry, to show how much that industry is paying now—which some people do not realize. There is a great deal of tax reform in the bill. At the same time, it proposes to give tax reductions to those whose merit appears to be greatest.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. GRUENING. The Senator from Louisiana has always been conspicuous, throughout his long and distinguished public service, as a devotee of the public interest. I am confident that his efforts in the long hearings of the Finance Committee on the pending tax bill have been directed to that purpose.

I am happy to have his view that there has been a substantial closing of loopholes. My criticisms, however, were directed to the fact that more might have been done, but I realize that we cannot all have our own way, that the Senate represents a body of 100 individualists, and that in the House of Representatives there are 435 more individualists. We must arrive at a consensus of opinion.

I am hopeful that by the time the bill emerges from the Senate with some of the amendments which have been already adopted, and some which may be, the bill will be further improved.

Mr. LONG of Louisiana. The area in which I believe action should be taken to tighten up the so-called loopholes, involves making those who are not paying their proportionate, fair share of taxes, pay more. Insofar as that problem exists, the bill taxes those people about $800 million extra, by reason of structural reform. Of course, in some respects that same group will enjoy some benefit from the general tax reduction; but in line with what the Senator has said on the subject, if he will look at the table in the back of the committee report, he will notice that certain people who have been paying a very low rate of income tax, although they have been making a large amount of money, will be paying more taxes—after the tax-cut bill passes—than they did before. The bill is so tailored that those who have so far succeeded in avoiding taxes, as a class, will actually be paying more taxes; while those who have been paying a fair share of their income without enjoying the benefits of various tax avoidance schemes will wind up with a fair and well justified tax return.

Mr. GRUENING. I hope that the tax bill will improve the economy as is predicted by the bill's sponsors. I hope that it will result in increasing employment. That is one of the questions which only the future can answer. I have serious doubts on the subject, because, for one thing, I feel that as a result of this substantial reduction in revenue we shall be asked to curtail the adoption of other measures, such as accelerated public works, which I deem essential to increasing employment. I hope that will not be the case. I hope that the $11 billion reduction in income to the Treasury as a result of this legislation will not result in the elimination of other measures which we can count on specifically to increase employment. That is a matter which we shall have to take up after the bill has been enacted.

I thank the Senator from Louisiana for his helpful contribution.

Mr. President, as I suggested in remarks to the Senate on December 18 of last year, it was and remains my view the tax law should be revised to allow greater relief to those in the middle income levels—wage earners in the $5,000 to the $20,000 a year brackets, at the expense of the very large reductions H.R. 8363 would provide in the higher income brackets. I believe it is not fair that individuals earning $500,000 and more in income will find their taxes reduced by more than 23 percent of present levels, while the individual earning $10,000 will have a reduction of little over 15 percent.

I had hoped the Finance Committee would accept the proposal of the distinguished Senator from Tennessee [Mr. GORE] and more in the direction of greater tax relief for middle and low income earners by an increase in personal exemptions. It is my hope this body will give greater consideration to this proposal which, admittedly, represents a sharply different approach to tax reduction than that adopted by the committee. The proposal for a greater proportionate tax cut for low- and middle-income groups was strongly endorsed by the distinguished economist, Mr. Leon Keyserling, in his testimony before the Finance Committee, and I would urge Members of the Senate to review Mr. Keyserling's testimony, as printed in the hearings on H.R. 8363, with a view to considering, even at this late date, a change in direction of tax reduction.

In reviewing the voluminous hearings and commentary on the tax reduction legislation now before us, it is with regret that we find an opportunity has been lost for a truly imaginative revision of our basic revenue and tax philosophy, which the legislation reflects.

About to be published is a significant book on the subject of tax policy in the United States entitled, "The Great Treasury Raid," written by Philip M. Stern, who is also the author of the Harper's magazine article entitled, "The Slow, Quiet Murder of Tax Reform," which I inserted in the CONGRESSIONAL RECORD on November 27, 1963. I commended Mr. Stern's vigorous efforts at reformation of the tax structure and urge Members of this body to give his publications serious attention. Other important commentary in recent months has appeared in such disparate publications as the New Republic and the Saturday Evening Post, calling our attention to indefensible shams and inequities in the existing Federal tax structure. When the average taxpayer sees that many who earn income amounting to hundreds of thousands and millions of dollars a year escape without paying a tax, while the ordinary wage earner must, and considers it his duty, to pay taxes as levied, it would not be surprising if one day the mass of our taxpaying public, 87½ percent of whom earn less than $10,000 a year, began to question the validity of the whole system and, by force of political persuasion, manage to bring about the tax reforms many of us believe are needed now.

It is not too much to expect that a continuation of the present situation in which many millionaires pay, proportionately, less tax than the head of a family earning $8,000 a year may some day lead to forcible change of the laws—perhaps under conditions of duress and in a less peaceful state of public opinion than we have now.

The spectacle of a revenue system deliberately constructed to afford special advantages and unjustifiable benefits for the very few taxpayers who are most blessed with financial rewards raises, I believe, not only economic and political questions as to its wisdom, but leads to consideration of its basic morality. Perhaps we should look closely to see whether our system of taxation, which there is still time to change, may not be a mirror giving an ugly reflection of a society dedicated to getting away with it and based on a philosophy of taking something for nothing. It is uncomfortable to dwell, further, on the concept that perhaps we are letting the heaviest burden of supporting the Government rest on those least able to afford it.

The bill now before us makes important changes in our revenue system. It does not, however, result in the basic changes in philosophy and economics I believe should have been made. We are preserving a statutory rate structure that will change to lower percentages of income tax than now are in the law but will be as deceptive as the one it replaces as a realistic measure of the true magnitude of taxes levied.

It has long been clear that the statutory tax rate is meaningless, because the internal revenue code is so honeycombed with special rates, deductions, credits, allowances, and other loopholes almost exclusively applicable to very high income earnings that the presumed rate of taxation reflects nothing but a starting point for determining the actual amount of tax an individual in the high income brackets will pay.

Lacking a bill with the basic reforms that should be made in our system of taxation, I believe it is our duty to make the one before us as equitable as possible. It can be improved, I am convinced, in a number of ways I wish to discuss.

First, an improvement, which has, indeed, been made by the Finance Committee, but which we must hold when the bill goes to conference is the rejection of the House passed reductions in capital gains tax rates. The principle of a preferential tax rate on income earned from the sale of property has been extended so far now to so many transactions having very little relationship to the original theory that here, alone, is an aspect of the tax law deserving careful reform. If we are not, at this time, to reform the basic system, then, at least, let us not compound the inequities here by decreasing the rate at which capital gains are taxed. I join with my other colleagues in urging that the Senate amendment be retained in H.R. 8363 throughout its legislative course.

The investment credit provision of the Revenue Act of 1962 was enacted for the purpose of stimulating business investment in new plant and equipment; hence stimulating the growth and prosperity of the economy. There were then and remain now, in view of our difficulty in reducing unemployment rates, serious doubts as to the efficacy of this provision in any way other than as yet another tax benefit which is proportionately more beneficial to large and prosperous enterprises than to small and less profitable endeavors. Now, whatever the merits of the investment credit provisions as they now stand we must not allow this provision of the law to be enlarged into an even more inequitable tax break for wealthy corporations than it is now.

I refer, of course, to the repeal by H.R. 8363, as it now stands, of the amendment to the 1962 act sponsored by the distinguished Senator from Louisiana [Mr. LONG], who is the Senator in charge of the bill. The Senator's amendment precluded corporations taking advantage of the investment credit provision from also including as a basis of property for purposes of depreciation or for gain or loss on sale the same portion of the property for which investment credit is allowed. This amendment to the 1962 legislation was eminently proper and in accord with logic and equity. I see no reason for now allowing the investment credit provision to be used to benefit the investor doubly. No doubt two windfalls are better than one to the taxpayer, but for those who have none there is no apparent justice in allowing the double advantage to another.

Further, I am wholly in agreement with my colleagues who have expressed their dismay at the unconscionable proposal now in the bill that would prohibit the regulatory agencies from passing on to consumers the benefits of the investment credits taken by industries subject to their jurisdiction. It is shocking to me that such a proposal could have gotten this far. I can think of no justification whatever for refusing to allow the consumer to gain the benefit that might accrue from lower rates attributable to investment credits to the public utilities, common carriers and other industries regulated in the consumer interest.

The distinguished senior Senator from Illinois [Mr. DOUGLAS], who is an eminent economist, has thoroughly documented the meaning of section 203(e) to the consumers of America. This iniquitous provision could, during this year, cost individuals of the United States more than $600 million. By 1972 the cumulative effects of the provision would result in a windfall to the beneficiaries, and a loss to the consumers of more than a billion dollars.

While the loss to the consuming public and the unfair gain to the purveyors of services on which we are dependent is enough reason to reject section 203(e) the inclusion in a tax bill of provisions affecting regulatory policy is indefensible. I have, in the past, made many suggestions as to changes in legislation and policy affecting the actions of regulatory agencies and I shall have more to say on the subject in the future. However, I believe whatever changes we think should be made in regulatory actions of the agencies having jurisdiction over telephones, electric power facilities, railroads, radio communications, airlines, shipping companies and other public services should be dealt with in legislation germane to the issue of regulation, and with reference to the particular facts of individual regulatory cases—certainly not disposed of broadside in the tax bill.

While the House and the Senate Finance Committee have been more generous than need be in their treatment of industries benefited by the investment credit provisions of the present law, there has been a curious discrimination against another part of our industrial community which is as deserving, I believe, as any other of Federal aid.

It is the mining industry of the country of which I speak. As chairman of the Minerals, Materials, and Fuels Subcommittee of the Senate Committee on Interior and Insular Affairs and as a Senator from a State in which gold mining was once a very important industry as indeed it was in a number of other States, employing many people now out of work, I am in a favorable position to observe and become dismayed by the lack of concern for the welfare of the miners by the executive agencies of the Government, particularly the Treasury and Interior Departments. The mining industry is an orphan of our commercial society. There seems to be no interest in placing this important industry in a more favorable position in the Federal offices having a role to play in promoting its welfare. Indeed, the opposite is the case.

Repeatedly, in the case of the gold miners, legislation has been introduced over the past years to revive the now moribund gold mining industry by aid from the Federal Government.

Just as repeatedly it has been impossible to enact any legislation at all because it has been strenuously opposed by the Treasury Department on the mystic theory that any aid to gold miners will, somehow, create an international financial crisis. The result has been that the gold mining industry has practically disappeared from the United States while elsewhere, in other countries, where there is gold, it is cherished. Limited to a price of $35 per ounce set by Government fiat 30 years ago and virtually destroyed by an order of the War Production Board during the Second World War, our gold miners are unable to reopen mines closed during the war and cannot produce at a profit at those remaining open.

Frustration in attempts at aid to the mining industry by actions of the Treasury Department are not limited to measures designed to help gold miners. The Treasury Department seems to place no value on the importance of the entire mining industry and its clear needs.

This was demonstrated again in the course of deliberations on H.R. 8363. After the Revenue Act of 1964 had been passed by the House, I introduced an amendment to it—No. 204—designed to eliminate a peculiarly discriminatory provision now in the internal revenue law that operates to the disadvantage of the mining industry. There is, now, in the law, a limitation of $400,000 on the total amount that can be deducted by a mining enterprise for exploration expenditures, and further a limit on such deductions to a maximum amount of $100,000 annually. It is the position of the mining industry, with which I agree, that exploration activities of miners are the same as research expenditures of other industries, which expenditures are fully deductible. There seems to me and to many others to be no justification whatever for limiting deductions on exploration of mining industries while similar expenditures of other business undertakings are fully deductible.

Unfortunately, my amendment No. 204 met the same fate as so many previous efforts to improve conditions for the miners by Federal legislation. My amendment to remove discriminatory tax treatment operating to the disadvantage of the mining industry was strenuously opposed by the same Treasury Department that is enthusiastically championing other provisions of this legislation designed to aid other industries. This opposition of the executive branch of the Government effectively killed the amendment; it was not approved by the Finance Committee and there is now no opportunity for the Senate to vote on it with the backing of committee approval.

It is my intention to introduce a revised version of amendment No. 204 in the near future in a form which will, I hope—being an optimist—be, at long last, acceptable to the Treasury Department and in consequence to the Finance Committee. It is my hope that the chairman of the Finance Committee, whose courteous cooperation I deeply appreciate, will, at an appropriate time, give a prompt hearing to the new amendment which I shall introduce to provide the mining industry with a measure of tax equity.

The minimum standard deduction provision of the present bill is one I believe to be a move in the right direction of tax relief for those at the very lowest income levels. Certainly, the policy that those at the very lowest level of sustenance in our affluent society should not have to bear burdens of taxation is right, and I believe should be followed. As I have stated, it is my own view that the most effective reform of the revenue laws would be an increase in personal exemptions; thus spreading the benefits of tax reduction to midincome brackets to a greater degree than does H.R. 8363. However, as an alternative, I believe the minimum standard deduction should be increased, possibly by $400 for a taxpayer and by an additional $200 for each dependent. I am also in agreement with his proposal that any reduction in revenue caused by an increase in the minimum standard deduction may well be made up by a decrease in the unnecessarily generous cuts in corporate tax rates allowed by H.R. 8363. Again alluding to the testimony before the Finance Committee of the able economist, Mr. Leon Keyserling, there would appear to be ample justification for the proposition that additional cuts in corporate taxes will not necessarily lead to increased economic growth, but that a decrease of tax liability of the average taxpayer will provide a certain stimulus to the economy through increased and exercised purchasing power.

These are the major provisions of H.R. 8363 to which I believe we must give our most careful attention and vote in a manner that will give us as good a tax law as we can get at this time.

In a measure as complex and as far reaching as the Revenue Act of 1964, every provision demands careful study to determine where lie the best interests of the people of the United States. In addition to the aspects of the bill I have discussed, I believe the bill as passed should include other reforms, including a provision for taxation of capital gains on property transferred at death at a rate reflecting the basis of the property to the decedent; the inclusion in taxable income of the value of group life insurance premiums purchased by employers—certainly, and at a minimum, acceptance of the provision of the House that would make taxable premiums in excess of those on the insurance in excess of $30,000 instead of the $70,000 limitation so generously allowed by the Finance Committee; the repeal or, at least, the reform of stock option provisions to establish more equitable standards of taxation; and, finally, the repeal of excise taxes on certain low cost and necessary commodities such as toilet articles, pocketbooks, inexpensive jewelry, and cosmetics.

These are but a few of the specific provisions of the Revenue Act that should be changed, lacking a full fledged reversal of tax policy, which, as I have said, is thoroughly justified.

The bill reported by the Finance Committee has already been improved by amendments adopted on the floor. I believe we can make it a great deal better by further action on the floor of the Senate, and I urge that the Members of this body make every effort to achieve this goal.

The PRESIDING OFFICER. By unanimous consent the following 10 minutes will be divided equally between the Senator from Vermont and the Senator from Louisiana.

Mr. GRUENING. Mr. President, I ask unanimous consent that I may have 1 additional minute in order to make an insertion in the RECORD.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the Senator from Alaska may proceed for 1 minute, the time being charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRUENING. Mr. President, a pertinent editorial from the February issue of the Progressive gives its view that the pending tax bill, as proposed originally, "represented a reasonably balanced, if modest, effort to combine a reduction in taxes with tax reforms designed to remove some of the more glaring inequities in the present tax structure," but that it has been "so mauled and mutilated" that it has now become "a monstrosity." I commend this editorial, entitled, "Unfair Tax Bill," to the attention of my colleagues. It sounds a challenge and a warning which will have its echoes and repercussions in the months and years ahead. I ask unanimous consent that it be printed at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UNFAIR TAX BILL

President Johnson has sought to hasten passage of the tax bill by urging prompt Senate acceptance of the House-approved measure, but we are not convinced that haste is nearly so important as a more careful look at what a monstrosity the tax measure has become.

When the Kennedy administration first presented its tax proposal a year ago, the measure represented a reasonably balanced, if modest, effort to combine a reduction in taxes with tax reforms designed to remove some of the more glaring inequities in the present tax structure. Even in its original form, it provided more relief for corporations and for upper-income individuals than for those of lower incomes, but it compensated for this weakness, in some degree, by including provisions designed to close, at least partially, some of the gaping loopholes now open to higher income taxpayers. The proposal was aptly described by Senator PAUL DOUGLAS as "in some respects ambitious, and in other respects timid. But it was an effort at tax reform."

Seven months later the House had so mauled and mutilated the measure that Leon Keyserling, who was President Truman's chief economic adviser, told the Senate Finance Committee that if he had been assigned to write the worst possible tax bill, he would not have surpassed the efforts of the House. Practically every reform feature had been knocked out and many inequities made worse. The only reform of consequence that survived the slaughter in the House was the repeal of the 4 percent dividend tax credit. So glaring are the tax loopholes that in a recent year a score of millionaires were able to make such effective use of them that they paid no income tax at all.

With little reform left at which to back away, the Senate Finance Committee, under the chairmanship of Virginia Democrat, HARRY BYRD, proceeded to riddle the tax measure further by carving out even more loopholes for the benefit of those citizens with substantial incomes.

What is left of the bill for consideration on the floor of the Senate is tax reduction and little else. But it is a tax cut that is grossly unfair. The bill would provide a $2.5 billion plum for business, which has already enjoyed tax relief amounting to $5 billion annually since 1954. The cut is needed, it is argued, to encourage business and to enable industry to expand production. But Senator ALBERT GORE, Tennessee, Democrat, has ridiculed this argument by reminding the Senate that last year produced all-time records for corporate profits, dividends, cash on hand, savings, and investment capital. Furthermore, said the Senator, there is a surplus of productive capacity in existing industrial plants.

As for tax reductions for individuals, Senator ERNEST GRUENING, Alaska Democrat, pointed out that the cut in the $2,000 to $4,000 income bracket is 13.6 percent, but at the $200,000 income mark, the tax saving soars to 23 percent. The 12.5 percent of taxpayers with incomes of $10,000 or more would harvest 45 percent of the total tax cut. "It seems to me," said Senator GRUENING, "this is a mistaken way of improving our sick economy."

Leon Keyserling has estimated that so much of the tax cut will go to high-income individuals that perhaps $8 billion of the $11 billion reduction will go into savings and investment rather than into immediate consumption, thus measurably frustrating the basic purpose of the bill to stimulate the economy and reduce unemployment.

Senators GORE, GRUENING, DOUGLAS, and others who are gravely disturbed by the implications of the mutilated tax bill have one last chance in the Senate to fight to correct some of the worst features of the measure, and to restore some of its original reforms. And the Nation has one last chance to listen to their debate and become better informed before hastily approving a law the country may come to regret bitterly.

The PRESIDING OFFICER. By unanimous consent, the following 8 minutes are equally divided between the Senator from Vermont [Mr. PROUTY] and the Senator from Louisiana [Mr. LONG].

Mr. LONG of Louisiana. Mr. President, at this moment the junior Senator from Louisiana has nothing further to say about the amendment.

Mr. MILLER. Mr. President, will the Senator from Louisiana yield for a question?

Mr. LONG of Louisiana. I yield.

Mr. MILLER. The Senator from Iowa and the Senator from Vermont have had a colloquy during the absence of the Senator from Louisiana. The Senator from Iowa suggested that the amendment of the Senator from Vermont be modified to provide for the elimination of section 151(e) of the Internal Revenue Code insofar as the special provision respecting an exemption for a student is concerned. The Senator from Vermont would prefer not to modify his amendment, but he recognizes that the Senator from Iowa may have a point. The question I should like to ask the Senator from Louisiana is as follows:

If the amendment offered by the Senator from Vermont should be agreed to, would the conference committee have the discretion to consider a modification along the lines the Senator from Iowa suggested with respect to section 151(e) of the Internal Revenue Code, so that the two provisions would be harmonized?

Mr. LONG of Louisiana. The Parliamentarian is not present to advise me on the question. The answer would depend in some respects on the House rules and what the House would regard as being in conference between the Senate and the House. My impression is that it would be within the power of the conference to reduce the effect of the amendment but not to expand upon it. I do not believe that anything that is not a part of the amendment or the section of the code that might be affected one way or the other that is not in the amendment could be considered.

The Senator from Delaware [Mr. WILLIAMS] is present, and perhaps he could answer the question better than I am able to.

Mr. WILLIAMS of Delaware. Since the amendment would not be contained in the House bill, it would be in the conference by action of the Senate. The conferees could modify the amendment but could not expand it beyond the scope of the language contained in the amendment as adopted by the Senate.

Mr. MILLER. So it is the opinion of the Senator from Delaware that if the conference recognized the lack of harmony between the amendment proposed by the Senator from Vermont and the Internal Revenue Code in its present state, the conferees would be powerless to harmonize the two, and they would either have to reconcile themselves to going along with the lack of harmony or reject the amendment offered by the Senator from Vermont.

Mr. WILLIAMS of Delaware. It would depend on the question of whether, in harmonizing the two, the scope of the amendment would be expanded. If it would, we could not take such action. In conference, we can negotiate only within the framework of the outside limits of the versions of the bill passed by the two bodies. In the present instance the House has passed no provision relating to the subject. If the Senate adopts the Prouty amendment the conferees would have to work within the outside range of the action of each body. Without knowing the substance or the nature of what the Senator has in mind, I could not answer the question further at the present moment.

Mr. LONG of Louisiana. I believe the Senator contends that the amendment as drafted would conflict with a section of the Internal Revenue Code.

Mr. MILLER. I would rather not say "conflict." I would rather say that they are not in harmony, because the provision of section 151(e) relating to students was placed in the act by Congress for the same purpose that lies behind the amendment of the Senator from Vermont. The Senator from Iowa contends that there would be a doubling up of exemptions if the amendment offered by the Senator from Vermont were agreed to. I believe the Senator from Louisiana expressed the same opinion, unless section 151(e) is taken out concurrently with the amendment offered by the Senator from Vermont. The Senator from Vermont would rather not modify his amendment, but he is most amenable to having the conference consider the problem of trying to harmonize the code so that if there is a lack of harmony, and the conferees should recognize it and still want to retain the amendment of the Senator from Vermont, they could do something about it.

The PRESIDING OFFICER. The 4 minutes allotted to the Senator from Vermont have expired.

Mr. LONG of Louisiana. Mr. President, as a practical question, this is one of the subjects that should be considered in the consideration of the amendment. If the Senate wishes that position to prevail, it ought to vote that position. I doubt very much that the Senate conferees could agree to such a position in view of the fact that the section of the code which provide a $600 deduction is already a part of the law. I doubt very much that a section which would provide an additional deduction could be repealed in conference if that section were not in conference with the amendment. I believe the amendment would have to be modified in order to take the problem to conference.

Mr. MILLER. I should like to ask one further question, since the ranking member of the committee and the acting chairman of the committee are present on the floor of the Senate.

Suppose the Prouty amendment were not amended as I would like to have it amended, and the Prouty amendment were agreed to. It would then go to conference. Suppose it were then accepted by the conference. The Senator recognizes that there is a lack of harmony. I wonder if Senators would look with favor upon an amendment to another House-passed tax bill later in the session which would harmonize the sections.

Mr. WILLIAMS of Delaware. I do not quite understand what the Senator is attempting to do. Does the existing code provide an exemption of $600?

Mr. MILLER. Section 151(e) of the existing code provides, in effect, that a parent will not lose the $600 exemption available to him should his son or daughter be a full-time student.

Mr. WILLIAMS of Delaware. The Prouty amendment would allow an exemption up to $1,500.

Mr. PROUTY. Fifteen hundred dollars for a graduate student; $1,200 for an undergraduate student.

Mr. WILLIAMS of Delaware. Then the conferees could reduce the $1,200 provided in the Prouty amendment to a basis at which it would not exceed the total $1,500 exemption. If they had to leave the two sections in the act, I am not at all sure that they could not reconcile them. It has been the position of the conference that if an amendment went to conference and it was utterly impossible to reconcile the sections affected, the amendment would have to be dropped no matter what the conferees thought of it.

Mr. LONG of Louisiana. The junior Senator from Louisiana is of the opinion that the conferees could find a way to reach the result that the Senator seeks, if that is what they wanted to do.

Mr. PROUTY. I believe that is what the Senator from Iowa desires.

Mr. MILLER. I thank the Senator from Louisiana and the Senator from Delaware.

Mr. LONG of Louisiana. The whole question should be studied further and brought before the Senate as a separate measure. I believe the question could be resolved by the conference in line with the result which the Senator from Iowa would like to see.

Mr. PROUTY. Mr. President, I yield back the remainder of my time.

Mr. LONG of Louisiana. Mr. President, I suggest that both sides yield back their remaining time. I suggest the absence of a quorum.

The PRESIDING OFFICER. All time has expired. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that further proceedings under the quorum call be terminated.

The PRESIDING OFFICER. Without objection, it is so ordered.

The hour of 1:30 p.m. has arrived. By unanimous consent, the vote will be taken. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. PROUTY] as modified. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Arizona [Mr. HAYDEN], the Senator from Nevada [Mr. CANNON], and the Senator from Oregon [Mrs. NEUBERGER] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from California [Mr. ENGLE] and the Senator from Oregon [Mrs. NEUBERGER] would each vote "nay."

On this vote, the Senator from Arizona [Mr. HAYDEN] is paired with the Senator from Nevada [Mr. CANNON]. If present and voting, the Senator from Arizona would vote "nay," and the Senator from Nevada would vote "yea."

Mr. KUCHEL. I announce that the Senator from Illinois [Mr. DIRKSEN] is necessarily absent and, if present and voting, would vote "yea."

The result was announced—yeas 47, nays 47, as follows:

[No. 16 Leg.]

YEAS—47

Aiken
Allott
Beall
Bennett
Boggs
Brewster
Carlson
Case
Cooper
Cotton
Curtis
Dodd
Dominick
Fong
Goldwater
Hickenlooper
Hruska
Jackson
Javits
Jordan, Idaho
Keating
Kennedy
Kuchel
Lausche
Magnuson
Mechem
Miller
Morton
Moss
Mundt
Muskie
Nelson
Pastore
Pearson
Pell
Prouty
Proxmire
Randolph
Ribicoff
Russell
Saltonstall
Scott
Simpson
Smith
Tower
Williams, Del.
Young, N. Dak.

NAYS—47

Anderson
Bartlett
Bayh
Bible
Burdick
Byrd, Va.
Byrd, W. Va.
Church
Clark
Douglas
Eastland
Edmondson
Ellender
Ervin
Fulbright
Gore
Gruening
Hart
Hartke
Hill
Holland
Humphrey
Inouye
Johnston
Jordan, N.C.
Long, Mo.
Long, La.
Mansfield
McCarthy
McGee
McGovern
McIntyre
McNamara
Metcalf
Monroney
Morse
Robertson
Smathers
Sparkman
Stennis
Symington
Talmadge
Thurmond
Walters
Williams, N.J.
Yarborough
Young, Ohio

NOT VOTING—6

Cannon
Dirksen
Engle
Hayden
McClellan
Neuberger

So Mr. PROUTY's amendment, as modified, was rejected.

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. KUCHEL. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Who was recognized first by the Chair?

The PRESIDING OFFICER. The Senator from New York.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. KUCHEL. Mr. President, I move that the Senate reconsider the vote by which the last amendment was defeated. I ask for the yeas and nays on the motion.

Mr. MANSFIELD. I ask for the regular order.

Mr. HOLLAND. Mr. President——

Mr. MANSFIELD. I ask for the regular order.

Mr. HOLLAND. A point of order.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. HOLLAND. Is the Senator from California in position to make his motion?

Mr. LONG of Louisiana. How did the Senator from California vote?

Mr. KUCHEL. I make my motion. I voted in the affirmative.

Mr. LONG of Louisiana. The Senator is not in a position to make his motion.

Mr. KUCHEL. I renew my motion.

Mr. LONG of Louisiana. Mr. President——

The PRESIDING OFFICER. The Senator from California voted in the affirmative. The Parliamentarian informs the Chair that the Senator from California, therefore, is not in a position to make his motion.

Mr. MANSFIELD. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The Senator from New York has the floor.

SCHOOL BOYCOTT IN NEW YORK CITY

Mr. JAVITS. Mr. President, the 3 hours of debate provided under the rule of germaneness having expired, this is again a vindication of the contention that the rule does not prohibit Senators from speaking their minds on any subject on an appropriate day.

I should like to address myself for a brief time to the so-called boycott of the New York City schools, which took place yesterday. We shall be considering before too long, I hope, a civil rights bill which will deal with racial discrimination. I have little doubt that much will be made in that debate of the 1-day boycott of the New York City schools, which took place yesterday. I believe it is therefore my duty, because it is my home city, to lay the facts before the Senate now, while they are still fresh in the minds of Senators, and before we have any other considerations of them at some other time removed from the event.

Two points should be made crystal clear, because they demonstrate that while racial discrimination still exists in the North—a fact no responsible person would deny—it nevertheless is as different from the problem in the South as day is from night.

First, the proportion of Negroes and whites going to school together is in an entirely different order of magnitude in the North than it is in the South. Second, the positive effort of State and local governments in the North to eliminate racial segregation in public schools is vividly contrasted with efforts at all levels of State and municipal government in many areas of the South to maintain racial segregation.

In New York City, there are 1,037,757 public school pupils, of whom 440,000 are nonwhite, including both Negroes and Puerto Ricans. In the Borough of Manhattan alone, 77 percent of the public school pupils are nonwhite. There are 860 schools in the New York City school system, and, due to housing patterns, 165 of them have enrollments which are 90 percent or more nonwhite. In another 100 schools, one-half the pupils are nonwhite. The primary objective of the civil rights groups in New York is to accelerate more racial diversity in the 165, 90-percent nonwhite schools which constitute, I emphasize, only 19 percent of the total of all the city's public schools. No school in the entire city of New York is 100-percent white or 100-percent nonwhite. And even the civil rights groups there are raising no question about the 81 percent of all the public schools which have racial diversity.

Compare this with the situation in certain areas of the South. According to the latest report—September 1963—of the U.S. Commission on Civil Rights, the following are the facts:

In the 17 Southern and border States, schools in 2,074, or 67.9 percent, of the 3,053 school districts, in which both white and nonwhite students live, have either no white or no nonwhite students at all. And even in the 979, or 32.1 percent, where both white and nonwhite students are permitted to attend together, a total of only 8 percent of the Negro pupils attend schools with white children, and in 3 States—Alabama, Mississippi, and South Carolina—there are no Negro pupils attending any desegregated public schools at all. In addition to the 3,053 biracial districts, to which I have referred, there are 3,144 districts in which children of only one race live. That is point No. 1.

Second, in New York City the entire governmental structure and public opinion are dedicated to resolving the problem of the 19 percent of the public schools which are predominantly nonwhite. The problem was created not by governmental policy or practice, but by a housing situation which we deprecate.

This housing problem was also created not by governmental policy or practice, and, indeed, the State of New York now has statutory bars against housing discrimination, even in most private housing.

The New York City Board of Education has prepared a positive plan to create a better balance in even the 19 percent of the schools to which I have referred. Principally, the plan involves pairing adjoining elementary schools in the case of approximately 20 pairs of schools and redistributing the feeder patterns from elementary schools to junior high schools, at the same time keeping travel time for the elementary school students to a maximum of 30 minutes and for the junior high school students to a maximum of 45 minutes. This is only a beginning, of course. Much more must be done, and will be done.

But consider the contrast with the South, where 10 years of litigation under the Brown against Board of Education Supreme Court decision have still only barely dented the massive resistance of almost every level of certain State and local governments, which continue to multiply laws mandating segregation. As the Civil Rights Commission pointed out: In the fall of 1961, 31 districts were desegregated for the first time; in 1962, 52 more were added. Of those 52, 13 acted under court order.

So we find in the past few years 83 districts being desegregated. When it is pointed out that the total remaining segregated is 2,074, two-thirds of all the school districts which have mixed white and nonwhite students, we see how very far we would have to go to begin to make any comparison between the southern part of the country and New York.

Now a word about the school boycott itself. The 1-day school boycott in New York City is over. Whatever conclusions may be drawn from it, the overriding task for the city of New York is now to get on with the job of achieving a better racial composition in all New York City schools. New York City has been the greatest pioneering city in the field of civil rights and human relations; it can afford to do no less now.

The citizens of New York City—from Mayor Wagner and the school officials to every teacher, every student, and every parent—must put aside recriminations and begin to work together to give the city's schools that racial balance which is truly compatible with our leadership in racial relations in the United States.

I supported our board of education's plan as an appropriate beginning before the boycott, and I continue to support the board's plan now. The important point to remember is that the board has promised that this is only the "first" plan and that it expects to revise and improve it continually after further experience. I urge the board to accelerate its efforts into the additional phases which the board itself contemplates, thus speeding up its timetable to the fullest extent possible. I pledge myself to utilize such public standing as I have to join in appraising the adequacy of the progress being made and to lend my voice and influence to accelerating the pace of the effort.

I end as I began: If we could hope to have a situation in certain of the southern areas of the country that remotedly approaches the situation in New York, which is complained about, we would indeed be approaching a situation entirely compatible with the national interest and infinitely superior to anything in the way of justice to the racial minority in the South that we see today in terms of equal opportunity for education. But this does not exculpate us in New York, who are, I think quite properly, considered the leaders in this movement in the country, from doing everything we can to even improve our own situation, relatively good as it is, compared with the situation in other parts of the country. Mr. President, I spread these facts upon the Record before any abuse or misuse can be made of the action taken by the government of the city of New York in endeavoring to bring about major equality between the races in the composition of the classes attending the public schools, as compared to what is occurring in certain parts of the South, where the State governments at all levels continue to attempt to maintain the complete anachronism of educational separation of the races, notwithstanding all the evidence and the Constitution of the United States to the contrary.

Mr. President, I yield the floor.

REVENUE ACT OF 1964

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

The PRESIDING OFFICER (Mr. Inouye in the chair). The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum; I shall help my Democratic brethren.

The PRESIDING OFFICER. The absence of a quorum has been suggested; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG of Louisiana. Mr. President, I move that the vote by which the Prouty amendment, as modified, was rejected be reconsidered.

Mr. SMATHERS. Mr. President, I move that the motion to reconsider be laid on the table.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Nelson in the chair). Is there objection? Without objection, it is so ordered.

Mr. KUCHEL. Mr. President, on the question of agreeing to the motion of the Senator from Louisiana, I ask for the yeas and nays.

Mr. SMATHERS. Mr. President, my motion to lay that motion on the table is the pending question.

Mr. KUCHEL. Mr. President, I renew my request.

Mr. MANSFIELD. Mr. President, on this question, I ask for the yeas and nays.

Mr. SMATHERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Florida will state it.

Mr. SMATHERS. Is it not true that the pending question is on agreeing to my motion to lay on the table the motion of the Senator from Louisiana that the vote by which the Prouty amendment, as modified, was rejected be reconsidered?

Mr. MANSFIELD. Mr. President on this question, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. KUCHEL. Yes, Mr. President, there is.

Mr. LONG of Louisiana. For what?

The PRESIDING OFFICER. There is not a sufficient second.

Mr. KUCHEL. Mr. President, I renew my request; but, first, I rise to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KUCHEL. What is the pending question?

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider the vote by which the Prouty amendment, as modified, was rejected. On this question, the yeas and nays were requested; but there was not a sufficient second.

Mr. SMATHERS. No, Mr. President; after the motion to reconsider was made, I moved that the motion to reconsider be laid on the table.

Mr. ANDERSON. No, Mr. President; that did not happen.

Mr. SMATHERS. Yes, Mr. President; I did make that motion. Let Senators examine the Record, and they will be able to ascertain for themselves that I did make that motion.

Mr. KUCHEL. Mr. President, I renew my parliamentary inquiry.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana to reconsider the vote by which the Prouty amendment, as modified, was rejected.

On this question, the yeas and nays have been requested. Is there a sufficient second?

Mr. KUCHEL. Mr. President, I join in the request for the yeas and nays.

The yeas and nays were ordered.

Mr. SMATHERS. Mr. President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida that the motion to reconsider the vote by which the Prouty amendment, as modified, was rejected be laid on the table.

Mr. LONG of Louisiana. Mr. President, on this question, I ask for the yeas and nays.

Mr. PASTORE. Mr. President, I join in asking for the yeas and nays on this question.

The yeas and nays were ordered.

Mr. KUCHEL. Mr. President, I rise to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KUCHEL. Am I correct in my assumption that the roll will now be called for the yeas and nays on the question of agreeing to the motion of the Senator from Florida [Mr. SMATHERS] to lay on the table the motion of the Senator from Louisiana [Mr. LONG] that the vote by which the Prouty amendment, as modified, was rejected be reconsidered?

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. Mr. President, let us vote.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Arizona [Mr. HAYDEN], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Oregon [Mrs. NEUBERGER], the Senator from North Carolina [Mr. JORDAN], the Senator from Wyoming [Mr. MCGEE], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from Arizona [Mr. HAYDEN], the Senator from California [Mr. ENGLE], the Senator from New Jersey [Mr. WILLIAMS], and the Senator from Oregon [Mrs. NEUBERGER] would each vote "yea."

On this vote, the Senator from Nevada [Mr. CANNON] is paired with the Senator from Wyoming [Mr. MCGEE]. If present and voting, the Senator from Nevada would vote "nay," and the Senator from Wyoming would vote "yea."

Mr. KUCHEL. I announce that the Senator from Illinois [Mr. DIRKSEN] is necessarily absent and, if present and voting, would vote "nay."

The result was announced—yeas 46, nays 45, as follows:

[No. 17 Leg.]

YEAS—46

Anderson
Bartlett
Bayh
Bible
Burdick
Byrd, Va.
Byrd, W. Va.
Church
Clark
Douglas
Eastland
Edmondson
Ellender
Ervin
Fulbright
Gore
Gruening
Hart
Hartke
Hill
Holland
Humphrey
Inouye
Johnston
Long, Mo.
Long, La.
Magnuson
Mansfield
McCarthy
McGovern
McIntyre
McNamara
Metcalf
Monroney
Morse
Pastore
Robertson
Smathers
Sparkman
Stennis
Symington
Talmadge
Thurmond
Walters
Yarborough
Young, Ohio

NAYS—45

Aiken
Allott
Beall
Bennett
Boggs
Brewster
Carlson
Case
Cooper
Cotton
Curtis
Dodd
Dominick
Fong
Goldwater
Hickenlooper
Hruska
Jackson
Javits
Jordan, Idaho
Keating
Kennedy
Kuchel
Lausche
Mechem
Miller
Morton
Moss
Mundt
Muskie
Nelson
Pearson
Pell
Prouty
Proxmire
Randolph
Ribicoff
Russell
Saltonstall
Scott
Simpson
Smith
Tower
Williams, Del.
Young, N. Dak.

NOT VOTING—9

Cannon
Dirksen
Engle
Hayden
Jordan, N.C.
McClellan
McGee
Neuberger
Williams, N.J.

So the Senate agreed to the motion to lay on the table the motion to reconsider the vote by which the Prouty amendment, as modified, was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. GORE. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Tennessee will be stated.

The Chief Clerk read as follows:

On page 2, beginning with line 15, strike out all down to line 1 on page 8 and insert the following:

"Title I—INCREASE IN PERSONAL EXEMPTIONS; ADJUSTMENT OF CORPORATE INCOME TAX RATES; AND RELATED AMENDMENTS

"PART I—INDIVIDUALS

"SEC. 111. INCREASE IN AMOUNT OF PERSONAL EXEMPTIONS.

"(a) IN GENERAL.—Section 151 (relating to allowance of deductions for personal exemptions) is amended by striking out '$600' each place it appears therein and inserting in lieu thereof '$1,000'.

"(b) TECHNICAL AMENDMENTS.—Section 6012(a)(1) (relating to persons required to make returns of tax) and section 6013(b)(3)(A) (relating to assessment and collection in the case of certain returns of husband and wife) are each amended—

"(1) by striking out '$600' each place it appears therein and inserting in lieu thereof '$1,000'; and

"(2) by striking out '$1,200' each place it appears therein and inserting in lieu thereof '$2,000'."

On page 11, begininng with line 11, strike out all through line 12 on page 12.

On page 12, line 13, strike out "114" and insert "113".

On page 12, strike out line 15 and insert

"SEC. 121. ADJUSTMENT OF CORPORATE NORMAL TAX AND SURTAX RATES."

On page 13, line 13, after "1964," insert "and".

On page 13, strike out lines 1 through 18 and insert the following:

"(2) 30 percent in the case of a taxable year beginning after December 31, 1963.

On page 24, beginning with line 8, strike out all down to line 4 on page 25.

On page 25, line 4, strike out "(c)" and insert "(b)".

On page 26, line 24, strike out "and".

On page 27, line 3, strike out the period and insert a comma.

On page 27, strike out lines 4 through 8, and insert the following:

"(C) the change in the tax imposed under section 3 shall be treated as a change in a rate of tax, and

"(D) the change in the amount of the deduction for exemptions under section 151 shall be treated as a change in a rate of tax."

On page 352, beginning with line 11, strike out all through page 362 and insert the following:

"In lieu of the tax imposed by section 1, there is hereby imposed for each taxable year beginning after December 31, 1963, on the taxable income of every individual whose adjusted gross income for such year is less than $5,000 and who has elected for such year to pay the tax imposed by this section, a tax as follows:

(Insert tables corresponding to the tables on pages 279, 280, 281, 282, and 283, but reflecting the amendment to section 111 of the bill increasing the amount of each exemption to $1,000 and eliminating the changes in the rates of tax on individuals.)

On page 362, beginning with line 12, strike out all through line 14 on page 364 and insert the following:

"(2) Except as otherwise provided in this subsection, in the case of a husband or wife filing a separate return, the tax imposed by section 3 shall be the lesser of the tax shown in table IV or table V of such section.

"(3) Table V of section 3 shall not apply in the case of a husband or wife filing a separate return if the tax of the other spouse is determined with regard to the 10-percent standard deduction; except that an individual described in section 141(d)(2) may elect (under regulations prescribed by the Secretary or his delegate) to pay the tax shown in table V of such section in lieu of the tax shown in table IV of such section. For purposes of this title, an election under the preceding sentence shall be treated as an election made under section 141(d)(2)."

On page 364, lines 22 and 23, strike out "neither table V in section 3(a) nor table V in section 3(b) shall apply" and insert "table V of section 3 shall not apply".

On page 365, in the matter following line 7, strike out "in section 3(a) and table V in section 3(b)" and insert "of section 3".

On page 366, beginning with line 7, strike out all through line 6 on page 379 and insert the following:

"(a) PERCENTAGE METHOD OF WITHHOLDING.—Paragraph (1) of section 3402(b) (relating to percentage method of withholding income tax at source) is amended by striking out the table therein and inserting in lieu thereof the following:

"Percentage method withholding table—Payroll period and amount of one withholding exemption

Weekly	$22.00
Biweekly	43.00
Semimonthly	47.00
Monthly	93.00
Quarterly	278.00
Semiannual	555.00
Annual	1,110.00
Daily or miscellaneous (per day such period)	3.00".

(b) WAGE BRACKET WITHHOLDING.—Paragraph (1) of section 3402(c) (relating to wage bracket withholding) is amended by striking out the tables therein and inserting in lieu thereof the following:

(Insert tables corresponding to the tables on pages 293, 294, 295, 296, and 297, but reflecting the amendment to 302(a) of the bill increasing the amount of each withholding exemption and eliminating the reduction of the rate of the withholding tax.)

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) of this section shall apply with respect to wages paid after December 31, 1963.

Mr. GORE. Mr. President, the amendment which I have offered would raise the personal exemption for each taxpayer and each of his dependents from the present rate of $600 to $1,000, as a substitute for the rate reductions contained in the bill—H.R. 8363—for individuals and corporations. It is not a substitute for the entire bill. Upon adoption of the amendment there would remain in the bill the changes made in normal and surtax rates for small business; second, the minimum standard deductions for taxpayers contained in the bill; and, third, the structural changes made in the Internal Revenue Code.

I know that Senators will immediately have in mind the revenue effect of the amendment. I ask unanimous consent that an estimate by the Treasury Department contained in a letter from Assistant Secretary Surrey be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,
ASSISTANT SECRETARY,
Washington, D.C., December 6, 1963.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to a request for a report from this Department on amendment No. 208 to H.R. 8363. Amendment No. 208 would substitute for the individual and corporate tax rate reductions provided in H.R. 9363 an increase in the deduction for each personal exemption from $600 to $1,000.

The individual income tax is the most important single source of Federal revenue. The revenue productivity of the tax depends to a large extent on the level of personal exemptions. The income tax is now paid by most income recipients in the United States who now claim about 187 million personal exemptions. An increase in the amount of personal exemption is extremely costly; it would reduce substantially the individual income tax base and the revenues therefrom. The $400 increase in amount of the personal exemption provided in amendment No. 208 would result in annual revenue losses of $11.7 billion at current rates. (In fact, a $100 increase would cost $3 billion annually.)

The $11.7 billion revenue loss that would be occasioned by this feature of amendment No. 208 is comparable to the $11.66 billion revenue loss that would arise from the individual and corporate rate reductions provided in H.R. 8363. Amendment No. 208 would not change the present 52-percent corporate tax rate on income over $25,000, but like H.R. 8363, would reduce the rate on the first $25,000 from 30 percent to 22 percent. This would add $440 million to the $11.7 billion revenue cost of amendment No. 208, for a total of $12.14 billion. The result would be a tax reduction almost half a billion dollars greater than that provided for by H.R. 8363.

H.R. 8363 embodies a balanced tax reduction program for both individuals and corporations that would not only increase purchasing power but would also stimulate incentives to work and invest. It would provide tax reduction at all income levels with the largest proportionate reduction going to low-income groups. The bill not only includes substantial rate reduction for lower income groups but also a minimum standard deduction of $300 for each taxpayer, plus $100 for the spouse and for each additional exemption. The minimum standard-deduction would cost $320 million annually and would concentrate the tax savings among the lower income taxpayers. Amendment No. 208 would retain the minimum standard deductions along with the proposed increase in personal exemptions to $1,000. This would increase very substantially the amount of income that could be received by individuals without tax. For example, a married couple with two children would not be subject to income tax until income exceeded $4,600 as compared with the present $2,666.

Amendment No. 208 would not reduce individual tax rates, which are currently at a level almost universally agreed to be too high. Existence of individual rates ranging up to 91 percent adversely affects the marginal incentive for earning and investing and leads to repeated pleas for special relief tailored to particular circumstances. Moreover, amendment No. 208 would provide inadequate tax reduction for medium and large corporations. The reduction of the 52-percent corporate rate provided in H.R. 8363 is essential if the bill is to achieve its objective of stimulating the economy, reducing unemployment, and increasing economic growth.

In summary, amendment No. 208 would reduce revenues by an additional half billion dollars but is unbalanced and inadequate since it does not provide for overall corporate tax reduction or for reduction in individual rates.

In view of these considerations, the Treasury Department opposes adoption of amendment No. 208.

The Bureau of the Budget has advised the Treasury Department that there is no objection from the standpoint of the administration's program to the presentation of this report.

Sincerely yours,
STANLEY S. SURREY,
Assistant Secretary.

Mr. GORE. The pending bill embodies a loss of revenue to the Treasury of $11,700 million. If the amendment which I have proposed were adopted, the revenue loss of the bill as amended would, in accordance with the estimate of the Treasury, be $12,200 million.

To put it another way, if the personal exemption for each taxpayer and each dependent were raised from the present legal exemption of $600 to $1,000 as a substitute for the rate reductions contained in the bill for both individuals and corporations, the loss in revenue would be $500 million greater.

I am not one of those who believe that we ought to reduce governmental revenue by such enormous proportions. However, I suggest that if such a reduction in governmental revenue is to be enacted, the choice is easy for me to make as between the very large, and, I believe, inequitable reductions in the higher brackets of personal income, and also the reductions for the large corporations which are now enjoying the highest profits in the history of the country on the one hand, and an increase in the personal exemption, on the other.

Those who would resist the amendment on the grounds that it would result in loss of revenue to the Treasury should bear in mind that the advocates of the pending bill list that as its greatest virtue. The bill would lose revenue to the Treasury in the amount of $11.7 billion. It is said that the result would be that the budget would be balanced in the near, but as yet indefinite, future.

I suggest that, if this theory be true, it is of questionable advisability to lose only $11.7 billion. Why stop there? Why not make it $22 billion, and balance the budget more quickly? Indeed, we might make a substantial payment on the public debt.

Obviously, I do not endorse this theory, because it has been tried unsuccessfully. Some of the proponents of the bill speak of the theory as if it were new. It is not new at all. It is as old as Andrew Mellon. Almost everything the present Secretary of the Treasury, Mr. Dillon, says in support of this bill can be found in Mr. Mellon's book in the 1920's. It was tried with drastic adverse results. Surely, it stimulated the stock market. The balloon grew bigger and bigger. But it burst in the crash of 1929.

It has also been tried within the past decade. In 1954, for the same reasons now advocated for the passage of this bill, some persons endorsed passage of the 1954 tax cut bill. The 1954 bill brought about a tax reduction of approximately the same percentage of gross national product as would be accomplished by the pending bill under present circumstances.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. GORE. Let me finish this point. Then I shall yield.

But since then we have enacted additional tax reduction; for example, investment credit and accelerated depreciation. These two taken together amount to a tax reduction of $5 billion, annually, principally for the investing segment of our economy.

I yield to the distinguished senior Senator from Ohio [Mr. LAUSCHE]. Then I shall undertake to examine the economic results of those reductions.

Mr. LAUSCHE. Mr. President, attempting to fortify the argument made by the Senator from Tennessee, that tax reductions do not necessarily produce stimulated business, I wish to read a tabulation relating to times when tax cuts were made in past, beginning in 1919, through 1954, showing the results. I read from U.S. News & World Report, the issue of July 30, 1962:

February 1919. Substantial cut—for individuals and business. By April, business began to climb out of recession.

November 1921. Major cut—affecting individuals and business. Business upturn had begun in August 1921, went on 2 years.

June 1924. Big cut for individuals. Recovery from mild recession began in following August.

We now come to February 1926:

Major cut for individuals. Minor recession started in November 1926.

In other words, 6 months later, the recession began.

May 1928—

And that year ought to cause everybody to tremble a little—

> Minor relief—personal and business income. Business, rising, continued to rise.

But in December 1929:

> Major relief for individuals. Recession deepened into great depression of 1929–33.
>
> November 1945. Major postwar cut—personal and business incomes. Same month marked start of pickup that followed short postwar recession.
>
> April 1948. Sizable relief for individuals. Moderate recession started in December 1948.

There was a major tax cut in 1954, sponsored by President Eisenhower. But in 1958 it was claimed we ran into a terrific depression.

The point I make with these figures is that it does not necessarily follow that when taxes are cut it is assurance that business will be stimulated.

The major cut of 1929 produced the worst depression we ever had. It probably did not produce it, but the depression followed, and was of a violence unequaled in the history of our country.

I thank the Senator for allowing me to place these figures in the RECORD.

I ask unanimous consent that the tabulation from which I have been reading be printed in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

[U.S. News & World Report, July 30, 1962]

TEN TAX CUTS OF THE PAST—AND THEN WHAT HAPPENED

February 1919: Substantial cut—for individuals and business. By April, business began to climb out of recession.

November 1921: Major cut—affecting individuals and business. Business upturn had begun in August 1921, went on 2 years.

June 1924: Big cut for individuals. Recovery from mild recession began in following August.

February 1926: Major cut for individuals. Minor recession started in November 1926.

May 1928: Minor relief—personal and business income. Business, rising, continued to rise.

December 1929: Major relief for individuals. Recession deepened into great depression of 1929–33.

November 1945: Major postwar cut—personal and business incomes. Same month marked start of pickup that followed short postwar recession.

April 1948: Sizable relief for individuals. Moderate recession started in December 1948.

March 1954.[1]

August 1954:[1] Substantial relief—personal and business taxes, also excises. Recovery from recession started in September 1954.

Mr. GORE. I appreciate the contribution of the able senior Senator from Ohio.

Mr. President, this bill had its genesis a year and a half or so ago, with a prediction by Dr. Heller and others that there would be a recession in 1964. Senators will recall that this bill was called, in so many words, insurance against recession in 1964.

All of us have made miscalculations. I certainly cannot claim any record of infallibility in that regard. But this bill was based upon a miscalculation. We are now in the second month of 1964, and all the economic indices with which I am familiar show that activity is at a record high, except that there is much unemployment. Employment is at an alltime high. Profits are at an alltime high. Production is at an alltime high. Distribution of dividends is at an alltime high. Retained earnings in corporations are at an alltime high. Cash reserves in corporations, banks, and insurance companies are at an alltime high. So are personal income and personal savings.

We are at the peak of any prosperity this Nation has ever known, and yet, paradoxically, we are today considering a bill to insure against a recession in 1964.

Is there no way that we can stop, look, and listen, and read the clear signs? Has our democratic process become so ponderous, so inflexible, that we are unable to stop when we see that we have a bill that is based upon a miscalculation.

Surely, the U.S. Senate is not incapable of examining the economic facts as they are in 1964, instead of passing a bill based upon a miscalculation of a year or more ago as to what the conditions would be in 1964.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield.

Mr. LAUSCHE. Is it not a fact that the original proposal for the tax cut was predicated upon the assumption that the tax cut would stimulate business to the point that unused productive capacity would become useful and that people would be put to work; and that subsequently a change in thought occurred, and a new reason was assigned? The new reason was that we must stop a recession. Therefore, there were two reasons assigned. At this time I do not know which of the reasons is the one that the present proposal is predicated upon. If it was intended to stop a recession that was on top of us in December of 1963, how is it that that recession has not come, while the accurate recitation which the Senator from Tennessee has made about business conditions is being reached today?

Mr. GORE. I believe the answer to that question can perhaps be supplied by a return to one of the facts to which the distinguished Senator himself has referred. In 1954 we passed a very large tax reduction bill, largely for corporations and for those who own large amounts of corporate stock. There was a temporary pickup in 1955 and 1956. A pickup of what? A pickup in plant improvement, a pickup in productive capacity, a pickup in investment. But in 1957 and 1958 there was a recession, and a rather serious one. Why? Because there was not sufficient demand to meet the increased productivity of plant and facility.

We ought to examine the whole fabric of our economy to see where stimulation is needed, if any is needed.

Is this bill the way to insure us against a recession in 1964, or to stimulate the economy? I have undertaken to answer the first part of the question. Obviously we do not need to pass a bill now to stop a recession when we are at the peak of prosperity. If we must pass a bill to provide a stimulation to our economy, then the question arises, Where is the stimulation needed and in what part of our economy? Is it general or is it specific? Is there need for more productive capacity, or is it for consumer demand?

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. LAUSCHE. The Senator from Tennessee has raised a very interesting point dealing with the 1954 tax cut of more than $7½ billion. There was a slight rise in 1955 and 1956, but in 1958 there was a great recession.

Mr. GORE. It began in 1957.

Mr. LAUSCHE. Yes. Now I should like to read the testimony of Secretary Dillon. He contends that it will take 4 years for the tax cut to have a stimulating impact. If he was correct in that judgment, then in 1958 and 1957, instead of having a recession, we should have had the full impact of the benefits to be produced by the tax cut of 1954.

Mr. GORE. In other words, if that is a valid fiscal theory, then by now we should have had a balanced budget.

Mr. LAUSCHE. As a result of the 1954 cut; yes. This is what Secretary Dillon said in answer to the question of the Senator from Virginia [Mr. BYRD]. Secretary Dillon had said that there would be a $9 billion deficit in 1965. Then he tried to make the statement that we would pass out of that deficit in 1966. The Senator from Virginia asked him this question:

> If you have a deficit of $9 billion in 1965, you certainly will have a deficit in 1966, will you not?

Secretary Dillon answered:

> I would expect so. We have said that with stringent expenditure control, and allowing for the growth of the economy, the earliest possible date we foresaw for a balanced budget for this tax bill was 1967, and that it might be 1968.

Secretary Dillon said it will take 4 years to produce prosperity and balance the budget.

In 1954, at the end of 4 years, after a $7 billion tax cut, we did not have prosperity and a balanced budget in 1958. We had a $12½ billion deficit. So, at the end of 4 years, let us say in 1968, if we are still in a deficit, are we going to make another tax cut? Where do we head then?

Mr. GORE. I am not one of those who, like the distinguished and able senior Senator from Virginia, the chairman of the Senate Finance Committee, believe that we must have a balanced budget every year. The distinguished and able Senator from Virginia has urged a balanced budget every year. There have been times and conditions under which I though it was inadvisable to have a balanced budget. But I am certainly not one of those who think that there can never be a time or any circumstances under which it would be advisable to have a balanced budget.

We are asked deliberately to adopt a fiscal policy for a planned deficit for a period of years. It is proposed that at a time of prosperity we borrow money to provide tax cuts. I say that is not sound fiscal policy.

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[1] Also, Korean war rates on personal income and the wartime excess-profits tax expired automatically Jan. 1, 1954.

However, that is by no means the only reason why I oppose the bill.

I wish to return now to the question which the distinguished Senator from Ohio raised. He spoke of the tax cut in 1954, the temporary stimulation, and the recession that followed. What has happened in the last decade? We have experienced improvement of plant and facility. Some questions have been raised as to the validity of the argument that that is the way to increase jobs. Automation is a controversial term. Some people believe it to be an abomination to mankind. Other people think it is a mark of progress. So far as I am concerned, I would not stop automation. However, I resist the argument that this is the way to increase employment. In part because of the investment credit, rapid depreciation, and the tax cut of 1954 there has been a very rapid improvement in plant facility and a very rapid increase in productivity per man. What is the result? Our factories are producing vastly greater amounts of goods and products, including many new products. But how many people are employed in our factories? Almost 1 million more people were employed in our factories 7 years ago than are employed today. Yet where are the shortages? All one needs is the money or the credit, and he can buy everything from a button to a bulldozer.

Are there any shortages? I have asked repeatedly in the hearings before the Committee on Finance for the citation of one product that is in short supply. None has been supplied.

I apologize to the distinguished Senator from Nebraska. I fear that I was carried away by my answer to the senior Senator from Ohio and neglected to yield to the Senator from Nebraska.

Mr. CURTIS. I thank the distinguished Senator from Tennessee. I assure him that I was interested in his discussion.

I share the concern of the distinguished Senator from Tennessee about the advisability of reducing taxes by borrowing money. It is my expectation to oppose the passage of the bill, as I opposed its favorable reporting by the Committee on Finance.

I also share the view of the Senator from Tennessee that people in the lower income brackets are in need of tax relief. With today's purchasing power, people living on modest amounts do not have much to spend.

There is one thing about the amendment offered by the distinguished Senator from Tennessee that troubles me. It is the proposal to raise the personal exemption to $1,000. True, that would reduce taxes for everyone, but it would remove from the tax rolls about 8 million returns. I represent, in part, a State of very fine and humble people. Many of them, I daresay, if the Government could reduce spending, would like to have their taxes reduced. Individuals in the lower income brackets should have a more favorable reduction than anybody else. But I have not had taxpayers come to me and say, "Take me off the tax rolls." I think a more generous reduction should be made in the lower income brackets; but if that is to be done exclusively by a sizable raise in the personal exemption, some persons would be entirely removed from the tax rolls.

My point is this: In this time of great stress, in this time when we are facing a Communist threat around the world, and a financial burden to defend the Republic, to care for our veterans, and to pay taxes for the national defense, there is more equity in saying to most people, "You should pay something, even though you are entitled to a generous reduction," than to say to 8 million, "You need pay no more taxes." Especially in times like these, citizens want to pay something. That is what disturbs me about the Senator's amendment.

Mr. GORE. I thank the distinguished Senator from Nebraska. In response to his point of view, any answer to almost any question raised about a 300-page-plus bill must be complicated. I should like to begin by acknowledging to the Senate, quite frankly, that even if my amendment were adopted, I would still vote against passage of the bill. Let me explain that statement.

I have said earlier that I thought there were times when, and economic conditions under which, it was inadvisable to have a balanced budget. I am not one of those who thinks that the sole and only purpose of taxation is to meet governmental expenditures. I believe a fiscal policy can be used, and should be used, for the implementation of economic and social policies. When we are experiencing recessionary conditions, one of our most effective weapons is fiscal policy. If it is desired to describe it by an ugly word, call it deficit financing; call it spending.

But I do not think we are now in the kind of circumstances when a general, massive deficit financing program is justified. There are problems in our society, such as structural unemployment, which need specific treatment. There is the problem of vocational training of teenagers who are coming into the labor market without skills. But the bill does not provide for them. This is scattergun treatment, and such treatment is not called for.

The bill is tailored for economic recessionary conditions which do not prevail. The rationale on which the bill was based has vanished into thin air. That is why I say that even though my amendment were adopted, I would not then vote for passage of the bill, a bill which would make such a gigantic reduction in governmental revenue at this time.

Suppose, as a result of the hoped for stimulation, there were a repeat performance of the 1954–57 period. Suppose we used this great weapon of fiscal policy, and then find, 18 months from now, that consumer demand is not sufficient to utilize plant and facilities which are already in existence, and which would be augmented by the bill. What weapon would then be used? Would we cut taxes again, in order to balance the budget at some other time in the even more indefinite future?

I say that this is unsound fiscal policy. A tax cut is a powerful weapon, but it is being used at the wrong time and in the wrong way.

The distinguished Senator from Nebraska [Mr. CURTIS] cites the need for tax relief for persons in low-income brackets; but he says they are not asking to be removed from the tax rolls. I ask every Senator to examine his mail and see if he can determine any demand for the passage of the bill. Where does the demand come from? It comes from those who would be the principal beneficiaries or the inequitable reductions in taxes that would be made by the bill.

Mr. ERVIN. Mr. President, will the Senator from Tennessee yield for a question?

Mr. GORE. I yield.

Mr. ERVIN. Did not Lord Keynes, the English economist, teach that government can justify spending more than it receives in income in time of depression in order to relieve the economic conditions, but that in times of prosperity the government should collect in revenues more than it expends? Was not that the theory he advanced?

Mr. GORE. I believe it can fairly be said that that is basic Keynesian theory.

Mr. ERVIN. Is the Senator from Tennessee aware of the fact that many theoretical economists have now amended that theory, to this effect: that in times of depression the Government should spend more than its revenues, in order to relieve economic conditions; and that in times of prosperity the Government should also spend more than it receives, in order to forestall any future possibility of a depression?

Mr. GORE. I prefer to have economists who take that position spell it out themselves.

I think the Senator from North Carolina has reasonably stated their contention; but I point out that yesterday I placed in the RECORD an article—from the New York Times—in which it was stated that many of the leading economists are now having sober second thoughts about what they had recommended and about what they had stated in regard to the effects of this bill. Now they are wondering whether it is advisable for Congress to proceed to enact this bill, because it is feared that one of the effects of this massive deficit financing at a time when we are at the peak of prosperity might be overstimulation which would be followed by a recessionary condition which might be severe.

Mr. ERVIN. Mr. President, will the Senator from Tennessee yield further to me?

Mr. GORE. I yield.

Mr. ERVIN. A moment ago the Senator from Tennessee referred to the fact that about 1953 Congress enacted a tax cut bill. As I recall, it took effect on January 1, 1954. Did not the same siren voices that we now hear sing the same siren song to Congress at that time—namely, that if Congress would make that tax reduction, it would stimulate the economy, so that there could be a period of prosperity and a balancing of the budget?

Mr. GORE. That is correct. In that connection, I might point out that four steps were taken in cutting taxes in 1954. First, the bill, H.R. 8300, cut $1,500 million from the taxes of individuals and corporations. Second, the excess profits tax was repealed—and that action amounted to a further cut of $1,600 million. Third, there was a 10-percent across-the-board reduction in individual taxes, which amounted to $3 billion. Fourth, the excise taxes were reduced by $1 billion. Total tax reduction in 1954 was more than $7 billion. As I have already said, that reduction amounted to approximately the same percentage of the then gross national product as does the pending $11,700 million bill.

The Senator from Ohio has cited the results: stimulation of certain portions of the economy in 1955 and 1956. But let us consider what followed.

During the course of what followed, it was my lot to lead the fight on this floor in endeavoring to obtain an acceleration of the highway program and in endeavoring to obtain a public works program. I did that because I found that in my State and in other States, thousands of persons were in breadlines because they were unemployed. A serious recession existed. Not only did I lead the fight for public works bills at that time, but President Eisenhower signed those bills into law.

I do not predict that a recession would soon follow the enactment of the pending bill; but I say that those who predicted a recession in 1964 certainly made a miscalculation; and I question the wisdom of having Congress proceed to enact the pending bill as insurance against a recession in 1964, when, instead of a recession, we have the very opposite.

I also question the assertion that enactment of the pending bill would result in a general stimulation of the economy, inasmuch as the problems confronted by our society are not general, but are specific. In a moment, I shall discuss that point further; but at this time I am glad to yield further to the distinguished Senator from North Carolina, if he so desires.

Mr. ERVIN. Yes, Mr. President. I wish to ask the Senator from Tennessee whether it was predicted—as a basis for the cutting of taxes in 1954—that that action would be a prelude to congressional action in balancing the budget.

Mr. GORE. Yes.

Mr. ERVIN. However, instead of action by Congress in the intervening years to balance the budget, will not the Federal Government by the end of the next fiscal year have operated in the red to the extent of $46.4 billion additional, since the time when that tax cut was made?

Mr. GORE. That is correct. The distinguished senior Senator from Virginia [Mr. BYRD] referred to this point in the course of the first speech made during the debate on the pending bill. Instead of having the predicted effect, that tax cut has had the very opposite effect.

Mr. ERVIN. And has not the Secretary of the Treasury joined the ranks of the financial prophets, and predicted that even with the enactment of the pending bill, we could not look for any possibility of a balanced budget before the fiscal year 1967?

Mr. GORE. That is correct.

Mr. ERVIN. Mr. President, will the Senator from Tennessee yield further?

Mr. GORE. I yield.

Mr. ERVIN. Will the Senator from Tennessee engage in a surmise on the following point: If the Federal Government is not willing to limit its expenditures to its income, at a time when Federal officials brag that the Nation has the highest gross national product in history, can the Senator from Tennessee predict when the Federal Government will place such a limitation on its conduct?

Mr. GORE. I shall answer that question by asking a question which has previously been asked on the floor of the Senate—as follows: Unless the United States can have a balanced budget when its prosperity is at an alltime high, when can it have a balanced budget? Does that question answer the question the Senator from North Carolina has asked?

Mr. ERVIN. Yes; and I thank the Senator from Tennessee for yielding and for his very informative and illuminating answers to my questions.

Mr. GORE. I thank the Senator from North Carolina.

Mr. PROXMIRE. Mr. President, at this point will the Senator from Tennessee yield briefly to me?

Mr. GORE. I yield.

Mr. PROXMIRE. I wish to state that the Senator from Tennessee is absolutely correct when he says that if we cannot have a balanced budget in a period of unparalleled prosperity, we can never have a balanced budget.

I also point out that we are now enjoying a period of unparalleled prosperity in peacetime. Certainly in time of war, all the Nation's resources must be working full time on the war effort, and at such a time we cannot expect to have a balanced budget, but at that time must make the very heaviest expenditures of all.

Therefore, if we are ever to have a chance to come close to balancing the budget, we should do it in the coming year. Does the Senator from Tennessee believe that is true?

Mr. GORE. Yes, I do.

Mr. LAUSCHE. Mr. President, at this point will the Senator from Tennessee yield to me?

Mr. GORE. I yield.

Mr. LAUSCHE. I wish briefly to supplement the statement the Senator from Wisconsin has made. Our debt will rise to $330 billion before this year is over. We are in the height of prosperity, even though we recognize that a considerable number of persons are out of work. Three million of the people of the United States are holding two jobs; and in 11 million families, both the husband and the wife are at work. Deposits almost unparalleled in size have been placed in the savings banks and the building and loan companies and in investments in bonds, and almost unparalleled purchasing power is prevalent throughout the country.

If, during a period of prosperity, we do not put ourselves in shape economically to develop a reserve on which to draw in the event of war, where will we be? What will we have to draw upon if our debt is $330 billion and inordinate demands are made upon us? There will be no reserve. There will be no fat. It will be a tragic day when we begin to sell savings bonds to face the problem that will then confront the country.

I should like to ask the Senator from Tennessee a question: What is the Senator's recollection of the words that were spoken by Dr. Heller and Secretary Dillon as to the absolute need of immediate passage of the bill in 1963 so as to avoid a financial debacle?

I know what the answer is. I have read the testimony. Every word cries out, "Pass it quickly. We cannot wait."

Mr. GORE. I do not recall any instance in history when a President of the United States or the chief executive of any State had great difficulty persuading its legislative branch to reduce taxes. Indeed, most Governors and most Presidents have great difficulty persuading their legislative branches to raise enough revenue to make ends meet.

We have a paradoxical situation in which the Chief Executive of the United States—both President Johnson and the late and beloved President Kennedy—has been going over the heads of Congress for months, telling the American people that what they really need is for that pesky Congress to reduce taxes.

Obviously, those of us who serve in the legislative branch, and who must seek the approval of our constituents, could not enjoy a greater political luxury than voting to cut taxes.

Why has Congress been reluctant? Why has the Senate Finance Committee been reluctant? It is because, in my humble judgment, very few Senators have been sincerely convinced that this is a sound thing to do.

Mr. LAUSCHE. Mr. President, will the Senator from Tennessee yield?

The PRESIDING OFFICER (Mr. WALTERS in the chair). Does the Senator from Tennessee yield to the Senator from Ohio?

Mr. GORE. I am glad to yield.

Mr. LAUSCHE. I have not heard this point raised before, but it is a paradoxical situation that with the normal trend of legislators to reduce taxes, there has been difficulty on the part of those in charge, and those recommending reduction, to convince Congress that it is sound. The ordinary political impulse would be, "Let us cut taxes, and then go back home and tell the people we have made the cuts, and thus emerge triumphant from the next election."

But, the Congress does not want to do that. And why not? Because there are many who believe that if these expectations go wrong, and the product is not such as has been promised, there may be calamitous repercussions throughout the country.

Mr. GORE. Lest the extent of my remarks upon the fiscal policy involved tend to obscure my views as to the inadvisability of the bill, let me say, before yielding further, that even if such tax reduction as is now proposed is deemed advisable, we have the wrong kind of bill. It does not provide stimulation to the economy where stimulation is needed. It gives most relief to those who need it least and provides no solution whatsoever for the most pressing problems of our people.

What are some of those problems? Do we face the problem of higher corporate profits? I do not believe so. I believe the greatest and most pressing needs of our people can be found in the inadequacy of education, in the need to complete our highway program, in the need for more hospitals, for housing for people of low income, for the elimination of unemployment, for public facilities, for purification of our streams, for vocational education for youngsters who are coming into the labor market by the millions without any skills.

All these things cost money. So, instead of providing a solution for the pressing problems of our people, the bill would seriously impair the capacity of the Government to provide a solution by reducing the percentage of gross national product that would go into governmental revenue.

Mr. SMATHERS. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. The Senator from New Mexico [Mr. ANDERSON] has been on his feet for some time, and I should like to yield to him first, if I may.

Mr. SMATHERS. Most certainly.

Mr. ANDERSON. I thank the Senator from Tennessee. The Senator from Tennessee has mentioned the question of reluctance on the part of Congress as expressed in committee, to pass the bill. The Senator knows that the vote in the Finance Committee was 12 to 5 to report the bill. The Senator would not regard that as reluctance, would he?

Mr. GORE. I would not regard the vote as an expression of reluctance, but I would so regard the expressions of many of my colleagues in the executive sessions as questioning the wisdom and advisability of the policy.

Mr. ANDERSON. The Senator has an amendment pending. Would that increase the tax deficit, or would it decrease it?

Mr. GORE. It would increase the deficit.

Mr. LAUSCHE. Mr. President, will the Senator from Tennessee yield at that point?

Mr. SMATHERS. If the Senator from Tennessee will yield to me, I should like to state that the Senator has been most cooperative and helpful. I wonder if we might enter into some agreement as to when the Senate could vote on this particular amendment, inasmuch as the Senator has another amendment to offer later.

Mr. GORE. I am in flight right now, and I do not wish to come down to earth quite so quickly.

Mr. SMATHERS. I understand.

Mr. LAUSCHE. Mr. President, will the Senator yield to me at this point?

Mr. GORE. I yield.

Mr. LAUSCHE. Earlier in the discussion, the Senator from Tennessee made the statement that if a cut of $11.7 billion would help to put everyone to work, stop the outflow of gold, insure the usability of the maximum capacity of manufacturing concerns, and balance the budget, we probably could achieve all these things still more quickly by increasing the deficit. I concur in that view.

If the more we spend and the less we tax the better off we are, we might as well accept that principle now and place no limitation upon how far we will go in reducing the taxes.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. GORE. I am glad to yield.

Mr. PROXMIRE. The Senator from Tennessee yields at an appropriate and propitious time. The Senator from Ohio and the Senator from Tennessee are taking part in what I believe to be an important colloquy on the bill, because the impact of the bill is not confined to what will happen next year and the year after; the impact of the bill may primarily flow from the abandonment of principle which is involved. For the very first time in a period of prosperity, Congress is deliberately reducing revenues so that we shall not have a balanced budget, on the economic theory that the Government has a responsibility and a duty to the economy to run a deficit as long as we have 4 percent or more unemployment.

Once that theory is accepted, it seems to me that we have a principle well established, namely, that Congress should consistently plan not to raise sufficient revenue to balance the budget in the future—in 9 years out of 10 or more.

I call to the attention of the Senator from Tennessee the fact that we have had unemployment exceeding 4 percent almost every year during the last 50 years of peacetime, with the exception of 3 or 4 years. In wartime we have had less than 4 percent unemployment but of course the huge Federal spending in those years immensely increased our deficits and unbalanced the budget. That means that we are in this tax cut bill adopting the deliberate, calculated policy and principle that we should have an unbalanced budget pretty much indefinitely. I submit that the Senator from Tennessee is correct in his statement that if the bill would solve our problem of unemployment, the argument for it would be very strong, indeed. But as the Senator from Tennessee has shown so well, the bill does not go to the root cause of unemployment at the present time. The proposal is not the best or most efficient way to solve the kind of unemployment which now exists. The bill would not put any unskilled person to work if he did not have the skills which are needed.

The proposal would not put any unemployed person, who is out of work because he belongs to a minority, to work. The bill would not help others who cannot qualify for employment. Certainly, of all the groups in America that are sure to be left out of the tax cut—at least the direct consequences of it—the unemployed are No. 1. They do not have a paycheck.

Mr. GORE. Mr. President, I concur in the statement of the distinguished Senator from Wisconsin. The bill is proposed as a solution for problems which we do not have, but it is no solution for the problems which we do have. Our people have many pressing problems. The problem is not profits, bigger dividends or a higher stock market, which is full of air now in anticipation of greater dividends as a result of the proposed tax cut. Do we need to stimulate the stock market more?

I shall now leave at rest, if I may, the advisability of passing an $11 billion tax cut as insurance against recession in 1964. I shall proceed now to discuss the second theory on which it has been advocated, which was referred to earlier by the senior Senator from Ohio, and that is that we need to pass the bill to provide stimulation for our economy.

I ask, Where do we need stimulation? Do we need to stimulate the production of automobiles? We do if there is a demand for more automobiles. But is anyone suggesting that there is a shortage of capacity to produce automobiles? Do we need to stimulate greater productive capacity in the manufacturing industry? I would say yes, if we can stimulate the demand for the product of our industry.

The fact is that about 15 percent of our plant capacity is now idle. Our problem is not lack of productive capacity; it is lack of demand to utilize the productive capacity that we have. Therefore I ask again, What kind of stimulation do we need? Do we need the kind of stimulation that will bring more overtime work for the highly skilled workers who are already in great demand?

The President of the United States has suggested to the Congress that we pass a bill which would grant to the executive branch of the Government the power to impose double time for overtime. Do we need a stimulation of demand for that scarce commodity, which is the technically skilled labor force?

I believe that we need to stimulate demand if we need to stimulate anything. But there again the problem is specific. I am not sure that Mr. Henry Ford needs the stimulation of consumer demand. I am not sure that the vast benefits that would be given under the bill to people in the high brackets is the kind of consumer stimulation which would provide either social justice or economic well-being. If we need stimulation of our economy in a general way—which I question—the kind of general stimulation that we need is in consumer demand.

How do we stimulate consumer demand? By giving employment to those who are unemployed. If we attempt to do so by the tax route, we should provide tax reduction to the people who spend everything they can get for food, clothing, shelter, transportation, and education for their children.

I come now to the pending amendment.

Mr. PROXMIRE. Mr. President, before the Senator does so, will he yield?

Mr. GORE. I yield.

Mr. PROXMIRE. What the Senator has said is true. His argument, as I understand it, is that we have plenty of capacity to produce what is needed by the American people. I should like to call to the Senator's attention some statistics with which he is probably familiar. The internal sources of funds for American corporations have become so great that it is no longer necessary—and has not been for the last 3 or 4 years—for American corporations to borrow money in the open market or to sell securities in order to finance virtually all their needs.

I point out to the Senator that as a result, in part, of the accelerated depreciation regulation which the Treasury decided upon a year ago and the 1962-passed investment credit, which added another $1 billion tax cut for corporations, and because our depreciation policy has been adequate, we had a situation in 1963, according to the just released annual Economic Report of the President in which the total investment in plant and equipment was $33.5 billion.

Mr. LAUSCHE. Mr. President, I should like to ask the Senator what he is reading from.

Mr. PROXMIRE. I am referring to page 285 of the President's Economic Report. The internal sources of funds were $37.6 billion. In other words, corporations had far more than enough—$4 billion more from their own internal sources—to provide all they needed to construct all of the plant and equipment which they needed in 1963 without borrowing a single dollar and without selling a single share of stock in the market.

Mr. GORE. Or without a single tax cut.

Mr. PROXMIRE. That is correct. The Senator's point is that the argument that we need a corporate tax cut in order that corporations may have more money to build plants flies in the face of the statistics from the Council of Economic Advisers, which has provided this information.

With the Senator's permission—and I will do it only with his permission—I should like to place in the RECORD at this points a table from page 285 of the President's Economic Report.

Mr. GORE. Mr. President, I ask unanimous consent that it be included at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE C-66.—*Sources and uses of corporate funds, 1952–63* [1]

[Billions of dollars]

Source or use of funds	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963 [2]
Total uses	27.3	28.2	24.0	45.1	39.5	37.9	31.5	46.8	39.3	42.3	48.1	51.1
Plant and equipment outlays	22.4	23.9	22.4	24.2	29.9	32.7	26.4	27.7	30.8	29.6	32.0	33.5
Inventories (book value)	1.3	1.8	−1.6	6.7	7.6	2.1	−2.4	6.6	2.5	1.8	3.8	4.0
Customer net receivables [3]	3.1	.7	2.4	6.4	3.3	2.1	2.9	5.6	4.2	3.5	5.8	5.2
Cash and U.S. Government securities	.1	1.8	(4)	5.0	−4.3	−.3	2.7	2.9	−1.7	2.5	1.2	1.8
Other assets	.4	(4)	.8	2.8	3.0	1.3	1.9	4.1	3.5	4.9	5.3	6.6
Total sources	28.1	30.0	22.4	44.8	42.4	40.1	35.7	51.9	41.7	43.6	52.3	54.4
Internal sources	17.8	19.7	19.8	26.6	27.8	28.0	26.0	31.1	29.1	29.6	34.9	37.6
Retained profits and depletion allowances	7.4	7.9	6.3	10.9	10.5	8.9	5.7	9.5	6.2	5.6	7.0	8.2
Depreciation and amortization allowances	10.4	11.8	13.5	15.7	17.3	19.1	20.3	21.6	22.9	24.0	27.8	29.4
External sources	10.3	10.3	2.6	18.2	14.6	12.1	9.7	20.8	12.6	13.9	17.4	16.8
Federal income tax liability	−3.1	.6	−3.1	3.8	−1.7	−2.2	−2.5	2.1	−1.6	.6	.9	1.5
Other liabilities	2.4	2.2	.4	2.1	3.0	2.1	1.7	3.7	3.2	1.8	3.2	2.6
Bank loans and mortgage loans	3.1	.4	−.6	5.4	5.4	1.7	1.0	7.1	3.0	2.0	6.1	6.4
Net new issues	7.9	7.1	5.9	6.9	7.9	10.5	9.5	7.8	8.0	9.6	7.1	6.3
Discrepancy (uses less sources)	−.8	−1.8	1.6	.3	−2.9	−2.2	−4.2	−5.0	−2.4	−1.3	−4.1	−3.3

[1] Excludes banks and insurance companies.
[2] Preliminary estimates.
[3] Receivables are net of payables, which are therefore not shown separately.
[4] Less than $50 million.

Source: Department of Commerce based on Securities and Exchange Commission and other financial data.

Mr. GORE. What the Senator has illustrated is that there is one other thing that is not in short supply, and that is investment capital. Indeed, the Secretary of the Treasury, in a speech to a bankers association a few months ago, said that our times are characterized by excess savings. Those were his exact words.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. GORE. In a moment.

There is no shortage of investment capital. To use a colloquial phrase, it is running out of our ears. Cash reserves are the highest in history—not only those of manufacturing corporations but of financial institutions. Personal savings are at an alltime high, as the Senator stated and illustrated from the President's Economic Report.

So, once again, we have a bill that is proposed as a solution for problems that do not exist, and it is the wrong kind of solution for the problems that do press upon our people.

Now I yield to the Senator from New Mexico.

Mr. ANDERSON. I was not concerned with what the Senator from Tennessee was saying as I was with what the Senator from Wisconsin was saying. It seems to me the Senator from Wisconsin was suggesting that there is no need for special financing on the part of corporations. I wish he would check into the corporations that have been in the market, and are now in the market, to borrow money. Perhaps they do not know what they need, but there they are just the same.

Mr. PROXMIRE. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. PROXMIRE. First, I call attention to the fact that the Senator from New Mexico has in his hand a copy of the Wall Street Journal.

Mr. ANDERSON. Yes.

Mr. PROXMIRE. If he will look at the Dow-Jones index, with which I am sure he is familiar, he will find that stock prices are at very nearly an all-time high; that the corporations of America have never been in a better position to raise money on the market than they are today. There has never been a better time to raise money on the equity market. The market is valuing common stock at twice the level of 1929.

Mr. ANDERSON. If the Senator is following the Dow-Jones average, he will recall that some of us made that mistake as far back as 1929. I hope we are not going to make it again. It is not necessarily an index of how well off we are.

Mr. PROXMIRE. The Dow-Jones average is overweighted in favor of the blue chips. Nevertheless, it is a rough, but general, indication of the availability of investment funds.

Mr. GORE. Mr. President, I should like to cite to the distinguished Senator from New Mexico the record of the past 12-month period, 1963. For an expansion of plant and facility of approximately $35 billion, corporations went on the open market to sell only about $1 billion in common stock. Surely, the tendency toward internal financing has been galloping. The corporations collecting funds from two sources, from profits and from tax reduction. They are not only financing their expansion internally, but are succeeding in distributing dividends at an alltime high.

Several years ago, the rule of thumb, for want of a better term, has been that corporations would distribute in dividends 50 percent of their after-tax income. They are now distributing 66 percent of after-tax income in dividends—much of which has come from the tax reductions of the last 10 years—which are annually now at a rate of $5 billion a year.

So I believe the point made by the Senator from Wisconsin is not only valid, but is amply proved by the facts.

I raised the question a few moments ago as to what kind of stimulation our economy needs. Mr. Henry Ford came before the Senate Finance Committee and testified. He was chairman of a committee organized for the purpose of lobbying for a tax reduction bill. He came before our committee and urged us to pass a bill, and pass it quickly, in order to give the mass of our people an increase in take-home pay.

I was delighted when he used that term, because I had been trying to bring the Treasury up to that trough for quite a while, but they did not want to drink at that trough. The Secretary of the Treasury and his assistants ran from measuring this bill in terms of take-home pay as if it had been a dog with hydrophobia. But Mr. Henry Ford came right up and drank at that trough. He urged the committee to pass the tax bill to give the American people an increase in take-home pay.

I thanked him, and I asked him—and I am paraphrasing the colloquy; it will be found in exact terms in the hearings—if he knew about what percentage increase in take-home pay would be provided for the average industrial worker. He said, no, he had not figured that out. I remarked that, as a Senator undertaking to represent all the people, I had figured it out.

Mr. LAUSCHE. Mr. President, will the Senator yield so I may inquire with whom the Senator was discussing this matter?

Mr. GORE. Mr. Henry Ford, who, a few weeks ago, opened another plant in Portugal, where several hundreds of people will be employed, and whose company, before it opened that plant, already employed abroad many thousands. Yet he came and asked us to pass the bill to increase the take-home pay of the people who still have jobs.

I related to him that the increase for the average worker in our country would be 5 or 6 percent, or about $3 a week. He did not comment upon that statement particularly. Then I asked if he knew what the increase in take-home pay, the after-tax income, would be for a corporation executive with a salary and bonus of $200,000 to $300,000 a year I did not say that that was about his landmark, but I knew I was looking at him. He said, no, he had not figured that out. I told him I had. The increase in take-home pay for a corporation executive in this bracket of taxable income would be about $1,000 a week.

I asked him if he thought that was fair. I asked him if a Senator who represented all the people would be acting fairly, in undertaking to stimulate the economy where it needed stimulation, if he voted for a bill to increase the take-home pay of the president of a corporation by $1,000 a week or more, and that of the average worker in a plant by $3 a week or less. He said, yes, he thought that was fair, if one had worked up in his company.

I did not say anything, but I leaned back in my chair and wondered how long it had taken him to work up.

Mr. MILLER. Mr. President, will the Senator yield for a question?

Mr. GORE. Not just now. I will yield later. In case Senators wish to examine this question from the standpoint of social justice, from the standpoint of the increase in take-home pay—and I may say that I am complimented that so many of my colleagues do me the honor of their attention—I ask them to turn to page 190 of the committee report. There they will see a table, prepared at my request, with the approval of the Committee on Finance, by the technical staff of the Joint Committee on Internal Revenue Taxation, headed by a very able and distinguished gentleman, Mr. Colin F. Stam.

If Senators will look at column 8 they will see the percentages of increase in take-home pay. Column 1 is taxable income. "Taxable income," let me explain, is income subject to taxation after personal exemptions and deductions have been taken off. This is a term that is recognized by tax lawyers and officials of the Treasury. I am talking about taxable income. That is the kind of income on which the ordinary citizen pays his taxes at the stated rates. In the high brackets, more is said about capital gains and alternative rates. I am talking now about the kind of income on which people calculate their taxes and to which they apply the ordinary income rates in the law.

Mind you, Mr. President, the people who get it in the neck, so to speak, by our tax law are the people on salaries and wages and fees, or who receive other normal income. I am talking now about taxable income against which ordinary rates are applied. I wish to nail that down.

In column 1 is taxable income. Let us look at the taxable income of $4,000. That is not very far from the average. It may be a little above the average. This is after the exemptions and authorized deductions.

A man with a taxable income of $4,000 a year, as is shown in column 8, receives an increase in his take-home pay of 5.6 percent. Now let us look at the taxpayer who has a taxable income of $8,000. He receives less than a 5-percent increase in his take-home pay, or 4.7 percent. We are approaching now the man in rather comfortable circumstances, one who has a $12,000 taxable income. He receives an increase in his take-home pay of 5 percent. Let us come to $20,000. That is 6.1 percent. Let us come to $40,000. That is 9.3 percent.

I will not tax the patience of Senators too much. Let us consider the man with a taxable income of $100,000 a year. We find that he has an increase in his take-home pay of 18.2 percent. Then let us go to the $200,000-a-year man. Now we are getting up where we really need to stimulate consumer demand. These people need that third or fourth automobile. We need to stimulate these people by this bill. That is why they want relief so badly. That is why Mr. Ford organized his committee. That is why the Secretary of the Treasury asked him to organize a political pressure committee. Of course they want it. They can already taste it.

However, does the Senate want to vote it? That is what I am asking Senators.

A person with a taxable income of $200,000 a year gets an increase in his after-tax income of 36.2 percent.

Let us come now to a person with a $600,000 income a year. This will really stimulate the economy. This man can build another yacht in Europe. That is what he may be doing. His increase in take-home pay will be 100 percent. That is exactly double.

Do Senators wish to go home and say to the average worker who toils, and who has a tax bite on his salary check every week, that his take-home pay has been increased by 5 percent and that the corporation executive's take-home pay has been increased by 100 percent?

As I said yesterday, what we have is an increase in the take-home pay of small percentages on small amounts, and an increase in take-home pay of large percentages on large amounts. This is the direct reverse of social justice. This is in inverse ratio to the needs of our people and the traditions of the Democratic Party.

How did we come to this point? I will not go further with this table, but there is a higher increase than 100 percent in after tax income. What kind of bill do we have?

To answer the table which was prepared by the technical staff of the Joint Committee on Internal Revenue Taxation, the Treasury Department prepared another table. It undertook to show that there was no one who had a 100-percent increase in take-home pay. Secretary Dillon said the highest actual increase he had come upon was an 84-percent increase in take-home pay. I would not argue with him as to the social justice measured by an 84-percent or a 100-percent increase in take-home pay. I thought both were out of all proportion to what we were doing for the average American. When the Treasury got around to explaining that not many people would have this kind of increase in take-home pay, what was the explanation?

It was said that people in the higher income brackets do not pay a very high rate of taxes. I ask the Senator from Illinois if that is not a fair interpretation of the answer.

Mr. DOUGLAS. That is correct.

Mr. GORE. Let the RECORD show that the Senator from Illinois nodded affirmatively and said, "That is correct."

I have just cited the statistics prepared by the staff of the joint committee, my staff, and me. Now I wish to cite the Treasury's table. I ask Senators to turn to page 181 of the committee report. On this page are two tables. If Senators will do me the honor of following my statement, the first table was prepared by the Treasury Department; the second table was prepared merely by using the statistics of table 1.

Senators will notice that the basis used here is not "taxable income" but "adjusted gross income." What does "adjusted gross income" include? Perhaps I should answer the question by saying, first, what income is excluded from "adjusted gross income." Tax-exempt interest income is not included; that is, income from municipal bonds; taxpayers do not even have to include that income. Depletion allowances are not included in "adjusted gross income." Intangible drilling costs are not included. Business expenses are not included. One-half of capital gains and one-half of profits, which by law are treated as capital gains, are not included. I believe that is not all of the income that is not included in "adjusted gross income," but these are the principal items that are excluded from "adjusted gross income."

But after excluding all of these, and then having an adjusted gross income of $1 million a year, the taxpayment, under the bill as it has come to the Senate, would be, for the typical taxpayer, less than 16 percent. That is what we have been asked to vote for.

The present law is almost that bad. Under the present law, instead of 15.9 percent, the effective rate would be 17.4 percent. I am trying to make two points: First, the present tax law is grossly unfair. It is a sieve of loopholes, of which only people having vast financial resources can take full advantage. They take full advantage of it. They take advantage of it so fully that the Treasury tells us of a taxpayer having an income of $28 million in 1 year on which he did not pay 1 single cent in taxes. Why? Because the law did not require him to pay.

Second, instead of improving that situation, which is highly inequitable and unfair, the pending bill would make it worse. The political immorality of the bill, according to my view, is that instead of proceeding to enact tax reform that would require all taxpayers to pay in accordance with their ability to pay, and that would promote social justice and economic fairness, we proceed, or I fear we are proceeding, to pass a bill that will make our tax laws more inequitable and give greater benefits to those who are already getting by with the payment of only a small percentage of their income, even though that income is very great. That is what the Senate is asked to vote for.

I took the table on page 181 and the second table, which is a calculation from statistics contained in table 1, and asked the Library of Congress to make a chart of effective tax rates. What are effective tax rates? Effective tax rates are the rates that taxpayers pay on their realized income.

I have used another term which I had not used before in this discourse—"realized income." What is included in "realized income"? This is income after tax exemptions, after depletion allowances, after intangible drilling costs, after business expenses. Really, the essential difference between adjusted gross income and realized income is that adjusted gross income includes only one-half of the profits made from capital transactions. Realized income includes capital gains as well as other income.

With that explanation, let us look at the chart and see how steeply graduated the effective tax rates are in the lower brackets. I should say for the benefit of Senators who may not be able to read the figures at the distance from the chart at which they sit that the amounts increase on the horizontal line. Effective tax rates are shown on the perpendicular columns at both the left and right of the chart.

The effective rate of taxation rises almost perpendicularly in the lower brackets, and is graduated steeply to the high point of $100,000 a year of realized income.

What is the effective rate of the "typical" taxpayer in that bracket? Mr. President, before I answer that question, I wish to state that the word "typical" was chosen by the Treasury Department, which undertook to show—as I have already stated—that not many persons would have a large increase in take-home pay because the "typical" taxpayer in the high brackets simply did not pay normal tax rates on the income he realized. So the word "typical" was selected by the Treasury Department.

Later, in executive session, in considering the question of what the word "typical" means, I believe it was stated that it related to the average taxpayer—I believe that was the statement—within a given income bracket.

Mr. President, the American people have entertained the view that we have a steeply graduated, progressive income tax system. We do have, according to the law as it was first written; but since that time, the law has been so riddled with loopholes as to make a mockery of the progressive income tax system.

Yet when the pending bill—for which the Senate is asked to vote—was referred to the committee, it was found that under the provisions of the bill as it then stood, the highest payment by the "typical" taxpayer—one in the $100,000 realized income bracket—would be, following enactment of the bill, not 70 percent, the highest rate stated in the bill, not 50 percent, not even 30 percent, but only 26.2 percent.

The amazing thing is that from there on, as the income rises, the effective tax rates go down, until—as Senators will find when they examine the second table on page 181—a realized income of $1,500,000 would be subject to a tax of less than 16 percent—actually, it would be 15.9 percent—on that income.

I appreciate the attention of the senior Senator from South Carolina [Mr. JOHNSTON]. I daresay that most of the people of his State—as I believe would be the case with the people of the State I have the honor in part to represent—would think that a person with an income of $1,500,000 a year would be paying these confiscatory taxes. But according to the Treasury Department, the "typical" taxpayer in that income bracket pays only 15.9 percent.

Mr. LONG of Louisiana. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. LONG of Louisiana. If that taxpayer gave all of his annual income to charity, he would not owe any tax, would he? The chart is based on the assumption that the typical taxpayer would be paying approximately 17 percent. However, if he gave all his income to charity, he would not have to pay an income tax.

Mr. GORE. Or if he gave all of it to a family foundation, which might or might not be a charity, he would not pay any income tax, either; and that is but one of the loopholes in the law.

Mr. LONG of Louisiana. But let us assume that he gave all of it to a church.

Mr. GORE. But we are not now discussing only income. He would not have to give any of his income to charity; he could give a painting—at an appreciated value—or an estate with an old house that no one wanted to heat any more, but with a high estimated market value. The Treasury Department officials told us, in executive session, that such items with an appreciated value receive, when given to so-called charities, an average tax valuation 45 times greater than their cost. Yet, even though the painting cost $1,000, on the average the taxpayer would receive credit for a charitable donation valued at $45,000.

Mr. LONG of Louisiana. Mr. President, will the Senator from Tennessee yield further?

Mr. GORE. Yes, but first I wish to complete my statement.

So, Mr. President, when I am asked whether the taxpayer would have to give all of his income, in order to avoid an income tax that year, the answer is that he would not have to give his income; he merely would have to give to charity an article which had an estimated market value equal to his income, and then he would be scot free of taxes.

Mr. President, I yield now to the Senator from Louisiana.

Mr. LONG of Louisiana. I thank the Senator from Tennessee.

Mr. President, I believe the Senator from Tennessee knows that insofar as he is able to cite cases in which the charitable contribution deduction is being abused, he can expect some support from me.

Mr. GORE. I know that, and I appreciate that fact; and I compliment and honor the Senator from Louisiana because of it.

Mr. LONG of Louisiana. On the other hand, it seems to me that we should be fair to what I believe to be the majority of those who make such gifts to charity. Perhaps the overwhelming majority of them are not trying to use their charitable contributions as schemes by which to defraud the Government of taxes. I think I know of some persons who fall in the one category, and of some who fall in the other.

My impression is that the great majority of those who make charitable contributions are really sincere, at least in their own hearts, in believing that they are trying to benefit society and their fellow men by making those contributions to charity. I was given examples of a number of contributions or gifts to charity—cases in which the present value of the gift would be as much as 1,000 times the amount paid for the article when it was originally acquired. For the most part, in those cases the present value of the gift was 1,000 times what it had been at the time of acquisition. Perhaps stocks and bonds were involved in some of those cases; at any rate, the item had been held by the family for a long period of time.

From a consideration of the effective tax rate in effect, one can gain the impression that such a person did not pay a substantial income tax. However, the reason why, he did not pay a tax was that he gave away an article valued at an amount equal to a huge percentage of his income in a single year.

I ask the Senator from Tennessee if he is outraged over the type of situation in which a taxpayer does not make an improper assessment of value—where the donated item is assessed correctly but has greatly increased in value, as in a case in which stocks were given which had greatly appreciated in value over 30 or 40 years.

Mr. GORE. If a taxpayer receives a tax deduction on a capital asset, I believe he should pay taxes on the appreciation of that asset; else we will leave the door wide open to the abuses to which the able Senator has pointed.

It is true that some people may be properly motivated in so doing, but we do not enact laws to curb the good but to curb or regulate the bad. There are widespread abuses, and this chart illustrates the abuses. The point I make is that the bill would not correct them. It would make them worse. I am offering a substitute.

Mr. LONG of Louisiana. Mr. President, will the Senator from Tennessee yield further?

The PRESIDING OFFICER (Mr. Ribicoff in the chair). Does the Senator from Tennessee yield to the Senator from Louisiana?

Mr. GORE. I yield.

Mr. LONG of Louisiana. Will the Senator from Tennessee inform me as to where the bill makes it worse?

Mr. GORE. I have just pointed out that under the bill as passed by the House, the Secretary of the Treasury states that the "typical" taxpayer with an income of $1,500,000 a year would pay 15.9 percent in taxes. Under present law, the same table, shows on page 191, that it is 17.4 percent.

The situation is made worse by reducing the effective tax rate of a person affluent or fortunate enough to have an income of $1,500,000, from an effective rate of 17.4 percent to 15.9 percent. I say that is considerably worse.

Mr. LONG of Louisiana. Was not the table to which the Senator referred prepared prior to the time the Senate committee acted to strike out the capital gains treatment provided by the House?

Mr. GORE. It was, and I was about to point that out next. I appreciate the Senator's calling it to my attention. That would make the bill a little less bad. I applauded the action of the committee in that regard. I was one Senator who insisted that there be a separate roll call vote on that amendment. I supported it, as did the Senate by more than a 2 to 1 majority. I am proud of that action, but that is by no means the only provision in the bill by which the inequitable situation is made worse. If it finally stands up in conference, this would bring the effective rate, according to the technical advice I have received, somewhere between 16 and 17 percent—still worse than the present law.

Mind you, there are many individuals involved, from the high point of 26 percent to the lower point of 15.9 percent. But the overall situation for the "typical" taxpayers is that as income goes up beyond $100,000, the effective rate goes down, under present law. It is made worse by the pending bill.

Mr. LONG of Louisiana. Mr. President——

Mr. GORE. If I may continue for a moment, what I am trying to do is offer the Senate a choice between a bill which makes this highly inequitable situation worse, which gives the most tax relief to those who need it least, which provides stimulation where it is not needed, on the one hand, and an increase in personal exemption on the other. I would give the most tax relief to those who, in my opinion, need it the most; namely, the parents of the largest numbers of children.

Now I am glad to yield to the Senator from Louisiana.

Mr. LONG of Louisiana. May I suggest to the Senator from Tennessee that at least in one respect, according to my judgment, the Senator's chart is substantially in error. The way the chart works out it treats the charitable contributions that individuals have made as though they were income which they had enjoyed, and which should be taxed. I have some doubt that the Senator from Tennessee really wishes to tax that at all.

In the second instance, if the Senator will look at the table which I had printed in the Record a few days ago on page 1750, he will see that I placed it in the Record in support of my argument that the capital gains provision of the House should be stricken. The Senator from Tennessee supported that view. The table shows that individuals having an income of $2 million against an adjusted gross income could be divided into two categories: those who had a high percentage of capital gains, and those who had a low percentage of capital gains.

Those who had a low percentage of capital gains were found to be paying about 46 percent of their income in taxes.

Mr. GORE. Is that the adjusted gross or realized income?

Mr. LONG of Louisiana. The table will speak for itself, but I believe it is realized gross. Those who had a high percentage of their income in capital gains were paying an effective rate of about 21 percent. Those who had a low percentage of their income in capital gains were paying about 46 percent of their income in taxes.

The House bill would have treated both groups similarly, so that their tax reduction as a percent of present law tax would be relatively close. But that is not how the Senate bill does it. The Senate bill would give those people paying about 46 percent of income in taxes approximately the same tax reduction they would have had in the House bill, but the Senate bill would actually increase the taxes on those people paying a lower rate of approximately 21 percent of their income in taxes. That being the case, it would seem to me that if we look at the people really getting away with the kind of thing the Senator from Tennessee is against, those people would pay more taxes after enactment of the bill. They will not enjoy the benefit of this tax reduction.

It will be those people paying a high percentage of their income in taxes, or those in the lower-income brackets, who will enjoy the substantial tax benefits that are provided for in the bill.

It seems fair to me. One of the things we tried to do was to tighten up on the tax advantages that we felt favored the privileged few, and to provide tax relief in those areas where it was most justified.

I hope the Senator studied the table I had printed in the Record, because it illustrates that point.

Mr. GORE. I did.

The table to which I referred, and from which the chart was made, was supplied by the Treasury Department. The Treasury Department supplied the tables to which the Senator referred. It supplied them to him. The distinguished junior Senator from Florida [Mr. Smathers] received certain tables. They were based on somewhat different hypotheses. Likewise, the senior Senator from Illinois had supplied to him other tables. They all pretty well prove the same thing.

The distinguished majority leader, the Senator from Montana [Mr. Mansfield], is on his feet. I see his handsome presence. He is looking, not hungrily, but rather longingly, at the senior Senator from Tennessee. I can tell from the twinkle in his eye that he is hoping that I am in good humor and that a vote may be reached pretty soon. I yield to him.

Mr. MANSFIELD. Mr. President, will the distinguished Senator from Tennessee, who I must admit is a mindreader, consider the possibility of a time limitation on the pending amendment or on other amendments which he may offer?

Mr. GORE. To be perfectly candid with the Senator, I realize that I do not have sufficient support to have adopted my amendment, which would raise the personal exemption to $1,000.

I shall ask for a voice vote on that amendment. Then, if it is defeated, and if it is agreeable, I shall offer an amendment which would provide an increase in the exemption to $800. I would then ask for a yea-and-nay vote on the amendment and, so far as I am concerned, I would then agree to a vote after I had 10 minutes to speak following a quorum call.

Mr. MANSFIELD. Would one-half hour, 15 minutes to a side, on the next amendment be sufficient?

Mr. GORE. That would be satisfactory to me.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CURTIS. Will there be a yea-and-nay vote on each amendment?

Mr. GORE. There would be a choice vote on the amendment now before the Senate and a yea-and-nay vote on the amendment I shall offer next.

Mr. CURTIS. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee [Mr. Gore].

The amendment was rejected.

Mr. GORE. Mr. President, I offer an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Tennessee will be stated.

The Legislative Clerk. On page 2, beginning with line 15, it is proposed to strike out all down to line 1 on page 8 and insert the following:

TITLE I—INCREASE IN PERSONAL EXEMPTIONS; ADJUSTMENT OF CORPORATE INCOME TAX RATES; AND RELATED AMENDMENTS

Part I—Individuals

Sec. 111. Increase in Amount of Personal Exemptions

(a) In General.—Section 151 (relating to allowance of deductions for personal exemptions) is amended by striking out "$600" each place it appears therein and inserting in lieu thereof "$800".

(b) Technical Amendments.—Section 6012(a)(1) (relating to persons required to make returns of tax) and section 6013(b)(3)(A) (relating to assessment and collection in the case of certain returns of husband and wife) are each amended—

(1) by striking out "$600" each place it appears therein and inserting in lieu thereof "$800"; and

(2) by striking out "$1,200" each place it appears therein and inserting in lieu thereof "$1,600".

On page 11, beginning with line 11, strike out all through line 12 on page 12.

On page 12, line 13, strike out "114" and insert "113".

On page 12, strike out line 15 and insert

SEC. 121. ADJUSTMENT OF CORPORATE NORMAL TAX AND SURTAX RATES

On page 13, line 13, after "1964," insert "and".

On page 13, strike out lines 1 through 18 and insert the following:

(2) 30 percent in the case of a taxable year beginning after December 31, 1963.

On page 24, beginning with line 8, strike out all down to line 4 on page 25.

On page 25, line 4, strike out "(c)" and insert "(b)".

On page 26, line 24, strike out "and".

On page 27, line 3, strike out the period and insert a comma.

On page 27, strike out lines 4 through 8, and insert the following:

(C) the change in the tax imposed under section 3 shall be treated as a change in a rate of tax, and

(D) the change in the amount of the deduction for exemptions under section 151 shall be treated as a change in a rate of tax.

On page 352, beginning with line 11, strike out all through page 362 and insert the following:

In lieu of the tax imposed by section 1, there is hereby imposed for each taxable year beginning after December 31, 1963, on the taxable income of every individual whose adjusted gross income for such year is less than $5,000 and who has elected for such year to pay the tax imposed by this section, a tax as follows:

(Insert tables corresponding to the tables on pages 279, 280, 281, 282, and 283, but reflecting the amendment to section 111 of the bill increasing the amount of each exemption to $800 and eliminating the changes in the rates of tax on individuals.)

On page 362, beginning with line 12, strike out all through line 14 on page 364 and insert the following:

(2) Except as otherwise provided in this subsection, in the case of a husband or wife filing a separate return, the tax imposed by section 3 shall be the lesser of the tax shown in table IV or table V of such section.

(3) Table V of section 3 shall not apply in the case of a husband or wife filing a separate return if the tax of the other spouse is determined with regard to the 10-percent standard deduction; except that an individual described in section 141(d)(2) may elect (under regulations prescribed by the Secretary or his delegate) to pay the tax shown in table V of such section in lieu of the tax shown in table IV of such section. For purposes of this title, an election under the preceding sentence shall be treated as an election made under section 141(d)(2).

On page 364, lines 22 and 23, strike out "neither table V in section 3(a) nor table V in section 3(b) shall apply" and insert "table V of section 3 shall not apply".

On page 365, in the matter following line 7, strike out "in section 3(a) and table V in section 3(b)" and insert "of section 3".

On page 366, beginning with line 7, strike out all through line 6 on page 379 and insert the following:

(a) PERCENTAGE METHOD OF WITHHOLDING.—Paragraph (1) of section 3402(b) (relating to percentage method of withholding income tax at source) is amended by striking out the table therein and inserting in lieu thereof the following:

Percentage method withholding table

Payroll period	Amount of one withholding exemption
Weekly	$22.00
Biweekly	43.00
Semimonthly	47.00
Monthly	93.00
Quarterly	278.00
Semiannual	555.00
Annual	1,110.00
Daily or miscellaneous (per day of such period)	3.00

(b) WAGE BRACKET WITHHOLDING.—Paragraph (1) of section 3402(c) (relating to wage bracket withholding) is amended by striking out the tables therein and inserting in lieu thereof the following:

(Insert tables corresponding to the tables on pages 293, 294, 295, 296, and 297, but reflecting the amendment to 302(a) of the bill increasing the amount of each withholding exemption and eliminating the reduction of the rate of the withholding tax.)

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) of this section shall apply with respect to wages paid after December 31, 1963.

Mr. MANSFIELD. Mr. President, will the Senator yield without losing his right to the floor?

Mr. GORE. I shall yield, but first I should like to ask for the yeas and nays on my amendment.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CURTIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that 30 minutes be allocated to the pending amendment, 15 minutes to be under the control of the Senator from Tennessee and 15 minutes to be under the control of the Senator from Louisiana [Mr. LONG].

The PRESIDING OFFICER. Is there objection?

Mr. KUCHEL. Mr. President, reserving the right to object—and I shall not object—I wonder, for the information of the Senate, if some time later consideration might be given to a unanimous-consent agreement with respect to any amendments other Senators might wish to offer to the bill.

Mr. GORE. That arrangement would be agreeable to me.

Mr. KUCHEL. I thank my able friend. I thank the majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. Mr. President——

Mr. MILLER. Mr. President, will the Senator from Tennessee yield for a question? As he knows, I have been trying to obtain the floor.

Mr. GORE. I yield. I apologize to the Senator. I have been speaking and yielding. I should have yielded to him before now.

Mr. MILLER. That is quite all right. The Senator from Tennessee has made a very fine presentation of some of the defects in the revenue impact and the tax impact of the pending bill. The Senator from Iowa is inclined strongly to agree with much of what has been said by the Senator from Tennessee.

However, that does not necessarily lead us to the solution which the Senator from Tennessee has stated. I am sure that all of us would like to have an increase in our personal exemption.

I note that under the pending bill a taxpayer in the $150,000 to $200,000 taxable income bracket would have $200 skimmed off the top for tax purposes as a result of the increase of his personal exemption from $600 to $800. He would be in the 90-percent bracket, and that would give him a tax savings of $180.

Then we drop down to the $50,000 to $60,000 bracket. Those in that bracket would have a tax saving of $150, because the top amount that would be skimmed off by the amendment of the Senator would be in the 75-percent bracket.

In the $25,000 bracket 56 percent would be the tax rate, and applying that to the top $200 skimmed off, the savings would be $112.

In the $10,000 bracket the top amount, the $200 skimmed off, would be subject to a 38-percent rate, resulting in a tax saving of $76.

We get to the bottom bracket, about which the Senator from Tennessee has been expressing such great concern, and we find that the tax bracket is only 20 percent, and the tax saving would be only $40.

So it seems to me that under the pending amendment there would be for those in the low income bracket area a small percentage of saving on the increase of $200 per exemption, and in the high brackets there would be a big saving on the same amount of money. So it seems to me the Senator is advocating a regressive amendment.

If the Senator from Iowa misinterprets the impact of this amendment, he would like to be so advised. It seems to me the Senator from Tennessee has criticized this bill legitimately for its tax impact, but he has offered an amendment which proposes to do about the same thing, perhaps not in the same degree. It would give the top-bracket taxpayer the greatest saving, because the tax that would be saved under the amendment would be off the top amount, say, 90 percent or 70 percent or 60 percent, and the people in the low bracket would get the amount skimmed off only at the 20-percent level.

Mr. GORE. I get the Senator's point. He has made a valid point. However, I think he has overstated it.

Let us suppose a taxpayer is in the 50-percent bracket and he receives a $200 increase in his personal exemption. This would mean he would have a $100 tax reduction. If a person were in the 20-percent bracket, it would mean he would have a $40 tax saving.

I suggest to the Senator that in this case we are talking about the difference between $40 and $100, whereas the bill deals with the difference between $3 and $1,000 a week or more.

I know it is very difficult to achieve an exact formula for social justice in taxation. Perhaps the only perfect way to do it would be to reduce everybody's taxes by the same amount of dollars, but that would be of little benefit to some persons and would remove vast numbers entirely from the tax rolls on the other hand, and I do not think it would be acceptable.

It seems to me, under the principles of the tax law which we have, about the most democratic way to provide tax relief is to increase the exemption for a taxpayer and his dependents.

It is very true, as the Senator has said, and as I have just acknowledged, that the taxpayer in a higher bracket will get a larger benefit; but we are talking here in terms of relatively small amounts of dollars per taxpayer.

Mr. MILLER. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield.

Mr. MILLER. The Senator is absolutely correct, that the degree of disparity and equity under his amendment is much less than that which exists under the bill; but the Senator has put his finger on the very point I think his amendment should cover—and I am sorry he passed it over—when he said that perhaps the best way of doing equity would be to give everyone the same kind of tax cut. There is only one way to do it, and that is to have a tax credit, rather than have a $600 or $800 exemption subject to fluctuating rates.

If the Senator wants to have equity across the board, and say that everybody shall have the same kind of deduction, he might offer this amendment by changing it to a credit approach, and I think it would be much more equitable.

Mr. GORE. The suggestion of the distinguished Senator has much merit. I hope he will later offer it.

It is true that an increase in the personal exemption would be of more dollar benefit to taxpayers in the high brackets than to those in the lower brackets. I would not, however, violate reason, logic, and equity on that account.

We have set up a tax system which is so riddled with loopholes of favoritism and special gimmicks to take care of certain interests that we have lost sight of the logic of the personal income tax.

Although I have never regarded the income tax as a "soak the rich" system of taxation, I have always regarded it—and I think it was always so intended—as a system of taxation which should be applied against income above the decent subsistence level.

The income tax should not become a weapon against the poor, as in the case with the excise and sales taxes.

The income tax system has a certain logic to it—if we can bore beneath the debris of gimmicks.

We start with gross income, from which we deduct legitimate business expenses; that is, the expense the taxpayer underwent to earn his income. This gives us adjusted gross income.

At this point we decide what is a decent subsistence level of income so that we do not tax poverty. So, we set up a personal exemption which will keep the taxpayer and his family free from income tax on their daily bread.

Beyond that point we allow certain deductions which, hopefully, will encourage or permit certain socially worthwhile activities to be carried on by individual taxpayers. We allow a deduction for reasonable contributions to charity, for personal interest, for State and local taxes, and so on. In my view, we have gone overboard on deductions, and these deductions, coupled with capital gains gimmicks, and such items as depletion and intangible drilling costs which cause income to disappear from the books even before it is entered as adjusted gross income, account for most of the erosion in our tax base.

Even so, and with all its imperfections, there is still this basic logic to our individual income tax system.

Having arrived at taxable income, then, we must decide on a fair rate scale to be applied against this taxable income to produce the amount of revenues we need from this source.

In a sense, then, the personal exemption and the rate scale are two independent, separate, and distinct items.

We should then consider, if we cannot afford to make changes in both at this time, which one has priority.

Is it more important, particularly in view of the recently launched war on poverty, to raise the personal exemption to a point where we do not impose a tax on poverty, or should first priority go to the reduction of rates which will enable the rich—who have already reduced their taxable income to a low level by virtue of the gimmicks available to them—further to escape meaningful and necessary taxation?

The question is just that simple.

We are told that it is necessary for the country to deny itself some $11 billion or $12 billion of revenues—a view I still stubbornly resist. But let us say we will deny the Government this needed revenue. Shall we do this by raising the personal exemption so as to avoid taxing poverty, or shall we do it by lowering the rates against taxable—one could almost say excess, that is, excess above subsistence level—income?

The rich already pay a low effective tax rate. The poor, even in their poverty, pay a high tax rate in other forms—sales and excises, particularly.

Mr. President, will the Chair advise me as to the time situation?

The PRESIDING OFFICER. The Senator has used 7 minutes of his time.

Mr. GORE. I yield myself 3 minutes.

The amendment which I have now proposed, and on which the roll will be called, would raise the personal exemption from the present legal figure of $600 for each taxpayer and each of his dependents to $800.

I should like to have the attention of the distinguished chairman of the committee, who has just entered the Chamber.

The PRESIDING OFFICER. The attention of the Senator from Virginia [Mr. BYRD] has been requested by the Senator from Tennessee.

Mr. GORE. The pending amendment would raise the personal exemption from $600 to $800 as a substitute for the changes in tax rates for corporations and individuals, but would leave the structural changes in the bill intact; would leave the minimum standard deduction in the bill intact; and would leave intact the surtax and normal tax change for the benefit of small businesses.

As to the revenue effect, if the amendment is adopted there will be a revenue loss by adoption of the bill of about $7 billion. This means that the revenue loss would be some $5 billion less by the adoption of my amendment than the bill as presently written would entail.

Is $600 an adequate amount for a personal exemption? What is the theory of a personal exemption? It is that a taxpayer or a family unit will have a subsistence level of income before the Federal Government starts levying a tax on that income. The present law allows a $600 exemption for a child. I ask any father in this Chamber if that is adequate.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GORE. I yield myself 1 additional minute.

Moreover, it is not only inadequate now. Measured by what it was previously, it is revealed to be even less adequate.

In 1940 a man and his wife had a personal exemption of $2,000. Now the cost of living is more than twice as much as it was in 1940, and the exemption is down to $1,200.

My amendment would not restore it to $2,000, but would raise it to $1,600.

By this amendment we could have a revenue reduction of only approximately $7 billion a year, and balance the budget next year.

Mr. HARTKE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Who yields time to the Senator from Indiana?

Mr. GORE. I yield 1 minute to the Senator from Indiana.

Mr. HARTKE. Mr. President, although I am an ardent supporter of the present tax bill, I think, in fairness, I should say I am in sympathy with the approach advocated by the Senator from Tennessee. I introduced such a measure in 1961, proposing practically the same thing the Senator from Tennessee now proposes, the original amount going to $1,000.

I want the Senator to know that I am wholeheartedly with him in his viewpoint, although I have agreed to take the other route. I am not too sure at the moment how I shall vote.

Mr. GORE. Mr. President, I hope the Senator will soon reach his conclusion.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. GORE. I yield a minute to the Senator from Alaska.

Mr. GRUENING. I wholeheartedly support the amendment of the Senator from Tennessee. I was in favor of the Hartke amendment when it was offered. I believe this is a sound method of giving a tax reduction to the people who need it instead of giving a tax reduction to the people at the top. The figures of the Senator from Tennessee graphically show that the pending bill is a bill to make the rich richer, and not a bill to help the economy in the sector where help is needed. The amendment the Senator from Tennessee proposes would go far to rectify that situation.

Mr. LONG of Louisiana. I yield 5 minutes to the Senator from Florida.

Mr. SMATHERS. I wish to take up where the Senator from Alaska ended. He says it is a bill to make the rich richer and does not help the consumer. I would like to point out that the bill actually calls for a tax reduction of $11.6 billion. Of that amount, approximately $9 billion will go to individuals.

The amendment offered by the Senator from Tennessee would cost about $7 billion.

Contrary to what the Senator from Alaska has said, the amendment would not help the people in the low income groups—77.4 percent of the benefit would go to people with incomes of over $5,000. Those are the Treasury figures and those are the staff figures. Contrary to what the Senator from Alaska says, the Gore amendment would not help those it seeks to help or those it is said it would help. It would drop 4 million taxpayers from the tax rolls.

If we are to proceed in this particular area of trying to assist the low-income group, we should do it by using the so-called minimum standard of deduction, which gives a $200 deduction plus a $100 additional deduction for each dependent. However, there is a $1,000 limit at the top. That provision will cost $320 million, but 84 percent of that benefit will go to persons who earn $5,000 or less.

The Senator from Tennessee still continues that provision in the present proposal, but I repeat that 77.4 percent of the benefit of his amendment would go to relieve taxpayers who have an income of $5,000 or more.

The proposal of the able Senator from Tennessee does not represent what in our opinion is a balanced approach to tax reduction. We have had chronic deficits. We have had deficits for 24 years of the last 36. We have more than 5.5 percent of our labor force unemployed. It seems that no matter what we try to do, and no matter how high profits get, or no matter how large the amount of savings in the banks—and one reason for the large savings is that there is not much incentive to take that money out of the bank and invest it—we still continue to have deficits.

We believe our approach is the better approach to provide an incentive by decreasing taxes on individuals as well as decreasing taxes on a certain part of the business community.

We believe ours is a much sounder approach. Whereas the Gore amendment leaves the heavy tax rates as they are in the present law, from 20 percent up to 91 percent, we would reduce them in our proposal from a 14-percent low to a 70-percent high.

Our is a better approach to the whole program of trying to bring about tax relief and at the same time stimulating the economy. Although the Senator's proposal is presented in a very attractive fashion, in truth and in fact it does not help those it is supposed to help as much as is purported—77.4 percent of the benefit goes to those with incomes of $5,000 or more.

We are looking for a balanced bill. It has been said that a tax reduction bill does not stimulate the economy. The fact is that it does. After we reduced taxes in 1954, we found that within 2 years we had a balanced budget. That was one of only 2 years in which we had one in the previous administration. The reason we think this bill is even better is that it reaches into every segment of the economy. Not only does it reach the low income man, who has a percentage reduction of some 38 percent, but it also reaches up to help the man who is paying high taxes.

I cannot dispute the able Senator's presentation of the effective tax rate in the very top brackets. There are some loopholes. However, some of them have been closed. The Senator from Tennessee started his presentation with a $50,000 income. The great bulk of the taxes are paid by people with less income.

I conclude by saying that what we need is a balanced bill. The bill has been approved by the AFL–CIO, at one end of the spectrum. It has been approved by the chamber of commerce, on the other end of the spectrum. While it is not what everyone wants, it seems to be the most efficacious bill that we can get. I sincerely hope that the Senate will reject the Gore amendment.

Mr. LONG of Louisiana. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 9 minutes remaining.

Mr. LONG of Louisiana. Mr. President, the Senator from Tennessee proceeds on the assumption that the pending bill is unfair to the workingman. The arguments that he has made about the take-home pay and that sort of thing are the traditional arguments of the AFL–CIO. I am happy to say that the AFL–CIO is satisfied with the provisions of the bill—and I have particularly in mind the minimum standard deduction. These rate reductions will help the workingman. The AFL–CIO, looking at the bill in terms of what it means in increased take-home pay, says it is a good bill.

The bill is supported by those who speak for labor, by those who speak for banks, and those who speak for commerce. Persons in the lower bracket would receive a tax reduction of about 38 percent.

There is something to the argument that if we make it profitable for a businessman to build a plant and invest his capital, it will actually result in someone getting a job and making some money.

As the Senator from Michigan has pointed out, the bill has the support of those who represent people in the low income brackets. It has the support of those who represent middle income people. It has the support of those who represent small business. It has the support of those who represent large business. It has the support of those who speak for investors and bankers.

It seems to me that when we are able to produce a bill that satisfies all these groups, there is no reason to accept an amendment which would strike out the incentive provisions that will create new jobs and help commerce, and benefit the businessman and the workingman.

If it is desired to pass a bill merely to benefit those in the lower income brackets, amendments can be offered that will accomplish that purpose better than the pending amendment. Amendments could be offered—I could draft some myself—to provide that a person would not get any new benefit if he made more than $10,000. But if such an amendment were adopted, a large number of taxpayers who are paying taxes at high rates today, because they have large incomes, would then be unfairly and unjustly treated.

The bill is the product of 10 years of study by the Treasury and by other experts on this subject. It is the result of consultation with labor and management and others representing every segment of economic life in this great Nation.

I urge the Senate to maintain the balance in the bill, rather than to say that we will try to benefit a certain class, leave out corporations, leave out this group, or that group, and end with a substantial segment of the American economy feeling, quite justly so, that they have been unfairly treated, and with large numbers asking to have the bill recommitted.

I reserve the remainder of my time.

Mr. GORE. Mr. President, I hope I may be pardoned for being a bit amused at the arguments we have just heard. On the one hand, my amendment, it is alleged, would do too much for those in the low-income brackets; yet, on the other hand, it is said that it would not do much. That is a strange sort of paradoxical argument. I suggest to Senators that they ask any mother or father if $600 is an adequate amount, if it is commensurate with the cost of rearing and educating a child. I do not believe that even $800 is, and I have some reason to know—I have children.

What I have offered as a substitute for the grossly unfair rate reductions in the bill is an increase in the personal exemption from $600 to only $800. That would result in a loss of revenue $5 billion less than the proposal for which I offered it as a substitute.

Do we want to add more to the public debt by passing a bill to make a bad tax law worse? Or do we want to add less to the public debt and do more justice to the people who need tax reduction the most—the parents of the largest numbers of children?

Senators may be able, by obfuscation, to confuse the issue; but no parent will be confused by this issue, because the amendment would lift an utterly inadequate personal exemption of $600 to a more nearly adequate, though still inadequate, amount of $800.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired. The Senator from Louisiana has 4 minutes remaining.

Mr. LONG of Louisiana. Mr. President, I yield 3 minutes to the distinguished Senator from New Mexico.

Mr. ANDERSON. Mr. President, many of us believe the amendment is an extremely bad one. If the exemption were made $800, it would cost $7 billion. I do not know of any easy way that that amount could be restored to the bill. Certainly we do not want to reduce the bill $7 billion more than it has already been reduced. Where would we find $7 billion if it were removed by this amendment?

The amendment would remove 4 million persons from the tax rolls by exemptions. I do not think that is a good idea. According to information which I have obtained, 77.4 percent of the reduction would be received by those having incomes of more than $5,000.

It has been said that the minimum standard deduction is focused on persons having incomes below $5,000, and that 90 percent goes to those having incomes below $5,000. Under the amendment, 77 percent would go to persons having incomes above $5,000. So the difference between the two proposals can easily be seen.

I am very happy that the Senator from Louisiana has said that the proposal of the Senator from Tennessee presents some difficult problems. It would not be at all easy to restore the bill to its original condition if the amendment were adopted. I am hopeful that the amendment will be defeated.

I merely move that the amendment of the Senator from Tennessee be tabled. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico to table the amendment of the Senator from Tennessee.

Mr. LONG of Louisiana. Mr. President, on this question, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. On this motion, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KUCHEL. Is the vote that is about to be taken a vote on the motion to table the amendment of the Senator from Tennessee?

The PRESIDING OFFICER. That is correct.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. Ribicoff in the chair). The Senator from Montana will state it.

Mr. MANSFIELD. Is it in order at this time for the Senate to vacate the motion to lay on the table the last amendment of the Senator from Tennessee, so that the Senate may have an opportunity to face squarely the question of agreeing to his amendment?

The PRESIDING OFFICER. No; because the yea-and-nay vote on the question of agreeing to the motion to lay on the table is in progress; and, under the rule, nothing is allowed to interrupt a yea-and-nay vote once it has been begun; it must be completed.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. Cannon], the Senator from Arizona [Mr. Hayden], the Senator from Arkansas [Mr. McClellan], and the Senator from Oregon [Mrs. Neuberger] are absent on official business.

I also announce that the Senator from California [Mr. Engle] is absent because of illness.

Mr. KUCHEL. I announce that the Senator from Illinois [Mr. Dirksen] is necessarily absent and, if present and voting, would vote "yea."

The result was announced—yeas 61, nays 33, as follows:

[No. 18 Leg.]

YEAS—61

Allott
Anderson
Bartlett
Bayh
Bennett
Bible
Boggs
Brewster
Byrd, Va.
Carlson
Case
Clark
Cooper
Curtis
Dodd
Dominick
Eastland
Ellender
Ervin
Fong
Fulbright
Hickenlooper
Hill
Holland
Hruska
Humphrey
Inouye
Jackson
Javits
Johnston
Jordan, N.C.
Jordan, Idaho
Keating
Kennedy
Kuchel
Long, Mo.
Long, La.
Magnuson
McCarthy
McIntyre
Mechem
Miller
Monroney
Morton
Mundt
Pastore
Pearson
Pell
Robertson
Saltonstall
Scott
Simpson
Smathers
Sparkman
Stennis
Symington
Thurmond
Tower
Walters
Williams, N.J.
Williams, Del.

NAYS—33

Aiken
Beall
Burdick
Byrd, W. Va.
Church
Cotton
Douglas
Edmondson
Goldwater
Gore
Gruening
Hart
Hartke
Lausche
Mansfield
McGee
McGovern
McNamara
Metcalf
Morse
Moss
Muskie
Nelson
Prouty
Proxmire
Randolph
Ribicoff
Russell
Smith
Talmadge
Yarborough
Young, N. Dak.
Young, Ohio

NOT VOTING—6

Cannon
Dirksen
Engle
Hayden
McClellan
Neuberger

So the motion to lay Mr. Gore's amendment on the table was agreed to.

Mr. MANSFIELD. Mr. President, I am about to make an unusual request because of unusual circumstances. The Senator from Tennessee [Mr. Gore] agreed to have a vote on his amendment in 10 minutes. After debate got underway, we finally settled, at my suggestion, on a 30-minute limitation, with 15 minutes to each side.

In order to clear the air and to keep any faith which may have been inadvertently broken, I ask unanimous consent—and I hope the Senate will bear with me at this time—to vacate the vote which was taken on the question of tabling, and to have a yea-and-nay vote on the question directly.

Mr. KUCHEL. Mr. President, will the Senator from Montana yield?

Mr. PASTORE. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PASTORE. No Member of this body has more respect and affection for the Senator from Tennessee than I. If I could find it in my heart and conscience to go along with this request, I certainly would do so. I believe that the motion to table is in perfect parliamentary procedure, and if the Senator from Montana had not done so, I would have made the motion myself.

I believe this amendment is untimely. I do not believe it belongs in the bill. The Senator from Tennessee has stated that even if the amendment did carry, he would vote against the bill.

Under those circumstances, I do not believe any Senator will feel that he should be called upon at this time to vote on the merits, but would vote to table. I believe that this is an unreasonable request at this time, and I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOUGLAS. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. LONG of Louisiana. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield briefly to the Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President, the Senate usually saves time by trying to accommodate itself to the wishes of 100 Senators. Unanimous-consent requests are often difficult to obtain, and a single Senator, feeling that he has not been treated properly in the Senate, has a perfect right to object to a unanimous-consent request and often impedes the progress of the Senate.

The problem involved is something that happened in my presence. The Senator from Tennessee said that he would like to have a vote on his amendment, and there was agreement that the Senate would vote on the amendment at a certain time.

I would doubt that any majority leader of the Senate would be wise in agreeing to a vote on an amendment and foreclosing himself the right to make a motion to table after all debate had been heard. It seems to me this is a very useful motion that any majority leader would wish to reserve to himself.

Perhaps there was a misunderstanding on this question. However, the Senator from Tennessee can certainly offer an amendment in a slightly different fashion if he wishes to do so, and have a yea-and-nay vote on it in any case. It is for that reason that I hoped there could be a unanimous-consent agreement to have a direct vote on the amendment. Of course, the Senator from Tennessee can have a vote on his amendment by offering it with a change of a single comma or a semicolon, any time he wishes to do so hereafter.

Mr. ANDERSON. Does the Senator from Louisiana wish to change some of the rules? I have in mind some rules that I would like to change. Does the Senator wish to change the cloture rule in the same way?

Mr. LONG of Louisiana. The only point I had in mind was the suggestion that we might agree by unanimous consent to have a vote directly on the amendment.

Mr. ANDERSON. But we did not.

Mr. LONG of Louisiana. As they say in Kentucky, that is what makes a horse race, a difference of opinion. Some Senators thought that, and others did not.

Mr. MORTON. Mr. President, the Senator from Kentucky wishes to speak on another subject.

Mr. LONG of Louisiana. I have no objection to a direct vote on the amendment, but I believe the majority leader probably should have the right to make a motion to table after all debate had been concluded, if he felt that is what he should do.

INVESTIGATION BY SENATE COMMITTEE ON RULES AND ADMINISTRATION

Mr. GORE. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield to the Senator from Tennessee.

Mr. GORE. Mr. President, I submit a resolution which I send to the desk and ask to have stated for the information of the Senate.

The PRESIDING OFFICER. Is there objection to the submission of the resolution? The Chair hears none. The resolution will be stated.

The LEGISLATIVE CLERK. *Resolved*, That Senate Resolution 212, approved by the Senate on October 10, 1963, is hereby amended to read as follows:

> *Resolved*, That the Committee on Rules and Administration or any duly authorized subcommittee thereof is authorized and directed to make a study and investigation with respect to any financial or business interests or activities of any officer or employee or former officer or employee of the Senate, or any other person, for the purpose of ascertaining (1) whether any such interests or activities have involved conflicts of interest or other impropriety, and (2) whether additional laws, rules, or regulations are necessary or desirable for the purpose of prohibiting or restricting any such interests or activities. The Committee shall report to the Senate at the earliest practicable date the results of its study and investigation together with such recommendations as it may deem desirable.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. RUSSELL. Mr. President, reserving the right to object, I should like to have some idea as to the length of time that will be consumed, the scope of the resolution to be taken up, and whether it will displace the pending bill.

Mr. DOUGLAS. I have the floor. It is not my intention to discuss the resolution.

Mr. RUSSELL. The Senator is speaking because he has the floor. But if he yields for the purpose of permitting a Senator to request unanimous consent, it is within the right of any other Senator to interpose an objection, and unless there can be some brief statement as to the purport of the resolution——

Mr. DOUGLAS. Mr. President, I ask unanimous consent that I may yield to the Senator from Tennessee for 3 minutes, so that he may explain the purport of the resolution.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Tennessee is recognized for 3 minutes.

Mr. GORE. Mr. President, because of statements made by members of the Committee on Rules and Administration and statements made by Senators in the Chamber that there was disagreement as to the scope of the resolution under which the so-called Bobby Baker episode was being investigated, I have submitted this resolution, adding the words, "or any other person."

Before offering the resolution I conferred with the distinguished Senator from Delaware [Mr. WILLIAMS], the majority leader [Mr. MANSFIELD], and the distinguished Senator from North Carolina [Mr. JORDAN]. It is my understanding that an agreement has been reached that the resolution—Senate Resolution 212—will be sufficient and will encompass all that the resolution which I have offered would accomplish. I yield to the senior Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I have discussed the subject with the Senator from Tennessee. If there were any doubt in my mind that the resolution originally adopted was not all inclusive, I most certainly would support the proposed change in the resolution or any other change necessary to make it so. However, as I have stated earlier, I do not believe that is necessary, because the resolution as offered on October 10 was broad enough to cover Senators as well as all our employees. The resolution provides:

> *Resolved*, That the Committee on Rules and Administration or any duly authorized subcommittee thereof is authorized and directed to make a study and investigation with respect to any financial or business interests or activities of any officer or employee or former officer or employee of the Senate, for the purpose of ascertaining (1) whether any such interests or activities have involved conflicts of interest or other impropriety, and (2) whether additional laws, rules, or regulations are necessary or desirable for the purpose of prohibiting or restricting any such interests or activities. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation together with such recommendations as it may deem desirable.

The question that has bothered the Senator from Tennessee arose from discussion in certain quarters that the resolution did not embrace adequate authority should the committee find it necessary to examine activities or association which Senators or members of our staffs may have had in connection with the investigation. In order to lay at rest the question as to whether Members of the Senate and our staffs are covered——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that I may yield 2 minutes to the Senator from Delaware without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS of Delaware. I have in my hand the so-called W–2 form which I shall file with my tax return. A similar form will be filed by every Member of the U.S. Senate. It is sent to us by the disbursing officer. This W–2 form is marked "Withholding Tax Statement. Federal Taxes Withheld From Wages. Copy C—For the Employee's Records."

Down at the bottom of the form appears the statement: "Employee to whom paid:—John J. Williams." The employer that is listed at the top is "U.S. Senate." So there can be no question but every Senator is an employee of the U.S. Senate.

I have in my hand another W–2 form that was sent to a member of my office staff. It is identical to the one which I received. The U.S. Senate is listed as the employer. Each member of my staff is listed as an employee of the U.S. Senate. The members of the staff of every Senator are not employees of the Senators; officially they are employees of the U.S. Senate.

I also have the withholding statement for the secretary to the minority, of the Senate. This is the position comparable to that which was held by Mr. Baker. The information is listed in an identical way to what appears on the withholding statement of the Senator from Delaware. We are both listed as employees. The employer is the U.S. Senate.

I have been advised that every Member of the U.S. Senate, every member of the staff of Senators, every member of the Senate staff including the legislative clerk, the Parliamentarian, and the guards around the Capitol, and every committee employee who draws a pay check through the Senate Disbursing Officer, is listed on the records of the U.S. Government as an employee of the U.S. Senate.

The resolution approved on October 10 specifically mentioned all officers, employees, former officers, and former employees of the Senate.

It covers all of us.

We accept our pay as employees and report it that way on our income tax returns. Therefore I do not believe any change in the resolution is necessary, although, as I stated previously, I would have no objection to that change should others think it necessary.

I understand that the majority leader has the same understanding. The original resolution is all inclusive. If members of the Committee on Rules and Administration have any reason whatever to feel that they wish to examine a Senator or any member of his staff or any other employee of the Senate, the committee definitely has that jurisdiction. Therefore I feel that the original resolution was fully adequate. The comments of the majority leader, the chairman of the committee, and the other members of the Committee on Rules and Administration as made here today, clarify that point beyond any doubt.

The PRESIDING OFFICER. The time of the Senator has expired. Is there objection to the present consideration of the resolution?

Mr. LONG of Louisiana. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Mr. President, will the Senator withhold his objection?

The PRESIDING OFFICER. The resolution will go over in accordance with the rules.

Mr. MANSFIELD. Mr. President, will the Senator withhold his objection?

Mr. LONG of Louisiana. Mr. President, reserving the right to object, I should like to say that I am willing to have a few minutes discussion on the subject, but I am not willing to have the tax bill displaced on the floor of the Senate. It was too hard a struggle to get it before the Senate. I am willing to agree to a 5-minute discussion of the resolution, but I am not willing that the resolution displace the tax bill.

Mr. WILLIAMS of Delaware. We would make a great deal better time by considering the resolution at this time, for no Senator can stop us from later obtaining the floor and discussing the resolution on our own right. Any question concerning the jurisdiction of this committee must be eliminated.

Mr. DOUGLAS. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. LONG of Louisiana. I believe I have the floor, reserving the right to object.

The Senate is not operating under the rule of germaneness now anyway.

Any Senator who desires to make a speech about Bobby Baker may do so at this time. The Senator from Louisiana does not wish to have the tax bill displaced by a resolution. A simple objection would put the bill at the end of the calendar. I wish it clearly understood that if I yield for a conversation on the subject of the resolution, I am not foreclosing my rights to keep the tax bill before the Senate.

Mr. DOUGLAS. Mr. President, when I yielded to the Senator from Tennessee I did not know what resolution he intended to offer. This tempest has come as somewhat of a surprise to me. I am ready to yield to any Senator who wishes to discuss the subject, but I should like to get ahead with the tax bill with the Senator from Louisiana.

I now yield to the distinguished majority leader for 2 minutes, with the understanding that I shall not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I, too, wish to see the Senate get on with the tax bill. But I wish to corroborate what the distinguished senior Senator from Delaware has said. At the time we met to discuss the original resolution, it was to be applied to employees and former employees of the Senate. Since that time I have seen copies of his income tax form, and I am sure that we all received the same copies. I wish to inform the Senate that if we did not know it before, we are all employees of the U.S. Senate. Therefore, the original resolution adopted by the Senate would encompass all that the Senator from Delaware has said. So I hope in view of that statement the distinguished Senator from Tennessee would consider withdrawing the resolution so that the Senate could get on with the tax bill.

Mr. GORE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield 1 minute to the Senator from Tennessee.

Mr. GORE. I am now advised by the distinguished chairman of the Committee on Rules and Administration that his interpretation of the resolution comports with the interpretation which the distinguished majority leader and the distinguished senior Senator from Delaware have placed upon it. If the offering of my resolution has brought about a meeting of minds, I am pleased. My purpose has been accomplished, and I withdraw the resolution.

The PRESIDING OFFICER. The resolution is withdrawn.

Mr. DOUGLAS. I yield 1 minute to the Senator from Florida.

Mr. HOLLAND. I thank my distinguished friend. I have no objection to whatever the leadership wishes to do. I am thoroughly in accord with what the Senator from Louisiana [Mr. LONG] and the Senator from Illinois [Mr. DOUGLAS] have said about the necessity of continuing with the tax bill. But I am not in accord at all with any interpretation of the resolution which would hold that Senators, who are the Senate, are employees of the Senate, because that is so much foolishness. I wish the record to show that here is one Senator who will not agree that we are employees of ourselves.

Mr. COOPER. Mr. President, will the Senator yield one-half minute to me?

Mr. DOUGLAS. I yield three-quarters of a minute to the Senator from Kentucky.

Mr. COOPER. The junior Senator from Nebraska, who is the ranking Republican member of the committee, is not in the Chamber, and of course I do not speak for him. I can only say, for myself, as one member of the committee, that I concur in the interpretation that the Senator from Delaware has placed on the scope of the resolution, previously adopted by the Senate—whether the argument of the senior Senator from Delaware be accepted, that we consider ourselves as employees of the Senate or whether under the authority given the Rules Committee.

I say to my friend from Florida [Mr. HOLLAND], that it need not be based on our being employees, but on the jurisdiction of the Rules Committee, under the original resolution.

Mr. SCOTT subsequently said: Mr. President, I agree with the Senator from Kentucky [Mr. COOPER]. The Committee on Rules and Administration has had this broad power all along, in my opinion. Until now, that did not seem to be the prevailing view within the committee.

Mr. CURTIS subsequently said: Mr. President, it has been my opinion all along that the resolution directing the Rules Committee to investigate misconduct, conflict of interest, or all manner of misbehavior, was broad enough to do the job that was expected of the committee.

Today, I am glad that the leadership has made the necessary statements confirming the intention of the Senate in its direction to the Rules Committee that the investigation be complete.

The investigation is not limited to particular transactions, but deals with all inappropriate activities. By the very nature of an investigation, it means a full disclosure. It means to bring facts into the light of day. There can be no arbitrary lines drawn on factfinding.

As an illustration, Mr. President, we investigated labor-management relations for many months through one of the committees in the Senate. If in the course of that investigation we found misconduct, not on management or labor but, say, on the part of a Government procurement officer, we could not pretend to have an investigation and close the door—our minds, and our questions—in such a situation, merely because the resolution did not specifically name a Government procurement officer.

In other words, when the Senate directs an investigation, it intends to find all the facts. When a resolution refers to misconduct, it means all misconduct.

The task is unpleasant. The Committee on Rules and Administration did not ask for it. But, so far as I am concerned, in view of the way the situation has been created, the only thing to do is to accept the broad interpretation, which is also the reasonable interpretation, of the resolution. We shall inquire into all the facts, so that whatever has occurred in this institution that reflects upon the good name of the Senate or that is a violation of law or is a course of conduct that is inappropriate for public officials might be disclosed and a report brought back to the Senate. I yield the floor.

REVENUE ACT OF 1964

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

Mr. KUCHEL. Mr. President, will the Senator yield 1 minute and a half to me?

Mr. DOUGLAS. I yield a minute and a quarter to the Senator from California.

Mr. KUCHEL. Mr. President, while Senators are present in the Chamber, I should like to make an observation to the distinguished majority leader. It is my understanding that the distinguished senior Senator from Illinois desires to discuss a proposed amendment to the tax bill, at not too great length, and that he contemplates asking no vote on the amendment until tomorrow. It is further my understanding that the distinguished junior Senator from Kentucky desires to offer an amendment which would provide a 4-percent dividend exclusion, an amendment which the minority leader had offered in committee, and he would ask that a time limitation tonight be placed on the amendment so that the Senate, in a little over an hour, could have a yea-and-nay vote on the amendment.

I should like to inquire of the majority leader whether, if what I have said transpires, he contemplates any additional labor this evening?

Mr. MANSFIELD. Mr. President, will the Senator yield me 1 minute?

Mr. DOUGLAS. Certainly.

Mr. MANSFIELD. That sounds very good to me, too. In addition to this amendment, I hope there will be others, and that the Senate will be in business until 10 o'clock tonight to get the tax bill on its way toward bringing its consideration to conclusion, one way or the other. So the more amendments, the better.

Several Senators addressed the Chair.

Mr. DOUGLAS. Mr. President, I do not want to yield any more, because I have been, I think, quite generous with my time, and I would like to discuss the tax bill, rather briefly. Then Senators can discuss this fascinating subject later.

INCREASE OF $100 IN MINIMUM STANDARD DEDUCTION

Mr. President, I am about to offer an amendment which would accomplish some of the things the Senator from Tennessee was trying to accomplish, but would remove some of the objections to his amendment.

Very briefly, my amendment provides for an increase of $100 in the minimum standard deduction for each taxpayer and dependent, as compared to the present bill.

REDUCE CORPORATE CUT

Second, nine-tenths of the cost of the amendment would be paid for by reducing the cut in the corporation tax.

At present, the corporation tax is scheduled to go from 52 percent to 50 percent, and then to 48 percent next year. My amendment would reduce it to 51 percent this year, and 50 percent next year. So, roughly, the amendment is neutral so far as revenue is concerned. There would be a loss of about $90 million.

BENEFIT TO LOW-INCOME GROUPS

The amendment would increase the tax reduction for individuals and particularly for those in the lower income groups. At present, the minimum standard deduction is $300 for a taxpayer and $100 for each dependent. This means there is a minimum standard deduction of $600 for a family of four. This, added to the $600 per capita exemption, means, roughly, that a family of four has the first $3,000 of income exempted from taxation.

Under my amendment, the minimum standard deduction would be increased to $400 for the taxpayer and $200 for each dependent, so that a family of four would have a minimum standard deduction of $1,000, which, when added to the exemption of $2,400, would provide that the first $3,400 would be exempt from taxation for a family of this size.

Instead of costing $6,700 million, as the amendment of the Senator from Tennessee would cost—and for which, incidentally, I voted—it would cost $960 million.

But one of the great advantages of the arrangement is that it would increase the amount given to the lower income groups.

BENEFITS TO THOSE WITH $10,000 OR LESS

All but $35 million of the $960 million, or a total of $925 million, would go to taxpayers with incomes below $10,000 a year; $385 million would go to those with incomes below $5,000 a year; $540 million would go to those earning between $5,000 and $10,000 a year.

This amendment would favor relatively low income taxpayers and families.

Under my amendment the minimum standard deduction is continued up to and including the sixth child, so that a family with six children would get a minimum standard deduction of $1,800, instead of the present $1,000 in the bill.

I ask unanimous consent that a table giving the distribution effect of my amendment be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection the table will be printed at this point in the RECORD.

The table is as follows:

Adjusted gross income class	Revenue loss (millions)		
	Under minimum standard deduction in H.R. 8363	Under proposal	Increased loss due to proposal
0 to $3,000	$170	$320	$150
$3,000 to $5,000	100	335	235
$5,000 to $10,000	50	590	540
$10,000 to $20,000	0	30	30
$20,000 to $50,000	0	5	5
$50,000 and over	0	[1]	[1]
Total	320	1,280	960

[1] Less than $2,500,000.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. AIKEN. How would the Senator's proposal compare with a flat deduction of $700?

Mr. DOUGLAS. Does the Senator mean an increase in the exemption?

Mr. AIKEN. Yes.

Mr. DOUGLAS. Each $100 increase in the exemption costs roughly $3⅓ billion. So this proposal would cost about 30 percent of that.

Mr. AIKEN. What is wrong with a $100 exemption increase?

Mr. DOUGLAS. I would vote for it. I voted for the $200 exemption increase, of from $600 to $800, but a motion was made by the Senator from New Mexico to table, and it carried. I am now proposing this amendment to increase the minimum standard deduction rather than to raise the amount of the exemption. If another amendment is offered to increase the minimum from $600 to $700, I shall vote for it. At present, I am offering my amendment, which would cut taxes approximately $1 billion for the low income groups, but would offset that loss of revenue by diminishing the cut in the corporate taxes.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. Would there be any loss of revenue under the aggregate provisions of the amendment?

Mr. DOUGLAS. Ninety million dollars. We would lose $960 million through the increase in the minimum standard deduction. We would gain $870 million through the diminished cut in the corporation tax. So there would be a loss of $90 million, but that is a relatively minor amount in a tax bill that would reduce revenues by more than $11 billion.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. PROXMIRE. Is it not true that the Senator will offer another amendment, the oil depletion amendment which would recoup $400 million?

Mr. DOUGLAS. Yes.

Mr. PROXMIRE. Also, I intend to offer another amendment which would increase revenues between $245 million and $725 million a year, which I understand the Senator will support.

Mr. DOUGLAS. That is correct.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. AIKEN. Is it not true that the $600 exemption, when it was adopted some years ago, would buy far more than a $700 exemption would today?

Mr. DOUGLAS. Yes.

Mr. AIKEN. How would the purchasing power of the $600 exemption when it went into effect some 15 years ago compare with the purchasing power today? What would be its equivalent in purchasing power today?

Mr. DOUGLAS. I think there has been an increase of about 25 percent in the cost of living during the past 15 years.

There was an increase from 92 to 107 in the consumer price index in the last 12 years, which is an increase of approximately 17 percent; but there was an increase in the period prior to 1952.

Mr. AIKEN. But the tax bill as it is now written would put a further squeeze on the lower income people, would it not?

Mr. DOUGLAS. I would not say it would put on a further squeeze.

Mr. AIKEN. As far as exemptions are concerned.

Mr. DOUGLAS. As far as the past is concerned, every increase in the cost of living diminishes the real value of the $600 exemption.

One of the great advantages of an increase in the minimum standard deduction which I am proposing, as compared with an increase in the exemption, is that a larger proportion goes to the lower income groups.

Mr. AIKEN. Yes.

Mr. DOUGLAS. There is already a 10-percent standard deduction, but with an upper limit of $1,000.

Mr. AIKEN. Does the Senator from Illinois believe that it is possible to dump $11 billion into the purchasing power of the country without increasing prices at all?

Mr. DOUGLAS. I am not discussing the general theory of the bill. I am discussing the question of the transfer of some of the cuts from the upper income groups to the lower income groups. Those with incomes of over $50,000 a year own approximately a third of the stock of the country, and get about a third of the distributed profits. Those with incomes of over $25,000 get over half the dividends. Under my amendment we are cutting down on the amounts that would go to the higher groups, and giving that to the groups that have less than $10,000 and less than $5,000.

Mr. AIKEN. Would not the increase in the cost of living, due to the $11 billion being dumped into the purchasing power of the Nation, be greater than the tax benefits which are given to a family, say, earning less than $3,000 a year?

Mr. DOUGLAS. I am not discussing the merits of the bill as a whole. My amendment would not affect that situation one way or the other.

Mr. AIKEN. That is important.

Mr. DOUGLAS. I think it is, and I welcome a discussion of the bill later. In the meantime I will discuss my particular amendment. My amendment does not change the overall effect of the tax bill. What it does do is to take approximately $900 million from those in the income groups above $10,000 and $25,000 and $50,000.

Mr. AIKEN. Who would they be?

Mr. DOUGLAS. Only 1 family out of 10 has an income of over $10,000, roughly. About 2 percent of the families have income over $20,000. Two-tenths of 1 percent or 1 in 500 have incomes of over $50,000. What my amendment would do would be to diminish the tax benefits given under the bill to the upper income groups and increase the tax benefits given to the lower income groups.

Mr. AIKEN. What percentage goes to those of $50,000?

Mr. DOUGLAS. Of the corporate profits, they get about 50 percent of the corporate profits.

Mr. AIKEN. I thank the Senator from Illinois. The whole thing is very clear now.

Mr. DOUGLAS. I thank the Senator.

Mr. President, I think that this is the best possible way, now that the Gore amendment has been defeated, of insuring a larger proportion of the tax cut going to the ordinary people of the country.

There are numerous arguments for the amendment. Time and again Members of the Senate have expressed the view that a larger proportion of the tax cut should go to relatively low income individuals or to those of modest incomes. The amendment would give a larger share of the cut to those below $10,000. In fact, 95 percent of the cuts in my amendment would go to those with incomes below $10,000 a year.

MORE OF CUT WOULD BE SPENT

It would also have the effect of giving a greater stimulus to the economy than in the present bill, because those with relatively low incomes and those with large families tend to spend a much higher proportion of their income than those with high incomes. Therefore, we can expect that a greater proportion of the tax cut will be spent for the necessities of life and, hence, have a greater stimulative effect on the economy than the cuts in the present bill.

CORPORATIONS HAVE HAD LARGE CUTS

A third argument for the nature of this cut is that corporations and their stockholders since 1954 have already had tax cuts equivalent in amounts to $5 billion a year. In 1954 the provisions for rapid depreciation and fast tax write-offs went into the code. In that same year the dividend credit was passed. Together, these amounted to about $2½ billion on an annual basis which went to corporations or to the holders of corporate stocks.

In 1962 we passed the investment tax credit. This was worth slightly more than $1 billion a year to corporations. To be more precise, it was $1,200 million. In addition, in 1962 the Treasury revised Bulletin F, which meant an additional $1.3 billion per year to the corporations. Thus, corporations and their stockholders have had a tax cut of almost $5 billion a year since 1954, while the ordinary taxpayers have had no Federal income tax cut whatsoever.

Thus, there is great merit in increasing the amount to go to low income individuals in the bill and decreasing the amount which goes to corporations. This is precisely what my amendment would do.

STATE AND LOCAL TAX INCREASES REGRESSIVE

There is a further argument in favor of the amendment; namely, that the amount of State and local taxes have risen by very large amounts over recent years. These taxes are regressive and fall much more heavily proportionately on low income groups than on high income groups.

For example, from 1954 to 1962, State and local property taxes rose from $9.9 to $19 billion a year. State and local sales taxes and gross receipts taxes rose from $7.3 billion to $13½ billion. Between 1954 and 1962 the total amount of State and local revenues doubled from $29 billion to $58 billion. All of this occurred in a period when individuals have had no tax relief from the Federal income taxes, and while corporations have had the equivalent of a $5 billion decrease in corporation taxes.

BIG CUTS TO HIGH INCOME GROUPS

Let us see who have benefited from the $5 billion of Federal corporate tax cuts since 1954.

An indication of who received the bulk of the Federal tax cut since 1954 is shown by the distribution of dividend income. Those with incomes of over $20,000 a year—which are less than 2 percent of all taxpayers—received 54 percent of all dividends. Those with incomes over $50,000 a year—who number only two-tenths of 1 percent of all taxpayers—nonetheless received 31 percent of all dividends.

CORPORATE FUNDS NOT INVESTED

I may say, also, that insofar as the corporations have retained their earnings and not distributed them in dividends, which is about 40 percent of the profits after taxes, they have not reinvested this full amount. In fact, the investments of corporations are appreciably less than the retained earnings, plus depreciation, plus money raised externally.

In the period of 4 or 5 years approximately $25 billion in liquid funds have been accumulated and not invested in plant. There is no shortage of money on the part of the corporations of the country. They have funds running out of their ears. They do not invest these funds because, due to the prices charged, there is insufficient demand.

The bill before the Senate would do something in this direction, but it would not do as much as it would under my amendment.

Mr. President, I send the amendment to the desk and ask that it be printed, and also printed in the RECORD. And I ask unanimous consent that it may be the first order of business tomorrow morning.

The PRESIDING OFFICER. Without objection the amendment will be received and printed and will lie on the table; and, without objection, the amendment will be printed in the RECORD, and will be the first order of business tomorrow morning.

The amendment (No. 411) is as follows:

On page 8, line 8, insert "10-percent" immediately after "The".

On page 8, line 10, insert "10-percent" immediately before "standard".

On page 8, line 11, insert after the period the following new sentence: "The minimum standard deduction shall not exceed $1,800, except that in the case of a separate return by a married individual the minimum standard deduction shall not exceed $900."

On page 9, line 3, strike out "$100" and insert "$200".

On page 13, line 14, strike out "28 percent" and insert "29 percent".

On page 13, line 17, strike out "26 percent" and insert "28 percent".

On pages 353 through 362, revise the tables contained therein so as to reflect the changes made by this amendment with respect to the minimum standard deduction.

AMENDMENT NO. 412

Mr. PROXMIRE. Mr. President, I send to the desk an amendment to lift the single greatest excise discouragement to employment—the so-called cabaret tax.

When this tax was reduced from 20 percent to 10 percent in 1960, employment rose by 35 percent, and incomes rose by 33 percent for musicians alone.

This tax is also one of the most discriminatory excises. Public clubs pay the tax but private clubs do not. Places which have musicians pay the tax but places with jukeboxes do not. If customers pay their checks before entertainment begins, there is no tax but payment during the entertainment means a tax.

The tax is extremely difficult for the courts, the Internal Revenue Service, and taxpayers to interpret. Substantial administrative costs will be eliminated by my amendment.

On the solid basis of the experience when these taxes were reduced from 20 percent to 10 percent, no revenue loss will occur from this amendment. The encouragement that will be provided to customers, to employees and to smaller establishments generally will more than offset any direct tax loss.

Estimates by the Treasury that this amendment would reduce revenues completely ignore the proven stimulus this particular tax elimination can give.

This is one of the taxes that were introduced in the wartime period to discourage consumption and to discourage this kind of activity. We all know that the war is over. We all want to encourage consumption and encourage employment. Therefore, it seems to me it is long past due for this amendment to be considered.

Mr. President, I submit the amendment and ask that it lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. MORTON. Mr. President, on behalf of the junior Senator from Illinois [Mr. Dirksen], the minority leader, I send to the desk an amendment and ask for its immediate consideration. I ask unanimous consent that the reading of the amendment be dispensed with; it can be easily explained.

The PRESIDING OFFICER. Without objection, the reading of the amendment will be dispensed with; and without objection, the amendment will be printed in the Record.

The amendment is as follows:

> On page 28, beginning with line 2, strike out all through line 2 on page 32 and in lieu thereof insert the following:
>
> "Sec. 201. Dividends Received by Individuals.
>
> "(a) Limitation of Credit to $300.—Section 34(b) (relating to limitation on amount of credit for dividends received by individuals) is amended—
>
> "(1) by striking out 'the lesser' and inserting in lieu thereof 'the lowest';
>
> "(2) by striking out 'or' at the end of paragraph (1);
>
> "(3) by striking out the period at the end of paragraph (2) and inserting in lieu thereof '; or'; and
>
> "(4) by adding after paragraph (2) the following new paragraph:
>
> " '(3) $300 ($150, in the case of a married individual filing a separate return).'
>
> "(b) Doubling of Amount of Partial Exclusion from Gross Income of Dividends Received by Individuals—Section 116(a) (relating to partial exclusion from gross income of dividends received by individuals) is amended by striking out '$50' each place it appears and inserting in lieu thereof '$100'.
>
> "(c) Effective Date.—The amendments made by subsections (a) and (b) shall apply with respect to taxable years beginning after December 31, 1963."

Mr. MORTON. Mr. President, how many Senators are required to second a request for the yeas and nays?

The PRESIDING OFFICER. Nineteen.

Mr. MORTON. Mr. President, before proceeding further, I ask for the yeas and nays on the amendment I have offered.

The yeas and nays were ordered.

Mr. MORTON. Mr. President, with the understanding that I will not lose my right to the floor, I yield to the junior Senator from Florida.

SIGNING OF CONSTITUTIONAL AMENDMENT ON POLL TAX BY ADMINISTRATOR OF GENERAL SERVICES ADMINISTRATION

Mr. SMATHERS. Mr. President, this morning it was my happy privilege to be invited to the White House to witness, in the Cabinet Room, together with members of the President's Cabinet, other Senators, Members of the House, and distinguished citizens, the signing by the General Services Administrator and the certification by the President of the United States of what will henceforth be known as the 24th Amendment to the Constitution, the anti-poll-tax amendment, which was sponsored by my distinguished senior colleague from Florida, Spessard Holland. On that occasion, the President said:

> Today, the United States witnesses the triumph of liberty over restriction. Today, the people of this land have abolished the poll tax as a condition to voting. By this act, they have reaffirmed the simple but unbreakable theme of this Republic. Nothing is so valuable as liberty, and nothing is so necessary to liberty as the freedom to vote without bans or barriers.
>
> Our Constitution in its 175-year lifetime has been amended but 14 times following the ratification of the Bill of Rights. A change in our Constitution is a serious event. The beneficiaries of this amendment are the people of this land.
>
> There can be no one too poor to vote. There is no longer a tax on his rights. The only enemy to voting that we face today is indifference. Too many of our citizens treat casually what other people in other lands are ready to die for.
>
> Less than two-thirds of our eligible population cast ballots in the 1960 presidential election. Perhaps this specific act of firm resolve will turn negligence into interest. I pray that this is so.
>
> I will not let this historic event pass on without paying special tribute to my old and dear friend and former colleague, Spessard Holland, of Florida. He led this fight from the beginning. He was in the forefront in the winning.
>
> I salute the States of South Dakota and Georgia. They raced to the wire to be the 38th and necessary State for ratification. South Dakota won that race but we are all victors. This is the first time an amendment to the Constitution has been certified in the presence of the President of the United States. I am proud that I am here. I am prouder still to place my name on this certificate.

Mr. President, this is one of the reasons why all Florida is proud of its distinguished senior Senator [Mr. Holland]. He has indeed served his State and Nation with great ability and distinction.

Mr. MORTON. Mr. President, with the understanding that I will not lose the floor, I yield to the senior Senator from Florida.

Mr. HOLLAND. I thank the Senator from Kentucky.

Mr. President, first, I wish to express my deep appreciation to my distinguished and generous colleague from Florida [Mr. Smathers]. During his membership in the Senate, he has steadfastly and loyally supported this amendment in every possible way. Likewise, the distinguished junior Senator from Louisiana [Mr. Long], during his membership in this body, has been an active loyal supporter of the amendment. So my thanks go out to them.

I have heretofore, perhaps at too great length, expressed my appreciation to all Senators who have been so helpful, particularly to the majority leader and the minority leader. But I again wish to say how deeply indebted I am to all Senators who have been so helpful in the endeavor to have the 24th amendment to the Constitution adopted.

I remind the Senate and the country that our present distinguished President, Lyndon B. Johnson, was the leader of the Senate on the first occasion when the anti-poll-tax amendment was allowed to come before the Senate and pass this body. However, it did not receive consideration from the other body at that time. It was Senator Johnson who was largely responsible for having the amendment brought before this body at that time. He has continued his dedicated interest in this matter into the Vice-Presidency and the Presidency. I am deeply indebted to him for his generous statement about me this morning.

The distinguished minority leader [Mr. Dirksen] was absent from the signing ceremonies at the White House this morning. He was unable to come because of illness, but I wish to express my unbounded gratitude to him, because without his cooperation with the distinguished majority leader and the former majority leader, it would have been impossible to have had the amendment brought before the Senate in the unusual way in which it was brought to the Senate floor on each occasion.

I am delighted to be at the end of this long road of 15 years of endeavor. I am deeply grateful to all who have been so helpful and who had just as much a part in the activity as I.

I thank the Senator from Kentucky for yielding.

Mr. MANSFIELD. Mr. President, will the Senator from Kentucky yield?

Mr. MORTON. I yield, provided I do not lost the floor.

Mr. MANSFIELD. Mr. President, I am about to make a unanimous-consent request, but before doing so, I wish to join the distinguished junior Senator from Florida [Mr. Smathers] in extending congratulations to the distinguished senior Senator from Florida [Mr. Holland] for the determined effort he made for much more than a decade in finally having incorporated into the Constitution of the United States the Holland amendment. The senior Senator from Florida is entitled to much credit. I am especially happy that he comes from the part of the country that he does, and that he was successful in having the 24th amendment made a part of the law of the land.

REVENUE ACT OF 1964

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on the pending amendment there be a limitation of debate of 1 hour, the time to be equally divided, 30 minutes to be controlled by the distinguished Senator from Kentucky [Mr. Morton] and 30 minutes to be controlled by the distinguished Senator from Minnesota [Mr. McCarthy].

The PRESIDING OFFICER. Does the proposal include all amendments thereto?

Mr. MANSFIELD. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORTON. Mr. President, one of the more vexing problems confronting the Senate is the treatment of tax dividends received by investors. I should like to develop this point, but before doing so I yield to the distinguished Senator from California.

THE FORGOTTEN ONES

Mr. KUCHEL. Mr. President, the Senate is now debating the Internal Revenue Act of 1964, a landmark piece of legislation generally described as providing an across-the-board tax cut for all American taxpayers. Today I would like to talk about a sizable group of taxpayers who will not receive a significant tax cut under this bill.

These people who have been left out of the tax cut are retired persons and widows with dependent children living principally on dividend income of less than $6,000 a year. Since dividends from private business corporations often are these taxpayers' main source of income, they are the group that is hit hardest by the elimination of the 4-percent tax credit on corporate dividends. For most of them, the tax saving which they will receive as a result of the reduced tax rates in the tax cut bill will largely be taken away by the accompanying repeal of the 4-percent dividend credit.

Some actual examples will illustrate this. Take for instance a widow who is 61 years old and living on $5,000 in dividend income from common stocks inherited from her husband. Under the present law, which includes the dividend credit, her income tax bill is $659. Under the tax cut that will go into effect in 1965, however, her tax bill will be $658, a saving of only $1. This occurs despite the fact that the new tax bill increases the dividend exclusion from $50 to $100 and lowers the overall tax rate.

This case comes into clearer perspective when we realize that a wage earner paid $5,000, the same amount as the widow received in dividends, will get a tax cut amounting to $147 under the new law. Clearly there is something wrong when a tax cut bill provides a $147 cut for a healthy young workingman but provides no cut at all for an elderly widow living on exactly the same amount of dividend income.

There are many other examples of unfairness to elderly people living exclusively on small amounts of dividend income. The tax for a retired couple—both over 65 and living on dividend income of $6,000 a year—will be reduced only $48 under the new bill. A working couple living on $6,000 in wages, however, will receive a whopping cut of over $150. To look at it another way, the elderly couple living on dividend income will receive a cut of only 10 percent whereas the wage earning couple will receive a cut of 25 percent—almost 2½ times as great.

There will be a double hardship under the so-called tax cut bill for elderly persons who receive a retirement income credit as well as the dividend income credit. Under the proposed law, these people will not only lose their 4-percent dividend credit but will also have their retirement income credit reduced from 20 percent this year to only 15 percent in 1965. Take the case of a single taxpayer aged 65 whose gross income is $3,500—all from dividends—and who is entitled to the maximum retirement income tax credit. His tax liability this year, with the dividend credit and the full retirement credit, is $5. His tax liability in 1965, however, would be $51—an increase of $46.

After studying cases similar to this, it is my opinion that every American taxpayer living principally on dividend income of less than $6,000 a year should study the tax cut bill very carefully. They may find that, for them at least, unless at a minimum the 4-percent dividend credit is maintained this is really a tax stabilization bill or even a tax increase bill. It seems strange that at a time when many Members of Congress profess to be very concerned about the financial problems of the elderly, the Senate Committee on Finance has reported out a tax cut bill which is so grossly unfair to elderly persons living on small amounts of dividend income.

I support the amendment offered by the distinguished Senator from Kentucky. I do so because I believe it is in the public interest. I oppose the theory of double taxation of the same dollar of profit. I have opposed the repeal of the 4-percent dividend credit each time that this has been attempted in the Senate. It would seem to me, Mr. President, that this is a minimum amount of relief from double taxation. The credit should be continued.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks the mathematical computations on which the examples I have cited, and several other examples, are based.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Widowed taxpayer, age 61 [1]

	Present law	1965
Gross income (all from dividends)	$5,000	$5,000
Less dividend exclusion from gross income	50	100
Adjusted gross income	4,950	4,900
Less personal exemption	600	600
Total	4,350	4,300
Less deductions (minimum standard deduction applies in 1965)	495	490
Taxable income	3,855	3,810
Tentative tax	813	658
Less dividend credit (4 percent of taxable income)	154	0
Total	659	658
Difference (net tax reduction)	----------	−1
Percentage reduction	----------	0
Difference between 1963 tax and 1965 tax for equivalent wage earner	----------	−$147
Percentage reduction for wage earner	----------	18

[1] This table illustrates what would happen to a widow, age 61, living on $5,000 in dividend income from common stocks inherited from her husband. Her net tax reduction would be only $1, whereas a wage earner in the same bracket would receive a reduction of $147, or 18 percent.

Single taxpayer, age 65 [1]

	Present law	1965
Gross income (all from dividends)	$3,500	$3,500
Less dividend exclusion from gross income	50	100
Adjusted gross income	3,450	3,400
Less personal exemption	1,200	1,200
Total	2,250	2,200
Less deductions (minimum standard deduction applies in 1965)	345	400
Taxable income	1,905	1,800
Tentative tax	386	280
Less dividend credit (4 percent of taxable income)	−76	0
Total	310	280
Less retirement income credit	305	229
Tax liability	5	51
Difference (net tax increase)	----------	+46

[1] This table illustrates what would happen to a single taxpayer, age 65, living on dividend income of $3,500, who is entitled to the maximum retirement income tax credit (which is reduced under H.R. 8363 along with the elimination of the 4-percent dividends received credit). Instead of being reduced under the so-called tax cut bill, this man's taxes would be increased by $46.

Married couple, both over 65 [1]

	Present law	1965
Gross income (all from dividends)	$6,000	$6,000
Less dividend exclusion from gross income	−100	200
Adjusted gross income	5,900	5,800
Less personal exemption	2,400	2,400
Total	3,500	3,400
Less deductions (minimum standard deduction applies in 1965)	590	600
Taxable income	2,910	2,800
Tentative tax	582	418
Less dividend credit (4 percent of taxable income)	116	0
Total	466	418
Difference (net tax reduction)	----------	−48
Percentage reduction	----------	10.3
Difference between 1963 tax and 1965 tax for equivalent wage earner	----------	−150
Percentage reduction for wage earner	----------	25

[1] This table illustrates what would happen to a married couple, both over 65, living on dividend income of $6,000 a year. Their net tax reduction would be $48, or 10.3 percent, whereas a wage-earning couple in the same bracket would receive a reduction of $150, or 25 percent.

Married couple, both under 65 [1]

	Present law	1965
Gross income (all from dividends)	$5,000	$5,000
Less dividend exclusion from gross income	100	200
Adjusted gross income	4,900	4,800
Less personal exemption	1,200	1,200
Total	3,700	3,600
Less deductions (minimum standard deduction applies in 1965)	490	480
Taxable income	3,210	3,110
Tentative tax	647	474
Less dividend credit (4 percent of taxable income)	−128	0
Total	519	474
Difference (net tax reduction)	----------	−45
Percentage reduction	----------	8.7

See footnote at end of table.

Married couple, both under 65 [1]—Continued

	Present law	1965
Difference between 1963 tax and 1965 tax for equivalent wage earner		−$159
Percentage reduction for wage earner		24.1

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[1] This table illustrates what would happen to a married couple, both under 65, retired for reasons of health or disability and living on dividend income of $5,000 a year. Their net tax reduction would be $45, or 8.7 percent, whereas a wage-earning couple in the same bracket would receive a reduction of $159, or 24.1 percent.

Single taxpayer, age 63 [1]

	Present law	1965
Gross income (all from dividends)	$3,000	$3,000
Less dividend exclusion from gross income	50	100
Adjusted gross income	2,950	2,900
Less personal exemption	600	600
Total	2,350	2,300
Less deductions (minimum standard deduction applies in 1965)	295	300
Taxable income	2,055	2,000
Tax from tax table	415	312
Less dividend credit (4 percent of taxable income)	82	0
Total	333	312
Difference (net tax reduction)		−21
Percentage reduction		6.3
Difference between 1963 tax and 1965 tax for equivalent wage earner		−$94
Percentage reduction for wage earner		22

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[1] This table illustrates what would happen to a 63-year-old man, retired due to illness or disability, living on dividend income of $3,000 a year. His net tax reduction would be only $21, or 6.3 percent, whereas a wage earner in the same bracket would receive a reduction of $94, or 22 percent.

Mr. KUCHEL. Mr. President, I thank my able friend, the Senator from Kentucky, for yielding to me.

Mr. MORTON. Mr. President, the investments which have been made by the more than 17 million American investors have financed the creation of the world's mightiest industrial economy, and have permitted the United States to lead the world in both output and efficiency.

One of the most important factors affecting the future expansion and modernization of our industrial machine is the manner in which the dividends received by those investors are taxed. If we are to maintain our supremacy abroad and create more jobs at home, we must provide for both expansion and modernization.

The late President Kennedy commenced his tax message of January 24, 1963, by stating:

> The most urgent task facing our Nation at home today is to end the tragic waste of unemployment and unused resources—to step up the growth and vigor of our national economy—to increase job and investment opportunities—to improve our productivity—and thereby to strengthen our Nation's ability to meet its worldwide commitments for the defense and growth of freedom. The revision of our Federal tax system on an equitable basis is crucial to the achievement of these goals.

Mr. President, in dealing with the provision of the House version of the bill which would reduce the 4-percent dividend credit received by individuals to a 2-percent credit for dividends received in the calendar year 1964, I wish to say that the amendment I have submitted on behalf of myself and the Senator from Illinois [Mr. DIRKSEN] would not continue the provision of present law as it now stands, but would continue the provision of present law, plus a limit of $300.

Under existing law, one can take a direct tax credit, without limitation, of 4 percent of the dividends he has received. Under the amendment which I have proposed in behalf of myself and the Senator from Illinois [Mr. DIRKSEN], one can take a tax credit of 4 percent of the dividends he has received, but with a $300 limitation. Under this amendment, one who received dividends in the total amount of $7,500 a year could take a total dividend tax credit of only $300; he would not receive a tax credit on his dividends which were in excess of $300.

Mr. President, this issue has been debated again and again; and at this late hour I see no use in laboring the point which is stressed in connection with this provision of existing law; namely, double taxation. Both the Senate and the American people as a whole understand this problem. Under existing law, before a U.S. investor receives a return from a corporation in which he has invested, $52 of each $100 earned by the corporation has, in most instances, been paid in taxes, before any dividends at all are paid. A part of the remaining $48 is paid to the investors, in the form of dividends; and the balance can be used by the corporation for its corporate purposes. Indeed, Mr. President, in addition, 91 cents may be taken out of each dollar of dividends paid.

Mr. President, we speak of regressive taxes. Perhaps the dividend credit cannot be properly classified in that way, either one way or the other; but certainly it can be said that if we are to move forward in building additional job opportunities for individuals, who thus will be employed by U.S. corporations, and if we are to enable the corporations to invest the $200,000 or $250,000 of capital which must be invested in order to give one, two, or three more men work, this amendment is the way to proceed.

Mr. President, I ask unanimous consent that the remarks the Senator from Illinois [Mr. DIRKSEN] had prepared for delivery on this subject be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DIRKSEN

One of the more vexing problems confronting the Senate is the tax treatment of dividends received by investors. The investment that has been made by these more than 17 million investors has financed the creation of the world's mightiest industrial economy. It has permitted us to lead the world in output and efficiency. One of the most important factors affecting the future expansion and modernization of this industrial machine is the manner in which we will tax the dividends received by the investors; and we must have both expansion and modernization if we are to maintain our supremacy abroad and create jobs at home.

President Kennedy in his tax message on January 24, 1963, began by saying:

"The most urgent task facing our Nation at home today is to end the tragic waste of unemployment and unused resources—to step up the growth and vigor of our national economy—to increase job and investment opportunities—to improve our productivity—and thereby to strengthen our Nation's ability to meet its worldwide commitments for the defense and growth of freedom. The revision of our Federal tax system on an equitable basis is crucial to the achievement of these goals."

He recognized the necessity for industrial expansion and modernization, pointing out in his message that:

"Investment and productivity improvement will be spurred by more intensive use of our present productive potential; and the added incentives to risk-taking will speed the modernization of American industry."

Inherent throughout the message was the necessity of providing greater incentive for investment. For without investment there will be no expansion, there will be no modernization, without investment we would not have the national economy we have today, and, without incentive there will certainly be no investment.

Before an investor receives a return from a corporation in which he has invested, $52 of each $100 earned by the corporation has been paid in taxes in most instances. A part of the remaining $48 is paid to the investor in the form of dividends, the balance being used by the corporation for corporate purposes. Are we now, by changing the tax treatment of dividends, to force the investor, after the corporation has in effect withheld at the 52-percent rate, to be subjected to double taxation? We will do so by requiring a full inclusion of the dividends he receives as taxable income except for the small amount of exclusion permitted. Will this provide the incentive to invest which is so essential to the well-being, not to mention the expansion, of our national economy?

There are four ways in which to approach the problems. They were outlined by Dan Throop Smith, professor of finance, Harvard University, before the Ways and Means Committee in 1959. They are:

1. Elimination of the corporate tax;
2. Elimination of any tax on dividends;
3. Some adjustment in the corporate tax for dividends distributed, in recognition of the individual tax to be paid on them; or
4. Some adjustment in the individual tax for dividends received, in recognition of the corporate tax previously paid.

The first alternative above noted has never been acceptable because among other things retained earnings would never be taxed. The second alternative has also been unacceptable particularly since individual rates go above corporate rates. If dividends were deductible by the corporation, then the corporate tax would become a tax on retained earnings, and retained earnings are the most important source of equity capital for industry in this country. This type of relief for dividends paid would become a penalty on retained earnings.

Our approach has been to give recognition to the fact that the income has already been taxed to the corporation and to provide some partial relief for individuals on their dividend income.

When the individual income tax was adopted in 1913, dividends were exempted from the normal 1 percent because they had already been taxed by the corporation at a rate of 1 percent. But this changed in World War I when the corporate rate moved well above the normal individual rate and it has remained so since then. Avoidance of full double taxation was maintained until 1936 by exemption of dividends from the individual normal tax but then this relief completely disappeared and complete double taxation of dividends became effective in 1936 in principle and fact. They were taxed at the full corporate rate and again at the individual rate.

In 1954 we recognized the need for incentive to invest and partial relief from double taxation was provided through the $50 exclusion and 4-percent dividend credit.

As Dr. Smith pointed out, "Though it apparently is not self-evident, a credit of a given number of percentage points against the tax is exactly the same thing as the exemption of dividends from that same number of percentage points of the individual income tax." And, as he indicated, in order to emphasize the modest amount of relief that this affords, it might be advisable to provide that dividends being paid from income that has already been taxed at 52 percent should be taxed at 4 percentage points less than other income in the hands of individuals.

The $50 exclusion was designed to provide full relief for those with small amounts of dividend income and can be considered as granting exemption to the low-income group from the entire 20-percent first bracket tax, recognizing the 52-percent corporate tax previously imposed on corporate income.

But on dividend income above $50, increased to $100 in the bill, the relief is only 4 percent or one-fifth of the 20-percent bracket. The proportionate relief becomes smaller as the effective tax rate increases. The 4-percent credit amounts to one-tenth of the tax for a stockholder in the 40-percent bracket and less than 4½ percent of the tax for a stockholder in the top 91-percent bracket.

Are we now to deny this amount of relief to those taxpayers who must provide the investment so urgently needed to create jobs, to expand our productive capacity? Are we to set the brake on the very forces we intend to put into motion? The major purpose of this measure is to create jobs, expand production, expand industry; investment must be provided in order to achieve this end. A proposal to eliminate the credit on dividends flies in the face of this very purpose. It would, if adopted, defeat the very objectives we strive for.

Many regarded the full double taxation of dividend income in 1936 as symptomatic of a primitive attitude toward private enterprise. The repeal of the 4-percent credit would symbolize to many a revival of this punitive attitude toward the sort of risk capital and equity funds for business, which is of such vital importance for continued economic expansion.

Mr. President, the 4-percent credit must be preserved if we are to attract investment capital. The incentive to invest must be encouraged. Perhaps with the modest reduction in individual and corporate rates provided in H.R. 8363, together with a retention of the 4-percent credit, sufficient incentive will be provided if the objectives we have set for our economy are to be realized. If it is not provided and H.R. 8363 adopted, there might be a temporary spurt in consumption, but expansion and modernization will not come about nor will jobs be created. Approximately $25,000 must be invested in order to create one new job. Simple arithmetic shows that $50 billion of new capital will be required to create two million new jobs a year: the very minimum required to provide jobs for the new workers entering the labor force and those displaced by automation. Logic tells us that $50 billion a year will not be invested unless sufficient incentive is provided. Elimination of the 4-percent credit will remove that incentive.

Mr. President, I offer an amendment to H.R. 8363 which will retain the 4-percent credit if it is adopted, but with one modification from present law. My amendment would impose a limit of $300 on the amount of credit which an individual would realize by use of the 4-percent credit on dividends. This limit would be met at $7,600 of dividend income, $100 exclusion leaves $7,500 and 4 percent of $7,500 would produce a credit of $300, the maximum allowable under this amendment. I submit that if we are to realize our objectives of an expanded economy and the creation of more jobs, then this provision represents the minimum of incentive that must be provided to stimulate the investment that will be required to reach our goals.

Mr. MORTON. Mr. President, for the moment, I reserve the remainder of the time available to me.

Mr. McCARTHY. Mr. President——

The PRESIDING OFFICER (Mr. INOUYE in the chair). How much time does the Senator from Minnesota yield himself?

Mr. McCARTHY. Five minutes.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 5 minutes.

Mr. McCARTHY. Mr. President, the proposed repeal of the dividend credit provision of existing law has been considered twice since 1959 by the Senate. On these occasions, the Senate acted to repeal the dividend credit.

This question was later taken up as more or less of a separate issue; that happened in 1962, I believe. At that time the Senate again acted to repeal the dividend credit provision of existing law.

The arguments now made on this subject were, I believe, considered by the House Ways and Means Committee and by the House itself, and certainly by the Senate Finance Committee, in connection with its consideration of this matter.

Really, the only justification for allowance of the dividend credit was that it was a device to reduce the amount of taxes paid by those in the high income brackets.

I submit that the only substantial argument in support of the inclusion of the dividend credit provision when first it was adopted was that some investors were perhaps paying 90 percent of their incomes in taxes. However, the pending bill will reduce the top bracket from the 90-percent rate to a rate of 70 percent, and will correspondingly increase the rates to be applied to those in the higher brackets which are short of the top bracket.

It also was argued that it was necessary to provide an incentive for taxpayers to make investments; but since 1954, when this provision was first included in the law, we have taken action to provide for guideline depreciation, and that action resulted in reducing business taxes by $1,500 million annually; and we have provided for the investment credit, which resulted in a reduction of $1,500 million in business taxes; and in the pending bill we shall reduce corporate taxes by $2,200 million, and at the same time it is proposed that individual income taxes be reduced by approximately $9.5 billion.

This provision of the pending bill would remove a very special provision of law which has very limited application, and which benefits very few taxpayers, insofar as any substantial benefits are concerned.

However, it is argued that the existing dividend credit constitutes a great incentive for investment in American business enterprises. But, Mr. President, when we set the $200 million involved in the amendment the Senator from Kentucky [Mr. MORTON] is proposing against the $2.2 billion of proposed reductions of corporate taxes, plus whatever percentage of the $9.5 billion reduction of individual income taxes could be expected to flow back, in addition, into investments in American businesses—in other words, into the U.S. private enterprise system—I suggest that the pending amendment should not be adopted. It is true that it involves approximately $200 million; but it would perpetuate in the code an inequity which should never have been put into it in 1954.

As the pending bill now stands, it will increase from $50 to $100 the dividend exemption. That will mean many of the 17 million investors to whom reference has been made—I refer to those who have only small investments in corporations—would be in a better position under the provisions of the pending bill than they would be under the provisions of the pending amendment, if we thereby continued the $50 deduction allowed by existing law, and then, under the amendment, increased the dividend credit deduction to a maximum of $300.

Mr. President, I reserve the remainder of the time under my control.

Mr. MORTON. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 2 minutes.

Mr. MORTON. First of all, Mr. President, if it was an inequity to write the dividend credit provision into existing law, why does the pending bill provide for an increase of the dividend credit from $50 to $100, as an exclusion from the income on which the income tax is to be paid? Therefore, Mr. President, it is clear that this provision of existing law is not an inequity.

The amendment I have offered in behalf of the minority leader [Mr. DIRKSEN] and myself will not decrease at all the $100 limit provided in the pending bill. In short, Mr. President, if it is wrong to include in the law any provision for a credit for dividends, a provision to exclude either $50 or $100 is wrong.

Mr. McCARTHY. I think it probably would be wrong even to allow the $100 exclusion provided by the bill as it now stands.

Mr. MORTON. Then why does not the Senator from Minnesota submit an amendment to eliminate that part of the pending bill?

Mr. McCARTHY. However, I point out that this provision of the pending bill is not as wrong as the amendment the Senator from Kentucky is proposing would be.

Mr. MORTON. Mr. President, the amendment I have submitted on behalf of the Senator from Illinois applies to dividend income up to a total of $7,500. I believe it is a fact that those who receive as dividends part of the $48 remaining after the corporations pay, as corporation taxes, $52 on each $100 of their earnings, are actually subject to double taxation when they are required to pay a tax on the dividends they receive. Certainly that system results in piling one tax on top of another.

Therefore, Mr. President, I believe the pending amendment is equitable.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. McCARTHY. Mr. President, I have no further request for time.

Mr. MORTON. Mr. President, I yield 5 minutes to the Senator from Kansas [Mr. CARLSON].

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The Senator from Kansas is recognized for 5 minutes.

Mr. CARLSON. Mr. President, we discussed the 4-percent dividend exclusion. I believe it is important to remember that we need to encourage and not discourage people to put their dollars to work in equity investments in our domestic enterprise, thereby creating more jobs, boosting our productivity, and greatly strengthening the competitive power of American industry in world markets.

There is general agreement that the demands for funds for new capital formation will be very great over the next decade. For the 10-year period from 1960 to 1970, $500 billion of funds must be forthcoming to take care of the new construction which is necessary.

To finance this huge construction program, the cash needed can come from only three sources:

First. Cash generation from the day-to-day operations of business through depreciation reserves and retained earnings.

Second. Debt financing.

Third. Equity financing.

Debt and equity securities—the latter, preferred and common stocks—must be sold in the free market. New capital formation must be developed, in order that these securities can be marketed at reasonable rates. Equity financing is especially important as it forms the base upon which the credit of the enterprise is established and thus is necessary so that debt securities can be marketed at reasonable cost.

The record of equity security financing for all corporations during the 5-year period ended in 1962 shows an average of $2.4 billion per year. It is evident that a construction program of $500 billion will require a large increase in equity security sales and presents industry with a great task.

The need to provide incentive for venture-type investments was clearly recognized at the time the 1954 Tax Act was passed by Congress as the key to modernization of our productive capacity. At that time, it was proposed that $50 of dividends received by individuals would be excluded in 1954 and $100 thereafter, with a 5-percent tax credit for 1954 and then 10 percent in subsequent years. Later passage of the bill lowered these amounts to the present $50 exclusion and 4-percent tax credit. Yet, in spite of the claim that this has not met the objective of stimulating investment in equities, the record shows that even with the slightly beneficial changes then adopted the number of people owning stock has risen 162 percent from 6.5 million in 1952 to the present total of over 17 million. So, given encouragement to invest in job-creating economic growth equity measures, effective results have ensued from the judicious congressional forethought exercised in the passage of the 1954 legislation. It may be, therefore, reasonably expected that the greater this form of tax adjustment, the greater will be the numbers of people willing to provide capital funds for the growth of the economy.

It seems to me that the Treasury could well afford to commit $221.7 million for additional tax relief, especially with much of this directed to the low- and median-income taxpayers who are investors, of the total of $11.1 billion reduction in taxes effective under H.R. 8363. Tax exemption of dividends is a powerful inducement to individuals for investment in equity securities. It would be most constructive, when making income-tax revisions, to give some added advantage to low- and median-income taxpayers who are also investors.

What results were obtained by the dividend taxation relief granted by Congress in the 1954 act?

The 1960 records of the U.S. Treasury Department show a reduction resulting:

From the $50 exclusion of	$91,333,000
From the 4-percent tax credit of	301,672,000
Total	393,005,000

Mr. President, I ask unanimous consent to have printed in the RECORD a table confirming these figures.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

How do the income groups receiving the benefits of these two relief measures compare? Analysis shows the following picture:

Adjusted gross income classes	Amount of tax loss to the Treasury Department by reason of—			
	$50 dividend exclusion		4 percent tax credit	
	Amount	Percent	Amount	Percent
Below $5,000	$12,200,000	13.4	$16,664,000	5.5
$5,000 to $10,000	25,030,000	27.4	38,083,000	12.6
$10,000 to $20,000	28,729,000	31.5	61,778,000	20.5
$20,000 to $50,000	19,173,000	21.0	81,393,000	27.0
Over $50,000	6,201,000	6.7	103,754,000	34.4
Total	91,333,000	100.0	301,672,000	100.0

Mr. CARLSON. Mr. President, these figures show, by income groups, the relief that the recipients of the two tax benefits received. Note that 40.8 percent of the total benefits from the $50 dividend exclusion were realized by those whose returns showed adjusted gross income of less than $10,000, compared with 18.1 percent from the 4-percent-tax credit. But, also to be noted is that these lower income groups benefit dollarwise substantially more from the 4-percent credit than from the $50 exclusion.

This suggests that while an increase in the dividend exclusion would be of great help to the taxpayers in the lower income brackets, they also have a very real interest in the retention of the 4-percent credit.

While substantial increases have taken place in the number of taxpaying stockholders, there is a vast number of people who remain as potential investors.

Chart I shows the number of people who do not report dividends, broken down by adjusted gross income classes. There were 78,847,301 people who filed taxable income returns in 1960; 69½ million did not report dividends. Of this group, there were 63,575,382 who had taxable incomes of less than $10,000. These do not now own stock.

Evidently, the big field for potential investors in equities is the over 63 million people with taxable income of less than $10,000 who do not now own stock.

If a better tax incentive were provided, a substantial number of these noninvestors would be stimulated to use some of their savings to buy equity securities in a cross section of industry. There is no doubt tax exemption of dividends is a powerful influence for equity investment by the small investor.

I sincerely hope that the amendment will receive the approval of the Senate.

Mr. CURTIS. Mr. President, will the Senator from Kentucky yield me 3 minutes at this time?

Mr. MORTON. Mr. President, I yield myself 2 minutes and shall then be glad to yield to the Senator from Nebraska.

The PRESIDING OFFICER (Mr. INOUYE in the chair). The Senator from Kentucky is recognized for 2 minutes.

Mr. MORTON. With regard to the tax reduction bill, for those who have a taxable income of $3,500, the tax relief amounts to 3.86 percent. For those who have taxable incomes of $4,000, the tax relief amounts to 3.75 per cent. At $6,000 it is 3.84 percent. It reaches 4 percent at $7,000.

I should like to point out that at the lower level, a person having a taxable income of $500, the reduction is 6 percent. But there is a bracket between $3,500 and $6,500 of taxable income where the reduction under the bill is less than 4 percent.

I point out that there will be thousands of retired people, widows, and others, now living on dividends who will be denied the 4-percent credit and will receive only a tax reduction of less than 4 percent.

Therefore, under the bill, unless this amendment is passed, these people will actually be paying higher taxes than they are paying today.

The purpose of the amendment is to protect not the rich but the group in the area from $3,500 to $6,500 of taxable income who today are getting the dividend tax credit, but who will have less money after taxes, if we pass this bill, than they have now.

As I read the President's message, and as I understand the purpose of the bill, it is to reduce taxes—which it will not do.

Now I am glad to yield to the Senator from Nebraska for such time as he may desire.

Mr. CURTIS. I shall support the pending amendment but I do so because it has some relationship to double taxation and dividends which to my mind means taxing the same income twice and is not conducive to a health economy and the creation of jobs.

Mr. McCARTHY. Mr. President, for the sake of the record, I think we ought to note the effect of the provisions of the bill which the Finance Committee has had before it with regard to taxes to be paid by people with dividend income. Those effects are described in the report, but I should like to summarize them briefly.

Repeal of the dividend credit would have the following effect on the taxpayers who receive dividend income. Let us consider the case of the small investor whose income from dividends does not exceed $50 or $100, if married. He is already completely excluded from income tax.

Second, consider the 2 million medium investors who would have their taxes reduced by the changes, because the increase in the dividend exclusion would more than offset the loss of dividend credit. That would include not only investors whose dividends would be completely excluded under the bill, but many others with more than $100 or $200 in dividends.

I ask unanimous consent to have printed at this point in the RECORD tables marked 1 and 2, which state examples of the manner in which the changes in the law would apply.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—*Taxpayers deriving more tax savings from additional dividend exclusion than their loss of tax savings from repeal of the dividend credit—single persons*

[Assumes House bill rates]

Taxable income [1]	Tax savings from additional $50 dividend exclusion will exceed the loss of tax savings from repeal of dividend credit if—	
	Dividend income is less than—	Stockholdings are valued at less than [2]—
Under $500	$225.00	$7,031
$500 to $1,000	237.50	7,422
$1,000 to $1,500	250.00	7,812
$1,500 to $2,000	262.50	8,203
$2,000 to $4,000	287.50	8,984
$4,000 to $6,000	325.00	10,156
$6,000 to $8,000	362.50	11,328
$8,000 to $10,000	400.00	12,500
$10,000 to $12,000	450.00	14,063
$12,000 to $14,000	500.00	15,625
$14,000 to $16,000	537.50	16,797
$16,000 to $18,000	575.00	17,969
$18,000 to $20,000	612.50	19,141
$20,000 to $22,000	650.00	20,313
$22,000 to $26,000	675.00	21,094
$26,000 to $32,000	712.50	22,266
$32,000 to $38,000	737.50	23,047
$38,000 to $44,000	775.00	24,219
$44,000 to $50,000	800.00	25,000
$50,000 to $60,000	825.00	25,781
$60,000 to $70,000	850.00	26,563
$70,000 to $80,000	875.00	27,344
$80,000 to $90,000	900.00	28,125
$90,000 to $100,000	912.50	28,516
$100,000 to $150,000	925.00	28,906
$150,000 to $200,000	925.00	28,906
$200,000 and over	925.00	28,906

[1] Taxable income excludes personal exemptions and deductions. Subtract exemptions and deductions from adjusted gross income to determine taxable income.

[2] Assumes a 3.2 percent return on investment.

Source: Office of the Secretary of the Treasury, Office of Tax Analysis, Jan. 30, 1964.

TABLE 2.—*Taxpayers deriving more tax savings from additional dividend exclusion than their loss of tax savings from repeal of the dividend credit—married persons*

[Assumes House bill rates]

Taxable income [1]	Tax savings from additional $100 dividend exclusion will exceed the loss of tax savings from repeal of dividend credit if—	
	Dividend income is less than—	Stockholdings are valued at less than [2]—
Under $1,000	$450	$14,063
$1,000 to $2,000	475	14,844
$2,000 to $3,000	500	15,624
$3,000 to $4,000	525	16,406
$4,000 to $8,000	575	17,968
$8,000 to $12,000	650	20,312
$12,000 to $16,000	725	22,656
$16,000 to $20,000	800	25,000
$20,000 to $24,000	900	28,125
$24,000 to $28,000	1,000	31,250
$28,000 to $32,000	1,075	33,594
$32,000 to $36,000	1,150	35,938
$36,000 to $40,000	1,225	38,281
$40,000 to $44,000	1,300	40,625
$44,000 to $52,000	1,350	42,188
$52,000 to $64,000	1,425	44,531
$64,000 to $76,000	1,475	46,094
$76,000 to $88,000	1,550	48,438
$88,000 to $100,000	1,600	50,000
$100,000 to $120,000	1,650	51,563
$120,000 to $140,000	1,700	53,125
$140,000 to $160,000	1,750	54,688
$160,000 to $180,000	1,800	56,250
$180,000 to $200,000	1,825	57,031
$200,000 to $300,000	1,850	57,813
$300,000 to $400,000	1,850	57,813
$400,000 and over	1,850	57,813

[1] Taxable income excludes personal exemptions and deductions. Subtract exemptions and deductions from adjusted gross income to determine taxable income.

[2] Assumes a 3.2 percent return on investment.

Source: Office of the Secretary of the Treasury, Office of Tax Analysis, Jan. 30, 1964.

Mr. McCARTHY. Third, there are the large investors, numbering 2.5 million. They would find that the loss of dividend credit is not fully offset by the increase in the dividend exclusion. However, the disadvantage to those large investors occasioned by the dividend provision of the tax bill would be more than offset by the individual rate reductions. So there is no investor who really would not be well served by the tax reductions which are proposed in the bill which the Finance Committee has sent to the floor of the Senate.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. MORTON. Let us consider a widow who has $3,950 of taxable income.

Mr. McCARTHY. The Senator has stated one example. She would pay 50 cents more than she is paying now. Moreover, she must be receiving the retirement income credit and the only income she may have in excess of deductions and exemptions is dividend income. The narrow problem which exists arises because there is a double allowance for retirement income and dividend income under present law.

Mr. MORTON. The bill is a tax reduction bill.

Mr. McCARTHY. The Senator is correct. I believe that we can take care of all the widows that would be affected in that manner by separate proposed legislation. The Senator has presented one unusual example involving a combination of tax law relating to dividend income and retirement income. This would, at the worst point, result in an increase of only 50 cents in taxes. But that case should not require the Senate to move to back up and lose $200 million in revenue and in special tax consideration for people who are best able to pay income taxes and who are benefiting in terms of the individual benefits more than anyone else as a result of the proposals contained in the tax bill.

I would suggest that in the case stated by the Senator, if we consider the consequences of a reduction in corporate rates which would result in greater dividends, depending on the particular portfolio, even the single case presented would be better off through bigger dividends and more income after tax, even through required to pay the additional 50 cents.

Mr. MORTON. Mr. President, I yield myself 3 minutes. I do not wish to take the time of the Senate. I thought the purpose of the bill was to encourage corporations to plow back more money into investment and give more people work, and not necessarily pay out the savings and dividends.

Mr. McCARTHY. We did not specify that. The investment credit measure had that purpose in mind. But so far as the reduction in corporate rates was concerned, the judgment of the Senator from Minnesota was that the corporate directors and officers should be left free to use the benefits that would result from that provision as those directors and officers thought best. If that would involve the payment of dividends, dividend payment would be in order.

Mr. MORTON. The Senator has referred to the 1.7 million people who would be affected by the $100 credit and another 2 million that would have the benefit of the same reduction. Another 2½ million would be at some disadvantage. But there are 17 million investors in corporations. It is clear to me that for all those who fall in the income class of between $3,500 and $6,000, based on what groceries cost today, that is not a great deal of money. If we fail to adopt the amendment, they would actually pay more taxes than they are now required to pay. To me that seems unconscionable. If the bill is a tax reduction bill, I believe that group should also have their share of the reduction.

Mr. McCARTHY. I would be glad to give them their share. But I do not think we should give to so many a greater share than we are now giving in order to take care of those one or two cases.

Mr. MORTON. Seventeen million is not one or two cases.

It could be. I do not know how many would be involved. I presume most investors fall in the class of those who receive between $5,000 and $6,000 in dividend income.

Mr. CARLSON. Mr. President, will the Senator yield at that point?

Mr. MORTON. I yield.

Mr. CARLSON. The people with large and substantial resources would not benefit greatly from that particular proposal. They are people who, if they wish to do so, could put their funds into tax exempt securities. It is the smaller investor that would receive some benefit, not the financially able people. It seems to me that the group of older citizens in our country and many of the less able could and would benefit. They are doing so at the present time. Some with great financial resources are turning to tax exempt securities, and I regret to see it.

Mr. MORTON. I thank the Senator. It should be pointed out also that we must have in this country 2 million new jobs each year. It is estimated that it will cost $25,000 per job. As a result, $50 billion a year will somehow be required from the private sector of the economy. We would look to those who can invest and take the risk and then, unless the amendment is agreed to, we would compel them to be subject to double taxation all the way through.

The amendment is not a rich man's amendment. We put a limit of $300 on it. A taxpayer could only take off $300. The taxpayer who has an income of $100,000 from dividends would only get $300 off his tax. But the person who is receiving only $5,000, $6,000, or $7,000 from dividends, and that is all he receives—and they live on it—then indeed I think he is entitled to that $300, because that person would pay more tax after the bill becomes law than he pays today.

The President of the United States has been speaking about poverty. He has stated that those in the $5,000 class are near poverty. Under the bill the person in the $5,000 class would have his tax increased 0.14 of 1 percent.

Has the Senator any more requests for time?

Mr. McCARTHY. I have no more requests for time. The Senator is using a highly unusual table, which shows a person who has a particular size of income, has income only from dividends and is receiving the retirement income credit. It is hard to find people in that situation.

Mr. MORTON. Mr. President, I yield 2 minutes to the Senator from Maryland [Mr. BEALL].

The PRESIDING OFFICER (Mr. WALTERS in the chair). The Senator from Maryland is recognized for 2 minutes.

Mr. BEALL. Mr. President, I was disappointed that the Senate Finance Committee saw fit, in reporting the new tax bill of 1964, to alter the existing provision relating to dividend credit. This provision was enacted to encourage investment and to give relief from double taxation on income from shares in corporations.

The bill as reported would reduce the 4-percent dividend credit to 2 percent in 1964 and repeal the credit in toto in subsequent years. The Finance Committee report justifies its action by virtue of the proposed 4 percent reduction in corporate tax rates from 52 to 48 percent. The fact is that double taxation would continue to exist and would not be eliminated by any part of the revised bill. The committee agrees that there was justification for enacting the dividend credit in 1954. There is equal justification for it today.

In addition to encouraging investment, the 4-percent dividend credit has been beneficial to our retired citizens who rely on dividend income for their support. These are people whose incomes are fixed and have not kept pace with the rising costs of living. The existing provision, which I would like to see retained, is challenged on the basis that it helps only the rich. It has been shown that many thousands of stockholders in corporations are people of moderate means and small incomes, dependent upon their dividend checks for their livelihood. I am deeply concerned with the great number of small investors who would be hurt should we permit the committee change in this respect to prevail.

I shall vote to delete this committee amendment because of the injury which the committee amendment would place on our elderly citizens who are small investors and because of the unfairness of double taxation on corporate earnings.

The PRESIDING OFFICER. The time of the Senator from Maryland has expired.

Mr. MORTON. I yield 1 more minute to the Senator from Maryland.

The PRESIDING OFFICER. The Senator from Maryland is recognized for 1 additional minute.

Mr. BEALL. Mr. President, it is not only the small investors but the elderly citizens about whom I am concerned. It is people of moderate circumstances who invest in corporations, who invest in stocks, who try to do it on their own, without any help from the Federal Government or from anybody else.

We hear stories about big investors and big corporations. They are all supposed to be rich capitalists. Actually, in the Bell Telephone System there are over 2 million shareholders. There are a million shareholders in General Motors. There are over 1 million shareholders in Standard Oil of New Jersey. Do Senators think for one minute that they come from the rich? No. I have seen the analysis. I am sorry I do not have it with me. When those figures are broken down, they show many little people, like the average person who started a long time ago to put his savings in corporations. These people have been the backbone of our country. Their investments have made us the world's greatest nation. After all, the corporations have been taxed. Why should we tax those people if they have had the foresight to think ahead about what they are going to do? I think we should help them.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BEALL. I thank the Senator from Kentucky for yielding to me.

Mr. MORTON. Mr. President, I yield myself 2 minutes.

I refer to page 30 of the committee print which is the staff description of H.R. 8363, the Revenue Act of 1963, as passed by the U.S. House of Representatives.

I do not think there is any question about the competence of this staff. The committee looks to it for more reliable estimates than the Treasury can come up with. I quote from page 30 of that committee print:

> Some retired taxpayers (whose income is primarily from dividends) will pay more under the bill than under existing law. This may be illustrated by taking the case of a single taxpayer 65 years of age whose entire gross income (all from dividends) is $3,500 and who is entitled to the maximum retirement income tax credit. It is assumed his deductions amount to 10 percent of his adjusted gross income under present law. The computation of tax under existing law and under H.R. 8363 in 1965 and thereafter is as follows:

I ask unanimous consent that the table appearing on page 30 of the committee print of the staff description be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Single taxpayer, age 65	Present law	H.R. 8363 (1965 rates)
Gross income (all from dividends)	$3,500.00	$3,500.00
Less: Dividend exclusion from gross income	50.00	100.00
Adjusted gross income	3,450.00	3,400.00
Less: Personal exemption	1,200.00	1,200.00
Total	2,250.00	2,200.00
Less: Deductions (minimum standard deduction under H.R. 8363)	345.00	400.00
Taxable income	1,905.00	1,800.00
Tentative tax (before credits)	386.00	280.00
Less: Dividends credit (4 percent of taxable income)	76.20	0
Total	309.80	280.00
Less: Retirement income credit	304.80	228.60
Tax liability	5.00	51.40

Mr. MORTON. The table shows that today the man or woman, single, 65 years of age, with an income of $3,500, pays $5 in income taxes under the present law. Under the bill without the Dirksen amendment, he would have to pay $51.40.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MORTON. I yield myself 1 additional minute.

The present bill provides a tax increase, not a decrease—not of 3, 4, or 5 percent, but a tax increase of tenfold, of 1,000 percent. So a 1,000-percent tax increase is being put on the 65-year-old person who is receiving an income of $3,500 a year, and this is supposed to be a tax cut bill.

For that reason, I feel the Senate will adopt the amendment.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MORTON. I yield.

Mr. HOLLAND. My own files show thousands of communications from people in the State which I represent in part—Florida. Many of them, who have to rely upon modest incomes from stock dividends, would pay more under this bill than they now pay.

I think the amendment is a proper one, and I shall certainly support it.

Mr. MORTON. I thank the Senator.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MORTON. I yield myself 1 additional minute.

I am sure the Senator's State has many thousands, as do other States which are blessed with such a climate that people go there to spend their remaining years, and who live on a fixed income, for the most part, as a result of the great American free enterprise system, which we all want to support and see maintained.

Mr. McCARTHY. Mr. President, I have no further requests for time. I think the case has been well made. Apparently the Senator argues to give $200 million in special tax benefits to those who for the most part are among the wealthiest people in the country in order to prevent a hypothetical person from getting a 50-cent tax increase—and I do not know of a single person who would be affected to the extent of the 50-cent increase in taxes that the Senator is talking about. It is a theoretical person who did not appear at our hearings or who was not reported upon by the staff. It is possible that such a person would pay an increase of 50 cents. The price we would have to pay to take care of him would be $200 million in the way of a tax loss.

The record shows that the top 10 to 15 percent of the taxpayers of the country receive 80 or 90 percent of all the dividends paid.

I will rest my case on that.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. MORTON. The tax would go from $5 to $51. How many people with an income of $3,500 who are living in St. Petersburg, Fla., are going to spend money to come to Washington and testify before a senatorial committee?

Mr. McCARTHY. How many people in St. Petersburg, Fla., have an income of $3,500 all of which is dividend income?

Mr. MORTON. Plenty.

Mr. McCARTHY. I do not think so.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. PASTORE. If a person received $3,500 exclusively from stock dividends, how much would the stock be worth?

Mr. McCARTHY. He would have stock worth nearly $90,000 assuming a 4-percent rate of return.

Mr. PASTORE. Then, the people we are talking about are worth $90,000?

Mr. McCARTHY. Yes; the example which has been given is theoretically possible, but in fact impossible to find.

Mr. PASTORE. Anyone who accumulated $90,000 would not be living exclusively on income from dividends, would he?

Mr. McCARTHY. There may be a few cases, but they would be rare. The $300 credit limit would apply to dividends of $7,500, which would mean an investment base of $180,000.

Mr. PASTORE. Has the committee determined what the average taxpayer in the United States, who has an income of $10,000 to $15,000 a year, or even less than $10,000 a year, would hold in stock? A great many Americans invest in stock. What is the holding of the average taxpayer?

Mr. McCARTHY. The figures are available, but we do not have them here. In general, about 90 percent of the dividend income goes to 10 to 15 percent of the income earners of the country. Then there is a scattering on down to include the lowest income group at the bottom.

Mr. PASTORE. Let us take an individual who over the years has bought stock and has accumulated about $20,000 worth of stock. About how much difference would the committee amendment make as against the amendment proposed by the Senator from Kentucky?

Mr. McCARTHY. What the committee proposes would recapture about $300 million. We would lose about $200 million if we accepted the $300 million dividend credit which is proposed by the Senator from Kentucky.

Mr. PASTORE. What I am trying to find out is not the gross amount that is involved. I have received a considerable amount of mail on this subject, and I am a little disturbed about it. A great many American wage earners buy stock. Let us assume that a person has acquired about $15,000 or $20,000 in stocks over the years. I do not know what the figure is, but computing it at about 6 percent——

Mr. McCARTHY. Four percent.

Mr. PASTORE. Four percent. That would amount to about $800, as I figure it, in dividends. How would he be affected by this discussion today? What is the difference between the committee proposal and the amendment offered by the Senator from Kentucky?

Mr. McCARTHY. Under existing law, the first $50 would be excluded from income, and it would be $100 for a married couple. That would leave him with $700. He would have a 4-percent tax credit, which would give him $28. Assuming the benefit of the $100 exclusion is at about a 25-percent rate, the exclusion would be worth about $25 in tax savings, a tax savings of $53 altogether.

Under the bill we would give him $200, which would mean he would save $50. Therefore in the case that the Senator cites, in terms of taxes paid, and without taking into consideration the other tax cuts, the taxpayer under the dividend provision of the bill would be breaking even. That is so because we increase the exclusion from $50 to $100 in the bill, even though we repeal the 4-percent dividend credit which benefits, in most cases, the people in the high-income brackets.

So far as the little investors are concerned, they are better off under what we are proposing than under existing law.

Mr. PASTORE. So far as the exclusion is concerned, that is more beneficial with the smaller percentage of 2 as against the 4, if a man owns about $20,000 of stock. Is that correct?

Mr. McCARTHY. The example the Senator cites would break even. If the dividend income were lower, say, on $10,000 worth of stock, the man would be better off under the terms of the bill than under existing law.

Mr. PASTORE. Has it ever been determined how many people in the United States over 65 years of age live exclusively on income from dividends?

Mr. McCARTHY. I do not have those figures available.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. CARLSON. I have before me a statement from the Treasury which shows the number of taxpayers 65 years of age and over. Their adjusted gross income in 1960 was $24,273,073,000. The dividends received by them after exclusions amounted to $4,328,514,000, or 17.8 percent of their income.

This is for the 5,214,000 returns with at least one taxpayer 65 years and over.

I have before me a distribution of the dividends from a table submitted by the Bureau of Internal Revenue, for the year 1960. The number of taxpayers having dividend receipts in 1960 was 6,385,299. That was in 1960. It is estimated that now it is 17 million.

The number of taxpayers who were excluded in 1961 by the $50 deduction was 1,452,349. That leaves 4,932,950, after exclusion, with some dividend income represented in the taxpayers' adjusted gross income—7.3 percent of those people had an income of $5,000 or more—9.9 percent had an income of $2,000 but under $5,000; 11.2 percent had an income of $1,000 but under $2,000; 13.8 percent had an income of $500, but under $1,000; 10.6 percent had incomes of $300 but under $500; 7.9 percent had incomes of $200 but under $300; 13 percent had incomes of $100 but under $200. That is income from dividends; 26.3 percent had incomes of under $100.

Mr. McCARTHY. Those who received under $100 are in good shape under the bill. They are in much better shape under our bill than under existing law.

If I may have the attention of the Senator from Rhode Island, we have a figure which gives the Treasury estimate as to the recapture of taxes on dividends under the bill. We would recapture about $300 million. Of that, $10 million would come from people who are in the adjusted gross income class of $3,000 to $5,000; $30 million from those who have $5,000 to $10,000; $50 million from those who are in the $10,000 to $20,000 class; $85 million from those who are in the $20,000 to $50,000 class; $125 million will come from those whose adjusted gross income is $50,000 and more.

Mr. PASTORE. Mr. President, when the Senator speaks of adjusted gross income, is he speaking about income solely from dividends?

Mr. McCARTHY. No. This is in the general income class.

Mr. MORTON. That is without reference to the $300 limit.

Mr. McCARTHY. Yes. That would move it down somewhat.

Mr. MORTON. Somewhat? It would move it out of the area entirely.

Mr. McCARTHY. I am talking about $300.

Mr. MORTON. I suggest, before we fall out about this, that we vote.

Mr. HRUSKA. Will the Senator yield?

Mr. MORTON. I yield to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, the dividend credit provision in our tax laws was enacted in 1954 to provide stockholders with some small measure of relief because of the double taxation of dividends. The decision reached at that time was based on correcting an inequity which had existed for more than 20 years.

It is my considered opinion that elimination of this credit provision would be a step backward, and I am unalterably opposed to its elimination.

The provision here sought to be eliminated has been of great benefit to our country, its economy, and to the investor.

Risk capital must be made available for new plants, new enterprises, and for a wide variety of purposes. Through increased investment our Nation expands. Its gross national product increases and in short—we grow.

The investor looks to his dividend as his return on his investment and he is primarily concerned about the means by which his income is taxed. The incentive to invest is based on the tax break he receives. Since 1954 increasing public participation has been achieved in stock offerings. The public—investors, large and small, are willing to make available new equity investment funds.

Many individuals will suffer if this provision is eliminated from our tax laws. Those on fixed incomes from dividends and those persons who are retired. They should not have to bear a hardship. Indeed, it would be a harsh penalty on them, should we eliminate the dividend credit provision found in our tax law.

The Dirksen-Morton amendment should be adopted.

The PRESIDING OFFICER. Do Senators in control of the time yield back the remainder of their time?

Mr. MORTON. I yield back the remainder of my time.

Mr. McCARTHY. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Kentucky for himself and on behalf of the Senator from Illinois [Mr. DIRKSEN]. On this amendment, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. On this vote I have a pair with the distinguished minority leader [Mr. DIRKSEN]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. HUMPHREY. I announce that the Senator from Indiana [Mr. BAYH], the Senator from Nevada [Mr. CANNON], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from Indiana [Mr. BAYH], the Senator from Nevada [Mr. CANNON], the Senator from California [Mr. ENGLE], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Georgia [Mr. RUSSELL], would each vote "nay".

Mr. KUCHEL. I announce that the Senator from Illinois [Mr. DIRKSEN] is necessarily absent and his pair has been previously announced.

The Senator from North Dakota [Mr. YOUNG] is detained on official business.

The result was announced—yeas 44, nays 47, as follows:

[No. 19 Leg.]

YEAS—44

Aiken
Allott
Beall
Bennett
Boggs
Byrd, Va.
Carlson
Case
Cooper
Cotton
Curtis
Dodd
Dominick
Eastland
Ervin
Fong
Goldwater
Hickenlooper
Holland
Hruska
Jackson
Javits
Jordan, N.C.
Jordan, Idaho
Keating
Kuchel
Lausche
Long, Mo.
Mechem
Miller
Morton
Mundt
Pearson
Prouty
Ribicoff
Robertson
Saltonstall
Scott
Simpson
Smith
Thurmond
Tower
Walters
Williams, Del.

NAYS—47

Anderson
Bartlett
Bible
Brewster
Burdick
Byrd, W. Va.
Church
Clark
Douglas
Edmondson
Ellender
Fulbright
Gore
Gruening
Hart
Hartke
Hayden
Hill
Humphrey
Inouye
Johnston
Kennedy
Long, La.
Magnuson
McCarthy
McGee
McGovern
McIntyre
McNamara
Metcalf
Monroney
Morse
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Randolph
Smathers
Sparkman
Stennis
Symington
Talmadge
Williams, N.J.
Yarborough
Young, Ohio

NOT VOTING—9

Bayh
Cannon
Dirksen
Engle
Mansfield
McClellan
Neuberger
Russell
Young, N. Dak.

So the amendment offered by Mr. MORTON for himself and Mr. DIRKSEN was rejected.

Mr. LONG of Louisiana. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. McCARTHY. Mr. President, I move that the motion to reconsider be laid on the table.

Mr. MORTON. Mr. President, first, I wish to know the result of the vote; I should like to be informed of that before the vote is taken on the question of agreeing to the motion to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The amendment was rejected by a vote of 44 yeas to 47 nays.

The question now is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

THE RIBICOFF AMENDMENT

Mr. McGEE. Mr. President, I rise to speak not only as a Senator, but also as an educator. It might be expected that I would support the Ribicoff amendment, which seems to propose to give a tax "break" to parents with children in college. With that principle, I could not agree more fully. But I hasten to suggest that it is more fancy than fact, in this instance.

We have under consideration a bill which has the basic purpose of cutting taxes. Let us not lose sight of that point. This is not a higher education bill. This is not a student tuition bill. This is a tax-cut measure. Therefore, it is a serious mistake to attempt to slip in any kind of higher education proposal under whatever guise. In fact, the proposal, in my judgment, would have the effect of destroying the major impact of the tax-cut proposal. By reducing the amount of money going into the Treasury of the United States by hundreds of millions of dollars, at the same time that we seek to cut taxes, would seem to be self-defeating. The point of the one would automatically dull the point of the other.

Let us be forthright about our efforts to help American parents who are paying high tuition costs for their children in our universities, by passing specific legislation to achieve that end. Personally, I oppose the efforts of those who would use our deep emotional and personal desires to strengthen our higher educational program as a cloak for defeating the purposes of a tax-cut measure.

A second reason for opposing the Ribicoff amendment lies in its approach to the problem of high tuition cost. It would provide the major assistance at the top among the highest income groups, perhaps in the hopes that this kind of subsidy to those who are best able to pay tuition would eventually trickle down to those least able to meet those same costs. What the proposed amendment would do is supply the most aid to families whose children are attending Smith, Vassar, Harvard, Yale, or Princeton. In effect, it is a disguised subsidy for the Ivy League schools. If we want to be forthright about this, I would propose legislation aimed at tuition assistance for the lower income families; for the parents least able to send their children to college. Let us build this kind of help from the bottom of the economic scale up, rather than having it trickle from the top of the tuition ladder downward.

A third reason for opposing the Ribicoff amendment is that it discriminates against the land-grant colleges and universities such as the University of Wyoming. By favoring the rich, private institutions, it would detract from the competitive strengths of our State universities. Representing as I do a State with a strong land-grant institution; namely, the University of Wyoming, I could not possibly support a bill that would be "loaded" against the State university.

Mr. President, I would like to mention in these remarks a telegram which I have received from the president of the institution where I was a professor of history for many years, Dr. G. D. Humphrey. In his wire to me he says:

> Urge that you oppose tuition tax credit proposal. Bill is highly discriminatory against public institutions and low-income students and families. Believe it would be detrimental to University of Wyoming.

I say to my colleagues, let us get on with the business at hand which is that of legislating a constructive tax cut for the purpose of stimulating the national economy. Then, let us turn to the problem of financing the costs of higher education as a separate item of legislation. The importance to parents and students of cost relief for higher education should not be diminished by burying it in the pending bill. This urgent need deserves separate but speedy consideration on its own merits.

TAX REDUCTION FOR ELECTRIAL CONSUMERS

Mr. METCALF. Mr. President—

For as far ahead as almost anyone would dare to look, the investor-owned electric utility industry should maintain its preeminence as the most consistently growing business in the United States.

Other industries have grown faster in shorter periods of time but over a period of 60 years none can match the remarkable record of the electric utilities. This historical growth rate has been almost 6 percent a year, one year after another. Even more impressive is the fact that since 1950 there has been acceleration of this pace to a point where some utilities match or surpass the records of pace setters in other industries.

Mr. President, those introductory paragraphs which I just read are not my words, nor those of other opponents of section 203(e) of the bill under discussion.

Those paragraphs came verbatim from a brochure published last year by Merrill Lynch, Pierce, Fenner & Smith, Inc. This report concludes by asking and answering a question:

> What's your investment objective? Relative safety? Income? Growth? If so there are a large number of electric companies to choose from.

Does anyone seriously believe that this preeminent, pace-setting, "growth" industry needs another subsidy, that the Congress should prohibit electrical consumers from sharing in tax reduction.

Let me quote further from the Merrill Lynch report.

> Net income (for electric utilities) has advanced from 14.5 cents out of every revenue dollar in 1952 to 18.1 cents in 1962, a gain of almost 25 percent. Recently, particularly beginning in 1962, there have been some moderate forms of tax relief in the form of new guidelines and the investment tax credit.

And then, the report adds:

> Such relief has not redounded completely to the benefit of the stockholder.

Another way of phrasing that last point would be to say that most of the relief did benefit the stockholder. And now it is proposed that Congress write legislation which would virtually assure that only stockholders, and not ratepayers, would benefit from yet more tax favoritism for an industry already fabulously wealthy.

One of those rare companies which does believe in passing on tax savings to consumers is American Electric Power. During the past decade, according to the Merrill Lynch report, this company's revenues have increased 80 percent, which is "fairly typical of the industry in general."

I submit, Mr. President, that the regulators should be left free to consider the matter of flowthrough, that we heed the counsel of Chairman Swidler, of the Federal Power Commission.

Mr. President, the August 1963 issue of Fortune carried a summary of the assets, operating revenues, invested capital and net income as percent of invested capital of the 50 largest utilities.

They have had, Fortune says and the figures show, a "good year." Some of the smaller companies not listed, including the company upon which most of my constituents are dependent, have done even better. The Montana Power Co. extracts the most exorbitant profit of any of the major electric utilities.

This Fortune list may be helpful to Members, to determine how utilities—telephone, gas, and electric—in their area are getting along, and I ask unanimous consent to insert the tabulation at this point in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

The 50 largest utilities (ranked by assets)

Rank		Company	Assets [1]	Operating revenues [2]			Net income			Invested capital [3]			Net income as percent of invested capital [4]		
1962	1961			Amount	1962	1961	Amount	1962	1961	Amount	1962	1961	Percent	1962	1961
			Thousands	*Thousands*			*Thousands*			*Thousands*					
1	1	American Telephone & Telegraph (New York)[5]	$26,716,536	$8,980,208	1	1	$1,366,797	1	1	$15,921,445	1	1	8.6	42	37
2	2	Consolidated Edison (New York)	2,830,615	725,153	3	2	90,636	3	4	1,234,352	2	3	7.3	46	46
3	3	Pacific Gas & Electric (San Francisco)	2,809,136	729,425	2	3	110,692	2	2	1,225,980	3	2	9.0	33	36
4	4	Tennessee Gas Transmission (Houston)	2,131,392	630,905	4	4	56,243	8	5	638,200	7	6	8.8	38	13
5	5	Commonwealth Edison (Chicago)	1,837,345	520,156	7	7	88,470	4	3	762,165	4	4	11.6	3	6
6	6	American Electric Power (New York)	1,654,766	376,070	12	12	63,888	6	7	720,014	5	5	[6] 8.9	36	41
7	8	Southern Co. (Atlanta)	1,577,951	360,389	13	14	52,335	9	11	609,164	9	8	[6] 8.6	41	43
8	9	Public Service Electric & Gas (Newark)	1,551,610	456,141	8	8	65,563	5	6	628,563	8	7	10.4	13	28
9	10	Southern California Edison (Los Angeles)	1,536,651	358,796	14	13	60,658	7	8	640,713	6	9	9.5	29	26
10	7	El Paso Natural Gas (El Paso)	1,528,729	527,826	6	6	32,376	22	12	377,358	20	15	8.6	43	16
11	11	Columbia Gas System (New York)	1,393,333	557,629	5	5	49,220	10	9	501,212	10	10	9.8	25	23
12	14	Consumers Power (Jackson, Mich.)	1,139,401	331,230	17	17	45,097	13	15	474,933	13	13	9.5	28	33
13	12	Niagara Mohawk Power (Syracuse, N.Y.)	1,129,099	336,733	16	16	41,174	15	17	478,461	12	12	8.6	40	45
14	15	Philadelphia Electric (Philadelphia)	1,123,327	298,763	19	18	47,581	11	10	482,190	11	11	9.9	22	19
15	16	General Public Utilities (New York)	1,077,565	227,231	26	23	39,098	16	16	393,060	18	14	[6] 9.9	20	39
16	15	Detroit Edison (Detroit)	1,028,691	301,386	18	19	42,911	14	14	425,183	14	16	10.1	15	22
17	17	Texas Eastern Transmission (Houston)	998,049	343,890	15	15	29,106	27	31	324,130	24	22	9.0	35	42
18	18	American Natural Gas (New York)	939,135	296,869	20	20	32,656	21	21	289,293	30	30	11.3	5	5
19	19	Texas Utilities (Dallas)	899,219	241,147	23	24	46,224	12	13	423,418	15	17	[6] 10.9	8	11
20	21	Consolidated Natural Gas (New York)	876,745	397,590	11	11	28,422	30	30	410,649	16	19	6.9	47	48
21	20	Middle South Utilities (New York)	859,248	240,677	24	22	28,007	31	32	337,303	21	21	[6] 8.3	44	44
22	22	United Gas (Shreveport)	822,648	403,520	10	10	29,225	26	24	293,864	28	28	9.9	21	21
23	24	Pacific Lighting (San Francisco)	795,923	440,633	9	9	31,807	23	29	410,433	17	18	[6] 7.7	45	49
24	23	American & Foreign Power (New York)	792,598	116,753	45	44	9,747	50	50	297,641	26	25	[6] 3.3	50	50
25	25	Central & South West (Wilmington)	781,955	200,796	31	32	35,709	18	19	326,576	23	23	[6] 10.9	7	20
26	26	Peoples Gas Light & Coke (Chicago)	769,361	289,618	21	21	31,120	24	28	307,814	25	26	[6] 10.1	14	30
27	27	Virginia Electric & Power (Richmond)	765,784	186,082	35	34	38,358	17	18	381,197	19	20	10.1	19	15
28	29	Transcontinental Gas Pipe Line (Houston)	737,281	213,327	27	29	23,132	41	41	281,382	43	43	10.6	11	10
29	28	Ohio Edison (Akron)	726,970	176,906	36	35	34,977	19	20	334,936	22	24	[6] 10.4	12	17
30	30	Union Electric (St. Louis)	717,921	173,922	37	37	29,053	28	23	271,220	35	32	[6] 10.7	10	8
31	31	New England Electric System (Boston)	703,479	201,763	30	27	18,948	47	48	280,686	33	33	[6] 6.8	48	47
32	33	Duke Power (Charlotte)	667,277	191,515	34	33	29,997	25	27	297,301	27	27	10.1	17	27
33	32	Northern States Power (Minneapolis)	655,075	206,689	29	26	28,509	29	26	282,497	32	29	10.1	16	18
34	35	Allegheny Power System (New York)	640,873	172,152	38	36	23,797	39	37	256,197	37	36	[6] 9.3	30	32
35	36	Florida Power & Light (Miami)	630,899	200,673	32	31	33,065	20	22	289,655	29	31	11.4	4	7
36	37	Pacific Power & Light (Portland, Oreg.)	614,976	100,158	50	49	20,842	42	45	213,880	46	45	9.7	26	24
37	34	Northern Natural Gas (Omaha)	613,774	230,339	25	25	26,277	33	38	242,704	39	38	10.8	9	25
38	41	Panhandle Eastern Pipe Line (New York)	596,036	209,574	28	28	25,686	35	25	158,644	50	50	[6] 16.2	1	1
39	39	Long Island Lighting (Mineola, N.Y.)	592,101	171,421	39	39	25,184	36	39	278,817	34	35	9.0	32	34
40	38	Pennsylvania Power & Light (Allentown)	573,224	154,066	41	41	25,984	34	33	257,818	36	34	10.1	18	12
41	40	Baltimore Gas & Electric (Baltimore)	562,910	194,911	33	30	23,500	40	35	239,144	40	39	9.8	24	14
42	(7)	Western Union Telegraph (New York)	527,753	277,464	22	------	10,607	49	------	285,511	31	------	3.7	49	------
43	42	Cleveland Electric Illuminating (Cleveland)	502,481	146,516	42	42	24,670	37	36	256,118	38	37	9.6	27	29
44	43	Wisconsin Electric Power (Milwaukee)	498,285	160,899	40	40	19,848	43	44	227,782	41	40	[6] 8.7	39	40
45	44	Public Service of Indiana (Plainfield)	491,927	107,434	47	47	19,756	44	46	218,662	42	41	9.0	31	38
46	45	Potomac Electric Power (Washington, D.C.)	485,348	101,505	49	48	19,187	45	47	217,072	44	44	8.8	37	31
47	47	Houston Lighting & Power	483,730	141,649	43	45	27,397	32	40	197,153	48	47	13.9	2	2
48	49	Public Service of Colorado (Denver)	471,200	132,750	44	43	18,683	48	43	206,981	47	49	9.0	34	9
49	48	Gulf States Utilities (Beaumont, Tex.)	466,756	103,206	48	50	18,951	46	49	191,329	49	46	9.9	23	35
50	46	Duquesne Light (Pittsburgh)	459,204	111,435	46	46	24,193	38	34	215,133	45	42	11.2	6	4
		Total	73,786,292	22,755,390	------	------	3,145,363	------	------	34,952,933	------	------	------	------	------

[1] Total assets employed in business net of depreciation, Dec. 31, 1962. Consolidated subsidiaries included.

[2] Gross receipts from operations during calendar year 1962, including nonutility revenues from manufacturing, transportation, etc.

[3] Capital stock, surplus, and retained earnings (i.e., net worth) as of Dec. 31, 1962.

[4] Figured on the invested capital as of Dec. 31, 1962.

[5] Excludes manufacturing subsidiaries.

[6] Preferred stock of subsidiaries, held by the public, is included in invested capital, but dividends on these stocks have been deducted before arriving at net profit; as a result, the ratio of profit to invested capital for these holding companies is understated in relation to other companies on the list.

[7] Not on last year's list.

NOTE.—After a below-par performance by the 1961 group, the 50 largest U.S. utility systems in 1962 had a good year. Their combined operating revenues were 7 percent higher than the 1961 group, and their combined profits were 7.7 percent higher. For the second straight year, Panhandle Eastern Pipe Line had the highest return on invested capital, 16.2 percent. The median return on invested capital was 9.8 percent, up from 9.5 percent in 1961.

Mr. METCALF. Mr. President, early last month I brought to the attention of the Senate the organized effort of private power companies to manipulate public opinion in behalf of "investor-owned utilities" through the medium of an artificially stimulated letter-writing campaign labeled "Project Action."

Last week I placed in the CONGRESSIONAL RECORD for the further information of the Senate additional documentation of the propaganda published by these IOU's in the form of a Project Action newsletter. Volume 1, No. 1 of this newsletter included the following statement:

> When Government promises subsidy from crib to crypt, it is easy for the public to forget the undergirding free enterprise concepts of our American heritage.

It is apparently equally easy for the IOU's to forget.

Section 203(e) of H.R. 8363, the tax revision bill now before the Senate, would give private power companies a potential $1 billion in cold cash over the next 10 years—a gift from the Government of the United States taken out of the pockets of consumers.

I have seen no statement from the IOU's—who are ever active in attacking Federal multiple-purpose water projects and the REA program—indicating that they have decided to decline this gratuity, which represents one more in a series of subsidies and special tax benefits accorded privately owned electric systems over the last decade. The most recent figures available show that private power companies have accumulated $1.5 billion in "deferred income taxes"—phantom taxes which the companies collected from their customers but did not pay to the Federal Government—as a result of accelerated amortization and liberalized depreciation.

Mr. President, I ask unanimous consent to insert at this point in my remarks a list of private power companies who are currently beneficiaries of these federally certified interest-free contributions.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

AMOUNTS COLLECTED BY POWER COMPANIES FROM CONSUMERS FOR TAXES BUT NOT PAID AS TAXES

Privately owned electric utilities, classes A and B—Accumulated deferred taxes on income as of Dec. 31, 1962

Company	Attributable to accelerated amortization (sec. 168 of 1954 Internal Revenue Code)	Attributable to liberalized depreciation (sec. 167 of 1954 Internal Revenue Code)	Total
Alabama Power Co	$18,401,907	$15,529,000	$33,930,907
Alpena Power Co		198,040	198,040
Appalachian Power Co	38,478,324	6,873,656	45,351,980
Arizona Public Service Co	3,912,827		3,912,827
Arkansas Power & Light Co	12,681,693	7,485,563	20,167,256
Atlantic City Electric Co	2,631,327	1,637,446	4,268,773
Bangor Hydro-Electric Co		98,017	98,017
Black Hills Power & Light Co		792,351	792,351
Boston Edison Co	5,169,734	9,914,792	15,084,526
Boston Gas Co		1,208,444	1,208,444
Brockton Edison Co		605,145	605,145
California Electric Power Co	3,987,500	751,400	4,738,900
California-Pacific Utilities Co		445,800	445,800
Cambridge Electric Light Co		682,004	682,004
Cape & Vineyard Electric Co		600,298	600,298
Carolina Power & Light Co	14,889,674	1,324,237	16,213,911
Central Hudson Gas & Electric Corp	1,775,307	1,263,541	3,038,848
Central Illinois Electric & Gas Co	1,508,595	2,313,222	3,821,817
Central Illinois Light Co	1,567,600	5,129,800	6,697,400
Central Illinois Public Service Co	639,000	6,570,300	7,209,300
Central Kansas Power Co. (The)	523,984	192,176	716,160
Central Louisiana Electric Co., Inc	4,448,303	2,732,515	7,180,818
Central Maine Power Co	10,547,200		10,547,200
Central Power & Light Co	7,548,100	8,961,600	16,509,700
Central Vermont Public Service Corp	478,269		478,269
Cincinnati Gas & Electric Co. (The)	17,134,159	8,821,591	25,955,750
Citizens' Utilities Co	173,480	491,883	665,363
Cleveland Electric Illuminating Co. (The)	28,133,000		28,133,000
Columbus & Southern Ohio Electric Co	7,025,500	7,597,100	14,622,600
Commonwealth Edison Co	11,875,000	58,685,000	70,560,000
Commonwealth Edison Co. of Indiana, Inc	715,000	3,275,000	3,990,000
Community Public Service Co		1,413,573	1,413,573
Connecticut Light & Power Co. (The)	5,920,408		5,920,408
Consolidated Edison Co. of New York, Inc	20,017,974		20,017,974
Consumers Power Co	18,720,033	30,757,931	49,477,964
Dallas Power & Light Co	7,971,393		7,971,393
Delaware Power & Light Co	8,092,540	4,338,652	12,431,192
Detroit Edison Co. & Subsidiaries (The)	24,706,684	34,006,278	58,712,962
Duquesne Light Co	7,775,769	2,819,860	10,595,629
Eastern Shore Public Service Co. of Maryland (The)	243,589	1,027,003	1,270,592
Eastern Shore Public Service Co. of Virginia		164,698	164,698
Edison Sault Electric Co		311,604	311,604
El Paso Electric Co	2,660,541	2,459,106	5,119,647
Empire District Electric Co. (The)	1,083,897	1,178,807	2,262,704
Fall River Electric Light Co		310,268	310,268
Fitchburg Gas & Electric Co		270,233	270,233
Florida Power Corp	10,141,055	10,374,879	20,515,934
Florida Power & Light Co	18,323,616		18,323,616
Florida Public Utilities Co		293,059	293,059
Georgia Power Co	21,397,475	16,743,739	38,141,214
Gulf Power Co	4,181,651	3,297,545	7,479,196
Gulf States Utilities	6,157,210	13,026,823	19,184,033
Hartford Electric Light Co. (The)	7,009,627		7,009,627
Hawaiian Electric Co., Ltd. (The)		3,835,574	3,835,574
Hilo Electric Light Co., Ltd		632,026	632,026
Holyoke Power & Electric Co		16,808	16,808
Holyoke Water Power Co		1,058,111	1,058,111
Home Light & Power Co		196,826	196,826
Houston Lighting & Power Co	12,147,252		12,147,252
Idaho Power Co	3,886,500	6,041,500	9,928,000
Illinois Power Co	7,393,000	11,022,304	18,415,304
Indiana & Michigan Electric Co	31,145,036	7,539,355	38,684,391
Indianapolis Power & Light Co	6,721,300	5,013,700	11,735,000
Iowa Electric Light & Power Co	2,515,100	4,618,000	7,133,100
Iowa-Illinois Gas & Electric Co	591,560	3,954,271	4,545,831
Iowa Power & Light Co	5,877,964	4,154,279	10,032,243
Iowa Public Service Co	1,513,942	2,916,478	4,430,420
Iowa Southern Utilities Co	1,076,600	1,474,200	2,550,800
Kansas City Power & Light Co	9,836,931	6,544,608	16,381,539
Kansas Power & Light Co. (The)	2,681,193	5,409,447	8,090,640
Kentucky Power Co	364,542	958,251	1,322,793
Kentucky Utilities Co	2,131,703	5,366,300	7,498,003
Kingsport Utilities, Inc	9,498	134,685	144,183
Lockhart Power Co		78,200	78,200
Long Island Lighting Co	11,226,020		11,226,020
Louisiana Power & Light Co	10,502,584	7,339,709	17,842,293
Maine Public Service Co	318,568	481,842	800,410
Marietta Electric Co. (The)	17,300	226,450	243,750
Maui Electric Co., Ltd		229,768	229,768
Michigan Gas & Electric Co	34,700	712,600	747,300
Minnesota Power & Light Co	7,204,300		7,204,300
Mississippi Power Co	3,881,353	2,891,235	6,772,588
Mississippi Power & Light Co	7,012,349	4,222,705	11,235,054
Missouri Edison Co		55,000	55,000
Missouri Power & Light Co		170,000	170,000
Missouri Public Service Co	1,256,387		1,256,387
Monongahela Power Co	5,560,700	3,706,600	9,267,300
Montana-Dakota Utilities Co	1,224,277	1,805,669	3,029,946
Montana Power Co. (The)	2,662,545	2,653,346	5,315,891
Montaup Electric Co		1,053,259	1,053,259
Mount Carmel Public Utility Co		146,592	146,592
Nantahala Power & Light Co	2,270,894		2,270,894
Nevada Power Co	2,043,670	1,528,856	3,572,526
New Bedford Gas & Edison Light Co		856,244	856,244
New England Power Co	10,803,000		10,803,000
New Orleans Public Service, Inc		4,971,000	4,971,000
New York State Electric & Gas Corp	8,449,718		8,449,718
Niagara Mohawk Power Corp	18,700,000		18,700,000
Northern Indiana Public Service Co	153,139	11,482,615	11,635,754
Northern States Power Co. (Minnesota)	7,893,700		7,893,700
Northern Virginia Power Co	84,600	177,900	262,500
Northwestern Public Service Co		894,800	894,800
Ohio Edison Co	23,271,149	12,870,300	36,141,449
Ohio Power Co	54,071,944	6,888,970	60,960,914
Oklahoma Gas & Electric Co	11,210,000	1,924,000	13,134,000
Old Dominion Power Co		193,100	193,100
Orange & Rockland Utilities, Inc	3,589,671		3,589,671
Pacific Gas & Electric Co	71,356,428		71,356,428
Pacific Power & Light Co	42,253,175		42,253,175
Pennsylvania Electric Co	8,984,167		8,984,167
Pennsylvania Power Co	3,769,650		3,769,650
Pennsylvania Power & Light Co	15,744,503		15,744,503
Philadelphia Electric Co	19,616,799		19,616,799
Plymouth County Electric Co		274,978	274,978
Portland General Electric Co	12,074,776	785,104	12,859,880
Potomac Edison Co. (The)	4,174,200	542,400	4,716,600
Potomac Light & Power Co	640,200	214,200	854,400
Public Service Co. of Colorado	10,473,487	5,654,343	16,127,830
Public Service Co. of Indiana, Inc	17,998,000	12,976,000	30,974,000
Public Service Co. of New Hampshire	4,772,161		4,772,161
Public Service Co. of New Mexico	2,918,199	970,396	3,888,595
Public Service Co. of Oklahoma	15,820,000	6,433,000	22,253,000
Public Service Electric & Gas Co	17,684,871	22,441,627	40,126,498
San Diego Gas & Electric Co		1,773,137	1,773,137
Savannah Electric & Power Co		2,236,545	2,236,545
Sierra Pacific Power Co		1,550,505	1,550,505
South Carolina Electric & Gas Co	11,624,800	4,971,000	16,595,800
South Carolina Generating Co	3,852,400	534,100	4,386,500
South Penn Power Co	52,800		52,800
Southern California Edison Co	39,882,237	21,422,720	61,304,957
Southern Electric Generating Co		4,677,923	4,677,923
Southern Indiana Gas & Electric Co	2,241,870	2,707,640	4,949,510
Southwestern Electric Power Co	4,118,900	6,053,400	10,172,300
Southwestern Public Service Co	12,501,370	2,279,813	14,781,183
Tampa Electric Co		7,250,000	7,250,000
Tapoco, Inc	178,986		178,986

AMOUNTS COLLECTED BY POWER COMPANIES FROM CONSUMERS FOR TAXES BUT NOT PAID AS TAXES—Continued

Privately owned electric utilities, classes A and B—Accumulated deferred taxes on income as of Dec. 31, 1962—Continued

Company	Attributable to accelerated amortization (sec. 168 of 1954 Internal Revenue Code)	Attributable to liberalized depreciation (sec. 167 of 1954 Internal Revenue Code)	Total
Texas Electric Service Co	$11,645,126		$11,645,126
Texas Power & Light Co	14,982,350		14,982,350
Toledo Edison Co. (The)	7,542,000	$3,945,000	11,487,000
Tucson Gas, Electric Light & Power Co. (The)		3,257,727	3,257,727
Union Electric Co	17,745,000	2,781,000	20,526.000
Union Light, Heat & Power Co. (The)	446,567		446,567
United Illuminating Co. (The)	1,683,000		1,683,000
Upper Peninsula Power Co	28,368	941,494	969,862
Utah Power & Light Co	751,000		751,000
Virginia Electric & Power Co	36,214,807		36.214.807
Washington Water Power Co. (The)	$10,840,897		$10,840,897
West Penn Power Co	12,164,000		12,164,000
West Texas Utilities Co	2,693,700	$3,107,800	5,801,500
Western Light & Telephone Co., Inc	2,652.800	247,500	2,900,300
Western Massachusetts Electric Co	1,280,300	2,587,900	3,868,200
Western Power & Gas Co		1,460,425	1,460,425
Wheeling Electric Co	793,128	127,286	920,414
Yankee Atomic Electric Co		1,063,100	1,063,100
Total	1,084,180,656	540,689,525	1.624,870,181

Mr. METCALF. Mr. President, now electric utilities are in line for a new dispensation. Section 203(e) of H.R. 8363 would prohibit the Federal Power Commission from requiring private power companies to "flow through" to income the 3-percent investment tax credit they received under 1962 tax legislation.

Section 203(e) is but the latest bonanza for these companies through tampering with the tax laws. That portion of section 203(e) dealing with public utilities forbids all Federal regulatory agencies—including the Federal Power Commission—from reducing the income tax allowance of private power companies in fixing rates by more than a share of the investment tax credit prorated over the average useful life of the property—unless the utility involved consents.

What is the effect of this proviso?

First. It means a possible $1 billion windfall profit to private power companies over the next decade, if applied nationally—with more to come in future years.

On the basis of recent investment, the Federal Power Commission estimates that the tax credit is presently worth about $86 million a year in tax savings to private power companies. However, burgeoning demands for electricity mean larger annual future investment in plant and equipment, and for each $100 spent, the utilities can subtract $3 from their tax bill. A conservative approximation indicates that investment will compound at the rate of 6 percent per year. The result: Tax cuts totaling $1 billion for private power companies over a 10-year period—which could be just the beginning of this lucrative take from the Treasury.

Second. It means a $2 billion contribution by consumers by 1975—just as a starter.

Since private power companies collect about $2 in rates to net a $1 rate of return due to the doubling effect of the income tax, consumers will pony up twice the amount retained by the companies if the benefit of the investment tax credit are not flowed through to utility customers.

Under section 203(e), private power companies can keep two sets of books—one for rate purposes and one for tax purposes. Thus they can simultaneously take advantage of the investment tax credit and cut their tax bill while charging consumers at a level which presumes only a small fraction of the actual tax cut.

Third. It means turning over Federal rate regulating functions regarding the investment tax credit to the people who are supposed to be regulated—and opens the door for a whole era of "regulation in reverse."

This is nothing but a proposal for licensed larcency of the consumers' pocketbook. It is similar to suggesting that advertisers be allowed to determine whether or not the Federal Trade Commission can issue sanctions against deceptive practices. It is like permitting railroads to determine when and where the regulations of the Interstate Commerce Commission should apply. If this approach were standard among Federal regulatory agencies, we would give manufacturers the right to veto determinations of the Food and Drug Administration.

Should Congress impose this restriction on the Federal Power Commission, State public utility commissions will face heavy pressure to follow suit in their handling of the investment tax credit—to the further detriment of the consumer and the regulatory process. The concept of rates based on actual costs would receive a crippling blow.

Private power companies represent legal monopolies, sheltered against risk and guaranteed a reasonable rate of return which assures access to needed capital. Despite this fact, they have succeeded over the last decade in obtaining Federal financial favors at the expense of the Nation's taxpayers and ratepayers which must cause Bluebeard to wiggle enviously in his grave. I see no reason to perpetuate this special treatment in H.R. 8363.

If the private power companies think they have a case, let them come before the appropriate legislative committees and ask for amendment of statutes defining the duties of the Federal regulatory agencies instead of tucking their special pleading into the tax bill where it does not belong.

I hope that when this matter comes to a vote in the Senate that section 203(e) will be eliminated from H.R. 8363.

The **PRESIDING OFFICER.** The bill is open to further amendment.

Mr. MORTON. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORSE. Mr. President, I ask unanimous consent that the order for the quorum call may be rescinded, so that I may ask unanimous consent to place certain material in the RECORD, and then if the Senate so desires another quorum call can be suggested.

The **PRESIDING OFFICER** (Mr. McINTYRE in the chair). Without objection, it is so ordered.

TAX REDUCTION RESULTING FROM INVESTMENT CREDIT

Mr. MORSE. Mr. President, section 203(e) of the tax bill favors the private utilities. This demonstrates once again that their greed is only surpassed by their shortsightedness. It is a brazen attempt to circumvent the regulatory process, to erode a part of the responsibility of the regulatory agencies to determine a fair rate of return, and to enable the utilities to pocket the tax reductions which they are enjoying as a result of the tax credit, without any interference from regulators.

I do not understand why the administration is not speaking out on this issue. Papers are full of reports of Presidential Advisory groups on consumer problems, the appointment of executive branch staff to advance consumer interests, and messages to Congress calling for new consumer legislation.

Section 203(e) is a matter of considerable importance to consumers. If it is approved, gas and electric utility customers may be robbed of $1 billion annually that could go to purchase other goods and services.

Despite the adverse effect that this proposal would have on consumers, the administration has not spoken out in vigorous fashion. In fact, if we listen to the Treasury Department, the administration does not even have a position on this matter. During hearings in the Senate Finance Committee, Secretary of the Treasury Douglas Dillon was asked:

> Do you support section 203(e)?

He answered:

> This was not a Treasury recommendation and, in fact, it is not a matter of basic concern to the Treasury as to how regulatory agencies handle their own job.

Joseph Swidler, Chairman of the Federal Power Commission, spoke out against this outrageous rape of the consumer, but no word came from the White House to back him up.

Mr. President, regardless of what the administration does or does not do, I think we should knock out section 203 (e) and refuse to reinstate it in conference.

If the loudest spokesmen for the utilities are to be believed, the tax credit is not a tax reduction at all. At least, this was the position taken during Senate hearings by Walter Bouldin, president of the Edison Electric Institute.

Happily, there are a few leaders in the utility industry who can look beyond tomorrow's dividends and recognize the fact that good utility service at low rates is good business for stockholders as well as for consumers.

One of these is Donald C. Cook, president of the American Electric Power Co., Inc., reportedly a close personal friend of President Lyndon B. Johnson. Mr. Cook has called upon Congress and the utilities to recognize the tax credit for what it is, a tax reduction, and to make use of the reduction to reduce electric rates to consumers.

Mr. Cook addressed a gathering of State regulatory commissioners last June 21, urging them to take a realistic view of the tax credit.

It is refreshing indeed to read Mr. Cook's declaration in that speech, that at his company:

> We believe that an efficient and economical operation resulting in the lowest possible rates and in a superior service, not only is our duty to our customers, but is the best way of conserving and enhancing the investment of our shareholders.

With this public-spirited approach to the utility business, it is not surprising that Mr. Cook favors passing along the benefits of the investment tax credit to consumers in the form of lower rates.

A year ago, American Electric Power directed its five operating subsidiaries to apply for rate reductions on the basis of congressional approval of the 3-percent credit. The company declared in a telegram to officials of its subsidiaries:

> The reduced rates have been made possible by the reduced Federal income taxes. These lower rates will serve to increase our sales of electric power, lead to construction of additional facilities to meet increased demand for power and thus stimulate business expansion in areas served by AEP system and the entire country.

Mr. Cook demonstrated his progressive approach to utility operation throughout consideration of the tax bill. In his speech to the commissioners, he traced the history of the investment tax credit from the earliest consideration of the issue by the Treasury, showing that throughout consideration of the bill, his company adhered to the position that the tax credit was, in fact, a tax reduction, and that the opportunity to pass the tax reduction on to consumers "would in itself be an incentive for utilities, and in addition, such rate reductions would increase the sales of electric energy and require the construction of additional facilities, thus accomplishing in the fullest measure the objectives of the legislation."

In taking what I regard as a public-spirited position on the tax credit, Mr. Cook raised objections to the finagling of certain public accountants on this issue, and accused them of trying to obfuscate a basically simple issue.

> The problem of accounting for the tax reduction resulting from the investment credit is one of great simplicity—

He said—

> but more than a few people are working very hard to have it appear complex.

In conclusion, after a step-by-step summary of events leading up to controversy over regulatory treatment of the tax credit—events in which he was a personal participant—Mr. Cook declared:

> These facts seem to me to demonstrate beyond peradventure of a doubt that the Treasury and the Congress clearly intended the tax credit to be a tax reduction, that it is, in fact, a tax reduction; that only as a tax reduction can it accomplish the stated purposes of the legislation.

Mr. President, I ask unanimous consent to have printed in the RECORD an address by Donald C. Cook, president, American Electric Power Co., Inc., before the Great Lakes Conference of Railroad and Utilities Commissioners.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

PANEL DISCUSSION: THE GREAT LAKES CONFERENCE OF RAILROAD AND UTILITIES COMMISSIONERS

(By Donald C. Cook, president, American Electric Power Co., Inc., the Greenbrier, White Sulphur Springs, W. Va., Friday, June 21, 1963)

The problem of accounting for the tax reduction resulting from the investment credit is one of great simplicity. But more than a few people are working very hard to have it appear complex. Thus, from the time the tax reduction was first proposed, certain companies and certain public accounting firms, including Arthur Andersen & Co., of which Mr. Spacek is managing partner (but, I should point out, not including Haskins & Sells, of which Mr. Powell is senior partner), have sought to obscure the fact that we were dealing with a tax reduction. Instead, they have sought to characterize the tax reduction as some sort of a Government subsidy or a tax postponement. On that basis they have tried to find ways to avoid a reduction in reported operating expenses.

In addition, considerable efforts have been made by some, including Arthur Andersen & Co. particularly, to try to establish in the public utility field the proposition that the lawful requirements of public service commissions and other regulatory bodies with which they disagree may not be reflected in published financial statements but must, instead, either remain hidden in the commission archives or be branded as improper and misleading.

The fact is that Mr. Spacek does not have a very high opinion of either the ability or devotion to duty of commissioners and commissions. He does not think they have the ability or the desire to protect the public interest, and he would remedy this deficiency by setting up Arthur Andersen & Co. and the AICPA as the supervisor of the commissions to ensure that they do their duty. I will have more to say about this later and then will quote some of Mr. Spacek's published language on this point.

I have said that the problem of accounting for the tax reduction resulting from the tax credit is one of utmost simplicity. I will now outline why this is so.

The control of accounting by commissions is recognized as fundamental to the proper regulation of public service corporations. This is true above all else in connection with the regulation of rates.

Public service corporations carry on a business affected with the public interest. For the right to carry on such business they must submit themselves to comprehensive regulation by both State and Federal agencies. The most important aspect of the regulatory scheme is that rates and charges for service must be fixed by the commissions at a point permitting the utility to earn a fair return, after allowance for all operating expenses, on the fair value of the property devoted to the public use.

It was inevitable that many accounting questions would arise both as to what constitutes the rate base and as to what constitutes allowable operating expenses for rate purposes.

In order to enable the regulatory process to be carried out in an orderly way, to minimize controversy, and to insure fair and equitable treatment for consumers and owners alike, the uniform system of accounts was born. The right to a regulatory body to promulgate accounting requirements in the form of a uniform system of accounts and the duty of a public utility to follow it have long since been judicially established. Of course all of this is elemenatry to this group, but it needs to be emphasized because of its fundamental importance.

Uniform accounting records are not an end in themselves. They are merely a means to other ends, the most important of which is to assist commissions in the exercises of their ratemaking functions. Since the prime purpose of a uniform system of accounts is to produce definitive data to be used for rate regulation, it is normal to expect that decisions on accouting questions made by regulatory bodies, even though not made in rate proceedings, will foreshadow the treatment later to be accorded for rate purposes. Here, then, is the real reason why accounting controversies flare so quickly, continue so interminably, and die so painfully. This is why we so often hear, as we have heard today from Mr. Spacek, the voice of accounting speaking the words of ratemaking.

There are three principal interests to be served by the regulatory process—the interest of consumers, the interest of investors, and the general public interest. In theory at least, and much more often in practice than is generally supposed, regulatory bodies do a good and faithful job in balancing and accommodating these interests. It is to be expected, however, that the regulatory bodies, either through their staffs or through their commissioners, will place primary emphasis on the interests of consumers. It is also to be expected that representatives of the owners will fill the equally proper role of attempting to protect the interests of investors. I am happy to say that in my experience most commissions, regardless of their point of primary emphasis, have been thoroughly alive to their obligation to be fair to investors, and most utility companies have been equally alive to their obligations to consumers. In the American Electric Power system we believe that the best way to serve our stockholders is to do the best possible job for our customers. We believe that an efficient and economical operation resulting in the lowest possible rates and in a superior service not only is our duty to our customers but is the best way of conserving and enhancing the investment of our shareholders.

As I have stated, it is inevitable that what a regulatory body requires as a matter of accounting will have an important—indeed, almost inevitable—impact on the rates charged consumers and on the return to investors.

Since this is so, the most meaningful financial statements for investors to have as the basis for determining the financial condition and results of operations of a regulated utility are those reflecting the lawful accounting requirements of the regulatory body having primary rate jurisdiction which, in turn, are translated into the lawful ratemaking requirements of such body. Thus, if a commission having the major rate jurisdiction requires an item to be classified in a uniform system of accounts as an operating expense, the most meaningful financial statements are those that reflect the item as an operating expense. Similarly, if a particular item is held not to be an operating expense and is not permitted to be classified as such, the most meaningful financial statements are those that do not reflect that item as an expense. To do otherwise would arbitrarily lead to the preparation and dissemination of financial statements not reflecting the economic realities of the enterprise.

An investor needs to know what the facts are, and in the public utility field the lawful requirements of the regulatory bodies having primary rate jurisdiction establish the facts, Arthur Andersen & Co. and Mr. Spacek to the contrary notwithstanding.

There are among public accountants some who feel they are answerable to no one but themselves and, being excessively confident of their own wisdom and virtue, think that they should have the final say on these important matters. Mr. Spacek, for example, says in effect that if in his opinion the commissions do not make their accounting decisions on the basis of what he believes to constitute generally accepted accounting principles, he has the power to overrule them, to try to force another treatment or, if unsuccessful in doing so, to brand financial statements prepared on the basis of the lawful requirements of the commissions as unsound and misleading.

And who, may I ask, has set up my good friend Mr. Spacek as chief justice of the supreme court of accounting? The answer is that he is self-appointed. And where can an appeal be taken from one of his decisions? Nowhere, absolutely nowhere.

As I said earlier, Mr. Spacek does not have much confidence in commissions and commissioners. He thinks they are not, for the most part, very able, and beyond that he feels that they really have no proper conception of the public interest. This is not merely my opinion—this is what he publicly states.

In a recent article in Investment Dealers' Digest entitled "Significance of Controversy Over Accounting for Tax, Depreciation Benefits," in criticizing the accounting requirements of certain commissions, Mr. Spacek states that "* * * It will be recalled that many of the accounting abuses that led to a lack of public confidence in the 1920's and 1930's were ordered by regulatory commissions," and he clearly and categorically states that the present commission requirements—the requirements in the year 1963 with which he disagrees—are abuses. This is strong language. In this same spirit of high regard for regulatory bodies and referring to present requirements, he continues: "We thus see utility commissions enforcing a substandard brand of accounting as they did prior to the 1930's."

And what is the basis of this charge against utility commissioners? It is merely that in doing their job as they see it they have refused to classify as an operating expense an amount equal to a tax reduction—a tax that has not been assessed, is not owing, and never will be owed.

And against whom does he level this charge? He levels it against the New York, California, Vermont, Connecticut, Kentucky, Ohio, Wisconsin, Virginia, West Virginia, and Tennessee commissions among the State commissions, and against the Interstate Commerce Commission and the Securities and Exchange Commission among the Federal commissions. This is quite a list of distinguished bodies to be maligned, and I cannot help but recall the words of Cassius in "Julius Caesar":

"Upon what meat doth this our Caesar feed that he is grown so great?" Shakespeare, "Julius Caesar," act 1, scene 2, line 148.

Now perhaps you understand more fully why it is that I would prefer to have power and authority in the hands of commissions, which are necessarily subject to judicial restraints, rather than in those of self-appointed accounting czars answerable to no one.

And what is the basis for this sweeping judgment that following the lawful requirements of regulatory bodies and accounting for the facts as they are, for recognizing a tax reduction for what it is, for not charging customers for taxes that do not have to be paid, is bad accounting and does not produce accurate financial statements? The answer can only be found in the amorphous phrase "matching costs and revenues," the most overworked accounting cliche of modern times, that remarkable accounting Mother Hubbard that covers everything and reveals nothing.

What is this concept of matching costs and revenues? It merely means that against the revenues received in a particular period there should be charged all the costs associated with the production of those revenunes. But I ask in all sincerity, isn't it rather foolish to speak of an income tax reduction as representing a cost? And if no cost is involved, how can the "matching costs and revenues" doctrine be used to support a charge to operating expense when no expense has been incurred? Further, whatever abstruse accounting theory might be spun to justify departing from the facts, once a regulatory body having primary rate jurisdiction has made a determination of the character of an accounting item and that determination has become final as a matter of law, the character of the item has become fixed and the most meaningful financial statements that can be prepared and disseminated are those reflecting that determination. There is no better example of this than the regulatory requirement that plant and property must be stated at original cost regardless of its actual cost. I do not say this is the way it should be; I merely say this is the way it is.

Mr. Spacek makes much of the requirement of consistency, stating that "it is in the best interests of the U.S. economy and utility customers that all investors be provided with financial reports that are * * * consistent from company to company."

It seems rather late in the day to have to observe that the law of public utility regulation varies from State to State and from the several States to the Federal Government. The applicable law in each jurisdiction determines the facts, and it is the obligation of accountants to reflect the facts, not to distort or change them.

In view of Mr. Spacek's preoccupation with consistency, I thought it would be of interest to see whether he was practicing what he was preaching. I was particularly interested in whether he was grinding a special ax in the utility field, where accounting and ratemaking are so intimately tied together, or whether he was consistently following his same theories in other fields where accounting had no effect on the price at which products were sold. I knew, of course, that Arthur Andersen & Co. certified to the financial statements of a large number of oil and gas companies, presenting analogous accounting problems, so I selected this group for study. I would like to report the results to you.

Company A, engaged in the oil and gas business and whose accounts are certified by Arthur Andersen & Co., presented an income statement for the year 1962 showing a net income of $6,038,000 before income taxes. The income statement indicted that no Federal income taxes whatsoever were payable by the company; so, net income after Federal income taxes was identical with that before Federal income taxes. I think you will agree that this is a rather startling income statement and that it requires an explanation. That explanation is found in a footnote in which it is stated:

"Intangible development costs and dry hole costs applicable to producing properties are capitalized for financial accounting purposes but deducted for income tax purposes as incurred. * * *" It was also stated that Federal income taxes of approximately $2,300,000 were eliminated in 1962 by reason of the deduction for tax purposes of certain items capitalized on the company's books and utilization of operating-loss carryforwards resulting from such deductions taken in prior years.

How does Mr. Spacek square this result with his avowed requirement of matching costs and revenues? How can he assert on the one hand that reflecting a tax reduction arising from the investment credit as a decrease in operating expenses should be branded as improper and misleading while, on the other hand, certifying that financial statements in which expenses actually incurred and deducted for tax purposes are set up in the balance sheet as an asset, have been prepared on the basis of good accounting practice—on the basis of matching costs and revenues?

Company B, whose financial statements are also certified to by Arthur Andersen & Co., showed net income before taxes of $30,102,000 and Federal income taxes of only $610,000, or 2 percent of taxable income. Here again the explanation is given that "the company follows the policy of capitalizing items that are deductible for Federal income tax purposes in the year in which the expenditures are made."

Company C, also having its financial statements certified to by Arthur Andersen & Co., presents an income account showing net income before Federal income taxes of $27,775,000 and Federal income taxes of only $3,925,000, or 14.1 percent. How come? The explanation is again that the company deducted various items for tax purposes but capitalized them on the books for financial reporting purposes.

Company D, also having its accounts certified to by Arthur Andersen & Co., presents an income statement showing net income before Federal income taxes of $546 million and Federal income taxes of only $10 million, or less than 2 percent. Once again the explanation is that various costs have been capitalized for financial reporting purposes, whereas they have been deducted in the same period for Federal income tax purposes.

It will be remembered that when the accounting principles board voted to approve a bulletin expressing the view that the tax reduction resulting from the investment credit should be normalized, eight of the largest public accounting firms in the United States split on the question four to four. The public accounting firms voting for the bulletin were Arthur Andersen & Co., Lybrand, Ross Bros. & Montgomery, Arthur Young & Co., and Touche, Ross, Bailey & Smart. The companies dissenting from the bulletin were Haskins & Sells, Price Waterhouse & Co., Peat, Marwick, Mitchell & Co., and Ernst & Ernst.

Since all of the firms supporting the bulletin relied upon the concept of matching costs and revenues, I thought it would be useful to determine how consistent they have been in the application of what now seems to be this rather flexible principle.

I have found that, just as in the case of Arthur Andersen & Co., which I have just described, Lybrand, Ross Bros. & Montgomery, Arthur Young & Co., and Touche, Ross, Bailey & Smart have all certified to financial statements of companies in which many items were capitalized for financial reporting purposes whereas such items were deducted for tax purposes, with the result that disproportionately small amounts of Federal income taxes were paid for the year under review.

I suggest, therefore, that the record conclusively shows that in treating an identical problem, one theory of accounting is being applied by these firms to regulated public utility companies, where the choice of the method of accounting has an impact on rate regulation, and another theory of accounting is being followed in connection with nonutilities where the pricing of the product is not affected by the method of accounting followed.

I have used a substantial portion of my time to develop only one phase of this matter, but it is the vitally important phase, and an understanding of it is essential to gaining any real insight into the problem before us. In the time remaining I propose merely to list what seems to me to be the rather self-evident reasons for the view that the tax reduction resulting from the tax credit should be reported in the accounts of public utilities for what it is—a tax reduction:

1. The tax credit bill as originally prepared by the Treasury Department excluded public utilities other than natural gas pipelines from tax relief.

2. The stated purpose of the bill was to reduce the taxes of those who made a contribution to the economic growth of the country by building qualified productive facilities.

3. Utilities were excluded from relief because two young economists in the Treasury Department had advised Secretary Dillon and Assistant Secretary Surrey that (a) the tax credit would not stimulate construction by utilities because they would have to build facilities regardless of any tax reduction, and (b) the benefits would have to be passed on to consumers in the form of lower rates and the tax reduction would therefore not operate as an incentive.

4. Representatives of American Electric Power Co., including myself, had discussions with Secretary Dillon and other Treasury officials, including the two economists who had incorrectly advised the Secretary, in which we demonstrated that (a) the tax credit would do more to encourage construction in the utility industry than in any other industry (because it would make many marginal projects economically feasible), and (b) the opportunity to pass the tax reductions on to customers in the form of rate reductions would in itself be an incentive for utilities and, in addition, such rate reductions would increase the sales of electric energy and require the construction of additional facilities, thus accomplishing in the fullest measure the objectives of the legislation.

5. While the bill was under consideration in the Treasury, officials of the American Telephone & Telegraph Co. sought to induce Assistant Secretary Surrey to urge the House Committee on Ways and Means to make it clear that the accounting for it should be such as to provide only a moderate effect on corporate earnings and not an immediate and substantial effect. This is the Arthur Andersen & Co. view.

6. In response to this effort Mr. Surrey advised the telephone company that the investment credit would in fact constitute a reduction in tax liabilities for the year in which the qualifying investment was made and that the inclusion of utilities for tax relief would have added disadvantages if it entailed prescribing accounting procedures which tended to dampen its stimulus. This is the American Electric Power Co. view.

7. Thereafter Mr. Alexander Stott, comptroller of the telephone company, appeared before the Senate Finance Committee and testified against the bill although the telephone company, and therefore its customers, would clearly be the largest beneficiary under the terms of the bill if it were applicable to utility companies and it became law.

8. Mr. Spacek also testified before the committee and urged his accounting views on the committee.

9. The Senate committee, and thereafter the Senate itself, disregarded the position of both the telephone company and Mr. Spacek, included utilities as eligible for the tax reduction, made it clear that the tax credit was a tax reduction, and refused to prescribe the accounting procedures to be followed to reflect it.

10. I presented a 30-minute prepared statement before the Senate Finance Committee during its hearings on the bill, but upon the completion of the statement I continued on the witness stand for over 2 hours, exploring with the Senators the ramifications of the bill. In response to a question, I stated the view that, under all then existing systems of accounts which would be applicable, the tax credit would be reflected as a reduction in current income taxes.

11. During the Senate Finance Committee hearings it became clear that one of the Senators was confused about the basic character of the tax credit bill, not recognizing clearly that the proposal was for a tax reduction to be measured by the amount of eligible construction done and thinking, since depreciable property was being used in the process as a yardstick, that unless the tax base of the yardstick property was reduced by the amount of the tax credit, depreciation equal to 106 percent of the cost of the property could be deducted for tax purposes.

12. To meet this Senator's interpretation the Senate committee amended the bill as it came from the House to reduce the tax basis of the property by the amount of the tax credit but refused to prescribe the Arthur Andersen and telephone company method of accounting for it.

13. The whole legislative history of the statute makes entirely clear that a tax reduction in each successive fiscal period was intended by the Treasury and by Congress. There has been a good deal of emphasis on the intention of Congress—and the quotation of isolated segments from the legislative reports—to support the normalization concept. But to one familiar with the origin and legislative history of the tax credit legislation, the one clear purpose intended by both the administration and the Congress was to provide an immediate stimulus to the economy; and it is equally clear that the normalization concept, which is nothing more or less than an effort to dilute the current effect of the tax credit, is completely inconsistent with that congressional purpose.

14. Following passage of the legislation, Mr. Spacek immediately began a campaign within the American Institute of Certified Public Accountants to cause the accounting principles board to issue a bulletin prescribing the method of accounting urged by Arthur Andersen & Co. and the telephone company which had been rejected both by the Treasury and by the Congress.

15. The board, by only a one-vote margin over the required two-thirds vote, proposed to issue such a bulletin and, contrary to its long-established practice, intended to do so without circulating an exposure draft for comment.

16. Only after the Federal Power Commission and others protested the proposed dark-of-the-moon action was a draft bulletin circulated to interested persons.

17. The only members of the board who had any substantial public utility accounting practice and experience were representatives of six of the eight large public accounting firms to which I earlier referred. These six do the bulk of the public accounting work for utilities in the United States.

18. These six firms split three to three on the nature of the bulletin to be issued, with Arthur Andersen, Lybrand, Ross Bros. & Montgomery, and Arthur Young & Co. voting for it.

19. Lybrand, Ross Bros. & Montgomery are the public accountants for the telephone company, and Arthur Young & Co. are the public accountants for the Western Electric Co., the manufacturing subsidiary of the telephone company.

20. Since the bulletin of the accounting principles board was issued, the Securities and Exchange Commission has repudiated it as controlling the accounting applicable to public utility companies.

21. This is the first time in the 29 years of the SEC's existence that it has repudiated an accounting bulletin issued under the aegis of the American Institute of Certified Public Accountants.

22. Some of these same accounting firms who voted for the repudiated bulletin recently sought to induce the Internal Revenue Service of the Treasury to hold that the tax credit should not be regarded as a tax reduction in determining earnings and profits for dividend purposes. They failed in the attempt and the Internal Revenue Service held, instead, that the tax credit gave rise to a tax reduction in the fiscal year in which it was obtained.

With all the stress which these accounting firms have placed on congressional intention as supporting their views, it is, I think, of great significance that the Government agency most intimately involved with the legislation, its history and the congressional intention in adopting the legislation, reached precisely the opposite conclusion to that urged by these accounting firms.

These facts seem to me to demonstrate beyond peradventure of a doubt that the Treasury and the Congress clearly intended the tax credit to be a tax reduction, that it is in fact a tax reduction, that only as a tax reduction can it accomplish the stated purposes of the legislation, that the accounting proposed by Mr. Spacek and Arthur Andersen & Co. has been consistently rejected by the Treasury and the Congress, and that its application to public utilities results in overstating expenses and understating income to the obvious detriment of the interests of investors, consumers, and the general public interest—the very interests public service commissions are sworn to protect.

Mr. MORSE. Mr. President, I understand that the Senator from Wisconsin [Mr. PROXMIRE] has an amendment whereby he seeks to eliminate what I consider to be the undue and unjust enrichment that this section seeks to hand out to private utilities in this country to the detriment of consumers. I do not believe I use mild language—particularly for me—when I say that the best that can be said for it is that it is economic rape, and that is bad enough. Mr. President, we ought to eliminate it. I wish the Senator from Wisconsin [Mr. PROXMIRE] to know that I shall wholeheartedly support him when he offers his amendment, which I understand will be some time tomorrow.

I yield to my friend the Senator from Alaska [Mr. GRUENING].

Mr. GRUENING. Mr. President, I call to the attention of the Senate an editorial published in this morning's New York Times entitled "Gift to Utilities," which begins with the following statement:

> There are many questionable provisions in the tax reduction bill now being considered

> in the Senate, but none is more unconscionable than the gifts proposed for the utility industry.

I ask unanimous consent that the text of the editorial be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

GIFT TO THE UTILITIES

> There are many questionable provisions in the tax reduction bill now being considered in the Senate, but none is more unconscionable than the gift proposed for the utility industry.
>
> The gift is in the form of an amendment forbidding the Federal Power Commission and other regulatory agencies from exercising any control over the investment credit provided for public utilities. The regulatory agencies are supposed to set rates that insure a fair return on utility investments. The proposed amendment means that the FPC could not take the tax credit into account in setting rates. As a result, electric and gas companies would receive a windfall estimated at $300 million, which would not be passed along to consumers.
>
> The size of this windfall alone should give pause. Yet big as it is, it is not the most disturbing element in the proposed amendment. By limiting the power of the FPC in setting rates, Congress will increase the cost of utility services to consumers. And it will encourage the utility lobby, and pressure groups representing other regulated industries, to press for new restrictions on the rate-setting function of the regulatory agencies.
>
> Even so, there could be a case for the amendment if it were to spur corporate spending and cut costs to consumers, which were the original objectives of the investment credit. But utilities will not have any extra inducement to spend and consumers will not be benefited. This is not the kind of gift that the Congress should be bestowing.

Mr. MILLER. Mr. President, the Time's editorial presents serious distortions of fact. First, it implies that the amendment applies equally to all regulated industries and utility companies. The fact is the law provides a 3-percent credit for utilities subject to a minimum of competition and 7 percent to transportation companies which are subject to competition from nonregulated industries. In the case of those companies receiving a 3-percent credit, the amendment provides that the benefits may flow to the company's earnings over the life of the plant resulting from the investment. It may, therefore, flow proportionately over the life of the plant to customer as determined by the regulatory body. Thus, the regulatory agencies do have control over the treatment of the investment credit. The amendment is intended to prevent regulatory bodies from thwarting the intent of Congress. This intent was expressed in the conference committee report as follows:

> It is the understanding of the conferees on the part of both the House and the Senate that the purpose of the credit for investment in certain depreciable property, in the case of both regulated and nonregulated industries, is to encourage modernization and expansion of the Nation's productive facilities and to improve its economic potential by reducing the net cost of acquiring new equipment, thereby increasing the earnings of the new facilities over their productive lives.

The editorial states that one of the objectives of the investment credit was to cut costs to consumers. An examination of the legislative history beginning with President Kennedy's original proposal reveals that the entire purpose was to stimulate construction, increase productivity and increase the profitability of the American economy. There is no word of a direct purpose to lower costs to consumers. It is, of course, obvious that such an improvement in plant modernization as sought through the investment credit would redound to the benefit of the consumer.

If the regulatory bodies were permitted to carry out their announced intention and to take the investment credit from the company immediately and flow it through in the form of reduced rates, not only would the intent of Congress be frustrated but the incentive factor would be completely eliminated.

I ask unanimous consent that an article published in this morning's issue of the New York Times, which sets forth quite accurately the background of the problem, be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

UTILITY TAX CREDIT IN QUIET BATTLE

> A private, almost silent, war is going on between the Finance Committee of the U.S. Senate and the Federal Power Commission. It revolves about the FPC's interpretation of how gas pipelines and electric utilities should use investment tax credits.
>
> The FPC reiterated yesterday its opposition to retention by the utilities of savings from certain tax benefits given them by Congress.
>
> The agency's latest decision was that interstate natural gas and electric power companies must pass on to their customers any money saved under depreciation laws enacted over the last 9 years. The decision involved the Alabama-Tennessee Natural Gas Co. of Florence, Ala.
>
> The Kennedy administration included in the 1962 Internal Revenue Act a tax credit for investments in certain depreciable property. The amount of credit varies, but for electric utilities it amounts to 3 percent of the cost of certain additions to plant and equipment after December 31, 1961. For natural gas companies, it ranges from 3 to 7 percent.
>
> The utilities have argued that the original intent of these credits was to stimulate plant expansion, but the FPC has voted that "any benefits from the investment credit should 'flow through' immediately to the consumers."
>
> The utility spokesmen also asserted that they could not have extra funds with which to build plants and at the same time give them away. They urged that Government agencies get together with Congress and come up with a consistent course of action.

Mr. MANSFIELD. Mr. President, I should like to make an inquiry of the Chair. It is my understanding that unanimous consent has been granted to the Senator from Illinois [Mr. Douglas] to have his amendment made the pending business tomorrow when the Senate convenes.

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. In the interest of getting on with the tax bill, would it be possible to have the Dirksen amendment on the abolition of the retail sales tax, which will be presented by the distinguished Senator from Kentucky [Mr. Morton], follow consideration of the Douglas amendment under a unanimous-consent agreement?

The PRESIDING OFFICER. Under unanimous consent that could be done.

Mr. MANSFIELD. Would it be possible to have consideration of that amendment followed by the amendment to be offered by the Senator from Wisconsin [Mr. Proxmire] under a unanimous-consent agreement?

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. Would it be possible at this time to ask unanimous consent that there be 1 hour on the Douglas amendment, to be equally divided between the Senator from Illinois [Mr. Douglas] and the Senator from Louisiana [Mr. Long]?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG of Louisiana. Mr. President, with regard to the Douglas amendment, I should like to request that the unanimous-consent request be amended to the extent that germane amendments to that amendment would be in order, with the time limited 15 minutes to each side, to be controlled by the Senator offering the amendment and the Senator from Illinois.

The PRESIDING OFFICER. Is there objection to the amendment to the unanimous-consent agreement? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

> *Ordered*, That on Wednesday, February 5, 1964, upon the convening of the Senate, it proceed to the consideration of the amendment (No. 411) relating to standard deductions, intended to be proposed by Mr. Douglas to H.R. 8363, the Revenue Act of 1964; that the debate on said amendment be limited to 1 hour, to be equally divided and controlled by Mr. Douglas and Mr. Long of Louisiana for the proponents and the opponents, respectively; that any amendment proposed thereto must be germane to such amendment, and that debate upon any such amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such amendment and Mr. Douglas.
>
> *Ordered further*, That following the disposition of the Douglas amendment, amendments intended to be proposed, respectively, by Mr. Dirksen, Mr. Proxmire, and Mr. Hickenlooper, be taken up for consideration.

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HICKENLOOPER. What is the unanimous-consent agreement? Three or four have been proposed as being potentially possible, but I did not know that a request for unanimous consent had been made. I do not wish to be frozen out.

Mr. MANSFIELD. First, the Senator from Illinois received unanimous consent earlier today to have his amendment considered the first thing tomorrow.

Mr. HICKENLOOPER. I understand that.

Mr. MANSFIELD. There will be 1 hour on that amendment, 30 minutes to each side, and 15 minutes to each side on any amendment thereto.

Mr. HICKENLOOPER. Was a unanimous-consent request made in respect to that amendment?

Mr. MANSFIELD. Yes; and granted.

Mr. HICKENLOOPER. I have no objection.

Mr. MANSFIELD. After that would come the Dirksen amendment, which would abolish the retail excise tax. After that would come the amendment to be proposed by the Senator from Wisconsin [Mr. Proxmire].

Mr. HICKENLOOPER. Reserving the right to object—and I have no intention of objecting to the request—I have an amendment which I expect to offer on behalf of the Senator from Illinois [Mr. Dirksen] and myself having to do with writing instruments. It is at the desk and will be printed. I do not wish to be foreclosed on the amendment in any way, shape or form. I have no objection to the order of priorities which the majority leader has stated.

Mr. MANSFIELD. I wish to say to the Republican policy leader that no Senator will be foreclosed from offering an amendment. The effort is made to get a little continuity, which I thought the Republicans had agreed to, in the meantime.

Mr. HICKENLOOPER. Following the pattern of the inquiry of the distinguished leader, would it be in order to ask that the amendment to which I have referred be put in the line of progression?

Mr. MANSFIELD. There is nothing to stop it.

Mr. HICKENLOOPER. May I ask that there be added to the Senator's list of developing programs the amendment relating to writing instruments to which I have referred so that it will follow the three or four amendments to which he has already referred?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Dirksen-Hickenlooper amendment be considered sometime tomorrow.

Mr. HICKENLOOPER. Mr. President, reserving the right to object, that is not what I asked. I asked if the amendment could follow the succession of amendments which the majority leader has outlined.

Mr. MANSFIELD. If the Senator wishes to make such a unanimous-consent request, it is satisfactory with me.

Mr. HICKENLOOPER. I hoped that, out of the charity of the Senator's heart, he would include the amendment in his request.

Mr. KEATING. Mr. President, reserving the right to object, I have an amendment——

Mr. MANSFIELD. I give up. It is my understanding that amendments will be offered tonight by the distinguished Senator from Kansas [Mr. Carlson], the distinguished Senator from Indiana [Mr. Hartke] and the distinguished Senator from Minnesota [Mr. McCarthy]——

Mr. McCARTHY. No; I will merely defend against one.

Mr. MANSFIELD. There will be at least two additional amendments. I suggest that we get away from unanimous-consent requests and return to consideration of the bill. I shall feel a great deal better.

Mr. HARTKE. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Indiana will be stated.

The Legislative Clerk. At the proper place in title II of the bill it is proposed to insert the following new section:

Sec. . Additional Exemption for Dependent Who Is Blind.

(a) Allowance of Additional Exemption.—Section 151 (relating to allowance of deductions for personal exemptions) is amended by adding at the end thereof the following new subsection:

"(f) Additional Exemption for Blindness of Dependent.—An additional exemption of $600 for each individual who is blind and with respect to whom the taxpayer is entitled to an exemption under subsection (e) for the taxpayer's taxable year. For purposes of this subsection, the determination of whether a dependent is blind shall be made at the close of the taxpayer's taxable year; except that if the dependent dies during such taxable year such determination shall be made as of the time of his death."

(b) Technical Amendments.—

(1) Section 151(d)(3) (relating to definition of blindness) is amended by striking out "For purposes of this subsection" and inserting in lieu thereof "For purposes of this subsection and subsection (f)".

(2) Section 213(c) (relating to maximum limitations on deduction for medical, dental, etc., expenses) is amended by striking out "subsection (c) or (d)" and inserting in lieu thereof "subsection (c), (d), or (f)".

(3) Section 3402(f)(1) (relating to withholding exemptions for income tax collected at source on wages) is amended—

(A) by striking out "and" at the end of subparagraph (D);

(B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof "; and"; and

(C) by adding at the end thereof the following new subparagraph:

"(F) an additional exemption for each individual with respect to whom, on the basis of facts existing at the beginning of such day, there may reasonably be expected to be allowable an exemption under section 151(f) for the taxable year under subtitle A in respect of which amounts deducted and withheld under this chapter in the calendar year in which such day falls are allowed as a credit."

(c) Effective Dates.—The amendments made by this section (other than by subsection (b)(3) shall apply to taxable years beginning after December 31, 1963. The amendments made by subsection (b)(3) shall apply with respect to wages paid after December 31, 1963.

Mr. HARTKE. Mr. President, what the amendment would do can be very simply explained. The amendment would provide that a blind taxpayer would be granted one additional exemption of $600. In other words, in addition to the usual exemption of $600, he would be granted a $1,200 exemption.

The number of people who are really blind in the United States of America today does not comprise an exceptionally large number.

In my own State of Indiana, for example, there are 800 who are qualified at this time to take advantage of such an amendment. I think, of all of the handicapped people in the world, those with the loss of sight are probably suffering one of the most severe handicaps. The blind people do not expect handouts. What they want is an opportunity to make their own way. But frequently, they find roadblocks in their way. The social security laws restrict the amount of money they can earn. The special assistance they receive from certain organizations frequently requires them to pauperize themselves. In some cases they are supporting families. In some cases they are supporting families the members of whom have sight. Sometimes that is helpful; other times it is not.

The blind people have come before Congress and have said, time and time again, that if we give them an opportunity to make their own way, to be self-supporting, to be upstanding citizens, that is all they want. In line with that request, they have tried to go into businesses to which they are particularly suited.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. HARTKE. I am glad to yield to the distinguished coauthor of the amendment.

Mr. RANDOLPH. The Senator from Indiana, in his humane yet practical manner, has correctly stated the philosophy of most of the blind population of the United States. He has indicated that the blind desire, insofar as possible, to help themselves. An apt illustration can be cited. In 1937 a law was enacted which gave the blind certain valid preference in operating vending stands in Federal buildings throughout the United States, including post offices.

The legislation was later broadened to give advantage to the cooperative effort, through State agencies, which would encourage the blind in State, county, and community locations which were conducive to business, to serve the public.

Mr. President, there are today more than 2,400 blind persons in the United States who are operating these small business units, vending stands in Federal buildings and other locations throughout the Nation, including national forests and parks.

During the last year these diligent people did a gross business of approximately $45 million and earned for themselves approximately $5.5 million. They are self-supporting. This is so in contrast to relief and charity. They are responsible citizens contributing to our economy.

So I emphasize what the Senator from Indiana [Mr. Hartke] so well said—that the blind desire the opportunity to help themselves. The illustration I have given is proof positive of this fact. The amendment which is offered, which I am delighted to cosponsor, is a further attempt to encourage the blind of our country to help themselves. I believe it to be a worthy and reasonable approach, and it is my hope that Senators will approve the proposal.

Mr. HARTKE. I thank the distinguished Senator. Also attention should be called to the fact and credit should be given to our colleague the Senator from West Virginia [Mr. RANDOLPH] for being the author of the legislation which made it possible for the blind people to conduct vending stands in public buildings. His efforts over a constructive career in both the House and Senate are well known by the blind.

Most of the members of the Finance Committee who heard the presentation made by Mr. John Nagle, with his use of braille, as he presented his case before the committee, could not help but be impressed with the sincerity of these people. Yet in many cases we drive them into a helpless situation. On the one hand we ask them to degrade themselves by looking to their parents. On the other hand we ask them to degrade themselves by being taken care of by their children. They do not want to be taken care of by their parents or their children. They want to go by themselves and live a normal life.

Those people, under the best of circumstances, will have a difficult opportunity to find a higher place in life. Some of them will. There are exceptional cases. Some of them become lawyers. We have in Indiana Mr. Albert Hahn, who is the administrator of one of the largest hospitals in our State. But these are exceptional cases.

Those individuals would like to have this one opportunity to say to the rest of the world, "We do not want handouts. We do not want sympathy. All we want is an opportunity to take care of ourselves in the world."

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. HARTKE. I yield.

Mr. ANDERSON. Did the Senator present this amendment to the Finance Committee?

Mr. HARTKE. I did not present it. I presented it to the Finance Committee last time, and took such a terrific beating on it that I thought I would take it directly to the floor of the Senate. I thought they would treat me more kindly.

Mr. ANDERSON. I appreciate that statement. We appreciate the interest the Senator from Indiana has had in this subject, but I suggest to him that the creation of a new class of dependents is a dangerous thing. One might suggest that people past 65 years of age should receive a special class of dependency.

I hope the Senator will not press the amendment, which should have been presented to the committee. I apologize to him for the committee's not accepting it, but I point out that creating a separate class like this would jeopardize the whole bill. We have tried hard to keep the bill from being unduly amended.

I hope the Senator will not press his amendment. I recognize there may be justification for it. There probably is justification for it. If it had been presented to the Finance Committee this time, it might have been again rejected, but that does not mean it is bad. The Senator knows that many good amendments fail because the Senate is pressed for time and because of circumstances. We want to get out of committee a bill that is reasonably balanced. That is the situation at this time.

The Senator has been a fine member of the committee and a fine advocate of this measure, with the Senator from West Virginia [Mr. RANDOLPH]. I hope they will not press this amendment too vigorously, because many of us would take a position on it which we might not take if it were presented in the regular way before the committee.

I cannot compel the Senator to do it; I can only plead with him not to press too hard for it.

Mr. HARTKE. I understand the situation, but at this time my conscience would not permit me not to do so. We presented this amendment in committee in 1962. I have no feeling of animosity toward any individual Senator who did not support it. I felt at this time that it was useless to go through it again. Rather than embarrass the committee and have the committee make a vigorous fight against it because it had been rejected in committee, and therefore should not be approved on the floor of the Senate, I thought I would take my chances with the fine Members of the Senate who are concerned with the welfare of making blind people self-supporting, and not dependent.

Mr. ANDERSON. With his fine fellowship, would the Senator agree to having a voice vote on the amendment?

Mr. HARTKE. Usually I take orders from the Senator from New Mexico, whom I respect and love. I hope he has not been offended because I have not done so this time. I shall not insist on a yea and nay vote on the amendment. I hope the voices in favor of the amendment will be heard loudly. I hope that Senators who have expressed sympathy with it will not make their voices heard too loudly against it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana for himself and other Senators. [Putting the question.]

Mr. MANSFIELD. Mr. President, I ask for a division.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CARLSON. Mr. President, I offer the amendment which I send to the desk (No. 406) and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert the following:

> That section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by redesignating subsection (d) as (e) and by inserting after subsection (c) the following new subsection:
>
> "(d) PREMIUMS FOR FLOOD INSURANCE.—The ordinary and necessary expenses referred to in subsection (a) include amounts paid or accrued for premiums for insurance against losses arising from floods."
>
> SEC. 2. The amendment made by this Act shall apply to taxable years beginning after December 31, 1953, and ending after August 16, 1954.

Mr. CARLSON. Mr. President, I modify the amendment by adding in line 5 after "premiums for flood insurance" the words "notwithstanding the last sentence of section 832(6)(4)."

Mr. President, this amendment would clarify the deductibility of premiums paid for policies of flood insurance, including such premiums paid by subscribers to a reciprocal interinsurance exchange. On July 24, 1956, and again in 1957, the Internal Revenue Service ruled that such premiums were deductible, but it reversed its position in 1960 and began disallowing premiums which had been paid under the only State licensed and regulated plan for flood insurance in existence. In an action by a policyholder to recover income taxes paid as a result of this disallowance, the Circuit Court of Appeals for the Eighth Circuit held in *United States* v. *Weber Paper Company*, 320 F. 2d 199, that the Commissioner was in error and that the deduction should have been allowed. The Solicitor General has announced that certiorari will not be requested.

In the Revenue Act of 1952 this plan was specifically recognized and sections 831 and 832 of the Internal Revenue Code amended by that act made repeated references to subscribers to mutual flood insurance companies. The conference committee even inserted a sentence to provide that subscribers to mutual flood insurance companies should be treated the same as policyholders in factory mutual companies writing fire insurance. This purpose is stated in the conference committee report C.B. 1962–63, page 1155. This provision was designed to encourage this type of insurance, not to defeat it.

Instead of permitting the deduction of such premiums, however, the Treasury Department has now promulgated a proposed regulation, section 1.832–6, which, in effect, allows a deduction to the policyholder only if his premium is absorbed in losses or expenses during the year of payment. Inasmuch as flood losses are already fully deductible in the year they occur it is obvious that this regulation would render this type of flood insurance an economic waste and impractical. When it is considered that flood disasters in any area exposed to flood risks may occur only once or twice in a generation, it is obvious that to prohibit deduction of the premiums unless a loss occurs within the year is, in effect, to deny the deduction altogether except in the year the catastrophe occurs. Insurance departments of the various States require the maintenance of reserves equal to the face amount of the policies because of the catastrophic character of flood losses. In mutual or reciprocal insurance these reserves can be created only out of premiums, and if a tax deduction for the premiums is denied in a newly organized flood insurance mutual or reciprocal company, the mutual insurance company or reciprocal exchange is effectively prevented from establishing the necessary reserves or giving any insurance protection against these catastrophes. No other plan of flood insurance, either publicly or privately sponsored, is presently available.

For these reasons, the amendment which I propose makes it clear that as to all years covered by the Internal Revenue Code of 1954, insurance premiums of this character incurred in a trade or business are deductible as ordinary and necessary expenses. Any attempt to misuse such a deduction is prevented by two safeguards: One, the amendment makes it clear that if any portion of the premium is subsequently refunded, it is to be included in the policyholder's taxable income in the year in which it is refunded; and, the other, the deduction is limited to a maximum in any year of 10 percent of the value of the property exposed to flood hazard. With these safeguards, I believe that not only will there be no tax loss to the Government through this provision, but, by preventing the financial destruction of small businesses in catastrophic floods, where, in many instances there is no profit or gain to charge the casualty deduction against, the general economy—and the revenue—will be benefited since businesses which might otherwise have been wiped out will be able to contribute their share of income taxes. Congress, as well as Presidential messages to Congress have repeatedly emphasized the necessity of making flood insurance available to the citizens of the United States. The inclusion of this amendment in the pending bill will be a long and sound step in that direction.

I sincerely hope, in view of the difficulties that we have had in our section of the country in establishing flood insurance, which is badly needed not only in our area but in other areas of the country also, that the amendment will be approved.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. CARLSON. I am happy to yield.

Mr. ANDERSON. I only say to the Senator from Kansas that this comes as no surprise to me, because the Senator presented his amendment to the members of the Finance Committee. We discussed it twice. We had a very interesting and animated discussion of it in committee, and we had two votes on it.

The interesting point is that the Senator from Kansas has a real case. He made it very effectively before the committee. The difficulty is that this is not truly insurance in this particular instance. What is put up by these people for flood protection is an advance from which the cost of the catastrophe is to be paid. There was considerable difficulty with this question, because people ordinarily cannot get a deduction for deposits they have made, but only for contributions which they have paid out for the cost of insurance.

The Senator from Kansas is quite right in saying that this is similar to mutual and reciprocal insurance. The Senator from New Mexico, as the Senator from Kansas knows, has been identified with the mutual insurance companies for more than a quarter of a century. Therefore, I appreciate the problems we face. The difficulty is that when we start to permit deductions to be made for reserves for flood insurance, which is really not insurance, but merely a protective fund, we run into all sorts of problems.

I believe the Treasury Department should handle this situation administratively, and should have handled it in that fashion long ago. The Senator has been trying hard to have this question settled by the Internal Revenue Service. I do not know exactly all the difficulties connected with a settlement of it, but as I said to the Senator from Kansas in the committee, I believe it should have been settled long ago by the Internal Revenue Service. They should have set up guidelines under which this type of mutual insurance could properly have been put in the category of mutual insurance, and deductions allowed.

I only wish to express to the Senator from Kansas my belief that he would be somewhat premature in asking for the adoption of his amendment, because I do not believe the Treasury would rule that these are premiums. I believe the Treasury Department would say, "We have to ignore this case, because these are nothing but mutual protection funds." I pledge to the Senator from Kansas that I would be happy to associate myself with him in continuing his efforts to get this on a basis on which it can be properly handled.

The people involved do have a flood hazard. As we know, there was a very serious flood in Kansas City several years ago, which caused millions of dollars of damage. These people should have been able to do something about it, and they should be able to protect themselves against a recurrence of such a disaster.

I am sympathetic with the problem. I say also, and say it with real sincerity, that the Senator made a very fine case in the committee. At one point most of us in the committee felt that we ought to vote for the amendment. However, it was then pointed out that these are not insurance premiums, but deposits, and that to adopt the amendment would jeopardize the whole cause of reciprocal and mutual companies, and their taxation.

If the Senator from Kansas will not press his amendment at this time, I believe there is a possibility that the Internal Revenue Service will look with some interest on the proposal he has made. I have no power to make him do it, and if he presses his amendment, we shall have to vote on it. He has done a good job, and I wish the Internal Revenue Service would do as well.

Mr. CARLSON. I appreciate very much the remarks of the distinguished Senator from New Mexico. In the first place, this matter was discussed in the committee. I would be less than frank if I did not state that the distinguished Senator from New Mexico has had many years of experience in the insurance field. With regard to these deductions, there have been one or two court cases in which the court held that they were deductible. It seems to me that on the basis of court decisions and the statement of the Senator from New Mexico, the Internal Revenue Service would make a ruling which would assist us.

Mr. ANDERSON. I agree with the Senator. I do not contradict him at all.

The Internal Revenue Service should find some way of working out the problem. As I said to him in committee, and as I say to him now on the floor of the Senate, there is a great deal of justice in his contention. I hope that the problem may be handled administratively.

Mr. CARLSON. In view of the fine statement of the Senator from New Mexico, and with his assurance that he will help me get some assistance from the Internal Revenue Service, I shall not press the amendment. After wrestling with this problem for 4 or 5 years, I hope that the Internal Revenue Service will rule that the company involved can at least carry out some contracts and some policies that they have made with citizens in the Middle West.

On that basis, Mr. President, I withdraw the amendment.

Mr. ANDERSON. I thank the Senator. I again say to him that I shall be happy to work with him, because I believe his cause is just.

Mr. CARLSON. I thank the Senator.

The PRESIDING OFFICER. The Senator withdraws his amendment.

TERRY McDERMOTT, OF ESSEXVILLE, MICH., WINNER OF FIRST GOLD MEDAL FOR THE UNITED STATES AT NINTH WINTER OLYMPICS

Mr. HART. Mr. President, I realize that the Senate has had an arduous day, as it has been engaged in serious debate. I should like to close the day on a happy note.

Perhaps the news of recent days concerning the Winter Olympics has been out of all proportion to its importance. The news has reported Russian winners and Austrian winners of gold medals, but no Americans who have won gold medals.

Today the news is good. America has an Olympic winner, a gold medal winner, a winner who has established an Olympic record. I hope the Senate will permit me to offer him our congratulations and to express the delight of the people of America on his success. I speak, of course, of Terry McDermott, a young man from Essexville, Mich. Think of the excitement which was his, the thrill which was his, in a moment which I am sure he will never forget. His victory is vividly portrayed in a brief news service bulletin. I ask unanimous consent that the bulletin be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. BAYH in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. HART. Mr. President, I caution the barbershop in Essexville that, along with many others, I shall turn up this summer seeking a haircut that retails at $1.75, as is indicated in this news flash. I hope that Terry will be there.

EXHIBIT 1

INNSBRUCK, AUSTRIA.—"Boy, they must be whooping and hollering in that barbershop back home," said speed skater Terry McDermott today after winning the first gold medal for the United States at the Ninth Winter Olympics.

In 6 days of competition the U.S. team had won only the Silver and Bronze Medals captured by Jean Saubert, of Lakeview, Oreg., when McDermott set off around the ice stadium oval.

When McDermott flashed across the finish line he not only had won America's first gold medal, but had defeated two-time Olympic champion Eugeny Grishnin, of Russia, and broken Grishnin's Olympic record with a time of 40.1 seconds. The record, set in 1956 was 40.2.

In Essexville, Mich., where the 23-year-old McDermott cuts hair at $1.75 a head in his father's shop, it was about 10 minutes after 6 a.m.—probably a little early for whooping and hollering.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business tonight, it take a recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER (Mr. BAYH in the chair). Without objection, it is so ordered.

REVENUE ACT OF 1964

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. MANSFIELD. Is it correct to assume that on the basis of the Senate's taking a recess tonight, the time limitation on the Douglas standard deduction amendment will begin immediately upon the convening of the Senate tomorrow morning?

The PRESIDING OFFICER. The Senator is correct.

COMPILATION OF CERTAIN STATEMENTS AND SPEECHES OF THE LATE JOHN F. KENNEDY

Mr. MANSFIELD. Mr. President, John Fitzgerald Kennedy was a keen scholar of American history. By his words and his deeds he earned a prominent place in that history. He was a man of his time, a man affected by the world in which he was projected and who, in turn, deeply affected that world. His orientation led him to seek a life in the service of his country; as a naval officer, as Representative, as Senator, and, finally, as President.

Throughout his 14 years in the House and the Senate, a period of great significance, John Kennedy devoted himself to action. Posterity will judge that segment of his public life, as it will judge us, on the basis of the recorded legacy of words and deeds.

What he said and what he did in Congress tell a great deal of the man and of his service to the Nation. Those were the years of emergence, for the ideals and the policies which he was later to pursue in his all too brief tenure of the Presidency. It seems to us, therefore, that it would be both a fitting tribute and most useful historically if the Senate were to issue a compendium of John Fitzgerald Kennedy's spoken words as a Representative and a Senator—words which will provide insight into the philosophy and character of this great American.

Mr. President, on behalf of the distinguished minority leader [Mr. DIRKSEN] and myself I send to the Senate a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

Resolved, That the 88th Congress, 2d session, authorize that there shall be printed as a Senate document a compilation, to be prepared by the Legislative Reference Service, Library of Congress, of statements and speeches of John Fitzgerald Kennedy which were made in the Senate and House of Representatives during the time the late President was serving as a Senator and Congressman; respectively.

Mr. MANSFIELD. Mr. President, the resolution has been cleared with the minority. To the best of my knowledge, it meets with their unanimous approval.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 294) was considered and agreed to.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

RESOLUTION

TO PRINT AS A SENATE DOCUMENT A COMPILATION OF CERTAIN STATEMENTS AND SPEECHES OF THE LATE JOHN F. KENNEDY

Mr. MANSFIELD (for himself and Mr. DIRKSEN) submitted a resolution (S. Res. 294), to print as a Senate document a compilation of certain statements and speeches of the late John F. Kennedy, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. MANSFIELD, which appears under a separate heading.)

AMENDMENT OF SOCIAL SECURITY ACT—ADDITIONAL COSPONSOR OF BILL

Mr. HARTKE. Mr. President, on January 14 I introduced a bill to amend the Social Security Act extending the benefits for dependent children beyond the age of 18 until graduation from high school. I am happy to learn that my esteemed colleague, the Senator from Pennsylvania [Mr. CLARK] would like to be associated with that bill as a cosponsor. I therefore ask unanimous consent that the name of the Senator from Pennsylvania be added to the bill, S. 2421, at its next printing.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE HARTKE COLLEGE ASSISTANCE BILL

Mr. HARTKE. Mr. President, yesterday I introduced a higher education student assistance bill, S. 2490. The chairman of the Education Subcommittee of the Labor and Public Welfare Committee, the able Senator from Oregon, has indicated that he will hold hearings on this bill in the near future.

In order to clarify in an orderly and concise form just what this bill would do, I ask unanimous consent to have printed in the body of the RECORD a short descriptive statement, together with a table setting forth the sums of money involved and the number of students who would be assisted.

I believe, Mr. President, that this summary of the Hartke college student assistance bill, formally titled the Higher Education Student Assistance Act of 1965, will be most useful. Many persons have already written me, and doubtless other Senators have had equally heavy mail, urging support of some kind of relief from the costs of college education today. This summary and table will help to describe to them the alternative which I hope will be the eventual answer to this demand.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NATIONAL STUDENT FINANCIAL AID PROGRAM

BROAD PURPOSE

Provide a multipurpose program of student financial assistance, flexible enough to meet the diverse requirements of the Nation's postsecondary institutions, and balanced between loans, scholarships and student employment activities. The basic aim of the entire program is to insure the fact that no capable student will be denied the opportunity for education beyond high school because of his or his parents' inability to meet the financial burden.

1. UNDERGRADUATE SCHOLARSHIPS

A program of 4-year undergraduate scholarships, to be awarded by scholarship commissions in the States to entering college freshmen. Each award is based on the individual financial need of the recipient to a maximum of $1,000 for the academic year, and may be used at any accredited 2- or 4-year higher education institution. Recipients are to be selected on the basis of academic promise and high school achievement as set forth in the State plan for scholarship competition.

2. LONG-TERM STUDENT LOANS

Existing National Defense Education Act, title II, authority to be broadened to add new categories of institutional participants such as 2-year technical institutes and similar postsecondary educational establishments whose programs are not specifically earmarked for transfer to the baccalaureate degree. The present ceiling on the maximum academic year loan to any one student to be increased to $1,500 at the undergraduate level and $2,500 at the graduate level. Maximum loan to any one student increased from present $5,000 to $7,500 for undergraduates and $10,000 for graduate students. Financial need test to be continued, but institutions urged to be more lenient in assessing financial need for loans than in making scholarship awards.

Annual authorization ceiling for Federal capital contributions to be increased to $200 million in fiscal year 1965, and $250 million in fiscal year 1966.

3. EDUCATIONAL LOAN INSURANCE

A program for establishing a loan guarantee fund, from which the Commissioner of Education could issue insurance certificates for college or commercial loans negotiated by college students. Eligibility for such an insured loan to be based only on full-time enrollment and continuation of satisfactory academic progress. No financial need test to be required.

The insurance feature would hasten the flow of commercial credit, and augment various State, local, and national guarantee plans now in existence. Loans so insured would be limited to $2,000 per academic year to any one borrower, and $10,000 total. Repayments could be extended for a 10-year period following graduation. Maximum Federal liability is limited to 90 percent of the balance outstanding, and maximum interest rates which may be charged are to be set by the Commissioner.

An initial revolving insurance fund of $1 million to be authorized and augmented by a one-quarter percent per annum interest charge levied on all insured loans.

4. STUDENT WORK-STUDY PROGRAM

A program for establishing and supporting student employment opportunity within institutions of higher education. Eligibility limited to students who are in need of employment income to pursue a full-time course of study or who, as a condition of the course of study must undertake a period of full-time training, such as those for the public school teaching intern or teacher aid, community welfare trainee, nursing trainee, teaching and research assistant; and similar programs with a substantial educational or public service content.

Total payment to any one student limited to $1,000 per academic year at the undergraduate level, and $2,000 at the graduate level. Authorization for the first year $250 million to be allocated among the States, and within the State among eligible institutions of higher education.

DISTRIBUTION OF FUNDS

Under items 2 and 4, on the basis of State allotment set by enrollment levels for institutions of higher education, including technical institutes and other postsecondary nondegree institutions. Under item 3, assignment of institutional quotas of loans to be insured, national aggregates not to exceed $50 million for fiscal year 1965 and $100 million for fiscal year 1966. Under item 1, a $37,500,000 authorization for fiscal year 1965 would be distributed among the States on a formula basis derived from the number of secondary school graduates and the population age group 14 to 17 in each State.

ESTIMATED AUTHORIZATIONS AND NUMBERS OF STUDENTS SERVED

1. Undergraduate scholarships: At an estimated average of $750 per award, 50,000 entering freshmen would be assisted the first year.

2. Title II, National Defense Education Act, long-term low interest loans: With $200 million in Federal capital, $22 million in institutional capital and an estimated $12.5 million in repayments and carryover (committed funds), some 470,000 students could receive assistance at the present average of $500 per year per borrower.

3. Educational loan insurance: For 1965, at an average of $900[1] per borrower, some 55,000 students could receive insured loans.

4. Student work-study: For 1965, an average payment of $750 per year per student, would provide employment for 330,000 undergraduate and graduate students.

Summary

Program	1965		1966		1967		1968	
	New obligational authority	Students aided	New obligational authority	Students aided	New obligational authority	Students aided	New obligational authority	Students aided
Undergraduate scholarships	$37,500,000	50,000	$75,000,000	100,000	$112,504,000	150,000	$150,000,000	200,000
Student loans	[1] 65,000,000	470,000	250,000,000	600,000	250,000,000	600,000	250,000,000	600,000
Loan insurance	1,000,000	55,000	1,000,000	110,000		110,000		110,000
Work study	250,000,000	330,000	250,000,000	330,000	250,000,000	330,000	250,000,000	330,000
Total	353,500,000		576,000,000		612,504,000		650,000,000	

[1] $135,000,000 now authorized under title II of the National Defense Education Act for fiscal year 1965.

SUPPORT DATA—NATIONAL STUDENT FINANCIAL AID PROGRAM

Undergraduate scholarships

1. In the fall of 1964, it is currently estimated that 1.2 million students will enter college as freshmen. Thistlethwaite's study on the recruitment and retention of talented college students, done on the more than 300,000 applicants in the National Merit Scholarship Competition in 1958–59, indicates that approximately 10 percent of the qualified college potential entrants (those in the upper 30 percent) of the merit competition, did not enter college. The largest single factor inhibiting college entrance was the lack of adequate financing.

A general application of this index to the 1964 entering group would indicate that some 120,000 qualified entrants (10 percent of those who actually enter) will not go on to college in September 1964. Against a net loss of 120,000 students, a recommended Federal scholarship program of 50,000 awards the first year is a modest effort.

The basic drive in this program is to seek out and identify the qualified student who by virtue of economic, family, and other reasons is effectively prevented from going on to college. In each State, under the auspices of a State scholarship commission, an intensive annual competition, utilizing the guidance resources of every high school, could accomplish this goal. In a sense, the purpose here is to undergird the more specialized efforts of the individual colleges and universities—who seek to do the same thing, with their own admissions and financial aid staffs.

EXPANSION OF TITLE II, NATIONAL DEFENSE EDUCATION ACT STUDENT LOANS

2. The more than 1,550 colleges now participating in the National Defense Education Act II loan program have already projected their lending requirements for 1964–65 at $171 million. At an estimated $500 loan per year, per student, some 370,000 students will be provided assistance during that year. This is slightly more than 8 percent of the total projected college enrollment of 4.5 million in 1964-65.

If the program is broadened to include nondegree granting institutions with either 2- or 3-year programs, and if institutions are encouraged to make some differentiation between application of the financial needs test for scholarship assistance as compared to loans, an estimated 100,000 new borrowers would be brought into the number requiring assistance.

Educational loan insurance

3. The levels of student and institutional participation in this program are extremely difficult to predict. Since the program would be operated at no cost to the Government, it should be viewed here as a sort of pilot program, in much the same context as the National Defense Education Act program was held in 1958.

Student work-study programs

4. With broadened categories of work-study programs, including those which provide for a period of off-campus internship or training, our best estimate of the outside college requirement is $250 million for some 330,000 students. It must be pointed out, however, that the entire drive of this program is toward better programs of professional preparation for careers, and not a make-work system to keep students busy.

In conclusion, experts in the field of student financial aid indicate that there is an unfilled financial need gap nationally of some 750 million annually. These programs would move steadily in the direction of closing such a gap.

WE MUST FIGHT THE FILTH THAT KILLS

Mr. PELL. Mr. President, in the January issue of the Carpenter is an article written by my good friend and colleague, Senator ABRAHAM RIBICOFF. The article is entitled "We Must Fight the Filth That Kills." The subject of the article is pollution—a problem of which all of us are aware, but about which we have done little.

Senator RIBICOFF is spearheading the attack on this problem. He was successful in guiding his bill, S. 432, the Clean Air Act, which I was proud to cosponsor, through the Senate, to its enactment as Public Law 88–206. He has dedicated considerable effort and time to other problems of pollution—those involving our food and our water, as well as the air we breathe.

Someday, Mr. President, these problems will be solved. All our people will benefit; and it is a tribute to ABE RIBICOFF that he has devoted his intelligence and expertise to this effort, which is so much in the public interest.

I request that Senator RIBICOFF's article be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WE MUST FIGHT THE FILTH THAT KILLS

(By ABRAHAM RIBICOFF, U.S. Senator from Connecticut)

People used to say that everybody talks about the weather but no one does anything about it. That ancient saying is no longer true.

These days we are all doing something about—or certainly to—the weather, and what we are doing is, for the most part, pretty bad.

Great numbers of citizens go to and from work in cars and buses trailing exhaust vapors. The factories they work in belch smoke into the air. These dark clouds carry terrible smells and chemicals which sting the eyes and sometimes turn the stomach.

If we drive a car or ride a bus or burn some trash or use a product that came from one of those smoky factories, we are doing something to the weather. Few of us are innocent. For we live in a world where every action, as buyer or seller or employee, is linked in some fashion to the actions of others. Each of us does a little bit to contaminate the world we live in and none of us knows how to do enough to clean it up again.

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[1] NOTE.—Sulkin study on commercial loans shows average of $3,600 for 4 years, or $900 per year.

What's more, we may get used to a dirty world. Although we remember that things were different when we were younger, we are raising children who do not have such memories, and, because the problem is such a big and confusing one, we tend to say "something should be done about the smog" but usually nothing much is done.

I think one reason nothing much is done is that we are not taking the pollution problem seriously enough. I don't think we're as scared and as worried as we ought to be.

But the filth that's being put into the air we breathe—and the water we drink and the food we eat—is far more abundant and potentially more dangerous than the contamination caused by nuclear weapons testing. Jerome Wiesner, who was science adviser to President Kennedy, testified a few months ago before my Subcommittee on Reorganization that man's uncontrolled use of poisonous chemicals was potentially a much greater hazard than radioactive fallout.

That was a jarring reminder that we had better give close attention to some of the things in our surroundings we may have assumed to be harmless just because they are commonplace. The fact that we have become accustomed to smog in the air and some foam and, occasionally, a funny taste in our glass of water doesn't mean that these things are good for our health.

A year ago 750 persons were killed by air pollution in London. At almost the same time a similar tragedy nearly took place in our own country, when a mass of stagnant air caused pollution levels to rise to a point of real danger to human health. We were fortunate this time. A good wind came up and blew that mass of contaminated air out over the ocean. But for that wind the United States might have suffered its worst air pollution calamity.

People in this country have died from air pollution. And they have been hurt, too, water, foods, or the work environment—which have not revealed themselves in obvious cases of acute illness and death. There are leading scientists who believe that air pollution may have a good deal to do with lung cancer, aggravating heart conditions, and increasing susceptibility to such respiratory diseases as asthma and bronchitis, especially among older people in our ever-expanding urban and industrial society.

Carpenters are comparatively fortunate in that the work most of them do—although dangerous in other ways—does not usually expose them to poisonous gases, fumes, or chemicals. Millions of other working people are not so fortunate.

We are very interested in protecting the safety of the employee working at atomic reactors or with X-rays; of the pilots of airplanes which spray insecticides; of the factory workers who produce, package or load chemicals; of the trucker who transports dangerous materials.

It is good to learn that the U.S. Public Health Service is enlarging its investigations in occupational health. A major step in protecting workers is to know precisely what is safe and what is hazardous in their workday environment.

We are, of course, all subject to hazards when we leave our jobs and join the rest of humanity in sharing the air we breathe, the water we drink, the foods we eat, and the cities in which most of us live.

It is only commonsense for us to heed the findings of the Public Health Service. Its analyses of air samples over our big cities point to the possibility that air pollution may be a cause of lung cancer.

Henry Ford once said, "We shall solve the city problem by leaving the city." And he promptly provided the means to do so. However, the automobile has not slowed down the national trend toward urbanization.

Today there are 62 million cars on our highways. Automobile exhaust pollution has become a seemingly permanent ingredient in the air of most cities. Industry contributes a major share of the gases and particles that contaminate our air. City dumps, apartment house and hotel incinerators, and backyard trash fires add their soot and smoke.

It is not surprising that we have such problems when one considers the growth of population in this country. Just taking care of the trash and refuse and wastes that come from homes and workplaces is a major undertaking. We occupy more of the land area than ever before—with homes, schools, stores, service stations, and industrial plants. Each new activity creates waste materials that must be disposed of.

Health departments and sanitary engineers are calculating new methods of getting rid of solid wastes. For example, they create great landfill areas that eventually—piled up, compacted, and purified—become parks, playgrounds, or homesites.

To protect us from the mammoth problems of water pollution, health departments, sanitary engineers, and a host of other officials and citizens attempt to keep refuse and waste materials from being dumped into rivers, streams, and major watercourses.

However, water pollution is widespread. This country's neglect of one of its most precious natural resources has inspired two Presidents to refer to the national disgrace of water pollution. Dirty water, like dirty air is a menace to health. It also destroys fish and wildlife and is responsible for many of the "No swimming—no fishing" signs on the banks of lakes and streams that were once popular recreation areas.

Our efforts to control air and water pollution are grossly inadequate. Unless better controls are effected, the situation is going to become still more serious. In addition to the health hazards of pollution, the economic damage it causes is staggering. Current estimates are that air pollution alone costs the American people about $11 billion each year.

Clearly, the health of our environment is a national problem. For the most part, the Federal Government works with and through the States and local communities in attempts to eradicate dangers to our health and welfare. However, some problems overwhelm our smaller units of government.

Economic profits and the power of local interests sometimes wield too much influence to permit unbiased decisions—or the States do not have sufficient funds, staff or knowledge to cope with the problems. Also, water flows across State lines and air observes no political boundaries. As the Atlanta Journal pointed out recently, those who claim that pollution is a local problem may find themselves in "the interesting position of defending pollution as a State's right."

Pollution is no one's right. Contamination of water, air, food or our very homes and workplaces violates rights. It endangers our right to live in an environment that is healthful, pleasant, and even beautiful. In this age, when scientific and technological miracles are commonplace, I am sure we can find the technical means to protect our environment.

It is up to the citizens of our land to find the ways to put our country's technical and scientific capabilities to use.

Pollution has gone beyond the simple matter of eye irritation, bad taste, unpleasant view, and nuisance. Deadly poisons are being poured into our environment. We are faced with problems that affect life itself.

Hearings and other forms of attention given in Congress to pollution problems are having an effect. The public is becoming more interested in the relationship between staying healthy and the kind of world we live in.

It is important that the public be informed about the sources of contamination of our environment and the methods for controlling them. And we who are Members of Congress must continue to bring the problems of pollution to the public's attention.

Only if we all meet our responsibilities do we have a good chance to live in the kind of world we want—a pleasant, safe world in which the purity of our air, water, and food can be taken for granted.

SUPPORT FOR URBAN TRANSIT BILL

Mr. WILLIAMS of New Jersey. Mr. President, the Chamber of Commerce of the United States recently sponsored a National Conference on Urban Transportation.

In view of its past opposition to the administration's urban transit bill which I had the pleasure of sponsoring, I think the officials of the chamber of commerce are to be commended for undertaking a constructive examination of the problems of urban transportation, and I am especially pleased by their willingness to present a fair and balanced expression of viewpoints at the conference.

One of the speakers at this conference was Mr. Austin Tobin, executive director of the New York Port Authority, a man whose responsibilities cover the full range of transportation problems—air, water, road, and rail—facing the New York-New Jersey metropolitan area.

It is worth pointing out that Mr. Tobin does not reach his conclusions easily. As he stated:

> I have reached this conclusion the hard way. I am a firm believer in the independence and automony of the States in our Federal system. I have consistently opposed encroachments by the Central Government on the reserved powers of the States. But when a problem stretches across the country, in every metropolitan area, and effects the economic well-being not only of our urban population, but of our Nation; and when the States and cities have about exhausted their financial ability to meet it—then I know of no other resource to call on, to meet an immediate and vital national concern, than the Federal Government itself.

His conclusion was:

> That Federal aid to mass transportation is absolutely essential if the urban passenger transportation needs of this Nation are to be met.

Mr. President, I truly hope all the Members of Congress will take the time to read Mr. Tobin's address. It is a tremendously cogent presentation, and I ask unanimous consent that it be printed at this point in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

THE NATIONAL STAKE IN URBAN MASS TRANSPORTATION

(By Austin J. Tobin, executive director, the Port of New York Authority, before the National Conference on Urban Transportation of the Chamber of Commerce of the United States, January 30, 1964)

I welcome this opportunity to participate in this National Conference on Urban Passenger Transportation. The Chamber of

Commerce of the United States is to be congratulated for having brought together so many people from all parts of the country to discuss this critical national problem.

There seems to be a growing public awareness of the critical nature of the urban transportation problem. This realization of the seriousness of the problem can lay the groundwork for affirmative and pragmatic approaches to the urgent need for salvaging and reconstructing the country's urban transportation services.

GROWTH OF URBAN AREAS

Since the end of World War II, this country's population has risen by one-third, from 140 to 190 million people. At the same time, there has been a continuation of the historical movement from rural to urban living. And over the past 25 years the population of our central urban areas has been moving out to the suburbs and the surrounding countryside—and at an accelerating rate. Our cities have been spilling over into their former environs so that central cities and their surrounding regions have fused into increasingly larger and more complex metropolitan areas.

This process has been a mixed blessing. Many people now live in suburban areas adjacent to regional employment centers, good schools and recreational facilities, all of which are easily reached by modern streets and highways. At the same time, however, this fusion of cities and countryside has created a number of serious national problems. One of the most pressing of these is the provision and maintenance of adequate transportation facilities to meet the wide range of transportation needs generated within these highly dynamic urban complexes.

The totality of this regional transportation picture includes the movement of both passengers and freight. It involves movements through our metropolitan regions, movements from one part of the region to another, and transportation between all parts of the region and the central core.

MASS TRANSPORTATION TO CENTRAL CORE

My discussion today is limited to one phase of the latter problems—the provision of mass transportation, including commuter railroads, rail transit, and buses, to and from the central core. It is here that we seem to have made the least progress despite all efforts of the suffering railroads, and of the cities and States. Yet, this problem of mass transportation service to and from the central core is essential to the economic health of our urban centers.

Throughout the Nation, the daily journey-to-work movement to and from the central core of our metropolitan areas is largely accomplished by some form of mass transportation. For example, 86 percent of the 1,500,000 people who enter the central business district of Manhattan during the morning peak hours from 7 to 10 on an average day, use mass transportation—subway, bus, ferry, or railroad. New York may be an extreme case, but a similar, if not as pronounced, reliance on mass transportation exists in all other major downtown areas.

URBAN AREAS, A NATIONAL PROBLEM

Some feel that the problem of moving masses of people to and from the central core affects only a relatively few metropolitan areas and conclude, therefore, that the problem is one of purely local concern. Nothing could be further from the fact or from the political realities of the problem. This is a development of countrywide proportions and of national consequence.

The tristate New York region (New York, New Jersey and Connecticut) includes some 10 percent of the Nation's population. The people who live and work in the region pay 20 percent of the Nation's taxes. The several hundred national and international companies with home offices in the New York region certainly view the accessibility of their offices as more than a matter of purely local concern and impact. The journey to work of those who work in the banks in lower Manhattan, which finance about 75 percent of the Nation's foreign trade, and the New York Stock Exchange, and other nationwide financial and business institutions is obviously not a journey to work of purely local interest or consequence.

Moving on, consider also Chicago, San Francisco, Philadelphia, Los Angeles, Detroit, Cleveland, Boston, St. Louis, Pittsburgh and Washington, D.C. These 10 metropolitan areas, combined with New York, make up 28 percent of the Nation's population and 30 percent of its total employment. They also account for about 40 percent of all personal income taxes collected by the Federal Government. It is obviously in the national interest to assure that these centers of manufacturing, finance, trade and commerce operate efficiently and effectively.

Yet, even this is not the whole story. Other smaller but equally important urban centers are growing at a rapid rate as the "age of urbanization" continues. It has been forecast that in less than 20 years, half of our national population will live in 40 major urban centers, each of which will have a population of over 1 million. It is predicted that 25 years from now, 80 percent of the Nation's total population will live in metropolitan areas. I am not arguing today with the ghost of Thoreau or the lugubrious presence of Lewis Mumford that this is a happy or unhappy prospect. I am simply facing it as a fact, a fact of national significance.

These urban complexes of today and tomorrow will finance, produce or arrange for the production and marketing of most of the goods we will use, our weapons for defense, the clothes we will wear, and in fact everything except growing the food we will eat. They can perform these essential functions only if people and goods can be moved quickly and easily within the urban complex. Efficient transportation is thus basic to the effective functioning of these great and growing centers of the American people.

To me this means salvaging, rehabilitating, maintaining and improving mass transportation in those areas which already have it, and planning it in those areas where anticipated growth and the population-employment pattern will make mass transportation essential. Our Nation's economic well-being depends on our willingness to face these facts and to meet them realistically.

PRESENT LOCAL PROGRAMS

I do not think it is necessary to define in detail the current problems of urban mass transportation. We are all aware that throughout the country the great majority of commuter railroads are operating at a loss and that public and private bus and transit systems are struggling to maintain financial solvency. No business can survive and no public operation can be self-supporting which requires an enormous capital investment and a very large operating force, and then uses that plant, equipment and manpower only 20 hours a week. In the New York region alone, the commuter railroads and transit operations are piling up annual deficits of over $180 million a year. Mass transportation systems in other cities, large and small, are similarly writing their year-end statements in deep red ink.

Even with modern equipment and proper maintenance, even with efficient operations, mass transportation would lose money. But today's ever-increasing deficits have been compounded by years and years of impoverishment, deferred maintenance and neglect. In some instances the presidents of commuter railroads have been succeeded by receivers and trustees in bankruptcy. And railroad presidents whose roads carry both freight and passenger business, spend most of their time trying to divest themselves of the latter. In either case, plant and equipment are in horrible condition and cars that were built 50 years ago are still bumping over the rails.

Why have public officials at all levels of government permitted conditions to reach this critical point? So far as State and local officials are concerned, the reason is that their present tax resources are neither adequate nor available to meet all State and local needs and demands. Funds simply are not available to provide all of the institutions needed for the physically and mentally ill, to provide all of the educational and recreational facilities demanded by expanding populations, to raze and replace all of the sums which have developed in cities of all sizes. Mass transit requirements seemed to be something which could be deferred. They have had to take their place at the end of the line as State and local revenues were allocated.

LOCAL EFFORTS TO MEET PROBLEM

This is not to say that State and local governments have failed to do what they could to meet the growing demand for improved facilities for the mass movement of people.

The city of Philadelphia is subsidizing its transit system by about $4 million per year. In 1962 the Passenger Service Improvement Corp. paid cooperating Philadelphia commuter railroads nearly $2 million for service improvements and fare cuts. In addition, city money has financed new rapid transit and commuter railroad rolling stock.

In Boston the Metropolitan Transit Commission's 1962 deficit of $16,400,000 was made up by Boston and the adjacent suburban communities served by the system. The Boston & Maine Railroad has now applied for permission to abandon all its passenger services into and out of Boston. In desperation, the MTC has suggested public purchase of $11 million worth of that railroad's passenger facilities over the next 5 years.

In the New York region, the city of New York annually pays the debt service on the outstanding indebtedness of the transit authority. This, in combination with certain other payments by the city to the transit authority totals about $150 million a year.

The State of New Jersey annually enters into service contracts with the several commuter railroads in that State through which these roads agree to provide a specified level of service. The State makes a contribution of about $6 million annually to meet the cost of providing that service.

The State of New York has granted tax relief to railroads throughout the State in the amount of some $26 million annually. A major share of this is for commuter services in the New York City area. Further, the State is guaranteeing port authority bonds issued to purchase new cars for lease to the commuter railroads serving Westchester and Long Island commuters. To date, a total of 117 new cars have either been purchased under this program or are on order. Connecticut's tax and other relief to the beleaguered New Haven Railroad amounts to some $1,700,000 annually.

The Port of New York Authority recently has acquired the bankrupt and dilapidated Hudson & Manhattan Railroad. In 1964 alone, we plan to spend almost $40 million to begin necessary capital improvements including the purchase of new cars, a complete rehabilitation of the physical plant, and improved interchanges with certain of the commuter railroads in New Jersey. In addition to facing substantial annual deficits from current operating losses, we face additional annual deficits from the debt service on the millions which we will spend to modernize and improve the railroad.

FUTURE NEEDS

Yet, all of these efforts have not been adequate to meet even today's needs, to say nothing of planning and building for tomorrow. The magnitude of tomorrow's job is staggering indeed. As I stand here, I can point to over $4 billion required for expenditure on rapid transit systems alone. Included in this figure is almost $2 billion of improvements, extensions, and desperately needed new equipment for existing systems in New York, Chicago, Cleveland, Boston, and Philadelphia. Another $2.4 billion is required for new rapid transit systems in Philadelphia, San Francisco, Los Angeles, Washington, D.C., and Atlanta. This fantastic capital expenditure is needed by only nine cities. What of the other 31 urban areas which by 1980 or thereabouts will exceed a population of 1 million, and thus almost certainly will require major mass transportation improvements? The cost of meeting these needs must be included as part of the country's total future mass transportation requirements.

Let us face the facts squarely. The problem of meeting today's and tomorrow's urban passenger transportation needs is not primarily a planning problem, nor is it an engineering problem. We could plan and build systems to serve every need, anticipate and shape land use, use new technology and thus meet all the criteria of well designed, functional transit systems. Our only problem is money: money to build, money to salvage the rusty railroad wreckage of two decades of impoverishment and neglect, money to modernize, money for desperately needed new rolling stock. Money for the safety of tens of millions of American commuters, for signaling, for maintenance, for repair, for replacement.

Effective regional and local planning can help. Skilled engineering can make the results better and cheaper. But we all know that the core and kernel of the problem is fiscal—where is the money coming from? That is where we will succeed or fail in meeting the country's mass transportation problem.

NEED FOR FUNDS FOR CAPITAL EXPENDITURE

It may be possible to recover the actual operating expenses of revitalized mass transportation from fares and from other sources of revenue available to private and public operators. Until recently this has been the case in the operations of the subway system and of the private bus operators in New York. The position of the commuter railroads is even darker than this, but it may be that the commuter operations of the railroads might produce sufficient revenue to balance the cost of operation before payments for debt service—if, and only if, they can be improved and modernized.

The basic problem which remains is that funds simply are not available for the capital improvements which are, and will be required. Passenger revenues on most public transit operations throughout the country and abroad, including such systems as New York, Toronto, Chicago, London, and Paris, are sufficient only to meet the expenses of operation and maintenance. Major capital expenditures for basic system improvements and for new equipment must come from sources other than operating revenues. Such funds in most cases are being provided by the local and National Governments either directly or by assuming responsibility for the necessary debt service out of general tax revenues. But local government—and the States themselves—are faced with the impossibility of financing increasingly greater demands for general services out of fewer and fewer sources of untapped revenue.

The only other local source would be further fare increases. But in most metropolitan areas, further fare increases would be self-defeating. Except in the case of New York City, most of the transit systems in the country charge 25 cents. Commuter fares on the railroads have been repeatedly increased—to the point where employment in the central core areas is often unattractive and unrewarding for the commuter except those in medium- or high-income brackets.

NEED FOR FEDERAL AID

I am firmly convinced, therefore, that the capital requirements of mass transportation in the urban centers of the country cannot be met entirely out of the public funds which State and local governments will be able to make available. The mere fact that existing essential facilities and services cannot be maintained is, to me, sufficient proof that future needs cannot and will not be met without the stimulus of Federal participation.

I have, therefore, come to the reluctant conclusion that a soundly conceived program of Federal aid to mass transportation is absolutely essential if the urban passenger transportation needs of this Nation are to be met.

I may say that, personally, I have reached this conclusion the hard way. I am a firm believer in the independence and autonomy of the States in our Federal system. I have consistently opposed encroachments by the Central Government on the reserved powers of the States (and I am, indeed, the Chairman of the nationwide conference on State defense). But when a problem stretches across the country, in every metropolitan area, and affects the economic well-being not only of our urban population, but of our Nation; and when the States and cities have about exhausted their financial ability to meet it—then I know of no other resource to call on, to meet an immediate and vital national concern, than the Federal Government itself.

Some of you will remember Bruce Bairnsfather's cartoon of the British soldier who grumbled that, "If you know a better 'ole—go to it." Well, I don't know of a better hole—or any other—where we can find the resources to meet the financial needs of mass transportation. In fact, I don't know of any other realistic alternative. Furthermore, I might note that Federal aid for mass transportation would follow in the pattern of Federal aid for highways, for airports, for open space, for urban renewal, and for innumerable other facilities and services which are of national benefit and of national concern.

I am not suggesting that local officials should abrogate their responsibilities in this field or look to the Federal Government to do the whole job. On the contrary, local participation in urban transit is just as vital as in the other large-scale Federal-aid programs mentioned above, all of which are set up on a "matching funds" basis. We would not or should not be willing to surrender the control over our own metropolitan transit systems, which would be the consequence of complete reliance on Federal financing.

The Congress itself has already recognized the importance of the problem by making funds available through the mass transportation demonstration grant program for experiments in transportation improvement. Federal funds are also presently available to assist in the development of coordinated studies of overall transportation requirements.

It is gratifying to me that legislators from the New Jersey-New York region, and in particular, Senator HARRISON WILLIAMS, have taken the lead in sponsoring these programs. Senator WILLIAMS' bill proposing expanded Federal aid to mass transportation was passed in the Senate last year, but bogged down in the House. For the reasons that I have reviewed here today, it should be passed during the current session.

In his state of the Union message of January 8, President Johnson stated, "We must help obtain more modern transit within our communities as well as low-cost transportation between them." He went on to say, "Every American community will benefit from the improvement of urban renewal and public transit."

Again, in his budget message last week, the President said "pending legislation to assist urban mass transportation systems would authorize Federal grants, direct loans, and guarantees involving new obligational authority totaling $375 million over a 3-year period. The 1965 budget includes $75 million in new obligational authority and $10 million in expenditures for the first year of operation under the new program." [1]

In comparison with other existing programs of Federal aid to State and local governments—totaling some $10 billion in the proposed 1965 budget—this amount is quite small. Its impact would be large, however, since the provision of Federal funds on a matching basis, as has been proposed, would make even more productive the local funds already available for transportation purposes. Further, as in other Federal aid programs, the national interest generated as a result of the program will stimulate additional local response, encouragement, and action.

May I say also that the Federal program of assisting in the research and testing of new transportation techniques, methods, and equipment, such as in the current mass transportation demonstration program, is an intelligent way of learning far more about the possibilities of these developments and innovations, and then making the information available to all urban areas throughout the country.

If the Federal Government can undertake a massive collaborative effort to develop a supersonic plane, certainly it should also be able to afford more funds than the small amount so far made available for the development of new rolling stock and other equipment for ground transportation.

In summary, the urban passenger transportation problem calls for a recognition of mass transportation as a key element in the economic health of our growing urban society, and thus of the Nation as a whole. I have every confidence that we have the planning and engineering skills to produce the systems, whether railroad, transit, or bus, or a combination of those systems that is, or will be, required in each of our urban areas across the Nation.

There are many people whose opinions I respect who have expressed themselves in opposition to a program such as I have described. This is based largely on their opposition to the initiation of a new Federal program and also on the belief that financing urban mass transportation should be entirely a local responsibility. Only I believe strongly that the facts of the matter indicate otherwise; that mass transportation in our urban areas has taken on the proportions of a national problem; that, as a question of national policy, Federal assistance in this area is an absolute necessity.

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[1] On Jan. 27, the President, in his housing and community development message, said, "Efficient transportation systems are essential to our urban communities. Each local system should be tailored to its particular needs—existing and prospective—and the proper mixture of good highways and mass transit facilities should be developed to permit safe, efficient movement of people and goods in our metropolitan centers. A matching grant mass transit program along the lines proposed by the administration was approved by the Senate last year (S. 6) and reported favorably to the House by its Committee on Banking and Currency (H.R. 3881). I urge early enactment of the mass transit program as basic to the development and redevelopment of our Nation's cities."

It has been a pleasure to be with you here today. I close with the hope that our meeting will be productive, not only as a means of exchanging ideas, but as a prelude to productive action.

RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, if there is no further business to be transacted, I move, pursuant to the order previously entered, that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 7 o'clock and 55 minutes p.m.) the Senate took a recess until tomorrow, Wednesday, February 5, 1964, at 10 o'clock a.m.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 4, 1964

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 25: 21: *Let integrity and uprightness preserve me; for I wait on Thee.*

Almighty God, we are turning to Thee in prayer for we know how very dependent we are upon Thee for simple and most fundamental necessities of life.

Thou art ever pleading with us and appealing to us to appropriate Thy light and love, Thy wisdom and way to solve our many perplexing problems.

We penitently acknowledge that in our day and generation, there seems to be a rebellion and revolt against the cardinal virtues of honesty and honor and a loosening of the moral sanctions and a lowering of the moral ideals.

Grant that all the chosen Representatives in the Congress may be faithful witnesses to the reality and authority of Thy law, and absolute loyalty to whatever things are true and righteous.

May our beloved Capitol be a citadel of integrity and a watchtower of hope in a world so full of trouble and torn by strife.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

FOREIGN FISHING VESSELS IN U.S. WATERS SHOULD BE BANNED

Mr. PELLY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, apprehension of four Cuban fishing boats in U.S. waters points up the need of legislation to prohibit foreign fishing vessels from operating within U.S. territorial waters.

The other body has passed Senate bill 1988 which would accomplish this purpose and I am hopeful the House Merchant Marine and Fisheries Committee will expedite action on this legislation. Of course, the administration wants an amendment which would allow foreign fishing vessels to be licensed to fish in our waters and to land its catch in U.S. ports when approved by the Secretary of the Interior. I oppose this amendment but believe the bill as originally introduced should be brought to the floor of the House as soon as possible because in the case of the Cuban fishing boats it has been shown that there is no Federal law against their trespassing in our waters.

APPOINTMENT TO THE DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL BOARD

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SPRINGER. Mr. Speaker, the Commissioners of the District of Columbia are now getting ready to appoint a new member of the Alcoholic Beverage Control Board for the District.

Now is the time to let in a breath of fresh air. I, as well as many of my colleagues, hope that the Commissioners on this occasion will come up with a new appointee whose honesty, integrity, and civic-mindedness cannot be questioned. There should be no reason why the Commissioners should consider only the applicants. Why not go outside of the applicants and find a citizen in the District of Columbia who would be willing to serve in this position who has only the public interest at heart?

The District has been hobbled for years for the lack of strong men on the ABC Board. In many instances the District Commissioners themselves have had to ride herd on the ABC Board. Mistakes which should never have occurred have had to be corrected by the Commissioners. These are good and valid reasons why the Commissioners ought to scrutinize very carefully this appointment.

If the Commissioners are hesitant on the matter, why not let the blue ribbon committee, which did such an excellent job in 1962 of analyzing the liquor problems in the District of Columbia, come up with two selections from which the Commissioners themselves could select one. This would put that appointment above any suspicion. The blue ribbon committee was made up of 16 high-type, civic-minded persons in the District who had nothing else in mind than the welfare of the District of Columbia.

A good appointment on the ABC Board could do more to restore public confidence in that Board than any one other thing that the Commissioners could do. A good appointment here could provide the breath of fresh air that is needed on this Board.

THIRD ANNUAL REPORT OF THE U.S. ARMS CONTROL AND DISARMAMENT AGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 219)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I have the honor to transmit the Third Annual Report of the U..S Arms Control and Disarmament Agency.

In this report, submitted pursuant to law, the Agency describes its activities for the calendar year 1963.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 4, 1964.*

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The gentleman from Iowa makes the point of order that a quorum is not present. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 25]

Ashley
Avery
Betts
Blatnik
Buckley
Cederberg
Davis, Tenn.
Fogarty
Giaimo
Hoffman
Ichord
Johnson, Calif.
Kilgore
Lankford
May
O'Brien, Ill.
Passman
Staebler
Thompson, Tex.
White

The SPEAKER. On this rollcall, 408 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ATTENDANCE OF MEMBERS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, I have requested this time in order again to appeal to Members that the expeditious handling of the important matter before us will require the attendance of all Members on the floor at all times. It is very important that all amendments which will be offered—and I am sure there will be several—should have the consideration of the membership of the House as a whole. It is important that the amendments be disposed of by a substantial number of the total membership of the House. This is a matter too important for teller votes and votes by division to reflect that only a minority of the membership was present on the floor when a vote on an important amendment is taken.

I appeal to every Member of the House to do everything in his power to try to be present until this matter is disposed of. It will expedite its disposition. I am sure that all of us want this matter disposed of expeditiously, and we want it disposed of properly. The cooperation of every Member is requested to that end.

CIVIL RIGHTS ACT OF 1963

Mr. CELLER. Mr. Speaker, I move that the House resolve itself into the Committee on the Whole House on the State of the Union for the further consideration of the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 7152, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, February 3, 1964, the Clerk had read through title I, ending on line 13, page 42, of the bill.

Are there further amendments to title I?

AMENDMENT OFFERED BY MR. MEADER

Mr. MEADER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEADER: Page 42, after line 13 insert the following:

"ESTABLISHMENT OF COMMISSION; DUTIES

"SEC. 102. (a) COMMISSION ESTABLISHED.—There is hereby established a bipartisan commission to be known as the 'Commission on Voting'.

"(b) DUTIES OF COMMISSION.—The Commission shall conduct a full and complete investigation and study to ascertain whether and to what extent the right to vote at any election for the choice of electors for President and Vice President of the United States, Representatives in Congress, the executive and judicial officers of a State, or the members of the legislature thereof, is denied to any of the inhabitants of such State, being 21 years of age and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crime, and shall also ascertain the whole number of persons in each State, excluding Indians not taxed. The Commission shall calculate the number of Representatives to be apportioned among the several States, reducing the basis of representation therein by the proportion which the number of such citizens whose right to vote is so denied or in any way abridged bears to the whole number of citizens 21 years of age in such State. The Commission shall report the results of its investigation and study together with all evidence upon which its findings are based to the Congress and shall make such recommendations for the effectuation and enforcement of section 2 of the 14th Amendment of the Constitution of the United States as it may deem desirable.

"MEMBERSHIP OF THE COMMISSION

"SEC. 103. (a) NUMBER AND APPOINTMENT.—The Commission shall be composed of nine members as follows:

"(1) Four Members of the House of Representatives, two from each of the two major political parties, to be elected by the Representatives of the respective parties.

"(2) Four Members of the United States Senate, two from each of the two major political parties, to be elected by the Senators of the respective parties.

"(3) A chairman elected by the foregoing members who is an outstanding citizen of the United States in private life.

"(b) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

"(3) QUORUM.—Five members of the Commission shall constitute a quorum.

"COMPENASTION OF MEMBERS OF THE COMMISSION

"SEC. 104. (a) MEMBERS OF CONGRESS.—Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

"(b) CHAIRMAN.—The Chairman shall receive compensation at the rate of $25,000 per annum, plus reimbursement for travel, subsistence, and other necessary expenses incurred by him in the performance of his duties.

"STAFF OF THE COMMISSION

"SEC. 105. The Commission shall have the power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil-service laws and the Classification Act of 1949, as amended.

"CERTAIN LAWS INAPPLICABLE TO COMMISSION AND ITS STAFF

"SEC. 106. The service of any person as Chairman of the Commission, the service of any other person with the Commission, and the employment of any person by the Commission, shall not be considered as service or employment bringing such person within the provisions of section 203, 205, or 207 of title 18 of the United States Code, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

"EXPENSES OF THE COMMISSION

"SEC. 107. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this Act.

"POWERS OF THE COMMISSION

"SEC. 108. (a) COMMITTEES.—The Commission may create such committees of its members with such powers and duties as may be delegated thereto.

"(b) HEARINGS AND SESSIONS.—The Commission, or any committee thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places, and take such testimony, as the Commission or such committee may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before any committee thereof.

"(c) OBTAINING OFFICIAL DATA.—The Commission, or any committee thereof, is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this Act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, or any committee thereof, upon request made by the Chairman of the Commission or of the committee concerned.

"(d) SUBPENA POWER.—The Commission, or any committee thereof, shall have power to require by subpena or otherwise the attendance of witnesses and the production of books, papers, and documents; to administer oaths; to take testimony; to have printing and binding done; and to make such expenditures as it deems advisable within the amount appropriated therefor. Subpenas shall be issued under the signature of the Chairman of the Commission or committee and shall be served by any person designated by them. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (2 U.S.C. 192–194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section."

Mr. MEADER (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and further reading of the amendment be dispensed with. The amendment is printed in the committee report on page 53, and it has been available to Members since November 20, 1963. I regret, however, that in the printing a part of the amendment was omitted by the Government Printing Office.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CELLER. Mr. Chairman, I reserve a point of order against the amendment of the gentleman from Michigan on the ground that the amendment offered by him is not germane to the title of the bill.

Mr. MEADER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan.

There was no objection.

Mr. MEADER. Mr. Chairman, as I mentioned in connection with my unanimous-consent request, this amendment, at least the first three sections of it, appears on pages 53 and 54 of the committee report. Preceding that I give the legislative history of this amendment.

Mr. Chairman, this is the only amendment to the pending committee amendment that was considered by the Committee on the Judiciary. We never got beyond reading title I of the bill as reported from the subcommittee to the full committee, and this amendment was offered and was debated in the full committee and on a voice vote was rejected.

Now, this amendment establishes a commission known as a Commission on Voting for the purpose of carrying into effect the mandatory terms of section 2 of the 14th amendment to the Constitution of the United States. The part that was omitted in the committee report is simply the usual provisions for an investigatory commission established by statute. It gives the Commission the subpena power and requires it to ascertain to what extent there is a denial or abridgement of votes as prohibited in the second section of the 14th amendment. The result would be that the Commission would report not only its calculations and its findings but the evidence upon which they were based to the Congress and then the Congress could act intelligently in carrying out section 2 of the 14th amendment.

Mr. Chairman, this is a very interesting proposition. I wonder if any of my colleagues has really read section 2 of the 14th amendment and studied it carefully. I have here a study of the Legislative Reference Service dated March 21, 1960, and rerun June 6, 1963, which I am going to insert in the RECORD under permission which I have already obtained in the House. Let me read section 2 of the 14th amendment.

> Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed.

Parenthetically let me observe that the rule made Indians in order which would seem to be one ground for overruling the point of order reserved by my chairman.

> But when the right to vote at any election for the choice of electors for President and Vice President of the United States, Representatives in Congress, the Executive and Judicial officers of a State, or the members of the legislature thereof, is denied to any of the male inhabitants of such State, being twenty-one years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crimes, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such State.

I want to read just the first comment of the legislative attorney in the American Law Division who prepared this study of this provision of the Constitution, Mr. Vincent A. Doyle. For the purpose of the record I insert the complete document:

Amendment XIV, section 2: "Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. But when the right to vote at any election for President and Vice President of the United States, Representatives in Congress, the executive and judicial officers of a State, or the members of the legislature thereof, is denied to any of the male inhabitants of such State, being 21 years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens 21 years of age in such State."

This never used, all but forgotten, provision was considered by many of its framers to be the heart of the 14th amendment.[1] By a rather curious quirk of history, the first section of the amendment, requiring the States to give "equal protection of the laws," which was, relatively speaking, an afterthought, has far overshadowed the second section in the extent of its effects on the rights of the former slave race and indeed on the rights of all citizens. There are some, however, who would attribute the demise of the second section not to any curious quirk, but rather to deliberate design. James G. Blaine in volume II of "Twenty Years of Congress" at page 418, said:

"The adoption of the 15th amendment seriously modified the effect and potency of the second section of the 14th. * * * The prime object [of the 14th amendment] was to correct the wrongs that might be enacted in the South, and the correction proposed was direct and unmistakable; viz, that the Nation would exclude the Negro from the basis of apportionment wherever the State should exclude him from the right of suffrage.

"When, therefore, the Nation by subsequent change in its Constitution declared that the State shall not exclude the Negro from the right of suffrage, it neutralized and surrendered the contingent right, before held, to exclude him from the basis of apportionment. Congress is thus plainly deprived by the 15th amendment of certain powers over representation in the South, which it previously possessed under the provisions of the 14th."

Another who suggests that the section was abrogated by the 15th amendment is R. A. Maurer in his article entitled "Congressional and State Control of Elections Under the Constitution," 16 Georgetown Law Journal 314, 338 (April 1928). The plain fact, however, is that the 15th amendment does not expressly repeal the 2d section of the 14th. Moreover, the prohibitions of the 15th amendment are expressly limited to denials or abridgements of the right to vote by reason of race, color, or previous condition of servitude while the 2d section of the 14th is not so limited at all. As a matter of fact, the section contains no prohibitions.

PAST EFFORTS AT ENFORCEMENT

It is not quite true to say that Congress has never attempted to enforce this section. After the Ninth Census, when Congress was considering the bills for reapportionment of Representatives, it entertained and adopted an amendment to one of them which restated the second sentence of section 2.[2] Although this amendment was proposed by the Senate Committee on the Judiciary, the House, by resolution, had earlier instructed the Secretary of Interior to determine "the number of male inhabitants in each State being 21 years of age, and citizens of the United States, whose right to vote in such State * * * is denied, or in any way abridged, except for participation in rebellion, or other crimes." Although the Secretary reported that there were 43,329 such persons, with the largest number, 9,265 being in the State of Missouri, he indicated that he placed very little reliance on his statistics. There is no indication in the congressional debate on what the statistics were based or how they were acquired but we do know that the application of the figure to a House of Representatives composed of either 243 or 283 Members made no difference in the number which would be apportioned to each State.[3]

Although we have found no indication that the Bureau of the Census has made any attempt since the Ninth Census to compile statistics which would furnish the Congress with a reasonable basis for enforcing the provisions of section 2 of the 14th amendment from time to time there have been advocates of congressional action in this area. When the Select Committee on the 12th Census reported an apportionment bill which did not take into account any denial or abridgement of voting rights, Representative Crumpacker, of Indiana, wrote a 25-page dissent to the report.[4] Mr. Crumpacker emphasized the extent to which literacy requirements tended to disenfranchise Negroes and concluded that the representation of the States of Louisiana, Mississippi, North Carolina, and South Carolina should be reduced by three each. Although Mr. Crumpacker's effort was unsuccessful, the Republican platform of 1904 contained a plank calling for the introduction of a bill to effect enforcement of the amendment. No evidence has been found, however, to indicate that any real effort was made to enact such a law.

Around 1920 the NAACP became active in pressing for legislation to require reduction in apportionment for denial of voting rights. It was contended that representation in some of the Southern States would be reduced by as much as 40 percent if the amendment were enforced. Ten thousand votes in Mississippi were as powerful as 97,000 votes in Indiana because of restrictions against Negroes. It was about this time that George H. Tinkham, a Representative from Massachusetts, became the perennial advocate of enforcement of section 2, the champion of equal representation. In December of 1920 he introduced a resolution asking that the Committee on the Census be authorized to inquire into the denial of voting rights and requiring that representation be reduced in those States where disenfranchisement was found. At a hearing before the committee on January 4, 1921, Mr. Tinkham made an 18 page statement, replete with charts, in which he argued that the principal laws under which Negroes were disenfranchised were those requiring the ability to read or write and the payment of poll taxes as a prerequisite for voting. His contention was that the very existence of the laws gave Congress the right to act and that no evidence was needed to show that the laws were being administered in a discriminatory manner.[5] The bill as reported by the committee did not take into account the provisions of the 14th amendment and the managers on both sides of the House refused Mr. Tinkham floor time in which to speak on this question. He finally offered an amendment which after lengthy debate was ruled out of order as not germane to the matter before the House.[6]

Throughout several sessions of Congress, Mr. Tinkham continued to press for enforcement of this section. Though he was concerned for the Negro, his principal interest seems to have been to secure equal representation for all under the provisions of the Constitution. One of his last efforts to enforce the section, so that fraudulent majorities in Southern States [could not] elect the President and control the Congress seems to have been made in 1927-28. On December 25, 1927, he introduced another resolution which would require the Committee on the Census to make diligent inquiry into the question of denial or abridgement of voting rights. On February 28, 1928, he spoke at length before the House urging that action be taken, but the 70th Congress took no action.[7] On June 24, 1929, he offered an amendment from the floor to the census and reapportionment bill which would require the Bureau of the Census to ascertain "the number of inhabitants in each State being 21 years of age and citizens of the United States, whose right to vote at the election next preceding such census * * * has been denied or abridged except for rebellion or other crime. The amendment was rejected by a vote of 109 to 122 (71 CONGRESSIONAL RECORD, 2348). On January 27, 1931, he introduced House Joint Resolution 484 which would have substituted for the method of apportionment set forth in section 2 of the 14th amendment one in which representation would be based upon the average number of citizens 21 years of age or over in each State who voted under the laws of the State at the last two presidential elections preceding the apportionment which would be made every 10 years. No action beyond reference to the Committee on the Judiciary was taken on the resolution.

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[1] See, e.g., Globe, 39th Cong., 1st sess. (1866) 2459, where Representative Thaddeus Stevens, of Pennsylvania, stated: "The second section I consider the most important in the article. It fixes the basis of representation in the Congress. If any State shall exclude any of her adult male citizens from the elective franchise, or abridge that right, she shall forfeit her right to representation in the same proportion. The effect of this provision will be either to compel the States to grant universal suffrage or so shear them of their power as to keep them forever in a hopeless minority in the National Government."

[2] Act of Feb. 2, 1872, ch. 11, sec. 6, 17 Stat. 29; 2 U.S.C. 6.

[3] Globe, 42d Cong., 2d sess. (1872), p. 617. See also pp. 609–610, 612, 617, 618, 674–675, and 678 for other references to the amendment.

[4] H. Rept. 2130, 56th Cong., 2d sess. (1900).

[5] Hearings before the Committee on the Census on Apportionment of Representatives. Dec. 28 and 29, 1920, and Jan. 4, 5, and 6, 1921, 63d Cong., 3d sess., pp. 97–115. See also pp. 28, 35, 68, for other statements advocating enforcement of amendment XIV, sec. 2.

[6] 60 CONGRESSIONAL RECORD 1434, 1648, 1682–1688.

Although no exhaustive search has been made in the record to identify all measures which have been introduced to give effect to the 2d section of the 14th amendment the only ones which have readily come to light since the days of Mr. Tinkham are those introduced by Senator MCNAMARA, of Michigan, in the 85th and 86th Congresses.

The McNamara proposal would establish a joint committee on congressional representation to determine after each biennial election whether the representation of any State should be reduced in accordance with the provisions of the 14th amendment, section 2. The Senator first introduced this proposal as an amendment to the Civil Rights Act of 1957 when H.R. 6127 was being debated in the Senate. Senator MORSE, of Oregon, Senator JAVITS, of New York, and Senator CASE, of New Jersey, associated themselves with the Senator from Michigan in advocating it. By voice vote, however, the Senate rejected the proposal (CONGRESSIONAL RECORD, vol. 103, pt. 10, p. 13465). The bill was reintroduced as S. 2709 but the 85th Congress took no further action on it. Senator MCNAMARA introduced the proposal again as S. 1084 on February 17, 1959. The bill was referred to the Committee on the Judiciary but as yet the 86th Congress has taken no further action on the proposal.

THE MEANING OF SECTION 2

Before considering any questions about the possibility or desirability of enforcing this section, it seems appropriate to consider some of the questions which arise in trying to determine what it means. We know that all of the States in the exercise of their power to establish qualifications for voting have disenfranchised many groups of people for reasons besides participation in rebellion or other crime. (Tables summarizing these qualifications and describing the groups disqualified are included as appendixes to this report.) R. A. Maurer (op. cit.) asks:

"Did Congress and the States, when they approved this section, mean to deprive the States of their well-established and fully recognized power to fix reasonable restrictions upon the right to vote, such as residence, intelligence, property, tax payment, idiocy or lunacy, guardianship, pauperism?" (16 Geo. L. J. 314, 338).

How similar this question is to one asked by Senator Clark, of New Hampshire, during the Senate debate on section 2:

"If the Senator will pardon me for a moment, I wish to inquire whether the committee's attention was called to the fact that if any State excluded any person, say as Massachusetts does, for want of intelligence, this provision cuts down the representation of that State." (Globe, 39th Cong., 1st sess., p. 2767.)

The answer given him by Senator Howard, of Michigan, speaking for the Committee of Fifteen which did the major work in framing the reconstruction measures including this one, was as follows:

"Certainly it does, no matter what may be the occasion of the restriction. It follows out the logical theory on which the Government was founded, that numbers shall be the basis of representation in Congress, the only true, and practical, and safe republican principle. If, then, Massachusetts should so far forget herself as to exclude from the right of suffrage all persons who do not believe with my honorable friend who sits near me [Mr. Sumner] on the subject of Negro suffrage, she would lose her representation in proportion to that exclusion. No matter what may be the ground of exclusion, whether a want of education, a want of property, a want of color, or a want of anything else, it is sufficient that the person is excluded from the category of voters, and the State loses representation in proportion." (ibid.)

The general principle seems clear but it becomes less so when we try to apply it to particular situations. If a State denies the right to vote to any one who has not paid a poll tax, does the section contemplate excluding from the population count all those males over 21 who did not pay the tax, or only those could not pay the tax? If a State establishes a literacy test as a voting qualification, is it necessary that a man take the test and fail it before he is discounted? The theory on which Mr. Crumpacker and Mr. Tinkham based their recommendations for reduction in apportionment would have discounted those who did not pay the tax and those who were considered illiterate whether they attempted to pass the test or not. Although the debate in 1866 gives no conclusive answer to these questions, those who did speak to them probably leaned to the meaning given the section by Mr. Crumpacker and Mr. Tinkham. If this be the true meaning. It would have to be applied to every restriction, however reasonable it might be. If one State denied the right to vote to all who had resided in the State less than 6 months, then all who fell in that class would be discounted whether they made any attempt to vote or not. If another State denied the right to all who resided in the State less than 10 years, all who fell in that class would be discounted. Presumably an equitable result would be reached because the less reasonable restriction would ordinarily embrace a much larger number of persons.

There is yet another difficulty in discovering the meaning of section 2. It refers to rights which have been abridged as well as denied. In ordinary usage the terms are not necessarily synonymous, though they are sometimes used interchangeably. More significant is the fact that two such words would not ordinarily be used in a statute unless they were intended to have different meanings. It seems safe to say, however, that if "abridge" means anything less than "cut off" or "refuse to grant" the section cannot be enforced. If, for instance, a right is to be considered abridged when a condition is put upon it then no State would be entitled to any Representatives at all because every State has placed some condition on the right to vote other than those mentioned in section 2. Another of Mr. Howard's replies sheds a little light on this question. When Senator Stewart, of Nevada, asked how the word "abridged" would operate, Senator Howard said:

"The word 'abridged' I regard as a mere intensitive, applicable to the preceding sentence. * * *

"I suppose it would admit of the following application: a State in the exercise of its sovereign power over the question of suffrage might permit one person to vote for a member of the State legislature, but prohibit the same person from voting for a Representative in Congress. That would be an abridgement of the right of suffrage; and that person would be included in the exclusion, so that the representation from the State would be reduced in proportion to the exclusion of persons whose rights were thus abridged" (ibid.).

Senator Stewart pressed for further clarification, asking:

"Taking a case of this kind: suppose that in the South they should allow the Negroes to vote who had been in the Army, or who had educational qualifications; would those who did vote be included in the basis of representation, or would that be an abridgement of that class of persons so that they would be excluded?" (Ibid.)

Though Senator Howard's answer could have been clearer, it seems safe to say that it was his understanding that no one who voted would be excluded regardless of the conditions he had to meet in order to be qualified to vote.

There is one additional problem of interpretation for us which did not exist for those who were considering the meaning of the section at the time of its adoption. What effect has the 19th amendment had on it? Since the States have been prohibited from denying the right to vote on account of sex, must Congress exclude the females over 21 years of age whose right to vote has been denied or abridged? Logically, section 2 of the 14th amendment should be construed as having been modified by the 19th amendment. If a State were to set up voting qualifications which discriminated against females, it would be only equitable to reduce its representation in the proportion which the number of such female citizens bears to the whole number of males and females 21 years of age in the States. As a practical matter, the result would be relatively the same whether women were taken into account or not, because there are no States which discriminate against females and because the number of males and females of voting age is relatively equal.

There is one final comment which should be made about the meaning of section 2. It provides that the "representation * * * shall be reduced." This language is materially different from that which is used in the last sections of the 13th, 14th, and 15th amendments which provide that "The Congress shall have the power to enforce" them "by appropriate legislation." The language of section 2 is mandatory, seeming to impose a duty of enforcing it, while the language of the other sections simply gives Congress the power to enact legislation or not as it sees fit.

In summarizing the meaning of section 2 we can say that although the congressional debate at the time of its adoption makes it quite clear that its primary purpose was to encourage the Southern States to enfranchise the Negro without requiring that they do so, by providing for a reduction of a State's political power in proportion to the number denied the right to vote, it is also quite clear that the section was consciously framed in language broad enough to require reduction in the representation of any State which denied the right to vote to any male citizen, black or white, 21 years of age or over, for any reason except participation in rebellion or other crime. To enforce the amendment as its plain meaning and the congressional debate at the time of its adoption seems to indicate it was intended to be enforced, Congress would have to take into account denials of the right to vote based on literacy, idiocy, insanity, pauperism, length of residence, payment of taxes, or subscription to a loyalty oath and whatever other restrictions a State imposes on the right of franchise.

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[7] 69 CONGRESSIONAL RECORD 3727-3732.

THE MEANS OF ENFORCEMENT

Once the meaning of section 2 has been established the next question to be answered is "How can the Congress enforce it?" The answer to this question is not difficult to find but the numbers on which a reapportionment would be based certainly are. The most obvious way for Congress to enforce the section would be to direct the Bureau of the Census to ascertain for each State the number of citizens over 21 who were denied the right to vote for any reason except participation in rebellion or other crime.

In order to gather such statistics each census taker would have to be familiar with the State election qualification laws and the questions he asked would have to be framed very carefully in order to determine whether an individual who made no attempt to vote would have been ineligible under the law even if he had tried. In some States this would be relatively easy to determine. Under Michigan law, for instance, the only reason a citizen 21 or over may be denied the right to vote is that he has lived in the State for less than 6 months and in a city or township for less than 30 days. There are several other States in which the determination would be almost as simple as it would be in Michigan. Among them are Idaho, Indiana, Illinois, Iowa, Kansas, Kentucky, and Tennessee.

In many other States the determination would be exceedingly difficult. In Alabama, for instance, in addition to longer residence requirements, the law requires that the person be of good character and embrace the duties and obligations of citizenship under the Constitution of the United States and Alabama, that he be able to read and write in English any article of the Constitution of the United States which may be submitted to him by the board of registrars and that he must have paid all poll taxes due for the 2 preceding years. He would also be disqualified if he were an idiot or insane person. There are at least 19 States which have some sort of literacy requirement; 5 which require a poll-tax payment; 44 which exclude idiots, insane persons or persons under guardianship; and 9 which exclude paupers. The most difficult determinations for the census taker to make would be those in connection with character and literacy. Little need be said about character determinations. Literacy determinations need more attention.

Although the Bureau of the Census publishes estimates of illiteracy, statistics by age for States were last available from the 1930 census. By Bureau definition, illiteracy is "the inability to read and write either in English or any other language." The following paragraph was included in a recent Bureau report containing a table of estimates of illiteracy by States as of 1950:

"Statistics collected in the current population survey show that about three-fourths of the population with no schooling and somewhat more than one-half of those with only 1 year of school are illiterate, and progressively smaller proportions of persons with 3, 4, and 5 years of school report that they cannot read and write. All persons with 6 or more years of school completed are assumed to be literate. Since educational attainment tends to be low among older persons, rural residents, and nonwhites, the presence of a large proportion of these persons in the population of a State tends to be associated with a lower level of education of the population and, hence, a higher proportion of illiterates." (Current Population Reports, series P–23, No. 6.)

The estimated number of illiterates 15 years old and over runs from a low of 3,000 in Nevada to a high of 407,000 in New York; and in percentages, from a low of 0.9 in Iowa to a high of 9.8 in Louisiana. In addition to the fact that these statistics include people under 21 and aliens they are not useful for 14th amendment purposes for another reason. They would be inadequate for States, like New York, which disfranchise a significant number of citizens who are literate in languages other than English, or for those States in which, by discriminatory administration of literacy tests, people who can read and write English are disqualified from voting.

There is an additional problem which will be considered here, though it may properly belong in the earlier discussion on the meaning of section 2. In States which require previous registration as a condition for voting, how should the man be counted who is turned away from the polls because he has not been registered? And what of the man who has not registered and does not bother to appear at the polls because he knows he would be turned away. In each of these cases we presume a man is otherwise qualified to vote. If such persons are to be excluded in apportioning representatives their number might be much larger than those excluded for all other reasons put together. If such persons are not excluded, would the constitutional mandate be truly carried out? Probably not. And this answer leads us to our next question.

If Congress should decide to enforce section 2, must it base its reduction in apportionment upon an actual count of all kinds of denials of the right to vote or may it base the reduction upon something less? May it, for example, single out denials because of failure to meet literacy requirements and ignore denials for any other reason? And may it base the reduction upon estimates rather than upon an actual count? Representatives Crumpacker and Tinkham would agree that Congress may base the reduction upon estimates and may ignore denials for reasons about which it has no adequate information on which to base a reduction. Not all would agree with these gentlemen, however. As a matter of fact, Mr. Tinkham, in a statement before a subcommittee of the Committee on the Census, calls attention to a committee resolution of June 2, 1921, which reads:

"It is the opinion of the committee that these provisions [of sec. 2] clearly require as proper procedure the introduction of a bill or resolution providing for an investigation with reference to a particular election in a specific State or States, as to whether in such election in such State or States the right to vote was denied, within the meaning of the Constitution, to citizens entitled to the right to vote."[8]

Whatever may be the correct answer in terms of the intention of those who adopted the amendment, or of its true meaning or in terms of reaching a just and equitable result, the answer in terms of the sheer power of Congress seems quite clear. Congress can do whatever it chooses to do without much likelihood of any court review of its action, or of its refusal to act. In an action brought on the theory that Virginia would be entitled to four rather than nine representatives if section two were enforced, a U.S. district court upheld a motion to dismiss based on the ground that "questions relating to the apportionment of representatives among the several States are political in their nature and reside exclusively within the determination of Congress." In affirming the judgment of the lower court, the Court of Appeals stated:

"We think that this contention presents a question political in its nature which must be determined by the legislative branch of the Government and is not justiciable. It is well known that the elective franchise has been limited or denied to citizens in various States of the Union in past years, but no serious attempt has been made by Congress to enforce the mandate of the second section of the 14th amendment, and it is noteworthy that there are no instances in which the courts have attempted to revise the apportionment of Representatives by Congress."[9]

If the Congress did act to enforce the second section of the amendment, any complaint that the apportionment was wrong would presumably be based upon the alleged failure of the United States to guarantee to the States a republican form of government as required by article 4, section 4, of the Constitution. But the Supreme Court has indicated that questions arising under this section rest with the Congress to decide.[10]

In summary, it may be said that, however difficult it might be to acquire the information on which to base a reduction in apportionment, such information can be obtained and the second section of the 14th amendment can be enforced. The most logical source for information on which to base a reduction in apportionment is the same source on which the Congress relies for statistics on which to base apportionment, the Bureau of the Census. The Congress, however, must give the Bureau more than a restatement of section 2 like the one which appears in section 6 of title 2 of the United States Code. It must tell the Bureau in specific terms what information it wants.

SHOULD THE 14TH AMENDMENT, SECTION 2, BE ENFORCED?

If it be admitted that section 2 of the 14th amendment was not repealed by the 15th amendment and that it is intelligible enough to be enforceable then there is no valid ground on which to base an argument that it should not be enforced. Every provision of the Constitution must be given full operational effect. Failure to enforce any provision of the Constitution necessarily weakens the basic charter of the Government.

Not all are willing to admit, however, either that meaning of the section is clear, or that the section has not, in effect, been repealed by the 15th amendment. And, even among those who admit these premises, there are many who think it would be unwise to penalize a State for exercising the rights derived from article I, section 2, and reserved to it under the 10th amendment, to establish reasonable requirements of residence and literacy for qualifying its electorate.

In the next two sections of the paper, an effort will be made to set forth some illustrative arguments both for and against enforcement without any conscious attempt to favor one position or another.

ARGUMENTS AGAINST ENFORCEMENT

1. Section 2 of the 14th amendment has been repealed by the 15th amendment. The

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[8] Hearings before a subcommittee of the Committee on the Census on Apportionment of Representatives, House of Representatives, 67th Cong., 1st sess., June 27, 28, 29, 1921, p. 7.

[9] *Saunders* v. *Wilkins*, 152 F. 2d 235, 237–238 (4th Cir. 1945); cert. denied, 328 U.S. 870 (1946); rehearing denied, 329 U.S. 825 (1946).

[10] *Luther* v. *Borden*, 7 How. 1, 42 (1849).

purpose of section 2 was to encourage the Southern State to enfranchise the Negro. It did not prohibit the States from denying the Negro the right to vote but required reduction in representation to the extent of such denial. There were many who advocated an outright grant of the franchise to the Negro and others who thought it too soon for the Negro to exercise that right intelligently. Section 2 was a compromise between these opposing positions and with the adoption of the 15th amendment it became obsolete and was in effect repealed.

2. The Constitution, from its adoption, gave the States the right to establish qualifications for its voters. It is inconceivable that this section contemplated the imposition of a penalty on the States for making the right to vote depend upon reasonable conditions like residence, literacy, or even sanity. Democracy derives its strength from the sound judgment of the electorate in casting its vote. How can a stranger in town vote wisely in the selection of a mayor? Or how can one vote intelligently for State or Federal officers if one is not reasonably familiar with the institutions of government?

3. The section is so unintelligible that it cannot be enforced. Or if its meaning be clear it would be impossible to make the determinations and assemble the statistics which are necessary in order to make a thoroughly equitable reapportionment based on denials of the right to vote in each of the States.

4. Whatever attempt is made to reduce apportionment because of denials of the right to vote the Congress cannot and should not confine itself to the consideration of denials on account of race or color. At the time the 14th amendment was adopted it was proposed that such denials be the only ones considered and the proposal was rejected. If representation is unequal now, to ignore denials for other reasons while weighing denials because of race would cause an imbalance in representation in the other direction. Such result was not intended by the amendment.

ARGUMENTS FOR ENFORCEMENT

1. The section has not been expressly repealed by the 15th amendment. Nor can any repeal by implication be read into it. The 15th amendment deals only with denials or abridgements of the right to vote because of race, color, or previous condition of servitude. In prohibits the States from making such denials. Insofar as the 14th amendment impliedly permitted such denials, it may have been repealed. But it cannot be understood that if a State should make such denials its apportionment can no longer be reduced. Moreover, section 2 of the 14th amendment is not limited to denials because of race or color. It embraces all denials for any reason except participation in rebellion or other crime. Whatever effect the 15th amendment could have on denials because of race or color it could have no effect on denials for any other reason.

2. Section 2 does not prohibit the States from establishing reasonable voter qualifications or for that matter from establishing unreasonable voter qualifications. It simply sets up an entirely new system of apportioning representatives. The primary basis for representation is to be the whole number of persons in a State. But that number is to be reduced in the proportion which the number of citizens 21 years of age or over who are denied the right to vote save for participation in rebellion or other crime bears to the total number of citizens 21 or over. If a State establishes property qualifications, which under the Constitution it is permitted to do, its representation is to be reduced in proportion to the number of people of voting age who do not meet the qualification. This is true for any other condition on the right to vote. It is quite clear for the legislative history of the section that this was intended to be its effect.

3. The section is no unintelligible. The reluctance to enforce it may be due to an unwillingness to accept the plain meaning of the section rather than to any innate obscurity in the section itself.

4. So long as the section remains unenforced the House of Representatives does not have the balance the Constitution intended that it have. Because the statistics necessary to enforce it would be difficult to obtain is no reason to neglect to obtain them. It is difficult to ascertain the total number of persons in a State. Yet this must be done. And when it is done there are sometimes disgreements about the results which are obtained. After the census in 1920, some States, including Kansas and Mississippi, objected to the results which were obtained. Unquestionably whatever statistics were obtained to furnish a basis for reduction in apportionment would also give rise to some objections. But no one can complain if a reasonable effort is made to obtain valid statistics and then apply them in a manner which is reasonably calculated to result in the kind of equitable apportionment of Representatives contemplated by section 2.

TABLE I.—*Residence requirements*

State	Time in State	Time in county	Time in precinct or ward
Alabama	2 years	1 year	3 months.
Alaska	1 year		30 days.
Arizona	do	30 days	Do.
Arkansas	12 months	6 months	1 month.
California	1 year	90 days	54 days.
Colorado	do	90 days (30 days in city or town).	15 days.
Connecticut	do	6 months	
Delaware	do	3 months	30 days.
Florida	do	6 months	
Georgia	do	do	
Idaho	6 months	30 days	
Illinois	1 year	90 days	Do.
Indiana	6 months	60 days in township	Do.
Iowa	do	60 days	
Kansas	do		Do.
Kentucky	1 year	6 months	60 days.
Louisiana	do	1 year in parish	3 months.
Maine	6 months	3 months in city, town, etc.	
Maryland	1 year	6 months	6 months.
Massachusetts	do	6 months in city or town.	
Michigan	6 months	30 days in city or township.	
Minnesota	do		30 days.
Mississippi	2 years	1 year in city or town.	1 year.
Missouri	1 year	60 days	
Montana	do	30 days	
Nebraska	6 months	40 days	10 days.
Nevada	do	30 days	Do.
New Hampshire	do	6 months in town	
New Jersey	do	60 days	15 days (in city of 4th class).
New Mexico	12 months	90 days	30 days.
New York	1 year	4 months	Do.
North Carolina	do		Do.
North Dakota	do	90 days	Do.
Ohio	do	40 days	40 days.
Oklahoma	do	6 months	30 days.
Oregon	6 months		
Pennsylvania	1 year		2 months.
Rhode Island	do	6 months in town or city.	
South Carolina	2 years	1 year	4 months.
South Dakota	1 year	90 days	30 days.
Tennessee	12 months	3 months	
Texas	1 year	6 months	
Utah	do	4 months	60 days.
Vermont	do[1]	3 months in town[1]	
Virginia	do	6 months	
Washington	do	90 days	30 days.
West Virginia	do	60 days	
Wisconsin	do		10 days.
Wyoming	do	60 days	Do.

[1] To vote for representatives to general assembly or justices.

TABLE II.—*Other requirements*

State	U.S. citizenship required	Age	Literacy required	Poll tax prerequisite for voting	Loyalty oath
Alabama	X	21	X	X	X
Alaska	X	19	X		
Arizona	X	21	X		
Arkansas	X	21		X	
California	X[1]	21	X		
Colorado	X	21			
Connecticut	X	21	X		X
Delaware	X	21	X		
Florida	X	21			X
Georgia	X	18	X[2]		
Idaho	X	21			X
Illinois	X	21			
Indiana	X	21			
Iowa	X	21			
Kansas	X	21			
Kentucky	X	18			
Louisiana	X	21	X[2]		
Maine	X	21	X		
Maryland	X	21			
Massachusetts	X	21	X		
Michigan	X	21			
Minnesota	X[3]	21			
Mississippi	X	21	X	X	X
Missouri	X	21			
Montana	X[4]	21			
Nebraska	X	21	([5])		

See footnotes at end of table.

TABLE II.—*Other requirements*—Continued

State	U.S. citizenship required	Age	Literacy required	Poll tax prerequisite for voting	Loyalty oath
Nevada	X	21	(²)		
New Hampshire	X	21	X²		
New Jersey	X	21			
New Mexico	X	21			
New York	X[1]	21	X		
North Carolina	X	21	(²)		X
North Dakota	X	21			
Ohio	X	21			
Oklahoma	X	21	(²)		
Oregon	X	21	X		
Pennsylvania	X[5]	21			
Rhode Island	X	21	(²)		
South Carolina	X	21	X²		
South Dakota	X[6]	21			
Tennessee	X	21			
Texas	X	21		X	
Utah	X[7]	21			
Vermont	X	21			X
Virginia	X	21	(²)	X	
Washington	X	21	X²		
West Virginia	X	21			
Wisconsin	X	21			
Wyoming	X	21	X		

[1] At least 90 days before election.
[2] Unless civil rights have been restored.
[3] At least 3 months before election.
[4] By election.
[5] At least 1 month.
[6] Must have resided in United States 5 years.
[7] For 90 days.

TABLE III.—*Persons disqualified from voting*

State	Idiots, insane, under guardianship	Commission of felony or infamous crime	Paupers	Others
Alabama	X	X		Vagrants and others.
Alaska	X	X[1]		
Arizona	X	X[1]		
Arkansas	X	X		
California	X	X		Aliens ineligible to citizenship.
Colorado	X			While in prison.
Connecticut	X	X[1]		
Delaware	X	X	X	Convicted of election offenses; disenfranchised 10 years.
Florida	X	X[1]		Interested in election wager.
Georgia	X	X[1]		
Idaho	X	X[1]		Chinese or Mongolian descendants not born in United States.
Illinois	X	X[1]		
Indiana	X	X[1]		While imprisoned.
Iowa	X	X		
Kansas	X	X[1]		Dishonorably discharged soldier, bribery.
Kentucky	X	X[1]		In prison for penal offense.
Louisiana	X	X[1]		Inmates of prison or charitable institution, deserters, and those dishonorably discharged from armed services unless reinstated.
Maine	X		X	
Maryland	X	X[1]		
Massachusetts	X		X	Corrupt election practices; disfranchise for 3 years.
Michigan				
Minnesota	X	X[1]		See body of report under "Qualifications for Voting" regarding Indians.
Mississippi	X	X		Indians not taxed.
Missouri	X	X[1, 2]		While in prison or poorhouse.
Montana	X	X[1]		
Nebraska	X	X[1]		
Nevada	X	X[1]		Duel.
New Hampshire		X[1]	X[1]	Violation of election law.[1]
New Jersey	X	X		Do.[1]
New Mexico	X	X[1]		
New York	X	X[1]		Election offenses, shall not vote at such election.
North Carolina	X	X[1]		
North Dakota	X	X[1]		
Ohio	X	X[1]		2d offense under election laws.
Oklahoma	X	X[1]		While in poorhouse or prison.
Oregon	X	X[1]		
Pennsylvania				Election offense, disfranchised 4 years. Bribery at election for such election.
Rhode Island	X	X[1]	X	Residing on lands ceded by Rhode Island to United States.
South Carolina	X	X[1]	X	While in prison.
South Dakota	X	X[1]		
Tennessee		X[1]		
Texas	X	X[1]	X	
Utah	X	X[1, 3]		
Vermont				Bribery for vote disfranchised for such election.
Virginia	X	X	X	Duel.
Washington	X	X[1]		Indians not taxed; subversive activities.
West Virginia	X	X[4]	X	Bribery in election (while under conviction).
Wisconsin	X	X[1]		Bribery;[1] duel; election wager, disenfranchised for such election.
Wyoming	X	X[1]		

[1] Unless civil rights have been restored.
[2] Connected with election.
[3] Treason or election offense.
[4] While under conviction.

Let me point out that the objective of my amendment is precisely the same as the objective of title VIII on page 86 of the bill. That is the title which instructs the Secretary of Commerce to conduct a survey of voting statistics and make a count of persons voting by race, color, and origin. It does not contain the required language of the 2d section of the 14th amendment that a finding be made that the vote was denied or abridged. That would be included in my Commission's responsibility.

There is a very good reason why it is not included in title VIII. It is contemplated that this survey would be done by the Bureau of the Census and I think all of you know who are the census takers. Would they be in a position to determine, for example, when a Negro did not vote, that he did not vote because he was simply indifferent, or that he did not vote because he was prevented from voting?

The 2d section of the 14th amendment requires a finding of abridgment or denial, which means that citizens want to vote and something tangible has been done to prevent them from doing so. That is precisely what this title I is all about—denial of the vote on the ground of race or color.

This is the most germane amendment you can think of. The only difficulty is that this would have some teeth in it. You who want to make this bill stronger can vote for this amendment. I would say subsections (A), (B), (C), and the sixth-grade rebuttable presumption are peripheral trifles as far as guaranteeing the right to vote is concerned. But once this Congress starts carrying out the 2d section of the 14th amendment, which is mandatory, the people in any of the States seeking to prevent citizens from voting because of their race or color will very soon desist from such practices.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Virginia.

Mr. POFF. The gentleman, of course, is familiar with the several reports filed by the Civil Rights Commission, and he will agree with me, I am sure, that the Commission has never found that the State of Virginia or any of her subdivisions has ever discriminated against a citizen on account of his race insofar as his franchise is concerned; is that correct?

Mr. MEADER. I have read the Commission's report. I have no reason to disagree with the gentleman. But the Civil Rights Commission did indicate there were many States in which there was an abridgment on the right to vote. I do not know whether that is so with reference to Virginia or not.

Mr. POFF. If I am correct, then the operation of the amendment the gentleman has offered would not adversely affect the Commonwealth of Virginia or the number of her Representatives in the Halls of Congress?

Mr. MEADER. The gentleman is correct.

The amendment that I have offered would have no effect upon any State which does not abridge or deny the right to vote. I must say that this is not going to be an easy task, even with a fact-finding commission with subpena power, but how else are you going to do it? Are you going to assume, as title VIII would seem to do, that simply not voting was evidence of abridgment?

I do not think you can satisfy the requirements of the second section of the 14th amendment by simply counting how many colored people vote. The question is, Do they want to vote? and are they prevented from voting?

We do not have compulsory voting in this country. I meant to bring over with me a recent survey of voter participation gotten out by a Presidential Commission. We do not compare with European countries in the percentage of eligible voters who go to the polls. I do not think anyone would advocate that we penalize someone who stays home because he does not care to vote. I believe the findings of the Census Bureau will not satisfy the requirement of section 2 of the 14th amendment. We should have a fact-finding commission to provide a foundation for congressional action to carry out section 2 of the 14th amendment.

The CHAIRMAN. Does the gentleman from New York insist on his point of order?

Mr. CELLER. I do, Mr. Chairman.

The CHAIRMAN. The gentleman will state his point of order.

Mr. CELLER. Mr. Chairman, I reluctantly offer a point of order to the amendment offered by the gentleman from Michigan [Mr. MEADER] a member of the Committee on the Judiciary, who has been helpful on many occasions, particularly on this bill. However, my duty compels me to offer the objection on the score that the amendment is not germane to title I. It deals with the apportionment of congressional seats. That is the main thrust of the gentleman's amendment. That is a subject which to my mind is far from the purport of title I. Title I deals first with the right to vote without discrimination, and second, to the judicial enforcement of the right to vote. This amendment sets up a new commission and provides for duties, obligations, powers, salaries, and so forth.

Furthermore, it embraces far more than racial discrimination. It is based on the second section of the 14th amendment. That section, as you all know, may result in the reduction of a State's representation in the Congress of the United States not only on the basis of racial discrimination but on the basis of residence requirements, for example. Section 2 of the 14th amendment goes beyond racial discrimination. It embraces other subjects over and beyond racial discrimination, which is the main purpose of the title of the bill. For that reason, since it goes into other areas, I believe that it is not germane to title I.

The CHAIRMAN. Does the gentleman from Michigan desire to be heard on the point of order?

Mr. MEADER. Yes, Mr. Chairman.

The CHAIRMAN. The Chair will be pleased to hear the gentleman from Michigan.

Mr. MEADER. Mr. Chairman, title I of H.R. 7152 is an addition to existing law going back to ancient law. Section 2004 of the Revised Statutes, 42 U.S.C. 1971, entitled "Voting Rights," reads as follows:

> All citizens of the United States who are otherwise qualified by law to vote at any election by the people in any State, Territory, district, county, city, parish, township, school district, municipality, or other territorial subdivision, shall be entitled and allowed to vote at all such elections, without distinction of race, color or previous condition of servitude; any constitution, law, custom, usage, or regulation of any State or Territory, or by or under its authority, to the contrary notwithstanding.

The title that we are dealing with is entitled "Voting Rights," and it provides for certain sanctions to accomplish the objective that I have just read of section 2004. The amendment which I offer is also aimed at providing full and free right to vote, but using a different sanction, a sanction provided by the Constitution of the United States. I submit it is the same proposition as title I and is germane.

The CHAIRMAN (Mr. KEOGH). The Chair is ready to rule.

The gentleman from Michigan offers an amendment to title I of the pending bill, which amendment would have for its objective the establishment of a commission on voting consisting of four Members of the House of Representatives, four Members of the U.S. Senate, and a chairman elected by those eight Members; to which amendment the gentleman from New York [Mr. CELLER] made a point of order on the ground that it was not germane to the pending bill, and he stated in detail the reasons for the point of order, which the Chair need not now repeat.

The Chair would call the attention of the Committee to the fact that in the 2d session of the 84th Congress on July 19, 1956, a similar amendment was offered to a similar bill. Chairman Forand of the Committee of the Whole at that time held that that amendment was not germane. The Chair feels that that precedent is here applicable, and therefore sustains the point of order.

Mr. MEADER. Mr. Chairman, may I inquire if the point of order was made merely to title I or to the bill. I thought I heard the chairman say the point of order was made to the bill, but as I understood the gentleman from New York, it was only to title I.

The CHAIRMAN. The Chair has passed on the point of order as it was raised here, and the Chair therefore is not under any compulsion to determine whether the point of order was raised to the amendment to the bill or to the title.

AMENDMENT OFFERED BY MR. WATSON

Mr. WATSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WATSON: On page 41, line 2, strike out all of the said language down through and including the word "request" on line 9 and insert in lieu thereof the following:
>
> (h) "After any proceedings has been instituted in any District Court of the United States under this section, upon application of the Attorney General or any other party to the litigation to the Chief Judge of the Circuit (or in his absence, the presiding Circuit Judge) of the Circuit in which the case is pending that there has been an unwarranted delay in the disposition of the proceedings therein, and upon the determination of said Judge to whom the application is made that there has been an unwarranted delay,".

The CHAIRMAN. The gentleman from South Carolina is recognized.

Mr. WATSON. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina.

There was no objection.

Mr. CELLER. Mr. Chairman, if the gentleman will yield, does the gentleman have an extra copy of his amendment?

Mr. WATSON. I thought I had given you one, Mr. Chairman. There is a copy of the amendment on the table which I am glad to give to the chairman. I apologize for not giving the distinguished chairman of the committee a copy of it before now. I have no hesitancy about it because I am sure the gentleman will conclude that this is merely a conforming amendment in order to bring this bill in line with what the gentleman says the bill will do. So I am sure the chairman will readily join with me in support of this amendment.

Mr. Chairman, so that all of us might understand how this section will read should you adopt this particular amendment, let me reread the amendment and the language of the bill as now written following the language proposed to be inserted in the amendment so that you may have it in its full context.

The section will read on page 41, beginning on line 2:

> (h) After any proceeding has been instituted in any District Court of the United States under this section, upon application of the Attorney General or any other party to the litigation to the Chief Judge of the Circuit (or in his absence, the presiding Circuit Judge) of the Circuit in which the case is pending that there has been an unwarranted delay in the disposition of the proceedings therein, and upon the determination of said judge to whom the application is made there has been an unwarranted delay—

It shall be the duty of the chief judge of the circuit or the presiding circuit judge, as the case may be—

> to designate immediately three judges in such circuit.

And the method of selection of these three judges is the same as it is in the original bill.

You know there is one advantage of being a freshman Member and also not being a member of the Committee on the Judiciary, which position precludes me from offering an amendment at an earlier stage of the proceedings on this bill. Therefore, I can sit back and listen to all of the arguments and then I can see whether or not the bill actually conforms and lives up to the statements made by the proponents of the measure.

I am sure there is no need for me to say one word further about the matter that the proponents of the measure have said repeatedly over and over again that the only purpose and reason for the inclusion of the three-judge court provision is to expedite the proceedings.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WATSON. I yield for a moment to the gentleman, as my time is most limited.

Mr. ROGERS of Colorado. Do I understand that your amendment says—after a case has been filed that before a three-judge court can be called into action, it is necessary for the Attorney General to file in that court a statement of delay to the judge who is delaying it?

Mr. WATSON. No, sir; that is absolutely incorrect. I will be happy to read the language of the amendment again. The application is to the chief judge of the circuit, and not to the district judge who is handling the case. I am sure if the gentleman will allow me to continue he will be able fully to understand the matter.

Mr. Chairman, let me say I am serious about this amendment. I want to clarify one thing. A good friend from the other side of the aisle came up to me and said, "Are you southerners really serious on this matter or are you conducting just a sham or mock battle here?"

I am just as serious as I am sure all of my colleagues have ever been during all their lives. To be sure, some of us injected some levity into the discussion, but the levity was injected purely for the sake of trying to ease the tension in this emotionally packed proposition.

I say, in all sincerity, this is a serious matter, and the consequences of the passage of the bill will be just as fatal as we could ever possibly conceive consequences of a measure to be. It will rape the Constitution and rob citizens of their rights.

I am not purposely delaying anything. I am serious in my purpose of trying to bring this bill into conformity with what the proponents have said. In fact, the distinguished chairman of the committee [Mr. CELLER] said, as is shown on page 1604 of the proceedings of yesterday, when he both asked the question and gave an answer:

> What is the purpose of the three-man court here? The purpose is to expedite the proceedings.

That certainly can be the only purpose of it—the only honest, legitimate purpose is to expedite the proceedings.

Why would the authors of the bill have any hesitancy at all in moving along and spelling that out exactly in the bill?

I am endeavoring only to simplify this matter. Really, it is possible to draw only one of two conclusions. If you cannot go along with this amendment, which would live up to the statement made earlier that the three-judge court is only for the purpose of expediting proceedings, then you must admit that you are trying to circumvent action by a local district judge.

I say this in all sincerity. I have confidence in the local Federal district judge. I have confidence in the judges in the North, the South, the East, and the West, and I shall not by law impugn their honest motivations until proven otherwise.

Why, under our judicial system, we even give a criminal the benefit of the doubt and we presume that he is innocent until he is proved guilty.

If the Members of the House refuse to write this particular provision into the bill, then they will not be giving to the Federal judge a presumption that he is honest in his motivations; we will infer that he is prejudiced in regard to a particular matter.

This is a very simple matter. While I believe every qualified citizen should be permitted to vote, this section is unconstitutional. I oppose it, because the Constitution provides that the determination of the qualifications of electors is to be made by the States themselves.

As I said earlier, if we wish to amend the Constitution, then there is a proper way to do so, set forth in the Constitution itself. The Constitution should be amended in that way, rather than for someone to come here and attempt to do it this way, unilaterally and illegally by this bill.

We in South Carolina are proud of our record on voting. As so many other Members have said, we do not have a problem of discrimination in voting in my State. That statement might come as a surprise to some. Some might not accept my word for it. I am sure that all will accept the word of Roy Wilkins, a man who generally does not speak lightly of any particular proposition in South Carolina. He expressed himself last year at Charleston. He said:

> There is no discrimination in voting so far as the Negro is concerned in South Carolina. The only thing necessary is for him to qualify and then to present himself in order to be registered.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. WATSON. I yield to the gentleman for 1 minute.

Mr. POFF. I thank the gentleman. As I understand the gentleman's amendment, it would make it possible not only for the Attorney General but also for any other party to the litigation to make a request for a three-judge court.

Mr. WATSON. Yes.

Mr. POFF. In other words, if I am correct in my interpretation, the gentleman's amendment embraces the amendment which I offered yesterday and which was adopted by the House.

Mr. WATSON. It surely does. It embraces the gentleman's amendment, and would give to all parties equal rights in this regard.

I cannot envision anything more fair. If the proponents of the measure are willing to live up to their word, which is that they wish to expedite the proceedings, what could be more expeditious in regard to handling the proceedings than, first, to give to the local district judge, the man who is on the scene, the right to hear the matter expeditiously?

The language has been written in on page 42:

> It shall be the duty of the judge designated pursuant to this section to assign the case for hearing at the earliest practicable date and to cause the case to be in every way expedited.

The quickest way in which to expedite it is to give the local judge an opportunity to hear it, rather than to go to some circuit judge, who must consider many complicated matters from many district judges throughout the circuit.

If you want to have the case expedited—if you want to go along with the basic purpose—then give to the Federal local district judge the benefit of the doubt; do not impugn his motives or say that he is prejudiced.

Let us give everyone an opportunity to prove himself before we automatically write into a law a provision which implies that he is presumed to be guilty before he is even given an opportunity to make the first move in the handling of a particular case.

It is a very simple amendment, but it is a very important amendment, and I believe by the passage of it we can establish some faith or show some faith in our local judicial system. Likewise we will be able to accomplish the particular purpose that the chairman and the authors of this particular bill have in mind.

I will be delighted to answer any questions the chairman or others may have concerning this amendment, but I believe both the gentleman from Ohio [Mr. McCULLOCH] and the gentleman from New York [Mr. CELLER] in keeping with their statements earlier concerning this bill, will be happy to join with me and we will not have any further debate.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. WATSON. I am happy to yield to my colleague from South Carolina.

Mr. DORN. I want to commend my distinguished colleague from South Carolina and endorse wholeheartedly his amendment and express the hope that the chairman and the Members on both sides will accept this perfecting amendment.

Mr. WATSON. The gentleman from South Carolina, my distinguished colleague, in his usual gentlemanly manner, has commended me for the position I took, and I am very grateful for his kindness.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. WATSON. I yield to the gentleman from Florida.

Mr. CRAMER. Should there not be some clarification somewhere in this section that the specific prerequisite of delay should be a condition for the Attorney General making such an application under the present language? Is it not true that the Attorney General can do this for any reason whatsoever, separate from delay; for example, if he feels one judge may be favorable and another judge may be unfavorable, though the favorable judge may delay just as much as the unfavorable one?

Mr. WATSON. There is no question about it. Under the present language in this bill he can transfer it to a three-judge court for any reason under the sun.

Mr. CRAMER. That is the thing that disturbed me, and I am considering offering an amendment myself that would do this. The delay has been the stated reason in every instance. Should not there be some reference to delay in this section? However, there is none. There is a wide-open authorization that the Attorney General may file with the clerk of such court a request that a three-judge court be set up. There is no standard whatsoever with regard to what shall be the factual grounds for such a request or no necessity for any determination or finding relating to those grounds.

Mr. WATSON. That is exactly correct, and I am trying to cure that defect.

Mr. ROGERS of Colorado. Mr. Chairman, I rise in opposition to the amendment.

In the first place, the procedure proposed by this amendment is unprecedented. As I construe the amendment, first of all, a man files his actions in court. Under the bill, the Attorney General, upon filing a certificate, can get a three-judge court. He does not have to do so, but if we adopt the amendment of the gentleman from South Carolina, the three-judge court is then eliminated upon the filing of a certificate at the beginning of the lawsuit. But the only time you can get the three-judge court will be when the Attorney General proves an unwarranted delay. To whom? To the circuit judge of that particular circuit. Hence, instead of expediting matters, it would delay matters further. What does the term "unwarranted delay" mean? How should it be interpreted, and what proof would the Attorney General be required to furnish before he could get a three-judge court? In addition to that, it would not expedite matters in any manner whatsoever. It would make it a condition precedent, before you could proceed with the litigation, that you prove a fact that is not necessary to be proved; that is, unwarranted delay, before you could get a three-judge court.

Now, what is unwarranted delay, and who is to pass upon it? One circuit judge. The Attorney General would have to litigate that first. If the application is filed for a three-judge panel with the judge, the judge is not authorized under this amendment immediately to issue an order for a three-judge court. That has to be litigated.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield for a question?

Mr. ROGERS of Colorado. Yes. I yield to the gentleman.

Mr. WAGGONNER. The gentleman asks a question. What is unwarranted delay? Would he not concede that the presiding judge would be a more qualified individual to make that decision rather than the Attorney General?

Mr. ROGERS of Colorado. Would the gentleman say that the judge who may be accused of unwarranted delay is the proper one to pass upon it? The gentleman from South Carolina says, "No," that it is the circuit judge to whom you make the application. But if you make the application to the circuit judge then you have got to go in and litigate before the circuit judge the question whether or not it is an unwarranted delay. And if he postpones it for a long time then you may never get the substantive suit to trial. So instead of expediting matters it delays matters, and not only does it cause delay in this particular instance but it also causes delays on the question of taking the case on appeal.

Mr. WATSON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield.

Mr. WATSON. Does not the gentleman agree, even by the inclusion of the language in this bill beginning at page 21, that the most expeditious way to handle one of these cases is by a local district judge? Will the gentleman please answer that "Yes" or "No"?

Mr. ROGERS of Colorado. Nobody is arguing that question.

Mr. WATSON. Then why does not the gentleman allow the local judge to handle it until such time as it is shown that there is an unwarranted delay, not determined by the local district judge, but determined by the circuit judge. I choose the circuit judge because the gentleman himself included that language and said that the matter should be referred to the chief judge of the circuit.

Mr. ROGERS of Colorado. But, under the bill, the chief judge of the circuit must merely pass upon the application made by the Attorney General. Does the gentleman think that the chief judge of that circuit would then proceed to have a hearing? Under this amendment an allegation is made against the district judge of unwarranted delay. Would not the Attorney General and the judge himself to whom the application is made be dutybound to call in the district judge and say, "What about this?" Then it would be necessary to litigate the question whether there has or has not been an unwarranted delay. Perhaps the district judge would say "I have a very heavy docket, and this delay is not unwarranted and therefore I think it would be unfair for you to call in a three-judge court on it."

The CHAIRMAN. The time of the gentleman from Colorado [Mr. Rogers], has expired.

(By unanimous consent (at the request of Mr. Waggonner) the gentleman from Colorado [Mr. Rogers] was given permission to proceed for 5 additional minutes.)

Mr. WATSON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield.

Mr. WATSON. I wanted to make this clear in the first instance, that if the motivation behind this, the referral of this matter to a three-judge court, is to circumvent the local judge, if it is court-shopping, trying to get a favorable court, then I cannot appeal to anyone so motivated to support my particular amendment. The reason, as I stated earlier, that I offered this amendment is because I had listened repeatedly to statements on both sides of the aisle by the proponents, the leadership, on this measure, that what they want was to expedite the proceedings. My amendment will do just that but in orderly fashion.

Mr. ROGERS of Colorado. Mr. Chairman, my point is that this does not expedite, it delays. I pointed out that the reason it delays is that after a case is filed, it has got to be there a long time on the supposition that the delay is unwarranted, and that the district judge does not take any action. Then you impose the duty and the responsibility on the Attorney General to file an application to the circuit judge, the presiding circuit judge, and say that there has been an unwarranted delay. This would require that when he files such an application to the circuit judge, the circuit judge in turn would notify the district judge and say, "What is this unwarranted delay that the Attorney General accuses you of?" Then the district judge may come in and say, "My docket is crowded and I cannot get around to it and I am not anxious to get around to it."

Then you have got to litigate whether or not the district judge is warranted in the delay that is taking place. What we are trying to do by this legislation is to expedite the voting rights of individuals, the right to vote at elections at the time they are called, not to delay them beyond the election day so that they cannot vote. That is exactly the reason we think if the Attorney General has the right to make the selection by the election of a three-judge court he may do so expeditiously and proceed without delay. This delays it further. If you are interested in saying that people who are qualified to vote can vote on election day, then let us expedite it and not delay it.

Mr. WATSON. My amendment is designed to expedite it. By the inclusion of the language beginning on page 41 and on page 42 you provide—and I have not amended this language at all—that the most expeditious way to handle it is through the local district court. So I want you to either decide one way or the other. If the purpose of this is to circumvent a local judge and get to a favorable court, then you are not interested in my amendment. I have discovered the argument to expedite the proceedings is perhaps not a valid one.

Mr. ROGERS of Colorado. The main purpose of this is to expedite the matter, as I have pointed out. The purpose is to get it to the Supreme Court early. We must do this. But you put in another road block before it can be done.

Mr. WATSON. I am not putting a road block in here at all. I want to see us follow the normal court procedures without resorting hastily, without any grounds or basis whatever, to this extraordinary judicial proceeding before a three-judge court. I want to follow the normal procedure.

Mr. ROGERS of Colorado. Does the filing of an additional action and going to court cause delay? How can you say it does not delay? If you and I know anything about the operation of a court, we know that you do not walk into a court and get an order without notice to the other party. That takes time.

Mr. Chairman, this amendment should be defeated.

Mr. WATSON. If you are an advocate of railroading something right through, that speed rather than justice is paramount, then you are not in favor of my amendment.

Mr. CORMAN. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the purpose of this section is to prevent unwarranted or inordinate delay when a Negro is trying to get the right to vote in the next election. The amendment writes into the statute that this remedy would not be available until after this unwarranted delay. The gentleman from South Carolina offers this amendment to circumvent the purpose of the three-judge court. What he means by orderly justice and not changing our present system is that we are going to deny the man the right to vote because he cannot get his case past the district court. Then we keep what we have. But if we want to proceed without unwarranted delay, then we ought to defeat this amendment because the amendment writes into the law a requirement that the very fact exists which we are trying to overcome.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Does the gentleman mean to imply that simply to allege some crime has been committed is sufficient grounds to convict a person of that alleged crime? That is his inference.

Mr. CORMAN. No, but when the Attorney General decides to prosecute he goes to court. He has that ability in every Federal criminal case no matter what it is. In this instance he ought to have the ability to make a decision as to whether or not he needs to go to a three-judge court to protect a man's right to vote. To say you are going to leave this with the district judge, who very obviously himself is going to become a witness in the case, is absurd. To write additionally that you must have an unwarranted delay before you get relief is doubly absurd.

Mr. WAGGONNER. Does the gentleman contend that the present system and Attorney General are infallible?

Mr. CORMAN. I contend that the system we have is not infallible as long as we have laws administered by men. If we put the rights in the hands of one man whom we cannot circumvent, then I say we need a different system. But the record is replete with cases where year after year men have been denied the right to vote not because they lost their case but because they could not get it tried.

Mr. WATSON. My amendment is to expedite the matter and prevent the district judge from delaying the proceedings.

Mr. CORMAN. Is it not correct the gentleman's amendment says one cannot get a three-judge court unless there has been unwarranted delay?

Mr. WATSON. I assume from the language of the bill and from the arguments of the proponents that that was the purpose of it. It is not to permit him without any factual basis to run out and ask for a three-judge court.

Mr. CORMAN. The three-judge court is to prevent the thing the gentleman is writing into the bill.

Mr. WATSON. My amendment simply says this, that upon a showing by either the district attorney or any of the parties to the litigation that there is an unwarranted delay, then it is mandatory that that chief judge of the circuit refer this matter to a three-judge court. It is as simple as that. If you do not want to have any showing of unwarranted delay, if you want to have a perfunctory circumvention of locally established laws, go ahead and vote against the amendment. I am only trying to make this bill conform to what the argument was yesterday and the day before.

Mr. CORMAN. I think Members understand that this says you cannot move until the right has been denied and there is unwarranted delay. It completely negates what we are trying to do in this bill.

Mr. CAHILL. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from New Jersey.

Mr. CAHILL. I should like to raise this question. What would be the remedy if the application were made to the circuit judge and then he was guilty of unwarranted delay? Suppose he declined to hear the case and he was too busy and he could not hear it. How then would you be able to solve the problem?

Mr. CORMAN. It would seem to me there would be no remedy under the present proposal.

Mr. WATSON. We could take this presumption of bad faith on the part of the judges all the way up to the Supreme Court and there would be no answer to anyone. This amendment is a good one.

Mr. WHITTEN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, in my years here I do not know when I have been more pleased at the fine showing made by a freshman Member than the gentleman from South Carolina [Mr. WATSON]. Perhaps, it does take a little time to determine this matter of unwarranted delay as provided by the amendment which the gentleman has offered. But let us read the wording of this bill as it is written; the amendment to which the proponents object. It says, and I quote:

> In any proceeding instituted in any district court of the United States under this section the Attorney General may file with the clerk of such court a request.

He does not have to wait 30 minutes, he does not even have to wait 30 seconds after the proceeding has been filed. He may request immediately that a court of three judges be convened to hear the case. Then the bill provides, as follows:

> A copy of the request shall be immediately furnished by such clerk to the chief judge of the circuit—

Who shall then issue an order for a three-judge court. In other words, you are subjecting your whole judiciary system to the whims of the Attorney General. The minute you file a proceeding he can immediately request the three-judge court. He does not have to make any allegation of delay, crookedness, or anything, he merely has to ask for the three-judge court. The circuit judge has no discretion, no judgment, he can require no proof whatsoever. He must immediately do what the Attorney General tells him. Is that the kind of justice we believe in? Does that give protection to the American citizen who is a defendant? Is that in accord with the principles of justice and fairplay for which the English peoples have fought for centuries?

Now let us consider the amendment that has been offered by the gentleman from South Carolina. He says, there must be an allegation of delay and some basis for it; he says there should be some showing that there has been some undue delay. Under the bill, as it is now written, you might as well say the Attorney General shall try the case himself when he gets good and ready without giving any reason at all as to selecting his own judges because the bill that the proponents are defending here says, "in any proceeding instituted in any district court of the United States under this section the Attorney General may file * * * a request that a court of three judges be convened to hear and determine the case."

In other words, the minute the Attorney General asks for a three-judge court and files with the clerk a request for a three-judge court, then you have such a three-judge court. You might just as well turn over the whole judiciary to the Attorney General unless you change the provisions of this act. The amendment that has been offered by the gentleman from South Carolina would merely require some showing in line with the claims of the proponents. But may I say, the language of the bill, as it is now written, does not support the claims of the proponents. The language of this bill, as it is presently written, just turns the matter over to the Attorney General lock, stock and barrel.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. EDMONDSON. I will concede that the petition need not carry with it any allegation of delay. But I think in all fairness, the gentleman should concede that the same right to request a three judge court is given to any defendant in the proceeding as is given to the Attorney General.

Mr. WHITTEN. Fortunately, that amendment was adopted yesterday. But I would say that even under this condition, we should follow orderly procedure. The district judges can handle matters that come before their court more expeditiously. The district judges are subject to impeachment. The district judges have to meet certain requirements and they have to be confirmed by the Senate. So that we may have orderly proceedings in the handling of the business that comes before the courts, let the district court handle the business that comes before their particular court. This bill, as it is presently written, takes the case away from the district judge completely on the whim of the Attorney General or when the Attorney General may have some ulterior purpose even without him having a chance to go by the court to see whether a request for a three-judge court has been filed. The minute the request is filed, the Attorney General can issue his own order, in effect, and have a three-judge court.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. ROGERS of Texas. I want to compliment the gentleman for the statement he has just made to the Members of this House. I think it would be well if everyone would stop and think as to whether or not we want to turn the judicial system of this Nation over to the Attorney General. As this matter presently stands, the Attorney General could make his own decision as to whether or not he wants to go in and ask for a three-judge court. In other words, if the Attorney General does not like the color of a complainant's eyes, he can say, "Well, I do not want to help you. I will only go just so far as the law absolutely requires me to go and I will go no further."

Mr. WHITTEN. May I say to the gentleman, he would not even have to say that much. The Attorney General just has to file a statement that he wants this done. That is all that is required to be said in the petition under the language of this bill. The Attorney General does not have to allege any facts or give any basis for the petition except, "I want it done."

Mr. ROGERS of Texas. Or the Attorney General can even refuse to do that and make a discrimination by himself as to the people involved in this situation. I think it is tragic that the people who are pressing this civil rights bill are taking the position that everybody who is opposed to it is crooked and trying to discriminate against somebody and that the courts of this land are corrupt and crooked clear on up to the Supreme Court of the United States.

Mr. WHITTEN. By all means this amendment should be adopted.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have had evidence to the effect there are approximately 40 cases instituted by the Attorney General which have not yet been concluded. There have been all sorts of slowdowns and all sorts of deliberate interruptions and all sorts of procrastinations and delays—not on the part of the Attorney General but on the part of those on the other side of the fence.

Now we have an amendment which, to my mind, would cause all the time or most of the time to be spent in resolving the issue as to whether or not there has been delay or unwarranted delay, rather than determining whether or not there has been discrimination in voting.

These inordinate delays have prevented Negroes from voting. Perchance the issue will be resolved after a year has elapsed, or after 2 years have elapsed, or a sufficient time has elapsed so that the remedy the Negro might obtain would go down the drain and would not mean anything.

As to the amendment itself, it would require a proof of unwarranted delay. But what happens when a case is filed? It is not filed with a district judge. The case is filed with a clerk. Then, immediately after the filing of the case with the clerk, the Attorney General is to have the right to make an application for a three-judge court.

There would be no proceeding, so how could there be a delay or unwarranted delay if there were no proceeding? The case would start only when the three-judge court considered the case. There could be no charge of delay so far as the three-judge court itself is concerned.

The gentleman speaks of an unwarranted delay. The amendment would raise the issue before the case had begun.

I would say that no amount of sophistry can indicate any merit in the amendment. The amendment would cause confusion and inordinate delay in and by itself.

Under the wording of the amendment one could never obtain a three-judge court until he proved not only delay but also unwarranted delay. It would not be possible to prove because no case would have been started. The case would only start in the three-judge court. It would be an impossible situation.

For that reason I would say the amendment would not expedite the proceedings. The amendment would delay inordinately the proceedings.

I am opposed to the amendment.

Mr. WATSON. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. WATSON. I am sure the gentleman is laden down with many problems in reference to the bill. Perhaps he was speaking to a colleague at the table or doing something else when I tried to point out the situation.

The gentleman says that no case would have been started, so he asks how could there be a delay or inordinate delay. I am sure the able chairman of the committee, being such a distinguished lawyer, understands far better than I that under the terms of the bill action can be taken immediately when the case is filed. Beginning on page 41 of the bill it is stated:

> It shall be the duty of the chief judge of the district (or in his absence, the acting chief judge) in which the case is pending immediately to designate a judge in such district to hear and determine the case.

It is further stated, on lines 11 and 12 of page 42:

> at the earliest practicable date and to cause the case to be in every way expedited.

If I correctly understand the language, then the case is to be acted upon immediately upon the filing of the case.

Mr. CELLER. That is the language which would apply to a situation when there was not a three-judge court. Under the bill the Attorney General would be given the right to file his application or certificate immediately upon the filing of the case with the clerk and ask for a three-judge panel. He would not have to wait until the proceeding envisioned by this amendment. That is an entirely different proceeding.

Mr. McCULLOCH. Mr. Chairman, I move to strike the requisite number of words.

I rise in opposition to the amendment.

I listened very carefully to the explanation of the language and the effect thereon by the amendment, given by my colleagues on the Committee on the Judiciary, the gentleman from Colorado [Mr. Rogers], the gentleman from California [Mr. Corman], and the gentleman from New York [Mr. Celler], who is the chairman of the committee.

I agree with their comments and explanations. It is said, Why should we object to this amendment? The amendment necessitates another step in the proceeding which could result in the very delay which we seek to obviate. Furthermore, this amendment asks the presiding judge to determine that there will be unnecessary delay, which means that he must find fault with the trial judge of the court who might otherwise try the case. This will rarely occur. Furthermore, the statement was made, I believe, by the author of the amendment, that this is not a normal procedure. I just cannot agree with that statement, Mr. Chairman, because in the cases under antitrust laws the normal procedure is for the Attorney General to make the request. I hope that the gentleman who offered the amendment will listen to this statement, because I am taking issue with his statement that this is not normal. In the antitrust cases and in the transportation cases the procedure is identical with that provided in this legislation. It is normal and it has been followed since 1909 or before.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I will yield for a question.

Mr. ROGERS of Texas. Is it not a fact that unless you adopt this amendment, you place in the hands of a political appointee the power to require the Federal judiciary to do something whether they want to or not?

Mr. McCULLOCH. Mr. Chairman, I would say that the language of the bill as written gives the authority to the Attorney General, the chief of the Department of Justice, who is, as has been described by others with respect to judges, a nominee of the President, confirmed by the Senate. It is strange indeed that certain Members of the House find fault with this procedure in these cases, when I have never heard them find fault with the procedure in the antitrust cases and the Interstate Commerce Commission cases.

Mr. Chairman, I want to repeat what has been said here several times, but it should not be forgotten. Cases are now pending in some of the Federal courts in this country which were filed as long ago as 1961. It has also been correctly said that in voting cases an order or a decree authorizing a person to vote long after the election has passed is a hollow and an empty victory, and is subject to far more criticism basically and fundamentally than this procedure ever can be. Why are the gentlemen afraid of this three-judge court? They are afraid, if they be afraid, by reason of the fact that they know the three-judge court will promptly proceed to the determination of the question without delay. The amendment should be rejected.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield further?

Mr. McCULLOCH. Yes. I yield to the gentleman.

Mr. ROGERS of Texas. I wonder if the gentleman could answer my question "yes" or "no." I appreciate his speech.

Mr. McCULLOCH. And in any event the court makes the decision on the basic question.

Mr. ROGERS of Texas. On what basic question?

Mr. McCULLOCH. The question of whether or not a State or political subdivision has denied citizens the right to vote.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. FLYNT. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio [Mr. McCulloch] may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. Why, yes. I will be glad to.

Mr. FLYNT. I would like to ask the gentleman from Ohio did he not state previously during the debate on this bill that the purpose of this section and this provision in this section was to expedite cases and to let them get to the Supreme Court sooner?

Mr. McCULLOCH. Yes. And that is exactly what the paragraph, as we drafted it and as it is now in the bill, will do. The amendment will retard and slow down the procedure because the application would of necessity go to the senior circuit judge or the presiding judge. He would then have to make a determination of fact. And if you had a judge who was busy, how soon would he make that determination? What work would he drop that was of importance that might be of equal importance to this case? That is my answer to that question.

Mr. FLYNT. Is there not a provision that says it shall be the duty of the chief judge of the district court to expedite these cases? Is that not an adequate safeguard?

Mr. McCULLOCH. Let me answer the gentleman this way. Of course, it has not been an adequate safeguard. Why do you suppose that many cases are pending, that have been on the dockets of the court from 1½ to 3½ years? The answer is obvious to anyone who has been in either a Federal or a State court.

Mr. FLYNT. Is the gentleman implying that the same rules obtain in every district court and before every judge in the entire Federal judiciary?

Mr. McCULLOCH. Of course not. I am sure the gentleman knows the answer to his question. They are not the same. They are not motivated by the same conscientious feelings and by the same devotion to duty.

Mr. WAGGONNER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, there is no fear of a three-judge court because present law provides that any litigant who files a suit who is entitled to be heard by a three-judge court may at the time this litigation is filed request to be heard by a three-judge court. The fear of this title of this bill lies in giving too much power to the Attorney General, power to file for the litigant and power to control the court docket.

Mr. McCULLOCH. Mr. Chairman, will the gentleman answer a question?

Mr. WAGGONNER. I would be glad to.

Mr. McCULLOCH. The gentleman will admit that the Attorney General now has the power in other civil cases, that it is frequently used in civil cases and not only that, he will admit that in antitrust cases, for example, there is authority which would permit a citizen to use the evidence in the civil case to bring a suit for triple damages.

Mr. WAGGONNER. I doubt that the Attorney General presently has this power because he has just been denied that power by a three-judge court involving three similar cases, involving the States of Alabama, Mississippi, and Virginia. On the 11th day of this month they have asked for an appeal to be heard by the full nine-member court in Houston, Tex., involving a similar case. Let me say, too, that the powers of the Attorney General are something to worry about. A Member of this House, a member of the Judiciary Committee last Friday afternoon in addressing the committee during general debate on this bill had this to say:

> You know, I am going to tell you something, and I am not talking about any particular Attorney General. I am talking about several. I am condemning the system. I just do not like the way we set up our courts, anyway. I do not mind telling you it is a bad system when an Attorney General can invite a man to come down here and say, "I am looking you over for a judge. Tell me now how you are going to rule on such-and-such a case."

Are we going to allow the Attorney General to pick the judge, to file the litigation and to demand when that litigation will be heard? That is the implication that this particular Member made here in talking about this legislation the other day. I ask the specific question now of the chairman of this committee if at any time during the hearings on this particular legislation there was testimony either in executive session or in open session when it was indicated that the Attorney General, this Attorney General or any previous Attorney General, had called some prospective judge in to look him over to see whether or not he would be qualified to serve and how he would rule if appointed on specific cases.

Mr. CELLER. I cannot say there was any such circumstance in any kind of a hearing or executive session or any session of the Judiciary Committee that I attended. I know of no such fact.

Mr. WAGGONNER. I say this because I have been told by members of the Committee on the Judiciary there was evidence to this effect during hearings on this particular legislation.

Mr. Chairman, that is too much power to give to the Attorney General: to pick the judge, to file a lawsuit, and to say when it will be heard. The present Attorney General says he does not want this power and should not have it because it is too broad.

Mr. Chairman, I support the pending amendment.

Mr. CELLER. Of course, the gentleman knows the testimony given by the Attorney General is printed. Every word was printed. Would the gentleman care to point it out page, chapter, and verse?

Mr. WAGGONNER. It is not in the hearings now. I will also say to the chairman that last Friday I engaged in a colloquy with another Member of the House. My questions were deleted from the Record as well.

Mr. ANDREWS of Alabama. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I think it will go far toward keeping our courts from being rigged as they have been in the past.

I would like to read an editorial that appeared in the Washington Star last August in connection with a charge made by Judge Cameron of the Fifth Circuit Court of Appeals wherein he charged that the presiding judge of the Fifth Circuit Court of Appeals had rigged these three-judge panels for civil rights cases.

This is from the Washington Evening Star of August 3, 1963:

> ### JUDICIAL INTEGRITY
>
> Since they reflect so adversely on the integrity of the judicial process, the charges which have been made by Judge Ben Cameron, of the Fifth U.S. Circuit Court of Appeals, are much too serious to be brushed aside or ignored. They ought to be thoroughly investigated, and, though one might prefer that the investigation should be conducted by some other agency than Senator Eastland's Judiciary Committee, the facts, we suppose, will speak for themselves once they have been assembled.
>
> The jurisdiction of the Fifth Circuit Court covers the Deep South, and this court has long been held in low esteem by the white people of that area. But this is the first time, as far as we know, that the tribunal's integrity has been challenged by anyone—much less by a member of the court itself.
>
> The Fifth Circuit Court is composed of nine judges (one has been ill) but most cases actually are heard by panels of three judges. It is this of which Judge Cameron complains. He says in effect that the assignment of judges to the panels has been rigged in order to produce decisions favorable to integration. Judge Cameron charges that four of the nine judges have sat on panels which decided 23 of 25 recent cases. One of these four judges, John Minor Wisdom, says the selection of the panels is governed by "pure chance." Obviously, Judge Cameron doesn't agree. And in a criticism directed specifically to Chief Judge Tuttle, Judge Cameron declared: "The idea that the chief judge may thus gerrymander the U.S. judges of a State in order to accomplish a desired result is, I think, entirely foreign to any just concept of the proper conduct of the judicial process."
>
> This, of course, is incontestable. The question, however, is whether the facts support the accusations. That is an issue

which should not be left dangling. For the prestige of the higher Federal courts already has suffered enough in popular estimation. If Judge Cameron is right, drastic remedial action should be taken. If he is wrong, the falsity of his charges, at least in fairness to the other members of the court, should be exposed.

So, Mr. Chairman, there is no question but that the three-judge panels have been rigged. Here is proof positive of it made by a member of the court. As far as I know, the Attorney General has not done anything about it. No investigation has been made. The purpose of this pending amendment is to try to keep from happening in the future what has already happened in the Fifth Federal Circuit Court of Appeals.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of Alabama. I yield to the gentleman from Georgia.

Mr. FORRESTER. The truth of it is the only rumors we have heard about any court being rigged was the three-judge court.

Mr. ANDREWS of Alabama. As far as I know. Here is the situation where the same 3 judges out of 9 served in 23 out of 25 integration cases. There is no question but that if this amendment is not adopted these three-judge panels will be rigged on purpose.

Mr. MULTER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, will the gentleman from Alabama [Mr. ANDREWS] answer a question? Will the gentleman tell us how many of these 23 cases went to the U.S. Supreme Court?

Mr. ANDREWS of Alabama. I do not know.

Mr. MULTER. Does the gentleman know how many of the 23 cases were reversed by the U.S. Supreme Court?

Mr. ANDREWS of Alabama. No. Mr. Chairman, will the gentleman yield?

Mr. MULTER. Yes.

Mr. ANDREWS of Alabama. The question is the charge made by Judge Cameron to the effect that in 23 out of 25 integration cases the same 3 judges were used and all decisions were favorable to the Government.

Mr. MULTER. If that is so, and I assume that the gentleman's statement is correct, if the decisions were wrong the U.S. Supreme Court would have reversed them. The fact of the matter is that what we must decide here now is not whether these 23 cases were decided by the same judges but whether or not they did justice. The question that is going to be decided here on this amendment is whether or not you are going to get these cases decided before an election or after an election. The question here is, Are these men and women going to be given the right to vote when it will count, or will you have their cases go into court and lie there until it is too late, assuming they get the right to cast the vote?

The question is, Do you want to get a new method of expediting the disposition of these cases or do you want to pursue the old existing method which delayed these cases interminably and without dealing fairly with the person who should be given the right to vote? The question is, If you have some better method of speeding up these cases which now lie indefinitely on the dockets of the local district courts, then come forward with a better method of doing it. The only method devised yet to speed up these cases and get a quick decision in fairness to the people entitled to vote is this three-man court. If you have a better method, let us hear about it. The issue is, Shall we take a three-man court and use this method to expedite cases, or are we going on with the old one-man court procedure of denying justice by delaying decision.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Georgia.

Mr. FORRESTER. Is delay in a court common over this country?

Mr. MULTER. Unfortunately, it is too common. We should do our utmost to avoid all these delays. If there can be a method of speeding up every trial, whether it be this type or any other type of method, let us devise the ways and means and methods of doing it and let us provide for the speeding up of the trials by appropriate legislation, where that is indicated to be in order.

Mr. FORRESTER. Let me ask the gentleman this question. Is it not true that you or witnesses from your State came before us a year or more ago and said that you had cases piled up in your courts in New York State and that cases in New York State had been on the court dockets for 4 or 5 years and that those cases had not been tried. Is that not true?

Mr. MULTER. But that is not because of any judge who is sitting on the case. That is because New York State has so much litigation and relatively so few judges to handle them in order to quickly dispose of the cases that are on the court dockets. We have too few judges comparatively, even though we do have more than most districts. It is the piling up of litigation that results in this delay. I say, if a three-man court will speed up the trials of these cases, let us try this three-man court procedure.

Mr. FORRESTER. Why does not the gentleman advocate that for the State of New York?

Mr. MULTER. I advocate it for the whole country including the State of New York.

Mr. WATSON. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman.

Mr. WATSON. You are repeatedly asking whether or not we could advance a system under which we could release these cases that are now backed up in the courts.

Mr. MULTER. I did not say to release them but to get them disposed of.

Mr. WATSON. Yes, in other words the gentleman repeatedly asks whether or not we could have a system under which we could dispose of these cases that are now purportedly delayed in the courts.

Mr. MULTER. That is correct.

Mr. WATSON. You do not mean to infer for a moment that under my amendment we would not have a basic way to get rid of the backlog of cases that we have?

Mr. MULTER. I must say to the gentleman—and I give him every benefit of the doubt, I do not for one minute impugn the gentleman's motives—but I say that the gentleman's amendment will work the very opposite of the effect that the title of the bill will effectuate. If the gentleman's amendment prevails, then we do not need this title in this bill and the existing system will then continue.

Mr. WATSON. The gentleman is not impugning my motives, but if you do not vote for this amendment you are impugning the motivation and the honesty of the Federal district court judges and you are not even willing to accord them the consideration and the benefit of the doubt that you accord to a criminal in the courts and that is a presumption of innocence until proven guilty.

Mr. MULTER. The gentleman is injecting an issue into the question here that does not exist. The issue is, Have we had delays in the courts? The answer is "yes." Otherwise, we do not need this title. Unless we can find some better way to eliminate these delays in the courts, other than by this title of the bill, the present system is going to continue. Unless the amendment that is now pending is defeated, the present system will continue. The amendment seeks to continue the interminable and unfair delays that the title of the bill attempts to eliminate.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from South Carolina [Mr. WATSON].

The question was taken; and on a division (demanded by Mr. WATSON) there were—ayes 72, noes 136.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: On page 41, line 3, after "Attorney General" insert: "in order to avoid undue delay".

Mr. CRAMER. Mr. Chairman, the amendment is quite simple. It is brief. I shall take only 2 minutes to explain it.

There has been a discussion with respect to why a three-judge court is needed. Every proponent has said it is because of possible delay, yet nothing has been written into the section (h), to provide for a three-judge court, which says anything about a delay. It merely provides that the Attorney General may file with the clerk of such court a request that a court of three judges be convened to hear and determine the case.

No justification is given. No reason is given. No basis is required for filing the request in the first instance.

If the proponents of the bill are correct in what they say and mean what they say they should support my amendment. This would not cause any undue delay. This would require in good faith that undue delay be the reason for the Attorney General's filing of the request. It would not require a finding by anybody. It would merely require that the Attorney General operate in good faith and not go "forum shopping." The Attorney General would not be permitted to choose one judge over another because he liked one judge and not another, or because he felt the decision which might be forthcoming from a different judge would be different. If he made a request it would have to be made in good faith because he honestly believed there would be an undue delay.

I cannot imagine how anyone who is a proponent of this approach, for a three-judge court, could oppose merely requiring that the Attorney General, in order to avoid an undue delay, file with the clerk a request based upon such a delay and not other spurious reasons unstated. That is all the amendment would do. I trust that the amendment will be adopted, particularly in view of the fact that if it is not adopted then the Attorney General could use any excuse he wished to, without even indicating what it was, in an effort to get a case before a three-judge court.

If the Attorney General is to act in good faith, then he should be limited to making the request on the basis of the fact that he believes there will be a delay.

This would not delay the proceedings in any way. The Attorney General would be required merely to base his request on the fact that there is to be an undue delay. It would modify the reason for which he could file the request.

If delay is the reason for it—this three-judge court—as the proponents say, all the amendment would do is to provide that the Attorney General, if he believes there will be an unreasonable delay, can file the request. It would not limit it in any other way.

I believe the amendment is a good amendment, which is constructive and should be adopted.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

The House has just rejected an amendment of the same character as the amendment now offered by the gentleman from Florida. We spent nearly an hour considering the matter. The amendment of the gentleman from Florida, as was indicated in the debate on the amendment offered by the gentleman from South Carolina, would cause an inordinate delay.

The purpose of the section is to expedite consideration of the issues. This amendment would delay consideration of the issues. It would raise another question of undue delay.

For that reason I earnestly request that the amendment be voted down.

The CHAIRMAN. The question is on the amendment of the gentleman from Florida.

The question was taken; and, on a division (demanded by Mr. Cramer) there were—ayes 52, noes 99.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. LANDRUM

Mr. LANDRUM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Landrum: On page 42, after line 13, insert a new section, to be appropriately numbered, as follows:
>
> "Whenever a judgment is rendered for the defendant in any suit by the United States under this title, whether civil or criminal, there shall be allowed and awarded the defendant
>
> "(1) any cost described in section 1920, United States Code, together with reasonable attorney's fees and expert witness fees incurred by the defendant; and
>
> "(2) to such extent as the court may, in its discretion, determine, any and all other costs, direct or indirect, which have been occasioned the defendant by reason of the suit."

Mr. LANDRUM. Mr. Chairman, this amendment is very simple. It does not require any long reading or study to understand. It is obvious to one who has witnessed this debate and who is knowledgeable about the manner in which this bill was brought to the floor of the House of Representatives that it is about to be railroaded through the House of Representatives after having been railroaded through committee. It will be the authority by which a great many people may be charged with a violation of the law. Of course, if they are charged with the violations of this proposed statute and are found to be in violation, then this amendment will have no application whatsoever. But, if he is innocent of the charge he ought to be awarded the cost of defending the charge. In the event that one innocent of any violation of this law might be charged with a violation of the provisions of this law, he would find it necessary to employ counsel, to sustain substantial court costs and undergo more than ordinary expenses in order to establish his innocence or to establish the fact that he was not in violation of the law. So all we do here is to say in the event one is so charged and it is determined by the court, by the U.S. court, that he is not guilty of any violation, then this amendment provides that the person charged be awarded the costs of defending the charge against him.

That is all there is to it.

I yield back the balance of my time.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment because the provisions for costs are already in the 1957 act. If the gentleman will read section 1971(c) of title 42 of the United States Code he will find that there is provision for costs in the following language:

> In any proceeding hereunder the United States shall be liable for costs the same as a private person.

In addition, the amendment is defective because it fails to specify the title of the United States Code to which it refers. I therefore think the amendment should be rejected.

Mr. FLYNT. Mr. Chairman, I rise in support of the amendment offered by my colleague from Georgia. The amendment is offered in order to provide a reasonable degree of fairness in the administration of this title. This provision places no undue hardship on the Government. It certainly places no undue hardship on the courts. It places no undue hardship upon the Attorney General. It is simply an equalizer to help defray the cost of a case of this kind which under the terms of the statute could be brought upon an uncorroborated, unsubstantiated, and unsworn complaint. Nevertheless a defendant or defendants in such case might be subjected to both harassment and a tremendous amount of attorney's fees, printing costs, and other costs which are an integral part of one of these proceedings. Both sides of the aisle have stated in support of this bill, that they expect many of these cases to reach the Supreme Court. All who have practiced in that court realize that the printing costs, the court costs, and the attorney's fees which are involved in such a case are very expensive.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. FLYNT. I yield to my colleague.

Mr. LANDRUM. And all of that will be done without the Attorney General having to be at least reasonably sure that he is on sound ground when he files a proceeding.

Mr. FLYNT. The gentleman is right.

Mr. LANDRUM. As evidenced by the fact that the House just defeated, or the Committee just turned down, a very logical amendment offered by the gentleman from South Carolina [Mr. Watson].

Mr. FLYNT. Under the terms of this title and of this act the Attorney General may intervene in the name of the United States and become a party to the case without one affidavit, without one scintilla of sworn, substantiated, or corroborated testimony and subject one defendant or a group of defendants to harassment and great expense.

Mr. MATHIAS. Mr. Chairman, will the gentleman yield?

Mr. FLYNT. I yield to the gentleman from Maryland.

Mr. MATHIAS. I wonder if the gentleman could not tell us if it is not true in the overwhelming majority of these cases if not in all of them that we know about so far, the defendant would be one of the sovereign States of the Union?

Mr. FLYNT. I do not think so. I am familiar with a case that arose in Georgia in which the individual registrars of the county were named as party defendants and that case, which reached the Supreme Court, bears the names of the individual registrars.

Mr. MATHIAS. Even in that case is it not true that the State law departments of the various States would be charged with their defense?

Mr. FLYNT. I would say to the gentleman from Maryland they might or might not be. Regardless where the expense is, if an unsubstantiated suit is brought, the costs of the litigation, not to mention the harassment that might be put upon the defendant, if the judgment of the court is in favor of the defendant, the judgment should be such as to make him, his county or his State financially whole because of the unnecessary expense to which he has been put.

Mr. MATHIAS. I think every one of our States has a State law department which pays its lawyers on a yearly basis. They are there for this purpose—among other things—to defend the States.

Mr. FLYNT. I cannot agree with the gentleman from Maryland. That might not be so. I am concerned about a man who may have to defend himself. I am sure the gentleman will agree one of these cases could very quickly run up a substantial expense.

Mr. MATHIAS. I agree with that, but I think in cases where the sovereign States themselves are defendants, where they proceed to underwrite the defense of the officials who may be sued in their official or unofficial capacities, the States can defend these suits.

Mr. FLYNT. The provisions of this amendment would then provide that the State or county should be reimbursed for any expenses.

Mr. MATHIAS. This would go far beyond that. These lawyers are paid by the year.

Mr. FLYNT. In some cases they are, and in some they are not.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. FLYNT. I yield to the gentleman from Florida.

Mr. FASCELL. Do I understand the purpose of this amendment to allow reimbursement of costs contains language different from that normally carried in the statute with respect to reimbursement for costs in that this amendment provides for reimbursement of indirect costs?

I would like the gentleman to tell the House what is meant by reimbursement of indirect costs.

Mr. FLYNT. The author of the amendment, might prefer to answer that question and I yield to him for that purpose.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

(By unanimous consent (at the request of Mr. LANDRUM), Mr. FLYNT was allowed to proceed for 1 additional minute.)

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. FLYNT. I yield to the gentleman from Georgia.

Mr. LANDRUM. With respect to the question of the gentleman from Florida as to what constitutes indirect costs, they would be indirect costs which may be awarded to a defendant found innocent of the charges filed against him in this proceeding. It is the indirect cost which the Government itself may have caused.

Mr. FASCELL. Does the gentleman mean the defendant might be reimbursed for indirect costs on account of loss of time from his business?

Mr. LANDRUM. Yes.

Mr. FASCELL. For pain and suffering?

Mr. LANDRUM. That could be an indirect cost.

Mr. RODINO. Is the gentleman able to cite any precedent for this amendment where the court has authority to award indirect costs even in State cases?

Mr. LANDRUM. I do not know whether we are concerned with that. We are trying to keep people from being harassed to death and spending a lot of money defending unnecessary charges.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. LANDRUM].

The question was taken; and on a division (demanded by Mr. LANDRUM) there were—ayes 57, noes 119.

So the amendment was rejected.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think this would be an appropriate time to call attention to some of the reservations many of us have to this bill. Five minutes is too short a time to make all the observations I would like to make, and I will not attempt to discuss any of the legal aspects. At the outset I would just reiterate what I said the other day, that this bill is motivated by politics.

If you will take time to read the testimony which was given in the Rules Committee, I do not think any reasonably minded layman will be influenced to vote for this bill. I know that every Member of the House who has served here any length of time has had some disappointing experience with some Government agency where some bureaucrat has taken unto himself authority implied in some law we have passed and has used this authority to the detriment of those who are intended to be the recipients or the beneficiaries under the law. I know the chairman of the Judiciary Committee in his testimony before the Rules Committee made a fine distinction between recipients and beneficiaries. As one reads the testimony before the Rules Committee, I think it is evident the chairman of this committee, who is trying to cram this bill down our throats—and I understand why he is, he is too busily engaged with other things to be concerned with some of the individual problems that result from the regulations that are imposed by some bureau or department of this Government.

As I said yesterday, the chairman said that by cutting off funds, that was not a punishment. Someone might charge that a county ASC committee permits discrimination in the hiring of the office staff, and immediately under the chairman's own interpretation the money for that county would be cut off. Yet he tries in some mysterious way to say that the farmer would not have his funds cut off even if he does practice discrimination. He said the farmer could practice discrimination and still get his money.

I am asking you if you are going to vote for this bill with your eyes wide open. During the past few weeks I have had experiences dealing with the wage-hour law, where the Labor Department made a ruling which I think is not only unfair but illegal. Just this last week an attorney from the Attorney General's office came to me to convince me this bill was good. He sat down and apologized for being there because he knew what my position was. I told him what had happened in the Labor Department. He said, "That is not the law." But the individual who has been cited by the Labor Department has a claim pending against him, he has been harassed by the Department, he has been put to the expense of hiring legal counsel.

What did he do to bring this on himself? As an air-conditioning serviceman employing two people, not doing the volume of business which would bring him within the act, without knowingly engaging in interstate commerce, he performed a repair job for a business that was engaged in interstate commerce and by so doing the Department had ruled that he was engaged in interstate commerce, because he worked for a company that was under the wage-hour law. They testified that he automatically came under that; at least, the Department of Labor ruled that.

That is the thing I am worried about in this bill that is going to happen by giving these departments, these bureaucrats, the implication and encouragement to write regulations which were not the intent of Congress, but which have the effect of law which was not the intention of Congress.

I want to make one more point before I sit down. I was interested in the remarks of the chairman when he stated in his opening remarks on this bill that it will bring happiness to 20 million of our people. He is leaving the impression with this minority that he is giving them the right to ride roughshod over the other 160 and some odd millions of people whose personal and property rights are being destroyed. Why is he doing it? Is he afraid of the threats that have been made by CORE and other irresponsible organizations that have been violating the law with impunity in many instances? Has he led this minority in believing that by the passage of this bill he will be guaranteeing to them the elimination of social discrimination, and that he is the saviour who is legislating universal brotherhood? Is he so naive as to believe that if this bill is passed, that the minorities that he is trying to use for cheap political purposes, will be satisfied, when they discover that you cannot legislate love, and that in many areas of this Nation this legislation cannot do anything but foment more strife, hatred and bigotry?

A lot of people cry out and tell me, "We are going to have great riots. We are going to have bloodshed if we do not do what these people want us to do." Do they not realize we have had these riots and demonstrations even while Congress is moving to correct any inequities? I am telling you it is going to be the most cowardly thing that the Members of this Congress can do, being scared and intimidated into voting for this type of legislation.

I can imagine that the people from New York were very proud yesterday about the great marches that were made.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JONES of Missouri. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Chairman, I hope the people of New York were very proud of what the press carried this morning about the demonstrations in

New York. Your friends—your friends—that you think you are trying to help—was there any appreciation in the demonstrations yesterday? No, there was no appreciation. All they were doing is trying to hammer it home—"We are going to use force. We are going to demand—and Congress is going to kowtow to us and bow down under these demands."

I am telling you, my friends in this House, think before you vote for a lot of things that are in this bill that are destroying the rights of the majority that we have enjoyed throughout the years. Those are the things that I want to leave with you today. I am not afraid of these threats. Down in my country we have had integration of our schools. Our public facilities are being opened. There has never been a Negro denied the right to vote in the 10th Congressional District, and as far as I know, nowhere else in the State of Missouri. We do not have any registration. Our trouble is they not only vote once and twice, but at the last election we had one couple that came in—and they were arrested, of course, but they admitted they had voted in four different precincts. Everybody said, "Well, they did not know any better. That is all right." But when these two couples voted in four precincts and cast eight votes, they destroyed the vote of six legitimate voters.

I say we are making progress in our section. I say we have all the laws we need on the books to cover injustices that some claim are being done. Harry Truman, our former President, said in the early part of last year:

> We have all the laws that are needed to correct this. We do not need any more laws if we will enforce the laws we have.

I think that has been demonstrated not only in New York but in many other States.

We have made great strides in this Nation in establishing and providing equal rights under the Constitution and in providing equal opportunities for all who seek to earn these rights.

Mr. Chairman, I want to read into the RECORD a letter which I have used in replying to those who have written to me urging my support of this so-called civil rights bill:

> DEAR FRIEND: This will acknowledge your letter urging my vote for civil rights.
>
> President Truman, who probably did as much as any President, with the possible exception of Abraham Lincoln, to guarantee the rights of all minorities including the American Negro, said early this year that in his opinion, there was no need for any more civil rights laws; all that was needed was the enforcement of the Constitution and the laws which are already on the books.
>
> I would agree that in some sections of the country all of these laws are not being enforced, but enacting additional laws is not the answer to that problem.
>
> I do not know of any civil right which is denied to any person, regardless of his race, color, or religion, in the 10th Congressional District which I represent. Some people confuse social discrimination with civil rights, but this cannot and is not going to be changed by the passing of any law. Employment rights are already covered by law, although these laws are not being enforced in every area, but additional laws is not the answer to this. Equal educational opportunities or rights, while not being made available to those in every community in the 10th district, or many other areas of the United States, are nevertheless covered by laws which can, and which are, being more uniformly enforced throughout the Nation.
>
> Quite frankly and honestly, I do not know of a single civil right for which provision does not already exist in our present laws and under the Constitution. No manmade law can guarantee universal brotherhood, and those who use such an argument are only formenting strife, hatred, and bigotry. No law can automatically open the doors of every church in America to all who would enter. A law which would state that every privately owned business is compelled to submit to Government regulations which would require the owner to give up his "private rights" to determine who he would hire, fire, or serve, would be, in my opinion, unconstitutional, as well as being a law impossible to enforce.
>
> Have you ever heard of any person in Missouri being denied the right to vote on the grounds of color, race, or religion? Do you know of any State-controlled school in the State of Missouri denying admission to any person on the grounds of color, race, or religion? In closing, may I ask you to let me know which of your civil rights is being denied, that you think would be corrected by the passage of any civil rights bill now before the Congress.
>
> Assuring you I am always happy to hear from those I am privileged to represent, and to have the benefit of their views and suggestions, at the same time reminding you that it has been my experience that those who ask specific groups—whether they be farmers, veterans, religious or race groups—to write to their Congressman, usually do not give the individuals who write the letters all of the facts, and thereby seek to mislead or misinform them, I am,
>
> Sincerely yours,
>
> PAUL C. JONES,
> *Member of Congress.*

Mr. MATTHEWS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the days when Rome was at the height of her power, we are told that the Roman gladiators cried out, as they filed past the imperial box before fighting in the circus, "Morituri te salutamus"—"We who are about to die salute you."

We who believe in our Constitution and separation of powers, stand in the same position of the Roman gladiators. The arena here is the House Chamber. The adversary is not the raging lion, but our mellifluous colleagues who, in metaphorical excellence draw deductions from the Constitution which would be considered tortuous by the founders of this Republic—deductions which, by force of number and, from my viewpoint, not by force of reason, will, I fear, become the law of the land.

Yes, our colleagues love us, yet may I remind you in the words of the poet:

> Yet each man kills the thing he loves,
> By each let this be heard,
> Some do it with a bitter look,
> Some with a flattering word.

This battle is one to save the Constitution. I prefer to put my trust in the Constitution of the United States. Along with all of you I have oft repeated these words:

> I, ——— ———, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely without any mental reservation and purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God.

I still believe that the 10th amendment which states that powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively or to the people.

I oppose the delegation in this bill of unparalleled, overwhelming, and despotic power to the Central Government, represented in this instance by the Attorney General of the United States.

We who believe in our Constitution of separation of powers cannot stanch the bloodflow from its arteries, and through this vehicle, the misnamed "civil rights bill," the Constitution will first assume a posture pale and anemic, and then will await the funeral shroud.

In the name of civil rights, the constitutional right of the States to set voter qualifications is negated. The Attorney General of the United States, on the application of a citizen—without a prior attempt to get redress for alleged grievances from State remedies—can institute suits on behalf of that citizen who maintains his civil rights have been denied, with costs not yet estimated being paid by the taxpayers.

In the name of this civil rights bill, the Attorney General of the United States can make a farce out of private property rights by insisting on forcing accommodations to persons, irrespective of the desires of the owner. This, despite the promise in the 4th amendment that the people will have a right to be secure in their houses; or the further injunction in the 14th amendment that no State shall deprive any person of property without due process of law. What more precious human right can a man have than the right to own his property and to manage it so as to make a living?

In the name of civil rights, this bill would arm the Attorney General of the United States, without first a redress to State courts, to act for individuals in school desegregation suits with the taxpayer paying the unestimated costs.

In the name of civil rights, this bill would make permanent the so-called Civil Rights Commission and clothe it with still further despotic power.

This Commission has already made unconstitutional recommendations, including holding in jeopardy all of the officials of a community, provided one of the officials supposedly violates the civil rights of a citizen. This, I suppose, is guilt by association. Certainly this is the most un-American and the most unconstitutional of all the propositions conceived in the name of civil rights.

In the name of civil rights, this bill would deprive schoolchildren of milk and basic education if there appears to be discrimination because of race, color, or national origin. How cruel can the humanitarians and moralists be in the name of civil rights? What do we mean by discrimination?

The Communists have been fed under the Republican and Democratic administrations, but this bill would deny daily bread to American children in the name of civil rights.

This unconstitutional bill will pass, I fear, because we are told that most of the States have State laws on most of these questions as involved in this bill—and that is their privilege. Why not, then, proceed in the same constitutional manner to extend these laws? Are we going to swap the Constitution for a mess of pottage? You, I fear, will impose the mores of your area on other areas, irrespective of the separation of powers provided in the Constitution.

After this year and during the next presidential election year—in the name of civil rights—what bill will we be asked to pass? I say to you in terms of humble prophecy, it will inevitably come to pass. Will this next civil rights bill, irrespective of the Constitution, demand legislative equality? Will it be a bill demanding overcompensation of minority groups? Will it be a bill demanding equal numbers of minority groups in jobs, irrespective of ability? Already some of our colleagues are talking about the guarantee in our American democracy of equality, rather than what I hope they mean, equality before the law.

As for me and my house, I would rather live and abide by the Constitution. This is not a fight on the part of those of us who oppose this bill to save the Southern Confederacy, it is a fight to save the Constitution.

I say again, "Morituri te salutamus"—"We who are about to die salute you."

Mr. **BROYHILL** of Virginia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The **CHAIRMAN**. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. **BROYHILL** of Virginia. Mr. Chairman, from the beginning of time God-fearing men of all races, creeds, and philosophies have been confronted with the grave problem of getting along with one another. This is not a recent problem nor has it just existed since the War Between the States. It is one that has plagued every nation throughout the history of the world. Wherever minorities have lived, whether racial, religious, or cultural, from Biblical times forward, they have usually held a position of disadvantage in society. From the untouchables of India, along the "trail of tears" of the Cherokee, through the entire history of the Hebrew Commonwealth, so it has been and is.

I believe it is the desire of most Americans, and certainly it is their duty and responsibility, to see that no citizen is denied equal protection under the law. I further feel that it is their wish to encourage more consideration and respect for one another. It is certainly my fervent hope that we will be able to live together in the spirit of mutual respect and, indeed, brotherly love.

Unfortunately, the question now before us has become so emotionally charged and such a celebrated cause, that we are unable to discuss the points of law involved and must be categorized as simply "for" or "against." We are unable, in this atmosphere, to "reason together," Isaiah 1: 18—for the lines are drawn and the battle is joined, although there are many among us in both camps who would welcome the opportunity to consider this legislation upon its merits in light of our Constitution.

Though I have little quarrel with those of my colleagues who are motivated by what this act is designed to accomplish morally, as one who is sworn to support and defend our Constitution, I, too, in good faith must raise those questions that persuade me to oppose this measure with every power at my command.

Fundamentally, I suspect few of our people understand this proposal and the impact it will have upon our laws in years to come. I question whether 1 in 10,000 of our citizens who vehemently advocate the passage of this bill have read its 40-odd pages containing some 10 complex titles, filled with obtuse language.

I question whether or not they understand that the Congress is limited to those powers delegated to it by the Federal Constitution and possesses no inherent powers to write such a law.

I question whether they realize that this bill is far beyond the scope of the 14th and 15th amendments and makes a cruel joke of the 10th amendment of the Bill of Rights that reserves to the States and the people those powers not delegated to the United States.

I question whether they realize this legislation extends the meaning of the so-called commerce clause of the Constitution beyond all imagination; that under the distortion of this clause, the Federal Government becomes omnipotent, capable of exerting coercive authority over the States and people that strikes at the bedrock of our system of checks and balances.

I question whether they realize that several titles of this act are flagrantly at odds with constitutional limitations and several more are highly questionable.

I question whether they realize that the broad and loosely written language of this act surrenders to the courts of this land Congress power to legislate, for it is American jurisprudence that will determine the far-reaching impact of this law, if it is enacted, and not the law itself. It is presently without limit.

I suspect the answer to all of these questions is "No," and to those who would attempt to legislate over the minds and hearts of men, I ask, at what terrible price? I join with those of my colleagues, who have so eloquently argued to these points, and not to the moral question in opposing this act.

Mr. **JONAS**. Mr. Chairman, I move to strike the last word. Mr. Chairman, I think the country must have been impressed by the tone and caliber of this debate. While the issues involved are calculated to generate heat and emotionalism, the debate so far has been singularly free of those influences; it has been on an exceedingly high plane and has been directed to reason and understanding instead of prejudice and recrimination. This indicates that those participating recognize that some fundamental constitutional issues are involved and that there is room for differences of opinion and interpretation. This is in the highest tradition of the House of Representatives, and I think we can all take some pride in the knowledge that we have here a body of men and women of good will—all sincerely interested in the welfare of our country and seeking solutions to one of the very grave issues of our time.

It is not my privilege to serve on the great Committee on the Judiciary and I therefore did not have an opportunity to participate in the hearings or listen to the testimony of the witnesses. The bill under consideration is a lengthy and complicated one. The original administration-sponsored bill is 37 pages long and the committee substitute runs to 47 pages. Many of the proposals in it are complete departures from the law as it has been understood and followed down through the years. Some of the provisions are of doubtful constitutionality, to say the least, while others in my opinion are clearly violative of the Constitution.

Since the time for debate is limited, I will not undertake an analysis of the bill or discuss the constitutionality of some of its provisions. That does not seem necessary because members of the Committee on the Judiciary have already dealt at length with the constitutional questions. Suffice it to say that I have never voted for any bill that I felt to be unconstitutional and do not intend to do so as long as I remain a Member of this body.

I am not a racist and number among my friends many Negroes whose good will I appreciate. I have discussed this subject with many of them and do not know of a single one who considers me intolerant or indifferent to their natural desires to improve their lot in life and attain full rights of citizenship.

The question is how is the best way to accomplish this objective. One of the leading proponents of the legislation under consideration said this during the course of his speech: "No statutory law can completely end discrimination." I concur in that view, particularly when there is serious doubt about the constitutionality of some of the proposals contained in the statute.

Is there a better way to attack the problem of discrimination than through the use of force? I believe there is because I am convinced that the enactment of this legislation will bring about a deterioration of friendly relationships between the races. That this bill will not promote friendly relationships seems manifest from the fact that, within the week, even after it became apparent to observers that this House will pass the bill now under consideration, we have witnessed examples of racial strife, not in the South, but in Ohio and elsewhere. It is my considered judgment that the promotion of education and understanding, rather than the use of compulsion through Federal power, offers the best chance to solve this problem.

It should be remembered that substantial progress has been made in this effort in my part of the country during recent years. It should also be recognized that this progress is the direct result of individual effort on the part of men and women of good will of both races. Voluntary agreements worked out by biracial committees have eliminated discrimination in many privately owned business establishments and have led to the dropping of racial barriers in many communities of my State. There is every reason to believe this progress will continue, and it seems to me that the better course of wisdom would be to encourage and stimulate this cooperation instead of substituting compulsion which always causes resentment.

It is a mark of the progress that has been made in this field that few people argue seriously today that any citizen should be denied access to publicly supported facilities. Nor is it ever argued seriously that citizens should be denied the right to vote if they qualify under eligibility rules applicable to all regardless of race.

And new job opportunities are opening for Negroes—perhaps not as fast as would be desirable but no one can deny that great progress is being made in this field. Down home in North Carolina we are all proud of the accomplishments that have been made by our Negro citizens in the business world. Our State now employs more Negro schoolteachers than they do in New York, Pennsylvania, and Illinois, and I might add at salary scales equal to those applicable to white teachers. Negroes own and operate a variety of business establishments in North Carolina such as insurance, bank and bus companies, and are successfully practicing law and medicine. Moreover, Negroes are registering and voting in my State in increasing numbers, and they are freely participating in political activities as members and officials of both major political parties.

Now why would anyone want to risk jeopardizing the prospect of continued progress in this area through the methods that are proving successful and that are responsible for the improving conditions so apparent to all except those who do not wish to see them? I do not impugn the motives of those who sponsor this bill but I do question their wisdom and their judgment.

The question posed by the Civil Rights Act is the choice of method by which Negro citizens are to continue their inexorable march toward full citizenship and further advancement. This bill would bring about changes by Government decree. It proposes to substitute compulsion for cooperation. This is the force method and if we adopt it we will be running the risk of aggravating rather than diminishing tensions between the races. There is an alternate method and in my judgment it is far superior to the method proposed in the bill. Its use could be encouraged and stimulated by the existing Civil Rights Commission.

I think the country is ready for such a program on a nationwide basis and that the people would welcome it. All that is lacking is effective leadership. The people of this country are inherently fair-minded and tolerant. They can be led but the history of our country shows that they do not like to be driven. The method I propose is the only one that has been effective. Statutes as broad as this one have been enacted by several States and they have not eliminated racial strife, so the problem cannot be solved by statute. My judgment is that it will only be solved by creating biracial committees in every State and community where the problem exists, to be composed of leaders of both races who will sit down together and discuss the problems that have led to racial unrest and seek solutions on a voluntary basis. Committees of this sort in North Carolina have led to the voluntary adoption of significant agreements opening up doors previously closed and advancing opportunities for Negro citizens. A news item in the Washington Post reported last week that 179 American cities, half of them in the South, have set up committees to improve race relations. The following paragraph is quoted from that report:

> The principal work of the southern committees has been the opening of communications between white and Negro leaders, the ending of segregation in places of public accommodation and in public facilities such as hospitals, school desegration, and the ending of job discrimination.

My fear about this bill is that, when it is implemented, the result will be to tear down the bridges of understanding that have been built between the races and that offer so much hope for the future. My fear is that if we substitute force and compulsion for cooperation and voluntary effort the result will be increased resentment and intolerance instead of less. My fear is that this bill, when implemented, will aggravate rather than diminish racial strife.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on title I close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Are there further amendments to title I? If not, the Clerk will report title II of the bill.

The Clerk read as follows:

TITLE II—INJUNCTIVE RELIEF AGAINST DISCRIMINATION IN PLACES OF PUBLIC ACCOMMODATIONS

SEC. 201. (a) All persons shall be entitled to the full and equal enjoyment of the goods, services, facilities, privileges, advantages, and accommodations of any place of public accommodation, as defined in this section, without discrimination or segregation on the ground of race, color, religion, or national origin.

(b) Each of the following establishments which serves the public is a place of public accommodation within the meaning of this title if its operations affect commerce, or if discrimination or segregation by it is supported by State action:

(1) any inn, hotel, motel, or other establishment which provides lodging to transient guests, other than an establishment located within a building which contains not more than five rooms for rent or hire and which is actually occupied by the proprietor of such establishment as his residence;

(2) any resturant, cafeteria, lunchroom, lunch counter, soda fountain, or other facility principally engaged in selling food for consumption on the premises, including, but not limited to, any such facility located on the premises of any retail establishment; or any gasoline station;

(3) any motion picture house, theater, concert hall, sports arena, stadium or other place of exhibition or entertainment; and

(4) any establishment (A) which is physically located within the premises of any establishment otherwise covered by this subsection, or within the premises of which is physically located any such covered establishment, and (B) which holds itself out as serving patrons of such covered establishment.

(c) The operations of an establishment affect commerce within the meaning of this title if (1) it is one of the establishments described in paragraph (1) of subsection (b); (2) in the case of an establishment described in paragraph (2) of subsection (b), it serves or offers to serve interstate travelers or a substantial portion of the food which it serves, or gasoline or other products which it sells, has moved in commerce; (3) in the case of an establishment described in paragraph (3) of subsection (b), it customarily presents films, performances, athletic teams, exhibitions, or other sources of entertainment which move in commerce; and (4) in the case of an establishment described in paragraph (4) of subsection (b) it is physically located within the premises of, or there is physically located within its premises, an establishment the operations of which affect commerce within the meaning of this subsection. For purposes of this section, "commerce" means travel, trade, traffic, commerce, transportation or communication among the several States, or between the District of Columbia, and any State, or between any foreign country or any territory or possession and any State or the District of Columbia, or between points in the same State but through any other State or the District of Columbia or a foreign country.

(d) Discrimination or segregation by an establishment is supported by State action within the meaning of this title if such discrimination or segregation (1) is carried on under color of any law, statute, ordinance, regulation, custom, or usage; or (2) is required, fostered, or encouraged by action of a State or a political subdivision thereof.

(e) The provisions of this title shall not apply to a bona fide private club or other establishment not open to the public, except to the extent that the facilities of such establishment are made available to the customers or patrons of an establishment within the scope of subsection (b).

SEC. 202. All persons shall be entitled to be free, at any establishment or place, from discrimination or segregation of any kind on the ground of race, color, religion, or national origin, if such discrimination or segregation is or purports to be required by any law, statute, ordinance, regulation, rule or order, of a State or any agency or political subdivision thereof.

SEC. 203. No person shall (a) withhold, deny, or attempt to withhold or deny, or deprive or attempt to deprive, any person of any right or privilege secured by section 201 or 202, or (b) intimidate, threaten, or coerce, or attempt to intimidate, threaten, or coerce any person with the purpose of interfering with any right or privilege secured by section 201 or 202, or (c) punish or attempt to punish any person for exercising or attempting to exercise any right or privilege secured by section 201 or 202, or (d) incite or aid or abet any person to do any of the foregoing.

SEC. 204. (a) Whenever any person has engaged or there are reasonable grounds to believe that any person is about to engage in any act or practice prohibited by section 203, a civil action for preventive relief, including an application for a permanent or temporary injunction, restraining order, or other order, may be instituted (1) by the person aggrieved, or (2) by the Attorney General for or in the name of the United States if he satisfies himself that the purposes of this title will be materially furthered by the filing of an action.

(b) In any action commenced pursuant to this title, the court, in its discretion, may allow the prevailing party, other than the United States, a reasonable attorney's fee as part of the costs, and the United States shall be liable for costs the same as a private person.

(c) In case of any complaint received by the Attorney General alleging a violation or threatened violation of section 203 in a place where State or local laws or regulations forbid the act or practice involved, the Attorney General shall notify the appropriate State or local officials and, upon request, afford them a reasonable time to act under such State or local laws or regulations before he institutes an action.

(d) In the case of any complaint received by the Attorney General alleging a violation or threatened violation of section 203, the Attorney General, before instituting an action, may utilize the services of any Federal, State, or local agency or instrumentality which may be available to attempt to secure compliance with the provisions of this title by voluntary procedures.

(e) Compliance with the foregoing provisions of subsection (c) shall not be required if the Attorney General shall file with the court a certificate that the delay consequent upon compliance with such provisions in the particular case would adversely affect the interests of the United States, or that in the particular case compliance with such provisions would prove ineffective.

SEC. 205. (a) The district courts of the United States shall have jurisdiction of proceedings instituted pursuant to this title and shall exercise the same without regard to whether the aggrieved party shall have exhausted any administrative or other remedies that may be provided by law.

(b) The remedies provided in this title shall be the exclusive means of enforcing the rights hereby created, but nothing in this title shall preclude any individual or any State or local agency from asserting any right created by any other Federal or State law not inconsistent with this title, including any statute or ordinance requiring nondiscrimination in public establishments or accommodations, or from pursuing any remedy, civil or criminal, which may be available for the vindication or enforcement of such right.

(c) Proceedings for contempt arising under the provisions of this title shall be subject to the provisions of section 151 of the Civil Rights Act of 1957 (71 Stat. 638).

Mr. CELLER (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that further reading of title II be dispensed with.

The **CHAIRMAN.** Is there objection to the request of the gentleman from New York?

There was no objection.

The **CHAIRMAN.** Title II of the bill is now open to amendment.

AMENDMENT OFFERED BY MR. WILLIS

Mr. WILLIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIS: On page 43, line 4, insert after the word, "which" the word, "predominantly" and also strike out the the words, "transient guests" and insert in lieu thereof the following: "interstate travelers".

Mr. WILLIS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to proceed for 5 additional minutes.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILLIS. Mr. Chairman, I think it is quite obvious from what has transpired thus far that we may expect that the committee will bring out some form of public accommodations built around title II which we are just now commencing to consider. I think, though, we have seen enough to realize that there exists much concern as to how far title II in the public accommodations area should go. That concern in turn exists, I think, because we realize that under title II we are going far beyond anything we have ever done before.

I cannot help but analyze any amendment I offer in a legal sense. The amendment I have offered is not complicated at all. It is necessary, whether we are lawyers or not lawyers, to look at the background of what we are doing. We all know, whether we are lawyers or not—you went to colleges, or most of you did—that this is a government of delegated power. Every time we pass a bill we at least ought to see upon what basis, upon what delegated power, we are proceeding.

So the first thing in opening up debate on title II is for us to ask ourselves this question: Upon what delegated power, upon what power delegated to the Constitution, is title II allegedly based? The proponents, of course, rely on the so-called commerce clause of the Constitution and on the 14th amendment to the Constitution.

In order, in turn, to bring in hotels, motels, and other establishments under the control of the Federal Government, reliance is placed primarily upon the commerce clause. What power under the commerce clause is delegated to the Congress?

I repeat what I said a few days ago: The Constitution itself is very simple on this point. It says that the Congress shall have the power to regulate commerce among the several States. It does not cover all commerce. It must be commerce among the several States. We can only regulate interstate commerce. We cannot regulate intrastate commerce.

If you will turn to page 43 you will see control by the Federal Government over certain establishments. These establishments are divided into four categories. I am now going to talk only about the first category, the category involving inns, hotels, motels, and other establishments.

My amendment deals only with category 1. It deals only with hotels, motels, and so forth. I expect to offer two very simple amendments. The second amendment will deal with category 2, with restaurants, cafeterias, lunchrooms, and so on. Then I will have another amendment dealing with the employment of the powers of Congress under the 14th amendment.

How, exactly, does this bill undertake to get under Federal control these places of public accommodation? If you will look at pages 42 and 43 you must see three very important sentences. They are not long, and there are only three sentences.

Here is the language employed in the bill, so that you can understand the purpose of the bill. You will see there are only three important sentences which are used as a device by this bill to give jurisdiction to Congress over these places of public accommodation. Let me read them. Page 42, line 23:

Each of the following establishments which serves the public is a place of public accommodation within the meaning of this title if its operations affect commerce, or if discrimination or segregation by it is supported by State action.

Then you have category No. 1.

Any inn, hotel, motel, or other establishment which provides lodging—

To whom?

to transient guests.

Then if you look at line 24 on page 43 you will see the definition there. It says:

The operations of an establishment affect commerce within the meaning of this title if (1) it is one of the establishments described in paragraph (1) of subsection (b).

That is, if it falls within category No. 1. So ipso facto and automatically it is provided by this bill that the Government takes control over any inn, hotel, motel, or other establishment which provides lodging to transient guests.

What does that mean? It means that the test is not interstate commerce. The sole test for a hotel, inn, or lodging house to be included is if it provides lodging to transient guests.

What does that mean? It means that it does not necessarily relate to interstate travel. It means that if you travel from one town in your State to another town 3 miles away and you want to stop at a lodging place you are a transient guest.

What does that mean? It means that even if you do not cater to and do not have interstate travelers that you are covered. What does that mean? It means that boldly under this bill we are undertaking to regulate intrastate commerce.

What does my amendment do? It is very simple. The sentence would read this way, that these would be under the coverage of the bill, namely, any inn, hotel, motel, or other establishment which predominantly provides lodging to interstate travelers. That is all. No tricks in my amendment. It is not drastic. At least, as I said, it looks as though the temper of this body is to pass a public accommodations bill, so I simply tried to relate my amendment and this bill to the powers of Congress.

This is an important amendment. It would restrict somewhat the coverage. It would spell out the fact that we are trying to regulate interstate commerce. It would simply say, Yes, hotels, motels, and other lodging places are included if they predominantly provide lodging to interstate travelers. At least you would be sure that a large motel, that a modern motel, and the ordinary lodging house whose business does involve and affect commerce and does so predominantly for interstate travelers, would be covered.

It would restrict it in the sense, however, that they must have interstate business. Therefore, a strictly transient guest, that is if you are simply traveling by automobile, would not be enough to take under Federal control these particular places of public accommodation.

That is all the amendment does. As I say, it is not drastic. It is reasonable. I would hope my chairman and the others could see their way clear to accept this amendment so that at least we are not going haywire and we are not undertaking to say that automatically and ipso facto, whether related to interstate commerce or not, that any inn, hotel, motel, or other establishment which provides lodging to transient guests would bring it within this particular category of public accommodations under the control of the Federal Government. I hope you can support my amendment.

Mr. CORMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do commend the author of this amendment because it is two things: It is very simple and is is very effective. It completely destroys the portion of the bill that covers inns, hotels, motels and other such establishments.

Now it was the intent of the committee, I believe, of those of us who brought in this legislation, to make it possible for Americans to travel anyplace in this land and be able to avail themselves of accommodations that are held out to the public so that they might sleep overnight. We do not think that is drastic. We do not think it is drastic to say that you cannot discriminate against a man solely because of his skin pigment or his race or religion.

This amendment says simply this, that for a traveler to find a place where he can go to avoid being discriminated against, he must search out a place which predominantly provides lodging to interstate guests. So any hotel at any given time undoubtedly can say, "Well, we do not have predominantly out-of-State guests at the moment." Certainly, in a large State it would be very difficult to find any such facility where at a given moment, a predominant number of the guests would be from out of State. So it is true that it is simple, but it completely negates the purpose of this section which is to protect the traveler from discrimination when he attempts to find a place to stay overnight.

Now if you do not want to do that, if you do not want to say to the American citizen—you can travel and you can stay in public accommodations, then you can take this section out. But if you believe a man should be able to leave his home and travel across the country and to stop when he is tired and to get a meal when he is hungry and not have to walk around to the back door nor search out a facility that says, "We serve Negroes," then I urge you to vote against this amendment.

Mr. WHITENER. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, I have been very interested in the remarks made by the gentleman from California [Mr. CORMAN]. I certainly would not be one to disagree with him that it would be most uncomfortable for anyone not to find a place for lodging at night as he traveled about the country. But the gentleman from California misses entirely, as I understand it, the point made by the gentleman from Louisiana [Mr. WILLIS].

The gentleman from Louisiana [Mr. WILLIS] is seeking to bring the language of the bill somewhere near the constitutional area in which we as Members of the U.S. Congress are permitted to legislate.

If Members wish to take the position taken by the gentleman from California, I point out to them the statement by the Department of Justice in its brief on the very proposition which the gentleman mentions. This is what is stated on page 11 of the brief, a copy of which many Members have:

> It is, of course, encouraging that significant numbers of restaurants, hotels, and theaters have voluntarily desegregated their facilities in recent years and months. By the middle of October 1963, for example, racial restrictions were known to have been removed in one or more hotels or motels in 223 cities with populations in excess of 10,000 in the 11 States of the Old Confederacy and the border States of Kentucky, Maryland, Oklahoma, and West Virginia. In 60 of these cities, this desegregation occurred in the 5-month period between May and October. Similarly, some 270 of such cities had, by October 15, made progress toward desegregation of restaurants, 253 had at least one desegregated theater, and one or more lunch counters in 306 of these cities had removed racial barriers by that date. Here again, much of the progress occurred after May 1963.

This document goes on to give other interesting facts.

I prefer to talk about the legal aspects of the question, but the gentleman, in his opposition to the amendment, has sought to put it on another basis. I say to him and to other Members that the Department of Justice has found that there has been phenomenal progress made in this field. Why should this progress be turned into retrogression by that portion of the force act which is before us, known as title II?

The gentleman is from California, and I am sure that everything is ideal there. I assume that the Department of Justice has no complaint about California. The Department of Justice, in its statement, deals with what it calls the 11 States of the "Old Confederacy" and talks about the remarkable results which have been obtained.

I say to you that as men of good will and as men who profess to believe in the enjoyment of civil rights, if you want to promote the civil rights of the members of the colored race you will stick by the people in the "Old Confederacy," as the Department of Justice refers to that area, and say to them, "You are making such noteworthy progress, according to the findings of the Justice Department, that we would not wish to be parties to doing something which might upset that wonderful progress in race relations which is being made as far west as Oklahoma."

So, taking the position of my friend from California, to whom I am very devoted, I say apparently some of you who are pressing this matter now are closing your eyes to the spirit of good will and brotherhood which the record of the Department of Justice indicates exists in these 11 States.

I ask that the amendment be adopted.

Mr. CELLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from North Carolina has not given you the entire story. He has only given you one side of the picture. He reminds me of the old days when Mary O'Flaherty and Martha Murphy were in their backyards hanging up their wash and Martha said to Mary, "I am never more going to read the Literary Digest." And the other one said, "Why are you not going to read the Literary Digest?" And Martha said, "Well, because it prints both sides of the Irish question, and there is only one side."

I am afraid that our good friend has only given us one side.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I will be glad to yield to the gentleman from North Carolina.

Mr. WHITENER. I want to say to the gentleman I am guilty of the same vice he seems to have; that is, I am on only one side of this issue.

Mr. CELLER. Let us see what the facts are and, as Al Smith used to say, "Let us see what the record shows." Of course, some progress has been made. We passed the 1957 Civil Rights Act and we passed the 1960 Civil Rights Act, and they prodded some of the States who wanted to do what was right into doing what was right, but they have not yet done enough.

I should like to read what I said some time ago:

> However, desegregation has not been broadly achieved even in all of the localities where it has begun, and completion of the task there will be a slow and uncertain process under present circumstances. Of some 275 cities with populations over 10,000 in the States referred to, as to which information is available, it appears that as of July 1963, approximately 65 percent continue to have either wholly or partially segregated hotel and motel facilities and close to 60 percent have wholly or partially segregated restaurants and theaters. Similarly, about 43 percent still have segregated lunch counters. An even bleaker picture is presented by the 98 cities in southern and border States with populations of less than 10,000, as to which information is available. Approximately 85 to 90 percent of these cities have partially or wholly segregated restaurants, hotels, motels, theaters, and lunch counters. In short, the limits of voluntary achievement of desegregation under present circumstances either have been or are being reached in many areas. In a great number of communities voluntary change in any substantial degree is not reasonably foreseeable for years to come. In such areas businessmen who would like to cease discriminating are often deterred from doing so by fear of community disapproval or business pressure. A Federal statute prohibiting such discrimination would provide them with a basis for taking the desirable action and, at the same time, lay down a just rule of law.

Now, the amendment of the gentleman from Louisiana would operate to reduce—to reduce significantly—the coverage of title II. It would be most difficult to apply the rigid percentage standard which is set up by the gentleman's amendment, and the problem of getting proof under this amendment would be so great as to render title II ineffective even in a great many of the cases remaining within the reduced coverage. In addition, there has to be proof positive of "interstate travelers" instead of "transient guests." There would also have to be proof of "predominantly interstate travelers." Those are difficult items of proof, and the proof would be very difficult to obtain. The result would be that you would never get any effective enforcement of the act. You would really render title II a nullity, because the amendment would be utterly unworkable. For that reason, I cannot see how logic could permit us to accept it. You cannot expect inns, hotels, and motels to advertise that they are, or they are not, catering to interstate travelers or that they are predominantly this, or predominantly that.

The CHAIRMAN. The time of the gentleman from New York [Mr. CELLER] has expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. How can the interstate traveler or the transient traveler or any traveler or any would-be lodger know that he would be safe in seeking lodging? He would never know. Is there any legal basis for our action? I think there is a great deal of legal basis for our action. The gentleman from Louisiana seemed to imply that this is purely a local situation. But—

> "The congressional authority to protect interstate commerce from burdens and obstructions," Chief Justice Hughes said in *Labor Board* v. *Jones and Laughlin Steel Corp.*, 301 U.S. 1, 36–37, "is not limited to transactions deemed to be an essential part of a 'flow' of interstate or foreign commerce. * * * The fundamental principle is that the power to regulate commerce is the power to enact 'all appropriate legislation' for 'its protection and advancement' * * * to adopt measures 'to promote its growth and insure its safety' * * * 'to foster, protect, control, and restrain.'"
>
> Congress may exercise this power notwithstanding that the particular activity is local, that it is quantitatively unimportant, that it involves the retail trade, or that standing by itself it may not be regarded as interstate commerce. "Whatever its nature, it may be reached by Congress if it exerts a substantial economic effect on interstate commerce, and this irrespective of whether such effect is what might at some earlier time have been defined as 'direct' or 'indirect'." *Wickard* v. *Filburn*, 317 U.S. 111, 125.
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> Thus, in *Wickard* v. *Filburn*, the Agricultural Adjustment Act was applied to a farmer who sowed only 23 acres of wheat and whose individual effect on interstate commerce amounted only to the pressure of 239 bushels of wheat upon the total national market. In *Mabee* v. *White Plains Publishing Co.*, 327 U.S. 178, the Fair Labor Standards Act was applied under the commerce clause to a newspaper whose circulation was about 9,000 copies and which mailed only 45 copies—about one-half of 1 percent of its business—out of State. And in *United States* v. *Sullivan*, 332 U.S. 689, the Supreme Court held, without dissent on this point, that Congress has power to forbid a small retail druggist from selling drugs without the form of label required by the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.), even though the drugs were imported in properly labeled bottles from which they were not removed until they reached the local drugstore and even though the drugs in question had reached the State 9 months before being resold.

In other words it is appropriate for Congress to legislate on matter that may be purely intrastate, if in turn that legislation has an effect upon the interstate character of the goods or the items in question.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. ROGERS of Texas. Mr. Chairman, as I understand the gentleman the use of the term "transient guests" is placed in the bill in order for the Federal Government under this act to gain regulatory control over businesses that they would not otherwise have if you applied the interstate commerce definition by itself.

Mr. CELLER. I say that in order to get at the evil, which is the closing summarily of these places of public accommodation, like inns, hotels and motels so that people of a certain race are denied the right of entry, it is essential to have the language that we now have in title II; namely, "any inn, hotel, motel or other establishment which provides lodging to transient guests."

If we are going to substitute the words involved in the amendment offered by the gentleman from Louisiana, then we render a nullity the words I have just read to you. It would be impossible to prove in these instances. What is preponderant? It means more than one-half. For that reason I cannot see the logic of accepting that amendment because it would destroy the purpose of the bill.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent (at the request of Mr. WILLIS), Mr. CELLER was allowed to proceed for 10 additional minutes.)

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield,

Mr. CELLER. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. What the gentleman is saying is this: If a man is running an inn or hotel, and he can establish beyond any question of doubt that he is dealing only with intrastate travel, he still is covered by this bill, is he not?

Mr. CELLER. Yes.

Mr. ROGERS of Texas. If 90 percent of his business is intrastate operations, they would not be covered under any other law insofar as the Federal Government is concerned. But if this bill passes that man is taken in and subject to regulation by the Federal Government.

Mr. CELLER. Because that is a place of public accommodation, open to the public willy-nilly, as a practical matter the proprietor does not question whether the man comes from this or that State. It is open for interstate guests.

Mr. ROGERS of Texas. Could you not by an amendment to this, simply naming other retail establishments, have the entire commerce of this country, intrastate and interstate, under the domination of the Federal Government in violation of the very purpose of the Constitution?

Mr. CELLER. The gentleman knows we deliberately struck out "retail establishments."

Mr. ROGERS of Texas. I understand that, but if you pass this to make it apply to a retail inn or retail hotel—that is what they are—what would keep you later on from bringing in the five-and-dime stores and the corner drugstore?

Mr. CELLER. It is very essential to have this proscription apply to inns, hotels, and motels, because it is a mighty serious thing if a Negro and his family are traveling from one place to another and night time comes on, and they want to get place of lodging and the word "verboten" is staring them in the face.

Mr. ROGERS of Texas. The gentleman moves me with his emotional plea.

Mr. CELLER. These are facts. We had any amount of information along those lines.

Mr. ROGERS of Texas. As I stated the law, the gentleman will agree, will he not?

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from California.

Mr. CORMAN. If this amendment is agreed to, is it not true that any hotel, motel, or inn could continue to segregate by simply posting a sign "We cater to intrastate, white customers only"?

Mr. CELLER. Correct.

Mr. WILLIS. Of course, the answer is "No." The illustration the gentleman gave a while ago is erroneous. You do not look at a man's business from day to day, but rather, you examine his business over the years, or over a year, or over a specific period of time, and determine whether it predominantly accommodates guests traveling across State lines. To say that he could post a sign and thus evade the law, is not correct.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from New Jersey.

Mr. RODINO. Would not this amendment place an almost impossible condition upon the traveler? He would almost have to have a Price-Waterhouse statement as to whether or not there was a predominant number of guests in this hotel from outside the State.

Mr. CELLER. That is correct.

Mr. RODINO. Would it not therefore nullify the very purpose we are trying to achieve in this title?

Mr. CELLER. That is correct.

Mr. WILLIS. If the gentleman will yield, I do not think that is so, or would result in this situation. There are places where a traveler who is tired and wants a night's rest could find it all along the highways of America. But if what that traveler wants to do is to test the attitude of a person by knocking at his door and seeing whether a small establishment will admit him, whether or not he wants to take a rest, but merely to test out whether he would be admitted, that is one thing. On the other hand what do you do with the constitutional provision?

The gentleman referred a while ago to a farmer. He grows wheat, he grows corn. I said the other day that at least you can feel and hold and smell grain. You can measure it by the ton, you can put it in a truck or bus or freight car or boxcar and transport it across State lines, but the Constitution does not say that Congress shall have the right to regulate emotions, traditions, attitudes, love for fellow men, and so on. You are talking here about morality. I hate to be on the defensive, and those words bother me. I am not immoral. Yet you have to find a basis for passing a bill by this House. I concede that right to you because I know you will pass this section. I will concede that a hotel or motel actually having interstate travelers predominantly as part of their business would be under this bill, but what you want is to go beyond that, to talk emotion, to talk morals, to reproach certain people for their attitudes. Maybe they are wrong. Maybe they are not. I will concede there are moral connotations to this whole question. What are you going to do? Say Congress therefore can control moralities, attitudes, feelings toward your fellow man, therefore we undertake to pass a law on those things? You had better watch out.

Mr. CELLER. Of course, Congress has no right to legislate on love or things of that sort. I wish it would have power to legislate on love; I might be able to use some of it at my age. At any rate, Congress has extremely broad powers. Congress may exercise its commerce power to prevent injury to the public health or the public welfare.

Mr. WILLIS. What act of Congress was before the court there, the Food and Drug Act?

Mr. CELLER. It was a decision concerning the Fair Labor Standards Act. Congress has also legislated in the field of lotteries.

Mr. WILLIS. Lottery cases, yes. We did that in my time, where we made the transportation of gambling devices across State lines a Federal case. But there it is—State lines. That is all I am asking you to do, to make this bill cover people who travel from one State to another.

Mr. CELLER. They go across State lines. They affect interstate commerce.

> The authority of the Federal Government over interstate commerce does not differ—

And look at this, I am quoting from the case of *U.S.* v. *Rock Royal Cooperative* (307, U.S. 533, 569–570), and mark you well this—

> The authority of the Federal Government over interstate commerce does not differ in extent or character from that retained by the States over intrastate commerce.

Furthermore—

> Congress power over interstate commerce "is complete in itself, may be exercised to its utmost extent, and acknowledges no limitations other than are prescribed in the Constitution." (*Gibbons* v. *Ogden* (9 Wheaton 1, 196).)
>
> The Congress has frequently exercised its powers over interstate commerce to protect the public health, safety and morals, to protect various groups in society from exploitation or unjust treatment and to prohibit or regulate practices deemed injurious to the public welfare.

In other words, Congress has plenary power under the commerce clause. Its only limitations are what the Constitution prescribes. I think as a lawyer I can say I believe the Congress has the perfect right under the commerce clause to legislate along the lines of title II, and to proscribe discrimination in hotels and motels that cater to transient guests, and to take care of traffic that goes in and out of restaurants and so forth; I believe the Congress has a perfect right to legislate with reference to these matters.

Mr. POFF. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I suggest that we have strayed somewhat from the point immediately at issue. The distinguished chairman of the Committee on the Judiciary, for some reason which escapes my sense of logic, takes umbrage at the use in the amendment of the word "predominantly" to modify the word "provided."

If the gentleman will look in the paragraph which follows the paragraph under discussion, he will find the clause "principally engaged in selling food" and that, of course, pertains to restaurants.

If he will look on the next page, page 44, he will find the clause "a substantial portion of the food."

Further down on that page, he will find the cause "customarily present."

I suggest it is equally as easy to define what is meant by "predominantly provides" as it is to define what is meant by "principally engaged in."

My chairman also seems to resent the fact that the amendment uses the words "interstate travelers." I direct the attention of my chairman to page 44 which is still in the same title of the bill which uses the language on line 3, "offers to serve to interstate travelers." That clause, of course, is addressed to the second paragraph on page 43 which deals with restaurants, cafeterias and other eating establishments.

May I ask my chairman why it is difficult on the one hand to define what is meant by "establishment which predominantly provides lodging" with reference to a hotel or why it is difficult to define what is meant by "interstate travelers" when sleeping accommodations are involved and on the other hand there is no difficulty in defining what is meant by "principally engaged in selling" and no difficulty in defining what is meant by "interstate travelers" when the consumption of food is involved?

Mr. CELLER. I think the gentleman must realize if the term "interstate traveler" is used in the provision of the bill on page 43 that it would be very difficult for an interstate traveler to know exactly what the character of the hotel would be that he is seeking lodging in.

It is very serious. It may be late at night and the person cannot get any other lodging. Therefore, I believe we must eliminate the "predominantly" in that regard.

Mr. POFF. I suggest that the response by the committee chairman is a non sequitur. There is the use of the words "interstate travelers" on page 44, defining coverage with reference to restaurants.

Mr. CELLER. We know pretty much which restaurants are predominantly patronized. We know that some are and some are not. Some are crowded at night and others are not. We know those pretty well.

Mr. POFF. How do you know whether they are patronized by interstate travelers or by intrastate travelers?

Mr. CELLER. I fear that I cannot agree with the gentleman.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. POFF. I yield to the gentleman from Florida.

Mr. CRAMER. The gentleman has made a very telling point. The extent of its being telling is best evidenced by the lack of an answer on the part of the distinguished chairman. It is a point which cannot be answered.

The test of "interstate travel" is contained under the restaurant clause, in that it is defined and properly defined. There is no reason why this cannot be defined relating to inns and hotels.

I further point out to the gentleman that the initial proposal made by the administration, as is shown on page 13, line 24, included the words "traveling in interstate commerce."

If the gentleman will look at page 24 he will see that the administration's proposal was for hotels, motels, and public places engaged in furnishing lodging to transient guests, including guests traveling in interstate commerce.

There is nothing unusual about this. It can easily be defined.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. POFF. I thank the gentleman from Florida, and I yield to the gentleman from Kentucky.

Mr. SNYDER. If I may, I should like to have the attention of the chairman of the committee. I tried to follow the gentleman's statement, made in the well. I followed it as best I could when he was reciting the cases and giving the small percentages of the various businesses involved in interstate commerce, as in the case of Wickard against Filburn, and the others which the gentleman cited.

Do I correctly understand the gentleman to say that it is the basis of this title of the bill, and the foundation of this title, that the failure to serve Negroes affects interstate commerce?

Mr. CELLER. That could possibly have, and probably does have, an impact on interstate commerce.

Mr. SNYDER. Could I ask the gentleman another question? Would it not necessarily follow that if a white customer refused to go into a business establishment which did serve Negroes, that his refusal to go there would also affect interstate commerce, with the same impact?

Mr. CELLER. That has nothing to do with this bill. That would be within his own discretion, as to whether he wanted to go in or not.

Mr. SNYDER. In other words, the gentleman is saying that the proprietor does not have any discretion as to with whom he will do business, but that the customer does?

Mr. CELLER. Yes. There is no question about it.

Mr. SNYDER. I could not agree with this premise.

Mr. CELLER. This is the title referring to public accommodations, privately owned.

Mr. SNYDER. But the premise upon which the legislation is based is that we do not want to adversely affect interstate commerce; is that correct?

Mr. CELLER. That is a factor, beyond question.

Mr. SNYDER. Then it follows that if you do not want interstate commerce adversely affected, that in addition to saying that a proprietor cannot discriminate against his customers because of color, and so forth, that you must also legislate to the effect that a customer shall not discriminate against a proprietor because he does serve Negroes.

Mr. HARRIS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. HARRIS. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Chairman, there are so many facets to this problem that it seems to me to be impossible for the sponsors of the proposed legislation and the proponents of this far-reaching bill to actually explain to us on what basis, fundamentally, they can justify the proposal.

The gentleman from Kentucky has raised a question on one of those facets to which neither the gentleman from New York [Mr. CELLER] nor any other member of the committee, in my opinion, could give an intelligent answer.

There is a reason for that. Oh, I know there is a feeling that this is going to be approved as it has been presented regardless of the basis on which there is a foundation for it. However, I say to you, Mr. Chairman, there is a reason why they cannot explain. It is because they are not on sound ground. I would like to ask the chairman of the committee, the gentleman from New York [Mr. CELLER], if it is not true that this title is based in part on the 14th amendment to the Constitution.

Mr. CELLER. That is correct.

Mr. HARRIS. Then, I would like to ask you another question: If you did not include, then, as a further basis for it, the commerce clause because you knew the Supreme Court would sustain its previous decision and hold it unconstitutional?

Mr. CELLER. Not necessarily, because conditions change, and it is possible that the Supreme Court might at this stage and in this day and age make an entirely different decision.

Mr. HARRIS. Thank you. That is one statement the gentleman has made on this legislation which I would thoroughly agree with. But, does not the gentleman agree with me that insofar as the principle of law that has been established is concerned, which is the law of the land today, the courts would strike down this title if it were based entirely on the 14th amendment?

Mr. CELLER. I cannot say that, because there have been any number of cases that have whittled down the effect of that case decided so many, many years ago—in 1885.

Mr. HARRIS. Can the gentleman cite me one case in which the law since then has been changed?

Mr. CELLER. Yes. The Lombard case, the Pate case, and a score of other cases which adumbrate beyond peradventure of doubt that the Supreme Court is going to take an entirely different attitude toward this title II than they did years and years ago.

Mr. HARRIS. But the principal reason for including the commerce clause is to be abundantly clear that in the opinion of those—and I think it is very cleverly done—who are responsible for this legislation, it was necessary.

Mr. CELLER. We used both clauses of the Constitution—the 14th amendment and the commerce clause.

Mr. HARRIS. In other words, a double-barreled approach.

Mr. CELLER. Correct.

Mr. COLMER. Mr. Chairman, will the gentleman yield for a question?

Mr. HARRIS. I yield to the gentleman for a question.

Mr. COLMER. Is it not a fact that the law of the land to which the gentleman from Arkansas referred, the case in 1883, was based on an 1875 statute that was very similar to this and the Court held it unconstitutional?

Mr. HARRIS. Of course the gentleman is correct, and that just sustains what I said to the gentleman from New York a moment ago as the reason for including the commerce clause in this particular title.

Mr. COLMER. What I wanted to call the gentleman's attention to and emphasize is the Supreme Court at that time had a commerce clause in front of it as well as the other.

Mr. HARRIS. It is precisely the same as we have today.

Mr. WILLIS. Mr. Chairman, will the gentleman yield to me?

Mr. HARRIS. I yield to the gentleman from Louisiana.

Mr. WILLIS. May I read the language of the statute struck down by the Supreme Court in the case that we have referred to, the statute of 1875, which read:

> All persons within the jurisdiction of the United States shall be entitled to the full and equal enjoyment of the accommodations, advantages, facilities, and privileges of inns, public conveyances on land or water, theaters, and other places of public amusement.

And that is the statute worded almost identically to the one we have before us, that the Supreme Court struck down as being not protected by the 14th amendment because those were private establishments and the so-called discriminations were on the part of the owners and proprietors of those establishments and had nothing to do with State law, because the 14th amendment says, "No State shall deny to any person equal protection of the law."

Let me read two paragraphs from two recent decisions, one by this Supreme Court decided in 1961. In the case of Burton against Wilmington Parking Authority, said the Court:

> The *Civil Rights Cases*, 109 U.S. 3 (1833), "embedded in our constitutional law" the principle "that the action inhibited by the first section (equal protection clause) of the 14th amendment is only such action as may fairly be said to be that of the States. That amendment erects no shield against merely private conduct, however discriminatory or wrongful."

This is the present Court in a decision of May of last year, less than a year ago.

In Peterson against City of Greenville the Court stated:

> "Individual invasion of individual rights" is not within the purview of the 14th amendment, and "private conduct abridging individual rights" does no violence to the equal protection clause.

The gentleman is so right and he has put his finger on a sensitive cord, that the effort to lug in or to hang the basis of this bill on the commerce clause was a realization that at least until today to pitch it on the 14th amendment would be unavailing. I will have another amendment along that line, but the gentleman is absolutely right on that. And may I repeat that the commerce clause is in the body of the original Constitution. It is not an amendment. It was in the Constitution before even the Bill of Rights. That is the one that gave the power of the Congress to regulate—what? Commerce among the several States. And that clause was not relied upon in 1875 in that case because no one dreamed that they could sustain the bill under the commerce clause much less than they could under the 14th amendment.

Mr. HARRIS. Of course, the gentleman is correct. I wish every one of my colleagues in this Chamber would understand that this is the fact because I believe if you did, knowing that you want to assume your responsibility you would vote for this amendment because it carries out the oath we made, with our hands raised to God, to support the Constitution of the United States.

And I want to go just a little bit further if I may, since we have almost if not entirely obtained an admission that this is based on the commerce clause so they think it can be sustained by the courts, but I want to talk about the commerce clause for a minute, if I may.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman.

Mr. LINDSAY. I thank the gentleman for yielding. I intend to speak at greater length on this in just a moment, but I did want to correct one impression that has been left here. When the Supreme Court decided the civil rights cases in 1883, it decided those cases had been brought solely under the power and authorization of the 14th amendment specifically, not under the commerce clause. But even that Court in 1883 in dicta went so far as to say that had those cases been brought under the commerce clause there would have been no doubt as to what the result of those cases would have been; they would have been sustained by the Court. And this dictum was made by the Court:

> In these cases Congress has power to pass laws for regulating the subjects specified in every detail, and the conduct and transactions of individuals in respect thereof.

Mr. HARRIS. What case is the gentleman referring to now?

Mr. LINDSAY. The civil rights cases, just mentioned a moment ago by the gentleman from Mississippi.

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. Harris] has expired.

(By unanimous consent (at the request of Mr. Celler) Mr. Harris was allowed to proceed for 5 additional minutes.)

Mr. HARRIS. May I say the gentleman from New York [Mr. Celler] quoted the Supreme Court in case after case, the agricultural adjustment decision on farming, and others. Every one of those decisions was based on burdens on interstate commerce. The line of decisions throughout the history of this country has been when the application of the commerce clause is made the Court said: When it presented a burden on interstate commerce of intrastate operations, it would be applicable. Let us keep that in mind.

Mr. CELLER. The decisions also state in that which affects intrastate commerce.

Mr. HARRIS. That is what I want to talk about. Read me one of those.

Mr. CELLER. Let me read a decision of Judge Bradley in the civil rights case, a portion of which was read by our distinguished colleague from New York [Mr. Lindsay]. The decision of Judge Bradley contained this language on page 18 of the opinion:

> Of course, these remarks do not apply to those cases in which Congress is clothed with direct and plenary powers of legislation over the whole subject, accompanied with an express or implied denial of such power to the States, as in the regulation of commerce with foreign nations, among the several States, and with the Indian tribes, the coining of money, the establishment of post offices and post roads, the declaring of war, etc. In these cases Congress has power to pass laws for regulating the subjects specified in every detail, and the conduct and transactions of individuals in respect thereof.

Of course, there you have a clear statement by Judge Bradley that Congress has the power to legislate over the very matter we are legislating on today.

Mr. HARRIS. The gentleman has read the court's decision correctly. But I inquire, did the court say "as it affects commerce"? If we are going to apply that presumption, this is the first time I know of in the history of the judicial prudence of this Nation we say we are going to extend the powers under the commerce clause to anything, everything that affects commerce.

Let me get into what I think is the heart of this. You base your case on the effects of commerce.

Mr. Chairman, I say to you you cannot read me any decision of the Supreme Court where it has ever specifically held that the commerce clause goes so far as it only affects commerce. Is there anything in the lives of our people, regardless of what it is, that does not in some way affect commerce? In legislation before my committee, in every instance that we deal with the interstate commerce problems, we make provision for it in one way or the other. In the transportation decision that you have read to us and referred to, you go back and interpret that, if you will, and you cannot get anything out of it except as a burden on commerce does the Congress have the authority to legislate in that field.

I will say this is stretching the commerce clause much further than anybody in this country has ever dared to before. I am astounded that seriously you would contend that the power in the hands of the Federal Government on this basis would reach into the private operation of your establishment, your own enterprise system. Do we believe in it? Do we believe that that is what made this country great? I think we ought to stop. I think we ought to consider just a moment before we deny to our people what they have been entitled to and what we have experienced throughout the years, and do not go and say that because maybe you are breathing that affects commerce. Does it?

I think, Mr. Chairman, we had better consider long and loud before this amendment is turned down.

DENIAL OF THE RIGHT OF OWNERS OF BUSINESSES TO FREELY CARRY ON THEIR BUSINESS IN THE SERVICE OF THEIR CUSTOMERS

As I pointed out, Mr. Chairman, I would like to call your attention to several of the more objectionable aspects of H.R. 7152. The second of these and perhaps the most dangerous of all is title 2, the public accommodation section.

The commerce clause was not inserted in the Constitution accidentally or as an afterthought. Our forefathers drafted this clause to give Congress the power to regulate commerce with foreign nations and "among the several States." This clause by its very wording is limited to interstate and foreign commerce.

The proponents of this legislation are well aware that the end which they seek to accomplish by title 2 of H.R. 7152, the public accommodation section, cannot be obtained in the courts under the 14th amendment. By a line of cases dating all the way back to the Civil War, the Supreme Court has consistently refused to go this far. Therefore, the proponents of this bill have sought a new and devious means to enable Congress to reach the private transactions of private individuals. This means appears to be some sort of conglomerated alliance between the commerce clause and the 14th amendment—sort of a "mutual leaning post." They hope thereby to read one into the other, fill in the missing blanks and enact a piece of legislation that accomplishes their desired ends even though it bears no earthly relation to the intent and purpose of the Constitution.

Title 2 of H.R. 7152 attempts to draw a finer distinction in the application of the commerce clause than I am able to find written in that clause. We find ourselves now no longer applying the commerce clause but rather the effect of the commerce clause. I submit to you that this piece of chicanery extends the commerce clause to our entire economic system. If this legislation is enacted virtually every transaction between any two individuals in America will be subject to Federal regulations.

Mr. Chairman, in my 7 years as chairman of the House Interstate and Foreign Commerce Committee, I have worked daily with the application of the commerce clause of the Constitution. It literally breaks my heart to contemplate the effect that this legislation will have on that clause. I submit to you if we extend the commerce clause so that it encompasses everything, we have, in fact, reduced it to nothing. This bill will destroy the commerce clause.

The 14th amendment protects individual rights and property rights in the same breath:

> Nor shall any State deprive any person of life, liberty, or property, without due process of law.

H.R. 7152 is inconsistent with the 14th amendment.

Section 210(b) (2) and (3) presume to desegregate by force of Federal law any inn, hotel, motel, restaurant, cafeteria, lunchroom, lunch counter, soda fountain, motion picture house, theater, concert hall, sports arena, stadium, or any other place of lodging, place where food is served, or place of exhibition or entertainment. The only requirements are, first, that the establishment serves or "offers to serve" interstate travelers, or second, that a portion of the product which it sells has moved in interstate commerce, or third, if discrimination or segregation by the establishment is supported by State action.

I would venture to say that every single business establishment operating in the United States today "offers to serve" interstate travelers, or at least offers for sale goods which have traveled in interstate commerce. Section 201 reaches every business in America. This stretches the commerce clause beyond recognition. Congress has never gone this far. This extremely liberal interpretation of the commerce clause would give Congress the authority to regulate all business in America, both interstate and intrastate in nature, and sets a bad precedent for future congressional action.

Very few businesses in America today are not subjected to State action in that most businesses are licensed by the State or a subdivision of the State.

Places of lodging located within a building containing not more than five rooms for rent and occupied by the proprietor are specifically exempted from section 201. This is the "Mrs. Murphy's boarding house" exemption. It is a totally arbitrary exemption and reduces the concept of State action to an absurdity. If the 14th amendment precludes States from encouraging segregation by licensing requirements, then how can we draw an arbitrary line and permit States to encourage segregation where less than five rooms for rent are involved? The answer is simple. The licensing of a business by a State is not State action as contemplated in the 14th amendment.

DENIAL OF THE RIGHT OF HOMEOWNERS TO RENT, LEASE OR SELL THEIR HOMES AS FREE INDIVIDUALS

Section 601 of H.R. 7152 states that no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. As I interpret this section, a homeowner with an FHA loan could no longer sell to the buyer of his choice.

Section 602 provides that the departments and agencies "shall" take action "to effectuate the provisions of section 601." And "such action may be taken by or pursuant to rule, regulation, or order of general applicability." A freer rein on bureaucratic power could hardly be conceived. The ultimate threat here would be to cut off a State's highway assistance, a State's welfare funds, or a city's FHA insurance, or an entire region's military contracts for lack of some degree of racial integration regarded as satisfactory. This would create problems where none exist.

DENIAL OF FREEDOM OF SPEECH

Section 702(b) prohibits an employer, labor organization or employment agency from advertising, any indication of "any preference, limitation, specification, or discrimination, based on race, color, religion or national origin."

This appears to be an outright violation of the freedom of speech guaranteed by the first amendment of the Constitution.

DENIAL OF RIGHT OF EMPLOYER TO FREELY HIRE OR DISCHARGE ANY INDIVIDUAL AND TO DETERMINE HIS COMPENSATION, TERMS, CONDITIONS, OR PRIVILEGES OF EMPLOYMENT

Section 701(a) provides that "the Congress hereby declares that the opportunity for employment without discrimination is a right of all persons within the jurisdiction of the United States, and that it is a national policy to protect the right of the individual to be free from discrimination."

The justification for this section is undoubtedly again the combination of the commerce clause and the 14th amendment. This "unholy alliance" tends to misconstrue the intention of the Constitution. The 14th amendment does not give a right to be free from individual discrimination. It deals only with discrimination by State action. In fact, I know of no section of the Constitution which gives Congress the right to legislate against individual discrimination and the U.S. Government does not have the authority to establish a "national policy to protect the right of the individual to be free from such discrimination."

This title specifically exempts from its application employers with less than 25 employees. Do the proponents of this legislation mean by this the employees of an employer having less than 25 employees have no such right to be free from discrimination? If not, why? The Constitution makes no such arbitrary distinction. If the Constitution guarantees an individual the right to be free from individual discrimination then it must guarantee him the right to be free from all individual discrimination. The simple answer is that the Constitution does not go this far and it most certainly does not empower Congress to go this far.

I have several questions in my mind concerning this section which needs to be clarified.

First. What will become of the seniority system under this title?

Second. What will become of the apprenticeship training program?

Third. Can an employer ever fire a Negro "for cause" without projecting himself to a large court procedure over the question of discrimination?

Section 706 creates an Equal Employment Opportunity Commission. Among this Commission's many powers is the power "to cooperate with and utilize National, State, local, and other agencies, both public and private, and individuals." Does this mean that the Commission will have the power to commandeer State and local agencies and even private organizations and private individuals in its relentless search for discrimination?

INTERFERENCE WITH STATE TRESPASS LAWS

Section 203 of H.R. 7152 provides that no person shall prevent or attempt to prevent any person from exercising or attempting to exercise any right or privilege secured by section 201 or 202—the sections which prohibit discrimination in places of public accommodations.

This would interfere with the enforcement of trespass laws in every State in the Union. This places the States in the ridiculous position of guaranteeing protection of property without being able to enforce this guarantee.

DENIAL OF TRIAL BY JURY

Section 101(d) provides that in any proceeding instituted in any district court of the United States under this section the Attorney General may request that a court of three judges be convened to head and determine the case. Any appeal from a judgment rendered by this three-judge court would be directly to the Supreme Court. Therefore, the defendant in such an action would be denied the benefit of a jury trial.

I fail to see how this section can possibly be reconciled with amendment 6 to the Constitution.

PLACEMENT OF TYRANNICAL POWER IN THE ATTORNEY GENERAL'S HANDS

H.R. 7152 authorizes the Attorney General to substitute the United States as the party instituting the action in a civil suit where the Attorney General receives a complaint signed by an individual to the effect that he is being deprived of, or threatened with the loss of his right to equal protection of the laws, on account of his race, color, religion, or national origin. The United States would be liable for court costs incurred in the litigation the same as the private litigant in whose stead the United States now stands. Never before in our history has one individual been given such complete authoritarian, dictatorial power. Such power is completely unheard of in our system of government. In no other class of civil suits is the Federal Government permitted to put its weight into the trial on either side but in these cases the Government would step in on the side of the complainant as if it had already decided in favor of him. This undermines our entire court system and is not even in line with our system of government.

CREATION OF DISCRIMINATION WITHIN THE COURTS

Section 101(b) provides that it shall be the duty of the judge, designated pursuant to this section, to examine the case for hearing at the earliest practicable date and to cause the case to be in every way expedited. This would appear to give civil rights cases top priority in the court system and discriminates against litigants in other cases pending before the court. Is the constitutional right not to be discriminated against any greater than the other rights guaranteed by the Constitution? If not, how can we justify giving top priority in the court system to discrimination cases?

CONCLUSION

Now let us discuss what is probably the most dangerous aspect of the bill. As is customary in all bills, legislative terms which may later need to be defined are carefully set forth and defined with the exception of the one word on which the entire bill is based—"discrimination."

Nowhere in the bill is this word defined so it can only be drawn from inference from the language of the bill or defined by courts at such later times as it becomes necessary and in such manner as may at the time prove convenient.

I have cited only a few of the pitfalls of this legislation. Time will point out many more. We may lack the votes to prevent its passage but we can at least expose its vile intentions and its vicious lust for power. It will remain for the Senate to muster sufficient strength through the filibuster to prevent this incredible bill from becoming law. It is somewhat ironic that the very people who are now fighting so avidly for this bill in order to "preserve minority rights" are the same people who fought in the beginning of this Congress to eliminate the filibuster in the Senate—the last refuge of the minority point of view in our democratic system.

Mr. LINDSAY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, first of all, let us put into context what we are doing here. Our job as the U.S. Congress is to rectify wrongs when we find them, and we have the power to do so.

I would like to straighten out the record a little bit as to what has just been said, because I am frankly speechless to hear my friend from Arkansas, a good legislator and a good lawyer, deny the power of his own committee, the Committee on Interstate and Foreign Commerce, when it comes to exercising the powers of Congress to regulate commerce. In fact, he has just argued against the constitutionality of a dozen bills that he has supported as the chairman of that great committee on the floor of the House.

Let us direct our attention for just 1 second to the basis on which we legislate. On page 42 of the bill, section 201, subparagraph (b), reads:

> Each of the following establishments which serves the public is a place of public accommodation within the meaning of this title if its operations affect commerce, or if discrimination or segregation by it is supported by State action.

There are two prongs to that. One is the commerce clause; and we are talking about affecting commerce, because that is the jurisdiction that we exercise here. Our power as a Congress to regulate commerce is plenary. We may regulate commerce to the full extent of those powers, and we do not have to find a burden on commerce in order to do so.

I say to the Members here gathered that this title is carefully drafted. It is pinpointed, it is nonsweeping. There are a great many on my side of the aisle who introduced legislation that some thought was far more sweeping than this and it was predicated solely on the 14th amendment to the Constitution. We said simply that:

> Whoever, in conducting a business of providing accommodations, amusements, entertainment, food, other goods, services, or lodging to the public where such business is authorized or regulated by a State or political subdivision of a State, or the District of Columbia,

And then we added interstate commerce:

> Or where such business engages in or affects interstate commerce, segregates, or otherwise discriminates against customers on account of their race, color, religion, or national origin,

Then the full authority of the U.S. Congress is exercised.

We based it chiefly on the 14th amendment. We can read case history, too, and we know the extent to which the opinion of 1883 of the Supreme Court in the Civil Rights cases have been narrowed down. That is, State involvement is a matter of definition, but under recent cases that definition is very broad indeed. In fact, the Supreme Court is now considering cases in which the question there is whether negative action by a State in turning its back on practices of segregation in public accommodation cases constitutes State involvement to such an extent that the 14th amendment may be invoked.

Because of the dispute among lawyers as to the full reach of the 14th amendment we have rested our bill on the commerce clause as well. We contend that segregation in public accommodations is just as wrong as it can be. It is wrong to the same extent that British courts in the 18th century said it was wrong for any public inn that held itself out to a traveler, to a person who came by for bed and board, provided he was well behaved, could pay the charge, and there was room at the inn, to refuse to provide such accommodation.

That ancient principle has been adopted in our common law. It has been adopted by the courts and exists today, as any good hotel lawyer will tell you, in a great many States. It reaches back into the English common law. We say when we draft a statute as precise as this one and as limited as this one, that hits those areas of first importance. We have eliminated personal services and other areas of contention. But that the Congress is exercising its powers is without any question. We base it on two of the most important provisions contained in the Constitution, and that is the 14th amendment and the powers of the Congress under the interstate commerce clause.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just want to say in direct answer to questions that have been raised here—that the very basis for the Federal authority in the Taft-Hartley law was to cover activities—not commodities—but activities that affect interstate commerce. That was almost 20 years ago. Case after case went to the Supreme Court under that law and it was held that we could regulate activities—not just commodities—that affect or are performed by persons engaged in an industry that affects interstate commerce.

It is inconsistent for anyone who supported that law to now challenge our right and our jurisdiction under the interstate commerce clause to embrace jurisdiction by the same type language.

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman.

Mr. PEPPER. Is not the same thing true with respect to the minimum wage law?

Mr. SMITH of Iowa. That is true to some extent but the commerce clause was not stretched nearly as far, under the minimum wage law as it was in the Taft-Hartley law. The Taft-Hartley law is the ultimate in stretching interstate commerce. It has never been stretched so far before or since. In fact, it was stretched so far that the National Labor Relations Board and finally the Congress gave back part of the jurisdiction that had been acquired under that clause. So in direct answer to the question raised, under the Taft-Hartley law we did cover activities—not just commodities—that affect interstate commerce. Language similar to that in this bill was used and it has been sustained by the U.S. Supreme Court.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman.

Mr. GRIFFIN. I must say that the statement of the gentleman from Iowa is correct. The Federal Government has been regulating labor-management relations for a number of years under several laws, including the Taft-Hartley Act, on the basis that the activities regulated "affect commerce."

Let me make it clear that I not only support this legislation in general, but I support the objectives of this public accommodations title in particular. However, I believe that the constitutional jurisdiction for this title must and should rest on the power of the Congress to regulate interstate commerce. Frankly, I have serious misgivings about the constitutionality of that language in this title which purports to base jurisdiction over individuals on the fiction that individual action supported by local custom is tantamount to State action. Accordingly, I find myself in agreement with some of the arguments on this point made earlier by the gentleman from Louisiana [Mr. WILLIS]. However, I vigorously disagree with the gentleman from Louisiana concerning the merits of the amendment he has offered because it would unduly restrict the exercise of Federal jurisdiction under the Commerce power.

Again, I agree with the gentleman from Iowa concerning the basis and the scope of Federal authority already being exercised under the labor-management relations law.

Mr. SMITH of Iowa. I thank the gentleman for his statement.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the requisite number of words.

There is one aspect of this matter to which the distinguished chairman of the committee, the gentleman from New York [Mr. CELLER], made reference, which I cannot in good conscience permit to pass unmentioned. There were some figures cited as to the degree of desegregation of hotels, motels, and other places of public accommodation which has been voluntarily achieved. If I correctly understood the gentleman from New York, the chairman of the committee, he seemed to brush those figures and the showing aside with the simple statement, with the categorical statement, that the limits of voluntary action have been reached.

I have great respect for my senior in years and for my senior in membership in this House, a gentleman learned in the law, but I wonder if any Member of the House or this House has any right arbitrarily and categorically to declare that the limits of voluntary action have been reached.

I said this as long ago as 1956 and 1957. It seems to me there is a tendency in this whole area to minimize and deprecate and downgrade what has been done and what can be done in this area through voluntary effort. It makes an ideal premise, of course, for more and more legislation and governmental powers.

If this is a country of voluntary enterprise, of free enterprise and voluntary initiative, we ill serve those principles by minimizing not only the progress which has been made but also the progress which can be made voluntarily.

I cannot understand why even the profit motive cannot contribute in some way to solution of this problem about which we are talking with respect to travel and public accommodations.

In that same connection I wish to refer to a comment made by my good friend from New York [Mr. LINDSAY] to the effect, if I correctly understood him, that it is the business of the Congress and of the Government of the United States to undertake, when wrongs are found, to rectify them and to find the powers whereby they are to be rectified.

It seems to me essential, Mr. Chairman, that we recognize there are wrongs which it is not the function of the Federal Government to rectify. There are wrongs which, if we require the Federal Government to rectify them, of necessity, will require the Federal Government to be the supreme dictator over our lives. There are wrongs which should be rectified by the voluntary efforts the distinguished chairman seemed to minimize. There are wrongs which should be rectified across the conference table, in the local communities, and in the States.

I understood the chairman to indicate that there was some limitation in the Constitution with regard to interstate authority as compared to intrastate authority and the jurisdiction of the Federal Government. I am beginning to wonder where it is, if there is any at all. How far can we expand the power of the Federal Government to solve every problem and still have any meaningful limitation whatsoever?

It seems to me that above all our Negro fellow citizens need to understand—I cannot be too critical of them, because the example set by their white fellow citizens in this matter of centralizing power in the Federal Government is scarcely an edifying one—that the existence of a wrong does not automatically create a Federal power. If it does, then voluntarism and federalism are through and centralized totalitarianism has begun in this country.

Mr. MOORHEAD. Mr. Chairman, I move to strike out the requisite number of words.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on this amendment conclude in 20 minutes.

The CHAIRMAN. Did the gentleman from Pennsylvania wish to speak on the Willis amendment? The Chair would like, if possible, to dispose of the Willis amendment, and then Members may offer pro forma amendments. All Members who wish to do so may speak on the Willis amendment. Then pro forma amendments can be considered.

Does the gentleman from Pennsylvania wish to speak on the Willis amendment?

Mr. MOORHEAD. Yes.

The CHAIRMAN. Does the gentleman from Pennsylvania yield to the gentleman from New York?

Mr. MOORHEAD. I yield.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on the so-called Willis amendment terminate in 20 minutes.

The CHAIRMAN. Is there objection to the request by the gentleman from New York?

Mr. COLMER. Mr. Chairman, reserving the right to object—and I do not expect to object, since I observe only three or four gentlemen on their feet who wish to speak on this amendment—if I correctly understood the situation, it was stated that there would be ample time for debate and that time would not be limited as we went along in the consideration of the amendments. Therefore, I hope the gentleman will not start such a procedure.

Mr. CELLER. I merely asked unanimous censent. If there is objection I will not go through with it.

Mr. COLMER. I said I was not going to object. I do not want this to become a precedent for cutting off or limiting debate.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair observes the following Members on their feet: the gentleman from New Jersey [Mr. JOELSON], the gentleman from Pennsylvania [Mr. MOORHEAD], the gentleman from Ohio [Mr. MCCULLOCH], the gentleman from Minnesota [Mr. MACGREGOR], the gentleman from Texas [Mr. ALGER], and the gentleman from Texas [Mr. WRIGHT].

The Chair recognizes the gentleman from Pennsylvania [Mr. MOORHEAD] for 3 minutes.

Mr. MOORHEAD. Mr. Chairman, some opponents of H.R. 7152 apparently seek to leave the impression that title II creates a new and unprecedented principle of interference with private property.

Mr. Chairman, the principle of title II is neither new nor unprecedented: It goes back to the common law of innkeeping—the origin of which is lost in the mists of antiquity.

The earliest common law decision I have found occurred in the reign of King Henry VII in 1450. In *De Termino Pascal*, Keilway 50, PL. 4(1450), as translated from the Norman French:

> It was declared by all of the court that if a smith refuses to shoe a horse or if a hosteler refuses to give me shelter, an action will lie against him.

This principle was followed in *White's* case (2 Dyer Rep. 158 (1558)).

The venerable Blackstone, author of the famous "Commentaries on the Laws of England,"—volume 3, page 165—restates this common law principle as follows:

> Also, if an innkeeper, or other victualer, hangs out a sign and opens his house for travelers, it is an implied engagement to entertain all persons who travel that way; and upon this universal assumpsit an action on the case will lie against him for damages, if he, without good reason, refuses to admit a traveler. (P. 165, Blackstone's "Commentaries on the Laws of England," ch. IX, vol. 3, 1847.)

Undoubtedly, Blackstone was influenced in his "Commentaries" by the case of *Lane* v. *Cotton*, 12 Mod. 472, 484 (1701) in which the English Court in 1701 anticipated the debate on title II today by saying:

> Wherever any subject takes upon himself a public trust for the benefit of the rest of his fellow subjects, he is eo ipso bound to serve the subject in all the things that are within the reach and comprehension of such an office, under pain of an action against him. * * * If on the road a shoe fall off my horse, and I come to a smith to have one put on, and the smith refuse to do it, an action will lie against him, because he has made profession of a trade which is for the public good, and has thereby exposed and vested an interest of himself in all the King's subjects that will employ him in the way of his trade. If an innkeeper refuse to entertain a guest, when his house is not full, an action will lie against him; and so against a carrier, if his horses be not loaded, and he refuse to take a packet proper to be sent by a carrier.

In *Rex* v. *Irens*, 7 Car. and P. 213,713 Eng. Rep. 94 (1835), the court said:

> The innkeeper is not to select his guests—he has no right to say to one, you shall come into my inn, and to another, you shall not, as everyone coming and conducting himself in a proper manner has a right to be received.

When the United States achieved independence, most of the States by legislation or by judicial decision, adopted the common law. Therefore, they adopted the common law rule of public accommodations that an innkeeper was obliged to receive everyone who offered himself as a guest, so long as there was sufficient room to accommodate him, and no good reason for refusing him. Therefore, from the beginning, State laws generally prohibited discrimination, in public accommodations, at least insofar as innkeepers are concerned.

In my opinion, it is still the law in certain States whose Representatives in this body have been the strongest opponents of H.R. 7152—such as Arkansas, Georgia, North Carolina, Texas, Virginia, Kentucky, and Missouri.

Arkansas: In section 101 of title I of the Arkansas statute, Arkansas adopted the common law of England and in *Pettit* v. *Thompson*, 103 Ark. 593, 148 S.W. 501, 503, the Supreme Court of Arkansas quoting 16 Am. Eng. Enc. of Law 508 said:

> An inn is a house which is held out to the public as a place where transient persons who come will be received and entertained as guests for compensation. An innkeeper is one who holds out that he will receive all travelers and sojourners who are willing to pay the price adequate to the sort of accommodation provided.

Georgia: Section 52-103 Georgia Code is a statuatory enactment of the common law duty of an innkeeper, it provides as follows:

> 52-103. Duty of innkeeper to receive persons offering themselves as guests. The innkeeper who advertises himself as such is bound to receive as guests, so far as he can accommodate them, all persons of good character offering themselves who are willing to comply with his rules.

Kentucky: The law of Kentucky with respect to the duty of innkeepers was well stated by Supreme Court of Kentucky—*Clemmons* v. *Meadows*, 123 Ky. 178, 182, 94 S.W., 13, 14 (1906):

> Hotels are established and maintained for the purpose of serving the public. The opening of a hotel is an invitation to the public to become its guests. Hotels are not conducted for the social enjoyment of the owners, but for the convenience of the public; those whose business or pleasure may render it necessary that they shall ask and receive food and shelter at a place of public entertainment for compensation. A hotel is a quasi-public institution. Those who desire to conduct a hotel must first obtain a license from the Commonwealth allowing them to do so. Laws have been enacted for the purpose of protecting the proprietors of hotels because of the public character of the business. It is the duty of hotel proprietors to receive guests of good character, well demeaned and who are free from any contagious or infectious diseases, and who have the financial ability to pay the charges.

Missouri: According to section 1.010 of Vernon's Annotated Statute, Missouri has adopted the common law of England.

North Carolina: by section 4-1 of the General Statutes of North Carolina, North Carolina declared the common law to be in force.

In *Holstein* v. *Phillips & Sims*, 146 N.C. 366, 59 S.E. 1037, 1039 (1907) the supreme court said:

> An inn or hotel has been properly defined as a public house of entertainment for all who choose to visit it. It is this publicly holding a place out as one where all transient persons, who may choose to come, will be received as guests for compensation, that is made the distinction between a hotel and boardinghouse, in many well-considered decisions.

In *Money* v. *Travelers Hotel Co.*, 174 N.C. 508, 93 S.E. 964, 966, the Supreme Court of North Carolina quoting 14 R.C.L. 537 said:

> One who engages in the keeping of a public inn by that fact surrenders certain rights, which as the owner or occupier of a mere private dwelling he would have, and with qualifications which will be noticed hereafter it may be said that an innkeeper gives a general license to all persons to enter his house.

Texas: By section 1 of Vernon's Civil Statutes of the Texas Statutes, Texas adopted the common law.

Virginia: By section 1-10 of its code, Virginia adopted the common law. As recently as 1946 the Supreme Court of Virginia quoting American jurisprudence in *Alpha* v. *Wolverton*, 184 Va. 943, 947-8 (1946) stated the law in Virginia to be as follows:

> An innkeeper holds out his house as a public place to which travelers may resort, and of course surrenders some of the rights which he would otherwise have over it. Holding it out as a place of accommodation for travelers, he cannot arbitrarily prohibit persons who come under that character, in a proper manner, and at suitable times, from entering, so long as he has the means of accommodation for them; nor can he arbitrarily refuse to continue to furnish a guest with proper accommodations.

Another four Southern States, Alabama, Florida, Louisiana, and Mississippi, have within the past 10 years adopted legislation purporting to overrule the common law or a statutory duty of an innkeeper not to discriminate.

Louisiana, not being a common law State, is a special case in point. Prior to 1954, the Louisiana Revised Statutes provided as follows:

> Section 4:4. Licenses for places of public resort; condition against discrimination; penalty; damages:
>
> All licenses granted by Louisiana and by all parishes and municipalities of Louisiana to persons engaged in the business of or keeping places of public resort shall contain the express condition that the place of business or public resort shall be open to the accommodation and patronage of all persons without distinction or discrimination on account of race or color.
>
> Whoever violates the condition of the license shall forfeit his license and his place of business or of public resort shall be closed. Moreover, he shall be liable to the suit of the persons aggrieved to such damages as the latter shall sustain.

I can just imagine the horror which must have been felt by some stanch segregationists in Louisiana, when he read this portion of the Louisiana laws. His horror was contagious and the Louisiana Legislature by Act No. 194 attempted to repeal these sections in 1954. I say "attempted to repeal" because there is serious question as to whether under the 14th amendment the States of Louisiana, Mississippi, Florida, and Alabama could repeal the right of a traveler to be admitted to an inn without discrimination.

A very interesting article in the University of Florida Law Review reaches the conclusion that these statutes are unconstitutional and that the duty of the innkeeper not to discriminate continues. In an article entitled "An Innkeeper's Right To Discriminate," 15 U. of Fla. L. Rev. 109, 120, 121, 127 (1962), the following appears:

> Prior to enactment of the Florida statute, discrimination by an innkeeper was prohibited under the common law. It is only by virtue of the State statute that he is permitted to discriminate. As a result, any acts of discrimination are done under State authority.
>
> The Florida statute has destroyed the common law right of a would-be guest to be received, and to this extent it is in aid of discrimination.
>
> Since the right of the Florida innkeeper to discriminate is created by the State, it is plausible to presume that the statute will be held unconstitutional.

Mr. Chairman, I submit that in almost all of the South, the legal right of a traveler to be free from discrimination still exists.

Viewed in this light, title II of H.R. 7152 is not a radical change, it merely expands the ancient and familiar rule with respect to inns to such places as restaurants, gasoline stations, and places of exhibition or entertainment as has been done by some 31 States and the District of Columbia.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from Louisiana.

Mr. WILLIS. The gentleman quoted an old commentary of some English writers, Blackstone, and others way back.

Mr. MOORHEAD. I think the gentleman is a good enough lawyer so that he has heard of Blackstone, I am sure.

Mr. WILLIS. Yes. The gentleman forgets that we operate under the Constitution and that as late as or as early as 1883 the Supreme Court said all that was thrown overboard and we had no such power. Of course, the common law applies in certain instances but not when it is in conflict with the Constitution.

The CHAIRMAN (Mr. Keogh). The time of the gentleman from Pennsylvania [Mr. Moorhead] has expired.

The Chair recognizes the gentleman from Minnesota [Mr. MacGregor] for 3 minutes.

Mr. MacGREGOR. Mr. Chairman, in the light of the reference just made by the distinguished gentleman from Louisiana [Mr. Willis] to the 1883 civil rights decision, let us read from that decision——

Mr. WILLIS. Yes; please do.

Mr. MacGREGOR (reading):

> And so in the present case, until * * * some State action through its officers or agents has been taken, adverse to the rights of citizens sought to be protected by the 14th amendment, no legislation of the United States under said amendment, nor any proceeding under such legislation, can be called into activity; for the prohibitions of the amendment are against * * * acts done under State authority.

So, Mr. Chairman, in the draftsmanship of this particular title we have heeded the admonition of the Supreme Court in its 1883 decision and have confined this title to State action.

I call the attention of members of the committee to the top of page 43. As the gentleman from New York so aptly said, the exercise of the constitutional power given to the Congress here rests upon two prongs. One of them is the interstate commerce clause, the other is the 14th amendment.

When the gentleman from Louisiana seeks in subparagraph (1) on page 43 to tightly circumscribe the number of inns, hotels, and motels to be covered under this legislation he does violence to the 1883 Supreme Court decision where it defines the authority of the Congress under the 14th amendment. To those who have been constantly talking about the Constitution, let us refer to the Constitution and specifically to the 14th amendment. I think it is important. We have it here before us.

> No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.
>
> * * * * *
>
> The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.

Mr. Chairman, in light of the 1883 Supreme Court decision cited by the gentleman from Louisiana, and in light of a score of subsequent decisions, it is precisely the legislative authority granted in the 14th amendment that we seek here to exercise.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. MacGREGOR. I yield to the gentleman from Louisiana.

Mr. WILLIS. Mr. Chairman, let me read the one decisive sentence of the Supreme Court decision in that 1883 case. This is the deciding part:

> What we have to decide is whether such power—

Over inns, that is—

> has been conferred upon Congress by the 14th amendment and we decide that it has not.

Mr. MacGREGOR. That is because in the statute——

Mr. WILLIS. It is because it is unconstitutional.

Mr. MacGREGOR. Mr. Chairman, I decline to yield further.

The reason for that particular holding was because the 1875 act, contrary to this act, operated directly on innkeepers and other purveyors of goods and services to the public. In this legislation, consistent with the finding of the Supreme Court in 1883, we tie the operation of the law specifically to State action. Our legislation is corrective, not direct.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. MacGregor] has expired.

The Chair recognizes the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, I was quite interested in the remarks that were made by our colleague, the gentleman from Michigan [Mr. JOHANSEN], a few moments ago, about the difference between voluntary action and coercive action.

Like our colleague, I quite fully feel that we have not by any manner of means exhausted the avenue of voluntary action. In just the last few years, and particularly in the last year, literally thousands of private institutions have voluntarily opened their doors for the first time to American citizens of all races. In my own immediate area of Texas, there has been enormous progress along this line during the past 12 months.

I think there are some very basic and fundamental differences of which we need to be mindful. There is a difference between publicly owned facilities and the Government's duty thereunder, and privately owned facilities. There is also, I think, a very fundamental difference between rights and conveniences. They are not precisely the same.

The right to vote, for example, is a very basic, fundamental, sacred thing, not to be trammeled or fettered or interfered with by any individual. And surely the Government under the Constitution has the duty to protect that right. I have voted for the voting rights bills that have come before this House. It has been a pleasure to support legislation guaranteeing unmolested voting rights to all Americans regardless of race.

Yet the convenience of stopping at a certain hotel or theater or restaurant, even though understandably important to people, is quite another thing, is it not? A convenience, it seems to me, is fundamentally different than a right. While the Government has the unquestioned authority and duty to enforce the protection of constitutional rights, I wonder if the Government has quite the same duty with respect to conveniences, as distinguished from rights or necessities. The area of conveniences would seem to be one in which voluntary action should be preferred wherever possible, lest we invade one man's rights in an attempt to protect those of another.

The difference between publicly owned and privately owned facilities should be equally clear. For here involved is the right of private property.

On tax supported institutions, the Government has not only the right but the duty to insist that the same rights be accorded to all of our citizens.

Fifteen years ago, the Supreme Court ruled that Texas had to admit qualified Negro students to our State University. In solemn respect for the law, Texas did so without incident and without subsequet disadvantage to any Texan. I think Texas was absolutely right to do so, morally, legally, any way you want to look at it.

Our State universities are built and operated by our tax dollars, and they belong to all of us together.

But my neighbor's store does not belong to me, nor to all of us together. It belongs to him. I enter his door only at his pleasure. Even though my trade, and that of my other neighbors, may be the only thing that keeps him in business, it still is his right to deny me service if he wishes, however offensive that decision might be to me.

Obviously, it is offensive, indeed repugnant, to be turned away from an establishment through no fault of one's own. Someone to whom it has never happened probably cannot know how deeply offensive it is.

Mr. ROGERS of Colorado. Is the gentleman familiar with the conditions that qualify you to open your place of business?

Mr. WRIGHT. Yes; I am familiar with many of these, some that go back to the common law of England. I have read them. I am probably not as intimately familiar with them as my distinguished colleague from Colorado. I simply think there are positive ways in which we can correct this evil, and it is an evil if one segment of our American public traveling across the country cannot find a restaurant or a rest room or a place in which to sleep. But we can do it through the voluntary method, I believe, with the Government providing incentives rather than penalties.

The point has been made that Negro citizens traveling across the country on our highways cannot find places to stop, sleep, to eat, through certain whole sections. And that is truly deplorable.

Yet this could be remedied by means other than legal coercion. Perhaps the Small Business Administration should make loans available to individuals who would like to provide such business services in areas where they are lacking. The Commerce Department might even distribute road maps identifying establishments where such service can be obtained.

By the voluntary method, literally thousands of private establishments during the past few years have willingly opened their doors for the first time to Negro citizens.

Surely it must be more satisfying to anyone to know that he enters another person's property, not because some law commands his admission, but because he is welcome.

We have come a long way, and we have a way yet to go before all Americans will be treated with respect and decency. Part of it has to be earned; part of it has to be learned. It cannot always be commanded by law. We make no permanent gain in rights by violating rights of others. Our rights rest in the Constitution, but the Constitution rests upon the voluntary willingness of the citizenry to protect the rights of other people, and on our mutual ability to solve our problems by reason and not by riot.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, my remarks relate to the Willis amendment, and also to the entire section. I feel I need to say one or two things because silence could be misinterpreted.

Mr. Chairman, the oath to defend the Constitution precludes any approval on my part of section II, relating to public accommodations and injunctive relief against discrimination.

Inasmuch as our most fundamental right is at stake; namely, the right to own private property, at a time when this right is under attack by Communist-Socialists throughout the world it seems to me very important that we move very carefully.

Specifically, looking at section 204, paragraph c, we find that "in case of any complaint received by the Attorney General alleging a violation or threatened violation under section 203" and then we turn to section 203 and see the language "attempt to intimidate, threaten, or coerce any person with the purpose of * * * by section 201 or 202" and then we look at those two sections which mention "discrimination or segregation," we have a very novel and dangerous line of reasoning.

To recapitulate, we have the Attorney General, that is Federal Government, called in on an allegation of threatened violence on an attempt to intimidate, threaten, or coerce, concerning a matter of discrimination which word is never defined and all of this language removes the right to own and operate property from an individual citizen free from Federal intervention.

Article I of the Constitution relating to interstate commerce between the States does not cover restaurants, inns, motels, hotels, and other public accommodations. Neither does the 14th amendment which concerns equal protection of the law for individuals under State law.

The basic and most fundamental American right that is now to be removed is the right to own property. Property rights will now by this bill be made subject for the first time to the Federal Government, from the President, as a virtual dictator, to the various bureaucrats, charged with implementation of this so-called civil rights bill.

The right to own and use property, to make profit, is the basic economics of private enterprise under capitalism. This should be the most inviolate of all our rights. Now we are told that by the personal interpretation of an employee of the Federal Government the right to own and use one's own property will be removed wherever a discrimination is shown.

Discrimination is never defined. We have the entire weight of Federal Government alined against the property owner, without defining the terms, such as discrimination, race or religion, by which Government enters the controversy.

It is not enough for us to discern an alleged civil rights violation, to propose new legislation. It is first, foremost, and always most important to safeguard the individual's right to own and operate his personal property as he sees fit.

This, of course, is government by men and interpretation by men, not government by law. This violates the Constitution, the principles of capitalism, and the basic common denominator of the

United States of America. At the time when communism, socialism, and capitalism are locked in a life-or-death struggle, with the right to own property as the principal ingredient of that struggle, and we here abandon our constitutional right to own and operate property, we endanger our whole system of society.

How tragic and how unnecessary, in the name of preserving civil rights. This section on public accommodations throws American civil rights right out the window.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. JOELSON].

Mr. JOELSON. Mr. Chairman, I would like to address my statement to the remarks just made by the gentleman from Texas. I would like to say to the gentleman that if he would understand the history of the 20th century he would know that when property rights collide with human rights, we long ago decided that human rights must prevail.

We have lots of laws in this country that limit property rights for the good of society in general. We have zoning laws in this country. If a man wants to build a glue factory in a residential district, he cannot do it. We have other laws. We have laws that state a tenement house owner must put on fire escapes because people should not be barbecued. This is interfering with the right to own property, but if we have learned anything in the 20th century, it is that when property rights collide with human rights, human rights must take precedence.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. JOELSON. I yield to the gentleman from Texas.

Mr. ALGER. I want the gentleman to understand that I do not see any difference. If you have a difference it is because I believe the human right involves the right to own property. I see no collision but, on the contrary, an identity of interest.

Mr. JOELSON. I think the basic right of our country is the right to be free, and I think that takes precedence over property rights.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. JOELSON. I yield to the gentleman from California.

Mr. ROOSEVELT. Is it not true that in the exercise of your private property rights if you choose to serve the public you then by your own volition undertake certain obligations which are subject to public regulation? That has been established beyond any question. I agree with the gentleman. I think this is the fundamental moral issue.

Mr. JOELSON. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. MCCULLOCH] to close debate.

Mr. McCULLOCH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the adoption of this amendment would substantially reduce the effectiveness of the bill. It has been said several times that 32 States of the Union have public accommodations legislation or laws now effective. Every one of those 32 States that has that legislation covers inns, hotels, and motels. There is no reason why we should not move to that area in the legislation before the Congress.

I am very pleased to say to the chairman and to the members of the committee that before the administration bill came to the Hill in June of 1963 I was for the double-barreled approach to the public accommodations section. I remain of that opinion now. I collaborated in the drafting of the legislation. It is carefully drafted.

I submit the amendment should be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. WILLIS].

The question was taken; and on a division (demanded by Mr. WILLIS) there were—ayes 93, noes 165.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. MARTIN OF CALIFORNIA

Mr. MARTIN of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. MARTIN of California: On page 46, line 10, after the period insert the following: "However, if the Attorney General decides to institute legal proceedings against the owner or operator of a business establishment, he must do so by instituting an action against all such business establishments of the same class or category which are in an area of direct competition and which are engaged in acts or practices of the same nature prohibited by this title."
>
> Pages 46 and 47, lines 25 and 1, respectively, after the word "action", strike out the word "may" and insert in lieu thereof the word "shall".
>
> Page 47, line 1, after the word "State", strike out the word "or" and insert in lieu thereof the word "and".
>
> Page 47, line 2, after the word "agency", strike out the word "or" and insert in lieu thereof the word "and".
>
> Page 47, line 2, after the word "instrumentality", insert the following: "and nonpublic group or agency".

Mr. MARTIN of California. Mr. Speaker, I ask unanimous consent to proceed for an additional 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from California is recognized.

Mr. CELLER. Mr. Chairman, if the gentleman will yield, there was quite a bit of confusion and we could not hear the amendment. Is this the amendment that would provide "However, if the Attorney General decides to institute legal proceedings against the owner or operator of a business establishment, he must do so by instituting an action against all such business establishments of the same class or category which are in an area of direct competition and which are engaged in acts or practices of the same nature prohibited by this title"? Is that the amendment?

Mr. MARTIN of California. That is correct, Mr. Chairman.

Mr. CELLER. Is that part of the amendment or is that the entire amendment?

Mr. MARTIN of California. That is one portion of it, Mr. Chairman.

Mr. CELLER. Mr. Chairman, may we have the amendment reread. There was so much disorder in the Chamber we could not hear it.

The CHAIRMAN. Without objection, the Clerk will reread the amendment.

The Clerk read the amendment.

Mr. MARTIN of California. If the Chairman please, and my colleagues, I appreciate the courtesy of extending the additional time.

This is the first opportunity I have had to confront Members of the House with my own views about this legislation. I wish to make it perfectly clear at the outset that my amendment is offered not for the purpose of delay, not for the purpose of weakening the bill, but for the sole purpose of perfecting the bill. I believe, before I have concluded, if each one of you will consider this in an impartial atmosphere, all will agree with me that this amendment not only will help to represent real progress in the advance of personal rights but, in addition, will protect property rights.

Why is the present bill, as worded, bad? It would make the actions of the Attorney General discretionary. My amendment would make them mandatory. My amendment would subject the Attorney General to the injunctive process, as well as the people of this country. That is sorely needed.

Let me say something about what this body has done in years past and what it may do now, if it adopts the present request for the law as written.

All over this land, for many years, this body has sanctioned investments in this country in accordance with law. You and the members of your own local legislatures have remained at a standstill and not only have permitted but actually have requested your people to invest money in businesses. You have asked them to do it without ever any fear of having to open up their public accommodations equally to all, regardless of race. That has been done in every State of this Union.

From the time of the equity courts there has always been a protection of property rights. I say that the way the bill is now worded we will be asked to vote for a law which will permit the Attorney General to proceed against one businessman in a community—I do not care whether it is in the South, the North, the East, or the West.

What are the facts of life? The man involved has invested his savings in accordance with the custom that this body has sanctioned, that your local representatives have sanctioned, that the people in your communities have sanctioned. That money has been invested, and these people have never been asked, up until this time, to take into account the fact that they must open up their public accommodations equally to all people. Is that not true?

This bill, as written, would permit a political appointee to make a decision. You gentlemen who serve in the House are practical men. You know what motivates the decisions of the Attorney General, no matter who he may be.

I do not want to have discretion within the Attorney General to select his spot or to select how and when and where he may proceed. I want to make it mandatory on that gentleman that if he moves at all in the field of public accommodations he must move against all businesses of the same category.

Why is this so important?

If you have 50 theaters in one community, with 50 people who have invested their money without ever a fear of being compelled to open up to everybody, now they are in the position where the Attorney General can select his spot. He can direct the action against one cafe owner or one theater owner.

I want to say this in connection with this amendment. I do not think this has been placed in proper perspective as to why we are acting here today. There are very few racists in America, my friends. What all of these business people in the South are concerned with, and people in other parts of the country, is the fact that they are going to be economically ruined if they are forced and compelled to open on a certain day equally to all. So, what do you do? You use the commerce clause, which has been used in this country to create fair competition among businesses, and what are you being asked to do now? This is being used to create unfair competition in pitting one businessman, in a business with same characteristics, with other businessmen within a reasonable area—it is being used to pit them against one another and in giving one an unfair advantage over another. I do not believe this bill is entirely wrong in being permissive in its discretion to the Attorney General, but it does not go far enough, because you are going to ruin honest, decent businessmen in this country who invested at the request of the local people and sanctioned by this body in years past. All my amendment does here is this: It states very simply that as the Attorney General moves into a particular area he must decide in conjunction with the local people, the representatives of the complaining group involved, with an agent of the Federal Government—he must voluntarily meet with those people and attempt to correct this situation at the local level. Now, what is better than that? Is not the very essence of this Government effective representation? My amendment states that before instituting any action of any kind the Attorney General must meet with the locally elected officials, your State authorities, the leadership of the minority groups who are complaining that their rights have been violated. If you cannot agree, then and then only may the Attorney General file a lawsuit under my amendment, but when he does he cannot pick out one man that he wants to make a showcase out of but he has to proceed against the 50 theaters whose businesses have characteristics in common, who are within a reasonably defined area, so that if they must open, a court order will order them to open all at the same time and you do not ruin any one man.

Nothing has been said here in this body about the protection of property rights. This bill as written does not even recognize the fact that under the Constitution you have a property right to protect and personal rights to protect. You cannot overbalance one against the other.

I say this to you: my amendment is fair because it represents effectively the interests involved. For all of you men who have stated here that you are for personal rights in this country, I can say this to you: under the law as it is written the Attorney General operates a piecemeal operation. He does not have to meet with your local officials at all. He can file one lawsuit and that is it. I ask you if the attainment of personal rights in this country can ever be realized on a piecemeal basis, on a person-by-person lawsuit basis. So if you are really sincere and in good faith and you want to attain the realization of personal rights, my amendment provides that the Attorney General must include all these businesses, with common characteristics. This is far faster, it will expedite the attainment of personal rights and protect the property rights at the same time. That is an oversight in this bill. It should go further because if it does not you invite fighting in the streets. If you proceed against one business alone, aside from wiping out that man's life savings and affecting the future of his wife and children, you invite more violence by pulling that community down on one man, and on the police who are trying to carry out the court order.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of California. I yield to the gentleman.

Mr. FASCELL. I understand the criteria of your class suit is that the suit has to be brought in a "competitive area."

Mr. MARTIN of California. Within an area where the businesses have common characteristics and are in direct competition with one another.

Mr. FASCELL. And the Attorney General would make the determination of the characteristics?

Mr. MARTIN of California. When the Attorney General meets with your local and State officials, and the minority group that is complaining that their rights are violated—they will bring to bear their local knowledge of what is an area of local competition. That is far superior than leaving it solely with the Attorney General.

Mr. FASCELL. The gentleman said area of local competition.

Mr. MARTIN of California. Within an area of direct competition.

Mr. FASCELL. I am not sure of the exact language of the gentleman's amendment. Would he restate it for me because in the area from which I come it is very important to determine what the area is that the gentleman is seeking to cover with his amendment. For example, in our area we have over 300 hotels that I dare say are competitive with all the hotels in the United States for business. I am trying to determine whether or not under the gentleman's amendment the Attorney General would have to bring a class suit involving all hotels in the United States.

Mr. MARTIN of California. The Attorney General would not bring a class suit, which is not permitted under our law. He would file a suit and join the other hotels.

Mr. FASCELL. I am trying to determine what the determining language is, the criteria, if the gentleman will give it to me.

Mr. MARTIN of California. The determining language is this: "Business establishments of the same class or category which are in an area of direct competition." And necessarily you must leave this to the discretion of the Attorney General coupled with the local people who would bring their local knowledge to bear.

Mr. FASCELL. I respect the gentleman's interpretation. I would only say that in our area we feel we are in direct competition probably with every other area in the country for hotel business and I would hate to think that this amendment would bring about a class suit involving all hotels. That is the only point I had in mind.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of California. I yield to the chairman.

Mr. CELLER. I will say to the gentleman from Florida that what he says is correct; but even worse than that, if we take it more locally, if a hotel in Miami Beach were guilty of an infraction or violation of title II, every hotel in Miami is in direct competition with one another and the Attorney General would have to bring a suit against every single hotel in Miami Beach.

Mr. MARTIN of California. That is not true, Mr. Chairman.

Mr. CELLER. Why is not that an area of direct competition?

Mr. MARTIN of California. That is not true. This is within the discretion of the Attorney General to decide what is practical.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of California. I am happy to yield to the distinguished majority leader.

Mr. ALBERT. Would this mean that every establishment determined to be within the category described by the gentleman would have to come in and defend itself, or himself, regardless whether he was in violation of the statute or not or be subject to a judgment or a court order, or some action of the court?

Mr. MARTIN of California. Absolutely not. The businesses that are not violating the law will not be affected.

Mr. ALBERT. Where is that in the language of the amendment?

Mr. MARTIN of California. It is in there if you will read it carefully. Only those will be joined who are engaged in one of the acts prohibited by this title—title II.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of California. I yield to the gentleman from New Jersey.

Mr. RODINO. Does this mean that the Attorney General would of necessity have to exclude every business establishment that is within that area, that is of that class or category, in order for the suit to be effective?

Mr. MARTIN of California. That is not the intent, no, and that is not required under this section. Only those businesses that are violating an act prohibited by title III will be joined in the suit. The gentleman seems to be worried about the inclusion of a big number in a lawsuit. Remember, if many of these businesses with common characteristics are joined they can spread the cost of their litigation over a great number of people. Litigation is costly, as the gentleman knows.

Mr. RODINO. How is the Attorney General ever going to determine which of these establishments are of the class or category, if there are 300 or 400 of them within that area, and be able to succeed in his action, if he fails to include one of those in the action?

Mr. MARTIN of California. As a practical matter, he must be practical, and he will decide this after consultation with the local people. Then he will have a majority of the businesses that are in the same class or category and you will actually make some progress in that field of personal rights and not ruin one or two hotel operators.

Mr. RODINO. But you are making it mandatory that he must include all of those businesses or establishments; therefore, if he omits one his action is defective.

Mr. MARTIN of California. His action is not defective, I will say to the gentleman. There is no provision in Federal law where if one is joined the others can ask that others be joined.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of California. I yield to the gentleman from North Carolina.

Mr. WHITENER. I want to commend the gentleman for what I think is his intent in offering this amendment. As I understand it, the purpose which the gentleman is desirous of bringing about is that one business operator in a community would not want his business to be destroyed because he is violating some provisions of this proposed act while other businesses of the same type in the community committing the same violations go merrily on their way and see this one individual put out of business.

Mr. MARTIN of California. That is exactly the intent of this.

Mr. WHITENER. The gentleman's amendment might be characterized as a fair play, or antidiscrimination amendment?

Mr. MARTIN of California. That is correct.

Mr. WHITENER. I thank the gentleman for the interest he has shown in the Committee on the Judiciary as well as here on the House floor in the very important matter about which we are now concerned.

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of California. I yield to the gentleman from California.

Mr. CORMAN. Referring to section (d): as I understand that language it reads that the Attorney General shall utilize the services, and then it goes on to state the agencies and instrumentalities and nonpublic groups and agencies; is that correct?

Mr. MARTIN of California. That is correct.

Mr. CORMAN. Would the NAACP appear before such an agency, if there were one there?

Mr. MARTIN of California. That would depend upon whether there were one there if the local leaders of the minority group that was complaining were of the NAACP they would be welcome to attend these consultations. I am only trying to implement in this bill what the Attorney General has been trying to do on a voluntary basis, and quite successfully, throughout certain areas of the South. This has worked voluntarily, and he has destroyed this concern about ruining one man or a small group of businesses.

Mr. CORMAN. We are not talking about one man at this point in the bill. I am only asking the question to get some legislative history for the guidance of the Attorney General if we should adopt this amendment. You impose on him a lot of conferring with a lot of people. Would you include CORE, the citizens councils, and a lot of other people? There are a lot of public groups of this kind in given areas.

Mr. MARTIN of California. I believe this. I have faith in this: That leaders of the groups who are complaining will select someone, in good faith, who is acceptable to the groups and to the Attorney General. What you are trying to do here is create absolute certainty, which cannot be done. I think this is fair. These groups will select their leaders and confer with the Attorney General.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. Mr. Chairman, I make no pretense at being an authority in matters of legal and constitutional interpretation, but I do lay claim to a reasonably sound understanding of the fundamental concepts underlying our American system of government. Therefore, being firmly convinced that the so-called civil rights bill now under consideration would have the effect of dangerously undermining the system of personal liberty and private property rights which are basic to the American way of life, as well as infringing further on States rights, my remarks today are intended as an appeal to reason.

I simply cannot believe, Mr. Chairman, it is the will of the American people that a network of special privileges for one minority group, created at the expense of the traditional freedoms of the majority of our citizens, should be written into law. Nor can I believe that the American people wish for the Congress, no matter what the pretext may be, either to ignore or attempt to nullify clearly stated provisions of the Constitution.

For example, I am thinking now of the restriction which this so-called civil rights bill would place upon the constitutional right of the States to determine the qualifications of their voters. The provision of the bill which declares that, if a literacy test is required by a State, a sixth-grade education—the standard, incidentally, of a 12-year-old boy or girl, and not of an adult man or woman—creates the presumption of qualification to vote, appears to me to be, without doubt, beyond the constitutional power of the Federal Government. As every Member of this body certainly understands, the only constitutional restriction on the right of the States to prescribe the qualifications of their voters forbids the imposition of discrimination in voting because of race, color, or previous conditions of servitude. But this bill would limit the qualifications which a State can impose upon voters in the matter of education; and I submit, Mr. Chairman, that if the Federal Government can determine this voting qualification, it can also determine others—such as, for instance, the age for voting or the requirements for legal residence.

Few people, if any, I think, would argue that acts of this nature would be constitutional, yet the Congress is being urged to enact, through this bill, a provision of law which obviously would be equally as violative of the constitutionally guaranteed right of the States to determine the qualifications of their voters.

That provision is, however, only one of the several phases of this so-called civil rights bill which would, in my opinion, go far beyond the powers which may be granted to the Federal Government—or, on the other hand, taken away from the States and the people—under what I regard as any fair and reasonable interpretation of the Constitution.

One of these features is the attempt to require that the owners and operators of places of "public accommodation" and certain other private business establishments completely racially integrate their facilities—an act which, as is well known to the Members of the House, was previously declared unconstitutional by the Supreme Court, in a "civil rights" decision of 80 years ago which, to the best of my knowledge, remains today the "law of the land."

Certainly, Mr. Chairman, every American has the constitutional right to be let alone in the operation of his business, so long as his operations are carried on in an orderly manner. It appears to me to be quite clear that the Federal Government does not have the authority, under the Constitution, to tell the individual citizen the persons with whom he must associate, and require his compliance, or, either, how he must use his property, or whom he can or cannot serve in his business establishment.

No person can conscientiously deny, I believe, that the right of self-determination on the part of the individual is a fundamental right, and one which is essential to a free society. And if this is so, as surely it is, to enact legislation which would deny this basic right to the citizen, which would prevent the individual from choosing, or deciding upon, the persons he will, or will not, serve in his place of business, no mater what type of business it may be, is to take a destructive step in the direction of the elimination of all freedoms and, in doing this, to bring domination by the Federal Government over the individual lives of all Americans.

I am convinced also, Mr. Chairman, that this so-called civil rights bill lays the groundwork for the Federal Government to completely take over the public educational systems of our Nation, and surely there is no constitutional authority for giving the Government in Washington control over the education of our youth—a right which clearly belongs to, and should remain with, the people and the States and local units of Government.

But, through the power of the purse, as well as the sweeping powers granted to the Attorney General, this bill would further invade constitutional rights and have the Federal Government take over rights and responsibilities, in the field of public education, which are clearly the prerogatives of the States and the people. And such a situation, Mr. Chairman, would, of course, be a tragic development of staggering proportions.

And so would several other phases of this so-called "civil rights" bill be contrary to the traditional American way of life and extremely damaging to our beloved country—such as, for example, the provision which would authorize an invasion of employers' rights to conduct their own businesses, and especially to hire and fire their employees as they see fit. An extension of powers of this nature, as provided in the FEPC section of the bill under consideration, would be, in fact, another step in delegating to the Central Government the power to control the very lives and actions of individual citizens and, therefore, destructive to the best interests and welfare of America.

Mr. Chairman, it is my belief that the bill now being considered by this body not only is unjustifiable under any valid theory of constitutional interpretation, but it also grants power and authority to the executive branch of the Federal Government that could destroy the system of checks and balances that is basic to our form of government. So I urge, most sincerely: Let us not surrender to political pressures or respond to motivations of political expediency in dealing with these proposals. Let us not be a party to the liquidation of constitutional government. Let us not strip from our citizens the historic right to choose their associates, to select their customers, to hire their employees, to run their schools, and to otherwise live in a state of liberty. Let us not only refuse to do these things, but let us, I implore you, return to the fundamentals of our Constitution as written, to assure the continuation of our representative republic.

Let us see—and understand—that in the matter now in controversy the race problem itself is actually secondary. It pales into insignificance, in fact, in comparison with the real issue, which is individual freedom and the fundamental rights of the States as opposed to an all-powerful Central Government. So it is my fervent hope, Mr. Chairman, that the Members of this House, reflecting the inherent good sense of the American people, will decline to approve the so-called "civil rights" bill now being considered which would take away from the people many more rights than it would grant.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, a reading of this amendment shows how palpably—I reluctantly use the word—absurd it is.

> If the Attorney General decides to institute legal proceedings against the owner or operator of a business establishment, he must—

Compulsory—

> he must do so by instituting an action against all such business establishments of the same class or category which are in an area of direct competition and which are engaged in acts or practices of the same nature prohibited by this title.

That might mean conceivably that innocent people could be caught in this dragnet, and it is a dragnet, because the Attorney General would have to bring an action against everyone, enemies in competition in a given area, with the individual against whom the violation is claimed. That is what we call class legislation. I do not think any State has class legislation. Now for the first time we would operate under a provision which is clearly class legislation. This shotgun approach should be abhorred. We should not allow anything like this in any bill of this character.

What is the competition? The gentleman from Florida spoke of the hotels in Miami. Conceivably the hotels in Miami are in competition with the hotels of many, many parts of the country. Does that mean that if a hotel in Miami violates title II the Attorney General will have to bring a slew of actions, a plethora of actions, against hotels all over the Nation? Or if you want to confine it locally, would it mean that if one hotel in Miami Beach violated title II the Attorney General would have to bring an action against every single hotel in Miami Beach? I do not think we want anything like that.

If you have 200 or 300 restaurants in a given area, does that mean the Attorney General will have to bring an action against 100 or 200 restaurateurs? You would have to have a veritable army of Attorneys General all over the country, because you would have to multiply the suits by the number of those areas that exist all over the country.

Take gasoline stations. How many gasoline stations are there in a given area? They could allegedly be doing what the original gasoline station would be doing and the Attorney General would be compelled to bring an action against every single, solitary gasoline station owner within miles and miles because they are all in competition, one with the other.

I do not think we want to embark upon an adventure of this sort. It would cost staggering sums of money. Because it is most unrealistic; because it is unprecedented; because it is imprecise in wording; because it is indefinite; because it is unjust; because it is unfair—I think we must reject the amendment.

The amendment also says that the Attorney General "must"—again there is this arbitrary requirement—"consult with public groups." He does not say how many public groups. He does not define what is meant by public groups. You know what he means by public groups.

Also, he must confer with agencies. What denominations are the agencies to be? How many agencies? What type of agency?

Mr. Chairman, because of the indefiniteness and because of the imprecise wording of this amendment, it merits defeat.

Mr. MARTIN of California. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. MARTIN of California. Is it not a fact, Mr. Chairman, that under the Federal rules of procedure if a business is joined and is not properly joined, the court can dismiss that party as a defendant, and is it not further a fact that under my amendment a business that is not violating any act prohibited by title III need not be joined and would not be joined by the Attorney General acting in good faith? Is that not a fact?

Mr. CELLER. I question the legality of your joining together as defendants all these different and separate entities. I question whether you have the right to do anything like that. Because in each case there should be alleged a separate cause of action and you cannot join them all together in that fashion. I think that is illegal in and of itself.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman would require the Attorney General, if he filed suit against one person or business, to treat all his competitors in the same area the same.

Mr. Chairman, I have offered this pro forma amendment to take the time once again to point out to the membership, and I hope I may have your attention, that the gentleman in offering this amendment is pointing up just what those of us with any experience in the practice of law know; that is, that laws are not self-enforcing and that favoritism creeps in, always has and always will. Passing this law of general application will not solve problems. But you must look then to the Attorney General who has all the human frailties of any of the rest of us. He has and will file suit where he wants to and ignore the same facts where he wishes to.

Now the present Attorney General of this country, who will have all the powers of a czar under this bill, is accepted as the partisan politico of the Democratic Party, or was in the last campaign. The incumbent Attorney General was the right hand and organizer of the late President's fight for the Presidency. However hard he may try, it is hard to believe he could ever be completely objective.

I can appreciate what motivates the author of this amendment; he wants to require that a man who is given all this power would treat everybody alike, at least in the same community.

There is no reason to believe that under the terms of the bill that would happen, based on the record and upon human nature. I doubt that the gentleman's amendment would reach what he is driving at. I doubt that any amendment or any law could do that. The Attorney General can pick his section of the country to file his actions; he can pick the individual defendant; he can use the district judge if he thinks he is on his side; and automatically he can ask for three judges if he thinks it is necessary to have his way.

There is not a single thing in this whole bill that requires the Attorney General to treat New York State like it does California; or California like Mississippi; or this section like that section; or this individual like his competitor.

I come to you having had some experience with and much observation of law enforcement. I have been in New York City, Chicago, and Cleveland and yes, we see it here in Washington. With the Attorney General having this power, as long as you have the votes in the national primary and in the national election, you feel you do not have anything to fear so far as the Attorney General taking action against you under the terms of this bill. That likely is true. But, my friends, the records are full of the fact that if you are a small State, if your vote is small in the electoral college, and if how you vote does not count much, then you can see and all the records will bear me out, the kind of things that are going on in New York City, Chicago, Cleveland, and Philadelphia—that are going unnoticed by the Attorney General—will then become the subject of lawsuits in certain areas of this country—though we know the same things or worse are going on in sections left alone.

I have the utmost appreciation for the objective of the author of the amendment. He would say that the Attorney General should have no right to single out the business of one man and ruin him while permitting everybody else to go by the way; and those who have prosecuted know that could happen.

My friends, I, too, believe in personal rights, as has been mentioned here. But if it were not for the right of a man who works to save and to accumulate property, there would not be any personal rights worthy of the name. If a man cannot save and accumulate something for himself—if all is to be taken away and divided up—there will be no personal rights left of any value to anyone. Property rights are essential if we are to have personal rights.

There are areas in this country and there are businesses in this country which, if they permitted people to come in shirtsleeves for the evening meal, would lose a large volume of the trade upon which their very economic success depends. They would have to turn such persons away because their trade is of another kind, and otherwise they would go bankrupt.

There are people of Ohio who have talked to me, who have said that if people of a certain race—whom the Attorney General could force into their places of business—should come into their places of business, the trade upon which they must depend for economic success would cease, and they would lose their business. That would be just as much a taking away of the business as anything anyone can think of. Incidentally, if the State law were fully enforced, such a situation could be created by existing law.

In conclusion, you can say what you please, but the bill before us will allow the most successful politician that this Nation has seen in some years, the present Attorney General, to play favorites not only by section but also by city and by business. It would give him power no bad man should have and no good man would want.

I doubt that the gentleman's amendment will accomplish what he seeks to do, but there is absolutely nothing in the bill and nothing in the history of the past 8 years which would lead anybody to believe that there is or ever has been a man who could handle in a fair manner all the authority granted under this bill, certainly not a practicing politician in a high political office.

I know you feel this law will not be enforced on you and yours.

To you, I say, you had better watch out. The worm could turn.

Mr. MATHIAS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I rise to oppose the amendment. It has been my privilege in the past to represent my State in some criminal matters and to attempt to sustain the State's position in the appellate courts.

In the light of that experience, I think it would be a great burden to attempt to sustain the additional requirements which would be placed by the amendment now before the House upon the prosecution in any one of these cases.

First, a completely new and collateral issue would be laid before the court, before it would be possible to get to the merits of the case. The preliminary question which would be brought up for determination would be the issue as to whether or not the Attorney General had correctly delimited the area of competition. I do not know how an Attorney General would attempt to make such a definition, but whatever he did would be subject to attack. That question might have to go all the way up the line of the courts and come all the way down before it would be possible to get to the merits of the case.

I believe the gentleman from California has a meritorious principle in mind, in proposing the amendment, but I visualize that the amendment could boomerang. Instead of relieving a proprietor of a business of litigation and the harassment which the gentleman envisions, it might actually enmesh him in additional litigation.

Mr. MARTIN of California. Mr. Chairman, will my distinguished colleague yield?

Mr. MATHIAS. I yield to my friend from California.

Mr. MARTIN of California. Is it not a fact that all afternoon and throughout all the debate the chairman has called upon the antitrust laws to sustain his position, and that within those laws there is defined the same area about which I am talking? Is that not a fact? Is that not true?

Mr. MATHIAS. It is not an analogous situation.

Mr. MARTIN of California. Do they not have to define the area of competition?

Mr. MATHIAS. I do not think it is analogous to this particular situation.

Mr. MARTIN of California. Well, it is so close that it has great relevance to it.

Mr. MATHIAS. I would like to point out to my friend from California, in the antitrust laws the defining of the area which is involved is not fundamental to initiating the action. I think that is what makes the difference.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. MATHIAS. I yield to the gentleman from New Jersey.

Mr. RODINO. Is it not necessarily true where a defendant seeks to be separate because his defense is separate, because it involves a separate cause of action, that can be done?

Mr. MATHIAS. That is right.

Mr. RODINO. This, in my judgment, is a punitive action section just to becloud the entire issue.

Mr. MARTIN of California. Mr. Chairman, will the gentleman yield?

Mr. MATHIAS. I yield to the gentleman.

Mr. MARTIN of California. Has the gentleman ever tried any lawsuits?

Mr. RODINO. Yes.

Mr. MARTIN of California. Then, I think you know what I am talking about.

Mr. RODINO. Yes, I do. This is the very reason why I tell you once again that this is an area that cannot possibly work.

Mr. MATHIAS. I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. Martin].

The question was taken; and on a division (demanded by Mr. Martin of California) there were—ayes 62, noes 135.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. SMITH OF VIRGINIA

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Smith of Virginia: On page 48, after line 3, insert a new paragraph as follows:
>
> "(d) Nothing in this Title shall be construed to require an individual to render labor or service without his consent; nor shall any court issue any process to compel the performance by an individual of such labor or service, without his consent."

Mr. SMITH of Virginia. This amendment, Mr. Chairman, merely implements the 13th amendment. You may recall that the 13th amendment provides that neither slavery nor involuntary servitude shall exist in any place within the United States. All this says is that nothing in this title shall be construed to require an individual to render labor or service without his consent, nor shall any court issue any process to compel the performance by an individual of such service without his consent. Now, who can vote against that amendment?

I have never known of any Congress yet, and I have been here 30-some years, that has ever suggested that any person should be required with or without compensation to perform any service involuntarily. The Constitution says you cannot do it. Of course, the Constitution does not mean very much around here any more, and it is a matter of daily sorrow and grief to me that it does not, because I think it was the very basis of the Government of this Nation. And when you totally abandon it you are just gone; as my friend "Tic" Forrester says, You are gone.

I do not want to discuss it any further. Here it is. I put it right plumb up to you now. See if you can vote against it. I defy you to do it.

Mr. RIVERS of South Carolina. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, it is, of course, unnecessary to advise the membership of this House that I am unalterably opposed to the proposed legislation. What is more significant, however, is the fact that if I were a northerner, or from one of the great large cities of America such as New York, Chicago, Detroit, Los Angeles, San Francisco, or Pittsburgh, I would also be opposed to the proposed legislation.

I would be opposed to the legislation not because of the features that appeal to minority groups that might be predominate in my district, or carry the balance of the votes that make the difference between victory and defeat, but because deep in my heart I would realize that this bill, if enacted into law, contains the seeds of destruction of all rights that are held so sacred by every American.

Those who seek rights for minority groups are undoubtedly sincere in their convictions. But they attribute deprivation of rights without fact and they have been stampeded into proposed solutions by organizations that have high-sounding names and, as far as I am concerned, low principles.

I have always felt that it was the duty of every Member of the House to cast his vote for or against legislation based upon his convictions and his knowledge, and not upon his standing with the latest polltakers of some self-serving organization.

The enactment of this legislation will be, of course, a great victory for certain groups in the United States that are long on sound and fury, competent in their ability to picket, but questionable in my opinion with respect to the sincerity of their goals for a better America.

To accomplish what they seek, the proponents of this bill would inject the Federal Government into every election so long as one single Federal candidate is on the ballot. The proponents of this bill see nothing incongruous in writing into law a judicial interpretation of what constitutes interstate commerce. The proponents of this bill see nothing disturbing in the fact that if we can tell a man who he can serve and who he must admit in his hotel or motel, then certainly there is no reason to believe that at some future date, another group will succeed in convincing a majority of the elected representatives that Congress must dictate what can be served, the price that can be charged, and the manner in which it will be served. And perhaps even the type of sheets that will be used in the motels, the kind of soap that will be used in the lavatories, the kind of rugs that will be placed on the floor, and the kind of materials with which the hotel or motel must be built.

Proponents of this bill would even go further and provide that where an individual alleges discrimination because of race, religion, or national origin Federal contracts, Federal grants, Federal financial assistance may be withheld.

Mark my words and mark them well, if this becomes the law of the land, those who today are clamoring the loudest for these alleged rights will be the first to clamor that this proposal is depriving them of their rights—for they are vesting in the Federal Government the last vestige of personal rights and States rights. This proposal does more to remake the nature of our form of Government than any proposal since the founding of the Nation.

I hope that all of you know what you are doing, but I doubt it. I am afraid you are being swayed by polltakers, minority organizations, and emotional outbursts.

If America ceases to be a democracy during our lifetime, the principal cause will be attributed, correctly, to the bill now being debated in this House.

I shall vote against it and I sincerely hope that all others who have the sincere best interests of the Nation at heart will vote against it. But I am not so naive as to believe that commonsense and cool analysis will prevail in the atmosphere that exists today. But there will come a day just as surely as I am standing here when those who support this proposal will wish that they could recast their vote in the negative.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is far more involved in this amendment, innocent as it may look, than the purport of the 13th amendment. It would render any injunction issued by a court of equity in connection with title II a nullity. Title II would be just a paper sword. It would be just about as useless as a scabbard without a sword. It would mean that if the owner of a hotel or a motel or an inn refused to cater to a Negro—to give a Negro lodging, or a restauranteur refused to give a Negro something to eat and thus discriminated against him, and a proceeding were instituted under title II and resulted in an injunction against the owner of the hotel or the owner of the restaurant, that owner would not have to obey a jot or tittle of the court order requiring him to serve the Negro or to give the Negro lodging; because this amendment says, "nor shall any court issue any process to compel the performance by an individual of such labor or service without his consent." So that the injunction would be empty. It would mean nothing. It would scuttle the entire title II.

And what is more, it would have a very dire effect on practically all of our labor laws which involve injunctions which compel certain acts involving labor. This would set up a very, very wretched precedent and I am sure Members of the House will be very careful not to swallow these innocent words, because there is a great danger lurking therein.

Mr. Chairman, I ask the Members to vote the amendment down.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I am mystified at the gentleman's statement it has some effect on the labor laws. Is there any labor law that will compel a man to work against his will?

Mr. CELLER. No, but sometimes injunctions are issued.

Mr. SMITH of Virginia. Is there any law on the books today that will compel a man to work against his will?

Mr. CELLER. A man may be compelled to do something which he does not want to do, or does not relish doing; therefore it comes within the exact meaning of what the gentleman has offered.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. Smith].

Mr. SMITH of Virginia. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers the gentleman from Virginia [Mr. Smith] and the gentleman from New Jersey [Mr. Rodino].

The Committee divided, and the tellers reported that there were—ayes 107, noes 149.

So the amendment was rejected.

Mr. CELLER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Keogh, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes, had come to no resolution thereon.

LAND AND WATER CONSERVATION FUND LEGISLATION

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ASPINALL. Mr. Speaker, I have been furnished a copy of a letter dated December 5, 1963, which the distinguished junior Senator from Michigan, the Honorable PHILIP A. HART, wrote to Mr. G. M. Dorland, president of the Nashville Bridge Co., answering a number of questions about H.R. 3846 which the House Committee on Interior and Insular Affairs has reported to the House. Senator HART's letter is such a clear, succinct, and persuasive refutation of certain accusations that have been made against this bill that it deserves the study of all Members of Congress. With his permission, I am glad to be able to spread it on the RECORD for this purpose.

U.S. SENATE,
December 5, 1963.

Mr. G. M. DORLAND,
President, Nashville Bridge Co.,
Nashville, Tenn.

DEAR MR. DORLAND: Thank you very much for your letter of November 7 and the copy of your letter of October 29 about the proposed land and water conservation fund bill.

Because sound Federal programs in both waterways transportation and outdoor recreation are important to my State, I have had my staff review the conservation fund bill in the light of your comments. I have also had the opportunity to study the report on H.R. 3846 filed on November 14 by the House Committee on Interior and Insular Affairs.

My own analysis leads me to conclude that H.R. 3846—as amended by the House committee and clarified by the committee report—is, on the whole, responsible legislation. I can certainly understand your concern about several aspects of the bill prior to the committee's amendments and report.

The bill is responsive in scope to the magnitude of public need for outdoor recreation resources as measured by the bipartisan Outdoor Recreation Resources Review Commission. The Commission was established by Congress in 1958 to evaluate the tremendous postwar increase in public outdoor recreation activity, to inventory the Nation's existing outdoor recreation resources, and to recommend programs and policies to meet future needs.

The Commission found that many of our citizens do not have adequate opportunities for outdoor recreation today; that demand will triple by the year 2000 while population is only doubling; that greater efforts must be made by local, State and Federal Governments and by private interests if future needs are going to be met.

The Commission specifically recommended a new Federal program of grants-in-aid to the States to encourage State planning for outdoor recreation, and to help finance acquisition of recreation areas and development of facilities for public use.

The Commission also recommended the adoption by public agencies—including the Federal Government—of a system of user fees and charges for the use of recreation facilities requiring specific public investment for recreation or involving the exclusive use of these facilities. These ORRRC recommendations are major elements of the bill.

Since the research on which your October 29 letter was based was conducted before the report was filed, many of your questions may have been answered by the report.

Perhaps it would be useful to comment on some of your objections on the basis of my understanding of the bill and the report.

1. First, the degree of latitude granted to the executive branch by the bill does not appear excessive.

While the bill does not specify amounts for each kind of recreation user fee which might be established, it does place a ceiling on any annual auto admission fee, and it does very sharply limit areas where admission might be charged.

The bill provides that entrance or admission fees can be charged only on areas which are actually administered by the Federal Government (i.e., not under lease to State or local governments) which are managed primarily for recreation purposes, and within which recreation facilities or services are provided at Federal expense. Further, these areas must be individually designated by the President and must be posted. Under one or more of these conditions most national forest lands, most Bureau of Land Management lands, most national wildlife refuge areas, and most Federal lands around water projects—except specific portions of shoreline areas actually administered by the Federal Government for recreation—would be exempt from admission fees.

Further restraints are placed on fees by general language in the third paragraph of section 2(a). In this same paragraph are specific prohibitions against fees in certain appropriate circumstances. The report explains these limitations on page 18–21, and on page 20 the committee itself enumerates eight points which are to be considered in imposing fees. This legislative history constitutes a strong injunction to the executive branch to avoid arbitrary, excessive or inefficient fees.

It seems to me that, within limitations, it is essential to delegate to the executive branch the authority for the imposition of fees. It is not possible for the Congress to set charges at specific areas or services which would take into account local circumstances or provide for changes as changing conditions might warrant.

I am puzzled by your fear that the fund could be used "as the President and the Secretary of the Interior might determine."

Section 3 of the bill states that the fund "shall be available for expenditure for the purposes of this act only when appropriated therefor." Not one cent of the fund is available for any purpose except as appropriated by the Congress.

2. Secondly, under the heading "Double Taxation" you suggest that the bill errs by "compelling a handful of Federal agencies to sell facilities which the people already own, to those who may be able to afford to pay for them."

Assuming that this is a reference to the fees for use of recreation areas and facilities, I cannot concur in this implication. I find myself in agreement with the Outdoor Recreation Resources Review Commission in its conclusion that people who make use of facilities provided at public expense should be willing to pay more for the use of these facilities than they pay as general taxpayers. I see no reason why people who use special facilities in the way of campgrounds, boat launching ramps, etc. should not help pay the costs of these investments. Such fees should not be so high as to limit opportunities for outdoor enjoyment.

Both admission fees and fees for the use of special facilities are charged in many State park systems, including Michigan's, and are understood and supported by the recreation public.

I can understand your concern at the penalty proposed for violation of user fee regulations. The report states on page 21 that this is the standard maximum penalty provided in the Federal statutes for petty offenses.

3. Your third point—that there is "no restriction to prevent this or some future President from declaring any land or waterway liable to user fees (tax)"—appears to me to be unjustified. I have already cited the limitations, both specific, and general, placed on the President in regard to user fees; and I note in addition a specific prohibition of fee of any kind for nonrecreational use of the Federal navigation system.

4. Your fourth point—which raises the question of recreation fees establishing a precedent which might be used at some future time for imposing fees for commercial use of the Federal navigation system—is thoroughly understandable. Let me make it clear that I would not be a party to legislation which would change the long-standing policies under which the great commercial waterways navigation system of the country has developed.

Section 2 includes, as I have mentioned, a specific prohibition against fees for nonrecreational use of the navigation system.

I can see no threat to the toll-free navigation tradition in fees for recreation facilities provided at land areas adjoining units of the navigation system, or in entrance charges to federally administered and developed recreation sites adjoining such areas, or in charges for special facilities provided for water recreation such as boat launching ramps or marinas at such areas. And I believe it would be inequitable to levy charges for comparable sites or facilities within the National Forests or other Federal land areas and not to charge when they are provided in connection with Federal water projects.

It seems to me that the question of a potentially damaging precedent arises from the possibility that fees might be charged for the movement of recreation craft on the surface of navigable waters, or for the use of locks or other improvements provided for navigation.

While not mentioned in the report, the language of the bill might authorize such fees. This question deserves the most careful consideration. It may be that you would wish to pursue this matter with the chairman of the House Interior Committee to determine the intent of the committee and ways by which any remaining problems can be resolved.

5. Your fifth point—that fees would restrict public use—fails to account for the persistent demand of the public for increasingly sophisticated recreation facilities. Based on Michigan's history, I can assure you that people want facilities and that they are prepared to pay for them. People who prefer primitive outdoor recreation—and there are many—will continue to seek uncrowded and undeveloped areas where fees would not be charged under the bill. But the record will show that people still flock to developed sites and will gladly pay fees for the use of facilities. Recreation facilities (beyond basic facilities for access and sanitation) at Federal water projects are usually provided at the expense of State or local governments. The matching grants provisions of H.R. 3846 would help States and local governments provide needed facilities. Payment of modest fees to help finance the grant-in-aid program should be welcomed by recreationists.

6. I sympathize with your concern about the efficiency of administration of a system of fees.

It seems to me that the prospect of unwieldy administration of fees has been sharply diminished by restricting entrance and admission fees to specific federally administered areas developed and managed primarily for recreation. The eight criteria to be considered in administering fees also warn sharply against wasteful collection.

I see no reason to assume incompetence on the part of the Federal agencies which would be administering fees. The National Park Service, the Forest Service, and a wide variety of State agencies have amassed a great amount of experience in the efficient and courteous collection of recreation user fees. This mass of experience is available to all in the field of recreation administration.

7. I have already commented on your seventh point—that the bill provides too much discretion to the executive branch in the establishment of fees.

Again, I think it is unnecessary to assume that authority in the bill will be abused. The Congress grants the authority and may take it away. Except for entrance fees at Corps of Engineers projects and campground fees at national park system areas, the executive branch has had for decades the authority to establish recreation fees. To the best of my knowledge these authorities have not been abused.

Comparable authorities are vested in the executive branch to establish fees for grazing, timber harvesting, and other uses for the public lands. For sound administrative reasons, the Congress has never felt it would be appropriate to attempt to legislate these fee schedules, nor has it considered it necessary to provide specifically for judicial review.

8. I do not share the concern repeated in your point 8 that Federal agencies would have difficulty in efficiently collecting fees. There is ample precedent and ample experience available in this field to permit each agency to move competently and efficiently in a gradual program of fee collection.

9. Your point about the inequity of financing portions of the program from fees paid by water recreation users is difficult to understand. Fishermen and pleasure boat operators will benefit immensely from the development of shoreline recreation facilities and the acquisition of shorelines for public use, in addition to special facilities such as launching ramps and marinas which may be constructed by the States with the help of Federal grant funds.

Nor do I understand your concern about injury to State tourist industries from the program. I believe the precise contrary to be true: that the enactment of the bill and the availability of Federal grant moneys will be of tremendous help to the States in acquiring lands and developing facilities to encourage tourism.

10. As I read the bill, it gives no special position to recreation or conservation in water resource development. It is the policy of the Congress to give recreation and fish and wildlife enhancement equal consideration with navigation, flood control, and other benefits. Far from weakening the cost-benefit ratio in water projects, I think the bill would be a very substantial help in that it would provide a source of funds to help offset project costs allocated to recreation and fish and wildlife benefits.

In many cases, water and power users of Federal projects have had to repay full project costs in spite of the fact that sizable fish and wildlife benefits were produced.

The Congress—as illustrated by the 1962 rivers and harbors authorization bill—is now moving in the direction of allocating both joint and specific projects costs to recreation and fish and wildlife. This will help relieve the present unfair burden on other project beneficiaries. H.R. 3846 would provide a means of helping offset these allocations.

Nos. 11, 12, 13, 14. Your fear of massive Forest Service acquisition is answered in part by the language in the committee report on page 14, which makes it clear that the fund could be appropriated only for acquisitions which are primarily of value for recreation. The report notes the difficulty of pinpointing primary values, but emphasizes that the fund is to be available only for lands which have outdoor recreation as a key value.

It is true that there is a vast acreage of Federal public land. But insofar as public recreation needs are concerned, the Federal public lands are poorly distributed. The hundreds of millions of acres of public lands in Alaska and in the Western States, do nothing to meet the day-to-day outdoor recreation opportunities for the vast majority of the Nation's population.

In the East, the Midwest, and much of the South, it is urgent that prime scenic and outdoor recreation areas—particularly shorelines and areas near major population centers—be acquired before these are lost to public purposes.

While much of this acquisition need must be met by the States, certain kinds of Federal acquisition are appropriate, including the preservation of our remaining undeveloped scenic shoreline areas such as the Sleeping Bear Dunes and Pictured Rocks areas on the Great Lakes in my own State.

The acquisition which the Forest Service hopes to finance under the bill is described in the hearings on H.R. 3846 as concentrated on acquiring key recreation lands to meet needs in areas where public recreation lands are in short supply. Over 80 percent of the Forest Service acquisitions are identified as being in the East.

I am aware of the record of the Congress in appropriating funds for national forest acquisition. For many years—except for a special program to consolidate the splendid Boundary Waters Canoe Area of the Superior National Forest in Minnesota—appropriations for such acquisitions have been modest.

The Congress has shown no inclination toward reckless appropriations for national forest acquisition. Should H.R. 3846 be enacted, no moneys would be available from the fund until appropriated. I know of no reason why the Congress will not continue to scrutinize Forest Service appropriation requests as carefully as it has in the past.

Similarly, the Congress will continue to observe carefully the exercise of other authorities relating to the national forests that it has delegated to the executive branch.

I have gone to considerable lengths to analyze H.R. 3846 in the light of your October 29 letter because of my conviction that the Nation must move, and move rapidly, if a decent opportunity for enjoying our outdoor heritage is to be available to most of our people, and also because I know how important commercial use of waterways is to my State and to the Nation as a whole.

Undoubtedly your own analysis of the report on H.R. 3846 will have answered most of the points that concerned you. I am certain that any remaining problems can be resolved.

Please be assured that I will study the bill carefully when it comes to the Senate for action. Your letter will be of great help to me in making certain that H.R. 3846 accomplishes its worthy purpose without damage to commercial users of the Federal navigation system or other affected interests.

Sincerely,

PHILIP A. HART.

CIVIL WRONGS IN THE NATION'S CAPITAL

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Speaker, every day we see new evidence that many political leaders are pushing too fast in their efforts to placate racial agitators.

New York City, for example, that great melting pot of humanity that is so justly proud of having absorbed many religious, ethnic, and nationality groups, has been unable to absorb the Negro race on the terms laid down by political leadership.

Beginning last year and continuing with growing determination, the white citizens of several New York City communities are reacting bitterly to the incredible and ill-advised practice of shipping little colored children halfway across the city to attend predominantely white schools. These white citizens have awakened to the fact that they have civil rights, too. And, they apparently are seeking to educate the city fathers to the fact that it is not civil rights to give one group advantages at the expense of another group.

In Cleveland, too, a significant counterdemonstration is taking place. The Nation has witnessed hundreds of white citizens demonstrating for their civil rights. I sincerely hope that the philosophers, political theorists, and political leaders who are condoning and aggravating racial disorders, are watching their TV sets in thoughtful quietude.

In Cambridge, Md., another aspect of the civil rights problem is beginning to come into focus for the world to see. There the political and community leaders have met every demand that it is possible to meet. Clearly, what the Negro leaders want cannot be given. Nothing within the bounds of equality under the law is enough. Read the statements of the Negro leaders. Read them carefully.

What they are demanding can best be described as instant equality. They want some kind of a brave, new, governmental decree that will result in immediate social integration and economic affluence.

They are not satisfied to have the opportunity. They want job preference.

They are not satisfied to have the opportunity to better themselves in housing. They want better houses at once because they are Negro.

They are not satisfied with educational opportunity. They want to be educated at once, and because whites are generally better educated they think they will become educated equals by simply attending predominantely white schools.

The former mayor of Philadelphia made a penetrating statement on this very subject. He said, "The time has come for the Negro to stop feeling so damned sorry for himself."

Mr. Speaker, there are thousands, perhaps even millions, of Negroes in America who live in good homes, have good jobs, and who educate their children. There are many Negro millionaires in this country. They did not achieve success by being crybabies. They got there by the same means that some white people achieve success; that is, by personal initiative and hard work.

The Negro leaders who are causing so much unrest in America are misleading their people. They are trying to substitute political pressure for personal achievement. It will not work.

Further illustrating the civil wrongs that are being committed by political leaders in the name of civil rights, I ask consent to place in the RECORD an editorial from the U.S. News & World Report, February 3, 1964.

CIVIL WRONGS IN THE NATION'S CAPITAL

(By David Lawrence)

The city of Washington is often extolled as the showplace of democracy—a significant portion of the "image" of America. For here the ambassadors and ministers of more than 100 nations are accredited and the representatives of the American people are assembled in the two Houses of Congress.

The city of Washington is supposed to be unlike Moscow, where a single political group by arbitrary action makes the laws.

The city of Washington is supposed to be protected by the provisions of the Federal Constitution so that no person may be deprived of his property without due process of law.

But people in the city of Washington are being deprived today of their property rights under the very eyes of the press, radio, and television. Yet there is a strange silence, if not indifference, about the plight of more than 765,000 persons who are compelled to accept as "laws" the edicts of a three-man board which can result in jail sentences.

The city of Washington is ruled by a Commission of three persons appointed by the President of the United States and confirmed by the Senate. The people of the District of Columbia have no voice in that selection, and they have no representatives in Congress through whom the wishes of the city's residents can be expressed.

This situation has drifted on for many decades despite agitation for "home rule." It has been said that to grant the right to choose a mayor or city councilmen by the votes of the people would result in a preponderance of Negro officials because the population of the city is about 55 percent Negro.

The fact remains that in the last few years the national administration, mindful of the Negro vote in other parts of the country, has bowed to the demands of Negro pressure groups and has acceded to the imposition of "laws" in the District of Columbia which have not been passed by Congress, much less voted upon by the citizens of Washington.

The latest example of despotism tolerated, if not encouraged, by the administration has been the promulgation of a decree by the District Commissioners declaring that fines or jail sentences will be meted out to any resident of the District who refuses or fails to sell or rent "housing accommodations" to any person "because of the race, color, religion or national origin of such person."

Granted that the objective is desirable—and assuming that the mental reactions or motives of a real estate owner can be convincingly proved in a court of law—will it be argued that such power should be vested in a Board of Commissioners or any other oligarchy in defiance of the principle that all government should rest on the consent of the governed?

Today the Board of Commissioners may ignore the wishes of the people and, without referendum or other lawful procedure for ascertaining the will of the citizens, cause a jail sentence to be imposed for refusing to sell property to certain individuals.

The District Commissioners say that they are acting under a broad "police power" once granted by Congress to permit the issuance of regulations for the health and safety of the people. But can all measures be rationalized as being based on "health and safety," as in a police state? The District Commissioners, indeed, issued an ultimatum threatening to proclaim their decree if Congress did not pass a law covering these property transactions. Although Congress has preferred not to pass such legislation for the Nation as a whole, the Commissioners in Washington went ahead and promulgated their own law anyhow.

The Supreme Court in 1948 ruled that a group of citizens in the city of Washington could collectively agree, for specified reasons, not to sell property to a would-be purchaser but that an individual could depart from the agreement without legal consequences. The right of an owner to dispose of his own property as he pleased was thus affirmed.

No more flagrant example of an arbitrary disregard of the civil rights of the citizenry has been witnessed in our time than the order issued recently by the District Commissioners in the city of Washington.

Yet the so-called civil rights organizations and the associations presumably interested in civil liberties have not uttered a syllable of protest.

The new President in the White House—who is, in a sense, the mayor of Washington—uttered no word of caution or protest, but apparently acquiesced in what the Commissioners did.

Thus are civil rights ignored and civil wrongs imposed on the helpless people who live in the Nation's capital. What an image to present to the peoples of the world.

LET'S NOT KILL THE ST. LAWRENCE SEAWAY BY RAISING TOLLS AND PREVENTING THE GROWTH OF SEAWAY TRAFFIC

Mr. REUSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, the St. Lawrence Seaway completed its fifth navigation season in December 1963 with a traffic total of 31 million tons, 20 percent greater than in the preceding 1962 season. This is a truly impressive achievement, considering the fact that the Great Lakes connecting channels were not dredged to the full seaway depth until late in 1963 and none of the Great Lakes ports can even now accommodate oceangoing vessels loaded to seaway draft.

Perhaps because the seaway is now making real progress even in the face of physical obstacles, there are those who now demand that seaway tolls be raised. Raising tolls while the seaway is struggling to build traffic would be the most effective way of killing it. These seaway opponents point to the stringent capital payoff and high interest rate provisions of the 1954 Seaway Act.

The act now requires that out of toll revenues the seaway pay not only operating and maintenance costs and all other current costs, but also interest at nearly 3.5 percent per year on the capital invested, plus interest on any interest payments deferred after June 30, 1960, plus amortization of the entire capital cost within a 50-year period. Congress approved this rapid payoff formula because it was expected that seaway traffic could be built up quickly to capacity levels of around 50 million tons per shipping season.

This traffic assumption, though made in good faith, was utterly unrealistic in view of the many obstacles which the seaway has had to face and still must overcome. With a satisfactory but slower actual growth in traffic, the financial provisions of the Seaway Act places the seaway in a painful dilemma. If tolls are raised by the seaway in an effort to pay the financial charges, traffic will fall, and the seaway may never be able to repay the Government's investment. If the present tolls are retained or, as economic logic would dictate, reduced to encourage traffic, the seaway would expose itself to the charge that it was not adhering to the financial provisions of the law.

In order to permit the seaway to set tolls which are best for maximizing its true traffic potential and to safeguard the Government's investment, I have introduced H.R. 9796 which would change the seaway's financial plan and assure reasonable toll charges. My proposal, which I discussed on January 29—CONGRESSIONAL RECORD, pages 1384–1388—consists of the following changes in the present Seaway Act:

First. Consider all revenue bonds outstanding and accrued interest charges as original investment, to be converted to an equivalent dollar amount of capital stock.

Second. Require an annual dividend of 3.42 percent—the present weighted average cost to the Government of capital invested in the seaway—on the capital stock, payable from the date of issuance of the stock, cumulative if not paid in any year.

Third. Require that tolls be set which will, at full capacity operations, recover all current operating and maintenance costs—save depreciation—and the 3.42-percent annual dividend on capital stock. The present tolls are to constitute the maximum permissible rates. Maintenance is to be considered sufficient to preserve the asset value of the seaway without any additional depreciation charges.

My proposal would, of course, affect only the U.S. investment in the seaway. Canada, to an even greater degree because of its larger investment in the seaway and higher interest rates charged on the investment, is also incurring a heavy financial burden on its portion of seaway operations. While I would not presume to suggest what Canada should do, I note with interest that the Canadian Seaway Authority has stated that its financial structure should be reorganized. The Associated Press story of January 30 from Ottawa follows:

SEAWAY IN DEBT, ASKS HELP

OTTAWA, January 30.—The St. Lawrence Seaway Authority reported today that unless its financial structure is reorganized it never will be able to pay either interest or principle on its Government loans.

It now is about $65 million behind scheduled repayment of interest on a $345 million loan from the Canadian Government and can only go deeper into debt on the basis of current traffic and tolls for the seaway, the report added.

A refinancing program, including a review of tolls, is being studied by the authority and the St. Lawrence Seaway Development

Corporation, its U.S. counterpart in the construction and operation of the seaway.

Under the terms of the agreement by which Canada and the United States built the seaway, the two authorities must make a report to their Governments by July 1.

This agreement stipulates that after five full seasons of navigation, and not later than July 1, the two authorities must report "as to the sufficiency of the authorized tolls to meet the statutory requirements (of repayment) and cause the tariffs to be revised accordingly."

The Canadian authority financed its share of the seaway through borrowing at 4¾ percent. It was to start paying interest in 1959 and the debt itself in 1964.

Mr. Speaker, the refinancing plan which I propose contains no element of giveaway or subsidy. In about 65 years, the Federal Government should receive in total payments from the seaway what it was supposed to get in 50 years under the present financial formula. We should not be misled in believing that the substitution of a longer payback period has anything to do with a subsidy.

A subsidy occurs only when the Federal Government contributes funds to specific projects without asking to be paid back. For example, in the series of interconnected channels, tributaries, and waterways within the New York City and adjoining New Jersey area, which constitute the port of New York, the Federal Government has invested more than $200 million in construction and maintenance costs with no repayment required. In the port of Baltimore, the Government has spent nearly $30 million over the years; it expects to spend millions more, and no repayment is required. These are truly subsidies.

Under my plan, the seaway does not receive a subsidy. It would merely have the advantage of a reasonable plan for repaying the Government's investment over a longer period. It could also lower tolls in order to build up traffic and to serve the Great Lakes area in the manner intended by the Government in building the seaway.

Since introducing my proposed capitalization plan for the seaway, I have been gratified by the interest which it has aroused. A Wall Street Journal article of February 4 and a Milwaukee Journal story of January 30, discussing the seaway's problems and my proposed plan follow:

[From the Wall Street Journal]

St. Lawrence Seaway Traffic Lag Widens Interest Deficits on United States, Canadian Loans

Cleveland.—Interest payment deficits on United States and Canadian Government loans for the 5-year-old St. Lawrence Seaway widened substantially in 1963 as seaway traffic continued to run below original projections.

The widening deficits, amounting now to some $77 million from both countries, have prompted a proposal in the United States for a new look at the financing of the U.S. portion of the waterway, in which this Nation's present investment is some $122 million. Lower toll rates also have been suggested as a means of boosting traffic volume to gain increased revenue.

Toll committees of the U.S. St. Lawrence Seaway Development Corporation and its Canadian counterpart, the St. Lawrence Seaway Authority, are reviewing seaway tolls, as required every 5 years, as well as the waterway's overall financial plight. Both committees must report to their respective governments by July 1.

U.S. UNIT $12 MILLION BEHIND

The Canadian agency was about $65 million behind in interest payments, according to unofficial estimates, while the U.S. agency was approximately $12 million behind as of the end of 1963.

A special seaway committee in 1958 estimated that by last December 31 the U.S. Corporation would have paid $18.1 million of $23.1 million in interest then due, with about $5 million expected to be deferred temporarily pending a buildup in traffic.

But lower than expected seaway traffic has caused the agency's income to run even below these projections, with the result that it has been able to pay only an estimated $11 million in interest. Thus the deferred interest has grown to $12.1 million, or some $7.1 million more than the anticipated $5 million.

The 1958 tolls committee projected a total of 165 million tons of cargo through the seaway by last December 31, but only about 121 million tons were shipped. At current toll rates, says a spokesman for Joseph H. McCann, administrator of the U.S. agency, it will require achieving a yearly average of 60 million tons in the 1970's for the corporation to maintain current interest payments.

The average for the first 5 years of seaway operation has been only about 24 million tons, and the U.S. Corporation doesn't figure to achieve even a yearly average of 50 million tons at least until the 1970's.

Mr. McCann said through the spokesman that he believes some new kind of financing plan will be necessary if the U.S. seaway debt is to become eventually self-liquidating.

Representative Reuss, Democrat of Wisconsin, has proposed lower seaway tolls to increase traffic. He also suggests a fresh look at the seaway financing program. He proposes scrapping the Corporation's U.S. bonds, for example, under which the agency has borrowed $122.6 million at an average weighted interest rate of 3.42 percent. Instead, he advocates the corporation give the U.S. Government an equivalent amount of capital stock in the Corporation and pay dividends at 3.42 percent on these shares, in perpetuity.

SHIPPING, RAIL OPPOSITION

His proposal faces opposition from ocean shipping groups and railroad associations, which says it would amount to a Government subsidy for the seaway, and depart from the present concept of the waterway as a self-sustaining and self-liquidating project. They advocate that seaway tolls be increased, rather than decreased, as a step toward improving the Corporation's financial position.

Mr. McCann, however, is on record as repeatedly opposing higher tolls, saying they would significantly reduce seaway traffic and revenues.

Mr. Reuss denies that his proposal would remove the seaway's self-liquidating potential. Lower tolls, he contends, would increase traffic and enable the Corporation to pay off its entire debt "within about 65 years," a congressional aid said.

Another obstacle to the Reuss proposal is the United States-Canadian agreement that all tolls on the seaway must be set jointly by the two countries. However, Mr. Reuss believes a solution could be found to this problem, his aid said.

PROPOSAL'S CHANCES REMOTE

Chances are remote that Mr. Reuss' proposal will be enacted by Congress this session. The bill has been referred to the House Public Works Committee, but hearings haven't been set and there doesn't seem to be any movement that would reflect early consideration.

Financing of the Canadian authority differs from that of the U.S. counterpart in that no government bonds were issued. The agency has received $342.5 million in Canadian Government loans secured by notes on the authority's assets.

P. E. R. Malcolm, director of administration for the Canadian authority, declined to comment on any proposals for toll changes or refinancing because, he said, "It would be completely inappropriate until the United States and Canadian committees now conferring on these matters report to their Governments."

At the end of 1962 the Canadian agency had deferred payment of $49 million since the waterway was opened, paying $17.5 million of the scheduled $66.5 million in interest on the Canadian loans.

Another $16 million in interest was deferred in 1963, according to unofficial estimates, bringing the total to $65 million. Mr. Malcolm declined to confirm any 1963 figures on operations, but he indicated the $16 million figure wasn't unreasonable. He also declined to say, pending the filing of the official report to the Canadian Government, how much interest would be paid for 1963.

RATE INCREASE UNLIKELY

The U.S. toll committee is "looking at every possible avenue, including lower rates, higher rates, and new financing, to obtain revenues permitting repayment to the American public of all the loans." Any increase in rates is considered highly remote, however, since a change must be by agreement of both countries and the Canadians are said to be sympathetic to a reduction rather than a rise.

Mr. McCann says he personally also would favor a reduction, although he notes this isn't necessarily the sentiment of the U.S. toll committee.

The Canadian authority collected tolls on approximately 31 million tons of cargo in 1963. Tonnage has been running about 30 percent below projections throughout the 5 years the seaway has been in operation, a Canadian official said.

The U.S. agency has a Government borrowing authority of $140 million. The Canadian group's debt ceiling was raised by Parliament last December to $535 million from $345 million.

[From the Milwaukee Journal]

Seaway Toll Cut Is Urged—Reuss Offers Bill

Washington, D.C.—Representative Reuss, Democrat, of Milwaukee, Thursday introduced a bill that would prohibit increases, but permit reductions in tolls, on the St. Lawrence Seaway.

But a fight with eastern port interests appeared certain when Representative Fallon, Democrat, of Maryland, Wednesday called for raising tolls "to a more realistic level." Any other move Fallon said, would "further saddle taxpayers with the cost of carrying the seaway's outstanding indebtedness."

TOLLS TOO HIGH

Present law requires that tolls be sufficient to pay maintenance costs, yield an annual interest return of about 3.5 percent on the Government's investment and repay the entire principal of about $135 million in 50 years.

Reuss said: "This requirement has resulted in tolls that are too high to attract the seaway's maximum traffic. Unless tolls are reduced, we will be killing the goose that can ultimately lay the golden egg."

The Reuss bill would, in effect, make the Federal Government a stockholder, rather than a creditor, of the Seaway Corporation. Seaway bonds now held by the Government would be converted to capital stock. The Government would be paid dividends on the stock equal to the present interest on bonds.

Tolls would be set to recover current operation and maintenance costs, but could not be increased over present levels.

The change would not be a giveaway or subsidy, but merely a deferral of payment until seaway traffic increases, Reuss said.

Reuss said that eastern port interests were clamoring for even higher tolls which would lose the seaway much traffic and surely cause it to fail.

STILL LOST TRAFFIC

Fallon said that Congress when it advanced funds to construct the seaway, "made it clear that there should be no undue interference from the waterway's operation with efforts of our Atlantic coast ports to compete for domestic and foreign trade."

He said Baltimore, his hometown, financed a port promotion program without Federal aid, but still had lost traffic to the seaway.

A study committee is to recommend toll changes to the Government by July 1. Reuss said it would be a mistake if the group proposed higher tolls. Last year the seaway could pay only $2,500,000 of its $4,600,000 interest obligation and nothing on the principal, he noted.

"This is no reason why the seaway should be the one form of transportation in this country which receives no Federal help whatsoever," Reuss said.

Toronto, Ontario.—The Toronto Globe and Mail said Thursday that the St. Lawrence Seaway authority was about $65 million behind scheduled repayment of interest on its Government loans and was going deeper into debt.

The dispatch from Ottawa said that seaway authority officials there were evaluating their repayment program in an effort to come up with a refinancing suggestion.

Informed sources in Ottawa say the authority's financing of its $345 million share of the seaway cost in 1954 was through borrowing from the Canadian Federal Treasury at 4¾ percent. The authority reportedly repaid some $17,500,000, far below the scheduled repayment program.

JAMES T. FARRELL ON JOHN FITZGERALD KENNEDY

Mr. RYAN of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN of New York. Mr. Speaker, many, many words have flowed since the assassination of President John F. Kennedy, all expressing in some way the grief and sense of loss that people through the world felt about this tragedy.

James T. Farrell, a renowned author of many novels and stories, was a great admirer of President Kennedy. In his grief Jim Farrell penned a simple verse to give life to his feelings. He wrote this short poem in a moment of great emotion and then sent it to me to express his sorrow. I am sure that all of my colleagues will be moved by the words of a gifted novelist.

JOHN FITZGERALD KENNEDY

He rode, smiling, in sun and triumph
Six seconds of naked tragedy
And of the ultimate, terrible beauty of death—
He was no more.
We wept in the solitudes of our silence,
With the solidarity of grief.

—James T. Farrell.

THE ADMINISTRATION HOUSING PROGRAM INCREASINGLY IGNORES THE SLUM-DWELLER, AND FAVORS PROFITABLE DOWNTOWN COMMERCIAL REDEVELOPMENT INCLUDING LUXURY APARTMENTS AND PRIME OFFICE SPACE

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. Widnall] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. WIDNALL. Mr. Speaker, one section in particular in the new administration housing bill sets the tone for the entire document. This section raises the limitation on grants which can be used to redevelop nonresidential downtown commercial areas from 30 to 35 percent.

I have examined the President's message on the state of the Union and nowhere in this message calling on the Congress to "war on poverty" have I found any mention of his proposal to raise the limitation on grants for profitable downtown commercial redevelopment. In fact, this item, since it appeared in the administration housing bill, has yet to receive the attention it deserves by those deeply and sincerely concerned with slums which, as the President said, are a primary cause of poverty.

I can only assume that the administration has lost its way, and has somehow lost sight of the national housing objective set out in the Housing Act of 1949, as amended. So it might be helpful to quote from this great act of Congress at this point. The national housing objective is to "remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family."

In city after city the slums, the rats, the housing deficiencies, and the enforcement of the workable program, established by the Housing Act of 1954, which was designed and enacted during the Eisenhower years to prevent the spread and recurrence of slums, have had to wait because of the higher priorities given profitable downtown commercial redevelopment by the Democrats.

No explanation has been forthcoming from this administration as to why such profitable commercial urban renewal projects could not be accomplished by self-help programs such as have been so successful in the Midtown Plaza in Rochester, N.Y., and the Golden Triangle in Pittsburgh, Pa., or the urban renewal project in Indianapolis, Ind., which has not involved a cent of Federal tax funds.

The Republican minority on the Special Housing Subcommittee has submitted a housing bill—H.R. 9771, H.R. 9772, and H.R. 9785—containing two points which we believe require primary consideration in any new urban renewal legislation. Without them, the slum-dweller and the low-income citizen who needs help will continue to be neglected in favor of high-rent, high-rise, luxury apartments and prime office space. Without them, the American taxpayer will continue in the future, as in the past few years under the Democrats, to subsidize commercial developers of profitable downtown urban renewal projects.

The Republican housing proposal will give first priority to the development of decent housing conditions in every city in the country by restricting the use of urban renewal funds to this goal before any commercial development can take place. Our proposal would also place downtown urban renewal projects on a loan instead of a grant basis.

The intent and scope of the Johnson administration approach to slums and the "war on poverty" are best indicated by a number of recent developments around the country as shown in the materials I will include as part of my remarks. The first item concerns itself with the downtown commercial development in Cleveland, Ohio, known as Erieview, and is the complete script of that portion of the Huntley-Brinkley NBC network news program of November 6, 1963, devoted to Cleveland's urban renewal program. It contains the following commentary:

> Meanwhile, the city's true slums have suffered because of emphasis on downtown renewal. In this one, 4 out of 5 houses are officially classified, not just unsound, but dilapidated. Yet former Mayor Anthony Celebrezze said renewal of this area would have to wait until Erieview was started. Mr. Celebrezze is now U.S. Secretary of Health, Education, and Welfare.

It should be noted, I think, that far from being demoted for this display of callous disregard of the true needs of the slum dweller, Mayor Celebrezze was promoted to the position of Secretary of the Department of Health, Education, and Welfare, while Cleveland's slums endure as one of the more glaring proofs of this administration's lack of real concern for those whom a real "war on poverty" would rescue.

The second item is a news story in the New York Times of Saturday, February 1, 1964, only a few weeks after President Johnson's call for a "war on poverty." The New York Times reports the incredible grant of over $28 million to a proposed $150 million urban renewal program in White Plains, N.Y., for downtown commercial renewal. No wonder the Johnson housing message asked for more nonresidential grant authority on the grounds that present authorizations were "no longer adequate to meet the known demand." Apparently the present Democratic administration is using the bulldozer not only to knock down sound commercial buildings but to deliver the money as well. Meanwhile, 6,000 people displaced by this new urban renewal project in White Plains will have greatly limited access to other housing accommodations, and 500 businessmen will probably receive no relocation assistance at all.

The third item appears in the Washington, D.C. Evening Star of February 1, 1964, and concerns the first urban renewal project to get underway in a suburb of the Nation's Capital. It may seem superfluous to ask what the first priority is in the Washington suburb of Alexandria, which sits practically in the lap of the President. The priority has, of course, been given to the first phase of a $12 to $14 million Gadsby commercial urban renewal project, not to any effort to "war on poverty" or slums, and the housing needs of our low-income citizens.

The fourth item indicates that what is good for the Capital's suburbs is good for the Nation's Capital itself. Despite the needs of District citizens who are living in slums President Johnson wholeheartedly endorsed the proposal, advanced by some downtown businessmen with everything to gain, and nothing to lose, to renew the downtown commercial area of Washington, D.C., consisting of 620 acres. The news story, appearing in the Washington, D.C., Evening Star of January 30, 1964, leaves no doubt where the sympathy of the Johnson administration and its congressional supporters lies—and it is not with the slum dweller or the low-income citizen except in Presidential messages and press releases.

I include at this point the articles including the one on the self-help urban renewal project in Rochester, N.Y., which has received deserved national attention and commendation and, I hope, will be given congressional support for its significant contribution to commercial urban renewal in this decade.

[From the Huntley-Brinkley NBC News program, Nov. 6, 1963]

In Cleveland, urban renewal is providing a new 40-story office building * * * a new Federal building, several smaller office buildings, and a new luxury apartment building where rents start at $145 a month for an efficiency apartment.

The 169-acre lakefront project—called Erieview—has brought storms of controversy both here and in Congress. Developer John Galbreath's 40-story office tower is the main structure in the new project.

The land it stands on was bought by the city and Federal Governments for $6 million, and sold to Galbreath for $2 million—a 66-percent subsidy. The building will add 1 million square feet of new office space. The new Federal office building will add another million. Even though there is already half a million square feet of unrented office space in the city.

Merchants on Cleveland's main downtown street—Euclid Avenue—say the new project a mile away will kill the present downtown.

The only street linking Euclid Avenue with Erieview is now lined with parking lots and shops. It will be blocked off by a 20-story luxury apartment building in the shadow of Galbreath's office tower.

The apartment building will effectively separate Erieview's officeworkers from downtown stores. Despite protests from Euclid Avenue merchants, the city has so far refused to change its master plan.

To qualify the Erieview project for urban renewal, the city claimed 71 percent of the area's buildings were blighted. The Government Accounting Office later investigated and found not only old stores—but buildings like this had been ordered demolished even though they were structurally sound. Their main effect were things like chipped plaster and sticking exit doors.

This building is 3½ years old. The master plan calls for a hotel on the site—so the city paid $1½ million for the building and ordered it torn down. A number of lawsuits have been filed, and at least one congressional investigation prompted by critics of the Erieview plan. They claim that, while it provides a better use for the land, it violates the purpose of urban renewal; to replace slums with better housing. Only 43 families lived in the entire Erieview area—as many as live on one side of one street in Cleveland's real slums.

Urban renewal is supposed to create decent housing for children who might otherwise be trapped in a slum. But most developers have shunned low-rent apartments like these in favor of expensive office buildings like the ones in Erieview.

In Cleveland's St. Vincent area, slums were cleared, supposedly to be replaced by apartment buildings. But developers weren't interested, and the land was turned over to parking lots, institutions, and the police auto pound—now the city claims it never intended to put apartment buildings there. Meanwhile, the city's true slums have suffered because of emphasis on downtown renewal. In this one, 4 out of 5 houses are officially classified—not just unsound—but dilapidated. Yet former Mayor Anthony Celebrezze said renewal of this area would have to wait until Erieview was started. Mr. Celebrezze is now U.S. Secretary of Health, Education, and Welfare. Armed with facts like these, critics say there's room to question whether urban renewal is helping the slum dweller—or the private developer.

[From the New York Times, Feb. 1, 1964]

Twenty-eight Million Dollars Given to White Plains—U.S. Urban Renewal Aid Is Second in State Only to That to Lincoln Square—580 Buildings Doomed—Will Be Replaced by Courthouse, Civic Center, and Spur to Expressway

(By Merrill Folsom)

White Plains, January 31.—A Federal grant of $28,396,650 to put in motion a $150 million urban renewal program in the core of downtown White Plains was approved tonight in Washington.

Planned for the area are a $20 million courthouse for Westchester County, a new White Plains civic center with a city hall, library, auditorium and broad malls, and a Cross-Westchester Expressway spur into the shopping centers.

City officials said the Federal grant was exceeded in this State only by the $31,417,526 for Lincoln Square in New York City. The only other larger Federal grants in the Nation, officials said, were to Eastwick in Philadelphia, $36,331,213, and to an area in southwest Washington, $40,325,808.

APPROVAL RELAYED BY REID

Representative Ogden R. Reid received the notification of approval of the White Plains grant from William L. Slayton, Commissioner of the Urban Renewal Administration, and forwarded it to Mayor Richard S. Hendey and Kenneth Allebach, director of urban renewal here.

Mr. Hendey, a Republican, said the White Plains project and the winning of Federal approval were the result of bipartisan efforts, with Democratic and Republican leaders collaborating.

Anticipated local tax increases in the period between razing old buildings and completing new ones, with resultant effects on voters, bother many political leaders.

Mr. Allebach reported that the renewal area embraced 130 acres between the old courthouse and the railroad station. To be razed are 580 buildings, with 500 businesses and 6,000 persons dispossessed. Housing units for some of the people are to be built soon on Ferris Avenue and on Lake Street.

CITY AND STATE SHARE CUT

The mayor said the city and the State were to have contributed $6.5 million each, but that these amounts would be reduced slightly since renewal work with a Federal grant of $33 million had been contemplated.

After public hearings, Mr. Allebach said, the acquisition of land in the renewal area for improvement with new highways and utilities will begin next summer.

Private capital will pay largely for new buildings on the cleared and improved land. Some of the slums now there predate the Revolutionary War.

[From the Washington (D.C.) Evening Star, Feb. 1, 1964]

A New Face for Alexandria

(By Daniel Poole)

Alexandria is somewhat like an aging lady who has just discovered rejuvenation aids and facelifting.

She knows she has begun to show her years after two centuries, and has decided to do something about it. But she's smart enough to capitalize on her charm rather than try to imitate a teenage monster.

Private restoration has been the health regimen for her Old Town residential area. More drastic measures were needed for her downtown area, however, and she is turning to urban renewal for "plastic surgery."

What she's looking for now is just the right doctor—a developer who offers the best design in keeping with the city's colonial tradition.

Alexandria's first urban renewal project—the first to get underway in any Washington area suburb—is a two-block section bounded by Fairfax and Pitt Streets between King and Cameron Streets.

It's the first phase of a larger $12 to $14 million program known as the Gadsby commercial urban renewal project, which covers both sides of King Street from Fairfax Street to Washington Street.

In the first phase are the city hall block, where the seat of local government has been located since 1749, and the famous Gadsby's Tavern, built in 1792, which was frequented often by George Washington. These two buildings, of course, will remain.

The Alexandria Redevelopment and Housing Authority is in the process now of acquiring the property in the 2-block area, from which 28 buildings will be cleared for the $3.5 million first phase.

Simultaneously, the authority is asking potential developers to submit proposals for redeveloping the land. The city will sell the land at a fixed price, and selection of the developer will be based only on the quality of the proposal.

"We're trying to run our acquisition and disposition programs simultaneously in order to avoid having the land sit bare for several months," says Roland H. Bourke, who is in charge of the redevelopment program under Housing Director John Y. Kerr.

"Our deadline for receiving formal proposals from developers is noon on April 30, after which the city council will make its selection," adds Sidney A. Wells, land acquisition and disposition officer. "We hope to start construction around the end of the year."

Mr. Bourke figures that running the acquisition and disposition programs simultaneously will save about a year's time. Additionally, once the first phase is well underway, he says, the second phase will be started and work on it will overlap the present program.

Preliminary site plans, prepared by the city's urban renewal office, are not binding on proposals submitted by interested developers. But they are indicative of what the city expects in the way of esthetic and architectural compatibility in the Old Town area.

In the Gadsby's Tavern block, suggestions call for two office buildings, a department store, a large restaurant, and about a dozen shops. In the adjacent block, a landscaped pedestrian plaza would be located between city hall and King Street. Known as Market Square, it would have underground parking facilities beneath the plaza.

The city's urban renewal officials are anxious now to find just the right doctor to perform the facelifting operation which, by upgrading shopping, will affect the area's whole economic image.

After that has been done, they are certain Alexandria's rich history will be exceeded only by her bright future.

[From the Washington (D.C.) Evening Star, Jan. 30, 1964]

Renewal Powers Urged Downtown by President—Representative Rains Scores Delay by House Unit's "Doubting Thomases"

(By Robert J. Lewis, Star staff writer)

President Johnson has reiterated his support of legislation to permit use of urban renewal powers in the redevelopment of downtown Washington.

In a message read yesterday at the fourth annual luncheon of Downtown Progress, business-sponsored group supporting downtown renewal, the President joined Representative Rains, Democrat of Alabama, in calling for enactment of such a measure.

The President congratulated the organization for its activity and said:

"It is encouraging that Downtown Progress, representing the business community of Washington, is continuing to work for the improvement of the vital area between the White House and the Capitol, so that it may become an asset to the Nation as well as a good place in which to work, shop and live."

Recalling his District budget message to Congress 9 days ago in which he urged Congress to enact enabling legislation for downtown renewal, Mr. Johnson said:

"I hope that Congress will soon complete action on the legislation which will make available urban renewal powers to help in your effort."

The White House letter was read by Charles A. Horsky, the President's adviser on District affairs.

RAPS HANDLING OF BILLS

Before the same audience in the Hotel Statler, Representative Rains criticized handling of enabling legislation by the House District Committee and commented:

"With the help of the tall man from Texas, we will get it through."

Legislation to permit Federal urban renewal powers to be used in predominantly commercial areas in Washington has been before the House District Committee for more than a year.

Action on the measure to amend the District Redevelopment Act has been delayed while a subcommittee headed by Representative Dowdy, Democrat, of Texas, has delved into renewal activity here. Its announced purpose has been to determine whether "safeguards" are needed against possible abuses.

In strongly worded terms, the Alabama Representative denounced what he called the House District Committee's "doubting Thomases" and added pointedly:

"If a committee not well acquainted with urban renewal should write for this city a restrictive bill, I want everybody to know about it, from the President down."

Mr. Rains for some years has been chairman of the House Banking Committee which handles housing and renewal legislation affecting the Nation as a whole.

Members of the House District Subcommittee have been critical of renewal actions here based on a variety of issues, including whether national regulations meet the existing laws' requirements as to eligibility of a project for use of Federal funds. Procedures for disposal of land also have been criticized.

At present in the District, commercial-area renewal can be undertaken only if it is within a larger neighborhood that is predominantly residential.

The blue-ribbon Downtown Progress group is seeking to have a 620-acre downtown area, from 15th Street to North Capitol Street and from M Street to Pennsylvania Avenue NW., declared an urban renewal area.

Before such action would be legal, however, amendment of the District Redevelopment Act of 1945 is needed.

Congress now has before it, with support of President Johnson, a proposal that an additional $1.4 billion for Federal urban renewal grants be authorized.

Alluding to the possibility, recommendations for changes in the District law may have a national effect, Mr. Rains said yesterday they could constitute "most adverse circumstances for passage of the overall bill."

IN ACCORD WITH U.S. BILL

Mr. Rains emphatically said he "doesn't want a bill for the District that is not in keeping with the bill for the rest of the Nation."

Washington, he said, deserves "the same tools that other cities have in other parts of the country."

In another part of his talk, Mr. Rains discounted the possibility the House District Committee could gain support for its recommendations, whatever they may eventually turn out to be. He said:

"Once you get that bill, we're going to pass that bill without those restrictive amendments."

The Alabaman conceded "mistakes" have been made in the urban renewal program, and said there would be some in the future, but added:

"No one can put a finger on a corrupt dollar in urban renewal anywhere in the Nation."

The Downtown Progress group was jointly sponsored in mid-1959 by the Federal City Council and the National Capital Planning Commission to spearhead downtown modernization and raise funds to carry on business promotional work.

The group already has spent $800,000 and is preparing a new drive for funds from businessmen to carry its activities through 1966.

[From the Washington (D.C.) Star, Nov. 3, 1963]

A New Downtown: Rochester's Lively, Popular Midtown Plaza, "A Town Under Glass," Could Be a Spectacular Example for Renewal in Downtown Washington

(By Robert J. Lewis)

Rolling into Rochester from the airport, the cab driver tells you: "It brought the city back to life. Yeah, it saved the downtown. They got that underground parking and you drive right into it. You'll see it in a minute. See there, up ahead. See it stick up in the air." Jutting in the distance is a shining office tower, symbol of Midtown Plaza, the Nation's most spectacular center-city revival project.

On the spot a half hour later, jostled by a swarm of frenzied shoppers, you begin to share the cabbie's enthusiasm. This city of 320,000 in upstate New York has created something no other downtown possesses anywhere in the world—a "town square" under glass, a focal point leading to more than 40 air-conditioned acres of floor area. In the square are two big department stores, 30 retail shops, 13 floors of office space, the city's busiest post office branch, a 78-room hotel (perched on four floors atop the office building), an auditorium, a sidewalk cafe, a floating restaurant-bar with a 10-mile view, a central bus terminal, and underground parking for 1,843 cars.

In the year and a half since this $35 million magnet of commercial excitement was unveiled, Rochester has made a discovery of interest to Washington and every other city aiming at downtown renewal: Give the people convenient in-town transportation; a place to hide their cars; exciting new things to look at; an open place to assemble, meet, sit and stroll about; ways to combine shopping and pleasure—plus all the acknowledged advantages of downtown diversity—and they'll come in droves, stay for hours, buy like mad, and go back to their suburban homes reluctantly.

The most amazing fact about this humming new center is that it went ahead without a penny of Federal aid.

Key to the beginning of the 8-acre transformation smack in Rochester's counterpart of Washington's 14th and F Streets was a decision by the city in 1958 to spend $12 million, mostly on public improvements it intended to carry out even before Midtown was proposed. This money went to finance the three-level public parking garage beneath the plaza, partially close two narrow streets, and extend another street to channel in more traffic. The improvements were designed to attract private investment.

With this expenditure agreed to, the owners of two big Rochester enterprises—McCurdy's, a department store, and Forman's, a ladies' specialty shop—formed a development corporation, assembled 17 parcels of land at a cost of about $5 million, and told architect Victor Gruen to do his ingenious best.

Fresh from designing changes for downtown Fort Worth that never got beyond the blueprint stage, the Viennese-born architect proposed a modern version of the traditional European town square to enliven downtown Rochester. The square, naturally lighted and air conditioned, would be the centerpiece, with ground-level and balcony-level stores fronting on it. Three similarly air-conditioned arcades radiating from the plaza also would have stores. Ground rights for the parking garage were to be leased to the city for $1 a year.

The site picked for the town square was behind the two big stores. Mr. Gruen proposed to remodel and enlarge the existing two stores, open their rear to the glassed-in plaza and fill in the spaces on all four sides with buildings for competing specialty shops, among them an airline ticket office, a barbershop, a realty firm, a travel agency, and a beauty shop. A bank was also planned.

Placing an 18-story hotel-and-office building at one end of the enclosed plaza and a smaller office building at another end—and linking the whole complex with elevators, stairways, pedestrian arcades and escalators to the below-ground parking—was all part of the scheme to attract big crowds and keep them there, inside, out of the weather, and shopping to their hearts' content.

That's exactly what happened. Now, as you stroll inside Midtown Plaza, the place is crowded, day and night. Some stores, including McCurdy's stay open from 9:30 a.m. to 9 p.m., but even after closing time, people cluster in the plaza, sitting on benches, talking, reading, as people have done in town squares for centuries. Lights stay bright, doors remain open, and escalators keep running to below-ground parking all night long.

"Public acceptance has been simply amazing," Gilbert J. C. McCurdy says. He is 68, a Phi Beta Kappa graduate of Williams College, and heads the department store founded by his father in 1901. It was his initiative that led to forming the Midtown Plaza development firm, which he serves as president.

But Mr. McCurdy's move to improve downtown Rochester came only after his department store had taken the defensive step of opening a suburban branch a decade ago.

"We had a number of friends in the branch business and we thought we would build one and see what happened," he says. "Our suburban branch was very profitable. But we soon discovered it's impractical to build branches of sufficient size to represent a store like ours. So we determined our next move would be to do our utmost to make downtown more attractive than any suburban shopping center could be."

Mr. McCurdy carefully emphasizes the Midtown Plaza project was designed with all downtown Rochester in mind. (His firm and the Forman Co. are 50-50 partners in the venture.)

Other storekeepers largely agree that whatever helps Rochester's central core should help them, too. But there is no question that some downtown merchants have been put at a competitive disadvantage by the shiny new Midtown development, with its own captive audience arriving effortlessly by escalator, hour after hour, from the subterranean three-level parking garage.

Yet Sibley's and Edwards'—Rochester's other big department stores—also benefit from large, above-ground municipal parking garages, completed before Midtown Plaza was started. And, unquestionably, some shoppers park at Midtown primarily to visit other nearby shops and stores in Rochester's compact downtown. But Vicki Newton, 22, a junior at the University of Rochester, is not one of these.

"I used to go down one side of Main Street and up the other," she tells you. "Now I shop in Midtown all the time, constantly. And in the wintertime it's marvelous. I never go outside except to Sibley's." (Sibley's, across Main Street from Midtown, is upstate New York's largest department store.)

Older shoppers, too, are entranced. "My grandmother loves it," one youngster said. "She likes to sit and watch the people, and says to me: 'You run and do something and I'll sit here and look at the flowers.' " Alfred (Alfie) Valentine, 76, a retired music teacher, likes to visit Midtown once a week to meet up with friends. "This place was a Godsend to old people," he says. "Now they come here and see everything. It's an entirely new world." Gus Karner, 70, retired proprietor of Rochester's Nurenberger Hof restaurant, adjusts his straw hat, stomps his cane, and says: "I come in every single day—I live just down the way, across from the Knights of Columbus."

Far from worrying over the center's nonshopping attractions for older persons, Angelo Chiarella, a youthful architect who is Midtown's general manager, likes it that way. "Some do sit on the benches a long time," he says. "But we figure if they like what's going on here we must have struck just the human note that cities need."

One of the town square's attractions is its clean-lined architecture. Another is the sunlight flooding in from 12-foot-high clerestory windows surrounding the 60-foot-high ceiling. A third is the ever-changing throng of dressed-to-kill Rochesterians so obviously enjoying themselves. ("Ogling pretty girls is also a pastime," suggests an official of the Rochester Planning Commission.) But by far the most fascinating of the plaza's allurements is the Clock of the Nations—an artful $35,000 creation in the center of the square. It stops all traffic every hour and half-hour as it puts on a puppet show to the tempo of folk-dancing tunes of a dozen foreign nations.

"That clock gave the best value per dollar spent on anything," says general manager Chiarella. The Gruen architects had it specially made in Beverly Hills after unsuccessfully searching through Europe for someone to do the job.

Midtown Plaza's big lesson for cities seems to be that downtown business districts need enlivenment, however it is done. It demonstrates the importance of separating automobile traffic from pedestrian traffic (special underground ramps and surface loading docks are provided for delivery trucks servicing stores). It points out quick, easy means of transportation to shopping areas are needed (a subway station, for example, could complement on-site parking in a development like this).

In Rochester, an argument still simmers over how best to meet the changing downtown needs of cities. Mr. McCurdy, who spearheaded this notable project during the tenure of Republican Mayor Peter Barry, says it would have been impossible under Federal renewal procedures. The city's new mayor, Henry E. Gillette, a Democrat, fought the project in its planning stages, now concedes: "It does make Rochester more attractive." But he quickly adds:

"It's very unlikely any other city will attack the problem in this same manner because of the insufficiency of city funds. Cities will have to resort to the Federal urban renewal concept, using Federal, State, and municipal money."

However that argument is settled, the people of Rochester are sure of one thing. They like Midtown Plaza. It makes the city more lively. As Mrs. Rae Ojalvo, a Rochester housewife, says: "It's something wonderful. It's beautiful. It's a meeting place for everyone."

(NOTE.—The message of Rochester's prestigious new Midtown transformation is of special interest to downtown Washington, where vast improvements are proposed for both public and private sponsorship. Proposals for Pennsylvania Avenue redevelopment, and for urban-renewal treatment of the downtown business district, presage far-reaching changes incorporating a variety of enlivening steps akin to those taken so far in Rochester without Federal aid. A measure pending in Congress would authorize use of Federal renewal funds in Washington's central core, a step deemed essential by merchants here to upgrade the business district.)

EXPLANATION OF VOTES

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. FULTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. FULTON of Pennsylvania. Mr. Speaker, on December 13, 1963, I would have voted "yea" on roll No. 240—CONGRESSIONAL RECORD, volume 109, part 19, page 24561—the adoption of the conference report of the military construction bill for fiscal year 1964, H.R. 9139.

On December 21, 1963, I would have voted "no" on roll No. 252—CONGRESSIONAL RECORD, volume 109, part 19, page 25421—a motion to recommit H.R. 9499 with instructions.

On December 23, 1963, I would have voted "yea" on roll No. 255—CONGRESSIONAL RECORD, volume 109, part 19, page 25495—a privileged motion to consider without the intervention of any point of order the conference report on H.R. 9499.

On December 24, 1963, I would have voted "yea" on roll No. 256—CONGRESSIONAL RECORD, volume 109, part 19, page 25543—on final passage of the conference report on H.R. 9499.

On January 14, 1964, I was out of the country at my own expense, and had a general pair with the gentleman from California [Mr. KING]. I would have voted "no" on roll No. 5—CONGRESSIONAL RECORD, page 417—a motion to recommit S. 1153, a bill to extend the authorization of Federal matching funds for airport development for 3 additional years until June 30, 1964.

On roll No. 6, on that date, CONGRESSIONAL RECORD, page 417—I would have voted "yea" on the final passage of S. 1153.

On January 21, 1964, I was in my Pittsburgh congressional office and would have voted "no" on roll No. 11—CONGRESSIONAL RECORD, page 766—an amendment to eliminate from the library aid bill the library construction program, and amend the bill to confine Federal aid to rural areas.

On roll No. 12, on that date—CONGRESSIONAL RECORD, page 767—I would have voted "no" on the motion to recommit the Library Service Act.

On roll No. 13, on that date—CONGRESSIONAL RECORD, page 767—I would have voted "yea" on the final passage of the Library Service Act, H.R. 4879.

INTEROCEANIC CANALS COMMISSION BILLS: IMMEDIATE ACTION IMPERATIVE

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. FLOOD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. FLOOD. Mr. Speaker, because the current crisis over the Panama Canal makes immediate action by the Congress as regards the formulation of future Isthmian canal policy imperative, on February 3, 1964, I distributed to all Members of the House a copy of my letter of January 7, 1964, to the President of the United States recommending specific actions essential to protect our legitimate vital interests.

Accompanying the February 3 letter was the text of bills to create the Interoceanic Canals Commission, introduced by Representatives Bow, HOSMER, CLARK W. THOMPSON, and myself, which are now pending before the Committee on Merchant Marine and Fisheries.

In order that the matter distributed to my colleagues on February 3 may be recorded in the permanent annals of the Congress, I quote the assembly as part of my remarks:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 3, 1964.

DEAR COLLEAGUE: As a consequence of the Panamanian outbreak on January 9, 1964, the interest of the people of the United States in the overall interoceanic canal problem has been aroused to the highest degree since the dramatic 1898 voyage of the *Oregon* around Cape Horn from the Pacific to join our fleet off Santiago in the Spanish-American War.

My correspondence shows that in all parts of the Nation there is extensive discussion of the canal question by citizens in every walk of life as to our future interoceanic canal policy.

In anticipation of the necessity for providing the Congress with the best possible means for evaluating various canal proposals, now being urged at sites extending from Mexico to Colombia, Representatives Bow, HOSMER, THOMPSON of Texas, and myself, all of whom have studied the canal problem, introduced identical measures, H.R. 863, H.R. 5787, H.R. 8563, and H.R. 3858, respectively, to create a wholly American and independent Interoceanic Canals Commission to make the necessary studies, report, and recommendations.

In addition, on January 7, 1964, I wrote to President Johnson in these regards, urging administration support for the creation of such commission to be composed of the best qualified men our country can muster.

It is to be hoped that the House, without delay, will undertake to pass the indicated legislation to create the Commission.

A copy of the text of the identical bills is attached along with a copy of January 7, 1964, letter to the President.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

JANUARY 7, 1964.

The PRESIDENT,
The White House.

MR. PRESIDENT: Among the most crucial subjects of policy determination now facing our Government are those relating to the Panama Canal, which matters have been under active consideration in the Congress for a period of years.

Under the clarifications so far accomplished in the course of congressional debates and hearings, the principal issues established include:

(a) The paramount question of safeguarding U.S. sovereignty over the Canal Zone and Panama Canal, which since 1955 have been seriously jeopardized through the process of piecemeal erosions, some of which have been counter to the formal expressions of the Congress and opposed to the official policies of the United States as followed for nearly half a century.

(b) The problem of the major operational improvement and increase of transit capacity of the existing canal by means of its major modification to embody the principles of the Terminal Lake—third locks modernization program. This solution, developed in the Panama Canal organization as the result of World War II experience, has been authoritatively recognized as providing at minimum cost the best operational canal practicable of achievement.

(c) The matter of a new canal at, or near, the present site or elsewhere.

As to the sovereign rights, power, and authority of the United States over the canal enterprise, their unimpaired continuance urgently requires a reaffirmation of our policy along the lines of House Concurrent Resolution 105 (Cannon resolution). In this connection, it has long been clear to informed and thoughtful persons that the Panama Canal could not have been constructed nor subsequently maintained and operated with less authority vested in and exercised by the United States than that expressly granted under the 1903 treaty with Panama.

During recent years our Government has yielded to politically and communistically motivated and ever increasing demands of Panama, at times featured by mob violence requiring the use of the U.S. Army to protect the Canal Zone against invasion, sabotage, and outright violence. The time has come to check these dangerous erosions and to reassert our time-honored canal policy squarely based on treaties; otherwise, chaos will inevitably result and the United States will lose the canal and interntional communism will take over not only the isthmus but also all the other countries of Latin America, and the Caribbean. The Panama Canal, as the symbol of our national strength and determination, is the greatest single buffer against conquest by the world revolutionary movement of the entire Western Hemisphere. As such, it is, indeed, the keystone in the arch of hemispheric defense.

As to the modernization of the Panama Canal, since the advent of the atomic bomb in 1945, the issues involved in this important subject have been persistently confused and delayed by advocates of the discarded plan for a sea-level canal at Panama. In consequence, there has been put forth a mass of misleading official and unofficial propaganda. Moreover, the recent efforts toward modernizing the present canal have been in the nature of symptomatic treatments rather than realistic solutions. Thus, they altogether fail to solve the problem of providing the major operational improvement of the existing canal and the additional trans-Isthmian facilities for the inevitable demands of increased traffic. As to the various means proposed, to meet these problems, practically all the distinguished engineering and other leaders who participated in the construction of the canal and many other eminent engineering, navigational, and nuclear warfare experts have approved the Terminal Lake—third locks plan as the best solution. See attached memorial addressed to the Congress for some of the views expressed in these regards.

In regard to the matter of a new canal at or near the present site or a second canal, this problem involves decisions of the gravest character, which must not be made lightly or controlled by routine groups that would benefit from their own recommendations as has been attempted in the past with tragic consequences. The interests supporting such ex parte control of canal policy determination include the following:

(a) Manufacturers of heavy earth-moving machinery seeking markets for their products.

(b) A limited number of professional engineers, military and civilian, associated or hoping to be connected with these interests.

More than 20 years of delays, confusion, and procrastination on the part of responsible officials have prevented the formulation of an adequate plan for the modernization of the present canal and due consideration of the most obvious, most logical, economic, and least hazardous plan—that provided in the Terminal Lake-third locks design. Experience has shown that the required vision and leadership will not come from routine agencies on matters of fundamental planning and must be obtained from those who are independent.

In this connection, it should be especially noted that all advocates of a sea-level project near the present site have uniformly ignored the vital diplomatic questions that would be involved in that project. These are the huge indemnity and increased annuity to be demanded by Panama for a new canal treaty, the reduction of U.S. sovereignty over the Canal Zone, and the limitation of the duration of the treaty. In contrast, these crucial diplomatic questions will not be involved in the Terminal Lake-third locks program for modernization of the Panama Canal, which is a paramount consideration.

The proper handling of the canal problem would be an achievement of the highest importance for our country and all nations that use the canal and bring great distinction to those responsible for success.

In meeting counterarguments against the program that I shall later outline, which are to be expected from routine officials and agencies, attention is invited the 1939 third locks project fiasco in the Canal Zone. Some $75 million of the taxpayers money was expended on an understanding that was later shown to be a navigational monstrosity and which became a target for severe criticism among navigation interests and independent engineers thoroughly conversant with the subject. Moreover, any third locks project that fails to eliminate the Pedro Miguel bottleneck locks and to consolidate all Pacific locks in new structures near Aguadulce (close to Miraflores) to create a summit lake anchorage in the Pacific end of the canal to correspond with the layout at Gatun, should be dismissed as unworthy of serious consideration, however plausibly it may be urged.

The following action program for the President is recommended:

(a) Make, or cause to be made, a positive reaffirmation of U.S. sovereignty over the Canal Zone and Panama Canal as provided by treaty and as contemplated in House Concurrent Resolution 105 (CANNON) and House Concurrent Resolution 113 (FLOOD).

(b) Send a special message to the Congress recommending prompt enactment of legislation to create the Interoceanic Canals Commission to make the necessary studies and report on the question of increased facilities at Panama or a new canal on some other isthmian site as provided in H.R. 863 (Bow), H.R. 3858 (FLOOD), H.R. 5787 (HOSMER), and H.R. 8563 (THOMPSON of Texas).

As shown by the sponsorship of pending measures and debates in the House, the interoceanic canal question is nonpartisan and will be handled on the highest plane of statesmanship. Copies of the resolutions and bills mentioned are attached.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

[88th Cong. 1st sess.]

H.R. 3858

In the House of Representatives, February 18, 1963; Mr. FLOOD introduced the following bill; which was referred to the Committee on Merchant Marine and Fisheries.

A bill to create the Interoceanic Canals Commission, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Interoceanic Canals Commission Act of 1963."

SEC. 2. (a) A commission is hereby created, to be known as the Interoceanic Canals Commission" (hereinafter referred to as the "Commission"), and to be composed of eleven members to be appointed by the President, by and with the advice and consent of the Senate, as follows: One member shall be a commissioned officer of the line (active or retired) of the United States Army; one member shall be a commissioned officer of the line (active or retired) of the United States Navy; one member shall be a commissioned officer of the line (active or retired) of the United States Air Force; and eight members from civil life, four of whom shall be persons learned and skilled in the science of engineering. The President shall designate one of the members from civil life as Chairman, and shall fill all vacancies on the Commission in the same manner as are made the original appointments. The Commission shall cease to exist upon the completion of its work hereunder.

(b) The Chairman of the Commission shall receive compensation at the rate of $25,000 per annum, and the other members shall receive compensation at the rate of $22,500 per annum, each; but the members appointed from the Army, Navy, and Air Force shall receive only such compensation, in addition to their pay and allowances, as will make their total compensation from the United States $22,500 each.

SEC. 3. The Commission is authorized and directed to make and conduct a comprehensive investigation and study of all problems involved or arising in connection with plans or proposals for—

(a) an increase in the capacity and operational efficiency of the present Panama Canal through the adaptation of the Third Locks Project (53 Stat. 1409) to provide a summit-level terminal lake anchorage in the Pacific end of the canal to correspond with that in the Atlantic end, or by other modification or design of the existing facilities;

(b) the construction of a new Panama Canal of sea-level design, or any modification thereof;

(c) the construction and ownership, by the United States, of another canal or canals connecting the Atlantic and Pacific Oceans;

(d) the operation, maintenance, and protection of the Panama Canal, and of any other canal or canals which may be recommended by the Commission;

(e) treaty and territorial rights which may be deemed essential hereunder; and

(f) estimates of the respective costs of the undertakings herein enumerated.

SEC. 4. For the purpose of conducting all inquiries and investigations deemed necessary by the Commission in carrying out the provisions of this Act, the Commission is authorized to utilize any official reports, documents, data, and papers in the possession of the United States Government and its officials; and the Commission is given power to designate and authorize any member, or other officer, of the Commission, to administer oaths and affirmations, subpena witnesses, take evidence, procure information and data, and require the production of any books, papers, or other documents and records which the Commission may deem relevant or material for the purposes herein named. Such attendance of witnesses, and the production of documentary evidence, may be required from any place in the United States, or any territory, or any other area under the control or jurisdiction of the United States, including the Canal Zone.

SEC. 5. The Commission shall submit to the President and the Congress, not later than two years after the date of the enactment hereof, a final report containing the results and conclusions of its investigations and studies hereunder, with recommendations; and may, in its discretion, submit interim reports to the President and the Congress concerning the progress of its work. Such final report shall contain—

(a) the recommendations of the Commission with respect to the Panama Canal, and to any new interoceanic canal or canals which the Commission may consider feasible or desirable for the United States to construct, own, maintain, and operate;

(b) the estimates of the Commission as regards the approximate cost of carrying out its recommendations; and like estimates of cost as to the respective proposals and plans considered by the Commission and embraced in its final report; and

(c) such information as the Commission may have been able to obtain with respect to the necessity for the acquisition, by the United States, of new, or additional, rights, privileges, and concessions, by means of treaties or agreements with foreign nations, before there may be made the execution of any plans or projects recommended by the Commission.

SEC. 6. The Commission shall appoint a secretary, who shall receive compensation fixed in accordance with the Classification Act of 1949, as amended, and shall serve at the pleasure of the Commission.

SEC. 7. The Commission is hereby authorized to appoint and fix the compensation of such engineers, surveyors, experts, or advisers deemed by the Commission necessary hereunder, as limited by the provisions in title 5, United States Code, section 55a (1946 edition); and may make such expenditures—including those for actual travel and subsistence of members of the Commission and its employees—not exceeding $13 for subsistence expense for any one person for any calendar day; for rent of quarters at the seat of government, or elsewhere; for personal services at the seat of government, or elsewhere; and for printing and binding necessary for the efficient and adequate functions of the Commission hereunder. All expenses of the Commission shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the Chairman of the Commission, or such other official of the Commission as the Commission may designate.

SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions and purposes of this Act.

(Above bill is identical to: H.R. 863, H.R. 5787, and H.R. 8563.)

PANAMA OUTBREAKS: ARMED FORCES AND CIVIL EMPLOYEES NOT FOOLED BY PROPAGANDISTS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. FLOOD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. FLOOD. Mr. Speaker, since the January 9, 1964, Panamanian mob assaults on the Canal Zone, I have received many communications from our citizens all over the Nation as well as from the Canal Zone. Without a single exception they have demanded that our country stand firmly on its treaty obligations with respect to the Canal Zone and Panama Canal, the control of which is now under Red-activated attacks from the Republic of Panama—a principal beneficiary of the canal enterprise.

One of the most gratifying features of my correspondence in this regard has been the number of thoughtful letters that I have received from members of our gallant Armed Forces, both active and retired, officer and enlisted, as well as from civilian employees of the canal enterprise.

It is indeed gratifying that I can assure the Congress that our people see the Panama situation clearly, understand its gravity, show impatience at the paralysis that has overcome our Government, are far ahead of both the Congress and the Executive in their appraisals, and are expressing a mounting irritation at the betrayals and incompetence on the part of their agents of government as shown by recent events at Panama.

In order that the Congress and the Nation may know how members of our Armed Forces feel about our weak-kneed policy at Panama, I quote excerpts from a letter of an experienced enlisted man of the Air Force with one of the clippings that he forwarded, a letter from a Panama Canal civil employee, and a letter from a retired lieutenant general of the Marine Corps, to the editor of the Evening Capitol of Annapolis, Md.:

JANUARY 21, 1964.

DEAR SIR: I am writing this letter as an American citizen and not as a member of the U.S. Air Force. I realize that as a member of the Armed Forces of the United States that I am subject to its rules and regulations with which I do my best to obey, however as a citizen of a democratic government I have a right to express myself in matters of national concern, and I do feel that what I am about to express myself on is a matter of concern to every patriotic American citizen.

I am enclosing three newspaper clippings from the San Antonio Light of January 21, 1964. The first article concerns a letter written by an American woman resident of the Panama Canal Zone. It is a matter of concern to me that my country's flag was subjected to the treatment it received by a band of hooligans, U.S. citizens being manhandled and even killed, American property destroyed, and the United States even being blamed for the incident. I agree with the writer, Nancy Zerr, that our position not only in Latin America but all over the world becomes more difficult whenever we turn the other cheek and just keep taking it. I sincerely feel that it's time our country stop allowing itself to be pushed around, that we stand up and let the world know we won't allow the Khrushchevs and aspiring leaders of small countries to push our citizens around and get away with it. The Communists have publicly stated that they are out to bury us, employing every means at their disposal, subversion, economic warfare, propaganda, etc. It seems to me that it's time we let such scum know that an America can take off the kid gloves and belt back, not only on such farflung battlefields as Vietnam but also on the economic front, in politics, in subversion, propaganda, etc. We have the ability and we as Americans possess the brains and resources to mount and direct an effort that will have the Communist scum crying uncle.

* * * * * *

The third clipping, John Chamberlain's column, "These Days," is most interesting in its statements concerning Senator THOMAS J. DODD's foreseeing a Panamanian crisis in 1962. His prophetic statements were pretty well borne out. Surely others must have felt as he did, yet nothing seems to have been done about his cause for concern; if it were then such actions did not produce the desired result. It seems to me that we'll face added pressures if Cheddi Jagan of British Guiana is allowed to grab full power. I once read in Time magazine that a large airbase existed in British Guiana that could be used for military purposes. Who's to prevent such use if Jagan gains full control after England grants Guiana her sovereignty. Words and warnings surely won't prevent Jagan from inviting the Communists in—they did not prevent Castro.

Perhaps, Representative FLOOD, you have received many letters expressing the same concern as I in regards to our country's treatment at the hands of the Communists. It gives one a cause for doubt to read three articles in one newspaper about our country and the treatment it's being accorded in world affairs. Ours is the most powerful country in the world, and yet it's being maneuvered into a corner, even by a nation so small it has little or no standing except that backed up by the United States. What's happened to the American people? Surely they learned a lesson from World War II, the Berlin blockade, Korea, Laos, Vietnam, etc., that you can't do business with the Communist scum and what they represent. There must be millions of American citizens like myself who feel a sense of frustration that we don't stomp back, that we don't declare unremitting war, using many of the Communists' own tactics to not just contain but to destroy. It seems to me that we don't have to use a world war to do it either, just borrow a few of the Communists' own tactics and announce to the world that maybe Mr. Khrushchev and company might find themselves buried and their grandchildren growing up under a government which is not Communist.

As a U.S. citizen and as veteran of 23 years service, I am indeed proud of my country and what its history and proud traditions stand for. I have been stationed overseas and have seen how other peoples live and I must say that it makes one appreciate the fact that he is an American, that he has the freedom and opportunities that others have not. We have such freedoms because we as a people have been willing to stand up and be counted. This being the fact then why in the name of all that's sacred to us as a nation do we let a bunch of fanatics, directed by a bunch of distorted thinkers in the Kremlin, push us around? One cannot help but get the impression, as he reads today's articles in magazines and newspapers, that we are being pushed around—that Monroe Doctrine or no Monroe Doctrine, the Communists are carrying the fight to us even in our own backyard. Let's do some dishing out for a change—the Communists have their weaknesses too, agriculture, internal disharmony, slave labor, denying the will of the people, i.e., Ukrainian uprising, Hungarian, Berlin and others in the Communist camp, etc. I am willing to wager that the average U.S. citizen is as worried as I am about our country's treatment on the international scene and the threat to its security. It seems to me that a clear cut program presented to the American people and to the world that we stand for no nonsense and mean to prevail would sweep the world as did President Wilson's statements after World War I. It seems somewhat paradoxical to say the least, that our country's independence fired the imagination, that the crowned heads of Europe trembled, and yet today we seem to be on the defensive while still a powerful Nation.

Sincerely yours,

AIR FORCE SERGEANT.

[From the San Antonio (Tex.) Light, Jan. 21, 1964]

IN THE MAILBOX

(NOTE.—The following letter from an American woman resident of the Canal Zone was sent to a friend in Texas.)

I am enclosing a copy of yesterday's Panama American with pictures of Diane on page 6. The boy two places over from her is lying in Gorgas Hospital with his throat cut as a result of trying to keep an American flag flying over the American high school here, and my husband is in that same hospital following 2½ hours of surgery for the removal of a sniper's bullet, his head split wide open from a rock thrown by a Panamanian.

American soldiers are lying dead and the Army with orders not to shoot back. Two Americans were taken from their cars and hung, two more were hung by their feet and beaten to death, to mention only a couple of incidents that are leaking through. They have burned every American car in Panama City and are hunting Americans with guns.

It all started with the Executive order via Kennedy, and initiating with Eisenhower, that the Panamanian flag would be flown with our Stars and Stripes everywhere in the Canal Zone. To get out of having to fly the Panamanian flag altogether, they then issued an order that NO flag would be flown in front of our Magistrate's Court, American schools, etc. As Federal employees who have signed a statement to uphold any governmental actions or decisions, no one here can say a word, so it took the children to make a stand.

STUDENTS RAISED A FLAG

The Balboa High students climbed the flagpole and put their flag up, which was removed by our Governor Fleming. They then ran up a spare with only 48 stars, and the Governor ordered the flagstaff chopped down that day. The students formed a human ring around the flagpole and kept their vigil for 2 nights and days until 200 Panamanian students invaded the zone, beating up people, overturning trash, breaking windows in buildings and cars, plus street lights and anything that happened to be in their way. This included the mass invasion of a convent of Maryknoll Catholic Sisters, with the Canal Zone police ordered to do nothing but attempt to get the rioters back into Panama.

Their work was immediately taken over by older, more experienced mobsters which resulted in the burning of cars, all American-owned or operated businesses in Panama, plus the hunting down of any Americans they could find in Panama City. Things are being very hushed up this first 24 hours, but we get a pieced-together picture from high school children whose fathers are in this or that official capacity.

We give and we give, and we give in and we give in to this Panamanian Government until one is almost ashamed to be an American. To have our flag taken away from us is the crowning indignity.

PANAMA GETS SYMPATHY

Telegrams are pouring in to President Chari of Panama from Latin American countries condoling him for the dastardly act of aggression perpetrated by the United States. You and I know the United States doesn't commit such acts. In fact, we kiss backsides until one wonders if our backs will ever straighten up again in self-respect and dignity. The United States has tried to set Panama up as an example in Latin America, and it hasn't worked out. The more we give, the more unreasonable they become in their demands.

You think, what can one person do; and then our children showed us what youngsters could do, and we are ashamed. I teach at an American elementary school and watched, unable to assist, while little kids shinnied up our flagstaff and tied their flag to the top of the pole, planted a dozen tiny American flags at its base, placed their hands over their hearts and said the Pledge of Allegiance with their eyes raised to the flag. Why in the name of thousands of Americans who have died that the flag might fly proudly we cannot raise an American flag over an American school, I do not know.

If you know anyone in Maverick County who is in a position to even stick their toe in President Johnson's door or who would be willing to write Representative FLOOD of the U.S. House of Representatives (our only champion in this cause), could you ask them, as individuals or organizations, to write or wire that the American flag, and only the American flag, be given back to the citizens of the Canal Zone, and urge these officials to stand up to Panama firmly and unflinchly in this vital issue.

If the U.S. flag comes down permanently or is further compromised in the zone, we lose complete face in the eyes of Latin America and quite possibly in the eyes of the world.

NANCY ZERR,
Balboa, Canal Zone.

JANUARY 24, 1964.

DEAR CONGRESSMAN: As one of approximately 3,500 U.S. citizens working and residing in the Canal Zone, I urge your personal intervention and support in having House Concurrent Resolution 105 passed promptly during this session.

The prevailing deplorable political situation and strife existing between Panama and the United States is an indirect result of the U.S. Congress and Senate failing to take a strong and determined stand on this and other urgent matters prior to this time.

I am aware that you are one of an apparently small minority of Congressmen and Senators who have an excellent knowledge of the political history of Panama and the problems of the Canal Zone. It is extremely unfortunate that the executive officials of the U.S. Government have for so long failed to realize the potential consequences of relinquishing, under Panamanian political duress, even minor rights and privileges of the U.S. Government or its citizens.

As you well know, the rapidly eroding political and moral prestige of the United States is not the result of this most recent incident in regard to flying the Panamanian flag in the Canal Zone. The erosion of our political and moral prestige is the direct result of acceding to the ridiculous demands of the extremely radical Panamanian political groups with their openly allied communistic Castro sympathizers over a long period of time. It is only logical for the Panamanian political groups and all other nations throughout the world to regard our humiliating appeasement programs as a positive indication of U.S. political weakness and moral decay.

It appears that it is financially rewarding for Panama and all the OAS nations to accelerate and intensify their deliberate hate-America programs. Until such time as our U.S. officials decide to stiffen their backbones and open their eyes to truthfully observe and act on the effect of our various giveaway programs, we can expect this anti-American abuse to continue indefinitely. In other words, our officials must closely reexamine all of the so-called aid programs with the object of definitely and substantially reducing or eliminating any or all of these programs.

The time is long overdue when our U.S. Government officials should start to realize that it is utterly impossible to buy good will. It is also time that our officials became aware that their primary obligation is to first protect the honor and prestige of the U.S. Government and secondly, the rights of its citizens. It is positively absurd that the U.S. Government should feel obligated to continue to pour billions of U.S. taxpayers' dollars into the hands of openly anti-American officials of the OAS nations and other nations elsewhere. It is extremely difficult to justify these actions in view of the fact that over 5 million U.S. citizens are unemployed and our national debt exceeds the combined national debt of about half of the countries throughout the world, including all of the OAS nations.

If the U.S. Congress and Senate again permit our State Department to bow down to and appease even one of the preposterous demands of the extremely radical Panamanian political groups with their openly allied Castro Communist sympathizers; we will in effect suffer one more disgraceful political defeat at the hands of a mere handful of political rabble rousers and Communists.

If the U.S. Government expects to ever regain the respect of any nation and especially Panama after the most recent of a long series of disgraceful appeasement actions; the United States must very firmly advise Panama that any recurrence of deliberately uncontrolled mob action sponsored or condoned by the Panamanian Government that jeopardizes the property of the U.S. Government or the lives of its citizens will result in prompt and positive military action being taken.

In view of the fact that the Panamanian Government failed to take the proper action to quell the deliberately uncontrolled mob from invading the Canal Zone which resulted in considerable damage to U.S. property and loss of American lives; the United States should demand that Panama be required to pay for all of this damage. If the United States officials again fail to take this action they will in effect be inviting a recurrence of the present situation with the possibility of a much higher loss of lives and sabotage of U.S. Government property.

As an American citizen I urge your attention and support in the above matters to avoid further worldwide erosion of our Government's honor and prestige. I sincerely believe this can be accomplished only by taking a firm stand on this Panama situation and to immediately stop all so-called foreign aid programs whose purported object is to buy good will from the very definitely unfriendly OAS nations.

Sincerely,

CANAL ZONE EMPLOYEE.

EDITOR, EVENING CAPITAL,
Annapolis, Md.

SIR: From reading what the "inspired" news media have to say upon the Panama Canal invasion, the writer can only deduce one hideous conclusion: The Government of the United States is about to "negotiate" away our sovereignty over the Canal Zone.

The groundwork for this unconstitutional usurpation of Executive powers was first laid when the Communist spy in our State Department, Alger Hiss, reported to the UNO that the Canal Zone was in the status of "occupied territory," when he headed the Department's Office of Special Political Affairs. This was expert Red doubletalk, far removed from the actual fact: The Republic of Panama came into being in order to facilitate the building of the canal, and in signing the treaty gave the United States sovereign rights in the little strip of jungle we call the Canal Zone.

The second large step was taken when President Eisenhower, in contemptuous disregard of the legal congressional opposition, the nearly unanimous resolution against it by the House of Representatives, and the fact that the constitutional powers of the Executive do not include that of giving away our sovereignty, raised the Panamanian flag as coequal sovereign in the Canal Zone. This pusillanimous yielding, this practical striking of our flag under duress establishes an impossible situation: two sovereigns in one place, like two captains in one ship, or two masters in one house. From this position the next step was predictable.

Although the attempted invasion failed, due to the steadfast and courageous stand of the U.S. Army on the spot, the cumulative evidence which reaches us indicates that this was a well-planned, unified Communist plot to eject the Americans from all of Panama, for the violence was general against us throughout the country, timed exactly with the invasion attempt. Further proof, if any were needed, that this was a Communist plot: the immediate utterances from Moscow, Peiping and Havana putting the blame upon the United States. We who have studied the problem of the canal for years are well aware that it is the prime target of the Communist conquest of the Americas. If we do not understand the strategic value of this canal in our present Government, the Reds and the financial power behind them in world conquest understand it all too well.

For the news media to blame the high school students at Balboa, just as they blamed the conservative right in the murder of President Kennedy, is simply following the Communist line. For leftwing Members of Congress to spout forth irresponsible statements about the Panama Canal being inadequate, and how we should build a new one in Nicaragua or Mexico, is likewise in furtherance of the Communist line. They are trying to sell the American people the idea that it's all our fault and that the surrender of the canal to Panama or the U.N. would not be any great loss.

But if we permit this surrender in Panama, how can we expect to be respected in the other places we build canals? Indeed, where is the respect of anyone in the wide world for a nation so weak-kneed or stupid as to let the conquering one-world Communists seize their prime target in this hemisphere without a struggle? Such cowardice and perfidy, in defiance of constitutional limitations of power, cannot much longer be tolerated if we are to survive as a free, Christian nation.

P. A. DEL VALLE,
President,
Defenders of the American Constitution.

SOVIET PLANE SHOOTS DOWN UNARMED JET TRAINING PLANE

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. GONZALEZ] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, how are Members of Congress supposed to learn the facts concerning incidents in different parts of the world in which American citizens are involved?

On January 29, 1964, newspapers throughout the country carried front-page stories about the American unarmed jet training plane that was shot down by a Soviet plane in East Germany. The three Air Force occupants were killed. Apparently, this occurred on January 28, 1964.

Now the shock and the sensational impact of the story have worn off. The incident is no longer considered of front-page importance and gradually it has receded deeper and deeper into the back pages. On February 2, 1964, the Washington Star stated on page 14:

> U.S. officials say they consider the shooting down of an American jet trainer plane to be a closed incident.

And I dare say there will be little if anything written about this from now on.

So, in the space of about 1 week an international incident was born, grew old, and is now a dead issue. And the story unrolled before our very eyes in the newspapers.

Mr Speaker, what about the dead? What about their loved ones and their families?

We who are privileged to serve in Congress get letters and telegrams inquiring about such incidents. We have received them about the downing of the jet trainer, and we are still receiving them. How are we supposed to answer such inquiries? It is fit and proper that the people look to their duly elected Representatives for information and guidance when an incident of this type occurs. How can we inform when we do not know the facts ourselves? How are we to guide when we do not know what is going on?

To my knowledge, no department or agency of the Federal Government has officially informed this Congress or its Members of the facts surrounding the downing of the American jet. I have not been so informed. Yet a newspaper is able to report that U.S. officials say they consider the shooting down of an American plane over East Germany to be a closed incident. Three Americans are killed by the Russians and it is a "closed incident." Who decided that the incident is closed? Who are those anonymous U.S. "officials'? On what did they base their conclusion? And perhaps of more importance, how and why was this decision communicated to the newspapers and not to Members of this Congress? The newspapers are told in some mysterious way that some anonymous U.S. officials consider the shooting down of an American plane to be a closed incident. Congress is kept ignorant. That is truly an amazing situation.

The newspapers first reported that our ubiquitous anonymous U.S. officials said the jet lost its way because of an electronic or radio breakdown on a training mission and strayed over the East German border. But if we could not communicate with the plane how do we know there was an electronic or radio breakdown? And is that not a rather strange area in which to be training American pilots? What kind of training were those unfortunate Americans getting?

Many persons are asking these and other questions, and we Members of Congress are unable to answer them because we have been kept in the dark. It is right for the people to ask their Congressmen such questions. As their elected representatives we are responsible to the American people. Who else can they ask? The people do not elect the members of the State Department or the members of the Department of Defense. We Congressmen are the ones responsible and accountable to the people.

Mr. Speaker, who do we ask and where do we go to get information that is withheld from us? What are the facts in connection with the downing of the American jet in East Germany?

With the unanimous consent of the Members of this House I now submit for the RECORD the following newspaper items:

First is the story that reported the incident in the Washington Post on January 30, 1964.

Second is the text of the Soviet note to the United States on the downing of the American jet as it appeared in the Washington Post on January 30, 1964.

Third is the story that appeared on page 14 of the Washington Star on February 2, 1964, stating that the shooting down of the jet and the killing of the three Americans is a closed incident.

Fourth is a story that appeared in the Daily Texan on January 30, 1964. The Daily Texan is the very excellent newspaper of the University of Texas and is one of the finest college newspapers in the country. This item tells the story of the mother of one of the men killed in the incident, Lt. Col. Gerald K. Hannaford. Lieutenant Colonel Hannaford was from Austin, Tex., only 75 miles from my hometown of San Antonio. I wish all those anonymous U.S. officials who consider this to be a closed incident would read the words of Lieutenant Colonel Hannaford's mother quoted in the beginning of the story:

> Everywhere I look I can see him—the way he walked, the way he moved his hands, the way he held his head.

[From the Washington Post, Jan. 30, 1964]

U.S. Brands Jet Downing Brutal Act—Three Americans Die in Unarmed Plane Inside East Germany

(By Murrey Marder)

The United States yesterday charged the Soviet Union with brutally downing an unarmed jet training plane and killing three Air Force occupants Tuesday when the aircraft inadvertently crossed into East Germany.

The Soviet Union and Communist East Germany countercharged that they were the aggrieved parties. In a crossfire of protest notes, Moscow called the flight a "gross provocation" and a "clear intrusion" of Communist territory.

Strong condemnation of the Soviet Union immediately came from Capitol Hill with warnings that the incident showed that the East-West cold war holds continuing danger.

APPARENTLY LOST

But U.S. acknowledgment that the plane was apparently lost and strayed about 55 miles into East Germany, was an important qualifying factor for the strong American reactions.

This fact tempered any likelihood that the tragic incident would seriously alter the present relatively moderate line of East-West relations.

Secretary of State Dean Rusk, returning last night from conferences in Tokyo and South Korea, called the affair senseless and shocking news.

RUSK FOR CAUTION

"People ought to find out what happened first before taking action," said Rusk. His comment reflected the general strong reaction here yesterday to what the United States regarded as a wholly unnecessary shoot-first attitude by Communist forces in East Germany.

First news that the plane was brought down came in a Tass news agency report, saying that the Soviet Union regarded the flight as a "gross provocation * * * aimed at aggravating the situation in central Europe."

The Soviet Union did not say just how the plane was brought down. It either was shot or forced down.

U.S. Air Force officials at Wiesbaden, West Germany, said the twin-jet T–39 Sabreliner apparently lost its way because of an electronic or radio breakdown on a training mission, and strayed over the East German border.

The Air Force said air defense radar unsuccessfully attempted to warn the pilot away from the border.

Eleven minutes after it crossed the East German border, an American radar crew said, "two blips" appeared on the radar screen, closing in on the T–39, and then the American plane's "blip" disappeared.

In Moscow, Soviet Foreign Minister Andrei A. Gromyko summoned U.S. Ambassador Foy D. Kohler to deliver the Soviet protest. East Germany also protested, but the United States does not recognize that government.

Western officials saw diplomatic significance in the fact that the Soviet Union quickly assumed responsibility, averting what could have been a stormier diplomatic sequence.

The Air Force identified the three men aboard the plane as Lt. Col. Gerald K. Hannaford, 41, of Austin, Tex., Capt. John A. Lorraine, Jr., 34, of Jacksonville, Fla., and Capt. Donald G. Millard, 33, of Ukiah, Calif. All are married and are veteran pilots.

The Air Force said Hannaford and Millard were being "checked out" on the 575-mile-per-hour training jet.

In swift response, Georgi M. Kornienko, Soviet minister-counsellor here and temporarily acting head of the Soviet Embassy, was promptly summoned to the State Department. Assistant Secretary of State William R. Tyler told him the shooting was a "callous and inexcusably brutal act of violence" against an unarmed plane that accidentally went off course.

PUNISHMENT ASKED

Tyler demanded that the Soviet Government "punish those responsible for the shooting," and send proper instruction to permit recovery of the three bodies and access to the plane.

Kornienko, after a 12-minute meeting with Tyler, said "I did not accept the protest." He said, "We have all grounds to believe that this was not an error or a mistake. One would not imagine that an airplane is flying 100 kilometers deep beyond a border and then not submit to orders to descend. It was a clear intrusion."

The State Department brushed off Kornienko's contention that he had not accepted the protest. In incidents where two nations are protesting each other's actions, diplomats, for the record, often decline to "accept" a protest.

COLD-BLOODED MURDER

Senator Richard B. Russell, Democrat, of Georgia, chairman of the Senate Armed Services Committee, said the downing of the plane "has all the earmarks of premeditated, unnecessary and cold-blooded murder." But he added, "strictly speaking, the Communists may have been within their legal rights if the plane was over their territory without permission."

Senator Bourke B. Hickenlooper, Republican, of Iowa, said the incident illustrated that "the Communists have no intention to show any genuine progress toward peaceful solutions."

Similar comments came from Senator Henry M. Jackson, Democrat, of Washington, and others. But several Members noted, as Russell had, that the presence of an American plane far over the Communist border posed a complex problem.

"Before we draw any final conclusions," said Senator George D. Aiken, Republican, of Vermont, "perhaps we had better get more information."

Senator Barry Goldwater, Republican, of Arizona, Republican presidential contender and an Air Force major general and jet pilot, cautiously reserved judgment.

"I don't know what they were doing over East Germany," said Goldwater in a Pittsburgh news conference last night. Goldwater said "It's kind of hard to believe that all your navigational equipment would go out at once on that airplane." He said, "If you're over enemy territory where you're not supposed to be you can expect things like that."

The downing of an American plane by the Soviet Union was the first known incident of its kind since an American RB–47 reconnaissance plane was shot down near the Arctic Circle in 1960 at the height of East-West tension.

That incident brought bitter charges and countercharges in the United Nations Security Council.

Soon after the late President Kennedy assumed office, the Soviet Union returned to the United States the two surviving American airmen aboard that plane, after originally saying they would be put on trial for "espionage."

[From the Washington Post, Jan. 30, 1964]

Text of Soviet Note to United States on Downing of Plane

The Ministry of Foreign Affairs of the Union of Soviet Socialist Republics, acting on the instructions of the Soviet Government, states the following to the Embassy of the United States of America:

On January 28 this year, at 16 hours 55 minutes Moscow time (8:55 a.m., e.s.t.), a foreign military aircraft, flying from the area of Kassel, invaded the airspace of the German Democratic Republic in the area of Diedorf (25 kilometers—15.5 miles—northwest of Eisenach). Continuing its flight in the easterly direction at an altitude of 8,000 meters (26,000 feet) and a speed of about 800 kilometers (500 miles) per hour, the intruder plane penetrated 90 kilometers (60 miles) deep into the territory of the German Democratic Republic.

To the south of the town of Muelhausen, the intruder plane was intercepted by a fighter plane of the group of Soviet troops in Germany, which gave the conventional signals ordering the intruder to land. The intruder did not react to these signals but continued its flight deeper into the territory of the German Democratic Republic. The intruder plane also did not react to the warning fire opened in the area of Weimar and in this connection the fighter plane was forced to undertake measures envisaged by instructions on the protection of airspace, which are known to the American command. As a result, the intruder plane fell near the village of Vogelsberg, 20 kilometers (12.5 miles) to the northeast of the town of Erfurt.

An inspector of the place where the plane fell showed that the intruder was a military jet plane of the U.S. Air Force of the T–39 type. The corpses of three servicemen were found.

The Soviet Government protests against the intrusion of a military plane of the U.S. Air Force into the airspace of the German Democratic Republic.

The Soviet Government cannot regard this intrusion otherwise than a gross provocation by the American military authorities, aimed at aggravating the situation in central Europe. The Soviet side has warned repeatedly that such intrusions of military aircraft into the airspace of the German Democratic Republic would be cut short resolutely.

In connection with the current case, the Soviet Government calls attention to the fact that such violations of the German Democratic Republic airspace lead only to unnecessary incidents and complications, entail senseless human losses.

The Soviet Government deems it necessary to stress that all responsibility for this regrettable incident rests with the authorities of the United States. It expects that the Government of the United States of America will take steps to prevent the repetition of such incidents in the future.

[From the Washington Star, Feb. 2, 1964]

Red Downing of U.S. Plane Now Called Closed Incident

U.S. officials say they consider the shooting down of an American jet trainer plane over East Germany to be a closed incident so far as its effect on larger East-West policy issues is concerned.

Officials were still mystified yesterday as to why American ground control officers were unable to contact the plane and call it back when they realized it was off course in flying toward the East German border last Tuesday. The mystery may never be solved. The three officers aboard were killed in the crash.

Information now available in Washington is that strenuous efforts were made by the Air Force to get the crew to turn aside before crossing the border.

These efforts, it was reported, included sending up two U.S. fighters to intercept the trainer. These planes were unable to reach the trainer before it went over the boundary. Attempts then were continued to establish communications contact with the aircraft but they failed to get any response.

NO EXCUSE FOR SHOOTING

U.S. officials have been told that a Russian fighter which intercepted the trainer first waggled its wings in a signal that the trainer should land and then fired warning bursts in front of the aircraft to force it to land.

The judgment of U.S. policymakers is that there was no excuse for the Russians to shoot down the plane and that their efforts should have been continued to force it to land safely or to turn it back.

However, since the Russians have returned the bodies of the airmen as well as the wrecked aircraft, the view of officials now is that no worthwhile purpose can be served by continuing to make an issue of what they consider an extremely unfortunate, but closed incident.

Meanwhile, the fire-scarred remains of the downed jet were trucked into West Berlin yesterday for study by U.S. Air Force investigators.

TRUCKS BRING WRECKAGE

The largest fragments of the unarmed, twin-engine T-39 North American Sabreliner were its sweptback wings. One had been torn away in the air during the shooting.

Using two trucks, a six-man U.S. Air Force team brought in the wreckage.

Investigators probed the debris for information that might shed light on why the Sabreliner strayed across the Iron Curtain on its flight above the clouds. Instrument failure was one suggestion in speculation as to why the plane drifted over East Germany.

A mortuary team on Friday recovered the bodies of the fliers—Lt. Col. Gerald Hannaford, 41, of Austin, Tex.; Capt. Donald Millard, 33, of Ukiah, Calif.; and Capt. John Lorraine, 34, of Jacksonville, Fla.

WING MILE FROM CRASH SITE

Capt. Miles J. McNaughton, of St. James, Mo., who directed the recovery, said 95 percent of the plane's wreckage was scattered over the relatively small area.

The stray wing was handed over to the Americans by Soviet troops and East German police. Captain McNaughton said the Russians told him this wing had been found about 1.2 miles from the site crash. Finding of the wing this far away could mean it was shot off or that the plane exploded in the air.

Civilians living in the Vogelsberg area, where the crash occurred, reported they heard machinegun and cannon fire.

[From the Daily Texan, Jan. 30, 1964]

VIGIL FINALLY ENDS—FLIERS' DEATH NOW CERTAIN

(By Pat Sharpe)

"Everywhere I look I can see him—the way he walked, the way he moved his hands, the way he held out his head."

The mother of Gerald K. Hannaford, Austin pilot shot down Tuesday in East Germany, remembered her son.

Mrs. Brooks Oakley sat beside a small table with a telegram from the State Department confirming her son's death.

Lieutenant Colonel Hannaford and two other officers were killed Tuesday when their plane was shot down by Soviet fighters over East Germany.

"I only hope this doesn't provoke an international incident. I don't want other mothers to lose their sons as I have lost mine," Mrs. Oakley said.

The Associated Press said the State Department had protested Wednesday "in the strongest terms the shooting down" of the T-39 jet trainer. The statement read that the aircraft was unarmed, that it was "obviously lost," and that it "afforded no threat of any sort to the Soviets."

Georgi M. Kornienko, minister-counselor of the Soviet Embassy in Washington, rejected the protest, saying, "It was a clear intrusion, the plane was intercepted and then it did not obey orders."

HE WANTED ARLINGTON

Mrs. Oakley said, although formal plans are not set, her son had wanted to be buried in Arlington National Cemetery. President Kennedy is buried at Arlington, the cemetery reserved for servicemen and their families.

"It would be a good place to be buried." Hannaford had said.

Hannaford, 41, was married to Jean Traynor, formerly of Austin. Their daughter, Kathy, 15, is attending school in Switzerland.

Mrs. Oakley said that Hannaford had once laughed and said, "There must be something wrong with that school—Kathy's grades are too high." Mrs. Hannaford said that "school officials would tell Kathy Wednesday that her father's aircraft is missing."

This was before confirmation of Hannaford's death. Mrs. Oakley said that at midnight Wednesday, Austin time, Mrs. Hannaford planned to call Kathy in Switzerland.

Late Wednesday night, Mr. and Mrs. Oakley looked up the names of the parents of the two other men killed to send them telegrams of condolence.

The officers were Capt. John F. Lorraine, Jr., 34, Jacksonville, Fla., and Capt. Donald C. Millard, 33, Ukiah, Calif., the wire service reported.

"Telegrams have been coming in all day," Mrs. Oakley said, "but the one which meant the most was one from a complete stranger." The telegram was signed with the man's name and "a tourist from Rhode Island."

She added, "I have the feeling he must be a pretty nice guy."

Fifteen families in Washington who served with Lieutenant Colonel Hannaford had also wired, Mrs. Oakley said.

"I know he died doing the thing he liked most," she said and added, "I wonder if it hurts as much if you have four or five and lose one, as it does when you lose the only one you've got."

NATIONAL TROPICAL BOTANICAL GARDEN

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. MATSUNAGA. Mr. Speaker, I would like to make a few remarks in connection with a bill which I introduced today to charter a corporation entitled the National Tropical Botanical Garden. Because of the importance and timeliness of the work to be undertaken by the corporation which would be chartered by the bill, I feel that I should call this piece of proposed legislation to the special attention of my fellow Members of the House.

The bill would create a corporation which would, in turn, establish and operate a tropical and semitropical botanical garden on United States soil. There is at present no tropical or semitropical botanical garden of any size or importance in the United States. The garden, as proposed in the bill I introduced, will be established and operated through private gifts and private endowment, and without the need for the appropriation or expenditure of Federal funds.

Despite the obvious need for a research center in tropical and semitropical botany, the United States, as I just stated, has no tropical botanical garden of any significant size or importance. Furthermore, in recent years, the United States has lost access to gardens elsewhere upon which it formerly relied. For example, Harvard University has lost the use of its garden in Cuba.

The question as to the need for a garden of the type proposed has already been carefully explored. The U.S. Department of Agriculture, Agricultural Research Service, undertook a feasibility study on this very question. A careful and thorough study was performed and the USDA report released in March 1962 concluded that there was a need for such a garden. Similarly, the Botanical Society of America also undertook a careful study. The society's report disclosed "an urgent need" for the establishment of a garden of the type proposed. Both studies recommended that the garden be located in Hawaii. Some 49 different organizations have gone on record and have sponsored the establishment of a national tropical botanical garden for the United States. These organizations include the American Association for the Advancement of Science, American Institute of Biological Science, Missouri Botanical Garden, National Audubon Society, National Council of State Garden Clubs, National Parks Association, National Wildlife Federation, New York Botanical Garden, Society for Economic Botany, University of California Botanical Garden and the University of Hawaii.

Because the proposed tropical botanical garden serves a national and public need, it is felt that it is appropriate and essential that the organization should have a national charter from the Congress. The incorporators of the proposed corporation emphasize the national nature of the undertaking. The five incorporators include the noted Henry Francis du Pont of Winterthur, Del., who has given so much of his time and of his money to assist scientific and cultural causes; Dean Waldo Malott, of Ithaca, N.Y., the recently retired president of Cornell University; the well-known conservationist Horace Marden Albright of Los Angeles, Calif.; the distinguished Robert Allerton of my constituency, Kauai, Hawaii; and Paul Bigelow Sears, the eminent botanical scholar of the Yale University faculty, New Haven, Conn.

The purposes and objectives of the corporation, as provided in the bill, would be to establish and operate the proposed garden, through private endowment, for the benefit of the people of the United States and to have it serve as an educational and scientific center. Libraries, laboratories, and other necessary facilities would be constructed. At the garden, fundamental research in tropical botany would be encouraged as well as research and study of the uses of tropical flora in agriculture, forestry, horticulture, medicine, and as a means of producing economic income. The garden would preserve species of tropical plant life threatened with extinction and would provide a facility for the education, instruction, and recreation of the people of the United States.

I earnestly request that you direct your attention to and support this worthwhile bill which would charter and bring into existence the National Tropical Botanical Garden.

UKRAINIAN INDEPENDENCE DAY

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. Price] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. PRICE. Mr. Speaker, the date January 22, 1918, marks an important milestone in the history of man's quest for freedom. On that day the Ukrainian National Republic's independence was proclaimed, and for 2 years the Ukraine lived among the community of nations before being brutally suppressed by the Bolsheviks. Even so, those 2 years of self-government engendered a spirit of Ukrainian nationalism that has endured for the past 46 years.

We, who share the experience of being a sovereign people, are behooved to pay tribute to the Ukraine Republic, that has long been subjected to the harsh realities of Soviet federalism. Living under this totalitarian yoke of the Communist Party are 45 million Ukrainians, who represent the largest captive non-Russian nation in both Eastern Europe and the Soviet Union. Yet the party apparatus has not been able to snuff out the flame of national independence that burns deeply within the Ukrainian soul.

Mr. Speaker, it is with a feeling of hope for the future that I address the House today. For, from this noble experiment with democratic government in the Ukraine Republic has emerged a vision of liberty unobstructed by the blinkers of oppression.

On this, the 46th anniversary of the independence of Ukraine, let us remind ourselves of the struggle being waged for universal freedom, and rededicate our allegiance to those oppressed victims of the Soviet Union's imperio-colonial web. Let us, as a nation founded on the principles of liberty and justice, reaffirm our faith in these tenets by intensifying our efforts to help these captive peoples.

BELLEVILLE, ILL.—ACHIEVEMENT AWARD IN THE 1963 NATIONAL CLEANEST TOWN CONTEST

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. Price] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. PRICE. Mr. Speaker, I am proud to announce that the city of Belleville, Ill., which is in my congressional district, has won an achievement award in the 1963 national cleanest town contest. This annual competition, which is the Nation's oldest community betterment contest of its kind, is sponsored by the National Cleanup-Paintup-Fixup Bureau. The coveted award will be formally presented to the city of Belleville this evening at a reception honoring representatives from all the winning cities.

Competing with other cities in its population category, Belleville captured this national award for its youth activities program. Under the direction of Mrs. Margaret Woodrome, general chairman of Belleville's cleanup-paintup-fixup campaign, a citywide student contest was held which was based on the largest number of home cleanup projects. The winner in this competition was Jim Clark, a student at the Blessed Sacrament Grade School.

I want to congratulate Mayor Charles E. Nichols, Mrs. Woodrome, Jim Clark, and the many students who participated in the contest for making this community improvement program possible. The city of Belleville has profited from their efforts.

WASTE IN MILITARY PROCUREMENT

The SPEAKER. Under previous order of the House, the gentleman from Indiana [Mr. Wilson] is recognized for 15 minutes.

Mr. WILSON of Indiana. Mr. Speaker, the General Accounting Office and Comptroller General Joseph Campbell have borne out my charges of waste to the tune of $360,000 in military procurement in another specific case which I referred to it last April 1. It has also sharply criticzed the efficiency of the Air Force in the purchase of a control tower on wheels known by the military nomenclature of AN/MRN-12.

The waste here is considerable—$360,000 of a $2.9 million contract—about 12.4 percent of the tax money spent for the equipment. The inefficiency of the Air Force in this case is ever worse and is, in my opinion, indefensible.

Last April 1, I spent a half hour here on the floor detailing my 4-month investigation into the MRN-12 case. I reported the waste, said I had referred the matter to GAO for a complete report, and promised to report on the findings when they were made public. You will find the speech in the Congressional Record, volume 109, part 4, pages 5196–5201.

Now, the GAO survey is complete, and I have a copy of the report here in my hand. It is GAO document B-149861 for those who wish a copy.

Mr. Speaker, the Comptroller General's report bears out my charges of last April 1 in every important respect. There was waste, there was inefficiency, and there was incredibly bad planning and administration.

Allow me to preface my remarks with the statement that I bear no ill will toward the contractor in this procurement, Craig Systems, Inc., of Lawrence, Mass. They are playing the game by the rules laid down by the military. They are in business to make money for their shareholders.

The criticism must all be saved for the Air Force and its representatives who allowed and even encouraged all this waste and mismanagement.

Hearkening back to my April 1, 1963, speech, I recall that I charged the Air Force had improperly allowed the contractor to add on to its price a sum of 16 percent for what were termed "general and administrative expenses."

Here is what the GAO says about this:

> In accepting the 16 percent, the Air Force negotiators failed to consider the effect of the substantial increase in sales volume represented by this contract. This effect was manifested in a decrease in the general and administrative expense rate to about 12.5 percent during the period of the performance of the contract. As a result of the lower rate, the contractors' recorded (actual) general and administrative expenses, applicable to this contract, amounted to $310,879 as compared with the amount of $381,716 included in the (actual) negotiated price.

GAO continues:

> We believe that the impact of this one contract, which represented approximately 30 percent of Craig Systems' total volume of business for its 1963 fiscal year, could have and should have been anticipated by Air Force negotiators in negotiating the rate of general and administrative expenses incorporated in the contract price.

Thus, Mr. Speaker, the GAO has backed me up. The 16 percent allowed for general and administrative expenses was far too high. But, the Air Force apparently feels it is only tax money.

Second, I criticized the Air Force for ordering Craig Systems to purchase components for the MRN-12. These items were formerly supplied by the Air Force and some were in stock on Air Force inventory shelves.

Here is what the GAO report says about that:

> The Air Force could have furnished certain components valued at $138,000 from existing Air Force stocks and other major components costing $1,670,000 could have been purchased by the Air Force directly from the same subcontractors used by Craig Systems. If these items had been furnished by the Air Force to Craig Systems, savings to the Government of general and administrative expenses and profit allowed the contractor should have amounted to about $334,000.

Along this same line, Mr. Speaker, GAO uncovered a $25,000 overcharge made by the contractor, thereby increasing the total figure involved to $360,000.

Further, Mr. Speaker, I charged that some equipment, bought by the contractor, could have been purchased for much less money and already was in stockpile. Let us hear what GAO says about just one such component part—a radio identified as the URT–7C:

> Craig Systems purchased 42 URT–7C radio transmitting sets from Rauland-Borg Corp., Chicago, Ill., at prices which returned to that supplier approximately 57 percent more than costs incurred to produce these items. This item has been sold by Rauland-Borg Corp. to other Government customers and defense contractors at prices substantially lower than the $2,632.54 per unit charged Craig Systems.

As a matter of fact, Mr. Speaker, this radio sold for about $1,100 under terms of several Government contracts, therefore, we can prove over a $55,000 waste for this single radio, even if it was needed. The bare fact is that it was not needed at all. Its total price of over

$110,000 was all wasted. The GAO report proves that when it continues:

> Adequate screening by Air Force personnel at Rome Air Materiel Area would have disclosed substantial quantities of items in inventory which could have been furnished to Craig Systems through normal requisition processes. More than $138,000 of costs were incurred by Craig in purchasing subcontracted parts for use in the MRN-12 although these components were readily available in Air Force inventories. If an adequate review had been performed by the Air Force, it would have disclosed that five items were available in Air Force inventories.

Mr. Speaker, why did the contractor even have to consider buying equipment which had been furnished in the past and could have been furnished again? Let us again go to the GAO report and quote from it:

> There was no reason why the Air Force should not have procured these components direct from any of these subcontractors. Had the five components in Air Force inventory and the three other components purchased by Craig Systems been furnished to this contractor as Government-furnished equipment, the Air Force should have been in a position to have negotiated a price about $334,000 less than that actually established by Craig Systems.

There it is again, Mr. Speaker. The Air Force, like the Navy and the Army, takes the easy way out. It is content to "let George do it." Inefficiency and disregard for the value of the tax dollar permeates the procurement levels of the military. The result is higher defense costs with less bang for every buck invested in defense.

Another Air Force fairy tale I criticized last April 1 was the contention that this equipment was so urgently needed that only one bidder could be allowed to submit a quotation.

Mr. Speaker, there is no more damning indictment of the sloppy work going on in procurement than what GAO says on this account. For example, it makes reference to the fact that:

> Procurement of the equipment (MRN-12) was delayed by poor planning and programing and other uncoordinated actions for a period of about 1½ years.

The GAO report shows, Mr. Speaker, that the urgent requirement for the MRN-12 that required a hurry-up sole source award in 1962 actually was initiated in 1952—10 years earlier.

The contract was let June 5, 1962, for a 10-year-old requirement. It was let on the basis that the Air Force must have the equipment at once. Thus, only one company could be allowed to bid.

Additionally, the GAO report shows, in effect, that while one part of the Air Force was busily buying one model of the MRN-12, another part of the Air Force was busily modifying that same model. So, while plans were in motion to spend millions purchasing the mobile control tower, other plans were moving to have them modified as soon as they were delivered. This may be good for someone, but it is certainly a knife in the pocketbook for the taxpayer.

After years of this kind of confusion, in December of 1961, both the Air Forces got together and, as the GAO report says:

> It appears that only at this late date was there a realization by all parties concerned that concurrent but uncoordinated efforts were being made both to modify existing equipment and to buy additional units that would immediately require the same modification work.

Actually, Mr. Speaker, procurement of the MRN-12 mobile control tower was given a No. IV priority, the next to lowest priority possible—almost no priority at all.

Commenting on this, and comparing the Air Force's statements of urgent need with the low priority, the GAO report says:

> It is difficult to reconcile the assignment of this relatively low priority with the Air Force justification that procuring the MRN-12 equipment on a sole source basis was necessary because of an urgent need for this equipment.

There is much more in the report, Mr. Speaker. It is 58 pages long. I have it here in my hand. Every Member of the Congress should read it to see just how our tax dollars are being thrown to the winds by the wasters in the military purchasing sections.

Mr. Speaker, this closes out my case against the Air Force in its purchase of the MRN-12 mobile control tower. It is certainly a damning indictment of the industriousness and inefficiency of these people.

Waste of $360,000, poor planning, uncoordinated efforts, sloppy inventory lists, inadequate screening, no reason for the blunders—these are all conclusions of the General Accounting Office that back up my conclusions made 10 months ago.

In conclusion, I wish to state again that I harbor no ill will against any company doing business with the Government and which is involved in this or any other case. These firms must play by the rules the Pentagon lays down.

It is the military purchasing sections that need a good shaking up, and while the top brass at the Pentagon mouth platitudes about their great money-saving efforts, a few of us here on Capitol Hill are really doing the hard work.

Mr. MORSE. Mr. Speaker, I am delighted to take this occasion to commend my distinguished colleague, the gentleman from Indiana [Mr. Wilson], and to express my admiration for the Congressman's dedication to his convictions and the tenacious and courageous way in which he has sought, case by case, to bring about improvements in the procurement practices of the Pentagon.

I admire also, Mr. Speaker, the judicious manner in which my colleague has handled one case in particular involving a very fine company located in the district which I represent.

On April 1 of last year, the gentleman from Indiana, Congressman Wilson, brought to the attention of the House an Air Force procurement of MRN-12 mobile control towers, the contract for which had been placed with Craig Systems, Inc., of Lawrence, Mass. The gentleman from Indiana [Mr. Wilson] was highly critical of both the Air Force and Craig. The calculations of contract pricing which he and his staff had made indicated to him that there had been possible overcharges on the part of the company. Shortly after the speech of April 1, both the gentleman from Indiana, Congressman Wilson, and I requested the General Accounting Office to perform a full audit. It was my feeling at that time that regardless of the fact that this company was located in my district, if the allegations were correct it was my responsibility as a Member of Congress to insure that the Government's interest was fully protected. It was also my feeling that if the information upon which the gentleman from Indiana, Congressman Wilson, based his allegations was in error or incomplete, it was incumbent upon me as a Member of Congress to see that the record was set straight. The gentleman from Indiana, Congressman Wilson, and I agreed that the results of the audit would be made public and that based upon the findings of the GAO audit, we would both endeavor to clarify the public record.

I am very pleased, Mr. Speaker, that the General Accounting Office audit, now completed, has exonerated Craig Systems. The report establishes that Craig Systems followed established accounting principles in pricing this contract for the Air Force.

No suppliers other than those selected by Craig could have furnished the necessary components on a timely basis at lower prices. The GAO, in fact, found only one instance that Craig paid an excessive price to a subcontractor, but that was after, as the GAO notes, the subcontractor refused to negotiate price and offered the item on a take-it-or-leave-it basis. It was the only supplier from whom Craig could purchase an essential item.

When Craig discovered one relatively minor error in its pricing figures, it voluntarily asked for a price reduction in its own contract with the Air Force.

Craig Systems did not make an excessive profit. Its profit was 7 percent; closely approximating the percentage originally negotiated at the time the contract was negotiated.

From the time Craig submitted its initial prices to the Government, it was able to successfully negotiate reduced prices from its suppliers, which reductions were passed on to the Air Force, resulting in overall savings approximating $400,000 from the initial estimates.

Craig in every instance possible obtained competitive quotations from its own suppliers and awarded its subcontracts to the lowest bidder who could meet delivery requirements.

Delivery of AN/MRN-12 units was substantially in conformance of contract delivery schedule.

The report does indicate, Mr. Speaker, certain areas in which Air Force procurement practices were deficient. I am confident that the Air Force will take steps to see that each of the recommendations made by the General Accounting Office for improving the efficiency of its own procurement and planning procedures will be considered and adopted where possible. In any establishment as vast and complex as the Defense Department, there is always room for improvement and this report has clearly shown this procurement to be no exception.

My colleague from Indiana is indeed to be commended. The General Accounting Office audit which he requested has in this instance produced two very beneficial results. As I have noted, improvements have been suggested in Air Force procurement procedures which, if adopted, may well result in substantial savings to the taxpayer in future procurements. Second, doubts which may have unfortunately arisen with respect to the integrity and capabilities of Craig Systems have been erased.

With respect to the second point, Mr. Speaker, I think it is not inappropriate to make one or two observations about Craig Systems and its principal officers. The company was formed during World War II by two brothers, natives of Czechoslovakia, Erick and Fred Kauders, who had come to the United States during the war to aid the U.S. war effort. One of the two brothers, Fred Kauders, had fought the Nazis in the Czechoslovakian Army in France and later served in the French Army. He was awarded the Croix de Guerre for heroism in combat, one of the highest honors the French Government can bestow. When he came to the United States, he also served in the U.S. Army.

The elder brother, Erick Kauders, had also fought the Nazis in his work for the French Government as a munitions engineer. He was coinventor of the shaped charge which made the bazooka gun possible. He and his associate brought this invention to the United States in 1941 and turned it over to the U.S. Government.

After the fall of France, both brothers came to the United States to work for the U.S. Government in ordnance programs and in intelligence activities.

As is so often the case with our adopted citizens, the Kauders have a fierce sense of patriotism and loyalty to the United States and to all for which this free country stands. As the principal officers of Craig Systems, the Kauders have successfully developed the mobile shelter concept which several years ago made possible the introduction of the Pentomic army concept. Their engineering knowhow and innovations in the transportable field provided for the armed services unprecedented mobility in its communications equipment so essential to modern-day military operations. The company has been a leader in the development and manufacture of mobile communications systems. While the Kauders have obtained many patents on their developments, much of which they sponsored with their own funds, they have never once asserted their patent position for their own gain or to deny the U.S. Government full use of their knowhow. On the occasion of the 20th anniversary of their coming to the United States, President Eisenhower paid to the Kauders a richly deserved compliment in the following telegram sent to the mayor of Lawrence, Mass., Hon. John Buckley:

> Through Senator LEVERETT SALTONSTALL, I have learned of the civic gathering in honor of Messrs. Erick and Fred Kauders. I understand that these brothers are observing their 20th year in the United States. In these two decades, they have contributed much to the strength of their community and adopted country. Please give them my congratulations and best wishes.
>
> DWIGHT D. EISENHOWER.

The Kauders, who came to the United States after witnessing the brutality of the Nazi onslaught in Europe and after witnessing the terrors and evils of tyranny, have a particular appreciation for the way in which the American democratic system preserves freedom and truth, and for the way in which our system rewards merit and integrity and protects the rights of the innocent. I am particularly delighted, therefore, Mr. Speaker, that this audit has served to clear away the doubts and suspicions that might naturally arise from the charges that had been made with respect to the performance of this contract.

For the purpose of insuring that the record has been made clear, Mr. Speaker, I include at this point in my remarks a very brief summary of the findings of the General Accounting Office:

BRIEFING OF GAO REPORT AND FINDINGS PERTAINING TO CRAIG SYSTEMS ONLY

I. COSTS AND PROFIT

A. The negotiated contract price provided for an estimated profit of approximately 6.5 percent of estimated cost. The experienced profit is about 5.6 percent of the actual cost without the inclusion of a pending change order. The change order will result in a final profit of 7 percent of recorded costs. (References: P. 7, first paragraph; p. 11 and top of p. 12; p. 20, first paragraph.)

II. PROCUREMENT OF MAJOR COMPONENTS

A. Examination of Craig's records revealed no evidence that suppliers other than those selected by Craig would have furnished the necessary components on a timely basis at significantly lower prices. (Reference: P. 7, second paragraph.)

B. GAO found only one instance in which prices paid by Craig to a subcontractor appeared excessive when compared with prices paid by the Government and its other contractors for the same items. This subcontractor resisted efforts by Craig to negotiate lower prices and offered items on a "take it or leave it" basis only. With the exception of this item, prices paid by Craig for the items covered by the GAO review of selected electronic components, were comparable to those paid by the Government or its other contractors for these same items, quantities and delivery requirements considered. (References: P. 7, second paragraph; p. 24 and top of p. 25.)

C. Actions taken by Craig in establishing and selecting sources for purchasing major components showed that Craig generally attempted to obtain competitive price quotations from several different sources. In those instances where Craig was able to obtain more than one quotation, the purchase order was awarded to the supplier who submitted the lowest price quotation—except in one case where it was necessary to choose the second bidder because of the quoted delivery. In this case the lowest quote was for $4,800 per unit with an 11-month delivery whereas the second bidder's final quote was $4,904 per unit with a 6-month delivery. The low bidder's delivery would not permit Craig to meet its own delivery requirements to the Air Force. (References: P. 20, last paragraph; pp. 22 and 23.)

D. Action taken by Craig showed that it attempted to negotiate reductions in prices quoted by suppliers it selected, and Craig's purchasing records show that some of the original prices quoted by suppliers of components were negotiated downward. (References: P. 20, last paragraph; p. 25, first paragraph.)

III. COMPARISON OF NEGOTIATED PRICING AND ACTUAL COST

A. A G. & A. expense rate of 16 percent was used in the negotiated pricing whereas the actual rate for the period of performance of contract was 12.5 percent. As a result, recorded G. & A. expense applicable to the contract amounted to $310,879 compared with the amount of $381,716 included in the negotiated price, a difference of $70,837. Conversely, the contractor experienced an overrun, not covered by any change order or price adjustment, of $78,690 for materials. The recorded cost of direct labor approximated the amounts included in the contract price. (References: P. 8, last paragraph, and top of p. 9; p. 17, last paragraph, through top of p. 20.)

B. Craig Systems' price proposal to the Air Force included costs based on suppliers price quotations to it for items of material. In accordance with Craig's normal estimating practices, provision for G. & A. expense and for profit were added to estimated production costs to establish the prices included in the proposal. Examination of Craig's records revealed that direct material costs, covering subcontracted items, purchased parts and other material, were based on vendors quotations for the most part. Estimates for direct labor costs were based on direct labor hours required based on engineering estimates for time needed to perform various operations applicable to major assemblies and subassemblies. (References: P. 17, first and second paragraphs.)

IV. OVERCHARGES INCLUDED IN PRICING

A. Preparation of detailed information for GAO disclosed an overpricing for one of the components, amounting to $25,572. This was caused by a mistake in the quantities of this component required for assembly of the AN/MRN-12 units. On June 18, 1963, Craig notified the Air Force of this overcharge and has requested a reduction in the contract price. (References: P. 9, second paragraph; p. 16.)

V. DELIVERY

A. Delivery of the AN/MRN-12 unit by Craig was substantially in conformance with the contract delivery schedule. Although delivery was not in strict compliance with the detail schedule, all control units were delivered by April 1963, the last month in which deliveries were scheduled to be complete. Delivery of modification kits was complete 3 months later than completion date provided by the contract. (References: P. 10; p. 44, last paragraph, and top of p. 45.)

B. Craig Systems records show that some of the delay in the delivery of its completed items to the Air Force was caused by late receipt of four components from its subcontractor. In turn, one subcontractor's delay was attributable to the failure of the Air Force to furnish that subcontractor with an equipment component on a timely basis. (Reference: P. 45, 1st paragraph.)

VI. REDUCTION OF CRAIG'S PROPOSAL DURING NEGOTIATION

A. Craig's originally proposed price was reduced $403,359 during negotiations, which was principally due to reduction in the amounts of quotations for some of the major components. Per agreement with the Air Force, Craig's original proposal was submitted based on quotations available at that time, some of which were verbal, preliminary, and/or budgetary. It was agreed that the proposal would be adjusted to the amount of subsequent firm quotes which were to be received. As these quotes were received they were made available to the various agencies which reviewed the pricing, including the Boston Air Force Contract Management District, the Army Audit Agency, and the ROAMA price analysts. As a result, all major subcontractor quotations were known to the Air Force and considered firm at the time of negotiation. (References: P. 11, 1st paragraph; p. 12, 1st paragraph; p. 13, last paragraph, through p. 15.)

B. The report contains an example of the situation described in A above showing that Craig initially estimated a unit cost of $5,800 for the AN/URC–9 radio sets or a total cost of $986,000 for the 170 sets required for this contract. This was based on a quotation received June 8, 1962 (as covered in GAO's schedule on p. 23). On August 15, 1962, a final quotation of $4,903.65/unit was received or a total of $833,620.50 for the 170 sets. Accordingly, this lower price was used at the time of negotiation. (References: P. 14, last paragraph; p. 22, last sentence, and top of p. 23.)

VII. CHANGE ORDER INCREASING PRICE

A. Craig Systems has submitted to the Air Force a request for an increase of $40,852 to provide for (1) increase of $66,424 relating to certain modification work approved by the Air Force and an adjustment in the price of subcontractor components, and (2) a decrease of $25,572 to correct the overcharge covered in IV above. (Reference p. 11, last par.)

VIII. SUMMARY

A. The report verified:

1. Craig's profit will not exceed 7 percent even with the addition of the change order.

2. Craig paid a reasonable price for the subcontracted components with the exception of one item purchased from Roland Borg which was offered only on a "take it or leave it" basis. With the exception of this item, prices paid by Craig were comparable to those paid by the Government, quantities and delivery requirements considered.

3. Craig obtained competitive quotations for the subcontracted components to the extent possible.

4. Craig negotiated further with sources of supply and in some instances obtained lower prices.

5. Craig made a reasonably comprehensive search for sources of supply.

6. Although there was an underrun on G. & A. expense, this was more than offset by the overrun on material.

7. Craig followed normal estimating procedures in applying overheads, G. & A., and profit to the estimated cost.

8. An error in computing quantities of one component resulted in an overpricing of $25,572, and on June 18, 1963, Craig requested a price reduction of this amount.

9. Craig substantially complied with the delivery requirement.

Mr. BATES. Mr. Speaker, I want to associate myself with the remarks made by my colleague, the gentleman from Massachusetts [Mr. Morse], regarding the General Accounting Office audit recently published of an Air Force procurement placed with Craig Systems of Lawrence, Mass.

I was deeply disturbed in April by the charges which the gentleman from Indiana [Mr. Wilson], made with respect to this particular contract and particularly with respect to Craig Systems. They were, Mr. Speaker, serious charges, indicating that this company had substantially overcharged the Government in the negotiation of this contract.

The GAO audit report has made crystal clear the fact that Craig Systems did not overcharge the Government, that its profits were reasonable, and that its performance of the contract was in all respects in accord with the requirements of the contract. The audit report has made it clear that the implications raised about the company's ability, and indeed its integrity were unfounded.

The principal officers of Craig Systems, Erick and Fred Kauders, I am glad to say, Mr. Speaker, are constituents of mine. They are well-respected public-spirited citizens who have contributed much to their community and to their country. I have always regarded them as men of ability and integrity. It is for this reason that I am particularly pleased that the General Accounting Office audit has shown no evidence to substantiate the allegations made in April.

The report has demonstrated certain areas in which Air Force procurement practices must be improved. I am confident the Defense Department will take steps to correct the deficiencies revealed in this report.

I want to commend my colleague, the gentleman from Indiana [Mr. Wilson], for having had this audit conducted and the report published and my colleague, the gentleman from Massachusetts [Mr. Morse], for his remarks today and for his diligence in seeing to it that the record has been set straight with respect to the Kauders and Craig Systems.

PROPOSED AMENDMENT TO CIVIL RIGHTS ACT TO PROTECT INTERSTATE TRAVELERS

Mr. MEADER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, it is my intention at the appropriate time to offer a substitute to title II of the pending Civil Rights Act which would protect interstate travelers in certain areas of public accommodation and public conveyance of interstate travelers.

I want the Members, Mr. Speaker, to be fully aware of the character of this amendment because it has been worked out very carefully and would avoid many of the pitfalls and ambiguities and undesirable features of title II as reported by the committee. For instance, it would be enforced by a civil action for damages brought by the aggrieved person.

It would not involve government by injunction.

It would be limited to facilities connected with the interstate transportation of persons.

It would not involve all kinds of businesses having no relationship whatever to interstate commerce.

Mr. Speaker, I ask unanimous consent to include the text of the proposed amendment at this point.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The amendment referred to is as follows:

Amendment to H.R. 7152 offered by Mr. Meader: Page 42, strike out line 14, and all that follows down through the period in line 3 on page 48 and insert in lieu thereof the following:

"TITLE II—NONDISCRIMINATION WITH RESPECT TO CERTAIN AREAS OF PUBLIC ACCOMMODATION

"Sec. 201. Chapter XXIV of the Revised Statutes of the United States (42 U.S.C. ch. 21) is amended by adding at the end thereof the following new section:

" 'Sec. 1992. (a) No owner, operator, lessee, agent, or employee of any hotel, motel, inn, restaurant, eating establishment, or gasoline station which is situated or advertised adjacent to an interstate or primary highway (as defined in title 23, United States Code, section 103) and which is held out as serving or offering to serve interstate travelers, and no owner, operator, lessee, agent, or employee of any public conveyance on land or water, or in the air, including the stations and terminals thereof, serving interstate travelers, shall directly or indirectly refuse, withhold from, or deny to any person any accommodations, advantages, facilities, or privileges thereof on account of race, creed, color, or national origin.

" '(b) Any person aggrieved by a violation of subsection (a) may bring an action at law in the United States district court for the district in which the violation occurred for the damages sustained by him, but in any such action damages sustained by a person shall not be deemed to be less than $100 or more than $1,000. No right of action accruing under this section and no proceeds thereof may be assigned before final judgment.

" '(c) Nothing contained in this section shall be construed as indicating an intent on the part of Congress to occupy the field in which such section operates, to the exclusion of any State laws on the same subject matter, nor shall any provision of this section be construed as invalidating a provision of State law which would be valid in the absence of such section, except to the extent that there is a direct and positive conflict between such provisions so that the two cannot be reconciled or consistently stand together.' "

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Meader to revise and extend remarks made today in the Committee of the Whole and to include extraneous matter.

(The following Member (at the request of Mr. Thomson of Wisconsin) and to include extraneous matter:)

Mr. Fulton of Pennsylvania.

(The following Members (at the request of Mr. Matsunaga) and to include extraneous matter:)

Mr. Powell.

Mrs. Sullivan in two instances.

Mr. Burkhalter.

ADJOURNMENT

Mr. MATSUNAGA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 28 minutes p.m.) the House adjourned until tomorrow, Wednesday, February 5, 1964, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1640. A letter from the Secretary of Defense, transmitting the Second Annual Report of the Office of Civil Defense for fiscal year 1963 covering the civil defense functions assigned to the Department of Defense by Executive Order No. 10952 of July 20, 1961, pursuant to section 5 of the Executive order and section 406 of the Federal Civil Defense Act of 1950; to the Committee on Armed Services.

1641. A letter from the Under Secretary of the Navy, transmitting a draft of proposed legislation entitled "A bill to amend title 37, United States Code, to authorize payment of special allowances to dependents of members of the uniformed services to offset expenses incident to their evacuation, and for other purposes"; to the Committee on Armed Services.

1642. A letter from the Comptroller General of the United States, transmitting a report on the need for better supervision and administration of the business loan activities of the Small Business Administration; to the Committee on Government Operations.

1643. A letter from the Comptroller General of the United States, transmitting a report on the increased costs incurred for ammonium perchlorate purchased during 1961 for solid propellant missile motors by the Department of the Air Force; to the Committee on Government Operations.

1644. A letter from the Comptroller General of the United States, transmitting a report on excessive charges for components for M-60 tanks under Department of the Army contract with Chrysler Corp., Detroit, Mich.; to the Committee on Government Operations.

1645. A letter from the Comptroller General of the United States, transmitting a report on waste of funds and adverse effects on patient care from procurement of unsatisfactory X-ray film development equipment by the Veterans' Administration; to the Committee on Government Operations.

1646. A letter from the Comptroller General of the United States, transmitting a report on excessive stocks at selected bases of the U.S. 5th Air Force in Japan and Korea, Department of the Air Force; to the Committee on Government Operations.

1647. A letter from the Comptroller General of the United States, transmitting a report on certain management weaknesses noted in our review of orbiting solar observatory projects administered by the National Aeronautics and Space Administration; to the Committee on Government Operations.

1648. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated November 29, 1963, submitting a report, together with accompanying papers and an illustration, on an interim hurricane survey of Fort Lauderdale, Fla., authorized by Public Law 71, 84th Congress, approved June 15, 1955 (H. Doc. No. 217); to the Committee on Public Works and ordered to be printed with one illustration.

1649. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated September 4, 1963, submitting a report, together with accompanying papers and illustrations, on interim report No. 7—Yukon and Kuskokwim River Basins, Alaska, authorized by the Flood Control Acts, approved June 30, 1948, and May 17, 1950 (H. Doc. No. 218); to the Committee on Public Works and ordered to be printed with two illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 2317. An act to amend the provisions of section 15 of the Shipping Act, 1916, to provide for the exemption of certain terminal leases from penalties; without amendment (Rept. No. 1126). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 1127. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES (by request):

H.R. 9887. A bill to authorize waiver of service-connected disabilities in meeting the health requirements for reinstatement of national service life insurance; to the Committee on Veterans' Affairs.

H.R. 9888. A bill to repeal the restriction on dependency and indemnity compensation payments in cases involving in-service waiver of Government life insurance premiums; to the Committee on Veterans' Affairs.

H.R. 9889. A bill to amend title 38, United States Code, to provide a realistic cost of living increase in the allowances paid to individuals pursuing vocational rehabilitation and educational programs under the laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. BARING:

H.R. 9890. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. CLEVELAND:

H.R. 9891. A bill to amend chapter 15 of title 38, United States Code, to revise the pension program for World War I, World War II, and Korean conflict veterans and their widows, and for other purposes; to the Committee on Veterans Affairs.

By Mr. McINTIRE:

H.R. 9892. A bill for the establishment of Commission on Organization and Operations of the Executive Branch of the Government; to the Committee on Government Operations.

By Mr. MATSUNAGA:

H.R. 9893. A bill to charter by act of Congress the National Tropical Botanical Garden; to the Committee on the Judiciary.

By Mr. ANDERSON:

H.R. 9894. A bill for the establishment of a Commission on Organization and Operations of the Executive Branch of the Government; to the Committee on Government Operations.

By Mr. BROTZMAN:

H.R. 9895. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. CONTE:

H.R. 9896. A bill to create a U.S. Botanical Survey; to the Committee on Interior and Insular Affairs.

By Mr. STUBBLEFIELD:

H.R. 9897. A bill to amend the Internal Revenue Code of 1954 to provide tax relief for certain persons whose real property is taken from them by condemnation or who are forced to dispose of such property because of the imminence of condemnation; to the Committee on Ways and Means.

By Mr. ROBISON:

H.J. Res. 913. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. FOUNTAIN:

H.J. Res. 914. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. COOLEY:

H.J. Res. 915. Joint resolution to authorize and direct the Secretary of Agriculture to conduct research into the quality and health factors of tobacco and other ingredients and materials used in the manufacture of cigarettes; to the Committee on Agriculture.

By Mr. ABBITT:

H.J. Res. 916. Joint resolution to authorize and direct the Secretary of Agriculture to conduct research into the quality and health factors of tobacco and other ingredients and materials used in the manufacture of cigarettes; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DANIELS:

H.R. 9898. A bill for the relief of Mrs. Gladys O. Brown; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 9899. A bill for the relief of Florinda Cascarano and Lucia Pacucci; to the Committee on the Judiciray.

H.R. 9900. A bill for the relief of Joszef Olkonicki, Vera Olkonicki, Jonatan Olkonicki; to the Committee on the Judiciary.

By Mr. LANKFORD:

H.R. 9901. A bill for the relief of certain individuals; to the Committee on the Judiciary.

By Mr. TOLL:

H.R. 9902. A bill for the relief of William L. Chatelain, U.S. Navy, retired; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

679. The SPEAKER presented a petition of Benedict L. Wyse, employees representative, South Postal Annex, Boston, Mass., requesting passage of H.R. 8986; which was referred to the Committee on Post Office and Civil Service.

EXTENSIONS OF REMARKS

White House Announcement on John F. Kennedy Half Dollar

EXTENSION OF REMARKS

OF

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1964

Mrs. SULLIVAN. Mr. Speaker, many Members have been inquiring about the availability of the new John F. Kennedy 50-cent coin now being prepared by the mints for general circulation as the standard half dollar, replacing the Franklin half dollar minted from 1948 through 1963. The legislation authorizing the change in the design of the half dollar was signed into law by President Johnson on December 30, 1963, and everyone has been awaiting with much interest the first appearance of the new half dollars.

The White House today announced that the first John F. Kennedy half dollars for general circulation purposes will be struck at the Philadelphia and Denver Mints a week from today, on February 11. However, it will be late March or early April before sufficient coins have been minted so that they can be made available simultaneously throughout the country.

BILL INTRODUCED BY REPRESENTATIVE WRIGHT PATMAN

Miss Eva Adams, Director of the Mint, said 90 million of the new coins honoring the late President Kennedy will be produced during 1964. The coin was authorized under legislation proposed by President Johnson on December 10 and introduced on that same day by the chairman of the Committee on Banking and Currency, the Honorable WRIGHT PATMAN of Texas, as H.R. 9413. The bill was approved unanimously by the committee on December 12, was reported on December 13, and passed by the House under suspension of the rules on December 17. The following day it was taken from the desk of the President pro tempore of the Senate, passed and sent to the White House, where it was subsequently approved as Public Law 88-256.

Because of the widespread interest among Members of Congress and the general public in this new coin, which represents the first change in the design of a major denomination of coins since 1948, I submit the official announcement from the White House today for inclusion in the CONGRESSIONAL RECORD, as follows:

[Immediate release, Feb. 4, 1964, office of the White House Press Secretary]

THE WHITE HOUSE

The first of the new John F. Kennedy half dollars for general circulation purposes will be struck at the mints in Philadelphia and Denver on February 11, 1964.

Miss Eva Adams, Director of the Mint, said the mint will produce 90 million of the new half dollars during 1964. When 26 million have been made they will be distributed through the Federal Reserve banks to banks throughout the country and released to the public at face value in late March or early April. Thereafter, the new coins will be placed in circulation on a continuous basis as they are produced at the mints.

The John F. Kennedy half dollar was authorized by Congress in Public Law No. 88-256, approved by President Johnson on December 30, 1963. The face of the coin bears a portrait of the late President, facing left. Above and around the border is the word "Liberty." Beneath, and around the border is the date. Above the date and below the head is the motto "In God We Trust." The reverse of the coin contains a replica of the Presidential Coat of Arms. Above, and around the border are the words "United States of America." Below and around the border "Half Dollar." On the ribbon above the eagle's head are the words "E Pluribus Unum" (One Out of Many).

The models for both sides of the coin were prepared by the U.S. Mint. The Presidential likeness was done by Gilroy Roberts, chief sculptor of the mint at Philadelphia, and the Presidential Coat of Arms was executed by his assistant, Frank Gasparro.

Individual specimens of the coin are not available from the mints or the Federal Reserve banks. They can be obtained by the public only through local banking sources.

Independence of Ceylon

EXTENSION OF REMARKS

OF

HON. ADAM C. POWELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1964

Mr. POWELL. Mr. Speaker, after more than 400 years as a colony of European powers, Ceylon became an independent and sovereign state on February 4, 1948. Today marks the 16th anniversary of that historic moment and I take this opportunity to congratulate His Excellency the Governor-General of Ceylon, William Gopallawa; and His Excellency, the Ceylonese Ambassador to the United States, M. F. de S. Jayaratne.

Ceylon is a small island paradise just off the southeastern tip of the Indian subcontinent. It has some of the most enchanting scenery in the world and its praises have been sung by visitors for centuries. As long as ships have sailed the Indian Ocean, Ceylon has been an important link in trade with the Orient. It was famous in earlier days for its rich and abundant spices, especially cinnamon, and for its many precious stones. However, the country is better known to us today for its exports of black tea and natural rubber and for the fact that its Prime Minister is the first woman in modern history to head a government.

A visitor who is familiar with living conditions in other Asian countries will be pleasantly surprised by the relative prosperity in Ceylon. The people live simply but well, and there is little or no evidence of poverty and misery in the villages. Three-fourths of all Ceylonese are able to read and write, as compared to the rest of Asia's one-fourth, and education is free from kindergarten to university.

Mr. Speaker, today the independence of Ceylon is being celebrated by the people of that country, and we share their joy and pride on this important occasion. The continued evolution of Ceylon as a free and independent democratic state is important to the United States. Our country has always respected the Ceylon Government's policy of "friendly relations with all nations and noninvolvement with any power bloc." And over the many years the relations between the United States and Ceylon have been friendly. Our trade relations have been mutually satisfactory, and there has been increasing cultural exchange. It is true that the close bond between the United States and Ceylon has been under strain in recent months due to unresolved differences over American property nationalized in Ceylon. But it seems to me that, given mutual understanding and respect for the ideals of each other, it should be possible to restore normal and friendly relations. I personally look forward to the time when we will move once more to such a rewarding friendship.

Franklin Delano Roosevelt

EXTENSION OF REMARKS

OF

HON. EVERETT G. BURKHALTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1964

Mr. BURKHALTER. Mr. Speaker, the symbolic wearing of the white carnation in the buttonhole of the lapel by my colleagues today in reverent memory of our beloved President Franklin Delano Roosevelt, is a most fitting symbol to his greatness. White has always signified hope and he gave that hope back to the American citizen only days after he had been inaugurated as the 32d President of our free Nation. He entered the White House at a time when the Nation was fraught with many economic troubles. Many individuals had given up all hope of any kind of economic stability being attained during their lifetime. However, as history has so well recorded, a voice reached the American people from their radio sets throughout the land that carried with it a challenge and also the vibrant warmth of sincerity and purpose that was received by the people as a call to reassert themselves to become a part of the rebirth of the traditional American dream, a chance to be the breadwinner of the family and move the Nation forward to a new and greater horizon. This was the beginning of a new and revitalized era in

American history, this was the birth of the New Deal.

As great a symbol as the white carnation was in the past, it is fitting that the legislation concerning the civil rights that was such an important part in the program of the New Frontier courageously fought for by our late President John Fitzgerald Kennedy, should be brought to the floor for consideration on F.D.R.'s birthday. It is but another link in the rich chain of heritage that has been forged in the past by great Democratic Presidents and shall be added to in the future by those that follow.

The American people are very sentimental about many things, but not, as a general rule, about political matters. That is to say, a man who will forgive his friends and neighbors for many shortcomings is seldom so generous with respect to the record of a political leader. Moreover, a man who will mourn the loss of a friend, with deep feeling, may very well shrug off the demise of any politician—even one in whose principles he deeply believes.

It is therefore most unusual for the American people to become deeply attached, emotionally, to a political figure—even to a President—and to remember him with great fondness for years and years following his departure from the scene. That this should be the fate of any man must be regarded as the greatest kind of tribute. Indeed, it is a tribute accorded very few. One so honored is Franklin D. Roosevelt, 32d President of the United States and undisputed champion of the common man.

It was the fate of Mr. Roosevelt to come to power in a period fraught with National problems, both foreign, and domestic. It was his responsibility to cope with the great depression, and then, to rouse, and lead the Nation in the titanic battle for the preservation of democracy, in World War II. Both of these responsibilities, each of earth-shaking magnitude, Franklin D. Roosevelt fulfilled, with the most remarkable display of energy, foresight, ability, and fortitude imaginable.

And yet, while this was happening within the vision of the American public, Franklin D. Roosevelt did not appear as some kind of power figure, but as a friend, doing battle in the name of decency and right.

As the father of the New Deal program, Roosevelt put bread in the mouths of the hungry, secured jobs for many thousands of unemployed, and transmitted to all a sense of self-importance. The whole New Deal, in fact, was based upon the overall belief that dignity—to which every man is fully entitled—cannot exist under uncertain economic conditions. To promote the national sense of dignity therefore, the New Deal established many programs providing work, itself, and methods of encouraging work. The so-called "alphabet-soup agencies"—the WPA, the PWA, CWA, CCC, FERA, and so forth—all were responsible for providing jobs and all were invaluable in reviving the national economy. Certain persons who happened to be less hard hit by the depression could see no reason for the sweeping New Deal reforms; but the depression victims—who were many—were grateful beyond words.

Once F. D. Roosevelt was reelected, in tribute to his economic achievements. His second reelection, in 1940, was a tribute to something else again: His overall leadership, which the American people wanted, in the approaching international holocaust. Then, after 4 years of war—in which Roosevelt the reformer had proved himself an equally outstanding military chieftan—the people once again returned him to office, in the hopes that he could somehow work another miracle, in the postwar struggle for international dominance. Death, of course, deprived him of this opportunity.

In all these undertakings, F. D. Roosevelt appeared before the people as a man of the people—concerned not with self, but with the Nation, civilization, and the democratic tradition. That is why, I suppose, you can find his picture still hanging in the homes of many American families, to whom the Democratic Party will forever be remembered as "the party of Mr. Roosevelt."

Why the Knights of Pythias Commemorative 50-Cent Coin and Other Commemorative Coin Bills Have Not Been Approved

EXTENSION OF REMARKS

OF

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1964

Mrs. SULLIVAN. Mr. Speaker, Members of Congress from almost every State have been receiving letters from constituents active in the Knights of Pythias urging approval of legislation to authorize the striking of a special 50-cent coin commemorating the 100th anniversary of the founding of their organization. The Members, in turn, have conscientiously been contacting my subcommitte of the Committee on Banking and Currency to ask about the status of the bill.

Because of the many letters received by Members, and in view of the fact that no action has been taken or is scheduled on the Knights of Pythias 50-cent commemorative coin proposal, I am placing this explanation in the CONGRESSIONAL RECORD to assist Members of the House and Senate in responding to the mail they are receiving on this matter.

The purposes for which the Knights of Pythias organization requests the approval of this commemorative coin are indeed altruistic. Under the legislation, 95 percent of all receipts from sale of the coin would be used for advancing the cause of research into cystic fibrosis, a dread disease affecting some children.

MINTS HAVE BEEN WORKING AROUND THE CLOCK

However, as the national officers of the organization were advised some months ago, and as many of the State and local officials of the organization have since been advised by me or by the committee staff, legislation to authorize the striking of commemorative 50-cent coins for fundraising purposes by public or nonprofit private organizations just cannot be considered at this time.

Commemorative coins, minted in limited quantities for disposition at a profit by sponsoring organizations, could be manufactured at this time only at the expense of production of regular coins. Yet, as the Congress knows, the mints this fiscal year have been frequently working around the clock, 24 hours a day, 7 days a week, trying desperately but unsuccessfully to catch up to the tremendous demand for regular coins for commercial needs.

In the last session, the Congress authorized the expenditure of $30 million for construction of new mint facilities at Philadelphia as the only hope for fulfilling expanding requirements for coins in the economy, but the money has not yet been appropriated and the new building has not been started. Hence, it will be years before we can expect to see any idle capacity for coin production at the mints.

OTHER BILLS PASSED OVER

Long before the bill for the Knights of Pythias coin was introduced, our subcommittee held hearings on similar bills proposing the striking of special 50-cent coins for other worthwhile causes. One would have commemorated the life and perpetuated the ideals and principles of our beloved leader for so many years, the late Speaker Sam Rayburn, and funds raised by such a coin could have helped to build the Rayburn Library; another would have commemorated the Centennial of Lincoln's Gettysburg Address and helped to finance and enlarge its observance last November under the auspices of a Pennsylvania State commission of which former President Dwight D. Eisenhower was honorary chairman. Certainly both coins, if approved, would have served useful and important purposes. So it is in no sense a depreciation of cystic fibrosis research, or of the sponsoring organization, that the Knights of Pythias 50-cent commemorative coin proposal has received the same treatment as the Sam Rayburn commemorative coin and the Lincoln's Gettysburg Address coin proposals.

The subcommittee last year also had referred to it a number of bills to strike a 50-cent coin commemorating a century of Negro progress. Nearly every Member of Congress received letters urging enactment of this legislation, but it, likewise, could not be considered for the same reasons which blocked the other bills.

COMMEMORATIVE MEDALS WERE APPROVED

The national officers of the Knights of Pythias have been advised of the numerous bills we have approved, however, authorizing the striking of commemorative medals for public and nonprofit private organizations observing significant anniversaries of events of a national character. National medals were approved last year commemorating the following: The Centennial of Nevada Statehood; the Sesquicentennial of Indiana Statehood; the 250th anniversary of the birth of Padre Junipero Serra; and the 50th anniversary of the founding by the International Ladies' Garment Workers Union of the first union health center in the United States.

So far this year, Congress has completed action on two additional national medal bills: One honoring three of our great historic Federal shrines in New York City, and the other commemorating the 200th anniversary of the founding of my city of St. Louis.

This is not to say that all bills proposing the striking of commemorative national medals are, or would be, automatically approved. But it is obvious from these facts that commemorative medals bills have a much better chance of favorable consideration than bills proposing the striking of commemorative coins, which have no chance at all under present circumstances. Production of medals does not interfere with regular coinage operations. Different equipment is used.

TESTIMONY BY MISS EVA ADAMS

Mr. Speaker, in our hearings last May in the Subcommittee on Consumer Affairs we went into the whole question of medals and coins very extensively, taking testimony from coin bill supporters as well as from Treasury witnesses who appeared in opposition. I submit herewith the oral testimony at that time of Miss Eva Adams, Director of the Mint, who explained why the Treasury feels so strongly on this matter. Miss Adams submitted a great deal of documentation, but I am including only her spoken testimony, following my introductory statement, as follows:

[Excerpt from hearing of Subcommittee on Consumer Affairs, House Committee on Banking and Currency, May 20, 1963]

COIN: COMMEMORATIVE 50-CENT PIECES

Mrs. Sullivan. We will now turn to the three bills on our calendar dealing with the issuance of commemorative 50-cent pieces. The bills include H.R. 1611 by Congressman Goodling, of Pennsylvania, to commemorate the centennial of Lincoln's Gettysburg Address; H.R. 2621 by our colleague on the subcommittee, Mr. Rains, to commemorate the life and ideals of the late Honorable Sam Rayburn, one of the greatest Americans any of us have been privileged to know; and H.R. 6026, a later bill introduced by Mr. Rains, to authorize the future issuance of such coins to honor any former Speaker of the House of Representatives of the Congress of the United States following his death.

As I announced at the start of the hearings, these bills are controversial in that the Treasury Department consistently opposes all such commemorative coin issues without exception, and every President in the past 25 or 30 years or more has opposed or vetoed such bills, although a great many such coins were issued in the first administration of Franklin D. Roosevelt.

But his predecesor, President Hoover, vetoed such bills and so did President Roosevelt, also Presidents Truman and Eisenhower. Mr. Kennedy, I believe, opposes them, too.

Incidentally, I note from our old committee calendars that, while a Member of the House, Mr. Kennedy once sponsored such a bill, himself, to issue a special 25-cent piece, not a half dollar, as most of these bills call for, but a quarter, commemorating the 300th anniversary of the pine tree shilling of colonial days. However, it never saw the light of day in the Committee on Banking and Currency, a fate which was shared by many such bills over the years, and those which were approved were generally vetoed.

Both Mr. Goodling and Mr. Rains have expressed a great deal of interest in the whole philosophy of commemorative coins, and they question the Treasury's rigid position.

So, first, we are going to hear from the Honorable Eva Adams, Director of the Mint, and from Mr. Belin, General Counsel of the Treasury Department, and have them explain why the Department takes the position it does, and give us the background on previous commemorative issues—what happened to lead to the present law strictly limiting new coin issues, and to a 1939 act which prohibited any further mintings of commemorative coins previously authorized.

Then we shall hear from the bills' sponsors.

I might say that the author of the 1939 act, the chairman of the Committee on Coinage, Weights, and Measures, who made an extensive personal investigation of the commemorative coin situation at that time, was a predecessor of mine from St. Louis, the late Honorable John Cochran, and was a close personal friend and a wonderful, dedicated man, but a tough man in the legislative battles and very blunt in language. In his report, he called these commemorative coins a "racket." But I am sure that there is no racket of any kind intended in any of the bills before us.

The bills are intended, I believe, to help raise money in a rather painless manner for worthwhile causes in the public interest.

The question is whether a coin issue intended for sale at a premium is an appropriate way in which to raise money.

A further question arises, however, and I hope the Treasury witnesses will discuss it, also. It is this: Should our regular coin issues continue to be rigidly restricted to 25-year intervals?

Mrs. Sullivan. We will now hear Miss Adams and Mr. Belin.

STATEMENT OF HON. EVA ADAMS, DIRECTOR OF THE MINT; ACCOMPANIED BY FREDERICK TATE, ASSISTANT DIRECTOR; AND G. D'ANDELOT BELIN, GENERAL COUNSEL OF THE TREASURY

Miss Adams. Thank you, Chairman Sullivan, and members of the subcommittee. It is a pleasure to appear before this subcommittee to present information in connection with legislation which has been submitted for various commemorative coins and medals.

The coinage system of the United States was established to provide a medium of exchange, and to facilitate trade. The basic function for which the mint was established was to produce domestic coins in the denominations and quantities required for business transactions throughout the Nation. It is the responsibility of the Treasury Department to maintain the integrity of our coinage system, and, for this reason, the Department has for many years opposed legislation which authorizes the minting of special or commemorative coins.

Some years ago, measures were passed which permitted the issuance of large numbers of commemorative coins. For example, during the period from 1934 through 1936, 26 new half-dollar coins were authorized. Many of these were open-end issues, meaning that the coins could be manufactured and sold year after year. During the calendar year 1936, 17 separate issues of special coins were manufactured. It was soon found that the issuance of special coins for various commemorations introduces confusion into our coinage system. Actual results have shown that such coins are not looked upon with favor by the general public. They are seldom absorbed into general circulation, and, in many instances, have been refused in trade because the public is not familiar with them.

Another objectionable feature associated with the issuance of commemorative coins related to the exploitation of these coins for private gain. The practice of disposing of these coins by the interested organization through the use of agents or dealers soon became widespread. Commemorative coins have been sold by these agents or dealers at exorbitant profits with the largest percentage of the profits inuring to the benefit of the individual merchants. It was obviously the intention of the Congress, as reflected by the wording of the bills authorizing the commemorative coins, that such coins could be sold at a reasonable profit, with the profit being applied toward the cost of the memorial or celebration being commemorated.

The Congress soon became aware of this unsatisfactory situation, and held extensive hearings on the objectionable practices and abuses related to the issuance of special coins. Following these investigations, House Report No. 101 was issued on this subject on February 27, 1939, and the Congress passed a bill (Public Law 278, 76th Cong., approved August 5, 1939) stopping the issue of all commemorative coins which had already been approved.

Since the enactment of Public Law 278, referred to above, no further commemorative coins have been authorized except for two provided for in acts signed on August 7, 1946, and an amendment to one of these in 1951.

In addition to the opposition of the Congress to commemorative coins, as referred to above, the longstanding objection of the Treasury Department to these issues, you will be interested to know that a number of bills for special coins have been vetoed by various Presidents. I would like to present for the record a copy of a statement on commemorative coins. This statement contains additional information on the abuses related to commemorative coins, and the congressional investigation of these abuses.

Does this meet with your approval?

Mrs. Sullivan. Without objection, it will be included at this point in the record.

* * * * *

Miss Adams. The statement also includes a collection of significant messages by Presidents Eisenhower, Truman, Roosevelt, and Hoover in opposition to bills authorizing the issuance of commemorative coins.

In addition to the attitude of the Treasury Department that these commemorative coins violate the principle for which our coinage system was established, there are a number of other practical reasons why the Department opposes special coinage issues. Of primary importance is the fact that the issuance of large numbers of coins introduces confusion into our coinage system, and makes counterfeiting much easier. In addition, the striking of commemorative coins imposes an unnecessary strain on the facilities of the overburdened mints. These special coins divert the use of machinery and manpower from the regular channels of operation when every facility of the mints is needed to produce the regular denominations required for the business needs of the country.

The cost of manufacturing commemorative coins is usually higher than the cost of regular coinage. This is due in part to the practice which was followed by some of the sponsoring organizations of purposely ordering small quantities of coins from each mint. These small orders disrupt regular coinage operations, require special setting up of coin presses and other equipment, and, in general, call for special handling. The cost of these operations, and the cost of silver wastage when unissued coins go back into the melting pot, are paid from the mint's regular operating funds.

The most recent commemorative coins made by the mint were the Booker T. Washington-George Washington Carver coins. This was in 1946, as referred to above. The cost of manufacturing these special coins amounted to approximately $20 per thousand pieces, as compared with about $7 per thousand for regular issues. A total of 5.6 million of these commemorative coins were manufactured at the 3 mints over a period of 9 years, but 2.7 million of these coins were not issued and went back into the melting pot.

The Department's opposition to commemorative coins is not, believe me, based upon a lack of appreciation of the importance of events proposed to be commemorated. However, it would be very difficult for the Department to take a position that one commemorative issue should be approved, but another should not. Experience has shown that the authorization of a single issue brings forth a flood of requests for special coins to commemorate events of importance. In each case, the sponsors feel that the event they wish to commemorate is equally as important as other similar events. If one issue is authorized, pressure will be exerted from many sources for the issue of other coins.

The Treasury Department has long favored medals, instead of coins, for commemorative purposes. A medal lends itself more readily to an artistic design, because the relief of a medal does not have to be restricted as it does on a coin. The manufacture of commemorative medals does not interfere with our domestic coinage operations, and all manufacturing costs are paid by the sponsoring organization.

I would like to point out that there are many private manufacturers who are capable of turning out fine medals for commemorative purposes, and the mint has no desire to compete with these firms for this work. Of course, the mint stands ready to execute any medals which the Congress deems to be of a national character and significance.

Do We Get Full Value From Research Dollars?

EXTENSION OF REMARKS

OF

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1964

Mr. FULTON of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Representative JAMES C. CLEVELAND, an attorney, serving his first term in the House of Representatives from the Second District of New Hampshire. Although a native of Montclair, N.J., he has been a longtime resident of New London, N.H. He is a member of the House Public Works Committee in addition to having been named to the Select Committee on Government Research. The Washington World magazine states in connection with this article:

> Mushrooming of the Federal Government's research activities is a prime concern of Representative CLEVELAND. He finds that $14 to $15 billion of the taxpayer's money is going into these programs this year, as compared to only $2 billion a decade ago. He wants all of them to be coordinated and subject to rigorous scrutiny. Thus he welcomes his assignment to the Select Committee on Government Research, set up to see whether the taxpayers are getting their money's worth.

Representative CLEVELAND's article is excellent and should be called to the attention of the American people.

DO WE GET FULL VALUE FROM RESEARCH DOLLARS?

(By Representative JAMES C. CLEVELAND, Republican, of New Hampshire)

The massiveness of the Federal Government's involvement in scientific research and development is certainly cause for thoughful study. Consider these facts:

Fourteen to fifteen billion dollars of the taxpayer's money is going into R. & D. this year. The figure was only $2 billion 10 years ago.

More than 30 different departments, bureaus, and agencies of the Federal Government conduct research or have it conducted for them, often in the same fields.

Many business concerns owe their very existence to R. & D. contracts, and would fail immediately if this source of revenue were taken away.

Some universities depend on Federal research funds for as much as 50 to 75 percent of their operating budgets.

Such facts explain the existence of a new committee of the House of Representatives which was created last September by a unanimous rollcall vote to look into the entire Government research and development effort. This is the nine-man Select Committee on Government Research, whose chairman is Representative CARL ELLIOTT, of Alabama, on which it is my good fortune to serve. Our initial hearings have just been concluded.

THE QUESTION

We can all agree that scientific research is a basic necessity in a growing society, and that the United States must never lose its recently won leadership in technology, which is the product of research.

But the question arises: How well is the burgeoning research and development effort being managed? Are we getting value received for such dollar spent?

Whenever a Federal spending program increases with such rapidity, there is always a suspicion, at least, that duplication and just plain waste will occur. I hope our committee will explore these areas to the end that reasonable economy and better coordination may be assured.

A breakdown of Federal research and development spending shows that five organizations account for 90 percent of it. These are the Department of Defense, the National Aeronautics and Space Administration, the Department of Health, Education, and Welfare, the Atomic Energy Commission, and the National Science Foundation. About 70 percent of these funds support military research and development. About 10 percent of the total funds is channeled to colleges and universities.

I was impressed by the statement given to our committee by the eminent scientist, Dr. Vannevar Bush. He told us that, in his opinion, the broad program of Government-supported research and development which was started after World War II on his recommendation, "has been overextended, and is still rapidly growing." He expressed the hope, however, that if the committee's study "indicates that we should now apply the brakes, we will not commit the converse error, and cut back on really worthwhile efforts."

EDUCATION'S PART

Some of the really worthwhile projects, in my opinion, are being conducted on college campuses. I have discussed this with President J. Sloan Dickey, of Dartmouth College, which is in my district. Dartmouth, like many other colleges, derives benefits from Federal research funds in the form of contracts and grants. In turn, the Government benefits from the work performed at these schools. Dr. Dickey has given me a very good insight into the far-reaching effects that Government-supported research has on college campuses. In the training of scientists, engineers, doctors, and other professional people, research is indispensable and almost inseparable from good education. Similar thoughts have been expressed to our committee by Dr. John W. McConnell, president of the University of New Hampshire, who pointed out that research "has led not only to an increased contribution to our national store of knowledge," but it has also led to "the development and training of young scientists and engineers who will perform the research and development of tomorrow."

I view with concern any program originating with big government which results in big universities growing larger at the expense of small universities which grow comparatively smaller. Some research, of course, requires exceedingly expensive equipment and must be performed by the larger universities. I do not imply to subsidize mediocrity, but do urge encouraging the improvement of research facilities in smaller centers of learning.

There is also the problem of in-house Government research versus research that is contracted out to industries or institutions. I am inclined to believe there is a greater possibility of unwarranted empire building and/or misdirection when Government bureaus keep the research within their own facilities instead of assigning some of it to outside groups. Once a Government bureau establishes a program, it often tends to justify it even after the need has passed.

Finally, an extremely interesting point was made by James E. Webb, Administrator of the National Aeronautics and Space Administration, which bears repeating. Webb pointed out that, not only must we encourage research, we must be alert to capitalize on the results of research. Citing the example of Dr. Robert H. Goddard's basic research in the 1920's which established the practicability of the liquid-fuel rocket, Webb reminded our committee that it was the Germans and Russians who seized on the research and thus took a commanding and dangerous lead in rocketry. Legislation which I have introduced with former Speaker of the House JOSEPH W. MARTIN, JR., Republican, of Massachusetts, to commemorate Dr. Goddard's achievements should also serve as an important reminder that we must always be ready to vigorously utilize the results of our massive research programs.

I am not against Federal support of research. As a matter of fact I am strongly for it. Research advances human knowledge, from which we all benefit, and Government has a legitimate role in furthering it.

I am concerned, however, that Federal research programs be thoughtfully coordinated and directed and subject to rigorous application of priorities and sensible criteria. To help bring this about is, in my opinion, the primary purpose of the Select Committee on Government Research.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 5, 1964

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Hebrews 11: 6: *Without faith it is impossible to please God.*

Eternal and ever-blessed God, grant that our search and desire to know Thy will may always be the constant and characteristic and controlling attitude and aspiration of our minds and hearts.

May we daily hear and heed Thy voice for the ways which Thou hast marked out for us are the ways of pleasantness and peace.

We humbly confess that our beloved country is being challenged by vast problems which are testing to the uttermost the wisdom and understanding, the skill and statecraft, of our President, our Speaker, and all the Members of the Congress.

Help us to see more clearly that our human life has no defense against despair and defeatism unless we cultivate a great faith and trust in Thee whose wisdom is infallible and whose strength is invincible.

Hear us in Christ's name whose spirit is our bond of unity. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

PRESIDENT JOHNSON'S CONSUMER MESSAGE

Mrs. SULLIVAN. Mr. Speaker, when President Kennedy sent a message to Congress on March 15, 1962, devoted entirely to issues and problems affecting the American consumer as a consumer, it was the first time a President of the United States had used this method of calling to public attention and to the attention of the Congress the need for a unified attack on threats to the well-being and safety of every American family. President Johnson, in his consumer message today, not only reaffirmed the consumer proposals made by President Kennedy but expanded them to include additional areas of consumer concern. As chairman of the Subcommittee on Consumer Affairs of the House Committee on Banking and Currency, I pledge my full cooperation with the President and with his Special Assistant for Consumer Affairs, Assistant Secretary of Labor Esther Peterson, in assuring comprehensive and sympathetic legislative consideration for all aspects of his consumer program coming under our jurisdiction. This includes, in particular, the proposals dealing with consumer credit and the need for full disclosure on credit transactions.

Ever since coming to Congress, I have been sponsoring legislation in the consumer field. President Johnson's message constitutes a full endorsement of two of my own bills: H.R. 1235, an omnibus bill to rewrite the Food, Drug and Cosmetic Act; and H.R. 940, to expand meat inspection to include intrastate shipments—but if the President's budget proposals to shift the cost of meat inspection from the Federal Government to the processors were adopted, I am afraid they would seriously reduce the chances of achieving compulsory inspection of intrastate meat supplies.

H.R. 1235, which would correct all of the inadequacies and close all the loopholes the President cited in the Food, Drug and Cosmetic Act, has been pending in the House since January 1961. It provides among other things for pretesting for safety of all cosmetics and for safety and efficacy of all therapeutic devices, stiffer controls over barbiturates and amphetamines, tighter regulations over packaging and labeling to prevent fraud and deception, and the kind of comprehensive factory inspection authority the President outlined in his message.

I am deeply gratified by President Johnson's commitment to consumer causes, as reflected in this message and also by his wise appointment of Mrs. Peterson as the coordinator in the White House of the farflung programs of Government affecting consumers.

NUCLEAR PROPULSION SOUGHT FOR NEW AIRCRAFT CARRIER

Mr. HOSMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Speaker, I take this time to call attention to the fact that 10 Members, including myself, are today introducing bills to require that the new Navy aircraft carrier CVA-67 be nuclear powered. I invite other Members interested in this subject to introduce identical legislation, copies of which can be obtained from my office.

HEROISM IN GHANA

Mr. OLIVER P. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. OLIVER P. BOLTON. Mr. Speaker, I have asked for this time to call the attention of my colleagues in the House to the heroism which was displayed by one of our fellow citizens yesterday in Ghana. Several hundred Ghanaians marched on our Embassy there at the instigation of the ruling Convention Peoples Party and hauled down our flag. The demonstrators fell back when Emerson Player, one of our Embassy officials who was assistant attaché there, rushed out to defend the flag, grabbed the rope and ran the flag back up the staff in the face of large demonstrations. There were 200 or 300 agitators around the Embassy and he defended and raised our flag despite the threats hurled at him.

I have today written President Johnson recommending to him that he consider Mr. Player, the assistant attaché in our Embassy in Accra, for our highest peacetime civilian award, the Medal of Freedom, which was established in 1963 for significant contributions to security, national interest, and world peace.

Although not an actual wartime incident, in view of recent events in Africa, Panama, and southeast Asia, the significance of Mr. Player's action could be far reaching among the impressionable peoples of the emerging nations of the world. It was yet another illustration that patriotism and devotion to everything our flag stands for are equally shared by all Americans, regardless of race, creed, or color.

THE QUESTION BECOMES: WHO IS GETTING HOOKED?

Mr. BRAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BRAY. Mr. Speaker, at various times I have brought to the attention of my colleagues the tremendous economic problems in this Nation which are caused or aggravated by importing products of other nations. This list seems to be endless, but a new category is fast becoming critical.

Once again American taxpayers and consumers are being handed the bill. The situation results from the fast-rising imports of fish, which are causing a rapidly increasing surplus in our own domestic fishing industry. A decade ago only 37 percent of our annual fish supply was imported. In 1962 it reached 47 percent; and in 1963, 55 percent of our fish came from other countries.

Because of various forms of government support these other nations generally can sell cheaper to our processors. The bulk of the imports come from the commercial fishing of Canada, Japan, and Mexico.

But what has been the result of this tide of imported fish upon our own industry? We are faced with rapidly mounting surpluses, currently amounting to some $50 million worth.

The Government "master minds" have come up with a solution: They suggest that the Federal Government buy up the surplus, as it does surplus agricultural commodities, and resell to nations abroad on long-term, low-interest credit, or sell it to the foreign country for its own currency which we could not use for the benefit of the United States or our citizens. In brief, we are purchasing fish abroad which we do not need and which tends to increase the deficit in our balance of payments. At the same time we are planning to practically give away fish to other foreign nations.

Does the large increase in imported fish help the American consumer? Not so you can notice, for the average price of fish rose another 5 percent in 1962.

Of course, if the Government gets into the fish business as planned, the taxpayer will be footing the bill. If it really buys up the surplus, the effect on retail prices would be upward.

And we might in a few years start stockpiling surplus fish.

I do not think I need to remind this body what a pile of surplus fish would do.

Let us anticipate this development by moving quickly to seek adequate protection for our own industry, in our own interests. Let us stop a price support program for fish before it really begins. Let us see that any program to send surplus fish abroad remains limited to a small amount of truly overflow production, not a market which becomes a regular part of the anticipated market of the industry.

In short, let us get this hook out of our mouth before it becomes more deeply embedded.

OPPOSITION TO ADMISSION OF RED CHINA INTO UNITED NATIONS

Mr. DORN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN. Mr. Speaker, I am today introducing a concurrent resolution which would again place the Congress on record as opposing diplomatic recognition of Red China and opposing her admission to the United Nations.

In view of recent developments, it is urgent that the Congress, at the very earliest moment, go overwhelmingly on record against extending this recognition to Red China. French recognition of Red China will lead to recognition by other nations. The United Nations, as a result, could admit Red China, and the United Nations could fall under the domination of the Communist bloc. The United States would then have to face the possibility of being thrown out of the United Nations or being permitted to remain a member solely for our financial support.

Since Congress passed the resolution opposing recognition of Red China, Red China has committed additional international crimes. She attacked India and seized bases for further aggression. She has stepped up her campaign of brutality, infiltration, and aggression in South Vietnam and overall southeast Asia. Her subversive agents are at work in Cuba, Africa, Panama, and throughout the free world.

The Communist master of them all, Lenin, is reported as having said, "The road to Paris is the road through Peiping, China." His prediction is now dangerously close to reality. Russia is supporting the grand design of Red China to perfection and obviously so by her conduct on the road to Berlin last fall, the recent shooting down of an American Air Force plane, grabbing of students and professors on false charges and the entertainment in Moscow of Castro and the support of his regime in Cuba.

Mr. Speaker, I believe this Congress could make no greater contribution to the cause of freedom in the world than to immediately take favorable action on this resolution.

CONSUMER INTERESTS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 220)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed:

To the Congress of the United States:

America's economy centers on the consumer: The consumer buys in the marketplace nearly two-thirds of our gross national product—$380 billion out of an output of $600 billion.

To meet consumer needs with an ever-widening range and quality of products is the prime object of American producers.

To increase consumer well-being—both the quality and the comforts of life—is one of the highest purposes of private and public policy.

Yet, for far too long, the consumer has had too little voice and too little weight in government.

As a worker, as a businessman, as a farmer, as a lawyer or doctor, the citizen has been well represented. But as a consumer, he has had to take a back seat. That situation is changing. The consumer is moving forward. We cannot rest content until he is in the front row, not displacing the interest of the producer, yet gaining equal rank and representation with that interest.

Federal action in the consumer interest is not new: To protect the consumer, we have Federal laws and regulations to eliminate impure and harmful food, drugs, and cosmetics; to standardize weights and measures, and improve labeling; to prevent fraud, deception, and false advertising; to promote fair competition; to assure fair rates in transportation, power, fuel, communications, and the like; to avoid abuses in the sale of securities.

What is new is the concern for the total interest of the consumer, the recognition of certain basic consumer rights: The right to safety, the right to be informed, the right to choose, the right to be heard.

President Kennedy—in his historic consumer message of March 15, 1962—first set forth those rights. I reaffirm those rights.

What is also new is active representation of the consumer—and a loud, clear-channel voice—at the topmost levels of government:

1. In July 1962, President Kennedy established the Consumer Advisory Council. In its landmark "First report" of last October, the Council urged stronger and more effective representation at the Presidential level.

2. On January 3, I appointed a new Special Assistant for Consumer Affairs and established the President's Committee on Consumer Interests, composed of representatives of the Federal departments and agencies most concerned with consumer affairs; members of the Consumer Advisory Council; the newly appointed Presidential Assistant, as Chairman.

My Special Assistant and the new Consumer Committee will lead an intensified campaign: To assure that the best practice of the great American marketplace—where free men and women buy, sell, and produce—becomes common practice; to fight, side by side with enlightened business leadership and consumer organizations, against the selfish minority who defraud and deceive consumers, charge unfair prices, or engage in other sharp practices; to identify the gaps in our system of consumer protection, information, and choice that still need to be filled.

RECENT ADVANCES

Since 1962, the consumer's position has been protected and strengthened in several important ways:

1. New drugs must now be approved for effectiveness as well as safety.

2 Beginning in May of this year, all television sets produced and sold in interstate commerce must be able to receive all channels, including the ultra-high-frequency ranges. This will bring to millions of American homes a wider range of noncommercial educational TV, as well as more commercial programing.

3. During the past year, the Federal Trade Commission has intensified its programs to protect consumers against false advertising as to the safety and efficacy of nonprescription drug products, misrepresentation of savings in the purchase of food-freezer plans, deceptive television ratings and demonstrations, misbranding of clothing, bait-and-switch tactics in the sale of consumer products.

4. Federal Power Commission orders on gas rates have channeled millions of dollars of refunds of past overcharges to American families who use gas for cooking and heating.

5. Remedies have now been provided for air travelers who are victims of overbooking.

The job ahead: But the road to consumer safety, accurate information, free choice, and an adequate hearing is never ending. In modern society, the consumer is constantly exposed to the winds of change. Countless new products—and new forms of old products—vie for his attention and his dollar. Services take a larger and larger share of the consumer dollar. Yet they are often performed without established standards of safety or values.

The American housewife—the major American consumer—cannot help but feel confused, and too often unheard, as she seeks the best value for the hard-earned dollar she spends.

This Government is pledged to come to her aid with new legislation and new administrative actions.

RECOMMENDED LEGISLATION

FOOD, DRUGS, COSMETICS, AND MEDICAL DEVICES

Too often, we await the spur of tragedy before strengthening the Food, Drug and Cosmetic Act.

Too often, we discover dangers in foods and cosmetics only through serious injury to a consumer.

Testing and inspection powers: The Food and Drug Administration now lacks the needed authority to inspect fully the factories in which food is produced; to require a showing that cosmetics are safe before they are offered to the public; to examine, for safety and effectiveness before they are marketed, medical devices for the diagnosis of symptoms and treatment of illnesses. The improper treatment with worthless devices can be the cruelest hoax of all. Therefore:

(1) I recommend the enactment of new legislation to: Extend and clarify inspection authority—comparable to that which now governs prescription drugs—over foods, over-the-counter drugs, cosmetics, and therapeutic, diagnostic, and prosthetic devices; require that cosmetics be tested and proved safe before they are marketed; and require therapeutic, diagnostic, and prosthetic devices to be manufactured under conditions that will assure their reliability, and require proof of safety and effectiveness before they are marketed.

Warning labels: The container for the common household drug is a familiar—and often reassuring—sight in our medicine closets. Yet, unless properly marked with necessary warning against accidental injury, it can be as dangerous, and fatal, as a time bomb. Drugs that ease the pains of adults, for example, might kill a child—yet Federal authority to require warning labels on such containers is far from clear. A pressurized container, improperly used or handled, can also be a lethal instrument—yet, existing law does not require that users be warned against these dangers. Therefore:

(2) I recommend that existing legislation be extended and clarified to require that labels include warnings against avoidable accidental injury from drugs and cosmetics, and pressurized containers.

(3) In addition, the Department of Health, Education, and Welfare should be authorized to subpena evidence in connection with administrative hearings under the Federal Food, Drug and Cosmetic Act. Other regulatory agencies have this indispensable power. Without it, effective regulation is extremely difficult.

Screening of pesticides: Equally important is the growing danger from the use of pesticides which have not been properly screened. We must not recklessly interfere with the harmony of nature. Yet today the Department of Agriculture is required to register products that it cannot certify as safe—and these may be put to use. Therefore:

(4) I recommend that the Congress enact legislation—already passed by the Senate—to end the present practice by which pesticides may be registered by manufacturers "under protest" before the Department of Agriculture has passed upon their safety.

Meat and poultry inspection: The inspection of meat and poultry products moving in interstate commerce effectively insures safe and wholesome supplies of these foods, but this protection does not extend to products sold within a State. Therefore:

(5) I recommend legislation to insure that all meat and poultry sold in the United States—intrastate as well as interstate—is inspected for safety and wholesomeness, either by the Department of Agriculture or in cooperation with State authorities.

Unfair trade practices and price maintenance: There are serious defects in the Federal shield against unfair practices and false advertising. Unlawful trade practices may continue during the time administrative hearings are pending. Often, the damage has been done by the time the decision is rendered. Therefore:

(6) I recommend legislation to grant the Federal Trade Commission authority to issue temporary cease-and-desist orders at the outset of a proceeding, subject to court review, when the Commission has good reason to believe that the continuation of the practice would result in irreparable injury to the public.

Freedom of choice for consumers from our storehouse of goods, at the lowest possible prices, is the very cornerstone of American consumer policy. I believe strongly in this principle. Therefore, I oppose legislation which limits price competition, whether under the label of "quality stabilization" or any other name.

Truth in packaging: We all like interesting packages, and we are attracted by them. In today's markets they are the silent salesmen for their products.

But salesmen should be both helpful and truthful.

When the American housewife comes face to face with one of these silent salesmen, she wants it to report to her the nature and quantity of its contents in a manner that is simple, direct, visible, accurate.

All too often, she cannot find such labeling today. Hearings on the Hart-Celler bill to require "truth in packaging" have shown us that informed judgments are often made difficult or impossible by deceptive or confusing packaging and labeling.

The shopper ought to be able to tell at a glance what is in the package, how much of it there is, and how much it costs.

We do not seek monotonous conformity. We do seek packages that are easily understood and compared with respect to sizes, weights, and degrees of fill.

Many of our staples, like sugar and flour, have long been packaged in standard quantities. Much more can be done along these lines.

Packagers themselves should take the initiative in this effort. It is in the best interests of the manufacturer and the retailer as well as the consumer.

The Government has had, and has exercised, a responsibility toward the consumer in this field for a long time. But the case-by-case trail to which we are limited by existing law is a long and winding one.

More clear-cut regulations are needed to deal effectively with the problem of misleading adjectives; fractional variations in weight which are designed to confuse; illustrations which have no relationship to the contents of the package. Therefore:

(7) I recommend legislation to insure that the consumer has access to the information necessary to make a rational choice among competing packaged products.

Truth in lending: The consumer credit system has helped the American economy to grow and prosper: Credit is used to finance the purchase of homes, cars, appliances, education, and recreation; consumer credit and mortgage debt on urban family homes together total over $250 billion.

The cost of such credit must be made as clear and unambiguous as possible, eliminating all possibility of abuse. The antiquated legal doctrine, "Let the buyer beware," should be superseded by the doctrine, "Let the seller make full disclosure." Therefore:

(8) I recommend enactment of legislation requiring all lenders and extenders of credit to disclose to borrowers in advance the actual amount of their commitment and the annual rate of interest they will be required to pay.

Truth in securities: American consumers are also investors. Approximately 17 million persons hold stock in publicly held corporations.

Almost a generation ago, laws were passed to assure full disclosure of needed information to persons about to purchase securities listed on national securities exchanges.

But those who purchase over-the-counter securities have no similar protection. They need it.

Legislation broadening these disclosure provisions to include widely owned over-the-counter stocks has already passed the Senate and is pending before the Interstate and Foreign Commerce Committee of the House. This measure will help complement the voluntary changes in rules and practices now being made by securities dealers and stock exchanges to afford greater protection to investors. Therefore:

(9) I recommend prompt enactment of this disclosure legislation for over-the-counter securities.

Better housing: The purchase of a home is the largest investment most American families make. Housing costs, for owners and renters, take 14 percent of the average city family's dollar every year.

Good housing should be within the reach of low- and moderate-income families—now and in the future. We must have orderly development with look-ahead planning for our sprawling cities. Therefore:

(10) I recommend enactment of the administration's housing program—outlined in my recent message on housing—which is designed: To provide more housing for low-income families by acquiring and improving existing housing as well as by constructing new public housing; to help local governments and developers plan suburban developments which will include a proper balance of community facilities, recreation, transportation, and business centers.

ADMINISTRATIVE IMPROVEMENTS

There are in addition, many steps that can—and will—be taken immediately to strengthen our present programs of consumer protection.

First, I am directing the President's Committee on Consumer Interests to undertake the following actions:

1. Under the auspices of its Chairman, the Special Assistant for Consumer Affairs, to begin a series of regional consumer conferences. Representatives of consumer groups, manufacturers, retailers, advertising agencies, Government agencies, and others will discuss the problems of adequate consumer information at these meetings. The results will be reported to me, along with appropriate recommendations for action.

2. To develop as promptly as possible effective ways and means of reaching more homes and more families—particularly low-income families—with information to help them to get the most for their money: Most of the budget management and consumer publications now available are geared to middle-income families. They often do not penetrate to the lowest 20 percent of the Nation's income groups. Yet it is the poor who suffer most from sharp practices.

I am asking all Federal agencies now engaged in consumer educational activities (a) to cooperate in this effort and (b) to explore fully such possibilities as the adapting of the extension service concept, so successful in rural areas, to an urban setting.

3. To examine the many programs for consumer education in our schools, to stimulate the development of curriculums and training materials, and to encourage larger numbers of our young people to seek instruction in the fundamentals of budgeting, buying, and borrowing.

4. To develop means of keeping the public continuously informed of developments of importance in the consumer field.

Second, as I have emphasized in my Economic Report, we must make sure that any upward pressures on costs and prices that may develop as the economy expands do not get out of hand: Price stability is essential to an economic climate favorable to consumers. Price increases, without improvements in performance or quality, would erode dollar values.

Our record of overall price stability in recent years has been excellent. But the trend of consumer spending for services has been constantly rising; and the safeguarding of the consumer's interest in the area of services is comparatively weak: Because of their personal and informal nature, services cannot be treated in the same way as foods and drugs. Yet, they are equally subject to the abuses of poor quality, high prices, and exaggerated claims.

I am asking the committee to make recommendations for improvement of protection in this area; and we will also call upon the interested industries for their advice.

CONCLUSION

All these proposals for consumer protection would cost us as taxpayers only a small fraction of what they would save us as consumers. And there is no measure of what they would prevent in human suffering.

But in the last analysis, the remedy for errors of taste, poor judgment, and disorder in our economic life is not to be found in the legislatures or the courts but in the leadership of those who care: This is an individual matter. But it is also a matter for corporations and organizations dedicated to the public interest.

I know that the program outlined here to improve the safety and welfare of our consumers will help all Americans to pursue the excellent and reject the tawdry—in every phase and in every aspect of American life.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 5, 1964.*

TERRY McDERMOTT—WINTER OLYMPICS

Mr. STAEBLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. STAEBLER. Mr. Speaker, Terry McDermott yesterday won the first gold medal for the United States in the winter Olympic games now taking place at Innsbruck, Austria, in a demonstration of superb speed skating In winning first place, he also set a new Olympic record.

We in Michigan rejoice that Terry has combined the talents of our two peninsulas. As a student at Michigan College of Science and Technology at Houghton he competed with some of the finest winter sportsmen in America. As a resident of Essexville in our lower peninsula, he has been a participant in one of our most rapidly growing sports.

Terry's victory is not only a good augury of additional victories in the winter Olympic games but also a promise of greater developments in all winter sports in the years to come. America has long excelled in most athletic events. The rise in popularity of winter sports should provide a base on which to build in this field in which we have a long way to go. We congratulate Terry McDermott in leading the way.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 26]

Brock
Davis, Tenn.
Evins
Fogarty
Giaimo
Hoffman
Jensen
Johnson, Calif.
Karth
Miller, N.Y.
Morse
O'Brien, Ill.
O'Hara, Mich.
Pepper
Powell
St. George
Thompson, Tex.
Utt

The SPEAKER. On this rollcall 412 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXERCISE OF DISCRETIONARY PAROLE AUTHORITY UNDER IMMIGRATION ACT

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, I take this occasion to announce the report of hearings by the Subcommittee on Immigration and Nationality of the Judiciary Committee on the administrative exercise of discretionary parole authority is now available for interested Members.

This is an important public document. It takes up the legal issues involved in the public controversy which surrounded the admission by parole into the United States of the so-called Russian old believers who are in fact Turkish citizens of Russian ethnic origin. The scope of the subcommittee inquiry included use of the discretionary parole authority to meet clear and unquestioned international emergencies, individual hardship cases and the highly questionable use of that authority to bring about the admission of the so-called Russian old believers.

At issue were the clear requirements of law as well as the equally clear congressional intent thereon. Whether one likes or dislikes, agrees or disagrees with the letter and clear congressional intent of the particular provision of law at issue is irrelevant. What is relevant is whether the law is faithfully and judiciously administered. That relevancy will apply so long as section 212(a)(5) remains on the statute book and the clear congressional intent thereon remains unchanged.

Members are aware of the growing tendency to legislate by administrative determinations within the executive branch of Government. This tendency is pronounced in situations where a particular law may lack clarity and preciseness or where Congress may have felt it unnecessary to express its particular intent thereon. But when that practice is applied to a statute which lacks neither clarity nor preciseness and on which a long experience has firmed up the clear congressional intent thereon—it is time for Congress to step in and call a halt.

That is what the Subcommittee on Immigration and Nationality has done through the hearings to which I have referred and which are now available to Members in the report released today.

I commend the reading of this report to all who are interested in our immigration laws and an immigration policy which accords with the highest ideals of our country.

CIVIL RIGHTS ACT OF 1963

Mr. CELLER. Mr. Speaker, I move that the House resolve itself into the Committee on the Whole House on the State of the Union for the further consideration of the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 7152, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Are there further amendments to title II?

Mr. CHELF. Mr. Chairman, I have been deliberately misquoted, misrepresented, misinterpreted, and severely damaged by the wanton and false use of certain erroneous information that was contained in a newspaper article that attacked me as a Member of this body. It was, in my opinion, an ingenious and masterful job of taking words out of the context of last Saturday's speech that I made on civil rights.

Mr. Chairman, count 1 of my indictment. The Louisville Courier-Journal on Saturday, February 1, ran a news story that stated, among other things, that Representatives STUBBLEFIELD and CHELF had said that they were going to listen to the civil rights debate before they would decide how to vote. The concluding line went on to slyly state that neither of us were seen on the House floor when the debate began.

Mr. Chairman, for the information of the Washington Bureau of the Louisville Courier-Journal, both the gentleman from the First District of Kentucky, Representative STUBBLEFIELD, and the Representative from the Fourth District of Kentucky, were present and on the floor at the time in question. Only a few minutes before the start of the debate on civil rights, both Representative STUBBLEFIELD and myself had answered our name on a quorum call. The CONGRESSIONAL RECORD rollcall No. 22 says emphatically that we were present and we most categorically state that we were present. Inasmuch as a court of justice can speak only from its record in a case—so it is with the Congress. We too are bound by the RECORD. Yes, our CONGRESSIONAL RECORD. So we say we were here, the RECORD says we were here, and we were here, if it is any news to them.

Mr. Chairman, I have held elective office for 30 years and during that time I have never knowingly or wittingly lied to a newspaperman or anybody else, and, by the same token, no newspaperman has ever treated me in the manner in which one of the most recent additions to the Washington Courier-Journal staff has done. I could say that he is a consummate liar, a revolving liar, a chronic liar, a cheap liar or a "lantern carrying" liar, but I shall be far more charitable than he. I shall not call him any of these names.

Mr. Chairman, if the reporter who wrote this article about me had been as interested in writing the truth and the facts as he was in trying to disembowel and dismember me, he would have checked his story more carefully.

Had he done so he would have found that the first two paragraphs of my civil rights speech I made on last Saturday, February 1, 1964, referred specifically to the 1957 civil rights speech that I made on that particular bill. But no—this reporter wanted blood and now he has it, but I am here to tell you it is his that will be let and not mine.

Mr. Chairman, it is well for all of us here to remember that this reporter works for the same newspaper, the Louisville Courier-Journal, that employed the famous Carl Braden, a nationally known card-carrying, dues-paying, active Communist on their payroll, even while and during the time that he was being tried and later convicted, fined, and sentenced for Communist activities in the State of Kentucky. However, much to the shock, chagrin, and consternation of all Kentuckians, this same Carl Braden was later released from custody if you please, by the now famous and notorious decision of the Supreme Court that literally allows men of his stripe and caliber to go free.

Mr. Chairman, count No. 2 of my indictment of the Louisville Courier-Journal and its Washington bureau is far worse than count No. 1, which I cited a moment ago. On February 4, 1964, this same newspaper ran a story in which it stated, and I quote:

> Kentucky Representative FRANK CHELF has joined southern Democrats in Congress against the administration's civil rights bill.

They went on to quote me as saying:

> I am against everything in it [the civil rights bill] in its present form, the Lebanon Democrat declared yesterday—it is an awful bill. I hadn't realized before how bad it is.

The article went on to say:

> His statements came as something of a surprise. As a senior member on the House Judiciary Committee, CHELF is one of the official authors of the bill. He signed the committee report recommending that the House pass it.

Mr. Chairman, then this vicious newspaper article went on to add:

> CHELF had indicated previously that he signed the report primarily as a favor to the late President John F. Kennedy and that he might seek some amendments. But he had not indicated until yesterday he had not read the bill before signing it or that he was totally opposed to it in the form the committee approved. On Friday, CHELF said he was undecided on how he would vote. On Saturday he took the floor in the House and delivered his speech on the place of the Negro in American society.

The balance of this news story, while slanted in its attempt to quote facts, then began to editorialize by saying:

> CHELF told the House he had reached those conclusions partly through the help of research material prepared by Lloyd Wright and John C. Satterfield, both former presidents of the American Bar Association. Satterfield is the principal organizer of the Coordinating Committee for Fundamental American Freedom, a States rights lobby that is fighting the bill. The committee is largely financed by the State government of Mississippi.

Now, Mr. Chairman, in answer to this malicious, maligning, maneuvering, and manipulating newspaper monstrosity, this "nit-nilly" bred to Hazel's "doosey"—let me state emphatically and categorically that:

First. I did not "as a senior member of the House Judiciary" know what was in this 1963–64 civil rights bill.

Second. I was not on the subcommittee that held hearings on this legislation, that held forth for 6 months.

Third. I deny that I was "one of the official authors of the bill."

Fourth. I also deny completely that I "signed the committee report recommending that the House pass it."

Fifth. Fact of the matter is, Mr. Chairman, I did not sign any reports pertaining to this bill—either the majority, minority, or the several individual reports that were made by individual members. I did not sign anything about anybody at any time while and during the time that this legislation was before, around, under, above, near, or passing through our committee in 1963 or 1964.

Frankly, I was invited to join both the majority and the minority to sign their reports on the subject but not having had an opportunity to sit during the 6 months' hearings with Subcommittee No. 5 that handled the bill in 1963, and having promised President Kennedy to help get the so-called Celler version out of the committee, I voted reluctantly for it because I had no chance whatsoever, nor did anyone else in the committee, to make a thorough study of the bill which was introduced by the gentleman from New York [Mr. CELLER] as a substitute bill on October 29, 1963.

Mr. Chairman, I could go on at quite some length refuting these deliberate misrepresentations, inuendoes, and circumventions of the facts, but suffice it to say that I am not against the "whole civil rights bill" as such. All this reporter had to do, if he wanted to be honest, was to have read my speech a little more carefully and he would have found that I stated among other things therein:

> I want it abundantly clear that I am for the right to vote, the right to obtain a decent education, the right to secure and maintain a good paying job—provided, of course, the person is qualified—for all of our citizens no matter who they may be or where they

> come from. It is my considered judgment that, to a certain extent improvements should be made in our so-called public accommodations. However, I would advise that such a sensitive matter should not be hastily covered by Federal law, proclamation, court decision or an executive order.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

(By unanimous consent Mr. CHELF was allowed to proceed for 5 additional minutes.)

Mr. CHELF. You are very kind and I sincerely appreciate your generosity.

This may happen to you someday, my colleagues, but I hope and pray that it does not.

Continuing further I said:

> I believe we should proceed with the utmost caution when we approach the doors of a privately owned business of any caliber. Let me make a comment about some of these big department stores * * * if they advertise * * * any items for sale and the colored customer's money is good enough for these purchases—then I am here to tell you that the same colored person's money is good enough to entitle him to go into their restaurant, if there is one, and to sit down and enjoy himself. These big outfits and department stores cannot take his money for one thing and deny him the right to use their restaurant or other facilities of their grounds or buildings.

Mr. Chairman, it is quite apparent, therefore, from the above quote that the reporter who wrote the story intended to play me up as a rabblerousing illiterate racist. For instance, he did not quote that section of my speech on last Saturday, February 1, in which I said:

> With these facts in your possession, I believe that you will agree that I have tried to be moderate, reasonable and considerate not only last year, but in 1960 and as far back as 1957, when the first civil rights bill was enacted.

The statements lifted out of context were calculated to be detrimental to me instead of presenting a fair, just, reasonable, considerate, and moderate opinion.

His story is not so much a reflection on me as it is on the good people I have the honor and privilege to represent from the Fourth Congressional District of Kentucky. When they jump on me I do not care—but when they jump on my people I do not like it.

In conclusion, Mr. Chairman, I would like very much to ask my dear friend and colleague, the chairman of the Judiciary Committee, to answer several questions and I hereby yield to the gentleman from New York [Mr. CELLER] for that purpose.

Mr. CELLER, was I a coauthor or one of the official authors of this civil rights bill of 1963–64?

Mr. CELLER. No; you were not.

Mr. CHELF. Mr. CELLER, did I or did I not sign any official report pertaining to this 1963–64 civil rights legislation, either for the majority or the minority?

Mr. CELLER. No; you did not.

Mr. CHELF. Mr. CELLER, did I or did I not, in your presence, in the Cabinet Room of the White House, on October 28, 1963, 3 weeks before the fatal slaying of our beloved President, John F. Kennedy, promise him that I would help him to get out a civil rights bill from our Judiciary Committee?

Mr. CELLER. Yes; you surely did.

Mr. CHELF. Mr. CELLER, did I or did I not on Tuesday, October 29, 1963, vote with you and the majority of our Judiciary Committee to substitute the bill that is presently before the House in lieu of one that was reported out to the full Judiciary Committee by Subcommittee No. 5?

Mr. CELLER. Yes.

Mr. CHELF. Mr. CELLER, did I or did I not say, in your presence, to our late friend and President, John F. Kennedy, that while I would give him my support in getting a civil rights bill out of our committee, I reserved the right to vote for any amendments to it that I thought might be helpful to make the bill a better one?

Mr. CELLER. You certainly did.

Mr. CHELF. Mr. CELLER, knowing the facts in the case as you do, would you agree that I have honored my commitment to fulfill my solemn promise to our martyred President?

Mr. CELLER. I recognize the gentleman from Kentucky [Mr. CHELF] as a very conscientious and dedicated servant.

Mr. CHELF. I appreciate the gentleman's statement very much.

Mr. Chairman, it is interesting to know that the reporter who dreamed up this nightmare was not here in the Press Gallery on Saturday, February 1, 1964. Not only was he not here on the job, but he did not even know that I had made a speech until he was told via telephone by a member of the Kentucky delegation.

In conclusion, Mr. Chairman, just let me add that the data, information, and research matter quoted by me on February 1, 1964, and which included the names of Messrs. Satterfield and Wright, former presidents of the American Bar Association, came from the Library of Congress. It developed that several Members of Congress had secured research material pertaining to both sides of the issue—hence my possession of it.

I think that I can speak for my Kentucky colleagues because they, too, resent this attack on me, for we have had nothing but trouble and double trouble since a certain man has been added to the Washington Bureau of the Louisville Courier Journal.

Mr. Chairman, in view of the circumstances it is to be hoped that the Louisville Courier Journal will retract this libelous story, plus offer an apology and then will print the full text of the last Saturday's, February 1, 1964, speech. A newspaper with real class will do so.

AMENDMENT OFFERED BY MR. GOODELL

Mr. GOODELL. Mr. Chairman, I offer an amendment.

The Clerk read the amendment, as follows:

> Amendment offered by Mr. GOODELL: On page 44, line 24, after the word "ordinance" insert "or" and change the comma after the word "regulation" to a semicolon.
>
> On page 45, strike out all of lines 1 and 2 and insert in lieu thereof the following: "or (2) is carried on under color of any custom or usage fostered, required or enforced by officials of the State or political subdivision thereof; "or (3) is fostered or required by action of a State or political subdivision thereof."

The CHAIRMAN. The gentleman from New York [Mr. GOODELL] is recognized.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman.

Mr. CELLER. Mr. Chairman, the amendment offered by the gentleman from New York is acceptable to the Committee and after conferring with my colleagues on this side, I find they are favorably disposed and feel this language improves the bill.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman.

Mr. McCULLOCH. Mr. Chairman, we are ready, willing, and anxious to accept the amendment that has been offered by the gentleman from New York.

Mr. CRAMER. Mr. Chairman, I think some explanation of what this amendment does ought to be in the RECORD as a matter of legislative history. I do not intend to object, but I do think some explanation of the amendment ought to be in the RECORD.

The CHAIRMAN. The gentleman from New York [Mr. GOODELL] has obtained permission to extend his remarks in the RECORD on the amendment.

The Chair recognizes the gentleman from New York.

Mr. GOODELL. Mr. Chairman, I would be glad to explain what this amendment does.

I wanted to save the time of my colleagues and extend my remarks in the RECORD explaining it, but I will be glad to do so at this time.

Mr. Chairman, I was concerned as I read this as a lawyer, being very much in favor of the public accommodations section and a strong and a fair one, that at the bottom of page 44 and the top of page 45, there might be a breadth and a scope to this that we do not intend. Basically, this act extends jurisdiction where something affects interstate commerce or is supported by State action. At the bottom of page 44, there is a definition of activities by an establishment that are supported by State action.

I would read to you the first clause:

> (1) is carried on under color of any law, statute, ordinance, regulation, custom, or usage.

Now, it is clear that if a State or locality has adopted a law or a statute or ordinance or regulation that the State is involved and the local government is involved.

Ordinances, regulations, or statutes are enacted.

When we consider "custom" or "usage" I believe the terms could be extended far beyond the reach we intend. When would an individual act become State supported? When an individual act was under color of a local custom or usage. Nearly every individual act, conceivably, could come under that kind of definition.

My amendment would change subsection (d) to convert the two portions into three. The first portion would read:

> (1) is carried on under color of any law, statute, ordinance, or regulation; or (2) is carried on under color of any custom or

usage fostered, required or enforced by officials of the State or political subdivision thereof;

In other words, before a custom or usage would become State supported there would have to be some kind of action, some kind of activity, by an official of a State or of a political subdivision of the State.

Then I add a third subsection:

(3) is fostered or required by action of a State or political subdivision thereof.

Basically and simply, that would eliminate the word "encouraged' as it relates to "action of a State or political subdivision thereof."

I was fearful of the word "encou: aged." Again, I believe that could have much too broad a scope.

I repeat that I am enthusiastically in favor of the purposes of this title of the bill. I believe the record made on Friday, when the gentleman from Minnesota [Mr. MacGregor] spoke, made abundantly clear for the legislative history that this is what was intended by the use of the words "custom or usage," but it was my concern that this should be written out specifically in the statute at this point so that there could be no doubt about what our intention is.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield.

Mr. CRAMER. The issue involved resulted in the amended version of subsection (d), which is an implementation of the 14th amendment in addition to the interstate commerce clause approach. As this was presented previously by the subcommittee, the question as to whether the mere licensing brought the activity within "color of law"—and, therefore, be State action and thus would be subject to the effect of the 14th amendment—was supposed to have been eliminated. Also, the failure of any State to act could have been included in the definition, under the subcommittee version.

Even the Attorney General testified in opposition to that version. I wish to make certain that the gentleman's amendment would not lead back to the broad 14th amendment approach. There were two bases for taking out the subparagraph (2) provision in the compromise; first, that mere licensing is not enough; and, second, that nonaction by the State, with only licensing, is not enough.

Will the gentleman reply to that question?

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent (at the request of Mr. Celler), Mr. Goodell was given permission to proceed for an additional 5 minutes.)

Mr. GOODELL. I would say to the gentleman that the mere licensing by or the mere nonaction by a State would not in itself be enough to meet the requirement. I would point out, however, that the word "fostered" is used. This would depend upon the circumstances surrounding the licensing, and whether the State actually fostered the action. Conceivably licensing could be a part of other activities which fostered the action.

In answer to the specific question, the mere licensing of an activity would not be sufficient to bring the activity under my amendment as State supported.

Mr. CRAMER. That is the point I wished to have clarified in the Record. That is the reason why I asked the gentleman what the intent and purpose of his amendment is.

I am sure the gentleman knows we had lengthy discussions in the subcommittee and full committee as to whether licensing alone should be included as State action within the scope of the 14th amendment. I did not think it was the gentleman's intention to do so, but I wanted the legislative record to be abundantly clear.

Mr. GOODELL. That is correct, with the emphasis on the word "alone."

Mr. CRAMER. I think the gentleman's amendment is some improvement over the present language in the bill.

Mr. GOODELL. Thank you.

Mr. CRAMER. Will the gentleman yield further?

Mr. GOODELL. Yes.

Mr. CRAMER. I think the gentleman's offering of this amendment, I hope, will cause the Members of the House to give serious consideration to some other amendments that may be proposed later on in the day which likewise might point out areas where clarification is fully justified. I thank the gentleman for yielding.

Mr. GOODELL. I thank the gentleman.

Mr. FULTON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Pennsylvania.

Mr. FULTON of Pennsylvania. When you use the word "foster" and it involves this local action, does that mean it will be administrative, judicial, or legislative action or any one of them?

Mr. GOODELL. It requires that they be either officials of the State or a political subdivision thereof. I think any officials of the State or a political subdivision thereof would be included.

Mr. FULTON of Pennsylvania. So that it could be legislative, judicial, or administrative action by any of the officials of the State?

Mr. GOODELL. Well, I have some question about all judicial actions, but a long line of Supreme Court decisions, including the Lombard case, make it clear that judicial actions under certain circumstances violate the Constitution.

Mr. FULTON of Pennsylvania. That is what I have.

Mr. GOODELL. But it would certainly cover legislative and executive actions.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Michigan.

Mr. MEADER. I should like to congratulate the gentleman for suggesting the amendment and call the attention of the Members to page 352 of part II of the hearings before the Committee on Rules.

Item 2 on that page, under the heading "Custom or Usage," contains the discussion in my prepared statement before the Committee on Rules in which I suggested taking care of the same problem in a little different way. The gentleman's amendment, by striking out the word "encouraged" has gone further than I did. I suggested that after the word "usage" there should be inserted the words "of any State or political subdivision thereof," which I think would pin it down that it is not some non-State or nongovernmental usage or custom being discussed in this passage of the bill.

Mr. GOODELL. I appreciate that the gentleman had a somewhat different approach to it, and I appreciate his support of this much of it.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield for a question?

Mr. GOODELL. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. On the gentleman's amendment, paragraph 2, he says. "or is carried on under color of any custom or usage fostered"—and I put emphasis on the word "fostered"—"required or enforced by officials of the State or political subdivision thereof."

Is the gentleman saying, then, that if an official of the State or political subdivision simply agrees with a custom by an individual in private enterprise, then the provisions of this act are fully enforceable just as if it were written law?

Mr. GOODELL. I would answer that question that it would depend upon all of the circumstances that existed when this happened. I used the word "fostered" in the connection that it means to feed or nourish and promote the growth of. I think if under all the circumstances the statements or actions of the local or of the State public official amounted to that, then those statements or actions would come under his amendment.

Mr. WAGGONNER. Let me ask the gentleman this question.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WAGGONNER. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. Goodell] may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WAGGONNER. I have one specific example. If you or if I own a private business and there is no law at any governmental level requiring segregation or integration of any part of my business or your business, from the local level through the State level, and if someone comes into my business or into your business with a sit-in, neither you nor I make any effort whatever to bring into play any representative of any law enforcement agency at any level then, if we exercise our own rights to operate our business as we choose and to serve whom we choose, is there application under your amendment here for prosecution?

Mr. GOODELL. Let me say to the gentleman I am not sure he has described all of the circumstances, but the Lombard case I think pretty clearly covered this kind of a situation. Widely publicized statements of public officials in the area could very well amount to an interference and, in a sense, a fostering here. It would then come under this amendment.

Mr. WAGGONNER. I can only say to the gentleman that he has not helped this bill.

Mr. CELLER. Mr. Chairman, it is well to put in the RECORD something about the Lombard case. It is a very apt example of what the gentleman is telling us about, *Lombard* v. *Louisiana*, 376 U.S. 267. There Negroes who attempted to obtain service in a restaurant in New Orleans were refused. Upon conducting peaceful sit-ins they were arrested and later convicted under a trespass statute. There was no applicable segregation law or ordinance. However, the chief of police and the mayor of the city had previously made widely publicized statements to the effect that attempts to obtain desegregated services by sit-ins would not be permitted.

The Supreme Court in reviewing the conviction held that the absence of a statute or ordinance making desegregation unlawful was not decisive and that the statements and conduct of the city officials were sufficient to constitute State action.

Thus it seems clear that any activities of public officials plainly calculated to maintain segregation in an establishment subject to section 201 would result in a finding that such segregation is fostered by State action.

AMENDMENT OFFERED BY MR. SMITH OF VIRGINIA

Mr. SMITH of Virginia. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia as a substitute for the amendment offered by Mr. GOODELL: On page 45, line 1, strike out the words, "custom, or usage".

Mr. SMITH of Virginia. Mr. Chairman, of course, having had no luck last night with my amendment to prohibit slavery, or involuntary servitude under this bill, there is not much chance of having my amendment adopted. My purpose in offering this amendment or this substitute today is in order that I may put in the CONGRESSIONAL RECORD just exactly what you are doing with this "custom or usage" clause. If you leave it in in the shape it now is, or if you put it in, in the shape in which it is proposed in this amendment, it is going to destroy the police authority and the right to enforce the police powers of the State and of the municipality, in every city and hamlet in the United States. And there is not any doubt about it.

The Chairman of the Committee just mentioned the Lombard case where people who were trespassers sat down on private property in plain violation of the law. They were arrested and the Court held that they could not be arrested, or prosecuted.

Now, Mr. Chairman, we are not having much of this in my part of the country. But in some parts of the country, particularly in large cities where those advocates who are so enthusiastic to put this crown of thorns upon the heads of their constituents, they are having sitdown strikes, in the street, if you please.

People lie down in the streets, people go into your Governor's office and take over and sit down. Under the law that we have enacted those people can lie on the streets, those people can take over your Governor's office. If your police go in there to arrest them, then they come under the provisions of this law and they are subject to a fine of $300 as specified in this very section, and a jail sentence of 45 days. Every one of your policemen was doing his duty. And this is without any trial by jury.

That is what you are doing. I know you are going to do it. It is utterly vain for me to talk about it, but that is exactly what is going to happen. I want the CONGRESSIONAL RECORD to show that before you vote for this thing you over here, and on the Democratic side, too, because there is an unholy alliance between Democrats on the one side and the Republican leadership on the other side, to pass this iniquitous law without amendment.

All I am saying to you—I defy anyone to dispute it—is that you are doing away with the police power of your State and the police power of every city and hamlet in your congressional district.

Mr. ROGERS of Colorado. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, what the gentleman from Virginia has stated is absolutely true because the Supreme Court on the 20th day of May 1963, held it a perfect defense on a trespass charge, or even on a charge of conspiracy to trespass, that there are on the statute books laws that permit segregation, or compel segregation, or that there are practices or customs within that area requiring segregation. Any person who believes his constitutional rights are taken away from him under such circumstances can go into a store and sit down and not be successfully prosecuted under these decisions. I tried to make that clear before the Rules Committee.

One of the reasons we should enact this legislation is to make it possible to maintain law and order, rather than have it as we now have it so that no man can be prosecuted for violating laws unrelated to segregation, such as trespass, and so forth.

One of the cases the Court reversed, was a conviction in Alabama of a man who conspired to violate a trespass law. They said you could not convict him if there was a statute compelling segregation. You also have a similar situation now existing in the State of Delaware.

After the Supreme Court decision of May 20, 1963, there developed in Delaware, a case involving a man who went into a public place and said, "I am entitled to service." The proprietor called a policeman in. They refused to give him service, they called a policeman in to throw him out. Then they prosecuted him. The highest court in Delaware held that you cannot prosecute this man under the trespass statute so long as the statutes of Delaware permit or require segregation. If you want to refuse to serve him you may do so. However, you cannot call a policeman to throw him out of your place of business. It becomes your responsibility to remove him, and you cannot enforce any law of the State of Delaware in connection with it. Therefore, I think it is essential that we as Members of Congress pay attention to this situation and at least so far as interstate commerce is concerned where we have jurisdiction, let us do away with the segregation and the discrimination that the Supreme Court said you cannot practice. We should enact into law that a man may not be denied his rights because of race, color, creed, or religion. Then, violating another law, he can be properly punished. For that reason I think we should be happy to have title II, because this should be known as the law and order section of this bill.

Mr. GRANT. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Alabama.

Mr. GRANT. When a fellow who under State law trespasses in a place of business where he lies down, could the owner be required to serve him while he lies down, or would he have to get him in an upright position? I am serious about it. What if a man goes into a business and lies down and says, "I am going to lie here until I am served" ?

Mr. ROGERS of Colorado. Until he is served?

Mr. GRANT. Yes.

Mr. ROGERS of Colorado. All right. So far, the Court has not passed upon that particular circumstance. But, if as an example he comes in and says, "I want service," and you say, "No; I cannot serve you because the statute of my State, or city ordinance of my city or the custom of this community requires me not to serve a man of your color," then you cannot prosecute him for anything as long as he stays in there and asks for service.

Mr. GRANT. Would he then be entitled to a three-judge trial court?

Mr. ROGERS of Colorado. He does not need a three-judge trial, because the Supreme Court said he cannot be convicted, and they said so in five instances on the 20th day of May 1963. For that reason, we should move into this area, we should prescribe some laws, and we should provide a mandate that when these people do come in and try to lie down and try to trespass, they shall be treated like anybody else.

Mr. GRANT. Probably given pillows to use, while he lies.

Mr. CELLER. Mr. Chairman, I rise in opposition to the substitute amendment. I also rise to have in the RECORD some legislative history on this matter, which is very important.

The phrase "under color of any law, statute, ordinance, regulation, custom, or usage" was apparently first used in the Civil Rights Act of 1866 and has appeared in subsequent civil rights legislation. In the civil rights cases the Supreme Court held the word "custom" in the 1875 Civil Rights Act to mean custom having the force of law—109 U.S. at page 106. This interpretation would seem to be accurate, but since in its original context in the 1866 legislation, custom seems to have referred to official action taken as a matter of accepted practice without formal statutory authority. Thus, custom or usage is not constituted merely by a practice in a neighborhood or by popular attitude in a particular community. It consists of a practice which, though not embodied in law, receives notice and sanction to the extent that it is enforced by the officialdom of the State or locality.

The substitute amendment would nullify the effect of the Lombard case which I read just a few moments ago. It would turn back the stream of judicial history, culminating in the decision in *Monroe* v. *Pape* (365 U.S. 167), a case decided in the Supreme Court in the October term of 1960.

It would, and this is highly important—take, as a very important prop, from under the bill, the 14th amendment. If we adopt this substitute amendment, we cannot rely upon the 14th amendment to support this title II of the bill. We could only rely on the commerce clause. We, the proponents of this legislation want to have a double foundation, first the 14th amendment and, second, the commerce clause.

For that reason, I do hope the substitute amendment will be voted down.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. SMITH of Virginia. Just to clarify the RECORD, and I want it perfectly clear on the RECORD, if a man goes into a restaurant and lies down, and assuming this law is passed as it was written, and the proprietor calls for a policeman and the policeman comes and arrests the man for trespass or for refusing to get out of the place; will that policeman not be subject to the penalties prescribed in this bill for having arrested this man and will he not be subject to the penalty provided in section 203?

Mr. CELLER. I will say again, there is no penalty as to that particular action on the part of the policeman. But it could subject the proprietor of the establishment to an injunction, and if he violates the injunction, there would be contempt; and that is a penalty not for violation of the act, but a penalty for violation of an order of the court which is an entirely different matter.

Mr. SMITH of Virginia. But the second time that a policeman makes an arrest of a man lying down in the street, he would be subject to a penalty; is that not right?

Mr. CELLER. I doubt it very much. But I would say this. If a man lies down in the way that you indicate, he may be deemed guilty of disorderly conduct. That would put an entirely different aspect on the whole proceeding. I doubt very much whether this would apply in those circumstances. That is disorderly conduct and it would be a separate matter which is quite distinct from sit-in cases as we know them.

Mr. SMITH of Virginia. Is it not disorderly conduct to come into a man's place and to obstruct traffic by lying down on the floor? Do you not call that disorderly conduct? And here you are inhibiting a policeman and preventing him from interfering. That is what you did in the Lombard case.

Mr. CELLER. All that is required is that the proprietor conduct himself in a fair and judicious manner and treat everybody alike. Let him avoid discrimination and there will be no trouble. If he does discriminate, then he has to expect difficulty and that an injunction might be issued against him. Even then that is not too severe. If he stops the discrimination, that is the end of it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ABBITT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am unalterably opposed to the so-called civil rights bill and condemn it with all the vigor at my command.

This is the most iniquitous, liberty-destroying proposal that has ever been reported to the Congress by one of its committees. Even in Reconstruction times—when the wrath of the congressional radicals was poured upon the South—nothing so far reaching or devastating was ever conceived by those who sought to implement the 14th and 15th amendments to the Constitution.

This is a vicious bill. It was conceived and framed by forces within this country who seek more than they publicly declare as their objectives. This bill is a blueprint for a massive usurpation of power by the Federal Government—power that dwarfs the powers which we now visualize as being excessive in some areas of society. The powers sought are far beyond those which an honest man would want and which a dishonest man should have.

The powers which this bill would give are so far reaching, so all encompassing and so undermining of personal freedom and private enterprise that I do not believe a Member of this House can truly foresee the ultimate effects of its enactment. If this bill is enacted into law—and the powers conveyed therein are used to the fullest extent possible—the future of democratic government in America will be greatly marred. In the guise of insuring civil rights, the bill extolls civil wrongs; it fosters unrest; and puts a premium upon mob demands.

Under this bill the office of the Attorney General would become supreme in America, so far as the rights and privileges of our people are concerned. The "octopus claws" of the Federal bureaucracy would serve as a Gestapo—to regiment Americans according to the Federal will.

The people of this country have been led to believe that the bill before us is a toned down version of a more extreme proposal which had been pending in the Judiciary Committee for many months. The press has made much of the assertions that this is a compromise between more rigid proposals and no bill at all. Nothing could be farther from the truth.

The bill has not been toned down. The whole underlying principle is the same. The objectives are the same. It still regiments; it still projects the Federal arm of power into areas where the Constitution never intended it to go. The political purposes which the bill would serve are still active and forceful—and, in my opinion, therein lies the basis for this entire issue.

We must remember that this bill was born of hysteria. We need to recall the series of events which brought it about—the mob scenes, the public disorder, and the demonstrations in city after city. The so-called march on Washington seems like a long time back now—but this was part of the climate of pressure which brought this bill into being.

But this was not enough. A new bill—the one now before us—was forced on the committee and brought before us without any formal consideration, except in the Rules Committee. We must not lose sight of these circumstances—well explained in the minority report—as this bill is considered. The truth of the matter is that the political necessities of the time appeared to require a civil rights bill—and one was brought forth.

The architects of this bill did their job well. I have to concede this to them. There is not much in the way of rights and freedoms that is not touched. Every segment of society, every facet of our free enterprise system and every nook and cranny in the country could be policed and regimented by the Federal Government under the powers contained in these proposals.

Every business in America would be affected in some way and the rights of the businessman under our private enterprise system would be undermined. This bill is so broad that a power-hungry Justice Department and a judicial oligarchy could have a field day with it. It would be difficult to conceive of a more lusty grab for power.

Under this bill, the voting laws of every State could be tampered with; businessmen could be told how to run their businesses; local school districts could be even more harrassed by the Federal Government; all Federal aid programs could be used as a lever to force the will of Federal authorities on millions of recipients; questionable Federal actions—such as the Presidential housing order—would be legalized; and an army of Federal agents would be created to roam the length and breadth of the Nation to force their will upon every American. This is not a regional bill—it is a national bill. The powers sought in this proposal could strike at the heart of every section of our land. That which may affect the South today could well be used against the North, the West, or the Midwest tomorrow.

The potential dictatorship which this bill makes possible frightens me. We cannot foresee today what tomorrow will bring. This could be like a snowball—which will grow and grow, until one day we will wake up and find that the democracy we thought we had is no more.

This bill envisions the jailing of thousands of persons—if it is complied with fully. Merchants and manufacturers who do not "toe the line" would find themselves in jeopardy with the Federal authorities. What happens then? If they buckle under, their freedom to run their businesses is gone. If they do not comply—this bill could put them in jail. I deplore the granting of this power. It will destroy the rights and privileges of all people.

This so-called civil rights bill is a vicious piece of legislation which, if enacted, will rob the American people of many of their rights and freedoms.

It is a grab for power by a Federal oligarchy for political expediency. It is un-American. It is undemocratic. It is politically inspired and plays into the hands of the Communists. It is intended to purchase the political support of vicious minority pressure groups to the detriment of the vast majority of Americans. It siphons off the people's privileges and puts them in the hands of power-crazed bureaucrats who will endeavor to deprive us of the right to choose our associates and probably, in time to come, prevent us from worshiping the God of our choice.

Mr. GRIFFIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the Members will recall that on yesterday I opposed the amendment offered by the gentleman from Louisiana [Mr. WILLIS], which would have contracted and limited the application of the interstate commerce power in this particular title. I said then that I believe Federal jurisdiction for this title, public accommodations, in my humble opinion, must be based on the power of the Congress to regulate interstate commerce.

Let it be clear that I have no intention of supporting any amendment which would restrict or contract that power the jurisdiction which would be conferred in this bill on the basis of the interstate commerce power.

However, I must say also that the Committee on the Judiciary is reaching a long distance, grasping for power not available, in my opinion, to the extent that jurisdiction over individuals is based in this bill upon the 14th amendment.

Not only do I favor this legislation in general but, as I said yesterday, I favor the public accommodations title in particular.

Rumors have been going around to the effect that this title may be "scuttled" or dropped from the bill in the other body. I do not know whether there is any substance to those rumors, but I should like to do what I can to strengthen this title and make sure that it will not be vulnerable to legitimate attack in the other body.

As I read the 14th amendment, that amendment speaks in terms of State action. The amendment provides that "no State" shall deny any person the equal protection of the laws.

Clearly, it would be appropriate and proper, under authority of the 14th amendment, to have before us a provision which might read:

> It shall be unlawful for any person acting as an official, employee, or agent of his State or political subdivision thereof under color of any law, statute, ordinance, regulation, custom, or usage to require, foster, or encourage discrimination or segregation of any kind on ground of race, color, religion, or national origin.

The 14th amendment provides a constitutional basis for legislation directed at State action.

On the other hand, the authors of this title have sought to control individual action not only on the basis of the commerce power—which is appropriate—but also on the basis of the 14th amendment—which applies only to State action. By definition, this title employs a fiction to assume that individual action somehow is State action. We are asked to provide that if there happens to be a custom or usage in a community which has been tolerated or fostered at some point by a public official, then any action on the part of an individual proprietor which happens to be consistent therewith is tantamount to State action.

I regret that I cannot "buy" that theory as a basis for Federal jurisdiction. It does not make sense to me. Furthermore, I have read the Lombard case and I do not read it as authority for such a theory.

Of course, I realize and regret that my views concerning the reach of the 14th amendment directly conflict with those held by my good friend, the gentleman from New York [Mr. LINDSAY], who has done such an able job in connection with the bill.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman.

Mr. LINDSAY. I thank the gentleman for yielding.

This point must be made clear. The situation in the law as it exists today, without the bill before us having passed, is that any individual can bring an action to invoke the protection of the 14th amendment with respect to a deprivation of a constitutionally protected right. That includes the factual situation of the Lombard case.

In other words, if there is a custom or usage as described in the bill, or in the proposed amendment offered by the gentleman from New York [Mr. GOODELL]—and I believe they say the same thing, though one may be a little clearer to laymen than the other—or if there is a practice which has the force of State power behind it, which has State involvement in it, then today an individual may bring action for an injunction. We cannot change that.

Mr. GRIFFIN. An injunction against what?

Mr. LINDSAY. To put an end to it.

Mr. GRIFFIN. To the State action?

Mr. LINDSAY. To a continuation of the practice of segregation, which has the backing of the State.

Mr. GRIFFIN. I would agree with the gentleman that an individual could have a right under the 14th amendment to bring an action to put an end to State action.

Mr. LINDSAY. If the gentleman will yield further, we cannot change that situation. This bill would not change that in any way, because it cannot, but it would enable the Government to bring an action in the name of the individual. That is all we seek to do.

Mr. GRIFFIN. The Lombard decision struck down a criminal conviction. The court there said that certain State action was improper. Because of State action—not individual action—a conviction by the State was set aside. But that case, which stands as authority for proscribing State action, does not provide authority for the assumption by the Federal Government of regulatory power over individual action.

I shall support the amendment offered by the gentleman from Virginia. If that amendment is not adopted, I shall support the amendment offered by the gentleman from New York [Mr. GOODELL]. Either of those amendments will improve the bill, but neither one will completely answer my concern.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on the amendment and the substitute amendment be closed in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEADER. Mr. Chairman, just so that the RECORD is not confused by the colloquy between the gentleman from Michigan [Mr. GRIFFIN] and the gentleman from New York [Mr. LINDSAY], the Lombard case was a prosecution under State or local ordinance. The U.S. Supreme Court simply struck down this action by the State. It was a trespass case that was appealed to the Supreme Court. It did not involve the person who was denied service going into a Federal district court and getting an injunction, as the gentleman from New York suggested. It was simply an appeal of a criminal case under State law or local ordinance, and the Supreme Court held that the conviction could not stand.

Mr. MACGREGOR. Mr. Chairman, will the gentleman yield to me?

Mr. MEADER. Yes.

Mr. MACGREGOR. In the light of the statements made by the two gentlemen from Michigan, I should like to take just a moment so that the RECORD might have the exact language of the Lombard case on this point. I read the record and I quote:

> We have State action here wholly apart from the activity of the mayor and of the police, for Louisiana has interceded with its judiciary to put criminal sanctions behind racial discrimination in public places. She may not do so consistently with an equal protection clause of the 14th amendment.

The gentleman from Michigan [Mr. GRIFFIN] may have made a very good argument, but I submit in doing so he flew in the face of very good law established by the Supreme Court of the United States as to what constitutes State action.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield to me?

Mr. MEADER. I yield to the gentleman from Michigan.

Mr. GRIFFIN. I do not see that there is one bit of conflict between the language read and my argument. The Court's decision is directed at State action, but it does not say that Congress can thereby regulate individuals by reason of the fact that a State conviction was set aside. Does that necessarily follow?

Mr. MACGREGOR. We are not seeking to regulate anybody but seeking to provide equality of opportunity for a person to be served in a public place operating under some color of State action as established by the U.S. Supreme Court.

Mr. McCULLOCH. Mr. Chairman, will the gentleman from Michigan yield to me?

Mr. MEADER. I yield to the gentleman from Ohio.

Mr. McCULLOCH. Mr. Chairman, the very crux of the decision which has been talked about not only today but each day we have been in session says this, and I quote from the majority opinion:

> The store manager conceded that his decision to operate a segregated facility conformed to State policy and practice as well as local custom.

Mr. Chairman, I am opposed to the substitute. I hope that the amendment of the gentleman from New York [Mr. Goodell] will be adopted.

The CHAIRMAN (Mr. Keogh). The time of the gentleman from Michigan [Mr. Meader] has expired.

The gentleman from Florida [Mr. Cramer] is recognized for 2½ minutes to close debate.

Mr. CRAMER. Mr. Chairman, I rise in support of the substitute, and if that fails, I will support the Goodell amendment, but reluctantly, because it does not go nearly as far as it should go to clarify this question.

I would like to ask the chairman of the committee, the gentleman from New York [Mr. Celler], a couple of questions with regard to this newly drafted substitute bill as it relates to section 201 dealing supposedly with the interstate commerce clause approach to these public accommodations but in fact also including a 14th-amendment approach. The gentleman I am sure recalls when the Attorney General came before our committee he stated that in his opinion the 14th amendment approach raised serious constitutional questions that obviously would make this bill more controversial and for that reason, even though he favored a 14th-amendment approach, he questioned whether it was good judgment to put it in. I think that is a correct paraphrase of what he said. Now I want to ask this question: In the subcommittee bill, in the original bill asked for by the administration, in the first place, in the first bill there was no 14th-amendment approach, was there, I ask the chairman? In the administration bill it did not carry a 14th-amendment approach. Is that not correct?

Mr. CELLER. I think the gentleman is correct as to the original bill.

Mr. CRAMER. That is right. The subcommittee bill did contain a separate 14th-amendment provision which I have as it appears on page 16 of the confidential committee print of H.R. 7152 that came out of the subcommittee. That was contained as a paragraph No. 4, easily severable under the public accommodations title to the bill. Now, the Attorney General raised some questions about that going too far, did he not?

Mr. CELLER. I do not know whether he raised it in that form or in that exact language. Of course, there may be doubts as to whether a constitutional issue is raised. I do not think the Attorney General was as definite as you indicated.

Mr. CRAMER. The headlines were that he opposed the broad title III approach.

Let me ask the chairman this question.

Mr. CELLER. To keep the record straight it was title III.

Mr. CRAMER. Exactly. Title III is what I said. He also had reservations about the use of the 14th amendment particularly as broad as voted out by the subcommittee in title II.

Mr. CELLER. We are on title II.

Mr. CRAMER. Let me say this, that the subcommittee unscrambled and kept unscrambled the 14th amendment approach and the interstate commerce clause approach. But this substitute has it all scrambled up to where your definition under 43——

Mr. CELLER. Is that a question?

Mr. CRAMER. Yes, I am asking a question. It covers not only interstate commerce, but the 14th amendment—if the 14th amendment should be declared unconstitutional.

The CHAIRMAN. The time of the gentleman from Florida [Mr. Cramer] has expired.

The question is on the substitute offered by the gentleman from Virginia [Mr. Smith] to the amendment offered by the gentleman from New York [Mr. Goodell].

The question was taken; and on a division (demanded by Mr. Smith of Virginia) there were—ayes 80, noes 104.

Mr. SMITH of Virginia. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. Smith of Virginia and Mr. Rogers of Colorado.

The Committee again divided, and the tellers reported that there were—ayes 116, noes 147.

So the substitute was rejected.

AMENDMENT OFFERED BY MR. WILLIS

Mr. WILLIS. Mr. Chairman, I offer an amendment to the amendment.

Mr. McCULLOCH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCULLOCH. Is not an amendment before the Committee for consideration at this time?

The CHAIRMAN. Yes; the amendment offered by the gentleman from New York [Mr. Goodell]. The gentleman from Louisiana [Mr. Willis] offers an amendment to the amendment offered by the gentleman from New York.

The Clerk read as follows:

> Amendment offered by Mr. Willis to the amendment offered by Mr. Goodell: Strike out the word "fostered", and strike out the word "or" between "required" and "enforced" and substitute "and".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana to the amendment offered by the gentleman from New York.

Mr. COLMER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLMER. Is not the gentleman from Louisiana entitled to 5 minutes on his amendment?

The CHAIRMAN. Debate on the pending amendment and all amendments thereto was fixed.

Mr. WILLIS. I beg the Chair's pardon. I was listening to the request of the gentleman from New York, and he did not include that in his request.

The CHAIRMAN. The Chair was of the opinion that he did.

Without objection, the gentleman from Louisiana will be recognized for 5 minutes.

There was no objection.

Mr. WILLIS. I did not want to challenge the Chair.

The CHAIRMAN. The gentleman from Louisiana is recognized for 5 minutes.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. Surely.

Mr. McCULLOCH. Mr. Chairman, I ask that the amendment be again read. May I say again, Mr. Chairman, if it would be possible it would expedite matters if copies of amendments were available.

The CHAIRMAN. Without objection, the Clerk will again read the amendment offered by the gentleman from Louisiana to the amendment offered by the gentleman from New York.

There was no objection.

The Clerk again reported the amendment.

Mr. WILLIS. Mr. Chairman, it looked as though from my analysis of the situation and from the goings on that we should have struck the words "custom or usage." Then comes this amendment accepted by the chairman and the senior Republican member of the committee. So now we have the words again. The sentence reads:

> Discrimination or segregation by an establishment is supported by State action, if it is carried on under color of any custom or usage fostered, required, or enforced by officials of the State or political subdivisions thereof.

The only thing my amendment would do is strike out the word "fostered" so that it would read, "by State action, if it is carried on under color of any custom or usage required and enforced by officials of the State or political subdivisions thereof."

I do not know and I doubt that anybody else knows what would be involved or what would constitute "fostered" by a State official.

While listening to the proposal of my chairman that debate close, I looked up the word "foster" in the dictionary and among many other things the word means to nourish or to cherish. Therefore, what does that mean? If a policeman nourishes or cherishes the thought in the area we are talking about, then that is a State action. That is going pretty far, gentlemen. Therefore, my only proposal is, since you have the votes to carry this amendment, at least that custom or usage must be required or enforced. I did not put the word "and" but at least such custom or usage must be required or enforced by officials of the State or of the political subdivision. See how far you are going. You know there was a boycott of schools in New York where the superintendent of schools said that if any violence resulted in this area of segregation as the result of this boycott, he would hold someone criminally responsible. Is he fostering integration? Do you see how far the proponents of this bill want to go to accomplish the aims of exercising under the Constitution of the United States control over customs, usages, habits, and whatever?

Mr. Chairman, I do not have any more to say about that. I hope you, gentlemen, will consider that and I would hope that my amendment would be accepted. But if it is not, I do want the RECORD to show the extremes to which you are going in this civil rights bill.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman.

Mr. McCULLOCH. Does the gentleman's amendment read "require and enforced" or "required or enforced"?

Mr. WILLIS. It reads "or enforced."

Mr. McCULLOCH. Is that the same statement that was made heretofore by the gentleman?

Mr. WILLIS. I do not believe I am being inconsistent. I beg the gentleman's pardon. My amendment does read "required and enforced"—that is correct.

Mr. McCULLOCH. Mr. Chairman, if it were in the disjunctive, I would support the gentleman's amendment. I regret I cannot support it in the conjunctive.

Mr. WILLIS. Mr. Chairman, it would seem I have my case half won so I accept the gentleman's suggestion and ask unanimous consent to delete the word "and" and let the word "or" remain.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CELLER. Mr. Chairman, in view of the confusion, we could not hear exactly what was being said. May I ask the gentleman to restate the language and the changing of the amendment.

The CHAIRMAN. Without objection, the Clerk will report the amendment offered by the gentleman from Louisiana to the amendment offered by the gentleman from New York [Mr. GOODELL] as corrected.

The Clerk read as follows:

> Amendment offered by Mr. WILLIS to the amendment offered by Mr. GOODELL: Strike out the words "fostered" and in the second instance following the word "fostered" strike out the word "or".

Mr. CELLER. In other words, the word "or" still remains between "required" and "enforced"?

Mr. WILLIS. That is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. WILLIS] to the amendment offered by the gentleman from New York [Mr. GOODELL].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. GOODELL].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. POFF

Mr. POFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. POFF:
>
> On page 43, line 14, after the semicolon insert the word "and".
>
> On page 43, line 17, strike out the semicolon and the word "and" and insert a period and strike out lines 18 through 23, both inclusive.
>
> On page 44, line 5, after the semicolon insert the word "and" and on line 9 after "commerce" insert a period and strike the remainder of line 9 and all of lines 10, 11, 12, and 13.

Mr. POFF. Mr. Chairman, the amendment which I have offered might appropriately be called, for purposes of brief identification, "the antidiscrimination amendment." It is an antidiscrimination amendment in the sense that, if adopted, it would prevent discrimination among businessmen competitors in a local community on the part of the Attorney General.

Let me explain what I mean.

Title II attempts to enumerate the categories of establishments which would be covered. On page 43 of the bill Members will find three paragraphs which include, in general, lodging establishments, eating establishments, and motion picture houses or places of entertainment.

At the foot of the list Members will find a fourth paragraph, which is what I have called the "catchall" paragraph. It is, in other words, a residuary coverage clause. What do I mean by that?

Members can understand what I mean only by reading that paragraph itself. It says that there shall be included under the coverage of the act:

> Any establishment (A) which is physically located within the premises of any establishment otherwise covered by this subsection, or within the premises of which is physically located any such covered establishment, and (B) which holds itself out as serving the patrons of such covered establishment.

Let us try to consider some practical examples which illustrate exactly what the paragraph means.

It means, simply stated, that if a barber shop or a beautician's salon is located inside a hotel which is in the first category of enumerated establishments, then that barber shop would be covered under the act if it held itself out as serving the patrons of the hotel. Although a barber shop located across the street might be serving essentially the same clientele at the same prices and paying the same overhead expenses, it would not be covered. That is one example.

The other clause of the paragraph says:

> Any establishment * * * within the premises of which is physically located any such covered establishment.

What would be an example of that? Lunchrooms are included in the second category of covered establishments. A bowling alley ordinarily, perhaps, would not be covered.

However, if a lunchroom is located in such a bowling alley, then the bowling alley is covered under the public accommodations title of this bill; whereas a bowling alley across the street or around the corner offering essentially the same services at the same prices and paying the same overhead expenses but without the facilities of a lunch counter is not covered under this bill. My amendment striking this language would simply remove the opportunity for discrimination among local businessmen in local communities. This language, I suggest, is the thing which most complicates the orderly consideration of this title of the bill and which, if enacted, will most complicate the enforcement of the statute. For that reason I trust that those who have advocated title II most strongly will consider the possibility of adopting this antidiscrimination amendment.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. POFF. I yield to the gentleman from Florida.

Mr. CRAMER. The Attorney General appeared before the committee on October 15, 1963, and he had this to say with regard to this title. There were certain tests he felt this public accommodations title must meet to do the job. The third of those is, and I quote:

> The area of coverage should be clear to both the proprietors and the public.

If the gentleman's amendment is not adopted, is there any hope that the coverage of this accommodations title, even in section 201 where your businesses are supposed to be defined, but the gentleman points out where they are not defined, and then you go on to section 202 and there is no definition at all but it just states any establishment or place—if the gentleman's amendment is not adopted, then how will this bill meet the test of the Attorney General?

The CHAIRMAN (Mr. HOLIFIELD). The time of the gentleman from Virginia has expired.

Mr. CRAMER. Mr. Chairman, I ask unanimous consent that the gentleman from Virginia [Mr. POFF] may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. POFF. As the gentleman has so appropriately indicated, I think it would not meet the tests that the Attorney General suggested. If this bill is nothing else, it should be explicit, clear, and simple to the businessman who must interpret its language and wants to accommodate himself to the law.

Mr. CRAMER. May I ask the gentleman if he will yield further?

Mr. POFF. Yes, I will yield to the gentleman from Florida.

Mr. CRAMER. Here I think is the real weakness of the approach being made by the substitute bill. I say to the gentleman, is it not correct that the language contained in the substitute bill differs from the language proposed by the administration? It differs from the language proposed by the subcommittee, which was before the full committee, does it not?

Mr. POFF. It does, in very material degree. Among other things, as the gentleman well knows, the original bills did not contain any provision similar to what is now section 202.

Mr. CRAMER. Nor did it contain the language that the gentleman wishes to strike.

Mr. POFF. It did not.

Mr. CRAMER. Therefore, the language that the gentleman is now discussing and which he wishes to strike—that language for the first time is being discussed on the floor of this House and an opportunity to try to clarify it or to do something about it is being offered to the Congress of the United States here for the first time. Is that right?

Mr. POFF. As the gentleman indicated, if this amendment is adopted, as I earnestly hope it will be, no one need fear that his vote in support of the amendment will be doing any violence to the Kennedy civil rights bill, because this language did not appear in the Kennedy civil rights bill, and as the gentleman from Florida just explained, the Attorney General himself indicated tests should be established which would be clear and definitive to all.

Mr. CRAMER. If the gentleman will yield further, I have an example I want to give.

Mr. POFF. I yield further to the gentleman from Florida.

Mr. CRAMER. There are a couple of examples, I think, that should be given to understand the thrust of this paragraph 4 if it is not stricken. Let me give you this example. Let us say there is a lawyer or there is a doctor in an establishment which is otherwise covered under paragraphs I, II, and III, let us say in a hotel, and he has a sign on his door saying, "Attorney at Law" and that sign is in the entrance of the hotel. Does not the gentleman feel beyond any doubt he is "holding himself out as serving patrons of the establishment" and secondly that this establishment is within the hotel; it is in the same property. Is it not true that the lawyer or the doctor would be covered and included?

Mr. POFF. Well, of course, as the gentleman well knows, that is the purpose of the professional shingle, and it would constitute a holding out to the patrons of the covered establishment.

Mr. CRAMER. Will the gentleman yield further?

Mr. POFF. I yield to the gentleman from Florida.

Mr. CRAMER. The reason why I ask the question is that this bill has been advertised as a bill that does not include doctors or lawyers but includes only specific persons defined as in areas of hotels, restaurants, and motion picture and entertainment facilities.

The example I cited—if this is not stricken out, you can cite dozens of others—if they are in the same establishment, holding themselves out to serve the public they are covered, whether they are doctors or lawyers or accountants, barber shops or beauty shops or whatever they may be; is that not correct?

Mr. POFF. I think the gentleman is correct.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. POFF. I yield to the gentleman.

Mr. JOHANSEN. Did I understand correctly the gentleman in using the illustration of the bowling alley to say in effect that if a bowling alley were located in any one of these buildings or properties covered by the law, it would be covered?

Mr. POFF. What I said precisely was that if a bowling alley which otherwise is not covered contains a lunch counter, then the bowling alley would be covered.

Mr. JOHANSEN. The point that the gentleman just made was that the bowling alley area is not covered. I would like to know why the bowling alley is not covered. This title covers motion picture houses, theaters, concert halls, sports arenas; is that correct? It covers all other places of exhibition or entertainment.

Mr. POFF. I believe I can answer the gentleman's question. If he will look at page 44, line 7, he will find there the text which must be read in context with the language on page 43. That language requires that for the establishment to be covered it must:

> Customarily present films, performances, athletic teams, exhibitions, or other sources of entertainment which move in commerce.

So it may or may not be covered.

Mr. JOHANSEN. Is the gentleman prepared to say that the bowling balls and the pins do not move in interstate commerce?

Mr. POFF. No.

Mr. JOHANSEN. If we are going to cover the waterfront, why not make everything interstate commerce? That is my precise point.

Mr. McCULLOCH. Mr. Chairman, I rise regretfully to oppose my able colleague from Virginia.

The paragraph and the words, phrases and sentences which are sought to be stricken are modest, less harsh, not nearly as sweeping as was the language in the administration bill which came to the House on June 20, 1963, and are not nearly as wide and sweeping and inclusive as was the language in the bill approved by the subcommittee.

I want to read to you the language in the administration bill that came to the House on June 20, 1963. The coverage of that bill was any retail shop, department store, market, drugstore, gasoline stations, or other public place which keeps goods for sale.

How more inclusive could that be? Any restaurant, lunchroom, lunch counter, soda fountain, or other public place engaged in the sale of food for consumption on the premises and any other establishment where goods, services, facilities, privileges, advantages, or accommodations are held out to the public for sale through rent or hire.

Furthermore, Mr. Chairman, the bill that was reported out by the subcommittee which was so harsh and so broad that the Attorney General had to come to the committee in executive session, secret session, if you please, to condemn it in no uncertain terms, covered every retail establishment in the State of Ohio and covered every retail establishment in almost every State in the Union.

We tried to trim down the coverage of this section and this title in the bill, and we did it honestly and we did it effectively. I point out to you lines 22 and 23, page 43 of the bill. Before there is coverage of the establishment then the establishment must hold itself out as serving patrons of such covered establishments.

I am sure that the gentleman from Florida did not intend to say what he said when he put the question to the gentleman from Virginia, when he asked, this title which was sought to be stricken would require service to the public. It does not. That is not the meaning nor the words of the language.

I repeat again, lines 22 and 23, page 43: "which holds itself out as serving patrons of such covered establishment."

The amendment of the gentleman from Virginia further tailors and reduces the effectiveness of this title to a place beyond which those who are really interested in this legislation would want to go.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from New York.

Mr. CELLER. I most emphatically endorse the words just heard from the distinguished gentleman from Ohio. I agree with him absolutely.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Florida.

Mr. CRAMER. The statement the gentleman made or intended to make regarding paragraph 4 the gentleman from Virginia wishes to strike out leads me to ask this: If a lawyer or doctor or barbershop or beauty shop is located on the premises, physically located on those premises, and holds itself out because he has a sign on the door that he will serve all patrons of the hotel, then he is covered?

Mr. McCULLOCH. Of course, Mr. Chairman, that is the statement I made which corrected the statement of the gentleman from Florida when he was speaking with the gentleman from Virginia. I repeat, the covered institutions. The gentleman did not describe the language correctly, and I say again that the covered establishment must hold itself out as serving patrons of such covered establishments. Who would contend that necessarily a hotel holds itself out as having its patrons patronize a lawyer or doctor? That is not a reasonable construction of the language in question.

Mr. Chairman, I oppose the amendment offered by the gentleman from Virginia.

Mr. MacGREGOR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time so as to direct one or two questions to the gentleman from Virginia [Mr. POFF].

Do I understand correctly that the effect of the adoption of his amendment would be to permit a barbershop in a hotel otherwise covered by this act to refuse to serve Negro patrons of that hotel?

Mr. POFF. In response to the gentleman's question, if my amendment is adopted the barbershop which happens to be located in a hotel will be treated exactly like a barbershop across the street which is not located in the hotel.

Mr. MACGREGOR. The answer to the question, then, appears to be yes.

If the gentleman's amendment is adopted would it have the effect, provided the remainder of title II were enacted, of denying to a Negro service in the barbershop if the proprietor wishes to discriminate against Negroes?

Mr. POFF. If the amendment is not adopted, it would have the effect of denying to the operator of the barbershop in the hotel the privilege of selecting his own customers while the operator of the barbershop across the street would retain that privilege.

Mr. MACGREGOR. Let us take the case of a beauty shop. Do I understand if the gentleman's amendment is adopted a Negro would be accommodated in a hotel but denied access to the beauty shop?

Mr. POFF. I did not hear the question.

Mr. MACGREGOR. If the gentleman's amendment is adopted a Negro lady could be denied service in a beauty shop operated within hotel premises?

Mr. POFF. I say, as I said in response to the gentleman's other question, that if a beauty shop is located in a hotel that holds its services out to patrons of that hotel, it then under this title would be covered, and the competitor beauty shop across the street would not be covered. If my amendment is adopted, both shops would be exempt from coverage.

Mr. MACGREGOR. One final question. If this amendment is adopted, would it permit a house doctor in a hotel to refuse to give medical attention to a Negro resident guest in that hotel?

Mr. POFF. I know no doctor, in or out of a hotel, who would be so faithless to his Hippocratic oath. However, in response to the question, under my amendment a doctor or a beauty parlor operator in a hotel would have the right to select his own customers, just as the doctor or beautician across the street would have the right to select his own customers.

Mr. MACGREGOR. I thank the gentleman for his answers. I think it is quite obvious that should the amendment of the gentleman from Virginia be adopted it would permit in a hotel only partial acceptance of the idea of equality of treatment to a Negro otherwise entirely gentlemanly or ladylike in behavior and able to pay the bill. One of the principal reasons for title II is to give to every person in this country the equal opportunity to be afforded the services of an establishment serving the public as defined in paragraphs 1, 2, and 3 on page 43 of the bill. I would not like to see this House or this Congress give only partial equality.

Mr. POFF. The gentleman by his question illustrated his deep concern, and I am sure his concern is genuine, with the plight of the person in the hotel who needs the doctor's services. Because his concern is so genuine, I wonder why doctors were not specifically enumerated as one of the covered establishments under title II?

Mr. MACGREGOR. Because by limiting the coverage we hoped to secure the support of Members like the gentleman from Virginia and others to this bill.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. MACGREGOR. I yield to the gentleman from Michigan.

Mr. JOHANSEN. As I understand the gentleman's point it is that it is indefensible and reprehensible for the barber in the hotel to refuse service to a Negro citizen; is that correct?

Mr. MACGREGOR. If the Negro is otherwise gentlemanly and able to pay.

Mr. JOHANSEN. The gentleman would agree that morally it is equally reprehensible for the barber in the barbershop across the street to do the same?

Mr. MACGREGOR. Absolutely.

Mr. JOHANSEN. Would the gentleman have any doubt that the barbershop across the street may have among its customers persons engaged in interstate commerce?

Mr. MACGREGOR. The gentleman from Michigan knows my position on this particular aspect of this bill. I believe strongly in our reliance on the 14th amendment. I happen to believe that reliance on the interstate commerce clause is not the best or even the proper way to reach our objective. But I am not going to write this legislation, every Member of the House of Representatives and the other body is going to write it.

Mr. JOHANSEN. But why not also include the barbershop across the street?

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. WAGGONNER].

Mr. WAGGONNER. Mr. Chairman, and Members of the House, involved here in this section on public accommodations is the fundamental right to choose. I am not going to ask for myself the right to choose and deny that right to the other man. My feeling is very fundamental on this subject. If I own a business, and you own a business, and they are next door to each other, it does not make any difference whether it is a barbershop or a beauty shop or any other type business, and you want to fully integrate and accommodate every person who walks within the confines of your establishment, that is your fundamental right. But if we are going to adhere to the principle which gives to every American the right to choose, which is the cornerstone upon which this country was built, I as the man next door who does not want to do these things should also have the right to choose.

The gentleman from Michigan was a little bit concerned a minute ago about bowling alleys and asked why they were excluded since bowling pins for example travel in interstate commerce and are not made subject to the provisions of this title. I think he is entitled to an answer to that question. My answer is that bowling pins simply cannot vote.

Now the truth of the matter is exactly this, make no mistake about it. You vote for this title to this legislation, and you vote against this amendment, and then you go home and tell your beauty operators that you are compelling her to wait on somebody that she does not want to wait on; and you go and tell your barber that he is going to be compelled to cut somebody's hair that he does not want to cut, and find out how popular that is politically. That is the only reason most of you are going to vote for this bill in the final analysis.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment. I am very glad to say in Pennsylvania we have adequate equal rights laws that are on the statute books. They are well and efficiently administered and enforced. Both parties, Republican and Democrat, back these laws assuring equal civil rights to all persons, regardless of race, color, religion, or orgin. We in Pennsylvania have had these laws for some years. They work.

So far as I am concerned, I do not see why every citizen in the United States is not treated alike and given equal access to any public accommodation. Every person should be treated equally under the law, and have full rights of a U.S. citizen.

I am of the group who bases that the full rights and responsibilities of every U.S. citizen on a basic moral right under the 14th amendment. I realize there are Representatives and many American people who base this legislation either in whole or part on the commerce clause. I believe when people look at this difficult problem that way, that they then partially favor the extension of civil rights. Thus we find many well-intentioned people in that kind of a logical dilemma where such a person sees himself forced into making a necessary discrimination against people who are actually offering the same type of public accommodations, under slightly varied local conditions.

But those of us who put the legal foundation of civil rights for all citizens on the basis of moral right and on the rights basically of every U.S. citizen, find there is no obligation on us of easing up and trying to make discrimination among establishments. We simply base it on the inherent right of a U.S. citizen to choose the public accommodation he fully deserves and is entitled to.

I would, therefore, strongly urge this amendment be defeated. I must say to the gentleman from Virginia, while I disagree strongly I think from your point of view, it has been offered with sincerity in your beliefs. So I compliment you on your integrity which I respect, but I must strongly oppose the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Chairman, I am speaking generally in regard to the accommodations provision rather than with regard to this specific amendment.

I have introduced legislation (H.R. 8881) which will assist people to find housing and the other facilities that are needed and which would provide for Federal financing at low rates of interest for loans to people who would establish motels, hotels, and other facilities of this type.

I think there has been a tendency to polarize our thinking with regard to this problem. I do not believe it is constitutional or proper to tell a man who has invested his personal savings in a hotel or motel or some other facility that he must accommodate to the Federal Government's views in this matter without any remuneration back to that man who has invested his personal savings. I think that there are other ways to make these things available and in a way more acceptable to the individuals who wish to use them.

I have been told that the amendment which I hoped to offer would not be germane to this bill, and that, therefore, I cannot introduce it. It would have been the entire contents of H.R. 8881, which I have already described and which I named the "Voluntary Accommodations Act." It would make possible low interest rate loans for the construction of such facilities for members of the Negro race.

This legislation would complement and support the freedom of association constitutional amendment which I also introduced. This constitutional amendment would preserve the right of freedom of association in private business, housing, and educational institutions.

A Negro traveling some of the highways in America has difficulty in finding adequate accommodations for himself and his family. I believe it is unconstitutional to force private business to accept persons whom the property owners do not wish to accept or serve.

This Voluntary Accommodations Act, which would assure adequate housing, motel, hotel, and eating accommodations for all people in the United States, would do away with the atmosphere of apprehension or ill will now prevalent in many parts of the country. A Negro could have the assurance of a safe and sound night's sleep, and there would be no need for the compulsive and probably unconstitutional legislation introduced by administration leaders.

There is nothing new to my approach to help solve this pressing social problem in America.

The first speech I made on the floor of the House of Representatives 15 years ago was in support of legislation to provide funds for construction of schools on the basis of population in the schools attributable to Negroes and Indians. This bill, along with the one I have introduced today, has nothing to do with segregation or integration. It is long overdue.

It seems to me that something along this line should be debated and thought about, rather than what we are asked to do today.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield.

Mr. WILLIS. Would the gentleman not agree, and should we not all agree, that for at least a certain period of time—and I do not know the length of it—this is bound to strike the business people adversely? Some people for some time—and I do not know for how long—simply will not patronize those businesses and therefore this will have an impact upon people engaged in private enterprise?

Mr. BENNETT of Florida. Undoubtedly there will be some bankruptcies, and it is certainly a very unfair, as well as unconstitutional, use of Federal power.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. Johansen] for 2 minutes.

Mr. JOHANSEN. Mr. Chairman, I believe the comments made by the gentleman from Pennsylvania [Mr. Fulton] serve to underscore a very important point and a very important distinction. We in Michigan, like the people of Pennsylvania, have laws in this area. Those laws are applied equally and impartially.

The problem which arises—the problem which I tried to bring into focus in my questions addressed to the gentleman from Minnesota—arises from the fact that there is an endeavor through the Federal Government to deal with this problem under the guise of regulation of interstate commerce.

I support the amendment of the gentleman from Virginia because it is an attempt to eliminate clearcut discrimination, but I submit that such discrimination will be inevitable so long as the Federal Government attempts to deal with this matter under the guise of regulating interstate commerce.

I submit that the proponents of this sort of approach are caught on the horns of a dilemma. Their only alternative is to rely on the equal rights provision of the 14th amendment. Such a reliance means that the Federal Government must intervene and prevent and control acts not of a State or a subordinate unit of government but of private citizens.

It is exactly because we are overreaching in terms of Federal power that we inescapably see the kind of clear discrimination which will result as between the barbershop in the hotel and the barbershop across the street.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. Corman] for 2 minutes.

Mr. CORMAN. Mr. Chairman and Members, I believe the maker of the motion did not speak completely with accuracy, but nearly so, when he said that the section (4) which he would strike is a "catchall," perhaps hoping that if we knocked it out we would catch nothing with title II.

It is a fact that section 4 of title II has vast ramifications, in attempting to eliminate racial discrimination in the marketplace.

I am most hopeful that this amendment will be soundly defeated.

I agree with the gentleman from Minnesota. I should liked to have seen us go as far as the 14th amendment would permit in what we would cover, but we did not do that. Instead we said that we would rely upon both the 14th amendment and the commerce clause with respect to those specific establishments we would cover. There is no question about that being spelled out in the legislation. No businessman could have any confusion as to whether he was covered or not.

I should like to address myself briefly to the problem of the Federal Government and States rights, about which I hear so much.

I am a Californian, but I am also an American. I do not have to look to the State of California or to the constitution of California to determine what are my rights as an American or to protect them. The Federal Government determines and protects those rights for me. I see nothing wrong with that. I am pleased by it, and I am pleased that such protection follows me wherever I go in this world.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. MacGregor] for 2 minutes.

Mr. MacGREGOR. Mr. Chairman, I ask unanimous consent that I may yield my 2 minutes to the gentleman from New York [Mr. Lindsay].

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. Whitener] for 2 minutes.

Mr. WHITENER. Mr. Chairman, I should like to ask the gentleman from Virginia [Mr. Poff] to answer a question.

As I understand the gentleman's amendment, it would strike the language on page 43, set forth in lines 18 through 23—among other things—is that correct?

Mr. POFF. Among other things; that is correct.

Mr. WHITENER. I ask the gentleman further if the language in those lines would not be such as to interfere with the new device in trade which we call shopping centers, in a very material way in that under the language of this portion of the bill any activity within a shopping center might be involved merely because one activity in the shopping center was engaged in what is referred to in the bill as interstate commerce?

Mr. POFF. The answer is in the affirmative. I direct your particular attention to the language on line 20 which says, "or within the premises of which is physically located any such covered establishment."

Mr. WHITENER. So if a medical doctor maintained an office in a shopping center and that shopping center had in it a variety store or a department store, then the physician would be covered under the language here, in the opinion of the gentleman from Virginia?

Mr. POFF. It would depend upon the pragmatic definition of the word "premises." I believe it would be possible for any person charged with the enforcement of the act to decide that question in the affirmative.

Mr. WHITENER. I am sure the gentleman is aware of the decisions that have been made in connection with the wages and hours law where, among other things, it has been held that an elevator operator in a local office building would fall within the coverage of the Wages and Hours Act, and if there were tenants totally unconnected with the ownership of the building, then those tenants engage in interstate commerce. I hope that the gentleman's amendment is adopted.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Florida [Mr. CRAMER] for 2 minutes.

Mr. CRAMER. Mr. Chairman, I rise in support of the amendment for a number of reasons. One, this language is not in the administration bill; it was not in the subcommittee bill, but it comes out as new language, and it does not meet, I believe, the test of the Attorney General in his testimony before our committee on October 15 when he testified on the subcommittee bill in opposition to phases of it including portions of this title. He said:

The areas of coverage should be clear to both the proprietors and the public.

The opposition to this paragraph 4 which is stricken by the gentleman from Virginia is—it is not clear; it would include any doctor or any lawyer who is in an establishment that is otherwise covered and who holds himself out to serve the patrons of that establishment. It is not limited to those businesses that have been publicly advertised. It also includes any retail establishment. That was supposed to be stricken out—any retail establishment, any department store or any drugstore, that also has any of these other businesses on its premises, and, of course, you are talking about lunchcounters. So it covers the entire retail store, the entire drugstore, the entire department store, if in fact within that store is also one of these three described businesses—amusement, restaurant, hotel, or motel.

I ask this question: What is wrong with this amendment; what is wrong with this amendment to clarify? Since when are the proponents who drafted this bill—and we still do not know who they are, and I wish the gentleman who follows me will say who they are—where do they have the omniscience, where do they have the omnipotence, and where do they have the infallibility to draft a bill in a form that nobody in any respect should change? This amendment is deserving of support.

The CHAIRMAN. The time of the gentleman from Florida has expired.

The Chair recognizes the gentleman from New York [Mr. LINDSAY] for 4 minutes.

Mr. LINDSAY. Mr. Chairman, we already in this country have eliminated practices of discrimination in all of the public accommodations that exist in transportation terminals. We have done so in bus and railroad terminals. That has been the law in the United States through acts of Congress and by Executive order of the President for a great many years. What good does it do in a railroad terminal to open up a waiting room to citizens of all races and yet not a coffee shop or telegraph or telephone facilities and what have you? The same with respect to hotels. What good is it if we provide to the citizens who can pay the freight and are well behaved, room in the inn for a rest and yet deny to them all of the other necessary public accommodations in the hotel? By the same token, in the ancient common law brought down to date, what good would it have done for the innkeeper to provide the tired and hungry traveler a bed and yet refuse to give him supper because of the color of his skin? We in the Committee on the Judiciary took care to eliminate from the bill those areas of greatest contention—goods and services—and we left in the bill those areas in the great stream of public accommodations in this country. This is a logical and necessary progression from those actions taken heretofore by the U.S. Government in transportation facilities, terminals across the country and ancillary facilities that are necessary to those public accommodations. We seek to do the same thing in those great streams of public travel where public accommodation is a necessary thing in the United States today. It would make no sense to adopt this amendment; it would make no sense at all, because in fact it would make a shambles out of what we seek to do which is to remove the area of daily humiliation from a great segment of our population who seek accommodation in hotels in interstate commerce across the United States.

My friends from Virginia and Florida, my colleagues on the committee, for whom I have the warmest regard, are very skillful debaters and I fear they would seek to take advantage of our moderation.

The CHAIRMAN. The time of the gentleman from New York [Mr. LINDSAY] has expired.

The question is on the amendment offered by the gentleman from Virginia [Mr. POFF].

The question was taken; and on a division (demanded by Mr. FULTON of Pennsylvania) there were—ayes 70, noes 123.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. COLMER

Mr. COLMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. COLMER: On page 43, line 21, after the word "establishment" insert "except the provisions shall not apply to barbers and beauticians."

Mr. COLMER. Mr. Chairman, I recognize that my amendment has pretty well been discussed in connection with the preceding amendment which would have cut out the entire section. But I still want to give this body an opportunity to pass upon this specific limitation of barbers and beauticians.

Mr. Chairman, while I recognize the futility of trying to amend this bill in any respect, I also recognize the rumor—and I emphasize "rumor"—that this bill has considerable vote appeal and while I would charge no one with playing politics with this bill I call attention to the fact that anyone who happened perchance to be interested in the politics in this bill that here is a good place to give a little political consideration to, for I call your attention to the fact that of all of the people in this country of ours there is no more potent politician than the man who stands behind that chair and cuts your hair or perchance when your lady goes down to the beauty shop and gets all dressed up, that there happens to be a little political gossip as well as some other gossip that goes on in that establishment. If you are interested politically you should give some thought to that because I can think about these barbers when they get you or some of your constituents in the chair and get that razor to operating around your throat. They might get a little too enthusiastic in their opposition to the fact that you required them to perform a service for which they were not trained or capable of performing.

You might give a little attention to that.

Again, Mr. Chairman, I would not want to be charged with being a bigot or a racist, so I should not mention this other thing, and I will not do it. I would just quote it.

There was a man that you people over on my left will be commemorating just as soon as you can get this monstrosity passed and get back into the field. You will be praising the great liberator, Abraham Lincoln. He said—not I—that there was a physical difference in the races. What are you doing here? You are requiring that barber, you are requiring that beautician, by law, by the strong arm of the Federal Government, to perform a service that they are not trained for and are not capable of performing.

If my amendment does not prevail—and I am not too optimistic about that in view of what has been going on around here—then I think you proponents of this bill, and I call upon the distinguished chairman from New York and the distinguished leader from Ohio, the minority member over here, to write a certain provision in this bill.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

(By unanimous consent (at the request of Mr. COLMER) he was allowed to proceed for 3 additional minutes.)

Mr. COLMER. I hope these gentlemen are following me because, again, bearing in mind the political prestige of these aforesaid barbers, do you not think you ought to write a provision in here just like you have written in other bills, in the depressed areas, and so forth, that you are going at the Federal Government's expense to give these barbers and beauticians a little training and set up training schools to train them how to do this job that you are going to require them to do by the Federal Gvernment?

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

Mr. FORRESTER. I object, Mr. Chairman.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 15 minutes.

Mr. COLMER. Reserving the right to object, Mr. Chairman, and I do not intend to object, I am just as anxious to get through with this monstrosity as you are, but I do not want to see anybody cut off not only on my amendment but any other amendment where they have an opportunity and a desire to express themselves on this bill. We have had no dilatory tactics here. We have cooperated. All we ask is for honest and sincere debate and an opportunity for the Members to express themselves. I will object in the future or not object depending on the number of people who rise and want to be heard.

It is quite apparent now that the present coalition is determined to ram the bill through this week regardless of previous understanding. Certainly under the rules of the House we are sufficiently limited in debate without further arbitrary limitations. Especially is this true when we all realize that in the other body, the Senate, the Members will be permitted to debate the provisions indefinitely—and I fervently hope they will.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. JOHANSEN. Mr. Chairman, reserving the right to object, what is the time limitation that has been requested?

The CHAIRMAN pro tempore (Mr. PRICE). Fifteen minutes.

Mr. JOHANSEN. I object.

The CHAIRMAN pro tempore. Objection is heard.

Mr. RODINO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman who proposes the amendment knows that his amendment would merely defeat the very purpose of the section which we have been debating regarding discrimination on account of race, color, religion, or national origin in barbershops and beauty shops which are within a covered establishment.

The section that we are particularly discussing now is a reasonable one. The language is clear. And there is bipartisan support for its adoption because a case for its need has been made out.

The question here is not whether this provision is politically expedient. The question is whether we are going to practice morality. Whether, we are going to seek to eliminate discrimination in public accommodations as provided in this section.

Mr. Chairman, the amendment should be defeated.

The adoption of this amendment would serve to obstruct and weaken the basic purpose of this particular section.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like the attention of the gentleman from New York [Mr. CELLER], if I may. What about the barber operating in a hotel who works by appointment—and let us say the gentleman from New York or the gentleman from Iowa not having very much hair——

Mr. CELLER. I do not have much hair either.

Mr. GROSS. Yes, that is what I have just said. Suppose we try to get an appointment and the barber insisted we did not have enough hair to suit him or for some other reason he refuses to give us an appointment. Could I bring an action against him for discriminating against me?

Mr. CELLER. And does the barbershop hold itself out as serving patrons of the hotel?

Mr. GROSS. The barbershop holds itself out as serving anyone.

Mr. CELLER. If the barbershop holds itself out as serving patrons of the hotel and he is a barber in that barbershop, he is covered by this bill.

Mr. LINDSAY. Mr. Chairman, if the gentleman will yield, I am sure the gentleman understands that this bill has to do with discrimination on the basis of race, creed, or racial origin and has nothing to do with the degree of a man's baldness.

Mr. GROSS. I happen to be white; do I not come under the provisions of this bill?

Mr. LINDSAY. If the refusal in a hotel to grant access to any public accommodation in that hotel is on account of race, it is covered.

Mr. GROSS. It is covered?

Mr. LINDSAY. That is correct.

Mr. GROSS. That is what I thought.

Mr. LINDSAY. But that is not the question you put to the gentleman from New York, the chairman of the committee, the gentleman from New York [Mr. CELLER].

Mr. GROSS. Could I bring an action against this barber for refusing to provide a service to me? Is that correct?

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. RODINO. In answer to the gentleman's question, that is not correct.

Mr. GROSS. Why not?

Mr. RODINO. You are talking about whether or not the gentleman has enough hair on his head.

Mr. GROSS. No, we will disregard that. I am talking about the barber in a hotel who works by appointment, refusing to give me an appointment.

Mr. RODINO. For what reason?

Mr. GROSS. Because he does not want to cut my hair for whatever reason—I do not know. He refuses to give me an appointment.

Mr. RODINO. This section refers to discrimination on account of race, color or religion or national origin.

Mr. GROSS. But somewhere in this bill you have language dealing with what is in a man's mind; do you not? What is that provision in this bill?

Mr. RODINO. Will the gentleman show me anywhere in this bill where we are dealing with what is in a man's mind? The facts must be shown.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. POFF. I believe the gentleman refers to a clause in the bill which says, "or is about to engage in".

Mr. GROSS. Yes, that is the language "or is about to engage in". Who determines what this barber is "about to engage in"?

Mr. RODINO. The court determines the question based on the facts that are proved.

Mr. GROSS. Then I can file a complaint against him and haul him into court; can I not?

Mr. RODINO. You can file a complaint against anyone.

Mr. GROSS. I am talking about filing a complaint in the kind of case I have described. The gentleman knows what I am talking about. I am talking about the harassment that can be used against a man unless he changes his whole business operation.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. RODINO. All we are doing is saying that a barber in a barbershop that is within covered establishments under the bill, not discriminate on account of race, color, or religion or national origin. That is all we would do.

Mr. GROSS. So then I say that he is discriminating against me.

Mr. RODINO. You would have to prove the case.

Mr. GROSS. So I charge that he is discriminating against me. I do not have money so I get the Attorney General to prosecute my case.

Mr. RODINO. Is he discriminating against you on account of race?

Mr. GROSS. I do not know. I do not know why he is discriminating. He just refuses to cut my hair.

Mr. RODINO. That would have to be the reason.

Mr. GROSS. I can say he is, can I not?

Mr. RODINO. Of course you can, but you have to prove it.

Mr. GROSS. I can file a charge against him. I can get the Attorney General to prosecute my case, can I not?

Mr. RODINO. No, you cannot.

Mr. GROSS. Why not?

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. JOHANSEN. Let me ask the gentleman a question. If I happened to be a colored person, and happened to be staying in the hotel, and the barbershop did work only by appointment, if I went to the barber—and if he knew I was a colored person—and I asked for an appointment, and he refused on the ground that he had no opening and no time available, and if again I went to him and he told me he had no opening, how would I know whether or not I was a victim of discrimination? How would it be dedetermined whether he was refusing service because he had no time or because I was a Negro?

Mr. GROSS. You would not know but you could file a complaint and charge him with discrimination.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to proceed for an additional 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JOHANSEN. Let me pursue the point one step further. Let us assume I filed a complaint. How would I prove, or how could the court determine, whether the reason for the refusal was on account of color or race or because the appointment book was full?

Mr. WHITTEN. It would depend upon how many voters there were in the family.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. DORN. I believe the gentleman from Iowa is making a great contribution. I would like to know whether the language means that I would have to say I was a Baptist, a Methodist, or an Episcopalian before I could get my hair cut.

Mr. GROSS. I assume that about all the gentleman would have to do would be to file a complaint and get the Attorney General to prosecute it for him under the terms of the bill. I do not know. I would like to know.

Mr. FORRESTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. FORRESTER. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia.

There was no objection.

Mr. FORRESTER. Mr. Chairman, I have always tried to remember that every act or deed we commit is history. I naturally hope that what I do and say here now will look good, but above all I hope that it will not look bad in history. I owe my loved ones and those who come after me the duty of establishing a record for fairness and loyalty; if not for ability. I want to talk to you a little bit about how we will look in history.

If there ever was a time when the courts and the Congress should live up to their God-given responsibilities, that time is now. If there was ever a time when we need the confidence of the people, it is now. The people cannot build that confidence. Only the judiciary and Congress can. If we do, it will be because we deserve that confidence.

In the yesterdays, thank God, the courts and the Congress lived up to their responsibilities. The very foundation for confidence is respect. I represent a minority group. We have too few votes to work our will, we can only count on your conscience and your love of the law to see that we are dealt with as God would have us dealt with. I tell you that you can have our confidence.

The South was whipped on the battlefield, but you did not have its confidence. The Supreme Court did more to restore peace and harmony than all other agencies combined. When they ruled what the law was instead of what they wanted it to be that cemented the ties of fraternity, love, and affection for the four corners of this Nation. In 1887 Hon. John Wise, speaking at a breakfast to the bar of Philadelphia, said of the Slaughter House decision, holding that the Constitution was still inviolate:

> That decision, worthy to live through all times for its masterly exposition of what the war did and did not accomplish, did more than all the battles of the Union to bring order out of chaos. When war had ceased, when blood was stanched, when the victor stood above his vanquished foe with drawn sword, the Supreme Court of this Nation, when it spoke in the great decision of the Slaughter House cases, planted its foot and said, "This victory is not an annihilation of State sovereignty, but a just interpretation of Federal Power." (Bloch's "The Law of the Land," pp. 83–84).

I am appealing to you to let us save our Constitution. Let me say to you that it is being destroyed, and if we lose it, we will probably never have another. Will you let me show you what I think is sufficient reason that title II should be stricken from this bill? Turn to pages 2728 and 2729, part IV, civil rights hearings, and read what Attorney General Kennedy said regarding desegregation of the schools: He said it has been established since 1954, the constitutional right for an individual child to attend a desegregated school, and that it was not felt necessary or justifiable that you had to go through the processes "of going through the community service," after 9 years had passed and the matter should be expedited. He said that the Memphis Park cases covered "all deliberate speed" and it did not mean any further delay and that the schools should be desegregated immediately.

The Attorney General, an officer with more power than any other public official in this world, demands complete respect and obedience for the Brown against Topeka decision in 1954, which overruled a string of decisions to the contrary as long as your arm, beginning with the landmark case of *Roberts* v. *City of Boston*, 59 Mass., decided in 1849, the case in which Charles Sumner was a counsel, approved by the States of Ohio, Indiana, and New York, and by Plessy against Fergerson; Gong Lum against Rice, and others rendered by the U.S. Supreme Court. Many proponents of this legislation haled the Brown against Topeka case, but I did not for several reasons, the main one being that it was absolutely without constitutional authority. I do not mind people differing with me. I argued that you could not abolish poll taxes by statute, but I admitted you could by constitutional amendment. You adopted the constitutional route and poll taxes are abolished, so far as Federal elections are concerned, legally and without dispute, and I cheerfully accept any verdict of the people. The Supreme Court had the wonderful privilege of telling those who wanted to upset the separate but equal doctrine, that the remedy was through constitutional amendment. They did not do it. The people lost confidence; particularly lawyers lost confidence in that court.

Now let me show you a reason why the legal fraternity and the people generally might have a right to lose confidence. Attorney General Kennedy in the same volume IV, during the time he delivered the testimony heretofore referred to, and as shown on page 2693, said that while the Supreme Court decision of 1883 holding that an almost identical public accommodations bill was unconstitutional, and is now the law of the land that—

> I think that the situation has changed considerably since 1883, Congressman. Reading Judge Bradley's decision, what has happened with the passage of the Jim Crow laws in the late 1880's, the 1890's, the beginning of the 20th century, I think that the situation is such that the Supreme Court could now decide that under the 14th amendment that regulations such as have been recommended could be constitutionally—could be declared constitutional.

I was aware of the gentleman's thinking on that, but I just wanted to get that in the record.

I say that beyond any dispute, the Attorney General should be the last person in this country to advocate this provision in this bill. He is demanding respect for the 1954 decision which completely disregards precedents of over 100 years, and in the same breath, completely disregards a decision in 1883, and even suggests that you can overrule it by statute.

I am well aware of the arguments that the 1883 decision is really contrary to the 14th amendment and the commerce clause. The trouble is with that argument, both have been foreclosed by decisions of the Supreme Court, the Court they claim to honor above all things on earth. Bloch's "The Law of the Land," page 103, says that in 1914 the case of five Oklahoma Negroes seeking to enjoin the Atchison, Topeka and five other companies from making any distinction in service on account of race, alleged that the Oklahoma statute was repugnant to the commerce clause and the 14th amendment. Justice Hughes, speaking for the Supreme Court, affirmed a dismissal of that action in the courts below, and this was a full bench decision.

I heard quite a bit of talk about some of our trial judges dragging their feet. I wonder what the trial judges think we are doing with our feet, our heads, our hearts, and our oaths.

You can win this fight today, but you will not be able to keep it won. It will look bad in history. Nothing is decided until it is decided right. It is my considered judgment that we will lose a precious privilege if we fail to strike this provision from this bill. That will in no wise conflict with your views concerning public accommodations. Let us tell the world that we believe in the Constitution. If this legislation is worthwhile, you can pass a constitutional amendment. I do not think the legislation is good. I do not think it is wise. I do not believe that a victory can be won by a person forcing himself as an unwanted guest in a hotel or an eating house. Regardless of how I feel, if you will amend the Constitution, provide for public accommodations, you will never hear another complaint from me or from my people because we respect the law and accept the law.

Mr. Chairman, I heard my delightful friend the gentleman from California [Mr. CORMAN] say that nobody had to tell him what were his rights, that he already knew them. I am delighted that he does. If this bill is passed, though, I do not believe he will hereafter know what his rights are.

A majority of the rights that my splendid friend has are the rights about to be surrendered by the passage of this bill. I refer to the rights incorporated under the 10th amendment, which provides that the powers not granted to the Federal Government or implied therein as a matter of necessity are to be reserved to the States. That is where the powers came from, my friends, about which we are talking.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield for a question?

Mr. FORRESTER. I yield.

Mr. HOLIFIELD. I have listened to the debate for several days and I have heard the reference made to the 10th amendment a number of times. Most of the references have been like the gentleman's reference.

There happen to be some important words after the word "States." If Members will read the amendment they will see "or to the people." The rights are not only reserved to the States, but also reserved to the people. The Representatives of the people are sitting in session at this time and they have just as much right to legislate on the people's rights as the States have.

Mr. FORRESTER. I thank the gentleman for that comment. He is eminently correct. That means the people and does not mean either the gentleman from California or me.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield further?

Mr. FORRESTER. If the gentleman will get me some more time; yes. I have only a few minutes.

Mr. HOLIFIELD. The people can exercise their will only through the States or the Federal Government.

Mr. FORRESTER. They can do it otherwise. They can do it by constitutional amendment. I will get to that, if the gentleman will permit me to do so.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. FORRESTER. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. I am just wondering if the gentleman from California [Mr. HOLIFIELD] is attempting to tell us that there are no limits imposed on the powers of Congress by the Constitution?

Mr. FORRESTER. Well, we will try to get to that. Just give me a minute or two and let me have a few words to say.

Gentlemen, whether you realize it or not, everything we do or say here is making history. We are making history. It is going to be read and looked at through the ages. It just so happens that I am not complaining now. Believe me, I am not complaining, because a fourth-rate citizen in this country is the luckiest person in all of this world. You are really looking at a member of a minority group now whether you know it or not, and I am real conscious of that fact.

Mr. JOELSON. Mr. Chairman, will the gentleman yield?

Mr. FORRESTER. I yield to the gentleman from New Jersey.

Mr. JOELSON. I would like to ask what a fourth-rate citizen is under our Constitution.

Mr. FORRESTER. Under the Constitution?

Mr. JOELSON. Yes. I never heard of a fourth-rate, a third-rate, or a second-rate citizen. I thought we were all first-rate citizens.

Mr. FORRESTER. I thought that was what all the argument was about; that is what you wanted to do—change them into first-class citizens. But if that is not what you are doing, what are you doing?

Mr. JOELSON. I submit to the gentleman that there is no such thing as class of citizenship, and if that is your understanding of the U.S. Constitution, I think you had better reread it.

Mr. FORRESTER. Let me say this to the gentleman: I think it would help us all here to read the Constitution, and if you will do it, I will.

Mr. CORMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I cannot get quite excited about barbers and beauticians now as I did last Monday night about chiropodists. I am sure all of you recall the very graphic, poignant picture painted for us by our revered colleague from Virginia, concerning chiropodists. When I went home that night, I put my little 10-year-old son on my knee and I said, "Son, I hope you never will become a chiropodist, but if you do, for heaven's sake, do not put your office in a hotel lobby," because I have been in hotel lobbies at convention time and I had visions of life for this little red-blooded, white-skinned, blue-eyed boy, who was to be a chiropodist, with his office in a hotel lobby, and who might someday find some big, sweaty stinking foot stuck up in his little delicate nostrils with a bellow, "Cut my corns or I will call the FBI."

I do not think that is exactly what we do with "public accommodations." My remarks go to this amendment and to all of the others that would subtly or blatantly defeat the second title to this bill. Title II says only this:

> If you are going to trim the stinking, sweaty white corns you must do the same for the black ones.

And that is all. You are allowed to set up any criteria you want. You can cut hair by appointment, but when the gentleman comes down, in response to the appointment that you have made, you cannot make your decision at that time that you will cut his hair or not depending on the color of his skin, or his race or religion.

Now, what happens when we have a difference of opinion between that poor, sensitive chiropodist and the man with the aching corns? How can we tell whether the chiropodist has violated the law? The person who feels he has been wronged has to limp over to see the Attorney General and suggest to him that he would like to get this conciliated. The Attorney General may or may not say that he will see what he can do about it. The Attorney General may decide or may not decide to help but, taking the more horrible example, assume he does. First, the Attorney General may try to conciliate the dispute. If this fails, the Attorney General goes into the Federal court and seeks an injunction. At that point he has to convince the Federal judge there has been, in fact, discrimination against this man with the corns because of color, not because of the odor of the feet or sweatiness, or anything else. It has to be on account of color, or race, religion, or national origin.

At that time the Federal judge makes a decision that the man was, in fact, wronged or was not, in fact, wronged. If he has been wronged, the judge sets out in an injunction what must be done. He says that as far as this chiropodist is concerned he has to trim these corns. Then the plaintiff goes back, armed with this injunction which he has served on the chiropodist. The chiropodist knows what he has to do. He has lost nothing up to this point. If he disagrees with the injunction he still does not have to trim the corns. He can appeal all the way up to the Supreme Court. But assume he does not want to appeal. Nothing has happened to him yet. He is rather sensitive, so he says he still will not trim the corns.

At that point he gets served an order to show cause and is cited for contempt, and again the man with the painful corns must go to court to show that there is contempt because he has refused to comply with the order of the court.

The court can say he is guilty of contempt, either civil or criminal. If it is civil he can impose such punishment on him as the court wants for the sole purpose of getting him to comply. He may even lock him up until he trims those corns. If he is convicted of criminal contempt he can lock him up for 45 days or fine him $300 or, if he wants to do more, give him a jury trial de novo and, on conviction, confine him up to 6 months or fine him up to $1,000.

If the fellow still does not want to trim the corns he can appeal right up to the Supreme Court.

That is a long time to get your aching corns trimmed, but it does protect rights.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. COLMER].

The question was taken; and on a division (demanded by Mr. COLMER) there were—ayes, 69, noes, 114.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. SIKES

Mr. SIKES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. SIKES: On page 45, strike out lines 15 through 24.

Mr. SIKES. Mr. Chairman, this amendment is intended to strike from the bill section 203, which appears on page 45. This is the section which would abolish freedom of speech in the United States. It is even worse than that. It is a thought-control section.

This is a shotgun section which goes much further than any law, is much broader than any law now on the statute books. It says you cannot talk back to or resist any person who invades your premises for whatever reason if he cloaks it under civil rights. The meaning is terribly plain. You would not dare argue with anyone who claims any right or privilege in the name of civil rights. This is not farfetched. It is what the section says.

An editor would not dare to speak out against civil rights. Freedom of the press would apply only to those who advocate civil rights. A preacher in the pulpit or a teacher in the schools would not dare to condemn the system or the evils which inevitably will arise in the administration of this bill. They could only praise those evils or be in violation of the law.

That is the section I propose to eliminate. Read it. You will be shocked.

This section would support trespass on private property with all the power of the U.S. Government. I believe it could make local and State police forces powerless to protect the public in cases involving civil rights. And this section in conjunction with the following section would, if anyone believes you are thinking of or planning to interfere with—get this—if anyone believes you are thinking of or planning to interfere with the wide-open powers conferred in title II, make you subject to action. Now this, I submit, is thought control. Are you ready to condone that?

Mr. Chairman, under this section and under the bill, the Attorney General is going to possess power that no American has ever possessed before. He will be looking over your shoulder—if you are a businessman, an editor, a schoolteacher, a public official, a minister, even a homeowner, father, mother, children—yes; children could be straitjacketed in thought and speech. He will be looking over your shoulder in your own home and dictating the way you live your life.

Any troublemaker who does not like you for whatever reason can bring charges, and the Attorney General can drag you into court. If those charges have the slightest shred of credibility, I have no doubt but that the zealots for civil rights who will be attracted to the Department of Justice under this bill will prosecute you or persecute you to the full limit made possible in this bill.

And if you should be fortunate enough to get out of the trouble brought on you by this section, it might or might not be at your own expense depending on the whim of the court.

Now it would not take but a few applications of that kind of justice to break you physically and mentally as well as financially.

Mr. HALLECK. Mr. Chairman, reserving the right to object, and I am not going to object, I will say to my friend, the gentleman from Florida, there has been a lot of talk here about the consideration of this bill—and I am in favor of full consideration. Originally, there was much conversation about how long the consideration of the bill might take. So far as I was concerned, I thought if we gave 6 days to the reading and amending of the bill that ought to be ample time. So far as I am concerned, I would like to have the House come in early and stay late in the Committee of the Whole for a proper consideration of this bill. I must say, it is perfectly all right so far as I am concerned to read and consider every provision in the bill, but as I understand it there are a half dozen more amendments at the Clerk's desk dealing with this title. I do not think any of them are going to be adopted. But if we just go on and on and on, I do not know when we will ever conclude consideration of this bill. So, while I do not want to shut off debate—and there has been no motion to shut off debate although it could be made title by title—and I am not asking that—I do hope as we go along if Members will confine themselves to 5 minutes on amendments that they offer, we can consider each of the amendments offered and we can proceed to an expeditious consideration of the bill and final action on it this week.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. Under my reservation of objection, I yield to the majority leader.

Mr. ALBERT. Mr. Chairman, of course, we have understood all along that we are not going to try to railroad this bill. Certainly, so far as I am concerned, there will be no effort in that direction. I think it is proper, as the chairman of the committee has undertaken to do, and as he has done in some instances, to ask unanimous consent that debate might cease at a certain time or that consideration of an amendment might cease at a certain time. I agree with the distinguished minority leader that the expeditious handling of this bill is a matter of importance, and I would suggest that Members put themselves on notice after tonight to be prepared to stay later than we have been staying. We hope we can get unanimous consent that we may come in earlier on Friday and Saturday. I have not made a request for early morning sessions heretofore because several committees have been considering important bills.

We did not wish to interfere with the work of committees, which have brought witnesses here from far and wide.

I wish to state that I believe everybody, on both sides of the aisle, would like to see this bill and all amendments thoroughly considered, but, also, that we should proceed as expeditiously as we can under the circumstances.

Mr. HALLECK. Mr. Chairman, I withdraw my reservation of objection.

Mr. SIKES. Mr. Chairman, under this section and under the bill, the cost to the American people in loss of constitutional rights and loss of things which make America great would outweigh the monetary costs. But I venture to predict that the cost of operating the Department of Justice could double under this bill, and that cost is now more than $380 million a year.

Mr. Chairman, in Panama and in many other portions of the world we have heard of the riots, demonstrations, strikes, and other protest movements by which organized or spontaneous groups have threatened those in authority to enact laws to their liking or decrees of their choosing. I see but little difference between what has been done in this country and what is now being done to panic the Government and the Congress into supporting the civil rights legislation now proposed.

If this bill and this section were submitted to the people, the answer would be a resounding "No." If it were submitted to a secret ballot in the Congress, the answer would be a resounding "No." If it were judged on its merit and not by pressure, the answer would be a resounding "No."

There is no justification for this bill or for this section other than pressure—pressure which is heedless of right, heedless of wrong, heedless of danger, and heedless of the monstrosity to be created.

I realize efforts to achieve a measure of calm in the tempest over civil rights will accomplish little. This is a juggernaut loosed by forces of destruction, careening on a course of destruction, heedless of the destruction that it will wreak on constitutional government in America. What is proposed here is not something to be held high as a symbol for the free world. It is something which can drag us down to the level of those who would destroy organized government throughout the free world. My amendment would strike section 203 from the bill.

It is a bad section—one of many in a bad bill. Pressure has not made this a privileged matter. We still are the Congress of the United States, with a responsibility to this Nation. We are not accepting it. It soon will be too late. This section means thought control. It means an end to freedom of speech. It must be eliminated.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to my friend.

Mr. JOHANSEN. I wonder if the gentleman can tell me the meaning of the word "incite" in line 23? What constitutes or what does not constitute, within the meaning of this section, "incite"?

Mr. SIKES. I believe it is perfectly plain that this section and this bill is so written that any part of it can be interpreted as a means to ripping the Constitution to shreds and throwing it into discard.

Mr. JOHANSEN. I agree with the gentleman.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

If we should adopt the amendment offered by the gentleman from Florida we would render title II a mere shambles. It would prevent our setting forth any grounds for any kind of suit under title II. It would destroy the basis for any court action whatsoever.

I say, finally, that the amendment would render title II as spurious and useless as a 2-foot yardstick. Therefore, I oppose it.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

I would like to ask a question or two, and then I will try to subside for an hour or so. I would like to know why there is no mention of "saloon" in this bill. Are saloons generally exempt under title II of this bill? Is anyone prepared to tell me? Are saloons defined on lines 16 and 17 as places of exhibition or entertainment? Can someone on the committee please give me some help? Can the gentleman from New York [Mr. LINDSAY] tell me why saloons are apparently exempt from this bill by definition?

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. GROSS. No. I want to yield to the gentleman from New York [Mr. Lindsay]. He has had all of the answers for me up to this point, and I want to yield to him.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Of course.

Mr. LINDSAY. Saloon is not covered unless it is in a hotel.

Mr. GROSS. Oh, yes. It might be.

Mr. LINDSAY. If it is selling food. It is if it is principally selling food.

Mr. GROSS. Why is it not covered?

Mr. LINDSAY. If the gentleman wants saloon covered, why do you not put in an amendment?

Mr. GROSS. Why have you not put it in the bill? You have everything else blanketed in.

Mr. LINDSAY. The gentleman did not have the courtesy to listen a little while ago when we were talking about what we were doing about hotels.

Mr. GROSS. Just a minute. Maybe it is a courtesy to listen to you and maybe it is not.

Mr. LINDSAY. The gentleman asked a question, and I would like to give him an answer. Will the gentleman yield?

Mr. GROSS. Yes.

Mr. LINDSAY. When we covered establishments such as hotels and other establishments that are covered within hotels we, as I explained a moment ago, were defining an area where the great traffic of public accommodations in this country is needed. If you have a saloon or any other business facility in a hotel, it is going to be covered.

Mr. GROSS. If a person walks out of a hotel and into the next building, three steps removed from the hotel, and into a saloon, he can be denied whatever service the establishment has to offer and with no threat of prosecution, regardless of race, color, religion, or national origin.

Mr. LINDSAY. That is correct. If the gentleman would like to open up all goods and services and all retail establishments and all barbershops and everything else off the beaten track, he can offer an amendment to that effect and see what happens.

Mr. GROSS. I will not offer such an amendment, but I wonder why the authors and promoters of this legislation saw fit to set one standard for the operation of a saloon in a hotel and another standard for a saloon located elsewhere.

Mr. LINDSAY. It was to satisfy the gentleman from Iowa, among other things.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes, I yield.

Mr. HUDDLESTON. I think the gentleman from Iowa expressed a very valid concern about the absence of saloons from this bill particularly since soda fountains are included.

Mr. GROSS. Yes. Soda fountains are included.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes. I yield.

Mr. ROGERS of Colorado. It depends on the location of the saloon as to whether it is covered.

Mr. GROSS. Yes. But why did you not cover all of them in this bill?

Mr. ROGERS of Colorado. To begin with, if you read the bill and see section 201 or 202 we define the institutions that are subject to desegregation.

Mr. GROSS. All right. Tell me more.

Mr. ROGERS of Colorado. If you read those, then you will be educated to the point of what we intend to cover.

Mr. GROSS. But you intend to maintain a few places for a few privileged characters where they can discriminate. Is that it?

Mr. ROGERS of Colorado. No. We want to limit it as small as possible so that no person will be denied the right of food or a place to sleep. That is what we are trying to do in this bill.

Mr. GROSS. I see. I appreciate this newfound charity in the gentleman from Colorado.

Mr. ROGERS of Colorado. That is all we are doing.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield to me?

Mr. GROSS. Yes, I yield.

Mr. SMITH of Virginia. This illustrates again that the advocates of this bill do not know what it covers or does not cover or why it does or does not or what it means or does not mean and where it stops or ends. I ask a question, and perhaps he will pass this question on to the gentleman from New York. In clause 3 it says:

> Any motion picture house, theater, concert hall, sports arena, stadium, or other place of exhibition or entertainment.

If they are not a place of entertainment, I am very much mistaken about what they are.

Mr. GROSS. Not only places of entertainment, but "exhibition."

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. McCULLOCH. Mr. Chairman, I rise in opposition to the amendment, and I trust it will be defeated.

Mr. WHITENER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I will not take the 5 minutes.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. I yield to the gentleman from Florida.

Mr. FUQUA. Mr. Chairman, I support the amendment as offered by the distinguished gentleman from Florida.

Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FUQUA. Mr. Chairman, this great Nation was founded on a great precept that a man has the right to own and operate property. In our society, it is the basic right of a man to own property and to say how this property is to be managed.

A customer has the right to choose the place of business where he will buy and trade. It seems to me to be basic also that a man who owns that business has the right to say what persons he will serve. Is this not basic to free enterprise?

As Evangelist Billy Graham said only this morning at the Presidential prayer breakfast, this problem will not be settled in the streets nor in the Halls of Congress. I believe him to be correct.

Under the title of civil rights, we have a great emotional turmoil tearing at the heart of this Nation. I believe this bill will create far more evils for our society than it would purport to heal.

It gives drastic powers to certain officials over the lives of the people of these United States. It violates our basic concept of a man's right to own and operate private property.

This problem did not originate yesterday, it will not disappear tomorrow.

In this great land of ours we have made magnificent strides. Even the most menial and poorest of the classes in these United States have a higher standard of living than the people of many nations.

The answer to our problem lies in education and a vibrant economy that can provide good jobs for all men willing to work, and who are willing to make the necessary sacrifices to obtain the necessary education to fill those jobs.

This is the challenge which faces us and if we can meet this challenge, then these problems which have been debated here can and will be solved.

I contend that what is proposed here is not right. It violates basic freedoms of this Nation. It destroys certain basic and fundamental concepts of the free enterprise system, and this, my colleagues, is a more serious threat and problem than any that it is contended would be solved.

Mr. WHITENER. Mr. Chairman, I rise to say I think the distinguished gentleman from Florida [Mr. Sikes] has offered an excellent amendment, and I am sure his concern for freedom of speech and freedom of the press comes from his dedicated career as a newspaperman and one who has lived up to the wise traditions of that profession. The gentleman from Michigan asked a question awhile ago that I think deserves an answer. The answer to that question is very succinctly given in 42 Corpus Juris Secundum at page 522. The gentleman asked the question as to the definition of the word "incite." The legal definitions given, according to this outstanding legal reference work is as follows, and I shall read it verbatim.

> Incite: To arouse, to encourage, to goad, to provoke, to instigate, to set in motion, to move to action, to persuade, to spur on, to stir up, to urge and urge on.

That is a rather broad definition.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. The gentleman from Indiana [Mr. Halleck] has asked me to yield. I should like to recall to him that the decisions of the courts of Indiana are that "to move to action" constitutes inciting. The courts of Indiana have held that "to urge, or urge on" constitutes inciting.

Mr. HALLECK. Mr. Chairman, will the gentleman yield further?

Mr. WHITENER. I yield to the gentleman.

Mr. HALLECK. I am sure the courts of Indiana speak with great authority. But I would like to say to the gentleman that as I understand, those words are to be stricken out under an amendment and as far as I am concerned I shall support it. I thought the amendment would have been offered heretofore. So there cannot be much fuss about that.

Mr. WHITENER. Mr. Chairman, my answer to the gentleman is that with all the blessings I have received, one is not prevision. I do not know what is going to happen in the future and we can only meet these things as we come to them.

I think the gentleman from Michigan has laid his hand upon the heart of this matter. I am sure that even those who claim that they are for civil rights legislation would not want to write into the statute books of this country that it constituted a violation of Federal law to urge or urge upon or offer any passive resistance to any bad laws or any good law.

Mr. HALLECK. Mr. Chairman, will the gentleman yield further?

Mr. WHITENER. I yield to the gentleman.

Mr. HALLECK. If those words about which the gentleman complains were stricken from this section would the gentleman otherwise object to it?

Mr. WHITENER. Object to what?

Mr. HALLECK. To the rest of the section.

Mr. WHITENER. Frankly, I have great admiration for the gentleman from Indiana but I do not think even he, in all his wisdom, could make this a good provision of law.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I hope I can construe the statement of the distinguished minority leader as indicated, that there is to be a move to delete these words.

Mr. HALLECK. Mr. Chairman, if the gentleman will yield, I thought that that amendment would be offered. It would have clarified the atmosphere and probably avoided much discussion about this section.

Mr. JOHANSEN. I appreciate that assurance.

As the ranking minority member of the House Committee on Un-American Activities, I have listened to witnesses of exceedingly questionable pedigree say that laws and regulations having the force and effect of law governing travel to Cuba ought to be violated because they are bad laws. I have heard advocated peaceful and some not so peaceful resistance to law, and so-called civil disobedience.

I know of no existing law under which persons who talk that way and who advocate violation of law for the purpose of creating test cases can be touched by laws. I am not so sure but what I would rather tolerate nuisances of that kind up to, but not including, the point they become active conspirators in favor of overthrow of this Government, than curb freedom of speech.

I want to say I am not going to support any provision of this or any other act with respect to civil rights legislation or similar legislation which would deny to the citizens of this country a right of advocacy at least the equal of that granted Communists, the sworn enemy of this country.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. Sikes].

The question was taken; and on a division (demanded by Mr. Sikes) there were—ayes 55, noes 117.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. WILLIS

Mr. WILLIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Willis: On page 45, line 23, insert a period after the figure "202" and strike out the language beginning with the word "or" through the word "foregoing."

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from New York.

Mr. CELLER. Mr. Chairman, this is an example of a reasonable amendment, and it is acceptable.

Mr. McCULLOCH. Mr. Chairman, I agree with the statement of the gentleman from New York, the amendment is a good one, it is acceptable, and I hope it will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. Willis].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DOWDY

Mr. DOWDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Dowdy: On page 42, line 21, after the word "color", insert the word "sex", and on page 45, line 10, after the word "color", insert the word "sex".

Mr. DOWDY. Mr. Chairman, I have felt that this bill is unconstitutional in most of its provisions, but I thought we might insert some interest in it.

A number of women's organizations feel, according to the information coming to me, and I have talked to some that would have perhaps offered this amendment here, and I would have supported it, but they have not, that there should be some such amendment as this. Before I get into this particularly, may I refer to the fact that there are no amendments going to be adopted to this bill unless some of us were to offer an amendment repealing the U.S. Constitution, and I believe it would be adopted here.

The leadership on both sides seem to have forgotten that no amendments at all were permitted or considered in the committee before this bill came to the House floor. That fact having been conveniently forgotten by the leadership here, under the circumstances I feel there are many of us for whom the leadership is not speaking when they refer to this proposal and say that we ought to get along and not consider these places that do need amendment.

In connection with the amendment I have offered here, the first one—actually, it is two amendments, but I combine them in one for the sake of saving time—is to section 201(a):

> All persons shall be entitled to the full and equal enjoyment of the goods, services, facilities, privileges, advantages, and accommodations of any place of public accommodation, as defined in this section, without discrimination or segregation on the ground of race, color—

And I include "sex"—

> religion or national origin.

The other place is section 202, which reads:

> All persons shall be entitled to be free, at any establishment or place, from discrimination or segregation of any kind on the ground of race, color—

And I include "sex"—

> religion, or national origin, if such discrimination or segregation is or purports to be required by any law—

And so on.

Since we are going to have a civil rights bill here and, as I have said, I believe in equal rights for everybody, and my experience has shown that there is discrimination on account of sex in one way or another in more places and more times than there ever is on account of color—one gentleman, I have forgotten who it was, in the debate a day or two ago, proposed an amendment to make this apply to all 50 of the States. This also will make it apply to all 50 of the States, and it ought to. If women and men are not entitled to equal rights, then nobody on account of religion or color or anything else is any more entitled to it.

The civil rights bill here would not give any protection against discrimination because of race, color, religion, or national origin to a woman if she were white or a woman of the Protestant religion or a woman who was born in the United States, a natural-born American citizen. According to the construction that appears to be placed on the words "race, color, religion, or national origin" in orders and statements by Government officials, they just do not apply to white folks, they do not apply to Protestant Americans or Christian Americans.

So I am, I believe, following a request made by many women that this Congress of the United States amend the civil rights bill in order that it will apply so as to make it serve the interest and welfare of all American citizens without distinction as to sex.

I might say now that I have known times that I thought that men were discriminated against, even as I have seen times that I thought women were discriminated against.

I will not talk any more because it seems obvious that nothing will be considered here.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there was no need whatsoever shown for this amendment. In all the hearings that we had for many months, there was no evidence whatsoever that there has been any kind of discrimination in places of public accommodation, privately owned, as against women on the basis of sex. So that this amendment is most unusual. It is irrational. It is diversionist. It is an amendment that we would expect and the kind of tactics we would expect from those who do not want this bill. They want to load this bill up with all kinds of amendments of this sort to make it unpalatable. For the reason I have just mentioned and for many other reasons, which I will not take the time of the Committee to enumerate, I hope the amendment will be voted down.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. ROGERS of Texas. The chairman said there has not been discrimination on the account of sex in places of public accommodation. I just learned the other day that this center gallery up here in this Chamber has a sign over it that says, "Gentlemen's Gallery" and no women are allowed in that gallery. I have watched here for several days and I have not seen any women up there. I wonder if the gentleman could enlighten me as to whether or not that is true.

Mr. CELLER. I do not know anything about the regulations with reference to the gallery. I do not know, and therefore I could not answer that at all because I am not familiar with it.

Mr. ROGERS of Texas. Would not the gentleman admit that that is discrimination?

Mr. CELLER. If the gentleman wants to include an amendment or offer an amendment covering the gallery, he is free to do so.

Mrs. MAY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I am glad to yield to the gentlewoman.

Mrs. MAY. Might I ask the distinguished chairman this question? Since there is no discrimination against women in this field, would there be any objection, therefore, to just putting the words "on account of sex" in the bill?

Mr. CELLER. There is no need to load up the bill with unnecessary and needless amendments.

Mrs. MAY. They are just two little words that I would like to see in the bill. I agree with the gentleman that the amendment properly does not go in at this place, but that it should go in title X and I will offer an amendment at the proper time. I do not think that would overload the bill just by having two little words there. Since there is no discrimination there certainly should not be any objection on the part of any person to having those words in at the proper place.

Mr. CELLER. I think the gentlewoman is correct that the proper place to offer that amendment is later on in the bill. I hope that will be done, but that does not necessarily mean I am going to vote for the amendment. The place to offer the amendment is at the proper place, but not here because this is the most improper place to offer it.

Mrs. MAY. I agree with the gentleman in that regard. I would hope there is no discrimination against women and, certainly, there should be no objection to having the words in the bill.

Mr. DOWDY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. DOWDY. You said there is no discrimination. There are a good many places here in town, in some of these places that I have seen such as eating and drinking establishments, that are for "men only."

Mrs. MAY. Well, I was only repeating what the distinguished chairman said that there was no discrimination. I was not agreeing with him. I said—since he thinks there is no discrimination, surely, there would be no objection to having these two important words which do not amount to much so far as verbiage is concerned added to the bill.

Mr. DOWDY. I think, perhaps, the gentleman would agree that all of his words are not the gospel.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CORMAN. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

Mr. Chairman, I stand exposed by the maker of this amendment because he has finally reached the point where I become a segregationist. Custom and usage in our State carefully segregates certain facilities provided for men and women, and I think that is true in the other 49 States. I do not think we should stop that practice at all; and I hope if the amendment is offered at this point in the bill that it be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. DOWDY].

The question was taken; and on a division (demanded by Mr. WAGGONNER) there were—yeas 43, noes 115.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. CRAMER: Page 46, line 10, after the word "action" strike out the period and insert: "that the person aggrieved is unable to bear the expenses either directly or through other interested persons or organizations, to initiate and maintain appropriate legal proceedings and if he certifies that he has received a signed complaint from the person aggrieved."

Mr. CRAMER. Mr. Chairman, this is my first amendment to this title, and I have been quite concerned about a number of its provisions.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I am glad to yield.

Mr. WILLIS. Would the gentleman please restate the nub of his amendment. I believe I have one along that line.

Mr. CRAMER. I shall be glad to do so. The amendment provides that—

> The person aggrieved is unable to bear the expenses either directly or through other interested persons or organizations, to initiate and maintain appropriate legal proceedings and if he certifies—

Meaning the Attorney General—

> that he has received a signed complaint from the person aggrieved.

The gentleman is thoroughly familiar with the legislative history. If the gentleman wishes further information as to what the amendment would do, I ask him to read the Kennedy bill, the proposal which came before the committee initially. In that bill he will see similar language. If the gentleman will read the subcommittee bill, which was the confidential committee print the subcommittee voted to report, on page 16, in section 204, he will see this wording:

> Whenever any person has engaged or there are reasonable grounds to believe that any person is about to engage—

That refers to the broad section which we have just discussed, which the gentleman from Louisiana, Mr. WILLIS' amendment amended. That sets out the crime. Then it is stated:

> a permanent or temporary injunction, restraining order, or other order, may be instituted (1) by the person aggrieved, or (2) by the Attorney General for or in the name of the United States.

I would not change that. I would merely add to it "if he certifies he has received a written complaint."

I am reading from the administration bill and reading from the subcommittee bill.

This is not a drastic amendment. I would add: "if he certifies he has received a written complaint from the person aggrieved."

The following language would be: "and that in his judgment the person aggrieved is unable to initiate and maintain appropriate legal proceedings and the purposes of this title will be materially furthered by the filing of an action."

The latter phrase is in the present bill.

Mr. WILLIS. Mr. Chairman, will the gentleman yield,

Mr. CRAMER. I am delighted to yield to the gentleman.

Mr. WILLIS. I had hoped to be recognized following the gentleman to offer an amendment. My amendment would have carried forward the language contained in the bill of the former President, Mr. Kennedy, introduced by the gentleman from New York.

However, since there is so little difference between my approach and that of the gentleman from Florida, I will simply join him. We are seeking the same thing—to carry out present law, and also the proposal originally brought forth by the gentleman from New York in introducing the first administration bill.

Mr. CRAMER. I thank the gentleman, and in view of the time taken, I would like to ask unanimous consent to proceed for an additional 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FULTON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Pennsylvania.

Mr. FULTON of Pennsylvania. Why was this provision from the subcommittee bill and the administration bill dropped in this pending bill?

Mr. CRAMER. The gentleman has a very good question. He asks why was the subcommittee provision dropped in the compromise version; why was the

Kennedy bill approach providing for a signed complaint in this broad spectrum of the problem of public accommodations dropped from the compromise proposal, which you have to realize was not even discussed in the committee. This is the first time anyone has had the opportunity of asking that question, so I am asking that question now: Why was this dropped when this same provision—and listen to this—a similar provision was contained in the administration approach relating to this title and relating to the other titles proposed by the administration wherever the Attorney General could represent the party involved? Why is this provision still in the school integration title and still in the public facilities title following this one and why was it taken out of this title? I wish somebody could explain to me why there is not at least a similar requirement in this title as was in the original bill. This is not even a sworn complaint, and I think it should be sworn to, but I am willing to conform to the wording contained in the next two titles, that it shall be a signed, written complaint and, second, of course, that the person has to be unable to bring a suit. The complaint has to be signed and the person has to be unable to bring a suit. This is similar to the language as is contained in the following two sections or titles on desegregation of public facilities. If you look at page 48, on line 16 through line 18, you will see exactly the same language, and if you look at page 49, you will see similar language, and if you look at the desegregation of public education on page 53, you will see where it says how the Attorney General receives the complaint. The only time that the Attorney General can bring the action is if the complaint is filed and signed by the parent or guardian and signed by an individual or his parent, and the Attorney General certifies the signer or signers of a public complaint are unable in his judgment to initiate and maintain appropriate legal proceedings.

This is what my amendment does, and I would like to ask the distinguished chairman of the committee, who should certainly know, because his name is on the bill, what happened to this signed complaint that the Kennedy administration said they wanted in the bill and that our subcommittee, after due deliberation, said, "We want it in the bill"? Why was it taken out of the accommodations title?

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from New York.

Mr. CELLER. The gentleman seems to have a sort of phobia about the administration bill. We are not considering that bill, but an entirely different bill. Changes were made by the committee, and it is the committee bill you have before you now. I suggest you confine yourself to that bill. It was a bill that was the result of mature deliberation and was voted for by 23 members of the committee. They knew what they were doing and that is the bill I think you should be concerned about. Not many, many other bills, including the administration bill, and bills which have at some time been before the committee.

Mr. CRAMER. I say to the gentleman I am concerned about this bill. I am concerned about it because it does not contain the same provisions for a signed complaint and for the Attorney General bringing the action and that as a condition precedent to it that it be a signed complaint and that the person, in order to have the Attorney General's representation that there must be a reason for it and a need for it. Why was it taken out of this title? Let me say this, and I will yield in a second. This title goes very far, and that is what bothers me about an open-end right of the Attorney General to bring a suit. Look at page 46, in line 2, where it says that when any person has engaged in "or there are reasonable grounds to believe any person is about to engage" in any of these actions which are prohibited.

If there is an "attempt to deprive," if there is an "attempt to intimidate, threaten or coerce," if there is "an attempt to punish" a person, and then if there is a reasonable ground to believe that anybody is engaged in "or about to engage in that attempt"—now the Attorney General can bring a case in all these situations, every single case. He can even go case-shopping or case-hunting; he does not have to get a complaint in all of these broad areas covered by public accommodations.

All I am asking in this instance is that we conform the bill substantially to what the administration asked, the Kennedy Administration, and substantially to what the subcommittee did. Now, I will be the first to say that there is one difference and that is that I provide that the person aggrieved is unable to bear the expenses either directly or through other interested persons or organizations, and the proposal by the Administration included additional conditions, such "as that the particular case would jeopardize the employment or economic standing or result in injury or economic damage to such person or persons, their families, or their property"—that is, as it appears on page 49, lines 11 to 14; I did not include that because I do not think anybody knows what it means. I do not think that properly should be a test of the Attorney General bringing the action. With that one exception I include exactly what was in the other bill.

Mr. Chairman, now I yield to the gentleman from Colorado [Mr. ROGERS] because perhaps he knows what happened to this lost department.

Mr. ROGERS of Colorado. As I understand the gentleman's amendment, it is predicated upon an individual's ability to satisfying the Attorney General that he is without funds and cannot get anybody else to go in court and represent him; is that true?

Mr. CRAMER. Get a signed complaint, which is exactly the requirement of title III and title IV. If the aggrieved is unable to bring the action and he has to sign a complaint to get the Attorney General to bring the suit, that is all that is required.

Mr. ROGERS of Colorado. In other words, as a condition precedent, under the gentleman's amendment, before the Attorney General could proceed with an action himself, he must be satisfied—that is, the Attorney General must be satisfied that the individual is a pauper and is unable to bring the action?

Mr. CRAMER. That is exactly what is provided in title III and in title IV; so what is the difference?

The CHAIRMAN. The time of the gentleman from Florida [Mr. CRAMER] has again expired.

Mr. ROGERS of Colorado. Mr. Chairman, I rise in opposition to the amendment. First of all, the amendment, as admitted by the proposer, is that it requires you to be a pauper. That is No. 1. Having proved that you are a pauper you must then convince the Attorney General that you are unable to get somebody else to represent you before the Attorney General to proceed under the amendment proposed by the gentleman from Florida. That, we believe, is an unnecessary and unwarranted burden and responsibility to be placed upon the Attorney General in this instance.

Now there was a question asked as to why in the original bill as it was set up and in the bill as reported by the subcommittee, if that was in there, why we left it out here. The answer is very simple; if you will look at page 46, on line 6, you will see:

> (1) By the person aggrieved, or (2) by the Attorney General for or in the name of the United States if he satisfies himself that the purposes of this title will be materially furthered by the filing of an action.

In other words, if the Attorney General in his opinion is convinced that in order to carry out the laws of the United States, just as he is authorized to represent the Federal Government in every statute necessary for his appearance in court, then he is permitted to go ahead and do so in this instance.

Why should we place a greater burden on the enforcements that are afforded in this law than are afforded in any other?

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield.

Mr. CRAMER. I will tell the gentleman why. In the first place, this provides for the Attorney General's right to bring the action on behalf of the individual. In titles III and IV, involving public education, involving desegregation of public facilities, the committee did write into the legislation proposing exactly the same provision. I refer to page 54, line 6: "and maintain appropriate legal proceedings for relief and that the institution of an action will materially further the public policy of the United States."

The same language is contained in title III, and the same language with regard to other interested persons or organizations to bear expenses of the litigation, or the person or persons are unable, directly or indirectly, is the language in titles III and IV. Why was it stricken out of title II?

Mr. ROGERS of Colorado. In titles III and IV you are dealing with a different situation.

Mr. CRAMER. Why? The administration put it in all three titles.

Mr. ROGERS of Colorado. The administration did not write all of this bill, by any means.

Mr. CRAMER. I wish the gentleman would enlighten me as to who did write the bill. Maybe this is the time to settle that question on the RECORD. Does the gentleman know?

Mr. ROGERS of Colorado. Yes. The members of the committee wrote the language.

Mr. CRAMER. Who wrote the 58-page bill that was delivered to my house at 10:30 at night? That bill was not written in the committee or subcommittee, both of which I serve on.

Mr. ROGERS of Colorado. It only took about 10 weeks to get it written. The gentleman participated in a lot of the hearings, so he is well aware of the discussions which were had on each and every section. I know the gentleman is well educated on every one of them because he is a member of the subcommittee.

Mr. CRAMER. I thank the gentleman.

Mr. ROGERS of Colorado. The gentleman knows the time, hours, and effort spent on this. After we reported a bill on the 2d of October we then had to work, fight, and scramble around until October 29 in order to get one that we could get out of the full committee.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. It occurs to me if the gentleman from Florida is so enthusiastic about the language of the original administration bill and thinks it is so desirable he would have offered it. Instead he has omitted a very significant part of that bill from the language. If it is wrong in his judgment for the committee to change the bill from the administration proposal why should we have to adopt the Cramer approach?

Mr. CELLER. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, it seems rather strange now that the gentleman from Florida becomes more enamored of the administration and wants to adopt what the administration recommended. That is unlike the gentleman from Florida.

His proposed amendment to title II would permit the Attorney General to file a suit only upon receipt of a complaint from a person aggrieved, and upon determination he is unable to bring suit, is another effort on the part of the opponents to place obstacles in the way of bringing suits.

These provisions contained in the amendment offered by the gentleman from Florida, and which also appear in titles III and IV, relating to the segregation of public facilities and public education, are not suited to title II. Persons aggrieved by discrimination in a particular hotel or an eating place are frequently transients and are not in position to present a complaint to the Attorney General at the time. That is the reason why we eliminated those words in title II. Moreover, virtually no one who is a transient could be expected to go to the expense of a suit directed against an establishment at which he may never need service again, and the requirement of a finding of inability to sue would be out of context.

The requirements determined by the Attorney General which are appropriate in relation to suits for discrimination in public facilities certainly as to persons not residing in the community in many instances would be unreasonable and inappropriate in suits with relation to public accommodations. Therefore, the gentleman's amendment is needless and unreasonable. It would hamper all efforts on the part of the Attorney General to redress a wrong. For that reason the amendment should be defeated.

AMENDMENT OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. WHITTEN to the amendment offered by Mr. CRAMER: At the end of the amendment of the gentleman from Florida, add the following:
>
> "In any petition filed under this title by the Attorney General he shall certify that he has made a survey and that he has reason to believe and does believe that for the operator or owner of such business or business establishment to conform to title II will not result in financial loss to said operator or owner."

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Chairman, one thing is noticeable when we read this bill, which is that there is no effort made to protect the life's earnings of a person who has a public business from the actions of the Attorney General. There is not a line that I have read from beginning to end which shows any consideration for, or any protection for, the business that a man may have spent his life building up.

I offer this amendment to the amendment, to require the Attorney General at least to make some investigation of the effect that action by him under this title might have on the man whose business he was directing. As I pointed out yesterday, there are many businesses in this country where they might, if they let people come in in their shirt sleeves, soon lose a lot of their business and thereby go bankrupt, because their clientele or customers are in a different financial category.

Not only that, Mr. Chairman, but I have two other amendments. I have been trying to get the floor all afternoon. I recognize the right of members of the Judiciary Committee to be recognized first. Now I know how some of my colleagues feel when my Committee on Appropriations has the floor, when one after another Appropriations Committee members get up, holding up their opportunity to offer an amendment. But I will say that despite the wonderful job my friends on the Judiciary Committee, the gentleman from Louisiana, and others who are members of the Judiciary Committee, have done in making a sound record, they have all proved to be "good field, no hit," they are hitting about zero. Under the circumstances, I doubt if any pinch-hitter could do much worse, unless he struck out on two instead of three pitches. I hope I will not strike out on two pitches, and that is about the only way I could go down a little quicker than we have been doing—not through any fault of ours but because we face a tight coalition between the Republican leaders and the Democrat leaders.

It is unfortunate that we see an agreement between the Republican leadership over here and the Democrat leadership over there to pass through this House every last bad provision that is in this bill, of which there are hundreds. I have noticed, and you know, that down in my section of the country there are lots of people, though not as many as a week ago, who have felt that our friends on the Republican side offered some hope for the protection of individual, personal, and States rights, some hope to save the Constitution. As I have followed this debate I know the record will show that the Republican leadership has only said: Let us get on with the show. We have had no help on our amendments. A few have worked hard but not those in a position of leadership.

Of course, we are disappointed in the Democratic leadership but not surprised. As to the Republican leadership, we are not only disappointed—but very much surprised.

I think that should be a matter of record. I know I should make an exception for several individual Members, the gentleman from Virginia, the gentleman from Florida, the gentleman from Michigan, and the gentleman from Iowa. But insofar as any individual is concerned, I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. I do not think the rules of the House would permit you to single out which of the outstanding leaders on the minority side have failed to respond by name. But I am sure if you will look at the record, you will see some of them consistently vote.

Mr. WHITTEN. Mr. Chairman, I must decline to yield further to the gentleman. I did not refer to any gentleman's name, may I say to the gentleman.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. HALEY. Does not the gentleman think it is rather significant here that on a quorum call we will have 412 or 415 Members answering to their names; yet on a teller vote we will have less than 200 Members present? Do you not think that is significant that there is already an understanding because you see them climbing out of here whenever they need the votes?

Mr. WHITTEN. May I say to the gentleman, it is as evident as the nose on his face, in my opinion, and I do not mean to reflect on any individual. I trust that they are doing what they think is best, and I know I am doing what I think is best.

I am offering this amendment, and may I repeat what it does.

It requires the Attorney General, before he files a petition, to certify that he has made a survey and has reason to believe or does believe that to carry out his petition or to direct the owner of a business to do as he requests will not do financial damage to the man's business; further, that he should have to do that before he interferes with that man's means of livelihood.

May I say I have two other amendments that are now at the Clerk's desk, one of which I intend to offer at the proper time. One of them is possibly subject to a point of order. If it is subject to a point of order, it is because the writers of this bill have carefully seen to it that under no circumstances can the man who is put out of business as the result of this bill get any redress or compensation for his loss.

May I read here the terms of one of the amendments. I meant to give a copy of it to the Chairman, and I will before the amendment comes up. Of course, it is not pending at the moment because I have as yet been unable to get the floor for that purpose.

The amendment that I intend to offer provides:

> When any business is destroyed or caused to become insolvent, or suffers financial loss as a result of any action brought under the provisions of title II, upon the request of the owner it shall be deemed that such business has been taken for public use under the right of eminent domain, as authorized in subsection (12) of section 490 of title 40 of the United States Code, and the defendant shall be entitled to full damages as provided for property taken for public use.

Mr. Chairman, you may wonder why I intend to offer that amendment which is now at the Clerk's desk.

Under this bill, we have given or would give to the Attorney General all the dictatorial powers that Khrushchev has in Russia and all the power that Stalin or Castro ever dared to have. Yet, even in Russia the government provides a government hostel or hotel about every 150 miles on any highway. So my proposed amendment says that if in carrying out the terms of this bill a man is put into bankruptcy by reason of the fact that his regular trade will not trade with him, because of those the Attorney General puts in his place of business, he having no choice as to whom not to have or whom to serve, it shall be deemed that the Government has taken it. The section 490, of title 40, United States Code, I refer to is that section which gives the General Services Administration the right to take property under eminent domain by payment for it and other sections of that same law under which they may operate buildings and so forth.

Now I say again that a point of order may be raised. But if that point of order should be sustained, it would be because the committee deliberately left out of this bill any provision to pay a man for damages, caused him by his Government even if you put him out of business.

Mr. Chairman, I also have another amendment which I propose to offer at the appropriate time. After all, it is hard for us pinch-hitters to get in when our regulars enjoy hitting as much as they do.

The other amendment I propose to offer, in my opinion, would not be subject to a point of order and would provide as follows:

> In any proceeding brought under any provision of title II the defendant shall be entitled to show that to have conformed to the provisions of title II would have resulted in economic loss to such defendant, and where a defendant proves by a preponderance of the evidence that such conformity would result in economic loss, such rights, privileges and prohibitions contained in title II shall not apply.

I yield to the gentleman from Mississippi [Mr. WINSTEAD].

Mr. WINSTEAD. I wish to compliment my colleague from Mississippi. As he knows, I had intended offering similar amendments. Nothing could be more destructive to civil rights than for the Government to destroy his business. I support my colleague 100 percent.

Mr. WHITTEN. I thank my colleague. He conferred with me on these amendments.

The sum and substance of all three of the amendments—and the only one pending is the one to provide that the Attorney General would have to certify—would be that while these things are all right and personal rights are good we are not going to violate the principles upon which this Nation was built, we are not going to deprive a man of his property without due compensation.

If there are sent into many places of business people of a certain race, this will keep people of another race out. It will therefore destroy the ability of that business to remain solvent. If the business does not make money, it will go broke.

In respect to arguing any point of order which may be made, I point out that it is admitted by the proponents that the bill stretches the commerce clause. I offer an amendment which perhaps stretches it to the point that the proponents could not destroy all hotels in a given town or at a given crossroad. Would that be anything more than we should do?

I would stretch the commerce clause to the point of keeping people in business so that they can serve the public.

Mr. Chairman, the pending amendment is an amendment to that of the gentleman from Florida. The Attorney General, under the pending amendment to the amendment, would have to certify before he, as Attorney General, filed any petition, that he had surveyed the situation and that to carry out the orders he requested would not do financial injury to the man whose business he would affect.

I believe the amendment should be adopted. Only by allowing people to make money can we have places in which travelers can stay. If there are no places for travelers to stay, commerce will stop. I have not restricted it.

I hope the amendment will be adopted.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on the amendment and the amendment thereto conclude in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. HALEY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. ROGERS of Colorado. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Mississippi.

I believe we should properly analyze the amendment in the context in which it is offered. Actually, it would require that before the Attorney General could enforce a statute of the United States first he would have to conduct a survey to ascertain whether, if he instituted the action—whether successful or unsuccessful—there would be an effect upon the business of the defendant financially.

This is unprecedented. Certainly we, under our judicial system, should not place such a burden of responsibility upon the Attorney General.

This is a new burden to be placed, for no reason whatsoever, other than to make ineffective this particular section of the law.

If this is sound legislation and a sound proposal, why should we not amend every section to state that before the Attorney General of the United States may institute any action he must ascertain what the financial responsibility may be or what damage may occur to the person who is to be sued.

What would be the distinction?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield to me?

Mr. ROGERS of Colorado. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I should like to call the attention of the gentleman from Colorado to the fact that in the language of the bill, on page 46, it has been provided that before the Attorney General may file a petition he must satisfy himself that the purposes of the title will be materially furthered by the filing of an action.

Mr. ROGERS of Colorado. Yes.

Mr. WHITTEN. So the proponents of the bill would require the Attorney General to satisfy himself that it would serve one purpose, and I say that in addition he should satisfy himself that it would not do injury in the other direction.

I cannot see any distinction insofar as the argument that the gentleman is making.

Mr. ROGERS of Colorado. Certainly the Attorney General must be satisfied in every case. At least, I believe so.

Mr. WHITTEN. Then, why do you not require it, if you are sure it would? You did require it on the one hand, and there is certainly no legal distinction or distinction in principle by having him satisfy himself on the other hand.

Mr. ROGERS of Colorado. First of all, fundamentally you have to have a man enforcing the laws of the United States. You place an arm around him and give him certain duties and responsibilities, and in this instance we say your duties and responsibilities are you must satisfy yourself that the purpose of the title will be materially followed by the filing of an action. However, in your amendment to the proposal, you say he has to go further; he has to go into the neighborhood and find out what will be the financial difficulty involved to the individual when the action is filed against him. Does not your amendment do that?

Mr. WHITTEN. If I may say so, the gentleman could not be more correct as to what I intend to do, but I do say it is only taking one additional step to the one required by the gentleman in his own bill. I say as to the property holders—these property owners who pay the taxes and support this country—we had better pay some attention to their businesses or there will not be anything for these other people to enjoy "privileges in."

Mr. McCULLOCH. Mr. Chairman, will the gentleman from Colorado yield?

Mr. ROGERS of Colorado. In just one moment.

The answer is very simple. The gentleman is placing the burden and changing the entire concept of what is the duty of representation of the Attorney General of the United States.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Ohio.

Mr. McCULLOCH. I agree with the conclusion of the gentleman from Colorado that the procedure required by the amendment to the amendment is wholly unwise. It would delay the proceedings. It would be difficult, if not impossible, in some instances, to gather the information in question, and in my opinion the amendment to the amendment should be defeated.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. BROYHILL of Virginia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this question has possibly been answered several times before during this debate, but I feel I should ask it again in order to make the record abundantly clear before I read a certain letter into the Record. Is it correct that President Johnson, President Lyndon B. Johnson, wholeheartedly and enthusiastically endores and supports this legislation? Can anyone answer that question for me?

Mr. CELLER. I will answer that. President Johnson has stated in his message he is in support of this legislation.

Mr. BROYHILL of Virginia. I thank the gentleman. It has also been stated that this legislation is politically inspired; there is a lot of hypocrisy and demagoguery involved in it. I am certainly not making any allegation against anyone, and I certainly do not want to cast any reflection on the high office of the President of the United States, but I have here before me a letter written on March 19, 1957. I have the original in my office. I have here a photostatic copy which I just made in order to clip the name of the person to whom the letter was sent, but this can all be verified. This letter was written on the stationery of the U.S. Senate, Office of the Democratic Leader, Washington, D.C. As I said, it is dated March 19, 1957, and it reads as follows:

U.S. Senate,
Office of the Democratic Leader,
Washington, D.C., March 19, 1957.

Mr. ——— ———,
Arlington, Va.

Dear Mr. ———: I do not know where you could have gotten the idea that I am supporting "the so-called bill for civil rights legislation now before Congress." Certainly I have made no statement to that effect nor have I intimated to anyone that I plan any such support.

The bill that has been introduced is one to which I am very much opposed, as I do not believe it would advance any legitimate cause.

Sincerely,

Lyndon B. Johnson.

This letter was written in reply to a letter from my constituent dated March 11, 1957. It was addressed to the Honorable Lyndon B. Johnson, U.S. Senate, Washington, D.C., and reads as follows:

March 11, 1957.

Hon. Lyndon B. Johnson,
U.S. Senate,
Washington, D.C.

Dear Senator Johnson: I, personally, am very much disapponted to see by the press that you are supporting the so-called bill for civil rights legislation now before Congress. In reality, such a law, under the control of a rabid politician like Brownell, will deny to every American rights and liberties which we now have.

Certainly anyone can see that we are in grave danger of losing our constitutional rights under some of the fantastic decisions now being made by our Federal courts, without the Congress passing any political laws to aid in the further destruction of our Bill of Rights, which has been our protection and shield for almost 200 years.

If you have not read over our Bill of Rights lately, I am attaching a copy and I would be greatly pleased if you would be kind enough to spend a few minutes in contemplation as to how it is possible to fit such political legislation into amendments 1, 6, 7, and 10 of this great document.

Your great leadership in the Senate for what is morally right certainly has been an inspiration to millions. Therefore, I urge you not to support a politically designed bill which will deny to every American certain rights now granted to us by our Constitution.

Please, Senator, don't use your great influence for this political legislation which will destroy more civil liberties and civil rights than it will ever protect.

Sincerely yours,

——— ———.

I have already read to you the then Senator Lyndon B. Johnson's reply to this letter. Could it be that there are two Lyndon B. Johnsons? I have heard, and I am beginning to feel, that there are. I am willing to let the American people draw their own conclusions.

Mr. PATTEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I overheard that we are being subjected to a new strategy, that on account of this unholy alliance, the way the vote is going, the opponents of the civil rights bill are determined to keep us here so that the Republicans will miss their Lincoln Birthday speeches. And the last action that was taken refusing to limit debate, as well as a few other things, would indicate the conspiracy is at work to filibuster.

But I would now like to let my colleague from Virginia know that we are here, not on account of somebody's opinion 50 years ago; we are here on account of bad cases. And I refer him to a letter in today's Washington News which quotes a former president of the Virginia Bar Association as stating that Virginia has the poll tax, not to raise revenue but to deny the Negroes the right to vote.

I know from the statistics that your great State of Virginia has one of the lowest percentages of votes cast among both whites and Negroes of any State in the Union. I will gladly compare the percentage of the people who vote in my State of New Jersey with the total that vote in your State every November.

Much has been said here about the unholy alliance. I am not a member of any unholy alliance. I have been waiting here hoping to hear some worthwhile amendments but I do not hear any. I hear the opponents of the bill pouring their hearts out. I know you are in trouble in certain areas. You use words that do not mean the same thing to you that they mean to me. This has created a great deal of difficulty for me. Particularly you invoke the Constitution but so do I, with different conclusions.

For instance, Members get up here and swear that they have taken the oath to uphold the Constitution and I think those same Members come from areas that openly violate the Constitution. The opponents are worried about what constitutes, "fostering or encouraging by action of a State or a political subdivision," as used in this bill and the section which we are now amending which says "incite or aid or abet."

I can prove the need for these words by the dispatch I just took off the ticker.

Tuskegee, Ala.—The mayor of a small Alabama town shouldered aside a Federal court order today and barred six Negro pupils from a white school. A crowd of angry white men watched and cursed as the Negroes arrived.

Mayor James Rea, of Notasulga, a town of 1,200, was flanked by police as he invoked a new city ordinance empowering him to limit enrollment at Notasulga High to exactly its current figure.

At nearby Shorter, six Negroes entered the only other white public school in Macon County, where Negroes outnumber white persons by about 5 to 1.

A small crowd of angry white men, some carrying walking canes, gathered across the street in front of the Notasulga schools, shouted at the Negro pupils when they arrived in a bus, and scuffled with newsmen.

State troopers ringed the school grounds. The Alabama and Confederate flags flew over the school. Old Glory was not there.

In Washington, Justice Department officials were studying the Notasulga situation. It seemed likely they would return to Federal court for an order including the Notasulga city government among those forbidden to bar the entrance of the Negroes into the school.

Mayor Rea declined to comment on what he would do in such a case.

I may say to the gentleman from Virginia that my preceptors were men like Al Smith, Franklin D. Roosevelt, and Governor Lehman, and our late beloved President John Kennedy, who felt all Americans were entitled to the same rights under the Constitution. Believe me, what I have heard here during the last week from the opponents of civil rights has made me sick and ashamed as an American. We were raised to help all of our people.

Mr. BROYHILL of Virginia. Mr. Chairman, will the gentleman yield?

Mr. PATTEN. I yield to the gentleman from Virginia.

Mr. BROYHILL of Virginia. The gentleman made some reference to the percentage of people voting in the State of Virginia. I did not hear all of the remarks. But does the gentleman know of any instance in the State of Virginia where anyone, any qualified citizen, has been denied the right to vote?

Mr. PATTEN. That is out of my line, and the gentleman knows that.

I know one thing: I have read figures of those who had to pay the poll tax before Christmas of $4.50 in order to vote, and I saw that only 10 percent of the Negroes and poor whites were registered. I will get the figures. I have watched other figures about Virginia too in reference to educational opportunities and your State is low compared to nearly every other State.

Mr. BROYHILL of Virginia. I do not believe that the people of Virginia are at all concerned about what the voting laws are for the people of the State of New Jersey. I may say that the gentleman's opinion and comment on the way we run affairs in the State of Virginia comes unsolicited.

The CHAIRMAN. The time of the gentleman from New Jersey is expired.

(By unanimous consent (at the request of Mr. ANDREWS of Alabama) Mr. PATTEN was allowed to proceed for 2 additional minutes.)

Mr. ANDREWS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. PATTEN. I yield to the gentleman from Alabama.

Mr. ANDREWS of Alabama. Will the gentleman tell me what percentage of the population of New Jersey is Negro?

Mr. PATTEN. In my congressional district it is only about 3 percent. For the State as a whole I imagine it might be around 10 percent.

Mr. ANDREWS of Alabama. I am going to offer an amendment to this civil rights bill to insert a resettlement provision to allow and permit and pay any Negro who is unhappy in any State where he lives so that he might move into a fine State like New Jersey, where you do not have many, and where, I am sure, he would be happy. I certainly hope that the gentleman will help me with my amendment.

Mr. PATTEN. You may have much to lose. I heard a distinguished colleague from Georgia speak of the South losing its great human assets because the Negro was neglected.

Mr. ANDREWS of Alabama. We want to share them with you.

Mr. PATTEN. Right next to me in my law office is a wonderful Negro doctor who obtained his education in Virginia. He is practicing medicine in the same building where I have my law office. We appointed a Negro county clerk who got his education in Virginia. We are glad to accept them. They are great gains for New Jersey.

Mr. ANDREWS of Alabama. I am glad the gentleman will support my amendment if I am privileged to offer it.

Mr. PATTEN. The White Council sent quite a few up our way, and we took care of them.

Mr. ANDREWS of Alabama. We will send you some more.

Mr. PATTEN. We love our fellow man, we are Americans.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN] to the amendment offered by the gentleman from Florida [Mr. CRAMER].

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

The question was taken; and on a division (demanded by Mr. CRAMER) there were ayes 60, noes 126.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. WILLIS

Mr. WILLIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WILLIS: On page 44, lines 3 and 4, strike out the following, "it serves or offers to serve interstate travelers or" and insert in lieu thereof the following: "a substantial number of the patrons it serves are interstate travelers and".

Mr. ROGERS of Colorado. Mr. Chairman, is this the same amendment that was offered before?

Mr. WILLIS. No, of course not. This is the amendment I said yesterday I would offer today. I offered an amendment yesterday dealing with the first category of establishments listed on page 43. This amendment deals with the second category of establishments that would be brought under the bill, listed as paragraph (2); that is, restaurants, cafeterias, lunchrooms, soda fountains, and so on.

I am not going to devote much time to a discussion of this amendment.

It is a serious effort on my part to relate this bill to the commerce clause of the Constitution.

The language presently employed would cover an establishment, a restaurant, for instance, if it serves or offers to serve interstate travelers or a substantial portion of the food which it serves has moved in interstate commerce.

I combine the two and substitute the word "and" for the word "or." So it would provide that a substantial number of the patrons it serves are in fact interstate travelers and a substantial portion of the food it serves has moved in interstate commerce.

I have chosen the same language employed throughout in this bill so that there would not be any fuss about the language.

The second portion talks about a substantial portion of the food. So I talk about a substantial number of the patrons it serves must be interstate travelers and a substantial portion of the food it serves has moved in interstate commerce.

That is the language of the bill.

We have debated the reach of the commerce clause, but I think I am obligated to make this effort to conform the restaurant provision to the commerce clause just as I made an effort yesterday to bring the coverage of hotels and motels within my understanding of the reach of the commerce clause.

I said in general debate these things, and I will read from the RECORD, and that will be the end of what I have to say:

> We must and do respect all the provisions of the Constitution protecting the rights of the individual—the fifth amendment and other provisions of the Bill of Rights, the 14th amendment, and the 15th amendment, upon all of which civil rights are based.
>
> But certainly without putting them above those dealing with individual rights, we must also respect and abide by the provisions of the Constitution, dealing with property rights, upon all of which our system of free and competitive enterprise is based.
>
> In fact, the 14th amendment protects the individual rights and property rights in the same sentence, which says: "No State shall deprive any person of life, liberty, or property without due process of law."
>
> And the first 10 amendments—the Bill of Rights—sought to protect property rights as well as personal rights. The third amendment protects the houses of people. The fourth amendment protects the people as to their houses, papers and effects, as well as their persons. The fifth amendment protects life, liberty, and property, and specifically forbids the taking of private property for public use without just compensation. The seventh amendment protects the right of trial by jury in cases involving property, just as the sixth amendment does in cases involving life or liberty.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WILLIS. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILLIS. Mr. Chairman, in order to give full meaning to the foregoing and to insure and preserve the stability of all private agreements and commercial transactions, the Constitution adds the clincher that:

> "No State shall make a law impairing the obligation of contracts." What contracts? A sale, a lease or a note, a bond—any and all contracts voluntarily entered into—verbal or in writing—written or spoken.
>
> The sum total of all of the foregoing constitutional provisions and the foregoing illustrations of the meaning of property and property rights is the foundation of our free and competitive enterprise system just as the sum total of the foregoing constitutional provisions dealing with individual rights is the foundation of all civil rights.

And under our Constitution we can no more protect individual rights by impairing or destroying property rights than we can protect property rights by impairing or destroying individual rights. Nor can one freedom be advanced or protected by impairing or destroying others.

So we must make a decision today relating to bringing under Federal control restaurants and eating places. My amendment, it is true, would restrict the coverage. It would, however, restrict it only to the extent of providing that a substantial number of the patrons of a restaurant would have to be interstate travelers and that a substantial portion of the food which it serves—which is already in the bill—would have to move in interstate commerce. That is the sum total of it.

As I say, I believe in the provisions of the Constitution—those dealing with individual rights as well as property rights.

Now my friends on both sides of the aisle have a choice to make. I heard a great deal from my friends on the left, who talk about their devotion to States rights and the private enterprise system. One of their presidential candidates has been roaming around the area from which I come, saying that that is his philosophy. A lot of people believe him. A governor's race is on in Louisiana. A Republican is running. His platform is based on States rights and a free enterprise system. The eyes of some sections are upon you, Republicans. Those in Louisiana are upon you. We will see what the result will be.

In my own State, on March 3, there is an opportunity, perhaps, to help to defeat the Democrat, the person I am supporting, if you can prove to me that you do want to do something in this area of public accommodations, about which we have heard so much in past months from the members of your party.

I very seriously express the hope that you will support my proposal. On the other hand, if you should vote to the contrary, perhaps this might have another influence in the other direction in the race for Governor in my State. Perhaps there is no difference, after all, between the Republican gentleman from Shreveport, an oil man, and the Democratic candidate, on the issue of States rights and free enterprise system.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield.

Mr. WHITENER. As I understand the gentleman's amendment, it seeks to give some basis of commerce to the bill. Certainly the gentleman is being very generous, because as I understand the latest decision on this point, *Williams* v. *Howard Johnson*, 268 F. 2d 845, the Court of Appeals of the Fourth Circuit had this to say:

> We think, however, that the cases cited are not applicable because we do not find that a restaurant is engaged in interstate commerce merely because in the course of its business of furnishing accommodations to the general public it serves persons who are traveling from State to State. As an instrument of local commerce, the restaurant is not subject to the constitutional and statutory provisions discussed above and, thus, is at liberty to deal with such persons as it may select.

So the gentleman's amendment would be more generous than the court decisions.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. WILLIS. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILLIS. Of course, my good friend is right about that decision. I cited it before. On the other hand, my friend from Colorado will read from another court decision and say that the one you have is wrong and his is the right one. I am a lawyer and maybe I could have a third line of jurisprudence. I understand all that. What I am seeking to do, however, is not to depart radically from this bill. We cannot do that. We know the facts of life now. I am only trying to modify it to the point where a place of business is catering to interstate travelers and serving a substantial portion of its patrons who are interstate travelers, or a substantial portion of the food that it serves, as is now required in the bill, has moved in interstate commerce. To that extent, by the combination of both, putting in "and" instead of "or" and requiring that a substantial portion of its patrons must be interstate travelers, then I would be satisfied with that. It would not make me like the bill and would not make it a good product, but it would be, let us say, less offensive.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

No matter how well meaning the gentleman from Louisiana may be, the amendment that he offers would be very fatal to title II. The bill as reported covers, reading from the top of page 44, line 2—"in the case of an establishment described in paragraph (2)"—that is, a restaurant or gasoline station, if "it serves or offers to serve interstate travelers or a substantial portion of the food which it serves, or gasoline or other products which it sells, has moved in commerce."

This amendment would change that. Instead of being in the disjunctive, it would be in the conjunctive, and the Attorney General would have to prove two things. First, he would have to prove that in a particular restaurant the service is to a substantial number of interstate travelers. Not merely to interstate travelers but to a "substantial" number of interstate travelers. And, in addition, he would have to prove that a substantial portion of the food which is served has moved in interstate commerce. That is a proof that is twofold, and it makes it all the more difficult for the Attorney General to establish that proof. It cuts, as it were, the import of the words "affect commerce," which are on page 43, line 24, in half. You have this situation, for example. Whereas, in the proposal before us, many restaurants are within the orbit of the prohibition of the bill, many of such restaurants would not be covered under this amendment. Take, for example, a roadside restaurant which sells home-grown food which does not come from outside the State. That would not be covered under the amendment. Furthermore, a local restaurant which serves local people with food coming from all over the United States would not be covered under the amendment. Let me repeat that.

We have very significant results here. Instead of having all restaurants covered, under this amendment you would eliminate the restaurant, for example, a roadside restaurant that sells home-grown food. You would also eliminate the local restaurant that serves local people with food that comes from all over the country. I do not think we want such a situation to develop, and for that reason I believe that the whole purpose of covering restaurants would be defeated by this amendment.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the distinguished gentleman from Louisiana.

Mr. WILLIS. Well, of course, the gentleman spoke about the trouble the Attorney General would have. You have to substantiate elements of proof required.

Then you talk about the fact that a restaurant would not be covered under my language if he only cooked locally grown food. I call the attention of the gentleman to his language in line 4; that is, that one of the possibilities of being covered is if "a substantial portion of the food which it serves, or gasoline or other products which it sells, has moved in commerce;".

That is the language under the bill. Under this portion of the bill there must be proof that a substantial portion of the food which is served or gasoline or other products which are sold have moved in commerce.

That is my point. I require no heavier burden of proof.

The CHAIRMAN. The time of the gentleman from New York [Mr. CELLER] has expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Chairman, the gentleman is correct in that regard but he wants twofold proof. He wants to use the word "and" instead of "or," on page 44. The result is that there is a double burden, not only upon the Attorney General but also upon the individual who may bring an action. So that we would not only cause trouble, as I put it before, to the Attorney General, but would cause trouble and difficulty and embarrassment to the individual. I am objecting to changing the word "or" to "and" because the gentleman wants a double-barreled approach. You want proof along two lines. I think that is unfair. As I said before, it restricts the reach of Congress' power under the commerce clause. It cuts it right in half, and for that reason I believe the amendment is fatal.

Mr. WILLIS. One more question, if I may. The point I make is that the element of proof is the same, because I have chosen the gentleman's language, just as he would have to prove the language which I do not tamper with, that a substantial portion of the food which it serves, or gasoline or other products which it sells, has moved in commerce. So, under the same verbiage, he would only have to prove—and if that is great proof, it is no greater than the present language of the bill—he would have to prove what? That a substantial number of the patrons it serves have moved in interstate commerce. It seems to me that would be easier proof than the second category.

Mr. CELLER. You require both.

Mr. WILLIS. Exactly.

Mr. CELLER. That is what I am complaining about. You require that a substantial number of those served be interstate travelers; and you also require that a substantial amount of the food served comes from outside the State. Those are difficult things to prove. Even one of them is hard enough and, if you ask proof on both, that is why the amendment is fatal.

The CHAIRMAN. The time of the gentleman from New York [Mr. CELLER] has again expired.

Mr. WILLIS. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. CELLER] may proceed for 1 more minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILLIS. Mr. Chairman, we got along beautifully this morning on a similar situation. The gentleman is saying that I am multiplying the burden because I use the word "and." Suppose I remove the word "and" and go back to the other, "or." How do you feel about that?

Mr. CELLER. You would still have to prove that there was service to a substantial number of interstate travelers. You also add the word "substantial," and I would have to object to that. The amendment that you offer is in the conjunctive. It is very much like the amendment that you had yesterday on hotels and inns, which we defeated decisively. Now you are asking for another defeat. I think this would be fatal because you change the word "or" to "and."

But even if you leave in the word "or" and say a substantial number of interstate travelers, I still think the amendment is defective.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WILLIS. Mr. Chairman, I would like to direct one question to the gentleman from Ohio, and then I will be finished. I ask unanimous consent that the gentleman from New York may proceed for 1 minute to permit me to direct a question to the gentleman from Ohio.

The CHAIRMAN (Mr. PRICE). Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Louisiana.

Mr. WILLIS. Would the gentleman from Ohio have serious objection to this amendment if the word "or" remained, and was not substituted by the word "and"?

Mr. McCULLOCH. I have serious objection to the change suggested by my good friend from Louisiana. It would materially weaken this title.

Mr. WILLIS. That is what I intended to do.

Mr. MEADER. Mr. Chairman, I move to strike the requisite number of words in order to address an inquiry to the chairman of the committee as he envisages the actual functioning of title II, if it becomes law.

I suggest to the gentleman this is about what would happen: If in any city the Attorney General has cause to believe or grounds to believe any person is about to engage in any act prohibited by section 203, he would bring a suit in equity in the Federal district court against that person, and conceivably if many persons were engaged or about to engage in practices prohibited, he could join them all in a class suit. He could sue all the restaurants in New York City in one suit.

Mr. CELLER. No, that is not the purpose. You cannot spell that out in the language.

Mr. MEADER. He is given authority to include other persons. You mean he could only proceed against one hotel at a time, for instance?

Mr. CELLER. It depends on the facts. There is no class action here.

Mr. MEADER. Let us assume it is his privilege.

Mr. CELLER. That would be difficult.

Mr. MEADER. He seeks to bring a suit against any that he believed were engaged in prohibited practices, either singly or in a group.

Mr. CELLER. I do not let that go unchallenged. I doubt that very much.

Mr. MEADER. Let us assume that he does bring suit and the defendant has not engaged in, but is about to engage in, particular practices prohibited by this title. The court thereupon would enter a decree enjoining the defendant or defendants from violating this title, perhaps, as the gentleman stated. It might include a mandatory order, not stopping him from doing something but commanding him to do something. Then in case some Negro said service was denied, the next action would be for the court to issue an order to this person charged with violating the decree to show cause why he should not be punished for contempt.

Mr. CELLER. I think that if the case came to court the judge would have to issue an order saying that the party against whom the grievance was leveled shall not discriminate, and that after service of the order on the individual, if he continues to discriminate he is violating the court order and would subject himself to a contempt proceeding.

Mr. MEADER. In this contempt proceeding he would be tried only by the judge who issued the order. There is no provision for a jury trial in respect to this.

Mr. CELLER. In reference to the proceedings we adopted in a previous civil rights bill, if the penalties are of a certain amount, that is, more than $300 or more than 45 days——

Mr. MEADER. I remember now that that came in in the most recent version of the bill, it is set forth in three lines on page 48, so jury trial is provided in the same manner as in the 1957 Civil Rights Act.

Mr. CELLER. That is correct.

Mr. MEADER. I wonder if the gentleman could not give me further assurance that the proceeding by the Attorney General could not be en masse.

Mr. CELLER. I do not see any words in the statute that would prevent that. He might proceed against two or three restaurateurs who have discriminated. He might join them in an action. But I do not think there is any such a provision in the bill requiring that. He might bring some actions which are similar, but in every case there might be a different defendant and there would be different facts and different witnesses, and there might be very different issues. So I do not see how from a practical standpoint the suit could be brought.

Mr. MEADER. There was an amendment offered yesterday by the gentleman from California [Mr. MARTIN] in which he would have required that all people engaged in certain businesses be brought together, but would not this satisfy what the gentleman from California was worried about, namely, discrimination between hotel owners.

Mr. CELLER. No, because the amendment offered by the gentleman from California providing for mass suits might have involved innocent persons. I could not see the efficacy or morality of voting for such an amendment.

Mr. MEADER. One more question: This decree would remain effective in perpetuity, is that not correct?

Mr. CELLER. It depends upon what the facts were and what the court order contained. I do not know what the situation would be under a given state of facts.

Mr. MEADER. Could the order be effective for 2 weeks or a month?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WHITENER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a few moments ago I called to the attention of the House the case of Williams against The Howard Johnson Restaurants. That case, I think, is of particular significance because it holds that the operation of a restaurant is not necessarily an activity in interstate commerce simply because there are interstate travelers served. The Howard Johnson case becomes of more significance when we realize that it is a national operation, not just a local operation.

The gentleman from Louisiana [Mr. WILLIS] in the amendment that he has offered has been most generous in trying to bring about some constitutional basis for this so-called public accommodations legislation.

Some have said, and even the gentleman from Louisiana said, there may be other cases on this subject. There are other cases. There is a case in the eighth Federal circuit, ***Elizabeth Hospital Incorporated*** v. ***Richardson*** reported in 269 Fed. 2d at 167. The court there held that the treatment of some patients who were traveling in interstate commerce did not destroy the purely local character of the services furnished by the hospital. That court, the Eighth Circuit Court, said then:

> The fact that some of the plaintiff's patients might travel in interstate commerce does not alter the local character of the plaintiff's hospital. If the converse were true, every country store that obtains its goods from or serves customers residing outside the State would be selling in interstate commerce. Uniformly, the courts have held to the contrary.

So we see that the courts have in the past refused to extend the commerce clause in the manner that this bill would undertake to do. While the gentleman from Louisiana has, in his characteristic fairness, tried to get a constitutional basis for this legislation, I still believe there is not sufficient nexus, as they say in tax cases, to bring about Federal jurisdiction in this field.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment do now close.

Mr. ICHORD. Mr. Chairman, I object.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment conclude in 5 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. ICHORD].

Mr. ICHORD. Mr. Chairman and members of the committee, the provision which the gentleman from Louisiana seeks to amend is written to solve a very difficult problem that we have existing in our United States.

No one can validly defend racial discrimination. No one can deny that a situation where a Negro can go into a retail store and pay his money for a pair of shoes and then be denied the right to sit down at the lunch counter on the way out to buy a cup of coffee is a bad and deplorable situation.

I put myself in the position of the Negro and think how I would feel if I were compelled to travel in many cases 300 or 400 miles in order to find a place to stay all night. I would feel hurt. I would be vindictive.

Mr. Chairman, I am opposed to the amendment offered by the gentleman from Louisiana because it would limit the application of the bill in the case of a lunch counter in a retail store. However, on the other hand, Mr. Chairman, we are attempting to legislate here in a very difficult field. We are legislating in the field of morals. It is fairly simple to pass a law against rape, murder or theft where you have overt acts. I think the gentleman from Iowa put his finger on a very important point. So many times racial discrimination is purely subjective. I think the Members of the House should be very careful; they should study this bill and give it close scrutiny and be very careful about the wording of the bill or else both the blacks and the whites will lose more than they will have gained.

I have tried to look at each amendment and to judge it on its own merit. I was opposed to the amendment of the gentleman from Mississippi. I supported the amendment of the gentleman from Florida because I thought he presented a good amendment.

There are several provisions in the bill which bother me considerably, particularly in title VI, which would give authority to any administrator to cut off funds without there being any prior court determination that there was discrimination. Title VI is a very insidious provision.

I hope that the Members of the House will be able to join with me and look at that provision objectively when it comes before the House for consideration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. WILLIS].

The question was taken; and on a division (demanded by Mr. WILLIS) there were—ayes 36, noes 130.

So the amendment was rejected.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on all amendments and amendments thereto to title VI close at 6:30 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. SMITH of Virginia. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on title II and all amendments and amendments thereto be concluded at 6:45 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. SMITH of Virginia. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

AMENDMENT OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WHITTEN: On page 48, at the end of title II, add a new subsection, as follows:
>
> "(d) When any business is destroyed or caused to become insolvent, or suffers financial loss as a result of any action brought under the provisions of title II, upon the request of the owner it shall be deemed that such business has been taken for public use under the right of eminent domain, as authorized in subsection (12) of section 490 of title 40 of the United States Code, and the defendant shall be entitled to full damages as provided for property taken for public use."

Mr. CELLER. Mr. Chairman, I object to the amendment and make a point of order against it on the ground that the amendment is not germane to title II of the bill.

Mr. WHITTEN. Mr. Chairman, I would like to be heard on the point of order.

The CHAIRMAN. The Chair will be pleased to hear the gentleman from Mississippi on the point of order.

Mr. WHITTEN. Mr. Chairman, it is agreed by the proponents of the measure that this bill before us extends the commerce clause, and it has been frequently referred to as stretching the commerce clause so as to grant relief against discrimination in public accommodations. The provision that I have offered would provide that in the event, acting under the terms of the bill as it is written, the Attorney General, through his petition and by the order of the court, should destroy or put into bankruptcy any business engaged in interstate commerce, that it would be deemed to have been taken by the Government as though under eminent domain proceedings and that the owner should be paid due compensation for the business which had been destroyed by the action of his Government.

Insofar as its being germane and insofar as its meeting the objective in terms of the bill, in the event that public businesses engaged in interstate commerce are destroyed as a result of governmental action, to that degree you have discriminated against the people in that area in their right to have public accommodations. I say it is clearly within the intent of trying to prevent that which the bill would bring about. The bill says where you have accommodations you shall, irrespective of what the financial effect may be on your business, you shall do as the court may order on the petition to the court. My amendment would provide if the court in its order destroys businesses engaged in commerce, that it shall be deemed to have confiscated the business and it will turn it over to the General Services Administration so as to carry it on and thus prevent discrimination.

The CHAIRMAN (Mr. KEOGH). The Chair is ready to rule.

The gentleman from Mississippi offers an amendment to title II by adding a new subsection which would have for its objective the reimbursement to individuals for any business that is destroyed or caused to become insolvent. Title II refers to injunctive relief against discrimination in places of public accommodation. The amendment of the gentleman from Mississippi, to which a point of order has been made, would bring into title II section 490 of title 40 of the United States Code, and in the opinion of the Chair that is not germane to the pending title. Therefore, the Chair sustains the point of order.

AMENDMENT OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Chairman, in view of the ruling of the Chair, I offer a substitute amendment.

The Clerk read as follows:

> Amendment offered by Mr. WHITTEN: On page 48 at the end of title II, add a new subsection, as follows:
>
> "(d) In any proceeding brought under any provision of title II the defendant shall be entitled to show that to have conformed to the provisions of title II would have resulted in economic loss to such defendant, and where a defendant proves by a preponderance of the evidence that such conformity would result in economic loss, such rights, privileges and prohibitions contained in title II shall not apply."

Mr. CELLER. Mr. Chairman, I make a point of order that the amendment offered by the gentleman from Mississippi is not germane to title II.

Mr. WHITTEN. Mr. Chairman, on that I desire to be heard.

The CHAIRMAN. The Chair will be pleased to hear the gentleman from Mississippi on the point of order.

Mr. WHITTEN. Mr. Chairman, the bill provides certain rights, privileges, and prohibitions. It is clearly within the rules of the House to say when those rights and privileges do not apply. My amendment clearly says under certain conditions these shall not apply and it is directly in line with certain other provisions which the committee included in the bill.

The CHAIRMAN (Mr. Keogh). The Chair will say in his presentation to the Chair the gentleman from Mississippi has stated perhaps more succinctly than I could the reasons why the point of order should be overruled. The Chair therefore overrules the point of order.

The Chair recognizes the gentleman from Mississippi for 5 minutes.

Mr. WHITTEN. Mr. Chairman, as I pointed out earlier, when you take enough lickings over 5 or 6 days, you can see what you are up against; and there is not much reason to kid yourself about the outcome of many of these efforts. But I sincerely ask the attention of every member of this committee at this time.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from New York.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on this amendment conclude in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WHITTEN. Mr. Chairman, if there was any further evidence needed that the chairman of the committee has the votes in his pocket, the motion he just made would remove it. But I do hope you will listen to me about this. You are going to pass a civil rights bill, and when you pass it those who vote for it are going to be held responsible for every provision that is in it. And in this bill there is not a thing to protect a property owner for absolutely being destroyed by action of the courts or the petition of the Attorney General requiring him to serve those who will drive away the trade upon which he must depend to stay in business.

Let me read this amendment again:

> In any proceeding brought under any provision of title II the defendant shall be entitled to show that to have conformed to the provisions of title II would have resulted in economic loss to such defendant, and where a defendant proves by a preponderance of the evidence that such conformity would result in economic loss, such rights, privileges, and prohibitions contained in title II shall not apply.

Do those of you who are going to vote for this bill believe that this right of individuals should go to the point where the Government through this means will destroy the income and the property and perhaps force into bankruptcy those who have worked and saved and earned, in order "to help interstate commerce"? Again, this provision merely says that the defendant shall be entitled to show in defense of the Attorney General's request for an injunction that if he conformed it would result in financial loss. And you know he cannot stay in business if he loses and loses and loses. I say that it is a right that you should retain for the defendant, for every American, and I trust that the defendants under this bill will remain a minority of the U.S. people, and it is the minority you claim you are trying to look after.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. EDMONDSON. Did the gentleman say the loss of his business or the loss of business?

Mr. WHITTEN. I said economic or financial loss. If you have economic loss, if the gentleman has had the experience that many whom I have known have had, you cannot continue to do without losing your entire business. Any injunction would doubtless be continuing and thus would lead to continuing losses. But it does provide that the defendant operator or owner shall be entitled to show, in defense of the petition for the injunction, that if he had conformed to the policies set down here it would result in loss to him in the operation of his business and therefore, as a government, my amendment would deny to the Government the right to impose on him that economic or financial loss.

And may I say that if we took away that right of the property owner, instead of helping interstate commerce, we would be hurting it because you would not have businesses, motels, hotels, and so forth, if they continued to lose money. I say again that it has been the right of the American people throughout history to work, to earn, to save, and to go into business. It has also been acknowledged by those who believe in sound government that we should not by governmental action take away a business from the owner, either the material of the business or the real estate or the income that he has a right to expect from it without just compensation.

Mr. ANDREWS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Alabama.

Mr. ANDREWS of Alabama. Mr. Chairman, I want to say to the gentleman that his amendment is equitable. If the Government puts a man out of business with legislation like this, and there is no doubt that many businessmen, especially in the restaurant business and motel and hotel business will go out of business, certainly he should be compensated for having been put out of business.

Mr. WHITTEN. I thank the gentleman for his statement. May I say again, under my amendment in an effort to get your support, I place the burden on the defendant to show by a preponderance of the evidence that to conform would result in financial loss. Actually, as I tried earlier to put the burden on the Attorney General to show that he had reason to believe, and did believe, action under title II would not result in financial loss to the defendant operator or owner.

I lost that amendment. I hope you will approve this amendment, where even the burden is on the defendant.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Does he have to show he will lose some business or does he have to show he will lose his business? That is the question I have in my mind.

Mr. WHITTEN. He must show it will result in economic or financial loss. If you have financial loss and if you have losses long enough you will be out of business. The gentleman from Oklahoma knows that. This amendment again puts the burden on the defendant. However, it gives him a right to prove it if he can, and it gives him some protection—for doubtless, any injunction issued would be a continuing one.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. Whitten].

The amendment was rejected.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on title II and all amendments thereto conclude at 6:30.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ROGERS of Texas. Mr. Chairman, I object.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on title II and all amendments thereto conclude at 6:45.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ROGERS of Texas. Mr. Chairman, I object.

AMENDMENT OFFERED BY MR. MEADER

Mr. MEADER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Meader: On page 42, strike out line 14, and all that follows down through the period in line 3 on page 48, and insert in lieu thereof the following:
>
> "TITLE II—NONDISCRIMINATION WITH RESPECT TO CERTAIN AREAS OF PUBLIC ACCOMMODATION
>
> "Sec. 201. Chapter XXIV of the Revised statutes of the United States (42 U.S.C. ch. 21) is amended by adding at the end thereof the following new section:
>
> "'Sec. 1992. (a) No owner, operator, lessee, agent, or employee of any hotel, motel, inn, restaurant, eating establishment, or gasoline station which is situated or advertised adjacent to an interstate or primary highway (as defined in title 23, United States Code, sec. 103) and which is held out as serving or offering to serve interstate travelers, and no owner, operator, lessee, agent, or employee of any public conveyance on land or water, or in the air, including the stations and terminals thereof, serving interstate travelers, shall directly or indirectly refuse, withhold from, or deny to any person any accommodations, advantages, facilities, or privileges thereof on account of race, creed, color, or national origin.
>
> "'(b) Any person aggrieved by a violation of subsection (a) may bring an action at law in the United States district court for the district in which the violation occurred for

the damages sustained by him, but in any such action damages sustained by a person shall not be deemed to be less than $100 or more than $1,000. No right of action accruing under this section and no proceeds thereof may be assigned before final judgment.

"'(c) Nothing contained in this section shall be construed as indicating an intent on the part of Congress to occupy the field in which such section operates, to the exclusion of any State laws on the same subject matter, nor shall any provision of this section be construed as invalidating a provision of State law which would be valid in the absence of such section, except to the extent that there is a direct and positive conflict between such provisions so that the two cannot be reconciled or consistently stand together.'"

Mr. SMITH of Virginia. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and seventy-three Members are present, a quorum.

The CHAIRMAN. The gentleman is recognized for 5 minutes on his amendment.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Virginia.

Mr. POFF. May I inquire if the amendment as just read constitutes a substitute for the entire title II?

Mr. MEADER. It does.

Mr. POFF. Mr. Chairman, in the light of the importance of the subject and the competence of the gentleman, I ask unanimous consent that the gentleman from Michigan be allowed to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from New York.

Mr. LINDSAY. I believe that the gentleman's substitute amendment is not identical with the amendment he discussed and offered as a substitute at some point in the committee hearings, and which appears in the gentleman's separate remarks on page 55 of the committee report.

Mr. MEADER. The gentleman is correct. The text of this amendment which I have offered appears on page 1951 of yesterday's RECORD, and I made a few brief remarks on it under permission to address the House for 1 minute.

Mr. LINDSAY. I thank the gentleman.

Mr. MEADER. The amendment shown on page 55 of the committee report would be enforced by criminal sanctions. The amendment I have offered today is enforcible by civil action by the party aggrieved, with a minimum judgment of $100 and a maximum judgment of $1,000.

The scope of both amendments is the same. The provisions are identical except for the means of enforcement. I might say that the reason it is important is because of some of the statements made by the chairman of our committee in general debate pointing out that there are no criminal provisions in any part of the bill. This amendment is discussed in my additional views on page 46, under the heading "Government by Injunction" and on the following pages discussing the expansion of Federal power, the interstate commerce clause, and the equal protection of the laws clause.

Mr. Chairman, title II enters a completely new field for the Federal Government. There has been sufficient discussion of title II today, it seems to me, to show that this is a wide, broad, and sweeping extension of the area of power of the Federal Government. It employs for enforcement the sanction known as government by injunction. Why is that important?

Not only is this an extension of Federal power by stretching of the interstate commerce clause and a stretching of the equal protection of the laws clause; and not only does it deprive a citizen when he is proceeded against by his Government of the protection guaranteed to all citizens by the first 10 amendments to the Constitution known as the Bill of Rights—but beyond that the phraseology of this title is fuzzy. It is vague and ambiguous and it grants immense power. No one can presently foresee its ultimate limits.

Before I start describing the way my amendment would operate, let me say, we are moving into this new field for the Federal Government and moving so far and so harshly that we had better stop, look, and listen. I want you to remember once we grant power to the executive branch of the Government, we never get it back. If we pass this bill today and then next year we are convinced that it ought to be repealed, we would have to have sufficient Members in this body and in the Senate to override a veto by a two-thirds vote. Because the history of the granting of power to the bureaucracy is that it stays there and grows rather than ever being taken away.

So I say, when we are moving for the first time into this new field, let us go cautiously.

My amendment would do what I believe the Federal Government ought to do and that is to protect the right of a person to travel between States. That certainly is a legitimate regulation of interstate commerce.

My amendment by providing for no discrimination in public conveyances moving in interstate commerce with respect to race or color and by utilizing a well-known, well-identified system of highways for highway travel would protect the right to go about this country from State to State as completely as it can be protected. It would do so in understandable, simple, and workable language which would be effective.

It would avoid extending the Federal Government's Department of Justice into the prosecution of claims of private individuals.

It would avoid the deprivation of rights in litigation which rights are guaranteed in the Bill of Rights to the citizens of this country.

It is fair and workable. It is reasonable and it is as far as the Federal Government ought to move in this new field at this time.

Now, Mr. Chairman, as to how it would work. First of all, it is clear about public conveyances. As a matter of fact, I doubt that there is very much discrimination in air travel, railroad travel and bus travel or even in the terminals although I believe there are some terminals where there may be some discrimination and segregation. But, if there is any segregation in public transportation, it would be eliminated by the adoption of this amendment. A Negro person would be able to travel in the same places and in the same way in interstate commerce as a white person with the same privileges and with no discrimination.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman.

Mr. HARRIS. That is the law today. The courts have held that in cases involving interstate transportation on buses, railroads, and airlines. So the gentleman is not adding anything. Why have this, if it is the law today?

Mr. MEADER. Does it give them the right of action for $1,000 if they are deprived of their rights?

Mr. HARRIS. No; but the law is the law.

Mr. MEADER. May I suggest to the gentleman, and I think I am fully familiar with the cases with reference to railroads on the point of the nondiscrimination clause in the interstate commerce act. I am not so sure about the airlines. I do not know of any regulation or cases at all on that, but I think there have been.

Mr. HARRIS. I say to the gentleman that there are any number of cases. I can cite some cases in which the courts have already decided the issue.

Mr. MEADER. It certainly would not be objectionable to the gentleman, if it is already in the law; I feel sure of that.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield.

Mr. JOHANSEN. The gentleman from Arkansas says that the amendment the gentleman has offered would add nothing. Am I not correct in saying that what the gentleman's amendment would add is a provision with respect to private transportation?

Mr. MEADER. I was about to come to that. I mentioned this first.

With respect to private transportation and the utilization of the definition of the primary and interstate road system in the public law which I cited, I understand there are some 265,489 miles of highways which would be covered by that definition.

If there has been discrimination in the motels, restaurants, and other places—and we heard a complaint about Route 40, concerning the ambassadors from African countries—that would be eliminated by this provision with respect to the prohibition of discrimination in motels, eating establishments, and so on. This would give all citizens an equal right to travel interstate and to utilize all the facilities connected with that transportation.

I believe it would be a legitimate exercise of the power of the Congress to regulate interstate commerce, and I believe that is as far as we ought to go now. This title, under the guise of regulating interstate commerce, as the gentleman from Arkansas so well pointed out the other day, would undertake to regulate everything having the remotest connection, including the use of goods which have moved in interstate commerce. It proposes to move into areas into which we have never gone before.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HARRIS. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan may be permitted to proceed for 5 additional minutes.

Mr. MULTER. Mr. Chairman, reserving the right to object, I shall object unless all debate on this amendment is limited by unanimous consent at the same time.

The CHAIRMAN. The Chair has no control over that.

Mr. MULTER. I object.

The CHAIRMAN. Objection is heard.

Mr. HARRIS. Mr. Chairman, I move to strike the last word.

I hope the gentleman from Michigan will remain in the well. I did not intend to take the well of the House again today.

I believe, as I tried to indicate yesterday, that we ought to understand the situation, and then we can make up our minds as to what we should do. What we do should be a credit, in my judgment, to those of us who have this responsibility.

As I said to the gentleman a moment ago, the law today is that there shall not be any segregation in interstate transportation. I believe the most glaring case in which a decision was rendered was in connection with the railroad Pullman case, with which the gentleman has been familiar for a good many years. In Virginia there was the bus case, some time ago, which upheld that decision. In more recent times we have had decisions in the district and circuit courts on this question relating to air travel.

So that is the law today. I do not know why there is so much concern in this field, so far as transportation is concerned, on the part of anybody.

I do not know why there is such concern by our colleague the chairman of the committee or by anybody else. If it is the law today, why do not the enforcing officials see that it is complied with?

That brings me to another thought. If this is the law today and the officials cannot enforce it and the people will not comply with it, why does anyone believe that passing this kind of a bill will make them comply with it?

I would like to ask the gentleman from Michigan [Mr. Meader] a question. Do I correctly understand that the gentleman's amendment would be applicable to those establishment along the so-called interstate highway routes?

Mr. MEADER. The language is "situated or advertised adjacent to."

Mr. HARRIS. Could I get a little clearer explanation for my own information about it? What does that mean? "Adjacent thereto." Do you mean if an interstate highway runs through or by a community a mile or so off, it would be applicable to those within that community? Is that what you mean?

Mr. MEADER. Let me give you an example. For example, on the turnpikes where you have to leave the turnpikes to get lodgings. You can get gasoline and food on the turnpikes. But, generally, you have to leave the turnpike or expressway to obtain lodgings. They have a sign there usually saying so many motel rooms at the next exit.

Mr. HARRIS. I understand what the gentleman has in mind. Let me ask this question. Those are the so-called interstate roads that we are building consisting of 41,000 miles throughout the Nation. How about highways that have been constructed in the various States under the cooperative program of the States and the Federal Government where the Federal Government provides 50 percent of the cost of construction? Does it apply to them?

Mr. MEADER. It does, and it applies in this definition to urban extensions of primary road systems. The gentleman from Florida [Mr. Cramer] is on the committee, and he can answer that question precisely.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Florida.

Mr. CRAMER. For the gentleman's information, I have a map which sets out the primary and interstate systems. In the green lines is the 41,000-mile Interstate System.

Mr. HARRIS. I get it. It applies to them, but does it apply to all of these others where the Federal Government contributed to their construction, which are not interstate roads?

Mr. CRAMER. If the gentleman will yield, I will answer that question.

Mr. HARRIS. I yield to the gentleman.

Mr. CRAMER. The broad red lines which comprise 225,000 miles throughout the country, are what constitutes the primary system which the gentleman's amendment would affect. It includes highways in every State, and the major traveled highways in every State. I believe that is the reason why the gentleman selected the designation of interstate and primary highways.

Mr. HARRIS. Is that the intention of the gentleman?

Mr. MEADER. That is correct. I would like to add it does include urban extensions of the primary system. I would like to have the gentleman from Florida confirm that if he would.

Mr. HARRIS. Mr. Chairman, I think it is the sensible approach and the clearest approach to carry out what is intended here that I have seen yet, and I think the amendment ought to be adopted.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on the Meader amendment conclude in 10 minutes.

Mr. JOHANSEN. Mr. Chairman, I object.

Mr. CELLER. Within 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. JOHANSEN. I object.

Mr. CELLER. In 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. JOHANSEN. I object.

Mr. LINDSAY. Mr. Chairman, I move to strike out the requisite number of words.

I want to ask the distinguished gentleman from Michigan, if he is on the floor at the moment, Mr. Meader, the author of the amendment, just a few questions. I am troubled by the meaning of the word "adjacent." What happens when you drive through town on the interstate highway and the highway crosses Main Street and in order to get to the main hotel you have to turn left on Main Street onto a noninterstate highway and drive two and a half blocks to get to the Ajax Hotel? Is that hotel covered or not?

Mr. MEADER. If it is adjacent to a primary highway, including the urban extension, or if it is adjacent and holds itself out to serve interstate travelers, it would be covered.

Mr. LINDSAY. Let us say it is three and a half blocks away from the highway. Is that adjacent?

Mr. MEADER. Certainly. If there were a sign saying "Hotel three blocks."

Mr. LINDSAY. Suppose there is no sign.

Mr. MEADER. If there is no sign and it does not hold itself out and it is not adjacent to a highway, I would think that in a city being three blocks away you could not call it adjacent.

Mr. LINDSAY. It is a public hotel. It would not be adjacent, so therefore, it would not be covered. Is that correct?

Mr. MEADER. If it is not situated or advertised adjacent to the described highway. I know what the gentleman is getting at, and we had the same problem when the gentleman was before our committee based on a different clause. You cannot spell out in any bill that would be contained in anybody's bookshelf all of the possible detailed situations that might arise, and that is where the court has to interpret these words to apply them case by case.

Mr. LINDSAY. It may be the biggest hotel in the town or in the city, but you would eliminate that hotel if it is not on the highway?

Mr. MEADER. I think if it can be seen from the highway and if it is adjacent to the highway or the sign could be seen from the highway and it offered to serve all travelers, it would be covered.

Mr. LINDSAY. One more question. If there is a covered hotel, being adjacent to an interstate highway, would your amendment cover all services and facilities within the hotel such as barbershops and shoeshine parlors and beauty shops and the like?

Mr. MEADER. I would assume so. Anything that would be a part of the hotel.

Mr. LINDSAY. It would cover everything in the hotel?

Mr. MEADER. Everything operated in the hotel.

Mr. LINDSAY. How about a beauty shop or a barbershop within the premises of the hotel that is there on the basis of lease?

Mr. MEADER. If the barbershop was not under control or domination of the hotel management or a concession but simply rented space on the street in the same building the hotel was in, I do not think he would be covered.

Mr. LINDSAY. In other words, he would not be covered if he is there by contract or lease arrangement within the premises of the hotel.

Now, suppose there is a restaurant in the hotel. Does the gentleman's amendment cover eating places?

Mr. MEADER. Yes, it does.

Mr. LINDSAY. So a restaurant would be covered?

Mr. MEADER. Yes, it would.

Mr. LINDSAY. Inside the hotel?

Mr. MEADER. It says:

> No owner, operator, lessee, agent, or employee of any hotel, motel, inn, restaurant—

And so forth. So any lessee of the hotel or concessionaire I am sure would be covered.

Mr. LINDSAY. Limited to eating establishments?

Mr. MEADER. Including a barbershop that is operated as a part of the hotel, if it is leased as a concession to the operator and is not under the control of the hotel management. I think he would be covered.

Mr. LINDSAY. I thank the gentleman.

Mr. CRAMER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I want to make a couple of comments relating to the amendment, mainly to help spell out what the amendment does and what it covers. I do so largely because I have the privilege of being the ranking minority member of the Highway Subcommittee of Public Roads of the Committee on Public Works, and have been for 10 years. For that reason perhaps I can add a little bit of information with relation to what is covered as to the highways.

As I pointed out a moment ago and as the gentleman indicated, the highways involved would be the Interstate Highway System, the 41,000-mile system. As I pointed out, this is shown in the green designated areas on this map and covers every State in the Union in continental United States and also includes Puerto Rico, Hawaii, and Alaska.

With regard to the Interstate System, as contained on this map, it also goes through every city in the United States with a population in excess of 50,000, and it was so designed. Any mileage added to that system in the future—and we have a bill under consideration now providing for a study of future increases in mileage of the Interstate System—would also be included within the provisions of the amendment proposed by the gentleman from Michigan.

Secondly, there are 225,000 miles on the primary system which I again show you. It is a considerably saturated highway system, as shown by these broad red lines; the 225,000 additional miles plus the urban extensions within the cities involved. That is the basic definition as I understand the gentleman's intention.

I discussed this amendment with the gentleman and I believe the reason the gentleman chose this method of trying to define what portion of the interstate concept should be included in the accommodations section of the bill is that he felt it should have some relationship to the traveling public, the interstate or primary system traveling public, in order to qualify. And any accommodation on that highway adjacent to it or on it or held out through advertising to be available to the travelers, should be covered.

This designated mileage system indicates the extent of the coverage of the gentleman's amendment. The value, as I see it, in the gentleman's approach is fundamental. You very clearly satisfy the test that the Attorney General himself suggested, and satisfy any public accommodations approach; that is, that everybody who operates such an accommodation knows whether they are in it, and therefore has the responsibility, or out of it, and therefore are not covered. Of equal importance, so does the traveling public know what facilities are available and open to the traveling public, and what facilities may be limited because they are not included. If you are traveling you can make certain the facilities needed for travelers on a major highway system is available to them. This is a functional approach. If you are traveling from New York to Florida you would go on one of these principal highways and thus on one which accommodations are available.

It is a clearly defined approach to this problem, so I think the gentleman is offering considerable in the way of a constructive approach in meeting this problem as you try to define what is in or out under the interstate commerce clause. There are interstate roads, and intrastate roads, and they are clearly indicated on the maps, and can easily be determined as it relates to this specific question, because it satisfies that particular fundamental problem of how far you should go. This is an interstate approach that the Federal Government has accepted to the extent of paying 90 percent in interstate systems and 50 percent on primary systems. Every map in the United States shows which highways will be in and which highways will be out and any traveler can look at a map and know what highway to take it order to accommodate himself from one end of this country to the other.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Arkansas.

Mr. HARRIS. Would it not bring the bill, then, within the true meaning of the commerce clause like it is when you use the mails, therefore within the true meaning of the Constitution.

Mr. CRAMER. Yes; it is connected with the clearly established movement in interstate commerce.

Mr. HÉBERT. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I had not intended to say anything on this subject matter because it has been in very good hands, particularly by those members of the committee. In supporting this amendment, however, I feel constrained to make an observation at this time with the full knowledge it may be very futile, because I am talking to the brothers in the church, whereas the remarks should be addressed to the brothers who are not in the church and do not show up until the quorum call in the morning.

On yesterday, the distinguished majority leader, the gentleman from Oklahoma [Mr. ALBERT], in effect laid it right on the line when he saw fit to stand up here in the House and ask that the House cooperate with him and the leadership in expediting this most important measure. He made the point, and a very pertinent point, that on teller and division votes a lack of of a majority was reflected in those votes. I have sat here patiently every minute and every hour, and have voted every time the opportunity presented itself.

What a Member of this House does is related only to himself and his conscience and to his constituents. This piece of legislation is perhaps the most important legislation that has ever been brought before this body in the history of this Nation. I believe it irresponsible legislation, but I respect those who differ with me in my philosophy and belief.

This legislation affects the rights of those people who are going to come after us. Yet we have a daily spectacle of obvious lack of interest on the part of many of us. As an example, a few minutes ago on the last division vote, 33 to 104, I think it was, simple arithmetic tells us that only 167 Members were present and voting, whereas 412 answered to the rollcall this morning.

Where are those better than 200 Members? Do they not understand what is going on on this floor—or do they care? Do they not have any appreciation of the fact that they are dealing with the rights of their fellow men? Cannot they comprehend that we are destroying the Constitution of the United States? And yet it must be assumed that their interest is so lacking that they cannot give a few hours of the day to their country's business and to the freedom of future generations.

I do not point the figure of accusation at any section of this Nation, at any section of the country or any individual Member. If I were compelled to, I would point the accusing finger and cast the indictment against my own section of the country, the South which is the most vitally concerned section of the country. Numerically, if you count the Southern States, yes the Confederate States, there are about 98 votes that can be cast by Members who I hope hold the philosophy I embrace, and I have every reason to believe they embrace that same philosophy. Yet vote after vote that has come here, only half of the southerners have been on this floor. My friends from the left side of the aisle have contributed about 30 votes.

To my friends who sit in this section, known as the study group, let me pay you a tribute and a compliment. You are here on the job. I disagree with you but I respect you and I admire your courage and your determination to be here and to be counted. You will notice the votes run all the time from 135 to 160 in the negative which is the strength of my friends here who of course are not in coalition with my friends to the left but merely are engaged in a bipartisan movement.

I know my friends on the left want to get out of here before February 12 so they can go to the country and tell all the people about what a great job they did here, I am sure my friends from the right will be very pleased to admit the Republicans helped them do the job. But many of my friends from the South from the minority section of the country are not even here to raise their voices in protest.

I repeat that, what I am saying is futile, but I am taking this time with your indulgence in the hope that those who are not here to hear my words today might be there tomorrow morning to read what has been said by me here today, and at least come over here and prove that the South can and will rise again.

Mr. BALDWIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it has been my privilege to serve on the roads subcommittee of the House for somewhat over 9 years. The federally aided highway program extends not only to Federal interstate highways but to both State primary and State secondary roads. This amendment does not extend to the full federally aided system. It excludes any resorts or other areas that might be served by State secondary roads, even though they are receiving 50 percent Federal assistance.

In my part of the country and I am sure in other parts of the country also, there are many resorts particularly in mountain areas and on lakes that are served by State secondary roads. Yet, these resorts appeal to people from a great diversity of areas and many of them are interstate travelers.

This amendment in its present form would bar many of those resorts, even though people from many States come to them, from being covered by this bill whatsoever.

I think if this is true in my section of the country, it is also true in other sections of the country.

I notice further that this amendment would completely exclude another important provision in the present title II and that is the section of title II that applies to any motion-picture house, theater, concert hall, sports arena or stadium. There is no provision whatsoever in this amendment that would cover any of this category of places of attendance which appeal to many interstate travelers.

Therefore, this amendment is a very restrictive amendment. I do not think it is in the best interests of this bill and I oppose the amendment. I think the bill should be passed in the form it is now written without this amendment.

Mr. ROBISON. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman.

Mr. ROBISON. Mr. Chairman, I would like to associate myself with the remarks of my colleague, the gentleman from California.

Mr. Chairman, before commenting further on the pending amendment I should like to commend all Members of this body for the attitude they have been displaying toward this complex and difficult piece of legislation. As all of us here are so acutely aware, this particular Congress—and indeed the continuing institution that is the Congress of the United States itself—has been much maligned, of late.

I recall, especially, one critical piece in a labor union newsletter of recent date that referred to "the feeble old men" in the House of Representatives "with enormous power to keep the country on dead center, who shuffle along, deaf to the pleas of the jobless and hungry, and cold to the anguish of persecuted minorities and who return year after year like part of the woodwork."

It seems to me, Mr. Chairman, that the debate which has been going on here since Friday last—and which has been so singularly free of bitterness, of partisanship, and, to the everlasting credit of our colleagues from those areas which remain philosophically opposed to this type of legislation, free so far of obstructionist tactics—has been one of the great debates of modern American history, as the gentleman from Ohio [Mr. BROWN], on last Friday urged that it might be. It has been a debate—and this body has conducted itself in such a fashion—that does credit to the finest traditions of statesmanship, and, though perhaps little noticed in the public press, that gives the lie to those oft-repeated charges about the ineptitude of the modern Congress, and its inability to deal effectively with the pressing legislative issues of our day.

Now, Mr. Chairman, as to the title in question—title II in the bill—like many others who have or will speak in support thereof, I consider this one of the most important features of the pending Civil Rights Act (H.R. 7152), and one which I trust we will adopt without crippling amendment such as the substitute amendment now being considered.

Some months ago, when these matters were first brought before us, I expressed to my constituents my own concern over the fact that the so-called administration proposal, in this field, sought to base the legal justification for broad congressional action here on the interstate commerce clause of the Constitution solely, rather than on the higher, moral ground provided by the 14th amendment thereto which, both in background and in language, specifically focused on the problem of racial discrimination. At that time, I expressed my concern—which has since been echoed by many others—over such an attempt to so stretch into new and uncharted areas the acknowledged congressional powers to deal with matters in interstate commerce as traditionally defined.

Now, however, as we all know has happened, the Judiciary Committee in its wisdom, in producing this compromise bill, has not only tightened up and cleaned up its definition of those establishments of public accommodation to be covered by the provisions of this title—so that there is a clearer relationship between the same and the movement of persons and goods in interstate commerce—but it has also added as a further basis for legislative relief such powers as we may derive under the 14th amendment as presently interpreted.

In so doing, the committee has, by and large, removed my previous reservations about both the constitutionality and the wisdom—from the standpoint of the precedent thereby set—of what we here seek to do, concerning the moral and social justification for which I have never been in doubt.

While it does still seem to me that there are other forms of nationwide discrimination—such as in housing, and in employment and in educational opportunities—the removal or easing of which ought to have precedence over action in this particular area, it is also apparent to me, from the events of the past year, that the difficulties, inconveniences, and humiliation suffered by our Negro citizens in being denied access to places of public accommodation have constituted a major irritant in race relations, and that the granting of legislative relief of this sort may, as the Attorney General put it last year, do "the most immediate good in stamping out the fires of racial discord."

To those of my own constituents who have expressed to me, in person or in writing, their concern over Federal legislative intervention of this type, let me remind them that our own State of New York has, for many years, had a similar law on its statute books. In this connection, there are—as the report indicates—over 30 States that have such laws, and the majority of those laws, as does New York's are tougher and go further than the proposal now before us.

New York's so-called public accommodation section is section 40 of our civil rights law. The present section dates back to 1895, but the law from which it was, in turn, derived bears an even earlier date and was declared constitutional by the New York Court of Appeals in *People* v. *King* (110 N.Y. 418), decided in 1888.

The decision of the court at that time makes for interesting reading, today—for some of the observations set forth by Mr. Justice Andrews, in presenting the decision of the court, echo many of the same arguments that have been made here in this Chamber in the past few days.

This case is also of particular interest to me because it involved the denial of admission of certain Negro citizens to a skating rink at Norwich, N.Y., which was presenting an exhibition of roller skating put on by a skating club from Binghamton, N.Y., which city is in my present congressional district.

In any event, Mr. Chairman, the paragraph from that decision which I would like to quote you, contains the following language:

> It cannot be doubted that (the section in question) was enacted with special reference to citizens of African descent; nor is there any doubt that the policy which dictated the legislation was to secure to such persons equal rights with white persons to the facilities furnished by carriers, innkeepers, theaters, schools, and places of amusement. The race prejudice against persons of color, which had its root, in part, at least, in the system of slavery, was by no means extinguished when the slaves became freemen and citizens. But this great act of justice toward an oppressed and enslaved people imposed upon the Nation great responsibilities.

Continuing on, later in the decision, Judge Andrews declares:

> The members of the African race, born or naturalized in this country, are citizens of the States where they reside and of the United States. Both justice and the public interest concur in a policy which shall elevate them as individuals, and relieve them from oppression or degrading discrimination, and which shall encourage and cultivate a spirit which will make them self-respecting, contented, and loyal citizens, and give them a fair chance in the struggle of life. * * * It is evident that to exclude colored people from places of public resort, on account of their race, is to fix upon them a brand of inferiority, and tends to fix their position as a servile and dependent people. It is of course impossible to enforce social equality by law. But the law in question simply insures to colored citizens the right to admission, on equal terms with others, to public resorts, and to equal enjoyment of privileges of a quasi-public character.

It seems to me, Mr. Chairman, that Judge Andrews, speaking for the New York Court of Appeals—our highest court—back in 1888—expressed better than I perhaps now could do, the reasons why I should and do support the provisions of title II as now before us, and why I should and do oppose any crippling amendments thereto.

The principles as laid down in the decision from which I have quoted, were just and right back in 1888—they are equally just and right, today, and, absent any responsible State action in this field in certain areas of our Nation, I know of no other way to apply them uniformly to all our people than as in the manner proposed in the bill now before us.

Though I have great respect for the author of this substitute, the gentleman from Michigan [Mr. MEADER], and for his logic and sincerity, it is my considered judgment that its provisions, if substituted for title II, would be virtually meaningless.

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman.

Mr. CORMAN. I would like to inquire who it is that has the authority to designate routes and to change the routes that would be covered by this Meader amendment?

Mr. BALDWIN. Under the Federal laws, the State involved must make an application to the Bureau of Public Roads stating they would like to list for Federal aid as a State primary road or a State secondary road certain routes. Then with the approval of the Federal Bureau of Public Roads that road then can be listed in that category. But the State basically must take the initiative.

Mr. CORMAN. Can the State take the initiative to change the road from one road to another?

Mr. BALDWIN. Yes, it could.

Mr. CORMAN. I think that is the most pernicious part of this Meader roads amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. UDALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from California has pointed out one serious vice of this amendment, that most establishments would be taken out from under the operation of the law. But I think there is a second and more important gimmick in the amendment, and that is the remedy. The remedy in the committee's bill for violation of title II is an action brought by the Attorney General, or in some instances by the individual. Compliance can be enforced by court order.

The only remedy provided under the Meader amendment is if the poor son of a gun wants to get a lawyer and go to court and fight the thing through, he does not get an injunction that helps other travelers. The only thing he can get is a monetary amount up to $1,000.

Mr. Chairman, I want to say at this hour of the evening, I was sitting in the back row when I first read this amendment. I have been concerned for some time about the decline of poetry in this country. I think those members of our society who in former days may have been poets have been writing lyrics for rock and roll music. I will say our colleague, the gentleman from Florida, Rev. BILLY MATTHEWS, has done something in this Chamber occasionally to restore poetry to its original place in this country.

But I was moved to ponder what would happen down at Seven Corners where Interstate No. 5 comes in with U.S. 60 and State Highway No. 7, with a farm-to-market road and two State streets. Under this provision we could have "white only" signs on one street and around the corner a Federal requirement to serve all travelers.

I was moved by reading this amendment to pen a few stanzas which with apologies to my friend, the gentleman from Florida, and apologies to Robert Frost and Edgar Guest, I want to offer to some of my colleagues tonight for their appreciation, and I dedicate them to the Meader amendment.

The first stanza reads something like this:

Where the roads turn and twist,
Civil rights don't exist,
But on Interstate No. 4,
Man, you can't bar the door.

In view of the enthusiastic response to that stanza, I shall try another.

You can't say nix on Route 66.
But all rules are out on a country route.

I rather fear for my life to continue with this, but I do have another stanza. I have considerable pride in this one.

In Mississippi or Wisconsin,
You can dine with Howard Johnson.
But if you're on a county mission,
You can count on malnutrition.

I have nothing further to say on this amendment, except that I have been asked to announce that the Wednesday Evening Poetry Group will meet immediately following the vote on this amendment, in the cloakroom, or at the Quorum Club, where we shall have what I hope will be a kindly and constructive critique on the poetry which has just been presented.

Mr. TAFT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and members of the Committee, one point which has not been made with regard to the amendment I think should be called to your attention. It is the fact that the remedy to be provided by this amendment, if adopted, would call, on the request of either party, for a jury trial. Many of the States of the United States have, for 75 to 100 years, had nondiscrimination provisions relating to public accomodations in the statutes on their books under which discrimination has been forbidden and legal remedies have been provided through the State courts with jury trial.

I am not talking of the South alone now. I am talking of the North as well.

Those laws have been totally meaningless because of only the remedies with jury trials and damages. This amendment would eliminate the conciliation process and the processes which have been attempted to be provided under various recent State civil rights commission laws and attempted to be passed in this section as it was originally written. These procedures are necessary for an effective public accommodation law.

Unfortunately, if we should agree to the amendment and put into this section a jury trial and a requirement for a determination of damages by a jury and a finding of fact by a jury, the provision will be completely meaningless. We might as well strike out the title altogether.

I suggest that the amendment should be defeated.

Mr. JOHANSEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I am glad to yield to the gentleman.

Mr. CELLER. I ask unanimous consent that all debate on the amendment offered by the gentleman from Michigan [Mr. MEADER] cease in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JOHANSEN. Mr. Chairman, I have been regaled and have greatly enjoyed the poetry offered by my good friend the gentleman from Arizona. Probably it has been a welcome relief of tensions.

However, I respectfully suggest that the proposal made by the gentleman from Michigan on this amendment deserves the most serious attention, and I support the amendment. In my judgment, this does not solve all of the problems and, because it does not solve all of the problems, it does not undertake to torture the commerce clause out of all resemblance to reality. Because it does not solve all of the problems, it does not propose to extend unlimited power to the Federal Government. Both of those considerations recommend it to me. We do have here a clear criterion for defining interstate commerce as it relates to private travel and as it relates to this problem. In spite of any impression to the contrary, I no more approve than does the strongest adherent of this whole bill, discrimination in the matter of travel or denial of the rights and decencies to citizens, but I have a considerable concern about the kinds of powers that are proposed to be invoked and to be created and vested in the Federal Government in order to accomplish those aims. On tomorrow I expect to have something to say about some of my good friends who talk about how much milder this bill is. I want to talk on tomorrow about the fact that some of the provisions that have been written into some of these titles are a pretty clear indication of what the grab for power is. I intend to vote on the basis of the fact that we have had an exposure of some of those intended power grabs.

I do want to say one word to the gentleman from Louisiana [Mr. Hébert] if I may have his attention for just a moment. I want to compliment the gentleman from Louisiana on the statement that he made to his House, but I want the record clear on one point. There are some of us on this side of the aisle who, while we want to go home for Lincoln's birthday, are willing to stay here as long as necessary to prevent the kind of a power grab that is involved in this bill.

I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. Moorhead] for 1½ minutes.

Mr. MOORHEAD. Mr. Chairman, the gentleman from Florida has pointed out to us that the roads covered by this amendment, if it were adopted, amount to some 266,000 miles. This is out of a total of some 3.6 million miles of streets and roads and highways in the United States. In other words, the amendment would provide for nondiscrimination in only 7 percent of the cases. I say anybody who is 93 percent in favor of segregation should support this amendment, but those who are really in favor of ending segregation and discrimination should clearly see that this amendment should be defeated.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The Chair recognizes the gentleman from Louisiana [Mr. Waggonner] for 1½ minutes.

Mr. WAGGONNER. Mr. Chairman, there is not too much anybody can say in a minute and a half that has not already been said during the course of this debate. I should like first of all to say to my poetic colleague from the State of Arizona that while I am a temporary resident of the State of Virginia, I am "agin ya." I am not just 93 percent against this legislation, I am 100 percent and entirely against it, I will say to my friend and colleague from Pennsylvania. I am 100 percent against it and I am 100 percent against it for one fundamental reason.

Several Members have gone back to the Bible in the course of this debate. I refer you to the parable of the householder who planted a vineyard. He was criticized for having made a contract at the beginning of the day to pay some people a penny for working that day in his vineyard. The parable tells us that at the end of the 3d hour, at the end of the 6th hour, at the end of the 9th hour, and at the end of the 11th hour others appeared on the scene and by agreement with the householder they went to work in that vineyard. At the end of the day he paid them all a penny. He paid them all exactly the same.

Apparently that is what we want to do here, to reduce the level of the American citizen all to one average or common denominator with this power grab bill. But some complained that they had received exactly the same as others for having worked more hours during this day and he had a simple reply for them. "Is it not my right to do with what is mine as I will? Do I not have the right to use my own as I will?"

Well, we are saying to the American public today they do not have that right any longer. If you pass this Civil Rights Act and the accommodations proposal therein, that is what you are doing. So now we deny the Bible.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. Poff].

Mr. POFF. Mr. Chairman, the gentleman from Pennsylvania [Mr. Moorhead], indicated that inasmuch as the 265,000 miles embraced in the primary system of roads constituted only 7 percent of the total mileage of the United States, those who favor this amendment are in favor of segregation 93 percent of the time. Of course, the gentleman understands that that is no fair yardstick, because much of the mileage in this country lies in remote and isolated areas where you never find a motel or an eating establishment or any other establishment enumerated in title II.

Mr. Chairman, in the few brief moments available to me I should like to say that obviously this amendment offered as a substitute does not satisfy the distinguished gentleman from New York, the chairman of the committee; patently it would not satisfy the most vigorous opponents of the civil rights bill. But I wonder, Mr. Chairman, if that is not the best argument in favor of what is admittedly a compromise proposal. All will agree that 435 Members of the House of Representatives can never agree entirely on what should be in any bill. Every piece of legislation which leaves this body is the result of a compromise.

I feel that, while I may not agree with all that the Meader amendment portends, it does offer a vehicle for compromise to which all reasonable men might repair.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. McCulloch].

Mr. McCULLOCH. Mr. Chairman, I regret to say I am opposed to the amendment offered by the gentleman from Michigan. He has been one of the most able and most faithful workers on the committee, but his amendment would in effect nullify this section. I agree with the statement of the gentleman from Pennsylvania who said it would render the title 90 percent ineffective.

May I say this to the gentleman from Michigan: He comes from Ann Arbor. If that great Michigan football team was on its way to Miami to play that great school down there in Florida, and a Negro family were traveling with them and could not get service in Fort Lauderdale, Fla., what could be done? They would of necessity hire a lawyer down there, 1,500 miles from home to bring a suit in the State court or in the Federal court. There is just no teeth in this amendment, and it should be defeated.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. Healey] may extend his remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HEALEY. Mr. Chairman, I rise in support of the Civil Rights Act of 1964.

I need not discuss in detail the nine substantive sections which will help assure to all our citizens the equal enjoyment of their rights under the Constitution of the United States. These rights include the right to vote, to hold a job, to have equal access to places of public accommodation, public schools, and other governmental facilities. Surely, no one can begrudge such rights to his fellow citizens on account of their color of skin or religious persuasion. Indeed, the protections the bill affords are so necessary and so reasonable that opponents are having a difficult time attacking the bill on its merits. Instead, they have leveled false and extravagant charges against it, and they give a distorted picture of what the bill actually does. This, of course, is done to arouse such prejudice against it that others may be blinded to its true meaning.

Opponents of the bill say that it sets up racial quotas for job or school attendance. The bill does not do that. It simply requires that children be admitted to public schools without discrimination because of race, and that industries involved in interstate commerce not deny a qualified person the right to work because of his race or religion. And not even all industries are covered—initially only those with 100 or more employees, eventually those with 25 or more.

Under its power to regulate commerce Congress has the authority—and, I submit, the duty—to enact such legislation. The same constitutional basis underlies our right to require nondiscrimination in certain business establishments which are connected with interstate commerce and which hold themselves open to the public at large. Most such places are already under some type of Federal regulation—the Pure Food and Drug Act, for example, the minimum wage law, antitrust laws. The bill has no effect on a private homeowner who wants to rent a room to a "paying guest." In fact, it does not apply to owner-occupied establishments which offer five units or fewer for rent. The bill does not circumscribe private social contacts in any way.

Moreover, if a State requires or sanctions segregation in places of public accommodation, such action violates the 14th amendment and is forbidden by the bill. But the mere fact that a State issues a license to a business does not place it under the coverage of title II of the bill.

It is clear that State-supported segregation is unconstitutional. This is the mandate of the school segregation cases and the numerous cases involving parks and other governmental facilities. It is high time, therefore, to enable our Negro citizens to enjoy the rights to desegregated educational and recreational facilities without further delay. For that reason titles III and IV authorize the Attorney General to sue for desegregation of these facilities, under certain specific conditions. It is no novelty to allow the Attorney General discretion as to the bringing of an action. The Attorney General has the same authority in antitrust cases and criminal cases, to name but two examples. This is not "unbridled Federal control," as critics love to assert.

Nor is it "unbridled Federal control" to require that public funds from the Federal Treasury—funds contributed by all our citizens—be used for the advantage of both races without favoritism. Thus, a school of advanced studies accepting Federal support must offer its facilities to Negro and white students on an equal basis. A financial institution lending money to private persons must do so without regard to race. But no one's bank account is endangered by the bill. Insurance under the FDIC is not affected. Innocent beneficiaries of federally supported programs are not penalized. No loans will be called because of the bill. And—this is important—if the responsible Federal agency determines that funds have been used in a discriminatory fashion, there is ample provision for judicial review of the agency's action.

Mr. Chairman, in sum, the provisions of H.R. 7152 are firmly grounded in the Constitution of the United States. They provide for fair and equitable procedures in the courts and before administrative boards. They do not usurp or diminish the rights and duties of State and local governments or of private individuals. They would simply assure that all citizens will have the full enjoyment of the rights now unfortunately denied to many on account of race, color, religion, or national origin.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. MEADER].

The question was taken; and on a division (demanded by Mr. MEADER) there were—ayes 68, noes 153.

So the amendment was rejected.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on title II and all amendments thereto conclude at 7:15.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ABERNETHY. Mr. Chairman, I object.

AMENDMENT OFFERED BY MR. ROGERS OF TEXAS

Mr. ROGERS of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ROGERS of Texas: On page 42, line 14, strike out line 14 and all lines thereafter down to and including line 3 on page 48.

Mr. ROGERS of Texas. Mr. Chairman, I think this amendment could properly be called the "last chance amendment." I have listened with great interest to the amendments that have been offered to title II of this bill and had hoped that some of them would be adopted to clarify situations that will come back to haunt many Members of this Congress. However, the Congress has not seen fit to do that. I feel it is only fair to afford you the opportunity to strike out all of title II so that you will not be haunted by your actions here today.

When we pass the end of this title we cannot get back. It is a bridge that is burned behind us.

I think every Member of this Congress would do well to stop and consider what he is doing. Every lawyer knows and those in other professions and trades I believe know to a great extent that in recent years there has been a trend to federalize the Government of this country by the Supreme Court in stretching the commerce clause of the Constitution. However, the Supreme Court failed to go to the extent that many people in this country wanted to go, and refused to apply the 14th amendment to do many things that some of our folks thought should be done.

This bill goes way beyond what was ever intended by the commerce clause. It goes way beyond what the Supreme Court ever agreed to do or, in my opinion, ever would agree to do under the 14th amendment. In other words, it simply opens up the door to changing the Constitution of the United States. It does absolute violence to the basic concepts of the law under which we now live. It destroys the prohibition against the impairment of the right to contract. Yet Members of the Congress have gotten up on this floor and have said that we must extend these powers and give people rights against other people, which actually works as a reverse denial of rights.

I was very much impressed by the statements of the distinguished chairman of the Committee on the Judiciary in which he cited many of the matters that the Court has treated under the commerce clause of the Constitution. But I would suggest to Members that you read those decisions.

You will find that those decisions are not applicable to the situations involved in the law proposed here today. True, those decisions did hold that certain transactions were in interstate commerce, but none of them went near so far as the proposals in title II of this bill.

The chairman knows and I know, and I think everyone else here knows that insofar as this restaurant situation is concerned, this bill is intended to cover every restaurant in the United States of America. Now why do they not say so in the bill and be fully honest about it? There is not a restaurant in the United States of America that would be exempt under the language of this bill as it stands. We know what the Supreme Court has done with regard to the interstate commerce definitions in the past, and we know there is not a restaurant anywhere that would not be covered. So why do we not say that? Why mislead the people and lull them into a false sense of security. The Members should vote for my amendment to strike the entire title.

Here is the salient thing that I think the Members of this Congress ought to think about, and that is that you are vesting in the Attorney General of the United States powers never before enjoyed by any officer of this country including the Presidents of the United States. Now that may sound all right to you at the present time, and you say, "Oh, we are on an emotional trend and we have to protect John Doe here and Richard Roe there." But let me tell you this. This law, if it is ever put on the statute books is going to affect a lot of little people. Little people who do not have the wherewithal to hire the attorneys that are going to be necessary to protect them from economic disaster. They are going to come to the Members of Congress and they are going to say, "We have been descended upon by Federal officers and by young attorneys dedicated to destroy our business and we need your help—we have to have your help." I predict that the Members who vote for this bill will rue the day they failed to heed my warning.

Mr. ANDREWS of Alabama. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, I doubt that a man with the wisdom of Solomon and oratory of Daniel Webster, Mr. Chairman, could keep this bill from passing the House. I have studied the bill. I am opposed to it in its entirety. I think the day that this bill, or any part thereof, becomes the law of the land will be a sad day in the history of this country. In my opinion, it will begin the ending of our system of constitutional law. I wish this committee could realize the opposition that is growing rapidly in this country to this so-called civil rights bill.

In my opinion, it is about 10-percent civil rights and 90-percent Government control. If this bill becomes law, it will project the Federal Government into every facet of the business life of this country. The American people do not know, in my opinion, at this time what this bill will really do to them. They are learning, and they do not like it. The Governor of my State made a trip through the northeastern section of this country and visited most of the colleges in the so-called Ivy League section of

America, and he made a terrific impression. Within the last 2 weeks he has visited five Western States, speaking at universities, to big crowds of enthusiastic people, and the only thing he has talked about has been this pending civil rights bill.

I have not seen anything in the Washington papers about my Governor's trip to the west coast, so that makes me think his trip was a success. I have read AP stories from the States of Washington, Oregon, California, Arizona, and Colorado, and uniformly those stories describing each of the speeches that he made in which he discussed at length the pending civil rights bill reported that the enthusiasm was terrific. In the last 2 weeks, I have had letters from many people out on the west coast asking me to send them a copy of the civil rights bill.

The Governor had said if they wrote an Alabama Congressman, he would send them a copy of that bill. I think, Mr. Chairman and members of the committee, that the opposition to this bill is widespread. I am sure you members of the committee received a letter, as I did, from the American Motor Hotel Association; the headquarters of this organization is in Kansas City, Mo. The letter was dated November 5, 1963. I would like to read, with the permission of the chairman and members of the committee, this letter, to refresh your recollection.

> NOVEMBER 5, 1963.
>
> DEAR CONGRESSMAN ANDREWS: The American Motor Hotel Association, the trade organization of the motel industry of America, believes that title II of the President's proposed Civil Rights Act of 1963 is a violation of amendments 10 and 14 of the Constitution and should be defeated as a matter of protecting the personal constitutional rights of all Americans.
>
> Title II represents an unwarranted extension of the commerce clause. Since the Congress has no power to legislate in a matter which is purely intrastate, such legislation would violate amendment 10 of the Constitution, which provides that the powers not delegated to the Federal Government by the Constitution are reserved to the States or to the people. We believe that Congress has no power to so legislate under the 14th amendment, since the 14th amendment has been interpreted as clearly applying to State action. The actions of an individual proprietor in his decision to serve or not to serve, are not State actions, but the exercise of a private business decision by the individual operator. (Civil Rights Case 1883, with citation.)
>
> The American Motor Hotel Association is opposed to this legislation, which puts more power into the hands of the Government, enabling it to exercise more control over individual rights and private businesses.

Signed by S. Cooper Dawson, Jr., chairman, governmental affairs, of the American Motor Hotel Assoication.

So, I can say to you, Mr. Chairman and members of the committee, that the members of the American Motor Hotel Association, which is composed of thousands upon thousands of people in America, are unalterably opposed to this pending civil rights bill.

I received a letter dated November 1, 1963, from the National Restaurant Association of America, whose headquarters are here in Washington, D.C.:

> DEAR CONGRESSMAN ANDREWS: On September 23, 1963, the board of directors of the National Restaurant Association met and adopted a strong policy of opposition to title II, the public accommodations section of HR. 7152, amended, and to title VII, the section which establishes a Fair Employment Practices Commission.
>
> These proposals provide an unprecedented and undesirable extension of Federal control over private business. The National Restaurant Association has no desire to impede or restrain the rights of any citizen. On the contrary, it is the association's firm belief that the realization of these rights will come only through voluntary cooperation on the local level. Indeed, through a policy of encouraging voluntary integration, the National Restaurant Association has rapidly achieved widespread success in this area.
>
> The public accommodations feature of the bill and the establishment of a Fair Employment Practices Commission provide no meaningful guarantee of constitutional rights. Instead, by subjecting private business to unnecessary harassment and by enabling the Federal Government to exert more control over individual rights and over private business, the proposals, if enacted, can only result in the elimination of free enterprise and of the rights and freedoms of all citizens.
>
> For these reasons, the National Restaurant Association is opposed to the public accommodations and the Fair Employment Practices Commission provisions of the bill H.R. 7952 as amended.

Signed by Ira H. Nunn, Washington counsel of the National Restaurant Association.

Mr. Chairman, this public accommodations section would put any legitimate operator of any legitimate business at the mercy of any small group who might seek to destroy his business by driving away his regularly established customers, his regularly established clientele which he may have built up over a long number of years, simply because those who would form the group demonstrating might desire to put this man out of business and then when they had succeeded in their intention and their purpose of driving away his regular customers, then they would desert him like rats who desert a sinking ship. His business would be destroyed, it would be gone, and he might never be able to rebuild it in the manner in which he had operated it for the convenience of the public which he had previously served.

I see no necessity for any portion of the contents of title II.

Now, Mr. Chairman, these two sections, the so-called public accommodations and the FEPC sections, will, in my opinion, destroy our system of free enterprise in America. The average businessman has a hard enough time trying to build up goodwill and make a living for himself and his employees and pay his taxes without additional Government interference. We might as well have socialism or even communism in this country, if we pass a bill which permits any government, whether Federal, State, or local, the power to go into a man's business and tell him whom he can employ, whom he can fire, whom he can promote. It is bad enough for the Federal Government to tell him now how much he can pay him or what he has to pay him.

I am sure if this bill becomes law with these two obnoxious sections in it, that there will be many businesses that will close. I do not think this bill is anything on earth except a political bill sponsored by the leadership of both parties with only one thing in mind, and that is to get the vote of a minority group in this country.

We are treading on dangerous ground when we talk about a public accommodations section of a civil rights bill which would give to the Federal Government—with its strong arm and its might and power to enforce the provision—the power to step into a man's business when, under no stretch of the imagination, the business could be considered to be in interstate commerce. How on earth could a motel or hotel owned by one man or by a family, located in a spot certain in a State, with no opportunity to cross a State line be said to be engaged in interstate commerce?

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of Alabama. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. When the gentleman speaks of the might of the Federal Government, he is talking about lawyers and officials paid with money taken from the pockets of the taxpayers of this country, used to go down to prey upon those little businessmen, who then have to hire a lawyer to defend themselves.

Mr. ANDREWS of Alabama. I am also talking about the Army, and the Navy, and the Air Force. They have been used by the Federal Government to enforce so-called civil rights.

Mr. DORN. The paratroopers.

Mr. ANDREWS of Alabama. Thank God they have not used the atomic bomb, but they could, and might.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. ROGERS].

The question was taken; and on a division (demanded by Mr. ROGERS of Texas) there were—ayes 63, noes 144.

So the amendment was rejected.

AMENDMENTS BY MR. PICKLE

Mr. PICKLE. Mr. Chairman, I offer two amendments and ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

> Amendments offered by Mr. PICKLE: Amend title II, section 205(a), page 47, line 14 by striking out those words starting with the word "without" through line 16, and substituting the following after the word "same": "If the aggrieved party shall have first exhausted all administrative and other remedies that may be provided by law, and provided further that the Attorney General shall not institute any proceedings in less than 30 days where there exists a Human Rights Commission, or similar commission, legally established by an incorporated city, county, or State, or a political subdivision, which Human Rights Commission shall first have the opportunity to decide the complaint."
>
> Amend title II, section 201(b)(1) by adding after the word "fountain", line 10, page 43, the following: "provided such establishments have more than five employees or derive a substantial portion of such business from interstate commerce,".

Mr. CELLER. Mr. Chairman, will the gentleman yield briefly?

Mr. PICKLE. Yes, sir. I will yield to the gentleman.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto conclude in 5 minutes.

Mr. COLMER. Mr. Chairman, reserving the right to object, I would like to know if there is anybody else who wants to speak on this amendment before we arrive at that conclusion. The gentleman, so far as I know, is making his maiden speech here and we are going to cut it off in 5 minutes.

Mr. PICKLE. I appreciate the kindness of the gentleman from Mississippi, but I told the chairman I would try to get my amendment in in 5 minutes.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on this amendment conclude in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. WILLIAMS. I object, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Chairman, this is the first opportunity I have had to address this great body, and I am very conscious of the privilege and opportunity to do so. Let me say in the beginning that I am from Texas, the central portion of Texas, and I do not share many of the apprehensions that some of my colleagues have about this bill. I think it is perfectly proper that the Congress can state its authority to give everybody full constitutional rights. With that as a base, let me now proceed with this amendment.

This amendment simply does this: Instead of giving the Attorney General the authority to go in and file injunctions immediately before regular remedies are exhausted, the case must first be submitted to a human rights commission, if there is one. In Texas, some of our cities already have established civil rights commissions or human rights commissions. This just says that if there is a complaint, submit it first to a particular board and let them decide it. Language throughout the bill says the Attorney General first would give a local community a chance to settle some of these things. That is the language you see throughout the bill. So if you mean you want to let them exhaust their remedies instead of just simply letting them go in automatically to file a suit, then let that complaint be filed with a local commission, if there is one. If there is not one, the law will take care of itself. But in those cities where in good faith they are establishing these commissions, then let them have the chance to do it. Give them 30 days to do it. It seems to me that is good faith. That is not letting anyone be too trigger happy in filing these suits. That is fair play. We must let the local communities settle these matters, anyway, no matter how we vote on this particular bill. Indeed, the better approach to this whole problem, instead of through the courts directly, in my opinion, would be to establish administrative boards and commissions. I have the feeling the Senate may consider that, and I hope they do. This amendment, however, will say to the local community: "You have 30 days, if you have a legally constituted organization, to settle it."

Mr. Chairman, I move the adoption of this amendment.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment and express the hope that it will be voted down. Also I ask that we conclude the debate and that a vote be taken.

Mr. EDMONDSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. EDMONDSON. Mr. Chairman, are the two amendments being considered en bloc?

The CHAIRMAN. That was agreed to.

Mr. PICKLE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PICKLE. Mr. Chairman, I should like these amendments to be considered separately. May I ask unanimous consent that they be considered separately?

The CHAIRMAN. Without objection, the Chair will put the question on the first amendment offered by the gentleman from Texas. And without objection, the Clerk will report that amendment.

There was no objection.

AMENDMENT OFFERED BY MR. PICKLE

The Clerk read as follows:

> Amendment offered by Mr. PICKLE: Amend title II, section 205(a), page 47, line 14, by striking out those words starting with the word "without" through line 16, and substituting the following after the word "same": "If the aggrieved party shall have first exhausted all administrative and other remedies that may be provided by law, and provided further that the Attorney General shall not institute any proceedings in less than thirty days where there exists a Human Rights Commission, or similar commission, legally established by an incorporated city, county, or State, or a political subdivision, which Human Rights Commission shall first have the opportunity to decide the complaint."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. JONES of Missouri) there were—ayes 64, noes 150.

So the amendment was rejected.

Mr. PICKLE. Mr. Chairman, may I proceed to discuss my second amendment?

Mr. COLMER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLMER. Mr. Chairman, as I understand it, the gentleman from Texas had two amendments.

The CHAIRMAN. And he asked that they be considered en bloc.

Mr. COLMER. Mr. Chairman, of course, the Chair knows what was asked better than I do. I had understood the gentleman had offered two amendments. One of them was voted on. My parliamentary inquiry is if he is not entitled to 5 minutes to discuss his second amendment.

Mr. ALBERT. Mr. Chairman, I ask unanimous consent that the second amendment offered by the gentleman from Texas be reported and that he have 5 minutes to speak in support of it.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

AMENDMENT OFFERED BY MR. PICKLE

The Clerk read as follows:

> Amendment offered by Mr. PICKLE: On page 43, line 10, after the word "fountain", insert the following: "provided such establishments have more than five employees".

Mr. PICKLE. Mr. Chairman, the amendment speaks for itself. This is just another "Mrs. Murphy's boardinghouse amendment." You have made an exception in the first section on this matter of Mrs. Murphy's boardinghouse. I am simply asking now to make it in the field of restaurants, cafeterias, fountains and eating establishments.

I am not going to debate the legal aspects, whether it is strictly right or wrong. I am saying this protects the little man. It gives him a little time, and it will help tremendously throughout the South and Southwest.

Mr. Chairman, I ask support for my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. PICKLE].

The amendment was rejected.

AMENDMENT OFFERED BY MR. GRANT

Mr. GRANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. GRANT: On page 45, line 14, strike out the period, insert a colon and add the following:
>
> "*Provided, however,* That this section shall not apply to homes, churches, cemeteries, private clubs of any kind, fraternities and organizations of any kind, where membership is selective."

Mr. GRANT. Mr. Chairman, yesterday two of my colleagues on the Committee on Agriculture, one being the gentleman from Missouri [Mr. JONES] and the other the gentleman from Florida [Mr. MATTHEWS] both addressed themselves to this and both of them said they were not lawyers. I do not know whether they were apologizing for not being lawyers or whether they were bragging on account of not being lawyers.

Formerly I was a lawyer and a farmer. My lawyer friends used to say I was a good farmer and my farmer friends said I must be a good lawyer.

But I am somewhat confused about this bill. I must say to you all the law I have ever learned has been done away with by the Supreme Court. In fact, some years ago down in my neck of the woods, as we say in Alabama, the prosecutor was prosecuting a defendant and finally the defendant asked the prosecutor a question. The prosecutor said "Are you a lawyer?" He said, "No, but if I had known how little it took to be one, I would have been one."

Mr. Chairman, the chairman of the Committee on the Judiciary and the ranking minority member have been criticized for bringing this bill out here with only 1 minute to the side. That is, where it was discussed for 2 minutes. I think that is fair. The Democratic majority had 1 minute, and the Republicans had 1 minute.

Besides that, I have talked to both of them about this amendment. Both of them have been most generous and most sympathetic with the problem, and the chairman told me he would necessarily have to object to this amendment. So I am not going to press the amendment, but when we reach the section dealing with the duties of the Commission I am going to offer an amendment on page 74, line 3, which the chairman of the committee and the ranking minority member, the gentleman from Ohio, say they have no serious objection to. In fact, the chairman of the committee, as I said, has been most fair about this matter of membership in fraternal organizations.

He told me that when this amendment was presented he would present for the Record a letter written by him to the members and the chairman of the Civil Rights Commission and the reply to that. So with that understanding, Mr. Chairman, I ask unanimous consent to withdraw my amendment at this time.

The CHAIRMAN. Without objection, the amendment offered by the gentleman from Alabama will be withdrawn.

There was no objection.

The CHAIRMAN. If there are no further amendments to title II, the Clerk will read.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think we have had a good example today of when the old steamroller gets to rolling it is just like it was in the Judiciary Committee when they brought the bill out, and we had 1 minute for the majority and we had 1 minute for the minority. That was the debate. The chairman said, "I got the votes. I am going to move the previous question. We are going to vote it out. There will not be any amendment offered. There will be no further discussion."

Now here in the afternoon of today we see that amendments are offered. One was offered by the gentleman from Texas [Mr. Pickle]. The committee chairman and others who oppose the amendment showed their contempt; they did not even rise in opposition to the amendment. They told him, "We have got the votes. Why do we need to talk against these amendments?" They said, "We are not going to shut off the debate," but they are not even interested.

I think the gentleman from Texas [Mr. Pickle] had two very good amendments there. I would like to have seen somebody, either the chairman of the committee or the ranking minority member, have shown the gentleman from Texas the courtesy of getting up and telling him why it was not right, why the amendment should not have been offered. I do not know why the amendment was defeated except we have some kind of coalition or agreement here that we have the votes and we are going to vote against everything in this bill. We do not have to have anybody tell us why it is wrong to do it, we have the votes to do it, so we are going to vote it out.

The chairman keeps getting up here wanting to cut off debate. He wants to get away from title II. I do not think title II has been adequately debated here. There are other amendments people might like to offer.

Mr. Chairman, I ask unanimous consent that all debate on title II close at 7:30 tomorrow night.

Mr. CELLER. I object.

Mr. JONES of Missouri. I am surprised that anybody would object to that.

I will make another unanimous-consent request, that we close it at 5 o'clock tomorrow afternoon.

Mr. CELLER. I object.

Mr. JONES of Missouri. I think it is foolish that we stand around here all evening just to try to get through this bill and get it railroaded. I am trying to find out from some of these people who made the agreement here. I want to know when we are going to vote on the bill. Are we going to vote on it Saturday night at 7? Are we going to vote on it on Monday? Are we going to vote on it on Tuesday? You have the votes here. We could vote on it tonight. I do not know why the chairman does not make that motion. Let him make the motion and get the vote right now, if you want to do it.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Florida.

Mr. HALEY. Will the gentleman make another unanimous-consent request, that the Committee rise at this time?

Mr. JONES of Missouri. Yes, I will make that unanimous-consent request, that the Committee rise.

Mr. CELLER. I object.

Mr. JONES of Missouri. I move that the Committee do now rise.

PARLIAMENTARY INQUIRY

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. HALLECK. Mr. Chairman, as I understood it, the Chairman had announced that if there were no further amendments to title II, the Clerk would read.

Mr. JONES of Missouri. There was nothing like that said at all. The gentleman from New York [Mr. Celler] wanted to shut off debate and he wants to move on and get rid of it.

The CHAIRMAN. The Chair will advise the gentleman from Indiana that there are no amendments at the desk to title II of the bill although, of course, Members may have such amendments.

Mr. HALLECK. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. HALLECK. Mr. Chairman, in view of the fact that there are no further amendments at the desk and none presently being offered, is it not in order under the rules of the House that title III be read?

Mr. ABERNETHY. Mr. Chairman, does the gentleman from Missouri [Mr. Jones] not have the floor at this time?

Mr. JONES of Missouri. I think I still have the floor and I am going to make a parliamentary inquiry.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. JONES of Missouri. Mr. Chairman, as long as anybody wants to talk on title II, they have the opportunity to be recognized; is that not correct?

The CHAIRMAN. That is correct.

Mr. JONES of Missouri. Then, Mr. Chairman, we are not through with title II because there are a few more speakers here who would like to speak on title II.

The CHAIRMAN. The gentleman from Missouri has been recognized on his pro forma amendment.

PARLIAMENTARY INQUIRY

Mr. HALLECK. Mr. Chairman, may I address another parliamentary inquiry?

The CHAIRMAN. Does the gentleman from Missouri yield to the gentleman from Indiana?

Mr. JONES of Missouri. If it does not come out of my time, I will yield for the parliamentary inquiry.

The CHAIRMAN. The time has to be taken out of the time of the gentleman from Missouri.

Mr. JONES of Missouri. Then, Mr. Chairman, I refuse to yield.

The CHAIRMAN. The gentleman from Missouri is recognized.

Mr. JONES of Missouri. Mr. Chairman, I am going to make a statement now before I quit here. I have said time and time again that any time the Federal Government has any money in anything whether it is housing, schools, transportation, or what-have-you, I think they have a right to do it. But where a man has his own money invested in a business, I do not think the Government has any reason to say whom he may hire or fire or serve.

Mr. DORN. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from South Carolina rise?

Mr. DORN. Mr. Chairman, is there not a motion before the Committee that the Committee rise? The gentleman from Missouri did not withdraw his motion.

The CHAIRMAN. The Chair was of the opinion that the gentleman from Missouri having continued his debate had withdrawn the motion that he had made.

MOTION THAT THE COMMITTEE DO NOW RISE

Mr. DORN. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from South Carolina.

The question was taken; and on a division (demanded by Mr. Williams), there were—ayes 48, noes 160.

So the motion was rejected.

AMENDMENT OFFERED BY MR. ABERNETHY

Mr. ABERNETHY. Mr. Chairman, I offer an amendment.

The clerk read as follows:

> Amendment offered by Mr. Abernethy: Strike out the word "religion" wherever it appears in title II.

Mr. ABERNETHY. Mr. Chairman, the hour is late and tempers are a bit short. That is the inevitable and unfortunate result when the leadership on both sides collaborate in an effort to wear down the opposition by way of extra long hours. We have been in session much too long today. Members are tired, and some are even hungry. But the pressure stays on until the opposition is beaten down. Such does not make for the best.

Considering the mental attitude of the Members of the House—what it is now, or even if we were all in the best of humor—I believe one of the greatest mistakes we could make would be to attempt to legislate in the field of religion.

There are several predominant faiths in this country. I have friends among all of them. I am associated with and am firmly dedicated to the teachings and principles of one—the Protestant faith. We have Catholic, Jew, and other faiths and they all live together in near perfect harmony.

The subject of religion is so sensitive that it is exceedingly difficult to discuss, particularly in a debate, and more particularly when the debate takes place in the Congress.

Throughout this bill there are references to discrimination because of religion. And the bill proposes to throw some people in jail—I know not who—because it is charged they discriminate against people of other faiths. Sponsors of the bill speak up frankly in behalf of the Negro, who they say the bill is designed to help. But it is a carefully guarded secret whom they are endeavoring to assist in the field of religion.

When debate opened on last Friday, I asked the distinguished chairman of the Judiciary Committee, the gentleman from New York [Mr. CELLER], who had addressed the House on the subject of discrimination, including religious discrimination, if his committee had received any testimony of any kind from any witness or from any source that any people of a particular faith were being discriminated against; and, if so, then of what faith, and who was doing the discriminating. He stated that the word "religion" was mentioned, but that there was no reference to people of any particular faith having been discriminated against. In other words not a sentence of testimony is in the record to the effect that Protestant, Catholic, Jew or whatnot has been discriminated against. Now if there has been such discrimination, I cannot understand why it is being kept such a secret by sponsors of this bill, or why those claiming to be the victims of discrimination do not speak up.

For many many years now, we have considered legislation in the field of so-called civil rights designed, among other things, to make it unlawful to discriminate against people because of their religious faith. In the bill before us numerous references are made to discrimination because of "race, color, religion, or national origin." If there is discrimination against citizens because of their faith, then let us lay it out on the table for all to see. Who are the victims? Who are the guilty?

Let us think back to 1949. Some of you were here then.

An FEPC bill had been reported to the House. It was designed to make an attack on discrimination because of race, color, religion, or national origin. I hold in my hand a copy of the committee report which accompanied the bill. Let us read from it:

> Discrimination in employment based on race, color, religion, or national origin is practiced by the Government and by business.

It also says:

> Today the fear of discriminatory discharges from employment weighs heavily upon all who have known the frustration and bitterness of job discrimination—

I respectfully urge Members to listen further. I continue to read from the report:

> upon all who have known the frustration and bitterness of job discrimination; notably upon the approximately 26 million Catholics, 15 million Negroes, 5 million Jews—

This is a report from a committee of the Congress—

> 3 million American Mexicans, 11 million foreign born, and 23 million children of foreign born.

What is the aggregate of those groups? The aggregate is 83 million.

What was the population at that time? According to the latest census at that time the population was 131,669,275.

So, according to the report, the discriminators were among the remaining 48,669,275 people. The report contends that two-thirds of the people of the Nation were the objects of discrimination and the discriminators were among the remaining one-third. So the bill which accompanied the report designed to stop the minority of 48 million from discriminating against the majority of 83 million.

Who were these discriminators? They could only have been of one race, the white race. And almost all of them could only have been of one faith, the Protestant faith.

So, since I was among this group, I presume the bill was directed at me, and others of like race and faith. Now, wasn't that absurd? That entire mess was nothing more than a bunch of politics, just as is this bill before us.

But when the roll was called on the bill there was strong opposition—177 nay votes. You may be surprised to know who many were that failed to be impressed and voted "nay" when the roll was called.

You might go back and check. I will not refer to them by name; but thank God for their fairness and courage. Many members associated with the various faiths mentioned in the report as being the objects of discrimination by people like me, when their names were called responded with a resounding "No." And they did the right thing.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. ABERNETHY. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Listen further, my friends: I have been around here a pretty good while. This is my 22d year in the House. We are treading in a field of some very sensitive and explosive areas. Over the years I have watched it grow, and grow, and grow. Each year we march a bit closer to the brink of legislating in the field of religion. Those who push it, whoever they are, are creating a situation that could explode with damaging effect to themselves and to our country. We are making trouble for the people in this country when we attempt to pass laws allegedly charging others with religious discrimination, more particularly when the record clearly shows that this committee did not take one single sentence of testimony that anyone of any faith, because of his faith, was discriminated against.

Now, I am not being critical. So help me, I am not. I am only trying to say that which each and every one of you know ought to be said, and which up to now has been so sensitive that no one dared discuss it. I am not sensitive over the fact that people of my color and faith have been singled out in a report of the Congress as being guilty of religious discrimination. Now, the subject is before us again. But this time no one sponsoring the bill has identified the faith of those being discriminated against, nor those who are guilty of such. Then why attempt to pass laws in that field? What do you have to cover up? If you mean what you say, open up the identity of the oppressed and the guilty. I have friends in this House of all faiths, good friends. The best friend I have in this town is of a faith different from mine. There is room for all of us in these United States. This field is much too sensitive for us to be legislating in—passing laws to hail people of one faith into court and put them in jail. Let us be careful. We had better stop, look, and listen before this sort of thing explodes to the damage and detriment of us all.

I did not offer this amendment with the design of belittling or criticizing anyone. I offered it sincerely from my heart in an effort to smooth some troubled waters. We ought to take all language about religion out of this bill. I hope you will do so. I hope the chairman will accept the amendment.

I yield back the balance of my time.

Mr. CORMAN. Mr. Chairman, I urge that this amendment be defeated. Religious freedom is a most important freedom, and it cannot exist if we permit discrimination against one because of his religion, and all this amendment does is permit it to exist.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. Will you please tell us where one sentence of testimony was taken from any witness to the effect that any people of any particular faith were discriminated against?

Mr. CORMAN. I do not recall that there was before our committee. However, the Civil Rights Commission, if I may finish my answer, pointed out several instances of that. That Commission was empowered in 1957 to investigate such matters and report to the Congress.

Mr. ABERNETHY. Does the gentleman say there are any people of any faith who are discriminating against any other faith and, if so, who are they?

Mr. CORMAN. I believe there are many instances in the Civil Rights Commission reports. They show that people are not permitted in certain hotel facilities because of their religion. Whether the people who are denying them this access have any religion I could not say. I would assume they do not.

I yield back the balance of my time.

Mr. ABERNETHY. Did they complain before your committee?

Mr. CELLER. Mr. Chairman, I am constrained likewise to oppose the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. ABERNETHY].

The question was taken; and on a division (demanded by Mr. ABERNETHY) there were—ayes 64, noes 156.

So the amendment was rejected.

Mr. GRIFFIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am very sorry to take the time of the House at this hour but before we move on from title II I believe some legislative history should be made. I take this time to direct the attention of the chairman of the Committee on the Judiciary and the members of the committee to the language on page 42, beginning in line 17, which says:

> All persons shall be entitled to the full and equal enjoyment of * * * public accommodation * * * without discrimination or segregation on the ground of race, color, religion, or national origin.

As a lawyer, it would seem that the logical and the normal way to express, what I think the committee wants to express, would be to use the words, "no person shall be denied the full and equal enjoyment—of public accommodations—on account of his race, color, creed," and so forth. Of course, that is the style of rights set forth in the Bill of Rights; in the 14th amendment, for example, which provides that "no State shall deny any person," and so forth.

Having noted that the bill expresses a right in a different style, I should like to ask whether the committee intended to create any broader right than the one I have suggested by the language "no person shall be denied"?

Let me indicate why I raise the question. If nothing more were intended, the committee might have omitted the words "full and equal" and have said "all persons shall be entitled to the enjoyment of public accommodations without discrimination on the ground of race, color," and so forth. As the language now reads, however, there is at least room for argument—and I would like to clear up any doubt and eliminate as much doubt and room for argument as possible. The language of the bill may be plaguing the courts for a long time once it is adopted, and I think that legislative history on this point could be important. There is at least room for an argument that broad rights are conferred by the language of section 201 upon all persons that go beyond the objective of insuring that service will not be denied on the ground of race, color, religion, or national origin. Let me pose a hypothetical situation. It may seem trivial and ridiculous, but it will serve to raise the question.

Suppose a restaurant owner has a rule that only men with dinner jackets will be served. Two men come to the door, one with a dinner jacket and one without. The restaurant owner admits them both. Five minutes later another gentleman comes to the door without his dinner jacket. The restaurant owner says, "You cannot come in; we have a rule that you must have a dinner jacket on." The prospective customer points to the language of section 201 and says, "All persons are entitled to the full and equal enjoyment of public accommodations and without discrimination."

Suppose that owner is not discriminating on the basis of race or color because, let us say that all three of the prospective customers were white, or that all three were Negro. Suppose the third man complains: "You did not accord me the full and equal enjoyment of public accommodations."

Now, if that is a ridiculous argument I just would like to have the chairman of the Committee on the Judiciary confirm it. And I wonder if he might provide a reason, if there is one, why it would not be preferable to state this particular and limited right in terms of "no person shall be denied."

Mr. CELLER. In the first lines of section 201 we express in an affirmative manner that all persons shall have the right to full and equal enjoyment of goods, services, and so forth in those places of public accommodation as defined in title II. Then further on we say no one shall discriminate against those persons on the ground of race, color, or national origin. So that when one person comes in with a tuxedo, and another comes in to the restaurant without a tuxedo, and the one with the tuxedo is served and the one without the tuxedo is not served, that need not be discrimination based upon race, creed, or national origin. That may be based on something sartorial.

Mr. GRIFFIN. Then the language does not apply to or control other types of discrimination that have nothing to do with race, color, religion, or national origin?

Mr. CELLER. In order to fully comprehend what is sought by section 201 you have to read all of title II.

Mr. GRIFFIN. I appreciate that. Would the gentleman have any objection to an amendment to section 201 which would say that "no person shall be denied the full and equal enjoyment," and so forth?

Mr. CELLER. I would be constrained to object to that.

Mr. GRIFFIN. Could the gentlemen tell me why?

Mr. CELLER. Because you have to read this entire title to get the real sense and meaning of it. You cannot pick out of context portions of this title and come to a conclusion. That is not a fair way of looking at it. Furthermore, there is no need to do what the gentleman is stating.

Mr. GRIFFIN. I wish the gentleman's reply were more satisfactory.

Mr. SELDEN. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Alabama.

Mr. SELDEN. If a third man came in who was not white, and he were denied entrance to that restaurant because he did not have a dinner jacket on, then what would be the situation?

Mr. GRIFFIN. I think that question should be directed to the chairman of the committee, and I yield to him for that purpose.

Mr. SELDEN. Suppose the third man was not white, and did not have a dinner jacket.

Mr. CELLER. If that is tantamount to a discrimination on the ground that the man was nonwhite, not because he did not wear a tuxedo, but for the reason he was nonwhite, and he was discriminated against, then the proprietor of that restaurant could be subject to the provisions of this act.

Mr. SELDEN. If it were shown that he did not have a dinner jacket on, he would not?

Mr. CELLER. That is correct.

Mr. GRIFFIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GRIFFIN. Would it be in order for me now to offer an amendment?

The CHAIRMAN. If the gentleman were recognized and the amendment is germane.

AMENDMENT OFFERED BY MR. GRIFFIN

Mr. GRIFFIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. GRIFFIN: On page 42, line 17, strike the words "all persons shall be entitled to", and insert in lieu thereof "no person shall be denied", and on page 42, line 20, strike the word "without" and the words that follow through and including the word "ground" in line 21, and insert in lieu thereof, "on account."

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield for a question?

Mr. GRIFFIN. I yield to the gentleman from Michigan.

Mr. JOHANSEN. I should like to ask my colleague from Michigan if what he wants to do by his amendment is to state that all persons are entitled to a freedom or a protection from the denial of these privileges based on race, color, and so on.

Mr. GRIFFIN. I will say very frankly that it concerns me to adopt language which could be construed as conferring some vague all-inclusive, broad rights and privileges on all persons, when that is not our purpose at all. What we are trying to do in this title is confer a limited right but very specific right that no person shall be denied service in a place of public accommodation on account of his race, color, religion, or national origin.

Mr. JOHANSEN. Does the gentleman feel that the Congress of the United States is scarcely competent to guarantee these goods, services, and so forth, period?

Mr. GRIFFIN. Frankly, I would not have submitted my amendment if the chairman of the committee had provided clear response to the effect that that was all that he and his committee really intended. However, in view of his response I felt I had no choice but to offer this amendment. I think it clearly and precisely pinpoints the exact right we wish to confer. If the chairman can give me an explanation as to why my amendment is not satisfactory language, I would even agree to withdraw it.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from New Jersey.

Mr. RODINO. Is not the gentleman interested in a positive affirmation of what those rights would be?

Mr. GRIFFIN. I am more interested in knowing precisely what we are doing here in this legislation.

Mr. RODINO. First we provide what these rights are and say there shall be no discrimination on account of race, color, religion, or national origin.

Mr. GRIFFIN. What concerns me is that, without intending to do so, we may be adopting some vague and fuzzy language which the courts will be struggling with for a long time. Why should we not state exactly what we mean?

Mr. RODINO. I should like to say to the gentleman that the subcommittee wrestled with this problem. It was the opinion of the subcommittee that the positive affirmation contained in section 201 was better. What the gentleman is now attempting to say is merely that there shall be no denial. He actually does not state what he intends to do here. The present section 201 is a positive affirmation of these rights.

Mr. GRIFFIN. Will the gentleman agree with me that the Constitution states rights that are enforcible and meaningful in the style that I have suggested?

Mr. RODINO. They are implemented as are other rights.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Florida.

Mr. HALEY. The gentleman says he is interested in trying to find out what we are doing here. I think there are a good many people who would like to know what we are doing. Will the gentleman hazard a guess as to how many people in this Chamber know what we are doing?

Mr. GRIFFIN. No, I would not.

Mr. HALEY. Neither would I.

Mr. GRIFFIN. I would assume and hope that all of my colleagues know what they are doing.

Mr. KORNEGAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time merely to direct a question to the chairman of the committee. During the debate I heard the statement made by the proponents of the bill that if one is refused service because of discrimination he comes to court to prove it was discrimination. I should like to ask whether there is any provision in this title of the bill which would shift the burden of proof from the plaintiff to the defendant.

Mr. CELLER. There is no such shift in the burden of proof in title II. There is, of course, in title I.

Mr. KORNEGAY. But insofar as title II is concerned, there would be no shift in the burden of proof and the burden would remain on the plaintiff to prove discrimination?

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I just want to say to the gentleman from Michigan, if he peruses the articles of the Constitution, he will find that most of the rights conferred by the articles are in the affirmative and not in the negative.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. GRIFFIN].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE III—DESEGREGATION OF PUBLIC FACILITIES

SEC. 301. (a) Whenever the Attorney General receives a complaint signed by an individual to the effect that he is being deprived of or threatened with the loss of his right to the equal protection of the laws, on account of his race, color, religion, or national origin, by being denied access to or full and complete utilization of any public facility which is owned, operated, or managed by or on behalf of any State or subdivision thereof, other than a public school or public college as defined in section 401 of title IV hereof, and the Attorney General certifies that the signer or signers of such complaint are unable, in his judgment, to initiate and maintain appropriate legal proceedings for relief and that the institution of an action will materially further the public policy of the United States favoring the orderly progress of desegregation in public facilities, the Attorney General is authorized to institute for or in the name of the United States a civil action in any appropriate district court of the United States against such parties and for such relief as may be appropriate, and such court shall have and shall exercise jurisdiction of proceedings instituted pursuant to this section. The Attorney General may implead as defendants such additional parties as are or become necessary to the grant of effective relief hereunder.

(b) The Attorney General may deem a person or persons unable to initiate and maintain appropriate legal proceedings within the meaning of subsection (a) of this section when such person or persons are unable, either directly or through other interested persons or organizations, to bear the expense of the litigation or to obtain effective legal representation; or whenever he is satisfied that the institution of such litigation would jeopardize the employment or economic standing of, or might result in injury or economic damage to, such person or persons, their families, or their property.

SEC. 302. Whenever an action has been commenced in any court of the United States seeking relief from the denial of equal protection of the laws on account of race, color, religion, or national origin, the Attorney General for or in the name of the United States may intervene in such action. In such an action the United States shall be entitled to the same relief as if it had instituted the action.

SEC. 303. In any action or proceeding under this title the United States shall be liable for costs the same as a private person.

SEC. 304. Nothing in this title shall affect adversely the right of any person to sue for or obtain relief in any court against discrimination in any facility covered by this title.

Mr. CELLER (during the reading of the bill). Mr. Chairman, I ask unanimous consent that title III be considered as read and be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. HALEY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. CELLER. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the Chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes, had come to no resolution thereon.

SMALL BUSINESS INVESTMENT ACT AMENDMENTS

Mr. PATMAN submitted a conference report and statement on the bill (S. 298) to amend the Small Business Investment Act of 1958.

RESOLUTION TO AUTHORIZE TAKING PICTURES OF THE HOUSE OF REPRESENTATIVES IN SESSION BY THE U.S. CAPITOL HISTORICAL SOCIETY

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution, House Resolution 552, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Whereas the United States Capitol Historical Society, an educational organization incorporated under the laws of the District of Columbia and counting among its membership some two hundred and fifty founding Members of the Congress of the United States, has as its stated purpose the fostering of an informal understanding of the inspiration and promise of American history with the Capitol edifice itself as the focal point of its program; and

Whereas said society is currently engaged in the compilation and publication of an illustrated historical introduction and guide to the United States Capitol to be made available to the public; and

Whereas said publication will be a complement to and comparable in format to the extraordinary historic guide to the White House decently developed and published by the White House Historical Association; and

Whereas said society in the public interest has pledged to make available for public use negatives of all photographs which it has collected or newly processed for its historic guide; and

Whereas to complete and lend to a book "We the People" which will serve to reflect on the magnificent history of the events which took place in the Capitol Building, said society requests official permission to make for inclusion therein a color photograph of the United States House of Representatives in actual session, which will be used in the book to be published, and for other purposes: Therefore be it

Resolved, That the Rules of the House of Representatives be lifted at a time designated by the leadership so that the United States Historical Society be given permission to take some pictures of the House in actual session for inclusion in their publication and for the use of the news services and any and all people who have a legitimate claim to the picture.

The SPEAKER. Without objection, the resolution will be agreed to.

Mr. WILLIAMS. Mr. Speaker, I object.

The SPEAKER. The Chair recognizes the gentleman from Missouri [Mr. BOLLING].

Mr. WILLIAMS. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. BOLLING. Mr. Speaker, I withdraw the resolution.

Mr. WILLIAMS. Mr. Speaker, I withdraw the point of order of no quorum.

TERRY McDERMOTT, GOLD MEDALIST

Mr. CEDERBERG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CEDERBERG. Mr. Speaker, yesterday was a great day for the U.S. Olympic team at Innsbruck, Austria, but it was also a great day in Essexville, Mich., in the 10th Congressional District, which I represent.

Terry McDermott, a native of Essexville, not only brought the Americans their first gold medal, but he skated to a new world's speed record for the 500-meter class. At the same time he defeated the titleholder and favorite who won the gold medal in the 1956 and 1960 Olympics with a previous world record. The new world record set by McDermott for 500 meters is 40.1 seconds.

Terry McDermott's victory is not only a great tribute to a well-trained athlete but it is a tribute to local citizens who invest their time and money in developing programs in the interest of the health and welfare of youth. In Bay County, Mich., in which McDermott's home town of Essexville is located, local citizens have for years carried on fine recreational programs. This has been done under the direction of the Bay County Recreation Commission, and this great Olympic athlete who has brought honors to his country was a participant in the programs.

It should also be pointed out that programs of this type in America are carried on on a voluntary basis by local citizens, whereas in many other countries they are government subsidized.

Terry has been participating in these locally sponsored athletic programs for many years and particularly in winter sports. At the age of 8 years he won his first skating honors in the "cradle boy" class in events sponsored by the local recreation group. He has been a consistent winner since that time. This is his second appearance in the Olympic games. Four years ago at the Squaw Valley Olympics he finished in seventh place in the 1500 meter race.

He comes from a family of ice skating enthusiasts. His father, Joseph R. McDermott, a field representative of the East Michigan Tourist Association, was a timer at the 1960 Olympic games at Squaw Valley. His brother-in-law, Dick Somolski, is coach for the Bay City Speed Skating team, which competes in State and national skating events. This program, too, is a part of the program of the Bay County Recreation Commission.

I have known the McDermotts for many years. They are a typical fine American family, and Terry is a splendid young man. I am sure my colleagues join me in congratulating him on his outstanding achievement at Innsbruck. All America may rightly be proud of Terry McDermott.

SOLAR FLARES AND MANNED LUNAR FLIGHT

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, there has been some suggestion in and out of the Congress that a manned lunar flight should be delayed until such time as solar radiation has been lessened.

Yesterday, in hearings of the House Committee on Science and Astronautics, I asked the Administrator of the National Aeronautics and Space Administration, the Honorable James E. Webb, and the Deputy Administrator of NASA, Dr. Hugh L. Dryden:

> Some people have contended that the danger from solar radiation would be less if you postponed your manned lunar flight. I wonder if you could comment on that.

The following colloquy then occurred:

> Mr. WEBB. I think the reports will show from a standpoint of general management of a program like this on behalf of a nation like the United States that the plans we have for the Apollo, the shielding and the other requirements that we have put into the system will protect the astronauts from the worst solar flare that we have on record, and within the time period that we expect to conduct these flights.
>
> Mr. HECHLER. This has no relationship, then, to the timing. By delaying, then, you wouldn't have better success and enhance the safety of the astronauts.
>
> Dr. DRYDEN. The solar flares so far as we know are not likely to be any stronger at that time. There are just more of them, and the fact is that as we proceeded from trying to measure what is in space with simple Geiger tubes to more complex equipment and obtained more information, it is concluded now that the worst solar flare that we have experienced with the shielding that is in the vehicle largely from the equipment disposed about the man is such that there will be no dose intolerable to man. Early information was otherwise, and this has caused the confusion.
>
> Mr. WEBB. And part of the confusion is caused by the fact that information that was current a year ago was used as late as December by people who should have looked for current data before publishing material, and NASA is partly responsible for that. Articles were submitted, and we should have caught the error that was made in the submission of the article, so it was a combination of things that meant articles based on earlier information later proved inaccurate which did get into circulation.

Mr. Speaker, I would also like to call attention to an excellent article by Howard Simons which appeared in this morning's Washington Post on the same subject. Mr. Simons reviews the conclusions of two notable solar experts, Herbert Friedman of the Naval Research Laboratory, and Martin A. Pomerantz of the Franklin Institute's Bartol Research Foundation. Independent investigation by the staff of the House Committee on Science and Astronautics has reached similar conclusions. I therefore trust that support of a manned lunar flight in this decade will not be prejudiced by a mistaken desire to protect the safety of the astronauts through delay, because of the condition of solar flares. Under unanimous consent, I ask that Howard Simon's article be included in the RECORD:

The matter referred to follows:

SOLAR FLARES DISCOUNTED IN TIMING OF MOON TRIPS

(By Howard Simons)

It makes no difference whether American astronauts travel to the moon when the sun is "quiet" or bubbling over with activity—the danger of encountering a lethal solar flare is about the same for both periods.

This conclusion, which runs counter to recent fears expressed by some American Congressmen and Soviet scientists, was voiced yesterday by solar experts Herbert Friedman, of the Naval Research Laboratory, and Martin A. Pomerantz, of the Franklin Institute's Bartol Research Foundation.

Friedman and Pomerantz discussed the solar flare hazard yesterday at a news conference called to report that a new Navy scientific satellite has found the "quiet" sun to be quiet, indeed.

On February 1 and 2, for example, at the same time that the orbiting 24-inch satellite was finding it difficult to detect solar activity, a ground-based observatory making visual observations reported that not a single sunspot was visible on the face of the sun.

The purpose of the Navy's X-ray sensing satellite is to provide measurements of the sun's behavior during so-called sunspot minimum. Every 11 years the sun goes through a cycle ranging from intense activity, when as many as 200 sunspots dot its face daily, to eloquent silence, when there are no sunspots.

Sunspots have been statistically linked to solar flares and other catastrophic events on the sun. These events can disrupt earthbound radio communications and a superflare can spew deadly amounts of radiation into space. About 10 such superflares have occurred over the last 25 years.

In recent months, it has been suggested here and in the Soviet Union that 1975 rather than 1970 might be a more prudent date for sending men to the moon's surface. The supposition has been that 1970—the target date for getting Americans to the moon—would be during sunspot maximum, when, it was thought, hazardous superflares are most likely to erupt.

Not so, Friedman and Pomerantz said yesterday. "All available evidence," Friedman explained, "indicates that solar minimum is as bad as solar maximum for superflare eruption."

Perhaps with more information, he said, a pattern will appear, but to date there is no pattern. Superflares occur randomly and to date there is no way of accurately predicting when.

Doubt was also cast on another supposition about the sun yesterday. Using statistics of past solar cycles, some scientists had calculated that the sun would quiet down near the end of 1964. But the Navy satellite has found that the sun is already quieting down.

Moreover, Friedman and his colleagues reported that the flux of X-rays from the sun being measured by the satellite is as low as the X-ray fluxes observed during the last sunspot minimum in 1953–54.

These results were the first to be reported from an experiment conducted as part of the International Years of the Quiet Sun, a 2-year, 64-nation effort to unravel the mysteries of what happens between a quiet sun and the earth's upper atmosphere. This massive international assault on nature began on January 1.

Solar X-rays, while not deadly, disrupt radio communications on the earth by changing the characteristics of the upper atmosphere used to mirror radio signals. Solar X-rays might also prove to be a "solar alarm" for telling earthbound observers when a superflare is erupting on the sun, in time for astronauts, for example, to take protective measures.

Yesterday, Friedman expressed the hope that within a few years it would be possible not only to predict solar flares but also to put a satellite into orbit that would directly tell ships at sea when to expect a radio blackout.

The Navy satellite was put into a near-circular orbit some 450 miles above the earth on January 11, riding piggyback on a secret military vehicle. It is now orbiting the earth every 103 minutes telling scientists in 13 nations, including the Soviet Union, what it is learning about the behavior of the quiet sun.

CVA-67—NUCLEAR OR CONVENTIONAL?

Mr. HORTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HORTON. Mr. Speaker, today in the company of a number of our distinguished and responsible colleagues, I am joining in the introduction of a bill to provide that the aircraft carrier authorized for fiscal year 1963 shall be nuclear-powered.

Achievement of this measure's legislative intent, once enacted, would be a simple matter. My bill and the bills of the other gentlemen introducing this proposal seek to amend Public Law 87–436 which was approved April 27, 1962. This statute authorizes appropriations during fiscal year 1963 for aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes.

The amendment we submit would add at the end of this statutory authorization the following new section:

> Sec. 3. The attack aircraft carrier to be constructed under the authorization contained in the first section of this act shall be nuclear powered; and there are authorized to be appropriated for the construction of such carrier, in addition to any amounts authorized to be appropriated for such purpose under the first section of this act, such sums as may be necessary.

Those of us pledged to the passage of this measure, by its introduction, share the firm conviction that to construct this new aircraft carrier, known as CVA–67, with anything other than a nuclear powerplant is plainly prejudicial to the best interests of national security. Our action is a congressional affirmation of public testimony by the Navy Department and the Atomic Energy Commission that it would be illogical and wasteful not to fit naval surface vessels to be built in the future with nuclear propulsion.

Mr. Speaker, a frank discussion of this question cannot avoid the distressing obstinacy of the Secretary of Defense with regard to nuclear versus conventional power for CVA–67. Against the unanimous recommendations of the Navy Department and the Atomic Energy Commission favoring nuclear power, the Secretary on October 25, 1963, announced his decision to install conventional propulsion in this new aircraft carrier.

This was a peculiar decision by the Secretary, for less than 3 weeks later in testimony before the Joint Committee on Atomic Energy, the Secretary stated:

> I believe there is superiority of a nuclear-powered carrier over conventional. (Hearings, Nov. 13, 1963, p. 163.)

It is no wonder the Secretary acknowledged such superiority. Anything short of that finding would have been completely contrary to the best professional judgments—with the one evident exception of the Secretary, himself—that:

First. Nuclear propulsion provides significant military advantages for surface warships.

Second. Increased costs attributable to nuclear power are minor.

Third. The new aircraft carrier CVA–67 should have nuclear power.

Fourth. All future firstline warships should have nuclear power.

Fifth. Research and development programs for nuclear-powered surface warships should be continued.

Mr. Speaker, Congress has the constitutional responsibility "to provide and maintain a Navy." I contend the future will judge us as having shirked that responsibility if we do not insist that CVA–67 be nuclear-powered.

Our history points out the wisdom of Congress in applying technological advances to the common defense of the Nation. Our predecessors advanced warship propulsion from sail to coal to oil.

Now, by act of Congress, we must meet the future challenge at sea with warships afforded superior mobility, maneuverability, and reliability by our intelligent investment in nuclear propulsion.

NUCLEAR PROPULSION SOUGHT FOR NEW AIRCRAFT CARRIER

Mr. HOSMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Speaker, the gentleman from Washington [Mr. Westland] and the gentleman from Illinois [Mr. Anderson] have joined me today in introducing identical bills requiring that the attack aircraft carrier CVA–67, which has been previously authorized for construction, be nuclear powered, the stubborn and bewildering opposition of the Secretary of Defense to the contrary notwithstanding. These able members of the Joint Committee on Atomic Energy also join with me in these remarks and in an open invitation to the Congress and the public to support this proposal.

Already several Members of this body have indicated to us that they, too, are filing bills today to require CVA–67 be nuclear powered. They are the gentleman from Pennsylvania [Mr. Fulton], the gentlemen from New York [Mr. Riehlman, Mr. Pillion, Mr. King, and Mr. Horton], the gentleman from Michigan [Mr. Chamberlain], and the gentleman from North Dakota [Mr. Andrews].

The aircraft carrier issue must be acted upon swiftly before it is too late, before any more time and money is wasted on plans for construction of this warship with conventional power. It must be acted upon before the Nation becomes unequivocally committed to a policy of preplanned accelerated obsolescence of vital seagoing defense hardware upon which we must rely for decades ahead if we are not to surrender freedom of the seas.

This action requires reversal and correction of the arbitrary rejection by the Secretary of Defense of the views of the Navy, the Atomic Energy Commission, and the Joint Committee on Atomic Energy that this carrier should be nuclear powered.

It would appear that everyone is out of step except Mr. McNamara.

It is difficult to fathom the reasoning behind the insistence on conventional power for this ship, which must sail the world's seas in the service of freedom and the United States of America for many decades ahead. It has been demonstrated beyond question that nuclear propulsion increases the combat effectiveness of surface warships.

It is no secret that Communist Russia fears our fast attack carrier task forces just as much, if not more than it fears our nuclear-tipped ICBM's. Just as the ICBM roadblocks communism's progress toward world domination via the route of all-out nuclear war, so does the aircraft carrier block its progress via the route of limited, local, and conventional wars.

Even the Secretary does not dispute this. But he has made the determination that the carrier must be powered by oil because its construction would be cheaper that way. He is not in the least concerned by the fact that it will be an inferior combat ship by reason of the fact that it will be a cheaper ship. He believes that it is safe to let the security of the United States rely on second-class ships. He believes that a first-class Navy will not be needed by the United States for the rest of this century, which is the potential life of this new vessel.

The Secretary has said he does not believe the added cost for a nuclear carrier is justified but that he would prefer a nuclear carrier over a conventional carrier at equal cost. So it seems that, with him, cost comes first and national defense second. One is reminded of Winston Churchill's remark when in 1912 the British admiralty, disturbed over the increased cost of 35-knot oil-burning destroyers it had begun building in 1908, had reverted for 2 years to 27-knot coal-burning ships. Snorted Churchill:

> Building slow destroyers. One might as well breed slow racehorses.

Just as in 1912 when the issue was between oil and coal in the enginerooms of naval vessels, so today is the issue between nuclear fuel and oil. And, the quality of excellence in naval fighting ships at sea is no less vital than it was a half century ago. Nuclear power gives to surface ships as well as submarines virtually unlimited endurance at sea without refueling. It allows them to steam at full speed indefinitely without worrying about fuel consumption or the exhaustion of fireroom crews from extra watch standing. Vulnerability to submarine and air attack is cut down by elimination of refueling at sea, particularly in operational areas where ships are especially vulnerable to such attacks.

Nuclear-powered ships also can be completely "buttoned up" against radiological, chemical or bacteriological weapons, which is impossible with oil-fired ships since their boilers consume vast quantities of oxygen.

With nuclear fuel the full output of the ship's electrical generators is available to provide power for the enormously increased and ever-growing array of electronic devices essential in modern naval warfare. The inroads of these extra power requirements on the fuel capacity of oil-fired warships are of serious concern today.

Nuclear power affords attack carriers, in particular, two special advantages of great importance in maintaining U.S. sea supremacy.

First, designs for new nuclear carriers, needing no space for their own fuel, permit carrying about 50 percent more jet aircraft fuel than oil-fired carriers. Also about a 50-percent increase in stowage for deliverable aircraft ordnance becomes available. This means a 50-percent rise in sustained combat capabilities of nuclear carriers in comparison to their conventional counterparts.

Second, carriers must constantly increase and decrease speed as well as change course in order to provide sufficient wind velocity over the deck for launching and recovery of aircraft. The carrier with a nuclear engineroom can accelerate and decelerate in a fraction of the time required by the conventionally-powered carrier. In combat situations the ship's vulnerability to enemy attack is sharply curtailed by this ability to change course and speeds quickly and unpredictably.

Sustained freedom of action is the basic principle of naval warfare today. Only nuclear propulsion can provide it.

To this day, as far as I know, almost 3 months after Secretary McNamara was badgered by the Joint Committee on Atomic Energy for names of those who agreed with him that the CVA–67 should not be nuclear powered, he has not come up with a single name. The fact is that our Secretary of Defense occupies a position of haughty isolation against a whole array of men of longer vision and greater expertise who recognize the wisdom of building modern ships now to match the requirements of today's and tomorrow's heavy threats to the national security. Those requirements simply cannot be met by building ships that are obsolete the very day they are launched. The Secretary, while recognizing the superiority of nuclear propulsion over oil-fired power, in effect told the Atomic Energy Committee that the United States does not need the best obtainable Navy, does not need to utilize modern technological developments in ship propulsion, and does not need to build into its ships the greatest flexibility obtainable in order better to alter and convert them to meet yet unknown and unpredictable requirements of the future. Such requirements are certain to develop over the 20- to 30-year life span of any aircraft carrier built today.

Thus, in effect, the Secretary rejects out of hand the judgments of realists who insist that we can afford nothing but the best by way of preparation for any kind of conflict in which we may become engaged in the future.

If the McNamara brand of judgment had prevailed after Pearl Harbor, the warships built to replace those destroyed would have been based on World War I blueprints. America's manhood would have been sent to sea in treacherous, obsolete, floating coffins, and neither the war in the Pacific nor the Atlantic could have been fought to a successful conclusion.

Time is running out, because no one can say how soon we may need something better than the fruits of preplanned obsolescence. Bids are about to be called for on a CVA–67 with conventional power and 1967 has been set as a commissioning date. Yet even in that year we may have pressing unanticipated need for a better than second-best aircraft carrier. It may well be a need for the most modern nuclear attack carrier that could be built. But the need will not be met unless we start now by insisting that CVA–67's power source be nuclear.

The McNamara decision must be reversed and it is within our power to see that it is, by act of Congress.

NUCLEAR PROPULSION SOUGHT FOR NEW AIRCRAFT CARRIER

Mr. HOSMER. Mr. Speaker, I ask unanimous consent that the gentleman from Washington [Mr. WESTLAND] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WESTLAND. Mr. Speaker, it is interesting to note the very day the bills just mentioned by the gentleman from California [Mr. HOSMER] are being introduced, the February 8 issue of the Saturday Evening Post is coming on the newsstands with very strong editorial support for the proposition that CVA–67's powerplant shall be nuclear.

The editorial is as follows:

THE FOLLY OF BUILDING AN OBSOLESCENT SUPERCARRIER

The Department of Defense, with its $50 billion budget, is such a vast, complex organization that an ordinary man can scarcely begin to comprehend it. But even in such a labyrinth as the Pentagon, there are times when a little elementary logic is worth a mountain of technical considerations.

The case of CVA–67, the projected new supercarrier, is a fine example. Back in 1962, Congress authorized the Navy to build a new supercarrier and appropriated funds for conventional power. Subsequently, the Department of Defense, at the Navy's urging, decided to delay construction "to permit consideration of the desirability of constructing this vessel with nuclear power."

The Navy made some studies and concluded that the powerplant should be nuclear. Later, press stories leaked out of the Pentagon to the effect that the Secretary of Defense had decided to overrule the Navy. The Joint Atomic Energy Committee announced it would hold hearings on the nuclear versus conventional-power question, but before the hearings began, the Secretary of Defense announced his decision for conventional power.

We said at the time—"Commonsense About Uncommon Carriers," editorial, the Post, November 23, 1963—that the decision was strangely illogical for a "cost-conscious, efficiency-minded establishment," such as Robert McNamara's Department, because we believed then and we believe now that the economies involved are false. The Joint Atomic Energy Committee issued a report of its hearings recently that confirmed this view, and concluded that the Secretary's decision was "incorrect." Said the committee: "It is fundamentally illogical and wasteful to fit our new firstline warships with powerplants that are, perhaps, already obsolete." It warned that the Secretary's decision "means that the Navy may be committed to a future of planned obsolescence with grave implications for the national security."

Supercarriers are expensive. There are no two ways about that. The *Forrestal*, first of our great conventionally powered supercarriers, cost $277 million. The *Enterprise*, first nuclear-powered supercarrier, cost $459 million, and the new supercarrier will come to $403 million, if it is nuclear powered—$126 million more than a conventionally powered ship. But the question reverberating through Washington now is not, "Do we need another supercarrier?" Congress has already decided that. The question is whether the new supercarrier already ordered shall be conventional or nuclear powered.

No one, including Mr. McNamara, questions the superiority of nuclear-powered carriers. As the Joint Atomic Energy Committee said, "The best source of professional guidance on naval matters is the responsible judgment of our top naval officers." Our top naval officers testified to their preference for nuclear power. The Secretary of the Navy, reflecting their views, told the committee, "The Navy continues to recommend a policy of installing nuclear propulsion in surface warships, because it will significantly increase their versatility and effectiveness in war or deterrence of war. Increased range, responsiveness, staying power, and reduced vulnerability provided by nuclear propulsion will make naval forces much stronger and more useful as instruments of national policy and power."

The superiority of nuclear power was also attested before the committee by men who have more experience and more knowledge in the field of naval nuclear power than anyone else: Adm. David McDonald, Chief of Naval Operations; Vice Adm. H. G. Rickover; Vice Adm. John Hayward, commander of the Antisubmarine Warfare Force, Pacific Fleet; Capt. Eugene Wilkinson, the first skipper of the *Nautilus*, first nuclear submarine, and of the Nation's first nuclear-propelled surface vessel, the cruiser *Long Beach;* and Capt. Vincent de Poix, former commanding officer of the first nuclear-powered carrier, *Enterprise*.

Mr. McNamara admits the superiority of nuclear power, but has contended—in his testimony before the Joint Atomic Energy Committee—that the differences are not crucial to our defense, and we do not need the additional performance. He was not in a position to ask Congress for the additional funds for nuclear power.

It is true that the initial cost of the nuclear supercarrier is considerably greater than the cost of a conventionally powered vessel. But we are talking about a ship with a life expectancy of 30 years; a ship that with all its planes, supporting elements, ammunition, etc., amounts to a lifetime investment of $6 billion. A conventional supercarrier in its lifetime, with all its supporting elements, comes to $5.7 billion.

Currently we are spending $50 million a year—$400 million in the past 8 years—for research and development in the field of nuclear power for surface ships. According to the Joint Atomic Energy Committee, this work under Vice Admiral Rickover, has "been an outstanding success." Our nuclear-powered surface vessels—the *Enterprise*, the guided-missile cruiser *Long Beach*, and the destroyer *Bainbridge*—have proved themselves.

Economically and militarily it makes no sense to carry on this research unless we are going to abide by its results. It also makes no sense to build a supercarrier that is supposed to last until the 21st century and is obsolescent before it is built. The Joint Atomic Energy Committee recommended that the decision "to install conventional propulsion in the new aircraft carrier, CVA-67, should be set aside and plans made to install nuclear propulsion in this ship." We believe the Secretary of Defense should do just that.

ADDRESS BY JOSEPH J. LOMBARDO, COMMANDER IN CHIEF, VETERANS OF FOREIGN WARS, BEFORE WOMEN'S FORUM ON NATIONAL SECURITY

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. ROUDEBUSH] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ROUDEBUSH. Mr. Speaker, one of the most inspiring meetings of its kind is the annual conference of the Women's Forum on National Security, in Washington, D.C. This forum consists of members of women's patriotic auxiliaries of national organizations. The purpose of the forum is to provide the thousands of members with a better understanding of the problems and accomplishments of our Government's national security endeavors, together with information as to how the groups affiliated with the Women's Forum can assist our national security.

This year the Ladies' Auxiliary of the Veterans of Foreign Wars of the United States was the host organization. Accordingly, Mrs. William Campbell, president of the auxiliary, presided at the banquet attended by thousands of delegates and distinguished guests in the Presidential Room of the Statler Hotel on the evening of February 3. One of the principal speakers was Mr. Joseph J. Lombardo, commander in chief of the Veterans of Foreign Wars.

Since it was my privilege to be commander in chief of the VFW in 1957-58, I was particularly interested in the remarks of Commander Lombardo as he related national security problems to the basic positions on such matters taken by the VFW. Commander Lombardo's remarks were thought provoking, and reflected a deep understanding of Communist objectives and U.S. defense policies. Also, his remarks contained not only recognition of our problems but also practical steps which our Government could take to resolve these issues.

Under leave to extend my remarks, I include, at this time, the full text of the address by VFW Commander in Chief Joseph J. Lombardo before the Women's Forum on National Security on February 3, 1964, in Washington, D.C.

REMARKS OF COMMANDER IN CHIEF JOSEPH J. LOMBARDO, WOMEN'S FORUM ON NATIONAL SECURITY, FEBRUARY 3, 1964

Madam Chairman, distinguished guests, this is, for me, a real privilege to meet with you today.

We, and the organizations we represent, share something that is most precious—a love of our country, and the desire to help it to be strong and hence free.

Probably never before have you met at a time when our Nation has been confronted with such international troubles, faced with such disappointments, threatened with so many, so intense, and so serious dangers to our ultimate survival.

When the history of our times is written well might that future historian characterize these turbulent days, as we move deeper into the latter half of the 20th century, as a "time of troubles".

It takes no sage to realize that our Nation is in deep trouble and it takes no expert to conclude that we had better do something about it before the momentum of adversity becomes overwhelming.

We in the VFW realize that many of our international problems are tremendously complicated. We realize that there is no "pat" answer to all of our difficulties. But we realize too—and this we deeply believe—that the basic problems of our national survival, and of the free world, are essentially simple. Why? Because they are matters of principle and morality—and such things are, in themselves, simple.

Thus, as the VFW sees it, our national defense and international problems largely resolve themselves into the question of "what is the principle involved." Find the principle, stand by it, and the solution is evident.

For instance, there is too much confusion today over a very basic issue. It's this: Who is our enemy?

For myself, and for the VFW, it's a simple answer—communism. It's communism that is fanning the flames of hatred. It's communism that's killing free men in South Vietnam who are fighting to stay free. It's communism that's poisoning the real and long-standing friendship between us and our friends in Latin America. It's communism that's doing the aggression. It's communism that's determined to kill freedom. It's communism that's on the warpath of world conquest. And it's communism that's determined to destroy our Nation and all it stands for.

And it's not complicated to explain what and who we mean by communism. We mean the Kremlin—we mean Khrushchev—we mean Mao Tse-tung—and all their fellow travelers and conspirators.

Khrushchev and Mao may have arguments. They are not those of communist objectives, but rather of methods. They are not arguing over burying us, but rather the size of the shovel for digging our grave.

With these points in mind, I would like to talk with you about a few of the basic issues which pose profound threats to our Nation. First, let us look southward toward the Caribbean and the Panama Canal. It is extremely difficult, if not impossible, to exaggerate the seriousness of the Panamanian crisis.

We must recognize the hard, cold, and inescapable fact that the Panamanian crisis, is in large measure, the result of hatred and subversion produced in the Kremlin and exported to Panama via the Russian base in Cuba.

This is what communism has done: It has carefully selected with deep strategic insight and understanding, a most sensitive point for attack—the Panama Canal. Let there be no mistake about it, the canal is just as important today as it has been ever since it was built in the early 20th century. In fact, a very persuasive case can be made that the Panama Canal is ever more essential, more indispensable, to the security of the United States than ever before.

The Panama Canal is our strategic and economic lifeline. We do have a few supercarriers today—giant high-speed movable airbases—which cannot transit the canal. However, it must be realized that from the time of their construction these carriers are usually earmarked for operation in either the Pacific or Atlantic Ocean area. With very few exceptions the remainder of all naval ships and our Polaris submarines can transit the canal.

For those who think that the canal has lost its strategic value, I point to one example. During the missile crisis, in Cuba, Marines were moved in amphibious, combat-loaded ships, from our west coast directly into the Caribbean area. We could not have had a closer-to-war test of the value of the Panama Canal than that crisis over the long-range missiles in Cuba. Also, it is worth remembering that today war material and economic support to sustain our vitally important efforts in southeast Asia move from the east coast of the United States through the Panama Canal and thence into the Pacific on toward southeast Asia.

And so as we assess what is going on in Panama, we cannot escape the conclusion that today communism has placed a dagger at our jugular vein—the Panama Canal.

The VFW believes that the United States cannot, under any circumstances, appease, conciliate, or knuckle under before the threats of Panama. Here, as elsewhere, we must stand implacably firm. To do otherwise, encourages more riots and pressures against the U.S. bases throughout the world. It will trigger a chain reaction of disaster.

What the United States must do is to let it be known to both our friends—and our enemies—that we have no intention of bowing before Communist-led mobs. This requires, on the part of the United States a clear demonstration of the firmness of our mood, of the intensity of our determination.

It was for these reasons that some few days ago, I proposed, on behalf of the Veterans of Foreign Wars, that the United States immediately establish a naval patrol between Red Cuba and the Panama area. The purpose of this patrol would be the prevention of further export of aggression from Communist Cuba into the highly volatile Panama area. It would, in a sense, be a "quarantine," against further Communist poisoning of the longstanding relationship between the United States and our friends to the south.

Such a patrol would be a clearly recognized signal to all of Latin America, and much of the world, that the United States is standing firm in Panama.

Such a proposal has much precedent. For instance, such a patrol was established by President Eisenhower during the Honduran crisis. Also, President Kennedy put elements of our 2d Fleet between Castro's Cuba and the Dominican Republic to prevent Castro moving in during the turmoil following the assassination of Trujillo.

We of the VFW are convinced that such a naval patrol would have a very sobering and stabilizing effect on the Panamanian mobs.

And it would do something else that is vitally needed today. It would demonstrate to the world that the United States has the power and we intend to use it. These are the two essential ingredients of the kind of foreign policy which we must follow if we are to persevere through the troubles that confront us. Have the power—and be willing to use it.

Because we know the techniques of evil Communist aggression we thus know that Panama is, in itself, not an end in itself. It is not the complete goal. You and I know that each target of the Kremlin is designed to be the steppingstone to an even more important one.

And what is the next one after Panama? It is Guantanamo Bay.

The reason that Kremlin and Castro are so insistently demanding we renegotiate the Panama Canal Treaty is obvious. They want to work us into a position where we will establish the precedent for renegotiating our treaty on Guantanamo Bay.

The principal statement made by Khrushchev at the outbreak of the Panamanian riots related to Guantanamo Bay. Khrushchev condemned the United States with the typical Communist lies, he immediately related Guantanamo Bay to Panama, and demanded that the United States get out of our base at Guantanamo.

You're going to be hearing more about Guantanamo Bay as the propaganda guns of the worldwide Communist conspiracy are brought to bear against it.

It was my privilege to visit Guantanamo Bay some few weeks ago. I wish every American citizen could see what I saw there.

Anyone who says Guantanamo Bay is not vitally important to our defense of the Western Hemisphere—and the United States in particular—is just plain wrong. Guantanamo Bay, because of the takeover of Cuba by the Kremlin, is even more important than it has ever been before. If we are going to maintain our position in the Caribbean area; if we are going to protect the approaches to the Panama Canal; if we are going to checkmate the growing Russian power in the Caribbean, then we must retain Guantanamo Bay.

Why? Guantanamo Bay is the largest natural harbor in the world. It is an indispensable training base for our fleet. Also, we must maintain control of Guantanamo in order to protect the strategic Windward Passage—that narrow strip of water between Cuba and Haiti. Through the Windward Passage flows most of the sea traffic from the North Atlantic into the Caribbean and to the canal. If we lose Guantanamo Bay it will only be a matter of time before communism makes its move toward Haiti and the Dominican Republic. And if those go Red then Puerto Rico is outflanked and jeopardized, our control of the Caribbean endangered.

A key reason the Reds want us out of Guantanamo is so they can have it. You can be sure that the moment the last U.S. ship sails out of Guantanamo Bay the first Russian submarine would sail in. If the Kremlin gets Guantanamo Bay as a submarine base, it will only be a matter of time—and a very short time—before the Soviet missile-throwing and torpedo-firing submarines will be routinely cruising the east and gulf coasts of the United States.

Go to the fence separating our Guantanamo Base from Red Cuba; look across the fence line; looking back at you are the tough and well-equipped soldiers of Castro's Communist army. Castro's troops ringing Guantanamo Bay are armed with the latest military equipment produced by the Soviet Union. Anyone who believes that Khrushchev is skimping with respect to his support of Castro merely needs to look at the new equipment Khrushchev is providing Castro's army.

We have no apologies to make to Cuba or to anyone else with respect to our full control of Guantanamo Bay. We are there through freely negotiated treaties of 1903 and 1904, treaties renegotiated voluntarily by Cuba and the United States in 1934.

The only thing involved in renegotiating our control of Guantanamo Bay is the security of the United States—and that's not negotiable.

The late President Kennedy stated our Nation's case with respect to Guantanamo Bay very pointedly and very elequently. In a speech in Cincinatti, Ohio, on October 6, 1960, then-Senator Kennedy stated: "We must make it clear to Mr. Castro once and for all that we will defend our naval base at Guantanamo under all circumstances." I submit to you that that is the kind of language that Communists understand. I submit to you, also, that that is the kind of statement—that kind of policy—that kind of determination which every U.S. citizen regardless of political affiliation can support. The Veterans of Foreign Wars supports that statement. We will do all that we can to make it a living and fundamental feature of our national policy.

There is another issue, to which I would like to invite your attention in the time remaining to me. I refer to the unfortunate situation resulting from the decision of the French Government to recognize the Communist regime of Red China.

It is one of the most serious developments, from the standpoint of the free world—and U.S. security—since the end of World War II. I do not believe that the action of the French Government is excused in the slightest degree by the argument that other of our allies have recognized Red China.

Any recognition by those who claim to love freedom and who say they are our allies is wrong.

The French decision to recognize Red China could not have come at a more unfortunate time from the standpoint of the United States. Our Nation today is deeply committed, and necessarily so in South Vietnam. There is no mystery as to who is behind the vicious aggression in South Vietnam. Red China is supporting that aggression with enthusiam. She is being aided and abetted by the Kremlin. The aggression against South Vietnam and all southeast Asia today is an example of the combined efforts of Red China and the Soviet Union in seeking a common objective against the free world.

The U.S. soldiers are being killed as a result of the aggression of Red China and the Soviet Union in South Vietnam. We cannot let South Vietnam fall into the Red orbit.

I completely subscribe to the VFW resolution of our last convention pledging support of the VFW to any measures by our Government necessary to win in South Vietnam. If South Vietnam goes Red, then the door is open to all of southeast Asia. French recognition cannot help but strengthen Red China. The extent to which Red China is strengthened imposes a heavier burden on the United States in helping defend the interests of freedom in South Vietnam. This in turn will result in increased U.S. casualties.

Furthermore, I believe that the French recognition of Red China is going to lead to one of the most serious crises of the postwar world. France's action in this regard will result in an increased vote for Red China's admission into the United Nations. If Red China is admitted to the United Nations this could well be the death knell of the U.N.

To admit Red China would make a mockery to the Charter of the United Nations. Red China today stands by her savage deeds indicted before the world as a ruthless aggressor—an international bandit. It is difficult, indeed, to see how the United Nations could accept into its membership a nation whose very actions are a violation of the United Charter.

As far as the VFW is concerned, it was the resolution of our 1963 convention—and previous conventions—that if Red China is admitted to the United Nations, then the United States should get out.

After all, opposition to the admission of Red China to the United Nations has been a keystone of U.S. foreign policy under Democratic as well as Republican administrations. Red China is intent upon destroying our friends in the Orient, and upon destroying us ultimately.

The admission of Red China to the United Nations would be an open repudiation of the United States. The United Nations has been supported primarily by the U.S. taxpayers. If the members thus repudiate the United States, then in simple self-respect and plain self-interest, we must get out of such an organization.

The VFW places great faith and emphasis on loyalty. We have nowhere in the world a more loyal friend and ally than the Republic of free China on Taiwan. We are indeed heartened by the statement of a few days ago by Secretary of State Dean Rusk, that the United States is going to stand by the government of President Chiang Kai-chek. We applaud Secretary Rusk in this statement, and we support his pledge to free China.

It is, I can report, a refreshing experience to visit the free Chinese. They have two basic beliefs—anti-Communist all the way; and pro-United States all the way. We are fortunate indeed to have such an ally standing shoulder to shoulder with us and defending the ramparts of freedom in the Western Pacific against Communist aggression.

The United States must not in any form or any degree weaken the support of that loyal and able ally.

There's not much wrong with the free world that a little more loyalty wouldn't correct.

To the VFW, the prescription for survival is a simple one: Stiffness in our Nation's spine; stanchness of spirit; patriotism above profit; courage in crises; lasting loyalty to those who stand with us; and an unfaltering devotion to our Nation and all those things for which it stands.

WASTAGE OF TAXPAYERS MONEY

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. Wilson] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. WILSON of Indiana. Mr. Speaker, it is one thing to talk about economy and it is another to do something about it. While Pentagon officials boast of savings they are making in procurement, the waste goes on unchecked until working level personnel are persuaded to admit their mistakes and change their policies.

The case I shall detail here today shows a saving of $100,000 and proves that point.

It concerns the proposed sole-source purchase of a radar set component. This purchase was justified on the basis that no drawings were available. Only one company had them and, therefore, there could be no competition.

Yet, after only one letter of inquiry, the Army admitted to me that it had plans for the equipment and could obtain competition. Later, it decided the equipment it originally intended to buy was obsolete anyway, and set out to buy an improved model.

This is the way the military daily wastes our tax money. It is this sort of inefficiency that must be corrected if we are to bring our Defense budget into line. There is altogether too much sloppy work such as this going on. Some bureaucrat decides, after only superficial work, that a piece of equipment is needed. He returns to a previous source of supply without first checking to see if price-lowering competition can be attained or without checking to see if new and better equipment is available. When his plans are routinely approved without investigation, a wasteful sole-source purchase goes through and the taxpayers are penalized.

Only when his conclusions are questioned by an outsider is an intelligent, penetrating study undertaken, and, then, what do we find? Well, there are plans, there are drawings, there are supplies in inventory, and besides, the equipment is obsolete and can be replaced with a better model.

Mr. Speaker, the equipment I speak of today is called a pulse network—a component part of a radar set identified by the military nomenclature AN/MPQ 29. They cost about $2,000 each on past purchases.

On June 27, 1963, I received in my office a copy of a bid set calling for purchase of 50 of these equipments. Study of it revealed an Army certification that said drawings were not available for the equipment which would allow competitive bidding.

My information from industry sources and from the Army itself indicated this equipment had been purchased in the past. This meant to me that drawings should exist. Since this procurement would amount to about $100,000, it was my decision to have it looked into thoroughly.

By a letter to Brig. Gen. Allen T. Stanwix-Hay, then commander of the Army's Electronics Materiel Command, the following questions were asked about the procurement and the equipment:

> 1. Please trace the history of the item. Who did the development work; did the Government pay for such development work? If a development contract was completed, was delivery of drawings, preproduction samples, models, etc., required? If these were required, when and where were they delivered? Where are they now?
>
> 2. How many times has this item been bought? From what source has it been purchased? Please supply contracts for each past purchase.
>
> 3. Were manufacturing drawings ever required as a part of any contract? If so, why are they not available to industry? If not, why were they not required?

In my letter to General Stanwix-Hay, I pointed to the possibility that—

> This might be another of those cases where a contract negotiator or an engineer did not check into the history of an equipment to ascertain the existence of manufacturing data. It is possible that contract negotiator A took the word of engineer B who accepted the certification of technical worker C with no checking to see what in actuality were the facts.

Mr. Speaker, on September 20, 1963, I received my answer. It showed the following:

The development work was done by Sperry Utah Engineering Laboratory, a division of Sperry-Rand Corp., Salt Lake City, Utah, and paid for by the Government.

Manufacturing drawings were paid for and accepted on January 11, 1962. The Army stubbornly insisted, however, that a manufacturer could not make the equipment from the drawings, so the drawings did not measure up to competitive procurement data. The reasoning here escapes me. What in the world are manufacturing drawings, if they are not drawings from which equipment can be made?

Other purchases of the equipment had been made in the past, all under sole source conditions.

It was in the last paragraph of the letter from the Army, however, that the sole source plan was scrapped. The Army said, and I quote:

> After a thorough review and analysis of the requirements for the subject item, it has been determined to replace it with an improved pulse code modulator. Accordingly, the request for proposal under inquiry will be canceled and a formally advertised procurement will be effected for the improved item as soon as practicable.

There it is again, Mr. Speaker. The Army planned a sole source buy because, it said, it did not have drawings for the equipment. One single inquiry turned up drawings to allow competition, but also turned up the fact that the equipment was almost obsolete. One inquiry resulted in the Army's buying newer and better equipment—and under competitive conditions.

And, Mr. Speaker, one inquiry halted waste of $100,000.

After receiving this letter, I waited until November 21 before taking additional action. Then I again wrote the Army and asked when it planned to buy this equipment competitively.

On December 6, 1963, Brig. Gen. Wesley Franklin, commanding officer at the Army Electronics Materiel Agency, wrote me that a competitive procurement would be undertaken for the improved pulse code modulator. He said the bid set would go out in late December.

I am now informed that a competitive purchase is being conducted for this equipment. It is encouraging to see the Army admit its mistake and correct it.

Mr. Speaker, this is just another example of the way in which bureaucracy, inefficiency, and stubbornness are penalizing the taxpayers of this Nation for defense equipment. Mr. McNamara would rather take care of his own dirty linen, but I fear he would just shove it in a dark closet some place if we let him.

We in the Congress can best serve the interests of national defense and the taxpayers of our Nation by continuing to insist on a dollar's worth of defense for a dollar spent and by calling attention to the shortcomings of our procurement sections until they are corrected.

CYPRUS

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Kentucky [Mr. Snyder] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SNYDER. Mr. Speaker, a few days ago, I anticipated that the Governments of Greece and Turkey, our NATO allies, would do everything in their power to prevent a conflict over Cyprus in the eastern Mediterranean.

Both Governments and the Cypriot Turks as well have accepted negotiation within the framework of NATO.

Now President Makarios, of Cyprus, stands alone in demanding that the Cyprus issue go to the United Nations. Alone that is except for Soviet Russia and her satellites. The Communists are not only backing this move for the obvious reason that they can veto any sensible solution in the Security Council but so that they can have a propaganda field day.

President Makarios has made a serious mistake in accepting the backing of the Soviet Union against us and our allies.

Even General Grivas, the Cypriot terrorist leader in the fight for independence, says Makarios is responsible for the growth of communism on Cyprus.

President Makarios has now isolated himself. Every pressure should be brought to bear to force him into line. Yesterday the American Embassy was bombed and a U.S. marine guard hurt. American dependents there are being evacuated. I suggest Makarios has lost control of his own followers, 40 percent of whom are Communists.

NUCLEAR-POWERED AIRCRAFT CARRIER

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Riehlman] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, today I am introducing a bill, along with three distinguished members of the Joint Atomic Energy Committee, to require the U.S. Navy to install nuclear power in the aircraft carrier previously authorized by Congress.

The committee members are Representatives Jack Westland, Republican, of Washington, John Anderson, Republican, of Illinois, and Craig Hosmer, Republican, of California. The carrier is so far designated only as CVA–67 and it is anticipated that it will be commissioned in 1967.

The reason for introducing this bill is to impress on the Secretary of Defense, who insists on conventional power, that our Navy should not become a "second best Navy." We feel strongly that he should reverse his decision.

The Secretary's contention that construction of such a ship would be cheaper if oil is to propel it, does not carry much weight with me. It may be cheaper, but we would have an obsolescent ship as soon as it is launched.

I am confident that the added cost of nuclear power is well worth the final result.

Nuclear power gives to ships practically unlimited endurance at sea without refueling. They can maneuver at full speed, take all necessary evasive action and never have to slow down to refuel which is a dangerous moment for any vessel in wartime, either at sea or in harbor.

I feel emphatically that the nuclear submarine program has shown us without question the practicality of nuclear-powered ships. I want our servicemen to go to sea in the best vessels that money can buy.

Communist Russia is just as fearful of our fast attack carrier task forces as it is our nuclear ICBM's.

I, for one, do not want our survival to depend solely on one weapons system, the ICBM's. Therefore, I hope the Congress will carefully examine and favorably consider the bills which are being introduced today. I subscribe fully to the comprehensive remarks made by the gentleman from California [Mr. Hosmer].

I certainly am for economy where it counts, but if saving money represents a backward step, I cannot go along. This is true with respect to our defense posture and particularly the U.S. Navy.

SOVIET WORLD AMBITION

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. Saylor] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SAYLOR. Mr. Speaker, we should learn our lesson by now—the more we hear of Russia's actions the more we must resolve to frustrate its worldly ambitions. The pursuit of policies based on illusion is not consistent with either the maintenance of the national security or American leadership of the free world.

I commend the attention of my colleagues to an editorial which appeared in the Johnstown Tribune-Democrat:

Time for Showdown With Soviet Union

The State Department has charged the Soviet Union with a "callous and inexcusably brutal act of violence against an unarmed aircraft that accidentally strayed over the demarcation line between West and East Germany."

It demanded and got access to the airplane, and return of the bodies of the three slain fliers, but not punishment of those responsible for forcing the training plane down. The Soviet Union earlier refused to accept the U.S. protest, and accused U.S. military authorities of a "gross provocation" and a willful intrusion into East German airspace.

These trigger-happy attacks on planes that accidentally cross the border of the Communist bloc have occurred many times before. This one, however, comes at a time when the Soviet Union pretends to be seeking more harmonious relations, and when it is in the process of buying large quantities of grain at subsidized prices on U.S. credit terms.

In Congress, Republican and Democratic leaders have expressed a sense of outrage. Some of them demand prompt retaliation.

The United States has suffered just such outrages before, and has let them pass with formal protests—which is why they continue to occur. But we think the temper of the people of this country is not such as to be satisfied with an exchange of words over the murder of 3 American airmen.

There was no excuse for this atrocity. It was clear that the aircraft involved was alone, was unarmed, and was obviously off course by accident and not by design. It could not have gone far, or done any harm; and in the normal relations between nations the error would have caused no more than a remonstrance and notice to keep American planes under better control.

But the relations between the Soviet Union and the West are not normal, never have been, and are not likely to be in future, despite all the soft credulity of Western statesmen. The Soviet tactics may change from time to time, but the purpose is unalterable. And it will not be changed by the mistaken policy of trying to placate the implacable Communists.

The loss of respect for the United States that has become so evident in recent days in places as far apart as Cambodia, Zanzibar, and Panama is due precisely to the belief that this country has no will to use the power it possesses, and can be insulted with impunity by nations large or small.

This time the insult and the injury comes from the Soviet Union itself, the source of most of the world's troubles. There need be no fear that we shall be accused of picking on a smaller nation, if we call for a showdown with the Soviet Union here and now. And, indeed, there can be no better time than this for it.

Until this country gives evidence that it will compel respect, it will not get it. As earlier statesmen have pointed out, respect cannot be begged; it must be commanded. The arrogance which has been shown in this instance goes beyond all allowable conduct, and calls for a response adequate to the offense.

PRESIDENT OK'S CREDIT CARDS FOR COMMUNISTS

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. Findley] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. FINDLEY. Mr. Speaker, President Johnson's action, announced today, approving taxpayer-backed credit cards for the Soviet Union and six other Communist governments is incredible. The President announced that he has determined that it is in the national interest for the Export-Import Bank to issue guarantees in connection with the sale of U.S. agricultural products to the Union of Soviet Socialist Republics, Bulgaria, Czechoslovakia, Hungary, Poland, and Rumania. In a separate statement, the President made the same determination for Yugoslavia.

The Export-Import Bank is a U.S. taxpayer-owned institution, and in guaranteeing credit on sales to Communist governments, like the 100-percent credit guarantee it granted on the recent sale of corn to Hungary, it, in effect, shifts the risk of collection to the U.S. taxpayers. The Soviet Union is already in default on obligations to the U.S. Government. It is the biggest deadbeat in the United Nations.

This action by the President is incredible for these reasons:

First. It gives credit backing to the Communist government responsible for the murder exactly 1 week earlier of three unarmed U.S. airmen over East Germany.

Second. It forces the U.S. taxpayers to take the risk on credit deals with a government whose credit is already the worst in the world.

Third. The Soviet Union, acting through two U.S. exporting firms—Continental Grain Co., of New York and Cargill Grain Co., of Minneapolis—has been able to arrange private financing for the purchase of 63 million bushels of U.S. wheat. Taxpayer-backed credit was not needed for these two deals, so why the rush to grant credit cards on future deals? Let them put cash on the barrelhead.

NORTHERN NEW ENGLAND OFFERED SELF-HELP PLAN TO IMPROVE AIR SERVICE

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. CLEVELAND] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. CLEVELAND. Mr. Speaker, extension of local air service is needed in northern New England and commendable efforts are underway locally to do something constructive about it. Consolidation of the air routes of major carriers and the decline of train transportation have made mandatory the need for strengthening local air service, commercial as well as private, if northern New England is to grow and meet future transportation needs.

SELF-HELP PLAN

Instead of looking to Washington for aid, Russell Hilliard, former Director of Aeronautics for the State of New Hampshire, urges a plan of self-help for the northern New England States. He recommends a Maine-New Hampshire-Vermont interstate agency to establish and maintain airports and other navigational facilities and to develop a coordinated transportation system that will provide adequate and reliable air service to more communities. Such an agency would rely upon the talents and resources of the northern New England States in a cooperative effort to raise needed funds and agree on common policies.

Last week I said in a statement presented to a meeting of all Eastern Region Aeronautics Directors in Manchester, N.H.:

> If existing industry is to be retained and new industry attracted to this region, good air service must be available. This requires all service now provided and added service for the future needs of the area. The salient factor in holding and attracting industry is better transportation, which emphatically includes air service.

In addition northern New England's year-round recreation, industry, and educational centers are heavily dependent on good air service.

DO-IT-YOURSELF PLAN

The problem of air transportation for northern New England needs to be approached from all levels. To improve local service the Civil Aeronautics Board should speed up its program to develop and put into use modern and efficient small aircraft as it is empowered to do by a 1958 act of Congress. Experimental use of modern aircraft in shuttle service between large and medium-sized cities and between smaller cities would do much to stimulate local air service. In addition the FAA should abandon its policy of gross neglect and should lend us a helping hand.

Mr. Hilliard is to be congratulated for taking the initiative in pushing for a program of self-help instead of waiting on Washington for leadership and funds. This do-it-yourself attitude is one that I commend. It is a spirit that is not yet dead in New Hampshire I am glad to say.

A synopsis of the proposal for a Maine-New Hampshire-Vermont Air Transport Authority is as follows:

SYNOPSIS OF PROPOSAL FOR A MAINE-NEW HAMPSHIRE-VERMONT AIR TRANSPORT AUTHORITY

(By Russell Hilliard, president, Hilliard Air Services, Inc., Pembroke, N.H.)

This brief summary of comprehensive studies of and experience with local air service is directed toward filling a great void in the economy of northern New England caused by inadequate transportation, specifically local air transportation to supplement and extend the services provided by scheduled air carriers. Further, it is directed toward accomplishing this with the initiative and resourcefulness which have solved other common problems in northern New England, by joint action of the States using their own resources.

The public interest requires that local air service be available with reliability, stability and permanence comparable to that of the scheduled air carriers and other similar public services.

The conclusion is inescapable that public funds must be made available to assure this during the developmental period, much in the same manner that they are made available for industrial and recreational development.

I. THE GEOGRAPHICAL AREA INVOLVED

The northern New England States have a unique and common transportation problem—particularly in respect to air transportation. Rail passenger service has declined to the point where it is no longer a factor in transportation. Scheduled air transportation has been reduced by withdrawal of service from some points. There is no assurance that there will not be a further reduction in this service.

II. WASHINGTON WILL NOT SOLVE THE PROBLEM

The concentration of scheduled airline traffic at regional airports (more properly called area airline service airports), the denial of applications for so-called third-level service, and the planned reduction of subsidy all indicate this. However, the best assurance of continued operation of those services supported by the Federal Government is the availability of facilities and services to supplement and extend them. This may be by private or business aircraft, the charter and air taxi operator, scheduled or nonscheduled. All of these fall in the category of "General aviation" and the role of the States would be to support the scheduled air-taxi, third-level operation providing common carrier service.

III. PRIVATE ENTERPRISE CANNOT BE EXPECTED TO PROVIDE THE SERVICE

The financial losses involved in the development of such service preclude any extended operations, under the particular conditions existing in northern New England, based on common carrier service at acceptable fares. The image of civil aviation has certainly not benefited by the numerous unsuccessful attempts to provide such service resulting in a loss of public confidence in this form of air transportation.

IV. THE PRECEDENTS FOR THIS PROPOSAL

The principle of creating an interstate agency to solve common problems or to serve common purposes is well established in New England. In addition to interstate action to establish and maintain airports and other air navigation facilities a few typical agencies are:

1. The Maine-New Hampshire Interstate Bridge Authority.
2. The Connecticut River Flood Control Compact.
3. The New Hampshire Water Resources Board, authorized to "exercise its powers in adjoining States."
4. The Merrimack Flood Control Compact.
5. The New England Interstate Water Pollution Control Compact.
6. The Northeastern Water and Related Land Resources Compact.

It is characteristic of the statutes creating these agencies that they are financed by bond authorizations and are made self-liquidating to the extent practicable by fees, tolls, or contracts with those specifically benefited; that they carefully avoid overlapping or duplicating the functions of other Federal or State agencies; that they are creative and positive in their functions and are primarily operating agencies.

V. A COORDINATED TRANSPORTATION SYSTEM

The need for a coordinated transportation system, assigning each form of transport its proper role, is recognized. The importance of this factor may dictate that this agency become a transportation authority concerned with all forms of transport. The same principles apply and the final decision is for the respective legislatures, just as they will decide whether to broaden the powers of existing agencies or create a new agency charged with these specific functions and duties.

VI. IT CAN BE DONE WITH OUR OWN RESOURCES

Our civil aviation industry in northern New England has the know-how and the capability to provide the air services required. It needs the assurance of stability and permanence, which can only come from adequate financial resources, to acquire and operate flight equipment to provide the common carrier service needed by industry and recreation. The States can provide this assurance just as they have done in other cases of jointly solving their common problems.

THE CIVIL RIGHTS BILL

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. FOREMAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. FOREMAN. Mr. Speaker, we must recognize the civil, individual, and property rights of all people, regardless of race, color, or creed. I am proud to represent the progressive area of west Texas where, within our own local communities, we have and are, solving our own differences.

I do not believe new Federal laws can legislate social equality. This is a matter that only the people themselves—in our churches, civic clubs, schools, libraries, public meeting places, et cetera—can, must, and will solve.

Two titles of this proposed legislation, H.R. 7152, title II, Injunctive Relief Against Discrimination in Places of Public Accommodation, and title VII, Equal Employment Opportunities, concern me greatly, because in them, I find discrimination against the private property rights of all people, including colored and white.

We must clearly understand that there can be no distinction between property rights and human rights. There are no rights but human rights, and what are spoken of as property rights are only the human rights of individuals to property.

The Bill of Rights in the U.S. Constitution recognizes no distinction between property rights and other human rights. The ban against unreasonable search and seizure covers "persons, houses, papers and effects," without discrimination.

The Founding Fathers realized what some present-day politicians seem to have forgotten: A man without property rights—without the right to the product of his labor—is not a freeman. Unless people can feel secure in their abilities to retain the fruits of their labor, there is little incentive to save to expand the fund of capital—the tools and equipment for production and for better living.

I would like to briefly discuss the so-called human rights that are represented as superior to property rights. By these, I mean the "right" to a job, the "right" to a standard of living, the "right" to a minimum wage or a maximum workweek, the "right" to a "fair" price, the "right" to bargain collectively, the "right" to secure against the adversities and hazards of life, such as disability and old age.

Those who wrote our Constitution would have been surprised to hear these things spoken of as rights. They are not immunities from governmental compulsion; on the contrary, they are demands for new forms of governmental compulsion. They are not claims to the product of one's own labor; they are, in some if not in most cases, claims to the product of other people's labor.

These human rights are indeed different from property rights. They are not freedoms or immunities assured to all persons alike. They are special privileges conferred upon some persons at the expense of others. The real distinction is not between property rights and human rights, but between equality of protection from governmental compulsion on the one hand and the demands for the exercise of such compulsion for the benefit of favored groups on the other.

This, then, gentlemen of the Congress, I believe, should be the light and guidelines by which we reach our decision on this legislation, or for that matter, any legislation with which we may be confronted. We must exercise care not to violate the rights of all Americans in our efforts to secure social equality for some.

BRUTALITY AIMED AT UNARMED NEWSMEN AND PHOTOGRAPHERS

Mr. GALLAGHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. GALLAGHER. Mr. Speaker, news reports emanating from one community today gave a graphic description of what happened to newsmen and photographers covering an attempted school integration.

A photographer was dragged off a bus and beaten into submission by an angry crowd armed with clubs. The photographer had accompanied six Negro students who were ordered admitted to an all-white school.

This increasing wave of brutality aimed at unarmed newsmen and photographers is not only an outrageous attack on the freedom of the press but is causing countless casualties and even death to those individuals who are reporting the contemporaneous history of our country.

As in the most recent case, it appears that too often the pattern followed is to attack first the photographers or reporters. In the instant case, Vernon Merritt was dragged from a bus and subjected to a cruel beating in which the local police not only did not aid him, but actually participated in beating him while the crowd cheered.

I am today requesting Congressman JOHN MOSS, chairman of the Subcommittee on Government Information, to investigate just how widespread this brutality has become. I am requesting him further, to determine what protection can be accorded these men who in the pursuit of news are not protected by the local police. This comes within the scope of Federal responsibility. The collection and dissemination of the news is a matter of interstate commerce. The protection of photographers and newsmen in the absence of local enforcement is very definitely an obligation of the Federal Government. We speak of freedom of the press, but the press is not very free, nor can it be very accurate, when the reporter is lying helpless on the ground with his head cracked open.

NURSE CLARA LOUISE MAASS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. MINISH] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. MINISH. Mr. Speaker, I have introduced in the House of Representatives today a resolution authorizing and directing the Postmaster General to issue a special postage stamp in memory of Nurse Clara Louise Maass, who, in 1901, gave her life for the advancement of medical science in the search to control yellow fever.

This heroic young woman, who made the supreme sacrifice for humanity, is a shining example of the dedication and selflessness that mark the members of the noble nursing profession. Issuance of a commemorative stamp would be most fitting recognition of her superb service to mankind and would honor the values which guided her in life.

Nurse Maass was born in East Orange, N.J., in 1876, and died in Cuba at the age of 25, gallant and unafraid. The city council of her native city recently adopted a resolution in honor of the young humanitarian whose brief life is an inspiration to all people. The resolution follows in full:

CITY COUNCIL OF EAST ORANGE

Whereas Nurse Clara Louise Maass in the service of her country and all mankind sacrificed her life on August 24, 1901, while engaged in medical research on yellow fever; and

Whereas after completing her nurse's training in 1895 at Newark German Hospital, which is now called Clara Maass Memorial Hospital, she served as an Army nurse in Cuba and the Philippines during and following the Spanish-American War; and

Whereas Nurse Maass volunteered to participate in experiments conducted in Cuba by Dr. Walter Reed, Dr. William C. Gorgas, and Dr. Carlos Finlay, to prove that yellow fever was transmitted solely by the Stegomyia mosquito; and

Whereas through her death, methods of controlling yellow fever were developed and countless thousands of lives were saved; and

Whereas the interest among the citizens of East Orange has been mobilized and articulated by Rev. Arthur Herbert, pastor of Holy Trinity Lutheran Church of East Orange, who has sought in behalf of the citizens and residents of this city, as the place of her birth in 1876, to achieve recognition of her service to mankind through means of a commemorative stamp to be issued by the United States honoring Miss Maass: Now, therefore, be it

Resolved, That this city council for itself, the mayor, the city officials and employees, and all residents of the city of East Orange does hereby petition the Postmaster General of the United States to authorize the issuance of a commemorative postage stamp honoring Nurse Clara Louise Maass and her contribution to humanity; and be it further

Resolved, That copies of this resolution be distributed to appropriate State and Federal officials with the request that they assist in furthering our endeavors.

IMPROVEMENT OF HIGHWAYS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. FALLON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. FALLON. Mr. Speaker, I am today introducing a bill to authorize appropriations for the fiscal years 1966 and 1967 for the improvement of highways on the Federal-aid primary and secondary systems, and the urban extensions thereof; and for the various other categories of highways which are generally known as the Federal-domain roads.

This is what we commonly refer to as the biennial A-B-C bill, providing for a continuation of the regular Federal-aid highway program. These primary and secondary roads are located in every State of the Union and in every county of every State. They are essential to business and commerce, and affect the daily lives of every citizen.

In 1956, when the Congress made provision for the completion of the National System of Interstate and Defense Highways and otherwise accelerated the national highway program, the Public Works Committee adopted a policy of increasing the authorization for the A-B-C program by increments of $25 million per year until such time as the authorizations would reach the level of $1 billion per year.

The 1962 Federal-Aid Highway Act provided an authorization of $975 million for fiscal year 1965. Therefore, by adding the usual $25 million increment, we shall have reached our goal with the enactment of the 1964 act. The bill authorizes the apportionment of $1 billion for each of the 2 fiscal years, 1966 and 1967. The actual apportionment of funds would take place this year and next year, following the statutory formulas.

This level of authorization is important in order to keep the A-B-C program in balance with the interstate program. Together, the two programs are providing a comprehensive and integrated system of Federal-aid highways. The Interstate System is our backbone system, and the A-B-C highways provide the feeder, connector, and distributor roads, without which the Interstate System cannot perform its intended function.

The Subcommittee on Roads will begin hearings on the bill shortly, with the hope that we can bring it out early to avoid any delay in the apportionment of funds this summer.

A SALUTE TO THE REPORT PREPARED BY THE PRESIDENT'S ADVISORY COMMISSION ON NARCOTIC AND DRUG ABUSE

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from South Carolina [Mr. HEMPHILL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. HEMPHILL. Mr. Speaker, I rise today to pay tribute to the able and fine report of the President's Advisory Commission on Narcotic and Drug Abuse, which is dated November 3, 1963.

I have read this report with a great deal of interest, as I have previously had the privilege of participating in law enforcement as a prosecuting attorney for the sixth judicial circuit of my State.

Dean F. Markham, executive director, and his staff are to be congratulated on the magnificent report and the treatment is so significant that I feel progress in outlawing narcotic and drug abuse has been greatly enhanced thereby. I would not take anything from the Commission, but it is apparent to me that the staff has done the kind of researching and preparation which is capable of having real consequence in the effort and ambition to treat and conquer the national problem of drug abuse. Although the report did not eliminate entirely my concern over the problem, I felt at the same time that it was so singularly compiled that any layman could understand and appreciate the problem, and I am sure all America is inspired to do something in the way of participation in the effort to stamp out this plague in our Nation.

PRESIDENT JOHNSON HAILS THE LAUNCHING OF NUCLEAR SUBMARINE SSBN-633 "CASIMIR PULASKI"

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. PUCINSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. PUCINSKI. Mr. Speaker, last Saturday, February 1, 1964, a group of my colleagues and I had the privilege of visiting the Groton shipyard to personally observe the launching of the Polaris submarine *Casimir Pulaski.*

This very memorable occasion marked 10 years of nuclear submarines for the U.S. Navy, a decade which began at the General Dynamics-Electric Boat Groton shipyard, with the launching of the *Nautilus,* the world's first nuclear-powered vessel.

The *Casimir Pulaski,* named after the brilliant and daring soldier who came here from Poland to participate in the American Revolutionary War, is the 53d nuclear submarine to be launched since 1954. When it is delivered to the Navy later this year, it will be equipped to fire Polaris missiles with a range of 2,500 miles, making it one of the country's most advanced weapon systems.

It is fitting that this harbinger of America's nuclear strength should be named for the Polish nobleman who fought so gallantly to free his native Poland from tyranny and then came to America to assist the colonies during the American Revolution.

Mr. Speaker, I am sure that Americans of every ethnic background, and perhaps in particular Americans of Polish background, will be proud to know that President Lyndon Johnson, through a personal message, paid tribute to this momentous occasion when an American nuclear-powered submarine was given the proud name of *Casimir Pulaski* and launched for sea duty.

Pulaski distinguished himself in the Battle of Brandywine and was commissioned a brigadier general and chief of cavalry by Congress. He aided the defense of Charleston and fought at Savannah where he was mortally wounded.

My colleagues, Congressman BERNARD F. GRABOWSKI, of Connecticut; Congressman CLEMENT J. ZABLOCKI, of Wisconsin; and Congressman THADDEUS J. DULSKI, of New York, watched with great inspiration and pride as the lovely wife of our Postmaster General, Mrs. John A. Gronouski, christened the submarine *Casimir Pulaski* with the traditional bottle of champagne as official sponsor of this mighty warship.

The launching of this submarine properly belongs in the annals of our history as a moment when we Americans have again dedicated ourselves to the principle that only through strength can we preserve peace in this world.

One could not help but reflect during this inspiring ceremony the need for more of these nuclear-powered submarines which, in my judgment, today stand as our greatest deterrent against those who would violate the peace of the world.

It is my hope that those who formulate our Nation's defense policies will recognize the continuing need for more of these servants of the silent service which today represents America's first line of defense.

Mr. Speaker, I should like to take this occasion to include in the RECORD today President Johnson's historic message on this momentous occasion when the name of Gen. Casimir Pulaski was added to America's present defense perimeter.

I should also like to include remarks made by Mr. J. William Jones, Jr., president of the General Dynamics-Electric Boat; Vice Adm. Elton W. Grenfell, U.S. Navy, commander; the address of Senator Thomas J. Dodd, U.S. Senator from Connecticut, and my own remarks delivered at a civic luncheon following the official launching of the *Casimir Pulaski.*

I should also like to take this occasion to congratulate Mrs. Gronouski for her official christening of this mighty submarine.

I am also confident that Comdr. Thomas B. Brittain, Jr., U.S. Navy, prospective commanding officer of the gold crew, and Capt. Robert L. J. Long, U.S. Navy, prospective commanding officer of the blue crew, will find inspiration in the historic name of Casimir Pulaski and his valiant contribution to America's freedom.

Mr. Speaker, President Johnson's special message, read by Senator DODD, at the launching ceremony follows:

PRESIDENT JOHNSON'S MESSAGE

WHITE HOUSE, *Washington, D.C.*

I have asked my good and distinguished friend, TOM DODD, to convey my hearty congratulations to the workers and engineers of Electric Boat Co., who, through their industry, ingenuity, and craftsmanship have created this mighty new addition to the arsenal of freedom.

I also want to express to the naval complement who will now take charge of the U.S.S. *Casimir Pulaski* the pride which I share with them in their new assignment. Their duty is to preseve the peace and no one knows this better than the enemies of freedom. Wherever the men of the U.S.S. *Pulaski* may journey the good wishes of the American people will go with them. I am pleased that this new addition to our Polaris fleet is named after a man who is at the same time the hero of our own history and a hero of Polish history.

We have not forgotten the contribution made by Polish patriots to the American struggle for independence. We have not forgotten Poland's historic struggle for the freedom of Europe. We have not forgotten her sacrifices for the common cause in World War II.

We have not forgotten that to this day the people in Poland share our values, our love of liberty and our faith in God. May the launching of this American nuclear submarine serve as a symbol of our great regard for those people who today nourish hope for freedom in their land again.

LYNDON B. JOHNSON.

STATEMENT BY MR. J. WILLIAM JONES, JR., PRESIDENT, GENERAL DYNAMICS ELECTRIC BOAT

Mrs. Gronouski, Senator DODD, Admiral Grenfell, distinguished guests, and all our friends, it is indeed a pleasure to welcome you here today to the launching of the *Casimir Pulaski*.

This is our first launching of a new year, and a launching of particular significance to Electric Boat since it marks the 10th anniversary of the nuclear navy. Just a decade ago the *Nautilus* was launched here at Electric Boat to begin the atomic era.

The *Pulaski*, the 19th atomic submarine to be launched at this shipyard, marks the start of a new decade for us and the Navy. In this new decade our goal will be to build even better ships, to continue improving every job we do, and to meet the highest standards of quality and reliability.

In the *Pulaski* I believe we have a good start toward this goal.

It is particularly gratifying that so large a delegation of Polish-American organizations have come to witness this launching. We are most happy to have you all here. Thank you for coming.

Among our distinguished guests here on the platform today we are honored to have with us Rear Admiral Mason, commandant, 3d Naval District; Rear Admiral Curtze, Deputy Chief of the Bureau of Ships; and Rear Admiral Lowrance, Deputy Commander, Submarine Force, Atlantic Fleet. We very much appreciate having them with us today.

Also we are delighted to have with us today a real friend of Electric Boat, a man many of you know and all of us respect. He has had a long and distinguished naval career and wears the Navy Cross for his exploits as a submariner during World War II, the commander of the Atlantic Fleet Submarine Force, Vice. Adm. Elton W. Grenfell.

It is rather fitting today that we are constructing another new Polaris submarine which has been named the *Benjamin Franklin* and the reason it is so fitting is that Benjamin Franklin was the first Postmaster General. We are very fortunate to have with us here on the platform today's Postmaster General, the Honorable John A. Gronouski, Jr. I would like to have you all meet him.

And now I have the honor of presenting to you a real beauty, our lovely sponsor, Mrs. John A. Gronouski.

Remarks of Vice Adm. Elton W. Grenfell, U.S.N., Commander, Submarine Force, U.S. Atlantic Fleet

Mr. Postmaster General and Mrs. Gronouski, Senator Dodd, Mr. Jones, fine friends of that great patriot, Gen. Casimir Pulaski, officers and crew of U.S.S. *Casimir Pulaski*, ladies, and gentlemen, 10 years ago many of us witnessed, here, at this great shipyard, the beginning of a revolution. It is fitting today, that we pause to honor one who lived his life—in fact one who gave his life, nearly 200 years ago—fighting for the then revolutionary ideals of individual freedom.

As we pause to honor this great patriot, we are right, in looking back over these past 10 years, to sum up the changes wrought by the technical revolution of which I speak.

You remember its beginning—on January 21, 1954, that cold, gray, overcast day—when *Nautilus*, our first nuclear-powered ship, gracefully left the building ways to enter the medium for which she was born—the sea. You remember, too, that moment near her christening time when a break appeared in the seemingly impenetrable clouds and for a brief time a shaft of bright sunlight shone through, caressing and warming this new thing of steel—seeming to acknowledge a certain kinship of energy—foretelling exciting and new events yet to happen.

And happen they did.

Since that day we have seen emerge in our land, new concepts for deterrent strategies, to protect those principles of freedom for which General Pulaski gave his life. We have seen the evolution of a changing Navy as the nuclear submarine contributed its unbelievable endurance and speed to the antisubmarine as well as to the prosubmarine roles of naval warfare. We have seen the great capabilities of this new technology applied to surface ships of our Navy, and we have applauded as our bright, energetic, young Americans have studied, and mastered the new tenets of the strange, but magnificent power.

Today, U.S.S. *Casimir Pulaski* is the 53d nuclear submarine to join her sisters of the undersea. She carries with her all that has been learned from those which have gone before.

After commander, now rear admiral, Eugene Wilkinson sent his historic message, telling all of us that *Nautilus* was underway on nuclear power, she traveled over 62,000 miles during the next 2 years before refueling.

U.S.S. *Casimir Pulaski* may operate two or three times as long before her first refueling. *Nautilus*, with her bottled oxygen, could stay completely submerged for days on end; but *Casimir Pulaski*, with her complete systems of atmospheric control, can remain submerged indefinitely.

It is easy to think back over the years since January 1954, and recall glorious events happening in a world that—suddenly—was not quite the same: *Nautilus*, 90 north; *Skate*, first surfacing at the North Pole; *Seadragon*, finding the Northwest Passage; *Triton*, around the world submerged.

To bring us to today we must recall one more event which occurred in July of 1960 on board our first Polaris submarine—U.S.S. *George Washington*. That event, best described in the words of her captain—Comdr. James Osborn, "Out of the sea, to target, perfect," tells of the first submerged firing of the Polaris missile. And with it, we complete the technical revolution which has produced U.S.S. *Casimir Pulaski*.

When this fine ship deploys to provide her special brand of life insurance for the free world, we will then have at sea nearly two-thirds of our planned Polaris deterrent force. She will help to make freemen everywhere more certain that their inalienable rights will endure.

General Pulaski would be proud, I am certain, to lend his name to a ship which is the product of a revolution in our times; and it is proper that our Navy accord him this honor—for his last moments were spent on board a ship of the line where he had been carried, wounded, while fighting against tyranny and for the freedom of this struggling new Nation.

I am very privileged to have a part in these things which we do to honor Gen. Casimir Pulaski, and to think back briefly with you, over the past 10 glorious years which have made possible today's ceremony.

Remarks of Senator Thomas J. Dodd at the Launching of Submarine U.S.S. "Casimir Pulaski," Electric Boat Co., in New London, Conn., Saturday, February 1, 1964

The occasion we attend today is symbolic of many things that are important to the past, the present and the future of our country.

We commemorate the memory of Casimir Pulaski and the other Polish heroes who came to our shores and gave their lives for American freedom.

We honor the great community of Polish-Americans who have contributed so greatly to the defense of our country in time of war and to its growth and development in time of peace.

We take part in the launching of this magnificent vessel, this marvel of science and naval engineering, this ship which is at once a defender of our security and a silent sentinel of peace.

We celebrate the vision and dynamism of a great Connecticut concern, the Electric Boat Co., and the skill and competence of the thousands of workers whose devotion and dedication went into the building of this ship.

We pay tribute, as well, to the men of New London who go down under the sea in ships, who face the danger and endure the sacrifices necessary to protect our freedom and to preserve our country.

And we dedicate ourselves to the objectives for which this Polaris submarine was constructed:

To our national defense; to our preservation from sudden attack; to the furtherance of peace through demonstrating the futility of war; to the maintenance of freedom where it exists in the world; and to the extension of that freedom to lands now enslaved, freedom which will someday come to Poland and the host of enslaved countries in the Communist prison house of nations.

There is a fitting symbolism in the ceremonies of today. Casimir Pulaski fought for freedom in his own country and, driven from his native land, came to ours where he played an important part in the campaigns of the American Revolution, and where at the seige of Savannah in 1777 he gave his life for our country.

Just as Pulaski journeyed to a distant place to do battle for independence and freedom, so will his namesake, the U.S.S. *Casimir Pulaski*, serve in distant places in the struggle to advance the cause of free men and independent nations everywhere.

No one who loves freedom and knows its history can forget the contributions of Poles.

Of John Sobieski, who defeated the great Turkish wave of invasion at the gates of Vienna and saved Europe.

Of Joseph Pilsudski, who defeated the invading Communist army in 1920, and thus gained independence for the Polish people and stopped the Bolshevik onslaught from entering the rest of Europe.

Of the heroic Poles who fought the battle of Warsaw in September 1939, when little Poland stood alone against the mighty armies of the Nazi aggressor.

Of the Poles who rose in 1944 and drove the Nazi occupiers out of Warsaw, only to fall victim to one of the most despicable betrayals of history when the Red army deliberately halted its advance on Warsaw and allowed the Nazis to return and destroy the Polish underground and the city of Warsaw, man by man and block by block.

And this tale of Polish heroism has continued in our own land.

Wherever rows of white crosses silently stand in military cemeteries, at home, and on farflung fields, the myriad of Polish names summons us to reflect upon the remarkable contribution which Polish-Americans have made so that you and I could have the chance today to fashion a world in which both peace and freedom can live side by side.

The fleet of Polaris submarines now in operation, of which the *Casimir Pulaski* will be the 28th, has been a revolutionary development in our national defense and in our effort to preserve the peace.

The basic purpose of this submarine is to help deter attack.

A submarine such as this can cruise for many months without refueling. It can remain underwater for months on end. It can move at great speeds beneath the sea.

This flexibility and mobility are known to any potential aggressor. It is virtually impossible for an enemy to destroy the Polaris system and that system is capable of massive and devastating response.

The leaders of the Kremlin know today that should they launch a surprise nuclear attack on the United States or the free world the great network of Polaris submarines operating around the globe would instantly inflict such crushing retaliation that they dare not take the risk. Our Polaris fleet is strong today. It will be stronger tomorrow.

And so this launching ceremony today is but one of a thousand proofs of the determination of the American people to keep our freedom and to create the conditions whereby freedom can one day be extended to the nations now enslaved behind the Iron Curtain.

The creation of this great fleet of nuclear-powered submarines seems almost a miracle, a miracle made possible in large part by the Connecticut industrial leaders who planned these submarines, by the Connecticut workers who built them, and by the Connecticut seamen who man them.

Our State has a submarine tradition which perhaps explains our preeminence in this field. It is not too much to say that the submarine was born and nurtured in Connecticut and that it came to maturity right here in Groton.

The first practical submarine, the *Turtle*, was invented by David Bushnell in nearby Saybrook in 1775. It was operated by one man who propelled it by turning a crank.

Simon Lake, a native of Bridgeport, was the first to develop the submarine's potential for underwater exploration and salvage work. In 1898, Lake created the *Argonaut*, a boat which had wheels for travel on the ocean floor and which was the first to submerge on an even keel.

The *Nautilus*, America's first nuclear-powered submarine, was launched here in Groton. And the first operational Polaris submarine, the *George Washington*, was built right here by Electric Boat.

Electric Boat can be proud of the role it has played in the development of the American submarine.

And it is a tribute to the efficiency of the people who work here that three of the six Polaris contracts let by the U.S. Navy in fiscal 1964 have gone to the Electric Boat Co.

We also honor today the crews whose willingness to face extreme hazards and to endure heavy sacrifices makes the Polaris submarine system possible.

Recently, I had the opportunity to inspect the Polaris submarine, *Alexander Hamilton*, which is presently in this yard for refitting and repair. I was particularly impressed with the dedication and competence of the officers and crew. Their esprit and enthusiasm was very apparent in my conversations with them. We are particularly fortunate in having men of this caliber to man these complicated and deadly guardians of liberty.

These men are the best that we have got. The debt owed to them by our country and the world will perhaps never be fully known. But they, themselves, know the significance of their mission. One cannot talk with these men without being proud of our country and without gaining deeper insight into the true meaning of being an American in this decade.

And so let us, like the men who man the U.S.S. *Casimir Pulaski*, dedicate ourselves to make whatever sacrifices must be made to preserve and extend freedom and to safeguard the peace of the world.

Let us resolve to build more and more of these vessels and to do whatever else is necessary to provide for our national defense.

And let us pray that the Polaris missiles carried by the U.S.S. *Casimir Pulaski* and her sister ships will never be used, and that their existence alone will serve to help guarantee the preservation of both peace and freedom, for our people and for all people.

REMARKS OF CONGRESSMAN ROMAN C. PUCINSKI AT THE LAUNCHING OF THE POLARIS SUBMARINE "CASIMIR PULASKI," DELIVERED IN GROTON, CONN., SATURDAY, FEBRUARY 1, 1964

Mr. Chairman, it is a privilege to participate in this imposing ceremony, not only as a Member of the Congress of the United States but also as the official representative of Mr. Charles Rozmarek, president of the Polish National Alliance and also president of the Polish American Congress.

It was the late President, John Fitzgerald Kennedy, who had instructed the Department of the Navy to name one of our modern Polaris submarines in honor of Gen. Casimir Pulaski. This Nation owes a debt of gratitude to the late President for many reasons, and tucked in among all those reasons is the ceremony in which we are engaged today.

One of the most impressive attributes of our late President was his keen sense and understanding of this Nation's magnificent historical past and its association to the present and the future. In so many of his official acts, President Kennedy drew his inspiration and strength from America's glorious history.

It should come, then, as no surprise that President Kennedy would have wanted a Polaris submarine named in honor of one of this Nation's great revolutionary heroes, Casimir Pulaski.

The youth, the vigor, the determination, the unyielding devotion to freedom, the inspiring dedication to the dignity of the individual: these were all the attributes of the youthful Gen. Casimir Pulaski—attributes which President Kennedy had recognized, and in suggesting the naming of a Polaris submarine in honor of General Pulaski, President Kennedy was reigniting that spirit of Casimir Pulaski for this generation of Americans to follow.

We Americans are a polyglot Nation. Our strength, our wisdom, our culture, and our intellectual wealth stems from the fact that to these shores of America, men and women from virtually all the nations of the world have brought the best of their ethnic heritage and helped weave it into a single fabric which we today call America.

Casimir Pulaski was one of those dedicated immigrants who came to our shores during the moment of our greatest peril, and added his devotion, and strength, and courage to carve in this hemisphere an oasis of freedom.

Casimir Pulaski gave his life so that freedom could live here on these shores. His great sacrifice, like that of millions who came after him, has served as the beacon of hope and inspiration not only for Americans but men of good will all over the world.

This Polaris submarine which bears his name shall carry his glory to all corners of the world. It shall dramatize Pulaski's spirit.

This soldier of our silent service in the Navy, epitomizes those very things for which Pulaski, as well as all Americans, stood for: dignity and freedom.

We properly pray that the deadly weapons which this submarine carries shall never have to be used. Indeed, if these Polaris missiles which this submarine carries must ever be used, then we as a nation and as a civilized world have failed. The Polaris submarine *Casimir Pulaski* joins our imposing fleet of similar submarines and arsenal of missiles as a harbinger of peace. This submarine was designed and built to make America's arsenal of democracy so awesome in retaliatory power that no enemy would ever disturb the peace of this world again.

It is fitting that the historical name of Casimir Pulaski, who gave his life in the Battle of Savannah during the American Revolutionary War, today joins in this noble cause of free Americans. May his name and the ship it serves give living meaning to the dignity of our cause—a cause based on the firm belief that through strength we can assure peace for the world.

Thank you.

THE RIGHT TO VOTE

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. GALLAGHER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. GALLAGHER. Mr. Speaker, this country moved further toward our goal of free and unrestricted voting for all citizens with the certification today by the President of the constitutional amendment abolishing the poll tax. While we have passed a historic marker along the way to the free exercise of the voting franchise we must recognize that in some areas efforts will continue to be made to deny the voting privilege to many citizens.

I ask that an editorial—"The Right To Vote"—which appeared in the Newark (N.J.) Ledger, Sunday, February 2, 1964, be printed in the RECORD. It is a sound and intelligent commentary on this important subject.

THE RIGHT TO VOTE

Until the recent ratification of the 24th amendment, the right to vote in our free society carried a price tag in five States, all below the Mason-Dixon line.

This historic addition to our Federal Constitution wipes out that price tag—the onerous poll tax, an invidious device designed to withold the voting franchise from the Negro and from the Mexican-Americans in Texas.

The poll tax, in effect, created second-class citizens, a group not able to exercise voting privileges. There are enough people in straitened circumstances who fall into this group to make a significant impact on elections in the last five States to keep the poll tax.

The latest amendment does not solve the whole problem. It applies specifically to voting in primaries and elections for President, Vice President, and Members of Congress.

Ironically, the historic action was made possible by the vote of the South Dakota Legislature in a close race to the wire with Georgia to become the 38th State to ratify the anti-poll-tax amendment. It was possible, until the last-minute action by South Dakota, that a Southern State could have cast the decisive vote for ratification.

The death of the poll tax was lauded by President Johnson as a "triumph of liberty over restriction."

But the death is not going to be swift or painless. Already there are moves afoot in two States—Virginia and Texas—to whittle away at the effectiveness of the amendment that guarantees general suffrage. They are drafting new legislation to set up dual registration for Federal and State elections. Arkansas is expected to set up a similar dualist voting system when Governor Faubus calls a special session of the legislature this year.

In the two remaining hard-core poll tax States, Mississippi and Alabama, officials are not overly concerned with the abolition of the vote levy in Federal elections. These two States have the lowest voter participation—the ratio of actual voters in presidential elections to the eligible civilian population of voting age.

This is mainly due to indifference because of a virtual one-party system, intimidation of the Negro voter and obstacles to registration, other than the poll tax obstruction.

The poll tax dates from early civilizations, when it was known as a head tax. It's an archaic mode of taxation, used largely in the early days to raise general revenues for governmental operations and to pay for the cost of wars.

In its original application in this country, during post-Revolutionary times, it was designed as an inducement to broaden suffrage. It replaced requirements that voters had to be landowners or members of certain guilds or professions. The payment of a poll tax was less restrictive.

But it assumed sinister aspects in the period after reconstruction, from 1890 to 1908, when the Democrats took control of southern legislatures. The poll tax then openly and brazenly became a device to purify the electorate of Negroes, carpetbaggers and scalawags.

Since 1920, six States that used the poll tax to disenfranchise Negro voters voluntarily repealed it. Practical politics on a local level rather than idealism, were the motivating levers for the repeal of the tax.

The 24th amendment is a major move on this Nation's determined march toward the complete freedom of the individual. The right to vote has to be one of the cornerstones in the civil rights struggle. It makes officeholders responsive to the full electorate, not a selective, privileged group.

CONGRESS SHOULD PROVIDE FOR PRESIDENTIAL DISABILITY

The SPEAKER. Under previous order of the House, the gentleman from Washington [Mr. PELLY] is recognized for 30 minutes.

Mr. PELLY. Mr. Speaker, Walter Lippmann recently wrote a critique of Congress which appeared in Newsweek. In this article he strongly criticized Congress—especially for its failure to provide satisfactorily for a vacancy in the Presidency. He said thereby the stability and the continuity of our Government is placed in jeopardy.

It is to this subject of failure on the part of the Congress to provide satisfactorily by law for Presidential succession or disability to which I will address these remarks today; for I agree that Congress has never met its responsibility under the Constitution in this regard. I believe in particular that protection of the United States from Presidential disability has not been provided.

Mr. Speaker, as the Members of the House know full well, the Constitution places a duty on Congress of designating what officer shall act as President in the case of "removal, death, resignation, or inability, both of the President and Vice President."

The authors of the Constitution, it is true, provided a partial solution in the event of a vacancy by creating the office of Vice President and making the Vice President first in line in the event of a vacancy in the office of President.

Against the possibility of simultaneous vacancies in both the office of President and Vice President the Constitutional Convention at a late stage in its proceeding added as a seeming afterthought a clause authorizing Congress to make further provision by law on the subject.

Mr. Speaker, by way of background let me recall briefly that pursuant to this latter authority and responsibility Congress has passed up to now three different Presidential succession acts. During our history, although various vacancies have occurred in one or the other office at different times in American constitutional existence, happily we have never experienced any simultaneous vacancy in both Presidential and Vice Presidential offices. This has obviated the necessity of resorting to any of the schemes of succession under these various legislative acts.

Despite the favorable record of stability and continuity in connection with the transfer of the powers of the office of the Presidency, the question of Presidential succession has been discussed since the adoption of the Constitution. However, the recent assassination of our late lamented President, John F. Kennedy, of course, inspired renewed interest in the subject. Moreover, I might add that the discussions following the tragic event of Friday, November 22, 1963, invariably have expressed uncertainty regarding the line of succession fixed by the 1947 act which is now in effect.

Furthermore, Mr. Speaker, the law of succession to the Presidency is undergoing new and serious scrutiny because the country no longer has a Vice President. Frankly, one cause of concern is the advanced age of the next two officials in line to succeed President Johnson, and likewise because of President Johnson's history of having experienced a severe heart attack.

There seems to be widespread misapprehension that, if under this law, the Speaker of the House should ever be called upon to act as President and should himself die, that the President pro tempore of the Senate would succeed him as acting President. However, Mr. Speaker, such does not appear to have been the intent of Congress. Rather it would seem Congress under the act of 1947 intended when the Speaker resigned to assume the duties of President, the House would immediately elect a new Speaker, and if the acting President then should die, resign, or become disabled, the newly elected Speaker would take his place. Presumably the President pro tempore would only be called upon if the House was not in session and had no duly elected Speaker at the time the vacancy in the White House occurred, or if the Speaker was ineligible for the Presidency. Admittedly there is some uncertainty as to the precise intent of the Congress and this should be cleared up.

Let us be thankful, Mr. Speaker, that the United States and the American people have been fortunate in that circumstances and a kind providence has protected them from executive paralysis when a President became disabled and suddenly was unable to perform his heavy duties. The problem for which Congress has never even attempted a solution is what is to happen when a President does not die but is disabled. This situation has never been provided for authoritatively.

A President may be stricken and mentally incompetent, but who is to determine the degree or extent of incompetency or mental condition? Who will decide as to recovery?

Mr. Speaker, article II, section I, clause VI of the Constitution of the United States provides that the powers and duties of the Office of President in event of inability shall devolve on the Vice President. It further provides that Congress may by law establish in the event of both President and Vice President being disabled which officer shall then act as President until the disability is removed or a new President elected.

In this latter connection the 2d Congress in 1792 passed the first of our succession laws. This act provided that the President pro tempore of the Senate would act as President or if he was not available the Speaker of the House would act.

Almost a century later, in 1886, a new act was passed which established a new line of Presidential succession. Under the new act certain members of the President's Cabinet were designated to act as President with the Secretary of State being first in order.

In 1947, on recommendation of President Truman, the present arrangement was passed with the Speaker of the House being designated first and, of course, the President pro tempore of the Senate being next to him in line. That is the law today and if neither of these officers is available then succession passes to the Secretary of State.

But, as I previously stated, the thorny part of this problem has never been dealt with. Rightfully, Mr. Speaker, criticism that Congress is derelict in its duty is directed at us for our failure to clarify what happens under a disability of a President. By this I mean who will decide should a President suffer a stroke or some mental affliction or speech impediment whether a President is able to continue to handle his duties, or after a period if there is sufficient recovery for him to resume his responsibilities.

President Eisenhower and President Kennedy made personal arrangement to cover such situations but who can argue that such is a satisfactory protection to the country in the event of Executive paralysis.

Mr. Speaker, the American Bar Association has been aware, of course, of this potentially dangerous situation and after study has come up with a proposal that seems to make sense.

The bar association plan provides for a constitutional amendment. This amendment would require that within 10 days of inauguration a President must appoint a nine-member commission on presidential inability. The commission would be chosen by each President himself and would be composed of three members of his Cabinet, two Senators, two Members of the House, and 2 members of the Supreme Court.

Here may I say, Mr. Speaker, I support the proposal of such a commission to stand by in case of emergency. Especially, I support the suggestion that Congress should act promptly to cover this contingency. In a nuclear age, in a cold war or just recognizing nature and the physical facts of life and man's susceptibility to illness a dangerous gap in Presidential succession exists due to the possibility of disability.

All statistics of death and disability dictate that the Congress should act promptly.

Mr. Speaker, benign providence will not protect the American people forever and, indeed, up until now Congress has been derelict in its duty to protect them as provided in the Constitution.

Therefore, most earnestly I urge that the leadership of this House consult with the President and arrange for legislation to be introduced to meet this situation.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Bray (at the request of Mr. Thomson of Wisconsin), for 15 minutes, on Thursday, February 6, 1963.

Mr. Rogers of Texas, for 20 minutes, on Thurday, February 6, 1963.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Hosmer.

Mr. Bow.

Mr. Dorn and to include extraneous matter.

(The following Member (at the request of Mr. Thomson of Wisconsin) and to include extraneous matter:)

Mr. Lipscomb.

(The following Members (at the request of Mr. Matsunaga) and to include extraneous matter:)

Mr. Dulski.

Mr. Gallagher.

ADJOURNMENT

Mr. MATSUNAGA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 5 minutes p.m.) the House adjourned until tomorrow, Thursday, February 6, 1964, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1650. A communication from the President of the United States, transmitting information in compliance with title III of the Foreign Aid and Related Agencies Appropriation Act of 1964, that he has determined that it is in the national interest for the Export-Import Bank to issue guarantees in connection with the sale of U.S. agricultural products to the Union of Soviet Socialist Republics, Bulgaria, Czechoslovakia, Hungary, Poland, and Rumania and that the Bank will report the individual guarantees to the Congress as they are issued; to the Committee on Foreign Affairs.

1651. A communication from the President of the United States, transmitting information in compliance with title III of the Foreign Aid and Related Agencies Appropriation Act of 1964, that he has determined that it is in the national interest for the Export-Import Bank to issue guarantees in connection with the sale of U.S. products and services to Yugoslavia and that the Bank will report the individual guarantees to the Congress as they are issued; to the Committee on Foreign Affairs.

1652. A letter from the Governor, Farm Credit Administration, transmitting a draft of a proposed bill entitled "A bill to amend further the Farm Credit Act of 1933, as amended, to provide that part of the patronage refunds paid by a bank for cooperatives shall be in money instead of class C stock after the bank becomes subject to Federal income tax, and for other purposes"; to the Committee on Agriculture.

1653. A letter from the Comptroller General of the United States, transmitting a report on overpricing of ship propulsion boilers purchased under fixed-price contract NObs-76301 negotiated with Foster Wheeler Corp., New York, N.Y.; to the Committee on Government Operations.

1654. A letter from the Chairman, Federal Power Commission, transmitting a copy of the publication "Typical Electric Bills, 1963"; to the Committee on Interstate and Foreign Commerce.

1655. A letter from the Deputy Assistant Secretary of Defense (Properties and Installations), transmitting additional information relating to certain facilities projects proposed to be undertaken for the respective Reserve components of the Armed Forces, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

1656. A letter from the Assistant Secretary of Defense, transmitting additional projects relating to certain projects for the Army Reserve and the Naval and Marine Corps Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

1657. A letter from the vice president and comptroller, D.C. Transit System, Inc., requesting an extension of 60 days in which to file a report, pursuant to Public 435, approved March 4, 1913; to the Committee on the District of Columbia.

1658. A letter from the Assistant Secretary of Commerce, transmitting a report of foreign excess property disposed of during calendar year 1963 by the U.S. Department of Commerce, pursuant to Public Law 152, 81st Congress; to the Committee on Government Operations.

1659. A letter from the Chairman, Interstate Commerce Commission, transmitting the 77th Annual Report of the Interstate Commerce Commission for the fiscal year 1963; to the Committee on Interstate and Foreign Commerce.

1660. A letter from the Chief Commissioner, Indian Claims Commission, transmitting a report stating that proceedings have been concluded with respect to the following claim: *Docket No. 100, The Klamath and Modoc Tribes, et al., Petitioner* v. *The United Sttaes of America, Defendant*, pursuant to 60 Stat. 1055; 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

1661. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a report relating to refugee operations, pursuant to the act of July 14, 1960, as amended by the act of June 28, 1962, which were continued during the 6-month period ending December 31, 1963, the seventh 6-month period of operations under the act; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 1794. A bill to authorize the acquisition of and the payment for a flowage easement and rights-of-way over lands within the Allegany Indian Reservation in New York, required by the United States for the Allegheny River (Kinzua Dam) project, to provide for the relocation, rehabilitation, social and economic development of the members of the Seneca Nation, and for other purposes; with amendment (Rept. No. 1128). Referred to the Committee of the Whole House on the State of the Union.

Mr. PATMAN: Committee of conference. S. 298. An act to amend the Small Business Investment Act of 1958 (Rept. No. 1129). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HARRIS:

H.R. 9903. A bill to amend the Interstate Commerce Act and the Federal Aviation Act of 1958 so as to strengthen and improve the national transportation system, and to implement more fully the national transportation policy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DENT:

H.R. 9904. A bill to amend the Fair Labor Standards Act of 1938 to increase to 50 percent of the minimum under section 6 the minimum wage applicable to physically handicapped workers employed in sheltered workshops and to provide for periodic increases beginning January 1, 1965, and for other purposes; to the Committee on Education and Labor.

By Mr. FALLON:

H.R. 9905. A bill to authorize appropriations for the fiscal years 1966 and 1967 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes; to the Committee on Public Works.

By Mr. CRAMER:

H.R. 9906. A bill to authorize appropriations for the fiscal years 1966 and 1967 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes; to the Committee on Public Works.

By Mr. HALL:

H.R. 9907. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. HOSMER:

H.R. 9908. A bill to provide that the attack aircraft carrier authorized for fiscal year 1963 shall be nuclear powered; to the Committee on Armed Services.

By Mr. ANDERSON:

H.R. 9909. A bill to provide that the attack aircraft carrier authorized for fiscal year 1963 shall be nuclear powered; to the Committee on Armed Services.

By Mr. ANDREWS of North Dakota:

H.R. 9910. A bill to provide that the attack aircraft carrier authorized for fiscal year 1963 shall be nuclear powered; to the Committee on Armed Services.

By Mr. CHAMBERLAIN:

H.R. 9911. A bill to provide that the attack aircraft carrier authorized for fiscal year 1963 shall be nuclear powered; to the Committee on Armed Services.

By Mr. FULTON of Pennsylvania:

H.R. 9912. A bill to provide that the attack aircraft carrier authorized for fiscal year 1963 shall be nuclear powered; to the Committee on Armed Services.

By Mr. HORTON:

H.R. 9913. A bill to provide that the attack aircraft carrier authorized for fiscal year 1963 shall be nuclear powered; to the Committee on Armed Services.

By Mr. KING of New York:

H.R. 9914. A bill to provide that the attack aircraft carrier authorized for fiscal year 1963 shall be nuclear powered; to the Committee on Armed Services.

By Mr. RIEHLMAN:

H.R. 9915. A bill to provide that the attack aircraft carrier authorized for fiscal year 1963 shall be nuclear powered; to the Committee on Armed Services.

By Mr. WESTLAND:

H.R. 9916. A bill to provide that the attack aircraft carrier authorized for fiscal year 1963 shall be nuclear powered; to the Committee on Armed Services.

By Mr. MINISH:

H.R. 9917. A bill to provide for the issuance of a special postage stamp in memory of Nurse Clara Louise Maass; to the Committee on Post Office and Civil Service.

By Mr. DON H. CLAUSEN:

H.R. 9918. A bill to provide that the attack aircraft carrier authorized for fiscal year 1963 shall be nuclear powered; to the Committee on Armed Services.

By Mr. HAGEN of California:

H.R. 9919. A bill to provide an acreage diversion program for the 1964, 1965, and 1966 crops of upland cotton; to the Committee on Agriculture.

By Mr. SAYLOR:

H.R. 9920. A bill to amend title 38, United States Code, to permit , for 1 year, the granting of national service life insurance to certain disabled veterans heretofore eligible for such insurance; to the Committee on Veterans' Affairs.

By Mr. DERWINSKI:

H.J. Res. 917. Joint resolution proposing an amendment to the Constitution of the United States pertaining to the offering of prayers in public schools and other public places in the United States; to the Committee on the Judiciary.

By Mr. NORBLAD:

H.J. Res. 918. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. DORN:

H. Con. Res. 264. Concurrent resolution supporting the President of the United States in not according diplomatic recognition to the Chinese Communist regime; to the Committee on Foreign Affairs.

By Mr. MILLER of New York:

H. Con. Res. 265. Concurrent resolution to request the President to initiate discussion of the Baltic States question before the United Nations with a view to gaining the independence of Lithuania, Latvia, and Estonia from the Soviet Union; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

Mr. SENNER presented a memorial of the Arizona State Legislature, urging the Congress of the United States to support a firm policy against communism, which was referred to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 9921. A bill for the relief of Pietro Daidone; to the Committee on the Judiciary.

By Mr. CANNON:

H.R. 9922. A bill for the relief of Walter K. Willis; to the Committee on the Judiciary.

By Mr. DULSKI:

H.R. 9923. A bill relating to the effective date of the qualification of Buffalo Laborers Local 210 pension fund as a qualified trust under section 401(a) of the Internal Revenue Code of 1954; to the Committee on the Judiciary.

By Mr. HAGEN of California:

H.R. 9924. A bill for the relief of Diana M. Wilson; to the Committee on the Judiciary.

By Mr. HEALEY:

H.R. 9925. A bill for the relief of Anita Roberta Facey; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 9926. A bill for the relief of Mary B. Bayliss; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 9927. A bill for the relief of Anthony Trevelli; to the Committee on the Judiciary.

SENATE

WEDNESDAY, FEBRUARY 5, 1964

(Legislative day of Tuesday, February 4, 1964)

The Senate met at 10 o'clock a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore [Mr. METCALF].

Rev. Richard P. Newby, pastor, Friends Memorial Church, Muncie, Ind., offered the following prayer:

Our Father, we pray Thee, this day, for our country and its leaders. Strengthen the sense of duty in our political life. In our personal living, may we tolerate nothing which, if multiplied, would weaken our Republic.

Breathe a new spirit into us, our Father. Lift us out of the mire of past failure, and gird us for the day's work.

Give us a new vision of the possible future of our land, and set our hearts on fire with large resolves.

May this be a time of faith and daring to follow the precepts of Thy Kingdom; and may our leaders and those of us who are followers enlist in Thy holy cause, for the freedom and rights of the people.

So help us, God. Amen.

REVENUE ACT OF 1964

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business, H.R. 8363.

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

The ACTING PRESIDENT pro tempore. Under the unanimous-consent agreement of yesterday, the Senate will now proceed to the consideration of amendments numbered 411, relating to standard deductions, to be proposed to the pending bill by the Senator from Illinois [Mr. DOUGLAS], upon which there is a limitation of debate and control of time.

Without objection, the amendments will be considered en bloc.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday. February 4, 1964, was dispensed with.

REVENUE ACT OF 1964

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

Mr. DOUGLAS. Mr. President, I agreed to the unanimous-consent agreement, but with the understanding that there be a quorum call some time in advance of the taking of the vote, and that the quorum call be a live quorum call, so that we may have an opportunity to explain the amendments to the Senate as a whole.

There is nothing more discouraging than to explain an amendment to an empty Chamber, and subsequently have Senators enter the Chamber and vote without having heard the explanation. So I wonder whether the majority leader will be so gracious—for I intend to speak for about 15 minutes, in presenting my preliminary explanation—as to then have a quorum call, perhaps 15 minutes in advance of the taking of the vote on my amendments. If that is done, I shall appreciate it very much.

Mr. MANSFIELD. That will be agreeable.

Mr. HRUSKA. I have no objection.

The ACTING PRESIDENT pro tempore. Without objection, the unanimous-consent agreement will be modified accordingly.

Mr. MANSFIELD. Mr. President, I ask that the attachés on both sides notify all Senators that in approximately half an hour there will be a live quorum call, and request Senators to make their plans accordingly.

Mr. President, I believe the Senate is now proceeding under controlled time.

The ACTING PRESIDENT pro tempore. That is correct.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Illinois will state it.

Mr. DOUGLAS. Is there to be a morning hour?

The ACTING PRESIDENT pro tempore. No.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there now be a brief quorum call, before the time limitation under the unanimous-consent agreement goes into effect.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered; and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. INOUYE in the chair). Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 15 minutes.

INCREASE MINIMUM STANDARD DEDUCTION

Mr. DOUGLAS. Mr. President, the pending amendment was described by me last night, and Senators will find the description on pages 1871 to 1873 of the CONGRESSIONAL RECORD.

Very briefly, the amendment would increase the minimum standard deduction by $100 for each taxpayer and person in a taxpayer's family, and would pay for that by reducing the cut in the corporation tax, so that for the first year, instead of being 50 percent, it would be 51 percent; and in the second year, and thereafter, 50 percent, instead of 48 percent.

LOW INCOME FAMILY OF FOUR

Let me illustrate briefly how this would work: The minimum standard deduction can be used by the lower income groups as a substitute for the 10-percent standard deduction. At present under existing law, a family of four with income of $3,000 a year, will receive a $600 exemption for each person, or a total of $2,400. Then the family can take the 10 percent standard deduction upon the total taxable income—which means, in effect, that the first $2,700 will be exempt from taxation. Thereafter, the family will pay at a 20-percent rate, although it now costs a family of four approximately $3,500 to live on a standard of living, a subsistence-plus standard, which in itself is extremely low.

The pending bill attempts to improve this situation by introducing—instead of the 10 percent standard deduction—a provision for a $300 minimum standard deduction for the taxpayer, and $100 for each dependent, up to a total of six children. This means that a family of four with a $3,000 income would receive minimum standard deductions of $600, and therefore, would have the first $3,000 instead of $2,700 of its income exempt from taxation, but would pay the tax on any amount over $3,000.

An income of $3,000 is sufficient only for a bare poverty level of existence. I suggest that, at a very minimum, a family of four needs $3,500, and some persons think such a family of four needs $4,000. This is shown abundantly by the various budgetary studies which have been made.

Nevertheless, under the pending bill, although it is an improvement on the present practice, families with incomes as low as $3,500 would still pay appreciable amounts in taxation.

FOUR HUNDRED DOLLARS PER TAXPAYER PLUS $200 PER DEPENDENT

My amendment would provide that a minimum standard deduction of $400 for the head of the family plus $200 for each dependent would mean that there would be a $1,000 addition to the $2,400 exemption and taxation would not begin on income below $3,400. Such low income families would therefore receive a minimum reduction of somewhere between $60 to $80 in taxes owed.

COST VIRTUALLY RECOUPED

This would cost approximately $960 million, but we would virtually pay for it by reducing the rate of reduction in the corporate tax. This would bring in to the Treasury approximately $870 million more, so that the net loss would not be more than $90 million. This is a small sum in a total tax cut of nearly $12 billion. Therefore, I believe I can properly claim that the amendment is virtually neutral so far as the total tax cut is concerned. What it does do is to shift the distribution of the cut from the upper income groups more nearly in favor of the lower income groups.

Mr. MANSFIELD. Mr. President, will the Senator from Illinois yield that I may ask unanimous consent to suggest the absence of a quorum, with the understanding that the time necessary for the call of the roll not be charged to the Senator from Illinois?

Mr. DOUGLAS. I yield, with that understanding.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call may be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, so far as the benefits of the corporation tax reduction are concerned, we should realize that those with incomes of $50,000 a year, who form only one-tenth of 1 percent or two-tenths of 1 percent of the population, receive approximately one-third of the dividends and therefore get the benefits, immediate or ultimate, of the cut in the corporation tax. Those with incomes of $20,000 a year who form only about 2 percent of taxpayers receive approximately 60 percent of the dividends and get the benefit of the cut. On the other hand, those with incomes under $5,000 a year receive only 7 percent of the benefits from dividends.

BENEFITS TO LOW INCOME GROUPS

Under the amendments which I am offering, 95 percent of the benefits would go to those with incomes below $10,000 a year, and approximately 40 percent would go to those with incomes below $5,000 a year; so the measure would provide a shift in benefits from those with incomes of $20,000 to $50,000 a year to those with incomes under $10,000 a year.

I believe this is highly desirable, because the present tax system is really loaded against the lower income groups. We delude ourselves if we believe that the rates of progression on the upper Federal income taxes are actually paid by many taxpayers.

The Senator from Tennessee [Mr. GORE] and I, in preceding days, have hammered this point home: That those with incomes of over a million dollars a year actually pay less than 20 percent of their income in taxes, because of the loopholes.

LOOPHOLES BENEFIT UPPER INCOME GROUPS

The Federal system is shot through with loopholes which in the main benefit those in the upper income groups. In addition, we should remember that State and local general property and excise taxes amount to approximately $33 billion a year, and that there are $13 billion more in Federal excise taxes; so the excise and general property taxes, State, Federal, and to some degree now local, comprise almost as large a total amount as Federal income-tax receipts.

PROPERTY, SALES, AND EXCISE TAXES REGRESSIVE

The excise, sales, and general property taxes are highly regressive. Certainly this is true of sales taxes. It is also true of general property taxes. We have produced testimony indicating that the percentage valuation attached to workmen's homes is much higher than that attached to estates of the wealthy or to the industrial properties of corporations.

Therefore, a large degree of progression is needed in the Federal system to offset the regressive nature of sales taxes, and the systems of State and local taxation. In practice, the degree of progression does not really exist to anywhere near the extent claimed. I believe, if we examine the entire system of taxation after we get over the exemption limits, we shall probably find it to be somewhat regressive. Therefore, even in interest of a simple proportional tax system, and certainly in the interest of a progressive tax system—which I believe in, and in which I believe the mass of the American people believe—we need some shift in the benefits of the tax cut from the upper income groups to the lower and lower middle-income groups. That is precisely what my amendments would accomplish.

FACTS ON INCIDENCE OF TAXATION

Mr. President, in corroboration of my statement that the excise taxes are highly regressive, I call attention to a publication of the Joint Economic Committee issued in 1955 on Federal Tax Policy for Economic Growth and Stability. That publication showed that for those with incomes under $2,000 the Federal excise taxes took 5 percent of their income, but only 1.9 percent—or about 2 percent—of the income of those with incomes over $10,000.

So far as State and local taxes are concerned, the excise and sales taxes for those with incomes under $2,000 cost them 5.7 percent, but for those with incomes over $10,000 it was only 2.2 percent, or a combined total of 10.7 percent for those with incomes under $2,000, as compared to 4.1 percent for those with incomes over $10,000.

LOW INCOME GROUPS PAY TWICE AS MUCH OF INCOME AS HIGH INCOME GROUPS

Similarly, if we consider State and local property taxes, there is a downward shift in the incidence as income goes up from 4.8 percent for those with incomes under $2,000 to 3.4 percent for those with incomes over $10,000, or combining these, we arrive at a figure of a 15.5 percent incidence of taxation for those with incomes under $2,000 and only a 7.5 percent for those with incomes over $10,000 or only one-half as high as the proportion borne by those under $2,000.

In other words, the system of sales taxes and general property taxes is highly regressive. So far as Federal income taxes which are actually paid, they really do not offset the regressive nature of the rest of the tax structure.

We need to shift income from the upper groups to the lower groups if we are to get even an approach to justice.

TAX REDUCTION TO LOW INCOME GROUPS WILL BE SPENT

In addition, there is another advantage to the proposal. The gains to those in the lower income groups would be almost entirely spent. There would be a direct increase in consumption, and therefore a direct stimulation to production.

Senators might ask, "Will not the amounts going to corporations be invested and hence spent, so that there would be no net change? Do you not merely take from one pocket and put it in the other?"

A LARGE PROPORTION OF CORPORATE PROFITS NOT INVESTED

That statement is not wholly true. A large portion of corporate earnings are not now invested. They are made but not invested. I have computed figures showing that in the past few years—between 1959 and 1963—corporations raised $244 billion from depreciation, depletion allowances, retained earnings, and such external sources as new issues. They spent only $154 billion for new plant and equipment. The net increase in inventories, cash, other assets and receivables, $16 billion, is unaccounted for. So in practice approximately $90 billion is either unaccounted for or put into Government securities, real estate, inventories and cash. It is probably safe to say that approximately $50 to $60 billion went into cash, the purchase of short-time Government securities, or real estate, which did not add to the productive equipment of the company.

So we would not be subtracting an equal amount of productive resources from the corporations to that which we would be adding in the way of consuming power to the low-income groups.

BOTH JUSTICE AND EFFECTIVENESS PROMOTED

From the standpoint of justice, the amendments are needed. From the standpoint of economic efficiency, they are needed. It is difficult for me to see how the administration forces can oppose the amendments. It is difficult for me to see how any member of the Democratic Party who believes in the principles of our party can oppose them.

Yesterday we heard piteous cries that the Ribicoff amendment would not help those in the low-income groups—that it would not help those who live on "red beans and rice," so to speak.

The Senate now has an opportunity to provide the administration forces with the ability to help the poorer groups. The proposal would really be an aid to those in the lower income groups.

Mr. GRUENING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time that the Senator has allotted himself has expired.

Mr. DOUGLAS. I yield to the Senator from Alaska 2 minutes on his own time.

Mr. GRUENING. Mr. President, I could not more heartily approve of any amendments than those which the distinguished senior Senator from Illinois has offered. They are modest, but to a limited extent designed to rectify one of the basic evils in the bill, which is that most of the proposed tax reduction would go to those in the higher income brackets and to those who least need it. My judgment of the tax bill in its present form may seem harsh, but I fear, true. It is essentially a bill to make the rich richer. It does little for the working man, for the small businessman, for the salaried employee, for the people with modest incomes and large families. I believe it is time for the Senate to realize that, and at least adopt the very moderate amendments offered by the Senator from Illinois, which aim to rectify that situation to a slight degree.

Senator DOUGLAS' amendments would help the people in the lower income groups, the people with large families, those with small or moderate incomes, those very people who need tax relief. I hope the Senate will agree to the amendments. I shall support them.

Mr. LONG of Louisiana. Mr. President, I yield myself 5 minutes.

The general purpose of the amendments is to strike from the bill certain of the reductions and tax incentives for business, and to increase the tax reductions for those in the lower income brackets.

The committee has brought forth a balanced bill. The bill was approved by those who speak for the laboring groups and those in the low income groups.

It also comes to us with the approval of those who speak for the business community.

Two types of testimony were offered to the committee. We heard those who spoke for the laboring groups state, "This is a good bill, but we think we can show you how you can improve it. If you would like to improve it, we would suggest that you take out the tax reductions which business would get and take out the provisions which would be an incentive to businesses to build new plants, hire additional people, expand, and increase their activity.

"We are not much impressed by the argument that incentives for profits make jobs. Take out that part of the bill, or cut down drastically on that provision, and give a greater reduction to those in the lower income brackets."

Then the business representatives would come before the committee and say, "This is a good bill. We recommend the bill. Like organized labor, we were consulted in putting it together. We were heard before the committees, and we think our case has been reasonably considered. But we think we can show you how you could improve the bill. There is too much tax reduction frittered away by eliminating from tax liability to their Government completely those people who now pay a small amount of taxes. The tremendous reductions which would be given to those in the lower income brackets would really wind up as money spent on tobacco and frittered away on relatively unimportant items. The best way to proceed is to give that money to us and let us use it to build plants, to create jobs, more employment; and as tax incentives, we think we can show you how we can employ a great deal more people. Instead of giving a person a greater tax cut, we will get him a better job at more pay."

Mr. DOUGLAS. Mr. President, will the Senator yield, on my time?

Mr. LONG of Louisiana. I shall yield to the Senator in just a moment or two, after I have completed my thought.

The committee heard both sides and wound up by saying "If we pass the bill the way it is, they are all going to be happy. Labor is going to be happy. The low-income groups will be happy. Business will be happy. There will be more jobs, and more prosperity. We shall have incentives for business on the one hand and incentives for consumers on the other hand."

So we brought forth a bill that has the best balance we thought we could reach. We had the assistance of 400 good economists. I know the Senator from Illinois [Mr. DOUGLAS] is a good economist, but there are 400 economists in about 43 universities who think this is a good bill. If we pass the bill the way it is, when we go home we ought to be happy. If we pass it the way the Senator from Illinois says it should be, the business community will say that it has been unfairly treated. We think it is better to pass a bill over which the low-income groups and labor and business groups are happy. Why pass a bill over which half of America is happy and half is unhappy? To sweeten the bill for labor or for the low-income groups would make it sour for the other groups.

I think the bill is a good balance. This is the bill the President wants. This is the bill President Kennedy wanted. This is a bill that business and labor are willing to agree to.

I now yield to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I yield myself 45 seconds on my time.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DOUGLAS. First, let me say that the total number of persons removed from taxation under this amendment would be approximately half a million. The present bill would take out a million and a half. These amendments would take out only 1 percent of the taxpayers that the Senator from Louisiana referred to yesterday in opposing the Ribicoff amendment. Yesterday the Senator from Louisiana wept copious tears for those who had only red beans and rice to eat. Today he would not permit them to have the benefits of these amendments.

Mr. LONG of Louisiana. Before this session is through, I shall offer my friend from Illinois a chance to demonstrate how much he is in favor of people who are in need. I am going to introduce a welfare amendment. Sometimes the Senator from Illinois votes for it; sometimes he does not. The Senator may be sure that I will offer such an amendment and give him an opportunity to demonstrate whether he is for those people.

Mr. DOUGLAS. His amendments often provide that most of the welfare goes to Louisiana and to people who will vote as the Senator from Louisiana wants them to vote.

Mr. LONG of Louisiana. The reason we do so well in Louisiana is that we do not do what some of the penny-pinching Scrooge-like governments in other

States and other legislatures do. When the Congress provides certain money, those States cut back on appropriations when the Federal Government gives additional help.

Fifty-six percent of the tax reductions proposed by the Senator's amendments would go to people with a gross adjusted income of between $5,000 and $10,000. If the Senator wants to help the poor, that is not the way to do it. Those with an income of between 0 and $3,000 would receive only 16 percent of the benefits of the amendment of the Senator from Illinois; meanwhile his amendment would be taking away a great proportion of the tax incentive for business which would help these people get better jobs, not in the long run, but in the short run, because the bill would help business expand and modernize, which would mean more capital equipment and more jobs.

When we look at the remainder of the Senator's amendments, 56 percent of the benefits of the Senator's amendment would go to people with an income of between $5,000 and $10,000. The largest segment of the benefits would go to those making between $5,000 and $10,000.

The committee has sought to produce a balanced bill. The biggest tax cut goes to people in the lower income brackets—1,500,000 Americans would be removed from the rolls of income-tax payers under the bill. A single man making $1,000, with no dependents, would have his tax reduced from $62 to $16, a 75-percent cut. For all tax returns in the 0 to $3,000 adjusted gross income class, the percentage of the tax cut is 39 percent.

Some Senators have suggested that we are not able to provide as much of a dollar tax cut for those people as we provide for someone who is paying $50,000 in taxes. That is beyond our ability. If a man is paying only $60 in taxes, the most we could do is reduce his taxes by $60. If we really want to help, we ought to increase the minimum wage. We shall have an opportunity to vote on that proposal before this session is over.

The Senator's amendment is not the way to help those people. The way to help them is to provide more jobs and better jobs. That is a better approach than to increase taxes on industry on the one hand, and, in the second instance, to distribute the benefits among those who pay relatively low taxes or no taxes.

Mr. **RIBICOFF**. Mr. President, will the Senator yield for a colloquy?

Mr. **DOUGLAS**. Mr. President, I yield to the Senator from Connecticut. Then I shall ask that a live quorum be called.

Mr. **RIBICOFF**. I have been interested in the discussion between the Senator from Illinois and the Senator from Louisiana. First, when we propose a tax credit for college education, we are told not to do anything now. We are told to wait for an education bill. When the distinguished Senator from Illinois, with the able assistance and collaboration of the Senator from Tennessee, wants to do something for the lower income groups, the suggestion is made that we wait for a welfare bill. When the issue is pressed further, the suggestion is made that we wait for a minimum wage bill.

I have always found the distinguished Senator from Illinois and the distinguished Senator from Tennessee deeply concerned with all welfare measures, and those who are in need.

I believe the distinguished Senator from Illinois and the distinguished Senator from Tennessee have always voted for minimum wage legislation.

I was very much interested in the colloquy between the Senator from Illinois and the Senator from Louisiana when the Senator from Louisiana said, "Do not jar this bill. Let us take it as it is. The AFL-CIO is for it. The Manufacturers Association is for it." As if that is the answer. I think the question should be, What is the Senate for? There are 100 Members of this body who should decide the answer.

The **PRESIDING OFFICER**. The time of the Senator has expired.

Mr. **DOUGLAS**. I yield 1 more minute to the Senator from Connecticut.

Mr. **RIBICOFF**. We are Members of the U.S. Senate. I do not believe we should take orders from outside groups but should do what we think is right. We have an opportunity to establish priorities here and now. The time to establish priorities is when a distribution of $11.6 billion is being made. This is an opportunity for the Senate to determine how the tax savings shall be distributed.

The Senator from Illinois is right; and I shall support his amendment.

Mr. **DOUGLAS**. Mr. President, I shall suggest the absence of a quorum, unless the Senator from Louisiana wishes to speak.

Mr. **LONG** of Louisiana. Mr. President, I wish to say a few more words.

Mr. President, the amendments would cut the corporate rate in half or makes the 1964 rate 50 percent instead of 48 percent. It takes the revenue from this and increases the minimum standard deduction. Under the bill, the minimum standard deduction is $200 plus $100 per exemption but never more than $1,000. Under the Douglas amendment, the minimum standard deduction will be $200 plus $200 for each exemption with a ceiling of $1,800 instead of $1,000.

First. This amendment is undesirable because it creates an imbalance between corporations and individuals. The bill taking into account reductions made in 1962 for corporations distributed the tax reductions over the period 1962-64 two-thirds to individuals and one-third to corporations. This is roughly in the same relationship as their contribution to tax collections. This bill will upset this balance.

Second. The bill by reducing the corporate rate below 50 percent to 48 percent would have provided an important business and psychological incentive in making Uncle Sam a junior rather than a senior partner in every business enterprise. This amendment loses this incentive and psychological advantage by making them equal partners—50 percent for the Government and 50 percent for the businessman.

Third. The bill provides a tax reduction for those with adjusted gross incomes of under $3,000 of 38.6 percent; for those with incomes between $3,000 and $5,000, the reduction is 27 percent; for those between $5,000 and $10,000, 20.9 percent. This tapers off until the reduction above $50,000 is 13.5 percent. Moreover, as is indicated on page 162 of the report under your committee's bill the reductions keep on tapering off above $50,000 down to a reduction of above 5.5 percent for the top incomes. This is a balanced distribution of the reduction. The Douglas amendment would overbalance this on the consumption side.

Fourth. One of the advantages of the present minimum standard deduction is that it tends to be especially beneficial to single taxpayers who are discriminated against by the present uniform per capita exemption. Their discrimination at the present time arises from the fact that costs of living do not go up uniformly as the size of the family increases. The minimum standard deduction in the bill gives $300 with respect to the first individual and only $100 additional for the second individual. The Douglas amendment provides $400 for the first individual and $200 additional for the second. Therefore, it gives greater benefit for additional exemptions. In addition, it breaks the line as to the maximum standard deduction allowable. It will allow a maximum standard deduction of $1,800 in the case of those using the minimum deduction while discriminating against those who use the 10-percent deduction in that that will remain limited at $1,000.

Mr. **MORTON**. Mr. President, will the Senator yield?

Mr. **LONG** of Louisiana. Does the Senator from Illinois yield back the remainder of his time?

Mr. **DOUGLAS**. Mr. President, I do not yield back any time. I ask that there be a live quorum call.

Mr. **MORTON**. Does the Senator wish to have the call now?

Mr. **DOUGLAS**. Yes.

Mr. **MORTON**. On the Senator's time?

Mr. **DOUGLAS**. No. The agreement that was reached was that the time for the quorum call should not be charged to me. If the Senator from Kentucky wishes to speak before the live quorum is called, that is satisfactory.

Mr. **LONG** of Louisiana. How much time do both sides have remaining?

The **PRESIDING OFFICER**. The Senator from Illinois has 11 minutes remaining; the Senator from Louisiana has 16 minutes remaining.

Mr. **LONG** of Louisiana. I yield 5 minutes to the Senator from Kentucky.

Mr. **MORTON**. Mr. President, I rise in opposition to the Douglas amendments. I agree with the Senator from Connecticut [Mr. RIBICOFF] that we should not make decisions on the basis of who is for or who is against any particular amendment, or who is for or who is against any other part of the bill, or the bill itself. I agree with him that we should make up our own minds and fulfill our responsibilities as Members of the Senate, and come to the best conclusion by using the best judgment we can.

I believe that the Senator from Louisiana, in the statement he has just made, goes to the very heart of the matter. What was the basic purpose of the bill? The basic purpose of the bill was to stimulate the economy. How was that to be accomplished? It was to be accomplished in two ways. First, it was to be accomplished by lowering the tax on individuals, poor as well as wealthy, so as to generate more consumer spending. Second, it was to lower corporate income tax rates, which had gone to an unconscionable figure as the result of World War II and the Korean conflict, so that industry could modernize and expand, and in this way, first, compete with the rest of the world more effectively. This would lead to more jobs. Second, through the expansion, which would be brought on by the increase in consumer demand, more jobs would be generated for Americans throughout the land.

Mr. President, this subject has been carefully studied, not only by the Committee on Finance of the Senate, but also by the Ways and Means Committee of the House. The bill was sent to Congress in January of 1963. However, even prior to that time the Ways and Means Committee of the House was holding preliminary hearings on the subject.

Some people, however, said that the Finance Committee and even the Ways and Means Committee were dilatory in studying the measure and holding hearings, and that they engaged in delaying action. That is not true. That charge has been adequately refuted.

The tax bill touches every phase of American life. It was only proper that we should study it as carefully as we did.

The point covered by the amendment offered by the Senator from Illinois was studied by the committee. It was debated. Testimony was received on it.

I believe the committee has reported a balanced bill in supporting the House in the rates for individual income taxes and corporate taxes. I appeal particularly to Members on my side of the aisle to reject the pending amendments. I trust that the Senate will stand by the committee on this matter.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. MORTON. I am happy to yield.

Mr. LONG of Louisiana. I am sure the Senator is aware of the fact that what would be done, so far as distributing the tax reduction which would be taken from the business community is concerned, would be that more than half of it, or 56 percent, would be distributed to those making between $5,000 and $10,000 a year. Theoretically, the purpose is to help low-income individuals. However, generally speaking, one hardly regards a person who makes between $5,000 and $10,000 a year as being a needy person. A person in those brackets, it is usually agreed, is in the middle-income bracket, or perhaps a little below the middle for some persons. I have always regarded the $10,000 bracket as being an upper middle-income bracket. At least that is true in Louisiana. I cannot speak for Kentucky, of course.

Mr. MORTON. I can speak for Kentucky. I believe our per capita income is below that of the State of Louisiana.

The Senator from Louisiana makes a good point. Of course, if we really wished to do something for the lowest income bracket, we could increase the personal exemption by $100. That would be much more effective than the proposal made by the Senator from Illinois.

However, I believe we have a problem. Let us not lose sight of the basic purpose which the late President Kennedy spelled out in his message to Congress. That was to get the American economy moving. Subsequent messages and statements by President Johnson have indicated that we should pass the bill in order to keep the expanding economy expanding, going ahead, opening up job opportunities.

Mr. LONG of Louisiana. The Senator from Kentucky is well aware, is he not, that a majority of the Senate, contrary to the way the Senator from Kentucky felt, voted to eliminate the dividend tax credit? Thus, many people throughout the country will be paying more taxes when the bill goes into effect because of elimination of the dividend tax credit than would otherwise be the case and the result will be, overall, that the Government must rely upon certain reductions in the corporate tax in order to offset what the corporate stockholders will lose because of the elimination of the dividend credit.

Mr. MORTON. The Senator is correct. The Senator who yesterday successfully opposed my amendment in connection with the dividend credit, the junior Senator from Minnesota [Mr. MCCARTHY], said in his argument that the reason for eliminating the dividend credit was that the corporate tax rate would be reduced from 52 to 48 percent.

Mr. LONG of Louisiana. That is correct.

Mr. MORTON. If we chop that in half, we should then restore at least 2 percent of the 4-percent dividend credit, if that logic prevails.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. DOUGLAS. Mr. President, I suggest the absence of a quorum, with the understanding that the time consumed in the call of the quorum be not subtracted from the time of either the proponents or the opponents of the amendment.

The PRESIDING OFICER. That is a part of the unanimous-consent agreement.

Mr. MORTON. Mr. President, will this be a live quorum?

Mr. DOUGLAS. Yes.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 20 Leg.]

Aiken
Allott
Anderson
Bartlett
Bayh
Beall
Bennett
Bible
Boggs
Brewster
Burdick
Byrd, Va.
Byrd, W. Va.
Carlson
Case
Church
Cooper
Cotton
Curtis
Dodd
Dominick
Douglas
Eastland
Edmondson
Ellender
Ervin
Fong
Fulbright
Goldwater
Gore
Gruening
Hart
Hartke
Hayden
Hickenlooper
Hill
Holland
Hruska
Humphrey
Inouye
Jackson
Javits
Johnston
Jordan, N.C.
Jordan, Idaho
Keating
Kennedy
Kuchel
Lausche
Long, Mo.
Long, La.
Magnuson
Mansfield
McCarthy
McGee
McGovern
McIntyre
McNamara
Mechem
Metcalf
Miller
Monroney
Morse
Morton
Moss
Mundt
Muskie
Nelson
Pastore
Pearson
Pell
Prouty
Proxmire
Randolph
Ribicoff
Robertson
Russell
Saltonstall
Scott
Simpson
Smathers
Smith
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Walters
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Pennsylvania [Mr. CLARK], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Oregon [Mrs. NEUBERGER] are absent on official business.

I further announce that the Senator from California [Mr. ENGLE] is absent because of illness.

Mr. KUCHEL. I announce that the Senator from Illinois [Mr. DIRKSEN] is necessarily absent.

The PRESIDING OFFICER. A quorum is present.

The Senator from Illinois has 11 minutes remaining under his control, and the Senator from Louisiana [Mr. LONG] has 7 minutes. Which Senator yields time?

Mr. DOUGLAS. Mr. President, I yield myself such of my remaining 11 minutes as I may need.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DOUGLAS. Mr. President, last night, at a time when only a few Senators were in the Chamber, I explained these amendments; and earlier today, when still fewer Senators were in the Chamber, I explained the amendments again.

At this time, when an approximate quorum is in attendance, I wish to explain the amendments once more.

INCREASE MINIMUM STANDARD DEDUCTIONS

They would increase the minimum standard deduction by $100 for each taxpayer and his dependents, and will approximately replace the amount lost by means of that change by decreasing the cut in the income tax on corporations—for the first year, to 51 percent; and for the following years to 50 percent, instead of 48 percent.

The increase in the standard deduction would cost the Treasury $960 million, of which $870 million would be recouped on the corporate tax side.

REDISTRIBUTE TAX BURDEN

I believe that the merits of these amendments are very clear. In the first place, they would effect a needed redistribution of the total tax burden; they would transfer to the lower income groups—those with incomes of less than $10,000—approximately $935 million, or over 97 percent of the total tax cut in the amendment. On the other hand, they would reduce the tax benefits going to those in the groups with incomes of more than $10,000, $20,000, and $50,000.

At present, those with incomes of over $50,000 receive approximately one-third of the dividends paid by corporations; those with incomes of over $20,000 receive approximately 60 percent of the dividends paid by corporations; and those with incomes of over $10,000 receive approximately 80 percent of the dividends paid by corporations.

Therefore, these amendments would help the lower income group; and this is the group which suffers most under our total system of taxation.

STATE AND LOCAL TAXES REGRESSIVE

We should remember that the total of State and local excise taxes, general property taxes, and the Federal excise taxes is nearly $50 billion, or approximately the same amount as is collected under the total Federal income tax. But the excise taxes—whether Federal, State, or local—and the general property taxes weigh most heavily upon the lower income group.

I have already submitted for the Record figures which show that approximately 15.5 percent of the income of those with incomes under $2,000 is paid in these taxes, as compared to approximately 7.5 percent of the incomes of those in the brackets above $10,000.

While definite statistics are lacking for those with incomes over $50,000, there is little doubt that they pay less than 7½ percent. Moreover the absolute amount of these regressive fares has increased in these last 10 years, so the degree of regression has increased.

I ask unanimous consent that a table showing these figures be printed in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

Percent of income going to taxes by income groups, 1954

Income class	Federal excises	State and local sales and excise taxes	State and local property taxes	Total sales, excises, and property taxes
0 to $2,000	5.0	5.7	4.8	15.5
$2,000 to $3,000	4.5	5.1	4.3	13.9
$3,000 to $4,000	4.1	4.6	4.1	12.8
$4,000 to $5,000	3.9	4.4	4.1	12.4
$5,000 to $7,500	3.6	4.2	3.8	11.6
$7,500 to $10,000	3.3	3.8	3.6	10.7
Over $10,000	1.9	2.2	3.4	7.5

Source: Joint Economic Committee: "Federal Tax Policy for Economic Growth and Stability," p. 98.

TOTAL TAX STRUCTURE NOT PROGRESSIVE

Mr. DOUGLAS. Since we know of very large loopholes already existing in the total Federal income tax structure, it is clear that the total tax structure is not progressive—although many persons believe it to be; instead, the tax structure is probably actually regressive, in that those in the upper income groups actually pay smaller percentages of their incomes in taxes, as compared with the percentages of their incomes which those in the lower income groups pay in taxes.

From the standpoint of justice, these amendments would help correct that very evil feature of the total tax structure.

WOULD STIMULATE DEMAND

It is said that the changes which would be made by means of these amendments would not stimulate industry. However, I point out that so far as a decrease in the tax on those in the lower income groups is concerned, virtually all the money made available to them by means of the decreased tax would be spent on consumption. Additional funds in the hands of those in the lower income group would act as a stimulant to demand, to spending, and to employment. On the other hand, increased funds in the hands of those in the upper income groups—if such funds were made available to them by means of a decrease in the tax they had to pay—would not help increase investment to the same degree.

SIXTY BILLION DOLLARS OF CORPORATE PROFITS NOT INVESTED

Previously, I have placed in the Record data showing that from 1957 to 1963, the profits, after taxes, of American corporations amounted to $244 billion. But only $154 billion of this was spent on plant and equipment, leaving a $90 billion surplus. Some of this was used for inventories and for receivables from customers but my estimates show that probably $60 billion of the corporate profits was not invested in productive enterprises, but was put into cash, Government securities, real estate, or other ventures which did not add to the productive investment of the country.

I believe we can say, therefore, that approximately a quarter of the increased corporate profits is not used productively and does not constitute a stimulus to greater efficiency or greater employment. But almost the entire 100 percent which would be transferred under the amendment I have offered would stimulate consumption and therefore, on that theory, production and employment.

Mr. LAUSCHE. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. LAUSCHE. What would be the net impact upon the loss in revenue?

Mr. DOUGLAS. Approximately neutral.

Mr. LAUSCHE. Approximately neutral.

Mr. DOUGLAS. However, not completely so. There would be a net loss of $90 million in a total tax loss of $11,600 million, or less than 1 percent.

Later today or tomorrow, I intend to reduce the oil depletion allowance by $400 million, which would more than offset this loss and give a governmental surplus of over $300 million in addition.

Mr. ANDERSON. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I am glad to yield on the time of the Senator from Louisiana.

Mr. SMATHERS. Mr. President, how much time remains?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Illinois?

Mr. SMATHERS. Mr. President, I will speak for the Senator from Louisiana and inquire how much time is left to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana has 7 minutes remaining.

Mr. SMATHERS. I am happy to yield to the Senator from New Mexico.

Mr. ANDERSON. Mr. President, I wish to try to get the Senator from Illinois [Mr. Douglas] to correct the statement he just made. He said that today or tomorrow he intended to reduce the oil depletion allowance by $400 million. I believe what he really means is that he will try to do so.

Mr. DOUGLAS. Yes, what I meant was that I would try.

Mr. ANDERSON. The Senator from Illinois [Mr. Douglas] has tried and tried for many years, so he should not bank on $90 million that we know will not be there.

Mr. DOUGLAS. It will be a test of sincerity, if one is worrying about the budget.

Mr. SMATHERS. Mr. President, I yield 1 minute to the Senator from Kentucky [Mr. Morton].

Mr. MORTON. Mr. President, I trust the Senate will support the committee on this question and oppose the Douglas amendment. As I pointed out a few moments ago, it has taken us over a year to work out the bill and we have achieved a fair bill. We would reduce individual taxes to help the consumers' increased spending. We would reduce corporate taxes in order to increase job opportunities. That is the basic purpose of the bill. I would dislike to see half the corporate reduction transferred to the consumer segment of the economy because I believe, should the Douglas amendment be adopted, it would be self-defeating in its purpose.

I trust that all Senators will strongly oppose the amendment.

Mr. BENNETT. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I yield to the Senator from Utah for 1 minute.

The PRESIDING OFFICER. The Senator from Utah is recognized for 1 minute.

Mr. BENNETT. I wish to ask one question of the acting majority leader. Is it not true, on the consumer side, which is the individual's side, that the tax return will be approximately $8 billion, and the corporate side would represent approximately $2 billion?

Mr. MORTON. That is absolutely correct. From the 50-percent benefits to individuals, under the so-called Douglas amendment, it would go to those in the area of $6,000 to $10,000.

Mr. BENNETT. So the effect would be to cut the potential job-producing impact of the bill in half; and it is already only about a quarter on the consumer side?

Mr. MORTON. That is absolutely correct.

Mr. SMATHERS. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Florida is recognized for 3 minutes.

Mr. SMATHERS. Mr. President, what is proposed by this amendment is to take $870 million away from corporations and give $960 million to the consumer, which would result in a net loss to the Treasury of $90 million.

Fifty-six percent in the proposed Douglas amendment goes to those who have incomes between $5,000 and $10,000. So, instead of helping those "poor" people, it would help those in the brackets between $5,000 and $10,000. Therefore, it would not go to the lower income groups the way the Senator from Illinois thought it would go.

There is already in the bill a minimum standard deduction of $200, and $100 extra for each dependent, which would cost the Treasury $320 million. Eighty-four percent of that amount would go to those who have incomes below $5,000.

I believe that the committee has handled the distribution of the tax burden in a most equitable way. The Senator from Illinois says that corporate profits are high and that not much is being done with them. We agree with that statement. We say that the way to get corporate profits out of the bank and into the business community is to give corporations some incentive.

When the Government takes 52 percent, it is a senior partner in everyone's business. What the bill proposes to do is to reduce the Government's part in every business operation to that of a junior partner, or to 48 percent. The Douglas amendment would reduce it only 2 percent, so the Government would be a 50-50 partner with every businessman. That is not a sufficient incentive to get corporate profits out into the economic lifestream, modernizing equipment, buying new equipment, and providing jobs thereby.

We believe that the proposal offered by the Senator from Illinois, while it is well intentioned, would actually upset the balance now in the bill. It would destroy the incentive which we are trying to achieve. It would not reduce corporation taxes sufficiently. We trust that the Senate will support the committee.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. SMATHERS. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Louisiana has 2 minutes remaining, and the Senator from Illinois has 5 minutes remaining.

Mr. ERVIN. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I yield.

Mr. ERVIN. I should like to ask a question to make the issue more understandable. How many extra dollars would the amendment put into the pockets of the individuals in the lowest income group?

Mr. SMATHERS. Nine hundred and sixty million dollars; but the bill already——

Mr. ERVIN. Dividing it among the individuals in the lowest income group, how many dollars——

Mr. SMATHERS. Fifteen percent of that goes into the income group below $5,000, but in the entire bill—I do not have time to go into detail on it—we give $9,200 million in total tax relief to the consumers of the country.

Mr. DOUGLAS. Mr. President, to answer the question of the Senator from North Carolina [Mr. ERVIN], my amendment would give $150 million to those with incomes of less than $3,000, and $235 million to those with incomes from $3,000 to $5,000, or a total of $385 million to those with incomes under $5,000. It would give $540 million to those with incomes between $5,000 to $10,000. Only $35 million would go to those with incomes over $10,000.

My time is too limited to go into more detail, but in brief, under the corporate tax, 80 percent of the benefits would go to those with incomes of over $10,000, 60 percent would go to those with incomes of over $20,000, and one-third of the benefits would go to those with incomes of over $50,000. So my amendment would effect a needed and beneficial redistribution.

This is the best and most effective way to redistribute income, if we wish to help the lower income groups below $10,000. It is better than increasing the exemptions for which I voted yesterday.

So far as corporations are concerned, I invite the attention of the Senate to the fact that since 1954 we have already granted them approximately $5 billion a year in tax relief in the form of, first, accelerated depreciation, then higher depreciation ratios than in the investment credit of last year.

The proposal would effect a needed change, particularly in view of the fact that our system of excise taxes—our State, Federal, and local taxes and our general property taxes—is highly regressive, and we need some shifting of income if we are to make our total tax structure even proportionate.

Mr. President, I ask for the yeas and nays on the amendments.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. SMATHERS. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Louisiana has 1 minute remaining, and the Senator from Illinois has 3 minutes remaining.

Mr. LONG of Louisiana. Mr. President, I yield my remaining time to the Senator from New Mexico.

Mr. ANDERSON. Mr. President, I wish to second what the Senator from Kentucky [Mr. MORTON] said a moment ago. He said that the amendments would throw out of balance a bill that we have been trying to work out. A short time ago there was a vote on a proposal relating to dividend credit.

I voted against the proposal to restore the dividend credit. I and other Senators voted in the way we did because we have been trying to obtain a balanced bill. If we are to vote with that objective in mind, we ought not to agree to the amendments. I point out again that we are trying to produce a balanced bill.

The amendments would remove from the tax rolls entirely about 2 million people.

That is not the only benefit which would be given. The amendments would persuade many people who now elect to itemize their contributions to change their approach and adopt the standard deduction. There has been a great advantage to people who have accounted for their deductions. Most people have done so. The proposal would permit greater use of the standard deductions.

People could merely claim the deduction and not make contributions to charities or things of that nature. It would be a bad thing, though all right for a few. It would be wrong to add a few million people to those in that category.

Mr. President, that is not the way to obtain a bill. We have worked hard on the bill. We could easily change it around. As has been pointed out, the proposed distribution of tax reductions which would be divided $9 billion to individuals and $2 billion to corporations would be a fair distribution. Now the suggestion is made that the income tax reductions for individuals be increased by $2 billion, and that we eliminate the $2 billion of proposed reductions which would be given the corporations. That is not the way to get a bill through the Congress.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOUGLAS. Mr. President, I yield a minute and a half to the Senator from Alaska.

Mr. GRUENING. Mr. President, I think the amendments of the Senator from Illinois [Mr. DOUGLAS] would vastly improve the tax bill. There is a growing feeling abroad that the bill would do far too much for those in the higher income brackets to the detriment or to the nonassistance of those in the lower income brackets.

Yesterday the able Senator from Tennessee [Mr. GORE] recalled his conversation with Henry Ford who had organized a committee to lobby for this bill and testified before the Finance Committee. It was brought out in the colloquy with Mr. Ford that the increase in take-home pay of the average worker would be a mere $3 a week under the bill, whereas in the case of executives receiving $150,000 or $200,000 a year, the take-home pay increase would be $1,000 a week. That is symptomatic of the grave disparities that exist in the bill. It will be said—and it will be said not untruly—that the bill is essentially one which would make the rich richer and do relatively little for the vast majority who are barely getting along. We assume that nearly all favor a tax reduction, although some of us feel that it is not particularly needed at a time of great prosperity at the upper levels. But the assistance in the form of tax reduction in this bill would go to the wrong end of the economic spectrum—the upper end. It should instead go to the lower income groups and the middle income groups. To the extent that the modest amendments of the Senator from Illinois would do that, they are an improvement of the bill. I hope that the amendments will be accepted, for they would be received with great enthusiasm by the overwhelming majority of the people of the United States when they understand what is really involved. As it now stands, these people, the majority of our citizenry, having heard so long of and waited so long for tax relief, will wonder where it is. To paraphrase a famous remark of Winston Churchill, it might be said that never will so many have waited so long for so much and received so little. That will not be true of the affluent minority. They will be the great beneficiaries of this legislation.

The **PRESIDING OFFICER.** The time of the Senator has expired. The Senator from Illinois has a minute and one-half remaining.

Mr. **DOUGLAS.** Mr. President, I do not wish to labor the point. Under my amendments a married man having a wife and four children, with an income of $5,000, would receive an added $600 in exemptions, and would therefore under present rates be spared a tax of approximately $120. That is a group which needs relief the most. I believe that not more than half a million would be removed from the tax rolls and these are fellows who ought not to pay income taxes. I hope that some of the copious tears which were shed yesterday for the poor in trying to defeat the Ribicoff amendment may materialize in votes for the amendments today.

The **PRESIDING OFFICER.** The Senator's time has expired. All time has expired.

The question is on agreeing to the amendments of the Senator from Illinois. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. **HUMPHREY.** I announce that the Senator from Nevada [Mr. CANNON], the Senator from Pennsylvania [Mr. CLARK], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Oregon [Mrs. NEUBERGER] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from Nevada [Mr. CANNON], the Senator from California [Mr. ENGLE], and the Senator from Oregon [Mrs. NEUBERGER] would each vote "nay."

Mr. **KUCHEL.** I announce that the Senator from Illinois [Mr. DIRKSEN] is necessarily absent and, if present and voting, would vote "nay."

The result was announced—yeas 23, nays 71, as follows:

[No. 21 Leg.]

YEAS—23

Aiken
Bayh
Beall
Byrd, W. Va.
Church
Dodd
Douglas
Gore
Gruening
Hart
Hartke
Humphrey
Kennedy
McGovern
McNamara
Morse
Moss
Nelson
Proxmire
Randolph
Ribicoff
Yarborough
Young, Ohio

NAYS—71

Allott
Anderson
Bartlett
Bennett
Bible
Boggs
Brewster
Burdick
Byrd, Va.
Carlson
Case
Cooper
Cotton
Curtis
Dominick
Eastland
Edmondson
Ellender
Ervin
Fong
Fulbright
Goldwater
Hayden
Hickenlooper
Hill
Holland
Hruska
Inouye
Jackson
Javits
Johnston
Jordan, N.C.
Jordan, Idaho
Keating
Kuchel
Lausche
Long, Mo.
Long, La.
Magnuson
Mansfield
McCarthy
McGee
McIntyre
Mechem
Metcalf
Miller
Monroney
Morton
Mundt
Muskie
Pastore
Pearson
Pell
Prouty
Robertson
Russell
Saltonstall
Scott
Simpson
Smathers
Smith
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Walters
Williams, N.J.
Williams, Del.
Young, N. Dak.

NOT VOTING—6

Cannon
Clark
Dirksen
Engle
McClellan
Neuberger

So Mr. DOUGLAS' amendments were rejected.

The **PRESIDING OFFICER.** By unanimous-consent agreement, following disposition of the Douglas amendment, an amendment intended to be proposed by the Senator from Illinois [Mr. DIRKSEN] will be taken up for consideration. The Chair is advised that the Senator from Kentucky [Mr. MORTON] will present it.

Mr. **MORTON.** Mr. President, first I move to reconsider the vote by which the Douglas amendments were rejected.

Mr. **McCARTHY.** Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. **MORTON.** Mr. President, I call up, on behalf of myself and the minority leader [Mr. DIRKSEN], who is unavoidably absent today, amendment No. 380.

The **PRESIDING OFFICER.** The clerk will state the amendment.

The legislative clerk read the amendment (No. 380), as follows:

At the proper place insert the following new section:

"SEC. —. REPEAL OF RETAILERS EXCISE TAXES ON JEWELRY, FURS, TOILET PREPARATIONS AND LUGGAGE.

"(a) REPEAL.—Effective with respect to articles sold on or after the first day of the first month which begins after the date of the enactment of this Act, the following subchapters of chapter 31 (relating to retailers excise taxes) are repealed:

"'(1) Subchapter A (jewelry and related items).

"'(2) Subchapter B (furs).

"'(3) Subchapter C (toilet preparations).

"'(4) Subchapter D (luggage, handbags, etc.).'

"(b) CLERICAL AMENDMENT.—The table of subchapters of chapter 31 is amended by striking out the following:

"'SUBCHAPTER A. Jewelry and related items.

"'SUBCHAPTER B. Furs.

"'SUBCHAPTER C. Toilet preparations.

"'SUBCHAPTER D. Luggage, handbags, etc.'"

Mr. **MORTON.** Mr. President, in 1941, excise taxes were imposed at the retail level because of an emergency. When they were levied in 1941, Congress gave as its objective "Revenue, and other purposes." In that wartime atmosphere the "other purposes" were clearly to divert consumer spending from some articles that did not contribute directly to the war effort. The intent of Congress on this all-important point is clear. Included in these taxes were those on luggage, jewelry, furs, and toilet preparations.

For instance the components of luggage and leather goods are leather, wood, brass, steel, rayon, and cotton linings—all material that was so badly needed during the war. It is beyond the shadow of a doubt to say that Congress placed an excise tax on luggage and leather goods to curb their sale, not because they were luxuries, but because the components consisted of vital war materials. The excise tax was used as a power to control, retain, and divert the use of defense materials.

Jewelry was one of these products. The tax did help divert money to war bonds; but it also helped to divert labor and materials away from those products and it helped to convert the taxed industries to war production. Their effect as a business depressant was substantial.

The same is true of furs and toilet preparations.

These items were not necessarily selected because they were in the luxury category. They were selected because they posed a minimum of collections and administrative problems for the Bureau of Internal Revenue. The fact that the selection of these few industries was highly discriminatory at the time was regarded as justifiable in those critical emergency days. The Congress clearly recognized that such a selective tax could only be justified in time of great emergency. The Congress therefore, as a part of the bill, provided for the termination of these taxes immediately after the cessation of hostilities.

Notwithstanding this commitment for termination, the taxes remain today. And, the tax continues to divert consumer spending from the taxed articles, just as the Congress intended that it should.

There are few who could maintain the justification that these items are today luxuries. Congress even in enacting the Revenue Act of 1941 did not levy retail excise taxes on luxuries only and refrain from taxing nonluxuries. The classification that was adopted in the Revenue Act of 1941 was unrealistic then and is unrealistic today.

It might well be wise to consider these various categories and their applicability to the description of a luxury item.

No excise tax is collected on the suit a man wears on his back, or on his underclothing nor on his shoes, but there is an excise tax on the bag in which he must carry his clothes and on the wallet in which he carries his money. Luggage and leather goods are not luxuries nor were they so considered by the Congress when they enacted the Henderson Security Act in which luggage and leather goods were included. What justification is there for this tax on luggage? When considered in the light of many hundreds of items which are not taxable, the answer is obvious, there is no justification.

When a tax is put on some business and not on others, those businesses which are taxed are burdened with a special penalty. Can anyone deny that this is a discrimination by the Government? A business which is punished by a special tax cannot compete on fair and equal terms for the consumer dollar. But even more distressing is the impact this tax has had on the industry itself that furnishes luggage. Since the year 1948, more than 75 manufacturers of luggage and leather goods have discontinued operations. In the main this has been because the businesses that were conducted are no longer profitable and could not continue operation while still being subjected to the 10-percent excise tax.

One of the more disastrous effects of the 10-percent tax on furs has been the drastic reduction of the number of workers who have been employed in the manufacturing field alone. It was at a peak of 14,000 workers, but the union membership now stands at about 7,200. In the correlative field of dressing and dyeing of fur skins there has been a similar drastic drop. This has not been brought about by automation, for this is a handcraft industry, probably the last one of such industries, it is not possible to cut, sew, nail, or finish fur garments in bulk, for each garment has to be handled individually, from the raw state to the finished product.

The glaring inconsistencies in respect to the tax on furs are readily apparent. Fur wearing apparel is subject to tax, whereas garments made of other material, comparable in use and appearance, and sold in competition with such fur articles is not subject to tax. A fur trim on a garment subjects it to the tax, and in many cases the trim serves no other purpose than ornamental.

Research in the textile field has made great strides in response to the consumers' growing demand for untaxed cloth garments, as against taxed fur garments, the textile industry has produced high pile fabrics which look like fur and feel like fur and are described as imitations of fur, and which yield garments that resemble fur garments, but which are not subject to tax.

Some of these fabrics actually consist of fur hairs incorporated in a woven backing material, so that garments made therefrom are actually fur garments for all practical purposes, but since the fur is not on the hide or pelt they are tax free. An even greater distortion occurs in the case of a working girl of limited means who buys a moderately priced fur coat, say from $100 to $200, which is subject to a 10-percent excise tax. But, a cloth coat which sells for three or four times that amount, and even more than that, is tax free even though it is obviously a luxury item. This injustice is even compounded in the instance of coats with fur trims. Here it is difficult to determine any justification whatsoever in regulations that prescribe the treatment for this particular type of garment. An even more ridiculous situation occurred in the case of the Davy Crockett hats which were sold in the country for a number of years and were made of fur and which sold for $1.50 or $2. Many youngsters throughout the country wore Davy Crockett hats and imitated its creator. These hats were subject to tax. However, a lady's hat selling for $150 or $200 is tax free.

An even more difficult situation arises in the case of jewelry. The regulations that have been issued respecting jewelry are most difficult to interpret by interested members. It becomes a major problem for the retailer, large or small, to know what is and what is not taxed. A nonjewelry product which contains the fine gold equivalent of seven-millionths of an inch in thickness is taxable, if it contains a lesser amount, it is not taxed. The measurement of precious metal to millionths of an inch can only be accomplished in specialized laboratories. Even larger manufacturers have no such facilities.

Congress even in the severe throes of war, did not levy retail excise taxes on luxuries only and refrain from taxing nonluxuries. Many articles of jewelry, as well as other products which are taxed, cannot be regarded as luxuries—the simple gold wedding band, the watch, a silver-plated bowl. Their widespread use and modest price deny this categorization, yet they are taxed. Conversely, numerous articles that some regard as luxuries have never been taxed at retail—yachts, objects of art, high Paris fashions, and so forth.

Most jewelry is sold to retail jewelers, haberdasheries, and other outlets that are small business in every respect—many are family owned and operated. Over the years, excise regulations on jewelry have developed into a complex maze of technicality. Simple accurate compliance with the tax is a near insurmountable task for the average retailer. The collection of retail excises is an expensive cost of doing business for the average retailer of taxed products. The jewelry retailer, for example, must insure that in all his advertising, prices either say "plus 10 percent tax" or "tax included." They must figure the tax on each sale, be it a 10-cent sale or a $1,000 sale. Separate bookkeeping entries must be made for taxes collected. Separate tax reports and remissions must be made quarterly. Periodic tax audits are made. Certain sales and certain types of products must be accompanied by tax exemptions certificates which the retailer must be able to produce during audit. Some retailers refuse to handle taxed products because of the expense of being a tax collector. Repeal of excise taxes will relieve retailers, mostly small business, with the complex problem of tax determination and the expense and time-consuming problem of tax administration, collection, and mission. This effort and expense can be diverted from nonprofit, uneconomic tax collection work to profit-producing, employment-producing selling, with its subsequent revenue-producing results. What purpose can be gained in a free peacetime economy in attempting to penalize the purchase of one type of product versus another? Certainly some regulations are essential where public health and safety may be a factor; but if the retail sale of any product in which these factors are not present is penalized by Government, the economy is not free. The discriminatory features of the present retail excises represent unfair and undue Government influence on the free choice of the consumer. Where selective action discriminates against certain products to the advantage of others, it works to the detriment of all in its interference with the free working of the laws of supply and demand.

Mr. President, no greater issue can be raised than that of attempting to assess a luxury tax on toilet preparations. Included in this category are such items as perfume, toilet waters, cosmetics, hair restorers, hair dyes, toilet powders, and any other similar substance, article, or preparation, by whatever name known or distinguished, which are used or intended to be used for toilet purposes. I would not be the one, Mr. President, to insist that these are luxuries. Although the beauty of our ladies seldom needs the assistance of these products. Nonetheless their addition frequently enhances the beauty already existing. Of all the items that are included in the so-called luxury taxes levied in World War I days, none in my opinion works a greater hardship than the imposition of a tax on these products classified as toilet preparations.

Mr. President, these excise taxes have now been collected for a whole generation. These taxes have been permitted to stand, but with repeated promises that they would be repealed. Every time the question of repeal has arisen the excuse has been offered that more time is needed to study this type of tax. The same argument was repeated again this year in the Finance Committee. It now appears that the House Committee on Ways and Means intends to begin another study on the possibility of repealing these excise taxes as well as other excise taxes. Mr. President, no further study is necessary. In all fairness the commitment that was made, that was contained in the original act, must be kept and the time to keep it is now. It must be honored now by repealing these remaining taxes.

One of the arguments against repealing has been the amount of revenue that is received from this source. In fiscal year 1963 a total of $443,559,000 was collected from these four taxes. Luggage yielded $74,019,000; jewelry yielded $181,902,000; furs produced $29,287,000; and toilet preparations counted for $158,351,000 of this total.

In testimony before the Finance Committee both the Secretary of the Treasury and the chairman of the Federal Reserve Board testified that we could manage a $9 billion deficit which would be incurred through reductions in taxation. At the time of their testimony it was assumed that this would be the deficit that we would have to contend with for fiscal 1965. Now, however, we are promised a budget that will have a deficit of only $4.9 billion. Certainly there is enough room in the new budget to include the repeal of the excise taxes. Such repeal would not create an unmanageable situation from the deficit standpoint.

In addition, Mr. President, there are certainly many areas where further economy can be practiced and the savings would be sufficient to offset the loss in revenue that would be experienced through a repeal of these excise taxes. I need only to refer to a few areas where such economy can be practiced: The Domestic Peace Corps, the Conservation Corps, the making of loans for the construction of motels under the ARA program. The Symington report on the International Development Association program for loans to India points to an area where hundreds of millions can be saved. Several similar possibilities exist in the entire foreign aid field. I submit that there is only one reason that repeal of these taxes is opposed and that is the loss of revenue. That situation will not change, that argument will still be sounded regardless of whatever other acts might be taken.

On January 14, 1963, President Kennedy in his state of the Union message observed:

> For it is increasingly clear—to those in Government, business, and labor who are responsible for our economy's success—that our obsolete tax system exerts too heavy a drag on the private purchasing power, profits, and employment. Designed to check inflation in earlier years it now checks growth instead. It discourages extra effort and risk. It distorts the use of resources. It invites recurrent recessions, depresses our Federal revenue, causes chronic budget deficits.

I agreed with that observation at the time it was made and I agree with it now Mr. President and in line with carrying out the purposes of the President's recommendations to remove the drag that our obsolete tax system exerts, one of the best places to begin is by repealing the excise taxes that still remain from the 1941 act.

A repeal of these excise taxes would certainly result in increased purchasing by the consumer. This would apply to all consumers but more particularly probably to the new families being established daily. Thousands of young people are getting married every day of the year. They represent probably the largest single market for the sale of most consumer products. Most of these young people have a real struggle. Every dollar that they can lay their hands on goes to buy something they need when they set up housekeeping. These excise taxes reduce the amount left for buying the many things they need for their home. If retail excise taxes are repealed then surely these young people would spend the extra money right then. Of that you can be certain. Although in each case the amount of tax would be relatively small and the amount to be spent would be relatively small, in the aggregate the amount of new spendable income available for immediate and daily use would be sizable and important. And the effect would be immediate.

The effect on the industries whose products are subject to the retail excise tax would be felt immediately. These industries estimate that they could increase their present sales by 10 to 15 percent if the taxes were repealed. This could only result in more jobs and larger payrolls and increased benefits to the whole U.S. economy. The result of excise tax repeal I submit creates a priority to this form of stimulus to the economy fully as urgent and fully as deserving as the other form of reduction being considered.

Consider for a moment, Mr. President, the burden that is placed upon the small merchants who make up for the most part the jewelry and luggage, the small drug stores, and the small department stores. The Treasury Department does not have available the number of retailers who file returns for excise taxes which they have collected. This lack of information amazes me but nonetheless the Treasury does not have it available.

The Department of Commerce advises me that the 1958 census of manufacturers showed 56,232 drug stores, 23,751 jewelry stores, 1,416 luggage and leather shops, and 3,157 department stores. But add to this the thousands upon thousands of small and large groceries who may sell many of these taxed items. These are small family-owned businesses for the most part. The collection of retail excise taxes by the retailers is an expensive cost of doing business.

This measure was considered in committee on two separate dates. When first considered it was adopted—the amendment was adopted by the committee by a vote of 9 to 6. However, as the hearing progressed that day, certain changes were indicated on the voting list and final result at the end of the day showed that the amendment had been rejected by a vote of 10 to 7.

But this was not the only effort. Subsequently the amendment was offered in modified form. On this second trial when the first vote was taken, the vote was 10 to 5 to remove excise taxes from the toilet preparations. The vote was 10 to 5 to remove excise taxes from luggage. On jewelry the vote on the modified amendment which would exempt the first $100 in sales was approved by a vote of 13 to 2. The same $100 limitation was included in the amendment to remove the tax on jewelry, and this was approved by the same vote, 13 to 2. These substantial majorities seem to reflect the conviction of the committee. They were impressive.

However, the final session of the afternoon produced an amazing demonstration. The committee has resumed consideration of the measure during the afternoon of January 23. I was on the floor at the time the committee went back into session. When I returned to the floor for the final vote I was advised that a motion had been made to strike all of the amendments which had been adopted to repeal excise taxes and that the motion had carried by a vote of 9 to 8.

What had happened, Mr. President? In the interval between the time that the vote was taken on these four items during the morning of the 23d and the time that the committee went back into session in the afternoon the "Texas twist" had been applied, and it had its effect. It is no secret that the President called members of the committee. This information was given to me by members who were called. This is a fact. The telephone calls produced the results that had been desired. I have no quarrel with the President. However, I do contend that this matter of raising revenue is a function that is the prerogative of Congress. The executive department of Government is given no authority by the Constitution to raise revenue. The Congress is the sole responsible department of Government that the Constitution charges with this responsibility. It is time that the Congress assumed its responsibility. This can be done without assistance or coercion from the executive branch of the Government. It is time the Members of Congress accept this responsibility and demonstrate their willingness to carry out their duties. This is the time for Members to stand up and be counted on this issue. Are we to repeal excise taxes or not? Are we to honor the commitment that we have made and overlooked year after year for the past 18 years?

Now, Mr. President, this is far too long for the promise that the Congress made when it enacted these taxes not to be carried out. This is an election year, I may remind the Members. The women consumers in our country pay far more of the excise taxes than do the men, and they can become very explosive. They, combined with the retailers who collect the tax, can also apply the twist. I say, Mr. President, that it is time for us to honor our commitment, it is time for us to repeal this wartime emergency excise tax.

It is time to give the American consumer and the American retailer a break. Let the consumer keep the $443 million of revenue instead of dumping it into the Treasury, and, if there is any logic to the tax bill he will spend it. This is one of the principal purposes of this measure.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MORTON. I yield.

Mr. JAVITS. Mr. President, when this matter was presented to the Finance Committee, a limitation of $100 was placed on jewelry and furs. Is that provision still contained in the amendment?

Mr. MORTON. The amendment does not contain any limitation. The amount that the Treasury would keep if that $100 limitation were included is less than 10 percent of the total amount involved.

It was felt that the burden placed on the retailer by making him a tax collector in this case is a substantial burden. If we put a $100 limitation on furs and jewelry, the amount that the Treasury will recover is inconsequential compared with the total involved. It would still leave the small retail department store and, in fact, all retail department stores, with the burden of collecting the tax. This would apply to all stores, even the small store handling coats if a coat has a small piece of fur on it. Therefore it was decided not to include the $100 limitation. I had a conference by telephone with the minority leader yesterday, and it was decided that we would go ahead and make a clean repeal.

Mr. JAVITS. The principle is important with me. It is the principle that luxuries be taxed and necessities be not taxed. I should like to ask the Senator from Kentucky a frank question. I would be minded to offer an amendment to his amendment providing for a $100 limitation. I would not do that if the Senator from Illinois would find it obnoxious to him were I to do so. Therefore I say to the Senator that I would be prepared to vote for the amendment if it contained a $100 limitation. I am not prepared to vote for it without such a limitation contained in it.

I realize that one vote does not mean much. However, the principle is very important to me. I ask the Senator frankly this question: Would he consider it disagreeable to the sponsor of the amendment, the Senator from Illinois [Mr. DIRKSEN], who unhappily for all of us is not present, if I were to propose such an amendment to his amendment?

Mr. MORTON. I feel sure that it would not be disagreeable to the Senator from Illinois [Mr. DIRKSEN]. In fact, he at one time had introduced such an amendment. Such an amendment was adopted. Then the committee, later in the day, reversed itself. Therefore, I am sure it would not be disagreeable for the Senator to offer such an amendment. The vote may be close, and his vote is important. It he wishes to offer his amendment to the Dirksen-Morton amendment, he is, of course, at liberty to do so, and his action will be perfectly understood.

Several Senators addressed the Chair.

Mr. JAVITS. Will tne Senator permit me to make a parliamentary inquiry before he yields to other Senators?

Mr. MORTON. I yield.

Mr. JAVITS. At what point in the proceedings could I offer an amendment to the pending amendment?

The PRESIDING OFFICER. If the Senator from Kentucky yielded to the Senator from New York for that purpose, the Senator from New York would be in order to do so at this time.

Mr. JAVITS. And if the Senator from Kentucky refused to yield at this time for that purpose, when would it be in order to do that?

The PRESIDING OFFICER. As soon as the Senator from Kentucky had yielded the floor the Senator would be able to do so if he were recognized.

Mr. JAVITS. When the Senator's time has expired?

The PRESIDING OFFICER. There is no time limitation.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORTON. I yield.

Mr. DOUGLAS. I am very glad that the Senator from New York has raised this point, because this was the precise amendment to the Dirksen amendment which I submitted in the committee, as the Senator from Kentucky will remember. I am prepared to support the amendment if it has a $100 limitation in it. I shall be compelled to vote against it if it does not have that limitation in it. I believe that the amendment in its general outline is correct. However, I do not believe we should grant an exemption from taxes for a $10,000 diamond ring or for a $9,000 royal mink coat. Therefore, I hope the amendment to the amendment will be found to be acceptable by the Senator from Kentucky when such an amendment is offered.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MORTON. I yield.

Mr. PASTORE. First I wish to compliment the Senator frem Kentucky for bringing up the amendment. I am inclined to agree with the distinguished Senator from New York and the distinguished Senator from Illinois that if we place ourselves in the position this afternoon of trying to defend the removal of the excise tax on a $10,000 diamond ring or a $9,000 fur coat, the amendment in those high brackets will not get very far. I am sure, unless we put a limitation on it, we shall give the amendment the kiss of death. I strongly urge the Senator from Kentucky not to let us reach a vote on the limitation, but that he accept it as a modification of his amendment.

Such an amendment was adopted in committee. The amount of $100 is reasonable. We are discussing the matter of jewelry and other so-called luxuries, items such as handbags. The housewife whose husband makes about $4,000 a year should not be forced to pay an excise tax on a modest handbag.

A handbag today is as much a part of a woman's accessories as are her shoes. Why should we regard a handbag as an extravagance or a luxury? If a man buys 100 shirts, why should not 75 of those shirts be considered a luxury? This matter of the measurements of luxuries can lead us to a rather ridiculous argument.

Some jewelry items are considered to be more or less accessories and a part of a person's attire. I hope the limit will be $100, because I think that would offer a practical chance of having the amendment adopted.

In conclusion, let us not forget that the excise taxes were imposed during the war, when goods were in scarce supply and money was in abundance. The object was to slow down the purchase of certain articles.

Now the reverse is true. We want bigger business. The argument that has been made for an $11 billion reduction in taxes is that it would stimulate the economy; that it would put more money into the pockets of the consumer, so that the consumer would buy more and thereby create more jobs. If that is the philosophy behind the bill, if it is desired to create jobs in Rhode Island, if it is desired to create jobs in the centers of manufacture of articles that are not out-and-out luxuries, and if we limit the amount to $100, the time has come when this removal is absolutely necessary. It is an integral part of the bill and is in accord with the philosophy of the bill. It is actually in line with the genesis of the bill. If we want to do the right thing today, let us remove this excise tax, which was imposed as a business brake. If one wants to accelerate once more, he takes his foot of the brake and steps on the accelerator. If we want to help to accelerate the economy this afternoon, let us take off the brakes by taking off the excise tax.

I thank the Senator from Kentucky.

Mr. MORTON. Mr. President, in view of the persuasive remarks I have heard in the last few minutes, I should like to alter the amendment to read as follows:

At the end of the bill insert the following:

"TITLE IV—EXCISE TAXES

"SEC. 401. RETAILERS EXCISE TAXES.

"(a) LIMITATION OF TAX ON JEWELRY AND RELATED ITEMS.—Section 4001 (relating to imposition of tax on jewelry and related items) is amended by inserting after '10 percent of the price for which so sold' the following: ', to the extent such price exceeds $100'.

"(b) LIMITATION OF TAX ON FURS.—Section 4011 (relating to imposition of tax on furs) is amended by inserting after '10 percent of the price for which so sold' the following: ', to the extent such price exceeds $100'.

"(c) REPEAL OF TAX ON TOILET PREPARATION.—Chapter 31 (relating to retailers excise taxes) is amended by striking out subchapter C (relating to toilet preparations).

"(d) REPEAL OF TAX ON LUGGAGE, HANDBAGS, ETC.—Chapter 31 (relating to retailers excise taxes) is amended by striking out subchapter D (relating to luggage, handbags, etc.).

"(e) TECHNICAL AMENDMENTS.—

"(1) The table of subchapters for chapter 31 is amended by striking out:

"SUBCHAPTER C. Toilet preparations.
" 'SUBCHAPTER D. Luggage, handbags, etc.'

"(2) Section 4003 (relating to exemptions from tax on jewelry and related items) is amended by striking out subsection (b).

"(3) Subchapter B of chapter 31 is amended by striking out section 4013 (relating to exemption of certain auction sales).

"(4) The table of sections for subchapter B of chapter 31 is amended by striking out:

" 'Sec. 4013. Exemption of certain auction sales."

"(f) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to articles sold on or after the first day of the first month which begins after the date of the enactment of this Act."

Mr. DOUGLAS. Mr. President, I congratulate the Senator from Kentucky for agreeing to make this change, which has also been suggested by the Senator from New York [Mr. JAVITS] and the Senator from Rhode Island [Mr. PASTORE].

The junior Senator from Illinois [Mr. DIRKSEN] and I proposed it in committee. I am happy to support it. It will in the main remove taxes from purchases made by persons in the lower income groups.

Mr. MORTON. I thank the Senator from Illinois. He has correctly stated what occurred in committee.

Mr. JAVITS. Mr. President, I, too, wish to thank the Senator from Kentucky. His action is most statesmanlike. I am most happy to support the amendment.

Mr. CARLSON. Mr. President, will the Senator from Kentucky yield?

Mr. MORTON. I yield.

Mr. CARLSON. I appreciate the situation that has confronted the Senator from Kentucky. After all, he is presenting the amendment on behalf of the distinguished minority leader. As a member of the Committee on Finance who supported both Senators from Illinois on the amendment, I am delighted that the Senator from Kentucky has agreed to accept the $100 limitation. I hope the amendment as modified will be approved by the Senate.

I am completely in accord with the statement of the Senator from Rhode Island that we want to do something to put money in the hands of the consumer. This is the part of the tax bill where that can be done. I hope the amendment will be agreed to.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORTON. I yield.

Mr. HUMPHREY. Can the Senator from Kentucky give the Senate any idea of what the total revenue cost of his amendment would be? Does he have an estimate?

Mr. MORTON. Yes; the total cost originally was estimated as $443 million. The $100 exclusion would bring that figure down to around $400 million.

Mr. HUMPHREY. Does the Senator propose to substitute this particular amendment for any other provision in the bill?

Mr. **MORTON**. No; this would be a new section.

Mr. **HUMPHREY**. So it would be an additional tax reduction on the aggregate figure in the bill?

Mr. **MORTON**. The Senator is correct; it would be an additional tax reduction. But, as the Senator from Rhode Island so eloquently stated, this is a wartime tax, imposed to discourage the sale of items which are not luxuries in any sense of the word. It is about high time the wartime taxes were repealed.

Mr. **HUMPHREY**. I am not arguing that point. The Senator from Kentucky makes a valid point that in many instances the articles are not luxuries. For example, there are people engaged in the retail business who find it most disagreeable to act as tax collectors for the Federal Government.

I wondered why we should not include light bulbs, for example. The tax on light bulbs is a manufacturer's tax. On that, a profit is built. When one is in the retail business and handles an item that is shipped to him by a wholesaler, that item includes a tax in the wholesale price. When the retailer makes his regular markup, he makes it on that tax as well as upon the cost of the item. That is standard retail practice. A light bulb is about as important for the average householder or average citizen as any item of clothing; it is as important as the tires on the car of a worker who drives to work. There is a tax on tires. I might add that there is a tax on the tax, so to speak, because when a tax is imposed at the manufacturer's level, there is also a markup upon the wholesale price of the commodity, plus the tax.

There is also a tax upon radios, and even a tax upon automobiles themselves.

I am concerned about any amendment to the bill that would substantially increase the overall tax reduction, because it seems to me that we arrived at a sort of consensus as to how much of a tax reduction there could be in terms of the budget problems and in terms of the needs of the economy. I believe the Senator from Kentucky should give some consideration not merely to the items which have been discussed.

I have some familiarity with these particular items from a business point of view as well as from a legislative point of view. The Senator from Rhode Island is eminently correct. When a woman buys a $10 purse or a $8 purse, or whatever it is, that article is taxed. But that is hardly a luxury item; I could not agree more with the Senator.

We all know that these are wartime taxes. However, most of the taxes we pay today are related to wartime costs. That is why we pay heavy income taxes, corporate taxes, and other kinds of taxes. We should take a good, hard look at the kind of discrimination that the removal of the tax obligation by this amendment would incur. It is difficult to differentiate, for example, between a toiletry item, upon which a 10 percent tax is levied and a light bulb, because the same woman who buys a bottle of cold cream and pays a 10 percent tax also buys a light bulb on which there is a tax. Should we remove the tax from one item and leave it on the other?

Let me summarize several important points that we must not lose sight of when considering this particular amendment dealing with excise taxes on a few items. These items are only a very small proportion of all the merchandise on which the Federal Government collects excise taxes. Altogether, excise taxes are levied on 50 major categories of retail goods, including literally thousands of different kinds of articles. The entire Federal excise tax structure is interconnected. Cutting taxes on a piecemeal basis would clearly be discriminating against the manufacturers, retailers and consumers of all the other items subject to excise taxation.

Yet if we begin cutting excise taxes on the Senate floor, we will be opening a Pandora's box. This is not the time or place to give adequate consideration to the many thousands of separate products that are involved in this very complicated area. If we limited ourselves to a few items without proper consideration of all the rest of the field, we would be acting neither responsibly nor fairly.

At the same time, we should remember that excise taxes are a vital part of the total Federal tax structure. In the 1964 fiscal year all Federal excise taxes will bring in to the U.S. Treasury revenues of $10.2 billion. This is almost as much money as is involved in the present income tax bill. Can we afford to cut Federal revenues by another $10 billion? Clearly there is a limit to the amount of tax reduction the Treasury can take.

Literally years of planning and deliberation lie behind H.R. 8363. All this planning has assumed stability in other parts of the Federal tax structure. Having deliberated so long on H.R. 8363, will we not jeopardize all this forethought by heedless cuts and slashes on a few haphazardly chosen items of merchandise?

The pending income tax bill will make substantial reductions in the taxes of every consumer and retail merchant. All in all, it will reduce taxes by $11.6 billion. It is estimated that 93 percent of all individual tax cuts will be quickly reflected in consumer spending. Moreover, the largest tax reductions go to the people about whom some speakers this morning have expressed so much concern—the poor and the small shopkeeper. Taxpayers with incomes below $3,000 will have their taxes cut by 39 percent, and small businessmen will get a 27-percent tax reduction. This is a very substantial amount of tax relief.

Mr. President, I have suggested that cutting excise taxes, no matter how politically appealing it may be, is not something that we should rush into on the spur of the moment like this. The distinguished chairman of the Ways and Means Committee has announced that hearings on the entire Federal excise tax structure will be held this spring. This is a far better approach than trying to make piecemeal changes. For this reason I oppose this amendment as an ill-considered attempt to tinker with fiscal policy. I urge that we wait until we can deal with this subject in a judicious manner.

Mr. **PASTORE**. Mr. President, will the Senator from Kentucky yield?

Mr. **MORTON**. I yield.

Mr. **PASTORE**. Senators would be surprised to learn how many women can do without light bulbs, but cannot do without lipstick.

Mr. **HUMPHREY**. If they do not have light bulbs, they cannot see the lipstick. The Senator from Rhode Island is one who knows that women really like to look at themselves.

Mr. **PASTORE**. They can always use gas or candlelight.

Mr. **HUMPHREY**. I suggest that the Senator from Rhode Island tell them to use gas. However, there is a tax on it.

Mr. **PASTORE**. The Senator from Minnesota makes a good point. We have reached a point where all excise taxes should be reviewed and considered seriously. However, we are being very moderate today. This is a moderate approach.

I do not think a woman's purse can be included in the same category as a set of tires. There is some distinction.

I admit that I am somewhat provincial in my position. I am interested in jewelry because Rhode Island is the jewelry center of the world. It irks me to have someone say that if a girl wishes to buy a small piece of jewelry, costing $5 or $6, she is buying a luxury item, when it is merely something that she can wear to complement her dress. Or perhaps it might be a set of buttons part and parcel of her dress; yet it is considered as a luxury item. That is no luxury—that is a necessity. We are a long way from the luxury line.

The amendment offers a moderate approach. I realize that many arguments can be made to expand the proposal, expand it wider and higher, but I think this is a good start. I hoped that the distinguished Senator who offered the amendment would accept the modification and take it to conference. At least, let us get the amendment moving. What we are trying to do is to stimulate the buying power of the people. Never underestimate the power of women—especially their buying power. How better can that be realized than to have the girls buy lipstick or cold cream, or buy themselves nice handbags? Let us make our women beautiful. Let us not tax that beauty. Let us adopt the amendment.

Mr. **MORTON**. Mr. President, on the amendment, as modified, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. **MORTON**. Mr. President, now I yield to the Senator from Florida [Mr. SMATHERS] to enable him to accept my amendment. [Laughter.]

Mr. **SMATHERS**. Mr. President, I am pleased to be yielded to; and I regret that I am unable to accept the amendment.

I wish to reply to the remarks of the Senator from Rhode Island. He said this is a moderate amendment. He also said that his attitude about it is somewhat provincial. Perhaps—unhappily—many Senators have a provincial interest, and perhaps I am one of them. However, if this amendment were enacted, its direct cost would be $455 million, even without the enactment of the provision one sought to be added by the Senator from Rhode Island.

On the other hand, this amendment would, in the long run, cost about $10 billion, because similar amendments would be added—as the Senator from Louisiana [Mr. LONG] said in the committee, when we were debating this measure there. He said:

> This will not cost $455 million; it will cost $10 billion, because in that event the Members of Congress from other States would be able to persuade Congress to remove the excise taxes from the articles manufactured in their States. For instance, the Senator from Michigan would like to have the excise taxes taken off automobile tires and automobiles. We from Florida, where everyone has a telephone, would like to have that excise tax removed. In fact, the Senator from Kansas has proposed an amendment to that effect. If we were to start by removing the excise taxes from light bulbs and automobiles, finally the able Senator from Washington—a leader in the transportation field—would decide that he would like to have the excise tax taken off transportation; and when that was done, the Senator from Indiana would want the excise tax removed from horns, bugles, and other musical instruments, because they are made in his district.

At that rate, Mr. President—and I say this with great respect for the Senator from Rhode Island, and there is no one for whom I have more respect—when Congress got through taking off all those excise taxes, the excise taxes would have little or no application.

Mr. PASTORE. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. With all due respect to the Senator from Rhode Island, I wish to finish my statement before I yield.

So, Mr. President, when we finished removing the excise taxes from all those items, this amendment would have cost $10 billion.

We consider and continue these excise taxes on June 30 of every year or prior thereto, or else most of them automatically expire. It is interesting to observe that this excise tax was not first imposed in time of war. It was first imposed in 1932, and was continued until 1936. The country was not in a war then; and the tax was just a way to obtain revenue for the Treasury.

The House Ways and Means Committee has begun to consider proposed legislation to repeal these excise taxes, and is wondering how practical it would be to remove them; and in due course the Senate will also consider that proposal, in accordance with the regular procedure and—by law—the chairman will have to have our committee consider these excise taxes, and the Senate will have to decide whether it believes that some of the excises should be continued or should be repealed. That consideration will occur under our regular procedure.

In short, the Senate must regularly consider the question of continuing or repealing the excise taxes. However, if the Senate now starts to repeal some of them, by means of this bill, and does so to the extent of $10.7 billion, and then adds to that the $11 billion, we shall have—roughly—a $22 billion tax-reduction bill; and I do not believe such action would be very responsible.

The Senator from Connecticut would like to have the excise tax on ballpoint pens removed, because they are made in Connecticut, and he says we would contribute to ignorance if we did not act to make it easier for the children to obtain the pens. He has a good point, because we want the children to use the ballpoint pens as they progress with their education. So the Senator has a good point there. [Laughter.]

But when we start considering all of these excise taxes—which we shall have to do if we act to eliminate one of them—then, instead of causing a $455 million loss to the Treasury, the final cost to the Treasury will be $10 billion. That is why almost all members of the committee have at some time or other favored the removal of the excise taxes, and that is why we finally started to act to eliminate them. Of course, we could not do so in this particular bill; but the committee will consider that subject later in the year, as it must.

So, Mr. President, I cannot accept the amendment.

Mr. MORTON. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I yield.

Mr. MORTON. Today, the Senator from Florida has, in his usual charming way, kicked an awful lost of dust around in this Chamber. [Laughter.]

These are retail excise taxes, and they are collected from the retailers. There are also manufacturers' excise taxes, but these are the retail taxes. A person who goes into a supermarket, to buy groceries or one who wishes to buy something at a drug counter or a cosmetic counter, has to wait while a separate tape is run up and this tax is imposed on his purchases.

I agree that the excise tax on light bulbs should be studied, and also the excise taxes on tires and the other commodities; but I point out that the excise taxes in this particular category are collected at the retail level, and are a burden on consumers generally, and are especially a hardship on the low-income consumers, and also a great hardship on the whole retail industry.

Mr. SMATHERS. Mr. President, at this point, will the Senator yield for a question?

Mr. MORTON. I yield.

Mr. SMATHERS. Does the able Senator from Kentucky believe that the average citizen in Paducah, Ky., believes there is any great difference between whether it is a retail tax or an excise manufacturer's tax?

Mr. MORTON. The nature of the tax is clearly stated on the label, which must show whether the price of the article is shown with or without the tax; and the consumers understand that. I do not live in Paducah, and I do not shop there, so I do not know what the average citizen there would say; but I do live in Louisville, and I say that the average citizen there understands it.

Mr. PASTORE. Mr. President, will the Senator from Kentucky yield?

Mr. MORTON. I yield.

Mr. PASTORE. There is a difference—and this information may come as a surprise to the Senator. These taxes do have an effect on the consumers or purchasers. The Senator from Minnesota was formerly in the drug business, and he will admit that when a person goes into a drugstore, his decision to buy or not to buy depends entirely on whether the excise tax is going to be written on that sales slip, right under his nose. So the tax does have an effect.

I am saying that the whole philosophy of this tax reduction bill is to accelerate purchasing. So let us remove these taxes, which were imposed in the first place as a brake.

If we mean to do what we started out to do, the correct way to do it is to do it directly.

The Senator from Florida said I was being provincial in my attitude about the tax on jewelry. That is correct; but I say we should do all we can to help the women of America purchase aids to their beauty, which is universal and eternal.

Mr. CURTIS. Mr. President, I shall support the amendment; but the question of whether the taxes will be reduced by $11 billion will have to be determined at the time of the final rollcall.

I stress the point that these taxes are imposed on a relatively few manufacturers, who are required to assess the taxes, collect them, do the necessary bookkeeping, and make the returns to the Federal Treasury.

These taxes are a nuisance to people all over the country. When a woman buys five or six items in a drugstore, she will find that perhaps two or three of them are subject to the Federal excise tax, and the others are not. Often the payment of the tax is not recorded, or perhaps the sales clerk becomes confused in attempting to ascertain the correct amount of the tax, with the result that the customer is required to pay a few cents too much.

The excise tax division of the Internal Revenue Service has had much difficulty collecting the retail excise taxes.

I daresay that every Senator will find in his office files complaints from honest businessmen about the handling of excise taxes. I know of one instance in which a druggist's records were challenged by the Internal Revenue Service, which questioned the number of articles subject to the Federal retail excise tax he had sold. The Government agents said to him, "Your gross sales amount to *x* dollars, and therefore—by our rule of thumb—we believe you sold *x* dollars' worth of merchandise which was subject to the Federal retail excise tax"; and he was required to pay that amount, or else engage in litigation over it.

Furthermore, Mr. President, these excise taxes are very widely applied; they must be applied in thousands of places of business in the United States. On the other hand, if the tax were levied at the manufacturers' level, relatively few persons would have to be contacted in regard to it.

I do not say the manufacturers' taxes should not be reviewed and reduced; and perhaps some of them should be reduced today. But the question of the repeal of the manufacturers' taxes should not be confused with the question of the enactment of this amendment, which deals with the retailers' tax.

In answer to the proposal of the distinguished Senator from Florida, I reply that if it is true that the adoption of this amendment would cause a chain reaction which would result in an eventual revenue loss of $10 or $11 billion, certainly it would also be true that a similar reaction and a similar loss would result if the amendment were to be placed in effect a few months later. In short, that argument is an old gimmick which is trotted forth in an attempt to oppose the needed repeal of these excise taxes.

I believe that should be repealed if we are to have a tax reduction of approximately $10 billion.

I did not intend to take so much time. I thank the distinguished Senator for yielding to me.

Mr. MORTON. Mr. President, I yield 2 minutes to the Senator from Oregon.

The PRESIDING OFFICER (Mr. NELSON in the chair). The Senator from Oregon is recognized for 2 minutes.

Mr. MORSE. Mr. President, I agree with the Senator from Kentucky and the Senator from Rhode Island in the arguments they have advanced in support of the amendment.

Since 1947 I have offered amendments on the subject of excise taxes. I have looked into the recommendations of the Committee on Economic Development, composed of a group of outstanding industrial leaders, which has submitted report after report since 1947, calling for drastic revisions of the excise tax program and the abolition of many excise taxes. I have placed those recommendations in the RECORD time and time again.

I do not believe we can avoid these three reasons:

First, that the leaders of Congress pledged, when they levied excise taxes during World War II, that they would be removed. During the past 15 years or more, I have placed the statements of those congressional leaders in the RECORD from time to time.

Second, in my judgment, there is no answer to the economists of the Committee for Economic Development as to the restrictive effect of excise taxes on purchasing power. I thought our objective in the bill was to stimulate the economy, to induce people to buy, and thus create the many jobs that would flow from such purchases.

Third, I am not persuaded at all by the argument of the Senator from Florida that this proposal might lead the way to the elimination of excise taxes. That is one of the main reasons why I urge support of the amendment. I believe that is exactly what it would do. If the Senate adopts this amendment today, it will set a precedent so that next May or June we may be able to get rid of other excise taxes, but that is a long day off.

I thank the Senator from Florida for making that argument, because I believe it is the best argument in support of the amendment; because if this amendment is adopted, it will set a precedent, and will pave the way to do what we should have done a long time ago, namely, get rid of most of the excise taxes.

Mr. BENNETT. Mr. President, will the Senator from Kentucky yield?

Mr. MORTON. I yield 2 minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 2 minutes.

Mr. BENNETT. I should like to follow up the comments made by the Senator from Kentucky and the Senator from Nebraska as to the difficulties the excise tax creates, not only for the buyer, but also for the seller.

The Senator from Kentucky referred to the brother who operates a supermarket, and has to have two tapes.

I have in mind a personal friend in a small town in my State who operates a one-man drugstore. Each time he sells a taxable item, he must stop and get out a pencil and notebook and write down a description of the item, the price the customer paid for it, and the amount of the tax, because that is the only device by which he can protect himself when the Internal Revenue inspector comes along. This slows the situation down, and it also slows down his ability to serve his customers. It is an eternal burden to the little man who is trying to operate a small business. I believe this is one of the most potent reasons why we should get rid of taxes of this kind. They are purely nuisance taxes, not only to the buyer, but also to the man who wishes to serve his customers well.

Mr. HARTKE. Mr. President, will the Senator from Kentucky yield?

Mr. MORTON. I yield.

Mr. HARTKE. I should like to inquire of the Senator from Kentucky whether this includes all of the sales taxes.

Mr. MORTON. Federal retail sales taxes.

Mr. HARTKE. It includes all of the retail excise taxes. Does it exclude diesel fuel oil?

Mr. MORTON. This includes leather goods, furs, toilet preparations, and jewelry, with a $100 limit——

Mr. HARTKE. As I understand, that leaves only one retail excise tax which is not included——

Mr. MORTON. It does not touch the gasoline tax.

Mr. HARTKE. That is the only one left.

Mr. JAVITS. Mr. President, will the Senator from Kentucky yield for a correction? It leaves the tax on theater tickets, and I am about to offer an amendment on that subject.

Mr. HARTKE. That would leave only the diesel fuel oil tax. If we are to have a uniform ticket on retail taxes, we must take that out; but, if not, I should like to make a brief statement on behalf of schoolchildren.

At the present time, if one plays a musical instrument in an orchestra or a band in an institution, and the institution buys the instrument for the child's use, there is no excise tax, but an exemption is allowed. But, if the parent buys the musical instrument for use in the same orchestra or the same band in the same institution, an excise tax is levied. The Senator from Kentucky and I were both subject to an adverse editorial, so I wonder whether he would be willing to include this textbook, so to speak, on musical instruments only for schoolchildren.

Mr. MORTON. That is a manufacturer's tax.

Mr. HARTKE. There is no question about it; it is a manufacturer's tax.

Mr. MORTON. I cannot complicate the amendment. To get into this area would be to open up Pandora's box. The Senator from Indiana and I were the joint targets of an unfavorable editorial, so I wish to stop agreeing with the Senator from Indiana. I ask the Senator not to get me into that jam again. I cannot accept the proposal.

Mr. HARTKE. So far as I am concerned, there is great interest in encouraging the beauty of women, and I believe that children should also be encouraged, in the cultural field, to further their musical education and not to inhibit it.

Mr. MORTON. I am for furthering the musical education of children, but I cannot open up the amendment any further. I am sorry.

Mr. BEALL. Mr. President, will the Senator from Kentucky yield?

Mr. MORTON. I yield 3 minutes to the Senator from Maryland.

Mr. BEALL. Mr. President, I have for some time advocated the repeal of the wartime excise taxes. In line with this, I shall support the pending amendment, as well as any other amendment designed to repeal excise taxes.

Excise taxes were enacted during a wartime period to discourage the use of transportation and communications facilities and to discourage the purchase of luxury items. The war is over. There can be no justification for further discouraging the use of these facilities or purchase of these goods.

There is general agreement on the need for expanding our economy. An expanding economy requires increasing investment in services and goods, and anything which discourages investment in services and goods in an obstacle to an expanding economy.

I am convinced that tax reduction is necessary. However, there is a segment of our population which will not benefit from a tax cut. I refer to those low-income people who are not taxed, as well as those who are unemployed. Under the provisions of this bill, these individuals will continue to pay excise taxes on products and services which have become necessities. These people are entitled to participate in the lightening of the tax burden.

In today's economy, it does no make sense to classify as luxuries clocks, watches, and ladies' handbags, and yet, in this bill, these items are listed as luxuries and are subject to an excise tax. A lady's handbag is every bit as necessary as the pockets in a man's trousers.

The thousands of retail and manufacturing taxes fall on all citizens alike, but they fall heaviest on those who can least afford them. This tax bill, we are told, is designed to stimulate the economy and place additional purchasing power in the hands of the consumer. In view of this, we should start by repealing the excise taxes.

I intend to support the pending amendment, and any others which promise to relieve our people of obnoxious and illogical excise taxes.

UNANIMOUS-CONSENT REQUEST

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that debate of the Morton amendment be concluded at 1 o'clock, and that the time be divided, 15 minutes for the sponsor of the amendment, and the remainder of the time to the opponents, the time to be divided and controlled by the Senator from Louisiana.

The reason I request that the opponents have control over the majority of the time is that, so far, the proponents have held the floor for the most part.

Mr. JAVITS. The Senator from Louisiana should make one proviso, and that is that the amendment can be amended. I do not expect any, but I do not believe a unanimous-consent request should preclude amendments to an amendment.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that time on the amendments be limited to 10 minutes on each side.

The PRESIDING OFFICER. Is there objection?

Mr. LAUSCHE. Mr. President, reserving the right to object, I should like about 7 or 8 minutes.

Mr. LONG of Louisiana. I yield to the Senator that amount of time.

The PRESIDING OFFICER. Is there objection?

Mr. MAGNUSON. Mr. President, reserving the right to object, I wish to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senators will state it.

Mr. MAGNUSON. Is the Morton amendment subject to amendments pertaining to excise taxes that would not relate to the retail collection of taxes?

The PRESIDING OFFICER. Germaneness of amendments is not required.

Mr. SMATHERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SMATHERS. Does the ruling of the Chair then mean that there could be added to the Morton amendment an amendment which would reduce the excise tax on light bulbs, automobile tires, automobiles, ballpoint pens, musical instruments used in high schools, and transportation?

The PRESIDING OFFICER. The Senator is correct. Is there objection to the unanimous-consent request?

Mr. GORE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. PROXMIRE obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to the majority leader.

Mr. MANSFIELD. Mr. President, has a unanimous agreement been entered into?

The PRESIDING OFFICER. No agreement has been entered into.

Mr. MANSFIELD. I express the hope that there will be none, because I have been notified by at least one Senator that he would object. If any unanimous-consent requests are made, I believe they should be made while that Senator is present in the Chamber, and he should be given some notice.

Mr. LONG of Louisiana. Mr. President, I understand that, but I believe that if a Senator desires to keep the Senate from voting, he should remain in the Chamber to see that the Senate does not vote, or find some other Senator who will remain hère to see that the Senate does not vote. I do not believe that a single Senator who wishes to impede the movement of the Senate should have the privilege of delaying the activities of the Senate in absentia. I think he should be present to do it.

Mr. MANSFIELD. If I had known that the request was to be made, I would have objected in the name of that Senator, because I believe that every Senator is entitled to that consideration. I believe the Senator from Louisiana feels the same way.

Mr. LONG of Louisiana. That is more consideration than the majority leader has ever accorded the Senator from Louisiana in absentia.

I have negotiated with the Senator in relation to subjects that I did not want considered when I could not be present, but it has been my impression that if a Senator wished to keep the Senate from acting, he would be required to be present or to find some Senator who would take the responsibility of keeping the Senate from voting.

Mr. PROXMIRE. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. SMATHERS. I believe that all Senators who might have some interest in objecting to a unanimous-consent request are now in the Chamber. I wonder if, while Senators are present, we might not explore the prospect of having a vote at 1 or 1:30 p.m., which I think would give every Senator an opportunity to be heard.

Mr. MANSFIELD. Mr. President, will the Senator yield further?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. There is nothing I would rather do, because several Senators have engagements of peculiar significance to them this afternoon. But I feel I would have to object unless I could get the "go ahead" from Senators who have come to me. I believe the Senate can vote on the amendment very shortly anyway.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to the Senator from Minnesota.

Mr. McCARTHY. I should like to ask the majority leader if it would be agreeable to him, since it is apparently the amendment now before the Senate on which Senators have requested delay, to consider other amendments, temporarily laying aside the present amendment.

Mr. MANSFIELD. I believe the Senate can reach a vote on the amendment in a reasonable time. I would hope so.

Mr. GORE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to the Senator from Tennessee.

Mr. GORE. In view of the remarks that have been made, I believe I am justified in asking the indulgence of the Senate for a moment. I have no objection to voting on the amendment. I am ready to vote now. So I am not delaying the Senate.

I am not angry at anyone. We operate here as a body of Senators in the most exclusive and important legislative body in the world. Gentlemen's agreements are entered into and kept. The leadership has always acted—and in the present case is so acting—as the agent of the Democratic majority. The minority leader acts as the agent of Senators on his side of the aisle.

The distinguished junior Senator from Louisiana states that a Senator must be on the floor of the Senate in order to have his rights protected. In the 12 years that I have been in the Senate the leadership has always undertaken to protect the rights of every Senator on his side of the asle with respect to a unanimous-consent agreement.

Yesterday, though I felt I had a good deal more wisdom to impart, the majority leader suggested a time to vote. Perhaps he thought I had talked long enough. I am sure I had talked too long. I readily agreed to have a voice vote on the pending amendment immediately and then to offer a similar amendment proposing a smaller increase in the personal exemption, and to ask for a yea-and-nay vote on the second amendment. I agreed to a 10-minute limitation of time for debate.

The majority leader himself suggested that the time be 30 minutes, to be divided 15 minutes to each side. I agreed to that arrangement.

But suddenly there was a motion to table. That is a procedural motion. I believe that procedure has been resorted to entirely too often recently. It is the most oppressive parliamentary tactic available. True, every Senator has a parliamentary right to make a motion to table, but if Senators will reflect, the motion has been regarded as a procedural motion which is the prerogative of the leadership.

Perhaps I am in error, but until there is some better understanding and until there is some clarification of what the rights of Senators are and how fully agreements entered into in good faith should be complied with, I felt the necessity today, not out of anger, but out of regard for Senate procedure and the rights of every Senator, to ask the leadership to refrain from entering into unanimous-consent agreements for the time being.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. I should like to express the hope that the Senate can reach a better understanding of the use of the tabling motion, so that its meaning will be absolutely clear to all Senators concerned.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. PROXMIRE. I yield.

Mr. GORE. I should like to inquire of the majority leader whether I have in any way misstated the understanding which he, I, the Senator from Florida [Mr. SMATHERS], and the Senator from Louisiana [Mr. LONG] had yesterday.

Mr. MANSFIELD. Insofar as I can recall, the Senator has stated the situation correctly.

Mr. President, I express the hope that, in view of the fact that we cannot have a unanimous-consent agreement on the amendment now before the Senate, the Senate will be able to come to a vote shortly, because of some especially difficult circumstances affecting certain Senators.

That does not mean that the Senate is not going to remain in session late. I know of no dinners tonight that Senators must attend. I hope we may proceed with the bill and with the amendments expeditiously.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. Let me say, for the benefit of the Senator from Tennessee, that I regret exceedingly that there was a misunderstanding yesterday with regard to the amendment offered by the Senator from Tennessee. On an informal basis, the Senator from Tennessee stated that he wanted a vote on his amendment and that he was willing to limit time on it on any reasonable basis. That was agreed to. There was no written agreement. I regret to say that there was a misunderstanding in that there was no meeting of the minds. The Senator from Tennessee felt that there would be a direct vote on the amendment. The Senator from New Mexico, if he was on the floor at the time, did not understand that to be the case, and the Senator from New Mexico moved to table the amendment.

The standard unanimous-consent agreements that have been entered into in the Senate have been agreements merely to limit debate.

Such an agreement is actually a substitute for a motion to table. It is an agreement to limit debate so both sides may have equal time to be heard, at the conclusion of which time the Senate will vote on whatever the proposition may be. When the time has expired, Senators may do any one of many things. They may move to amend the amendment, to table the amendment, or to refer the whole matter back to the committee. All sorts of motions are in order when the time has expired on the proposal. That has always been so under the unanimous-consent agreements. They have been merely agreements to limit debate, and have not foreclosed Senators from other rights when the debate has been limited.

Some Senators would like to have it agreed that, in limiting debate on their amendments, there would be no motion to table their amendments. That is a new twist or a new problem we have not contended with before. Prior to this time, when any Senator wanted to make a motion to table—and it was usually the leadership or the Senator in charge of the bill—he waited until such time as he felt there had been adequate debate before making the motion.

We have seen times when we thought some Senator was treated unfairly. I recall a time when the then majority leader moved to table an amendment offered by the Senator from Oregon before he had had an opportunity to discuss or debate it. I thought that was an oppressive motion.

I regret what happened yesterday. I think the RECORD will show that yesterday the Senator from Tennessee felt he had an agreement that there would be a direct vote on the amendment, rather than a motion to table. If he thought there was such an agreement, so far as I am concerned, and so far as the leadership is concerned, we would like to have accommodated him. But there is no rule to foreclose a Senator from making a motion to table at any time he wishes to make such a motion.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. Mr. President, I have the floor. I yield to the majority leader.

Mr. MANSFIELD. Mr. President, to confirm what the distinguished Senator in charge of the bill has just said, he was the one who anticipated me in asking that the action on the motion to table be vacated. I was the one who made the suggestion, but he was the one who made it first.

Mr. GORE. Mr. President, will the Senator yield?

Mr. PROXMIRE. Mr. President, I shall yield only once more, because the majority leader has urged me to get on with my statement on the amendment.

Mr. GORE. Mr. President, I am appreciative of the fact that not only the majority leader, but the Senator in charge of the bill and the Senator from Florida, attempted to have the action of the Senate rescinded, and to comply with what I, at least, understood to be the spirit of the agreement. So the Senator from Tennessee is not angry at anyone, but he feels there should be a clarification of this matter for the protection of the procedures of the Senate and the protection of Senators who enter agreements in good faith.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. PROXMIRE. For 10 seconds.

Mr. LONG of Louisiana. If the Senator from Tennessee still wants a direct vote on the amendment, I hope very much that the Senator from Tennessee will offer it, because if that is what he thought the understanding was, I would like to accommodate him.

Mr. PROXMIRE. Mr. President, I support the amendment offered by the Senator from Kentucky [Mr. MORTON] for two reasons. In the first place, in my judgment, the bill, if it is passed, will be inflationary. I think most economists agree, whether they support the bill or not, that there is danger it may be inflationary.

The tax bill should certainly not be approved unless the Federal retail sales taxes on a number of items which many people regard as essential is repealed. The proposal is to remove the tax, up to $100 on furs, also the tax on jewelry, cosmetics, and other articles.

I have visited many retail establishments in Wisconsin. Businessmen are having a hard time keeping their heads above water. In my judgment, it would be very helpful to them to remove these taxes, as proposed. It would mean their profits would be helped a little, and they could perhaps decrease retail prices a little, which would help the battle against inflation.

The second point I should like to make is that a large number of Americans are left out of the tax bill. Eighty percent of those over 65 years of age will get no benefit from the tax cut, because they do not have enough income to pay tax. The majority of American farmers are left out, because they do not have an adequate income to pay tax. As the Senator from Maryland pointed out, the unemployed are left out because they do not have an adequate income to pay tax.

However, those people buy inexpensive cosmetics, furs, clothing, and so forth. It will be at least a little help to them if the retail tax repeal passes.

Finally, the main objection to the amendment is that it would cost about $425 million. I intend to offer an amendment a little later today that would save, on the basis of Internal Revenue taxation estimates, some $725 million. The Senator from Illinois [Mr. DOUGLAS] will offer an amendment that would save $400 million. I think we can responsibly support this proposal without a significant net, overall loss to the Federal Treasury.

Mr. MORTON. I yield to the Senator from Wyoming [Mr. SIMPSON].

Mr. SIMPSON. Mr. President, out in the hinterlands, in the tall country in the wonderful State of Wyoming, equality of women was recognized before Wyoming became a State in 1890. Adoption of this amendment would represent a recognition of equality of women by taking the obnoxious tax off wearing apparel as has been done for men. I am sure they would be appreciative of it.

Mr. LONG OF Louisiana. I yield to the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, I do not contemplate supporting the amendment because I think in principle it is in conflict with the entire program which is sought to be adopted by the Congress.

When President Kennedy made his recommendation for a tax reduction, he confined it to the income tax.

The theory of the proposal was that excessive income taxes operated as a repressive influence upon the full exercise of corporate capacity and individual capacity to create. No mention was made in his proposal about cutting excise taxes. The bill as it has come before us deals with corporate and personal income taxes, and not excise taxes.

Experts who testified before the committee, and economists who testified before the committee and who have written articles for magazines, have repeatedly used Europe as an example of how to stimulate growth. They agree it should be done by reducing income taxes, but not reducing excise taxes. I cannot be too vigorous in pointing out that if we make a study of the methods with which revenues are collected by Western nations and those in the Western Hemisphere, especially Canada and the United States, we find that excise taxes are the sources through which revenues are collected. Income taxes, both for corporations and individuals, have been reduced.

In Austria they were reduced probably three or four times. On each occasion the theory was to take away the restraint that tells an individual to quit working because he has earned more than he can possibly save because of the tax imposed on him.

On Monday I introduced into the RECORD a tabulation of the taxes in European countries. Since a number of Senators are present, I would like to read what that tabulation shows. The United States is at the bottom of the totem pole in collecting excise taxes—83 percent of its revenues are derived through income taxes, and 17 percent through excise and other indirect taxes.

Canada collects 65 percent in income taxes and 35 percent in indirect and excise taxes; Japan, 64 percent in income taxes and 36 percent in excise taxes; the Netherlands, 64 percent in income taxes and 36 percent in excise taxes.

Coming to the Socialist countries, if I may call them that, an astounding aspect of the statistics is that Norway collects 60 percent of its revenues in excise taxes and 40 percent in income taxes. Denmark collects 54 percent in excise taxes and 46 percent in income taxes.

I now get back to the United States. It collects 84 percent in income taxes and 16 percent in indirect and excise taxes.

What would this amendment lead to? It has already been said that hearings will be held to reduce our excise taxes. How far are we going to go? If we reduce taxes on jewelry and on the other items embraced in the amendment, where will we stop?

If calamity is portended by this unprecedented entry into a new field of Government finance, the theory being that the less we tax and the more we spend the better off we will be, where are we going to stop?

I would like to ask the chairman of the Committee on Finance whether there is any item in the bill dealing with excise taxes?

Mr. BYRD of Virginia. None whatsoever.

Mr. LAUSCHE. There is none whatsoever. Will the Senator tell us whether there is any design or purpose, so far as he knows, confined to the bill to income taxes, and whether it was accidental that excise taxes were omitted?

Mr. BYRD of Virginia. Amendments were offered in committee, and the excise tax amendment was finally defeated—by a small margin, it is true, but it was defeated. In the bill itself as it came to the committee there is no mention of excise taxes. As it came out of the committee there was no mention of them.

Mr. LAUSCHE. Does the chairman contemplate, in the Committee on Finance, taking up the subject of excise taxes as a separate item?

Mr. BYRD of Virginia. We will if and when a bill comes from the House. The chairman of the Ways and Means Committee of the House has made a public statement to the effect that he intends to start hearings on the whole program of excise taxes. When the bill comes from the House, if it does, the Senate Finance Committee will promptly meet and give consideration to whatever the House passes.

The Senator from Ohio knows that matters of this importance have always originated in the House.

Mr. LAUSCHE. I point out one aspect of this problem which I believe to be exceedingly important. In the bill now before the Senate we are blocked in trying to adopt what we think are acceptable proposals, because the framework has been finished, and it is not desirable to add to it. With respect to jewelry, is it not better to take up the whole field of excise taxes at one time so as to determine whether preferential treatment is being given to one item over another because it may fall outside the category of luxuries?

If we exempt jewelry today, it is out. If there are other items more meritorious than jewelry, will they be excluded because later we shall have to say that we cannot make any more cuts?

This is much more than a mere $40 million item. This goes to the whole structure of the problem. If it were only $40 million, no one would worry about it.

Mr. LONG of Louisiana. Four hundred and forty million dollars.

Mr. MANSFIELD. Four hundred and forty-five million dollars.

Mr. LAUSCHE. It is a good thing that I did not know that before I started, or I would have been higher up in the air than I am now. So it is $400 million.

Mr. MANSFIELD. Four hundred and forty-five million dollars.

Mr. BYRD of Virginia. Four hundred and forty-five million dollars.

Mr. LAUSCHE. What are we going to do later when other items are presented? I cannot see it. I close by saying that running through the discussion are ripples of the evidence of what lies ahead. Arguments are already being made about other items that will be put forward. It forebodes black days.

Mr. LONG of Louisiana. Mr. President, I wish to address myself briefly to this subject. When the late President Kennedy proposed his tax cuts in his address to the Economic Club in New York, he said that everyone would have his own tax bill and his own ideas of how the taxes should be reduced. In some respects, we have seen that situation develop on the floor of the Senate. We have heard Senators say that they would vote for the bill, but would like to rewrite the entire bill more in keeping with the way they would like to have it passed.

In an election year, it would perhaps be asking too much that we might escape politics completely. I suppose the Democrats who expect to run for office hope to tell the public, "Yes; I voted for a responsible tax cut."

If this is to be a partisan issue at all—which I hope it will not be—perhaps it would not be bad politics for our Republican friends to offer their own tax cut bill and say, "Yes; we voted to cut individual income taxes."

But then it could be asked, "What did you do to remove the excise tax from ladies' handbags?" Or, "Yes, it is true that you voted to reduce corporate tax rates, but you ignored the excise tax on low-cost jewelry. See what you failed to do."

In some States, it might not be bad politics for those who might want to differ with the wisdom of a tax cut to take the attitude, "While we did vote to reduce income taxes by $11.6 billion, we are responsible for maintaining $10 billion of excise taxes."

The Committee on Finance resisted all efforts to change the excise tax system. The Senator from Indiana [Mr. HARTKE] offered an attractive amendment designed to remove the excise tax from musical instruments for children who play in their high school bands when they themselves buy the instruments. If the band buys them, no excise tax is imposed now. But the amendment of the Senator from Indiana would have removed the tax, if the band could not afford to buy the instrument and the child bought his own horn.

Originally that amendment was defeated by a substantial voice vote. But subsequently an amendment was offered by the Senator from Arkansas [Mr. FULBRIGHT], recognizing the distress of the legitimate theater, to remove the excise tax imposed on it. As I recall, such removal would have resulted in a revenue loss of $5 million.

At that point the minority leader, one of the most distinguished members of the committee, proceeded to move to remove the tax from ladies' handbags. That motion carried. That opened the door to proposals to remove the excise tax on jewelry and everything else.

In a half hour, not only did those amendments carry, but the amendment that was originally defeated by a substantial voice vote, to take the tax off musical instruments—and I voted against it—was agreed to by a unanimous vote, because Senators did not want to be considered "meanies," who would not vote to remove taxes on musical instruments used in high school bands.

Everything else was cut then. In the half hour between 12 and 12:30, our committee had voted a $455 million reduction in excise taxes, not only at the consumer level, but also in the field of the manufacturers' tax, removing the tax on ball-point pens and other such items. The only reason why we did not repeal $10 billion of excise taxes was that we had to quit for lunch.

If we are going to enter into the field of excise taxes, and start taking them off one by one, we are going to set the stage to take them all off. If we start by taking off the tax on furs, how can we insist on maintaining the tax on light bulbs? After all, the lady will have to have some light in the house to find her furs. If we begin by removing the excise tax on jewelry, how can we insist on maintaining the tax on telephones for someone who cannot afford jewelry?

If it is proposed to remove the excise tax from other items sold by merchants, why is it proposed to maintain it on business machines used by business?

What about matches? Why not remove the excise tax on matches? If a man cannot afford a cigarette lighter, should he not have the benefit of the removal of the tax on matches? What about sporting goods and sporting equipment? What about fountain pens? What about firearms used by the man who takes his little boy out to teach him something about the great outdoors?

Every time we got into one excise tax subject, we got into another. We finally managed to get nine votes together, including those of Democratic Senators who had been successful in having amendments agreed to. The distinguished Senator from Arkansas [Mr. Fulbright] was willing to agree to forgo his amendment if other Senators would forgo theirs. So we managed, by a vote of 9 to 8, to vote ourselves out of the trap that we had voted ourselves into.

Mr. MORTON. This was after lunch.

Mr. LONG of Louisiana. Yes.

Mr. MORTON. After lunch and some telephone calls, we undid what we did that morning.

Mr. LONG of Louisiana. I did everything I could to try to persuade the committee to return to a point of responsibility. After lunch, we managed to get out of the trap.

So far as I was concerned, I talked with those whom I could reach, including Treasury officials, recognizing that we would enter a bottomless pit once we got into it. However, we managed to get out of the trap.

Then the Senator from Kansas [Mr. Carlson] proposed an amendment to exempt "camper coaches" and "slide-in cabins" from the automotive manufacturer's excise tax. He said it would not cost more than about $1 million. Some Senator asked, "What is the revenue-loss estimate?"

As I recall, the staff gave us an estimate that the cost to the Treasury would be $1 million.

I said, "No; the cost would be $5 billion, because if we vote to remove this tax, we shall have to vote to remove many others. The result would be a loss of $5 billion."

The House Committee on Ways and Means intends to study the entire subject, and will take action on it. We shall have an opportunity to vote later on the question of extending or removing excise taxes this year, when $1.9 billion are due to expire. We shall have to face this subject at that time.

The Senate now has to measure up to the issue as to whether we shall retain the excise taxes and try to maintain a balanced tax bill which seeks, eventually, to reach a balanced budget, although not in the first year or so, or whether we shall vote for a tax bill that will be irresponsible and that will end with a fantastic budget deficit to the extent that we might even have to recommit the bill and forget the whole thing.

Mr. FULBRIGHT. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. FULBRIGHT. In that connection, as the Senator has said, I offered in committee an amendment which would have repealed the excise tax on theater admissions. I appreciate the Senator's reference to the reason why I was willing to forgo the amendment. I was absent that morning, as was the Senator from New Mexico [Mr. Anderson]. When we heard about what had happened in committee, we returned and saw the wisdom of the Senator's position.

I offered the amendment in committee which would have repealed the excise tax on admissions to the living theater and certain musical concerts. The amendment was adopted on its merits, but, unfortunately, a few days later it became a victim of extraordinary circumstances—not related in any way to its merits—which resulted in repeal of all the excise tax amendments adopted earlier by the committee.

I sponsored this amendment in hopes that it might have the effect of pumping some life into the faltering legitimate theater. There is no great ground swell of support from my constituents for repealing the tax and the few of them who will ever benefit from its repeal will do so only in the form of lower priced tickets. But this action should be taken to preserve and promote the living theater for the Nation—not merely for Broadway.

I regret that I find myself in the position of having to vote against my own proposal because of the complications that would arise now if any excise tax amendment were included in this bill. But I hope that a legislative record that has been made will insure that this tax is one of those included in the first general excise tax repeal bill to pass the Congress.

Concern was expressed in some quarters that repeal of the tax would only result in increasing profits to producers and that the benefits would not be passed on to theatergoers. I was assured by many leading representatives of the theater industry that they intended to pass on the benefits of the tax repeal and that they would work to insure that this approach was followed generally throughout the industry.

I ask unanimous consent to have printed at this point in my remarks a statement by the National Association of the Legitimate Theatre and the League of New York Theatres, which discusses the plight of the theater industry and the reasons why repeal of the tax is so important.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of the National Association of the Legitimate Theater, Inc. and the League of New York Theaters, Inc., Supporting Elimination of the Federal Tax on Theater Admission

The National Association of the Legitimate Theater, Inc. is a national association comprised of the country's leading theater producers and theater owners. The League of New York Theaters, Inc. is comprised of the leading theater producers and theater owners in New York.

It is a vital public concern to foster and stimulate cultural development throughout the Nation. Cultural development is essential because it gives breadth and richness to each of our lives. It is equally important to demonstrate to others the intellectual achievement possible in a free society. In the current struggle for the minds of men, keen observers have indicated that we will not win by material means alone. We must demonstrate that a free society can be a creative society as well.

A keystone in the cultural arch is the living theater. Indeed, it has been one of the areas of most significant cultural achievement in our country. It is a deep and important expression of our national life, of our aspirations, folkways and values. The 30-odd theaters in New York are the core of our theatrical world. Spread across the country and in virtually every one of the 50 States, there are more than 190 year-round theaters, in which live dramas, comedies, and musicals are presented. In addition, there are an even larger number of summer stock theaters, which likewise are located throughout the Nation.

The 50 to 75 new plays produced each season by the core of our theater in New York spread out across the country through openings in other cities and through subsequent tours. They provide the source material for our widespread summer theater operation and for the more than 75,000 non-professional groups spread over the United States.

We must assure the continued vitality, creativity, and variety of our contemporary contribution to culture through theatrical productions. These productions provide an important outlet for the imagination which abounds in our Nation. In our society, as it has been in every great society throughout history, the health of the theater has been a measure of cultural quality. If it languishes, something is deeply wrong in the Nation's mind and spirit.

The theater in our country is the product of the free enterprise system and exists by that enterprise. It does not have, nor has it sought governmental assistance. In this sense, our theater is almost unique; this is a most important reason for assuring its continued vitality.

The theater industry in practically every other country of both the free world and the nonfree world is subsidized by government. Even England has resorted to a partial subsidization of its theater. The subsidized theaters are used by these countries as an important part of their international programs to spread their culture abroad. We have seen numerous instances of the export by the Iron Curtain countries of theatrical groups of such high quality as the Bolshoi and Brecht companies, to convince others that the Communists are people devoted to cultural endeavor, and therefore are freedom loving people—a most dangerous error in logic.

We must meet these efforts with the best of our own. Our theater must continue to be one of our most effective and proudest displays of the cultural values which can be attained and maintained by a free enterprise system. It has been, and can continue to be, a most valuable conduit for the export of ideas.

The need for support of the theater has never been more critical than at present. The living theater has been on a continuous decline for the last 30 years. Over the last decade, the plight of the living theater has become extremely grave.

The theater is caught in a serious cost-price squeeze which could prove fatal unless some relief is found. Radically increased costs and staggering financial losses have brought about a steady diminution of productions. Already certain forms of dramatic entertainment, highly estimable as cultural products, are no longer financially feasible. In the past several years, there has been increasing difficulty in raising the venture capital necessary to continuation of our free enterprise system in presenting theatrical productions. Indeed, this season, several plays have gone up to the point of rehearsal without sufficient capital even to permit initial opening, no less the ultimate opening on Broadway. The cultural weathervane has given us warnings which we cannot ignore.

A detailed statement of the desperate situation of the living theater is contained in the pamphlet entitled "Crisis in the Free World Theater" prepared by John F. Wharton, Esq., an eminent member of the New York Bar. This pamphlet was submitted to each Member of Congress in 1962 and forms the basis and background for my statement. A copy of that pamphlet is attached and made a part of this statement.

The theater has never sought, nor does it now seek, governmental support in terms of subsidy to alleviate the pressure and bring about the necessary revitalization. It merely seeks the cessation of governmental burdens, the most critical of which is the excise tax on theater admissions. Instead of supporting theatrical endeavors, the Government, through this unnecessary and discriminatory tax, has placed a backbreaking burden on an already declining and weakened industry.

There is no justification for the continued fettering of the living theater with this tax. It is both harmful and discriminatory. In the last season for which complete figures are available, 77 percent of the new plays produced failed to earn back the venture capital invested in them, the combined loss being about $5½ million. At the same time the Federal Government took, in admission taxes: $6 million—more than the total losses of the failures. Already this season, 15 of the 33 shows that have opened are now closed at considerable loss; of those still open many have yet to prove profitable.

Undoubtedly, this Federal excise tax on admissions is the most significant burden imposed by the Government on theatrical productions. Some slight relief was provided in 1954 when the Federal tax was lowered from 20 to 10 percent, but a 5-percent New York City tax was imposed almost immediately thereafter. Experience demonstrated the extremely burdensome nature of this tax and, as a result, it was removed by New York City in 1961. The burden of the higher Federal tax, however, continues.

No other form of cultural endeavor is subjected to this or any similar form of the Federal excise tax. There is no such tax on literature. And the tax normally does not even apply to the exhibition of motion pictures which, because of the nature of their production and exhibition, can be shown to audiences at a much lower admission price than the living theater and often below the $1 exemption from the Federal admission tax. Likewise, television does not suffer from this harsh and discriminatory tax.

An excise tax is always a burden. A booming industry, or even a healthy one, may be able to readily absorb the tax, but a financially declining industry cannot. The excise tax merely accentuates the decline and eventually may prove fatal. Moreover, the imposition of an excise tax on a cultural and educational medium would appear contrary to public policy.

When one contrasts the serious impact of the tax on the weakening theater enterprises with the revenue derived, it becomes even clearer that relief is fully justified. The 10-percent admissions tax yields from the living theater not more than the insignificant amount of 0.0007 percent of Federal revenues. In the fiscal year ending June 3, 1962, the total amount derived from the tax as imposed on the theater was $4½ million, an additional $1.4 million was obtained from admissions to band and other concerts. The need for the tax, thus, is highly dubious. It contributes an insignificant amount of revenue to the Federal Government, yet the burden on the theater of this inconsequential revenue-producing device is significant.

If the promises to aid cultural development and achievement are to be put into deeds, a matter of first priority is the removal of this burdensome, inequitable, and unnecessary excise tax on admissions to the living theater. The theatrical industry is in urgent need of revitalization. Repeal of the 10-percent admission tax is one of the most effective immediate steps that can be taken to assist in the revival of theatrical endeavor on a sufficiently broad scale to ensure the full utilization of this vital and creative artistic outlet. While elimination of this tax is not a panacea, it would be a significant step forward.

The serious plight of the theater readily demonstrates the destructive consequences of the admission tax. The following is a brief summary of the significant facts:

THE STATE OF THEATRICAL ENTERPRISE

That the theater is in a state of serious financial decline is clearly shown by the decline in the number of plays produced, a decline in the available theaters in which to exhibit the plays, a drop in attendance, and a continuous lowering of the profit per dollar invested. The last is, of course, of overwhelming importance in an area of endeavor so constantly dependent on new sources of venture capital.

PRODUCTION

The number of new theatrical productions has been continuously declining from the high in the 1927–1928 season of 264 plays to a low of 46 plays in the season ending the spring of 1961. Even during the 1930's the average number of new productions annually remained above 140. In the 1950's, the average was slightly under 60 new plays each year. In the decade of the 1960's, the average already is under 50 new productions a year and continues to decline.

A high level of new productions, of course, is essential to the dynamics of the theater. The vitality of the theater depends on the new crop of talent—playwrights, directors, actors, producers, composers, lyricists—that come forward each year. To obtain this talent, it is necessary that they have an opportunity to learn their trade. If they are to be tested and we are to be assured that the very best talent available reaches the top, everyone must be given an opportunity. Moreover, only by expanded production activity can the theater have the constant vitality, vigor, and incentive that raise the quality of its attractions and bring stabilization to its economy.

THEATERS

In 1931, there were 66 theaters available for major new productions in New York City. This number likewise has declined to less than half and is now just slightly over 30. The newest legitimate theater in New York was built in 1927. This 34 barren years as far as capital facilities is concerned is virtually unique in the American scene.

The decline in physical facilities has not been limited to New York City. The number of legitimate theaters elsewhere in the Nation has declined even more dramatically—from a high of 560 in 1921 to only 193 in 1960. This represents a decline of more than 65 percent over the 40-year period. Again, there are few, if any, new facilities, so that the decline is likely to continue.

ATTENDANCE

Accurate figures for attendance are difficult to obtain. The decline, however, is obvious from the decrease in the number of physical facilities of 55 to 65 percent and the decrease in the number of productions of more than 80 percent.

During the period of this substantial decline in the legitimate theater, the population of the United States increased 46 percent, the per capita disposable personal income (in dollars of constant purchasing power) rose more than 78 percent, and the increased efficiency of public and private transportation brought the theater centers into considerably easier reach.

PROFITS

The theater perhaps as much as any other area of endeavor has been caught in an increasingly serious cost-price squeeze. It suffers from a variety of weaknesses in this regard: (a) it must rely on personal services to a major extent and wage and salary rates are high; (b) it constantly requires new productions which have a relatively short period of productivity; (c) it has met more than average public resistance to increased prices for the product; and (d) it has limited outlets of distribution.

Every play involves the organization of a new enterprise—new sets are bought, new costumes are made, new props secured, often in a rush and hence at overtime rates. The rise in these costs have been tremendous. In the 1930's a musical comedy could be, and often was, produced for $75,000 to $100,000. Today, the costumes may cost more than that alone. A musical comedy is likely to cost somewhere in the range of a half a million dollars. Even in 1949, "South Pacific" was produced for $225,000; 10 years later, the production of "Camelot" cost $600,000.

The increase in cost of dramas is equally as great and even harder to obtain a return on investment, because of the normally shorter runs, lower average houses, and the lesser prospect of the sale of motion picture rights. It is this area of theatrical production that is suffering the most. In 1938, as an example, "Life With Father" was capitalized at $25,000. It is estimated that it earned over $60 for each $1 invested. Ten years later, the same producer presented a sequel by the same authors, "Life With Mother." This sequel was capitalized at $100,000 and would have required earnings of $6 million to provide the same return. More recently, the production costs of dramas has risen from the $100,000 to $150,000 range.

The increasing costs have cut the potential for profit drastically, and an investor today has no more than a 50-percent chance to recover his investment. As stated in the May 1960 article in Fortune magazine by Daniel Seligman, "for every $2 invested in shows, $1 comes back." As the author goes on to point out, this is not even as good as the racetrack where the return is $1.70 for the same $2 invested. To expect investors to continue to support theatrical productions with this rate of return is folly. It is true that most of the investors are in essence patrons of this particular form of art. Their numbers, however, are sufficiently limited that they cannot be expected to continue to pour money into theatrical productions at the very high rate required with the current loss picture.

Thus, it is not surprising that venture capital for theatrical productions is becoming increasingly difficult to find, even with the continuing growth of our economy. It is not surprising that today a number of highly qualified productions move into rehearsal without sufficient capital to assure their opening on Broadway. The plight of the theater indeed is serious and becoming graver each year.

CONCLUSION

The plight of the theater is serious. The profit squeeze has reached the point that new investment may shortly become impossible to obtain, particularly since the investors come from a relatively small group and the size of the overall loss in the dollars invested is staggering. The price of tickets has risen so that the upper end of the demand curve has been reached. We do not ask for governmental support but we do say that the living theater will perish if it is not relieved of the present unfair tax burden. There must, therefore, either be some form of support or the living theater will perish.

The theater can be proud of the fact that, despite lack of help and encouragement from the Government, despite financial harassment, despite the imposition of discriminatory taxes, it has maintained, artistically, a vital dynamic theater. But vitality cannot survive financial disaster forever. The theater is on the brink of a cascade. However, it still does not seek subsidization nor special aid. It only asks that it be treated fairly and not be impeded by governmental control.

Elimination of the crippling admission tax would be a most effective immediate measure in moving toward the revitalization of the living theater. It would be a concrete demonstration of recognition of the importance which we place on cultural achievement. It is an essential step if the living theater is to be saved from its present distressingly rapid decline.

Mr. ALLOTT. Mr. President, I support the amendment offered by the Senator from Kentucky on behalf of the distinguished minority leader. I believe that at some time in the consideration of these matters we must consider removing from certain industries the burden which was placed on them under wartime conditions and under the belief that they were supposed to be luxury taxes.

The Senator from Kentucky has included in his amendment an exemption of $100 for jewelry and furs; or, if one wishes to state it in another way, the tax would not apply to jewelry and furs that cost under $100.

I heard a Senator say yesterday that he could not buy a watch for $100. I am surprised to know that, because I have worn one for 15 years on my wrist, and it cost two-thirds of that amount. I do not anticipate that I shall go over the $100 mark soon.

Certain industries have been hurt year after year by these retailers' excise taxes. I frankly confess, in behalf of my constituents in Colorado, that I am interested in the luggage industry, because the luggage industry in my State, while small, perhaps, in relation to the industry over the whole United States, is one of the largest industries in our State, and happens to be one of the largest units in the United States. Yet it has to cope unfairly, year after year, with the retail tax upon its sales.

If it can be said in this day and year, when people have to travel from one end of the country to the other constantly in the course of their business, that a tax should be imposed upon a piece of luggage because luggage is a luxury, we had better reevaluate our thinking. I cannot understand such distorted thinking.

I wish the distinguished Senator from Ohio had not stepped outside the Chamber. He based his argument a few moments ago upon the fact that the United States is at the bottom of the totem pole on excise taxes.

Perhaps he has not stopped to consider the fact that in Europe the base of the retail excise taxes is a much broader spectrum of commodities than is the case in the United States. If a broad spectrum were covered by the U.S. excise taxes, perhaps there would be justification for raising more revenue from taxes in the excise field.

However, when these taxes are applied at the retail level to a comparatively few commodities and businesses, as is the case in the United States, they are penalized and their growth is stopped. Heaven knows enough has already been done in this country to hinder the development of small businesses. Perhaps one of the things which has contributed most greatly to that development has been the so-called progressive income tax—which is supposed to be progressive and is supposed to have exactly the opposite of its actual effect. However, at every turn it gives an advantage to big business, rather than to small business.

It has been argued that the Senate must not adopt this amendment, for the reason that its adoption would involve not only an immediate tax loss of $443 million, but also, as a result of a chain reaction, a final tax loss of perhaps $10 or $11 billion.

On the other hand, Mr. President, I point out that the President has submitted a $97.9 billion cash budget for this year. I have studied it and I have also studied the obligational authority which would be required this year. According to my estimate, the actual amount of money we shall obligate and spend during the coming year will exceed $103 billion.

Mr. President, if the Government continues deficit spending year after year and if Congress is to be so irresponsible as to cut the taxes for the next year to the extent of $11 billion, I maintain that the amount of tax relief which would be provided by this amendment can be given to small businesses all over the country, which sell luggage, small articles trimmed with fur, or jewelry. Those in the business of selling those commodities must sell them if their proprietors and employees are to make a living. However, at the present time those businesses must devote a considerable portion of their overhead costs to the bookkeeping work they do for the Government—for the Government, Mr. President, not for their own businesses.

Therefore, Mr. President, with these facts in mind, I believe the Senate should adopt this amendment.

I am sorry to disagree with the Senator from Louisiana. It has been said that hearings on the entire excise tax field will be held. However, we must distinguish between those taxes at the manufacturers' level and those at the retail level. By means of this amendment, we would begin to repeal those at the retail level, and thus decrease the burden which today is placed on small businesses. Perhaps such hearings will be held, and I am sure that the Senators who have stated they will be held have good intentions. I believe what they tell us. On the other hand, I know that no broad attack will be made upon the general excise tax field, because I am sure the statement they made was made for the purpose of drawing the fire from the support for this amendment.

Let us not delude ourselves: Either this amendment will be adopted today by the Senate, or else no reduction of the excise taxes in these fields will be made this year.

Mr. President, for these reasons, I sincerely hope that the Senate will vote to give this break to the small business people who have to collect these taxes and have to explain to the International Revenue Service the details in connection with their collection, and who have to bear the burden of these taxes. Certainly it is time that—finally—Congress give them this break.

The estimate of the immediate, direct cost of the pending amendment is $433 million; and it is also estimated that, in the long run, the final cost, as the result of the ensuing chain reaction, might be $10 or $11 billion. But, Mr. President, what would that $11 billion amount to, after all, in view of the very great deficit which now exists and which is constantly being increased?

If Senators really believe that the $11 billion cut contemplated as the result of enactment of the pending bill will really stimulate the Nation's economy until it is jiving down the road at 100 miles an hour, then let us make this small additional cut, and thus provide a little additional jive, and really make our economy travel.

Mr. HRUSKA. Mr. President, I speak in support of the amendment to eliminate certain excise taxes which were imposed originally as wartime taxes under emergency conditions.

At that time, everyone was willing to do his utmost to contribute to the need for increased taxes and to give maximum support to the Government's objectives during that emergency period. The need to continue these taxes has long ceased and no justification can be made for their continuance.

Today these taxes are applied on a discriminatory basis. Some industries have felt a considerable loss in sales and as a direct result over the years many workers in those industries were displaced.

To justify these taxes on the basis that the articles taxed are luxuries is simply not the fact. There is no basis for telling a woman that toilet articles and cosmetics are luxuries. Leather goods such as handbags, purses, and luggage are necessities in today's way of modern living. Jewelry sales, of course, cover many items, with the majority of sales falling into lower cost items, much of which is costume jewelry. To continue to exact these taxes under these circumstances is simply not justified.

Because of the high tax rates on these articles, many persons forgo purchases and as a result, sales are lower.

We are told that the pending bill is a tax incentive bill designed to stimulate the Nation's economy. I can think of no greater way to provide the stimulus for purchases than to remove these taxes and permit the consumer's voice to be heard. I am certain that the response will be surprising to many.

Every time an effort is made to reduce any excise taxes, Treasury officials argue that we are undermining our tax structure and that great disaster will befall us because of the loss of revenue involved. Having received these dollars over many years, I believe Treasury officials consider these taxes to be permanent rather than temporary and their arguments are not persuasive to me.

One of the most neglected groups of businessmen in our Nation is the small businessman who in most cases represents a family enterprise. Usually, there are few outside employees and the burdens of running the business fall upon the owner and his immediate family. Recordkeeping is a constant chore and failure to comply will subject him to Federal penalties. We have too many burdens on business today which are of a Federal nature. Whenever we have an opportunity to release such onerous tasks, we should seek to accomplish it.

Mr. President, I can think of no better way to stimulate our economy than to eliminate these taxes. The revenue loss will be small in comparison to the benefits which will be derived by such action. This is one means by which we can achieve a higher level of prosperity and growth. This money will remain in the hands of the taxpayer and he will have an incentive to spend it. This amendment should be adopted.

Mr. President, I ask unanimous consent that several letters I have received on this subject be printed in the Record at this point.

There being no objection, the letters were ordered to be printed in the Record, as follows:

J. M. McDonald Co.,
Office of the President,
Hastings, Nebr., January 30, 1964.

Hon. Roman Hruska,
U.S. Senate,
Washington, D.C.

My Dear Senator Hruska: I noticed that Senator Everett Dirksen has introduced an amendment, No. 380, to the tax reduction bill (H.R. 8363) which would have the effect of repealing the wartime excise taxes on such items as jewelry, furs, toilet preparations, and luggage.

I hope you will lend your important support toward the passage of this amendment. I hope that it will be included in the tax reduction bill and certainly with the support of men like yourself this is a possibility.

It seems to me that there has long been a great interest on the part of the general public, and certainly on the part of a very large portion of those in the retailing business to "have done" with these excise taxes which served a purpose during the war years but which were never considered as a continuing source of tax revenue.

It would seem to me, and I hope you would agree, that a tax reduction in the form of repeal of these wartime taxes would be in the general best interests of our country, as well as being in the specific interests of both business and consumers.

There are several reasons why this is so. Repeal of these excise taxes would:

1. Raise our standard of living by making possible, and actually encouraging, increased purchasing of goods now so taxed.

2. Create more jobs in both the manufacture and retailing of this presently taxed merchandise, due to an increase in sales and production of these items.

3. Because of the increased business resulting as above, there would be additional revenue provided through other forms of taxation—more than offsetting the loss of revenue from present excise taxes.

4. Develop increased production of items, presently carrying an excise tax which would, in turn, benefit all purchasers because of the lowered costs of such goods to customers.

The present excise taxes, which were at one time referred to as "luxury taxes" have long been a source of irritation to our customers. There is no present justification for their continuance, and I am certain you feel, as I do, that although we must certainly have taxes, they should be justifiable and with a logical reason for being.

It seems that I write you frequently soliciting your help or consideration in this area or that—and wonder how you find time to consider all the tremendous volume of correspondence you do receive. So I thank you Senator for considering this request—and for using your influence in this matter.

Sincerely yours,
C. E. Blair.

Retail Merchants Association,
Lincoln, Nebr., January 29, 1964.

Hon. Roman L. Hruska,
U.S. Senate,
Washington, D.C.

Sir: At a special executive committee meeting of the Retail Merchants Association of Nebraska held in Columbus yesterday, a unanimous decision was reached regarding repealing of Federal excise taxes.

First, that the Dirksen amendment meets with our approval and we seek your support of it. Second, a telephone poll was taken and a unanimous positive response was voiced by 39 key retailers spread across the State of Nebraska. Third, that the Retail Merchants Association executive be directed to contact the Nebraska Senators in the name of Nebraska retailers. Fourth, that retailers not bombard Senators with wires and telephone calls, but let the association speak for retailing generally.

We feel confident your thinking is in line with ours, and offer our support to you.

Very truly yours,
M. J. "Bub" Graham,
Executive Vice President.

North Platte, Nebr.,
January 29, 1964.

Hon. Roman Hruska,
Senate Office Building,
Washington, D.C.

Dear Sir: I am wiring to you and asking you to support the Dirksen repeal amendment when it is presented for action on the Senate floor. This is tax bill H.R. 8363. This is very definitely an unfair and discriminatory tax. You cannot imagine the heavy burden this puts on a small business to collect and handle this tax. It costs us and other businesses hundreds of dollars each year. All this besides the fact that most items taxed are not luxuries. Please do what you can in our behalf to correct this situation.

Yours truly,
Normal L. House,
House of Time, *North Platte, Nebr.*

Burke Drug,
Grand Island, Nebr.,
January 30, 1964.

Roman Hruska,
Senate Office Building,
Washington, D.C.

Dear Senator: I understand that Senator Dirksen has proposed an amendment to the tax bill to repeal Federal excise tax. I certainly support this action myself and urge you to vote in favor of this amendment.

This is a tax that is applied against just a few people and not the population as a whole. Certainly it is one that causes the retailers across the United States many problems because it is a tax that is added at the time of purchase and the customer draws resentment from the tax; they are buying an 89-cent item and all of a sudden it turns into a 98-cent item because of the Federal excise tax. A few years back they finally got halfway sensible about this specific tax and removed the baby products from the list which were classified as luxury items. But certainly, the majority of items under the classification I would not classify as luxury items. For example, I would hate to see a woman without lipstick and her hair set into place with different types of hair spray. I don't think any of us would appreciate the woman in our life if they didn't attempt to make themselves beautiful, so I wouldn't consider beauty, in this particular case, a luxury. I would imagine that you could carry around your change and identification cards in just a paper sack in your pocket, but I don't think that a billfold is a luxury item—it is a necessity to every man and woman that carries one. The watch on your arm; I don't know how you could make your appointments on time, without something to remind you of just what time it is. This is not a wartime situation any more; this tax was imposed originally as a base tax to be used in the necessity of war and it was imposed against so-called luxury items. The American public very readily accepted it as such in the time of necessity, but the same "of necessity" is over and I hope that with the Dirksen amendment, the Federal excise tax on so-called luxury items is over, too.

Sincerely yours,
William A. Burke.

Yarger Jewelry,
West Point, Nebr., February 1, 1964.

Dear Senator Hruska: We appeal to you to give your complete and wholehearted support to the bill to repeal the Federal retail excise tax on jewelry and to support Senator Everett M. Dirksen in every way possible when he brings this fight to the Senate floor.

We have been in the retail jewelry business here in West Point for the past 16 years and know better than most what the bill would mean to all customers and those in the retail jewelry business.

We feel that it is very unfair that we have to struggle to operate a business under this severe handicap when so many other businesses which sell items of merchandise just as luxurious (or more so) than ours do not have to collect the tax or spend the many hours every year keeping track of all of the extra bookwork.

We will appreciate all the support you can give this bill.

Sincerely,
Mr. and Mrs. Lamont Yarger.

Bristol Jewelry,
Burwell, Nebr., January 30, 1964.

Hon. Roman Hruska,
Washington, D.C.

Dear Senator: I am asking your support to Senator Dirksen's repeal amendment—a measure to repeal the excise tax. I am a retail jeweler in Burwell, Nebr., and I have long contended that the excise tax is unfair because it is levied on just certain items, many of which we jewelers sell.

What was once a war measure, passed with the promise that it would be repealed as soon as the war was over, has become a permanent fixture; or so it seems, for it has been in effect for 20 years. The tax which was levied on so-called luxury items also covers a good many items which are necessities such as alarm clocks, billfolds, and even the plainest of wedding rings.

It is unfair to the consumer and unfair to the merchant that sells these items, for it tends to limit his sales and discriminate against a legitimate business. A lifting of this tax would promote business by encouraging the purchase of many items that people have held off buying as long as they could to avoid the tax. Such a measure would stimulate business and bolster the economy, which would be good for us all. Besides that it would put taxes on a more fair basis.

I am sure that other businessmen feel the same way about this measure and we will all appreciate your support of the tax repeal.

Yours truly,

W. W. BRISTOL.

Mr. GORE. Mr. President, I shall not detain the Senate for more than 5 minutes, for I know that Senators wish to proceed to vote on the pending amendment.

I rise in support of the amendment.

The Senator from Indiana said adoption of the amendment would open the floodgates; but a moment earlier he advocated enactment of the pending bill, because, so he said, the economy needs stimulation.

I am among those who believe the deficiencies in the economy, to the extent they exist, require specific treatment; but I am not among those who believe that under present circumstances the economy needs major general stimulation, particularly in view of all the economic indices, which now stand at all-time highs.

I would prefer to have this amendment offered as a substitute for some of the inequitable tax provisions included in the pending bill.

The pending amendment proposes that certain excise taxes be repealed. In my opinion, the Federal excise taxes can be repealed with more economic justification, more social justification and more general benefits than would result from enactment of the present provisions of the pending bill, which in my opinion constitute a major attack upon the progressive nature of the Federal income tax. The pending bill would make our tax law far less progressive, and in many respects would make it more regressive.

I know of no more regressive type of taxation than a Federal sales tax; and, Mr. President, in this instance we are speaking of the tax on articles which millions of the American people buy, but for whom the pending bill provides no tax relief whatever. A woman who buys a handbag for $5 may not receive any tax reduction at all by means of the bill as it now stands. Unless this amendment is enacted into law, there will be continued in the law a tax which will cost her 50 cents on that $5 handbag; or if she buys a $50 cloth winter coat with a fur collar, the value of the fur collar must be estimated and the excise tax on it must be paid. There are many working girls who have not yet achieved a level of income for which this bill would provide any tax relief. A young working girl might buy an economically priced dress of a particular color, and might want to buy some costume jewelry to wear with it; and if she does, she must pay the excise tax upon it. There are millions of the American people who will receive no tax reduction whatever by means of the reduction of the corporate income tax rate.

Mr. President, unless more Senators start to speak against regressive taxation, we shall be headed toward a massive Federal sales tax or manufacturers' excise tax. I think now is a good time to begin resisting such a course by repealing some of the excise taxes which now are imposed on the articles which the great mass of our people buy.

Therefore, I support the amendment.

Mr. CARLSON. Mr. President, I did not wish to let this debate close without expressing my views on repealing excise taxes.

For a number of years I have had the privilege of serving on committees dealing with taxes, in the House Ways and Means Committee for 8 or 10 years, and presently in the Senate Finance Committee. I believe it is generally agreed that excise taxes are regressive taxes. Repeal of such taxes would, in my opinion, do several things. I believe that would be more beneficial than many of the other items we might pass in the bill; and I do support the tax bill.

I become concerned when Senators who are defending the bill talk about $11.2 billion; and then adding $400 million to the $11.2 billion, because it would completely bankrupt the Nation's economy and destroy our Federal fiscal system. I believe that is going a little too far.

I believe there is some immediate effect on this question. One effect would be an immediate increase in consumer expenditures. I believe that is the purpose of the tax bill that we shall be voting for. It gets money out to the people immediately.

I favor repeal of retail excise taxes still imposed on sales of furs, luggage and handbags, cosmetics, jewelry, and silverware. Such repeal will further every objective of the proposed tax reduction program.

In addition, retail excise tax repeal contains several unique advantages; it would: First. Immediately increase consumer expenditures. The faster consumer spending is increased by tax reduction, the more rapidly the goal the President has set would be reached. Repeal of retail excise taxes would provide money for increased purchases, immediately on enactment of the bill.

Over $400 million is now collected annually in retail excise taxes—in the fiscal year, 1962, it was $415 million. This sum was all collected at the final point of sale. It is collected on daily purchases of products by consumers in every State of the Union. Obviously, it is presently reducing by 10 percent the money available for purchases of other goods. Equally obvious, when these taxes are repealed, that amount of money is immediately available for increased consumer spending.

Second. Maintain price stability. Little good can come from any tax relief of this kind unless prices to the consumer are actually reduced by the amount of the present tax. I assure you that competition within industries is so severe that repeal of the 10-percent excise tax will in fact be passed on to the consumer. The present, before tax, price level will be maintained. To the consumer, the repeal of retail excise taxes will mean a 10-percent reduction in cash outlay at the point of sale, providing that much more for immediate added purchases.

Third. Reduce retailer's cost of doing business. Collecting retail excise taxes is a very real and costly burden to retailers. A great deal of bookkeeping and record-keeping is necessary. To the small retailer it is a nightmare; to the large retailer it is a headache of sizable proportions. The tax on each sale must be collected, recorded, audited, and eventually paid to the Government, whether it be 5 cents on a 50-cent purchase, or $50 on a $500 purchase. Unfortunately, there are thousands of 50-cent sales for every $500 sale and obviously, as the unit of sale decreases, the cost of collection increases. The cost of collection is a tax-deductible business expense by every retailer involved, which in the aggregate can substantially affect corporate tax revenues.

Fourth. Beneficial to industries and to the economy. I sincerely believe that repeal of retail excise taxes will be of direct benefit to the whole U.S. economy for it will free immediately and daily, a substantial sum for the purchase of any product of the consumer's preference. However, the importance to industry cannot be overemphasized. Repeal will, for the first time since pre-World War II, place its products on an equal base with other products now competing for consumer preference, and will remove the Government from the untenable position of influencing consumer selection of the types of goods and services for which he wishes to spend his money.

It is conservatively estimated that if retail excise taxes are repealed, the annual sales of these products should increase by 10 to 15 percent from present levels. This can only result in more jobs, larger payrolls and increasing benefit to the whole economy. The results of excise tax repeal claim priority over this form of stimulus to the economy fully as urgent and fully as deserving as other forms of reduction being considered.

Retail excise taxes were originally imposed in 1941 in the amount of 10 percent of the retail price on the sale of furs, luggage, cosmetics, and jewelry. In 1943, as the war progressed, these taxes were raised to 20 percent. In 1954, Congress reduced the rate to 10 percent, where it remains today.

I submit, aside from the beneficial effects of the reduction of individual and corporate taxes, and the reversing of corporate normal and surtax rates, that the repeal of retail excise taxes at the Federal level will accomplish additional and most needed results:

First. Retail excise tax repeal will furnish the quickest flow of additional spendable income into the economy of all the various forms of tax reduction proposed.

Second. Excise tax repeal will pass the savings on to the consumer because of strong competitive forces within affected industries.

Third. Excise tax repeal will relieve the tax collectors and retailers of an oppressive and costly administrative burden, thus offering both added incentive and the prospect of compensating tax revenue.

Fourth. The products affected by excise taxes will be in a position to compete with other nontaxed products on an equal basis.

Fifth. Unlike income tax reduction, excise repeal will have none of its effects dampened by increased State income taxes.

Sixth. The affected industries cannot fully discharge their responsibilities toward furthering America's economic growth, burdened as they are by the discriminatory, wartime-imposed levy, which had, as was one of its original purposes, the depression of business in the affected industries.

I sincerely hope the amendment offered by the Senator from Kentucky will be approved. I believe it is in the interest of the Nation's economy. It is in the interest of the taxpayers, and in the interest of the consumer.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment, as modified, offered by the Senator from Kentucky [Mr. Morton].

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

The rollcall was concluded.

Mr. **MANSFIELD** (after having voted in the negative). I have a pair with the distinguished minority leader, the Senator from Illinois [Mr. Dirksen]. If he were present and voting, he would vote "yea"; if I were at liberty to vote I would vote "nay." Therefore I withdraw my vote.

Mr. **HUMPHREY**. I announce that the Senator from Indiana [Mr. Bayh], the Senator from Nevada [Mr. Cannon], the Senator from Pennsylvania [Mr. Clark], and the Senator from Arizona [Mr. Hayden] are absent on official business.

On this vote, the Senator from Arizona [Mr. Goldwater] is paired with the Senator from Nevada [Mr. Cannon].

If present and voting, the Senator from Arizona would vote "yea" and the Senator from Nevada would vote "nay."

I further announce that, if present and voting, the Senator from Indiana [Mr. Bayh] and the Senator from Arizona [Mr. Hayden] would each vote "nay."

Mr. **KUCHEL**. I announce that the Senator from Illinois [Mr. Dirksen] and the Senator from Arizona [Mr. Goldwater] are necessarily absent.

The pair of the Senator from Illinois [Mr. Dirksen] has been previously announced.

On this vote, the Senator from Arizona [Mr. Goldwater] is paired with the Senator from Nevada [Mr. Cannon]. If present and voting, the Senator from Arizona would vote "yea" and the Senator from Nevada would vote "nay."

The result was announced—yeas 45, nays 48, as follows:

[No. 22 Leg.]

YEAS—45

Aiken
Allott
Beall
Bennett
Boggs
Carlson
Case
Cooper
Cotton
Curtis
Dodd
Dominick
Douglas
Fong
Gore
Gruening
Hickenlooper
Hruska
Jackson
Javits
Jordan, Idaho
Keating
Kennedy
Kuchel
McGovern
Mechem
Miller
Morse
Morton
Mundt
Pastore
Pearson
Pell
Prouty
Proxmire
Ribicoff
Saltonstall
Scott
Simpson
Smith
Symington
Tower
Williams, Del.
Young, N. Dak.
Young, Ohio

NAYS—48

Anderson
Bartlett
Bible
Brewster
Burdick
Byrd, Va.
Byrd, W. Va.
Church
Eastland
Edmondson
Ellender
Engle
Ervin
Fulbright
Hart
Hartke
Hill
Holland
Humphrey
Inouye
Johnston
Jordan, N.C.
Lausche
Long, Mo.
Long, La.
Magnuson
McCarthy
McClellan
McGee
McIntyre
McNamara
Metcalf
Monroney
Moss
Muskie
Nelson
Neuberger
Randolph
Robertson
Russell
Smathers
Sparkman
Stennis
Talmadge
Thurmond
Walters
Williams, N.J.
Yarborough

NOT VOTING—7

Bayh
Cannon
Clark
Dirksen
Goldwater
Hayden
Mansfield

So Mr. Morton's amendment, as modified, was rejected.

Mr. **LONG** of Louisiana. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. **HUMPHREY**. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. **PROXMIRE**. Mr. President, I call up my amendment, No. 387.

The **PRESIDING OFFICER**. The amendment offered by the Senator from Wisconsin will be stated.

The Legislative Clerk. An amendment (No. 387) on page 38, beginning with line 7, to strike out all through line 9, on page 39, as follows:

(e) Treatment of Investment Credit by Federal Regulatory Agencies.—It was the intent of the Congress in providing an investment credit under section 38 of the Internal Revenue Code of 1954, and it is the intent of the Congress in repealing the reduction in basis required by section 48(g) of such Code, to provide an incentive for modernization and growth of private industry (including that portion thereof which is regulated). Accordingly, Congress does not intend that any agency or instrumentality of the United States having jurisdiction with respect to a taxpayer shall, without the consent of the taxpayer, use—

(1) in the case of public utility property (as defined in section 46(c)(3)(B) of the Internal Revenue Code of 1954), more than a proportionate part (determined with reference to the average useful life of the property with respect to which the credit was allowed) of the credit against tax allowed for any taxable year by section 38 of such Code, or

(2) in the case of any other property, any credit against tax allowed by section 38 of such Code,

to reduce such taxpayer's Federal income taxes for the purpose of establishing the cost of service of the taxpayer or to accomplish a similar result by any other method.

Mr. **PROXMIRE**. Mr. President, I hope Senators will be able to hear the debate on this amendment. It is very important. There has been placed on the desk of each Senator a brief argument in favor of the amendment, which I hope Senators will peruse.

Mr. President, the bill as now drafted, as submitted by the committee, provides that the investment credit for utilities will not be passed through to consumers. Regulatory bodies will by law not be allowed to recognize the increase in aftertax income which the investment credit provides. They cannot adjust the fair rate of return on this basis and thereby reduce rates.

Two kinds of utilities are affected by this provision: first, transportation utilities; and, second, other public utilities.

Under present law, transportation utilities now enjoy a full 7-percent investment credit. The committee bill as now drafted changes present law to provide that a regulatory body will not be permitted to recognize any of this benefit in setting rates. The law also provides a 3-percent investment credit for those utilities which are not transportation utilities.

The bill as reported by the committee provides that a regulatory body can only recognize the benefit of the investment credit for the nontransportation utilities in setting rates over the life of the asset.

I think I can demonstrate a little later that both these provisions in the bill as reported by the committee represent a windfall gain for stockholders of public utilities, and a very substantial loss for consumers.

My amendment would eliminate the most directly inflationary section of the bill. If the amendment is defeated, estimates by Prof. Robert Eisner, of Northwestern University—a noted and very competent and careful authority—indicate that the bill will cost the general public as utility customers $630 million in 1964, and more than $1 billion a year by 1972, on the basis of estimating a growth rate of 8 percent a year, which is the growth rate which has taken place for the last 20 or 30 years.

This loss to consumers is more than twice the investment credit benefit for utilities. It works out this way because with a 50-percent corporation income tax, the regulatory body can reduce rates by more than twice the investment credit, and maintain the fair rate of return to the utility at the same level or without the investment credit.

In this calculation the assumption is made that State regulatory bodies will do what has been done in the past, which is to follow Federal regulatory practice. Some State regulatory agencies—including the one in my State—are against the treatment in the bill; but there is great pressure to follow what the Federal Government, through the Federal Power Commission, has done by practice, and what Congress has established as a precedent. It is the logical assumption that this would be the result.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MAGNUSON. I am quite concerned about this section of the bill. I have some mixed feelings and conclusions about it, because, after all, this is a bill to give tax relief to business and individual income taxpayers.

Mr. PROXMIRE. As the Senator remembers, Congress passed that bill in 1962, and at that time we discussed whether or not a passthrough should be permitted.

Mr. MAGNUSON. I remember.

Mr. PROXMIRE. There was a conflict in the testimony.

Mr. MAGNUSON. I remember that. I believe the distinguished late Senator from Oklahoma, Mr. Kerr, agreed at one time that it should be passed through.

Mr. PROXMIRE. Yes.

Mr. MAGNUSON. The conferees went to conference; and when they returned they had not agreed on the passthrough, and gave good, justifiable reasons on both sides of the question.

Does the Senator interpret the section as it now reads to be mandatory on a State agency?

Mr. PROXMIRE. I do not so interpret it. It is not mandatory on a State agency. It is mandatory on the Federal agencies. However, it is my contention that a State agency will follow the Federal agency under many circumstances, and eventually probably under all circumstances in all States.

Mr. MAGNUSON. One other feature has bothered me. There is a great deal of merit on one side of this question. Many potential customers want to be served by a gasline or a pipeline. There are not too many hydro lines involved any more, because they have been spread out pretty well. However, I refer to gaslines and other means of transportation. Whether it be a pipeline, an airline, a bargeline, or whatever, it may want to make a capital investment in order to serve many people who now are not served.

Does the Senator interpret that to be one of the objectives of the provision?

Mr. PROXMIRE. No. In the judgment of the Senator from Wisconsin, there is no question whatsoever that if a utility wishes to serve additional customers, it will be in a position to make an investment in equipment to permit it to do so and take advantage of the investment credit; and the regulatory body will permit the utility to raise its rates to a level necessary to permit it to finance the equipment which is necessary. That has always been done.

Mr. MAGNUSON. Let us assume the situation of a gasline in my part of the country. This is a competitive industry.

Mr. PROXMIRE. In the 3 percent range, the Senator is correct. It is correct when it has reference to transportation utilities.

Mr. MAGNUSON. So we are not talking about monopolies. A company goes before the State regulatory body in Idaho, or Washington, or Oregon, with an application to make a capital investment to serve a new area. It is invariably accompanied by a proposal to raise the rates because of the capital investment to be made.

One argument has been proposed on the other side of this question, also, and the Senator from Louisiana can point this out, I am sure; namely, that they would have no standing if this provision were in the bill, and they had made a capital investment to serve new areas, when they came before the State agency and asked for increased rates. The net result would be to stimulate more capital investment and to keep the rates at the same level, or to lower the rates, if they had a figure to support a greater revenue. I know that I am speaking as a lawyer, on both sides, but that is what is bothering me about the provision in the bill. Does the Senator from Wisconsin consider that there might be that possible effect?

Mr. PROXMIRE. There is no question, the way the bill is drafted, as it comes from the committee, first, that any utility that needs to raise money in order to expand its facilities to serve additional customers is in a position to do so; and if the committee bill remains as it is, they will be in just as strong a position to ask for an increase in rates for this purpose as they are at the present time. They might even be in a stronger position.

Mr. MAGNUSON. The utility commission would take into consideration the fact that they have had a tax credit and therefore the justification for a raise in rates would be rather temporized.

Mr. PROXMIRE. That is true under the present law and under my amendment, but it is not true if the bill stands as it is.

Mr. MAGNUSON. I cannot agree, if the bill stands as it is, that a State utility regulating body would not, under any circumstances, take that into consideration.

Mr. PROXMIRE. I say to the Senator from Washington that this is the entire issue. Under the bill as it is presently drafted and reported by the committee, a Federal regulatory agency cannot, but a State agency may. The State agency will often follow the Federal practice. There will be tremendous pressure for it to do so.

Mr. MAGNUSON. I know that our commission feels very strongly on the subject.

Mr. PROXMIRE. So does ours in Wisconsin.

Mr. MAGNUSON. Wisconsin has probably the most independent regulatory body of any State in the Union. It has pioneered in this field.

Mr. PROXMIRE. We are very proud of that fact. Our regulatory body has strongly protested this provision in the bill. It has indicated that the pressure is to follow the Federal practice, and that pressure will be built up and will become stronger, even though the Commission disagrees.

Mr. MAGNUSON. I am directing my discussion primarily to the hydro side of this subject. I am not too knowledgeable about the figure, but when the tax credit reaches a certain figure—I believe it is 3 percent, or something like that—regardless of what any law provides, any profit from such tax credit must be passed on.

Mr. PROXMIRE. What it provides for the electric utilities is that a regulatory body will not consider the investment credit in full in the year in which the investment credit is earned. It will have to be spread. Let me explain that. Let us take, for example, a utility firm which invests, say, $10 million in 1 year. The investment credit then is $300,000. Under present law, in accordance with the amendment, the regulatory body would have to take that $300,000 increase in after-tax income into consideration. Does the Senator follow me?

Mr. MAGNUSON. Yes.

Mr. PROXMIRE. Under the bill reported by the committee, if the equipment were depreciated over a 20-year period, the regulatory body would be able to take only the $15,000 reduction into consideration in establishing rates. In the case of A.T. & T., this would amount to $22 million each year, and the loss to the people who use the telephone service would be $22 million from this one utility. This is true because of the fact that, first, the amount is spread over a period of years, and we would never catch up; second, the equipment investment is growing each year as the Nation grows and as the need for the services grows.

Mr. MAGNUSON. I understand that. It seems to me that if we are to give a tax benefit to a corporation—and I do not care which corporation it is—it is useless to say, "We will give you a tax benefit, but you cannot have it; you must pass it on." We might as well let things stand the way they are.

Mr. PROXMIRE. I believe I have an answer for that point. The utility industry is divided on that issue. However, there are important, knowledgeable, and experienced people in the industry, including the head of A.T. & T., and Mr. Donald Cook, president of the American Electric Power Co., who say that the real benefit to the utility will be through passing the credit on. If it is passed on, the people will need more service and more equipment. As a result, the utility will make a bigger investment in equipment than if it were not passed on. It would be foolish for the stockholders to buy equipment merely because they took advantage of the investment credit, if they could not use it. While they might gain a little by taking advantage of the investment credit, they would lose by buying an asset they could not use.

Mr. MAGNUSON. Some of the credit would ultimately be passed on, regardless of what is in the bill.

Mr. PROXMIRE. No. I believe that ultimately some of it will be passed on for the 3 percent; none of it for the 7 percent.

Mr. MAGNUSON. The officials of the regulatory body of my State say they will compel the utilities to pass it on.

Mr. PROXMIRE. That is the State regulatory body; but the State regulatory body does not have jurisdiction over the long lines of A.T. & T., for example.

Mr. MAGNUSON. I am concerned more about the hydro part and about the pipelines.

Mr. PROXMIRE. In the case of a utility that covers many States, the FPC would have jurisdiction. In such a case it could not be passed on.

Mr. MAGNUSON. I am in somewhat of a dilemma. I believe other Senators will find themselves in it also. The last vote proved it. I do not suppose there is any greater advocate of the repeal of excise taxes than I. I go on the theory that we get more money in the Treasury by repealing nuisance taxes than we do by collecting them.

We have repealed the transportation tax and the theater tax. If it had not been for the fact that excise taxes will be considered between now and June, and that we shall have a complete look at the subject, I would have gone along with the other amendment. I did not think it was fair to have only one segment taken care of.

This provision might affect the private utility which is in competition with a public power body. It would apply as an incentive, I hope, to the whole field of transportation. If there is any segment of the American economy that needs that kind of incentive, it is transportation, because it is the most sensitive part of our American economy. Most people do not realize it, but it represents one-fourth of our gross national product.

Mr. PROXMIRE. The Senator is correct. The policy of the transportation industry, as established by the ICC—that is the prime regulating body—is to pass the credit through. There is some ambiguity, but the latest official statement of the Commission is that the investment credit should be recognized for what it is—an opportunity for a utility to reduce its taxes—and that therefore it should be considered as an element of income, and should be passed on.

This would benefit not only the consumer, but also the utility and the country. It would persuade the utility to buy more equipment, because the equipment would be bought for only one reason, that is, to provide more service.

Mr. MAGNUSON. If there is a bigger gross income, the rates, in some cases, ought to be lowered. I have heard that this action might put to rest a large number of applications—for small amounts, it is true—for increased rates, if the bill can be passed, because the reason for the applications is the difficulty some utilities have in raising money to provide improved service. I do not know how true that is.

Mr. PROXMIRE. The applications have been made on the assumption that the law will be changed. My proposal would keep the law as it is at present.

Mr. MAGNUSON. I am glad the Senator offered the amendment. I think the subject should be clarified. Much can be said on both sides of the question. But if this provision were to apply to a monopoly in hydroelectric power, I would go even further than does the Senator from Wisconsin. But the question is not so simple.

I have found over the years that competition in the field of energy, whether it be gas, oil, or hydro, is becoming quite keen throughout the country. There is very little monopoly anywhere any more. There may be in some isolated areas. When the utilities are stimulated to provide better service and expand their service to the consumer, the result might be that rates could be kept as they are or lowered, and the consumer would receive better service because of the fierce competition involved.

Mr. PROXMIRE. The investment credit in competitive industry will be passed on because of the forces of competition. The regulatory agencies should perform the same function for utilities.

Mr. MAGNUSON. Sooner or later.

Mr. PROXMIRE. Sooner or later. But where there is a monopoly, or a utility has a monopoly, and a provision exists in the law that a regulatory body cannot pass the benefit on unless the utility consents, there will be a situation in which the benefit will not be passed on, and the consumer will not get the benefit. The whole purpose of Congress in passing the investment credit was to expand the economy, through investment in needed equipment. The committee version will frustrate this purpose.

Mr. MAGNUSON. Out in my part of the country, some 25 years ago hydroelectric power was somewhat of a monopoly. It was produced at the lowest cost. It was new; it was fine; people liked it. But over the years, even though we have low-cost hydropower in our area, as the Senator from Idaho [Mr. CHURCH] knows, competition from gas, oil, and other means is becoming stronger and stronger. I do not know what effect nuclear power will have on hydropower, in the long run. It is not noncompetitive any more, as it used to be.

Surely the point of the Senator from Wisconsin is well taken, as it relates to the nature of a monopoly. I agree with him on that point. But the amendment covers a broad field.

Mr. PROXMIRE. Where there is no monopoly, I argue that competitive forces will result in a substantial pass-through.

Mr. MAGNUSON. I thank the Senator from Wisconsin. I did not mean to take so much time.

Mr. PROXMIRE. The Senator from Washington has been very helpful.

Mr. President, before I yield to the Senator from Vermont—and I shall yield to him in a moment—I ask unanimous consent to have printed at this point in the RECORD a table that explains why it will be possible, if the investment credit is maintained in its present form, and as it will be if my amendment is agreed to, to reduce rates by twice the value of the investment credit.

I also ask unanimous consent to have printed at this point in the RECORD a table compiled by Professor Eisner, which shows $630 million of benefits to the consumer, under my amendment, rising by 1997 to $6.348 billion in the lower rates, assuming the estimates he makes are realistic.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I

	No investment credit	Investment credit (without flow-through)	Investment credit (with flow-through)
Net income before taxes	200	200	186
Taxes	100	100	93
Investment credit	0	7	7
Net income after taxes	100	107	100

TABLE II.—*Potential costs to consumers of regulatory provision regarding investment credit (sec. 202(e)) in H.R. 8363,*[1] *if rate of growth of investment per annum is 8 percent*

[In millions of dollars]

Year	Annual	Cumulative
1964	630	630
1965	653	1,283
1966	693	1,976
1967	735	2,711
1968	783	3,494
1969	834	4,328
1970	889	5,217
1971	950	6,167
1972	1,016	7,183
1973	1,088	8,271
1974	1,164	9,435
1975	1,248	10,683
1976	1,340	12,023
1977	1,438	13,461
1978	1,545	15,006
1979	1,661	16,667
1980	1,785	18,452
1981	1,921	20,373
1982	2,067	22,440
1983	2,224	24,664
1984	2,394	27,058
1985	2,578	29,636
1986	2,776	32,412
1987	2,991	35,403
1988	3,223	38,626
1989	3,473	42,099
1990	3,743	45,842
1991	4,035	49,877
1992	4,350	54,227
1993	4,691	58,918
1994	5,058	63,976
1995	5,455	69,431
1966	5,884	75,315
1997	6,348	81,613

[1] Note following major assumptions underlying calculations:

1. Effective total corporate profits tax rate will be reduced to 50 percent in 1964 and 48 percent thereafter.
2. Costs to consumers in all regulated industries will be adjusted to give "fair rate of return" after taxes.
3. Investment tax credit in 1962 in regulated industries equaled $279,000,000, which was the sum estimated in the "Survey of Current Business," July 1963, p. 4, for corporations in transportation, public utilities, and communication.
4. Half of investment credits are assumed to relate initially to "public utility property" on which a partial current flowthrough is permissible (subpar. (1)). This flowthrough is estimated at 3 percent per year.
5. The requirement in existing law for reduction in depreciation basis (the Long amendment) is not removed. If this requirement is eliminated the actual costs to consumers would rise by about $30,000,000 per year by 1974 in the case of 4-percent growth and rise gradually thereafter. In the case of 8-percent growth, repeal of the Long amendment would increase the cost to consumers of the regulatory provision by some $40,000,000 per year by 1974 and reach an amount of increase equal to $200,000,000 per year by 1997.

Mr. PROXMIRE. Mr. President, I now yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I desire to ask the Senator from Wisconsin a few questions. Before doing so, I should like to refer briefly to the colloquy which took place between the Senator from Wisconsin and the Senator from Washington, during which the Senator from Washington referred to the fierce competition that exists among utility companies today.

Has the Senator from Wisconsin observed, as I have, that today, apparently, a fiercer effort is being made on the part of the utilities to eliminate competition than during the past 25 years?

Mr. PROXMIRE. The Senator from Vermont is correct. There is no doubt that in many areas utilities having monopolies will not be challenged. It is true, to some extent, of gas and oil pipelines. In my State, one firm, until recently, supplied about 95 percent of the natural gas. That is a monopoly.

Mr. AIKEN. The adoption of this provision of the tax bill would not lessen the efforts of utilities to eliminate competition.

Mr. PROXMIRE. The Senator is absolutely correct.

Mr. AIKEN. Does the Senator know whether the President approves the provision of the bill as reported by the Committee on Finance?

Mr. PROXMIRE. It is my understanding that the administration has not taken a position for or against. The Senator from Oregon [Mr. MORSE] yesterday supported the amendment vigorously and said he had been attempting to obtain a statement from the administration; but there has been no commitment from the administration either way.

Mr. AIKEN. Next, I refer to the President's message on consumer interests that was sent to Congress today. I refer to the statement on page 3, item No. 4:

> Federal Power Commission orders on gas rates have channeled millions of dollars of refunds of past overcharges to American families who use gas for cooking and heating.

Does the Senator from Wisconsin contend that this provision of the bill, which he is seeking to eliminate, would affect the power of the Federal Power Commission to order refunds of past overcharges to American families?

Mr. PROXMIRE. The Senator is absolutely correct.

Mr. AIKEN. I asked the Senator a question. I do not know what the correct answer may be.

Mr. PROXMIRE. The Senator's question should be answered in the affirmative. The provision in the bill would interfere with the power of the Federal Power Commission to reduce rates.

Mr. AIKEN. If the President decided to favor the provision of the bill as reported by the Committee on Finance, it would be quite inconsistent with this statement in his consumer message to Congress, would it not?

Mr. PROXMIRE. Yes. It is very helpful to have the Senator from Vermont bring up this excellent consumer message of President Johnson's. It is one of his finest messages. It is one of the few times a President has addressed himself to the entire problem of consumer interest. It seems to me that my amendment fits in with the spirit of the President's message. It means that the consumer will have an opportunity to benefit from this tax credit.

The important thing is that it is the most effective way to develop an increase in the purchases of equipment by the utilities industries, through the transportation and electric utilities. Demand will be increased. There is no realistic basis for increasing rates.

Mr. AIKEN. I thank the Senator from Wisconsin.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. I intend to support the amendment offered by the Senator from Wisconsin. I have a similar amendment at the desk; however, I will withhold it and join in support of the amendment of the Senator from Wisconsin.

Mr. PROXMIRE. The Senator from Delaware spoke to me about the amendment. I deeply appreciate that. It was a most cooperative and helpful gesture. He is a member of the Committee on Finance. I am moving into his territory. He told me he intended to offer an amendment, but I happened to have submitted mine a few hours before he had his ready. He graciously deferred to me, and I appreciate his kindness.

Mr. WILLIAMS of Delaware. I shall support the Senator's amendment. To keep the record straight, I think it should be made clear that the administration supported the language in the bill as it was presented to the Committee on Finance. I regret to have to say that. But I believe it should be clear so that there will be no misunderstanding when Senators vote.

Personally, I disagreed with their reasoning. I took the position that the section should be stricken because, in fairness to all taxpayers and particularly from the standpoint of consumers, I cannot understand why anyone would support such a provision. If the section is allowed to remain in the bill it will specifically provide that the regulatory agencies cannot under any circumstances pass through any of the benefits of the investment credit to the consumers. That is spelled out in clear language. I cannot understand that reasoning, particularly in light of the President's message in which he said he wanted to do something for the consumers.

Mr. PROXMIRE. It is my understanding that while the administration initially took that position, its present position is one of not taking sides either way on this particular amendment. It is true that initially the administration supported this provision in the bill; but the Senator from Oregon [Mr. MORSE] and others have tried to learn the present position of the administration, but the administration will not disclose it. The Senator from Delaware is correct; the administration will not disclose its present position.

Mr. WILLIAMS of Delaware. The administration may be trying to back away and not take a position at this time. But when the proposal was first presented to the committee the administration endorsed it as a part of the program, and there is nothing in the record to show any official change in its position. That point should be made clear as Senators vote. I hope the Senate will vote that provision out of the bill.

The language in the bill which the pending amendment proposes to strike, is definitely an anticonsumer proposal.

Why would the administration or anyone else be so determined that under no circumstances can the American consumer get some of the benefits under this tax-reduction proposal?

When the Congress passed the investment credit in 1962 it specifically provided that the regulatory agencies were free to pass these benefits on to the consumer.

The language in the pending bill, however, changes that and provides that unless the corporate taxpayer agrees, the regulatory agency cannot establish rates wherein any of this tax reduction can be passed on to the consumer.

That was not the intention of the Congress in 1962 when the investment credit proposal was first adopted and I hope the Congress will repudiate the rights of the consumer here today.

The Proxmire amendment striking this section from the pending bill should be adopted.

Mr. PROXMIRE. I thank the distinguished Senator from Delaware, the ranking minority member of the Finance Committee, and an outstanding expert on taxes. Certainly all of us recognize that he lets the chips fall where they may and he represents extremely well the public interest.

Mr. MAGNUSON. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. MAGNUSON. I hope the Senator from Vermont [Mr. AIKEN] did not think I said the Commission was trying to help the utilities avoid competition. To the contrary, I say that in these utility media there is more competition than ever before.

Mr. AIKEN. But I point out that their executives are using the same procedures that were being used 30 years ago in the effort to eliminate competition.

Mr. MAGNUSON. Yes, they have not changed.

Mr. AIKEN. I had hoped the younger generation, which is taking over, would be more public spirited. However, I still find the same school of thought in charge of the management, and in their attempts to eliminate competititon they still use the same practices that were used many years ago.

Mr. MAGNUSON. Yes; and the Senator from Vermont and I have joined for many years in this fight.

Mr. AIKEN. Yes.

Mr. MAGNUSON. Mr. President, I wish to ask a question or two of the Senator from Wisconsin.

First, let me say that it seems to me it is not good policy for Congress to set up the Federal Power Commission and expect it to do a good job as between the consumers and the utilities, and give it sufficient authority for that purpose, and then include in a tax bill a provision which would prohibit the Commission from doing certain necessary or desirable things. It seems to me the proposed tax credit should be provided; I think that will be wise. I believe it should be provided to the utilities throughout the country, for I believe the effect will be good for the economy. But I also believe the Congress should allow the Federal Power Commission to decide whether the tax credit is to be passed on—in short—permit the Commission to order what it believes to be equitable in a particular case in which an application for a rate increase or a rate reduction is made.

Mr. PROXMIRE. I think it very significant, Mr. President, that the Chairman of the Commerce Committee, who is responsible more than any other Member of the Senate is for the congressional directions given the regulatory bodies and commissions, particularly the Federal Power Commission, has made that statement. His position—and I believe it makes all the sense in the world—is that the regulatory body should have authority to decide for itself whether the tax credit should be passed on. That is the way the law now reads, and that is the way my amendment would leave it.

Mr. MAGNUSON. Yes, leave that provision in the bill, and leave that authority with the Commission, which then could say to a particular utility, "You are doing a good job, and are better serving the consumers, and are doing so more efficiently and cheaper."

I cannot assume that in every case the Commission would require that the tax credit be passed on. Perhaps the finances of a particular utility company would not justify a requirement that the credit be passed on at this particular time. The Commission might say to such a committee, "Keep the tax credit proceeds now; it will be in the interest of the consumers that you do so"—whether in the case of one of the pipelines or one of the bargelines or some other utility.

So, for that reason, I am in sympathy with the purpose of the amendment.

Furthermore, I do not believe the Finance Committee should determine that policy; I do not think the Finance Committee should, after Congress has directed that a tax credit be given, take the position that Congress should instruct the Commission exactly what should be done with the tax credit. In other words, neither do I think Congress should say to the Commission, "You must see to it that the tax credit goes to someone else."

I believe Congress should say to the Commission, "Prescribe rules and regulations by means of which the tax credit will be given, and then see how it works out, and then determine what should be done in the public interest." In other words, we should permit the Federal Power Commission first to determine the revenues received, the rates charged, and so forth.

I think there is some merit in following such a procedure, and I believe that many members of the Finance Committee feel the same way.

Mr. PROXMIRE. I thank the Senator from Washington for his statement, which is extremely helpful.

I point out that unless this amendment is enacted into law, the pending tax bill will include a wholly unprecedented congressional dictation to regulatory bodies, by prohibiting them from deciding the best use to be made of this tax credit, and thus will fail to permit the Federal Power Commission, the Interstate Commerce Commission, and other Government regulatory commissions to decide whether this tax credit should be passed on, and if so, how much.

Mr. President, I support the principle involved in allowing that discretion to the regulatory commissions.

I hold in my hand certain papers in docket No. 14850, before the Federal Communications Commission. This is a report and order which was adopted. It is dated July 31, 1963; and from page 6, I read the following:

> In this connection, if the investment tax credit is viewed as a reduction in taxes, it would appear that the only appropriate accounting method would be "flow through."

Mr. President, that quotation comes from docket No. 14850. Thus we find that the view of the Federal Communications Commission, as firmly established in that docket, is that the tax credit should be recognized for what it really is—a reduction in cost.

The Federal Power Commission took the following position in a very brief docket—No. R–232, dated January 23, 1964—only about 10 days ago:

> The Commission has reached the conclusion that on the basis of existing law the accounting treatment to be prescribed should be to flow through the credit to income.

This is the established position of the Federal Power Commission; but the pending bill, as it now stands would result in action by Congress to flout and reverse that position of the Federal Power Commission. The members of the Commission are appointed by the President, and their nominations are confirmed by the Senate, and their entire public careers are devoted to the study of regulatory matters.

The Senator from Washington [Mr. MAGNUSON], who is an outstanding authority in this field, has said—and said it very well—that Congress should delegate this discretion to the Commission, so as to enable it to decide just what amount of the tax credit should be passed on.

Finally, Mr. President, I shall quote from a February 1, 1963, decision of the Interstate Commerce Commission in docket No. 34178, "in the application of uniform system of accounts, actual Federal income taxes payable for each year"—that is after credits.

> When an available depreciation allowance produces a reduction in Federal income taxes, no matter how temporary the benefit may be, the effect on net income should be the same as a reduction in taxes produced by lower tax rates. Possible income taxes to be assessed in the future are not an element of tax expense for the current year.

And so forth. The Commission concludes, as follows:

> We have carefully considered the divergent views and all of the arguments presented by the respondents in this proceeding and affirm the ultimate findings contained in our preliminary notice herein that no sufficient justification has been presented to warrant a change in our present accounting rules and the statement of policy previously announced under date of February 9, 1959.

In other words, after the investment credit provision was enacted into law, and in direct consideration of that fact, the Interstate Commerce Commission said it was not changing the accounting rules.

I ask unanimous consent that these documents or dockets pertaining to the investment credit, from the Federal Power Commission, the Federal Communications Commission, and the Interstate Commerce Commission—the major regulatory bodies of this Nation—be printed at this point in the RECORD.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

EXHIBIT II–A

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION, WASHINGTON, D.C.—DOCKET NO. 14850 (RM-377) (RM-381)

(In the matter of amendment of pts. 31 and 35 of the Commission's rules (Uniform Systems of Accounts for Class A and Class B Telephone Companies and for Wire Telegraph and Ocean-Cable Carriers, respectively) concerning accounting for investment credits made available by the Revenue Act of 1962. Possible like amendment of the Uniform Systems of Accounts for Class C Telephone Companies and for Radiotelegraph Carriers (pts. 33 and 34 of the rules, respectively).)

REPORT AND ORDER OF JULY 31, 1963

(By the Commission: Commissioner Hyde dissenting with a statement; Commissioners Lee and Ford dissenting.)

1. On November 21, 1962, the Commission adopted a notice of proposed rulemaking in the above-entitled matter which was published in the Federal Register on November 29, 1962 (27 F.R. 11773) in accordance with section 4(a) of the Administrative Procedure Act. This notice presented for comment on or before December 26, 1962 (with allowance for reply comments on or before January 8, 1963), proposals of the American Telephone & Telegraph Co. (A.T. & T.) and the Western Union Telegraph Co. (WU) with respect to accounting for investment tax credits made available under the Revenue Act of 1962. By order dated December 13, 1962, the closing dates for filing comments and reply comments were extended to January 28, 1963, and February 18, 1963, respectively. Pursuant to the Commission's order released June 7, 1963, oral argument directed to the respective merit of the three basic approaches of accounting for the investment tax credit set forth in the notice of proposed rulemaking was heard by the Commission on July 15, 1963.

2. The Revenue Act of 1962 provides for the deduction of "investment tax credits," relating to the construction or acquisition of certain facilities, in the determination of Federal income taxes due from taxpayers for 1962 and subsequent years. The investment tax credit is computed by applying certain percentages to the cost of qualifying plant placed in service during the taxable year. Telephone companies and domestic telegraph companies are allowed a maximum of 3 per-

cent of the cost of qualifying property with a useful life of 8 years or more. Lesser percentages are applicable to qualifying plant with a useful life of 4 years or more but less than 8 years. Nonutility industries generally, as well as international telegraph companies, gas pipeline companies (other than local distribution systems) and transportation companies are allowed a maximum of 7 percent credit rather than the 3 percent maximum allowed for telephone and domestic telegraph companies. The property base for computing depreciation for tax purposes over the life of the property is reduced by the amount of the investment credit which the taxpayer is eligible to receive.

3. Under the proposal for amendment of part 31 submitted by A.T. & T., the plant accounts would be reduced by the amount of the investment tax credits and an offsetting amount would be added to operating taxes. The proposed amendment to part 35 submitted by Western Union would permit 52 percent of the investment tax credit to be set up on the books in a deferred tax account with an offsetting amount added to operating taxes. The remaining 48 percent of the credit would be permitted to "flow through" to income. The deferred taxes under Western Union's proposal would be used over the life of the property to absorb the calculated additional taxes in subsequent years resulting from the lower property base used for tax depreciation allowance.

4. The notice pointed out that the Commission's uniform systems of accounts, as presently worded, permit charges to the tax expense accounts only for the taxes actually payable and, with minor exceptions, arising out of operations during the current accounting period. If either A.T. & T.'s or Western Union's requests were to be granted, it would involve a departure from this fundamental theory which underlies the present systems of accounts.

5. The notice listed the following basic ways to reflect investment tax credits in the accounts:

(a) "Flowthrough" accounting, which would permit the investment credits to "flow through" immediately to net income. This would require no change in any of our systems of accounts.

(b) "Flowthrough" accounting for 48 percent of the investment credits and normalization of 52 percent of such credits by setting up a reserve for deferred taxes. The contra entry to establish the reserve would be a charge to operating taxes. (WU's proposal).

(c) Normalization by entering the investment credits as a credit to the plant accounts[1] and charging operating taxes. (A.T. & T.'s proposal.)

The notice incorporated as appendixes A.T. & T.'s and WU's requests for rule making and asked for comments concerning the propriety of those proposals as well as any alternative accounting proposals which were deemed to be appropriate. Comments and briefs were also requested with respect to the intent of Congress in enacting the investment credit provisions of the Revenue Act of 1962 and the extent to which this Commission should recognize such intent in considering amendment of its accounting rules. Comments were also requested on whether, if we were to amend our telephone and wire-telegraph and ocean-cable systems of accounts, like amendments, in principle, should be made to the uniform systems of accounts for small telephone companies and for radiotelegraph carriers. The notice also stated that whether or not amendments are made in our accounting rules as a result of this proceeding, we intend to amend our common carrier annual report forms (forms M, O and R) to the extent, if any, necessary to disclose clearly therein the amounts of the investment credits received and how they are being accounted for.

6. Twenty-six comments were received. Six comments, representing the views of five State commissions and the Administrator of General Services, favored "flowthrough" accounting. One carrier, in addition to the original request of WU, favored partial normalization which would allow 48 percent of the credit to "flow through" and defer the remaining 52 percent. Eighteen comments favored full normalization but did not all agree on the method of accounting to accomplish such normalization. Some of these 18 favored a direct credit to plant, 1 favored crediting a deferred credit account, several did not specify the method of accounting they favored to accomplish the full normalization, and others were agreeable to either a direct credit to plant or a credit to an account offsetting the gross plant investment. Of the 18 favoring full normalization, 5 were from carriers or groups of carriers, 10 were from State commissions, 2 were from public accounting firms, and the other was from the American Institute of Certified Public Accountants. One State commission favored uniformity of accounting by Federal agencies consistent with accounting previously prescribed in similar situations. The six comments favoring "flowthrough" accounting were from the Wisconsin Public Service Commission, Alabama Public Service Commission, California Public Utilities Commission, New Hampshire Public Utilities Commission, New York Public Service Commission, and the Administrator of General Services. The comment favoring 48-percent "flowthrough" and 52-percent normalization was from RCA Communications, Inc. The 18 comments[2] favoring full normalization were A.T. & T., American Cable & Radio Corp., General Telephone & Electronics Corp., Hawaiian Telephone Co., United States Independent Telephone Association, Arizona Corporation Commission, Delaware Public Service Commission, Florida Railroad and Public Utilities Commission, Massachusetts Department of Public Utilities, Minnesota Railroad & Warehouse Commission, Montana Board of Railroad Commissioners, New Mexico State Corporation Commission, North Dakota Public Service Commission, South Dakota Public Utilities Commission, Virginia State Corporation Commission, American Institute of Certified Public Accountants, Arthur Andersen & Co., and Lybrand, Ross Bros. & Montgomery. The comment favoring uniformity of accounting was from the Washington Utilities and Transportation Commission. The only comment received in reply to the original comment was received from A.T. & T. This comment was primarily a rebuttal of the arguments for "flow through." The comments that were submitted were quite extensive and no detailed summary of such comments is incorporated herein. However, the arguments included in such comments have been fully considered.

7. The comments have dwelt at some length on the so-called legislative intent behind the investment tax credit and many of them have implied that the Commission is precluded by such legislative intent from judging the appropriate accounting on the merits in accordance with sound public utility regulatory principles. We do not agree with this implication. It appears to us on the contrary that Congress fully intended that the tax legislation here involved should fit into the normal regulatory scheme. In this connection, analysis of the legislative history in light of the comments referred to is indicated. Under section 220 of the Communications Act, the commission is given plenary powers to prescribe accounting procedures for carriers subject to its jurisdiction. It is axiomatic that amendment or repeal of a statute by indirect implication is not favored. *Georgia* v. *Pennsylvania Railroad Co.*, 324 U.S. 439, 456–7; *Swettman* v. *Remington Rand*, 65 F. Supp. 940; 82 C.J.S. section 419. The necessary inference to be drawn from those comments which would preclude the Commission's judgment of the regulatory treatment to be accorded the tax credit is that Congress intended by the tax statute to amend or repeal that portion of the Communications Act which gives the Commission authority to prescribe accounting methods. Aside from the fact that there was no such express statement either in the statutory enactment itself or the record of the legislative proceedings leading up to such enactment, there are several clear indications in the legislation and its history leading to a contrary conclusion. One clear indication of Congress thinking stems from the fact that several parties testifying in the congressional hearings (most of whom filed comments in favor of full normalization in this proceedings) advocated that the legislation contain express provisions requiring that the tax benefits conferred be spread over the entire life of the assets which provided the measure of such benefits. Congress did not see fit to include such provisions.

8. Another clear indication that Congress intended the tax credit to be compatible with, and not in derogation of, the existing regulatory scheme is found in the House Ways and Means Committee Report wherein it explains the reason for the difference in the percent of credit allowed most regulated public utilities versus other enterprises. The report states:

"The investment credit in the case of most regulated public utilities is in effect 4 percent rather than 8 percent. The smaller credit is provided in such cases because much of its benefit in these regulated industries is likely to be passed on in lower rates to consumers, thereby negating much of the stimulative effect on investments. Moreover, the size of the investment in regulated public utilities, such as electric companies, local gas companies, telephone companies, etc., will in large part be determined by the growth of other industries, rather than their own."[3]

A.T. & T., which is the only one of those favoring full normalization to take note of this statement in its comments, attempts to explain this statement by suggesting that the House committee really meant that ratepayers would obtain the lower rates mentioned by virtue of the fact that the credit would reduce the rate base and thus increase the rate of return. We believe, however, that if the committee had had in mind only this indirect effect, it would have stated it as such and would not have couched its explanation in terms of "passing on" the benefit of the credit in lower rates to consumers. The only possible way in which much of the benefits of the credit can be passed on immediately to consumers is by the "flow through" technique.

9. The comments favoring full normalization would have us interpret literally the several statements contained in the legislative history that the tax credit in effect reduces the cost of the new plant. The fallacy of such a literal reading is, of course, apparent since the cash outlay for new plant

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[1] Another method of accomplishing full normalization would be to credit an offsetting reserve.

[2] The Illinois Commerce Commission, while not filing comments, appeared at the oral argument in favor of full normalization.

[3] H. Rept. No. 1447, supra, p. 8.

is the same with or without the tax credit. No benefits of the credit are realized until taxpaying time and then only as a reduction in the total amount of the tax paid. The real benefit and incentive to investment are the extra dollars made available at this time for, as will be pointed out later, such purposes as extra dividends, corporate growth through reinvestment, et cetera.

10. The question may well be asked as to how Congress intended the tax credit to be an investment incentive to utilities if the entire amount is to be passed along to consumers in the form of lower rates. The answer, of course, is that in most cases it will not all be passed on even under the "flow through" principle. Only in the case of a utility which has already reached the upper limits of a reasonable rate of return is such a result possible, and even then rates cannot be reduced to give immediate effect to the reduction in taxes. In the case of marginal utilities, such as some railroads, for example, it may well be that none of the amount will be passed on to the consumer. It is this factor, present to some degree in the case of most utilities, of providing the means of increasing earnings and making it easier to obtain capital, both directly through retained earnings and indirectly through rendering its securities more attractive to investors, that constitutes the real incentive. It is worthy of note in this connection that the comptroller of A.T. & T., one of the petitioners in this proceeding, testified in opposition to any tax credit of this nature for utilities on the ground, inter alia, that it was not necessary to encourage the Bell System to construct additional plant. He pointed out that the Bell System has a duty to construct such plant as is necessary to provide service to its customers and that the Bell System companies had been successful in the past in raising sufficient capital to finance the additional facilities required. Representatives of other utilities, including Western Union, however, spoke in favor of the legislation.

11. While not directly indicative of congressional intent, it is interesting to note the interpretation placed on the legislation by the agency most concerned. The Internal Revenue Service in construing section 38 of the code states as follows:

"Under these circumstances, it would be inappropriate in computing earnings and profits to allow as a decrease thereto the gross amount of Federal income tax liability before reduction by the amount of the investment credit. Similarly, the adjustment to basis required by section 48 of the code for the year the property is placed in service may not be reflected as a reduction in earnings and profits for such year." (Rev. Rul. 63-63, IRB No. 1963, 15, p. 7.)

12. One statement contained in the conference report (H. Rept. No. 2508, p. 14) requires comment. The statement is as follows:

"It is the understanding of the conferees on the part of both the House and the Senate that the purpose of the credit for investment in certain depreciable property, in the case of both regulated and nonregulated industries, is to encourage modernization and expansion of the Nation's productive facilities and to improve its economic potential by reducing the net cost of acquiring new equipment, thereby increasing the earnings of the new facilities over their productive lives."

The proponents of a "normalization" approach urge that this language indicates a congressional intent to require the treatment of the tax credit which they advance. We disagree. The language quoted is, of course, one way of describing the general effect which Congress hoped to achieve. The suggestion, however, is that this description implies a congressional intent that the credit granted should never, in any circumstances, be passed on to the consumer in the form of lower rates, except by way of reduced depreciation charges and reduced earnings requirements over the life of the plant involved. No language preceding or following in the conference report suggests such an interpretation. And the other pertinent indications of legislative intent, including the failure of Congress to include specific statutory language on the point although requested to do so, are to the contrary. In light of all the circumstances, we do not think such a drastic construction is warranted by a single detached statement.

13. In view of the foregoing, it appears that Congress did not intend to tie the Commission's hands in carrying out its regulatory functions. One of those functions, imposed by section 220 of the Communications Act, is the prescription of the accounts to be maintained by carriers subject to its jurisdiction. It appears that the Commission is free to consider the proper accounting for the investment tax credit on its own merits with due regard for sound accounting and regulatory principles. Here it is appropriate to emphasize that this is an accounting, rather than a ratemaking, proceeding.

14. Extensive arguments were included in the comments received and/or in the original requests for rulemaking in favor of each of the three basic methods of accounting that were offered for comment. After considering all of the comments received, we believe it appropriate to analyze the true nature of the investment tax credit as a persuasive guide in deciding the proper accounting to be followed. In this connection, if the investment tax credit is viewed as a reduction in taxes, it would appear that the only appropriate accounting method would be "flow through." If the investment credit is viewed as a tax deferral which can be accurately determined, then only 52 percent of the investment tax credit represents a deferral of taxes. Under this theory, the remaining 48 percent would be a reduction in taxes and could be appropriately accounted for only by letting it "flow through" to income. However, if the investment tax credit is viewed as a reduction in the cost of plant resulting from either a contribution by the Government toward the construction of plant or a reduction in taxes applicable to construction that should be capitalized negatively, then the only accounting which would seem appropriate would be full normalization by a credit to plant or a variation thereof such as by a credit to a deferred credit account or to an offsetting reserve.

15. It is our view that the investment tax credit represents a reduction of income taxes and should be so recorded in the accounts. The Revenue Act of 1962 specifically provides that the Federal income tax liability shall be reduced by the amount of the investment tax credit. The amount of the tax due the Government is determined after deductions of the credit. The deduction of the investment tax credit does not appear to be any different than other deductions such as the foreign tax credit, the dividends received credit for individuals, and the credit from regulated investment companies which are deducted to determine the income tax liability. The qualified property on which the credit is based is merely a convenient tool used to compute the dollar amount of the tax reduction intended by Congress. The same effect, that is, the reduction of the amount of the income tax, could have been accomplished by some other means such as a reduction in the income tax rates. The fact that the basis of the property is reduced to compute depreciation for tax purposes is merely a method adopted by Congress to avoid duplication of a portion of the tax reduction derived from the investment tax credit over future years.

16. The avowed purpose of the investment credit, to encourage the modernization and expansion of productive facilities and thus to stimulate the economy, is accomplished by reducing the taxes payable by those taxpayers who construct or acquire such qualifying plant. The reward for adding such plant is actual cash in hand as the result of the lower income tax which must be paid. The benefit is received currently in fewer dollars paid out in taxes, thus providing more stimulation for reinvestment than is spread over the life of the property. The law, however, does not restrict the manner in which the tax reduction should be used. It can be used to pay dividends, reduce prices, build additional plant, or for whatever other purpose the taxpayer wishes. The increased earnings resulting from the tax reduction will tend to stimulate the economy however they are used. If paid out in dividends, the recipient of the dividends can buy additional goods or reinvest the funds received as dividends. If used to reduce prices, the consumer can use the amount of the price reduction for the same purposes. If retained by the taxpayer, the funds can be reinvested in additional plant facilities and the increased earnings reported in the financial statements may also tend to stimulate the economy. Thus it appears to us that the true nature of the credit is best reflected by the increased earnings resulting from the tax reduction.

17. The foregoing view is also in accord with this Commission's position, which is a well settled one over the years in commission and court decisions, that the actual results of operations should be reflected in the accounts. For ratemaking purposes, it may be necessary at times to make adjustments to the reported results of operations to remove the effect of abnormal or unusual occurrences. This can and should be done without altering the records of actual results reflected in the accounts. However, we cannot agree that the Federal income tax account or any other expense account should contain amounts for income tax liabilities not actually incurred. Likewise, the net income resulting from this tax reduction, which, like the rest of the net income from operations is not restricted, should not be obscured by including in the accounts, amounts for taxes or other expenses not actually paid or incurred.

18. It is argued by some that inasmuch as the investment tax credit must be deducted from the cost of plant in computing depreciation expenses for tax purposes in future years, provisions for such future taxes should be reflected in the accounts currently, on the theory that the income taxes may be higher in future years as a result of the reduced tax basis of the plant used to compute depreciation for tax purposes. However, it is not possible to predict what the actual amount of such higher taxes will be over the future life of the plant. A number of factors can change the effect of this aspect of the law. If the tax rate is changed the amount of the tax effect of this part of the law will change. Changes in the tax rates are currently being discussed by Congress. If a taxable loss is suffered by the taxpayer in future years, the lower amount of depreciation for tax purposes may not result in any more taxes being paid. If there is a decline in profits, a lower tax rate may be applicable to the taxable income arising from the lower depreciation expenses computed for tax purposes. With continued plant expansion, any higher taxes due to lower depreciation expenses are likely to be more than offset by the investment tax credit in future years as additional qualifying property is constructed or acquired. The theoretical higher taxes which are supposed to result from the investment credit would thus be postponed indefinitely into the future. Even without continued plant expansion, which is and for the

foreseeable future will be typical of the industry, the average life of communications property is so long that it is inconceivable that an accurate prediction of the ultimate future tax effect could be made. We do not believe that current taxes actually paid and the resulting net income should be altered on such speculative possibilities of higher taxes in the future years. At most, the prospects of such higher taxes in future years is a contingent liability which we do not believe should be reflected in the accounts.

19. Inasmuch as we are convinced that the investment credit is a reduction in the total amount of income taxes and should be so reflected in the accounts, it follows, of course, that we do not believe the plant accounts should be reduced by such credit. We consider the property constructed or acquired as merely a measuring device used to compute the reduction in the income tax liability. Furthermore, the actual original cost of equipment with respect to which an investment tax credit has been received, is no different from the original cost of identical equipment purchased in prior years at the same cost with respect to which no investment tax credit has been received. Likewise, the original cost of equipment qualifying for the investment tax credit is no different, for comparable units, from the original cost of plant additions which do not qualify for the investment tax credit. Moreover, we do not believe that the original cost of equipment recorded in the accounts should reflect the fluctuation which may result from any subsequent changes which may be made in the formula used to compute the amount of the investment tax credit. We are convinced, therefore, that our original cost concept should be preserved and no reduction should be recorded, either directly or indirectly, in the plant accounts with respect to the investment tax credit.

20. It is also argued that the accounting in the books should be consistent with the tax treatment required in connection with the future depreciation of the qualified property. We recognize that it is more convenient to have the prescribed accounting for book purposes the same as that required for tax purposes. However, we do not consider this feature of sufficient importance to affect our basic concept of the proper accounting which should be accorded the investment tax credit. If in all other respects the arguments for two approaches to accounting were equal, then we might be persuaded by the desirability of consistent treatment because of the savings in work and recordkeeping. In the instant case, however, we are firmly convinced that the original cost in the property accounts should be maintained. We are also mindful of other instances where the prescribed accounting treatment on the books differs from the treatment for tax purposes, such as, capitalization of interest during construction, payroll taxes and other labor costs connected with construction. It does not appear, therefore, that the argument of consistency of treatment between book and tax accounting is of sufficient weight to affect our decision herein.

21. Also, while it may be desirable to prescribe accounting which will coincide with the ratemaking treatment to be accorded items affecting income and the balance sheet, such procedure is not always practicable, particularly where ratemaking decisions have not yet been made. In such circumstances, we believe that the accounting should be prescribed on its own merits in such manner that full information will be available for any rate treatment which may be deemed appropriate when ratemaking decisions occur. This proceeding is purely an accounting matter and the Commission is not deciding at this time what ratemaking treatment will be accorded by this Commission to investment tax credits. In view of the differences of opinion among the State commissions who filed comments in this proceeding, it appears that different rate treatment will probably be accorded the investment tax credit in various jurisdictions. We believe that flowthrough accounting will provide more useful data and require the maintenance of less supplementary records than either of the other basic accounting methods herein considered. It offers the further advantage of simplicity in accounting since no special entries are required. Any regulatory authority having rate jurisdiction may order such supplemental records to be maintained as it sees fit, which may involve reservations of surplus to implement the ratemaking policy.

22. In view of the foregoing and after full consideration of all the comments received as well as other information which is available to the Commission, we conclude that the proper accounting with respect to the investment tax credit arising from both owned and leased property is to account for it as a reduction in income taxes and let such reduction flow through to operating income. As stated in the notice of proposed rulemaking in this proceeding, we have interpreted all of our uniform systems of accounts as presently requiring flowthrough accounting. Consequently, no amendments to our systems of accounts will be ordered herein.

23. Separate instructions will be issued with respect to disposition of any amounts carried in the "other deferred credits" accounts that were accrued therein with respect to investment tax credits under the waiver of our rules for which permission was granted in order released November 20, 1962.

24. In view of the foregoing, it is ordered, that the proceeding in docket No. 14850 is terminated with respect to proposed changes in the uniform systems of accounts.

FEDERAL COMMUNICATIONS
COMMISSION,
BEN F. WAPLE,
Secretary.

Adopted: July 29, 1963; released: July 31, 1963.

DISSENTING STATEMENT OF COMMISSIONER HYDE

I dissent to the order adopting the 100 percent or initial year "flow through" method of accounting for investment tax credit. In my opinion, the tax credit operates as a reduction in the cost of plant and should be spread over the service life of plant giving rise to the credit (service life flow through method).

The order which has been adopted is not consistent with accounting regulations previously approved by the Commission, is inconsistent with accounting principles supported by a preponderance of opinion in the accounting profession, is contrary to the legislative intent of the investment credit law, and results in accounts giving a substantial distortion of income for the initial year, as compared to the remaining years of the life of the property.

Part 35 of the Commission's rules, which is its prescribed system of accounts for wire-telegraph and ocean-cable carriers, contains in section 1-3, Components of Construction Costs, under subparagraph (d), a mandatory provision that any amounts earned during the construction period incidental to the construction, less correlated expenses, shall be credited to the cost of construction. "Correlated expenses" includes income taxes allocable to the amounts earned during the construction period. Thus, we find in the Commission's most recently promulgated (and consequently presumably its system most up to date and responsive to modern accounting thought) complete system of carrier accounts, that if the conduct of construction activities is the proximate cause of the incurrence of an income tax liability, the amount thereof must be used to increase the cost of plant. I submit that if this is sound accounting, and I believe it is, when the conduct of construction activities is the proximate cause of a reduction in income taxes, the amount thereof should be used to reduce the cost of plant. This principle, applied to the investment tax credit, means tax normalization, balance sheet method or service life flow through—all of which are the same thing under differing titles.

Now, let me carry the above income tax analogy, taken from part 35 of the Commission's rules, a little further. Suppose Congress were to decide to encourage American telegraph companies to "buy American" when adding to their communications plant. Suppose that the method adopted by Congress to accomplish this were to provide that the income tax bill of any telegraph company purchasing foreign-made plant and equipment would be increased by 3 percent of the cost of such plant and equipment, but not in excess of 25 percent of the income tax liability as calculated without considering the foreign purchases penalty. It seems to me that this would be an "investment penalty," the exact reverse of the investment credit we have in the Revenue Act of 1962. I imagine we could all agree that this investment penalty would be required to be capitalized. If so, why is it not equally logical that the investment credit be given "negative capitalization" treatment?

The majority does not deny that there are deferred income taxes involved in the investment tax credits. Deferred income taxes are involved in any case when a situation is created wherein book depreciation expense, i.e., that recorded in the accounts for the future, is going to be greater than the depreciation expense which is available for income tax purposes. The investment credit fits this definition exactly since the tax depreciation base of eligible property is reduced by the amount of the credit while the accounting depreciation base is not. The adoption of initial year flow through accounting for the investment credits may be misinterpreted as an indication of policy for ratemaking purposes even though the majority insists that it is deciding an accounting matter only. Such an interpretation would be inconsistent with ratemaking policies adopted by the Commission just recently in the Private Line case. In this connection, reference is made to paragraph 265 of that decision reported in 34 FCC 217, 356. A like ratemaking policy was followed by the Commission involving a more substantial amount of money in fixing rates for Western Union's DATACOM. The failure of the Commission's accounting rules to keep in step with its ratemaking policies is the subject of an accountant's certificate of exception on page 20 of the Western Union report to shareowners for 1962.

There are those who would argue that income taxes, either positive or negative, cannot get into cost of construction under part 31 of our rules because section 31.2-22 in subparagraph (b)(8) mentions taxes on physical property only. Such argument overlooks interpretation case 2 in Appendix A of part 31 wherein the Commission ruled that social security taxes should be charged to construction "so as to apportion the total tax equitably among the costs of rendering public utility service, of construction of telephone plant, and of other operations of the company." This is an excellent statement of principle. Its application to the investment credit most surely calls for the service life flow through method of accounting as well as ratemaking for the investment credit. Equitable apportionment calls for attention to timing as well as amount and the service life method takes care of the timing whereas initial year flow through does not.

Studies submitted by the United States Independent Telephone Association illustrate the fluctuations in recorded earnings created by initial year flow through accounting for the investment credit. I would be the last one to suggest that accounting should be so performed as to minimize legitimate fluctuations in recorded earnings. The function of accounting is to present the facts and let the chips fall where they may. However, where the investment credits are concerned, earnings fluctuations created by initial year flow through accounting are not legitimate, and when accounting does not meet this test of legitimacy, it is requiring the publication of distorted earnings results. I deplore this backward step in public utility accounting where so much progress has been made since the scandals of the twenties in obtaining financial statements that can be relied upon by regulatory bodies and investors alike.

EXHIBIT II–B

UNITED STATES OF AMERICA, FEDERAL POWER COMMISSION—DOCKET NO. R–232

(Investment tax credit under 1962 amendment to Internal Revenue Code; accounting treatment by public utilities, licensees, and natural gas companies. Before Commissioners Joseph C. Swidler, Chairman; L. J. O'Connor, Jr., Charles R. Ross, Harold C. Woodward, and David S. Black.)

INTERIM ORDER

(Issued Jan. 23, 1964)

The Commission has under consideration in this docket[1] an order prescribing the accounting treatment to be accorded under the Commission's Uniform Systems of Accounts to the investment tax credit provided by the Revenue Act of 1962.[2]

The Commission has reached the conclusion that on the basis of existing law the accounting treatment to be prescribed should be to flow through the credit to income. We recognize, however, that legislation is pending in the Congress dealing with the investment credit and that it is not now possible to determine whether such legislation as might be adopted would require a different accounting treatment for the credit.

In order to enable affected companies to close their books of account for the year 1963, the Commission hereby notifies all public utilities, licensees, and natural gas companies that the interim accounting prescribed for the investment tax credit under order No. 261, docket No. R–231, issued January 9, 1963,[3] continues in effect for calendar year 1963 and in accounting for income taxes until further notice or order of the Commission.

(By the Commission: Commissioners O'Connor and Woodward dissent as to the statement of the accounting treatment which is appropriate under existing law. Commissioner O'Connor believes decision should be deferred until Congress has acted on the pending legislation. Commissioner Woodward favors deferred tax accounting.)

JOSEPH H. GUTRIDE,
Secretary.

INTERSTATE COMMERCE COMMISSION

NO. 34178

ACCOUNTING FOR FEDERAL INCOME TAXES UNDER NEW DEPRECIATION GUIDELINE LIVES AND INVESTMENT TAX CREDIT: DECIDED FEBRUARY 1, 1963

(In the application of uniform systems of accounts, actual Federal income taxes payable for each year, based on the effective tax regulation for the year, shall be recorded in the tax accounts. Change in present accounting regulations with respect to tax reductions resulting from tax-depreciation guideline lives and investment tax credit, found to be not necessary. Appropriate order entered.)

Report of the Commission, Division 2, Commissioners Freas, Webb, and Herring, by Division 2

By notice of proposed rulemaking published in the Federal Register on November 8, 1962 (27 F.R. 10909), we initiated an investigation with respect to carriers in all modes of transportation subject to the Interstate Commerce Act concerning the matter of accounting rules to be applied for Federal income taxes in connection with (1) the new shortened tax-depreciation guideline lives authorized by the Internal Revenue Service in Revenue Procedure No. 62–21, July 1962, and (2) the investment tax credit authorized in the Revenue Act of 1962.

The material facts bearing on the issue here presented are not in dispute, and a public hearing or oral argument would serve no useful purpose. In view of the close proximity to the closing of the carriers' books for the year 1962, a preliminary notice, dated December 17, 1962, to all carriers subject to the Commission's accounting rules, embodying our ultimate findings on the issue before us, was served on December 20, 1962.

The new tax-depreciation guideline lives authorized in Revenue Procedure No. 62–21 is a significant development in income tax methods and procedures. This tax revenue procedure authorizes substantial reductions in the lives of depreciable property effective with tax returns for the year 1962. For example, the tax regulation specifies depreciation guideline lives for railroad locomotives, freight and passenger cars, and other similar equipment as 14 years, compared with presently used service lives averaging 15 to 25 years for locomotives, and 25 to 30 years for other equipment; for bridges, trestles and culverts, elevated structures, shops and engine houses, and similar structures, the guideline life is 30 years, compared with presently used service lives averaging about 50 to 70 years, depending upon the structural material. Similar substantially shortened guideline lives are specified for many other classes of property.

The tax-depreciation guideline lives so authorized may be used by taxpayers for 3 years without being questioned by Internal Revenue Service, regardless of the taxpayers' past experience with respect to life-of-service performance in replacing property. The guideline lives so used for tax-depreciation deductions are subject to adjustment in later years if conditions prescribed in the tax regulations as to replacement performance and formula for depreciation reserve ratios prescribed in life adjustment tables are not met. After the expiration of the 3-year period prescribed in the tax regulations, ending with the year 1964, the shortened guideline lives must be justified by demonstrating a replacement performance policy through the reserve ratio tests. If the prescribed tax guideline ratio tests are not met, the service lives used for tax depreciation will be lengthened percentagewise annually.

The Revenue Act of 1962 contains an important provision known as the "Investment Tax Credit." Under this provision the taxpayer is allowed a credit against taxable net income equal to 7 percent of the cost of new property acquired during the taxable year, provided the property has a life of 8 years or more. The credit for property with a life between 4 and 8 years is somewhat less than 7 percent. This tax credit is to be applied to offset tax liability up to a specified amount and a percentage of tax liability in excess thereof. The investment tax credit is to be deducted from the base upon which tax-depreciation deductions are to be allowed. For example, a taxpayer purchasing new property for $100,000 becomes entitled to a tax credit of $7,000 against his tax liability for the current year; this credit is then applied to reduce the base to $93,000, upon which current and future tax-depreciation deductions are allowed.

In recording depreciation in the corporate books of account under our accounting rules, as distinguished from Federal income tax returns, carriers are required to use the straight-line method of depreciation applied to the estimated useful life, based on past experience and informed judgment as to probable future service, for each class of property. The initial estimated useful life is revised and rates of depreciation are adjusted as may be found necessary from time to time as a result of changes in conditions. Depreciation procedures are so prescribed by us in uniform systems of accounts for financial accounting of carriers, notwithstanding unlike depreciation methods and other special provisions authorized by the Internal Revenue Service for tax purposes.[1]

Tax-depreciation deductions, based on the tax-depreciation guideline lives, will be much larger in amount than book depreciation computed under this Commission's accounting rules in the early years of the service lives of facilities. Question therefore arises, (1) should the actual Federal income tax expense of each year, based on taxable income reported in the tax return for the year, be recorded in the corporate books of account and in financial statements to the Commission; or (2) should the tax reduction realized because of tax depreciation in excess of book depreciation be treated as tax deferment and included in a suspense or reserve account to provide for taxes that may have to be paid in later years to offset the earlier tax reductions, under a continuing procedure for year-by-year equalization of tax charges in computing net income, without regard to actual tax liability in each year's tax return.

Essentially the same question arises as to whether tax reduction realized from the investment tax credit should be included in the corporate income reports and financial statements each year or be treated as tax deferment under a continuing procedure for year-by-year equalization of tax charges. Such income equalization procedure could be accomplished in the same manner as tax reduction realized through use of the tax-depreciation guideline lives, or by regarding the investment tax credit as a reduction in the cost of property and the depreciation base.

Carriers in the several modes of transportation, public accountants, and others filed responses in this proceeding pursuant to our Notice of Proposed Rule Making inviting views and comments. The responses contained divergent views on the question of proper accounting for the tax reductions hereinbefore discussed. Respondents expressing views in favor of treating the reduction in tax payments resulting from use of depreciation guideline lives and the investment tax credit as tax deferment and then equalizing the distribution of such payments to income by a process of interperiod tax allocation, assert that this procedure is essential for a proper matching of revenues and expenses for each year, and would result

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[1] Notice issued Jan. 15, 1963, published in 28 F.R. 528 of Jan. 19, 1963.

[2] 76 Stat. 960, Public Law 87–834, sec. 2, adding new secs. 38, 46–48, 181, to and amending certain existing sections of the Internal Revenue Code of 1954.

[3] 29 FPC 62, 28 F.R. 402.

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[1] Uniform systems of accounts for carriers in the several modes of transportation, Code of Federal Regulations, title 49. The rules for motor carriers provide that the straight-line method of computing depreciation shall be employed, except that the mileage method may be used for automotive equipment in which event the rate per mile shall be applied to the number of miles traveled each year.

in equitable allocation of income taxes to expenses each year in relation to earnings for the year even though the amount so allocated is different from actual tax payment for the year. Some respondents assert that the investment tax credit is a true reduction in cost of property, the purchase of which gives rise to the credit. These respondents declare that unless allocation or equalization of tax payments in the accounts is authorized in order to compensate for the differences between tax depreciation and book depreciation, and also for the investment tax credit, the reported net income from year to year will be distorted and unrealistic.

These proponents of deferred-tax accounting propose that, accountingwise, the excess of normal income taxes (taxes that would have been payable without the benefit of depreciation guideline lives and investment tax credit) over actual tax payments should be placed in a suspense or equalization account for later year-by-year allocations, so that taxes reported in financial statements each year would agree with the taxes that would otherwise be payable each year on the basis of the straight-line depreciation recorded in the corporate accounts.[2] In advocating this tax-deferral or tax-equalization accounting procedure, they point out that such method of accounting has the approval of public accountants as being in accordance with "generally accepted accounting principles," and request us to modify our rules and authorize that procedure. The term "generally accepted accounting principles" is commonly used to denote broad basic principles which have received general business acceptance, with considerable tolerance for variation among different industries because of special conditions or long-established usage.

On the other hand, most of the responses filed by respondents are in opposition to tax-deferment or tax-equalization procedure. They express the view that actual taxes payable for each year, based on the effective tax regulations of the year, is the only liability to the Government and the true amount to be recorded in the corporate accounts and financial statements each year for tax expenses; and that when taxes so computed are reported in the tax return for a year no deferred-tax liability remains unpaid for the year and no amount should be recorded in the accounts and financial statements for unpaid taxes or for tax-liability contingency. These respondents assert that tax-deferment or tax-equalization procedure, whereby payments would be allocated over a period of years and not recorded as tax expenses in the year for which the payment is made, would obscure the true tax expense for each year and obliterate the tax consequences of transactions and events within each year.

In opposing tax-deferral or tax-equalization accounting procedures the opponents declare that the ever changing tax system does not lend itself to interperiod tax allocation because of uncertainties associated with such allocation; and that tax reductions resulting from tax-depreciation guideline lives and investment tax credit are just as real as though statutory tax rates were decreased.

The question presented in this proceeding with respect to accounting for the tax effect of tax-depreciation guideline lives and the investment tax credit is essentially an extension of the matter of accounting for tax consequences of accelerated depreciation pursuant to provisions of section 167 of the Internal Revenue Code of 1954, previously considered by us, and which resulted in our statement of policy dated February 9, 1959, wherein we stated that the actual Federal income tax expense of each year, based on taxable income reported in tax returns, shall be recorded in carrier's books of account and in financial statements to the Commission. Accounting for Federal Income Taxes, 24 F.R. 1401.[3] That statement of policy contains the following conclusions:

"When an available depreciation allowance produces a reduction in Federal income taxes, no matter how temporary the benefit may be, the effect on net income should be the same as a reduction in taxes produced by lower tax rates. Possible income taxes to be assessed in the future are not an element of tax expense for the current year. As to depreciable property with an expected life of 30 years, or even less, it is illogical to expect that tax reductions resulting from accelerated depreciation allowances can be matched with tax increases of the future. New property units acquired in the future will provide increased depreciation allowances to offset decreasing allowances for older units. Furthermore, income tax rates and tax procedures are subject to change from year to year, and the computation of income taxes differs as between carriers, and for any carrier differs as between years, in too many respects to justify special provision for a fluctuation in taxes resulting only from depreciation allowances.

"After consideration of the views for and against normal income taxes, different in amount from the income taxes actually payable, it has been decided that the charge to income each year for that year's Federal income taxes should be the amount produced by application of the effective tax regulations to transactions within the year. The present-day shipper should not be required to provide from current freight rates for possible increased taxes of the indefinite future."

We have carefully considered the divergent views and all of the arguments presented by the respondents in this proceeding and affirm the ultimate findings contained in our preliminary notice herein that no sufficient justification has been presented to warrant a change in our present accounting rules and the statement of policy previously announced under date of February 9, 1959. We reach the same conclusions set forth in that statement of policy, that actual Federal income taxes payable for each year, based on the effective tax regulations for the year, shall be recorded in the tax accounts of the carriers' books of account, and in financial statements.

Carriers are presently required to disclose, in explanatory notes in their annual reports to us, reductions in income taxes because of accelerated depreciation pursuant to section 167 of the Internal Revenue Code. The requirement for disclosure will be extended to apply to tax reductions attributable to tax-depreciation guideline lives, as well as the investment tax credit, and appropriate procedural rules will be issued to implement this requirement.

An appropriate order will be entered discontinuing the proceeding.

Appendix: Interstate Commerce Commission

(February 9, 1959, Notice to All Carriers Subject to Prescribed Accounting Rules—Accounting for Federal Income Taxes)

The Commission has given consideration to provisions of section 167 of the Internal Revenue Code of 1954, which permit allowances for depreciation to be computed by accelerated methods. The election to use such allowances reduces Federal income taxes thereby increasing net income during the early life of property newly acquired but, by decreasing depreciation deductions in later years, permits no more to be deducted for any unit of property than would be available under straight line depreciation.

This optional income tax treatment presents a problem in administering prescribed accounting regulations. It has been studied by other Federal agencies which regulate accounts, by State commissions in connection with the ratemaking function, and by the accounting profession. One approach has been to charge to operating expenses the same amounts that are claimed as depreciation allowances for income tax purposes. This has the advantage that depreciation charges within net income are comparable to the basis on which income taxes are computed. Another view has been that income should be normalized by including therein the amount by which taxes are reduced when depreciation allowances are high to create a reserve which would be reversed as depreciation allowances diminish.

The Commission has repeatedly held that depreciation by the straight line method best serves the purpose of assigning the service loss on transportation property to income of the years in which the property is in revenue service. The use of other depreciation methods for income tax purposes is not an acceptable reason for changing our depreciation accounting requirements. Accelerated depreciation allowances available under the revenue code provide an earlier recovery of an investment with resultant tax advantages, and are not intended to be a standard for measuring the rate at which service loss is incurred.

When an available depreciation allowance produces a reduction in Federal income taxes, no matter how temporary the benefit may be the effect on net income should be the same as a reduction in taxes produced by lower tax rates. Possible income taxes to be assessed in the future are not an element of tax expense for the current year. As to depreciable property with an expected life of 30 years, or even less, it is illogical to expect that tax reductions resulting from accelerated depreciation allowances can be matched with tax increases of the future. New property units acquired in the future will provide increased depreciation allowances to offset decreasing allowances for older units. Furthermore, income tax rates and tax procedures are subject to change from year to year, and the computation of income taxes differs as between carriers, and for any carrier differs as between years, in too many respects to justify special provision for a fluctuation in taxes resulting only from depreciation allowances.

After consideration of the views for and against normal income taxes, different in amount from the income taxes actually payable, it has been decided that the charge to income each year for that year's Federal income taxes should be the amount produced by application of the effective tax regulations to transactions within the year. The present-day shipper should not be required to provide from current freight rates for possible increased taxes of the indefinite future.

The amount of reduction in Federal income tax payments realized for each year and the accumulated sum for the current and prior years due to the use of accelerated depreciation in tax returns will be disclosed by explanatory notes in reports filed with this Commission. Carriers are urged to disclose this information in their reports to stockholders and in financial statements released to the press.

As a statement of policy this notice will be served on all carriers subject to prescribed accounting regulations, and notice will be given to the general public by depositing a copy in the office of the secretary of the Commission in Washington, D.C., and by filing it with the Federal Register.

HAROLD D. McCOY,
Secretary.

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[2] Of the investment tax credit realized, some of the respondents would treat 52 percent of the amount as deferred taxes and the remaining 48 percent as a true reduction of taxes for the year in which the tax credit is obtained.

[3] Reproduced as appendix to this report.

Mr. PROXMIRE. Mr. President, the precedent which the pending bill would establish in the absence of the inclusion of this amendment would constitute an initial breakthrough for utility lobbyists, and thus would enable them to exert pressure upon Congress to act to prohibit other regulatory bodies from ordering that other tax credits, amounting to cost reductions, be passed on. After all, if we are to make an exception in the case of this investment credit, where shall we draw the line?

We know how active the lobbyists are. They do a thorough job, and they are necessary and desirable. But a failure by Congress to include this amendment in the law would be a negation of the existing policy and would be a clear indication to the lobbyists—if the pending bill, as enacted into law, did not contain this amendment—that in connection with other situations of this sort, they would be able to succeed in attempts to have the entire amount of such a fair tax credit or return retained by the utility companies, and thus result in negating and ending the present fair-return concept.

Mr. President, what sense would the fair-return concept make if it could be changed into a superfair return—which would be the result of the proposed investment credit, in the absence of this amendment.

Mr. President, I submit that this principle is plainly ridiculous.

I am happy to yield to the Senator from Iowa.

Mr. MILLER. The Senator's amendment is appealing to me with respect to a part of the matter proposed to be deleted and with respect to another part with which I am concerned. Insofar as the Senator's amendment would repeal or delete that part of the bill which provides that no passthrough is necessary "in the case of any other property"—and I am reading now from lines 5 and 6, page 39, "any other property" relates to the nonregulated public utility—except for what is included in subparagraph 1 on page 38, line 18.

The Senator's amendment seems to have a great deal of equity, because it would make sure that customers would share the benefits. But insofar as the Senator's amendment would repeal subsection (1) on line 18 on page 38 of the bill, as I understand the position of the Senator from Wisconsin, he wishes to permit the Federal Power Commission to require a passthrough in the case of certain public utilities in the year in which the tax credit is achieved. That is the position of the Federal Power Commission. The Senator from Wisconsin wishes that position to be maintained.

On the other hand, the position of a good many utilities is that they are willing to pass through to the customer but they wish to pass through over the life of the property.

Mr. PROXMIRE. There is a good answer to that——

Mr. MILLER. May I make one point? Not only is this the position of a good many utilities, but I am sure the Senator from Wisconsin knows it is also the position of the Accounting Principles Board of the American Institute of Certified Public Accountants, as set forth in opinion No. 2, entitled "Accounting for the Investment Credit."

Mr. President, I ask unanimous consent to have this opinion printed in the RECORD.

The being no objection, the opinion was ordered to be printed in the RECORD, as follows:

> The Accounting Principles Board (American Institute of Certified Public Accountants) in opinion No. 2, entitled "Accounting for the Investment Credit":
>
> "We believe that the interpretation of the investment credit as a reduction in or offset against a cost otherwise chargeable in a greater amount to future accounting periods is supported by the weight of the pertinent factors and is based upon existing accounting principles.
>
> "In concluding that the cost reduction concept is based upon existing accounting principles we attach substantial weight to two points in particular. First, in our opinion, earnings arise from the use of facilities, not from their acquisition. Second, the ultimate realization of the credit is contingent to some degree on future developments. Where the incidence of realization of income is uncertain, as in the present circumstances, we believe the record does not support the treatment of the investment credit as income at the earliest possible point of time. In our opinion the alternative choice of spreading the income in some rational manner over a series of future accounting periods is more logical and supportable.
>
> "We conclude that the allowable investment credit should be reflected in net income over the productive life of acquired property and not in the year in which it is placed in service."

Mr. PROXMIRE. May I say to the Senator from Iowa that in the argument that the credit should be passed through over a period of years over the life of the assets, he overlooks how utilities operate. Utilities rarely, if ever, will have one isolated year in which they will make vast purchases of equipment. In virtually all cases they will purchase similar amounts of equipment each year. So there is rarely an occasion during which the utility would take a large credit one year and suffer the risk of a disproportionate cut in rates so that the utility might suffer in the future.

Furthermore, we should have some faith in regulatory bodies. After all, they are appointed to establish equitable rates fair to all. And I am convinced, from the experience I have had with such regulatory bodies, that they are not going to have punishing reductions in rates because of one year's unusual circumstances in which the utility buys a great deal of equipment.

Furthermore, over the great spectrum of utilities, 9 out of 10, or 99 out of 100, will have somewhat the same amount of investment—a little more or a little less, year after year. Furthermore, if we adopt the proposal in the bill for 3-percent utilities and permit a spread-over, it means a loss of more than $20 million to American phone users alone. The A.T. & T. opposes this provision. It takes the statesmanlike position that the provision in the committee bill is wrong. It recognizes that its stockholders will receive more than $20 million in windfall gains, which they recognize does not make sense.

Mr. MILLER. Mr. President, will the Senator yield further?

The PRESIDING OFFICER (Mr. RIBICOFF in the chair). Does the Senator from Wisconsin yield to the Senator from Iowa?

Mr. PROXMIRE. Before I yield, let me give the Senator from Iowa an example.

Mr. MILLER. If they pass it through over the life of the property?

Mr. PROXMIRE. Each year the A.T. & T. now buys about $2½ billion worth of equipment subject to investment credit. Obviously the impact with this single utility on consumers is very great. Let us take a simple example, a firm which would buy $10 million worth of equipment on which it earns an investment credit of 3 percent. It would get a $300,000 credit. Now, if the passthrough is required that year, it will have to be a passthrough rate reduction of $300,000.

Mr. MILLER. For only 1 year?

Mr. PROXMIRE. But if it is spread over a number of years, the first year it will provide only a rate reduction, if it is 20 percent of its life, of $15,000.

Mr. MILLER. I understand that, but they will have to give their customers the benefit of that $300,000 either this year or next year or over a series of years. I do not understand where the windfall is going to come from, whether the customer will get it in 1 year or over a period of 10 years.

Mr. PROXMIRE. There are two reasons for it. One is the interest rate factor, the fact that they will have $285,000 to work with, interest-free, which they would not otherwise have. The other reason is that utilities in this country grow as the population grows, and the utilities have grown at an 8-percent rate—they never catch up. I have placed in the RECORD a statement showing hundreds of millions of dollars involved with all the utilities accounted for in the country. It is a substantial advantage. This was carefully calculated by a professor of Northwestern University, who has devoted his life to this subject and is an expert in the field. There will be a substantial advantage for utilities because they are growing and because they will have this interest-free money.

Mr. MILLER. With all deference to the professor to whom the distinguished Senator from Wisconsin referred, when the Senator from Wisconsin talks about a windfall and uses that example, and in effect says there is a windfall of $300,000, I believe we must be careful because, first of all, the fact that utilities are growing seems to me to be irrelevant. I recognize that utilities are growing and that is one reason why I voted against the investment tax credit. I still believe it is a bad law, but I do not see the relevance between that and the windfall to which the Senator from Wisconsin refers.

The Senator pointed out there is an interest factor. To that extent, possibly, we might say the stockholders of the corporations would benefit, because the

$300,000 has to be paid out only over a period of 10 years, or in 1 year; and the utility could not invest the extra money.

Mr. PROXMIRE. The interest factor becomes important when this vast amount involved is considered.

Mr. MILLER. With a growing investment in equipment——

Mr. PROXMIRE. Let me make one further point. I believe the Senator from Iowa is absolutely correct, that for the 3-percent utilities it is not a question of a comprehensive windfall to the stockholders under any circumstances. Why not share the benefit as a prominent utility spokesman, Donald Cook, head of the American Electric Power Co., has argued, by passing it on? Then the utility would benefit. It would grow and develop, and its stockholders would benefit in the normal way. The customer would also benefit. So, why not let the regulatory body which has the responsibility and the competency decide whether or not the credit should be passed on?

Mr. MILLER. I am not going to argue with the Senator from Wisconsin about the desirability of passing it on. I believe where we part company is that I believe the American Institute of Accountants, which is a practical group of people, a realistic group of experienced people who know far more about the accounting problems in this field than anyone in the Chamber, might well follow the suggestion that the passthrough be over the life of the property.

Would the Senator from Wisconsin consider dividing his amendment into two parts, so that the Senate will have an opportunity to vote with respect to deleting subparagraph 1, which I do not wish to do, and vote with respect to deleting subparagraph 2, which I believe is responsive to most arguments that the Senator from Wisconsin has advanced? The case is certainly much stronger with respect to subparagraph 2, and I know the Senator from Wisconsin recognizes that we both wish to have a passthrough. Under subparagraph 2, there would be no passthrough, so there should be no argument between us on that. We are together on the amendment insofar as that is concerned.

Mr. PROXMIRE. Mr. President, my understanding is that the Senator from Louisiana has at least strongly opposed any amendment that would strike out the 7-percent benefit than he is in relation to the 3-percent provision. I feel that perhaps a stronger argument can be made against the section relating to the 3 percent to be spread over a period of time than can be made against the section relating to 7 percent, which would apply only to transportation facilities, in order to afford some element of competition. Is that correct?

Mr. LONG of Louisiana. In the opinion of the Senator from Louisiana, if the Senator from Wisconsin desires to strike any section of the bill, he ought to move to strike the entire section 203. I believe it is unfair to heap more and more tax benefits on some segments of industry without affording an opportunity to other segments of industry to enjoy the same ability to compete and have the same incentives that are available to the industries differently situated.

I believe that the Senator has an amendment which would strike section 203(a) which he proposes to offer before the debate is over. If section 203(e) were deleted, the Senator from Louisiana would be inclined to feel that section 203(a) should be deleted also.

Mr. PROXMIRE. The Senator from Iowa is posing a different kind of question. He wished to divide the passthrough amendment into two parts, so that there would be one vote on the portion of the amendment relating to the 7-percent compulsion against passing through, and a separate vote on the requirement relating to the 3 percent applying to transportation facilities, the benefit to be spread over the life of the asset. The Senator feels that two separate questions are involved.

Mr. LONG of Louisiana. If any Senator hopes to arrange things so that every carrier except the pipelines would obtain the benefit of the tax credit, the Senator from Louisiana serves notice that he is against such a proposal. If any Senator wishes to arrange things so that, as between utilities, every utility except the electric companies and the gas pipelines would receive the benefit, he is against that, too.

The whole transportation industry believes that the fair and proper way to handle the situation is to not require a "flowthrough."

But if the proposal is to be one under which one segment of industry would be benefited and others would be discriminated against, the Senator from Louisiana would be against it. He would be against the inclusion of section 203(e) (1) unless paragraph (2) were also included. If subsection (e) is eliminated, the Senator from Louisiana would like to see the entire section taken out. Incidentally, I believe that is what the Senator from Wisconsin would like as a second best. As the Senator knows, the provision was sent to us by the House. We did not originate it.

Mr. PROXMIRE. I have some answers to the argument which he has made. The Senator from Louisiana has stated that the transportation utilities should all be treated alike. I believe that is exactly what my amendment would do and what the present law provides. Nothing requires a regulatory body to permit the passthrough. Furthermore, if a competitive phase of the transportation industry were involved, the investment credit would be passed through by force of competition, because competition would keep the price down. We need the regulatory body only where there is no competition. As the Senator from Louisiana knows, the whole justification for a regulatory body is that the public needs protection from excessive rates. Otherwise the rates would go higher than they would otherwise go. It is a substitute for competition. Therefore, the amendment of the Senator from Wisconsin would keep the present law, which would put utilities on the same basis as other business which is not regulated except by the regulatory power of competition.

Mr. LONG of Louisiana. The Senator from Louisiana will state his argument when he obtains the floor. He feels that it would not be helpful to state his argument in colloquy with the Senator from Wisconsin.

Mr. MILLER. Mr. President, will the Senator from Wisconsin permit the Senator from Iowa to ask a question on this subject of the Senator from Louisiana?

Mr. PROXMIRE. I yield for that purpose.

Mr. MILLER. I should like to ask the Senator from Louisiana the following question: The Senator has indicated his opposition to enacting section 203(e) subsection (1) without subsection (2). It seems to the Senator from Iowa that if section 203(e)(1) were in the bill, and section 203(e)(2) were not in the bill, the regulating agencies would have to take into account the competitive situation which the regulated and the nonregulated utility under section 203(e)(2) would face. If they do not, they are not really regulatory agencies. Why is the Senator so worried?

Mr. LONG of Louisiana. I do not agree with the Senator on that point. When I can obtain the floor, I shall explain my views.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PROXMIRE. Before I yield to the Senator from Vermont, I should like to make it clear that my amendment would not abolish, reduce, or affect the investment credit at all—not in any way—except to provide that the regulatory body shall have the power it has today, to decide, if it thinks it is right, that the benefit of the investment credit may be passed on to the consumer. That is all it does.

Mr. MAGNUSON. "May."

Mr. PROXMIRE. "May," not "shall." The discretion is left in the regulatory body.

I yield to the Senator from Vermont.

Mr. AIKEN. I have heard the provision of the bill referred to as a "windfall" to the utilities many times this afternoon.

Mr. PROXMIRE. I should like to interrupt at that point by saying that in 1962, when I debated the subject with the Senator from Oklahoma, I said that the investment credit would be a windfall to the utility stockholder. He said it would not be for one reason, and that was because the amount received would be passed through to the customers of the utility. That was his whole defense. He had no other.

Mr. AIKEN. That is the point I was leading up to. Would not the Senator from Wisconsin consider referring to the proposal, at least part of the time, as an attempted raid upon the consumers and the taxpayers of our country? I think that might be a better category for it to fall into than the category of a windfall, because whether the amount is $300 million or $1 billion, we know for a fact that it will not be passed on to the consumers. So why not call it by its right name?

Mr. PROXMIRE. I agree with the Senator from Vermont wholeheartedly.

With relation to the 3-percent item, which troubles many Senators who have a solid knowledge of the subject and feel very strongly about it, I think we should recognize what the 3-percent item would do in providing a spread over the life of the asset. The committee bill provides an entirely fictitious hypothesis, which does not exist. It is said, "Let us assume that the utility, instead of buying the asset in 1 year, paying for it in 1 year, and having it 1 year, buys it over a period of 20 years, pays for it in 20 years, and has it only for 20 years." I say that is a fiction which has no connection with reality at all.

Furthermore, if the regulatory body wishes to regulate in that way, it is perfectly free to do so under my amendment. Therefore, it seems to me that the amendment, which applies to both the 7-percent and the 3-percent credit, makes sense, because it is the only way in which discretion can be left in the hands of the regulatory body completely.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to the Senator from Idaho.

Mr. CHURCH. I should like to ask the Senator if he does not feel that it would be well for us to remind ourselves as to why we treat utilities differently than we treat other forms of business? Is it not true that the regulatory commissions were established in the first place, either because of the monopoly character of utilities or because their central role in the economy was so great that all other businesses depended on them?

Therefore, it was found to be necessary to establish regulatory commissions in order to regulate utility rates, to assure them of a fair return, but to protect the general consumer interest against overreaching or excessive profiteering?

Mr. PROXMIRE. The Senator could not be more correct. The ultimate objective was, as he has stated so well, to protect the consumer interest. That is correct.

Mr. CHURCH. And, in order to protect the consumer interest, while giving the utilities a fair return, we found it necessary, as a matter of good policy, to permit the regulatory agencies, whether they were State or Federal, to have broad discretionary power in determining a fair rate of return for each utility, based upon its fiscal situation in the community it served.

Mr. PROXMIRE. Yes, indeed. It is my understanding that in Wisconsin the electric utilities are allowed to earn about 6 percent on their capital investment. In Ohio it is 9 percent. The rate varies in other States. Regulatory bodies will permit the utilities to have large earnings in certain years because of unusual circumstances, and not enforce rates on utilities that might be upsetting to them.

Mr. CHURCH. The Senator's amendment is addressed to a single provision in the bill which interferes with the kind of discretion which the regulatory commissions have always had. In other words, it seeks to give to the regulated, a measure of control over their regulators, which they have never enjoyed before?

Mr. PROXMIRE. That is correct.

Mr. CHURCH. This is unprecedented so far as Federal law is concerned. Is that correct?

Mr. PROXMIRE. Within the knowledge of the Senator from Wisconsin, it is.

Mr. CHURCH. If all this is so, is not this a matter of public policy that properly should be considered by the legislative committee which is charged with such responsibility?

Mr. PROXMIRE. The Senator is correct. That is what my amendment would do. It would eliminate from the bill the provision in question. It would eliminate from the bill a matter which I believe comes under the jurisdiction of the Commerce Committee, and provides that this shall be a tax-cut bill, and only a tax-cut bill. Other committees which have responsibility over regulatory bodies could decide whether or not a change in policy was justified, on the basis of examination into the subject through committee hearings.

Mr. CHURCH. I agree that this is a legislative matter which should be considered by the Commerce Committee. It is a very important departure from what has been established policy in the past. Therefore, I think the Senator's amendment is well designed. It ought to be adopted. I hope it will be.

I should like, with the Senator's permission, to ask unanimous consent to have printed here in the RECORD a more extended statement of my reasons for supporting the Senator's amendment.

Mr. PROXMIRE. I have no objection.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CHURCH

Section 203(e) states that no Federal regulatory agency shall take certain actions to flow through the tax savings from the investment tax credit to the utility's customers without the consent of the utility. This section says quite openly that it is to be the utility—not the regulatory commission—that determines finally how the tax savings from the investment tax credit shall be handled.

But the first part of section 203(e) says that in passing the investment tax credit in 1962, Congress intended "to provide an incentive for modernization and growth of private industry (including that portion thereof which is regulated)."

The assumption is clear: the only way to assure modernization and growth of regulated utilities is to make certain that the utilities keep the tax savings from the investment tax credit. Obviously a dire emergency exists if the utilities are compelled to ask Congress to get into the details of the regulatory business. According to Federal Power Commission Chairman Joseph C. Swidler—this would be the first time that Congress had prescribed the details, the specifics, of rate treatment of costs by any utility commission so far as I am aware.

A drastic step, this unprecedented attempt to bypass the Federal regulatory agencies. But the evidence is substantial that Congress' aim—to spur modernization and growth—might be just as successfully achieved if the tax savings from the investment tax credit were passed on to utility customers.

FPC Chairman Swidler, testifying before the Senate Finance Committee, said: "There is much to be said for the position that in the case of public utilities and natural gas pipelines it is the rate of growth in the use of their product or service which controls their investment in new facilities, and that the rate of growth is in turn largely affected by the level of rates which their customers must pay. In this view, utilizing the credit as a basis for reducing rates, and increasing consumption might well achieve the objectives of the statute far better than either of the specific formulas it prescribes."

This statement, and a similar one by President Donald Cook of American Electric Power Co., a major private utility, show that there are at least two ways in which the tax savings from the investment tax credit might be used to stimulate modernization and growth of regulated utilities:

1. The dollars of tax reduction from the investment tax credit could be kept by the utility and invested in new facilities. It is this alternative that the utilities have asked Congress to write into the law of the land, leaving no other route open.

2. These dollars of tax reduction could be used by the utilities to lower their rates, thus encouraging more use of utility services, and thus stimulating added utility growth to meet the increased demands.

There is more than one way to stimulate utility modernization and growth (which is the congressional aim), and it would be most unwise to write into law a provision which prevents alternative approaches.

But there is another matter that cannot be overlooked, even if those who favor section 203(e) would like to overlook it. Where does the money come from in the first place? Where do the regulated utilities obtain the extra funds that result from the tax reduction available through the investment tax credit?

The fact is that these funds come from the utility customer. The utility customer pays the utility for services on the basis of rates set to include normal Federal income taxes. But when the utility does not pay these taxes—because the investment tax credit permits the utility to reduce its tax payments to the Federal Government—the customer has paid phantom taxes—taxes which are not paid by the utility to the Federal Government.

In the interest of fairness and equity, the utility should return this money to the customer through reduced rates. If, on the other hand, the utility keeps the money, then the customer has contributed interest-free capital to the utility, without the knowledge of the customer that he has made an interest-free loan to the utility.

This is what the regulated utilities are asking Congress to do—to put its OK on an arrangement through which the utilities will be guaranteed the right to keep the money which the utility customers have paid in phantom taxes to the utility; and to prevent any Federal regulatory commission from taking action to see that the utility customer gets his money back, in some way or other.

I say we should vote down this proposal, which Senator DOUGLAS has called the worst single feature in the bill. Section 203(e) puts the wolves in charge of the henhouse, giving the private utilities regulatory authority which should belong to the Federal regulatory commissions. Section 203(e) writes into law a single solution to the problem of using investment tax credit savings to stimulate utility growth, although there are obviously other approaches that would produce more growth, and at the same time produce more consumer benefits. Section 203(e) would legalize the utility's attempt to take money from the consumer and slip it in the pockets of the stockholders.

If we believe in the regulatory process, let us protect it from this attack by the utilities, rather than permitting the utilities to control the regulatory commissions with the approval of Congress. I urge my colleagues to vote down this anticonsumer provision, and vote it down by a decisive margin.

Mr. CHURCH. Mr. President, one further point. I take it, from the Senator's lucid explanation of his amendment, that if it is adopted, it will do nothing other than strike from the bill the particular provision we have been discussing.

Mr. PROXMIRE. The Senator is correct.

Mr. CHURCH. Investment tax credit would remain available for utilities; but this deliberate interference with the discretion we have customarily given to regulatory commissions would be the only part stricken from the bill. Is that correct?

Mr. PROXMIRE. The Senator is correct. I thank him very much.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. McCARTHY. Generally I am in support of the position of the Senator from Wisconsin, but I think the case is not as clear and simple as some Members of the Senate would like to make it. If we go back to the basis on which investment credit was approved by the Congress, we start on a somewhat different basis. Some of us opposed it. The Senator from Tennessee and I proposed a simple reduction in corporate taxes at that time as an alternative to investment credit, on the ground that a corporation could then decide how it wanted to use its tax savings, whether to invest it for capital equipment or otherwise, depending on what the particular circumstances might be. But the investment credit was approved; and the theory was that it would have the effect of encouraging both the utilities and other businesses and industries to invest in capital equipment, and thereby stimulate the economy. That was the argument made for it. We now see that the provision that the tax credit should not pass through to the consumers is not inconsistent with the justification for adopting investment credit.

The argument which could be made for the position of the Senator from Wisconsin [Mr. PROXMIRE] is that eventually this advantage should be reflected in rates in any case, and it should be assumed that regulatory agencies will exercise discretion early in the administration of their offices with reference to the tax credit, so that the ultimate effect would be the same as if we had approved the language proposed.

Theoretically a case could be made against adoption of the provision but practically, the case is not particularly good.

Mr. PROXMIRE. May I say to the Senator from Minnesota, who speaks with very expert knowledge as a member of the committee, and who has studied this subject, that on the record made by Donald Cook and others, the only way the investment credit can expand expenditures for equipment purchase is for the investment credit to be passed through. There may be other ways, but this is one way to promote expansion. Therefore, the practical argument is on the side of permitting a passthrough if the regulatory body thinks it is appropriate.

Mr. President, the Senator from South Dakota [Mr. McGOVERN] has been patiently waiting a long time, and I yield to him.

Mr. McGOVERN. Mr. President, I wish to support, as best I can, the amendment offered by the Senator from Wisconsin, because I think it is the most valuable and compelling amendment that has been offered to the tax bill. Those of us who are supporting the tax bill have been sold the tax bill mainly on the ground that it is a device that will help consumers; that passing on tax reductions to consumers will stimulate the whole economy; and this is supposed to have a favorable impact on such problems as unemployment. But in the section of the bill which the Senator from Wisconsin is trying to correct, the taxwriting committee provided a device that would bring about the opposite result. It would prevent the regulatory agencies that have been established to protect consumers and the public from exercising their prerogatives, by preventing the passing to consumers of the tax savings called for in the bill.

Mr. President, there is probably no provision in the tax bill before us which has more far-reaching implications and importance than section 203(e).

I find myself in agreement with Senator PROXMIRE and others who oppose this section on the grounds that it permits licensed, or franchised, public service institutions, acting as agents of the Government in the performance of public functions, to gain windfall profits in excess of the fair return for which they agreed to render the public service. Prof. Robert Eisner of Northwestern University, a leading authority in this field, has made a compelling case for the Proxmire amendment and his conversations with me have given me a keen appreciation of the public's stake in this amendment.

I am in agreement that we should not, in a tax bill, attempt to legislate the manner in which utilities should be regulated. But I have a deep concern beyond those very basic considerations as to the effect on our whole economy of this new concept of higher profits for suppliers of energy and transportation.

If our concept of a fair return to suppliers of electricity and transportation is to be increased from 6 percent to 8 or 10 or 12 percent a rise in consumer costs results. And if the costs of energy and transportation are increased, this increase will spread throughout our economy and retard the economic development of the Nation.

As a result of the discussion of section 203(e), I recently reviewed the report of the Paley Commission, "Resources for Freedom," issued in 1952. That distinguished Commission included Edward S. Paley, then president of the Columbia Broadcasting System; George R. Brown, president of Brown & Root, large Texas contractors; Arthur H. Bunker, president of American Metals Climax Corp.; Eric Hodgins, of Fortune magazine; and Edward S. Mason, of Harvard University.

Throughout their discussion of energy, and particularly of electricity, the Paley Commission emphasized the importance of the cost of energy to the whole economy.

> The general economic objective of keeping costs of all materials as low as possible applies with particular force to electricity—

This distinguished Commission reported—

> because it enters into the cost of practically all goods and services produced in the economy and into the budget of nearly every family.
>
> Even though electricity typically represents only a small fraction of total production costs for most items, a substantial increase in its real costs, reflected in correspondingly higher prices for industrial and other consumers, could have a considerable retarding effect on economic growth.

The Commission then points out the especially serious effect that higher power costs would have on the electrochemical industries, illustrating by citing the fact that each 1 mill increase in power cost increases the price of aluminum by 5 percent.

I ask unanimous consent, Mr. President, to include in the RECORD a table from the Paley Commission report showing the electric energy used per ton of product by certain electrochemical industries, illustrative of the importance of electricity costs.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE V.—*Power requirements for selected electro-process materials*

[Appropriate kilowatt-hour requirement per ton of product]

Titanium metal[1]	40,000
Aluminum metal	18,000
95 percent silicon metal	17,500
Electrolytic magnesium	16,000
35 percent hydrogen peroxide (100 percent basic)	16,000
Electrolytic manganese	10,200
Silicon carbide	8,600
70 percent ferrotungsten	7,600
Sodium chlorate	5,200
Rayon	5,200
Phosphoric acid (via electric furnace)	3,900
Electrolytic zinc	3,400
Chlorine	3,000

[1] Kilowatt-hour per pound of titanium. From the President's Materials Policy Commission staff report on titanium.

Source: Adapted from chart of "Process Power Requirements," Chemical Engineering, March 1951, p. 115.

Mr. McGOVERN. The Commission then states:

> Changes in production technology will probably increase the number of electro-process materials and will enlarge the power requirements of many other materials by 1975. Broadly and over the long run as important materials like copper become more difficult to obtain, the Nation will need to develop substitutes to replace them. Moreover, as high-grade-ore reserves of important minerals dwindle, more electric energy will be needed in some cases to use lower grade ores. To mine and concentrate the low-grade ore of the Lake Superior region will require 75 to 80 kilowatt-hours per ton of concentrates as compared to 3 kilowatt-hours per ton of usable high-grade ore.

> Unless sufficient electric energy is available at favorable costs the expansion of substitute materials and of output from low-grade ores will be retarded.

The Commission points out that many scientific processes are dependent entirely on economic feasibility, and that with increases in costs—including electricity and transportation involved in the amendment before us—many otherwise feasible processes—and resources—are denied to us.

Mr. President, this is only a glimpse into one field at the potential serious effect of adopting, in this tax measure, an inflated profits policy for the provision of public services.

The provision proposed is too far reaching, too dangerous to the economy of the Nation, to be adopted casually.

By prohibiting any of the benefit of the investment credit extended to public service companies to be passed on to consumers, we may very well jeopardize rather than increase economic growth.

Housewives buy appliances when energy costs are low—when it is cheap to let an appliance do the work.

Industries adopt new processes, build new plants and employ new work forces, when low-cost energy makes new processes feasible.

The new, high-profit utility policy inherent in section 203(e) could potentially do more harm over the years to the economy of this Nation than the good done by other portions of the bill.

In this connection, the New York Times yesterday carried an editorial which I ask unanimous consent to have printed in the Record at this point, as well as an editorial in today's Washington Post.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the New York (N.Y.) Times, Feb. 4, 1964]

GIFT TO THE UTILITIES

There are many questionable provisions in the tax reduction bill now being considered in the Senate, but none is more unconscionable than the gift proposed for the utility industry.

The gift is in the form of an amendment forbidding the Federal Power Commission and other regulatory agencies from exercising any control over the investment credit provided for public utilities. The regulatory agencies are supposed to set rates that insure a fair return on utility investments. The proposed amendment means that the FPC could not take the tax credit into account in setting rates. As a result, electric and gas companies would receive a windfall estimated at $300 million, which would not be passed along to consumers.

The size of this windfall alone should give pause. Yet big as it is, it is not the most disturbing element in the proposed amendment. By limiting the power of the FPC in setting rates, Congress will increase the cost of utility services to consumers. And it will encourage the utility lobby, and pressure groups representing other regulated industries, to press for new restrictions on the ratesetting function of the regulatory agencies.

Even so, there could be a case for the amendment if it were to spur corporate spending and cut costs to consumers, which were the original objectives of the investment credit. But utilities will not have any extra inducement to spend and consumers will not be benefited. This is not the kind of gift that the Congress should be bestowing.

[From the Washington (D.C.) Post, Feb. 5, 1964]

LOOPHOLE TO BE CLOSED

We hope that the Senate, which struck down a reduction in the tax rate on capital gains because a crucial loophole was not closed in the House version of the tax bill, will also eliminate an obscure rider which would hamper the Government regulation of gas and electricity rates and add billions to the burden borne by consumers.

Section 202(e) of H.R. 8363—the Revenue Act of 1964—would bar the Federal regulatory agencies, notably the Federal Power Commission, from taking into account in rate determinations the tax savings granted under the "investment credit" provisions of the 1962 tax act. Permitting a utility to include in its rate base taxes which it never paid would burden consumers with between $300 and $600 million in extra charges during 1964, and costs of this tax morsel would increase sharply over time. Moreover, a dangerous precedent would be established for direct congressional intrusion into the ratemaking process.

Public utility regulation has been traditionally based on the premise that cost savings are to be passed on to the public in the form of lower rates. But this principle will be subverted and public utility regulation left in a state of shambles unless the Senate deletes this devious provision from the tax bill.

Mr. LONG of Louisiana. Mr. President, who has the floor?

Mr. PROXMIRE. Mr. President, I have the floor. I yielded temporarily.

The PRESIDING OFFICER. The Senator from Wisconsin had the floor, and yielded.

Mr. LONG of Louisiana. Mr. President, can a Senator yield for other than a question?

The PRESIDING OFFICER. If the regular order is called for, a Senator may yield only for a question.

Mr. LONG of Louisiana. Mr. President, I have no objection to having the Senator place in the Record what he requested, but under the conditions that exist at this time, I do think we should follow the regular order.

The PRESIDING OFFICER. The Senator from Louisiana has asked for the regular order.

Mr. PROXMIRE. Mr. President, I think the Senator from Louisiana will agree that what I have been doing is answering questions asked by the Senator from Idaho [Mr. Church], the Senator from Vermont [Mr. Aiken], and the Senator from Minnesota [Mr. McCarthy].

I ask unanimous consent that the Senator agree to let me yield 2 minutes more to the Senator from South Dakota.

Mr. LONG of Louisiana. Mr. President, I ask for the regular order.

Mr. PROXMIRE. Does the Senator object?

The PRESIDING OFFICER. The regular order has been called for.

Mr. McGOVERN. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. Mr. President, may I yield for a question to the Senator from South Dakota?

The PRESIDING OFFICER. The Senator has that right.

Mr. McGOVERN. I should like to ask the Senator from Wisconsin a question. Even if we were to assume—which I do not think we should assume—that it might be desirable to change the powers of the regulatory commissions, should that be done in a tax bill, or should it be done after careful consideration and review by the Commerce Committee, which properly has jurisdiction over this field?

Mr. PROXMIRE. That is a crucial element in the debate, and one of the prime reasons for offering the amendment. We should not, in a tax bill, decide legislative policy with regard to regulatory bodies. That is something which is the responsibility and function and duty of the Committee on Commerce. I am happy that the distinguished chairman of the Committee on Commerce, the senior Senator from Washington [Mr. Magnuson], has said exactly the same thing. Although he thinks there is some merit in what the committee has done, I hope he will support my amendment. However, he, too, feels that the policy should be decided by his committee on the basis of hearings and committee discussion. They are the experts in this area, and they should be accorded due courtesy, and the opportunity to decide this policy.

Mr. McGOVERN. This is the first time that I have had an opportunity to take the floor during the discussion of the bill.

Mr. LONG of Louisiana. Mr. President, I call for the regular order.

The PRESIDING OFFICER. The regular order is asked for.

Mr. McGOVERN. I thank the Senator from Wisconsin for yielding to me.

Mr. PROXMIRE. I shall conclude very quickly. I have referred to the fact that Mr. Donald Cook, who is the president of the American Electric Power Co., has taken a very strong position on the investment credit, and that he feels it should be passed through. Who is Mr. Donald Cook? Mr. Donald Cook is such a prominent spokesman of the utility industry that he is one of two or three utility representatives who were asked by the Finance Committee to testify in 1962 on the investment credit, so that the committee might gain a practical understanding of whether or not the investment credit should be adopted and, if so, how it would work.

The American Telephone & Telegraph Co. is opposed to the investment credit. It has been against it. It has said that it would not accept it. Even though it meant a benefit of $75 million to them, it said it would not take it, and is opposed to it.

I wish to quote in part what Mr. Donald C. Cook said before the Finance Committee in 1962 in favor of the investment credit for utilities. He said:

> From the point of view of whether the tax credit would apply as an incentive to construct additional plant and equipment, it is almost a matter of indifference as to whether the tax reduction is passed on to customers or not.
>
> This is true because as indicated above, it is the reduction in fixed charges with the resulting decrease in revenues necessary to support the expenditures for plant that

operates as the incentive to build, not the receipt and retention of cash resulting from reduced expenditures for taxes.

In other words, if there is an investment credit and it is not passed on, it means that more cash is available for stockholders.

Why should they invest in equipment unless it is needed to service customers? What makes customers want and need more service? Lower rates. There is nothing else. Lower rates. It is a matter of arithmetic. A little further on Mr. Donald Cook said, in his testimony:

> What I have tried to say to the committee, Senator, is that reduction in taxes will reduce our fixed charges, and by reducing the fixed charges, it will make marginal projects feasible. We do not need the cash that would become available—although some industries may, we do not need the cash that would become available from this tax reduction in order to finance the additions to our plant. If we can reduce our fixed charges, we would be in a position to finance out of our own resources or by going to the capital markets all of this plant and any other plant that we need to construct.

On January 3, Mr. Donald Cook wrote a letter to the chairman of the Finance Committee, in which he supported his position very eloquently. I ask unanimous consent that the letter may be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN ELECTRIC POWER CO., INC.,
New York, N.Y., January 3, 1964.

Hon. HARRY FLOOD BYRD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BYRD: My attention has recently been called to a statement, dated November 15, 1963, filed with the Finance Committee in behalf of Edison Electric Institute by Walter Bouldin, its president. The statement supports the enactment of section 202(e) of H.R. 8363, relating to the treatment of the investment credit by Federal regulatory agencies.

The statement argues that (1) the investment credit does not have the characteristics of a reduction of tax expense, and (2) the investment credit's objective of stimulating capital expenditures will not be attained by passing on the benefit of the credit to utility customers.

Although American Electric Power Co. is a member of EEI and I am a member of the EEI board of directors, the statement was not seen by me or by any representative of my company prior to its submission. I strongly disagree with the above arguments. Since I expressed contrary views in testimony before the Finance Committee in April 1962, when the committee was considering the investment credit provisions of H.R. 10650, and to remove any implication that the statement reflects the views of all EEI member companies, I feel impelled to write you to set the record straight.

It is my view that the investment credit does in fact represent a reduction in current Federal income tax expense, and therefore a reduction in current operating expenses; that the investment credit will stimulate capital expenditures by utilities even if all or part of the tax saving is passed on to customers, or if the tax saving forestalls or reduces an otherwise necessary increase in rates; and, indeed, that the use of this tax saving to reduce or avoid an increase in the price of the taxpayer's product is best calculated to increase demand and in turn to stimulate plant investment, and thus to carry out the basic objectives underlying the adoption of the credit.

It is my understanding that these views are also shared by a number of other utility companies and are advocated by many Federal and State regulatory agencies.

I am sending a copy of this letter to each member of the Finance Committee.

Sincerely yours,
DONALD C. COOK,
President.

Mr. PROXMIRE. Mr. President, I have almost concluded my remarks. Before I yield the floor, I should like to call attention to the fact that the utilities not only have the investment credit advantage, but they are also in the position if they need capital, to go to the regular financial markets to obtain it.

The 50-utility index by Standard & Poor's, which includes gas, electric, and telephone, was 21.1 for September 1963.

I believe anyone who has studied this subject knows that it is an excellent ratio. There used to be a rule of thumb that if the price-earnings ratio on a stock goes above 17, it is time to sell the stock. The average in the industry is far above what the rule of thumb would indicate for high-priced stock. The utilities are in an excellent position to get all the money they need.

The 25 utility price-earnings index by FPC—which is all electric utilities—was 20.8 for December 1963.

A few of the latest available price-earnings ratios from FPC are:

Baltimore Gas & Electric	21. 2
Commonwealth Edison	22. 2
Consolidated Edison	20. 4
Detroit Edison	20. 4
Florida Power & Light	29.4
Virginia Electric & Power	27.7

The Standard & Poor's railroad index for September was 11.3.

Senators who vote against the amendment, in my judgment, are contradicting the policy of their own State regulatory bodies, which those bodies have arrived at after very careful study. They are the most competent people in their States in this area. They have devoted their whole lives to this field.

Mr. President, the New York Times editorial, which strongly supports the amendment, has already been placed in the RECORD. I should also like to call attention to an editorial published in this morning's Washington Post.

I ask unanimous consent that the editorial may be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LOOPHOLE TO BE CLOSED

We hope that the Senate, which struck down a reduction in the tax rate on capital gains because a crucial loophole was not closed in the House version of the tax bill, will also eliminate an obscure rider which would hamper the Government regulation of gas and electricity rates and add billions to the burden borne by consumers.

Section 202(e) of H.R. 8363—the Revenue Act of 1964—would bar the Federal regulatory agencies, notably the Federal Power Commission, from taking into account in rate determinations the tax savings granted under the investment credit provisions of the 1962 Tax Act. Permitting a utility to include in its rate base taxes which it never paid would burden consumers with between $300 and $600 million in extra charges during 1964, and costs of this tax morsel would increase sharply over time. Moreover, a dangerous precedent would be established for direct congressional intrusion into the ratemaking process.

Public utility regulation has been traditionally based on the premise that cost savings are to be passed on to the public in the form of lower rates. But this principle will be subverted and public utility regulation left in a state of shambles unless the Senate deletes this devious provision from the tax bill.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield.

Mr. DOUGLAS. First, I commend the Senator from Wisconsin for the amendment he has offered. It is very much needed. I should like to ask the Senator one or two questions, if I may.

Yesterday, as shown at pages 1833 and 1834 of the CONGRESSIONAL RECORD, the Senator from Montana [Mr. METCALF], referred to earnings figures for the 50 largest utilities in the country. This compilation shows that they had invested capital of $34,952,933,000. They made a profit of $3.145 billion. If my arithmetic is correct, that is an average rate of earnings of 9 percent. Does not the Senator think this is a very good profit?

Mr. PROXMIRE. I believe the figure indicate very clearly that any further advantage to stockholders who get the benefit of this figure is wholly unnecessary. I could characterize it as notice to the customer.

Mr. DOUGLAS. Is it not correct to say that what the bill does, so far as the federally regulated utilities are concerned, is to prohibit the federally regulated utilities from passing any of these amounts to the consuming public; that it does not allow them discretion, but prohibits them, actually?

Mr. PROXMIRE. Yes. This is a crucial point. I believe it should be understood by the Senate. If we pass the bill as drawn, we compel the public utility commissions not to pass on this reduction in taxes and this increase in income. Instead we prohibit them from passing it on.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. GRUENING. Has the Senator from Wisconsin, who is very properly fighting this provision in the bill, ever heard of a provision in the tax bill which compelled people not to pass their profits on?

Mr. PROXMIRE. There are two elements in the Senator's question.

First. This provision should not be in the tax bill. If it should be anywhere, it should be in a bill reported by the Committee on Commerce dealing with regulatory policy.

Second. Congress should not dictate that a fair return is not enough, and that utility stockholders should receive more than a fair return.

That is what the provision in the bill would require. On top of a fair return, the utility would receive more. It would receive more on top of the 9 percent.

As the Senator from Illinois has said, get their 9 percent and then some by law. If the utility regulatory body decided that 9 percent was a fair return, that would be the amount the utility would receive.

Mr. GRUENING. Is there any understanding as to the origin of this strange provision? Was a lobbyist working on the program? It sounds like the days of Sam Insull.

Mr. PROXMIRE. I do not know the origin of it. I presume there are those who would directly benefit. I am sure they made their views and convictions plain before the Committee on Finance.

Mr. DOUGLAS. Is it not true that what the Senator from Wisconsin is trying to do is to give Federal regulatory bodies discretion as to whether or not they will pass on the benefit?

Mr. PROXMIRE. I am trying in this amendment to maintain the discretion which the regulatory bodies now have. This would mean that present law would remain as it is, as it has always been in the past, and as we hope it will be in the future. The regulatory body would decide what is a fair return.

Mr. DOUGLAS. Is it not true that possibly in the case of some railroads—I am not certain that it would hold true for every railroad—the Interstate Commerce Commission may find that the rates at present are inadequate to enable them to earn a fair return on the fair value, and that in those cases the Interstate Commerce Commission may say that the benefit should not be passed on?

Mr. PROXMIRE. Yes; furthermore, there is nothing in the amendment or in present law that would prohibit regulatory bodies from not passing the investment credit on and establishing a rate over and above a fair return, if they desired to do so.

So far as the Interstate Commerce Commission is concerned, I quoted from its latest order or determination, in which it said that it thought this factor should be a consideration.

As the Senator from Illinois knows, many railroads are not doing well financially. In those cases, the benefit would not be passed on. The railroads would always be entitled to earn a fair return.

Mr. DOUGLAS. But in cases in which the present rate of return was fair, or more than fair, the Senator would give to the regulatory bodies the power to say that the benefit should not be passed on but should be retained?

Mr. PROXMIRE. That is correct. The regulatory agencies have power to do that, but are under no compulsion to do it.

Mr. DOUGLAS. Is it not true that the accounting forms which the various State commissions prescribe for the regulation of electric utilities are largely modeled upon the forms prescribed by the Federal Power Commission?

Mr. PROXMIRE. The Senator from Illinois is correct. This is one of the transparent reasons why, if the Federal Power Commission is compelled to act as the bill provides—that is, to give all the benefit of the credit to the stockholders, and none to the consumers—the regulatory agencies of the States will almost inevitably follow such a procedure. Some States will resist. Wisconsin will resist temporarily; so, perhaps, will Illinois. But as other States adopt such a procedure, eventually all States will adopt it.

Mr. DOUGLAS. In other words, the gains which the electric and gas utilities may make as the result of the benefit from not passing the profits through will not show up in the statements prescribed by the Federal Power Commission, and therefore will not show up in the statements prescribed by State utility commissions. Is that not true?

Mr. PROXMIRE. The Senator is correct. That accounting idiosyncrasy or peculiarity is something that has been overlooked. One of the arguments made by the Committee on Finance is that this requirement would not be effective for State electric utilities because they are not regulated by a Federal regulatory body. The accounting procedures forms are the same, and this is one of the big elements that would put all utilities in the same position.

Mr. DOUGLAS. As I understand, the Senator from Wisconsin believes that if this practice spreads into the States, the initial cost—or, I should say, the initial windfall—would be around $600 million.

Mr. PROXMIRE. Yes. Estimates made by Professor Eisner—and they were made carefully—are that the benefit to the consumer would be twice the size of the investment credit because the credit is against income tax—the income could drop by twice any investment credit. Without passthrough, the initial loss to consumers would be about $630 million; by 1972, there would be a loss of $1 billion; and by 1997, on an estimated 8-percent growth assumption, the loss would be around $5 billion or $6 billion a year.

Mr. DOUGLAS. That would be at previous growth rates?

Mr. PROXMIRE. That is correct.

Mr. DOUGLAS. I thank the Senator from Wisconsin.

He has thrown much light on the question. I hope his amendment will be agreed to. It seems to me that it would be scandalous if it were rejected.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. PROXMIRE. Mr. President, I yield to the Senator from California.

Mr. KUCHEL. I object to the provision in the bill. I shall support the Senator's amendment.

Mr. President, the Senate is being asked to accept a very dubious "hitchhiker" to the tax bill in the form of a proposal to weaken the utility regulatory process.

I refer to section 203(e), which would instruct the Federal regulatory agencies on how to treat for ratemaking purposes the reduction in taxes for public utilities resulting from the investment tax credit.

This "hitchhiker" is dangerous—and he has a lot of friends down the road who are even more dangerous.

It has been recognized by many that section 203(e) is not a tax proposal at all—it is a regulatory proposal, and thus it should not be in a tax bill.

I have been impressed by the testimony given the Senate Committee on Finance on section 203(e) by California Utilities Commissioner George G. Grover, speaking as official representative of the entire State commission.

Commissioner Grover declared at the outset that section 203(e) has only an "incidental connection" with tax legislation and is, in reality, a regulatory proposal. He explained:

> Suppose the regulatory commissions were called upon to pretend that wages are more than they are, or that pencils cost more than they do. You would not feel that that was anything but a regulatory proposal. But because it is put in a tax bill, and because Congress happens to have, in addition to its regulatory jurisdiction, tax authority, it tends I think to give the impression that Congress has a special power over taxes as utility expense, which it does not have over wages as utility expense.

Federal Power Commission Chairman Joseph C. Swidler also made the point during the hearings that section 203(e) is not a revenue section, and he hinted that more hitchhikers are waiting down the road for future tax bills if Congress sets this precedent of legislating the details of the treatment of the items of cost for ratemaking purposes.

Public utility commissions were created in the first place because legislative ratemaking had proved to be infeasible. If Congress now prescribes the specifics of rate treatment of costs by the regulatory agencies, Congress henceforth in Swidler's words, "will be beseiged on both sides to allow more or less for this item or that until, I think, one can visualize the decline of the regulatory process progresses to the point where it could no longer produce just and reasonable rates in the current legal sense of that term."

Commissioner Grover, speaking for the California commission, made it clear that in our State the regulatory body is insisting and probably will continue to insist that the benefits of the tax incentive be "flowed through" to consumers. He said, however, that in some States the commissions may be expected to follow the Federal lead, if Congress insists upon prescribing ratemaking criteria for the Federal agencies.

Commissioner Grover noted that while section 203(e) ostensibly provides equal treatment for the utility and nonutility industries, it does not in fact provide equal treatment. At the same time, he said, Congress does not in this section recognize the fundamental differences between utilities and nonutilities.

> Utilities are regulated—directly, comprehensively, continuously regulated—

He told the Finance Committee.

> If profits are too high, rates are reduced; if profits are too low, rates are increased; it is unlawful to charge more, or less, than the rates fixed by public authority.

He stated further that utility construction may be ordered if the regulatory authority finds its facilities to be inadequate.

All of this, in the judgment of those most familiar with this field, is different in the case of nonregulated companies. Since Government control is limited in nonutility situations, the taxing power can be used as an indirect method of control—as in the investment tax credit.

While section 203(e) ostensibly would treat utilities the same as nonutilities in providing the tax credit incentive it would, in reality, not treat them alike.

In the case of a manufacturing company, the tax saving would increase net profit, or to put it another way, would "flow through" to profit. The manufacturer then could decide whether to use the additional profit to reduce prices, to build new facilities, or to increase dividends.

For the regulated utility, this "flow through" to profit would be highly desirable from the regulatory standpoint, Commissioner Grover said. The California Commission wants this tax saving to "flow through" to profit in the case of regulated utilities, because it accurately records the financial facts about the utility.

The utilities, on the other hand, do not want to record these financial facts in the same way as an unregulated company, because their profit is subject to regulatory control. Commissioner Grover declared that section 203(e) "is nothing more nor less than a proposal to remove a portion of the profits of public utilities from the jurisdiction of Federal regulatory agencies. As such, it is a direct assault upon the integrity of the regulatory process."

While section 203(e) affects directly only the Federal regulatory agencies, Commissioner Grover predicted that its passage will create difficulties both for the State commissions and the regulated utilities.

With the California commission holding fast to its present requirement for "flow through" of the tax incentive benefits to consumers, and the Federal Power Commission required to take an opposite position, many utilities in California would be placed under a dual system of control which would force them to maintain two accounting systems. The very fact that the FPC had not taken a position on the investment tax credit at the time of Commissioner Grover's appearance before the Senate committee had rendered the California commission's job more difficult, he reported. One large California utility, he said, has had to keep the amount of the credit in a special suspense account, and because of the uncertainty the California commission had not sought to reach that account for rate reduction purposes. Millions of dollars each year are involved in connection with this one company alone, he added.

The purpose of the investment credit, of course, is to stimulate the economy. Commissioner Grover made it clear in his testimony before the Senate committee that he favors extending the credit to regulated utilities and, in fact declared that he personally favors giving such utilities the full 7-percent credit rather than 3 percent.

At the same time, he opposes giving the utilities the right to say how this tax saving will be used, on grounds that this is properly the responsibility of a regulatory commission.

In some cases, he said, the commissions will permit the utilities to keep all or part of the tax saving, where earnings have fallen below reasonable levels. In other cases, where profits are at reasonable levels, the regulatory commissions will use all or part of the investment tax credit to reduce utility rates.

This is a very important point. If utility rates are reduced, that stimulation of the economy which is intended by Congress will, in fact, take place. As Commissioner Grover put it:

> Like taxes, the cost of buying utility service is very close to a necessity for most people. Utility rate reductions, like tax reductions, therefore, have the effect of improving public purchasing power and stimulating economic activity. These rate reductions are not at the utilities' expense, and the net result is to spread the tax reduction more widely over the economy.

Where utility consumers are manufacturing industries and commercial establishments, these rate reductions will be particularly effective in stimulating business.

Regulated utilities themselves are by no means unanimous in their eagerness to obtain this regulatory concession from Congress. It has been noted earlier that the American Electric Power system has proposed to pass along its tax incentive savings to consumers in the form of lower rates, on grounds that it will stimulate greater use of electricity and, in the long run, result in stronger financial position for the electric companies.

Another group of forward-looking electric utilities, represented by Cameron F. MacRae, of the New York law firm of LeBoeuf, Lamb & Leiby, submitted testimony at FPC's hearing on accounting treatment of the tax incentive in favor of "flowthrough" of the benefits to consumers:

> We regard it as a tax reduction and we think that is the commonsense view of it, and there we stand—

Mr. MacRae stated, explaining that he spoke for Consolidated Edison Co., Niagara Mohawk Power Corp., Orange & Rockland Utilities Co., Portland General Electric Co., and Pacific Power & Light Co.

Reluctantly, I have come to the conclusion that section 203(e) represents an attempt to use Congress as an instrument by which to erode the regulatory wall which was created simply because the public interest demanded it. I want to see a continuance and a strengthening of an American public utility industry dedicated to providing American consumers with the best possible service at the lowest possible cost.

I urge the Senate to delete section 203(e) from the pending bill.

Mr. PROXMIRE. I thank the distinguished Senator from California. His support means a great deal. He is a man whose reputation has been hard won. It is a reputation that is very high in Wisconsin, as it is in California and throughout the country. His support for my amendment means much, both personally and, I am sure, in terms of his influence on other Senators.

Mr. KUCHEL. I thank the Senator from Wisconsin.

Mr. JAVITS. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I am happy to yield to the Senator from New York.

Mr. JAVITS. There is one thing that I believe has not been made sufficiently clear by the Senator from Wisconsin, namely the relationship between State and Federal regulation. I see much merit in the Senator's amendment, and I am sympathetic toward it. But I should like to have this point clarified.

Does the Senator contend that there are areas in which there is both State and Federal regulation?

Mr. PROXMIRE. In fairness, it should be said that my amendment would have no direct effect on State regulatory bodies. A State regulatory body would be free to ignore it.

The Senator from Illinois [Mr. DOUGLAS] has pointed out that because of uniform accounting forms used and because of the general pattern followed by Federal agencies, especially in matters of Federal taxation, it is his expectation, as it is mine, that many States will immediately follow Federal policy and do the same thing. Within a few years, virtually all States will be following that practice.

The Senator from New York is correct in saying that there are cloudy areas where the situation is confusing. I should think that would add force to my amendment. Obviously, if there is one policy on a statewide basis and a sharply conflicting policy on a national basis, that would tend to complicate the administration of the law and result in inequities.

Mr. JAVITS. Can the Senator from Wisconsin give any illustration of how his proposal would force a State to adopt the same rule?

Mr. PROXMIRE. It would not be forced to do so, but that great pressure would be exerted on the States.

I am sure the Senator from New York knows, from his wide experience as attorney general of his State and in other public positions, the pressure that a public utility regulatory body is under from the utilities it regulates. The pressure is intense to raise rates. But the pressure to lower rates is very slight.

Really, there is virtually no pressure from or on behalf of the consumers, except from a few public-spirited officials. The result is that, on a national basis, if this provision of the pending bill goes into effect, the concentrated power of the public utility lobbyists will be very great, and, in that event, in my opinion, it will not be very long before the State commissions will be subjected to similar pressures and will proceed to follow the Federal practice.

Mr. JAVITS. The Senator from Wisconsin has stated the facts in regard to action by the Federal Power Commission on this tax credit and in regard to the question of passing the credit through; and he has also discussed the situation in the case of the Interstate Commerce Commission. Does he have other examples to cite?

Mr. PROXMIRE. I now quote from the January 23, 1964, order of the Federal Power Commission:

> The Commission has reached the conclusion that on the basis of existing law the accounting treatment to be prescribed should be to flow through the credit to income.

That is a very clear statement by the Federal Power Commission.

In my judgment—although I anticipate that this will be contested by the Senator from Louisiana—it is also clear that the Interstate Commerce Commission has taken the same position in its order of February 1, 1963.

Mr. JAVITS. What about the ones who regulate the aircraft companies, and so forth; does the Senator from Wisconsin have information from them?

Mr. PROXMIRE. I have none from the Civil Aeronautics Board, although I understand that this would be a fairly academic question at the present time, because I think most of those companies are not earning in excess of a fair return.

Mr. JAVITS. I should like to pursue another line of questioning, and I hope the Senator from Wisconsin will join me in exploring it: Apparently the argument in regard to the 3 percent for the public utilities is very different from that for the forms of activity subject to the 7 percent, the basis for the distinction being that the prohibition now contained in the pending bill would absolutely prevent a pass-through, whereas for the other utilities it would still require amortization over the life of the asset or the utility.

Mr. PROXMIRE. In other words, for the transportation utilities which would be permitted a 7-percent tax credit, the prohibition would be absolute and certain; for the utilities which would be permitted the 3-percent tax credit—the American Telephone & Telegraph Co., the electric utilities, and so forth—the pass-through would have to be over the life of the asset.

Mr. JAVITS. The Senator from Wisconsin has referred to the competitiveness in other areas, especially in connection with the truck transportation industry, and similar ones. Can he qualify the amendment as being an effort to equalize the competition? In other words, if the pass-through is prohibited, competition is equalized for all truck transporters and the others in that area, where there is a heavy competitive factor.

Mr. PROXMIRE. Yes, indeed; and I think that is an excellent point, because some have tried to argue the other way. The Senator from Louisiana said that the other firms, which are outside public-utility regulation, are in a position to hold on to the investment credit. I say they are not, because the competition itself requires—on the basis of any understanding or practical comprehension of how the tax credit operates—that it will pass through.

So I say the tax credit would be passed on in competitive industries. My amendment would make the pass-on of the tax credit apply to noncompetitive regulated industries.

Mr. JAVITS. Or the converse would be that if the pass-on were prohibited in the case of the regulated transportation companies, the other companies might figure that all of them would hold on to it, too; and, in that event, the competitive situation would not affect at all the question of whether the credit was passed through. So the question could be as broad as it is long.

Mr. PROXMIRE. It could be, if the competition were imperfect—as it often is in the United States.

Mr. JAVITS. But thereby the public utilities would be put to a disadvantage, by means of this mandatory requirement.

Mr. PROXMIRE. That is correct.

Mr. JAVITS. Has the author of the amendment considered the possibility of a plan somewhat more adaptable to specific situations than the pending amendment, with its rather broad sweep?

Mr. PROXMIRE. In reply to that question, I say that I feel that this amendment is exactly as it should be, for the reason that it leaves this matter completely to the discretion of the regulatory body—which is the way it should be. If we permit Congress to give a little direction as to rates, I think we shall lose the main argument in regard to the version of the bill the committee has reported.

Mr. JAVITS. Will the Senator from Wisconsin, the author of the amendment, now say that if his amendment is enacted into law, the legislative intent of the amendment will not be the negative one of attempting to deprive any board of that discretion—thereby indicating the attitude of the Senate or the Congress—but that he understands that there are situations in which the pass-through may not be required, either in whole or in part.

Mr. PROXMIRE. I think I must state my own position on the amendment, as its author—namely, that it would maintain the present policy on the part of the regulatory bodies. The purpose of the amendment is not to change that in any way or to say that the tax credit must be passed through; but my position is that the regulatory bodies—which, in my judgment, have said they intend to pass the tax credit through; and I have placed in the RECORD documentation to show that—should be permitted to continue this policy, without dictation by Congress; and I think the Senator from Washington [Mr. MAGNUSON], the chairman of the Commerce Committee, contributed greatly to the legislative history in this connection when he said that is his opinion, discretion on the pass-through should be left with the regulatory bodies.

Mr. MAGNUSON. Yes. If there were to be included in the bill a requirement that the companies must pass the tax credit through, that would be as unfair as the others, for then Congress would be saying to the utilities, "You cannot keep the tax credit; you must pass it through." In that event, the Commission could do nothing.

Mr. JAVITS. I take it that the Senator from Wisconsin has in mind the policy of the regulatory agency for the time being.

Mr. PROXMIRE. The whole point of the amendment is to let them—not Congress—determine their policy.

Mr. JAVITS. I thank the Senator from Wisconsin.

Mr. PROXMIRE. I thank the Senator from New York for his very helpful questions.

Mr. GORE. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. GORE. Is it not true that the intent of the Senate, in the first place, in voting for the investment credit to the regulated utilities was—and at the time was made perfectly clear—that the benefits should be passed through and would be passed through to the consumers?

Mr. PROXMIRE. When I voted on that bill in 1962, that was certainly my understanding; and it was corroborated and emphasized by the Senator from Oklahoma, who, in debate with me, stated exactly that.

However, it is true that the conference report and the House took a different point of view. Therefore, I think the legislative history is not explicit, express, and clear.

Mr. GORE. Mr. President, will the Senator from Wisconsin yield further to me?

Mr. PROXMIRE. I yield.

Mr. GORE. Lest someone impute to the author of the amendment some unusual power to interpret the legislative intent, I wish to ask the able Senator from Wisconsin whether it is true that he, the senior Senator from Illinois [Mr. DOUGLAS], the senior Senator from Tennessee, and other Senators agreed, in concert, in conference among themselves, that certain amendments would be offered by various members of that group.

Mr. PROXMIRE. Yes, indeed; and I am certainly a junior member of the group, if ever there was one.

Mr. DOUGLAS. But the Senator from Wisconsin is a very valued and valuable member of it.

Mr. PROXMIRE. Certainly the Senator from Tennessee [Mr. GORE] and the Senator from Illinois [Mr. DOUGLAS] were the leaders; and they made the suggestions, and they have done all the work on this matter.

Mr. GORE. But the Senator from Wisconsin is a very able and very respected member of any group of which he is a part.

This amendment was one of the key and important amendments which the group considered.

Incidentally, the press has been wont to dismiss those of us who have been waging the battle for what we regard as the public interest, as "a little band of liberals."

I must suggest that before the fight is finally over in both committee and in the Chamber, this so-called little band will leave a little footprint on the bill including, I believe, the adoption of this amendment. Therefore, I suggest that the intent of the amendment which the senior Senator from Wisconsin offers embodies the legislative will and intent of many Senators, and that intent is to preserve the law as it is with respect to the pass-through of benefits from the investment credit.

Mr. PROXMIRE. That is absolutely correct. To preserve the law as is. There is no question about that.

Mr. GORE. The question has been raised here as to whether it would be proper to give the benefit and then to take it away. That is not the case at all. As I shall try to demonstrate later, taxes are considered by regulatory agencies as a part of the cost of providing services. The regulatory agencies, by decisions which I shall read, have ruled that the amount of taxes actually paid, which is the tax liability less the investment credit, is the proper item of cost.

Is it not true that what the bill would do would be to require the Federal regulatory agencies to treat the investment in equipment, for purposes of determining fair and reasonable rates, at 100 percent, rather than the actual effective cost, which in one instance is 97 percent and in the other 93 percent of purchase price.

Mr. PROXMIRE. I can answer the question which the Senator from Tennessee asked before: Clearly and emphatically, "Yes." That is why we wish to preserve the law as it is now. But as I understand, we have to recognize that it was the full and complete legislative history of the 1963 investment credit with regard to utilities that was confusing and ambiguous. I am happy that that the Federal Power Commission and the Federal Communications Commission have taken a clear and unequivocal position that the tax credit should be passed on. I think the ICC has taken the same position, but there is some dispute about it. All I can say, in complete honesty, is that what I am purporting to do is to keep the present law as it is. On the basis of what I have said before—and I must be consistent—this leaves discretion with the regulatory bodies. I am satisfied that that discretion will be exercised, as it always has been in the past, and that the full tax liability, and only the tax liability, will be taken into account, and no more.

Mr. LONG of Louisiana. Mr. President, will the Senator from Wisconsin yield for a question?

Mr. PROXMIRE. I am glad to yield.

Mr. LONG of Louisiana. Assuming that some agencies are not required to pass through the benefits of the credit, as I am certain they are not; and inasmuch as the Senator from Wisconsin is saying that he believes in passing on the credit, why does he not offer his amendment to require that they all pass it on? The Senator says that he believes in a pass on. If he believes it is evil not to pass it on, why does he wish to condone anything less, such as a pass on in some cases and not in others?

Mr. PROXMIRE. The answer to that is easy and simple, and has been given by the Senator from Washington, the Senator from New York, and other Senators, and that is that we strongly believe that the regulation of utilities should be left to the regulatory bodies. That is why Congress created them. It is not up to the Senate to tell them how to regulate utilities. It is not up to the Senate to say what is a fair return and what is not a fair return. That is the job of the regulatory bodies. If they are not doing a good job in that regard we should not approve the appointees the President appoints to these commissions.

Mr. LONG of Louisiana. Do we not tell them how they are to regulate when we enact the statutes that created them? We instruct them how to regulate not only in the statutes which create them, but also in subsequent laws which we have passed which relate to them.

Mr. PROXMIRE. We do, indeed. We tell them that they should represent both the producer and the consumer, and that they should permit a rate which would provide a fair return; but we do not go so far as to say that a fair return must ignore a definite and clear gain which they can get by reason of a provision in a Federal income tax; or we have not done that until today. This will be the first time we have ever done anything like that.

Mr. LONG of Louisiana. If there is to be an investment credit, is the carrier to receive the benefit of the credit, or not? The issue is just that simple. When we passed the statutes, which did we intend?

Mr. PROXMIRE. Let me say to the junior Senator from Louisiana that in my judgment the carrier will get the benefit of the credit if it is passed on. That is a position that has been taken by the leaders of the utilities.

Mr. LONG of Louisiana. I am satisfied that the ICC does not require any carrier to pass on any of the credit. If the Senator from Louisiana is correct, it would be outrageous to require the carrier to pass it on.

Mr. PROXMIRE. No, indeed.

Mr. LONG of Louisiana. Why does not the Senator from Wisconsin speak to that point, instead of making legislative history that would indicate that the present practice of spending to require passing on should continue?

Mr. PROXMIRE. Because the most important argument which I have made is that we should not dictate that kind of policy. It is up to the regulatory bodies to decide, with some legislative committee established by the Senate itself, such as the Commerce Committee, headed by the Senator from Washington, not the Finance Committee, which deals with taxation, what kind of regulatory policy there should be.

Mr. DOUGLAS. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. DOUGLAS. I should like to clarify the situation with a homely illustration.

Suppose there were two men, one of whom ate only two meals a day and the other ate four meals a day, and we gave the equivalent of a meal a day in tax credit. The regulatory body says, "The man who has only two meals a day deserves it so that he can get three meals a day." He gets his three meals a day through the investment credit.

Are we then going to say, because we give an extra meal to an underfed man, that we must "superstuff" a man who is already getting four meals?

Mr. PROXMIRE. The point the Senator from Illinois makes is logical, and it follows directly from what the Senator from Louisiana has said. Of course, the ICC permits the investment credit to be passed on, but many of these industries are not earning a fair return, in some cases. Under the circumstances, they should receive full value as stockholders of the investment credit with no pass-through.

Mr. DOUGLAS. What about the gas pipelines? Are they doing badly?

Mr. PROXMIRE. The Senator from Illinois is more expert in that area than I am, but they are doing very well.

Mr. DOUGLAS. Yes. Nevertheless, they will get the 7-percent credit and cannot be ordered to pass it on. Are our electric utilities as a whole doing very well?

Mr. PROXMIRE. The Senator from Illinois recently mentioned that they were earning 9 percent on their investment capital.

Mr. DOUGLAS. Yes, on the average. Is it necessary to "stuff" them with an "additional meal" a day when they are already at least comfortably fed, and some of them are overfed?

Mr. PROXMIRE. The record shows that this provision would not accomplish the objective that the Senate had in mind for the investment credit, because it would not mean that they would purchase more equipment. The way to induce them to purchase more equipment is to lower the rate and increase their market so as to make necessary the purchase of additional equipment.

Merely because the company can save 7 percent in the price of equipment does not mean that they are going to buy unnecessary, useless equipment.

Mr. PELL. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. PELL. The original study of the 7-percent investment credit was designed to encourage new investments. Will not the amendment run against the thrust of the general purpose, in that the regulatory agencies will be applying set rates in such a way as to keep profits uniform? I should like to see investment credit even larger than it is, from the standpoint of the growth of our Nation, so that there will be capital construction. I am thinking particularly of the railroads, and the money that is spent in new construction or in capital equipment. To my mind, anything we can do to increase such investment is important. Would not the amendment go against this theory?

Mr. PROXMIRE. It would not, for several reasons. In the first place, a utility which is earning a fair return each year is able to earn more when its customers are able and willing to buy more because rates are lower.

The utility can always go to the regulatory body and obtain higher rates if such higher rates are necessary for the company to finance the purchase of additional equipment. As Mr. Donald Cook said, they have plenty of cash. They can always get the rates they desire if they need them in order to obtain additional equipment.

In a situation such as that of railroads which are not earning a fair return, the investment credit would automatically be passed through because they would be allowed to earn up to 6, 7, 8, or 9 percent. As the Senator from Rhode Island knows, most railroads are losing money or making only 1, 2, or 3 percent on their investment. So there is no question that the program could work to stimulate railroad investment.

Furthermore, the greatest tragedy for the investment credit in terms of frustrating congressional intent—I have made the statement several times, but I shall say it again—lies in the fact that if the investment credit is merely kept in cash by the utility, or if it is paid out in dividends to stockholders, it is not used to buy equipment. If instead the money is used to lower rates, and those rates can be lowered twice as much as the credit, on the basis of the calculation I put into the RECORD, the customers would be likely to buy more. If customers would buy more, more equipment would be required, and the utility would expand its purchases of equipment. That is the way to make the investment work the way we want it to work.

Mr. GORE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to the Senator from Tennessee. I have held the floor much too long. I shall yield the floor after the Senator from Tennessee has asked his question.

Mr. GORE. I shall have some additional remarks to make later, but it seems to me that this is an appropriate time to point out that the railroads are not generally seeking higher rates. In almost all cases, the railroads are seeking to lower rates. So we have an entirely different situation as between a natural gas pipeline, which is seeking to raise rates, and a railroad which is seeking to lower rates. In fact, we have two separate regulatory agencies, each with proper jurisdiction, and each with a mandate under the law to protect the public interest. I do not believe that the ICC and the FPC could be merged into one agency and be expected to reach the same conclusion on an application by a railroad which seeks to lower rates as it would on an application by a pipeline company which seeks to raise rates. The problem is complicated. It is not a simple question of why give them the benefit and then take it away? That is not the case. I shall seek to develop this point in my own remarks.

Mr. PROXMIRE. I thank the Senator from Tennessee. He has stated a helpful correction. His superior knowledge of the railroad industry is very helpful, because that was not my understanding. I did not appreciate the fact that railroads have been seeking overall and generally lower rates.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MAGNUSON. I dislike to prolong the debate, but I do not wish the two Senators to let the RECORD stand in respect to what it shows about railroad rates. Railroads seek to lower rates for some commodities only. They seek to raise rates on other commodities. Some railroads desire to lower rates; some want higher rates. It is a complicated field. I suggest that the RECORD not show that railroads generally desire low rates. They would like to lower rates if their financial position would permit them to do so. But a great game of chess goes on about lowering rates between modes of transportation. Generally speaking, there are some areas in which the railroads would like to lower rates.

Mr. GORE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. GORE. One should not undertake to make absolute statements in that regard. A general statement has exceptions. The statement I made has exceptions. I believe it is generally true that the overwhelming proportion of railroad petitions before the ICC is directed toward a lowering of commodity rates.

Mr. MAGNUSON. Bulk commodity rates.

Mr. GORE. Bulk commodity rates. But what the Senator said, and what I now acknowledge, seems to me to illustrate that the question is one which should properly be vested in a regulatory agency, a quasi-judicial agency, that could take proof, hold hearings, and would be charged with the responsibility of the public interest. It does not lend itself to detailed legislative action.

Mr. PROXMIRE. Mr. President, I yield to my colleague from Wisconsin.

Mr. NELSON. Mr. President, I wish briefly to commend the senior Senator from Wisconsin for a remarkably able presentation of an overwhelmingly persuasive case on behalf of his amendment.

What I am about to say has been repeatedly said this afternoon, but there continues to appear to be some confusion on the part of some Senators about the function of regulatory bodies. As the senior Senator from Wisconsin has said, it is the function of the regulatory bodies to protect both the public interest and the legitimate private interest of the utility. The test is that they should set rates to be paid by the consumers which assure the company a fair rate of return. Every single item that goes into constituting a part of that profit is a part of the fair rate of return.

Every single item that constitutes a part of that profit is a part of the fair rate of return. The present bill would provide a fair rate of return plus. The regulatory agencies are not in the business of giving cost-plus profits. They are in the business of assuring a fair rate of return and protecting the public interest.

Wisconsin has a great and distinguished tradition through its regulatory bodies. David Lillienthal was the chairman of our public service commission in Wisconsin back in the 1930's.

He went from there to the Tennessee Valley Authority, where he became Chairman of the Authority. Today we have as chairman of the public service commission in Wisconsin a man whom, I am proud to say, I appointed as chairman of that commission—Leonard Bessman—who seeks as conscientiously and as ably as any man we have ever had in history to protect the public interest.

But I point out that the public service commission in Wisconsin is not typical of regulatory bodies in all the States. There are only a few exceptions in which consistently the regulatory bodies have been regulating in behalf of the public interest. If the public service commission should decide not to pass on the benefit to the consumer, it might, by the calculations of our public service commission, cost the consumers a total of over $10 million per year in Wisconsin.

Mr. PROXMIRE. That is in Wisconsin alone.

Mr. NELSON. In Wisconsin alone. There would be a $10 million a year loss to the consumers in a State with 4 million people. That means that hundreds of millions of dollars are involved when this is added up for all the States of the Nation.

The senior Senator from Wisconsin has said the State agencies will not be compelled to pass this tax saving on or to hold it back. I am confident, however, that when we get into something involving hundreds of millions of dollars, we shall see the most fantastic lobbying of the regulatory agencies, in all the States of the Nation that has ever occurred. It will be unlike anything we have seen before in history. The utilities are not going to pass up an opportunity to influence their own regulatory agencies. They will use the argument that the Federal agency cannot pass on the benefit so therefore they have some status on which to argue that the State should not pass on the benefit to the consumer.

With the support they will get, they will lobby against the consumer's interest, successfully, over the country, and only a handful of regulatory agencies will stand up for the consumer's interest.

The day will come in my State when we shall not have a regulatory agency that is as interested in the public interest as the present one is, because all the Governors in the future will not appoint to the commission those who have the same public interest at heart. So there is at stake hundreds of millions of dollars, and in a decade billions of dollars, of the consumer's interest. That interest should be protected by adoption of the amendment offered by the Senator from Wisconsin.

In conclusion, Mr. President, there are at least five good reasons for supporting this amendment.

First. The provision would interfere with the whole history and tradition of independent regulatory operations.

Second. The provision is contrary to the intent of the Senate when it approved the Revenue Act of 1962.

Third. The provision would represent a direct subsidy of millions and perhaps billions of dollars to the private utilities by the consumer.

Fourth. The provision, by forcing the regulatory agencies to maintain artificially high rates, would directly contribute to inflation.

Fifth. The provision, contrary to the whole intent of the Revenue Act of 1962 and the bill we are now considering, would not stimulate investment. In fact, by maintaining artificially high rates, it may even reduce demand, therefore, reduce investment in the utility industry.

This last point deserves emphasis. There is very little evidence to suggest that the investment credit encourages the utilities to increase their plant and investment. The whole purpose of the Revenue Act of 1962 was to stimulate investment. Last year the utilities were not forced to flow through the tax credit. But a report published by the Department of Commerce in the Survey of Current Business stated that the public utility investment plans for 1963 were little changed from the plans in 1961 and 1962. In fact, according to the Edison Electric Institute, as reported in Newsweek magazine, the utilities cut back their investment plans by 19 percent for the second and third quarters of 1963. Last week's January 27 issue of Electrical World showed that 1962 capital expenditures for the entire electrical utilities industry had not yet reached the level of 1957, 1958, 1959, 1960, or 1961—and they were only slightly above the 1962 level for this industry.

Sometimes it is argued that the utilities need this extra benefit in order to attract capital. Nothing could be further from the truth. I have before me the Bear, Stearns & Co., monthly comparison of electric utilities common stocks for January 1964. This indicates that the average gross income as a percent of total capitalization is 6.8 percent for the private utilities. In my own State of Wisconsin, the most important companies all had earnings in this range.

The Wisconsin Electric Power Co. earned 6.1 percent.

The Wisconsin Power & Light Co. earned 6.4 percent.

The Wisconsin Public Service Corp. earned 7.2 percent.

These are well-managed, successful companies that have no difficulty in attracting capital.

In sum, there is little evidence that the utilities have been encouraged to expand their investment by the tax credit provision of the Revenue Act of 1962. Moreover, the evidence suggests that when and if the utilities wish to expand their investment, they have no need of the provision: They have no difficulty in getting capital. Thus the basic argument that this benefit is required to stimulate investment and thereby stimulate the economy seems false. In fact, we find the utilities simply coming before the Congress asking us to direct the regulatory agencies to force the consumers to increase the profits of the utilities. Indeed, there are a number of enlightened members of the industry who recognize that this attitude is bound to hurt the industry itself. The utilities are divided on this question.

There is ample evidence, for example, in a speech by Mr. Donald C. Cook, president of the American Electric Power Co., at the Great Lakes Conference of Railroad and Utilities Commissioners on June 21, 1963, that a major fight is raging within the industry. There are many in the industry like Mr. Cook who realize the need for moderation. They understand that they cannot continue to demand undue benefits at the taxpayer's expense. Moreover, they realize that flowing through the tax credit in order to lower rates is the best way to stimulate demand.

In fact, Mr. Cook has been fighting an uphill battle against many other representatives of his own industry. Mr. Cook rightly notes that the congressional intent of the tax credit to utilities was that this should be treated as a normal tax reduction; that is, it should be flowed through to the consumer. Others in his industry, such as Mr. Walter Bouldin, president of the Edison Electric Institute—an organization of private power companies—argue incorrectly, I think, that the legislative history does not indicate an intent to treat the tax credit as an ordinary tax reduction.

Thus, the industry itself is split on this issue. It is divided between those who feel it both prudent and profitable to flow through the credit and reduce rates—and between those who want to take everything they can at the expense of the taxpayer and the consumer.

The implications of section 203(e) for the Wisconsin consumer are only too obvious. For one thing, Wisconsin is an area greatly dependent upon rural electric systems. Throughout the Nation nearly one half of the energy purchased annually by the rural electric systems is purchased from the private power companies. During fiscal year 1963, the total power purchased from commercial power companies by REA-financed systems was $109,200,000. In Wisconsin, the total was $1,647,936.

We in Wisconsin have a direct stake here. The exact extent of that stake is difficult to measure for we must predict how much of the credit thus should be passed on to the consumer. Having made this prediction, we must analyze what would happen if section 203(e) is approved and the regulatory agencies are directed not to flow through the credit to the consumer. Furthermore, we must make some assumptions about the way State regulatory agencies will act once the Federal agencies set the precedent.

There are many aspects to this problem. I have asked the Federal Communications Commission to estimate how much the tax credit for investment in interstate telephone services might be kept or passed on to Wisconsin consumers. Mr. Robert E. Stromberg has provided a very rough estimate that the investment credit related to interstate service in Wisconsin in 1963 amounted to about $350,000. Assuming that the corporate Federal income tax rate is reduced to 50 percent, this means that a rate reduction of approximately $700,000 could have been flowed through to Wisconsin consumers.

I have asked the Federal Power Commission to estimate a rough measure of the impact on Wisconsin gas consumers of section 203(e). Mr. Joseph E. Swidler has provided an estimate of $1,600,000 a year cost to the Wisconsin consumer.

Finally, if the Wisconsin Public Service Commission were to follow suit and adopt the pattern of the Federal regulatory agencies in its own operation, there would be a further cost to Wisconsin consumers due to local service of approximately $8,160,000 per year. I ask unanimous consent to insert at this point a statement provided by Mr. Leonard Bessman, chairman of the Wisconsin Public Service Commission. It should be noted that Mr. Bessman forecasts an annual amount of investment credit of $4,080,000. Assuming a 50-percent corporate tax rate, if this investment credit were passed on in the form of rate reductions, the reductions would amount to $8,160,000.

If section 203(e) is approved and if the Wisconsin Public Service Commission follows the Federal precedent, the Wisconsin consumer will be forced to pay an additional $10 million each year to the private utilities. In 10 years, the most conservative estimate is that he will have been milked by the utilities for more that $100 million.

Mr. President, I urge that this provision be deleted from the bill we are now considering. I hope it is deleted and that the House of Representatives will agree with such action. However, if the Congress does not agree to remove this unwise and inequitable provision, I would strongly urge the State regulatory agencies to stand together and refuse to follow the Federal precedent in their own operations. There will, however, be tremendous pressure upon the State agencies to follow the Federal precedent. There will be lobbying with the regulatory agencies unlike anything we have even seen before in history because of the hundreds of millions of dollars at stake.

There is no doubt that the present Wisconsin Public Service Commission will stand up for the public interest, but what will happen to the Wisconsin consumer when we have a commission, as we sometime surely will, that is not so concerned with the public interest?

Mr. President, I ask unanimous consent to have printed in the Record at this point the following: A chart which specifies the cost to the Wisconsin consumer due to higher rates if the tax benefit is not "flowed through"; a statement by Robert E. Stromberg; a letter written by Mr. Joseph C. Swidler, Chairman of the Federal Power Commission; and a breakdown of the Wisconsin class A privately owned electric, gas, water, and telephone utilities forecast of investment tax credit.

There being no objection, the material was ordered to be printed in the Record, as follows:

Cost to Wisconsin consumer due to higher rates if tax benefit is not "flowed through" (sec. 203(e))

	1963	Minimal 10-year estimate
Interstate telephone service cost	$700,000	$7,000,000
Interstate gas pipeline cost	1,600,000	16,000,000
Wisconsin electric, gas, water, and telephone costs	8,160,000	81,600,000
Total	10,460,000	104,600,000

Interstate telephone services in the United States had a total investment credit in 1963 of about $17 million. The total telephones in Wisconsin amount to about 2.1 percent of the total telephones in the United States. On this basis it is estimated that the investment credit related to interstate services in Wisconsin in 1963 amounted to about $350,000.

Wisconsin Telephone Co. and General Telephone Co. of Wisconsin in 1962 had investment credit for the two of them combined of about $900,000. This amount should not change much in 1963. Since the two named companies combined account for about 90 percent of the telephone business in Wisconsin as measured by plant investment and revenues it is estimated that all telephone companies in Wisconsin will receive investment credits in 1963 totaling about $1 million.

So, if the Wisconsin Public Service Commission were to go along with "service life flow through" of the investment credit for telephone companies as required of Federal regulatory agencies (specifically FCC) by the tax bill the total amount kept from being flowed through to telephone users in Wisconsin in the initial year by the tax bill would be on the order of $1,350,000 per year. In terms of giving the telephone companies $1,350,000 additional net income by means of a rate increase or reducing their net income by means of a rate reduction a factor of 208.33 must be applied to provide for the effect of a 52-percent corporate Federal income tax rate. On this basis $1,350,000 becomes $2,812,500.

ROBERT E. STROMBERG.

FCC, *February 1, 1964.*

FEDERAL POWER COMMISSION,
Washington, D.C., February 3, 1964.

Hon. GAYLORD NELSON,
U.S. Senate,
Committee on Interior and Insular Affairs,
Washington, D.C.

DEAR SENATOR NELSON: This is in response to your letter of January 31, 1964, asking for any information we have available of the impact on consumers in Wisconsin of section 202(e) of the Revenue Act of 1964, H.R. 8363 (sec. 203(e) of the Senate bill).

A rough measure of the impact on Wisconsin gas consumers can be obtained from the attached computations with respect to Michigan-Wisconsin Pipe Line Co. which is the principal wholesale supplier of gas to consumers in Wisconsin. The attachments indicate that on the basis of the investment tax credit reported by Michigan-Wisconsin in 1962, the impact on Wisconsin consumers if section 202(e) is enacted could be approximately $800,000 per year. If the estimate is based upon the investments of Michigan-Wisconsin over the past 5 years, the figure would be approximately $1,600,000 a year.

Sincerely,

JOSEPH C. SWIDLER,
Chairman.

Dollar impact on Wisconsin consumers if investment tax credit of Michigan-Wisconsin Pipe Line Co. is allowed, in cost of service for future dates basis—Investment tax credit reported for 1962

Investment tax credit reported in FPC form No. 2 for year 1962	$800,000
Portion applicable to Wisconsin consumers	400,000
Impact on Wisconsin consumers if investment tax credit is allowed in future rates	800,000
Revenues from Wisconsin (50 percent)	58,634,421
Total revenues	116,475,122

$800,000 × 50 percent equals $400,000.

Dollar impact on Wisconsin consumers if investment tax credit of Michigan-Wisconsin Pipe Line Co. is allowed in cost of service for future dates basis—Average additions for years 1958–1962

Additions as reported in FPC form No. 2:	
1958	$6,389,406
1959	36,071,254
1960	70,852,418
1961	8,737,922
1962	14,157,515
Total	136,208,515
Less 15 percent of nonqualified property	20,431,277
Qualified property	115,777,238
Average for 5 years	23,155,447
Investment tax credit at 7 percent	1,620,881
Effect if investment tax credit is allowed in future rates	3,241,762
Impact on Wisconsin consumers if investment tax credit is allowed in futures rates (50 percent of line 19)	1,620,881

Wisconsin class A privately owned electric, gas, water, and telephone utilities forecast of investment tax credit, 1963–67

[In millions]

Year (a)	Actual qualified plant additions (b)	Smoothed plant additions (c)	Forecast of plant additions (d)
1956	$91	$107.1	
1957	118	110.3	
1958	111	113.5	
1959	136	116.7	
1960	121	120.0	
1961	130	123.1	
1962 [1]	110	126.3	
1963			$129.5
1964			132.7
1965			135.9
1966			139.1
1967			142.3
Total	817	817.0	679.5

Total qualified plant additions forecast for 5 years, 1963-67	$680,000,000
Investment tax credit at 3 percent	20,400,000
Forecast of average annual amount of investment tax credit	4,080,000

[1] Estimated.

NOTE.—(1) Smoothed additions in col. (c) are least squares smoothing of amounts in col. (b). (2) Amounts in col. (d) are extension of smoothed amounts in col. (c).

Mr. PROXMIRE. Mr. President, I point out that my colleague was Governor of Wisconsin for 4 years. He made a distinguished record. One of the fields in which he distinguished himself was in his appointments to the public utility commission of persons who had a deep understanding of the necessity of being devoted to the public interest and who had the fiber and strength to resist unjustified importunities which they always undergo from the public utilities they are regulating.

I thank the Senator for his eloquent and most effective statement.

I yield the floor.

Mr. TOWER obtained the floor.

Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I yield the floor.

Mr. LONG of Louisiana. Mr. President, any Member of this body is privileged to take a self-righteous attitude with regard to any legislation in which he thinks he is not only right, but a hundred percent right, and thinks that the other person is not only wrong, but a hundred percent wrong and that such a person is little short of being a robber baron.

On occasion I have taken that attitude and have spoken on a matter, having difficulty staying within the rules of the Senate. I can remember when Senators were conducting a filibuster against the satellite communication bill, which the Senator from Louisiana contended would give at least 50 percent of that monopoly to a private telephone company. The Senator from Wisconsin voted for it. It was all I could do to say what a horrible bill he was voting for, in giving the biggest monopoly in the world an even bigger monopoly.

There is before the Senate a relatively simple proposal. If we brush aside all the complicated arguments and look at what we are really talking about, we find that 2 years ago Congress passed the bill providing for the so-called investment credit.

When it adopted the investment credit provision, Congress provided that there would be a 3-percent investment credit for regulated utilities that were regarded as being monopolistic in character to the extent that they had no competitors for the service. In other words, the 3-percent investment credit would apply to a telephone company on the theory that people had to have telephones, and therefore the utility had captive customers whether the public wanted that situation or not. This would also apply to an electric company, which although people do not have to heat their homes by electricity, nevertheless they have to have electric lights in their homes.

So Congress made a distinction in regulated utilities which are regarded on the one hand as being locked-in monopolies, and allowed them only 3-percent investment credit, while it looked at the transportation industry and regarded it as being a competitive industry. Railroads were competing with other railroads. All the railroads were competing with the trucking lines. Both types of carriers were in turn competing with pipelines for customers. Even pipelines were competing with other pipelines. They were all competing with the barge lines, which were in turn competing with tanker fleets.

We recognized the competitive nature of the industry which existed, for example, in New York, where pipelines carrying gas are trying to take customers away from railroads carrying coal. Both of them are fighting the trucking lines for customers carrying coal or oil.

All of them compete with the enormous tankers, some with a draft of 70 feet, some having twice the tonnage of the *Queen Elizabeth*, which carry the lowest cost fuel of all; namely, residual oil. So here they were all trying to get business, and all are competitive.

Congress took the attitude at that time that the carriers were entitled to the 7-percent tax credit just as other manufacturing industries were entitled to it. For the reasons that these industries were in competition with one another in seeking to do business with others, Congress took the attitude that if we were to provide the 7-percent tax credit to encourage industry to have the latest machinery and the most efficient operation, we would not want to work toward the day when we had a space age manufacturing industry and a horse and buggy transportation industry, but that we would let them go forward together.

The legislative history as made on the floor of the Senate by the late Senator Kerr of Oklahoma, who was the Senator in charge of the bill, suggested, when the bill was initially considered, that it was the intention of the Senate that the tax credit be passed through. When the matter went to conference, the House and Senate conferees reached an agreement. The understanding between Senator Kerr and the House managers was that the tax credit would not be passed through.

Apparently the House had one thing in mind and the Senate another. It is clearly stated in the report of the managers for the House that it was intended by the managers and by those who drafted the report that it was not to be passed through. This is also what Senator Kerr said. He was speaking for the conferees of the Senate when he said:

> It is the understanding of the conferees on the part of both the House and Senate that the purpose of the credit for investment in certain depreciable property, in the case of both regulated and nonregulated industries, is to encourage modernization and expansion of the Nation's productive facilities and to improve its economic potential by reducing the net cost of acquiring new equipment, thereby increasing the earnings of new facilities over their productive lives.

That would suggest that what Senator Kerr said on the floor when he was managing the bill was no longer the opinion to which the conferees agreed when he spoke for the conferees of the Senate on returning the conference report to the Senate.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. TOWER. Apparently speaking for the administration, Secretary Dillon, on May 3, 1961, in his testimony before the Ways and Means Committee, in speaking of the transportation industry, said:

> Although subject to various forms of regulations of their charges, are in fact highly competitive businesses with varying rates of return on investment. Many of these enterprises are not only competitive among themselves at given regulated prices, but also must compete with private truck fleets, private airplanes, and other transportation facilities operated by industrial corporations which would be eligible for the credit.

Mr. LONG of Louisiana. The Senator is correct. When the Senator from Oklahoma made the statement on the floor that the utilities—not only the utilities, but the transportation industry as well—would be required to pass the tax credit through to their customers in reduced prices, he was in large measure relying upon the testimony of Mr. Donald Cook, to whom reference has been made, but as I have said, his position was changed after the conference.

The House, in considering this legislation in 1963, recognized the difference between the problem involved with the electric utilities and that with respect to the transportation industry. Recognizing the complete monopolistic situation with regard to the electric utilities and telephone companies, the House had said that these companies would be required to pass the credit through, but only over the life of the asset. That would mean that the companies could benefit from the interest on the money during the time that they were passing it through to the users, and no longer.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. McNAMARA. In relation to passing through on the part of the utilities—the telephone companies and electric companies—it is true, is it not, that they are regulated generally by State agencies? Would they be forced under the Proxmire amendment to pass it through immediately, or could it be done over the life of the asset?

Mr. LONG of Louisiana. The State agencies would not be affected. They could do as they wished.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. McNAMARA. Does that satisfy the Senator from Wisconsin?

Mr. LONG of Louisiana. If the Senator will permit me, I would rather settle that point later. I would like to explain my position.

Mr. McNAMARA. The Senator bases his argument on what was adopted 2 years ago when the 7-percent tax credit was created.

I voted against it. The Senator lost me to start with, and he will have to pick me up, because I am sure he needs my vote.

Mr. LONG of Louisiana. So far as the law stands today, I believe it would make no difference as to State regulation if the Proxmire amendment were agreed to, or if the committee amendment were retained. In any event, what we are talking about is the federally regulated commissions established by Congress, which are regarded as arms of Congress. We are talking about how those agencies would handle their responsibility. This has no reference at all to how a State agency would handle its decision to regulate.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I know that the Senator will disagree. I know the Senator will suggest that someone in the State agency might say that this is the Federal practice, and that they would want to adopt it. They may if they so desire, but they do not have to do so.

Mr. McNAMARA. I am not impressed by the "fallout" argument.

Mr. LONG of Louisiana. The Interstate Commerce Commission takes the position that Congress intended this credit to be an incentive. In its letter of September 26, 1963, it takes the position that in its judgment Congress intended the tax credit to be an incentive for modernizing and improving and expanding the services of the carriers that they regulate. Therefore the Commission says that it is not attempting to take this credit back from the carriers, and does not propose to do so.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. Mr. President, I listened to the Senator from Wisconsin. I would appreciate it if he would let me finish my argument. I know he will disagree. I should like to state my case in chief.

The letter to which I have referred, on page 3, makes it very clear that the ICC took the exact attitude that was expressed by he House managers, and by Senator Kerr after the conference, in unequivocal terms, that it was intended as an incentive to modernize the railroads, the bargelines, and the trucklines.

So far as the CAB is concerned, that regulatory agency does not fix the rates of the airlines. Those rates are fixed by competition. Therefore, so far as that agency is concerned, this does not make any difference.

So there is no real reason why that agency should become involved one way or the other. We have heard much debate to the effect that if we do not let the Federal Power Commission require the utilities to give up their investment credit, there will be higher rates. Those who make that argument completely overlook the value of competition.

Let us look for a moment at the carriers of persons. Which carrier is it that is making all other carriers more efficient? It is the airlines; and the airlines are the carriers whose rates are not regulated. The airlines have taken away practically all the long-distance transportation of railroads and buses. Airlines have taken step after step to buy new equipment, even when they were losing money, and have gone head over heels in debt, year after year, to buy new equipment, knowing that by providing better service to the public, they would be enabled to compete more strongly with the railroads and buslines. It is the airlines that are battling the railroads and buses and are causing the railroads to face the problem of featherbedding and to face a strike by labor, in order to eliminate unprofitable service.

Airline fares are not regulated by a regulatory agency. They provide faster and better service. I can now go to my hometown in Louisiana in one-third of the time it took me to go there when I first came to the U.S. Senate. Why? Because the airlines did what the House is suggesting that the Senate do for air carriers; that is, encourage them to invest money to improve equipment and provide better service.

There has been much unfavorable talk about pipelines, as though they were robber barons. I have heard that said before. Some years ago, the public in this area was served with manufactured gas. It is no longer served with manufactured gas. Years ago, gas was manufactured from coal. That gas left a residue in the pipes, which meant that over a period of time the pipes had to be taken up and replaced. Furthermore, those who used the gas manufactured from coal were well advised to wash down their walls from time to time because of the residue that was left inside the house.

Today, the atmosphere in Washington, D.C., is cleaner than it was before the coming of natural gas. The atmosphere in Washington is cleaner than it is in New York City, where large quantities of residual fuel oil are still used. The reason is that the gas pipelines coming to this area supply a cleaner, better, more efficient, cheaper product, at a lower price. Everyone who uses natural gas has a lower priced commodity and has been saved substantial value.

That would have no impact one way or the other, except to this extent: One of these days, if the gas suppliers find new customers and new uses for their products, it may become necessary for them to build additional pipelines. If so, they will be able to make a tremendous saving by what is called looping the pipelines. A line already exists; an organization is in being to do business. Pumping stations are already operating; the cost is much less to lay a new pipe alongside an existing pipe than it is to condemn a route and engage in all the processes necessary to lay the first pipeline initially.

As the law stands today, it provides credit for the enormous new tanker fleets that carry residual fuel oil from Venezuela to New York City. On a B.t.u. basis, residual fuel oil is cheaper than natural gas. That is one reason why the atmosphere in New York City is not so clean as it is in Washington. The apartment house owners in New York use large amounts of residual fuel oil for heating purposes. The fuel oil carrier obtains an investment credit to encourage him to modernize and improve his fleet. Congress provides such investment credit for the barge lines and the railroads, to encourage them to improve and modernize their facilities, which they are doing. Congress provides such investment credit to enable the airlines to do the same thing.

What would happen if the committee amendment were not adopted? The Federal Power Commission is the one agency that stays always at loggerheads, always at dagger points, with the utilities it regulates. I think I know why that happens to be the case. It is because the railroads seem to have a little influence concerning who is appointed to the Interstate Commerce Commission. The railroads seem to have a commission that is somewhat friendly to their point of view.

Similarly, the airlines seem to have some influence as to who is appointed to the Civil Aeronautics Board, because the airlines seem to have a commission that is friendly to their problems.

But the pipelines have no influence as to who is appointed to the Federal Power Commission. The Federal Power Commission would drink the blood of the pipelines, and vice versa, with the result that the pipelines are regulated by a majority recommended by Drew Pearson, and the like. So the Federal Power Commission now proceeds to wage its war on the pipelines. It says, in effect, "We want to make you give up your investment credit, because you have had a tax saving that we want to have you give up for the benefit of the consumers."

The pipelines say, in reply, "If you do that, we cannot borrow money in the money market in New York in competition with the fellow with whom we are competing."

Ordinarily, one would think the railroads would like that. The railroads can obtain an investment credit; the pipelines cannot. By the time the railroads have finished fighting their case through the Supreme Court of the United States, trying to decide what Congress meant in the first place, and they finally get a decision, what happens? Assuming that the Federal Power Commission wins its case against the pipelines, then the Interstate Commerce Commission might well undertake similar action against the railroads. So the railroads begin to see the threat down the road if they were to have their investment credit taken away from them. That, of course, would be a threat to all industries.

As the President said in his state of the Union message, nothing bothers a businessman like uncertainty. The businessman who plans to use his investment credit to improve his business is uncertain whether he can keep it or not.

Mr. SALTONSTALL. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I have listened attentively to the Senator from Louisiana. Two questions occur to me. One is with respect to utilities, which receive a 3-percent investment credit. If the committee is sustained and the Federal Power Commission has no power to regulate, will there not be different systems in the various States? In Massachusetts the utilities commission might do one thing, and in Louisiana the commission might do another thing. That is one question that occurs to me, if the committee's action is sustained.

The other question relates to the 7-percent credit, in cases of competition, as the Senator has mentioned.

Do we not have to rely on the integrity and intelligence of the Interstate Commerce Commission and the various other Federal regulatory commissions to decide what is fair and to pass it through, to use the expression, or to permit it to be used for investment? Those two questions occurred to me as I listened to the Senator from Louisiana.

Mr. LONG of Louisiana. As the bill stands before the Senate at this moment, it does not, quite correctly, in my judgment, attempt to tell a State regulatory agency how that agency shall conduct its business. That agency is privileged to require the carriers to set up its books as the Commission directs it to. It is privileged to regulate the utilities' profits, and to include anything else the Commission desires to have included, and to leave out anything the Commission wants left out. As a strong believer in States rights, I believe that is the way State regulatory agencies should act. State commissions will vary on that point.

So far as Federal commissions are concerned, they are created by Congress and are regarded as an arm of Congress. We establish them and say how they are to do business. We prescribe the general standards that are to be used in determining what a fair return is.

When we vote a tax cut, a big question is raised. So far as ordinary competitive industry is concerned, industry that is not subject to regulation, it is very clear that we intended it to get the benefit of the tax cut which is an investment credit.

But Congress also voted a similar tax cut for regulated industries. Are we to leave the Commissions in doubt as to whether that credit should be recouped from the carrier or the utility? Should we not have the responsibility of instructing them and saying, "Yes; we intended that they should have this tax cut as an incentive to modernize and expand"?

Mr. SALTONSTALL. In other words, the Senator from Louisiana is saying that the Federal Power Commission, with respect to pipelines, the Interstate Commerce Commission, with respect to railroads, and the CAB, with respect to airlines, should not have any discretion with relation to the tax investment credit?

Mr. LONG of Louisiana. It seems to me we should tell them, one way or the other. We should say, "This is a tax cut that we will provide you. We will give you an investment credit if you will modernize your service."

It seems to me we should say, "Here is an investment credit. We propose that you should keep it because it will be profitable for you to modernize your business and reduce your rates."

Incidentally, a friend has just handed me a picture of a Southern Pacific mammoth freight car which has just been put in operation. That enormous freight car is being placed in service by the Southern Pacific Railroad, and the result will be to reduce costs and modernize the service and provide better and more efficient transportation service. That company is one of those which will get the tax credit.

The question is whether we want all these utilities to be treated alike. Secretary Dillon said—according to his likes—that he wants that to be done; and I say so, too. All who compete should be treated alike; and we think that those who later on will compete should receive the same treatment.

So, Mr. President, this is what the House thinks, and this is what the administration seems to think.

I have before me a memorandum which gives the position of the administration. The Treasury says it thinks this is consistent with the tax policy of the investment credit because these are competing carriers, and that if we are to do this for one of them, we should do it for all. However, the Treasury deferred to the regulatory Commissions on the overall policy.

As to the regulated carriers, the Treasury says we should consult the regulatory Commissions. But among some of the Commissions there is great uncertainty. The Interstate Commerce Commission says none of the carriers should be allowed to keep the tax credit.

Mr. TOWER. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. TOWER. Were the regulatory agencies originally given the power to compel the transportation companies to flow through the credit, in the first place? Was that authority conferred on them by the original bill? I understand it was not.

Mr. ANDERSON. Just the reverse was the case.

Mr. LONG of Louisiana. The Senator says just the reverse was the case; and he was one of the conferees. He says just the opposite intention was expressed.

Mr. TOWER. But we are informed that that power is not conferred by this measure.

Mr. LONG of Louisiana. The Senator is referring to the statement made by the House, in connection with its consideration of the bill, before the House version of the bill was referred to the Senate committee.

Mr. TOWER. But the bill contained no such provision; therefore, we would not now be removing from the regulatory agencies a power Congress previously gave them.

Furthermore, is not a regulatory agency possessed of quasi-executive and quasi-judicial powers given it by Congress; and is it not a creature of Congress; and should not its policy be determined by Congress, or else Congress would have unlawfully delegated away that much congressional authority?

Mr. LONG of Louisiana. That is correct.

Mr. SIMPSON. Mr. President, let me ask whether the Senator agrees that this is a case in which Congress should reach its decision, after careful deliberation, as opposed to a decision by the regulatory agencies as to what should be done?

Mr. LONG of Louisiana. I agree. But I submit that if the bill as it now stands is not enacted and if the existing situation is allowed to continue, the confusion will continue, for I am told that even the members of the Federal Power Commission cannot agree on this point, and that a majority of the Commission takes the position that a passthrough should be required, but that a substantial minority takes the opposite view; and I understand that the Interstate Commerce Commission takes a different view, and that all of its members are arguing about what Congress intended. In that case, Congress should state what it intended and what it means.

Mr. TOWER. In the FCC, the vote was 4 to 3; and in the Federal Power Commission, the vote was 3 to 2.

Mr. LONG of Louisiana. Yes. Imagine that, Mr. President—such a determination by a 3-to-2 vote. The Federal Power Commission decided, by that close vote, that it believed Congress required it to make the passthrough; the others say just the opposite. If the present situation is allowed to continue, the argument will continue for years and years, and the members of the commissions will still be confronted with the question, "What did Congress want us to do?" That is why I challenged the position taken by the Senator from Wisconsin and by other Senators who support his point of view. I say to them that if they do not agree with me and if they think the passthroughs should be required, why not have Congress tell the commissions what Congress wants done. But those Senators do not want that to be done; they want to do what President Johnson has said should not be done. But he has said that about the worst thing Congress could do in this situation would be to refrain from telling the businessmen what Congress believes should be done.

I challenge Senators who disagree with me in regard to the proper point of view for Senators to take: If they do not agree with my view of this matter, let them offer an amendment to require the passthrough to be made.

Mr. SALTONSTALL. Mr. President, will the Senator from Louisiana yield to me?

Mr. LONG of Louisiana. I yield.

Mr. SALTONSTALL. Is it not true that the 3-percent pass-through would be regulated by the State regulatory commissions? I point out that, as the Senator from Louisiana has said, no doubt different regulations would be established in different States. Is it not true that the utilities subject to the 7-percent tax credit would not pass it through? In that event, should not a separation be made?

Mr. LONG of Louisiana. Mr. President, I believe I understand the point the Senator from Massachusetts is making, although I believe he slightly misunderstands the situation.

Subsection (e)(1) directs what procedure shall be followed in the case of the regulated interstate carriers, so far as they are being regulated by the Federal Power Commission. It would direct the Federal Power Commission as to how it shall exercise its activities in regulating the interstate transmission. When power is transmitted across a State line, the interstate transmission is regulated by the Federal Power Commission; but the transportation within a State is subject to regulation by the agency having jurisdiction of the local service area—for example, let us say, the Massachusetts Public Service Commission. So the Federal Power Commission is instructed as to how it should exercise its responsibilities over the interstate transmission lines; and it would be entirely up to the local agency to determine how it would regulate the carriers and distributors in the intrastate service—the portion it regulates.

Let us consider the situation in the case of a natural gas pipeline: The Federal Power Commission would determine how it would exercise its responsibility in connection with the transmission of the gas from Texas to Washington, let us say, or from Washington to Virginia. The Virginia Public Service Commission would have its own procedures, and it would have authority to require that they be followed in connection with the intrastate transportation of the gas—within the State of Virginia. The Virginia Commission could either follow the Federal Commission practice or it could require an entirely different practice, both in connection with accounting and profitmaking, for the distribution systems for the purely intrastate functions which are regulated by the State public service commissions.

Mr. SALTONSTALL. I understand that the basis of the argument the Senator from Louisiana is making really is that unless Congress adopts the position which has been taken by the Finance Committee, the existing law will remain in its presently completely uncertain position, as has been the case for a considerable length of time.

Mr. LONG of Louisiana. Yes; and it is now completely uncertain.

Some argue that Congress should let the commissions decide. However, it is clear that the commissions cannot agree; so even if Congress were to decide to let the commissions decide, it is clear that the commissions would be unable to decide, and eventually would take the matter to court; and in the court case, the principal basis of the argument would be, "What did Congress mean, in the first place?" Then, 2 or 3 years later the case would come up in the Supreme Court of the United States, and no doubt finally some relief would be provided. But throughout that long, tedious process, the uncertainty and the debate would continue.

Mr. MILLER. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. MILLER. I think this is the point the Senator from Wisconsin was trying to make earlier today. It seems to me we could very properly divide the amendment of the Senator from Wisconsin, or perhaps we could modify it, so as to have it do one or another of several things. Perhaps we could have it provide whether subsection (e)(1) would remain in the bill by itself or whether both subsection (e)(1) and subsection (e)(2) would remain in the bill.

Of course, if Congress voted to have subsection (e)(1) remain in the bill and to have subsection (e)(2) go out of the bill, then what the Senator from Louisiana has been saying about the uncertainty and the problems of the various regulatory agencies would continue to be the case. On the other hand, it seems that we are getting ourselves into an inconsistency here by the way the committee bill is presented. There is a difference in treatment under (e)(1) and (e)(2). Under (e)(1), we say in the case of electrical energy, water sewage disposal services, gas through local distribution systems, telephone and telegraphic services, that we are not going to have a passthrough more than a proportionate part over the life of the property unless we want to, regardless of what the regulatory agencies have to say about it. But with respect to other types of pipeline companies, we are saying, "You do not have to pass through at all." Why the difference? Perhaps there should not be a difference, but perhaps the Senate should be permitted to vote on whether they will be treated the same or not.

Mr. LONG of Louisiana. The Senator from Iowa may not agree, but the House Ways and Means Committee drafted this language. As far as I can determine, the electric utility companies and the telephone companies are completely satisfied that this is a fair distinction between the two. Various companies have a locked-in monopoly, and they are not under the competitive pressure that exists in the transportation industry, so that the transportation industry has a better claim on retaining its tax credit because of the competitive nature of those industries.

Mr. MILLER. Mr. President, will the Senator from Louisiana yield further?

The **PRESIDING OFFICER** (Mr. McGOVERN in the chair). Does the Senator from Louisiana yield to the Senator from Iowa?

Mr. LONG of Louisiana. I yield.

Mr. MILLER. This is exactly the reason why Congress said, "You are only going to have a 3-percent investment tax credit instead of 7 percent." Now we come along and say, "We gave you too much with the 3 percent. You must cut that down and pass it through to your customers."

First we go up the hill and now we go down.

Mr. LONG of Louisiana. That is how we got into the hiatus to begin with. Someone representing the electric utility says, "As far as we are concerned, we propose to pass this through anyhow," and that is Mr. Cook they are talking about. He proposes to pass this on now. That is just dandy with us. That is what we try to do. Someone says, "Mr. Cook is speaking for a monopoly that has a locked-in advantage, which has the public as its complete captive. It is fair and proper that we should reduce rates and pass them on through over the life of the asset, or even sooner."

Then those who are in a competitive situation come forward. Some of the railroads do not know what it is to be out of bankruptcy because of competition. Perhaps one day the pipelines will be knocked out of business by the supertankers. Perhaps someone will come along and pass atomic energy through an electric wire in a most efficient way, which will put them both out of business. These people are in a competitive industry. Both carriers and manufacturers of competing commodities make the point that competition is good for the public, and that we will get better rate reductions by competition and by encouraging competition than we will by the dead grasp of regulation seeking to freeze every last nickel out of the transportation industry. So capital and the best management finds its way into other industries rather than into their industry, so that their industry tends to become backward and does not keep up with the times, while other industries of a competitive nature surge ahead.

Mr. MILLER. If that is so—and I believe what the Senator from Louisiana has just enunciated is sound economic philosophy—why do we not provide in the bill for any pass-through with respect to subsection (e)(1)? Why do we not say the same as we do with (e)(2) regarding competition to take care of it?

Mr. LONG of Louisiana. If the Senator from Iowa wishes to strike that section, (e)(1), so far as I know——

Mr. MILLER. The Senator would not suggest striking section (e)(1), but I would suggest——

Mr. LONG of Louisiana. I do not wish to do that either.

Mr. MILLER. I would suggest making (e)(1) read the same as (e)(2), if we wish to be consistent.

Mr. LONG of Louisiana. My best understanding of it is——

Mr. MILLER. This will tie in with the statement of the Senator from Louisiana about the flowthrough coming about through competition.

Mr. LONG of Louisiana. My understanding is that, as far as the telephone company and the electric utilities are concerned, they expect a flowthrough, and they want the flowthrough. I believe it would be a disservice to strike section (e)(1). They would not like that. If the Senator from Iowa thinks they are doing us a favor, they would not regard that as a favor at all.

I believe one thing they are trying to do is to get prices down so that they can compete more effectively in the field of household heating, so that to a considerable degree they are trying to make competition more vigorous against the pipelines and the users of residual fuel oil and coal, which of course will eventually cause the other industry to find ways to bring its costs down below the cost of the electrical household heat, if they can get the cost down below the cost of residual fuel oil.

Mr. TOWER. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. TOWER. Is not the whole purpose of this legislation to stimulate economic growth? Is that not the original concept behind it? Is that not why it is being offered as it is with a substantial reduction in tax liability? Does it not embody the philosophy of economic growth, the trickle-down theory and the trickle-up theory? Is it not the intent to produce balanced legislation so that the incentive will go both to consumer and to business? Is not section 203(e) an incentive to business; and should it not, therefore, remain in the bill?

Mr. LONG of Louisiana. The Senator is correct. Some sections of the bill, such as the minimum standard deduction, are intended primarily to put more spending power into the pockets of the consumer, to benefit people in the lower income brackets. There are certain sections which are designed to put more money into the pockets of the consumer. That is where most of the tax impact goes in the bill. But certain other sections are designed to encourage more investment, modernization, and expansion. This section is based on the theory that we will give a person a tax cut if he will do something that we wish him to do. What we wish him to do is to modernize, to improve his service, to build new plants and new equipment; and if he will do something in the public interest we will give him a better tax break than he would otherwise receive. This is where we do something for someone provided he does something which is believed to be in the national interest.

Section 203(a) would repeal the Long amendment of 2 years ago. That was my amendment. That was an amendment to depreciate the 7 points of investment credit which had been allowed under the law. Section 203(a) would repeal the Long amendment that would permit depreciation which from one point of view was something never really paid for, that is, to make investment credit even more attractive than it is now. I believe it will be a big incentive to business to go even further toward providing more modernization and better services.

Section 203(e) also applies to the transportation industry. In this subsection in paragraph (1) there is spelled out the passthrough with regard to certain industries—the electrical industry, and the telephone industry. They are completely satisfied that they have a locked-in monopoly; that they do not have to worry about a competitor putting them out of business; and that these are, therefore, adequate incentives, as far as they are concerned.

Mr. GORE. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. GORE. Mr. President, we have heard a great deal of debate about the legislative intent of the Congress in 1962. It is beyond the power of the present Congress to determine or to alter the legislative intent of the 1962 period. The legislative intent of 1962 has been interpreted by quasi-judicial bodies.

The question before the Senate is not what the legislative intent was in 1962. It is not what the intent of the late beloved Senator Kerr was.

The question before the Senate is whether it will approve a certain provision in the bill or whether it will strike from the bill, as proposed by the pending amendment, the provision which would prohibit a regulatory agency from taking into consideration the benefit of the investment credit in determining what it is charged by law to determine, that is, fair and reasonable rates for consumers to pay.

Even without the provision in the pending bill, not all of the benefit of the investment credit is passed through. Only in the cases of utilities whose earnings have reached the upper limits of what is determined to be a fair and reasonable return on investment is the passthrough effective. In the case of the utility which receives an investment credit on its taxes, thereby reducing its tax payment, but which nevertheless does not in its operation show a reasonable return upon investment, under the existing situation the pass through is not required, and is not effective.

Why? Because the overweening direction of the law to the regulatory agencies is to protect the public interest and to fix rates which are, first, fair and reasonable to consumers and, second, which will provide a reasonable return on investment for the utilities concerned.

We have heard a considerable amount of extraneous debate. Lest this be interpreted only as the opinion of the senior Senator from Tennessee, I should like to refer to a decision.

Before doing so, I hope Senators will permit the observation that the debate today and for the last few days demonstrates the great difficulty which one faces in serving in this body, and particularly for a member of the Senate Finance Committee. He must be a lawyer, a scientist, an accountant, an engineer, a tax specialist, and an expert in many respects. Unfortunately, not many are possessed of such talents. I sometimes think least of all the senior Senator from Tennessee. Our limitations therefore dictate the burning of the midnight oil.

That aside, I should like to refer to a decision of the Federal Communications Commission dated July 31, 1963. I read from page 4 of the copy of the decision which I have:

> Point 7. The comments have dwelt at some length on the so-called legislative intent behind the investment tax credit and many of them have implied that the Commission is precluded by such legislative intent from judging the appropriate accounting on the merits in accordance with sound public utility regulatory principles. We do not agree with this implication. It appears to us on the contrary that Congress fully intended that the tax legislation here involved should fit into the normal regulatory scheme.

I now turn to point 10.

> The question may well be asked as to how Congress intended the tax credit to be an investment incentive to utilities if the entire amount is to be passed along to consumers in the form of lower rates.

I digress from the quotation to say that that bears directly upon the point which has been raised repeatedly in debate today. Why would Congress give the benefit with one hand and take it away with the other? I have tried to say that the question is not that simple. I now return to reading from the decision:

> The answer, of course, is that in most cases it will not all be passed on, even under the "flowthrough" principle. Only in the case of the utility which has already reached the upper limits of a reasonable rate of return is such a result possible, and even then rates cannot be reduced to give immediate effect to the reduction in taxes. In the case of marginal utilities, such as some railroads, for example, it may well be that none of the amount will be passed on to the consumer.
>
> It is this factor, present to some degree in the case of most utilities, of providing the means of increasing earnings and making it easier to obtain capital, both directly through retained earnings and indirectly through rendering its securities more attractive to investors, that constitutes the real incentive. It is worthy of note in this connection that the comptroller of A.T. & T., one of the petitioners in this proceeding, testified in opposition to any tax credit of this nature for utilities on the ground, inter alia, that it was not necessary to encourage the Bell System to construct additional plant.

I digress to recall that I was present the day the official of the A.T. & T. testified. He opposed investment credit for regulated utilities, and very eloquently made the point that a regulated utility is not only regulated as to rates, but is beneficially regulated, too, and protected from competition, thus being given a monopoly supplier position.

The overall requirement was that the utility was to serve adequately the service area for which it had a franchise, and with respect to which the laws and orders of regulatory commissions of both the Federal Government and the States protect the position of the monopoly supplier. Therefore, he opposed it.

Earlier today reference was made to the opposition of Mr. Donald Cook, president of a large electric utility, opposing the provision in the bill.

So it is not a simple question of whether Congress is going to force the pass-through or prevent the pass-through.

The question is whether we will permit the regulatory agencies the freedom and the latitude to take into consideration, in the individual cases that come before them, the true financial position of the utility in arriving at what is a fair and reasonable rate of return on investment and what are fair and reasonable rates for consumers to pay.

I should like to read again from the decision:

> It is our view that the investment tax credit represents a reduction of income taxes and should be so recorded in the accounts. The Revenue Act of 1962 specifically provides that the Federal income tax liability shall be reduced by the amount of the investment tax credit. The amount of the tax due the Government is determined after deductions of the credit.

Lest I take too much time, I hurry now to read the conclusion in the decision:

> We conclude that the proper accounting, with respect to the investment tax credit arising from both owned and leased property, is to account for it as a reduction in income taxes and let such reduction flow through to operating income.

I digress. It is this operating income that is the key factor in determining what is a reasonable rate of return upon investment; and it is the adequacy of a reasonable return upon investment that determines whether or not the rates charged to customers are fair and reasonable.

This is the simple issue. I should not say simple; but it is the issue before the Senate stated as simply as I can state it.

I read further from the conclusion:

> As stated in the notice of proposed rulemaking in this proceeding, we have interpreted all of our uniform systems of accounts as presently requiring flow-through accounting. Consequently, no amendments to our systems of accounts will be ordered herein.

Mr. President, the very able, the very engaging, lovable junior Senator from Louisiana [Mr. LONG], has made an able argument. For him I have deep affection and great respect. He recalled the fight in which he and I engaged with respect to the Communications Satellite Corp. I shall not refer to it at length. I point out that one of the key points in the debate on that bill was that the Government reserved to itself the right to establish its own satellite communications system for the use of the armed services. But now we see the hand of Esau. The Government is taking the position that it will not do so, but will use, instead, the facilities of the satellite corporation. Please pardon the reference. Lest I get into flight on that subject, I shall say no more about it. I shall return to the junior Senator from Louisiana. I can speak more pleasantly, if not more eloquently, about him.

He read a portion of a letter from the Chairman of the Interstate Commerce Commission which bore the date of September 26, 1963.

I did not have an opportunity to read the full letter, but I have a letter dated January 13, 1964, in response to a letter which I directed to the Director, Bureau of Accounts of the ICC on January 10, 1964, which I think bears more specifically upon the question at issue. This letter to me, bearing the date of January 13, in reply to my letter of January 10, bears the signature of Mr. Paolo, Director of the Bureau of Accounts.

I ask unanimous consent that the full letter be placed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> JANUARY 13, 1964.
>
> Hon. ALBERT GORE,
> *U.S. Senate,*
> *Washington, D.C.*
>
> DEAR SENATOR GORE: This refers to your letter dated January 10, 1964, and the memorandum attached thereto, requesting a very brief memorandum concerning guideline and liberalized depreciation, investment tax credit, and related annual income tax reductions realized by carriers regulated by this Commission; and including, also, tax reductions realized in filing consolidated returns.
>
> The information referred to in the memorandum attached to your letter cannot be assembled from the financial reports of the several thousand regulated carriers in time to send the information to you today, as you request. We are therefore sending you herein the available information concerning the annual amount of tax reductions realized by railroads, together with an explanation of the accounting and rate-making treatment of depreciation and income taxes in this agency. This is in line with the suggestion in the note in your memorandum. The accounting and rate-making treatment is uniform for railroads, motor carriers and carriers in the other modes of transportation regulated by this agency.
>
> Annual reports for the year 1962 filed with us by railroads indicate that tax reductions resulting from guideline and liberalized depreciation, combined, amounted to about $164 million; and tax reductions resulting from the investment tax credit amounted to about $27 million. Annual reports for the year 1963 are due to be filed by March 31, 1964.

We do not have assembled at this time sufficient information to enable us to furnish you with a reliable estimate of tax reductions realized by motor carriers and carriers in the other modes of regulated transportation, but, of course, the sum is substantial.

The following is a brief description of the accounting and ratemaking treatment of the tax reductions:

For accounting and financial reporting purposes, we require regulated carriers to use the so-called flowthrough method of treating the tax reductions, including the full amount realized from the investment tax credit. This means that the reductions are applied to reduce the tax expense thereby increasing net income shown in financial statements. This Commission decided that financial statements should show the actual income tax payments for each year based on the taxable income reported in tax returns. This accounting and financial reporting regulation, however, has not been controlling in our ratemaking work.

Present-day ratemaking in this agency consists, not so much in broad overall percentage increases in rates, but in case-by-case consideration of applications made for changes in individual rates published by carriers for transportation of commodities between designated points of origins and destinations. These involve principally minimum rates. In determining the cost to carriers of furnishing transportation in these cases, we use straight-line method of depreciation and generally compute the tax expense on the same basis. Thus, the tax reductions realized from accelerated and liberalized depreciation are not used to reduce transportation rates. This applies also to the tax reduction realized from the investment tax credit.

Tax savings realized by filing of consolidated returns has not been a matter of much consequence in accounting and ratemaking in this agency. For accounting purposes we expect carriers to allocate the total payment to the participating companies in an equitable manner. For ratemaking, we determine the tax expense on the basis of the statutory tax rate applied to the income derived from transportation service. Under this procedure tax savings not assignable to transportation service are not used to reduce rates. We have no information available at present on which to determine the annual tax savings from filing of consolidated returns by regulated carriers.

A separate statement is attached setting forth certain information concerning depreciation of property authorized under income tax regulations, including guideline lives, and depreciation methods prescribed by this Commission under our regulations.

Very truly yours,

M. PAOLO,
Director, Bureau of Accounts, ICC.

INFORMATION CONCERNING DEPRECIATION AUTHORIZED UNDER INCOME TAX REGULATIONS AND METHODS AUTHORIZED BY INTERSTATE COMMERCE COMMISSION

The tax regulations specify depreciation guideline lives for property much shorter than those authorized by this Commission. In addition, larger depreciation deductions are authorized under fast writeoff tax procedures in the early years of the useful life than we authorize under our uniform straight-line method. For example, the tax regulations specify guideline lives for railroad locomotives, freight and passengers cars, and similar equipment, as 14 years, compared with ICC prescribed service lives, based on past experience of each individual carrier, averaging 15 to 25 years for locomotives, and 25 years for other equipment. For bridges, trestles, and culverts, elevated structures, shops and enginehouses, and similar structures, the guideline life is 30 years, compared with ICC prescribed lives averaging about 50 to 70 years, depending upon the structural material. Similar substantially shortened guideline lives are specified in the tax regulations for many other classes of property.

Mr. GORE. Mr. President, I should now like to read two paragraphs from the letter which I think are pertinent. Lest someone think they are taken out of context, I shall leave the letter on my desk for all Senators to read until it goes to the Public Printer.

I read:

For accounting and financial reporting we require regulated carriers to use the so-called flowthrough method of treating the tax reductions, including the full amount realized from the investment credit.

Whence does the argument come, that only the Federal Power Commission is looking to the public interest with respect to the pass-through of the investment credit?

I continue to read:

This means that the reductions are applied to reduce the tax expense thereby increasing net income shown in financial statements. This Commission decided that financial statements should show the actual income tax payments for each year based on the taxable income reported in tax returns. This accounting and financial reporting regulation, however, has not been controlling in our ratemaking work.

Present-day ratemaking in this agency consists, not so much in broad overall percentage increases in rates, but in case-by-case consideration of applications made for changes in individual rates published by carriers for transportation of commodities between designated points of origins and destinations. These involve principally minimum rates. In determining the cost to carriers of furnishing transportation in these cases, we use straight-line method of depreciation and generally compute the tax expense on the same basis. Thus, the tax reductions realized from accelerated and liberalized depreciation are not used to reduce transportation rates. This applies also to the tax reduction realized from the investment tax credit.

I ask unanimous consent to have printed in the RECORD at this point letters which I received from the Federal Power Commission, the Federal Maritime Commission, and the Civil Aeronautics Board, and a copy of my letter to these Commissions, and also to the Interstate Commerce Commission, of January 10, 1964, requesting certain information.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEDERAL POWER COMMISSION,
Washington, D.C., January 29, 1964.

Hon. ALBERT GORE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GORE: This supplements our response to your request of January 10, 1964, for information concerning the tax savings to utilities subject to our jurisdiction.

The actual 1962 investment tax credit reported in the 1962 annual reports by 62 interstate gas companies, mainly pipelines, with gross sales of 10,560,170,829 thousand cubic feet, amounted to $26,054,132.

The list of companies and the amounts of investment tax credit reported to the Commission for each are contained on the attached list.

There are an additional 19 interstate gas companies, over which the Federal Power Commission has jurisdiction, which filed 1962 annual reports showing no investment tax credit taken.

A sampling of the investment credit taken by the natural gas pipelines for 1963 indicates that the amount of the investment credit in 1963 is substantially the same as the amount taken in 1962.

It should be kept in mind that the amounts taken in 1962 and 1963 do not represent the full amount of the credit available to the pipelines because many of the pipelines made large refunds pursuant to Commission order during these years and, therefore, had no income tax against which to apply the investment credit. The investment credit can be carried back 3 years and forward 5 years and any residue can be deducted from Federal income taxes in the sixth year. It should also be kept in mind that the effect of the investment credit on the rates consumers pay is approximately double the amount of the credit taken.

The total amount of the investment tax credit will undoubtedly increase for 1964 and for a number of years beyond, not only for the jurisdictional companies listed on the attached sheet, but for the entire industry. This is true because the investment tax credit is geared directly to plant additions and the official forecasts of the American Gas Association show increases in the annual plant additions of 6.1 percent for 1963, 5.9 percent for 1964, 6 percent for 1965, and similar increases, none less than 5 percent, for each year through 1972.

The Commission approved $812 million of new pipeline construction in 1963. The investment credit from this new construction is approximately $57 million, which is a fair estimate of the amount the natural gas pipelines will eventually save. The potential savings to consumers is thus in the order of $120 million a year, as I testified before the Senate Finance Committee.

Inquiries have been received from Senator PAUL H. DOUGLAS and Senator GAYLORD NELSON concerning this matter and similar replies have been made.

Sincerely yours,

JOSEPH C. SWIDLER,
Chairman.

Schedule of pipeline companies reporting investment tax credit in annual report, form 2, for the year 1962

Algonquin Gas Transmission Co	$121,153
Amere Gas Utilities Co	4,867
American Louisiana Pipeline Co	100,000
Arkansas-Louisiana Gas Co	590,000
Arkansas-Missouri Power Co	34,750
Atlantic Seaboard Corp	399,179
Carnegie Natural Gas Co	25,880
Chicago District Pipeline Co	10,500
Cimarron Transmission Co	2,108
Cities Service Gas Co	525,000
Colorado Interstate Gas Co	250,000
Colorado-Wyoming Gas Co	29,700
Columbia Gulf Transmission Co	1,345,679
Cumberland & Allegheny Gas Co	11,275
Eastern Shore Natural Gas Co	4,568
El Paso Natural Gas Co	1,768,697
Equitable Gas Co	392,261
Florida Gas Transmission Co	20,878
Fort Smith Gas Corp	42,707
Home Gas Co	8,525
Hope Natural Gas Co	460,000
Humble Gas Transmission Co	30,000
Interstate Power Co	163,000
Iowa-Illinois Gas & Electric Co	135,000
Iowa Public Service Co	118,840
Iroquois Gas Corp	218,073
Kansas-Nebraska Natural Gas Co., Inc	372,370
Kentucky Gas Transmission Corp	13,164
Lake Shore Pipe Line Co	12,000
Lone Star Gas Co	760,806
Manufacturers Light & Heat Co., The	324,014

Schedule of pipeline companies reporting investment tax credit in annual report, form 2, for the year 1962—Continued

Michigan Gas Storage Co	$17,021
Michigan-Wisconsin Pipeline Co	800,000
Mississippi River Transmission Corp	6,700
Montana-Dakota Utilities Co	522,841
Mountain Fuel Supply Co	404,518
Natural Gas Pipe Line Co. of America	2,714,898
New York State Natural Gas Corp	300,000
North Central Gas Co	13,483
North Penn Gas	16,000
Northern Natural Gas Co	880,000
Northern Natural Gas Pipe Line Co	200
Ohio Fuel Gas Co	498,000
Oklahoma Natural Gas Gathering Corp	2,192
Orange & Rockland Utilities, Inc	170,824
Pennsylvania Gas Co	68,188
South Georgia Natural Gas Co	14,180
Southern Natural Gas Co	333,000
Southwest Gas Corp	32,972
Texas Eastern Transmission Corp	2,591,900
Texas Gas Transmission Corp	1,835,900
Transcontinental Gas Pipe Line Corp	3,594,000
Trunkline Gas Co	212,500
Union Gas System, Inc	8,616
Union Light, Heat & Power Co	68,514
United Fuel Gas Co	315,415
United Gas Pipe Line Co	1,733,000
United Natural Gas Co	79,889
Valley Gas Co	17,387
Valley Gas Transmission, Inc	11,000
Washington Gas Light Co	460,000
Western Gas Service Co	36,000
Total	26,054,132

FEDERAL MARITIME COMMISSION,
Washington, D.C., January 13, 1964.
Hon. ALBERT GORE,
U.S. Senate,
Committee on Foreign Relations,
Washington, D.C.

DEAR SENATOR GORE: I am pleased to furnish the following information in reply to your letter of January 10, 1964 and the accompanying outline of "Information to be supplied." In keeping with your needs as indicated in the outline, time has not permitted the development of all data which may be available in the files of the Commission. The replies are limited, therefore, to information which is readily obtainable.

While the Federal Maritime Commission has certain regulatory responsibilities in connection with offshore foreign water carriers and other related persons, its authority to prescribe just and reasonable maximum rates is limited to those common carriers by water who operate in the various domestic offshore services, (section 18, Shipping Act, 1916, as amended), i.e., between continental United States, Alaska, Hawaii, any territory, and possession of the United States; and between places within the same territory or possession (except intrastate commerce in Hawaii and Alaska). Financial and operating statements are required only from those carriers operating in the domestic offshore services pursuant to the authority contained in section 21 of the Shipping Act, 1916, as amended.

Vessels are the significant assets owned by the domestic offshore carriers which are subject to depreciation. None of the vessels owned by these carriers were purchased new. The majority of the vessels in the domestic offshore fleet were acquired from the Federal Government pursuant to provisions of the Merchant Ship Sales Act of 1946, as amended. Other used vessels have been acquired from American corporations operating in offshore foreign trades. Therefore, vessels in this segment of the industry are not acquired new and are not provided for in the accelerated depreciation rates provided by section 167 of the Internal Revenue Code. Generally, these carriers have depreciated their vessels, on a straight-line basis, over a period of 20 years. The Bureau of Internal Revenue has permitted, in some instances, carriers to extend the economic life of particular vessels as a result of major alteration or conversion. The Commission has recently held, in one rate proceeding, that for rate making purposes, the domestic offshore vessels of the carrier are to be depreciated on a straight-line basis over a period of 25 years. Experience reveals that vessels in the domestic offshore services are used for 25 years or more.

The following replies are enumerated in accordance with your outline of "Information to be supplied by the Federal Regulatory Agencies."

1. The Commission, except as noted above, has not prescribed depreciation rates to be used by carriers subject to its regulation. The Commission has developed no statistics which would enable it to compare depreciation rates used for tax purposes with those used by the carriers in regulatory proceedings before the Commission. Consequently, it is unable to state the difference between average book depreciation rates and rates permissible if guideline rates were used. The Commission, to date, has not issued any prescribed accounting procedure for carriers subject to its regulation with respect to rate treatment for such tax savings.

2. The Federal Maritime Commission, at present has no established policy as to the treatment of liberalized depreciation tax savings, nor does it have a reporting system whereby this data could be obtained. However, it appears that under the instant circumstances, the effect of this provision upon its domestic offshore carriers is probably minimal. This is dictated by the following:

The domestic offshore trade utilizes a relatively small number of vessels, to which the liberalized depreciation provisions of section 167 do not apply, since predominantly all vessels in the trade were built by the Government prior to 1947, and are categorized as secondhand assets. If increases in value arising from recent purchases or vessel betterments and conversions were eliminated, virtually all of these vessels have exceeded, or in the near future, will exceed, the prescribed guideline life of 18 years.

Under these circumstances, the Commission has not been required to consider the question of liberalized depreciation, and the amount of savings, if any, is not available. If, however, unknown to the Commission, carriers have availed themselves of the provisions of section 167, the funds resulting from such savings have been included in the Commission's rate base calculations and allowed the same return as other assets employed in the service.

3. The Commission has generally ignored tax savings realized from the filing of consolidated returns. In some cases, however, the Commission has recognized a reduction in tax liability of a carrier in a regulated service when another service or division of the same carrier is operating at a loss. The net effect of such a determination might be said to result in reduced rates. The Commission has no means of estimating the amount of the tax savings resulting from such decisions, nor the consequent reductions in rates, if any.

4. The Commission has been unable to accumulate any statistical financial data. In the limited time allowed by your request, no investment tax credit has been found in the financial statements for 1962 of carriers reporting to the Commission. In connection with an investigation of an increase in rates, one carrier has indicated an investment tax credit of $7,000 for 1963. This claim has not been investigated or verified other than superficially.

As stated herein, no industry statistics are accumulated by the Commission and the aggregate gross investment in 1962 and 1963 is not available. Neither the Commisssion nor any of the examiners on the staff have issued any decisions in which investment tax credit has been an issue. The Commission, to date, has not issued any prescribed accounting procedure for carriers subject to its regulation with respect to investment tax credit provisions.

I am sorry that I cannot furnish more complete replies to your inquiries, but this is all that is available under the conditions of your request.

Sincerely yours,
JAMES L. WALLACE,
Director, Bureau of Financial Analysis.

CIVIL AERONAUTICS BOARD,
Washington, D.C., January 14, 1964.
Hon. ALBERT GORE:
U.S. Senate,
Washington, D.C.

DEAR SENATOR GORE: This is in reply to your letter and attached memorandum of January 10, 1964, with regard to guideline tax depreciation, liberalized depreciation, and the investment tax credit as they affect the air transportation industry. Each item is numbered in the sequence reflected in the attached memorandum.

1. The Board does not have the authority under its act to prescribe or approve depreciation rates of the carriers for accounting purposes. However, the Board for ratemaking purposes set a 10-year life for jet aircraft and 7 years for large piston aircraft. The carriers have generally conformed their accounting to these rates although longer lives, up to 14 years, are used by some carriers for jet aircraft. This compares with the 6-year life permitted by the depreciation guidelines. We are enclosing herewith an information memo dated December 16, 1963, which indicates the extent of the use of guideline depreciation by the route carriers in their tax returns for 1962. The reported flight equipment depreciation expense of the 9 carriers included in the summary attached to the memo was 44 percent of such expense for the industry. Accordingly, assuming that the nine carriers reflected in the summary are representative of the industry, depreciation for the industry under the guidelines would have approximated $447,500,000 as compared with $342,900,000 under prior tax policy, a net increase of $104,600,000 in depreciation for tax return purposes. The Board has not formulated a specific policy on the accounting or rate treatment for tax amounts associated with guideline depreciation; however, when tax and accounting depreciation do not agree the substantive import would be the same as for liberalized depreciation discussed below.

2. Air carriers generally depreciate property and equipment on the straight-line basis for book purposes. Where liberalized depreciation under section 167 of the Internal Revenue Code is used in the tax returns a related tax amount may be deferred for both accounting and rate purposes thus normalizing reported income taxes from year to year. During the calendar year 1962, the form 41 reports for the industry indicated provisions of $65,517,319 in the deferred income tax account which had a cumulative balance at December 31, 1962, of $168,639,730. At September 30, 1963, the latest information available, the cumulative balance of the deferred tax account was $216,457,105.

The Board does not consider that the higher depreciation expenses which are permitted for tax purposes under section 167 of the Internal Revenue Code reflect tax savings. Rather, the Board considers that the effect of section 167 is to produce a tax saving with respect to the early years which is offset by increased taxes in the later years.

The Board's rate policy with respect to the treatment of liberalized depreciation expenses under section 167 of the Internal Revenue Code is set forth in its opinion in the *General Passenger Fare Investigation*, docket 8008, et al., order E-16068, dated November 25, 1960. In concluding therein that the income tax allowance should be normalized, the Board found that the denial of normalized taxes would be contrary to the intent of Congress to grant all taxpayers what amounts to an interest-free loan to assist business in the modernization and expansion of industrial capacity. The Board does not recognize any balance in the normalizing account as funds upon which a rate of return should be allowed. (The Board found an overall 10½-percent rate of return as a fair and reasonable rate of return for the net working capital, net operating property and equipment after deductions for depreciation and overhaul reservation, and other used and useful assets including equipment purchase deposits.)

3. As a general rule, air carriers do not file consolidated tax returns. The existence of conditions which would permit or be conducive to the filing of such returns is extremely limited in the industry. Therefore, the Board has not established any policy in respect to tax savings which could result from the filing of such returns.

4. Based upon reports by the carriers the amount of investment tax credit actually taken in reduction of tax liabilities in 1962 is estimated to be $1,732,600. The Board has not completed a rulemaking proceeding on accounting for the investment tax credit. However, on January 25, 1963, all carriers were informally requested to defer the full amount of the credit actually taken in 1962. The deferred tax element of the credit (52 percent) would be amortized to income tax expense over the service life of the related equipment and the income element (48 percent) would be amortized to income tax expense over the statutory periods set forth in section 46(c)(2) of the Internal Revenue Code. A proposed rule was issued October 2, 1963, which corresponded with the informal request except that the 48-percent portion for nonsubsidized carriers would be taken into income when realized and 100 percent of the credit would be taken into income by subsidized carriers when realized. Final action on this matter has been deferred pending disposition of House Resolution 8363.

We trust the foregoing meets your needs. If you have further questions we will be happy to answer them.

Very truly yours,

Warner H. Hord,
Chief, Office of Carrier Accounts and Statistics.

Civil Aeronautics Board,
December 16, 1963.

To: The Board.
From: Chief, Office of Carrier Accounts and Statistics.
Subject: Use of depreciation guidelines by certificated route carriers.

Because of the expected impact of the depreciation guidelines and rules issued by the Internal Revenue Service upon actual income tax expense, the route carriers were requested to inform this Office as to the extent of use of the method.

Under the guidelines carriers can, for income tax purposes, depreciate aircraft over a period of 6 years which is generally shorter than the periods previously used. Nine carriers using the guidelines for computing depreciation in their tax returns indicated an increase of $46 million over the amount which would have been reported for depreciation in 1962 under prior tax policy. The impact of the increased depreciation for the nine carriers would be to reduce actual 1962 income tax of the nonsubsidized carriers by approximately $23.6 million and of the subsidized carriers by $0.3 million, thus temporarily freeing such funds for other uses.

However, the use of guideline depreciation for tax purposes would have little impact upon reported net earnings of the nonsubsidized carriers since they generally follow the practice of accounting for deferred income taxes. In view of the Board's actual tax policy for determining subsidy, the subsidized carriers are not permitted to record deferred income taxes associated with guideline depreciation. Therefore, its use by subsidized carriers would ordinarily result in their reporting lower income taxes and higher net earnings.

A 10th carrier, Trans-Texas, apparently used the guideline depreciation period but the data submitted was incomplete and therefore was not included in the attached summary. Also, the information submitted by Chicago Helicopter, one of the nine carriers, is questionable since depreciation under the guidelines is indicated as being lower than depreciation expense under prior tax policy.

It will be noted from examination of the attached summary that there is no pattern among the carriers using the guidelines.

Warner H. Hord.

Certificated route carriers—Income tax depreciation allowed by IRS guidelines

Carrier	Depreciation prior policy	Depreciation IRS guidelines	Guidelines increase (decrease)
1. Allegheny Airlines	$2,425.177	$2,786.616	$361,439
2. American Airlines	34,636,438	55,889,666	21,253,228
3. Chicago Helicopter Airways	359,770	344,599	(15.171)
4. Delta Airlines	16,950,862	25,026,710	8,075,848
5. Mohawk Airlines	1,772,465	2,078,160	305,695
6. Northwest Airlines	16,174,237	18,414,187	2,239,950
7. Pan American World	64,502,000	74,537,000	10,035,000
8. Slick Corporation	1,856,680	2,320,850	464,170
9. Western Air Lines	11,630,949	14,957,307	3,326,358
Total	150,308,578	196,355,095	46,046,517

Estimated cash conserved (computed at 52 percent tax rate):

Nonsubsidized carriers	$23,605,168
Subsidized carriers	339,021

January 10, 1964.

Chief Accountant,
Civil Aeronautics Board,
Washington, D.C.

Dear Sir: I would appreciate it very much if you could supply me with a very brief memorandum setting forth answers to the questions outlined in the attached memorandum.

Sincerely yours,

Albert Gore.

Information To Be Supplied by the Federal Regulatory Agencies

1. Please prepare a brief statement showing the difference in average book depreciation rates prescribed or approved by the agency and the maximum depreciation rate permissible under guideline tax depreciation and the annual tax savings if the guideline rates were used (to be computed by applying the differential in depreciation rate to the total gross investment of the industry concerned). If available, supply any data already collected concerning the extent of the use of guideline depreciation by such regulated industries. Has the agency formulated any policy on the proper accounting and rate treatment of such tax savings? If so, please describe them.

2. Describe your agency's present rate and accounting treatment of liberalized depreciation tax savings, under section 167 of the Internal Revenue Code, and advise as to the amount of such tax savings in 1962 and 1963, if available. If these tax savings are normalized, what is the present cumulative balance in the normalizing account? What rate of return, if any, does the agency allow on such funds?

3. Does your agency have any policy concerning tax savings realized by the filing of consolidated tax returns? If such savings are used to reduce rates, please estimate the annual amount of such tax savings for the industry concerned.

4. If available, what was the amount of investment tax credit actually taken by the regulated industry in 1962? Otherwise, what was the aggregate gross investment in 1962 and 1963, if available. Assuming that 85 percent of such investment was eligible for the credit, what were the tax savings in those years. Has your agency formulated any policy on the proper accounting and rate treatment of such tax savings? If so, please describe them.

Note.—Information is needed as soon as possible. If answer to any question will delay full reply beyond Monday, January 13, omit such answers.

Mr. GORE. Mr. President, I shall not detain the Senate further. This is a complicated issue on which one could speak at great length if he were sufficiently informed. I close by calling the attention of the Senate to the message of President Johnson, which was received in the Congress today. He expresses great concern for the consumer interest, and indicates the appointment of a special assistant and a new consumer committee. I applaud the President. I hope there will be greater activity in the protection of the consumer interest. I respectfully suggest that the pending amendment would be a good place at which to start.

On page 2 of the President's message he refers to action to assure fair rates in transportation, power, fuel, communications, and the like.

Then he says:

> What is new is the concern for the total interest of the consumer, the recognition of certain basic consumer rights.

What are some of those rights? He lists them:

The right to safety, the right to be informed, the right to choose, the right to be heard.

Consumers have a right to have their representatives in Congress heard. The full profit position of the utilities should be revealed and the consumers should be informed in that regard.

I do not wish to go at length into a discussion of the President's message, which I applaud. I should like to read this paragraph:

> Our record of overall price stability in recent years has been excellent. But the trend of consumer spending for services has been constantly rising; and the safeguarding of the consumer's interest in the area of services is comparatively weak.

The provision in the pending bill would make it weaker.

Briefly, I suggest the advisability of adopting the amendment now pending, because it would preserve for the regulatory agencies, quasi-judicial as they are in nature, the power, the authority, and the responsibility to regulate in the public interest, in the interest of the consumers, and in the interest of the utilities over which they have jurisdiction.

This regulation, as I have indicated by the decision cited, is done in some respects according to broad general principles, but in large measure by decisions upon individual cases, one utility having one situation, another having another, a fair rate appearing to be one thing in one part of the country, but quite another in a different part of the country, because of the differences in operating costs and in return on investment. This involves all costs, including tax costs, which, of course, are affected by the investment credit.

Mr. TOWER. Mr. President, I have no desire to prolong the debate. Therefore I ask unanimous consent to have printed in the Record my statement in opposition to the amendment.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Senator Tower

INVESTMENT CREDIT

In 1962, Congress was concerned about the failure of American industry to expand and modernize plant and equipment. Accordingly, it considered means of increasing investment by domestic industry. Among the means considered were corporate rate reduction, increased depreciation allowances, and the provision of a credit directly against tax liability. The investment tax credit was chosen in preference to other incentive devices primarily because the credit was believed to be a more potent stimulus since it confers the tax benefit directly upon the company making the qualified investment.

Throughout the procedures leading to the enactment of the investment tax credit, distinctions were made between investments which qualified for the maximum credit, investments which qualified for a partial credit, and nonqualifying investments. At all times, it was recognized that investments made by the transportation industry should qualify for the maximum credit. Participation by the transportation industry in the tax incentive program was correctly believed to be essential to the program's success since transportation expenditures constitute more than 20 percent of gross national product, since transportation generates about 20 percent of all taxes collected by the Federal Government, and since transportation provides 14 percent of the Nation's civilian employment.

When the investment tax credit was first proposed by President Kennedy in his tax message to Congress, he specifically recommended that investments by regulated transportation companies be eligible for the credit.

The President's position was explained in greater detail by the Secretary of the Treasury in May of 1961 while testifying in support of the President's then proposed investment tax credit. In a detailed statement before the Ways and Means Committee on May 3, 1961, Secretary Dillon recommended that the proposed investment credit be made applicable to regulated transportation companies (other than subsidized merchant marine companies), and that the credit not be made applicable to "regulated monopoly industries." The reason for the proposed distinction was stated to be that "investments by these regulated monopoly industries are largely governed by determined public requirements and are subject to regulated consumer service charges designed to provide a prescribed after-tax rate of return on investment." On the other hand, the Secretary testified that enterprises in the transportation field, "although subject to various forms of regulations of their charges, are in fact highly competitive businesses with varying rates of return on investment. * * * Many of these enterprises are not only competitive among themselves at given regulated prices, but also must compete with private truck fleets, private airplanes, and other transportation facilities operated by industrial corporations which would be eligible for the credit."

Thus, as proposed by the administration, transportation companies would be fully entitled to the benefits of the investment credit just like nonregulated companies, while noncompetitive public utilities would not qualify for the credit.

Secretary Dillon's distinction was adopted by the Ways and Means Committee which recommended that transportation companies subject to regulation be treated like other competitive industries as fully qualifying for the credit. However, instead of completely excluding regulated public utilities from the benefits of the credit, the Ways and Means Committee provided a 4-percent credit for such companies. As one of the principal reasons for giving noncompetitive public utilities a smaller credit, the committee stated:

"The smaller credit is provided in such cases because much of its benefit in these regulated industries is likely to be passed on in lower rates to consumers, thereby negating much of the stimulative effect on investments."

Thus, it was made clear that the full benefit of the investment credit was intended for regulated companies qualifying for the 7-percent (then 8-percent) credit.

While the Finance Committee recommended that the maximum investment credit be reduced to 7 percent for taxpayers generally, and to 3 percent for noncompetitive public utilities, it also recognized the validity of the distinction made by Secretary Dillon.

Finally, the distinction between competitive transportation companies and noncompetitive public utilities was enacted into law as section 46(c)(3) of the Internal Revenue Code of 1954.

As was made clear initially by Secretary Dillon, transportation companies which are engaged in a highly competitive industry should be entitled to the full benefits of the investment credit using such benefits as their management sees fit. However, as previously indicated, there are reasons for providing regulated noncompetitive industries with a smaller credit and for allowing regulatory agencies having jurisdiction with respect to such companies to pass a proportionate part of the credit on to consumers.

Nevertheless, since the enactment of the credit, a majority of the Commissioners of some Federal regulatory agencies have taken the position that companies subject to their jurisdiction should not retain any of the benefits of the investment tax credit.

For example, on July 29, 1963, the Federal Communications Commission decided by a 4-to-3 vote, "that the best method to reflect investment incentive tax credits made available by the Revenue Act of 1962 is to permit the investment credits to 'flow through' immediately to net income * * *"

Specifically, the majority of the Commission concluded that "the proper accounting with respect to the investment tax credit arising from both owned and leased property is to account for it as a reduction in income taxes and let such reduction 'flow through' to operating income. As stated in the Notice of Proposed Rule Making in this proceeding, we have interpreted all of our uniform systems of accounts as presently requiring 'flowthrough' accounting. Consequently, no amendments to our systems of accounts will be ordered herein."

Under the majority's decision, noncompetitive public utilities would receive absolutely no benefit from the credit in spite of the fact that Congress specifically provided a partial credit for such companies.

More recently, in an order issued January 23, 1964, the Federal Power Commission, by a 3-to-2 vote, announced its conclusion that "on the basis of existing law the accounting treatment to be prescribed should be to 'flow through' the credit to income." Other decisions have indicated that this accounting treatment will be followed for rate purposes.

These Commissions have not acted with unanimity. As is evident from the illustrations previously given, a strong minority of each Commission favors the treatment under present law which section 203(e) would clearly prescribe. In the case of the one Commission, only one vote separated the majority favoring a "flowthrough" interpretation of present law from the minority opposed to the "flowthrough" interpretation. Nor was this Commission able to present its views regarding section 203(e) unanimously to the Finance Committee. To prevent such a narrow majority of Commissioners from frustrating congressional intent, section 203(e) would prescribe the permissible limits of Federal regulatory agency treatment.

Those opposing the enactment of section 203(e) have taken the position that the investment credit should "flow through" to ultimate consumers, that regulated companies do not need the incentive effect of the investment credit, and that retention of the benefits of the investment credit will result in an unintended windfall to regulated taxpayers. I do not believe that Federal regulatory agencies should be the sole arbiters of whether the benefit from the investment credit should be retained by regulated companies.

These arguments in opposition to section 203(e) are based upon basic misconceptions regarding the purpose of the investment tax credit, the role and power of Federal agencies, and the benefits of "flowthrough."

The truth is that the investment credit was intended to stimulate investment, not consumption. That interference by Federal regulatory agencies would upset the balance achieved by the administration's bill between measures designed to stimulate consumption, and measures designed to stimulate investment, and would require a reappraisal of the relative size of the rate reduction going to consumers.

That even if the maximum amount of the attempted "flowthrough" ever reached consumers, it would be insignificant in amount—less than $1 per year per consumer.

That the transportation industry, like nonregulated industry, is a highly competitive industry which is not required to expand by law, but which will be stimulated to modernize plant and expand facilities and services if permitted to retain the benefits of the investment credit.

That enactment of section 203(e) will not result in any increase in rates to consumers; it simply will not work to decrease them at extra cost to the Treasury and to the investment incentive which was intended.

These facts, together with the other facts outlined above, clearly require the enactment of section 203(e) to assure that the original intent of Congress will be executed by Federal regulatory agencies and to obtain the participation of regulated transportation companies in the growth of the economy.

Mr. TOWER. Mr. President, I believe that a mistaken impression is being conveyed by the debate; namely, that there is some great dichotomy of the American people which divides them into two classes, producers and consumers. I maintain that no such dichotomy exists. We are all consumers. Every one who works is a producer of a product or a service. I reject the notion that the consumer interests and the producer interests are always in conflict. That is not true. I believe that what is good for business is good for everyone. The bill was designed as a stimulant to economic growth. If business prospers, everyone prospers. The bill assaults the problem from two directions. It helps the wage earner, the income earner, and the consumer, and also helps business. It makes the benefits both trickle up and trickle down, according to the two classic theories.

I reject the notion that the amendment is properly a matter for consideration by the Commerce Committee, rather than by the Finance Committee. After all, this is a tax measure, designed to stimulate economic growth and to give full effect to the full concept of the bill. It was fully within the purview of the Finance Committee to include section 203. I hope that the amendment proposed by the Senator from Wisconsin will be rejected.

I commend the Senator from Louisiana for his comprehensive presentation of the case against the amendment and associate myself with his remarks.

Mr. LONG of Louisiana. Mr. President, I hold in my hand a list of all the pipeline company investment tax credits for the year 1962. The amount involved is a grand total of $26 million. So far as I know, the other carriers are not being required to flow this credit through.

Something was said to the effect that that was a case for the ICC. It is my impression that the ICC, perhaps, requires the information for accounting purposes, but not for ratemaking purposes. So the figure $26 million is at rate variance with the $600 million, or, I believe, even the $6 billion figure, that was mentioned on the floor of the Senate. It is like some of the things that, when boiled down to what one is acutally talking about, mean that we are talking about $1 for every $100 someone else is talking about.

Mr. SIMPSON. Mr. President, will the Senator from Texas yield?

Mr. TOWER. I yield.

Mr. SIMPSON. I associate myself with the remarks of the Senator from Texas and with the colloquy between the Senator from Louisiana [Mr. LONG] and the Senator from Massachusetts [Mr. SALTONSTALL], as well.

I shall not labor the question at length, because I know the Senate is ready to vote. However, the reason why the 1962 Revenue Act allowed monopolistic utilities a 3-percent tax credit, but allowed the transportation industry a 7-percent credit was the substantial competition the transportation industry faces. After the Committee on Finance acted, the Federal Power Commission, on January 23, 1964, ordered, for accounting purposes, "flowthrough" to consumers of all the incentive of the tax credit.

Mr. President, I ask unanimous consent that that order be printed at this point in the RECORD.

There being no objection, the order was ordered to be printed in the RECORD, as follows:

INTERIM ORDER ISSUED JANUARY 23, 1964

United States of America, Federal Power Commission before Commissioners Joseph C. Swidler, Chairman; L. J. O'Connor, Jr., Charles R. Ross, Harold C. Woodward, and David S. Black.

Investment tax credit under 1962 amendment to Internal Revenue Code; accounting treatment by public utilities, licensees, and natural gas companies—Docket No. R–232.

The Commission has under consideration in this docket[1] an order prescribing the accounting treatment to be accorded under the Commission's Uniform Systems of Accounts to the investment tax credit provided by the Revenue Act of 1962.[2]

The Commission has reached the conclusion that on the basis of existing law the accounting treatment to be prescribed should be to "flow through" the credit to income. We recognize, however, that legislation is pending in the Congress dealing with the investment credit and that it is not now possible to determine whether such legislation as might be adopted would require a different accounting treatment for the credit.

In order to enable affected companies to close their books of account for the year 1963, the Commission hereby notifies all public utilities, licensees, and natural gas companies that the interim accounting prescribed for the investment tax credit under Order No. 261, Docket No. R–231, issued January 9, 1963,[3] continues in effect for calendar year 1963 and in accounting for income taxes until further notice or order of the Commission.

By the Commission. Commissioners O'Connor and Woodward dissent as to the statement of the accounting treatment which is appropriate under existing law. Commissioner O'Connor believes decision should be deferred until Congress has acted on the pending legislation. Commissioner Woodward favors deferred tax accounting.

JOSEPH H. GUTRIDE,
[SEAL] *Secretary.*

Mr. SIMPSON. Mr. President, this was in defiance of the House action and the action of the Committee on Finance, as shown by their actions.

I ask unanimous consent that a summary of my argument be printed at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF ARGUMENT IN SUPPORT OF SECTION 202(e)(2)

1. The purpose of the 1962 tax provision authorizing the investment tax credit was to stimulate the expansion of the Nation's productive facilities. It was intended for the use of industry and not for the direct benefit of the consumer. (See TAA statement, pp. 1, 3, 10, 16, 17.) The consumer is being provided for in the present tax bill through reduction in individual income tax rates.

2. The reason the 1962 Revenue Act allowed monopolistic utilities a 3-percent tax credit but allowed the transportation industry a 7-percent credit was the substantial competition the transportation industry faces. (TAA statement, pp. 2, 3, 10, 11.)

3. The conference report on the 1962 tax bill made clear that the investment tax credit applies to "both regulated and nonregulated industries." (H. Rept. No. 2508, on H.R. 10650, 87th Cong., 2d sess., p. 14.) (TAA statement, pp. 16, 17.)

4. Section 202(e)(2) of the present tax bill was passed by the House and approved by the Senate Finance Committee. It assures that the incentive effect of the investment tax credit will not be denied the transportation industry as certain Federal regulatory agencies are attempting. (TAA statement, p. 15.)

5. After the Senate Finance Committee acted, the FPC on January 23, 1964, ordered, for accounting purposes, "flow through" to consumers of all the incentive of the tax credit. A copy of the order is enclosed. This is in defiance of the House and the Senate Finance Committee actions on section 202(e)(2).

6. The foremost private advocate of section 202(e)(2) is the Transportation Association of America whose panels of air, oil pipelines, freight forwarders, highways, water carriers, investors, and users support its position. Certain elements are attempting to tag the provision as a "natural gas pipeline" measure only. Although the competitive pipeline industry has a valid interest, the allegation that it is just a pipeline amendment is false and misleading. (TAA statement, pp. 7–10.)

7. The transportation industry asks only for equal treatment with other industries.

8. The transportation industry is not required by law to expand, but must have the same incentives to expand and improve service as all other industries have. Certain elements are erroneously stating that the industry can be required to meet new demands and furnish better service, and, therefore, needs no incentive.

9. By attempting to thwart the intended effect of the tax credit, certain regulatory agencies are interfering with the Nation's tax policy and attempting to superimpose their will on Congress. Nevertheless, certain elements claim that Congress is interfering with the regulatory scheme. The opposite is true, for after Congress announced the policy of stimulating the American economy by means of the investment tax credit, some Federal agencies seek to eliminate that tax incentive by not allowing its use to industries subject to their jurisdiction. Certain regulatory agencies are the ones interfering with the tax policy; once they interfere, they claim that any prohibition on their unlawful action is interference with the regulatory scheme. Section 202(e)(2) is an obvious tax measure and not a regulatory measure, for it enforces the tax policy that all industries should receive the stimulation of the credit.

10. Consumer costs will not increase when this provision is approved. Rates to consumers will not be affected by permitting transportation companies to retain this tax incentive. Granted, if the consumers get all the benefit, their rates will decrease, but this would thwart the intent of the tax credit to stimulate industry. If industry keeps the incentive, consumer prices will not change. (TAA statement, p. 2.)

11. If the transportation industry should not receive this incentive, revenues to Treasury from the transportation industry will be reduced by more than twice the anticipated loss in tax revenues. This loss would have to be recouped from all American taxpayers, including the consumers. Assuming the figure of $600 million, which some elements say would be the consumer benefit, is accurate, then Treasury would collect $600 million less from the transportation industry, and the

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[1] Notice issued Jan. 15, 1963, published in 28 F.R. 528 of Jan. 19, 1963.

[2] 76 Stat. 960, Public Law 87–834, sec. 2, adding new secs. 38, 46–48, 181, to and amending certain existing sections of the Internal Revenue Code of 1954.

[3] 29 FPC 62, 28 F.R. 402.

American taxpayer would have to make up this loss. (TAA statement, pp. 3, 14.)

Mr. SIMPSON. Mr. President, those who oppose the recommendations of the Finance Committee on the investment tax credit issue raise a question which should concern the entire Nation. It goes to the heart of our governmental processes.

This debate poses a fundamental moral question—is the law what the Congress determines that it is by majority action after careful deliberation—or is the law what an appointed agency or commission decides it should be?

We all bear witness to fundamental truths about our Government—the principles that separate us in history as a nation in which the interests of our people move forward in freedom.

One of these tenets is that we are a government of law—not a government of men in which whim and caprice can rule.

The question involved in the investment tax credit provision of the Revenue Act is one of reaffirming to the Nation that the legislative process has integrity—that when the people act through their Congress they can be confident such action will not be distorted or negated.

It is not my purpose to set up a pattern of moral conduct for anyone in this honorable body. My purpose is to suggest with firmness that where the will of Congress has been deliberately expressed through law, that law should not be subverted by any agency of Government.

If we fail to reaffirm the legislative supremacy of the Congress, any agency in effect can be its own congress and the work of the people will have been thwarted.

A brief review of the history of this legislation demonstrates the importance of the principle involved.

The Revenue Act of 1962 specifically authorized a 3-percent investment tax credit for certain classes of utilities which have little or no competition and a 7-percent credit for those which are subject to competition.

The law is specific and clear.

When the act was adopted, after a conference, this statement was made on the floor of this Senate:

> It is the understanding of the conferees on the part of both the House and Senate that the purpose of the credit for investment in certain depreciable property, in the case of both regulated and nonregulated industries, is to encourage modernization and expansion of the Nation's productive facilities and to improve its economic potential by reducing the net cost of acquiring new equipment, thereby increasing the earnings of new facilities over their productive lives.

Despite the specific provisions of the law—despite the language of the report to the Senate—despite current action by this Congress to reaffirm the intent of the law—regulatory agencies have seen fit to thwart the will of Congress by denying the investment credits specifically authorized.

In effect, they are flouting the law of the land. They are establishing rule by men rather than rule by law.

Have the independent agencies become so independent of Congress that they can subvert the law with impunity? Do they not have the same obligation to support the law that is demanded of every citizen? Is it they or Congress which sets tax policy?

These are the fundamental, the moral, questions involved today.

The Revenue Act of 1963 simply reaffirms the intent of Congress in 1962 as expressed in a law which is unequivocal and not subject to misinterpretation.

Those who are fighting against the investment tax provision of the 1963 act opposed it in 1962. Having lost their case in 1962, they are today using the backdoor method of regulation to negate a law adopted by a majority of Congress. This is a tremendous disservice to the democratic process, the type of action which destroys public confidence in our system of government.

It is interesting to note that in acting on the investment tax credit question there is no unanimity of opinion within the independent agencies. A simple majority of the membership on various commissions have acted to negate the will of Congress. There is strong minority opposition within the commissions themselves.

This means that the national tax policy can be flouted by a handful of men in defiance of the Congress. Such power in the hands of a simple and transient majority constitutes a danger to the fundamental principles of the American system.

Those who oppose the investment tax credit provision of the bill now under consideration should, I suggest, direct themselves to the original law. They should not seek to perpetuate government by men through a backdoor method.

The concept which they seek to establish could have far-reaching effects in all areas of Government activity.

The question today is not one of whether investment tax credit for regulated industry is right or wrong. That was debated in 1962 and this Congress determined that it was right. The question today is whether the law will be recognized and applied as written. That is what the legislation now before this body seeks to accomplish.

In my opinion, Congress must act to uphold the law. Any other course would be a negation of our very reason for existence and in effect would place congressional blessing on the concept of government by men rather than government by law.

Mr. PROXMIRE. Mr. President, it is my understanding that the distinguished Senator from Georgia [Mr. TALMADGE] wishes to exercise his right—and certainly he has that right—to divide the amendment and have the Senate vote on the 3-percent section and then vote on the 7-percent section. I yield to the Senator from Georgia for that purpose.

Mr. TALMADGE. Mr. President, I am grateful to the Senator from Wisconsin for yielding.

The amendment offered by the Senator from Wisconsin proposes, on page 38, beginning with line 7, to strike out all through line 9 on page 39.

What is proposed to be stricken by the Senator from Wisconsin involves two different propositions and two different treatments of the two different propositions. Therefore, under the rule XVIII, I request that they be divided.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. TALMADGE. Will the Senator from Wisconsin wait for the ruling of the Chair? Then I shall be delighted to yield. Or does the Senator wish to make an argument before the Chair rules?

Mr. PROXMIRE. I shall not make an argument on the parliamentary situation; I am satisfied that the Senator from Georgia is within his rights, though I deeply regret that he is exercising them.

The PRESIDING OFFICER (Mr. McGOVERN in the chair). Under rule XVIII, the Senator from Georgia has a right to demand a division of the question.

Mr. LONG of Louisiana. Mr. President——

Mr. PROXMIRE. Mr. President, I think I have the floor; I yielded temporarily to the Senator from Georgia.

Mr. LONG of Louisiana. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Louisiana will state it.

Mr. PROXMIRE. I yield to the Senator from Louisiana for that purpose.

Mr. LONG of Louisiana. In either event, would a Senator have a right to move to table the whole amendment?

The PRESIDING OFFICER. A Senator would have that right.

Mr. TALMADGE. I thank the Senator from Wisconsin for yielding to me. If he desires me to yield to respond to a question from him, I am delighted to do so.

Mr. PROXMIRE. I should like to have the Senator from Georgia reconsider his action. I am hopeful that the motion to table can be defeated. If it can be, then there will be three yea-and-nay votes on the basis of the Senator's motion to divide the question. I think this question can be decided on two yea-and-nay votes.

While the Senator has an excellent point—there is a difference—there is no question about it—I submit that the basic principle involved is the same. That principle is this:

First, should Congress dictate to a regulatory body that it must permit a return greater than a fair return? This would be true whether it was a 7-percent utilities return, for which the investment credit must be ignored, or 3 percent, where the investment credit must be spread over the life of the asset.

This is because in the 3-percent instance, as the Senator knows, there is free interest during the life of the asset; and if the utility is growing, the concession to the utility is substantial.

The second and last point I should like to make in this connection is that the argument for any benefit to the locked-in monopolistic electric utility is virtually all at the maximum rate of return. The argument that they should get any benefit out of the investment credit is very weak, indeed.

Therefore, I think we could make almost an equally strong argument against both sections. If one disagrees with the Senator from Louisiana and his supporters, I think an equally strong argument can be made on that side.

Therefore, in the interest of expediting the business of the Senate, I hope the Senator from Georgia will reconsider his motion to have the question divided.

Mr. TALMADGE. The Senator is entitled to his opinion, of course. However, I think Congress has the right and the duty to pass laws that affect regulatory bodies. I should much prefer to have the origin of that legislation come before the appropriate committee that has legislative jurisdiction thereof.

The Senate is dealing with a tax matter that originated in the Committee on Ways and Means and was referred to the Committee on Finance. That matter was in the bill at the time it came before the committee, and hearings were held on it. The Senator from Wisconsin is not a member of the Committee on Finance, but I made the same request in the committee. We are voting on two different proposals, one that I can support, and one that I will not support, Under those conditions, I have requested that they be divided. Such a division is authorized by the rules. I regret that I cannot withdraw the request, because I am not prepared to vote on two different proposals, one with which I agree, and one with which I disagree.

Mr. PROXMIRE. I understand that the Senator from Georgia is insisting on his right.

Mr. TALMADGE. That is correct.

Mr. PROXMIRE. The Senator has every right to do so. For less than 3 minutes, I shall try to summarize my position.

Primarily, the argument of the Senator from Louisiana is that if we do not agree with the committee's position, we penalize the utilities or transportation companies that are in competition. Our argument is that if a company is in competition, the investment credit is virtually certain to be passed on. Of course, it will be passed on. It will be passed on because competitive forces will see to it that prices are competitive. Either through freedom of entry or other methods, the investment credit eventually will be passed on. However, it will not be passed on in the case of a utility which is a monopoly and the regulatory body has been instructed by Congress not to permit a pass-on.

The Senator from Louisiana also said that the Federal Power Commission—and I hope the Senator from Illinois [Mr. DOUGLAS] will listen to this—is always at loggerheads with the oil and gas utility it regulates.

The President of the United States has made some very sympathetic appointments to the Federal Power Commission, including that of Lawrence O'Connor, whose nomination I opposed on the floor of the Senate for 27 hours, a man who was a lobbyist for the oil industry, a man who certainly represents the interests of the oil industry and oil pipelines.

It seems to me that the regulatory body should not necessarily be totally and completely sympathetic to the producer interests, but should also represent the consumer interests.

Therefore, the basic argument made by the Senator from Louisiana boils down to this very simple issue: He says that the discretion as to whether the investment credit should be passed through or not should be left with the utilities.

I say it should be left with the regulatory body. That is the entire issue.

It is my position that the regulatory bodies which represent the whole public—both the utilities and the consumers—should decide whether the tax credit should be passed through. The Senator from Louisiana argues that only the utilities should decide whether or not to pass through the investment credit. That is the issue.

Mr. President, I earnestly hope the motion which I anticipate the Senator from Louisiana will shortly make—a motion to lay this amendment on the table—will be rejected.

Mr. DOUGLAS. Mr. President, I hope very much that the Senator from Louisiana will not make a motion to lay the amendment on the table. Yesterday, a motion was made to lay on the table the amendment of the Senator from Tennessee. But I think the Senate was entitled to vote, yesterday, on the amendment of the Senator from Tennessee; and likewise I think the Senate is entitled to vote, today, on the amendment of the Senator from Wisconsin.

Mr. LONG of Louisiana. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. LONG of Louisiana. So far as I am concerned, I shall state my position very clearly: I do not think Congress should do these things for one industry and not do them for the competitors of that industry.

This proposal is satisfactory to both the 3-percent utilities and the 7-percent carriers. It is my feeling that we should determine where we stand on this issue.

I was not in favor of the motion to divide the amendment; but if some Senator is going to insist that the amendment be divided, I believe I have no choice but to move that the amendment be laid on the table, so the Senate can subsequently deal with the entire package.

Mr. DOUGLAS. Very well, Mr. President, I would not object to the making of a motion to lay the proposed Talmadge motion on the table since that is a technical issue but I do object to the making of a motion to lay the Proxmire amendment on the table which is substantive in nature. These tabling motions give an opportunity for equivocal voting.

Mr. LONG of Louisiana. Mr. President, if the Senator from Illinois will yield further, let me say that if the motion to table is agreed to, the entire section will still be subject to amendment; and then the Senator from Georgia or any other Senator can move to strike out any part of the amendment.

But under the present circumstances—because I believe the Senate should be allowed to vote the entire section either up or down—I have no choice but to move that the pending amendment be laid on the table.

Mr. DOUGLAS. Mr. President, it will be satisfactory to me to have a motion to lay the Talmadge motion on the table agreed to—since that is a procedural issue but not a motion to lay on the table the Proxmire amendment which is substantive and highly important and which deserves to be considered on its merits and voted up or down.

Mr. CARLSON. Mr. President, I wish to speak for only 2 or 3 minutes before the debate on this issue closes.

Apparently section 202(e) is greatly misunderstood.

First of all, section 202(e) does not interfere with or prohibit regulatory agencies from performing their proper functions. It does provide, in the case of public utility property—property of utilities receiving the 3-percent investment credit—that Federal regulatory agencies are not, without the taxpayer's consent, to require that the full effect of the credit be flowed through to the benefit of users of utility services in the year in which the credit was received. The agencies are, however, authorized to flow the effect of this credit through in proportionate amounts, over the life of the public utility property which gave rise to the credit. Thus the sole question is one of timing. We want the effect of the investment credit to be a lasting one and not merely a shot in the arm.

I was a member of the committee of conference between the Senate and the House on the amendments of the Senate to the Revenue Act of 1962 (H.R. 10650) which created the investment credit. The report of that conference endeavored to make clear the intent of Congress respecting the purpose of the investment credit when it said:

> It is the understanding of the conferees on the part of both the House and the Senate that the purpose of the credit for investment in certain depreciable property, in the case of both regulated and nonregulated industries, is to encourage modernization and expansion of the Nation's productive facilities and to improve its economic potential by reducing the net cost of acquiring new equipment, thereby increasing the earnings of the new facilities over their productive lives.

I, for one, believed we had made it clear that the investment credit was not to be considered a simple reduction in taxes but its purpose was to reduce the cost of providing new productive facilities, thereby increasing the profitability of such facilities and, of course, the incentive to create them.

In the months following the enactment of the investment credit it became painfully apparent we had not been sufficiently specific. At least one Federal regulatory agency, after reviewing the legislative history of the Revenue Act of 1962, cited the language from the conference report which is quoted above and found that this did not mean that Congress intended the effect of the credit be spread over the life of the plant. This agency specifically found that the investment credit represents a reduction in income taxes that should immediately be flowed through to earnings.

Section 202(e) simply makes certain that these Federal regulatory bodies will not further misunderstand what the Congress intended and still intends, namely, that the investment credit is to make the construction of plant more profitable over its life and that it is not a mere tax reduction to create an apparent, but not real, increase in net earnings.

Business makes money through the use of its productive facilities. Business does not make money by constructing new plant. The investment credit recognizes this fact. The credit is not intended to cause an artificial increase in profits in the year in which it is received. It is intended to make it possible for a business to have higher earnings over the period in which it uses the plant it constructs. There is nothing in section 202(e) which prevents a regulatory body from recognizing, for any regulatory purpose, the increased earnings which are realized as the property constructed is used in providing service.

When the investment credit was first proposed it was not intended to be extended to public utilities. However, in many instances, public utility service is in competition with privately provided service. For example, electric power companies must compete with privately built and operated generating plants. It obviously would be unfair to provide a credit that would reduce the cost of privately provided facilities at the expense of utility services. Provision, therefore, was made for the public utilities to receive a 3-percent credit.

The real difficulty seems to be that some regulatory agencies would change the investment credit from an incentive to public utilities to improve and expand their facilities into a bonus to the users of the utility service. Regulatory zeal to protect and benefit the public is admirable, but regulatory attitudes that do not recognize congressional purpose and intent is a matter of concern.

The Federal Communications Commission, in a letter to Congressman JOHN W. BYRNES last September, disclaimed any intention that the credit "should flow through immediately to the customers" in all cases. It stated it would require immediate flow through only so that the Commission could, at its discretion, select when the credit should be used to stimulate investment and when it should flow through to customers in the form of rate reduction. The Commission's position is that the credit is not needed to stimulate investment in profitable companies and should in those cases be passed through to the customers by immediate rate reductions. The legislative history of the statute gives no basis for such discrimination. It was the intention of the Congress that the investment credit was to be applied as an incentive to improvement and expansion of productive facilities. Any arbitrary ruling by a Federal regulatory agency requiring immediate flow through would eliminate any incentive for further investment. Any prudent management of a business enterprise would think twice about investing under circumstances which reduce to a minimum, or eliminate, the incentive to invest. It certainly was not the intention of the Congress that companies making a satisfactory rate of return should be precluded by regulatory authorities from using the credit for further improvement and expansion.

The Federal regulatory agencies under section 202(e) retain their rightful responsibility to regulate the real earnings of any company under their jurisdiction. Nothing in section 202(e) would interfere in the slightest respect with the authority of a Federal regulatory agency to recognize, in determining a fair rate of return to the utility, the earnings arising out of use of public utility property in providing service.

Mr. President, for this reason I believe the Senate should not adopt the amendment offered by the Senator from Wisconsin, but should support the position taken by the Finance Committee on this situation.

Mr. LONG of Louisiana. Mr. President, in summary, let me say that when Congress passed the investment credit provision, it made the legislative history in that connection, which was, in the opinion of those of us who were members of the conference committee, that all the carriers were to have the benefit of the investment credit, as a stimulus to modernization.

In some areas—particularly in the railroad industry—one can observe what this provision of law has meant. The Interstate Commerce Commission has permitted the railroads to have the benefit of the tax credit, and the Commission has said it does not intend to have the tax credit taken away from the railroads; and the railroads are engaging in a massive effort to make their industry competitive with other transportation industries.

The Federal Power Commission has decided, by a vote of 3 to 2, that it does not believe that Congress meant the pipelines to have the benefit of the tax credit.

Mr. President, unless Congress states clearly what its decision is in connection with this matter, the transportation industry will continue for years to be in doubt about what is to be done. In short, now is the time for Congress to clear up the uncertainty.

One of the worst situations I can imagine would exist if the railroads, the pipelines, and the other transportation industries had to remain in doubt for the next number of years as to whether they are or are not to obtain the benefit of the tax credit.

In my opinion, it would be better for Congress to state that they cannot keep the tax credit, rather than to permit the existing uncertainty to continue.

Consider the situation in the Federal Power Commission, Mr. President: At the present time, the Commissioners have divided by a vote of 3 to 2; three of them want to have the tax credit taken away from the pipelines and the electric transmission companies, and two of the Commissioners want them to have the tax credit. A mere change of one in the membership of the Commission by means of one presidential appointee could result in a reversal of that decision.

Furthermore, if the matter went to court, it would take years for the courts to decide what Congress intended.

In my opinion, these carriers should have the benefit of the tax credit.

The significance of many of the figures which have been cited has been greatly exaggerated. In my opinion, Congress should now decide whether the pipelines should or should not have the benefit of the tax credit, because they are the ones who are about to become involved in litigation over this question. This entire industry was involved in controversy before the Commission in 1962. That year, the entire amount of the investment credit for them was $26 million—which is a far cry from some of the figures which have been cited during the course of this debate; in fact, one Senator even referred to $6 billion as the correct figure for the entire item.

Mr. President, I regret that a motion to separate the amendment was made. Personally, I would have much preferred to have the Senate take a direct vote on the entire section; and I shall seek to arrive at that result by following the only course now open to me—namely, to move that the Proxmire amendment be laid on the table; and I shall make that motion when other Senators are ready to have it made.

Mr. MONRONEY. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. MONRONEY. As I understand, there is no way in which the trucklines or the railroads or the pipelines could possibly pass back their 7-percent credit to their customers who already have used their services and facilities. Under these circumstances, that branch of the transportation industry must retain the entire 7-percent tax credit, must it not? Is that not correct?

Mr. LONG of Louisiana. Well, at least, it would be very difficult for them to make such refunds at this time.

Mr. MONRONEY. After all, who can now determine who were the owners of freight which was carried some time ago? I believe it would be an utter impossibility for such a determination to be made, and therefore it would be impossible for a refund of the tax credit to be made.

Under these circumstances, the result would be that the only industry thus regulated, among all those in the 7-percent group, would be the pipelines, which are competitive in their rates.

Mr. LONG of Louisiana. Perhaps that is true insofar as past operations are concerned; but I assume that in the future it would be possible for the railroads to be required to reduce their rates for future business—in other words, to require them to forgo the benefit of the tax credit which was accorded them.

Mr. MONRONEY. The rates are filed and then they are approved or suspended. There is no question of return on investment. I am trying to find to whom the pipelines would pass back the money. Would the long gas lines refund it to the Washington Gas Light Co., or would they refund it to the consumer? Is there anything in the amendment that would require the money to go to the consumer or to the central distribution system that is locally controlled by the local regulatory agency and not by the Federal Power Commission?

Mr. LONG of Louisiana. I assume that they would remit to the local company.

Mr. MONRONEY. We have done it without any power Congress can exert for having the benefit filter down, perhaps to the customer or perhaps to enrich or add to the profits of the local distribution system. Is that correct?

Mr. LONG of Louisiana. That is correct, though it perhaps could go to them.

Mr. President, Senators who wish to vote for the tax credit should not vote for it all unless they believe that competition is the great leveler of prices. If we believe that by modernizing industry or by modernizing five different competing carriers, or by modernizing five different competing industries, and modernizing the carriers within those industries, or if they can compete more effectively with them to make more effective the competition they will give one another, prices will be brought down, we should vote to sustain the position of the committee. If we believe that any one of these competitors by becoming more competitive and more efficient, can bring prices down, we should vote to sustain the position of the committee.

Mr. President, if we wish to be fair to the carriers, we should not provide—as the Senator from Wisconsin has suggested—a tax advantage to one carrier that would not be provided to the other. We have to give them the same tax credit, and let them compete for business. If we want them to compete according to terms, we should vote for the position that the committee has recommended, which is the position that the House accepted.

Mr. PROXMIRE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Wisconsin will state it.

Mr. PROXMIRE. If the Long motion to table the Proxmire amendment carries, will it be possible to amend the bill with either the first section of the Proxmire amendment with regard to the 7-percent credit, or its second section with regard to the 3-percent credit; or will the whole situation then be out of the way so that the Senate will proceed with other amendments?

The PRESIDING OFFICER. It would be subject to further amendment at that point.

Mr. PROXMIRE. It is subject to further amendment in this regard?

The PRESIDING OFFICER. That is correct.

Mr. PROXMIRE. Mr. President, I thank the Chair.

Mr. LONG of Louisiana. Mr. President, I believe that Senators who desire to make speeches have made them, and I now move to table the amendment of the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana [Mr. Long] to table the amendment of the Senator from Wisconsin [Mr. Proxmire]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia (when his name was called). I have a pair with the Senator from Illinois [Mr. Dirksen]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

Mr. PROUTY (when his name was called). On this vote I have a pair with the distinguished Senator from Arizona [Mr. Goldwater]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. Cannon] and the Senator from Alabama [Mr. Hill] are absent on official business.

I further announce that, if present and voting, the Senator from Nevada [Mr. Cannon] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Illinois [Mr. Dirksen] and the Senator from Arizona [Mr. Goldwater] are necessarily absent.

The respective pairs of the Senator from Illinois [Mr. Dirksen] and that of the Senator from Arizona [Mr. Goldwater] have been previously announced.

The result was announced—yeas 42, nays 52, as follows:

[No. 23 Leg.]

YEAS—42

Allott
Anderson
Beall
Bennett
Brewster
Carlson
Cooper
Cotton
Curtis
Dominick
Eastland
Edmondson
Ellender
Ervin
Fong
Fulbright
Hartke
Hayden
Hickenlooper
Holland
Hruska
Johnston
Jordan, N.C.
Jordan, Idaho
Long, Mo.
Long, La.
Mansfield
McGee
Mechem
Miller
Monroney
Morton
Pastore
Pearson
Saltonstall
Simpson
Smathers
Sparkman
Stennis
Symington
Tower
Walters

NAYS—52

Aiken
Bartlett
Bayh
Bible
Boggs
Burdick
Byrd, Va.
Case
Church
Clark
Dodd
Douglas
Engle
Gore
Gruening
Hart
Humphrey
Inouye
Jackson
Javits
Keating
Kennedy
Kuchel
Lausche
Magnuson
McCarthy
McClellan
McGovern
McIntyre
McNamara
Metcalf
Morse
Moss
Mundt
Muskie
Nelson
Neuberger
Pell
Proxmire
Randolph
Ribicoff
Robertson
Russell
Scott
Smith
Talmadge
Thurmond
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

NOT VOTING—6

Byrd, W. Va.
Cannon
Dirksen
Goldwater
Hill
Prouty

So Mr. Long's motion to table Mr. Proxmire's amendment was rejected.

Mr. PROXMIRE. Mr. President, I understand the parliamentary situation now to be as follows: The amendment which I offered has been divided, at the request of the Senator from Georgia [Mr. Talmadge]—which is his right—so that the Senate will now vote on whether or not it should eliminate the section of the bill which provides that the 3-percent investment credit must be spread over the life of the asset and that the regulatory agencies cannot require the utility to reduce its rates to take into account all of the 3-percent investment credit in the first year in which the utility makes the purchase. Is that correct?

The PRESIDING OFFICER. The Senator is correct. The question is on agreeing to the first branch of the amendment, which proposes to strike out language in paragraph (1), which the clerk will read——

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the reading be dispensed with. It merely refers to the lines. I shall be very brief.

Mr. ANDERSON. Mr. President, may Senators know what they are voting upon?

The PRESIDING OFFICER. The clerk will state the language proposed to be stricken.

The Legislative Clerk. On page 38, line 7, it is proposed to strike out the language beginning on line 18, down to and inculding line 4 on page 39, which reads as follows:

> (1) in the case of public utility property (as defined in section 46(c)(3)(B) of the Internal Revenue Code of 1954), more than a proportionate part (determined with reference to the average useful life of the property with respect to which the credit was allowed) of the credit against tax allowed for any taxable year by section 38 of such Code, or

Mr. MILLER. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I shall yield in a moment.

Mr. MILLER. The Senator from Iowa is still not clear as to what he is to vote on. Is the point before the Senate the amendment of the Senator from Wisconsin to delete the matter which has just been read?

Mr. PROXMIRE. The Senator is correct. That is the understanding of the Senator from Wisconsin. The amendment has been divided, so the question before the Senate is whether or not the language which has been read shall be deleted. If the vote is "yea," the vote is that the language shall be deleted.

Mr. MILLER. Mr. President, will the Senator yield further?

Mr. PROXMIRE. I yield.

Mr. MILLER. I wonder if perhaps the Senator might propose the second part of the amendment first, because if the Senator's amendment with respect to the first part prevails, it will be almost impossible for us to support the second part; but if the second part prevails, I think some of us can support the first part. Would the Senator object to having the second part voted on first?

Mr. PROXMIRE. I appreciate the advice of the Senator from Iowa. I know he has a sincere interest in this question, but it does not make much difference which part is taken up first. If the Senate voted for the first part, frankly, I think the case for the second part would be made stronger. Therefore, I am inclined to go ahead with a vote on the first part.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. PASTORE. Do I correctly understand the Senator from Wisconsin to be opposed to the first part?

Mr. PROXMIRE. The Senator from Wisconsin has offered an amendment which would strike the first part.

Mr. PASTORE. And the reason for that is that the credit is to be spread over a period of years.

Mr. PROXMIRE. The reason for the amendment is that I want to leave it in the discretion of the regulatory body. If the amendment fails, the regulatory body will have no discretion. My argument is that the determination should be made by the regulatory commissions—the Federal Power Commission, the Interstate Commerce Commission, and so forth—and not by Congress in this particular way. It can be spread if the regulatory bodies want to spread it. They have a perfect right to do it, but it is up to them to do it.

Mr. PASTORE. The reason why I asked the question is that I am amenable to a retention of the first part, but I am against the second part. The Senator says that is what would take place.

Mr. PROXMIRE. As I have said, many persons may feel that way.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MONRONEY. As the Senator's amendment is now before the Senate, it would strike the first part, which refers to utilities which have a monopolistic position in the service areas in which they operate.

Mr. PROXMIRE. The Senator is absolutely correct. It affects the so-called locked-in monopolies, which are utilities that are in a position to earn a favorable rate of return. They are monopolistic in every sense. They are not really in competition. The same argument cannot be made as regards some of those in the 7-percent category.

Mr. MONRONEY. Can the Senator guarantee that any of the money saved on the 3 percent or anything in his amendment would act on any regulatory body other than the Federal Power Commission or other Federal agency? This provision cannot reach agencies which are operated by State governments.

Mr. PROXMIRE. My judgment is that it would reach the State agencies, because the State agencies will do what they have almost always done in the past; namely, to follow Federal regulation, especially when it comes to a tax matter on which Congress has declared itself. In addition, there are national accounting forms used which will help persuade State agencies to follow the practice of the Federal agency. They are not required to do so.

Mr. MONRONEY. There is nothing in the Senator's amendment that would require any of the agencies in any of the 50 States to follow the pattern he seeks to put in.

Mr. PROXMIRE. I will put it the other way—there is nothing in the bill that requires a State agency to follow the Federal agency, but, as a matter of practice, many State agencies will do so and in time most, if not all, of the State agencies will do so.

Mr. MONRONEY. The Senator knows that the State agencies adopt different regulations, different periods of writeoff, and different returns on investment. So there is nothing uniform about State regulatory agencies. So it is a pious hope that the States will follow the dictates of the Federal agency.

Mr. PROXMIRE. The pious hope is the other way; the Senator from Wisconsin hopes that the State agencies will not follow the Federal practice and will not feel that it must not pass on this benefit.

Mr. MONRONEY. On the assumption that the Senator wins, it is his pious hope that that will be done.

Mr. PROXMIRE. My position is that I do not think the Congress, the Senator from Oklahoma, or the Senator from Rhode Island, or any other Member of Congress, should dictate to a regulatory body what it should do. That is what this fight is about.

Mr. PASTORE. Is the Senator saying that insofar as a public utility in Rhode Island is concerned, the Senator's amendment is dictating or does he say it is not dictating to Rhode Island what its responsibility to its consumers may be?

Mr. PROXMIRE. I am saying that the bill as reported by the committee, in its present form, would set a Federal pattern which I think may well be followed—it does not have to be; it can be, but it may well be followed—in Rhode Island and other States.

Mr. PASTORE. The point I wish to make to the distinguished Senator is that when I was Governor of my State I fought the telephone company for the benefit of the consumers in a rate case, and I did not have to come to Washington to be told how to do it. That is why I say I am amenable to the first part of the amendment. I refer to the part which relates to interstate commerce and which comes under Federal regulation. So I am willing to go along with the Senator from Wisconsin. But if we are talking about local bodies, it is the prime responsibility of those bodies to protect the consumer.

Mr. PROXMIRE. The Senator is correct. A Governor would be in a stronger position if my amendment were adopted.

Mr. PASTORE. The Governor is strong enough without it. If a Governor is worth his salt, he has power enough to do it without Congress telling him what to do.

Mr. PROXMIRE. We are not telling him.

Mr. PASTORE. We cannot do that—that is the point that I am making.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. It seems to me that perhaps the cart has been put before the horse. The bill as written tells the regulatory agencies at the Federal level what to do.

Mr. PROXMIRE. The Senator is absolutely correct.

Mr. HUMPHREY. The proposal before the Senate involves not a matter of tax policy, but a violation of the independence of the regulatory agencies.

Mr. PROXMIRE. The Senator is correct.

Mr. HUMPHREY. I recognize that some States have regulatory bodies for their utilities, and that some do not. For example, in my State of Minnesota, there is no State regulatory body with jurisdiction over the rates of the utilities. There are local regulations in local communities. The investment tax credit pertains to Federal income taxes. It is considered in the rate base of any regulated utility. In the formulation of the utility rate the law at the State level, where there is a State regulatory body, requires that the State commission take into consideration operating costs, fixed costs, a reasonable profit, capital for financial expansion, and other matters. There are many things to be taken into consideration.

It is fair to say that there is nothing in what the Senator is offering which will dictate to any State regulatory agency what it ought to do.

Mr. PROXMIRE. The Senator is absolutely correct. My amendment would retain the present law. It leaves the policy decision up to the regulatory body, because it provides that the Federal agency may pass through the full investment credit. Therefore, the result is going to follow, and follow very quickly in many cases, that the regulatory body, especially if it is a municipal body, will follow the Federal body on Federal tax law.

Mr. HUMPHREY. Things will happen if the bill remains as it is. Everyone knows that it means that the utilities will not take into consideration the tax benefits that accrue under the investment tax credit for utilities.

Mr. PROXMIRE. Yes. Let me explain this important point in the way in which it affects the consumer and the utility stockholder. According to the calculations of Professor Eisner, if this spread-over system is applied to the 3-percent utilities, the pass through will be about 30 percent of the investment credit. The stockholders will receive 70 percent of the investment credit. I submit, on the basis of all the discussion this afternoon, that there is no question that the investment credit does not result, and almost cannot result, in the purchase of more equipment for locked-in, monopolistic utilities.

If the first part is defeated, it means that only 30 percent will be passed through, and 70 percent will be kept within the utilities.

Mr. HUMPHREY. I must say that the great benefits that the Senator believes will accrue will not necessarily come to pass. However, there is no doubt that if the bill remains as it is it will set a Federal precedent. It is bound to set a Federal precedent. I support the investment tax credit. However, this provision has less effect on monopolistic industries than it has upon a free enterprise industry, where the price is always in doubt. The purpose of the investment tax credit is to encourage investment by highly competitive industries. Private utility companies have a guaranteed market for their product, and therefore their profits are assured.

Mr. PROXMIRE. That is essentially true with respect to the first part. This is a locked-in, monopolistic, noncompetitive public utility. The decision is whether the tax credit should be passed on in part to the consumer.

Mr. HUMPHREY. Mr. President, now everyone knows that, by the very nature of their business, most public utilities inevitably are monopolies. The common practices of American free enterprise do not restrain these utilities, which are free from normal competition. In order to protect the public from an unrestrained exercise of monopoly power, we have established independent regulatory commissions to limit the utilities. The most important job these commissions do is set utility rates.

We all are aware of the pressures that are exerted on Government agencies with this kind of responsibility, and therefore when Congress established these agencies it specifically intended that they should do their job free from outside political pressures.

Section 203(e) in the tax bill would do away with all this. It would interfere with the regulatory process by giving orders to the agencies that are supposed to be independent. It would do this by forcing the agencies to abstain from taking their enormous tax savings into account when setting utility rates. We have already given important tax concessions to public utilities. Now, if this provision becomes law, we will force the regulatory agencies to pretend that these concessions do not really exist for purposes of setting rates.

This proposal is a major breach in the dike of utility regulation. Unless we eliminate this section, it will be not only a gross injustice to utility customers, but an invitation to further erosion of the consumer protection supposedly provided by the regulatory process. Under this section the public utilities, not the State and Federal regulatory agencies, would decide who benefits from the enormous tax reductions enjoyed by the utilities as a result of the investment tax credit.

This section prevents agencies from lowering utility rates, even though utility costs are slashed. This is an abandonment of the whole principle of utility regulation as we have known it for generations. It establishes the principle that a utility can grow only by keeping rates high. What an irony, Mr. President, if we passed a tax cut and then approved a section that encouraged high utility bills—a key item in every taxpayer's budget.

The U.S. Congress should stay out of the details of private utility regulation. This is not the sort of detail that we should involve ourselves in. Doing so is only an invitation to concern ourselves with other details in the future, until we, rather than the regulatory agencies, will be doing their job of governing public utility costs.

Furthermore, I consider it vital to the best interests of private utility companies themselves that they not be put in the position of passing judgment on matters traditionally handled by regulatory agencies. If we give them the decisionmaking power on tax credits, why not also let them set the corporate income tax rates?

When we ask for the rationale behind section 203(e) we are told that the utilities need this help if they are to attract the investment they need in order to finance continued expansion. On Tuesday the distinguished junior Senator from Montana drew our attention to this prediction:

> For as far ahead as almost anyone would dare to look, the investor-owned electric utility industry should maintain its preeminence as the most consistently growing business in the United States.

This optimistic picture of the outlook for private power comes from the well-known brokerage house of Merrill Lynch, Pierce, Fenner & Smith. I do not believe that companies with such rosy prospects need the help of a further tax subsidy.

Mr. GORE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. GORE. I am asking the Senator to yield because, as a member of the committee, I have done a great deal of work on this section. The overall principle of both parts of the provision which the Proxmire amendment in its original form would have been stricken, but which now, upon the motion of the junior Senator from Georgia [Mr. TALMADGE], has been divided, is legislative interjection into the regulatory function of a quasi-judicial, independent agency.

Even if both parts of the amendment are defeated, all of the funds will not pass through. If the amendment is adopted in both parts, all of the investment credit will not pass through. That is so because what determines the rate structure is the profit position and the rate of return on investment by the utility. In the case of a utility which even with the investment credit does not earn a fair return, the Proxmire amendment would not require a pass-through, because the present law would not require it.

In response to the senior Senator from Rhode Island, if as Governor of his State he could operate effectively in the regulating of the intrastate utilities, the present Governor could do so without benefit of the provision in the bill.

It is not the Proxmire amendment which seeks to change the law. It is the provision in the bill that seeks to change the law.

If I may be specific, if Senators will turn to pages 38 and 39 of the bill, I believe I can state what the first branch of the amendment would do.

The branch of the amendment now pending would strike from line 7 on page 38 through line 4 of page 39. The second part would likewise strike from line 7 on page 38 through line 17. Then it picks up on line 5 on page 39 and goes through line 9.

If I may state the case briefly, what is provided in the first part is this: It will be understood that lines 7 to 17 are prefatory both to Nos. 1 and 2. So what we are about to vote on is the provision which would require that in the case of utilities that receive a 3-percent investment credit, the pass-through is required by the regulatory agency. This can be applied only on an annual basis, depending upon the assumed life of the equipment or utility, rather than in the year in which the benefit is received.

Mr. PASTORE. Mr. President, will the Senator yield exactly at that point?

Mr. PROXMIRE. Mr. President, I have the floor.

The **PRESIDING OFFICER.** Does the Senator from Wisconsin yield; and if so, to whom?

Mr. PROXMIRE. I yield to the Senator from Rhode Island for a question.

Mr. PASTORE. When the Senator from Tennessee speaks about a regulatory agency, is he not referring to a Federal agency?

Mr. GORE. Yes.

Mr. PASTORE. There is nothing that affects the right of a State public utility authority to protect the consumers. No matter what we may write into the bill, it is the responsibility of the chief executive of each individual State to protect the consumers of his State against the locked-in monopolies that operate intrastate. That is the argument I make. The argument is being made that we would be setting a precedent.

Mr. GORE. The Proxmire amendment does not aim to change the law.

Mr. PASTORE. I do not think we have a right to change the law.

Mr. PROXMIRE. The Senator is absolutely correct when he says the bill does not require the State regulatory body to do anything.

Mr. PASTORE. That is correct.

Mr. PROXMIRE. But from a practical standpoint, when Congress interprets the Federal tax law and directs a Federal agency to act in a certain way with regard to it, what does the Senator from Rhode Island really expect many regulatory bodies to do? They want to do the right thing. They say that Congress has acted in this way; and that other regulatory bodies have acted in this way. All the pressure is in that direction. The chances are in favor of most State regulatory bodies following the same practice. I do not say all of them would. The Senator from Rhode Island was a wonderful Governor of his State, just as he is a wonderful Senator. He could probably put some steel into a regulatory body.

Mr. PASTORE. I take it the Senator means s-t-e-e-l.

Mr. PROXMIRE. Steel is right. There is no s-t-e-a-l in the Senator from Rhode Island's heart, soul, or mind. So from a practical standpoint, if we want to protect the consumer, we can insist upon the present law and make no change in the law. That means we should vote for the first part of the Proxmire amendment.

Mr. **PASTORE**. So far as the protection of consumers is concerned, with respect to public utilities that operate within a State, it is the responsibility of the Governor to protect the people of his State. He has the authority to do it through his appropriate State agencies. There is nothing we can do here today that would affect that right. That is what I mean. We cannot divest a Governor of his rights and his responsibilities.

Mr. **PROXMIRE**. I think the proposal has been debated. The Senator from Rhode Island is entitled to his viewpoint. But it is my conviction that in a matter of this kind, when Congress acts, as it will act if the bill is passed in its present form, most regulatory bodies would feel that this was a Federal pattern, set by Congress, and would regard it as a Federal tax, as if the tax were not in effect, which is what it amounts to.

Mr. **AIKEN**. Mr. President, will the Senator yield?

Mr. **PROXMIRE**. I yield for a question.

Mr. **AIKEN**. I should like to ask a question, after making a short preliminary statement.

I am sure that no Members of this body desire to place in the hands of electric utility companies an instrument that would enable them to weaken or destroy their competition. I cannot help feeling that this provision of the law is aimed directly at the rural electric cooperatives and the municipal power systems throughout the country. I may be mistaken, but the rural electric cooperatives feel that this proposal is aimed at them. The municipal lighting systems feel that it is aimed at weakening or destroying them. I shall not explain their reasons here; it would take too long to do so. Instead, if the Senator from Wisconsin will permit, I should like to ask unanimous consent to have printed at this point in the Record a letter from Mr. Clyde T. Ellis, general manager of the National Rural Electric Cooperative Association, setting forth reasons why this provision of the tax bill would be extremely damaging to them; and also a letter from Mr. Alex Radin, of the American Public Power Association, setting forth the harmful effects of this provision of the tax bill upon the municipal lighting systems of the country, of which there are about 1,200. There are about 1,000 rural electric cooperatives.

We know that some of the private electric utility companies have been waging war against them and are accentuating that war at present. I do not believe any Member of the Senate wishes to weaken or destroy the competitive power that the REA's or the municipal lighting systems exert in many States.

Mr. **LONG** of Louisiana. Mr. President, I ask for the regular order.

Mr. **PROXMIRE**. The Senator from Louisiana has asked for the regular order.

Mr. President, has the Chair ruled on the request of the Senator from Vermont to place certain material in the Record?

There being no objection, the letters were ordered to be printed in the Record, as follows:

National Rural Electric
Cooperative Association,
Washington, D.C., February 3, 1964.

Hon. George D. Aiken,
U.S. Senate,
Washington, D.C.

Dear Senator Aiken: Rural electric systems buy more than $100 million worth of wholesale energy annually from the investor-owned utilities.

The wholesale energy bills we pay include, of course, the tax dollars which investor-owned utilities in their role as a tax collector collect from all consumers.

We are opposed to having any part of the taxes we pay as a part of our wholesale power bills pocketed by power company tax collectors. When we pay a bill computed at rates which include a Federal income tax component, we believe that we have a right to insist that the collector turn all of our tax dollars over to the Federal Government, or that these dollars not paid as taxes be returned to the consumers who put them up in the first place.

Section 203(e) of the tax bill now before the Senate prohibits the Federal Power Commission from requiring power companies, except with their consent, to pass on tax savings to consumers. State commissions generally adopt FPC accounting procedures and can be reasonably expected to follow FPC practice in this instance.

Such a procedure makes a mockery of the regulatory process. If the purpose is to stimulate the economy, lower electric rates to consumers are certainly more effective than giving a subsidy to investors.

We respectfully urge you to oppose section 203(e) of the tax bill.

Sincerely yours,

Clyde T. Ellis,
General Manager.

American Public Power Association,
Washington, D.C. January 31, 1964.

Senator George D. Aiken,
Senate Office Building,
Washington, D.C.

Dear Senator Aiken: American Public Power Association, a national trade organization representing more than 1,200 local publicly owned electric systems in 45 States and Puerto Rico, opposes section 203(e) of H.R. 8363 as passed by the House of Representatives and reported to the Senate.

Enactment of section 203(e) would prohibit Federal regulatory agencies in accounting or ratemaking activities from requiring that utilities "flow through" tax savings from the investment tax credit unless the utility concurs. Such a prohibition would have an adverse effect on the interests of APPA members, and purchasers of electricity generally, because it would severely hinder efforts to pass on to consumers "cost of service" reductions resulting from tax cuts and would encourage the imposition of "phantom taxes" on utility customers.

More than 900 local publicly owned electric utilities in 43 States purchase wholesale power from private power companies. Implementation of section 203(e) would permit charges in excess of those which may be fair and reasonable—without the benefit of review by Federal regulatory agencies in those areas where they have jurisdiction. This proposal would foster and further practices which have allowed private power companies to accumulate more than $1.6 billion in Federal subsidies and to hand out in excess of $600 million in "tax-free" dividends—despite the fact that private power companies have no need for such aid, hold monopoly rights, are sheltered against risk, are provided a guaranteed rate of return, and possess ready access to capital.

Adoption of this measure would endorse utility practices of keeping two sets of books—one for rate purposes and one for tax purposes. Weakening of the ability of Federal regulatory agencies to keep power costs down may boost costs of residential users and manufacturers—to the detriment of the total economy, and at a time when lower rates can significantly increase our ability to compete abroad. Capability of Federal regulators to aid in controlling private utility companies' rates and earnings—reported by the Federal Power Commission to be nearly $500 million above a 6-percent return in 1961—would be seriously lowered if the regulatory agencies cannot enforce their decisions without the consent of the utility involved—a reversal of roles contemplated by the proposal in question.

While there is no question of the right of Congress to amend the law related to these matters, it would appear to be opening a Pandora's box by taking such action; if all difficult questions of regulation must be settled by Congress, not only is the purpose of regulatory agencies placed in doubt, but the Congress is likely to find itself in the role of a quasi-judicial organization before whose committees parties to any dispute will try their cases.

Sincerely,

Alex Radin.

Mr. **PROXMIRE**. I shall take less than a minute to sum up. The point of the Proxmire amendment in its present form is this: The present law should be kept as it is. The Federal regulatory bodies should not be told by Congress whether they can pass the investment credit through in the first year or at any other time.

Finally, the facts are that if the first part of the Proxmire amendment is defeated, for the lock-in monopolistic utilities, 70 percent of the benefit of the investment credit will remain with the utility, and only 30 percent will be passed through.

I yield the floor.

Mr. **LONG** of Louisiana. Mr. President, I have been insisting on the regular order because I believe Senators are entitled to know what they are voting on, rather than to have to explain to their constituents why they voted wrong. In my judgment, if the Proxmire amendment is agreed to, it will be outlawed, although some Senators will strongly believe this should be done.

When there are yea-and-nay votes, Senators are in the Chamber. After the vote, a Senator will obtain the floor and parcel out the time, back and forth, until most Senators have left the Chamber. When they return, without having heard the debate, they vote for something that they may not have wanted to vote for had they heard the debate. The result is that they have to explain, "I did not understand."

This is a request by Mr. Clyde Ellis and his public power associates. They support the position of the Senator from Tennessee [Mr. Gore], in whose State is located the great Tennessee Valley, where the Government spent hundreds of millions, billions of dollars of Federal money, to provide power.

I have made my position known with respect to the generation of power.

I am in favor of generation if it can deliver power cheaper than the private power companies are doing it now. The private companies, of course, are entitled to make a fair profit after taxes.

We voted for a 7-percent tax credit. After we voted the 7-percent credit, we said that the regulated power companies would get the benefit of a 3-percent credit.

All they are asking is to be permitted to make interest on the money while they are passing it through to their customers. That would be about the same as a 1-percent tax credit for them. But they are competing with public power interests, which every year need more and more Federal funds.

There is a definite place for REA in this country, but I would not like to see it extended to industries that the Congress did not intend. This would hurt their real mission. At the same time I would like to see their competitors get any tax credit to which they are entitled.

Mr. President, that is the issue; and I am ready to have the Senate vote.

Mr. AIKEN. Mr. President, I thank the Senator from Louisiana for so clearly defining the issue; he did so much better than I could have done.

However, I wish to make clear that in speaking on this issue, I am not speaking of Mr. Ellis. Sometimes I agree with him; sometimes I do not.

But I am speaking of the 5 million rural families who are members of the REA cooperatives. I earnestly hope the Senate will not approve any section of the pending bill which would put them in a very unfortunate position.

Mr. GORE. Mr. President, I shall take only 1 minute.

I wish to call attention to the fact that the principal utilities here involved are the telephone and the electric utilities. All of the long-distance interstate rates are subject to Federal regulation and the interstate electric utilities are subject to Federal regulation. This provision does not touch the intrastate ones; but it does touch, in a very inadvisable way, the operations of the Federal Communications Commission in this case and the operations of the Federal Power Commission in the other case, because it would not leave the Commissions free to exercise their responsibility to establish rates which are fair, equitable, and reasonable to the consumer and to provide a fair and reasonable return upon the investment. Instead, this part of the pending bill would fix, legislatively, an arbitrary standard for the determination to be made with respect to the investment credit—a very large and very specific benefit.

So this issue involves the principle of legislative injection into the functions of a regulatory agency specifically charged, under laws enacted by Congress, with arriving at and regulating rates fair to the consumers and providing a fair return on the investment.

Mr. PROXMIRE. Mr. President, on the question of agreeing to the first branch of my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MORTON. Mr. President, I cannot see anything wrong with having Congress tell the regulatory agencies what Congress meant 2 years ago when it passed the 1962 bill. That is what the language of the committee's version of the bill would do. So I hope the pending amendment will be rejected.

Mr. MILLER. Mr. President, will the Senator from Louisiana yield for a question?

Mr. LONG of Louisiana. I yield.

Mr. MILLER. In Iowa there are a large number of rural electric cooperatives, and I am concerned with having them take a proper part in the economy. I think they have been doing a good job.

The Senator from Vermont [Mr. AIKEN] has raised the point that this provision is, somehow or other, directed at the REA's. I cannot find in it any provision which relates either directly or indirectly to the REA's.

Does the Senator from Louisiana interpret this provision in the way the Senator from Vermont does?

Mr. LONG of Louisiana. Insofar as the 1-percent tax credit—which is all the net a power company would make—this might constitute an incentive for the construction of a new generating plant. I do not believe the REA is involved.

On the other hand, if the investment credit does what it is designed to do; namely, provide more incentive for investments in plant construction—and if such investments are made in electric generating plants, to that extent that would be in conflict with the interest of the REA's.

Mr. MILLER. If that is the case, when Congress enacted the 3-percent tax credit, Congress must have been "taking a crack" at the REA's; to be consistent, we would have to interpret that measure in that way.

Mr. LONG of Louisiana. If the tax credit were passed back immediately, perhaps the effect would be that they would not receive any benefit.

Mr. MILLER. But Congress did not decide that, in that connection.

Mr. LONG of Louisiana. Some say it is obvious that the purpose was left obscure. It is on that point that at this time we are seeking the enactment of legislation.

The PRESIDING OFFICER. The question is on agreeing to the first branch of the amendment offered by the Senator from Wisconsin [Mr. PROXMIRE]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD (after having voted in the negative). Mr. President, on this vote I have a pair with the distinguished minority leader the Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "nay." If I were permitted to vote I would vote "yea." I withdraw my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Louisiana [Mr. ELLENDER], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that, if present and voting, the Senator from Arizona [Mr. HAYDEN] would vote "nay."

On this vote, the Senator from Nevada [Mr. CANNON] is paired with the Senator from Louisiana [Mr. ELLENDER]. If present and voting, the Senator from Nevada would vote "yea," and the Senator from Louisiana would vote "nay."

Mr. KUCHEL. I announce that the Senator from Illinois [Mr. DIRKSEN] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

If present and voting, the Senator from Arizona [Mr. GOLDWATER] would vote "nay."

The result was announced—yeas 43, nays 48, as follows:

[No. 24 Leg.]

YEAS—43

Aiken
Bartlett
Bayh
Burdick
Byrd, Va.
Case
Church
Clark
Douglas
Gore
Gruening
Hart
Humphrey
Jackson
Javits
Johnston
Keating
Kennedy
Kuchel
Lausche
Magnuson
McGee
McGovern
McIntyre
McNamara
Metcalf
Morse
Moss
Mundt
Muskie
Nelson
Neuberger
Pell
Prouty
Proxmire
Ribicoff
Robertson
Scott
Smith
Williams, N.J.
Williams, Del.
Young, N. Dak.
Young, Ohio

NAYS—48

Allott
Anderson
Beall
Bennett
Bible
Boggs
Brewster
Byrd, W. Va.
Carlson
Cooper
Cotton
Curtis
Dodd
Dominick
Eastland
Edmondson
Engle
Ervin
Fong
Fulbright
Hickenlooper
Holland
Hruska
Inouye
Jordan, N.C.
Jordan, Idaho
Long, Mo.
Long, La.
McCarthy
McClellan
Mechem
Miller
Monroney
Morton
Pastore
Pearson
Randolph
Russell
Saltonstall
Simpson
Smathers
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Walters

NOT VOTING—9

Cannon
Dirksen
Ellender
Goldwater
Hartke
Hayden
Hill
Mansfield
Yarborough

So the first branch of Mr. PROXMIRE's amendment was rejected.

Mr. LONG of Louisiana. Mr. President, we now proceed to consider the second branch of the amendment, which I should like to explain briefly. The Senate has agreed—and I think quite correctly—to do what it tried to do initially when the Senate attempted to make clear to the regulatory agencies what it had in mind when it passed the bill pertaining to tax credit. If we do not tell the regulatory agencies what we are trying to do, the regulatory agencies themselves will be divided. The Federal Power Commission is divided. I understand that there is a division in the Interstate Commerce Commission. We should instruct them as to what we meant. If we instruct the regulatory agencies that we meant either that the utilities should have the advantage of the tax credit or should not have the advantage of the tax credit, they will understand what Congress intended. The utilities will either keep the benefit of the credit or they will flow it through.

I should like to explain what is involved in the second branch of the amendment now before the Senate.

Congress voted 2 years ago that the regulated carriers, whether they be the railroads, the airlines, the bargelines, the pipelines, or the trucking lines—the entire transportation industry—would all be treated alike, in that they would all have the benefit of the 7-percent credit.

At present the Interstate Commerce Commission does not take away the benefits of the tax credit from the railroads, the bargelines, or carriers which compete directly with the pipelines, nor does it propose to do so. No one is proposing that the benefit of the tax credit be taken away from the shipping lines which carry residual fuel oil to the eastern coast. They are able to provide a cheaper service on a B.t.u. basis than their competitors, the pipelines and the railroads, provide.

The proposal would treat all carriers alike. They would all receive the benefit of the 7-percent tax credit.

There is a legislative history on the subject in the House and in the Senate. It might be subject to dispute, but if Congress does not adopt the amendment, lawsuits will be filed. The question will be in litigation for years, and when it finally reaches the Supreme Court of the United States, the question will still be as follows: Did the Congress intend that the regulated carriers—the railroads, the bargelines, the pipelines, and the shipping lines—should have the full benefit of the credit as an incentive to modernize their equipment; or did Congress intend that they should be required to give it back as a reduction in rates? That is the question.

As the matter stands now, if we do not adopt the committee recommendation, the FPC may proceed against the pipelines. If they should win that lawsuit, the Interstate Commerce Commission might well be under the burden of proceeding against the railroads, the bargelines, and other carriers.

The argument of those of us who support the House bill—and the section to which I refer was sent to us from the House—is that the provision was intended as an incentive to modernize the railroads and the other carriers. The railroads have accomplished a great deal of modernization, depending upon that provision of the law. It was our intent that the same benefits should be available to the pipelines which are competing with them, to enable them to modernize and obtain new equipment, and that the bargelines should have the same incentive to modernize. The shipping lines with which they are competing should have the same incentive, on the same basis. If we desire a space age manufacturing industry, we must remember that one quarter of our gross product is the transportation industry, and we should not attempt to achieve full modernization of the manufacturing industries without having a space age transportation industry to go along with it.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. McCLELLAN. I do not understand why the provision does not apply equally now.

Mr. LONG of Louisiana. The reason is that on the commission level the question is asked, Does Congress intend that the carriers should be permitted to have the tax credit that was voted as an incentive to encourage them to make a profit by building more pipelines, modernizing the railroads, and building more facilities, or did Congress intend that the incentive should be passed on through as a reduction in rates?

It can be argued—and I contend it to be true—that if the transportation industry is modernized, the competition factor will bring rates down. On the other hand, if we consider the position of the opponents and the position of the majority of 3 to 2 on the Federal Power Commission, we would argue that the purpose intended was to make the carriers reduce their rates by the amount of the benefit from the investment credit.

The Senator from Louisiana contends that 2 years ago, when the Senate approved the tax credit provision, we deliberately made it more profitable for business if it would do what we wanted it to do—which was to modernize, to improve, and to expand its services; and we intended that business should make a profit if it did something we thought was in the national interest; namely, to modernize, improve, and expand facilities.

If that is what we desire to do, is what we do for all the rest of industry—making it profitable for all to modernize—we should permit the transportation industry to have the same incentive as the others. On the other hand, it can be contended—and those who take the opposing point of view contend—that we intended it, for example, an industry should receive a $70,000 tax credit, it should be immediately required to reduce rates by $70,000, thereby eliminating the profit motive to modernize or to put in new facilities.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. McCLELLAN. Do I correctly understand, then, that if the pending amendment is adopted, it would take away from transportation and utilities all profit and incentive for them to make the investment to begin with?

Mr. LONG of Louisiana. They would still be permitted to make the same profit that they were permitted to make before. But the point is that, so far as the pipelines are concerned, they would be required to flow the tax advantages of the tax credit through. So we would be discriminating between these and other carriers not having to flow the benefit through.

Mr. McCLELLAN. Do those who support the amendment agree that discrimination would result between various carriers.

Mr. LONG of Louisiana. The Senator from Louisiana is opposed to the Proxmire amendment.

Mr. McCLELLAN. I understand that. The subject is complicated. Senators who are members of the Committee on Finance have been devoting many weeks and months to the bill, and they understand it. It is somewhat difficult for me. Perhaps it is not for others, but it is for me. I should like to see all the utilities treated alike. At the same time, I would not wish to take away the incentive that I believe Congress had in mind when it first granted the credit.

Mr. LONG of Louisiana. The Senator would vote to take away the incentive if he should vote to agree to the Proxmire amendment. He would be permitting them the incentive that we intended for all industry if the Senator votes down the Proxmire amendment and stays with the House bill.

So if the Senator wants to treat them all alike and see that they get enough credit and benefit from it as a means of modernizing and expanding their investment, he will vote against the amendment.

Mr. McCLELLAN. What is the argument against treating them all alike? The Senator says this provision would treat them all alike. I would like to hear the argument on the other side of the question.

Mr. LONG of Louisiana. Then I will yield the floor.

Mr. GORE. Mr. President, the senior Senator from Arkansas has asked a question. I think I am prepared to answer. There is some question about the legislative intent in 1962. I participated in the debate at that time as a member of the committee. The late and beloved Senator Kerr made it perfectly plain, when the bill was before the Senate, that if the 7-percent investment credit were given to the gasline utilities, the benefit would be passed through to the consumers.

Mr. McCLELLAN. Mr. President, will the Senator yield at that point?

Mr. GORE. I yield.

Mr. McCLELLAN. But the law does not require it to be done. Was that merely the statement of a Senator that it would be done? I am trying to get the facts.

Mr. GORE. So far as the law is concerned, the bill did not require it. It was a revenue measure. But what we have in the present bill is a legislative measure in a revenue bill. This provision in the pending bill, which the Proxmire amendment now seeks to strike out, prohibits the Federal Power Commission from taking into consideration the vast benefits of investment credit in arriving at fair and reasonable rates for consumers to pay or a fair and reasonable return on investment.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. McCLELLAN. Let me see if I understand. The law gives them the 7-percent credit.

Mr. GORE. The tax law.

Mr. McCLELLAN. As it is now.

Mr. GORE. Yes.

Mr. McCLELLAN. Am I to understand that the bill now before the Senate, as it passed the House, would prevent the Federal Power Commission, or whatever other utility commission had jurisdiction, from taking into account the extra profits and benefits that accrued to the investor, in fixing the rates?

Mr. GORE. That is correct.

Mr. McCLELLAN. I thought all of those factors were properly taken into account.

Mr. GORE. So did I. I do not know why this provision is in the bill. This is a legislative proposal inserted in a revenue measure. It has no place in the bill.

Mr. McCLELLAN. The point I am trying to make is why the regulatory agency which has the ratemaking authority should not be permitted to take into account the investment which has been made in fixing reasonable rates and also whether or not some of the benefits of that should be passed on to the consumers.

Mr. GORE. I know of no reason why they should not.

Mr. McCLELLAN. That is the fair way to do it. We leave it to the regulatory body to make the decision.

Am I to understand that the language in the bill would take away from the regulatory body the right to take into account the benefits and profits that accrued in making the rate structure? Would that right be entirely eliminated?

Mr. GORE. That is correct.

Mr. McCLELLAN. Is that correct?

Mr. GORE. That is the provision in the bill which the Proxmire amendment seeks to strike out.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. ANDERSON. The Senator from Tennessee quoted what the Senator from Oklahoma said when the bill was on the floor of the Senate. Will the Senator quote what the Senator from Oklahoma said when it came back, which completely reversed that statement?

Mr. GORE. It is not within the power of this body to determine the legislative intent of Congress in 1962. Various independent agencies have already reached decisions with respect to the investment credit. The ICC, the Federal Power Commission, and the Federal Communications Commission have done so. Now it is proposed that Congress legislatively inject itself into the functions of these regulatory agencies, which, as the Senator knows, are quasi-judicial in nature, and prohibit the consideration of hundreds of millions of dollars in benefits which Congress has voted, in reaching, as the Senator has said, fair and reasonable rates for the consumer to pay and a fair and reasonable return on investment.

Let me go one step further. This flowthrough is not automatic. If as a result of these benefits the return on investment should go above a ceiling which the regulatory agency considers fair and reasonable, it would operate to reduce the rates. But in the case of a utility that was not in a very strong profit position and for which this investment credit did not provide a profit in excess of what was considered to be a fair and reasonable return on investment, the flowthrough would not occur.

But what the present law permits, and indeed what the statute requires, is that the Federal Power Commission take into consideration all the operating costs and operating revenues and determine what is a fair rate of return on investment on the one hand, and, in consequence thereof, what is a fair and reasonable rate for consumers to pay, on the other.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. McCLELLAN. As of now, are not the regulatory agencies which have supervision of rate fixing required to take into account the basic investment involved, together with operating costs, in fixing a rate that will yield a fair return on the basis of that investment?

Mr. GORE. That is true.

Mr. McCLELLAN. How would this provision change that? They are the ones to look into each case. Congress cannot do it. I do not want to change that rule. That is what I am talking about.

Mr. GORE. To answer the Senator's question, let me answer it, not in my words but in the words of the bill:

> Accordingly, Congress does not intend that any agency or instrumentality of the United States having jurisdiction with respect to a taxpayer shall, without the consent of the taxpayer, use—
>
> (2) in the case of any other property, any credit against tax allowed by section 38 of such Code, to reduce such taxpayer's Federal income taxes for the purpose of establishing the cost of service of the taxpayer or to accomplish a similar result by any other method.

That means the regulatory agencies are prohibited from taking into consideration the tax benefits from the investment credit in arriving at what is a reasonable and fair return on investment or what are fair and reasonable rates for consumers to pay.

Mr. McCLELLAN. I merely wished to make the observation that I do not want to change the present practice, the present rules, the present standards of measurement.

Mr. GORE. Nor do I.

Mr. McCLELLAN. I believe they are right as they are. If the bill seeks to change them, if it seeks to change that practice, I would have to look with disfavor upon it.

Mr. GORE. The Senator reaches the same conclusion that I have reached.

Mr. McCLELLAN. I do not want to see discrimination practiced. If the commissions now are favoring one by granting relief, and not to the other, I am opposed to it. I want to correct that situation.

Mr. GORE. I thank the Senator.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. ANDERSON. The Senator from Arkansas is asking what the law is. The legislative history is clearly established. The House wrote the legislative intent in its report. The Senator from Oklahoma, Mr. Kerr, presented the situation to the Senate and the Senate affirmed it. However, the regulatory agencies said, "We do not care what Congress said. We are going to do it our way."

If Senators wish to have it the way the law provides, they should stand with the bill. If they want to stand with the bureaucrats, they should vote for the amendment.

Mr. GORE. Mr. President, I apologize to the Senate for taking so much time. However, this is a very important measure. It involves hundreds of millions of dollars annually. This provision in the bill would deny benefits to consumers. That is why I take some time. I hold in my hand a decision of the Federal Communications Commission. Let me read what the decision says:

> 7. The comments have dwelt at some length on the so-called legislative intent behind the investment tax credit and many of them have implied that the Commission is precluded by such legislative intent from judging the appropriate accounting on the merits in accordance with sound public utility regulatory principles. We do not agree with this implication. It appears to us on the contrary that Congress fully intended that the tax legislation here involved should fit into the normal regulatory scheme.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. GORE. Not just now. I shall yield presently. I read further from point 10:

> 10. The question may well be asked as to how Congress intended the tax credit to be an investment incentive to utilities if the entire amount is to be passed along to consumers in the form of lower rates. The answer, of course, is that in most cases it will not all be passed on even under the "flowthrough" principle. Only in the case of a utility which has already reached the upper limits of a reasonable rate of return is such a result possible, and even then rates cannot be reduced to give immediate effect to the reduction in taxes. In the case of marginal utilities, such as some railroads, for example, it may well be that none of the amount will be passed on to the consumer. It is this factor, present to some degree in the case of most utilities, of providing the means of increasing earnings and making it easier to obtain capital, both directly through retained earnings and indirectly through rendering its securities more attractive to investors, that constitutes the real incentive.

I will read one further point, and then I shall read the conclusion:

> It is our view that the investment tax credit represents a reduction of income taxes and should be so recorded in the accounts. The Revenue Act of 1962 specifically provides that the Federal income tax liability shall be reduced by the amount of the investment tax credit. The amount of the tax due the Government is determined after deductions of the credit.

Now I come to the conclusion:

> We conclude that the proper accounting with respect to the investment tax credit arising from both owned and leased property is to account for it as a reduction in income taxes and let such reduction flowthrough to operating income. As stated in the Notice of Proposed Rule Making in this proceeding, we have interpreted all of our uniform systems of accounts as presently requiring "flowthrough" accounting. Consequently, no amendments to our systems of accounts will be ordered herein.

Mr. McCLELLAN. From what is the Senator reading?

Mr. GORE. From a decision of the Federal Communications Commission. I could read from a decision of the ICC or the Federal Power Commission. The Chairman of the Federal Power Commission has asked Congress not to inject itself into ratemaking cases, many of which are pending now before this quasi-judicial body.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. ANDERSON. What the Senator has said bears out what I have been trying to say. The Federal Communications Commission knew clearly what Congress intended. It said, "We do not care what Congress intended. We will do it the way we want to do it."

They do not pay any attention to the clear evidence. The House report was amply clear. The statement of the Senator from Oklahoma on the floor of the Senate admits of no misunderstanding. That is what is in the bill. The bureaucratic agencies went ahead and did what they wanted to do. Therefore, the House slapped them with this language. It is the only way in which it can hold them in line when they violate the clear intent of Congress.

Mr. GORE. I respect the opinion of the senior Senator from New Mexico. I must say, however, that his statement is entirely incorrect. There is room for argument as to what the legislative intent was. The Senator has made one argument. Not only did the Senator in charge of the bill in colloquy with me make the intent perfectly plain that the benefits—which, incidentally, I thought never should have gone to regulated utilities anyway—would be passed through to the consumers. Moreover, the late Senator Kerr made it perfectly plain that the benefits would be passed through to the consumers.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. DOUGLAS. I wish to corroborate what the Senator from Tennessee has said. I refer Senators to the CONGRESSIONAL RECORD for August 28 and September 4 of 1962, when the Senator from Wisconsin was raising the very same question about these very points, and was about to offer an amendment to strike out this language. The Senator from Oklahoma rose and said that the amendment was not necessary, because, of course, in the case of these utilities, the utilities would of course pass the benefits through.

It was on that assurance that the Senator from Wisconsin did not press the amendment which he is now pressing.

Then the bill went to conference. The language was continued. Then the Senator from Oklahoma came back with exactly the opposite statement, when it was too late for us to change this provision, because the Senate had either to accept or reject the revenue bill as a whole.

We could not amend it. But when the issue had been before the Senate, we had been given assurances that it was not necessary, because the savings would be passed on. After the provision was firmly embodied in the bill, we were then told exactly the opposite. So to the degree that we want to give weight to the legislative history, the legislative history on the floor of the Senate is at least as important, so far as the Senate is concerned, as the statement of the managers as they returned from conference.

Mr. ANDERSON. Mr. President, will the Senator yield for 1 minute?

Mr. GORE. If the Senator does not mind, I should like to read what was said on August 27, 1962, by Senator Kerr.

Mr. ANDERSON. While the Senator is looking for that statement, I should like to make a brief comment.

Mr. GORE. I will not yield just now. Senator Kerr said:

> With reference to that section, I say to the Senator from Tennessee that the benefits would go to the consumers, not the gas pipelines. If the Senator from Tennessee were aware of the facts in the case, the rules and regulations of the Federal Power Commission, and the applicable law, he would have known that. The interstate gas pipeline carriers are a regulated utility, and under the operations of the Federal Power Commission, any saving effected by them reduces their rate base.

That was said to me, standing here, by the distinguished and late beloved Senator Kerr, standing over there.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. DOUGLAS. Senator Kerr repeated the same statement to the Senator from Wisconsin [Mr. PROXMIRE] on the following day, August 28, and on September 4 he said it again. So we had three assurances that the saving would be passed on.

It was only when the bill came back from conference that a contrary statement was made.

Mr. ANDERSON. The statement made by the Senator from Illinois is exactly correct. I agree with him completely. I have no quarrel with it. I have no quarrel with what the Senator from Tennessee is saying. I regret that there is confusion on the subject. But I wish to explain the reason why I think the House inserted language which it was felt clearly set forth its history, which is somewhat different from ours. The House requires written reports, and the Senate does not. It was felt that the House language was somewhat binding, and that Senator Kerr's statement on the floor of the Senate, after the conference had agreed that this meant a certain thing, was binding also. I admit that there is a difference between them. The Senator from Illinois, so far as this question is concerned, stated the situation exactly as it was.

Mr. DOUGLAS. I thank the Senator from New Mexico.

Mr. GORE. Permit a lawyer from Tennessee, of very limited learning, to express the view that a colloquy on the floor of Congress does not take precedence over a statutory provision of law. Neither does a committee report. Where is the residual grant of power? Where do we find the statutory authority—indeed, the statutory responsibility—for taking into consideration the position of the utilities in arriving at rates fair and reasonable for the consumer and a fair and reasonable return on the investment? We find it in the statutes enacted by Congress before this colloquy occurred; and this colloquy did not repeal any of those laws. All that Congress did in 1962 was to pass a law providing tax benefits called investment credit.

Now another tax bill is before Congress. It contains a legislative measure which would prohibit the Federal Power Commission from taking these benefits into consideration for the purposes of fixing rates for consumers or determining a fair rate of return on investment.

Mr. McCLELLAN. Mr. President, will the Senator yield at this point?

Mr. GORE. I yield.

Mr. McCLELLAN. It strikes me that possibly everyone has about the same objective in mind with respect to this proposal. I should think that no one would want to deny to regulatory bodies the right to take into account the investment involved, the cost of operating, and so forth, to arrive at a fair rate of charge to the consumer or user. Since statements have been made on the floor that caused some confusion, I should think, since possibly regulatory agencies have made some interpretations of their own, and the House feels the agencies are not carrying out the intent of Congress and the intent of law, that it might be well for this matter to go to conference, and let Senators who have the responsibility and the knowledge, after conferring with the House conferees, work out some language on which agreement would be possible. My thought is that a vote for the amendment of the Senator from Wisconsin by the Senate would throw the question into conference.

Mr. GORE. That is correct.

Mr. McCLELLAN. I do not know what the outcome would be; I am not prepared to say. I have reached no conclusion about it. But it occurs to me that it should be possible in conference to work out language that would prescribe what should be done, what I think Congress intends should be done, and at the same time not permit regulatory agencies to ignore or disregard the intent of Congress. I think something could be written into the conference version to get the job done. I do not know any other way to do it. If this language is not satisfactory, or if there is some real objection to it, let us get the matter into conference and see if something can be worked out.

Mr. GORE. I thank the Senator from Arkansas.

Mr. PROXMIRE. The senior Senator from Arkansas has put his finger on the crux of the amendment and has made the strongest argument for it. He does not want to vote for a change in the present situation; or if there is to be a change, he feels that, at least, the conferees ought to have an opportunity to discuss it. The way to accomplish that is to vote "yea" on the amendment.

Under the present bill, regulatory agencies have no discretion. They are compelled, forced, required, mandated, to prohibit or prevent a passthrough. They cannot pass through 1 percent, 2 percent, 3 percent—or any investment credit. They are compelled by law. This is direct dictation by Congress to the Federal Power Commission and to the other Federal agencies and, I think inferentially, to the State agencies.

I should like to make one or two other points. The Senator from Louisiana has argued that the gas pipelines and oil pipelines do not really have an opportunity to take advantage of the investment credit. He said their competition can get it, but they cannot get it. Oil and gas pipelines are regulated. Why are they regulated? Why did Congress decide to place oil and gas pipelines under regulation? Because they are vested, to some extent, with a character of monopoly. If it were not for the fact that they are regulated by the Federal Power Commission, they would be in a position, on the basis of the judgment of Congress—not of Members of Congress, but the judgment of Congress—to charge rates that would be excessive. Competition alone is not enough to keep the rates charged by oil and gas pipelines within reason.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MONRONEY. It is true that this provision was passed to make certain that independent producers would have pipelines available to carry their oil to market. But the real purpose was to protect carriers owning pipelines, so that every producer in the field, whether the line was owned by the producer or not, would have the same right on a percentage basis to pipe his oil to market. That is, it was a common carrier.

Later, it was provided that the Federal Power Commission should maintain a reasonable rate for the fuel. The pipeline had nothing to do with the rate.

That is why I feel that the Senator's amendment would deny to carriers or transportation facilities, which are in competition, an opportunity to provide service on a basis that would be profitable to them and also to furnish service at a reasonable rate.

Mr. PROXMIRE. Let me say to the Senator from Oklahoma that existing law and this amendment do not deny the oil pipelines and the gas pipelines anything, but merely provide that they must make their case before the regulatory body; and a majority of them have not been able to convince the Commission.

Mr. MONRONEY. But they have already decided this question. We are not talking about letting the regulatory body do that. Two have agreed and three have opposed doing what I thought the Senate had in mind when it previously dealt with the tax credit—namely, provide it as an incentive for the construction of additional lines and for improvement of their plants.

If none of the investment credit is to be retained, I do not believe it can properly be called an incentive. If it is properly called an incentive tax credit, then all who wish to invest more money will be able to deduct the 7 percent as a tax credit. I do not think one minor group should be the only one to be compelled to proceed without the benefit of the tax credit.

Mr. PROXMIRE. But these companies do not regard it as an adequate incentive or as a sufficient amount to really constitute such an incentive.

Mr. MONRONEY. Who determines that question? These companies are in competition, and the rates they charge must be competitive rates, regardless of the views of the commissions as to what rates should be established for the pipelines, the truck lines, or the railroads. These companies have to meet the lowest rate that one of their competitors quotes; and today most of the rate cases taken before the Interstate Commerce Commission are based on attempts to set rates too low, so low that the companies cannot even continue to operate, much less obtain a reasonable return on their investments.

Mr. PROXMIRE. But absolutely nothing in either existing law or the amendment would require that the tax credit be passed through and not be retained by the companies if the rates established by the regulatory commissions were not adequate and sufficient to provide a reasonable or fair return on the investment and were not sufficient to enable the companies to continue to operate.

Mr. DOUGLAS. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. DOUGLAS. I believe this question has been before Congress ever since the Moore bill was under consideration—in other words, for approximately 17 years. It has also been before the Federal Power Commission and before the Supreme Court.

It is true that one of the purposes of regulating the pipelines was to give them a common-carrier status. But according to the Supreme Court, that was not the only purpose. In the Phillips case, the Supreme Court held it was also a proper function of the regulatory body to consider what was a reasonable rate of return; and behind that reasoning there was a solid base of economic fact; namely, that once a pipeline is hitched up to the original source of supply and once it connects with the distributing company at the other end, it is, in effect, a monopoly—in other words, that there is no possibility of building a competing line.

We fought out this issue on the floor of the Senate. The late Senator Kerr was so strong that we were unable to overpower him here. But the Supreme Court clearly stated, in connection with this matter, that this is a proper function of regulation.

So regardless of the action taken by the Senate or the action taken by the Commission—which had some very strange things happen to it, it is clear that the Supreme Court determined, as the law of the land, that that function is included in the provision of this regulatory function.

Mr. MONRONEY. But a pipeline which, in Oklahoma, obtains its gas for approximately 12½ cents, charges 15 cents for it when it turns it over to the distributing company in Washington, D.C., or in Rockville, Md.; and the distributing company charges the consumers about $1.50 for it. At least, that is about what I pay for the gas used in my home. The result is that the large profits are made by the distributing companies; the pipeline companies make a very small amount.

This bill would not affect the Public Utilities Commission of the District of Columbia; and the Senator from Minnesota says there is no corresponding commission in Minnesota.

I do not know whether there is one in Wisconsin.

So, when natural gas passes through the lines of the pipeline company and is delivered to the local utility, the distributing company, it is clear that no provision of this law would require that the tax credit be passed on to the consumers. Certainly I do not want the result of this measure to be the further enrichment of the distributing companies, which now are charging for the gas they deliver to the consumers 10 times the price the pipeline companies charge when they sell the gas to the distributing companies in the cities.

Mr. PROXMIRE. I assure the Senator that the Wisconsin Commission will require them to pass it on. The pipeline companies are allowed a fair return, and they will be required to pass on this tax credit.

Mr. MONRONEY. This law has been in effect since 1962. What have been the rulings of the Wisconsin Public Service Commission as to the passthrough of the tax credit, as an incentive for increased investments in plant and facilities? Certainly that was the purpose; and I feel sure that the members of the commissions are smart enough to have realized that and, therefore, to have set the rates high enough to enable the companies to do that, or else not have required the passthrough to be made.

Mr. PROXMIRE. Only a few of them have required the passthrough to be made, but some of them have.

Mr. MONRONEY. So there is no assurance that if this measure is enacted—although at present it affects only the Federal Power Commission and only the long-line transmission facilities—the Commission will say, "We will require the transmission companies to reduce their rate by 1 cent, but we will not require the local distribution companies to reduce the $1.50 rate they charge the consumers in the cities"—with the result that the transmission companies get only about 7 cents of the total. A great deal more is charged to distribute the gas from Rockville, Md., to the Senator's home or to my home, or even to distant parts of Bethesda, than the charge made for transporting the gas from distant parts of Oklahoma or Texas to the city gate of Rockville, where the pipeline hooks up to the local distribution line.

Mr. PROXMIRE. But the experience in Wisconsin—and I hope the Senator will agree that others have had the same experience—is that the regulation by the State commissions is at least as strict, and generally is stronger, than that by the Federal Power Commission, in seeing to it that the companies are allowed to earn a fair return.

Mr. SYMINGTON. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. SYMINGTON. I thank the Senator from Wisconsin for yielding. He always impresses with his clarity.

Tonight much is being said about pipelines. I ask whether this amendment also embraces other transportation, including railroads.

Mr. PROXMIRE. It will embrace them and also the bargelines and the buslines and the oil pipelines and the gas pipelines and the interstate transmission lines—depending, of course, on what the Commission does.

Mr. SYMINGTON. I ask about railroads at the moment.

There are many railroads which have been in bankruptcy.

Some for many years were in bad financial condition. Many need additional, or improved, rolling stock and maintenance of way.

As I understand it, this measure is designed to be tax incentive legislation. Suppose the railroads—understanding the view of economists about the importance to the overall economy of hard capital investment, and believing that the Government was sincere when it said the purpose of this legislation is to present this form of investment incentive—decided they would spend a large amount of money to improve their rolling stock, or improve their maintenance of way?

If they first expended this money, accepted what the Government said, used their needed money to improve the economy through this hard line investment; then after they had risked, despite their relatively poor capital structure, to improve the road, the Government under the amendment could come in and say, "We are sorry. You cannot maintain this tax advantage we said we gave you even though you had the courage and the wisdom to make the investment. We must now take that money and give it back to your customers."

Mr. PROXMIRE. Does the Senator have faith in regulatory bodies or not?

Mr. SYMINGTON. I do not believe that is the answer at all. I have seen regulatory bodies consistently criticized at times by the utilities for being against the utilities; and regulatory bodies where the opposite criticism was expressed.

Therefore why leave it up to the regulatory body, to a point where that body can nullify the Government promise which originally was the reason for the investment.

I do not know some of those industries. But in the case of the railroad industry, where one might be operating on a thin line, the regulatory body would have the right to say, "Despite what the law says, we are not going to allow you to keep this money. You must give it back to the consumer."

Mr. PROXMIRE. That is the heart and soul of the argument made by the Senator from Louisiana, which is exactly opposite. The railroads are getting the benefit of that operation.

Mr. SYMINGTON. The Senator from Louisiana was talking about pipeline conditions in his own State. I am talking about a different industry.

Mr. PROXMIRE. He is talking about the national situation, that railroads are enjoying the benefit of the investment credit although the gas and pipeline industries are not. They do not use investment credit.

I believe the Senator from Louisiana has a good point, but what the ICC is doing perhaps is wise. It recognizes that the railroads, as the Senator from Missouri has indicated, have not been doing very well, and therefore it is perfectly proper and permissible and morally right under the circumstances to see that they get full and complete benefit of the investment credit.

As the Senator has said, profitable industries can take advantage of monopolistic power. They may be able to use the power to extort a relatively high price. But the regulatory body can prevent this and see that the benefit is passed on to the consumer. This is the best way by far to see that the investment credit does what it is designed to do; because lowering the rates stimulates business, and of course the utility has reason to buy equipment; and this is the only basis on which the utility will do so.

Mr. SYMINGTON. The Senator from Wisconsin says, "Of course the utility," or "Of course somebody will buy the equipment." I have had experience in deciding whether to buy equipment——

Mr. PROXMIRE. That is because the Senator's market was assured.

Mr. SYMINGTON. It was seldom as clear cut as the Senator from Wisconsin would make it.

Mr. PROXMIRE. The Senator has had great experience in business. Of course, it is right to say that people will do it. All I was trying to say is, if there is an assured market, under these circumstances, if you lower the rate in a utility situation, we can usually get some elasticity to sell more.

Under these circumstances if you do not sell more you are not going to be able to provide additional service.

Mr. SYMINGTON. We might find people believing the Government was sincere in calling this a tax credit, would be rewarded for the risk of additional investment by the regulatory body saying in effect, "We were only fooling, you shall pass it on to the consumer."

Mr. PROXMIRE. The Senator from Missouri is a fairminded person. Would he not agree that, just as there are some circumstances in which the investment credit should not be passed on, there are also other circumstances, in which the investment credit should be passed on?

Mr. SYMINGTON. It would depend upon the premise of the agreement offered by the Government.

Mr. PROXMIRE. It should be left within the discretion of the regulatory body so that it can permit the pass-on as circumstances seem appropriate or right.

Mr. SYMINGTON. I understand the position of the Senator from Wisconsin. There is no Member of this body generally more logical. As I gather it, the Government goes to these corporations, many of whom have a relatively difficult tax structure, and says, "We believe the best place to pick the economy up is by investing in hard line units, construction, and so forth. If you will do that, we will give you a reward. That reward will be a tax credit, an incentive."

My worry is that, based on some people I have seen in these regulatory bodies, they would later say, "We do not care what the Government said to you previously. We are now saying to you, pass it on to the consumer. There is no law to prevent that being done."

If I were a member of the board of directors of a railroad, and was worried about my capital structure, then decided nevertheless, because of this tax incentive, to take a risk in order to have a better railroad—say more freight cars—I do not believe it would be fair for any regulatory board, after I had done that, to take my tax credit away. That is the thrust of my presentation.

Mr. PROXMIRE. Is it not also true that there are two incentives, really, for purchasing equipment? One might be the investment credit. If we pay out $100,000 for the best equipment, we can take $7,000 off our taxes. That might be an incentive; but only provided the equipment was necessary.

Mr. SYMINGTON. It would be.

Mr. PROXMIRE. That would be an incentive for buying equipment. The second incentive, however, is certain. If through the passthrough, rates are lowered, expanded markets will make it desirable, profitable, and necessary to buy equipment to make it possible to perform better service.

Mr. SYMINGTON. But that was not a part of the deal. The regulatory body says, "We did not really mean what we said about that tax credit. What we really did was to trick you into having a finer railroad than before. You have a finer railroad. Everyone is happy. Pass the tax credits on."

Mr. PROXMIRE. Let me say to the distinguished Senator from Missouri that the law has been on the books now since 1962 and has been interpreted by Federal regulatory agencies. The situation is settled. Unless Congress fools around with a change, as the present bill would provide, they will be able to predict what the situation will be in the future. That will be a certainty; and they would be able to act.

Mr. SYMINGTON. I say with respect for the able Senator from Wisconsin, who in the fiscal and monetary fields has no superior in the Senate, that I was in the railroad business in the depression. There was hardly a railroad in the United States not in serious financial condition, if not already in bankruptcy. One of the reasons they stayed so long in that condition was that they could not find any incentive to improve their equipment. Let the Government carry out its agreement. That makes for good government.

Therefore, as I have said, they are now facing other problems. There is active competition between trucking lines and barge lines. The more competition the better. If those companies make investments because they are told by their Government that if they make them they will receive tax credits, I do not believe that any regulatory body should have the right arbitrarily to take away and, in effect, therefore, nullify the agreement that was made when they originally invested as a result of the promise of a tax credit.

Mr. PROXMIRE. Does the Senator from Missouri accept the statement made by the Senator from Louisiana that railroads have been taking advantage of the investment credit under present law to modernize to a substantial extent, to expand, and to invest in a wholesome way? If that be true under present law, why change it?

Mr. SYMINGTON. The answer to that question would be, first, that if the Senator should hold some of the various layers of stock of the railroads, even though they are doing better, he will have observed that they have a long way to go before there will be true reimbursement for investment, especially as against some of the other industries we both know about. I am glad the railroads are doing better.

Mr. PROXMIRE. So am I.

Mr. SYMINGTON. I hope that all business does better.

On the other hand, a deal is a deal. If the offer is made to a railroad to the effect that, "We will give you a tax deduction if you make a fixed investment in rolling stock or maintenance of way," the Government ought not to let some ideological position of a member of a regulatory body nullify the agreement, made prior to the commitment of cash by the corporation in question.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Ohio.

Mr. LAUSCHE. Is it or is it not a fact that existing law, which requires a movement through to the consumer of benefits, would preclude a utility from getting a fair return on its capital structure?

Mr. PROXMIRE. The Senator is absolutely correct. Furthermore, there is no compulsion in the present law or in the Proxmire amendment which would require the investment credit to be passed through. The subject is left within the discretion of the regulatory body, and the regulatory body has the duty and the responsibility to see that there is a fair return, as the Senator from Ohio has said.

Mr. LAUSCHE. If the theory of those who oppose the position taken by the Senator from Wisconsin were accepted, would it not mean that, regardless of the liberality of the return, under no circumstances would there be allowed to pass through to the consumer the benefits of the largess that we have given?

Mr. PROXMIRE. I believe the argument implicit in the question of the Senator from Ohio is devastating. Regardless of the largess, regardless of how excessive it may be, regardless of the advantage that the semimonopolies may have, the regulatory body would have no power at all, no discretion, to pass it on to the consumer.

Mr. LAUSCHE. Until it is first shown that there has been a fair return to the utility.

Mr. PROXMIRE. Under the committee bill it could never be passed on.

Mr. LAUSCHE. That is what I mean.

Mr. PROXMIRE. Fair return or not, there must be a fair return on top of that. There is an extra or excessive return.

Mr. LAUSCHE. Under the theory of the opponents of the amendment of the Senator from Wisconsin, the utility would be guaranteed a fair return and, in addition, the concession which the Congress made to them by way of investment credit.

Mr. PROXMIRE. Absolutely. Mr. President, I shall take my seat and yield the floor in a moment, so that other Senators can discuss the question on their own time. But the contrast between the amendment pending and the previous amendment, which was rejected by a close vote, is very sharp.

On the previous amendment, a credit investment of only 3 percent was involved. On the pending amendment a 7-percent credit is involved. Under the previous amendment the regulatory body could spread out the benefit to the consumer over the life of the asset. Under the pending amendment, the regulatory body would be prohibited from giving any of the 7-percent credit to the consumer. Regardless of the return, by law, by congressional dictation and declaration, it must all go to the utility stockholders.

Mr. President, the hour is late. I shall yield very briefly to the Senator from Oklahoma, and then I shall yield the floor.

Mr. MONRONEY. If I correctly understand the distinguished Senator, the Interstate Commerce Commission and other regulatory bodies could pass on cases or not. The ICC could require the railroads to pass through reduced rates the 7-percent credit on the investment that the railroads had made. Is that correct?

Mr. PROXMIRE. As the Senator very well knows, far better than the Senator from Wisconsin, the regulatory situation is far different in relation to the railroads than in relation to public utilities. But in general it would be impossible under the committee bill for the ICC to decide whether or not the investment credit should be passed on, whether part of it should be passed on, or whether it should be spread over the life of the asset. They have that discretion under present law.

Mr. DOUGLAS. I do not wish to interrupt the Senator from Oklahoma——

Mr. MONRONEY. I appreciate the interruption of the Senator from Illinois.

Mr. DOUGLAS. Is it not true that in the case of railroads which have very low earnings that there would not be the slightest reduction in rates?

Mr. PROXMIRE. Yes, indeed.

Mr. DOUGLAS. The ICC would not require that the credit be passed on. The ICC has never been accused of being hostile to the railroads. Quite to the contrary, it has often been called the agent of the railroads. I do not think there is any chance whatsoever that the earnings of a railway which has a low rate of earnings would be taken away from them and passed on to the users. On the contrary, I think in this case the investment credit would be used to increase the earnings of the railroad.

Mr. PROXMIRE. The Senator from Illinois is absolutely correct. The Senator from Louisiana indicated as much earlier when he pointed out the difference, in his judgment, between the friendly regulation of the ICC and the less than friendly regulation of the FPC.

Mr. MONRONEY. The Senator has said that the amendment would permit the ICC, the FPC, and the CAB to pass through the investment tax credits. It seems to me that if such be the intent of the amendment of the Senator from Wisconsin, the long-range investments in railroads that we hope to bring about will be in jeopardy, because 10 years would elapse before an appeal would be completed in the courts.

I do not think the ICC would make such a ruling, but there would always be a question of whether they would ever recapture the 7 percent which was enacted as a so-called tax incentive.

Mr. PROXMIRE. I read from the Finance Committee report of February 1963. The ICC feels that the law will be interpreted as it has always been interpreted. They will view Federal taxes, as they have in the past, as a part of the Federal taxation system. As the Senator from Illinois pointed out, the problem of the railroads is that in many cases they are not making an adequate return. In that case there is no chance that the investment credit will be passed on. Furthermore, in many cases the railroads wish to lower their rates.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. PASTORE. For the benefit of Senators who voted against the previous amendment of the distinguished Senator from Wisconsin—and this includes the Senator from Rhode Island, who, however, now intends to vote for the amendment that is being proposed by the Senator from Wisconsin—I believe that for purposes of clarity of record, we should show the distinction between the two amendments.

Mr. PROXMIRE. Yes, indeed.

Mr. PASTORE. As I understand the proposal, in instances in which the 3 percent was allowed to public utilities, there was a requirement to pass through the tax credits, but for no period shorter than the useful life of the property involved. Is that correct?

Mr. PROXMIRE. The Senator is correct.

Mr. PASTORE. But when it came to the second part, which has to do with the 7-percent investment credit, in that instance, in the way in which the committee reported the bill, there is an absolute prohibition against it.

Mr. PROXMIRE. Absolutely. That is the distinction.

Mr. PASTORE. Therefore, it is fair for the Senator from Rhode Island to assume that preferential treatment is being given to the pipelines?

Mr. PROXMIRE. The Senator is correct.

Mr. PASTORE. Which was not the case in the first part of the amendment, no matter how we argue. There is a distinction between the two.

Mr. PROXMIRE. That is correct. So far as general business is concerned, it is in vigorous and complete competition. The competition is going to result in a substantial pass-through. There is no question about it. It is bound to. But with the oil and gas pipelines, where competition is at best imperfect, there will be very little, if any, pass-through, and pass-through is explicitly prohibited in the committee bill.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MONRONEY. This affects not only the pipelines, but oil, gas, railroads, trucks, and all the rest. By removing any requirement for passing through, we leave in jeopardy the 7 percent tax credit. I think it would be more honest, if we want to do it, to amend the bill and do away with the 7-percent credit as it affects these industries, because they are going to be in jeopardy.

Mr. PASTORE. I think it is probable that it might affect the railroads or trucklines, but I feel whoever invented this amendment was not thinking about the railroads or the trucklines. I will venture a guess that he was thinking of pipelines.

Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. LONG of Louisiana. Mr. President, it seems to me that Senators who voted against the investment credit proceed with poor grace when they undertake to tell us what Congress intended by the investment credit. If those Senators had their way, there would be no investment credit, so there would be no problem. Those who fought against investment credit undertake to tell us what Bob Kerr, RUSSELL LONG, and others meant when they voted for investment credit.

I think I have some idea what was meant. The legislative history in the House is clear. The House intended all industry to get it. The bill so provided when it was reported on the House side. Senator Kerr, having made a contrary statement on the floor of the Senate with regard to the transportation industry and utilities, undertook to conform his legislative declarations to those of the House conferees when he brought the bill back from conference and they had agreed to what they meant. That is what I thought they meant.

Now we hear the argument that we should not tell a regulatory agency what to do. This question need not be that complicated. We provided for all industry, except the 3-percent regulated utilities—and we have taken care of that problem—that if one company made an investment of $1 million in new equipment, it was entitled to the exact credit of $70,000, which is 7 percent of $1 million. We said it was an incentive for industry to modernize plant and equipment and—since there was doubt as to the regulated industries—they could keep it.

Suppose we take the attitude of the Senator from Wisconsin. He advocates leaving it up to each regulatory agency. A railroad is competing with a pipeline, one hauling coal and oil, and the other transporting gas. The agency regulating the pipeline says it wants to make the pipeline give back the credit it was given for making a $1 million investment in equipment, amounting to $70,000. The agency that regulates the railroad states that it is clear to it that the intention of Congress was to have the railroad modernize, and it should keep the credit.

I call attention to page 7 of the Wall Street Journal. The headline reads: "The First of 160 Freight Cars Ordered by Southern Pacific Came Off the Production Line Last Week."

There is the incentive to modernize the railroads. Why do the railroads want this section agreed to? They have a doubt about what would happen in the event the Federal Power Commission went to court with the pipelines and won the lawsuit against the pipelines and made the pipelines give up the investment credit, not for the past, but for all time to come in the future. They think the ICC could be under pressure to do the same thing with regard to the railroads. So the railroads are worried. They would be glad to see their competitors taxed, and themselves go free, but they fear that they, too, may be taxed. So it is having a tremendous effect. This backward industry is modernizing. In an effort to see that the same thing does not happen to them, they would like to see the intention made clear.

President Johnson made clear in his state of the Union message that there is nothing that is worse than to keep someone in doubt. If a man is going to invest his money, and wants to ask a bank to finance him to the extent of $10 or $15 million, he would like to know whether he is going to be allowed to keep the investment credit, or whether he will have to give it back.

So far as the Senator from Wisconsin is concerned, he would leave him in doubt. In effect he says, "I do not think the ICC will do it in the case of the railroads." How does the Senator know? All that would be necessary would be to have a President liberal enough to implement a liberal program and have the ICC do it.

It is up to the Congress to say, "When we passed the investment credit, we meant for you to keep the credit." One can complicate the question all he wishes, but the question boils down to this: When we gave him the tax cut did we mean to put it in his pocket or to give it to somebody else? That is all the question involves so far as the investment credit is concerned.

I believe I have made it clear that, in my judgment, when Congress passes a law that has a tax consequence, Congress having previously established regulatory commissions which are arms of the Congress, positive standards are established which set the general pattern that is expected to be followed; and we expect the agencies to take the situation from there.

From time to time Congress has found it necessary to pass additional laws telling them what to do. Clearly we would leave them in contention if we failed to act one way or the other.

To my mind, the worst thing about the amendment of the Senator from Wisconsin is that it would not settle the question one way or the other. If the Senator does not think there ought to be an investment credit, let him offer an amendment making it clear that the regulated industries will not get it. If he thinks they should have an investment credit, let us say so, as we did 2 years ago.

Mr. SIMPSON. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. SIMPSON. In the order of the Federal Power Commission of January 23, 1964, the dissenting opinion, as the Senator will recall, asked that they wait until Congress made the decision.

As I understand the bill before Congress, the purpose of it is to stimulate industry and business transactions throughout America. The consumer is being thought of in the bill by virtue of the fact that he will receive tax credit in the tax deductions. The purpose of the 7-percent tax credit is to stimulate industry into putting money back into various businesses.

Mr. LONG of Louisiana. The Senator is correct. More than twice as much gas can be carried in a 36-inch pipeline as can be carried in a 24-inch pipeline, and the difference in cost of construction is slight, because both require the same right-of-way and the same investment in many instances. The cost of building the larger pipeline would be about 10 percent more than the cost of the small pipeline, and it would carry 100 percent more gas, which, on a unit cost basis, would benefit the company more.

If a pipeline already exists, the company can do what is called "looping the line." Another pipeline is laid alongside the old one. In that case, the second pipeline is only about half as expensive as the first, with the result that the unit cost is greatly decreased.

Let us take the case of two companies seeking to sell competing products. One wants to build a pipeline. Another wants to build a new tanker. Some of them cost $28 million in American shipyards. Bigger tankers built in foreign shipyards would cost even more if built here. Is it fair that a tanker laying down residual fuel oil out of Venezuela should have a tax credit while the competitor that brings the product to market by rail or pipeline should be denied a tax credit? It seems to me that both should be treated the same way. We are trying to put them on the same competitive basis. We think the public can be served better by having the public determine which of the competing companies gives them a product at the best price. That is the way to do it, rather than to lay the heavy hand of Government on them. Someone is always trying to squeeze profits out of industry, rather than letting industries compete with one another.

I am sure Senators will find that competitive conditions have done much more to reduce prices than almost any other factor. When the natural gas bill was being debated on the floor of the Senate, Senator Kerr made the prediction that if the bill failed to pass the price of gas would go up. At that time the price of gas was 8 or 9 cents. Today it is 23 cents. The price of oil, meanwhile, has gone down. That has happened through competitive conditions. When we encourage competition between competitors, the public gets lower prices by virtue of the competition. Competition, after all, is the great leveler. The public has had far more price reductions as the result of competition than as the result of anything else.

Competition, after all, is the only justification for our whole system of competitive, capitalistic system. We have gained more from competition and incentive than from the Federal regulatory hand. I submit that we should let all industries have the benefit, and not give an advantage to one and refuse to give it to another. Looking down the road for 20 years or so, as I have said, what we expect to have is a space age transportation industry and a space age manufacturing industry. If we give an advantage to one and not to the other, one will fall behind.

The **PRESIDING OFFICER**. The question is on agreeing to the second branch of the Proxmire amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. **MANSFIELD** (after having voted in the negative). On this vote I have a pair with the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN]. If he were present and voting he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

Mr. **KUCHEL** (after having voted in the affirmative). On this vote I have a pair with the distinguished senior Senator from Nebraska [Mr. HRUSKA]. If he were present and voting he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. **HUMPHREY**. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that, if present and voting, the Senator from Arizona [Mr. HAYDEN] would vote "nay."

On this vote, the Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from Nevada [Mr. CANNON]. If present and voting, the Senator from Massachusetts would vote "yea" and the Senator from Nevada would vote "nay."

Mr. **KUCHEL**. I announce that the Senator from Illinois [Mr. DIRKSEN], the Senator from Arizona [Mr. GOLDWATER], and the Senators from Nebraska [Mr. HRUSKA and Mr. CURTIS] are necessarily absent.

The Senator from North Dakota [Mr. YOUNG] is detained on official business.

The respective pairs of the Senator from Illinois [Mr. DIRKSEN], and that of the Senator from Nebraska [Mr. HRUSKA] have been previously anounced.

If present and voting the Senator from Nebraska [Mr. CURTIS] and the Senator from Arizona [Mr. GOLDWATER] would each vote "nay."

The result was announced—yeas 42, nays 46, as follows:

[No. 25 Leg.]

YEAS—42

Aiken
Bartlett
Bayh
Burdick
Byrd, Va.
Case
Church
Clark
Douglas
Engle
Gore
Gruening
Hart
Humphrey
Jackson
Javits
Johnston
Keating
Lausche
McCarthy
McClellan
McGovern
McIntyre
McNamara
Metcalf
Miller
Morse
Moss
Muskie
Nelson
Neuberger
Pastore
Pell
Proxmire
Ribicoff
Robertson
Russell
Scott
Smith
Talmadge
Williams, Del.
Young, Ohio

NAYS—46

Allott
Anderson
Beall
Bennett
Bible
Boggs
Brewster
Byrd, W. Va.
Carlson
Cooper
Cotton
Dodd
Dominick
Eastland
Edmondson
Ellender
Ervin
Fong
Fulbright
Hartke
Hickenlooper
Holland
Inouye
Jordan, N.C.
Jordan, Idaho
Long, Mo.
Long, La.
Magnuson
McGee
Mechem
Monroney
Morton
Mundt
Pearson
Prouty
Randolph
Saltonstall
Simpson
Smathers
Sparkman
Stennis
Symington
Thurmond
Tower
Walters
Williams, N.J.

NOT VOTING—12

Cannon
Curtis
Dirksen
Goldwater
Hayden
Hill
Hruska
Kennedy
Kuchel
Mansfield
Yarborough
Young, N. Dak.

So the second branch of Mr. PROXMIRE's amendment was rejected.

Mr. **LONG** of Louisiana. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. **MANSFIELD**. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. **HICKENLOOPER** obtained the floor.

Mr. **CARLSON**. Mr. President, will the Senator yield?

Mr. **HICKENLOOPER**. Mr. President, I yield to the Senator from Kansas, provided I do not lose the floor.

DOUBLE TAXATION OF DIVIDENDS

Mr. **CARLSON**. Mr. President, yesterday the Senate by a close vote of yeas 44 and nays 47 defeated an amendment which would have had the effect of retaining in the tax law in modified form a portion of the relief granted against the double taxation of dividend income. This amendment offered by the distinguished junior Senator from Kentucky [Mr. MORTON] on behalf of himself and our esteemed and able minority leader [Mr. DIRKSEN] would have limited the amount of the present 4-percent dividend received credit to a $300 ceiling.

It will be recalled that present law does not contain such a ceiling, but the offering of the proposed ceiling represented a determined attempt to provide some compromise solution to the action of the Committee on Finance in repealing the credit outright. It was believed that in this way we could at least retain in the Federal tax structure a modest recognition of the need to alleviate, to a partial extent, the wrong done to American taxpayers who are willing to invest their savings for the betterment and growth of our American free enterprise system.

It was my privilege to join the Senator from Kentucky [Mr. MORTON] in speaking in behalf of this amendment. While the amendment was defeated, the closeness of the vote encourages me to hope that possibly at some future time Congress will recognize again the inequity inherent in the double taxation of dividend income and again adopt remedial provisions in some form.

Regrettably, it is too often concluded that dividend income is derived only by the so-called rich and that, therefore, the granting of tax relief against double taxation is preferential treatment for the rich. The truth of the matter is that the stake of the so-called rich man in the dividend-received credit is really less than the millions of Americans of more modest means who have saved and made equity investments in American private enterprise. The rich man has a flexibility in the conduct of his financial affairs that for a practical matter is not available to the vast majority of American taxpayers who own shares in American business.

At the time the dividend-received credit was first made a part of our Federal tax structure in 1954, I supported the provision on the grounds of tax fairness to alleviate the impact of double taxation, on the ground that the provision would encourage individuals to make equity investments in our free enterprise system, and on the ground that by encouraging both thrift and industrial modernization we would be taking a significant step in the creation of better job opportunities and the avoidance of inflationary pressures. In supporting the provision in 1954, it was my hope that we would succeed in subsequent years in achieving a further liberalization of this credit so that it would be more adequate. Instead of a liberalization, the experience has been a persistent attack on the provision, particularly in this body, so that today we find ourselves faced with the likely situation that the provision will be removed from our tax law—at least temporarily.

Treasury officials have been very diligent in their efforts to have not only the dividend-received credit removed from the law, but also to have the dividend exclusion removed from the law as well. In my judgment, the Treasury arguments substantiating this unwise position are erroneous at best and to a large extent even spurious.

The Wall Street Journal for today, February 5, 1964, contains an excellent analysis of the Treasury arguments, written by Dr. Harley L. Lutz. Dr. Lutz is a distinguished economist who is highly respected for his sound views on tax policy and on the operation of our free enterprise system. So that Dr. Lutz' comments may be made a part of the record of this tax debate, I, ask unanimous consent that this perceptive article to which I have referred be printed as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TREASURY'S ARGUMENTS AGAINST DIVIDEND TAX RELIEF SUGGEST CONTINUING EMPHASIS ON EQUALIZING INCOMES

(By Harley L. Lutz)

Repeal of the dividend credit and exclusion, recommended by the President in his 1963 tax program and included, as to the credit, in the bill passed by the House of Representatives, was supported by unconvincing, inconsistent, and even emotional arguments. The case advanced in favor of these provisions when they were under consideration in the 1954 revision of the Internal Revenue Code has now been repudiated by both the Treasury and the Ways and Means Committee. The official defense of the present proposed action limps badly and it suggests the persistence of a concept of income taxation which views this tax as an instrument for the equalization of incomes.

The dividend credit is a credit against the individual tax equal to the smallest of three criteria. These are: (a) 4 percent of dividends less the exclusion of $50, or $100 in a joint return if both spouses have dividend income; or (b) the income tax as computed with standard or itemized deductions; or (c) 4 percent of taxable income.

Two major points of justification were made in 1954. These were, first, that the allowances were a recognition of, and a first step toward, elimination of double taxation of income earned by corporations and distributed to stockholders as dividends; and second, that such easing of the double tax burden would promote investment in equity capital. Secretary Dillon rejected these contentions in his testimony before the Ways and Means Committee and added some further points of attack. His statement included the following assertions:

"1. The dividend provisions are not an effective remedy for 'double taxation.'" There is no consensus among economists and businessmen on the issue of where the burden of the corporation income tax really falls. It is paid, initially, by the corporation out of its income, but there is controversy, unfortunately, over whether it is recouped from consumers in higher prices, from workers in lower wages, or from stockholders in smaller dividends.

The ramifications of the theorizing that has been engaged in on this subject cannot be explored here. It is pertinent to say, however, by way of brief summary, that much of the labor force is protected from shifting of the corporation income tax by ironclad wage contracts, and that wages are increased, not lowered, in each successive round of wage negotiations. Consumers are protected against such shifting by their freedom of choice in the market, where they are not obliged to buy any particular article, or brand of article, unless in their opinion the price is right. They are further protected by the competition among producers who tend to charge what the traffic will bear regardless of taxes or other costs, and who are further kept in line by the competition of the nonprofit companies that comprise, at any given time, about one-quarter of all business corporations and sell upward of the same proportion of the total goods marketed. The stockholder has no defense against reduction of dividends or against their failure to rise. He seems to be the most likely candidate as bearer of the corporation income tax burden.

Just what is meant by an "effective remedy" is not made clear in Mr. Dillon's statement. It has never been claimed that the 4-percent dividend credit was a complete remedy. In 1954, the House bill carried a credit of 10 percent and it was suggested that this rate might later be advanced to 15 percent. The Canadian allowance at the time was 20 percent. The conference bill set the credit at 4 percent.

"2. Whatever double taxation exists is relatively more burdensome to low-income taxpayers than to high-income taxpayers." This is a curious reason for denying to low-income taxpayers such relief as the credit might provide. Mr. Dillon argued that the reduction of the corporation tax rate from 52 percent to 47 percent (the House bill provides 48 percent) would give as much or more relief to low-income taxpayers as they would get from the dividend credit. The argument misses the point entirely. Regardless of the rate of individual or corporation income tax, taxpayers with dividend income are still bearing whatever double taxation may exist as long as there are two taxes, whatever the rates may be. This burden cannot be swept under the rug by trading tax rate reduction for a denial of the credit.

"3. The existing 4-percent dividend credit removes much more of the extra burden of double taxation for high-income stockholders than for low-income stockholders." Again it may be asked why, even if this be the case, should the low-income stockholders be refused such relief as the credit would give? This argument says, in effect, that nothing should be done for the little stockholder because it would do so much more for the big stockholder. More than once in the history of tax legislation, proposals that would benefit the low-income people have run aground on the snag of "the man with a million dollar income." Bigness of income is always relative and a given income is big or little depending on whether we are looking up from the bottom or down from the top.

It is enlightening to note the number and distribution of returns with tax reductions from dividend provisions in 1960. The data are given in the accompanying table.

The revealing thing about the figures is not that 23,150 taxpayers in the adjusted gross income classes of $100,000 and above had total tax reductions of almost $59 million in 1960 by reason of the dividend provisions, but rather that way down at the bottom of the income scale more than 1,100,000 persons had tax reductions by reason of these provisions. The amount was small for so large a number, only $28,864,000, but when total income is under $5,000 there can't be much in the way of dividends. The Treasury argument is that we must not give these little fellows their bite because that would give the big fellows their supper.

"4. The 4-percent dividend credit has had no appreciable effect in stimulating the supply of equity funds to corporations." To begin with, no one, rich or poor, can supply equity funds to a corporation unless it invites that kind of money by offering stock for sale. Since World War II corporations have consistently relied on internal financing for some three-fourths of their capital requirements, and for various reasons they have given preference to debt rather than equity capital in their external financing.

At this point the Treasury testimony does not square with all of the facts. It accepts the estimate of the New York Stock Exchange that the number of shareholders rose from 6.5 million in 1952 to 17 million in 1962. Data are presented which show that corporations, excluding banks and insurance companies, issued a total of $15.2 billion in stocks in the 8-year period 1946–53, which compares with a total of $26.3 billion in the 8-year period 1954–61. Obviously, the savings from the tax provisions were not sufficient, even if the entire amount had been invested every year, to supply this huge total of equity capital. It is true, as the testimony states, that other sources of savings were drawn upon. It had to be for a boy can't do a man's work. However, there is no justification for arguing that the tax credit had little or no influence on the decisions of investors. It is impossible to ascertain how much of the tax saving was invested; but considering that the dividend credit was realized by persons who obviously had an investment bias toward stocks, it would be more reasonable to assume a substantial, rather than a negligible, reinvestment of the tax savings.

The Ways and Means Committee did not accept the Treasury argument against the dividend exclusion although it was to the same effect as that against the credit, namely, that an exclusion of $50—or $100—would mean a larger tax saving for the high than the low income. On the contrary, the House bill carries an increase of the exclusion to $100—$200 for joint returns. The committee report quotes with approval the Treasury line that the dividend credit has not promoted equity financing, and it extolls the increased exclusion on the ground that it "will tend to encourage a broader stock ownership among those with relatively small incomes." The table above shows that for the adjusted gross income classes under $5,000, the dividend credit accounted for more of the tax saving than the dividend exclusion.

The Ways and Means Committee report explains that repeal of the credit and doubling of the exclusion will provide $300 million in 1965 and thereafter and that this gain was used to reduce income tax at other points. The minimum standard deduction of $300, plus $100 for each dependent, is estimated to cost $320 million. The new deduction device was advocated on the ground that persons with very low income ought not to pay income tax. The level at which individuals should begin to pay income tax is not involved here, but it would appear from the coincidence of the above estimates that we have here a minor case of equalization of incomes rather than tax relief across the board.

"5. The 4-percent dividend credit is a dead end approach." The thought here is that a 4-percent credit does very little, but that a larger percentage credit, such as 15 or 20 percent, would remove a still larger part of the burden of double taxation for high-income than for low-income stockholders. It has been said above that, assuming the existence of double taxation, as the Treasury argument does, there is double taxation as long as two taxes are levied on the same dollar of corporate income, regardless of the specific rates. A credit of 100 percent to the stockholder would correct the difficulty, or an exemption to the corporation of dividends paid would do it. It may be that a remedy applicable at the stockholder level is not the best method. The fact is that we have chosen this method and there is nothing in the Treasury statement to indicate an intention to seek other solutions. If equity requires a full and satisfactory solution we are moving backward in seeking to eliminate even the first limited step that has been taken toward fairer treatment.

If the Congress and the Treasury are really worried about the tax break that the dividend credit gives to the high-income people, a crude remedy could be provided by setting a dollar limit on the credit. The tax law abounds with arbitrary limits and one more would not violate the precedents. Senator Dirksen has proposed a $5,000 limit, but a lower limit, say $3,000 or even $1,000, would make possible retention of the present inadequate relief for persons in the low and middle income groups. A limit of $1,000 would be equal to a 4-percent credit on a dividend income of $25,000.

Finally, it is clear that the case which the Treasury has sought to make against the dividend credit and exclusion is another of the many examples that prove tax rate progression to be the great source of complexity and inequity. Elimination of progression would not get rid of double taxation but it would remove the incentive, and the opportunity, to pit the poor against the rich in a kind of fiscal class war which benefits neither the taxpayers nor the country.

HOW DIVIDEND CREDIT AND EXCLUSION WORKED IN 1960

The table below shows the number and distribution of 1960 tax returns which showed reductions in tax because of the dividend credit and the dividend exclusion:

Adjusted gross income classes	Returns with dividend tax reductions	Reductions because of—		Total
		Dividend credit	Dividend exclusion	
		Thousands	*Thousands*	*Thousands*
Under $5,000	1,137,724	$16,664	$12,200	$28,864
$5,000 to $10,000	2,020,378	38,083	25,030	63,113
$10,000 to $20,000	1,526,727	61,778	28,729	90,507
Subtotal	4,684,829	116,525	65,959	182,484
$20,000 to $50,000	552,547	81,393	19,173	100,566
$50,000 to $100,000	88,986	46,404	4,660	51,064
Subtotal	641,533	127,797	23,833	151,630
$100,000 to $200,000	17,543	26,198	1,135	27,333
$200,000 to $500,000	4,619	17,669	331	18,000
$500,000 to $1,000,000	703	5,805	54	5,869
Over $1,000,000	285	7,678	21	7,689
Subtotal	23,150	57,350	1.541	58,891
Total	5,349,512	301,672	91,333	393,005

Mr. KUCHEL. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent that I may yield to the Senator from California without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. KUCHEL. Mr. President, while Senators are in the Chamber, and for their information, I should like to ask the distinguished majority leader what plans he has for the Senate for the remainder of the evening. I assume that the Senate will proceed to a yea-and-nay vote on the amendment which the able Senator from Iowa desires now to call up. May I inquire what the plans of the leadership are thereafter for the remainder of the evening and for tomorrow?

Mr. MANSFIELD. It is my understanding that the distinguished senior Senator from Iowa intends to ask for a yea-and-nay vote on his amendment. I understand that following that vote a conference report will be called up by the distinguished Senator from Alabama [Mr. SPARKMAN]. If my understanding is correct, that will take only 2 or 3 minutes.

Then an amendment is intended to be offered by the distinguished Senator from Minnesota [Mr. MCCARTHY], which may well call for a yea-and-nay vote, and which may also call for a motion to table. I think I should notify Senators ahead of time in that connection.

Mr. McCARTHY. It should not take long to present the case. It is a clear case. Senators should know that. It should not require the long explanation that was made on the last issue.

Mr. MANSFIELD. I hope that other amendments may be forthcoming, because with the consent of the Senate the leadership would like to have the Senate remain in session until 10 o'clock, or thereabouts, to expedite action on the bill as much as possible.

As of now, I cannot say what time the Senate will convene tomorrow. I wish to consult with the minority leadership to discuss the time of convening tomorrow. But it will not be later than 10 o'clock, and it may be earlier.

Mr. McCARTHY. The majority leader might announce that I am more or less committed to calling up tomorrow the so-called sick pay amendment, which has received some attention around the edges of the Capitol.

Mr. MANSFIELD. I understand that there will also be ready for consideration the amendment of the Senator from Delaware [Mr. WILLIAMS] on oil depletion allowances, and also the Douglas amendment, which is another oil depletion amendment, and other amendments.

Mr. CARLSON. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. CARLSON. The Senator from Illinois [Mr. DIRKSEN] has left with me an amendment dealing with excise taxes on used automobile parts. He presented the amendment to the committee; and I wish to bring it up in the Senate, before final action is taken on the bill.

Mr. MANSFIELD. Mr. President, if the Senator from Iowa will yield further to me, let me say that I think the Senate is to be complimented on the cooperation it has shown in expediting to this extent up to this time, the action of the Senate on the bill.

Mr. McCLELLAN. Mr. President, will the Senator from Iowa yield briefly to me?

Mr. HICKENLOOPER. I yield.

Mr. McCLELLAN. Let me ask whether the Senator from Montana thinks the Senate will still be working on the bill on Friday.

Mr. MANSFIELD. My guess is that the Senate will pass the bill by tomorrow night; but if not by then, on Friday; or, if not on Friday, on Saturday; or, if not on Saturday, on Monday, or perhaps on Tuesday.

But certainly we face the prospect of completing our action on the bill at some time.

AMENDMENT NO. 408

Mr. HICKENLOOPER. Mr. President, I offer the amendment which I send to the desk. It is amendment No. 408, and I offer it on behalf of myself and the Senator from Illinois [Mr. DIRKSEN]. I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the proper place, it is proposed to insert the following new section:

SEC. . REPEAL OF MANUFACTURERS EXCISE TAX ON MECHANICAL PENCILS AND PENS.

(a) REPEAL.—Section 4201 (relating to imposition of tax on pens and mechanical pencils, etc.) is amended by striking out subsection (a).

(b) TECHNICAL AMENDMENTS.—

(1) The table of parts for subchapter E of chapter 32 is amended by striking out

"Part II. Pens and mechanical pencils and lighters."

and inserting in lieu thereof

"Part II. Mechanical lighters."

(2) The heading for part II of subchapter E of chapter 32 is amended by striking out "PENS AND MECHANICAL PENCILS AND LIGHTERS" and inserting in lieu thereof "MECHANICAL LIGHTERS".

(3) Section 4221 (relating to certain tax-free sales) is amended by striking out subsection (f).

(4) Section 4222(b) (relating to exceptions from requirement of registration) is amended by striking out paragraph (4).

(5) Section 6416(d) (relating to certain items taxable as jewelry) is amended by striking out "MECHANICAL PENCILS" in the heading and inserting in lieu thereof "CERTAIN ARTICLES".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to articles sold on or after the first day of the first month which begins after the date of the enactment of this Act.

Mr. HICKENLOOPER. Mr. President, on the question of agreeing to this amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HICKENLOOPER. Mr. President, for the information of Senators, let me say now, before some Senators leave the Chamber, to attend to various and sundry other duties, that this amendment proposes that Congress abolish the manufacturer's excise tax on mechanical writing devices, approximately 60 percent of which are used for the development of literacy among the schoolchildren in the United States.

I expect to take about 15 minutes to explain the amendment. I believe there will be a few questions about it; but I think the debate on the amendment can be concluded in approximately 15 minutes.

SMALL BUSINESS INVESTMENT ACT AMENDMENTS—CONFERENCE REPORT

Mr. SPARKMAN. Mr. President, will the Senator from Iowa yield briefly to me?

Mr. **HICKENLOOPER**. Mr. President, I ask unanimous consent that at this time I may yield to the Senator from Alabama, who, I understand, wishes to have the Senate take action on a conference report.

The **PRESIDING OFFICER**. Is there objection? Without objection, it is so ordered.

Mr. **HICKENLOOPER**. Then, Mr. President, I yield to the Senator from Alabama.

Mr. **SPARKMAN**. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 298) to amend the Small Business Investment Act of 1958. I ask unanimous consent for the present consideration of the report.

The **PRESIDING OFFICER**. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of February 8, pages 2616–2617.)

The **PRESIDING OFFICER**. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. **SPARKMAN**. Mr. President, at this time I shall not make a statement in explanation of the report. Instead, I call attention to the fact that yesterday I had printed in the CONGRESSIONAL RECORD a brief statement explaining it. It appears on page 1828 of yesterday's issue of the CONGRESSIONAL RECORD.

The conference report relates to small business investment companies.

Mr. President, I request the adoption of the report.

The **PRESIDING OFFICER**. The question is on agreeing to the conference report.

The report was agreed to.

Mr. **SPARKMAN**. I thank the Senator from Iowa for his courtesy in yielding for this purpose.

REVENUE ACT OF 1964

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

Mr. **HUMPHREY**. Mr. President, will the Senator from Iowa yield to me?

Mr. **HICKENLOOPER**. For what purpose does the Senator request me to yield?

Mr. **HUMPHREY**. To enable me to ask a question.

Mr. **HICKENLOOPER**. I yield to the Senator from Minnesota, for a question.

Mr. **HUMPHREY**. Does the Senator from Iowa consider his rather erudite and scientific explanation of his amendment to be such as to indicate that a proper definition of the amendment would be that it relates to ballpoint pens?

Mr. **HICKENLOOPER**. I have not yet come to a definition—erudite or otherwise—of that sort. If the definition is such as to be interpreted as relating to ballpoint pens, I shall leave that to the Senator from Minnesota.

However, Mr. President, the amendment does relate to devices available for use by the youth of our country in writing.

Mr. **HUMPHREY**. Will the Senator from Iowa say that this amendment relates to the excise tax on ballpoint pens?

Mr. **HICKENLOOPER**. Oh, yes, indeed; it does.

Mr. **HUMPHREY**. In other words, the amendment goes right to the point of the ballpoint; is that correct?

Mr. **HICKENLOOPER**. Indeed it does.

Mr. **SCOTT**. Mr. President, will the Senator from Iowa yield briefly to me?

Mr. **HICKENLOOPER**. I yield.

Mr. **SCOTT**. The other day, I sat at the dinner table beside a gentleman who introduced himself to me, and told me that his name was Milton J. Reynolds. He said he was the inventor of the ballpoint pen. I understand that he has traveled quite extensively, and that he still holds the record for an around-the-world trip by air. However, all that is aside from the point, which is that the ballpoint pen is properly defined, so I am informed, as a device for writing clearly and permanently, but which does not require the direct fluid flow of ink. But for which the ink is compressed and isolated in a cylinder, and operates for the life of the cylinder, which is readily replaceable. [Laughter.]

Mr. **HUMPHREY**. Mr. President, I thank the learned and erudite Senator from Pennsylvania.

Mr. **HICKENLOOPER**. I understand the ballpoint pen was invented approximately 14 or 15 years ago by a citizen of Argentina, and was not developed in this country until the patents expired.

Mr. **MANSFIELD**. Mr. President, will the Senator from Iowa yield briefly to me?

Mr. **HICKENLOOPER**. I yield.

Mr. **MANSFIELD**. I supposed the Senator was answering the question which had been asked by the Senator from Minnesota. In that connection, let me say that I recall purchasing, approximately 15 years ago, one of the the Reynolds pens, and paying about $12.50 for it—and it did not work.

Mr. **SCOTT**. Mr. President, recently I was sent a newspaper which contained an advertisement of ballpoint pens, and the date of the newspaper was in the 1880's.

Not until I met Mr. Reynolds recently, had I heard of him; but I understand that he still takes great pride in claiming that he is the inventor of the ballpoint pen.

Mr. **HUMPHREY**. Perhaps he has relatives in Pennsylvania.

Mr. **BENNETT**. Mr. President, will the Senator from Iowa yield?

Mr. **HICKENLOOPER**. Mr. President, first let me say that I do not mind being challenged in regard to legal points or technical points in connection with proposed legislation, but I do not like to be laughted at.

At this time I yield to the Senator from Utah.

Mr. **BENNETT**. Let me ask whether the Senator from Iowa is being challenged by some who bought ballpoint pens which did not work?

Mr. **HICKENLOOPER**. I am afraid I cannot say as to that.

Mr. **RIBICOFF**. Mr. President, will the Senator from Iowa yield briefly to me?

Mr. **HICKENLOOPER**. I yield.

Mr. **RIBICOFF**. Those of us who have been proposing amendments have met with so little success, even though we have presented our amendments on the basis of logic and reason, that perhaps it now appears that the only chance of success for an amendment is to have its presentation based on humor.

Mr. **AIKEN**. Mr. President, will the Senator from Iowa yield briefly to me?

Mr. **HICKENLOOPER**. I yield.

Mr. **AIKEN**. Let me ask whether the amendment is based on French lighters which are imported, and which sell for approximately 89 cents?

Mr. **HICKENLOOPER**. No.

Mr. President, I shall quickly explain the amendment. I have already stated that the explanation will take only a short time.

The amendment relates to a serious situation. At present there is a manufacturers excise tax of some 10 percent on manufactured writing instruments—such as pens and pencils, and including ballpoint pens. The evidence and the testimony are to the effect that more than 60 percent of all instruments of this sort are used by students, and that less than 40 percent are used by the general public.

Writing instruments are of great importance; and in these days when orders and records must be made out in duplicate or in triplicate, the ballpoint pen seems to be indispensable and clearly a necessity.

I am told that the total loss of tax revenue to the Treasury, if the amendment is enacted into law, will be—according to the facts and the testimony which has been adduced—approximately $5 million, relatively a small amount. On the other hand, this tax is in some ways a nuisance tax on devices which are substantially a necessity in our society and in our educational system.

I presume statistics could be produced that would vary the figures somewhat, but not much. I am told that the average price of fountain pens at the wholesale level, when all qualities are taken into account, is approximately 64 cents. The average price for a mechanical pencil, some cheap and some better, is approximately 33 cents. They are certainly not luxuries; they are a necessity. Accordingly, this comes under the classification of a wartime revenue measure.

Since the close of World War II, I have consistently voted for either reduction or abolition of wartime emergency excise taxes. I believe they are unjustified in peacetime. In various ways, they contribute to confusion, to difficulty, and to a substantial amount of unusual and undue expense for those who have to collect the taxes and also to those who have to pay them.

It is as simple as that, Mr. President. It is a question of whether we wish to continue the 10 percent manufacturers' excise tax on a basic necessity used overwhelmingly by students in this country to advance their literacy—and I hope all Senators are interested in advancing literacy in this country—they are used in the educational process, in necessary business operations all over the country, and otherwise.

Mr. RIBICOFF. Mr. President, will the Senator from Iowa yield?

The PRESIDING OFFICER (Mr. HART in the chair). Does the Senator from Iowa yield to the Senator from Connecticut?

Mr. HICKENLOOPER. I yield.

Mr. RIBICOFF. I have listened with great interest to the figures given by the distinguished Senator; and although there was much banter about ballpoint pens, which have become such widely used writing instruments, the average cost of a ballpoint pen is 11 cents. Basically, as the Senator indicated, 60 percent of these items are used by schoolchildren, and when we consider that we are placing this tax on an item purchased mainly by schoolchildren, I think it is unjustifiable.

The manufacturers of this particular type of instrument have to meet competition from abroad, from countries like Japan and Germany, which sell the pencils in large numbers.

I commend the distinguished Senator for bringing up this amendment which would cost, as I recall, between $5 and $6 million. I want to let the Senator know that I shall support his amendment.

Mr. HICKENLOOPER. I thank the Senator from Connecticut. I do not mean to be facetious and I am sure no one needs to be facetious about the basic issue involved. It is serious to some extent. It is a small thing, but it is important. This tax applies directly—and unwarrantedly, in my judgment—to a basic necessity not only to the educational system of the country, but also to the business world.

Mr. CARLSON. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I am glad to yield.

Mr. CARLSON. We all remember that some years ago the post offices around the country used penholders with penpoints inserted in them, and a bottle of ink. We particularly remember that the point never worked. They are now being replaced in large numbers by ballpoint pens. I believe it is another good sign of what the Post Office Department has done, so I believe the amendment has a great deal of merit.

Mr. HICKENLOOPER. I thank the Senator from Kansas.

Mr. President, as far as I am concerned, I have nothing more to add. I do not know whether any other Senator wishes to be heard on this question.

Mr. SPARKMAN. Mr. President, will the Senator from Iowa yield for a question?

Mr. HICKENLOOPER. I am glad to yield.

Mr. SPARKMAN. I am very much interested in the Senator's proposal. Because the Senator from Connecticut has said that the average price of a ballpoint pen was 11 cents, I am curious to know what the tax is on an individual pen. Is it 1 cent?

Mr. HICKENLOOPER. The tax is 10 percent.

Mr. SMATHERS. The average tax, as I understand, according to the figures, is actually 1 percent, which will amount to $6 million.

Mr. SPARKMAN. Yes. Over the years, the Senate Small Business Committee has been urging the repeal of the wartime excise taxes. We have had this saving clause, as the fiscal situation might justify. These days get so long I forget about time—I suppose it was yesterday when we voted on the excise tax?

Mr. SMATHERS. It was today. This morning. The first vote of the day.

Mr. SPARKMAN. I thank the Senator. I had a hard time voting on that question. I voted against it. But I did it largely upon the assurance, and I understand it has been given both by the House Ways and Means Committee and by the Senate Finance Committee, that a study will be made on the whole problem, across the board, of excise taxes. It seems to me that when we get to a small item like this, involving such a small amount, in the nature of a tax on something that by no stretch of the imagination could be called a luxury but a necessity, it might be well to repeal it.

On two or three different occasions, I supported the amendments offered by the Senator from Florida to repeal the transportation tax and various other excise taxes that have been offered on the floor of the Senate. Little by little, we have taken off the excise taxes, and I feel rather inclined to support the amendment of the Senator from Iowa, even in the face of the premise by two committees to make a thorough study.

Mr. HICKENLOOPER. I thank the Senator from Alabama for his encouragement.

Mr. President, I invite attention to the fact that the Senator from Alabama and I, ever since the end of World War II, have been studying the excise tax problem. We continue to study it. It so happens that this is a small tax. But it is a good start, and it is a completely worthy area in which to eliminate excise taxes. No one can claim that this item is a luxury. No one can claim that it is only for the rich to purchase. This is for "kids" in the main; this is for their education. The amount of money involved is not much. But in the aggregate, it will amount to something. It will amount to something on the basis of the price of the pens and pencils, and when sold in quantities will amount to a substantial sum of money.

Mr. President, I yield the floor.

Mr. SMATHERS. Mr. President, I shall be brief. When proposals for little repeals such as this were considered in committee, we finally reached the point where a Senator such as the able Senator from Connecticut [Mr. RIBICOFF] and others would offer an amendment of this character and would state that it would not cost much—only $6 million. The end result is a cost of $10 billion, for the reason that if we wish to take off the excise tax on a ballpoint pen used by a child, it does no good if he cannot see in his room to write with that ballpoint pen if there is an excise tax on the light bulbs. It does no good to have a ballpoint pen if he cannot get to school because there is an excise tax on tires, or an excise tax on automobiles, and other items.

The proposal has some merit, and we recognize it, but instead of costing $6 million, the cost is $10 billion, because if we take this amendment the Senator from Indiana [Mr. HARTKE] will talk to us until he brings tears to our eyes and we agree to remove the tax on musical instruments. He described a young child going to school wishing to play a musical instrument, who must pay an excise tax if the school does not provide the instrument. So once we begin taking off excises, we are in deep trouble in determining where to stop.

Then there is the telephone tax, and the excise tax on safes in business, and so on. The total amounts to a vast sum of money.

Mr. HICKENLOOPER. I might suggest, in regard to the Senator's reference to electric lights, that it is necessary for a child to see so he can write with his ballpoint pen, and he must have the tires so he can go to school, but many Members of this Chamber obtained their early education by the light of a kerosene lamp, and they also walked to school. They did not have to have automobile tires. But they did have to have pencils and pens in those days.

Mr. SMATHERS. But they did not have to have ballpoint pens.

Mr. HICKENLOOPER. No. The amendment applies to other types of pens in addition to ballpoint pens.

Mr. SMATHERS. They used a lead pencil similar to the one which I hold in my hand, on which there is no excise tax, rather than mechanical pencils or ballpoint or fountain pens.

I do not disagree with the motive of the able Senator from Iowa. I merely say that what we would be doing would be to open a Pandora's box. The Senator from Alabama has said that he is inclined to vote for the amendment, even though we have assurance that excise taxes will be considered later. We must consider excise taxes before June 30, because over $1.5 billion of excise taxes will otherwise expire. If we are to keep the revenue coming, we shall have to consider them. We would like at that time to consider all the excise taxes. Perhaps the tax related to ballpoint pens should be the first to come before the committee. But at least we would have the benefit of the views of the House Committee on Ways and Means and the Senate Committee on Finance on the question. I hope the Senate will reject the amendment.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield.

Mr. MANSFIELD. Is it not true that we have assurances in writing from WILBUR MILLS, the chairman of the House Ways and Means Committee, and at least the oral assurance of the Senator from Virginia [Mr. Byrd], that hearings will be held on the entire excise tax bill, probably in April or May?

Mr. SMATHERS. The majority leader is absolutely correct.

Mr. ANDERSON. Mr. President, a small amount of money might seem to be involved. But what happened the other day? The Finance Committee was meeting. A Senator suggested, "Why not take the tax off of old ladies' pocketbooks?"

Surely, an old lady's pocketbook is something that we do not wish to tax. We took off the tax, and $550 million later we began to slow up a little.

If we remove the tax, how would we stop the Senator from Michigan [Mr. Hart], who is the present occupant of the chair, from proposing that we take the tax off automobiles? Surely if a child is going to have a ballpoint pen in school, he ought to be able to get to his school in an automobile. Then someone would suggest, "Why do you not take the tax off the tires on his automobile?" On and on it would go.

Mr. President, there is only one way to handle the problem, and that is the manner in which the committee has proposed. The House Ways and Means Committee came forth with a suggestion. The Senate Finance Committee has accepted the suggestion.

If Senators observe that the tax is removed from ballpoint pens, proposals will be made to remove the tax from other commodities.

I know the people the Senator from Iowa represents in this Senate are fine people. They are good folks. This amendment would be a fine thing for many business firms across the country. But I suggest that if we should start to pick out places to remove excise taxes, it would be dangerous. I hope the Senator can be patient and wait until the House acts upon the measure next June, and we shall then act on it accordingly. I hope that at the present time the amendment will be rejected. I believe next June it may be adopted.

Mr. HICKENLOOPER. Mr. President, it is no excuse whatsoever to refuse to do a good thing because we are continuing to do a bad thing. If the amendment to take a manufacturer's excise tax off pencils is a meritorious amendment, what difference would it make in relation to other taxes? We consider them one at a time, and it is no excuse whatsoever to say that we would open up Pandora's box. It is our responsibility if we open Pandora's box. We are dealing with one amendment that would affect schoolchildren in respect to their pens and pencils. It is an inexcusable maintenance of a tax that probably never should have been imposed in the first place.

The amendment is not my original amendment, and I am not here representing anyone in particular. I filed the amendment for the Senator from Illinois [Mr. Dirksen], who originated it and filed it in the Senate. The Senator from Connecticut filed it in the committee. I am not representing any particular individual. The so-called person that the Senator from New Mexico attempts to allege that I am representing has not contacted me on the subject.

Mr. ANDERSON. Mr. President, will the Senator yield at that point?

Mr. HICKENLOOPER. I yield.

Mr. ANDERSON. The Senator knows that I did not mean he was representing the Sheaffer fountain pen people. There are good industries in his State as there are good industries in the State of Connecticut.

Mr. HICKENLOOPER. I will let the record stand in respect to what the Senator stated. In my judgment, he did not quite make that statement. I am not representing anyone. I am happy to represent any industry in my State that is suffering from the tax. I am proud to represent the Sheaffer Pen Co., if they need representation, or any other pen company. Actually we have a great many distributors in our State that handle these things—a great number of them. They are hurt by this tax.

There are pen manufacturers in Illinois. There are distributors. There are manufacturers and distributors in Michigan, Minnesota, and a number of other States. It is no excuse to say that we should destroy a good amendment merely because some bad ones are standing up.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa. On that question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD (after having voted in the negative). Mr. President, I have a live pair with the distinguished minority leader [Mr. Dirksen]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. Byrd], the Senator from Nevada [Mr. Cannon], the Senator from Pennsylvania [Mr. Clark], the Senator from North Carolina [Mr. Ervin], the Senator from Arkansas [Mr. Fulbright], the Senator from Arizona [Mr. Hayden], the Senator from Alabama [Mr. Hill], the Senator from North Carolina [Mr. Jordan], the Senator from Massachusetts [Mr. Kennedy], the Senator from Ohio [Mr. Lausche], the Senator from Oregon [Mrs. Neuberger], and the Senator from Texas [Mr. Yarborough] are absent on official business.

I further announce that the Senator from California [Mr. Engle] is necessarily absent.

I further announce that, if present and voting, the Senator from Nevada [Mr. Cannon], the Senator from Pennsylvania [Mr. Clark], the Senator from California [Mr. Engle], the Senator from Arizona [Mr. Hayden], the Senator from Alabama [Mr. Hill], and the Senator from North Carolina [Mr. Jordan] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Illinois [Mr. Dirksen], the Senator from Arizona [Mr. Goldwater], and the Senators from Nebraska [Mr. Hruska and Mr. Curtis] are necessarily absent.

The Senator from North Dakota [Mr. Young], and the Senator from Massachusetts [Mr. Saltonstall] are detained on official business.

If present and voting, the Senator from Massachusetts [Mr. Saltonstall], the Senator from Arizona [Mr. Goldwater], and the Senators from Nebraska [Mr. Hruska and Mr. Curtis] would each vote "yea."

The result was announced—yeas 36, nays 44, as follows:

[No. 26 Leg.]

YEAS—36

Aiken
Allott
Beall
Boggs
Carlson
Cooper
Cotton
Dodd
Dominick
Douglas
Fong
Gore
Gruening
Hickenlooper
Jackson
Javits
Jordan, Idaho
Keating
Kuchel
Mechem
Miller
Morse
Morton
Mundt
Nelson
Pastore
Pearson
Pell
Prouty
Proxmire
Ribicoff
Scott
Simpson
Sparkman
Tower
Young, Ohio

NAYS—44

Anderson
Bartlett
Bayh
Bennett
Bible
Brewster
Burdick
Byrd, W. Va.
Case
Church
Eastland
Edmondson
Ellender
Hart
Hartke
Holland
Humphrey
Inouye
Johnston
Long, Mo.
Long, La.
Magnuson
McCarthy
McClellan
McGee
McGovern
McIntyre
McNamara
Metcalf
Monroney
Moss
Muskie
Randolph
Robertson
Russell
Smathers
Smith
Stennis
Symington
Talmadge
Thurmond
Walters
Williams, N.J.
Williams, Del.

NOT VOTING—20

Byrd, Va.
Cannon
Clark
Curtis
Dirksen
Engle
Ervin
Fulbright
Goldwater
Hayden
Hill
Hruska
Jordan, N.C.
Kennedy
Lausche
Mansfield
Neuberger
Saltonstall
Yarborough
Young, N. Dak.

So Mr. Hickenlooper's amendment was rejected.

Mr. SMATHERS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARTKE. Mr. President, I call up my amendment No. 276, and ask that it be stated. It deals with excise tax changes.

The legislative clerk proceeded to read the amendment.

Mr. HARTKE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, but that it be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment offered by Mr. Hartke is as follows:

At the end of the bill insert the following new title:

TITLE IV—EXCISE TAX CHANGES

Sec. 401. Musical Instruments Sold to Students for Educational use.

(a) Exemption From Tax.—Part II of subchapter C of chapter 32 (relating to tax on musical instruments) is amended by adding at the end thereof the following new section:

"Sec. 4152. Exemption for Educational Use.

"The tax imposed by section 4151 shall not apply to any musical instrument sold to an individual who is a student in an educational institution if such instrument is to be used by such student in an orchestra, band, or similar organization sponsored by, or a course of instruction offered by, such institution. For purposes of this section, the term 'educational institution' means an educational institution (1) which is a nonprofit educational organization (as defined in section 4221(d)(5)) or (2) which is an agency or instrumentality of any government or any political subdivision thereof, or is owned or operated by a government or any political subdivision thereof or by any agency or instrumentality of one or more governments or political subdivisions. The right to exemption under this section shall be evidenced in such manner as the Secretary or his delegate may prescribe by regulations."

(b) CLERICAL AMENDMENT.—The table of sections for such part is amended by adding at the end thereof the following new item:

"Sec. 4152. Exemption for educational use."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales of musical instruments made after December 31, 1963, to students of an educational institution (as defined in section 4152 of the Internal Revenue Code of 1954, as added by subsection (a)).

Mr. HARTKE. Mr. President, I should like to have made clear in my mind what is to be done about excise taxes. My present amendment would exclude excise taxes from any musical instrument purchased for use for educational purposes for use in a school band or an orchestra. Such an excise tax would be exempt. It relates to a very small group. I should like to know what will happen with respect to excise taxes before the end of the fiscal year.

Mr. SMATHERS. Mr. President, when the Senator brought up the amendment in committee at one time it was agreed to.

Mr. HARTKE. By unanimous vote.

Mr. SMATHERS. The amendment has a great deal of merit. There is involved a type of discrimination, because when a school buys a musical instrument, it can get it without paying the excise tax; whereas if a pupil buys one in a small school, for himself, he must pay the tax.

Therefore, I ask the Senator not to press the amendment at this time. There will be hearings on the whole excise tax problem. Mr. MILLS, the chairman of the Ways and Means Committee of the House, has already written a letter to that effect, and the chairman of the Finance Committee, the distinguished senior Senator from Virginia [Mr. BYRD], has assured us that there will be a hearing on the whole excise tax problem. We must do that before June 30, because if we do not do it by then, a billion and a half dollars in excise taxes which are now in existence will go off the rolls.

The Senator can be certain that his amendment will receive thorough and full consideration in the Finance Committee.

Mr. HARTKE. I thank my distinguished friend from Florida. On the basis of his assurance, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. MANSFIELD. Mr. President, has the amendment of the Senator from Minnesota been stated?

Mr. McCARTHY. Mr. President, I call up my amendment which is a printed amendment, No. 377.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to add the following new section:

SEC. .

That (a) section 1(b) of the Internal Revenue Code of 1954 (relating to definition of head of household) is amended—

(1) by striking out ", or" at the end of subparagraph (A) and inserting in lieu thereof a semicolon;

(2) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof a semicolon;

(3) by inserting after subparagraph (B) the following new subparagraphs:

"(C) is a widow or widower; or

"(D) has attained the age of 35 before the close of the taxable year, and either—

"(i) has never been married, or

"(ii) has been previously married and has been legally separated from his spouse under a decree of divorce or of separate maintenance for a period of not less than 3 years before the close of the taxable year."; and

(4) by adding at the end thereof the following new sentence: "In the case of an individual who has been married more than once, the status of such individual for purposes of applying subparagraph (C) or (D)(ii), shall be determined only with reference to his last marriage."

(b) The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 1962.

Mr. MANSFIELD. Mr. President, it is my intention to move that the pending amendment be tabled. I believe the Senate should be informed to that effect.

Mr. McCARTHY. Mr. President, I ask unanimous consent to request the yeas and nays on the motion to table, even though the motion has not yet been made.

The PRESIDING OFFICER. Without objection, it is so ordered.

The yeas and nays were ordered.

Mr. McCARTHY. Mr. President, the amendment relates to a problem which I believe is becoming more serious in America from year to year. It is one which I discussed on the floor of the Senate last year, and it incorporates a recommendation which I made to the Treasury Department in January of last year, when the tax bill, on which we are acting today, was first being drafted.

Whereas I approve generally of what the Treasury has done with the pending tax bill, and also approve of the action of the Ways and Means Committee, and of the action of the Finance Committee, and undoubtedly will approve generally of what the Senate will do with the tax bill, I believe that at the very beginning of the effort in connection with the tax bill, some attention should have been given to the recommendations which I sent to the Treasury Department in January, and to the proposals which are incorporated in the pending amendment.

Under existing law and under the present bill there are two tables of tax rates, one for single taxpayers and another for taxpayers who are listed under the category of heads of households.

Under existing law and under the pending bill some unmarried persons are considered heads of households for tax purposes if certain conditions are met. They get this tax advantage if they meet a number of rather complicated conditions. I suggest that Senators who are interested look at the explanation that is contained in the instructions accompanying the Federal income tax form. There are three columns of instructions or computations covering the special conditions which must be met if a person is to qualify as the unmarried head of a household.

I will not read all the special conditions, but I would like to read two or three for the record. The special computation in the instruction sheet states:

> Only the following persons may qualify: (a) One who is unmarried (or legally separated) at the end of the taxable year, or (b) one who is married at the end of the year to an individual who was a nonresident alien at any time during the taxable year.

Under certain conditions, one might have to find a nonresident alien to marry in order to qualify for this tax benefit.

The instructions continue:

> In addition, you must have furnished one-half of the cost of maintaining as your home a household which during the entire year, except for temporary absence, was occupied as the principal place of abode and as a member of such household by (1) any related person other than your child or stepchild (See those listed under line 2, paragraph 5 on page 6 of these instructions)—

And so forth.

I ask unanimous consent that these special computations or instructions on what a person must do to meet these special conditions in order to qualify as the head of a household be printed in the RECORD at this point in my remarks.

There being no objection, the instructions were ordered to be printed in the RECORD, as follows:

SPECIAL COMPUTATIONS

UNMARRIED HEAD OF HOUSEHOLD

The law provides a special tax rate for any individual who qualifies as a "head of household." Only the following persons may qualify: (a) One who is unmarried (or legally separated) at the end of the taxable year, or (b) one who is married at the end of the year to an individual who was a nonresident alien at any time during the taxable year. In addition, you must have furnished over half of the cost of maintaining as your home a household which during the entire year, except for temporary absence, was occupied as the principal place of abode and as a member of such household by (1) any related person other than your child or stepchild (see those listed under "line 2," par. 5 on p. 6 of these instructions) for whom you are entitled to a deduction for an exemption, unless the deduction arises from a multiple-support agreement, (2) your unmarried child, grandchild, or stepchild, even though such child is not a dependent, or (3) your married child, grandchild, or stepchild for whom you are entitled to a deduction for an exemption.

If you qualify under (a) or (b) above, you are entitled to the special tax rate if you pay more than half the cost of maintaining a household (not necessarily your home) which is the principal place of abode of your father or mother and who qualifies as your dependent.

The rates for head of household are found in "Tax Rate Schedule III" on page 9 of these instructions.

WIDOWS AND WIDOWERS

Under certain conditions a taxpayer whose husband (or wife) has died during either of her 2 preceding taxable years may compute her tax by including only her income, exemptions, and deductions, but otherwise computing the tax as if a joint return had been filed. However, the exemption for the decedent may be claimed only for the year of death.

The conditions are that the taxpayer (a) must not have remarried, (b) must maintain as her home a household which is the principal place of abode of her child or stepchild for whom she is entitled to a deduction for an exemption, and (c) must have been entitled to file a joint return with her husband (or wife) for the year of death.

Mr. McCARTHY. Mr. President, at the present time there are about 18 million single persons in the United States who are 35 years of age and older. Thirteen million of these are women. We are speaking, particularly this year, about the changed status of women. I suggest that the Treasury Department is not giving much thought to this changed status.

I hope that consideration by the committee of the amendment, and its implication with regard to the changing structure of American society, may somehow or other get through to the Treasury Department. I know it is getting through to some Members of the Senate. I propose that any single person or any unmarried person in the United States who is 35 years of age be treated as the head of a household for tax purposes.

This would give such persons a tax advantage somewhat better than they would get if they were treated as single persons. It does not come close to the kind of treatment they would receive if they were married and filing a joint return. They would carry a tax burden about halfway between that carried by a single person and that carried by a person who files a joint return.

The adoption of my amendment would serve the cause of equity and justice. It would take into account the important social changes which have taken place and are now taking place in the United States.

I have no further statement to make.

Mr. ANDERSON. Mr. President, I understand the Senator from Montana will make a motion to table the amendment. Before he does so, I wish to say that this is another matter for the Finance Committee to look into very carefully. To adopt the amendment at this time would disturb the balance that exists in the tax structure. There are many arguments that the Senator from Minnesota could advance. I realize that he has not advanced many, and I appreciate his graciousness.

Once we start to change the basic system of taxation, we get into many arguments. I would like to have an opportunity to consider this matter in a separate bill. I do not know what action the Senate or the House would take on it. I do know that it would be dangerous to accept the amendment tonight. I hope it will be defeated if it is voted on. It would amount to a loss to the Treasury of $300 million.

I appreciate the fact that the able Senator from Minnesota, with his usual graciousness, has not detained the Senate a long time. Therefore I shall try to be as gracious and not take much time. I merely wish to say that this is a good time to vote down the amendment. It is a bad amendment, and it should be voted down.

Mr. SMATHERS. Is it not a fact that the amendment would cost $350 million, in addition to the other reductions?

Mr. ANDERSON. I said $300 million, because I tried to be kind to the Senator from Minnesota. If the Senator from Florida insists on getting the last dollar, I shall be glad to make it $350 million. I hope the amendment will be voted down.

Mr. McCARTHY. I did not wish to get into the argument between my friends as to whether the sum is $300 million or $350 million. However, the estimate of the Treasury is $300 million.

Mr. ANDERSON. I am happy to have the Senator from Minnesota sustain me and rule against the Senator from Florida. But whatever it is, it is still too much. I hope we may sustain the majority leader in his motion to table the amendment.

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed at this point in the Record three articles dealing with this particular proposal.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Tax Bill Discriminates Against Single Women

Senator Eugene McCarthy, Democrat, of Minnesota, has urged revision of tax laws to end discrimination against single persons.

Senator McCarthy complained that the Federal income tax code provision of special tax rates for heads of households, aimed at assisting single women, carry qualifications "so demanding that they exclude many more women than they include."

One qualification, he noted in the current issue of McCall's magazine, requires payment of "over half the cost of maintaining a household for the entire year for at least one relative." Another holds that "if a single woman supports a father or mother, one or both must live in a home the daughter maintains for her parents."

Senator McCarthy points out that "a parent in a nursing home or in a home for the aged does not entitle the woman to claim to be head of the household, even though she is financially entirely responsible. Unmarried children, grandchildren, or stepchildren must live in the same household with the head of the household."

These qualifications fail to consider "that practically any unmarried woman over 35 has actually founded a household," he charged, noting that more than half the 11 million unmarried working women in America are over 35.

How Present Law Penalizes Them

(By Sylvia Porter)

New York.—Are our tax laws discriminating against the not-married working woman, particularly the single woman over 35? Yes.

Are our tax laws also unfair to the working mother, particularly the mother of young children who must go out to work for pressing financial reasons but who can do so only if she pays someone to take care of her children while she is away from home? Yes.

For the first time in many years, there is basis for belief that at the next session of Congress, such injustices to women as I pinpointed above will be thoroughly probed by an informed and sympathetic Congress.

A group of aroused Senators, led by Eugene J. McCarthy, Minnesota, Democrat, introduced a bill at this year's session to end the tax discrimination against the mature not-married woman.

A committee of the President's Commission on the Status of Women headed by Senator Maurine Neuberger, Oregon, Democrat, is investigating right now the adequacy of the child care tax deduction provided for working mothers and its conclusion already is a loud "inadequate."

The President's hard-working Commission on the Status of Women, headed by Mrs. Eleanor Roosevelt and consisting of nationally respected men and women, has been directed to submit a report to the White House by this time next year on inequities of this type—and the Commission's committees surely will issue interim reports which will spur action.

These are not insignificant matters. There are more than 24 million women working at jobs in the United States today. Almost 6 million are unmarried women over 35 years of age.

Huge numbers are working mothers who are paying for child care which is essential to their being able to earn the paychecks on which they pay taxes to the Federal Government.

The discrimination against the not-married woman over 35—including women who have never married or are widowed, divorced or legally separated—arises from the fact that while they may be heads of households, they cannot meet the rigid requirements for this classification under the tax law and thus are denied the tax benefits.

For instance, to be eligible for the head-of-household tax rate, a not-married woman must furnish over half the cost of maintaining a household for a whole year for at least one relative—and if she supports her father, mother, or both, one or both must live in a home she maintains.

Dependent children also must live in the same house as the head of household. She might be supporting an aged parent in a nursing home but she couldn't qualify under this; she might be contributing heavily to dependent children living elsewhere, but again she wouldn't be eligible.

The tax differential is substantial.

As McCarthy emphasizes, a not-married woman earning $8,000 of taxable income would pay an income tax of $1,960, a head of household would pay $1,820 tax on the same income, a married taxpayer filing a joint return would pay $1,680.

McCarthy's bill would extend head-of-household tax benefits to all not-married women over 35, among others.

The bill received considerable favorable response, will come up again.

The injustice to the young working mother arises from the fact that the $600 deduction for child care expenses offered to working wives and widowers is so limited by qualifications that few can get the relief.

To obtain this deduction, a working wife must file a joint return with her husband and for every dollar of joint income over $4,500, $1 of the $600 deduction must be eliminated.

In effect, therefore, the child care deduction now is available only to working mothers in families with a combined income of under $5,100. There is no similar income limit for widowers, though.

The limit was too low to begin with. Now with average family incomes running at $5,700 and with minimal nonprofessional care amounting to $10 to $15 per child a week, the limit is obviously obsolete.

The stage is set for across-the-board, top-to-bottom tax cuts and for tax reform in 1963.

If only a tiny percentage of the over 24 million women working in our country today would get behind efforts already underway to correct these clear discriminations, the stage would be set for their elimination, too.

Taxes and the Not-Married Woman

(Most single women, widows, and divorcees are paying a heavy penalty in income taxes. Here, a plea on their behalf from a legislator whose bill to remedy the situation comes before the Congress this month—Eugene J. McCarthy, U.S. Senator from Minnesota.)

There are, unfortunately, a good many inequities in the tax laws of the United States. Some of them result from the passage of laws that benefit one group, but exclude another. Some come about because the economic and social picture changes and laws that were formerly more or less fair to everyone become discriminatory to a particular group. But however it is that they have come about, they can and should be corrected.

In recent years, both types of change have affected the financial situation of what I have chosen to call the not-married woman—that is, the woman who has never married or who is presently widowed, divorced, or legally separated.

Under Federal law, individual income taxpayers are grouped in three broad categories: single taxpayers, married taxpayers, and those who, while not currently married, qualify as "head of household." The amount of taxes they pay varies substantially. For example, consider three people, each with a taxable income of $8,000 a year. The married taxpayer, filing a joint return for himself and his wife, would pay $1,680 in tax. The person classified as head of household would pay $1,820 in tax. But the single person's tax would amount to $1,960. In the higher income brackets, the differences are even greater.

Although the single person has always paid a higher percentage of tax, the discrimination was intensified in 1948, when income splitting for married couples was first provided in the Federal code, making a significant reduction in their tax. Then, in 1951, the tax code was again modified, to provide special tax rates for those who meet the qualifications of head of household.

The trouble is that these qualifications are so demanding that they exclude many more women than they include. For example, to be eligible, one must furnish over half the cost of maintaining a household for the entire year for at least one relative. If a single woman supports a father or mother, one or both must live in a home the daughter maintains for her parents. A parent in a nursing home or in a home for the aged does not entitle the woman to claim to be the head of household, even though she is financially entirely responsible. Unmarried children, grandchildren, or stepchildren must live in the same house with the head of household. And these are just a few of the restricting qualifications for head of household. There are many more.

Now, it is a fact that practically any not-married woman over 35 has actually founded a household. Hundreds of thousands of them are supporting minor children; millions are contributing to the support of aged parents. Single women are making large and often disproportionate contributions to most insurance programs, to social security, and to other systems that provide retirement income.

Today, 11 million not-married women are working in this country; more than half of them are over 35. These women need both privacy and permanence, and there is no valid reason they should pay a disproportionate price for either.

In the interest of both justice and equity, the Federal income tax law should recognize their position.

Mr. McCARTHY. Mr. President, in closing, although this is not a compelling argument, I hope that Senators may reflect and recall whether they were cosponsors of this particular measure.

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed at this point in the Record a statement prepared by the Treasury with respect to the cost—$350 million.

Mr. EASTLAND. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Mr. President, it is with deep regret that I shall make the motion I am about to make. However, I am assured by the statement of the distinguished senior Senator from New Mexico [Mr. Anderson] that this meritorious amendment will, hopefully, be given consideration by the House Committee on Ways and Means and the Senate Committee on Finance. I would hope that that half promise may become full blown. I now move to lay the amendment offered by the Senator from Minnesota [Mr. McCarthy] on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to table. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALLOTT (when his name was called). On this question I have a pair with the minority leader [Mr. Dirksen]. If he were present, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. Byrd], the Senator from Nevada [Mr. Cannon], the Senator from Pennsylvania [Mr. Clark], the Senator from North Carolina [Mr. Ervin], the Senator from Arkansas [Mr. Fulbright], the Senator from Arizona [Mr. Hayden], the Senator from Alabama [Mr. Hill], the Senator from North Carolina [Mr. Jordan], the Senator from Massachusetts [Mr. Kennedy], the Senator from Ohio [Mr. Lausche], the Senator from Oregon [Mrs. Neuberger], and the Senator from Texas [Mr. Yarborough] are absent on official business.

I further announce that the Senator from California [Mr. Engle] is necessarily absent.

I further announce that, if present and voting, the Senator from Nevada [Mr. Cannon], the Senator from Pennsylvania [Mr. Clark], the Senator from California [Mr. Engle], the Senator from North Carolina [Mr. Ervin], the Senator from Arkansas [Mr. Fulbright], the Senator from North Carolina [Mr. Jordan], the Senator from Massachusetts [Mr. Kennedy], the Senator from Oregon [Mrs. Neuberger], and the Senator from Texas [Mr. Yarborough] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Illinois [Mr. Dirksen], the Senator from Arizona [Mr. Goldwater], and the Senators from Nebraska [Mr. Hruska and Mr. Curtis] are necessarily absent.

The Senator from North Dakota [Mr. Young], the Senator from Massachusetts [Mr. Saltonstall], and the Senator from Pennsylvania [Mr. Scott] are detained on official business.

If present and voting, the Senators from Nebraska [Mr. Hruska and Mr. Curtis] would each vote "nay."

The pair of the Senator from Illinois [Mr. Dirksen] has been previously announced.

The result was announced—yeas 33, nays 46, as follows:

[No. 27 Leg.]

YEAS—33

Aiken
Anderson
Bayh
Brewster
Burdick
Byrd, W. Va.
Church
Cooper
Eastland
Edmondson
Ellender
Hickenlooper
Holland
Johnston
Long, Mo.
Long, La.
Magnuson
Mansfield
McClellan
McGee
McGovern
McNamara
Miller
Morton
Mundt
Pastore
Pearson
Pell
Robertson
Smathers
Stennis
Talmadge
Williams, Del.

NAYS—46

Bartlett
Beall
Bennett
Bible
Boggs
Carlson
Case
Cotton
Dodd
Dominick
Douglas
Fong
Gore
Gruening
Hart
Hartke
Humphrey
Inouye
Jackson
Javits
Jordan, Idaho
Keating
Kuchel
McCarthy
McIntyre
Mechem
Metcalf
Monroney
Morse
Moss
Muskie
Nelson
Prouty
Proxmire
Randolph
Ribicoff
Russell
Simpson
Smith
Sparkman
Symington
Thurmond
Tower
Walters
Williams, N.J.
Young, Ohio

NOT VOTING—21

Allott
Byrd, Va.
Cannon
Clark
Curtis
Dirksen
Engle
Ervin
Fulbright
Goldwater
Hayden
Hill
Hruska
Jordan, N.C.
Kennedy
Lausche
Neuberger
Saltonstall
Scott
Yarborough
Young, N. Dak.

So Mr. Mansfield's motion to lay Mr. McCarthy's amendment on the table was rejected.

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed at this point in the Record a statement by the Treasury Department on the subject "Extension of 'Head of Household' Definition to Single Persons Over 35 Years".

There being no objection, the statement was ordered to be printed in the Record, as follows:

Extension of "Head of Household" Definition to Single Persons Over 35 Years

It is proposed to extend the definition of "head of household" to include widows and widowers and also any taxpayer over 35 who has never been married or who has been divorced or separated for at least 3 years. Thus, almost every unmarried person over 35 will be treated as a head of household although he does not maintain a household for himself or for anyone else.

It is estimated that the revenue cost of the proposal at the rates contained in the bill reported by the Senate Finance Committee would be $350 million.

The proposal is undesirable for the following reasons:

1. Further tax reduction for single persons over 35 is unwarranted: A tax reduction for single persons over 35 on the order of $350 million, in addition to the reductions already embodied in the bill, is not warranted. The reduction in tax rates and the minimum standard deduction will substantially reduce the tax burden of those single persons who maintain households for them-

selves, but not for dependents. Moreover, an additional revenue loss of $350 million would require reexamination of the rate scales in the bill.

2. Proposal is not in accord with intent of the Congress: Extension of the definition of "head of household" to provide additional tax reduction to single persons who do not maintain households for dependents would not be in accord with the congressional intent in establishing the special "head of household" rates. The special "head of household" rates were added to the Code in 1951 as an extension of the split-income benefit previously granted to married persons filing a joint return. Both the House and Senate committee reports are clear that the rationale of the "head of household" provision was to give a portion of the split-income benefit to taxpayers who maintain households for dependents. In such cases Congress believed that the head of household, in effect, shares his income with the person for whom he is maintaining a household in a manner similar to the way a husband shares his income with his wife. Thus, the House committee report stated:

"It is believed that taxpayers, not having spouses but nevertheless required to maintain a household for the benefit of other individuals, are in a somewhat similar position to married couples who, because they may share their income, are treated under present law substantially as if they were two single individuals each with half of the total income of the couple. The income of a head of household who must maintain a home for a child, for example, is likely to be shared with the child to the extent necessary to maintain the home, and raise and educate the child. This, it is believed, justifies the extension of some of the benefits of income splitting."

This general rationale was not changed when, in 1954, the definition of "head of household" was extended to cover taxpayers maintaining a household for a dependent parent, even though the household was not the taxpayer's household.

3. No rational justification for the proposal: It has been argued that expansion of the definition of "head of household" is necessary to provide relief in the cases of a taxpayer supporting a parent who lives alone and of a taxpayer supporting a child who spends part of the year away at school. No change in the law is required for the taxpayer to obtain "head of household" rates in either of these cases. The present Treasury regulations make clear that a taxpayer may be a head of household if he maintains a home for his dependent parent even if the taxpayer does not live there. Similarly, the fact that a child of the taxpayer is temporarily absent from home because he is away at school does not disqualify his parent as a head of household.

Thus, this proposal would not give new relief in the cases of single persons who do maintain a household for dependents. It would, however, reduce the taxes of single persons who maintain a household only for themselves and of single persons who do not maintain households even for themselves; for example, older persons living with their relatives or single persons over 35 living with their parents. The taxpayers to whom Congress has granted relief under the "head of household" provisions are only those who not only maintain a household but incur the additional expenses inherent in maintaining a household for a dependent. There is no justification for extending this special treatment to taxpayers who maintain a household only for themselves, much less those who maintain no household at all.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, in view of the fact that all of us are growing a little tired, I wish to ask the Senate to bear with me and, for the time being, to bring to an end the debate on the tax bill, so that the Senator from Oregon [Mr. MORSE]—who has been waiting patiently, and who said he wished to make a speech today—may proceed with his remarks.

Mr. MORSE. Mr. President, I assure the Senator from Montana that I can equally well make my speech an hour from now or 2 hours from now, just as well as now; and I do not want the debate on the tax bill to be laid aside at this point, for the time being, merely on my account.

Mr. MANSFIELD. Mr. President, I appreciate the courtesy and consideration of the Senator from Oregon; but this is a convenient time to have him proceed with his remarks.

Mr. JAVITS. Mr. President, I noticed that the other day, unanimous consent was given to schedule the consideration of a series of amendments, but without any time limit.

In order to enable Senators who wish to submit amendments to know what the schedule will be, I wonder whether the majority leader will consider having the consideration of those amendments follow the consideration of the McCarthy amendment, tomorrow; or does the majority leader prefer to leave the schedule open?

Mr. MANSFIELD. Frankly, I would prefer to have the schedule remain open, because I believe what was done the other day must be construed as a bad precedent.

Under the circumstances, the Senator from Delaware intends to have his amendment brought before the Senate tomorrow, and its consideration can be followed by consideration of the amendments to which the Senator from New York has referred.

Mr. JAVITS. Very well; I understand.

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its session tonight, it adjourn until 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS TOMORROW

Mr. MANSFIELD. Mr. President, I rise to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. MANSFIELD. Mr. President, when the Senate convenes tomorrow, at the conclusion of the morning business will the pending question be on agreeing to the McCarthy amendment to the tax bill?

The PRESIDING OFFICER. That is correct.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

AMERICA'S ECONOMY CENTERS ON THE CONSUMER—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 220)

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

America's economy centers on the consumer: The consumer buys in the marketplace nearly two-thirds of our gross national product—$380 billion out of an output of $600 billion.

To meet consumer needs with an ever-widening range and quality of products is the prime object of American producers.

To increase consumer well-being—both the quality and the comforts of life—is one of the highest purposes of private and public policy.

Yet, for far too long, the consumer has had too little voice and too little weight in government.

As a worker, as a businessman, as a farmer, as a lawyer or doctor, the citizen has been well represented. But as a consumer, he has had to take a back seat.

That situation is changing. The consumer is moving forward. We cannot rest content until he is in the front row, not displacing the interest of the producer, yet gaining equal rank and representation with that interest.

Federal action in the consumer interest is not new. To protect the consumer, we have Federal laws and regulations to eliminate impure and harmful food, drugs, and cosmetics; to standardize weights and measures, and improve labeling; to prevent fraud, deception, and false advertising; to promote fair competition; to assure fair rates in transportation, power, fuel, communications, and the like; to avoid abuses in the sale of securities.

What is new is the concern for the total interest of the consumer, the recognition of certain basic consumer rights: The right to safety, the right to be informed, the right to choose, the right to be heard.

President Kennedy, in his historic consumer message of March 15, 1962, first set forth those rights. I reaffirm those rights.

What is also new is active representation of the consumer—and a loud, clear-channel voice—at the topmost levels of government:

1. In July 1962, President Kennedy established the Consumer Advisory Council. In its landmark first report of last October, the Council urged stronger and more effective representation at the Presidential level.

2. On January 3, I appointed a new Special Assistant for Consumer Affairs and established the President's Committee on Consumer Interests, composed of

representatives of the Federal departments and agencies most concerned with consumer affairs; members of the Consumer Advisory Council; the newly appointed Presidential Assistant, as Chairman. My Special Assistant and the new Consumer Committee will lead an intensified campaign—

To assure that the best practice of the great American marketplace—where free men and women buy, sell, and produce—becomes common practice.

To fight, side by side with enlightened business leadership and consumer organizations, against the selfish minority who defraud and deceive consumers, charge unfair prices, or engage in other sharp practices.

To identify the gaps in our system of consumer protection, information, and choice that still need to be filled.

RECENT ADVANCES

Since 1962, the consumer's position has been protected and strengthened in several important ways:

1. New drugs must now be approved for effectiveness as well as safety.

2. Beginning in May of this year, all television sets produced and sold in interstate commerce must be able to receive all channels, including the ultra-high-frequency ranges. This will bring to millions of American homes a wider range of noncommercial educational TV, as well as more commercial programing.

3. During the past year, the Federal Trade Commission has intensified its programs to protect consumers against false advertising as to the safety and efficacy of nonprescription drug products; misrepresentation of savings in the purchase of food-freeze plans; deceptive television ratings and demonstrations; misbranding of clothing; bait-and-switch tactics in the sale of consumer products.

4. Federal Power Commission orders on gas rates have channeled millions of dollars of refunds of past overcharges to American families who use gas for cooking and heating.

5. Remedies have now been provided for air travelers who are victims of "overbooking."

The job ahead:

But the road to consumer safety, accurate information, free choice, and an adequate hearing is never ending. In modern society, the consumer is constantly exposed to the winds of change. Countless new products—and new forms of old products—vie for his attention and his dollar. Services take a larger and larger share of the consumer dollar. Yet they are often performed without established standards of safety or values.

The American housewife—the major American consumer—cannot help but feel confused, and too often unheard, as she seeks the best value for the hard-earned dollar she spends.

This Government is pledged to come to her aid with new legislation and new administrative actions.

RECOMMENDED LEGISLATION

Food, drugs, cosmetics, and medical devices: Too often, we await the spur of tragedy before strengthening the Food, Drug, and Cosmetic Act.

Too often, we discover dangers in foods and cosmetics only through serious injury to a consumer.

Testing and inspection powers: The Food and Drug Administration now lacks the needed authority to inspect fully the factories in which food is produced; to require a showing that cosmetics are safe before they are offered to the public; to examine, for safety and effectiveness before they are marketed, medical devices for the diagnosis of symptoms and treatment of illnesses. The improper treatment with worthless devices can be the cruelest hoax of all. Therefore:

(1) I recommend the enactment of new legislation to: Extend and clarify inspection authority—comparable to that which now governs prescription drugs—over foods, over-the-counter drugs, cosmetics, and therapeutic, diagnostic, and prosthetic devices; require that cosmetics be tested and proved safe before they are marketed; and require therapeutic, diagnostic, and prosthetic devices to be manufactured under conditions that will assure their reliability, and require proof of safety and effectiveness before they are marketed.

Warning labels: The container for the common household drug is a familiar—and often reassuring—sight in our medicine closets. Yet, unless properly marked with necessary warning against accidental injury, it can be as dangerous, and fatal, as a time bomb:

Drugs that ease the pains of adults, for example, might kill a child—yet Federal authority to require warning labels on such containers is far from clear.

A pressurized container, improperly used or handled, can also be a lethal instrument—yet, existing law does not require that users be warned against these dangers. Therefore:

(2) I recommend that existing legislation be extended and clarified to require that labels include warnings against avoidable accidental injury from drugs and cosmetics, and pressurized containers.

(3) In addition, the Department of Health, Education, and Welfare should be authorized to subpena evidence in connection with administrative hearings under the Federal Food, Drug, and Cosmetic Act. Other regulatory agencies have this indispensable power. Without it, effective regulation is extremely difficult.

Screening of pesticides: Equally important is the growing danger from the use of pesticides which have not been properly screened. We must not recklessly interfere with the harmony of nature. Yet, today the Department of Agriculture is required to register products that it cannot certify as safe—and these may be put to use. Therefore:

(4) I recommend that the Congress enact legislation—already passed by the Senate—to end the present practice by which pesticides may be registered by manufacturers "under protest" before the Department of Agriculture has passed upon their safety.

Meat and poultry inspection: The inspection of meat and poultry products moving in interstate commerce effectively insures safe and wholesome supplies of these foods, but this protection does not extend to products sold within a State. Therefore:

(5) I recommend legislation to insure that all meat and poultry sold in the United States—intrastate as well as interstate—is inspected for safety and wholesomeness, either by the Department of Agriculture or in cooperation with State authorities.

Unfair trade practices and price maintenance: There are serious defects in the Federal shield against unfair practices and false advertising. Unlawful trade practices may continue during the time administrative hearings are pending. Often, the damage has been done by the time the decision is rendered. Therefore:

(6) I recommend legislation to grant the Federal Trade Commission authority to issue temporary cease-and-desist orders at the outset of a proceeding, subject to court review, when the Commission has good reason to believe that the continuation of the practice would result in irreparable injury to the public.

Freedom of choice for consumers from our storehouse of goods, at the lowest possible prices, is the very cornerstone of American consumer policy. I believe strongly in this principle. Therefore, I oppose legislation which limits price competition, whether under the label of "quality stabilization" or any other name.

Truth in packaging: We all like interesting packages, and we are attracted by them. In today's markets they are the silent salesmen for their products.

But salesmen should be both helpful and truthful.

When the American housewife comes face to face with one of these silent salesmen, she wants it to report to her the nature and quantity of its contents in a manner that is simple, direct, visible, accurate.

All too often, she cannot find such labeling today. Hearings on the Hart-Celler bill to require truth in packaging have shown us that informed judgments are often made difficult or impossible by deceptive or confusing packaging and labeling.

The shopper ought to be able to tell at a glance what is in the package, how much of it there is, and how much it costs.

We do not seek monotonous conformity.

We do seek packages that are easily understood and compared with respect to sizes, weights, and degrees of fill.

Many of our staples, like sugar and flour, have long been packaged in standard quantities. Much more can be done along these lines.

Packagers themselves should take the initiative in this effort. It is in the best interests of the manufacturer and the retailer as well as the consumer.

The Government has had, and has exercised, a responsibility toward the consumer in this field for a long time. But the case-by-case trail to which we are limited by existing law is a long and winding one.

More clear-cut regulations are needed to deal effectively with the problem of misleading adjectives; fractional variations in weight which are designed to confuse; illustrations which have no relationship to the contents of the package. Therefore:

(7) I recommend legislation to insure that the consumer has access to the information necessary to make a rational choice among competing packaged products.

Truth in lending: The consumer credit system has helped the American economy to grow and prosper:

Credit is used to finance the purchase of homes, cars, appliances, education, and recreation.

Consumer credit and mortgage debt on urban family homes together total over $250 billion.

The cost of such credit must be made as clear and unambiguous as possible, eliminating all possibility of abuse. The antiquated legal doctrine, "Let the buyer beware," should be superseded by the doctrine, "Let the seller make full disclosure." Therefore:

(8) I recommend enactment of legislation requiring all lenders and extenders of credit to disclose to borrowers in advance the actual amount of their commitment and the annual rate of interest they will be required to pay.

Truth in securities: American consumers are also investors. Approximately 17 million persons hold stock in publicly held corporations.

Almost a generation ago, laws were passed to assure full disclosure of needed information to persons about to purchase securities listed on national securities exchanges.

But those who purchase over-the-counter securities have no similar protection. They need it.

Legislation broadening these disclosure provisions to include widely owned over-the-counter stocks has already passed the Senate and is pending before the Interstate and Foreign Commerce Committee of the House. This measure will help complement the voluntary changes in rules and practices now being made by securities dealers and stock exchanges to afford greater protection to investors. Therefore:

(9) I recommend prompt enactment of this disclosure legislation for over-the-counter securities.

Better housing: The purchase of a home is the largest investment most American families make. Housing costs, for owners and renters, take 14 percent of the average city family's dollar every year.

Good housing should be within the reach of low and moderate income families—now and in the future. We must have orderly development with look-ahead planning for our sprawling cities. Therefore:

(10) I recommend enactment of the administration's housing program (outlined in my recent message on housing) which is designed—

To provide more housing for low-income families by acquiring and improving existing housing as well as by constructing new public housing.

To help local governments and developers plan suburban developments which will include a proper balance of community facilities, recreation, transportation, and business centers.

ADMINISTRATIVE IMPROVEMENTS

There are, in addition, many steps that can—and will—be taken immediately to strengthen our present programs of consumer protection.

First, I am directing the President's Committee on Consumer Interests to undertake the following actions:

1. Under the auspices of its Chairman, the Special Assistant for Consumer Affairs, to begin a series of regional consumer conferences:

Representatives of consumer groups, manufacturers, retailers, advertising agencies, government agencies, and others will discuss the problems of adequate consumer information at these meetings.

The results will be reported to me, along with appropriate recommendations for action.

2. To develop as promptly as possible effective ways and means of reaching more homes and more families—particularly low-income families—with information to help them to get the most for their money:

Most of the budget management and consumer publications now available are geared to middle-income families.

They often do not penetrate to the lowest 20 percent of the Nation's income groups.

Yet it is the poor who suffer most from sharp practices.

I am asking all Federal agencies now engaged in consumer educational activities (a) to cooperate in this effort and (b) to explore fully such possibilities as the adapting of the extension service concept, so successful in rural areas, to an urban setting.

3. To examine the many programs for consumer education in our schools, to stimulate the development of curricula and training materials, and to encourage larger numbers of our young people to seek instruction in the fundamentals of budgeting, buying, and borrowing.

4. To develop means of keeping the public continuously informed of developments of importance in the consumer field.

Second, as I have emphasized in my Economic Report, we must make sure that any upward pressures on costs and prices that may develop as the economy expands do not get out of hand.

Price stability is essential to an economic climate favorable to consumers.

Price increases, without improvements in performance or quality, would erode dollar values.

Our record of overall price stability in recent years has been excellent. But the trend of consumer spending for services has been constantly rising; and the safeguarding of the consumer's interest in the area of services is comparatively weak.

Because of their personal and informal nature, services cannot be treated in the same way as foods and drugs.

Yet, they are equally subject to the abuses of poor quality, high prices, and exaggerated claims.

I am asking the Committee to make recommendations for improvement of protection in this area; and we will also call upon the interested industries for their advice.

CONCLUSION

All these proposals for consumer protection would cost us as taxpayers only a small fraction of what they would save us as consumers. And there is no measure of what they would prevent in human suffering.

But in the last analysis, the remedy for errors of taste, poor judgment, and disorder in our economic life is not to be found in the legislatures or the courts but in the leadership of those who care.

This is an individual matter.

But it is also a matter for corporations and organizations dedicated to the public interest.

I know that the program outlined here to improve the safety and welfare of our consumers will help all Americans to pursue the excellent and reject the tawdry—in every phase and in every aspect of American life.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 5, 1964.*

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following communications and letters, which were referred as indicated:

SALE OF U.S. AGRICULTURAL PRODUCTS TO CERTAIN FOREIGN COUNTRIES

A communication from the President of the United States, reporting, pursuant to law, his determination that it is in the national interest for the Export-Import Bank to issue guarantees in connection with the sale of U.S. agricultural products to the Union of Soviet Socialist Republics, Bulgaria, Czechoslovakia, Hungary, Poland, and Rumania; to the Committee on Appropriations.

SALE OF U.S. PRODUCTS AND SERVICES TO YUGOSLAVIA

A communication from the President of the United States, reporting, pursuant to law, his determination that it is in the national interest for the Export-Import Bank to issue guarantees in connection with the sale of U.S. products and services to Yugoslavia; to the Committee on Appropriations.

REPORTS ON CONSTRUCTION AUTHORIZATION PROGRAM FOR RESERVE COMPONENTS OF THE ARMED FORCES

A letter from the Deputy Assistant Secretary of Defense (Properties and Installations), transmitting, pursuant to law, a report on the location, nature, and estimated cost of certain facilities projects proposed to be undertaken for the respective Reserve components of the Armed Forces, for the year 1964 (with an accompanying report); to the Committee on Armed Services.

A letter from the Deputy Assistant Secretary of Defense (Properties and Installations), transmitting, pursuant to law, a report on the location, nature, and estimated cost of certain projects proposed to be undertaken for the Army Reserve and Marine Corps Reserve, for the year 1963 authorization program (with an accompanying report); to the Committee on Armed Services.

REPORT ON FOREIGN EXCESS PROPERTY DISPOSED OF

A letter from the Assistant Secretary of Commerce, reporting, pursuant to law, on foreign excess property disposed of, during calendar year 1963; to the Committee on Government Operations.

REPORT ON OVERPRICING OF CERTAIN SHIP PROPULSION BOILERS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the overpricing of ship propulsion boilers purchased under fixed-price contract NObs–76301 negotiated with Foster Wheeler Corp., New York, N.Y., Department of the Navy, dated January 1964 (with an accompanying report); to the Committee on Government Operations.

REPORT ON FINAL SETTLEMENT OF CLAIM OF CERTAIN INDIANS

A letter from the Chief Commissioner, Indian Claims Commission, Washington, D.C., reporting, pursuant to law, on the final settlement of the claim of *The Klamath and Modoc Tribes, et al., petitioner.* v. *The United States of America, defendant* (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON ADMISSIONS OF REFUGEES

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, reporting, pursuant to law, on the admission of refugees-escapees, for the 6-month period ended December 31, 1963 (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A letter in the nature of a petition from the 14th Islandwide Mandatories' Council To Acquire Compensation for Damages Prior to Peace Treaty, of Naha, Okinawa, signed by Eiharu Nakamura, Seikyu Nakayama, and Ibi Nakamoto, vice presidents, relating to the payment of damages sustained by the people of the Ryukyu Islands prior to the effective date of the peace treaty with Japan; to the Committee on Foreign Relations.

A radiogram from the States-General of Holland, signed by Jonkman, President of the First Chamber, and Vanthiel, President of the Second Chamber, expressing thanks for the congratulations expressed on the 500th anniversary of that Parliament; to the Committee on Foreign Relations.

The memorial of Mrs. Arthur M. Powell, of Deming, N. Mex., remonstrating against scientific experimentation on living animals; ordered to lie on the table.

IMPORTATION OF FOREIGN BEEF—CONCURRENT RESOLUTION OF SOUTH CAROLINA LEGISLATURE

Mr. THURMOND. Mr. President, on behalf of myself and my colleague, the senior Senator from South Carolina [Mr. JOHNSTON], I present a concurrent resolution of the South Carolina General Assembly memorializing the Congress of the United States to investigate the importing of foreign beef looking to limiting the quantity allowed to enter the country and to improving the quality of that which does reach our markets.

I ask that it be printed in the RECORD and appropriately referred.

There being no objection, the concurrent resolution was referred to the Committee on Finance, and, under the rule, ordered to be printed in the RECORD, as follows:

S. 562

Concurrent resolution memorializing the Congress of the United States to investigate the importing of foreign beef looking to limiting the quantity allowed to enter the country and to improving the quality of that which does reach our markets

Whereas the raising of cattle for beef purposes has increased in all parts of the State during recent years in such proportion that it has now become one of the major factors in our agricultural economy and produces a sizable part of the farm income; and

Whereas the general assembly is informed that this important segment of our economy is seriously threatened by the influx of large quantities of imported beef which is far below the standard that is demanded of local producers; and

Whereas a large part of the imported beef is produced in distant lands where living standards and labor standards are low and the scale of wages is still lower; and

Whereas these facts make fair competition impossible, and places our cattle industry at a distinct financial disadvantage which is felt throughout the entire business structure of the State; and

Whereas the general assembly believes that the adverse effect which this import is having in South Carolina has reached other areas of the United States, and at a time when the President of the United States has voiced a determination to improve business conditions throughout the Nation and has made a general declaration of war against poverty throughout the length and breadth of the land; and

Whereas the general assembly believes that attention should be given to this important problem by the Congress and that stricter regulations should be imposed and serious consideration should be given to limiting the annual introduction of foreign beef into the country: Now, therefore, be it

Resolved by the senate (the house of representatives concurring), That the Congress is memorialized to investigate the importing of foreign beef into the United States looking to limiting the quantity allowed to enter the country, and to improving the quality of that which does reach our markets; and be it further

Resolved, That a copy of this resolution be forwarded to the President of the U.S. Senate, to the Speaker of the House of Representatives in the Congress, to each of the U.S. Senators from South Carolina, and to each member of the delegation from South Carolina in the Congress of the United States.

REPORT OF A COMMTTEE

The following report of a committee was submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, with amendments:

S. 2394. A bill to facilitate compliance with the convention between the United States of America and the United Mexican States, signed August 29, 1963, and for other purposes (Rept. No. 868).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JACKSON (for himself and Mr. MAGNUSON):

S. 2493. A bill to authorize the Secretary of the Interior to determine that certain costs of operating and maintaining Banks Lake and Potholes Reservoir on the Columbia Basin project for recreational purposes are nonreimbursable; to the Committee on Interior and Insular Affairs.

By Mr. McCARTHY:

S. 2494. A bill tc amend section 1245 of the Internal Revenue Code of 1954 in order to limit application of that section in the case of the sale of an entire business or farm; to the Committee on Finance.

By Mr. PELL:

S. 2495. A bill to amend the Federal Employees' Compensation Act so as to permit injured employees entitled to receive medical services under such act to utilize the services of podiatrists; to the Committee on Labor and Public Welfare.

RESOLUTION

EXPRESSION OF SENSE OF THE SENATE ON A COMPREHENSIVE, INSPECTED TEST BAN

Mr. WILLIAMS of New Jersey. Mr. President, as everyone knows, the disarmament negotiations reopened in Geneva on the 21st of January. Our representatives have returned to that city and will be striving conscientiously in the weeks and months ahead to build new agreements on the foundation laid by the limited nuclear test ban.

I welcome this continuation of effort. I realize the difficulties of the diplomacy involved in our search for mutually agreeable means of reducing tensions. And the problem is compounded because, I think, many people have assumed that the limited nuclear test ban treaty settled the underlying issues that prompted the original test ban talks.

Nothing could be further from the truth. The limited nuclear test ban was never intended as a substitute for our continually expressed desires for a comprehensive, inspected, test ban. Time after time during the negotiations and debate over the limited ban, the point was made by members of both parties, the administration, and even our Russian counterparts, that this was just a "first step." As the late President so aptly put it, "a journey of a thousand miles must start with one step." We have taken that step—but a long, hard march lies ahead.

In my judgment, the limited test ban agreement is valuable for many reasons, especially in reducing the amount of radioactive fallout in the atmosphere. But it lacks the vital ingredient of onsite inspections, which is the key to almost every meaningful proposal to curb the arms race.

Inspection is truly the sine qua non of any general disarmament agreement, and we cannot fail to pursue every possible avenue during the Geneva negotiations for steps that might make the world safer for future generations through verifiable arms control agreements.

At the same time, as we continue to seek methods whereby the principle of inspection can be established, we ought to be willing to consider any and all means of reducing tensions, as long as U.S. security is not imperiled. For instance, the "hot line" agreement required no inspection; it is self-inspecting. It also is mutually advantageous. We must remain ready and willing to conclude further agreements of this type should the opportunity arise.

If I am not mistaken, this is the approach presently being made by the distinguished Director of the Arms Control and Disarmament Agency, Mr. William Foster.

In the near future, I plan to make a few suggestions which I hope might help contribute to the Geneva discussions and perhaps open the way for further progress on the long, difficult journey.

At the same time that we explore possible tension-reducing proposals, I hope our negotiators will make every possible effort to advance the critically important and vital suggestions made by President Johnson in his message to the conference on January 21, 1964. These included a verified freeze on nuclear delivery vehicles, a verified cutoff in the production of fissionable materials for weapons use, and a verified ban on all nuclear weapons tests. I am sure that my colleagues share in my support of the full and complete exploration of all those topics.

As a means of indicating our support of the disarmament negotiations and our continuing search for a comprehensive ban with adequate inspection and safeguards, I now introduce for appropriate reference a resolution embodying that support and our high resolve to continue seeking steps which will help reduce the threat of war.

I have been joined in this resolution by 19 of my distinguished colleagues, Senators HUMPHREY, BARTLETT, BURDICK, CLARK, DOUGLAS, GRUENING, HART, HARTKE, INOUYE, LONG of Missouri, MCCARTHY, METCALF, MOSS, MUNDT, NELSON, NEUBERGER, PROXMIRE, RANDOLPH, and YOUNG of Ohio, and was happy and proud to welcome as principal cosponsor the distinguished chairman of the Disarmament Subcommittee, the senior Senator from the State of Minnesota [Mr. HUMPHREY]. I hope that this resolution will gain more cosponsors and will go on to be overwhelmingly approved by this body.

For this reason I ask unanimous consent that the resolution lie on the table for sponsorship until Tuesday, February 11, and that the text of the resolution be printed at the conclusion of my remarks.

In this way we can give the first indication since the limited nuclear test ban treaty of our support for moves toward a relaxation of tensions within the context of complete U.S. security.

We must not falter in our attempts to pursue peaceful solutions for a world in conflict. And yet, we must not be lulled into a false sense of security by those hopeful moves already made. This is difficult to do, but President Johnson has given us the rallying cry. Under President Kennedy we began—now let us continue.

The ACTING PRESIDENT pro tempore. The resolution will be received and appropriately referred; and, without objection, the resolution will be printed in the RECORD, and held at the desk, as requested by the Senator from New Jersey.

The resolution (S. Res. 295) was referred to the Committee on Foreign Relations, as follows:

Whereas a limited nuclear test ban treaty has been signed by the United States, the United Kingdom, the Soviet Union, and more than 100 other nations; and

Whereas the response to the nuclear test ban treaty indicates that the United States is joined by many other nations in a desire for progress toward the lessening of international tensions and a cessation of the arms race; and

Whereas negotiations have now been resumed at the 18-Nation Disarmament Conference at Geneva to explore possible further steps toward these goals; and

Whereas the United States, through the Arms Control and Disarmament Agency, the Department of Defense, and other governmental agencies, has undertaken extensive study, research, and discussion of various measures designed to help achieve these goals, with emphasis on the requirements for verifying compliance with such measures; and

Whereas on January 21, 1964, the United States proposed to the Geneva Conference the prompt exploration of certain of the measures so studied, such as a verified freeze on nuclear delivery vehicles, a verified cutoff in the production of fissionable materials for weapons use, and a verified ban on all nuclear weapons tests; and

Whereas effective verification, including inspection and control, is a necessary condition to any agreement on such measures in order to preserve the security of the United States and its allies and to provide adequate safeguards against the risks of agreement violations: Now, therefore, be it

Resolved, That it is the sense of the Senate that the U.S. representatives to the 18-Nation Disarmament Conference at Geneva be encouraged and supported (1) in their insistence, despite past Soviet intransigence, on adequate verification of compliance and establishment of the principle of inspection and control and (2) in their efforts to negotiate agreements on measures such as those suggested in the President's message to the conference on January 21, 1964, provided that the arrangements for verification of compliance with such agreements are fully adequate to preserve the security of the United States and all other signatory nations against the risks of violation.

REVENUE ACT OF 1964—AMENDMENTS (AMENDMENT NO. 413)

Mr. RIBICOFF (for himself, Mr. BARTLETT, Mr. BAYH, Mr. BREWSTER, Mr. CANNON, Mr. DODD, Mr. GRUENING, Mr. HART, Mr. KUCHEL, Mr. MOSS, Mr. NELSON, and Mr. RANDOLPH) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. MILLER submitted an amendment (No. 414), intended to be proposed by him, to House bill 8363, supra, which was ordered to lie on the table and to be printed.

Mr. MILLER (for himself and Mr. HICKENLOOPER) submitted an amendment (No. 415), intended to be proposed by them, jointly, to House bill 8363, supra, which was ordered to lie on the table and to be printed.

Mr. DODD (for himself, Mr. RIBICOFF, Mr. SALTONSTALL, Mr. PASTORE, Mr. PELL, Mr. KEATING, and Mr. JAVITS) submitted an amendment (No. 416), intended to be proposed by them, jointly, to House bill 8363, supra, which was ordered to lie on the table and to be printed.

Mr. KEATING submitted and amendment (No. 417), intended to be proposed by him to House bill 8363, supra, which was ordered to lie on the table and to be printed.

NOTICE OF RECEIPT OF NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that on February 3, 1964, the Senate received the nominations of Mr. W. Tapley Bennett, Jr., of Georgia, to be Ambassador to the Dominican Republic; Mr. William Attwood, of Connecticut, to be Ambassador to Kenya; and Mr. James D. Bell, of New Hampshire, to be Ambassador to Malaysia.

I further announce that today the Senate received the nomination of Mr. Robert G. Barnes, of Michigan, to be Ambassador to Jordan.

In accordance with the committee rule, these pending nominations may not be considered prior to the expiration of 6 days of their receipt in the Senate.

NOTICE OF HEARINGS ON S. 2490

Mr. MORSE. Mr. President, I wish to announce that the Subcommittee on Education of the Senate Committee on Labor and Public Welfare on Tuesday, February 11, will open hearings at 10 a.m. in room 4232, New Senate Office Building, on legislation introduced on February 3, S. 2490, by the distinguished senior Senator from Indiana [Mr. HARTKE].

On that date, the subcommittee will be pleased to receive testimony from the sponsor of the bill and other Senators who may wish to be heard and from administration witnesses. The hearings would then be recessed for a short period of time to permit other interested agencies or organizations to review the bill and the testimony developed. It would be my hope that the hearings could be continued before the end of February in order that the subcommittee in executive session could meet on this and other education legislation early in March.

I cordially invite organizations and individuals having an interest in S. 2490 and the comparable provisions of S. 580

who may wish to amplify testimony already given by them before the subcommittee in the light of this development to indicate their desire to be heard or to file statements with the subcommittee to do so by calling the staff of the committee on extension 5375 or by writing me as chairman of the subcommittee, addressing their communications to room 4230, New Senate Office Building, the address of the committee. Those who so express an interest will be advised at a later time of the date and time of the resumed hearings.

THE CYPRIOT CRISIS

Mr. MANSFIELD. Mr. President, on February 3, in a statement on the floor of the Senate I suggested that a course commensurate with our interests in Cyprus would be one of extreme reticence as to the direct participation of U.S. troops in policing functions. Press reports underscore this point. Even though we are not yet involved, student demonstrations took place Monday in front of the U.S. Embassy in Nicosia in which banners bearing anti-U.S. slogans stood prominently at the forefront and further demonstration took place on yesterday.

I would like, again, to reiterate at this point, Mr. President, my deep concern over reports of an apparent U.S. readiness to become involved by sending troops to Cyprus.

Mr. President, I ask unanimous consent that an article by W. Granger Blair which appears in the New York Times of February 4 and an editorial in the Wall Street Journal—both of which relate to my remarks on Monday—be included at this point in the RECORD.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

CYPRUS EXPECTED TO HEDGE IN REPLY TO PEACE PROPOSAL

(By W. Granger Blair)

NICOSIA, CYPRUS, February 3.—Responsible quarters indicated tonight that Cyprus' reply to the British-American peace proposals would be neither an acceptance nor a rejection. An informed Western source said: "We know very well it is not going to be 'Yes'; it will not be a flat 'No.' It will be something in between."

Whether the counterproposals, expected tomorrow, will constitute a basis for further discussions among the sponsoring powers, which include Greece and Turkey, was not known tonight.

The heavy Western pressure to get President Makarios at least to give the proposals a full hearing despite strong opposition among the Greek Cypriots and members of the Government was given an extra impulse during the day.

Fraser Wilkins, the U.S. Ambassador, called on Archbishop Makarios to present a letter from President Johnson, the second sent to the Cypriot leader since the bitter communal relations between the Greek Cypriot majority and the Turkish Cypriot minority erupted into fighting during the Christmas holidays.

The contents of President Johnson's letter was not divulged. But it was assumed that the message counseled moderation and strongly urged the Cypriot leader to give the utmost consideration to the British-American proposals.

Glafkos Clerides, president of the Cypriot House of Representatives, and Foreign Minister Spyros Kyprianou flew to London, where they have been heading the Greek Cypriot delegation to the moribund conference on Cyprus' future. President Makarios' reply is expected to be announced simultaneously in Nicosia and London.

But although the political tone had assumed an unaccustomed moderation, the tension between the two communities was running higher than at any time since the fighting.

VIOLENT INCIDENTS REPORTED

There were unofficial reports that violent incidents—shootings, kidnapings, and explosions—had occurred in Paphos, on the southwestern coast of the island. Three or four Greek Cypriots were said to have been wounded. No Turkish Cypriot casualties were mentioned.

In Nicosia, the seizure by Turkish Cypriots, in their section of the divided old city, of eight armed Greek policemen almost set off the spark that the peacekeeping authorities fear the most. Four of the captured men escaped.

Swift moves between the hostile quarters stopped the impending clash as armed irregulars from both sides moved toward the trouble spot. British troops in the sector were put on a full alert, which was relaxed somewhat just before nightfall.

Earlier in the day about 500 Greek Cypriot students and their teachers demonstrated at the U.S. Embassy. Several thousand other students and adults were dispersed from in front of the House of Representatives after President Makarios had talked to them.

STUDENTS DENOUNCE UNITED STATES

The students paraded past the embassy shouting "down with NATO" and "UNO." The North Atlantic alliance has been attacked by the Greek Cypriots as a symbol of Western imperialism and the United Nations has been extolled as the best instrument to bring about a settlement.

The students also carried banners reading, "Down with American imperialism" and "We will not be bought with wheat and barley." The latter referred to the United States grain aid program to Cyprus.

Archbishop Makarios did not mention either NATO or the United Nations in his calming remarks from the roof of the portico entrance to the Government building.

He asked the demonstrators to leave the initiative to the Government, saying that it understood their feelings.

Restraint also was evident in a resolution passed by the House of Representatives, which met without the participation of Turkish Cypriot Deputies. The resolution pledged support of the Government's policy for a united, independent, and democratic state without foreign intervention or threat, in accord with the United Nations Charter.

Relative moderation was shown too, by the government-controlled Cyprus radio, which for the last week had been denouncing the British-American move as a Western maneuver to impose partition on the island. Partition is favored by the Turkish Cypriots, who have accepted the proposals.

[From the Wall Street Journal, Feb. 4, 1964]

TOO MUCH ALL OVER

The various crises erupting around the world should, as President Johnson says, "be viewed in the perspective of history and not headlines." He is obviously doing what he can to calm flaring foreign tempers and damp down any crisis psychology at home.

Yet this approach leaves unanswered some exceedingly tough questions about America's involvements abroad.

In trouble spots like east Africa we can hardly expect, in the President's words, to control events. Regarding the Congo, where turmoil is chronic, the United States seems to have chosen to put itself at the mercy of the United Nations—though it is not at all clear what, if anything, that organization could do about the latest outbreaks.

The relative exclusion of U.S. power or influence in some of these areas, plus our deep commitment in others, makes it appear rather odd that the Government should seek out new involvements. The United States, for example, has never played a direct role in Cyprus, where Greek and Turkish communities are at loggerheads. Now, though, there is the proposal to send in American troops, as part of an international force, to try to keep peace.

It is perhaps true that this plan could be defended in terms of the NATO alliance. But it is difficult to see what U.S. troops would accomplish, when the British in particular are directly concerned with Cyprus. It is even harder to comprehend why the United States should be expected to take over the unpromising care of this unlovely baby.

In a somewhat similar way, Attorney General Kennedy warns on his return from talks in the Far East that the United States could get pulled into a shooting war if Indonesia and Malaysia fail to reach peaceful settlements. Indonesia's leftist dictator, Sukarno, has vowed to crush the newly formed Federation of Malaysia, and it remains to be seen whether Mr. Kennedy's mission will deter war.

Undoubtedly such exercise of diplomacy is proper for the United States in the circumstances. Indeed, if our diplomacy had been firmer in the past, Sukarno might not be so sure he can get everything he wants; the United States was instrumental in turning over West New Guinea to him, a former Dutch area to which he has not a shred of justifiable claim.

In any case, there is a great difference between a diplomatic effort on behalf of peace and talk of actually going to war. Do we have to get into everything?

It's not as though the United States didn't have enough on its hands as it is, even apart from the continuing military threat from Russia. We seem to be getting nowhere with Panama, since the Panamanian authorities evidently believe they can hold us up if they keep yelling "aggression" often and loudly enough.

By no means least is the gravely disquieting condition of South Vietnam. Though it has its pseudo-comic aspects in the musical chairs of the generals, there is nothing at all comic in our increasingly heavy involvement in a war which many observers think cannot be won on the present basis.

Perhaps Mr. Johnson is correct when he says there is no alternative to the present course; certainly General de Gaulle's ideas of neutralizing all of North and South Vietnam sound unrealistic at this time. But the admitted fact is that the war is going badly, and there is no clear answer to the question of how it is possible to halt guerrillas operating from privileged sanctuary in the north.

The United States, then, may be confronting a decision either to expand the war or abandon it. So far as the public knows, however, the Government might not even be aware that such a decision could be forced on it. All that is evident is a mounting toll of casualties and a dangerous drift of policy.

We agree that all these problems should be viewed in the perspective of history. But what history strongly suggests is trouble for nations, however well intentioned, that try to do too much in the world.

GROWTH OF THE NATION—ADDRESS BY SENATOR PASTORE

Mr. PELL. Mr. President, I would like to direct our attention to an address made by my distinguished senior colleague, Senator PASTORE, to the Providence chapter of the junior chamber of commerce. These meaningful remarks pertain to our growth as a nation, not only in terms of the tangible benefits which a dynamic economy can provide, but also in terms of the human spirit and of the related intangible values and more profound qualities which Americans are now called upon to engender to meet their goals.

In eloquent fashion, I believe Senator PASTORE has illuminated the present and its relationship to the future. He has clearly defined areas of current achievement and with wisdom has marked out the avenues for subsequent action.

Mr. President, I ask unanimous consent that this address by my eminent colleague be now inserted in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

PARADOXES OF OUR TIMES

(Remarks of U.S. Senator JOHN O. PASTORE, at annual distinguished service award and bosses' night dinner of Providence chapter of junior chamber of commerce at Sheraton-Biltmore Hotel, January 27, 1964)

It is a distinct privilege for me to talk to you of the junior chamber—the big businessmen of today and the bigger businessmen of tomorrow. I say this with no sense of flattery, for the opinion of the experts is that you will be the most sought after individuals in that business world of tomorrow.

You will be leaders in the most difficult, most explosive and yet most rewarding era of history. You will be creatures and creators in a time when political realities and social obligations will be part and parcel of your economic thinking. The marvels of electronic tools will be at your command, but final decisions must come out of the human brain and the human heart—your hearts and your minds.

You have probably heard that the U.S. Senate is hampered by its traditions of the past. Well, last Wednesday the Senate made the first significant change in its rules in a long, long time. It adopted the rule of germaneness. That means simply that we mean to talk business—and only the business that is before us.

I happen to have been the sponsor and floor manager of that rule. So, I will follow it tonight and talk business—the state of our economy.

It has particular significance to you Jaycees whose business and civic interest embrace our whole society to the Nation's farthest social horizons. What is especially germane is the tax cut now pending in the Senate which I anticipate will be enacted into law without undue delay.

The indicators tell us that the economy of the Nation is now operating at a record level. At the end of 1963 the gross national output was $600 billion for the year. We began to move toward this new high shortly after the late President took office in 1961. In 2¾ years $100 billion was added to the total output, in a continuous and unparalleled peacetime expansion of the Nation's economy.

I do not speak as a partisan—and I do not believe you will think that I do—when I say that a full measure of credit for this remarkable achievement attaches to the late President, John F. Kennedy. You may recall that he found a certain ironic humor in the fact that he was blamed unmercifully for a decline in stock prices, but no one ever gave him any credit for prosperity.

In retrospect, it is readily apparent that he made an exceptional contribution to the growth of the Nation's economy. You will recall that he came to office at a time of recession. But he brought to the Presidency a unique intellectual vitality. He had the courage of his own well-founded self-assurance. He had a deep conviction that we could do a great deal more, in a constructive sense, with our manifold resources than we were doing. These qualities expressed themselves in countless actions—legislative and executive. These, in turn, had the effect of releasing the pent-up eagerness of all of us to get the country moving again.

And under his leadership we did. Once off dead center, a powerful national momentum developed which withstood the shock of Mr. Kennedy's death. It continued into the new administration. It carried us to the high plateau of economic activity on which we now stand at the opening of 1964.

What does a climb to an astronomic $600 billion annual national output mean in tangible terms? It means that 70 million Americans have jobs. It means that real income per family is up more than $600. It means, in the context of very stable prices, that these gains in income have not been eroded by inflation.

It means, too, that business—most business—is in excellent shape. Corporate profits in 1963 exceeded $50 billion before taxes and $25 billion after taxes. The income of small unincorporated businesses and professional enterprises showed the best year-to-year increase since 1956. There were also fewer business failures in 1963 than in 1962. At the end of the year there was a net gain of 50,000 in the total number of businesses in the Nation.

These figures properly present the state of the Nation's economy in very glowing terms. We might stop at this point and bask in the glow—enjoy its warmth—pride ourselves on its richness. But the rule of germaneness to which I referred at the outset of my remarks requires us to talk to the point. It does not require that we stop talking before the point is fully explored. And there is more, much more, that is germane to the state of the Nation's economy. There is, so to speak, not only the bright and visible side of the moon. There is also the other side, the darker side.

There are, in short, what I would term certain paradoxes of our times. To consider them is to temper pride with a sober realization of shortcomings. To consider them is to face up to the responsibilities of public life. To act prudently on the implications of the paradoxes is to discharge these responsibilities with maturity and integrity.

This record-breaking national output to which I have referred was still far below any reasonable concept of the Nation's economic capabilities. If we had utilized fully our existing resources we could have added, without any strain, another $30 billion of goods and services to the $600 billion total of 1963. But these additional goods and services are now forever lost to all who might need them. It is a form of immense and appalling waste that 13 percent of our factory capacity lay idle during the year 1963.

We had a record total of 70 million employed in 1963. Yet, we had the uncomfortably high figure of 4 million plus unemployed. And that, too, represents a form of immense and appalling waste of the Nation's capacities.

To be sure, the want ads in many cities are overloaded with job openings for IBM programers or punchcard operators. But how many ads call men and women to the textile mills? Averge earnings for factory workers exceeded $100 a week by yearend. But the statistics are understandably silent on the average wage of unemployed factory workers. And $100 a week average means nothing to the nonfactory worker at a federally guaranteed minimum wage level of about $50 a week or to those at even lower wage levels because they are in noncovered employment.

The sight of teenagers driving their own cars to high schools is a common phenomenon in the suburbs of most large cities. It is a part of the glow of a $600 billion a year output. Yet at other schools, teenagers drop out. Not because they cannot keep up with their studies, but because their families cannot keep up with the minimal costs of maintaining their children in school. This paradox occurs in Washington, in New York, in any city in the Nation, including Providence, R.I. And that, too, is a most uncomfortable reality which is on the darker side of the moon. The individual and the Nation suffer a common and tragic loss when such abilities and talents as may exist in any boy or girl are not adequately utilized because of inadequate education.

Look around any large and growing city. Luxury apartments rise as mushrooms in the panorama. But look closer and you will find that they rise in the midst of the rot and decay of deplorable tenements.

The towns boom around the new space installations. But down the spine of Apalachia and in pockets of depression elsewhere—in the coal towns and the textile towns—there is the stagnant backwash of a tide of progress which has moved onward and elsewhere. Here in Rhode Island we have it in the contrast between a rising electronics industry and the decline of textiles. All this comes about, to be sure, through the medium of an impersonal economics.

Nobody wants really to hurt anyone else in the process. But the fact is that the blows of drastic economic change are felt as a most personal pain by those who are unfortunate enough to be in the wrong place at the wrong time. I, for one, will not accept the premise, in this day and age, that the only acceptable response to this situation by a society in a free enterprise system is a monumental indifference.

These paradoxes to which I have alluded are manmade. Our creativity as a people has produced the glow. Our neglect as a nation has yielded the grim. Our responsibility as citizens is as much to end this neglect as it is to contribute to the glow. It is, may I say, a human responsibility which has little direct relationship to politics. The one-fifth of the Nation's families which survive on less than $3,000 a year are not a political pressure group. The school dropout is far more likely to wind up in the total alienation of the street corner society than in the political clubhouses of one party or the other. The fact is that most of the poverty stricken are politically apathetic or inert. Indeed, a third of them are children.

If there was one concern of the late President which transcended all others, it was his concern with this growing body of the disinherited in the Nation, this growing body of men and women and children which is untouched by the affluence of our economy. Mr. Kennedy saw this situation as an economic problem. Even more, he saw it as a human problem. He saw it as a social problem—in the last analysis—as a religious problem. He saw it, in short, as an intolerable hypocrisy. President Kennedy saw it as an inadmissible denial of the promise of American life to millions of Americans.

His response to this situation insofar as the economy was involved was twofold. On the one hand he sought to precipitate a broad attack on the problem of unemployment and underutilization of resources by a general stimulation of economic activity. At the same time, he sought remedies pinpointed for specific structural problems such as technological unemployment and depressed areas.

Throughout 1961 and 1962 and into 1963 these Kennedy policies were spelled out in a great range of legislation and administrative action. In this connection, the last Congress was the most productive by any standard since the first Congresses of the Roosevelt administration. It enacted the Revenue Act of 1962 which reduced business taxes by $2.5 billion a year as a stimulus to investment. It passed several measures to bring about revisions in the monetary structure and otherwise to discourage the flow of capital and gold abroad. It increased the supply of credit availability to small business. Federal-sponsored loans to small businesses in Rhode Island, for example, rose to a record high of $4.8 million last year.

Besides stimulating general business investment and expansion, in the United States, specific measures were enacted to combat unemployment and pockets of poverty which were spreading throughout the land. Area redevelopment and an accelerated public works program were initiated. In Rhode Island, again, to be specific, a total of $1.6 million had been invested in projects approved by the Area Redevelopment Administration through the end of 1963. These projects were expected to provide an estimated 1,410 jobs. One of the projects approved was a loan to the Providence Redevelopment Corp., to provide access roads, streets, water and sewers to the new industrial park.

The accelerated public works program stimulated the provision of local public facilities and short-term "immediately useful" work for the unemployed and underemployed. In Rhode Island, again, the projects included additional sewer facilities, water facilities, a library, a hospital, and several additions to hospitals.

All of this is Government spending, to be sure. But we might well ask ourselves: which is really wasteful—spending for constructive activity of this kind or idle hands and machines?

Undergirding these specific actions has been legislation that has been universally regarded as constituting the most significant advance in education in decades. A Manpower Development and Training Act has been enacted to enable workers whose skills are obsolete to receive training which will qualify them to obtain and hold jobs. In the closing days of the last session a complex of legislation was passed which is designed to strengthen and to expand educational facilities at all levels.

The Vocational Education Act of 1963 is a part of this complex. It authorizes an expansion of vocational education programs which will help provide needed skills for high school dropouts and older workers who need training or retraining.

In these and in other ways, a beginning has been made in facing up to problems which, over the years of economic affluence, have accumulated within our Nation, in some instances, to the point of incipient combustion. And, yet, it is only a beginning.

The paradoxes of our times are not dissolved by an initial confrontation. What remains to be done is of staggering magnitude.

Our economy, for example, is providing hundreds of thousands of new jobs but it is not enough. A million new jobseekers enter the ranks of labor each year. Thousands of workers are displaced by automation each year. And there still remains the backlog of 4 million unemployed.

It is at this point that I should like to make reference to the very germane question of the tax cut. There is no other single measure which is of greater immediate importance to the state of the Nation's economy. The $11 billion tax reduction bill will cut both corporate and individual tax rates. In so doing it will expand consumer demand and increase the incentives for investment. It is expected to stimulate $25 to $30 billion more in consumer expenditures and $5 to $7 billion more in business profits. It should, through business expansion, increase employment opportunities and thus reduce the stubborn unemployment rate of 5½ percent.

It will give a sustained lift, year after year, to every facet of the economy. It is a piece of major legislation which has received the full support of business and labor leaders, and financial and economic specialists alike. It has been urged by President Johnson no less than it was by the late President.

The House of Representatives passed the tax cut last year, and I expect to have the opportunity to vote for this measure in the Senate in the very near future. We are now in the midst of the longest sustained expansion in our peacetime history. This measure is the best assurance of its continuance.

The unbroken expansion of the Nation's economy is important in itself and it is essential in a larger sense. For on it depends, in the last analysis, our capacity to deal effectively with the great human problems which confront us. On it depends our capacity to end, at least, the paradoxes which gnaw at the conscience of America. We have just begun.

An economic dynamism alone is not in itself the high promise of this Nation. It is not enough for America if it means, as it has meant, the shunting aside of millions of human beings. We have only begun to meet the problems created by technological change. We have only begun to recognize our responsibilities as a nation to the unemployed coal miner or the textile worker, or the rural migrants drawn from the agricultural areas into the crowded city slums, to the middle-aged and older workers who find their skills unwanted, and are forced into a marginal existence on a pittance of welfare or inadequate retirement funds.

We have prided ourselves as a land of equal opportunity. Yet there is little opportunity for those who have not had a decent education. As one woman put it to me recently: "If you don't have no education or references, you don't get no job." Nor is education the only barrier to opportunity. Nearly one-half of all nonwhites live in poverty, and even education does not remove the effects of discrimination.

Lest we forget it, all those who have been bypassed by the swift flow of the changing stream of economic life are as entitled to their American heritage as we are here tonight. They are the Americans to whom President Johnson has referred as "living on the outskirts of hope." It is our responsibility to see to it that hope is extended into the outskirts.

After World War II, this country engineered a gigantic rescue operation in helping to rebuild Europe. Americans combined economic help with a deep feeling of humanity. A generous outpouring of aid came from both public and private sources. Can we now do less for our own neighbors?

To be sure, we need to raise our economic level, but we need, even more, to raise our level of concern for one another. We cannot look with a smug pride on any level of output, however high, as long as children are kept home from school by lack of shoes, as long as able-bodied men are left in idleness to bleed out their human dignity.

President Johnson said in his state of the Union message:

"The war against poverty will not be won in Washington. It must be won in the field—in every private home and every public office from the courthouse to the White House."

This is the challenge that faces each of us tonight—and for many tomorrows. We might call it the quest of a dream. But, if I know the aims and ideals and energies of Jaycees, it is a dream that you will bring nearer to fulfillment in your time.

These are the years that you will share and the times that you will shape. History will record its gratitude for organizations like yours. For organization means unity—and it is only through unity that democracy can remain alive; it is only through unity that we can sustain the eternal equities of decency and dignity that make life worthwhile.

The journey from paradox to paradise may seem to reach endlessly beyond the far horizons. But the longest journey begins with a single step. God willing, we shall make that beginning.

OUR QUEST FOR PEACE—ADDRESS BY SENATOR PASTORE

Mr. PELL. Mr. President, I would like to take this opportunity of calling to the attention of the Senate an address recently delivered by my colleague, the distinguished senior Senator from Rhode Island, Senator JOHN O. PASTORE.

This address, made at the annual dinner of the Rhode Island Circle, Daughters of Isabella, at Providence, in my home State of Rhode Island, concerns our quest for peace, and the courage we need to persevere in that quest, confronted as we are by the conflicting forces which divide our world of today. As chairman of the Joint Committee on Atomic Energy, Senator PASTORE brings to this most significant subject his immense knowledge, excellent judgment, and long experience.

His words have a high meaning and importance to our times. Therefore, Mr. President, I ask unanimous consent that this thoughtful and stimulating address be inserted at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR JOHN O. PASTORE, CHAIRMAN, JOINT COMMITTEE ON ATOMIC ENERGY, AT ANNUAL DINNER, RHODE ISLAND CIRCLE, DAUGHTERS OF ISABELLA, PROVIDENCE, R.I., JANUARY 26, 1964.

Your very name—Daughters of Isabella—is rich in memories of a great voyage of discovery. It was the quest for the fabulous land of India, with riches untold.

The old route was long and dangerous. Armed bandits captured the caravans, pirates seized the merchant ships, robber chiefs plundered the commerce paths of Europe.

The queenly jewels of Isabella of Spain made possible the quest by a new route; and Columbus discovered a new world—America. Five hundred years later America itself is in quest of a new world—a world of human dignity and decency, a world of logic and liberty, a world of honest peace.

Everywhere the road to equity and peace seems to be infested with bandits, pirates, plunderers. Half the world that meets the eye of America is under the dominion of the powers of hate. They laugh at the teachings you hold dear—in your hearts, in your homes, at your altars.

Yet, this is the actual world through which we must have the courage to continue our quest. We must be confident in our arms to be secure; and we must be calm in conscience as we take each step toward what we believe to be a better world for mankind.

Perhaps once again in history it may be in the encouragement and sacrifice of you women that we will persist in our quest. So I dare to enlist your attention, your interest, and your assistance as we seek to bring mankind around to reason, to commonsense, and common survival.

You may recall a striking passage in an address delivered by the late President Kennedy before the United Nations General Assembly just over 2 years ago:

"Men may no longer pretend that the quest for disarmament is a sign of weakness for, in a spiraling arms race, a nation's security may be shrinking even as its arms increase."

This is a startling and sobering thought: our national security may be shrinking even as our arms increase. And yet, to those who have followed the arms race in recent years, it should not be new. Bombs beget bombs. Missiles beget missiles. And big bombs bring bigger bombs, and long-range missiles still longer range missiles.

During the last war, the total destructive power of all the bombs dropped by all the armed forces involved probably did not exceed 6 or 7 megatons. Today, a single Polaris submarine carries 16 missiles with a destructive power many times greater than that figure.

A broadside of these weapons could wipe out a large part of Soviet Russia and many tens of millions of its people in a matter of a few hours or less. A first strike by the Soviet Union and possibly a second strike, could do the same to us—perhaps worse because of our concentrated population. What price victory in such holocaust? Our national security, and Russia's national security as well, may indeed be shrinking even as our arms increase.

I'm not suggesting we hastily dispose of our arms. Given the shape and nature of the world today and the lesson of history since World War II the need for maintaining a U.S. military arsenal second to none is all too apparent. This is a world which resides in an uneasy peace—a world rent by conflicts in ideology and aspirations. We must, therefore, remain prepared to defend our freedom and to deter aggression.

Today, we of the United States carry the major responsibility for the security and peace not only of our own country, but of the non-Communist world in general. The onward race of science and technology has shrunk the globe over a large part of which our obligations and responsibilities extend. There is no longer a barrier behind which one could safely pursue a policy of isolation. Arsenals have become vastly more complicated, more numerous, and more deadly than anyone would have dreamed of 30 or 40 years.

We have managed for some years to keep the lid on major hostilities. More or less this is because of the presence of the nuclear threat. This apparent stability in our affairs is by no means secure. We must, if we are honest, ask ourselves again and again, where lies the path to safety? The answer which we as a nation have given, points to a combination of military strength and a continuing effort to find safe routes to arms control and disarmament.

As you are aware, the disarmament road in the years since World War II has been rough and rocky. In fact, so numerous and deep were the potholes that at times the existence of a road had to be seriously questioned.

But in the recent past the going has been a bit better.

During 1963, we saw three initial steps taken on the long road to a fully peaceful world. And only a few days ago, President Johnson outlined possible new areas for agreement which hopefully could continue, and if possible accelerate, the momentum of the past year.

The first step taken in 1963 was agreement on the so-called hot line between the White House and the Kremlin. Proposed by us more than a year ago, eventual Soviet interest became clear after the Cuban crisis. You will recall that during those crucial days there was a dangerous but not, fortunately, a tragic lag in communications between our two Governments. Events during those troubled days threatened to move faster than either party anticipated.

The timelag that did exist created a hazardous situation. The crisis passed, but the void in instantaneous communications persisted until agreement was reached on the hot line. Now this direct link between the United States and the U.S.S.R. insures rapid and reliable communications in terms of a military emergency or crisis. The system comprises little more than teletype machines and a coaxial cable. And yet, while we hope this link will never have to be used, it could, at some future time, spell the difference between war and peace.

Within 3 months of the signing of the hotline accord, a second and vastly more important agreement was reached—the limited test ban treaty which I fully supported from beginning to end.

This agreement represents the first real step toward peace to be taken in modern times in the disarmament field. It would, however, be foolish to suggest that this treaty resolves our basic political conflict with the Soviet Union. It does not. Nor does it eliminate the dangers of war or permit us to reduce our arms production. But it does offer the possibility for relations between the Soviet Union and the United States to develop in a different way than they have over the past decade. Moreover, it is certain to have a beneficial effect on the fallout hazard and on the crucial matter of halting the spread of nuclear weapons to other countries.

The third and final mark is the unanimously endorsed United Nations resolution against placing in orbit or stationing in space, in any manner, weapons of mass destruction. We believe there is no sound military reason—at least as far as can be seen in the foreseeable future—for this Nation or the Soviet Union to conduct such operations in space. Last year this Nation announced to the world that it held no intention of precipitating a race for such weapons. Now through the U.N. resolution the Soviet Union is on the record with a similar expression of restraint. There are uncertainties that surround this area of rapid scientific and technological change. Certainly, we are not relieved from the necessity of taking these technological precautions required to meet or cope with them. But in weighing all the factors I believe that our security interests have been better served with this resolution in being than without it.

Now why is it important that we continue this effort?

First, we want to prevent the outbreak of a massive nuclear war.

Now I see no prospect that the leaders of the Communist bloc will abandon their objective of trying to bring the entire world under their domination. The contest between Communist imperialism and freedom will continue. But in this nuclear age we must seek to limit it to means other than military.

Second, it seems trite to say it, but it is a salient fact of our times that the peoples of the world, including our own, derive no satisfaction from the arms race. They would much prefer to have it ended if a saner way could be found to assure peace and security. The question of disarmament cannot be excluded from international affairs. People want to know whether the governments cannot find an alternative to chasing each other up the arms spiral. Our Government, as well as other governments, have to provide an answer. It must be responsive—certainly in our case—to the political will of the people.

And a final reason is economic. It would be of great advantage to both the Soviet Union and the United States to reduce the economic burden of the arms race. In fact Mr. Khrushchev's recent declared reduction of the Soviet military budget for 1964 is evidence of this. There is no doubt that the arms race is a burden on the U.S.S.R.—one which it would like to reduce. Although the United States has not felt unduly the pinch of this burden, it is nevertheless, true that many sectors of our economy are proceeding slowly because of lack of necessary investment.

In recent years the 18-Nation Disarmament Conference at Geveva has been the focal point of arms control and disarmament negotiations. It was to this Conference that President Johnson proposed new approaches be taken to our problems. In a message that began, "There is only one item on the agenda of this Conference—it is the leading item on the agenda of mankind—that one item is peace." President Johnson proposed five major types of potential agreements. They were aimed at two immediate objectives—to reduce the risk of war and to contain the nuclear threat. In summary his message made these points:

Welcoming Chairman Khrushchev's New Year's Eve suggestion for a general agreement not to settle territorial disputes by force, he swept aside the special exceptions the Soviet leader had made, such as with respect to Taiwan, Vietnam, and (implicitly) Berlin, and proposed that the agreement be of much wider scope.

Following consultations presently going on with our allies, we hope to present proposals to create a set of observation posts in each other's territories to keep tab on significant military movements.

We offered several suggestions for preventing the spread of nuclear weapons to other countries.

On fissionable materials, we offered to agree with the Soviets on a plant-by-plant shutdown, with mutual inspection.

Closely related to this, we made the very important proposal that Russia and our respective allies explore a verified freeze of the number and types of strategic nuclear offensive and defensive vehicles.

In particular, I would emphasize the solemn offer we have made to consider, on a verified reciprocal basis, a freeze on the production of all strategic nuclear vehicles and of the basic components of nuclear weapons. If agreement could be reached on this measure alone, it would represent a significant move in the direction of putting a lid on the arms race.

This does not constitute the extent of our interest in the arms control and disarmament field.

The United States has previously submitted to the 18-Nation Disarmament Conference its outline of basic provisions of a treaty on general and complete disarmament in a peaceful world. General and complete disarmament remains the ultimate objective. The United States will continue to work for it. But I do not believe that this goal will be attainable in the near future. Prospects for progress seem greater in the type of specific measures outlined by President Johnson. I would hastily admit that these are something less than the whole, but they would further advance us toward the ultimate objective, while offering degrees of increase in security.

Progress does not come with ease in the arms control and disarmament world. But I am sure you share with me the belief that we must continue our search for agreements in this field—for agreements consistent with our national security. As President Johnson put it in his first message to Congress on November 27, "We must be prepared to defend the national interest and to negotiate the common interest."

Patience and persistence are humanity's greatest weapons in this war the world calls cold.

And where are the virtues of patience and persistence found so resplendently but in the hearts and souls of women.

A queen could see beyond the doubts of her courtiers and Isabella gave confidence to Columbus.

A mother's presence gave courage to her Son when Calvary's darkness closed about Him.

There is a cruel shadow like Calvary above much of the earth today where the destroying hand of communism presses down its thorns.

But time is in our favor. Truth is on our side.

Patience and persistence have much of the strength of prayer. And it even recalls His promise: "This, too, shall pass away."

This is God's battle—it will not be lost.
This is God's world—it will be won.

SONG YONG CHO AND THE CARDINAL

Mr. HRUSKA. Mr. President, the January issue of the Sign contains a touching and poignant story of a meeting between Song Yong Cho, a Korean war orphan, and Francis Cardinal Spellman.

My own interest in the article was heightened by the fact that 10 years ago, together with my late colleague, Senator Butler, I played a small part in bringing this brave youngster to America.

There are many rewards in being a Member of the Congress, but none richer than the satisfaction of participating, if only in a minor role, in a wonderful story like the rebuilding of the life of Song Yong Cho.

I ask unanimous consent, Mr. President, to have inserted in the RECORD the article from the Sign.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SONG YONG CHO AND THE CARDINAL

(By Sidney Fields)

Song Yong Cho, the first Korean war orphan to be brought to the United States, was only 10 years old when he arrived here, but he was already an ancient child. Ten years have now passed since this event. But the memory of Cho is undimmed; he belongs in any chronicle of courage.

When the GI's in Korea who had adopted him learned that Cho was a baptized Catholic, they sent him to Boys Town, Nebr. Shortly after he arrived there, Monsignor Nicholas H. Wegner, director of Boys Town, agreed to bring Cho to New York City to dramatize the urgent need to help homeless children in Korea.

Among other things, Cho was to meet the mayor and attend mass in St. Patrick's Cathedral. When Francis Cardinal Spellman, Archbishop of New York, heard that Cho was to be at the cathedral he asked that Monsignor Wegner and the boy meet him in his residence before mass.

Early that Sunday morning, about an hour before we were due in the rectory, we were talking in the living room of a Korean family who were host to Father Wegner and Cho. Dressed in his Sunday best, Cho was pounding his fist into a baseball glove as we talked. He was sturdy, handsome, round-faced; his large eyes were sad and old, but his face wore a constant grin.

I wondered what his name meant. Father Wegner, a lean, lithe, and gray man, who was one of 13 children, explained that "Song" is a family name, that "Yong Cho" means "Foorever Helping," but that Cho was often called Chi Si, or "Smiling Little Boy."

Cho and his family were caught in the storm of destruction and death when the North Korean Communists savagely invaded Seoul in June 1950. Cho was then 7.

When he recalled it, the grin disappeared. "I had one brother below me," he said, "a year below me." Then his tragic words came slowly, "I don't know where they all are, my mother and my father and my brother. Maybe they are all killed."

The grin returned when he said, "Maybe not. We don't know for sure."

He became part of the cruel devastation of Seoul, drifting with other lost children, scrounging for food, and at night scarcely ever able to keep his body warm. Toward winter the boy made a man's decision: He started a 250-mile journey to Pusan—on foot.

"It was a remarkable journey, when you consider that he had no shoes," Monsignor Wegner said. "His feet became severely frostbitten. Gangrene set in and began eating them away."

Cho wasn't sure what was happening to them. "Except my feet felt sick and very cold. On the way, about half way to Pusan, there was an old lady, like a grandmother, and her son was an army captain. He took me to the hospital in Taegu. There were sisters there, nuns. Everyone was nice and kind, but I was afraid. About my feet I mean. Then the doctors took my legs away. It hurt."

The hospital was overcrowded. There was a waiting line of the sick and the torn. Space was precious. As soon as Cho was able, he had to leave.

"And he finished the trip to Pusan on his stumps," Father Wegner said.

In Pusan he could have become a beggar or a thief, like the thousands of other kids who roamed the streets. Cho didn't. He patched together a shoeshine box and, for a year, hung around the railroad station, shining the shoes of GI's to earn a few pennies for his food. But he never asked for pity. He dragged himself around on his stumps and buttocks until they bled. His bed was any doorway he could find. And the grin persisted.

It was the grin of his pinched, little face that made the GI's wonder about the legless boy. One GI, Sgt. Harold J. Douglas, took the boy to the barracks, bathed and cleaned him, and bandaged his bleeding body.

"The sergeant bought me a shirt and pants, too," Cho said.

Sergeant Douglas and the other GI's in the barracks refused to allow Cho to go out into the cold to shine shoes. So Cho shined all their shoes in the barracks. He was bright, well mannered, and shy, but he talked to his new friends—until they asked him about Seoul and his family. Then the grin would vanish.

One day the GI's, led by Sergeant Douglas, got the heady idea that Cho should have new legs. They scouted around the medics and the doctors until they heard about a Sgt. Richard Gormanson, who was in charge of an artificial limb station in an Army hospital. Sergeant Douglas took Cho to Gormanson.

He got his new legs in May 1952, and a pair of crutches as an aid in learning how to use them. He was such an eager student that he returned the crutches after 3 days.

Cho moved about the streets and the barracks with a happy agility and hardly a hobble.

Cho had never been to school, but between his self-imposed barracks chores, he taught himself the Korean alphabet and how to write his name in Chinese characters, an achievement in itself. And he would ponder over the books the GI's had and pick out the words with his finger and ask, "What does this mean" And so he learned to understand and to read English.

After a while, Douglas and Gormanson asked each other, "What happens to Cho when the Army moves? Or when the war is over?"

Sergeant Douglas' first thought was to adopt Cho and bring him back to the States. But it wasn't very practical; Douglas already had seven children. Gormanson was a bachelor. The idea of Boys Town came to them, and they promptly sent a letter to Monsignor Wegner, begging him to find ways to cut the inevitable redtape that could easily trip up the entry of a Korean into the United States.

"When I read the letter and the story of Cho's trials, I went to Washington myself to plead for him," Father Wegner said.

He pleaded before the Senate Committee on Immigration and then besieged Nebraska's Senator Hugh Butler and one of the State's Congressmen, ROMAN HRUSKA, asking them to introduce the special bill required to allow Cho to enter the country. They did. And the GI's in Pusan raised the money for his plane fare.

"The first day I was there," Cho said, "when I got up in the morning, there were two real cowboy guns and chocolate and a pen and pencil on my pillow. From the other kids. And Father Wegner, he bought me a watch. My own watch. And they let me play baseball. First base. I got lots of hits."

Father Wegner, who had in his youth refused offers to play with the Chicago Cubs and later with the St. Louis Cardinals, wrinkled his brow. Cho's grin grew wider.

"I mean I got one hit," he said.

His new life at Boys Town meant love and friends and food and warmth and no fear. But whenever he thought of tomorrow, there was a terrible confusion in his brave, little heart.

"I don't want to go back to Korea," he said. "But I mean * * * I have to find my mother and my father and my little brother, too."

Monsignor Wegner shook his head. He was sure that Cho's family was not to be found, on earth anyway. He looked at his watch. And Cho quickly looked at his watch.

"It's time to go," Father said.

We drove to the rectory in a cab. We were shown into a sitting room, where four priests, in surplices, came toward us quickly, introduced themselves to Monsignor Wegner and Cho, and then clustered around the boy.

Then Cardinal Spellman entered the room in a rustle of red silk, his round face under his skull cap smiling a warm welcome. He walked briskly over to the group around Cho. A path opened before him. Monsignor Wegner took the Cardinal's extended hand, and kneeling on one knee, kissed the episcopal ring.

The Cardinal turned to Cho, grinned with the boy, and as he stretched his hand out to Cho, said, "We learn courage from children, too."

Cho was awed, but not uncertain. He took the extended hand and wobbled as he struggled to kneel.

But the Cardinal quickly knelt lower than the boy, grasped Cho's elbows, lifted him up, and said, "No, no. I should kneel to you."

In the hushed silence, every face was alive with understanding, and I knew that everyone, like Cardinal Spellman, wanted to kneel to Song Yong Cho.

A POSTSCRIPT

The name on the brass mailbox at the entrance to a small apartment building in Kansas City, Mo., reads, "Richard Cho, Apartment 9." Three floors up, a Korean man in his early twenties, flicking back a shock of black hair, answers the knock. This is Song Yong Cho today, bookkeeper and bachelor, alone in the world and a little unsettled.

When Cho left Boys Town, he left behind a distinguished record as a swimmer, lifeguard, baseball player, and Eagle Scout. He won the Ad Altare Dei Award for service as an altar boy. He went on to business school, traveled to Arizona, and circled around through Kansas City to visit friends. For some reason, he elected to settle down and quickly found a job as bookkeeper for the Kansas City Pipe & Steel Co. He has remained in this job for over 2 years, and his employers find him "very, very efficient."

What about Cho's life now? Does he fraternize with other Koreans? "There are probably quite a few Koreans in the city," he says, "but I've just about forgotten the Korean language. I haven't spoken more than a few words in the past 10 years." Still, a longing to see Korea again persists.

From time to time, Cho has seen his benefactors, Harold Douglas, who is now a teacher at Southern Mississippi College, and Richard Gormanson, who is in the artificial-limb business in Alabama. He took their names when he became an American citizen in 1960.

Cho stays fairly active in the Boys Town alumni, does a little bowling, and takes in the occasional ball game and a weekend movie. His unsettled frame of mind is perhaps revealed with the remark: "When you receive help, you ought to return it, in some way. Until now, all I've done is take care of myself."

SALUTE TO SENATOR MUNDT

Mr. HRUSKA. Mr. President, the able and respected senior Senator from South Dakota was saluted in a recent column in the Los Angeles Herald-Examiner by Columnist George Todt.

Mr. Todt describes Senator MUNDT as "sturdy" in his efforts to prevent the extension of credit guarantees to the Soviet Union in the purchase of U.S. wheat.

In reality this is something of an understatement. "Valiant," "determined," or "brilliant," would have better described the skillful arguments marshaled and presented by Senator MUNDT.

Mr. President, I am pleased to join in saluting the Senator and ask unanimous consent to have printed in the RECORD the column by Mr. Todt.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

FOREIGN AID GIMMICK

(By George Todt)

"It is ironic that these do-gooders who have been expanding aid in 107 foreign countries would jeopardize the program simply to try to extend credit to the Communists. I hope some day the American public will awaken to the fact that you can't win a war if you fight both sides at the same time." (Senator KARL E. MUNDT, Republican, of South Dakota, letter, December 21, 1963.)

It may come as a startling surprise to those who imagined our foreign aid bureaucrats were down to their last pinchful of green stuff—what with Congress handing them only $3 billion this time instead of the $4.5 billion originally requested—but guess what?

The hard-pressed bureaucrats have suddenly discovered $670 million in the till they must have forgotten about during negotiations with our boys on Capitol Hill. Praise and glory be, they have just found it.

WHY NOT BEFORE?

According to an Associated Press dispatch released shortly after passage of the controversial foreign aid bill recently:

"Officials of the Agency for International Development have found $669,876,000 still available from previously voted funds that were never committed or that have been recovered from unfilled projects."

We may wonder why this choice tidbit of information was not made available to the House and Senate during deliberations on the AID bill.

Perhaps it would not hurt to write our elected representatives and ask them why such data has a habit of cropping up after—never before—the voting has taken place. Why not ask some penetrating questions next time around?

As a matter of fact, I was told once upon a time not long ago by a highly respected Congressman that the foreign aid pipeline has enough billions in it to keep the program going a couple of years even without annual appropriations.

CUP RUNS OVER

Before Congress invests another dollar into questionable areas of little or no return to the American people, we ought to have an effective accounting of AID funds—without hocus pocus or doubletalk. Just the facts, ma'am.

And if the dear old Department of State is too snooty to furnish our elected representatives with the proper arithmetic—then the latter should return the favor by withholding all funds until the data is available.

Foreign aid is setting a less-than-happy pace with the U.S. taxpayer since he received the bad news in the closing days of the last congressional huddle, that he must now underwrite credit for Soviet wheat.

The administration may find out this was a costly mistake when Joe Doakes realizes he is now in a position to cough up funds to pay for Ivan's free wheat from America—if the Red supplicant decides later to renege.

WHAT HAPPENED?

This is not the way the wheat deal was outlined originally to the public. It was then supposed to be a cash-on-the-line gold transaction. "Whad hoppened, Dad?"

A top leader in the close fight in the Senate to prevent questionable extension of credit to the U.S.S.R. through use of the Export-Import Bank was sturdy Senator KARL MUNDT, of South Dakota. He rates a salute.

Let's realize that financing our enemies will not win the cold war.

IDA PAXTON, NATIONAL COW BELLES PRESIDENT

Mr. HRUSKA. Mr. President, the presidency of one of America's most colorful and effective service organizations, the American National Cow Belles, has gone to an outstanding Nebraska ranch wife, Mrs. Chester Paxton, of Thedford.

The Cow Belles are the service and social organization of women in the beef cattle industry who work side by side with their husbands in the promotion of and service to this vital segment of our agricultural economy.

Mrs. Paxton achieved nationwide acclaim last year for her role as public affairs chairman for the National Cow Belles when she conceived the idea of widespread distribution of miniature cow bells on the Fourth of July, with the slogan, "Let Freedom Ring."

Ida Paxton represents the ideal ranch wife who manages to maintain an active and enthusiastic interest in community activities while still busy with her primary responsibility to her home and her family.

At the same meeting in Memphis at which Mrs. Paxton was named president, the Cow Belles honored another outstanding Nebraskan, Miss Betty O'Connor of Omaha, who will serve as secretary-treasurer during the coming year.

Mr. President, I salute these two fine Nebraskans and ask unanimous consent that an article from the Hastings Daily Tribune concerning their elections be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THEDFORD WOMAN HEADS COW BELLES

MEMPHIS, Tenn.—Mrs. Chester Paxton of Thedford, Nebr., today was installed as president of the American National Cow Belles, service and social organization of women of the beef cattle industry.

Mrs. Paxton, president-elect during 1963 of the organization with chapters in 26 States, succeeds Mrs. J. W. Tyler, of Bismarck, N. Dak.

A native of Massera, Iowa, and teacher in the Cass County, Iowa, schools, Ida Jensen was a public health nurse before marrying in 1944, prominent rancher Chester Paxton of Thomas County, Nebr. She had studied at Methodist Hospital and Omaha University and Peabody College, Nashville, Tenn.

LIVES IN THEDFORD

The Paxtons ranch 35 miles from their home in the community of Thedford, keeping in touch by shortwave radio. They are active in community and church as well as beef industry affairs.

Mrs. Paxton is a former president of the Nebraska Cow Belles and has served as a national officer and committee chairman for several years. Her husband is a trustee of the National Cowboy Hall of Fame, former president of the Nebraska Stock Growers Association and member of the American National Cattlemen's Association, American Quarter Horse Association, Sand Hills Cattle Association and others. He was the first rancher to receive the Ak-Sar-Ben Agricultural Achievement Award.

A daughter, Antonette, is a freshman at Doane College in Crete, Nebr.

TO TRAVEL 50,000 MILES

During her year in office Mrs. Paxton will travel nearly 50,000 miles visiting State Cow Belle conventions and participating in beef industry and women's organizations' meetings.

Also elected at Memphis was Miss Betty A. O'Connor, Omaha. She will serve as secretary-treasurer during the coming year.

Miss O'Connor, a graduate of the University of South Dakota, has served since 1945 as secretary to Harry B. Coffee, then president of the Union Stock Yards Co. of Omaha, and the current president, Fred W. Gilmore. She is active in professional secretarial circles in the Omaha area, is a certified professional secretary, and has worked for advanced degrees or professional status at Omaha, George Washington, Columbia, and Colorado universities.

A MARKETING APPROACH TO POVERTY

Mr. PASTORE. Mr. President, I have just returned from a breakfast meeting cosponsored by the Advertising Federation of America, and the Advertising Association of the West. Together with the distinguished Senator from Tennessee [Mr. GORE], we were privileged to hear a most illuminating and brilliant talk by Mr. Marion Harper, Jr., chairman of the Interpublic Group of Companies, Inc. The title of his address was "A Marketing Approach to Poverty."

These remarks were so well composed and so provocative that I believe they should be printed in the body of the RECORD, for which I now ask unanimous consent. The thoughts of Mr. Harper should be brought to the attention not only to all readers of the CONGRESSIONAL RECORD but indeed to all Americans who are interested in this serious problem.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A MARKETING APPROACH TO POVERTY

(Text of talk by Marion Harper, Jr., chairman, the Interpublic Group of Companies, Inc.)

I am delighted to take part in this annual meeting, which not only brings together so many distinguished members of our industry, and so many good friends, but which also serves as a sort of review board of our past performance and our future directions.

Recently, national attention has been focused upon the problem of poverty in the midst of American prosperity. Through the President's economic report and the state of the Union message, an allout war on American poverty has been declared, and even now, the lines are being drawn and the strategy being devised to launch the attack.

Today, I'd like to talk about poverty in terms of our own business of advertising and marketing communications. Traditionally, poverty is the concern of sociologists, political leaders and philanthropists. It has just as great importance, of course, to the economist and the businessman.

In coldly economic terms, poverty means the blanking out of otherwise important markets. It means the inability of a large proportion of our population to contribute to the economic progress of the Nation, the local community, and an individual industry. Along with all other groups in the country, business has a deep-rooted interest in the final elimination of poverty.

It is an exciting idea that this goal—which has been the dream of nations since Biblical times—may now be within the range of realization. Poverty has lost none of its complexity, but under the assault of the social sciences and a national policy committed to its solution it is a problem which has been defined and documented with increasing clarity. Leadership in developing a strategy for an allout attack on poverty is properly the concern of Government and the social scientists. In these comments I would like to suggest a perspective about poverty which has evolved out of a primary concern with markets and the development of markets.

From this point of view I think we have long since passed the point of thinking of poverty as an enemy to be destroyed with charity as an ultimate weapon. We have even concluded that the charity approach may even delay solving the problem. This is not to say that the generous and humanitarian impulse should ever be stifled or that it will ever be superfluous where there is distress and privation. The trouble with charity is that it is directed toward relief of symptoms rather than the removal of causes. It relieves hunger, provides shelter and clothing—but in an ironic sense it also perpetuates the need for charity.

We have also reached the stage where the issue is not one of providing people with subsistence. Most western countries no longer tolerate starvation or the lack of elementary physical care for people. Society has no choice but to insist that every man, woman, and child receive food, clothing, and shelter—and literacy, as well.

But in providing the basic necessities and no more, society once again is working against the symptoms rather than the causes. When such an approach is national policy, the result is to freeze a segment of the population in a state of poverty and to perpetuate a caste of the poor—to support a permanent relationship of guardian and ward. This, unhappily, is the history of our Indian reservations, where continuing minimal support has helped create our most static economic class.

Furthermore, when the approach to poverty is concerned simply with subsistence it has the effect of leaving the poor on their backs, and discouraging mobility toward better levels of life.

Within this century a combination of forces has turned the profile of American society from the shape of a broad pyramid—with a multitude of poor at the base—to a diamond, with families having incomes of $5,000 to $15,000 (who are three-fourths of all U.S. families) expanding the middle portion. The poor have become a minority, as American families have ridden up an escalator to higher and higher levels of living. In the three decades between the first years of Presidents Franklin Roosevelt and Lyndon Johnson the proportion of the poor has dropped from one-third to one-fifth.

The growth of middle-income groups has moved well ahead of a rapid growth in total population. The problem now is to recast the profile of the income group under $3,000—to turn it into an inverted pyramid (with very few at the bottom among the extremely poor); then to push up and flatten the lowest segment until it disappears, through upward movement of poor families to higher levels.

The lower-middle- and middle-income groups have been highly volatile. The goal should be to make the lowest fifth of the population the most volatile of all—by identifying and attacking all those things which hold people down and that create a static class.

It is estimated that $11 billion would be adequate to lift families with less than $3,000 annual income above this level. In terms of our national budget, or many other expenditures, this is not a stupendous sum. It is only 2 percent of our gross national product and one-fifth of our defense budget. But as the President's economic report points out, spending this amount for this purpose would fail to attack the roots of poverty. What must be achieved instead will be the work of preparing and motivating the poor to produce and earn the additional $11 billion themselves.

The problem has often been dealt with in moral terms. But the ideas in such phrases as the "undeserving poor" or the "justly rewarded rich" are not very relevant to the abolition of poverty. What is needed is the motivation to rise to higher living standards, the environment that permits a person to rise—and to want to equip himself with the abilities to earn advancement.

In a sense there is a living standard for each U.S. family—and it is less than precise to think of the poor as a single class. Among the almost 9½ million families with total incomes below $3,000 there are really many different classes—ranging from the most deeply destitute to the family about to escape into comparative comfort.

What is needed therefore is not simply relief of the conditions of poverty, but a dramatic acceleration of the process of upward movement. The challenge is to introduce the process among families whose conditions are most static, and then to speed it up throughout the lower income group.

Poverty thrives and persists where the environmental conditions go on year after year without change. The most stubborn and relentless examples of poverty abroad are found where attitudes, motivations, and physical surroundings remain the same century after century. Last month, I saw a marketplace in Cairo, where the articles for sale—the foods, clothing, and furnishings, the merchandising system and the buying impulse—were the same as they were a thousand years ago.

In contrast, there is the United States, with the world's most rapid change in technology and habits of living. We all know, for example, that a large proportion of the products in our own stores did not exist as recently as 10 years ago.

And not only everyday products have changed, but the conditioning of people's minds. The schooling of the poor in many parts of the world is the same as it was many centuries ago—virtually nil. Here in the United States, the proportion of college graduates rises every year. In a half-century, we have seen not only men but women enjoying the benefits of higher education.

We are constantly stirring up our society with new and changing stimuli. Throughout the great body of citizenry we call our middle class, this activation goes on at an increasing rate of speed. At the middle and upper levels of our middle class, the upward movement of people from one income group to a higher income group is faster than at the lower levels—and so is the rate of change in the environment and conditioning of the more prosperous members of the middle class.

The rate declines all through the levels of our poor—those in the under-$3,000 income group. At the bottom, change is so sluggish that for millions of families poverty is their only inheritance; and again, exposure to change and the possibility of change is minimal.

We can postulate that the progress to higher living standards is the result of two forces: first, ambition and initiative; and second, a kind of upward pull exerted by upper levels of society. In the Horatio Alger tradition, we have often pictured the advancement of people as the result entirely of their own enterprise.

The drives of an individual are certainly essential; at the same time, we can recognize a system of dynamics in society with many complex and swirling forces. Among them are the availability of education, the economic environment, the social structure of a community, the character of a neighborhood, the efficiency of social services, the impact of influential personalities, the volume and character of communications.

All these, and many more, are gravitational forces exerted on the psyche of an individual, to encourage emulation, personal development and acquisition.

In such a pattern of forces, consider the situation of our poor. We can first say that the poor in the United States today are better off than the vast majority of people in this country a hundred years ago and better off than most people abroad at the present time. Nevertheless, they have little more than bare subsistence. A four-person family with a $3,000 annual budget spends $1,800 for food and housing. This leaves $1,200—or less than $25 a week for clothing, transportation, school supplies and books, home furnishings and supplies, medical supplies, personal care, recreation, insurance, and everything else.

Some of these items—clothing, transportation, and medical care—are essential to minimum living—and therefore the $3,000-family has virtually no discretion as to how it spends its margin of income beyond the expenditures for sheer necessities of life. To repeat, this is the pattern for a family of four at the $3,000 level. But millions of poor families have five, six, and more members and one-eighth of American families have incomes below $2,000.

Now the usual response to this picture of deprivation is concern and shock over the pinching subsistence that is the lot of the poor. But if we see the solution to poverty as the progress of individuals to higher living standards, then the horrifying fact is something else. It is the inability of the poor to exercise choice, to have the options provided by discretionary income. This is a serious deprivation for the relief and reduction of poverty. It is an absence of the very psychological forces that can encourage and bring forth ambition.

What distinguishes one human being from another even more than physical appearance is his set of choices. The things he selects reflects his own pattern of interests and motivation. He must have the opportunity to exercise his choices, or else his responsiveness and initiative fail.

I would therefore define the problem of poverty as the need to introduce options to the poor; options in spending time and money for personal development—but also for entertainment; for savings—but also for the additional foods, clothing, housing, and home equipment that permit the individual more than gray static subsistence.

How can society create conditions among the poor to develop discretionary spending—to promote individual choice?

On the part of the individual, he must be capable of vital response to the choices available in the next higher income group above his own. This initially requires health, literacy, and exposure to communications—in short the basic capacity to be motivated. Further, the individual must have buying power and the capability to earn discretionary income or the ambition to develop the skills to earn such income.

As to the environment, it must uphold political principles that encourage and permit the individual to rise from one level to another without discrimination. It cannot subscribe to a caste system or any variation of a caste system. It must provide the educational facilities to develop mass literacy and forms of training that keep pace with the on-going revolution in technology. It must provide an economy that offers employment—and that makes available many choices in the marketplace to engage the interest and desire of a wide range of individual preferences.

It is clear that higher living standards will follow from an active interchange of the values that the individual and society can contribute to each other. Society's contribution should be regarded as investment spending with the expectation of a virtually guaranteed return—that is, investment in the process of social advancement. And, to repeat, the goal of this investment—at least from a marketer's point of view—should be the development of discretionary spending.

The decline in the proportion of our poor in recent years has coincided with a sharp increase in discretionary income—from $49 billion in 1939 to $140 billion in 1962—in constant dollars; or from $373 per capita in 1939 to $750 in 1962. This rise represents a spectacular increase in real purchasing power and in the ability of the average family to exercise options.

To concentrate on this goal of introducing option to the poor, we should be aware that it is at odds with a traditional attitude. We still subscribe to puritan attitudes that regard society's help to the individual as suspect—as a form of coddling and pampering, especially when it provides for more than bare subsistence. We recognize that certain forms of assistance can suppress initiative. But while guarding against such possibilities, we must give broader interpretation to the idea that society should help the individual to help himself; and not abdicate responsibility by hiding behind the adage that "God helps those who help themselves."

The impulse to have the poor solve their own problems without society's aid is associated with another attitude. The same individual who may wish to turn his back to the challenges of poverty is likely to judge the behavior of the poor with a puritan impatience. This judgment again shows a misunderstanding of the escape routes from poverty. The rugged individualist looks with shock and contempt at the television serials in the slums of New York or Naples or Tokyo. We know that a television set represents one of the first discretionary purchases of the poor—made sometimes even at the expense of necessities of living.

There is no question that governments should insist on controls like the food stamp plan which enforce priorities in the use of Government funds. At the same time we should welcome the sight of television antennas, since they represent aspiration to something better than the squalor of a slum—a reaching out to a world of higher living standards.

We also bring puritan attitudes to the phenomenon of status symbols. We generally accept, without challenge, the status symbols of the intellectuals and of the affluent; but we tend to sneer at those of the emerging poor. In many parts of Africa today a fountain pen in the breast pocket is an imposing status symbol. People who can neither read nor write will buy just the tops of fountain pens to wear in their pockets. We can laugh condescendingly, but perhaps we should also think of this as a hopeful sign. It is an announcement of a respect for literacy and the rewards literacy can bring. It might even become a stimulant toward literacy in a younger generation.

We can recite the long lists of such symbols in our own country—the new car, the dishwasher, the new fashions that mean the scrapping of the old. Again we may smile, but we should not underestimate their role in developing motivation. It is this motivation—leading people to better their lot—that is indispensable to the abolition of poverty, even though specific choices may sometimes seem incongruous or trivial to the more fortunate.

The process of rising permanently out of poverty to reach decent standards of living must command equal priority with the relief of distress; and the manner in which people exercise their options must be regarded as less important than the activation of the process itself. It is options that are the critical elements in starting and sustaining the process.

This power of options creates a major role for marketing in the reduction of poverty. In fact, marketing offers the first organized approach to the determination and the availability of options. It is a force which helps raise living standards for all income levels and it moves down into the lower income groups even while they are first gaining discretionary income. Those of us in the advertising industry have the responsibility of conveying this power of marketing to policy and opinion makers both in and out of Government.

It is a paradoxical fact that, while the marketing process has contributed so much to raising our living standards to their present high levels, there are still those who fail completely to understand its vital dynamics. They talk of waste—of persuading people to buy things they don't need and completely miss the main point; namely, that marketing not only makes products available to match people's interests and preferences but it develops motivation.

It is not the business of either marketing or its critics to decide exactly what people's options should be. We want no czar of options, sitting at the top and saying what is correct and desirable for people to want and strive for.

People are not computers; and the spending of discretionary income is not merely the physical action of reaching into a pocket and taking out money. Our choices of what we buy are rational at some time, and irrational at others. No one should judge the motivating forces pressing upon a boy who longs so much for a bicycle that he'll run a paper route through good weather and bad; nor upon a woman who'll cheerfully work overtime for a new hat; nor upon the man who will sacrifice his favorite hobbies to see his children through college.

Within the framework of law, each individual should be left free to exercise his own options, whether they are rational or irrational in the opinion of others. Of course, it is clear that as education advances, and job and racial discrimination diminishes, people become more skilled and thoughtful in exercising their options, and tend to make what all of us would agree are the wiser choices—those which tend to develop the personality and stretch the mind and the imagination. Whether they do or not—in fact, whether any of us, privileged or poor—makes wise choices, depends upon influences of home, church, and schooling, not upon the activities of business.

Instead, the force that business, and especially advertising, exerts is to encourage the right to choose and to inspire to higher living standards.

Much criticism of advertising is based on the premise that the desire for higher levels of living is inherent and automatic in all levels of society. Among the impoverished it is not. It must be inculcated not only among the poor of the United States but even among the more desperately poor of a country like India.

An Indian sociologist has found that the lower the level of living standards, the more static people's aspirations tend to be. There is a definite ceiling to which peasants in many villages are willing to strive, while the floor of their poverty is bottomless. If a peasant believes his requirements are no more than a few bags of rice a year, he is willing to work for that amount and no more.

We have become so accustomed to communications in this country that we underestimate their force in promoting aspiration—in turning lethargy into ambition. Generally, communications are directed to markets with discretionary income. There are pockets of poverty with little exposure to the normal choices of society, and with less than average exposure to communication. Nevertheless, it has been the history of recent years that communication media have increasingly penetrated into all parts of the country and that they will work their motivating effect upon the poor as soon as a margin of income adds to the consumer's ability to buy.

The business of marketing has concerned itself and must continue to concern itself with providing the greatest possible variety of choices, with the widest possible availability of products—and with the most effective communications to make them known.

As to the other areas in which our industry might help in the attack upon poverty, we can and should of course put our communications skills at the service of whatever agencies, in government and without, that are working on this problem. We should support Federal and local legislation to provide the poor with the basic necessities of life. We should continue to give vigorous endorsement to the improvement of education at all levels; we should support programs to end discrimination.

We might also examine ways in which business and government can work together to solve the problems of poverty in specific areas. One way might be to gather knowledge of the range of favorite options among the emerging poor. We might project a ladder of consumer choices to study each step and the pull it may exert on the income group just below. We might propose ways in which each group could be shown the way to the next step on the ladder.

Major programs of training, retraining, and sometimes relocation will be required not only to reduce unemployment but also underemployment. In a time of increasing mechanization, most manual workers will be underemployed; moreover, they will be found too expensive in many industries, in relation to their output. Unless they are trained for work of higher skills, they will face the prospect of unemployment, not to mention a waste of their potential abilities. Their situation, unless corrected, will aggravate the problem of poverty.

Unquestionably we face a chicken-and-egg problem in the escape of people from subsistence to option living. We are committed to the proposition that all of us should earn each improvement in our living standards. At the same time, we know of all the dead-hand burdens and inertia that keep the poor pinned down.

What seems required is that they both swim and be floated to higher levels.

It is possible, for example, that an incentive system could be developed to draw people upward?

In the manual skills and professions, we now require specific achievements for the individual to qualify for higher levels of practice and for corresponding rewards. Among the poor, can we not specify requirement for advancement which would earn discretionary income? For example, the completion of a course of training in a manual or machine or office skill—or the completion of a course of retraining for workers in obsolescent industries; or a family's willingness to relocate in centers of greater employment opportunity?

Or even more important, the first priority must be to start the young up the ladder of options. Could we therefore not establish levels of family achievement among the poor which would earn extra rewards of assistance? For example, a family's efforts in maintaining certain standards of hygiene and health in the care of children; or in having children continue through high school or vocational training; or children's participation in constructive sports or civic or church activities. All such effort in behalf of a family's own progress might win more-than-average support in a program to abolish poverty.

All the evidence suggests that a solution to poverty based exclusively on paternalism with little or no participation of the individual will fail. We must therefore activate his earning capacity to help him earn his way out of impoverishment and up to the choices of the marketplace.

The key point is, Let us help place the poor on the option track.

What I am really suggesting is a program of differential assistance. It would offer extra benefits of aid to those who strive hardest to achieve complete self-support and decent living. It would relate corrective action to the capability of the individual to be motivated at elementary levels; it would encourage development of his capacities; it would offer, as incentives, the means to enjoy options, corresponding to evidence of drives toward a better life for one's family.

The consequence, I believe, could be to generate a kind of artesian force to lift the impoverished up from the bottom; the kind of artesian force that has lifted American society well above levels around the world.

In my opinion an assistance program that recognizes the poor who are effort-qualified—that would be joined to the options motivation of the marketplace—could create something of a Marshall plan for our own country. It could achieve just as historic success.

The challenge of poverty in the United States is one which all segments of society and business must meet with determination. The stake of advertisers is not simply that a solution will open up a market as large as Canada, Australia, and Venezuela combined, but rather it is the same stake that all government and business must realize. It is simply that we cannot afford the incapacitation of one-fifth of our people with all their potential ability to contribute to a better total life in this country.

The contribution of advertising can be to continue to develop more and more effective communications for the successful motivation of people, and to assure understanding of advertising's role among Government and business leaders who are striving for a faster growing economy. In succeeding, we will have helped millions build far more rewarding lives and also relieved society of the burdens of their privations and dependence.

And I can add will also, without question, find new reason for satisfaction in having chosen advertising as a career.

Thank you very much.

Mr. PASTORE. Mr. President, I yield to the Senator from Tennessee [Mr. GORE].

Mr. GORE. Mr. President, the speaker, Mr. Marion Harper, Jr., is a personal friend of mine of long standing. I thought his speech was most provocative and important. In my opinion, he makes some observations worthy of most careful consideration.

If the Senator from Rhode Island will permit me, I should like to read two sentences from his address, in order that it may encourage other Senators and many other people to read the entire speech.

I wish to read two sentences which relate to the war on poverty:

> But in providing the basic necessities and no more, society once again is working against the symptoms rather than the causes. When such an approach is national policy, the result is to freeze a segment of the population in a state of poverty and to perpetuate a caste of the poor, to support a permanent relationship of guardian and ward.

Mr. President, in these words, Mr. Harper states more eloquently than I have been able to state that the war on poverty will cost a great deal of money, and merely to give relief to the poor is no solution to the problem at all. We need to attack the problem more basically, from the standpoint of talents, education, and motivations.

This brief exchange between the Senator from Rhode Island and myself is, I believe, properly part of the debate on the pending tax bill. I thank the Senator for yielding.

THE PRESIDENT'S BUDGET

Mr. HUMPHREY. Mr. President, for years my friends on the other side of the aisle have praised private economic activity and condemned high taxes. They regarded the one with found approval and the other with unmitigated horror.

President Johnson's budget message presented a plan to stimulate the American economy by encouraging private business activity through a sweeping program of tax reduction and reform. One might expect that my distinguished Republican colleagues would have welcomed this comprehensive and farsighted program to restore our economy to full health from the sluggish convalescence that we now enjoy. Instead, they have responded to the President's budget message with expressions of suspicion and hostility.

Perhaps this is only a hasty first reaction and does not reflect full study and consideration of the proposed budget. If so, I commend to my friends' attention a wise and thoughtful column by Walter Lippmann in this morning's Washington Post. For more than a generation Mr. Lippmann has been known as a conservative on economic matters. He cannot be dismissed as a partisan of Government spending and welfare programs. This morning he endorsed the President's budget. Moreover, he recommended, as I am doing, that:

> President Johnson's political opponents should take a good look at one of the basic and crucial choices reflected in this budget. It is a wholly conservative choice. This is the decision to stimulate economic growth by an expansion of private rather than of public spending.

This is good advice, that I trust all persons interested in the budget will follow.

I ask unanimous consent that this penetrating analysis of the President's budget by Walter Lippmann from the Washington Post for January 23, 1964, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 23, 1964]

THE FIRST JOHNSON BUDGET

(By Walter Lippmann)

The President has been able to produce a budget which must seem at first glance too good to be true. But he has been able to do this because business is expected to be very good during 1964, because the tax cut is counted upon, and because there is at least an intermission in the race of armaments.

The President has been able, therefore, to reduce expenditures in the administrative budget somewhat, by half a billion dollars. He has made small increases in expenditures for welfare purposes and he has made a decrease of some three quarters of a billion dollars in spending on defense and space combined.

At the same time, because of the expanding condition of the economy and the coming stimulus of the tax cuts, he is able to predict that budget receipts will increase by $4.6 billion. These additional revenues plus the small decrease in expenditures are expected to cut the deficit from $10 billion in the year ending in July to less than $5 billion in the year beginning in July.

There is no trickery about this. To be sure, this is the administrative budget, which does not include social security, highways, and other trust funds. But the administrative budget is the one everybody talks about. This budget, as all budgets, rests on estimates and guesses for a period which is between 6 and 18 months in the future. The budget cannot therefore take account of the unforeseeable emergencies which may occur. Some of the figures, for example a projected decrease in agricultural payments of $1.2 billion, depend on the weather and the passage by Congress of certain legislation. The predictions about Government revenues rest on the assumption that Congress will pass the tax bill before the end of this winter. There is also some question whether business expansion can be counted on to continue through next year, and there are those who think that some additional stimulus may be needed before the end of 1964.

While there can be no absolute certainty about what will happen in the future, there is no reason to doubt that the estimates have been made in good faith and that they have not been doctored. Given the excellent outlook for business and the military pause, the President is in the happy position of being able to reduce taxes, to have business booming, and to begin the attack on poverty.

What is more, President Johnson's political opponents should take a good look at one of the basic and crucial choices reflected in this budget. It is a wholly conservative choice. This is the decision to stimulate economic growth by an expansion of private rather than of public spending. The Johnson budget cuts about $2 billion from the anticipated Kennedy budget for 1965. The question then was how to offset the deflationary effect of this cut. It could have been done by an increase in domestic and foreign spending programs. There is no doubt that the public facilities of civilian life need to be strengthened. But in fact the President chose instead to cut taxes still more by reducing immediately the withholding rate to 14 percent. The effect of this accelerated reduction in taxes collected will be to add about $200 million a month to the purchasing power of private individuals. If Congress approves it, the effect will be highly stimulating to the private economy.

The President has made the right choice, not only because it will be reassuring to many but because the country is not prepared for an increase in public spending. The needs of education, health, urban renewal, and conservation will have to wait upon the solution of political issues—as for example aid to church-related schools—that are still unsettled or bitterly contested.

Nevertheless, we must not nurse the illusion that there can be a serious attack on the poverty of the 10 million poor families of this country without a substantial increase in public spending. For the time being, as this budget shows, we are in the necessary phase of probing with pilot projects in order to learn how to attack the problem of poverty. But when we have learned what we need to know, and we have decided the issues on which we shall have to agree, we shall need not only an expanding private economy but also a considerable expansion of Federal, State, and local spending on the public facilities and services.

THE MISSION OF PROJECT HOPE IN LATIN AMERICA

Mr. HUMPHREY. Mr. President, the white hospital ship SS *Hope* is currently anchored in the port of Guayaquil, Ecuador, where its volunteer staff of physicians, nurses and paramedical personnel are carrying on Hope's teaching-training program as they have before in Indonesia, South Vietnam, and Peru. Almost every American can proudly point to fellow residents of his own State who are this very day working selflessly in behalf of others in this tropical port of Ecuador.

Many of my Senate colleagues as well as a vast number of my fellow Americans may not realize, however, that in Trujillo, Peru, the site of the *Hope's* 10-month visit which concluded last March, a small, yet effective contingent of nearly 20 Hope physicians, nurses, and auxiliary personnel are continuing the work begun by the *Hope's* medical staff nearly 2 years ago. This group not only cares for the infirm and undernourished people in that area but works closely with the medical authorities of the new regional hospital in Trujillo. Thus, in this and many other ways Hope lives on in Peru.

Recent press reports from Peru indicate that on December 31 the road linking Trujillo's port city of Salaverry to the Pan American Highway was renamed "Avenida Hope" in honor of the hospital ship. The community's prefecto, archbishop, and mayor, as well as members of the Hope team there, took part in the ceremony. Shortly thereafter, the group moved to the other side of the town where ceremonies were held for the placing of the first stone for "Plaza John F. Kennedy."

On February 17 of last year, this same archbishop, addressing a crowd of 30,000 people who crowded into the stadium at Trujillo to honor the *Hope* staff prior to its departure for home, said:

> During 9 months, the white silhouette of the *Hope* has given the peaceful harbor of Salaverry all the enhancement of an oasis in the midst of the desert. To it have come thousands of sick from Trujillo, from the neighboring provinces and even from the distant corners of the country. All these sick were attended with exemplary devotion and skills, and even more, with great love and abnegation, without considering the social condition or the education of these sick, thinking only of curing them or of giving them the hope of a prompt recovery.

Eleven days later, as the great white ship pulled slowly away from the port of Salaverry, over 40,000 were on hand to bid farewell to the great white ship whose staff had brought comfort and relief from suffering to so many. As the *Hope* slipped from the horizon and disappeared from view, there remained behind a part of the ship and its people—an image of compassion and friendship that remains in Peru today, as strongly as ever.

On December 29, Dr. William B. Walsh, founder and president of Project Hope, was presented a gold medal and certificate by the city of Trujillo for his humanitarian work.

This was not the first honor bestowed upon Dr. Walsh by the Peruvian people. In November of 1962, he was the recipient of the Knight of the Magisterial Palms as well as the Daniel A. Carrion Order.

Earlier in December, Mrs. Carmella Russell de Orbegoso, the wife of the Mayor of Trujillo and author of the book "Thank You, Hope—Peru Remembers," concluded a trip to the United States with a visit to Washington. Mrs. Orbegoso was lavish in her praise of the project, calling it the "most rewarding aid that Trujillo has ever received from the United States—the most inspiring chapter of Peruvian history."

With the official opening of the new Hospital Regional Centro de Salud Docente de Trujillo—The Regional Hospital of Health and Teaching—Peru's first officially designated medical school teaching program, Hope's medical activities and effectiveness will expand even further.

Project Hope's medical work continues unabated in South Vietnam where the nation's first orthopedic and rehabilitation clinic was established in 1961 by Hope. Dr. Walsh has announced recently that Dr. Richard E. Perry, formerly associated with the Mayo Clinic in Rochester, Minn., has arrived in South Vietnam where he will assume the duties of Director of Asian Affairs for Hope and help establish a teaching program at the University at Hue.

And, of course, Hope's plans for the forthcoming visit of the SS *Hope* to the Republic of Guinea, scheduled to begin this coming fall, are continuing at a brisk pace.

Thus Project Hope continues its humanitarian work of helping others help themselves and lives on in the hearts of the peoples whose lands have been visited thus far.

Mr. President, I am sure my colleagues join me in saluting Project Hope and its selfless group of medical personnel that have brought better medical knowledge as well as relief from suffering to hundreds of thousands in the newly emerging nations of the world.

PRESIDENTIAL SUCCESSION

Mr. KEATING. Mr. President, several weeks ago the Judiciary Subcommittee on Constitutional Amendments began hearings on a number of proposed amendments on the subject of presidential inability and succession.

At that time, I testified in support of two resolutions which I had introduced to create two vice presidencies of the United States as a means of strengthening the line of succession. Other Senators testified in favor of their own pet propositions, in the course of which came many critical comments and observations on the plan for two Vice Presidents.

The common thread of criticism which seemed to run through all the adverse testimony was that the creation of two Vice Presidents would tend to downgrade the office.

Now I have gone over this line of criticism again and again, and for the life of me, I still find it difficult to comprehend. Let us look at some basic constitutional facts of life. Only two powers are given the Vice President by that fundamental document—that to preside over the Senate and to cast a deciding vote in this body when deadlocked. If in practice the Vice President were to exercise these powers and these powers only, his office would be feeble indeed—exactly the kind of constitutional "afterthought" as Benjamin Franklin described it to be. I do not believe anyone in his right mind could seriously propose to divide up these minimal duties between two men instead of conferring them on only one and yet call it a plan to strengthen the line of Presidential succession. I agree that would be silly.

The fact of the matter is that the Vice-Presidency has been upgraded, if you will, in recent years precisely by conferring upon the incumbent of that office a variety of nonconstitutional duties. These have been created in many different ways, some through acts of Congress, but more frequently through formal Executive order or through informal understandings or arrangements with the President. The crucial point is that what the President and Congress can give, the President and Congress can take away; and, perhaps more important, what the President and Congress can give, the President and Congress within limits can give more of. The Vice President, therefore, is a creature to be upgraded or downgraded in his tasks according to the will of the President and Congress both. It is complete nonsense to argue, in light of this, that merely creating two Vice Presidents would downgrade their respective offices. The answer is that these will be downgraded only if the President and Congress will it, and this happening is just as constitutionally possible with one Vice President as it would be with two.

No plan for filling a vacancy in the Vice-Presidency, therefore, can offer an airtight guarantee that the new incumbent, no matter how he may be selected, will be of greater usefulness to the Government and to the country than the appendix is to the human body. That fact should be understood by all before further discussion of any plan goes forward.

Also, Mr. President, I have sensed a feeling among some—although it has not been expressed in so many words—that two Vice Presidents would be a daringly novel departure from our constitutional scheme of things, too startling a shift to expect it to work effectively. I suppose if the same feeling had permeated the atmosphere of the Constitutional Convention of 1787, we might never have seen the emergence of the institution of the Presidency itself. Be that as it may, there is in fact a long history of proposals for more than one Vice President, a history that goes back to shortly after the assassination of President Garfield in 1881. In 1886, one resolution for two Vice Presidents was reported favorably to the House from its Committee on the Election of President and Vice President. Although it never went further, it formed the basis for later, slightly different plans for more than one Vice President after the death of President Roosevelt in 1945. The resolution which I am sponsoring now, then, has had a series of precursors going back in American history for more than 80 years.

I ask unanimous consent, Mr. President, that a report entitled "History of Proposals To Amend the Constitution To Provide for Multiple Vice Presidents," prepared by Mr. Raymond J. Celada, legislative attorney in the American Law Division of the Legislative Reference Service, be printed in the Record following my remarks.

The two Vice Presidents plan which I have offered is certainly different from any which has been discussed before, but since its basic principle is one that has had the endorsement of many legislators in Congress before this, in my judgment there is no basis for regarding it as novel a proposition as some of the criticism would make it out to be.

There being no objection, the report was ordered to be printed in the Record, as follows:

History of Proposals To Amend the Constitution To Provide for Multiple Vice Presidents

In his "prize essay,"[1] Prof. Herman V. Ames wrote as follows concerning proposed constitutional amendments to provide for the filling of vacancies in the office of President or Vice President:

"In recent years attention has been called to the fact that during the first century of our history under the Constitution, in addition to the death of four Presidents in office, there has been 'over one-fourth of the time when the country has had no Vice President,' and 'in the last 40 years of the period this office has been vacant nearly one-half of the time'.[2] It is not strange, therefore, in view of the frequent vacancies in the office of Vice President, and the dissatisfaction with the old law in regard to the Presidential succession, that several attempts have been made to provide for this contingency by an amendment to the Constitution. These have been of two kinds, the one providing for the immediate filling of the vacancy by a new election, the other by the creation of additional Vice Presidents."[3]

With respect to amendments of the second class, Professor Ames recorded that five such proposals had been introduced during the period covered by his essay. The first of these was introduced in 1881 by Representative Hammond, of Georgia.[4]

It provided for the creation of the offices of First, Second, and Third Vice President. The incumbents of these offices were to be elected by the same method employed in the presidential election, and in the event of a vacancy in the office of President or Vice President it was to devolve upon the next officer in order of the rank of his office. Two similar resolutions were introduced in 1884 and 1886.[5]

In 1886, at the time Congress was considering the proposal that ultimately became the Presidential Succession Act of 1886,[6] Representative Dibble, of South Carolina, proposed a constitutional amendment, creating and defining the office of Second Vice President. In the absence of the Vice President from the Senate this officer might preside, and in case of a vacancy in the office of Vice President he should succeed to the same.[7] The resolution was amended and reported from the Committee on Election of President and Vice President. The report claimed that the necessity of an additional officer in the line of succession was made manifest by past experience.

"The necessity for an additional officer in the line of the Presidential succession, elected in the constitutional mode, has been forced upon the consideration of thoughtful students of our political system by the casualties which have occurred since the adoption of the Federal Constitution. Out of 18 different persons elected directly to the Presidential office, 4 have died before filling out their respective terms as President, 3 of them during the first year of the term, and the other during the second year. Out of 25 different persons elected as Vice Presidents, 5 died during their terms of office, one of them resigned his office, and 4 became President. At the close of the present Presidential term there will have been 100 years of Government under the Constitution, and during that period there will have been 25 years 8 months and 4 days—over one-fourth of the time—when the country has had no Vice President; and this without counting the short period in 1789, at the beginning of our constitutional history, when we were without a Vice President until John Adams assumed the duties of that office in that year. And in the last 40 years of the period named the office of Vice President has been vacant 18 years 5 months and 5 days, or nearly one-half of the time.

"Our plan of government makes the Vice President the permanent presiding officer of the Senate, and the only permanent presiding officer. In case the Senate be equally divided, he has the casting vote. In the practical working of our system, it has occurred, and may easily happen again, that two political parties have equal representation in the Senate. In such cases the casting vote will be given in favor of the party then in the majority in the Union, for the Vice President is chosen as the representative of such party. This tends to give consistency to the acts of the Government. But we have seen that during less than three-fourths of the time has there been an officer representative of the whole country, as provided in the Constitution, to preside over the Senate. The election of an additional Vice President tends to repair, in great measure, this deficiency in our organic law.

"But the greatest need of an additional Vice President is illustrated in the anxiety which all of us have shown during the present Congress in making legislative provision for an Acting President, in case of death or disability of both the President and the Vice President. And while the act of 1886, designating each of the officers of the Cabinet, in a certain order, as Acting President, should such contingency arise, prevents an absolute hiatus, and is probably the best makeshift to be attained by congressional legislation, yet it is but a makeshift after all. It is defective in this, that it enables the President to designate who shall succeed to the powers of his office in case of his death or resignation, so that when the President appoints his Cabinet he at the same time executes a political 'will and testament,' disposing of his unexpired term in case he ceases to be President; and, like a man's will, the power of revocation exists in the maker, for he can remove a Cabinet officer, and thus change the order of the succession, and in some cases without advice or consent of the Senate. This hardly comports with the fundamental idea by which our form of government is distinguished from monarchical and autocratic systems, and it is easy to see how it would fail to meet the requirements of such emergencies as constitutions are designed to provide for.

"The legislative provision for an acting President is liable to the further objection that it imposes upon a Cabinet officer—the Secretary of State, for instance—the duties of a department as well as the Presidential duties. The Secretary of State, acting as President, is still the head of the State Department, and ceasing to be the Secretary of State he ceases to act as President. The Constitution prescribes that in case of death, removal, resignation, or inability of the

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[1] "The Proposed Amendments to the Constitution of the United States During the First Century of Its History" (1789–1889). H. Doc. 353, 54th Cong., 2d sess. (pt. 2).

[2] "H. Rept. No. 2493, 49th Cong., 1st sess. Twenty-five years, 8 months, and 4 days; 18 years, 5 months, and 5 days. Vacancies occasioned first by the death of Vice Presidents: Clinton (1812), Gerry (1814), King (1853), Wilson (1875), and Hendricks (1885). Second by the succession to the Presidency of the following: Tyler (1841), Fillmore (1850), Johnson (1865), Arthur (1881). Third by the resignation of Calhoun (1832)." Footnote No. 1 in original.

[3] H. Doc. 353, op. cit. supra, at 72.

[4] H.R. 2119, 47th Cong., 1st sess. Read twice and referred to the Select Committee on State of the Law Relating to the Election of President and Vice President, 13 Congressional Record 239.

[5] (a) H.R. 4408, 48th Cong., 1st sess. Introduced by Representative Hammond, of Georgia; read twice and referred to the Committee on the Judiciary, 15 Congressional Record 858.

(b) House Joint Resolution 90, 49th Cong., 1st sess. Introduced by Representative Crain, of Texas, read twice and referred to the Committee on the Judiciary, 17 Congressional Record 733.

[6] 24 Stat. 1.

[7] H.R. 61, 49th Cong., 1st sess. Read twice and referred to the Committee on Election of President and Vice President. Reported with amendment (H. Rept. 2493), 17 Congressional Record 481, 4680, 7833.

President, the office shall 'devolve on the Vice President,' who thereby becomes President; but if the case be one of death, removal, resignation, or inability of both the the President and the Vice President, then Congress is permitted to provide by law declaring what officer shall 'act as President.' The Congress does not provide by law in the latter case that the office shall 'devolve' on another officer, but simply that such officer shall become acting President. The spectacle of a great country like ours with simply one of the Cabinet at its head would not be satisfactory to the American people, and might be provocative of jealousy and cabal in the other Cabinet officers; and an acting President might remove the other Cabinet officers, and would most probably do so, in order to secure the succession, in case of accident to himself, in such person or persons as he preferred.

"Besides, it was an admitted defect in the act of 1886 that in case of disabling casualty affecting both President and Vice President in the interval between election and the appointment of the new Cabinet, the old Secretary of State would become acting President, succeeding the President of whose Cabinet he was a member. This would justly occasion dissatisfaction, and in case the officers elected were of the opposite party to that of the Secretary of State of the old administration, might provoke insurrection and discord, and perhaps revolution.

"Contingencies such as these should be removed as far as possible from the range of probable occurrence by providing against them in advance of the occasion, and the constitutional amendment certainly is an additional precaution in that direction. Besides, it is simple in form, requires no additional machinery to execute it if adopted, and does not in anywise disturb the existing laws, State or Federal, relating to the election of President and Vice President. It simply provides that the electors shall vote for three officers, instead of two, in the electoral colleges of the several States.

"In the language of the proposed amendment care has been taken to use the language of the Constitution relating to the election for President and Vice President, so that no difficulties in construction can arise, as might be the case in the employment of new words and phrases in relation to the matter.

"The committee therefore recommend the passage of the joint resolution with the following amendment: After the word 'States,' in line 16, insert the words: 'And the person voted for as Second Vice President by any elector shall not be an inhabitant of the same State with the person voted for as President or with the person voted for as Vice President by such elector.' "[8]

The resolution did not come to a vote, and although introduced in the succeeding Congress, it was not acted upon.[9]

In 1889, Representative Dibble again introduced his proposal providing for a Second Vice President and again no action was taken thereon.[10]

Proposals providing for multiple Vice Presidents were again introduced after the death of Franklin D. Roosevelt in 1945. In that year, Representative KUNKEL, of Pennsylvania, introduced a resolution patterned after the original Hammond bill of 1881, which provided for the election of a First, Second, and Third Vice President.[11] Neither this resolution nor an identical one introduced by Representative KUNKEL in the succeeding Congress were acted upon.[12]

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[8] H. Rept. 2493, op. cit. supra, at pp. 1–3.

[9] H.R. 30, 50th Cong., 1st sess. Introduced by Representative Dibble, of South Carolina, read twice, and referred to the Select Committee on Election of President, Vice President, and Representatives in Congress, 19 CONGRESSIONAL RECORD 230.

[10] House Joint Resolution 27, 51st Cong., 1st sess. Referred to the Committee on Election of President, Vice President, and Representatives in Congress, 21 CONGRESSIONAL RECORD 253.

[11] House Joint Resolution 230, 79th Cong., 1st sess. Referred to the Committee on the Judiciary, 91 CONGRESSIONAL RECORD 7663.

[12] House Joint Resolution 19, 80th Cong., 1st sess. Referred to the Committee on the Judiciary, 93 CONGRESSIONAL RECORD 48.

SOVIET MURDER OF U.S. AIRMEN

Mr. KEATING. Mr. President, a full review of the facts surrounding the shooting down of an Air Force training plane which strayed off course and over East German territory makes it fully evident that this was an error on the part of our airmen and an act of unwarranted brutality on the Soviet part.

In the past, Mr. President, few would have been surprised at such wanton violence on the part of the Soviets or East Germans. Yet, within the past year, the signing of the nuclear test ban treaty, and the U.S. agreement to sell wheat to the Soviets, has led some of our officials into what amounts to a rosy view of Soviet intentions.

This incident of senseless murder, in which three young men were needlessly brought to their death, should serve to remind our people and the world that the leopard does not change his spots, that the Soviets are not our friends, that our grain deal has not altered basic Soviet ruthlessness.

It is very clear, Mr. President, that the sale of grain to the Soviet Union has not been the greatly advantageous deal that many had hoped. In fact, when the complete costs, of subsidies for the wheat itself and for the shipping and for the Government guarantees of the risks taken, are totaled, the final result will show a profit primarily to the grain dealers and not to the people of the United States.

Furthermore, the long-term results, the increased sales to Cuba by allies who claim to have a surplus of buses, must also be weighed into the minus side of the wheat deal. There is reason to believe that our own Government was well aware that the wheat sale would open the floodgates of allied trade and credit to Cuba and the Soviet bloc, yet proceeded with the sale despite this knowledge.

Mr. President, it is incredible to think that American citizens are living in poverty and even starvation, while U.S. wheat is sold, at a subsidy paid by the taxpayer, to a nation that shoots down unarmed planes in cold blood. It is not surprising that the people of this country are struck with horror and revulsion at the most recent Soviet action.

In short, Mr. President, there is need for a lot more "quid" in our dealings with the Soviets and a lot less "pro." I believe our Government should make it clear to the Soviets that any further acts of unnecessary violence or murder of American personnel will result in immediate cancellation of pending wheat or other subsidized deals.

TOMORROW'S CHALLENGE IS TODAY

Mr. BIBLE. Mr. President, recently my State had the honor to play host to the national convention of young Democrats. During that convention there were many fine speeches and thoughtful interpretations of the world situation and the problems we face today. But none were more penetrating or showed a keener insight into the problems of our society than the speech made by my good friend the senior Senator from Wyoming [Mr. MCGEE].

Mr. President, I ask unanimous consent that that speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

TOMORROW'S CHALLENGE IS TODAY

(By Hon. GALE MCGEE, U.S. Senator from Wyoming)

There are those who warn politicians—even Senators—against speaking to Young Democrats. They have warned me. The Young Democrats, they said, are dangerous, radical, full of controversy and strife. My reply was that, whenever the Democrats stop being young, they will find it increasingly difficult to remain Democrats. What seems to disturb your critics is that you are guilty of thinking for yourselves.

Anyone acquainted with the status quo can tell you that thinking is a most dangerous activity. For it can lead you away from the tried and true methods of operation that have served so well for our fathers and forefathers. It can also result in trying new approaches to our problems, in consideration of things never done before, and may even lead to the admission that there are some new problems in the latter half of the 20th century.

But, as you can see, I have elected to take my chances and am here today to share with you a little of my opinion and a great deal of my concern for the state of the world and our Nation in the opening chapters of the space age.

My definition of where we are in the space age and where we are going will start with the positive side. I for one certainly believe in that type of thinking. Overall, it can be said that we are in reasonably good shape. The cold war continues, but the Communist offensive has lost its unity and some direction. Our domestic economy is making a habit of breaking production, profit, and consumption records. Perhaps the brightest of the stars by which we would chart our course is the hope for permanent peace that grows out of the test ban treaty and the new yeast of hope that is producing increasingly productive ferment in East-West negotiations. Indeed, historians may look upon this decade as the period which opened the door to a realistic peace. I certainly hope that that is the case. And this opening toward peace has allowed a leveling off in the arms race, and with that leveling off we may be permitted to devote more of our national energies toward the solution of the problems of disease, poverty, and our misuse of our national heritage.

So certainly we may take some satisfaction in the knowledge that the basic machinery of our Government is in sound condition and that our position in the world is one of strength and stability. Indeed, many of the problems that we are facing today come as the very result of the improvement in our status and world position. The fact that our allies find it easy to go off on their own tangents—the fact that it is becoming increasingly easy for the new or the small nations of the world to kick their bigger and older brothers in the shins—is evidence that international tensions have relaxed to the point where they do not fear that any untoward action on their part will immediately draw them into a major East-West conflict. So even some of our troubles stem from our improving position in the world.

Now we have briefly touched on some of the reasons why we Americans can take heart at the world situation. But I would now caution the Pollyannas in the audience, if there are any, to leave right now—because from here on in the going will get rougher.

ROOM FOR GROWTH

For it is my belief that, while we can and do find in our present situation the potential for growth and improvement, we may also find the potential for the eradication of our Nation and the elimination of a society of freemen. A study of the history of mankind makes it obvious that this alternative has always existed, but today the contrasts between the alternatives are so great and the price that mankind will pay for failure is so huge that the struggle for survival has an urgency never before felt in the world. In one instance the price of failure is not the demolition of a society and a retreat to old standards of existence from which a new society must again be constructed, for now we possess the unique possibility of eliminating ourselves in the attempt to eliminate the problems that beset us.

What is most disturbing about our problems is not the scope or nature of those problems but the increasing tendency among people—and many who should know better—to pretend the change is unnecessary and the best way to prepare for the future is to retreat into the past or to remake society on a pattern that hardly survived the 20th century. This society had as its hallmarks wholesale exploitation of our resources, human and natural. Certainly the nay-sayers have always existed and will continue to exist, and certainly there are those who care only for themselves and seek any means possible to advance their individual fortunes and conditions without regard for their contemporaries or their posterity.

These ungentle souls, with the light of unreason in their eyes, will not admit to the facts of life. They deny that life itself is the fact of change, and instead they seek to prevent and slow any change in any circumstance and to roll back such progress as has already been made. They deny that man has any responsibility for the welfare of his fellow man or that the philosophy of "git while the gitting's good" has obvious moral and philosophical shortcomings. They attack our present society and Government from many angles and seek to exert their influence over many spheres of influence. One of the most insidious and most damaging is their continual tirade against their Government—that system of law and order devised by a group of inspired men in Philadelphia in 1787, and known, respected, and feared around the world today as the United States of America.

But this Government and the things it represents are all but unrecognizable by their descriptions. To them our Government is a monster that exists only to deny them the right to live as freemen and to crush an enslaved people with iron discipline and bureaucratic controls. I think the line of attack, which takes many forms—some subtle, some not—should be easily recognized by you.

Since this is—whether you like it or not—the 20th century, and since our Government is a 20th-century government, there is no shortage of targets for the antiprogress faction.

RIGHTS FOR OTHERS

They say that Federal aid to education, social security, urban renewal, unemployment compensation, area redevelopment, aid to dependent children, Federal guarantees of civil and human rights, the balance of powers between the three branches of government—these things and many more are all part and parcel of a gigantic movement fomented by fuzzy intellectuals—none of whom has ever earned a dollar or met a payroll in his life—to sap the American of his initiative and to sell us down the road to socialism. And I must say it is gratifying that these people are fighting so hard for the right to be poor, to be ignorant and unemployed, and to be denied equal opportunity to earn a livelihood and participate in our democratic way of life. It is heartening to see how they fight so that our elders can spend their last years in poverty and dependency upon others and to make sure that our natural resources are used up as rapidly and inefficiently as possible. Now they have thrown their mantle around our polluted streams and skies. And what is most delightful about their concern for all these things is that they do not want them for themselves—just for other people.

In addition to the specific targets, these reincarnated know-nothings have a general line of attack that continues without letup. It details the fact that a dollar sent to Washington is a dollar lost, that a civil servant is constitutionally unable to perform efficient service, that a bureaucrat thinks only of how better to implement Parkinson's law, that the Government has greedily gotten into hundreds of occupations better done by private enterprise, and that the income tax would be unnecessary if only a real American—who knew how to meet a payroll—were in the White House. In short, their idea of a good system of Federal Government is to have no Federal Government at all. To me this is pretty close to anarchy, but they prefer to call themselves "conservatives." And I would even challenge this definition.

STEADY ATTACK

It is somewhat ironic that for a decade and a half—when the country struggled to overcome a staggering blow to its economic and social existence—the Communists and their fellow travelers preached the theory that democracy had had it, that the depression proved the system was inadequate to the demands of the industrial era, that the Constitution and all it stood for must go. Fortunately, they did not sell their line; and today we find ourselves one of the oldest republics on earth still going strong in an era that has problems that make the depression look like a minor irritation.

And yet we find that the continual harassment from the right, this steady drumfire of attack by direct assault and by innuendo is succeeding to a degree where the Communists failed. There is no doubt in my mind that in many people's minds the image of the Federal Government is tarnished and decayed. The repetitions of the far rightists, like the hard sell on the television, have made a mark—have become an idea that exists, almost without a source, in far too many minds. If this climate of opinion becomes deeply rooted in the American mind, it becomes a far easier thing to destroy the system, to manipulate it to your own ends, to twist and distort the precepts of the Founding and Preserving Fathers until they serve your own ends and not the public interest. If the people do not respect this Government, they will not object to its destruction or emasculation.

Of course, many will say that I am crying wolf; the far rightists will say that I have dreamed this whole thing up in a vain attempt to save my own political neck at the expense of truth and freedom. Others will point out the solid support that rational acts always seem to generate when the chips are down. And while I agree that there is now a growing concern that we govern ourselves as rational human beings and ignore fanaticism from any quarter, one of the most famous of the famous last words is "It can't happen here."

What is happening here is the planned unleashing of a rampant public hypocrisy. As the Federal Government is being downgraded, smeared, and assaulted in one breath, it is turned to and beseeched for help and assistance and protection in the next. No single question, for example, crops up in my correspondence more than the petition of peoples of all levels to cut down the Federal Government, cut out Federal spending. And yet, these same correspondents—many of whom don't even wait until the next letter but rather rush into the very next paragraph—say, "But, Mr. Senator, the chamber of commerce trusts that you can get a few little old million dollars for a spur from the Federal highway through the business district, or the community needs help on a new sewer system, or the county needs a new lake with which to lure tourists." This is what I mean by public hypocrisy—it is talking out of both sides of the community mouth by pretending to hate the Federal Government at one moment and turning to it for essential help in the next. It is this kind of hypocrisy that has been manufactured into a national sickness.

I can respect the man who says he wants no part of the Federal Government and lives up to his declaration, however unwise or unrealistic this may be. But I cannot respect the man who doubletalks by mouthing one thing on Main Street and doing the opposite behind the backs of his business cronies and neighbors.

LIBERTY EARNED

We have before us today the great task of keeping our public mind honest. The hypocrisy of antifederalism must be exposed on every hand.

It has been said that liberty can never be inherited—that it must be earned again by each generation. I believe that this is true. Perhaps it does take some shocking event to make us realize that by our sloth and self-indulgence, by our concern for our personal welfare and our unconcern for our public well-being, our liberty, our inheritance of a free society has been slipping away from us. Perhaps it has taken a startling vision of how the world would be if the irresponsibles gained the ascendancy to awaken us to the fact that our birthright is being taken from us by those who are always ready to step in with irresponsibility when responsible men leave the field.

Well, we have had a shocking event—a tragedy of such dimensions that even now, more than 2 months later, we cannot fully comprehend or believe it. For those of us who knew him, for a nation that knew and loved him, the world will never be quite the same. In the person of John Fitzgerald Kennedy were all the qualities upon which a civilization prides itself. His was a combination of intelligence, humor, integrity, and knowledge that produced astonishing capabilities for leadership. And he sought and won the position of leader of the free world. How well he exercised that leadership history alone will judge. But for myself, I am satisfied that he set this Nation and its friends in the world on a new course toward peace. And I further believe that, if we have the courage and the perseverance to follow the guideposts he has set for us, we may some day reach the destination he so keenly desired.

But we will never know what John Fitzgerald Kennedy could have accomplished with his amazing potential. His carefully laid foundation must now support the work of new architects. Men who share his convictions and concern for country must now carry on. And the Nation carries on too. And this is a nation that, I hope, has learned what a price indifference carries. It is a nation that awoke from daydreams of comfort and opulence to find that the realities of this age will not permit careless concern for the essentials of life and liberty.

We have paid a price for our carelessness. It was a price we could ill afford, but we have paid it nevertheless. It now remains to see if we will retain the lesson purchased with a martyr's blood and a widow's tears. The pollsters—those national diagnosticians with their finger continually on the public pulse—tell us that the average citizen now feels a strong sense of revulsion when he is harangued by a prophet from the extremes of our society. They say that many more of us now realize that tolerance and respect for diversity are part of our national heritage and a part of true American patriotism. They tell us these things, and I hope that they are right.

So perhaps we can take new hope from this new attitude. But I would prefer to take new actions to gain even further ground on our domestic enemies of ignorance, fear, and unreason. For despite the many who have been jolted into a new realization of the facts of life, there are many still preaching the old line of fear, hate, and suspicion—there are many still tramping the land with neatly packaged doubts and distrusts, many still setting up plausible scapegoats and inviting the unwary to chase their problems away in one, easy action.

NEW ATTITUDES

The world still turns on its axis in about 24 hours—in 365 days our planet makes a journey around the sun. These facts were true 10 years ago—1,000 years ago and, give or take a few milliseconds, 1 million years ago. The complex laws of nature have not changed. But in just a few generations the whole complex of events and attitudes that govern man's relations with his fellows have undergone drastic and continuing change. John F. Kennedy, speaking at the University of Wyoming, remarked that when Robert Peel was called from Rome to become Prime Minister of England it took him the same time, even to the day, to make the journey to London as it took the Emperor Hadrian to make the same trip 1,900 years earlier. Now that journey can be made between breakfast and lunch. The pace of the space age can also be illustrated by the fact that 90 percent of the world's scientists are living today. In this world of constant and increasingly rapid change, those who stand pat on the pronouncements of their grandfathers are no longer even in the race.

A little more than 100 years ago Abraham Lincoln made his second annual message to Congress. He spoke in a period when the future of the Nation looked dark indeed, when crisis was commonplace, and when only the most hopeful held out the vision of success. In his message, Abraham Lincoln spelled out the attitude he deemed necessary to any solution of the Nation's problems. He told that Congress "the dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew and act anew. We must disenthrall ourselves, and then we shall save our country."

This message has increased validity today. We must move ever faster in thought and action if we are to succeed in this age. The problems of Berlin, Panama, East Africa, and the East Indies will not be solved by those whose solution to all problems international is to "show the flag" and wave our big nuclear stick. The domestic problems of unemployment, discrimination, and education will not be solved by suggesting that success comes to those with initiative and persistence while those who are underprivileged are obviously getting their just desserts for serious personal shortcomings.

I would contrast these attitudes to a statement made by a man who could easily have lived a soft life of indulgence and spent his time condemning the poor because they were poor. He chose not to do this. Instead, he chose to believe, and I quote John Kennedy, that "* * * when the youngest child alive today has grown to the cares of manhood, our position in the world will be determined first of all by what provisions we make today—for his education, his health, and his opportunities for a good home and a good job and a good life."

ALL FOR ACTION

And John Kennedy led a party that shares his beliefs and aspirations. The present and future leader of that party is also a man who believes that indeed we have a responsibility that extends beyond our own doorstep—that indeed the world cannot now exist half rich and half poor, that a nation with 10 percent of its citizens living a substandard existence in the midst of plenty is not living up to the ideals of its founders or the responsibility of citizenship in a democracy.

In his program to combat poverty, Lyndon B. Johnson has served notice upon the Nation and upon the world that he intends to launch an attack upon the inequalities that still blight our Nation. He has demonstrated that he believes that partial prosperity or almost equal treatment is not enough. I for one am proud to be a part of this new assault on complacency and self-satisfaction. And I am proud that President Johnson has made this call for action and progress. He knows full well that the alternative to progress is destruction. Time marches on; those who cannot keep up are trampled under.

We in this decade have seen new ideas catch hold and fire a people with new life, with new determination. After 100 years the Negro had determined that he will have what are his by right and that he will not tolerate procrastination and half measures.

The residents of the old colonial empires—now called by the facesaving term, underdeveloped areas—have determined that the rights, freedoms, and even the physical safety and comforts of the prosperous nations are not to be denied them. These new ideas put in action movements that will not be stopped by protests and stubbornness. In the words of Victor Hugo, "An invasion of armies can be resisted; an invasion of ideas cannot be resisted."

And yet while the world boils a dozen cauldrons of trouble in a dozen critical areas, we cannot impress upon the standpatters the necessity for change. To them anything new is dangerous. They prove Walter Bagehot right when he said, "one of the great pains to human nature is the pain of a new idea."

Yet we must be pained if we are to endure. We must have those people willing to think anew to disenthrall themselves. We must replace doubt and obstinate immobility with confidence and action.

At the beginning of these remarks I mentioned that this group has a reputation for thinking, and I say to you now that I thank the Lord for it. For it is people like you—that are unafraid of the unknown, willing to test the untested, and anxious to move to better things—who must be the leaders in the months and years to come. For our challenges have just begun. The one-half of the world now assuming for themselves the power of self-government and just now realizing the inequalities of the world have just begun to make themselves heard and felt in our international councils. The population explosion of the world, of our Nation, has sealed off traditional retreats and escapes for the problems of people interacting with other people. We cannot escape these new problems; we must solve them. And the solutions will become increasingly harder. And some of the really hard ones will raise such howls of indignation from the stand-patters that it will take all the courage, the persuasion, and the persistence that can be mustered to save them and ourselves from the fruits of myopia and inaction.

ROOM FOR BOTH

Much is being said and missaid about liberalism and conservatism in our land as though either one of these philosophies somehow had a monopoly on wisdom. The history of our country is replete with experiences in which each has written significant chapters in the stirring American story.

The liberals, for example, wrote the Declaration of Independence; the conservatives wrote the Constitution. Neither was willing, nor in fact could have done the work of the other. Both were desperately needed—but at the right time and in the proper sequence. A clean-cut liberal voice and a clear, articulate, conservative voice must be heard at all times in order to resolve our national questions. Any efforts to obscure either only intrude upon the national interest.

There are those who ask what is the difference between a liberal and a conservative (as opposed to reactionaries who would like to turn back the clock and sit tight). The answer is that the liberals are readier to change with the changing times or, conversely, the conservatives are slower to change. But both are committed to that inevitable fact of history—change.

The question for the 1960's is whether we change fast enough and with sufficient wisdom to keep pace with the exploding needs of our day. If in the face of the more than 50 new nations born since World War II; of billions of people who have begun to have their first look at what they have a right to expect on this earth; of exploding knowledge that has already doubled in half a generation, do we dare as a nation to decide that this is the time to sit tight, hang on to our hats, and not rock the boat? If we do, then we should prefer the impulses of the conservatives in our land at this moment.

On the other hand, history teaches us nothing if not the inevitability of change. Either we can pretend this is not so and be swept away by it, or we can face it realistically and strive to channel the currents of change in realistic, reasonable, and peaceful directions. This latter must be the decision by liberals for our time.

Our Nation is a nation with a proud history of people who were not afraid of the future, who faced the known and unknown dangers of the frontier without flinching. We have developed our great natural heritage through hard work and the ability to gage the future and meet its demands. With that heritage for a foundation, with the knowledge that we must lead the world or be enslaved by it, we will continue the struggle for liberty and freedom.

As he closed his message to the Congress, Abraham Lincoln noted that "Fellow citizens, we cannot escape history * * *. The fiery trial through which we pass will fight us down, in honor or dishonor, to the latest generation." To the future generations and to freedom and the honor of freemen everywhere we must dedicate our lives.

CITY OF LENNOX, S. DAK., WINS NATIONAL AWARD

Mr. McGOVERN. Mr. President, last evening at an impressive ceremony in Washington's International Inn, the city of Lennox, S. Dak., was awarded the first place trophy in the 1963 National Cleanest Town Achievement Award contest for cities of 5,000 population and under.

Mayor Fred Courey accepted the trophy on behalf of the city of Lennox. This is a fitting tribute to this fine and progressive community of 1,300 people in southeastern South Dakota. This is a proud moment for all South Dakotans and especially the city officials and residents of Lennox.

I ask unanimous consent that the news release of this announcement be printed in the RECORD at this time.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

LENNOX WINS FIRST PLACE TROPHY IN NATIONAL COMPETITION

WASHINGTON, D.C.—The city of Lennox captured the first place trophy in the 1963 National Cleanest Town Achievement Award contest in competition with cities of 5,000 population and under. The announcement was made by R. H. Hackendahl, director of the National Clean Up-Paint Up-Fix Up Bureau, following the final judging event. Fountain Inn, S.C., won second place and Jourdanton, Tex., received the third place trophy in this population category.

Hackendahl praised the citizens of Lennox for their community improvement accomplishments and said this award, earned in stiff competition, should serve as an even greater incentive to expand the city's clean up-paint up-fix up program in 1964.

Lennox scored high in the final judging event due to the city's vast accomplishments in every phase of community improvement, health and safety, and juvenile decency. The judges highly praised the work of Editor Verlyn Hofer in his relentless effort to keep the city's 1,353 citizens enthusiastic for the clean up-paint up-fix up program and abreast of its progress.

The city's beautifully engraved trophy was presented in a dramatic unveiling ceremony during a press reception at the International Inn in Washington, D.C., on February 4.

Hundreds of civic leaders, State government representatives, mayors, Congressmen, Senators, and members of the Washington press corps attended the elaborate reception and viewed the winning scrapbook entries and trophies.

The distinguished panel of judges and R. H. Hackendahl, director of the National Clean Up-Paint Up-Fix Up Bureau, officially greeted the Federal, State, and city leaders who arrived from all areas of the country to witness the presentation of the 1963 awards.

Mrs. Dexter Otis Arnold, president of the General Federation of Women's Clubs and chairman of the judging committee, made the official announcement of all 1963 winners. In addition to Mrs. Arnold, the other members of the judging committee were: S. Howard Evans, community development specialist, U.S. Chamber of Commerce; Richard N. Oakland, director of town affiliations, American Municipal Association; Mrs. Esther Peterson, Assistant Secretary of Labor, Director of the Department's Women's Bureau and newly named Special Assistant to the President for Consumer Affairs; and Glenn E. Snow, assistant executive secretary of the National Education Association.

The National Cleanest Town Achievement Award competition was established by the National Clean Up-Paint Up-Fix Up Bureau in 1947 to enable cities and towns throughout the country to gain national recognition for their civic improvement efforts. The entries are judged in eight population categories, enabling cities to compete on an equal basis. Awards are based on the degree of achievement in relation to civic beautification, slum prevention, health and safety, juvenile decency, fire prevention, renewed civic pride, and new business development.

SCHOOLGIRL REFLECTS ON THE DEATH OF PRESIDENT KENNEDY

Mr. McGOVERN. Mr. President, as we all know, the shock of the death of the late President Kennedy affected Americans of all ages. One of the finest tributes I have seen was the reaction of a young 12-year-old schoolgirl, Emily Ann Barnes, of 184 Asbury Avenue, Carle Place, Long Island, N.Y. This child captures the significance of the President's death in words of wisdom far beyond her years—words which were written solely as an outlet for her emotions, meant only for her own solace. Her father, Sullivan Barnes, brought them to my attention, and I ask unanimous consent that her short reflection be printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

NOVEMBER 22, 1963.

It started out as a regular Friday morning. I started to school early to see Mr. Jacquenot, but missed him. Nothing special happened in the morning nor in the afternoon until in last period, math, we were taking a quiz on fractions, when about 2:10 p.m., a boy yelled into our classroom. He said: "Hey, Miss Ludlow, Kennedy was shot." Everybody laughed. We all thought he was kidding. Miss Ludlow went out for about 5 minutes which is unusual during a test. She came back, real flushed and red. She said: "There is a rumor that the President and the Vice President have been shot." Now no one laughed. About 2:20, Mr. Coop announced over the intercom what had happened: "Vice President Johnson has been shot in the arm and President Kennedy in the head. It is not determined what their condition is." Everyone groaned. In the head. We waited tensely for about 3 or 4 minutes. Finally the intercom blasted out the fatal words: "President Kennedy is dead." At this time, many students' and teachers' eyes filled with tears. Mr. Coop started to say something else and then stopped. Finally the secretary came on sharply: "Would the janitors please lower the flags to half mast." It was true. They were not rumors but hard, true facts. We never finished that test. The halls were frightfully quiet. No one said a word, just looked at each other in quiet mourning. Many students sobbed outwardly but we were all saying inwardly, "Why, Why?" He was so nice. Always considerate, no matter what the situation called for. Patience, help, love, all these and many more were in the President. He always had a smile on his young face. The bushy hair, deep circles, broad shoulders, and Bostonian accent so many times imitated are no longer with us. Why? A rifle answers a part of this question. A rifle found in a building from where the bullets came. Fingerprints and more and more evidence, but still no answer. The man accused was killed before trial by still another human whose ideals were different from ours. This man is now accused of slaying the man who slayed our dear President. Can this horrible thing go on? Yes, it can, unless tomorrow we turn to God.

EXCHANGE OF CORRESPONDENCE WITH THE SERBIAN ORTHODOX CLERGY

Mr. DODD. Mr. President, as I have already informed my colleagues, the Senate Subcommittee on Internal Security has decided to look into the increasing number of visits to this country by clergymen of various denominations coming from countries now under Communist domination. Among other things, the subcommittee will seek to determine whether church organizations in these countries operate under the control of the Communist state authorities, and, if so, to what degree; and we will seek to assess the implications from an internal security standpoint when clerical authorities operating under Communist control, in turn, exercise direct hierarchical control over American church communities.

Unfortunately, there has been some misunderstanding of the purpose of this investigation. I have endeavored to clear up these misunderstandings in replies to members of the Orthodox Church, in particular, the Serbian Orthodox Church, who still adhere to the mother churches in their Communist-dominated homelands.

For the information of my colleagues, I ask unanimous consent, to have printed in the RECORD at this point the text of my statement of December 20 on the situation in the Serbian Orthodox Church, a communication received from the three Serbian Orthodox bishops recently appointed by the Belgrade Synod, and the letter which I wrote in reply.

There being no objection, the statements and letter were ordered to be printed in the RECORD, as follows:

THE CRISIS IN THE SERBIAN ORTHODOX CHURCH

In July of last year, I announced that I had asked the Senate Subcommittee on Internal Security to look into the increasingly frequent visits to this country of church delegations from the Communist bloc countries.

I said at the time that there was strong reason for believing that the motivation for these visits was not entirely spiritual, that the visits were, on the contrary, designed to extend the influence and control of the mother churches in the Communist bloc countries over the Orthodox Church organizations and church communities in this country. And I further stated that this situation was of direct concern from the standpoint of internal security because what is involved here is an effort to subject the several hundred American Orthodox Church communities and their diocesan organizations to the control of clerical authorities who are, in turn, under the direct control of their Communist governments.

Since that time, the staff of the Senate Subcommittee on Internal Security has been gathering information relating to the situation in the Serbian, Rumanian, Russian, and Bulgarian church communities in this country.

In a statement on the floor of the Senate on November 5, I pointed out, among other things, that the effort to subject the Serbian Orthodox Church community in this country to the direct control of the Belgrade Synod had produced an open split in the Serbian Orthodox community and that the majority of Americans of the Serbian Orthodox faith had voted a resolution calling for spiritual unity with the mother church but for independence from its hierarchal control.

In taking this stand, they stated that the Belgrade Synod is not free since it must make its decisions in collaboration with and with the approval of the so-called Federal Commission for Religious Questions of the Federal Socialist Republic of Yugoslavia, they claimed that the continued existence of their diocese required a determined struggle against all efforts at Communist infiltration; and they declared that their attitude would be in harmony with the welfare of the United States and Canada.

The Belgrade Synod ignored the expressed wishes of the majority of the Serbian Orthodox community in this country and, over their opposition, divided the North American diocese into three new dioceses and appointed and consecrated three new bishops to take control of these dioceses.

These bishops were consecrated by the delegation of Serbian Orthodox clergy who visited this country during the months of July and August. The delegation consisted of Bishop Visarion, Bishop Christon, and the Very Reverend Mladen Mladenovich. In addition to consecrating the bishops who had been appointed by the Belgrade Synod, they used their presence in this country to endeavor to seize control of the real estate and assets belonging to the Serbian diocese and affiliated organizations.

Since the visit of the Serbian Orthodox clergymen to this country and especially since the visit of Marshal Tito to this country during the month of August, the rupture in the Serbian Orthodox community in America has resulted in a series of violent encounters between the majority, which had voted to establish an American church free of Belgrade control and the pro-Belgrade faction.

There is a consistent pattern to the many incidents that have taken place. The pro-Belgrade faction will send a group of stalwarts along to a church meeting and attempt to break it up by shouting and hooting and stamping, even when the priest is delivering a benediction. Sometimes they have held up the business of meetings for hours on end. In many instances, they have thrown chairs and started fist fights and physically beaten up leaders of the opposition.

There have been incidents of violence over the past 2 months in virtually every important Serbian Orthodox community in the country—in Pittsburgh, in Chicago, in Youngstown, Ohio, in Detroit, in Cleveland, in St. Louis, Mo., in Akron, Ohio, in Gary, Ind., and at many other points. In many of these centers, the police riot squads have been called out repeatedly to quell disturbances or to prevent further bloodshed.

In Chicago, Ill., three men were hospitalized after one fight at a church meeting.

In Los Angeles, a member of the anti-Belgrade church group was beaten up and suffered a broken arm.

In Bellwood, Ill., a member of the anti-Belgrade church board was hospitalized after being severely beaten at a church board meeting, while an anti-Tito radio announcer was beaten upon his way to a broadcast.

Everything indicates that these persistent incidents in every part of the country are the product of a planned campaign of physical violence, which is condoned, if it has not been directly instigated by the Belgrade authorities.

Other things have happened which I should also like to bring to the attention of my colleagues.

First of all, there is the fact that litigation has been initiated or is anticipated involving the two rival groups of the Serbian Orthodox communities, in Joliet, Ill., in Detroit, in Cleveland, in Youngstown, Ohio, and in Chicago. On the one hand, the American Serbs who have voted to break with Belgrade must finance this costly litigation out of their hard-won earnings; on the other hand, the pro-Belgrade faction apparently suffers from no shortage of funds for purposes of litigation in American courts. I have been informed by members of the Rumanian Orthodox Church in this country that they have already spent some $200,000 in defending themselves against court actions initiated, in a similar situation, by the pro-Bucharest group in the Rumanian-American community. I fear that the American Serbs who refuse to take dictation from Belgrade may have to pay a similar high price for their loyalty to America.

Second, it has come to my attention that Americans of the Yugoslav origin applying to the Yugoslav consul in Chicago for visas or for the certification of documents have been asked which side they are on in the Orthodox Church dispute in this country, the clear implication being that those on the pro-Tito side will be favored. I consider this an intolerable intervention by the Yugoslav authorities in what is essentially an American domestic situation, and I have asked the State Department to look into this matter because of its grave implications.

Third, in their desperate efforts to maintain control over the 70-odd Serbian Orthodox Church communities in this country and Canada, the Belgrade authorities have threatened to excommunicate Serbian clergymen and laymen who do not accept the control of the Belgrade Synod.

Finally the Committee staff is currently studying the transcript of a deposition by the Very Reverend Mladen Mladenovich, secretary of the Belgrade synod in the circuit court of Lake County, Ill., on November 29, 1963. This deposition was given in connection with pending litigation involving the assets of the Serbian Orthodox diocese.

In his cross-examination, Reverend Mladenovich was obliged to admit that the Orthodox Church in Yugoslavia received a very large part of its income directly from the Communist Government of Yugoslavia and that it functions under the direct supervision of the Federal Committee for Religious Affairs, which, in turn, is appointed by the executive council of the federal government, consisting of Tito, Rankovich, Kardelj, and other members of the Yugoslav politbureau.

Let me quote to you a brief exchange that took place between the examining counsel and Reverend Mladenovich:

"Question. Are these three men—Tito, Rankovich, and Kardelj—members of any church?

"Answer. I cannot say that, because it is unknown to me.

"Question. Well, let's take Tito. Is he a member of any church?

"Answer. He knows. I don't know.

"Question. Is he an atheist?

"Answer. I know for myself; but as for him, I don't.

"Question. Do you know whether Tito is a member of the Communist Party?

"Answer. I know, inasmuch as I read in the newspapers that he is principal secretary of the party.

"Question. Is he a member of the central politburo?

"Answer. Yes, he is. From the press I learn that he is the general secretary.

"Question. Did you ever talk to him?

"Answer. No.

"Question. Did the patriarch talk to him?

"Answer. Yes.

"Question. What about Rankovich? Is he a member of the Communist Party?

"Answer. I don't know. I presume that he is.

"Question. Is he a member of the central politburo?

"Answer. Yes.

"Question. What about Kardelj?

"Answer. Same.

"Question. Member of the Communist Party, and a member of the Central Politburo?

"Answer. Yes."

The Reverend Mladenovich at another point was asked about the imprisonment of the American born Bishop Nascitich by the Belgrade government. Let me quote a few pages from the exchange on this point:

"Question. Do you know Bishop Nascitich?

"Answer. Yes, I know him.

"Question. Is he now under suspension?

"Answer. It is not clear to me. What kind of suspension?

"Question. Any kind.

"Answer. He has the right to serve as bishop, and he has no diocese. He is in prison——

"Question. He's an American citizen, isn't he?

"Answer. Possibly.

"Question. Was he arrested by the Communist government?

"Answer. He was sentenced by a regular court, and as such, was sentenced.

"Question. Was that a Communist court?

"Answer. It was a government court.

"Question. Was that the Communist government?

"Answer. Yes, in the country, there is a Communist government.

"Question. Was Bishop Nascitich arrested because he insisted he was still an American citizen?

"Answer. No.

"Question. Are you familiar with why he was arrested?

"Answer. Because in one of his preachments in the church, he had violated their laws, that priests are not permitted to attack the Government and the party.

"Question. By that, you mean they're not entitled to attack the Communist Party or the Yugoslav Government?

"Answer. Yes, in the preachment. The priest is permitted to talk about what is in the Bible, and in his own services, but is not permitted to attack the Government, and carry on political activity in the churches, in his speeches, political subjects.

"Question. Now, ask him this question. Do you mean not permitted to attack the Yugoslav Government?

"Answer. Not only him, but no priest, anywhere, is permitted to attack.

"Question. The Communist government?

"Answer. No priest, anywhere, is permitted to attack the Government. It is only permitted to interpret the Bible, and whatever is part of his ecclesiastical service."

The Reverend Mladenovich also confirmed that when he arrived in New York in June 1963 he and his party were met either by the Yugoslav consul or by a representative of the Yugoslav consul.

Reverend Mladenovich was asked the following:

"Question. To whom are the three new bishops that are plaintiffs in this case responsible for their actions in the United States?"

In reply to this question, he made the following statement:

"Answer. They are not responsible to anyone in America. They are responsible to the Holy Bishops Assembly, which elected them, for the performance of their duties. No one else has a right to judge the bishops, except the Holy Bishops Council and the Holy Bishops Synod."

I am not sure that the Reverend Mladenovich realized the profound significance of this statement and the impact that it would have on American readers. For, what the Reverend Mladenovich has admitting, in effect, was the newly appointed Serbian Orthodox bishops in this country are completely and exclusively responsible to the synod in Belgrade, which, in turn, is reponsible to and functions under the supervision of the Yugoslav Communist government.

Mr. President, only the Communists stand to gain from the violence that has now erupted in the American-Serbian community on the issue of accepting or rejecting the discipline of the Belgrade Synod.

The situation is doubly tragic because, as I already pointed out, the overwhelming majority of those Serbs who have refused to break with the mother church are not in any sense pro-Communist. On the contrary, they are anti-Communists; they are, by and large, decent American citizens who have been swayed by the strong traditional attachment to the mother church and by the clever propaganda of Belgrade.

I have received two letters from Serbian-American clergymen who belong to the group who refused to break with the Belgrade

Synod. I am impressed by the sincerity of these letters; and it is clear from their content that the authors are strongly anti-Communist. I want to assure these clergymen that they will have an opportunity to present their point of view fully to the Senate Subcommittee on Internal Security when the hearings get underway. But I must say that the letters I have thus far received fail to adduce any evidence that in any way rebuts the evidence that the Belgrade Synod functions to a large measure under the control of the Belgrade Government.

I have asked the staff of the Senate Subcommittee on Internal Security, in anticipation of early hearings on the subject, to accelerate the tempo of its investigation, and I have asked in particular that they look into the epidemic of violence and bloodshed that has now erupted in Serbian Orthodox communities throughout the country.

Thomas J. Dodd,
U.S. Senator, Acting Chairman of Internal Security Subcommittee, Washington, D.C.

Honorable Sir: We the undersigned being the three duly appointed and consecrated bishops of the Serbian Orthodox Church for the United States and Canada respectfully object to your press release appearing in the Chicago Tribune and other newspapers throughout the country on December 24, 1963, wherein we are charged as being agents of the Communist government of Yugoslavia and in particular as being subservient to Tito. This is not a fact as evidenced by the objections of the undersigned to the President of the United States asking that Tito not be permitted to visit the United States.

In addition to which strong public protests were made by the undersigned against such a visit by Tito. As a result of your statements we are receiving thousands of protests from American-Serbs throughout the United States all of whom are good American citizens, objecting to the statement that their church is Communist controlled and that its clergy are Communist. The suspension of the Bishop Dionisije was instigated by hundreds of complaints by American-Serbs of his diocese documenting serious moral and embezzlement charges and as a result of these charges, the delegation which appears in your report was in fact sent here at the request of the American diocese and executive board to investigate the charges against Bishop Dionisije.

Your statement also indicates a Belgrade-inspired decision of the Serbian Orthodox Church in the United States when in fact the creation of more dioceses in the United States and Canada was at the request of the American and Canadian Serbs and was done to strengthen and greatly augment the power of the American-Canadian Serbian Church.

The property referred to in your statement is owned and controlled by the lay people of the church and enjoys complete autonomy from the mother church in Yugoslavia.

There has never been an intent, as your statement recites, by the undersigned or by an official of the church administration either here or abroad to seize control of any of the assets of the Serbian Diocese in the United States of America and Canada. In fact, it is well known by all concerned that the property of the church in the United States belongs exclusively to its lay people in this country who are members of the various church congregations.

The Serbian Orthodox Church in the United States of America and Canada enjoys complete administrative autonomy guaranteed by the constitution and canons of the church and is tied to the mother church only spiritually and hierarchical. Your information as to our receiving funds from Yugoslavia is absolutely and entirely unfounded and untrue.

We have never, nor will we ever, accept any contributions from Yugoslavia. We, therefore, respectfully request an immediate full hearing into this serious and unfounded charge and we and our entire clergy hereby voluntarily offer to testify before your committee at the earliest opportunity you may afford us.

Bishop Firmilian, Middle Western American Diocese of the Serbian Orthodox Church; Bishop Stepan, Middle Eastern American-Canadian Diocese of the Serbian Orthodox Church; Bishop Gregorius, Western American Diocese of the Serbian Orthodox Church.

January 9, 1964.

The Most Reverend Bishop Firmilian,
The Bishop of the Middle Western American Diocese of the Serbian Orthodox Church, Chicago, Ill.

Dear Bishop Firmilian: I wish to acknowledge receipt of your telegram of December 24 which you signed jointly with Bishop Gregory and Bishop Stefan.

I have not seen the Chicago Tribune article in question, and I cannot comment, therefore, on it. However, I enclose for your information several copies of a statement which I made in the Senate on December 20, 1963.

I have received many other letters, it goes without saying from Serbian citizens on both sides of the present controversy. From these letters, I have the impression that there has been some misunderstanding or some misrepresentation of my position. For the purpose of the record, therefore, I should like to make it clear where I stand, the reasons behind the subcommittee's decision to embark on the present investigation, and the contemplated scope of this investigation.

I should first of all like to make it clear that I consider myself a friend of the Serbian people, that I have spoken repeatedly in defense of their wartime hero, Gen. Draja Mihailovich, and that I do not believe it would be possible to find any more solid, more pro-American or more anti-Communist sector of the American community than the several hundred thousand Americans of Serbian origin. I am indeed distressed to see that the present schism has brought so much bitterness into what was previously a homogeneous and happy community.

It is not accurate that I charged you or the Serbian Orthodox clergymen associated with you, of being agents of the Communist government of Yugoslavia. On the contrary, I said the following: "The overwhelming majority of those Serbs who have refused to break with the mother church are not in any sense pro-Communist. They are anti-Communists; they are, by and large, decent American citizens who have been swayed by the strong traditional attachment to the mother church and by the clever propaganda of Belgrade."

It is also not accurate that I said you were receiving funds from Yugoslavia. I did say that the Orthodox Church in Yugoslavia received a substantial part of its funds from the Tito government, and this statement I believe to be accurate.

The contemplated investigation will not be confined to the Serbian Orthodox community. There is a larger problem here that involves the entire relationship between church and state in the Soviet Union and in the Communist bloc countries. Preliminary documentation and evidence strongly suggests that these churches function to a very large degree under the control of their Communist governments; and it establishes beyond any doubt that many ranking clergymen of these countries have taken political positions on Cuba, on the peace movement, etc. that can only be construed as supporting Moscow. One of the matters that we shall endeavor to assess is how pervasive this control is. We are also interested in determining the significance for America, from a security standpoint, when religious authorities who themselves must function under the control or partial control of Communist governments, in turn exercise direct hierarchical control over church communities in this country.

I want to assure you again that you will be given every opportunity to present your point of view to the Senate Subcommittee on Internal Security.

Sincerely,

Thomas J. Dodd.

SENATOR RANDOLPH URGES PRESIDENT JOHNSON TO SUPPORT RENEWAL OF THE ACCELERATED PUBLIC WORKS ACT

Mr. GRUENING. Mr. President, while we are debating a tax-cut measure which its sponsors and proponents feel will stimulate our economy, increase employment and diminish unemployment—assumptions which remain to be proved—there is a crying need for legislative and executive action on a measure which will definitely achieve these desirable results, and has proved it by past performance.

It is to revive the Accelerated Public Works Act, which during its activity has produced not only worthwhile and needed projects, but has stimulated employment. As this legislation, whose $900 million appropriation has been exhausted, has already clearly demonstrated its efficacy, we deal here with a certainty. Unfortunately, the original authorization and appropriation of $900 million was inadequate and was soon expended. Nearly a year ago I introduced legislation urging an authorization and appropriation of a sum equal to the amount authorized for foreign aid. It is my view that the Accelerated Public Works Act can be considered a sort of domestic aid program, and I have long contended that we should do at least as much for our own citizens as we are doing for the hundreds of millions of people in over a hundred foreign lands. Had my bill been acted upon promptly, I am confident that our unemployment would by now have been substantially decreased and our communities improved by the acquisition of numerous needed public works. Had my bill been enacted, about $3 billion would have been authorized. Senator McNamara, likewise deeply concerned with our perpetual unemployment—which I consider a disgrace in our so-called affluent society—also introduced a bill last July to authorize another $1.5 billion. That likewise has not been acted upon.

Recently an ad hoc subcommittee of the Public Works Committee, appointed by the latter's distinguished chairman, Senator Pat McNamara, of Michigan, has been holding hearings on the need of authorizing and appropriating additional sums so that the accelerated public works program may be resumed. This ad hoc subcommittee was chaired by the able senior Senator from West Virginia, Mr. Jennings Randolph. These hearings brought forth a wealth of testimony from all over the Union. We heard from State Governors and other State officials, from mayors, from county officials, and from private citizens representing diverse groups, labor, business, professional, as to the great need for the resumption of the accelerated public works program. As a member of the subcommittee, I was not surprised at the overwhelming nature of the support for this legislation and at the urgency with which it was presented.

Senator RANDOLPH, the subcommittee's chairman and the ranking Democrat on the Public Works Committee, whose long and distinguished career, first in the House, and for the last 5 years in the Senate, has been conspicuous for his devotion to the public interest has consequently been a consistent and vigorous advocate of all measures to diminish unemployment, as indeed for all measures designed to improve the national economy, did not rest with his unremitting advocacy of this and similar measures on the floor of the Senate. He went to see the President to enlist his support. He deserves unqualified commendation for his vigorous leadership.

A press release by Senator RANDOLPH recounts his visit to the White House. I ask unanimous consent that this release be printed at the conclusion of my remarks.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WASHINGTON.—President Johnson's support for a new authorization of expenditures for accelerated public works has been urged by Senator JENNINGS RANDOLPH, Democrat, of West Virginia, during recent conferences at the White House, the West Virginian reports.

Stating that he would not presume to interpret the President's views or his ultimate policy decisions, Senator RANDOLPH said, however, that he believes "acceleration of public works eventually will be included in the arsenal of the President's antipoverty program," and he added: "To make this possible, it is my hope that the Congress will authorize at this session an extension of the worthwhile APW program in an amount approximating $1 billion."

Senator RANDOLPH noted that the House Committee on Public Works has reported a measure which is before the House Rules Committee that would authorize new APW expenditures of $900 million. This, he further noted, is the amount authorized and appropriated under the provisions of the original Accelerated Public Works Act of 1962. He pointed out that the new legislation is necessary because the original authorized amount has been almost completely appropriated and expended or obligated.

Pending before the Senate Committee on Public Works and its special subcommittee headed by RANDOLPH are two proposals. One bill is for an additional $1.5 billion introduced by Senator MCNAMARA, Democrat, of Michigan, and another for approximately $1.75 billion sponsored by Senator GRUENING, Democrat, of Alaska, and other Senators.

"The hearings conducted by our special subcommittee during last December demonstrated the wide support for this program to provide new jobs and to help communities obtain useful and needed public improvements," Senator RANDOLPH said. "We shall resume hearings early this year, and I believe that the Senate Public Works Committee will soon report a new authorization measure to revitalize the APW program."

POETIC TRIBUTE TO THE LATE PRESIDENT KENNEDY

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to insert in the body of the RECORD a poem entitled "Our President, John Fitzgerald Kennedy" which was published in the February issue of the Union Postal Clerk, a national magazine of the United Federation of Postal Clerks, as the official tribute of that organization.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

OUR PRESIDENT, JOHN FITZGERALD KENNEDY 1917–63

(By William F. McDonough)

Then on his grave she tenderly kindled the eternal flame.
As if to purge the malice at Dallas of its enduring shame.

On a lovely Arlington hillside the President rests in sleep,
While the world and a mournful Nation fervently pray and weep.
Grieving the folly of hatred imbued in the assassin's crime,
And the tragic cost of martyrdom, the price of a hero's shrine.

Nearby the historic Potomac flows, wending its way to the sea,
Cradle of this Nation's sorrows and guardian of their majesty.
A stillness envelops the gravesite, as sentries guard their Chief,
And the river seems to be whispering a requiem in sheer disbelief.

Adown from the sloping hillside another haunting memorial stands,
The towering Lincoln temple, the most hallowed in all the land.
Two kindred souls in life and death, who heeded their country's call,
Apostles of the ideal of freedom with liberty and justice for all.

Short years ago, how short they seem, he gave us his American dream,
An eloquent credo of new frontiers, provocative in scope and theme.
A dream that embraced the rights of man, humane, noble, and just,
With a promise to meet every challenge worthy of mankind's trust.

"Let us create a world of law," he said, in his famed inaugural plea,
Pledging to bear any burden or risk in the survival of liberty.
A new leader had grasped the helm, a new banner had been unfurled,
With an inspired hope and purpose, "that would truly light the world."

In the crucible of civil rights and summitry he rebuked the unjust,
Knowing that peace and equality for all was his most sacred trust.
As long as freedom is denied and the people's rights are enslaved,
Let no timid, tortuous epitaph impoverish the President's grave.

Alas, his dream is suspended, but a gathering momentum makes clear,
He inspired a mighty impetus toward his goal of the New Frontiers.
And these nobly conceived horizons shall manifestly become secure,
Impelled by a nation's conscience that can no longer injustice endure.

And unlike the one brief shining moment in the legend of Camelot,
His name will be cherished forever, and his deeds never forgot.
When the verdict of history is rendered and the final chapter is told,
Let it extoll his love for the people which he prized above riches and gold.

EPILOG

And on his grave she prayerfully kindled the eternal flame,
As if to purge the malice at Dallas of its enduring shame.
Shine on O' blessed beacon; shine on through peace and strife,
Symbol of a gallant torchbearer; emblem of an heroic life.

—WILLIAM F. McDONOUGH.

THE INVESTIGATION OF SENATE EMPLOYEES

Mr. CURTIS. Mr. President there is much work yet to be done in the Robert Baker investigation. The Senate is entitled to thorough work and a complete disclosure of the facts.

The following letter, signed by all three minority members of the committee, sets forth some of the important items for the agenda in the near future.

I ask unanimous consent to have the letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., February 5, 1964.

Hon. B. EVERETT JORDAN,
Chairman, Committee on Rules and Administration, Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: This letter relates to the Robert Baker investigation. Due to the fact that the committee is unable to meet for a few days, this request or motion is made in the form of a letter pursuant to rule 19 of the committee's rules of procedure. When the committee convenes, this letter will then be read into the record.

In the paragraphs that follow there are set forth six areas for investigation and hearings upon which it is felt the committee must forthwith proceed. This letter and the below listed items are not intended to supplant and do not supplant or take the place of any previous requests that have been made. The right to make further requests for investigations and hearings is also reserved. The six items listed in this letter are items that it is believed the staff should undertake immediately so that the complete results will be available for full and public hearings. The items referred to are as follows:

1. A thorough, complete, and unlimited on-the-spot investigation of Serv-U's business dealings with the North American Aviation Co. and all subsidiaries, subcontractors, and associates. Without a record of past business performance, without vending machines or other existing contracts, Serv-U obtained this business with these corporations that had huge Government contracts. The vending business at North American and related companies resulted in gross receipts of several million dollars annually. The Senate should know the full details of the transactions with these Government contractors.

2. Robert Baker's net worth increase during the years he served as a Senate employee should be ascertained. All facts should be gathered that would have any value in determining whether or not there had been a conflict of interest. Our accountant investigators should develop his net worth picture to the fullest extent possible. The source of cash and other income, and of capital assets, should be ascertained and Robert Baker should be called to testify to answer all questions relating to his outside income and activities.

3. A full investigation should be made to determine to what extent Robert Baker acted

for others in handling funds, investments, businesses, or enterprises. We should establish whether or not Robert Baker, while an employee of the Senate, acted as a front for undisclosed investors, particularly investors who may be associated with gambling and unlawful activities. The committee should check all of Baker's contacts with known gamblers or individuals associated with gambling interests or unlawful activities of any kind. His telephone calls, trips made, meetings attended, introductions made by him, and his association in any way with such individuals or groups should be fully revealed.

4. An on-the-spot investigation of all the activities of Robert Baker in the Dominican Republic, Aruba, Curaçao, Puerto Rico, and Haiti should be made to determine Baker's part, if any, in obtaining gambling concessions or franchises for himself or others, his activity or influence in reference to imports and exports, and any and all activity by Baker or his associates involving any agency of the U.S. Government.

5. A complete investigation of Robert Baker's activity with officials and employees of labor unions, particularly as those activities may relate to insurance contracts, fringe benefits, pension funds, or the investment of any funds belonging to a union or unions.

6. The relationship between Robert Baker and any other Senate employees involving improper pressures or other improprieties and/or fiscal irregularities in this area.

It is believed that the majority and minority staff, by pursuing the testimony already produced, the staff interviews, and other information that is available, can assemble the necessary leads to pursue these inquiries. If additional staff is needed in order to perform a job that will be to the credit of the U.S. Senate, a request for such additional staff will be fully supported.

This letter is submitted in the spirit of friendship and cooperation.

Respectfully yours,
CARL T. CURTIS.
JOHN SHERMAN COOPER.
HUGH SCOTT.

HRUSKA NOMINEES EXCEL AT SERVICE ACADEMIES

Mr. HRUSKA. Mr. President, one of the most rewarding of a Senator's duties is following the progress of the young men he has nominated to the country's service academies.

It is particularly gratifying when these cadets and midshipmen distinguish themselves academically. Since coming to the Congress, I have felt a great pride in the accomplishments of Nebraskans at the academies.

This year is no exception. Not long ago I was visiting with Mr. Jack Jarrell, chief of the Omaha World-Herald's Washington bureau, about the progress of the youngsters I had nominated. Mr. Jarrell's story evoked an editorial in the World-Herald which makes the point that the success of these young men reflects creditably upon their Nebraska elementary and high school educations.

Mr. President, I ask unanimous consent to have the editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

REPORT ON EDUCATION

Senator HRUSKA last week called attention to something in which all Nebraska can take a bit of pride. He reported on how the young men he has appointed to the service academies are doing, and noted that:

Two are on the commandant's list (for excellence in cadet duties) and two are on the dean's list (for excellence in studies) at the Air Force Academy;

Three are on the dean's list at the Military Academy;

One is on the Superintendent's list at the Naval Academy, a distinction which only 15 percent of the brigade of midshipmen achieve.

Moreover, Mr. HRUSKA reported, four applicants for appointments to service academies (from Falls City, Chadron, Weeping Water, and Omaha) last fall made grades of 100 in algebra examinations in which only 6 percent of the 11,552 competitors from over the Nation made grades of more than 90.

The above records seem to indicate that the young men had profited from the excellent elementary and high school educations they had received in Nebraska schools. But we suppose that some persons would not agree.

And while, of course, reports of good work done by a few outstanding students do not prove anything about an educational system, they at least provide welcome relief from the refrain that Nebraska's schools are too cheap to be any good.

FLORIDA EAST COAST RAILWAY STRIKE

Mr. MORSE. Mr. President, I wish to alert the Senate to the possibility that the most recent developments in the strike of the Florida East Coast Railway by the 11 nonoperating railroad unions, which is now in its second year, points to the strong likelihood that we will have a major shutdown of the vital construction work at Cape Kennedy by tomorrow night.

Mr. President, as a member of the Railroad Subcommittee of the Senate Committee on Labor and Public Welfare, I have given a considerable amount of attention to the dispute that has been going on in the Florida East Coast Railway. I feel it is my duty as a member of the Committee on Labor and Public Welfare to make this factual report on the situation as it exists in this railroad, and also to announce that in due course of time, that I intend to submit an amendment with respect to the Bank Holding Company Act.

The National Aeronautics and Space Administration has just announced that, contrary to the recommendations of the President's Board of Inquiry last October, it will permit the Florida East Coast, operating its trains with strikebreakers, to use the 18-mile spur newly constructed by the Federal Government to move freight into Cape Kennedy.

Mr. President, if the situation develops to the point where the Subcommittee of the Senate Committee on Labor and Public Welfare or the full Committee on Labor and Public Welfare finds it necessary to conduct a Senate committee investigation in regard to this matter, I want Mr. Webb, the head of NASA, to know that as far as I am concerned he will be the first witness that I shall call.

I am at a loss to understand why the head of NASA is following the course of action that he is following which is in complete conflict with the recommendation of the President's Board of Inquiry of last October.

I am told that there is a good likelihood that the Florida East Coast will move the first of its trains over the spur into the cape area at some time tomorrow. If these trains move into the cape, I am told that this could very well trigger a general shutdown of the cape facilities now under construction.

I will look with regret upon a situation that will place NASA, under the leadership of Mr. Webb, in a position where the impression will even be momentarily created that the Government of the United States is on the side of strikebreakers.

The shutdown of these defense and space facilities on the cape, if and when the FEC moves its trains over the Government's spur, will open a new chapter in a long record of the railroad's disregard of the orderly processes of collective bargaining under the Railway Labor Act, of the recommendatons of the President's Emergency Board and of the President's Board of Inquiry. Of all the class I railroads in the United States, Florida East Coast alone has ignored the recommendations of these various boards in the settlement of this dispute and has defied the national railway labor policy.

Some months ago, in a railway crisis situation in this country, I commended the class I railroads, and they deserved commendation. They are not deserving of any criticism because of the obviously antilabor policy of the Florida East Coast Railway. I criticized the Railroad Brotherhoods, because they turned down the procedural recommendation made by a series of presidential boards and commissions which tried to bring about a peaceful settlement of that railroad dispute.

On the basis of what the record shows, I am satisfied that a clear prima facie case exists against the Florida East Coast Railway line, because the management has openly defied the recommendations of the various boards which I have just mentioned for a peaceful settlement of the dispute.

The significant fact is that this railway is owned by one of the larger bank holding companies in the United States. Nonetheless it enjoys a special status of exemption from the Bank Holding Company Act permitting it to engage in both banking and nonbanking activities, including railroading on a broad intensive scale in the State of Florida. The management of labor relations of the Florida East Coast Railway by the company is an example of the kind of abuse which we can expect from the enjoyment of this kind of special privilege by any powerful business or combine in our country.

There is a remedy that we here in the Congress, if we wish, can provide for these abuses. It is neither radical nor novel. It involves a simple and equitable amendment to the Bank Holding Company Act.

I had considered offering such an amendment to the pending bill. However, an amendment dealing with the Bank Holding Company Act would not be germane to the tax bill we are now considering. As my colleagues know, I believe all amendments to the tax bill should be clearly germane. Therefore I shall not offer the proposal now in connection with the tax bill.

However, the situation I refer to is so grave and so urgent that I believe the Senate should be made aware of it without delay. I shall first take up the threat to our national railway labor policy. Then I shall describe the vast financial-industrial-real estate-railroad combine that is behind this railroad situation. I shall briefly review other abuses by this combine, and suggest the outlines of a proper remedy.

The railway labor aspect of this picture goes back to September 1, 1961. On that day, 11 nonoperating unions, representing some 500,000 railroad employees, served notices on all the class I railroads of the country asking a 25-cent wage increase. These employees had not had a pay increase since 1960, and they wanted an additional 25 cents an hour.

This dispute was processed under the voluntary procedures of the Railway Labor Act. In May 1962, Presidential Emergency Board No. 145 recommended that the national dispute be settled for the equivalent of 10.28 cents an hour.

On June 5, 1962, the unions and the railroads agreed to a compromise settlement at the 10.28-cent figure. One hundred and ninety-two railroads, the rich ones and the poor ones, joined in this compromise settlement. All class I railroads joined in it—except one, the Florida East Coast Railway.

Separate negotiations and mediation took place on the Florida East Coast Railway between August and December 1962. Agreement was not reached. On January 23, 1963, the Florida East Coast Railway's 1,300 nonoperating employees struck in an effort to gain the same 10.28-cent increase as other railroaders. The Florida East Coast Railway's 650 operating employees observed the picket lines.

Early in February 1963, the Florida East Coast Railway resumed some freight service with supervisory personnel. It withdrew its last wage offer. Since then, the railroad has gradually added to its working force with strikebreakers.

In March 1963, Francis A. O'Neill, Jr., Chairman of the National Mediation Board, visited Florida in a personal effort to mediate the strike. While talking with the railroad's officials at their headquarters in St. Augustine, Mr. O'Neill found to his astonishment that his conference was being tape recorded.

Mr. O'Neill protested at this violation of the Mediation Board's long-established rule of confidentiality for its mediation efforts. The Florida East Coast Railway officials refused to shut off their tape recorder. Mr. O'Neill left.

The Florida East Coast Railway's chief officer is its board chairman, Mr. Edward Ball, of Jacksonville. In April, the Secretary of Labor arranged to confer with the Florida East Coast's board chairman on the strike—but Mr. Ball refused to come because, he said, he had to see his dentist about an abscessed tooth. Mr. Ball persisted in this refusal for a considerable length of time although, finally, months later, he did consent to meet with the Secretary of Labor.

Apparently this was quite a favor that he sought to bestow upon the Secretary of Labor.

Late last April the Florida delegation in Congress urged new negotiations and, if necessary, voluntary arbitration to settle the Florida East Coast strike. A new meeting between Mr. Ball and the leaders of his employees took place on May 10. Mr. Ball made no wage offer whatever and the meeting failed.

On May 13, 1963, the Secretary of Labor wired both sides urging them to accept voluntary arbitration. The unions agreed. Mr. Ball refused.

On July 24, national leaders of the rail unions met with Mr. Ball in a new negotiative effort. Once again Mr. Ball made no settlement offer.

On September 24, President Kennedy voiced his "increasing concern" at the Florida East Coast strike because of its "current and potential impact upon vital defense and space programs." He appointed a special inquiry board, composed of high officials of the Labor and Defense Departments and the Space Agency, to look into this matter.

The special inquiry board reported last October 10 that "this labor dispute is currently and potentially detrimental to our Nation's defense and space efforts."

The inquiry board cited the Government's reliance on the Florida East Coast Railway in the Cape Kennedy area—for the Florida East Coast is the closest rail line to our big space and Air Force installations there. I quote from the board's recommendations:

> To avoid intolerable interruptions in construction activities at Merritt Island and Cape Canaveral:
>
> (a) An embargo should be established and maintained by NASA on all goods shipped on the Florida East Coast Railway under Government bills of lading destined for these locations until such time as the present dispute is resolved.
>
> (b) All contracting agencies should be directed to inform all prospective bidders for contracts for construction, supply, services, etc., of the existence of the strike and that delays encountered due to the use of the Florida East Coast Railway will not be recognized as an excusable cause for extension of time under the delays-damages articles of the Government contract or a basis for monetary relief due to increased cost incurred by the contractors. All contractors should be advised that this rule applies to existing contracts as well as future contracts.
>
> (c) If the dispute has not been resolved at the time of completion of the railway spur, the Florida East Coast Railway should not be permitted to operate on that portion of the spur on Merritt Island, or Cape Canaveral, now being constructed by the U.S. Corps of Engineers, until such time as it is resolved.

The inquiry board further stated:

> Ability to maintain the road at full potential and in good working order is without question important to the national interest, especially under circumstances such as prevailed during the Cuban crisis in the fall of 1962.

Mr. President, I should like to pause here and ask: What will happen if a new crisis comes upon us in the Caribbean? Large precautionary movements of troops and materiel might be called for over the double-track Florida East Coast Railway into southeast Florida—the only other railroad serving that area being the single-track Seaboard. The troops and materiel would undoubtedly move—but consider the danger of a disastrous wreck, after more than a year of deferred maintenance of the Florida East Coast's roadbed.

Here I should note that the Florida East Coast Railway is now moving substantial quantities of freight, using its supervisory personnel and strikebreakers. However, it is furnishing no passenger, mail, express, or less than carload freight service. During the past year, its outlays for maintenance nave been drastically cut.

President Kennedy approved the report of his special inquiry board.

I would respectfully say, "Mr. Webb, take note."

I repeat it for Mr. Webb, although I am confident that he is fully familiar with the action of the late President in approving the report of his special inquiry board. He urged more negotiations to settle the strike and, if necessary, voluntary arbitration.

Mr. President, let me warn the Senate. There will be those who will follow the old pattern, "Let the military operate the program. Let the military make the decisions in regard to labor problems there." This point of view would take the position, "Let the military make the decisions at the missile bases, atomic energy plants, and other Federal installations in which free men and women are employed."

I know by experience that if the American military is allowed to handle the labor problems, American labor will soon lose its freedom. We had example after example of it during the war. It is to the everlasting credit of our Government, and indisputable proof of the soundness of economic freedom and democratic rights in this country that not once during the war did this Government ever take the position that the military rule would be substituted for the guarantees of economic freedom enjoyed by men and women who are workers.

Not once during the war was such a course of action followed, because President Roosevelt made it perfectly clear, time and time again, that we could fight the fight for freedom and remain free while we were fighting the fight.

Thus, there was set up, under a no-strike, no-lockout agreement entered into generally by management and labor in this country, the War Labor Board. It happened to be my great privilege to serve as one of the four public members of that Board from the time the Board was appointed until I left the Board in 1944 to run for the Senate.

During that period, and all the period thereafter, it was the position of the U.S. Government, while at war, that the rights of free labor were not going to be taken away from them by submitting them to military rule.

Mr. President, did it work? With historic success. In fact, students of the American labor and American managerial movements in the field of labor relations will, 50 years from now, be writing doctorate dissertations on the record that American management and

American labor made during World War II in carrying out the procedures of economic freedom guaranteed to them under our labor law policies in this country.

If we followed a course of freedom in time of war, there can be no justification for taking away economic freedom from American workers in time of peace, on the basis of the argument that some persons are prone to make, that we must not allow labor in so-called defense plants to enjoy the precious rights of economic freedom; we must let the military give the orders and call the economic shots, so to speak.

They were not able to sell that bill of goods to President Kennedy; and in my judgment, they will never be able to sell that bill of goods to President Johnson, either. These two great Presidents, as did their predecessors, recognized that we cannot have economic freedom destroyed in so-called defense establishments and expect economic freedom to prevail in the rest of the economy.

So we are moving into a critical situation in regard to Cape Kennedy. That is why I issue this warning tonight to the Senate, and to the country. In my judgment, the dispute on the Florida East Coast Railway should be settled on its merits, and not on the basis of the dictation of a powerful economic dynasty that has grown up in Florida, with the power that is exercised by this company and all of its economic ramifications, which I shall outline shortly in some detail.

We cannot let a labor union or a powerful management follow a course of action in which they take the attitude that they care very little about the consequences of a tyrannical course of action followed by either one in connection with a major dispute.

The chairman of the National Mediation Board then sought to bring the parties to an agreement. Failing in this, on October 23, he again urged them to arbitrate. Again the unions accepted. Again the Florida East Coast Railway's management refused.

Last November 9, President Kennedy appointed Presidential Emergency Board No. 157 to investigate the particular dispute on the FEC Railway. The FEC management promptly defied an important part of the President's Executive order, relating to the "status quo" provisions of the Railway Labor Act.

However, Emergency Board No. 157 held extended hearings on the spot, and on December 23 issued its report. This impartial board, composed of three experienced private arbitrators, recommended a strike settlement based on the national 10.28 cent pay increase—though without retroactivity—plus certain conditions for return to work of the striking employees. Once again the unions accepted this report. Once again, Mr. Ball, on behalf of the company, rejected it.

Meanwhile, twice over the course of the past year the FEC management has sought to promulgate sweeping changes in the agreements with its "operating" employees, in violation of Federal law. This resulted in two Federal court injunctions against the FEC management, one of them last May and the other in December.

Most recently, I regret to say, the space agency, NASA, has decided to let the FEC Railway run its trains into the now-completed Government-owned spur in the Cape Kennedy area. This decision contradicts the recommendations of the Federal inquiry board that I quoted a few moments ago. This NASA decision, announced just yesterday, will, I fear, lead to new labor trouble in the Cape Kennedy area, for the FEC strike still continues.

Mr. President, let us consider the implications of the history I have just recounted. Every Senator is aware of the acute threats to the system of voluntary conciliation and mediation we have developed in this country under the Railway Labor Act. We remember what happened last summer. We know we are not yet out of the woods in the matter of national railroad labor disputes.

Our American voluntary system relies on good will from both sides. It relies on respect for the thoughtful recommendations of impartial boards.

It relies on respect for the skilled mediators of the National Mediation Board and for the Secretary of Labor—and respect for the President himself. Mr. Edward Ball, the record proves, has shown no such respect.

The Railway Labor Act itself states, as the very first of the general duties spelled out in it:

> It shall be the duty of all carriers, their officers, agents, and employees to exert every reasonable effort to make and maintain agreements * * * and to settle all disputes.

Mr. Edward Ball, the record proves, has shirked that duty.

I believe there is not a single Member of this Chamber who would willingly abandon our voluntary system for settling rail labor disputes under the Railway Labor Act.

But this system will break down, Mr. President, if one man—one management—can say: "I defy you all," and be allowed to get away with it. If Mr. Ball succeeds, others will try. This will be only the beginning. We will find this vital industry plunged into such labor chaos as we have never seen since passage of the Railway Labor Act.

How has the Florida East Coast Railway's present management been able to get away with it so far? This is far from being a giant railroad. It is one of the smaller of the Nation's major railroads. But the management of this railroad sits at the center of a vast financial empire—the Alfred I. du Pont estate of Jacksonville, Fla.

This Du Pont estate of Jacksonville is a perpetual trust created under the will of the late Alfred I. du Pont, a member of the well-known Delaware family, who died in 1935. This Du Pont estate is wholly separate from the E. I. du Pont de Nemours & Co. I shall now describe the holdings of this Alfred I. du Pont estate.

As of the end of 1962, the Du Pont estate controlled, through majority stock ownership, the largest banking group in Florida. This is the Florida national group of 31 banks, with assets of $700 million. The Florida national group advertised itself some years ago as "the largest banking organization south of Philadelphia and east of the Mississippi."

There is the Florida Bank at Bushnell, the Florida Bank at Shipley, the Florida Bank at De Land, the Florida Bank at Fort Pierce, the Florida Bank at Madison, the Florida Bank at Starke.

Then there is the Florida National Bank at Arlington, the Florida National Bank at Bartow, the Florida National Bank at Bell Glade, the Florida National Bank at Brent, the Florida National Bank at Coral Gables, the Florida National Bank at Fernandina Beach, the Florida National Bank at Gainesville, the Florida National Bank at Key West, the Florida National Bank at Lake Shore, the Florida National Bank at Lakeland, the Florida National Bank at Ocala, the Florida National Bank at Opa-Locka, the Florida National Bank at Orlando, the Florida National Bank at Pensacola, the Florida National Bank at Perry, the Florida National Bank at Port St. Joe, the Florida National Bank at St. Petersburg, the Florida National Bank at Vero Beach.

Then there is the Florida National Bank & Trust Co., at Miami, the Florida National Bank & Trust Co. at West Palm Beach, the Florida Bank & Trust Co., at Daytona Beach.

Then there is the Florida National Bank of Jacksonville, the Florida Dealers & Growers Bank at Jacksonville, the Florida Northside Bank of Jacksonville, and the Jacksonville National Bank.

Of these 31 banks, the Du Pont estate owns a majority of the capital stock of 29, it owns 44 percent of the capital stock of the 30th, and it indirectly controls the 31st.

That is quite an economic empire and dynasty in and of itself, if that were all, but it is not.

The Du Pont estate also owns nearly all the capital stock of St. Joe Paper Co., a large interstate manufacturing company. St. Joe Paper not only has a large paper mill in western Florida but also owns substantial factories in Baltimore, Birmingham, Chicago, Cincinnati, Dallas, Hackensack, Hartford City, Houston, Memphis, Pittsburgh, Portsmouth, Rochester and Chicopee.

In addition, St. Joe Paper owns over a million acres of land in Florida. It owns a small railroad and telephone company and owns a majority of the Florida East Coast Railway, which is involved in the railway dispute to which I address myself tonight.

In addition, the Du Pont estate at the end of 1962 owned 764,280 shares of E. I. du Pont de Nemours & Co. common stock, worth about $190 million. It owned 444,618 shares of General Motors common stock, worth about $33 million.

A brochure published by the Du Pont estate last spring indicates that this vast enterprise is run primarily by one of its trustees, Mr. Edward Ball. Ed Ball is the man who has refused to follow the recommendations of the Presidential boards, upon the basis of an analysis of the case and findings by these boards as to what would be a fair and equitable settlement of the dispute.

The Miami News, from March 11 to 14, 1962, published a highly informative series of articles on the Du Pont estate and Mr. Ball, written by the News' staff writer Haines Colbert.

According to this account:

> The Du Pont estate is known in north Florida as "The Empire." Ball is the emperor.

The Miami News account then lists the Du Pont estate's various holdings, adding that among its "vast real estate holdings" are Du Pont Plaza and the Du Pont Building in downtown Miami.

The Miami News reported:

> Such an accumulation of wealth naturally gives great power to its possessor. The empire has thousands of employees, many of whom are influential. Businessmen dealing with Ball and his banks would be inclined to support him or, at least, not oppose him.
>
> But, as a factor in Ball's power where public projects are concerned, think for a moment only of the real estate under his control.
>
> St. Joe Paper Co. owns some 1.1 million acres of land in Florida. Ball's personal holdings run into hundreds of thousands of acres.
>
> The railroads—controlled by the Du Pont estate—own the right-of-way on which the tracks are laid, plus thousands of acres occupied by railroad yards and stations.
>
> Add the property owned by the estate and by its banks. Then take into account the fact the trust departments of the banks administer private estates which own great quantities of real estate.

I shall here add that, according to the Du Pont estate's trustees:

> Seven of the banks in the (Florida national) group have trust departments, and one of them, the trust department at Jacksonville, with assets of well over a billion dollars, is possibly the largest in the State.

These facts establish without a doubt the immense economic power wielded by this Du Pont estate in Florida through its combined banking, industrial, railroad and real estate empire.

As the Miami News reported:

> Our politicians and top business leaders know Ball as one of the most powerful men in the State.

Similarly, a United Press International profile on Mr. Ball, published March 23, 1963, described him as "probably the most powerful man in Florida."

We have seen how this immense economic power of the Du Pont estate has been wielded by Mr. Ball to defy our national railway labor policy. How else has this power been wielded in recent years?

I quote again from the same series of articles in the Miami News. The first paragraphs of this series read as follows:

> You can't drive from the 36th Street Expressway without a long detour for a reason that can be summed up in two words: Ed Ball.
>
> Construction of the downtown portion of the North-South Expressway was delayed, and a fortune in engineers' work went down the drain, after Ed Ball objected to one of its features.
>
> Ed Ball won't permit the city of Miami to use revenue from the Orange Bowl to replace the inadequate stadium lights.

How is Mr. Ball able to do these things? The Miami News obtained an answer from Mr. William T. Mayo, a member of the Florida State Road Board from Tallahassee, and reported it as follows:

> Sure, we could condemn Mr. Ball's land in Dade County (that is, Miami). If it were absolutely necessary, I'd vote to do it. But he plays a game of checkers, with the whole State for a board.
>
> I can hit him in Dade County, but he'll clobber me in west Florida. You can't build a road 2 miles long up here without running into Ball property.
>
> Suppose we trampled over his wishes in Dade County, he'd fight us there, and he'd also force us into condemnation proceedings for the land we need everywhere else in the State. We'd never get a road built without a costly battle.

Mr. Mayo indicated that the Florida State road authorities seek to persuade the dominant trustee of the Du Pont estate to donate strips of land for needed rights of way—and they have at times succeeded. The Miami News quoted another State official as offering this comment:

> St. Joe Paper owns more than a million acres of land in west Florida, and most of it was bought for about $2 an acre. Ball has been offered up to $5,000 an acre for some of it, but he doesn't want to sell because the tax people then could argue that all of it should be assessed at the higher figure.

Thus this vast Du Pont estate empire keeps down its tax payments—while other taxpayers must shoulder a heavier burden. However, the most extraordinary tax policy of any of the Du Pont enterprises is that of the Florida East Coast Railway.

The Florida East Coast Railway refused to pay its assessed property taxes for 1962 in every city and county where it operates. These taxes amount to about $1 million a year. The railroad is now doing the same thing on its 1963 taxes, according to newspaper reports.

The Florida East Coast Railway has filed a court suit, I understand, claiming the assessed valuation of its property is too high. But instead of paying its regular taxes until this suit is adjudged, Mr. Ball's railway has offered the cities and counties only a small fractional amount—the amount it—the company—thinks is right.

Suppose every taxpayer in America tried paying only the taxes he thinks are right? That is a question to consider, at a time when we are debating the present major overhaul in our Federal income tax system.

I should like to read an editorial commenting on this, published in the Miami Herald of December 20, 1963:

> If the tax levied on your property for 196– is not to your liking, please remit to the collector any amount you choose.
>
> No tax law anywhere reads like this. But this is what the Florida East Coast Railway reads into the tax laws of the city of Miami. Refusing to pay the more than $55,000 levied on its property, the Florida East Coast Railway has come back with a payment of just over $20,000.
>
> Since Government operations are keyed to expectable revenues (locally only, that is) the rest of us have to pick up the tab that the Florida East Coast Railway autocratically has laid down—twice.
>
> As though that were not enough, the railroad persists in the neglect of crossing signals and other safety precautions. Much of the right-of-way is a shooting gallery for hapless motorists.
>
> Really, when is enough, enough?
>
> Miami and its neighbors have shown great forbearance with a railroad which seems to live by the ancient ukase, "I am the law."
>
> It performs the services it wishes, although it enjoys an exclusive franchise to operate in certain areas.
>
> It accepts what tax bills it pleases and shrugs its shoulders at the others.
>
> The spineless regulatory agencies of the State of Florida will not clamp down on an organization which is inherently powerful financially, and which wields in several guises a tremendous political clout.
>
> When is the public-be-damned railroad, which abuses the principle of private enterprise, going to be taught that the days of the railroad baronies are long gone?

Mr. President, I would ask that question of Mr. Webb, the head of NASA, because we must decide, as a matter of policy in connection with this dispute, whether NASA is going to form a working arrangement with this dynasty in Florida which has refused to cooperate with Presidential boards and has refused to follow in good faith the purposes and objectives of the Railway Labor Act.

Mr. President, during the war—and it will be recalled that earlier in my speech tonight, I called attention to the procedures which were followed during the war, for the handling of labor disputes through a War Labor Board appointed by President Roosevelt to carry out the no-strike, no-lockout agreement for the duration of the war—there was in this country another small-shot railroad executive who thought he was a big shot—the president of the Toledo, Peoria, and Western Railroad, which was the shuttle railroad in the Chicago terminal lines area—not a very long railroad, but a gold mine railroad. At that time that railroad was under the presidency of another one of these economic tyrants who thought he was bigger than his Government; and a very bad dispute developed. In fact, under the direction of that railroad president, a switch engine was run at high speed through the picket line, and a picket was killed and others were injured. We could not tolerate such a situation in the midst of a war, and we should not tolerate it at any time.

So the War Labor Board conducted a hearing, and handed down a unanimous decision, with agreement between all the employer members, all the labor members, and all the public members. I wrote that decision. Mr. Roger Lapham, the president of the American-Hawaiian Steamship Line, wrote a special concurring opinion for the employers. In that decision, we asked that that dispute be submitted to voluntary arbitration, before a board to be recommended by the parties to the dispute.

The president of that railroad was a man by the name of McNear. He came to Washington, and, in a very agitated and heated manner, notified us that he would never submit the dispute to arbitration.

The Board then—by a second unanimous decision—recommended to the President of the United States that the Government seize the railroad, fly the American flag over it, and operate it in the interest of the war effort, until the company was willing to follow the peaceful procedures which were set out in the Board's first decision.

That was the first seizure case in World War II; and how well I can remember the afternoon and the night of that day. The then Chairman of the Board, the great, incomparable expert in the field of American labor relations—well known by the Senator from New York [Mr. JAVITS], who now is the acting minority leader—the great Will Davis; and the then Secretary of War, Mr. Robert Patterson; and the legal counsel of the Department of War, then Colonel Greenbaum—later General Greenbaum, and today one of the distinguished lawyers in New York City—and I went to the White House, to explain to the President why we felt there was no alternative to the seizure and operation of that railroad in accordance with the second decision of the Board.

At first, President Roosevelt would hear none of it.

It was late in the afternoon. He called our attention to the fact that the United States was at war, and that the primary job of the Government was to prosecute that war successfully; and he said to us: "Gentlemen, your Government cannot be devoting its energies to operating a railroad. This dispute must be settled without seizure."

We explained to him that that was impossible. We said to him, "Mr. President, you have to decide whether you are going to save the no-strike, no-lockout agreement or whether you are going to lose it." And as the law-enforcement officer of the Board, and completely backed up by my coconferees, I said to the President, "Mr. President, the first time an employer or a union successfully defies the no-strike, no-lockout agreement, the agreement will be destroyed, and then this procedure for settling labor disputes by peaceful processes will be lost to you."

He saw the inevitability of the loss of all the benefits of the no-strike, no-lockout agreement if it did come to pass that any employer or any union could successfully defy the Board.

He said, "Gentlemen, I cannot believe that this man, if I appeal to him in my capacity as Commander in Chief in time of war, will not agree to arbitrate the dispute."

So the President called in his secretary and said, "WAYNE, I wish you would dictate a telegram to Mr. McNear, for me to sign as Commander in Chief, calling upon him to agree to arbitration in this case, because of my decision that it is essential to the prosecution of the war, and that I make the request in my capacity as Commander in Chief."

I said, "Mr. President, I shall be glad to dictate the wire, but I can tell you now that the answer will be no."

Mr. Will Davis also explained to the President that he thought it was a hopeless case.

I dictated the telegram. It was agreed that I should wait in the Cabinet Room, doing some work on another opinion that I had brought along in my briefcase, while Mr. Patterson and Mr. Greenbaum went back to the War Department, and Mr. Davis went back to the Board.

I told them that as soon as we received the telegram I would call them, and they could come back to the White House, and we would have another conference with the President, because it was the President's suggestion that that course be followed.

I waited in the Cabinet Room until 10:30 that night when the message arrived from Mr. McNear. It was 24 pages long and was sent collect. It contained 24 pages of abuse against the President of the United States.

I called Mr. Davis and Secretary of War Patterson, and they came over to the Cabinet Room about 11 o'clock. Marvin McIntyre then notified the President that we had received the reply, and the President came over to his office from the White House Mansion, fully expecting a favorable reply.

As he came in, he was beaming because we could see that he thought he was about to enjoy a laugh at the expense of the War Labor Board.

The President said, "Have you heard from him?"

I said, "Yes, Mr. President; we have the reply."

I was fingering it and I said, "Here it is, 24 pages of a telegram sent to you collect, and abusive from the first paragraph to the last."

The President said, "WAYNE, did you say collect?"

"Yes," I said, "It was sent collect, Mr. President. And completely unfavorable."

The President said, "Hand me that pen."

That is when the first seizure papers were signed in World War II. Later, we sat and talked with the President for quite some time as he became fascinated at that point with the case, and we told him about our problems in trying to persuade the president of that railroad, who considered himself bigger than the U.S. Government, to come to a peaceful settlement of the dispute.

I thought of that case, Mr. President, as I studied the Florida East Coast Railway case, and Mr. Ball's machinations, and I find so much in common between the two cases. It grieves me to think that NASA, under Mr. Webb, is apparently willing to cooperate with that kind of railroad management.

That is the question raised by the Miami Herald about Mr. Ball's railroad. I might add that the same question was echoed editorially by another leading newspaper in the territory served by this railroad, the Daytona Beach Morning Journal, on January 23, 1964.

Here is another example involving the Du Pont-owned St. Joe Paper Co., of which Mr. Ball is president. Without attempting to prejudge the case, I note that St. Joe Paper Co. was named in a civil antitrust suit filed by the Justice Department last October at Greensboro, N.C. This suit charged that St. Joe Paper, along with 18 other large paper manufacturers, has conspired since 1955 to restrict price competition in the sale of $200 million a year of corrugated paper boxes in the Southeastern States.

What I have said so far shows the immense power wielded by the interlocked financial-industrial-real estate-railroad empire of the Alfred I. du Pont estate. This interlocking power is why the FEC Railway has been able to defy our national railway labor policy. This is why the Du Pont estate's dominant trustee has been able to defy the cities and counties of Florida on taxes. This is why he has been able to defy the State and city authorities on highway building. He sits at the core of a huge conglomerate empire of banking, industry, railroads, real estate—and more than $200 million worth of stock in two of America's great industrial giants, Du Pont and General Motors.

Mr. President, this is an almost classic example of the kind of abuse of economic power that the Bank Holding Company Act of 1956 should have cured. If the Alfred I. du Pont estate had been placed under the Bank Holding Company Act, where it belongs, it would have had the choice—like other bank holding companies—of either divesting itself of its banking empire or divesting itself of its industries and railroad empire. The real interests of the estate's beneficiaries would not have been hurt. They could have kept their banking empire and also invested widely in other enterprises, but the control over those other enterprises would have to be given up. And with that divestment of control would go much of the Du Pont estate's immense economic power—the power that has now been so badly abused.

Let me here say a few words about the Bank Holding Company Act. Essentially this act is part of our Nation's antitrust arsenal. It is directed against the possible abuse of economic power on the part of bankers or financiers. For many years, national banks have been prohibited from owning stock in other banks and from owning stock in nonbanking businesses except what might be acquired for security or through enforcement of a debt. This prohibition is certainly justified as a protection against abuse of the great economic power that control of banking assets can provide—and this prohibition continues in our National Bank Act.

However, bank holding companies arose that were not subject to these limitations. To prevent the possible abuse of power by those organizations, Congress in 1956 enacted the Bank Holding Company Act. That act was a landmark, and I believe we owe it more to the efforts of the distinguished Senator from Virginia [Mr. ROBERTSON] than to any other individual.

The Bank Holding Company Act provides that bank holding companies must register with the Federal Reserve Board. Bank holding companies are defined as companies owning 25 percent or more of the stock of two or more banks. These holding companies are required to divest themselves of control over all nonbanking enterprises. Further, a bank holding company must obtain the approval of the Federal Reserve Board—based on certain standards set down in the act—before it can acquire control over any additional banks.

The Alfred I. du Pont estate was not placed under the Bank Holding Company

Act. I ask the question: Why not? The question was raised at the time, both in the Senate hearings on the bank holding company bill and during floor debate in both houses. However, none of us knew at the time of such abuses of power by the Du Pont estate as I have described tonight. These are fairly recent events. Some of them are very recent. I think most of us hesitate to place any restrictions on any organization where no abuses have been shown. Perhaps that was the chief reason why the definitions in the Bank Holding Company Act were worded so as to exclude perpetual testamentary trusts, like the Du Pont estate. I am not certain, but I think that may have been the chief reason for the exclusion.

However, another argument was raised for excluding the Du Pont estate, during the Senate hearings on that bill. Several Senators stated during those hearings that the Du Pont estate's income went primarily for charitable purposes—in fact, to aid crippled children.

Those Senators were misled. I do not know who misled them. I can only say that I consider it unfortunate when a Senator of the United States is misled on a matter like this.

The facts are—as shown by the will and codicils of the late Alfred I. du Pont and by the sworn accountings filed each year by the trustees of the Du Pont estate—that nearly all of the estate's large income has gone every year to Mr. du Pont's widow, Mrs. Jesse Ball du Pont. In the year 1962, for example, the estate paid annuities to Mrs. du Pont of $7,510,775.25, of which she assigned about 12 percent to a charitable foundation for crippled children.

Twelve percent is a small fraction of 100 percent. Twelve percent falls far short of meeting the rationalization that was advanced at the hearings that the Du Pont estate ought to be excluded from the Bank Holding Company Act because the Du Pont estate's income went primarily for charitable purposes. The evidence shows that it did not.

Let me say here that I have absolutely no objection to a man leaving his widow well provided for. I approve of it. But that is not the same thing as giving to charity. However, Mr. du Pont's will also provides that after his widow's death and after the death or settlement of other small annuitants, the Du Pont estate's income will go solely to charity.

What we must consider now, however, is not who gets the Du Pont estate's money but how to end the abuse of this estate's vast interlocking economic power.

Mr. President, we cannot justify as a matter of public policy the exemption of these economic dynasties from the operation of the Bank Holding Company Act merely because the will establishing the dynasty provides that the proceeds will go to charity upon death of all of the beneficiaries at some distant date. To the contrary, we have a public policy issue raised by the machinations of the Du Pont estate. The record shows that we should now correct the mistake which was made in excluding this giant bank holding company in the first instance.

The obvious, simple, and effective way to end that abuse, of which this estate is guilty—by splitting up the power—is to bring the Du Pont estate under the Bank Holding Company Act and to keep it there.

As I said at the beginning of my speech, I intend to offer such an amendment. I expect to do so within the next few days, as soon as legislative counsel can prepare it, because we are dealing with a highly technical legal problem. I intend to have that amendment examined from its four corners so that it can withstand the attack which will undoubtedly be made upon it. We can be sure that when we tackle this kind of vested interest, so guilty of its series of bad public policy acts, we will have a fight on our hands. But I shall welcome that fight because I have studied the operations of the company sufficiently to satisfy myself that the Federal Government has the duty in protecting the public interest to step into this picture by placing this holding company under the Federal Bank Holding Company Act.

I should welcome the advice and consultation of any Senators, particularly those who sit on the Banking and Currency Committee, who feel as I do that the abuse of power by the Alfred I. du Pont estate should be remedied by bringing this great empire under the Bank Holding Company Act and keeping it there.

I think I have shown the gravity and urgency of this problem. We should not delay. The facts are plain. The need is clear. In justice and equity we should get some action quickly started to remedy these grave abuses of power by the Alfred I. du Pont estate.

I shall recommend to my colleagues on the Senate Committee on Labor and Public Welfare that I think the committee should proceed first with a staff investigation of the situation involving this company in respect to the labor controversy, which gives every evidence of becoming of very serious proportions; and then, on the basis of the investigation of the staff, the holding of hearings by the committee if the report of the staff investigation shows—as I believe it will—that it is the clear duty of the committee to conduct an investigaion of the situation that has developed on the Florida East Coast Railway.

ADJOURNMENT TO 10 A.M. TOMORROW

Mr. JAVITS. Mr. President, pursuant to the order previously entered, I move that the Senate do now adjourn until 10 o'clock a.m. tomorrow.

The motion was agreed to; and (at 10 o'clock and 30 minutes p.m.) the Senate adjourned, under the previous order, until tomorrow, Thursday, February 6, 1964, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate February 5 (legislative day of February 4), 1964:

DIPLOMATIC AND FOREIGN SERVICE

Robert G. Barnes, of Michigan, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Hashemite Kingdom of Jordan.

COAST AND GEODETIC SURVEY

Rear Adm. H. Arnold Karo, of Nebraska, to be Director of Coast and Geodetic Survey.

EXTENSIONS OF REMARKS

National Teenage Day

EXTENSION OF REMARKS

OF

HON. GLENARD P. LIPSCOMB

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1964

Mr. LIPSCOMB. Mr. Speaker, it seems to me to be especially appropriate to recognize officially the many meaningful contributions that our teenage youth are making to this Nation's life.

It is all too easy to dwell negatively on the undeniably serious challenges youth must face these days and we lament the front page reports of our newspapers on problems in which teenagers may be involved.

The busy daily routine of many Americans makes it difficult to offer adequate personal encouragement to the vast majority of our teenage citizens who are making positive contributions to our national welfare. Often we do not give enough of a boost to teenagers who are living useful and decent lives, who are working hard for their own educational advancement, who are protecting the national security by service in the Armed Forces, and who participate in many civic activities.

The U.S. Government class, summer 1963, at Brown Military Academy, Glendora, Calif., has suggested an effective way of giving encouragement to teenagers through establishment of a national teenage day. I have, therefore, introduced a resolution, House Joint Resolution 898, for this purpose.

As most residents of southern California know, the Brown Military Academy has been a moving force in the development of fine teenage citizens since 1910. Judging by its suggestion, the academy's class in government seems to be no exception to this rule.

I believe that if a national teenage day is proclaimed by the President, this country's wonderful youth groups such as the Scouts, farm organizations, church groups, schools, and various urban activities can focus nationwide attention on their vital and often unsung youth undertakings. I hope that a national day for teenagers will highlight what the individual American teenager has done and is doing for his country.

The text of House Joint Resolution 898 follows:

H.J. RES. 898

Joint resolution providing for the establishment of an annual National Teenage Day

Whereas far the greater majority of our teenage population are good citizens who lead useful and wholesome lives; and

Whereas our teenagers make important contributions to their families, communities, States, and Nation through participation in educational, religious, vocational, service, civic, and related activities; and

Whereas teenagers throughout our history have contributed to our national welfare and security through service in the Armed Forces and have on many occasions given their lives in defense of their country; and

Whereas our teenage population represents a vital element in our society from which the leaders of tomorrow will emerge; and

Whereas it is in the interest of our Nation as a whole to recognize fully the significance of our teenage population in our society and their many outstanding contributions, to know and understand the problems they face, and their need for proper education, guidance, and encouragement in developing strong minds and bodies: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the first Sunday of October of each year is hereby designated as National Teenage Day, and the President is requested to issue annually a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

RIAS Shutdown Is Appeasement of Russians

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1964

Mr. HOSMER. Mr. Speaker, last weekend the powerful longwave broadcast transmitter of RIAS—Radio in the American Sector—beamed from Munich to listeners through central Europe was shut down by the U.S. Government.

Barron's Weekly, an old and respectable financial publication has charged that the shutdown of this effective propaganda weapon is part of a secret bargain made last summer, under which the Kremlin has stopped jamming Voice of America broadcasts in Russian.

During last summer's negotiation on the Moscow test ban treaty the charge was explicitly denied that any secret side agreement was discussed or arrived at. Is Barron's Weekly right? Or, does the RIAS shutdown represent a significant separate concession to the Soviets? The American people are entitled to a statement from their Government on this point.

Since the loyalty of Moscow's satellite subjects, to which RIAS was beamed is far shakier than that of native Russians, to which Voice of America broadcasts in Russian are beamed, the United States appears to have made a very bad deal. The American people are entitled to a statement from their Government on this point.

Both explanations assume particular importance because of reports that most Germans regard the RIAS shutdown as a prime example of U.S. appeasement of the Communists in the name of "relaxation of tensions."

An indication of how little substance there is to that term was provided last week when the Soviet Air Force shot down an unarmed U.S. Air Force T-39 trainer which inadvertently strayed across the East German border. Three American officers lost their lives to this example of "relaxation of tensions" and "peaceful coexistence" as the Russians define these terms. I believe most Americans agree with my belief that bargaining on such terms is the height of senseless futility.

Tax Relief for College Education

EXTENSION OF REMARKS

OF

HON. FRANK T. BOW

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1964

Mr. BOW. Mr. Speaker, as I was driving home last night, I heard Edward Morgan announce that the administration had won a narrow victory in the other body, and so I listened to learn the nature of that victory, and I found that the other body had decided, 48 to 45, to deny a tax deduction for college expenses proposed by the junior Senator from Connecticut.

The administration had won a victory against higher education.

An administration devoted to education, or so we were led to believe in the state of the Union message, had strained every resource to deny college students and their parents the modest encouragement and assistance that could stem from deducting college expenses.

And the AFL-CIO commentator said that opponents of this relief believed it would help those who need help least.

Need help least? Who are they talking about?

I have many case histories in my files. Consider the parents of three above-average students, all of college age, who have put a new mortgage on their home, drive a 10-year-old car, deny themselves new clothing and all entertainment, work at two jobs to try to keep these youngsters in school, and the children are working too. Need it least? I cannot think of anyone who needs the modest relief this amendment would have offered more than a couple like this one, and there are millions of them.

How about the working widow with a college son who is also working, risking the loss of a scholarship because he cannot keep up his grades while working full time? Who thinks these people do not need tax relief?

For that matter, how about the young man working his way through college, or perhaps with a wife who is working, while trying to rear little children. The senior Senator from New Hampshire proposed an exemption for this young couple. It was rejected as well. The administration said "No."

No relief. No help for higher education unless it is through Federal Government controlled scholarships and loans, Federal control, Federal handouts, Federal subsidies, Federal programs—but not one bit of relief from Federal taxation.

Mr. Speaker, no matter what the administration may say hereafter about higher education, no matter what promises or programs may be offered, all will have a hollow ring of hypocrisy because this administration strong-armed the members of its party into defeating the most simple, effective, easily administered and readily available kind of assistance that the Federal Government has it in its power to offer.

I am the author of a House bill far more generous, I believe, than the proposed Senate amendment. I propose a tax deduction covering all expenses of a college education, and I propose that it be available to any parent or student or any benefactor who may wish to pay the expenses of a student. If we truly wish to encourage higher education, let us do so. College expenses, like most everything else, are a burden because the Federal Government takes too large a share of everyone's earnings. The administration proposes tax relief to encourage spending and investment. The administration proposes tax relief to spur the economy. How can the administration oppose tax relief to encourage education?

I am sorely distressed and I think I speak for millions of American parents and students when I say that no more cruel blow has been struck against the ambitions, the aspirations, the hopes, and the futures of those young Americans to whom this small concession might mean the difference between going to college and staying at home to join the ranks of the undereducated unemployed about whom this administration so hypocritically pretends to be concerned.

Tadeusz Kosciuszko, 1746-1817

EXTENSION OF REMARKS

OF

HON. CORNELIUS E. GALLAGHER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1964

Mr. GALLAGHER. Mr. Speaker, the success of the American Revolution was assured by the unrelenting efforts and untold sacrifices made by the people here struggling for their independence. Yet others, not native of this country, but gallant fighters for the cause of liberty, contributed significantly to its success. Tadeusz Kosciuszko of Poland, a dauntless and gifted soldier of freedom, was one of those whose personal participation in the American Revolution marked him as a great hero of his day.

Each year at this time we recall the great contribution he made to the victory that led to the founding of this Nation and which gave us the liberty we now enjoy.

Kosciuszko brought to a struggling nation not only military skill, but a spirit that served to encourage the men of a greatly outnumbered, and outequipped army. As an engineer he brought know-how that helped in building the essential fortifications. His advice and counsel were of immeasurable assistance to the commanders of our Continental Army.

Following the end of the War for Independence, Kosciuszko, not content with having contributed so much to the cause of our freedom, returned to his native Poland to fight against the Russian imperialists in 1792. He was imprisoned by the Russians. When freed he returned to the United States, the Congress having voted him money and land.

It was so in character of the great man that he used part of what the Congress had given him to found one of the first Negro schools in America.

Returning to Poland, again in 1798, he was hopeful that his nation might regain its own independence. He died without having seen this come about.

The memory of his deeds, his long fight for liberty, are to this day an inspiration to men everywhere who cherish freedom. The people of his native land still are not free. They live under Soviet domination, still denied the freedom for which Kosciuszko fought on two continents.

Civil Rights and Labor Unions

EXTENSION OF REMARKS

OF

HON. W. J. BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1964

Mr. DORN. Mr. Speaker, no union should be forced by this civil rights bill to take into its membership a Communist, an atheist, or any person unwanted by a majority of the union.

Local labor unions have duly elected officials the same as any other free democratic organization. They have their own rules, regulations, and bylaws. Under this civil rights bill, the Federal Government will have the right to go into the local labor union and harass, browbeat, coerce, and force the duly elected union leaders into bringing into the union persons who claim they are being discriminated against. This is un-American. It is undemocratic and is definitely a step toward a Khrushchev-Castro type of government. I will never vote, Mr. Speaker, for any bill which will place a labor union in such a straitjacket and which would permit Federal agents, like the Gestapo, to sit in on union meetings and spy on their officials and all of the activities of the union.

Mr. Speaker, I commend to the attention of the House the following, as it was written by some of the most distinguished lawyers on the House Judiciary Committee including the able and honorable gentleman from Louisiana, Ed Willis, widely known opponent of communism and the great chairman of the House Committee on Un-American Activities:

Labor Unions and Members

To millions of working men and women, union membership is the most valuable asset they own. It is designed to insure job security and a rate of pay higher than they otherwise would receive. As none knows better than the union member, himself, these two benefits are dependent upon the system of seniority the unions have followed since their inception. Seniority is the base upon which unionism is founded. Without its system of seniority, a union would lose one of its greatest values to its members.

The provisions of this act grant the power to destroy union seniority. With the full statutory powers granted by this bill, the extent of actions which would be taken to destroy the seniority system is unknown and unknowable.

To disturb this traditional practice is to destroy a vital part of unionism. Under the power granted in this bill, if a carpenters' hiring hall, say, had 20 men waiting call, the first 10 in seniority being white carpenters, the union could be forced to pass them over in favor of carpenters beneath them in seniority, but of the stipulated race. And if the union roster did not contain the names of the carpenters of the race needed to racially balance the job, the union agent must, then, go into the street and recruit members of the stipulated race in sufficient number to comply with Federal orders, else his local could be held in violation of Federal law.

Neither competence nor experience is the key for employment under this bill. Race is the principal, first, criterion.

Specific penalties are provided for violation of this bill (title VII). However, in addition, the President "is authorized to take such action as may be appropriate to prevent the committing or continuing of an unlawful employment practice" in connection with title VI of the bill (sec. 711(b)). This, of course, amounts to practically unlimited authority. Unions held in violation of this bill may lose their rights and benefits under such labor statutes as the National Labor Relations Act, the Railway Labor Act, the Davis-Bacon Act, the Walsh-Healey Act, and other legislation beneficial to labor. Representation rights and exclusive bargaining privileges could be canceled. Unions could be denied access to NLRB or National Mediation Board procedures.

Moreover, this bill affects unions from the other end, that of the employer, since the law applies to the employer, as well. It extends to railroads, motor carriers, airlines, and steamship companies handling mail or other Government shipments, enterprises receiving loans from the Small Business Administration, construction contractors financed through FHA or GI home loan insurance, the rural electrification program and practically all others (secs. 601, 602).

Consequently, however meticulous a local union may be as pertains to its racial practice, if a contractor, for example, has been adjudged guilty of discrimination and must, therefore, hire 100 or 1,000 workers of a given race—in preference to all others—before his job becomes racially balanced, it means the local which supplies his labor can send him only union members of that particular race—and the members of other races will sit until that number has been employed. If the union does not have among its membership the number required, it must recruit membership of that race to supply the contractor's needs. This is a specific instance of the Federal Government interfering in the contract rights of unions and employers.

By threat of contract cancellation and blacklisting, contractors could be forced to actively recruit employees of a specified race and upgrade them into skilled classifications, although this would displace union members in the skilled trades. Where skilled tradesmen of the specified race were not available from union sources, the agency could direct that they be recruited from nonunion sources, notwithstanding existing union shop or exclusive referral agreements.

The Tax Cut Bill

EXTENSION OF REMARKS

OF

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1964

Mr. DULSKI. Mr. Speaker, the Senate will soon act on one of the most important bills that has been before this Congress—the tax cut bill.

Based on income levels estimated for 1963, the bill as passed by the House last September is calculated to reduce tax liabilities by about $11.1 billion—$2.3 billion in corporate income taxes and $8.8 billion in individual income taxes over a 2-year period (1964–65). For the individual, the tax rate would be reduced from the present range of 20 to 91 percent to rates ranging from 14 to 70 percent. For the year 1964, the rates would range between 16 and 77 percent, and the full reduction would be effective in 1965. The maximum tax rate for corporations would be reduced from 52 to 50 percent in 1964, and to 48 percent in 1965. Small businesses would receive relief by a reduction in the rate applicable to the first $25,000 of corporate income from the present 30 to 22 percent.

A number of structural changes are contained in the bill which either limit or exclude certain deductions the taxpayer has been allowed under present law.

There has been a great deal of public discussion on the subject of tax reduction, and while there is an area of general agreement on the need for a cut to allow the economy of our Nation to operate at a higher level, we have a number of differing opinions as to how this should be accomplished.

It has been my theory that the best way to accomplish a realistic tax cut for the American taxpayer is through an increase in personal exemptions. To me, this is a more sound and by far the most fair method of effecting a tax cut which will really benefit the little taxpayer who needs it the most. It is true that this method would result in less revenue for the Federal Government than under the House-passed tax cut bill. But to offset this loss, all we have to do is to abolish the highly preferential legislation we now have for the vast oil interests. By reducing the 27½-percent oil depletion allowance so generously provided by Uncle Sam over the years to 15 percent, it is estimated that this would add millions and millions of dollars annually to our Treasury.

These amounts, in the hands of a relatively few oil millionaires, will not boost our national economy. But, in the hands of the little taxpayer, it can mean a great deal in bolstering our lagging economy.

Even though there has been much discussion of the tax cut bill, I still feel that too few people are aware of its provisions and just what it will mean to them individually. Many who are supposed to be in the know have been shadowboxing. Our labor unions have heralded the House-passed tax measure and urged swift passage. Business, too, has been on the bandwagon for the tax cut bill. John Q. Public, by and large, favors relief from our heavy tax burden and has indicated support for this bill.

But just what does the tax cut, as proposed in the pending legislation, really mean to the man in the street? To quote from a recent AFL–CIO publication—

> In terms of hard money, the average worker would receive a tax cut equivalent to 7½ cents an hour added to purchasing power.

The 7½ cents an hour is $3 a week, or about $150 a year. Some will even gain less under the proposed bill, but the more prosperous couple with a taxable income of $300,000 will gain $42,660. Percentagewise, this would mean an extra 6.3 percent to a couple earning $3,000 a year, but an extra 55.9 percent to the couple earning $300,000 a year. For those with even higher incomes, the gain could be more than 100 percent in take-home pay.

I am pleased to note that the U.A.W. has shown an awakening, and I quote from its Washington Report, dated January 20, 1964:

> While the labor movement and liberals generally support the $11 billion tax cut, they are alarmed by the fantastic special privileges still in the tax laws and additional privileges which slick tax lawyers in Washington have managed to slip into the already sorry situation.

This is exactly why I am not satisfied with this legislation. The small wage earners of this country, who provide 87½ percent of the income tax revenue, are the ones who need relief the most, and who will spur our economy the most. As has been true of previous tax reduction measures, enacted during other administrations, the wealthy taxpayer gets the most relief and the special privileges apply to him alone.

Last year, after considerable research work on the subject, I was astonished to find how the giant oil industry has thrived on the 27½-percent oil depletion allowance that has been so generously provided by the American public for years, and which continues to flourish. Under this depletion allowance and the fact that from 70 to 90 percent of costs under the intangible drilling and development cost provision can be written off in the first year, plus the capital gains provisions for oil and gas, and the loss carryover provisions, along with other loopholes in our tax structure, we find millionaire oil operators paying little or no taxes. Is this not fantastic? And every effort to decrease or to do away with the depletion allowance has been in vain.

When the tax bill, passed by the House last September, was first proposed by the administration, it contained a recommendation to reduce the 27½-percent rate. But this recommendation was quickly buried in committee. It is no secret that the tax-writing committees of Congress have eye-winking friendships with this special interest group. If it were not so, this depletion allowance would no longer be in existence today, or at least substantially reduced.

Certainly the oil industry is entitled to various tax deductions. It is given a deduction for operating expenses, and rightfully so. But, in addition, it can write off the cost of dry holes against the income from successful drillings. It gets another advantage not enjoyed by other industries by being able to write off 75 to 90 percent of the exploration, drilling, and development costs—tangible and intangible—in the first year. I understand this item alone amounts to about $2 billion. Then they can get credit of 27½ percent of gross income, up to 50 percent of net income, which is completely free from taxation.

These special tax benefits are among the most gaping loopholes in our tax structure today. Big oil companies are allowed to take tax deductions far above their operating costs. As a consequence, some of these ultrarich oil companies are taxed at a lower rate than a family man with a $5,000 taxable income. A big Oklahoma company paid less than 5-percent tax for many years while other firms not engaged in the oil industry paid taxes at the rate of 52 percent. I find that this same Oklahoma company paid no taxes at all on a profit of $5,378,973 in 1958. Another oil operation had an income in excess of $28 million in 1960, on which it paid nothing in income tax to our Federal Government, whereas a man with a $100 a week salary, having a wife and two children, would pay approximately $400. This is ridiculous and a fraud on the American taxpayer.

As I have pointed out before in the pages of this RECORD, the total tax deductions in 1957 for U.S. corporations under depletion provisions was $3 billion, of which the oil and gas industry alone accounted for $2 billion. The oil industry spent approximately $5 billion annually for exploration and development, with $1 billion lost down dry holes each year. Thus, our Government provided $1 billion or more annually in tax relief to the oil industry under the heading of depletion allowances—for no other reason except pure unadulterated favoritism.

I laud the efforts of those Senators in the Senate Finance Committee who have been hitting hard at these tax loopholes which help the rich and hurt the poor. But once again, a proposal to raise $420 million in revenue by putting steeper taxes on gas and oil producers was defeated in the committee by a vote of 13 to 4. Only an irate and completely aroused nation can change the picture as it has emerged over the years. Those who hail from Texas, Oklahoma, and Louisiana, will continue to guard zealously the tax bonanza that our country has bestowed upon the oil interests. They may allow a slight tap on the wrist, but nothing like the trouncing this deserves. But I appeal to them, in fairness to all Americans, to consider the welfare of our country first rather than the special interest groups that no longer need these preferential tax benefits except to fatten their own pocketbooks.

As the Representative of a highly industrialized area, which has suffered and continues to suffer from critical unemployment, I must agree with my constituents who tell me they foresee little that they will be able to add to our national economy on the basis of the tax break they will receive on their weekly wages running from a low of $40 to a high of $125 a week.

Mr. Speaker, I have sponsored legislation to increase the personal income tax exemption, and also to reduce the percentage depletion rate for oil and gas wells from 27½ to 12½ percent. This depletion allowance is one of the greatest sources of privilege in our entire tax structure. Not only the oil interests but some of the most power-laden economic groups in the country, including those who own shares and stock in oil properties, are opposed to reducing the rate. They are most powerful, and indeed, well entrenched.

I intend to continue, with every means at my command, to focus attention on this oil tax loophole in an effort to arouse the American public. If enough taxpayers sound the alarm, we will succeed in eliminating one of the worst abuses that exists in our tax structure.

SENATE

THURSDAY, FEBRUARY 6, 1964

The Senate met at 10 o'clock a.m., and was called to order by Hon. LEE METCALF, a Senator from the State of Montana.

Rev. George T. Kennedy, minister, Wesley Foundation at Ohio University, Athens, Ohio, offered the following prayer:

Eternal God of all mankind, who calls us into an existence of depth and love, and in whom we have the possibility of life, we honor and praise Thee for Thy creation. This and every moment Thou has given us to live in Thy presence. In truth, "this is the day the Lord has made." Grant that we may enrich it with thoughtfulness, concern, and sensitivity for the welfare of all Thy creation.

Too often we face a new day of work as one of drudgery, boredom, or fear. May today be seen as an opportunity in which we may celebrate the sacrament of Thy presence in the life, concerns, and affairs of man.

There are times when our individual, selfish interests fog the windows of our minds, so that it is with blurred vision that we see Thy concerns. Give us not only clarity of vision, but courage to enable us to do what we ought to do with disinterest in our own personal welfare.

Thy quickening spirit can enliven us even when we have long been dull respondents to Thee. Grant that we may never become so filled with our own importance and understanding that we fail to seek the continuing renewal of Thy lifegiving spirit of truth which sets us free to do Thy will.

We pray to Thee in the spirit of Him who struggled in His life decisions for the right action, with the answer, "not My will, but Thine be done," and who taught us that we are identified with Him in Thy kingdom "inasmuch as you have done it unto the least of these my brethren, you have done it unto Me."

Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 6, 1964.

To THE SENATE:

Being temporarily absent from the Senate, I appoint Hon. LEE METCALF, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. METCALF thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, February 5, 1964, was dispensed with.

REQUEST FOR 3-MINUTE LIMITATION IN MORNING HOUR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that during the morning hour there be a 3-minute limitation on statements.

Mr. KUCHEL. Mr. President, on behalf of the minority, I have been requested to enter an objection to that request.

The ACTING PRESIDENT pro tempore. Objection is heard.

Morning business is in order, under rule VII:

The presentation of petitions and memorials is in order.

Reports of standing and select committees are in order.

The introduction of bills and joint resolutions is in order.

The submission of concurrent and other resolutions is in order.

If there be no morning business, morning business is closed.

TRANSACTION OF ROUTINE BUSINESS

Subsequently, by unanimous consent, the following routine business was transacted:

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

The ACTING PRESIDENT pro tempore laid before the Senate a letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens, which, with the accompanying papers, was referred to the Committee on the Judiciary.

RESOLUTION OF NEW JERSEY SENATE

The ACTING PRESIDENT pro tempore laid before the Senate a resolution of the Senate of the State of New Jersey, which was referred to the Committee on Aeronautical and Space Sciences, as follows:

SENATE RESOLUTION 2, STATE OF NEW JERSEY, INTRODUCED JANUARY 27, 1964

(A resolution memorializing the National Aeronautics and Space Administration to establish and locate its proposed Electronics Research Center in the Delaware Valley)

Whereas the National Aeronautics and Space Administration is searching throughout the United States for the best location for the establishment and construction of its proposed Electronics Research Center; and

Whereas the Delaware Valley area of the States of New Jersey, Pennsylvania, and Delaware provides an ideal location for the establishment of this Center, being in the very heart of the industrial strip extending from Washington, D.C., to New York City which contains the greatest concentration of electronic and industrial research laboratories, operations, and facilities in the United States, together with all necessary supporting services; and

Whereas there is present in and around the Delaware Valley area a great concentration of electronics engineers and scientists with supporting technicians and craftsmen, highly qualified and experienced in electronics and associated fields, and, in addition, there are excellent technical educational institutions with advanced scientific and engineering graduate training facilities, including Princeton University; Rutgers, the State university; the University of Pennsylvania; Drexel; Temple University and the University of Delaware, among others; and

Whereas the Delaware Valley contains excellent industrial, commercial, and passenger transportation facilities and terminals and is readily accessible to and from all other points in the United States and the world not only by land and air, but also by sea; and

Whereas the valley has available the necessary land areas for the establishment of the Research Center together with all necessary utility services for its operation; and

Whereas the Delaware Valley offers excellent and economical urban and suburban living conditions and accommodations in choice residential areas together with an excellent and diversified cultural environment; and

Whereas the Delaware Valley provides for the most efficient and most economical operation of a research center of this type: Now, therefore, be it

Resolved by the Senate of the State of New Jersey:

1. The National Aeronautics and Space Administration is memorialized to give serious and primary consideration to establishing and locating its proposed Electronics Research Center in the Delaware Valley area of the States of New Jersey, Pennsylvania, and Delaware.

2. Each Member of the U.S. Senate and the U.S. House of Representatives representing the State of New Jersey is urged to give his full support to the purposes of this resolution.

3. The secretary of the senate is directed to cause a duly authenticated copy of this resolution to be sent to Mr. James E. Webb, Administrator of the National Aeronautics and Space Administration and to Drs. Hugh L. Dryden and Robert C. Seamans, Jr., Deputy Administrator and Associate Administrator, respectively.

4. The secretary of the senate is further directed to send a duly authenticated copy of this resolution to the President of the United States, the Speaker of the House of Representatives of the United States, the President of the Senate pro tempore, to each Member of the Congress of the United States representing the State of New Jersey and to each of the following-named individuals: Senator CLINTON P. ANDERSON, chairman, Senate Committee on Aeronautical and Space Sciences, Representative GEORGE P. MILLER, chairman, House Committee on Science and Astronautics, Representative JOSEPH E. KARTH, chairman, Subcommittee Space Science and Advance Research and Technology and to Mr. Edward C. Welsh, Chairman, National Aeronautics and Space Council.

I hereby certify the above to be a true copy of Senate Resolution 2 as adopted by the Senate of the State of New Jersey on January 27, 1964.

HENRY H. PATTERSON,
Secretary of the Senate.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. CANNON, from the Committee on Armed Services, with an amendment:

H.R. 7356. An act to amend title 10, United States Code, relating to the nomination and selection of candidates for appointment to the Military, Naval, and Air Force Academies (Rept. No. 869).

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. MAGNUSON, from the Committee on Commerce:

Rear Adm. H. Arnold Karo, of Nebraska, to be Director of Coast and Geodetic Survey.

Mr. MAGNUSON subsequently said: Mr. President, as in executive session, I ask unanimous consent for the present consideration of the nomination of Rear Adm. H. Arnold Karo, of Nebraska, to be Director of the Coast and Geodetic Survey, which was reported by me today from the Committee on Commerce.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Washington? The Chair hears none, and, without objection, the nomination is confirmed.

Mr. MAGNUSON. Mr. President, I ask that the President be notified of the confirmation of the nomination.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALTERS:

S. 2496. A bill for the relief of Mrs. Margaret Patterson Bartlett; to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself, Mr. PASTORE, Mr. JACKSON, Mr. BARTLETT):

S. 2497. A bill to provide for an investigation and study to determine a site for the construction of a sea level interoceanic canal through the American Isthmus; to the Committee on Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. BURDICK (for himself, Mr. YOUNG of North Dakota, Mr. McGOVERN, and Mr. MUNDT):

S. 2498. A bill to increase the participation by counties in revenues from the National Wildlife Refuge System by amending the act of June 15, 1935, relating to such participation, and for other purposes; to the Committee on Commerce.

STUDY RELATING TO CONSTRUCTION OF A SECOND TRANSISTHMIAN CANAL

Mr. MAGNUSON. Mr. President, on behalf of the Senator from Rhode Island [Mr. PASTORE], the Senator from Washington [Mr. JACKSON], the Senator from Alaska [Mr. BARTLETT], and myself, I introduce, for appropriate reference, a bill to provide for an immediate investigation and study to be conducted by the Secretary of State, the Secretary of Defense, and the Atomic Energy Commission, acting jointly, to determine the most suitable site at which to locate, and the most expeditious means by which to construct, a second transisthmian canal at sea level to connect the Atlantic and Pacific Oceans. I request that the bill lie on the desk for cosponsors until the close of business today and that it be printed.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Washington.

The bill (S. 2497) to provide for an investigation and study to determine a site for the construction of a sea level interoceanic canal through the American isthmus, introduced by Mr. MAGNUSON (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, notwithstanding the present political crisis in which we are involved with the Government of Panama, and regardless of the ultimate resolution of the problems contributing to that crisis, we are compelled, nevertheless, by reason of the physical inadequacy of the Panama Canal to formulate and to implement plans immediately for a second canal in order to meet the urgent needs of transoceanic commerce.

Early in my congressional career and prior to World War II, I urged consideration of a second canal connecting the Atlantic and Pacific, either at another point on the Isthmus of Panama or across the nation of Nicaragua. Now, years later, my early fears are being realized; the Panama Canal is fast reaching its maximum capabilities and no affirmative action has been initiated to guarantee to our own merchant marine and the shipping interests of the world ready access between the oceans by way of an uncluttered, efficient sea level canal.

With the passage of time we have become increasingly more aware of the physical limitations of the Panama Canal. In 1910, when the Canal first opened, traffic was light; on an average 5 ships transited per day. The Canal now averages 30 transits per day and by 1980 we forecast that interoceanic traffic will exceed the capabilities of the Canal. Thereafter, ships will be required to wait in line for the privilege of passage, at great expense to shipowners and ultimately, to consumers of the freighted products.

But, of course, other physical limitations inherent in the Panama Canal require us in prudence to undertake affirmative and vigorous action at once to protect our commercial interests. The intricate and complex locks of the Canal, which measure 1,000 feet in length and 110 feet in width, already preclude our modern aircraft carriers, tankers, and passenger liners from passage. That such restriction on the free flow of transisthmian commerce is of vital concern to us is apparent when we consider that 70 percent of cargo tonnage transiting the Panama Canal involves goods which either originate in, or are destined for, the United States.

Nevertheless, while the Panama Canal is fast becoming a commercial anachronism, we are fortunate that our technological advances in the use of atomic energy for peaceful purposes have provided us with a means, safe and relatively inexpensive, for the construction of a sea level canal possessing all the attendant advantages, strategic as well as commercial, over its lock-type counterpart.

Obviously, a sea level canal would require far less maintenance than a lock-type canal, and probably would prove less vulnerable to nuclear attack. Significant, also, is the fact that time of transit through a sea level canal would be reduced by 50 percent, with consequent reduction in costs of shipping.

Nuclear excavation, it is estimated, would permit construction of a sea level canal in one-fifth of the time and at one-quarter the expense of excavation by conventional means. In this respect we are now developing nuclear devices capable of excavating a sea level canal while virtually eliminating radioactive atmospheric contamination.

It is a matter of great national concern, therefore, Mr. President, which prompts me to introduce this bill to authorize and direct the Secretary of State, the Secretary of Defense, and the Atomic Energy Commission, acting jointly, to commence an immediate investigation and study with the approbation and assistance of the various nations involved, of the several sites suggested for a second transisthmian canal at sea level between the Atlantic and Pacific Oceans; to examine into the feasibility of expediting excavation by means of nuclear explosives; to determine the approximate cost of such a project and to report to the Congress the results of their investigation within 6 months.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT ACT—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of January 29, 1964, the names of Mr. DOUGLAS and Mr. GRUENING were added as additional cosponsors of the bill (S. 2475) to establish a Department of Housing and Community Development, and for other purposes, introduced by Mr. CLARK (for himself and Mr. HUMPHREY) on January 29, 1964.

NOTICE OF HEARING ON CERTAIN TREATIES BY FOREIGN RELATIONS COMMITTEE

Mr. FULBRIGHT. Mr. President, I wish to announce that, the Senate's schedule permitting, the Committee on Foreign Relations will hold open hearings on Tuesday, February 11, 1964, on the following treaties:

Executive F, 88th Congress, 1st session, an international agreement regarding the maintenance of certain lights in the Red Sea;

Executive C, 88th Congress, 1st session, amendments to the International Convention for the Prevention of Pollution of the Sea by Oil; and

Executive S, 88th Congress, 1st session, Partial Revisions of Radio Regulations, Geneva, 1959.

All persons wishing to testify on any of these treaties are requested to notify the clerk of the committee as soon as possible.

REVENUE ACT OF 1964

Mr. GORE. Mr. President, in order that the Senate may be advised, I now state that whenever it is appropriate for me to obtain recognition to offer an amendment, I shall offer an amendment on the utility flowthrough provision—an amendment which will not, I believe, be divisible, and which will rewrite the section, so it will read precisely as it does in the prefatory language and then apply the treatment set out in subparagraph (1) of the bill—which deals with the electric and telephone utilities—to all regulated industries, whether they receive 3 percent or 7 percent investment credit. In other words, all regulated utilities would receive the same treatment—that which the bill now would accord electric and telephone companies.

Mr. CARLSON. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. CARLSON. Let me ask whether the amendment would then reduce the 7 percent to 3 percent, for all utilities?

Mr. GORE. I thank the Senator from Kansas for his question. The answer is that it would not. It would not change the 7 percent; but my amendment would leave to the regulatory agencies some direction in determining whether they would require partial flowthrough, but if flowthrough were to be required, it could be required only on a proportional basis, and spread over the life of the capital additions involved—the same treatment now set out in subparagraph (1), applicable to the electric and telephone utilities.

Mr. CARLSON. I thank the Senator from Tennessee.

Mr. GORE. Mr. President, I think it is reasonable to conclude—from the three votes taken yesterday with respect to this part of the bill—that the Senate has not yet reached a satisfactory conclusion. Many Members think part (1) is acceptable, but that part (2) is unconscionable. But having approved part (1), many Members do not want to strike out entirely part (2). So my amendment would treat all in exactly the same way.

Mr. SMATHERS. Mr. President, will the Senator from Tennessee yield for a question?

Mr. GORE. I yield.

Mr. SMATHERS. In other words, to rephrase it, what the Senator from Tennessee wants, by means of his amendment, is to give to the Federal Power Commission the same authority which section 1 now gives the Interstate Commerce Commission, the Civil Aeronautics Board, and all the other regulatory agencies involved—in other words, put the regulatory agencies exactly on the same basis with respect to their power to regulate?

Mr. GORE. Insofar as this provision deals with that power, yes.

Mr. MORTON. Mr. President, will the Senator from Tennessee yield to me?

Mr. GORE. I yield.

Mr. MORTON. But section No. 1 does not give the power to the Interstate Commerce Commission, and so forth. Part 1 deals with the so-called monopoly utilities; is not that correct?

Mr. GORE. Neither section grants power. The whole measure is, rather, a restriction upon power.

Mr. MORTON. Yes.

Mr. GORE. My amendment—which now is being typed, and which has been prepared with some care—would treat all exactly the same.

I do not think the amendment will require a great deal of debate—certainly not by me. As soon as copies of the amendment are prepared, I shall give one to each member of the committee.

Mr. MORTON. Does the amendment deal with all the 7-percent group—the whole transportation industry—or only the pipelines?

Mr. GORE. It would deal with all those now dealt with in the entire subsection 203(e).

Mr. SMATHERS. Which is all of them, is it not?

Mr. GORE. As I understand, that is all of them.

But I say to the Senator from Kentucky that I seek to add no power, but to apply the same rule with respect to both categories of utilities; but I would not change the 7-percent credit to 3 percent. That is a decision which Congress has previously made.

Mr. MORTON. Yes; but what is the difference between what the Senator from Tennessee is attempting to accomplish and what the Senator from Wisconsin [Mr. PROXMIRE] was attempting to accomplish last night, by means of his second amendment?

Mr. GORE. The provision with respect to the 7 percent investment utilities—if I may so describe them—is to prohibit the Federal Power Commission from taking the investment credit into consideration at all in arriving at fair and reasonable rates or fair and reasonable returns on capital. The last amendment of the Senator from Wisconsin would have stricken that out entirely.

My amendment would place the 7-percent utilities in the same position as the 3-percent utilities, insofar as the regulatory agencies may grant or require a passthrough.

Mr. MORTON. I thank the Senator from Tennessee; but I disagree as to the effect of the second amendment of the Senator from Wisconsin. I interpret it as requiring the Federal Power Commission to leave it to the intent of Congress, as expressed in the 1962 act.

Mr. GORE. Mr. President, I say to the distinguished majority leader that I have taken this brief period, following the morning hour, in order to put the Senate on notice that I will propose this amendment.

Perhaps this procedure will lessen the requirement for debate later.

Mr. MANSFIELD. Mr. President, I appreciate the courtesy and the explanation which has been made by the distinguished senior Senator from Tennessee.

REVENUE ACT OF 1964

Mr. MANSFIELD. Mr. President, I move that the Senate resume consideration of the unfinished business, and that it be laid before the Senate.

The **ACTING PRESIDENT** pro tempore. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

The **ACTING PRESIDENT** pro tempore. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to and the Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

The **ACTING PRESIDENT** pro tempore. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. MCCARTHY].

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The **ACTING PRESIDENT** pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER** (Mr. RIBICOFF in the chair). Without objection, it is so ordered.

TRANSFER OF EXECUTIVE POWER AT EXPIRATION OF TERM OF OFFICE OF A PRESIDENT AND THE INAUGURATION OF A NEW PRESIDENT

The **PRESIDING OFFICER** laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 4638) to promote the orderly transfer of the Executive power in connection with the expiration of the term of office of a President and the inauguration of a new President, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JACKSON. I move that the Senate insist upon its amendments and agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JACKSON, Mr. PELL, Mr. RIBICOFF, Mr. JAVITS, and Mr. MILLER conferees on the part of the Senate.

ROOSEVELT CAMPOBELLO INTERNATIONAL PARK—RE-REFERRAL OF BILL

Mr. JACKSON. Mr. President, on January 23 there was introduced in the Senate S. 2464, a bill to establish the Roosevelt Campobello International Park, and for other purposes.

The introduction of this proposed legislation was the result of the agreement signed by the President of the United States and the Canadian Prime Minister upon Mr. Pearson's recent visit to Washington.

Following its introduction, S. 2464 was referred to the Senate Committee on Foreign Relations. Because of the fact that the Department of the Interior would be the agency authorized to carry out the purposes of this proposal, if enacted, through the National Park Service, the Senate Commitee on Interior and Insular Affairs has a statutory responsibility in this legislation.

In the past 3 years, three major additions have been added to our National Park System with the establishment of Cape Cod, Padre Island, and Point Reyes National Seashores.

Other bills adding new units to our park system have passed the Senate in the present Congress, and some are pending awaiting further action. Our committee has made it a policy to go into the establishment of each unit of the national park system with great care and deliberation. Our Subcommittee on Public Lands, which processes national park legislation under the chairmanship of the distinguished senior Senator from Nevada [Mr. BIBLE] has spent a great deal of time in the field examining each area for which proposals have been made for national status. We have held public hearings on each proposed area, and intend to do so in the future.

Therefore, I ask unanimous consent that when the Senate Foreign Relations Committee concludes its action on S. 2464, this bill be re-referred to the Committee on Interior and Insular Affairs in order that we may examine it in the same manner as we have other new additions to our national park system.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. I have cleared the procedure with the chairman of the Committee on Foreign Relations.

VACCINE FOR TUBERCULOSIS—MONTANAN MAKES IMPORTANT MEDICAL RESEARCH DISCOVERY

Mr. MANSFIELD. Mr. President, I may have to be absent from the Senate for a short while this afternoon. I ask unanimous consent that I may proceed now for a period not to exceed 4 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I am very pleased, along with my distinguished colleague (Mr. METCALF), to inform the Senate that a Montana researcher has discovered what could easily be a major breakthrough in efforts to find an ideal vaccine for tuberculosis. I am informed that Dr. Carl L. Larson, director of the Stella Duncan Memorial Institute at Montana State University, is here in Washington this week to present his findings to the U.S. Public Health Service.

Dr. Larson has a distinguished career in infectious disease research. Prior to moving to Montana State University, he was director of the U.S. Public Health Service's Rocky Mountain Laboratory at Hamilton, Mont.

I wish to take this opportunity to congratulate Dr. Larson and his associates on this important discovery. The research being done at the Stella Duncan Memorial Institute is another example of the excellent work being done in basic research in Montana's university system. Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks an article appearing in the January 30, 1964, issue of the Montana Standard.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MANSFIELD. Mr. President, in addition to the news story I would like to have three additional items printed at the conclusion of my remarks in the CONGRESSIONAL RECORD. The first is a laudatory editorial appearing in the February 3, 1964, edition of the Great Falls Tribune; second, feature stories published in the February 2 editions of the Montana Standard and the Great Falls Tribune on Dr. Larson and his colleague Dr. Edgar Ribi and more especially the excellent research work being done at the Rocky Mountain Laboratory at Hamilton, Mont., which is, in fact, one of the outstanding research laboratories not only in our country, but throughout the world; and, third, an editorial entitled "Encouraging Progress on Tuberculosis," published in the Missoulian on February 2.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 2, 3, 4, and 5.)

Mr. METCALF. Mr. President, will my colleague yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. METCALF. I am very happy that my colleague has taken this occasion to commend Dr. Larson. He mentioned the Rocky Mountain Laboratory at Hamilton, Mont. That Laboratory is the second largest Public Health Service laboratory in America, second only to the one at Bethesda.

The discovery mentioned by my colleague is the third major national discovery which has emanated from that laboratory. Ninety percent of the work which Dr. Larson has done in perfecting the tuberculosis vaccine was done while he was the head of the U.S. Public Health Service at Hamilton. He then completed his work at the Stella Duncan Memorial Laboratory at Montana State University at Missoula.

As head of the Laboratory, Dr. Larson built it up to become one of the outstanding research scientific institutions in America.

I am very proud to have Hamilton and the U.S. Public Health Service Laboratory again mentioned, because in effect it is my hometown and is the area in which I practiced law. My colleague and I have worked very hard to attract scientists to that area to develop that major research Laboratory for America.

The breakthrough mentioned by my colleague is only one of the great breakthroughs that have been made in that great Laboratory. Dr. Larson is not only the executive head of the Laboratory, but is one of the great scientists of America and deserves great credit for the tuberculosis vaccine.

Mr. MANSFIELD. Mr. President, no one could speak more intelligently on the subject of the Rocky Mountain Laboratory than the distinguished junior Senator from Montana [Mr. METCALF], because, as he indicated, it is located in the county in which he was born and raised. No one is more willing and able to join the Senator in what he has said than his colleague from the State of Montana.

EXHIBIT 1

[From the Montana Standard, Jan. 30, 1964]

MAY HALT DREAD LUNG DISEASE: MONTANA STATE UNIVERSITY RESEARCHER MAKES TB VACCINE DISCOVERY

MISSOULA.—A Montana researcher Wednesday announced discovery of a tuberculosis vaccine he said may have the potential for halting the lung disease.

The researcher is Dr. Carl L. Larson, former Director of the U.S. Public Health Service's Rocky Mountain Laboratory at nearby Hamilton in western Montana.

For the past 15 months he has been director of the Stella Duncan Memorial Institute at Montana State University.

Larson is scheduled to present his findings to the USPHS in Washington, D.C., February 6. He said the vaccine—thus far tested only on laboratory animals—is made from an extract of the cell walls of the tuberculosis organism.

The reported discovery caps a search Larson started in 1955 while on the staff of the Laboratory at Hamilton.

He continued his research on the Montana State University campus following his appointment to head the institute in October 1962.

"In test results so far, it works," Larson said of the vaccine developed in TB research with Dr. Edgar Ribi of the Rocky Mountain Laboratory.

"We believe that it is more effective than live BCG and, with a few more experiments, it appears to have the potential for becoming an ideal vaccine," Larson said.

(BCG is the short term for a vaccine made up of a tuberculosis bacteria that does not cause the disease and is used for immunization.)

"It pays for some gray hairs," Larson said in commenting on the long search for the vaccine.

Larson said long experiments with its production as a useful fighting tool led to disappointment until he hit on the idea of breaking up the organism in mineral oil.

While the exact nature of the serum's powers is not known, Larson believes there may be an enzyme in the cell wall material that survives in water solutions but is inactivated when centrifuged with the mineral oil.

An additional discovery was finding the vaccine apparently has greater effectiveness when heat treated, he said.

Larson, who was born in Butte, Mont., in 1909, received his doctor of medicine degree from the University of Minnesota in 1939.

He began his career with the National Institutes of Health in 1939 as assistant chief of the laboratory of infectious diseases at Bethesda, Md.

He directed the Rocky Mountain Laboratory at Hamilton from January 1950 until October 1961, spending 1960–61 in France as a visiting scientist at the Pasteur Institute in Paris.

The institute in Missoula was established at Montana State University through a bequest in 1947 from Stella Duncan Johnstone, an alumna, who had been an asthma sufferer. Work of the institute has included studies in immunity and allergy in infectious diseases and hypersensitivity.

The most recent grant received by the institute was a research career award of $83,000 for Larson, granted by the National Institutes of Health last year.

Larson has concentrated on the study of TB, because "it exhibits all the phenomena found in the field of immunology and knowledge of TB is basic to the understanding of many other diseases."

EXHIBIT 2

[From the Great Falls (Mont.) Tribune, Feb. 3, 1964]

DR. CARL LARSON ADDS LUSTER TO MONTANA RESEARCH HISTORY

Another Montana doctor has attracted national attention in making an important advance in medical research. He is Dr. Carl L. Larson, former Director of the Rocky Mountain Laboratory at Hamilton, now director of the Stella Dunkan Memorial Institute at Montana State University. His announced discovery of a new vaccine for stopping tuberculosis may have a potential for wiping out this dread lung disease.

Dr. Larson and his research associates believe that this newly discovered vaccine, with a few more experiments, may prove to be more effective than the short term BCG live TB vaccine now in use.

This discovery might prove to be a breakthrough of no less importance than the Salk vaccine for polio.

Like Wyoming, Idaho, and Nevada, Montana has no medical school. But this State has been fortunate in having attracted physicians outstanding in every field of medicine. Dr. Larson is but one of a considerable number who have achieved national renown in medical research.

EXHIBIT 3

[From the Montana Standard-Post, Feb. 2, 1964]

ROCKY MOUNTAIN LABORATORY ON VERGE OF THIRD BREAKTHROUGH

(By Bob Gilluly, editor, Ravalli Republican)

HAMILTON.—If it proves successful in humans, development of a tuberculosis vaccine by two Montana doctors and their associates will be the third major medical discovery attributed to the personnel and facilities of the Rocky Mountain Laboratory in the 42 years the lab has been located in this small southwestern Montana town.

That's probably a record of sorts. Not even Montanans are fully aware of the scope of the work carried on in the U.S. Public Health Service facility in a Montana town which boasts only 5,000 residents.

Officials pointed out this week that about 90 percent of the work developing the tuberculosis testing of the vaccine in animals, was carried out at the Rocky Mountain lab. Production of the TB vaccine was announced Wednesday by Drs. Carl L. Larson and Edgar Ribi, both of whom have been active in work at the Hamilton laboratory in this particular phase since 1952.

Other major discoveries from the Hamilton facility were development of a vaccine that combated dreaded Rocky Mountain spotted fever in 1924, and production of a highly successful vaccine against yellow fever and typhus during World War II.

Surprisingly enough, the lab in Hamilton is the second largest U.S. Public Health Service institution in the Nation. Its staff numbers 160 employees, including about 20 doctors on the professional staff. It has an annual payroll exceeding $1 million, and the physical plant is worth upward of $3 million.

The doctors particularly, play an active role in community affairs. One physician is currently vice chairman of the Hamilton School Board and a retired doctor from the lab is president of the local PTA. Laboratory doctors through the years have provided untold services to the community, examples being examination of local bats for rabies, and identification of Bitter Root mushrooms for local gourmets.

The laboratory has hundreds of international visitors every year, including occasional visits from Iron Curtain countries, under State Department supervision.

The Laboratory's location in Hamilton is strictly a result of Rocky Mountain spotted fever, commonly called tick fever, which was the scourge of the Bitter Root Valley, Lolo, Missoula, and Rocky Creek areas up until 40 years ago. Rocky Mountain fever spread, although in less virulent form, to virtually every State in the Nation before it was finally conquered.

Spotted fever was first observed in the Bitter Root in 1871, but it wasn't until the early years of the century that sustained research was carried on. The annual incidence of reported cases, sometimes only 25 or 30 wasn't of major importance. The fact that fatalities nearly always resulted from the disease was the horrifying feature.

The first "laboratory" facility in the Bitter Root was a log shack established in the Sweeney Creek area near Florence in the spring of 1910. This was a field station only, with Dr. R. A. Cooley, of the Montana Board of Health, spearheading collection of ticks and study of their habitat.

A second crude laboratory was operated in Victor several years later. It wasn't until Dr. R. R. Parker talked authorities into loaning him an abandoned schoolhouse west of Hamilton in 1921 that work in developing a tick fever vaccine began in earnest.

Three years later, Dr. R. R. Spencer, of the U.S. Public Health Service, developed the vaccine—with himself as the first human experiment. This became the Spencer-Parker vaccine that proved so successful in combating tick fever.

Only a handful of laboratory employees took the vaccine in 1924, but later refinements and mass production in the succeeding four decades has given Bitter Rooters a ready supply of the vaccine. The Laboratory no longer produces the serum, but folks in the valley receive their shots every winter through private medical offices or under county public health supervision. The tick vaccine was produced in the schoolhouse laboratory building on the present site at the southwest edge of town in 1928.

In 1932 the USPHS purchased the land and buildings from the State. Dr. Spencer now lives in retirement in Florida and Dr. Cooley is retired in Hamilton. Dr. Parker, the third figure instrumental in battling tick fever, died in 1949 after serving as Director of the Laboratory for many years.

Production of the yellow fever and typhus vaccine during World War II was the next dramatic development at the Hamilton Laboratory.

Potency of these two vaccines was dramatically illustrated by the fact that not a single allied serviceman contacted either disease during the war. The new tuberculosis vaccine, while not proven in human experiments yet, shows real promise.

Laboratory officials said hundreds of tests in animals have proven successful to date. The tests have been concentrated on mice, but tests for allergic responses also have been made with rabbits.

Dr. Ribi commented that possible allergic reactions may be one stumbling block in developing the TB serum for human use. Officials said tests in monkeys will be the next step forward in development of the vaccine.

The key piece of apparatus that aided production of the vaccine was a machine developed by Dr. Ribi 4 years ago. It's known as the Sorval-Ribi cell fractionator. The machine breaks down tubercle bacilli under pressure of 40,000 pounds per square inch, using a steel cylinder arrangement.

This enables Ribi to separate the tubercle cell walls, the usable materal from which the vaccine is produced from the unusable interial cellular material.

An early stumbling block was extreme heat produced by the machine, which denatured the cell walls. But Ribi came up with a cooling device that produces the raw material under low temperature conditions. The next disappointment was overcome by a random suggestion from a visiting doctor at the Laboratory. Dr. Larson had discovered that tubercle cell walls did not afford immunity if they were suspended in a water solution.

For some reason, he believed, water in the presence of the cell wall material produced an enzyme which destroyed the protective antigen of the vaccine. Dr. E. W. Smith, of the University of Wisconsin, a visitor at the Laboratory, suggested the cell walls be suspended in light mineral oil. This worked.

Ribi explained last week that the vaccine so far has proved much less toxic and more effective than a seldom-used TB vaccine developed several years ago. The old vaccine utilized living tuberculosis cells to develop immunity, but was considered dangerous because of the toxic effects it transmitted to humans.

The old vaccine, called BCG, is not extensively utilized in the country any more. The two doctors summed up their teamwork in the vaccine development through the words of Dr. Larson:

"Dr. Ribi and his associates were the chemists and physicists involved, while I handled the biological and immunological research."

Larson served as Director of the Laboratory from 1950 to 1961. Following a year of work in France, he accepted the directorship of the Stella Duncan Foundation at Montana State University in October of 1962. He continued his TB vaccine research both in Hamilton and on the Montana State University campus.

Dr. Ribi, who speaks with a thick Swiss brogue, has been stationed at the Laboratory in Hamilton since 1952. A native of Switzerland, he was a professor at the University of Bern before coming to the United States.

Other continuing activities now being carried out at the Laboratory include research into many fields of insert-borne and viral diseases, including a study of viral encephalitis and a promising new project on the pathogenesis of chronic viral infections, Laboratory Director Dr. C. B. Philip said.

EXHIBIT 4

[From the Great Falls Tribune, Feb. 2, 1964]

HAMILTON LABORATORY SEES THIRD BIG MEDICAL DISCOVERY

(By Bob Gilluly, editor, Ravalli Republican)

HAMILTON.—If it proves successful in humans, development of a tuberculosis vaccine by two Montana doctors and their associates will be the third major medical discovery attributed to the personnel and facilities of the Rocky Mountain Laboratory in the 42 years the Laboratory has been located in this small southwestern Montana town.

That's probably a record of sorts. Not even Montanans are fully aware of the scope of the work carried on in the U.S. Public Health Service facility in a Montana town which boasts only 5,000 residents.

TB DEVELOPMENT

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SECOND LARGEST

Surprisingly enough, the Laboratory in Hamilton is the second largest USPHS institution in the Nation. Its staff numbers 160 employees, including about 20 doctors on the professional staff. It has an annual payroll exceeding $1 million, and the physical plant is worth upward of $3 million.

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The old vaccine, called BCG, is not extensively utilized in the country any more.

EXHIBIT 5

[From the Missoulian, Feb. 2, 1964]

ENCOURAGING PROGRESS ON TUBERCULOSIS

Mankind will be greatly in his debt if Dr. Carl L. Larson's years of experimentation lead to what he sees as the hope of an ideal vaccine against tuberculosis.

He has been a doctor of medicine since 1939, with most of the subsequent years devoted to research. He headed the Rocky Mountain Laboratory of the Public Health Service at Hamilton for nearly 11 years prior to October 1961. Then, after a period as a visiting scientist at the Pasteur Institute in Paris, he entered upon his present duties in October 1962 as director of the Stella Duncan Memorial Institute at Montana State University.

Dr. Larson's search for an effective tuberculosis vaccine has been underway since 1955. The vaccine in which he sees much hope is made from an extract of the cell walls of the tuberculosis organism. Protracted experiments led up blind alleys until he conceived the idea of breaking up the organism in mineral oil.

After trying the vaccine on laboratory animals, the doctor now sees hope of it becoming an ideal one for humans.

Dr. Larson's extended application to this project is typical of the dedicated years of research and experimentation by medical scientists that have brought progress on many fronts in recent years to provide us the tools for more healthy and longer lives.

Their work and the financing support of such organizations as the Stella Duncan Memorial Institute are among mankind's greatest boons of recent decades. Our gratitude to them should be unbounded.

ORDER OF BUSINESS

Mr. KEATING. Mr. President, is the Senate indulging in a morning hour?

The PRESIDING OFFICER. Morning business has been closed. Unanimous consent is required to proceed with other business.

Mr. KEATING. Mr. President, I ask unanimous consent that I may proceed for 4 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The Senator from New York is recognized for 4 minutes.

SECOND STEP TOWARD ARMS CONTROL—END TO FIRING ON LOST AIRCRAFT

Mr. KEATING. Mr. President, the recent proposals for increased disarmament negotiations with a view to easing military tensions around the world have evoked wide interest, in this country and throughout the world.

One avenue that was not proposed, which in my view would be highly important, is a further exploration of ways to minimize clashes or violence along militarily protected frontiers. Specifically, I believe it would be fruitful to negotiate an understanding whereby both Soviet and United States personnel would ask questions first and fire later, instead of, as now appears to be the case, firing first and asking questions later.

Such an agreement, which could detail the routines to be followed not only by antiaircraft crews, but also by border guards, air patrols, sea patrols, and all other military activities, would go far to ease tensions in anxious border areas. It could well save the lives of hundreds of soldiers on both sides of militarily guarded areas. And it might eliminate a potential source of angry international reactions that could halt future negotiations in their tracks. As the recent shooting down of an unarmed U.S. trainer plane indicated, this issue is a very real one.

There is no rational citizen who would oppose reasonable and safe measures to reduce the military potential for accidental violence on both sides of the Iron Curtain. The immediate problem, however—and I think we must face it honestly—is to find areas where the reduction of armaments or military tensions is possible without an elaborate international control mechanism.

The United States has long insisted—and in my view properly insisted—on international inspection in every instance where agreements were not self-enforcing. The next move in arms control negotiations can therefore probably best be taken in an area that would be to some extent self-enforcing, like the test ban.

I believe this proposal meets those practical and realistic requirements, as well as the important humanitarian consideration of the lives of the men on both sides of the Iron Curtain which might be involved.

Mr. President, I strongly urge that, as a second step toward the easing of international tensions following the test ban treaty, our Government draw up specific proposals to meet the problem of error, misunderstanding, and too-quick trigger fingers along borders between the Soviet Union and other NATO or free world nations. I am therefore asking the Disarmament Agency to provide me with a review of the research that has gone into this issue in the past and the avenues that might be constructively explored in the future with a view toward reaching an international agreement to minimize violence in tense border areas.

AMERICAN HISTORY MONTH

Mr. KEATING. Mr. President, 175 years ago today, the first American President was chosen when the presidential electors unanimously cast all their ballots for George Washington. Our Nation was a young one, but with the guiding wisdom of George Washington and the sacrifice, perseverance, and faith of the American people, the foundation was laid upon which future generations of Americans could build.

Mr. President, during February we honor our debt to the past as we pay tribute to the election of our first President. It is also during this month that we pay tribute to many famous Americans on their birthdays—George Washington, Abraham Lincoln, Thomas Edison, and Henry Wadsworth Longfellow. In this connection, it seems especially appropriate that we observe the month of February as American History Month. I have once again introduced a resolution, Senate Joint Resolution 21, so designating this month, which is at present pending before the Senate Judiciary Committee.

Mr. President, many cities and States presently observe a national history month. In bringing to the forefront the strength and courage and determination of our past, and in creating a greater awareness of our heritage, we would be setting an example and guide for the future.

Mr. President, in my judgment this is a very worthy measure, deserving of expeditious and favorable action on the part of the Senate Judiciary Committee.

REVENUE ACT OF 1964

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. MCCARTHY].

Mr. SMATHERS. Mr. President, am I in a position to suggest the absence of a quorum?

Mr. MORTON. Mr. President, will the Senator withhold the request?

Mr. President, I ask unanimous consent that I may address the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUALITY STABILIZATION

Mr. MORTON. Mr. President, a few weeks ago when I criticized the discount houses for their methods in opposing the quality stabilization bill, Discount Store News, trade paper for the discount houses, sanctimoniously denied the charges. The paper carried a story headlined "Senator MORTON Blasts Heavily Financed Anti-QSB Campaign."

The story said, in part:

> It's common knowledge in the Nation's Capital that the mass merchandising industry has spent hardly any money on its fight against the quality stabilization bill, but that didn't stop one key Senator from rising on the Senate floor to blast "discount houses" for their "heavily financed campaign to defeat" QSB.
>
> Senator MORTON told his colleagues "someone has organized this vicious high-priced campaign."
>
> He didn't say where the money was coming from, and he didn't suggest where it was going.

That would seem to have been a serious oversight on my part. However, the Discount Store News itself—and in the very same issue which took me to task—cleared the air. In another story in the same issue, there is this headline and story:

> ANTI-QS GROUP SETS $125,000 GOAL, MEMBER TAX
>
> NEW YORK.—Some 35 men, representing 31 discount store companies, met here at the Plaza Hotel on world's series eve to set $125,000 as their war-chest goal in an organized fight against quality stabilization.
>
> Discounter members of the committee for competitive prices pledged a minimum of $100 and a maximum of $6,000. Some reportedly offered more than the maximum.

Congress is under great pressure from these people to kill the quality stabilization bill, which is aimed primarily at deceptive use of quality brand names in "bait advertising."

My colleagues, Senators TOM KUCHEL, KARL MUNDT, HUBERT HUMPHREY, EUGENE MCCARTHY, WILLIAM PROXMIRE, DAN INOUYE, JENNINGS RANDOLPH, FRANK CARLSON, MILTON YOUNG, and HUGH SCOTT, have also sponsored this bill because, in their judgment, it is in the best interests of the housewife, labor, the independent merchant, and our competitive economy.

We trust Congress, in weighing the quality stabilization issue, will count the number of people involved, not the number of dollars in anybody's "war chest."

CIRCULATION OF PURPORTED "FACT SHEET" ON QUALITY STABILIZATION

Mr. MORTON. Mr. President, my attention has been called to a purported "fact sheet" on quality stabilization currently being circulated among economics professors around the country. This tract, originally signed by a handful of professors in the New York area, proposes a massive academic congressional letterwriting assault against quality stabilization.

Frankly, I had believed every conceivable propaganda angle had hitherto been exploited by opponents of quality stabilization. They have sloganized, raised misleading issues, and otherwise extended themselves in an effort to cloud the fundamental issues involved in S. 774, the quality stabilization bill.

We have witnessed Government departments and agencies, which should know better, serving the purpose of these special interest opponents of quality stabilization by publishing doubtful conclusions to doubtful surveys. Some of these agencies have later backed away from these conclusions—but, unfortunately, the later clarification seldom manages to catch up with the original charge in such matters.

Now, however, we find even academicians and economic professors being taken in—and that is really the only conclusion possible upon reading over this so-called "fact sheet"—by the special interests' spurious propaganda arguments against quality stabilization.

What else are we to say about a "fact sheet" that begins with a flat statement that this legislation, sponsored by members of both political parties from all sections of the country, "represents a sharp departure from a free enterprise system"?

This is a serious charge, and I, for one, deeply resent it. My own record on behalf of the interests of the American free enterprise system needs no defense or apology. Nor do I, with this record, need to be lectured to by a group of university professors concerning the nature of our free enterprise system. The same case can be stated for other sponsors of this legislation in both the Senate and the House.

The fact is that the sponsors of S. 774 support quality stabilization out of our deep-seated concern for the future of the free enterprise system in our retail economy. We know, from firsthand experience with the people we represent and to whom we are responsible, that unless action is soon taken, our free, independent, and competitive retail economy will die.

We do not claim that quality stabilization is a panacea, but we do know that its aim and its effect will be to advance the cause of free enterprise on Main Street, U.S.A.

One does not need to be a professor of economics to realize that some positive action must be taken to curb the current predatory evils now rampant in our retail marketplace. Cutthroat merchandising practices are pressing the independent operator to the wall, and the inevitable result will be the growth of mass merchandising monopolies at the expense of independent competition.

To prevent this, quality stabilization would give manufacturers of brand name products the same rights over their brand names as are now held by chain operations handling their own private label brands. How this measure, putting independent brand name producers on an equal footing with chain operations, would constitute a "sharp departure" from our free enterprise system is beyond me. I doubt that the economists who advance this argument have really analyzed this bill.

Instead, it seems they have accepted without inquiry the hackneyed propaganda line being disseminated by opponents of quality stabilization.

It disturbs me to think that members of the academic world, responsible for the economic training of American students, could be so gullible as to play the propaganda foil for these special interest opponents. For the real fact is that the professors' purported "fact sheet" follows, almost slogan for slogan and line for line, the typical antiquality stabilization disseminated by these opponents in recent months.

These opponents do not debate the merits of S. 774, the quality stabilization bill now pending, but of a straw bill of their own invention. And the economics professors clearly are discussing this straw bill, and not S. 774, in their "fact sheet."

As a result, I might say that the "fact sheet" raises more questions than it does facts. I, for one, would like to know who is responsible for the preparation of this material being circulated around the country, as well as who is financing the printing and the dissemination of this material—material which, to my mind, levels serious and unsubstantiated charges, not only against S. 774, but against its congressional sponsors.

I would therefore caution economists and professors whose endorsements are being solicited for this tract to determine the answers to these questions before putting their names and reputations behind these charges. And I would especially ask that they read and analyze the real S. 774—not the straw bill invented by opponents, but the genuine legislation—before reaching any final conclusions on quality stabilization.

I believe they will find, upon fair and objective consideration, that this legislation is vital to the Nation's independent retail economy, to the American consumer, and to America's free enterprise system.

DOUBTS OVER THE TAX CUT

Mr. JORDAN of Idaho. Mr. President, I ask unanimous consent that I may address the Senate for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JORDAN of Idaho. Mr. President, in the New York Times of February 3, that newspaper's distinguished financial and business columnist, Murray J. Rossant, has set forth some of the doubts about the administration's economic program that are being felt among a wide variety of observers. There is considerable feeling that the administration is packing too much of a fiscal stimulus into 1964 and that this is likely to lead to renewed inflationary pressures and difficulty in maintaining sustainable and balanced economic growth in a later year. As the First National City Bank has commented, the administration may be borrowing business from 1965.

Because of the crucial issues involving our economic stability and the prospect of employment opportunities for our people, I ask unanimous consent that the column by Mr. Rossant be included in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> DOUBTS OVER TAX CUT: SOME MISGIVINGS ARE BEING AIRED BY BOTH LIBERAL AND CONSERVATIVE CAMPS
>
> (By M. J. Rossant)
>
> Some of the most fervent supporters of tax reductions are expressing concern that the Texas-size package proposed by President Johnson may be too much of a good thing.

Their fear is based on the extra punch in purchasing power that would result from the President's request to immediately reduce the individual withholding rate to 14 percent.

President Kennedy had sought a two-stage reduction, with a 15-percent rate for 1964 and a further cut, to 14 percent, next year.

According to those economists having second thoughts, packing most of the proposed tax relief into the current year can provide too great a stimulus now, making it more difficult to maintain economic stability later.

The growing uneasiness concerning the reductions in taxes and spending sought by the administration was not quelled by Secretary of the Treasury Douglas Dillon's statement made last week before the Congress' Joint Economic Committee, that the program is designed to mesh, so that there is a proper mixture of stimulus and restraint over the next 2 years.

SOME DOUBT EXPRESSED

Economists hope that this is the case, but they are not at all sure. This doubt is shared by both liberals and conservatives who achieved a surprising degree of unanimity in agreeing on the need for tax reductions. They are now airing similar misgivings, although they disagree over what policies are required to cope with potential trouble.

Prof. Paul A. Samuelson of MIT, who serves as consultant to the President's Council of Economic Advisers, is a leading worrier among those tax supporters in the liberal ranks.

In a recent article, Professor Samuelson stated that he had "stepped upward rather than downward my estimates for this calendar year" because of the additional income that would be released by the proposed change in the tax rate, adding that "it will take a burst of private consumption and investment spending next year to offset the destabilizing effect of the withholding tax change."

The February issue of the economic letter published by the First National City Bank of New York makes plain that conservatives favoring tax reductions have taken to biting their fingernails. Commenting on the President's tax plan, the bank's letter noted that it "should insure a vigorous and prosperous 1964," but runs the risk of adding "too much stimulus too soon to an already healthy expansion."

Anxiety in both liberal and conservative camps may well increase when the final size of the reductions are known. Like Topsy, it has been growing.

ESTIMATE BASED ON 1963

The administration estimate, which most economists have used in their own forecasts, puts the total amount of tax reduction at $11.1 billion. But this figure is based on an estimate of 1963 incomes, which were bigger than expected. In addition, it does not take into account Congress refusal to approve some $500 million revenue-raising reforms contained in the administration's package.

Congress is not expected to give its approval to the bill as quickly as the President had assumed. This means that the stimulus will be deferred a month or even two. There is little question, though, that the amount of the stimulant will be a lot bigger than the estimate of $11.6 billion in the bill passed by the Senate Finance Committee.

The increased amount of reductions reinforces National City's belief that "the impetus of the tax cut is likely to push production and distribution closer to capacity," which could lead to mounting inflationary pressure. In its view, some restraint is required this year. It warns that, "If we are not to develop an unsustainable rate of expansion and borrow business from 1965, a monetary policy of judicious restraint may well be needed to create a climate in which price stability can be achieved."

This is where Professor Samuelson and liberals in general part company with the conservative bloc. He is more concerned about the brake exerted by a decline in Government spending once the stimulus of taxation fades. He argues for "planning a mix of budget deficits and easy money sufficiently expansionary to prevent development of a deflationary gap."

There can be no certainty about the outlook because it is impossible to measure how consumers and businessmen will react to the stimulus of tax reductions. Nor is it certain that Government spending will turn down in the coming fiscal year.

The difficulty in assessing the impact of shifts in policy was emphasized by Fortune magazine's business roundup almost a year ago. It stressed "the importance but uncertainty of timing in economic affairs," and went on to suggest that the outlook contained "risks both of too much stimulation and too much restraint."

These observations are now being applied by both liberals and conservatives in reappraising the present business outlook. They are obviously hoping that the expansion continues on a smooth upward course, but they recognize that if tax reductions prove stimulating it will be difficult to avoid resort to a policy of overrestraint.

But at this late stage, with the tax cut that they have sought just about to be made effective, there is little that they can do aside from crossing the fingers of one hand while biting the nails of the other.

REVENUE ACT OF 1964

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

Mr. KUCHEL. Mr. President, I desire to ask the able leader of the majority what, in his judgment, will be the working hours of the Senate today; and does he contemplate proceeding into the evening hours tonight?

Mr. MANSFIELD. Mr. President, in response to the question raised by the distinguished acting minority leader, I would hope the Senate would follow the procedure today that it has followed for the past several days; and that the Senate will be prepared to remain in session until 10 o'clock tonight or thereabouts. It is my understanding that there are at least 10 amendments to be considered. The distinguished Senator from Tennessee recently informed us that there would be another amendment by him.

So I hope all Senators will take to heart this situation and do what they can to continue to do what they have been doing the last several days; namely, to expedite the business of the Senate, which is the consideration of a very important tax bill.

Mr. KUCHEL. I thank the Senator. A number of Senators have heard there has been some slight suggestion that it might be within the realm of possibility for the Senate to conclude action on the tax bill today. I wonder if there would be an opportunity for a unanimous-consent agreement on time.

Mr. MANSFIELD. No; I would have to object.

Mr. KUCHEL. Then I am filled with regret, because I thought the business of the Senate might be expedited.

I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. McCARTHY].

Mr. LONG of Louisiana. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG of Louisiana. Mr. President, this amendment would result in a loss of $350 million in revenue to the Government. It would give head-of-a-household treatment to single people who are not required to maintain a household.

Let us look for a moment at what the purpose of the head-of-a-household provision is. The head-of-a-household provision was an effort by Congress to try to recognize the problems that exist for a widow or a widower left with a child to support, and who must maintain a home for that child, or who is left with an old mother and father to care for and who must maintain a home for them. It provides tax rates midway between the tax rates for a single person and the tax rates for a married couple filing a joint return. As a result this recognizes that a person maintaining a home for a child, or for his parents, or for someone for whom he is obligated, is to some extent in a similar position to that of the husband who must maintain a home for his wife and children.

This amendment would provide that same advantage for bachelors, single women, or divorced women, as well as widows and widowers, who have no such responsibility, merely if they are 35 years of age or over. Those people are not required to maintain a home; they are not required to support a child; they are not required to provide a home for a child or to support an old mother or father, or some other relative whom no one else in the family will care for. They are the people who have only themselves to support. What sort of sense does it make that they should receive preferential tax treatment merely because they are single and over 35 years of age?

This amendment would cause single people to receive better tax treatment than married couples, if they are 35 years of age and over. It would place a premium on a single man remaining a bachelor.

Senators know that many countries actually subsidize marriage and pay a man a premium if he is married, and provide him with an additional family benefit for each child.

This amendment would go in the opposite direction and place a premium on bachelorhood, or a premium on a woman remaining single, even though she might have a number of suitors proposing marriage.

Mr. SMATHERS. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. SMATHERS. I totally agree with the Senator from Louisiana. I have an illustration of what the Senator from Louisiana is now saying.

Take the lowest rate under the tax schedule of present law, of $2,000, on which a 20-percent rate is now applied. Under the law, we allow the filing of a joint return, which means that the couple would have $4,000 taxed at the 20-percent rate.

The McCarthy amendment gives head-of-household treatment to all single people over the age of 35. As a result in the case of two single people, they both have $3,000 subject to the 20-percent rate.

Adoption of the McCarthy amendment would mean that if two single people, neither of whom had any dependents, happened to be sharing the same apartment, they would be subject to tax at a 20-percent rate on $6,000—$3,000 for each.

When we consider the social implications of this particular proposal, it is something to think about.

The amendment clearly would discourage matrimony.

It seems to me this is a question to which the Senate should give careful consideration before it goes forward with this type of provision. It runs contrary to the whole method of taxing community property and the manner in which income splitting is provided by present law, since it in effect gives single people over age 35 one-half the advantage of income splitting.

The amendment certainly is not so good as it sounds. It does have appeal, but when we look at it on its practical side, I do not believe the Senate would wish to adopt it.

Mr. LONG of Louisiana. Mr. President, if I may go a step further, in some States common-law marriage is recognized. It is not recognized in the State of Louisiana. Common-law marriage consists of a man and woman living together as if they were married. In some States they come to be recognized as a married couple, even though they did not go through any formal ceremony before a justice of the peace or a minister. In my State, such a relationship is not recognized as a marriage. The State of Louisiana does not recognize a common-law marriage. In my State that kind of relationship is recognized as a situation in which two people have "took up." They have merely started to live together. The pending amendment would give better tax treatment for those who have just "took up" than married people would receive under the law.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. The Senator from Minnesota would give any person over 35 years of age a special tax advantage. Such persons can get that advantage if they can meet the head-of-household provision. All they have to do is to maintain a home for their old mother, for example. She does not even have to live with them. All they have to do is to maintain a home for their old "pappy." He does not even have to live with them. Or, if they cannot do either of these, all they have to do is to maintain, perhaps, a home for simple-minded Uncle Jim. However, to give that advantage to a couple who "just took up," rather than getting married, does not make sense to me.

Furthermore, it places a premium on a bachelor or a woman who does not want to get married. I know that these are unintended consequences. At the same time, the Senator's amendment would give a "consolation prize" to some woman who has never had a proposal of marriage from a man, or to a bachelor who has not been able to convince a woman that she should marry him. Of course, these are unintended results, but they are results.

Furthermore, Mr. President, the committee did not go into these situations. The Senator did not seriously press it before the committee. These are questions that should be studied by the committee.

I hope the Senate will reject the amendment and will give the committee an opportunity to study these questions. If we want to provide a premium for a woman who cannot get a man to marry her, or for a man who cannot get a woman to marry him, that is something else. However, all these matters should be studied. We must beware of these unintended benefits, and see to it that they do not accrue.

Mr. McCARTHY. Mr. President, I say to the Senator from Louisiana that I have given consistent and serious support to him on the tax bill. I do not have the reputation of offering capricious amendments on this or any other bill before the Senate. I consider this to be a very serious matter relating to a social change that is taking place in American society.

If the Senator from Louisiana wishes to treat the amendment as though it were a joke, and cite extreme examples, he can do so. However, the kind of situation he cites could also occur under present law. Two persons could go through the form of marriage, and get the benefit of split income.

I might cite the example of the hypothetical widow who was figuratively trotted around the floor yesterday. Now the Senator is trotting around a hypothetical person who is living in sin.

I am trying to meet a basic social problem. There are 18 million unmarried people in the United States who are 35 years of age and over; 13 million of them are women. Most of these people must maintain a household of some kind. The amendment seeks to give recognition to that basic fact. It would provide equity and serve the cause of a sound social structure if it were adopted. That is its purpose. I suggest to Members of the Senate who are making speeches about their concern over the status of women in this country that they give some consideration to the amendment. Soon Democrats will go throughout the country and say, "We have promoted 50 women in the departments of Government." The amendment shows regard for the changing status of women in America. If Senators are concerned about the status of women in America, they ought to be concerned about the pending amendment.

This is the kind of problem involving taxation to which the Senate should address itself.

Yesterday Senators talked about removing excise taxes on pens and pencils. Do Senators suggest that that is as serious a subject to discuss in the Senate as the status of women? Here we propose an amendment which, I believe, reaches out to try to do something about a basic social change in America. It is certainly something with which the Senate ought to concern itself. The amendment should be adopted and taken to conference, and perhaps some adjustment will be made in conference.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. PASTORE. First of all, I regret that I was not present at the time the amendment was discussed. I am somewhat puzzled as to precisely what the amendment would accomplish. I know the Senator well enough to believe that he is one of the best balanced men in the Senate, and that he does not indulge in anything that can be passed off as a joke, as he fears.

I should like to have the Senator from Minnesota tell me precisely what the amendment would do. Could he give a capsule explanation of his amendment?

Mr. McCARTHY. Under existing tax law, there are two tables of income tax rates, one applying to single persons and the other applying to those who are heads of households.

The tax that applies to single persons is the tax which is used as the basis for the split-income-tax rate that married people can use in filing their income tax return.

There is a second table which applies to heads of households. "Head of household" is a term which involves rather complicated conditions under which one can qualify.

A person who supports a parent in his home can qualify. If he supports the parent in a home for the aged, he cannot qualify. There are complicated conditions, also, regarding relationship, such as whether a spouse is a resident alien or a nonresident alien.

Mr. PASTORE. Let us take the case of a schoolteacher who is 35 years of age and who is caring for a mother in a nursing home.

Mr. McCARTHY. Under existing law she would not qualify.

Mr. PASTORE. If an unmarried schoolteacher, 35 years of age, cares for a mother in a nursing home, she does not qualify as the head of a household?

Mr. McCARTHY. The Senator is correct.

Mr. PASTORE. Even though she supports her mother in the nursing home?

Mr. McCARTHY. The Senator is correct.

Mr. PASTORE. Is that a situation the Senator is trying to correct?

Mr. McCARTHY. That is because of the complexity of law. There are people 35 years of age, women especially, who must maintain their own households.

This is not an age when Aunt Molly can be kept in a little room in the house or in the back bedroom. These people must live in society. Take the case of widows who live for several years after becoming widows. They have a house to maintain as the head of a household. The amendment I propose would permit them to have the advantage of qualifying under the category of "head of household."

Mr. PASTORE. What about the argument that the amendment would encourage bachelorhood and spinsterhood, and that sort of nonsense?

Mr. McCARTHY. That is what the opponents have prophesied. I do not know why they should prophesy it. The amendment states that its provisions would go into effect at age 35, when people are more or less settled. I do not think it is fair to say that it would encourage people to live in sin. If we are going to talk about morality, perhaps the amendment might help some people not to be tempted. My amendment could very well encourage morality, instead of what Senators on the other side of the question have prophesied.

Mr. PASTORE. Any person over the age of 35 who has the responsibility of a married person and who has the same burden would be placed by your amendment in the same category as a person who is married. Is that correct?

Mr. McCARTHY. We do not go quite that far. People who are married still have a big advantage over a head of a household.

Mr. PASTORE. This covers only the case of an individual who independently maintains a home or abode of his or her own. Is that correct?

Mr. McCARTHY. If a person is unmarried and over 35 he is assumed to be the head of a household for tax purposes.

It is like eliminating the means test for old-age assistance.

Mr. PASTORE. Let us assume a person is over 35 years of age, is living with his parents, and is filing an independent or separate tax return. He could not take advantage of what the Senator is suggesting now, could he?

Mr. McCARTHY. If that is the way he lives, and if he files an independent return, and if it meets the test, he could.

Mr. PASTORE. Does the Senator think that is fair? Let us assume a family of five persons, among whom are two daughters, each teaching school, and each filing a separate return of her own. In that particular case, would they come under the classification of a head of family, when they are living within the home of a head of a family? I do not think that would be right.

Mr. McCARTHY. If one did not want to bother with the details of administration and did not want to be technical he could say that a father and mother and a son and his wife, living in the same household, were one household, but could be treated as though they were two married couples maintaining separate households.

But considering the realities of American life today, the chances of living under such circumstances are so small that it might be compared to medical care for the aged, in which aid is provided at age 65, rather than under a means test, and other details. It is in the same category.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. CARLSON. I voted against tabling the Senator's amendment last night. I know there are some problems involved. A large sum of money is involved. But I do not like to have such an amendment kicked around with levity. A serious problem confronts us, and it ought to have the serious concern of every Member of the Senate as we consider it.

A single person is always at a disadvantage in paying taxes. I think the distinguished Senator from Louisiana [Mr. LONG] was incorrect this morning when he said that a single person could receive tax benefits for taking care of children of relatives of any type, except children of the father and mother, unless they were in a home. As I recall, the Internal Revenue Service has ruled that one may take care of his father and mother but cannot go further than that.

It seems to me that there are many people in the Nation who are trying to be helpful and are helpful.

As I said earlier, I have not been completely carried away with this proposal. However, when the tax law was rewritten in 1948 and provided for a split income, a single person was at a disadvantage. In 1951, when the code was rewritten, provisions were included to adopt rules and regulations for a household. That, again, tightened up the tax exemption for a single person. This is the only reason why I raise the question today. The proposal does have merit.

I know it is said that the cost will be $350 million, but the proposal ought to have some consideration because single persons are at a great disadvantage in their personal income tax payments at this time. Let Senators talk to some of the girls in their offices. They will say that they find the present schedule a real problem.

I appreciate the work the Senator from Minnesota has done on this problem. I shall support him.

Mr. PASTORE. Mr. President, will the Senator yield for another question?

Mr. McCARTHY. I yield.

Mr. PASTORE. Why could not the Senator amend or modify his amendment to exclude persons who are already living within a household, when the head of that household is already taking advantage of that status? If such a modification were made, I could perhaps support the Senator's amendment.

Mr. McCARTHY. I should be glad to accept the Senator's proposal as a modification of my amendment.

Mr. PASTORE. I am not prepared to write the amendment, because I have not been as conversant with the subject as has the Senator from Minnesota. But if the Senator, who has been studying the subject for a year and half, could make such a modification, I could support him.

If an individual has to maintain a home, as a married couple does, he could be placed in that classification. But if he or she were living in a house where the parents were living and taking advantage of the household status, I do not think it would be fair to grant such an exemption.

Mr. McCARTHY. Mr. President, I ask unanimous consent that I may modify my amendment by providing that the exemption may be allowed for only one head of a household; that the deduction be allowed for any household, and that if the split income privilege is exercised for that particular household, anyone else living in the household shall not have the advantage.

Mr. PASTORE. That would be a wise provision, and I could support it.

Mr. SMATHERS. Did the Senator ask unanimous consent to modify his amendment?

Mr. PASTORE. He does not need to do so.

Mr. SMATHERS. So that we may know what we are doing, and because some incorrect statements have been made with respect to what the present law is, I think there should be a further clarification. I believe the able Senator from Minnesota, if he will check with the staff, will be told—and I should like to have the Senator from Rhode Island hear this—that one may still get the classification of head of household if he furnishes more than one-half of the cost of maintaining his mother or father in a nursing home.

Mr. McCARTHY. No.

Mr. SMATHERS. Let me ask about that. We might as well have it cleared up. In the meantime, let me try to straighten out one thing. Suppose one family of five people—father, mother, and three children over 35 years of age, live in the father's house. The father receives an income; so do the children. Would all the children receive an exemption because they happened to be over 35 years of age?

Mr. PASTORE. No; I do not think the Senator from Minnesota intends that they should.

Mr. SMATHERS. I do not think so, either. But that is a situation which needs more precise study.

Mr. PASTORE. Under the circumstances, it is rather complicated, but it could be worked out. Why could not the amendment temporarily be withdrawn? Let us consult with the staff, have the amendment rewritten properly, and then submitted again.

Mr. McCARTHY. I think the general principle has been cleared up. I appreciate the fact that this particular limitation is one that could easily be drafted. I will offer it as an amendment. But so far as offering technical amendments is concerned, I think the proposal to put those people in the category of a household is a simple and clear one and that the cause of equity would be generally served, even with the modification proposed by the Senator from Rhode Island, because only a few such persons would be affected. It is not a complicated amendment. It could be accepted if he offered it as an amendment to my amendment. On that basis it could go to conference. This entire bill will be in conference. There is no reason why the conference has to finish its work in a day or a week. It will probably be the last basic revision in the tax law for 5 or 10 years.

The PRESIDING OFFICER (Mr. Ribicoff in the chair). It will be necessary for the Senator to send his proposed modification to the desk; otherwise, the clerk will have nothing at the desk to read. The amendment would be out of order unless the precise amendment were at the desk.

Mr. PASTORE. That is why I suggested consultation with the staff. I am not prepared to write such an amendment; it was merely my suggestion.

Mr. CLARK. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. CLARK. I should like to address a question to the Senator from Minnesota. I have read in the Congressional Record the very brief debate on the Senator's amendment last night. Unfortunately, I could not be present. I find myself completely incapable of understanding the present administrative regulations dealing with the tax status of bachelors, spinsters, widows, and widowers. I wonder whether the Senator from Minnesota shares my confusion, or whether he can give us in some understandable form an explanation of what the Internal Revenue Service is doing with respect to the tax status of those individuals who have been quite inequitably treated for many years.

Mr. McCARTHY. It is extremely difficult to do that. Evidently, from what was said by members of the staff, the Internal Revenue Service has changed the ruling that was in effect last year. It keeps moving the game around. It is almost impossible to understand or clarify the regulations as they are written in some of the instructions.

Mr. CLARK. Would it not be wise procedure to adopt an amendment which would simplify and clarify the present jungle of unintelligible administrative regulations and at least take some substantial step forward in remedying the inequities which now exist with respect to the tax treatment of single individuals?

Mr. McCARTHY. It would be my opinion that if the Senate adopted this amendment and took it to conference, in a very short time a great deal of improvement and simplification could be made in the regulations which are now applied under the household provisions of the income tax law.

Mr. CLARK. Can the Senator enlighten me as to just how much relief—in general terms—his amendment would give single people? I understand he does not intend to have a single person have the same tax status that a married couple would have, but that he does intend to remove to some extent the heavy taxes now imposed on single persons. Can he explain how far his amendment would go?

Mr. McCARTHY. By examining the tables as to the various income levels, the Senator from Pennsylvania can obtain some indication as to that. For example, in the tables it is shown that a single man with a taxable income of $6,000 would pay a tax of $1,130.

Mr. CLARK. That would be the tax under the bill as it now stands. What would be the tax of that person under the Senator's amendment?

Mr. McCARTHY. Under the amendment, the head of a household would pay a tax of $1,060—or $70 less.

At the level of a taxable income of $12,000, under the bill as it now stands a single man in 1965 would pay a tax of $2,830. The head of a household would pay a tax of $2,540—or a saving of approximately $300.

Mr. CLARK. Compared to those figures, what would a married man in the same income bracket pay? He would pay a great deal less, would he not?

Mr. McCARTHY. He could use the split-income principle. For 1965 a married man in the $12,000 bracket would pay $2,260.

Mr. CLARK. I know the Senator from Minnesota does not intend to have a single person receive as much of a tax "break" as a married couple would receive—certainly not as much as would be received by a married couple with dependents, but that, on the other hand, the Senator intends to have a single person placed in a somewhat better situation—one roughly comparable to that of the head of a household who is not married—and thus significantly reduce his tax burden. Is that correct?

Mr. McCARTHY. Yes. In addition, a married couple is able to take many deductions which a single person would not be able to take.

Mr. CLARK. Is it not the opinion of the Senator from Minnesota that the tax burden placed on a single person, as compared to that placed on others, is quite unfair and inequitable?

Mr. McCARTHY. I believe so—not only in view of the amount of the tax itself, but also in view of the contributions of many sorts to the social welfare. For example, consider the payments made under the social security program. Both groups pay the same, but both do not receive the same benefits from the social security program. However, the contributions to the social security program by single persons and by married persons are the same, although the married persons receive much greater benefits—for example, the benefits for their dependents—whereas the single person receives benefits only for himself.

Mr. CLARK. Yesterday, there was some debate in regard to the cost estimates received from the Treasury.

I take it that the best estimate the Senator from Minnesota has been able to receive from the Treasury, in regard to the cost of his amendment, is around $300 million.

Mr. McCARTHY. That is correct.

Mr. CLARK. Mr. President, I shall be happy to support the amendment of the Senator from Minnesota. I think it is fair and equitable.

It seems to me that the Treasury Department might have been more courteous to the Senator from Minnesota than I understand it was when he proposed this change to the Finance Committee—well over a year ago, as I understand. Is that correct?

Mr. McCARTHY. That is correct.

Mr. CLARK. Has the Treasury Department stated why it has suggested the amount of loss of revenue which it has suggested in connection with the amendment of the Senator from Minnesota?

Mr. McCARTHY. It has filed one statement in regard to the loss of revenue, and it has also submitted figures in connection with the status of the head of a household—figures which, as the Senator from Pennsylvania has said, are difficult to understand and would make the administration extremely difficult. The Treasury protested and objected to this amendment, on the ground that it would create inequities—which is true; but they will be less than the inequities are now.

Mr. CLARK. As the Senator from Minnesota knows, I attempted to square my conscience with the position taken by the administration on this bill all the way through, and on occasion I have supported provisions even when I had considerable doubt as to their validity. However, I find it impossible to go along entirely in that connection; and I shall support the amendment of the Senator from Minnesota.

Mr. McCARTHY. I thank the Senator from Pennsylvania.

Mr. ANDERSON. Mr. President, will the Senator from Minnesota yield?

The PRESIDING OFFICER (Mr. Inouye in the chair). Does the Senator from Minnesota yield to the Senator from New Mexico?

Mr. McCARTHY. I yield.

Mr. ANDERSON. I realize that the Senator from Pennsylvania said the Treasury Department was not very courteous to the Senator from Minnesota, in connection with the efforts to obtain data in regard to the effect of the amendment on the internal revenue laws.

However, I point out that more than the internal revenue laws are involved in the case of this amendment, for it would place a very high premium on divorce. If a married couple were not getting along very well, and if in their minds there was a question as to whether to obtain a divorce, under this amendment all they would have to do would be to get a divorce, and then they would be able to get the tax "break" the Senator from Minnesota is discussing. In short, many other things enter into this situation, in addition to the internal revenue laws; and I do not think the amendment is quite as simple as one would judge if he considered only the casual words of the Senator from Rhode Island, and thus favored the hurried adoption of such an amendment on the floor of the Senate.

These provisions are very complicated, and amendments to them should be studied very carefully.

So I hope Senators will give thoughtful consideration to all the other problems involved in the situation the Senator from Minnesota is discussing in connection with his amendment.

Mr. McCARTHY. However, even if the decision as to whether to obtain or not to obtain a divorce depended partly on the question of whether those involved would be able to increase their income after taxes by $100 or $200, as a result of such a tax change, I think they probably would get a divorce anyway. They might hesitate a little bit before doing so; but I do not think the tax advantages which would accrue to the head of a household as a result of this amendment would be a great incentive to divorce. In fact, the amendment might result in discouraging hasty marriages, and in that way the divorce rate would level off over the long run.

Mr. ANDERSON. But very often the amount of the budget is the controlling factor in connection with the decision to get married.

Mr. McCARTHY. It would be more advantageous financially for them to get married, so as to have the benefits of the split-income provisions for tax purposes.

Mr. ANDERSON. Oh, no; oh, no.

Mr. McCARTHY. On the other hand, it would be more advantageous for them to stay married, so as to be able to have the advantage, under ordinary circumstances, of being able to file a joint return.

Mr. ANDERSON. I wish the Senator from Minnesota would check with the Treasury Department on that situation. If he does, he will find it is not more advantageous. It would be more advantageous for one who was contemplating marriage to stay single and be able to take these two deductions as the head of a household.

Mrs. NEUBERGER. Mr. President, will the Senator from Minnesota yield?

The PRESIDING OFFICER (Mr. RIBICOFF in the chair). Does the Senator from Minnesota yield to the Senator from Oregon?

Mr. McCARTHY. I yield.

Mrs. NEUBERGER. The Senator has pointed out one of the things to which I wish to call attention—namely, that, historically, the single man has had the raw end of this tax "deal."

Two years ago, the late President Kennedy called together the President's Commission on the Status of Women. I would say that two things impelled the appointment of that Commission, on which I was proud to serve as a member: One is the complaint of many workingwomen that they are not allowed to deduct their child-care costs when they calculate the taxes they must pay. The other is the plight of the single woman.

And all of us who worked diligently for 2 years on the President's Commission noted the amount of mail we received from single women—many of whom work in the offices of Senators, and many work elsewhere in the Capital City.

So the Senator from Kansas has hit on a very important part of this whole debate.

Furthermore, I also take issue with the closing comment of the Senator from Louisiana [Mr. LONG], in his historic comments of a little while ago, when he said many women cannot get a man to marry them.

When women stay single, it is always implied that they cannot get a man; but I never have heard it said that when a man chooses to remain single, he cannot get a woman.

Mr. LONG of Louisiana. Mr. President, I said it.

Mrs. NEUBERGER. I think it quite important to note that in the government, for example, there are many single women who prefer to remain single. There are many advantages in not being married.

Next month we are going to award citations to a number of women who, while in the Government service, have devoted their lives to working in astronomy, science, and many other fields; and they chose not to have a man in the house—a man to get in the way.

So I think it adds insult to injury if these women, who choose to be single, do not get the same consideration that men do. A matter of equality is involved.

Mr. LONG of Louisiana. I am quite aware of the fact that there are many men who cannot get women to marry them. I made that statement. At the same time, I mentioned the problem of a women who would like to be married and yet does not have a proposal from a good man. I realize that it works both ways. I also realize that some people prefer not to be married. There are many bachelors who take great pride in bachelorhood, as the distinguished Senator from Oregon so well knows. I am sure that the Senator is correct in her statement that many women would rather be single than be married. That is why they are single. I quite agree.

I would like to make it clear that the amendment raises all kinds of problems for which we on the committee have not yet found answers, for which our staff has not found answers, and for which the Treasury has not found answers.

For example, under the amendment, if two married people agree to disagree, under the amendment they might receive better tax treatment than they would have if they had remained in matrimony. I believe that would be an unintended benefit, but it nevertheless would be true.

All sorts of unintended consequences would flow from the proposal. Also the problem would be raised as to whether better tax treatment would be given to a person who actually is maintaining a household for his father, his mother, and a child, or whether the same tax treatment would be accorded a person who has no such responsibility.

Mrs. NEUBERGER. May I interrupt the Senator to say that there seems to be a contradiction. The Senator from Louisiana has said that they would receive better tax treatment if they should separate. I thought the Senator from Minnesota pointed out that it would be advantageous to split income and remain married.

Mr. LONG of Louisiana. Yes; but a married couple in the lowest tax bracket, with the advantage of income splitting, might divide $2,000 for one and $2,000 for the other, or a total of $4,000 for the lowest tax bracket.

Under the proposed amendment, if those two people agreed to disagree and merely had a friendly divorce, they would then have the advantage of a $3,000 income for one in the lowest bracket and $3,000 income for the other in the lowest bracket, or a total of $6,000 income for the two of them in the lowest bracket, because they were no longer married.

A number of questions are raised as to why it should be so. Furthermore, the adoption of the amendment would create an additional problem. The head-of-household provision would be designed, in the event of divorce, to give favorable tax treatment to the spouse who provided a home for the child. On the other hand, the amendment would require the same tax treatment for the spouse who did not maintain a home for the child. That would seem to be an inequity.

Furthermore, a number of Senators who voted against the motion to table last night did so under the impression that the amendment was for the benefit of women. The benefits of the amendment would include men as well as women. Frankly, some Senators voted for the proposal on the theory that chivalry is not yet dead, but they are now finding they were actually voting a tax benefit for themselves that they had not intended.

That is another question that should be studied with regard to this very difficult and complicated problem. Some of the items I have mentioned sound ludicrous, I know, but nevertheless they are problems which would be raised by the amendment. Those are the reasons why the proposal deserves study. It deserves the best thought the Treasury can give us.

After all, there are many more people on the staff of the Treasury Department who study these things than there are on our committee staff. The subject also deserves the best study of our joint committee staff, and the committee staffs of the House Committee on Ways and Means and the Senate Finance Committee. I would be willing to concede that a problem is involved. The Senate, by voting not to table the amendment last night, has indicated that there is a problem. I believe that the sponsors of the amendment realize that there are a number of questions they are not in a position to answer as the amendment now stands.

Mrs. NEUBERGER. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mrs. NEUBERGER. For the 2 years I worked on the Commission on the Status of Women, my own committee, which had to do with taxation and insurance affecting women, had representatives of the Treasury sit in at every meeting. Those representatives did not wish to change a single provision related to that subject. They never looked into the right or wrong or the inequity of any proposal. If the proposal would cost the Treasury 5 cents, they were opposed to it.

When our committee finally insisted that there was an inequity and we wanted to recommend a change in the child-care deduction and the single woman provision, they reluctantly went along.

But merely because the Treasury was opposed I do not accept as an argument.

It is wrong. It seems to me that we must consider that a single woman is a person in her own right, as is the single man also.

As the Senator from Kansas pointed out much better than I have been able to do, it is an insult. That is a point which has never been considered. I believe Senators would find that it is a situation which faces single women all over America. They feel that they are getting the "short end."

Perhaps with the adjustment suggested by the Senator from Rhode Island the amendment could be modified. But it is not merely a laughing matter. It is not something for the Congress to moralize about whether people "took up," "divorced," "took down," or anything else. When we on the Commission accepted the premise that we would take women where we found them, it was not for us to decide whether they ought to work or ought not to work and stay home with the children. I think that is the approach that we have made.

The story is that many women work and many are responsible for child care. They are the heads of households, and I suggest that we give them a break.

Mr. LONG of Louisiana. The Senator well knows that the committee agreed to the amendment proposed by the distinguished Senator from Oregon with regard to working women. As the Senator well knows also, her amendment expanded upon the House provision that the problem of a working woman is treated the same, whether she is a wife who finds it necessary to work or whether she is a widow who finds it necessary to work. In that respect, I believe the committee made a very substantial improvement in the bill toward forward-looking and constructive legislation to meet a problem that has troubled many people for a long period of time.

So far as I am concerned, I should like to help meet that problem, but I would not like to extend the benefit to the solution of other problems. For example, my reaction is that the problem is substantially different with regard to a working woman than it is with regard to a single man. It might not be, but that is the impression which I gain from it. I hope that we can find a way to afford some sort of equitable relief, but I feel that to impose the amendment on the committee to take to conference would leave us in a position in which we would not be able to find the answer in the brief period in which we would be in conference on the amendment.

However, I would be happy to study the subject and contribute the best efforts I can to try to find something that we can do about the problem. But the conference is not the place to make that study. The place to do it is in the committees. There should be hearings to develop what we can do about the situation. The Senator from Louisiana hopes very much that the Senator from Minnesota will help us to solve the problem in the committee. He is a member of the committee. He serves with great distinction on the committee. I hope very much that the Senator will not insist upon his amendment at the present time in order that we may be able to have a further look at it. I am of the opinion that there is a problem involved.

Mr. McCARTHY. I appreciate the comment of the Senator from Louisiana. I do not know whether we have impressed the Treasury Department with the fact that there is a problem involved, since they gave very little attention to it over the year during which they were considering revision of the Income Tax Code. It seems to me that when we are dealing with a proposed $11.5 billion reduction in taxes, that is the time in which we should give some thought to basic changes which are taking place in the social structure of the country. Only about every 10 years do we have an opportunity such as we now have. To pass it up would seem to be a grave mistake. I believe that the Senate should be more concerned than the House, since we are supposed to think in terms of at least 6 years. I do not know whether we do. But we are supposed to take the long view.

We are taking a long look back, and it shows that we have not been responsive to the particular needs of women in society, although I do not propose to make a distinction between the sexes in the tax bill. We ought to take a look ahead, as the junior Senator from Oregon [Mrs. Neuberger] has described today, and take into account what she sees and has seen. The record we make on the floor, if the amendment does not pass, ought to be a warning to those concerned. If it is approved, I hope the conferees who study it will treat this problem properly in conference.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. GRUENING. I want to commend the Senator from Minnesota. I hope he will not withdraw his amendment. I hope he will press for it, whatever may be the vote. I highly commend the junior Senator from Oregon [Mrs. Neuberger] for her remarks. She is perhaps as well qualified as, if not better qualified than, any other Member of this body to speak on this subject. A question of justice and the principle of equal treatment are involved.

It is a highly desirable amendment. I hope it will be adopted. I commend the Senator from Minnesota.

Mr. McCARTHY. Mr. President, I ask that the clerk read the modification of my amendment.

The PRESIDING OFFICER. The clerk will read the modification.

The legislative clerk read as follows:

At the end of the subsection add the following:

"This section shall not apply where there is more than one head of household in each household or where split income is claimed by a member of the same household."

Mr. McCARTHY. Mr. President, the effect of this provision would be that the advantage of head of household could be taken only once in any one household. In a household where joint returns were filed, the advantage could not be taken.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from West Virginia.

The PRESIDING OFFICER. Does the Senator from Minnesota desire that his amendment be modified?

Mr. McCARTHY. Yes; this is the modification I would like to have accepted.

I yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I support the amendment as modified. I have discussed the proposal with the scholarly Senator from Minnesota [Mr. McCarthy] on several occasions. On prior periods the general objective has had my endorsement. It was so in 1962 and 1963 when he advanced the plan.

The debate today has clarified the issue. I commend my colleague for pursuing this matter to a possible favorable solution. Whether he will be sustained by an affirmative vote of the Senate on a rollcall, I cannot say; but, if there is not to be an opportunity to be recorded, I state for the Record that I believe there is equity involved in the amendment. I believe a bona fide case has been made for its approval.

Mr. McCARTHY. Mr. President, I have no further remarks. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LONG of Louisiana. Mr. President, I send to the desk an amendment to the amendment. It includes both sheets that I am sending forth.

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana to the amendment of the Senator from Minnesota, as modified, will be stated.

The legislative clerk read the amendment of Mr. Long of Louisiana as follows:

At end of title II add the following new section:

"Sec. . Heads of Households.

"(a) Section 1(b) (relating to definition of head of household) is amended—

"(1) by striking out the word 'either' in the first sentence of paragraph (2) and subparagraph (A) and subparagraph (B) of paragraph (2) of subsection (b) and inserting in lieu thereof: 'maintains a household which constitutes for such taxable year the principal place of abode of any person who is a dependent of the taxpayer if the taxpayer is entitled to a deduction for the taxable year for such person under section 151.'

"(b) The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 1963."

Mr. MILLER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MILLER. Was the McCarthy amendment modified, and was the modification accepted by the Senator from Minnesota?

The PRESIDING OFFICER. The modification was accepted.

Mr. MILLER. So the question is on the McCarthy amendment as modified, to which the Senator from Louisiana has offered an amendment. Is that correct?

The PRESIDING OFFICER. The question now is on the Long amendment to the McCarthy amendment as modified.

Mr. LONG of Louisiana. Mr. President, the Senator from Louisiana has asked the staff to try to find something that the staff could suggest to meet this problem so that we could take it to conference.

The amendment to the amendment would provide that a person could claim head-of-household treatment if such person were maintaining a household for any dependent.

The way the law stands now, if the person is maintaining a mother or a father in a nursing home, for example—and that was the illustration given—that person could claim the head-of-household treatment. But it might well be that that person was the only relative being looked after.

A working man or woman can claim credit for a dependent if he contributes 50 percent or more to the support of the dependent, whether it be an uncle, aunt, grandchild, or nephew. This provision would still maintain the concept that a taxpayer, in order to qualify for the head-of-household treatment, must satisfy some of the same conditions that the head-of-household provisions were intended to apply to. The provision would protect us against the kind of situation that Congress did not intend to be covered, namely, that if two people were divorced, by their own decision, they would have much better tax treatment than if they had remained married.

This proposal would give better treatment to the person who is helping to maintain a dependent who has these kinds of problems, than it would give to someone who has only himself to support.

While there is sympathy for those who have a relative or some loved one to care for, the case for bachelors, for example, is extremely weak. Bachelors do not expect and are not asking for it. If there is any case for it, is is a very weak case.

If the Senator wants to have us study the problem, it would seem to me that those of us on the committee would be happy to go into it, and recommend something to the House conferees.

I hope the Senator will accept the amendment, to show that we are interested in this problem, that we want to help with it, and that we would like to make some progress in this direction.

Mr. McCARTHY. Mr. President, my feeling is that the objective which the Senator seeks is one which the Treasury could reach by directive, if it wished to do so. I think there is existing law to cover the people described by the Senator from Louisiana. The Treasury does not think in social terms, but in purely economic terms. Take the instance of the nursing home. I understand that I was in error earlier with regard to the statement that nursing home support of a parent did not qualify for head-of-household treatment. That is the way the situation was until someone went to court and forced the Treasury to accept those who supported someone in a nursing home as qualified for head-of-household treatment.

This question is really peripheral. I am trying to get at the basic reality of the American social structure today, in which I think there is great inequity and injustice operating against single people. I regret, therefore, that I cannot accept the amendment.

Mr. PASTORE. Mr. President, will the Senator from Minnesota yield, before he makes up his mind?

Mr. McCARTHY. I yield.

Mr. PASTORE. I hope that the Senator from Minnesota will not be too hasty in his decision. He may not advocate retreat or compromise, but I beg him to be practical and realistic.

Some meritorious amendments have been lost on the floor of the Senate in the past few days by a handful of votes. I believe the Senator from Minnesota has made a very good case. What is lacking is that it has never been brought to the attention of the other body. If we could only establish that contact, even though it is watered down considerably—and I grant him that I stand for his amendment as he has proposed it, and I shall vote for it—but looking at what might happen, I ask him to look at the two choices presented today—whether he will face the fact that a better amendment might be defeated on the floor and he would lose all contact, or whether a more watered-down amendment which has already received the sympathy of the Senator in charge of the bill will be brought to the House for further discussion.

In conference, because this is a matter that did not appear in the House bill, the conferees would have the right to modify it in conference to carry out precisely what the Senator from Minnesota is striving for.

What I am advocating, before the Senator makes up his mind, is that he give serious thought to trying to establish this contact, which I believe must be made at this juncture.

Mr. McCARTHY. I appreciate the helpful suggestion of the Senator from Rhode Island.

Mr. PASTORE. In other words, let us think about it first rather than try to gamble all, thus running the risk of losing all.

Mr. McCARTHY. I believe that the Treasury Department could reach this very objective without any change in the law which has been described by the Senator from Louisiana, if it wishes to do so under existing law; in effect, I would receive nothing in return for receding, since I believe the Treasury can now do what the Senator from Louisiana proposes to do by amendment.

Mr. PASTORE. But has not done?

Mr. McCARTHY. But has not done. Now that the court has ruled on nursing care and has established the basis for the claim of head of a household, it seems to me that additional court action could extend head-of-a-household privileges to cover almost anyone supporting a child or parent almost anywhere.

I would prefer to have the committee go to conference with what I am proposing. Then if they feel they must retreat, I would hope they would not go back as far as the suggestion made by the Senator from Louisiana.

Mr. ANDERSON. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. ANDERSON. The Senator has said that this provision might be amended by administrative action?

Mr. McCARTHY. Yes, but not what I am proposing.

Mr. ANDERSON. No, no——

Mr. McCARTHY. The Senator from Louisiana is proposing an amendment.

Mr. ANDERSON. If something of that nature were adopted, that would be an easy step in the right direction. As the Senator from Rhode Island has pointed out, this might be a step that would be somewhat longer.

Mr. McCARTHY. It would be an improvement over what we have, but it would be a minor improvement compared to what I am proposing. I believe the case I am making is much more important in the area in which the Senate should act.

Therefore, very reluctantly, I must decline the kind offer of the Senator from Louisiana.

Mr. ROBERTSON. Mr. President, will the Senator from Louisiana yield to me?

Mr. LONG of Louisiana. I yield.

Mr. ROBERTSON. I was interested in listening to the comments of the distinguished Senator from Louisiana as to married couples, who, if they should be divorced, would be better off financially than while married if we gave them this special tax treatment.

Do I correctly understand that with the alarming divorce rate, now exceeding more than one out of every four marriages, that this proposal would be calculated to increase the divorce rate?

Mr. LONG of Louisiana. It is impossible to predict what effect it might have. Under present law, a married couple is entitled to have a total of $4,000 taxed at the 20-percent rate. But under this amendment there is no doubt that if they agreed to disagree, and obtained a legal divorce, each would be entitled to $3,000 of taxable income in the 20-percent bracket, for a total of $6,000 taxable at a 20-percent rate.

In view of the graduated income brackets, they would be entitled to a proportionate additional tax benefit by being separated instead of being married. That would be one of the consequences of this proposal.

I know the distinguished Senator from Minnesota does not propose to encourage divorce with his amendment, but the effect of it would be that under this amendment as it stands, if a married couple in a high-income tax bracket decided that they were not getting along very well, they would obtain a substantial tax advantage if they were divorced.

Mr. ROBERTSON. Perhaps I do not correctly understand the requirements which the Senator has cited for the relief of genuine hardship cases, in which an unmarried girl over 35 is really contributing and should have some tax concession. What is the plan to broaden that definition of head of a household?

Mr. LONG of Louisiana. My proposed amendment, if the Senator from Minnesota wishes, can consider it as an amendment in the nature of a substitute, would broaden the head-of-a-household provision of present law so that a person who has any dependents whom he is supporting—it need not be his father in his home; it could be an aunt or an orphan—but if he has any dependents that he is supporting, or to whose support he is contributing more than 50 percent, he could claim the advantage of head-of-a-household treatment. But this proposal seeks to maintain the principle that to have head-of-a-household treatment, he would have to be, at least in some respect, the head of a household, maintaining a home for someone else.

That is as broad as we can make the principle. It is much broader than the Treasury can make it by regulation.

When the Senator from Minnesota inferred that this was what the Treasury was about to suggest, he was in error. This was done by our own staff.

Mr. ROBERTSON. I wish to commend the Senator. I believe his suggestion is logical and fair. I agree with the Senator from Rhode Island that the distinguished chairman of the committee might be well advised to accept it because, frankly, as far as I am willing to go, whether it is $300 million or $350 million, I believe when Senators take a quick look at the bill and what it will do, and the possible inflationary effect, I do not know what the spending will be, but they will not wish to go beyond it.

Let us remember that President Kennedy requested $3 billion of new revenue; and President Kennedy asked that the full effect be postponed until next year.

We will make $800 million of new spending available immediately. Therefore, we cannot afford to put another $300 or $350 million spending back into the bill. However, I believe the Senator is off to a very fair compromise.

Mr. LONG of Louisiana. Mr. President, let me point out one obvious advantage of the substitute that I am offering over the amendment offered by the Senator from Minnesota. The proposal of the Senator from Minnesota provides that a single person, whether a single man or woman, or a divorced man or woman, if he or she is 35 years of age, would be treated as though he were maintaining a home for a dependent mother or for a dependent father, and were thus burdened with the expense of maintaining a home for someone else, even though that were not the case.

Under the Senator's amendment, a single person 32 years of age actually maintaining a separate home, for another person—for example, a niece or nephew—that person, 32 years of age, who was actually providing a home for another person, would be denied the benefit of the head-of-household treatment.

Mr. McCARTHY. Mr. President, will the Senator yield? That is not a correct statement.

Mr. LONG of Louisiana. Take the case of two people, one of whom is caring for his uncle or aunt or niece or nephew. That person if under 35 years could be denied the head-of-household treatment; whereas the other person, even though not burdened with that obligation, would receive the favored treatment if over 35 years of age.

Mr. McCARTHY. Mr. President, that would not be the effect of my amendment. People who are under 35 would continue to be treated under existing law if they were supporting parents or children. Those people would receive the head-of-household treatment, just as they are receiving it now.

At age 35 those tests would be eliminated; they would not apply.

Mr. LONG of Louisiana. As the law now stands, the head-of-household treatment is available at the present time only in the event that a person has a dependent living in his home, or in the event he is supporting a father or mother who is living in another house. It is not available for the support of nieces or nephews and other dependents who are not living in the person's home; or for the support of an orphaned niece, or for an uncle, not living in the person's home.

There are all sorts of situations in which a person could be burdened with that obligation, but not receive the treatment the Senator would extend to other persons.

There are all kinds of situations under which a person may be burdened with the obligation of maintaining someone else, perhaps a child who is not mentally competent. There are many situations which would not receive relief under the Senator's proposal. The original McCarthy proposal would give relief to a great number of people who do not have any real problem from the standpoint of dependents.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. MORTON. I believe the Senator in charge of the bill has been very considerate in proposing his substitute amendment. We are confronted with a real problem, and he has offered a fair and equitable approach towards solving it. I agree with the Senator from Rhode Island that if the amendment goes to conference, it will be given consideration in conference, even though the House has not considered it. The proposal should be considered. I hope that the substitute will be accepted. Speaking for myself—and I believe also for many Members on my side of the aisle—I am aware that this is an important matter and that we should do something about it.

For reasons that have been outlined, many Senators cannot accept the proposal as originally offered by the Senator from Minnesota.

Mr. SMATHERS. Mr. President, I should like to join Senators who are importuning the Senator from Minnesota to accept this particular compromise. It was evident from the very beginning that there was considerable confusion as to what the original amendment would do. It became rather evident as soon as the debate started that we could be faced with a situation in which six men were living in one apartment. All of them could be over 35 years of age, and each one could claim to be the head of the household and receive the benefit under the McCarthy amendment.

The Senator from Minnesota, realizing that he did not want to do that, offered a modification on the floor, which provided that there could be only one head of the household.

Those same six men could live in the same apartment, and they would have to decide which one would get the benefit of the head-of-the-household tax treatment.

There might be the situation of a mother and father and two sons living together. They could say, "We ought to do something to improve our tax situation. Why don't you, Joe, move next door, where you can become the head of the household and have your taxes reduced?"

Mr. ROBERTSON. Mr. President, having been a member of the Ways and Means Committee for many years, I could not forget the admonition that it is not possible to write a tax bill on the floor.

Mr. SMATHERS. I thank the able Senator. I agree with him.

Mr. ANDERSON. Mr. President, I appreciate what the Senator from Virginia has said. As a former member of the Ways and Means Committee, I agree with him completely. There is great danger in writing a tax bill on the floor.

Mr. SMATHERS. The Senator from Mississippi also was a member of that committee. The point is that we really do not know, and he does not know, and no one knows, at this point where this amendment will lead.

There has been an expression on it from the acting minority leader and from the Senator in charge of the bill, and from members of the Finance Committee. I am certain, as a result of the colloquy today, that the Treasury will be impressed with the fact that something should be done about the situation. The able junior Senator from Oregon [Mrs. NEUBERGER] made a very appealing case. I hope the junior Senator from Minnesota [Mr. McCARTHY] will agree to let the substitute go to conference. Let us have the Treasury work on it. Let us have the staff work on it also. Let us see if we cannot resolve the differences in a fashion that will be useful and helpful to everyone.

The whole proposal could be lost. The Senator from Minnesota could lose it all. A benefit is already being given to everyone by the bill, whether he is over 35 years of age or not. Single persons who are over 35 would receive some benefit from the bill. It does not totally leave them out. The bill would give tax benefits to the extent of $9.3 billion. It would reach every individual who pays taxes. The Senator has said that he wants to put persons 35 years of age and over in a better category. We agree that that should be done, if those persons can qualify as heads of households. They should receive special treatment if they can qualify as genuinely supporting someone while maintaining an individual household.

I add my voice to the voices of other Senators who have asked the Senator from Minnesota to accept our suggestion.

Mr. McCARTHY. I am not sure that it is not possible to write changes into a tax bill on the floor of the Senate, especially when Senators who are on the committee and who are opposed to a provision will not write them into the bill in committee.

Mr. JAVITS. Mr. President, I have been a conferee on many occasions. It is important that we understand what conferees will or will not do. With the Long substitute in the bill, the conferees could not return to the McCarthy original. That does not mean that the original is what we wanted, either. Therefore, I should like to ask the Senator whether he is seeking to introduce into the McCarthy idea one additional factor; namely, the factor of dependency; in other words, that there must be some basis, not only the maintenance of a separate physical establishment, which is the basis of the McCarthy idea, plus the age limit, but also the additional factor of some kind of dependency. Is that correct?

Mr. LONG of Louisiana. Yes; the proposed amendment to the McCarthy amendment would take care of the best cases that the McCarthy amendment would aid.

Mr. JAVITS. One other question: Does the Senator's substitute maintain the age limit or discard it?

Mr. LONG of Louisiana. It does not maintain the age limit.

Mr. JAVITS. I thank the Senator. Now we understand exactly what the amendment provides.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. KEATING. I wonder if the Senator from Minnesota heard the answers to the queries propounded by my colleague from New York [Mr. JAVITS] and whether he agrees with the answers given by the Senator from Louisiana.

Mr. McCARTHY. I believe most of the cases which the Senator from Louisiana said would be covered by his amendment could really be covered by a proper interpretation of existing law. It would certainly force the Treasury to take care of the worst cases, but it would not take care of the injustices and inequities that are involved.

Mr. KEATING. If the Treasury were so disposed, it could take care of any cases involving a dependency, could it not?

Mr. McCARTHY. Until quite recently, the Treasury had been refusing to grant a head-of-household exemption if a person was maintaining a parent in a nursing home. If he had the parent in his own home or maintained a separate home for the parent, he could claim the head-of-household exemption.

Eventually, a case was taken to court, and as a result the Treasury has ruled that if a person maintains a parent in a nursing home, he may claim the head-of-household exemption. However, that does not reach out to the basic social problem and inequity that are involved.

Mr. LONG of Louisiana. Under existing law, the Treasury does not have power to issue regulations to accord relief to a working single person to help a niece, a nephew, uncle, an aunt, or an orphaned child, who is living in a separate home. This amendment would cover all those situations which the Treasury at present has no statutory power to reach at all. It would also take care of cases in which the Senator from Minnesota [Mr. McCARTHY] thinks there should be relief, but to which the Treasury does not have power to extend relief.

So this amendment would, in the broadest sense, extend the head-of-a-household treatment to a taxpayer who was supporting a dependent who might not be living in his home.

But it leaves one problem, which I think we should not go into at this point. Should we try to extend to persons who have no dependents to help the special tax benefit which is intended for those who do? The amendment also would prevent what could become a serious discrimination. If we started at age 35 with special tax treatment for single persons, it is likely that new problems would develop, and we would have to start all over again. So if the tax relief sought by the McCarthy amendment is to be accorded, it seems to me that what is proposed in my amendment would be a good starting point. It would be something to take to conference. As a Senate conferee, I would use my best efforts to urge the House to agree with us to begin relief in this direction.

I hope the amendment to the amendment may be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. LONG] to the amendment offered by the Senator from Minnesota [Mr. McCARTHY].

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from Minnesota, as amended.

Mr. LONG of Louisiana. Mr. President, now that the amendment to the amendment has been agreed to and includes my proposal, I shall gladly take the amendment to conference. I ask unanimous consent that the order for the yeas and nays be vacated, so that the amendment may be taken to conference.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question now is on agreeing to the McCarthy amendment as amended.

The amendment as amended was agreed to.

Mr. GORE. Mr. President, I understand from the distinguished Senator from Florida [Mr. SMATHERS] that there is an understanding that the senior Senator from Delaware [Mr. WILLIAMS] will be recognized to call up his amendment. Therefore, I shall withhold the amendment I had intended to offer.

Mr. WILLIAMS of Delaware. Mr. President, on behalf of Senators SMITH, AIKEN, and PROXMIRE and myself, I call up amendment No. 400 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the proper place in title II of the bill it is proposed to insert the following new section:

SEC. . PERCENTAGE DEPLETION RATES FOR OIL AND GAS WELLS, ETC.

(a) Section 613(b) of the Internal Revenue Code of 1954, relating to percentage depletion rates is amended—

(1) 1964.—With respect to taxable years beginning in 1964, by striking out "27½ percent—oil and gas wells" in paragraph (1) thereof and inserting "25 percent—oil and gas wells".

(2) 1965.—With respect to taxable years beginning in 1965—

(A) by striking out "25 percent—oil and gas wells" in paragraph (1) thereof and inserting "22½ percent—oil and gas wells", and

(B) by striking out "23 percent—" in paragraph (2) thereof (relating to sulfur and uranium and certain minerals from deposits in the United States) and inserting "22½ percent—".

(3) 1966 AND SUBSEQUENT YEARS.—In the case of taxable years beginning after December 31, 1965—

(A) by striking out "22½ percent—oil and gas wells" in paragraph (1) thereof and inserting "20 percent—oil and gas wells", and

(B) by striking out "22½ percent—" in paragraph (2) thereof (relating to sulfur and uranium and certain minerals from deposits in the United States) and inserting "20 percent—".

Mr. WILLIAMS of Delaware. Mr. President, perhaps the Senator in charge of the bill is willing to accept the amendment. If he is, much discussion could be eliminated.

Mr. LONG of Louisiana. The Senator from Delaware knows that I oppose his amendment. I shall be glad to hear him. I hope other Senators will also remain in the Chamber and hear both arguments, so that the Senate may pass fairly on the proposal.

Mr. WILLIAMS of Delaware. Mr. President, this amendment provides for a progressive three-step reduction in certain percentage depletion rates. When this amendment is fully effective in 1966, all those percentage depletion rates which now are above 20 percent would be reduced to 20 percent.

The minerals affected by this amendment include oil and gas which presently enjoy a percentage depletion rate of 27½ percent and sulfur, uranium, and certain other minerals which are extracted from deposits within the United States which are entitled to percentage depletion of 23 percent.

Under its first step, the amendment would reduce the percentage depletion allowance for oil and gas from 27½ to 25 percent. This would be the percentage depletion applicable to oil and gas income in 1964. This change for 1964 would produce $75 million in new revenues for the Treasury and would help offset the cost of the first stage of the income tax reductions.

As its second step, effective in 1965, the amendment would further reduce the percentage depletion allowance for oil and gas to 22½ percent. At the same time, it would have its first impact on the minerals in the 23-percent category. As in the case of oil and gas, the allowance for these minerals in 1965 would be 22½ percent, an initial reduction of only one-half of 1 percent. These changes made by this second step in 1965 would produce an additional $75 million in new revenues for the Government, offsetting part of the cost of the second-step reduction in income taxes.

The third and final step of my amendment would apply in 1966 and subsequent years. It would reduce the percentage allowance to 20 percent for oil and gas and for minerals now in the 23-percent category. In 1966 and thereafter there will be no percentage depletion allowance above 20 percent. This last step, in 1966, would produce additional revenues of $100 million for the Federal Treasury, making the total revenue gain for a full year of operation of the amendment approximately $250 million.

Mr. President, I ask that the yeas and nays be ordered on the amendment.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. JAVITS. As the Senator knows, there is a large amount of business of this character in our State and our city. New York is the headquarters of probably most of the major oil companies in the United States. They are always concerned about changes in definitions, in terms of the law, in the way in which foreign income is treated, depending upon its sources, and so forth. To some extent, those factors are affected in the bill. The companies operate under a very complicated set of tax laws.

Can the Senator assure us that, other than with respect to strict rates of depletion, his amendment would not change either existing law or what is contained in the bill with respect to depletion income from mineral sources, and so forth?

Mr. WILLIAMS of Delaware. That is correct.

Mr. JAVITS. Only the rates?

Mr. WILLIAMS of Delaware. Only the rates.

Mr. JAVITS. And if there were to be any question about that—if the Senate adopts the Senator's amendment, and if the opposite proved to be the case——

Mr. WILLIAMS of Delaware. Then I would help correct that.

Mr. JAVITS. The Senator from Delaware would help correct it?

Mr. WILLIAMS of Delaware. Yes.

Mr. JAVITS. I thank the Senator from Delaware.

Mr. WILLIAMS of Delaware. Yes, because the amendment is drafted with the sole intent of changing only the rate, not changing any other part of the formula.

If it were found—although I do not think it will be because the staff has carefully prepared this amendment—that the amendment would do otherwise, I shall be ready to change it, in conference or elsewhere.

Mr. JAVITS. I thank the Senator from Delaware, because everyone knows that I am devoted to the struggle to have the private enterprise system really do its proper job in the world. I think the question before the tax collector is always how he can do his job without drawing blood.

So in deciding whether this rate should be 22 percent or 21 percent or 26 percent, our decision will depend on the answer to the question, Will this inhibit the exploration for oil, on which the rate is based.

It is my judgment that this amendment will not inhibit the exploration for oil, any more than the 27½ percent has done; and I thank the Senator from Delaware.

Mr. WILLIAMS of Delaware. I thank the Senator from New York.

There is no industry for which I have more respect than the oil industry. This industry makes a great contribution to our Government; and in submitting the amendment I have no thought of punitive action against the industry or anyone else. I have respect for this industry, but I expect it to pay its proportionate share of the total tax burden, the same as all other citizens.

There is no magic in the 27½-percent figure. It was a compromise between the position taken by the two Houses—one of which proposed a rate of 25 percent, and the other proposed 30 percent. At that time the corporate rate was around 20 percent, and the top individual rate was around 25 percent. Therefore, the 27½-percent rate did not result in the same advantages and benefits for this industry as those which now result for it under the existing law or those which it will enjoy under the new rates now in this bill. I feel that in an era in which we must raise about $100 billion a year to support our Government, and when approximately one-half of that goes to support the national defense it is only right that this industry be called upon to pay a fair proportion of the tax load required in order to operate the Government and protect the country. It is for that reason that I am proposing this change in this rate structure; and I feel that this change will not disrupt at all the exploration activities and development of the industry.

Mr. JAVITS. Mr. President, will the Senator from Delaware yield further to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. JAVITS. As a practical citizen and a campaigner of longstanding, I know of no particular area in the tax bill which sticks more in the public mind as some kind of gimmick and some sort of way by which the rich avoid heavy taxes than this one. However, as a matter of fact, that is not true; as a matter of fact, there are no particular iniquities involved in this depletion allowance. It has a great deal of basis and soundness in the national interest; and I have been pleased to find that the Senator from Delaware takes that position, too, because after studying that situation, he has submitted his amendment, which would bring the rate down, not sensationally, but to 20 percent over a period of years.

So I submit that if we show that this particular rate is not a sacred cow and that—at long last—it can now be reformed, and that no lobby or power group will prevent us from reforming it, that will be one of the finest demonstrations of the strength of the tax system that we could possibly have; and I think the oil companies will benefit from it, in terms of the public esteem which they will receive, and which I believe they deserve to receive.

I agree with the Senator from Delaware that the oil companies have done a fine job in the public interest, and that they have done many fine things in that connection, in a forward-looking way.

But somehow the American people have come to feel that these oil companies have an inside drag, and that their tax rates cannot be changed—that other rates can be changed either up or down or across the board, but that this rate is the sacred cow of all sacred cows. I think that attitude is bad for the country and for the tax system; and I hope that—at long last—the Senate will support the Senator from Delaware, in connection with his amendment.

Mr. WILLIAMS of Delaware. I thank the Senator from New York. I agree with the principle of depletion, and I am not trying to abolish the principle itself.

On the other hand, since 1926 Congress has made many changes in the tax rates—in most cases, raising them—with the result that the individual rates have been increased from around 11 percent until today they are as high as 91 percent, and the corporate rates have been increased from 20 to 52 percent. During the war the excess profits tax resulted in raising the rates even higher. However, during this entire period, this 27½-percent rate has been considered sacred and as one which could not be touched.

I think the oil industry—for which I have the greatest respect—can pay its proportionate part of the cost of the defense of the country.

Fifty billion dollars of the annual expenditures, for which Congress appropriates, are made for the Nation's defense programs. Those expenditures are made in order to defend the lives of all American citizens and the defense of the property of America. The oil industry represents a substantial amount of property which is being defended by means of the congressional appropriations for the national defense and certainly this industry should pay its proportionate share of that cost. Why should it do otherwise?

I think it is also fair that it do so, and I believe the American people will have a much higher regard for this industry than if Congress insists that this special tax privilege is sacred and cannot be touched.

Mr. JAVITS. Mr. President, will the Senator from Delaware yield further to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. JAVITS. My remarks will be brief, and I appreciate very much the courtesy of the Senator from Delaware in yielding to me.

I wish to refer to one other point: The oil industry often suffers severely from strange and unjustified constructions in regard to provisions of the tax law, from the point of view of the income of the industry; and it has complained about that and about the considerable insensibility on the part of those who complain about the effect which the depletion allowance has, and the programs taken under it, and the demands for corrective action in that connection, as compared to other parts of the tax system.

Therefore, I believe that by means of this amendment the oil companies will be able to do even better than they can do today, because, in the absence of this amendment, the attitude of Congress and of the people of the country toward that industry is an unhealthy one; and I believe it is time for a change to be made.

Mr. WILLIAMS of Delaware. I thank the Senator from New York, and I agree with him.

Mr. SIMPSON. Mr. President, will the Senator from Delaware yield briefly to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. SIMPSON. I have great respect for the Senator from Delaware, as he knows; and he is one whom I should like to have on my side in connection with any controversy.

I agree with what he has said about the oil industry and its part in the defense of the country and its participation in it.

I wish to point out that the oil industry has been the minuteman of America, during all our country's conflicts. In World War I, in World War II, and in World War III the oil industry provided tremendous impulse to the motivation of our Armed Forces—both those on the land, those on the sea, and those in the air.

I point out that any diminution of the 27½-percent depletion allowance would wreak havoc in this industry, which in recent years has been suffering a decline.

I believe that the economic shock wave which would result from any change in the depletion allowance would not only adversely affect the oil industry, but also would adversely affect the oil users, and also—and principally—the U.S. Government itself. The Government is the biggest user in the United States of the production of this industry. For instance, I believe our Armed Forces use about 446,000 barrels a day of oil products; and jet fuel is used in similar proportions.

I call the attention of the Senate and the attention of the Senator from Delaware to the fact that the oil industry will spend $2 for every $1 it receives from the depletion allowance; the industry will spend that for further exploration and for the discovery of the hidden sources of oil.

I also call attention to the fact that the industry itself has spent an average of $5.1 billion and has made approximately 15,000 explorations, including both the large ones and the small ones. That has been the average over the years; and if Congress were to reduce the depletion allowance, the resulting increased cost would be inflicted upon the consumers.

I know how honorable the Senator from Delaware is in his intentions. I know how he must feel with respect to the great job that the oil industry has done. Coming from the eighth largest oil State in the Union from the standpoint of production, I know what it means. Furthermore, I know that the oil industry itself is far below the norm in corporate receipts in the United States by virtue of the industry itself. I call to the attention of the Senator from Delaware the fact that that great industry would be irreparably injured if there were any reduction in the 27½-percent depletion allowance which has been in existence for 35 years. The oil industry expected to use it. It has been given a promise by the U.S. Government that it could depend upon that type of thing and could work out its destiny in the future. As much as I should like to be for the amendment of the Senator from Delaware, knowing the repercussions that it would have on the oil industry, I sincerely hope that Senators will vote against it.

Mr. WILLIAMS of Delaware. I appreciate the remarks of my good friend the Senator from Wyoming, for whom I have the greatest respect. He has no higher regard for the oil industry than I do. I certainly recognize the great contribution that the industry made to our war effort, and I am willing to accept the industry as a minuteman that always stood by when our country was in need. But by the same token we have not merely one minuteman; we have many. What the Senator has said could be said also of the American farmer.

The oil would be of no use if we did not have food for America. So, therefore, one could say that the farmer is most important. Neither the farmer nor the oil industry would be of great importance if it did not have the great productive capacity of America to provide the implements. We can speak of no segment of America in itself as all-important. It takes all of them working together as a unit—as a group of minutemen—to make our country successful in its defense. I would not for one moment, in making that statement, detract from the part which the oil industry has played, but they are not all-important. If we had all the oil in the world but did not have all these other things to go with it, it would be of no use.

Mr. SIMPSON. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I shall yield in a moment. The Senator mentioned the fact that the oil industry has been led to expect that they could keep the 27½-percent depletion allowance. I cannot say that I agree with that conclusion. The fact that 35 years ago the rate was fixed at 27½ percent does not give the industry any right to believe that it has an inherent right always to maintain that allowance, any more than do the American taxpayers who were paying around 20 percent to 25 percent rates at that time have any right to say that the Congress and the Government doublecrossed them as they raised the rates to higher levels in succeeding years.

Nothing is fixed in our tax structure. Every American taxpayer recognizes that rates can be raised or lowered at the discretion of the Congress as it sees the need. Sure, this change will have some effect on the consumers. I recognize that it will have some effect on the cost to the Government, which is a large purchaser of the oil products. I recognize that as we increase taxes the addition becomes part of the built-in costs. But, by the same token, the same statement is true with respect to all corporate rates. All taxes are a part of the built-in cost of operations. It is true of all industries, not merely the oil industry. It is one of those factors which we must take into consideration. The alternative would be to abolish all taxes on all corporations, so that the Government could buy at lower costs.

The reason I am offering the amendment is that I strongly feel that this segment of our American industry, which is an important segment and one of the most respected segments of American industry, is not paying its proportionate part of maintaining the cost of operating our Government today. For that reason I am proposing what I think is not only in the interest of the taxpayer but in the interest of the oil industry itself—that they accept some modification of the depletion allowance.

As the Senator knows, under this 27½-percent depletion allowance they can recover not just the original cost but in some instances, many times over their investment.

There is no limit.

I have suggested what I believe would be a reasonable adjustment. I admit that there is no magic in the figures I have suggested, nor is there any magic in the 27½-percent figure. Congress should recognize that. Personally I feel that the oil industry itself would be better off if it accepted a modification of the depletion allowance in order to remove the stigma we sometimes hear that they are trying to enjoy a special privilege. I accept the industry as a respected part of our American system. Let them accept their responsibility as a respected part of that system.

Mr. SIMPSON. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. SIMPSON. I am sure that the Senator from Delaware is not contending that the depletion allowance is a tax loophole for the benefit of the oil industry.

Mr. WILLIAMS of Delaware. No.

Mr. SIMPSON. Some responsible people do.

Mr. WILLIAMS of Delaware. I have always looked upon a loophole as an unintended benefit that creeps into our Internal Revenue Code. As we act upon a bill, such as we are considering today, consisting of 380 pages, occasionally we will find that we have extended a benefit to some group or to some individual which we did not intend. We later correct them. To me those are loopholes.

The reason I make that statement is that I do not consider the allowance a loophole in that Congress, with its eyes wide open, established the depletion allowance at 27½ percent. On numerous occasions the Congress has refused to change it. If I were a part of the oil industry today and were operating an oil well, I would take the 27½-percent depletion allowance the same as every one else in the industry does. I do not make any charges of impropriety when anyone in the industry utilizes the benefits which are accorded to them under the revenue code.

I shall state another example. I shall vote against the proposed tax reduction of $11.5 billion, not because I believe that the tax rates are low enough already, but, as I have previously explained, I believe we should postpone a tax reduction until after we have actually reduced Government expenditures to the point at which we can afford a tax cut. But if the bill should pass and tax rates are reduced, even though I vote against it, when I compute my tax return at the end of the year, I shall compute it on the same lower formula as every other taxpayer will. That does not mean that I would be taking advantage of a loophole.

That is the law. If the tax rate is raised over my objections I shall pay the increased rate. If it is lowered over my objections I shall take the benefit. So I certainly do not cast any reflection on the oil industry because it has utilized the 27½-percent rate which is provided in existing law.

I frankly believe that any segment of the oil industry which did not utilize the allowance would be subject to severe criticism on the part of the company's stockholders. They must take advantage of the law. I certainly am not attacking from that angle. I do say that it is up to Congress to change the provision.

Mr. SIMPSON. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. SIMPSON. It is the evidence of the integrity of the Senator from Delaware that makes me very friendly toward him, as he knows. The Senator has been very fair and convincing with respect to the matter of tax loopholes, which so many irresponsible people refer to when they speak about the oil depletion allowance for the oil industry. I should like to point out to the Senator that, since I come from a State which has large oil capacity, and participate in an independent company known as the Husky Oil & Refining Co., I can assure the Senator from Delaware, as well as other Senators, that the job of the oil industry is not all sunshine and roses. Approximately 1 out of every 12 wells drilled is a good producer. Many of the wells are marginal wells or even submarginal wells that do not pay their expenses.

The path of the oil industry is a very severe one. The job is becoming more difficult by virtue of the importations of oil from abroad. In all of my experience in the oil industry I have never found any stinkers in that industry with the exception of one or two, and the oil industry itself took care of those right off the bat.

This great industry is doing a great service for America. The repercussions of the proposal on the economics of the country would be most severe, not only to the oil industry, but to other industries that utilize the oil.

I agree with what the Senator has said about the farmers being minutemen, but it is the propulsion provided in many instances to the farmer and to other forms of transportation and in the other areas of industry that is provided by the oil industry that makes them competent to be minutemen.

Mr. WILLIAMS of Delaware. What the Senator has said is true. As I stated, I am not trying to minimize the contribution which the oil industry makes to the American economy—not for one moment. I have great respect for the industry. Some of my best friends are engaged in it. They understand my position, and I understand theirs. On many occasions I have agreed with them and fought for what I thought was fair for the industry, and I shall do so again. This is not a personal grudge I have against them. I have supported measures relating to the industry which I felt were justified, as has the Senator from New York, and I shall probably do so again in the future.

Several Senators addressed the Chair.

Mr. WILLIAMS of Delaware. Mr. President, I promised to yield to the Senator from Ohio [Mr. Young] first.

The PRESIDING OFFICER (Mr. Kennedy in the chair). The Senator from Ohio is recognized.

Mr. YOUNG of Ohio. Mr. President, I compliment the distinguished senior Senator from Delaware [Mr. Williams] on the moderate amendment he has offered today. The Senator from Delaware is rendering a real and needful public service in offering the amendment. I am sure it will be debated fully.

I think I know something about this matter for the reason that, while a member of the Committee on Ways and Means of the House of Representatives, I heard a great deal of testimony on the 27½-percent oil depletion allowance in the tax writing of 1949 and 1950. At that time in committee, based upon the testimony that had been heard, and upon my judgment, I voted to reduce the 27½-percent depletion allowance to 15 percent. I would have voted to reduce it further. I also know something about it because in recent months I have received letters, accompanied with dividend checks, from the Atlantic Refining Co. and the Sinclair Oil Co., telling me to write my Representative to insist upon the retention of the 27½-percent depletion allowance.

I am not writing my Representative on that subject, but for many years I have been happy to have been a stockholder in the Sinclair Oil Co., the Getty Oil Co., the Tidewater Oil Co., the Mission Development Co., the Atlantic Refining Co., and the Monsanto Co.

The estate I have accumulated over the years has been added to somewhat by reason of the fact that I had the good judgment many years ago, when I was practicing law in Cleveland, to purchase oil stocks. I am retaining them. I am happy to have them. I am still in favor of reducing the oil depletion allowance.

When it is said that there would be a great economic shock if this moderate amendment were to be adopted today, I cannot "buy" that argument. It might require some mild adjustments in the oil industry, but I am certain there would be nothing shocking about it.

Evidently the distinguished Senator from Delaware has studied this subject very thoroughly. In the graduated reduction that is here proposed, I am certain the oil producing companies will not suffer whatever.

They have been beneficiaries of this high allowance over the years. We have been glad to give them these benefits, and this amendment will continue to give them a more than reasonable and fair depletion allowance.

It is true that at the present time the oil industry is making a great contribution for the defense of our country. I am aware of the great contributions that were made by the industry to defend the free world, and to win the war against Hitler. However, the time has now come for a careful and thorough reappraisal of its tax benefits, which are not sacred at all. Congress provided them back in 1926, in the era just preceding the period of the great depression. Since 1926, oil and gas producers have been permitted to deduct 27½ percent annually as a depletion allowance regardless of the actual depletion involved. There is nothing in our tax laws so inequitable as the excessive depletion exemptions now enjoyed by oil and gas corporate interests. If this depletion allowance were reduced from 27½ percent to 15 percent, $800 million would be added to our annual revenue, and in my judgment, no corporation would be dealt with unjustly. I commend the Senator from Delaware for his amendment which is a big step in that direction.

In that connection, may I add that a great President, the late great John F. Kennedy, who 50 years from now will be regarded, in my opinion, as one of our very, very great Presidents, recommended to the Congress that the depletion allowance of 27½ percent be reviewed and reduced. That is our opportunity here today.

Mr. WILLIAMS of Delaware. I thank the Senator from Ohio for his support of the amendment. I, too, have seen the letters sent out by the oil companies to the stockholders, urging that they write Members of Congress. As a stockholder I have received some of them. I find no fault with those companies sending out such letters. Under our form of government they have that right, and I would defend their right to do what they can to keep the 27½-percent depletion allowance. At the same time, I defend my right to put the allowance in proper perspective. In my opinion, it should be lowered.

I have often listened to the argument that the industry would be completely demoralized if it had to pay more taxes, and I am not at all convinced.

I yield now to the senior Senator from Ohio [Mr. Lausche].

The PRESIDING OFFICER. The senior Senator from Ohio.

Mr. LAUSCHE. Mr. President, I merely wanted to express my concurrence with the fine remarks made by my colleague from Ohio [Mr. Young]. I think he ably stated the case, and I subscribe to all the thoughts he expressed.

Mr. WILLIAMS of Delaware. I thank the Senator from Ohio.

I now yield to the Senator from Iowa [Mr. Miller].

Mr. MILLER. Mr. President, the Senator from Delaware knows in what great esteem I hold him. He also knows that he and I share the same tax and economic philosophy. I venture to say that the record of the yea-and-nay votes will show that we voted very closely together on tax questions. Accordingly, I hope he will understand why I feel unhappy about the fact that I must differ with him.

The Senator from Iowa has this approach to the problem: If an adjustment is made in what is really a built-in factor in the cost, either of two things will happen. Either the oil companies will cut down on the amount of their exploration activities, or there will be an increase in the cost of the end product.

I do not believe the oil companies will cut down on their exploration activities, because this is a matter of life and death, a matter of survival of the oil industry, in view of the international competitive situation. There will be an increase in the cost of the end product, in the price of gas and oil and heating fuel.

The Senator from Delaware said that, if we use this argument, perhaps it is an argument that we ought to reduce the taxes of other corporations.

I do not believe that is quite the point. The point would more likely be that we should not increase the taxes of other corporations, and we are not about to do that. The essence of the bill pending before the Senate is that we will reduce taxes on corporations rather than increase them. The amendment of the Senator from Delaware goes contrary to that philosophy by increasing the taxes of one industry. I suggest to the Senator from Delaware that the result will be an increase in the cost of gas and oil and heating fuel.

Mr. WILLIAMS of Delaware. Will the Senator from Iowa yield at that point?

Mr. MILLER. I should like to tie in one other point first——

Mr. WILLIAMS of Delaware. I should like to reply at that particular point, if the Senator will yield to me.

Mr. MILLER. I yield.

Mr. WILLIAMS of Delaware. I recognize that if we increase taxes, surely some of it does flow through and pass on to the consumer. But by the same token, so, too, would this tax reduction represent lower prices, should the reduction all be passed on to the consumer. But changes in tax rates are not always reflected at the consumer level. If that were true, mathematically they would be just a well off as they were before, so why all the argument?

Mr. MILLER. That is just the point. The products of the oil industry are in a competitive situation, not only with respect to other types of products in the United States—coal, for example—but with respect to international competition as well. The Senator from Delaware well knows that in the American economic competitive system, the general approach has been to reduce rather than to increase the cost of products to consumers. But the Senator from Delaware recognizes that there will be some increase in cost to the consumers.

With the percentage depletion, the oil industry is not paying as much in taxes as it would if the amendment of the Senator from Delaware were adopted. So who is going to be paying the difference? As of now, the general taxpayer will be paying it. Mainly, the income-tax payer will be making up the difference. But he will be doing this on the basis of relative ability to pay. Those with high incomes are filling more of the gap than those with lower incomes, because that is the essence of our tax system. That is our philosophy.

If certain industries do not have to pay as much tax as they otherwise would, with the change in the structure, the general taxpayers, on the basis of relative ability, will make up the difference. But if we close the gap, and the extra cost is passed on to the consumer, the consumer will not be paying according to relative ability to pay.

Those who buy gas and oil and heating fuel do not pay according to their ability to pay. The very lowest income groups may well drive their automobiles as much as, if not more than, those in the highest income bracket, but they will pay the extra cost just the same. So from the economic standpoint, it seems to me that if we are going to pass on extra costs to the consumers, we shall have a more regressive situation by far than at the present time.

My argument would break down if the Senator from Delaware could show that the extra taxload would not be passed on to the consumer as extra cost of the end product.

Mr. WILLIAMS of Delaware. I thank the Senator from Iowa. At that point I should like to reply, because perhaps I can convince the Senator.

Even though the Senator from Iowa and I may differ on this point, it does not in any way diminish my respect for him. Men can differ honestly on views, and I most certainly respect his views and the views of other Senators on this question, but by the same token I hope that they in turn will respect mine.

Mr. MILLER. I thank the Senator. The Senator well knows that the respect is mutual.

Mr. WILLIAMS of Delaware. I should like to quote an example that was given demonstrating how the oil depletion allowance works. I quote from a speech which was delivered by none other than former President of the United States Harry S. Truman, in one of his messages to Congress, at which time he was asking Congress to change the depletion allowance. This was back in 1950—on January 23. It appears in the CONGRESSIONAL RECORD, volume 96, part 1, page 771 of that year. I should like to quote one example to which President Truman invited our attention as a glaring example of what exists and can exist under the 27½-percent depletion.

I quote:

> For example, during the 5 years 1943 to 1947, during which it was necessary to collect an income tax from people earning less than $20 a week, one oil operator was able, because of these loopholes, to develop properties yielding nearly $5 million in a single year without payment of any income tax. In addition to escaping the payment of tax on his large income from oil operations, he was also able through the use of his oil tax exemptions to escape payment of tax on most of his income from other sources. For the 5 years his income taxes totaled less than $100,000, although his income from nonoil sources alone averaged almost $1 million each year.

I remain unconvinced that slightly raising the taxes of one who has an income of $1 million a year, as this amendment would do, would place him in a position in which he could not afford to pay his taxes. I venture to say that some of the tax increase should come out of his pocket rather than the consumer's. Yes, if we increase taxes, some of it does siphon down to the consumer, but not all of it.

It is these glaring examples which are holding up the oil industry to criticism, a situation which I believe is unfortunate. The adoption of my amendment would correct that situation. It would not be a punitive action against them. But how can we justify the action indicated at that time; namely, a tax of 20 percent in the case of a man making $40 or $50 a week and not taking at least some taxes out of the incomes of others who are making a million? Cases have come to our attention involving individuals and companies with large incomes paying little or no taxes whatever toward the support of the defense of America. They are a part of America. I recognize them as an important part of the American economy. I have great respect for them; so great is my respect that I believe they have the ability at least to pay a part of the operating costs of their Government.

Mr. MILLER. Mr. President, will the Senator from Delaware yield at that point?

Mr. WILLIAMS of Delaware. I would be glad to yield but first, Mr. President, I should like to ask unanimous consent that the entire message of President Truman to which I have referred may be printed in the RECORD.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

> I know of no loophole in the tax laws so inequitable as the excessive depletion exemptions now enjoyed by oil and mining interests.
>
> Under these exemptions, large percentages of the income from oil and mining properties escape taxation year after year. Owners of mines and oil wells are permitted, after deducting all costs of doing business, to exclude from taxation on account of depletion as much as half of their net income. In the case of ordinary businesses, investment in physical assets is recovered tax free through depreciation deductions. When the original investment has been recovered, a depreciation deduction is no longer allowed under the tax laws. In the case of oil and mining businesses, however, the depleted exemption goes on and on, year after year, even though the original investment in the property has already been recovered tax free not once but many times over.
>
> Originally introduced as a moderate measure to stimulate essential production in the First World War, this special treatment has been extended during later years. At the present time these exemptions, together with another preferential provision which permits oil-well investment costs to be immediately deducted from income regardless of source, are allowing individuals to build up vast fortunes, with little more than token contributions to tax revenues.
>
> For example, during the 5 years 1943 to 1947, during which it was necessary to collect an income tax from people earning less than $20 a week, one oil operator was able, because of these loopholes, to develop properties yielding nearly $5 million in a single year without payment of any income tax. In addition to escaping the payment of tax on his large income from oil operations, he was also able through the use of his oil tax exemptions to escape payment of tax on most of his income from other sources. For the 5 years his income taxes totaled less than $100,000, although his income from nonoil sources alone averaged almost $1 million each year.
>
> This is a shocking example of how present tax loopholes permit a few to gain enormous

wealth without paying their fair share of taxes.

I am well aware that these tax privileges are sometimes defended on the grounds that they encourage the production of strategic minerals. It is true that we wish to encourage such production. But the tax bounties distributed under present law bear only a haphazard relationship to our real need for proper incentives to encourage the exploration, development, and conservation of our mineral resources. A forward-looking resources program does not require that we give hundreds of millions of dollars annually in tax exemptions to a favored few at the expense of the many.

Mr. MILLER subsequently said: Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. MILLER. If the Senator would permit me to do so, I should like to continue our earlier colloquy with regard to the example the Senator gave of $1 million income over a 5-year period, and a tax liability of only $100,000.

I wish to emphasize that I am still of the opinion that these examples are not properly given in a debate on percentage depletion. I repeat that percentage depletion can in no event exceed 50 percent of net income.

The Senator has cited an example of a corporation having $1 million net income over 5 years—let us say 1958, 1959, 1960, 1961, and 1962—$200,000 a year. The maximum percentage depletion would be $100,000 a year, leaving taxable income of $100,000 in each of those years, and a tax of $46,500 in each of those years, or a total tax liability of $225,000.

I ask unanimous consent that this example be printed at this point in the Record. The Senator makes the point that this is merely an example. But if the example is different from the one that President Truman gave, perhaps we can clarify it to show that other factors are involved. But I suggest that more than percentage depletion is involved in these examples.

Mr. WILLIAMS of Delaware. I would appreciate having the Senator incorporate that table in the Record, but I ask that it appear in the Record immediately following my insertion of the statement by President Truman, and thus let the Record show that the Senator from Iowa and President Truman differ in their conclusions.

Mr. MILLER. The Senator from Iowa wholly endorses that statement. Let the Record show that this is not the only point on which the Senator from Iowa and President Truman differ.

Mr. WILLIAMS of Delaware. On most of the other points, the Senator and I would be in agreement.

Mr. MILLER. That is correct.

There being no objection, the table was ordered to be printed in the Record, as follows:

Corporation with $1 million of net income over 5-year period with percentage depletion of 27½ percent (limited to 50 percent of net income):

	1958	1959	1960	1961	1962
Net income	$200,000	$200,000	$200,000	$200,000	$200,000
Less percentage depletion	100,000	100,000	100,000	100,000	100,000
Taxable income	100,000	100,000	100,000	100,000	100,000
Tax	46,500	46,500	46,500	46,500	46,500

Total $225,000.

Mr. MILLER. I wish to emphasize that other factors are involved in these examples, factors such as intangible drilling and development costs; factors such as net operating loss, carryovers, and carrybacks, which are applicable to other corporations, as well.

If there are other abuses that have arisen, they relate to net operating loss, carryovers, or to intangible drilling development costs, or to percentage depletion, or to combinations of them, perhaps this is something for the Treasury and for Congress to focus attention upon.

But I deplore the giving of such examples. The Senator from Illinois [Mr. Douglas] well knows this situation, because he and I have had many a scuffle on this matter. I do not like to see a debate start on the percentage depletion allowance by referring to other examples of deductions for tax purposes, because I do not think it is proper for the percentage depletion allowance to take a beating when intangible development and drilling costs may be the basis for the fact that very little income tax is paid.

Furthermore, a net loss carryover may be the basis for the fact that very little income tax is paid; a person with an income of $1 million may pay no income tax because he has a net loss carryover of $1 million, as a deduction.

So I believe it should be pointed out, in connection with such a situation that he did not pay an income tax that year because he was allowed to make a deduction of $1 million, because of a net loss carryover of $1 million from the previous year.

So, Mr. President, in such cases the cause of the failure to pay an income tax is, not the oil depletion allowance, but the deductions allowed because of net loss carryover.

I am not enchanted by the rates now on the statute books; and it may be that the depletion rate can be improved upon. However, I point out that if the rate is decreased, the result will be to increase the industry's operating costs, and then it would be necessary to change the rate in order to make it possible for the industry to pay those increased costs.

Therefore, Mr. President, Congress should be careful not to take action, by way of changing the deduction allowed, which would prevent the industry from paying for its increased costs.

The example which the Senator just read from President Truman sounds very much like some of the examples that the distinguished Senator from Illinois [Mr. Douglas] presented to the Senate not long ago. I point out that these examples are meaningless unless we get down to specifics.

The Senator from Delaware read an example that President Truman gave of someone with an income of $1 million paying only $100,000 in taxes.

Mr. WILLIAMS of Delaware. That is over a 5-year period.

Mr. MILLER. Over a 5-year period, yes.

Mr. WILLIAMS of Delaware. He was earning a million dollars a year for 5 years.

Mr. MILLER. I do not know what relevance the example has to a debate on percentage depletion, because the Senator knows as well as anyone that percentage depletion cannot possible exceed 50 percent of net income to the 27½ percent with a limit of not more than 50 percent of net income. So this individual would have had to have at least $500,000 of that $1 million subject to tax if the percentage depletion was the only factor involved. However, my guess is that it was not, because if it were, I am sure the officials of the company, or the taxpayer himself, would probably be doing a little time in the Federal penitentiary for tax evasion.

The point is that in these examples of the Senator from Illinois and others, they always talk about using percentage depletion, but never point out that other factors are involved—for example a factor like intangible drilling and development costs which are currently deductible, and the fact that the net operating loss carryover is applicable to all taxpayers.

For an example to mean something, it is necessary to take other things into account. I recognize that in any group of taxpayers there may be some who will have a tendency to abuse a situation. Some oil companies might pass on to taxpayers undue costs for a period of time, until competition catches up with them. We are talking about an industry. The Senator from Iowa will be the first to join the Senator from Illinois and the Senator from Deleware in revising our tax laws so as to stop abuses. However, we are attempting to use a meat ax approach if we follow the suggestion of the Senator from Delaware and the approach of the Senator from Illinois, by merely dropping down, across the board, the percentage depletion allowance.

Mr. WILLIAMS of Delaware. I regret that I must disagree with the Senator from Iowa. I have checked with the staff member who sits beside me, and he says I am correct in saying that it is possible for a man to have had a $1 million a year income and to escape all income taxes by living off the 27½-percent depletion allowance, which is not taxable, by piling all his other income into intangible investments.

Mr. MILLER. Intangible development costs; yes.

Mr. WILLIAMS of Delaware. It is possible according to the figures which were furnished to us by the Department of the Treasury. These are many specific cases that have been furnished to us. What we propose would not correct the situation completely. In the case I cited the man was abiding by the law, of course. If we do not like the law, we have an opportunity to change it. We must recognize that these conditions do exist. Several such cases were furnished to our committee. Only the names of the men were withheld. As the Senator from Illinois has pointed out, there are many examples of piling up an estate without paying any taxes. The Senator is aware of that possibility. I do not say that that can be done in all instances. Of course there is the 50-percent ceiling. At the same time there are ways of maneuvering around that ceiling.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I shall be glad to yield again in a moment. However, first I yield to the Senator from Kansas.

Mr. PEARSON. Mr. President, the statement of the Senator from Delaware with respect to the 27½-percent depletion allowance is correct, when he says it was enacted in 1926. It is interesting to note that prior to that year, the law pertaining to this subject matter required the owner or lessor of a property having mineral resources to estimate the value of the resources or reserves, and then to amortize them over a given period of time.

That was not possible. There are reserves today on which it is impossible to estimate. Because of this, and consistent with tax principles and with principles involved in the business—geological principles and accounting principles, for example—it was the judgment of Congress at that time that somewhere between 25 and 30 percent would be a fair depletion allowance for a capital asset, consistent with the depreciation principle.

It is interesting to note, in going back and checking on this matter, that the figure of 27½ percent was arrived at between those two figures. One House wanted 30 percent, and the other House wanted 25 percent. The point I am making is that this determination was made after study at that time.

My attention has been directed at the fact that the petroleum industry must use about $5 billion annually for purposes of exploration and discovery; that, furthermore, possibly $1 billion of that amount is derived from the depletion allowance.

My attention has also been directed to the fact that under today's market circumstances and the import situation, a producer is caught in the familiar squeeze of our economy, with costs going up and income going down.

I hope that the tax bill can be amended on this phase of it, on the basis of something beyond the conviction of some person that a given taxpayer is not paying enough; or that we would amend it on the basis of something beyond the desire of the Senator from New York to create flexibility, to assert the independence of Congress, and to promote the character of our work, as I understand his statement. I believe it ought to be based on something besides the great service the oil industry performed for our country in periods of national emergency; as well as beyond the relationship that it might have had in 1926 to the corporate tax structure.

Although I do not fully understand what the charts and tables in the rear of the Chamber mean, I believe that some of the facts which exist today touch upon and deal with cold, hard facts of the industry's situation today which leads us to support the 27½-percent depreciation allowance.

I conclude by stating to the Senator from Delaware that on investigation I have been advised by the independent oil producers of Kansas that a lowering of the depletion allowance would mean that possibly something like 3,000 wells in Kansas would become marginal. The Senator from Wyoming, on the basis of my knowledge, is correct; with reference to marginal and unprofitable wells, we could have a ratio of 1 to 40.

Mr. WILLIAMS of Delaware. I appreciate the remarks of my friend from Kansas. I do not believe that the change in the rate from 27½ percent to 20 percent, graduated over a 3-year period, will stop oil flowing from any well. Of course, there will be wells that will not be productive. In 1926, when the depletion allowance rate was fixed at 27½ percent, the figure was a compromise between the two Houses. One suggested 25 percent, and the other suggested 30 percent. Suggestions were also made as to the corporate rate and as to the individual rates. The compromise came back with a figure for the corporate rate of around 20 percent, individual rates of 20 to 25 percent, and a depletion allowance of 27½ percent. There was no magic in any of these figures. The 27½-percent depletion allowance is the only one which over a 35-year period has been held too sacred to change. There is nothing sacred about it. The 27½ percent might have been perfectly proper at that time. However, as the tax rates go up I believe the depletion rate should be adjusted downward, and vice versa.

I respect the opinions of the Senator from Kansas. I certainly have great respect for him. However, I do not believe that it would create chaos in the industry if we were to cut the depletion allowance as proposed under this amendment.

Mr. PEARSON. Mr. President, will the Senator yield once more?

Mr. WILLIAMS of Delaware. I yield.

Mr. PEARSON. The Senator cited an example from a letter written by former President Truman. Does the Senator, in support of his amendment, have any factual information, other than the sincere conviction he has expressed? Does he have any factual information which indicates that the oil and gas industry is in such a state of high profits that it is not paying its fair share of taxes?

Mr. WILLIAMS of Delaware. In my opinion, yes. Such evidence has been presented to our committee. We have studied it over the years. I believe the oil industry is a prosperous industry and fully capable of sustaining such an adjustment. I disagree completely that it is a depressed industry, as it was referred to the other day.

I do not say it is the most profitable or the least profitable industry; but the oil industry, over a period of years, has been profitable. I am not quarreling with that situation. I merely say that if we want to change the law we can. We certainly have the right to change it. Nor do I think the oil industry is in such dire circumstances that it is about to go on relief. I have not seen any evidence of the oil industry having to pass the hat. The oil industry is well able to support itself and to pay its proportionate share toward the cost of operating the Government. That is all I am trying to have it do. I have as much respect for the oil industry as for any other industry, but I do not have any more respect for it than I have for any other industry.

Mr. PEARSON. I am sure that is so.

Mr. President, if the Senator from Delaware will permit me to do so, I ask unanimous consent that I may have a statement printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JAMES B. PEARSON ON OIL DEPLETION ALLOWANCE

The amendment before the Senate would reduce the 27½-percent depletion rate for oil and gas. I hope my colleagues will bear in mind the origin and the reasons for this tax provision that has been a part of our basic tax law for more than 37 years. The percentage method for computing mineral depletion was written into our tax laws in 1926. It grew out of the highly complicated and difficult-to-administer provisions which had been a part of our income tax laws beginning with the original Income Tax Act of 1913.

Congress recognized that capital assets were used up in the production of petroleum, and as a result Congress initiated a provision in the original Income Tax Act to allow for the depletion of resources. In 1926, Congress replaced the earlier method of computing depletion by establishing a depletion deduction of 27½ percent of the gross sum received from sale of crude petroleum.

In applying this 27½-percent depletion rate, Congress intended, among other things, that it approximate the diminution of the value of the capital asset used up each time a barrel of oil is removed from the ground.

The decision the Senate must make today is whether we are writing a tax law which represents good, reasonable, and accepted business practice, or whether we are writing a tax law to satisfy someone's political philosophy.

The depletion allowance on minerals is an accepted substitute for an impractical method of computing the using up of mineral resources. Originally, the owner or lessor of property having mineral resources was required to estimate those resources and then amortize them over a given period of time. This was found to be impractical. Some major gas and oil fields still have reserves which cannot be computed.

As a result, a study of experience, based on accounting, tax and geological reports produced the agreement that a depletion allowance of between 25 and 30 percent would reflect with reasonable accuracy that achieved by the original system. Congress agreed on 27½ percent for oil and gas.

There is no evidence to justify a change from 27½ percent. There is only a political philosophy which seeks to reallocate income.

Without such recognition in the tax laws of the capital value being depleted by production, taxes would be devouring the capital of mineral producers and depriving them of the funds needed to replenish reserves in order to stay in business and to continue to supply the oil and gas and other minerals needed for our very existence.

All who have studied the oil business know that the search for and production of petroleum is indeed a unique business. Due to the circumstances involved in exploration and development, the investment process in petroleum production is quite different from that encountered in manufacturing enterprises and trade. Normally, an investor can estimate with reasonable accuracy the assets and producing capacity that will result from a specific expenditure of money. Not so in the search for oil however. The investor who is searching for oil has no way of determining what results will come from his investment. Even if he were to assume the average results of the recent past, that is, that one discovery out of every nine wildcat wells will continue to be realized in the search for oil, he cannot know to what extent his experience will differ from the average. While oil is found in one out of every nine wildcat wells drilled, if the marginal and unprofitable discoveries are excluded, the chance ratio would drop from one in nine to about one in 40 wells drilled.

This risk factor has been fairly constant for many years. Even so, an oil operator cannot know in advance to what extent his experience will vary from this highly risky enterprise. It may be more favorable or it may be less favorable. The only thing that the petroleum explorer knows for sure is that a great deal of the money he spends in the search for oil and the drilling of wells will probably yield no results. Thus, it can be quickly seen that the cost of a particular well is not a true measure of the owner's true economic position. For example, if an operator spent $800,000 on eight dry holes and then spend another $100,000 on a producing well, the actual economic cost of the producing well involves both outlays and one producing well cost him $900,000.

Thus, it is this cost rather than the amount spent on the lone producing well which he must take into account in determining the true economic income. In contrast, if a taxpayer purchases a truck in his business, he acquires that truck for immediate use. He does not have to purchase eight other trucks which will not run in order to have one truck that will run and which he can use for productive purposes in his business. Herein lies one basic difference in investing in the oil and gas-producing industry and that of normal manufacturing or trade.

Thus one can see that the wide variations in the relative success, including the many complete failures that represent a loss of capital, mean that some producing properties must recover enough to pay for its cost and also help to pay the cost of the losers if the taxpayer is to continue in business.

When one looks at these facts, it must be concluded that the petroleum producing industry is indeed a unique industry and that this fact must continue to be recognized in our tax laws. The petroleum producing industry must generate approximately $5 billion annually to be used in the search for and development of new mineral reserves. Through the operation of percentage depletion, the petroleum producing industry retains approximately $1 billion each year to be used in this activity. Thus, each year for every dollar generated through percentage depletion, the petroleum producing industry must acquire through retained earnings, borrowing, or other sources, about $4 billion or $4 for every depletion dollar in order to carry on the all-important task of searching for and producing new petroleum reserves.

In the foreseeable future, these capital costs will no doubt continue to exceed the value of percentage depletion because on the one hand the cost of locating and developing new oil and gas reserves in the United States are increasing rapidly while on the other hand the price of domestic crude oil is constantly subject to pressures from excessive imports of oil and competition from other energy sources. Thus, it can be expected that percentage depletion will probably cover a steadily declining share of the cost of new crude oil reserves.

In my own State, the result of a decrease in the depletion allowance could mean that as many as 3,000 wells would become submarginal, depending upon the rate agreed upon. The depletion allowance is so intricately woven into oil finance, along with restrictions on well spacing, daily allowables and other conditions, that hurried manipulation of the tax structures could create depressed conditions and poverty such as we are now asked to appropriate large sums to help overcome.

In view of these factors, certainly this is no time to be making adverse changes in this vital tax provision.

Mr. DOMINICK. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. DOMINICK. I have been listening with much interest to the debate. I wonder whether, in determining whether the oil industry is paying its fair share of taxes, the Senator from Delaware has taken State taxes into account. I should like to cite an example. Of all the industries that I know of in Colorado, the oil industry bears the heaviest tax load. It is not permitted, as are other industries, to deduct Federal taxes in order to determine its State taxes. So the oil industry in Colorado pays the Federal income tax, pays the usual property tax, and pays the State income tax. In addition, the State of Colorado, under a Democratic administration, imposed a gross-severance tax at the wellhead, so it is paying more taxes than any other industry in Colorado at present. These are largely not the big major companies we hear so much about; they are the independents, the companies which are trying to get for themselves a profitable business in a field which they know.

As a result, ever since this law went into effect, oil development in Colorado, which was fairly substantial up to about 1956, has been dropping off. I have just received from the oil industry in Colorado—this has nothing to do with the Senator's amendment; I simply wish to report a factual statement—a report showing the results of last year's explorations in comparison with explorations of previous years. The report shows that, once again, the industry is dropping off.

In addition to the Senator's amendment having an effect on the oil people, it also contains a provision which affects sulfur and uranium producers. Of course, when we speak about uranium, the uranium producers have been hit right in the heart. This is an industry which has been progressively cut off by governmental action since its peak in about 1956.

I presume the Senator from Delaware is trying to say that uranium should receive no greater depletion allowance than oil. That is why he proposes to change the rate. But the net effect is to create one more difficulty in trying to sustain an industry which was at one time vital to the Nation, and which may again be vital in a few years. I read that a person prominent in the administration advocated that there should be more uranium exploration and production because we shall need more uranium by 1970. Yet in the meantime all the Government does is to continue to chop back. The Senator's amendment would affect the possibility of uranium producers who are still in business remaining in business.

Having made that prefatory statement, I ask the Senator whether the committee took any evidence as to the effect his type of amendment would have on uranium producers this year.

Mr. WILLIAMS of Delaware. I do not recall that uranium producers appeared before the committee, although they were on notice that the amendment would be offered, and that if they felt it would in any way disturb them they had the opportunity to present their views. I do not recall that they did so.

Mr. DOMINICK. There may not have been enough of them left to make a statement.

Mr. WILLIAMS of Delaware. I fully recognize that the Government has recently cut back on uranium production. I am sure that that has disturbed uranium producers somewhat. But that may be due to the fact that the uranium industry itself exists as a result of Government expansion; and that which the Government expands, the Government can contract. Sometimes it is painful when it does so, but any industry that is dependent almost solely on sales to the Government can and does expect that.

I have high respect for the uranium industry and the contribution it has made to the Government, but the uranium industry has done extremely well under the Government procurement and stockpiling program. What is proposed by the amendment is a modest rollback—no change this year, one-half of 1 percent next year, and a 2½-percent reduction thereafter.

As to the point that the State of Colorado has in recent years imposed what the Senator feels are rather punitive taxes against the oil industry, he realizes, I am sure, that Congress has no control over what a State government does. I wondered, however, as I listened to the Senator outline the situation, whether the increased tax in Colorado, which is an important oil-producing State, is a result of the people who control the State government feeling that they could afford to pay these extra taxes. Perhaps they may have felt that since the Federal Government was not taking its proportionate part they could afford to expand somewhat at the State level. But those are questions I shall not go into. It is none of the business of Congress what taxes the State of Colorado imposes. I feel that Congress should vote whatever changes in the Federal income tax it feels are best.

With all due respect to the position of the Senator from Colorado, I do not feel that what is proposed by the amendment would disrupt the normal development of the oil industry. It will be more healthy and can hold its head up because it will then be paying its proportionate part of financing the country. I should like to see a solution of this problem, which arises every year on the floor of the Senate.

Mr. DOMINICK. Again, I remind the Senate that the State tax increase occurred when we Republicans were in the minority in the government of the State. It occurred largely, I feel, because, somehow or other, the State was trying to get more revenue to finance the services which it felt were needed.

If the Senator's amendment should be adopted, it would have a cumulative effect, because the Federal tax is not deductible from the Colorado State income tax, so far as the oil industry is concerned. So to the extent that there would be an additional tax imposed by Congress, it would automatically make an additional tax so far as the State is concerned, because this tax would apply in Colorado. So the Senator's amendment would have an effect so far as Colorado and every other State is concerned on the overall tax burden. I do not believe, therefore, that we can divorce ourselves from the overall effect that this amendment, if adopted, would have on the oil industry.

I appreciate having the Senator from Delaware yield to me.

Mr. ALLOTT. Mr. President, I reached the floor only a few moments ago, having been required to attend a committee hearing.

I desire to join in the remarks the Senator from Colorado has made.

Mr. President, in discussing this amendment, I wish to say, first, that the effect of the depletion allowance is one of the most complicated matters which could come before Congress. I have not been able to ascertain whether any testimony was taken this year in regard to the depletion allowance for the oil and gas industry. If testimony was taken this year, I know it could not have been extensive. On the other hand, I know that the effect of this amendment would be so extensive that it is clear that this matter deserves long and careful hearings, and I know that no long, careful hearings have been held recently.

Second, the Senator from Delaware has stated that if this depletion rate is lowered this year, we can avoid having this matter brought up on the floor of the Senate every year.

In discussing that point, I wish to say that there is no justification for raising the tax rate on this industry; and I cannot avoid feeling that the amendment is brought up only because of a fixation in the minds of certain Senators that the tax rate on this industry should be raised.

On the other hand, I do not believe for a moment that any comments I might make would result in removing that fixation from the minds of anyone.

Mr. President, we have heard much debate on the imports of oil and the imports of residual oil. This amendment would affect that situation. Strangely enough, some of the loudest protests about those imports have come from the great consuming areas in the country which want more oil and cheaper oil imported.

Mr. President, let us consider what the effect of this amendment would be. If the depletion allowance were to be altered, the exploration for oil and gas in this country would be decreased by just that much. Let us make no mistake about that. Oil is becoming harder to find and more expensive to find.

I only wish I could get some Senators to focus their attention on the great reserves of oil which are present in Colorado, Utah, and Wyoming, in the oil shale deposits there. For some strange reason, all the requests that Congress make a depletion allowance for this great potential industry seem to fall on deaf ears.

I wish to speak further about the exploration costs, and the effect of this amendment, if adopted. Let us make no mistake about the effect of the amendment. One of the first effects of the amendment would be to put out of business many of the independent oil operators, explorers, and wildcatters, who have contributed so much to the development of the oil reserves in the United States.

Mr. SIMPSON. Mr. President, on this point, will the Senator from Colorado yield to me?

Mr. ALLOTT. I yield.

Mr. SIMPSON. The Senator from Colorado already knows that over 80 percent of the exploration is done by the independents, not by the majors. The impression that the greatest amount is done by the majors certainly is not founded on fact; and I think the Senator from Colorado will bear out the accuracy of my statement on that point.

Mr. ALLOTT. Yes, Mr. President, the Senator from Wyoming is entirely correct.

In the past, although not recently, I haxe examined the books of independent oil operators, who had contended that they could not continue to operate without the depletion allowance. I have not done that in an official capacity, but I have done it because they were trying to demonstrate their contention to me, and I was attempting to ascertain how valid it was.

There is no question that the change in the depletion allowance advocated by the distinguished Senator from Delaware would only increase the cost of oil and gas to the consumer. It would greatly lower the already diminishing discovery of new oil and gas. If we are to progress in that area and not be dependent upon the whim and will of other countries for our supplies of oil and gas, we must continue its development in our country.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. AIKEN. I dislike to disagree with the Senator from Colorado, but I cannot agree that support of the amendment offered by the Senator from Delaware [Mr. WILLIAMS] would slow down the exploration for oil in our country.

Only a few years ago I joined the Senator from Delaware in introducing a bill relating to the depletion allowance. As soon as the bill was before the Senate, oil rigs came into Vermont and drilled here, there, and everywhere. We were told that a great deal of petroleum was "just around the corner. The State will get rich." I was supposed to withdraw from sponsorship of the depletion allowance bill, even though geologists said that oil would not be found under granite. I do not know whether the geologists are correct or not. However, the drillers continued to drill, and I think they eventually found, near the Canadian border, a small pocket of gas.

I do not believe that the drilling for oil ceases when it is suggested that we reduce the depletion allowance.

Mr. ALLOTT. I do not see the application of what the Senator has said to what I have said. My point may be verified from records, no matter from what source they are obtained, whether they are obtained from the Finance Committee, from the oil and gas producers, or from public records. The cost of drilling is going up every year. It is becoming more difficult to find oil and gas. Companies are drilling to depths of 17,000, 20,000, and 23,000 feet in order to find oil and gas. That kind of drilling cannot be done cheaply. It costs real money.

Mr. SIMPSON. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. SIMPSON. I point out to the Senator from Vermont that his State reaped a great harvest if all that drilling which he stated was done there. I point out to the Senator that the records show that one out of every nine wells drilled in wildcatting results in production. Those wells cost an average of $100,000 each. So if nine wells were drilled in the State of Vermont, even if the result was a dry hole, the people of the State received the benefit of all that drilling.

I point out that production of oil has been decreasing materially. In 1962 exploratory drilling showed a reduction of over 4,000 wells, or 30 percent, from the 1956 level, which may have been the level to which the Senator from Vermont referred.

Mr. AIKEN. I merely wished to point out that the proposal to change the depletion allowance spurred the exploration.

Mr. ALLOTT. The Senator's assumption is wholly fallacious. I will have to disagree with him. How long ago did the drilling in Vermont take place?

Mr. AIKEN. Seven or eight years ago.

Mr. SIMPSON. Seven or eight years ago the oil industry was at its peak. It has declined since. The oil industry is now a sick industry.

Mr. AIKEN. The depletion allowance cannot be accused of being responsible for the reduction in exploration.

Mr. ALLOTT. There has been no contention that the allowance has been responsible for the reduction. I merely say that if the amendment is agreed to, there will be an even more violent reduction in exploration, because it will be too expensive. The independent operators are the ones who do most of the exploration and would be hit heaviest by the change. The decrease in the allowance would shove them out of the field.

Mr. President, I should like to make a remark or two about the uranium industry. We in Colorado have a little knowledge of the uranium industry. We have learned it the hard way. Uranium was found in a great area including the States of New Mexico, Wyoming, Utah, and Colorado. Some of the greatest deposits in our country are in that area.

One point which should be considered with respect to the uranium industry is that to couple uranium with any other depletion item would be completely invalid. With respect to uranium we have only a "one-person" market, and that is the Federal Government.

A few years ago the famous announcement of November 16 was made, and uranium production and contracts in this country were cut back. People were then engaged in uranium mining in Colorado. Prospectors had gone out and spent years looking for it and living literally on sour dough—I am not trying to be dramatic—in order to find uranium for the Government when the Government needed it. Those miners found themselves cut back to the point at which they could do nothing.

Today uranium is a sick industry, not only in my State, but throughout the West. I do not criticize too much the decisions of the Government which brought about the cutback at that particular point. We had done so well for the Government in discovering uranium that we had uranium literally running out of our ears. We had also made long-term contracts, particularly with Canada, for the delivery of uranium to the United States, which cut Americans out of the production of uranium.

Many people believe—and I am not an authority with respect to future uses—that the demand will rise, as my colleague has pointed out, and that in the 1970's we shall again be hunting for uranium. But we cannot apply the usual principles of depletion to a product which can be marketed only through the Government and which can be produced only for the Government, and is subject to the will and whim of a Government commission. Even on that basis alone I think the amendment of the distinguished Senator from Delaware should be rejected.

I yield the floor.

Mr. MONRONEY. Mr. President, I believe it is exceedingly unfortunate that a bill designed to stimulate production, employment, and the creation of new wealth would have offered as an amendment to it the one offered by the Senator from Delaware [Mr. WILLIAMS]. The bill is designed to grant certain tax concessions, to continue other tax concessions to stimulate manufacturing, and to create new wealth in the United States. Yet the Senator's amendment would be regressive. It would have the effect of cutting the historic oil and gas depletion allowance back from the 27½-percent rate that has given us oil and mineral resources and resources of petrochemicals that have been sufficient to take us satisfactorily through two World Wars and through a postwar development of great magnitude.

I believe the reduction would be crippling to an industry that has not asked for a Government subsidy and has spent its own money for research and development, an industry which has proved in all cases that it is willing not only to bear its own load of taxation, which has practically equaled the taxation of the manufacturing industry, but has also borne a heavy load of excise taxes which have resulted in huge amounts of income to our Government.

Furthermore, I believe it is rather strange that, without any large-scale hearings, it is proposed to cut back the depletion allowance on oil, a great natural resource and source of energy on which we depend, to the same depletion allowance as applies to sulfur. I did not think that sulfur was as hard to find as oil or as quickly exhaustible once found. Those are generally the tests of what a depletion allowance should be. I know little about uranium, but I feel that cutting the depletion allowance for uranium back from its present rate of 23 to 20 percent might be unwise in the light of what we might need.

It may be that sulfur does not need the present 23-percent depletion allowance and could be cut back to 20 percent, but I am doubtful about the uranium. I am not prepared to say, because I do not know what these minerals look like, and I wonder if the Senator knows, whether we should cut back the depletion allowance on anorthosite. I do not know whether the depletion allowance should go from 23 to 20 percent, under the Senator's amendment. It is not set out in the language of the bill but there are several other minerals that are put on the same category as oil in the depletion allowance.

I do not believe the history of the search for, discovery of, or production of such products will show that they are as difficult to find or as quickly exhaustible over a period of years as oil is.

The amendment refers to the following minerals: asbestos, bauxite, beryl, celestite, chromite, corundum, fluorspar, graphite, ilmenite, kyanite, mica, olivine, quartz crystals—radio grade—rutile block steatite talc, and zircon, and ores of the following metals: antimony, bismuth, cadmium, cobalt, columbium, lead, lithium, manganese, mercury, nickel, platinum and platinum group metals, tantalum, thorium, tin, titanium, tungsten, vanadium, and zinc.

This is quite a list. Anyone familiar with these metals will know that the supply of them is generally found within a few feet of the surface of the ground, and not thousands of feet down. The ore yields generally continue over a long period of time. So it is difficult for me to see how the Williams amendment is any more sound in its approach to oil than it is to titanium, tin, lead, or zinc, or some of the exotic metals the names of which it is difficult for me even to pronounce.

So I say it is a poor time, when we are considering a bill to stimulate industry, to tax one of the greatest industries at a time when there is an increasing demand for oil.

Mr. President, the percentage depletion allowance on oil and gas is being attacked this year, as it has been almost every year during the 25 years I have served in the Congress. I shall defend it again this year, and I shall continue to do so every year I am permitted to remain in this body.

The opponents of depletion charge that it is an inequitable feature of our tax structure. They consider it only in its relation to other provisions of our tax law. This is the inherent fallacy in their reasoning, their argument, and their proposals.

The depletion allowance is part of our basic national policy on natural resources—

A policy responsible for the development of the most powerful industrial nation on the face of the earth.

A policy which has enabled this Nation to win two major world wars and remain a bulwark against aggression and the builder and protector of the free world during the past 19 years.

A policy which has afforded to the citizens and industrial concerns of this country a cheap and abundant source of energy.

Throughout our history the importance of our natural resources has been recognized. We have consistently pursued a policy designed to develop and conserve these vast riches. We have realized the necessity for maintaining self-sufficiency in the minerals which provide the energy that is the life blood of any strong country. Petroleum products provide 75 percent of the energy required in this Nation today.

The success of this policy cannot be challenged. The benefits received by the people of this country cannot be disputed. Nor do I believe the method by which success has been achieved can be honestly or rightfully subjected to scorn or ridicule or the charge of vested interest. For the method has been good old American private enterprise and the incentive has been the reward of profits. The instrument through which the incentive is generated is, in the case of the petroleum industry, the depletion allowance. And the reason why the percentage allowed on oil and gas is higher than that allowed on other minerals is that the probability of failure is greater and the costs of infinitely higher.

Mr. President, if the oil industry were making the exorbitant profits alleged by the opponents of the depletion allowance, if the need for oil and gas as the basic source of energy in the United States had declined, if the capital investments required to find and develop new reservoirs were less, or if any of the basic reasons for providing an incentive to discover new oil and gas were no longer relevant, then I could understand why the percentage depletion allowance is being attacked. But the facts, Mr. President, tell another story.

The need to find new reservoirs, both in this country and abroad, is even more imperative today. The tremendous amount of capital required to do that job is staggering. The oil industry is no more profitable than other industries; and, in fact, during the last few years has made less return on its investment than most companies in the manufacturing industry.

Mr. President, I ask unanimous consent to have printed at this point in the Record two tables which compare the rate of return of the petroleum industry and all manufacturing, and the rate of return on net worth.

There being no objection, the tables were ordered to be printed in the Record, as follows:

Rate of return on invested capital

[In percent]

Year	All manufacturing	Domestic petroleum
1955	12.6	10.2
1956	12.3	10.5
1957	11.0	10.1
1958	8.6	7.2
1959	10.4	8.5
1960	9.2	8.8
1961	8.8	8.6

Source: Testimony presented by president, Independent Petroleum Association of America, before House Committee on Ways and Means, Mar. 26, 1963

Rate of return on net worth for petroleum, manufacturing, and all industry in the United States, 1958–62

[In percent]

Year	Petroleum industry	All manufacturing industry	All industry
1962	10.5	10.9	9.1
1961	10.4	9.9	8.7
1960	[1] 10.3	[1] 10.6	9.1
1959	10.0	11.7	9.8
1958	[1] 9.9	9.8	[1] 8.9

[1] Revised.

Authority: First National City Bank of New York.

Mr. MONRONEY. The first table shows that for all manufacturing the rate of return on invested capital in 1961 was 8.8 percent, while that for the domestic petroleum industry was 8.6 percent.

Those were the figures presented to the House Ways and Means Committee by the Independent Petroleum Association of America.

The second table shows that the rate of return on net worth for the petroleum industry in 1962 was 10.5 percent, for all manufacturing industry it was 10.9 percent, and for all industry grouped together it was 9.1 percent.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. MONRONEY. I am happy to yield.

Mr. AIKEN. In determining the earnings of the petroleum companies, was the excise tax considered as an expense of the company?

Mr. MONRONEY. No; it was not. Excise taxes were kept separately.

Mr. AIKEN. What is the excise tax?

Mr. MONRONEY. There are many of them. The State and Federal excise taxes on gasoline amount to about 10 cents a gallon. The oil companies collect them for the Government. They get nothing for it.

Mr. AIKEN. On the chart in the back of the Senate Chamber there is listed as an expense of the oil companies $6 billion in excise taxes, and $2 billion for all other taxes.

Mr. MONRONEY. That exhibit shows that since 1919 the petroleum, or the fuel, industry has been responsible for and has collected for the Federal Government, not from the industry itself, but from consumers, excise taxes amounting to more than $76 billion. For last year, 1962, the oil and gas industry collected as excise taxes on fuel alone, motor fuel, $6,136 million. I am not saying the oil companies paid it.

Mr. AIKEN. I thought I, as a consumer, helped to pay it.

Mr. MONRONEY. For that reason alone, because of consumer resistance, and because of the 10 cents a gallon tax on gasoline——

Mr. AIKEN. The consumer pays the tax; does he not?

Mr. MONRONEY. The consumer pays the tax; but in order not to have diminishing consumption, the industry has managed to keep the price low. The price of gasoline today without the tax is less than it was in 1926.

The increase in price has been the result of the excise tax.

Mr. AIKEN. Has the highway program caused this increase?

Mr. TOWER. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield.

Mr. TOWER. The industry does pay a severance tax.

Mr. MONRONEY. A severance tax is paid to the State on the barrel charge, or some other way, but I am talking about——

Mr. TOWER. I wished to impress upon the Senator from Vermont the fact that the industry does pay taxes, which are highly important to his State as well as to mine.

Mr. MONRONEY. The Federal tax plus State severance taxes paid by the company will compare favorably with taxes paid by the total of all industries.

Mr. AIKEN. Does the Senator from Oklahoma know how many States have a severance tax?

Mr. MONRONEY. Practically every State which produces oil has a severance tax.

Mr. AIKEN. What does it amount to? Is it a gallonage tax?

Mr. MONRONEY. It is a barrel tax.

Mr. AIKEN. A barrel tax.

Mr. MONRONEY. A barrel tax on the oil.

Mr. AIKEN. On the oil.

Mr. MONRONEY. Yes. It is approximately 3 percent, as I recall; at least in my own State.

Mr. AIKEN. Three percent.

Mr. MONRONEY. Yes—on the gross production of oil or gas. Every barrel produced is subject to a 3 percent of gross production tax. I do not know what it is in the State of Texas.

Mr. AIKEN. And that tax is then passed on to the consumer?

Mr. MONRONEY. I do not know, but——

Mr. AIKEN. Is it absorbed by the companies?

Mr. MONRONEY. This is the price added to the barrel of oil and the byproducts which are made from it, but this does not reflect itself in any consumer tax. The price would be higher if this tax were raised; but in spite of the increase in the cost of production, the price of a barrel of oil or a gallon of gasoline is less today than it was in 1920.

Mr. AIKEN. Does the Senator know how many States limit the production of oil?

Mr. MONRONEY. Almost all of the oil-producing States, except, perhaps, one or two which have a proration based on conservation results. We could open up those wells and produce much more oil today, tomorrow, or next month, perhaps, but we would destroy the long-range production of oil by doing so. We found that out when America opened its wells up to the free world when the Suez Canal was closed, and with irreparable damage. The oil which we thought we might have in productive capacity could not be produced without impinging on State conservation practices.

Mr. AIKEN. The limit on imports is an instrument to maintain a reasonably profitable price for domestic production of oil; is that correct?

Mr. MONRONEY. The same as it would be on agricultural products or other products. We import oil to the United States; there is no tariff, which would raise the price so high that foreign oil could not come over profitably. Therefore, the tariff is no good, and an effort has been made to limit imports to about 12½ percent, which I believe is the figure of our domestic production. That seems to still deny adequate production in many States. But I believe that is probably a ratio that the industry can live with.

Mr. AIKEN. Does the Senator know that American agriculture is probably the largest customer the oil industry has?

Mr. MONRONEY. That is probably so.

Mr. AIKEN. I believe it is—I am not quite sure about it.

Mr. MONRONEY. Agriculture is dependent on oil, for its motive power, to move a great quantity of oats and other feed grains.

Mr. AIKEN. I do not wish to deprive the oil industry of the opportunity of making a reasonable profit. I know how involved the industry is all over the world today, and how it all adds together when it pays dividends.

Mr. MONRONEY. The Senator is thinking of the giant majors, the big, integrated companies, with refineries and manufacturing facilities operating in the United States, in Latin America, and in the Middle East. The oil industry is a many-sided industry. The majors could, I believe, get along very well without some of the allowances that are contained in the tax laws, because they operate overseas where they do not require a depletion allowance to come out whole.

Mr. AIKEN. I know.

Mr. MONRONEY. We do not wish to favor that operation to the exclusion of always keeping in this country an adequate supply of petroleum.

Mr. AIKEN. The Senator is correct. It seems to me the difference between the 27½-percent and the 20-percent depletion allowance would not necessarily mean that we would exhaust our oil supply. It would mean we would not have to find new supplies.

Mr. MONRONEY. I shall furnish statistics on that point later on in my speech. The 27½-percent depletion allowance has still not encouraged enough drilling to replace that which we use each year. So we are going down hill in our known reserves of oil. If we do not reverse this treatment, we shall find ourselves more dependent on sources of oil from abroad.

American efforts, even in our domestic economy, seem to be going down hill. To cut depletion by 25 percent, as the Senator proposes, would prevent us from developing the new sources to replace that which is consumed each year as reserves become less. This is the money that finds new oil—we could not find it, if it were not for this allowance.

Mr. EDMONDSON. Mr. President, will my colleague yield?

Mr. MONRONEY. I yield.

Mr. EDMONDSON. With reference to the statement made by the Senator from Vermont when he brought up conservation practices of States, insofar as allowables are concerned. I believe this is a material factor in the consideration of a possible reduction of the depletion allowance, as when an oil company, independent or otherwise, has to deal or operate under a restricted allowable because of the conservation purposes, not price purposes, but conservation purposes. As an example, the State of Oklahoma allowable now is 14 barrels a day.

Mr. AIKEN. Fourteen barrels a day?

Mr. EDMONDSON. Fourteen barrels a day limit on the production of oil in Oklahoma.

Mr. AIKEN. Fourteen barrels a day for the State?

Mr. EDMONDSON. Fourteen barrels per well per day.

Mr. AIKEN. Of oil per day. I understand.

Mr. EDMONDSON. It must be realized that, as a result of that self-imposed limitation of local government, this limit is definitely vital insofar as incentive for future explorations also is concerned.

Mr. AIKEN. Does the State of Oklahoma produce that limitation of 14 barrels per day per well?

Mr. EDMONDSON. That is the allowable. We cannot go over that except in exceptional circumstances.

Mr. AIKEN. Suppose there were two wells and one produced 7 barrels a day and the other 21 barrels a day; could that be marketed?

Mr. EDMONDSON. Certainly. The per well limitation is based upon the conservation needs of the State insofar as the future is concerned.

Mr. AIKEN. Then there would be no particular incentive to find more oil than one would be permitted to extract and sell.

Mr. EDMONDSON. It is a question of how long it will take to extract and sell. Still wells extract and sell all of it because of the length of time required to get the money back from the investment from the well.

Mr. TOWER. Mr. President, will the Senator from Oklahoma yield at that point?

Mr. MONRONEY. I yield.

Mr. TOWER. Regarding the allowance we had to pay, as the former Governor of Oklahoma [Mr. EDMONDSON] well knows, it is difficult for a man to amortize his investment. As a matter of fact, he is hardly breaking even.

Mr. AIKEN. I was about to compare the oil situation and the maximum amount which would be produced today with the situation which prevailed in New England in the late thirties with reference to the production of milk, when we tried the allotment program which the Department of Agriculture is now so insistent on imposing on us again. Each farmer had a maximum allotment which he could bring into market, and every farmer produced his marketable allotment each day, even if the cows were dry. Are the maximum allotments in oil produced? Do the dry wells figure in this computation?

Mr. TOWER. With the kind of maximum we have, we still have to produce to stay alive.

Mr. MONRONEY. Production is not transferable from one well to another.

Mr. CARLSON. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield.

Mr. CARLSON. As to the pending amendment, as I read it and understand it, I am wondering if the Senator from Oklahoma would agree with me that if it were approved it would considerably affect domestic production, while it would have practically no effect on foreign producers or foreign importers. In other words, the amendment is so drawn up that if we approved it, it could vitally affect our domestic production, and would have no effect on importers of foreign oil. Is that what we are talking about?

Mr. MONRONEY. The Senator is correct. While it would withdraw and cut the depletion alowance by 25 percent, reduce it from 27½ percent to 20 percent over a period of years, the oversea producers, who have an arrangement to pay 50 percent of the gross income from their production of oil in the Middle East to those foreign countries, are able to deduct that 50 percent of gross income as a tax credit from the taxes that would be paid in the United States. Therefore, the 27½-percent depletion does not enter into their operations. While we would be cutting the depreciation allowance here, their production would not be impinged upon in any way by this deduction.

Therefore, we would see our domestic producers at a disadvantage. The oil industry has never made the exorbitant profits which are given as one reason for reducing the depletion allowance. And, because the need is greater, the costs are higher, and the profits are average, every reason justifying the original policy of the depletion allowance remains and is even stronger today.

The proved reserves of crude oil in the United States declined by 369.3 million barrels in 1962. This amounted to a decrease of 6 percent in the ratio of reserves to consumption. It represented the 10th year in a row in which more oil was consumed than was found. At the present time we have a reserve supply which would last for only 11 or 12 years if no new oil were found. Additions to crude oil reserves each year must exceed our consumption by 20 percent if we are to maintain a constant ratio of reserves to consumption. In 1962, we found little more than one-half as much as we consumed, and not since 1949 have we found enough new oil to stop this decline in the reserves to consumption ratio. A report by the Chase Manhattan Bank of New York issued last year stated that:

> Our domestic requirements for all petroleum hydrocarbons seem likely to increase at an average rate of 4 percent a year between 1960 and 1970. To meet these requirements, and prevent any further erosion of the reserves to consumption ratio, the industry would have to find 50 percent more crude oil than it discovered in the preceding decade. And the same is true for natural gas.

The report concluded with these words:

> This Nation can ill afford to discourage in any manner the continuing search for petroleum anywhere in the free world. There is abundant evidence that we will need for ourselves and our friends abroad all that we now have and can reasonably hope to find.

Mr. President, this would not only definitely deter the discovery of new sources, as has been said by the distinguished Senator from Kansas and other Senators from oil States but it would also result in closing down and capping and losing forever oil from many of the stripper and submarginal wells which must depend on depletion to succeed—to make possible secondary recovery from them. By this ill-advised proposal to cut the depletion allowance, we would force abandonment of the small marginal wells and would shut them down, because it would no longer be profitable to produce from them without the full 27½-percent depletion allowance. Thus, under such abandonment, 50 percent of the oil that these wells are capable of producing would be lost for our own and future generations.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point statistics contained in the January 27, 1964, issue of the Oil and Gas Journal which show that our domestic crude oil reserves declined by another 139.9 million barrels in 1963, that the total number of wells drilled in 1963 was 2,526 less than in 1962, and that the number of wildcat wells drilled was 396 less in 1963 than in 1962.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Estimated proved recoverable reserves of crude

[Thousands of barrels—primary recovery]

State	Proved reserves Jan. 1, 1963	1963 discoveries	1963 revisions and extensions	1963 production	Proved reserves		
					As of Jan. 1, 1964	Year's change	Percent of U.S.
Alabama	[1] 67, 150	0	3, 257	9, 257	61, 150	−6, 000	0. 2
Alaska	282, 500	24, 737	0	10, 737	296, 500	14, 000	. 9
Arkansas	325, 500	1, 680	9, 848	27, 528	309, 500	−16, 000	. 9
California, total	3, 945, 456	15, 034	116, 399	301, 390	3, 775, 499	−169, 957	10. 9
San Joaquin	2, 268, 433	10, 034	68, 097	131, 434	2, 215, 130	−53, 303	
Coastal	769, 546	5, 000	15, 802	68, 186	722, 162	−47, 384	
Los Angeles	907, 477	0	32, 500	101, 770	838, 207	−69, 270	
Colorado	333, 800	1, 250	6, 250	38, 500	302, 800	−31, 000	. 9
Illinois	557, 000	2, 200	25, 345	74, 545	510, 000	−47, 000	1. 5
Indiana	70, 400	600	2, 782	11, 782	62, 000	−8, 400	. 2
Kansas	913, 500	27, 000	65, 718	109, 718	896, 500	−17, 000	2. 6
Kentucky	194, 500	2, 000	10, 147	19, 147	187, 500	−7, 000	. 5
Louisiana, total	6, 121, 500	315, 330	1, 151, 025	450, 355	7, 137, 500	1, 016, 000	20. 6
North	810, 000	4, 330	51, 330	46, 660	819, 000	9, 000	
South	3, 411, 500	286, 000	873, 613	278, 613	4, 292, 500	881, 000	
Offshore	1, 900, 000	25, 000	226, 082	125, 082	2, 026, 000	126, 000	
Michigan	122, 500	600	10, 210	17, 210	116, 100	−6, 400	0. 3
Mississippi	555, 000	11, 132	27, 400	57, 532	536, 000	−19, 000	1. 6
Montana	378, 000	3, 000	6, 000	31, 000	356, 000	−22, 000	1. 0
Nebraska	167, 000	1, 300	5, 500	21, 800	152, 000	−15, 000	. 3
New Mexico	1, 061, 000	19, 400	50, 499	105, 899	1, 025, 000	−36, 000	3. 0
New York	[1] 33, 252	25	0	1, 888	31, 389	−1, 863	. 1
North Dakota	404, 000	4, 358	10, 500	24, 858	394, 000	−10, 000	1. 1
Ohio	73, 500	7, 000	6, 800	5, 500	81, 800	8, 300	. 2
Oklahoma	2, 243, 000	10, 500	45, 020	200, 520	2, 098, 000	−145, 000	6. 1
Pennsylvania	101, 750	500	1, 026	5, 026	98, 250	−3, 500	. 3
Texas, total	14, 717, 250	99, 427	304, 006	914, 933	14, 205, 750	−511, 500	41. 1
East (districts 5 and 6)	2, 692, 750	3, 000	15, 873	94, 873	2, 616, 750	−76, 000	
Gulf coast (districts 2 and 3)	3, 123, 000	10, 497	77, 400	165, 897	3, 045, 000	−78, 000	
North (districts 7-B and 9)	981, 000	19, 500	60, 165	111, 665	949, 000	−32, 000	
Panhandle (district 10)	672, 500	750	29, 256	36, 506	666, 000	−6, 500	
Southwest (districts 1 and 4)	1, 231, 000	35, 500	31, 112	86, 612	1, 211, 000	−20, 000	
West (districts 7-C and 8)	6, 017, 000	30, 180	90, 200	419, 380	5, 718, 000	−299, 000	
Utah	642, 000	1, 750	8, 300	33, 300	618, 750	−23, 250	1. 8
West Virginia	46, 850	1, 750	1, 795	3, 295	47, 100	250	. 1
Wyoming	1, 342, 500	22, 500	40, 400	144, 900	1, 260, 500	−82, 000	3. 7
Others [2]	33, 716	250	75	875	33, 166	−550	. 1
Total United States	34, 732, 624	573, 323	1, 908, 302	2, 621, 495	34, 592, 754	−139, 870	100. 0

[1] Adjusted.
[2] Arizona, Florida, Maryland, Missouri, Nevada, South Dakota, Tennessee, and Virginia.

Total completions by States, 1963 and 1962

	Total	Crude	Gas	Dry	Service	Total footage	Average footage	Completions, 1962
Alabama	95	71	0	24	0	1, 006, 230	10, 592	40
Alaska	25	8	5	12	0	227, 625	9, 105	40
Arizona	16	1	2	13	0	48, 236	3, 015	54
Arkansas	463	207	43	204	9	1, 762, 544	3, 807	377
California	2, 445	1, 707	118	566	54	9, 415, 169	3, 851	2, 533
Colorado	600	96	93	409	2	3, 065, 508	5, 109	758
Florida	2	1	0	1	0	15, 847	7, 923	4
Idaho	2	0	0	2	0	4, 129	2, 015	0
Illinois	1, 801	746	12	764	279	3, 834, 138	2, 120	1, 716
Indiana	741	271	8	450	12	1, 059, 235	1, 429	685
Iowa	13	1	0	12	0	14, 277	1, 098	0
Kansas	4, 125	2, 017	227	1, 590	291	12, 236, 799	2, 966	3, 961
Kentucky	1, 794	653	162	825	154	2, 564, 411	1, 429	1, 982
Louisiana	5, 282	2, 545	614	2, 115	8	33, 868, 939	6, 412	4, 988
North	2, 861	1, 482	339	1, 036	4	9, 370, 037	3, 275	2, 411
South	1, 731	751	204	772	4	17, 146, 033	9, 905	1, 869
Offshore	690	312	71	307	0	7, 352, 869	10, 656	708
Maryland	1	0	0	1	0	7, 195	7, 195	0
Michigan	652	143	84	382	43	1, 870, 720	2, 869	755
Mississippi	726	254	22	448	2	6, 152, 090	8, 474	603
Missouri	9	0	0	9	0	12, 155	1, 351	11
Montana	382	155	15	212	0	2, 078, 873	5, 442	422
Nebraska	523	153	1	366	3	2, 636, 313	5, 041	691
Nevada	2	0	0	2	0	1, 571	786	7
New Jersey	1	0	0	1	0	6, 407	6, 407	0
New Mexico	1, 282	592	281	386	23	6, 794, 849	5, 300	1, 666
West	476	112	239	119	6	2, 058, 241	4, 324	650
East	806	480	42	267	17	4, 736, 608	5, 877	1, 016
New York	450	246	22	40	142	594, 840	1, 322	316
North Dakota	182	84	0	98	0	1, 092, 865	6, 005	229
Ohio	1, 111	475	217	357	62	3, 033, 274	2, 730	1, 210
Oklahoma	4, 492	2, 273	430	1, 260	529	17, 360, 099	3, 865	5, 203
Oregon	1	0	0	1	0	6, 337	6, 337	6
Pennsylvania	575	250	220	73	32	1, 513, 236	2, 632	691
South Dakota	10	1	0	9	0	55, 633	5, 563	11
Tennessee	29	3	0	26	0	21, 929	756	43

Total completions by States, 1963 and 1962—Continued

	Total	Crude	Gas	Dry	Service	Total footage	Average footage	Completions, 1962
Texas	13,468	6,682	1,308	4,910	568	62,936,870	4,673	14,736
District 1	931	400	40	445	46	2,290,463	2,460	1,024
District 2	767	206	198	358	5	5,113,948	6,667	929
District 3	1,318	604	185	524	5	8,835,593	6,704	1,245
District 4	1,392	478	292	593	29	8,233,275	5,915	1,348
East (districts 5 and 6)	723	307	91	321	4	4,197,228	5,805	1,096
District 7-B	1,763	717	68	875	103	4,799,800	2,723	1,752
West (districts 7-C and 8)	3,171	2,080	163	799	129	18,033,498	5,687	3,620
District 9	2,543	1,362	99	845	237	7,186,621	2,825	2,678
District 10	860	528	172	150	10	4,246,444	4,938	1,044
Utah	210	67	21	121	1	1,135,092	5,405	284
Virginia	3	0	2	1	0	8,240	2,747	17
Washington	7	0	0	7	0	29,704	4,243	8
West Virginia	1,248	257	791	151	49	3,291,288	2,637	1,309
Wyoming	885	329	53	499	4	4,594,563	5,192	819
Total 1963	43,653	20,288	4,751	16,347	2,267	184,357,230	4,223	[1] 46,179
Total 1962	46,179	21,249	5,848	16,682	2,400	198,558,641	4,300	----------

[1] Includes North Carolina 3, Georgia 1.

Wildcat completions—1952 through 1963

	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952
Alabama	20	12	--------	7	23	30	28	30	40	56	75	40
Arkansas	100	104	114	145	146	163	25	190	210	157	140	97
California	332	332	280	302	402	368	527	527	530	572	666	597
Colorado	287	382	303	358	456	485	550	675	811	657	364	245
Florida	1	3	8	5	7	7	9	13	29	30	30	10
Illinois	338	324	474	502	391	449	628	772	635	461	425	656
Indiana	173	226	210	366	300	307	155	145	261	224	373	424
Kansas	812	791	886	1,056	1,066	844	849	1,073	1,018	811	887	845
Kentucky	258	142	125	223	389	176	310	440	399	173	213	306
Louisiana	834	776	700	552	513	531	679	778	695	570	513	401
North	357	342	364	268	244	243	211	265	242	214	177	195
South	477	434	336	284	269	288	468	513	453	356	336	206
Michigan	233	283	307	246	180	145	152	168	212	243	279	277
Mississippi	285	237	209	267	283	174	194	220	182	178	207	182
Montana	144	156	184	168	121	136	185	195	172	123	126	98
Nebraska	271	414	529	392	410	348	474	451	415	185	161	168
New Mexico	318	295	292	250	260	266	267	278	158	156	168	165
North Dakota	63	92	74	82	84	135	149	78	69	117	91	36
Ohio	156	100	53	55	39	23	15	13	27	22	22	41
Oklahoma	416	433	529	700	827	854	747	867	832	859	742	730
Pennsylvania	46	58	47	20	21	26	18	19	16	46	20	20
South Dakota	9	11	6	11	10	15	44	9	16	22	20	14
Texas	2,936	3,124	3,139	3,166	3,525	3,636	5,004	5,610	5,124	5,190	5,245	4,851
North central (district 9)	357	306	295	484	573	573	1,089	1,115	975	1,131	1,058	1,048
West central (district 7-B)	517	488	488	631	694	699	973	1,075	1,035	971	1,062	1,035
West (district 7-C and 8)	714	754	704	632	747	706	872	898	839	938	876	870
Panhandle (district 10)	44	100	123	57	108	126	113	125	65	94	26	80
East (district 5 and 6)	216	234	288	273	252	332	387	431	367	334	300	252
Gulf coast (district 2)	238	286	249	184	232	196	255	308	344	312	369	336
Gulf coast (district 3)	229	289	251	218	234	286	440	562	517	526	519	390
Southwest (district 1)	271	266	376	385	329	367	431	498	481	385	432	348
Southwest (district 4)	350	401	365	302	356	351	444	598	501	499	603	492
Utah	90	110	120	96	101	84	121	86	71	65	42	50
West Virginia	31	16	8	11	29	22	33	27	30	51	23	14
Wyoming	326	379	391	435	375	259	310	289	262	271	189	173
Miscellaneous	128	203	203	220	115	105	266	81	57	41	41	112
Total United States	8,607	9,003	9,191	9,635	10,073	9,588	11,739	13,034	12,271	11,280	11,062	10,552

Total completions—1952 through 1963

	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952
Alabama	95	40	44	45	95	76	78	91	41	63	103	72
Arkansas	463	377	553	615	842	836	1,114	1.002	804	665	573	427
California	2,445	2,533	2,023	1,709	1,530	1,476	2,238	2,306	2,465	2,353	2,578	2,433
Colorado	600	758	662	706	809	836	855	1,222	1,509	1,358	734	486
Florida	2	4	8	5	7	7	9	13	30	31	30	10
Illinois	1,801	1,716	2,198	2,373	2,357	2,419	2,686	3,808	3,892	3,135	2,165	2,149
Indiana	741	685	800	1,069	880	877	754	741	706	887	1,280	1,277
Kansas	4,125	3,961	4,723	4,288	3,950	4,022	4,232	4,941	4,958	4,722	4,783	4,571
Kentucky	1,794	1,982	1,749	2,180	3,365	2,137	1,495	1,936	1,592	1,188	1,164	1,300
Louisiana	5,282	4,988	4,040	3,707	3,781	3,523	3,856	3,875	4,019	3,611	2,828	2,385
Michigan	652	755	821	897	656	436	455	437	512	567	623	707
Mississippi	726	603	575	695	645	398	386	441	448	441	397	348
Missouri	9	11	38	29	2	6	8	34	1	39	10	18
Montana	382	422	408	353	348	338	433	495	411	343	451	345
Nebraska	523	691	1,005	896	910	728	886	918	891	472	320	291
New Mexico	1,282	1,666	1,820	1,850	2,077	1,910	2,129	1,904	1,663	1,126	1,418	1,053
New York	450	316	426	300	259	544	443	512	378	435	696	767
North Dakota	182	229	258	283	436	442	316	263	250	312	270	122
Ohio	1,111	1,210	1,131	1,099	1,133	1,049	1,115	1,086	1,259	1,182	1,080	1,052
Oklahoma	4,492	5,203	5,845	4,802	6,230	7,282	7,421	8,056	8,411	8,786	7,593	5,781
Pennsylvania	575	691	682	860	648	652	833	748	717	1,331	1,507	1,884
South Dakota	10	11	6	22	23	15	44	9	16	23	20	14
Texas	13,468	14,736	14,597	15,581	18,526	18,065	21,352	21,519	19,981	18,865	17,019	16,845
Utah	210	284	253	243	318	383	267	141	92	91	70	79
West Virginia	1,248	1,309	1,120	884	806	756	680	693	640	614	618	606
Wyoming	885	819	995	1,074	990	762	863	930	915	1,221	917	700
Miscellaneous	100	179	182	186	132	64	76	39	81	69	32	99
Total United States	43,653	46,179	46,962	46,751	51,764	50,039	55,024	58,160	56,682	53,930	49,279	45,821

Mr. MONRONEY. Mr. President, the increase in gasoline consumption and the total number of motor vehicles alone demonstrate the tremendous need for finding new oil and gas to satisfy and quench this Nation's thirst for oil products. During the period from 1958 to 1962, motor vehicle registrations increased by almost 11 million, and gasoline consumption in the United States alone increased from 59 billion to 66 billion gallons a year. The United States needs oil and gas more than any country in the world since this Nation accounts for almost half the total world consumption.

How much has it cost the petroleum industry to find today's reservoirs and how much will it cost the industry to locate and develop the new reservoirs needed for the future? The Chase Manhattan Bank tells us that between 1950 and 1960 the petroleum industry spent $44 billion for the purpose of finding and developing petroleum hydrocarbon reserves in this country alone. During that same period of time, it spent $38 billion to find reserves in other countries. And the task of finding enough new domestic reserves to halt the frightening erosion of reserves which has occurred since 1949 will probably cost as much as $70 billion during the period between 1960 and 1970. Over the years, the industry has spent an average of $4.6 billion every year searching for new reserves and developing them. An annual total of $2.2 billion has been spent for exploration alone, and an additional $2.4 billion a year has been spent for development.

The cost of drilling and equipping wells in 1961 was 8 percent higher than the cost in 1957, and there was an increase of 13 percent in the average hourly wage paid to employees engaged in oil and gas production. Yet, during this same period of time, the price of crude oil actually declined by 7 percent. The average price per barrel of crude at the well was $3.01 in 1958, but was only $2.90 in 1962.

Despite the increase in need, despite the incentives in existing law, and despite the large amounts of money which have been spent in exploration and development, the activity of the producing industry has declined. By 1962, the total crew-months of geophysical work had declined by 50 percent since 1955.

These geophysical experts are the men who find the oilfields. If the crews are not out searching for new supplies, it means that in 3 or 4 years from now there will not be any new discoveries or any new drilling. These are the people who look ahead.

We had better watch this situation, particularly from the standpoint of incentive, when the number of crew months has steadily fallen by 50 percent since 1955.

The number of active rotary drilling rigs has declined by 40 percent since 1955, and the amount of exploratory drilling showed a reduction of more than 4,000 wells, or 30 percent, from the 1956 level. The total drilling activity—including producing wells, dry holes, and service wells—decreased almost 12,000 wells from 1956 to 1962—a 20 percent drop. The number of employees engaged in the producing branch of the industry has dropped by 40,000 employees since 1957.

If the situation were as good as is claimed by those who would cut the depletion allowance from 27½ percent to 20 percent or 15 percent, this decline in employment would not occur. There would be a much larger employment and much more geophysical work, and much more effort to find new fields.

I ask unanimous consent to have printed in the RECORD at this point statistical tables which reflect the decline in exploration and development activities of the oil industry; the number of employees engaged in oil and gas production; a comparison between the price of crude oil and the cost of producing it, which shows a decrease in price and an increase in cost; and an index of U.S. retail gasoline prices compared with the consumer price index.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Index of U.S. retail gasoline prices compared with the Consumer Price Index, 1958–62

[1957-59=100]

Year	Gasoline		Food	Housing	Apparel	Transportation	All items
	Excluding taxes	Including taxes					
1962	94.3	100.1	103.6	104.8	103.2	107.2	105.4
1961	95.1	100.5	102.6	103.9	102.8	105.0	104.2
1960	97.2	101.7	101.4	103.1	102.1	103.8	103.1
1959	98.1	99.6	100.3	101.3	100.7	103.8	101.5
1958	99.4	99.3	101.9	100.2	99.8	99.7	100.7

Authority: Bureau of Labor Statistics; American Petroleum Institute.

Decline in exploration and development activity, 1955 through 1962

Year	Geophysical activity	Active rotary drilling rigs	Exploratory wells drilled	Total wells drilled
	Crew months	*Number*	*Number*	*Number*
1955	8,240	2,688	12,271	56,682
1956	7,846	2,618	13,034	58,160
1957	7,242	2,429	11,739	55,024
1958	5,731	1,923	9,588	50,039
1959	5,696	2,074	10,073	51,764
1960	5,207	1,747	9,635	46,751
1961	5,024	1,760	9,191	46,962
1962	4,231	1,641	9,003	46,179

Source: Testimony presented by president, Independent Petroleum Association of America, before House Committee on Ways and Means, Mar. 26, 1963.

Employment in oil and gas production industry

	Number
1957	344,000
1958	327,500
1959	330,900
1960	313,900
1961	308,800
1962	304,000

Source: Testimony presented by president, Independent Petroleum Association of America before House Committee on Ways and Means, Mar. 26, 1963.

Comparison of crude oil prices to cost of production

[Index numbers, 1957-59=100]

Year	Crude oil prices	Cost of drilling and equipping wells	Hourly wages paid
1957	103.0	100.4	96.7
1958	100.3	97.2	99.5
1959	96.7	102.4	103.8
1960	96.0	105.6	105.0
1961	96.3	108.1	108.9

Source: Testimony presented by president, Independent Petroleum Association of America, before House Committee on Ways and Means, Mar. 26., 1963

Mr. MONRONEY. Mr. President, the need for oil and the cost of obtaining it have increased greatly and will continue to do so. The prospects of failure have become greater, too. A study containing a 6-year analysis of the more than 8,000 new-field wildcat wells drilled in 1956 shows that less than 2 percent of the wells had oil or natural gas in commercial quantities. This figure is down from the 3 percent figure which previous studies had shown. This geologists study found that, out of the 8,436 new-field wildcats drilled in 1956, only 159, or 1.88 percent proved to be profitable discoveries. This is a ratio of 1 profitable well to 53 drilled. The remaining 8,277 new-field wildcats, or 98.12 percent, were either abandoned as dry holes, or found too little oil or gas to be profitable. For the 12-year period 1945 through 1956, the ratio was 1 profitable well to every 38 new-field wildcats drilled. The average cost of an exploratory well is roughly $90,000. It should be evident to even the opponents of the depletion allowance that the producer must recover not only the capital expended in developing a profitable well, but also the vast sums poured into dry holes and nonprofitable wells from which no income or recoupment of capital is derived.

Mr. RANDOLPH. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield to the Senator from West Virginia.

Mr. RANDOLPH. I appreciate the Senator's yielding at this particular point in his most informative presentation. The Senator [Mr. MONRONEY] is most knowledgeable on this subject.

In connection with the West Virginia situation, the RECORD can very properly disclose information from constituent correspondence received, and from which I read, in part:

> During the taxable year 1962, we produced 141 wells in West Virginia. Only one of these had sufficient profit for us to receive the full 27½-percent depletion allowance. On all of the others, we took one-half of the net profit. The actual depletion allowance for our seventh-eighths working interest wells amounted to 12.36 percent.

In West Virginia, where production is not large-field operation, where the drilling is for relatively lesser amounts of oil and gas, there is a need, among our smaller independent domestic searchers for oil, for this incentive in the present tax law.

In West Virginia last year, when 1,400 wells were drilled, a very small percentage of those wells would have been drilled had the present depletion allowance not been included as an incentive in a hazardous venture capital program for hoped for production.

Mr. MONRONEY. The Senator from West Virginia is exactly correct. Without a depletion allowance, some marginal fields, fields that do not have the great, lush production, would never be developed.

Some Oklahoma drillers are now going to West Virginia, because there has been enough depletion allowance to start a discovery of wells. But certainly it is the smaller wells that would sustain the greatest destruction if the amendment of the Senator from Delaware were adopted.

Mr. RANDOLPH. I so understand.

Mr. SIMPSON. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. SIMPSON. Does the Senator from West Virginia have information as to the number of wells that were dry holes?

Mr. RANDOLPH. Our producing sands in West Virginia are at levels of 1,000 to 12,000 feet below the earth's surface. Our average depth for production is 3,500 feet. The average cost for a producing well in our State is $49,000. Most of our wells are drilled in proven fields, rather than in wildcatting. In 1962 there were 1,171 wells drilled in West Virginia and 200 of them were dry holes.

Mr. SIMPSON. The national average is 1 out of 12. It used to be 1 out of 9. The industry has been drilling fewer and fewer wells. There were 4,000 fewer in 1962 than in 1956. It would be interesting to have the Senator provide information as to the number of dry holes that were drilled in West Virginia and the cost per well, because the average cost is about $90,400.

Mr. RANDOLPH. There is a very real risk in drilling for oil and gas in West Virginia, and we need this incentive in the law in the interest of developing a sound industry.

Mr. MONRONEY. Mr. President, who has benefited from the profit incentives contained in our tax laws and in our inherent policy on all natural resources? The petroleum industry has received a reasonable profit, without which there would have been no reason under our system of free enterprise for them to risk the capital they have. The employees of the oil companies have benefited from the wages they have received. In 1962, the crude petroleum and natural gas portion of the industry itself employed 254,760 people, with an annual payroll of over $1½ billion. But the greatest beneficiaries have been the people of the United States who have had available to them a constant and adequate supply of cheap and easily available sources of energy provided by oil and gas. The retail price of gasoline at service stations, excluding sales and excise taxes, was one-half cent per gallon less in 1962 than in 1926. In 1926, 1 hour's average wage would buy less than 3 gallons of gasoline, but in 1962 it bought almost 12 gallons of gasoline. The price of U.S. petroleum products is lower than in any other industrial country. A brief look at some of the prices which citizens of other countries have to pay for a gallon of gasoline illustrates only one of the benefits which the citizens of this country have. As of January 1, 1962, a gallon of gasoline in the United States, including all taxes and duties, cost 30.6 cents. In Belgium the price was 56.5 cents; in Denmark, 55.9 cents; in Finland, 60.3 cents; in France, 75.6 cents; in West Germany, 54.4 cents; and in Israel, 71.4 cents per gallon.

This has been the result of applying the depletion allowance to production, so that new supplies of oil could be found in increasing quantities, thus maintaining the benefit to the consumer.

If the amount that is necessary for exploration were taken away under the amendment of the Senator from Delaware, the only way the cost of finding and producing oil could be financed would be to put the burden on the backs of automobile drivers. The cost would have to be multiplied many times as the oil passed through the industrial process before it reached the consumer.

Mr. President, in 1960 President Kennedy stated the fundamental consideration involved in the principle of depletion when he said:

> The depletion allowances which affect over 100 items should be considered primarily as a matter of resources policy and only secondarily as a tax issue.

This principle is fundamental and must be kept foremost in mind in any discussion of the depletion allowance. Mr. Kennedy went on to say:

> Its purpose and its value are first of all to provide a rate of exploration, development, and production adequate to our national security and the requirements of our economy. * * * The oil depletion allowance has served us well by this test.

The role of the depletion allowance in the maintenance of our defense and national security has become particularly acute throughout the years of the cold war. Mr. Khrushchev declared economic war on the United States and the free world and the major instrument which he has utilized in this economic war has been the vast oil resources which exist within the boundaries of the Soviet Union. This part of the economic war, which has been described as the Soviet oil offensive, is a part which I am not sure we are winning.

There is no question that the Soviet Union has the reserves to draw upon to wage and win that war. Russia is second only to the United States in average daily oil production; and, in 1962, Russian production equaled one-half of the U.S. production. In 1950, Russian production amounted to only one-seventh of U.S. production. Soviet bloc oil exports to the free world and Cuba increased from 116,000 barrels per day in 1955 to 740,000 barrels per day in 1963. This was an increase of 10 percent over the 670,000 barrels a day exported in 1962. Their estimated export potential in 1965 is 1 million barrels per day. The export of Soviet oil accounted for one-fourth of Russia's earnings of free world currencies in 1962. Russia's proved oil reserves are estimated to be 28.5 billion barrels, compared to U.S. reserves of 35.5 billion. Some estimates of potential Russian reserves have run as high as 200 billion barrels; and, in 1960, the Soviets announced that new oil deposits discovered in the Central Asian republics have a potential capacity expected to equal the total output of the Middle East oilfields. The discovery of new oil and gas in the Soviet Union has top priority and, in recent years, Russia has had more geophysical crews in operation than the entire free world.

The objectives of the Soviet oil offensive are threefold: economic, political, and strategic. From an economic standpoint, the Soviet Union is attempting to regain the share of the world oil market which it formerly held, in order to acquire foreign exchange needed to finance imports required by other sectors of the Soviet economy. Politically, the Soviets are attempting to undermine the position of western oil companies and western governments by building a dependence on Soviet oil supplies, and by building dependence on Soviet markets for surplus local products and commodities for which the Soviet Union barters its oil. Strategically, the intrusion of Soviet oil on the world market and the peculiar terms and prices at which it is offered have dislocated the market and have contributed to sluggishness of price and disruption of established distribution patterns.

All Soviet oil is channeled through a monopoly owned and operated by the state, thus eliminating all competition in the sale of oil and resulting in a monopolistic bloc policy. This policy enables the Soviets to make planned adjustments in the utilization of various engineering sources and in its allocation of external and internal demand. It permits a greater flexibility in viewing the direction of bloc trade for purely political and strategic reasons; for example, the cancellation of deliveries to Israel after the Suez incident and the diversion of its oil to Europe.

The Soviet pricing policy is extremely flexible since it is not restricted by normal profit and loss considerations, and the cost of production is considerably less because there is no obligation to pay royalties to producing countries at the prevailing rate of 50 percent of the posted world price, which the U.S. companies engaged in foreign operations must now pay. In 1957, the Soviets exported oil to the free world at an average price of $2.06 per barrel, when the price of Middle East oil was $2.79, and Venezuelan oil was $2.92. In 1958, the Soviets sold oil to Argentina for $1.60 per barrel, but charged Poland $2.87 per barrel. In 1960, Russia exported crude oil to its satellites at an average price of $3.01 per barrel, but charged free world nations only $1.56 per barrel. In 1960, the Soviets entered into a barter arrangement with Italian refineries for long-term supplies of Soviet oil at a price of about $1 per barrel. In 1963, the Soviets concluded another agreement with Italy under which Italy will take about 180 million barrels of Soviet oil between 1964 and 1970 at a price of only $1.10 per barrel in exchange for Italian synthetic rubber, fertilizer, man-made fibers, and machinery and equipment so vitally needed in the Soviet economy.

The trend of increased Soviet oil exports will continue, and is demonstrated by the new system of pipelines which the Russians are building to the markets of Western Europe and its ports on the Black Sea and the expansion of its tanker fleet which has been going on for a number of years. This will make Soviet oil even more accessible and available.

This is an economic war which we cannot afford to lose. For reasons of defense, national security, and the well-being of our own economy, we must win. We do not want to adopt or use the methods applied by the Soviet Union. We must continue to provide other alternatives and incentives, such as the depletion allowance and other incentives in our tax and trade laws, which will enable the petroleum industry of the United States to compete effectively with the influx of low-priced Soviet oil and to continue to outproduce the Soviet Union. Any reduction in the existing incentives would be disastrous.

It would be most unwise and inappropriate, in a tax bill designed to bring about necessary production for our own needs in peace or war, to cut the depletion allowance by 25 percent.

The advocates of reduction argue that the 27½-percent depletion allowance on oil and gas is excessive, that it creates an inequality in our tax structure, that oil companies and oil men derive exorbitant profits solely because of the depletion allowance, and that the result has been an overinvestment of our total capital resources in the petroleum industry. None of the arguments is sound.

I have already pointed out that the oil industry is no more profitable than other industries in this country, and that its rate of return on investment is about the same as it is for manufacturing companies. Considering the unique risk involved in oil and gas exploration, and the tremendous benefits which the opponents of depletion say the oil industry derives from the "truck hole" in our tax laws, it would seem that the rate of return for the oil industry would therefore be much higher than that for other industries. The 27½-percent rate is not excessive and it is not inequitable to allow the oil industry 27½-percent and the sulfur industry only 23 percent. The comparative risks involved have, I think, been wisely recognized by the Congress. The amendment would reduce the depletion allowance on oil and sulfur to the same amount. Sulfur is not found 5,000 to 25,000 feet below the earth's surface, and it does not require the drilling of a well costing anywhere from $100,000 to almost $2 million even to find out if there is sulfur at a particular location.

The percentage depletion allowance is not the cause for oil producers or oil companies paying no Federal income taxes, as has been insinuated, since the depletion deduction cannot exceed 50 percent of net taxable income. It cannot reduce taxes to zero; it can only reduce the tax on oil production to approximately the capital gains rate available to all taxpayers and all industries. The main reason why some oil producers pay only a small amount of tax is they are reinvesting the money available through the depletion allowance in the exploration and development of new oil and gas reserves. These costs for exploration are obviously a deductible item.

In fact, the petroleum industry has consistently expended for domestic exploration and development alone over 2½ times the total amount of depletion taken on both domestic and foreign production.

When the percentage method of computing depletion is compared with the original principle of discovery value depletion, which was carried over in the percentage depletion formula, the amount of depletion currently allowed is lower than the amount which would have been allowed under the original formula. Under discovery value depletion, a producer was entitled to recover tax free the value of the mineral deposit at the time of discovery. Congress recognized the economic principle that a mineral producer's capital is not restricted to the actual cost of finding a mineral deposit. Today, the cost of finding and producing a barrel of oil in the United States is about $3.38. Excluding development and production costs, the current value of new oil in place in the reservoir averages a little more than $1 per barrel. Based on an average selling price of $2.90 per barrel, the absolute maximum depletion deduction would be only 79 cents. The discovery value of about $1 per barrel thus exceeds the maximum depletion deduction today by over 20 cents per barrel. The result is that under the 27½-percent rate the Government actually taxes a portion of the producer's capital value as income.

Instead of being excessive, as its opponents charge, the depletion rate for oil and gas is in reality insufficient to carry out the principle intended by the Congress when the provision was enacted in 1926.

It is true that the oil and gas producing industry pays less Federal income tax than U.S. industry in general. This is what causes its opponents to scream "inequity." But when the total tax burden borne by the oil and gas producing industry, exclusive of excise and sales taxes, is computed, the rate of domestic taxes on gross income is about 5 percent both for the oil industry and for almost all other industries. When the total tax impact is considered, the oil industry pays essentially the same tax rate per dollar of gross income as is paid by all mining and manufacturing industries.

When it is pointed out that the profits of the oil industry are reasonable as compared to the profits of other industries, despite all of the alleged tax havens which are attributed to the industry, the opponents charge that the reason for that is an overinvestment in the oil industry which has resulted in a misallocation of the capital resources of the country. It is difficult for me to understand how we can be overinvesting in an industry so extremely vital to the strength and security of this country, particularly in view of the fact that our domestic reserves have declined steadily for 15 years and our energy requirements have almost quadrupled since 1926. It seems to me that we have not been investing enough money for the exploration and development of oil and gas resources, especially for domestic oil and gas reserves.

U.S. petroleum requirements by 1970 are expected to be at least 13 million barrels a day. Our current production is only about 7.5 million barrels a day, and the requirements for 1970 will be about 2 million barrels a day greater than our present productive capacity, which in 1963 was, at the most, 3 million barrels a day greater than actual production. With respect to excess productive capacity which the advocates of reduction say results from overinvestment, our domestic production now would be at least 1,800,000 barrels a day greater if it were not for foreign imports of oil. If these imports were cut off in an emergency, our present productive capacity would exceed our current requirements by very little. This does not take into consideration the increased consumption of our military establishment which, in an emergency, has been estimated to be as much as an additional million barrels a day. Thus, if an emergency should arise, and in today's world it is highly likely that it will, we would have no reserve productive capacity.

I am grateful that we are a Nation blessed with many natural resources and a Nation competent to invent the methods by which such resources are readily and easily producible and deliverable. I am glad that we have a surplus in productive capacity to fall back upon in times of crisis. We have excess productive capacity in almost all of our manufacturing and mining industries today. One of the reasons for the tax bill we are debating is to provide more money through tax reduction for investment in new plant facilities and to provide more disposable income to increase the demand for the products of industry. It is incomprehensible to me that a proposal should be made to increase the taxes of the oil industry on the grounds of excess productive capacity and at the same time propose a reduction in taxes to solve the problems of other industries which have excess productive capacity.

Mr. President, I am firmly convinced that the adoption of any of the proposals to reduce the depletion allowance will result in an increase in the price of petroleum products to the consumer and a drastic reduction in the capital funds expended in the search for new reserves. This would be contrary to our historic policy on natural resources, which has provided cheap and abundant sources of energy to the citizens of this Nation. The strength of this Nation has been built on that policy. Unless our resources are taken out of the ground, they have no value to us, and unless we find new deposits of resources and make them available at low cost, our strength will decline. Our natural resources policy has served us well in peacetime and in war. The proposals to amend the depletion allowance represent a fundamental change in that policy, and if adopted, would be detrimental to the national interest and the individual interest of every citizen of the United States. It is a tribute to the Congress that it has rejected these proposals in the past. I am confident that it will do so again.

I feel that it would be most unwise for us to make such a drastic cut as is proposed by the amendment of the Senator from Delaware. That would be enough to freeze or disrupt the industry during the 3 years the depletion allowance was being reduced. Make no mistake about that, because as the cut became effective, it would freeze the financing of wells and freeze the willingness, the energy, and the efforts that ordinarily go into providing the Nation with its adequate supply of new-found oil.

I ask that the amendment be rejected.

I yield the floor.

Mr. SIMPSON. Mr. President, I wish to associate myself with the remarks of the distinguished Senator from Oklahoma [Mr. MONRONEY].

In light of the statements made during the debate in regard to the taxes imposed on the oil and gas industry, I wish to state that the taxes paid in Wyoming—and Wyoming has grown to be the sixth largest producer, among all the States, of oil and gas; and Wyoming is an export State—are based to the extent of 46 percent on the production of the oil industry in Wyoming.

I wish to present, very briefly, certain basic facts that I believe should be kept in mind in considering Federal tax policies as to oil and natural gas production.

Even critics of petroleum tax provisions recognize that these provisions result in more investment in petroleum development and more oil and gas at lower prices. Proved reserves of oil in the United States have increased from 8 billion barrels in 1926 to 38 billion. Oil production has been expanded from less than 1 billion barrels per year to 3 billion in 1962. The retail price of gasoline at service stations—excluding sales taxes—the distinguished Senator from Oklahoma has already stated this information, which is gathered from the same source—was one-half cent per gallon less in 1962 than in 1926. The greater value to the consumer is illustrated by the fact that 1 hour's average wage will now buy almost 12 gallons of gasoline in contrast to less than 3 gallons in 1926.

In short, more oil and more gas have been made available to the consuming public at relatively low prices under the tax treatment than has been established and maintained by Congress for more than a third of a century.

Exploratory activity is the necessary forerunner to oil and gas drilling. Advance exploration, as measured by the crew-months of geophysical activity, has been declining steadily. In 1962, the total crew-months of geophysical work showed a decline of 50 percent in the search for new oil and gas reserves since 1955.

This is only one indicator of deteriorating conditions in the domestic producing industry. Any adverse change in petroleum tax policies unquestionably would accelerate this decline and threaten the adequacy of future oil and gas supplies.

Following the decline in exploration there has been a sharp decrease in the number of drilling rigs in operation. The number of active rotary drilling rigs has declined by 40 percent since 1955.

Despite continuing advances in scientific techniques, new oil and gas reserves can be found only by drilling. Less drilling means fewer wells and less oil and gas for the future.

Let us turn now to the record of wells completed in the United States.

In 1962, exploratory drilling showed a reduction of more than 4,000 wells, or 30 percent from the 1956 level. Clearly, the funds and incentives for oil and gas exploration have been deteriorating, even under existing tax provisions.

Looking at total drilling activity, there has been a decrease of almost 12,000 wells from 1956 to 1962. This is a 20-percent drop. These wells include producing oil wells, producing gas wells, dry holes, and service wells.

Again, it is clear from the decline in total drilling activity that the domestic industry is being forced to curtail its operations. At the same time, national oil requirements are expanding.

I would like to point out that independent oil and gas producers account for about 80 percent of the wells drilled in the United States. The funds for drilling activities are generated primarily within the industry. Many wells are joint ventures, with the funds provided by both independents and larger companies. Producers depend heavily on existing tax provisions to carry on drilling activities which would be directly and adversely affected by the proposed changes in these provisions.

The decreases in geophysical activity, drilling rigs, exploratory wells, and total well completions result from the cost-price squeeze on the domestic producing industry.

The price of crude oil has declined by 7 percent since 1957 in the face of increasing wages and higher costs of steel and other materials. The cost of drilling and equipping wells in 1961 was 8 percent higher than 1957, with an increase of 13 percent in the average hourly wages paid to employees in oil and gas production.

The domestic petroleum industry has a lower rate of return on invested capital than the average for all manufacturing industries.

For the 7 years from 1955 through 1961, petroleum earnings averaged 9.1 percent on invested capital as compared with 10.4 percent for industry generally. The petroleum industry was lower, not only for the entire period, but also for each of the 7 years.

The relatively low rate of return in the petroleum industry provides evidence that increased taxes, unless compensated for by increased prices, could be paid only at the expense of further curtailment of industry operations.

Huge investments are required each year to find and develop domestic oil and gas reserves. The latest and most complete surveys show that an average of $4.6 billion is spent each year in searching for new reserves and developing these reserves so they will be available to meet consumer requirements. An annual total of $2.2 billion is spent for exploration alone, with an additional $2.4 billion expended for development.

Federal tax provisions have enabled the petroleum industry to make investments on the tremendous scale required by expanding national consumption. In fact, as previously shown by declining exploration and development activities, funds and incentives have become inadequate for the necessary expansion of these activities.

The proposals to impose large additional taxes on domestic oil and gas production are, in effect, proposals to curtail investments in oil and gas exploration and development.

The huge investments in petroleum exploration and development are made in the face of unusual risks and great uncertainty.

On the average, there is only one chance in nine of finding any oil or gas, at an average cost of approximately $90,000 for each exploratory venture. Even if oil or gas is discovered, it is often a marginal or unprofitable operation. The chances of finding a substantial oil or gas deposit are slim indeed. In fact, if the marginal and unprofitable discoveries were excluded, the chance ratio would drop from 1 in 9 to 1 in about 40.

There is little doubt that this Nation will require more, rather than less oil and gas. More, rather than less, exploration and development for new reserves is needed.

Here, Mr. President, let me say that the U.S. Government itself is the greatest customer—using approximately 426,000 barrels a day, and using an average of more than 356,000 barrels of jet fuel alone a day. In a year's time, that amounts to millions of barrels. So, as I have said, there is little doubt that this Nation will require more, rather than less, oil and gas, and that more, rather than less, exploration and development for new reserves is needed.

Under such policies, domestic oil and gas supplies can continue to expand at reasonable prices to the consuming public. The potentials for future discovery are vast, with a relatively small proportion of favorable areas in the 50 States having been explored to date. National tax policies should serve to increase, rather than decrease, exploration and development activities.

Furthermore, we know that the purpose of the pending bill is to expand the economy.

There is an additional factor that should be considered before taking any action that would further discourage domestic producing activities.

Since 1956, domestic crude oil production has increased by less than 200,000 barrels daily or only 2 percent. Total output of the producing nations of the free world outside the United States has increased by more than 5 million barrels daily, or 68 percent, with 90 percent of this increase resulting from the rapidly expanding use of oil abroad.

During the same period, Russia has expanded its oil production by more than 2 million barrels daily or more than 100 percent. With oil the primary weapon in the Soviet economic offensive, it would seem foolhardy indeed to depress the development of United States oil supplies and weaken the Nation's strength as to its energy resources.

This brings us to perhaps the matter of overriding concern: our national security and our ability to preserve world peace.

The value of U S. oil to national security has been demonstrated over a period of 45 years of meeting various types of emergencies.

We all recall that the Allies floated to victory on a sea of oil in World War I. In World War II, the U.S. oil again was indispensable to victory with 6 of every 7 barrels used by the United States and our allies supplied from domestic sources.

More recently, and of perhaps more significance as a deterrent to world war III, a number of political crises have emphasized the essentiality of maintaining adequate oil supplies within the United States. In 1951, the production of oil in Iran was shut down and 600,000 barrels daily were cut off as a source of supply to the free world. Five years later, in 1956, the closing of the Suez Canal posed a grave threat to world peace. The availability of reserve supplies from the United States and, to a lesser extent, from other Western Hemisphere sources averted this threat of war. Today, Communist activities in Cuba again threaten the availability of oil supplies from foreign sources through sabotage activities in South America.

In conclusion, I respectfully but emphatically urge the Senate to take no action that would weaken the Nation's strength as to its supplies of oil and natural gas. The value of a vigorous and expanding development of petroleum resources to our standards of living and our national security is a matter of basic natural resource policy and goes beyond the more limited consideration of tax revenues.

In the short run, the proposed changes in petroleum tax provisions could result in additional tax revenues. In the long run, they could mean a lower rate of economic growth and less tax revenue. Beyond question, they would result in less oil and gas. In the public interest, we cannot afford to exchange the hope of additional tax dollars for the certainty of oil and gas supplies.

Mr. MECHEM. Mr. President, speaking as a former member of the executive committee of the Interstate Oil Compact Commission and as former chairman of the New Mexico Oil Conservation Commission, I oppose the amendment.

A reduction in the petroleum depletion allowance from the existing 27½ percent of gross petroleum sales receipts would be a serious blow to the economy of New Mexico, as well as to that of her neighboring States.

We must continue developing our petroleum reserves in this country. We are already drawing heavily on known reserves and we are not developing new reserves as rapidly as we should. Exploratory drilling carries a high degree of risk, but it is absolutely essential to the security and future well-being of the United States.

It is simple for those not familiar with the facts about the petroleum industry to single out a few millionaires as causes for attacking the depletion allowance as a supposed loophole in our tax structure. The hard truth is that many a dry hole is drilled for every successful producer.

Without this tax incentive, the exploratory drilling so necessary for the continued operation of the oil industry may well taper off. If that happens, it can only mean future danger to the Nation's security and its economy.

I urge that the Senate reject this amendment.

Mr. EDMONDSON. Mr. President, I believe it fundamentally important in our consideration of proposals which would amend the Internal Revenue Code to reduce the percentage depletion allowance to consider both the need which exists for an adequate and readily accessible supply of petroleum and the fundamental nature of our American oil industry.

Few can argue that an adequate supply of petroleum and petroleum products is essential in order to have a continued increase in industrial progress and in our already high standard of living.

Many can remember well those days when the citizens of our country gladly and cheerfully went without fuel for their automobiles in order that our fighting forces would have the means to carry the war to its successful conclusion. Today effective military action in anything less than all-out conflict still depends on adequate supplies of petroleum.

These facts are self-evident and need not be endlessly repeated.

Another fact equally clear is that we do not have an oversupply of oil. While the oil industry spends large amounts of money each year—about $5 billion—to maintain an adequate supply of oil, costs are increasing and the risks in exploring for oil are growing every day. Today, only 1 out of 32 exploratory wells results in the discovery of a field large enough to be profitable, and only 1 out of 600 such wells finds a field large enough to supply this Nation's needs for a week.

In spite of these great risks oil and gas companies receive about the same rate of return on their investment as do manufacturing companies. From 1955 through 1962 domestic petroleum earnings averaged 9.1 percent on invested capital as compared to 10.3 for industry in general.

As Governor of a great oil-producing State and as former chairman of the Interstate Oil Compact Commission, I have been aware for a number of years of the effect of a reduction in the percentage depletion allowance upon the oil industry and upon the 33 States which produce petroleum. Without doubt the broad base now existing in the oil and gas-producing industry would shrink greatly if percentage depletion were to be adversely changed.

We can foresee adjustment in the industry financial processes which would result in sellouts and mergers among smaller industry units with a resulting increase in corporate concentration in the production and control of petroleum. This would have a severe effect upon the economies of thousands of oil communities throughout producing States, and there would follow a reduction in the overall base for local, State, and Federal tax revenues.

Governmental policies should be designed to encourage the continuation of the present broad base in the petroleum industry. Eight companies presently control only 32 percent of crude oil production, compared with the 70 percent of steel production controlled by eight companies, and the 80 percent of motor vehicle production controlled by eight companies. Retention of the present depletion provision of our tax laws will maintain a broad-based domestic petroleum industry, a goal which should be the policy of this Congress.

In recent years the health of the domestic petroleum industry has been declining. Crude oil prices are down, gasoline prices are down, employment in the industry is down, and fewer exploratory wells are being drilled.

Considering these facts and considering the close relationship of economic progress and the availability of low-cost energy primarily supplied by oil and gas, I earnestly submit that a tax change such as proposed in this amendment would impede the economic advancement this country has made in the last 3 years and would be extremely detrimental to the maintenance of the security of the free world.

Mr. CARLSON. Mr. President, today we are again witnessing what has come to be almost a perennial attack on the longstanding tax policy—percentage depletion.

These attacks come each year almost as consistent as the weeds that return each year to torment the farmers back in my State of Kansas.

While I do not question any Senator's motives or right to offer amendments to reduce or eliminate the effectiveness of this vital tax provision, it must be recognized that over the 38 years that percentage depletion has been in the law, it has repeatedly stood the test of thorough review and study by Congress and its committees. In fact, I know of no other national policy which has been subject to as much examination as has percentage depletion.

As in past years, this amendment offered here today during floor consideration of this important tax bill was given full and considered study by the Finance Committee and rejected by a substantial bipartisan vote.

Nonetheless, the foes of percentage depletion continue to hammer away, which, of course, is their privilege.

Mr. President, I deem it important, each time this subject is discussed on the Senate floor, that the matter be put in proper focus and considered in light of the intended purpose of this tax policy, as well as a look at how justly this policy has met its intended goal. A look at the record shows that, back in 1926, when Congress first wrote percentage depletion into law it had two things in mind; namely, a simplified method for computing depletion which would recognize that first, percentage depletion would partially compensate for the using up of a producer's capital as is the case in mineral extraction; and, second, provide the necessary encouragement to men willing to spend their money, time, and energy in the search for and development of mineral resources.

This minerals tax policy has served well in the case of more than a hundred different minerals which this Nation must have in large quantities if it is to remain strong and self-sufficient.

However, Mr. President, since these amendments appear to affect only petroleum production, I will confine my remarks to that portion of the minerals industry.

Petroleum provides more than 70 percent of the energy requirements of this Nation, so there remains little doubt that we must have adequate supplies of this vital commodity at reasonable prices for both our military and civilian requirements. What is the picture as of today?

Percentage depletion and the other mineral tax policies have helped to provide adequate petroleum at very reasonable prices. For example, U.S. petroleum reserves in 1963 were five times as great as when percentage depletion was adopted in 1926. What is more, excluding excise taxes, a much better gasoline is being sold at the gas station pump today for less than it sold for in 1926—the year percentage depletion came into law. Thus, there can be no doubt that one of the original congressional goals, plentiful supplies at reasonable prices, is being met. As a matter of fact, Mr. President, I know of no other commodity which is being sold today for less than it was in 1926. If the price of gasoline had increased since 1926—the year percentage depletion came into the law—in proportion to the increase in the consumer price index, gasoline would cost today 65 percent more than it did in 1926. Another test is that today an hour's average earnings will purchase about 10 gallons of gasoline in contrast to about 2.5 gallons of an inferior product in 1926.

Stated simply, for more than 37 years, percentage depletion has helped the petroleum producing industry to make available to the American people the vital energy required to make more and better things for more people at reasonable prices. What more can you ask?

Mr. President, there are endless reasons which I could cite as to why an adverse change in the percentage depletion rate for oil and gas production would not be in the best public interest. However, I do not wish to burden the Senate with a long discourse and use up valuable time in our efforts to expedite this very important measure.

Before I conclude, however, I feel I must discuss the important role percentage depletion has made and is making toward helping to encourage the investment in the oil and gas search needed to meet our growing energy demands for national security.

In the two World Wars, the Korean conflict and the numerous peacetime incidents such as the Suez crisis, U.S. oil has made the difference between victory and defeat; between sufficiency and shortage. Already at serious competitive disadvantage in both domestic and world markets, U.S. crude oil production has risen only 2 percent since 1956, while free world foreign output has risen 68 percent and Soviet Russian production has increased 115 percent.

Mr. President, in view of the uncertainties on the international scene, we must do nothing to weaken this important industry and its ability to remain strong and to have this Nation continue in its position of energy supremacy.

We must continue the national policies that will encourage men to invest their resources in the important endeavor of searching for and developing new petroleum reserves.

Mr. President, now is no time to further aggravate an already bad situation existing in the domestic petroleum industry. I find that in my own State of Kansas as well as the Nation as a whole, our petroleum-producing industry has been going downhill consistently since 1955.

For instance, in my State of Kansas, drilling activity reached a peak of 4,958 completions in 1955. During last year, 1962, only 3,961 wells were drilled in Kansas. This is a decline of nearly 1,000 wells, or of 20 percent. Exploratory crew activity is down approximately 30 percent over the same period. This is indicative of fewer discoveries in the years ahead, for actual exploratory drilling is only undertaken after a search for subsurface conditions favorable to the accumulation of oil and gas.

These facts foretell fewer wildcat wells in the future, a further decrease in development drilling, less employment, dwindling county, State and Federal taxes, and declining development of this vital and basic resource.

It is disheartening to one from an oil State to be aware of the depressed condition of an essential industry and to witness its gradual deterioration in so brief a number of years. It is disillusioning to now be faced with a proposition, as proposed in this adverse amendment, that would further suppress the normal and natural progress of a great industry.

Then, too, Mr. President, unfortunately this situation is not confined to my State of Kansas. These deteriorating conditions exist in each of the 31 oil-producing States of this Nation.

I was delighted when the former Governor of Oklahoma [Mr. EDMONDSON] and the former Governor of New Mexico [Mr. MECHEM], who both served on the Interstate Oil Compact Commission, told of the effect the provision would have on their States. It was also my privilege to serve not only as a member of the commission, but as chairman. Kansas is the fifth largest oil-producing State.

I have learned from the recent Finance Committee hearings that economic conditions in the domestic petroleum industry have deteriorated steadily while the U.S. economy in general has experienced continuing upward trends. Each factor measuring the health of the oil- and gas-producing industry has been declining. Each factor for the general economy shows advances. Yet these depressed conditions persist despite an expanding national economy.

The declining trends in prices, employment and activity reflect the increasingly unfavorable atmosphere for capital investments in oil and gas production. It is significant that the domestic petroleum industry has a lower rate of return on invested capital than the average for all manufacturing industries.

For the latest 8-year period from 1955 through 1962, domestic petroleum earnings averaged 9.1 percent on invested capital as compared with 10.3 percent for industry generally. The rate of return for petroleum companies was lower not only for the entire period, but also for each of the latest 8 years.

With relatively low rates of return on investment, declining prices, shrinking employment and progressively sharp curtailment of oil exploration and development activities, adverse changes in oil and gas percentage depletion and related tax provisions would widen the growing disparity between economic trends in the domestic petroleum industry and the general economy. Surely we in Congress do not wish to aggravate this disturbing situation.

Mr. President, I do not wish to be unduly alarming. But I must state that in view of the economic plight of the U.S. petroleum producing industry, this body should be considering ways and means of breathing new life and vigor into this all-important industry rather than harass it with the constant threat of adversely changing basic national tax policies which over almost a half century have become an integral part of the economic fabric of this industry; an industry which is absolutely essential to survival and progress of this Nation. An industry which Interior Secretary Stewart Udall recently declared "is perhaps the most essential of all to our national security."

Mr. President, there can be no question that in the public interest, this Nation can ill afford to exchange the unlikely hope of additional tax dollars for the certainty and security of maintaining adequate petroleum supplies.

Mr. SIMPSON. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. SIMPSON. The Senator from Kansas spoke of the various Members of this body who were former members of the Interstate Oil Compact Commission, representing their States as Governors. I, too, had that privilege. The Senator will recall, as a member of the Interstate Oil Compact Commission, which has the sanction of the U.S. Government, how the commission has policed the industry with great care and precision.

Mr. CARLSON. I pay tribute to the distinguished services the Senator from Wyoming rendered during his service on the Oil Compact Commission. I am familiar with them. I am sure he will agree with me that the Interstate Oil

Compact Commission has not only contributed to the stability of the industry but has added much to the reserves which continue to assure this Nation of a future supply that will not only be for the benefit of the country but will add to its economic stability.

Mr. LAUSCHE. Mr. President, according to the indications, the tax bill as it came to the Senate will be passed without substantial modifications. There is no evidence that the amount of revenue loss contemplated in the bill will be reduced by any amendments. This prospect—I should not call it a prospect; it is a bad omen—of a tax cutting bill, which is likely to produce a deficit of $8 billion or $9 billion, in all certainty, in the fiscal year 1965, to me is a matter of grave concern.

Tax reductions on the basis of sound economics cannot be made merely by legislative fiat. Whenever tax reductions are made, they must be made bearing in mind their relationship to the state of the economy, the state of the debt, and the state of the purposes of the administration to spend money. We are, by a sort of legerdemain, attempting to cut taxes and thus cure an ailment confronting the Government.

Taxes are the product of spending. If taxes are to be cut, spending must first be cut to lessen the burdens that rest upon the financial shoulders of the country.

There are some indications that there will be a cut in spending. I wish that were true and that I could rely upon it. There may be some reduction in spending immediately, but after the tax cut bill is passed, I fear what is going to happen. All inhibitions will be cast aside. I fear what will happen next year, after the tax reduction has been put into effect. The spending train will be put on greased rails, and off we will go into high, entirely unmindful of what repetitious deficit operations are likely to do to the country.

We are contemplating taking a great leap; my suggestion is that before we do so we ponder the probable consequences of that jump. The proposed tax cut is bottomed on a great deal of speculations and contingencies. If those contingencies and conditions do not occur and if the prophets of the nostrum are wrong, we may come up with a $20 billion deficit in one of the next few years, and what the impact of that will be is simply frightening to me. This tax cut has an appeal to the people of the country, and yet it has been slow in being accepted. My mail asking for a tax cut has been practically negligible. I have had more approvals of my determination not to support the cut than I have had criticisms. It points up one thing, that the citizens of the country are in advance of the thinking of the Congress.

It is said by these prophets of the tax cut that it will balance the budget by 1968, that our gold outflow will be stopped, that more money will be invested by industry in manufacturing cycles, that the consuming public will take every penny of tax benefits and run to the merchandiser and spend it.

This last assumption is an insult to the intelligence of the people of the country. If it is true, then in my opinion we are ascribing immorality to the people.

I do not believe they are going to take 94 percent of this benefit and spend it immediately. There is greater character and greater stability in the makeup of the American citizen than to assume that he will put all his money into purchasing and nothing into savings.

If these assumptions prove to be unfounded, we shall run into trouble of the direst kind. We may run into trouble in the next several years, when we shall have an additional deficit operation of $20 to $30 billion. I submit to the Senate that our economy cannot stand it, and the people of the country should not be subject to that danger.

I will not vote for this tax bill. I will not vote for it even though it forebodes my political demise.

I believe it is wrong. I believe it is not in the interest of our Nation.

In 1954 we cut taxes in the sum of $7½ billion. There was a rise in the economy in 1955, and some rise in 1956. In 1957 the graph went down, and in 1958 we ran into a $12 billion deficit.

If we run into that same situation now—and it is not outside the realm of probability—it will be catastrophic.

Mr. President, let us look again before we leap. In the pending tax reduction bill we are being asked to do something that has never been done before in the history of our Nation under existing circumstances and conditions. While we are being asked to reduce taxes, we are also, at the same time, being urged to spend more, raise the national debt, embark on new Federal spending programs, and enlarge existing programs. This is completely contrary to the economic philosophies that have been held frugal and prudent throughout the world for centuries.

First, we were asked to enact a tax cut and tax reform bill to take our economy out of the doldrums. In the meantime, the economy progressed to a new high in gross national product and then the tune was changed that a tax cut was essential to ward off an impending recession. The recession did not appear and then the tune was changed again that a cut was necessary to steer clear of a recession which might appear, and, lastly, we are now requested to cut taxes to bolster an already booming economy.

The administration's tax reduction proposal is couched in very attractive terms. We are promised a restoration of "the healthy glow of dynamic prosperity" and insurance against future recessions. Consumer demand and investment spending is to be stimulated, State, and local government revenues to be raised, and future fiscal policy to be facilitated. While everyone is in favor of increased economic activity and rising income, the tax cut approach to a solution of our problems, at present, is open to some serious questions. In particular, the favorable forecasts on which the administration's proposal is premised need scrutiny. They rest on too many assumptions and contingencies.

IMPACT ON CONSUMPTION

Mr. President, the main thrust of the proposal is to engineer a rise in disposable income which is to touch off a substantial increase in consumer spending for consumption goods. This, in turn, is to create additional rounds of income and consumption increases along lines of the familiar multiplier process. The President's Council of Economic Advisers has indicated how much quantitative importance it has assigned to this tendency. As an example, a tax reduction of "$8 to $9 billion added directly to the flow of consumer income would call forth at least $16 billion of added consumer goods and services." It is further claimed that about one-half of this rise in consumption would take place within a 6-month period.

While there can be little doubt that a reduction in tax withholding would exert upward pressure on consumption expenditure, the strength of this influence is far more difficult to predict with reasonable probability. The added income in the hands of the consumer can be used for a number of things besides spending on U.S.-produced consumer goods. It can be used to buy securities, it can be used to repay old debts, it can be used to increase the purchases of imports, or it can be saved. All of these alternatives involve more complex and uncertain connections with income generation and consumer spending; in fact, it is not unreasonable to expect that these responses to increased consumer income would lead to proportionately greater personal saving and a worsening in the U.S. balance of payments.

All of these possibilities are unquestionably open. The question is: What are consumers likely to do? How will other economic and political developments affect consumer choices?

The administration's assertion that "the ratio of total consumption expenditures to total personal disposable income has in each recent calendar year fallen within the range of 92 to 94 percent" is surely not sufficient as a guide to future consumer behavior. For example, the chances for a rise in the proportion of income devoted to the purchase of goods and services produced abroad has probably been boosted by Great Britain's failure to join the Common Market. Unquestionably, Britain will attempt to expand her American markets in order to help compensate for this setback. We are also told that "recent experience with tax reduction demonstrates clearly that additions to disposable income from this source are spent as completely as any other additions."

Mr. President, is it true that experience with past tax cuts shows cause why we should be sanguine about the effectiveness of the cut now contemplated? How does the President's Council of Economic Advisers argue its case?

Taxes were reduced by some $4.7 billion on May 1, 1948—retroactive to January 1—and this resulted in large refunds in mid-1949. Again, taxes were cut by about $6 billion, net, effective January 1, 1954, followed by further cuts later that year. According to the Council, these two observations suggest that in the periods following a tax cut the percentage of consumer income spent for consumption can be expected to remain within the normal range of fluctuation from quarter to quarter. It is therefore proper, the Council goes on to argue, to abstract from transitional fluctuations and to accept the proportion of consumer expenditure out of consumer income experienced in other years—92 to 94 percent—in order to forecast the effects of the proposed reduction in taxes.

To improve its relevance to the period in question now, experience in recent years was chosen. This argument needs a closer look.

Quarter-to-quarter changes in consumer income and consumption expenditure may indeed be dominated by erratic factors, but this does not mean that short-run responses of consumers to increased disposable income should be ignored in favor of some longer-term average relationship. These shorter-run developments are precisely what matters in the process following a tax cut or any other major change affecting the course of economic activity.

The results of the tax program are going to be evaluated by the public as well as the policymakers in the next few quarters, not over the next decade or two.

Also, the change in consumer spending has its effects depending on the way it is observed and interpreted by the business community. If consumers react favorably to an improvement in their spendable income, producers may be motivated to increase their production schedules and thus raise income payments to the factors of production. This is how the further rounds of consumption and income increases come about.

But if, after two to three quarters, consumers still fail to live up to expectations, producers are likely to hold the line or begin reduction of output in order to avoid excessive inventory accumulation. In that case the so-called multiplier fails to function, or, more correctly, the multiplier effects are erased by shifts in consumer spending.

Mr. President, the tax cut of 1948 affords practically a textbook example of a multiplier that failed to materialize. Disposable income rose sharply beginning with the second quarter of 1948, but, notwithstanding the strong rise in income that developed as a result of this action and for other reasons, personal consumption leveled off. The rise in income merely enlarged personal saving, which increased from 2.7 percent of disposable income in the quarter preceding the tax cut to 6.8 percent of disposable income in the final quarter of the year.

What did happen was that the retardation of consumer spending led to the turnabout in inventory investment, the salient feature of the 1948–49 recession. There were other contributing factors, of course, but slackening consumer expenditures were, beyond question, a major cause of the downturn.

IMPACT ON THE BUDGET AND THE PUBLIC DEBT

Mr. President, a special feature of the tax cut proposal is the fact that it is scheduled at this time. Fiscal experience has been somewhat unfortunate during recent years, so that we must contemplate a situation that is bound to get even worse before it gets better. Previous tax cuts have come at more opportune times and have not involved the prospect of prolonged deficits.

In the 1948–49 period, there were large surpluses in the 1948 tax-cut year and these were followed by only 5 quarters of deficit financing. The year 1953 would have shown a significant surplus without the tax cut, and the deficits that followed because of the recession were wiped out in short order by the rapid expansion of 1955–56. Note that both 1949 and 1954 were recession years.

The outlook at the present time is modestly expansionary, and could be made more so by policies that do not involve so large an increase in deficits and in the national debt.

At the present juncture, we are building upon almost 4 years of deficit financing. According to Dr. Arthur Burns, if the tax cut is enacted:

> The budget would not be in balance before 1972 and * * * the public debt meanwhile would rise about $75 billion above its level at the end of this fiscal year.

There is no denying that this poses a major problem. The rise in Federal indebtedness for the 1961–64 period would be the largest increase for any such period since the Second World War and yet we are promised more.

Mr. President, I do not plead here for an annually balanced budget. What I oppose is the scrapping of the principle that the Federal budget should be balanced over the course of the business cycle. There are at least two main reasons why series of large sustained deficits are undesirable during the next 7 or 8 years.

The first of these is the fact that the Treasury is likely to encounter a dilemma in trying to finance the deficit. If the Federal Government raises these funds by borrowing them from the private sector of the economy, it will bid away funds from other uses and thus drive up the rate of interest. Private investment and consumption spending will be discouraged and this will surely act to offset at least partially the positive effects that the tax cut may have in this area.

Of course, the deficit can be financed by money creation, but then other undesirable effects may be unleashed. To enable the Treasury to borrow this money from the commercial banking system, thereby avoiding a rise in interest rates, excess reserves would have to be created by the Federal Reserve and the money supply would accordingly be expanded. Rough calculations show that this rise in the amount of money would have to be at an annual rate of about 5 percent if financing the prospective deficit is not to tighten capital markets and risk substantial increases in the rate of interest.

But if that is done, the large increases in public liquidity can lead to a resumption of inflationary pressures in certain sectors. This kind of spotty inflation could increase our balance-of-payments difficulties and provide an unhealthy climate—economic and political—for more general domestic expansion.

The second main problem created by sustained deficit spending is the large increase in the public debt forecast in the near future. While the character of the burden implied by the public debt is sometimes misconceived, many err on the side of ignoring the very real burdens of the national debt.

Ninety-five percent of the debt is held domestically and in that sense, it is true that "we owe it to ourselves." But the debt is not held proportionately by all of those who pay taxes. As a result, burdensome and unjust transfers of income are certain to happen. Moreover, substantial increases in the debt have undesirable economic effects.

Probably the most important of these is created by the large interest charges that must be paid yearly for the privilege of borrowing these funds. This large item is scheduled to reach more than $10 billion in the next few years and will keep on rising for at least a decade if the tax proposal is approved. In the words of the President's Council of Economic Advisers:

> At full employment, an increase in interest payments on the publicly held Federal debt will ordinarily require higher personal income and corporate profits taxes than would otherwise be necessary to prevent inflation. In this situation * * * by dampening incentives, the higher tax rate may reduce total output.

Also, these interest charges represent what is probably not a very desirable use of revenue resources. Surely there are many more worthwhile projects for which we could use $10 billion tax.

A second unfavorable effect of the debt lies in the fact that it complicates anti-inflationary actions. It is quite true that this may not be an immediate problem, but, at a later stage when credit conditions should be tightened to prevent a possible cost-price inflation, enlarged bank holdings of U.S. Government securities would create difficulties. These securities can then be sold off by the banking system thereby mobilizing funds for unwarranted, inflation-creating expenditures.

Third, some waste of our Nation's resources occurs whenever a large part of the Federal debt has to be refinanced. The profits from this operation are largely reaped by a handful of Government securities dealers and this operation employs many Government workers.

SUMMARY

Mr. President, the tax cut proposal as it stands is difficult to accept without comparable reductions in expenditures, curtailment of new unnecessary Federal programs and other efforts to decrease the deficit. The favorable forecasts underlying the administration's scheme can be questioned on historical and theoretical grounds. The increase in consumption envisaged by the proposal is quite uncertain and so is its impact on investment. If increases in these two components of GNP do not occur to the presumed extent, the deficits that are forecast for fiscal 1964 and 1965 will be substantially larger.

I yield the floor.

Mr. TOWER. Mr. President, I believe an inaccurate and erroneous picture has been painted by the proponents of the amendment of the Senator from Delaware [Mr. Williams], that those engaged in the oil business are greedy and avaricious, that they are constantly looking for tax loopholes, and that they are ruthless exploiters of the public.

Mr. President, this is not true. For every man who has made a great deal of wealth in the oil business there are many more who have lost what they have and many have gone broke.

I wish that the proponents of this measure could walk the streets of my home town and see geologists working as shoe salesmen, drillers trying to peddle insurance, independent oil operators working as bank clerks. They would see and understand the sickness that has beset the great American petroleum industry.

This is an industry that is extremely vital to the Nation's defense. Had it not been for our vast petroleum production and our reserves during World War II, we could not have prevailed as we did.

If ever foreign sources are denied us, we must rely wholly and entirely on our domestic production to keep our industrial and military might going.

The oil industry is currently sick, and it needs help. It seems to me to be a singularly inappropriate place to effect a cut in oil income in a tax bill that is designed to stimulate economic growth. As has been noted, this is an extremely risky and hazardous business. I believe that the basic risks inherent in oil exploration should be pointed out. Drilling expenses continue to rise. The cost of drilling wildcat wells may range from $50,000 to $3 million. According to the American petroleum industry, the average cost of every well drilled is almost $55,000. Only 1 out of 32 exploratory wells finds a field that is large enough to be profitable; 1 out of 600 exploratory wells finds a field as large as 50 million barrels of oil, or the equivalent in gas. I might note that 50 million barrels would supply our Nation's need for less than 1 week.

In spite of the great risks involved, the average profits of oil and gas companies represent a slightly smaller rate of return on investment—less than 10 percent—than in manufacturing companies. Without the depreciation allowance, the return would be much smaller still.

In addition to supplying man with a wide variety of low-cost, high-energy fuels, oil and oil derivatives form the basic ingredients of more than 1,000 industrial and consumer products, ranging from synthetic rubber and manmade fibers to plastics and detergents.

More than 70 percent of our Nation's energy is supplied by oil and gas.

Reduction of the present depletion allowances would destroy the conservation program.

It would no longer be possible to recover oil from marginal wells. Secondary recovery cost would be prohibitive.

It would result in raising the prices of crude oil which would increase prices of gasoline and other consumer products.

It would further reduce the working forces of the producers, refiners, and so forth.

I am convinced that any proposed substantial reduction in the present depletion allowance would result in a far-reaching reduction in efforts and expenditures by the industry to find new reserves. These new reserves must be found. An adequate supply of petroleum is essential to national defense, both as a deterrent to nuclear war, and as an indispensable fuel in a conventional war. The retention of the present depletion allowance will insure us of these necessary reserves.

Petroleum already is one of the most taxed industries in America, channeling billions of dollars annually to local, State, and Federal Governments through ad valorem, income, corporate, sales, and dozens of other direct and indirect tax devices.

In 1961 the State petroleum tax provided Texas with 46 percent of its tax revenue, actually in excess of $370,300,648.

Taxes paid by oil companies, excluding excise tax and sales taxes, are 5 percent of gross revenue, compared to 5.1 percent for manufacturing generally. If excise and sales taxes on petroleum products—totaling $6 billion annually—are included, taxes paid by oil companies represent 17 percent of gross revenues. The present percentage depletion rate is indeed necessary if tax deductions are to provide for recovery of capital values.

Existing natural resource tax policies have been built into petroleum industry's economic structure for nearly 40 years. Our tax laws must recognize that rising energy demands in this Nation require the constant development of maintenance of a healthy petroleum industry. Exploration and development of petroleum resources grow more difficult, more costly, and financially more hazardous. Venture capital will continue to be attracted in the industry only if the reward for success is commensurate with the risks involved. To meet national and international needs and to assure replacement of petroleum products produced for energy use, tax laws must continue to provide adequate depletion allowances.

The retention of the present allowance is necessary, possibly to the very existence of the industry as it is presently constituted. The present depletion allowance is both just and fair.

Therefore, I fervently hope that the depletion allowance will not be reduced, and that the Williams amendment will be defeated.

ACTION ON POVERTY

Mr. JAVITS. Mr. President, Marion Harper, Jr., chairman of the Interpublic Group of Companies, Inc., a leading exponent of advertising in communication in the United States, at yesterday's Sixth Annual Midwinter Conference on Advertising and Government Relations, delivered what I consider to be an extraordinary speech on the question of the war on poverty.

He made a few very practical suggestions. One was that the communications media of the country be used to inspire interest among the poor, so that they might feel that a greater interest is being shown in them. I hope the Government will do that. He also suggested that some form of incentive system be developed for effort in behalf of a family's own progress.

I ask unanimous consent that a few excerpts from his speech may be made a part of the Record. The Senator from Rhode Island [Mr. Pastore] has inserted the whole speech in the Record, but I should like to call special attention of the Senate to these particular matters.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

> We have become so accustomed to communications in this country that we underestimate their force in promoting aspiration—in turning lethargy into ambition. Generally, communications are directed to markets with discretionary income. There are pockets of poverty with little exposure to the normal choices of society, and with less than average exposure to communication. Nevertheless, it has been the history of recent years that communication media have increasingly penetrated into all parts of the country and that they will work their motivating effect upon the poor as soon as a margin of income adds to the consumer's ability to buy.
>
> The business of marketing has concerned itself and must continue to concern itself with providing the greatest possible variety of choices, with the widest possible availability of products—and with the most effective communications to make them known.
>
> As to the other areas in which our industry might help in the attack upon poverty, we can and should of course put our communications skills at the service of whatever agencies, in Government and without, that are working on this problem. We should support Federal and local legislation to provide the poor with the basic necessities of life. We should continue to give vigorous endorsement to the improvement of education at all levels; we should support programs to end discrimination.
>
> We might also examine ways in which business and Government can work together to solve the problems of poverty in specific areas. One way might be to gather knowledge of the range of favorite options among the emerging poor. We might project a ladder of consumer choices to study each step and the pull it may exert on the income group just below. We might propose ways in which each group could be shown the way to the next step on the ladder.
>
> Major programs of training, retraining, and sometimes relocation will be required not only to reduce unemployment but also underemployment. In a time of increasing mechanization, most manual workers will be underemployed; moreover, they will be found too expensive in many industries, in relation to their output. Unless they are trained for work of higher skills, they will face the prospect of unemployment, not to mention a waste of their potential abilities. Their situation, unless corrected, will aggravate the problem of poverty.
>
> Unquestionably we face a chicken-and-egg problem in the escape of people from subsistence to option living. We are committed to the proposition that all of us should earn each improvement in our living standards. At the same time, we know of all the dead-hand burdens and inertia that keep the poor pinned down.
>
> What seems required is that they both swim and be floated to higher levels.
>
> It is possible, for example, that an incentive system could be developed to draw people upward?
>
> In the manual skills and professions, we now require specific achievements for the individual to qualify for higher levels of practice and for corresponding rewards. Among the poor, can we not specify requirements

for advancement which would earn discretionary income?

For example, the completion of a course of training in a manual or machine or office skill—or the completion of a course of retraining for workers in obsolescent industries; or a family's willingness to relocate in centers of greater employment opportunity?

Or even more important. The first priority must be to start the young up the ladder of options. Could we therefore not establish levels of family achievement among the poor which would earn extra rewards of assistance?

For example, a family's efforts in maintaining certain standards of hygiene and health in the care of children; or in having children continue through high school or vocational training; or children's participation in constructive sports or civic or church activities. All such effort in behalf of a family's own progress might win more-than-average support in a program to abolish poverty.

All the evidence suggests that a solution to poverty based exclusively on paternalism—with little or no participation of the individual will fail. We must therefore activate his earning capacity—to help him earn his way out of impoverishment and up to the choices of the marketplace.

The key point is: Let us help place the poor on the option track.

What I am really suggesting is a program of "differential assistance." It would offer extra benefits of aid to those who strive hardest to achieve complete self-support and decent living. It would relate corrective action to the capability of the individual to be motivated at elementary levels; it would encourage development of his capacities; it would offer, as incentives, the means to enjoy options—corresponding to evidence of drives toward a better life for one's family.

The consequence, I believe, could be to generate a kind of artesian force to lift the impoverished up from the bottom; the kind of artesian force that has lifted American society well above levels around the world.

In my opinion an assistance program that recognizes the poor who are effort qualified—that would be joined to the options motivation of the marketplace—could create something of a Marshall plan for our own country. It could achieve just as historic success.

The challenge of poverty in the United States is one which all segments of society and business must meet with determination. The stake of advertisers is not simply that a solution will open up a market as large as Canada, Australia, and Venezuela combined, but rather it is the same stake that all government and business must realize It is simply that we cannot afford the incapacitation of one-fifth of our people—with all their potential ability to contribute to a better total life in this country.

The contribution of advertising can be to continue to develop more and more effective communications for the successful motivation of people; and to assure understanding of advertising's role among government and business leaders who are striving for a faster growing economy. In succeeding, we will have helped millions build far more rewarding lives; and also relieved society of the burdens of their privations and dependence.

And I can add—will also, without question, find new reason for satisfaction in having chosen advertising as a career.

RETIREMENT FROM CONGRESS OF REPRESENTATIVE CLARENCE E. KILBURN OF NEW YORK

Mr. JAVITS. Mr. President, I should like to say a word, as I am sure my colleague from New York will wish to say a word also, about the fact that CLARENCE E. KILBURN, dean of the New York delegation in Congress, has announced that he will not run for reelection. CLARENCE is one of the most sterling characters not only in our congressional delegation, but in our State as a whole. He is a man of great integrity and honor, and represents in a very unique way that amalgam of opinions and ideas which is the great strength of the American Congress.

He is a man of conservative views, but his pronouncements have such integrity and such humanity that they have very great influence on the totality of what we do about legislation and for the country.

It is sad that we should lose such an outstanding and beloved colleague.

I bespeak for CLARENCE KILBURN many years of continued participation in the activities of my party in the State of New York, in the activities of the State, and in the public service, which I know will find some way of still using his great talents. I hope, therefore, that our friendship and comradeship may continue for many years.

Mr. KEATING. Mr. President, I wish to join in expressing regret at the decision of CLARENCE KILBURN, the dean of the Republican congressional delegation, to retire at the end of this congressional session. His retirement will be a real loss to Congress, to the people of his district, and to the Nation. He has served conscientiously and with deep integrity throughout his 24 years as a Representative.

He is a man of great firmness, conviction, and persistence. Once he has studied an issue and taken a position, he stands like a rock of probity, ready to explain and defend his stand, but not ready to compromise with error or injustice. Nor is he one to neglect the legitimate needs of the people he represents. No issue is too small—if it is just—to be pursued through tortuous committee and congressional procedures to a successful result. No individual's problem is too insignificant—if it is deserving—to receive his conscientious attention.

Mr. President, we are all sorry to be losing a distinguished and effective Member of Congress from the 31st District of the State of New York.

REVENUE ACT OF 1964

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

Mr. McGEE. Mr. President, we are indulging today in what has almost become an annual ceremony, under a different guise. Whether the issue be taxes, whether it be inequities in Federal money structures, whether it be evasion or loopholes, somehow or other the question of the oil depletion allowance is invariably attracted to the floor of the Senate. This particular occasion is no exception.

In the congressional garden of hardy perennials that blossom at a given stimulus is the movement to reduce the depletion allowance provided for the oil industry. The stimulus that brings this hardy but noxious plant to bloom is the consideration of national tax legislation. It is the almost automatic assault that is made on the depletion allowance. Now that we are considering tax legislation, the cries to reduce the depletion allowance have been heard throughout the Chamber.

In this weeding operation, which I would seek to undertake for a few minutes, I find that the basic approach by distinguished Senators on the other side of the issue is a fallacious one in its fundamental premise. The principal function of the tax bill is to attempt to cut taxes for specific economic reasons in our national scene at the present time. The fallacy behind the thinking of many Senators who are attacking the oil depletion allowance is that, somehow, the oil depletion allowance is a part of our taxing policy. The tax income from the oil industry in relation to depletion is purely incidental and, at most, secondary. The only function of the oil depletion allowance is to provide an orderly development of our valuable oil resources. The purpose of the depletion allowance is to encourage exploration for more oil.

The demands for the use of oil are intensifying. The availability of oil that is ready to go has been declining. Therefore, we start with the mistaken view that somehow the oil depletion allowance is a part of the tax structure of the country that demands reexamination or new examination. The fact is, if we understand it as a resource policy for the development of this great potential in the national interest, that only then will we give it its primary or prior consideration.

If the truth were known, the cost of oil exploration has continued to rise. The reason it has continued to mount in my part of the world, in the Rocky Mountain West, is that the proved reserves of oil are less today than they were a year ago. The drop has been almost 8 percent, from 362 million barrels to 338.8 million barrels in 1962. Likewise, our natural gas reserves have dropped by almost 20 percent.

We know that a vast reservoir of oil exists. We know that we have untold wealth in this kind of God-given resource. But it is not worth anything in the ground. It is not worth anything if we do not know where it is in the bowels of the earth. The whole purpose of the depletion allowance is to encourage a more aggressive exploration, in order to establish our known reserves, so that in a time of emergency, or in an emergency of a normal increased usage of oil, such as is taking place at present, we can reasonably and rationally measure our long-term capabilities in this regard. That is why the real substance of my plea is to keep this question where it belongs, as a factor of resource development policy, and not drag it in by the heels, under one guise or another, as some kind of taxing measure or measure to bring income to the Treasury.

The oil depletion allowance has produced large income for the Treasury, for the more oil we can produce, the greater the amount of income that will then be available for taxation to bring dollars into the Treasury. But one of the mistakes would be if we were to start at the wrong end of the line, start at the resource end, in an attempt to destroy, as it were, the goose that lays the golden egg.

I believe our sense of values, our order of priorities, is reversed in the annual attack that is made on the depletion allowance. For that reason, I urge Senators to give special consideration to the question, not as a taxing measure, but as a resource measure over the long range.

When Congress passed the allowance more than 35 years ago it had no intention of creating a tax "loophole"; it was providing for the obvious fact that a mineral-producing industry—and depletion allowances apply to more than 100 minerals—is using up its capital assets in the process of production and that it is very expensive to find new assets to replace the old.

In fact, the cost of oil exploration has risen to such a point, Mr. President, that the oil depletion allowance now falls more than 20 cents a barrel short of discovery value, thus permitting the Government to tax a portion of the producer's capital value as income.

The basic principle of the depletion allowance, as conceived by the Congress, was very well stated by President Kennedy in 1960 when he said that—

> The depletion allowance which affects over 100 items should be considered primarily as a matter of resources policy and only secondarily as a tax issue.

The President further said that—

> Its purpose and its value are first of all to provide a rate of exploration, development and production adequate to our national security and the requirement of our economy. The oil depletion allowance has served us well by this test.

And I would point out that the need now is for even greater exploration and development in this country. In the Rocky Mountain West the production and consumption of oil and gas are now outstripping the discovery of new oil and gas reserves. Our reserves of crude oil dropped from 362 million barrels to 333.8 million in 1962—nearly 8 percent—while natural gas liquid reserves dropped from 20.7 to 16.5 million barrels.

And we know that a vast reservoir of oil is still beneath our soil, unusable because it is undiscovered. The Senate Interior Committee study on National Fuels and Energy estimated that our undiscovered reserves are between 225 and 300 billion barrels.

It would be a sad thing indeed if this Nation were to go fuel hungry or face a reduction in our defense strength because we have not the capability to find and develop our oil potential.

Oil exploration is a high risk business. The odds against the wildcat driller are 40 to 1 and the costs are continually increasing while the price of crude oil is decreasing. It should be noted that for every dollar available for exploration through the depletion allowance the oil industry spends an additional two exploration dollars. And the business of exploration and development is still one of those ventures attracting a large percentage of independent small operators. And they, naturally, would be the first to go down if any change was made in the depletion allowance.

The economic impact of any change in the depletion allowance would be largely felt on the Main Streets of towns and cities throughout the Nation; the impact upon the Treasury would be small by comparison. Some of the results would be:

First. A drastic flight of capital from the industry.

Second. A rash of mergers and sellouts among smaller operators with the resulting increase in corporate concentration.

Third. This concentration would lead to greatly reduced levels of exploration, drilling, and development.

Fourth. The shrinking industry would, in turn, shrink the tax base for local, State, and Federal tax purposes.

Fifth. Military requirements for petroleum fuels, one of the larger budget items, could be filled only at a much higher cost.

Sixth. Reduced oil industry activities would result in lower markets for steel, other basic materials, and spread economic discontent through a whole chain of supply and service organizations sustained by petroleum production.

Seventh. Reduced reserves would result in increased dependence upon foreign supplies which in turn would seriously weaken our ability to be self-sustaining in time of war or national emergency.

Mr. President, to tamper with the oil depletion allowance is to open the gates for a wholesale upheaval in the Nation's economy with serious results to a vital industry and to the entire country. I would suggest that while we are considering a bill designed to stimulate our economy to new and broader expansion, it is completely unthinkable that at the same time we provide for the crippling of a vital segment of that economy.

Mr. PROXMIRE. Mr. President, will the Senator from Wyoming yield for a question?

Mr. McGEE. I yield.

Mr. PROXMIRE. I was interested to hear the Senator from Wyoming say—and I wonder if I heard him correctly—that this was a tax cut bill, not a tax reform bill. As the bill was conceived by President Kennedy and sold to the American people, it was primarily a tax reform bill, but it has ended, as the Senator from Wyoming has revealed or disclosed, almost exclusively as a tax reduction bill. That is why the New York Times editorial writer was concerned and wrote against the bill in its present form.

Mr. McGEE. The Senator from Wisconsin did not hear me correctly, although I would be glad to debate with him the issue he has raised. I said that we are considering a tax bill. That is the pending business. Whether it be a tax cut bill or a bill under any other guise to discredit its real intent and purpose, my point is that the oil depletion question does not belong in the discussion of a tax bill, whether it be a tax reform or a tax cut bill. It belongs in a resource policy development measure. This is the purpose of it; this is the goal it seeks.

Mr. PROXMIRE. Would the Senator acknowledge that some persons disagree with his viewpoint? Fortune magazine has called this the most injurious loophole in our tax laws. For the same reason, Fortune has the feeling that if there is to be any kind of tax reform bill at all, this item most certainly should be considered.

Mr. McGEE. I am mindful of that. I leave it to the Senator from Wisconsin to make his apologies to Fortune magazine. I maintain that this is a matter of education or information. That is the whole point of what I am trying to say. The oil depletion allowance was never conceived as a loophole. Nobody can honestly argue that it is a loophole. The oil depletion allowance was conceived as constructive legislation when it was written into the books. It was not conceived as a loophole, it was written not as a tax measure, but as a conservation resource measure. It should remain in that realm and not be changed into the tax arena as it is at the present time.

Mr. STENNIS. Mr. President, the reduction of oil and gas percentage depletion would have a very adverse effect upon our national security by jeopardizing the continued supply of energy necessary to our defense effort.

In addition, it would have a very detrimental effect upon the country's economy. Removal or reduction of the incentive percentage depletion would be especially damaging to the economic welfare of many land and royalty owners and to the small independent oil producers.

The State of Mississippi, while only one of many States concerned, is an example of how many present and future royalty owners, landowners, farmers, and small oil and gas operators, as well as the larger companies, will be seriously hurt by reducing the depletion allowance. Mississippi has no large fields, but has several small ones. The oil depletion allowance distributes the benefits among many individuals and many areas.

The search for oil and gas is an extremely risky business requiring large capital investment. Even after a field is found, production costs in deep producing areas such as Mississippi are very high, and unless large amounts of oil are found these costs are prohibitive. Unless we continue to find new fields and new supplies, our national reserves will be reduced below the level necessary to supply our future needs.

The 27½-percent depletion allowance has been established as the minimum amount that will insure the recovery by individuals and companies of enough of their investment capital to remain in business and continue finding new oil and gas reserves.

Money placed in circulation by the search for and the production of oil and gas benefits many people. Merchants, farmers, landowners, and in fact, every segment of the economy reaps an economic benefit from the leasing of land, royalty payments, direct and indirect employment, and many other activities resulting from oil and gas production.

The oil industry is the third largest industry in my State. It is the fourth largest producer of our State's revenue. But the risks are greater in Mississippi than in almost any other State. Experience has shown that we must drill twice as many wildcat or exploratory wells to find a producing field as is necessary in other States. Almost half of our field or development wells are dry holes and are a total loss of investment capital. Our average drilling depth of nearly 10,000 feet is the second deepest in the Nation, making the search for and production of oil and gas an extremely hazardous business financially.

These natural disadvantages greatly reduce the possibility of making a profit; and without the advantage of percentage depletion, most of our operations would be forced out of business. The result would be disastrous to the economic welfare of our people. Royalty payments would cease, land would not be leased, employment would decline, and farmers depending on lease or royalty payments to supplement their income would become distressed. The total result would be a decline in the standard of living.

When fully and objectively considered, the depletion allowance is not a tax "loophole" benefiting large multimillion-dollar companies; but it is a logical, fair, and equitable provision in our tax law which has proved to be workable and essential to the continued economic welfare of our Nation. It is not a favor to the property owner. It is an insurance which favors continued production. It should be retained, in order that we may continue to be assured of an adequate supply of energy to supply our domestic needs, and to have sufficient reserves for the future, and to be able to meet any national emergency.

Mr. President, the pending amendment and similar amendments should be rejected; and I urge Senators to join in rejecting this amendment.

I thank the Senator from Pennsylvania [Mr. CLARK] for his courtesy in enabling me to obtain the floor.

I yield the floor.

Mr. PROXMIRE. Mr. President, the Senator from Delaware [Mr. WILLIAMS] is recognized as a man of integrity and very deep and sound principles, and a man of very conservative instincts—at least, that is my opinion—with regard to government spending and all other government policies. Certainly he is a warm friend of free enterprise; and certainly he is so recognized throughout the country, as well as in this body.

Mr. President, the pending amendment, which has been submitted by the Senator from Delaware, cannot be "kissed off" as an amendment submitted by a group of Populists or "wild-eyed liberals." To the contrary, the amendment has been submitted by a Senator who sincerely respects—I am certain that he does—the importance of this industry to the Nation.

The pending amendment is the most modest amendment on oil depletion that has been submitted during the number of years I have served in the Senate. The amendment does not call for a sharp cut in the oil depletion allowance. Instead, the amendment calls for a gradual cut, changing over the years from 27½ percent to 20 percent.

The pending amendment is a very modest one, and it gives this industry an opportunity to adjust to this change. Therefore, the amendment seems to me to be entirely workable.

Mr. President, it seems to me that the arguments made by the Senator from Wyoming—who is a very fine person—were most shocking. He said this proposal is raised year after year as a noxious weed, when tax bills are under consideration. In other words, he is implying that we have "a lot of crust" to propose that the oil depletion allowance be amended, that it is sacred, and that it should not be touched or dealt with in a tax bill. He said any provision in regard to it should be included in a natural resources bill.

But, Mr. President, according to my view, all sorts of provisions are included in the tax bill, and not all of them by any means are for the purpose of raising revenue. They include the investment credit provision, which is certainly not primarily a revenue raising measure; but during the debate on that provision, no Senator said it had no place in the bill. That provision, too, was included for the alleged purpose of providing for growth.

Outstanding economists and other authorities feel that this provision of the law is an exceedingly inequitable one. Certainly it should be considered by the Senate when it deals with a tax-reform and tax-reduction bill.

Mr. President, I believe we should recognize that the oil depletion allowance—which, as the Senator from Wyoming said, was originally conceived as a means of conserving our oil resources and as a means of encouraging their development—was instituted at a time when the corporation income tax was only 13 percent. However, after this bill becomes law, the corporation income tax will be 48 percent—or an increase of almost 400 percent. Yet there has been no reduction, revision, or modification of the depletion allowance. On that basis, we could make a good argument in favor of reducing the depletion allowance from the present 27½ percent to only 7 or 8 percent. However, no one is asking that that be done. In short, the pending amendment calls for a modest change in the existing rate.

It is argued that the depletion allowance is necessary in order to encourage exploration, development, and other activities in the oil industry. But what are the facts? Today there is an oversupply in the oil industry. For example, how much oil are the Texas fields allowed to pump? They are not operating at capacity, or even at 50 percent of capacity; instead, they are operating at less than 30 percent of capacity. So this industry does not need any encouragement for the production of more oil because of any idea that the country needs to have more oil produced. The restrictions imposed by the State of Texas, with the cooperation of the oil industry in Texas—which produces a great deal of our oil, and is the No. 1 oil-producing State—are imposed because of the realization that production must be held down. So they do not have too little oil; they have too much oil.

Mr. President, tears have been shed this afternoon for "the little producers"—those "who," it is said, "would be injured by a reduction of the oil depletion allowance."

But, Mr. President, who are the ones who really get the benefit of this existing provision of the tax law? We know who they are. They include Mr. J. Paul Getty, Mr. H. L. Hunt, and the late Sid Richardson—fine men, I am sure, and men who, of course, deserve proper consideration.

The Senate should consider where the principal benefits of the tax depletion allowance go. In 1958–59, $70 out of every $100 obtained by means of the depletion allowance went to corporations with assets of more than $100 million, and $97 out of every $100 obtained by means of the oil depletion allowance went to corporations with assets of $1 million or more. So the oil depletion allowance is not primarily a means of aiding "the little wildcatter." Instead, it is overwhelmingly an aid to the big boys.

Mr. ANDERSON. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. ANDERSON. The Senator from Wisconsin said that much of the money obtained by means of the oil depletion allowance goes to Mr. Getty and to Mr. Richardson. But Mr. Richardson is dead. So where is he getting that money—in heaven or in hell?

Mr. PROXMIRE. I am sure he is in heaven.

Mr. ANDERSON. He was a great friend of Billy Graham, and I hope he is there.

Mr. PROXMIRE. Nevertheless, during his lifetime, he made a vast amount of money by means of the oil depletion allowance, and his estate is being administered, as the Senator from New Mexico knows——

Mr. ANDERSON. By a foundation.

Mr. PROXMIRE. Yes, by a foundation; and it is being administered in the usual manner, and it will be handled by men who were close to Mr. Richardson during his lifetime. But regardless of whether Mr. Richardson is alive or is dead, it is a fact that he made a great deal of money out of the oil depletion allowance, and so will the foundation, and so will many other wealthy men—who invest in oil in order to take advantage of the oil depletion allowance.

The fact is that this particular provision of the tax law induces those with enormous amounts of money and very large incomes to invest in the oil industry, because the oil depletion allowance enables them to reduce their tax liability very sharply. The oil depletion allowance represents a strong attraction for many persons who are very well off, indeed.

Mr. ANDERSON. Mr. President, will the Senator yield further?

Mr. PROXMIRE. I yield.

Mr. ANDERSON. The Senator would be interested in checking to see who in America is drilling for oil. The statement was made that the Standard Oil Co. has a great interest. It has a great interest. That company pays after the entrepreneur goes in and completes the drilling for oil.

Mr. PROXMIRE. The Senator is correct. That is one of my main points.

Mr. ANDERSON. The depletion allowance goes to them.

Mr. PROXMIRE. The Senator is correct. The depletion allowance goes to the people who move in after the wildcatter has done the work. How much do the wildcatters get? As I pointed out, the corporations with assets of $1 million or more get 97 percent of the benefits of the depletion allowance.

Mr. ANDERSON. They have purchased it in advance. They have paid for it and have taken it into consideration in the payment for a barrel of oil in place.

Mr. PROXMIRE. Of course it has been taken into consideration, but the fact is that the corporations get the benefit of it.

Mr. MONRONEY. Mr. President, will the Senator yield before he starts on another subject?

Mr. PROXMIRE. I am happy to yield.

Mr. MONRONEY. The implication that the proration exists because we have far too much oil is very misleading. Today the daily demand for oil is about 7½ million barrels of production. If we opened up every single well to blast the full amount that it could possibly produce, we would have about 10½ million barrels. The Senator would not expect us to destroy one of the assets of America which we are producing under a conservation method. For that reason the proration exists. It is true that many wells are shut down on a percentage basis, but that action is necessary if we are to be able ultimately to get the oil supplies that we have.

When the Suez Canal was closed and we had to supply the necessary oil, not only for ourselves, but for the free world, within a period of a few weeks we discovered how quickly our wells would be destroyed if they were opened and allowed to flow at their full flow capacity.

The depletion allowance is not a means of trying to maintain a condition of overproduction. Our reserves are decreasing all the time. Even under the so-called very expensive and very wasteful depletion allowance that statement is not true. If it were true, we would have more production, more exploration, and more drilling of wildcat wells.

Mr. PROXMIRE. The facts are, first, that the Texas fields are pumping only about one-third of capacity; second, that any tax incentive which encourages the drilling of oil wells tends to use up a limited American resource. We have only so much oil. It is limited. When exploration proceeds under forced incentive, artificially, we are using up our resources more rapidly than we should.

In discussing the oil depletion allowance, too many of us have discussed it strictly from the standpoint of its justice and equity. In my opinion, the Senator from Delaware certainly has justice on his side. But what we have ignored is the realistic and practical effect of the amendment. The proposal would raise $250 million of taxes a year. When a Senator offers an amendment which would cut excise taxes, the only argument used against it is that we would lose revenue. The argument is a good one. It is a sensible and strong argument. The amendment of the Senator from Delaware would gain revenue and reduce our loss. It is a fiscally responsible proposal.

Mr. SIMPSON. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield.

Mr. SIMPSON. Does not the Senator from Wisconsin know that if the depletion allowance were reduced, the added expense would be passed on to the consumer, and that in the United States individuals are the largest consumers of gas and oil?

Mr. PROXMIRE. That is one point about which I feel very sure, for many reasons. The cost would not go to the consumer. There are many reasons why, but the big reason is that while the big oil corporations and the lobbyists for the oil industry will fight to the death such an amendment as is proposed, still they make some battle, but not very much, when the States and Federal Government increase excise taxes. That cost does go to the consumer of oil. That is a point about which I feel very strongly. The depletion allowance goes to the people who can invest vast sums and a reduction in the depletion allowance will reduce the amounts going to these persons who have invested in the industry.

They are in a position, with the depletion allowance, greatly to reduce their taxes. I believe that most economists agree that the incidence of the income tax is not shifted except in unusual circumstances. It is really shifted if the corporation is in a monopolistic position. It is in a position to shift the incidence of the tax to the consumer, but the oil industry is a competitive industry.

Mr. SIMPSON. Do I correctly understand the Senator's answer to be that the consumer would not pay the increased cost?

Mr. PROXMIRE. Yes, indeed.

Mr. SIMPSON. The Senator does make that statement?

Mr. PROXMIRE. Yes. The consumer may pay a little of it, but most of the saving would result in a diminution in the after-tax income of the big investors—those who invest heavily in the oil industry.

Mr. SIMPSON. That is conjecture.

Mr. PROXMIRE. All of this is conjecture. I agree with the Senator. We cannot be absolutely positive about it, but it seems logical.

As I have said, we cannot overstress the fact that this is a responsible proposal. It would raise money. Eventually it would raise $250 million. Immediately I believe it would raise $75 million for the next year.

Mr. President, I am almost finished. I would like to make two additional points.

First, the people in the oil industry say that they deserve, need, and should have the privilege of the oil depletion allowance. I wonder how many people in America really appreciate what an extraordinary privilege that is. Most businesses and businessmen are allowed to write off their assets once, and only once. Between 1946 and 1949 the oil industry was able to write off its oil wells not once, not twice, not three times, but 19 times—19-fold.

I can understand an incentive or a superincentive. I can understand why people would go so far as to permit a little excessive depreciation. But a 19-fold writeoff is ridiculous.

The Senator from Delaware has not proposed that we cut the depletion allowance so that those in the industry would be able to write off their oil investment once; his amendment would result in reducing the corporation write-off to only 15 or 16 times.

I should like to state one more point. The argument for the depletion allowance has also been justified on one other basis—that the oil industry is a risky business. Since there is a great risk, the element of reward in after-tax income should be higher. How risky is it?

Dun's Review, in the mid-1950's, showed that the failure rate for every 10,000 businesses was as follows: In the food business, 20 firms, per year; apparel, 50 firms; construction, 86 firms; retailing—which is, of course, the most risky and perilous of all—400 firms; in oil, 4 firms. In other words, retailing is 100 times as risky as is the oil industry.

Mr. President, the amendment of the Senator from Delaware is the most moderate and conservative amendment which has been offered on oil depletion in years. It would reduce the revenue loss in the bill eventually by only $250 million. It deserves our support, and I hope that the amendment will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. (after having voted in the affirmative). Mr. President, on this vote I am paired with the Senator from Nebraska [Mr. HRUSKA]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. HUMPHREY. I announce that the Senator from Oregon [Mr. MORSE] is absent on official business.

I further announce that, if present and voting, the Senator from Oregon [Mr. MORSE], would vote "yea."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. CURTIS], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is detained on official business.

If present and voting, the Senator from Nebraska [Mr. CURTIS], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Arizona [Mr. GOLDWATER] would each vote "nay."

The pair of the Senator from Nebraska [Mr. HRUSKA] has been previously announced.

The result was announced—yeas 33, nays 61, as follows:

[No. 28 Leg.]

YEAS—33

Aiken
Byrd, Va.
Case
Church
Clark
Dodd
Douglas
Ervin
Fong
Gore
Hart
Humphrey
Jackson
Javits
Keating
Kennedy
Lausche
Magnuson
McGovern
McNamara
Muskie
Nelson
Neuberger
Pastore
Pell
Prouty
Proxmire
Ribicoff
Russell
Smith
Symington
Williams, Del.
Young, Ohio

NAYS—61

Allott
Anderson
Bartlett
Bayh
Beall
Bennett
Bible
Boggs
Brewster
Burdick
Byrd, W. Va.
Cannon
Carlson
Cooper
Cotton
Dominick
Eastland
Edmondson
Ellender
Engle
Fulbright
Gruening
Hartke
Hayden
Hickenlooper
Hill
Holland
Inouye
Johnston
Jordan, N.C.
Jordan, Idaho
Kuchel
Long, Mo.
Long, La.
Mansfield
McCarthy
McClellan
McGee
McIntyre
Mechem
Metcalf
Miller
Monroney
Morton
Moss
Mundt
Pearson
Randolph
Robertson
Scott
Simpson
Smathers
Sparkman
Stennis
Talmadge
Thurmond
Tower
Walters
Williams, N.J.
Yarborough
Young, N. Dak.

NOT VOTING—6

Curtis
Dirksen
Goldwater
Hruska
Morse
Saltonstall

So the amendment of Mr. WILLIAMS of Delaware was rejected.

Mr. LONG of Louisiana. Mr. President, it seems to me that the oil industry more than any other industry, has suffered from adverse publicity from people who do not want to understand the problems of the industry. It is the only industry that will suffer increases in taxes of a substantial nature in the bill. Because of the bad publicity that some insist on giving the industry, it is being taxed in the bill an additional $40 million, which could not be justified, in my opinion, in any other way except by ridicule and propaganda, such as Mr. Herblock's cartoons, and things of that nature.

I invite the attention of Senators to the charts at the rear of the Chamber, which show the actual situation of the oil industry compared with other industries.

The bottom bar on the first chart shows the average rate of return on invested capital for the entire domestic oil industry for the years 1955–62. The top bar shows the average rate of return on invested capital for all manufacturing industries for the same period.

The profits for all manufacturing industries over this period has averaged 10.3 percent, after taxes, while the profits for the domestic oil industry for this same period has averaged only 9.1 percent.

The profits of the petroleum industry are based on cost depletion, which some people argue is the way taxes should be figured for the oil industry.

Furthermore, we hear talk that the oil industry does not pay as much income tax as some other industries because of the 27½ percent depletion allowance.

I hope Senators will look at all the taxes levied on the oil industry, and take into account production taxes, and taxes on income at the State and local level. For example, in the State of Louisiana, of which I have the honor in part to represent, the severance tax alone this year which the oil industry will pay will be $160 million.

Also consider State and local property taxes, which are very high in a great number of jurisdictions, and the other taxes of State and local governments. The grand total of all these direct taxes on the oil industry total is $2 billion. That is 5 percent of the total revenue of the industry, which works out to be just about the average for the manufacturing industry.

While most manufacturing industries pay very little excise tax, the oil industry is burdened by State and Federal excise taxes of $6 billion a year. That amounts to a grand total for the industry of $8 billion a year.

The next chart shows the rate of growth of industrial production and employment over the last 4 years, based on the 1957 to 1959 average and the increase in consumer prices over that period.

For all industries, on the average, industrial production since 1959 has gone up by 23.5 percent. Employment has gone up by 8 percent. Consumer prices have gone up by 4 percent.

Let us look at the domestic oil industry. Gasoline prices have actually gone down by 6.5 percent.

Employment has gone down by 10.8 percent. The drilling of exploratory wells has declined by 19.4 percent. In relative terms, Mr. President, this is a depressed industry, which is paying more than its fair share of taxes. What some people who would have the industry pay more taxes forget is the risk factor which prevails in the oil industry, but which does not prevail to the same extent in the manufacturing industry.

If they were to take the risk factor into consideration, they would not contend that the industry should pay more in taxes. The industry is already taxed $40 million more in the bill. It is the only industry whose taxes have been increased in the bill.

Let us take a look at the risk factor.

If a person drills a well in New England, whether it be Massachusetts or Connecticut or Maine, that person ought to have a 100 percent depletion allowance. For what reason? The chances are 10,000 to 1 that he would not find any oil up there.

Therefore, if a person is to take that kind of risk, he should have something to offset the risk.

The depletion allowance has been arrived at as the only fair way to deal with the risk factor. Furthermore, the only fair way in which to determine whether an industry is getting too much or too little depletion is to see whether it is relatively more profitable than other industries.

Studies made by the Chase Manhattan Bank show that it is not.

The studies to which I refer are the kind that President Kennedy wanted made. He wanted them made before making his recommendation—his recommendations having such a study made. He told me frankly that he had overlooked that point and that it was too late to make the study, and he had to make his recommendation.

The Petroleum Industry Research Foundation made the study on which the charts I have used were based. It was based on the published figures available to the Securities and Exchange Commission and from other sources. I ask unanimous consent that the study may be printed in the RECORD at this point.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

THE TAX BURDEN OF THE DOMESTIC OIL AND GAS INDUSTRY

PREFACE

"The Tax Burden of the Domestic Oil and Gas Industry" is another in Petroleum Industry Research Foundation's background studies on current oil industry affairs of public interest.

The present study has been prompted by the special emphasis on oil and gas taxation in the President's tax reform program for 1963.

The aim of our study is to add to the information on the subject of oil and gas taxation by developing facts and figures on the oil industry's total domestic taxpayments and to consider Federal income taxpayments within this overall framework. We believe this particular approach has not previously been published in the form in which it is presented here.

Our calculations are made both with and without excise and sales taxes and pertain only to the taxpayments of oil producers and refiners. To obtain the oil industry's complete tax burden one would also have to consider the taxpayments made by the Nation's thousands of independent oil products jobbers and retailers.

The study was made under the supervision of our research director, John H. Lichtblau, who was assisted in his work by Miss Susan Goodman.

JOHN HARPER,
Petroleum Industry Research
Foundation, Inc.

PURPOSE OF THE STUDY

This study was undertaken in order to (a) determine the total domestic tax payments of the U.S. oil and gas producing and refining industry; (b) to compute a ratio which measures the incidence of these tax payments on this particular industry; and (c) to compute similar ratios for other industries in order to compare the tax burden of the oil and gas industry with that of other industries.

SUMMARY OF FINDINGS

The findings of the study are that:

(a) While the burden of Federal income tax payments on the oil and gas industry tends to be somewhat lower than on U.S. industry in general, the incidence of the various other taxes paid by the oil industry (exclusive of excise and sales taxes) is significantly higher than on most other industries;

(b) The ratio of total domestic taxes (exclusive of excise and sales taxes) to total domestic revenue is approximately 5 percent for both the oil industry and most other industries;

(c) The total tax burden per dollar of revenue is therefore essentially the same for the oil industry as for other industries;

(d) If Federal and State excise and sales taxes are included, oil's tax burden is considerably higher than that of most other industries;

(e) The administration's recent proposals for changes in the taxation of minerals industries would tend to raise the oil industry's total domestic tax burden perceptively above the average for all industries.

THEORETICAL CONSIDERATIONS AND ASSUMPTIONS

A. Types of taxes considered

All types of domestic taxes—Federal, State, and local—(with the exception of excise and sales taxes) were taken into account in this study in determining the industry's total tax burden. The reason for the exclusion of excise taxes is explained below. All other taxes were considered collectively on the theory that all tax payments by business firms have at least one common economic effect: They tend to lower net earnings and, hence, may be considered a burden on the taxpaying firm. Thus, a tax on business operations raises the cost of production, a tax on payroll raises labor costs while a franchise or property tax increases fixed overhead costs. In the absence of offsetting measures, all these taxes will act to reduce the business' net income. They are therefore not only comparable with each other but also with income taxes which have a similar, if more direct, impact on disposable income.

B. Determination of the tax burden

To measure the relative tax burden on oil and other industries, ratios of total tax payments (exclusive of sales and excise taxes) to gross revenues were computed. The rationale for relating tax payments to revenue is that business firms usually attempt to shift taxes forward by incorporating them into the price structure of their products. However, the ability of business firms to effectively do so is limited by competitive factors and varies among different types of taxes, products, and industries.

Among the different taxes, those on operations, payroll, cost of goods, etc., are most readily shifted, since they are usually absorbed into the firm's cost structure.[1]

Income taxes are of a somewhat different nature, since they do not directly affect the product's cost. However, empirical evidence suggests that most businesses have a price policy to maintain stable rates of return on investment, at least in the long run, regardless of prevailing income tax rates.[2]

Generally speaking, a comparison of corporate income tax rates and corporate rates of return over an extended period of time reveals little visible effect of the tax rate on the rate of return in the short run and even less in the long run. These and other findings have led many tax economists to conclude that in the long run the incidence of a significant part of all business income taxes tends to fall on the consumer.[3]

Accordingly, the tax burden of the industry under study was computed by relating all taxes to sales receipts plus other revenues. In effect, the resulting ratio indicates how much taxes for each dollar of revenue the industry must pay.

It should be pointed out parenthetically that the term "tax shifting" does not mean that a firm or industry thereby escapes the impact of the tax. Aside from the aforementioned fact that taxes can very rarely be completely shifted forward, the inclusion of the tax burden into the price affects, of course, the demand for and production of the firm's goods and, hence, its earnings, investments, growth rate, etc. Thus, tax shifting often only transforms the tax incidence of the business firm but does not remove it.

TREATMENT OF EXCISE AND SALES TAXES

Several reasons exist for excluding excise and sales taxes from our calculation of the tax burden:

(1) Unlike other taxes, excise and sales taxes are clearly visible to the consumer, since they are generally marked as such by being specifically listed apart from the price of the product. They are therefore shifted to the consumer with the latter's full knowledge. In fact, the tax-levying authority frequently intends these taxes to be fully passed on to the consumer and often regards the firms on whose goods these taxes are levied merely as collecting agents of public funds. Excise and sales taxes are therefore somewhat outside the scope of this study which is concerned primarily with the less visible or internal tax burden of oil and other industries.

(It should be pointed out, however, that even by shifting excise and sales taxes completely to the consumer a business does not fully escape their impact. For the resulting higher sales price affects, of course, the business as much as any other tax on operations.)

(2) Another reason for excluding these taxes from our computation is that motor fuel excise taxes are of such magnitude that they overshadow all other oil industry taxes combined and, indeed, most taxes paid by any other industry. Since the size of these excise taxes are a matter of public knowledge, this study has concentrated on the other oil industry taxes whose magnitude is much less well known.

(3) The final reason for excluding excise and sales taxes was that these taxes were not included in the data pertaining to many of the industries compared to the oil industry. Hence, excise and sales taxes were eliminated as far as possible from the tax burden of the oil as well as the other industries considered. A brief discussion of the burden of the excise tax on oil only is found in the section entitled "Findings of the Study."

OUTLINE OF THE METHODOLOGY

A full discussion of the methodology employed in arriving at the findings of this study is contained in a separate appendix. The following outline of the methodology is therefore not meant to be comprehensive but is deemed sufficient for an understanding of the manner in which this study was carried out.

(1) Since domestic revenues and related tax payments for the entire U.S. oil industry are not available,[4] the desired data had to be gathered from a representative sample of individual companies. The companies selected for this purpose were the 30 large U.S. oil companies used by the Chase Manhattan Bank in its annual petroleum industry review. These companies accounted in 1961 for 63 percent of domestic crude oil production and 88 percent of domestic refinery operations.

(2) The domestic tax payments of these companies were taken from form 10-K which publicly owned corporations are required to file annually with the Securities and Exchange Commission.

(3) To compute the domestic revenues, the five major international companies were eliminated from the sample. The revenue of the 25 other oil companies is derived primarily from domestic sources in the years under study (1959–61). An adjustment was made to eliminate their marginal foreign revenues. The ratio of the total adjusted domestic revenues of these 25 companies to their total domestic tax payments was assumed to be representative of the entire U.S. oil and gas producing and refining industry.[5]

(4) For comparative purposes, a similar ratio was computed for all U.S. mining and manufacturing corporations other than oil and for all U.S. business corporations other than oil. The source for these computations was the annual Internal Revenue Service publication, "Statistics of Income—Corporation Income Tax Returns" for the fiscal years 1958–59 to 1960–61. The numerator of the ratio consists of figures for the items "taxes paid" plus "income tax" and the denominator of figures for "total compiled receipts." In the mining and manufacturing category as well as in the all-business category a few industries, known to be burdened with very large manufacturer's excise taxes, were either eliminated or adjustments were made to exclude the excise taxes presumably included in the Internal Revenue Service data.

VALIDITY OF FINDINGS

The comparability of the data is discussed in more detail in the appendix. In brief, it is our view that while the oil industry data and the data derived from the Internal Revenue Service statistics has been computed somewhat differently, they are sufficiently homogenous to permit an approximate comparison of the various ratios. The data for mining and manufacturing and for all-business corporations include some foreign revenues and taxes. But, as the foreign tax credits of these categories indicate, their share of total revenues and taxes is too small to affect the findings significantly.

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[1] An excellent illustration of the forward shifting of productions taxes is contained in "An Analysis of the Effects of the Processing Taxes Levied Under the Agricultural Adjustment Act," U.S. Treasury Department, Bureau of Internal Revenue, Washington, 1937, which analyzes in detail the effect of a processing tax on certain agricultural commodities on the price of the processed goods made from these commodities.

[2] See "Pricing in Big Business"—a case approach by Kaplan, Dirlam, and Lanzillotti, the Brookings Institution, 1958. The study concludes that many large business corporations have a "target rate of return" pricing policy, designed to achieve a specific rate of return on investments.

[3] Eugene R. Schlessinger, "Corporate—Income Tax Shifting and Fiscal Policy," National Tax Journal, vol. XIII, March 1960. The author asserts that: "The existence of a corporate income tax should result in a conscious decision to charge higher prices than would have been the case in the absence of the tax or with a significantly lower rate of taxation." For additional discussion of the shifting of the corporate income tax see: (1) Eugene M. Lerner and Eldon S. Hendriksen, "Federal Taxes on Corporate Income and the Rate of Return on Investment in Manufacturing, 1927 to 1952," National Tax Journal, vol. IX, September 1956; (2) B. V. Ratchford and P. B. Han, "The Burden of the Corporate Income Tax," National Tax Journal, vol. X, December 1957; (3) Gilbert Burck, "You May Think that Corporation Profits Tax is 'Bad' But," Fortune Magazine, p. 86, April 1963.

[4] The oil industry data in the annual IRS publication, Statistics of Income, include large nonsegregable amounts of foreign revenues.

[5] In 1961 the 25 companies accounted for 35 percent of total U.S. crude oil production and 50 percent of total U.S. refinery runs.

FINDINGS OF THE STUDY

A. The oil industry's tax payment

The total domestic tax payments (exclusive of motor fuel taxes) of the 30 major U.S. oil companies listed by the Chase Manhattan Bank amounted to $1.43 billion in 1961, $1.37 billion in 1960, and $1.3 billion in 1959, as the following table shows.

Total domestic tax payment of 30 major U.S. oil companies

[In thousands of dollars]

Type of tax	1961	1960	1959
Federal income taxes	260,855	289,573	308,783
State income taxes	39,365	35,892	33,809
Ad valorem, severance, production taxes	268,430	250,072	232,972
Property and franchise taxes	660,331	613,685	567,391
Payroll taxes	79,586	79,297	68,945
Other taxes [1]	118,599	98,714	88,684
Total	1,427,166	1,367,233	1,300,584

[1] Includes lubricating oil excise taxes.

Source: SEC Form 10-K.

In view of the aforementioned share of these companies in domestic production and refining, it is estimated that the total domestic tax payments of the entire U.S. oil and gas producing and refining industry amounted to somewhat less than $2 billion in 1961.

The share of the various taxes in the 30-company total was as follows:

Type of tax	1961	1960	1959
Federal income taxes	18.3	21.2	23.7
State income taxes	2.8	2.6	2.6
Ad valorem, severance, production taxes	18.8	18.3	17.9
Property and franchise taxes	46.3	44.9	43.6
Payroll taxes	5.5	5.8	5.4
Other taxes	8.3	7.2	6.8
Total	100.0	100.0	100.0

As the above table indicates, the largest single tax was that levied on properties (a substantial part of which are properties held for oil production or exploration). Next came Federal income taxes and taxes levied on production or reserves, which were approximately of the same magnitude. This distribution of tax payments is peculiar to the minerals industry and differs from manufacturing industries where Federal income taxes account for about half of total tax payments, according to IRS statistics for all manufacturing corporations.

The distribution of the oil industry's tax payments reflects the existence of a number of special factors, including two provisions in the Federal income tax statutes applicable only to minerals industries, namely, percentage depletion which is designed to enable oil and gas producers to recover the value of their depleting deposits, and the right to write off intangible drilling and development expenditures in the year in which they are incurred. These factors tend to reduce the oil industry's Federal income tax burden, as defined in this study. However, they apply only to the producing sector of the industry—the same sector which must bear most of the industry's heavy property and production taxes. Hence, a determination of whether the oil and gas producing industry pays an equitable share of taxes cannot be made on the basis of Federal income tax payments alone.

B. The tax burden on oil and other industries

The domestic gross revenue and total taxes of the 25 companies in the Chase Manhattan Bank's group with primarily domestic revenues were as follows:

[In millions of dollars]

	1961	1960	1959
Gross revenues	14,016	13,229	13,333
Total taxes	655	673	643

Source: SEC Form 10-K and annual company reports.

The companies' tax burden (the ratio of taxes to receipts) for these 3 years was, therefore, 4.7 percent, 5.2 percent, and 4.8 percent, respectively. The average for the 3 years was 4.9 percent. Thus, for each dollar of revenue, these 25 companies paid out nearly 5 cents in taxes (always exclusive of excise and sales taxes) in the 3 years under study.

For total manufacturing and mining corporations other than oil,[6] the comparative figures were as follows (by fiscal years):

[In millions of dollars]

	1960–61	1959–60	1958–59
Gross revenue	323,446	317,497	283,551
Total taxes	16,750	17,131	13,511

On this basis, the tax burden ratios were 5.2 percent, 5.4 percent, and 4.8 percent respectively, or an average of 5.1 percent for the 3-year period. Considering the approximate character of many of our calculations we may therefore conclude:

(a) That the oil industry's total domestic tax burden per dollar of revenue is virtually the same as that for all mining and manufacturing industries, and

(b) That the oil industry's lower Federal income tax burden, relative to other industries, is fully offset by the correspondingly higher burden of other taxes.

To realize the full magnitude of these other taxes it should be kept in mind that the oil industry also had a lower burden of payroll taxes than many other industries, since it is not very labor intensive. Apparently, the burden of production and property taxes was sufficient to offset all these factors.

While the tax burden for all manufacturing and mining corporations appears to be fractionally above that of the oil industry, the following figures show that for all U.S. business corporations other than oil the burden is slightly less than for oil:

All business corporations [1]

[In millions of dollars]

	1960–61	1959–60	1958–59
Gross receipts	775.3	748.9	669.3
Total taxes	35.3	34.2	29.0
Ratios	4.5	4.6	4.3
3-year average ratio		4.5	

[1] A small number of industries with very heavy excise taxes have been eliminated from this total; for details see chart III in appendix.

The reason why the tax burden for all corporations is somewhat lower than for mining and manufacturing corporations is probably due to the fact that as goods and commodities travel through the economy on their way from primary producers to consumer outlets they increase in value, partly because of the inclusion of successive tax payments into the price structure. The ratio of taxes to revenues tends therefore to be lower at the distribution level than at the production level.

MOTOR FUEL EXCISE AND SALES TAXES

Although this study is not concerned with excise and sales taxes, these taxes are of such magnitude for the oil industry that they warrant at least a brief discussion.

Total excise and sales taxes paid by the 25 domestic oil companies amounted to $2.2 billion, $2.4 billion, and $2.6 billion, respectively, for the years 1959–61. This was equivalent to a ratio of about 17 percent of the total revenue of these companies. Thus, the full and complete tax burden of oil and gas producers and refiners on each dollar of revenue is approximately 22 cents (17 cents excise taxes plus 5 cents other taxes).

It was not possible to compute a meaningful comparable ratio of excise and sales taxes to revenue for all other corporations. However, the fact that about 23 percent of total Federal, State, and local excise and sales tax receipts of $23.3 billion in 1960 consisted of motor fuel taxes indicates that the excise tax burden on the oil industry is considerably larger than on most other industries.

EFFECT OF THE TAX REFORM PROGRAM ON OIL INDUSTRY TAX BURDEN

According to a recent estimate by the U.S. Treasury, the President's tax reform program of 1963 is expected to yield $280 million annually in additional Federal income taxes from the oil and gas producing industry, as a result of a series of proposed statutory tax changes affecting the minerals industries.

Since the 25 domestic oil companies in our sample paid approximately half of the oil industry's total Federal income taxes in the years under study, we may assume that these companies would contribute the same share of the anticipated additional tax payments, or about $140 million. This would have increased their total domestic tax burden to $783 million, $813 million and $795 million respectively for the years 1959–61. In turn this would have raised their average tax burden ratio to 5.9 percent, or perceptively above the 5.1 percent figure for mining and manufacturing corporations.

Assuming that the additional tax burden could be completely shifted to consumers, prices on all oil and gas products would have to be raised by 2.2 percent in order to obtain the required $280 million in additional revenue.[7] (Actually, the price increase would probably be concentrated principally on gasoline whose cost would have to rise considerably more than 2.2 percent to recoup the additional tax payments). Even under these circumstances, the tax burden ratio would still be 5.75 percent, or higher than that of the industries with which oil is being compared in this study.

CONCLUDING COMMENTS

While the distribution among income taxes and other taxes varies significantly between the oil industry and American industry in general, the total tax burden, as defined in this study, of the U.S. oil industry is at least equal to that of the average U.S. industrial corporation and considerably higher if excise and sales taxes are included.

APPENDIX

(a) The list of 30 oil companies used in this study was obtained from the Chase Manhattan Bank's report "Petroleum Industry 1961." They are described therein as "representative" companies. They fall into three categories: Producers, integrated refiners and international companies. Following is a list of the individual companies by category:

Producers: Amerada Petroleum Co., the Louisiana Land & Exploration Co., the

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[6] For other exclusions from the total, see chart II in appendix.

[7] Based on a 50-percent corporate income tax rate, as proposed for fiscal 1964 in the President's tax message, the after-tax income from $280 million would offset the additional tax payments of $140 million.

Superior Oil Co., Texas Gulf Producing Co., and the Texas Pacific Coal & Oil Co.

Integrated refiners: Ashland Oil & Refining Co., the Atlantic Refining Co., Champlin Oil & Refining Co., Cities Service Co., Continental Oil Co., Getty Oil Co., Marathon, Phillips Petroleum Co., Pure Oil Co., Richfield Oil Corp., Shell Oil Co., Signal Oil and Gas Co., Sinclair Oil Corp., Skelly Oil Co., Standard Oil Co. (Indiana), Sun Oil Co., Sunray Mid-Continent, the Standard Oil Co. (Ohio), Tidewater Oil Co., and Union Oil Co. of California.

International companies: Gulf Oil Corp., Socony Mobil Oil Co., Inc., Standard Oil Co. (New Jersey), Standard Oil Co. of California, and Texaco Inc.

(b) Elimination of Foreign Revenue (see chart I): Inspection of annual reports and other sources led to the conclusion that from 1959 through 1961 foreign refinery runs accounted for an average of 2.5 percent of total refinery operations of the 25 integrated refiners (i.e., 2.0 percent in 1959, 2.9 percent in 1960 and 2.8 percent in 1961). The abovementioned percents were subtracted from the gross revenue of these integrated refiners to obtain figures for gross revenue from domestic operations only. No adjustments were made for any foreign crude oil production of these 25 companies.

The lubricating oil tax was added to the figures for gross domestic revenue and taxes of refiners and producers in order to compensate for the inclusion in the IRS "Statistics of Income" of unidentifiable amounts of excise taxes in the total compiled receipts and taxes paid by other industrial groups. The amounts allocated to these 25 refiners for the lubricating oil tax were estimated on the basis of their share of total domestic refinery runs.

(c) Elimination of specific industries: The figures used in charts II and III were derived from the IRS "Statistics of Income—Corporation Income Tax Returns" which gives the following definitions of terms. Gross revenues (total compiled receipts) are the gross operating receipts of corporations (minus returns, discounts, and allowances) and other receipts such as those from interest, dividends, rents, and royalties. Income taxes represent gross liabilities reported on the tax return before credit for foreign taxes paid or accrued. Other taxes (taxes paid) include the amounts reported as an ordinary and necessary business deduction as well as identifiable amounts reported as part of the cost of sales and operations. Deductible were ordinary State and local taxes paid or accrued during the year; social security and payroll taxes; unemployment insurance taxes; import and tariff duties; and business, license, and private taxes. Excise and stamp taxes were deductible, but when included in business receipts or in the cost of sales and operations these taxes often could not be identified.

The crude petroleum and the petroleum refining industry was eliminated from all industrial groups, since it was the industry to be compared to others. The beverage and tobacco industries were eliminated because it was not possible to determine how much of their heavy excise taxes—which we wanted to eliminate—were included in their gross revenues and taxes paid. Even though the motor vehicle and equipment industry pays substantial excise taxes, it was undesirable to eliminate it on the same ground that the beverage and tobacco industries were eliminated because of its greater significance in the economy. Therefore, we computed the ratio for 1958 through 1961 of taxes paid (excluding Federal income and all excise taxes) to gross receipts of the eight largest motor vehicle companies. The resultant ratio was considered representative of the entire industry and was therefore applied to the gross receipts of the motor vehicle industry as given in the IRS "Statistics of Income." The difference between the "taxes paid" item in the IRS "Statistics of Income" and our computed tax figure was considered to be excise taxes and was therefore subtracted from total mining and manufacturing revenues and taxes.

The communications industry was eliminated from the totals for all corporations because it too pays substantial excise taxes and it was not feasible to estimate the amount of its excise included in the IRS data.

(d) Limitations of data: Even though excise taxes were eliminated as far as possible from the data in the IRS "Statistics of Income" either by omitting entire industries which pay heavy excise taxes (the beverage, tobacco, and communications industries) or by estimating the amount of the tax and subtracting it (in the case of the motor vehicle and equipment industry), the figures still contain incalculable amounts of excise taxes paid by the remaining industries. As previously stated, allowance was made for this fact by adding oil lubricating taxes to the taxes paid and revenues received by the oil industry. Another limitation lies in the fact that the figures obtained from the IRS "Statistics of Income" are overstated to the extent that they include foreign sales and foreign tax credits, while the oil industry data are for domestic operations only. However, foreign tax credits represents only a very small part of total income tax liabilities of mining and manufacturing corporations. For example, according to the IRS data, in 1961 these credits accounted for only 3.6 percent of their total income tax liabilities. This fact was taken as an indication that the foreign revenue of these corporations was also relatively insignificant. Hence, the comparability between oil and other industries is not perceptively affected by the inclusion of foreign taxes and revenues in the data for other industries.

CHART I.—*Ratio of taxes to revenue of 25 selected domestic oil companies*

	1961	1960	1959
Gross revenue of 25 companies	14,384	13,585	13,308
Less gross revenue of 5 producers	340	367	359
Gross revenue of 20 refiners	14,044	13,218	12,949
Less estimated revenue from foreign refining operations	393	383	259
Gross domestic revenue of 20 refiners	13,651	12,835	12,690
Plus:			
Gross domestic revenue of 5 producers	340	367	359
Estimated lubricating oil excise tax receipts	25	27	25
Gross domestic revenue of 25 oil companies	14,016	13,229	13,333

	1961	1960	1959
Total domestic taxes [1] of 25 companies	655	673	643
Gross domestic revenue of 25 companies	14,016	13,229	13,333
Taxpayments per dollar of domestic revenue (percent)	4.67	5.17	4.82

[1] Includes lubricating oil excise tax payments.

Source: Chase Manhattan Bank, "Annual Analysis of the Petroleum Industry" and annual reports of companies.

CHART II.—*Gross revenue and total taxes paid—Mining and manufacturing corporations*

[In millions of dollars]

	Fiscal year 1960-61			Fiscal year 1959-60			Fiscal year 1958-59		
	Gross revenues	Income taxes [1]	Other taxes	Gross revenues	Income taxes [1]	Other taxes	Gross revenues	Income taxes [1]	Other taxes
Total mining and manufacturing	381,776	11,873	10,327	373,512	12,908	9,508	336,932	9,860	8,258
Less:									
Crude oil and natural gas	4,876	295	123	4,676	281	111	4,285	270	102
Beverage industries	8,423	242	1,315	8,308	252	1,227	7,764	215	1,168
Tobacco manufacturers	4,965	295	995	4,836	285	962	4,494	266	946
Estimated auto excise taxes	464	----------	464	438	----------	438	320	----------	320
Petroleum refining	39,446	607	979	37,593	621	942	36,518	491	830
Subtotal	58,174	1,439	3,876	55,851	1,439	3,680	53,381	1,242	3,366
Total	323,602	10,434	6,451	317,661	11,469	5,828	283,551	8,618	4,892
Total taxpayments	----------	16,885		----------	17,297		----------	13,510	
Total taxpayments as a percent of gross revenues	----------	5.22		----------	5.44		----------	4.76	

[1] Before deduction of foreign tax credits.

Source: IRS "Statistics of Income."

CHART III.—*Gross revenue and total taxes paid—All corporations*

[In millions of dollars]

	Fiscal year 1960-61			Fiscal year 1959-60			Fiscal year 1958-59		
	Gross revenues	Income taxes [1]	Other taxes	Gross revenues	Income taxes [1]	Other taxes	Gross revenues	Income taxes [1]	Other taxes
All corporations	848, 895	21, 872	21, 108	816, 800	22, 525	19, 189	735, 338	18, 814	16, 692
Less:									
Crude petroleum	4, 876	295	123	4, 676	281	111	4, 335	271	103
Petroleum refining	39, 446	607	979	37, 593	821	942	36, 563	491	830
Tobacco manufacturers	4, 965	295	995	4, 836	285	962	4, 520	267	946
Beverage industries	8, 423	242	1, 315	6, 308	252	1, 227	7, 810	216	1, 174
Estimated auto excise taxes	464		464	438		438	320		320
Communications	15, 389	1, 488	885	14, 026	1, 374	810	12, 492	1, 165	693
Subtotal	73, 563	2, 927	4, 761	67, 877	3, 013	4, 490	66, 040	2, 410	4, 066
Total	775, 332	18, 945	16, 347	748, 923	19, 512	14, 699	699, 298	16, 404	12, 626
Total taxpayments		35, 292			34, 211			29, 030	
Total taxpayments as a percent of gross revenues		4. 55			4. 57			4. 34	

[1] Before deduction of foreign tax credits.

Source: IRS "Statistics of Income."

Mr. LONG of Louisiana. It seems to me that when this industry is paying $40 million more in taxes under the bill, with every other industry getting a reduction, it is paying enough taxes, and we should not increase them.

I hope that in the future, Senators will investigate the facts, and not listen to people who are constantly spearing this industry. There are those who have no more than a detached, textbook interest in the industry. We cannot justify any further taxes on this industry unless we wish to have a general increase in taxes for all industries.

Mr. JAVITS. Mr. President, on behalf of myself and Senators BEALL, BENNETT, and KEATING, I send to the desk an amendment and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of page 351, it is proposed to add the following:

SEC. 239. EXEMPTION OF CERTAIN LIVE DRAMATIC OR MUSICAL PERFORMANCES FROM TAX ON ADMISSIONS.

(a) IN GENERAL.—Section 4233(a) (relating to exemptions from the tax on admissions) is amended by adding at the end thereof the following new paragraph:

"(12) LIVE DRAMATIC OR MUSICAL PERFORMANCES.—No tax shall be imposed under section 4231 in respect of any admission to a live dramatic or musical performance presented in a theater, or presented in any other place if the presentation of such performance is the principal activity being conducted in such place at the time of such admission."

(b) EFFECTIVE DATE.—The amendment made by this subsection (a) shall apply only with respect to amounts paid, or nor after the first day of the first month which begins more than ten days after the date of the enactment of this Act, for admissions on or after such first day.

Mr. JAVITS. The amendment proposes to take the 10-percent tax off theater tickets for the live theater. It has nothing to do with the motion picture theaters or any other form of entertainment. It deals only with the live theater and musical performances.

This is the amendment which the Senator from Arkansas [Mr. FULBRIGHT] sponsored in the Finance Committee, and which was approved by the Finance Committee. Then, because of the administration's feeling that this type of tax should not be removed, it was swept out with other provisions.

I propose it as a separate item because, first, I do not believe it fits into the category of any of the taxes with which we can deal; second, because we have already demonstrated, both in the terms of the bill itself, and in the action we took on the amendment of the Senator from Minnesota [Mr. MCCARTHY], that there is no pretense of confining this tax bill purely to the idea of adjusting the rates, so far as either individuals or corporations are concerned, but that this tax bill will deal with other matters.

This is another matter which had very sympathetic consideration in the committee; indeed, enough to be carried in the committee, at least tentatively; and it should have a sympathetic consideration in the Senate.

Man does not live by bread alone; this is the essence of what we understand to be our society, and the theater is one of the great ornaments of our Nation.

The theater is suffering very materially. Indeed, the commercial theater, as we know it, is dying. This is a point which I think needs to be impressed upon all Americans; and anything that we can do to breathe some life into it is extremely useful and valuable. The theater industry is probably the best judge of the fact that the 10-percent tax on theater tickets is extremely harmful to it. If the burden were lifted from the industry, this would be extremely helpful to its continuance and vitality.

As evidence that the theater is in a very bad way, let me say that the amount of the tax, about $6 million a year, is approximately equal to the annual loss suffered by theater productions in the major theater center of the United States, New York City. The tax amounts to $6 million. The annual loss in theater production is figured at about $5.5 million.

When the 20-percent tax on theater tickets was reduced to 10 percent, the city of New York put a 5-percent tax on theater tickets, which was very wrong. The city realized it was wrong and removed that tax in October 1961, in the hope that this proffer on the part of the city of New York might create some feeling in Congress that the Federal Government should remove its tax burden from the theater tickets.

When it was announced that the Senate Finance Committee had voted to take the tax off theater tickets, the leaders in the theater, including the president of the New York League of Theaters, which represents all the managers, made a public declaration that if the 10-percent tax were taken off theater tickets, that saving would be passed on to the theater ticket buyers to stimulate attendance at the theater.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. ANDERSON. I was trying to find a clipping which stated that the saving would not be passed on.

Mr. JAVITS. The saving would be passed to the theatergoer.

Mr. ANDERSON. The clipping stated that the price would remain the same.

Mr. JAVITS. I am sorry, but I have talked with the acting president of the League of New York Theaters, and with some of the leading producers, including Leland Hayward, about it. And the leading managers have assured me by telegram that the savings would be passed on to the theater ticket buyer in order to stimulate attendance at the theater.

Mr. ANDERSON. I saw an article published in a newspaper the day after the Senate committee had taken its first action, showing that the tax would be retained by the theaters, because they were in distress.

Mr. JAVITS. I have a letter from the attorney in Washington for the League of New York Theaters and the National Association of Legitimate Theater. He is Joel Fisher. I should like to read one section from his letter.

He writes as follows:

> Also, I am pleased to confirm on behalf of my clients, the League of New York Theatres, Inc., and the National Association of Legitimate Theatres, Inc., that the leading producers and theater owners will pass along to the theatergoers the savings from the elimination of the admission tax. In brief, the theatergoer will benefit from repeal of this admission tax.

I might say to the Senator from New Mexico—and I have, of course, the highest respect for anything he might tell the

Senate—that it may very well be that some theater manager said that this proposal would assume the continuance of present scales of wages, salaries, and other costs, with which the Senator knows the theater is very much concerned, including union and association problems. We would expect that. In other words, we could not expect this commitment to be completely blind; but this is the present design, based upon present financial operations, as expressed to me by counsel for the League of New York Theatres, which represents theater management.

Mr. ANDERSON. I thank the Senator from New York. Unless my memory is playing me a trick, my understanding of the statement made by someone connected with the theater industry was that the theaters in New York did not contemplate passing on the proposed reduction.

Mr. JAVITS. There is no contract or commitment that that would be done. One manager or another might believe that he could not pass on the saving; that he would have to take it for himself, in order to produce a play that he thought ought to be produced. But the general intention and design is the one I have just read, from counsel for the League of New York Theatres. I would not wish to make any representation to the Senate that I have an ironbound promise or anything else; but I do have a statement of intention.

Mr. LONG of Louisiana. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. LONG of Louisiana. I understand that the Senator is confronted with a real problem. As one who voted on the amendment in committee, I know we felt that this was an amendment that would have opened the door to the removal of all excise taxes, and that that would cost about $550 million. We agreed to the amendment before lunchtime but had to reverse ourselves in the afternoon in order to prevent the removal of all excise taxes.

I should like to suggest to the Senator that, so far as I am concerned, if he would offer the amendment to a subsequent bill—which would, of course, have to originate in the House of Representatives, an appropriate bill that the President would have an opportunity to veto if he did not agree with it—I could support what the Senator from New York is seeking to do. I think we might be able to get on its own merits the kind of relief he seeks for the legitimate theater.

But if we vote on a single excise tax amendment in the Senate, there are Senators who would feel obligated to offer similar amendments to remove the excise tax from other items, and we would have no choice but to open the floodgates; and that might cost $5 billion.

If the Senator from New York would be willing to cooperate with the committee in this respect, I assure him that we would try to see to it that this question would be considered at the earliest possible opportunity.

Mr. JAVITS. There seems to be an appropriate frame of reference for the consideration of this matter, especially as the committee looked favorably upon it. I am sure the Senator would not wish me to assume that he expresses the opinion of anyone other than himself. But if he does express the opinion of the committee, it would, of course, be extremely valuable for the Senator from New York to know that. I will be as frank with the Senator from Louisiana as he has been with me. Whether the amendment succeeds or fails on a vote, it is my feeling that, at least, there would be an expression of a substantial amount of opinion in the Senate. The amendment may fail because of the important argument which the Senator from Louisiana makes. Apparently, the Senator convinced the Senator from Arkansas [Mr. FULBRIGHT], too, because I asked the Senator from Arkansas to offer this amendment since he was the original author of it in the Finance Committee. But he declined to do so, saying that in view of my deep interest in the theater, he preferred to have me do it.

I am being frank with the Senator from Louisiana. I know he will understand it. I should like to demonstrate some substantial sentiment for this idea by a vote. Then I feel there would be a good basis for a followup at some time when the argument that is now being made could not be made.

On the other hand, if the committee, or a substantial number of the members of the committee, would give that assurance, I would certainly give most serious consideration to whether to press the amendment.

Mr. LONG of Louisiana. When the amendment was first offered, it was agreed to in committee by a vote of 9 to 8. I voted against it. If we made that adjustment, the vote would have been 10 to 7. The committee itself recognized the merit of what the Senator from New York is advocating.

Mr. SMATHERS. I, too, voted against the amendment.

Mr. LONG of Louisiana. The Senator from Florida also voted against it. He feels somewhat as I do.

Mr. SMATHERS. As the Senator from Louisiana has said, the amendment was agreed to orginally in committee. There was a sort of pulling of fingers from the dike because after voting as the Senator from Louisiana said yesterday, for a $550 million reduction in excise taxes. We are all somewhat sympathetic toward the Senator's desires.

I must say to the Senator from New York that in my State perhaps we are somewhat uncultured. We do not have as many legitimate theaters as motion picture houses, and some excise tax still remains on motion picture theater admissions. While I strongly favor helping and encouraging the legitimate theater, the living theater, as much as possible, still, in most small communities in my State the people who have a night out go to the motion picture theaters. They have to pay excise taxes on all admissions costing more than $1. So it seems to me that we must consider this, as the Senator has said, and we will consider it when the excise tax question is considered in toto. Before June 30, $1,500 million in excise taxes will expire. So there will be an opportunity to consider the legitimate theater admissions proposal. We shall have to consider the motion picture admissions proposal. We shall have to consider the excise tax on light bulbs, because, once again, it is not possible to see the theaters unless there are those light bulbs—and there is a tax on the light bulbs.

We shall have to go over the whole country again, talking about the removal of excise taxes. Every individual Senator has a favorite tax that he would like to have dropped off. Certainly the proposal of the Senator from New York will receive consideration when an excise tax bill is considered. The chairman of the Committee on Finance has already stated that he will hold hearings on excise taxes this year. The chairman of the House Committee on Ways and Means has said the same thing. However, under the circumstances at this time, I do not see how we could favor accepting this particular amendment without opening up the floodgates.

Mr. JAVITS. I should say in response to both Senators that they have pointed up one of the reasons why I have offered the amendment and why I really believe it should be pressed to a vote. I deeply believe that unless we have some cognizance of the significance of the living theater as being, in a sense, one of the real gages of culture of our country, we miss the fundamental point of the amendment.

Let us consider the motion picture theaters where all admissions below $1 are exempt from the excise tax. The vitality and skill of American moving pictures is very heavily based on what happens in the American theater. That is where actors are developed. That is where scene directors, who try out new ideas and concepts, are developed. It is the legitimate theater that develops playwrights. As a practical matter, the living theater has come to such a low estate that of the roughly 12,000 members of Actors' Equity—I am giving the figures off the top of my head, but the order of magnitude is correct—only about 10 percent—somewhere between 1,200 and 1,500—held a job within the last couple of years, notwithstanding the fact that so many are finished actors.

One of our colleagues told me a story to the effect that he had paid the way through a college theater course for a particularly gifted young man, but now had him working in his own office because the young man could not obtain work in the theater, for which he had been so superbly trained. So it seems to me that if we do not understand this proposal as being an effort to encourage one of the finer cultural expressions—our stage—we really miss the point.

Mr. President, while a substantial number of Senators are in the Chamber, and so long as the Senate will vote on the amendment, I ask for the yeas and nays.

Mr. LONG of Louisiana. Does the Senator from New York wish to insist on the yeas and nays?

Mr. JAVITS. I do. We ought to get some concept of the sentiment of Senators who favor the proposal. I think that would help in the future.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, I would not want the Senator from Louisiana to consider me obdurate. I believe that his good will and helpfulness will be indispensable in getting the job done. I said a moment ago that the theater is suffering seriously and materially. For example, in 1931, there were 66 theaters in New York. The number is down to 33 now. On the road—that is, throughout the country—there were 560 theaters; now the number is down to 193.

Mr. President, I have already given the figures in regard to the money lost in the theater. It is estimated that out of every $2 invested, only $1 is returned, under present conditions—especially in view of the fact that the costs in the theater have risen so very materially—approximately five times or more in the past two decades. In other words, a play which cost $25,000 to produce in 1939 would cost approximately $150,000 to produce today.

A very significant analysis of the situation in the American theater has been written by John F. Wharton, based upon material compiled by Prof. O. Glenn Saxon, under the auspices of the League of New York Theatres and the National Association of Legitimate Theatre, Inc. The analysis shows what is happening in this country. From the analysis made by these very able men, it appears that the whole system of theaters in America, both the commercial and the noncommercial ones throughout the Nation, depend on what Mr. Wharton calls the creative core of our theater, which he says is the system which brings 50 to 75 new plays, professionally produced, to New York every season—and more than 75, if professional off-Broadway is included. He points out:

> For 50 years these plays have dominated the American theater.

I believe it might come as a surprise to many Senators to find, when they examine the situation throughout the country, the extent to which people in the various States are involved in the theater or are closely related to it, from the point of view of their interest in it and their wish to encourage it and help it develop.

In the United States there are some very fine repertory theaters. The most recent development in that connection has been in Minneapolis; I refer to the so-called Tyrone Guthrie Theater.

It is important that Senators fully realize that the pending amendment relates to a great social effort in the interest of aiding what is perhaps America's most distinguished art—the American theater, which throughout the years has been the hallmark of the culture of a people—and that Senators understand that in the United States the theater is not subsidized. Incidentally, ours is about the only one of the great nations which does not have theater subsidies by the government. We have no Government subsidies or any contributions of that sort in aid of the theater, except for the commercial efforts or the voluntary efforts of Americans throughout the country who are desirous of helping the theater.

So when Senators consider the key place the theater occupies in our culture, I believe they will find that this amendment cannot properly be considered as one to be lumped together with amendments relating to the excise taxes or other phases of the tax structure which relate to personal comforts or conveniences, or even personal necessities. Instead, this amendment relates to the giving of assistance to a great art which so far has received no assistance whatever of this kind.

Let us remember that we have completely removed the tax from the nonprofit theaters of all kinds. I say frankly, Mr. President, that I see no real difference—when we consider the condition of the theater—between the situation of the commercial American theater and the situation of the nonprofit theater. Their objectives are the same. Indeed, the nonprofit theater draws its sustenance very heavily from what Mr. Wharton calls the "creative core" of the American theater, strongly based in New York, but which also has established areas of great importance in other parts of the country, including Denver, Dallas, San Francisco, and other metropolitan centers where the theater has become a very significant and important art.

Mr. President, as I speak of the American theater, I also wish to pay my respects to New York, in particular. Often we hear expressed on this floor a feeling which would lead one to believe that New York is not really a part of the United States, not a seat of culture and understanding, not an exponent of the fine things in our country of which all of us can be very proud. However, I know of no particular development in New York, other than the great buildings and skyscrapers there, which represents better America's trusteeship than does the institution of the theater, which, as it has developed in New York, constitutes a magnet to people from all over the United States and from all over the world, who there find in the theater the expression of American culture and creativity.

Furthermore, anyone who now attends the New York theater will be quite surprised by the number of British plays and other foreign plays being produced there, after first having been developed abroad.

All this is confirmation of my statement that, judging from the available figures, the American theater is suffering very seriously and may be dying right before our eyes. Thus, anything we can do to help revive it and breathe life into it is of critical importance, not only to the theater in New York, but to the theater in the entire Nation.

To Senators who feel that this amendment should be laid aside at this time—with all due respect for the feeling about this matter—I say that I think it most important that there be sufficient expression of opinion by Senators in regard to this matter—which I believe to be entirely separate and apart from the question of raising excise taxes—to give us a solid basis of support for dealing with it at some other appropriate time, if the Senator from Louisiana [Mr. LONG] feels that way.

The pending bill already deals with a number of matters which are not strictly related to the tax-reduction concept and to the concept of giving stimulation to the economy. For example, I have already referred to the McCarthy amendment, which was worked out admirably and was adopted.

I feel that the American theater is an institution of very great importance to the Nation and to the stimulation of its culture; and I am convinced that anything of such great importance in that connection should receive this proposed support at this time.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the analysis to which I have referred.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

[A statement of the League of New York Theaters, Inc]

CRISIS IN THE FREE WORLD THEATER

(By John F. Wharton, from material compiled by Prof. O. Glenn Saxon)

INTRODUCTION

Let me say first that the following pages are not a statement of despair. They are aimed at awakening in us the awareness of an important problem existing in our country and at offering a possible solution that is both practical and optimistic.

The League of New York Theaters commissioned Prof. O. Glenn Saxon to do an exhaustive study of theater economics in the United States of America. When the report was finally compiled, we saw before us a clear picture of a constantly diminishing business within a constantly expanding economy. The obvious competition from motion pictures and television was by no means a sufficient or valid answer to this consistent decline. The fact is that the living theater in America has been caught in a cost-price squeeze and has faced ever-increasing taxes. This is a historic dilemma which has seriously impeded the development of the performing arts in many parts of the world. However, in most cases the solution has been found in legislation which could enable the theater to function as fully as possible as a vital expression of the Nation from which it springs.

John F. Wharton, who has written this statement, has spent his life in the professional theater as a partner in the Playwrights Producing Co., and as a legal adviser to many of America's most important theater people. He sees the theater as an exciting and serious element in our national life and its preservation as a responsibility not only to ourselves but to the rest of the world. From this standpoint Mr. Wharton has drawn upon the research of Professor Saxon and written the following pages which he has entitled so meaningfully, "Crisis in the Free World Theater."

ROBERT WHITEHEAD,
President, the League of New York Theaters, Inc., the National Association of the Legitimate Theater, Inc.

In the current contest to win the undecided peoples of the world to our way of life; money, arms, and even machines have, by themselves, proved insufficient. Every honest observer reports that something more is needed; these peoples demand something for the spirit, for the soul. In short, a culture which makes the material life worth living. Since the days of Aeschylus, one of the keystones in the arch of culture has been the living theater, which can entertain, educate and inspire its audience—often even an illiterate audience. Fortunately for us, we have built a vital living theater which, despite a current decline, can still impress both the sophisticated and the uneducated anywhere in the world.

In dynamics, progressivism and drive, our theater, for many years, ranked ahead of any other country, when viewed as a whole. Despite the long history of the Russian theater, returning travelers reported year after year that, except for an occasional company, they were years behind us. The same was true of all of the Iron Curtain countries of which he had knowledge. On the Continent, except for a few avant garde writers, nothing was happening. Only in England was there evidence of ferment and creativeness comparable to ours.

Now, it is in our own country and in England (to a lesser extent) that the theater is the product of the free enterprise system. In the Iron Curtain countries, and also in almost every other country, the living theater is either the creature of the state or largely subsidized by it. (Today some countries are pouring such enormous subsidies into their theater that our supremacy is threatened.) Even England has resorted to subsidy, in part. Hence, the American theater should be one of our proudest displays to the undecided peoples, and should be encouraged and assisted by every device known to the free enterprise system.

JUST THE OPPOSITE IS THE CASE

The Federal Government and the city of New York have continually harassed and impeded the creative core of the American theater. The heaviest blow is today dealt by the Federal Government through the admissions tax of 10 percent. This tax yields, from the living theater, not more than the insignificant amount of .0007 percent of Federal revenues. Yet, as we shall see, its impact on the theater is staggering; moreover, it is applied in a fashion clearly discriminatory against the creative core.

The creative core of our theater is the system which brings 50 to 75 new plays, professionally produced, to New York every season (more than 75, if professional off-Broadway is included). For 50 years these plays have dominated the American theater. The millions of people who see them each year in New York begin to spread the thoughts, standards, and concepts of these plays throughout the land. Many of them are toured through the country; they are duplicated by the 75,000 nonprofessional groups outside of New York. They thus reach more millions of our citizens who do not come to New York.

In addition, the best of the productions are adapted for presentation not only in the British Empire, but in all non-English speaking countries which have a going theater. Even the Iron Curtain countries present them—without paying royalties. But these presentations are, on the whole, puny in comparison to what could be done if real assistance were given.

It is important to understand that the dynamics of the industry requires as many new productions as possible. For every year brings a new crop of talent—playwrights, directors, actors, producers, composers, lyricists. They must have an opportunity to learn their trade and test their skills. Very few will reach the top, just as in any other free enterprise industry. But if the best are to reach the top, everyone must have opportunity. Only a sufficient number of productions can make that opportunity available.

THEATER ECONOMICS AND THE ADMISSIONS TAX

In order to have a sufficient number there must be a sufficient number of entrepreneurs (who, in the theater, are the producers) who can bring together the talent and the capital necessary for a production. The money, in the theater, is of unusual importance, for every production of a play is a new venture calling for venture capital, the most difficult kind of capital to obtain. Fortunately, the theater has had an intrinsic fascination for many venture capitalists, but it has, up to now, also offered a chance of reward commensurate with the risk. Whether it can continue to do so is doubtful. There are various reasons, but clearly one of the most important is the heavy and discriminatory admissions tax.

In the 1959–60 season, the last season for which figures are available, 77 percent of the new plays produced failed to earn back the venture capital invested in them; the combined loss was about $5½ million. It remains to be seen whether the successful 23 percent will, in time, earn more than that amount. What can be seen now, by any venture capitalist who cares to look, is that the Federal Government took, in admissions taxes, $6 million, more than the total losses of the failures. It isn't an attractive picture, is it?

This discrimination is equally startling. Motion picture theaters attract seekers of theatrical entertainment. When a motion picture has been produced, it requires, to exhibit it, only a projection machine and a projectionist. After a play is produced, it requires a troupe of actors, musicians, and stagehands who must be paid every week. Consequently, the admission price to the living theater must be higher. But the lower priced motion picture tickets have been consistently exempted, in whole or in part, from the admissions tax.

The admissions tax is an excise tax, and one thing about excise taxes is clear. A booming industry can absorb an excise tax without much difficulty (the theater absorbed it in the boom 1920's and war years). A financially declining industry cannot; excise taxes accentuate the decline, and eventually help to kill the goose that once laid the golden eggs. Since 1930 the theater has been a financially declining industry; in detailing the decline it will become apparent how the Government—instead of trying to halt the decline and stimulate regrowth—imposed both excise and other tax problems as well as nontax burdens with disheartening regularity.

The amazing feature is the fact that until recently the theater maintained its artistic vigor despite the financial decline.

THE RISE AND FALL

Between 1920 and 1929 the disposable personal income of the Nation (in dollars of constant purchasing power) increased nearly 40 percent. In the second half came the (until then) unprecedented stock market boom. Simultaneously there was a great reduction in Federal income and corporation taxes. By 1929 personal income taxes were one-half of 1 percent to 25 percent. Corporate taxes were only 11 percent, which precipitated an increasing flow of dividends. The 10-percent admissions tax was carried over from the World War I tax structure, but in the face of the other tax reductions was insignificant. Venture capital was easy to find; the box office boomed; production costs and running costs were comparatively low. The number of productions soared. In 1928 there were 264 new productions; the lowest number for any year in the 10 years 1921–30 was 152; the average was 217. During this period, famous personalities, such as Robert E. Sherwood, Eugene O'Neill, Maxwell Anderson, S. N. Behrman, Alfred Lunt and Lynn Fontanne, Katharine Cornell, Richard Rodgers, Cole Porter, began or developed their careers.

The stock market crash of 1929 warned of the depression which was to settle down on us and close every bank within 4 years. At the same time, the effectively competitive talking picture passed out of the experimental stage, and the no-admission radio programs began to take hold with a vengeance. Personal and corporate income tax rates went up. Venture capital was no longer plentiful. The financial decline of the theater began.

The factors of financial rise or decline in any industry are (1) amount of production (number of plays produced); (2) capital goods facilities (physical theaters), (3) sales (attendance), and (4) profit per dollar invested—this last of overpowering importance in an industry constantly seeking venture capital. Let us take these up in order.

Production: In the seasons ended May 31, 1927, and 1928, over 260 plays were produced per season. By 1931 this number had fallen to 187—and the decline had only started. The average number of plays per season from 1931 through 1940 was 142; for the ten years 1941–1950 it was 78—despite the fact that in the war years, always a boom time in the theater, the number was over 90 each year. From 1951 through 1960 the average dropped to 62, but in the last four seasons (including 1961) it has been under 60. The detailed figures are set out in exhibit A.

Theaters: In 1931 there were 66 physical theaters available for productions of the creative core. This number declined steadily during the depression decade of the 1930's to only 43 in 1940—a decline of 35 percent in one decade.

The downward trend continued, even during the war years, and reached a low of 30 theaters in 1950 and 1956—a decline of 55 percent since 1931. Today the number is about 33, an increase of 3 over 1956. However, these three theaters were old theaters, which had been abandoned for other uses and were reclaimed for professional production. No theater for professional productions exists in New York that was built after 1927—34 barren years as far as capital facilities are concerned—although architects and designers have been burning with creative ideas.

The decline in physical facilities has not been limited to New York. Plays emanating from the creative core frequently are toured through the Nation. Obviously, this requires physical theaters throughout the Nation. The number of such theaters has declined from 560 to 193. (See exhibits B and C.)

Attendance: Accurate figures on attendance are difficult to obtain. However, it is obvious that if the number of physical theaters in New York dropped from 66 to 30, and that if the number of physical theaters on the road dropped from 560 to 193, there must have been a decline in attendance of considerable proportion.

During the period of this decline, the population of the United States increased 46 percent, the per capita disposable personal income (in dollars of constant purchasing power) rose more than 78 percent, and the increased efficiency of the airlines brought New York within easier and easier reach.

Profits: Almost all profit-seeking industries in the United States have been caught in a cost-price squeeze since 1939. The industries which have had the hardest going are those which (a) rely on personal service employees to a major extent, particularly where such employees are highly unionized, or (b) constantly require new items of one sort or another, or (c) find more than average public resistance to increased prices for the product, or (d) have limited outlets of distribution. The living theater suffers heavily in all four respects.

Machines play an insignificant role in the theater. Actors, musicians, stagehands, press agents—all highly unionized—are the major operating costs, although the royalties to dramatists, composers and lyricists, also highly organized, come to no small item. Moreover, there is always a shortage of talent with "star" quality—the ability to draw people to the box office—and the successful actor or dramatist or composer can obtain astoundingly high compensation. Exhibit D shows the increase of minimums in the theater; vast increases in cost also come from those who can command much, much more than the minimum.

As mentioned, every play is the organization of a new enterprise—new sets are bought, new costumes made, new props secured, often in a rush and hence at overtime rates. The rise in these costs has been tremendous. In the 1930's a musical comedy could be, and often was, produced in toto for $75,000 to $100,000. Today, the costumes alone may cost more than that.

Ticket prices have been raised (see exhibit E), but it has not been possible to raise them sufficiently to pass along the increased costs. Plays must now run longer in order to recoup their costs and make a fair profit; this means that more people must see them.

However, the distribution outlet is limited. Even a lavish musical cannot be presented properly in a stadium seating 100,000 people. The current physical theater will seat, on the average, around 1,000 people. This means that many people who wish to see a "hit" cannot get in; this germinates a sales resistance to all ticket prices.

It is difficult to get exact financial figures on plays, since they are private enterprises, but certain facts are clear. Exhibit F shows how capital requirements have risen. Profits have not risen commensurately.

For example, in 1938 "Life With Father" was capitalized at $25,000. It is estimated that it earned at least $1,500,000, a profit of $60 for each $1 invested. Ten years later the same producer presented a sequel by the same authors, "Life With Mother." It was capitalized at $100,000—four times as much, and would have required earnings of $6 million to show a 60-to-1 return.

Let us repeat once more: If the creative core is to continue as part of a free enterprise system, it must attract venture capital. Every factor which the venture capitalist scrutinizes is shifting toward the negative. The trend cannot continue indefinitely, or the theater will require subsidy or cease to exist.

By every test the living theater, for 30 years, has been a financially declining industry which has needed, still needs, and will continue to need, help and encouragement. The record shows that it has received discouragement from every side.

SOME OTHER ASPECTS OF FEDERAL TAXATION

In the low tax years of the 1920's, the organization of a legal entity to produce a play was a simple matter. Sometimes it was done by syndicate letter agreements. More often a simple corporation was organized; the investors received a senior security, debentures or preferred stock, and a share of the equity stock. Everyone was thus protected from personal liability; the accounting problems were routine; the tax burden clear and small.

When corporate tax rates rose, during the 1930's, investors, who, it must always be remembered, were venture capitalists, objected to stock ownership, so a simple loan agreement with the producing corporation was worked out, which gave them their share of profits in lieu of interest. Personal liability was still protected. (The professionals, among themselves, and their close friends, still frequently used syndicate agreements.)

In 1940 an excess profits tax was passed which discriminated so violently against new ventures such as play productions that the use of the corporation had to be dropped. Most producers assumed personal liability and used a modified form of the loan agreement. Suddenly, an amendment to the law knocked out the loan agreement by denying a fully deductible loss to the lender—the venture capitalist.

The industry then turned to the limited partnership as a last hope. At first this hope seemed doomed by mechanical difficulties. When the first investor, or his counsel, looked at the proposed agreement, he demanded changes; the second investor then demanded other changes, which required going back to the first for reapproval; the third wanted something which required going back to the first two; and so ad infinitum. Fortunately, the industry laid aside personal prejudices and agreed on a more or less standard form. This did away with the interminable delays.

When all seemed well, the Treasury launched another attack. It brought suit against a syndicate of one of the most distinguished and reputable producers and his investors, asserting that they should be taxed as if they were a corporation. There was a further plain implication that the standard limited partnership was next in line for attack. The sophisticated venture capital dried up immediately; it looked as if there would be only a shell of a season during the coming year. At this point the industry retained a distinguished ex-Treasury official who was able to make the Government see some light. He obtained a ruling that the standard limited partnership was a partnership, to be taxed as a partnership and not as a corporation.

But the end is not yet. Less than a year ago the Treasury proposed new regulations designed to knock out a limited partnership unless the general partner could show adequate financial means. The new entrepreneur, willing to risk his own credit future, was not to be acceptable. He was to be denied the financing method open to his successful older competitors. The regulations, as finally promulgated, were less onerous, but where this attack will end remains to be seen.

Such is the record of the lack of help or encouragement given to the declining living theater by the Treasury.

Just one bit of help was given in 30 years. In 1954 the admission tax was not eliminated but it was reduced to 10 percent. New York City immediately imposed a new tax of 5 percent.

NONTAX ASPECTS

Near the close of the 1940's the Securities Exchange Commission decided that play productions involved sales of securities to the general public and therefore the entrepreneurs must file with the Commission. The industry protested; the law was far from clear. A Commission representative assured the industry that the matter would be handled so as to provide minimum difficulty. A short set of papers would be all that was required; 5 days after filing, unless the Commission objected, the producer could seek and take investments. The industry then quickly agreed to obey despite warnings that the simple procedure was only the beginning.

The warnings proved correct.

The organization of a play often depends on one golden moment when star, director, and theater are all available; then moving ahead full speed. Five days' delay is not fatal. But it didn't remain 5 days very long. New Commission representatives decided it should only be 5 days if they gave their approval within that time, and they frequently didn't even look at the papers within that time. The short set of papers grew and grew and grew, as the Commission demanded more and more and more statements. At one time the Commission proposed a regulation that the papers must include a synopsis of the plot of the play. Six or seven weeks became the normal time. Finally, after continued protests, but only after continued protests, the Commission adopted a system which can and does speed up approval. But the short set of papers and the 5 days have never returned.

During this whole period of harassment of the producers who complied with the Commission's rulings, not one action was brought by the Commission to prevent producers who ignored the law from raising money for a play, although these producers regularly sent out unapproved prospectuses and in one case announced their money raising in the daily papers.

Such has been the lack of help from the guardians of financial morality.

Until Mayor Robert Wagner personally studied the problem and reached the long overdue conclusion that the theater was one of the city's main attractions, the city of New York drew, from the theater, indirect benefits in the millions, but added to the general harassment.

One reason why the construction of theaters came to an end was an obsolete city building code. The theater protested for years but it wasn't changed until building costs had risen to a point of no return, while the general theatrical financial decline had made any kind of theatrical construction unattractive to the builder.

Even in minor ways, the city has been, to put it mildly, uncooperative. In the 1920's it became clear beyond all question that the theater was an enormous drawing card for visitors, and some wise theater operator appealed to the city to help make theatergoing attractive to them. He proposed that, since many of these visitors used taxicabs to go and come, the theater approaches be cleared of parked cars for an hour before curtain time. The experiment was tried and everyone who remembers it will testify that it was spectacularly successful—everyone except the city officials, who refused to make it permanent. No only that, but shortly thereafter taxicabs were forbidden to enter theater streets to pick up passengers at the close of a play.

A real body blow was dealt by the city when it negated half the benefit of the grudging reduction of the Federal admissions tax. This occurred in 1954. The reduction was from 20 to 10 percent. The city immediately imposed a 5-percent tax.

Quite properly, the city has a commissioner of licenses whose duty it is to make sure of the physical safety of theaters for both actors and audience. From time to time, a commissioner has been appointed who has used his power over the physical theater to censor the artistic content of a play. No other city has ever used such a crude, backhanded method of censorship.

Such has been the attitude of the city where the artistic side of the living theater has flourished so brilliantly as to bring millions of visitors every year.

At the moment there is a glimmer of hope. Mayor Wagner has studied the problems and realized that the city has been energetically sawing off a stout branch of its support helped by the State and the Federal Governments. He is advocating as a first step to rescue the theater repeal of all admission taxes.

CONCLUSION

The United States is justly proud of the fact that its great physical natural resources have been developed by a free enterprise profit system. The culture of a country is as much a natural resource as any physical product, but only two facets of our culture have been products of the free enterprise system—books and the living theater. Painting, sculpture, music, opera, ballet have had to rely largely on charitable institutions. Books have been left alone; no one ever had to pay 10 percent, or 15 percent, or 20 percent of the cost of a book before being permitted to read it. The disheartening record of the theater is set out above. In conclusion, let us compare the treatment of a physical resource with the treatment of the living theater.

When the importance of oil became apparent, what did the Government do? Did it harass the oil explorer and his backers with Government, city, and State regulations? Did it levy special unfair taxes on the prospector? Very clearly it did not; instead it gave the seeker for oil and his backers an enormous tax advantage. They were permitted to charge off exploration costs whether they succeeded or failed; they were given, in cases of success, a depletion allowance which amounted to tax-free income; they were assured of a capital gain treatment on sales. These factors combined to produce the greatest oil industry in the world—copied by every other nation. Would we have had it without this encouragement?

The creative core of the living theater can be proud of the fact that, despite lack of help and encouragement, despite financial harassment, despite discrimination against it, it has maintained, artistically, a vital dynamic theater. But artistic vitality cannot surmount financial disaster forever. Our creative core is today on the brink of the cascade; at any moment it may go down with a plunge. Yet very little is needed to avert the danger. It is not seeking subsidization nor special aid; it is asking only that a free people take pride in their free theater and treat it fairly.

Without pride at home, we shall soon lose our position abroad. We cannot continue to ask eminent producers to arrange economical foreign tours to show off our theater, while our competitors spare no expense to display their best. We must look on our artistic theatrical accomplishments with admiration, not as something to be used at the least expense possible. This may require a complete reversal of feeling toward the theater on the part of many people. Maybe this cannot be done overnight, but, to quote our President, "Let us begin." An admirable beginning, as shown above, would be the elimination of unfair and discriminatory taxes.

EXHIBIT A.—*Total annual professional productions in New York City, 1901–60*

Seasons [1]	Total productions	Seasonal decades	High, low, and annual average, production per decade: High	Low	Annual average
1901	96				
1902	90				
1903	98				
1904	118				
1905	127	1901–10	144	90	114
1906	111				
1907	129				
1908	110				
1909	118				
1910	144				
1911	131				
1912	140				
1913	162				
1914	128				
1915	133	1911–20	162	115	138
1916	115				
1917	126				
1918	156				
1919	149				
1920	144				
1921	152				
1922	194				
1923	174				
1924	186				
1925	228	1921–30	264	152	217
1926	255				
1927	263				
1928	264				
1929	225				
1930	233				
1931	187				
1932	207				
1933	174				
1934	151				
1935	149	1931–40	207	91	142
1936	135				
1937	118				
1938	111				
1939	98				
1940	91				
1941	69				
1942	83				
1943	80				
1944	97				
1945	92	1941–50	97	57	78
1946	76				
1947	79				
1948	76				
1949	70				
1950	57				
1951	81				
1952	72				
1953	54				
1954	59				
1955	63	1951–60	81	54	62
1956	56				
1957	62				
1958	56				
1959	57				
1960	57				

[1] Each season's year ending on May 31 of each year.

Source: Derived from article in Variety, New York, N.Y., issue of June 1, 1960.

EXHIBIT B.—*Legitimate (commercial) theaters in New York City, 1931–60*

Year	Number of theaters	Average number per decade
1931	66	54.0
1932	64	
1933	59	
1934	56	
1935	56	
1936	53	
1937	50	
1938	48	
1939	47	
1940	43	
1941	43	37.0
1942	43	
1943	41	
1944	39	
1945	36	
1946	36	
1947	35	
1948	35	
1949	31	
1950	30	
1951	31	31.5
1952	30	
1953	33	
1954	33	
1955	31	
1956	30	
1957	31	
1958	32	
1959	31	
1960	33	

Source: League of New York Theatres.

EXHIBIT C.—*Theaters booked outside New York City for professional production,[1] by States, selected seasons ending in 1921, 1953, 1958, and 1960*

State	1921	1953	1958	1960	Change, 1953–60	Change, 1921–60
Alabama	9	3	3	3	0	−6
Arizona	6	2	2	2	0	−4
Arkansas	5	1	1	1	0	−4
California	35	14	14	14	0	−21
Colorado	10	3	3	3	0	−7
Connecticut	13	4	4	4	0	−9
Delaware	3	1	1	1	0	−2
District of Columbia	4	1	2	2	+1	−2
Florida	15	6	6	6	0	−9
Georgia	17	5	5	5	0	−12
Idaho	8	2	2	2	0	−6
Illinois	24	11	11	11	0	−13
Indiana	27	6	6	6	0	−21
Iowa	34	6	6	6	0	−28
Kansas	29	7	7	7	0	−22
Kentucky	8	1	3	3	+2	−5
Louisiana	7	2	2	2	0	−5
Maine	10	1	1	1	0	−9
Maryland	3	1	1	1	0	−2
Massachusetts	17	6	8	7	+1	−10
Michigan	20	6	6	6	0	−14
Minnesota	10	3	2	1	−2	−7

See footnote at end of table.

EXHIBIT C.—*Theaters booked outside New York City for professional production,*[1] *by States, selected seasons ending in 1921, 1953, 1958, and 1960*—Continued

State	1921	1953	1958	1960	Change, 1953-60	Change, 1921-60
Mississippi	4	3	3	3	0	−1
Missouri	7	3	3	3	0	−4
Montana	6	5	5	5	0	−1
Nebraska	4	0	1	1	+1	−3
Nevada	3	1	1	1	0	−2
New Hampshire	11	1	1	1	0	−10
New Jersey	8	6	2	2	−4	−6
New Mexico	2	1	1	1	0	−1
New York	22	7	4	4	−3	−18
North Carolina	4	5	5	5	0	+1
North Dakota	3	2	2	2	0	−1
Ohio	32	11	11	11	0	−21
Oklahoma	14	3	3	3	0	−11
Oregon	5	1	1	1	0	−4
Pennsylvania	36	13	13	13	0	−23
Rhode Island	3	1	1	1	0	−2
South Carolina	6	4	4	4	0	−2
South Dakota	2	1	1	1	0	−1
Tennessee	3	4	4	4	0	+1
Texas	21	14	14	14	0	−7
Utah	5	2	2	2	0	−3
Vermont	5	0	0	0	0	−5
Virginia	9	5	5	5	0	−4
Washington	9	3	3	3	0	−6
West Virginia	3	3	3	3	0	0
Wisconsin	17	4	4	4	0	−13
Wyoming	2	2	2	2	0	0
Total	560	197	195	193	−4	−367

[1] Exclusive of all professional theaters in New York City.

Source: National Association of the Legitimate Theatre & Independent Booking Office.

EXHIBIT D.—*Minimum weekly wages and salaries in the professional living theater (pre-World War II, 1953, 1957, and 1960*[1]*)*

Groups	Prewar years	1953	1957	1960	Percent increase from earliest year to 1960	Percent increase in cost of living index [2]
Actors' Equity Performers: [3]						
Rehearsal		$45.00	$65.00	$82.50	83	11
New York production [4]	$40.00 1938	85.00	100.00	111.00	[5] 180	110
Road production	40.00	110.00	135.00	145.00	262	110
Stage Managers:						
New York dramatic	(6)	150.00	175.00	190.00	27	11
New York musical	(6)	200.00	225.00	240.00	20	11
Road dramatic	(6)	175.00	225.00	240.00	37	11
Road musical	(6)	225.00	275.00	290.00	29	11
1st assistant managers:						
New York dramatic	(6)	85.00	125.00	135.00	60	11
New York musical	(6)	100.00	150.00	160.00	60	11
Road dramatic	(6)	110.00	175.00	190.00	73	11
Road musical	(6)	125.00	200.00	215.00	72	11
Porters (New York):						
Head			68.46	73.68	8	5
Others	25.00 1939	59.29	62.90	67.70	170	113
Cleaners (New York):						
Head			49.04	52.78	8	5
Others	13.75 1939	37.51	43.31	46.61	240	113
Ushers (New York):						
Chief			42.90	42.90	0	5
Others	11.00 1942	24.75	33.00	33.00	200	81
Stage door (New York):	22.50 1942	45.10	64.00	64.00	185	81
Ticket taker (New York)	22.50 1942	41.80	58.00	58.00	160	81
Wardrobe attendants (New York):						
Master	50.00 1939	90.00	112.08	115.20	130	113
Dressers	22.00	42.00	60.00	70.40	218	113
Musicians (New York):						
Musicals:						
Contract houses	$80.00 1934	$139.50	$155.50	$170.00	112	121
Noncontract houses	(6)	(6)	195.00	213.20	9	5
Dramas:						
Contract houses	56.00	98.15	109.35	119.50	112	121
Noncontract houses	(6)	(6)	146.75	159.90	9	5
Box offices (New York):						
Treasurer	80.00 1939	115.00	130.00	130.00	62	113
Assistant treasurer	55.00	95.00	110.00	110.00	100	113
Engineers (New York)	58.50 1940	100.00	126.00	131.00	124	111
Stage hands (New York):						
Department heads	82.50 1937	136.08	155.77	160.18	95	106
Others	54.00	90.72	103.84	106.80	98	106
House managers:						
Company managers (New York):						
Dramatic	100.00 1938	150.00	173.65	176.96	77	110
Musicals	100.00	150.00	179.45	182.87	83	110
Company manager (road):						
Dramatic	(6)	(6)	231.55	235.95	2	5
Musicals	(6)	(6)	277.80	283.09	2	5
Advance agents:						
New York	150.00 1938	210.00	242.55	247.19	65	110
Road	150.00	210.00	283.60	287.00	88	110

[1] Effective June 1, 1960.
[2] From earliest year to 1960.
[3] Includes Equity Chorus.
[4] In 1938 the minimum for Equity Chorus was only $35.
[5] The increase for Equity Chorus was 217 percent, while the cost of living increased 110 percent between 1938 and 1960.
[6] Not available.

Source: National Association of the Legitimate Theatre.

EXHIBIT E.—*Average maximum prices*[1] *of theater tickets in New York City, 1944, 1953, 1955, and 1959*

	1944 [2]	1953 [2]	1955	1959	Percent price increase 1959 over—	
					1953	1944
DRAMATIC SHOWS						
Average maximum price	$3.49	$5.29	$5.49	$7.17	35.5	105.5
Admissions taxes [3]	.58	.88	.72	.85		
Federal	.58	.88	.48	.53		
New York City			.24	.32		
Price less admissions taxes	2.91	4.41	4.77	6.32	43.3	117.0
MUSICALS						
Average maximum price	4.84	6.90	6.97	8.57	24.2	77.1
Admissions taxes	.81	1.15	.91	1.03		
Federal	.81	1.15	.61	.65		
New York City			.30	.38		
Price less admissions taxes	4.03	5.75	6.06	7.54	31.1	87.1

[1] Average maximum price is the sum of the maximum ticket price of all dramatic shows and all musicals playing in January of each year, divided by the number of dramatic shows and musicals, respectively.
[2] The statistics in this chart for the years 1944 and 1953 differ somewhat from those reported for these years by the same source in 1953, but are more comprehensive.
[3] Admissions taxes: In 1944 and 1953: Federal, 20 percent of established price. In 1955: Federal, 10 percent of established price. New York City: 5 percent of established price. In 1959: Federal, 10 percent of established price, less $1. New York City: 5 percent of established price.

Source: National Association of the Legitimate Theatre.

EXHIBIT F.—*Increase in capital requirements in the New York theater, 1939–60*

Year	Show	Capitalization	Year	Show	Capitalization
	DRAMAS			MUSICALS	
1939	Life With Father	$25,000	1949	South Pacific	$225,000
1943	Voice of the Turtle	20,000	1950	Gentlemen Prefer Blondes	160,000
1945	Deep Are the Roots	40,000	1956	Bells Are Ringing	360,000
1948	Mr. Roberts	100,000	1956	My Fair Lady	400,000
1956	Auntie Mame	180,000	1960	Camelot	600,000
1959	Miracle Worker	125,000			
1960	Toys in the Attic	125,000			
1960	The Rape of the Belt	144,500			
1960	Advise and Consent	150,000			

Source: League of New York Theatres.

Mr. MORTON. Mr. President, I appreciate the plight of the American theater, and I commend the Senator from New York for his efforts in behalf of this institution.

However, I feel constrained to oppose his amendment.

Yesterday, the Senate had a very close vote on the Federal retail sales tax amendment; and the amendment was rejected. Assurance was given to us that this matter would be reviewed by the Ways and Means Committee and the Senate Finance Committee before the end of this fiscal year.

If that amendment had been adopted yesterday, I would be more inclined to support this amendment. But yesterday we pointed out that we must not open a Pandora's box, and that therefore amendments which do not relate to the actual necessities should be rejected.

Therefore, Mr. President, although I am sympathetic to the objectives the Senator from New York has in mind, I must oppose the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Arizona [Mr. HAYDEN], the Senator from Oregon [Mr. MORSE], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I further announce that the Senator from California [Mr. ENGLE] is necessarily absent.

On this vote, the Senator from Oregon [Mr. MORSE] is paired with the Senator from California [Mr. ENGLE]. If present and voting, the Senator from Oregon would vote "yea" and the Senator from California would vote "nay."

Mr. KUCHEL. I annouce that the Senator from Nebraska [Mr. CURTIS], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Nebraska [Mr. CURTIS]. If present and voting, the Senator from Arizona would vote "yea" and the Senator from Nebraska would vote "nay."

The result was announced—yeas 33, nays 59, as follows:

[No. 29 Leg.]

YEAS—33

Aiken
Bartlett
Beall
Bennett
Boggs
Case
Clark
Dodd
Dominick
Douglas
Fong
Fulbright
Gore
Gruening
Hickenlooper
Javits
Keating
Kuchel
Mechem
Metcalf
Moss
Neuberger
Pastore
Pearson
Pell
Prouty
Ribicoff
Saltonstall
Scott
Tower
Williams, N.J.
Yarborough
Young, Ohio

NAYS—59

Allott
Anderson
Bayh
Bible
Brewster
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Carlson
Church
Cooper
Cotton
Eastland
Edmondson
Ellender
Ervin
Hart
Hartke
Hill
Holland
Hruska
Humphrey
Inouye
Jackson
Johnston
Jordan, N.C.
Jordan, Idaho
Kennedy
Lausche
Long, Mo.
Long, La.
Magnuson
McCarthy
McClellan
McGee
McGovern
McIntyre
McNamara
Miller
Monroney
Morton
Mundt
Muskie
Nelson
Proxmire
Randolph
Robertson
Russell
Simpson
Smathers
Smith
Sparkman
Stennis
Symington
Thurmond
Walters
Williams, Del.
Young, N. Dak.

NOT VOTING—8

Curtis
Dirksen
Engle
Goldwater
Hayden
Mansfield
Morse
Talmadge

So Mr. JAVITS' amendment was rejected.

Mr. DOUGLAS. Mr. President, I call up my amendment No. 368, which is on the desks of most Senators.

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois will be stated.

The legislative clerk read as follows:

Add at the end of the bill a new section:

"SEC. . PERCENTAGE DEPLETION FOR OIL AND GAS WELLS.

"(a) GRADUATED RATES.—Section 613 (relating to percentage depletion) is amended—

"(1) by striking out in subsection (a), 'specified in subsection (b)' and inserting in lieu thereof 'specified in subsections (b) and (d)';

"(2) by striking out paragraph (1) of subsection (b) and inserting in lieu thereof the following:

" '(1) OIL AND GAS WELLS.—The percentage applicable under subsection (d) (1).'; and

"(3) by redesignating subsection (d) as (e), and by inserting after subsection (c) the following new subsection:

" '(d) OIL AND GAS WELLS.—

" '(1) PERCENTAGE DEPLETION RATES.—In the case of oil and gas wells, the percentage referred to in subsection (a) is as follows:

" '(A) 27½ percent—to the extent that, for the taxable year, the taxpayer's gross income from the oil and gas well, when added to (i) the taxpayer's gross income from all other oil and gas wells, and (ii) the gross income from oil and gas wells of any taxpayer which controls the taxpayer and of all taxpayers controlled by or under common control with the taxpayer, does not exceed $1,000,000;

" '(B) 21 percent—to the extent that, for the taxable year, the taxpayer's gross income from the oil and gas well, when added to (i) the taxpayer's gross income from all other oil and gas wells, and (ii) the gross income from oil and gas wells of any taxpayer which controls the taxpayer and of all taxpayers controlled by or under common control with the taxpayer, exceeds $1,000,000 but does not exceed $5,000,000; and

" '(C) 15 percent—to the extent that, for the taxable year, the taxpayer's gross income from the oil and gas well, when added to (i) the taxpayer's gross income from all other oil and gas wells, and (ii) the gross income from oil and gas wells of any taxpayer which controls the taxpayer and of all taxpayers controlled by or under common control with the taxpayer, exceeds $5,000,000.

" '(2) CONTROL DEFINED.—For purposes of paragraph (1), the term "control" means—

" '(A) with respect to any corporation, the ownership, directly or indirectly, of stock possessing more than 50 percent of the total combined voting power of all classes of stock entitled to vote, or the power (from whatever source derived and by whatever means exercised) to elect a majority of the board of directors, and

" '(B) with respect to any taxpayer, the power (from whatever source derived and by whatever means exercised) to select the management or determine the business policies of the taxpayer.

" '(3) CONSTRUCTIVE OWNERSHIP OF STOCK.—The provisions of section 318(a) (relating to constructive ownership of stock) shall apply in determining the ownership of stock for purposes of paragraph (2).

" '(4) APPLICATION UNDER REGULATIONS.—This subsection shall be applied under regulations prescribed by the Secretary or his delegate.'

"(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply only with respect to taxable years beginning after the date of the enactment of this Act."

Mr. DOUGLAS. Mr. President, this is a variation of the amendment previously offered by the Senator from Delaware [Mr. WILLIAMS]. On this question I ask for the yeas and nays.

The yeas and nays were ordered.

SLIDING SCALE REDUCTION

Mr. DOUGLAS. First, Mr. President, let me explain the amendment. It is the same amendment which I have offered in previous years. In brief, it would reduce the depletion allowance on oil and gas from the present 27½ to 15 percent in those cases where the taxpayer's gross income, abroad and at home, from oil and gas in any one year exceeds $5 million.

The allowance would be reduced to 21 percent where the taxpayer's income from oil and gas exceeded $1 million but did not exceed $5 million.

It would leave the existing 27½-percent allowance for those whose income from oil and gas does not exceed $1 million gross income in a year.

SMALL INDEPENDENTS AND WILDCATTERS EXEMPT

This, in practice, would exempt virtually all the wildcatters from any reduction in the depletion allowance. It would also exempt the owners of land upon which drillings are conducted, and who normally receive a one-eighth royalty.

My amendment differs from the Williams amendment in that the Williams amendment would have reduced, at a uniform rate, all operations, regardless of size, down to an ultimate low of 20 percent.

This amendment provides a graduated reduction, exempting small drillers, operators, and royalty recipients. It provides that the medium-sized drillers will not have their depletion allowance reduced below 21 percent, but under it the big companies, the very prosperous companies, will have their depletion allowance reduced to 15 percent.

REBUTTAL OF PROFIT FIGURES

Before I go into the affirmative case for this amendment, let me refer to some of the figures which have been introduced by my good friend, the Senator from Louisiana [Mr. LONG], and which are contained in the well-fashioned charts at the rear of the Chamber and which bear evidence of an expert job.

The Senator from Louisiana pointed out one chart which shows, apparently, that the average profits of the petroleum industry were only 9.1 percent over the 8-year period from 1955 to 1962, whereas they were 10.3 percent for all the manufacturing industries.

This is correct so far as it goes, but what is omitted is that it does not include income which American companies receive from oversea oil operations. It is well known these are much more profitable to the big companies, such as Standard Oil Co. of New Jersey, that have oil wells in Venezuela, or such as the three standard oil companies and Texaco, which have oil wells in the Persian Gulf. It does not include them.

OIL AVERAGE PROFITS HIGHER THAN OTHER INDUSTRIES

If they are included, we find that the average rate of profit for the 8 years on foreign operations is, not 9.1 percent, but 19.5 percent. If the foreign operations are added in with the domestic oil operations, it produces a combined total average rate of profit of 11.2 percent, or 1 percent higher than the average for all manufacturing industries. This is shown in a table prepared at my request by the Tax Analysis Division of the Treasury Department and which I ask unanimous consent to be inserted in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—*Rate of return on investment capital*

[Percent]

	All manufacturing companies [1]	33 petroleum companies [2]		
		Total [3]	Domestic	Foreign operations
1955	12.6	13.5	10.2	30.2
1956	12.3	13.9	10.5	28.8
1957	11.0	13.0	10.1	23.8
1958	8.6	9.5	7.2	17.3
1959	10.4	9.7	8.5	13.8
1960	9.2	10.0	8.8	13.8
1961	8.8	10.0	8.7	13.9
1962	9.8	10.3	8.8	14.6
Average of 8 years	10.3	11.2	9.1	19.5

Office of the Secretary of the Treasury, Office of Tax Analysts, Jan. 29, 1964.

[1] Federal Trade Commission-Securities and Exchange Commission.

[2] Chase Manhattan Bank, "Annual Report on 33 Petroleum Companies."

[3] Rate of return on all operations, regardless of origin by domestic or foreign.

Mr. DOUGLAS. So let us be done with the crocodile tears about the low rate of earnings in the oil industry. I shall refer to that matter again later on in my remarks.

DRY HOLE MYTH

Second, we have had brought up again the old ghost that there are eight unsuccessful or dry holes for every successful drilling. This is a somewhat hoary myth which has been perpetrated year after year.

I call attention to the statement of Gen. E. O. Thompson, who was supposed to have been the great authority in the oil industry. In testimony before the House Ways and Means Committee in 1950, he stated that the overall industry average was two successes for every dry hole.

The Oil and Gas Journal itself, volume 67–16, stated that the 5 largest oil companies in 1958 hit 3,447 successful production wells against 868 dry holes, or a ratio of 4 successes to 1 miss. Even the worst record among the 40 top oil companies was 105 successes to 96 dry holes. The secret of the whole thing is that the wildcatters do the adventurous drilling and, when a field is found and developed, the big companies come in. They take very little risk. The wildcatter does take some risk. That is why I do not propose to reduce the depletion allowance for the wildcatters and for those who have a gross income of less than $1 million a year.

My amendment, therefore, is a small independent oilman amendment as well as a propublic amendment.

This amendment strikes at the greatest abuse among the many abuses in our whole tax system. Many unjust tax privileges are now embodied in the revenue system, costing the Government many billions of dollars a year in revenue. These privileges are sometimes called loopholes. Perhaps they are better termed "truckholes." They produce a disparity in the rates of taxation on equal net incomes. They have been increased over the years so that the tax structure of the country is now seriously eroded.

OIL AND GAS DEPLETION GREATEST ABUSE

Of all these abuses, depletion allowance and other privileges for oil and gas are the worst. Unless Congress cures this and other erosions and injustices, these abuses will continue to spread like a cancer through our tax system and make citizens disgruntled and cynical. They may break down our whole tax system with everyone seeking special privileges.

I have said that the 27½-percent depletion allowance and other privileges for income from oil and gas are the worst of many tax loopholes. Let me review the situation so far as oil and gas are concerned.

Under present law, a host of costs and special allowances in and for the gas industry are deductible from gross income even before the depletion allowance applies. There are others which offset the actual taxes—that is, tax credits owed dollar for dollar.

OPERATING COSTS DEDUCTIBLE

First, of course, there are operating costs. This is a deduction for every industry. Perhaps it is the only deduction which is not a special deduction for the oil industry. I would not change this. It is completely proper.

INTANGIBLE DRILLING COSTS

Second, the gas and oil industry is credited with intangible drilling and developmental costs. These are capital costs which can be written off in 1 year and not spread over a period of years, as is the case in other industries. It has been estimated that between 75 and 90 percent of all costs involved in drilling a successful well can be written off within a year in this manner. We have, therefore, given to this industry virtually the ultimate in accelerated depreciation and in fast tax writeoffs. This is in addition to and apart from the ordinary depreciation and the depletion allowance. Thus, there is the very great advantage of the fast writeoff which many experts tell us is more advantageous than even the oil depletion allowance itself. What other industries must capitalize and depreciate, the oil industry can and does write off in the first year.

I am not proposing in my amendment to alter this situation. It applies abroad as well as at home. Most of the 75 to 90 percent of the capital costs can be written off in 1 year.

WRITEOFF OF DRY HOLES

Third, the custom of drilling unsuccessful so-called dry holes can be written off against the income from successful drilling. I do not propose to change that.

FOURTEEN-POINT WESTERN HEMISPHERE DEDUCTION

Fourth, there is a 14-point reduction in the tax itself, or a reduction from 52 to 38 percent on taxable income, for incomes derived from operations abroad in the Western Hemisphere, notably in the oil center of Venezuela, but also in Mexico and other countries.

Standard Oil has big drillings and fields in Venezuela.

ROYALTY PAYMENTS DISGUISED AS TAXES

Royalty payments abroad, particularly in the Near East, are commonly disguised as income tax payments for which the foreign tax credit then is available. The 50–50 plan was started, I believe, in Latin America and then it was applied to the Middle East. Now it has been applied to Persia and throughout the Near East. Indeed, it has gone up in many countries from one-half to two-thirds, and up to 70–30 in some countries. This is really a royalty, but it is called a tax, and therefore it is used to offset to that degree the tax which the American company would otherwise pay on its income from abroad.

I believe it is well known that the Arabian-American Oil Co., which is a subsidiary of three Standard companies, and of Texaco, probably does not pay a single dollar in income tax to the American people, although its profits run into the hundreds of millions of dollars.

DEPLETION IN PERPETUITY

In the case of gas and oil, this amounts to an additional 27½ percent of gross income which is free from taxation up to one-half of net income. This allowance is, moreover, permitted in perpetuity, as long as there is any flow of oil or gas from the well. There are wells in the east Texas fields which I believe started to gush 30 to 50 years ago, and are still continuing.

I remember as a youngster reading about the first great gusher that came in outside of Beaumont, Tex. Some years ago, I was in Beaumont, and I was told that it is still flowing, that ever since 1926 a depletion allowance has been given to it.

Oil can flow, and gas can flow. Men may come and men may go, but the depletion allowance goes on forever.

Mr. GORE. Mr. President, will the Senator from Illinois yield at that point?

TAX HAVENS

Mr. DOUGLAS. I should first like to finish my statement as a whole, and then I shall be glad to yield. In times past, I have yielded during the course of my presentation and have never been able to get back to the thread of my discourse. So if the Senator will allow me to finish my speech, I shall try to finish rapidly, and then I shall be happy to yield to him.

There are also tax havens abroad. If the Gore amendment should be dropped in conference, which may well be its fate, the oil executives abroad would be exempted, as they are now, on the first $35,000 of income. I hope the Gore amendment will be maintained, but I am not too optimistic.

Mr. GORE. The Senator from Illinois will certainly yield long enough for me to say "hurrah," will he not?

Mr. DOUGLAS. Most certainly.

PERCENTAGE DEPLETION ALSO

All these provisions would seem to be extremely generous, but the oil and gas industry is permitted a still further allowance called the percentage depletion allowance, and I should like to speak about that.

There is no limit, moreover, to the depletion allowance as compared with the original cost of the well. They are not limited to the original cost, and in the case of rich wells and long-gushing or long-flowing wells, the deduction of the depletion allowance has gone on interminably without regard to the original cost.

I emphasize again that the depletion allowance is not limited to recapturing the cost of the well in question. It may sound like depreciation, but I assure Senators that depletion is different from depreciation. Depreciation really means providing for the replacing of the original cost of the properties. Under our system, we have double depreciation and then added the depletion allowances as well.

I emphasize that the depletion allowance is in addition to all of the other deductions, continuing through time, without relationship to the taxpayer's investment in the venture and whether or not the investment has been more than recovered from the taxpayers.

There are wells where the depletion allowance has amounted to more than 20 times the original cost. I should like to get the cost figure on that original well in the Beaumont region. Probably the depletion allowance down there has been 100 times the original cost of the drilling.

DEPLETION MORE VALUABLE OVER TIME

From its inception, the percentage depletion allowance has been 27½ percent of gross and half of net income when it was put into effect in 1926. The corporation income tax was then 14 percent, so that this amounted to only about 7 percent of net profits.

As corporation income taxes have risen from 14 percent to the present 52 percent, the value of the allowance both in percentage of profits retained, and dollars, has grown. Not only is this true, but it has also brought in its train a host of similar deductions on virtually everything else extracted from the earth and from the sea.

LOOPHOLE EXTENDED FROM A TO Z

It extends all the way from aluminum to zinc. I should like to read some of them:

Sulfur, uranium, anorthosite (to the extent that alumina and aluminum compounds are extracted therefrom), asbestos, bauxite, beryl, celestite, chromite, corundum, fluorspar, graphite, ilmenite, kyanite, mica, olivine, quartz crystals—radio grade—rutile, block steatite talc, and zircon, and ores of the following metals: antimony, bismuth, cadmium, cobalt, columbium, lead, lithium, manganese, mercury, nickel, platinum and platinum group metals, tantalum, thorium, tin, titanium, tungsten, vanadium, and zinc.

Also rock asphalt and vermiculite; also brucite, coal, lignite, perlite, sodium chloride, and wollastonite.

In 1951, the great Senator from Texas, Tom Connally, had the list extended to include mollusk shells, including clam shells and oyster shells. Other items include peat, pumice, sand, scoria, shale, and stone; also clay used, or sold for use, in the manufacture of building or paving brick, drainage and roofing tile, sewerpipe, flower pots, and kindred products.

I could continue to read from another supplementary list. I shall read only a few of them:

All other minerals, including, but not limited to, aplite, barite, borax, calcium, carbonates, diatomaceous earth, dolomite, feldspar, fuller's earth, garnet, gilsonite, granite, limestone, magnesite, magnesium carbonates, marble, phosphate rock, potash, quartzite, slate, soapstone, stone—used or sold for use by the mine owner or operator as dimension stone or ornamental stone—thenardite, tripoli—that is not the place, but a mineral, I assume—trona. And so forth.

Perhaps I should read what the list does not include. It does not include soil, sod, dirt, turf, water, or mosses, or minerals from sea water. I understand that there is a lawsuit now pending in an attempt to include water in the depletion allowance. But the oil and gas depletion allowance has been the father of them all. We started sowing the dragon's teeth with this allowance and they have borne bitter fruit.

A LOOPHOLE UNIVERSALIZED

This process has gone wild. The depletion allowance is almost a perfect example of why it is necessary to close these loopholes in the law. A more or less successful attempt has been made to make the loopholes universal. This is the citadel of privilege. This is the greatest waste of taxpayers' money. This is the "truckhole" which enables certain specially favored groups to obtain enormous privileges from the Treasury and from the taxpayers.

I do not always agree with the policies of the Treasury. However, it has a very honorable and very capable Office of Tax Analysis manned by fine men. When we ask them to produce figures, they produce honest statistics. For years we have been asking them to produce statistics on depletion. We did so last year. Senators will find these statistics in the first volume of the hearings on the bill before the House Ways and Means Committee, beginning on page 302. It will be found that in the year 1960 the total amount of the tax-free depletion allowance to corporations amounted to $3.267 billion. This was merely the allowances to corporations. It does not include the allowances to individuals.

The estimate is that this figure for individuals as well as corporations would raise the total by approximately one-sixth more. This may be an overstatement. It is most conservative to say that the total depletion granted tax exemption is at least $3.5 billion, of which $2.5 billion is on gas and oil. I do not believe those figures can be challenged in any degree.

Furthermore, 72 percent of this depletion allowance goes to companies with total assets of over $100 million. This information will be found on page 304 in table 3 of the report. Only a little over 2 percent went to corporations with incomes of less than a million dollars. So it is the big boys who are getting the depletion allowance, although they like to hold up the little fellows, the widows, and orphans and use them as fronts and also as the receptacles for the copious tears which they shed.

I ask unanimous consent that this table from page 304 of the House hearings be printed at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Amount and distribution of total depletion deductions, by asset size classes, corporate tax returns, 1950, 1958, and 1959 [1]

Total asset classes	1950			1958			1959		
	Depletion claimed	Percent of total	Percent of total cumulative from largest asset class	Depletion claimed	Percent of total	Percent of total cumulative from largest asset class	Depletion claimed	Percent of total	Percent of total cumulative from largest asset class
	Millions			*Millions*			*Millions*		
0	$3.5	0.2	100.0	$11.4	0.3	100.0	$20.1	0.6	100.0
Under $50,000				9.2	.3	99.7	5.3	.1	99.4
$50,000 under $100,000	3.7	.2	99.8	5.9	.2	99.4	4.5	.2	99.3
$100,000 under $250,000	12.1	.6	99.6	22.3	.7	99.2	16.4	.5	99.1
$250,000 under $500,000	21.4	1.0	99.0	32.1	1.0	98.5	28.6	.9	98.6
$500,000 under $1,000,000	41.4	2.0	98.0	42.8	1.4	97.5	28.8	.9	97.7
$1,000,000 under $5,000,000	160.8	7.8	96.0	167.0	5.3	96.1	165.6	5.1	98.8
$5,000,000 under $10,000,000	83.8	4.1	88.2	91.4	2.9	90.8	96.4	2.9	91.7
$10,000,000 under $50,000,000	318.9	15.4	84.1	333.6	10.6	87.9	341.0	10.6	88.8
$50,000,000 under $100,000,000	120.8	5.8	68.7	200.2	6.3	77.3	206.3	6.3	78.1
$100,000,000 and over	1,299.3	62.9	62.9	2,232.5	71.0	71.0	2,326.5	71.9	71.9
Total	2,065.8	100.0		3,148.2	100.0		3,234.0	100.0	

[1] Includes depletion claimed for both minerals and timber since the figures in the original source could not be adjusted to remove depletion for timber, which accounts for approximately 8 percent of total depletion claimed.

Source: "Statistics of Income, Corporation Income Tax Returns." 1950, 1958–59, 1959–60.

Office of the Secretary of the Treasury, Office of Tax Analysis, Feb. 6, 1963.

INDIVIDUAL EXAMPLES

Mr. DOUGLAS. We all know, as men, some of the huge individual fortunes which have been made and upon which either no taxes or very little taxes have been paid.

I am not here to excoriate those gentlemen; I do not make a practice of that. I do not say that they have done anything illegal. I do say that the laws have been so rigged as to benefit them enormously, and that virtually all of those gentlemen—with some honorable exceptions—are opposing any change in the law which would take from them some of the unjust benefits which they are now receiving.

MILLIONS IN INCOME—NO TAXES PAID

On December 12, I had printed in the RECORD six examples of individual oil operators, who, because of special allowances allowed, paid little or no taxes in 1960. One of these individuals had an economic income of $26,400,000 in 1960, and paid no Federal income taxes at all. I do not say the depletion allowance was the sole cause of this. The intangible drilling and developmental costs, and capital gains all played their part.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. Not at this time. I had to decline to yield to my friend, the Senator from Tennessee [Mr. GORE]. I would like to complete my speech. Then I shall be very glad to yield to the Senator from New Mexico.

Another had an income of $2,300,000, and paid no income taxes at all; another had an income of $1,200,000 and paid no income taxes at all. Another had an income of little over $1 million, but paid only 5.9 percent of his income, or $60,000 in Federal income taxes. Another had an economic income of $2.1 million and paid $167,000, or 7.9 percent in Federal income taxes.

Still another had $1.7 million in income, but paid only $162,000, or 8.4 percent, in Federal income taxes.

I ask unanimous consent that a table showing these facts and the detailed examples be printed at this point in the RECORD, and that specific examples for each of the six be also printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—*Examples of high income oil operators with low effective tax rates (1960)*

Taxpayer	(1) Total economic income	(2) Reported economic income	(3) Adjusted gross income	(4) Net taxable income	(5) Federal income tax	(6) Federal income tax as percentage of total reported economic income (col. 2)
A	$4,542,447	$2,110,060	$405,376	$317,[illegible]84	$166,768	7.9
B	4,020,349	2,271,723	(723,916)	(725,[illegible]52)	0	0
C	2,201,278	1,707,839	454,404	240,016	142,808	8.4
D	28,716,932	26,440,776	[1] (556,626)	[2] (846,330)	0	0
E	1,522,478	1,179,248	[1] 330,645	[2] (184,992)	0	0
F	1,307,962	1,029,540	135,633	[2] 131,945	61,240	5.9

[1] After carryover of net loss.
[2] Before personal exemptions.

Example of actual high income oil operator (individual A) with low effective tax rate, 1960

Total reported economic income:	
Salary	$45,000
Dividends	$1,028,163
Interest (taxable)	$5,904
Capital gains (100 percent)	$717,166
Oil and gas production (before special deductions)[1]	$2,336,729
Oil and gas manufacturing, distribution, and royalties	$399,495
Farm income	$9,990
Total income before exploration and development and nonallocated overhead expenses	$4,542,447
Less:	
Oil and gas exploration and development expenditures[2]	$2,072,069
Overhead expenses not allocated[3]	$360,318

See footnotes at end of table.

Example of actual high income oil operator (individual A) with low effective tax rate, 1960—Continued

Total reported economic income—Continued:	
Total exploration and development and nonallocated overhead	$2,432,387
Total reported economic income	$2,110,060
Components of taxable income for Federal tax purposes:	
Salary	$45,000
Dividends less exclusion	$1,028,063
Interest (taxable)	$5,904
Capital gains (50 percent)	$358,583
Oil and gas production:	
Net before special deductions	$2,336,729
Less special deductions:	
Excess percentage depletion[4]	$881,297
Intangible drilling expenses	$464,704
Taxable income from oil and gas production	$990,728

See footnotes at end of table.

Example of actual high income oil operator (individual A) with low effective tax rate, 1960—Continued

Oil and gas manufacturing, distribution and royalties	$399,495
Farm income	$9,990
Total adjusted gross income before exploration and development and nonallocated overhead expenses	$2,837,763
Less total exploration and development and nonallocated overhead [3]	$2,432,387
Adjusted gross income	$405,376
Less deductions from adjusted gross income:	
Contributions	----------
Interest	----------
Taxes	$2,157
Medical	$85,483
Other	$452
Total deductions	$88,092
Net taxable income	$317,284
Federal income tax:	
Computed tax before dividends credit	$179,291
Less dividends received credit	$12,523
Net Federal taxes	$166,768
Net tax as percent of total reported economic income (percent)	7.9

[1] Excess percentage depletion (footnote 4) and intangible drilling expenses.

[2] Including $1,221,925 in dryhole expenses, $520,508 in canceled and surrendered leases.

[3] Interest expenses of $382,766 is included in total overhead expenses of $617,797. Some $257,479 of total overhead was allocated to oil and gas production. The remaining $360,318 was not allocated by income category.

[4] Excess of percentage depletion over adjusted basis depletion.

Example of actual high income oil operator (individual D) with low effective tax rate, 1960

Total reported economic income:	
Salary	$18,150
Dividends	64,398
Interest (taxable)	852,639
Capital gains (100 percent) [1]	26,203,307
Oil and gas production (before special deductions) [2]	1,534,082
Oil and gas royalties, drilling contracts, partnerships and miscellaneous [3]	320,724
Farm income (loss)	(276,368)
Total income before exploration and development and nonallocated overhead expenses	28,716,932
Less:	
Oil and gas exploration and development expenditures	1,546,463
Overhead expenses not allocated [4]	729,693
Total exploration and development and nonallocated overhead	2,276,156
Total reported economic income	26,440,776

See footnotes at end of table.

Example of actual high income oil operator (individual D) with low effective tax rate, 1960—Continued

Components of taxable income for Federal tax purposes:	
Salary	$18,150
Dividends less exclusion	64,298
Interest (taxable)	852,639
Capital gains (50 percent) [1]	5,436,224
Oil and gas production:	
Net before special deductions	1,534,082
Less special deductions:	
Excess percentage depletion [5]	686,642
Intangible drilling expenses	1,609,530
Taxable income (loss) from oil and gas production	(762,090)
Oil and gas royalties drilling contracts, partnerships, and miscellaneous	320,724
Farm income (loss)	(276,368)
Total adjusted gross income before exploration and development and nonallocated overhead expenses	5,653,577
Less total exploration and development and nonallocated expenses	2,276,156
Adjusted gross income before carryover of net loss	3,377,421
Less net operating loss carryover from 1957 and 1959 [6]	(3,934,047)
Adjusted gross income after carryover of net loss	(556,626)
Less total itemized deductions	289,704
Taxable income (loss) before personal exemptions	(846,330)
Federal income tax	0
Net tax as percent of total reported economic income	0

[1] For tax purposes an installment of $10,872,449 was reported in 1960 from a total capital gain realized of $26,203,307 (under section 453(b)(2)(A)). The gain resulted from the sale of a reserved oil and gas production payment. A second installment of $5,743,200 from this capital gain was reported in the 1961 tax return.

[2] Excess of percentage depletion over cost depletion, and intangible drilling expenses.

[3] Includes net income from royalties, drilling contracts, drilling tools, and other sources, in part offset by net losses from partnerships in oil development and manufacturing operations.

[4] Includes $238,430 in interest, $80,675 in general overhead and $63,965 for employees group insurance.

[5] Excess of percentage depletion over adjusted basis depletion.

[6] $232,050 loss carried over from 1957 and $3,701,997 from 1958, primarily from oil operations.

Example of actual high income oil operator (individual B) with low effective tax rate, 1960

Total reported economic income:	
Salary	----------
Dividends	$1,441
Interest (taxable)	$120
Capital gains (100 percent)	1,642

See footnotes at end of table.

Example of actual high income oil operator (individual B) with low effective tax rate, 1960—Continued

Total reported economic income—Continued:	
Oil and gas production (before special deductions) [1]	$4,061,682
Oil and gas distribution, royalties, and other income	(44,536)
Total income before oil and gas exploration and development expenditures	$4,020,349
Less oil and gas exploration and development expenditures [2]	$1,748,626
Total reported economic income	$2,271,723
Components of taxable income for Federal tax purposes:	
Salary	----------
Dividends less exclusion	$1,341
Interest (taxable)	$120
Capital gains (50 percent) [3]	----------
Oil and gas production:	
Net before special deductions	$4,061,682
Less special deductions:	
Excess percentage depletion [4]	$1,529,667
Intangible drilling expenses	$1,464,230
Taxable income from oil and gas production	$1,067,785
Oil and gas distribution, royalties and other income (loss)	($44,536)
Total adjusted gross income before exploration and develop. expend.	$1,024,710
Less oil and gas exploration and development expenditures	$1,748,626
Adjusted gross income	($723,916)
Less deductions from adjusted gross income:	
Contributions	----------
Interest	----------
Taxes	$1,336
Medical	----------
Other	----------
Total deductions	$1,336
Net taxable income	($725,252)
Federal income tax	0
Taxes as percent of total reported economic income	0

[1] Excess percentage depletion (footnote 4) and intangible drilling expenses.

[2] Includes $875,622 in dryhole expenses and $765,620 in canceled and surrendered leases.

[3] In 1960 capital gains offset by capital losses carried forward from previous years.

[4] Excess of percentage depletion over adjusted basis depletion.

Example of actual high income oil operators (individual C) with low effective tax rate, 1960

Total reported economic income:	
Salary	$100
Dividends	$9,927
Interest (taxable)	$32,192
Capital gains (100 percent)	$571,950
Oil and gas production (before special deductions) [1]	$2,297,052
Oil and gas manufacturing, distribution and other income (loss) [2]	$27,731

[1] Excess percentage depletion (footnote 3) and intangible drilling expenses.

[2] Includes losses on various business ventures, offset by net income from others.

Example of actual high income oil operators (individual C) with low effective tax rate, 1960—Continued

Total reported economic income—Continued	
Farm income (loss)	($637, 674)
Total income before exploration and development and nonallocated overhead expenses	$2, 201, 278
Less:	
Oil and gas exploration and development expenditures	$286, 527
Overhead expenses nonallocated	$206, 912
Total exploration and development and nonallocated overhead	$493, 439
Total reported economic income	$1, 707, 839
Components of taxable income for Federal tax purposes:	
Salary	$100
Dividends less exclusion	$9, 877
Interest (taxable)	$32, 192
Capital gains (50 percent)	$285, 975
Oil and gas production:	
Net before special deductions	$2, 197, 052
Less special deductions:	
Excess percentage depletion [3]	$861, 400
Intangible drilling expenses	$106, 010
Taxable income from oil and gas production	$1, 229, 962
Oil and gas manufacturing, distribution and other income (loss)	$27, 731
Farm income (loss)	($637, 674)
Total adjusted gross income before exploration and development and nonallocated overhead expenses	$947, 843
Less total exploration and development and nonallocated overhead	$493. 439
Adjusted gross income	$454, 404
Less deductions from adjusted gross income:	
Contributions	$38, 940
Interest	$49, 435
Taxes	$63, 365
Medical	----------
Other	$62, 648
Total deductions	$214, 388
Net taxable income	$240, 016
Federal income tax:	
Computed tax before dividends credit	$143, 203
Less dividends received credit	$395
Net Federal taxes	$142, 808
Net tax as percent of total reported economic income (percent)	8. 4

[3] Excess of percentage over adjusted basis depletion.

Example of actual high income oil operator (individual E) with low effective tax rate, 1960

Total reported economic income:	
Salary	$250
Dividends	$73, 176
Interest (taxable)	$320, 731
Capital gains (100 percent) [1]	$610. 257
Oil and gas production (before special deductions) [2]	$440, 918
Total reported economic income—Continued	
Oil and gas royalties and miscellaneous income	$83, 499
Farm income (loss)	($6, 353)
Total income before exploration and development and nonallocated overhead expenses	$1, 522, 478
Less:	
Oil and gas exploration and development expenditures [3]	$222, 671
Overhead expenses not allocated [4]	$120, 559
Total exploration and development and nonallocated overhead	$343, 280
Total reported economic income	$1, 179, 248
Components of taxable income for Federal tax purposes:	
Salary	$250
Dividends less exclusion	$73, 076
Interest (taxable)	$320, 731
Capital gains (50 percent)	$66, 164
Oil and gas production:	
Net before special deductions	$440, 918
Less special deductions:	
Excess percentage depletion [5]	$217, 513
Intangible drilling expenses	$59, 339
Taxable income from oil and gas production	$164, 066
Oil and gas royalties and miscellaneous income	$83, 499
Farm income (loss)	($6, 353)
Total adjusted gross income before exploration and development and nonallocated overhead expenses	$701, 433
Less total exploration and development and nonallocated overhead expenses	$343, 230
Adjusted gross income before net operating loss carryover	$358, 203
Less net operating loss carryover from 1958	($27, 558)
Adjusted gross income after carryover of net	
Loss	$330, 645
Less deductions from adjusted gross income:	
Contributions [6]	$511, 419
Interest	----------
Taxes	$2, 950
Medical	$1, 133
Other	$135
Total deductions	$515, 637
Net taxable income (before exemptions)	($184, 992)
Federal income tax	0
Net tax as percent of total reported economic income (percent)	0

[1] Includes $125,469 from sale of oil and gas leases and $477,929 excess of market value over book value of gift (unimproved land in a major city) to a foundation.

[2] Excess percentage depletion (footnote 5) and intangible drilling expenses.

[3] Includes $145,867 for drilling expenditures on nonproducing leases and $41,202 for leases expired and surrendered.

[4] Includes $82,700 for general and administrative expenses.

[5] Excess of percentage depletion over adjusted basic depletion.

[6] Includes contribution to foundation referred to in footnote 1.

Example of actual high income oil operator (individual F) with low effective tax rate, 1960

Total reported economic income:	
Salary	----------
Dividends	$191, 933
Interest (taxable)	$1, 157
Capital gains (100 percent)	$120, 089
Oil and gas production (before special deductions) [1]	$767, 488
Oil and gas royalties, partnership, trust, and miscellaneous [2]	$227, 295
Total income before exploration and development and nonallocated overhead expenses	$1, 307, 962
Less:	
Oil and gas exploration and development expenditures [3]	[3] $175, 665
Overhead expenses not allocated	$102, 757
Total exploration and development and nonallocated overhead	$278, 422
Total reported economic income	$1, 029, 540
Components of taxable income for Federal tax purposes:	
Salary	----------
Dividends less exclusion	$191, 833
Interest (taxable)	$1, 157
Capital gains (50 percent) [4]	$60, 940
Oil and gas production:	
Net before special deductions	$767, 488
Less special deductions:	
Excess percentage depletion [5]	$297, 703
Intangible drilling expenses	$536, 955
Taxable income (loss) from oil and gas production	($67, 170)
Oil and gas royalties, partnership, trust and miscellaneous	$227, 295
Overhead	$278, 422
Total adjusted gross income before exploration and development and nonallocated overhead	$414, 055
Less total exploration and development and nonallocated adjusted gross income	$135, 633
Less deductions from adjusted gross income:	
Contributions	$1, 151
Interest	$1, 471
Taxes	$1, 066
Medical	0
Other	0
Total deductions	$3, 688
Net taxable income (before exemption)	$131, 945

[1] Excess percentage depletion (footnote 4) and intangible drilling expenses.

[2] Includes $166,804 from a family partnership and $56,619 from rents and royalties.

[3] Includes $152,368 for leases canceled and expired.

[4] Includes a small amount of short-term capital gains at 100 percent.

[5] Excess of percentage depletion over adjusted basis depletion.

Example of actual high income oil operator (individual F) with low effective tax rate, 1960—Continued

Federal income tax:	
Computed tax before dividends received and foreign tax credit	$66,628
Less dividends received and foreign tax credits	$5,388
Net Federal taxes	$61,240
Net tax as percent of total reported economic income (percent)	5.9

Mr. DOUGLAS. Mr. President, in addition to this, Fortune magazine for April 1963, estimated that the depletion allowance was taken by 30 of the largest oil and gas companies in this country. The first 10 companies received a total of $1,440 million in depletion allowances. If we add the next 5, for a total of 15, we get a grand total of $1,680 million which was written off and freed from taxation.

I ask unanimous consent that a table, reprinted from the Fortune magazine article, showing the estimated depletion allowances for the 30 largest companies, be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Depletion: What's at stake for 30 companies

	Estimated production revenues		Estimated depletion allowance	
	Total (millions)	As proportion of net sales	Total (millions)	Per common share
		Percent		
Standard Oil (New Jersey)	$1,511	18	$399	$1.84
Gulf Oil	862	31	228	2.18
Texaco	817	27	216	1.74
Standard Oil of California	492	24	130	2.05
Shell Oil	430	23	114	1.88
Standard Oil (Indiana)	415	20	110	3.06
Socony Mobil Oil	415	13	110	2.25
Phillips Petroleum	250	20	66	1.92
Cities Service	225	23	59	5.48
Continental Oil	200	25	53	2.47
Sinclair Oil	196	16	52	3.32
Atlantic Refining	185	33	49	5.37
Sun Oil	180	23	47	3.43
Superior Oil	144	99	38	89.89
Marathon Oil	128	36	34	2.37
Tidewater Oil	123	20	33	2.38
Union Oil of California	122	27	32	3.61
Sunray DX Oil	103	22	27	1.51
Amerada Petroleum	100	97	26	4.17
Richfield Oil	97	34	24	2.96
Pure Oil	96	17	25	2.55
Skelly Oil	86	35	23	3.93
Signal Oil & Gas	53	18	14	1.38
Standard Oil (Ohio)	39	9	10	2.09
Kerr-McGee Oil Industries	19	11	5	.80
Ashland Oil & Refining	17	6	4	.66
Murphy	16	15	4	1.08
Delhi-Taylor Oil	11	10	3	.43
American Petrofina	11	14	3	.40
Clark Oil & Refining	(1)	------------	------------	------------

[1] Negligible.

INDIVIDUAL COMPANIES

Mr. DOUGLAS. Mr. President, in addition, over the years, I have been collecting some facts and figures on taxes paid in general by producing companies, as opposed to those which have large integrated operations. I have collected figures on some 28 companies to show the amount they paid in income taxes and the percentages which those taxes were to income before taxes. Some of those figures go back as far as 1945. It will be seen very clearly that the rates for those companies are very much lower than the 48- to 52-percent corporate tax which has been in effect since that time. These figures are available to the public in Moody's Manual and other sources; but I have preferred to call them company A, company B, company C, and so forth, because I am not interested in pillorying any company, but merely illustrating the point.

I ask unanimous consent to have printed at this point in the RECORD tables showing the 28 companies and the taxes they paid and the percentage of the income taxes paid to income before taxes.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Income taxes paid by 28 oil and gas companies

COMPANY A

[Data through 1962, if available]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$34,804,282	$1,294,000	$33,510,282	3.72
1961	28,824,114	250,000	28,574,114	.87
1960	27,768,929	200,000	27,568,929	.72
1959	24,122,835	100,000	24,022,835	.41
1958	23,270,135	785,000	22,485,135	3.37
1957	35,208,979	5,260,000	29,948,979	14.94
1956	29,523,395	3,024,000	26,499,395	10.24
1955	28,143,673	2,780,000	25,363,673	9.88
1954	21,029,684	1,252,000	19,777,648	5.95
1953	18,812,590	367,000	18,445,590	1.95
1952	16,550,361	654,000	15,896,361	3.95
1951	17,369,652	1,073,000	16,296,652	6.17
1950	18,467,607	3,068,000	15,399,607	16,61
1949	14,759,193	375,000	14,384,193	2.54
1948	27,367,252	4,725,000	22,642,252	17.27
1947	17,749,626	2,830,000	14,919,626	15.94
1946	10,130,975	1,275,000	8,855,975	12,59
1945	5,611,770	215,000	5,396,770	3.83

NOTE.—"Income taxes" also include State and/or foreign taxes.

Income taxes paid by 28 oil and gas companies—Continued

COMPANY B

[Liquidated Apr. 1, 1961]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1960	(1)	(1)	(1)	(1)
1959	$7,799,592	$915,000	$6,884,592	11.73
1958	4,371,094	525,000	3,846,094	12.01
1957	5,392,505	150,000	5,242,505	2.78
1956	6,975,283	1,095,000	5,880,382	15.70
1955	5,975,382	485,000	4,965,220	9.90
1954	3,291,733	38,172	3,253,561	1.16
1953	5,594,074	1,552,500	4,441,574	27.75
1952	4,436,030	669,500	3,766,530	15.09
1951	5,561,770	714,880	4,846,890	12.85
1950	5,709,537	1,023,900	4,685,637	17.93
1949	3,259,928	163,040	3,096,888	5.00
1948	6,295,858	898,900	5,396,958	14.28
1947	4,011,073	1,023,126	2,987,947	25.51
1946	2,089,932	417,000	1,672,932	19.95
1945	2,321,605	205,908	2,115,697	8.87

[1] Not available.

NOTE.—"Income taxes" may also include State and/or foreign taxes.

COMPANY C

[Acquired by company B-Z, Dec. 22, 1961]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1960	$5,548,693	$658,022	$4,890,671	11.86
1959	4,378,649	1,061	4,377,588	.02
1958	5,402,894	481,413	4,921,481	8.91
1957	5,561,652	640,635	4,921,017	11.52
1956	4,770,495	261,837	4,508,658	5.49
1955	4,826,687	417,388	4,409,299	8.65
1954	4,625,759	336,889	4,288,870	7.28
1953	4,391,404	179,114	4,212,290	4.08
1952	3,588,107	91,660	3,496,447	2.55
1951	3,934,107	399,397	3,534,710	10.15
1950	3,696,584	847,072	2,849,412	22.91
1949	3,373,448	679,553	2,693,895	20.14
1948	4,542,842	982,540	3,560,302	21.63
1947	2,284,109	529,781	1,754,328	23.19
1946	161,816	212	161,604	.13
1945	33,895	256	33,639	.76

NOTE.—"Income taxes" may also include State and/or foreign taxes.

COMPANY D

[Sold and liquidated]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1960	($623,758)	0	($623,758)	--------
1959	(35,226)	[1] ($20,347)	(14,879)	--------
1958	156,130	0	156,130	0
1957	271,515	5,000	266,515	1.84
1956	472,556	35,000	437,556	7.41
1955	549,093	15,000	534,093	2.73
1954	309,405	------------	309,405	--------
1953	303,453	11,332	292,121	3.73
1952	159,084	25,686	133,398	16.15
1951	415,948	8,234	407,714	1.98
1950	277,514	1,500	276,014	.54
1949	177,187	1,000	176,187	.56
1948	526,061	35,000	491,061	6.65
1947	399,643	52,000	347,643	13.01
1946	139,923	1,000	138,923	.71
1945	140,101	1,500	138,601	1.07

[1] Credit.

NOTE.—"Income taxes" may also include State and/or foreign taxes.

Income taxes paid by 28 oil and gas companies—Continued

COMPANY E

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$12,040,753	$2,350,000	$9,690,753	19.52
1961	11,794,460	2,500,000	9,294.460	21.20
1960	11,156,510	2,000,000	9,156,510	17.93
1959	9,497,890	950,000	8,547,890	10.00
1958	8,108,706	800,000	7,308,706	9.87
1957	11,303,747	1,600,000	9,703,747	14.15
1956	11,379,241	1,900,000	9,479,241	16.69
1955	8,509,136	1,500,000	7,009,136	17.63
1954	5,320,750	------------	5,320,750	---------
1953	6,420,968	1,048,000	5,372,968	16.32
1952	5,601,723	1,400,000	4,201,723	24.50
1951	5,866,052	2,000,000	3,866,052	34.09
1950	4,951,476	1,500,000	3,451,476	30.29
1949	4,928,459	1,020,000	3,908,459	20.70
1948	5,766,543	960,000	4,806,543	16.65
1947	3,650,374	600,000	3,050,374	16.44
1946	3,248,813	200,000	3,048,813	6.16

NOTE.—"Income taxes" include Federal taxes only.

COMPANY F

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$69,483,631	$407,000	$69,076,631	0.59
1961	67,544,853	3,018,000	64,526,853	4.47
1960	70,832,501	9,600.000	61,232,501	13.55
1959	78,177,550	17,905,500	60,272,050	22.90
1958	54,865,371	7,400,000	47,465,371	13.49
1957	51,273,749	4,550,000	46,723,749	8.87
1956	67,517,000	15,700,000	51,817,000	23.25
1955	56,259,000	9.900,000	46,359,000	17.60
1954	50,383,000	8,700,000	41,683,000	17.27
1953	55,775,000	14,900,000	40,875,000	26.71
1952	52,488,000	14,400,000	38,088,000	27.43
1951	58,593,000	17,300,000	41,293,000	29.53
1950	57,407,000	15,000,000	42,407,000	26.13
1949	46,487,000	10,390,000	36,097,000	22.35
1948	74,080,000	19,863,000	54,217,000	26.81
1947	40,655,000	9,298,000	31,357,000	22.87
1946	22,599,000	3,585,000	19,014,000	15.86
1945	16,371,700	1,228,000	15,143,000	7.50

NOTE.—"Income taxes" include Federal taxes only.

COMPANY G

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$1,134,525	$313,524	$821,001	27.63
1961	1,408,071	624,112	783,959	44.32
1960	859,517	85,000	774,517	9.89
1959	865,330	105,000	760,330	12.13
1958	804,716	50,000	754,716	6.21
1957	1,167,546	115,000	1,052,546	9.85
1956	560,753	------------	560,753	---------
1955	832,765	------------	832,765	---------
1954	785,624	------------	785,624	---------
1953	730,699	------------	730,699	---------
1952	968,287	69,022	899,265	7.13
1951	935,134	137,220	797,914	14.67
1950	892,552	147,275	745,277	16.50
1949	969,991	204,860	765,131	12.12
1948	872,719	150,367	722,352	17.23
1947	654,922	160,452	494,470	24.45
1946	471,923	135,664	336,259	28.75
1945	461,448	180,808	280,640	39.18

NOTE.—"Income taxes" may also include State and/or foreign taxes.

Income taxes paid by 28 oil and gas companies—Continued

COMPANY H

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$1,902,482	0	$1,902,482	0
1961	1,784,566	[1] ($120,000)	1,904,566	---------
1960	2,021,545	55,000	1,966,545	2.72
1959	2,022,351	30,000	1,992,351	1.48
1958	1,760,794	0	1,760,794	0
1957	2,176,226	160,000	2,016,226	7.35
1956	2,647,058	93,000	2,554,058	3.51
1955	1,994,072	86,000	1,908,072	4.31
1954	2,276,415	238,329	2,038,086	10.47
1953	1,899,343	156,039	1,743,304	8.22
1952	1,998,758	370,291	1,628,467	18.53
1951	1,992,234	411,166	1,581,068	20.64
1950	1,270,271	72,843	1,197,428	5.73

[1] Credit.

NOTE.—"Income taxes" include Federal taxes only.

COMPANY I

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$6,633,096	$107,906	$6,525,190	1.63
1961	4,166,438	64,355	4,102,083	1.54
1960	2,260,728	65,000	2,195,728	2.88
1959	6,696,047	40,000	6,656,047	.60
1958 [1]	7,076,455	[2] (23,352)	7,099,807	---------
1957	9,079,022	[2] (5,860)	9,084,882	---------
1956	8,886,172	151,000	8,735,172	1.69
1955	8,106,746	429,075	7,677,671	5.29
1954	6,769,145	196,335	6,572,810	2.90
1953	5,414,053	26,156	5,387,897	.48
1952	5,067,243	410,539	4,656,704	8.10
1951	4,477,673	404	4,477,269	.01
1950	3,456,001	202,087	3,253,914	5.85
1949	2,949,585	72,628	2,876,957	2.46
1948	2,774,079	201,176	2,572,903	7.25
1947	3,172,001	504,487	2,667,514	15.90
1946	755,220	258,488	496,732	34.23
1945	102,860	65,966	368,946	64.13

[1] 12 months ended June 30.
[2] Credit.

NOTE.—In total analysis 1956 equals 1957 on this company, etc. "Income taxes" may also include State and/or Federal taxes.

COMPANY J

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$2,556,000	0	$2,556,000	0
1961	3,176,000	$25,000	3,151,000	.79
1960	1,816,000	[1] (400,000)	2,216,000	---------
1959	3,517,000	150,000	3,367,000	4.26
1958	2,950,700	90,000	2,860,700	3.05
1957	3,154,900	20,000	3,134,900	.63
1956	3,168,549	75,000	3,093,549	2.37
1955	3,656,274	150,000	3,506,274	4.10
1954	3,570,162	360,000	3,210,162	10.08
1953	3,363,964	500,000	2,863,964	14.86
1952	2,561,162	267,461	2,293,701	10.44
1951	3,971,370	965,230	3,006,140	24.30
1950	2,302,729	519,263	1,783,466	22.55
1949	1,551,586	104,000	1,447,586	6.70
1948	1,344,021	150,000	1,194,021	11.16
1947	1,230,364	50,000	730,364	4.06
1946	409,171	------------	409,171	---------
1945	328,260	------------	328,260	---------

[1] Credit.

NOTE.—"Income taxes" may also include State and/or Federal taxes.

Income taxes paid by 28 oil and gas companies—Continued

COMPANY K

[Assets sold in October 1961]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1960	$12,062,758	$1,700,000	$10,362,758	14.09
1959	14,594,387	1,700,000	12,894,387	11.65
1958	14,145,331	2,300,000	11,845,331	16.26
1957	17,938,378	3,400,000	14,538,387	18.95
1956	16,316,268	2,500,000	13,816,268	15.32
1955	15,599,264	1,900,000	13,699,264	12.18
1954	11,541,464	1,278,154	10,263,310	10.01
1953	11,762,519	1,590,080	10,172,439	13.52
1952	9,218,224	1,875,000	7,343,224	20.34
1951	10,327,002	2,400,000	7,927,002	23.24
1950	8,723,484	2,000,000	6,723,484	22.93
1949	8,716,231	1,800,000	6,916,231	20.65
1948	17,245,547	4,000,000	13,245,547	23.19
1947	9,301,386	2,300,000	7,001,386	24.73
1946	5,321,560	1,010,000	4,311,560	18.98
1945	4,235,097	257,000	3,978,097	6.07

Note.—"Income taxes" include Federal taxes only.

COMPANY L

[Liquidated Apr. 11, 1957]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1954	$7,762,785	$1,275,000	$6,487,785	16.42
1953	8,494,844	1,785,000	6,709,844	21.01
1952	7,844,057	1,500,000	6,344,057	19.12
1951	8,553,640	1,500,000	7,053,640	17.54
1950	8,086,702	1,983,000	6,103,702	24.52
1949	7,805,345	1,900,000	5,905,345	24.34
1948	7,512,733	1,726,006	5,786,727	22.97
1947	7,667,536	1,575,000	6,092,536	20.54
1946	5,146,094	1,100,000	4,046,094	21.38
1945	3,209,359	832,500	2,377,859	25.91
1944	3,519,208	1,068,760	2,450,448	30.37

COMPANY M

[Merged on Dec. 1, 1959; the following data are for parent company and include company M]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$848,903,000	$8,000,000	$840,903,000	0.94
1961	814,083,000	56,000,000	758,083,000	6.88
1960	735,573,000	47,000,000	688,573,000	6.39
1959	708,778,000	79,000,000	629,778,000	11.15
1958	573,475,000	11,000,000	562,475,000	1.92
1957	857,178,000	52,000,000	805,178,000	6.07
1956	925,534,919	117,000,000	808,534,919	12.64
1955	824,309,992	115,000,000	709,309,992	13.95
1954	680,793,158	96,000,000	584,793,158	14.10
1953	714,825,969	162,000,000	552,825,969	22.66
1952	653,981,109	134,000,000	519,981,109	20.49
1951	695,460,779	167,000,000	528,460,779	24.01
1950	501,223,223	93,000,000	408,223,223	18.55
1949	316,869,501	48,000,000	268,869,501	15.15
1948	452,604,976	87,000,000	365,604,976	19.22
1947	327,626,580	59,000,000	268,626,580	18.01
1946	201,609,931	24,000,000	177,609,931	11.90
1945	179,156,196	25,000,000	154,156,196	13.95

NOTE.—"Income taxes" include Federal taxes only.

Income taxes paid by 28 oil and gas companies—Continued

COMPANY M

[Before merger]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1958	$512,543,223	$16,000,000	$136,543,223	10.49
1957	192,910,393	17,000,000	175,910,393	8.81
1956	212,961,000	34,000,000	178,961,000	15.97
1955	215,997,000	41,000,000	174,997,000	18.98
1954	174,803,000	28,500,000	146,303,000	16.30
1953	207,757,854	43,500,000	164,257,854	20.94
1952	175,792,000	30,500,000	145,292,000	14.68
1951	220,981,000	51,500,000	169,481,000	23.30
1950	161,360,000	32,000,000	129,360,000	19.83
1949	138,480,000	18,000,000	120,480,000	13.00
1948	240,069,000	54,000,000	186,069,000	22.49
1947	153,207,000	29,100,000	124,107,000	18.99
1946	79,332,000	7,500,000	71,832,000	9.45
1945	80,395,000	9,500,000	70,895,000	11.82

COMPANY N

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$19,507,764	$2,473,500	$17,034,264	12.68
1961	21,464,125	4,461,000	17,003,125	20.78
1960	10,600,457	3,313,000	7,287,457	31.25
1959	6,548,745	675,415	5,873,330	10.31
1958	5,378,973	0	5,378,973	0
1957	7,972,558	1,727,910	6,244,648	21.67
1956	5,378,994	699,000	4,679,994	13.00
1955	2,502,867	18,000	2,484,867	.72
1954	1,603,682	23,923	1,579,759	1.49
1953	3,077,447	4,724	3,072,723	.15
1952	2,334,532	99,844	2,234,688	4.28
1951	1,209,045	31,250	1,177,795	2.58
1950	282,202	49,750	232,452	17.63
1949	1,225,576	6,949	1,218,627	.57
1948	1,395,517	29,053	1,366,464	2.08
1947	359,903	15,000	344,903	4.17
1946	[1] 106,098	200	[2] 106,298	--------
1945	1,537,551	406,500	1,131,051	26.44

[1] 12 months ended June 30.
[2] Deficit.

NOTE.—In total analysis, 1956=1957 on this company, etc. "Income taxes" also include State and foreign taxes.

COMPANY O

[Merged July 31, 1959]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1958	(1)	(1)	(1)	--------
1957	$1,573,165	------------	$1,573,165	--------
1956	1,034,094	(2)	1,034,094	--------
1955	1,006,718	(2)	1,006,718	--------
1954	1,690,567	$42,130	1,648,437	2.49
1953	1,873,226	50,000	1,823,226	2.67
1952	1,502,077	40,000	1,462,077	2.66
1951	2,714,277	30,000	2,684,227	1.11
1950	2,692,947	40,000	2,652,947	1.49
1949	3,382,140	42,323	3,382,140	1.25
1948	4,236,057	348,900	3,887,157	8.24
1947	1,517,480	48,919	1,468,561	3.22
1946 [2]	689,609	10,241	679,368	1.52
1945 [2]	664,526	4,103	660,423	.62
1954 [3]	2,205,837	42,130	2,163,707	1.91
1953 [3]	2,600,271	50,000	2,550,271	1.92
1952 [3]	2,202,835	40,000	2,162,835	1.81
1951 [3]	2,623,191	30,000	2,593,191	1.14
1950 [3]	3,744,852	40,000	3,704,852	1.01
1949 [3]	4,158,672	42,322	4,116,350	1.00
1948 [3]	4,353,435	348,900	4,004,535	8.01

[1] Not available.
[2] Not reported.
[3] Figures for 1954–48 restated as result of revision of estimates of recoverable oil and gas reserves.

NOTE.—Company O felt not liable for Federal income tax in this period.

Income taxes paid by 28 oil and gas companies—Continued

COMPANY P

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$6,137,672	$470,000	$5,667,672	7.66
1961	6,209,027	470,000	5,739,027	7.57
1960	6,449,358	610,000	5,839,358	9.46
1959	6,407,498	590,000	5,817,498	9.21
1958	6,235,363	470,000	5,765,363	7.54
1957	6,611,110	660,000	5,951,110	9.98
1956	6,277,997	478,000	5,799,997	7.61
1955	6,211,916	470,000	5,741,916	7.56
1954	6,209,385	470,000	5,739,385	7.57
1953	6,761,834	515,000	6,246,834	7.62
1952	7,023,582	540,000	6,483,582	7.69
1951	7,008,444	535,000	6,473,444	7.63
1950	6,616,103	415,000	6,201,103	6.27
1949	4,940,029	270,000	4,670,029	5.47
1948	5,679,055	333,000	5,346,055	5.86
1947	2,827,824	159,000	2,668,824	5.62
1946	2,532,718	151,000	2,381,718	5.96
1945	2,522,301	157,075	2,365,226	6.23

NOTE.—"Income taxes" include Federal taxes only.

COMPANY Q

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$24,216,327	$7,380,000	$16,836,327	30.48
1961	19,967,835	6,037,000	13,939,835	30.22
1960	15,026,655	4,205,000	10,821,655	27.98
1959	14,236,083	3,575,000	10,661,083	25.11
1958	16,144,274	3,271,000	12,873,274	20.26
1957	19,137,735	4,500,000	14,637,735	23.51
1956	10,590,947	2,703,000	7,887,947	25.52
1955	13,034,071	1,852,000	11,182,071	14.21
1954	14,484,813	1,967,000	12,517,813	13.58
1953	12,815,586	1,143,000	11,672,586	8.92
1952	9,570,934	602,000	8,968,934	6.29
1951	8,190,680	385,000	7,805,680	4.70
1950	6,263,638	400,000	5,863,638	6.39
1949	5,183,830	210,000	4,973,830	4.05
1948	7,713,057	407,623	7,305,434	5.28
1947	3,896,936	85,000	3,811,936	2.02
1946	1,614,888	65,000	1,549,888	4.02
1945	997,075	40,000	957,075	4.01

NOTE.—"Income taxes" also include State and/or foreign taxes.

COMPANY R

[In process of liquidation]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1960	($2,845,711)	[1] ($400,000)	($2,445,711)	--------
1959	1,644,843	[1] (540,900)	2,185,743	--------
1958	3,620,312	[1] (968,000)	4,588,312	--------
1957	6,908,969	882,000	6,026,969	12.77
1956	10,595,588	2,640,000	7,955,588	24.92
1955	8,052,718	1,164,559	6,888,159	14.46
1954	8,395,516	1,636,500	6,759,061	19.49
1953	11,536,428	3,477,350	8,059,078	30.14
1952	13,532,095	3,884,000	9,648,095	28.70
1951	14,940,795	4,645,000	10,295,795	30.11
1950	10,850,226	2,351,801	8,498,425	21.68
1949	6,470,610	299,023	6,171,587	4.62
1948	8,229,656	1,635,000	6,594,656	19.87
1947	4,773,864	576,444	4,197,420	12.07
1946	2,475,239	370,000	2,105,239	14.95
1945	1,983,259	252,500	1,730,759	10.27

[1] Credit.

NOTE.—"Income taxes" include Federal taxes only.

Income taxes paid by 28 oil and gas companies—Continued

COMPANY S

[Assets sold to major company and 4 other companies in December 1961. In liquidation]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1960	$6,379,492	$675,000	$5,704,492	10.58
1959	4,318,985	250,000	4,068,985	5.79
1958 [1]	3,337,324	[2] 236,642	3,100,682	7.09
1957 [1]	4,712,841	330,000	4,382,841	7.00
1957	4,712,841	330,000	4,382,841	7.02
1956	4,060,798	260,000	3,800,798	6.40
1955	4,284,521	220,000	4,064,521	5.13
1954	5,241,179	43,000	5,198,179	.82
1953	5,525,948	583,000	4,942,948	10.55
1952	5,618,762	1,425,000	4,193,762	25.36
1951	5,280,578	964,000	4,316,578	18.26
1950	2,944,322	191,000	2,753,322	6.49
1949	4,736,153	342,000	4,394,153	7.22
1948	4,213,001	266,000	3,947,001	6.31
1947	3,200,034	160,000	3,040,034	4.99
1946	1,809,404	30,000	1,779,404	1.66

[1] 12 months ended June 30.
[2] Includes credit of $171,642 prior years' tax adjustment.

NOTE.—In total analysis, 1956=1957 for this company, etc. "Income taxes" may also include State and/or foreign taxes.

COMPANY T

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	($571,641)	0	($571,641)	--------
1961	(89,095)	0	(89,095)	--------
1960	425,933	0	425,933	0
1959	515,400	[1] ($86,814)	602,214	--------
1958	1,011,165	[1] (235,320)	1,246,485	--------
1957	701,822	0	701,822	0
1956	949,659	138,000	811,659	14.53
1955	1,385,335	185,000	1,200,335	13.35
1954	542,208	2,500	539,708	4.61
1953	408,107	------------	408,107	--------
1952	431,569	------------	431,569	--------
1951	273,473	------------	273,473	--------
1950	183,116	5,000	178,116	2.73
1949	[1] 6,000	------------	[1] 6,000	--------

[1] Credit.

NOTE.—"Income taxes" include Federal taxes only.

COMPANY U

[Acquired by major company in June 1958]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1958	(1)	(1)	(1)	--------
1957	$11,719,324	$560,482	$11,158,842	4.78
1956	9,568,842	200,000	9,368,842	2.09
1955 [2]	9,340,810	900,000	8,440,810	9.64
1954	7,805,307	335,000	7,470,307	4.29
1953	7,140,132	600,000	6,540,132	8.40
1952	7,715,591	1,000,000	6,715,591	12.96
1951	10,239,600	2,900,000	7,396,000	28.32
1950	7,659,000	1,200,000	6,459,000	15.67
1949	6,656,347	875,000	5,781,347	13.15
1948	9,030,713	2,250,000	6,780,713	24.91
1947	7,191,002	1,250,000	5,941,002	17.38
1946	3,400,586	400,000	3,000,586	11.76

[1] Not available.
[2] Restated to conform with accounting practice effective Jan. 1, 1956—method of charging intangible development costs was changed. 1956 net income would have been $1,470,000 less without such change.

Income taxes paid by 28 oil and gas companies—Continued

COMPANY V

[In liquidation]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1954	$4,173,767	--------	$4,173,767	--------
1953	3,951,367	$350,000	3,601,367	8.86
1952	4,414,623	660,000	3,754,623	14.95
1951	3,112,871	--------	3,112,871	--------
1950	1,904,836	526,000	1,378,836	27.61
1949	[1] 592,448	7,500	584,948	1.26
1948	461,640	2,400	459,240	.52
1947	416,506	4,100	512,406	.98
1946	328,052	11,282	316,770	3.44
1946 [2]	176,841	5,250	171,591	2.97
1945 [2]	298,539	6,127	287,412	2.0

[1] Before $653,408 loss on wells abandoned.

[2] 12 months ended Apr. 30. In 1946, the company changed to a calendar year basis, so 1946 taxes are shown both ways.

COMPANY W

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$23,311,467	$2,496,407	$20,815,060	10.71
1961	26,423,774	5,298,305	21,125,469	20.05
1960	21,478,712	[1] (123,194)	21,601,906	--------
1959	20,164,080	808,150	19,355,930	4.01
1958 [2]	16,726,337	[3] 175,000	16,551,337	1.05
1957 [2]	18,877,389	0	18,877,389	0
1957	18,877,389	--------	18,877,389	--------
1956	5,040,752	--------	[4] 5,040,752	--------
1956 [5]	(6)	--------	(6)	--------
1955	3,395,446	--------	3,395,446	--------
1954	10,260,388	[1] 100,000	10,360,388	(7)
1953	11,500,382	[1] 500,000	12,000,382	(7)
1952	12,100,165	200,000	11,900,165	1.65
1951	15,195,639	1,900,000	13,295,639	12.03
1950	7,128,542	200,000	6,928,542	2.81
1949	7,483,443	200,000	7,283,443	2.67
1948	17,917,474	3,000,000	14,917,474	16.74
1947	5,266,897	400,000	4,866,897	7.59
1946	1,844,156	--------	1,844,156	--------
1945	5,422,254	450,000	4,972,254	8.29

[1] Credit.

[2] 12 months ended Aug. 31.

[3] Foreign income taxes.

[4] Same for both consolidated and company only.

[5] Consolidated.

[6] Same.

[7] Credit taxes.

NOTE.—In total analysis, 1956=1957 on this company, etc. "Income taxes" also include State and/or foreign taxes.

COMPANY X

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$7,152,966	$844,864	$6,308,102	11.81
1961	7,696,827	1,626,142	6,070,685	21.13
1960	5,972,614	1,272,698	4,699,916	21.31
1959	5,194,877	1,006,024	4,188,853	19.37
1958	4,642,978	670,023	3,972,955	14.43
1957	7,670,654	840,709	6,829,945	10.96
1956	6,057,708	400,000	5,657,708	6.60
1955	6,720,029	400,000	6,320,029	5.95
1954	5,245,527	--------	5,245,527	--------
1953	4,470,659	240,000	4,230,659	5.37
1952	3,635,498	450,000	3,185,498	12.38
1951	3,702,765	550,000	3,152,765	14.85
1950	3,770,706	696,200	3,047,506	18.46
1949	4,022,266	640,907	3,381,359	15.93
1948	4,731,952	901,906	3,830,046	19.06
1947	2,940,750	597,621	2,343,129	20.32
1946	1,394,512	163,973	1,230,539	11.75
1945	666,557	--------	666,557	--------

NOTE.—"Income taxes" may also include State and/or foreign taxes.

Income taxes paid by 28 oil and gas companies—Continued

COMPANY Y

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$7,805,736	[1] ($105,074)	$7,910,810	--------
1961	7,272,890	[1] (534,557)	7,807,447	--------
1960	7,664,892	[1] (113,002)	7,777,894	--------
1959	7,196,561	0	7,196,561	0
1958	6,231,481	0	6,231,481	0
1957	7,802,218	570,000	7,232,218	7.31
1956	7,859,694	650,000	7,209,694	8.27
1955	8,449,374	500,000	7,949,374	5.92
1954	8,256,034	400,000	7,856,034	4.85
1953	8,874,068	1,275,000	7,599,068	14.37
1952	8,101,335	1,255,000	6,846,335	15.49
1951	8,009,124	1,185,000	6,824,124	14.79
1950	7,047,367	1,050,000	5,997,367	14.89
1949	7,048,753	710,000	6,338,753	10.07
1948	9,186,038	1,725,000	7,461,038	18.78
1947	4,883,907	760,000	4,123,907	15.56
1946	2,428,249	315,000	2,113,249	12.97
1945	1,934,850	175,000	1,759,850	9.04

[1] Credit.

NOTE.—"Income taxes" include Federal taxes only.

COMPANY Z

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$3,040,880	0	$3,040,880	0
1961	2,841,243	0	2,841,243	0
1960	1,040,237	0	1,040,237	0
1959	2,379,129	0	2,379,129	0
1958	2,065,816	0	2,065,816	0
1957	2,215,290	0	[1] 2,215,290	0
1956 [2]	746,447	--------	746,447	--------
1956 [3]	1,602,988	--------	1,602,988	--------
1955	1,262,177	--------	1,262,177	--------
1954	1,720,086	--------	1,720,086	--------
1953	1,508,988	--------	1,058,988	--------
1952	1,547,048	--------	1,547,048	--------
1951	703,747	--------	703,747	--------
1950	151,488	--------	151,488	--------
1949	154,707	--------	154,707	--------
1948	134,881	--------	134,881	--------

[1] Adjusted.

[2] 7 months ending Dec. 31.

[3] In totals analysis, May 31 ending years used.

NOTE.—Years end May 31 prior to 1957. "Income taxes" include Federal taxes only.

COMPANY A–Z

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$1,222,633	0	$1,222,633	0
1961	880,515	0	880,515	0
1960	839,556	0	839,556	0
1959	982,552	0	982,552	0
1958	909,982	0	909,982	0
1957	891,025	0	891,025	0
1956	783,082	--------	783,082	--------
1955	981,994	--------	981,994	--------
1954	647,516	--------	647,516	--------
1953	1,008,416	$80,000	928,416	7.93
1952	768,664	--------	768,664	--------
1951	1,143,004	283,000	860,004	24.76
1950	969,156	264,774	704,382	27.32
1949	394,227	--------	394,227	--------
1948	874,306	173,000	701,306	19.79
1947	655,289	73,000	582,289	11.14
1946	227,789	--------	227,789	--------
1945	322,232	--------	332,232	--------

NOTE.—"Income taxes" include Federal taxes only.

Income taxes paid by 28 oil and gas companies—Continued

COMPANY B–Z

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$46,266,000	0	$46,266,000	0
1961	46,094,000	0	46,094,000	0
1960	45,816,000	[1] ($750,000)	46,566,000	--------
1959	27,526,000	[1] (2,648,000)	30,174,000	--------
1958	29,750,374	[1] (4,074,902)	33,825,276	--------
1957	33,842,149	[1] (1,827,610)	35,669,759	--------
1956	52,638,000	5,481,000	47,157,000	10.41

[1] Credit.

NOTE.—"Income taxes" include Federal taxes only.

Mr. DOUGLAS. Mr. President, I have called attention very often to company W, which over one period of 6 years had net profits of $65 million, paid no tax during that time, and received a refund of $425,000.

Mr. MONRONEY. Mr. President, will the Senator from Illinois yield for a suggestion?

Mr. DOUGLAS. I yield for that purpose.

Mr. MONRONEY. Will the Senator be good enough to identify for the record the companies having overseas production in addition to the domestic producing companies?

Mr. DOUGLAS. I believe that most of the nonintegrated companies do not have oversea production. The Standard Oil group, Texaco, Getty, and the rest do.

Mr. MONRONEY. Some of them do.

Mr. DOUGLAS. I will try to follow the Senator's suggestion. In the main, although not entirely, these 28 companies are the smaller companies.

Mr. MONRONEY. There is a vast difference between the application of the depletion allowance for companies operating at home and companies operating abroad.

Mr. DOUGLAS. That is correct. Would the Senator like to have me state the names of the companies, or should I shield them?

Mr. MONRONEY. I am not asking for any shielding. The Senator can use his own judgment.

Mr. DOUGLAS. If we study the table, we find that many companies pay less than 10 percent of their net profits in taxes and a large number that pay less than 20 percent. As I have said, some companies pay nothing at all, or only 1, 2, or less than 5 percent. These on the whole are nonintegrated companies.

OTHER EXAMPLES

If we take some of the big companies—and I am speaking of taxes paid—Texaco in 1961, according to my figures, drawn from Moody's Manual for Industrial Companies, paid only 13.2 percent of its profit in taxes. Sinclair paid 18.2. Socony-Mobil paid 31.1. Standard Oil of New Jersey, the parent Rockefeller Co., paid 11.7 percent.

TAXES OF OIL COMPANIES PAY ABOUT HALF WHAT OTHERS PAY

The average for all corporations was 49 percent of net profits. The average for all oil corporations, however, was only about 23 percent, or less than half the amount paid by all other corporations. Some of those oil companies paid very much less than 23 percent. The biggest ones paid very much less.

Consider Standard Oil of New Jersey. Less than 12 percent of its net profits went to taxes. About three-fourths of its profit came from overseas. I call attention to the fact that my amendment refers to oversea oil as well as domestic oil. It is not confined to domestic oil, but applies to oversea oil, as well. My amendment would, therefore, give a comparative advantage to the small domestic producer as compared with the large oversea producer.

In addition, the table which was placed in the hearings of the House by the Secretary of the Treasury indicated who got the depletion allowances by asset classes. I have already mentioned that, but let me review it again.

BIG FIRMS GET MOST OF THE DEPLETION

The table showed that 71.9 percent—or 72 percent—of all depletion allowances went to firms having assets of $100 million or more. Firms having less than $1 million in assets got only 2 percent of all allowances. Firms having under $5 million in assets got only 5.3 percent. In other words, 91.7 percent, or approximately 92 percent, of depletion allowances went to firms having assets in excess of $5 million. From that, it can be seen that very little of the depletion allowance goes to the small wildcatters, to the independent producers, to farmers, to royalty holders, in whose names the depletion allowance is often supported. This is another case in which a vast loophole, going almost entirely to the extremely high income groups, is justified in the names of widows, orphans, and small wildcatters.

One of the major points of my amendment is that it does not reduce the depletion allowance in any way for those who really receive relatively small incomes from oil and gas, but only the vast incomes of oil companies.

OVERINVESTMENT IN OIL

Mr. President, we have already heard the argument that the oil industry has lower average profits than the rest of industry. I have dealt with that point, and have pointed out that if we include oversea income, which I strike at in my amendment, the figure is 11.2 percent as compared with 10.3 percent for all major industries. Therefore, the average is higher than in other industries; but even if it were not higher, it would indicate that the depletion allowance is greater.

What the depletion allowance has done has been to encourage overinvestment in the oil industry. The prospect of tax reductions has lured capital into the industry which would not normally go in if the tax were neutral, so far as the oil industry is concerned. This is one of the gravest abuses in the oil industry, in that it has led to an uneconomic application of labor and capital. This is one of the great abuses of our tax system.

It causes people to think not of what is needed, not of what profits can be made, but how they can beat Uncle Sam. It has shifted the business decisions onto an extremely uneconomic level.

UNECONOMIC INVESTMENT

As I understand, in Texas, the oil wells are now limited to 30 percent of production and run for approximately only 8 days a month. They close down for the remainder of the month. This is a clear indication of overdevelopment. Texas has so many wells that it has to restrict their flow. If my figures are incorrect, I shall be glad to be corrected.

I observe the Senator from New Mexico rising to his feet.

Mr. ANDERSON. Did the Senator ever hear of conservation?

Mr. DOUGLAS. Oh, yes; I have heard of conservation. I know that conservation is generally an excuse for restricting output and either raising or maintaining prices.

Mr. ANDERSON. I assure the Senator from Illinois that that is not the situation at all. The Texas Railroad Commission administers the operation of oil wells for purposes of conservation.

Mr. DOUGLAS. It says it does.

Mr. ANDERSON. It has done a fine job. It is not done for the purpose of making money, either.

Mr. DOUGLAS. I am the one who got through the Senate the provision requiring the Attorney General to examine the operations of the interstate oil compacts; and I believe he has had some questions about these practices. They do not involve conservation alone. These restrictions are imposed in order to maintain the price, because the industry is overdeveloped in relation to the demand, and it is overdeveloped because of the great tax bonus which has been given the industry.

Mr. ANDERSON. Does the Senator from Illinois say the Attorney General has charged that, with reference to these compacts?

Mr. DOUGLAS. Well, I have some qualifications in regard to the job done by the Attorney General.

RELATIVE ADVANTAGE TO INDEPENDENTS

Mr. President, let me make a further point: This amendment would, if passed, give a relative advantage to the independent domestic producers who are, at the moment, in some difficulties. The depletion allowance is given for production both at home and abroad. The large American companies abroad are shipping oil into this country, and are cutting down the production of the domestic industry. The domestics are therefore in trouble. One of the basic reasons they are in trouble is that the depletion allowance goes to those companies which operate abroad. My amendment would cut down the depletion allowance for companies abroad which, in the main, are the huge companies—most notably the Standard Oil Co., Texaco, Gulf, J. Paul Getty, Superior, and the others.

But, at the same time, it would not decrease the depletion allowance for the smaller companies and the independent companies which operate here at home. Thus, there would be a relative advantage to the small and independent producer of oil in the United States if my amendment is passed.

Far from hurting the vast majority of those in the oil business in this country, it would help them. The large major companies spend much of their time trying to prove to the small independents that their interests are one and the same. But this is not true.

ROYALTY PAYMENTS ABROAD DISGUISED AS TAXES

The major companies not only have the advantage of the depletion allowance for their operations abroad, but also have the advantage of having royalty payments disguised as taxes. I should like to discuss that subject, because along the Persian Gulf the land is owned by a sheik or a potentate, and our taxes should not be offset, dollar for dollar, by royalties which are regarded as taxes. But instead, the royalties should be regarded as a cost, and then deducted from income rather than taken as a credit against taxes. The same is true in Venezuela, where the Roman law prevails, and where, therefore, the subsurface assets belong to the state. Therefore, the royalty payments, in that case, should be regarded as a deductible cost.

But the clever experts and advisers of these companies succeeded in having the royalty payments called taxes, and then the companies proceed to charge off the royalties, dollar for dollar, against the taxes which otherwise they would have to pay; and then they have the depletion allowance, in addition, tax free; and also the exemptions on their salaries—all that, and heaven, too.

Mr. ANDERSON. As to the European situation, let me say that I might agree about that with the Senator from Illinois.

Mr. DOUGLAS. I am glad to hear the Senator from New Mexico say that.

Mr. ANDERSON. That is a situation to which I believe we must pay some attention.

A SMALL PRODUCERS AMENDMENT

Mr. DOUGLAS. My amendment is not only a consumers and taxpayers amendment; it is also a small producers amendment and a widows and orphans amendment, and an amendment for the owners of farmland on which there are drillings, and also a little man's amendment. But it is not a Standard Oil Co. amendment or a Texaco amendment or a J. Paul Getty amendment or an H. L. Hunt amendment; neither is it a Clint Murchison amendment. In other words, it is not a "big shot" amendment.

Mr. EDMONDSON. Mr. President, will the Senator from Illinois yield for a question?

Mr. DOUGLAS. I yield.

Mr. EDMONDSON. Earlier, the Senator from Illinois said his amendment would apply to the foreign producers as well as to the domestic producers.

Mr. DOUGLAS. Yes.

Mr. EDMONDSON. Is any distinction made, in terms of the gross income?

Mr. DOUGLAS. No; but, as I indicated today, the Standard Oil Co. of New Jersey is making its profits largely from its operations abroad. Therefore, this amendment would hit that company more than it would hit the small companies.

Mr. EDMONDSON. A while ago the Senator from Illinois indicated that there are those who are sympathetic with the criticism the Senator from Illinois has raised with reference to that foreign production. But as I understand his amendment, the proposed reduction of the depletion allowance would apply both to domestic production and foreign production, and with the same percentage.

Mr. DOUGLAS. That is correct. In fact, I submitted another amendment, which provided that the payments to foreign governments for the privilege of drilling should be called royalties, not taxes, and that there should be a reduction of the depletion allowance abroad, and I tried to obtain support from the independent producers. But they are so afraid of the big operators, that the independent producers would not endorse the amendment. I have never seen a group more intent on suicide than are the small producers.

Mr. SIMPSON. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. SIMPSON. I point out that in the case of crude oil production, and the conservation of the production of crude oil in the Nation, as compared to the meatpacking industry and the production of automobiles, the large producers account for only 32 percent, and the rest own 68 percent.

Mr. DOUGLAS. Does the Senator refer to the domestic production?

Mr. SIMPSON. Yes.

Mr. DOUGLAS. Yes. But the Senator will find that the group of American companies virtually control the production in Venezuela and in Saudi Arabia, and, I believe also in Iran. They have interests in other countries as well.

Mr. SIMPSON. There are more than 15,000 producers of oil in the United States.

Mr. DOUGLAS. Yes, and my amendment would not hurt "the little fellow"; he could still get his 27½ percent.

Mr. SIMPSON. But the amendment would hurt the little fellow, because any amendment that would diminish the depletion allowance would, in my opinion—and I have been interested in the discovery of oil and the production of oil by a small, independent oil company—it would hurt the little fellow, because the price of the product, which naturally will go up if they lose the depletion allowance to the extent the Senator seeks.

I am for the little fellow, although I do not know who he is, because I thought everybody in America was big. And I am for the big fellow, because I have seen what he does, and I am sure he has never disgraced the principles of morality, except in a few instances; and the American industry will, I am sure, take care of him.

I was interested in the Senator's reference to the Attorney General in connection with the IOCC. We have always depended on that office to take care of the interests of the industry; and during the years in which I have been in touch with the industry, the Interstate Oil Compact Commission, over which I once presided, not only has policed the industry, but also has done a very magnificent job in connection with it—better than has been done in any other industry of which I know.

Mr. EDMONDSON. Mr. President, will the Senator from Illinois yield again to me?

Mr. DOUGLAS. I yield.

Mr. EDMONDSON. Will the Senator from Illinois agree that if there are inequities in our tax laws with reference to the production of oil, those inequities are much more apparent in the instances of foreign production to which the Senator from Illinois has referred?

Mr. DOUGLAS. Yes; and I think they get proportionately more than the domestic ones do, because they are allowed to charge off the royalties, which are regarded as taxes; and they have that benefit in addition to the benefit of the depletion allowance; and they also benefit because of the fact that the wells are gushers, and also because the risk of having dry holes is less.

Mr. EDMONDSON. There are no allowables. There are no conservation practices.

Mr. DOUGLAS. I believe that is true.

Mr. EDMONDSON. As to fairness, why would the Senator suggest that a reduction in the depletion allowance applicable to a domestic producer would be more fair than one in the same amount applicable to a foreign producer?

Mr. DOUGLAS. If it is fair for the domestic producer, it would be still more fair for the foreign producer, if there are degrees of fairness.

Mr. EDMONDSON. The Senator believes that the percentage should apply equally, even though the inequity would be greater in the instance of the foreign producer?

Mr. DOUGLAS. If one tries to proportion everything precisely, he may never remove any abuse. I merely repeat that we all know that it is the big companies and the big operators that have the foreign holdings.

I have been in Venezuela. The Standard Oil Co. is there. I am not attacking them. They have done a good productive job. I have been near the Persian Gulf. I know something of what goes on there. Enormous profits are being made there—hundreds of millions of dollars. Production costs are very low. Those profits are siphoned back home. They are virtually free from taxation.

Mr. EDMONDSON. Mr. President, will the Senator yield further?

Mr. DOUGLAS. I yield.

Mr. EDMONDSON. I would like to allude for a moment to the statements made by the Senator from Wyoming. Having served on and worked with the Interstate Oil Compact Commission, as well as having been aware of the problems of the oil industry for a number of years in Oklahoma, I cannot quite see the comparison between an oil company in Oklahoma that produces under a 14-per-barrel-per-day-per-well allowable and the tax cut that the Senator is proposing for a foreign producer that not only has no allowables, but also, as a result, when he hits a 10,000-barrel-a-day production, he can produce 10,000 barrels a day.

The operator in Oklahoma, Texas, or any other State in the United States must operate under local conservation laws, and certainly would be at an extreme disadvantage over and above the disadvantage the Senator would be placing upon the foreign producer if the Senator's theory were carried through.

Mr. DOUGLAS. What I am trying to say is that the relatively low production of American wells is not merely due to the comparative low yield of the oil fields and the relative absence of gushers but it is also due to the overinvestment in the industry, which has been encouraged by the depletion allowance.

Mr. EDMONDSON. Mr. President, will the Senator yield further?

Mr. DOUGLAS. I yield.

Mr. EDMONDSON. How can the Senator justify the fact that for about 25 years our reserves have remained almost constant?

Mr. DOUGLAS. There are always enough reserves discovered to keep the ratio approximately the same. I have watched most reserve figures for many years. They always find enough reserves to keep the ratio of reserves to current yield at the same figure. It is very interesting. The Senator can go back over the years. What happens is that the wildcatter drills. Most of them lose their shirts. A few make some money. If they develop a field, a big company comes in. If a field is found, the large company buys up the wildcatter, takes the leases on the land, and then drills systematically with a minimum of waste and makes a great deal of money. That is what happens.

Mr. EDMONDSON. Mr. President, will the Senator yield further?

Mr. DOUGLAS. I yield.

Mr. EDMONDSON. That theory is not commensurate with the figures released by the Department of Commerce which were recited by the Senator from Wyoming [Mr. SIMPSON] a moment ago, showing that 62 percent of the production is held by the independent small producers and not by the major companies.

Mr. DOUGLAS. Not by the major eight.

Mr. EDMONDSON. Not by the major companies that control 32 percent of the production.

Mr. DOUGLAS. I think he said eight companies. If 20 companies are considered, that is a different story.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from New Mexico.

Mr. ANDERSON. A while ago the Senator used the term "economic income." I believe he said that some man had an economic income of $26 million and paid no taxes.

Mr. DOUGLAS. Yes.

Mr. ANDERSON. I am perplexed by the term "economic income." I have in my hand a copy of the Wall Street Journal for today. Last year the Owens-Illinois Glass Co. had net sales of $654 million.

The net before income taxes was $62,616,000. Would that be their economic income? Since the Senator has referred to $26 million of economic income, I should like to understand what he means by the term. Is that net, gross, or the final figure?

Mr. DOUGLAS. Virtually all that amount came from capital gains—not half of the capital gains, but all capital gains. Of that income $26,200,000 was on capital gains.

Mr. ANDERSON. What economic income was there?

Mr. DOUGLAS. The $26,200,000 consisted of capital gains. It was all capital gains—not half of it, but all of it. The interest was $852,000, dividends $64,000, salary $18,000. Oil and gas production before special deductions, $1,534,000. Oil and gas royalties, $320,000. Against those amounts the taxpayer wrote off a deduction for a farm income loss of $276,000.

Mr. ANDERSON. Did I correctly understand the Senator to say that the owner of a royalty could not take the depletion allowance?

Mr. DOUGLAS. No; as I understand, very few royalties yield more than $1 million a year.

Mr. ANDERSON. I am sure of that.

Mr. DOUGLAS. Under my amendment they would still continue to get the 27½ percent allowance. There would be no change in that. It would be effective only if they got more than $1 million.

Mr. GORE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the Senator from Tennessee.

Mr. GORE. I have been observing with interest the figures and statistics on the chart which the distinguished junior Senator from Louisiana placed in the rear of the Chamber. I notice that on the chart reference is made to the profits of all manufacturing industries. About what percentage of profits would the manufacturing industries pay in taxes in the opinion of the senior Senator from Illinois?

Mr. DOUGLAS. Approximately 48 or 49 percent in Federal taxes.

Mr. GORE. I notice in another category "U.S. Petroleum Industry." About what percentage of its profits would be paid?

Mr. DOUGLAS. About 23 percent in taxes. Profits on the domestic production were about 9.2 percent. I wish to emphasize again that if we included foreign production, where the profits are 19½ percent, we would arrive at a profit figure of 11.2 percent, or 1 percent higher than the figure for all manufacturing industries.

Mr. GORE. If the Senator would include the foreign holdings of the U.S. petroleum industry, the tax payment as a percentage of gross profits would be considerably less than 23 percent.

Mr. DOUGLAS. In my judgment, the income tax paid on foreign oil holdings of American companies is very low, because against the taxes is written off not only the depletion allowance, but also the so-called tax or royalty disguised as a tax. It is a notorious fact, which I believe once got into the RECORD inadvertently, and therefore I do not believe I am violating any confidence if I repeat it, that in some years the Arabian-American Oil Co., with profits of hundreds of millions of dollars, paid no taxes at all to the U.S. Government.

Mr. GORE. The distinguished Senator will observe on the charts to which I have referred that there is no reference to the percentage of profits paid in taxes.

Mr. DOUGLAS. On domestic production it is around 23 percent.

Mr. GORE. But this chart makes no reference at all to that.

Mr. DOUGLAS. It makes no reference to earnings abroad or to taxes paid on earnings abroad.

Mr. GORE. Or to taxes paid on domestic profits.

Mr. DOUGLAS. These are not profits before taxes; on Senator LONG's chart, these are profits after taxes.

Mr. GORE. But there is no indication as to the percentage of tax paid, either on domestic or foreign earnings.

Mr. DOUGLAS. That is correct.

Mr. GORE. Likewise, that is omitted from the figure on manufacturing industries.

Mr. DOUGLAS. That is correct.

Mr. GORE. There is a second chart, on which reference is made to taxes, though it bears no relationship to chart No. 1.

Mr. DOUGLAS. That is correct.

Mr. GORE. I notice a very large tax payment, $6 billion in excise taxes. Who pays the excise taxes?

Mr. DOUGLAS. The consumer not the companies, pays the excise taxes. These are gasoline taxes which the motorists pay.

I wish my good friend from Louisiana [Mr. LONG] were here. My good friend from Louisiana is taking credit on behalf of the companies for the taxes which the consumers and the motorists pay.

Mr. MONRONEY. Mr. President, will the Senator yield at that point?

Mr. DOUGLAS. I yield.

Mr. MONRONEY. The distinguished senior Senator from Illinois was present when I had a long colloquy with the distinguished senior Senator from Vermont [Mr. AIKEN] in which, certainly in our part of the debate, I agreed that this tax was paid by the consumers. I also pointed out, however, that we in the gas and oil producing States are saddled with the regressive effect of the charge for excise taxes that amounts to 10 cents a gallon. It does not help the sale of oil and gas when those taxes are 10 cents a gallon.

Mr. DOUGLAS. The Senator from Oklahoma is the soul of honor, as is the Senator from Louisiana, and he would never stretch figures; but I find it extraordinary to see that this figure is $6 billion in excise taxes is somehow implied in the chart, if not directly stated, as being borne by the companies. It is borne by the motorists.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LONG of Louisiana. I know that if the Senator investigated it, he would learn this. When the last Federal excise taxes were placed on the oil and gas industry, it tried to pass that tax on to the consumers in the price on oil and gas. It could not do it. It tried it, but could not do it. That is shown by the decline of 6.5 percent in gasoline prices.

It is sometimes possible for Congress to tax so heavily that the tax cannot be passed on. The Senator from Illinois is an economist. He has read some of these studies. He knows that every industry tries, if it can, to pass forward even the income tax. The industries try to fix what they regard as a fair profit after taxes. They try to pass forward the income tax. They do it if they can. That is true of all taxes, the excise tax, the income tax, the severance tax, and all the rest. Much of that $8 billion tax is stuck on the oil and gas companies, and they cannot pass it forward. That is shown by the other chart. I invite attention to the 6.5 percent decline in gasoline prices.

Mr. DOUGLAS. That is due to foreign oil competition plus improvements in technique and production. The companies have done extremely well from a technical standpoint. I do not criticize them for that. On the contrary, I praise them for it. I am merely saying they are not paying their share of the taxes.

Mr. LONG of Louisiana. They are paying the $2 billion.

Mr. DOUGLAS. The Senator admits they are not paying the $6 billion?

Mr. LONG of Louisiana. Let us take the $2 billion.

Mr. DOUGLAS. No; let us take the $6 billion.

Mr. LONG of Louisiana. The profits of the oil companies are down. They are not making as much as the manufacturing industry. I am talking about the domestic oil industry. This is a domestic industry.

Mr. DOUGLAS. No; I am seeking to tax both foreign and domestic.

Mr. LONG of Louisiana. Let us talk about the domestic companies.

Mr. DOUGLAS. Let us talk about both.

Mr. LONG of Louisiana. It is not going to do a domestic oil company any good if the Senator taxes a foreign oil company.

Mr. DOUGLAS. I am seeking to tax the foreign company as well as the domestic company, but mainly the large companies.

Mr. LONG of Louisiana. If the Senator imposes a tax which covers both the foreign and domestic producer, it is of no particular consequence to the domestic oil producer who is having a hard time that the foreign producer, which is doing better than the domestic producer, is being taxed.

Mr. DOUGLAS. The Senator from Louisiana has one of the sharpest minds and is one of the most amiable persons and one of the most honorable characters of anyone I know. I admire and love him. I have tried for years to make him understand that this is not a proposal for uniform reduction, as the amendment of the Senator from Delaware provided. My amendment provides for a graduated reduction, in which the small producer would suffer no reduction in his depletion allowance. He still would get the 27½-percent depletion allowance. The medium-sized producer would get a depletion allowance of 21 percent. The big producer would have his depletion allowance reduced to 15 percent.

Mr. LONG of Louisiana. The reason why the tax on the domestic oil producer should not be increased has a different logic than the reason why the tax on the foreign oil producer should not be increased. If the Senator wants to debate the question with respect to the domestic producer, there is good reason why his tax should not be increased. It is not the same as the reason why the tax on the foreign producer should not be increased. If we are talking about domestic oil production, the domestic oil industry is not making the profit that it needs to be competitive as compared with all manufacturing. At the prices it is getting, it is suffering. Explorations are down. Domestic producers will all be affected.

The only reason why there is a difference between the amendment of the Senator from Illinois and that of the Senator from Delaware is that the amendment of the Senator from Illinois is well calculated. It affects Louisiana, Texas, and Oklahoma producers, but does not affect anybody in Illinois.

Mr. DOUGLAS. It affects the Ohio Oil Co. It affects the Carter Oil Co. It affects several other oil companies operating in Illinois. The big companies have been successful in bamboozling the small operator. During every election they try very hard to take after me with a scalping knife, but I go into the oil districts then, and at other times as well, and explain the situation, and I carry the oil counties every time.

Mr. LONG of Louisiana. If the Senator is really looking at why the 27½-percent depletion allowance is in existence, it is to offset the tremendous risk a man takes when a man goes into New Hampshire or Vermont or Massachusetts and tries to drill for oil. The chances are very great that all he will get will be salt water. Against that, the allowance is for the fantastic risks involved in exploring and trying to find new oil. The companies invest 67 cents every time they get a dollar in revenue, in order to find more oil. That is the big problem we are talking about.

The Senator from Illinois seeks to retain the depletion allowance for the man who owns the land. Let us assume that someone leases a man's land and explores for oil. The chances are 50 to 1 that nothing will be found, but the farmer has nothing to lose.

The Senator from Illinois is a very smart politician, so he protects the farmer, even if nothing is found on his land but salt water, or even dust, and the farmer makes a profit.

Mr. DOUGLAS. Is the Senator against the farmer and the small producer?

Mr. LONG of Louisiana. I am against giving something for nothing to anyone except the welfare client, and I am in favor of giving him a little more, but I am not in favor of giving something to somebody at another man's expense.

Mr. DOUGLAS. The Senator from Louisiana has charged me with hypocrisy——

Mr. LONG of Louisiana. No; with being a good politician.

Mr. DOUGLAS. I just voted for the Williams amendment, which did not provide for graduation. I do not think it is as good an amendment as mine, because the small producer does not have the same distribution of risk as the large operator. Furthermore, he tends to venture out into untrained fields and, therefore, it is proper that he should have greater protection against risk. That is the basic economic reason why I retain the 27½-percent allowance for those with a gross income of less than $1 million.

Mr. LONG of Louisiana. I hope the Senator from Illinois, who has been three times elected to the Senate, will not contend that he is not an astute politician. I have always known that he is a great man, that he is a lovable man, and one whom I truly admire, but I hope he will not contend that he is not an astute politician, because I have always considered that that is one reason why he is here.

Mr. DOUGLAS. This is the first time I have ever been accused of being an astute politician. I have always regarded myself as a wandering city fellow trying to do his best, making many mistakes, one who did not have the ability of many of his colleagues, but somehow hitched up with the right causes which would ultimately, though not immediately, triumph.

Mr. ANDERSON. Mr. President, will the Senator from Illinois [Mr. DOUGLAS] yield?

Mr. DOUGLAS. I promised before to yield to the Senator from Tennessee [Mr. GORE] but——

Mr. McGEE. If I may fill in the gap made by the Senator from Tennessee, who is not now in the Chamber, I would hope the Senator from Illinois would be willing to correct one of the rare mistakes that he is guilty of making.

Mr. DOUGLAS. I am guilty of making mistakes?

Mr. McGEE. The Senator from Illinois has one of the great minds in this body.

Mr. DOUGLAS. Beware of Greeks bearing gifts. I yield to the Senator from Wyoming.

Mr. McGEE. I believe the Senator from Illinois, if I may make the point, is starting at the wrong end of the problem, that again, as I had occasion to say earlier today, this is a resource development question. The depletion allowance is aimed at encouraging oil exploration. I say we are only confusing the issue and having a little fun when we start to reverse the order of priority.

The Senator from Illinois, in his esteemed way, is interested in maintaining the well-being of the independents. In fact, he proposes to "do them in." By his own table of statistics he reminds us that only 2 percent of the depletion allowance going to producers with gross incomes of $1 million would be affected by his amendment.

Mr. DOUGLAS. The table involves gross assets; yes.

Mr. McGEE. Yes. That 2 percent proves the point. It seems to me that the Senator is talking unrealistically.

Mr. DOUGLAS. Wait a minute——

Mr. McGEE. The independent works with a risk factor, there is the momentum factor and other factors concerned with the resource of oil.

Mr. DOUGLAS. My amendment provides for a $1 million gross income before any reduction in the depletion allowance. The figure the Senator has just given deals with $1 million of assets. The income would be——

Mr. McGEE. One million dollars gross will bring in what, to a producer?

Mr. DOUGLAS. A $1 million income.

Mr. McGEE. One million dollars gross. The Senator is talking about $1 million gross.

Mr. DOUGLAS. I do not know what the net would be.

Mr. McGEE. It would be small. The profits would bring in what, $80,000?

Mr. DOUGLAS. If it is small, then the taxes would be small.

Mr. McGEE. No; the Senator from Illinois is discouraging the independents, for the reason that——

Mr. DOUGLAS. How am I discouraging the independents, by permitting them to retain the same depletion allowance that they have today?

Mr. McGEE. The Senator has this $1 million in gross income. I should like to point out that the independent would be deterred from oil exploration. I do not believe the Senator is trying to argue that we have too much oil and that we have got so much that we do not know what to do with it.

Mr. DOUGLAS. We have got too many wells.

Mr. McGEE. We need more oil and we need to prove up more reserves. Why would not the independent, if the Senator is interested in protecting him, have an incentive to stop exploring the moment he reached a million dollars?

Mr. DOUGLAS. Is he saying that to become a John D. Rockefeller is what lures him on?

Mr. McGEE. The Senator from Illinois, by the use of this figure, has not been deeply involved in oil exploration.

Mr. DOUGLAS. That is true.

Mr. McGEE. The risk and cost factors must be considered.

Mr. DOUGLAS. The risk factor shows up between the wildcatter and the established company. General Thompson, who was formerly regarded as the great god on this subject in Texas, testified in 1950 that in the industry as a whole there were two successes for every failure. I have the figures on the drilling, and the ratios of success to failure are approximately 4 to 1 for the five big companies.

Mr. McGEE. We are talking about exploring oil and the independents do 70 to 80 percent of all exploration. They have no such phenomenal percentage as this.

Mr. DOUGLAS. This is one of the reasons why I am not diminishing the depletion allowance for those who have a gross income of less than $1 million. I am retaining the 27½-percent depletion allowance for them as a compensation for the risk because they suffer in two ways. First, they drill in undeveloped fields, and second, they do not have as wide a distribution in the number of the drillings which a big company will have.

Mr. McGEE. With $1 million gross they cannot continue. The Senator will put them out of business before they start.

Mr. DOUGLAS. I do not believe I will put them out of business because they would still have the same 27½-percent depletion allowance.

Mr. McGEE. One million dollars gross to an independent, he cannot stay in the oil exploration business on a wide scale. He has got to go out of business. The Senator's $1 million is totally out of line because he loses the point of the whole assault on depletion. Depletion was designed to develop and prove out on resources. It was not a source of income to the company. That is why the Senator has started at the wrong end. He has the well before the exploration.

Mr. DOUGLAS. I say a million dollars in gross income from oil is not an excessively small amount.

Mr. McGEE. I say it is a very excessively small amount. In the oil exploration business one cannot stay in business by bringing in one well and then waiting until one has spent out that year, whatever the allowance would be, $80,000, and then do it again next year.

Mr. DOUGLAS. What is the price per barrel of oil in the field?

Mr. McGEE. Around 20 to 25 cents profit. We are interested in the profit.

Mr. DOUGLAS. What is the price in the field?

Mr. McGEE. Three dollars.

Mr. DOUGLAS. Well, then, an oil man would have to produce more than 333,000 barrels in a year in order to exceed the $1 million figure. On all yields of less than 333,000 barrels, or the $1 million figure, the depletion allowance would not be reduced.

Mr. ANDERSON. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. ANDERSON. I should like to ask a question about this $26 million. The Senator from Illinois has said that an individual earning $26 million paid no tax. Would the Senator compare the record because I know the fact of a man with $26 million and only $10 million of it was attributable to that year.

Mr. DOUGLAS. I know, but it was capital gains.

Mr. ANDERSON. The capital gains was attributable to that year. Only $10 million went in that year. So it comes down from $26 million to $10 million. The capital gains was $5,436,224. From that he took only $2,276,156 in exploration. That left $3,377,421 profit on which he would have paid tax had it not been that he had a previous loss. So while he did have $26 million it came to only $3 million and the rest is cut off. If the Senator has some information better than that, I should like to hear it.

Mr. DOUGLAS. I have a memorandum on that, which was furnished to the Senator from Louisiana and to the Senator from Illinois. The sale was made for $8 million cash with the balance in purchase money notes. Notes due January 25, 1961, amounting to $3,377,421 were sold to a third party on December 29, 1960, raising the selling price realized in the calendar year to $11,325,000. The realized gain for 1960, therefore amounted to $10,888,000, the balance being deferred until future years in accordance with the installment method which is provided in the code. This is possible only if the payments—exclusive of evidence of indebtedness—do not exceed 30 percent of the selling price. Of the balance of the notes, $6 million was collected in 1961.

Mr. ANDERSON. That is right. That is what he paid.

Mr. DOUGLAS. On which $5,743,000 represented taxable gain, $10 million therefore remained for collection in future years.

The point is that he was paid in cash, and the balance in purchase money notes, which he could collect at almost any time.

Mr. ANDERSON. No. He would have lost his whole capital gains. This is a perfectly normal transaction.

Mr. DOUGLAS. What tax did he pay in the following year?

Mr. ANDERSON. I do not know.

Mr. DOUGLAS. I believe the Senator will find that he paid no tax in the following year.

Mr. ANDERSON. Oh, no. The Senator has had many nice things said about him, and I could add to them. It was unfortunate, however, that he said the man had a $26 million income.

Mr. DOUGLAS. An economic income.

Mr. ANDERSON. Economic income is income. The Senator said that he paid no taxes.

Mr. DOUGLAS. I am not trying to conceal anything. I gave the Senator the information I had. I had previously put all the facts in the RECORD.

Mr. ANDERSON. The Senator handed me the chart. He is not trying to conceal anything. He wanted it all out in the open. I do not believe that what he has said shows the exact situation.

Mr. DOUGLAS. Suppose he had $12 million and did not pay any taxes?

Mr. ANDERSON. But he had previous losses which he wrote off.

Mr. SIMPSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. SIMPSON. Perhaps we are fiddling while Rome burns. We may well need the combined resources of these great companies to provide us with the required energy. The news has just come over the wire that Castro has enforced his threat to shut off the water at Guantanamo. What we are discussing here may become academic in a few days.

Mr. President, I ask unanimous consent to insert in the RECORD at this point a table showing the net value of production as against expenditures for finding, developing, and producing oil and gas for the years 1951, 1953, and 1955.

The total net value of production in 1955, for the entire industry, was $6,720,539,000. The total exploration and developmental costs in 1955 were $5,127,465,000.

The net annual loss in 1955 was $428,260,000.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Net value of production versus expenditures for finding, developing, and producing oil and gas

[In thousands of dollars]

	1951	1953	1955
Industry income:			
Net value oil produced	4,862,136	5,401,018	5,884,215
Net value gas produced	465,451	660,501	836,324
Total, net value production	5,327,587	6,061,519	6,720,539
Industry expenditures-exploration costs:			
Geological, geophysical, and related professional services	186,000	243,590	245,440
Lease purchases and rentals	637,910	744,630	876,520
Dry holes	650,290	795,890	940,210
Overhead	126,780	171,270	206,220
Total, exploration costs	1,600,980	1,955,380	2,268,390
Development costs:			
Drilling and completion of producing wells	1,390,050	1,689,607	2,097,225
Equipment (tubing, tanks, flow value, etc.)	420,360	483,000	556,210
Overhead	135,780	168,378	205,640
Total, development costs	1,946.190	2,340,985	2,859,075
Subtotal, exploration and development costs	3,547.170	4,296,365	5,127,465
Operating costs:			
Oil:			
Direct costs	1,274,149	1,392,576	1,540,092
Overhead	242.146	306,326	337,758
Total, oil operating costs	1,516,295	1,698,902	1,877,850
Gas:			
Direct costs	89,220	134,675	134,097
Overhead	7,758	10,920	9,387
Total, gas operating costs	96,978	145,595	143,484
Total operating costs	1,613,273	1,844,497	2,021,334
Total expenditures for finding, developing, and producing [1]	5,160,443	6,140,862	7,148,799
Net annual balance	+167,144	−79,343	−428,260

[1] Includes maintenance, supervision, and general overhead but excludes charges for research. The costs do not include income taxes, payment on interest and principal, or return to investors.

Source: "Petroleum and Natural Gas in the United States—Relation of Economics and Technologic Trends," by C. C. Anderson, chief petroleum engineer, U.S. Bureau of Mines, Washington, D.C.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. PROXMIRE. The colloquy between the Senator from Illinois and the Senator from Wyoming was quite fascinating. If we followed it through, would it not show that if a firm or individual has a gross income of $1 million, he is netting in the neighborhood of $75,000 or $85,000?

Mr. DOUGLAS. Yes.

Mr. PROXMIRE. Does the Senator believe that a man who nets $75,000 or $85,000 is a pauper, or is in a very weak financial position?

Mr. DOUGLAS. I hardly think so.

Mr. PROXMIRE. Besides, he would not be affected by the Senator's amendment, would he?

Mr. DOUGLAS. The Senator is correct.

Mr. PROXMIRE. So he would have a substantial income, an income more than three times as large as U.S. Senators receive.

Mr. DOUGLAS. He would be among the upper one-fifth of 1 percent of the people of the country.

Mr. PROXMIRE. One-fifth of 1 percent. In other words, 99.8 percent of the people earn less than that.

Mr. DOUGLAS. Yes.

Mr. PROXMIRE. Yet a man who has that income is considered by Senators opposing the Senator from Illinois, as small potatoes in the oil industry, yet he is in a category which is far above that of 99 percent of the population of the country. Is that correct?

Mr. DOUGLAS. Yes; I am trying to protect 99.8 percent of the population. The Senator from Wyoming is weeping copious tears for two-tenths of 1 percent, or for 1 out of every 500.

I do not regard that as a principle of the Democratic Party of Andrew Jackson, Woodrow Wilson, Franklin Roosevelt, Harry Truman, and John F. Kennedy.

Mr. PROXMIRE. The Senator has discussed the fact that the manuufacturing industry has a profit of 10.3 percent and the petroleum industry a profit of 9.1 percent. Of course, as he pointed out, this does not include foreign operations.

Let us assume that the oil industry does not make quite as much money as the rest of the industry. Does the Senator believe that to be any basis for arguing that they should pay only half as much in taxes? For example, if a person lives in a State which has half the per capita income of another State, should he be permitted to pay only 50 percent as much in taxes?

Mr. DOUGLAS. If the average domestic production is lower, it is due to the depletion allowance, which has encouraged overinvestment and overdrilling—so much overdrilling, in fact, that it is necessary to restrict production in order to keep up prices.

I ask unanimous consent that a table giving the profits on investment for 16 major companies be provided at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Profits on investment after taxes 1961–62

	Percent
1. Standard Oil of New Jersey	11.1
2. Socony	8.2
3. Texaco	14.8
4. Standard Oil of California	11.6
5. Standard Oil of Indiana	6.6
6. Shell	11.2
7. Phillips	8.9
8. Sinclair	5.0
9. Continental	9.4
10. Standard Oil of Ohio	8.4
11. Marathon	8.3
12. Signal	8.6
13. Richfield	10.6
14. Kerr-McGee	15.7
15. Superior	9.6
16. Amerada Petroleum	15.9

Mr. PROXMIRE. Would it not be to the interest of the people in Texas, Oklahoma, Louisiana, and Wyoming if the oil industry did not have these enormous concessions, so that the wealthy people from the East and the North who have huge incomes would not be in a position where they felt they had to come into the oil industry to take advantage of the tax concessions.

Mr. DOUGLAS. Their going into the oil industry has contributed to overdevelopment. They have made the plight of the producer worse than it would have otherwise been.

Mr. PROXMIRE. Does the Senator recall the great book by Phil Stern "Treasury Raid" in which the author referred to a man who had $85 million in assets, with very high income, and who said he could not afford to stay out of the oil industry, and had to go into it in order to take advantage of the tax concessions?

Mr. DOUGLAS. Yes.

Mr. PROXMIRE. As a consequence, the people who live there and who have ordinary wealth would be better off if this capital were not pulled in into that area in this artificial way.

Mr. DOUGLAS. The Senator expresses it very well.

Mr. PROXMIRE. The argument is made that the depletion allowance is necessary because this is a high risk industry. Is it not correct that Dunn's Review shows that, whereas the construction industry has failures in the neighborhood of 85 per 10,000, the retail industry has failures of 400 per 10,000——

Mr. DOUGLAS. Construction has 86 failures per 10,000.

Mr. PROXMIRE. I stand corrected; 86 per 10,000. The retail industry has failures of 400 per 10,000. How many failures are there in the petroleum industry?

Mr. DOUGLAS. Four out of every ten thousand.

Mr. PROXMIRE. Four out of every ten thousand?

Mr. DOUGLAS. Yes. It is the lowest of any industrial group. It is one of the safest industries to go into. The ratio is 20 in food and 86 in construction, but only 4 in oil, gas, and mining. If these people claim we must give them a tax break, what are we going to do for the corner grocer?

What about the baseball player. A baseball player's life in baseball is very short. There are few Stan Musials. Most players have a very brief time in the game. Should they not have the benefit of a depletion allowance? They want it. What about poets? Should not poetic genius have a depletion allowance? Should there not be a depletion allowance for defeated politicians?

Mr. PROXMIRE. I think that would be an excellent idea, in view of what I may face in a few months.

One of the real difficulties of the depletion allowance in its present form is that Uncle Sam is a partner, up to 90 percent, for the man who is losing money in the oil industry; 70 percent, if the pending bill passes. It will be very high. But what happens when the oil speculator is on the winning side? How much does Uncle Sam get?

Mr. DOUGLAS. The speculator takes almost all. It is a case of "heads I win, tails you lose."

Mr. PROXMIRE. In other words, heads, Uncle Sam loses; tails, the oil speculator gains.

Mr. DOUGLAS. That is correct.

Mr. PROXMIRE. Uncle Sam never wins.

Mr. DOUGLAS. Seldom.

Mr. PROXMIRE. One more question. I know the Senator from West Virginia has been waiting patiently. Does the Senator from Illinois know of any principle in taxation or economics that would justify a depletion allowance which, in the years 1946 to 1949, enabled the average oil corporation to write off its wells not once, not twice, not 10 times, but 19 times?

Mr. DOUGLAS. I know of no such principle. This is one of the scandals. The depletion allowance is not depreciation, but the oil well operator writes off the original cost multiple times. I know of no other industry in which that can be done. There is no other industry, except possibly the sulfur industry.

Mr. PROXMIRE. But in terms of the whole principle of depletion depreciation, what is the purpose of it? The purpose is to enable the taxpayer to write off the asset which he has invested for business purposes, full value of it during its life, not twice, but once. Is that not correct?

Mr. DOUGLAS. That is correct.

Mr. PROXMIRE. So this principle is violated by the depletion allowance, and the Senator from Illinois, by his modest amendment, would not affect the man who nets about $75,000 or $80,000 a year at all. He would affect the middleman only to the extent of reducing his depreciation to 21 percent. The big operator would still have a 15-percent depletion allowance with which he could write off his investment.

Mr. DOUGLAS. If the oil industry does not accept this, it will get something worse. I am astounded by my own moderation. It would save the taxpayers nevertheless $400 million a year. Those who were so solicitous for the budget when they voted down the Ribicoff amendment and the proposed removal of retail excise taxes now have the chance to prove that their concern is sincere.

Mr. RANDOLPH. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield to the Senator from West Virginia.

Mr. RANDOLPH. I am deeply honored to sit here, as I do day after day, beside the diligent and distinguished Senator from Illinois. We hold many similar views and we vote together very often. I hold a genuine affection for him as a friend.

Mr. DOUGLAS. May I interrupt the Senator from West Virginia to say that Disraeli was once asked how he got along with Queen Victoria. He replied:

> When I deal with Queen Victoria, I lay it on with a trowel.

I would say that the Senator from West Virginia lays it on with a shovel.

Mr. RANDOLPH. What I have spoken is from my heart.

We hear about the multimillionaires——

Mr. DOUGLAS. The Hunts and the Gettys.

Mr. RANDOLPH. The Senator has placed these names in the RECORD.

Mr. DOUGLAS. The Cullens and Clint Murchisons and Sid Richardson and a host of lesser lights.

Mr. RANDOLPH. I remember that my revered father was an active independent oil and gas producer in West Virginia. He lost money in this industry; but he was a pioneer and he helped thousands of citizens and aided the economy.

Mr. DOUGLAS. He would not be affected by my amendment.

Mr. RANDOLPH. But I make the point that not all persons who drill for oil and gas have become or did become rich.

Mr. DOUGLAS. That is true.

Mr. RANDOLPH. Not all West Virginians who went from our State to the fields in Oklahoma became wealthy in that State. Most of them, I note, in the presence of Senators from that State, were substantial people. They were ready to take a chance.

I had two uncles who went to Oklahoma from West Virginia; they did not become rich men, although they carried from the oil background in West Virginia to the Sooner State, hard work and good citizenship.

We have pioneered in this industry. Our first commercial well was drilled in October 1859. This well was drilled in the Hughes River territory 4 years before West Virginia became a State.

Mr. DOUGLAS. About the time of the discovery of oil at Titusville?

Mr. RANDOLPH. Titusville was the location of the first U.S. production.

Mr. DOUGLAS. That is correct.

Mr. RANDOLPH. Mr. President, in the early years there was feverish competitive activity in the petroleum industry. Overdrilling was the rule. Extravagant dissipation of reservoir energy wasted billions of feet of valuable natural gas. It also allowed upward to 80 percent of the oil in the reservoir to lie unrecovered and unrecoverable except under some form of secondary operation.

Despite those early practices, and because of the large virgin territory in our State available for exploration and development, production steadily increased until the peak year of 1900, when over 16 million barrels of oil were produced in our State. After that top year, production steadily declined until the total output of crude oil in 1962 in West Virginia amounted to 3.5 million barrels.

But oil alone is not involved, in our State, because oil and gas are generally found in the same horizon and in many cases are produced from the same well. It is significant that the total value of crude oil, natural gas liquids, and natural gas in 1962 amounted to $91.7 million. These mineral products were second in value only to coal, and these petroleum values represent 12.9 percent of the total value of all our State's minerals.

In West Virginia, 47 percent of the total land area is under lease for oil and gas purposes and in the search for and development of these hydrocarbons, 85,193 wells have been drilled. Upward to 30,000 producing oil and gas wells were in operation in the State in 1962, and 1,400 of them were new last year. In 1962 we drilled 1,171 wells and 200 were dry holes.

The producing division of the industry provides employment for 4,250 persons. Refining, transportation, and marketing divisions and employees of gas companies number 10,400. Thus, 14,650 individuals are gainfully employed by the oil and gas industry in West Virginia. Several thousand additional are employed in retail marketing outlets. It is estimated that payrolls in excess of $70 million are generated annually in our State by petroleum drilling, transporting, refining, and marketing.

Approximately 80 percent of the wells now producing in West Virginia are owned by small independent companies. More than 150,000 West Virginians receive income from these wells based on investment or royalty or rental.

The oil and gas industries are vital revenue producers for several of our counties, and for the State government. The industry, in the month of August of last year, paid gross sales taxes amounting to $671,230—the oil portion having been over $22,000, the gas portion almost $122,000, and gas utilities, slightly over $527,000.

I am a vigorous believer in the concept that conservation of our nonrenewable natural resources, particularly oil and gas and component hydrocarbons, is indispensable to the welfare and the continuing strength of the State and the Nation. Only through wise utilization of our nonrenewable natural resources can we escape the detrimental consequences of profligate depletion of the sources of our valuable petroleum products.

I think in terms of incentive, and the aiding of productivity of West Virginia. Even so, although one may discount the financial hazard of drilling an oil well in West Virginia, the hazard exists, nevertheless, to a considerable degree.

I feel that, by and large, we must face the fact that there is a need, not only in this particular industry, but in many other industries, for what we call incentives for venture capital, for risk capital.

I wish to emphasize again, as I did earlier, that in West Virginia the average cost of drilling a producing well is $49,500. That is not a deep well; it is of the average depth of 3,500 feet. Our productive sands are between 1,000 and 12,000 feet below the surface.

The domestic, the independent, the small producer in West Virginia is concerned in terms of the needed protection which comes to him from the present depletion allowance.

Earlier this afternoon I read into the RECORD—at a time when I believe the Senator from Illinois was not on the floor—a statement from a West Virginia friend whom I know very well. In 1962 his firm drilled 141 wells. Only one of them produced sufficient profit to be embraced within the 27½-percent depletion allowance. The actual depletion allowance on the wells drilled amounted to less than 13 percent. So the figure is not always 27½ percent.

Mr. DOUGLAS. The average percentage taken, in the country as a whole, is, however, approximately 26 percent.

Let us consider the average small producer in West Virginia. How many barrels of oil will his well produce in a year?

Mr. RANDOLPH. I cannot answer that question, but I do have the figures on crude-oil production for the following years:

	Barrels
1958	2,186,000
1959	2,184,000
1960	2,300,000
1961	2,760,000
1962	3,345,000

Mr. DOUGLAS. We do not reduce the depletion allowance for any individual or corporation on any gross income of less than $1 million; and with oil worth $3 a barrel in the field—as the distinguished Senator from Oklahoma has said and has been corroborated by the Senator from New Mexico—one would have to have over 330,000 barrels, to go over the $1 million mark. So a producer who has 2,000 barrels a year need not fear; neither will one who has 10 average wells with 20,000 barrels or $60,000, or one who has 50 wells, or one who has 100 wells, or one who has 150 wells need fear. Even the latter will only have a gross income of $450,000. He will still have his 27½ percent allowance.

Let the Senator return to West Virginia and tell the producers there that there is nothing for them to fear in the Douglas amendment.

Mr. RANDOLPH. I understand the principle on which the Senator from Illinois bases his argument.

Those of us who come from States such as West Virginia—which is identified in the public mind as being a coal-producing State, there is important oil-production——

Mr. DOUGLAS. But the Senator should not let his State be used by the "big boys"——

Mr. RANDOLPH. I feel we are both concerned with doing that which is equitable, even though there is a disagreement on this proposal. My position has been a consistent one, in the House and now in the Senate. I respect the conviction of the Senator from Illinois.

Mr. DOUGLAS. Mr. President, the Senator from West Virginia is always generous, and also amiable and kind.

Mr. RANDOLPH. I thank the Senator from Illinois.

Mr. DOUGLAS. Mr. President, unless the Senator from Oklahoma [Mr. MONRONEY] wishes to ask me some questions——

Mr. MONRONEY. I wish to obtain the floor.

Mr. DOUGLAS. Does the Senator from Oklahoma wish to obtain the floor in his own right?

Mr. MONRONEY. Yes.

Mr. DOUGLAS. Very well.

Mr. President, I yield the floor.

Mr. MONRONEY. Mr. President——

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. CLARK. Mr. President, will the Senator from Oklahoma yield briefly to me?

Mr. MONRONEY. I yield.

Mr. CLARK. I thank the Senator from Oklahoma.

Mr. President, I supported the Williams oil depletion amendment, and I shall support the Douglas amendment. I desire to state very briefly my reasons for doing so.

First, I wish to make it clear that—at least, in my own mind—I am not engaging in a grandstand play. I have revealed to the public the fact that for many years my principal source of income has been oil royalties paid me by the Humble Oil & Refining Co., in an amount sufficient to enable me to lead a comfortable life and still be a U.S. Senator.

I repeat that I am not indulging in a grandstand play.

Mr. LONG of Louisiana. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. LONG of Louisiana. Would not the Senator from Pennsylvania be protected by this amendment? He is an oil royalty owner, is he not?

Mr. CLARK. I intend to support the amendment of the Senator from Illinois, because the oil depletion allowance is so unconscionable that I cannot sleep very well some nights when I realize that I am a beneficiary of it. So I intend to support a cut in it; and I think it can be cut and still be such as to enable me to continue my rather comfortable mode of living.

I say to the Senator from Louisiana that it is the munificence which flows from underneath the land of the sugar plantation which my great-grandfather had the wisdom to squat on, shortly before the Civil War, land located in Louisiana, which enables me to take this so-called high-minded attitude, because I could afford to have the oil depletion allowance cut rather substantially and still not suffer unduly.

Mr. LONG of Louisiana. Mr. President, does the Senator from Pennsylvania say——

Mr. CLARK. Mr. President, I do not yield at this time.

I say that this is no grandstand play on my part, because the depletion allowance could be cut in half, and I still could pay for the groceries I need.

Mr. President, I asked the Senator from Oklahoma to yield briefly to me. However, if the Senator from Louisiana wishes to inject his remarks into my speech, I am glad to yield to him.

Mr. LONG of Louisiana. Is the Senator from Pennsylvania making more than $1 million a year from those royalties?

Mr. CLARK. No. I am making in the neighborhood of $60,000 to $70,000 a year from the royalties.

Mr. LONG of Louisiana. Then the Senator from Pennsylvania is well protected; and the amendment would cost him nothing, and he could be a statesman about this matter.

Mr. CLARK. So what? I am still in favor of the amendment.

Mr. LONG of Louisiana. But the Senator from Pennsylvania would take no risk.

That is exactly what is wrong with the amendment of the Senator from Illinois: Those who take no risk could continue to stay in Philadelphia and draw their royalties; and the Senator from Pennsylvania therefore would favor the amendment, even if the result was that nothing but dust were found in the bottom of a dry hole.

Mr. CLARK. Mr. President, I can shout as loud as the Senator from Louisiana can. If he wishes me to yield from the time given me by courtesy of the Senator from Oklahoma, I am willing to yield for a question—but not for a speech in the brief amount of time which has been yielded to me. But I can shout as loud as the Senator from Louisiana can. If he wishes to ask me a question, I shall yield. If he wishes to make a stump speech, he should make it on his own time.

Mr. LONG of Louisiana. Well, does the Senator from Pennsylvania say that if an oil company conducts its operations on the land which was acquired by his great-grandfather, and if that company takes all the risk and drills the well, and if its operations result in enabling the Senator from Pennsylvania to have a guaranteed income of $70,000 a year, is it fair, when that company takes all the risk for the Senator from Pennsylvania to take none of the risk, but still favor an amendment which would cut the depletion allowance to an extent which really would hurt that company?

Mr. CLARK. Mr. President, if the Senator from Louisiana wishes to have me give him a candid answer, it is that I do not think it is fair that I get so much income tax free and at the same time that the Humble Oil Co. not pay the amount of taxes which it should pay as its fair share in order to help preserve our freedoms and our American way of life.

Mr. LONG of Louisiana. Does the Senator from Pennsylvania think it is fair for the producer to take all the risk and for the Senator, who receives that fine income from the oil company's operations, to take no risk—not only take no risk, but, in fact, receive that very large payment—and also for the Senator to favor this amendment, which really would hurt that producer? Does the Senator from Pennsylvania think it is fair for him in that way to repay that company for all the risk it took? In other words, does he believe it would be fair for him to favor an amendment which would penalize those who took the risk, while those who are protected and are making fine profits are living comfortably and are the ones who really benefit as a result of the 27½-percent depletion allowance?

Mr. CLARK. The answer to that question is "Yes." Nevertheless I voted for the amendment of the Senator from Delaware [Mr. WILLIAMS], which did not include the escape clause which, in my opinion, the Douglas amendment includes.

In my opinion, a cut in the depletion allowance, whether confined to the depletion allowance received by the large companies which produce oil or confined to allowance received by the royalty owners, is an appropriate exercise of the discretion of Congress; and I shall support it.

Mr. President, if the Senator from Louisiana will permit me to do so, I should like to conclude my comments—and in short order.

I thank the Senator from Oklahoma for yielding this time to me.

My point is that the arguments made by the Senator from Delaware and the Senator from Illinois are quite unanswerable. In my opinion that is an industry which quite clearly is not paying its fair share of our national tax burden.

I understand that this is a controversial statement for me to make. I have tried to follow the arguments on both sides as well as I could. Nevertheless, it seems clear to me that the preponderance of sound argument is on the side of the Senator from Delaware [Mr. WILLIAMS] and the Senator from Illinois [Mr. DOUGLAS]. In my judgment, there is no conceivable excuse for my getting tax free income because my great-grandfather, who thought he was going to raise sugar—I am sure he would roll over in his grave now if he knew that there were 63 to 70 oil-producing oil wells under the land where, unhappily, he failed to raise sugar with any profit—had the good fortune or the good luck to squat on that land. I suppose that statement is not fair to great-grandfather, because he got a good title to that Spanish land grant. He did not really squat; he bought the land.

I conclude on the following note: Here is an inequitable tax situation which has existed for a long time. Every year since I came to the Senate efforts have been made to cut the depletion allowance in order to bring the return from the oil industry somewhere into line with the return from other well-managed and profitable American corporations.

We have been defeated because the votes of Senators who come from the States where oil is being produced defeat the effort to give equity to this part of our tax structure.

The argument has been made that we ought not to cut the depletion allowance because we have to encourage further exploration for oil and gas and the building up of further reserves. In my opinion that is an unsound argument. There is too much oil now. The Middle Eastern oil is produced so much more cheaply than our domestic oil that it is necessary to rig the price. The gulf coast posted price which controls U.S. prices for oil is far higher than the profitable cost of bringing oil in from the Middle East and elsewhere. In my opinion—and I am now about through—it would be far better to keep those reserves in the ground until perhaps they will be badly needed in the event of war or some other catastrophe, when perhaps our source of supply from foreign oil would be cut down. We know those reserves are there. We know what they are. The oil wells on the property from which I received royalties are now restricted as to the number of barrels they can produce each day. It is probably a good thing for my children and my grandchildren that, in an effort to maintain and stabilize the price, production from those wells is being curtailed. It seems to me that in that situation it would be far wiser not to drill a great many more wells to prove those reserves. I believe domestic production should be cut even further.

I thank my friend from Oklahoma for yielding to me. I shall support the Douglas amendment.

Mr. MONRONEY. Mr. President, before we establish a change in our historic and, I believe, successful policy of dealing with mineral deposits in the United States, we should at least stop, look, and listen. We have heard nothing, except bare statements on the floor of the Senate, to show that we have too much oil. I feel that we do not have too much oil. I believe that we must always have enough oil so that our Nation can be independent, if necessary, in the event Middle Eastern oil is shut off or if Latin American oil is shut off. We should have that oil available so that we can supply with oil the necessary equipment, including airplanes, tanks, automobiles, and buses that are so heavily dependent on that prime source of energy.

If we keep those objectives in sight, I do not believe it can be shown that we are overdeveloping our natural resources. Any idea that we should make it harder to find oil is difficult to understand. That is the point of the argument of all three leaders who support the amendment. They maintain that there has been overdevelopment of our oil resources and overinvestment in them. If we are required to import 12½ percent of our oil from overseas today, I believe that we certainly are not overproducing or overdeveloping. Certainly some of the oil is shut in. I am very glad that we are producing only 7½ million barrels a day against an absolute potential of 10½ million barrels. But that is not a sign that if we should open production to 10½ million barrels we would have that much supply per day. Over a period of 45 days, when the rock pressure would go down, we could not produce that much oil.

I should like to state what we are asked to do in the Douglas amendment. I am very much surprised that a man who always hews to the line of absolute fairness in the treatment of any tax question would change the whole philosophy of the depletion allowances, which historically have been based on many factors, but certainly not on the income of the individual taxpayer.

We have a graduated income tax for individuals. We have a corporation tax, which has been too high. It has been 52 percent; it will be lowered to 48 percent. But even then these corporations will be declaring dividends. When the dividends go out and are received by the individual stockholders, those stockholders will pay the graduated income tax on them. For that reason I say that we are attempting to put two taxes on the income of the individual taxpayer. We would put a penalty on his success in finding oil or developing it. I think such a penalty is against the best principles that we have always stood for.

Under the Douglas amendment, the rate of depletion would no longer be based upon a particular mineral or commodity, as has historically been the case, but it would be based instead upon a concept completely irrelevant to the original purposes of depletion, such as the need for domestic reserves, the large amount of capital required, and the comparative risk. Under the Senator's amendment, the depletion rate would be based solely on the financial status of a particular individual or a particular corporation.

It would not depend on the mineral, whether it was hard to find, or whether it existed in great quantities. All the minerals with peculiar sounding names would be placed above oil in the depletion allowance. The amendment would give higher allowances to those people who are fortunate enough to have deposits of sulfur or uranium that he mentioned.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. DOUGLAS. If the Senator desires to apply to sulfur and uranium the same rate that would apply to oil, that would be satisfactory.

Mr. MONRONEY. The Senator has his amendment, and he has been arguing for it for 2 days. I am merely pointing out how poorly thought out is the amendment.

Lead and zinc, which exist in great quantities, are found only a few hundred feet under the surface of the ground. Sometimes they are only 10 feet below the surface. Those minerals would continue to have a depletion allowance of 23 percent, while the depletion allowance on oil would be cut to 15 percent.

As the Senator has said, most of the oil producers would be in the higher brackets. But all of these things depart from the traditional concept that the percentage depletion allowance over the years should be based on the mineral and not on how many stockholders there are, or how rich or how lucky an oil producer might have been in the discovery of oil. I do not think we wish to go to that kind of concept, particularly when the Senator includes such items as sagger clay, and clay used or sold for use for such purposes, and bentonite. All those minerals would be given a more favorable rate than oil, which is to be found 5,000 feet under the surface of the earth. The risk one must take in searching for oil is high.

We might as well use the number of shareholders of a corporation, or in the case of an individual, the color of his hair or the cut of his clothes to determine what the rate should be.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to the Senator from Kansas.

Mr. CARLSON. An interesting discussion on the statement which the Senator has made took place during the hearings at the time Mr. Harold Decker, who was immediate past president of the Independent Petroleum Association, testified. The statement is found at page 2373 of the hearings. The Senator from Illinois was involved in the colloquy. I ask the Senator if I may quote briefly from that page.

Mr. MONRONEY. Yes.

Mr. CARLSON. It reads as follows:

> Senator CARLSON. Just following the suggestion that the Senator from Illinois, Senator DOUGLAS, made, would it not be the establishment really of a graduated corporation tax based on size or bigness and the tendency, of course, if that were approved, would be for these large corporations to gradually split up into smaller units; wouldn't that be the tendency?
>
> Mr. DECKER. I think you would find the smaller individual once he gets past a certain stage would immediately sell out.
>
> Senator CARLSON. In other words—well, yes, of course, that is what would happen, I assume.
>
> Mr. DECKER. It is happening fast enough now and you would really accelerate it if you had that.
>
> Senator CARLSON. That is all.
>
> Senator DOUGLAS. Would the Senator yield?
>
> Senator CARLSON. I am through.
>
> Senator DOUGLAS. Do you think they would sell out?
>
> Mr. DECKER. I say if the depletion came to 20 percent instead of 27½ percent by the graduation that you propose they would immediately sell out.
>
> Senator DOUGLAS. Why?
>
> Mr. DECKER. Because the lower depletion rate that they would have after they got past a certain stage, they would sell out. The capital gains would be a greater encouragement for them to sell. My income, if it is a million dollars under your proposal, I would have 27½ percent.
>
> Senator DOUGLAS. That is right.
>
> Mr. DECKER. If my income became $5 million, I would be graduated down to 20 percent.
>
> Senator DOUGLAS. Fifteen percent.
>
> Mr. DECKER. Fifteen, all right.
>
> Senator DOUGLAS. Between 1 and 5 million, 21 percent.
>
> Mr. DECKER. Why should I remain in business having seen—had depletion at 27½ percent, seen it go down to 15 percent. I would sell out.

That is an interesting colloquy in view of the statement of the Senator from Illinois. Mr. Decker is one of the most important oil producers.

Mr. MONRONEY. I think we would depart from a commodity depletion allowance which was established as a result of putting a high value on materials we need to have in adequate supply. I do not think the time has come to turn the valve off the discovery of such products. Perhaps they should not be produced in such volume. Perhaps their production needs to be prorated, and they should not be pulled out of the ground as fast as at present. But we do not have to put up a sign, "No explorers need apply." I do not think any State wants to deter explorations.

I am sure many investors from Oklahoma who discovered oil there have moved to West Virginia and are helping to find oil in West Virginia. If they were held down to a strict financial restriction whereby their depletion allowance was reduced to 15 percent, I think they would do what many of the wildcatters and big producers have done when they find oil. They sell and take a capital gain, which is more productive of income than the discovery of an oilfield, producing oil for 10 years, and taking the 27½ percent on 50 percent of the net.

Mr. DOUGLAS. If the Senator will yield, up to 50 percent.

Mr. MONRONEY. Fifty percent of the net. They have to have no expenditures if they are going to use up the whole 27½ percent. The average in my State is about 15 percent.

The depletion allowance applies to more than 100 metals. This method has proven valuable and is now applicable to all such industries. Why single out oil and gas as the sole minerals to be penalized by making them exceptions, when the others will continue to have a depletion allowance much higher than 15 percent, which would be the amount for the $5 million producers?

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. DOUGLAS. I do not have the list from the Internal Revenue Code before me.

Mr. MONRONEY. I have it.

Mr. DOUGLAS. It is my understanding that oil and gas are the only ones that have a 27½-percent depletion allowance. I believe sulfur and uranium have a depletion allowance of 23 percent. I believe other minerals have a depletion allowance of 15 percent or less.

Mr. MONRONEY. No; there is a long list, including sulfur, uranium, lead, zinc, and thorium. That is the way the Internal Revenue Code reads. Most of these minerals—enjoy a 15-percent depletion allowance. The Senator certainly knows that coal is found very close to the surface. Once it is found, its location is definitely known and how long the field will last is known.

Mr. DOUGLAS. If my friend will permit me to say it, it states "27½ percent" depletion allowance, which starts the parade, and the others move up toward it.

When I last saw the list, I had not realized there were some 20 or 30 minerals which had a depletion allowance of 23 percent. I thought it was confined to sulfur and uranium. The 27½ percent is an evil example. Everything is drawing toward it.

Mr. MONRONEY. The Senator is drawing on his own judgment. The 27½-percent depletion allowance has produced a profitable industry that has led employment in its field and has supported a tax base of billions of dollars. I do not think it has proved to be unsuccessful.

The Senator feels that certain persons have made an unusual amount of money in oil; but, generally speaking, I feel that the oil industry has paid its part of the taxes. Now it is proposed to single out oil and gas producers for a special rule and not only penalize them on what can be deducted, but, if they are successful in finding oil, decrease their depletion allowance gradually, until the depletion allowance for a company making $80,000 a year, which is about the net profit on $1 million gross of oil production, will be 21 percent. If they happen to be efficient and discover oil, and spend money for geologic and geophysical research, and receive an income up to $5 million, the depletion allowance drops to 15 percent.

When that happens many oil producers will go out of business, and this country will have to depend on oversea supplies, and will be plagued again by the dollar outflow as a result of having to depend for our supplies from abroad.

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Kennedy in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Illinois [Mr. Douglas]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Arizona [Mr. Hayden], the Senator from Georgia [Mr. Russell], and the Senator from Alabama [Mr. Sparkman] are absent on official business.

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. Curtis], the Senator from Illinois [Mr. Dirksen], and the Senator from Arizona [Mr. Goldwater] are necessarily absent.

The Senator from Iowa [Mr. Hickenlooper] and the Senator from North Dakota [Mr. Young] are detained on official business.

If present and voting, the Senator from Nebraska [Mr. Curtis], the Senator from Illinois [Mr. Dirksen], the Senator from Arizona [Mr. Goldwater], the Senator from Iowa [Mr. Hickenlooper], and the Senator from North Dakota [Mr. Young] would each vote "nay."

The result was announced—yeas 35, nays 57, as follows:

[No. 30 Leg.]

YEAS—35

Aiken
Brewster
Case
Church
Clark
Dodd
Douglas
Ervin
Fong
Gore
Hart
Humphrey
Jackson
Javits
Keating
Kennedy
Lausche
Magnuson
McGovern
McIntyre
McNamara
Morse
Muskie
Nelson
Neuberger
Pastore
Pell
Prouty
Proxmire
Ribicoff
Saltonstall
Smith
Symington
Williams, Del.
Young, Ohio

NAYS—57

Allott
Anderson
Bartlett
Bayh
Beall
Bennett
Bible
Boggs
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Carlson
Cooper
Cotton
Dominick
Eastland
Edmondson
Ellender
Engle
Fulbright
Gruening
Hartke
Hill
Holland
Hruska
Inouye
Johnston
Jordan, N.C.
Jordan, Idaho
Kuchel
Long, Mo.
Long, La.
Mansfield
McCarthy
McClellan
McGee
Mechem
Metcalf
Miller
Monroney
Morton
Moss
Mundt
Pearson
Randolph
Robertson
Scott
Simpson
Smathers
Stennis
Talmadge
Thurmond
Tower
Walters
Williams, N.J.
Yarborough

NOT VOTING—8

Curtis
Dirksen
Goldwater
Hayden
Hickenlooper
Russell
Sparkman
Young, N. Dak.

So Mr. Douglas' amendment was rejected.

Mr. GORE. Mr. President, last evening the Senate took three votes on a section to be found on pages 38 and 39 of the bill, dealing with the treatment of the investment credit. If Senators will give me their attention, once again I will give them my promise not to take very long.

The PRESIDING OFFICER. Is the Senator offering an amendment?

Mr. GORE. In a moment I shall offer it. Last evening, there were three votes on one highly controversial section of the bill. The first vote was on a motion to table. This failed by 10 votes. That indicated a substantial sentiment in the Senate to treat substantively with this subject.

The distinguished junior Senator from Georgia [Mr. Talmadge] then demanded a division of the amendment. That was his parliamentary right.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. GORE. I should like to finish stating my proposal; then I shall be happy to yield.

When the question was divided, both parts of the amendment failed. A number of Senators raised the question that neither the provision in the bill nor the failure of one amendment and the adoption of the other would treat all regulated utilities alike.

I have drafted an amendment, with the advice and help of many Members of the Senate and of the staff, which would neither require nor prohibit the passthrough of the investment credit.

It would leave to the regulatory agencies discretion as to whether to do so or not, but would fix a limitation on all flowthrough requirements affecting all regulated utilities. That is the identical provision that we find in Part 1 of section 203(e) on page 38, that is the part of that section which deals with the electric utilities and interstate telephone lines. Insofar as the investment credit is concerned, this would treat all regulated utilities in identically the same way.

I send the amendment to the desk and ask that it be read. I have several copies which I shall distribute to Senators.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. Beginning on line 18, page 38, it is proposed to strike out all through line 9, page 39 and insert:

> More than a proportionate part (determined with reference to the average useful life of the property with respect to which the credit was allowed) of the credit used against tax allowed for any taxable year by section 38 of such Code to reduce such taxpayer's Federal income taxes for the purpose of establishing the cost of service of the taxpayer or to accomplish a similar result by any other method.

Mr. TOWER. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. TOWER. The Senator said that first we had to defeat the motion. We defeated that motion by 10 or 11 votes. Then the Senator from Georgia invoked his privilege to divide the amendment into two parts. It is not true that the Senator from Georgia announced his intention to invoke his privilege prior to the vote on the motion to table?

Mr. GORE. Yes.

Mr. TOWER. So Senators who voted to table were aware that that privilege could be invoked, and that in spite of the result of the vote on the tabling motion, we could still vote on the amendment in two parts?

Mr. GORE. The Senator is exactly correct.

Mr. TOWER. Many Senators felt that since they were going to vote on the two parts anyway, they might as well defeat the tabling motion.

Mr. GORE. I do not know what were the reasons of Senators, but the Senator has correctly stated the situation.

WHY DO WE CONDONE THE UNILATERAL POLICIES OF OTHER COUNTRIES AGAINST OUR BEEF INDUSTRY?

Mr. SYMINGTON. Mr. President, every day it becomes more clear that the United States often gives much without asking enough in return.

This conviction, especially as it concerns the increase in importation of foreign beef into the country, is graphically substantiated by a letter just received from an Australian citizen, presently residing in Independence, Mo.

Mr. President, I ask unanimous consent that this letter from Mr. John Kinred be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> INDEPENDENCE, MO.,
> *February 2, 1964.*
>
> DEAR SENATOR SYMINGTON: With reference to your speech and article printed in the Kansas City Star last week concerning the importation of foreign beef into this country largely from Australia and New Zealand, as an Australian citizen I would like to back your statement 100 percent but go a little further.
>
> First, in the beginning, a bad mistake was made by the U.S. Government by not applying a strict quota system on all beef, mutton and lamb imported into this country from the Commonwealth of Australia (as an Australian I can only write concerning this nation) and the time to rectify that is now.
>
> As you no doubt know, the Federal Government of Australia has put a total ban on all U.S. frozen pork and chicken and a very strict and limited quota on canned chicken even though these products are not produced to any extent in Australia and are very high priced compared with beef and mutton over there. I have been hoping for a long time that the U.S. Government, in all fairness to its farmers, packinghouse workers, etc., would sell to Australia on a pound-for-pound basis (at the same tariff rate). By that I mean for every pound of beef entering this country, Australia would be forced to accept pork or chicken, especially the latter as there is an unlimited demand for quality chicken, turkey, etc., in the frozen form such as you and I see it in the supermarkets here in the United States. They would have to come to an agreement very quickly for this beef business is their main dollar earner even though most of the exporting is done through U.S.-owned packinghouses (Swift and Wilson) in the large Australian cities, Brisbane, Sydney, etc.
>
> I do hope, Senator, that you will press very strongly for an early settlement to this unjust balance of trade affecting so many of your people.
>
> Thanking you, I am,
> Yours sincerely,
> JOHN KINRED.

Mr. SYMINGTON. Mr. President, for many months now, a number of us from the beef producing areas of the Middle West and the West have been demanding that action be taken to institute a realistic trade policy with respect to beef. We have been assured that Department of Agriculture and other administration spokesmen are working on this, and hope soon to announce a voluntary agreement with Australia and New Zealand, the principal suppliers concerned, for limitation of their exports of beef to the United States.

I so reported in a statement earlier this week to citizens of Missouri who are concerned with this problem, and I ask unanimous consent that the report, dated February 5, be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

> Congress has been assured in recent days that strongest efforts are being made by Agriculture Secretary Freeman, with full White House support, to reach agreement with Australia and New Zealand on curtailment of the rise in U.S. beef imports.
>
> Those two countries together accounted for two-thirds of the foreign beef shipped into the United States in 1963; Australia alone for 44 percent.
>
> Imports represented 11 percent of the U.S. beef supply last year, as against only 1.6 percent as recently as 1956.
>
> Nearly a year ago I joined with others of the Missouri congressional delegation and representatives of the Missouri livestock industry in some of the first presentations to the Department of Agriculture on the bad effect of rising beef imports on domestic cattle prices.
>
> The merits of our plea first were challenged because the increase in domestic production (over 1 billion pounds last year) far exceeded the increase in imports (over 300 million pounds last year).
>
> However, the Department has now acknowledged that "imports are an important factor influencing current beef prices."
>
> There is general agreement that negotiations with Australia and New Zealand could produce corrective steps sooner and with better effect than going the harder, longer route of higher tariffs and import quota legislation.
>
> Nevertheless, the Senate Finance Committee, acting on request of our Missouri delegation and other States, last November directed the Tariff Commission to investigate this problem and report back to the committee on conditions of competition between domestic and imported beef on the markets in this country.
>
> A Tariff Commission hearing scheduled for April 28 on conditions in the U.S. beef industry will take on heavier significance if the import problem remains unsolved at that time.

Mr. SYMINGTON. Mr. President, the United States today is the only major beef market without any quantitative restrictions on imports, and with a very nominal fixed import duty of 3 cents a pound on bonus beef.

Our largest supplier from abroad, Australia, accounting for approximately 44 percent of all beef imports to this country in 1963, increased its exports phenomenally since 1958—from less than 18 million pounds that year to 517 million pounds in 1963.

This country especially has capitalized on the American policy of an open market for beef, as the imported part of the U.S. beef supply has soared from 1.6 percent in 1956 to 11 percent in 1963.

Now, based on the facts and such information as contained in the letter from Mr. Kinred, we can see just how tardy are the negotiations with Australia on beef imports. We trust that, however late, the results will not be too little.

That we should continue to allow such imports to this country at the same time Australia has a total ban on all U.S. frozen pork and chicken, and a very strict and limited quota on canned chicken, even though these products are not produced to any extent in Australia and are very high priced compared with beef and mutton over there—is hard to understand.

I am today forwarding a copy of Mr. Kinred's letter to Secretary Rusk, Secretary Freeman, and Ambassador Herter, asking for the facts as to the Australian ban on U.S. meat products. I urge our negotiators to correct this "unjust balance of trade" which is having such an adverse effect, not only on the beef producers in this country, but on all other farm people. The Treasury of the United States is not inexhaustible. Our possible enemies know that. It is time some of our friends and allies did also.

To further set forth the facts about this beef import situation, I ask unanimous consent that a Department of Agriculture summary of a statement last January 28 by the Assistant Secretary, Mr. Roland R. Renne, before the American National Cattlemen's Association convention in Memphis, Tenn., be printed at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

BEEF IMPORTS AND THE CATTLE INDUSTRY

> Imports are an important factor influencing current beef prices. The U.S. Depart-

ment of Agriculture and the administration recognize this and are taking prompt steps to improve the situation.

The main approach in finding a solution has been our negotiation with chief suppliers (Australia and New Zealand) to secure voluntary agreement for them to limit their exports to the United States to the level of a recent period. Results to date, although short of reaching final agreement, are encouraging.

The basic principle of market sharing is sound. Other nations that have had access to our markets under the General Agreement on Tariffs and Trade (GATT) have certain access rights just as we have such rights of access to other markets for the sale of our products. If agreement can be reached voluntarily concerning a given amount of access, then both importer and exporter have a firm basis on which to operate. The importer is protected against disastrous flooding of the market and the exporter is assured of a market for a specified amount of his product.

The main problem in negotiating market sharing is agreement on the basis on which the share to be allotted is determined. In the case of beef imports our largest supplier is Australia and her exports have increased phenomenally since 1958, from less than 18 million pounds to 517 million pounds in 1963. Obviously, Australians would like to have the most recent year or years used as a basis for determining her share of our beef market. In addition, since the U.S. beef market is growing as a result of both an increase in our population and a rising per capita consumption of beef, Australia would like to share in this growth, and we agree that they should. We are insisting on this right for ourselves in dealing with nations to whom we export agricultural products. The key question is how much should Australia or any other country share in the growth of our beef market? One suggestion is to renegotiate periodically on the basis of what is happening to our population numbers, income levels, and livestock prices.

A further factor which should be kept in mind in negotiating market shares is the quality of the product. In the case of beef, if a certain proportion of the imports were made up of primal cuts during the base period, then this should be considered in the share allotment for future years or until a renegotiation of the market share is undertaken.

The current beef import situation in the United States illustrates the modern complexities and interdependence of international trade relationships among major nations. The U.S. share in world beef imports increased from one-fourth (26 percent) in 1950 to over one-half (51 percent) in 1962. Further increased imports in 1963 raised the U.S. percentage of the total world import figure still higher.

This great increase in beef imports has been encouraged by the increase in import restrictions in other major markets. Today the United States is the only major beef market without any quantitative restrictions and with a very nominal fixed import duty.

More than 1 billion pounds of beef and veal (product weight) were imported by the United States in 1963. This was equivalent to 1¾ billion pounds (carcass weight). This was an increase of 20 percent over 1962 and represented 11 percent of U.S. production in 1963. This is in sharp contrast to a few years earlier (1956) when imports were equal to only 1.6 percent of U.S. production.

Not only have beef imports increased at a faster rate than domestic production since 1956, but they have increased more in absolute terms. Imports in 1962 were more than 1 billion pounds over the amount imported in 1957, whereas domestic production in 1962 was only 583 million pounds more than in 1957. However, in 1963 domestic production increased by about one billion pounds over the 1962 level while imports increased only 311 million pounds.

Imports of live animals (feeder cattle) in sharp contrast to imports of meat, were lower in 1963 than in 1962 by some 23 percent. Moreover there has been no marked trend in the increase of imports of feeder cattle over the years.

Almost without exception an increase in the production of beef has meant a price decline. On an average a 10-percent change in the production of fed beef has been accompanied by a price change of 13- to 14 percent in the opposite direction. In other words, if production of fed beef increases 10 percent there will be an accompanying price decline of 13 to 14 percent. The production of fed beef increased by over 11 percent in the United States in 1963 over 1962 and would cause a significant decline in American beef cattle prices.

When to this heavy increase in domestic production of beef during 1963 is added the increase in imports (311 million pounds) it is clear why beef cattle prices were appreciably lower in 1963 than in 1962.

The decline in domestic production of cow beef since the middle 1950's has been largely offset by increases in imports of cow meat. The decline in cow beef production resulted from holding back beef cows from slaughter and building up herds. The number of cattle and calves on farms January 1, 1964, is estimated at 107 million compared with about 104 million the year before, 100 million January 1, 1962, and 91 million January 1, 1958.

Utility cow prices (Chicago market) have been quite stable until this past fall and averaged between $15 and $16 per hundredweight in each year since 1960. However, between August and December of 1963 utility cow prices broke by about $3 per hundredweight declining from an average of $15.65 in August to $12.71 in December. Since much of the imported meat is cow meat, it is believed that increased imports along with increased domestic slaughter in 1963 accounted for the sharp decline in utility cow prices last fall.

There is evidence that beef prices are turning upward from their recent lows. On Friday, January 27, prices of choice slaughter steers in Chicago ranged from $22 to $23.75 and averaged $22.88. This is 59 cents above the average for December 1963. Utility cow prices ranged from $12 to $13.75 and averaged $12.88. This is 17 cents per hundredweight above the December figure.

The meat price situation is further complicated by the heavy U.S. supplies of meats other than beef. In 1963 beef and veal production reached an alltime high; broiler production reached an alltime high; pork production was larger than in any previous year since 1944, and total meat showed a major increase over 1962 and reached an alltime high. Total U.S. meat production was 37.7 billion pounds (carcass weight) in 1963 compared with 36.1 billion in 1962. This is an increase of about 4½ percent in total meat production. In 1964 total meat production is estimated at 38.1 billion pounds or a further increase of 1 percent over 1963 and about 5½ percent above 1962. Beef and veal production are largest with about 18 billion pounds, pork second with some 12 billion pounds, poultry third with about 7½ billion pounds, and lamb and mutton last with 750 million pounds.

Australia is the leading shipper of beef to the United States and accounted in 1963 for nearly half of total beef imports (44 percent), New Zealand one-fourth (23 percent), with Ireland, Argentina and Mexico each supplying about 6 percent, and Canada, Brazil, Denmark, West Germany, Poland, the Netherlands and other countries supplying the remaining 15 percent.

Although the United States is the world's largest importer of meat ($360 million) our exports of livestock and meat products were almost as large as imports. We exported $347 million worth of livestock and meat products in 1963 or only $13 million less than our imports. Wheat and flour are our largest export item ($1.2 billion in 1963) with feed grains ranking second with nearly a billion dollars ($977 million) followed by oil seeds and oil seed products, cotton, fruits and vegetables, and tobacco, all exceeding in value our total livestock and meat product exports.

FIREARMS LEGISLATION

Mr. ALLOTT. Mr. President, John M. Schooley appeared last week at the hearings which the Commerce Committee had been holding on firearms legislation. He spoke in opposition to the blanket approach being considered by that committee to restrict firearms.

I have known Mr. Schooley for many years and can testify as to his knowledge and experience in law enforcement and the problems associated with firearms and their control. He has been, among other things, manager of safety for the city and county of Denver. I believe Mr. Schooley's thinking on this subject is worthy of consideration by Senators. I ask unanimous consent that his statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF JOHN M. SCHOOLEY BEFORE THE U.S. SENATE COMMITTEE ON COMMERCE, JANUARY 30, 1964

My name is John M. Schooley. I reside and now practice law in Denver, Colo. I am the immediate past president of the National Rifle Association, and have served as a member of the National Board for the Promotion of Rifle Practice since 1955.

I am opposed to any amendment to the Federal Firearms Act or to the passage of any new legislation that would impose registration or permit restrictions on the purchase or possession of firearms by citizens of good repute. This opposition is based on experience gained in the past 30 years that I have been engaged in law enforcement at every level from an arresting officer to the head of a large metropolitan police department and as sheriff of the county, Denver, Colo. Nineteen years of this experience included enforcement of the two present Federal statutes dealing with firearms, the Federal Firearms Act and the National Firearms Act.

Much has been said in public and in press about the part that firearms play in the commission of crime. Some persons have gone so far as to maintain that the accessibility of firearms plays a major part in the increasing crime rate. It is interesting to note that no mention of this accessibility of firearms is made in the listing of conditions which affect the amount and type of crime occurring in the United States according to the Uniform Crime Reports of the Federal Bureau of Investigation for 1962. These conditions are as follows: Density and size of the community population and the metropolitan area of which it is a part; composition of the population with reference particularly to age, sex, and race; economic status and mores of the population; relative stability of population, including commuters, seasonal, and other transient types; climate, including seasonal weather conditions; educational, recreational, and religious characteristics; effective strength of the police force; standards governing appointments to the police force; policies of the prosecuting officials and the courts; attitude of the public toward law enforcement problems; and the administrative and investigative efficiency of the local law enforcement agency.

In speaking of an increasing crime rate, the educated person realizes that the word "crime" embraces all of those acts of man's inhumanity to his fellow man that are punishable by some civil authority. In 1962, 2,047,370 serious crimes were reported, or a 6-percent rise over 1961. A great deal of emphasis has been placed on the increasing use of firearms as the fatal weapon in the number of homicides perpetrated in 1962. While I certainly decry this fact, I cannot help but think that this rise is consistent with the general rise of all crimes throughout the country with or without the use of firearms. Crime is a social problem and cannot be attributable to a single factor, such as the accessibility of firearms.

As a form of rebuttal of the propositions of those persons who dwell on the subject of the use of firearms in the commission of crimes, I wish to cite a few statistics of my own.

FIREARMS AND CRIME

Firearms were used as fatal weapons in 54 percent of the murders committed in 1962. The total number of murder victims by firearms was 3,931, based on an estimated population of 112,368,000. Therefore, there was 1 murder with a firearm for every 349,000 persons. Viewed from another angle, of a population of 112,368,000, the rate of murder with firearms was 0.0000349 of 1 percent.

From 1960–62, 113 law enforcement officials were killed in the line of duty. Of this number, 109 officers were shot to death by 89 handguns and 23 rifles and shotguns. During this same period, 142 individuals were involved in these murders. Eighty percent had previous records of prior arrests and 75 percent had been convicted on one or more occasions. Leniency in the form of probation or parole had been previously granted to 56 percent of the offenders and 37 percent were on parole or probation at the time they murdered a law enforcement officer. Therefore, the figures indicate that this type of crime is, in the majority of cases, the work of criminal repeaters and seldom by law-abiding citizens.

In 1961 (similar information not available for 1962) the Federal Bureau of Investigation revealed certain information concerning the weapons used in a sampling (7,348) of the total number of aggravated assaults committed during that year. Aggravated assault is defined in part as "assault with intent to kill or for the purpose of inflicting severe bodily injury":

Shooting, 931, or 12.7 percent; cutting or stabbing, 3,230, or 44 percent; blunt object, 1,760 or 24 percent; personal weapon (hands, fists, feet), 906, or 12.3 percent; poisoning or use of acid, 90, or 1.2 percent; explosives, 2, or less than one-tenth of 1 percent; other, 429, or 5.8 percent.

The vast majority of cities with a population exceeding 250,000 have restrictive ordinances concerning the illegal carrying of firearms. Yet in the FBI crime report of 1962, there were reported 21,929 arrests for the crime, or 56.2 per 100,000 population reported by 50 cities having a combined population of 39,030,000.

The vast majority of States (and localities therein) restrict the carrying of firearms by minors under the age of 18 or 21 years. Yet, in 2,936 cities having a combined population of 94,014,000, people under the age of 18 accounted for 8,197, or 20.8 percent of this crime; persons under age 21 accounted for 13,693 such crimes, or 34.8 percent. Therefore, of a total of 39,317 crimes for the illegal carrying of firearms, 21,890 crimes, or 55.6 percent of the total, were committed by persons already prohibited from carrying such firearms by existing law. Again this proves the futility of attempting to reduce crime by legislation that depends upon criminal cooperation for its success.

In the city of New York, in 1962, there were 508 homicides. The most common cause of homicides was arguments, leading to the so-called crime of passion. Handguns were used in 112 cases, rifles and shotguns accounted for 26, knives and other sharp instruments were used in 211, physical force accounted for 90, all other means accounted for the balance.

These figures are revealing in two ways: (1) The entire State of New York has the most restrictive limitations on the sale, possession, and carrying of handguns. Yet, 112 murders were committed with handguns; (2) 370 murders were committed by means other than firearms.

The District of Columbia is another area that has received more than its share of criticism concerning its increasing crime rate. Some legislators continue to advocate the most restrictive of firearms measures to curtail the accessibility of the weapon that they feel is the most used. However, the annual report of the Metropolitan Police Department for the fiscal year of 1962 shows that, of the 85 murders committed during that period, firearms were used in only 30 instances, or 35 percent. There were committed 2,956 aggravated assaults. Firearms accounted for only 455 such crimes, or 15.3 percent.

The last section certainly points out the truth of the observations of Dr. Marvin E. Wolfgang, professor of sociology at the University of Pennsylvania, in his book "Patterns in Criminal Homicide." He said:

"It is the contention of this observer that few homicides due to shootings could be avoided merely if a firearm were not immediately present, and that the offender would select some other weapon to achieve the same destructive goal. Probably only on those cases where a felon kills a police officer, or vice versa, would homicide be avoided in the absence of a firearm."

In England where firearms are rigidly controlled, such restrictions had little or no effect on the recent perpetration of the biggest train robbery in the history of mankind. The committee will be interested in knowing that in Japan, no one except a police officer is allowed to possess or carry a pistol, and no one is permitted to carry a rifle without a license. This is issued only after a thorough investigation of the applicant's background. No one is allowed to possess firearms for private reasons. Yet the number of known cases of unauthorized possession of arms has increased year after year. In 1962, the police discovered 12,773 illegally possessed arms, including 459 pistols, 806 sporting guns, and 11,409 air rifles. This compared with 12,513 in 1961, 11,749 in 1960, and 8,617 in 1959. The corresponding figure for the first 9 months of 1963 was 9,126.

In my many years of Federal law enforcement, I cannot recall one case where the provisions of the Federal Firearms Act prevented one criminal from securing a firearm, nor can I recall one instance when a crime was prevented by the provisions of the act. Almost without exception, the cases submitted to the U.S. attorneys charging violations of the Federal Firearms Act, were written by Federal officers after the accused had been arrested by local police for a violation of some local ordinance or State statute. While arrests for violations of the act may be impressive, a look at the action on such cases by the U.S. attorneys will present a completely different picture. I think a cold hard look at the results will lead to the inescapable conclusion that the law is far more effective as a statistic builder than as a crime preventer.

At the same time, you will find that many otherwise honest citizens have been unnecessarily harassed by the terms of our Federal firearms legislation already in effect. A classic example is the case of an antique firearms collector, a respected physician in his community, who was arrested for the possession of some unique firearms characteristic of the 17th century, the ammunition for which has long since become unavailable. When you stop to consider that both the Federal and National Firearms Acts were enacted to curtail the nefarious acts of the criminal element by the use of gangster weapons and those firearms received or transferred illegally in interstate or foreign commerce, the arrest of a law-abiding citizen for the possession of a collector's item manufactured in 1724 is ludicrous and at the same time pathetic.

I recall rather vividly another example of citizen harassment by an overzealous and bureaucratic enforcement social. Without authority of law, he seized firearms from a number of citizens by securing from them a statement to the effect that they would not be prosecuted for violations of the National Firearms Act if they would surrender certain firearms to him. These firearms were surrendered by the citizens, although they had every legal right under the act to comply with the registration provisions of the act.

I mention this merely to emphasize the fact that law-abiding citizens can be harassed by seemingly unobnoxious and harmless provisions of this type of legislation. This is particularly true since the enforcement of this or any other act depends to a great extent upon the integrity of the person at field level who is charged with the actual enforcement of our statutes. The citizen in such a situation is confused and helpless, and such practices destroy his faith in what he had considered his constitutionally guaranteed freedom from police state tactics.

There is ample evidence to show that the terms of these Federal acts are not doing the job for which they are intended or have much effect on the criminal element for whom they are intended. The January 6, 1964, edition of the Denver Post lists the current list of the FBI "10 most wanted list." Seven of the 10 men are specifically listed as having committed armed crimes of the most heinous variety; each is "believed to be armed and should be considered extremely dangerous"; and 3 of the men possess or have used submachine guns in the perpetration of various crimes.

These are the facts concerning our most wanted criminals irrespective of present Federal and, in many instances, State restrictions on automatic weapons and provisions making it unlawful for persons having been convicted of certain crimes to transport weapons in interstate commerce, or to possess firearms once having been determined to be a fugitive from justice.

I do not think additional legislation requiring registration will accomplish any more than has been accomplished by the registration provisions of the National Firearms Act. No one can honestly say a criminal has ever registered his sawed-off shotgun, his silencer or his machinegun, nor has it lessened the use of these weapons by the gangster elements of our society; yet this was the avowed purpose of the act at the time it was enacted almost 30 years ago. Such legislation does nothing more than curtail the ownership of firearms by law-abiding citizens. The criminal has never, is not now, nor will he ever be denied the tools of his profession by legislation directed at the tool and not at him.

Without imposing further upon your time, may I say I concur in the statement made by Mr. Franklin L. Orth, executive vice president of the National Rifle Association, when he testified relative to the amended Dodd bill as further amended by Senator DODD in his letter to this committee January 22, 1964.

Gentlemen, your committee is in an enviable position to accomplish a great deal for our Nation. However, this good will not result if the legislation tends only to affect the possession of firearms by citizens of good repute. The legislation that is suggested and which has been endorsed by the National Rifle Association is framed in such a fashion as to attack the source of trouble that has given rise to the need for such measures.

I appreciate the opportunity of having been allowed to appear and testify before this committee.

MEETING OF THIRD INTER-AMERICAN PARLIAMENTARIANS CONFERENCE

Mr. JAVITS. Mr. President, at this time there are in the city of Washington, delegates from the countries of Latin America to the Third Inter-American Parliamentarians Conference. This evening they were entertained by the Secretary General of the Organization of American States, Mr. Mora.

Many of us had hoped to attend that meeting, in order to pay our respects to these members of the parliaments of these Latin American States; but we were prevented from doing so by the urgent business now being dealt with on the floor of the Senate.

I wish to express for myself and, I am sure, also for all other Members of the Senate, warmest and most cordial greetings to these Parliamentarians, and our sincere respect and admiration for them—and to do so as fully as we would have been able to do if we had had the opportunity and the pleasure of attending this evening's meeting.

REVENUE ACT OF 1964

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

Mr. GORE. Mr. President, I shall take only enough time to read the amendment as it would appear in the bill. If Senators will turn to page 38 of the bill, my amendment strikes, beginning with line 18, all through line 9 on page 39. If Senators will look at line 14, on page 38, I shall begin to read with the word "accordingly", and then, after the word "use", read from my amendment. I read from the bill, line 14, page 38:

> Accordingly, Congress does not intend that any agency or instrumentality of the United States having jurisdiction with respect to a taxpayer shall, without the consent of the taxpayer, use more than a proportionate part (determined with reference to the average useful life of the property with respect to which the credit was allowed) of the credit used against tax allowed for any taxable year by section 38 of such code to reduce such taxpayer's Federal income taxes for the purpose of establishing the cost of service of the taxpayer or to accomplish a similar result by any other method.

That is it. It treats every regulated utility in exactly the same way. I desist.

Mr. LONG of Louisiana. Mr. President, we are again asked to regulate the utilities of the country. Yesterday the argument was made for 9 hours that we should not tell regulatory commissions what to do. Those of us who were arguing for the prevailing position of the Senate said that we had voted a tax cut for the transportation industry, and that that meant that for the utility industries we provided a tax cut as an incentive. That is the way the Senate voted. But we had to listen to at least 6 hours of oratory yesterday, to the effect that we should not tell the commissions what to do.

The amendment of the Senator from Tennessee provides that the commissions shall not require a passthrough except over the life of depreciable property. Is not that telling the commissions what to do? Of course it is telling them what to do.

If that is not telling them what to do, why leave it to their discretion, so that they may or may not require the passthrough? It is the same issue on which the Senate passed last night. It is telling the commissions what they can or cannot do. It is the same issue all over again. The question is whether we want to require commissions that regulate the utility industry—that regulate railroads, pipelines, bargelines, ship lines, and airlines—whether we want to require regulatory agencies to require a passthrough of the tax credit which Congress, to this point at least, has indicated it wants to permit those industries to keep as an incentive for their expansion.

It seems to me that we have voted on the issue and made our position clear. I do not think the Senate would want, on the spur of the moment, to do something which, I am told by those who would be regulated by the amendment, based on the short time they have had to consider it, would be a suggestion to the regulatory agencies that they should require a passthrough of the tax credit that the industries have earned, in the event that they modernize and improve their facilities or in the event they procure new facilities or provide improved service for the people.

Furthermore, if we accepted the so-called flexibility provided for by the amendment, the situation would still be that if a management wanted to modernize its railroad, wanted to install a new pipeline alongside an existing pipeline, wanted to build new barges or tankers, it would have to do so not knowing whether it would be able to keep the tax credit or would ever get its expenditure back. Such a management would be in a state of uncertainty when it sought to borrow money from a bank. It could not tell the banker whether it could keep the investment credit or would have to return it. It would be in the kind of uncertainty that President Johnson, in his state of the Union message, said is a very bad thing for business.

If Senators want to be certain that business will be able to use the credit to modernize and expand, if they want to enable industry to serve the people better, they will permit it to have the incentive of the tax credit. If they do not want industry to have it, they can vote against the incentive of the tax credit.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. MORTON. As I understand—and I saw the amendment only a few hours ago—it would impose twice as much of a penalty on industry as did the amendment offered by the Senator from Wisconsin last night. Senators spent 9 hours debating this question. We voted on the amendment on its merits, and we rejected it.

Now an amendment is proposed that seems to me, from my cursory examination of it—and I spent a couple of hours with it—would not only eliminate depreciation credit, but, on top of that, lower the rate base. So there would be a double penalty by reason of this amendment. After spending 9 hours of absolutely exhausting debate on the issues, I would hope that the Senator in charge of the bill would see fit to move to table the amendment.

Mr. LONG of Louisiana. It seems to me that the bill contains language to carry out what appears to be the original intention of Congress when the tax credit was originally passed.

That is what we have here. We also have here a measure which has been studied by the House Ways and Means Committee, and then passed by the House; and then studied by the Senate committee and debated by the Senate committee, and then voted by the Senate. But now we are asked—after a presentation lasting only 2 or 3 minutes—to change the whole policy in the way the Senator from Tennessee thinks it should be changed.

This is the way the bill as it now stands would treat the regulated electric companies and the telephone companies, as compared with the treatment of the companies in the transportation industry: It is felt that the telephone companies and the private utilities which serve the home—such as the electric companies—have a locked-in monopoly. They are guaranteed a fair rate of return, and they do not have to compete for customers.

On the other hand, the transportation industry is such that the railroads are competing with other railroads, and also are competing with the bargelines, and all of them are delivering the same commodities; and, in turn, all of them are competing with the shipping lines and the trucklines. So it is only good sense that all of them be treated alike, and that none have an advantage over the others.

Mr. McCLELLAN. And that is why we have the arrangements for the seven and the three.

Mr. LONG of Louisiana. Yes; the one for the locked-in monopoly companies, and the other for the companies that have competition.

Mr. COOPER. Mr. President, I wish to discuss the proposed amendment briefly. I listened carefully to the debate yesterday which lasted 6 or 7 hours. I know that the subject is not a simple one, and that any amendment to this section can affect the relative position of different businesses or have other effects which may not be immediately apparent.

Yesterday, I voted against the amendments of the Senator from Wisconsin [Mr. PROXMIRE], which would have permitted a regulatory agency to require that a utility or regulated business flow through or pass on the benefit of the tax credit—in 1 year or 2 years or 3 years, as that agency might see fit—and thereby vitiate what I considered to be the intent of the investment credit act passed by the Congress in 1962, and for which I voted. The clear intent of the Congress was to encourage investment in new equipment, to make businesses more competitive, and to reduce unemployment.

I wish to ask a question. The Finance Committee, and the Senator from Louisiana, who is the Senator in charge of the bill, supported subparagraph (1) of section 203(e), which with respect to public utility property would permit a regulatory agency to require that the investment tax credit or benefit be "flowed through" or passed on—but only "a proportionate part determined with reference to the average useful life of the property" for which the credit was allowed.

If that was agreed to by the committee, and by the Senator in charge of the bill, and yesterday by the Senate, in what respect does the pending amendment, which has been offered by the Senator from Tennessee [Mr. GORE], differ from subparagraph (1) which has the support of the Senator from Louisiana and the committee?

I felt, I may say, that the proposals of the Senator from Wisconsin to strike subparagraph (1), and later subparagraph (2), were both wrong because I believe they would have vitiated the intent of the Investment Credit Act. No regulatory agency has any authority to change or frustrate the intent of the Congress with respect to the investment credit.

But inasmuch as the Senate committee and the Senator in charge of the bill and the Senate itself accepted the principle incorporated in subparagraph (1)—respecting public utility properties—I think it should be made clear why it should not be applied to all the other properties which get the benefit of the investment tax credit.

Mr. LONG of Louisiana. The difference is that the industries which were held to the lower investment credit to begin with because they do not have to compete for their customers, in other words, the ones which include the telephone companies, inasmuch as the telephone company keeps its customers, no matter how much or how little the customers use the telephones, and, in effect, the telephone company can guarantee that it will have a fair rate of return; and the same is true of the electric companies, which provide electricity to the homes—can charge a rate high enough to guarantee themselves a fair rate of return, and thus they an be assured that they will be able to remain in business.

On the other hand, consider the situation which is faced by the gas companies in New York City which supply gas to homes. A certain amount of the gas is used for cooking purposes; but at the moment I refer particularly to gas which is used for heating homes. At any moment an oil company could build an oil tanker twice the usual length of oil tankers, and could arrange to have that supertanker operated with only half the usual number of crew members, and could use the tanker to transport oil to New York at half the previous cost of transporting oil there by tanker; and the oil of the grade used for heating houses could then be placed on the New York market, and in that way there would be sharp competition with the gas company which was supplying gas for household heating purposes.

Furthermore, imports of residual oil would also provide sharp competition with the gas company, particularly in view of the fact that residual oil has, on a British thermal unit basis, twice the efficiency of gas. Likewise, consider the competition which would then develop if an electric company decided to supply electricity for heating purposes to the consumers in New York City. After all, in view of recent developments, electricity is now competitive with gas, for heating purposes; and since the electric companies have begun to work hard to have electricity used for heating purposes, and thus be able to take the customers away from the gas companies, insofar as the heating of households is concerned, and since the electric companies are becoming much more efficient in that connection—by making offpeak rates available, and by other means, and thus keeping down the rates—all the more competition is developed.

Furthermore, even in the case of customers who now are using coal, other companies can bring in coal over the highways, by truck, or over the waterways, by barge or by ship. In short, all those industries are competing to provide the service to the customers; and they are competitive industries, even though they are regulated. They do not have captive customers, and all of them are competing for the market. In fact, in some instances this would apply to trucklines which use the same highways, but are competing with each other for the customers or for the business; and thus this proposal would treat them as competing, and would permit them to enjoy the 7-percent tax credit.

Mr. COOPER. Under the amendment proposed by the Senator from Tennessee, all these competing transportation businesses would be treated the same way, as far as legislation is concerned, with respect to passing through the investment tax benefits, would they not?

Mr. LONG of Louisiana. No. The Commission could treat them the same way, but it would also have the discretionary authority not to do so.

Mr. COOPER. But the amendment of the Senator from Tennessee requires that all be treated the same way, as far as legislation is concerned.

Mr. GORE. That is correct.

Mr. LONG of Louisiana. Oh, no.

Mr. COOPER. That is to say, it would provide that their investment tax benefit should be passed through over a number of years, proportionate to the useful life of the property on which the investment credit was used.

Mr. LONG of Louisiana. No. Under this amendment the Federal Power Commission could tell the pipelines that they would have to pass through or give back every nickel of the investment credit over the useful life of the property, at the same time that the Interstate Commerce Commission could permit the railroads and the bargelines to have the full benefit of it. But under this amendment, the opposite effect could obtain; in other words, it would permit the one regulating agency to deny it to the carriers it regulates, whereas the other regulating agency could permit it to the carriers it regulates.

With this problem before them, three of the Commissioners thought the companies should be required to give up the investment credit entirely, but two of the Commissioners thought the companies should have the benefit of it. So the fight will wind up in court, and eventually the Supreme Court will decide whether to decide in line with the view of the three Commissioners or to decide in line with the view of the two Commissioners—in other words, to decide whether the companies should have the credit or should not have it.

So far, the Interstate Commerce Commission thinks the act clearly was intended to enable the railroads to have it, in order to be able to modernize. Thus, the Interstate Commerce Commission thinks the railroads were intended to get the benefit of it; and that would still be the result, even under the discriminatory tax treatment which the Senate laid down last night.

Mr. COOPER. I shall vote against the amendment. As I understand the position of the Senator from Louisiana, it is that some, and perhaps most businesses, would receive the full benefit of the investment credit, for their own uses, under the amendment offered by the able Senator from Tennessee [Mr. GORE], but that a few would be required to pass the credit through to others, and thus be placed in a bad position with their competitors.

Mr. LONG of Louisiana. Exactly; and the amendment could let it obtain in one way, but not obtain in the other.

Mr. TOWER. Mr. President, will the Senator from Louisiana yield briefly to me?

Mr. LONG of Louisiana. I yield.

Mr. TOWER. Would the amendment apply to companies also engaged in transportation in competition with other concerns which might have their own trucklines or pipelines or bargelines, and so forth; and would it enable them to get the full benefit of the credit, without any regulation whatsoever?

Mr. LONG of Louisiana. Yes. Furthermore, there is at least an inference that that is the way Congress should permit the agency to do it.

Mr. SALTONSTALL. Am I correct in saying that section 1 refers to a monopoly, and that would allow 3 percent; section 2 refers to competition with railroads, pipelines, and so on, and would allow 7 percent. Then, if the amendment of the Senator from Tennessee were adopted, it would vitiate the whole value of the second part of the section.

In other words, in instances in which railroads and pipelines were competing and were allowed 7 percent, because of the competition, and so on, that provision would be vitiated and it would be returned to the same basis as the first section, which refers to a monopoly?

Mr. LONG of Louisiana. The Senator is correct.

Mr. SALTONSTALL. Is that a fair statement?

Mr. LONG of Louisiana. That is a fair statement of the situation as I see it.

Mr. LAUSCHE. Mr. President, with respect to the amendment offered by the Senator from Tennessee, if we refer to page 38 of the bill we find that the language at that point is an absolute prohibition against the right of a regulatory agency to pass on to consumers any of the benefits derived through the investment credit except when the utility consents.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. GORE. The Senator is referring, I wish it understood, to a provision in the bill.

Mr. LAUSCHE. The Senator is correct.

Mr. GORE. The Senator from Louisiana said something about the big point. The big point here is that the 7-percent utility group has, according to the bill as it now stands, an absolute lock against the regulatory agency even considering the benefits of investment credit in reaching a fair and reasonable rate for consumers to pay or a fair and reasonable rate of return on investment. If Senators will read my amendment, they will find that the treatment which the bill accords to the electric and telephone utilities would be extended to the other utilities. The big point is that unless the Senate adopts the amendment, the unconscionable thing is that by subparagraph (2) we would say to the gas pipelines, "You have a free ride," and to the Federal Power Commission that it cannot even consider the question. So the amendment would treat the 3-percent and the 7-percent groups of utilities in exactly the same way.

The amendment does not require that the benefits be passed through, but it does not prohibit consideration of the investment credit to the extent—and this is a severe limitation—of the prorated annual amounts according to the useful life of the capital assets.

Mr. LAUSCHE. I contemplate voting for the amendment of the Senator from Tennessee. But I now would like to speak a word apart from the subject which the Senator from Tennessee discussed. If the tax reduction bill is passed, it will be on the basis of a commitment that there will be a reduction of expenditures by the Federal Government. The effort was made to convince the chairman of the Committee on Finance that the tax bill ought to be passed because the Government contemplates exercising prudence in expenditures in the future.

I invite the attention of Senators to the amendment offered by the Senator from Arkansas [Mr. McCLELLAN] and myself. The amendment reads:

> (a) IN GENERAL.—If the net administrative budget expenditures made during any fiscal year ending on or after June 30, 1965, exceed $100,000,000,000, then—
>
> (1) with respect to taxable years beginning after the December 31 following the close of such fiscal year, the amendments made by part I (relating to individuals) and part II (relating to corporations) of this title and the amendments made by section 301 (relating to optional tax if adjusted gross income is less than $5,000) of title III shall not apply, and the provisions of the Internal Revenue Code of 1954 amended by such parts I and II and such section 301 shall apply as if this Act had not been enacted, and

The purpose of the McClellan-Lausche amendment is to keep the commitment that there shall be prudence in the expenditure of the public funds. If and when expenditures exceed $100 billion, and it is so certified, the tax reductions provided in the pending bill would no longer apply, and the taxes which were in existence before the pending bill is passed would go into effect.

I yield the floor.

Mr. GORE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee [Mr. GORE]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MILLER (after having voted in the affirmative). Mr. President, on this vote I have a live pair with the distinguished Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "nay." If I were at liberty to cast my vote, I would vote "yea." I therefore withdraw my vote.

Mr. HUMPHREY. I announce that the Senator from Alabama [Mr. HILL] and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. CURTIS], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER] and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

If present and voting, the Senator from Nebraska [Mr. CURTIS], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Iowa [Mr. HICKENLOOPER] would each vote "nay."

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

The result was announced—yeas 42, nays 50, as follows:

[No. 31 Leg.]

YEAS—42

Aiken
Bartlett
Bayh
Burdick
Byrd, Va.
Case
Church
Clark
Dodd
Douglas
Gore
Gruening
Hart
Humphrey
Jackson
Javits
Keating
Kennedy
Kuchel
Lausche
McGovern
McIntyre
McNamara
Metcalf
Morse
Moss
Muskie
Nelson
Neuberger
Pastore
Pell
Prouty
Proxmire
Ribicoff
Robertson
Russell
Scott
Smith
Talmadge
Williams, Del.
Yarborough
Young, Ohio

NAYS—50

Allott
Anderson
Beall
Bennett
Bible
Boggs
Brewster
Byrd, W. Va.
Cannon
Carlson
Cooper
Cotton
Dominick
Eastland
Edmondson
Ellender
Engle
Ervin
Fong
Fulbright
Hartke
Hayden
Holland
Hruska
Inouye
Johnston
Jordan, N.C.
Jordan, Idaho
Long, Mo.
Long, La.
Magnuson
Mansfield
McCarthy
McClellan
McGee
Mechem
Monroney
Morton
Mundt
Pearson
Randolph
Saltonstall
Simpson
Smathers
Sparkman
Symington
Thurmond
Tower
Walters
Williams, N.J.

NOT VOTING—8

Curtis
Dirksen
Goldwater
Hickenlooper
Hill
Miller
Stennis
Young, N. Dak.

So Mr. GORE's amendment was rejected.

Mr. MORTON. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. LONG of Louisiana. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota [Mr. McCARTHY] is recognized.

Mr. McCARTHY. Mr. President, I call up my amendment No. 403 and I send to the desk the language which I have substituted for the text of amendment No. 403.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 49, line 13, strike out "period.'" and insert "period if such amounts exceed 75 percent of the regular weekly rate of wages of the employee; provided that if such amounts are less than 75 percent of the regular weekly rate of wages of the employee, the preceding sentence shall not apply to amounts attributable to the first seven calendar days in such period unless the employee is hospitalized on account of sickness for at least one day during such period.'"

Mr. McCARTHY. Mr. President, in considering this amendment, I urge Senators to keep in mind the actual situation faced by most workers who are sick and the equities which are involved.

Most workers do not receive their regular wages from their employer when they are absent from work because of sickness or an accident. They receive only a sickness benefit which is generally no more than 50 to 65 percent of their regular weekly wage. This benefit is paid only for a limited number of weeks. Whether the benefit is provided unilaterally by the employer through an agreement negotiated by their union or from a health and welfare fund, the same reduction in income is applicable. For example, the General Motors worker whose weekly wage is $105 a week and who is absent from work because of a disability, will only receive a weekly benefit of $60 and this benefit will not be payable for more than 26 weeks for any one illness. A steelworker whose weekly earnings are $125 will only receive a benefit of $69 when he is sick.

These limited benefits, where they are provided through group insurance, have heretofore never been included in gross income or subject to income tax.

The tax bill of 1954 did not affect the status of these benefits. It provided that an individual who continued to receive his regular wage when he was sick, would be able to exclude the first $100 of such wage from gross income. The bill before you, however, would tax not only continued wage payments for the first 30 days, it would also require that limited sick benefits be included in gross income.

There is a considerable difference between requiring an individual to include in gross income his regular wages which he continues to receive during the period of illness, and requiring a worker whose income has been sharply curtailed during a period of illness or injury to pay a tax on a benefit which is considerably less than his after-tax take-home pay when he is working.

My amendment would not relieve the individual who continues to receive his full wage. It would only exclude benefits from gross income which are less than 75 percent of the regular weekly wage. Such a worker has already had his income curtailed by at least 25 percent. During a period of total disability, which is usually a condition of eligibility for the receipt of these limited benefits, the workers' expenses are likely to be substantially increased because of illness or injury. The additional costs of medicine, special diet, and other expenses are usually not reimbursed by most hospital and medical care programs. These increased expenses must be met out of the limited benefit.

I do not believe that equity is served by imposing a tax on these unfortunate workers. The unemployed worker who receives a limited unemployment compensation payment does not have to include this payment in his gross income. There is no more reason to require the worker who is unemployed because of illness to include as gross income, his benefit, which is usually the same percentage of his wages as unemployment compensation.

It is also important to keep in mind that all existing collective bargaining agreements which provide for sickness or accident benefits were predicated on their nontaxable status. If, for the first time in tax history, these benefits are made taxable, there will be an immediate demand for increasing the benefits to compensate for the tax which is imposed. Unions will be forced to demand a reopening of otherwise stable collective bargaining agreements with many thousands of employers.

My amendment would avoid these results. It would avoid any possibility of the tax law being used as a tax avoidance device, by continuing the requirements of present law that does not give the tax benefit during the first 7 days of sickness, unless the employee is hospitalized during such period. At the same time, it would avoid the imposition of a gross injustice on workers who are afflicted by serious illness and who are at the same time suffering a drastic reduction in income.

If the employee's sick pay is less than 75 percent of his regular pay, the 30-day waiting period provided by the House bill would not apply. Rather, in such a case, the waiting period provided by the existing law, would be retained. On the other hand, if the sick pay is 75 percent or more of the employee's regular pay, the 30-day rule of the House bill would apply.

Mr. President, I urge the adoption of this amendment.

Mr. SMATHERS. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. SMATHERS. I should like to say to the able Senator from Minnesota that having checked with the various members of the Finance Committee, including the senior member of the Finance Committee on the other side, we believe that this is an amendment which should be accepted and taken to conference.

Mr. McCARTHY. I thank the Senator from Florida.

Mr. SMATHERS. I have also talked with the majority leader, the Senator in charge of the bill, and the acting majority and acting minority leaders, who are in accord on this matter.

Mr. KEATING. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield to the Senator from New York.

Mr. KEATING. I believe the distinguished Senator from Florida has shown excellent judgment in accepting the amendment. I hope that the words "taken to conference" do not have a sinister connotation and that it will emerge from conference as well as being taken there. It will, in my judgment, receive overwhelming support if put to a vote. I commend the committee for its wisdom, good sense, and judgment; and when I offer the next amendment I hope I shall do as well as the Senator from Minnesota has done.

Mr. MORTON. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield to the Senator from Kentucky.

Mr. MORTON. I concur with the Senator from Florida, and I suggest that the Senate vote now, because if we start "fighting" in the Chamber we shall repeal it.

Mr. HUMPHREY. Mr. President, I am pleased that the Finance Committee is willing to accept the amendment. Under present law sick pay is excludable from a worker's gross income. It has been argued that since sick pay is a substitute for regular income it should not be tax exempt except in case of serious illness or injury. Following this line of reasoning, the Finance Committee adopted a provision that the first 30 days of sick pay would be subject to income taxation.

I agree with the reasoning behind the committee's decision and I support the principle that tax exemptions on sick pay should not be used as a device to avoid just taxation. However, the committee's action would cause serious hardship. The fact of the matter is that many employees do not receive regular wages when they are sick. Instead, they are paid only a fraction of their regular compensation. The customary practice in labor-management agreements on sick pay is to provide 50 to 65 percent of the employee's regular pay in sickness and accident benefits. For example, a man whose regular wage was $100 a week would get only $50 if he were too sick to work. Taxing this partial pay would impose an additional burden on a family already suffering from the disability of its breadwinner.

Many collective bargaining agreements are based on the assumption that sick pay will be tax exempt. Accepting the Finance Committee's provision will force renegotiation of thousands of contracts between management and labor.

For these reasons I support the humane amendment offered by my distinguished colleague from Minnesota. The amendment provides that the first 30 days of sick pay would be taxable only when it exceeded 75 percent of the employee's regular pay.

Some opponents of this amendment have claimed that exemption from taxation should be given only in cases of hardship. But if being sick and then losing 2 weeks' pay is not hardship, I do not know what is. I trust the conference committe will give this amendment full support. It is fair; it is just; and it is needed.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. McCarthy].

The amendment was agreed to.

Mr. KEATING. Mr. President, I believe my amendment can be disposed of in 5 or 10 minutes. I shall wish to have a yea-and-nay vote.

I call up amendment 417 which is offered on behalf of myself, my colleague the Senator from New York [Mr. Javits], the Senator from Nebraska [Mr. Hruska], and the Senator from New Jersey [Mr. Williams].

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The Legislative Clerk. At the proper place in the bill add the following new section:

SEC. . RETAILERS EXCISE TAX ON PURSES AND BAGS.

(a) IN GENERAL.—Section 4031 (relating to imposition of retailers excise tax on luggage, handbags, etc.) is amended by adding at the end thereof the following new sentence: "In applying the tax imposed by the preceding sentence with respect to any purse or handbag sold at retail, there shall be disregarded so much of the retail sales price of such purse or handbag as does not exceed $50."

Mr. KEATING. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I should like to propound a unanimous-consent request and ask unanimous consent that on the pending amendment there be a allocation of 20 minutes, 10 minutes to each side.

Mr. GORE. Mr. President, reserving the right to object, yesterday I said I was not angry with anyone. I still think that way, but I must admit that today my temper is not quite so high as it was yesterday morning.

I should like to suggest to the distinguished majority leader that the absence of unanimous consent as to time limits and time to vote may have served the Senate very well for 2 days. I believe we have had the best attendance and perhaps the best debate for the past few days that I have witnessed in my 12 years in the Senate.

Mr. MANSFIELD. I agree.

Mr. GORE. I do not attribute all of that to the absence of a unanimous-consent agreement. I believe much of it is because of the importance of the subject matter, but as we near the conclusion of this very difficult and complicated bill, I am going to yield to the wisdom and the leadership of the majority leader, and I shall not impose any objection to this request.

Mr. MANSFIELD. I appreciate that. Can the distinguished Senator from Tennessee advise the Senate how much time he would like on his amendment so that we could obtain a general consensus?

Mr. GORE. I have only one other amendment that I shall offer. There are many more I should like to offer, believing that the bill needs to be thoroughly rewritten; but I shall offer only one amendment. It is a major amendment, in my opinion, affecting restrictive stock options.

Please understand that I would not eliminate options. I would permit employee purchase plans. This is the kind of restrictive stock option for the corporation insider, which has been greatly abused.

If I could have 40 minutes that would be sufficient, and I shall try to hold it down to 25 minutes.

Mr. MANSFIELD. That is fair enough.

Mr. President, I ask unanimous consent that on all amendments except the Gore amendment, there be allocated 30 minutes, 15 minutes to a side, to be equally divided between the proponents and the opponents of the measure, and that on the Gore amendment there be an allocation of 80 minutes, with 40 minutes under the control of the Senator from Tennessee [Mr. GORE] and 40 minutes under the control of the Senator from Louisiana [Mr. LONG], and that there be 1 hour debate on the bill.

Mr. TALMADGE. Mr. President, will the majority leader yield?

Mr. MANSFIELD. I am glad to yield.

Mr. TALMADGE. I assume that the usual rule of germaneness will prevail.

Mr. MANSFIELD. Yes.

Mr. MORTON. This request is for 1 hour on the bill?

Mr. MANSFIELD. Yes.

Mr. MILLER. Mr. President, reserving the right to object, would the majority leader extend the time on the bill to 2 hours?

Mr. MANSFIELD. If the Senator from Iowa will trust the judgment of the leadership, if additional time is needed, it will be forthcoming.

Mr. MILLER. Very well.

Mr. WILLIAMS of Delaware. Mr. President, reserving the right to object, would the agreement apply to the amendment which the Senator from Arkansas intends to offer? It is a major amendment.

Mr. MANSFIELD. I have not seen the Senator from Arkansas. However, if there is any objection on his part, we will, of course, take it into consideration and withdraw that part of the unanimous-consent request.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. Mr. President, I exclude from the proposed agreement the amendment to be proposed by the Senator from Arkansas [Mr. McCLELLAN].

Mr. RANDOLPH. Mr. President, reserving the right to object, I wish to ask the distinguished majority leader, in view of these arrangements which are now taking place, if it is anticipated that the Senate will meet tomorrow, or will an attempt be made to finish consideration of the bill tonight?

Mr. MANSFIELD. If the opportunity presented itself tonight, yes; however, I doubt it at this time. I would be prepared to remain in session late. However, in view of the fact that some Senators are overly tired and exhausted, it would be better to anticipate concluding consideration of the bill tomorrow instead of tonight.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. EASTLAND. I should like to know what the plans are for tonight.

Mr. MANSFIELD. At the convening of the Senate this morning, and in response to questions raised by Members of the Senate, it was indicated that the Senate would remain in session, provided amendments were offered, until about 10 o'clock this evening. It was not anticipated that consideration of the tax bill could be completed this evening. It was hoped that it would be possible, but events have proved that it is not possible. It is our hope that the Senate will bear with the leadership, and allow us to consider amendments up to 10 o'clock this evening. The Senate will then meet at 10 o'clock tomorrow morning. Tomorrow it will finish consideration of the bill, and immediately therafter proceed to the consideration of certain money resolutions, to get them out of the way, so that the decks may be cleared for next week.

Mr. EASTLAND. In other words, consideration of the bill will not be concluded tonight.

Mr. MANSFIELD. The Senator is correct.

Mr. GORE. Would it be agreeable to make my option amendment the pending business tomorrow? I could use half of my time tonight, so that Senators could read my statement in the RECORD tomorrow. I could offer the amendment this evening and make my brief remarks this evening.

Mr. MANSFIELD. That might be satisfactory.

Mr. LONG of Louisiana. I suggest to the majority leader that he modify his unanimous-consent request, so that the Senator from Tennessee may make his statement tonight and perhaps divide the time tomorrow. If any Senator wishes to respond to the Senator's statement tonight, that will be all right. It would be better to do that than to have it made the pending business. Might we not let it come up in its natural course, and reserve such time as the Senator may require?

Mr. McCARTHY. Mr. President, does the Senator from Delaware intend to offer his amendment tonight?

Mr. JAVITS. Mr. President, there is too little time on the bill. I shall wish to speak for 10 minutes on the bill. The Senator from Iowa——

Mr. MANSFIELD. When that question was raised by the Senator from Iowa, I assured him that if more time is needed, it will be forthcoming.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, if I may recapitulate, the agreement provides for a half hour of debate on all amendments, equally divided, except the Gore amendment. On the Gore amendment the time allowed will be 80 minutes, 40 minutes to a side. The only exception is with respect to the McClellan amendment. When the Senator from Arkansas comes to the floor, an agreement will be reached, which I hope will be satisfactory. I should like to suggest to the Senator from Louisiana, who is so skillfully managing the pending bill, that it would be in the interest of the Senate to have a part of the debate on the Gore proposal tonight, so that Senators may have an opportunity to study it overnight.

Mr. LONG of Louisiana. What the Senator from Tennessee has in mind is that he would like to explain the amendment and his position on it tonight, in order to have it in the RECORD. I would prefer not to agree on what the pending business will be tonight or tomorrow. I would be glad to accommodate the Senator by having him make his speech, and have the time either charged against his time or not.

Mr. GORE. I do not believe that I have made an unusual request. On two previous evenings understanding was reached as to what the pending business would be the following day. I have cooperated with the leadership. I feel very deeply about my amendment. I will remain here as late as necessary. I am willing to use half my time tonight. However, I would like to have it the pending business tomorrow.

Mr. MANSFIELD. I believe that is agreeable. The time limitation will begin to run when the amendment is brought up.

Mr. JAVITS. In order to clarify the situation, the unanimous-consent agreement applies to any amendment, whether printed or not, whether at the desk or not. Is that correct?

Mr. MANSFIELD. Yes, except that the amendment must be germane. Any Senator has a right to offer such an amendment.

Mr. LONG of Louisiana. I am not satisfied with the procedure of having a speech made by the distinguished Senator from Tennessee in favor of his amendment tonight without having an opportunity for a response, to state the other side of the argument, if any Senator cares to do so.

Mr. GORE. I have no objection to that.

The unanimous-consent agreement subsequently reduced to writing is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on the adoption of this order, during the further consideration of the bill H.R. 8363, the Revenue Act of 1964, debate on an amendment intended to be proposed by Mr. GORE, relating to stock options, shall be limited to 80 minutes, and on amendment No. 407, intended to be proposed by Mr. MCCLELLAN, debate shall be limited to 100 minutes, the time in each case to be equally divided and controlled by the mover of the amendment and Mr. LONG of Louisiana; and that debate on any other amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment or motion and Mr. LONG of Louisiana: *Provided*, That in the event Mr. LONG is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. KEATING. Mr. President, I yield myself 5 minutes on the amendment. I believe that is all I shall need. The amendment relates to only one item.

Mr. SMATHERS. Mr. President, have the yeas and nays been ordered on the amendment?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. SMATHERS. We can expect a vote on the amendment at 8:15. Is that correct?

Mr. KEATING. I should say that there should be a vote by 8 o'clock.

Mr. President, we defeated by a rather narrow margin the amendment offered by the distinguished Senator from Kentucky [Mr. MORTON], on behalf of the Senator from Illinois [Mr. DIRKSEN], to repeal all of the Federal retail excise taxes. My amendment relates to one item only, ladies' purses and handbags. It provides that the present 10 percent tax shall apply only to the portion of the selling price over $50. I am pressing this separate amendment applicable only to ladies' handbags on the ground that there is probably no other item subject to existing excises for which a more convincing and meritorious case of repeal can be made.

This particular tax is unfair, regressive, discriminatory, and inequitable. Originally imposed in 1944 as a temporary wartime emergency measure, the tax was supposed to have expired automatically 6 months after the cessation of hostilities. But now, almost 20 years later, it is still burdening the women of America and the handbag industry and all those employed by the industry.

Of course, no article of women's clothing, with the exception of furs, is subject to a Federal tax. Shoes, hosiery, skirts, blouses, belts, scarves, and hats, even though they may be made partly or wholly of leather, are not subject to any excises. But handbags are. I know of ladies who travel in the best of circles who, depending on their particular outfit, can dispense with items like belts or leather shoes. But rare is the occasion on which any woman can do without a basic handbag.

I do not see how ladies' handbags can in any sense be called a luxury. They are an absolute necessity. American women are up in arms against this unmitigated nuisance tax.

The handbag industry has lost much ground because of it. It has been losing ground around holidays like Christmas and Mother's Day to other appropriate gifts which do not bear the burden of the 10-percent excise tax. The tax in practical operation, therefore, discriminates against this one item and against the industry that produces the item in favor of other items of women's apparel, many of which can well be classified as luxuries, which do not carry any Federal excise levy.

There is this additional consideration for repealing the tax on ladies' handbags only. The justice of singling out this one item is demonstrated by the fact that when in 1950 an excise tax reduction bill passed the House—I might say, by the overwhelming margin of 375 to 14—the tax on furs, jewelry, cosmetics, and luggage was to have been reduced from 20 to 10 percent, but in contrast, the tax on handbags was to have been repealed in its entirety. However, the entire bill was killed in the Senate Finance Committee when the Korean war broke out. The point I make is that as far back as 1950 the case for singling out the excise tax on handbags for repeal was clearly recognized.

The modified Dirksen-Morton amendment, which would have repealed all the retail excise taxes combined, would have resulted in a net revenue loss to the Treasury of approximately $455 million. The amendment which I am now offering, on the other hand, would result in revenue losses in the neighborhood of only $38 million annually. I emphasize that this estimated loss represents a gross loss of revenues from the excise tax considered by itself. It does not take into account the undeniable fact that additional income tax revenues would flow to the Treasury from a healthier handbag industry and the additional employees who would be put back on the job—and in many cases, back on the tax rolls—if Congress would only give the industry this vitally needed shot in the arm. Therefore, the net revenue loss to the Treasury, in my judgment, would be considerably less than the $38 million figure which represents the gross loss in excise tax revenues.

During the debate on the much broader Dirksen-Morton amendment, I heard very often the argument that it would not be appropriate to remove from the excise tax, purchases which are strictly luxury in nature. There is much force in this argument, provided you can properly draw the line between luxuries and necessities. The Dirksen-Morton amendment, as modified, drew the line at $100 on purchases of furs and jewelry. Let me point out that the overwhelming majority of handbag purchases are plainly in the necessity classification. Very few are sold for over $25, still fewer for over $50 and almost an infinitesimal number for over $100. I am willing on balance, to strike a dividing line between handbags that are a necessity and handbags that are a luxury at the $50 level. This amendment would, rather than repeal the entire tax, simply exempt the first $50 of retail value from the handbag tax, thereby subjecting only the excess over $50 to the 10-percent Federal tax.

I hope all Senators will search their consciences and consider the fealty they owe to their wives and mothers, sisters and daughters, and, indeed, to all American womanhood, and vote their resounding approval of this amendment.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. JAVITS. I support my colleague from New York in his eloquent plea to the Senate. This is a unique application of a tax. It affects one single item of wearing apparel for women—handbags. The Senator's amendment is designed to exclude it from the classification of a luxury. I hope the Senate will grant this measure of justice and remove the discrimination that exists against handbags in favor of other items of apparel which are not subject to tax.

Mr. KEATING. I am grateful to my colleague from New York. His cosponsorship of the amendment is most helpful and is much appreciated.

Mr. LONG of Louisiana. Mr. President, I yield 3 minutes to the acting minority leader.

Mr. MORTON. In the first place, I do not think I am the acting minority leader.

Mr. LONG of Louisiana. I yield to the Senator from Kentucky.

Mr. MORTON. I thank the Senator.

Mr. President, I dislike to oppose the amendment offered by the junior Senator from New York, as I did the amendment offered by the senior Senator from New York [Mr. JAVITS] concerning theater tickets. We went down this road yesterday. We then had for consideration an amendment that was all encompassing and comprehensive with respect to what are actually Federal retail sales taxes. The amendment was rejected. The vote was close. I fought as hard as I could for its adoption. However, I do not believe we would be serving the consumers of this country by tearing up the excise taxes piecemeal.

We now have an agreement from the Committee on Ways and Means and the

Committee on Finance that we will promptly examine the whole question of excise taxes.

The proposal to remove the excise tax from ladies' handbags has much political sex appeal, perhaps other appeal. Of course, it is the best thing in the package. So why throw away our best weapon for getting all the regressive taxes removed?

Much as I dislike to be on the opposite side from my friend the distinguished junior Senator from New York [Mr. Keating], I shall have to oppose the amendment. It is my opinion that we must consider the retail excise taxes, which are nothing but retail sales taxes at the Federal level, as a package. Therefore, I shall have to oppose the piecemeal approach to the situation.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield 2 minutes to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I concur in the statement of the Senator from Kentucky. I supported a similar proposal yesterday. I had hoped we would be able to do away with all the retail excise taxes. But I believe it would be a mistake to start to remove them in piecemeal fashion tonight. Regretfully, I shall have to oppose the amendment.

Mr. KEATING. Mr. President, I yield myself 2 minutes.

This is a rather amazing argument, but the candor of the Senator from Kentucky [Mr. Morton] is admirable. The reason given for opposing the amendment is that it is the most meritorious item from which to remove the excise tax. In other words, there is a tacit admission that some of the other items cannot stand on their own feet and that it is necessary to throw in the ladies' handbags in order to have a bill reported later.

Personally, I should like to see some action taken on this item now. If it is more meritorious than the other items, I find it difficult to see how any Senator who supported the amendment to remove all excise taxes on articles costing less than $100 can vote against the amendment to remove the excise tax from an article which most deserves to have the tax removed.

I do not accept the argument that it is necessary to use this item as a trading point in some later operation in an effort to have the excise tax removed from other items.

I supported the Dirksen-Morton amendment. I regret that it was not agreed to. But I have now selected what I believe to be the most meritorious item and the most deserving. I do not think any Senator can explain voting against this amendment by saying that he wanted to wait for a bill that would provide for the removal of the excise tax from more articles.

Mr. ALLOTT. Mr. President, will the Senator yield for a question?

Mr. KEATING. I yield.

Mr. ALLOTT. I am sure the Senator from New York was in the Chamber yesterday and heard the argument that many countries in Europe raise money by means of excise taxes. Does not the Senator agree that if money is to be raised for general, broad tax purposes by means of an excise tax, the tax must cover the whole gamut, and should not be restricted to a few items at the retail level?

Mr. KEATING. I agree. That is why I supported the Dirksen-Morton amendment. We now have a retail excise tax on only a few, selected items. We told the American public long ago that the tax on all such items would be removed in its entirety, and it should have been removed. What we did over a period of years was to remove the tax gradually from one thing and then from another. I have now selected what I think is the most meritorious of the various items from which to remove the tax.

Mr. ALLOTT. I entirely agree with that statement. The Senator has a clearcut case. Other clearcut cases were left outside the purview of the amendment offered yesterday.

I join wholeheartedly with the Senator in this effort, because I think the total effect of the excise tax is greatly to restrict two classes of individuals—first, those who are really supplying necessities to the people; and, second, the small retailers, who have to bear the burden of the collection of this tax by the Federal Government.

Mr. KEATING. I appreciate that statement, and I agree entirely with the sentiments of the Senator from Colorado.

Mr. MORTON. Mr. President, I yield myself 30 seconds.

The **PRESIDING OFFICER.** The Senator from Kentucky is recognized for 30 seconds.

Mr. MORTON. Mr. President, handbags may be very important; but for someone who has the itch, itching powder is important, and it also carries the 10-percent penalty tax.

Mr. KEATING. But someone who has the itch always has the tax-free alternative of scratching himself.

Mr. President, as I recall, in my previous remarks I stated the distinguished Senator from New Jersey [Mr. Williams] is a cosponsor of this amendment. If I did not make that statement before now, I make it now.

Mr. LONG of Louisiana. Mr. President, I yield back the remainder of the time under my control.

Mr. KEATING. Mr. President, I yield back the remainder of the time under my control.

The **PRESIDING OFFICER.** All remaining time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from New York [Mr. Keating]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD (after having voted in the negative). On this vote I have a pair with the distinguished minority leader, the Senator from Illinois [Mr. Dirksen]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. HUMPHREY. I announce that the Senator from Arizona [Mr. Hayden], the Senator from Alabama [Mr. Hill], and the Senator from Georgia [Mr. Russell] are absent on official business.

On this vote, the Senator from Nebraska [Mr. Hruska] is paired with the Senator from Georgia [Mr. Russell].

If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Georgia would vote "nay."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. Curtis], the Senator from Illinois [Mr. Dirksen] and the Senator from Arizona [Mr. Goldwater] are necessarily absent.

The Senator from Iowa [Mr. Hickenlooper], the Senator from Nebraska [Mr. Hruska], and the Senator from North Dakota [Mr. Young] are detained on official business.

If present and voting, the Senator from Nebraska [Mr. Curtis], and the Senator from Arizona [Mr. Goldwater] would each vote "yea."

The pair of the Senator from Illinois [Mr. Dirksen] has been previously announced.

On this vote, the Senator from Nebraska [Mr. Hruska] is paired with the Senator from Georgia [Mr. Russell]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Georgia would vote "nay."

The result was announced—yeas 35, nays 55, as follows:

[No. 32 Leg.]

YEAS—35

Aiken
Allott
Beall
Boggs
Case
Cooper
Cotton
Dodd
Dominick
Douglas
Fong
Gore
Gruening
Jackson
Javits
Jordan, Idaho
Keating
Kennedy
Kuchel
Mechem
Morse
Mundt
Pastore
Pearson
Pell
Prouty
Proxmire
Ribicoff
Saltonstall
Scott
Simpson
Smith
Tower
Williams, N.J.
Young, Ohio

NAYS—55

Anderson
Bartlett
Bayh
Bennett
Bible
Brewster
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Carlson
Church
Clark
Eastland
Edmondson
Ellender
Engle
Ervin
Fulbright
Hart
Hartke
Holland
Humphrey
Inouye
Johnston
Jordan, N.C.
Lausche
Long, Mo.
Long, La.
Magnuson
McCarthy
McClellan
McGee
McGovern
McIntyre
McNamara
Metcalf
Miller
Monroney
Morton
Moss
Muskie
Nelson
Neuberger
Randolph
Robertson
Smathers
Sparkman
Stennis
Symington
Talmadge
Thurmond
Walters
Williams, Del.
Yarborough

NOT VOTING—10

Curtis
Dirksen
Goldwater
Hayden
Hickenlooper
Hill
Hruska
Mansfield
Russell
Young, N. Dak.

So Mr. Keating's amendment was rejected.

Mr. MANSFIELD. Mr. President, I should like to have the attention of the distinguished Senator from Arkansas [Mr. McClellan].

I should like to make a unanimous-consent request, which was postponed because of the fact that the Senator from Arkansas was absent from the floor of the Senate on official business.

I ask unanimous consent that 100 minutes be allotted to the amendment offered by the distinguished Senator from Arkansas [Mr. McClellan], 50 minutes to be under the control of the Senator from Arkansas and 50 minutes to be under the control of the Senator in charge of the bill, the Senator from Louisiana [Mr. Long].

Mr. McCLELLAN. Mr. President, reserving the right to object, I assume that the distinguished leader has reference to my amendment No. 407.

Mr. MANSFIELD. The Senator knows that I have reference to that amendment.

Mr. McCLELLAN. I did not want any misunderstanding. That is the amendment which would provide that the tax cut would remain in force only so long as total expenditures of the administrative budget remain not to exceed $100 billion.

In other words, this is an amendment that gives Senators an opportunity to vote both for a tax reduction and for economy in government. Is that the one my distinguished friend refers to?

Mr. MANSFIELD. That is the general idea.

The PRESIDING OFFICER. Is there objection. The Chair hears none; and it is so ordered.

Mr. McCLELLAN. Mr. President, it is my understanding that this amendment will come up tomorrow. Is that correct?

Mr. MANSFIELD. Following the Gore amendment, it will be the pending business tomorrow.

Mr. McCLELLAN. Mr. President, will the Senator yield further to me?

Mr. MANSFIELD. I yield.

Mr. McCLELLAN. So far as we know, it will be the last amendment. Is that correct?

Mr. MANSFIELD. That is the general idea, but we have no right to prevent any Senator from offering an amendment.

Mr. McCLELLAN. The amendment of the Senator from Tennessee will be the pending business when the Senate reconvenes tomorrow. Is that correct?

Mr. MANSFIELD. Yes.

Mr. McCLELLAN. Immediately following the disposal of that amendment, my economy amendment will be in order. Is that correct?

Mr. MANSFIELD. I would assume so.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. FONG. Mr. President, I call up my amendment No. 338. I ask unanimous consent that the reading of the amendment be dispensed with and that it may be made a part of the Record at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment offered by Mr. Fong is as follows:

At the proper place in title II of the bill insert the following new section:

"Sec. . Deduction by Lessee of Residential Land of Certain Real Property Taxes Paid by Him.

"(a) Taxes Considered as Imposed on Lessee.—Section 164 (relating to deductions for taxes) is amended by redesignating subsection (g) as (h), and by inserting after subsection (f) the following new subsection:

" 'Certain Real Property Taxes Paid by Lessee of Residential Land.—

" '(1) Taxes considered as imposed on lessee.—For purposes of subsection (a), real property taxes paid or accrued with respect to land by a lessee of such land shall be treated as real property taxes imposed on such lessee (and not on the owner of such land) if—

" '(A) a residence owned by the lessee is situated on such land,

" '(B) the lessee is required under the lease to pay all real property taxes assessed with respect to such land, and

" '(C) the term of the lease is for a period of 20 years or more.

" '(2) Lease considered as sale.—For purposes of subsection (d), the entering into of a lease of land described in paragraph (1) by a lessee described in such paragraph shall be treated as a sale of the land, and the lessor and lessee shall be treated as the seller and purchaser, respectively.

" '(3) Application to sublessees.—For purposes of paragraphs (1) and (2) (other than paragraph (1)(C), the terms "lease", "lessor", and "lessee" include a sublease, sublessor, and sublessee. The requirement of paragraph (1)(C) shall be treated as being satisfied with respect to a sublease if the term of the lease is for a period of 20 years or more.'

"(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act."

Mr. FONG. Mr. President, my amendment would permit a lessee who has a home on land leased to him for a term of 20 years or more to deduct real property taxes paid by him if the lease agreement requires him to pay such taxes.

Under present provisions of the Internal Revenue Code, real property taxes are allowed as deductions to a taxpayer only if the taxes are both owed and paid by him.

Because of this requirement, a serious inequity has arisen for many residential lessees in Hawaii. There are large tracts of land in Hawaii which have been subdivided and leased out as residential districts for periods in excess of 20 years. In many of the lease contracts, the lessees are required to pay all real property taxes.

In such instances, because the lessor owes the tax but the lessee is required to pay it, neither party is permitted to claim the payment as a deduction on his Federal income tax return.

My amendment would correct this inequity and allow the lessee who is legally obligated to pay the real property taxes assessed against his leased land and who does actually pay them to claim such payments as Federal income tax deductions.

I want to emphasize that first, the residence owned by the lessee must be situated on the leased land; second, the lessee must be required under the lease to pay all real property taxes assessed against this land; and, third, the term of the lease must be for a period of 20 years or more.

My amendment would also extend to sublessees if their leases meet the requirements applicable to prime lessees; that is, if the land is used as his residence, if the lease agreement is for 20 years or more, and if the sublessee is required to pay and does pay the real property taxes on such leased land.

My amendment is identical to Senate bill 344, which I introduced earlier this year and which is cosponsored by my friend and colleague the distinguished junior Senator from Hawaii [Mr. Inouye]. No oral testimony has been taken by the Finance Committee on S. 344 or on my amendment, although I did file a written statement with the committee explaining amendment 338 prior to the committee's executive consideration of the pending tax bill—H.R. 8363.

Had there been oral testimony on either S. 344 or on amendment 338, I believe questions of committee members on this matter could have been answered satisfactorily.

What is involved here is a matter of equity for many Hawaii taxpayers who are denied this deduction on a technicality. The existing Internal Revenue Code, does not take into a situation faced by many lessee-taxpayers, particularly a large group in Hawaii, who by their lease contracts are legally obligated to pay real property taxes but who are denied the right to claim them as deductions on their Federal income tax returns because the Treasury has ruled the taxes are owed by the lessor.

Thus, neither the lessor nor the lessee can claim the real property tax deduction.

While I believe equity is on the side of my amendment, and while I believe it is both fair and meritorious, I shall not call for a vote on my amendment, as I have discussed this matter with the senior Senator from Virginia [Mr. Byrd], chairman of the Finance Committee, who has assured me he would arrange for further study and consideration of this important matter. I believe when the issue is fully explored, the committee will recognize the equity involved and will approve S. 344 and report it to the Senate.

Mr. BYRD of Virginia. Mr. President, will the Senator yield?

Mr. FONG. I yield to the distinguished Senator.

Mr. BYRD of Virginia. What the Senator has said is correct—we will arrange for further study and consideration or hearings.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. FONG. I yield.

Mr. ANDERSON. This amendment was considered by the Finance Committee. We did not feel we had an opportunity to go over the matter carefully. A strange situation is involved in which neither of the parties involved can claim these property tax deductions. I also assure the Senator, as the distinguished chairman of the committee has, that this matter will receive attention. It sounds like a situation in which we could be helpful.

Mr. FONG. I thank the Senator.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. FONG. I yield.

Mr. LONG of Louisiana. As one member of the committee, I am sympathetic toward the problem. I studied it in the

Finance Committee. I am sure the Senator realizes that the problem involved is that if we legislate in the fashion he asks us in order to meet the problem in Hawaii, it would tend to open up problems in many other States of the Union. The answer is to find a way to give relief to the people for whom the problem exists, without creating problems involving the other 49 States.

Mr. FONG. I believe the suggested change in the law would not create other problems. I think the committee will find the problem to be very simple.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. FONG. I yield.

Mr. CARLSON. I commend the Senator for the diligence with which he pursued this matter in the Senate, and particularly in the Finance Committee. It was pursued to some extent in the committee. As mentioned by the chairman and members of the committee, there are problems involved that need further consideration and study. I assure the Senator, as a member of the Finance Committee, that the problem will receive sympathetic consideration and any necessary hearings.

Mr. FONG. I thank the distinguished and able Senator from Kansas for his kind remarks and sympathetic understanding of the problem.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. FONG. I yield.

Mr. BENNETT. The Senator from Utah presented this amendment to the committee, and regrets that he was not a good enough salesman to persuade his colleagues on the committee to handle the problem in the bill. Under all the circumstances, I agree with the chairman of the committee that the best way to handle the problem is by separate consideration, so that we can get to the very novel and interesting problems involved, without having it become involved with other problems that may arise.

Mr. FONG. I thank the Senator from Utah for bringing the matter before the committee. I am sorry he was not able to convince the committee. I know that on further study the committee will be convinced.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. FONG. I yield.

Mr. WILLIAMS of Delaware. I assure the Senator from Hawaii that the Senator from Utah did a good job in trying to convince the committee. There was no objection to finding a solution for your problem. However, we felt it was not properly a part of this bill. Along with the other members of the committee, I give the Senator my assurance that your proposal will receive consideration.

Mr. FONG. I thank the Senator.

Mr. President, in view of the various assurances I have received from the distinguished members of the Finance Committee, I now withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. WILLIAMS of Delaware. Mr. President, I call up my amendment No. 398 and ask that it be stated.

The PRESIDING OFFICER (Mr. Walters in the chair). The amendment will be stated for the information of the Senate.

The Legislative Clerk. It is proposed to strike out section 217 relating to deductions for interest on indebtedness incurred or continued to purchase or carry tax-exempt bonds (beginning on page 100, line 3, and continuing through page 101, line 5), as follows:

SEC. 217. INTEREST ON INDEBTEDNESS INCURRED OR CONTINUED TO PURCHASE OR CARRY TAX-EXEMPT BONDS.

(a) APPLICATION WITH RESPECT TO CERTAIN FINANCIAL INSTITUTIONS.—Section 265 (relating to expenses and interest relating to tax-exempt income) is amended by adding at the end of paragraph (2) the following new sentence: "In applying the preceding sentence to a financial institution (other than a bank) which is subject to the banking laws of the State in which such institution is incorporated, interest on face-amount certificates (as defined in section 2(a)(15) of the Investment Company Act of 1940 (15 U.S.C. 80a-2) issued by such institution, and interest on amounts received for the purchase of such certificates to be issued by such institution, shall not be considered as interest on indebtedness incurred or continued to purchase or carry obligations the interest on which is wholly exempt from the taxes imposed by this subtitle, to the extent that the average amount of such obligations held by such institution during the taxable year (as determined under regulations prescribed by the Secretary or his delegate) does not exceed 25 percent of the average of the total assets held by such institution during the taxable year (as so determined)."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to taxable years ending after the date of the enactment of this Act.

Mr. WILLIAMS of Delaware. Mr. President, this particular amendment proposes to strike from the bill section 217. The adoption of the amendment or its rejection would in no way affect existing law as it relates to the taxation of banks. That interpretation is incorporated in the committee report; and the Senator from Minnesota, the committee, and the Treasury are all in agreement on that point. So we are dealing only with the proposed language of the amendment which affects one company only. It is true that there are several related companies controlled by two singly owned companies. These two are, in turn, under one ownership.

My argument is that the bill is not meritorious, and even if it were I believe it should be considered as a separate bill. This is a private bill and should not be made a part of general tax bill where the President would have to accept it in order to approve the bill. The committee should have a right to consider this question on its own merits.

This is in effect a private bill for only one company, and it should not be made a part of the large tax bill.

I was hoping that the Senator from Minnesota would agree to strike this out and have it considered by the committee at a later date on its own merits. If approved it could then be sent to the President, and he could accept it or veto it, based upon his opinion of the merits of this individual case.

I yield now to the Senator from Minnesota.

Mr. McCARTHY. The Senator from Delaware knows that I am in disagreement with him. In my opinion, this question was adequately considered by the committee, which made several significant changes in the language of the bill which was submitted for the consideration of the court.

This is not in that case a precourt situation, to deal with internal revenue, but we provide that there shall be no retroactivity.

The problem in dispute as between the Treasury and the company is the 25-percent limitation upon the credit tax exempts which might be held in portfolios of the company, as described in the bill. I believe the vote in the committee after the hearings and the deliberations was 11 to 3.

This is not the only provision in the bill which relates to a single company. It may involve slightly more money in other cases. One amendment that was adopted for the special benefit of one other insurance company is the changeover, the time for which we may extend another year. This is special legislation. I do not believe it to be the kind that would be vetoed by the President, but this is not unusual practice; and I believe that what we did was meritorious.

Mr. WILLIAMS of Delaware. The extension of the extra year for the mutual company to which the Senator from Minnesota refers, does not in any way affect their tax liability. It merely gave them 1 extra year to change their company over to the formula of new insurance laws enacted a couple of years ago. We gave that company an extended period of time to make the changeover and bring them into compliance with the new law. I repeat, it would not in any way affect the tax liability of that company.

Mr. McCARTHY. This is a minor item, but a member of my staff informs me that it involves certain deductions which would not otherwise have been involved; but they do not amount to very much.

Mr. WILLIAMS of Delaware. If they make the changeover it still leaves the tax the same as it would be for all other taxpayers. However, in the particular instance before us now, this company would be allowed to charge off the interest which it will be paying for the money it receives from its investors and then to put that money in tax-exempt securities.

This would be an unsound principle, a proposal which is denied to all other corporations and all individual taxpayers in America. This should be treated as a private bill and should not be made a part of general tax legislation.

Mr. LAUSCHE. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. I have just heard the Senator from Delaware state that if this amendment is passed it will be applicable to only one company of the thousands of companies in the United States, and that it is, instead of a tax bill, to apply uniformly. In truth, it is a relief bill for one company.

Mr. WILLIAMS of Delaware. That is correct. There are two related companies under single ownership, so we might say that in effect, we are dealing with one case. That is why I say it should be in the form of a private relief bill and should be considered as a separate measure.

The President could then accept it or reject it depending upon advice which he received from the Treasury Department.

Why should this measure not rest or fall on its own merits? Why should we be laying down the ground rules for one company different from those for other American companies? I was hoping we could strike this from the bill in order that it could be considered as a separate measure.

Mr. LAUSCHE. What type of relief does it contemplate and what is the name of the company? I wonder if the Senator from Utah [Mr. BENNETT] could answer that question?

Mr. BENNETT. The interest on State and local bonds under law is exempt from Federal taxation. They are so-called tax-exempt bonds.

Under the law, banks are allowed to buy tax-exempt bonds. The interest on such bonds is eliminated from the total income on which taxes are computed. This provision in the bill would give that same privilege to a company which operates to sell a savings idea to people. It is a financial institution. But it invests about 30 percent of its income now in tax exempts. People are asked to buy the certificates. They buy a lesser amount, and after so many years, the face amount of the certificate is returned to them in the same way that labor bonds and factory bonds are sold.

In a sense, they borrow money from the people and issue the bonds against the borrowings. They use the borrowed money to buy tax exempts. The general Federal law says one cannot deduct interest on borrowed money if one uses that money to buy bonds which are exempt from taxation.

This is a technical problem. I stand somewhere between my two colleagues. It is not a case of a man going out and deliberately using his own funds to borrow money at his own risk and then investing that money in tax exempts.

This is a financial program, a savings program, operated by this one company, under which the company invites investments or loans from individuals.

The fundamental question is, Having invited those loans, should these people have the right to invest any of that money in tax exempts, and in turn have the income from those tax exempts eliminated from the income on which they pay taxes?

The company says it should. The Treasury says this company is not a bank, and therefore they cannot deduct whatever interest they pay to these certificate holders to the extent that that money is invested.

Mr. LAUSCHE. What is the position of the Treasury Department on the measure?

Mr. WILLIAMS of Delaware. The Treasury Department was opposed to this item being included in this bill.

Mr. ANDERSON. I believe the Senator is correct. I believe that is correct as to the earlier language. They did not testify too much on the subsequent language.

Mr. LAUSCHE. Does the testimony show whether there is any other company in the United States which has benefited, or is interested in the passage of the measure?

Mr. WILLIAMS of Delaware. To my knowledge there was none.

Mr. LAUSCHE. So, in effect, this is a special measure for one company.

Mr. WILLIAMS of Delaware. We are told that there are seven companies registered under the Investment Company Act of 1940 which presently issue face amount certificates. More than 90 percent of the total of the assets of these seven companies are held by two related companies, both of which are presently being audited by the Internal Revenue Service with respect to the very issue covered by the McCarthy amendment. In substance it is a private relief bill.

Mr. LAUSCHE. What is the Senator reading from?

Mr. WILLIAMS of Delaware. I am reading from a memorandum prepared by the staff of the committee. It is on this basis of what I say, that the proposal should be considered on its merits as a separate proposal. This should not be made a part of the pending bill.

That is the argument I am making. It is wrong to draft a formula which will fit one situation and one company only. We are told that no other company in America fits the guidelines set out in the amendment.

Mr. LAUSCHE. May I pursue this one step further? On August 30, 1962, when the tax bill of 1962 was considered, there was also submitted a special relief bill for a Minnesota company, known as the Twin Cities Rapid Transit Co.

Mr. BENNETT. This is not that case at all.

Mr. WILLIAMS of Delaware. The question before the Senate now is not related to that situation.

Mr. LAUSCHE. But the principle is the same, is it not?

Mr. WILLIAMS of Delaware. The principle is different, but in both instances there are private bills for the benefit of one company only.

Mr. ANDERSON. They are completely different things. They are entirely different. It is true that a firm was involved in the previous bill, and that a private situation was involved. However, this is a wholly different matter.

Mr. WILLIAMS of Delaware. My time has expired. I yield the floor.

Mr. ANDERSON. I have no objection to the Senator continuing.

Mr. LAUSCHE. Mr. President, I have a distinct recollection of the measure of 1962. At that time I argued that laws must be uniform in operation. Laws which are passed solely for the purpose of aiding one group or one individual are not consonant with our concept of justice. If the bill, as has been stated by the Senator from Delaware, has within it provisions intended to serve one company or seven companies alone, and has been designed to serve them outside the realm of the application of the general principle, it ought not to be passed.

On the basis of what the Senator from Delaware has stated, it strikes me that the Senate is being asked to pass a provision that will be applicable to one or several companies. I cannot subscribe to it.

Mr. ANDERSON. Mr. President, in the first place, this may or may not be a private bill. It is true that the Treasury is thus far auditing only one company. I know of no one who can state with any certainty that no other company in the United States issues this type certificate. As the Senator from Utah very ably stated, with his fine business background, this is a provision that comes within section 265, which clearly states that "no deduction shall be allowed for interest on indebtedness incurred or continued to purchase or carry obligations, the interest on which is wholly exempt from the taxes imposed by this substitute."

I have left out a few words, but that is the substance.

In order to make this section applicable, one must say that these people purchased the certificates, and bought them tax exempt, for the purpose of doing a certain thing. That is the argument between the Treasury and the company, it seems to me. The Treasury has filed no lawsuit. If they were sure they were right, the Treasury might have filed a lawsuit long ago. The Treasury Department recognizes that the banks of this country have been faced with the very same question. There is no lawsuit pending against a single bank. Banks issue certificates of deposit, and sometimes buy the same type investment that is referred to here. No one has raised the question of whether they buy them for the specific purpose of evading taxation, and I am not sure what the outcome of a suit on that question would be.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. ANDERSON. I only say that the Senator from Utah put his finger on it when he said this is a very technical problem. The Senator from Utah referred to the prior bill, which was passed a year and a half or 2 years ago.

It is true that the situation in Minneapolis dealt with a firm that was not able to take care of its indebtedness, and it was necessary to lengthen the period for a short time, so that it could take care of it.

Mr. McCARTHY. To carry over the loss.

Mr. ANDERSON. Strangely enough, in this very bill, there was included a provision that would have taken care of it completely.

We provided for a carryover of losses for many years in advance. We would not have needed a bill at this time. Therefore, I do not think we should say this is private legislation. We were merely dealing with one institution that was in deep trouble.

I now yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. In order to clarify the RECORD, the Senator from New Mexico will agree, will he not, that the language in the bill, whether it is stricken from the bill as my amendment would provide, or left in, will, in no way affect existing law as it relates to the methods by which banks have been and will continue to be taxed?

Mr. ANDERSON. That is correct. I tried to say that.

Mr. WILLIAMS of Delaware. The Senator was clear. The reason I raise the question was that I did not want some bank officials to read about our discussion tomorrow and think that banks are involved. Banks are in no way affected by what we do here on this proposal now before us.

Mr. ANDERSON. The Senator from Delaware is completely correct. I am glad he has made that abundantly clear. Banks are not involved, because for a long time the Treasury has allowed banks to go ahead and take all the tax-exempts they want and not question whether they were bought for this purpose.

Mr. WILLIAMS of Delaware. The Treasury agrees that as far as banks are affected the existing law stands unchanged.

Mr. ANDERSON. Mr. President, I support the committee bill, and I oppose the amendment offered by the Senator from Delaware. Incidentally, the language in the bill was placed in it by a vote of 11 to 3. I am sure the Committee on Finance is not composed of individuals who are trying to class this as a private law for particular individuals.

The committee bill provides that within reasonable limits a financial institution—let me emphasize—a financial institution, which issues face amount certificates and which is subject to the banking laws—let me emphasize—which is subject to the banking laws of the State of its incorporation—is not to be denied a deduction for interest paid by it with respect to its face amount certificates merely because it has invested a part of its assets in State or local government bonds rather than corporation securities.

There is nothing peculiar about this amendment. Under Treasury practice dating back to 1918, banks have been free from the rule of the Internal Revenue Code that denies an interest deduction because of the purchase of tax-exempt securities.

The Treasury Department came to Congress in 1934 with a recommendation that we specifically provide by statute that this administrative rule be overturned and that banks be denied an interest deduction in these circumstances. The House version of the 1934 act would have accomplished the Treasury objective but when the bill came before the Senate Finance Committee, the Finance Committee refused to follow the House bill. To the contrary, the Senate Finance Committee was of the opinion and stated in its report:

> Your committee is of the opinion that the change made by the House bill will seriously interfere with the marketing of Government securities, which are bought for the most part by banks and financial institutions; and also presents grave administrative difficulties. Your committee, therefore, disagrees with the change made in this section by the House bill and recommends that the provisions of existing law be continued. (S. Rept. 558, 73d Cong.)

Note the emphasis the committee places on the fact that the interest deduction was not to be denied in the case of banks and financial institutions.

This year, 1964, we are reaffirming the action taken by the Senate Finance Committee in 1934 with one very important difference. We are placing a limit by statute on the amount of tax-exempt securities that can be purchased by financial institutions, other than banks, which issue face amount securities and which are subject to the banking laws of the State in which they are incorporated. Under the committee amendment, the disallowance rule in the case of such a financial institution is not to apply to the extent that investments in tax-exempt securities do not exceed 25 percent of the total assets of the corporation. This means, Mr. President, that the face amount certificate company must invest 75 percent of its total assets in taxable securities if it is to completely avoid the disallowance rule. The Finance Committee felt this was a reasonable limitation, and I feel it is a reasonable limitation. I believe the provision approved by the committee after careful and complete consideration should be retained.

Let me make it perfectly plain that the committee amendment does not apply to banks. Banks, if they choose to do so, may invest their entire assets in tax-exempt securities and no deduction will be denied. This practice is now the published position of the Internal Revenue Service Rev. Rul. 61–222 (1961–2CB 58). The amendment only applies to the financial institution which issues face amount certificates.

The committee received testimony on this amendment at its public hearings on the bill. A witness before your committee called attention to the fact that financial institutions which are subject to the banking laws of a State, although not actually banks themselves, pay interest on face amount certificates—a way by which thousands of individuals throughout the country systematically invest their savings. In the example cited to your committee, a certificate holder pays to the financial institution equal monthly payments for 20 years and at the end of that time, the financial institution pays back the amount of the investment plus interest in accordance with the provisions of the certificate. The funds of the financial institution in this case are subject to regulation by the Investment Company Act which permits investment of the funds received from the certificate holder in "qualified investments."

Qualified investments for this purpose include real estate mortgages, certain property improvement loans, U.S. Government and municipal bonds, and other securities meeting certain performance standards. As a result, part of the financial institution's funds are invested in State and municipal bonds.

The committee concluded that in cases of this type the relationship of the financial institution to the certificate holder is sufficiently close to the relationship of a bank to its depositors as to permit the investment of a substantial portion of the funds of such an institution in tax-exempt State and municipal bonds without this resulting in the possible denial of the interest deduction with respect to amounts paid out to the certificate holders.

That is the basis on which the committee acted. I think the committee acted wisely. It merely said that if a bank does not put more than 25 percent in tax exempts, it does not have to be punished by a deduction of the interest paid out. That follows the rule of 1934, adopted by the Senate.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. BENNETT. There is one other point which I think should be made to the Senate, if the Senator remembers it. This is prospective only, and has no effect on the existing quarrel between the company and the Internal Revenue Service.

Mr. ANDERSON. I thank the Senator from Utah. His statement is exactly correct. When we were assigned to pass on the question, the amendment was put to a vote again. Some of us announced that we would not vote for it if it were to be retroactive. I said I would not cast my vote for it if it involved one dollar of retroactive taxation. The Treasury said it did not. The Senator from Utah [Mr. BENNETT], with his fine business background, suggested that we should not make it retroactive, and we did not. We voted upon it. It does not contain one dollar of retroactive relief.

Mr. McCARTHY. I should like to make one additional point in connection with the dispute with the Treasury. Representatives of various units of the Government that sell tax-exempt securities have joined with the company in support of its position. We have had discussions with them with regard to this particular action. I think we ought to correct the RECORD with regard to municipalities, so that there will be no question that their tax-exempt status is in no way affected, either retroactively or prospectively, by the action taken here.

To that end, I should like to ask the Senator in charge of the bill, the distinguished Senator from Louisiana (Mr. LONG), a question regarding section 217 of the bill, which amends section 265 of the Internal Revenue Code. I think every member of the committee was concerned that there should be no impairment of the exemption of State and local bond interest. Everyone knows the need of government at those levels to raise money to meet growing responsibilities.

Do I correctly understand that section 217 of the bill creates no inference against any investor in such public obligations merely because in a particular tax year, past or future, the investment in such obligations exceeded the 25-percent figure? I should like to have the Senator confirm my understanding that the existing rule remains unchanged, that for the interest on any indebtedness to be disallowed under section 265 there must be a determination that such indebtedness was incurred or continued for the purpose of purchasing or carrying tax-exempt State and local government bonds.

I am sure that none of us wanted in any way to see financial institutions affected merely because they invest in State and local government bonds.

Mr. LONG of Louisiana. The Senator from Minnesota is correct in his interpretation of the bill and the existing law which it would amend. No inference is to be created against any taxpayer for any year; and the existing test for disallowance of interest on indebtedness, as the Senator has stated it, would remain.

Mr. McCARTHY. I understand that the Senator's interpretation would meet the demands of State and local governments with respect to tax-exempt securities. I thank the Senator for having made that point clear.

Mr. LONG of Louisiana. The bill was designed to meet the problem pointed out by a witness before the Committee on Finance, and it creates no inference for past or future years against any investor in State or local government bonds.

Mr. WILLIAMS of Delaware. Mr. President, I have used all my time, but I had promised to yield 5 minutes to the Senator from Tennessee to discuss my amendment. Would there be objection to my asking unanimous consent that he be granted 5 minutes, in addition to the time I have used.

Mr. ANDERSON. There is no objection to that.

Mr. GORE. Mr. President, I support the amendment. Perhaps the Senate will recall that on the first day of debate I called to the attention of the Senate the fact that only a few pages of this more than 300-page bill dealt with tax rates. The other 300 or so pages are filled with provisions a few of which may be in the public interest, but most of which, in my view, are adverse to the public interest and deal with special interests.

With all due regard to the explanation which has been given, my view is that this is a special-interest provision, and that it should be stricken.

It is questionable, Mr. President, whether even the banks—with their special responsibility for part of the monetary functions of government—should have the privilege of deducting an interest charge as an operating cost, while investing such money in tax-exempt securities. If that is to be permitted, it will be a sure-fire way of making money at the expense of the Government of the United States.

This provision would extend that special privilege to a few special institutions which are not banks. It is said that these assets are owned to the extent of 90 percent by two companies. If this privilege is to be extended to these special companies, why not extend it to others? And then all will have a way to borrow money and deduct the interest and buy the tax-exempt securities, but owe no taxes on the income received from the tax-exempt securities. The issue is just that simple.

Mr. President, there are many other parts of the bill which should be stricken, but surely this one should be; and therefore I support the amendment of the Senator from Delaware.

Mr. LONG of Louisiana. Mr. President, I am not an expert in this field. I do not understand this subject as well as I should like to understand it. Moreover, I do not know what company or companies may be involved. But I sat with the committee and heard the matter discussed, and heard the Treasury's views and the staff's views. On the basis of the discussion I concluded that it made sense to permit some of those institutions to have 25 percent of their investments in tax-exempt State or municipal bonds and still receive a deduction for interest paid to certificate shareholders. I understood that if they were not entitled to this treatment for the part of their portfolios which invested in such securities, it would not be practically possible to invest any of the funds from the certificates of these financial institutions in tax-exempt bonds. That is the problem, as I understood it.

But whenever we are asked to pass a special bill for the benefit of one individual, I have regularly insisted that, instead of having the bill drawn so as to be for the benefit of only one person, it at least be drawn in general language, so that others similarly situated might have the benefit of the same law.

So far as this case is concerned, there may be two or three or four other companies which might benefit from this provision. At any rate, I would much rather vote on the basis of the principle involved. If it is right, I would be inclined to vote for it; if it is wrong, I would be inclined to oppose it.

I believe this issue is not now a court case, but I assume that it could become a case in court.

It seems to me this is the logical answer to the problem; in order to clear up what seems to be a hiatus between the Treasury Department and one or more companies, this would appear to be the way to solve it.

The subject would be in conference, of course; and if the Senator from Delaware feels as strongly about it as he appears to, I have no doubt that he would be able to impress the conferees with the force and the merit of his views.

However, I still feel that I should oppose the inclusion of this amendment in the bill.

Mr. WILLIAMS of Delaware. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 2 minutes.

Mr. WILLIAMS of Delaware. Mr. President, I think there should be no confusion about this matter.

The practical effect of the amendment would be to exempt financial institutions which sell face amount certificates under the Investment Company Act of 1940 from application of the disallowance rule. Data issued by the Securities and Exchange Commission shows that there are seven companies registered under the Investment Company Act of 1940 which presently issue face amount certificates. More than 90 percent of the total of the assets of these seven companies are held by two related companies, both of which are presently being audited by the Internal Revenue Service with respect to the very issue covered by the amendment. Thus the committee amendment is in substance a private relief bill which would resolve in favor of the taxpayers primarily concerned, an issue which is being contested with the Internal Revenue Service.

Since this really is only a private relief measure it should be considered as such and on its own merits, not as part of this broad tax bill where it would be vetoproof.

Therefore, I urge that my amendment striking the McCarthy amendment from the bill be approved.

The Treasury Department agrees that we are dealing with a proposal that affects only one group of taxpayers or one company. There is no question about that. The Treasury Department opposed this provision remaining in the bill. It is clear that the provision is a private bill for the benefit of only one group of investors.

If this provision of the bill were to be enacted into law no doubt in a relatively short time others would find that the loophole would be of advantage to them. They would be able to come under the same umbrella and thus would avoid paying some of their taxes.

In short, Mr. President, the McCarthy amendment, as contained in the bill, is a violation of the principle of sound taxation. We should close this loophole tonight, and thus be done with it.

That can only be done by approving my amendment to delete the section.

Mr. GORE. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. GORE. If we open this loophole for the benefit of this small group, how shall we be able to oppose opening it, next year, for the building and loan associations and other institutions?

Mr. WILLIAMS of Delaware. Yes; and, not only that, no doubt many others would find that they could fit their operations under the formula of the bill and thus avoid their tax liability. Let there be no doubt that this is a new loophole for the benefit of one company now, but others will later take advantage of it also.

Mr. President, I yield back the remainder of the time under my control.

Mr. LONG of Louisiana. Mr. President, I yield back the remainder of the time under my control.

Mr. WILLIAMS of Delaware. Mr. President, on the question of agreeing to my amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Maryland [Mr. BREWSTER], the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Alaska [Mr. GRUENING], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from North Carolina [Mr. JORDAN], the Senator from Virginia [Mr. ROBERTSON], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that the Senator from California [Mr. ENGLE] is necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT] and the Senator from Virginia [Mr. ROBERTSON] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. CURTIS], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from Nebraska [Mr. HRUSKA], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from North Dakota [Mr. YOUNG], and the Senator from New Jersey [Mr. CASE] are detained on official business.

If present and voting, the Senator from Nebraska [Mr. CURTIS], the Senator from Illinois [Mr. DIRKSEN], the Senator from Arizona [Mr. GOLDWATER], the Senator from Nebraska [Mr. HRUSKA], and the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "yea."

The result was announced—yeas 40, nays 41, as follows:

[No. 33 Leg.]

YEAS—40

Aiken
Allott
Beall
Boggs
Burdick
Carlson
Church
Clark
Cooper
Cotton
Dominick
Douglas
Fong
Gore
Hartke
Jackson
Javits
Jordan, Idaho
Keating
Kuchel
Lausche
McClellan
McGovern
Mechem
Monroney
Morse
Morton
Mundt
Nelson
Pearson
Pell
Prouty
Proxmire
Scott
Simpson
Smith
Tower
Walters
Williams, Del.
Yarborough

NAYS—41

Anderson
Bayh
Bennett
Bible
Byrd, W. Va.
Cannon
Dodd
Edmondson
Ellender
Ervin
Fulbright
Hart
Holland
Humphrey
Inouye
Johnston
Kennedy
Long, Mo.
Long, La.
Magnuson
Mansfield
McCarthy
McGee
McIntyre
McNamara
Metcalf
Miller
Moss
Muskie
Neuberger
Pastore
Randolph
Ribicoff
Russell
Smathers
Sparkman
Stennis
Symington
Talmadge
Thurmond
Young, Ohio

NOT VOTING—19

Bartlett
Brewster
Byrd, Va.
Case
Curtis
Dirksen
Eastland
Engle
Goldwater
Gruening
Hayden
Hickenlooper
Hill
Hruska
Jordan, N.C.
Robertson
Saltonstall
Williams, N.J.
Young, N. Dak.

So the amendment of Mr. WILLIAMS of Delaware was rejected.

Mr. PROXMIRE. Mr. President, I call up my amendment No. 386.

The PRESIDING OFFICER. The amendment of the Senator from Wisconsin will be stated.

The LEGISLATIVE CLERK. On page 33, it is proposed that, beginning with the word "Repeal" on line 10, strike out all through the word "Provisions" on line 12.

Beginning on page 33, line 14, it is proposed to strike out all through line 2, page 36.

Mr. PROXMIRE. Mr. President, I modify my amendment by adding:

> On page 38, beginning on line 10, strike out "and it is the intent of the Congress in repealing the reduction in basis required by section 48(g) of such Code,".

The correction is a technical one. It was suggested to me by the distinguished Senator from Iowa. I think it necessary to make the amendment properly drafted.

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. PROXMIRE. It is my understanding that the debate on the amendment will be limited to one-half hour. I believe it can be completed in less time than that.

Each Senator has on his desk a memorandum which describes what the amendment would do. The amendment would reduce the revenue loss in the bill by $725 million a year by 1973, according to the estimates of the Joint Committee on Internal Taxation.

It would reduce the revenue loss in the 1965 budget by $245 million.

Many Senators—those who are in favor of and those who are against the bill—are concerned about the bill's revenue loss. The proponents of the bill have fought hard to keep out excise tax cuts on the ground that we would lose too much revenue. This amendment would enable us to restore some of the revenue loss, and at the same time abide by a principle which was written into the tax law deliberately and carefully by the Finance Committee in 1962, and ratified by the Senate in 1962, and upheld in conference in 1962.

The amendment would eliminate from the committee's version of the bill a change in present law proposed by the committee.

The present law prevents purchasers of plant and equipment, in effect, from deducting more than 100 percent of the cost of an asset as depreciation in computing their income taxes.

It seems to me that it is a sound and vital tax principle. But I think we all must recognize that the investment credit, if it were modified as the committee has suggested, would have the effect of providing more than 100 percent depreciation.

This is because the law now recognizes that a 7-percent investment credit gives purchasers of assets an opportunity to buy the asset at an effective 93 percent of stated cost. Let me give an example of this. A firm paying $1 million for equipment can subtract $70,000—the investment credit—from its taxes, and, in effect, therefore, have a net expenditure of only $930,000 for its purchase.

I think that is clear and simple. A firm buys equipment for $1 million. With the investment credit, in effect, it costs $930,000, not $1 million. This is the actual cost.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PROXMIRE. I yield myself 2 additional minutes.

Because of this, the firm, under present law, is allowed to depreciate $930,000—the real cost of the asset—not $1 million.

The committee bill would remove this recognition of the effect of the investment credit in calculating asset cost and would thereby, in effect, permit equipment that cost $1 million to be depreciated for tax purposes as if it cost $1,140,000.

This is a sharp departure from the whole philosophy of American taxation, which has always been that a firm should be allowed to depreciate the full cost of an asset, but no additional fictitious cost.

While the cost of this provision is high—$245 million next year and $725 million a year by 1973—the potential cost to the Treasury, once the principle is recognized that assets can be depreciated at more than 100 percent is immense.

Once this principle is abridged there is no reason why in the future Congress could not provide for 150 percent depreciation or 200 percent depreciation. There is no limit.

A firm principle has been established for 175 years of American history that depreciation shall be 100 percent. It is clear that this bill would violate that principle.

There is no justification for this additional artificial benefit for purchasers of plant and equipment.

In the past 3 years such purchasers have enjoyed the following benefits expressly for purchasing equipment in addition to the corporate and personal tax reduction they enjoy in other sections of the bill:

First. Purchasers of plant and equipment have been allowed to increase depreciation under the new accelerated depreciation provisions as announced by the Treasury to any rate they can physically justify. That is, any equipment can be written off at least as rapidly as it is used up.

The value of this incentive to business is estimated at more than $1 billion a year. That is provided by the accelerated depreciation guidelines on the basis of the Treasury regulations recently issued.

Second. The investment credit in its present form provides an additional generous incentive to buy new equipment. The value of this incentive, with depreciation confined to 100 percent of the real cost of the asset, is more than $1 billion a year.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PROXMIRE. I yield myself 1 additional minute.

Mr. President, this amendment should be adopted for two reasons. In the first place, it is an amendment that stands for fiscal soundness. It means that the Treasury will recover between $245 million per year and $725 million per year over the period of the next 10 years.

Finally, the amendment should be adopted because it would permit the Senate to do what it did in 1962, to stand for the principle that equipment should be depreciated only 100 percent, and not 107 percent, or 114 percent.

The PRESIDING OFFICER. Does the Senator modify his amendment?

Mr. PROXMIRE. Yes. I did modify my amendment, which is at the desk. I shall bring the modification to the desk in a moment.

Mr. MILLER. Mr. President, will the Senator yield me 3 minutes?

Mr. PROXMIRE. I yield 3 minutes to the Senator from Iowa.

Mr. MILLER. I want to wholeheartedly support the amendment offered by the Senator from Wisconsin. When the Senate acted on the investment tax credit last year we intended taxpayers to take the 7-percent investment tax credit. In the case of the purchase of $1 million worth of equipment, the firm can subtract a $70,000 tax credit on its tax return. If we do not adopt the Proxmire amendment, we are going to vitiate our intention by doubling that deduction. We will double it because we will allow the complete cost—that is, the market price of the item purchased—to be depreciated, instead of requiring it to be reduced by the amount of the investment tax credit. If we permit a taxpayer on his income tax return to take $70,000 tax deduction this year for investment tax credit and then next year, and during the next 3 or 4 or 5 years, to take $70,000 more off in depreciation, that is nothing except a gift that allows him to restore to himself that which he never had in the first place.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. PASTORE. The last time I was in Rhode Island I had a meeting with some of our industrialists. Their complaint was pretty much to the effect that the trouble with amortization was that, as it was done, they could amortize only the value of the machinery and equipment that had been purchased. When it came to replacing it, one of the impediments to modernization was that it cost much more than it did the last time. I was wondering how much this amendment affects the philosophy I have just expressed.

Mr. MILLER. This amendment has nothing to do with what the Senator has just mentioned. What it does have to do with is the investment tax credit; and that is exactly why we permitted the investment tax credit. We recognized that the costs to replace worn-out machinery were much more than they had been previously. As an incentive for modernizing equipment, we said: "We will give the incentive by means of the 7-percent investment tax credit," but we never said, "We will give you 14-percent investment tax credit." That is what would happen if the Senate did not adopt the Proxmire amendment.

Mr. PASTORE. While it is true that Congress has provided the 7-percent investment tax credit, the investment credit can be invoked only if new machinery or equipment is bought.

Mr. MILLER. That is correct.

Mr. PASTORE. My question is raised not so much as to the equipment that is bought in 1964; I am wondering about the equipment that will have to be bought in 1974.

We have had to build up a reserve in order to modernize the machinery. I am questioning now whether the amendment will not retard the incentive to modernize in 1974.

Mr. MILLER. I can answer that question by stating that in 1974 the investment tax credit of 7 percent will be to encourage that modernization; and it is not a 14-percent investment tax credit.

Mr. LONG of Louisiana. Mr. President, I yield 5 minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 5 minutes.

Mr. BENNETT. Mr. President, I am in the unusual position—as many Republican Senators have been in this debate—of defending the administration against its own members.

The investment tax credit was considered by President Kennedy, supported by him and offered by the Treasury Department to Congress. When it was adopted last year, it was modified by an amendment proposed by the Senator from Louisiana [Mr. LONG], which has created so much difficulty for investors and for the industries which propose to use the investment tax credit, that many of them failed to use it because, in the form in which it was passed into law, it required these companies to keep a completely separate depreciation record for every piece of machinery that they bought under this program. They could no longer use guidelines set up by them, because under the Long amendment they could not depreciate 100 percent; they could depreciate only to the extent of 93 percent in order to get the benefit of it. They had to have a separate set of books for every piece of machinery. So many industries in the United States, when we got to work on this job, said, "Give us what you said you were going to give us or take it away, because we cannot keep our records under the Long amendment because it is prohibitive and unreasonable."

Mr. CARLSON. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. I yield.

Mr. CARLSON. I wonder if it does not boil down to the simple proposition that if Senators are for the investment credit they will vote against the Proxmire amendment, and if they are against it, of course they will vote for the Proxmire amendment.

Mr. MILLER. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. The Senator from Iowa has had an opportunity to make his remarks; I have only 5 minutes.

This is the fundamental problem. The Treasury had the concept. It was offered to Congress a year ago. The Senate cut it in half. I believe the Senator from Kansas [Mr. CARLSON] has laid down the question simply. If we want industry to use the investment tax credit, let us accept the proposal in the form in which it was originally offered. If we wish to stultify it and nullify its use by industry, let us go back and re-create the problems that they hoped the committee would eliminate by a change which the committee did adopt.

In this case, I had some personal consideration about the investment tax credit when it was adopted a year ago, but now I am sure that we either want it all one way or we want to eliminate it entirely.

Mr. PASTORE. Mr. President, will the Senator from Utah yield for a question?

Mr. BENNETT. I yield.

Mr. PASTORE. In other words, what the Senator from Utah is saying is that if we adopt the Proxmire amendment now, we are actually vitiating the effect of the 7-percent investment tax credit.

Mr. BENNETT. Yes. If we adopt the Proxmire amendment, we will vitiate the effect of the 7-percent investment credit.

Mr. PASTORE. In other words, in the process of including the amortization benefit we give now, and subtracting it on the other end, we will take away from what we have already given?

Mr. BENNETT. That is partially true.

Mr. PASTORE. I like to simplify things.

Mr. BENNETT. We can say to a man, "Your investment credit, if you spend a thousand dollars for a machine, will be $70. You still have that machine, but under the Long proposal adopted last year, you cannot depreciate it less than a thousand dollars," so the depreciation is $930.

Mr. PASTORE. Which in effect takes it away?

Mr. BENNETT. Certainly; in effect it takes it away.

Mr. ANDERSON. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. I yield.

Mr. ANDERSON. I compliment the Senator from Utah. That is the real question. Are we going to make every businessman keep two sets of books? I believe it is a bad thing to keep two sets of books.

Mr. PASTORE. That is correct. Not only two sets of books; but the Treasury went to great lengths a year ago to try to simplify the depreciation program by saying "we are going to lump machinery in a class, and we can apply a flat figure to a class, but if we are going to continue the Long amendment, the businessman must write a separate depreciation ledger for every single piece of machinery."

Mr. ERVIN. Mr. President, will the Senator from Utah yield for a question?

Mr. BENNETT. I am glad to yield, if I have the time.

Mr. ERVIN. The Senator from Wisconsin said that if we did not adopt the amendment, we would destroy the principle. I ask the Senator from Utah if it is not true that we have had the principle; and will not the depreciation always be calculated upon the actual cost of the machinery?

Mr. BENNETT. That is correct.

Mr. ERVIN. If we adopt the amendment of the Senator from Wisconsin, we will change that principle so that instead of depreciation on the basis of the actual proposal we will depreciate only on the basis of 93 percent.

Mr. BENNETT. I believe the Senator is absolutely correct. Under the investment credit proposal, we did not say the Federal Government would pay 7 percent of the cost of a machine, and to the man from whom it was purchased say the cost will be that much lower. We said the Federal Government would give a tax credit of 7 percent, which has no specific relationship to the depreciation problem with the machine.

Mr. LONG of Louisiana. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

Mr. LONG of Louisiana. Mr. President, I have considerable regard for the Proxmire amendment, because it is the Long amendment of 2 years ago. The Senator from Louisiana thought 2 years ago exactly as the Senator from Wisconsin thinks today. The amendment was offered in committee, it was not discussed on the floor. If it had not been for the vigorous support which I gave it in the conference committee, it would not have become law; but I held out for it. That is how it became law. I believe we should change the name to the Proxmire amendment because I think the Senator is entitled to that much credit for saving the "baby" from the "flaming building."

As a practical matter, this amendment has had the effect of requiring that the tax credit be used as a reduction in depreciation. So, as a practical matter, if we take the tax credit that was passed by the House 2 years ago, and attach the Long amendment to it, it means that there will be a 4-percent tax credit in the long run instead of a 7-percent tax credit; because while people reduce their depreciation base, they have the benefit of interest during the period of time that they are depreciating the equipment; and the result is about a 4-percent reduction as recommended by President Kennedy. When President Kennedy made his recommendation 2 years ago, he recommended an 8-percent tax credit. The House cut it back by 1 percent, to 7 percent. The committee took the Long amendment and cut it by 3 percent. The bill went through with the 4-percent investment credit.

I would be against repeal of my amendment if we were doing this only in and of itself, but this is a balanced package. If we repeal the dividend credit in the bill, it will cost corporation stockholders a considerable amount of money.

So when we repeal the dividend credit, the answer to those of us from the Democratic side of the aisle who advocate it is, "yes; we are going to take care of your dividend credit which will give you back what the Long amendment took away from you on investment credit. Then we are going to give back to you a reduction in tax rates and we are going to cut your personal income taxes. So by the time you see the whole package, we believe you will be happy." And with a few exceptions, they will be glad.

But this is a part of a package proposition when we look at the whole thing. We have to see it work out to a balanced tax reduction for those in the highest bracket receiving reductions of about 5 and 6 percent, and those in the lowest brackets receiving a reduction of a maximum of 38 to 75 percent—1,500,000 taxpayers removed from the income tax brackets.

Considered as a part of a package, it is a good proposal. When our Republican friends prevailed temporarily in putting the cost up by $550 million, I urged the Senator from Delaware to move to save the Long amendment. If we look at it as a balanced package, it is a good proposal, and it should be agreed to. While I am proud about it and think I was right about it, I am frank to state that apparently the only ones who understand the bill do not appreciate it. I am willing to let someone else take the credit. I am content to go along with the committee and the judgment of the Treasury. As an overall proposal, it is a fair settlement of the issue.

Mr. PROXMIRE. Mr. President, the distinguished Senator from Utah and other Senators have said that if the amendment is adopted it will vitiate the investment credit provision. If it is adopted, it will keep the present law as it is. It would not change anything. It would maintain the principle adopted in 1962. The amendment merely maintains what we already have.

The argument has been made that those who understand the amendment are opposed to it, and want to change the law. I submit that if we consider the membership of the Committee on Finance we find that the chairman of the committee, the Senator from Virginia [Mr. BYRD], who is a man of great judgment, was strongly opposed to the change in the Long amendment. The distinguished ranking minority member——

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. SMATHERS. Is it not a fact that the chairman was opposed even to the investment credit? He was opposed to the whole thing, was he not?

Mr. PROXMIRE. It is true that he was opposed to the investment credit. The distinguished Senator from Louisiana, the champion of the investment credit provision, the father and the author and the prime supporter of the proposal, was right then, and he is wrong now.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. LONG of Louisiana. I thank the Senator for admitting that I am batting 500.

Mr. PROXMIRE. The Senator is batting far more than .500. On the bill he is batting .995. He has been able to beat off everything except one little amendment.

Mr. AIKEN. Mr. President, the Senator from Vermont confesses to being considerably puzzled by the argument last night and tonight. Last night, we had Senators pleading for the right of utilities to keep two sets of books for the benefit of stockholders, and tonight we hear some of the same Senators say that keeping two sets of books would work a hardship on a corporation. I cannot understand why last night it was said that keeping two sets of books was a benefit, and tonight that keeping two sets is a curse.

Mr. PROXMIRE. The Senator is correct.

Mr. AIKEN. It is really puzzling to hear conflicting arguments made by the same Senators.

Mr. PROXMIRE. The Senator from Vermont is correct. I yield to the Senator from Iowa.

Mr. MILLER. I reply to the Senator from Vermont that the keeping of two sets of books will not be required. There is no reason for keeping two sets of books.

Mr. ANDERSON. Oh, my.

Mr. MILLER. I am referring now particularly to the comment made by the Senator from New Mexico. If the taxpayer buys an item for $1,000, and Uncle Sam says: "You paid only $930 for it, because of a $930 tax credit," he has no business putting that item down on his tax return, or on his depreciation schedule for anything more than $930. If he desires to bring it up to $1,000, and keep two sets of books, that is his privilege.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. ANDERSON. If he keeps one set of books for his State income tax, and one set of books for his Federal income tax, he is wrong.

Mr. MILLER. May I answer that?

Mr. ANDERSON. Yes.

Mr. MILLER. It depends on the State. The State of Iowa recognizes the investment tax credit. I suggest that most States which levy an income tax do so; nevertheless, even if a person kept two sets of books, any accountant could handle it in the twinkling of an eye by simply reducing the amount of depreciation by 7 percent. There is no handicap involved in that, and the question is whether it is worth it to keep two sets of books, to get the benefit of the investment credit. I do not believe this argument of a double set of books is valid at all.

Mr. PROXMIRE. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The time of the Senator has expired.

The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. PROXMIRE]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the junior Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. McNAMARA. On this vote, I have a live pair with the senior Senator from Alaska [Mr. BARTLETT]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. SMATHERS. On this vote I have a pair with the junior Senator from Alaska [Mr. GRUENING]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Maryland [Mr. BREWSTER], the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Alaska [Mr. GRUENING], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Virginia [Mr. ROBERTSON], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that the Senator from California [Mr. ENGLE] is necessarily absent.

I further announce that, if present and voting, the Senator from Maryland [Mr. BREWSTER], the Senator from Mississippi [Mr. EASTLAND], the Senator from California [Mr. ENGLE], the Senator from Arizona [Mr. HAYDEN], and the Senator from Virginia [Mr. ROBERTSON] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. CURTIS], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from Nebraska [Mr. HRUSKA], the Senator from North Dakota [Mr. YOUNG], and the Senator from New Jersey [Mr. CASE] are detained on official business.

If present and voting, the Senator from Nebraska [Mr. CURTIS], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Nebraska [Mr. HRUSKA] would each vote "nay."

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

The result was announced—yeas 20, nays 58, as follows:

[No. 34 Leg.]

YEAS—20

Aiken
Burdick
Church
Clark
Cooper
Dodd
Douglas
Gore
Keating
McGovern
Metcalf
Miller
Monroney
Morse
Nelson
Proxmire
Ribicoff
Williams, Del.
Yarborough
Young, Ohio

NAYS—58

Allott
Anderson
Bayh
Beall
Bennett
Bible
Boggs
Byrd, W. Va.
Cannon
Carlson
Cotton
Dominick
Edmondson
Ellender
Ervin
Fong
Fulbright
Hart
Hartke
Holland
Humphrey
Inouye
Jackson
Javits
Johnston
Jordan, N.C.
Jordan, Idaho
Kennedy
Kuchel
Long, Mo.
Long, La.
McCarthy
McClellan
McGee
McIntyre
Mechem
Morton
Moss
Mundt
Muskie
Neuberger
Pastore
Pearson
Pell
Prouty
Randolph
Russell
Saltonstall
Scott
Simpson
Smith
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Walters

NOT VOTING—22

Bartlett
Brewster
Byrd, Va.
Case
Curtis
Dirksen
Eastland
Engle
Goldwater
Gruening
Hayden
Hickenlooper
Hill
Hruska
Lausche
Magnuson
Mansfield
McNamara
Robertson
Smathers
Williams, N.J.
Young, N. Dak.

So Mr. PROXMIRE's amendment was rejected.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it adjourn until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

REVENUE ACT OF 1964

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

Mr. MANSFIELD. Mr. President, I hope Senators will remain in the Chamber to listen to what the distinguished senior Senator from Tennessee will say apropos his amendment. There will be no further voting tonight. It is my understanding that when the Senator from Tennessee has made his preliminary statement, the Senate will adjourn.

Mr. GORE. I send to the desk amendment No. 418 and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. Beginning on page 121, line 23, strike out all through line 23, page 128.

On page 129, line 1, strike out "423" and insert "422".

On page 135, line 1, strike out "424" and insert "423".

On page 140, line 16, strike out "425" and insert "424".

On page 140, line 19, strike out "425" and insert "424".

On page 142, line 20, strike out "422 (b)(7), 423(b)(3), and 424(b)(3)" and insert "422(b)(3) and 423(b)(3)".

On page 144, line 3, strike out "422 (a)(2), 423(a)(2), and 424(a)(2)" and insert "422(a)(2) and 423(a)(2)".

On page 144, line 8, strike out "425" and insert "424".

On page 144, line 16, strike out "423 AND 424" and insert "422 AND 423".

On page 144, line 20, strike out "423 or 424" and insert "422 or 423".

On page 146, line 9, strike out "422 (b)(6), 423 (b)(9), and 424(b)" and insert "422(b)(9) and 423(b)".

On page 147, line 19, strike out "423" and insert "422".

On page 147, line 25, strike out "424" and insert "423".

On page 149, in the material following line 3, strike out "(1) The term 'qualified stock option', see section 422(b)."

On page 152, line 4, strike out "425" and substitute "424".

On page 153, lines 9 and 10, strike out "paragraphs (2) and (3)" and substitute "paragraph (2)".

Beginning on page 153, line 18, strike out all through line 2, page 154.

DETROIT WINS NATIONAL CLEANEST TOWN AWARD

Mr. HART. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. HART. Mr. President, I was proud to attend a ceremony this week in Washington at which the city of Detroit was awarded the first place trophy in the 1963 National Cleanest Town Achievement Award contest. Placing first in competition with cities having populations from 700,000 and over, Detroit was followed by Chicago in second place and Indianapolis in third place.

Detroit scored high in the final judging due to the city's outstanding block program, youth activities, and vast community improvements resulting from the year-round cleanup effort. The judges were impressed with the fact that Detroit's campaign enlisted the full cooperation of all city departments, churches, educational forces, youth groups, civic organizations, and business and industrial communities. They praised "keep Detroit beautiful" as a well organized program to generate year-round enthusiasm on the part of the city's citizens.

The National Cleanest Town Achievement Award competition was established by the National Clean Up-Paint Up-Fix Up Bureau in 1947 to enable cities and towns throughout the country to gain national recognition for their civic improvement efforts. The entries are judged in eight population categories enabling cities to compete on an equal basis. Awards are based on the degree of achievement in relation to civic beautification, slum prevention, health, and safety, juvenile decency, fire prevention, renewed civic pride, and new business development.

In my opinion, Mr. President, we need to move ahead in all areas of community improvement and betterment. I want us to attack vigorously the problems of air and water pollution, and in this connection I have joined with Senator RIBICOFF in a proposed amendment to the tax bill (H.R. 8363) which would provide a tax incentive to those industries which invest in needed air and water pollution control facilities. We will vote on this amendment tomorrow and I hope our colleagues will support it. We must do all we can to make our cities better places in which to live. We look to industry to assist; we should recognize that costly changes in industrial methods may be required; encouragement and tax assistance is in order and I hope the Senate will agree to our amendment. I am proud of Detroit's achievement to date, and know Detroit will continue to lead the way.

REVENUE ACT OF 1964

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

Mr. HART. Mr. President, since many of the constructive actions of the Committee on Finance perhaps go unnoticed because of the attention we concentrate upon controversial amendments, I should like to refer to an action which the Committee on Finance took and which is reflected in full detail on pages 73 and 74 of the committee report. I refer to deductions for political contributions, which are there authorized.

There is much concern that we develop a method which will broaden the basis for the support of political parties in this country. Many of us have spoken on the subject. No one pretends to have an answer at hand. The bill now pending does not purport to contain an answer.

However, I thank the Committee on Finance very much for adding this particular section to the bill that was received from the House. I clearly voice the attitude of both major political parties in Michigan. I ask unanimous consent to have printed at this point in my remarks a joint statement issued by the Democratic State chairman, Zolton A. Ferency, and the Republican State chairman, Arthur G. Elliott, Jr. The recommendations of our two political party chairmen have been heard by the Committee on Finance. I add my voice to theirs, and I am glad the committee acted in a responsible fashion.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

> Following is a joint statement issued today by Zolton A. Ferency, Democratic State chairman, and Arthur G. Elliott, Jr., Republican State chairman:
>
> "As chairmen of our respective political parties, we have together been reviewing problems concerning the financing of political party activities—problems that we both agree are becoming increasingly disturbing.
>
> "The complex difficulties of modern life require that voters be better informed on the issues of our day; that they have a clear understanding of the stands proposed by our major political parties on the vital problems of the day; that they be able to make discerning selections of public officials in elections.
>
> "The burden of properly informing and educating voters on both issues and candidates, falls to the major political party organizations. The expanding volume of needs and assignments require that the parties be more adequately and systematically financed to effectively carry out their responsibilities.
>
> "It is our belief that citizens will support the parties of their choice if they are given sufficient encouragement and inducements to do so.
>
> "To stimulate greater citizen support of the parties of their choice, we are asking Michigan Congressmen and Senators to join in a genuine bipartisan effort to initiate and promote passage of legislation, in this session of Congress, which will permit Federal income tax deductions for contributions to political parties.
>
> "We suggest allowances up to $50 for contributions of individuals, up to $100 for husbands and wives who file joint returns.
>
> "We are confident that such legislation would be an excellent start in the development of systematic procedures for financing the essential operations of political parties.
>
> "In addition, such a move will greatly encourage wider citizen activity in the management of political parties, and will reduce the danger of the parties coming under control of heavily financed special interest groups."

Mr. HART. I thank the Senator from Tennessee very much.

Mr. GORE. Mr. President——

Mr. MORTON. Mr. President, will the Senator from Tennessee yield for a parliamentary inquiry?

Mr. GORE. I yield.

Mr. MORTON. Mr. President, I understand that the Senate is now proceeding under a time limitation. Are the remarks to be made tonight by the Senator from Tennessee [Mr. GORE] to be charged to his time, or will that start from scratch tomorrow?

The **PRESIDING OFFICER** (Mr. WALTERS in the chair). Under the agreement, any time used tonight by the Senator from Tennessee is to be charged against his allotted time.

Mr. MORTON. Very well, Mr. President.

I wish my colleague well.

Mr. GORE. I thank the Senator; and good night. [Laughter.]

Mr. President, two basic questions are involved in the amendment I have offered.

The first question is this: Will the officers of a corporation be required to pay, on the compensation they receive for their work, the same kind of taxes that ordinary employees are required to pay and that other citizens are required to pay?

The second question is this: Will Congress reward corporate insiders by preferential tax treatment and encourage them to divide among themselves funds of the corporation which rightfully belong to all the stockholders of the corporation?

Mr. President, I have long waged a battle to eliminate from the law this loophole of tax favoritism. Fortunately, very influential and powerful voices have been raised in support of this battle. The late beloved President Kennedy made one of his strongest recommendations for tax reform in this regard; and I wish to read from his recommendation to Congress on January 24, 1963:

> (b) The tax treatment of restricted stock options: The difference between the price paid for optioned stock at the time of exercise of such an option and the option price represents compensation for services quite as much as do wages and salaries. Under present law, however, such gains are taxed under capital gains rules at very favorable rates and the tax liability may be postponed for many years.
>
> Under present war-inspired high tax rates, compensation arrangements of this kind clearly have their attractions. But under the new more reasonable rates I am recommending, the favored tax treatment of stock options can no longer be said to be either desirable or necessary; and larger salary payments will be more effective than at present as a means of attracting and holding corporate executives.
>
> I, therefore, recommend that, with respect to stock options granted after this date, the spread between the option price and the value of the stock at the date the option is exercised be taxed at ordinary income tax rates at the time the option is exercised. The averaging provision referred to above, which the Secretary of the Treasury will present, will prevent a tax penalty due to bunching of income in 1 year. In addition, payment of tax attributable to exercise of the stock option would be permitted in installments over several years.
>
> This change will remove a gross inequality in the application of the income tax, but it is not expected to yield appreciable amounts of revenue; for the gains to be taxed as compensation to the employee will, as in the case of compensation in other forms, be deductible from the income of the employer.
>
> The overall effect of all these changes in the capital gain provisions affecting individuals and corporations will stimulate a freer flow of investment funds and facilitate economic growth as well as provide more evenhanded treatment of taxpayers across the board. They have a direct positive revenue impact of about $100 million per year. The reduction in the tax rate on capital gains will be somewhat more than offset by the increased revenue from the change in holding period, the taxation of capital gains at death and the changes in definitions—including those affecting real estate shelters and sales of mineral properties.
>
> However, the "lock-in" effect of the present law, due to the ability to avoid all capital gains taxes on assets held until death, will be eliminated. This will result in a sharp increase in transfers of capital assets as individuals feel free to shift to the most desirable investment. The increased volume of transactions under these new rules should, in an average year, yield approximately $700 million in additional revenue. Indeed, this figure will be substantially higher during the first few years after enactment as those who are presently "locked in" respond to the new situation.

Mr. President, the pending bill amends the option law. For instance, the bill provides for an employee purchase plan. My amendment would not alter that; indeed, the amendment I have offered would not prevent stock options. My amendment would strike out of the bill the preferential tax treatment provided for qualified stock options.

In the existing law, the provision by which corporate insiders receive preferential tax treatment is entitled "Restricted" stock option. The existing "restricted" stock option is terminated by the provisions of the bill; and, instead, a new "qualified" stock option is instituted.

Under the employee purchase plan, any employee—whether an officer or a lathe operator—can purchase as much as $25,000 worth of stock per year. I repeat that this is a provision which is available to the janitor of the company and also to the president of the company. My amendment would not repeal this. So even after enactment of the amendment I have offered, the officers of a corporation could purchase option stock, under the employee purchase plan, to a maximum of $25,000 per year.

But, Mr. President, my amendment would strike out of the bill the provisions for the new "qualified" stock option, which under the old term "restricted" stock option has been so greatly abused as an instrument of tax avoidance.

Now, Mr. President, a good example of this abuse has been furnished recently by the Chrysler Corp.

The Senate Finance Committee ordered an investigation of the Chrysler stock option deal which was published early this year. I wish to read briefly from the report which was prepared following an investigation. The Treasury Department conducted the investigation, and rendered a thorough report to the Senate Finance Committee; and I now read the report.

LETTER OF TRANSMITTAL

TREASURY DEPARTMENT,
Washington.

Hon. HARRY F. BYRD,
Chairman, Senate Finance Committee,
New Senate Office Building,
Washington, D.C.

MY DEAR MR. CHAIRMAN: Pursuant to the request of the committee to study the facts involved in the operation of Chrysler's stock option plan, I am transmitting copies of a report, "Chrysler's Stock Options." This report was prepared by the Treasury Department but coordinated with the joint committee staff and has its concurrence.

Sincerely yours,

STANLEY S. SURREY,
Assistant Secretary.

REPORT ON OPERATIONS OF STOCK OPTION PLAN BY CHRYSLER CORP.

1. PRINCIPAL PROVISIONS OF THE STOCK OPTION PLAN

Chrysler's stock option plan was approved by the stockholders at their annual meeting, April 15, 1952. Originally covering a period of 10 years, the plan was extended for an additional 5 years by approval of the stockholders on April 17, 1962. During this 10-year period the plan was substantially revised, principally with respect to the number of shares authorized, option pricing policy, and the conditions of exercise of the options.

The original plan authorized 400,000 shares of Chrysler common stock to be set aside for purchase by the principal officers and key employees of the corporation and its subsidiaries. No more than 45,000 shares could be granted to a single employee. A committee of directors not eligible to receive such options was authorized to award the options at a price not less than 95 percent of the fair market value of the stock on the date of grant. On January 4, 1962, the minimum option price was raised to 100 percent of the fair market value of the stock.

The plan originally provided that no option could be exercised in whole or in part until after the holder of the option had been employed by the corporation (or a subsidiary) for at least 1 year after the date of grant. At the end of the first year the holder could purchase up to one-third the total number of shares subject to his option, at the end of the second year up to two-thirds, and at the end of the third year he could purchase up to 100 percent of the shares covered. The period of the option was limited to 10 years. The conditions of exercise were later amended (1958) to provide that options could be exercised, in whole or in part, after the holder had been in continuous employ at least 18 consecutive months after the date of grant. Thereafter he could exercise options (except in the case of death) only if he remained continuously employed through the date of exercise.

On January 4, 1962, significant changes were made in the terms of exercise of new options. An employee receiving new options after that date was required to remain in the continuous employ of the corporation or of a subsidiary for 12 consecutive months before he could exercise any part of the option; thereafter he may not buy more than 20 percent of the shares covered before the second anniversary of the date of grant, more than 40 percent before the third anniversary, more than 60 percent before the fourth anniversary, or more than 80 percent before the fifth anniversary. Options granted before January 4, 1962, however, could continue to be exercised in whole or in part after a period of 18 months from the date the option was granted.

The plan originally contained a provision that the person exercising the option must represent in writing that he intends to acquire the shares for investment purposes and not with a view to their distribution. After the annual stockholders' meeting of March 5, 1962, the board of directors, on recommendation of the stock option committee, deleted this provision for outstanding options as well as for all options granted in the future.

Shares sold under the plan may be either authorized and unissued shares or issued shares reacquired by the corporation; i.e., Treasury stock. Only authorized and unissued shares have been used for this purpose. The purchase price for the shares acquired under an option must be paid in full, in cash, upon exercise. Because of the sizable investment entailed, many officers finance the purchase of stock through bank loans.

In the event of a change in the outstanding common stock of the corporation by reason of a stock dividend, splitup, recapitalization, merger, or consolidation, the board of directors or the stock option committee may make appropriate adjustment in the aggregate number of shares available under the plan, the maximum number of shares which may be granted to any individual, the number of shares subject to each outstanding option and the option price.

No option may be granted under the plan after April 30, 1967. Prior to that date the board of directors may amend the plan in any respect or terminate the plan. But they may not increase the maximum number of shares to be sold under the plan or to any one individual, reduce the minimum option price, or extend the period during which options may be granted or exercised without further approval of the stockholders. Nor may the board of directors, without approval of stockholders, reduce the option price of an outstanding option or cancel an outstanding option and grant a new option at a lower price to replace it. Termination or amendment of the plan may not, without the consent of the holder of any option outstanding, terminate any employee's option or materially or adversely affect his rights under the option.

On January 10, 1963, subject to the approval of the stockholders, the board of directors amended the plan to increase to 650,000 shares the maximum number of shares covered. This number was doubled in accordance with the stock split effected April 19, 1963, and redoubled to 2,600,000 shares with the second stock split approved by stockholders, effective December 20, 1963. Shares reserved for options represented 3.25 percent of authorized capital stock.

2. OPTION GRANTS AND PRICES, 1952–63

Options were first granted under the plan on May 1, 1952, for 84,000 shares of common stock at a price of $69.35. These awards were followed on June 19, 1952, by additional grants of 75,250 shares at a price of $73.51. Further grants were not made until May 5, 1955, when options covering 97,250 shares were granted at a price of $77.07. These grants were followed by options covering 64,000 shares on August 2, 1956, at a price of $61.52. An additional grant of 34,500 shares was made April 25, 1957, at a price of $75.71. Thus, through 1957, option awards covered a total of 355,000 shares (1,420,000 shares after adjustment for subsequent stock splits).

By August 31, 1958, options covering only 23,500 shares were exercised; 63,500 shares covered by options lapsed through the death of the holder or otherwise, and 320,500 shares remained unexercised. The status of the plan at that time is shown by the following table:

Date of grant	Option price per share	Number of shares covered by options exercised	Number of shares covered by options lapsed [1]	Number of shares covered by options outstanding	Latest date of expiration [2]
May 1, 1952	$69.35	21,311	31,500	62,189	Apr. 30, 1962
June 19, 1952	73.51	2,129	19,500	73,121	June 18, 1962
May 5, 1955	77.07		12,500	86,750	May 4, 1965
Aug. 2, 1956	61.52	60		63,940	Aug. 1, 1966
Apr. 25, 1957	75.71			34,500	Apr. 24, 1967
Total		23,500	63,500	320,500	

[1] Through death of holder or otherwise. These shares became available for subsequent options.

[2] Provided holder of option remains in employ of the corporation (or of a subsidiary).

Source: Chrysler Corp., notice of annual meeting of stockholders, Mar. 11, 1959.

By this time, because of the declining price of Chrysler stock, the options had tended to lose their value to the employee and their usefulness as a means of retaining desirable personnel. The average market value of Chrysler stock during the preceding 12 months had declined to less than 80 percent of the fair market value of stock on the dates that the foregoing grants were made. Taking advantage of the reset provisions of the Internal Revenue Code, the stock option committee lowered to $52.49 the option price covering 245,111 shares previously granted May 1, 1952, June 19, 1952, May 5, 1955, and April 25, 1957, at prices ranging from $69.35 to $75.71 per share. This action was conditional upon the surrender for cancellation by the employees of their old options. On January 8, 1959, the committee also granted new options at $49.94 a share to replace those previously granted August 2, 1956, at a price of $61.52. Each holder of these newly granted options could exercise them after a continuous period of employment of 18 months from the new date of grant.

Because of changes in management assignments since the original options were granted, the size of the options held by many individual employees no longer reflected their management responsibilities. The stock option committee, therefore, did not modify all outstanding options "across the board" but considered each case individually and adjusted the number of shares optioned to each holder in accordance with his new responsibilities. In addition to the above adjustments of previously existing options (involving the surrender of the old options for cancellation) the stock option committee granted options on September 11, 1958, to 21 officers and employees to purchase 28,750 shares of stock at $52.49 a share, and on January 8, 1959, to 5 officers to purchase 45,000 shares of Chrysler stock at $49.94 a share. On December 3, 1959, options were granted to 12 persons covering a total of 30,750 shares at $61.22 a share.

By March 5, 1962, none of the newly granted options had been exercised. At that time options were held by 86 officers and employees to purchase in the aggregate 307,396 of Chrysler common stock; 69,104 shares remained available for future grants. Of the original 400,000 of common stock reserved under the plan, options covering 23,500 shares had been exercised (prior to 1959). It was not until January 1963, that any of the new options was exercised by directors and officers of the corporation.

Table 1 summarizes the total number of shares covered by option grants through December 31, 1963, together with their price. Because of the 2 for 1 stock splits of April 19, 1963, and December 20, 1963, the number of shares and option prices are adjusted to reflect the situation at December 31, 1963. Through this period all directors and officers received options covering the equivalent of 1,112,584 shares, of which the officers who were directors received 603,984 shares. No information is available on the total number of shares covered by options granted all employees.

3. VALUE OF OPTIONS EXERCISED, 1963

As was indicated above, none of the new options was exercised until January 1963. By the end of the year all officers of the corporation (29) exercised options covering 480,800 equivalent number of $6.25 par value shares. All executives, including the above officers, purchased 876,000 shares covered by options (table 2). The total value of these options at the time of exercise was $13,658,979. This amount represented the difference between the option price and the market value of the shares at that time.

Officers who were directors of Chrysler exercised options with a value of $3,891,811. Of these, the options exercised by Mr. Love, chairman, had a value of $1,281,614, almost one-third of benefits realized by this group. The value of Mr. Townsend's, president, amounted to $667,483, Mr. Quinn's, $632,298, Mr. Misch's, $481,981, and Mr. Bright's, $500,175 (table 2).

It is of some interest to know how option benefits realized by the sale of optioned stock (the spread between market value and option price at time of exercise), and similar unrealized benefits on stock acquired under option but not yet sold, compare with compensation received by the principal executives of Chrysler. Since the period might properly be considered to date from 1958—when new options were granted in connection with the resetting of prices—salaries and bonuses received over the 6-year period, 1958–63, are taken as a basis of comparison. Although there were significant variations among the principal executives, the realized and unrealized value of options exercised by the seven top officers almost exactly equaled the salaries and bonuses they received over this period, excluding the 1963 bonus yet to be determined (table 3).

During this 6-year period there was also an increase in the regular compensation of Chrysler's officers (table 4). In part, this increase, particularly in the case of Messrs. Townsend and Leary, was occasioned by an appreciable increase in responsibility. Excluding the new chairman, G. H. Love, total salary and bonuses of the top six officer-directors more than doubled, from a total of $452,000 in 1958 to $917,600 in 1962. In addition, increases in the salaries of some officers, as well as an anticipated increase in bonuses awarded in 1963, should bring their 1963 compensation to well above the 1962 total.

The option benefits of G. H. Love, chairman, represented about 83.3 percent of his total compensation, and those of E. C. Quinn and L. A. Townsend, president, about 51 percent of their total compensation (including the option benefits).

As of December 31, 1963, substantial options remained unexercised. Outstanding options of all employees are estimated at 885,684 shares, of which 638,184 shares were covered by options held by officers (table 5). These represented over one-half the number of shares covered by options granted over the period. At the end of 1963 the seven top officers still held options covering 347,184 shares, or about 57 percent of those received since 1958.

Under the terms of the grant not all of the options outstanding December 31, 1963, could be exercised by that time. Although those granted prior to January 4, 1962, could have been exercised in full, those granted after this date could be exercised only over a period of 5 years, and not over 20 percent could be exercised before the second anniversary of the grant. Thus, all but 302,400 shares of those issued to the directors and officers during the period could have been exercised; exercisable options of officers covering 335,784 shares, therefore, remain unexercised at the end of 1963. No information is available on the number of options exercisable by all optionees.

4. SALES OF OPTION STOCK, 1963

(a) *Shares sold*

During the second half of 1963, Chrysler's officers sold substantial amounts of the stock they acquired through the exercise of options during the first half of the year. In most cases they sold the stock shortly after the 6-month holding period that would qualify them for long-term, capital-gains tax treatment.

Reports of officers filed with the SEC show that in 1963 they sold about 33 percent of the stock acquired during this year (table 6). One-third of the officers reporting, including G. H. Love, chairman, retained all the stock purchased through options. Others sold up to 75 percent, including P. C. Ackerman, 75 percent; W. S. Simmons, 67.5 percent; Robert Anderson, 60 percent; and Messrs. Misch, Quinn, Bogan, and O'Brien, about 50 percent. L. A. Townsend, president, disposed of 63.8 percent of the stock he acquired during this period. Although R. S. Bright sold stock not identified as option stock, his sales amounted to 40 percent of the stock he acquired through options.

(b) *Gains realized*

Substantial gains were realized by the officers of Chrysler on the sale of their stock in 1963. All officers as a group are estimated to have realized $4.2 million gain, before tax (table 7). After deduction of capital gains tax at the alternative rate, net gains are estimated at $3.2 million.

The top seven officers realized total gains of $2.7 million. Individual gains ranged to as high as $744,000, for L. A. Townsend, $507,234 for F. W. Misch, and $625,982 for E. C. Quinn. Although R. S. Bright did not sell stock purchased through options, his gain would have amounted to $376,530 if figured on the basis of stock so acquired. Mr. Love did not sell any of his holdings.

The magnitude of the gains reflected not only the low option price in comparison with market price at the time of exercise, but also the sharp rise in price of Chrysler stock since that time. Of the total gains of $2.7 million realized by the top seven officers $1.5 million reflected the rise in market price over the option price at time of exercise.

According to the chairman, Mr. Love, the large sales of stock are explained by the necessity of paying the corporation the full option price at time of purchase. Since this usually requires borrowing from banks and other sources to finance the purchase, it is necessary for the optionees to sell a portion of the shares acquired in order to repay the loans. The 6-month holding period complies with SEC rules and with provisions of the Internal Revenue Code to qualify as long-term gains.

(c) *Total realized and unrealized gains, 1963*

In addition to the gain actually realized on sale of Chrysler stock, the officers also experienced substantial appreciation in the value of stock acquired during 1963 and still held at the end of the year. The value of the unrealized gain on such holdings of the seven top officers of the corporation at December 31, 1963, is estimated at $4,649,992, of which G. H. Love's holdings accounted for almost one-half (table 8). About 50 percent ($2.3 million) of the appreciation took place after the exercise of the options.

Taking into account realized and unrealized appreciation on option stock purchased, the total value of the seven top officers' wealth was enhanced through the exercise of options by an estimated $7.3 million. After tax on gains realized, the net increase in wealth was $6.7 million.

Including the $4.8 million value of options exercisable at the end of the year, total realized and unrealized gains on options of the top officers amounted to $12.2 million (table 8).

5. THE RECORD OF EARNINGS AND STOCK PRICES

The substantial stock option benefits realized by Chrysler's officers are attributable to the recovery in the company's earnings and the value of its stock since 1958. After plunging from $3.44 per share in 1957 to a deficit of $0.97 per share in 1958 (based on the equivalent number of $6.25 par value shares outstanding) earnings rose to $1.81 per share in 1962 and to probably double this amount in 1963 (table 9) (1963 earnings have not been reported but amounted to $100 million in the first 9 months, against $65 million for the full year 1962). Dividends per share dropped from $1 in 1957 to a low of $0.25, and were restored to $1 in 1963.

Reflecting Chrysler's improved earnings outlook, the market value of its stock rose from a low of $11 in 1958 to a high of about $50 in 1963 (after adjusting for stock splits). Since most of the options were exercised at prices ranging between $10.79 and $13.1225, and the stock sold at prices ranging between $30.8125 and $45 in 1963, the gains were very substantial. The closing December 31, 1963, market price was $41.625 (adjusted for the 2 for 1 split on December 20).

The improved profit of Chrysler's operations since 1958 is largely explained by the increase in its passenger car output from 581,244 cars to 1,047,722 in 1963. The efficiency of its operations was also improved through severe cost-cutting measures. However, it did not succeed in improving its market share in 1963 over the 13.7 percent held in 1958. Although this was somewhat higher than the low point of 10.3 percent in 1962, it fell below the 20-percent mark in 1957 and 15.2 percent in 1960. The record of automobile production over this period is shown below:

U.S. production of passenger cars, 1957–63

	Total United States	Chrysler	Chrysler percent of total
1957	6, 120, 029	1, 223, 035	20. 0
1958	4, 247, 371	581, 244	13. 7
1959	5, 599, 468	737, 799	13. 2
1960	6, 703, 108	1, 019, 295	15. 2
1961	5, 522, 019	648, 670	11. 7
1962	6, 943, 334	716, 809	10. 3
1963	7, 644, 350	1, 047, 722	13. 7

6. NET INCREASE IN HOLDINGS DURING 1963

Despite the large sales of stock acquired through options, Chrysler officers still retained a substantial interest in their corporation at the end of 1963. And this interest represented a considerable increase over their holdings in the past. The number of shares still held by officers reporting to the SEC, compared with those held at the beginning of the year, are shown in table 10. At the end of 1963 this group of officers held a total of 334,132 shares—6.9 times the number held before the exercise of options in 1963. Although most of these officers held options to purchase additional shares before the end of the year, it was necessary, under SEC rules, for them to wait 6 months after they sold their corporation's stock before acquiring additional stock.

TABLE 1.—*Number of shares covered by options granted, dates granted, and the option prices per share* [1]

Name of individual or group	Sept. 11, 1958—$13.1225	Jan. 8, 1959—$12.485	Dec. 3, 1959—$15.305	July 27, 1961—$10.7925	Sept. 20, 1961—$13.39	Dec. 7, 1961—$11.61	Mar. 22, 1962—$14	Oct. 25, 1962—$13.97	Sept. 11, 1963—$37.19	Total through Dec. 31, 1963
Paul C. Ackerman	36,000	8,000								44,000
R. S. Bright	36,000	8,000			16,000				20,000	80,000
John D. Leary	19,784	6,000						6,000	15,000	46,784
George H. Love					80,000			60,000		140,000
F. W. Misch	40,000	32,000	8,000						20,000	100,000
E. C. Quinn	31,200				12,000				20,000	63,200
Lynn A. Townsend	20,000	6,000		34,000	20,000			20,000	30,000	130,000
All directors and officers	374,584	110,000	26,000	34,000	158,000	32,000	40,000	118,000	220,000	1,112,584
All employees	729,584	148,000	56,000	34,000	228,000	32,000	79,000	154,000	(2)	(2)

[1] Equivalent number of $6.25 par value shares, after adjustment for stock splits, Apr. 19 and Dec. 20, 1963.

[2] Not available.

Source: Chrysler Corp., proxy statements and special report.

TABLE 2.—*Value of options exercised by principal officers, Jan. 1 to Dec. 31, 1963*

	Number of shares purchased [1]	Difference between market value and option price [1]
Officers who are directors:		
Paul C. Ackerman	24,000	$194,535
R. S. Bright	30,000	500,175
John D. Leary	10,000	133,725
George H. Love	80,000	1,281,614
F. W. Misch	32,000	481,981
Officers who are directors—Continued		
E. C. Quinn	43,200	$632,298
Lynn A. Townsend	37,600	667,483
Total	256,800	3,891,811
All executives	876,000	13,658,979

[1] Equivalent number of $6.25 par value shares, after adjustment for stock splits, Apr. 19 and Dec. 20, 1963.

Source: Chrysler Corp. and SEC reports.

TABLE 3.—*Total compensation of present officers who are directors, including salaries, bonus,*[1] *and option benefits, 1958–63*

	Salary and bonus [1]	Option benefit [2]	Total	Option benefit percent of total
Paul C. Ackerman, vice president	$632,259	$194,535	$826,794	23.5
R. S. Bright, vice president	632,259	500,175	1,132,434	44.2
John D. Leary, vice president	378,982	133,725	512,707	26.1
George H. Love, chairman	256,264	1,281,614	1,537,878	83.3
F. W. Misch, vice president	729,355	481,891	1,211,336	39.8
E. C. Quinn, vice president	$598,130	$632,298	$1,230,428	51.4
Lynn A. Townsend, president	636,734	667,483	1,304,217	51.2
Total	3,863,983	3,891,811	7,755,794	50.2

[1] Not including 1963 bonus yet to be determined.

[2] Difference between market value of stock and option price at time of exercise.

Source: Chrysler Corp.

TABLE 4.—*Salaries and bonuses of present officers who are directors, 1958–63*

	1958	1959	1960	1961	1962	1963
Paul C. Ackerman	$84,825	$96,667	$100,000	$100,000	$100,000	$100,000
Bonus			4,500		29,600	(1)
Total	84,825	96,667	104,500	100,000	129,600	(1)
R. S. Bright	84,825	96,667	100,000	100,000	100,000	116,667
Bonus			4,500		29,600	(1)
Total	84,825	96,667	104,500	100,000	129,600	(1)
John D. Leary	40,182	50,000	50,000	60,000	67,500	85,000
Bonus			2,400		23,900	(1)
Total	40,182	50,000	52,400	60,000	91,400	(1)
George H. Love	(2)	(2)	(2)	[3] 21,131	83,333	125,00
Bonus					26,800	(1)
Total	(2)	(2)	(2)	[3] 21,131	110,133	(1)
F. W. Misch	$108,388	$115,000	$115,000	$115,000	$115,000	$121,667
Bonus			5,500		33,800	(1)
Total	108,388	115,000	120,500	115,000	148,800	(1)
E. C. Quinn	85,113	85,000	85,000	93,750	100,000	116,667
Bonus			3,000		29,600	(1)
Total	85,113	85,000	88,000	93,750	129,600	(1)
Lynn A. Townsend	48,600	60,000	62,500	117,500	129,167	166,667
Bonus			3,000		49,300	(1)
Total	48,600	60,000	65,500	117,500	178,467	(1)

[1] Not determined; but because of higher earnings will be substantially greater than in 1962.

[2] Not employed.

[3] Partial year.

Source: Chrysler Corp.

TABLE 5.—*Number of shares*[1] *covered by options granted and exercised by officers-directors, Sept. 11, 1958–Dec. 31, 1963*

	Options granted	Options exercised	Balance unexercised, Dec. 31, 1963
Officers who are directors:			
Paul C. Ackerman	44,000	24,000	20,000
R. S. Bright	80,000	30,000	50,000
John D. Leary	46,784	10,000	36,784
George H. Love	140,000	80,000	60,000
F. W. Misch	100,000	32,000	68,000
Officers who are directors—Con.			
E. C. Quinn	63,200	43,200	20,000
Lynn A. Townsend	130,000	37,600	92,400
Total	603,984	256,800	347,184
All officers	1,112,584	474,400	638,184

[1] Equivalent number of $6.25 par value shares, after adjustment for stock splits Apr. 19 and Dec. 20, 1963.

Source: Chrysler Corp.

TABLE 6.—*Number of shares [1] covered by options exercised and shares sold by officers reporting to SEC, Jan. 1 to Dec. 31, 1963*

	Shares purchased	Shares sold [2]	
		Number	Percent of purchase
Officers who are directors:			
Paul C. Ackerman	24,000	18,000	75.0
R. S. Bright	30,000	12,000	40.0
John D. Leary	10,000	3,400	34.0
George H. Love	80,000	0	0
F. W. Misch	32,000	15,600	48.8
E. C. Quinn	43,200	21,372	49.5
Lynn A. Townsend	37,600	24,000	63.8
Total	256,800	94,372	36.7
Other officers reporting:			
R. Anderson	10,000	6,000	60.0
V. E. Boyd	6,400	2,800	43.8
W. S. Blakeslee	8,000	0	0
B. W. Bogan	2,800	1,400	50.0
Other officers reporting—Continued	20,000	0	0
H. E. Chesebrough	12,800	0	0
E. P. Engel	4,000	1,000	25.0
E. N. Graham	10,000	1,000	10.0
G. T. Higgins	4,000	0	0
D. W. Kendall	20,000	15,000	75.0
J. F. Kerigan	10,000	0	0
A. G. Loofburrow	16,000	8,000	50.0
I. J. Minnett	12,000	5,486	45.7
T. F. Morrow	32,000	0	0
B. J. Nichols	4,000	2,000	50.0
W. M. O'Brien	8,000	5,400	67.5
W. J. Simmons			
All officers reporting to SEC	436,800	142,458	32.6

[1] Equivalent number of $6.25 par value shares, after adjustment for stock splits, Apr. 19 and Dec. 20, 1963.

[2] Does not include gifts.

Source: Chrysler Corp. and SEC reports.

TABLE 7.—*Gains realized on sale of option stock by principal officers, Jan. 1 to Dec. 31, 1963*

	Number of shares sold [1]	Capital gains realized before tax		
		At time of exercise	Between exercise and sale	Total
Officers who are directors:				
Paul C. Ackerman	18,000	$147,176	$175,982	$323,15
R. S. Bright	12,000	198,030	178,500	[2] 376,530
John D. Leary	3,400	57,439	43,550	100,989
F. W. Misch	15,600	310,284	196,950	507,234
E. C. Quinn	21,372	342,802	283,180	625,982
Lynn A. Townsend	24,000	451,980	292,020	744,000
Total	94,372	1,507,711	1,170,182	2,677,893
Other officers reporting to SEC:				
Robert Anderson	6,000	$74,602	$100,538	$175,140
George T. Higgins	1,000	10,124	21,222	31,346
William M. O'Brien	2,000	33,005	25,375	58,380
Walter J. Simmons	5,400	73,739	94,012	167,751
Irving J. Minnett	8,000	129,520	104,000	233,520
Total	22,400	320,990	345,147	666,137
All officers as a group	149,262	(3)	(3)	4,217,576

[1] Equivalent number of $6.25 par value shares, after adjustment for stock splits, Apr. 19 and Dec. 20, 1963.

[2] Not identified as option stock.

[3] Not available.

Source: Chrysler Corp. and SEC reports.

TABLE 8.—*Realized and unrealized gain on option stock purchased by officers-directors during 1963 and value of options exercisable a Dec. 31, 1963*

	Unrealized gain on option stock held Dec. 31, 1963			Gain realized on sale [1]	Total gain on options exercised	Value of options exercisable, Dec. 31, 1963 [2]	Total realized and unrealized gain on options, Dec. 31, 1963
	At time of exercise	Between exercise and Dec. 31, 1963	Total				
Officers who are directors:							
Paul C. Ackerman	$51,184	$119,831	$171,015	$323,158	$494,173	$491,315	$985,488
R. S. Bright	302,145	216,000	[3] 518,145	[3] 376,530	[3] 894,675	850,795	1,745,470
John D. Leary	106,261	84,788	191,049	100,989	292,038	483,070	775,108
George H. Love	1,281,614	977,186	2,258,800		2,258,800	331,860	2,590,660
F. W. Misch	322,334	155,562	477,896	507,234	985,130	1,350,646	2,335,776
E. C. Quinn	443,630	178,523	622,153	625,982	1,248,135	0	1,248,135
Lynn A. Townsend	256,122	154,812	410,934	744,000	1,154,934	1,317,600	2,472,534
Total	2,763,290	1,886,702	4,649,992	2,677,893	7,327,885	4,825,286	12,153,171

[1] Before income tax.

[2] Based on options granted Oct. 25, 1962, and earlier that could have been exercised by Dec. 31, 1963, under the terms of the grants. Except for Mr. Love, they were precluded from further purchases of company stock by the SEC 6-month waiting period because of sales in August and December. The 30-day, short-sale provision of the Internal Revenue Code was also applicable. The price at Dec. 31, 1963, was $41.625, adjusted for the Dec. 20, 1963, stock split.

[3] Reflects sale of 12,000 shares not identified as option stock.

Source: Chrysler Corp. and SEC reports.

TABLE 9.—*Earnings, dividends and market prices per share of Chrysler stock, 1952–63* [1]

	Earnings	Dividends	Price range	
			High	Low
1952	$2.26	$1.50	$24⅝	$17
1953	2.15	1.50	24⅛	14⅜
1954	.53	1.125	18⅛	14
1955	2.88	1.00	25⅜	16⅝
1956	.58	.75	21⅝	15
1957	3.44	1.00	20⅝	13
1958	d.97	.375	14⅞	11
1959	d.16	.25	18⅜	12⅝
1960	.91	.375	18	9⅝
1961	.31	.25	14⅝	9⅜
1962	1.81	.25	18⅞	9⅝
1963	(2)	1.00	49⅞	19

[1] Equivalent number of $6.25 par value shares, after adjustment for stock splits Apr. 19 and Dec. 20, 1963.

[2] Not available.

TABLE 10.—*Chrysler stock [1] held by officers at Dec. 31, 1963, and prior to 1963*

	Number of shares held [1]	
	Prior to 1963	Dec. 31, 1963
Officers who are directors:		
Paul C. Ackerman	2,200	8,000
R. S. Bright	14,000	31,334
John D. Leary	2,000	8,242
George H. Love	4,800	84,800
F. W. Misch	4,840	20,960
E. C. Quinn	3,028	24,170
Lynn A. Townsend	4,800	16,840
Total	35,668	194,346
Other officers reporting to SEC:		
R. Anderson	0	3,972
W. S. Blakeslee	288	8,288
B. W. Bogan	1,016	1,372
H. E. Chesebrough	400	20,400
E. P. Engel	4,000	16,800
E. N. Graham	84	3,084
Other officers reporting to SEC—Continued		
G. T. Higgins	420	9,420
D. W. Kendall	0	4,000
J. F. Kerigan	400	5,400
A. G. Loofburrow	1,120	11,120
I. J. Minnett	172	8,138
T. F. Morrow	196	6,600
B. J. Nichols	848	32,850
W. M. O'Brien	188	2,188
W. J. Simmons	3,600	6,154
Total	12,782	139,786
All officers reporting to SEC	48,400	334,132

See footnote at end of table.

[1] Equivalent number of $6.25 par value shares, after adjustment for stock splits Apr. 19 and Dec. 20, 1963.

Source: Chrysler Corp. and SEC reports.

Mr. GORE. Mr. President, in summary, the report shows that within one 7-month period seven officers of Chrysler Corp. received option benefits of some $4 million. On that they either paid a lower tax on the capital gains or, in the case of the largest beneficiary of all, no tax at all.

Mr. President, it is my view that if I pay a person for working for me $1,000 by check and another $1,000 by selling him stock in the amount of $1,000 which he can on the same day sell on the market for $2,000, then I say that person has been compensated in the amount of $2,000, the same as the man who has worked for 1,000 hours on a lathe at $2 per hour.

The question is whether the man who receives one-half of his compensation in stock option benefits is to pay taxes in the same manner in which the majority of American taxpayers pay on their wages, salary, and the income they receive.

In many ways the officials of corporations constitute a privileged group. Not only do they have expense accounts and many other benefits, but in this instance a special tax benefit by which a whole crop of new millionaires is made every year with the payment of only a small or, in many instances, no tax at all.

I ask unanimous consent to have printed at this point in the RECORD an article published in U.S. News & World Report entitled "The Stock Option Comes Under Fire," and an article published in the Harvard Business Review entitled "Are Stock Options Getting Out of Hand?"

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From U.S. News & World Report, July 11, 1960]

THE STOCK OPTION COMES UNDER FIRE

(Do stockholders and their companies get anything in return for the expense of stock options granted to key executives?

(That question, for the first time, has just been laid before a Government agency, the Securities and Exchange Commission.

(Answer given in an SEC staff report: Such options do "not necessarily produce anything of value to the stockholders.")

The favorite fringe benefit of corporation executives, the stock option, is under heavy fire from the Government in Washington.

The Securities and Exchange Commission, policeman of the securities industry in this country, has just received from its division of corporate regulation a report which argues that stock options offer nothing good—either for shareholders or for the public.

This official assault on stock options comes at a time when increasing thousands of corporations are using this method to give their executives added pay in a tax-favored form. Industry managers fear the report—a brief in the case of a public utility holding company pending before the Commission—could raise shareholders' resistance to stock options.

THE KEY: HIGH TAXES

To see how stock options work, and why executives like them so well, take the example of an executive with a $100,000 salary, a wife and no young children.

If this executive's firm gives him a salary raise of $10,000, the Federal income tax will take away $7,200 of it. That leaves him $2,800, or little more than a fourth of his pay raise, to spend or invest for himself.

Suppose, instead, that under an option plan the firm issues to the executive for $15,000 a block of shares that sells on the market for $17,500. The executive pays a tax of something over $600 on his $2,500 profit, and keeps a bit less than $1,900. Cost to the corporation, says the SEC report, is the $2,500 discount at which it sold the stock. And that cost, not to be deducted in figuring the corporation's tax, is greater than the $2,400 that it cost to give the executive an added $1,900 in after-tax salary.

What all this means, says the SEC report, is that only where executives have incomes of around $65,000 or more is it true that added pay can be granted more cheaply through stock options.

HOW INVESTORS FARE

Do the owners of a corporation, the shareholders, get their money's worth from options?

The SEC report says there is no assurance this will be the case.

Stockholders lose, claims the report, when corporations sell shares to their executives at prices substantially below the market price, at which the stockholders themselves can buy. Such sales "dilute" the worth of the stockholders' shares "in terms of investment value and net earnings per share," and affect shareholders "adversely," the report says.

The brief also contends that, where shareholders have a "preemptive" right to buy any shares issued by their company, this right is lost to the extent that a company issues stock to executives at special discounts.

What do the owners get in return for the cost of stock options?

Here is the SEC report's answer: "The 'compensation' given the employee by way of stock options does not necessarily produce anything of value to the stockholders."

[From Harvard Business Review, November–December 1960]

ARE STOCK OPTIONS GETTING OUT OF HAND?

(By Erwin N. Griswold)

(EDITOR'S NOTE.—Dean Griswold has prepared his views on stock options for two different audiences. Late last year, at the request of the House Committee on Ways and Means, he wrote a paper entitled "The Mysterious Stock Option" for tax specialists and lawyers. It was published in "Tax Revision Compendium." In the present article, written at our request, he develops the implications of his views for businessmen.)

Stock options have become a part of American corporate mores—to such an extent, perhaps, that it is not possible to think very wisely about them without considerable effort. In some quarters they are taken for granted, without any real thought being given to all of the factors involved. Quite generally, they have become status symbols. The corporate executive either has a stock option and thinks it is fine, or he wants to have one and thinks it would be very fine indeed if he did.

It is hard to put one's finger on the problems in the area of stock options. Few things in the tax law are as vague and intangible as the provisions relating to these grants. A recent commentator has summarized the matter in these words:

"The following quotation, usually attributed to Lincoln, best appears to sum up the policies for and against the restricted stock option provisions of the Internal Revenue Code: 'People who like this sort of thing will find this the sort of thing they like.' "[1]

It is time, it seems to me, for some very careful thinking to be done about stock options. There are very definite signs that they may be getting out of hand; and they should certainly not be taken for granted. They tend to provide their own anodyne for the pains of thought and fiduciary responsibility, particularly among corporate managers.

OPTIONAL ILLUSIONS

In some respects, the stock option problem is primarily a tax problem. However, it also becomes a problem of corporate management—and to a very considerable extent, or so it seems to me, one of corporate morality.

Let us look at some of the aspects of stock options under the existing tax law.

INHERENTLY DISCRIMINATORY?

The provisions granting tax benefits to pension, profitsharing, and stock-bonus plans must, by the terms of the statute, and within limits fixed by Congress, be nondiscriminatory; that is, they must be proportionately available to a substantial number of the employees of an enterprise, reasonably classified, and all within the Treasury Department's rules for an approved pension plan. In technical terms, they must "qualify" under the mildly stringent terms provided in the statute for such plans.

But the provision of stock options, by sharp contrast, may be as discriminatory as the employer desires. They can be limited to one employee or a few employees, and ordinarily they are. Even among the group of employees who are granted options, some may receive options for a large number of shares and others for a small number. In the case of pensions, Congress sought to assure that the plan would be a genuine plan for pensions by requiring that it be nondiscriminatory. In the case of stock options, there is no such assurance at all.

Thus we see that stock options fall outside the general safeguards provided in the case of other employee-benefit plans. They are in a special class, though just why this should be is far from clear, and has never been stated by the congressional committees which developed these provisions. In a tax law which seeks generally to impose taxes on a basis of equality and fairness, it seems odd that there should be this special provision which stimulates discrimination, and on a rather grand scale.

TAXABLE OR NOT?

A stock option holder may buy shares of stock at the price stated in the option. Obviously, the option is attractive only if the price is lower than the fair market value of the stock at the time of exercise. Thus, when the stock option is useful, it enables the employee to make a bargain purchase of the stock.

Ordinarily, bargain purchases made by an employee from his employer result in income, taxable at ordinary rates. They are simply a form of compensation for services rendered. When most people receive something of substantial economic value as compensation, they have to pay a tax on the value of the benefit received, regardless of its form.

In the case of stock options, however, Congress has provided a peculiarly complex scheme:

If the option price is at least 95 percent of the market value at the time the option is granted, no "income" is realized on the exercise of the option. Thus, a substantial economic benefit may be obtained, and retained indefinitely, without the payment of any tax. The economic benefit—often substantial—obtained on the exercise of the option is wholly tax-free. If the stock is sold, then there may be a tax, but income realized on the sale of the stock is taxed as a capital gain. If the stock is simply held until death, though, there is no income tax at all, at any time, no matter how much the actual gain may have been. The stock, in such an event, as in the case of other property, passes to the estate or beneficiary, taking as its basis in the new owner's hands the fair market value at the time of death.

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[1] Edward S. Schlesinger, "Selected Problems in the Use of Restricted Stock Options," 36 Taxes 709, 756 (1958).

"Where the option price is between 85 and 95 percent of the fair market value of the stock at the time the option is granted, a more complicated rule becomes applicable. In such cases, no income is realized on the exercise of the option, but the spread between the option price and the fair market value at the time of grant is taxable as ordinary income on any disposition of the stock, though not before such event. The death of the holder of the stock is treated as a disposition, so this amount—the spread up to the fair market value at the time of grant—does become taxable as ordinary income on a sale or in the event of the death of the holder of the stock.

"As a matter of fact, there is now going through Congress an amendment to the stock-option provisions under which the transfer of stock on death to the widow of the employee will not be treated as a disposition, so that no tax will be due not only while the employee is living but while his wife is living, too. For some reason it seems to be fairly easy to get legislation extending tax benefits in this area. It is, of course, not surprising that there does not seem to be a very effective lobby against stock options.

"There are further complexities in the case of a person who possesses more than 10 percent of the stock of his employer. In this case he gets the tax benefit only if the option price is at least 110 percent of the fair market value on the date when the option is granted. In such a case, the option can be exercised only within a period of 5 years. In cases of employees with lesser stock interest, the option can be exercised over a period of 10 years.

"In all cases, the benefits cannot be obtained unless the stock is held until at least 2 years after the date the option was granted, and for at least 6 months after the option was exercised.

"These time limits were obviously designed to insure that the employee would have some stake as a shareholder for at least an appreciable period of time. However, there is often a way around requirements of this sort, and there appears to be one in this instance. The Treasury has recently ruled that a person who has exercised a stock option may purchase a "put"—that is, a right to sell the stock at a fixed price at a future date—and that this purchase of a "put" will not constitute a "disposition" of the stock he has acquired on his option.[2] Thus, at relatively small expense, he may in many cases completely hedge his position, and assure himself that he will not suffer from future declines in the price of the stock."

Truly, this is a fairyland. The ground is strewn with quite a bit of gold. But this is only for a select few, and in somewhat special cases. With care, though, and in a sufficiently stable and prosperous company, the benefits can be very great. The benefits can be received without any present income tax, and often without any income tax at all (in cases where the stock received is held by the employee until his death).

IN SMALL COMPANIES?

Because of the limits to 95 percent or 85 percent of market value—in some cases, 110 percent—a curious consequence develops. It is in small and closely held companies that the stock option device may have its clearest justification. It is in such companies, perhaps in need of better management, that an outsider can be brought in and given the real incentive through a stock option of sharing in the improvement of the company. It is in such companies, too, that the efforts of an individual can have some impact on the value of the stock.

Yet it is in just these smaller companies that determination of the fair market value of the stock at any particular date is most troublesome and uncertain. The Treasury has recently ruled (and quite properly) that it will not undertake to fix the value of stock in order that a stock option may qualify as a restricted stock option.[3] For this reason, it is extremely difficult to use stock options in the case of a closely held company. If the stock goes up in value, the employee is always subject to the risk that it will be eventually determined that the value of his stock when the option was granted was higher than was then contemplated, with the result that the option price is outside the charmed circles of 85 percent or 95 percent.

On the other hand, in the case of a publicly held company whose stock is listed on the big board, there is no such problem. The fair market value of the stock can always be determined with considerable accuracy, from day to day. As a result, it would appear that stock options are most widely used by employees of such companies. Yet these are the very circumstances where use of the device is least justified, where the contribution of any individual employee has much less to do with the value of the stock than do such factors as general market conditions, and where the option benefit is most clearly a form of compensation.

JUSTIFIABLE CAPITAL GAIN?

Is there any real justification for treating the spread between the option price and the fair market value on the date of exercise of the option as a capital gain? Capital gains are taxed at a special rate for a variety of reasons. One of these is that a person holding a capital asset has made a capital investment which is at risk during the period he has held it. He takes the chance that the value will go down, in which case he will suffer a loss. Such losses are not fully deductible from income taxes, and one recompense is that capital gains, when realized, are taxable at special rates.

But the employee who has a stock option has no capital investment before the option is exercised. He has nothing at risk. He loses nothing if the value of the stock goes down. He is on a one-way street. If things go well, he gains. If things go badly, he loses nothing.

Accordingly, there is not here a true justification for the allowance of capital gain rates. Capital gain rates should be applicable to people who have capital at risk. An employee with an unexercised stock option has nothing at risk. He has made no investment. He has hopes for profit, but no risk of loss. It is a very happy situation, which hardly seems entitled to special tax treatment as well.

Of course, once the employee exercises his option, he does have capital at risk, assuming he has made bona fide payment. Any fluctuation from the fair market value at the time he acquires the stock is a true capital gain or loss, and should be treated accordingly. But this is not applicable to the gain inherent in the stock at the time he receives it through the exercise of a favorable stock option.

INCENTIVE VALUE?

The basic reason given for the allowance of tax benefits in the case of stock options is that they will provide incentives to corporate employees. Generally speaking, there is little doubt that tax-free income is highly attractive to anyone, but in this case there are real difficulties in the way of realizing on the incentive.

Where an employee has a stock option, he must in some way provide the funds to meet the option price in order to take up the grant.[4] From gossip in the luncheon clubs, one gets the impression that this sometimes presents a real problem. Indeed, a number of instances have appeared in the papers where an employee had to sell stock he already owned in his employer company in order to raise the money needed to take up stock at a favorable price under an option. Considering that one of the arguments presented in favor of stock options is that they enable an employee to acquire a stake in his company, this is surely an odd result. What is more, it seems likely that a considerable amount of the sales of shares by "insiders" reported to the Securities and Exchange Commission may actually be sales which are made in order to raise cash to take up stock options. If this is true, it serves to emphasize the essentially compensatory nature of the stock option scheme.

In other cases, apparently employees have real difficulty in taking up their options with cash because they are allowed to pay for the stock by giving a note. It may even be that in some cases such notes are canceled if the market value of the shares goes down. This may involve returning the shares, but the net result is favorable to the employee.

All of this emphasizes the fact that the incentive involved in stock options tends to be very uncertain and haphazard. If we are really seeking to provide incentive, it would seem that there are at least two things that we might do:

(1) We might learn a lot more about what really are the incentives which lead people to engage in productive and useful work.

(2) We might find a tax device which would provide financial incentive in a far less discriminatory and haphazard form.

It is no doubt generally true that men are acquisitive, and that they like to acquire economic benefits. It is perhaps less clearly true that men will work harder to acquire a greater economic benefit after they are already fairly well paid. It is far from clear, though, that economic gain is the only objective for which men will work, or work hard. Large segments of our population work devotedly for relatively small economic benefits. It is also far from clear that the economic incentive is effective on a man who already has substantial means, say, many millions of dollars. Yet, if investigation were made, it might be surprising what a large proportion of the benefit from stock options goes to people who are already very well off in economic terms.

ENOUGH FACTS KNOWN?

It is hard to investigate matters of this sort, and particularly hard for the private citizen. About all that he can do is to rely a good deal on instinct and general feeling. The basic fact remains that we know virtually nothing about stock options—who gets them, who exercises them, the amount of the benefit that is thus obtained without current tax, and often without any tax at all, the relation of this benefit to the person's other income and wealth, and the actual amount of "incentive" which is provided by the stock option.

It would be a very fruitful thing, it seems to me, if Congress, through an appropriate committee or the Treasury, were to investigate this matter on a calm, dispassionate, and unprejudiced basis, simply for the purpose of developing the facts as to:

The extent to which stock options have been used.

The extent of the benefit which has been obtained, or is potentially realizable.

The amount of incentive provided by the gain from options which would not have been available without the options or the tax benefit, or from some other source.

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[2] Internal Revenue Bulletin, Revenue Ruling 59-242, July 20, 1959, p. 18.

[3] "Internal Revenue Bulletin," Revenue Ruling 59-243, July 20, 1959, p. 11.

[4] See V. Henry Rothschild, "Financing Stock Purchases by Executives," HBR March–April 1957, p. 136.

It might even be the conclusion that the acquisitive instinct in Americans is not the one which should be encouraged by substantial tax benefits.

HEADS OR TAILS LOTTERY?

The basic and appealing theory behind the stock option provision is the thought that a man might come into a company and by his own ability and efforts improve the firm's business so that its stock would greatly increase in value. In such a case, there is something to be said for the proposition that the man whose efforts have produced such a desirable result should share in the gain. Whether that share should be on a specially favorable tax basis is another matter. However, it might be that there should be tax concessions where it is clear that the employee's efforts have contributed substantially to the increase of the value of the company's stock.

In certain special, relatively small cases, one man's efforts may directly affect the value of his employer's stock. But, as has already been pointed out, many or most options are granted by very large corporations where general business conditions have far more to do with the value of the stock than do the efforts of one man or any group of men.

As an incentive device, stock options have a very large element of lottery in them. We have stringent provisions in our tax law aimed against gambling. Yet the stock option provision turns to a very large extent on what amounts to a gamble. When the market value of the stock goes up, it is very nice and interesting—and stock options may lead to very large amounts of economic gain, without any present tax, and with the real possibility that there may never be any income tax at all.

What happens, though, when the market value of the stock goes down, as it did in the case of many companies during 1957–58? As a matter of fact, this may merely increase the incentive. It tends to become a heads-I-win, tails-you-lose type of lottery. For when the market goes down, the old options may be canceled, and new options may be issued at the lower price. Thus, the employee may get the maximum incentive if the price of the stock is first depreciated.

As a matter of fact, a number of companies did do exactly this, in some cases canceling options and reissuing them at not much more than one-half their previous figure. How must stockholders feel when they see such actions by what one columnist called "a fairy godmother stock option committee"? Having suffered the humiliation of watching their holdings drop almost to one-half, they must have read with mixed emotions the decision of the corporation's top executives to spare themselves and other employees a similar indignity.

Now it was undoubtedly not essentially the fault of employees holding stock options that the fair market value of most companies' stock went down in 1957–58. This was due to general market conditions, and to forces quite beyond the influence of corporate employees generally. In this respect, the decline in value was not much different from the increase in value which occurs in boom periods. Yet the employee with a stock option is really sitting very well. When prices go up, he can exercise his option and get a substantial benefit without current tax—very likely without ever paying any income tax. On the other hand, when prices go down, he can, with a little difficulty, get a new option at the lower price, and thus have the prospect of a much larger gain at a later date, likewise without current tax, and with the prospect of no income tax at all.

HOW FIXED ARE PRICES?

These things are made even easier by provisions in the statute for options at variable prices. Instead of granting the option to buy stock at a fixed price, the option may provide a formula based on market value when the option is exercised. If this is carefully drafted, it can be an almost foolproof device—it will allow the greatest potentiality of gain at the time when the price of the stock is lowest. Just how this fits in with the general incentive philosophy behind the stock option provisions, however, is far from clear.

It is true that the statute contains provisions dealing with modification of stock options, which were apparently designed to make it impossible to substitute a new lower price for the original higher price specified when the option was granted. But this provision is largely negated by the authority also given in the statute for options with variable prices. It is negated, too, by the simple device of leaving the old option outstanding and granting new options to the favored employees at the new reduced price. This latter arrangement may present certain problems from the point of view of corporation law, but these problems do not seem to have been insuperable in many cases where new options have been granted in recent years.

DO THEY COST ANYTHING?

There is a sort of general assumption that stock options do not cost the stockholders anything. No money is paid out by the corporation. Indeed, the corporation receives money, in the amount of the stock option price. To conclude, however, that the benefit received by the employee on the exercise of the options costs nothing to anyone would clearly be most unsophisticated. It does not take much analysis to show that the exercise of the option at a bargain price does necessarily involve a dilution of the stock and has a direct cost for each shareholder.

This cost may be very great in the aggregate. Indeed, it may be far more than the shareholders would sustain from a direct salary payment in the same amount to an employee. Such a salary payment would, among other things, be deductible by the corporation on its tax return, and would thus reduce the corporation's taxes. But the issuance of stock pursuant to a stock option gives no tax benefit to the corporation, even though the market value of the stock may be far greater than the option price. This is true even in the cases where options are granted at prices between 85 and 90 percent of market value where there is a tax due from the holder, at ordinary income rates, upon the disposition of the stock.

In this respect, stock options may be most insidious, for they may involve a substantial cost to the shareholders, of which they are largely unaware. It is true that the granting of stock options is usually authorized by shareholders at a stockholders' meeting. But shareholders rarely know much about the exercise of stock options, and, in particular, they are given little direct information as to the actual amount of benefit derived from such exercise, either for individual employees or in the aggregate.

There are some corporations whose stock comes to a certain plateau, and rarely rises much above that. Some security analysts believe that this is due to the very large amount of stock options outstanding. In such cases, the costs to the shareholders may be very heavy indeed, and far more than they may ever realize. It seems odd that such hidden costs should be fostered by our tax laws and tolerated by our properly strict security laws.

We should know much more about how much options cost shareholders. In addition to tax information, the Securities and Exchange Commission should require that detailed information about stock options be furnished to shareholders, not only on the authorization of the grants but also on their issue and especially their exercise.

REACTIONS OF EXECUTIVES

Points like the foregoing have, understandably enough, stirred up a good deal of comment and controversy among people who are concerned about stock options. One of the interesting things about these comments has been the violence with which they have been presented, on one side or the other. Obviously, this is an area where emotions are quite heavily involved. When that is the case, we should be very careful. Emotions have their place, but they are not ordinarily conducive to good sound thinking.

SHARING THE INCREMENT

Over the past 20 years, enormous amounts have been made as capital gains in the United States. Some of this has been made in real estate, oil, and other ventures. A very large amount, though, has been made by the holders of corporate shares. There are many companies, listed on exchanges, whose shares now sell for from four to ten times what they did a number of years ago, and even more. This is, of course, also true of many unlisted shares.

In the case of listed companies many of the shares are now held by persons who make little or no contribution to the business. These include widows, children, and grandchildren of the founders. Some of the large holders of shares have developed reputations as playboys and playgirls. They have all the benefits of good dividends and huge capital gains, but do nothing to bring them about.

It is understandable that the executives of such a company, a new generation, should feel that it is really their work which has brought about this increment, and that they have more right to share in the increase than do the passive shareholders who never do anything more strenuous than endorse their dividend checks. Even though members of "management" do not have much "ownership," they are likely to think of the enterprise as "their" company, and to feel that the gains that are made really belong to them—not all of the gains, of course, but a goodly share of them, and much more than is reflected in their salaries.

Purchasing shares outright is hard to do with the amount which is left from salary after taxes. In this situation, the allure of stock options is very great. Options require no immediate payment at all; payment does not come until a time when the expenditure is very advantageous. Thus, the officer can feel that he is sharing in the increment. This seems very right and just to him, because he feels that he has borne a considerable share of the burden and responsibility of producing the increase. Whether corporate managers should have, by reason of their management, so great a share of ownership is not a matter with which they happen to feel greatly concerned.

This, then, is a reason why the stock option seems right and sound and agreeable to corporate executives. It does have a certain appeal. Whether it should be provided with the favorable tax discrimination that exists under the present law is another question. A puritan might observe, too, that one way to achieve ownership in the company for which he works is to buy shares in it, and that can readily be done on corporate salaries by living more simply, by driving smaller or fewer cars, by doing less to keep up with other executives, and so on. Whether corporate executives should have all this and heaven too is perhaps a question.

THE COMPETITIVE ASPECT

Some corporate directors tell me that they have become involved in more and larger stock option plans than they think desirable because everyone else is doing it. They say that they have found they cannot keep their executives unless they provide large stock option plans because other companies would lure the men away with such arrangements.

If this is the case, and it appears to be, then perhaps it is time to take a very careful look at the situation. Competition for executives is understandable and desirable. But if granting stock options, with the thought that, after all, it does not cost anything, leads to arrangements which are unwise or undesirable, then it should be reconsidered.

In the recently issued proxy statement of the Sperry Rand Corp., the following statement appears:

"Time and again within the last 2 years—even within the last few months—the ability of your corporation to offer attractive stock options in addition to proper salaries to highly talented and experienced individuals, employed to fill key positions within important divisional operations of the corporation, has played a major, if not a decisive, part in securing their services. In successfully bidding for the services of such key personnel against other corporations, the ability of this corporation to offer attractive stock options has, in the opinion of your board of directors, proved its worth to the corporation and all its stockholders."

No doubt it has been important to the company to get these people. But at what cost? No one knows. Is that good corporate management? Is it really sound for industry to rest an important part of its employment policies on so aleatory, so uncertain, a basis?

CONCLUSION

Stock option plans are usually developed by boards of directors, often on the recommendation of management. In some cases, there has been an effort to keep the actual award of stock options in the hands of a group or committee of the board that cannot share in the options. It is felt that this provides a fair and independent way of handling the matter.

It is far from clear to me, however, that real independence is achieved in the fiduciary sense. The persons on the stock option committees are often those who have received options themselves in the past and have benefited handsomely from them. They naturally have a bias in favor of the arrangement. In other situations, although the forms of independence and impartiality are sought for, the substance is not really achieved. This is brought out in the following passage from a letter I received:

"Options to outside people for top-level jobs in unusual situations are likely to be arm's length—e.g., United Fruit's arrangement with Mr. Sunderland. The great danger of abuse arises from conflict of interest where corporate officials participate in development of the plan or have such relation to 'outside experts' or 'outside directors' as to make objective administration difficult.

"The whole subject is so sensitive that those with the most information may be in no position to criticize."

It is the last sentence of this quotation which gives me the most pause. There are a number of factors in these situations which, in one way or another, emphasize the fact that "the whole subject is so sensitive" that many persons, including corporate directors, feel they are "in no position to criticize." When that is the situation, there is no real independence of judgment, and management action can become very unsound indeed.

Perhaps this discussion is enough to show that the field of stock options is filled with many problems and difficulties. My objective is not to denounce stock options generally, but to raise questions about them, to suggest that perhaps they have come close to getting out of hand, to urge that the whole area be thoughtfully and thoroughly reconsidered by persons responsible for corporate management and control.

Mr. GORE. I ask unanimous consent that an article published in Management Record, entitled "The Importance of Restricted Stock Options in Executive Compensation," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE IMPORTANCE OF RESTRICTED STOCK OPTIONS IN EXECUTIVE COMPENSATION

(By George E. Lent and John A. Menge [1])

Studies of trends in executive compensation invariably have been limited to an analysis of two components of the direct remuneration of executives: current salary levels and current bonus payments. The compensation aspects of restricted stock option plans have been largely neglected, despite the rapid increase in their use since Congress granted them special tax treatment in 1950. Failure to take into account the value of these stock options has resulted in a very incomplete record of how corporate executives have fared in the postwar period. This article summarizes the significant findings of a recently completed study of restricted stock options as a form of executive compensation.[2]

It should be noted at the outset that there is no accepted measure of the "compensation" value of restricted stock options. Any of three measures of value might be used: (1) The difference between the option price and the market price at the time the option is granted; (2) the difference between the option price and the market price at the time the option is exercisable; or (3) the difference between the option price and the market price at the time the option actually is exercised. As a practical matter, however, the first two measures are not satisfactory, since an executive does not realize the compensation implicit in the stock option award until he actually exercises the option. This is the critical point—the point at which the executive becomes an investor in the corporation, not simply an employee. Therefore, in this article the difference between the option price and the market value at exercise is used as the measure of the "compensation" received from a stock option. For convenience, this difference between the cost of the option stock to an executive and its market value at the time he purchases it is called the "option benefit."

In the following pages, these option benefits are analyzed in two different contexts. First, the benefits from options granted during 1950–60 by 350 corporations are measured, and their distribution between officers and other employees is shown. Also, the relationship of option benefits to the regular compensation of corporate officers during this period is analyzed. Second, a more detailed comparison of option benefits and compensation is presented for 215 top executives. This comparison covers the complete option record of these executives, including retention of option stock, capital gains realized on option stock sold, and unrealized gains on stock still held.

RESTRICTED STOCK OPTION PLANS

A stock option plan is "restricted" when it conforms to the following requirements of section 421 of the Internal Revenue Code:

Option grants are to be limited to employees of the issuing corporation or its subsidiaries.

Stock is to be purchased by optionees while actively employed, or within 3 months after termination of employment or retirement.

Option grants are not transferable, except by inheritance.

Terms of options granted on or after June 22, 1954, are not to exceed 10 years—or 5 years in the case of optionees owning more than 10 percent of the outstanding voting stock.

Stock prices may not be less than 85 percent of the fair market value, or less than 110 percent of such value in the case of employees owning over 10 percent of the outstanding voting stock.

To be taxed at capital gains rates, stock may not be sold within 2 years from the date of the option grant, nor within 6 months from the date the stock is acquired.

BENEFITS IN 350 FIRMS, 1950–60

This analysis of aggregate corporate option benefits is based on data for 350 corporations with stock option plans in effect by 1957–58, under which options were exercisable before 1959.[3] Except for 27 wholesale and retail trade firms, and a few other nonmanufacturing companies, all are manufacturers (whose classification by industry group is shown in table 3, page 8). The size of these companies, based on total assets reported in 1959, was as follows:

Assets and number of corporations

$1,000,000 to $10,000,000	8
$10,000,000 to $25,000,000	40
$25,000,000 to $50,000,000	39
$50,000,000 to $100,000,000	79
$100.000,000 to $250,000,000	90
$250,000,000 to $500,000,000	41
$500,000,000 to $1,000,000,000	35
Over $1,000,000,000	18
Total	350

For each of these corporations, option benefits were computed for three groups of option recipients: (1) the three highest paid officers, (2) all other officers and (3) all other employees except officers.[4] The data cover more than 5,000 officers plus a substantially greater number of other employees.

AMOUNT OF BENEFIT

Option benefits granted by the 350 companies rose significantly over the decade. As table 1 indicates, the difference between the option price and the market value at exercise of all shares exercised in these companies in 1950 was $3 million. By 1955 annual benefits realized on the exercise of options granted by the 350 companies were $160 million. After declining in 1957 and 1958 with a dip in stock prices, option benefits of these companies reached a peak of

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[1] Mr. Lent is professor of business economics, The Amos School of Business Administration and Mr. Menge is assistant professor of economics, Dartmouth College.

[2] This study was completed under a grant by the Alfred P. Sloan Foundation to the Amos Tuck School.

[3] This group of corporations includes most industrial and trade firms listed on the New York Stock Exchange with plans in effect by 1957–58, under which options were exercisable before 1959. Also included are many others listed on the American Exchange, as well as a few unlisted companies.

[4] Data are from proxy statements and corporate annual financial reports (10–K) which are submitted to the SEC. Corporations registered with the SEC are required to report in their proxy statements the compensation of each of their directors and each of the three highest-paid executives with salaries over $30,000. For each of these executives, the number of options granted and exercised must be shown, along with the relevant option price and market price at exercise. Similarly, compensation data and option data must be shown for all officers as a group. In most cases it was necessary to estimate the total value of stock options for all employees from the total number of shares of option stock reported in annual financial reports, at the average spread reported for officers; however, in many cases, these data were taken directly from the 10–K statement.

$200 million in 1959 and then dropped to $164 million in 1960.

WHO GETS BENEFITS?

Traditionally, stock options have been reserved for policy-making officers of the company. But company practices vary widely on how far down the line they should be extended. Although frequently limited to a few executives at the top, more generally they are used to reward additional key employees whose decisions are most important to the success of the firm.[5] Nevertheless their use is relatively restricted: a recent survey of large companies shows that options were offered to less than 1 percent of their 2,800,000 employees.[6]

TABLE 1.—*Stock option benefits, 350 corporations, 1950–60*

	Total option benefits	Proportion of benefits received by—			
		Officers			Other employees
		Top 3	Other	Total	
	Millions	*Percent*	*Percent*	*Percent*	*Percent*
1950	$3	49	14	63	37
1951	3	18	20	38	62
1952	6	27	16	43	57
1953	12	26	25	51	49
1954	73	20	26	46	54
1955	160	16	24	40	60
1956	168	17	26	43	57
1957	95	15	26	41	59
1958	83	16	25	41	59
1959	200	19	27	46	54
1960	164	18	27	45	55
All years	967	18	26	44	56

Table 1 also indicates the extent of this concentration of option benefits at the top. About 44 percent of benefits since 1950 have been realized by "officers." The three highest-paid officials received about 18 percent of total benefits. Thus 57 percent of the option benefits were realized by other than "officers," including other key employees as well as general employees.

RELATIONSHIP TO CURRENT COMPENSATION

The above data relate only to the size of the option benefits generated in these companies and their distribution among three groups of employees. A much more significant measure of the impact of stock options is the relationship of option benefits to the current compensation of option recipients. This relationship is shown in table 2 for officers in the 350 companies.[7] It is quite apparent that officers covered by stock option plans realized substantial increments to their current compensation. Over the entire period the value of options exercised by all officers in the 350 industrial companies averaged 21 percent of their salaries and bonuses.

Prior to 1954, stock-option benefits of the corporate officers covered by option plans were negligible. In 1954, they increased sharply to 23 percent of other compensation, before income tax, and by 1955 and 1956 they amounted to roughly one-third. After dipping in 1957 and 1958, benefits (before income tax) increased to 31 percent of salaries and bonuses in 1959 and 25 percent in 1960.

The value of stock options realized by the three highest-paid executives generally represents a higher percentage of salary and bonus than that realized by other executives. Table 2 shows that the benefits of the top three averaged 25 percent of current cash compensation over the 11-year period, while those of other officers averaged 19 percent. Since 1955, benefits of the top three averaged 29 percent of other compensation, while those of other executives averaged 23 percent. The differential reflects the relatively more generous options granted top officials. A recent study shows that the five highest-paid executives received options averaging 3.2 times their total compensation, while the five lowest-paid participants received options averaging 1.9 times salary and bonus.[8]

TABLE 2.—*Stock-option benefits of officers as a percent of current salary and bonus, before tax, 350 corporations, 1950–60*

	All officers	Top 3	Other officers
1950	9	19	4
1951	1	2	1
1952	3	4	2
1953	5	7	5
1954	23	27	20
1955	34	38	33
1956	32	35	30
1957	15	16	14
1958	13	15	12
1959	32	39	28
1960	25	32	22
Average, all years	21	25	19
Average, 1955–60	25	29	23

INDUSTRY VARIATIONS

Wide variations in the relative importance of option benefits are found among different industries (table 3). In the rubber industry they rose to 140 percent of other compensation in 1955 and 1956, and averaged 46 percent over the 11-year period. Benefits averaged 30 percent in the electrical machinery and transportation equipment industries, 25 percent in paper and primary metals companies, and 20 to 23 percent in stone, clay and glass, machinery (other than electrical) and instrument companies. On the other hand, they averaged about 10 to 11 percent of other compensation in the trade and food and beverage companies covered by the survey, and 5 percent in textiles and apparel.

The relative importance of stock-option benefits in different industries largely reflects the movement of stock-market prices after the plan's adoption. In general the greatest benefits are in companies with plans in operation by 1953. Over the period covered, industrial stock prices experienced their sharpest rise after 1953, when the Standard & Poor's index rose from a yearly average of 24.8 in 1953 to 30.3 in 1954 and 42.5 in 1955; by 1956 it had doubled to 49.8, where it leveled off through 1958. A further increase, to 61.5 in 1959, was sustained through 1960. (Greater variations of course were experienced within each year.)

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[5] At the end of 1958 only 11 listed companies were known to extend options below the executive level; see "Stock Options for Nonexecutives" Management Record, November 1959. Stock purchase plans typically are used for general employees, and such plans sometimes incorporate option privileges which qualify under the provisions of Sec. 421 of the Internal Revenue Code. In 1960, 111 companies listed on the New York Stock Exchange had stock purchase plans. See "Stock Plans for Employees," New York Stock Exchange. (1961.)

[6] "Stock Option Administration in 72 Leading Companies," McKinsey & Co., 1961, pp. 1–4.

[7] Corporations are not required to file specific information on the compensation of stock option recipients who are not officers. It should be noted, too, that for the officer group as a whole, only the aggregate compensation of the group is available. The compensation of officers who actually exercised options in each year is not reported separately.

[8] "Stock Option Administration in 72 Leading Companies," op. cit., pp. 1–5.

TABLE 3.—*Officers' option benefits as a percent of salary and bonus,[1] by industry, 350 corporations, 1950–60*

Industry	Number of companies	Option benefits as a percent of salary and bonus											
		All years	1950 [2]	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
All industries	[3] 350	21	10	1	3	5	23	34	32	15	13	32	25
Manufacturing:													
Rubber	5	46	40	16	33	38	76	141	140	6	8	10	9
Transportation equipment	34	30	....	3	(4)	4	34	66	78	32	14	19	18
Electrical machinery and equipment	27	30	....	1	(4)	11	29	26	23	15	22	69	46
Primary metals	38	25	....	....	15	(4)	29	61	59	15	8	30	16
Paper	16	25	....	(4)	(4)	16	32	37	34	12	34	33	14
Instruments, etc	19	23	....	2	(4)	2	14	7	8	9	12	41	89
Machinery (except electrical)	42	22	....	2	(4)	(4)	36	34	23	11	12	29	33
Stone, clay and glass	13	21	(4)	4	(4)	3	13	13	12	12	9	68	35
Petroleum	23	20	272	(4)	9	4	22	37	43	34	11	14	6
Chemicals and drugs	37	18	2	2	(4)	(4)	5	18	11	7	17	50	33
Fabricated metal products	19	16	(4)	(4)	(4)	11	67	23	14	6	6	15	18
Food, beverages, and tobacco	23	10	11	3	3	13	10	6	3	1	10	23	20
Textiles and apparel	15	5	....	1	(4)	2	4	6	3	2	2	17	3
Trade	27	11	....	....	(4)	5	4	18	13	7	11	21	24
Miscellaneous [5]	12	18	....	(4)	11	2	37	24	29	13	14	17	24

[1] Includes salary and bonus from year of adoption of plan.

[2] Includes prior-year plans.

[3] 1954–59.

[4] Less than 1 percent.

[5] Includes manufacturing companies not elsewhere classified and a few nonmanufacturing companies.

THE GROWTH OF STOCK OPTION PLANS

Prior to the restricted stock-option legislation, U.S. corporations made little use of employee stock options. Sweeney's survey of corporation reports to stockholders and to the SEC turned up only 75 stock-option plans in the 10 years and 9 months from January 1, 1940, to October 1, 1950.[9] A very large proportion of these (30 percent) were limited to one individual, and in only a few cases were more than five officers covered.

The 1950 stock-option legislation awakened new interest in this form of compensation. During 1951, 85 companies listed on the New York Stock Exchange instituted employee option plans—more than the number of plans adopted by all registered companies during 11 preceding years. By the end of 1955 about one-third of the companies listed on the NYSE had plans, and by 1957 about one-half. This period of rapid growth then slackened, but by mid-1961 about 63 percent of the 1,128 listed corporations had adopted restricted stock-option plans. Because the expiration (or cancellation) of old plans was frequently followed by new ones, these companies adopted an average of 1.4 plans over the period.

Restricted stock-option plans are much less prevalent among small corporations than among large firms. A 1958 study of 3,500 corporations by the American Management Association indicated that about one-third of these companies had a stock option plan in 1957, but only 12 percent of the corporations with sales of $10 million or less had option plans, against 60 percent-65 percent of the very large corporations (over $100 million sales).[10]

Studies of the Conference board show wide industry variations in the proportion of listed companies with stock-option plans.[11] The plans are most popular in trade and manufacturing: about 70 percent and 74 percent respectively, of listed companies in these industries have plans. Only about half of the listed mining, finance (other than insurance and banks), and railroad companies, and one-third of the airlines have option plans. On the other hand, about 20 percent of large gas and electric utilities and 10 percent of large stock insurance companies use restricted stock options. Commercial banks rarely use stock options, principally because of Federal and State restrictions on the use of Treasury and authorized but unissued stock.

COST TO THE CORPORATION

Despite the substantial benefits realized by employees on the exercise of stock options, corporations uniformly do not reflect any cost on their books. This practice at present is supported by the accounting profession, which treats as compensation the excess of the fair value of the stock over the option price on the day the option is granted rather than at the time exercised.[12] And since restricted stock options generally are priced at between 95 percent and 100 percent of the market, the difference is considered de minimus and virtually always is ignored.

Even though, for accounting purposes, the cost of the option is calculated at the time granted, it is its cost at the time of exercise—the critical point at which the corporation parts with its capital stock—that is most meaningful. The difference between the consideration (the option price) it receives and the market value of the stock represents, on the one hand, a cost to the corporation and, on the other, compensation to the employee. In economic terms, the difference represents an opportunity cost; that is, the amount of capital sacrificed as a result of selling the stock to the employee, rather than on the open market. While corporations typically use authorized but unissued stock for this purpose, the cost of the option is best understood if one thinks of a corporation purchasing its own stock in the market to cover the option at time of exercise.

Since no deduction of the cost of the option is allowed for corporate income tax purposes, the real cost to the corporation is actually more than double this spread at time of exercise. At a 52-percent corporate rate it costs the firm $2.08 for each $1 of executive compensation thereby granted. The $2.08 cost comprises the spread or initial cost to the corporation of $1 plus $1.08, which represents the income tax reduction it foregoes. This tax factor is not generally recognized or understood, but it can make stock options a very costly method of compensating employees.[13]

The relative importance of this cost to the business can be shown by a comparison of option benefits and corporate earnings. Cost is measured by the total spread between the proceeds of sale (option price) and the market value of the stock at time of exercise. Since, as has been noted, this cost is not deductible, it must be related to net earnings after tax. The results of this analysis for the 350 corporations in 3 selected years is shown in table 4.

According to these data, employee options can represent a significant cost to the corporation. In 1960, for example, they represented 5 percent or more of earnings for about one out of five companies.

EXPERIENCE OF TOP EXECUTIVES, 1958–60

These corporate data provide one measure of the importance of stock option benefits in the compensation of key employees; they cannot be used, however, to outline the varieties of individual executive experience, nor can they be used to answer other obvious questions about the way in which options have been used by executives.

However, by reference to proxy statements, SEC "insiders" reports and stock market data, a much more specific stock option record can be reconstructed for certain executives, generally for the three highest paid. This was done for a sample of 215 executives selected from the 350 corporations; data were available since 1954 for all of these executives and since 1950 for most of them. For the purpose of this analysis, option benefits for each executive have been prorated over the option period as though their value accumulated in equal annual installments from the time the option was granted until exercised.

TABLE 4.—*The cost of stock options, 350 corporations*

Option benefits as percent of after-tax earnings	Percentage distribution [1]		
	1956	1958	1960
Deficit	(2)	1	3
No options exercised	45	36	25
0.1 to 4 percent	10	17	12
0.5 to 0.9 percent	7	7	12
1 to 1.9 percent	8	11	11
2 to 2.9 percent	7	11	7
3 to 3.9 percent	4	4	5
4 to 4.9 percent	4	2	4
5 to 5.9 percent	7	8	11
10 percent and over	6	3	10

[1] May not add to 100 percent due to rounding.
[2] Less than 1 percent.

RATIO OF BENEFITS TO SALARY—BEFORE TAX

Over the 11-year period the average salary and bonus of this group of 215 executives rose from $75,000 to about $102,500—an increase of about one-third (see table 5). The exercise of stock options, however, increased their compensation by as much as 35 percent during 1954–56, and by about 16 percent in 1958–60. As a result, their average compensation rose very rapidly, from around $75,000 at the beginning of the period to a peak of $126,800 in 1956, and then leveled off at around $117,000. Including the value of options exercised, total compensation of this group of executives, before tax, thus rose more than 50 percent, against a one-third increase in current cash compensation alone.

TABLE 5.—*Average salary and bonus, before tax, and option benefits, 215 top executives, 1950–60*

[Dollar amounts in thousands]

	Number of executives	Average salary (before tax)	Salary plus option benefits		Option benefits as a percent of salary	
			Exercised	Exercisable [1]	Exercised	Exercisable [1]
1950	142	$77.8	$78.1	$78.1	(2)	(2)
1951	174	75.7	79.7	79.8	5	5
1952	197	74.7	83.7	84.0	12	12
1953	208	81.5	100.5	102.0	23	25
1954	214	83.2	112.5	115.4	35	39
1955	215	89.8	120.9	124.6	35	39
1956	215	94.2	126.8	134.2	35	43
1957	215	96.6	118.0	127.2	22	32
1958	215	98.5	116.7	129.2	19	31
1959	215	102.1	118.3	133.3	16	31
1960	206	102.7	116.7	132.4	14	29

[1] Includes exercised and exercisable benefits at Dec. 31, 1960, values, prorated back to the year of option grant.
[2] Less than 1 percent.

Not all exercisable options actually were exercised during this period. Of the 215 optionees, 27 did not exercise any options and many of the others had additional exercisable options to purchase stock at favorable prices. Exercised and unexercised option benefits, prorated over the option period, rose to a peak of 43 percent of salaries and bonuses in 1956, then leveled off at about 30 percent.[14] Including these benefits, average executive compensation, before income tax, increased by over two-thirds during this period.

The wide range in the distribution of benefits among the 188 executives who exercised options is indicated by chart 2 (not printed in RECORD). In about 37 percent of the cases the value of options was less than 10 percent of other compensation before tax, and in 65 percent of the cases was less than 20 percent of before-tax compensation. At the other extreme, 14 percent of the top executives had option benefits in excess of 50 percent of their salaries.[15]

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[9] D. L. Sweeney, "Accounting for Stock Options," Michigan Business Studies, vol. XIV, No. 5, Univ. of Michigan, Ann Arbor (1960), p. 36.

[10] "Executive Pay Trends Changing," Nation's Business, December 1958, p. 44.

[11] "Top Executive Compensation," Studies in Personal Policy, No. 179, 1960.

[12] The recognized authority for this position is found in Accounting Research Bulletin No. 43 (ch. 13, section B), issued by the American Institute of Certified Public Accountants in 1953. The designation of the date of grant represents a departure from the previously announced declaration in favor of "the date on which the option right becomes the property of the grantee." (Accounting Research Bulletin No. 37, issued in 1948.) In the case of restricted stock options this would appear to be the date on which they are exercisable.

[13] See "Probing the Record of Stock Options," by D. M. Holland and W. G. Lewellen, Harvard Business Review, March-April 1962, pp. 132–50.

[14] The value of unexercised options is taken as at Dec. 31, 1960, or the end of the corporation's fiscal period ending early in 1961, and spread back in equal annual installments to the year of the option grant.

TABLE 6.—*Average salary and bonus, after tax*[1] *and option benefits of 215 top executives, 1950-60*

[Dollar amounts in thousands]

	Number of executives	Average salary (before tax)	Salary plus option benefits		Option benefits as a percent of salary	
			Exercised	Exercisable [2]	Exercised	Exercisable [2]
1950	142	$39.1	$39.4	$39.4	1	1
1951	174	35.5	39.5	39.6	11	11
1952	197	35.1	44.2	44.4	26	26
1953	208	37.1	56.2	57.6	51	55
1954	214	40.4	69.7	72.5	72	80
1955	215	42.5	73.6	77.3	73	82
1956	215	44.0	76.6	84.0	74	91
1957	215	44.6	66.1	75.2	48	69
1958	215	45.1	63.4	75.9	40	68
1959	215	45.9	62.1	77.1	35	68
1960	206	46.2	60.2	75.9	30	64

[1] Assumes that the executive is married, has no other dependents, no other income, and typical deductions.

[2] Includes exercised and exercisable benefits at Dec. 31, 1960, values, prorated back to the year of option grant.

RATIO OF BENEFITS TO SALARY—AFTER TAX

Of greater relevance is the value of stock options in relation to ordinary compensation after income tax.[16] Because of the graduated rate structure, aftertax salaries of the selected executives rose slightly less than salaries before tax. However, if exercised option benefits are included, average aftertax compensation almost doubled between 1950 and 1956, and then tapered off by 1960 to about 50 percent above the 1950 level. By 1956, the prorated value of exercised option benefits amounted to about three quarters of the executives' salaries after tax, but then declined to about 30 percent by 1960.

The value of unexercised options further increased aftertax compensation. After hitting a peak of 91 percent of other compensation in 1956, total option benefits averaged more than two-thirds of salary and bonus after tax. As a result, total aftertax compensation of these men virtually doubled by 1955 and then leveled off.

About 16 percent of the top executives exercised options with a value in excess of their other compensation after tax. At the lower end of the scale, about 20 percent of the executives exercised options whose value was less than 10 percent of their salary.[17]

The preferential tax treatment of stock options thus made it possible for corporate executives to improve their economic position since 1950 far more than is indicated by the rise in aftertax salary and bonus alone.[18] While such stock-option benefits are subject to tax at capital-gains rates when realized by the sale of the stock, this rate is a maximum of 25 percent and thus still leaves a substantial tax advantage.

DISPOSITION OF OPTION STOCK

The decision to sell option stock may, of course, be determined by considerations similar to those influencing the sale of any other investment. But stock options, in addition, offer a unique opportunity to convert what is essentially ordinary income (i.e., a bargan purchase) into a long-term capital gain—providing the stock is held for at least 6 months. It is not unusual for executives to sell their shares in order to pick up newly exercisable options after the 6-month interval imposed by SEC regulations. In a rising market such acquisitions are thereby self-financing. Also, executives frequently are under pressure to liquidate their holdings in order to pay off bank loans incurred to finance the option stock, whether or not new options are exercised.

Although the special tax treatment of stock options has succeeded in greatly increasing the stake of executives in the business, substantial option stock is sold. Of the 188 top executives in the group who exercised options, only about 40 percent still held all their stock at the end of the period, and only half still held at least 80 percent (table 7). But one-quarter sold more than half their option stock, and 6 percent disposed of all.[19]

TABLE 7.—*Disposition of option stock, 188 top executives,*[1] *1950–60*

Percent of option stock sold	Executives	
	Number	Percent
None	73	39
Less than 10 percent	7	4
10 to 20 percent	16	9
20 to 30 percent	19	10
30 to 40 percent	9	5
40 to 50 percent	16	9
50 to 60 percent	12	6
60 to 70 percent	5	3
70 to 80 percent	12	6
80 to 90 percent	6	3
90 to 100 percent	2	1
100 percent	11	6
Total	188	[2] 100

[1] Excludes 27 executives who did not exercise options.

[2] Does not equal 100 percent due to rounding.

Thus, more than half (115) of the executives realized capital gains on the sale of option stock over the period. As table 8 indicates, somewhat more than half of these realized capital gains of less than 10 percent of beforetax compensation; and only a few realized more than 30 percent. However, because of the preferential tax rate, capital gains represented a more significant share of aftertax compensation. Over the entire period, more than 60 percent of the executives who sold stock realized net gains in excess of 10 percent of other aftertax compensation, and about one-quarter had net gains of over 30 percent; 8 of the 115 executives realized net gains in excess of 50 percent of their other aftertax compensation.

HOW OPTION STOCK ACCUMULATES IN VALUE

The preferential tax treatment of stock options has opened up a new avenue for the accumulation of an estate by executives that was little known or used prior to 1950. Executives not only have an unusual opportunity to take advantage of the rise in market value of unexercised options; they also build up substantial capital gains—realized as well as unrealized—on their investment in option stock. They, of course, assume the risks of an investor with respect to the option stock purchased, but they are partly protected against a market decline by the spread at the time of exercise.

In order to determine how executives have fared over the period, their total realized capital gains were added to unrealized appreciation on stock still held at the end of the period (table 9). Those who did not exercise options (13 percent) of course did not have any gains; 61 percent had total gains of over $50,000 and 28 percent gains of $250,000 and over. Finally, 13 executives had a total appreciation in the value of their stock (realized and unrealized) of over $1 million, and 1 in excess of $2 million.

The full potential of stock options is best revealed by the addition of unexercised option benefits at the end of the period to market appreciation in the value of option stock actually purchased, i.e., unrealized and realized capital gains after tax. Calculated this way, 73 percent of the executives accumulated an estate (after deducting the cost of the options) greater than $50,000 and 32 percent an estate of $250,000 and over. Of the 215 executives, 17 built up a net value in excess of $1 million, 4 in excess of $2 million and 2 a net estate of over $3 million.

TABLE 8.—*Realized capital gains on option stock, 1950–60, as a percent of compensation,*[1] *before and after tax,*[2] *115 executives*[3]

Realized capital gains as percent of compensation	Before tax		After tax	
	Number	Percent	Number	Percent
Less than 10 percent	61	53	43	37
10 to 19 percent	30	26	29	25
20 to 29 percent	16	14	13	11
30 to 39 percent	4	3	10	9
40 to 49 percent	0	--------	12	10
50 to 99 percent	4	3	4	3
100 to 149 percent	0	--------	1	1
150 to 199 percent	0	--------	3	3
Total	115	100	115	100

[1] Cumulative salary and bonus since year of option grant.

[2] Assumes that the executive is married, has no other dependents, no other income, and has typical deductions.

[3] Excludes 100 executives who did not sell option stock.

TABLE 9.—*Capital gains*[1] *and unrealized options benefits, 1950–60, 215 top executives*

Amount (thousands of dollars)	Realized and unrealized capital gains		Capital gains and unexercised option benefits	
	Number	Percent	Number	Percent
0	28	13	15	7
Under $10	19	9	18	8
$10 to $24	18	8	11	5
$25 to $49	20	9	16	7
$50 to $99	36	17	34	16
$100 to $249	34	16	53	25
$250 to $499	29	14	32	15
$500 to $999	18	8	19	9
$1,000 to $1,999	12	6	13	6
$2,000 to $2,999	1	(2)	2	1
$3,000 and over	0	0	2	1
Total	215	100	215	[3] 100

[1] Realized capital gains taken after tax; unrealized capital gains and unexercised option benefits valued at end of period.

[2] Less than 1 percent.

[3] Numbers do not add to 100 due to rounding.

Mr. GORE. Mr. President, I should like to point out that throughout the report of the Department of the Treasury following its investigation of the Chrysler stock option deal, the benefits from restricted stock options are classified as "compensation."

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[15] If unexercised benefits are included, the range is much greater. While about 30 percent of the executives had total benefits amounting to less than 10 percent of other compensation (including 7 percent with none), 20 percent enjoyed total option benefits in excess of 50 percent of their salaries; and about 5 percent had total benefits greater than their other compensation.

[16] Aftertax salary was computed for each executive without regard to possible other income, assuming the executive was married with no other dependents and had typical deductions.

[17] If all options had been exercised by the end of the period, about 21 percent would have received benefits in excess of their salaries and bonuses, and 7 percent would have received more than twice such compensation after tax. About 17 percent had combined exercised and unexercised benefits of less than 10 percent of other compensation after tax.

[18] The inclusion of various other forms of deferred income would show an even greater increase.

[19] These estimates are consistent with the McKinsey survey's reported average retention of 75 percent, op. cit., pp. 2–14.

Compensation is what Senators receive when they draw their salaries. Compensation is what the worker receives when he draws his check on Friday afternoon. Compensation is what the teacher receives when she gets her check at the end of the month. Compensation is what the newspaper reporter receives when the newspaper publisher sends him his weekly check. Compensation is what most Americans receive for their work.

But here is a very special privileged group to which preferential tax treatment is given. A large portion of the income of the members of that group is treated not as ordinary compensation, but with a preference.

I have long been interested in this instance of tax avoidance and favoritism. It is not my purpose to review all that I, or others, have said in the past about restricted stock options. On April 14, 1961, I discussed the subject quite thoroughly in an address on the floor of the Senate. On April 24 of the same year I offered additional views and comments. Again, on April 27, May 4, June 8, and August 8, I addressed the Senate on this matter.

In my remarks on these various occasions I pointed out several things which appeared to me to be unwholesome, immoral and inequitable with respect to restricted stock options, both in legal concept and in their administration and award by various companies.

Here is how the restricted stock option works: A corporation executive who is paid a large salary, and who is, therefore, in a relatively high income tax bracket, may wish to reduce his overall, effective tax rate while at the same time obtaining increased compensation. The executive persuades his board of directors to set up a generous stock option plan conforming to the statute, section 421 of the Internal Revenue Code, so that he can get the reduced tax treatment afforded the profits realized from the sale of stock he will acquire under the option. It may not be very difficult to persuade the board of directors to do this, since many of them will also be officers of the corporation and will be eligible for the same generous treatment. The stockholders sometimes go through the motions of approval by proxy, although this may not be required.

The option price must generally be within 95 percent of the market value of the stock at the time the option is granted. After the market price of the stock has gone up, the option may be exercised. If the price does not increase, the option need not be exercised. Thus the holder of a stock option gets a free ride. Heads he wins, tails he does not lose.

All that then remains to be done is to hold the stock for 6 months so that the profit realized on the sale of the stock can receive the long-term capital gains treatment. The final sale of the stock must also be 2 years or more after the option has been granted. The option may be held for many years without being exercised. Then when the option is exercised, though it is then that the compensation is really realized, no tax is due under the present law. It is not until the stock is actually sold that any tax is due, and that may be never.

The advantage which the restricted stock option gives is twofold. In the first place, no tax accrues upon the exercise of the option. Ordinarily, when one exercises an option, he realizes a gain of some sort. If this were not so, he would not exercise the option. The gain, in the case of a stock option, is actually the difference between the price set out in the option and the market price of the stock when the option is exercised. If the option was granted in connection with employment, it is logically a part of the employee's compensation, and any gain should be taxed at ordinary income tax rates at the time the option is exercised. As I have said, this is not the case under present law.

In the second place, with the restricted stock option, when the gain is finally realized in cash upon the sale of the stock, the capital gains tax applies, even though the option was actually granted in the first place as compensation and was intended as part of the employee's compensation.

One might well ask how such an obviously inequitable provision as this became law.

The present law regarding restricted stock options is found in section 421 of the Internal Revenue Code of 1954, but this section was first enacted in the Revenue Act of 1950. Prior to that time, there had been various types of stock option plans; but the Supreme Court had held, in 1945, in the Smith case, that, where such options constituted compensation, the difference between the option price and the market value of the stock at the time the option was exercised was income, and was taxable at ordinary income rates.

Let me summarize a few of the objections which have been raised against restricted stock options:

First. Applying the capital gains rate to the spread between the option price and the market price at the time of exercise serves as a device to lower the effective income tax rate on the compensation of highly paid corporate executives.

Second. The granting of options in large amounts serves to dilute the value of stock in the hands of all other stockholders.

Third. The granting of options by large corporations serves to discourage capable management personnel from setting up companies which can compete against the Big Threes and Fours.

Fourth. A large block of stock reserved for options for corporate executives may cause these executives to engage in practices which will influence the market price of the stock of their company, both up and down, so that these executives may become enriched personally. These practices often are contrary to the best interests of the majority of the stockholders, the long-range growth and stability of the company, and the national economy.

Fifth. The compensation, incentive, or reward of the corporate executive is determined, not by his own efforts, or even by the success of his company, but primarily by the vagaries of the market.

On July 20 and 21, 1961, the Senate Finance Committee held hearings on the bill which I introduced in the 87th Congress, S. 1625, to terminate the favored tax treatment now accorded the compensation arising from the granting and exercise of restricted stock options under section 421 of the Internal Revenue Code. The testimony of witnesses before the committee would, I believe, be helpful and of interest to Members of this body and to others who might and ought to be concerned with tax equity. The record of this hearing makes worthwhile reading.

Three main pillars of support were erected by the organizations and special interests having a stake in the perpetuation of this tax loophole. Three chief witnesses not directly associated with the usual loophole-favoring organizations came before the committee to present the case for continuing this tax gimmick which has made fortunes for a few at the expense of the small stockholders in our corporations and the taxpaying public in general.

One of these three pillars of support for restricted stock options was a college professor. He, I suppose, was to present the case for restricted stock options from an academic point of view.

The second was the executive head of a company, a fairly good sized company, which had been rescued from failure, or mediocrity at best, back in the late thirties, and which was now booming. Stock options, presumably, were at least partially responsible.

The third was a representative of a small business which had supposedly prospered because of options. It is most important, of course, to have a facade of small business behind which any group interested in preserving a special privilege can hide.

Now, let us look at the testimony of this first witness.

Dr. Roger Murray, a professor at Columbia University, really succeeded in clarifying a point which had been bothering me a little, and some others a great deal. He succeeded admirably in pointing out the difference between the employee qua employee receiving compensation, or his "reward" as Dr. Murray expressed it, and the employee qua investor receiving a return on his capital investment.

There has been a good deal of confusion about just this point. When does the employee, receiving a restricted stock option, really become an investor and entitled to take capital gains on any appreciation in the value of his stock?

I pointed out to Dr. Murray that up until the time an employee actually exercised his option he was not an investor, he had undertaken no risk, but that when he exercised his option he had, at that time, as the witness had said, received "the incentive and the reward," and that he should at that point pay his taxes on that reward—compensation, if you will—just as any other taxpayer.

The employee's role as an investor, of course, starts at that point, and any further appreciation in value of the stock from that point forward should properly be treated as a capital gain and taxed as such. It is only when the option is exercised that the employee assumes the investor's risk and thus becomes entitled to the investor's capital gains tax treatment.

Looking at this witness' testimony on this bill, it is obvious to me that he and others who share his views really are attacking the graduated income tax.

What the proponents of much loophole legislation are after is some way to convert ordinary income into something which can be classified as capital gains for tax purposes. This, of course, puts such income in the 25-percent maximum bracket rather than the 50-, 70-, or 90-percent bracket. I might also point out that the capital gains gimmick is of value primarily to the man who is in the 50 percent, and up, tax bracket. The man in the 20-percent bracket is not helped very much. Supporters of these capital gains gimmicks are really against the tax principle, followed in this country and at least partially in most other progressive countries, of taxation according to ability to pay. These people want the wage earner, farmer, clerk, stenographer, and small storekeeper to carry most of the tax burden.

The second pillar of support for stock options was Mr. Louis Ware, chairman of the board of International Minerals & Chemical Corp., a company of intermediate size, having sales of about $130 million per year.

Mr. Ware claimed that stock options were very helpful to him in building up his company.

Now, what are the facts about this company?

Mr. Ware took over this company in 1939, at which time it was struggling along rather unsuccessfully. Although it had been in existence for some 29 years, it had never paid a dividend on its common stock and sales were only about $10 million annually.

Mr. Ware revitalized the company. He brought in new management personnel, and sales began to move steadily upward. The strange thing about this corporate Horatio Alger is that Mr. Ware seems to feel that the restricted stock option should get the credit for the success story.

It is true that this company initiated a restricted stock option plan in 1951 and that the company has grown since that year. But consider the growth prior to 1951 when the company had no restricted stock option plan. In 1951 the company had sales of $66 million. This represents a growth, as measured by sales, of more than 500 percent during the period 1939–51. From 1951 to 1961, with the aid of this wonderful but "mysterious," to use Dean Griswold's term, stock option, sales increased by only a scant 100 percent.

Surely one could not look at this picture and say that the restricted stock option has been the saviour of this company. Indeed, stock options have rewarded those key executives—and Mr. Ware pointed out that he did not believe in giving out options much below the top 25 men in the company—who came with the company during the 11th hour, after success was assured, just as fully as those who labored in the vineyard from 1939 onward, when there was a real job of building to be done. And in either case, the reward has been received after the fact, in so far as the real needs of the company and the performance of the key tasks were concerned. Neither the reward nor the hope of this restricted stock option reward could possibly have influenced the rebuilding of this company from 1939 to 1951.

The third pillar of support for restricted stock options was a representative of a local, relatively young, and relatively small company. The representative of this company told the committee that stock options had been important to the growth of his company. Here are his words:

> In my opinion, the importance of restricted stock options in making that growth possible, and in enabling CEIR to continue to expand its services, cannot be overestimated.

When I questioned this witness about some of the specifics as to his company's use of options and just exactly how they had helped his company, he indicated that his company had used options as a partial substitute for salary. But the witness became so vague that I asked him to furnish me with data on all the options which his company had issued. I was somewhat dumbfounded to learn, that no options had been issued prior to 1960, with one exception, and that no options whatsoever had ever been exercised except for that one employee who got an option in 1959. Even more peculiar, the employee who received the 1959 option received the largest block of stock under option of any employee to 1961, and he left the company very shortly after receiving his option.

It seems to me that the effect of restricted stock options on the growth of this young company was nil. The company has grown, it is true. But growth has come as a result primarily of numerous mergers.

All things considered, it does not seem to me that these three pillars support the restricted stock option very firmly.

Now, during the course of the Finance Committee hearings, an article by Mr. Henry Ford II, which appeared in the July–August 1961 issue of Harvard Business Review, and which supports restricted stock options, was mentioned several times. This is an interesting article, and a few remarks about it are in order.

I think the key to Mr. Ford's attitude is found on page 50 of this article. After speaking of the lag in executive compensation, the article goes on to say:

> Inflation and highly progressive income tax rates have greatly aggravated this situation, which is shared, we have reason to believe, by other large companies. The restricted stock option has been an effective means of meeting this problem.

In other words, Mr. Ford really favors the restricted stock option as a means of lowering the tax rate for highly compensated top corporate executives.

Here again we have the complaint about the progressive income tax rates. Here again we find an attack on the principle of ability to pay.

Incidentally, Mr. Ford seems to feel that options have saved the Ford Motor Co. The facts hardly bear this out.

Let us look at some of the things Mr. Ford has to say about the Ford Motor Co. and restricted stock options.

Mr. Ford stated in this article that a "dozen or so skillful men" were brought into the company after Word War II, and that they transformed the company from "a bogged-down, antiquated, money-losing company into a modern, efficient, profitmaking enterprise." He also stated that these men came into the company upon his promise that he "would do his best to give them an opportunity to acquire a stake in the company as soon as it was feasible to do so." He went on further to state that, finally, in 1953, restricted stock options were granted "to 114 key employees." He then places the stamp of approval finally upon the restricted stock option with these words:

> I am convinced that, in broad effect, stock options have helped materially to raise the company to third place among American industrial corporations in total dollar sales.

This makes an unassailable, step-by-step argument. The company was bogged down and losing money, the company instituted stock options, the company is now in third place in the entire country. No further proof is needed of the efficacy of restricted stock options. Quod erat demonstratum.

Well, let us see.

The Ford Motor Co. had a deficit in 1946, but it had a profit in 1947 and every year thereafter up to and including 1953, when it finally instituted a stock option plan. This "bogged down" company was in excellent condition before it started a stock option plan. How, then, can the stock option plan get credit for restoring the company to a profitmaking position?

As for the company moving up to third place nationally in sales, this exalted position was also reached in 1953, the same year restricted stock options were instituted, and prior to the time any effect from the restricted stock option plan could possibly have been felt.

With all due respect to Mr. Ford, who is a fine businessman, an outstanding executive, and a dedicated American, he is confusing a legitimate stake in the business with a tax gimmick. Mr. Ford, right after World War II, got from General Motors some experienced production executives and, in addition, picked up a younger group of very capable men. Mr. Ford, as he said, promised them an opportunity to own stock in the company as soon as he could arrange it. The real difficulty, and the reason he could not arrange it at the time, was that there was no public ownership of Ford stock. According to my understanding, only the family and the Ford Foundation owned any stock in the company. The restricted stock option had nothing to do with this problem. It came into the tax laws in 1950, but even before that there had been all sorts of stock purchase and option plans.

Now, I would not want to accuse Mr. Ford of trying to mislead anyone, but a careful analysis of his article, plus a few key facts which are omitted from his article, tend to support the thesis that it is well for management to have a stake in the business, or the opportunity to purchase stock in their company. Few would quarrel with this thesis. If I were president of a large corporation and my executives were not buying stock in the company but were, instead, making investments in other enterprises, I would have a thorough conflict-of-interest investigation. I would probably chop a few heads on general grounds of disloyalty, at least.

But I submit that this is an entirely different thing than writing into law a tax gimmick which enables an executive to gamble on the stock market without an investment and to reduce his overall tax rate drastically. The experience of the Ford Motor Co. lends no support whatsoever to the desirability of this tax gimmick.

Now, Mr. President, in a sense I have been reviewing past history. But it is pertinent. I have been working on this subject for a long time.

But, let us now come to the pending bill. I must acknowledge that the bill makes some improvement in existing law. I shall continue my discussion of this matter on tomorrow and will show not only in what ways the pending bill represents an improvement in existing law, but how it falls far short of what is really required.

Mr. GORE. Mr. President, a parliamentary inquiry.

The **PRESIDING OFFICER.** The Senator will state it.

Mr. GORE. How much time have I consumed?

The **PRESIDING OFFICER.** The Senator has consumed 20 minutes of his allotted time.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

BOARD OF VISITORS, U.S. NAVAL ACADEMY

The **PRESIDING OFFICER** (Mr. Kennedy in the chair). The Chair has been requested to announce, for the President pro tempore, his appointment, pursuant to 10 U.S.C. 6968(a), of the following Senators as members on the part of the Senate of the Board of Visitors to the U.S. Naval Academy for 1964; namely, Senator Monroney, Senator Pastore, and Senator Beall.

REVENUE ACT OF 1964—AMENDMENTS

AMENDMENT NO. 418

Mr. GORE proposed an amendment to the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes, which was ordered to be printed.

AMENDMENT NO 419

Mr. PROXMIRE submitted an amendment (No. 419), intended to be proposed by him, to House bill 8363, supra, which was ordered to lie on the table and to be printed.

AMENDMENTS NOS. 420, 421, 422

Mr. MILLER submitted three amendments (Nos. 420, 421, and 422), intended to be proposed by him to House bill 8363, supra, which were ordered to lie on the table and to be printed.

GUANTANAMO NAVAL BASE

Mr. SIMPSON. Mr. President, Castro's action in cutting off the water supply to the U.S. naval base at Guantanamo should hardly come as a surprise to the administration and its apologists for communism who have prevented the United States from ousting the bearded bandit of Havana and returning Cuba to the free Cubans.

A good friend of mine has a saying which should be carved in stone in front of the White House and the State Department—it is "too soon old and too late smart." In the 5 years Castro has been in power, he has butchered untold thousands of freedom-loving Cubans. He has availed himself of every combination of American stupidity and Communist perfidy to export his revolution to the 20 Latin American Republics. He has confiscated American property, fomented riots in Panama, Venezuela, and Zanzibar, and kicked Uncle Sam in the pants, yet no one in a position of authority in the United States has any better remedy for Castroism than to throw a hot air blockade around the island and warn our friends and allies that they must not trade with Cuba as we are trading with other Communist nations throughout the world.

The Communist Cubans have an addendum to their familiar: "Cuban si, Yankee no." Their education under Fidel Castro has been the very quintessence of liberalism. They have broadened their invective to include a Spanish phrase which means: "From top to bottom the Yankees are stupid turkeys."

Castro today pulled an ace from the cards dealt him by the United States half a decade ago. In violation of treaties, decency, and commonsense, he has grasped the pretense provided by the incarceration of a group of Cuban fishermen by U.S. authorities to push his harassment of our naval base at Guantanamo to the breaking point.

I strongly urge, Mr. President, that the Senate place itself on record as demanding the administration take whatever action is necessary, including the arming of a Cuban liberation force, to drive Castro and communism from their bastion—in what was once the Pearl of the Antilles.

INVESTIGATION OF ACTIVITIES OF SENATE EMPLOYEES AND FORMER EMPLOYEES

Mr. BARTLETT. Mr. President, I ask unanimous consent to have printed in the Record two columns by Drew Pearson which appeared in the Washington Post this week. Each of the columns has to do with the current investigation of the Senate Rules Committee hearing of financial and business activities of Senate employees and former employees.

There being no objection, the columns were ordered to be printed in the Record, as follows:

[From the Washington Post, Feb. 5, 1964]

The Washington Merry-Go-Round: Pearson Calls Reynolds Unreliable—Tells of Previous Reckless Charges by Insurance Man

(By Drew Pearson and Jack Anderson)

Don B. Reynolds, the star witness against President Johnson in the Bobby Baker case, has brought reckless charges in the past against people who crossed him, accusing them of being Communists and sex deviates.

He went to the FBI on October 9, 1952, with a list of alleged spies. After a costly investigation, the FBI cleared them all and concluded that Reynolds merely had been taking out his "personal grievances" against the accused.

Indeed, he made so many false accusations that the FBI in May 1953, turned the tables on him and began an investigation of his own activities. The FBI found that Reynolds, as an American consular official and later an Air Force officer, had not only furnished false information to the Government but had also:

Sold various scarce items on the black market in postwar Germany.

Indulged in promiscuous sex relations with German girls, using his position as a consular official to persuade pretty visa applicants to submit to him.

Used his influence to get a visa for a German beauty with whom he had been living.

Made anti-Semitic remarks as a consular official in Berlin at a time when the United States was trying to stamp out anti-Semitism in Germany.

As a result of the FBI findings, the Air Force began proceedings against Reynolds on the same charge that he had brought against so many others—namely that he was a security risk. He was accused by the Air Force of lacking morality, discretion, reliability, and trustworthiness.

INFORMER FOR SENATORS

Reynolds promptly went over the heads of the Air Force and FBI to Capitol Hill. He became an informer for the late Senator Pat McCarran, Democrat, of Nevada, who was trying to block the admission of immigrants to this country.

At one closed session, Reynolds launched into charges that the Immigration Bureau staff that screened immigrants entering this country was loaded with Communists, sex deviates, and Jews.

As he started reeling off the names of staff members he regarded as sex deviates, Chairman Arthur Watkins, Republican, of Utah, indignantly called a halt on the ground that the names were hearsay.

But Reynolds ingratiated himself with McCarran, who brought pressure on the Air Force to drop the security risk charges. Instead, the Air Force quietly hustled Reynolds out of the service with an honorable discharge.

Reynolds admitted to Government investigators in May 1953, that he had engaged in black market activities in Germany and that he had used his post as a consular officer to arrange sexual relations with girls seeking visas.

He also admitted that he had arranged a visa for his girl friend to enter Switzerland, then had tried to get her admitted to the United States from Switzerland in order to circumvent the emigration regulations in Germany.

Under FBI cross-examination, Reynolds also confessed that he had threatened a German girl that he would use his connections to get her deported if she testified for his wife in a divorce suit.

When the FBI interviewed Reynolds' associates, they described him as "vicious and malicious," quick to take revenge against anyone who crossed him. He was also described by them as "deceitful and untrustworthy."

The FBI also discovered that he had made false statements to the Government on many occasions.

SENATORS NAIVE

In his personal history statement, submitted March 29, 1951, Reynolds claimed to be an outstanding student at Georgetown University's Foreign Service School.

However, the FBI learned from the university's records that Reynolds had not completed his requirements for a BS degree, but was granted a degree on June 9, 1941, because he was going into the Army.

On another Government form, he listed attendance at Georgia Tech, though there is no record at the school of his enrollment.

In May 1953, he told the FBI that he had been "turned back" from the Military Academy at West Point after contracting pneumonia. The Academy's records showed that he was dropped in January 1939 for academic deficiency, that he gained readmission, but was discharged again in 1940 for failing in chemistry.

[From the Washington Post, Feb. 6, 1964]

THE WASHINGTON MERRY-GO-ROUND: CHOICE OF WITNESS SURPRISES

(By Drew Pearson)

The more you examine the records of Don Buck Reynolds, star witness in the Bobby Baker case, the more you wonder how responsible Senators could have let such a witness testify.

Especially hard to understand is how responsible Republicans, such as Senators JOHN SHERMAN COOPER, of Kentucky; HUGH SCOTT, of Pennsylvania; and CARL CURTIS, of Nebraska, all members of the Rules Committee, could have pressed their attack in view of Reynolds' background.

Reynolds came out of the Air Force as a captain, then went in the State Department as a Foreign Service officer, a position he left under a cloud. Then he reentered the Air Force, from which he was ordered discharged, until pressure from potent solons on Capitol Hill permitted him to resign.

Official records of the State Department and the Air Force show:

1. Reynolds arranged to have his German mistress enter the United States under unusual circumstances.

2. Reynolds was reported by the Air Force to have engaged in black-market operations with Russian military officers. Despite this, he made charges against various Government personnel that they were Communists. None of these charges turned out to be true.

3. One of the Senators with whom Reynolds worked was the late Joe McCarthy. In June 1953, when Reynolds got into trouble with the Air Force, McCarthy was one of the Senators who intervened on his behalf.

A State Department report on Reynolds states: "Reynolds' background led to the conclusion by an examining panel at the Department of State in 1952 that Reynolds was unsuitable as a Foreign Service officer and unsuited to represent the U.S. interest abroad in an official capacity.

"A Security Review Board in the U.S. Air Force concluded in 1953 that Reynolds' past led to a reasonable belief that he was a security risk. This judgment was based on 'his habits, activities, attitudes, associations, trustworthiness, discretion, and loyalty.'

"While serving as Vice Consul in Berlin in 1946, Reynolds had a widespread reputation for engaging in black-market activities and other illegal operations. Reynolds trafficked in cigarettes, illegal transportation of personal effects on military aircraft, and getting Germans out of Germany through other than regular channels.

"Reynolds had promiscuous and indiscreet relations with women, enticed female applicants for visas to have sexual relations with him by threatening to 'block' their applications if they did not submit to his desires, and sometimes used the names of colleagues to hide his own identity.

"In Zurich, Switzerland, he made unauthorized use of his Berlin Consulate's standing to obtain an exit visa for his mistress."

FITNESS REPORT

The State Department report also charged: "A laudatory efficiency report on Reynolds' tour of duty in Pretoria, South Africa, was found on Ambasador Erhardt's night table shortly after the Ambassador's death. (This referred to the late John G. Erhardt.) The Ambassador's signature on the report was proven by the FBI to be a forgery. The Department of State was informed that the report actually prepared for the Ambassador's signature was entirely different from the one found.

"In a report to the State Department on April 2, 1951, covering his investigation of the matter of tampering with his efficiency report in Pretoria, the author of this report adds a footnote to the effect that Reynolds was then in Washington and was threatening to 'tell all' to Members of Congress with respect to another Foreign Service officer."

The State Department then detailed "documented instances of Reynolds having made willfully false oral and written statements." Some of these have already been reported in this column.

One, not reported, is described by the State Department as follows: "In July 1953, when questioned by officials of the Air Force Police, Reynolds was abusive and gave false and conflicting information. He attempted to disprove his military status and stated that he was not on active military service. He later attempted to explain his action by stating that he was under great stress and had been taking drugs occasioned in part by a recent kidney operation. The operation, in fact, took place in 1948—5 years before."

That is the key witness who has been listened to seriously by the august and supposedly knowledgeable members of the Senate Rules Committee.

[Reynolds has denied the statements concerning the German girl, those alleging black-market dealings with Russian military officers, and those concerning his relations with the late Senator Joseph R. McCarthy.

[He further said he had no knowledge of the State Department report on him or of the efficiency report on his duty tour in Pretoria, South Africa.]

POETIC TRIBUTE TO THE LATE PRESIDENT JOHN F. KENNEDY

Mr. MOSS. Mr. President, Louis W. Larsen, one of the great poets of my State of Utah, lived up to his reputation as a "living poet" when he wrote the stirring lines he entitled "Eternal Flame," in memory of a man who was truly loved throughout the world, President John F. Kennedy.

I am sure that the many thousands of people who have waited in line at the Arlington Cemetery on a cold day to pay their respects to our fallen Chief will agree that President Kennedy's "journey" was one indeed "forever charted for the brave."

I ask unanimous consent that Mr. Larsen's "Eternal Flame," as it appeared in the Salt Lake Tribune on December 1, be placed in the CONGRESSIONAL RECORD as a living tribute to a man who is very much alive in the hearts of all Americans.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

[From the Salt Lake (Utah) Tribune, Dec. 1, 1963]

ETERNAL FLAME

(By Louis W. Larsen)

The flame eternal marks a path
  Where footprints came a little way,
To end as though some voice of wrath
  Had summoned men to bend and pray.

The journey to the distant land,
  Forever charted for the brave,
Is signaled by a gentle hand
  That lit the flame beside a grave.

FOLK HEROES OF ALL TRADES

Mr. GRUENING. Mr. President, "something new has been added," to apply this well-known phrase, by two contemporary candidacies for the U.S. Senate.

The entries into the political arena of what the New Yorker magazine, in an amusing editorial, designates as "folk heroes of all trades," introduces a beauty contest aspect into the national elections.

With Astronaut John H. Glenn, Jr., seeking reentry from outer space and throwing his space helmet into the ring, and Coach Bud Wilkinson, hot from the gridiron, tossing his football helmet toward a new goal line, we have the novelty of total innocents in public affairs seeking to replace competent public servants, tested and matured by long experience in responsible policymaking government posts. The candidacies of these stars of countdown and touchdown may appeal to some who do not realize that the career of public service is as exacting and as complex as the professions of medicine, law, or any other discipline that requires years of specialized preparation and training.

Pertinent to this issue is the leading editorial in the February 1 issues of the New Yorker, and the article entitled "Astronaut's Progress: Countdown in Ohio," by Richard L. Maher, in the February 10 issue of the Nation.

I ask unanimous consent that they be printed at the conclusion of my remarks.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the New Yorker magazine, Feb. 1, 1964]

NOTES AND COMMENT

It was no surprise to us when John Glenn came dropping out of orbit to bolster the Democratic Party or when Charles (Bud) Wilkinson trotted off the gridiron for the Republican cause. Colonel Glenn, of astronautical legend, proposes to win the Ohio senatorial primary from Senator STEPHEN

YOUNG and then the Ohio senatorial election, probably from Representative ROBERT A. TAFT, JR.; Coach Wilkinson, of Oklahoma football legend, will try, it is said, to bounce Senator J. HOWARD EDMONDSON, of Oklahoma, out of his seat. Both Glenn and Wilkinson, to our mind, are shining examples of the very latest thing in American candidates, the folk hero of all trades. Coach Wilkinson enters the Oklahoma race with 17 years of service to the University of Oklahoma football team behind him, and, as his supporters remind us, it has been a winning team. Colonel Glenn, for his part, points to a successful orbiting of the earth and to a long stint in the Marines—a winning outfit, too, as we all know. "The Senate," said the Colonel as he tossed his helmet in the ring, "provides the best opportunity to make use of the experience I have gained in 22 years of Government service." Now, it occurred to us, listening to the colonel open his campaign, that if our latter-day folk heroes take over the Congress, our legislators will all be out of work. The prospect of seeing several hundred nonunion Senators and Congressmen dumped en masse into the already teeming ranks of the unskilled labor force was indeed alarming, and would have continued to alarm us but for the ingenuity of Colonel Glenn's logic. The colonel's reference to the space corps as a kind of Senate farm team suggests that professional credits are as readily convertible as good bonds, and we reasoned that if this is indeed the case—if experience per se, irrespective of picky professional particulars, is as choice a commodity as the colonel maintains—then surely the unemployed legislators will qualify to take over the old jobs of the heroes who have replaced them on the Hill. The colonel, if he should defeat the Senator in the May primary, could therefore have no real objection if Mr. YOUNG, a sprightly, peppery 74, should step in to fill the gap left in the astronaut team. Mr. YOUNG has, after all, 14 years of political experience behind him. "Where but at Cape Kennedy," we could expect to hear the Senator say in his bid for a space suit, "can my 14 years of experience in Washington be put to such good use?" True, he might have to contend for the NASA appointment with Mr. TAFT, who has but 2 years in the House of Representatives and 7 years in the State legislature to recommend him, but in that event the choice could be left to the Ohio voters, who, we feel sure, would be more than willing to hold astronaut elections in odd years. As for the loser of the Taft-Young astronaut race, he might be persuaded to take a job as a field coach on Oklahoma's football team, where he could keep busy helping out J. HOWARD EDMONDSON, the new head coach, for at least as long as it took Senator EDMONDSON to get the hang of the thing.

[From the Nation, Feb. 10, 1964]

ASTRONAUT'S PROGRESS: COUNTDOWN IN OHIO

(By Richard L. Maher)[1]

CLEVELAND.—On January 17, John H. Glenn, Jr., the first American to orbit the earth in space, announced at a Hollywood style press conference at Columbus, capital of Ohio, that he would seek Democratic nomination for the U.S. Senate.

Glenn will seek the seat now held by the 74-year-old veteran of Buckeye politics, STEPHEN M. YOUNG, who began running for office 52 years ago, 10 years before John Glenn was born. YOUNG is completing his first term in the Senate and is seeking reelection.

Ohio Democrats are being asked to buy a "pig in a poke" candidate. As television cameras focused on him, Glenn flashed an engaging smile and told the scores of newsmen, radio, and television folks that he could not answer their questions on issues and politics since he is still a member of the Marine Corps—he holds a lieutenant colonel's rating—and hence cannot discuss politics.

Where does he stand on civil rights? On a tax cut? On Federal aid to education? On medicare? On foreign aid? On Cuba? On Panama? On the sale of wheat to Russia? On a hundred other issues and problems that face national legislators?

No one but Glenn knows at the moment—if he knows.

In the weeks since he formally became a candidate, Glenn has parried questions with: "Please understand that I am unable to make any comment. It's just that I am unable at this time."

Glenn was asked at his initial press conference if he had voted for a majority of Democrats in the November 1962 election. Under Ohio law, a voter determines his party affiliation by the way he votes in a general election; i.e., if he favored a majority of Republicans in the 1962 election, he is supposed to ask for a Republican ballot in the May 1964 Republican primaries. And if he voted for a majority of Democrats, then he should vote in the Democratic primaries this coming May.

The astronaut turned politician declined to answer even that question. A few hours later, however, he signed petitions declaring his candidacy and on these he had to swear that he did support a majority of Democrats.

Is Glenn a Democrat?

He said he chose the Democratc Party. "The party affiliation I have chosen is a natural one, since my mother and dad have been lifelong Democrats. But quite aside from these family ties, careful consideration leads me to the choice of the Democratic Party."

Old party pros in Ohio shake their heads. You don't just choose your party, they say. You determine your party by the way you vote.

Glenn says he believes President Lyndon B. Johnson has presented a program that a majority of Americans can support * * * and that as a Senator he would hope to help the President achieve his objectives. Does that mean that he will be a "down the line" Johnson man, as STEPHEN YOUNG has been? Glenn merely smiles, then ducks behind his Marine uniform.

The astronaut once described himself as a man somewhere between a conservative liberal and a liberal conservative. What does that mean? "I have opinions and you will definitely hear about them in the campaign," he answers newsmen.

In early January, Glenn wasn't so sure that he was a Democrat. He twice met for long periods with Ray C. Bliss, Ohio's canny Republican chairman. Bliss wanted him on the Republican ticket—but not for Senator. The GOP chief suggested that he run in the 15th Ohio Congressional District, an area in southeastern Ohio which has elected only two Democrats to Congress since the Civil War.

At the moment, one of those Democrats, ROBERT T. SECREST, sits in Congress and appears in very strong position for another term. Bliss was pretty sure he could beat SECREST with Glenn. Glenn's home is in New Concord, a tiny college town that lies in the 15th District.

After the astronaut leapt into the Democratic Senate fight, Bliss intimated to friends he had not bid high enough for Glenn's services. He inferred that had he offered Glenn the Senate nomination, the spaceman would have decided to be a Republican. But this would have meant ditching ROBERT TAFT, JR.—and the Ohio Republicans are bound to young Taft, whose father served in the Senate from 1939 until his death in 1953.

If Glenn is a Democrat, he has never indicated it by voting in a party primary. During his 22 years in the armed services—he left college in his junior year to enter the naval air training school—he has maintained his residence in New Concord. He voted up to and including 1962, but never once asked for a primary ballot. He did vote once on the same day that a primary election was held, but he took only an issues ballot. On that ballot was a bond issue for a new high school that was named for him. He carefully avoided asking for or taking a primary ballot.

Is John Glenn a Democrat? STEPHEN YOUNG, the veteran political figure he seeks to send into oblivion, says Glenn voted for Richard M. Nixon in 1960. Glenn doesn't answer that one. The reason: He's still in the Marines.

Despite John Glenn's questionable party affiliations, despite his failure thus far to disclose his opinions on any issue, many Ohio Democrats are willing to accept him. Even some of the pros will take him sight unseen. They are afraid YOUNG can't win again. He rode into the Senate in 1958 on a wave of anti-right-to-work votes, defeating John W. Bricker, whom many thought could not be defeated. But there are those in the party who fear that he could not beat ROBERT TAFT; and thus this Senate seat would be lost to the Democrats for years. Much of the professional Glenn sentiment comes from the small counties or counties where the Democratic vote, so far as the primary is concerned, is low.

Nevertheless, the swing to Glenn alarms Ohio Democratic leaders. It was so strong that when the party met in its first—and probably last—preprimary convention in Columbus on January 20, the Glenn forces outmaneuvered the Young people, blocked an endorsement of YOUNG, and nearly reduced the convention to a riot.

One outstanding feature of the convention was overlooked by many on the Glenn side and even by the Young people. The big Cuyahoga County delegation (Cleveland) stood firmly for YOUNG. Twenty-two percent of the Democratic primary vote normally comes from the Cleveland area.

What's behind this turmoil in Buckeye Democratic politics? Most pros around the State put the finger on Robert F. Kennedy. It is rumored that the Attorney General does not like YOUNG, even though there has been no stronger supporter of the Kennedy administration policies in the Senate than the spunky, peppery Ohioan.

YOUNG is the frankest politician to tread the political boards around Ohio in many years. His letters to critics are quoted all over the State. They are in the vein of this one to a constituent who disagreed with the Senator. "Dear sir," wrote YOUNG, "You are a liar."

Robert Kennedy's enmity is said to go back to preconvention 1960. YOUNG, a delegate to the Democratic convention, bluntly announced that he would cast his first ballot vote for John Kennedy and then would switch to "my friend, Lyndon Johnson." YOUNG, of course, never got a chance to cast a second vote, for John Kennedy won on the first ballot. He became a Kennedy man and in 1960, at 70, he stumped the State for him. But the late President's brother was offended by the earlier frankness.

YOUNG is therefore counting on "my friend, Lyndon Johnson," to help him.

But it now appears that the Glenn strength has scared even Johnson. Weeks ago, YOUNG had been given assurances that the President would enter the Ohio presidential primaries to be held May 5. A slate of delegates to the national convention was to be named, with Johnson as first choice for President and YOUNG as second choice. Ohio law requires that delegate candidates indicate a first and second choice.

Democratic State central committeemen had met and agreed to the Johnson-Young ticket. YOUNG had been assured by the White House that he would have the final word on those who go on the slate.

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[1] Richard L. Maher is politics editor of the Cleveland Press. With Robert S. Allen, he is author of "Our Fair City and Our Sovereign State" (both Vanguard Press).

But after the preconvention debacle, the White House let it be known that Johnson would not enter the Ohio primaries. The reason given was the early filing date, February 5. It was said that, should the President enter and speak, he would be faced with a Republican demand for equal radio and television time.

Practical-minded Democrats, however, view this as a runout on YOUNG.

So, in May, Ohioans who want to vote their preference for President in the Democratic primaries can vote only for Albert S. Porter, Cuyahoga County engineer and Democratic chairman, the favorite-son candidate. Porter is for Johnson; his slate of delegates, a compromise agreement between YOUNG and Glenn forces, will be pledged to support Johnson at Atlantic City next August. Glenn will go to that convention as a delegate, as will YOUNG—YOUNG at large, Glenn from the 15th District.

YOUNG is the top official on the Ohio primary ballot this year—there is no election for Governor—and would have been the logical choice for favorite son. However, the Glenn forces said they would fight YOUNG on this front, too.

Congressman WAYNE HAYS, from the 18th District, a mining area southeast of Columbus, is Glenn's political mentor. He wanted Glenn to run because he doesn't like YOUNG—he once said that both of Ohio's Senators, YOUNG and FRANK J. LAUSCHE, would be overpaid at $5,000 a year. HAYS also wants to be the Democratic boss of Ohio. He has been talking Glenn for Senator for months. He advised the astronaut against running for a congressional seat, either at large or in the 15th District. It was he who scared the administration out of filing President Johnson in the Ohio primaries.

If Glenn can win the nomination, HAYS will be the top Democrat in Ohio (so he figures), for he will have Glenn's ear. He can name the State chairman; he can name the national committeeman.

One reason why YOUNG fared so badly in the preprimary convention was that HAYS was wheeling and dealing. He lined up John Wiethe, the powerful Cincinnati Democratic boss, by dangling before him the State chairmanship. He used his own congressional aid, Don Gosney, party chief in rural Columbiana County, to start a Glenn bandwagon movement. For this Gosney is due to become national committeeman.

HAYS convinced Robert Kennedy to put the final nudge on Glenn to get him into the race. And HAYS doesn't mind letting folks know that he is the power behind Glenn. At this point, it looks as though Glenn will have as much control of his campaign as he had of his space capsule on those fast trips around the earth.

THE U.S. INFORMATION SERVICE, ED MURROW AND CARL ROWAN

Mr. GRUENING. Mr. President, the resignation of Edward R. Murrow as Director of the U.S. Information Agency calls for the comment, "Well done, thou good and faithful servant." Those who have observed the great improvement in the caliber and character of the Voice of America since Ed Murrow took charge, can reflect that Government agencies, like newspapers, and like many other institutions, are in effect "the lengthened shadow of a man." Ed Murrow made over the U.S. Information Agency, seriously impaired by attacks of the era of McCarthyism and gave new life and inspiration to a body of dedicated public servants in the field. I have had occasion to observe their work recently in Colombia and Ecuador and it is of a high order. As for their recent chief, Ed Murrow, the American people will wish him a complete and speedy recovery from his major operation and will couple that wish with the hope that he may again be available for public service, which in the case of the USIA he undertook at a great financial sacrifice.

Congratulations and best wishes are now due to his successor, Carl Thomas Rowan. His appointment by President Johnson is to be highly commended. Mr. Rowan is well prepared for his important new assignment. He started at the bottom as a newspaperman. After receiving his M.A. in journalism from the University of Minnesota in 1948, he became a copywriter for the Minnesota Tribune, which job he held until 1950, becoming an outstanding reporter thereon for the years 1950–61, when he became Deputy Assistant Secretary of State for Public Affairs and thereafter our Ambassador to Finland, where in his brief service, he impressed himself deeply and favorably upon the liberty-loving and highly civilized Finns. As a newspaperman, he was the recipient of the Sidney Hillman award for best newspaper reporting in 1952. Also in 1952 he received a citation for journalistic achievement from the curators of Lincoln University, Jefferson City, Mo. In 1954 he was selected as one of the 10 outstanding young men of America by the U.S. Junior Chamber of Commerce. In 1954 he also received an award for best general reporting on the segregation cases pending before the U.S. Supreme Court by Sigma Delta Chi. In 1955 he received the American Teamwork Award from the National Urban League. In 1955 he was also awarded the Foreign Correspondent Medallion for articles on India, and again received this same award in 1956 for articles on southeast Asia and for his coverage of the Bandung Conference.

He is the author of a number of books: "South of Freedom," published in 1953 and named to the American Library Association's annual list of best books; "The Pitiful and the Proud," published in 1956 and also included in the ALA's annual list of best books; "Go South to Sorrow," in 1957; "Wait 'Til Next Year," in 1960; and "No Need for Hunger," published in 1962. These books deal penetratingly with race relations—so vital an issue both at home and abroad today.

So Carl Rowan is well qualified by experience, ability, and dedication and we wish him the greatest possible success. His new assignment, however, will not be an easy one.

A friendly and cautioning editorial on his problems and possible pitfalls appears in the current issue of the Nation. It offers sage and timely counsel. I ask unanimous consent that the editorial, entitled: "USIA, Murrow and Rowan," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

USIA, MURROW, AND ROWAN

Wartime conditions scarcely favor the effective and truthful dissemination of news, but during World War II President Roosevelt was fortunate in securing the services of Elmer Davis as Director of the Office of War Information (later the U.S. Information Agency). After Davis returned to broadcasting, the USIA declined to mediocrity or worse, and Senator Joe McCarthy demoralized it further. It took the combination of an extraordinarily persuasive President and an extraordinarily resourceful journalist to rehabilitate the Agency. Now that Edward R. Murrow has had to resign to recover from his lung operation, everyone will join President Johnson in wishing him good luck and hope for his early return to broadcasting. All but diehard segregationists will applaud Mr. Johnson's designation of Carl Rowan as the new Director.

But it would be no service to Mr. Rowan to pretend that he has anything but a difficult job ahead of him. During a war, the military and diplomatic manipulation of news comes to be regarded as a patriotic duty, and journalistically there is not a great difference between a shooting war and the kind we have been engaged in for the past 15 years. Mr. Rowan will have to convince the American press that he understands the importance of freedom of information, at home as well as abroad, and that he has the reporter's greatest gift—that of learning from his own mistakes.

To get off to a good start, Mr. Rowan should read the two long articles by Stanley Karnow on the reporting of the Vietnamese war, in the January 17 and 18 San Francisco Chronicle. There were really two wars, one against the Vietcong, which still continues, and one against the newsmen, which is in a state of truce but may flare up again. In the war against the newsmen, Mr. Rowan, then Deputy Assistant Secretary of State for Public Affairs, was on the wrong side. "This so-called concern about the public's right to know," he remarked, "is really concern about the fourth estate's right to make a buck." Wisecracks break no bones, but Mr. Rowan then drafted an order to the U.S. mission at Saigon advising that stories critical of Ngo Dinh Diem "increase the difficulties of the U.S. job," and that the reporters should be cautioned against "trifling or thoughtless criticism of the Diem government." The directive also requested that newsmen should not be exposed to military activities "that are likely to result in undesirable stories." Naturally things got worse, until finally John Mecklin, the U.S. Information Agency chief in Vietnam, went back to Washington and complained in person to President Kennedy.

In this instance Mr. Rowan was one of those engaged in trying to manage the news. The motto of the U.S. Information Agency is that the truth makes the best propaganda. Mr. Rowan now has a chance to practice what his Agency preaches.

OREGON DUNES NATIONAL SEASHORE—RESOLUTION

Mrs. NEUBERGER. Mr. President, an outstanding conservation organization has renewed its appeal for establishment of the Oregon Dunes National Seashore, as provided for in S. 1137, which is now pending on the Senate Calendar. At its semiannual meeting in Chicago, the Men's Garden Clubs of America adopted a resolution urging passage of S. 1137 to safeguard "this priceless heritage for the families of America, now and forever."

I ask consent to include in the RECORD the text of the resolution.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the Men's Garden Clubs of America are vitally interested in the natural resources of America, the conservation of its wildlife, its wilderness areas, and, especially at this time, those areas which include the shoreline and dunes areas in the United States of America; and

Whereas the Men's Garden Clubs of America view with dismay the fast disappearance of these beautiful areas to private and commercial interests and unless the Congress, in its wisdom and foresight, safeguards this priceless heritage for the families of America, now and forever, it will be too late: Now, therefore, be it

Resolved by the board of directors of the Men's Garden Clubs of America, assembled at its semiannual meeting in Chicago,. Ill., January 3, 1964, That we endorse the establishment of the Oregon Dunes National Seashore Park, and urge the Congress to pass the necessary enabling legislation, Senate bill No. 1137; and be it further

Resolved, That a copy of this resolution be sent to Senator Alan Bible, chairman of the Senate Public Lands Subcommittee, and to Senator Maurine B. Neuberger, Senator from Oregon.

Edwin P. Engelbrecht.
Hrand Hampikian.
Joe Smith.

Attest:

Geo. A. Spader,
Executive Secretary.

A DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT WILL FACILITATE ORDERLY NATIONAL COMMUNITY DEVELOPMENT

Mr. GRUENING. Mr. President, the recommendations of President Johnson for a positive housing and urban renewal program deserve speedy enactment.

Some three-fourths of our population live in sprawling urban communities. Planning is urgently needed if the future development of these areas is to be orderly and of a scope which envisions 1980 and beyond—not merely next year or the years of the next decade.

On January 29 the alert senior Senator from Pennsylvania [Mr. Clark] introduced proposed legislation to establish the Department of Housing and Community Development. I am honored to join the distinguished majority whip, the Senator from Minnesota [Mr. Humphrey] and the able senior Senator from Illinois [Mr. Douglas] as a cosponsor of that bill, S. 2475. The need to coordinate the vast number of independent efforts in urban planning daily becomes more apparent.

As has been pointed out, the bill proposes the establishment of a Department of Housing and Community Development and creates a new Cabinet post, that of Secretary of Housing and Community Development. The Secretary would have responsibility for the actions of the Housing and Home Finance Agency, the Federal Housing Administration, the Public Housing Administration, and the Federal National Mortgage Association.

The Department of Housing and Community Development essentially embodies the aids which would have been available had the 87th Congress established a Department of Urban Affairs and Housing. It was my privilege to be a member of the Senate Government Operations Committee which considered the Reorganization Plan No. 1 of 1962 for the creation of a Department of Urban Affairs and Housing.

When the Senate debated this proposed legislation I pointed out that the urban sections of our Nation cross State lines. I said:

> Our east coast population lives nearly house to house, door to door from Boston to far south of Washington, D.C.
>
> Commuters from Connecticut and New Jersey work in New York City offices. Their homes in urban areas are not in New York State. Similar conditions prevail as Philadelphia secretaries often live in nearby New Jersey, or as Chicago businessmen return home in the evening to their houses on the outskirts of Hammond, Ind.
>
> Here in Washington, D.C., there is a daily influx of employees from nearby Virginia and Maryland. It would be extremely difficult for this Government to carry on without their services.
>
> Those who consider that creating this Department would be an invasion of States functions overlook the increasingly interstate character of our metropolitan sprawl.

On February 20, 1962, on the floor of the Senate, I suggested that the proposed Department would benefit Alaska by simplifying housing needs procedures. At that time I placed in the Record a portion of an excellent letter describing the need for a department similar to that proposed in S. 2475. I ask unanimous consent that the portion of the letter to which I refer from the knowledgeable Governor of Alaska, the Honorable William A. Egan, be printed in the Record at this point in my remarks.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

> The argument has been raised that establishment of a department of this type would tend to weaken existing relationships between the States and their political subdivisions.
>
> I think this assumption is incorrect. The establishment of this Department would not create innovations in Federal assistance programs.
>
> Such functions as housing, home finance, urban renewal, slum clearance, pollution control, airport and highway construction, metropolitan planning, and civil defense mobilization have already been assumed by the Federal Government, and I think wisely so.
>
> While it is true that urban areas exist in certain locations which may benefit from the proposed program to the exclusion of locations which are not urban, I do not believe this is a valid argument against establishment of such a department. If this thinking is to be accepted, how can one justify having a Department of Agriculture, which deals solely with problems of agricultural areas, or Federal agencies dealing exclusively with national parks, oil reserves, rivers and harbors, or schools?
>
> I believe the evidence shows that State governments, for various reasons, have been unresponsive to the needs of the burgeoning urban areas. Passage of these measures would not make the States less responsive than they are already. Rather, affirmative action on these measures should serve to make State governments more responsive to this pressing need. And this response would lead not only to the needed improvements, but to a strengthening of the relationship between State and local governments.

Mr. GRUENING. Mr. President, we have come a long way from the days of 1789. Then only 24 communities in our new Nation had a population exceeding 2,500. In 1964 more than 130 million of us reside in urban areas and our problems grow increasingly complex.

We can meet these problems or we can once again sweep them under the carpet. We can best these problems or we can once again let them multiply and best us.

I hope the legislation which has been proposed by my good friend from Pennsylvania [Mr. Clark] can be acted upon promptly.

And I can think of no better, no more capable person to head the proposed Department of Housing and Community Development than Dr. Robert Weaver, who now so ably heads the Housing and Home Finance Agency. For 25 years or more I have had the privilege of watching Dr. Weaver demonstrate his superlative qualifications as an expert in housing matters.

BEEF IMPORTS

Mr. PEARSON. Mr. President, during the last several months, many discussions have taken place in Congress regarding the plight of the Nation's livestock producers. The concern arises from a severe decline in cattle prices. There appears now to be some firming up of the price of cattle, but the problem has not been satisfactorily solved.

As a Senator from the Nation's fourth largest beef-producing State, I have been vitally interested in the problem, in the words of my colleagues, in the urgent demands of industry spokesmen, and in the hesitating response of the administration.

Prime steers, which brought over $40 per hundredweight in Chicago in 1951, and $31 per hundredweight as recently as the spring of 1963, have been selling recently for less than $23. The same general pattern exists for lower grades. Utility cows in Chicago sold for more than $27 per hundredweight in early 1951; recent months have seen this price fall below $15.

The problem which currently bothers our domestic industry is that imports have continued to enter the U.S. market at a time when beef prices are seriously depressed.

Some contend that foreign beef imports are the major, if not the sole cause, of the recent price decline. For many months, the Secretary of Agriculture argued that beef imports had no significant effect on domestic cattle prices. More recently, the Secretary has recognized that imports have had an adverse effect and that the 2-year drop in domestic prices will result in a loss of about $170 million a year to that industry.

Numerous proposals have been put forth to deal with the import problem including higher tariffs on imported beef, quotas on import volume, and voluntary agreements with exporting nations. Complicating these discussions has been the conflict between the State Department and the Department of Agriculture as to whether our international trade negotiations must focus on a political victory abroad or on agricultural victory at home.

Now, Mr. President, I have not been entirely satisfied with many of the explanations as to why cattle prices have declined. I am not convinced that some of the harsh countermeasures would satisfy the long-term interests of our domestic cattle industry. Consequently, I have studied this subject as objectively as possible and in substantial detail.

Let me say to begin with that the livestock industry is virtually the only segment of American agriculture which is not the victim of a Government control program. It remains an outstanding example of the free enterprise system, subject to all of the risks and rewards which result from fluctuations of supply, demand, price, natural catastrophe, and good or bad management. My friends in the livestock industry have stated time and again that they are quite willing to take their chances in the market place, struggling with all of these forces, but they abhor trying to outguess unpredictable foreign imports and politically manipulated Government agriculture programs. I am in complete sympathy with this attitude. It is imperative, it seems to me, that we correctly identify the cause, or causes, of the current price decline and, having done so, develop corrective programs which will preserve the desired free enterprise status of the industry.

Fluctuations in cattle prices and varying volumes of beef have both been with us for a long time. Neither is new. The basic question is, Is there a direct relationship between prices and imports, and if so, how significant are imports in influencing cattle prices? Extending the query one step further, are there other factors which alone, or in conjunction with imports, give rise to the present undesirable condition?

For those who may not care for all the details, let me say that, in my opinion, imports definitely are a significant factor in the current decline of cattle prices. Further, there are several new factors related to imports which are present today which were not present in the past which will, I predict, prolong the present price decline if steps are not taken to diminish their influence. These I will identify and discuss later. Finally, I believe there are a number of steps which can and should be taken to ease the price squeeze and still leave the livestock industry free of Government control.

THE SUPPLY OF BEEF

Domestic production

U.S. producers account for most of the beef consumed in this country, including virtually all of the higher grade fresh beef. Cattle raised for beef represents the largest single segment of American agriculture. Even in relatively poor years, such as 1955 and 1956, sales of cattle and calves grossed almost as much income to producers as the combined sales of wheat, corn, and cotton. In 1958, cattle and calves returned more cash receipts to producers than either the combined sales of all six basic crops—wheat, corn, cotton, tobacco, rice, and peanuts—or the combined sales of hogs, sheep, wool, and all poultry and eggs.

In my own State of Kansas, uncontested as the major wheat-producing State, the value of wheat produced in 1962 was about $425 million, but cash receipts from livestock amounted to $536 million.

Like other segments of American agriculture, beef production has been increasing and productivity has been rising. Cattle and calves on U.S. farms reached approximately 107 million as of January 1, 1964. Beef and veal production for 1963 was estimated at 17,410 million pounds, a 6.7-percent increase over 1962. This provided the bulk of the civilian consumption of beef and veal which amounted to 94.6 pounds per capita in 1962, and about 100.1 pounds per capita in 1963. These are significant increases over those of 10 years ago.

TABLE I.—*All cattle on farms, Jan. 1, 1880–1963, and U.S. beef and veal production, 1909–63*

Year	Cattle on farms Jan. 1 (thousand head)	Beef and veal production (million pounds)		
		Beef	Veal	Total
1880	43,347	-------	-------	-------
1881	44,501	-------	-------	-------
1882	45,738	-------	-------	-------
1883	47,387	-------	-------	-------
1884	49,804	-------	-------	-------
1885	52,463	-------	-------	-------
1886	54,868	-------	-------	-------
1887	56,602	-------	-------	-------
1888	58,599	-------	-------	-------
1889	59,178	-------	-------	-------
1890	60,014	-------	-------	-------
1891	59,968	-------	-------	-------
1892	58,126	-------	-------	-------
1893	55,119	-------	-------	-------
1894	51,713	-------	-------	-------
1895	49,510	-------	-------	-------
1896	49,205	-------	-------	-------
1897	50,447	-------	-------	-------
1898	52,868	-------	-------	-------
1899	55,927	-------	-------	-------
1900	59,739	-------	-------	-------
1901	62,576	-------	-------	-------
1902	64,418	-------	-------	-------
1903	66,004	-------	-------	-------
1904	66,442	-------	-------	-------
1905	66,111	-------	-------	-------
1906	65,009	-------	-------	-------
1907	63,754	-------	-------	-------
1908	61,989	-------	-------	-------
1909	60,774	6,915	660	7,575
1910	58,993	6,647	667	7,314
1911	57,225	6,549	666	7,215
1912	55,675	6,234	662	6,896
1913	56,592	6,182	608	6,790
1914	59,461	6,017	569	6,586
1915	63,849	6,075	590	6,665
1916	67,438	6,460	655	7,115
1917	70,979	7,239	744	7,983
1918	73,040	7,726	760	8,486
1919	72,094	6,756	819	7,575
1920	70,400	6,306	842	7,148
1921	68,714	6,022	820	6,842
1922	68,795	6,588	852	7,440
1923	67,546	6,721	916	7,637
1924	65,996	6,877	972	7,849
1925	63,373	6,878	989	7,867
1926	60,576	7,089	955	8,044
1927	58,178	6,395	867	7,262
1928	57,322	5,771	773	6,544
1929	58,877	5,871	761	6,632
1930	61,003	5,917	792	6,709
1931	63,030	6,009	823	6,832
1932	65,801	5,789	822	6,611
1933	70,280	6,440	891	7,331
1934	74,369	8,345	1,246	9,591
1935	68,846	6,608	1,023	7,631
1936	67,847	7,358	1,075	8,433
1937	66,098	6,798	1,108	7,906
1938	65,249	6,908	994	7,902
1939	66,029	7,001	991	8,002
1940	68,309	7,175	981	8,156
1941	71,755	8,082	1,036	9,118
1942	76,025	8,843	1,151	9,994
1943	81,024	8,571	1,167	9,738
1944	85,334	9,112	1,738	10,850
1945	85,573	10,276	1,664	11,940
1946	82,235	9,373	1,443	10,816
1947	80,554	10,432	1,605	12,037
1948	77,171	9,075	1,423	10,498
1949	76,830	9,439	1,334	10,773
1950	77,963	9,534	1,230	10,764
1951	82,083	8,837	1,059	9,896
1952	88,072	9,650	1,169	10,819
1953	94,241	12,407	1,546	13,953
1954	95,679	12,963	1,647	14,610
1955	96,592	13,569	1,578	15,147
1956	95,900	14,462	1,632	16,094
1957	92,860	14,202	1,526	15,728
1958	91,176	13,330	1,186	14,516
1959	93,322	13,580	1,008	14,588
1960	96,236	14,727	1,108	15,835
1961	97,319	15,298	1,044	16,342
1962	99,782	15,296	1,015	16,311
1963	[1] 103,530	[1] 16,470	[1] 940	[1] 17,410

[1] Preliminary.

Source: "Agricultural Statistics," 1962, pp. 363, 364, 427; "Livestock and Meat Situation" (November 1963), pp. 7, 20.

While the figures document an upward long-term trend in cattle production, a charting of the year-to-year situation reveals rather severe cycles in supply A similar charting of prices indicates a long-term downward trend with sharp cycles having a rather clear relationship to cattle production.

When placed side by side, these statistics and charts reveal that cattle prices have tended to move contrary to the cycle in cattle numbers and beef production. For example, as beef production bottomed out in 1951, the price of slaughter cattle was at a peak. When production was at a high point in 1956, prices were at a cyclical low. As production went into a trough in 1958 and 1959, prices were reaching a cyclical high. It thus appears that as prices rise, animals that would otherwise be marketed are held back to be added to breeding stock or to be fattened to heavier weights. This tends to increase the price further by reducing the supply of slaughter cattle and increasing the demand for breeders and stockers. Eventually, the increase in cattle numbers and weight provides the basis for an expansion of beef supply which tends to reduce prices. Once prices begin to fall, increased marketings are stimulated as farmers try to restrict losses, and the increased slaughter depresses prices further.

The countercycles of production and prices are even more apparent when one compares beef production per capita and slaughter cattle prices. This reveals that when production is below its long-term trend, prices are above their trend value; when production exceeds its trend, prices fall below their trend.

It is consequently quite clear that the supply-demand relationship is a primary factor in cattle pricing. Any significant increase in the supply of cattle reaching the market, or a change in demand, has a direct and material influence on prices.

IMPORTS

A very important factor in the supply situation is the volume of imports since they obviously increase the supply

The United States has for some years supplemented its domestic production of beef with imports of both processed beef and live animals. Although there has been an upward trend since 1947, U.S. beef imports vary substantially from year to year.

TABLE II.—*U.S. imports of cattle and beef, compared with production, 1950–63*

Year	Imports				Beef and veal production [3]	Imports as percent of production
	Live animals		Beef and veal	Total [2]		
	Number	Meat equivalent [1]				
	Thousand head	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Percent*
1950	438	157	348	505	10,764	4.7
1951	220	91	484	575	9,896	5.8
1952	138	47	429	476	10,819	4.4
1953	177	62	271	333	13,953	2.4
1954	71	35	232	267	14,610	1.8
1955	296	93	229	322	15,147	2.1
1956	141	43	211	254	16,094	1.6
1957	703	221	395	616	15,728	3.9
1958	1,126	340	909	1,249	14,516	8.6
1959	688	191	1,063	1,254	14,588	8.6
1960	645	163	775	938	15,835	5.9
1961	1,023	250	1,037	1,287	16,341	7.9
1962	1,232	280	1,445	1,725	16,311	10.6
1962 (January–August)	583	133	893	1,025	10,895	9.4
1963 (January–August)	555	118	1,086	1,204	11,386	10.6

[1] Estimated at 53 percent of the live weight of all dutiable imports.

[2] Canned and other processed meats have been converted to their carcass weight equivalent.

[3] Total production (including an estimate for farm slaughter).

Source: U.S. Department of Agriculture, Economic Research Service, Livestock and Meat Situation, (November 1963) p. 46.

Most imported beef has been largely boneless frozen lower grade beef suitable mainly for use in the processed meat industry. Of the beef and veal imports during 1963, 81 percent carcass weight was boneless beef; 14 percent was canned beef. Relatively little bone-in or chilled beef was imported.

The composition of beef and veal imports has changed since the mid-1950's. During the period 1954–56, canned beef, mainly from South American countries, made up 72 percent of the total imports of beef and veal. As large-scale transportation and handling facilities of frozen products developed, imports of boneless beef took on increasing importance. Some of the boneless frozen beef is suitable for uses other than processed products, but quality generally compares with the lower grades of domestic beef.

The change in the composition of imported beef has been paralleled by a change in the major suppliers. Argentina, which used to be the largest single exporter of beef to the United States, has fallen behind both Australia and New Zealand. This is presumably the result, in part, of a decline in demand for canned meat. More importantly, Australia's expanding role can be traced to a 1958 change in the United Kingdom-Australian meat agreement, which had restricted Australian shipments primarily to the United Kingdom. Since this modification, Australia has expanded its exports to the United States so that in 1962 they represented 46 percent of the total U.S. tonnage imported and 80 percent of Australia's exports of beef and veal. This problem also stems, in part, from the actions of the European Economic Community. Member countries were at one time significant importers of Australian and New Zealand beef, but they have recently increased restrictions on such imports to protect national interests.

These conditions have forced Australia and New Zealand to reassess their market possibilities. The United States stands as the most attractive alternative.

TABLE III.—*U.S. beef and veal imports, by country of origin, 1958 to date*

[In millions of pounds]

Year	Product weight [1]						Total imports	
	Canada	Mexico	Argentina	Ireland	Australia	New Zealand	Product weight	Carcass weight equivalent
1958	53.6	75.0	216.7	23.8	17.7	183.7	619.2	909
1959	22.6	48.9	128.6	42.0	224.0	161.6	722.3	1,063
1960	18.9	39.1	52.7	52.8	144.7	130.7	512.6	775
1961	32.3	53.4	65.2	64.4	233.9	154.4	689.2	1,037
1962	19.4	59.3	55.9	70.7	444.9	213.6	970.9	1,445
1963 (January–July)	11.1	39.8	53.5	40.0	253.0	138.3	603.7	907

[1] Includes quantities of other canned, prepared, or preserved meat not elsewhere specified.

Source: U.S. Department of Agriculture, Economic Research Service, Livestock and Meat Situation (November 1963), p. 48.

In addition to the imports of processed beef and veal, a large part of the meat animals imported from Canada and Mexico are feeder calves and cattle, which are finished off with relatively cheap domestic feeds. This flow of live cattle tends to rise when drought conditions in either Mexico or Canada, or both, restrict range feed. Meat equivalent of live animal imports have accounted for as much as 27 percent of total U.S. imports of beef as recently as 1958.

TABLE IV.—*Imports of cattle from Canada and Mexico, excluding breeding animals, 1952 to date*

FROM CANADA

	Dutiable cattle				
	700 pounds and over		Under 200 pounds	200 to 699 pounds	Total dutiable cattle
	Cows for dairy purposes	Other			
	Head	*Head*	*Head*	*Head*	*Head*
1952 [1]	4,636	4,244	714	968	10,562
1953 [2]	21,811	22,931	3,515	896	49,153
1954	17,633	46,798	2,872	3,377	70,680
1955	25,252	17,543	3,256	2,218	48,269
1956	22,678	2,914	3,571	1,390	30,553
1957	18,857	186,036	10,486	151,059	366,438
1958	19,586	230,025	13,580	373,671	636,862
1959	14,998	90,259	30,738	186,630	322,625
1960	20,247	60,865	32,079	140,471	253,662
1961	24,972	88,660	28,605	337,452	479,689
1962	15,481	72,205	41,315	351,336	480,337
1963 (January–July)	6,776	34,899	35,471	30,324	107,470

FROM MEXICO

	Dutiable cattle				
	700 pounds and over		Under 200 pounds	200 to 699 pounds	Total dutiable cattle
	Cows for dairy purposes	Other			
	Head	*Head*	*Head*	*Head*	*Head*
1952 [3]	2,381	43,617	96	81,185	127,279
1953 [4]	175	25,364	485	101,901	127,925
1954	------	------	------	------	------
1955 [5]	1,424	56,153	539	189,631	247,747
1956	1,684	11,124	848	96,594	110,250
1957	480	44,236	7,914	283,842	336,472
1958	1,255	80,589	3,231	403,166	488,241
1959	1,597	45,697	1,037	317,095	365,426
1960	371	19,631	1,773	369,113	390,888
1961	46	36,410	8,655	497,999	543,110
1962	34	36,732	24,925	690,228	751,919
1963 (January–July)	7	16,078	23,408	391,004	430,497

[1] Imports prohibited beginning Feb. 25, 1962, due to foot-and-mouth disease.

[2] Embargo removed Mar. 1, 1953.

[3] Embargo removed Sept. 1, 1952.

[4] Imports prohibited beginning May 23, 1953.

[5] Embargo removed Jan. 1, 1955.

Source: U.S. Department of Agriculture, Economic Research Service, Livestock and Meat Situation (November 1963), p. 44. Compiled from official records of the Bureau of the Census.

Imports of beef have historically varied inversely with U.S. production of cow and bull beef. What tends to happen is that when domestic supply of this grade of beef is relatively large, the price falls so that imports are discouraged. However, if the domestic supply declines substantially, as it did in 1958, the relative price of cow beef rises and attracts imports.

TABLE V

Year	U.S. production of cow and bull beef [1]		Imports of beef and veal [2]		Cow and bull beef production plus imports		Utility cow prices (Chicago)
	Total	Per capita	Total	Per capita	Total	Per capita	
	Million pounds	*Pounds*	*Million pounds*	*Pounds*	*Million pounds*	*Pounds*	*1957–59 dollars*
1947	4,025	28.5	64	0.4	4,089	28.7	17.56
1948	3,594	24.8	356	2.4	3,950	27.2	22.17
1949	2,970	20.1	254	1.7	3,224	21.8	19.56
1950	3,150	21.0	505	3.4	3,655	24.3	22.30
1951	2,978	19.7	575	3.8	3,553	23.5	25.32
1952	2,935	19.1	476	3.1	3,411	22.2	20.78
1953	3,746	24.0	333	2.1	4,079	26.1	13.39
1954	4,121	25.9	267	1.7	4,449	28.0	12.34
1955	4,449	27.4	322	2.0	4,771	29.4	12.36
1956	4,369	26.4	254	1.5	4,623	28.0	11.82
1957	4,086	24.3	616	3.7	4,702	27.9	13.75
1958	3,192	18.6	1,249	7.3	4,441	25.9	18.34
1959	2,884	16.5	1,254	7.2	4,138	23.7	17.68
1960	3,012	17.0	938	5.3	3,950	22.3	15.57
1961	2,753	15.3	1,287	7.1	4,040	22.4	15.61
1962	2,922	16.0	1,725	9.4	4,677	25.6	15.41

[1] Estimated from total commercial slaughter.

[2] Includes meat equivalent of live animals imported.

Source: U.S. Department of Agriculture, Livestock and Meat Situation (November 1963), p. 36. Utility cow prices deflated by wholesale price index.

The combination of these facts, first, that the price of domestic cattle is extremely sensitive to the supply-demand condition, and second, that imports seem to follow the domestic price situation rather than dictate the domestic price, emphasizes a factor which deserves considerable attention.

They indicate that imports do, in fact, have an adverse effect upon domestic prices in several ways. First, imports inject a factor into the supply picture which is controlled by forces external to the United States and therefore unpredictable in domestic livestock planning.

Second, since imports tend to follow domestic prices, they tend to reduce the peak price cattle might otherwise reach and they tend to speed the downward trend in prices once the downturn starts. As might be expected, the exporters to the United States tend to withdraw from our market as the price drops to an unprofitable level. That action tends to firm the domestic price.

It is clear to me, therefore, that while imports are not the only factor affecting domestic prices, they are an important and certainly an aggravating factor in the cattle price decline.

THE DEMAND FOR BEEF

Since the price of cattle is so sensitive to supply and demand, we need to take a brief look at the demand side of the equation.

Among the more significant factors affecting the demand for beef are tastes and preferences of consumers, population, income, and the supply and price of competing meats such as pork and poultry.

Beef is the preferred meat in the United States.

TABLE VI.—*Civilian per capita consumption of meat and fish, 1940–63*

[In pounds per person]

	Beef and veal	Pork, excluding lard	Lamb and mutton	Chicken and turkey	Fish	Total
1940	62.3	73.5	6.6	17.0	10.6	170.0
1941	68.5	68.4	6.8	18.3	11.2	173.2
1942	69.4	63.7	7.2	20.7	8.8	169.8
1943	61.5	78.9	6.4	25.7	8.0	180.5
1944	68.0	79.5	6.7	23.1	8.8	186.1
1945	71.3	66.6	7.3	25.1	10.0	180.3
1946	72.6	75.8	6.7	23.1	10.6	188.8
1947	80.4	69.6	5.3	21.7	10.1	187.1
1948	72.6	67.8	5.1	21.4	10.6	177.5
1949	72.8	67.7	4.1	22.9	10.7	178.2
1950	71.4	69.2	4.0	24.7	11.6	180.9
1951	62.7	71.9	3.4	26.1	11.1	175.2
1952	69.4	72.4	4.2	26.8	11.0	183.8
1953	87.1	63.5	4.7	26.7	11.4	193.4
1954	90.1	60.0	4.6	28.1	11.3	194.1
1955	91.4	66.8	4.6	26.3	10.4	199.5
1956	94.9	67.3	4.5	29.6	10.3	206.6
1957	93.4	61.1	4.2	31.4	10.1	200.2
1958	87.2	60.2	4.2	34.1	10.6	186.3
1959	87.1	67.6	4.8	35.2	10.7	205.4
1960	91.4	65.2	4.8	34.4	10.4	206.2
1961	93.7	63.2	5.1	37.8	10.9	210.7
1962	94.6	63.9	5.2	37.2	[1] 10.5	211.4
1963 [2]	100.1	64.9	4.9	37.4	[1] 10.5	217.8

[1] Estimated.

[2] Preliminary.

Sources: U.S. Department of Agriculture, "Livestock and Meat Statistics, 1962" (July 1963), p. 289; U.S. Department of Agriculture, Economic Research Service, "Poultry and Egg Situation" (May 1962), p. 21; U.S. Department of Agriculture, Economic Research Service, "Livestock and Meat Situation" (November 1963), p. 7.

Civilian consumption of beef and veal has risen from about 72 pounds per capita in the late 1940's to an estimated 100 pounds in 1963, an increase of almost 40 percent. Today, more than 45 percent of the per capita consumption of meat and fish is beef. Pork has declined in relative importance but still accounts for almost 30 percent of total per capita consumption. Poultry consumption has risen by more than 60 percent since the late 1940's, but only accounts for about 17 percent of the total.

The relationship between population and income and the demand for beef is positive. That is, as population expands, total beef consumption tends to rise. As per capita real income increases, per capita consumption of beef tends to rise.

On the other hand, as the supplies of competing meats rise, the prices of these meats tend to decline, with the result that they compete favorably with beef and the demand for beef is restricted. Through August 1963, commercial hog slaughter averaged 4 percent above the same months of 1962. For 1963 as a whole, an expanded hog population was expected to provide the basis for the largest annual slaughter since 1952, an estimated 86.5 million head.

TABLE VII.—*U.S. pig crop, hog slaughter, and hogs on farms, 1947–63*

Year	Total pig crop	Total hog slaughter [1]	Total hogs on farms Jan. 1
	1,000 head	*1,000 head*	*1,000 head*
1947	83,289	74,001	56,810
1948	83,826	70,869	54,590
1949	93,244	74,997	56,257
1950	97,381	79,263	58,937
1951	100,586	85,540	62,269
1952	88,829	86,572	62,117
1953	77,914	74,368	51,755
1954	86,830	71,495	45,114
1955	95,729	81,051	50,474
1956	89,426	85,064	55,354
1957	87,362	78,636	51,897
1958	93,533	76,822	51,517
1959	99,395	87,606	58,045
1960	88,387	84,196	59,026
1961	93,035	82,050	55,443
1962	94,227	83,579	56,942
1963	[2] 94,518	[3] 86,500	58,636

[1] Including farm slaughter.

[2] Approximation based on farrowing intentions report for United States in June and for 10 States in September.

[3] Partly forecast.

Sources: U.S. Department of Agriculture, "Agricultural Statistics, 1962," p. 386; U.S. Department of Agriculture, Economic Research Service, "Livestock and Meat Statistics, 1962" (July 1963), p. 118; U.S. Department of Agriculture, Economic Research Service, "Livestock and Meat Situation" (November 1963), p. 25.

The increase is bound to have had a depressing effect on the price of pork, and hence on the demand for and the price of beef.

The expanded output of poultry meat that has taken place since World War II also affects the consumption and prices of other meats, including beef. However, the increased quantity has been consumed only at substantialy reduced prices. Since 1947, the prices of turkeys and chickens—in 1957–59 dollars—have trended downward 1.8 to 1.9 cents per pound per year. This reduction in prices, accompanied by an expansion of output, reflects increased efficiency in poultry production as new techniques and new forms of market organization have been put into operation. More recent declines have been set off by restricted export opportunities, especially in European Common Market countries.

In part then, the decline in beef prices since 1947 can be attributed to the decline in the prices of competing meats which has also taken place over this period. However, it should also be noted that the reduced price of beef has been accompanied by increased per capita consumption, which would probably have been somewhat smaller if prices had not fallen.

There is one added condition which warrants attention here. Since beef is the preferred meat in the United States, and since U.S. consumption does increase with rises in economic well-being or declines in prices, the timelag between a drop in slaughter prices and grocery store prices to the housewife becomes critical. If a shorter reaction time existed, cattle prices might be expected to stabilize more quickly.

CONCLUSION

A careful analysis of this very complicated subject leads invariably to certain rather clear conclusions.

First. The domestic livestock industry is currently the victim of both a long-term downward price trend and a short-term cyclical situation. The causes of and the solutions to these conditions are different and need to be distinguished if the industry's desire to remain free of Government control is to be protected.

Second. The long-term downward trend appears to be more directly associated with increased productivity in the livestock industry, as well as in competitive meat lines.

Third. The short-term cyclical situation appears to be more directly associated with the increase in annual domestic beef supply, larger supplies resulting from imports, an unsettled and discriminatory foreign market for U.S. products, and finally, a failure of the retail market price of beef to quickly parallel declines in slaughter prices.

Dissected in this fashion it is quite clear that there is no common remedy for all the individual ailments. Quotas or tariffs on imports will, for example, slow the downward, short-term, cyclical price trend, but historically these cycles have occurred independent of imports. Thus control of imports or higher tariffs may influence one factor of price decline, but will not provide the entire answer to the cyclical problem. These devices will have no material effect on the competition from poultry, hogs, and fish, nor will they offset the long-term downward trend resulting from increased productivity.

I have some fear that, if the industry and Members of Congress demand a remedy unsuited to the problem, the door to Government regulation of the industry will be open and the end result will be unacceptable.

For this reason, I suggest the use of a variety of devices, each short of Government control, to attack the problems I have identified. These may well be too slow for some, but I ask those who plead impatience, "What price freedom?"

RECOMMENDATIONS

I do not believe that the long-term downward trend in cattle prices is generally viewed with alarm. This trend reflects about a 2-percent increase in productivity each year. This development parallels increased efficiency in other agricultural lines and in industry. It is accepted because it is accompanied by sustained profits for the producer and a better, more readily available and higher quality product for the consumer. There is no disposition to interfere with this benefit of American ingenuity.

On the other hand, there are four areas which require attention to relieve the short-run cyclical condition which is currently so troublesome.

First. The long-term trend in cattle supply shows an increase in the size of the national beef herd. However, the size of the herd and the rate of slaughter varies over cycles of 7 to 8 years. Prices of cattle, barring external influences, reflect these same cycles. Because of increases in population and per capita consumption, and more especially because of better market data communication and transportation, these extremes in the cycles appear to be lessening in severity.

I believe that increased emphasis on market research and market data will be necessary to further diminish the negative impact of these cycles on the producers. The Department of Agriculture and the industry should give added attention immediately to practices which can further reduce the severity of the cyclical conditions.

Second. The preference of American consumers for beef, and the sensitive nature of price to demand emphasizes the important role the consumer can play in stabilizing cattle prices. When retail prices decline, consumer demand increases and adds some degree of stability to the market. The drop in slaughter prices is often hardly noticeable in retail prices and then only in relatively small and belated adjustments. The relationship of the farmers' sales price to the consumers' purchase price is a complicated one. Our marketing system has undergone significant changes, as recently pointed out by the President in his agriculture message. This area needs extensive analysis. The marketing's investigations initiated as a result of the President's proposal should include this particular problem. If not included, I will consider the introduction of legislation instructing a congressional committee or the proper agency to embark on such a study.

Third. Efforts should be increased to stimulate the demand for and use of domestic beef. I would urge that the Department of Agriculture review our exports of meat under Public Law 480. This approach to stabilizing beef prices would be much preferred to further compounding our agricultural problem by direct subsidies to producers or Government production controls.

I would suggest that the Department of Defense review its meat buying programs. Between 1960 and 1962, our Armed Forces increased by 200,000 persons but meat purchases by the Department of Defense declined by $1.3 million.

Fourth. Finally, shifting world trade patterns and agreements is a major factor influencing domestic cattle prices. I noted earlier the changing conditions resulting from Australian, New Zealand, United Kingdom, and Europeon Common Market relations. I also stated then that new developments in the world complicated the domestic price condition beyond past experience. Here is a good example. In the past, exporting nations withdrew from the American market when our domestic prices fell to the point where it was no longer profitable to ship beef to the United States. Without European markets, and with a resulting depressed livestock industry at home, is it not likely that Australia and New Zealand will continue exporting to the United States beyond the price point at which they formerly would have withdrawn? If they do continue, what will it mean to domestic prices and producers? It would appear easy to stop such imports, but then what would happen to the economy of allies with whom we are associated in the defense of southeast Asia? All of these questions must be considered in perspective and placed in terms of our national interest.

Now, I do not believe that the erection of artificial national barriers will provide any long-term solution to the problems with worldwide causes. We must attack the problem, not try to hide from it.

At the heart of this problem is the lack of a firm policy on the part of the administration as to what kind of an international victory we seek. The tug-of-war between the Department of Agriculture and the State Department goes on unaltered, and our domestic agriculture is caught in the middle. This no-decision condition leaves our producers without any reliable means of establishing estimates of future domestic needs and production.

It is time that this administration took a firm position on its trade and foreign policy. Congress, in good faith, responded to administration demands for a free-wheeling trade bill in 1962. We have been retreating and vacillating ever since. The administration must finally realize that it cannot make everyone in the world happy and prosperous with its policies, but it does have an obligation to its own citizens. It must state its policy for all to know and then press forward with its negotiations. Unless we open up these markets which have been unjustifiably closed for selfish national reasons, the beef problem—and a whole host of other problems—will be with us for a long, long time. The forthcoming round of trade negotiations, which begin in Geneva in May, offers a first opportunity to deal effectively with the problem. If this administration fails, the alternative becomes clear.

In case some question my impatience with the Department of Agriculture, I would like to document a case.

A delegation of American cattlemen touring Australia last September found that Australian cattle producers believed they were doing the United States a favor by sending us beef to overcome our shortage. Note that this was September 1963.

The Australians apparently secured the picture of an American beef shortage from Department of Agriculture personnel or statements which late last fall argued consistently that the United States was short of cow beef.

Following meetings between this delegation of American cattlemen and Australian producers and Government officials, legislation was introduced in the Australian Parliament to provide subsidies to Australian exporters who divert beef to nations other than the United States where prices were lower.

The problem is susceptible to negotiation. That is a proven fact. Why, then, has the Department and an administration which sheds so many tears for American agriculture allowed this situation to deteriorate to such a low level? Why has it failed to press for a remedy through one of the oldest and easiest techniques available to it? Negotiation.

The rapid decline in cattle prices and the significant increase in imports at the same time indicate that the problem may still become more acute. A delay in stabilizing the cattle market may well result in a disaster for a large segment of our agricultural economy. I, therefore, urge that the administration embark on negotiations with Australia, New Zealand, and other exporting nations to seek an immediate and voluntary agreement on the reduction of imports at a level which will stabilize the market. This must be done in a matter of weeks, not months or years. If such negotiations are not productive or if the administration fails to proceed, I urge the adoption of temporary import quotas to remain in effect until the world trade situation is further clarified as a result of the May round of trade negotiations.

Needless to say, there must be a sense of urgency to all of these steps. Studies should be initiated and completed in a matter of weeks, not months or years. The administration has had ample time to consider its agricultural and foreign policy stance as it approaches the new round of trade talks. The objectives should be made known for those whose business economy is in jeopardy. On the other hand, the industry, which we are all aware is under severe strain, must remain clearheaded and not hasten to sell itself into bondage for a price it has so long refused to pay.

JOSEPH P. KENNEDY, JR., FOUNDATION AWARD TO SENATOR LISTER HILL

Mr. WILLIAMS of New Jersey. Mr. President, last night the senior Senator from Alabama was given the Joseph P. Kennedy, Jr., Foundation Award for his tireless efforts and outstanding leadership in pioneering the fight against mental retardation. Senator Hill's efforts in behalf of the mentally ill developed out of a long and illustrious history of legislative achievement: the Hill-Burton program, the National Institutes of Health, and more recently, the development of the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963.

Senator Hill has become widely known in America as "Mr. Health"; yet the list of his legislative achievements cover a broad range of subjects and is almost endless.

His long career of public service has been the source of important landmarks in the history of our Nation's efforts to relieve suffering and improve the general condition of our citizens. I am sure my colleagues will join me in congratulating the senior Senator from Alabama.

INTER-AMERICAN PARLIAMENTARY CONFERENCE

Mr. HUMPHREY. Mr. President, I would like to call to the attention of my colleagues the meeting of the Inter-American Parliamentary Conference which is now underway in Washington. Approximately 70 of our distinguished parliamentary colleagues from Latin America have come to Washington for this Conference, which began Wednesday and will end on Friday.

I have long believed that a permanent Inter-American Parliamentary body including all of the countries of this hemisphere should be established, and should meet regularly. It should include not only the members of the present Inter-American affiliate of the International Parliamentary Union, but Mexico and Canada as well. I envisage a body similar to the NATO Parliamentarians Conference, with a planned agenda, permanent committees and a small permanent secretariat.

The present Inter-American Parliamentary Union has made a great contribution to Inter-American unity. It has brought U.S. Senators and Congressmen face to face with their Latin American colleagues to discuss difficult decisions confronting their respective countries. But we here have not fully realized the opportunities presented by such meetings. We are told that the Alliance for Progress needs a great political content. I believe this is true. To give it this political content, we need the active participation of Senators and Congressmen from the United States, as well as from Latin America. As I stated in my report on the Alliance for Progress last year, we should enlist the participation of all Senators in these interparliamentary conferences held here and in Latin America:

> Every Member of the Senate could be included in this program. There is no need for certain Senators to monopolize the opportunity of the exchange with other countries. For example, if 10 Senators are used for the Mexican trip, another 5 or more could go to Venezuela, another group to Brazil. This could be, of course, augmented by Members of the House.

On behalf of my colleagues in the Senate, I extend to our visiting friends a most warm welcome to Washington, to the U.S. Congress.

I ask that the following article from today's New York Times be inserted into the Record at this time: "Rusk Asks Latins To Spur Alliance."

There being no objection, the article was ordered to be printed in the Record, as follows:

Rusk Asks Latins To Spur Alliance—Exhorts Legislators at Start of Pan-American Parley

(By Henry Raymont)

Washington, February 5.—A meeting of Latin American legislators opened today in an atmosphere clouded by political tensions and disagreements over economic policies.

The gathering represented a wide spectrum of political views, including the Communist. Chile sent a Communist as a delegate.

The legislators are here for the third annual meeting of the Pan American Inter-Parliamentary Conference at the Pan American Union.

Secretary of State Dean Rusk, in a welcoming address, in the Council Chamber of the Organization of American States, urged them to provide greater political leadership for the Alliance for Progress.

But while Mr. Rusk discussed long-range problems of political and economic growth in broad, philosophical terms, the Latin American delegates were preparing resolutions to demand specific measures for the development of their nation's economies through greater financial assistance and better opportunities for exports.

DISCUSSES POLICY ON CUBA

Mr. Rusk, speaking extemporaneously, said that the nations of the Western Hemisphere had learned to impose restraints on raw power through parliamentary procedures.

Cuba, he said, has violated these procedures and threatened other nations, with subversion of the constitutional order. This was the reason the United States considered Cuba's alliance with communism "not negotiable," he said.

The Secretary made no reference to the United States dispute with Panama, which more than any other issue has commanded the attention of the Organization of American States for the last month. Three Panamanian deputies who had been scheduled to attend the conference were not present at the opening session.

Mr. Rusk's 20-minute speech received polite applause. Delegates complimented his eloquence and mood of quiet confidence, but they expressed dismay that nothing more specific had been said about the Johnson administration's policies in Latin America.

While most Latin American governments have strongly endorsed the Alliance for Progress, there has been skepticism about it in the parliaments, especially since the death of President Kennedy. The program, inspired by President Kennedy, seeks economic and social development in Latin America with the assistance of U.S. aid.

WILLIAM FOSTER AT GENEVA

Mr. HUMPHREY. Mr. President, I want to call attention to the fact that we have a most experienced negotiator heading our team currently in Geneva, in the arms-control, disarmament negotiations. William Foster, who heads our own Arms Control and Disarmament Agency, is also taking charge of our Geneva mission.

One of the most important elements of expertise involved in this field is that of negotiating technique itself. There is no substitute for experience in gaining this expertness. For 18 years, the Russians have had only a few people handle the top chore for their team. Not only do they keep continuity with their own inscrutable methods, but they have long memories for what went on in previous meetings. They have become skilled in maneuver and quick to try out old ideas on new opponents facing them. Through the years we have sent too many different team leaders to represent us. They have been able but it has so often taken them time to get on top of things.

Bill Foster has the longest experience of anyone in our Government. Even in his first role as head of an American delegation—at the Surprise Attack Conference in 1958—he acquitted himself with distinction. Bernard Bechoefer in a Brookings Institution study of the history of postwar arms control negotiations, notes that Foster was given a job, but no clear U.S. position, still he maneuvered a graceful conclusion at the conference for the United States.

Today Foster has a position of the U.S. Government to promote. He knows the field well. He knows his opposite numbers. As a distinguished public servant under four Presidents, he brings confidence and judgment as well as knowledge to the negotiating table.

I was glad to see a good column on William Foster, by Robert Estabrook in a recent issue of the Washington Post. I ask unanimous consent to include it in the CONGRESSIONAL RECORD, for the benefit of my colleagues.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

FOSTER'S PATIENCE FITS ARMS TALKS

(By Robert H. Estabrook)

GENEVA.—The soft-spoken, unassuming man who heads the American delegation to the disarmament conference here has what colleagues describe as a consuming interest in a war against war. But William C. Foster is no unrealistic visionary approaching an unattainable ideal. Few Americans have so detailed a background in the requirements of defense and national security combined with the patience required to make even small mutual gains with the Soviet Union.

Foster, who at a handsome 66 looks fully 10 years younger, has an unusual career behind him. During World War I he was an Army pilot. Between the wars he was in the pressed steel business. As an internationally minded Republican he came to Washington during World War II to assist the War Department in procurement.

As Under Secretary of Commerce in the Truman administration Foster recruited such eminent men as David K. E. Bruce back into the public service. He was deputy to Paul Hoffman in the Marshall plan and then himself became director of the Economic Cooperation Administration. During the Korean war he was back in the Pentagon as Deputy Secretary of Defense under another Republican, Robert A. Lovett.

At first the Eisenhower administration disregarded him, and Foster went back to private industry. But after the first Soviet sputnik he was asked to serve on a panel evaluating American defenses. He became the guiding spirit of the Gaither Report because of the illness and death of the nominal chairman. Later he was chairman of the American delegation at the conference on safeguards against surprise attack. Neither service brought him much thanks.

In 1961 President Kennedy asked Foster to become director of the reconstituted Arms Control and Disarmament Agency. He attended the protracted beginning of the present disarmament conference in March 1962. Thus in addition to his technical knowledge he has acquired considerable experience in diplomatic confrontation with the Russians.

Despite his service to Democratic administrations and his personal admiration for the way in which President Johnson has taken over executive leadership, Foster remains by preference a Republican. It is paradoxical that the strongest attacks on him and on the work of the Disarmament Agency come from the far right.

Some of this may represent the lingering effect of a coincidence of names. William Z. Foster was at one time chairman of the Communist Party of the United States. Even the French Communist newspaper L'Humanite fell into the trap when it exulted about a prominent Communist being named to the Marshall plan. Foster concedes that although he wished no evil for William Z., the latter's death brought him a certain relief.

But there is a pattern in the attacks many of which unhappily come from Texas. Persons of extreme right-wing views tend to regard any negotiations with the Soviet Union as tantamount to treason and to indicate that in even discussing arms control Foster is likely to give away the crown jewels. Nevertheless, polls conducted during the Kennedy administration showed that the nuclear test-ban treaty enjoys overwhelming popular approval.

Foster takes it philosophically, concluding merely that he is here to do a job to the best of his ability. He is mildly encouraged by the initial absence of polemics in the presentation by his Soviet counterpart, Semyon K. Tsarapkin, whom he finds at times personally agreeable. He thinks it "interesting" that the Soviet Union has restored the question of NATO-Warsaw Pact observer posts to the discussion even though this is coupled with a demand for a denuclearized zone in West and East Germany.

He also sees eventual possibility of agreement to halt the spread of nuclear weapons and to end production of fissionable materials for weapons purposes. Successful inspection of facilities already shut down might make it easier for the Soviet Union to accept inspection of a freeze on nuclear missiles.

But as a superbly rational man Foster has no illusions about arms control which is the necessary prerequisite for any measure of substantive disarmament. He knows that it is likely to be a long and tedious business—even though when the Soviet Union is ready to move, as on the test ban, agreement can come quickly and he must be prepared for every opportunity.

THE KENNEDY IMAGE IN LATIN AMERICA

Mr. HUMPHREY. Mr. President, probably nowhere in the world was the death of President Kennedy felt more profoundly than in Latin America. His passing was mourned by old and young, by rich and poor, by high government officials in the capitals and lowly peasants in the country. President Kennedy symbolized a new era in relations between the United States and Latin America, a new understanding of the problems of a continent in the throes of a social and economic revolution.

In Chile an important national federation of workers published a special edition of their newspaper dedicated to President Kennedy, proclaiming in bold headlines: "Though His Body Is Dead His Spirit Lingers On."

Another group that has felt deeply the impact of President Kennedy and his death is the rising generation of students, artists, writers, and intellectuals in Latin America. In Latin America as in the United States, President and Mrs. Kennedy had and still have a special appeal to younger people and people in the artistic, literary, and intellectual worlds. President Kennedy realized that the success of his grand strategy for cooperation with Latin America, the Alliance for Progress, depended on more than economic development. He realized that for the Alliance to succeed it must have a political content, an ideological substance. It must come to symbolize the hopes and aspirations of both the elites and the masses of Latin American people. President Kennedy himself was the symbol of the hope and imagination which is needed. As the symbol of hope and imagination, he is today a mythological hero among the people of Latin America. And this includes among the impatient, idealistic youth who have been and are even today strongly critical of certain aspects of North American life.

And it is significant that 2 days before his death, President Kennedy met at the White House with a group of young Latin American writers, artists and intellectuals which had been brought together by the Inter-American Committee for a symposium on problems of the hemisphere. He engaged in a wide-ranging discussion with them on problems of the Alliance for Progress. Following his meeting he arranged for them to continue the discussion with the Attorney General. Later that day it was my privilege to spend about an hour and a half here in the Senate with this group of brilliant, impatient, critical, and idealistic young people. Some of them would no doubt be considered radical. They are impatient with the older ruling groups of Latin America. They are intent upon seeing radical changes in their own societies. They ask uncomfortable questions and they demand penetrating answers. It was part of President Kennedy's accomplishment to recognize that their questions cannot go unanswered, that indeed they themselves will play a major role in shaping the institutions of their societies in the decades ahead.

One of the group that met with President Kennedy has written one of the most moving tributes to the late President that has appeared. Writing in the current issue of Americas, Dr. Rafael Squirru, a dynamic young Argentine artist and writer who is now providing bold new leadership in the Department of Cultural Affairs at OAS, describes the "deeper reality" that President Kennedy represented for his generation of Latin American people. Part of President Kennedy's appeal in Latin America, Dr. Squirru notes, lay in the mythical quality that surrounded his person. Even before his death Mr. Kennedy had left the aura of a mythical figure—a man who would bring peace to the world, who would launch a program of help to foreign countries that would give them opportunity to achieve their destiny in dignity and freedom. As the author of this article perceptively remarks, President Kennedy is revered not only for what he accomplished in physical and material terms through the Alliance for Progress, but more so for what he inspired in terms of hope and imagination for the peoples of Latin America. Men like President Kennedy, the author tells us, are often revered like gods. This is because it is the one way that men have of expressing "the gratitude that men feel for those who have lightened their burden, all too oppressive, all too insipid, all too dull without that ray of light that myth kindles."

For those who would like to appreciate the reaction of the leaders of Latin America to President Kennedy's death I commend this article entitled "A Deeper Reality" by Dr. Rafael Squirru to their attention, and ask that it be inserted in the RECORD at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A DEEPER REALITY

(By Rafael Squirru)

Among the books published during 1963 that created a stir in the United States is one entitled "J.F.K.: The Man and the Myth," by an author whose name I do not recall. The most important thing about this book, I believe, is the title—"The Man and the Myth"—and I suppose that what the author implies is that one thing is the myth created by Mr. Kennedy and another quite different thing is the man himself. It is precisely the impossibility of divorcing these two factors that makes me wary of the criticism implied by the author. The whole key to the understanding of a personality such as that of the late President of the United States is precisely that of grasping the total identity between man and myth. And this requires realizing the significance of myth in general and what it implies. There is a superficial notion that myth is something equivalent to nonreality, to make-believe, to nontruth; a notion springing from despising the value of the imagination as opposed to that of reason and analytical knowledge. The whole point of mythology is that not only is it not removed from reality but that on the contrary it is a way of penetrating a deeper reality than that of the factual world.

If it be true, as I believe it is, that Mr. Kennedy created a myth regarding himself as a public figure, the lesson to be derived from the achievement is not one of disparagement regarding Mr. Kennedy's conduct but on the contrary one of deep admiration for a man able to transcend inert reality and enter the living reality of the imagination and poetry.

I find it extremely significant that Mr. Kennedy was used quite often by pop artists in many of their works as the kind of image that coincided with the sensibility which this school displays. The central point about pop art in the United States, the main preoccupation of this group of creators, is that of the all too thin frontier that separates art from reality, understood as everyday reality. The pop artist is obsessed with the presence of art in everyday life and of life in everyday art. He will take a comic strip and almost without changing it he will endow it with a subtle quality that transforms a craftsman's drawing into one of valid esthetic quality worthy of the name of art. Art is and will always be inseparable from personality; that is, the personality of the artist, which can manifest itself in such a way as to become, though present, hidden in the work of art. This hiding of the personality is an important characteristic in the classical world: the artist, apparently purporting to portray nature, conceals himself through the use of forms familiar to the eye, which has led many to believe that art was but a reproduction of something that was already there. I say it is symptomatic of the personality of Mr. Kennedy that his image should have been validly appropriated and used by the pop artists as one where factual reality and the world of dream actually met.

Although I met President Kennedy only twice, I was very much impressed by the mythical quality that surrounded his person like an aura not easily grasped by the physiological eye. Mr. Kennedy moved in a world of dream because he himself was partly dream. He played the part of Mr. Kennedy so well that, in fact, to a great extent he actually became Mr. Kennedy, and when I say this I mean the Mr. Kennedy of his own dream; this man who would bring peace to the world, who would launch a program of help to foreign countries that would give them the opportunity to achieve their destiny in dignity and freedom. Perhaps it is true, as many critics say, that none of these high goals was actually accomplished, but it would be more true to say that a much higher accomplishment was reached: these goals fired the imagination of those to whom he promised this kind of redemption.

That Mr. Kennedy is idolized by millions in different parts of the world today is a fact that ought to make us stop and think. After all—and at the risk of being considered a cynic or a skeptic—the truth is that what can be done for man to better his lot is always rather little. What really counts is not so much, therefore, what can be achieved in a material sense as what can be reached in terms of hope and imagination. The human being is frail and needs this daily bread even more than that of flour and crumb. We must be thankful for those who have had the power to create myth. Mankind has often revered them like gods themselves and this is no idle caprice of the human soul. It is one way of expressing the gratitude that men feel for those who have lightened their burdens, all too oppressive, all too insipid, all too dull without that ray of light that myth kindles.

Whoever wishes to analyze Mr. Kennedy through the microscope will fail to see him because he can be seen only through the telescope. It is in the world of the stars that such men exist, and it is up and not down that we must look to find them.

Mr. HUMPHREY. Mr. President, I would also like to call to the attention of my colleagues another excellent article appearing in the same edition of Americas, devoted to President Kennedy. In this article, Americas, which is rapidly becoming an important medium of communication between younger writers in North and South America, brings together the reaction of six men who were familiar with President Kennedy's work in the Latin America area, and gives their comments about "What was Kennedy's greatest accomplishment?" The reaction of these six people, chiefly North Americans and many who worked with President Kennedy in the Alliance for Progress program is very similar to that of the younger Latin Americans whose views I referred to earlier. They comment on the "atmosphere he created on the idealism he imparted to all, the climate of opinion he left behind him wherever he went."

As his colleague and friend Arthur Schlesinger, Jr., says, President Kennedy gave the United States a new conception of itself—or rather he was able to "revive for our age the oldest conception of this Nation, as a young, resolute and progressive democracy dedicated to certain self-evident truths—that all men are created equal, that they are endowed by their Creator with unalienable rights, and that among those rights are life, liberty, and the pursuit of happiness."

Mr. President, I ask that this article be inserted into the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT WAS KENNEDY'S GREATEST ACCOMPLISHMENT?—SIX REPLIES TO A QUESTION FROM AMERICAS ASKED ON NOVEMBER 27, 1963

Richard L. Coe, drama editor, the Washington Post: "Invisible, evanescent is the world's most potent force. Though the Americas were thousands of miles from conflict, all were aware of World War II's events, all can sense cold war attitudes. This force is called atmosphere, felt, unseen.

"It was this invisible, unweighable substance John F. Kennedy created and which historians will never fully grasp. It followed an atmosphere of which his predecessor, Dwight D. Eisenhower, can take pride, a climate of peace but nonetheless curiously self-satisfied, a fullness of age.

"Though it was dramatically vivid seconds after one knew he had gone, President Kennedy's peace was of a different kind—dynamic, questing. It was a peace of youthful idealism, the avowal that if right were done, right would result. This implies values in excellence.

"This value of excellence, whether in balancing international claims, winning elections, honoring artists or collecting stimulating companions quickened the world of John F. Kennedy.

"It was a sense of quality, a shirt stud or a witticism, a strong stand or gracious tribute, which gave his brief era that sense of distinction historians are likely not to see when they assay the accomplishments of President Kennedy. New climates will intervene. His was morning sunshine."

Richard N. Goodwin, Secretary General, International Peace Corps Secretariat: "His greatest accomplishment was that he gave us the strength to believe we were better than we had thought."

Teodoro Moscoso, U.S. Coordinator, Alliance for Progress: "We are still too much in the grip of the tragedy that befell us on November 22 to judge what were the most significant of John F. Kennedy's accomplishments. The clouded eye of the present cannot separate them, nor decide among them. That they were substantial—and will be enduring—few even now can doubt.

"To his times, he gave style, skill, and deep intelligence. He sensed drift—and gave a firm direction—in an era of subtle and complex change. He fought for civil rights, for education and against human misery and backwardness. He helped abate the threat of nuclear war.

"But for me, his understanding of the problems of our time was most convincingly demonstrated in his efforts to strengthen and give a new resilience to the ties among the nations of the New World—ties that had been allowed to slacken and chafe thin in the years since World War II. Through the Alliance for Progress, he gave new dimensions to the inter-American system. His legacy, in this hemisphere, is a continent committed to change and to the goals of prosperity and social justice in freedom."

Norman Podhoretz, editor, Commentary: "In my opinion, President Kennedy's most important accomplishment was his success in negotiating an atomic test ban. I believe that this treaty will come to be seen as the first significant step in the direction of arms control, and perhaps also the first notable move in the direction of a workable Soviet-American rapprochement."

Arthur Schlesinger, Jr., Special Assistant to the President: "Perhaps John Fitzgerald Kennedy's basic accomplishment as President was to give the United States a new conception of itself—or rather a revive for our age of the oldest conception of this Nation, as a young, resolute, and progressive democracy dedicated to certain self-evident truths—that all men are created equal, that they are endowed by their Creator with unalienable rights, and that among those rights are life, liberty, and the pursuit of happiness.

"In President Kennedy's view this was what the United States was all about—this was the American commitment, and not just to the American people but to all mankind. Thus he led the great campaign within the United States to assure equal rights to all American citizens, regardless of race or color. And, as he called for progress and justice at home, so he saw the United States as the bearer to the world of a revolutionary faith

> in freedom and diversity and as the shield and partner of all free nations in the tasks of liberty, abundance, and peace. It was this vision which strengthened his determination to help all nations defend their independence against aggression and which animated the great creative programs of his administration—the Alliance for Progress, the Peace Corps, the test ban treaty, and the disarmament effort, and the new emphasis on cultural and intellectual exchange."
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> Arturo Morales Carrión, Deputy Assistant Secretary for Inter-American Affairs: "It is too early to tell, in view of his many initiatives. His masterful handling of the Cuban missile crisis will mark him, in my opinion, as a great statesman. His concern for economic development and social justice will show him to be a true humanitarian. He will also be remembered for having 'rediscovered' Latin America as a partner of the Western World and for having felt so deeply and supported so strongly the aspirations and hopes of the peoples of our hemisphere."

DR. S. DILLON RIPLEY II, SECRETARY OF THE SMITHSONIAN INSTITUTION

Mr. PELL. Mr. President, I think we are most fortunate indeed to have Dr. S. Dillon Ripley II as the eighth Secretary of the Smithsonian Institution and I am sure that my colleagues would like to join me in welcoming him today as he assumes his new responsibilities. Dr. Ripley, for the past 4 years director of the Peabody Museum of Natural History at Yale University, brings to the Smithsonian a wide range of experience in research and education.

I would just mention here some of this background as it is certainly interesting and varied. Born in New York City in 1913, Dr. Ripley graduated from Yale in 1936 and in 1943 received a Ph. D. in zoology from Harvard. An internationally respected specialist in ornithology, he has served on the staff of the Academy of Natural Sciences of Philadelphia and the American Museum of Natural History in New York. He has been a faculty member at both Harvard and Yale Universities.

Author of five books and many technical articles, Dr. Ripley has served as a fellow of the National Science Foundation and has held both Fulbright and Guggenheim fellowships. He has made numerous expeditions in southern Asia, the South Pacific, India, and Nepal, and was attached, as a civilian, to an OSS unit of the southeast Asia command under Maj. Gen. William J. Donovan during World War II. General Donovan ascribed to Dr. Ripley qualities of "experience and imagination, resourcefulness, energy, and tenacity," qualities which should greatly assist the Smithsonian's new Secretary in carrying forward its undertakings in this important period of development. He is also known by his associates as "an untiring worker" whose "New England frugality" has also occasionally been remarked upon.

For my part, I am constantly impressed by the tremendous scope of the Smithsonian's ever-widening assortment of resources, museums, galleries, priceless collections, and its superb technical and research staff. With a collection of over 57 million specimens, voluminous publications amounting to about 12 million copies—and parts—distributed, and participation in at least 2,000 separate expeditions to all parts of the earth, it is still difficult to describe the magnitude of its operations. However, as such, it is surely one of the Nation's most significant assets with enormous potential. I am hopeful that its full potential can and will be realized, for, in the words of Dr. Ripley:

> In the realm of the humanities, in art and the history of our culture, as well as in a variety of sciences ranging from the study of the ocean, of space and the natural sciences, it is implicit that the Smithsonian should assume a commanding position in education as well as leadership in the museum world. We cannot afford to overlook any possibility of increasing and diffusing knowledge among our people, young and old, at all levels—from exhibits and museum lectures and demonstrations to postgraduate specialized research. Museums and their technical resources are important as never before in these days of crisis in education.

I am sympathetic with his thought that "a museum should be considered as a company of scholars and not only a rather fossilized exhibit" and I concur with the hope he has expressed that it will be possible to broaden the Smithsonian's traditional cooperation with museums throughout the world.

In his new challenge and endeavor I feel certain we would wish Dr. Ripley every success.

INTERNATIONAL EXCHANGE OF DATA ON SCIENTIFIC RESEARCH PROJECTS

Mr. PELL. Mr. President, on January 18, 1964, President Johnson in an address dedicating the new National Geographic Society headquarters urged a world pooling of scientific knowledge. In the President's words:

> Commonsense dictates that all nations lend their learning to all other nations. This is a loan in which the science of all nations is the beneficiary and the good of all mankind is advanced.

I completely concur with President Johnson in this proposal, and commend him highly for his farsightedness and leadership. It is indicative, I believe, of this Nation's traditional willingness to cooperate in the advancement of those things which in turn will benefit all people.

The Smithsonian Institution has under its direction the Science Information Exchange which acts as a clearinghouse for information on current scientific research actually in progress. The exchange, directed very capably by Dr. Monroe E. Freeman, collects data on medical research, the biological sciences, psychology, sociology, chemistry, physics, mathematics, earth sciences, engineering sciences, materials and electronics. These data are collected from over 100 agencies, including Government agencies, national foundations, universities, State and local governments, and individuals. The purpose is to determine in the field of current research, who is doing what, where, and with what support.

Once the data is collected it is reduced to a single page "Notice of Research Project," containing: First, name of the grant agency; second, names and addresses of principal and associate investigators; third, location of the work; fourth, title; fifth, a 200-word summary, and sixth, the amount and duration of the grant or contract.

The information is then organized and filed on computer tape and in visable files in essentially four basic categories: Names, locations, agency programs and subject matter. It is then readily available when requested.

The importance of the Exchange rests in its being the center of information on much of the current research being conducted in this country. And this information is available to all persons on request.

The Science Information Exchange is one of the most productive programs we have. It enables researchers to quickly find out who else may be working on the same or a similar project, thus promoting cooperative effort and often eliminating unnecessary duplication. It is both a moneysaving operation and a centralized information center.

I am presently studying the possibility of an international effort in this area. The Exchange could well serve as a guide and possibly the focal point of such an endeavor.

An International Science Information Exchange, perhaps under the auspices of the United Nations, could collect data on contemplated and current research from countries throughout the world. This information, available to researchers throughout the world, would be the first step in the promotion of President Johnson's world science pool, and also the basis for the actual sharing of research by individuals and countries.

Organizationally, the International Exchange should have one large center where the data can be filed and placed on computer tapes. Regional offices, perhaps one on every continent, could collect data and also act as liaison for those researchers in that area who need or request information.

Every effort we make in the field of international cooperation promotes better understanding between the nations of the world. In this instance, the creation of an International Science Information Exchange would be doubly beneficial, for it would form the basis for cooperative efforts in the sciences and international advancement in these areas. As President Johnson said:

> The more we share with each other, the less we misunderstand each other.

And I might add, the less we misunderstand each other, the better the possibility for a peaceful world.

SENATOR PELL'S PLAN

Mr. WILLIAMS of New Jersey. Mr. President, I would like to call the attention of the Senate to a most interesting and stimulating speech made by one of our distinguished colleagues, the junior Senator from Rhode Island [Mr. PELL] to the recent National Conference on Urban Transportation, meeting here in Washington.

I myself have a longstanding interest in finding some solution for the traffic problem facing our Nation, and was happy to have Senator Pell's cosponsorship of S. 6, which is designed to help preserve and improve essential rail and bus service in our urban areas.

Senator Pell has also performed a valuable service in calling attention to the transportation problems that face the huge megalopolis stretching between Boston and Washington.

He points out the importance of revitalizing high-speed rail service to link this giant megalopolis together, especially in the face of increasing highway and air congestion. And I believe that Senator Pell's plan warrants the most careful consideration of everyone interested in the problems of the eastern seaboard and in the future complications which will surely come with the burgeoning of roads, rails, and population in this area.

Therefore, I request unanimous consent that the speech be entered in the Record at this point.

There being no objection, the speech was ordered to be printed in the Record, as follows:

SPEECH BY SENATOR CLAIBORNE PELL, DEMOCRAT, OF RHODE ISLAND, AT OPENING DINNER, NATIONAL CONFERENCE ON URBAN PASSENGER TRANSPORTATION, SPONSORED BY THE CHAMBER OF COMMERCE OF THE UNITED STATES, WASHINGTON, D.C., JANUARY 29, 1964

Hamlet's lament that "the time is out of joint" has a special ring of truth to those of us who, caught in the midst of today's myriad and vexing requirements for haste and convenient dispatch, look—longingly and in vain—for an appropriate means of transportation.

Think how often each one of us has been behind schedule, peering anxiously at our watches—standing still on a crowded highway, or rushing toward an airport, or riding a railroad train which we feel should carry us much more rapidly to our destination or which, at the very least, should arrive on schedule. Time is certainly out of joint.

I know that your president, Mr. Neilan, has voiced opinions that our times remain considerably disjointed and that we confront ocean-sized problems in areas of our national life. I admire and have a high regard for Mr. Neilan. I agree with him particularly when he says that our problems must be solved by intelligent research and planning. And these should stem, as Mr. Neilan has emphasized, from the private sector of our Nation and our economy insofar as is possible—assuming, as I'm sure we both do, that, if the private sector is unable or unwilling to solve them and the problems remain acute, then Government has a responsibility to try and find a solution.

I would like to call your attention here tonight to a problem of increasing acuteness in the transportation field which is already demanding attention from the Federal Government, and that is the problem of regional or intercity transportation—the trunkline transportation systems which link the central cities of our vast metropolitan areas. I would like to emphasize at the outset the stress on the prefix "inter" as opposed to "intra" when applied to transportation problems. The intracity transportation problem, more commonly referred to as mass transit or commuter transportation, can be attacked effectively, I believe, by Senator Harrison Williams' mass transit bill, of which I am a cosponsor and for which I voted in the Senate. But the problem to which I call your attention tonight is somewhat broader in nature and, I believe, can be solved by somewhat different means. It is, in brief, the problem of keeping open the main arteries of movement between our central cities as our population swells and as the spaces between these cities diminishes and the vast metropolitan areas merge together. To bring the problem into closer focus, I would like to present to you this evening a few facts and figures about our new urbanized countryside and about the shape it is likely to assume in the future.

In the past few years, scholars and statisticians have suddenly drawn attention to a phenomenon that had long been apparent to air travelers over our Northeastern States—this is that most of us in the northeast coastal region are residents of a supercity, the expanse of which has never before been witnessed on this earth. The scholars have given our giant city a name—they call it Megalopolis—and they have dissected it and studied it and measured it from every angle. Some of their findings make very interesting reading indeed.

For one thing, our area is no longer a series of compact, independent communities. To be sure, the string of great urban centers still marches up the seaboard from Washington to Boston, but there no longer are many open spaces in between. Just as Boston is reaching out to touch the expanding rim of greater Providence, so too is every central city in the nine-State area pushing out to meet its neighbor. Over the 400-mile axis from Boston to Washington there stretches an unbroken chain of urban counties, with population well over 100 per square mile, and, of course, many with populations of over 1,000 per square mile. As yet, there is no other high density belt of this extent in the Nation—although there will be competitors all too soon. The 1960 census puts the total population of Megalopolis at 37 million—about 20 percent of the Nation's total—living on 1.4 percent of the Nation's land. The area encompasses nearly 30 percent of the Nation's manufacturing operations and 21 percent of the Nation's retail establishments.

If fluidity of movement in this complex area is a problem in the 1960's, it only promises to get worse in the decades to come. If the population increases at its present pace in the magalopolitan corridor, it will swell to 64.9 million by the year 2000 The boundaries of the metropolitan areas will have interlocked even more solidly and expanded to the west. Nearly twice as many people will be converging on the metropolitan centers and our present heavily taxed facilities will be largely obsolete. At the very same time, however, there will be all the more need for fluidity, for as the area becomes a more nearly homogeneous urban belt, the interdependence of its parts will become all the more apparent. More and more businessmen from Boston, New York, and Baltimore will find their operations extending to further and further corners of the supercity, necessitating quick communication for efficient management. More and more families will find themselves spread over the whole extent of the vast metropolis and more and more of them will want new facilities to help speed them from the clutches of Megalopolis to our recreational areas in the hinterlands. In the two decades ending in 1980, intercity travel in the corridor may increase by as much as 195 percent, according to current estimates.

We, who already all too often find ourselves trafficbound and fogbound might well ask just how this increase is going to be accommodated. The question, I believe, actually represents one of the greatest challenges to our ingenuity. The problems of our megalopolis actually present a great opportunity, and we megalopolitan dwellers should show the Nation how to take advantage of it.

We have witnessed in the past 18 years since World War II phenomenal developments in the field of highway engineering, automobile ownership, safe air service, and efficient and economical bus transportation. These developments are serving us well and we should do all we can to preserve them. But we have already reached the point, it seems to me, where we can see some inherent limitations to these developments. Our highway system in some areas is overbuilt, monopolizing an excessive portion of our valuable and costly urban area, often without adequate planning for its overall economic and social impact. It has been estimated, for example, that at least 50 percent—and possibly as much as 68 percent—of surface space in downtown Los Angeles is devoted to vehicle movement and storage.

And, as overbuilt as some of these arteries are, it is patently clear that they already are strangling themselves with the torrent of vehicular traffic which they are helping to generate. Nationwide, it is estimated that 92 percent of travel expenditures go for automobile transportation. In the corridor, random, and as yet incomplete surveys, show that at least 60 percent of intercity traffic is by auto at present.

There are limits, too, in the air. Our air lanes already are too crowded for comfort in some of our bigger metropolitan areas, and our more modern airports are being built so far from the metropolitan centers that they are of most use only to the very long-haul passengers.

It is at this point it seems to me that the role of the railroads emerges into new focus. After a period of dormancy and decline, during the flowering of the automotive age, the rails, I believe, must be called from retirement, as it were, to fulfill a new and greater destiny. A few cold statistics tell why. It takes 80 lanes of highways to carry the same number of people in 1 hour as can be carried on two tracks of rails. Or putting it another way, trains running on a single track can carry from 40,000 to 60,000 persons per hour, as opposed to a capacity of 1,600 persons per hour on a single lane of highway. Clearly, the railroads will play a key role in our crowded society of the future.

It seems to me, therefore, that the time to act is now while we still have some rail facilities to save and rejuvenate for growing demands of the future.

We from New England in particular need to act fast because we already are seeing the handwriting on the wall. We have an ailing railroad system that could very well slip out of sight virtually on the eve of the new era of opportunity.

The compound difficulties that have plagued the New Haven railroad have forced the line to contract and shrink its services instead of attempting to compete for passenger business in modern terms. And this in turn has led to fewer passengers and bigger passenger deficits. On tracks used by 2,522 passengers cars in 1910, only 1,142 passenger cars were in service in 1960. Passenger volume in 1960 stood at 37 percent of what it had been 50 years before. And of the $11.5 million deficit incurred by the New Haven in 1962, $10.8 million was attributed to passenger operations, and most of that to long-haul operations.

Yet, as vital as rail service can be for your community and mine at present, all indications are that it may become even more indispensable in the years to come. Recent estimates show, for example, that even if there is no improvement in rail passenger service by 1980, rail passenger patronage in the megalopolitan corridor will increase by 122 percent in the decades of the sixties and seventies. And if the service is improved to the slightest degree, the improvement would result in a much greater proportional increase in patronage. One estimate is that a 1-percent increase in speed would generate a 4-percent increase in patronage.

Abandonment of our rail services thus would create havoc with our present economy and would spread confusion far into the future when the need for them will be even greater. Our job then is clear. We must either catch the faltering lines and rejuvenate them, or if they fail, we must rebuild them from scratch.

Many remedies have been suggested and many still remain to be tried, but I would like to take the few minutes remaining to tell you about a proposal which I have advanced and which I believe could have important ramifications for the survival of all our rail systems.

My proposal, first introduced in 1962 and reintroduced in the 88th Congress as Senate Joint Resolution 18, would simply grant the consent of Congress to the creation of an interstate authority empowered to modernize and operate rail passenger service from Boston to Washington—the whole extent of the megalopolitan corridor. It is my thought that this authority would be able to remedy the chronic weakness of nearly all our railroads—namely their inability to devote sufficient new capital to the development and innovations which are needed to make them competitive in the modern era.

The public authority which I propose would not need or receive any outright subsidy of Federal or State funds, but it would need the backing of a Government guarantee of at least a portion of its obligations. With this backing, the authority could issue low interest, tax-free bonds on the private bond market to finance the new equipment which the rail lines need to offer competitive service.

Fortunately, we have been given a shining example in recent months of just what kind of equipment would be needed. The National Railroads of Japan, confronted with very much the same sort of a megalopolitan complex on Japan's own eastern seaboard between Tokyo and Osaka, have undertaken a bold new development in railroad engineering. Starting almost from scratch, the Japanese are building a wholly new rail line over the 310-mile route between the two cities. The new Tokaido line, which will open later this year, will offer 100-mile-an-hour express passenger service, with trains reaching peaks of over 120 miles per hour. Completely electrified and double tracked, it will offer overnight freight service between the two terminal cities during the night hours when passenger traffic is light. Its sleek, bullet-shaped trains will ride on rails welded in lengths of up to a mile and a half and mounted on ties of prestressed concrete. The new right-of-way is as straight as possible with 80 tunnels through geographic land features, and high radius turns to allow for the highest speeds at maximum safety. I am happy to report that the development of the Tokaido line already has attracted the interest of many transportation officials in Washington, as well as officers of U.S. railroads, among them the Pennsylvania.

There are, to be sure, some important differences in circumstances between the railroads of Japan and those of the United States. One is that Japan's railroads are run as a Government enterprise by a nationalized corporation. Another is that the Japanese railroads enjoy what we might call a saturation market. As anyone who has ridden a Japanese commuter or excursion train knows full well, there are more than ample customers to support the service. The railroads in the northeast megalopolis do not have either a saturation market or a nationalized management, and I do not want to leave the slightest suggestion that they should.

I do believe, however, that we can benefit from the technological advances which these particular circumstances have stimulated in Japan. We should take the Tokaido line as a model and a goal on which we can set our sights in modernizing American rail service.

There are, of course, many ways in which we should improve our service. We need cleaner cars, more frequent service, and service that runs on schedule. It would be pleasant, too, if our trains were equipped, as are European trains, with stenographic service, barber shops, and long-distance telephone facilities.

The basic improvement, however, and the one on which the very survival of rail service depends, is increased speed of operation. While the railroads cannot, of course, compete with jet air speeds on transcontinental runs, there are obvious limits to the efficiency of air travel over short and medium range hauls in our highly urbanized areas. Here, it seems to me, is where our megalopolitan railroads must come into their own. We should take as an absolute minimum goal the establishment of service averaging 100 miles per hour up and down the megalopolitan corridor. This would cut train travel time between Boston and Washington to approximately 4 hours. Reliable city-to-city service on this basis, it seems to me, might have great appeal to all of us who have been caught in traffic jams en route to suburban airports or who have frittered away valuable business time waiting for the weather to change.

Clearly, though, the modernization required for competitive, adequate rail service is going to be costly. One current estimate indicates that basic renovations to allow 100 m.p.h. service in the corridor from Washington to Boston will cost in the vicinity of $1 billion. Other estimates, involving more elaborate reconstruction, run as high as $2.5 billion.

It is my belief that this job is almost too big for the existing private operators of rail service. The best alternative, to my mind, is a public authority which will be vested with the public interest but which will in effect stand between the private operators, on the one hand, and the Federal and State governments, on the other. The prime mission of the authority would be to provide new right-of-way and new rolling stock. Once the capital improvements are made, it could leave operations to contract arrangements with the existing private companies.

It is my further belief that such an authority could amass the necessary capital through the private money market providing that a portion of its obligations are guaranteed by the Federal Government. With such a guarantee, these obligations would carry a favorable triple A rating with relatively long terms and low rates. It is my estimate that the total carrying charges on a billion dollar investment for a megalopolitan authority could be held to $50 million a year and that maintenance and operation costs of the improved service would amount to another $50 million. But I believe that these total annual costs of over $100 million could be more than covered by passenger revenues generated by the increased volume of passengers at a fare rate of 5 cents per mile.

I might say parenthetically, at this point, that there are many precedents for Government guarantees of loans and financing plans to further projects vested with public interest. Many of these precedents are in the field of transportation. The Civil Aeronautics Board, for example, guarantees loans up to $5 million per airline for the purchase of new aircraft. The Maritime Administration insures private construction loans and mortgages on most types of passenger- and freight-carrying vessels. And we have had, under the Transportation Act of 1958, a loan guarantee program for railroads administered by the Interstate Commerce Commission.

I am delighted to be able to report to you this evening that my idea is moving along and gathering support. I hope you gentlemen will help make it move faster. Not only has my bill provoked considerable public debate, but it also has prompted an official study of megalopolitan transportation problems in the Department of Commerce. The study began last summer and a final report is expected next June. Congress has provided an appropriation of $2 million for transportation research in the current fiscal year and nearly half of the funds are to be used for the megalopolitan study. Richardson Dilworth is doing an excellent job as chairman of the northeast transportation study following this problem.

This may sound like an excessive investment in research by the Federal Government, but I am convinced that it is a most worthwhile expenditure and one which we cannot avoid, simply because there is no alternative effort in the private sector of the economy. The National Academy of Sciences reported last summer that U.S. railroads are spending only $7 on research out of every $10,000 received from gross operating revenues, at a time when 58.5 percent of our rail passenger cars are over 30 years old.

The research now being undertaken in the Department of Commerce is being done on a contract basis by private research organizations. In general, the researchers are trying to look ahead to the year 1980 to determine how many people will be traveling up and down our megalopolitan corridor and to predict which mode of transportation they will use, assuming varying degrees of improvement in facilities. Because our various modes of transportation are interdependent and because we need to chart the full range of competitive possibilities, the study has gone far beyond the problem of railroads and has concentrated in addition on the future development of aircraft and highway transportation in the corridor. At present, for example, the researchers are taking a hard look at the prospects for vertical aircraft to serve our crowded metropolitan areas and at the possibility of automatically controlled traffic flow to make more efficient use of our superhighways. We need to know how much of the corridor's future passenger traffic these developments can be expected to accommodate and we need to be fully aware of their implications for the railroads before we plan a commitment of resources to new development.

Although the findings of the study to date have not been made public, it is my personal belief that they will confirm and justify the proposition that our railroads should be preserved and that the only way to save them is through bold innovation rather than through timid retreat and atrophy. And it is my hope, also, that the study may actually endorse my plan or one like it for a public authority to serve as the agency for reconstruction.

There is one further thought I would like to leave with you tonight and that is the certain fact that the problems of our northeast megalopolis are going to become national in scope in the foreseeable future. At the risk of burdening you with additional facts, I would ask you to consider briefly, in conclusion, some new data drawn together by the Urban Land Institute, which indicates how other megalopolitan areas are already beginning to appear across the land.

The second largest burgeoning urban complex, for example, extends some 300 miles from Green Bay, Wis., along the shores of Lake Michigan through Chicago and on to South Bend, Ind. It contains 9½ million people, and is growing by more than 20 percent per decade.

A third developing megalopolis is in southern California. It embraces Los Angeles, contains just over 9 million people, and is very close to juncture with the San Francisco area population belt, containing 4.6 million inhabitants. The California growth rate is even more rapid than in the Midwest, the combined average of the two California urban regions topping 35 percent per decade.

Two other vast urban complexes—one running from Pittsburgh to Cleveland and east along Lake Erie to Buffalo and beyond, and the other centering around Detroit and southern Michigan—are almost linked together, and between them contain a population of over 13 million, which is expected to increase to 18 million by the year 1980.

Other such complexes are developing in the Puget Sound area, between Portland and Seattle; through central Colorado; between St. Louis and Kansas City in Missouri; in Texas, between Dallas, Forth Worth, and San Antonio, and in the Houston region; in Florida, between Jacksonville and Miami and across to the gulf coast; through a 200-mile-long strip in central North Carolina. Branching westward from the original northeastern complex are the clustering cities of Albany, Utica, Syracuse, and Rochester, the rising densities of their populations already presaging an expansion of our present megalopolis into a huge rectangle of population concentration, running from Maine to Virginia, west into Ohio and then northeast into New York State and east to Massachusetts. And this in time will merge with the giants to the west around Chicago.

In 1960, these 21 intermeshing urban regions contained almost 100 million people, over half the U.S. total, with an average population density almost 20 times higher than the rest of the Nation, and were growing at a rate of more than twice the average for the rest of the Nation. In land area they comprise less than 6 percent of our national total.

All these figures indicate one unavoidable fact and that is simply that freedom of movement is going to become more and more complicated for most of us in the years which lie ahead. Each of the new urban complexes is going to suffer from common patterns of congestion and immobility. For this reason, if for no other, the rest of the Nation will be watching with interest to see how we in the first megalopolis solve our problems.

I stress these national implications of my plan here today because I appreciate the fact that you of the chamber of commerce are a truly national federation with a nationwide constituency and nationwide interests. It occurs to me, for this reason, that your membership, and particularly your transportation and communication committee, may wish to give special consideration to the nationwide problem which is sure to confront us with more and more urgency in the years ahead, and that you may wish in particular to consider the steps which we in the pilot area can take to show the way to future progress. I hope you may find yourself in sympathy with my proposal. But, at the very least, I believe we should all be receptive to the widest range of new thinking on the problems of the future. We must think, and discuss, and plan, and move.

It is in this spirit that I thank you for inviting me to be with you and wish you all good luck in the conference for which you have gathered.

ORDER DISPENSING WITH MORNING BUSINESS TOMORROW

Mr. SMATHERS. Mr. President, I ask unanimous consent that tomorrow routine morning business be dispensed with, and that the Senate continue with its consideration of the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. SMATHERS. Mr. President, if there is no further business to come before the Senate, I move, pursuant to the order previously entered, that the Senate adjourn until 10 a.m. tomorrow.

The motion was agreed to; and (at 10 o'clock and 15 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Friday, February 7, 1964, at 10 o'clock a.m.

CONFIRMATION

Executive nomination confirmed by the Senate, February 6, 1964:

COAST AND GEODETIC SURVEY

Rear Adm. H. Arnold Karo, of Nebraska, to be Director of Coast and Geodetic Survey.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 6, 1964

The House met at 12 o'clock noon.

Rabbi Chaim U. Lipschitz, director, Community Service Bureau, Brooklyn, N.Y., offered the following prayer:

Merciful and gracious God! Have mercy upon us and upon all Thy works, for there is none like unto Thee. O Lord our God. We beseech thee, forgive our transgressions. O our Father, our King, our Rock and our Redeemer, a living and everlasting God mighty in strength, loving and good to all Thy works; for Thou art the Lord our God. O God, who art slow to anger and full of mercy, deal with us according to the abundance of Thy tender mercies, and save us for Thy name sake, hear our prayer, O our King and deliver us from all trouble and sorrow. Thou art our Father, our King, and we are called by Thy name, desert us not. Forsake us not, Father and cast us not off, O our Creator, and forget us not, O our Maker, for Thou art a gracious and merciful God and King.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 298) entitled "An act to amend the Small Business Investment Act of 1958."

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4638) entitled "An act to promote the orderly transfer of the executive power in connection with the expiration of the term of office of a President and the inauguration of a new President", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JACKSON, Mr. PELL, Mr. RIBICOFF, Mr. JAVITS, and Mr. MILLER to be the conferees on the part of the Senate.

The message also announced that pursuant to Public Law 38, 75th Congress, the chairman of the Committee on Commerce, Mr. MAGNUSON, had appointed Mr. THURMOND and Mr. SCOTT members of the Board of Visitors to the U.S. Coast Guard Academy.

The Chairman, Mr. MAGNUSON, is an ex officio member of the Board.

The message also announced that pursuant to Public Law 301, 78th Congress, the chairman of the Committee on Commerce, Mr. MAGNUSON, had appointed Mr. BARTLETT and Mr. PROUTY members of the Board of Visitors to the U.S. Merchant Marine Academy.

The chairman, Mr. MAGNUSON, is an ex officio member of the Board.

THE LATE HONORABLE FRANK A. MATHEWS, JR.

Mr. THOMPSON of New Jersey. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, I have the sad duty of informing the House of the death of a distinguished predecessor of mine from the Fourth District of New Jersey, Frank A. Mathews, Jr., who served in the House for the period during the 79th and 80th Congresses, from November 1945 until January 1949.

Frank Mathews was born in New Jersey in August of 1890, was educated at Temple University, served with distinction in both World War I, during which time he was overseas for 19 months, and in World War II where, as a distinguished lawyer, he was the division judge advocate of the 44th Division.

During his many years of public service Frank Mathews served as a judge in the First Judicial Circuit of Burlington County, as assistant counsel for the New Jersey State Highway Department, and as a deputy attorney general of the State of New Jersey. Mr. Mathews succeeded another distinguished colleague of ours, the Honorable D. Lane Powers. On his return to New Jersey after 1949, Mr. Mathews served again as deputy attorney general of his State and later as the chief condemnation counsel for the New Jersey Highway Authority.

At the time of his death he was in the general practice of law. He had a commission as a colonel in the U.S. Army Reserve. Our colleague leaves a wife, five children, and several grandchildren.

It is with sincere regret that I learned of the passing of this fine, distinguished man.

Mr. AUCHINCLOSS. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from New Jersey.

Mr. AUCHINCLOSS. Mr. Speaker, I feel a sense of real loss in the death of Frank Mathews. He came to Congress in 1946, filling the vacancy caused by the resignation of Lane Powers, and he served continuously until the end of the 80th Congress, when he retired, not being a candidate for reelection. He was a man of restless energy with an active and agile mind, most conscientious in serving the best interests of his constituents and his country. He had a fine war record in both World War I and World War II and he also held public office in New Jersey on many different occasions.

I always considered him a close personal friend and when he would come to Washington, he would stop by to pay me a visit. He enjoyed the company of others and his sincerity and character always made an impression. I extend to his wife and family my most sincere sympathy and trust they may secure comfort and peace in the realization that he was a good father, a man of distinguished character, and a fine American.

Mr. THOMPSON of New Jersey. I thank the gentleman.

GENERAL LEAVE TO EXTEND REMARKS

Mr. THOMPSON of New Jersey. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have 5 legislative days in which to extend their remarks in the Record on the late Frank Mathews.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

REQUEST AS TO HOUR OF MEETING TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. WILLIAMS. I object.

Mr. ALBERT. Would the gentleman from Mississippi object, if I made a request that the House meet at an earlier hour on Saturday?

Mr. WILLIAMS. I most certainly would object.

LEGISLATIVE PROGRAM

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute for the purpose of announcing an addition to the legislative program.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ALBERT. Mr. Speaker, the gentleman from Colorado [Mr. Aspinall], the chairman of the Committee on Interior and Insular Affairs, has advised that his committee, or a member of his committee, will call up on tomorrow after the conclusion of legislative business already announced for tomorrow, the bill, H.R. 1794, which I understand is urgent, regarding the Seneca Indians. I note the gentleman from Colorado [Mr. Aspinall], the gentleman from Florida [Mr. Haley], and the gentleman from Iowa [Mr. Kyl] are all on the floor and I am glad to yield to any of the gentlemen, if they desire to make a statement in connection with this matter.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman.

Mr. ASPINALL. Mr. Speaker, this is an urgent bill, for the simple reason that the Subcommittee on Appropriations for reclamation is now studying the justification for appropriations. This bill carries certain authorizations for appropriations for the fiscal year 1965 for the Seneca Indian Tribe. It would be well if we could get this bill through the Congress as soon as possible. May I say, under the unanimous-consent request that will be made tomorrow, and in accordance with the understanding I have with the distinguished Speaker of the House, we shall have at least 15 minutes so that we can write the legislative history of this piece of legislation as it should be written to explain what is involved.

Mr. KYL. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman.

Mr. KYL. Mr. Speaker, to emphasize the complete committee acceptance of the bill, H.R. 1794, with reference to which unanimous-consent request will be made for its consideration on tomorrow, all Members on both sides of the aisle signed the additional views in the report made by the Indian Affairs Subcommittee and we are appreciative of the work of the gentleman from Florida [Mr. Haley] and the gentleman from South Dakota [Mr. Berry] for their accomplishment of an almost impossible task. I am sure all Members will join in this commendation when they get all the facts concerning this bill.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Illinois.

Mr. ARENDS. Has the gentleman finished his statement on the change in the program? I should like to ask a question about it.

Mr. GROSS. Mr. Speaker, will the gentleman yield on the subject under discussion?

Mr. ALBERT. I yield to the gentleman from Iowa, on the same subject.

Mr. GROSS. I have no objection to the unanimous-consent request which is to be propounded, as I understand it, tomorrow; except that I regret the gentleman indicated a time limit of 15 minutes for the consideration of expenditures of some $17 million, as I understand the proposal. I hope that we will not be limited to 15 minutes, considering the situation which may be in effect tomorrow evening and the fact that we ought to have a reasonable explanation of the bill. I hope that reasonable time for consideration will be provided.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. ASPINALL. The only reason why I announced a 15-minute period was because I had advised the Speaker that I felt it would take at least that long.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Ohio.

Mr. HAYS. I have no desire to hurry this, but I merely wish to say that if there is going to be a delay in the consideration of the civil rights bill, and an effort made to try to carry it over until next week, a time when some of us have made other plans, I serve notice right now that I shall object to any unanimous-consent request to take up anything until the civil rights bill is disposed of.

Mr. ALBERT. I thank the gentleman from Ohio.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Florida.

Mr. HALEY. I say to the gentleman from Ohio that we did not propose to have the measure considered until after the House had finished its deliberations on the civil rights bill Friday. We thought we could dispose of this matter in a few minutes. We hoped to.

It is an emergency measure. A dam is being built in that area, which will flood out the Seneca Nation. The gates will be closed on the first of October.

As the gentleman from Colorado has said, it is imperative that this legislation be passed by the House, so that it may be considered in the Appropriations Committee for an appropriation for the coming year.

I assure the gentleman from Ohio that there is no intent, insofar as the gentleman from Colorado or the gentleman from Florida or anyone else is concerned, to delay the pending legislation. I assure the gentleman that I will do nothing to try to delay anything because of this.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Ohio.

Mr. HAYS. I say to the gentleman that I observe he is not, but other people are. Some of us have made plans. We hoped that the civil rights bill would be finished this week. If it is not, I am not going to give my consent to allowing 15 minutes or 15 seconds or any other amount of time for consideration of something else. If we can remain in session tomorrow night for consideration of that measure, we can remain for consideration of the civil rights bill.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Illinois.

Mr. ARENDS. I should like to ask the majority leader, in view of what has transpired in regard to the House meeting early on tomorrow and on Saturday, whether we can expect it is likely we will go into a long session today and tomorrow, or both.

Mr. ALBERT. Of course, I have not consulted with the chairman and the ranking member of the committee on this subject. It certainly would be my hope that we would stay here today until we finished consideration of a substantial portion of the remainder of the bill.

Mr. ARENDS. I thank the gentleman.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 27]

Byrnes, Wis.
Clausen, Don H.
Davis, Tenn.
Denton
Giaimo
Hoffman
Johnson, Calif.
Karth
Kilburn
Laird
McClory
Martin, Mass.
Miller, N.Y.
Montoya
Morse
O'Brien, Ill.
Thompson, Tex.
Utt

The SPEAKER. On this rollcall 410 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CIVIL RIGHTS ACT OF 1963

Mr. CELLER. Mr. Speaker, I move that the House resolve itself into the Committee on the Whole House on the State of the Union for the further consideration of the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 7152, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through title III ending on line 3, page 50 of the bill.

Are there any amendments to title III?

Mr. ELLIOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the more this bill comes under scrutiny, the more glaring become its inequities and shortcomings, the more harsh, and punitive its character is revealed to be, and the more deeply its invasions reach into areas which, since the days of our Founding Fathers, have been reserved to the individual States, to private enterprise and to the people themselves.

Better lawyers than I am have attacked its unconstitutionality on several grounds. I feel that they have been very persuasive in many of their attacks upon its constitutionality. However, my attack on this bill is going to be based upon its unreasonable character in the face of the problems that beset one-fourth of our country; namely, the South where I was born and bred and where my forefathers have lived during the many generations since they left the British Isles and made their way to America, that new land about whose opportunities they dreamed and to whose freedoms they aspired.

I realize that today I talk to a self-willed and obstinate majority. I say self-willed and obstinate because you have rejected every amendment of consequence that has been proposed by those of us who represent the South in an effort to soften the impact of this sword of Damocles which you are bent upon pushing upon us.

You rejected our amendment to delete language authorizing the Attorney General to request the convening of a three-judge court to hear voting cases. There was never any reason for this language except to high-handedly speed up processing of cases in my part of the country that are moving about as fast as they can move.

You rejected our amendment to delete language that would extend coverage of this bill to State elections.

You rejected our amendment to require that one judge of the three-judge court be the district judge before whom the case in question was pending.

You rejected our amendment to eliminate transcription of oral literacy tests, unless a specific request for elimination of said transcription was made by the person being examined.

You eliminated our amendment that would have prevented the counting of illegal votes cast in a voter election.

All this happened on the first day of debate under the 5-minute rule, namely, on Monday, February 3, 1964.

I submit that these amendments taken as a whole would have considerably softened the impact of this legislation upon a section of the country that is not yet ready for this legislation. It would have prevented the threat of great trouble and dislocation that may well occur when this new law goes into effect unless the Senate of the United States is able in its wisdom and in its much greater deliberative scope to soften some of the implications of this bill.

That was not all. On the second day of debate, on Tuesday, February 4, 1964, you rejected our amendment to prohibit the convening of a three-judge court unless an unwarranted delay in the trial of the case made the convening of a three-judge court more equitable. We fashioned the language of the amendment in a different frame and sought to make it requisite that when the Attorney General requested a three-judge court that it be in order to avoid undue delay. You rejected that.

Then we sought to award defense costs to defendants under this act when the court finds for them and you rejected that.

Then we came to the public accommodations title; and there through the Willis amendment, we sought to reject entrance to inns, hotels, and motels to those who predominantly provide lodging to "interstate travelers" in lieu of "transient guests" and you rejected that.

Then you rejected the amendment of the gentleman from California who sought to make it mandatory that the Attorney General of the United States move simultaneously against all businesses with common characteristics that discriminate in places of public accommodation so as not to allow one person operating a place of public accommodation to be discriminated against or to be sued under this act while others who followed similar policies of operating their business were untouched. You rejected that.

Then you rejected the amendment which stated that nothing in the bill should be construed to require the rendering of service or labor by any person without their consent. All that happened on Tuesday, February 4, 1964.

Then came Wednesday, February 5, 1964. On Wednesday, you rejected amendments that sought to delete language covering businesses located within hotels or establishments otherwise covered by the bill.

You rejected our amendments to exempt barbers and beauticians from the provision of the bill.

You rejected our amendment to delete section 203 of the bill.

You rejected the amendment to prevent discrimination in public accommodations due to sex.

You rejected our amendment to require a signed complaint of discrimination in places of public accommodation, and a statement of financial inability to bring suit before the Attorney General can institute court proceedings and to require the Attorney General to study the financial effect on the violator's business prior to instituting court action.

Then you rejected our amendment to exempt eating places from coverage of title 2 of the bill unless substantial numbers of patrons served are interstate travelers and a substantial part of the food served has moved in commerce.

Then you rejected our amendment to exempt certain businesses from coverage of the bill when the owner shows compliance with the bill would result in loss of business.

Then you rejected our amendment to give local boards and commissions 30 days in which to settle complaints of discrimination in public accommodations before the Attorney General moves.

Finally, you rejected our amendment to exempt from coverage of the bill soda fountains that employ five or fewer employees.

In other words, the representatives of the South, a small band, 100 or fewer, the people in this House who really understand the problem of the relationships of the races, people who understand those problems because they have lived with them all the days of their lives, people who understand the deep-set attitudes and customs and usages of the people of the former slave-holding States, their suggestions, made in good faith, to temper this bill to the times in which it will be in effect, to temper it to the conditions which exist in Alabama and throughout the South generally, their ideas, to date, have been rejected. The difficulties in the relationship of the races have been with us always and I assume will be with us a long, long time. We have had its problems for more than 300 years in what is now our country. I have an idea that those problems will continue another 300 years. They cannot be settled all at once. It is a process which will take much time, much understanding between the races, much compassion on the part of the problems of one race for the other. It is for that compassion and that understanding that I appeal today to Members of the House from other sections of our country of both parties.

AMENDMENT OFFERED BY MR. ASHMORE

Mr. ASHMORE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHMORE: Strike out all of title III and insert in lieu the following:

"TITLE III—ESTABLISHMENT OF COMMUNITY RELATIONS SERVICE

"SEC. 301. There is hereby established a Community Relations Service (hereinafter referred to as the 'Service'), which shall be headed by a Director who shall be appointed by the President. The Director shall receive compensation at a rate of $20,000 per year. The Director is authorized to appoint such additional officers and employees as he deems necessary to carry out the purposes of this title.

"SEC. 302. It shall be the function of the Service to provide assistance to communities and persons therein in resolving disputes, disagreements, or difficulties relating to discriminatory practices based on race, color, or national origin which impair the rights of persons in such communities under the Constitution or laws of the United States or which affect or may affect interstate commerce. The Service may offer its services in cases of such disputes, disagreements, or difficulties whenever in its judgment peaceful relations among the citizens of the community involved are threatened thereby, and it may offer its services either upon its own motion or upon the request of an appropriate local official or other interested person.

"SEC. 303. (a) The Service shall whenever possible in performing its functions under this title seek and utilize the cooperation of the appropriate State or local agencies and may seek and utilize the cooperation of any nonpublic agency which it believes may be helpful.

"(b) The activities of all officers and employees of the Service in providing assistance under this title shall be conducted in confidence and without publicity, and the Service shall hold confidential any information acquired in the regular performance of its duties upon the understanding that it would be so held. No officer or employee of the Service shall engage in the performance of investigative or prosecuting functions for any department or agency in any litigation arising out of a dispute in which he acted on behalf of the Service.

"SEC. 304. Subject to the provisions of section 303(b), the Director shall, on or before January 31 of each year, submit to the Congress a report of the activities of the Service during the preceding fiscal year. Such report shall also contain information with respect to the internal administration of the Service and may contain recommendations for legislation necessary for improvements in such internal administration."

Mr. ROGERS of Colorado (interrupting the reading of the amendment). Mr. Chairman, I rise to make inquiry of the gentleman from South Carolina.

Mr. CELLER. Mr. Chairman, I wish to make a point of order. I believe that will take precedence.

Mr. ROGERS of Colorado. I wished to ask if the section now being proposed is the same as the community facilities section which appeared in the original bill.

Mr. ASHMORE. It is exactly, word for word, the provision which was in the President's bill, originally introduced as the administrative bill under President Kennedy.

Mr. ROGERS of Colorado. Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CELLER. Mr. Chairman, I am constrained to make the point of order that the amendment is not germane to the title III. Title III involves litigation. Litigation is the subject of title III. The amendment of the gentleman from South Carolina involves the establishment of a community relations service, which is a sort of informal conciliatory agency to settle disputes. Exactly as oil does not mix with water, I do not believe the amendment would mix with the provisions of title III of the bill. It is not related to the subject of the title.

The CHAIRMAN. Does the gentleman from South Carolina desire to be heard on the point of order?

Mr. ASHMORE. I would prefer, Mr. Chairman, to make my statement on the amendment.

The CHAIRMAN. Does the gentleman from New York reserve the point of order?

Mr. CELLER. I reserve the point of order.

Mr. ASHMORE. Mr. Chairman, probably many members of the committee have not read what would be contained in the title which I wish to insert in lieu of the present title III.

Title III of the present bill is concerned with desegregation of public facilities. This simply means that under the language of the title now in the bill the Attorney General would have authority and power to bring suits against anybody and everybody almost. It is the same old title that was defeated by the House and by the Senate in 1957 when we were considering what is known as the Civil Rights Act of 1957.

It was defeated and stricken from the 1960 act which amended the 1957 act, and so at least on those two occasions, and probably on others, the Congress of the United States refused to give such power and authority as is included in the present desegregation of public facilities known as title III.

I simply wish to strike out and insert in lieu of title III a section to be known as the establishment of a community relations service. Now, that certainly deals with public relations; it deals with public affairs; and it deals with it in a peaceful manner. It deals with it in the manner that President Kennedy requested when he sent his bill to the Congress of the United States last year and asked for its enactment. That is what he requested. He believed in peaceful relations and in settling these matters not in court but out of court. President Kennedy believed it was much better to avoid trouble than to aggravate ill will and bad feelings among the people of any community. The chief purpose of this community service agency would be to settle disputes before they go to the point where the Attorney General thinks it necessary to bring suit. I think all of us today certainly believe that would be the best manner. This does not affect the right of the Attorney General to bring suit in voting cases. That is already in the law. It does not affect the right of the Attorney General to bring suit in the public accommodations section which we passed on yesterday and which this House refused to change. However, it does affect and vitally affect, and I think it should, people in their own local community when they disagree on these matters.

I understand a number of the States of the Union today have public relations and community service bureaus and agencies similar to the one provided for in my amendment. This title III provides for the appointment of one man, a director, to be at the head of this service. He can appoint and hire the necessary employees to carry out the service. He does not force himself upon any community. It is completely a voluntary service. His purpose would be to work with the people of the community in a spirit of brotherly love and a normal peaceful manner which we all wish to use to settle these problems.

I am reminded in this community relations section, which would replace the public facilities section, of what the great Dr. Billy Graham said a few days ago when he was addressing the Legislature of the State of Georgia. Dr. Graham said that in this country we had made more progress than had been made in any other nation in the world with reference to racial relations. He went on to say that this Nation was forged in prayer and that we should not forget that. But he said we needed to do more than what we have done. He admitted that, and most of us do. All of us want to do the most we can to bring about good relations and good feelings among our people. But he made this statement. He said that "our racial problems are not going to be solved in the streets or in the legislatures." This is Dr. Graham talking. But on the contrary, he said, "it will be solved in our hearts with God's help."

This community service bureau would lend great aid to what Dr. Graham says we need.

The CHAIRMAN. The time of the gentleman has expired.

Does the gentleman from New York insist on his point of order?

Mr. CELLER. Mr. Chairman, I continue to make my point of order and press my point of order.

The CHAIRMAN. The Chair is ready to rule.

Mr. CRAMER. Mr. Chairman, I wish to be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentleman from Florida briefly on the point of order.

Mr. CRAMER. I will be brief. I say to the Chairman the bill as supported or proposed by the administration contained a Community Relations Service.

It did not contain a title III relating to public facilities. Now, the subcommittee inserted title III relating to public facilities. The compromise version contained public facilities and struck out the Community Relations Service.

It seems to me on the point of whether or not this is germane to this title of the bill is that it deals with the general subject matter of this title. The general subject matter deals with community facilities; that is, public facilities, parks, beaches, playgrounds, swimming pools, and so forth. The community relations title deals with the same public officials who have jurisdiction over the community facilities dealt with in title III. Therefore I believe that the substitution of the Community Relations Services, over which the public officials have jurisdiction as they do over public facilities, is certainly germane to the subject matter of public facilities in the local communities. I call your attention to the fact that there are 179 such public relation services already established on the local level and that this subject matter of public facilities is certainly within the realm of community relations and is germane to that subject matter, because they come under the same jurisdiction and under the same local authority.

The CHAIRMAN (Mr. Keogh). The Chair is ready to rule.

The amendment offered by the gentleman from South Carolina [Mr. Ashmore] to title III of the pending bill, would strike out title III and insert new language.

It is to be noted that the title in the pending bill is limited to the denial of access to or full and complete utilization of any public facility which is owned, operated or managed by or on behalf of any State or subdivision thereof.

The Community Relations Service which is sought to be set up in the amendment of the gentleman from South Carolina goes far beyond the provisions of the title in the pending bill. It is the opinion of the Chair that the amendment is, therefore, not germane to the title in the pending bill and sustains the point of order.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JOHANSEN. Mr. Chairman, it is imperative that the Commission investigating the assassination of President Kennedy have the fullest possible confidence of the American people.

Without this, its immensely important labors will be in vain.

Such public confidence is not automatically bestowed; it has to be won—even by so eminent a body.

To be believed in, the Commission must demonstrate that it deserves to be believed.

I believe the American people generally, and the Congress in particular, owe it to the Commission and to themselves to give this extraordinary investigative body every reasonable opportunity to earn and justify the public confidence so essential to the accomplishment of its mission.

At the same time, I believe it is equally a disservice to the Commission members, and to the public interest they have been empaneled to serve, to grant them a total immunity from constructive criticism or timely warning when such is clearly warranted.

I believe we are presently confronted with a development which calls for such constructive comment.

Earlier this week, in connection with the appearance of the widow of Lee Harvey Oswald before the Commission, a news report stated that the Commission Chairman, Mr. Chief Justice Warren told reporters "that because of security precautions, some of the testimony might not be released to the public within their lifetimes. All evidence, the Chief Justice said, will be preserved for the public and eventually will be released."

Subsequently the same news medium asserted that "Warren said he did not have any particular information or testimony in mind" in making his original comment.

If this original statement by the Commission Chairman means anything at all, it implies that the Commission's public disclosures of fact may be made on a selective basis governed by vague and completely undefined "security precautions" and it also implies that there may be an indefinite delay in public disclosure of important segments of information garnered by the Commission.

Even the vaguest suggestion of such a possibility, in my judgment, strikes at the very heart of the all-important factor of public confidence to which I referred at the outset.

The damage of this initial comment by the Commission Chairman is compounded by his subsequent claim that he "did not have any particular information or testimony in mind."

I respectfully suggest to the distinguished Chief Justice, and to his associates on the Commission, that public confidence is a very fragile thing.

At this juncture, I am disposed to make the more charitable assumption that the Chief Justice's initial statement was thoughtless, careless, or inadvertent.

I believe, however, that members of the Commission and Members of this House must be alert to avoid any faintest suspicion of the type such indiscreet remarks inevitably generate, and equally prompt in repudiating any course of action by the Chairman or majority of the Commission which would give substance to such misgivings.

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Cramer: On page 48, strike out all of title III and insert the following section:

"Sec. 301. (a) There is hereby established in the Department of Commerce a Community Relations Service (hereinafter referred to as the 'Service'), which shall be headed by a Director who shall be appointed by the President and with the advice and consent of the Senate for a term of four years. The Director shall receive compensation at a rate of $20,000 per year. The Director is authorized to appoint, subject to the Civil Service laws and regulations, such other personnel, not to exceed six in number, as may be necessary to enable the Service to carry out its functions and duties, and to fix their compensation in accordance with the Classification Act of 1949, as amended. The Director is further authorized to procure services as authorized by section 15 of the Act of August 2, 1946 (60 Stat. 810; 5 U.S.C. 55(a)), but at rates for individuals not in excess of $75 per diem.

"(b) Section 106 of the Federal Executive Pay Act of 1956, as amended (5 U.S.C. 2205), is further amended by adding the following clause thereto:

"'(52) Director, Community Relations Service.'

"Sec. 302. It shall be the function of the Service to provide assistance to communities and persons therein in resolving disputes, disagreements, or difficulties relating to discriminatory practices based on race, color, or national origin which impair the rights of persons in such communities under the Constitution or laws of the United States or which affect or may affect interstate commerce. The Service may offer its services in cases of such disputes, disagreements or difficulties whenever, in its judgment, peaceful relations among the citizens of the community involved are threatened thereby, and it may offer its services either upon its own motion or upon the request of an appropriate State or local official or other interested person. The Service is further authorized to receive and act on all matters referred to it pursuant to Section 203(e) of Title II.

"Sec. 303. (a) The Service shall, whenever possible, in performing its functions under this title, seek and utilize the cooperation of the appropriate State or local agencies.

"(b) The Service shall hold confidential any information acquired in the regular performance of its duties upon the understanding that it would be so held. No officer or employee of the Service shall engage in the performance of investigative or prosecuting functions for any Department or agency in any litigation arising out of a dispute in which he acted cn behalf of the Service.

"Sec. 304. Subject to the provisions of Section 503(b), the Director shall, on or before January 31 of each year, submit to the Congress a report of the activities of the Service during the preceding fiscal year."

Mr. CRAMER (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with in that this language appears on pages 33 and 34 of the subcommittee bill which the committee, I am sure, is familiar with.

Mr. ROGERS of Colorado. Mr. Chairman, reserving the right to object, do I understand that what the gentleman has offered is on page 20 of H.R. 7152 that has been stricken out?

Mr. CRAMER. I am glad the gentleman asks the question because what he is referring to is the administration's proposal which was offered as an amendment by the gentleman from South Carolina. The wording I am offering sets up a community relations service and is that reported out by the subcommittee which, I am sure the gentleman knows, is substantially different in that the community relations service is transferred to the Department of Commerce, and is limited to six employees as compared to the administration's bill.

There are numerous other amendments made in the subcommittee, which appear in the subcommittee print starting on page 31. Therefore it is a different proposal for community relations service than the one proposed by the administration and by the gentleman from South Carolina [Mr. ASHMORE] in his amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida [Mr. CRAMER]?

There was no objection.

Mr. CELLER. Mr. Chairman, I reiterate and reaffirm the point of order which I made against the amendment offered by the gentleman from South Carolina [Mr. ASHMORE].

This amendment offered by the gentleman from Florida is practically the same as the amendment offered by the gentleman from South Carolina. It sets up a conciliation agency to settle disputes relating to discriminatory practices based on race or color. It is foreign to the purposes of title III, which involves suits to desegregate public facilities.

The CHAIRMAN. Does the gentleman from Florida desire to be heard on the point of order?

Mr. CRAMER. Briefly, Mr. Chairman.

Mr. Chairman, I make the same point on this amendment as I did on the preceding amendment, that the public facilities under title III are the same public facilities as are under the jurisdiction of the same authorities as the community relations services, there being some 179 services already established in the States, and this would be a proper and effective approach to this fundamental and serious problem.

The CHAIRMAN (Mr. KEOGH). The Chair is ready to rule.

The amendment offered by the gentleman from Florida [Mr. CRAMER] to which the gentleman from New York [Mr. CELLER] raised the point of order that it is not germane to title III, like the previous amendment offered by the gentleman from South Carolina would strike the title from the pending bill and insert a new text.

The text of the new title III to be inserted would create a community relations service in the Department of Commerce, and it would place in that commission far broader powers than are sought to be provided under the pending bill, which is limited to the bringing of actions by the Attorney General for the denial of access to or full and complete utilization of any public facility which is owned, operated, or managed by or on behalf of any State or subdivision thereof.

The Chair is of the opinion that, similar to the amendment offered by the gentleman from South Carolina, the amendment offered by the gentleman from Florida is not germane to title III of the pending bill. Therefore, the Chair sustains the point of order.

AMENDMENT OFFERED BY MR. POFF

Mr. POFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. POFF: On page 48, line 12, after "owned" strike out the comma and insert in lieu thereof the word "or" and strike out the words "or managed".

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. POFF. I yield to the gentleman from New York.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on this amendment conclude in 10 minutes.

Mr. WAGGONNER. I object, Mr. Chairman, until we have heard an explanation of the amendment.

Mr. WATSON. I object, Mr. Chairman.

Mr. POFF. Mr. Chairman, I think it would be useful in the consideration of this amendment to read the section of title III to which it is addressed:

> Whenever the Attorney General receives a complaint signed by an individual to the effect that he is being deprived of or threatened with the loss of his right to the equal protection of the laws, on account of his race, color, religion, or national origin, by being denied access to or full and complete utilization of any public facility which is owned, operated, or managed by or on behalf of any State—

And so on. It will be seen that the words "owned, operated, or managed" modify the term "public facility." During the course of the general debate I had occasion to deal with this language. As I said at that time, I have no difficulty with the definition of the words "owned" and "operated." Those words are abundantly clear in their intrinsic meaning and they have well-recognized definitions in the case law of this country. But what I do have trouble with is the word "managed." If the word "managed" means something more than the words "owned or operated," what does it mean? Does it mean regulation? Clearly, it could mean regulation because Mr. Webster defines the word "manage" to mean—to control, to direct, to conduct, to guide, or to administer.

I feel certain any administrator would be within the bounds of reason, if he saw fit, to interpret the word "managed" as including the word "regulation."

Now I do not believe that those who drafted this bill intended to extend its reach and its scope to that extent. If that be true, and I believe it is true, it would seem to me wise that the words "or managed" be stricken.

Mr. Chairman, let me call your specific attention to the fact that the other two descriptive words, namely, "owned" and "operated" are left in the disjunctive. That, of course, is important to those who understand the effect of a definitive word on the phrase or clause that it modifies. In other words, a public facility would be covered, first, if it is owned by or on behalf of a State or subdivision of a State and, secondly, a public facility would be covered if it is operated by or on behalf of the State.

It seems to me clear that the words "owned or operated" clearly embrace the word "managed" unless, as I say, it was intended that the word "managed" have some meaning in addition to the connotation of the words "owned" and "operated."

Accordingly, Mr. Chairman, I express the hope that the committee on both sides will see fit to accept this amendment as a clarifying amendment and one that will lend real purpose and effect to the language in keeping with the purpose and effect which the drafters of the language had in mind.

Mr. GILBERT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Virginia has entered into a long dissertation concerning the word "managed" and the necessity for not having the word "managed" excluded in this section. I can conceive of instances where the words "operated and owned" would not apply, whereas the word "managed" would apply.

For example, there are many cities that receive private property in trust—where property is given by private endowment or private institution or private individuals to the city to hold as trustee. The city neither operates nor controls the property. But the city goes ahead and hires a private individual to manage the property. Therefore, if we exclude the word "managed" from the bill, as contained in title III, it might narrow the scope, meaning, and intent of the bill. Therefore, under this amendment, this property which is intended for public use and which would be a public facility would not be covered and controlled by the act.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. GILBERT. I am glad to yield to the gentleman.

Mr. POFF. For the purposes of writing legislative history, I can say in response to the gentleman that it is not the purpose of the author of the amendment to exclude such situations or arrangements. On the contrary, I think that under the well-established rules of principal and agent, the trustee or the manager hired by the city, whichever, would be operating the facility for the municipality and therefore the facility would be a public facility operated "on behalf of" a subdivision of a State within the meaning of this language.

Mr. GILBERT. I would say to the gentleman that, rather than attempting to write legislative history by excluding words, the word should be kept in the statute to aid the court in determining that this is exactly what we mean. Why should we leave it open by saying "operated and controlled"? We should retain the word "managed"?

Someone may raise a question.

Furthermore, it would be necessary to go back to look at the legislative history, and somebody might say, "The legislative history does not say what it means." It could be open to various interpretations. Therefore, the word "managed" is vital to be continued as a part of the bill.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. GILBERT. I am happy to yield.

Mr. CELLER. I believe the gentleman from Virginia [Mr. POFF] is worried about whether State or local regulation of prices, or licensing might force the entity within the coverage of this section.

Is it not accurate to say that the mere fact that the prices or the rates of a business are limited or controlled by State or local law, or that a business is subject to some form of licensing or regulation, would bring the business within the scope of section 301. Such regulation, for this purpose, would not be enough to make the facility "State managed" within the meaning of section 301. Is that not true?

Mr. GILBERT. My chairman is absolutely correct.

Mr. POFF. Mr. Chairman, will the gentleman yield further?

Mr. GILBERT. I am happy to yield.

Mr. POFF. Notwithstanding the dissertation of the chairman—and I must say I appreciate his understanding of the purpose of my amendment and his effort to clarify the effect of the word "managed" by legislative history—the word "managed," as interpreted by Webster, means "administered," and "administered" clearly encompasses the concept of regulation. I am fearful that some court, struggling with the construction of this language in the future, might read into the meaning of the word "managed" the meaning of the word "regulation."

Mr. GILBERT. I agree with the gentleman that we are making a legislative history to determine exactly why the word "managed" should be retained in this title.

Mr. CORMAN. Mr. Chairman, I move to strike the last word.

It seems to me that the discourse is helpful to an understanding of what kinds of public facilities we are talking about in section 301. When we put together this phraseology we wanted to make it eminently clear that we would penetrate any sham or device used by a local government to provide the facilities which are normally provided with tax moneys to all the people, in an effort to provide them for only some of the people and to keep them outside the provisions of title III.

To attempt to say that Government manages every business in this land seems to me to be a completely indefensible definition by the gentleman from Virginia [Mr. Poff] even with the help of Mr. Webster; but it is a fact that there have been a great number of cases in which devices have been attempted to divorce local government from the facilities provided by tax moneys, in the effort to keep those facilities segregated.

I am most hopeful that we will leave the language as it is. We worked on it hard. I believe the discourse today has made clear what we intend to do. We intend to reach, by this title, those facilities provided by tax moneys or which have tax moneys contributed to them.

I am most hopeful that the House will vote down the amendment.

Mr. ROGERS of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Chairman, there has come over the news ticker a statement that the Castro government of Cuba has officially notified the United States today it is cutting off water to the Guantanamo Naval Base and the cutoff will last until the United States releases 36 Cuban fishermen held in this country. As you recall, these fishermen were taken into custody by the U.S. Coast Guard about 2 days ago because they had violated the territorial waters of the United States. I feel that the House should urge that our Government stand firm in this matter; that we make sure we have the necessary equipment to handle this situation at the Guantanamo base. I do think it is wise that women and children be evacuated and forces increased, because it is time for us to stand up and to show the world that we are going to stand steady and firmly and now is the time to tell Castro this. This is his first challenge to Guantanamo.

Mr. DEROUNIAN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. Yes. I yield to the gentleman from New York [Mr. Derounian].

Mr. DEROUNIAN. I want to commend the gentleman for bringing this to our attention. However, he says "we must remain firm" and we must evacuate the women and children. We have done that before, and yet Castro is still there. Does he suggest we do something more than that at this time, because I do if he does not.

Mr. ROGERS of Florida. I think all of us could be very rash and suggest a number of things, but I think it is the better part of wisdom that we perhaps wait and see what develops. We have military forces there, as the gentleman surely knows, and we also have a ship there than can provide whatever water is necessary. However, I do think in preparation for whatever eventualities may come about, that we should be prepared to increase naval and military forces. Certainly of this I am sure the gentleman will agree.

Mr. DEROUNIAN. May I suggest to the gentleman that the President use less time turning the lights off and give some immediate attention to world problems today.

Mr. CRAMER. Mr. Chairman, I ask unanimous consent to proceed out of order for 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have in my hand the official news report of the UPI relating to this subject. It says:

> Miami.—The Cuban Government announced today it has shut off the fresh water pipeline to the U.S. Naval Base at Guantanamo Bay, Cuba, until 36 Cuban fishermen held in jail at Key West are freed.

The fact of the matter is that the report goes on to state some 29 of those persons are adults and still being held in Florida under the 1963 Florida law that provides that the State of Florida can prevent the use by any Communist vessel of Florida territorial or U.S. territorial waters. Now, there are some 29 adult fishermen who are being held by the State of Florida at the present time for prosecution under those laws, and the court granted—that is, the Florida court granted—the 29 fishermen a request to seek legal counsel through the Czechoslovak Embassy.

The cutting off of water is the first of harassment steps by Castro to get the United States out of Guantanamo.

I want to make these two points. First, it is my hope that the State of Florida as well as the Federal Government will not be blackmailed by Fidel Castro's cutting off the water in this instance, because this is obviously a blackmail attempt. I hope that the State of Florida will go forward with the prosecution under the Florida law and thus serve notice on Castro and the Communists that they cannot violate our territorial waters in the future and that we will not be blackmailed.

I also hope we put Castro on notice, because this is part of the international Communist conspiracy and indicates what is underway now throughout the world. Every place there is a treaty, be it the Panama Canal Zone or be it Guantanamo, where the United States has treaty right, the Communists are going to challenge those treaty rights. It started in Panama, and it now has spread to Guantanamo. I would suspect it was anticipated, be it as the result of our putting these Cubans in jail as the excuse or some other excuse. It was expected that the treaty at Guantanamo would be challenged by Castro's Cuban Communists, as is our treaty in Panama being challenged by the same Cuban Communists who have infiltrated down there and who have caused the uprisings that have proven to be the backbone of the uprisings and at the bottom of the problem in that area.

So it is my hope that we will not knuckle under but instead that we will send Marines to Guantanamo, an additional contingent of Marines, to put Castro on notice that we have no intention to weaken our position at Guantanamo.

Mr. CRAMER. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. DEROUNIAN. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from New York.

Mr. DEROUNIAN. Mr. Chairman, I congratulate the gentleman on his statement and his suggestion. Is it not a fair commentary to state that while President Johnson is turning off the lights in the White House Castro has turned off our water?

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Michigan.

Mr. JOHANSEN. Mr. Chairman, I want to associate myself completely and unreservedly with the statement made by the gentleman from Florida. I hope we will have not only the firmness which he has suggested with respect to Castro on the part of the State of Florida, but a new-found firmness in the State Department and in the administration.

Mr. CRAMER. I included the State Department in demanding firmness.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman from Florida agree with me in the suggestion that cutting off the water supply of a naval base is an act of aggression against that naval base?

Mr. CRAMER. I do not think there is any question but what under the Rio Treaty this amounts to an act of aggression by a member or a former member nation that is Cuba of the Organization of American States against another member nation, the United States, and would justify an investigation immediately by the OAS on the ground of aggression, just as is the investigation now underway in connection with Panama.

Mr. Chairman, in view of the requests that are being made for me to yield, I ask unanimous consent to proceed for an additional 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman.

Mr. WAGGONNER. Mr. Chairman, I, too, want to associate myself with the remarks of the gentleman from Florida [Mr. CRAMER], as well as the remarks of the gentleman from Florida [Mr. ROGERS]. I share the same hopes of these gentlemen that our Government will stand fast. The time has come when we must stand fast. But I must go just a little further and say that I have my doubts.

Mr. CRAMER. Mr. Chairman, I thank the gentleman. I trust that our Government will let Khrushchev and Castro and the Communists know that we do not intend to buckle under in Guantanamo, that we do not intend to buckle under in Panama, that we expect those nations to live up to their treaty agreements and that we take the other actions that I have proposed. Otherwise, Cuba will be demanding again, and agitating to accomplish it, that the United States get out of Guantanamo, a demand made before by Castro.

Mr. PEPPER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. PEPPER. Mr. Chairman, I commend my distinguished colleagues for bringing this matter to the attention of the House. I am confident that we may with assurance, however, depend upon it, that the President of the United States, the Commander in Chief of the Armed Forces of this country, will fully and adequately protect the interests of this country; and, of course, he has the assurance of the united support of the Congress.

Mr. WAGGONNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Virginia [Mr. POFF].

A prior speaker, speaking in opposition to this amendment, said that he found it a little bit hard to believe that anyone would make the assumption that the Government managed all business. He might find it hard to make that assumption but I contend that any man who has been in business and has been subjected to the ever-increasing regulation by the U.S. Government would find that hard to believe, because the time has come when the Government is managing and controlling whether directly or indirectly, every business in these United States.

I find it a little bit inconsistent that there is so much clarity sought in the definition of a word in this instance. It is obvious in the remainder of this bill that there are no definitions of these other vague terms. So it must be for a purpose; it must be further to regulate by strangling the business people of this country, their right to run their businesses as they choose.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Virginia.

Mr. POFF. Mr. Chairman, in context with what the gentleman is saying, does he not think it rather unusual that the proponents of this bill would go to such extremes to oppose every single amendment that is offered? This amendment involves nothing but a reasonable interpretation of language, and yet the proponents of the bill feel constrained to stand en masse and resist an amendment that should be adopted, as most lawyers will agree.

Mr. WAGGONNER. I agree with the gentleman. I am more than just a little bit disturbed. Earlier general debate before the debate on these separate titles began and we could consider proposed amendments to the legislation, we were assured no deal had been made, no decision had been made to reject all of these amendments without regard to merit. The events that have occurred since that time do not bear this out. It appears without doubt a deal has been made.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. May I point out this is not any attempt to manage anybody's business.

Mr. WAGGONNER. Will the gentleman agree then it is an attempt to manage everybody's business?

Mr. ROGERS of Colorado. No, it is not an attempt to manage everybody's business. This title deals with facilities owned or operated by a State or political subdivisions thereof, nothing more, nothing less. If the State owns or operates or manages them, then they should be desegregated, and if they are not desegregated as public facilities then the Attorney General has the authority to initiate an action. That is all it deals with. It deals with State ownership of certain facilities and nothing more.

I hope the gentleman does not get the impression from this section that the Federal Government is doing anything more than carrying out the mandates of the Supreme Court under equal protection of the law under the 14th amendment. That is all it does.

Mr. WAGGONNER. I would like to say to the gentleman he has proven my point. He still remains consistently inconsistent.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Florida.

Mr. CRAMER. I think it would be well to point out this title, public facilities, was not in the administration bill in the first place. The subcommittee put it in, but they put it in in very broad language to cover facilities if they are "operated, managed, controlled, or supported, directly or indirectly." The version that is now before the House for amendment is worded "owned, operated, or managed." That does not accomplish the objective they intend unless they strike out the word "manage," because their intention was to strike out the words and other similar words, "control, or supported, directly or indirectly."

According to Webster's dictionary, and others, "control" means "manage." "Manage" means "control." It also means "administer." "Manage" also means "administer."

So if they want to accomplish what they claim they want to accomplish they would agree to this amendment. Otherwise you might as well not have stricken out "control" at all, or "supported", because "control" means the same thing as "manage."

Mr. HAGEN of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the distinguished chairman of the Committee on the Judiciary two questions.

In California, we have an aggregate of civil rights laws which go beyond, in many instances, the contents of the legislation now before us. In this bill I notice only one section that refers specifically to State laws. That is in the Fair Employment Practices Act. I am concerned about the doctrine of preemption. Do you cover that doctrine of preemption in this bill so that it may not strike at some of these State civil rights laws which in many instances may be better than this proposed Federal law?

Mr. CELLER. There is no preemption. California would be free to go ahead with its laws with respect to civil rights. There is no question about that.

Mr. HAGEN of California. In connection with this particular amendment, what situation could you conceive of where the State would not own or operate, but would manage a public facility?

Mr. CELLER. The illustration given by the gentleman from New York [Mr. GILBERT] was that there may be some large estate where there would be trustees to the State. Under the terms of the trusteeship, the State would not own or would not operate, but it could manage.

Mr. HAGEN of California. I thank the gentleman.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield to the gentleman from Michigan.

Mr. MEADER. On the question of preemption, there is language in the bill in certain sections, for example, there is some language in title II on page 47 which we passed on yesterday which seeks in a rather unusual way to preserve rights to individuals and to the State, but is not the typical language of H.R. 3, introduced by the gentleman from Virginia [Mr. SMITH], designed to preserve the validity of State laws.

At the end of the bill there is an attempt also to preserve rights. It is my intention when we get to title **X** to offer the full, clear provisions of H.R. 3 to guarantee that none of the titles of the act shall be construed to strike down State laws, so that if a person is prosecuted for violating public accommodations laws or any other civil rights laws of the States, it will not be a defense to say that we passed this bill.

Mr. HAGEN of California. I thank the gentleman. I will take the balance of my time to gain support for this legislation and to urge its passage.

I am certain that all reasonable people will agree that it is an ugly fact of life that racial discrimination of an objectionable character exists in this great land of ours—the land of the free and the home of the brave. The nature of this discrimination and its extent varies from area to area. In some areas it is the product of mixed governmental and individual action and in others it is the product of purely private action. Without question it is most grievous in the Old South where the actions of private individuals are accompanied by discriminatory governmental actions or where such private actions are even directed by governmental actions.

But wherever and under what sponsorship these actions occur they violate our American principles of justice and fair play which were enunciated in our Declaration of Independence and woven into the fabric of our society thenceforth. That great document declared:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator, with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness—that to secure these rights, governments are instituted among men.

This declaration of freedom enunciates the principle of equality of opportunity and establishes the role of the Government in guaranteeing the same.

Some persons argue that such guarantee is a function of State and local government and indeed some State and local governmens have met their responsibilities in this area. Unfortunately this is not true of all of our States and cities and counties. Some have done nothing. Others have undertaken to compel discriminations. It is the action and failure to act of the latter which have made the matter of civil rights a national problem and a national issue and have compelled the Federal Congress to act in an area which it might otherwise have ignored.

Certainly our actions here will establish restraints upon private action. Certainly they will direct the course of State action. The fact is that all governments restrain private behavior in the common good and the only fair test of our action here is the wisdom of the particular restraints we are considering. I think they are wise and Christian in their character and will result in a stronger America—an America which affords equal opportunity to all of its children and permits the fullest utilization of their abilities in a troubled and dangerous world which requires such utilization in the protection of our freedoms and our survival as a great nation.

Negro and other minority groups in this country have demonstrated great patience with the imperfections in our society which have weighed so heavily on them. Their patience is wearing thin and the intransigence of their enemies has not changed; therefore we have a problem which must be solved by national action. The need for national action is imperative and the time is now.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. POFF].

The question was taken; and on a division (demanded by Mr. POFF) there were—ayes 60, noes 102.

Mr. POFF. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. POFF and Mr. ROGERS of Colorado.

The Committee again divided, and the tellers reported that there were—ayes 85, noes 161.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. WILLIS

Mr. WILLIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WILLIS: On page 49, line 15, strike out lines 15 through 21, both inclusive.

Mr. WILLIS. Mr. Chairman, I do not know whether the amendment will prevail, but I should like to have the attention of Members, so that at least all will know its purpose.

I pointed out in general debate that by common agreement and at the request of the Attorney General the so-called old title III, with which we wrestled some years and which the Congress refused to enact into law, was removed from the pending bill; yet the authors of the bill ultimately planted little titles III here and there throughout the bill.

Let me illustrate. Title III deals with desegregation of public facilities. One would imagine and would have a right to suppose that all sections under the title would deal with the subject of desegregation of public facilities; but section 302, which I seek to remove, is not by any manner of means restricted to desegregation of public facilities.

Talk about a "sleeper." This is a real "lulu" of a "sleeper."

Let me read section 302.

> Whenever an action has been commenced in any court of the United States seeking relief from the denial of equal protection of the laws—

What laws? Any laws—

> on account of race, color, religion, or national origin, the Attorney General for or in the name of the United States may intervene in such action.

This covers the gamut of any action dealing with equal protection of the laws—any action of any kind.

Of course, desegregation of public facilities is only a miniscule illustration of the actions involved here. Let me read again what the Attorney General had to say, in literally begging our committee in executive session concerning title III. This is what he said:

> Title III would extend to claimed violations of constitutional rights in State criminal proceedings or in book or movie censorship; disputes involving church-state relations; economic questions such as allegedly confiscatory ratemaking or the constitutional requirement of just compensation in land acquisition cases; the propriety of incarceration in a mental hospital; searches and seizures; and controversies involving freedom of speech, freedom of worship, or of the press.
>
> Obviously, the proposal injects Federal executive authority into some areas which are not its legitimate concern and vests the Attorney General with broad discretion in matters of great political and social concern.
>
> To illustrate: Which types of disputes should the Attorney General make a matter of Federal concern? Should he exempt disputes involving reading of the Bible in classrooms? If so, on what basis? What criteria should he adopt to determine whether to intervene in a particular case of an arrest for investigation, for example, or the banning of a movie as obscene, or a claim that the rate set by a State public utility commission is unreasonably low?

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. WILLIS. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILLIS. I know it will be said in response to what I am trying to point out, that title III in the subcommittee bill went even further than do sections 301 and 302, in that it referred to denial of equal protection, and so on, under the Constitution, and all laws of the United States. But there is no difference in that respect when you come to equal protection. This bill talks about any action seeking relief from the denial of equal protection of the laws. What laws? All laws. Acts of Congress, the Constitution. It is true, also, that the title III that the Attorney General was talking about did two things: It would have authorized the

Attorney General to initiate a suit, but as he himself says as part of his objection, and I quote further at page 2656 of volume 4 of the hearings:

> It would also permit the United States to intervene in any suit brought by a private person to vindicate those rights.

Now, they went about it in this way: It is true they deleted that part of the broad title III in the area of denial of equal protection of the laws to the extent of not granting the Attorney General the power to file the suit. But section 302 turns around and grants him the power to intrevene in any suit. The Attorney General's objection in his testimony before us was on both grounds. In these lawsuits in section 302 he will have to decide the same questions he would have had to decide under the old title III. There, he was not compelled to file lawsuits. Of course not. Under old title III he was not compelled to intervene in these cases. But what he was talking about was that he would not know in which cases to exercise that discretion but he would be granted these broad powers under title III, which I repeat, one involves an action seeking relief from the denial of equal protection of the laws—all laws; and, second, this section 302, which I seek to remove, goes far beyond the title, "Desegregation of Public Facilities." This is a sleeper planted under this title III which is at least half of the old title III he asked us to delete. Under old title III he could have filed suits in addition to intervening in suits, but under this bill, in section 302, he would have the same problems to face that he said he should not be called upon to face and which he rejected. We did that, or we thought we had. We agreed to do it. But now as a sleeper in title III they put an equally effective device to give him unlimited discretion to intervene in all lawsuits affecting denial of equal protection of all the laws of the United States of America; laws passed in the distant past as well as in the future, present, or those to come. I hope you will give serious consideration to deleting this section because under section 301 the Attorney General has been given the power so far as desegregation of public facilities are concerned. The section's whole purpose is to give him authority to file suit in these areas, if that is what he wants. We cannot remove that. We tried it awhile ago. But at least let us restrict it to within sensible bounds.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. WILLIS] has expired.

Mr. COLMER. Mr. Chairman, I ask unanimous consent that the gentleman from Louisiana [Mr. WILLIS] may proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman.

Mr. COLMER. Mr. Chairman, of course, I take it that not many people are concerned about another angle of this matter, namely: The cost to the Federal Government. I would like to point out to my Democratic brethren over here on the far left that the President has set out to do some economizing in this country. I would like to point out to my friends on the right, the conservative wing, ordinarily, of this body, so they say, that here is an opportunity to save a little money. Now, if we get a crusading Attorney General in this great job down there he would have the power to run into every angle and facet of the economy of the country; is that correct?

Mr. WILLIS. So far as this litigation is concerned, of course.

Mr. ROGERS of Colorado. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this section, 302, permits the Attorney General to intervene in private suits seeking relief for denial of equal protection of the laws on account of race or religion.

No one can deny that there are communities in which substantial violations of rights of demonstrators have occurred. Rights of assembly, petition, and free speech are denied to Negroes in some places because of their race; and it has been very difficult to secure protection for those rights in the atmosphere which prevails there. While it is not desirable to give the Department of Justice full power to initiate suits to deal with these matters, the Attorney General should certainly have the right to intervene in suits brought by private persons, where a denial of equal protection on account of race, religion, or national origin is alleged.

The rights of citizens under the Constitution mean little if they cannot be protected and enforced. Theoretical rights are of little use; rights must be capable of practical vindication. Where there is a widespread disregard for and disrespect of the rights of citizens in a community, it is not farfetched to conclude that assistance will be needed to assure a cessation of the unlawful activities. Section 302 will provide that assistance, where needed, by giving the Attorney General the right to intervene in privately brought lawsuits. It is a moderate, sensible proposal and it is designed to meet a demonstrated need.

The gentleman from Louisiana was very explicit in saying it applied to all laws. The reason that it applies to all laws is found in the 14th amendment to the Constitution of the United States and the last paragraph thereof. The last part of section 1 of the 14th amendment says: "nor deny to any person within its jurisdiction the equal protection of the law."

The basis for the intervention by the Attorney General in this instance requires, first of all, that there be a lawsuit filed in the Federal court alleging a denial of equal protection of the law as provided in the 14th amendment to the Constitution of the United States. That is, that the State is denying to the individual equal protection of the laws of that State. Having gotten into the Federal court themselves and seeking to assert their constitutional rights, then certainly the least we can do is to permit the Attorney General to come in and assist in that lawsuit. The Attorney General cannot, in the first instance, institute this lawsuit. It must be one that has been instituted by an individual or individuals whose rights are alleged to have been denied.

One of the reasons why this particular section is here is because of an experience I had with a constituent of mine who got into one of the Southern States and stayed in jail 4 months. He could not even make the bond. When I appealed to the Attorney General to come in and help him, I received a letter stating that he could stay there forever, because the Attorney General stated:

> I cannot intervene to help him.

But after a while my constituent got into Federal court, and when he got there he did not have to have the Attorney General to help because that court set aside the statute under which he was held in the first place.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Michigan.

Mr. MEADER. The gentleman has a different title than the title that is in the subcommittee bill?

Mr. ROGERS of Colorado. Yes.

Mr. MEADER. Let me ask, was that identical with section 302 we are discussing now with the exception that in the original title III he could initiate suits for that purpose and here he can only intervene?

Mr. ROGERS of Colorado. My title III was much broader than this one.

Mr. MEADER. May I ask the question if the only difference between section 302 as far as the scope and the kind of cases involved are concerned is identical with the original title III, the only difference being that the original title III would have permitted the Attorney General to initiate suits and this only permits him to intervene?

Mr. ROGERS of Colorado. No. I think we went a little further. This title III is limited to where a State denies to any person within its jurisdiction equal protection of law on account of his race, color, religion, or national origin. If I remember correctly, the former title III that we brought forward out of the subcommittee, went much further than that, it went all the way in every direction, as the Attorney General testified, and as the gentleman from Louisiana has stated on the floor of the House.

It was much broader; it was a catchall.

Mr. MEADER. Let me state an example to the gentleman. Let us assume that the gentleman's constituent was arrested under State laws in some place in the South, and a habeas corpus or other proceeding was started in the Federal district court. Under section 302 it would then be in order for the Attorney General to intervene and finance that action.

Mr. ROGERS of Colorado. He would be entitled to intervene. The question of financing is another issue.

Mr. MEADER. He does it in the name of the United States just as if it were initiated by the United States. Obviously, the expense of the litigation would be paid by the Government.

Mr. ROGERS of Colorado. May I point out to the gentleman that before the question could arise, even under section 302, there must be a suit pending based upon a violation of the 14th amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. WILLIS].

The question was taken; and on a division (demanded by Mr. WILLIS) there were—ayes 47, noes 122.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. CRAMER: On page 49, line 15, after "action" insert "by an individual" and on page 49, line 18, after the word "origin," insert "in the access to or full utilization of any public facility as defined in section 301,".

Mr. CRAMER. Mr. Chairman, the objective of this amendment can be very simply explained. But I first want to preface my explanation by asking you to look at page 49, section 302, where you will find the section that the gentleman from Louisiana just attempted to strike. I do not attempt to strike that section. I attempt to conform the section to title III dealing with public facilities.

Section 302 is in the title "Desegregation of Public Facilities."

We just had a parliamentary ruling that anything that is broader than the title itself, meaning public facilities, cannot be brought in in the form of an amendment or a substitution. Yet, we have right here in section 302 a provision regarding "equal protection of the laws"—not limited—now listen to this and this is the crux of my amendment—not limited to the equal protection of the laws relating to the denial of access or to full and complete utilization of public facilities, which is the subject matter of this title, but involving the denial of the equal protection of the laws relating in any and all subject matters.

All my amendment does is to conform section 302 to title III and any individual who brings an action for desegregation of public facilities, the Attorney General has a right to intervene.

Now I would assume, and I had not had an opportunity to read that section 302 before—this is one of those phantom sections—it came out of the night—at 10:30 o'clock—and we voted on it at 10:30 o'clock the next morning. That was not in the subcommittee bill. That was not in the administration bill. Now listen to this. This proposal for general, broad Attorney General suit power to intervene was not even contained in the administration bill. This is old title III, the battle over which was fought way back in 1957 and the Congress turned it down. This section 302 is old title III—the right of the Attorney General to bring actions except in this instance he intervenes, and there is not much difference, and on a broader basis "equal protection of the laws," than was contained in the 1957 act because it was limited to statutes which I put in the Congressional Record, and if you will look at them, you will find them on page 1595. I put them in the Record in the discussion of this title on Saturday. You will find it is very limited, for instance, to conspiracies. You do not have to take my word for the 1957 act because I will quote the Attorney General in a minute, and from his words on page 2657 of our hearings you can learn what the limitations were—and this is not so limited.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman.

Mr. MEADER. Is the gentleman of the opinion, if the rule under which we are considering this legislation had not waived points of order, that section 302 would have been subject to a point of order because it exceeds the scope of the title?

Mr. CRAMER. I cannot come to any other conclusion in view of the ruling of the Chair with regard to my amendment. I see the gentleman from Colorado shaking his head and I gather he agrees that if points of order were not waived that section 302 would be subject to a point of order because it is much broader in scope than "desegregation of public facilities," which is the title of title III.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I am delighted to yield to the gentleman.

Mr. ROGERS of Colorado. I think the record is clear that I went before the Committee on Rules and asked for an open rule such as the rule we are proceeding under at this time, which rule waives all points of order. I think that is immaterial and academic at this point.

Mr. CRAMER. I am glad the gentleman admits that his objective was to prevent a proper point of order from arising or from being raised in relation to section 302. But, it is an interesting parliamentary procedure when you cannot introduce an amendment that is broader than the title "Desegregation of Public Facilities" when, as a matter of fact, there is contained in that title section 302 which is broader than "public facilities."

The CHAIRMAN. The time of the gentleman has expired.

Mr. CRAMER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. There is contained in section 302 a reference to the equal protection of the laws which is much broader. Everyone admits it is. The sponsor of the amendment, the gentleman from Colorado, admits it is much broader than desegregation of public facilities.

I believe that was an interesting ruling on the part of the Chair, when there is such a broad concept in title III to start with, not to permit an equally broad concept in a substitution.

I am not quarreling about that. I merely point out the fact that section 302 would ordinarily be subject to a point of order. I am not trying to strike the section, as a point of order probably would. I am willing to compromise. This is supposed to be a compromise version.

How would the section read with my compromise included? I ask Members to follow this with me. I ask Members to look at page 49 of the bill, section 302. It would read as follows:

> Whenever an action by an individual has been commenced in any court of the United States seeking relief from the denial of equal protection of the law on account of race, color, religion, or national origin, in the access to or full utilization of any public facility as defined in section 301—

That is how it would read. All it would do is to conform section 302 to the public facilities title.

I do not believe that Members of the House fully realize that section 302 has the broad application of the equal protection of the laws. I have examples of that from the United States Code Annotated, 42, as to what the equal protection of the laws includes. It includes redistricting cases. It includes police brutality cases. It includes any action under all of section 1985—conspiracy to interfere with civil rights, preventing officers from performing their duties, and so forth.

This is the crucial point. What did the Attorney General have to say about title III? All the quotations I shall give are applicable directly to title III, section 302 now in the bill. I do not refer to the title III the subcommittee voted to report. The quotations I shall give now are relevant to the 1957 act, which I have mentioned.

What did the Attorney General say? I quote from his remarks, as shown on page 2657 of the hearings before the Committee on the Judiciary, which contain the Attorney General's testimony.

This is a substantiation of my statement that the section 302 is much broader than title III, which the Congress in 1957, in its wisdom, struck from the bill:

> The 1957 proposal dealt specifically only with voting, and title III then represented an effort to protect other substantive rights. The rights then contemplated—

I ask Members to listen to this—

> The rights the contemplated—primarily those relating to schools—are now expressly included in the President's bill. Accordingly, title III in the subcommittee print must have a purpose quite different from that of 1957.

So does section 302, I add.

In the existing title II, in the existing title III, in the existing title IV of the bill there are little title III's written into every title, to give to the Attorney General a right to bring a cause of action.

But the proponents are not satisfied with limiting those causes of action to each title and the subject matter of each title. They wish to go into the broad area of the equal protection of the laws. I wish to quote the testimony of the Attorney General with respect to whether he believes these broad areas should be covered. It is my understanding that the administration to this date has not said it wanted section 302 in its broad,

broad aspect, if the Attorney General meant what he said before the committee when he testified. If he meant what he said when he testified before our committee he did not want it, because this is what he said:

> Title III would not be effective to prevent—

I ask Members to listen to this—

> Proponents of title III believe it should control local police abuses.
>
> Title III would not be effective to prevent or punish sporadic acts—such as bombings by terrorists or isolated acts of brutality by individual police officers. Injunctions cannot prevent crimes by unknown persons.
>
> Proponents of title III believe it should control local abuse.

That is what the gentleman from Colorado says it is for.

I think the Committee should first consider the problem that assumption raises.

Here is what he said:

> Title III would not be effective to prevent or punish sporadic acts—such as bombings by terrorists or isolated acts of brutality by individual police officers.

This is what the gentleman from Colorado claims it will do. Listen to this. This is the Attorney General:

> Injunctions cannot prevent crimes by unknown persons.

The CHAIRMAN (Mr. PRICE). The time of the gentleman has expired.

Mr. CRAMER. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROONEY of New York. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I just want to finish these quotes and then I will be delighted to yield.

Listen to this. And the intent of carrying this out is by injunction. So the Attorney General himself says this section will not accomplish what the gentleman wants to accomplish and it is far too broad to be lived with by the administration, according to his testimony.

Mr. ROONEY of New York. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from New York.

Mr. ROONEY of New York. I should say to the distinguished gentleman from Florida I am wondering whether or not the gentleman intends to vote for this bill.

Mr. CRAMER. The gentleman, of course, asks this facetiously.

Mr. ROONEY of New York. I am very serious about it.

Mr. CRAMER. The gentleman knows that the lack of success we have had in getting this House to accept any constructive amendments clearly indicates that those of us who feel the bill goes too far, could not possibly support it. If the House had taken some attitude of willingness to consider these amendments on the basis of their merits and we had adopted some good amendments, it could be different. I said before, I could write a bill I could support, but I will not get a chance to do so.

Mr. ROONEY of New York. If the Committee of the Whole had gutted the bill, the gentleman would vote for it. Is that it?

Mr. CRAMER. I will not yield any further. This is the crux of my argument, and it stands on its own. Here is what our Attorney General said about title III:

> These difficulties point to the basic danger of relying on injunctions to control in advance the actions of local police.

Now listen to this. This is what you are going to do if you vote for section 302 without my amendment:

> One result might be that State and local authorities would abdicate their law enforcement responsibilities, thereby creating a vacuum in authority which could be filled only by Federal force. This in turn—if it is to be faced squarely, Mr. Chairman, would require creation of a national police force.

The Attorney General is speaking. He is speaking with regard to section 302, with regard to the broad equal protection of the laws concept of the right of the Attorney General to bring an action. And what is the difference between that and their right to intervene? All my amendment does is to say when someone brings an action under this title relating to desegregated public facilities the Attorney General can intervene.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

The amendment offered by the gentleman from Florida would limit intervention in a suit brought by an individual because of discrimination in public facilities publicly owned. The gentleman would narrow almost to the vanishing point the import of section 302, the intervention section; that is, intervention by the Attorney General. Now, it is rather anomalous that the gentleman at this 11th hour comes into this Chamber with this kind of a proposal. I will show you that the gentleman is quite ambivalent and he is very much like Janus looking in two directions.

Why do I say that? Because he is one of the gentlemen who voted for the subcommittee bill which contained a broader part III. And what would that part III have done which this gentleman voted for in the committee? It would provide for intervention by the Attorney General not only in cases involving constitutional rights, not only involving the 14th amendment with reference to equal protection, but it went further than that and said that the Attorney General could intervene in any case where a party was aggrieved under the Constitution and laws of the United States.

What does that mean? That means under the criminal law, under the narcotics law, under the wages and hours laws, under all labor laws, under the antitrust laws; it runs the whole gamut of the laws of the United States. And this gentleman now has the temerity to come into this Chamber and try to distort the import of section 302 just into these recreational and amusement facilities and he would have voted for the whole "shooting match"—I hope you will pardon the terms of slang that I use—he would have voted for any and all kinds of actions permitting the Attorney General to intervene, involving the whole huge umbrella of coverage, the laws of the United States and the constitutional provisions.

Now he comes into this Chamber and he wants to go to the very opposite extreme and limit this application to public facilities.

What about the filching of the rights of the individual on other levels of American life beyond amusements? How about the rights of the individual in matters of education, in matters involving labor, on the political level? Why should not the Attorney General have the power of intervening in case of a poor, lonely Negro who has been deprived of his constitutional rights, on the educational level, on the political level, on the housing level, on any level? Why should it be limited as the gentleman would, to amusements and recreation? For those reasons I urge that the amendment be voted down decisively.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. CRAMER. Mr. Chairman, I do not wish to take issue with my distinguished chairman, for whom I have the highest regard, as I am sure he knows. If the gentleman from Florida is looking in two directions, and that is the argument on which the gentleman bases his opposition to my amendment principally, then I would suggest that the gentleman from New York, likewise, is looking in two directions because he voted the bill out of the subcommitee with the language which I wish to return to. Then he voted against his own bill when he voted to report the substitute. So he was looking in two directions, too, as we all are.

Mr. CELLER. But I am not advocating this amendment which is like, as I said, the Roman god Janus, which looks in both directions at the same time.

Mr. CRAMER. Mr. Chairman, to the gentleman I would like to say that he knows full well that the reason why many of us voted the strong bill out of the full committee was to get the bill on the floor, because we knew we were not getting any consideration for any amendments in the committee. It was impossible to do so, and the gentleman knows that.

Mr. CELLER. That is not the reason. The reason is that you wanted to load the bill with almost impossible provisions so that the bill would be so unpalatable that nobody could swallow it.

Mr. McCULLOCH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, at least for the moment I am in an enviable position, I believe. I voted against the strong, hard, abrasive bill that was reported out by the subcommittee but I voted for this much better bill that we have before us today.

I regret again to oppose an amendment by my colleague on the committee, the gentleman from Florida, but his amendment would substantially reduce the effectiveness of the legislation.

I think the amendment for that reason should be defeated, and I hope my colleague from New York will give some personal history about civil rights legislation.

Mr. LINDSAY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to remind the Members of the House that title III is not a new proposal. It originated back in 1956 when the Eisenhower administration first drafted title III and submitted it to the Congress. The House of Representatives then in 1957 went up the mountain on the subject and passed title III. They sent the matter over to the other body. The other body struck it out in a last-minute trade. We do not expect that will happen again, nor will we agree in the event it does happen.

The title III that this House passed under the sponsorship of the Eisenhower administration and Attorney General Herbert Brownell spoke of the equal protection of the laws. It was not confined, as we have confined this proposal here before us, to public facilities owned, operated, or managed by or on behalf of a State or a subdivision thereof.

The 1957 civil rights bill that passed the House of Representatives was an equal protection of the laws proposal and to that extent it was substantially broader than anything we are considering on the floor of the House today. In the interest of a full statement and completeness, I should say that the 1957 proposal was limited to the extent that it required the finding of a conspiracy in order for the law to become applicable. What the House was doing in passing title III was taking off the backs of individuals the burden of having to carry the dangerous, difficult, burdensome, and expensive problem of lawsuits in the field of civil rights.

So we come back again now with a confined and restricted proposal. We again call it title III, and we narrow it down to those areas known as public facilities supported by all taxpayers and as to which, we argue, all citizens have a right of access regardless of their race.

The proposed amendment, of course, is one that would limit the proposal that we have before us. The proposal begins by being a compromise. We have narrowed the title substantially from the 1957 version. But we keep a right of intervention, not of initiation as originally provided, in the Attorney General in those cases where there are alleged denials of protection of the laws tied into race, creed, color, or national origin.

I might add also that the 1957 act was not even restricted to race, creed, color, or national origin. The presently proposed equal protection clause is limited to a right of intervention. It does not go beyond. Who in Heaven's name can quarrel with that?

Lastly, I would urge Members to take a look at the Civil Rights Commission report and at part 2 of the committee report, authored chiefly by the distinguished gentleman from Ohio [Mr. McCulloch]. These reports outline and document the reason and the need for having a limited right of intervention by the Attorney General on behalf of an individual. This is an individual protection, and nothing more, on behalf of individuals who cannot defend themselves in the cases where a constitutionally protected right is imagined because of race, color, religion, or national origin; one of the rights about which we are talking, and a very significant one. Nothing in this proposal and nothing we even might try to do would deny to any local authority proper and reasonable police powers. Nor would normal limitations on the otherwise absolute right of free speech be changed. But the facts, stated in the testimony, as the Civil Rights Commission has pointed out and as we attempt to point out in part II of the committee report on page 17, demonstrate the need for safeguarding individual rights in this most important area.

Mr. WHITENER. Mr. Chairman, I move to strike out the last word.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. I yield to the gentleman from New York.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on this amendment conclude in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair understands the request to be for 15 minutes following the remarks of the gentleman from North Carolina. The gentleman from North Carolina is recognized for 5 minutes.

Mr. WHITENER. Mr. Chairman, a few moments ago when the gentleman from Ohio [Mr. McCulloch] was on his feet I sought to get him to yield so that I might ask him a question. Since he did not yield I have asked for this time in order to propound that question.

The gentleman made the remark as I understand it, that the bill presently before us had received long study. As a member of the Judiciary Committee I would just like to inquire of the gentleman when that long study took place.

Mr. McCULLOCH. That study began on about the 15th of January 1963, and continued intermittently until June 20, when the administration bill was introduced in the House. It came under intensive study when the hearings started on May 8, 1963. It was studied both in the daytime and in the nighttime to and including October 29, 1963, when the bill was finally reported to the committee. It is not new language. It has been debated among many members of the committee both in subcommittee and in private in the study of this legislation.

Mr. WHITENER. I thank the gentleman. I understand that what he says about having been studied in the nighttime is fairly accurate. I think at this point we ought to put the record straight about this long study. Some Members of the House may not know the history of this long study.

The subcommittee that conducted hearings, as the gentleman said, on civil rights legislation, brought out the bill which the chairman of the committee, the gentleman from New York [Mr. Celler], who was also the chairman of the subcommittee, today renounces on the floor as being bad legislation, and criticizes the gentleman from Florida [Mr. Cramer] for voting for that legislation in the committee.

After they brought out this bill, which really had had long study, the Attorney General of the United States came before the committee very gladly upon request and renounced the very bill that came from this "long study" that the gentleman has referred to. He said, as we have heard him quoted here already during this debate, among other things, that the legislation which the gentleman from Ohio and the gentleman from New York [Mr. Celler] and the subcommittee brought out after long study would create a police state in this country and would give to the Attorney General more power than this Attorney General wanted or than any other Attorney General should have. Then after much shenaniganing around over a period of several weeks—and we had more meetings of the Judiciary Committee canceled between 9 and 10 o'clock in the 2 or 3 weeks than in the four terms I have served in this Congress—we came into the committee room after this "night study" which I understand took place, and some of the Members had the bill we are now considering in a mimeographed form and some of us did not have it.

One Member showed me his copy and when I asked where it came from, a member of the staff of the Committee on the Judiciary said:

> Shh, do not ask for it now because the newspapermen are in here. They will be out in 5 minutes and you can have it.

Whereupon I protested and I said I felt the newspapermen should have a copy of it and the public ought to know about it. At that point after this "long study" which I understood took place the night before when the mimeograph machines ran until about midnight, these gentlemen brought forth this bill which at that time they were unwilling for members of the press to see and to report on to the people of this Nation.

That is the history of this legislation. The gentleman from Florida has been criticized—and I am not here to defend him, but I was one of those who agreed with the procedure that he followed in trying to see that we were not going to be parties to bringing about enactment of this sort of legislation.

I hope that the record is straight about this "long study" business and what the committee did about it.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. Corman].

Mr. CORMAN. Mr. Chairman, the gentleman from New York [Mr. Lindsay] has given a very accurate and comprehensive history of section 302 of this legislation. I only would like to say that as a lawyer I found very shocking the difficulty that some Americans have in getting legal representation in some courts in our land. It was for that reason that this title was written in. It would be a serious mistake to take it out.

I would like to say further, history has demonstrated the wisdom of this House in 1957 and demonstrated the lack of foresight of the Senate, and I hope the

Senate will not make that mistake again on this section.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, the observation of our delightful chairman that there were some Januses on the Committee on the Judiciary, and the account of my good friend, the gentleman from North Carolina [Mr. WHITENER] about what happened in the few days immediately prior to reporting the bill you now have before you prompts me to suggest that as of that time, perhaps, we should have renamed the Committee on the Judiciary, the Janus committee.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman.

Mr. WHITENER. I would like to ask the gentleman from Michigan who is a member of the Committee on the Judiciary a question. When did the gentleman first see this legislation that we now have here before us as a substitute for the bill reported out by the subcommittee of the gentleman from New York [Mr. CELLER] and the gentleman from Ohio [Mr. MCCULLOCH].

Mr. MEADER. At my home in Chevy Chase at 10:10 p.m. on the Monday evening before we voted on the bill Tuesday.

Mr. WHITENER. I congratulate the gentleman because he is in better standing with the committee chairman and the Justice Department than some of the rest of us. I did not see it until 10 a.m. the following day.

Mr. MEADER. If I may proceed, Mr. Chairman. We have given in this bill in title II power to the Attorney General to enter into litigation involving individual rights.

In title IV again we have given the Attorney General the right to intervene in such cases. In title III which we are now discussing, if it is not limited in the manner suggested by the gentleman from Florida, no one knows what kind of cases the Attorney General may intervene in.

Do you know what he said in colloquy with me during our hearings in the full committee? I will quote a passage from his statement.

Mr. Chairman, the Attorney General said this:

> I think it is very difficult for you to draw those narrow lines of where you would approve the Department of Justice or the Federal Government going into these matters, and, as I say, I think it is an extension of Federal authority which I think I would be reluctant to see Congress take.

It is an unusual thing when anyone in the executive branch of the Government says, "Please do not give me authority." If that does not establish beyond any doubt that the authority is excessive, I do not know what more proof anyone would want.

I read another passage:

> I think there are certain substantive actions that need to be taken by Congress, but I do not think we should go so far that we would regret giving this kind of power.

That is not what I said. It was the Attorney General who said that. After quoting those passages I asked him a question, or made a statement:

> I thought I recalled the Attorney General saying in one exchange yesterday that title III could be immense power, and would be bad for the country.

Then the Attorney General, Mr. Kennedy, said:

> I do not know if I used those exact words—but that is the substance. And I think that is what I said.

I believe the estimate given to the committee as to how much the Department of Justice would have to increase if it really carried out the authority which would be given to it under this provision, to intervene in all kinds of equal protection cases, might be too small. I believe they would have to build a new building, and perhaps it would be as big as the Pentagon.

The CHAIRMAN. The gentleman from New York [Mr. GILBERT] is recognized for 3 minutes.

Mr. McCULLOCH. Mr. Chairman, will the gentleman from New York yield to me for 1 minute so that I may ask a question of the gentleman from Michigan?

Mr. GILBERT. I am happy to do so.

Mr. McCULLOCH. Would the gentleman from Michigan please tell the committee whether or not the Attorney General was talking about the title in question in the subcommittee bill, which was later rejected, or whether he was talking about the title in the bill now under consideration.

Mr. MEADER. The Attorney General was opposing title III in the subcommittee bill at the time these statements were made.

Mr. McCULLOCH. Very well. Will the gentleman yield further?

Mr. MEADER. That is not a complete answer, because I believe that under section 302, while he could not initiate, he could intervene in the same scope of litigation.

Mr. McCULLOCH. Mr. Chairman, the gentleman voted against the drastic bill which came from the subcommittee, as I did and as others did, and he is talking about a bill that is not before the committee.

Mr. GILBERT. Mr. Chairman, I thank the distinguished ranking minority member of the committee for raising that question, because that is exactly the point I was going to make.

When the Attorney General testified before the subcommittee he was testifying concerning the subcommittee bill and not the title III we presently are considering in the bill, which is limited.

The bill is limited to racial cases, but title III of the subcommittee bill extended to all constitutional rights. That is the distinction with reference to the testimony of the Attorney General with respect to title III. There were two title III's, one in the subcommittee bill and the one in this bill.

If the amendment of the gentleman from Florida [Mr. CRAMER] should be adopted, it would "gut" section 302, because it would provide for the identical language that has been provided in section 301. The Attorney General at the present time, under section 301, would have the right to commence a suit, and all that we would be doing, if we limited the bill to the amendment, would be to say that if someone commenced an action then the Attorney General could intervene. The Attorney General could do that under section 301.

Mr. CRAMER. Mr. Chairman, will the gentleman yield, since he mentioned my name?

Mr. GILBERT. I yield.

Mr. CRAMER. Would not the gentleman agree that the equal protection of the laws proposal in section 302 now in the bill would be subject to exactly the same criticism that the Attorney General leveled—

Mr. GILBERT. No.

Mr. CRAMER. Just a minute; let me finish my question—leveled as it related to the very subject matter the gentleman from Colorado wants to touch upon, which is police action?

The Attorney General himself said, concerning police action:

> Injunctions cannot prevent crimes by unknown persons and thus brutality by individual police officers cannot be effectively prevented by injunctions.

Is that not applicable to this?

Mr. GILBERT. Under section 302 it is limited to actions because of race, color, religion, or national rights. May I answer one other question on the point raised concerning reapportionment cases? Under section 302 reapportionment cases would not apply and the Attorney General would not intervene unless you had a specific case similar to the Tuskegee type case where reapportionment is a special one and desired to prevent Negroes from voting.

The CHAIRMAN (Mr. KEOGH). The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. CRAMER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. CRAMER and Mr. ROGERS of Colorado.

The Committee divided, and the tellers reported that there were—ayes 84, noes 164.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. POFF

Mr. POFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. POFF: On page 49, line 23, after the word "costs" insert a comma and the words "including a reasonable attorney's fee",".

Mr. POFF. Mr. Chairman, section 303 properly authorizes a payment of costs by the United States when the suit goes against the United States. Section 303 reads as follows:

> In any action or proceeding under this title the United States shall be liable for costs the same as a private person.

It will be seen that this language does not include any authorization for a reasonable attorney's fee as a part of the costs.

On page 46 under section 204 of title II, a reasonable attorney's fee is authorized as a part of the costs and if it is authorized as a part of the costs assessable against the United States under the public accommodations title, most assuredly it should be assessed as part of the cost under title III which involves not only suits to desegregate public facilities but suits brought by private individuals in which the Attorney General is authorized to intervene.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Virginia.

Other attorneys' fees are allowed to the prevailing party other than the United States. So that there is a distinction. Ordinarily the United States is not subjected if it loses a case to the payment of reasonable attorneys' fees.

I cannot at the moment conjure up any statute where the United States is subject to the payment of reasonable attorneys' fees. The United States is usually subject to reasonable costs, but attorneys' fees is a horse of another color. I do not think it would be proper in cases of this sort to allow attorneys' fees to be paid by the United States. Therefore I recommend that the amendment be defeated.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Virginia.

Mr. POFF. I anticipated what the gentleman said; I simply propose the amendment, and I see no cause for any additional debate.

Mr. ASHMORE. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I disagree completely with my good chairman, the gentleman from New York [Mr. CELLER] regarding this attorneys' fees proposal. He says he does not know of any other instance where defendants are awarded attorneys' fees. If the Members of this House and the committee will recall, not many weeks ago we passed a law where every defendant who was not able to hire an attorney for himself in a criminal case would be provided defense by the U.S. Government at the taxpayers' expense. The amount of the attorneys' fees was set forth in detail. I know that was in criminal cases, but what is the difference whether you call it a criminal case or a violation of a court order, an injunction or contempt of court, whatever it may be, in either instance you can be put in jail for violating the order. There is very little difference.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. ASHMORE. I yield to the gentleman from New York.

Mr. CELLER. Who are the defendants against whom action is brought? Those cases are usually brought against the State or a subdivision of a State. The States or the subdivisions of these States have their own staffs of paid attorneys, elected or designated. So that there is no real urgency or real need to saddle the United States with additional costs in the form of reasonable attorneys' fees when the attorneys are usually in these cases as public servants. I reiterate that the amendment should be voted down.

Mr. ASHMORE. Mr. Chairman, in furtherance of the point I just made a moment ago, I wish to say there is even more reason for providing attorneys' fees in cases of this type under the Civil Rights Act than there would be in the pauper cases concerning which we enacted a statute some few weeks ago, because in the present instance the Attorney General comes in and sues the man who is being forcibly brought into court. One citizen has the Attorney General as his lawyer at public expense, and the other man, the accused, either hires his own lawyer or has none. We should put them on an equal basis. The Attorney General appears for an individual in one case, and we certainly should give the poor defendant who is accused of some wrongdoing the opportunity of also having a good lawyer, and that lawyer should be paid for by the taxpayers just as the Attorney General is paid.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. ASHMORE. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. I want to compliment the gentleman from Virginia for introducing this amendment. I had one exactly like it. I think it is important that this language go in the bill. The distinguished chairman of the Committee on the Judiciary has called attention to the fact that under this title the action would probably be against a State or municipal corporation. That is true. The gentleman is an able lawyer, and he knows that municipal corporations employ city attorneys for the purpose of handling routine legal work, and not for cases of this magnitude. When a matter as serious as this comes up they go out and hire attorneys to do this job or arrange to pay more to the city attorney. It would be quite unfair to permit the United States to bring its full might and power against the small municipal corporations and make it impossible to collect attorneys fees in cases in which the defendant prevails and the United States fails to carry out its charges.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from New York.

Mr. CELLER. Is the gentleman saying that in the cases that he spoke of it would be sort of political patronage, and those appointees would get these emoluments out of the U.S. Treasury?

Mr. ROGERS of Texas. Not at all, because the United States is the one who institutes the suit or intervenes. The United States has hundreds of attorneys who are going to harass these municipal corporations and a bunch of civilians in the country. A lot of Members of Congress are going to want to turn the pages of history back and change their vote when they experience the full impact of this provision. It is no more political patronage to the defendants than are the attorneys fees paid the Attorney General in salary and expenses.

Mr. McCULLOCH. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I am pleased to rise in support of the amendment offered by the gentleman from Virginia. I was strongly in favor of the paragraph beginning on page 46, line 11, and ending with line 15, which provided attorneys fees in that title. As a matter of fact, I pressed for that amendment from the time we began consideration of the legislation until we ended it. While a substantial number, if not a huge majority of the cases will be brought against a State or political subdivision thereof, there are occasions when suits will be filed by private plaintiffs against private defendants. If a suit is an untimely one or if the allegation cannot be sustained, I see no reason why the successful party should not be reimbursed for the attorneys' fees which he has reasonably expended.

Furthermore, in answer to those who have said that it might be just reimbursing another political division, this may be an effective brake on district attorneys and assistant district attorneys or attorney general who have motives not in accordance with those of us who drafted this bill.

I hope this amendment will be agreed to.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, now I have seen and heard about everything this afternoon. For the first time as far as I know this afternoon or for the last 2 or 3 days the gentleman from Ohio has supported an amendment to improve this bill.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield for an observation?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. McCULLOCH. I am for all amendments which are logical and constructive and will be in the interest of that which we are trying to do.

Mr. GROSS. I am glad to see the attorneys taken care of. I am glad to see they are going to be paid. But I do have concern for the taxpayers.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Virginia.

Mr. POFF. I am afraid the gentleman reflects a popular misconception in the minds of laymen. The attorney will not be reimbursed. The one who will be reimbursed is the private citizen litigant. He may be sued by the United States, or if the U.S. Attorney General intervenes in another suit, and if the United States fails to perfect and prove its suit, then is it not right and proper that the person against whom the suit is brought should be reimbursed?

Mr. GROSS. I am not opposed to the amendment. I want to see lawyers paid. I want to see everybody properly compensated, but I am concerned for the taxpayers of this country who are going to have to pay the bills. Can the gentleman from Ohio tell me what this is going to cost because the door is really being opened in this bill to all kinds of litigation.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. McCULLOCH. I will be glad to answer the question of the gentleman from Iowa as best I can.

It is difficult, if not impossible to pinpoint the cost of this legislation. But I want to say this, Mr. Chairman, to the Members of this House, I do not think we can measure the cost by a million dollars or $2 million or $10 million when human rights and liberties are at stake. I am one—Scot that I am, conservative as I am, one who insists on a balanced budget at every opportunity, who is willing to commit the necessary dollars to see that the people have guaranteed to them the liberties that are so clearly set forth under our Constitution.

Mr. GROSS. You know you do not need a stereophonic set to play that statement because you hear some variation of it every time the foreign handout bill comes up. On all too many occasions we are told that we have to take care of the emerging nations, the depressed and repressed, all over the world. But I would like somebody to tell me before we get through with this bill what it is going to cost.

Mr. McCULLOCH. Mr. Chairman, I have just had handed to me by one of our alert staff men estimates on each of these titles.

Title I, voting: Estimate from Department of Justice	$120,000
Title II, public accommodations: Estimate from Department of Justice	442,540
Title III, public facilities: Estimate from Department of Justice	312,530
Title IV, school desegregation:	
Estimate from Department of Health, Education, and Welfare	10,095,000
Estimate, Department of Justice	657,560
Total	10,752,560
Title V, Civil Rights Commission: Estimate from Civil Rights Commission	500,000
Title VI, nondiscrimination in federally assisted programs	62,510
Title VII, equal employment opportunity:	
Equal Employment Opportunity Commission	3,800,000
Department of Labor (special study)	75,000
Title VIII, special voting census:	
Estimate from Department of Commerce	1,800,000
Estimated annual cost (average, 1st 5 years) (plus $1,875,000 for special 1-year study and census)	15,990,140

Mr. Chairman, if we can guarantee the the basic fundamental rights of citizens for that sum of money, it will be an expenditure well made.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to address the House for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. SMITH of Virginia. I have asked the gentleman to yield to me so that I may ask the gentleman from Ohio a question.

I have been disturbed by the open end provision in this bill which provides no stopping point for expenditures. The bill authorizes every expenditure necessary to carry into effect what this bill is supposed to do. I would like to ask the gentleman from Ohio, if he believes in the figures he has just read, if he would be willing himself to offer an amendment to limit the expenditures under this bill to the total that they say they want.

Mr. McCULLOCH. Of course not, Mr. Chairman. I think that would be very shortsighted.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Florida.

Mr. CRAMER. Mr. Chairman, the figures cited obviously are most conservative because section 716 on page 84 relating solely to the FEPC says—$2,500,000 the first year, and not to exceed $10 million for such purpose during the second year after such date.

That one figure alone exceeds the amount quoted by the gentleman from Ohio.

Mr. GROSS. I ask the gentleman from Florida about the necessity for more Federal judges, if very many three-judge courts are provided by this bill. They will be here asking for more Federal judges, will they not?

Mr. CRAMER. I say to the gentleman that if this proposal in the bill is carried out to the full extent or thrust intended by its proponents, there will be a clog in litigation unknown in previous history of this country. The only alternative will be additional Federal judges, in my opinion.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. RODINO. Might we not say also that if there is no discrimination—if discrimination stops—it will not be necessary to spend the money?

Mr. McCULLOCH. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McCULLOCH. Mr. Chairman, my very good friend, the able and shrewd and experienced Member from Virginia, Judge SMITH, commented on the open-end estimate which I submitted, and asked me if I were willing to make that the limit of the authorization. I answered, "Of course not."

The gentleman from Virginia has been in the Congress longer than I, and he well knows it is within the power of the Congress of the United States to make appropriations to meet the authorizations provided in legislation which becomes law.

If it should come to pass, Mr. Chairman, that a majority of the Congress of the United States should feel it not worth x millions of dollars to this country to insure to 20 million or more Americans their fundamental rights, which are guaranteed to them in the Constitution and by the statutory law of the land, then it will be the duty of the Congress to vote an appropriation in accordance with the dictates of the judgment of the Congress.

Again, Mr. Chairman, I—frugal as I have been in my voting in the Congress of the United States—am willing to commit the figures to the enforcement of this legislation which come to me from the Department of Justice.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the chairman of the committee.

Mr. CELLER. I am always loath to differ—particularly in the consideration of the terms of this bill—with my distinguished colleague from Ohio. We have been in tandem, as it were.

If the gentleman feels that it is essential to an appropriate effectuation of the provisions of this title that the amendment of the gentleman from Virginia be considered proper, I shall yield to the wishes of the gentleman from Ohio and withdraw my objection and accept the amendment.

Mr. McCULLOCH. Mr. Chairman, I am pleased by the comment of the chairman of the committee, who has been so constructive and so fair in considering so many difficult, highly controversial issues in this important legislation.

Mr. ALGER. Mr. Chairman, will the gentleman yield for a question?

Mr. McCULLOCH. I yield.

Mr. ALGER. I appreciate the statement made by the chairman of the committee and the ranking minority member.

Is it not true that we might, indeed, save a good deal of money under the terms of the bill, in title VI, if Federal moneys are retracted and withdrawn from those States where there is discrimination or segregation? Is it not possible we could save money by passage of the bill?

Mr. McCULLOCH. It is possible. I hope that such a drastic remedy will not be needed in any political subdivision in the United States. I hope that every public official in this country will soon, if not immediately, recognize the obligations which are upon them, so that we will not necessarily use this centralized authority in Washington.

Mr. CORMAN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I do not at all oppose this amendment, but I think it might be well if we had some legislative history as to what we mean by "reasonable." I would direct my remarks through the Chair hoping for comment from the chairman and the ranking minority member. It would seem to me that this Congress recently decided $10 per hour in a misdemeanor case is reasonable and the courts in fixing reasonable fees in this kind of case might be in part guided by that. I say this because I would call your attention to the fact that it would be a possibility that in some district courts there might be some substantial fees granted if there were not some guide as to what we mean by "reasonable." It would seem to me since we acted so recently in the public defender case, that would be a fair expression of what this Congress determines reasonable attorney's fees to be.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Ohio.

Mr. McCULLOCH. Mr. Chairman, I have great faith in the Federal judiciary of our country and I would be willing to abide by the decision of the trial and appellate judges as to what would be reasonable fees for this very necessary expense of those people who could not be able to afford the counsel they would sorely need to defend against an unjust charge of law. I will rely on that kind of determination.

Mr. CORMAN. Mr. Chairman, I yield back the balance of my time.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I would like to inquire of the gentleman from Ohio, the ranking minority Member, to see if I understood his figures a moment ago when he quoted it would cost $140,000 extra to enforce title I of this bill.

Mr. McCULLOCH. Mr. Chairman, I have handed to one of the reporters the document from which I read. I read it accurately and I stand by those figures, which are in writing, from the Department of Justice.

Mr. JONES of Missouri. The reason why I was asking that, is $140,000 would mean 14 lawyers at $10,000 a year, which would not be a reasonable figure. I think anybody that is so naive as to believe that is a reasonable estimate is certainly not very realistic. Would you agree with that?

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman.

Mr. McCULLOCH. I want to say to the gentleman within the last 2 or 3 years I drafted a very able Tennessee-Jeffersonian Democrat from the Justice Department at $8,000 a year, and he did yeoman service for the committee, and I wish he were still with us.

Mr. JONES of Missouri. That would make 18 lawyers, then. I think this is just another example of how misinformed we have been on some of the features of this bill. We have this estimate brought in here, and I think anybody who has a real realistic attitude—what are you looking at the gallery for? I know the Justice Department is up there. Maybe the guy who prepared the figures is up there in the gallery. If he is, he ought to step down here and keep the man posted.

The CHAIRMAN (Mr. KEOGH). The gentleman from Missouri, I am sure, knows the rules.

Mr. JONES of Missouri. I am not addressing the gallery.

The CHAIRMAN (Mr. KEOGH). You are not to refer to anybody in the gallery. The gentleman will proceed in order.

Mr. JONES of Missouri. There are a whole lot of us out of order in this House today, and we have been out of order here for the last week.

I want to say, to repeat what I said here last night about the fact that we are not conducting an open debate here on the floor on this bill to make history. Last night we got to the point where amendments were offered and the leadership in charge of this bill would say thumbs down, and when you play the game and Simon says thumbs down—we were playing the game, and MANNIE said thumbs down, and we saw what the result was. We need to have this thing debated fully so that we can get both sides of the question. I do not want 5 years from now or 3 years from now, when things take place that I know are going to take place and we try to look back in the RECORD, to see that, well, someone offered an amendment here which would have prevented this thing from happening. No one opposed the amendment but it was voted down. I think for a complete record we should have both the proponents and the opposition give their views on this matter; I mean, not from a legalistic standpoint but just to give us the facts; that is all we need.

There are so many people here that feel that this has to be voted on right quickly, that we have to get through with this thing. We performed a senseless operation here yesterday, remaining in session from 12 o'clock until 8 o'clock. Whoever heard of Congress staying in session, during the first month of the session, 6 days a week and 8 hours a day? And I understand they are going to try to keep us here longer than that tonight. How foolish can we get? Why do we not have somebody be realistic about this?

Mr. Chairman, I am going to ask unanimous consent now that the committee rise at 5 o'clock this afternoon. I make that unanimous request, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. ROGERS of Colorado. Mr. Chairman, I object.

Mr. DINGELL. Mr. Chairman, I object. Mr. Chairman, the gentleman is in error in calling us foolish. I think he is just allergic to work.

Mr. JONES of Missouri. I thank you very much. I see that some of these people belong to this group that is herded in and told what their vote is. They are told what their vote is going to be on all these things. I do not know who made all these agreements around here. I have been trying to find out for 3 days when we were going to vote on this bill. I do not know whether we are going to vote on it tonight; I do not know whether we are going to vote on it Friday night, or whether we are going to vote on it Saturday night. I think it has been a general rumor that we were going to vote on it by Tuesday night. So I presumed that we were going to carry on and work a reasonable amount of time, take a section today, take a section tomorrow, take another section on Saturday, and so forth, if you feel you have to work on Saturday, and then vote on Tuesday.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. JONES] has expired.

The question is on the amendment offered by the gentleman from Virginia [Mr. POFF].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DOWDY

Mr. DOWDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. DOWDY: On page 48, line 10, after the words "national origin" insert the words "sex or any other reason".
>
> And on page 49, line 18, after the words "national origin" insert the words "sex or any other reason".

Mr. DOWDY. Mr. Chairman, the amendment that I have offered is in line with my intent to include women or sex in each one of these places in the bill where the words "race, color, religion, or national origin" are used.

I prepared the amendment for this particular section and then I read what it applied to and I thought it did not go far enough, so I included "or any other reason."

If you will look for a moment at what this bill contains at this point you will see it ought to be included. Our venerable chairman objected to one of the things that cut down the coverage of this bill. My amendment enlarges it. Here is what it says:

> Whenever the Attorney General receives a complaint signed by an individual to the effect that he is being deprived of or threatened with the loss of his right to the equal protection of the laws.

If the taxpayers of the United States are going to furnish a lawyer from the Attorney General's office to a person who on account of his race, color, religion or national origin is being deprived of the equal protection of the law, why do we not go all the way and say that any person has the same right in these United States? He does not have to be colored, he does not have to belong to some minority religion, he does not have to be of a certain national origin to get these protections. I am entitled to it, you are entitled to the same rights under the laws of the United States as these minority groups this bill refers to. If it is up to the taxpayers of the United States of America to furnish a lawyer to anybody, a lawyer from the Attorney General's office, who is being threatened to be deprived of equal protection of the law, then I think it should apply to everybody in the United States. I do not see any sense in just applying it to minority groups. I think it is foolish for taxpayers to furnish these lawyers, anyway, but if you are going to go part of the way let us go all the way and get it over with.

Mr. GRANT. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield to the gentleman from Alabama.

Mr. GRANT. I do not protest against this amendment, but would it not be better to have it all inclusive, which would include "her"?

Mr. DOWDY. I am not sure that you are right about that. The alliance that is ramrodding this bill down our throats is objecting to my amendment to include discriminations against sex, so I take it they would not agree with you. I might say that is an alliance that is here between the Republican Party and the northern Democrats. I do not know what they call it. But if it had happened to be an alliance between southern Democrats and Republicans, they would call it an unholy alliance.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield to the gentleman from Texas.

Mr. ALGER. In light of the colloquy that has just taken place, would the gentleman amend his amendment by inserting "his or hers"? In other words, after the word "his" say "or hers".

Mr. DOWDY. I do not think so, because that would limit it to race, color, religion, and national origin. You see, under the construction that has been put on those words by the agencies and departments in its manipulation, race, color, religion, and national origin does not apply to a white person, it does not apply to a person who may be of the Christian religion, it does not apply to any native born citizen of the United States.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield to the gentleman from Michigan.

Mr. MEADER. By "any other reason" are you adding that so that you will make sure there is no unequal protection of the laws, and you can get your lawsuits financed by the public if you are colored?

Mr. DOWDY. I am adding that so you will not be limited. This bill limits it. You have to be colored to be financed by the taxpayers in order to get equal protection of the laws. My reason is so that everybody, regardless of race, color or creed, even a white person, will get protection of the law.

Mr. ROGERS of Colorado. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is similar to the amendment the gentleman proposed yesterday to title II, public accommodations. The gentleman will recall that at that time we pointed out it was not necessary. Title III prohibits discrimination on account of race, color, religion, or national origin in public facilities other than public schools. Does the gentleman contend that women as women are at present denied satisfactory access to public facilities? Is his amendment aimed against the segregation of comfort facilities by sex? It is as simple as that. We should not burden this proposal about public facilities by adding the word "sex." If an individual regardless of sex is denied equal protection under the law, then that individual is entitled to judicial relief that may be granted by the Federal court.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. DOWDY].

The question was taken; and on a division (demanded by Mr. DOWDY) there were—ayes 26, noes 112.

So the amendment was rejected.

Mr. CELLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is my purpose to endeavor to complete all debate on titles III, IV, and V today, this afternoon, if possible. This can be done if we can get the earnest cooperation and help of the Members; otherwise I fear we shall have to continue in session until a rather late hour tonight. The alternative is either a late hour tonight within which we can conclude our deliberations on these three titles or, with a fair degree of cooperation with myself and the gentleman from Ohio, we can conclude probably late this afternoon.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Would the gentleman be willing to assure the House that if we finish consideration of titles III, IV, and V and read title VI tonight he will move that the Committee rise so that we may commence consideration of title VI tomorrow?

Mr. CELLER. I pledge that I shall do that.

AMENDMENT OFFERED BY MR. ASHMORE

Mr. ASHMORE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHMORE: On page 50, following section 304, add a new section to be known as section 305:

"SEC. 305. Proceedings for contempt arising under the provisions of this title shall be subject to the provisions of section 151 of the Civil Rights Act of 1957."

Mr. ASHMORE. Mr. Chairman, I am not going to take the full 5 minutes, but I do want my colleagues to understand what this amendment does. You probably could not tell what the amendment does by hearing it read.

Mr. Chairman, the amendment simply provides for a jury trial for anyone who violates title III which is the title we are now considering.

Under the statute, the Civil Rights Act of 1957, as amended, in 1960, title I of this bill provided for a jury trial for anyone violating the provisions thereof.

If you will turn to the bill before you, if you have a copy, at the top of page 48, you will find that the same language providing for a jury trial is written into title II which we passed yesterday.

My amendment is the exact language that you will find at the top of page 48 which does not mention the words "jury trial" but just says:

(c) Proceedings for contempt arising under the provisions of this title shall be subject to the provisions of section 151 of the Civil Rights Act of 1957 (71 Stat. 638).

Mr. Chairman, that language provides for a jury trial for any person who is found guilty of violating title II.

Now is there any reason under the sun or is there any logical cause to say that a person who violates title I of this act shall be permitted to have a jury trial; and that any person who violates title II of this act shall be permitted to have a jury trial; but that any person who violates title III of this act shall not be provided the right to have a jury trial—under the same circumstances? Is there any reason to say that such a person shall not have the right to have the same type of jury trial—which is not too good as a matter of fact, but it is the type of jury trial that was written into this bill in 1957 by the Senate which said, if the sentence of the court is in excess of a term of 45 days imprisonment or a fine of $300, then the person is entitled to get a jury trial.

As I say, Mr. Chairman, my amendment is exactly the same language as you now have in the law in these two titles and which was included in the law in 1957.

Mr. ANDREWS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ASHMORE. I yield to the gentleman.

Mr. ANDREWS of Alabama. Mr. Chairman, I want to say I am in favor of the gentleman's amendment. I would like to ask the gentleman who is a member of the committee if he can tell us why the language at the top of page 48 was not included in title III?

Mr. ASHMORE. I do not have the slightest idea.

Mr. ANDREWS of Alabama. Was it discussed in committee?

Mr. ASHMORE. This is only one of the many imperfections that have been revealed during the consideration of this bill. We did not get to that point in the full Committee on the Judiciary and it has never been discussed. It was never offered in the marking up of the bill. It was never debated. It was never probed or gone into in any instance whatsoever before the full committee.

Mr. ANDREWS of Alabama. I think a man who is a defendant in a Federal court under any of these titles is at least entitled to a jury trial and that is the least we could give him.

Mr. ASHMORE. Yes, and if you are going to give a defendant a jury trial under one title, why not give it to him under all titles?

Mr. ANDREWS of Alabama. I agree with the gentleman and I am in favor of his amendment. If we pass a law which denies a jury trial to a defendant then we are destroying one of the bedrocks upon which this Nation was built.

Mr. ASHMORE. All I am asking for is for a jury trial for the defendant and nothing more.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ASHMORE. I yield to the gentleman.

Mr. GROSS. Is not the right of trial by jury one of the most precious rights of the citizens of this country?

Mr. ASHMORE. I do not know of any right that is more precious.

Mr. GILBERT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman and members of the committee, the jury trial provisions were written into title II essentially because what was involved there was a new right that was created by statute. It was felt that since the right created in title II was a new right that it was appropriate in the enforcement of that right to make the jury trial provisions of the 1957 act applicable.

Title III on the other hand involves the enforcement of existing constitutional rights. These rights not only are of constitutional dimensions but they are also well established. The law on compulsory segregation of public facilities is so well settled that disobedience to a court order in a controversy involving desegregation of such facilities can be attributable only to a deliberate desire to obstruct. In such cases, the usual, longstanding, historic contempt procedures should be applied rather than the unusual exception created in 1957.

It should also be noted that, unlike under title II, the defendant in an action under title III will normally be a public official. These officials have a sworn duty to uphold the Constitution of the United States. Their obligation is to carry out that duty and the court orders entered pursuant to the Constitution.

They should not be permitted to pursue obstructionist tactics in the hope that by means of appeals to prejudice and local passion they will escape punishment for contempt if they resist. Even if the juries in these contempt cases would turn out to be scrupulously fair in all instances, the mere fact that public officials may hope to get favorable treatment from juries in cases of direct contempt of a court will make them more recalcitrant in carrying out court decrees. The orders of our courts, when directed against public officials, should not be at the mercy of such extraneous consideration.

Finally—and this is most important—we are talking here about disobedience to a court order after there has been deliberate and willful defiance. No one can even be considered for punishment by contempt until there has been a trial at which the duty of the particular public official involved has been clearly and completely spelled out. It is certainly not unreasonable to expect a governmental official to carry out such an order without equivocation, delay, or obstruction. It is only when such a person has deliberately refused to do his duty under the court order that there can be any question of punishment. In my view, there is nothing more reprehensible than a public servant who deliberately refuses to obey the orders of our duly constituted courts. The punishment for such disobedience should be swift and sure. The only purpose of the jury trial amendment can be to make sure that the punishment not be swift and sure. I oppose the amendment.

I yield back the remainder of my time.

Mr. MARTIN of California. Mr. Chairman, I move to strike out the requisite number of words.

I rise to ask a few questions of the gentleman.

It has been determined, in the State of California, that liquor moves in interstate commerce. We have applicable State laws which provide for a jury trial. Would this provision of the bill negate the right of a citizen of the State of California to a jury trial?

Mr. GILBERT. This has nothing to do with the law of California.

Mr. MARTIN of California. The gentleman can unequivocally state to me that in his judgment the Supreme Court would not rule that this law preempted the field, over the law of the State of California?

Mr. GILBERT. Is the gentleman talking about the Supreme Court of the State of California?

Mr. MARTIN of California. The Supreme Court of the United States.

Mr. GILBERT. I am reasonably certain that the California law would not be affected.

Mr. MARTIN of California. For the benefit of the House, would the gentleman define the doctrine of preemption, for those House Members who are not lawyers?

Mr. ROGERS of Colorado. The question of preemption, as I view it, is not included in the amendment offered; and therefore is not a subject for discussion at this time.

Mr. MARTIN of California. For the benefit of Members who are not lawyers, will the gentleman define the doctrine of preemption?

Mr. ROGERS of Colorado. The Supreme Court, in the Steve Nelson case, recently decided—within the past few years—said that if the Federal Government has jurisdiction in certain areas and the Congress passes a law, then that preempts the field and therefore to the exclusion of the world the jurisdiction thereof is exercised. That is commonly referred to as the preemption doctrine. But Congress is not compelled to preempt and enter into a field. If it does so then it is supreme, if it has authority to do so.

Mr. MARTIN of California. Would the gentleman agree that the section would deny to a person the right to a jury trial?

Mr. ROGERS of Colorado. No. What the gentleman is confusing here is the distinction involved. Any man who is charged with a crime under the laws of the United States is entitled to a jury trial, criminal in its nature.

Now, what you are dealing with here is that after a complaint has been filed in court and the court has heard all of the evidence, he then arrives at a conclusion an injunction should be granted against the action taken by the defendant. He enters that injunction. Then after the injunction is entered and after the man has been told that he should not do this, then he violates that court injunction, and upon proper procedure by the court he has an opportunity to show whether or not he has violated the injunction. If he has, then the inherent power of the court to punish one for violating his order is a right that has been recognized from time immemorial in the law and in the statutes of the United States; and, only until this haggling came into existence in 1957 did you ever hear of such a, should we say, hiatus in the law with this provision of once coming before the court and once being found guilty, then, after you are found guilty, you limit the right of the judge to say that if you give him more than 45 days or more than $300, you get it all tried over again before a jury. Now, that is strange, and it is a hiatus to all legal procedures we have ever enjoyed in this country.

Mr. MARTIN of Caliornia. That is a very pretty speech, but under the laws of California in a civil matter the person is entitled to a jury trial in a matter of this kind. What I am asking you is if this law may be involved in interstate commerce. It may involve a liquor establishment. Would the owner or operator of that liquor establishment be denied the right to a jury trial under this section? Would he or would he not?

Mr. ROGERS of Colorado. I do not know about your California law.

Mr. MARTIN of California. I do, and I am asking you if it would.

Mr. ROGERS of Colorado. All right. Then, you can answer your own question. If California permits the jury trial on a contempt citation of the court, now, that is something strange to me and I do not know of any States in the Union that go that far, and I have serious doubts about that being the law of California.

The CHAIRMAN. For what reason does the gentleman from New York rise?

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

We must get clearly in mind, and I address myself particularly to the gentleman from California [Mr. MARTIN], who just concluded, that there is no constitutional right, to trial by jury in a contempt proceeding. There has never been any jury trial in a contempt proceeding. All through English jurisprudence, from whence we get our own laws, and our own laws of equity in particular, when a contempt occurs in an equity suit, there is no trial by jury. I do not know what the gentleman refers to when he cites some statute in California. That is quite foreign to what we are working on now. In title III we are dealing with officials of State or city governments. They should have known and must know that in places of public facilities where they discriminate under color of law, it has been so decreed from time out of mind, that they violate a constitutional right. They have been put on notice that they have no right to do this, and when any one of these individuals, officials of the State or city government, violates title III by discriminating against individuals because of their race or color or creed, in these places of recreation or places of public accommodation that are publicly owned, they are violating a constitutional right and, therefore, a suit can be brought against them.

Even without title III a suit can be brought against them, but we accord the Attorney General under certain circumstances the right to bring a suit, and if an order is issued against any one of these officials in a court and those officials disobey that order, they are in contempt of court. As I said at the opening of my remarks, there is no constitutional right to trial by jury in a contempt proceeding. What we did in one or two of these titles was to provide in a criminal contempt proceeding if the judge doled out a sentence of $300 or more and the sentence involved an imprisonment of 45 days or more, then the individual would have the right to a trial by jury and a trial de novo.

We gave that as a matter of grace, not as a matter of right. The reason why we should not do it in this particular title—and we are departing from what we did in the other, title II—is because in this kind of case these State officials certainly knew what they were doing and with malice aforethought they deliberately filched from these individuals their rights and they discriminated against them on the basis of race or religion.

In a case recently cited in the October term of 1962 by the Supreme Court, Watson against City of Memphis, there the Negroes, residents of Memphis, sued in a Federal District Court for declaratory and injunctive relief directing immediate desegregation of public parks and other publicly owned and operated recreational facilities, from which Negroes were excluded, and the Court significantly stated this:

> It is now more than 9 years since this Court held in the first *Brown* decision, *Brown* v. *Board of Education*, 347 U.S. 483, that racial segregation in State public schools violates the equal protection clause of the 14th amendment. And it was almost 8 years ago in 1955, the year after the decision on the merits in *Brown* that the constitutional proscription of State-enforced racial segregation was found to apply to public recreational facilities (citing a number of cases).

So it is now more than 8 years, it is 10 years since these individuals who are officials, who presided over these parks and playgrounds or swimming pools had notice that what they were doing, in indulging in discrimination on racial grounds was wrong constitutionally; and because they deliberately went further, they should not be entitled to the same privileges that we gave to those involved in the other sections of this bill.

For that reason we deliberately excluded this idea of a trial by jury in a criminal contempt case and a trial de novo in title III.

The CHAIRMAN. The time of the gentleman from New York [Mr. CELLER] has expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MATHIAS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. MATHIAS. Mr. Chairman, I join with the chairman of the committee in opposition to this amendment. Would the distinguished chairman agree with me in this case that there is the additional factor in contempt cases not present in criminal cases? When there is a citation for contempt the defendant is before the court fully notified of all the judicial restrictions and all the facts which makes any violative act he may commit one which is done with knowledge. This is not always the situation in other legal proceedings.

Mr. CELLER. That is correct.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. WILLIS. Mr. Chairman, I do not want the gentleman to go at length into this point if he has already developed it, the point that I am about to propound. Could the gentleman state or restate why there should not be incorporated in title III, desegregation of public facilities, the same provision respecting jury trials incorporated as part of title II, injunctive relief against discrimination in places of public accommodations?

I did not expect the gentleman to go into the constitutional right of trial by jury, but why in essence should there be a right under title II and not a right under title III? I did not get that.

Mr. CELLER. In title III we are dealing with constitutional rights. Under the old Ku Klux Klan statute anyone could bring an action if he was discriminated against on the ground of race, color, or creed because there was a failure of the equal protection laws. Those are the kind of cases involved in title III; therefore they are cases that they should have known about, the rights of the individuals involved should have been known to the public officials.

In that same case I spoke of before, Watson against Memphis, it is stated:

> The rights here asserted are, like all such rights, present rights; they are not merely hopes to some future enjoyment of some formalistic constitutional promise. The basic guarantees of our Constitution are warrants for the here and now and, unless there is an overwhelmingly compelling reason, they are to be promptly fulfilled.

In the case of title II the rights are different. Those are newly created rights. They are not the old rights that you have and have had since the Ku Klux statute of 1871. The title refers to newly created rights, not old rights, and the officials should have known about those rights and after having knowledge of these rights they deliberately flout them, then they should not be accorded the same privilege.

Mr. WILLIS. Mr. Chairman, I move to strike the requisite number of words.

Further directing an inquiry to my friend, or to anyone who wants to volunteer, but specifically the chairman in his last remark stated that the essential reason for the difference is that a right under title III, are old rights, but that rights under title II are newly created rights. The rights under title III when they were created were new when they were created, yet somehow there is a distinction.

Mr. CELLER. Under title II the defendants would be mainly private persons. In title III the defendants would be mainly governmental bodies, State or local subdivisions of the States.

Mr. WILLIS. Of course, you cannot send a corporate body to jail. Some man or woman is found in contempt of court under title II, and would be entitled to a jury trial, but a man or woman found in contempt under title III would not be.

Mr. CELLER. I think there is a big distinction between title II and title III. In the first place, the defendants in title III have taken an oath to uphold the Constitution. When they discriminate on the ground of race, color, creed, or religion in places over which they have control, they are violating their oath.

They are violating the tenets of the Constitution. They have been put on notice a long time ago when they took the oath that they had to abide by the Constitution. They are taking away the constitutional rights. The action is against an individual who happens to be an overseer, a sheriff, or whatever he may be, it is not against him personally, it is against him in his official capacity, whereas in title II we get after owners of hotels, owners of restaurants, owners of gasoline stations. We are getting after individuals. When individuals are involved and no oath of office is involved of the type I have indicated, I think we have to be more careful with them than with officials who have been put on notice for years that what they are doing is inherently and constitutionally wrong and, therefore, should not have the same right as the restaurant owner and the gasoline station owner and the inn owner and the boardinghouse owner.

Mr. WILLIS. I will say to the gentleman that I understand what he is trying to bring forth, that there should be a difference in the operations and morality of a person who has taken an oath and one who has not taken an oath. You can rob a bank whether you are an individual or an official. I still am not satisfied in all honesty with the legalistic restriction here sought to be drawn between a man who is found in contempt of court in connection with public accommodations cases and the person who is found in contempt of court in connection with cases involving public facilities; public accommodations in one case and public facilities in another case. If the gentleman can give a cogent reason, I will be glad to listen.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield.

Mr. ROGERS of Colorado. What my chairman was trying to say was that under title II you are dealing with an individual.

Mr. WILLIS. I understand that.

Mr. MEADER. Mr. Chairman, I rise in support of the amendment.

I followed the colloquy with respect to the difference between the individuals who are the defendants under title II and the public officials under title III, but it strikes me that it is a little odd that the argument would be used when this provision about jury trial in contempt came into the law with respect to defendants who were public officials namely registrars. If there is a constitutional right to play on a public golf course, is that greater than the constitutional right to vote?

The gentleman from California [Mr. MARTIN] asked a question but he did not get a very good answer. He wanted to know if this title became law what was going to happen to the law of California. I do not know what the law of California is, but I will tell you all there is in this bill to preserve the law of California and its validity in this field. It is not the usual language of the nonpreemption bill H.R. 3 which has been worked out carefully over the years and has passed the House, I believe, on two occasions. Section 304, to be found at the bottom of page 49 and the top of page 50, reads as follows:

> Nothing in this title shall affect adversely the right of any person to sue for or obtain relief in any court against discrimination in any facility covered by this title.

Now I do not know whether that will protect the California law or not. I know there is phraseology which would and it will be my objective to offer that phraseology not title by title, but at the end of the bill to preserve the validity of any State laws or local ordinances now in existence or to be enacted in the future designed to protect the civil rights on a State and local basis where most of it should be done.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman.

Mr. WILLIS. Referring again to my colloquy with the chairman, who sought to draw a distinction as to the right of trial by jury of a public official and an individual; is it not so that, in the first place, title III would reach many people who would not be public officials? For example, it is not necessarily the mayor of a town who might be involved. It might be the zookeeper, who is not elected by the people. Is that not true?

Mr. MEADER. All public facilities were owned, operated or managed by or on behalf of any State or subdivision thereof would be reached. It might be the zookeeper or a golf course manager or it might be a park attendant.

Mr. WILLIS. As I understand the basis of this, the zookeeper becomes a public official for the purposes of this title.

Mr. MEADER. He may be a man who is acting only under orders.

Mr. WILLIS. And yet the argument advanced here against the amendment a while ago was that he had taken an oath to be a public official. Does the gentleman see any distinction between the protection of a jury trial in cases involving public places and places of public accommodations as in title II, and in a case involving places that are public facilities under title III?

Mr. MEADER. I do not see the distinction. A jury trial is particularly important to prevent onerous and oppressive sentences being imposed by a judge where there is no statutory limit on what he can do.

Let me say to you, many of these decrees may be couched in very broad phraseology—possibly, just the terms of the act.

Let me read to you what the gentleman from New York [Mr. CELLER] so eloquently said about the injunction decrees when the Norris-La Guardia Act was before the Congress. I could not use language this forceful myself.

He said:

> I am old enough to remember, and many of you here are old enough to remember the tragedy of the "Danbury Hatters" case, involving the so-called ex parte injunction. We would bring back the days of the Danbury Hatters. In those days the judges, without hearing, issued injunctions based upon affidavits of stooges and stool pigeons and agents provocateur.
>
> Some injunctions read very much like orders of an army of occupation bent upon vicious revenge. Many injunctions are not used to protect property from irreparable loss, but issued to disorganize unions and to terrorize and intimidate those on strike.
>
> The abuses in the granting of these injunctions so aroused the Nation that we, in 1932, passed the Norris-La Guardia Act which outlawed the granting of ex parte injunctions against labor * * *.
>
> This bill would reinstate those ex parte injunctions against labor and would turn the clock back and return us to the robber baron days and the days of the industrial buccaneers.
>
> I have read injunctions so fantastic, so arbitrary, that they were practically but one step from a threat of jail to a striker if he coughed, spat, or chewed.

Mr. Chairman, I tell you these injunctions are not going to be any different or any more specific in language and if you let a judge impose extremely onerous sentences, without any right of trial by jury we are exposing the American people to possible tyrannical oppression.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MEADER. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. CELLER] may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman.

Mr. CELLER. Will the gentleman please tell me and the Members of this Committee on what date I uttered those words?

Mr. MEADER. I guess it was in the days of his immaturity.

Mr. CELLER. I think you will find that goes way back to the New Deal days when we passed the Norris-La Guardia Act.

Mr. MEADER. That was in 1928, I suppose.

Mr. CELLER. Yes. What I said then was true and it is even truer today. There is nothing inconsistent in those words that I uttered then and the words that I am uttering now because now you have an entirely different situation. In my view there is nothing more reprehensible than a public servant or a public official deliberately refusing to obey orders of our duly constituted courts. Punishment for such disobedience, namely, refusing to obey the order of a court and showing contempt for the court should be swift and it should be sure.

The only purpose of this jury trial amendment to title III would be to make sure that the punishment was not swift and that the punishment is not sure. It would only impede the administration of justice.

Again I say, what I said then is true now. What I say now is true. What I say now will be true in 20 years.

Mr. MEADER. What is true with respect to title II and voting rights is true also with respect to title III. These decrees can be just as broad today as they were in 1928. The summary proceedings the gentleman wants to invoke would be conducted by the same judge. Issuing the broad order, he might understand it, but perhaps it will not be completely understandable by a defendant, because it is so broad. There would not be an adequate opportunity for the person accused to have his day in court.

Mr. CELLER. There is quite a distinction as between individuals involved under title II and under title III. I tried to make that clear. I cannot make it more clear. To my mind it is as clear as a pikestaff.

Mr. MEADER. Can the gentleman make the distinction with respect to title I?

Mr. EDMONDSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is the first time I have come to the well of the House on this bill. Generally I have supported the position of the committee with respect to the amendments. I have supported the amendments, however, when I felt their merits were overwhelming.

In this instance I must, regretfully, disagree with the distinguished and able chairman of the committee, and support the amendment. I do so with all the respect in the world for the issues that are involved and with recognition that contempt is an action under which there is no constitutional right to a jury trial.

At the same time, I believe the chairman said something significant when he said that in the other sections we have recognized as a matter of grace the advisability of jury trials. When dealing with legislation this important it seems to me there is room for grace at many points in the legislation, when it does not work actual destruction to the objectives we are seeking.

It has been argued, with respect to a right to a jury trial, that no jury trial should lie in this particular instance because the men who will be charged will be public officials who have taken an oath to uphold the Constitution. If this were the absolute truth and an absolute limitation on possible actions I might, on that basis, go along with the distinguished chairman. But at the top of page 49 it is stated, very definitely:

> The Attorney General may implead as defendants such additional parties as are or become necessary to the grant of effective relief hereunder.

He is not to be limited to public officials in bringing the action. He is to be permitted to bring the action against any citizen who he feels is in any way a party to the action which has been taken with regard to the denial of public facilities.

It may very well be true that there is a serious question of fact in a situation like this. The public official may be endeavoring with all his power to obtain a compliance with the order of the court, and he may have an insubordinate person working for him. He may have a lieutenant who refuses to go along with his orders.

On the other hand, the reverse may be the case. There may be an employee who wishes to comply and an official who is subject to the order who directs him not to comply. That employee may face a very definite question concerning his family. Should he give up his job by defying his superior officer, or should he comply with the order of the court?

There can be serious questions of fact not involving public officials in respect to enforcement of this particular provision.

I believe in the rights of individuals to be free. I believe in their rights to full dignity as citizens.

But one of those rights of every citizen should be the right to a jury trial when you have a serious fact question. Under our State law, I believe jury trial would be automatic in this kind of proceeding even though I recognize it would not be under the Federal Constitution. But, I say to you, have we reached the point where we cannot have the same grace in connection with title III that we have provided in connection with titles II and I? Certainly this is a point that needs to be considered very seriously when we vote on this particular question. I hope this amendment will be adopted.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the chairman of the committee.

Mr. CELLER. But the persons that could be interpleaded have to be employees or other public officials. If they are employees, they are public employees. So the conditions I have laid down would apply to officials who are public and employees who are public. They are all public officials in every sense of the word.

Mr. EDMONDSON. In that case, it might be some contractor with the city or some contractor with the county. It might not be an employee.

Mr. CELLER. I cannot conceive how it could be a contractor who would deny access to a place of public accommodation publicly owned on the grounds of race, color, or creed. How could it be?

Mr. EDMONDSON. Many of your public facilities are under concession to contractors and not subject to public officials absolute control.

Mr. CELLER. But they are working directly for the State or political subdivision thereof.

Mr. EDMONDSON. In one sense that is correct. But the distinguished gentleman will nevertheless concede they are not public officials and have taken no oath to enforce a constitution and are therefore in a different category.

Mr. CELLER. No. I think they are in just exactly the same category, and justice against them cannot be or should not be delayed.

Mr. EDMONDSON. Justice that is swift is not always true justice.

Mr. THOMSON of Wisconsin. Mr. Chairman, I ask unanimous consent that the gentleman from Wisconsin [Mr. SCHADEBERG] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SCHADEBERG. Mr. Chairman, I wish to associate myself with the position of the distinguished gentleman from Oklahoma [Mr. EDMONDSON]. We are indeed on very dangerous ground when we in this House would legislate a basic right of an individual out of existence by refusing to include in this bill a right of trial by jury. I shudder to think what will happen if in order to accomplish a present goal, noble as it is, we should for the mere sake of expediency deny the right of one segment of our society in order to provide it for another segment of our society. Should this become the policy of our Government and the intent of this legislative body then our freedoms will be watered down to a point of being meaningless. What do we profit if in striving to give legitimate constitutional rights to some—rights which are to be desired—we deny equally important rights to all?

Mr. LINDSAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the rights, duties, and obligations we are talking about here in title III are rights, duties, and obligations that arise solely out of the 14th amendment to the Constitution. For almost 100 years citizens of this country have been free to invoke the protections of that great amendment and take their case into the Federal court. If there is anything that keeps our Federal system together and strong and workable and flexible, it is the buffer of the Federal court structure. Never before in all of our history as long as the 14th amendment has been part of our Constitution have we legislatively challenged the right of the Federal courts in 14th amendment cases to protect the integrity of their own decrees. We did some chipping down in connection with voting rights under the 14th and 15th amendments, and I hope we can leave it at that.

In title II we are talking about the commerce power. The U.S. Congress has the power to regulate commerce under the commerce clause. In order to regulate we must legislate. But the right of an individual to invoke the protections of the 14th amendment is as old as the amendment itself. The individual has the right to come into the Federal court and to ask the court to grant a decree which protects him.

Now look. If we whittle away at the right of the Federal court to safeguard the integrity of its own decrees, we hurt not only the Federal system, we hurt not only individuals, we hurt not only the executive branch of the Government, but we hurt ourselves.

The 14th amendment has a clause which says Congress shall enact legislation as necessary. Now what we do here is to say that for the protection of the individual the United States may, under certain circumstances, where the individual cannot defend himself, bring a civil action designed to protect that individual. Why then do we then say we change almost 100 years of 14th amendment history, and, in fact, several hundred years of common law. We weaken our Federal court structure when we weaken its power to protect its own decrees, as we would do if we adopt this amendment?

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Louisiana.

Mr. WILLIS. The gentleman said that the rights sought to be protected under title II are secured under the commerce clause.

Mr. LINDSAY. That is correct.

Mr. WILLIS. Certainly the Congress has the right—and I suppose the gentleman voted for the present civil rights bill which provided for a jury trial, such as it is, under the existing law, a jury trial under title I and II, but I have yet to hear the gentleman make a distinction—at least his colleague from New York tried to make a distinction—but he has made no distinction why you should have it under I and II and not under III.

Mr. LINDSAY. My friend from Louisiana is asking for a technical answer and I will give him a technical answer, if that is what he wants.

Mr. WILLIS. I am sure the gentleman will have an answer.

Mr. LINDSAY. That is correct. I began my remarks by saying that the rights, duties and obligations that we are talking about in this section are totally 14th amendment, and are as ancient as is the 14th amendment; have always been in the law since the 14th amendment. And no statute that we pass can deny an individual the right to invoke the protection of the 14th amendment in a Federal court. That Federal court has the power to protect its own decrees and the integrity of those decrees by the ancient power of contempt of court.

The CHAIRMAN. The time of the gentleman from New York [Mr. LINDSAY] has expired.

Mr. LINDSAY. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes additional.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LINDSAY. Mr. Chairman, I would like to say that when the jury trial provision was passed in connection with the 1957 and 1960 Civil Rights Acts, relating to voting rights, I thought then that we were tampering with our Federal court system in a fashion that one day might come back to haunt us. I am not sure it was wise, but it was a compromise in the interest of accomplishing a result, as the gentleman well knows. I do not see any reason at all why, when we talk about 14th amendment rights, duties, and obligations, we find it necessary to do violence to a very ancient concept of jurisprudence.

Mr. ASHMORE. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman.

Mr. ASHMORE. The gentleman from New York [Mr. LINDSAY] has stated, as has my good friend, the chairman of the committee, that because these people who might be prosecuted under title III are State or county or city officials they should not be given a jury trial. Does the gentleman mean to draw a distinction like that and discriminate against a man because he happens to hold a public office and say to him, "You are not to be permitted a jury trial?"

Mr. LINDSAY. That is a makeweight argument that is perfectly valid. I myself think that the root of the problem is far more basic. I think the root of the problem has to do with the integrity of a Federal court decree and the power of the third branch of the Government to be the buffer between governments—Federal, State, or local—and the individual.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the chairman.

Mr. CELLER. Mr. Chairman, I did not make that statement in that exact language. I say that we should make a distinction when we are considering a public official. Why? For the additional reason that that public official has been put on notice by a number of Supreme Court cases that he has to abide by the Constitution. Any number of cases have indicated that under the old Civil Rights Act anyone aggrieved because of discrimination in places of public accommodation, when public officials are involved, those officials are put upon notice and have been for a long time; therefore, when they violate a constitutional right they are in a different category than the ordinary businessman like the restaurateur or innkeeper, or the owner of a gasoline station. That is the distinction I make.

Mr. ASHMORE. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman.

Mr. ASHMORE. I say that there is no difference between a man who operates a swimming pool or an amusement park, and a person who operates a motel or hotel. Both are the same in a court of justice, or rather they should be.

They are both violating constitutional rights if they discriminate, one operates a swimming pool and the other a hotel. Why should you make a difference as to what sort of trial he is going to have in a court of justice? What about the motel that has a swimming pool? What are you going to do then?

I was amazed to hear the gentleman from New York [Mr. CELLER] state that the purpose of a jury trial was nothing other than to bring about delay. I want to say to him in all the frankness and sincerity that I can command that I have no desire in this instance to bring about delay. I am trying to provide the same right for all people who violate the Civil Rights Act.

On Monday when we started considering this bill under the 5-minute rule, we heard people say that voting rights were fundamental, they were constitutional, and every American had the same right to vote when qualified. I say that is right, I agree with it. It is a constitutional right. But the same right exists in public accommodations under title II and under public facilities, title III. Why should a man accused of violating title III not have a jury trial when a person who violates title I or title II of the same law does have a right to trial by jury?

Mr. LINDSAY. Does not the gentleman understand that the 14th amendment was made a part of our constitutional system, in order to surround the individual, a human being, with certain basic protections against the acts of State and local governmental structures, just like the fifth amendment was enacted to protect the individual from acts of the Federal Government which might impinge on his rights?

Mr. ASHMORE. Yesterday and the day before when we had title II, the public accommodations act, under consideration, you and other proponents of this bill said title II was covered by both the commerce clause and also the 14th amendment. Is it still under the 14th amendment, or have you taken it out?

Mr. LINDSAY. It does when the State is involved.

Mr. ASHMORE. Then I repeat the same right to a jury trial should extend to a person charged with violating title III as is given to one accused of violating titles I and II.

Mr. LINDSAY. I should think the gentleman would want to hold in our system protections for the individual against governmental power complexes of every kind.

Mr. ASHMORE. I would give all individuals the same right.

Mr. ROGERS of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I listened with great interest to this debate, and I believe we are getting clear off the track. No one would deny that we are moving into a new era. The gentleman from South Carolina is trying to provide a jury trial for certain situations. If a man is accused of doing an act or failing to do an act, is brought to the presence of the court, the court may find this man in contempt and send him to jail even though he will be falsely accused by someone else and even though he is an employee. He is denied the right to trial by jury once this amendment is adopted, although his alleged actions are outside the presence of the court.

If you fail to adopt this amendment you are going to make virtual dictators out of Federal district judges insofar as the defendants in these cases are concerned, because if a man is accused of doing something outside the presence of the court or failing to do something, maybe he has not even been in court, but he is hauled into court and his accuser gets up there and testifies against him before one single man. That defendant is denied the right of trial by jury, yet he can be sent to jail. No true American believes that sort of thing should exist. I ask you to think about this thing before you run off on an emotional binge and pass something here you are going to be sorry about.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Louisiana.

Mr. WILLIS. I suggest to the gentleman that he might reiterate we are talking about criminal contempt, and that as to civil contempt cases they will be tried by the judge. We are only talking about criminal contempt. Is that right?

Mr. ROGERS of Texas. That is right. When this contempt is in the presence of the judge he is not only the judge, he is the witness, he sees what is done. But when a third party comes in here and tells him something, do you mean to tell me you are going to deny the accused in a case like that the right of trial by jury? I do not believe you will do that if you know what you are doing.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Alabama.

Mr. HUDDLESTON. Mr. Chairman, it seems to me some of us have lost sight of what constitutional rights are involved in our efforts to put this jury trial amendment in title III. We have talked about the 14th amendment in cases of equal protection of the laws, but we have overlooked the constitutional right of trial by jury, one of the most basic and ancient rights we have. I think it is high time that we in the House, particularly the proponents of this bill, stop worrying so much about one area of constitutional rights and start thinking about the constitutional rights of all.

In one of our towns we have a municipal airport. The city constructed a motel to serve the patrons of the airlines that use the airport. The motel has been leased to a concessioner. Something that concerns me a great deal is, in the event of discrimination in that motel, will the defendants be sued under title II or title III of this bill.

Mr. ROGERS of Texas. The gentleman is asking me a question I cannot answer because I cannot understand this bill. Its inconsistencies with basic constitutional rights are many.

Mr. HUDDLESTON. Under title II he is allowed a jury trial. Under title III he is not allowed a jury trial under the same set of circumstances.

Mr. ROGERS of Texas. That is right. Whoever is proceeding in the matter could adjust it to his own will or whim. When we are talking about the 14th amendment or any other amendment to the Constitution we are talking about the rights of everyone, not just the rights of a few. This legislation denies the constitutional right of trial by jury.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I think the gentleman has made a real contribution. I do not know that I add anything by making this point, but many here seem to believe that when we talk about jury trial we are talking about punishment. What we do mean is that where the facts in these types of proceedings are in dispute, a jury will be available to determine the issue as to facts. Of course if the occurrence is in the presence of the court the judge knows the facts, when the claimed violation is not in the presence of the judge, then certainly it is only fair that a jury pass on what the true facts are. The amendment does not provide a jury trial as to punishment, but a jury trial that is so important to our judicial history to decide a dispute as to the facts.

Mr. ROGERS of Texas. The gentleman has very ably pointed out a premise that I probably should not have assumed, but it is exactly as the gentleman from Mississippi has put it. We are talking about facts that occurred outside the presence of the judge.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on this amendment conclude in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. COLMER. Mr. Chairman, reserving the right to object, this is a very important amendment. I do not want to object, but there are a number of Members who want to talk on the amendment. I hope the gentleman will withdraw his request so that Members who desire to speak may have an opportunity to speak on the amendment.

Mr. CELLER. Mr. Chairman, in view of the gentleman's statement, I ask unanimous consent that all debate on the pending amendment conclude in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. Rivers].

Mr. RIVERS of South Carolina. Mr. Chairman, I would not presume that after 5 days of debate I could change anybody. This bill is so drawn that certain people would not have a chance before these star chambers guaranteed under this bill that the coalition of Celler and McCulloch have guaranteed and provided.

This bill, the author of which is not known and the origin of which is only conjecture, never had hearings and was never changed.

This is the strangest paradox in the history of this Congress and, indeed, in the history of this Nation. Never has there been a concoction served out to the membership of this branch of the Congress or to any other parliamentary body since the morning stars sang together—never.

Mr. Chairman—

What I shall say will be forgotten,
I will disturb the even surface of your mood,
More lightly than the tilted swallow's wing
will disturb the limpid glassy solitude
of some clear pool,
When I am gone, it will be just the same.
Nothing to remind you that I ever came.

Mr. Chairman, we are establishing a record here today and during this week on the rights of human beings.

Never since the year 1215 or whenever the Magna Carta was wrested from King John has anybody seriously wanted to deprive a man of a jury trial. You are turning the clock back now to pre-1215—over 700 years.

It looks to me like you have the votes. When you have the votes, you do not need the gavel. Thank you, for letting us speak because you do not need these few minutes that you have allocated to us. I do not know why you are letting us last this long. You could pass this bill now so fast that it would make your head swim. But remind yourself of this—there is an old saying in my country: A cow needs her tail in fly time.

Regardless of how this alleged civil rights bill fight turns; regardless of who wins—America will lose in the end.

And the shoe may be on the other foot someday.

Proponents of this bill are asking the Congress to regiment America. Hitler did the same thing to the Reichstag. This legislation will be remembered in history as the most dictatorial power grab since the dawn of the Republic.

This so-called civil rights bill, if enacted into law—instead of creating a better life for the colored man—will only fan the seeds of discord now permeating our communities and ultimately destroy him.

I can see no good whatever coming from this legislation; only irreparable harm to the good will existing in most southern communities between the races.

I would be the first to point out that some solution must be found to the racial problem plaguing our Nation; however, this is not the answer.

It would appear to me that only through orderly cultural evolution, not social revolution, can a satisfactory solution be found. You cannot legislate people's morals; neither can you legislate social conventions.

The brutal truth is that when all this turmoil ceases, when tempers cool, then both races must still find a way to live in peace and harmony in the South. We have the bulk of the Negro population and we shoulder the greater part of the burden of assisting them—both financially and otherwise.

We do not do his race a service by what we legislate today, but instead a disservice, both to him and to the white people.

Despite the wailing of the do-gooders, the professional agitators, we are helping our Negro citizen in America today. You have only to study his history to determine this truth.

Since 1865, he has made more progress than has any race during 1,000 years of history. He has better jobs, he has better homes, he lives better than any member of his race in any of the so-called newly emerged independent African nations.

The truth is, he has made a miraculous advancement toward fulfillment of his role in our social structure—not integration in the contemporary sense of losing his racial identity by amalgamation, but integration in the sense that he began developing a pride in his race.

With the help of the white man, he began to develop his own cultural and educational institutions, establish his own institutions and his own homes.

With marvelous speed, the Negro—thanks to the understanding and sympathetic aid of the white man—was becoming a proud and distinctive part of the total American population.

However, study his situation today. We have a major American tragedy. The Federal Government, in its zeal to guarantee certain so-called rights to our colored citizens, would destroy the basic principles which guarantee every citizen's rights.

I think any American who feels shame or apologizes for the history of the colored man in America should take the time and trouble to look at the record of his advancement elsewhere in the world.

Take for example, his history in Haiti. Haiti was a French colony from 1697 until 1804. It was one of the most prosperous European colonies in the Western Hemisphere. However, in 1804, Haiti was granted independence, under the rule of Jean Jacques Dessalines—the emperor. His first move was to kill all the whites.

That civilization was as advanced as any in the Western Hemisphere. Yet, since that time, Haiti has been a land of voodoo, witch doctors, bloody violence and dire poverty, with the exception of a 19-year period under our occupation.

That Republic today is the most illiterate and depressed area in the hemisphere. This is despite massive aid from the United States.

This legislation is encouraged and backed by militant Negro leaders, who are deluding themselves into thinking they are advancing their race. They are not.

Instead, this legislation is utterly destroying the evolutionary process through which his race has advanced so rapidly. The good will destroyed by this legislation can never be replaced. Even the awesome power of Washington itself can never bring back the kindness, the understanding and desire to live in harmony such as existed in our southern communities prior to the onslaught of agitators.

And this agitation will lead to naught. Legislation which goes against the will of the majority of the people is seldom enforcible. The Prohibition Act proved that.

I think the American Negro should look toward making himself a more responsible citizen in his community, rather than agitating for laws which he thinks will magically solve all his problems. If this legislation is enacted into law, the Negro will still find he faces the same old problems—the problems of food, clothing, and housing.

But this legislation will only create hostility and greatly increase his problems of day-to-day living.

This bill is the beginning of a tragic path for the American Negro. He has been led into a revolutionary struggle by his arrogant, militant leaders, and this will hinder his progress and only provoke violence.

In the final analysis, this so-called civil rights legislation will in the end create a bitter reactionary struggle against his former peaceful advancement in his community.

There will be the chickens coming home to roost, and when they come home to roost with that admixture of McCulloch and Celler, they will be a strange breed indeed. They will haunt you and your children and your children's children for 50 million generations.

God bless you. But God help you.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. Johansen] for 3⅓ minutes.

Mr. JOHANSEN. Mr. Chairman, during the course of the discussion by the gentleman from California [Mr. Martin] he repeatedly directed a question to members of the Judiciary Committee, as to whether or not the provisions of this title were subject to application of the doctrine of preemption. If my hearing was correct, the best answer he was able to obtain was the opinion or the belief or the statement on the part of two members of the committee that, in their judgment, it did not apply.

I suggest that even under the theory of building a legislative history the unadorned statement of a member of the committee, however eminent, that in his opinion the effect of what we are asked to legislate will not involve and include preemption, has no weight so far as the legislative history is concerned.

We are asked to take this on faith, on hope, or on a gamble, and also in the face of the decisions of the Supreme Court, which have indicated there is that very real possibility of preemption.

In my judgment it is time to stop, look, and listen.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. Waggonner] for 3⅓ minutes.

Mr. WAGGONNER. Mr. Chairman and Members of the House, I wanted this time to ask the chairman of the full committee a question, but I note he has momentarily stepped off the floor, so I will propound the question to any member of the committee who wishes to answer—the ranking minority member or any other member who was on the floor when the chairman made his statement.

A few moments ago the chairman of the full committee, in trying to justify the denial of a trial by jury to people charged with some wrongdoing under title III of this proposed legislation said that public officials should be forewarned by previous decisions of the court, and especially of the Supreme Court, and that they should use these previous decisions as guidelines and should comply with them.

The question I ask is: Is this not a two-way street? Are we to say that the Supreme Court should be obeyed one day and ignored the next day?

Let us consider, for example, the 1883 decision declaring unconstitutional the public accommodations provision of the 1875 civil rights legislation. Do Members not feel it is incumbent upon Members of Congress at least to be forewarned by previous court decisions and to obey them as well, or are we going to say that the law does not apply to us when we do not want it to?

Who would care to answer that question? You cannot answer it. That is how simple it is.

Mr. CORMAN. Mr. Chairman, I bow to my "betters," but since they did not rise, will the gentleman yield?

Mr. WAGGONNER. I yield.

Mr. CORMAN. I would say that we were forewarned and forearmed and did draft this legislation so that we would not come within the statutes which were held unconstitutional at that time. Some of us further believed that that was not the only alternative. We thought the Court might take a different attitude today based on the facts that have been demonstrated.

Mr. WAGGONNER. What are the facts, if the gentleman can answer?

Mr. CORMAN. It is similar to the reasoning in the school cases.

Mr. WAGGONNER. That people who did not have the same interpretation of the law you did were not entitled to their own interpretation of the law?

Mr. CORMAN. Will the gentleman yield? Is he ready for me to try again?

Mr. WAGGONNER. I hope you will do a little better than you have been doing.

Mr. CORMAN. There was a finding of fact that segregation, in itself, constitutes an evil and is discrimination. The history for 100 years has proved that to the country and to the Supreme Court. That was the reason for the 1954 school case decision and the reason that some of us thought there might be a different attitude toward enforced segregation on the part of local and State governments against the business community.

Mr. WAGGONNER. Is the gentleman saying that all segregation, even voluntary segregation, when it has worked to the advantage of everybody concerned, is evil? That is the statement you just made.

Mr. CORMAN. I believe I said that when segregation was imposed on the community by local or State governments it was illegal. That was the issue in the 14th amendment. That was the issue in the civil rights cases. There was nothing about voluntary segregation.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

The Chair recognizes the gentleman from Florida [Mr. Fuqua] for 3⅓ minutes.

Mr. FUQUA. Mr. Chairman, I am sure my words will probably fall on deaf ears, but I think I must warn each and every one of us what is happening here with the failure to pass this amendment. It is very dangerous, very dangerous, to the very freedoms we are trying to guarantee by the passage of this bill. This thing will discriminate, not only because of race, creed, or color on every man, woman, and child who should be brought before the courts under the provisions of title III. Of course, each day we see amendments which would make this bad bill a much better bill, but they are voted down as the political railroading steamroller keeps barreling down the tracks, but I hope maybe we could stop at one little junction long enough and slow down long enough really to realize what we are doing in our failure to pass this amendment. The very rights we are trying to guarantee people we are taking away from them by the failure to pass this amendment. That is the right of trial by jury. We are taking away people's civil rights and constitutional rights, and I hope that the Members of this House will certainly realize what we are doing here. As the gentleman from Alabama [Mr. Huddleston] clearly pointed out earlier, a man could violate titles I and II and have a jury trial and then maybe the same thing under violations of title III and he would not know if he could have a jury trial or not. Let us be consistent in what we are trying to do and guarantee the people the right of trial by jury. This is very basic and fundamental regardless of whether you are for or against this bill.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. Colmer] for 3⅓ minutes.

Mr. COLMER. Mr. Chairman, I could not attempt to discuss this very important matter in 3⅓ minutes. This demonstrates what we have been talking about all the time, those of us who have been trying to prevent the rush to get this bill through. I am not going to take those 3⅓ minutes, Mr. Chairman. The amendment offered by the gentleman from South Carolina is just a small bite at the cherry providing for the same treatment in one section of this bill as in the other. I have an amendment which I propose to offer later on that would go to the whole basic question of guaranteeing the right of all alleged offenders by a jury of their peers. I propose, at the proper time, to offer that amendment.

In this connection, I should like, Mr. Chairman, to submit for the Record the proposed amendment. It follows:

Suggested Amendment Providing for Jury Trials Under the Civil Rights Acts

Amend H.R. 7152 by adding the following as title XI thereof:

"Sec. 1101. Title 42 of the United States Code, section 1995, Public Law 85–315, part V, section 151, 71 Stat. 638, is amended to read as follows:

" 'In all cases of civil and criminal contempt arising under the provisions of this Act, or under the provisions of the Civil Rights Acts of 1957 or 1960, the accused, upon conviction, shall be punished by fine or imprisonment or both: *Provided however,* That in case the accused is a natural person the fine to be paid shall not exceed the sum of $1,000 nor shall imprisonment exceed the term of six months: *Provided further,* That in any such proceeding the accused shall have the right to trial by jury, which shall conform as near as may be to the practice in other criminal cases.

" 'This section shall not apply to contempts committed in the presence of the court or so near thereto as to interfere directly with the administration of justice nor to the misbehavior, misconduct, or disobedience, of any officer of the court in respect to the writs, orders, or process of the court'."

Also, Mr. Chairman, for the Record, I should also like to submit a colloquy between the chairman of the Judiciary Committee, the gentleman from New York [Mr. Celler], and myself, which took place during the hearings before the Rules Committee when my committee was considering an application for a rule clearing this bill to the floor for consideration.

The colloquy is as follows:

Mr. COLMER. Now I want to go back just a minute and out of deference to everybody, I will quit after this although there are many, many other questions on things I would like to talk about with the gentleman.

When the bill was up in 1957 and in 1960, I interrogated the distinguished gentleman here at some length on the question of jury trials and what rights the accused or the charged would have for jury trials.

Then and now I must confess I did not get too far with the distinguished gentleman who is entirely too—well, I have used the word "smart" or "brilliant"—for me to fence or cross swords with, but one of the inherent rights that the people of this country have had is the question of jury trials, the right to be confronted by 12 good, honest, true gentlemen who sit on the jury to pass their judgment.

You do not say anything about that in this bill but you do perpetuate the provision or nonprovision for jury trials that was in the acts of 1957 and 1960.

Is that a correct statement?

Mr. CELLER. That is correct.

Mr. COLMER. In other words, under this bill—and I believe the Chair discussed this with you the other day—anyone charged here or enjoined can be put in jail for 45 days or sentenced to pay up to a $300 fine, or both, without the benefit of a jury trial; is that correct?

Mr. CELLER. That is correct.

Mr. COLMER. I wonder if this does not violate my liberal friend's ideas and concepts of our system of jurisprudence. Does the gentleman think that is a proper thing?

Mr. CELLER. We put a clause in the 1957 act that if the attempted citation resulted in an imposition of sanctions involving more than $300 and/or 45 days in jail or more, then the defendant could have a trial de novo before a jury in the district court.

Mr. COLMER. Right.

Mr. CELLER. That is continued.

Mr. COLMER. That is right. Does the gentleman feel or has the gentleman heretofore felt under different circumstances there should be jury trial?

Mr. CELLER. When the bill got over in the Senate they made the change and in conference we agreed to the Senate provision.

Mr. COLMER. The gentleman is the chairman of a powerful committee of this House and certainly he has some rights. Certainly he had some persuasive abilities not to agree to that, to resist such a provision as the Senate put in.

Mr. CELLER. I probably felt some unseen hand that was exerted by your good self which caused me to do that; I do not know. I ameliorated it. I thought I was doing something that might be more palatable to you and those who think like you in this matter.

Mr. COLMER. You mean not to have jury trials?

Mr. CELLER. With the idea of having a trial de novo in a district court before a jury.

Mr. COLMER. I certainly appreciate the gentleman's consideration of me and those who feel as I do about that, but it is a little difficult for me to follow, I must confess.

Back at the time of the consideration of the labor case, another minority group, the gentleman had a different idea and I am going to quote from the gentleman's statement.

Mr. CELLER. What was that on, the FEPC?

Mr. COLMER. No; on Norris-La Guardia.

Mr. CELLER. Norris-La Guardia?

Mr. COLMER. Norris-La Guardia labor relations.

Mr. CELLER. What year is that; 1920, is it not?

Mr. COLMER. Yes, sir; that was 1928, to be exact. Does the gentleman want to tell me he has matured since then?

Mr. CELLER. Possibly.

Mr. COLMER. That is what he told me the last time.

Mr. CELLER. Possibly.

Mr. COLMER. I wanted to see something—let me read you what you said on that occasion in a debate. I now quote from the CONGRESSIONAL RECORD when the gentleman was so eloquently arguing about jury trial:

"I have read injunctions so fantastic, so arbitrary, that they were practically but one step from a threat of jail to a striker if he coughed, spat, or chewed."

There are some folks who are going to get into trouble here about chewing.

Mr. CELLER. About what?

Mr. COLMER. About chewing when they go into these restaurants, so there is a parallel here.

"Some injunctions read very much like orders of an army of occupation bent upon vicious revenge. Many injunctions are not used to protect property from irreparable loss, but issued to disorganize unions and to terrorize and intimidate those on strike."

If I may comment briefly on that, I wonder if there is not going to be a lot of terrorizing and intimidation of people under this bill, as you anticipated there would be under the Norris-La Guardia Act?

Mr. CELLER. Has there been, thus far?

Mr. COLMER. Maybe the gentleman would rather give me his answer on the whole thing, because I have not finished quoting this eloquent gentleman.

He was eloquent then as now.

"I am old enough to remember, and many of you here are old enough to remember the tragedy of the Danbury Hatters case, involving the so-called ex parte injunction. We would bring back the days of the Danbury Hatters. In those days the judges, without hearing, issued injunctions based upon affidavits of stooges and stool pigeons and agents provocateur."

I imagine it is certainly possible there are going to be some affidavits made by agents, stooges, and stool pigeons under this case. That is, under this legislation if it becomes the law, or this bill.

Then I quote again from the gentleman:

"The abuses in the granting of these injunctions so aroused the Nation that we in 1932 passed the Norris-La Guardia Act which outlawed the granting of ex parte injunctions against labor * * *.

"This bill would reinstate those ex parte injunctions against labor and would turn the clock back and return us to the robber baron days and the days of the industrial buccaneers."

I am sure that impresses my friend, Mr. MADDEN.

Mr. MADDEN. I remember those days in Gary in 1919 when they had chicken wire fences and they put the steelworkers in those wire fences out on the corner but those days have passed. They are gone.

Mr. COLMER. Now we may come back to barbed wire fences when this thing goes into effect.

Mr. CELLER. I will not withdraw a single word from that statement I made at that time. This is just as good today as when these words were first uttered.

Mr. COLMER. I think they are excellent but I also think that they should apply to this minority, or majority group, rather, as they would to that minority group.

Mr. CELLER. I have to depart there from your view, sir.

Mr. COLMER. I know the gentleman does because the gentleman has changed his opinion again about these things.

When I interrogated him before, and this is of record, too, in the CONGRESSIONAL RECORD on the floor of the House, the gentleman said he had matured since that time and that the situation had changed. I also recall, if I have quoted the gentleman, and I will quote myself, when I said to the gentleman on that occasion that principles do not change. They are as fixed as the stars.

I am wondering why the gentleman would want to give a minority group; to wit, labor, the right of a trial by jury and then to deny it to the majority of the citizens who might run afoul of the pending proposal?

Mr. CELLER. Congress has spoken. Congress did that in the 1957 act and since 1957 there have been no horrendous situations of the type that you conjured up.

Mr. COLMER. No; you were doing the conjuring back there when you were talking about——

Mr. CELLER. I do not find experience under the 1957 act indicates anything like what you are conjuring up now.

Mr. COLMER. Well, I am not going to use the word "resent" but I do not like the gentleman to attribute to me some conjuring when he is the man who is doing the conjuring back there.

Mr. Chairman, I finished where I started. I marvel at the so-called modern liberals who would turn the clock back and would take away the liberties the people of this country have enjoyed, the majority of the people of this country have enjoyed, under the greatest system of government ever conceived by the mind of man.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN] for 3⅓ minutes.

Mr. WHITTEN. Mr. Chairman, at this late hour I do not know how many people are still listening to the debate, but I will say that we certainly should realize that this amendment comes up in connection with all the powers that are embodied in this bill as it now appears. It is evident that these various authorities are going to be given to the Attorney General of the United States. We also are aware that in recent years there have been several organizations which have worked in harmony with various branches of the Government who have set out to make trial cases in this area that is before us now. As I pointed out on the time of the gentleman from Texas [Mr. ROGERS], involved here in this amendment is that which has become so important in English jurisprudence back through history, that in the case of disputed facts the best known way to resolve those is to have a jury to hear the two sides who differ as to what the facts are and make a determination.

Now, this is entirely different from the right to a trial by jury where they have a contempt proceeding which happened in the presence of the court where the court knows what the facts are. But surely when you give to the Attorney General the powers you are giving him under this bill, and with the tendency and the temptation of those who are active in this field, on the part of the NAACP and various other organizations of like character, we know that there are going to be disputes as to what happened as a matter of fact. And I say to you, certainly as fairminded Americans you should be willing to let a jury decide these two contested versions of what occurred instead of leaving it up to a judge who in turn was not present, who did not know and had no chance to pass judgment on it.

I say again that with all of the power, all of the temptations to use that power, and with all of the likelihood of paid informers or informers on their own time creating situations where the defendant will have his viewpoint and the plaintiff or the protestant will have his, certainly this amendment should be adopted to have a jury determine what the true facts are. Then, when the facts are determined, the law would proceed as the provisions of the act contemplate. Certainly you do not want to take away from a man the right to have a jury determine whether he really did what he is accused of doing or not. Certainly a judge is not capable of passing judgment on that when he was not present; he did not see it and could not know.

I hope that this one amendment, to say the least, will have your attention and that we may have your support because if we do not adopt this amendment, goodness knows, you will rue the day.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. Poff].

Mr. POFF. Mr. Chairman, it has been said, and I shall not at this moment challenge the statement, that the constitutional guarantee of a jury trial does not reach to all contempt proceedings. It has further been said that jury trials are not authorized in Federal courts in contempt proceedings except in those isolated cases where that privilege has been granted as a matter of grace. That statement is not correct.

Title 18 of the United States Code, section 3691, authorizes a jury trial in every criminal contempt proceeding in the Federal courts except only when the United States is a party to the case out of which the contempt citation arose. Because the United States is a party to the proceeding under title III a jury trial is not authorized even though the contempt proceeding may be criminal in nature.

The amendment offered by the distinguished gentleman from South Carolina simply makes a jury trial available in title III cases, the fact that the United States is a party notwithstanding. It has been suggested here that the reason it was omitted in title III and included in title II was some distinction between public officials and private citizens. I suggest that the real reason is the fear that there will be some reluctance on the part of Southern juries to convict, and I challenge the foundation of that fear; first of all because it presupposes that every man accused is guilty and should be convicted. I happen to believe that all men are innocent until proven guilty. Secondly, I challenge anything that implies a mass indictment of the integrity of the entire Southern population of the United States. I do not think that the Southern people would be so faithless to their jurors' oaths.

And so, Mr. Chairman, I suggest that whether we consider it a matter of grace, whether we trace it to the Constitution or whether we limit it to a question of policy, this amendment, guaranteeing a right of trial by jury in criminal contempt proceedings, should be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. McCulloch].

Mr. McCULLOCH. Mr. Chairman, there have been a number of statements made on this very important matter that are not in strict accordance with the law. This legislation—and I say this without fear of contradiction—does not deny anybody the right to trial by jury who now has that right for this or any other violation of law. That is a correct statement of the law.

Mr. Chairman, as far as I am concerned, my part in drafting this section of the law had no reference or reflection on the jury system in North, South, East or West. I have long been a stanch advocate of trial by jury in those fields where it is guaranteed by the Constitution, whether the cases are tried in the North, South, East or West.

For that reason, Mr. Chairman, and for other reasons, this amendment, although it appeals to the emotions, will not in the long run be in the best interests of the country.

My able, fluent and eloquent colleague from New York has described the integrity and the high opinion in which our Federal courts are held almost everywhere in every kind of case. I hope that we are not today beginning the chipping away of that power and that integrity and that dependability which has made our jurisprudence the envy of the world.

I hope the amendment is rejected.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. Corman].

Mr. CORMAN. Mr. Chairman, the law has been adequately cited by the gentleman from Ohio [Mr. McCulloch] and the gentleman from New York [Mr. Lindsay]. But let us get back to what we are trying to do with this section. This section is going to try to make it possible for Negroes to go swimming and enjoy the parks, the maintenance of which has come out of the money he has paid in taxes. We say here we do not want those facilities segregated any more.

The way we would do it with this provision would be if localities continued segregating those facilities, the aggrieved party himself or through the Attorney General would go to court and seek a court order. Now, I do not think that it is very complicated for the officials who regulate these facilities to know what segregation means. They have had ample experience with the term and with the practice. Now they are told they are not supposed to do it any more. If they keep on doing that they can be cited for contempt.

Are we going to say that we believe we ought to desegregate these facilities or that we are going to place between this man and the facilities a jury trial in addition to a judge? As a matter of fact, most juries undoubtedly do their best to administer justice, but when you impose between that citizen and his right to use facilities a jury as well as a judge you are holding out something that you are never going to give to him in many communities.

I hope sincerely that the amendment is defeated.

Mr. ASHMORE. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from South Carolina.

Mr. ASHMORE. Will the gentleman agree this does no more for a person who violates this law now under either title I or II of this bill?

Mr. CORMAN. We have talked about the parts of this bill we did or did not write. I did not write the jury trial provision in title I or II. I do not now defend them.

Mr. ASHMORE. Should not the violations of title II and III be the same?

Mr. CORMAN. I am not asking you to vote for III because I thought I and II were right. I am asking you to vote against this amendment because it is bad.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Ohio.

Mr. McCULLOCH. Will the gentleman from California agree with the statement that any person cited for contempt and found in contempt would have the right of judicial review of that finding?

Mr. CORMAN. Yes, that is my understanding of the law.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. Ashmore].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ASHMORE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. Ashmore and Mr. Rogers of Colorado.

The Committee divided, and the tellers reported that there were—ayes 131, noes 156.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gross: On page 50, line 3, after the word "title" insert a new section 305 to read as follows:

"In carrying out the provisions of title III of H.R. 7152 expenditures shall be limited to not more than $312,530.".

Mr. CELLER. Mr. Chairman, I make the point of order that the amendment of the gentleman from Iowa is not germane to the title of the bill. It would limit expenditures. The title itself makes no mention of expenditures; therefore, the amendment is not germane.

The CHAIRMAN (Mr. Keogh). The Chair will hold that the amendment is in the form of a limitation on the authorizations of appropriations which may be made under the title; that there are sections authorizing activities for carrying out the provisions and of the title; and therefore the Chair overrules the point of order and recognizes the gentleman from Iowa for 5 minutes.

Mr. GROSS. Mr. Chairman, I shall be very brief. I should like to have the attention of the gentleman from Ohio [Mr. McCulloch].

Earlier this afternoon I inquired concerning the expenditures under this bill and the gentleman gave us the figures. Title III would call for an expenditure estimated by the Department of Justice at $312,530.

The gentleman from Ohio says he believes in frugality. I assume this is a frugal figure. I merely wish to hold the spending for the purposes of title III to the figures the committee received from the Department of Justice. The figure for this title is $312,530.

I feel sure that the gentleman from Ohio, being a frugal gentleman, will want to support this amendment to see that the best possible economy is obtained under the bill.

Mr. Chairman, I yield back the remainder of my time.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

The gentleman from Iowa has taken the amount of money, $312,530, from a letter addressed to me from the Department of Justice, wherein it is stated that the estimated cost of the enforcement of title III would be that amount. That is only an estimated cost. Therefore, it would be highly unfair to limit the Department of Justice in the unrealistic and speculative way the gentleman from Iowa suggests. For that reason I believe the amendment is worthy of disapproval.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. GROSS. Is the gentleman saying that this estimate, made by the Department of Justice, is unrealistic and that it has no validity?

Mr. CELLER. I say that the gentleman's amendment is unrealistic, because it would put the Department of Justice in a straitjacket with respect to what it told us. The Department of Justice responded as quickly as it could to give us estimated costs. The gentleman is now trying to limit the Department of Justice, without any facts being available. We do not know the details as to what may be required under the act.

I think it would be unfair to limit it.

Mr. GROSS. What is wrong with the amendment?

Mr. CELLER. I think it is unfair to limit the Department in that way without any hearings on it. We simply gave you this estimate for information purposes. You took it as an absolute, and it should not be deemed an absolute. For that reason, I ask that the amendment be defeated.

Mr. ANDREWS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. ANDREWS of Alabama. Does the gentleman anticipate, as I do, the cost of enforcing this section will be many times more than the estimated cost of the Department of Justice?

Mr. CELLER. I do not think that will be the case at all.

Mr. ANDREWS of Alabama. I thank the gentleman.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on this amendment now close.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. SIKES. Mr. Chairman, reserving the right to object, I should like to have a minute or two to discuss the matter.

Mr. Chairman, I move to strike the requisite number of words.

I shall take only a limited time, but let me remind the House we are accustomed to operating under limitations of expenditures in the Congress. It is entirely in order to authorize a limitation by which we expect the departments of Government to be bound in the matter of expenditures.

If we do not place a limit on the amount which can be expended, we leave the door wide open. It can be construed as an invitation to come back to Congress for whatever amount may be desired. Remember this is a wide open bill. At least there should be a limit on expenditures. Since we have a statement of the anticipated cost of the section, it is perfectly within reason for the House to place that limit in the bill. Therefore, I think the gentleman's amendment should prevail, and I hope it will.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. You are a member of the Committee on Appropriations, and you recognize you have a responsibility for the showing made to you.

Mr. SIKES. And I also recognize the fact that in most instances there is a limitation on the amount of money which can be spent. The appropriation is written within that limitation. That is what is sought here. It is perfectly proper procedure, and I advocate that the gentleman's amendment be agreed to.

Mr. ROGERS of Colorado. Then, I take it according to that explanation, that you as a member of the Committee on Appropriations, as we know, would be bound by the limitation this places. Now suppose the Department of Justice came forward and showed they needed more. What could you then, as a member of the Committee on Appropriations, recognizing that they needed more, do about it?

Mr. SIKES. We are accustomed to being bound in the Committee on Appropriations by what is set as a limit by the Congress in authorization bills. The procedure would be the same in this instance. The agency could return to the authorizing committee to seek additional authorization if they can show a need for it.

Mr. ROGERS of Colorado. Then, you require them to show a need before you authorize the appropriation?

Mr. SIKES. And properly so. That is what we are seeking to do here: merely to limit the expenditures in this field to the amount the agency has said would be needed. Only in this way can we anticipate restraint in spending. The amendment proposes a perfectly logical way in which to legislate.

It is followed most frequently.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. SIKES. Yes. I yield to the gentleman.

Mr. KYL. Is the gentleman aware of any request made in the current appropriation for carrying out the purposes of this bill?

Mr. SIKES. I have no knowledge of such a request. I question that a budget item would be included prior to the enactment of the bill. It could be sent here later as a supplemental request.

Mr. KYL. Does anyone else who was present have any information as to whether or not any request was made for funds for this next fiscal year for carrying out the purposes of this act in the budget?

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Ohio.

Mr. BOW. I daresay there is no money in the present budget for this bill. The inquiry was made to the Department of Justice that if this bill passes, would they then come in for a supplemental, or would they come in in 1965. But there is no money in the request for the budget this year that we are now considering in anticipation of the passage of this act. That will be in addition to what we are now appropriating for the Civil Rights Division.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Ohio.

Mr. McCULLOCH. Mr. Chairman, in due course I should like to strike the required number of words so that I may have more than the time remaining.

Mr. SIKES. Mr. Chairman, let us take a broader look at the question.

I find it genuinely disturbing that this bill should be shrouded in mystery. Who wrote the bill? Just what devil's brew does it contain? How much will it cost? I do not think these questions have been answered, even though the controversy over the measure has been running hard for months. It is well established that the bill appeared out of nowhere and was approved by the majority of the Committee on the Judiciary when its members had no inkling of the contents. That is not a creditable way to legislate. Even today hidden meanings of the bill are being brought to light. No one will attempt to assess a limit to the extent to which this bill actually goes or to the number of doors for Executive decrees which it would open, or the costs it will entail. But it is clearly the most dangerous document ever to be advanced to the floor of the House.

This amendment gives us an opportunity to write in one small measure of restraint. It should be adopted.

Mr. McCULLOCH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am glad that my colleague from Ohio [Mr. Bow] made the comment he did. It points out the mistake we are asked to make at this time. I think it would appear very clear to reasonable men why the Department of Justice had not been before the committee to make an accurate and dependable request for funds. We had not yet begun consideration of this bill. It is not known whether there are going to be 9, 10, 11, or 12 titles to this bill. In due course when this legislation is passed, and some kind of civil rights legislation most surely will be passed, then the Department will be dutybound, as well as other departments of the Government will be dutybound to go before the Committee on Appropriations and testify as to funds which they request. I think it is premature. I think it is shortsighted to limit the amount of the appropriation to $120,000, with the limited information now available.

I would like to say again that the amount of money that can be properly spent to insure human rights which are guaranteed by the Constitution cannot be measured in dollars or tens of dollars or tens of thousands of dollars. This is one area of appropriation where I do hope that both the House and the Senate will provide the money which is necessary.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to my colleague on the committee.

Mr. ROGERS of Colorado. Mr. Chairman, I think it should be pointed out that in the operation of the executive department, in carrying out their duties, such as the Department of Justice, we do not generally place any limitations. If we placed a limitation as contained in the amendment suggested by the gentleman from Iowa, we would be up against this situation. How many of the assistant U.S. attorneys, for example, may assist the Attorney General? What percentage of those should be supplied to him or allocated to him? And certainly it is not in conformity with our usual procedure as it relates to appropriations to the executive department. Hence I am convinced that this amendment should be defeated.

Mr. McCULLOCH. Mr. Chairman, I should like further to say that the document from which I read contained these three carefully selected words—"preliminary cost estimates." The Department of Justice has done the best it could do without knowing what this branch of the Congress or the other branch of the Congress will do.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the chairman of the committee.

Mr. CELLER. Mr. Chairman, I shall insert in the RECORD at this point, and obtain permission to do so when we go back into the House, estimates of costs submitted by the Department of Justice under the various titles, and also the estimated number of employees that would be necessary for carrying out the provisions of the bill.

(The matter referred to follows:)

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF THE DEPUTY
ATTORNEY GENERAL,
Washington, D.C., February 6, 1964.

Hon. EMANUEL CELLER,
Chairman, Judiciary Committee,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in reference to the letter of December 2, 1963, concerning the cost to the United States of the various provisions of H.R. 7152.

Further examination of the preliminary cost estimates contained in that letter have disclosed several errors in computation. In addition, information now available allows more precise estimates with regard to certain of the figures. As corrected, the total estimated cost for the Equal Employment Opportunity Commission in title VII is $3,800,000, rather than $5,760,000 and the estimated cost for the Department of Justice for titles I, II, III, IV and VI is $1,595,140, rather than $1,690,140. Further, the estimated cost for title V (Civil Rights Commission) has been revised from $1,425,000 to $500,000 so that it reflects only the additional estimated cost expected to result from passage of title V, rather than the total estimated cost of the Commission.

Broken down by title, the corrected preliminary cost estimates are as follows:

Title I, voting: Department of Justice	$120,000
Title II, public accommodations: Department of Justice	442,540
Title III, public facilities: Department of Justice	312,530
Title IV, school desegregation:	
Department of Health, Education, and Welfare	10,095,000
Department of Justice	657,560
Total	10,752,560
Title V, Civil Rights Commission: Civil Rights Commission	500,000
Title VI, nondiscrimination in federally assisted programs: Department of Justice	62,510
Title VII, equal employment opportunity:	
Equal Employment Opportunity Commission	3,800,000
Department of Labor (special study)	75,000
Title VIII, special voting census: Department of Commerce	1,800,000
Estimated annual cost (average—first 5 yrs.) (plus $1,875,000 for special 1-year study and census)	15,990,140

Sincerely,

NICHOLAS DEB. KATZENBACH,
Deputy Attorney General.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF THE
DEPUTY ATTORNEY GENERAL,
Washington, D.C., February 6, 1964.

Hon. EMANUEL CELLER,
Chairman, Judiciary Committee,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for information concerning the number of persons who would be employed in connection with the administration and enforcement of the various provisions of H.R. 7152.

For your convenience these preliminary estimates have been broken down by title and represent the expected average employment over a 5-year period.

Two of the items represent employment which will not recur after the first year. These are the special study by the Department of Labor (title VII) and the special voting census (title VIII). It should also be noted that the persons to be employed in connection with the special voting census (title VIII) will be temporary employees, generally recruited on a local basis and that the number of employees of the Civil Rights Commission listed under title V represents the number of new employees expected to be hired if title V is enacted.

	Number of employees
Title I, voting: Department of Justice	6
Title II, public accommodations: Department of Justice	26
Title III, public facilities: Department of Justice	20
Title IV, school desegregation:	
Department of Health, Education, and Welfare	100
Department of Justice	50
Total	150
Title V, Civil Rights Commission: Civil Rights Commission	20
Title VI, nondiscrimination in federally assisted programs: Department of Justice	3
Title VII, equal employment opportunity:	
Equal Employment Opportunity Commission	150
Department of Labor (special study)	5
Total	155
Title VIII, special voting census:	
Department of Commerce (1 month)	2,300
Department of Commerce (2 to 3 months)	200
Total (temporary)	2,500
Total estimated (average over 1st 5 years) (plus 2,500 temporary employees for special voting census)	380

Sincerely,

NICHOLAS DEB. KATZENBACH,
Deputy Attorney General.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to my colleague from Iowa.

Mr. GROSS. Mr. Chairman, I would like to say to the gentleman from Ohio that this letter which is being submitted for the RECORD speaks of precise estimates.

Mr. McCULLOCH. Mr. Chairman, if the gentleman will ask me the question I will answer it and then comment on what he has said as a preliminary to his question, so the RECORD will be complete.

Mr. GROSS. The gentleman has the letter there.

Mr. McCULLOCH. All right, Mr. Chairman, I read the words once before. They are not exactly as described by my usually unusually accurate colleague from Iowa. The words that I used are "preliminary cost estimates."

Mr. GROSS. Mr. Chairman, will the gentleman yield further?

Mr. McCULLOCH. Yes; I am always glad to yield to my distinguished friend from Iowa.

Mr. GROSS. Let me read a few more words from the Justice Department letter:

> In addition to information now available I list more precise estimates with regard to certain of the figures.

So they are saying in effect that these are reasonably precise figures. These figures are not just plucked out of the thin air.

Mr. McCULLOCH. Mr. Chairman, I repeat these are tentative preliminary estimates based upon the legislation which is before the Committee. The Indian title perhaps had not had an opportunity to be studied when these preliminary estimates were made.

Mr. ALGER. Mr. Chairman, I move to strike the requisite number of words.

I had hoped to enter into the previous colloquy only long enough, and I refer to my colleague from Iowa, to remind him we will recoup this amount of Federal aid many times over under section 6 owing to withdrawal of Federal aid to those districts that do not conform to the provisions of this bill.

We must take note of title VI under which we will get most of the money back many times over as we close out those programs.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from Michigan.

Mr. JOHANSEN. Quite apart from the point the gentleman makes, I wonder if the gentleman from Iowa, the gentleman from Texas or, for that matter, the gentleman from Ohio, the ranking minority member of the committee, is able to cite very many instances, particularly in connection with new legislation, in which preliminary estimates of cost bore even a remote resemblance to what the cost ballooned to, 2, 5 or 10 years thereafter?

Mr. ALGER. I cannot contest the gentleman in the implication of his question. Some might say that his view is rather narrow and provincial, however, when he feels it necessary to relate final cost to the original estimate. Also, as has been said this was a quick estimate which the Justice Department did at the request of the committee. We know this cannot be a final figure—remember the estimate in one section of $2 million that goes to $10 million in the second year.

I say to the gentleman, be not afraid, we will recoup this back by title VI, because if the individual districts of this country do not live up to the terms of this bill, the Federal programs will be withdrawn and untold millions of dollars will be saved the taxpayers.

Mr. JOHANSEN. Let me respond by saying, while I would take exception to the terms "provincial" and "narrow" from any other source, coming from the gentleman with tongue obviously in cheek, I accept them and will wear them as a badge of honor.

Mr. ANDREWS of Alabama. That is if we cut the school lunch programs under section VI and if we stand by title III there will be a change in the basic cost.

Mr. ALGER. I will say that probably the gentleman has given a pretty good analysis.

Mr. McCLORY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McCLORY. Mr. Chairman, I thank my colleague from Texas [Mr. Alger] for yielding.

In considering the right to access to public facilities, such as public parks, public golf courses, and other tax-supported or publicly owned properties, I am convinced that the Federal Government has a definite responsibility.

Under the 14th amendment of the Federal Constitution Negro Americans are entitled to equal protection of the laws. However, unless this constitutional guarantee is implemented with provision for a right of action as authorized in title III of H.R. 7152 the constitutional guarantee may be without meaning as it relates to publicly owned of publicly operated facilities.

Inasmuch as I find title III to be a proper exercise of Federal authority, I must oppose amendments which would limit or defeat the objectives of this title by depriving the Federal Government of the funds necessary to carry out this responsibility.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. Gross].

The amendment was rejected.

AMENDMENT OFFERED BY MR. ROGERS OF TEXAS

Mr. ROGERS of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Rogers of Texas: On page 48, line 4, strike out all of title III to and including line 3 on page 50.

Mr. ROGERS of Texas. Mr. Chairman, I think I should warn the House first that this amendment has not been cleared by the leadership on either side. I offer it to give you a chance to get out of the situation you have gotten yourselves into.

It has been argued that this is nothing in the world but putting into words the rights expressed in the 14th amendment. Why repeat the 14th amendment. Actually it does more than that.

When I first came to Congress a number of years back I called upon the Attorney General of the United States for some advice on a subject and he advised me in very express terms that he was the lawyer for the President of the United States, and that was the only one he gave any advice to.

What this bill does and what this title does is this: It makes the Attorney General the personal lawyer of everybody in the United States for whom he wants to be the personal lawyer, under this bill. Actually there is no need for that at all. If you strike this title out, whatever rights the people of this country have ever had under the 14th amendment still exist. All you do is say, "We refuse to give the Attorney General of the United States powers that have never been present in any man in the United States of America before, and also make him the personal lawyer of those he chooses to represent and of course not the personal lawyer of those he does not wish to represent."

There is one further thing I think we should talk about. When we talk about a complaint being filed with the Attorney General, who gets great discretionary power, we are talking about a discretion that is going to be exercised not by the Attorney General but by some assistant district attorney in the several districts of this country. If you want to turn this kind of power over to those political appointees you have the right to do it under this. I simply give you a chance not to do that, and I hope you will not.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. Rogers].

The amendment was rejected.

AMENDMENT OFFERED BY MR. WATSON

Mr. WATSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Watson: On page 49, line 12, strike out all after the word "of," in line 12 to the end of the paragraph, and substitute in lieu thereof "or might reasonably result in physical injury to such person or persons, their families, or their property."

Mr. WATSON. Mr. Chairman, usually I am a very optimistic person, but I guess along about this time I am becoming a realist. I am facing up to the proposition that perhaps there is not too much interest on the part of the majority here in considering any amendments regardless of their logic, regardless of their reasonableness, regardless of their fairness, or what have you. I am not impugning the motives of anyone here, but as I have looked around the room and have observed the voting over the past several days, I have pretty well seen a living example of a statement which I once saw in a man's office. It read like this: "Don't confuse me with the facts. My mind is already made up."

I hope you will give consideration to this one simple amendment. Let us treat them all alike. The majority has shown that they do not have any consideration at all for the defendant, for the economic effect on his business or even for the loss of his business, as a result of forced integration. Then why should we incorporate in this bill a concern for the economic loss which might be had by the person who brings the action? Let us be fair.

This section gives the Attorney General carte blanche authority to come in and say, "I will represent the plaintiff in this matter if it might result in injury or economic damage to him."

We are not acting like lawyers when we say "might result." "Might" includes everything and eliminates nothing. What lawsuit cannot result in economic damage or injury to somebody? In fact, one of our most articulate colleagues, the gentleman from New York [Mr. Lindsay], an ardent supporter of this title, said that a lawsuit is in itself very expensive. So as a consequence, if you allow this language to stand, the Attorney General can intercede in behalf of any person and bring suit.

Now my amendment would only say this, it would require the Attorney General to establish—not to the courts because I know that the unrelenting majority of you are not interested in delaying it for 30 seconds to allow a judge to determine whether or not it is reasonable—but my amendment would only require the Attorney General in his wisdom—if it is done in 30 seconds or 45 seconds, he has control of it—to determine whether it might reasonably—might reasonably—result in physical injury.

The authors of this bill do not even provide what kind of injury. I assume they are referring to physical injury. This bill was drafted by a committee of laywers, yet I assume the rest of us should have something to say about it. Nevertheless, it is passing strange that we have not had too many amendments presented by anyone and, in fact, not too much discussion by anyone except those from the Southland on a bill of almost 100 pages. Yet, many of you have been strangely silent on a bill affecting everyone of us, affecting 90 percent of our people as well as the 10 percent of our people.

Mr. Chairman, this is a very simple amendment. I hope you will allow the Attorney General to make this decision as to whether or not it might reasonably result in physical injury to the person bringing suit. It is a very simple request. I am sure the gentleman in his love for civil rights will just show a little concern for the civil rights of the 90 percent of the people as well as the 10 percent of the people.

If you want logic, if you believe in equity, if you want to be fair, if you want to be even judicial about the matter, I believe you will go along with the amendment. My very articulate colleague, the gentleman from Ohio, said earlier that he would support any amendment which is "logical and constructive or in the interest of what we are trying to do." I have an idea as to what you are trying to do—and that is to rape the Constitution. I cannot meet that requirement, but I hope the gentleman will go along with my amendment because I think it is both constructive and logical.

The CHAIRMAN pro tempore (Mr. BASS). The question is on the amendment offered by the gentleman from South Carolina [Mr. WATSON].

The question was taken; and on a division (demanded by Mr. WATSON), there were—ayes 52, noes 121.

So the amendment was rejected.

PARLIAMENTARY INQUIRY

Mr. WATSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state the parliamentary inquiry.

Mr. WATSON. I was busy walking away from the Speaker's stand back here and I did not hear the reasons that they objected to my particular amendment. Would you be able to relate them to me?

The CHAIRMAN pro tempore. The gentleman is not stating a parliamentary inquiry.

AMENDMENT OFFERED BY MR. HUDDLESTON

Mr. HUDDLESTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. HUDDLESTON: On page 49, line 15, before the word "Whenever" insert the following: "Subject to the conditions set forth in section 301 of this title".

Mr. HUDDLESTON. Mr. Chairman, many people have in the course of my life referred to me as a person of perpetual optimism. I still think there is hope that the fair play and conscientious attitude of the Members of this House will prevail and that some of these amendments which for the most part have been very worthwhile amendments will be given fair consideration by the Members of the august body.

I believe this amendment is an essential amendment. It would clarify one entire section of title III, without which irreparable injury will be done to many people.

The amendment relates to section 302 and would place a clause at the beginning of that section, to make it read as follows:

> Subject to the conditions set forth in section 301 of this title, whenever an action has been commenced in any court of the United States seeking relief from the denial of equal protection of the laws on account of race, color, religion, or national origin, the Attorney General for or in the name of the United States may intervene in such action. In such an action the United States shall be entitled to the same relief as if it had instituted the action.

In section 301 the Attorney General would be given the power to institute suits for the desegregation of public facilities, but certain prerequisites are stated. It would be required that he establish and certify that certain conditions existed. It would be required in section 301 that the Attorney General certify that the signer or signers of the complaint in question "are unable, in his judgment, to initiate and maintain appropriate legal proceedings for relief and that the institution of an action will materially further the public policy of the United States favoring the orderly progress of desegregation in public facilities."

In subsection (b) of section 301 there is defined what is meant by the person or persons being unable to initiate and maintain appropriate legal proceedings.

No such prerequisite is contained in section 302. Section 302 would extend to the Attorney General broad powers to intervene in any suit which might be filed by any individual who felt that his equal protection of the laws had been denied on account of race, color, religion, or national origin.

The Attorney General would be empowered to intervene in any suit, without regard to any of the criteria to be met in case he initiates a suit.

I know that a majority of the members of the House Committee on the Judiciary, who supported this legislation in the committee, and the drafters of the legislation, whoever they may be, did not intend to make that distniction between the powers to be given to the Attorney General to initiate suits and the powers to be given to the Attorney General to intervene in suits. I am sure all of us, if we take the time to consider the impact and the implications of this difference as between suits instituted and suits in which the Attorney General could intervene, would want to make this correction and clarify and perfect the bill to that extent.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. HUDDLESTON. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. As I understand the gentleman's amendment, all it would do would be to confine this section to the title, instead of giving authority for a widespread fishing expedition and for the Attorney General to intervene in any suit anywhere affecting civil rights.

Mr. HUDDLESTON. The gentleman from Virginia is eminently correct. It would merely apply the same rules to section 302 as are applied to section 301.

Mr. SMITH of Virginia. I shall be surprised if the managers of the bill do not accept the amendment, because obviously it was the intent that that section should merely implement the preceding section.

Mr. HUDDLESTON. I have a twofold reason, I say to the gentleman from Virginia, for thinking this amendment will be accepted by the leadership on both sides of the aisle. In the first place, as I mentioned earlier, I am a perpetual optimist and, in the second place, the amendment is a good one.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

The committee rejected decisively this very amendment in a different form a short while ago, and it should be rejected again.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. HUDDLESTON].

The question was taken; and on a division (demanded by Mr. HUDDLESTON) there were—ayes 49, noes 104.

So the amendment was rejected.

Mr. MEADER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to address an inquiry to the chairman of the committee, and I do so in the form of a hypothetical case. It relates to the actual procedure under which title III or title II or title IV would be carried out, that is, the procedure of Government by injunction, when the Attorney General institutes a civil action in a Federal district court.

For the purpose of this inquiry I am going to assume that my genial chairman of the Committee on the Judiciary is the Attorney General and I, the defendant, am the manager of a swimming pool in Ann Arbor, Mich., owned by the city. A complaint and all of the other procedures necessary for the Attorney General to institute proceedings have been completed and he has brought a proceeding against me in the Federal district court of Detroit alleging that on May 5, 1963, I, the defendant, denied access to the public swimming pool to one Sadie Jones, a Negro woman.

The Attorney General calls me for cross-examination at the trial and he says, "Did you, defendant, deny Sadie Jones access to the swimming pool at Ann Arbor on May 5, 1963?" And I say, "Your Honor, I respectfully decline to reply to that question on the grounds that the answer might tend to incriminate me." Then the Attorney General says, "Your Honor, that is a frivolous invocation of the privilege of the fifth amendment, because the matter we are here concerned with is not a criminal offense. Therefore, the answer will not tend to incriminate the defendant and I respectfully request Your Honor to instruct the witness to answer the question."

So the judge says, "Mr. Meader, your invocation of the privilege was frivolous. I direct you to reply to the question."

I said, "Your Honor, I still decline to answer the question."

The judge then summarily sentences me for contempt or for contumacious conduct as a witness.

Is that possible under this title?

Mr. CELLER. That is possible, but I do not know whether that would be the result in any particular case. The only way I could answer that question is to know all of the surrounding facts. I cannot answer that categorically. I do not have, I think, enough information to be able to tell what the judge might do. It would be his responsibility.

Mr. MEADER. Would the judge have the authority to sentence me for contempt if he believed my invocation of the fifth amendment was frivolous?

Mr. CELLER. I do not know whether that rises to the height of contempt or not. I would have to wait until all the surrounding circumstances were known. It is up to what the court may deem to be contempt or what the court thinks should be done, not what I as the Attorney General or you think. It is up to the court.

Mr. MEADER. What is the customary method of dealing with witnesses who refuse to answer questions?

Mr. CELLER. They may be held to be contumacious, guilty of contempt, depending again on the entire set of circumstances. It is hard to state from the facts the gentleman gives of the surrounding facts. I cannot tell what a judge might do under those circumstances unless I have the whole picture.

Mr. MEADER. Mr. Chairman, let me ask the gentleman this question. If this were a criminal proceeding, first of all I could refuse to testify against myself and could not be called for cross-examination; is not that correct?

Mr. CELLER. If it would tend to incriminate you, yes.

Mr. MEADER. If I were proceeded against on a criminal offense I would have the privilege of declining to testify at all.

Mr. CELLER. That is a different matter; the answer is "Yes."

Mr. MEADER. If it were a civil proceeding I would have the right to invoke the fifth amendment if actually the answer would tend to incriminate me. But since this is not a criminal offense, only a civil right or action or whatever you call it, a civil proceeding, I could be called for cross-examination and compelled to answer the question that constitutes the gravamen of the offense.

Mr. CELLER. I think that is correct.

Mr. MEADER. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. Meader] has expired.

Mr. JOHANSEN. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. Meader] may proceed for 2 more minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman.

Mr. JOHANSEN. In view of the colloquy between the gentleman from Michigan and the chairman of the committee, am I correct, and does the gentleman from Michigan understand, that under these circumstances, since this is not a criminal proceeding, the individual is deprived of the defense and protection of the fifth amendment; is not that correct?

Mr. MEADER. That is what I have been saying all through my additional views in the committee, calling it government by injunction. I say that it deprives citizens of the protections of the Bill of Rights when the Government proceeds against them in this fashion, but nobody seems to care.

Mr. JOHANSEN. That is correct. And is it not equally true then that after being deprived of the right to invoke the fifth amendment the defendant can be found guilty of contempt, not in relation to the fifth amendment but in relation to his alleged action and be subjected to a fine and imprisonment, again without any safeguard of the fifth amendment. This is the same fifth amendment, I might say, which is so dear to the heart of, and cherished by so many liberals when it involves Communist witnesses who appear before the committee of which I have the honor of being ranking minority member.

Mr. MEADER. I must say to the gentleman that if I were punished as a witness I could be held in jail until I answered the question. And if I answered the question and the answer was "yes," there would be a decree entered which likewise would be punishable for contempt.

Mr. JOHANSEN. And without any safeguard whatever of the fifth amendment.

Mr. MEADER. The fifth amendment or jury trial or anything else.

Mr. McCULLOCH. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I again say that this legislation creates no new law with respect to punishment for contempt.

This same condition would apply, which the gentleman from Michigan talked about, if it were the violation of any other kind of Federal statute, or any State statute, for that matter.

Finally, Mr. Chairman, I hope there is no Attorney General in prospect or any assistant district attorney who would seek to find a citizen of this country guilty of contempt without evidence from other persons, and not solely upon what the defendant might be compelled to say himself.

I am not convinced that the implications and inferences of the questions of the gentleman from Michigan have been answered. You know, great lawyer that he is, he did not unequivocally say that the defendant could not in his own State of Michigan, either in State court or Federal court, invoke protection of the fifth amendment.

Let us not be confused by many, many narrow matters that are so extremely unlikely to happen and on which I know of no case in all the history of Federal jurisprudence.

The Clerk read as follows:

TITLE IV—DESEGREGATION OF PUBLIC EDUCATION

Definitions

Sec. 401. As used in this title—

(a) "Commissioner" means the Commissioner of Education.

(b) "Desegregation" means the assignment of students to public schools and within such schools without regard to their race, color, religion, or national origin.

(c) "Public school" means any elementary or secondary educational institution, and "public college" means any institution of higher education or any technical or vocational school above the secondary school level, operated by a State, subdivision of a State, or governmental agency within a State, or operated wholly or predominantly from or through the use of governmental funds or property, or funds or property derived from a governmental source.

(d) "School board" means any agency or agencies which administer a system of one or more public schools and any other agency which is responsible for the assignment of students to or within such system.

Survey and report of educational opportunities

Sec. 402. The Commissioner shall conduct a survey and make a report to the President and the Congress, within 2 years of the enactment of this title, concerning the lack of availability of equal educational opportunities for individuals by reason of race, color, religion, or national origin in public educational institutions at all levels in the United States, its territories and possessions, and the District of Columbia.

Technical assistance

Sec. 403. The Commissioner is authorized, upon the application of any school board, State, municipality, school district, or other governmental unit, to render technical assistance to such applicant in the preparation, adoption, and implementation of plans for the desegregation of public schools. Such technical assistance may, among other activities, include making available to such agencies information regarding effective methods of coping with special educational problems occasioned by desegregation, and making available to such agencies personnel of the Office of Education or other persons specially equipped to advise and assist them in coping with such problems.

Training institutes

Sec. 404. The Commissioner is authorized to arrange, through grants or contracts, with institutions of higher education for the operation of short-term or regular session institutes for special training designed to improve the ability of teachers, supervisors, counselors, and other elementary or secondary school personnel to deal effectively with special educational problems occasioned by desegregation. Individuals who attend such an institute may be paid stipends for the period of their attendance at such institute in amounts specified by the Commissioner in regulations, including allowances for dependents and including allowances for travel to attend such institute.

Grants

Sec. 405. (a) The Commissioner is authorized, upon application of a school board, to make grants to such board to pay, in whole or in part, the cost of—

(1) giving to teachers and other school personnel inservice training in dealing with problems incident to desegregation, and

(2) employing specialists to advise in problems incident to desegregation.

(b) In determining whether to make a grant, and in fixing the amount thereof and the terms and conditions on which it will be made, the Commissioner shall take into consideration the amount available for grants under this section and the other applications which are pending before him; the financial condition of the applicant and the other resources available to it; the nature, extent, and gravity of its problems incident to desegregation; and such other factors as he finds relevant.

Payments

SEC. 406. Payments pursuant to a grant or contract under this title may be made (after necessary adjustments on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments, as the Commissioner may determine.

Suits by the Attorney General

SEC. 407. (a) Whenever the Attorney General receives a complaint—

(1) signed by a parent or group of parents to the effect that his or their minor children, as members of a class of persons similarly situated, are being deprived of the equal protection of the laws by reason of the failure of a school board to achieve desegregation, or

(2) signed by an individual, or his parent, to the effect that he has been denied admission to or not permitted to continue in attendance at a public college by reason of race, color, religion, or national origin,

and the Attorney General certifies that the signer or signers of such complaint are unable, in his judgment, to initiate and maintain appropriate legal proceedings for relief and that the institution of an action will materially further the public policy of the United States favoring the orderly achievement of desegregation in public education, the Attorney General is authorized to institute for or in the name of the United States a civil action in any appropriate district court of the United States against such parties and for such relief as may be appropriate, and such court shall have and shall exercise jurisdiction of proceedings instituted pursuant to this section. The Attorney General may implead as defendants such additional parties as are or become necessary to the grant of effective relief hereunder.

(b) The Attorney General may deem a person or persons unable to initiate and maintain appropriate legal proceedings within the meaning of subsection (a) of this section when such person or persons are unable, either directly or through other interested persons or organizations, to bear the expense of the litigation or to obtain effective legal representation; or whenever he is satisfied that the institution of such litigation would jeopardize the employment or economic standing of, or might result in injury or economic damage to, such person or persons, their families, or their property.

(c) The term "parent" as used in this section includes any person standing in loco parentis.

SEC. 408. In any action or proceeding under this title the United States shall be liable for costs the same as a private person.

SEC. 409. Nothing in this title shall affect adversely the right of any person to sue for or obtain relief in any court against discrimination in public education or in any facility covered by this title.

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: On page 50, line 12, after "origin", strike out the period, insert a comma and add the following: "but desegregation shall not mean the assignment of students to public schools in order to overcome racial imbalance."

Mr. CRAMER. Mr. Chairman, this amendment is very simple. It does precisely and unequivocally what the proponents of the bill indicate they wanted to do. That is, to strike "racial imbalance" from the bill and from this title which I otherwise, in its present form, believe is still in the bill as I have said before many times.

In the hearings before the committee I raised questions on "racial imbalance" and in the subcommittee we had lengthy discussions in reference to having these words stricken in the title, as it then consisted, and to strike out the words "racial imbalance" proposed by the administration.

The purpose is to prevent any semblance of congressional acceptance or approval of the concept of "defacto" segregation or to include in the definition of "desegregation" any balancing of school attendance by moving students across school district lines to level off percentages where one race outweighs another.

This came into focus again when a New York U.S. District Court in Manhasset, Long Island, ordered the local school board to revise its districting and school assignment plans in implementing a right under the 14th amendment relating to desegregation. I discussed this on page 1598 of the RECORD last Saturday and set out the case there and in hearings before the Rules Committee.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from New York.

Mr. CELLER. Mr. Chairman, the amendment offered by the gentleman from Florida is acceptable.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DOWDY

Mr. DOWDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOWDY: On page 51, line 8, after the word "color" insert the word "sex"; and on page 54, line 3, after the word "color" insert the word "sex".

Mr. DOWDY. Mr. Chairman, I have found one place in the bill where the sex of the person involved should not be considered, so I omitted it. It is in this title, on page 50.

"Desegregation" means the assignment of students to public schools and within such schools without regard to their race, color, religion, or national origin.

I do not believe that the sex of the child would be applicable there. In fact, I think that should be left to the discretion of the school board.

I am reminded of a story I heard a few years ago about a couple from the Deep South who had been required by the company they were working for to move to the North. They had a little daughter who was just ready to enter the first grade in school. They moved to one of the northern cities and located the little girl in a school. It was a desegregated school.

The little girl took her lunch to school with her. When she got home she told her mother about her friends and what fun she had had. Finally her mother said, "Honey, who did you eat lunch with?" The little girl said, "Well, I ate lunch with a little colored boy and a little colored girl." The mother said, "You did?" The girl said, "Mother, you wouldn't want me eating with those Yankees, would you?"

The next place that equality for women, or for the sexes is applicable is concerning the lack of availability of equal educational opportunities for individuals by reason of race, color, religion, or national origin.

In many States and areas I know it is more difficult for a girl, a young woman, or a woman to get into college than a man. Why this is so I do not know, but I know it happens. When I finished high school I got a little bit of college, and the depression came on and I could not go any further. There was one college I would have liked to go to, but it was an all-girl school and they would not let me go. I was discriminated against, but I did not go to the Attorney General to make a Federal case out of it. I do not think we ought to have that kind of discrimination, for either sex.

The third place in this section where this applies is where suits may be brought by the Attorney General when the parents sign a statement that a child has been denied admission to or not permitted to continue in attendance at a public college by reason of race, color, religion, or national origin. I think that men and women or boys and girls or young men and young women should be equally treated in this respect, and they should not have to be members of a minority group to get that equal treatment. I imagine the railroad has got this, too, and the engineers' thumbs are turned down on this amendment. It is evident there is such a negative attitude on the part of the majority here, that reason is of no avail. I thank you for your patience.

A recent article in the Washington Post titled "Virginia Men Seen Being Denied College," expresses horror over the thought that in 1964 some men may be denied admission to Virginia State colleges because of inadequate facilities. However, the most striking fact revealed in this article was that qualified women had been refused admission to Virginia colleges at the rate of 7,000 a year since 1960. Thus in the State of Virginia alone 21,000 women have been denied an education in State schools, while men were generally admitted.

Many State schools like those in Virginia have a "quota system" in making admissions. Under these systems the freshman students are predominantly men and a deliberate effort is made to keep the proportion of men students much greater than that of the women students. Consequently women with high scholastic averages are denied admission while men with lesser averages are admitted in great numbers.

Nothing has ever been done about these discriminations against women, but when a State school in Mississippi denied admission to a young man because of his race, Federal troops were sent to enforce his enrollment. By contrast in Virginia 21,000 women are denied the opportunity to go to college simply because they are women, and this discrimination does not even make a headline.

The proposed civil rights bill makes elaborate provisions assuring racial minorities that they will not be denied an opportunity to be educated because of their race, but gives absolutely no protection to applicants who are denied admission to colleges because of their sex. It thus protects the group which is already being protected in the courts while ignoring the group that has received no protection. Admission to schools should be on a basis of scholastic achievement and the bill should be amended so as to prevent discrimination against women in educational facilities. Certainly Congress does not wish to take the position that a Negro man, a Jewish man, or a Catholic man is entitled to an education but a woman is not.

Unless it is amended, section 407 of the proposed bill which makes it possible for a parent to bring a proceeding to enforce admission to schools when his child is denied admission because of his race, national origin, or religion will have a curious effect. The parents of a Negro girl or a Puerto Rican girl will be able to allege that their daughters are being discriminated against because of their race or their national origin and will thus be able to force their admission to these schools operating on a quota basis. On the other hand, the parents of white Protestant daughters will be powerless to fight the discrimination against their daughter because of sex, which is the basis of the admission policy in schools operating on a quota system. Only the Negro girls and the girls of foreign origin or of a religious minority, will be in a position to fight this discriminatory system. The white girls who are American born will thus be denied the opportunity to become educated productive citizens. Section 407 of the proposed bill should be amended so as to enable the parents of all citizens to protest the arbitrary denial of their right to an education. College admissions to schools supported by the public should be entirely on the basis of scholastic achievement.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. DOWDY].

The amendment was rejected.

AMENDMENT OFFERED BY MR. KYL

Mr. KYL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. KYL: On page 53, after line 15, add a new section 407 as follows and renumber subsequent sections accordingly:
>
> "SEC. 407. Provisions for Technical Assistance, Training Institutes, Grants and Payments as covered in sections 403, 404, 405 and 406 of this Act, shall be terminated January 1, 1970, unless terminated prior to that date by the Commissioner."

Mr. KYL. Mr. Chairman, without a limitation on the time under which the grants for Federal financial assistance can be given to schools by reason of new integration, there is absolutely no limitation of any sort on the financial arrangements made by this act.

I would call attention, Mr. Chairman, to the fact that we have had problems of this nature for a long time and we will have for many years and generations to come.

Unless we set some limitation here, this could be a permanent program of Federal grants-in-aid to all public schools, for instances, where there is a mixture of Indian children and white children or white children and Negro children. We could have through this medium, through this legislative proposal, a permanent system of Federal aid to education based on the necessity of special training and special techniques for teachers and administrators who will be faced by a teaching situation in which there are children of various races.

Mr. Chairman, I think it is entirely reasonable that we put some sort of limitation, first, on the finances and, second, that by virtue of this amendment we also serve notice on those people who will administrate the program that there should be a very careful supervision of these funds lest it become a sort of Federal grab bag for funds rather than a fund for carrying out the specific purposes of the act.

I cannot see how this amendment would hurt the bill in the least because the time prescribed for cutting off the program is beyond the limits suggested as necessary by the Department of Justice.

Furthermore, if at the end of this period it is deemed necessary by this body and by the Congress to extend the grants further, the Congress can so act and at that time there will be no battle as to segregation versus integration because this is a matter quite apart from that fundamental issue which we find in this piece of legislation.

Now to clarify what we are trying to do here. I would like to ask both the chairman of the committee, the gentleman from New York [Mr. CELLER], and the ranking member of the committee concerning the purposes for which this money is to be extended so that we can write some legislative history for the direction of the Commission which will, of course, administer the act. I would direct this question first to the gentleman from New York.

Mr. CELLER. I think, if the gentleman will read on page 52 of the bill, he will see what the grants are for. The bill reads in section 405(a):

> SEC. 405. (a) The Commissioner is authorized, upon application of a school board, to make grants to such board to pay, in whole or in part, the cost of—
>
> (1) giving to teachers and other school personnel inservice training in dealing with problems incident to desegregation; and
>
> (2) employing specialists to advise in problems incident to desegregation.

Then subsection (b) of section 405 provides:

> (b) In determining whether to make a grant, and in fixing the amount thereof and the terms and conditions on which it will be made, the Commissioner shall take into consideration the amount available for grants under this section and the other applications which are pending before him; the financial condition of the applicant and the other resources available to it; the nature, extent, and gravity of its problems incident to desegregation; and such other factors as he finds relevant.

Mr. KYL. The gentleman certainly does not think this legislation gives any authorization to the Federal Government to help build new school buildings or new classrooms or paying teachers' salaries?

Mr. CELLER. No, that is not the purpose of this title. Title IV of the bill is not designed to be a general program of assistance to education. It has a specific purpose in mind and the specific purposes are outlined in section 405.

Mr. KYL. May I also ask the distinguished chairman; does he think this amendment would in any way weaken the program?

Mr. CELLER. I think it would. I think it is a dangerous amendment and, certainly, would weaken title IV. In a sense you ask the Commissioner of Education and the Government to buy a "pig in a poke." In title IV we do not specify any amount of moneys. We do not specify when the grants are to terminate because we do not know what the future needs may be.

We cannot, in this Chamber, anticipate the needs at this time. We would have to be provided more facts. Experience would have to indicate the need.

Indeed, the Appropriations Committee is the appropriate agency to which application could be made, upon stated facts. Those in authority under the title would have to appear before that distinguished committee and make known their needs.

I believe adoption of the amendment would cut into the powers of the Appropriations Committee, and I do not believe we should do that.

Finally, I believe this would weaken the purpose and strength of the provision.

Mr. CURTIS. Mr. Chairman, I move to strike the last word.

I believe the amendment proposed by the gentleman from Iowa is very pointed, but I am also concerned about a Federal program of this sort, which would go far beyond civil rights legislation into the field of education and training. This is an important matter, and certainly does bear upon the problem of the education of our Negro citizens and their children, but I wonder what it is doing in the bill.

Some debate was had in regard to the FEPC section, but there seems to be evidence that the Committee on Education and Labor developed the bill, which has been made a title of the bill under discussion.

I should like to ask a question. Did the Committee on Education and Labor develop this bill or hold any hearings on it? It is clearly a subject within the jurisdiction of that committee. That committee and its members know the problems involved in the field of education. This deals with grants and specific training programs. It covers grants and contracts.

Can the chairman of the committee or anyone else give me information in this regard?

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield.

Mr. CELLER. The Secretary of the Department of Health, Education, and Welfare, Mr. Celebrezze, and officials of his Department came before us.

Mr. CURTIS. I am not talking about what the Judiciary Committee did. I should like to know whether the committee which has knowledge of the general subject matter and what has happened over a period of years, which is constantly dealing with the subject, did. Did the committee hold hearings and have a discussion? What would the comment be?

Mr. CELLER. We had hearings before our committee.

Mr. CURTIS. But the Judiciary Committee is not knowledgeable in this field.

I shall listen very attentively to the debate on the FEPC title, because, as I understand it, the Committee on Education and Labor actually went over it and it was a bill actually passed by the committee. Therefore, the House can be somewhat relaxed in that regard, because the committee with experience and knowledge in the field has gone into it in depth.

It is quite obvious to me, from the looseness of the language and the fact that it involves a Federal program without any concept of cost, with no limitations and no time on it, that this is something fiscally irresponsible, to put forward a program such as this. We have no way of knowing even whether it will achieve the objective.

The Judiciary Committee had a big enough job of its own, and does have an important job in respect to the very important bill before the House. The next section of title IV provides for suits by the Attorney General, and that would indeed come under the jurisdiction of the Judiciary Committee; but, for the life of me, I cannot understand why this education and training proposal is in the bill. Can anyone inform me? Can I get an answer from someone on the committee, or some information as to why this bill has gone into the technical area of education?

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield.

Mr. LINDSAY. As the gentleman knows, I am not a member of the subcommittee which heard all of the testimony, but I believe I have read almost all of it and listened to a great deal of it.

This proposal on technical assistance is nothing new in regard to the problem of school desegregation on a voluntary basis. It has been submitted to the committee on several occasions.

The Eisenhower administration asked the Committee on the Judiciary for legislation on this point. There was testimony. We listened to all of the evidence submitted. The same with the Kennedy administration.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. Now we have it again. Hold on. The gentleman is asking me a question.

Mr. CURTIS. Yes, I know, and I want to point it up. Let me illustrate what I would like to know occurred, if it did. When the Committee on Ways and Means got into the highway tax matter, we worked out an arrangement with the Committee on Public Works so that they, having knowledge in the field of highways, brought their evidence to us. Did the Committee on the Judiciary bring in and obtain information or check what the Committee on Education and Labor was doing in this very complicated field?

Mr. LINDSAY. Of course, every member of the Committee on Education and Labor was free to come in and testify, and some did. I do not know whether on this subject, but I know there were members of the committee who came in and testified on the subject of civil rights legislation, this included. I think in any case where lines are fuzzy between committee jurisdictions you do have problems of this kind. You have them in your own committee.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CURTIS. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS. The reason why I raised this question is, indeed we do have this problem in the Committee on Ways and Means, and I judge every committee does have it. On the Manpower Training Act I testified before the Committee on Education and Labor because the Committee on Ways and Means has a very difficult problem of unemployment insurance which impinges in this area. I worked very closely with the members of the subcommittee of the Committee on Education and Labor handling this matter to try to keep in touch with them. This problem is difficult enough.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield further?

Mr. CURTIS. I yield further.

Mr. LINDSAY. Has the gentleman taken the trouble to read the hearings?

Mr. CURTIS. No, I have not, on this subject, and I will tell you what attracted my attention to it. Listening to the replies to my questions, it is obvious that full thinking had not been done on it. First, there was no termination on this training program and no estimate of cost, and there is no limitation of cost. When we come in with programs that deal with a specific thing where we are going to have grants and loans and so forth, we usually put limitations of money on it. This apparently has not even been thought of as to where it fits into the fiscal picture.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from Florida.

Mr. CRAMER. I think the gentleman raised a very significant point with regard to title VII, the FEPC. In the first instance I had the privilege of working with the gentleman's committee on the highway bill, which he mentioned. It was very effective.

Mr. CURTIS. We will get to FEPC, but how about this education thing? Was anything done here? Does the gentleman know?

Mr. CAREY. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from New York.

Mr. CAREY. For the benefit of my colleague from Missouri, I asked the same question of the Commissioner of Education, Francis Keppel, before the Committee on Education and Labor because I was concerned about the extent of funding of this provision. I was concerned that it would possibly open new doors without hearings for a determination as to how far the program would go. His response was, this would not be essentially a money program and he did not consider there would be any expenditure of funds to any considerable degree. It was mainly advisory and the technical institutes referred to here could be covered in current programs and there would not be any additional funds of any sizable nature in the program.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. THOMPSON of New Jersey. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from New York just stated what is essentially the understanding of those of us on the Committee on Education and Labor. There is an admitted fuzziness jurisdictionally when one considers some of these education programs. I might call the attention of the Committee to the fact that the great Committee on Interstate and Foreign Commerce has some jurisdiction in this area. Those of us on the Committee on Education and Labor—and I am one of those—who are aware of this situation favored the inclusion of this provision in the bill as being a necessary result of the events following the Brown against the Board of Education case. There are admitted disparities in the educational levels of children and teaching techniques and so on which are the natural result of the desegregation process.

This in no sense is intended as affirmatively an integration amendment. It is analogous, rather, to the teachers institutes in the National Defense Education Act for the improvement of teaching and the teaching techniques in certain educational areas. I believe that were all of the members of the Committee on Education and Labor, at least from this side, here, that the consensus would be overwhelmingly in favor of this section and I urge its adoption.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield.

Mr. LINDSAY. I think members of the Committee ought to look at the 100-odd pages of testimony by the Secretary of Health, Education, and Welfare in part II of the hearings. And that is just one witness.

Mr. THOMPSON of New Jersey. I assumed they had read that. And it supports this proposition very well.

Mr. COLLIER. Mr. Chairman, I move to strike out the last word.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. I am happy to yield to my colleague.

Mr. KYL. Mr. Chairman, the gentleman simply wants to repeat that all this amendment does is terminate the grants which are listed in title IV of this act on January 1, 1970, a period which is longer than that period suggested as necessary for proper implementation of this act by the Justice Department. And at that time if the Congress deems that the program should be continued it certainly can be and the argument would not be heated by any desegregation versus integration group because this is aside from the basic argument.

To show you how complicated the financial arrangements are and how hidden the possibilities are, if the gentleman will read on page 53:

> In determining whether to make a grant, and in fixing the amount thereof and the terms and conditions on which it will be made, the Commissioner shall take into consideration the amount available for grants under this section.

Nobody knows, for goodness sake, what the amounts available will be because we have no suggestion from anybody who has spoken in favor of the bill or against it as to what the amounts will be that will be asked for or what the amounts will be that will be expended, or anything else.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. I yield.

Mr. CELLER. We have information to the effect that over a 5-year period the cost would be $10,752,560. That is the average over the period which I have just indicated.

Mr. COLLIER. If this $10 million is merely an estimate, in light of the previous estimate in another section of the bill which apparently meant nothing when a limitation was offered in the form of an amendment, I do not know that I could accept that $10 million figure as being any more accurate than the chairman himself was willing to admit that other estimate was in the other section of the bill. So this estimate does not in light of that bear any credence.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. I yield to my colleague.

Mr. KYL. May I ask the chairman of the committee, the gentleman from New York, if he would be willing to accept an amendment fixing a limitation of expenditure in the figure which he has cited?

Mr. CELLER. I do not think it would be fair to fix it at this stage of the game because we do not know all the factors. Such aid as would be administered by the Commissioner of Education would be available only upon voluntary help by local authorities who would remain fully responsible for the selection and the implementation of measures adopted to their own local situation. That is the information that we got. Those factors would have to be envisaged and only the future can indicate what they are going to be. I think it would be rather unfair to put these limits on the amount and on the time at this juncture.

Mr. COLLIER. Mr. Chairman, I would like to get further information in light of the suggestion made by the gentleman from New York. I believe I am quoting him accurately when he said "this is not essentially a cost program," yet in line 12, page 52, there is an indication that stipends will be paid to those attending these institutions as specified by the Commissioner.

When you get a stipend program of a particular school such as probably would be necessary in this bill, we begin to question whether or not this is essentially a cost program. It may be a well-founded program, but I think the RECORD should indicate this is in fact a cost program and could embrace quite a substantial cost.

Mr. CAREY. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. I yield to the gentleman from New York.

Mr. CAREY. I think we are confused possibly in our consideration as to the difference between construction programs and cost programs already in effect. We have in the National Defense Education Act provision for institutes that go into specialized matters. I therefore feel this would not be a new program under the jurisdiction of the Commissioner of Education. We have the additional authority to provide for these under educational programs we have already authorized.

Mr. COLLIER. May I say to the gentleman this is a new program. This is the first time to my knowledge that there was an authorization for paying a stipend in a bill to come out of the Committee on the Judiciary in the field of education. That has never been done in the past, even in the National Defense Education Act training program. This has been legislation that has always emanated from the proper committee, not the Committee on the Judiciary.

Mr. CAREY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to indicate this is simply broadening a program in clear terms. We want the stipend program to handle this particular problem. This will involve visiting teachers in many areas in my own State, in Cleveland, Chicago, and so forth. There are a great many problems involved in keeping the level of education at the proper level. We are simply broadening the program to include stipends to bring educators together so that we can discuss ways and means of taking care of the situation. It is the intent of this act to bring equal education to all schoolchildren, and we are doing it under a variety of programs.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. CAREY. I yield to the gentleman from Illinois.

Mr. COLLIER. I am not concerned with the purpose or the need. If I left that impression I want to clarify it. I think this is a new concept in the jurisdiction of a legislative committee to pass this out of a committee where we may have the establishment of stipends. Grants have always come from the committee which properly has jurisdiction.

Mr. CAREY. I can say in this bill there is an overlap of jurisdiction in certain areas. Yet if we were to consider this in committee we would not be able to gain the proper testimony before our committee. The Judiciary Committee already had the testimony.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. CAREY. I yield to the gentleman from Illinois.

Mr. PUCINSKI. As far as the question of precedents as to which committee has jurisdiction over the subject matter in this title, we are not establishing a precedent here. Last year we passed a bill in this House setting up Federal aid and assistance to medical schools. If you will recall, that bill dealt with education, yet it was a bill brought to the House by the Committee on Interstate and Foreign Commerce and not the Education Committee which normally handles educational matters. So that what we are doing here today is not without precedent. Nor is it without precedent for us to recognize that we are establishing certain responsibilities on local communities and States which are consistent with the U.S. Constitution. Rules have been laid down by the Supreme Court dealing with desegregation of schools consistent with the Federal Constitution. We are, therefore, imposing certain Federal responsibilities on local communities. It appears to me, in my humble judgment, that it is perfectly consistent for the Federal Government therefore to assume part of the cost of financing these added responsibilities imposed on the State and local agencies by the Federal Government. We in Chicago have encountered substantial additional costs in desegregating our public schools consistent with the U.S. Supreme Court orders. I believe the Federal Government should assume part of these additional costs since they involve Federal rights. I do not believe the local taxpayer should be compelled to assume the full burden of these additional costs.

I believe my colleague from New York makes a very good point. I should like to associate myself with his remarks and point out that the committee obviously recognized here that there are considerable problems involved in desegregation, and rather than impose these problems completely on the local communities, which very often may not be able to afford these costs, the committee here recommends that the Federal Government assume part of that cost. This appears to be completely consistent with good judgment.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. CAREY. I yield to the gentleman from Iowa.

Mr. KYL. The gentleman from Iowa does not object to the way this was brought to the floor, but I call attention to this: The American Indian by law and Federal policy is segregated and in all likelihood will remain that way, yet the children that attend public school are integrated. This program as far as the Indians are concerned would be a permanent program unless we set up a cutoff date.

Mr. CAREY. I would respond to my colleague from Iowa that I know his philosophy of legislation from service on the great Committee on Interior and Insular Affairs, and I believe in his theory of jurisdiction in the appropriate committee on any level. I therefore would suggest to him that the appropriate place and time and forum under which we might consider the problem of the American Indian in education would be before that committee on which we both serve. By the same token, I would suggest to him that we in the Education and Labor Committee have considered the matter of this bill insofar as it appertains to education and integration in the public schools. The testimony has been adduced to a far greater degree before the great Committee on the Judiciary, which is managing this bill today. Considering, then, that both committees have considered the problem but the greater weight of testimony is before the Judiciary Committee, I simply say to him that rather than supervening the jurisdiction of either committee, we are joining to take the short way home.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. KYL].

The question was taken; and on a division (demanded by Mr. KYL) there were—ayes 66, noes 61.

Mr. CELLER. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. KYL and Mr. ST. ONGE.

The Committee again divided, and the tellers reported that there were—ayes 114, noes 121.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. JONES OF MISSOURI

Mr. JONES of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Missouri: Page 52, line 24, replace the period with a semicolon, and add the following: "*Provided*, That no person, who has within a period of 5 years, been employed by or has served as an officer of any organization which has been responsible for inciting riots, or in advocating or organizing demonstrations in connection with any school boycott, or other demonstration which has had the effect of disrupting the normal operation of any school, shall not be eligible for appointment as such specialist.

Mr. JONES of Missouri. Mr. Chairman, I believe the amendment is quite clear. It is a simple amendment. If I may I should like to have the attention of the chairman of the Committee on the Judiciary. I believe perhaps he will accept this amendment.

Will the gentleman give me his attention, please? I should like to direct a question to the chairman.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. CELLER. I ask unanimous consent that all debate on this amendment end in 5 minutes.

Mr. JONES of Missouri. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. JONES of Missouri. I believe that demonstrates again the gentleman is trying to show his contempt for me; and if he is, I might say that I can reciprocate in kind.

The amendment is simple. I feel sure that many Members of the House agree that the Attorney General has on other occasions exercised poor judgment in his selection of appointees and employees and has been rewarding those who on occasion have been violating the law. I want to make it so that any person who within a period of 5 years has been employed by or has served as an officer of any organization which has been responsible for inciting riots, or in advocating or organizing demonstrations in connection with any school boycott, or any other demonstration which has had the effect of disrupting the normal operation of any school, shall not be eligible for appointment as the specialist who would advise on problems concerning desegregation.

I do not think that any reasonable person could advocate the employment of a person who has, as a profession or as an avocation or a vocation, been engaged in inciting riots, in arranging boycotts, in closing schools, and in disrupting the operation of schools. I do not think that any such person should be qualified for or acceptable to this body as the person who is to advise in problems incident to desegregation.

I want you to think soundly on that. I am going to ask you. You are either advocating this or you are against it—one or the other. You have to take sides here now. I am saying that the Attorney General by some of his actions has rewarded people who have been officers in and employed by organizations which have incited these riots. He himself, I charge, has helped to incite some of these riots. On tomorrow I expect to make some remarks about the dramatic production which the Attorney General himself arranged at the time that Mr. "Katzenjammer" made his confrontation with the Governor of the State of Alabama at the University of Alabama. I am going to tell you something about the arrangements that were made for having television cameras in the Attorney General's office—which was the headquarters for that demonstration—at the White House and at the scene in Alabama. That production was given over the ABC television chain on October 21, and many of you saw it. I know you were nauseated when you saw in the Attorney General's office during a serious crisis in the history of this country where the Attorney General's children were participating in this dramatic production and talking on the telephone with those who were sent to Alabama, presumably to preserve order. That is the reason why I say this Attorney General and probably other Attorneys General might reward the people who have been inciting the very riots that the Attorney General's Office and the Department of Justice should be interested in trying to stop.

Mr. GRANT. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Alabama.

Mr. GRANT. I want to say to the gentleman from Missouri that I certainly cannot see how anyone could be against such an amendment and how they would want people of this type in the employment of the U.S. Government enforcing such a program.

Mr. JONES of Missouri. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. EDWARDS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I urge this amendment be turned down by the Committee. It would cause great damage to the enforcement of this title, and in addition it would violate article I of the first amendment to the Constitution of the United States where Congress shall make no law in respect to or prohibiting the right of the people peaceably to assemble and to petition the Government for a redress of their grievances.

Mr. JONES of Missouri. In other words, you would advocate people who have incited riots, and that is what the amendment says—you would advocate those people as being experienced in advising people on the desegregation of schools? Am I to interpret the gentleman's remarks that way?

Mr. EDWARDS. No. You interpret my words incorrectly. I advocated nothing of the sort.

Mr. JONES of Missouri. I think you have by your own admission.

Mr. WAGGONNER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment, and on this particular occasion I rise to ask a question or two. The gentleman has put some limitations on the employment of specialists who advise in problems incident to desegregation. Is there any member of the committee that can tell me what the criteria would be for a specialist?

Mr. EDWARDS. Will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman.

Mr. EDWARDS. I would presume that in selecting a specialist, the same general rules would apply insofar as establishing specialists in any case, that is, a recognized authority in that particular field.

Mr. WAGGONNER. Are these people supposed to be so-called educational specialists, riot specialists, sociologists, or just what?

Mr. EDWARDS. No. We are talking about education specialists.

Mr. WAGGONNER. Do you not think before we accept such a provision as this we should clearly, as we have done in one or two instances, try to prescribe some very definite qualifications? You know, in order to get a teacher's certificate, you have to have some education and you have to meet some rigid requirements and criteria which are set forth by boards of education. Should we not set forth these same criteria or something better here?

Mr. EDWARDS. I do not think the school board needs any help in choosing these specialists. The rules, regulations, and general provisions are well established.

Mr. WAGGONNER. If they are well established will the gentleman tell me what they are.

Mr. EDWARDS. Experience, education, and training.

Mr. WAGGONNER. What experience?

Mr. EDWARDS. Experience in the general field we are talking about.

Mr. WAGGONNER. What is the general field we are talking about, education or inciting to riot?

Mr. EDWARDS. Education. I am sure the school boards are going to have had plenty of experience in making these determinations.

Mr. WAGGONNER. The school boards do not make these decisions; the Commissioner finally does because surely he must insure that the boards are employing people he at least considers specialists.

Mr. EDWARDS. Mr. Chairman I, refer the gentleman to page 52, line 17:

> The Commissioner is authorized, upon application of a school board, to make grants to such board to pay, in whole or in part, the cost of * * * employing specialists to advise in problems incident to desgregation.

I think it is very clear.

Mr. WAGGONNER. If the school board picks them what will be the criteria? Are we going to have Rev. Fred Shuttlesworth, a convicted bootlegger down in Alabama, long before this civil rights bill came along? Are we going to have people like that as specialists? Are we going to have people like Bayard Rustin, a known sex pervert, a draft dodger, convicted of every heinous crime known to mankind? Are we going to have those people to serve as specialists? Who is going to serve as a specialist?

Mr. FORRESTER. Mr. Chairman, will the gentleman yield to me?

Mr. WAGGONNER. I yield to the gentleman from Georgia.

Mr. FORRESTER. As I understand it, you are not stopping anybody from protesting or from assemblying; you are just saying where they become law breakers you are not going to give them a job.

Mr. WAGGONNER. If we are going to spend the taxpayers' dollars to employ a specialist I want to be sure that we get a specialist who is going to do some good. So far as this entire section is concerned, at least from what has been admitted, they are going to require special attention.

Mr. FORRESTER. Under no circumstances, though, are you going to say that they will not be permitted to participate or have their share in Federal assistance programs as provided in title 6 of this bill. You will not cut them off from money that they are entitled to under this program, are you?

Mr. WAGGONNER. Oh, no.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield.

Mr. JOHANSEN. As I understand it, these persons employed for this purpose presumably would be specialists not only in education but in racial relations; is not that the assumption?

Mr. WAGGONNER. That is the assumption.

Mr. JOHANSEN. If that is the assumption, what are the criteria to designate a specialist in that field?

Mr. WAGGONNER. That is the answer I have been trying to get.

Mr. JOHANSEN. I did not hear the gentleman get it.

Mr. GILBERT. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield.

Mr. GILBERT. Mr. Chairman, I wonder if the gentleman would tell me if the passage of the bill we have under consideration today will incite to riot.

Mr. WAGGONNER. Well, we are having riots in Cleveland, Ohio, New York City, and other places without it, and I think it is safe to assume that we are certainly going to have some with it.

Mr. GILBERT. Following your logic to its reasonable conclusion, any Member of Congress who votes for this bill would not be eligible as a specialist in this field.

Mr. WAGGONNER. I can say very definitely that a Member of Congress who votes for this bill is not a specialist in anything and needs a specialist.

Mr. BROMWELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it seems to me that this recent inquiry has intended to make unnecessarily sure the kind of personnel which we hope would be employed in this program. This House cannot make the selection of men and women to be of assistance at the instance of the Commissioner in this area. But there are those who by reason of their study of psychology, and I say this in partial response to the gentleman from Michigan, by reason of their study of sociology and by reason of their study of the relationships between people and their study of educational technique, may be able to render outstanding service in understanding conflicting situations or situations in which tensions develop.

I would like to oppose this amendment for the reason that we tend to cast a stigma upon all participants in difficult situations. I would suggest that not only the proponents on one side of a dispute which might have gone to violence, but also the proponents on the other side would be stigmatized by this. We have had not only members of private organizations seeking to advance civil rights here, but we have had public officials on the other hand. I do not believe that by writing that limitation into this particular piece of legislation we make the task of the Commissioner easier, nor do we make any substantial contribution whatsoever to the problems at hand. This, I think, is the basic consideration here.

In spite of the things that have been said about it, the main idea behind title IV of this bill is to be of some help. This Congress could, if it wished, simply impose the sanctions of this bill upon those school districts and other political subdivisions that are spoken about in this bill, and walk away. But by this title the Congress is saying that we of the 32 States, or we of all 50 States, wish to be of some help in solving what we know definitely to be a problem and to which we are trying to find a solution.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BROMWELL. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. Are you sure that you understand what this amendment says? It says that we cannot employ anybody who has served as an officer or been employed by an organization which has been responsible for inciting riots. Does not the gentleman think that is a fair restriction? We are not saying what the qualifications are. We are only saying we do not want this class of people to serve as specialists in desegregation, whether they have been on one side or the other side. I do not think anybody who incites a riot is qualified as a person you would want to use in that capacity. You would certainly not want that kind of an individual.

Mr. BROMWELL. I might agree more readily if one of the objections which has been repeatedly made were not that this is a very cumbersome element of administration. I do not want to impose upon the Attorney General or this Congress in the administration of this law the responsibility for determining the organizations and the individuals in those organizations who are responsible for a situation of violence. I do not think there is any more of a test employed with this amendment than there is without the amendment.

Mr. JONES of Missouri. Does the gentleman not think the Attorney General's office has a list of people who have been associated with and employed by organizations which have incited riots? In some cases I think they have proceeded against some of those people. It would be very little trouble to look in the files. Also I think the FBI has files on people who have instigated such riots. I do not think it would be difficult to recognize those people.

Mr. BROMWELL. I am sure I do not know, but I want to avoid any suggestion on the part of the gentleman from Missouri that I think the Commissioner of Education is going to go out and try to find troublemakers to put in these spots which call for highly trained people. I do not see any need for the amendment.

Mr. McMILLAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I have listened very attentively to all of the speeches and arguments, pro and con, in connection with the so-called civil rights proposals during the past 5 days. I am completely shocked when I hear some of the statements that have been made on the floor of the House during the long hours of debate on this subject. I was hoping that possibly the people throughout the country were sufficiently interested in preserving the Constitution that they would insist on their representatives here in Congress taking into consideration the powerful impact legislation of this nature will have on every American citizen regardless of whether he makes his home in the North, South, East, or West.

I have served in the U.S. Congress for the past 25 years and this is the first time I have ever witnessed a controversial piece of legislation, such as the pending civil rights bill, going through the House without being substantially amended. The purpose of this bill is to take care of the minority groups in the United States. However, at the same time, here on the floor of the House the huge majority who are ultraliberal and others who seem to be of the opinion that the Constitution is outmoded do not give the wishes of the small southern minority any consideration.

The southern white people have lived with this problem ever since the Negro race was first imported into this country and I believe that the two races have always thoroughly understood the problems confronting them and they have always had a mutual understanding among themselves and lived in harmony. The white people in the South have continuously planted large cotton plantations and other items with the specific purpose of giving the colored people work of some nature. By doing this the South has not been able to keep up economically with the sections of the country who depend on industry and the products produced by the farmers. Now all this agitation by paid representatives from certain organizations, the Federal Government, and at least two or three foundation funds has just about broken up all the good relations that existed between the colored and white people in the Southern States.

I am sincere in my opinion that within 10 years there will be very few colored people in the South since they have been advised through their churches, lodges, and paid representatives from every source possible that they are being mistreated by the southern white people, and they naturally will move to the North, East, and Western States.

The State of South Carolina, which I am privileged to represent here in the Congress, has lost 100,000 colored people during the past few years because of this agitation and misrepresentation of the facts. However, the economy of my State has greatly improved since we can now have time to encourage industry to move in and take the place of the nonprofit agriculture industry which has kept the South broke since the Civil War. We are experiencing great changes throughout the country at the present time and I am certain that a number of Members of Congress who are voting to ram this legislation down the throats of the southern white people will live to have this same legislation haunt them. We will solve our problem with the colored race in South Carolina as we have never considered the colored people a problem. However, I am certain that if the news media is half correct, the large metropolitan areas throughout the United States who are not accustomed to the living habits of the colored people and their thinking on numerous subjects will have some serious problems within the next few years.

I do not think there is anything in this proposed legislation that will not vitally affect every section of the United States and the two sections of the bill I am especially interested in having deleted from the bill are the public accommodations section and the so-called FEPC section. If these two sections are permitted to remain in the civil rights bill and these proposals finally become law, the property owners of this Nation and the people in general will have lost practically all their rights in connection with the property they own and the handling of their private business affairs. These proposals have been under consideration for several months and, to my knowledge, the House of Representatives has debated the FEPC bill on several occasions during previous Congresses. I do not think any country, not even Russia, could offer any legislation to their people that would take all rights away from them than the pending civil rights bill.

I already see that the Members who believe in States rights certainly do not have sufficient strength in the House of Representatives to properly amend or defeat this monstrosity and we will be solely dependent on the Members of the U.S. Senate to properly write a civil rights bill, if we must have legislation on this subject.

Mr. ALGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I felt no reason to take the floor on this subject until I heard the colloquy that just took place, and now I think some things have to be said. It strikes me that when there is some debate here on an amendment such as the amendment concerning those inciting riots, offered by the gentleman from Missouri, with which I find no fault, then I wish to remind my colleagues of certain things that have been taking place recently.

We know that Mr. Rustan has been given credit for the part he played, and he is entitled to his views, in organizing some of these demonstrations, and the part he played in the march on Washington. He also is responsible for the school boycott in New York. This is against the laws of New York. They might have their reasons for doing it. I would suspect that regardless of the misdemeanors or the other convictions against Mr. Rustan that he might therefore qualify as a specialist under the terms of this bill because he has been complimented for his conduct in so-called successful demonstrations. But I also call your attention to the fact that this gentleman is saying that his association with the Communists is done with the idea that by entertaining them and being entertained by them he will convert them to his way of thinking. That is in today's press. Such fraternal meetings with Communists should not qualify him as a specialist.

The Reverend Martin Luther King has done some yeoman work for all of his citizens and I daresay for all of us, but the Reverend Martin Luther King himself has said that he believes that when they are being confronted with laws with which they do not agree it is all right for them to disagree with those laws and violate those laws. They lie down in the streets and block traffic, as they do other things that are contrary to law including demonstrations resulting in violence. I know nobody administering this legislation that would say that the Reverend Martin Luther King would not be considered an authority and a specialist and indeed therefore be subject to hiring under this bill, but he has recommended that violence is necessary on occasion to justify an objective.

Finally, the thing I am most worried about is that we actually seem to be encouraging violence in our midst, the flouting of the law, to attain an objective. When the gentleman from Missouri asks that no people who incite to violence should be employed as specialists, I see no objection to such an amendment, and I do not understand opposition to such an amendment.

Mr. CAREY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to point out in connection with the wording of this amendment that we had riots in this Nation about 100 years ago. These occurred on Orangemen's Day. They were between the descendants of William of Orange and my own ancestors, the Irish. I do not know whether the Orangemen or the Irish contributed much to solving the problems of integration, but I do not think we should eliminate them from employment at this late date, because they incited to riot 100 years ago. I am a descendant of those Irish myself and might need this job.

This bill is following what I think is the philosophy of a great many Members of this House. We are placing the responsibility of hiring people on the local board, in my case, on the New York City Board of Education. I do not think those who have been espousing the philosophy of States rights and talking about the need of local responsibility in education intend giving to the Commissioner of Education the responsibility, the duty, and the obligation of spelling out the requirements for hiring a person, who will be engaged by the local board. This is a local board responsibility. I would think the gentleman from Missouri knows his local board well enough to entrust to them the responsibility of hiring the right kind of people. I know in New York City we are proud of the constituency of our board and we know they are going to engage the right kind of people to perform a task, which is what we now have in this bill. I think you should join me in saying, Let the local board carry the responsibility. Do not place it on the Commissioner of Education.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. CAREY. I yield to the gentleman.

Mr. JONES of Missouri. First, I would assure the gentleman this law would not affect him or any of his ancestors or predecessors. It says only those who have engaged in such activity "within a period of 5 years." So I think that eliminates it. I am not worried about my own board. We are desegregated down our way. We have integration in our schools. We have not had any problem.

Mr. CAREY. I think we have the answer to the question: Do not worry about your board and I will not worry about mine, but let us not place the responsibility upon the shoulders of the Commissioner of Education where it does not belong. I believe firmly in local control of education and I know the gentleman from Missouri does also.

Mr. JONES of Missouri. We are not trying to tell them whom they shall hire. We are just placing a limitation on those they may not hire. I am basing that upon experience as I have observed these things in the past. I think the gentleman has observed the same thing. I think it is a case where your conscience has to be your guide.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. Jones].

The question was taken; and on a division (demanded by Mr. Jones of Missouri), there were—ayes 48, noes 98.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. KYL

Mr. KYL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Kyl: On page 52, line 13, after "regulations" strike out the comma and insert a period and strike out the remainder of lines 13, 14, and 15.

Mr. KYL. Mr. Chairman, I do not appear in the well as an adversary of this bill or an adversary of this title of the bill. I am seeking here to amend a section which has nothing whatsoever to do with integration or the solution of our civil rights problems.

May I point out what this section does? Under section 404 of the bill, the Commissioner is authorized to arrange through grants or contracts to institutions of higher learning for the operation of short-term—and in educational talk that means summer school—"or regular session"—which means the regular course year at the institution.

The language provides:

> Individuals who attend such an institute may be paid stipends.

Some Members might be fooled by the word "stipends." I once received a summer stipend of $450 a month while attending a graduate school. It came from a private source rather than from the Government, but it was called a stipend.

The language which we seek to strike from the section would permit the Government to pay not only for the education of the individual—and I assume the individual would receive college credit for taking the course—but also:

> Including allowances for dependents and including allowances for travel to attend such institute.

I have a multitude of friends who are schoolteachers, and I will state now what I shall do if the language remains in the bill. I shall mimeograph a letter to be sent from my office to advise every one of those schoolteachers in my entire district and elsewhere to get a letter in to the institution of their choice, because this is a way to get a free summer at some institution around the United States somewhere. Not only will they get a free education, but also they will get paid travel allowance and allowances for dependents, for the summer.

A moment ago it was mentioned that I have been a teacher. There is nothing more delightful for a Midwest teacher than to have an opportunity to spend the summer attending college at Colorado Springs, Col., or in the great State of Texas, or in the State of Oregon, or somewhere away from home. It is a delightful vacation.

In this case it would be with pay, with allowances for travel and allowances for family while living there.

We ought to be sensible about this. I do not believe that in good conscience anyone would ask the Judiciary Committee to bring a bill to the House calling for training of people and for payment of expenses of travel and payment of expenses for dependents.

We should bear in mind that the student will not take only one course when he goes to the institution. He will take a full course of study, in all probability. Probably he would have gone to the school, anyhow, but in this manner he will get to take the extra class to study how to integrate students in his classroom.

In exchange for spending this much time in the classroom in the summer school or during the regular session he will get a stipend for his own living expenses and he will get transportation expenses for himself and his family and he will get living expenses.

This has nothing to do with civil rights as such. I do not believe it is the exercise of good judgment to include it. We must remember that no limitation is provided anywhere in the bill as to the amount of money that can be expended. I assume that the need for the program would be determined by requests for the stipends. This could exceed the cost of the Defense Education Act five times, unless we remove the portion of the section which says:

> Including allowances for dependents and including allowances for travel to attend such institute.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. KYL. I yield to the gentleman.

Mr. GROSS. It was not many years ago that we learned the Federal Government was providing money, in connection with the foreign aid program, as I recall, to transport employees and dependents to the French Riviera to take language training.

This is a wide-open provision. I assume people could be shipped over to the French Riviera, along with their families, for training?

Mr. KYL. So far as the exclusions of the language are concerned it would be possible. I doubt seriously that it would take place.

Mr. GROSS. It is not limited to the continental United States. I do not find that limitation.

Mr. KYL. I am not concerned about the fact that there is no limitation in that regard. I am more concerned about no limitation on the amount of money that can be spent or the length of the program. As I pointed out a while ago, this program could continue for 10, 15, or 20 years, or even longer, because there is no cutoff date and no limit on the expenditures.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GRANT. Mr. Chairman, I ask unanimous consent that the gentleman from Iowa [Mr. Kyl] may proceed for an additional 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. GRANT. Mr. Chairman, will the gentleman yield?

Mr. KYL. I am glad to yield to the gentleman.

Mr. GRANT. I am very much interested in what the gentleman has had to say. However, after looking at what the students will have to study, I do not believe this would be so easy. The gentleman will notice that on line 20 it says:

> Giving to teachers and other school personnel inservice training in dealing with problems incident to desegregation.

Mr. KYL. That is in a different section.

Mr. GRANT. Yes.

Mr. KYL. That is not in the section to which my amendment was offered.

Mr. GRANT. That is true, but this is what they will have to study.

They are going to have to study the nature and extent and gravity of its problems incident to desegregation. I want to say, in talking about the showplace of America being Washington, that I have talked to colored and white cases alike in the District of Columbia, and let me tell you they have plenty and plenty of problems. It is not a great success here and it is not going to be a great success all over the Nation.

Mr. KYL. I just say to the gentleman, having been a teacher outside of the District of Columbia, I will say the problems of a Congressman are certainly not much greater than those of a teacher dealing with children in a classroom.

Mr. GRANT. I think the gentleman has a good amendment, and I rise in support of it.

Mr. CAREY. Mr. Chairman, I rise in opposition to the amendment.

I can well understand the proponent of the amendment desiring to economize to this extent. Let me explain to him that I believe—and I am speaking now from my information as a member of the House Committee on Education and Labor—all this does is to bring this provision into conformity with the stipend system which exists in many other acts such as the National Science Foundation and the National Defense Education Act. I think there is a reasoning behind this. It is not easy to attract teachers to this type of institute. These are vexing problems and require a dedicated teacher who is willing to participate in the institute. These are not grandiose or magnanimous allowances.

Let me point out that these institutes take place in an intersemester situation where the teacher goes into the institute during a period which would normally be his vacation period. This means he does not see his family during the ordinary vacation period that he could spend with his family. He does not get a house and a yacht, but he lives according to the regulations imposed on Federal employees in the Federal system and those again are not magnanimous or grandiose. They are simple allowances, and the regulations which now exist in other acts cover them.

The act in question here, which I would read for the benefit of the gentleman proposing the amendment, says:

> Sec. 464. Fellowship stipends. (a) Each person awarded a fellowship under the provisions of this subchapter shall receive a stipend of $2,000 for the first academic year of study after the baccalaureate degree, $2,200 for the second such year, and $2,400 for the third such year, plus an additional amount of $400 for each such year on account of each of his dependents.

That is the type of allowance in other acts, and there may be a time and day here in this Congress when we will want to question these. That time will come when we want to introduce an extension of the National Defense Education Act and other programs. But here we do not want to discriminate against a teacher going to one of these institutes and sharing the same living quarters with other teachers of other subjects who will have their dependents with them. We cannot discriminate against a teacher who is going there to learn to face this discrimination.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. CAREY. Yes. I yield to the gentleman from Iowa.

Mr. KYL. It would not be difficult for the committee to say that this would be administered with the same language as is applied in the National Defense Education Act the gentleman is talking about to train teachers. When does a teacher have time off? It is during his vacation period. The bill provides the family should be with him and their expenses should be taken care of, and this indicates it will be more than a day or two or a week or two.

Mr. CAREY. That is correct.

Mr. KYL. Why would it not be possible to write some of these things into this legislation rather than, say, leaving it wide open from here to eternity.

Mr. CAREY. The words "established by regulation" are in the bill, and we hope the Commission will follow those same regulations.

Mr. KYL. Why did we not establish regulations such as those for the National Defense Education Act?

Mr. CAREY. Because we have established them and he will follow the same guidelines. He will not pay two teachers in the same institute different stipends.

Mr. KYL. Will it be permissible to study more than one subject?

Mr. CAREY. I hope so. And, of course, that does not make for duplication of allowances. There has to be some discretion. I do not believe any teacher can handle all of the program considered here at one time, but if that were possible, the regulations that would pertain would not cover a duplicate allowance for dependents in this case. The regulations here are specific to the Commissioner, and he would have to administer them.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. CAREY. Yes. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. The gentleman from Minnesota has been a strong supporter of adult Indian vocational training programs under which we have been training some of our Indian people in residential-type institutions and in those cases we certainly give an allowance for the dependents of the Indians as well as a stipend to take care of their expenses while they are going to school.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. CAREY. I yield to the gentleman.

Mr. GOODELL. I do think that this language is much broader and less specific than the language of the National Defense Education Act. I wonder if the gentleman would agree that it would be the desire of the Congress and the intention of the Congres that the stipends involved here conform to the stipends of the National Defense Education Act institutes. Here I am talking about section 521 of the United States Code, National Defense Education Act, where it says that the rate of stipend of $75 per week is specified for the period of attendance at the institutes and each such individual with one or more dependents shall receive an additional stipend at the rate of $15 per week for each such dependent for the period of such attendance.

This is considerably more specific than the language here, and I should certainly hope that the Commissioner in setting up these stipends would conform it to the National Defense Education Act.

Mr. CAREY. Mr. Chairman, I agree with my colleague from New York. I think he knows our Commissioner very well. He is a man of great perspicacity. I think he knows that he is not going to attempt to squander money. The gentleman from New York knows a good educator when he sees one and I think we can look forward to a modest administrative program under the legislation.

Mr. CURTIS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I think it is now becoming apparent the attention that needs to be directed to very technical problems in the field of education has not been had. Committee members, when I discussed this matter before, asked me if I had read the 100 pages of the hearings where the committee had such a thorough interrogation of the Secretary of HEW. Well, I now have; only there happened to be 48 pages. And then when you get into it you find that there is very little discussion of the serious questions of the grants that are in the bill—and these are grants—the bill also has to do with contracts, and it has to do with special training.

On page 1525 of the hearings there is some discussion where they talk about loans. But there are no loans in here. These are grants and contracts. I do not know why, or what happened to the loan aspect of this thing. But on page 1527 we get into what costs estimates there are and I wish everyone would read this just to see for yourself how vague and limited are its cost estimates. I should like to read a little bit of it:

> Secretary Celebrezze. We could only estimate on a 2-year basis.

And this committee rejected a limitation of 6 years putting it to 1970.

This committee has not even obtained the data to tell the House what a program would cost for 2 years let alone a program with no termination date. I am not talking about the merits of this. I happen to think that probably this is a meritorious program, but I am getting rather tired of this House not doing its homework when it has to do with money; and money is translated into human beings and their welfare. And when we do not pay attention to it, we can cause human misery instead of human good. Here is a program and, according to the record of this debate, the bill, the committee report and the committee hearing, no one knows what it is going to cost. There are no limits of time or cost on it. This is the kind of thing that brings about imbalances in our budgets.

Mr. Chairman, until the committee does its homework in this area it would be my advice that we cut out this section. I would like to see something of this nature in our laws and had hoped that something along this line might come out on it from the Education and Labor Committee.

Any way we can tighten this down from a fiscal standpoint, it should be. If we are interested in getting good programs, we must do our fiscal homework or we are going to end up with bad programs.

Mr. GROSS. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I would like to ask anyone on the Judiciary Committee this question: Who wrote this bill? Where did this thing come from anyway? Was it written downtown? Was it written by the committee? Where did it come from?

Mr. ASHMORE. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from South Carolina.

Mr. ASHMORE. It came in the darkness of the night to my office, I may say to the gentleman.

Mr. GROSS. That must be the case. When we run into a section such as 404 with the language that is contained therein, I can begin to see why there is a minimum price tag of $16 million on this bill.

Mr. DOWDY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Texas.

Mr. DOWDY. There was some newspaper or newspaperman that said this was written down in the Attorney General's office by a man by the name of Catback, or something like that.

Mr. GROSS. Apparently it was written at night and delivered in the dead of night. The committee is strangely silent on where legislation originated.

Mr. ASHMORE. It looks to me as if somebody would admit they had signed it, anyway.

Mr. GROSS. I agree, but since I cannot get even the slightest answer to my question, I yield back my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. KYL].

The question was taken; and on a division (demanded by Mr. KYL) there were—ayes 75, noes 93.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. WAGGONNER

Mr. WAGGONNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WAGGONNER: On page 51, line 14, after "unit" insert "legally responsible for operating a public school or schools.".

Mr. WAGGONNER. Mr. Chairman, during the general debate the chairman of the full committee as well as the ranking member of the minority said they would take any good amendment. I think if they really mean what they said they will accept this amendment without debate.

The present language of section 403 states:

> The Commissioner is authorized, upon the application of any school board, State, municipality, school district, or other governmental unit, to render technical assistance to such applicant in the preparation, adoption, and implementation of plans for the desegregation of public schools.

We are talking primarily about people who have some authority and jurisdiction in the operation of schools, so let us limit it to exactly that. Let us go back up here to the start of section 403 and say:

> The Commissioner is authorized, upon the application of any school board, State, municipality, school district, or other governmental unit—

Then I add the wording—

> legally responsible for operating a public school or schools,

What I am doing is simply limiting the authority of people engaged in operations under the provisions of this section to those people who have some jurisdiction and some responsibility for schools. If you leave it open-ended as it is, it means that a welfare agency, because it is governmental, it means that any other governmental unit can participate in the provisions of this section.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Florida.

Mr. CRAMER. The gentleman offers an amendment that actually I do not think the leadership could object to at all. I recall discussing this very question in the committee, but we did not have an opportunity to get to the amendment stage. The gentleman is abundantly correct, I believe. If the leadership on the committee will read the present wording, if the gentleman's amendment is not adopted then a municipality or other governmental unit that has no jurisdiction whatsoever over the school system and therefore could have no right to ask for such personnel would have a right to do so to the exclusion of those who do have jurisdiction. Is not that the objective of the amendment?

Mr. WAGGONNER. That is exactly the objective.

Mr. CRAMER. I would hope that the leadership, the gentleman from New York and the gentleman from Ohio, would see fit to adopt it. I intended to offer that in committee if we had had that opportunity.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield.

Mr. ROGERS of Texas. How does the gentleman's amendment take away from any other governmental unit? That is what it says on page 51, line 14.

Mr. WAGGONNER. The new language will read:

> The Commissioner is authorized, upon the application of any school board, State, municipality, school district, or other governmental unit—

And the new wording, in addition to "other governmental unit"—

> legally responsible for operating a public school or schools.

I want to limit strictly the technical assistance provided here to people who have some authority over schools. I do not want welfare departments and other governmental agencies who have no responsibility for the schools to be participating.

Mr. ROGERS of Texas. Is the gentleman fearful that the language here as relates to States, municipalities, or school districts, does not limit itself to those particular agencies?

Mr. WAGGONNER. Yes, down to this point. Our school district does. But what about these other governmental units? You do not say "other governmental units with school responsibility." Your language takes in every governmental unit from the local to the State level and makes them eligible for this participation.

Mr. ROGERS of Colorado. "Other governmental units," is that what you are afraid of?

Mr. WAGGONNER. Yes, sir. And I want to add the additional words "or other governmental units legally responsible for operating a public school or schools."

Mr. ROGERS of Colorado. Would the gentleman outline any instance where there is a school district or a municipality or State that does not have complete control of its public schools?

Mr. WAGGONNER. Well, I will tell you, until Federal aid to education came along, I could outline quite a few of them. I know about 50 States that do not have any authority to speak of any more.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I am glad to yield to the gentleman.

Mr. EDMONDSON. If I understand the gentleman correctly, he is not objecting to these applications if they come from a school board or come from a State or if they come from a municipality or if they come from a school district; is that not correct?

Mr. WAGGONNER. That is exactly correct.

Mr. EDMONDSON. In addition to that, the gentleman does not object if they come from any other governmental unit other than those, if there is another governmental unit legally responsible for operating the public schools; is that correct?

Mr. WAGGONNER. That is exactly correct.

Mr. EDMONDSON. Mr. Chairman, I think the amendment should be adopted.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I am glad to yield to the gentleman.

Mr. CELLER. I am inclined to accept the gentleman's amendment, but I would like to get a better explanation Are you quite sure where you have added new language "legally responsible for the operation of a public school or schools"—that it is a limitation on only the words "other government units"?

Mr. WAGGONNER. I am, sir.

Mr. CELLER. If that is the case, I have no objection to the amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McCULLOCH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in view of the answer to the question made by the chairman of the Committee on the Judiciary, the gentleman from New York, I have no objection to the amendment. It was offered by the gentleman from Florida in subcommittee. It is a good amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. WAGGONNER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WAGGONNER

Mr. WAGGONNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WAGGONNER: On page 51, line 11, strike out line 11 on page 51 through line 11 on page 55.

The CHAIRMAN. The gentleman from Louisiana is recognized in support of his amendment.

Mr. ANDREWS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I am glad to yield to the gentleman.

Mr. ANDREWS of Alabama. I want to congratulate the gentleman as one of the real heroes in this fight. The gentleman's amendment which was just adopted is one of the few amendments that I can recall that has been adopted, and it is a good amendment.

Mr. CELLER. Mr. Chairman, will the gentleman yield for a unanimous consent request?

Mr. WAGGONNER. I am glad to yield to the gentleman.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment end in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. DERWINSKI. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The gentleman from Louisiana is recognized.

Mr. WAGGONNER. Mr. Chairman and Members of the House, title IV dealing with desegregation of public education in section 401 does something that no other section of this bill does. It gives us some good clear definitions for a change. We know a little something about desegregation in this section. We even know what a "public school" is and it even defines a "school board."

Section 402 has to do with a survey and report of educational opportunities. Knowing as little as we do about this entire title, I think this is the place to stop. I think that we should limit the scope of title IV to section 401 and section 402.

Section 402 places responsibility on the Commissioner of Education to conduct a survey and make a report to the President and the Congress within 2 years of the enactment of this title concerning the lack of availability of equal education opportunities for individuals by reason of race, color, religion, or national origin in public educational institutions at all levels in the United States, territories, possessions, and in the District of Columbia.

Now we are assuming it is going to be 2 years before we are going to have sufficient information to do anything about the other recommended sections of this particular bill. We do not know what this survey is going to find. We do not know what the report will say when the report is made to the President.

So why should we not wait until we get this report, to see what the problems are before we decide how much technical assistance should be given to whom, what sort of training institutes should be created, and what sort of grants should be given to whom?

How much would the bill cost? To me it seems we are putting the cart before the horse.

If we wish to approach this as legitimately as possible, we should get the survey and report of educational opportunities and then we will know what the challenges are and the problems and we can approach it a lot more sensibly.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I am glad to yield.

Mr. ROGERS of Colorado. Do I correctly understand that the gentleman would, beginning on page 51, line 11, strike out all the remainder of that page and the other language in title IV?

Mr. WAGGONNER. All the remainder of title IV, having to do with desegregation of public education.

Mr. ROGERS of Colorado. Which would include the amendment agreed to a moment ago?

Mr. WAGGONNER. It surely would.

Mr. ROGERS of Colorado. Now you want to delete it? Is that your position?

Mr. WAGGONNER. I would like to kick out more than that.

Mr. ROGERS of Colorado. Does the gentleman not recognize that under the technical assistance program, section 403, there would have to be an "application of any school board" and everything else, before any action could be taken?

Mr. WAGGONNER. If the gentleman would be inclined to agree with me, I would suggest keeping the technical assistance section, section 403. Would the gentleman compromise with me?

Mr. ROGERS of Colorado. What is that?

Mr. WAGGONNER. Is that the only thing you do not want to lose?

Mr. ROGERS of Colorado. No. The question is, how long must we wait, after the Supreme Court makes a decision. The decision was made in 1954 concerning the desegregation of schools. That happened in 1954, and this is 1964, yet very few of them have been desegregated.

Mr. WAGGONNER. The gentleman is correct about that, because I read on the 30th day of last month about the New York City School Board planning to desegregate schools. They hope that in the next 3 years they can desegregate some 20 out of 134 elementary schools.

Mr. ROGERS of Colorado. Why would the gentleman object to the making of an application to the Commissioner? Upon the making of the application he at least would be able to supply to them some technical assistance to accomplish something that the Supreme Court said 10 years ago should be done.

Mr. WAGGONNER. If I would agree to leave the technical assistance section, section 403, in the bill, would the gentleman agree with me that the remainder should be stricken?

Mr. ROGERS of Colorado. No. Section 403 and the other portions of the bill are all interrelated.

Mr. WAGGONNER. The point I make is that the other provisions have to do with grants and training institutes and that sort of thing. We have no knowledge of the detail as to what we will need. We will not know until the survey, recommended by section 402, is made.

Mr. ROGERS of Colorado. Does the gentleman not recognize that before any money could be granted to the Commissioner, with which to make these grants, he would have to go before the Appropriations Committee, about which we have heard so much, and get an authorization to carry out the program? He would then have to make a showing of the necessity for any particular program.

Mr. WAGGONNER. I state, simply, that title IV, the desegregation of public education, will open up a Pandora's box. Nobody knows what the program will involve. Nobody knows what it will cost. We ought to strike it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. Waggonner].

The amendment was rejected.

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Gross: On page 55, line 11, insert a new section, which shall read as follows: "Sec. 410. In carrying out the provisions of title IV of H.R. 7152 expenditures shall be limited to not more than $10,752,580."

Mr. GROSS. Mr. Chairman, this is the figure recommended by the Department of Justice to the committee for the financing of this title. It is described as the precise estimate of the funds they will need.

I am sure it conforms to the frugality which the gentleman from Ohio [Mr. McCulloch] claims he practices. I submit that there ought to be some kind of limitation or limitations in the bill with respect to expenditures.

I have no doubt this will provide ample funds to carry out this title.

Mr. Chairman, I yield back the balance of my time and I ask for a vote.

The CHAIRMAN (Mr. Keogh). The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

> Page 55, line 12:
>
> "TITLE V—COMMISSION ON CIVIL RIGHTS
>
> "Sec. 501. Section 102 of the Civil Rights Act——."

Mr. CELLER. Mr. Chairman, there is a committee amendment at the desk to title IV.

The CHAIRMAN. No one offered the amendment. Without objection——

Mr. GROSS. Mr. Chairman, reserving the right to object to the amendment, who is the author of it?

The CHAIRMAN. The gentleman from New York [Mr. Celler] offers an amendment which, without objection, the Clerk will report.

Mr. GROSS. Mr. Chairman, reserving the right to object, to what title of the bill does the amendment go?

The CHAIRMAN. Title IV.

Mr. GROSS. I will reserve the right to object.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. CELLER. Do you want the amendment read?

Mr. GROSS. No. Just a minute. What does the amendment do? We have passed title IV and we are now on title V.

The CHAIRMAN. I want to inform the gentleman from Iowa that the gentleman from New York asked unanimous consent to have his amendment reported and, without objection, it will be reported.

Mr. GROSS. Yes. And I have reserved the right to object.

The CHAIRMAN. The gentleman from Iowa reserved the right to object.

The Clerk will report the amendment offered by the gentleman from New York.

AMENDMENT OFFERED BY MR. CELLER

The Clerk read as follows:

> Amendment offered by Mr. Celler: On page 55, lines 10 and 11, insert a period after the word "education" and strike the words "or in any facility covered by this title.".

Mr. CELLER. It is purely an error on the part of the Public Printer. It is superfluous language, and that is why I say to the committee those words were stricken.

Mr. GROSS. I wonder what would happen to me if I asked unanimous consent to go back to one of those titles. And I would like to go back. Would the gentleman object if I wanted to go back?

Mr. CELLER. I would say to the gentleman from Iowa we had sent the amendment up to the desk about 10 minutes ago.

Mr. GROSS. I am not interested in that, but I would like an answer to my question. Would the gentleman object to my going back to another title of the bill?

Mr. CELLER. I do not think the gentleman would ever find me objecting to any unanimous-consent request made by the gentleman from Iowa.

Mr. HAYS. I would object.

Mr. GROSS. I would like to accommodate the gentleman in the rear of the room who says he would object.

The CHAIRMAN. Does the gentleman from Iowa withdraw his reservation?

Mr. GROSS. The gentleman from Iowa under threat of an objection to a unanimous-consent request that I would make must object. I have no other alternative than to object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk read as follows:

TITLE V—COMMISSION ON CIVIL RIGHTS

Sec. 501. Section 1.2 of the Civil Rights Act of 1957 (42 U.S.C. 1975a; 71 Stat. 634) is amended to read as follows:

"RULES OF PROCEDURE OF THE COMMISSION HEARINGS

"Sec. 102 (a) The Chairman, or one designated by him to act as Chairman at a hearing of the Commission, shall announce in an opening statement the subject of the hearing.

"(b) A copy of the Commission's rules shall be made available to the witness before the Commission.

"(c) Witnesses at the hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

"(d) The Chairman or Acting Chairman may punish breaches of order and decorum and unprofessional ethics on the part of counsel, by censure and exclusion from the hearings.

"(e) If the Commission determines that evidence or testimony at any hearing may tend to defame, degrade, or incriminate any person, it shall receive such evidence or testimony or summary of such evidence or testimony in executive session. In the event the Commission determines that such evidence or testimony shall be given at a public session, it shall afford such person an opportunity voluntarily to appear as a witness and receive and dispose of requests from such person to subpena additional witnesses.

"(f) Except as provided in sections 102 and 105(f) of this Act, the Chairman shall receive and the Commission shall dispose of requests to subpena additional witnesses.

"(g) No evidence or testimony or summary of evidence or testimony taken in executive session may be released or used in public sessions without the consent of the Commission. Whoever releases or uses in public without the consent of the Commission such evidence or testimony taken in executive session shall be fined not more than $1,000, or imprisoned for not more than one year.

"(h) In the discretion of the Commission, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The Commission is the sole judge of the pertinency of testimony and evidence adduced at its hearings.

"(i) Upon payment of the cost thereof, a witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the Commission.

"(j) A witness attending any session of the Commission shall receive $6 for each day's attendance and for the time necessarily occupied in going to and returning from the same, and 10 cents per mile for going from and returning to his place of residence. Witnesses who attend at points so far removed from their respective residences as to prohibit return thereto from day to day shall be entitled to an additional allowance of $10 per day for expenses of subsistence, including the time necessarily occupied in going to and returning from the place of attendance. Mileage payments shall be tendered to the witness upon service of a subpena issued on behalf of the Commission or any subcommittee thereof.

"(k) The Commission shall not issue any subpena for the attendance and testimony of witnesses or for the production of written or other matter which would require the presence of the party subpenaed at a hearing to be held outside of the State wherein the witness is found or resides or is domiciled or transacts business, or has appointed an agent for receipt of service of process except that, in any event, the Commission may issue subpenas for the attendance and testimony of witnesses and the production of written or other matter at a hearing held within fifty miles of the place where the witness is found or resides or is domiciled or transacts business or has appointed an agent for receipt of service of process."

Sec. 502. Section 103(a) of the Civil Rights Act of 1957 (42 U.S.C. 1975b(a); 71 Stat. 634) is amended to read as follows:

"Sec. 103. (a) Each member of the Commission who is not otherwise in the service of the Government of the United States shall receive the sum of $75 per day for each day spent in the work of the Commission, shall be paid actual travel expenses, and per diem in lieu of subsistence expenses when away from his usual place of residence, in accordance with section 5 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 73b–2; 60 Stat. 808)."

Sec. 503. Section 103(b) of the Civil Rights Act of 1957 (42 U.S.C. 1975b(b); 71 Stat. 634) is amended to read as follows:

"(b) Each member of the Commission who is otherwise in the service of the Government of the United States shall serve without compensation in addition to that received for such other service, but while engaged in the work of the Commission shall be paid actual travel expenses, and per diem in lieu of subsistence expenses when away from his usual place of residence, in accordance with the provisions of the Travel Expenses Act of 1949, as amended (5 U.S.C. 835–42; 63 Stat. 166)."

Sec. 504. (a) Section 104 of the Civil Rights Act of 1957 (42 U.S.C. 1975c; 71 Stat. 635), as amended, is further amended to read as follows:

"DUTIES OF THE COMMISSION

"Sec. 104. (a) The Commission shall—

"(1) investigate allegations in writing under oath or affirmation that certain citizens of the United States are being deprived of their right to vote, and have that vote counted, by reason of their color, race, religion, or national origin; which writing, under oath or affirmation, shall set forth the facts upon which such belief or beliefs are based;

"(2) study and collect information concerning legal developments constituting a denial of equal protection of the laws under the Constitution;

"(3) appraise the laws and policies of the Federal Government with respect to equal protection of the laws under the Constitution;

"(4) serve as a national clearinghouse for information in respect to equal protection of the laws, including but not limited to the fields of voting, education, housing, employment, the use of public facilities, transportation, and the administration of justice; and

"(5) investigate allegations, made in writing and under oath or affirmation, that citizens of the United States are unlawfully being accorded or denied the right to vote, or to have their votes properly counted, in any election of presidential electors, Members of the United States Senate, or of the House of Representatives, as a result of any patterns or practice of fraud or discrimination in the conduct of such election.

"(b) The Commission shall submit interim reports to the President and to the Congress at such times as either the Commission or the President shall deem desirable, and shall submit to the President and to the Congress a report of its activities, findings, and recommendations not later than January 31, of each year."

(b) Section 104(c) of the Civil Rights Act of 1957 is repealed.

Sec. 505. Section 105(a) of the Civil Rights Act of 1957 (42 U.S.C. 1975d(g); 71 Stat. 636) is amended by striking out in the last sentence thereof "$50 per diem" and inserting in lieu thereof of "$75 per diem."

Sec. 506. Section 105(g) of the Civil Rights Act of 1957 (42 U.S.C. 1975d(a); 71 Stat. 636) is amended to read as follows:

"(g) In case of contumacy or refusal to obey a subpena, any district court of the United States or the United States court of any territory or possession, or the District Court of the United States for the District of Columbia, within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or is domiciled or transacts business, or has appointed an agent for receipt of service of process, upon application by the Attorney General of the United States shall have jurisdiction to issue to such person an order requiring such person to appear before the Commission or a subcommittee thereof, there to produce evidence if so ordered, or there to give testimony touching the matter under investigation; and any failure to obey such order of the court may be punished by said court as a contempt thereof."

Sec. 507. Section 105 of the Civil Rights Act of 1957 (42 U.S.C. 1975d; 71 Stat. 636), as amended by section 401 of the Civil Rights Act of 1960 (42 U.S.C. 1975d(h); 74 Stat. 89), is further amended by adding a new subsection at the end to read as follows:

"(i) The Commission shall have the power to make such rules and regulations as it deems necessary to carry out the purposes of this Act."

Mr. CELLER (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that title V be considered as read.

The CHAIRMAN. Without objection, the request of the gentleman from New York will be granted.

There was no objection.

AMENDMENT OFFERED BY MR. WILLIS

Mr. WILLIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Willis: On page 60, after line 10, insert the following: "(6) not authorize any investigation or study of the membership practices of any bona fied fraternal, religious, or civic organization which selects its membership.".

Mr. WILLIS. Mr. Chairman, I shall not take the 5 minutes.

To understand the structure of the amendment, you have to start at page 59, which starts, "The Commission shall" and then my amendment would say "not authorize any investigation or study of the membership practices of any bona fide fraternal, religious, or civic organization which selects its membership."

The reason for this amendment is this: it was, as I understand the understanding of our committee, that the Civil Rights Commission did not have this authority. However, the Commission, as I understand, ordered or at least authorized an advisory committee of the Commission in Utah to look into activities of the fraternities and sororities on the campuses. This brought about quite some apprehension that the Commission might embark into these investigations, and hence this amendment.

I wish to say that I have received considerable correspondence on this subject matter from fraternities and sororities, et cetera, expressing the apprehension I have indicated, and I would hope that the committee would accept my amendment.

Mr. MacGREGOR. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield.

Mr. MacGREGOR. Mr. Chairman, may I say to the distinguished gentleman from Louisiana that because of the noise in the Chamber I am sure that not all of us heard the amendment itself and the gentleman's brief explanation. If he would be so kind as to repeat it, I should appreciate it.

Mr. WILLIS. The amendment would provide that the Civil Rights Commission shall not be authorized to conduct an investigation of fraternities, sororities, and civic groups, civic organizations. It is to negate this authority. I do not think it is controversial and I should hope that the amendment would be agreed to.

I wish, at this point to commend two of my colleagues, Congressman Gillis Long of Louisiana and Congressman George Grant, of Alabama, for the great interest and long arduous efforts they expended on this problem. Like me, they too were concerned by the activities of the Civil Rights Commission in investigating fraternal organizations. Both gentlemen conferred with me on my amendment frequently and constructively; both contributed to my proposal here. I am indeed grateful to them and acknowledge publicly at this time my appreciation to each of them.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman.

Mr. CELLER. The Judiciary Committee has been in receipt of a number of complaints about the activities of the Utah advisory committee of the U.S. Commission on Civil Rights, in the sense that they had sent out certain questionnaires to certain sororities in the various colleges. I have made on behalf of the Judiciary Committee a complaint and I indicated that I felt the committee had gone too far and had exceeded their authority. I received a letter under date of January 29, 1964, addressed to me as chairman of the Committee on the Judiciary which reads as follows:

> U.S. Commission on Civil Rights,
> *Washington, D.C., January 29, 1964.*
>
> Hon. Emanuel Celler,
> *Chairman, Committee on the Judiciary, House of Representatives, Washington, D.C.*
>
> Dear Mr. Chairman: This is in reply to your letter of January 21, inquiring about a questionnaire sent to fraternities and sororities. This Commission has received a number of congressional inquiries about this matter, and I am enclosing, for your information, a typical congressional letter and our reply.
>
> As the letter indicates, this was a very limited inquiry by this Commission's Utah advisory committee into the racial practices of fraternities and sororities located at the State university. The Utah committee was not interested in the practices of fraternities or sororities at private colleges. Nor was the committee interested in the practices of adult fraternal organizations, such as the Masons, which are unconnected with public institutions of higher education. Finally, the Commission has no plans to pursue even the limited Utah inquiry into the racial practices of fraternities and sororities at the State university.
>
> At the same time, since I wanted you to be fully appraised of the legal basis for the inquiry which the Utah committee made, I asked the Commission staff to prepare a memorandum on the subject. I am forwarding this memorandum too, for your information.
>
> I hope that this information is helpful to you. If you have any further questions on this matter, please do not hesitate to call or to write again.
>
> Sincerely yours,
> Howard W. Rogerson,
> *Acting Chairman.*

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(By unanimous consent (at the request of Mr. Celler) Mr. Willis was allowed to proceed for 5 additional minutes.)

Mr. CELLER. Mr. Chairman, I communicated with the acting chairman of the Commission on Civil Rights, and I said that I felt the letter I had received, dated January 29, was insufficient and unsatisfactory because it did not indicate what the plans were with reference to the activities of the Utah advisory committee. I wanted to know whether they were going to pursue further this matter. He told me they were not, and that they were instructed not to.

I said I should like to have another communication. He sent me a letter dated January 30, 1964, which reads as follows:

> U.S. Commission on Civil Rights,
> *Washington, D.C., January 30, 1964.*
>
> Hon. Emanuel Celler,
> *Chairman, Committee on Judiciary,*
> *House of Representatives,*
> *Washington, D.C.*
>
> Dear Mr. Chairman: This is in further reply to your letter of January 21, inquiring about a questionnaire sent to fraternities and sororities.
>
> As noted in our reply of January 29, the Commission has no plans to pursue even the limited Utah inquiry into the racial practices of fraternities and sororities at the State unversity. Nor does the Utah committee intend to make any further inquiries of fraternities and sororities. The Utah committee has no authority to take any action if the questionnaire is not answered and it does not plan to seek further information from fraternities and sororities. Finally, no other questionnaires are being sent by any of the Commission's advisory committees to fraternal or social organizations.
>
> Sincerely yours,
> Howard W. Rogerson,
> *Acting Chairman.*

In the light of all this I felt it was essential that we get embedded in the statute, not correspondence or promises, but some definite prohibition against some of these activities which have been complained of with reference to the Civil Rights Commission.

The amendment offered by the gentleman from Louisiana, it strikes me, will be satisfying to me, and it is satisfying to me, and I think will afford the Congress an adequate remedy to portend against any action of that character which I complained of that might be acted upon by the Commission on Civil Rights. Therefore, I am very happy to accept the amendment offered by the gentleman from Louisiana.

Mr. WILLIS. I thank the gentleman.

Mr. GRANT. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from Alabama.

Mr. GRANT. Mr. Chairman, I wish to congratulate the gentleman from Louisiana for submitting this amendment on behalf of the Judiciary Committee. Also let me thank the chairman of the committee for accepting this amendment.

I talked with the chairman several days ago and also with the ranking minority member, the gentleman from Ohio [Mr. McCulloch], and they both assured me that they would have no objection to this or any similar amendment. I had such an amendment prepared myself and would have introduced it had not the gentleman from Louisiana, who is a member of the Judiciary Committee, volunteered to introduce it himself.

This amendment recognizes the fact that the Civil Rights Commission has gone too far in inquiring into the activities and membership qualifications of Greek letter college fraternities and sororities and also into the status of membership in other organizations. I do not believe that this Congress ever intended, or now intends, for this Commission to inquire into the race, color, or religion of the membership of any particular fraternal organization. This applies to all college fraternities and sororities whether Greek letter or otherwise, and also to the Masons, Elks, Moose, Knights of Columbus, Woodmen, Knights of Pythias, Eagles, and all other like and similar fraternal organizations. Also it applies to the membership qualifications of any church or private club organization.

At a hearing on this bill before the Rules Committee, a member of that committee asked the chairman of the Judiciary Committee if the Commission had the right to cite for contempt, if subpenaed, parties who refuse to testify to produce the documents. This was in reference to the right of the Commission to question any of the foregoing organizations. Chairman CELLER answered in the negative and stated that this would be what Justice Frankfurter called the fruit of a poisoned tree and added:

> It could not be done—it should not be done. As we indicated, we are checking on that with the Commission itself so that there will be no repetition of anything like that. They have no such right.

As I stated on the floor here several days ago, Chairman CELLER told me that he had written the Commission and that he had a reply to his communication in which the Commission assured him that the rights of these organizations will not be violated, and I am asking him to kindly insert these communications in the RECORD in order that there will be no further question as to the intent of Congress.

Mr. LONG of Louisiana. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LONG of Louisiana. Mr. Chairman, this amendment would deny certain specific investigative powers to the Civil Rights Commission, as it is set forth in title 5 of the bill. Congressman WILLIS is to be complimented on introducing this amendment and also for his inspired leadership in this proposed so-called "civil rights" legislation.

This amendment prevents a serious breach of constitutional liberty by the Civil Rights Commission. Within this legislation, there are more constitutional pitfalls than in any single measure ever before introduced in this House of Representatives. This bill is rife with the errors of misplaced emphasis; it is an attempt to do by force what can only be done effectively by choice; it would grant license, not liberty; it would endow privilege, not rights. These are my deeply held convictions about this measure. I am well aware that the opinions are disputed by many Members of this body—for reasons as different as human nature. But here we have an opportunity to find common cause in our widely varying beliefs. For I believe that this amendment will serve as a guardian of the civil rights of the majority as well as the minority. I specifically refer to the freedoms guaranteed by the 1st and 14th amendments to the Constitution. There is, in this measure, specific and implied authority for investigation by the Civil Rights Commission into the admission policies of private fraternal organizations. The Civil Rights Commission, in correspondence with some of my esteemed colleagues in the House of Representatives, and with other interested parties, has declared that it has the right to investigate these private groups. As a matter of fact, such investigations have already been made in the States of Indiana and Utah by an arm of the Civil Rights Commission. The Commission says that it has the authority to investigate these groups; that it can subpena officers of private organizations and demand to look at their records; and, if these people refuse to comply, can even seek contempt citations against them This matter requires amendment even today and the language of the proposed act makes it important. With the added power of "clearinghouse" sought in the measure before you today, the Commission may be expected to further its exploration of these private groups, in defiance of the will of Congress and in defiance of the courts.

This, despite the proscription of the U.S. Supreme Court in Gibson against Florida Legislative Committee against investigations which violate the rights of association, and despite the assurances of the gentleman from New York [Mr. CELLER] and the other framers of this bill that no such power was intended or desired.

If this obvious contradiction of purpose is allowed to stand, every church, every Masonic lodge, every group, no matter how private its functions, can come under the scrutiny of this investigative body, contrary to all rights guaranteed by our Founding Fathers.

To cite the Supreme Court decision that I mentioned:

> This Court has repeatedly held that rights of association are within the ambit of the constitutional protections afforded by the 1st and 14th amendments.
>
> It is beyond debate that freedom to engage in association for the advancement of beliefs and ideas is an inseparable aspect of the "liberty" assured by the due process clause of the 14th amendment, which embraces freedom of speech.
>
> The 1st and 14th amendment rights of free speech and free association are fundamental and highly prized, and "need breathing space to survive." Freedoms such as these are protected not only against heavy handed frontal attack, but also from being stifled by more subtle governmental interference.

The Court is explicit in its defense of free association—the backers of this bill have said that the Civil Rights Commission does not have the authority to investigate private fraternal groups—therefore, I can see no basis for real opposition to an amendment which simply verifies a common desire of the Congress to avoid interference in areas which impinge on the most elemental part of man's nature, to freely associate with people that share his common ideals.

Surely no one in this body would suggest that the prohibition of unwarranted and unconstitutional investigations by the Civil Rights Commission would do injustice to anyone; allowing these investigations into our private sanctuaries could do irreparable harm to the whole fabric of our society.

Mr. MEADER. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

> Amendment offered by Mr. MEADER as a substitute for the amendment offered by Mr. WILLIS: On page 60, line 2, after the semicolon strike the word "and", and on page 60, line 10, delete the period, insert a semicolon and the word "and" and after line 10, insert the following:
>
> "(6) Nothing in this or any other Act shall be construed as authorizing the Commission, its Advisory Committees, or any person under its supervision or control to inquire into or investigate any membership practices or internal operations of any fraternal organization, any college or university fraternity or sorority, any private club, any religious organization, or any other private organization."

Mr. MEADER. Mr. Chairman, I offer this substitute because it is aimed at the same objective but I believe the phraseology is preferable. This amendment was worked out several days ago with the assistance of the counsel of the committee and the legislative counsel, and I believe it would attain the objective that I believe is universally acceptable to this body in a better fashion.

The only major difference between the Willis amendment and this amendment is that while the Willis amendment would apply to membership practices, my substitute would apply also to internal operations of these various fraternal organizations, sororities, and so on.

I must say that I agree with the chairman of the committee in the light of the correspondence and the memorandum of legal opinion that was sent to him by the Commission. The Commission on Civil Rights think they have every right to do this under the existing 1957 authority. I will just read the final paragraph of this memorandum he referred to:

> We do not recommend that the Commission add a survey of practices at the State universities to its present program, but all of the factors discussed above indicate not only that there was a legal base for the Utah questionnaire but that the Commission would have ample authority to inquire further into this matter if it chose to do so.

In the light of the statement of the chairman of the Judiciary Committee that he did not believe that the law gave that authority, in the light of the chairman's addressing inquiries to the Commission, and many other Members wrote to the Commission, this kind of reply, it seems to me, shows a case of the most arrogant treatment of Members of Congress that I have ever seen.

I believe this language should be tightened so there is no chance they can escape the will of Congress again. I believe that the internal operations of these organizations as well as their membership practices, if that is not inclusive, should be free from the inquiry of either the Commission or any of its advisory committees or any other person under its supervision or control. I think the language is preferable, and I hope the Committee will adopt it.

Mr. CELLER. Mr. Chairman, there was so much confusion in the Chamber that it was very difficult to understand the nature of the amendment offered by the gentleman from Michigan. I ask unanimous consent that the substitute amendment be again read.

The CHAIRMAN. Without objection, the substitute amendment offered by the gentleman from Michigan to the amendment offered by the gentleman from Louisiana [Mr. WILLIS] will be again read.

The Clerk again read the substitute amendment.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from California.

Mr. ROOSEVELT. What is the definition of a private organization?

Mr. MEADER. I would say it was one that had no relationship with any governmental body, an organization of private citizens formed together for some purpose or other, and not in control of a governmental body.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman.

Mr. ROOSEVELT. May I ask the gentleman whether a union, therefore, is a private organization?

Mr. MEADER. I would have some question with respect to that, except the unions are regulated by the National Labor Relations Board and other statutes of the Government as well as by State governments. I would think they are private organizations the same as corporations are. But I do not think the Civil Rights Commission is going after them anyhow as to their membership practices or internal operations.

Mr. ROOSEVELT. I am a little worried about the broadness of the term because I can conceive that General Motors might be considered a private organization. It is not a governmental organization either. I am wondering if lacking a clearer definition of the words "private organization" whether the gentleman does not accomplish his purpose if he would delete the words "private organization."

Mr. MEADER. If the gentleman thinks it is subject to that interpretation, and that, of course, was not the intent of this amendment, I would be willing to ask unanimous consent to delete the words "private organization."

Mr. ROOSEVELT. I would appreciate it because then I would certainly feel far freer to support the gentleman's amendment.

Mr. MEADER. Mr. Chairman, I ask unanimous consent that my amendment be amended so as to have a period after the words "religious organization" and strike out the remainder of the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. CORMAN. Mr. Chairman, reserving the right to object, can we hear the names of the organizations again; that is, all the different kinds of organizations and then which organization or organizations are to be stricken?

The CHAIRMAN. Without objection, the amendment offered by the gentleman from Michigan [Mr. MEADER], as a substitute for the amendment offered by the gentleman from Louisiana [Mr. WILLIS] is amended in accordance with the gentleman's request.

There was no objection.

Mr. MEADER. Mr. Chairman, I ask unanimous consent that the Clerk re-report the amendment in the form in which it was first offered and then the part that I suggested be deleted.

The CHAIRMAN. Without objection, the Clerk will re-report the substitute amendment offered by the gentleman from Michigan, and then the Clerk will report the substitute amendment as it would be modified by the unanimous-consent request of the gentleman from Michigan.

The Clerk again read the amendment.

The CHAIRMAN. The Clerk will now report the substitute amendment offered by the gentleman from Michigan as modified by his unanimous consent request.

Mr. MEADER. Mr. Chairman, in addition to striking out the words "or any other private organization" the comma should be deleted after the word "club" the word "or" inserted so that it would read "any private club or any religious organization". That is merely a technicality, Mr. Chairman.

The CHAIRMAN. Without objection, the amendment will be corrected accordingly.

There was no objection.

The CHAIRMAN. The Clerk will report the substitute amendment offered by the gentleman from Michigan, as modified by the two unanimous consent requests.

The Clerk read as follows:

> Amendment offered by Mr. MEADER as a substitute for the amendment offered by Mr. WILLIS: On page 60, line 2, after the semicolon strike the word "and", and on page 60, line 10, delete the period, insert a semicolon, and the word "and" and after line 10, insert the following:
>
> "(6) Nothing in this or any other Act shall be construed as authorizing the Commission, its Advisory Committees, or any person under its supervision or control to inquire into or investigate any membership practices or internal operations of any fraternal organization, any college or university fraternity or sorority, any private club or any religious organization."

Mr. MEADER. Mr. Chairman, has my time elapsed?

The CHAIRMAN. The time of the gentleman has just expired.

Mr. WILLIS. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. MEADER] may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield.

Mr. WILLIS. As I see it, the difference between my amendment and that of the gentleman from Michigan, who is my good friend, is the difference between tweedledee and tweedledum. I ask the gentleman if he will repeat the exact organizations to be exempted. I would appreciate it. He talked about fraternal organizations and what else?

Mr. MEADER. Fraternal organizations. College or university, fraternity or sorority. Any private club or any religious organization.

Mr. WILLIS. Mr. Chairman, the only difference between my amendment and that of the gentleman from Michigan, as I see it, is that mine does not include the words "private club" or "internal operations."

I shall read my amendment. It says the same thing in different words.

My amendment provides that the Commission shall not authorize any investigation or study of the membership practices of any bona fide fraternal, religious, or civic organization which selects its membership. I take it, therefore, the alternative between my amendment and that of the gentleman from Michigan would involve only the words "private club" and "internal operations." Therefore, I ask unanimous consent to amend my amendment to read as follows:

Mr. McCULLOCH. Mr. Chairman, I regret that I must object to the unanimous-consent request, for reasons which are well known by people who should know.

The CHAIRMAN. Objection is heard.

Mr. WILLIS. Mr. Chairman, I still say this is the difference between tweedledee and tweedledum. Which amendment will you vote for; the substitute or mine?

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

(By unanimous consent Mr. MEADER (at the request of Mr. CELLER) was given permission to proceed for 5 additional minutes.)

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield.

Mr. CELLER. I should like to ask the gentleman if it is not true that his amendment contains the words "internal operations," which are absent from the Willis amendment?

Mr. MEADER. That is correct.

Mr. CELLER. Let us assume a state of facts. Let us assume that the Ku Klux Klan or a white citizens' council engages in a campaign or encourages engagement in campaigns involving segregation. Would that involve internal operations?

Mr. MEADER. It might, if they were a college fraternity or sorority. I do not believe the Ku Klux Klan would come within any of the other categories of organization.

Mr. CELLER. Is it a private organization?

Mr. MEADER. That is out.

Mr. CELLER. Is it a private club?

Mr. MEADER. I would not believe so.

Mr. CELLER. Is it a fraternal organization?

Mr. MEADER. Well, I never belonged to it, and I do not know much about it.

I will tell you what "internal operations" was intended to get at. The Masonic Order, Knights of Columbus, and many fraternal organizations like the Eagles, Elks, or secret clubs. It is not only their membership practices which should be protected but all of their internal operations.

Mr. CELLER. But I am concerned that if you exempt internal operations then you are going in effect to exempt certain operations of organizations of the type that I have indicated, which might involve encouragement of segregation and the like; and the Civil Rights Commission, which is supposed to be a clearing house for information on the subject of desegregation and civil rights, would be precluded from inquiring into the activities of those organizations that

I have mentioned. I wonder whether that is sound and logical and proper in this day and age when we know what those organizations have been doing and what they have been guilty of. I would be perfectly willing to accept an exemption with reference to membership practices, but I am very much concerned about the words "internal operations" of these organizations. I think you would be greatly hampering the Civil Rights Commission if you would preclude them from making any inquiries as to the internal operations of these groups. That is what worries and concerns me, and I would be perfectly happy to accept the gentleman's amendment if he would strike out "or internal operations".

Mr. MEADER. Let me just read this questionnaire that was sent out and see if you think it would cover it. "Our organization accepts Jews as members locally" "Our organization does not accept Jews as members because of —" "A provision in our local chapter governing document" is in one box. In another box "A provision in our national organization governing document." Then next "A copy of our local governing document is attached." "A copy of our national governing document is attached." "A copy of our local and/or national governing document may be examined" at such and such a place.

Another one says "We do not wish to make our national and local documents available for inspection."

Mr. CELLER. On the first portion of that question, that would indeed be a membership activity, and I would be perfectly willing to exempt that type of operation, but as to the others, I do not know whether I would want to exempt them. That is very serious.

Mr. MEADER. In other words, you would like to have them explain about their membership practices but have them subject to a subpena to obtain their governing document and any other internal operations?

Mr. CELLER. The Government documents may be highly important and they may contravene some of our statutes.

Mr. MEADER. Would you permit a Civil Rights Commission to demand a document of the ritual of a secret society or fraternity or sorority or Masonic order?

Mr. CELLER. No. I do not think that should be proper, but I wonder whether or not the words "internal operations" are not so broad as to encompass almost everything that organizations like the Ku Klux Klan or the White Citizens Councils may do. It is a very broad and sweeping thing.

Mr. MEADER. "Internal operations" would be something within the society.

Mr. WILLIS. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. MEADER] may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Louisiana.

Mr. WILLIS. Now, I said a while ago that it appeared to me that the difference between my amendment and that of my good friend from Michigan was Tweedle-Dee and Tweedle-Dum. As far as I am concerned, I do not want to quarrel over the authorship of an amendment. At least, we are seeking to accomplish the same things. Therefore, I accept the substitute of my friend from Michigan and now, if we are to polish it up and improve it, why, let us amend it, but I will do that to be a good sport.

Mr. MEADER. I want to say I thank the gentleman, and if the amendment passes, we can both have credit for getting at least one amendment in this bill.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from New York.

Mr. CELLER. In light of what the gentleman from Louisiana said, I am perfectly willing to accept the substitute amendment.

Mr. WILLIS. Mr. Chairman, will the gentleman yield for one more statement?

Mr. MEADER. I yield.

Mr. WILLIS. I want to assure the gentleman that I was not without ability to offer my own amendment to conform so close to the gentleman's amendment that mine probably would have prevailed.

Mr. CORMAN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I would like to inquire at this point, do we still have in this prohibition that we cannot investigate the internal operations of the organizations which are covered, or are we dealing solely with their membership?

Mr. MEADER. The words "internal operations" are still in the amendment.

Mr. CORMAN. Does that mean that the Civil Rights Commission could not investigate whether or not an organization was set up to deny the equal protection of the laws or to deny people the right to vote because of race, creed, or color, or the other specific reasons that the committee can conduct investigations?

Mr. MEADER. I think with these specified organizations, religious organizations, university fraternities or sororities, private clubs, or fraternal organizations, they could not. And on what foundation should they investigate them?

Mr. CORMAN. If a fraternal organization is organized for the purpose of denying a person the equal protection of the laws because of color, should that organization be subject to investigation by the Civil Rights Commission—that is, if it is organized for that purpose?

Mr. MEADER. If they have violated any law in doing so, even after this act becomes law, certainly we should have methods of dealing with them, as they are engaged in some illegal activity. That does not say necessarily that the Civil Rights Commission should have the jurisdiction to go into a private organization of this type.

Mr. CORMAN. Then the gentleman makes it clear that a private organization may be organized for the purpose of denying to people their right to vote because of their color and they would not come under the inquiring eye of the Civil Rights Commission? Is that a correct statement, as long as they are a private organization?

Mr. MEADER. If it is a private organization which conforms to what the law wants to promote, if it is a private organization and does not advocate the overthrow of the Government, or something of that kind, they would have the freedom to do that in this country, if they are not acting illegally.

Mr. CORMAN. Mr. Chairman, I sincerely regret that there is some indication that the committee is going to accept this amendment. I think it will greatly hamper the activities of the Civil Rights Commission and its inquiring State advisory committees. I would like to say further that I wish everyone who has read the letter about the infamous inquiry made in Utah would read the rest of the Civil Rights Commission's report because in the year 1963 the inquiry referred to a sorority in Utah is not the only thing the Commission did and I suggest there are some other facts that the Civil Rights Commission disclose that should be of interest and concern to this House. I hope we will give a little more thought to what kind of restrictions we are putting on the Civil Rights Commission if we eliminate from their area of inquiry any private organization that might be organized for the specific purpose of frustrating this civil rights bill. The Members who are so concerned about sororities in Utah are really straining at a gnat while they swallow a camel.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman.

Mr. HOLIFIELD. I am somewhat concerned about the meaning of private club. In California we have what is known as the Minuteman's Club. This is a private club which has accumulated stocks of guns and other instruments of warfare for the purpose of using them sometime in the future, when they will decide.

I do not know what the words "private club" mean, and for legislative history I would like to have specified what a private club means. I will ask the gentleman from Michigan [Mr. MEADER], if he can give us some assurance that the words "private club" do not embrace private clubs such as the Ku Klux Klan, the White Citizens Council, the White Camellias and the Minutemen.

Mr. MEADER. Whether they are a private club?

Mr. HOLIFIELD. Or the NAACP chapter of a certain town.

Mr. MEADER. So I believe under the present law that is why this whole matter came about. They have no such authority. What they have authority to do is to study and collect information, concerning developments comprising denial of equal protection of the law under the Constitution and third, apprise the laws and the policies of the Federal Government with respect to equal protection of the laws under the Constitution. We know that equal protection of the laws is State action under the 14th amendment. What they have done is to stretch the authority we gave them. The gentleman from Ohio agreed. They did not have the authority and these two clauses did not give them the authority to do what they did in Utah.

Mr. PUCINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I can understand the situation of the gentleman from Louisiana [Mr. Willis] who wanted to prohibit the Commission from investigating private organizations, fraternal organizations, and religious organizations. I believe this is a good amendment and should be adopted. But, I would like to ask the chairman of the Committee on the Judiciary, who is willing to accept the amendment, and the gentleman from Michigan [Mr. Meader], how they can justify accepting this amendment which imposes a bar against any investigation by the Civil Rights Commission of college fraternities and sororities when the Federal Government now spends millions upon millions of dollars in these universities for all sorts of activities—research activities, fellowships, and various other things.

Very often membership in these fraternities, especially the professional fraternities, becomes an intregal part of the student's status and progress. But even if it did not, how can we bar this Commission from investigating discriminatory practices in fraternities and sororities when Federal money today plays such an integral part in these universities?

I believe the Commission should not have any right to investigate a private organization, a religious organization, or a fraternal organization where no Federal funds, directly or indirectly, touch it. It is for this reason that I think the original amendment offered by the gentleman from Louisiana [Mr. Willis] was the correct amendment which should be adopted because he limited it to organizations that were in no way touched by the Federal Government. But the gentleman from Michigan broadens that. I know from my own experience on the Committee on Education that the Federal Government is perhaps the greatest contributor to many of these universities and colleges. But we say under this amendment that while the Federal Government can spend millions of dollars in these institutions, the Civil Rights Commission cannot investigate discrimination in these fraternities.

I hope the gentleman from New York [Mr. Celler], will be good enough to explain how we can reconcile this problem.

Mr. CELLER. In the first place, sororities and fraternities are not supported by the Government. They receive no loans or funds directly from the Government.

Mr. PUCINSKI. That is correct, but being on the campus of the university benefiting from these taxes, they are a part of the university and indirectly benefit from Federal assistance.

Mr. CELLER. I do not think that is correct. I have been in receipt, and the gentleman from Ohio has been in receipt, of a great many complaints, orally and in writing, about some of the activities of the Civil Rights Commission, particularly the activities of the Utah advisory committee. The feeling is expressed in these complaints that unless something is done, and some language placed in the statute which would prevent some of these activities, we would not get this bill passed at all. I am interested in getting this bill passed. I do not want to encourage so much opposition to the wording of a particular section that it might jeopardize the entire bill. I am a pragmatist. Although I may not be thoroughly in accord with this amendment, I believe it proper in order to get this matter expedited and get this bill passed and on the way to the Senate. I would accept it and concur in the gentleman's wishes.

Mr. PUCINSKI. I thank the gentleman from New York and yield to his better judgment in getting this legislation approved.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GRANT. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I want merely to ask the author of this substitute amendment to be sure that this does include fraternities and sororities, and that is exactly why this amendment is here today. Regardless of what the gentleman from Illinois said, the amendment offered by the gentleman from Louisiana did include fraternities and sororities, and that is why I supported it. This Commission has no more base for planting these young boys and girls on the campuses of these universities, public or private, in America, than they would have on a church which was situated on the campus of the university. So I would like to ask the gentleman from Michigan [Mr. Meader] if this does cover college fraternities and college sororities.

Mr. MEADER. Of course it does, but if the gentleman wants to pin that down, why not ask unanimous consent that that amendment be rereported, and everybody will hear it.

Mr. GRANT. I understand it does. I certainly take the gentleman's word for it.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. GRANT. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. I think it also might be well to inquire of the gentleman from Michigan if under the language of his amendment the Commission is prohibited from meddling in the affairs of such organizations as the Boy Scouts of America, the Girl Scouts, the Future Farmers of America, the 4-H Clubs—that type of organization.

Mr. MEADER. That would be covered under the term "private club," like the Kiwanis Club, the Lions Club, and so forth.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Michigan [Mr. Meader] to the amendment offered by the gentleman from Louisiana [Mr. Willis].

The substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. Willis] as amended by the substitute.

The amendment as amended was agreed to.

AMENDMENT OFFERED BY MR. ROGERS OF COLORADO

Mr. ROGERS of Colorado. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Rogers of Colorado: On page 60, line 14, after "a" insert "final"; and on page 60, line 16, strike out "of each year" and insert "1968"; and strike the language in lines 17 and 18.

Mr. ROGERS of Colorado. Mr. Chairman, this amendment would only authorize the existence of a Civil Rights Commission for a period of 4 years. The language in the bill would make the Civil Rights Commission permanent. This amendment would extend it until 1968, and would require an annual report or such other reports as the President may require to the Congress of the United States.

Mr. Chairman, it is a simple amendment. I am hopeful you all understand it eliminates the question of making the Civil Rights Commission permanent and I am hopeful that it will be adopted.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Florida.

Mr. CRAMER. Your amendment also strikes the language on lines 16, 17 and 18 on page 60 and without that language it would delete the ending of the Commission 60 days after the last report; is that not correct? If that language remains in the law, then 60 days after the last report, the Commission will no longer exist.

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Colorado [Mr. Rogers].

The Clerk read as follows:

> Amendment offered by Mr. Cramer to the amendment offered by Mr. Rogers, of Colorado. On page 60, line 12, strike out "either". On page 60, line 13, after "Commission" insert a comma and add the words "the Congress".

Mr. CRAMER. Mr. Chairman, all this does is to permit the Congress as well as the President to ask for interim reports from the Commission. That should have been in the bill in the first instance, I believe, and I ask the gentleman from Colorado if he has any objection to it?

Mr. ROGERS of Colorado. I have no objection. I accept the gentleman's amendment.

Mr. CRAMER. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. Cramer] to the amendment offered by the gentleman from Colorado [Mr. Rogers].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado, as amended.

The amendment was agreed to.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on this title and all amendments thereto conclude at 9:15 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. DOWDY

Mr. DOWDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. DOWDY: On page 59, line 14, after the word "origin" insert "or that their vote is being diluted or augmented by the casting and counting of votes of other than living, eligible voters."

The CHAIRMAN. The gentleman from Texas is recognized in support of his amendment.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield to the gentleman.

Mr. CELLER. Mr. Chairman, it is impossible to get the import of these amendments with the confusion in the Chamber. May I ask that the amendment be reread?

Mr. DOWDY. I intend to read the language in connection with the language in the bill. I think that will serve the purpose better.

Mr. Chairman, these words relate to the authority of the Commission. The language provides:

> The Commission shall—
>
> (1) investigate allegations in writing under oath or affirmation that certain citizens of the United States are being deprived of their right to vote and have that vote counted by reason of their color, race, religion, or national origin, or that their vote is being diluted or augmented by the casting and counting of votes other than of living eligible electors;

This gets back to the "tombstone voting" we talked about earlier. This is not quite as good a place for the language, so as to be effective.

I was surprised—and I hope the Members were kidding when they told me this—to hear Members say they voted against my amendment because they depended upon "tombstone votes" to get elected to Congress.

Whenever the day arrives that the historians are looking over the bones of this once great Republic, which we love so well, if they happen to read the CONGRESSIONAL RECORD for these days and find that Congress so forgot itself and the Members had become so—I do not know any word to describe it—had reached such a condition that they would willingly vote to count the votes of dead people in elections, I believe those historians will have discovered the place where the downfall of this great Republic started.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield.

Mr. CELLER. Would not the amendment which the gentleman has offered really be covered by the language on page 60? I ask the gentleman to turn to page 60 to read the language on line 3, as follows:

> Investigate allegations, made in writing and under oath or affirmation, that citizens of the United States are unlawfully being accorded or denied the right to vote, or to have their votes properly counted——

Mr. DOWDY. I do not believe so. I read that language carefully in connection with my amendment.

Mr. CELLER. I continue—

> in any election of presidential electors, Members of the United States Senate, or of the House of Representatives, as a result of any patterns or practice of fraud or discrimination in the conduct of such election.

Is that language not broad enough to cover it?

Mr. DOWDY. I do not believe it will. I read it carefully, to try to make that decision myself, and decided it would not.

Mr. CELLER. For the purpose of legislative history, I will say that the language on page 60 covers what the gentleman would put in the bill.

Mr. DOWDY. I assume, then, the gentleman has no objection to the words I have proposed?

Mr. CELLER. I do not believe the amendment is necessary. I do not believe we should clutter up the bill.

Mr. DOWDY. I beg to disagree with the chairman. I do not agree it would clutter up the bill.

In the language the gentleman read, if my chairman will bear with me, the paragraph is more restrictive than the paragraph to which I have offered the amendment, because it applies to all elections and the one the gentleman referred to would apply only to an election of presidential electors, Members of the U.S. Senate, and so on.

If the gentleman will read it, he will see it is a restricted paragraph on page 60. The language is unrestricted on page 59. That language I am attempting to amend.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield.

Mr. CRAMER. As the gentleman is aware, I am in favor of the objective he wishes to accomplish. I supported his "tombstone voting" amendment. I helped to lead the fight for that the other day. The gentleman knows my position.

The language on page 60, paragraph (5), referred to by the distinguished chairman of the Judiciary Committee, was approved in 1960 when the extension of the Commission was under consideration.

That language was intended specifically to include "tombstone voting" and all other fraudulent voting practices. I believe it does.

If the gentleman will give consideration to it, I believe he will realize that that language is much broader than the language he offers. It is not related to race, color, or creed, but would cover everybody. The gentleman's amendment is related to race, color, or creed.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. DOWDY was given permission to proceed for 2 additional minutes.)

Mr. DOWDY. Mr. Chairman, my amendment is specially worded to include diluted or augmented, so that it will include both ways.

Mr. CRAMER. Mr. Chairman, if the gentleman will yield further, the gentleman's amendment, though, is limited to "by reason of their race, color, religion, or national origin." My amendment, I suggest to the gentleman, covers all of the citizens of America; the majority as well as the minority. That is why I say I think the gentleman's amendment would have the effect, which I know it does not intend to, of being restrictive on the amendment of the gentleman from Florida, which he worked hard to get in the bill, which deals with all vote frauds, including "tombstone" votes.

Mr. DOWDY. These are two different amendments and, if you will read it carefully, you will see it does not limit it, because I have placed it after the "race, color, or creed" and it is either augmented or diluted and will apply to everybody, regardless of race, color, religion, or national origin.

Mr. CRAMER. If the gentleman will yield further, the gentleman's amendment says "or their vote is being diluted." "Their vote" refers to race, color, religion, or national origin.

Mr. DOWDY. All right. If their vote is being augmented to someone's disadvantage, that person can come in and complain in writing and get an investigation. I think I have covered the point that you think I have not.

Mr. Chairman, I ask favorable consideration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. DOWDY].

The question was taken; and on a division (demanded by Mr. DOWDY) there were—ayes 63, noes 102.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. DOWDY

Mr. DOWDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. DOWDY: On page 59, line 13, after the word "race" insert the word "sex".

Mr. DOWDY. Mr. Chairman, this is carrying out my amendment to ask for equal rights for women. I do not want to debate it further but just want to tell you what it is and it is ready for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. DOWDY].

The amendment was rejected.

AMENDMENT OFFERED BY MR. ANDREWS OF ALABAMA

Mr. ANDREWS of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ANDREWS of Alabama: On page 60, line 10, after the period, insert the following as subsection (6) of section 104:
>
> "(6) (a) The Commission is authorized, upon application therefor to grant a relocation loan in accordance with this Act to any Negro living in any State in which racial segregation is practiced, to enable such Negro to move to any State in which racial segregation is not practiced.
>
> "(b) Each applicant for a relocation loan shall specify in his application the State, and the town, city, or other location in that State, to which he desires to move, the names of the members of his immediate family who

will move with him, the amount of furniture, household effects, and other personal property which he plans to have moved to that location, and such other information as the Commission may require.

"(c) After an application has been approved, the Commission shall consult with the applicant with a view to ascertaining the expenses that he will incur in moving to the new location and for which he may obtain a relocation loan. The expenses for which an applicant may obtain a relocation loan shall be limited to the expenses of transportation of the applicant and his immediate family, the expenses of moving furniture, household effects, and other personal property, and a reasonable amount for immediate living expenses of the applicant and his family after the applicant has moved to the new location. The Commission shall determine the total of the expenses referred to in the preceding sentence that will be so involved in moving to the new location and shall grant the applicant a relocation loan to pay such expenses. No relocation loan shall be made to any applicant in an amount in excess of $1,000.

"(d) No applicant may receive a relocation loan under this Act unless he establishes to the satisfaction of the Commission that he has a general reputation in the community in which he resides for working.

"(7)(a) Each relocation loan may be made available to the applicant in a lump sum or, if the Commission determines that the loan will not be needed by tne applicant in a lump sum, the loan may be made available to the applicant from time to time in amounts as needed.

"(b) Relocation loans made under this Act shall not be assignable, shall be exempt from the claims of creditors, and shall not be liable to attachment, levy, or seizure by or under any legal or equitable process whatever, either before or after receipt by the payee.

"(c) If any applicant for a relocation loan under this Act who has received any portion of such loan, spends all or any part of such portion for any purpose other than a purpose for which such loan was made, he shall be fined not more than $1,000 or imprisoned not more than six months, or both.

"(8)(a) Each relocation loan made under this Act shall be repaid in monthly installments, in amounts prescribed by the Commission at the time payment of such loan is first made to the applicant. Such loans shall bear interest at the rate of 2½ per centum per annum, compounded annually.

"(b) Each relocation loan made under this Act in the amount of $500 or less shall be repaid to the Commission in not less than 10 years; each such loan made in an amount in excess of $500 shall be repaid to the Commission in not less than 20 years.

"(9) As used in this Act, the term 'State' means each of the several States and the District of Columbia."

Mr. ANDREWS of Alabama (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the amendment be considered as having been read.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. CELLER. Mr. Chairman, I make a point of order that the amendment offered by the gentleman from Alabama is not germane to the title under consideration. This title concerns the investigators, the factfinding body called the Civil Rights Commission.

Mr. ANDREWS of Alabama. Mr. Chairman, will the gentleman reserve his point of order?

Mr. CELLER. Mr. Chairman, I reserve the point of order.

The CHAIRMAN. The gentleman from Alabama [Mr. ANDREWS] is recognized.

Mr. ANDREWS of Alabama. Mr. Chairman, the substance of my amendment has been in a bill pending before the Judiciary Committee for at least 10 years. I have never been able to get the chairman of the committee to hold a hearing for me. I introduced this bill, or a bill, and reintroduced it every 2 years over a period of the last 10 years. When the racial clouds of unrest and unhappiness began gathering I gave it consideration and wrote this bill in all sincerity. The bill that I introduced which now is before us in the form of an amendment to the Civil Rights Commission would simply provide that if any Negro living in a State where local laws, customs, and traditions made him unhappy, he would be entitled to receive, from a Human Resettlement Commission that my bill would have created, a long-term, low-interest-rate Government loan, in an amount sufficient to permit him and the members of his family to move to any State of his choice. And it would be the duty of that Commission—and under my amendment the duty of the Civil Rights Commission—to assist him in finding that utopia that he had dreamed of.

Now, there are many States in this Nation where they have less than 2 percent of the total population of the colored race. In some States down in my area of the country the ratio is 80 to 20 in certain counties. My friend from New Jersey the other day said that in his district possibly 3 percent were colored. If this idea were to become the law and a Negro satisfied the Civil Rights Commission that he was unhappy with local laws, customs, and traditions that existed in the State where he resided, and he had the ways and means to go to one of those beautiful States out on the west coast where they have less than 2 percent of the population of the colored race, and can send their children to a school with the white children, eat in the restaurants with the white people, you would make a lot of people happy. I think you people who live in States that have less than 3 percent or 2 percent and in one or two instances less than 1 percent of your population of the colored race should stop, look, and listen before you are too critical of those who live in sections where, as I just said, in some counties the ratio is 80 to 20—80 percent colored and 20 percent white.

I serve on a subcommittee of the Committee on Appropriations that handles the appropriations for foreign aid. Two years ago the head of the refugee program under the foreign aid program told our committee this Government has spent over $330 million relocating refugees throughout the world. I asked the question, "Mr. Administrator, is the main reason that these refugees are moving from one country to another due to the fact they are unhappy with local laws, customs, and traditions that prevail in the countries from which they move?"

He said "That is primarily the reason why these people are moving."

All my amendment would do, Mr. Chairman, would be to permit unhappy Negroes in America to leave States where local laws, customs, and traditions prevail that make them unhappy. We want them to be happy.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

(By unanimous consent (at the request of Mr. WHITTEN) Mr. ANDREWS of Alabama was allowed to proceed for 2 additional minutes.)

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of Alabama. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I want to commend my colleague from Alabama and point out our Appropriations Committee has started an investigation because it has developed the Federal Government in case someone wants to go to South or Central America and go into the cattle production business, our Government—because he wants to—is today putting up 50 percent of the cost of his trip to see first if he wants to go into that business, and if he goes into that business our Government is guaranteeing him against loss if he goes into business. We are enabling him, if he goes into the cattle business, to send his cattle back to this country to destroy the agricultural programs of this country. So it would be far less than his being in the program the gentleman has described.

There is the situation today. This relocation or resettlement authority could give understanding to both races and happiness to people in many ways, and a chance to give a little education down there, which seems to be sadly lacking.

Mr. JOELSON. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of Alabama. I yield to the gentleman from New Jersey.

Mr. JOELSON. I would like to say to the gentleman there is a great deal of difference between cattle and people.

Mr. ANDREWS of Alabama. I certainly agree with the gentleman.

Mr. GRANT. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of Alabama. I yield to the gentleman from Alabama.

Mr. GRANT. I want to congratulate the gentleman. Does he mean to say this has been in the Committee on the Judiciary for 10 years, and has not been reported out of the subcommittee?

Mr. ANDREWS of Alabama. That is correct.

Mr. GRANT. I am going to talk to the chairman about that. I have talked to a good many good Negroes who want to move south from the north.

Mr. ANDREWS of Alabama. That would be fine with me.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of Alabama. I yield to the gentleman from California.

Mr. ROOSEVELT. Would the gentleman include everybody in his amendment so people could move to California free? Would you have it apply to everybody?

Mr. ANDREWS of Alabama. I think we could work that out.

Mr. ROOSEVELT. I think it would be great.

Mr. ANDREWS of Alabama. What percentage of the population of California is Negro?

Mr. ROOSEVELT. About 12 percent.

Mr. ANDREWS of Alabama. Twelve percent?

Mr. ROOSEVELT. They like it very much in California, and a lot of other people do too. So if you would broaden that we might consider it.

Mr. ANDREWS of Alabama. I was born and reared in a county that has a ratio of 80 percent colored to 20 percent whites. And some of the finest friends I have on this earth are members of this minority race that we are talking about. I love them. I want them to have the best educational advantages possible. And the finest school building in my home county of Alabama is the Negro high school in my hometown of Union Springs. Why, there is no comparison between that building and the building occupied by the whites.

It is 5 years old. You know who pays the bill for the operation of that school and who paid the bill for the construction of that school.

Having grown up in a State that has a top-sided ratio of population, certain counties, and having been a friend of the colored people all my life, I have tried to help them since I have been in Congress. When the racial clouds of unrest began gathering 10, 12 years ago, I drafted a bill and introduced it in all sincerity in an effort to help these people. I introduced it, and reintroduced, and reintroduced it over a period of 10 years, and never was given a hearing by the chairman of the Judiciary Committee to which my bill was referred.

My bill would have created a new Commission in Government to be known as the Human Resettlement Commission, with offices to be set up wherever needed, and it provided that a Negro who could satisfy the Commission, first, that he was a worker, that he would carry his weight and not become an economic charge on the community into which he moved; and, secondly, that he was unhappy with local customs, laws, and traditions that prevailed in the State where he then resided, would be eligible for a long-term, low-interest-rate Government loan in an amount sufficient to permit him to move himself and the members of his family and his furniture wherever he decided to go. And it would be the duty, further, of the Commission to assist him in making that relocation and finding the utopia that he hoped for.

It is a good bill, Mr. Chairman. And when the civil rights bill of 1957 was on the floor of the House I offered my bill as an amendment to the pending civil rights bill, and the chairman made the point of order that it was not germane to the pending bill and the point of order was sustained. I now offer this substance of my bill as an amendment to the pending civil rights bill.

I serve on the subcommittee of the Appriations Committee that handles the appropriations for the foreign aid bill. Last year I checked into the refugee program that this country has financed over the period of the last 10 or 15 years and was amazed to learn that we have spent over $330 million relocating people, resettling people, and the Director of the program told our committee that the main reason those people were relocated and resettled was because of the fact that they were unhappy with local laws, customs, and traditions that prevailed in the country from whence they moved. That is all my amendment does. Let us take, for instance, if you found a colored man down in Alabama, Georgia, Mississippi, who was unhappy because he could not go in a restaurant under local laws and break bread with members of the other race, or could not send his children to the school that was designated a white school under the law of the land, and the man was unhappy because of those local laws and customs and traditions, why not make it possible, why not give him the ways and means of moving out to Oregon, where less than one-half of 1 percent of the people are colored? Or let him go to California where less than 6 or 7 percent are colored? Let us share these people with others.

I told the chairman of that committee, when I went over to try to beg him to take up my bill, that I never would forget when I ran for circuit solicitor back in 1930 an old man asked me, "Son, how long has your opponent had that office?" I said "16 years," and I bore down with the same degree of emphasis on that "16 years" that Tennessee Ernie does on 16 tons. He said, "I am going to vote for you. If it is a good job, it ought to be passed around. If it is a bad job, we should not burden one man with it too long."

I told the chairman, "Listen, if it is a good thing to have some of these people in your State, we have too many in Alabama, and they don't have enough in Oregon," so that I do hope that you can find ways and means, Mr. Chairman, of having my amendment made germane to the pending civil rights bill. I say again, Mr. Chairman, that in my opinion the day this bill becomes the law of the land, unless drastically amended, will be the beginning of the end of constitutional law in our system of free enterprise.

Mr. CELLER. Mr. Chairman, I renew my point of order.

The CHAIRMAN. Does the gentleman from Alabama desire to be heard on the point of order?

Mr. ANDREWS of Alabama. Mr. Chairman, I do not know of any better Commission in the Government that could carry out the provisions of my amendment than the Civil Rights Commission. That Commission was created to look after the welfare of some of the people. You will find on page 58, "Duties of the Commission." Then (1), (2), (3), (4), (5), and mine would be (6). But I want to read to the chairman the fourth specified duty of the Commission: "serve as a national clearinghouse for information in respect to equal protection of the laws, including but not limited to the fields of voting, education, housing, employment, the use of public facilities, transportation, and the administration of justice;".

The CHAIRMAN (Mr. KEOGH). The Chair appreciates the gentleman's calling his attention to that provision of the pending bill.

The amendment offered by the gentleman from Alabama, to which a point of order was made by the gentleman from New York on the ground that the amendment was not germane to the section to which it is addressed, is an amendment that would have for its purpose the setting up of what might be described generally as a Human Resettlement Commission. It is directed to a title in the bill that deals with a Commission on Civil Rights.

It has been called to the Chair's attention that on June 11, 1957, the Chairman of the Committee of the Whole, Mr. Forand, of Rhode Island, in ruling on a similar amendment to a bill providing for establishing a Commission to study deprivation of voting rights and granting authority to the Attorney General to institute or intervene in legal proceedings to protect voting rights, an amendment providing for creating a Commission on Human Resettlement, similar to the pending amendment of the gentleman from Alabama, with authority to make loans to Negro citizens for emigration from any State practicing segregation, was held by that chairman not to be germane.

The point of order is therefore sustained by this chairman.

Mr. CRAMER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I call the attention of the House to page 60, paragraph (5) relating to the power of the Commission to investigate vote frauds. I hope the Commission will do its full duty and accept its responsibility of investigating vote fraud matters. I hope that the Select Committee on Campaign Expenditures during the adjournment period will also investigate these matters. I believe there is a pernicious cancer that is eating at the very sinews of our Government. I personally feel that as a result of that experience and other facts called to my attention that there is a pernicious cancer eating at the very sinews of our Republic and our representative form of government, and that is vote stealing.

I call your attention to the fact that the Honest Ballot Association has made a study of the matter and found that over 1 million votes are "stolen or lost" in every national election through such time-tested devices as "chain balloting," "tombstone voting," "ghost" election boards, false canvasses, vote buying, multiple voting, disqualification of valid voters, and so forth.

I hope that because of this section of the bill giving the Commission this power, the Commission will use the power to its full extent by protecting all the rights of all the people in their civil right to vote, and will do so to the fullest extent of the authority granted under this legislation.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE VI—NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS

SEC. 601. Notwithstanding any inconsistent provision of any other law, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefit of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

SEC. 602. Each Federal department and agency which is empowered to extend Federal financial assistance to any program or activity, by way of grant, contract, or loan, shall take action to effectuate the provisions of section 601 with respect to such program or activity. Such action may be taken by or pursuant to rule, regulation, or order of general applicability and shall be consistent with achievement of the objectives of the statute authorizing the financial assistance in connection with which the action is taken. Compliance with any requirement adopted pursuant to this section may be effected (1) by the termination of or refusal to grant or to continue assistance under such program or activity to any recipient as to whom there has been an express finding of a failure to comply with such requirement, or (2) by any other means authorized by law: *Provided, however*, That no such action shall be taken until the department or agency concerned has advised the appropriate person or persons of the failure to comply with the requirement and has determined that compliance cannot be secured by voluntary means.

SEC. 603. Any department or agency action taken pursuant to section 602 shall be subject to such judicial review as may otherwise be provided by law for similar action taken by such department or agency on other grounds. In the case of action, not otherwise subject to judicial review, terminating or refusing to grant or to continue financial assistance upon a finding of failure to comply with any requirement imposed pursuant to section 602, any person aggrieved (including any State or political subdivision thereof and any agency of either) may obtain judicial review of such action in accordance with section 10 of the Administrative Procedure Act, and such action shall not be deemed committed to unreviewable agency discretion within the meaning of that section.

Mr. CELLER (during the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of this title be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union reported that that Committee having had under consideration the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes, had come to no resolution thereon.

REQUEST ON HOUR OF MEETING ON TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. WILLIAMS. Mr. Speaker, I object.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow, it adjourn to meet at 10 o'clock Saturday morning.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. WILLIAMS. Mr. Speaker, I object.

Mr. HALLECK. Mr. Speaker, may I reserve the right to object?

The SPEAKER. Will the gentleman from Mississippi permit the gentleman from Indiana to reserve the right to object to the pending request?

Mr. WILLIAMS. Surely, Mr. Speaker, so long as that does not cut off my right to object.

The SPEAKER. The Chair will protect all Members' rights.

Mr. HALLECK. Mr. Speaker, as the gentleman from Mississippi has indicated he will object.

Under my reservation of objection, and I shall not object, I want to say that we started on Monday on the consideration of this very complex, complicated and difficult measure. There has not been one single motion to shut off debate. So far as I am concerned, I think that is very well and that is the way it ought to be. But by the same token, I think having given this much consideration to the measure, that those who are in vigorous opposition to the bill ought not to prohibit the rest of us who would like to get the matter disposed of from coming in at an earlier hour. We are here now in this Chamber in the consideration of this legislation at 9:30 o'clock at night and, of course, it makes no particular difference to me, but I just want to say to the gentleman from Mississippi that when we start tomorrow if the gentleman insists on meeting at 12 o'clock, I am under no commitment to vote against any motion to terminate debate on any title of this bill.

Under the rule, the bill shall be read by titles. We have two important titles among the five remaining titles to be considered. I had hoped that for those of us who have made many plans, and may I say parenthetically, who recognize our primary obligation to be here and to vote—and we shall be here—that by coming in a little earlier on tomorrow, Friday, and the next day we might be able to fairly consider any amendment that might be offered on these last two important titles, which I understand are in controversy.

I just want to serve notice, so far as I am concerned. I do not like to shut off debate. I do not like motions to shut off debate. But this debate has progressed very well. I have not observed any dilatory tactics.

My only purpose in suggesting that we come in early on tomorrow and on Saturday is that then we would have more time for the consideration of this measure. I do not know of any single reason why we should not come in early and proceed to the consideration of this bill and wind up the debate and consideration on this coming Saturday evening, which is what I hope we can do.

Mr. Speaker, I withdraw my reservation. Now it will be up to the gentleman from Mississippi.

Mr. SMITH of Virginia. Mr. Chairman, I reserve the right to object.

Mr. Chairman, I believe this situation needs a little clarification, as to what has happened about the consideration of the bill.

Some of you may remember that I was pressed very hard not to hold hearings on this bill in the Rules Committee, and I stated that I would conclude those hearings by the 1st of February. I was told by some of those who favored the bill that that was satisfactory.

I always try to keep my commitments. The time came when some matter arose that some folks wanted to get the bill through before a certain date. So the pressure became very hard on me to shorten the period of hearings. I arranged to have a vote in the committee on the bill, and we brought the rule out so that we could start consideration on the 29th, which was 2 days before I had agreed to close the hearings.

At the time of those negotiations I talked with the Speaker and the leadership on this side and with a gentleman on my side I assumed was able to speak for the minority. My objective was not to delay consideration of the bill but to see that the seven titles, which are seven separate pieces of legislation, should be considered without too much limitation on the time.

So the agreement was that we would go ahead with the bill and not have any dilatory tactics. There have not been any. This has been debate very much confined to the bill itself. We have gone along very nicely and in good humor, although some of us have been drubbed pretty badly in this contest.

But the understanding was and the agreement was that there would be no effort to cut off debate and there would be no effort to hurry this bill, provided that Tuesday, the 11th, would be the limit.

I am not trying to carry this over until Tuesday, but two most important titles—probably as important as any other title of the bill—will come up beginning tomorrow. We were here until about 8 o'clock last night. We are here now until 9:30. Probably we shall be here until late tomorrow night. I hope we will not be, because it is very exhausting.

Then to meet again at 10 o'clock the next morning would be a little bit more than ought to be put upon us, if we are to carry out the agreement which was made in good faith.

That is all I ask.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. HALLECK. Mr. Speaker, I want it clearly understood that so far as I am concerned all the conversations I had, looked to conclusion of consideration of this bill on Saturday night. What other arrangements were made I do not know about.

All I can say to the gentleman from Virginia is that to come in a little early will avoid these late sessions. I do not like the late sessions, either.

However, I must say, and I must say it again, that if there is to be objection to coming in early, then as far as I am concerned, if motions are made tomorrow and Saturday to terminate the debate within reasonable limits, I am going to suport them.

Mr. SMITH of Virginia. All I can say in reply to that is, however small a minority may oppose this bill, under the rules of the House we are still able to do some things that might be rather disagreeable. I want to say to the gentleman very frankly that if an effort is made to violate the agreement solemnly made and carried out up to this point in order to suit somebody's convenience to get away from Washington next week, then as far as I am concerned some unpleasant things are liable to happen.

Mr. HALLECK. Mr. Speaker, will the gentleman yield further?

The SPEAKER. Does the gentleman from Virginia yield further to the gentleman from Indiana?

Mr. SMITH of Virginia. If I still have the floor.

Mr. HALLECK. Do I understand that means we go maybe to the demanding of an engrossed copy of this bill after it is finally acted upon?

Mr. SMITH of Virginia. I have no idea of that kind, but there are some parliamentary moves that can be made around here that would not be too pleasant.

Mr. WILLIAMS. Mr. Speaker, I reserve the right to object to the request that we meet Saturday morning at 10 o'clock. The gentleman from Virginia has certainly given reasons why I shall object to this unanimous-consent request. But I would remind the gentleman from Indiana that I do not need to explain my action; that the rules of the House require that we meet at 12 o'clock noon; that early meetings are extraordinary proceedings and require the unanimous consent of the House.

Mr. Speaker, I serve in this Congress under exactly the same commission as the gentleman from Indiana. I have the same rights in this House as the gentleman from Indiana has whether he likes it or not, and I am exercising my right as a Member of this body when I say, Mr. Speaker, that I object.

The SPEAKER. Objection is heard.

Mr. RIVERS of South Carolina. Mr. Speaker, reserving the right to object——

The SPEAKER. Does the gentleman from Mississippi withhold his objection?

Mr. WILLIAMS. I will withhold it momentarily, Mr. Speaker.

The SPEAKER. The gentleman from South Carolina [Mr. RIVERS] reserves the right to object.

Mr. RIVERS of South Carolina. Mr. Speaker, I reserve the right to object. The Committee on Armed Services, of which I am a member, in the absence of my distinguished chairman, who gets here early in the morning, starts here very early. We start long before 7 o'clock in my office.

Our committee has been meeting each morning at 9:30 a.m. You can ask any member of the Committee on Armed Services. We go on until the bell rings, and we schedule night meetings when the House is not in session. For one thing, that is to give this House of Representatives something to do if and when you return from the Lincoln Day celebration. We are working day and night to give you something to do.

Mr. HALLECK. Mr. Speaker, will the gentleman yield to me?

Mr. RIVERS of South Carolina. I will when I have completed.

Mr. Speaker, the chairman has scheduled a meeting on Saturday. I shall not object, but I wish you would clear that with the summit of the Committee on Armed Services, which is the gentleman from Georgia, CARL VINSON.

Mr. HALLECK. If the gentleman will yield to me at that point?

Mr. RIVERS of South Carolina. I yield to the gentleman.

Mr. HALLECK. I would like to clarify that real good. The chairman of your committee spoke to me, as I am sure he spoke to other people, and he said he had no objection to coming in at 11 o'clock tomorrow and 10 o'clock on Saturday. I applaud the gentleman and the chairman.

Mr. RIVERS of South Carolina. I wish he would let me in on some of these secret commitments. I do not have anything further.

The SPEAKER. Is there objection?

Mr. WILLIAMS. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

REFUGEE FAIR SHARE LAW

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, it is customary to submit for the information of the Members of the House the semiannual reports of the Commissioner of Immigration and Naturalization on the administration of the act of July 14, 1960—Public Law 86-648—the so-called refugee fair share law.

Briefly, this law enables the United States to participate in the resettlement of certain refugees defined in the law and section 2(a) of the act just cited places upon the Attorney General the obligation to report to the Congress every 6 months on administrative operations authorized under that statute.

Detailed case reports on each person paroled into the United States under the law are in the custody of the Committee on the Judiciary and are available for inspection by any Member of the House at the office of Subcommittee No. 1, suite 327, Cannon Office Building.

Commissioner Farrell's report addressed to the Speaker of the House of Representatives is as follows:

U.S. DEPARTMENT OF JUSTICE, IMMIGRATION AND NATURALIZATION SERVICE,
Washington, D.C., February 3, 1964.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Refugee operations under the act of July 14, 1960, as amended by the act of June 28, 1962, were continued during the 6-month period ending December 31, 1963, the seventh 6-month period of operations under the act. The Secretary of State furnished an advisory report indicating that during the preceding 6-month period, 6,063 refugee-escapees, as specified in section 1 of the act, availed themselves of resettlement opportunities offered by nations other than the United States. Accordingly, the number authorized by statutory "fair share" during the period covered by this report was 1,516. Registrations exceeded this number by 764, a total of 2,280 registrations having been received from refugees in the seven countries in which, for purpose of implementation of the act, the Secretary of State has advised that refugee situations, as specified, exist.

The maximum number authorized by statutory "fair share" during the period (1,516), was the smallest number authorized by the formula for any of the 6-month periods since enactment of the refugee law. The maximum number allowable in the six preceding 6-month periods had ranged from 1,923 to 5,571.

In addition to the 2,280 refugees who registered under the act during the 6-month period, there were 203 registrations pending at the beginning of the period, making a total of 2,483 refugee applicants available for consideration. Of these, the full number allowable during the period (1,516), were found qualified for parole and 496 were rejected or otherwise closed, leaving 471 registrations pending at the end of the period. The 471 which were pending at the end of the period were being acted upon and many had been interviewed.

The following reflects the activity in each of the countries in which the refugee operations were conducted during the period:

Country	Registrations pending July 1, 1963	Registrations received during period	Total	Found qualified for parole	Rejected or otherwise closed	Pending, Dec. 31, 1963
Germany	29	184	213	56	119	38
France	78	319	397	207	126	64
Austria	19	203	222	168	54	0
Belgium	6	48	54	18	32	4
Italy	12	938	950	671	52	227
Greece	9	96	105	57	26	22
Lebanon	50	492	542	339	87	116
Total	203	2,280	2,483	1,516	496	471

Established screening procedures resulted in the rejection of 253 applicants during the period, on the following grounds:

Ineligible	90
Security grounds	14
Criminal grounds	6
Medical grounds	3
Immorality	1
Undesirability	13
Firmly settled	40
Split families (spouses and children left behind in country of origin)	26
Spouses and children of above principals	60
Total	253

As of December 31, 1963, the total number of refugee-escapees authorized by statutory "fair share" totaled 22,414 and a total of 26,046 refugees had registered since the beginning of the program. Statistics for the program are tabulated below:

	1st through 6th periods	7th period	Total
Authorized by statutory fair share	20,898	1,516	22,414
Pending, beginning of period	....	203	....
Registered during period	23,766	2,280	26,046
Total registered (pending plus received)	23,766	2,483	....
Found qualified for parole	14,567	1,516	16,083
Rejected or otherwise closed	8,996	496	9,492
Pending, end of period	203	471	....

Of the refugees approved for parole to date, 348 have been approved under section 2(b) of the act, which provides for a numerical limitation of 500 "difficult to resettle" cases. An additional 20 refugees are awaiting approval under this section upon receipt of necessary assurances and documentation.

A total of 14,673 refugees, in whose cases assurances of housing and employment have been received, have been referred to the Intergovernmental Committee for European Migration for transportation to the United States. Of these, 13,025 had arrived in the United States as of December 31, 1963, as follows:

Country of flight	During 1st 6 periods	During 7th period	Total
Albania	383	34	417
Bulgaria	181	32	213
Czechoslovakia	13	1	14
East Germany	5	0	5
Estonia	14	0	14
Hungary	1,223	90	1,313
Iraq	12	1	13
Jordan	2	0	2
Latvia	67	3	70
Libya	0	1	1
Lithuania	39	0	39
Poland	871	27	898
Rumania	2,096	295	2,391
Syrian Arab Republic	40	0	40
Turkey	8	7	15
United Arab Republic (Egypt)	2,358	203	2,561
U.S.S.R.	90	2	92
Yugoslavia	4,421	506	4,927
Total	11,823	1,202	13,025

Registrations of applicants in the various countries, since the beginning of the program, have been as follows:

Country	In camp	Out of camp	Total
Austria	932	2,225	3,157
Belgium	....	1,528	1,528
France	....	8,079	8,079
Germany	604	3,150	3,754
Greece	902	263	1,165
Italy	3,880	1,409	5,289
Lebanon	....	3,074	3,074
Total	6,318	19,728	26,046

During the seventh period, registrations of refugees were as follows:

Camp residents	516
Out-of-camp residents	1,764
Total	2,280

The following number of aliens, who have been in the United States for at least 2 years after their parole as refugee-escapees, have been inspected and examined for admission, and accorded the status of permanent residents under section 4 of the act:

During 5th period	242
During 6th period	1,520
During 7th period	2,030
Total	3,792

In compliance with the provisions of section 2(a) of the act, detailed reports on individuals paroled into the United States are attached.

Sincerely,

RAYMOND F. FARRELL,
Commissioner.

THE LATE GENERAL AGUINALDO

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, as the last veteran of the Spanish-American War in the Congress, I rise to note with deep grief the death of Gen. Emilio Aguinaldo at the age of 94.

I might explain that the period of the Spanish-American War covered the 4 years beginning with 1898, which was marked by the fighting with the Spanish in Cuba, Puerto Rico, and Manila, and ending in 1902 with the termination of the Philippine insurrection and the Boxer expedition in China.

Aguinaldo was a remarkable man in war and in peace, his place in history pinpointed by the two columns of obituary carried in this morning's New York Times beginning on page 1. It is only on the rarest of occasions that the passing of a man who has been away from public notice for so long a period is the subject of such large and prominent notice in the New York Times. The Washington News of today devotes an editorial in tribute to his memory.

At 26 Aguinaldo led a force of guerrillas, armed with bolo knives and a few shotguns, that routed the Spanish regulars under the then Spanish Governor General of the Philippines. Two years later when the Americans had supplanted the Spanish, Aguinaldo, having been proclaimed President of the Philippines, carried on his guerrilla war with the United States. There were many casualties, one a boy of 16 with whom I had gone to Cuba in 1898 for the campaign at Santiago de Cuba and who on his return home had reenlisted for service in the Philippine insurrection. It had been my plan to go with him, but on this my parents firmly expressed themselves and I returned to high school. Young Shanks was killed in a skirmish with Aguinaldo's guerrillas less than a month after his arrival. But for the refusal of my parents to go any further with the little fiction that I was 18, necessary to effect my reenlistment, I might very well have perished with my friend in Aguinaldo's ambush.

Aguinaldo's war continued well into 1901. He was a master of surprise attack, of hit, run, and hit again strategy. His downfall and capture were brought about by General Funston, of Kansas, who arranged to have himself captured by Filipinos who were in fact loyal to the United States and taken in chains apparently as a captive to Aguinaldo's secret headquarters. When news of this ruse reached the United States, Funston at once became a national hero.

Aguinaldo pledged allegiance to the United States, and proved a true and trusted friend of the United States with which he had once gone to war because Spain had turned the Philippines over to us instead of Aguinaldo's Philippine Government.

It is interesting to note on the occasion of Aguinaldo's death that while it took our Army and Navy only about 100 days completely to crush and to bring to surrender the Spanish forces in Cuba, Puerto Rico, and the Philippines, Aguinaldo's guerrillas put up the toughest kind of a fight for over 2 years. Many of my comrades of the Spanish-American War, with whom I have been in close and warm association during the years in the comradeship of the United Spanish War Veterans, were participants in the events of those years, and for them, Mr. Speaker, and for this body and for myself may I give to the memory of Gen. Emilio Aguinaldo, a patriot with dedication to the cause of freedom and a soldier with the touch of the blended genius of a Napoleon and a Washington, the salute of fellow soldiers?

FOREIGN VISITORS TO THE UNITED STATES

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JARMAN. Mr. Speaker, through a joint Government-industry program, business and pleasure travel to the United States from abroad is making great strides forward. The largest percentage increase in business and pleasure travel to the United States from overseas in the past decade occurred in 1963. People from throughout the world are coming here in ever-increasing numbers and going away with a new appreciation and understanding of this Nation and its people.

Last year, 734,993 business and pleasure visitors came to the United States from overseas. They spent an estimated $275 million while here, plus an additional $100 million in fares to U.S. carriers. This incoming cash eased, somewhat, the dreary picture of the continuing U.S. balance-of-payments deficit.

In mid-1961, Congress authorized the formation of the U.S. Travel Service to develop a Government-industry program for attracting additional international visitors to the United States.

In the previous 8 years, the flow of business and pleasure travelers to this country had been increasing modestly, averaging slightly more than 8 percent per year.

In 1962, as Government and industry began a worldwide promotional campaign coupled with a stateside effort to give travelers a better welcome on arrival here, the number of business and pleasure visitors from overseas increased to 603,715 from the 1961 level of 516,152. This numerical increase of 87,563 represented a percentage gain of 17 percent over the previous year.

Last year, with the Government-industry effort gaining the momentum which any such campaign develops, the greatest percentage increase of the past decade occurred, the 734,993 visitors who came representing a percentage advance of 21.7 percent over 1962.

Industry cooperation with the travel service has been extensive. Special fares for travelers from abroad developed by two great transcontinental bus companies and an equally fabulous air fare offered cooperatively by 12 local service airlines and Alaska airlines surely are the greatest travel bargain in the world today.

The bus companies, Greyhound and Trailways, offer tourists from abroad a ticket for just $99 which is good for unlimited travel for 99 days. The local service airlines offer a $100 ticket good for unlimited air travel for 15 days and a similar $200 ticket good for 45 days. These fares are especially important in bringing the benefits of the Government-industry visit U.S.A. program to Oklahoma and other States in the heartland of America. Using these fares, travelers from abroad now can afford to leave the coastal areas in which they normally arrive and visit other sections of the country at a minimum of expense.

As these visitors travel across the length and breadth of America, they not only put money into our economic bloodstream, but they also gain a knowledge of America available to them by no other means. This alone makes the Government-industry program a valuable addition to our national well-being.

	Number of business and pleasure visitors from abroad	Annual percent increase
1950	200,111	
1951	203,463	1.7
1952	245,825	20.8
1953	227,561	(−7.4)
1954	247,390	8.7
1955	276,023	11.6
1956	303,481	9.9
1957	344,470	13.5
1958	383,053	11.2
1959	425,999	11.2
1960	491,359	15.3
1961	516,152	5.0
1962	603,715	17.0
1963	734,993	21.7

THE LAYING OF A NEW TRANSATLANTIC CABLE

Mr. ADAIR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ADAIR. Mr. Speaker, many of my distinguished colleagues are aware that the Federal Communications Commission is now in the process of deciding whether the American Telephone & Telegraph Co. will be given permission to lay a new transatlantic cable to be known as TAT 4 between the United States and France. If such permission is granted, TAT 4 will be the fourth transatlantic cable laid and operated by A.T. & T. between the United States and Europe.

I am bringing this subject before the House today because the Members are, I am sure, watching with interest the development of the Communications Satellite Corp. It is expected that within the next 6 weeks the CSC will announce its plans for financing a communications satellite system and will tell Congress and potential investors when it expects to have a system in operation. I understand that CSC expects to design its first satellites to handle traffic between the United States and Europe.

While I am not an economist, it appears to me that a question of basic economics is raising its ugly head which will have a vital effect on our projected satellite operations. As I have stated, there are already in operation, three transatlantic cables, TAT 1, TAT 2, and TAT 3, and a fourth cable, TAT 4, is planned. But in addition, I am told that A.T. & T. wants the rights to still another cable, TAT 5, to be laid between our country and Europe.

Now, based on information filed with the FCC by the International Carriers having an interest in these matters—RCA Communications, Western Union International, Mackay Radio & Telegraph Co.—a subsidiary of International Telephone & Telegraph Corp.—Press Wireless, and American Telephone & Telegraph Co.—I am convinced that there is no need for TAT 5. This is especially true if the CSC is to become operable and profitable on the basis of the time schedule that officials of the CSC have indicated in their public statements.

It is also true that the existing capacity of TAT 2, TAT 3, and TAT 4 can be increased by more than 50 percent with the addition of TASI—the abbreviation for the technical term of time assigned speech interpolation. Thereby, in my opinion and in the opinion of experts with whom I have consulted, TAT 5 is unnecessary. In fact, if permission is granted to lay TAT 5 it would add at least 128 channels of capacity to what I have noted above, and this would mean that there would be no economic justification for orbiting a satellite system in the immediate future.

Just last week Mackay Radio filed with FCC an application to lay TAT 4 along a different route than that suggested in the previous filing by A.T. & T. Careful study of the Mackay proposal indicates that the TAT 4 route it proposes would meet not only the commercial needs foreseen for TAT 4 but also for TAT 5, therefore making TAT 5 unnecessary.

Additionally, it should be pointed out that the route to France by way of the Azores proposed by Mackay would also serve the best interests of the United States in terms of international defense. Making use of this route would not only make it possible to esablish intermediate relay and terminal facilities in the Azores, but also to provide for extension to Spain and Portugal and even down to the Canary Islands.

The U.S. military might well prefer cable links to the Azores and this route could also serve the interests of the National Aeronautics and Space Administration, both in Spain and in the Canary Islands, where NASA tracking stations are either in being or are being constructed.

Therefore, in view of the best interests of the CSC and in view of our Nation's free world's interests in setting up and maintaining the best possible communications for national defense, I would suggest that the appropriate committees of this House look closely at this situation. I am firmly convinced that:

First. There is no need to lay TAT 5.

Second. That TAT 4 along the route proposed by Mackay Radio makes TAT 5 unnecessary.

Third. If the successful operation of the CSC is not to be seriously impeded, TAT 5 should not be laid.

I intend to ask both the Federal Communications Commission and the CSC what their decisions are in respect to TAT 5 so that we insure both the best possible transatlantic communications in the national interests and the successful launching of the CSC as a business venture.

PHONY PARITY FORMULA VIOLATES FARM LAWS

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HOEVEN. Mr. Speaker, on Friday, January 31, 1964, the Department of Agriculture announced that it would henceforth use an adjusted parity ratio annually to show the relationship between the prices farmers receive for their commodities sold and the prices they pay for living and production expenses.

This new formula, Mr. Speaker, is phony; it is an attempt to fool the farmer and the public; and it is not authorized by the laws which set up the parity calculations.

The new adjusted parity ratio will in the future contain Government payments. In the past only the prices received by farmers have been used. The use of Government payments in the formula is designed to give a distorted and inaccurate picture of the parity ratio. As reported in the Department's press release, the effect of the change is to artificially raise the 1963 parity ratio from 78 to 81.

Why was this done, one may ask? The reason is purely political. During each of the years 1961, 1962, and 1963, the parity ratio stood at levels lower than those in existence during any one of the Eisenhower years. In 1963 the parity ratio actually fell to 78, the lowest level since 1939, some 24 years ago.

By juggling the formula, the Department of Agriculture will now make the phony claim that the 1963 ratio of 81 was at least equal to the level of two of the Eisenhower years.

It is, Mr. Speaker, another brazen attempt to fool the farmer and the public by statistical manipulation.

The law governing parity calculations is found in section 301 of the Agricultural Act of 1938, as amended.

In 1948 and 1949 substantial amendments were made to these provisions of law.

In justifying its action, the Department of Agriculture in the January 15 issue of Agriculture Prices cites first its own previous statements and second, a provision of law which was in effect prior to the amendments of 1948 and 1949. The Department of Agriculture in fact is relying on obsolete legal language which is no longer legally in existence—language which was repealed over 14 years ago.

I draw your further attention, Mr. Speaker, to section 301(a)(B) of the 1938 act, as amended, which states:

> As used in this subparagraph, the term "prices" shall include wartime subsidy payments made to producers under programs designed to maintain maximum prices established under the Emergency Price Control Act of 1942.

This provision, Mr. Speaker, stands as the only provision of existing law which recognizes Government payments at all. And then only during World War II. No authority exists for adding Government payments to the formula now.

Why in the world should Government payments be figured into this formula anyway? These payments cover a variety of programs such as conservation, ACP, soil bank, sugar, wool, and others. Their relation to the market price farmers receive is at best remote.

This unauthorized practice should be stopped, Mr. Speaker, either by appropriate administrative action now, or by legislative action by Congress if necessary.

The phony parity formula should not be allowed to stand. If it does, I can foresee several undesirable results.

First. There will be a further deterioration of faith and acceptance of the statistical materials prepared by the Department of Agriculture. If longstanding formulas and statistics are allowed to be juggled for purely political purposes, what faith can Congress have in the integrity of other technical and statistical data the Department continually publishes?

Second. This action by USDA represents a further erosion of the longstanding parity concept. This cynical exercise will, I predict, accelerate the movement away from parity as a cornerstone of farm policy.

Third. This unlawful action, if left unchallenged, will set a precedent for the complete distortion of the parity formula. If Government payments are now to be used in the formula, what would prevent the payments that farmers receive from the Veterans' Administration or social security from also being added? Would not these payments make the Freeman-Cochrane farm failures look good to the unsuspecting and the unwary, too? So, too, could State benefits, and individual retirement programs be added; there would be just no end to it, but the final result would be a meaningless and discredited set of statistics.

In summary, Mr. Speaker, I call upon Secretary Freeman to discontinue this phony practice. If he does not care to do so, Congress should act to do so.

I include at this point in the RECORD the USDA press release announcing the change in the formula, a Wall Street Journal story of February 3, 1964, the Department's explanation and table from pages 44 and 45 of the January 15, 1964, Agriculture Prices, and section 301 of the Agricultural Adjustment Act of 1938, as amended:

ADJUSTED PARITY RATIO REFLECTING FEDERAL PAYMENTS TO BE PUBLISHED ANNUALLY

U.S. DEPARTMENT OF AGRICULTURE,
Washington, January 31, 1964.

The U.S. Department of Agriculture has announced an adjusted parity ratio, which will be published annually and appears for the first time in the January Agricultural Prices report issued today.

This annual parity ratio is adjusted to include Federal payments to farmers that supplement farm income but which are not reflected in the index of prices received by farmers.

The parity ratio as computed in the past averaged 78 percent for the year in 1963. The adjusted parity ratio, including Government payments, averaged 81 percent during 1963.

A statement in the January Agricultural Prices report, issued today by USDA's Statistical Reporting Service, stressed that the parity ratio and the index of prices received by farmers will continue to be computed on the same basis as in the past and published in the monthly price report.

However, the statement said, "in view of the importance of nonprice income supplements of recent years, it appears appropriate that there be developed a summary figure somewhat comparable to the parity ratio that would incorporate and reflect these supplements to farm income."

The parity ratio, which measures only price relationships, often "tends to understate farmers' welfare relative to the 1910–14 base period" when Government payments were not part of the farm income picture, according to the statement.

The parity ratio, which does not include Government payments to farmers, has shown a gradual decline over the past 5 years. Since 1959 the ratio dropped from an average of 81 to last year's average of 78.

In contrast, the adjusted parity ratio has ranged from an average of 81 in 1960 and 1963 to an average of 83 in 1961 and 1962.

Owing to the fact that the amounts of the several forms of supplementary payments for a given year cannot be known until the end of the year, the adjusted parity ratio cannot be published currently, but will be published as soon after the end of each year as practicable.

[From the Wall Street Journal, Feb. 3, 1964]

GOVERNMENT TO REVISE FARM PARITY ANNUALLY—RATIO JANUARY 15 WAS 78—ADJUSTMENT WILL INCLUDE SUBSIDIES—LATEST FIGURE IS DOWN FROM 1963, UP FROM PREVIOUS MONTH

WASHINGTON.—The Agriculture Department issued its first farm price report of 1964 and announced that at the end of each year it will compute a new adjusted farm parity ratio.

Parity is the ratio of prices farmers receive for their products to the prices they pay for goods and services, and it is the Government's yardstick for measuring farm purchasing power; 100 is considered ideal, but the ratio has run below that since the end of the Korean war.

For the month ended January 15, the Agriculture Department said, the parity ratio averaged an unadjusted 78, up from 76 a month earlier but down from 79 a year earlier.

Because the revised annual figure will be higher than the unadjusted ratio, the Johnson administration may find it handy in helping them paint a rosier picture of their accomplishments in agriculture, although officials denied that this was their motivation.

ADJUSTED RATIO MORE ACCURATE

The adjusted ratio, administrators said, is simply a more accurate means of measuring farmers' purchasing power because Government payments to the producers will be included in the prices received index. Heretofore, only cash receipts from farm marketings were counted.

For all 1963, officials said, the adjusted parity ratio was 81, up from the unadjusted calculation of 78. The unadjusted ratio is the lowest since 1939, when it was 77.

But taking Government payments into account, the 1963 adjusted parity ratio of 81 matches the adjusted ratio for 1960, the final year of the Eisenhower administration. Under the old method of figuring, 1963's ratio of 78 is below 1960's average of 80.

While the adjusted ratio undoubtedly measures farm purchasing power more accurately, it still makes no allowance for changes in farm efficiency.

FEDERAL PAYMENTS RISE

Government payments to farmers have risen steeply in recent years. In 1963, they totaled somewhat less than $1.8 billion, up a modest $14 million from 1962, but far above the $693 million of 1960 and even farther above the $257 million total a decade ago.

The importance of the Government payments to total farm income is increasing, too. They equaled 4.83 percent of all cash receipts from farm marketings in both 1963 and 1962, up from 2.04 percent in 1960 and 0.86 percent 10 years ago.

Because Government payments are made in irregular-sized chunks rather than in an even monthly flow, no attempt will be made to adjust the parity ratio during the year. Monthly figures will be computed on the same basis as before.

The index of prices received in the month ended January 15 was 243 percent of the 1910–14 average, up from 237 percent the month before, but still below the year earlier 245 percent. Higher prices for cattle, hogs, and eggs contributed most to the sharp month-to-month increase; prices were lower for cotton and milk.

The index of prices paid by farmers for goods and services was 313 percent of the 1910–14 average, matching last July's record and up from 311 percent a month earlier and 312 percent a year earlier. Most of the month-to-month gain resulted from sharply higher prices for livestock.

[From Agricultural Prices, January 1964]

PARITY RATIO ADJUSTED FOR NONPRICE SUPPLEMENTS TO FARM INCOME

The parity ratio, when adjusted for the Government payments made directly to farmers, averaged 81 in 1963 (1910–14=100). This compares with an average of 78 for the parity ratio in 1963 when such payments are not included. In the last 5 years, the adjusted parity ratio has been relatively stable ranging from an average of 81 (in 1960 and 1963) to 83 (in 1961 and 1962). In contrast the parity ratio gradually declined from an average of 81 in 1959 to an average of 78 in 1963.

Index numbers of prices paid by farmers; interest, taxes, and wage rates; index of prices received by farmers; and the parity ratio, United States, 1930–63

[1910-14=100]

Year	Prices paid for items used in—			Interest payable per acre	Taxes payable per acre	Wage rates for hired farm labor [1]	Prices paid, interest, taxes, and wage rates	Prices received by farmers [2]	Parity ratio [3]
	Living	Production	Living and production						
1930	144	135	140	206	281	177	151	125	83
1931	124	113	119	197	277	139	130	87	67
1932	106	99	102	185	254	104	112	65	58
1933	108	99	104	164	220	88	109	70	64
1934	122	114	118	147	188	99	120	90	75
1935	124	122	123	135	178	107	124	109	88
1936	124	122	123	125	180	114	124	114	92
1937	128	132	130	117	181	129	131	122	93
1938	122	122	122	110	187	130	124	97	78
1939	120	121	121	106	185	127	123	95	77
1940	121	123	122	102	189	129	124	100	81
1941	130	130	130	98	187	151	133	124	93
1942	149	148	149	94	189	197	152	159	105
1943	166	164	165	84	185	262	171	193	113
1944	175	173	174	79	185	318	182	197	108
1945	182	176	179	75	192	359	190	207	109
1946	202	191	197	74	213	387	208	236	113
1947	237	224	230	76	237	419	240	276	115
1948	251	250	250	78	276	442	260	287	100
1949	243	238	240	82	298	430	251	250	100
1950	246	246	246	89	320	425	256	258	101
1951	268	273	271	98	335	470	282	302	107
1952	271	274	273	108	350	503	287	288	100
1953	269	256	261	[4] 116	[4] 367	513	277	255	92
1954	270	255	262	[4] 125	[4] 384	510	[4] 278	246	89
1955	270	251	259	136	[4] 403	516	276	232	84
1956	274	250	260	[4] 151	[4] 432	536	278	230	83
1957	282	257	267	[4] 167	[4] 462	558	[4] 287	235	82
1958	287	264	273	[4] 182	[4] 494	574	294	250	85
1959	288	266	275	[4] 200	[4] 532	612	[4] 298	240	81
1960	290	265	275	[4] 220	[4] 578	631	[4] 300	238	80
1961	291	266	276	[4] 240	[4] 620	641	302	240	[4] 79
1962	294	270	280	[4] 266	[4] 657	660	[4] 307	243	79
1963	298	273	283	[4] 297	[4] 690	[4] 677	312	241	78

[1] Simple average of quarterly indexes seasonally adjusted.

[2] Includes subsidy payments October 1943–June 1946.

[3] Ratio of index of prices received to index of prices paid, interest, taxes, and farm wage rates.

[4] Revised.

Source: Agricultural Prices, January 1964, Crop Reporting Board, Statistical Reporting Service, U.S. Department of Agriculture.

The parity ratio (the index of prices received divided by the parity index) has long been published by the Department of Agriculture as a composite measure of the purchasing power of farm products in terms of the things farmers buy. This is consistent with the Agricultural Adjustment Act of 1938 which declared: " 'Parity,' as applied to prices for any agricultural commodity, shall be that price for the commodity which will give to the commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity in the base period." [1]

The strict price-relationship characteristic of the parity concept has been emphasized on occasion. Thus in "Agricultural Prices and Parity" [2] it was stated: "The parity price formula does not measure cost of production, standard of living, or income parity. It is based on price relationships which are only one component of cost of production or income."

More recently, in the September issue of Agricultural Prices [3] it was stated: "It is to be noted that the parity ratio is a measure of price relationships, not a measure of farm income, of farmers' total purchasing power, nor of farmers' welfare. These latter depend upon a number of factors other than price relationships, such as quantities of farm products sold and various supplementary income, including that from Federal farm programs. In recent years, these programs have increasingly augmented cash receipts from sale of farm products, and in 1962 accounted for over 4 percent of realized gross farm income. Accordingly, the parity ratio tends to understate farmers' welfare relative to the 1910–14 base period when realized gross farm income consisted primarily of receipts from sale of farm products."

The strictly price-implication character of the parity ratio is, however, frequently overlooked. Accordingly, and, more particularly, in view of the importance of the nonprice income supplements of recent years, it appears appropriate that there be developed a summary figure somewhat comparable to the parity ratio that would incorporate and reflect these supplements to farm income. Such a measure is presented in this issue of Agricultural Prices and is identified as an "adjusted parity ratio."

AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

TITLE III—LOANS, PARITY PAYMENTS, CONSUMER SAFEGUARDS, MARKETING QUOTAS, AND MARKETING CERTIFICATES

Subtitle A—Definitions, parity payments, and consumer safeguards

Definitions

SEC. 301. (a) GENERAL DEFINITIONS.—For the purposes of this title and the declaration of policy—

(1) (A) The "parity price" for any agricultural commodity, as of any date, shall be determined by multiplying the adjusted base price of such commodity as of such date by the parity index as of such date.

(B) The "adjusted base price" of any agricultural commodity, as of any date, shall be (i) the average of the prices received by farmers for such commodity, at such times as the Secretary may select during each year of the ten-year period ending on the 31st of December last before such date, or during each marketing season beginning in such period if the Secretary determines use of a calendar year basis to be impracticable, divided by (ii) the ratio of the general level of prices received by farmers for agricultural commodities during such period to the general level of prices received by farmers for agricultural commodities during the period January 1910 to December 1914, inclusive. As used in this subparagraph, the term "prices" shall include wartime subsidy payments made to producers under programs designed to maintain maximum prices established under the Emergency Price Control Act of 1942.

(C) The "parity index", as of any date, shall be the ratio of (i) the general level of prices for articles and services that farmers buy, wages paid hired farm labor, interest on farm indebtedness secured by farm real estate, and taxes on farm real estate, for the calendar month ending last before such date to (ii) the general level of such prices, wages, rates, and taxes during the period January 1910 to December 1914, inclusive.

(D) The prices and indices provided for herein, and the data used in computing them, shall be determined by the Secretary, whose determination shall be final.

(E) Notwithstanding the provisions of subparagraph (A), the transitional parity price for any agricultural commodity, computed as provided in this subparagraph, shall be used as the parity price for such commodity until such later date after January 1, 1950, as such transitional parity price may be lower than the parity price, computed as provided in subparagraph (A), for such commodity. The transitional parity price for any agricultural commodity as of any date shall be—

(i) its parity price determined in the manner used prior to the effective date of the Agricultural Act of 1948, less

(ii) 5 per centum of the parity price so determined, multiplied by the number of full calendar years (not counting 1956 in the case of basic agricultural commodities) which, as of such date, have elapsed after January 1, 1949, in the case of nonbasic agricultural commodities, and after January 1, 1955, in the case of the basic agricultural commodities.

(F) Notwithstanding the provisions of subparagraphs (A) and (E), if the parity price for any agricultural commodity, computed as provided in subparagraphs (A) and (E) appears to be seriously out of line with the parity prices of other agricultural commodities, the Secretary may, and upon the request of a substantial number of interested producers shall, hold public hearings to determine the proper relationship between the parity price of such commodity and the parity prices of other agricultural commodities. Within sixty days after commencing such hearing the Secretary shall complete such hearing, proclaim his findings as to whether the facts require a revision of the method of computing the parity price of such commodity, and put into effect any revision so found to be required.

(G) Notwithstanding the foregoing provisions of this section, the parity price for any basic agricultural commodity, as of any date during the six-year period beginning January 1, 1950, shall not be less than its parity price computed in the manner used prior to the enactment of the Agricultural Act of 1949.

(2) "Parity," as applied to income, shall be that gross income from agriculture which will provide the farm operator and his family with a standard of living equivalent to those afforded persons dependent upon other gainful occupations. "Parity" as applied to income from any agricultural commodity for

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[1] See Agriculture Handbook No. 242, "Compilation of Statutes," compiled under direction of the General Counsel, Jan. 1, 1963, p. 24.

[2] "Major Statistical Series of the Department of Agriculture," vol. I, p. 71, (1957).

[3] Agricultural Prices, September 1963, p. 43.

any year, shall be that gross income which bears the same relationship to parity income from agriculture for such year as the average gross income from such commodity for the preceding ten calendar years bears to the average gross income from agriculture for such ten calendar years.

(3) The term "interstate and foreign commerce" means sale, marketing, trade, and traffic between any State or Territory or the District of Columbia or Puerto Rico, and any place outside thereof; or between points within the same State or Territory or within the District of Columbia or Puerto Rico, through any place outside thereof; or within any Territory or within the District of Columbia or Puerto Rico.

(4) The term "affect interstate and foreign commerce" means, among other things, in such commerce, or to burden or obstruct such commerce or the free and orderly flow thereof; or to create or tend to create a surplus of any agricultural commodity which burdens or obstructs such commerce or the free and orderly flow thereof.

(5) The term "United States" means the several States and Territories and the District of Columbia and Puerto Rico.

(6) The term "State" includes a Territory and the District of Columbia and Puerto Rico.

(7) The term "Secretary" means the Secretary of Agriculture, and the term "Department" means the Department of Agriculture.

(8) The term "person" means an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or any agency of a State

(9) The term "corn" means field corn. (7 U.S.C. 1301(a), Public Law 585, 82d Cong., approved July 17, 1952.)

AGRICULTURAL ACT OF 1948

SEC. 302(f). All references in other laws to—

(1) parity,

(2) parity prices,

(3) prices comparable to parity prices, or

(4) prices to be determined in the same manner as provided by the Agricultural Adjustment Act of 1938 prior to its amendment by this Act for the determination of parity prices,

with respect to prices for agricultural commodities and products thereof, shall hereafter be deemed to refer to parity prices as determined in accordance with the provisions of section 301(a)(1) of the Agricultural Adjustment Act of 1938, as amended by this Act. (7 U.S.C. 1301a.)

Page 24, Agriculture Handbook No. 242 "Compilation of Statutes" compiled under direction of the General Counsel, January 1, 1963:

Prior to enactment of the Agricultural Acts of 1948 and 1949, the term "parity" was defined in section 301(a) of the Agricultural Adjustment Act of 1938, as amended, as follows: " 'Parity', as applied to prices for any agricultural commodity, shall be that price for the commodity which will give to the commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity in the base period; and, in the case of all commodities for which the base period is the period August 1909 to July 1914, which will also reflect current interest payments per acre on farm indebtedness secured by real estate, tax payments per acre on farm real estate, and freight rates, as contrasted with such interest payments, tax payments, and freight rates during the base period. The base period in case of all agricultural commodities except tobacco shall be the period August 1909 to July 1914. In the case of all kinds of tobacco except Burley and Flue-cured such base period shall be the period August 1919 to July 1929, and, in the case of Burley and Flue-cured tobacco, shall be the period August 1934 to July 1939; except that the August 1919–July 1929 base period shall be used in allocating any funds appropriated prior to September 1, 1940." (52 Stat. 38, 54 Stat. 1210.)

THE NEW PARITY RATIO

Mr. QUIE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. QUIE. Mr. Speaker, following the comments of the gentleman from Iowa [Mr. HOEVEN], I am wondering what this new parity ratio will do to commodity price supports. For instance, the price support for dairy products, where the dairy products are supported at 75 percent of parity, will this mean that the parity level can be left at 75 percent of parity but the actual dollars and cents paid for butter, dried skim milk, and cheese, will be lower and the dairy farmers income reduced? Will the Department of Agriculture claim that the price support is higher than the 75 percent of parity even though the actual support price remains the same? I think this information should be given to the farmers so they will know what this change in the parity ratio, unauthorized by the Congress, will have on their income.

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. NELSEN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. NELSEN. Mr. Speaker, I wish to associate myself with the remarks of Congressmen HOEVEN and QUIE dealing with the conduct of the Secretary of Agriculture who now departs from a long-established formula in determining the farm parity ratio of income.

This performance is inexcusable and the arbitrary exercise of administrative action will tend to destroy the acceptance of Government statistics as authoritative guidelines which have long stood as reliable. Having once been an employee of the Department of Agriculture I know we have in it many fine, able, dedicated employees who have conscientiously documented facts and figures on which the public depends. These dedicated people are now required to apply a political twist to their work. I am sure this action is distasteful to them as it should be.

The formula that has long been used in the computation of the farm parity ratio indicates according to USDA Agricultural Prices report for January 15 issued by the Department of Agriculture that the parity ratio for the past year stood at 78 percent—the lowest figure since 1939—25 years ago.

The Secretary of Agriculture, in spite of having had all the ready answers, has actually contributed to the continual decline in the farm parity ratio because of the bungling that has occurred in the handling of Commodity Credit surplus grain.

He now, in desperation, seeks to find a formula that will give him a better image and has announced the calculation of an "adjusted" parity ratio which includes Government payments as supplements to farm income. By this statistical sleight of hand he comes up with a new parity figure of 81 percent for 1963.

I might point out that to find a lower adjusted parity ratio figure you will have to go back to 1934, according to the tabulation made by the Department of Agriculture.

If a computation of this adjusted parity ratio for the State of Minnesota were to be attempted, we would have to proceed with a realization that 41 percent of the farm income is from sale of livestock and livestock products; 8 percent from corn; about 2 or 3 percent from sale of wheat. Therefore, a comparatively lesser amount of Federal funds flow to the State of Minnesota because of price-supported commodities than to some other areas. As a consequence, the adjusted parity ratio might be below even 78 percent for the past year.

WHEAT AS A WEAPON OF WAR

Mr. STINSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and to include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. STINSON. Mr. Speaker, an organization known as the Institute of German Industries, reports that the Russians have a greater need for wheat to distill into industrial alcohol than to make into bread. I have checked on the reputation of the Institute of German Industries and find that it is a very reputable and reliable organization. Their report indicates that the Russians are suffering from an accute shortage of industrial alcohol which is absolutely essential for the Communist munitions industry and continuation of the cold war. The softening of the harsh attitude of the Russians is perhaps directly related to this critical shortage. However, instead of pressing our advantage, we are going to sell subsidized American wheat to the Russians to bail them out of their problem. Now, if the Russians have problems in their munitions industry, they very probably would not come to the United States and ask for those materials needed to manufacture the weapons of war. The United States would not be so foolish as to directly send those materials which would be used to kill us in return. However, the Russians have never been known to be this blunt. It would be more plausible for them to say that they have hungry people and starving livestock that require large quantities of wheat to sustain them.

The American Government, eager to embrace the seemingly friendly Russians, offers to sell huge quantities of grain. Some would do this for what they say are humanitarian purposes, others for monetary reward. Of course, the administration can argue that wheat is not a weapon of war. But ethyl alcohol is a weapon of war. Nothing can prevent the Russians from converting this wheat into ethyl alcohol which can be used in the manufacture of munitions. Ethyl alcohol is absolutely essential in order for the Russians to keep up their full-court press in the cold war. Ethyl alcohol has many and diverse uses in the manufacturing of weapons of war. Some of these include:

First. TNT.

Second. Torpedo propulsion fuel.

Third. Poison gas.

Fourth. Liquid hydrogen fuel—used in rocket propulsion.

Fifth. Nitrocellulose—a major ingredient for manufacture of smokeless powder.

Sixth. Mercury fulminate—priming compound for the explosion of nitroglycerin and other explosives.

Seventh. Tetryl—explosive booster charge.

Eighth. DDNP—used as a detonator in blasting caps in ammunition.

Ninth. PETN—an ingredient used in the manufacture of detonating fuses and hand grenades.

Tenth. In the production of atomic weapons.

The article follows:

[From the Los Angeles Times]

Not for Hunger: Russ Use Wheat for Alcohol

(By Sterling Slappey)

BONN, January 25.—There appeared to be growing acceptance in West Germany this weekend that faults in the Soviet chemical industry and not potential hunger of the people, forced the purchase of vast quantities of Western wheat.

The highly reputable Institute of German Industries 2 days ago first raised the probability that the Soviets have a greater need for wheat to distill into industrial alcohol than they do for the making of bread.

The institute's findings were based, after several weeks of study, on opinions of Eastern trade experts and officials in the world grain business. To these opinions, it is now understood, have been added those of diplomats, several scientists and very probably, intelligence agents.

These sources say that American, Canadian, and Australian grain will be largely used to produce alcohol which in turn will go into the making of synthetic rubber, plastics, and many other products.

They claim that the 1963 Soviet wheat harvest was a bad one, but that it was not so bad that the Soviets would have been willing to spend off their gold reserves to purchase Western wheat.

Instead, they claim evidence that the Soviets feel they must build up their strategic reserves of rubber and other products.

Soviet Premier Nikita S. Khrushchev partially substantiated these claims a month ago in a speech to the Supreme Soviet when he said the Soviet Union would emphasize in the next few years building up its lagging chemical industry

He mentioned a need for about 40 additional chemical plants of various kinds and sizes and even invited Western participation in laying out the plants and outfitting them.

The findings of the institute are not accepted unanimously in West Germany. In rebuttal some scientists point out that making commercial alcohol from wheat or potatoes is too slow, too expensive, and too roundabout.

The institute's answer to this is that under present purchasing arrangements and costs, in the Soviet Union it is cheaper to turn out alcohol this way than simply to buy alcohol from the West.

OLYMPIC GAMES

Mr. WYMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. WYMAN. Mr. Speaker, the unfortunate record of the United States at the Olympic games is a matter of real concern to all Americans. If we continue to send our finest young men and women to the Olympic games as honest amateurs to compete against Soviet professional ringers, there is bound to result a series of defeats that will contribute to a poor impression of American physical competency. The proud name of the United States developed with the blood, sweat and tears of many strong and courageous American men and women is being eroded as a world image.

Exactly what the answers are I do not know. Some of the questions, however, are obvious. One is, should we subsidize our athletes and send professionals to the Olympic games? I submit that the answer to this is an overwhelming and resounding "No."

Nevertheless, if the Olympic games are to continue to have world standing as amateur contests, something must be done, for the Communists break the rules here just as they do everywhere else in everything they do, from their trawlers on the high seas to missiles on the island of Cuba.

America today is being defeated on almost every battleground of the world and now we are being overwhelmed on the ski slopes and skating rinks of Innsbruck, Austria. The box score in this morning's paper shows clearly the intense dedication of Russians and their sole reason for living. The score is: The Soviet Union—eight gold medals, eight silver medals, and five bronze medals; the United States—one gold medal, one silver medal, and one bronze medal. For the record, a gold medal is awarded for first place, a silver medal for second and a bronze medal for third. Already the cry is being heard "wait until 1968." But, my friends, at the rate we are going we may never reach 1968. It is high time the people in America and their Representatives in the Halls of Congress face the dismal score both on the battlefields of the world and on the ski slopes and skating rinks of Innsbruck.

By no means should it be considered that our representatives at the Olympic games are not giving their all. They are. They have done so. They are dedicated young men and women with a burning desire to win for the United States that is exceeded only by their devotion to good sportsmanship and fairplay. It must be a discouraging shock to them as they encounter the Soviet professionals, realizing that in a very real sense a naive Government at home has stacked the cards against them. Not only are our athletes not being given the measure of support that they need and deserve at home in their preparation and training, but they are likewise not being protected by their Government when it fails to assure that they shall compete with other nations on equal terms.

Obviously we cannot abandon the Olympics, particularly after this series of defeats. However, unless the rules are to be changed so as to exclude the subsidized professional athletes from Iron Curtain countries, we will have no alternative but to prepare for the next Olympic games on the same basis. Let us send our young men and women onto the fields of conflict, including the Olympic games, equipped to win.

I believe the President should appoint a study committee to report to him the needs of such an Olympic program.

EMERSON PLAYER: COURAGEOUS FOREIGN SERVICE OFFICER

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I wish to express high praise for the courageous action of one of our Foreign Service officers.

He is Emerson Player, an assistant attaché in the political section of our Embassy in Ghana. Last Tuesday, Mr. Player, without regard to his personal safety, confronted an angry mob of Ghanaians and replaced the American flag in front of the U.S. Embassy.

It was an act of great personal courage and deserves the highest commendation.

The mob Mr. Player faced was a frenzied one, egged on by Government-party loudspeaker trucks. The crowd had marched on our U.S. Embassy, hauled down the American flag, and threatened to storm the building itself.

In the midst of the tumult, Mr. Player rushed out of the Embassy, seized the rope and ran the U.S. flag back up the flag pole. The mob of demonstrators fell back at this display of resoluteness. The Stars and Stripes remained flying.

Mr. Player is a Negro, and a native of Denver, Colo. He holds bachelor's and master's degrees from the University of Colorado. He also attended Erlangen University and served in the Armed Forces of our country.

For a time he worked in the Department of Defense as an area specialist. He was commissioned as a Foreign Service reserve officer and sent to Accra, Ghana, in 1962. Mr. Player is married and the father of a baby girl.

Mr. Speaker, too often our diplomats are depicted as striped-pants cookie-pushers whose only duties are stamping passports. Overlooked are the sensitive, often dangerous, tasks which our Foreign Service officers are called upon to perform as they represent this Nation around the world.

Our colleague, the gentleman from Ohio [Mr. OLIVER P. BOLTON], has written President Johnson asking that Mr. Player be awarded the Medal of Freedom, which was established in 1963 for significant contributions to security, national interest, and world peace. I join him in this recommendation.

Its award to Mr. Player would serve as a recognition of the many daily acts of valor required of our Embassy people abroad, deeds that often go unnoticed here at home.

EDUCATION WITHOUT FEDERAL CONTROLS

The SPEAKER. Under previous order of the House, the gentleman from Indiana [Mr. BRAY] is recognized for 15 minutes.

Mr. BRAY. Mr. Speaker, the power to tax is the power to destroy. The use of that power by the Federal Government together with the use of the power to borrow money is destroying the ability of the local and State governments to adequately manage and operate their own functions.

The construction and maintenance of our highways, streets, lighting systems, water and waste disposal, sanitation, hospitals, parks, and a thousand and one operations of government essential to our health, happiness and well-being are the responsibility of local and State governments.

Today the Federal Government is handicapping our local governments to an increasing degree by draining the potential tax resources from all parts of the country from possible use locally.

I could discuss various handicaps that our local governments are experiencing in carrying out their functions, but I want to emphasize the financial problems confronting every community in America with regard to the education of its youth.

It is a primary responsibility of the citizens of today to provide the training for the citizens of tomorrow. There are demands for more training, better preparation, higher education, and technical and specialist training for more people—all of these demands are greater than ever before. All over the country the question is being asked—how can we provide such education, and how can we finance it?

Our Hoosier State has always been vitally interested in education and has sought to preserve the highest educational standards, as have many other States. But the cost, which is heavily borne by property owners, has become so high that it is a real hardship, especially on many homeowners and small businesses. I am particularly aware of the problem in Indiana, but I am sure that most other States are having similar problems.

In my great State of Indiana the State legislature last year had great difficulties with just such a problem. The legislature held its 61-day statutory session without arriving at a plan to meet the increasing costs of education. A special session of 40 days followed. Despite all efforts, when the Indiana Legislature meets again next year, they still will be faced with tremendous financial problems to finance our schools and universities.

There are those who take the attitude that, if money comes from the Federal Government in Washington, it is a gift and costs them nothing. But most of us realize that there is no "pie in the sky"—that there is no free money—and that all services must be paid for. We all are aware that adequate education is expensive and that the funds to provide it must come from the money which people earn and then pay to their governments, local, State, and Federal in the form of taxes.

Mr. Speaker, I have spent many hours pondering how we might best solve some of these problems, and I believe there is a plan which is fair and workable. This plan would provide funds that will be adequate to meet the increasing demands from our educational institutions without raising local and State taxes. At the same time this plan is without the expensive machinery and obnoxious controls of Federal aid.

The Federal Government would turn back to each State all or a certain part of the taxes that it collects from the people of the respective States.

This could be a certain percentage of the personal income tax paid by the citizens of each State. It could apply to various excise taxes collected by the Federal Government. However, I want to discuss the plan to return the Federal cigarette tax collected from the citizens of each State. I am confining my remarks specifically to the cigarette tax for reasons which I will set out later, although the same philosophy could apply to other taxes.

I very definitely want to emphasize here that these remarks have no connection with the recent publicity on the ill effects of cigarette smoking. It would have nothing to do directly or indirectly with the increase or decrease of the sale of cigarettes. It proposes only to change the distribution of the Federal tax which is already being collected on cigarettes in each State.

GIVE CIGARETTE TAX BACK TO THE STATES

My bill is designed to turn back to each State the taxes on cigarettes collected by the Federal Government from the citizens of that State. It is similar to bills that I have introduced in the past two Congresses. The Federal Government now collects an 8-cent tax on each pack of cigarettes sold. Such money could be returned to each State, earmarked for use in the field of education. The process would be similar to the tax money collected by a county treasurer who in turn distributes the tax money to the local school units.

Each State then could distribute this money to the various school districts on a fair and equitable formula. In Indiana we have a formula for distribution to the schools of taxes collected by the State. Different States have different educational problems and could fairly distribute such funds in a manner that would meet the specific needs and desires of the citizens of that State.

This Federal cigarette tax amounts to approximately $2 billion per year. Indiana would receive approximately $50 million per year from this cigarette tax money, which is the amount Hoosiers pay in Federal cigarette taxes—no more, no less.

Now let us look at the advantages of this plan. It is a specific tax that is easier to earmark and to determine how much comes from the citizens of each State than many other Federal taxes. The bookkeeping would be relatively uncomplicated, and the overhead costs for administration would be practically nothing.

Mr. Speaker, I want to make it clear that the money proposed by my bill for the States would not be "free money" nor "pie in the sky." It is still taxpayers' money but it is distributed to the respective States in the amount paid by the citizens of that State.

FEDERAL GOVERNMENT DOMINATES TAX FIELD

Much has been said about "Federal aid" for education. Citizen groups, educators and officials in the Federal Government have expressed a belief in the responsibility of the Federal Government to bring aid to local and State educational units. The proponents of Federal aid to education appear to ignore the principal cause of the need for financial assistance at the local level. The Federal Government so dominates the sources of taxation that local governments have been able to provide adequate funds for schools only with great hardship.

A brief study of the relative rise of Federal taxation as compared to local county and State taxation will point out clearly the great hardships our local and State governments have in providing proper schools and other necessary services.

In 1942, just 22 years ago, 70 percent of the taxes and other revenues collected by governing units was collected by local and State governments, 30 percent by the Federal Government. Today, while the costs of our schools, colleges, and local and State governments have skyrocketed, the Federal Government has so preempted the field of taxation that the State government collects only 17 percent of the taxes collected in our country, the local government collects 13 percent and the Federal Government collects 70 percent of the taxes.

So long as the Federal Government takes more of the taxpayers' money, the State and local units must become more dependent upon Washington, but not because the Federal Government can do the job better or cheaper.

Only the naive would believe that the local and State governmental units can be best operated from Washington. The Federal Government has many important and necessary functions which no responsible citizen would suggest relinquishing to any locality, State, or group of States. There are other functions which are best handled if kept close to the people.

MUST FEDERAL AID MEAN FEDERAL CONTROL?

The plans that have been presented for "Federal aid" to education have run into many difficulties. These proposals carry with them obnoxious controls and overburdening costs for supervising and "snoopervising" that many of us cannot tolerate. There are many Washington bureaucrats interested in Federal aid to education who naturally would be against my bill because they would have no control over the money. There are those who have dreams of "empire building" with the Federal funds that they would dole out to the schools as they see fit.

Such ambitious people in high places in Washington are bitterly opposed to giving up tax money with its associated controls. I want to point out how eager some Washington bureaucrats are to extend Federal taxation into additional fields.

By our Constitution the Federal Government cannot levy a property tax. But Stanley S. Surrey, Assistant Secretary of the Treasury in charge of taxation, in a book that he wrote before being appointed to this position, worked out a method whereby the Federal Government could tax everyone's home. His suggestion was that the homeowner should report as income and pay taxes to the Federal Government on the "fair rental value" of his home. If a family lived in and owned a home which could be rented for $100 a month, they would report $1,200 per year additional income. Happily this has not as yet been proposed in Federal tax legislation, but we should keep aware of the fact that an official principally responsible for policymaking did propose such a tax.

Some of the advocates of aid to education state that they would be against any Federal control of education. Unquestionably, many of these people are sincere. However, it is interesting to note what two of the leading publications supporting Federal aid say. The New Republic in an editorial dated January 9, 1961, which was copied in the Washington Post of January 22, 1961, expressed the real thinking of many of the leading proponents of this program.

Following are pertinent extracts from this editorial:

> Yet surely a Congress asked to appropriate a billion dollars a year for our schools will hold hearings to determine whether the money is doing any good. And surely they will be told of all the ways in which it could be more wisely spent if the myopic local school board or the self-seeking State legislators were not in the saddle.
>
> Once Federal responsibility is an established principle (it is already a fact), will Congress not feel compelled to remedy what it sees as the more glaring defects of the schools? And won't these remedies mean changing the way local schools operate? Of course it is not the same for the Congress to subsidize physics as for it to forbid the teaching of driver training, though in the long run the effect on the school curriculum is rather similar.
>
> But if congressional appropriations lead sooner or later to congressional control, does it follow, as everyone seems to assume, that this is undesirable, much less disastrous? Americans are still shackled by the Jeffersonian untruth that the best government governs least, and the Central Government is worst of all.
>
> Compared with the self-appointed guardians of the public weal who dominate State legislatures and local school boards, Capitol Hill looks like a center of expertise and altruism. The tradition of the New England town meeting which still haunts the national imagination whenever "local control" is mentioned bears little resemblance to the conventions of local "fat cats" to whom we are actually entrusting our children's future.

The motive of certain people on the Federal scene is becoming clear. The desire to control, not the desire to get more money for education, is their principal goal.

I want to point out that the tax plan which I suggest is the fairest, most equitable means by which we can make it possible to augment local taxes. It will take effort on the part of many to get my legislation passed, for many of those who cry loudest for Federal money for our schools are principally interested in Federal control for our schools.

If we are interested in running our own schools and receiving back from the Federal Government for schools the money we pay, the legislation which I propose will do the job.

CAN THIS LEGISLATION SUCCEED?

On May 26, 1960, Congressman Bow of Ohio introduced an amendment to the School Construction Assistance Act of 1960 (H.R. 1018). The Bow amendment would have paid to each State exactly one-half of the Federal cigarette tax paid by the citizens of that State. I spoke in favor of the Bow amendment at that time. The House approved this amendment by a teller vote of 154 to 129; however, it was later defeated on a rollcall vote.

If the Bow amendment had carried, the States already would be receiving this money for education. Each State would have received exactly one-half of the amount of cigarette tax money that the citizens of that State had paid into the Federal Government, but Washington would have had no direct control over the schools.

Incidentally, each State would have received more money under this amendment than they would have received under the Federal aid to education bill, H.R. 1029, commonly known as the Thompson bill, that was being considered by the House at that time.

DETERMINING THE NEED FOR FEDERAL AID

Many other bills for Federal aid to education envision the Federal Government making a determination of how badly each school district needs aid and the amount and form in which this aid will be given. In such legislation those who follow what Washington wants would benefit most. Washington would decide whether a school is good or bad, needy or not needy.

If the Federal Government would allocate money on the basis of the need of the local district then such legislation would damage the very purpose for which it is intended. There are many States and many school districts which have paid heavy taxes to build adequate educational systems, while other States have failed to do so.

There are States, principally in the South, that for several years have been encouraging business and industry to come to them by promising freedom from or reduced taxes. It is sad that this inducement has caused many businesses to move to these States.

A typical example of this is the E. C. Atkins Saw Works Co. of Indianapolis, one of the oldest companies in Indiana, which recently moved to a Southern State. One of the principal reasons for its move was the promise of greatly reduced taxes. Governors and Lieutenant Governors have come to Indiana and held meetings to persuade industries to move to their States. One of the principal selling points was lower taxes.

These States to which I have referred would be heavy recipients of Federal aid to education based on so-called need. Why? Because they collect less taxes and consequently they can show their schools in greater need than those in the State of Indiana. The allocation of funds based on need would encourage States to cut taxes on industry, thereby showing a greater need for Federal assistance. Such legislation undoubtedly would do harm to education, for it would encourage States and school districts to shirk their educational responsibilities.

A FUNDAMENTAL CHOICE

There are those who have lost faith and confidence in the individual; there are those who believe that we cannot run our lives for ourselves. They believe that our lives must be planned and directed for us by some powerful force in Washington. This philosophy is contrary to that which has made our country great. As for me, I still believe in individual initiative; I still believe in the ability and integrity of the individual, working individually and in groups in the community.

I am proud of the work of our teachers and local administrators. I have faith in the educators in Indiana who have spent years of dedicated study and service in the field of education. I still would entrust our tax dollars to their administration in making a still better, more adequate educational system that utilizes every dollar received for the benefit of our children.

One of the greatest resources of America lies in the fact that most of our problems are handled at local levels, thus challenging all its citizens to develop a greater ability to govern themselves. The seizing of power of self-government from the communities and the States by an ambitious Federal bureaucracy tends to weaken the community, the local and State governments, and weaken our overall strength. The greater percentage of our money that goes to Washington, the greater becomes the unfulfilled needs of our schools, community facilities, roads, and all segments of local and State government. They must go to Washington with a tincup begging for the return of the money that has already been sent to Washington. This sending of money to Washington and later attempting to get some of it back deadens the initiative of the community.

If you believe that your local government is so lacking in pride and ability that you must depend on the know-how coming from Washington, then the legislation I have proposed would be of no interest to you. On the other hand, if you believe that your State and local communities can determine what your educational program should be and that your community needs more money for education without adding to the tax burden of local homeowners and businesses, and if you believe that a certain part of the taxes paid by the citizens of your State to the Federal Government should be returned to your State to meet educational needs as determined by your school officials, then the legislation which I propose would be a partial solution to your problems.

WAGING WAR ON WASTE AND INEFFICIENCY IN GOVERNMENT

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. Wilson] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. WILSON of Indiana. Mr. Speaker, many times in my continuing study of military procurement, when a new case is completed and phased out, I am tempted to say, "We are winning battle after battle, but the end of the war is not in sight."

Today, I want to speak of another battle that has been won, resulting in a saving to the taxpayers. This case involves the proposed sole-source purchase of 85 interference blanker subassemblies, a part of a radar set identified as the AN/FPS-6, a $155 piece of equipment that, as it turned out, was not even needed. This is another battle that has been won and a small saving made.

I doubt that the end of this war will be reached. As long as we have a defense budget of over $50 billion, it is going to be impossible to stamp out all the waste and inefficiency that it entails. But, if we in Congress continue to win the battles, we can help hold down the cost of defense without impairing our defense posture one iota.

That is exactly what I continue to seek to do daily in my efforts to revamp the policies and procedures under which our defense hardware is bought.

Mr. Speaker, thanks to the Appropriations Committee Defense Subcommittee and the Moss committee, I still receive daily the bidding information on electronics put out by the Defense Department. As a part of this material, on June 12, 1963, I noted an Army proposal to purchase 85 of these interference blankers sole source from only one bidder.

On page 7 of the bid set the Army certified that it had no drawings to allow competition. This always causes me to wonder what sort of staff work has been done to determine the availability of drawings to allow competition.

June 12, 1963, at 2:15 p.m., I requested copies of past contracts and all amendments for production of equipment. When unsatisfactory answers were given on June 14, Brig. Gen. Allen T. Stanwix-Hay, commanding officer at the U.S. Army Electronics Materiel Command, Philadelphia, was contacted by telephone.

He said he would look into the matter at once and advise me. He also thanked me for my interest, and said:

> You are doing a commendable job and are helping us. I personally appreciate your interest.

On June 18, Brigadier General Stanwix-Hay wrote me to report that—

The Army Electronics Materiel Agency had not purchased this item before but had obtained it from the Air Force through cross-provisioning procedures.

After my inquiry, the Air Force was contacted. It advised the Army that, indeed, manufacturer's drawings of the equipment were available and were being forwarded.

When a course of action was decided upon, I would be notified.

In a later clarification and expansion of his June 18, 1963, letter, General Stanwix-Hay wrote me to state that:

When the requirements for the interference blanker subassemblies were computed, Department of Defense commonality records failed to show any user of them other than the Army. Therefore, General Stanwix-Hay said, no effort was made to find if drawings or inventories of the equipment were on hand in any branch of the service.

After my telephone conversation with him on June 14, 1963, he had caused a complete review of the maintenance support plan to be conducted. This investigation revealed that the equipment was part of a larger Air Force equipment.

Then, and only then, was the Air Force queried as to the availability of competitive-type procurement data.

On June 17, 1963, the Air Force told the Army drawings were in existence, and arrangements were made to obtain them for competitive procurement.

The requirement for the interference blanker subassemblies was necessary to fulfill anticipated requirements.

Taking these factors into consideration, General Stanwix-Hay canceled the sole-source procurement and said he planned to issue a competitive procurement for the item.

Mr. Speaker, I waited till November 21 and then asked the Army what had transpired in the interim.

The answer was as frustrating as it was enlightening, because, Mr. Speaker, as it turned out, the Army did not even need the equipment it proposed to buy sole source in the first place.

By letter December 6, 1963, Brig. Gen. Wesley C. Franklin, of the Army Electronics Materiel Command, again stated the Army's previous intention to buy the equipment as "replenishment requirements." In other words, they would be used as other equipment wore out or failed.

General Franklin then went on to state, and I quote:

> Actual experience has not substantiated the original consumption estimates. Consequently, stocks on hand are sufficient to satisfy Army needs and no further procurement action is anticipated at the present time. Should additional requirements develop in the future, competitive procurement data will be utilized.

Thus, Mr. Speaker, unless an inquiry had been made and unless the Army's stated course of action in this matter had been challenged, the subassemblies would have been purchased, found to be unneeded, and probably sold for scrap or surplus at a fraction of their cost. The taxpayers would have paid for something that was not even needed and that much more money would have gone sailing down the drain.

Here is another case where a single inquiry caused personnel in the Army to get off their duff and go to work. The result was evidence that entirely refuted the Army's prior position that competition was not possible because data did not exist. Later evidence showed the equipment was not needed, anyway.

All the evidence was in Army files and could have been uncovered before the procurement was issued. But this was not done until the Army had someone looking over its shoulder while it investigated.

Mr. Speaker, here is more concrete evidence that more intricate study must be given these defense budgets as they come to the Hill. The Subcommittee on Defense of the Appropriations Committee does an outstanding job, but it simply does not have the time or the manpower available to get down into the fine-comb details of the way our money is being spent.

That is why I continue to push for enactment of my bill, H.R. 4409, which would set up a bipartisan special committee of the Congress to act as a watchdog over defense expenditures.

The committee could do more to cut defense costs than any other agency or group, since it would have as its stated purpose the sole function of riding herd on sole-source and negotiated contracts which many times lead to waste of tax dollars.

Mr. Speaker, this is another battle that has been won. Perhaps we cannot win the war, but I can assure you we are going to go right on fighting it—one battle at a time.

THE JOHNSON PHILOSOPHY: TAKE FROM THE "HAVES" AND GIVE IT TO THE "HAVE-NOTS"

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. Cramer] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. CRAMER. Mr. Speaker, Americans are asking, and properly so, "Who is this man that is our President?" "What," they ask, "is his philosophy of government?" "Is he a conservative? a liberal? a moderate"

From a statement made recently I fear what is to come under the "big deal" of the Johnson administration. My fears are founded on a statement the President made in an address to a group of leaders of organizations of senior citizens in the

Fish Room of the White House on January 15, 1964.

In his address to these senior citizens, Johnson said:

> We are going to take all the money that we think is unnecessarily being spent and take it from the "haves" and give it to the "have-nots" that need it so much.

Mr. Speaker, I regard this quote as a direct attack on free enterprise, on individual initiative, and on constitutional government as we know and enjoy it.

I submit, Mr. Speaker, that this quote is one of the most radical statements ever made by a Chief Executive of the United States. It goes beyond the wildest pronouncements of former liberal administrations. It is an affront to Americans everywhere.

At this point, I include the entire White House press release containing the verbatim remarks of the President from which the above-quoted statement came:

REMARKS OF THE PRESIDENT TO A GROUP OF LEADERS OF ORGANIZATIONS OF SENIOR CITIZENS

Mr. Celebrezze, ladies and gentlemen, I am sorry that I have been delayed a little bit in getting in here this morning, but I am happy that you are here and that you have a chance to come to this house that belongs to all of us.

There is one thing you can say about the Presidency: You have a variety of matters and you never get bored with handling one problem. But I don't know any problem that has ever faced all of our people that should concern us more than the one about which we meet this morning.

The 20th century, in which we live, has blessed most of us with much longer lives, but this blessing has brought with it a very great responsibility. That responsibility is one that you, as very special messengers, must see that all of the people of this country live up to. Many of our citizens have reached their senior years without adequate medical means to solve their economic, social, and medical problems. Many of them are poorly housed and poorly fed and are actually dependent on charity for the medical care that they get.

So I think that it behooves all of us to share these burdens, because their problems are not of their own choosing, but rather, due to a changing society.

One problem that I think we have met this morning to tackle is the need for a social security health insurance plan. This great Nation, the most powerful of all nations, should no longer continue to ask our old people to trade dignity and self-respect for hospital and nursing home care. This is something that I think is good for all of us to realize, and most of us to remember.

Our older people are likely to be hospitalized three times as often as younger people, but their income is less than half that of people under 65. The end result is what? They then turn to public welfare. This is not the American way. The social security health insurance plan which President Kennedy worked so hard to enact is the American way; it is practical; it is sensible; it is fair; it is just. It says that the average worker and his employer would each contribute an average of only 25 cents a week during the employee's working career. In his old age a retired worker can take care of his own hospital and nursing home expenses with dignity. More than that, he can choose his own doctor. He can choose his own hospital. He can do it all without being crushed by the intolerable burdens of extensive hospital care.

That kind of a program makes sense to two of America's most distinguished public personages, men of great vision and compassion and experience—Senator ANDERSON, of New Mexico and Congressman KING of California, who honor us with their presence and who, through the years have led fights like these that bring better life to more people. They have come here this morning to let you know that they have enlisted for the duration, and while we do not have many sailors in the crowd, we are going to answer all of the opposition with the statement that "We have just begun to fight."

We think this program is just. We think this program is necessary. We think this program makes sense. We think this program is going to be the law of the land. This is the prudent American way to make sure that elderly citizens can retain their dignity and retain their solvency.

We have so much to be proud of in this country, so much to be thankful for, so much to preserve and so much to protect, but nothing that we want to protect more than those who have reached their later years and want the privilege of, in dignity, providing for themselves.

I wish that somehow, some way, that each of us in this room who feels the needs of this program for a moment could put himself in the position of some older person that we know—that could be a grandmother, a mother, to some of us a brother—and put ourselves in their position and ask ourselves how would we feel if the positions were reversed? Would we want to stoop and bend and plead for funds to be shoveled out of the State and Federal Treasury by means of a means test to determine whether we could go to a hospial and, if so, how long we could stay, or would we prefer a program of our own where we could take 25 cents a week and our employer could take 25 cents a week, and then deduct it—it would really only cost him about 12 cents when it is over with—and put that in a plan that ultimately would provide these benefits?

I think we are fortunate to be Americans, but America is particularly fortunate to have so many citizens like those in this room who are especially interested in a plan of this kind, and with the help of the good Lord, Senator ANDERSON and Congressman KING and you people who speak for so many other folks, we are going to pass it.

You know, I have a little contest going on among my Cabinet members. One of the great legacies President Kennedy left me was the finest Cabinet that any President could assemble. They are so good that I didn't even want one of my own. I wanted all of them to stay right where they are.

We are determined that this Nation is going to be strong enough to secure the peace and to protect this country, but we are not going to throw our weight around. We hope we are going to be wise enough to prevent the necessity of ever using that strength.

This Nation is going to be prudent enough to be solvent, where we can pay our bills and where our checks will be honored.

We are going to try to take all of the money that we think is unnecessarily being spent and take it from the "haves" and gives it to the "have nots" that need it so much.

So we are going to have a solvent nation, but strength and solvency alone don't quicken the heartbeat. The thing that really makes a great nation is compassion. We are going to have strength and solvency and compassion, love for thy neighbor, compassion and understanding for those who are less fortunate.

Secretary McNamara will start down that long road of explaining all of our decisions of the last 50 days this week before the Congress.

Secretary Dillon is already reporting for duty every morning early and staying late in the evening to try to get that tax bill that is so essential to the economy of this country.

Not to be outdone, Secretary Celebrezze has already evolved a plan and a program where we hope that in due time we will meet here in this same house and have a signing ceremony for the program that means so much to all of us.

Mr. Secretary, you give us some indication of the date and we will all be here.

A tour of the White House has been arranged for those of you who can spare the time and would like to see it. I would like very much to spend more time with you myself. I am going to have a chance to walk around the room for a moment, if you will just delay the rest of your deliberations, but if any of you want to, we would be very happy to have you tour the White House.

RESOLUTION COMMEMORATING THE LATE PRESIDENT, JOHN FITZGERALD KENNEDY

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. HAYS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. HAYS. Mr. Speaker, the commissioners of the Steubenville Metropolitan Housing Authority, Steubenville, Ohio, have adopted a resolution to commemorate the memory of our late President, John Fitzgerald Kennedy, by designating the 172-dwelling-unit elderly apartment building, presently being constructed, as the John Fitzgerald Kennedy Apartments.

It is a resolution which expresses the deep and heartfelt sympathy of the people of Steubenville, and the Steubenville Metropolitan Housing Authority has thoughtfully sent a copy of it to Mrs. Jacqueline Kennedy.

The resolution follows:

STEUBENVILLE METROPOLITAN HOUSING AUTHORITY—RESOLUTION NO. 188–64

(By Commissioners Earl F. Rodgers, chairman; John M. Wooden, vice chairman, Mike Pavlovich, Martin M. Smith, and C. Robert Williams.)

Resolution naming Steubenville Metropolitan Housing Authority, "John Fitzgerald Kennedy Apartments."

Whereas John Fitzgerald Kennedy, our late beloved President of the United States, was a champion of the weak, the needy, and the oppressed; and

Whereas the Honorable John Fitzgerald Kennedy, during his administration, sought vigorously to bring aid to the aged and infirm; and

Whereas the purpose of the Steubenville Metropolitan Housing Authority in constructing a 172-dwelling-unit, 9-story high rise apartment building known as project OH–14–3 is to provide decent housing for the aged who are unable to help themselves; and

Whereas this building will give to its occupants that degree of respectable living that John Fitzgerald Kennedy had so fervently desired for them: Now, therefore, be it

Resolved by the Steubenville Metropolitan Housing Authority (in willing compliance with a request submitted to said housing authority by the city of Steubenville), That said project OH–14–3 shall be named and hereafter called "John Fitzgerald Kennedy Apartments," and shall be a living reminder that the work of John Fitzgerald Kennedy in preserving human dignity must not have been in vain; that the torch has passed from him to us; be it further

Resolved, That this resolution shall be inscribed in the minutes of this authority, and Paul J. Durbak, executive director-secretary is hereby directed to forward certified copies of this resolution to the Honorable Wayne L. Hays, Congressman, State of Ohio, for enrolling in the Journals of the Congress of the United States of America and to the widow of our late and beloved President, Mrs. Jacqueline Kennedy.

I, Paul J. Durbak, the duly appointed, qualified, and acting secretary of the Steubenville Metropolitan Housing Authority of the city of Steubenville, Ohio, do hereby certify that the attached extract from the minutes of the regular meeting of said authority held on the 15th day of January 1964 is true and correct copy of the original minutes of said meeting on file and of record, insofar as said original minutes relates to the matter set forth in said attached extract, and I do further certify that the copies of the resolution appearing in said extract is a true and correct copy of the respective resolution adopted at said meeting and on file of record.

In testimony whereof, I have hereunto set my hand and seal of said authority this 28th day of January 1964.

Paul J. Durbak,
Secretary.

FORGOTTEN WIDOWS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. St Germain] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. ST GERMAIN. Mr. Speaker, the bill I am introducing today is one for which there has been real need for a long period of time.

Under present law, widows and widowers whose spouse was a member of the civil service retirement and disability fund and who died prior to April 1, 1948, must have been married for at least 5 years prior to the death of that spouse.

Other laws concerning the payment of annuities to surviving spouses generally require only 2 years of marriage prior to death for eligibility.

In view of this inequity, a large number of persons have been virtually forgotten by that Federal Government, even though their late spouses were regular contributors to the retirement and disability fund. Since most of these persons are widows, many of whom are not able to provide for themselves, the problem in individual cases is frequently serious. To help these forgotten widows we must take appropriate action soon.

Passage of this legislation will enable us to discharge the debt we owe to these forgotten and needy fellow Americans.

ELIMINATION OF THE POLL TAX IN TEXAS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. Gonzalez] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, today, February 6, 1964, is a historic date for the great State of Texas. For the first time in more than half a century the citizens of Texas may register to vote in Federal elections without being forced to buy a poll tax. Texans may now register for a period of 30 days by simply applying to the tax collector of the county of their residence. They must register during this 30-day period, which begins today, February 6, 1964, and ends on March 6, 1964, but they need not pay a poll tax to be able to vote in the Federal elections.

Section 7 of chapter 430 of the laws of Texas, 1963, sets up the new registration procedures conditional upon the ratification of the constitutional amendment abolishing the poll tax as a prerequisite for voting in any election for President, Vice President, for electors for President or Vice President, or for Senator or Representative in Congress, the new procedures to take effect "on the date of publication of the certifying statement of the Administrator of General Services that the amendment had become valid as a part of the Constitution of the United States."

Subdivision 2 of the new registration procedures provide "that a receipt to identify the voter at elections held during the voting year in which this section takes effect may be obtained at any time within the period of 30 days after the effective date."

The honorable Bernard L. Boutin, Administrator of General Services, signed the certifying statement relating to the adoption of the 24th amendment to the Constitution on February 4, 1964, and this certifying statement was published in the Federal Register on February 5, 1964. Therefore, the date of publication being February 5, the 30-day period commences on February 6, 1964.

The purchase of a poll tax was not made a qualification for voting in Texas until 1902. So this date marks a return to the tradition of my home State whereby every qualified citizen was entitled to vote regardless of social class. The poll tax has been a toll tax in Texas, and it has taken a great toll. For in the 1956 general elections Texas ranked 43d in the Nation in voter participation, and in the 1960 general elections we were 44th. It is my sincere hope and belief that this poor record will be significantly improved in the 1964 elections and in the future now that the 24th amendment has taken the price tag off the right to vote.

With the unanimous consent of the Members of this House, I am submitting for the Record the appropriate sections of the Texas statutes.

Sec. 7. Ths section of this act shall become effective and operative as a law only upon the condition that the amendment to the Constitution of the United States proposed by Senate Joint Resolution No. 29 of the 87th Congress of the United States becomes a part of the Constitution of the United States prior to an amendment of the constitution of the State of Texas abolishing payment of the poll tax as a prerequisite for voting, in which event this section shall take effect on the date of publication of the certifying statement of the Administrator of General Services that the amendment had become valid as a part of the Constitution of the United States. If such amendment to the Constitution of the United States is not adopted, or is adopted after the amendment of the constitution of Texas as aforesaid, this section shall not become effective or operative in whole or in part. In the event this section becomes operative and sections 1 through 5 of this act also become operative, this section shall expire on the date that sections 1, 3, and 4 of this act take effect. Subject to the foregoing conditions, the election code of the State of Texas is amended by adding thereto a new section numbered section 34a, to read as follows:

"34A. VOTING FOR FEDERAL OFFICES

"Subdivision 1. Qualification and requirements for voting for Federal offices. Notwithstanding any other provision of this code or of the constitution of this State, the payment of the poll tax shall not be required as a condition for voting for U.S. Senator, for U.S. Representative (including Congressman-at-large), or for President and Vice President or electors for President and Vice President of the United States, in any general, special, or primary election. To be eligible to vote for such offices, a person must be a qualified elector under the constitution and laws of this State in all other respects. If he is not subject to payment of the poll tax, he must have obtained an exemption certificate in accordance with the provisions of this code if he is required to hold an exemption certificate as a condition for voting generally. If he is subject to payment of the poll tax, he must have paid the tax and obtained a receipt therefor prior to the first day of February preceding the election; or he must have obtained a poll tax receipt without payment of the tax, in the manner and within the time provided in subdivision 2 of this section.

"Subdivision 2: Issuance of poll tax receipts without payment of the tax. A person who is subject to payment of the poll tax and who is in other respects a qualified elector may apply to the tax collector of the county of his residence at any time between the first day of October and the thirty-first day of January following for issuance of a poll tax receipt without payment of the tax, to be used to identify him in voting for offices enumerated in subdivision 1 of this section during the voting year beginning on the first day of February thereafter: *Provided, however*, That a receipt to identify the voter at elections held during the voting year in which this section takes effect may be obtained at any time within the period of thirty days after the effective date, but must have been obtained at least four days before any election at which he offers to vote; and if this section takes effect during the month of January, a receipt to identify the voter at elections held during the ensuing voting year may be obtained at any time within the period of thirty days after its effective date. The applicant shall furnish to the tax collector all the information necessary to enable the tax collector to fill out the blanks in the poll tax receipt, and the tax collector shall issue the receipt as in cases where the poll tax is paid, except that he shall place the following notation on the face of the original and duplicate receipt: 'Poll tax not paid.' The application may be made in either of the manners authorized in section 43 of this Code, and all laws pertaining to issuance of poll tax receipts shall apply to issuance of receipts without payment of the tax insofar as they can be made applicable, except as otherwise provided in this section. At the time the tax collector makes up the lists of qualified voters, he shall make up separate lists of those persons to whom poll tax receipts have been issued without payment of the tax and shall furnish the lists to the election boards at the same time that he furnishes other lists.

"Subdivision 3: Voting on receipts issued without payment of the tax. A person subject to payment of the poll tax who has obtained a receipt without payment of the tax shall not be eligible to vote at any election or on any office or proposition except at elections for the offices enumerated in subdivision 1 of this section. When such persons offer to vote, the election officers shall enter their names on a separate poll list and shall furnish them with a ballot containing only the offices and candidates on which they are entitled to vote. When other offices or propositions are to be voted on at the same election, the election officers may provide separate ballots listing only the Federal offices to be voted on, or may use the regular ballots prepared for the election, from which all other offices and propositions have been stricken. When the ballot is to be cast on a voting machine, all other offices and propositions shall be locked out before the voter enters the machine. The returns of the election shall show, separate from other voters, the number of persons voting on poll tax receipts issued without payment of the tax."

Sec. 8. If any provision of this Act or the application thereof to any person or circumstance is held invalid, this invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

Sec. 9. The necessity for enacting a law for registration of voters in sufficient time to prevent a hiatus between the present law and the new law, in the event of adoption of a constitutional amendment abolishing payment of the poll tax as a prerequisite for voting, creates an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three separate days in each House be suspended, and said rule is hereby suspended; and that this Act shall take effect and be in force as hereinabove provided, and it is so enacted.

CIVIL RIGHTS FOR THE INDIVIDUAL

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Delaware [Mr. McDowell] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. McDOWELL. Mr. Speaker, there has been no greater tendency or idea in the history of Western civilization than the deepening and widening of the recognition of the rights of the individual. It has not been a simple and easy effort for this idea to become a reality. Man's ignorance and man's egotism have allied themselves against recognition of human rights throughout the long and bitter struggle for the establishment of justice. But man's ignorance and man's egotism have not prevailed against the dedicated minds of philosophers, the devoted hearts of statesmen, and the consecrated lives of citizen-soldiers.

The cause of human rights, Mr. Chairman, has not achieved enduring triumph. Our own century has witnessed the counterattacks of naziism and communism. We have seen human rights annihilated in Western Europe, whence came the very conception of liberty and justice. Now we see human rights annihilated in the entire Communist world.

It is the inevitable destiny of America, Mr. Chairman, to stand as the proponent and guardian of human rights. The Founding Fathers themselves were conscious that America's role was to establish justice in a world given over to tyranny:

> Justice is the end of government—

Declares the Federalist—

> it is the end of civil society. It ever has been and ever will be pursued until it be obtained, or until liberty be lost in the pursuit.

A just and reasonable resolution of the present civil rights issue, Mr. Chairman, will demonstrate that Americans remain true to their heritage. The Federalist again reminds us:

> In a free government the security for civil rights must be the same as that for religious rights.

Surely a community based on recognition of the rights of the individual must be a community in which every individual has the opportunity to realize the possibilities inherent in his personality. To deny to any citizen the opportunity to realize his personal possibilities is to deny him what truly belongs to him—and this is by definition unjust.

In this era of worldwide assault on human rights, the peoples of the world look to the United States as the proponent and guardian of justice. Obligation forbids us to remain indifferent. Lincoln condemned indifference toward extension of slavery in words which we should recall and apply to the current issues. Speaking of indifference to slavery, Lincoln said:

> I hate it because it deprives our republican example of its just influence in the world; enables the enemies of free institutions with plausibility to taunt us as hypocrites; causes the real friends of freedom to doubt our sincerity.

We cannot remain the defender of human rights in the free world, Mr. Chairman, unless we ourselves become just. The present civil rights issue challenges the conscience of every American.

OUR AMERICAN HERITAGE

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. Pucinski] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. PUCINSKI. Mr. Speaker, recently the National Federation of Grandmother Clubs held its convention in the Nation's Capital, and it was my privilege to address their convention banquet. I ask unanimous consent to include in the Record today the text of my remarks which follows:

October 17, 1963.

Our American Heritage

Mrs. Sullivan is not only a very lovely grandmother, but she is much too generous with her compliments. As a matter of fact, her introduction reminds me somewhat of the Congressman here in Washington who was a leading force in the prohibition movement. Legend has it that he never touched a drop of alcohol in his life. Never. Then, one day he became very ill with the flu and so his colleagues sent him a bottle of cherry brandy. He wrote them back a note and said, "My dear colleagues, thank you very much for the jar of fruit. I particularly appreciated the spirit in which it was sent."

My dear ladies; those four brave men who are here; Madam President; you ladies at the distinguished guests' table; Dorothea, it is indeed a tremendous pleasure to be with you this evening in this historic dining room in this very historic city of America and the world. I am very happy that you selected Washington as the place for your convention. You ladies are present in a banquet hall where some of the most important people of the world have gathered. Here in the Mayflower dining room, Presidents have spoken, kings have been honored, great rulers have addressed Washington audiences, and who can say how much of our American history has been written here and in the immediate area around you.

I am sure that you will all agree with me that as you conclude your convention in our Nation's Capital, a very special vote of confidence is very much in order for your president, Mrs. Shearer. You recall the very lovely choral group in one of their songs said: "We want her for ourselves." But I know that you 1,000 ladies assembled here would never agree to that because you want her for all of you. And, of course, this convention could never be the success that it has been without the very moving spirit of Dorothea Sullivan. You have heard that Chicago has a motto of "I Will." We in the Midwest work hard and fight hard. And, I think that Dorothea, the way she goes about this job, really epitomizes the very spirit of "I Will," that we in Chicago are so proud of and I want to congratulate her and you.

And, of course, I would like to congratulate all the other wonderful ladies because no convention as big as this can be handled by one or two people. Sitting on this dais this evening are very lovely ladies, every one of whom has made great sacrifices to make you all happy during your stay in Washington. These are the officers of the National Federation of Grandmothers Clubs of America and to all of them, I think we owe a great debt.

I must say without a doubt that this has been one of the best organized conventions to come to Washington in many a year. Frankly, I don't mind telling you it is a little disturbing and maybe a little ominous to find that you dear ladies can organize and administer these affairs so well. We men rather enjoy thinking that we are the indispensable masters of logistics. You have definitely proved otherwise this week and I feel sure there are a lot of very worried men in Washington today.

One thing is certain; your assault upon the Capitol the other day to visit your Congressmen has been about the biggest thing that has happened since the Suffragettes hit this city in a demand for equal rights for voting. And I tell you that if we don't get that grandmothers' resolution through now, we never will. I have heard any number of my colleagues say, "Roman, where is that resolution? Let's get this thing out of the way before the grandmothers come back again."

And you know, that's as it should be. We have in this country so many days, Pickle Day, Hot Dog Day, Peanut Day, and various other days. You have made a great impression on Washington, not only in your visits to the Congressmen, and I heard one Congressman say, "By golly, what's happened to America's grandmothers? I've never seen so many pretty women in my life. Really," he said "are these grandmothers?" And I said, "Well you know, great things are happening in America including the grandmothers."

Seriously, we have heard nothing but good things about your visit here. The cab drivers, the bell hops, the waiters and the waitresses, the boys at the Capitol, the elevator operators, the page boys and men in the galleries, the doorkeepers have all been talking about what a wonderful experience it has been to have you here in Washington. I think that Washington, D.C., the Nation's Capital, and, yes, our Nation, is that much richer tonight because you have been here with us for a few days. I think you should remember this.

With this being your last night, you might be running a little short of money. I always do you know. On the last day of your convention, you wonder if you are going to have enough for cab fare to the station and that last tip and everything else. Well, I'll tell you; right down the street here is the Riggs National Bank, one of the oldest banks in Washington, really a great institution. This is the bank where Henry Clay once attempted to negotiate a loan on his personal signature. You all remember Henry Clay from your history, and he found the officers exceedingly polite but adamant in their refusal to grant a loan. "Now," they said, "your credit is perfectly good but it is an inflexible rule of this bank to require an endorser." So Henry Clay went out in search of an endorser and he finally found Daniel Webster. He asked him if he would be good enough to co-sign the note. Well, as you remember from history, Daniel Webster was a pretty sly old fox and he said, "Of course, with pleasure, but I happen to need some money myself. Why not make your note for $500, double your original amount and you and I will split it?" The bargain was struck, the loan was negotiated and the note is still in the Riggs Bank to this day—unpaid. So, if you need money—if Clay and Webster could do it, I don't know why you should hesitate.

Washington, you know, is an exciting city in any season, but has been particularly so the last few days with so many of you lovely ladies here. I think all of us here in Washington were very much impressed with the lovely bonnets that we saw. I've never seen so many pretty hats in my life. And you know, this is what makes the convention a particularly nice one. You bring the styles of your particular communities from all over the country and it looks more like spring than fall with these lovely hats.

And so, on behalf of my colleagues on Capitol Hill and the men in Washington in general, may I say thank you for the most enjoyable and also the most colorful week we have had here for a long time.

Now, I know this, that as you walked about your Nation's Capital, you have undoubtedly felt a sense of pride and achievement at the richness and tradition that graces so many of our boulevards and side streets. It is not too hard to imagine even today the Washington of Thomas Jefferson and Henry Clay and Andrew Jackson and Abraham Lincoln. They all left something of themselves behind for future generations to enjoy.

As an American, you cannot come to Washington and not be moved by the wealth of freedom of your country. This is a great city. Very often, when there is a very difficult decision to be made, I will drive late at night to the Jefferson Memorial or the Lincoln Memorial, and there in the presence of these great men, who in their day made so many great decisions, in the shadow of their monuments and their history, I find great peace and strength. Millions of Americans who travel here to visit Washington leave feeling so much prouder that they have an American heritage, and that they are Americans.

I might tell you something about the Jefferson Memorial. In 1934, President Roosevelt decided that, as we had a monument to President Washington and President Lincoln, we also should have one to President Jefferson. And so, Mr. Roosevelt, who was a great scholar of President Jefferson, because he was the founder of Mr. Roosevelt's party, and my party, too, decided to build a monument which he could see from the White House. If you will look off the porch of the White House, you look right over the Tidal Basin and see the Jefferson Memorial.

There were some lovely ladies in Washington in those days, too. And I daresay they were probably as adamant in their views as you grandmothers are about Grandmothers' Day. At one time these ladies were very, very much upset because to build the monument to Jefferson it was necessary to remove some of the cherry blossom trees that were blooming around the Tidal Basin. On the day the construction was to begin, these lovely ladies went out and physically chained themselves to the cherry blossom trees and threw the keys into the Tidal Basin. And Mr. Roosevelt had to hold a very hurried conference in the White House with a delegation from that group to assure them that the cherry blossom trees would be restored.

Many of you, I am sure, have found the charming streets of Georgetown a wonderfully preserved link with the past. As a matter of fact, you have probably already discovered that during the attack on Washington by the British in 1814, precious documents and historical records and paintings were gathered from all over the city and were transported there by cart in the middle of the night, to the campus of Georgetown University, where they were hidden by the students of Georgetown in underground cellars. And that is how we happened to preserve the archives of the very beginning of this country. You may not know, however, the students did such a good job in keeping the secret from the invading forces that ever since that time the university has been allowed to use the Great Seal of the United States on its class rings and its official documents as a memento of the great service it performed to our Government and to history.

You have noticed, I am sure, that this Capital City has refused to remain part of one historical generation. This is really the great dynamics of Washington. It is a continuing record of achievements; architectual, historical, and cultural from our earliest days as a free republic. The streets that you walk today were walked by George Washington. President Washington often drove into the muddy city streets of this city from his beautiful estate in nearby Alexandria. He expressed frequently his fear that the city would always be a swamp, and he was probably rather glad that he did not have to live in the White House. And I'll tell you why, and you ladies will appreciate this. The White House was being constructed during his term in office. And even then, there was a great scandal and much talk about the exorbitant cost involved in building the President's house. Thus you see that topics of conversation do not change much in Washington from year to year, because people are still talking about the changes and additions to some of the rooms.

Abigail Adams, the first wife of a President to live within the White House wrote later at great length of the terrible dampness and depressing chill within the building. This matter-of-fact woman, and here is why I say you ladies will appreciate this, took to hanging her clothes to dry in the great East Room. Do you know why? Because she discovered that the architect had left no place for the clothes to be hung outside the building. My wife keeps telling me that even today's architects never put enough closets in a house. Mrs. Abigail Adams had the same problems in the White House.

Robert E. Lee, later in the 19th century could gaze through the trees on the front lawn of his plantation across the Potomac in Arlington and see the changes that were still taking place in the city. It is said that after turning down the Union offer to command the Union Army, he spent several long and restless nights pacing up and down beneath the portico of his estate watching the lights of the city across the river.

Many of you, of course, have visited the White House. As you know, it is just down the street. When you look down the street, you can see it on Pennsylvania Avenue. I hope that you have stopped to think about the White House and only by being here can you fully appreciate it. This is where our President lives. And this is where our great Presidents have lived. No man, in this democracy, is ever more alone than the President. No man ever carries a greater burden on his shoulders than the President of the United States. No man has a greater responsibility. And even though he has a whole army of advisers; civilians, military, scientists, economists, diplomats, the final decisions on all issues are his, and his alone. What awesome responsibility. And so, when you look at that White House, remember that the President of the United States, is carrying on the tradition of making decisions that will not only protect and preserve your freedom but the freedom of your children and your grandchildren. And I submit that there is no lonelier place in the world than the White House of the United States.

It is for this reason, that I should like to recall for you, an anecdote that was cited by President Lincoln. In a democracy, we have the right to criticize. Of the 113 nations in the world today there are really very few places where people have the degree of freedom that we Americans have. We can say what we like about our President, agree with him or disagree with him, without fear of punishment. Presidents throughout the history of America became accustomed to being seriously criticized by all political parties.

President Lincoln used to console himself by telling this story. A traveler on the frontier found himself, as night came on, in a wild region. And a terrible thunderstorm added to his troubles. He floundered along until his horse gave out and then he had to get down to lead him. Occasional flashes of lightning offered the only clue to the path. And the crashes of thunder were terrifying. One bolt which seemed to crush the earth beneath him made him stagger and brought him to his knees. Being by no means, a very praying man, his prayer was short and to the point: "Oh Lord," he said, "if it is at all the same to you, give us a little more light and a little less noise." I think, that perhaps, our President would appreciate a little more light and a little less noise. He is trying to do a good job.

The subject of our speech tonight was to be "Our American Heritage." Maybe I could tell you about it by a little story that we heard the other day that comes out of Moscow. It seems that Mr. Khrushchev had sent one of his most trusted observers to America and he came back after 6 months, and he ran into one of his friends. And, his friend said, "Where have you been?" And, he said, "Well, you know Premier Khrushchev sent me to America to observe personally the death of that decadent democracy." And his friend said, "Well?" And he said, "Well, you know, I saw all those wonderful cities, wonderful schools, wonderful hospitals, all those people working, all those wonderful automobiles, all those fine families. I saw that great beautiful country, flourishing with everything that anyone could ever have, including freedom like no man has ever imagined. And, you know, I concluded, what a beautiful way to die." Now that is our heritage.

One hundred and thirteen nations throughout the world look to America; America which started here and with the help of people, all over the 50 States, expanded to the greatest nation of the world. The Federal Government which decided so long ago to make its official home here, is composed of people from every corner of this enormous country. Those who come here to work bring their diverse talents and their interests in fields as far ranging as developing lawns which never need cutting to exploring the universe from inside permanent space stations soon to be hovering far above the earth. The reasons why they come are, of course, as many and as varied as the people themselves. But, they do share something in common. I believe it is particularly fitting to point it out this evening. We started out with people. Some were escaping religious or political persecution. Some were hoping to find a better life. Some were seeking adventures and new lands. Three hundred and fifty-three years later, these same characteristics which you can find here in the Nation's Capital still prevail for numbers of aliens who arrive here in America to make their homes here and become citizens.

In this great Capital is assembled a polyglot community of people of various religions, political beliefs and economic standards, working together to preserve a great Nation. We have offered a great gift to the world, the gift of freedom. And in the process, we have become the beacon light shining through the darkness and oppression of centuries. When you try to envision just what this Nation has achieved in terms of giving the world a standard to live up to, it is next to impossible to encompass the scope of our efforts. We should always remember the tremendous influence for good which has been fostered by a Nation formed by men and women who could not live under tyranny and who would not accept dictatorship. America has endured and has gained in strength chiefly because of the great lessons we have learned as people from those who form a link with the past and present. You lovely grandmothers here this evening have carried on the traditions and the ennobling spirit and love of freedom which were handed down to you by your own mothers and fathers, grandmothers and grandfathers.

In this room tonight, I am sure we have women whose ancestry goes back to virtually every nation on the face of the globe. If we had the power to trace back each of your cultural backgrounds, if we could trace back your family tree through your grandfathers, great grandfathers and great-great grandfathers, going back generations, 30 and 40 generations, and in some instances even more, we would find the depths of wealth and cultural development that each of you has brought to these shores of America.

This is what makes us so different from every other social order in the world today—the fact that our national heritage as Americans permits us to live together in freedom, respecting each other. This is the great story of our American heritage.

So I say that it was this freedom and this love of freedom which brought our forefathers here. We are all so involved in the destiny of this beautiful land and its course of history, that we, in spite of our differences in ethnic backgrounds, in religion and in race, have forged together to become one people. We still have our differences in some cases. But, as long as we continue to grow and stand united in our love of freedom for all people, we cannot help but perpetuate the freedoms which were born here in this city, so many years ago. I thank you all for your active participation in this freedom of history. We usually think in terms of being proud of our children and grandchildren. But, tonight, I think I should turn the tables a little and say a particular thank you to all of you

The people who are part of our Government come with a great love for this country and a great respect for its traditions and freedoms. They are not superpatriots or angels with gilded wings. They are men and women with sensible and intelligent minds who are willing to devote their careers to preserving and perpetuating all that is good about this Nation, and to expand and amplify and to explore our full potential as a great Nation. And, this is why we are so happy to have you here this evening. Because these are the things which you and those who have come before you have brought to this city. This love of country, this respect for traditions, the willingness to accept the challenges imposed by the age in which we now live were not learned from textbooks, they were learned at home—in many instances, your homes.

People who are participating in the main stream of our Government learned the value of our American heritage from parents and grandparents, grandparents such as you in this audience today who are not ashamed of their devotion to their country.

One of the great strengths of the United States has been and will continue to be, with the help of God, the willingness to accept responsibility which has characterized every generation of Americans since the Jamestown Colony was established a few miles away in Virginia in 1610. It wasn't by chance that this Nation became a world power and ultimately the world leader of the free world. It is no accident that the great industrial, scientific, and technological advances which have helped to shape the course of the entire planet have been developed here or magnified here or have come into existence in the United States. It was once said, my dear ladies, that the hopes of a nation are the ideals of her women. You grandmothers have shown all of us here in Washington during the past few days that our strength as a nation stems from the foundation you and your own grandmothers gave this Nation. But it would be mockery to have you come to Washington to live in the atmosphere of this great Nation for 3 or 4 or 5 or 6 days and not carry back with you a greater understanding of what this country is all about, and not take back with you as ambassadors of freedom and democracy a better understanding for your neighbors.

It is my hope that when you return to your homes, you are not only going to tell your neighbors and your friends about the great monuments, the great Chamber of Congress, the White House, but I hope you will tell them about the spirit of your Nation's Capital. You have in the last few days visited the citadel of democracy. No other people in the world today live under a more complicated system of government than we do. And, I might say to you, my dear ladies, no system of government moves more slowly than the democratic system of government, and I say that with a small "d". This great democracy has sustained itself through all sorts of crises, through wars, through depressions, because we do not ricochet in our philosophy of government with the shifting sands of public opinion.

We have a Constitution and I trust many of you have seen it during your visit here to Washington. We have a Bill of Rights. We have fundamental guarantees which you as Americans and we, as your Representatives, fight to preserve. There are those who would like to change these institutions for the sake of convenience. There are those who would like to alter them. But that great Constitution of yours has shone forth as a beacon.

We have changed as changes became necessary. We, for instance, gave women the right to vote because we recognized that this democracy could not survive if women were second-class citizens. There were other changes that we made, but they were slow and deliberate changes. And, God grant that this country will not be dealt with by expediency, but rather by deliberation, the kind of deliberation that you witnessed in the Halls of Congress. There are those that would try to malign this Congress; there are those who would try to ridicule the men and women who serve in the Congress of the United States. There are those who say that the Congress has not moved fast enough. I submit, my fellow Americans, to move just for the sake of movement does not make much sense.

The Congress is meeting the great issues of the day as it has before, after sufficient and due deliberation.

There are those who would like to stampede our President into decisions. Your President—your President, it's not important what party he belongs to. I have been in Congress under both Democratic and Republican Presidents, and so have my colleagues. And you will find that most men of Congress today look upon the President beyond his political beliefs. After all, Mr. Eisenhower was my President too. And, so your President moves with deliberation, vast problems. No President has been confronted with the decisions of Mr. Kennedy. And I submit that in Mr. Eisenhower's time, no President had been confronted with more awesome decisions than Mr. Eisenhower. Because each President acquires new problems in a world that has become even more complex, in a world that can destroy itself more easily with each passing generation. And so, each President must move with deliberation.

I hope that when you go back home, you are going to understand and carry back a message. I think it is a source of concern to all of us, and it should be, when Americans, well-meaning Americans, glibly defame their President because they don't happen to agree with this or that part of his conduct.

This reminds me of the first expression of free speech that was ever registered by man. It was by the ancient Locrians. They were the first ones who experimented with free speech, at a price that I submit not many of you would want to pay. In their day, any citizen could get up in the village square and speak out on any subject that he wanted. But, they first placed a noose around his neck. And, if the crowd didn't agree with him, he was promptly hanged. Thank God, in this country, we don't have a system like that. And, I urge, that when you go home, you will carry back with you a message from Washington that we are living under a form of government which provides us all with the greatest degree of opportunity and freedom.

I should like to conclude with this one reminder. The keystone, the cornerstone, the very foundation of your American heritage is dignity. Dignity of the individual. And, God grant that we Americans will never reach that point that we forget that God created us to treat our neighbor with dignity. We may disagree, and I hope that our democracy will find strength in disagreement. We here in Congress, have a little rule which we remember. I should like to share this rule with all of you because I believe it will help you to find a full appreciation of dignity. We in the Congress say, "We disagree often, but we are disagreeable seldom."

THE LATE HOMER P. HARGRAVE

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. LIBONATI] is recognized for 10 minutes.

Mr. LIBONATI. Mr. Speaker, the death of Homer P. Hargrave, vice president and director of the Chicago office of

Merrill Lynch, Pierce, Fenner & Smith—the largest stockbrokers firm in the United States—removes from the LaSalle Street scene a happy, considerate, and fun-loving businessman. He was exceedingly popular and always wore a smile reflective of a lovely character. His record of success in the financial world attests to his rare abilities resulting in appointments to important positions in Chicago and Midwest stock exchanges and other commercial associations.

His indentification with the brokerage business started in 1919 entering the employ of William H. Colvin, later—1926—merging with E. A. Pierce & Co., receiving the appointment as general partner. And upon the incorporation of the present firm—1959—became vice president and director.

He enjoyed the highest rank of executive positions in the financial field—served as chairman of the Chicago Stock Exchange 1947–49; chairman Midwest Stock Exchange—1949–53—director of the board of trade—1945–51; and vice president—1949–51.

In civic affairs and public relations no one was more consciencious or as effective in carrying out his responsibilities. He acted as chairman of the Chicago Better Business Bureau—1953–56; and was former director of the Chicago Association of Commerce and Industry.

He was always an active member of any group that he joined—his sincerity of dedication to the purposes of the organization to accomplish a general good in the life of the community or the levels of the economy or the welfare of the youth were uppermost in his mind.

As a member of the Chicago Board of Trade, Chicago Mercantile Exchange, Midwest Stock Exchange and the Detroit Stock Exchange he was held in high esteem and introduced many reforms for the protection of the public. He was always one for thoughtful men to follow—he achieved great results—not by audacious moves and "plungers tactics" but by cautious and careful study, and the constant application of business principles based on the ethical standards of his profession.

He was keen, logical, earnest, and fair in all his dealings with his fellow man.

One of his main interests in life, centered around the progress of the youth programs at the Glenwood School for Boys, where he served as trustee, and the Illinois Institute of Technology.

His contributions to veterans projects and charities were many. He served in the AEF as a captain and saw action in France.

His widow, the former Collen Moore—a star of the silent movies—raised sums of money for charity in the display of her one-half-million-dollar dollhouse to the public whereat contributions were received. The dollhouse is presently on exhibition at the Museum of Science and History.

His son, the brilliant young financier, Homer P. Hargrave, Jr., and Mrs. Judith Coleman, his daughter—children of his previous marriage to the first Mrs. Hargrave who died in 1933—and his five grandchildren were recipients of his deep love of family, together with his beautiful and talented wife, Colleen, whom he married in 1937.

To the members of his family, we of the Illinois delegation extend our heartfelt condolences in their great loss.

The Nation has lost an honored and patriotic citizen, the State of Illinois a great financier, and the city of Chicago one of its most distinguished and successful sons, who always strove for the best, and whatever he did he did well, and whatever he accomplished was for the good of the city, State, and Nation that he served so well.

May God in his blessedness grant to him, a faithful servant, everlasting peace.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Bray (at the request of Mr. Thomson of Wisconsin), for 15 minutes, on February 7, to revise and extend his remarks, and to include extraneous matter.

Mr. Libonati (at the request of Mr. Matsunaga), for 10 minutes, today, to revise and extend his remarks, and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Celler to extend remarks made by him in Committee of the Whole and to include extraneous matter.

(The following Members (at the request of Mr. Thomson of Wisconsin) and to include extraneous matter:)

Mr. Glenn.

Mr. Alger in two instances.

(The following Members (at the request of Mr. Matsunaga) and to include extraneous matter:)

Mr. Gilbert.

Mr. O'Hara of Michigan.

ADJOURNMENT

Mr. MATSUNAGA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 34 minutes p.m.) the House adjourned until tomorrow, Friday, February 7, 1964, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1662. A letter from the Assistant Secretary of Defense, transmitting the 10th report on property acquisitions of emergency supplies and equipment for the Office of Civil Defense, Department of Defense, for the quarter ending December 31, 1963, pursuant to the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

1663. A letter from the Comptroller General of the United States, transmitting a report on overpricing of nuclear reactor components purchased from Westinghouse Electric Corp., Pittsburgh, Pa., under cost-plus-a-fixed-fee contracts awarded by the Bureau of Ships, Department of the Navy; to the Committee on Government Operations.

1664. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of the orders entered in the cases of certain aliens who have been found admissible to the United States, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

1665. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill entitled "a bill to amend paragraph (a) of the act of March 4, 1913, as amended by the act of January 31, 1931 (16 U.S.C. 502); to the Committee on Agriculture.

REPORT OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURRAY: Committee on Post Office and Civil Service. Report on statistical activities of the Federal Government: Personnel equipment, and contract costs; without amendment (Rept. No. 1130). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DANIELS:

H.R. 9928. A bill to amend the Fair Labor Standards Act of 1938 to increase to 50 percent of the minimum under section 6 the minimum wage applicable to physically handicapped workers employed in sheltered workshops and to provide for periodic increases beginning January 1, 1965, and for other purposes; to the Committee on Education and Labor.

By Mr. EVINS:

H.R. 9929. A bill to provide that the U.S. District Court for the Winchester Division of the Eastern District of Tennessee may be held at Manchester, Tenn.; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 9930. A bill to provide annuities payable from the civil service retirement and disability fund in additional cases for certain widows and widowers by eliminating the required period of marriage; to the Committee on Post Office and Civil Service.

By Mr. HARRIS:

H.R. 9931. A bill to amend section 203(b) of the Interstate Commerce Act in order to provide for an exemption in the case of certain movements of motor vehicles for the account and accommodation of the owners thereof; to the Committee on Interstate and Foreign Commerce.

By Mr. REIFEL:

H.R. 9932. A bill to amend the Tariff Act of 1930 to impose additional duties on cattle, beef, and veal imported each year in excess of annual quotas; to the Committee on Ways and Means.

By Mr. HAGEN of California:

H.R. 9933. A bill to amend section 481 of the Internal Revenue Code of 1954 with respect to certain changes in method of accounting initiated by the taxpayer; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the State of New Jersey, memorializing the President and the Congress of the United States requesting the National Aeronautics and Space Administration to establish and locate its proposed Electronics Research Center in the Delaware Valley, which was referred to the Committee on Science and Astronautics.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLATNIK:

H.R. 9934. A bill to authorize the construction of a dam on the St. Louis River, Minn.; to the Committee on Public Works.

By Mr. LANKFORD:

H.R. 9935. A bill to confer jurisdiction on the District Court for the District of Columbia to hear, determine, and render judgment on the claim of James Buckler against the District of Columbia; to the Committee on the Judiciary.

By Mr. PATTEN:

H.R. 9936. A bill for the relief of Giuseppina Restivo; to the Committee on the Judiciary.

By Mr. PEPPER:

H.R. 9937. A bill for the relief of Gino Torelli; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

680. By the SPEAKER: Petition of Chester A. Johnson, president, Michigan Farmers Union, Homer, Mich., relative to the nuclear test ban treaty; to the Committee on Foreign Affairs.

681. Also, petition of M. Jacob Joslow, American Jewish Congress, New England Region, Boston, Mass., petitioning consideration of their resolution with reference to Israel and the Middle East; to the Committee on Foreign Affairs.

682. Also, petition of Henry Stoner, Avon Park, Fla., to provide for a special appropriation bill to be called the independent regulatory agencies appropriation bill; to the Committee on Appropriations.

683. Also, petition of Henry Stoner, Avon Park, Fla., to require in the curriculum of certain schools and colleges, aided by congressional appropriated Federal money, courses in the language spoken by more people on earth than any other language, Mandarin Chinese; to the Committee on Education and Labor.

684. By Mr. PATTEN: Petition of Alexander M. Jones requesting legislation to make sure the Treasury Department adopts special procedures to guarantee fair, wide, and impartial distribution to all the people of the United States of the new John F. Kennedy half dollar; to the Committee on Banking and Currency.

EXTENSIONS OF REMARKS

Loss of Freedom for Any Group Poses Threat to All

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 6, 1964

Mr. ALGER. Mr. Speaker, many of our people are concerned with legislation only when they are directly affected as a group or as individuals. The important truth is that the issues we face in Congress are of vital concern to all of the people. No group can have its freedom taken away without the freedoms of all other Americans being put in peril.

This is something to think about when we are asked to pass legislation which could lead to socialized medicine and putting the doctors under Federal control. I can assure all those in the other professions, it would not be long before they, too, would become the victims of bureaucracy.

The following editorial from the AMA News sounding a warning issued to lawyers by my good friend and colleague, the gentleman from Virginia, Congressman RICHARD POFF, is well worth calling to your attention:

"LEGALCARE" NEXT?

Representative RICHARD H. POFF, of Virginia, urged every lawmaker and law practitioner to take an interest in a recent newspaper article datelined Warsaw. He placed the following news story in the CONGRESSIONAL RECORD:

"Poland's 5,700 lawyers will be forced into collectives under a measure ending private legal practice in the Communist nation.

"The bill was passed * * * by Poland's Communist-dominated parliament with only five opposing votes. Although a client may still select his own attorney, fees will be set by the government and paid to the lawyers' association. Part of the income will be divided equally among all members of the collective and part in proportion to the work they do.

"Sponsors of the bill argued that legal fees were too high for ordinary people."

Commenting on the article, the Congressman said "many lawyers seem unconcerned about the fact that some people in America would like to see the medical profession socialized." Representative POFF, an attorney and a member of the House Judiciary Committee, added:

"Because they are not personally and immediately concerned, they have closed their eyes and ears to the threat. Lawyers would do well to come to the aid of their sister profession. Who can say that the next proposal might not be legal aid to the aged, and next medical and legal aid for everybody."

Fumbling of Foreign Policy Basic Issue, Says Goldwater

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 6, 1964

Mr. ALGER. Mr. Speaker, as the problems confronting the United States throughout the world multiply daily as the administration seems more and more unable to cope with them, it is good to know that we do have a national leader who is speaking out for a firm policy in defense of freedom. Under permission to extend my remarks in the RECORD I include an address by Senator BARRY GOLDWATER at a luncheon meeting in Minneapolis, Minn., on February 3, 1964. Senator GOLDWATER makes sense. He is speaking for the American people and I am confident the overwhelming majority of them agree with him.

Senator GOLDWATER's address follows:

EXCERPTS OF REMARKS BY SENATOR BARRY GOLDWATER, REPUBLICAN, OF ARIZONA

There is a new coup in Vietnam and the war there is drifting toward disaster.

Where is the administration? Still off making promises to buy votes at home, while the world smolders and burns.

Where is our foreign policy? Caught napping again.

And how can we expect the same administration, the same foreign policy fumblers who neutralized Laos—how can we expect them to do better in Vietnam?

This new coup was a protest against plans to neutralize Vietnam. But who invented the idea in Laos? The foreign policy advisers of this administration.

Can anyone be sure that we will not forsake southeast Asia again? Will words alone suffice to reassure the besieged Vietnamese and the threatened peoples of Thailand and Malaysia? I say they will not. They cannot if they come from the same mouths that let Laos die and still permit the agony of indecisive battle to continue in Vietnam.

This Nation has a great and fateful decision to make in Vietnam. It cannot make it while its eyes are fixed on the hypnotic gimmickry of vast new domestic spending programs and political promises. It cannot make it under leadership that whistles past the graveyard of its past mistakes, refusing to face the hard facts of a hard and cold world.

Panama shows this, too. Cuba shows it. An entire hemisphere, troubled and pierced by Communist subversion, shows it.

Where has Lyndon been while Panama burned? Fiddling with his political promises, telling the Nation that Republican criticism amuses him—or maybe listening to his Bobby Baker stero set.

In Panama we didn't even have an Ambassador on hand when the shooting started. We'd had warnings, but there was no one to listen. And where does the situation stand today? Stuck in the mud of indecision, as usual.

What has happened to the wall around Cuba that was supposed to keep it from exporting murder and subversion throughout Latin America? The wall crumbled even as it was being built. Today it's not even a chicken-wire fence.

Maybe this administration thinks that a public housing program for Castro would solve all the problems. Or more trade. Or more patience.

Patience is a virtue. But when patience becomes procrastination, it is a deadly vice. I say that this Nation has put off its foreign policy decisions long enough.

Now it is time to put up. Now it is time to produce, not just promise. I do not say that I have, or that any one man has, all the answers or even most of the answers.

But I say, and I think that most Americans, most free men everywhere, say that we have got to have those answers before it is too late.

This is the great issue of our time. Can we and will we lead in the cause of freedom? Or will we fail, will we fumble, will we fail?

I charge that this administration is fumbling, is failing. I charge that freedom is falling around the world.

Let America's conscience, in the time we have, be tested on this great issue. Let us say to the world and to the politicians who have brought us here, that we will not be bought away with pie in the sky. Let us put freedom into our skies and into the skies of the world. Let us debate this great issue with the administration which is responsible for the failures and the fumbles.

Your life, the life of freedom, the freedom of the world, and the world of your children depends on this great issue more than on any other.

We cannot wait and wait. We must start, and we must win.

Lapeer County Press and Lapeer County Courthouse Observe 125th Anniversaries

EXTENSION OF REMARKS

OF

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 6, 1964

Mr. O'HARA of Michigan. Mr. Speaker, I should like to take this opportunity to salute two of the most venerable institutions in Lapeer County, Mich.—the Lapeer County Press and the county courthouse. Each has made an indelible mark on the growth, vitality and progress of the county.

The County Press and the courthouse, both of which are celebrating their 125th birthdays, have another thing in common. They can be traced back to the same man, A. N. Hart, who founded the newspaper and built the courthouse. I wish to call this occasion to the attention of my colleagues.

The Press and the courthouse have witnessed many changes in Lapeer County and in Michigan in their 125 years of existence. The courthouse is Michigan's oldest. The Press prides itself as America's largest rural weekly. It is also one of the best weekly newspapers in America.

In 1839, when the Press and the courthouse first opened their doors, our Nation was only 63 years old. Our westward expansion had barely begun; Martin Van Buren was our President; Michigan had been a State for only 2 years, and its population numbered about 212,000.

Lapeer County, which supposedly takes its name from the French words, "LaPierre," was organized in 1835—just 4 years before the Press published its first edition and the courthouse was built.

Today Michigan ranks seventh among the States in population with nearly 8 million residents. It is one of the most progressive of all the 50 States. And with our State's growth and progress have come growth and progress to Lapeer County.

The courthouse and the Press each has played important parts in this progress. The courthouse is aging, but the Lapeer County Press seems ageless. It has changed with the changing times and continues to be a vibrant, effective, responsible and fairminded voice for the county and its people. It has been and continues to be a dynamic force for good in the community.

Mr. Speaker, it is entirely fitting and proper that these two great institutions be given the recognition they deserve on the occasion of their 125th anniversary.

Civil Rights

EXTENSION OF REMARKS

OF

HON. JACOB H. GILBERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 6, 1964

Mr. GILBERT. Mr. Speaker, I am proud to serve as a member of the important Committee on the Judiciary of the House of Representatives which approved the civil rights bill now being considered by the Congress. I took a very active part in the debate on the bill which took place in the House of Representatives and emphasized that it is important that the Congress pass the bill in its present form and that these are the minimum benefits we should provide; any watering down of this bill would be entirely unacceptable to me.

Civil rights and the elimination of all discrimination based on race, color, religion, or national origin, have always been matters of major concern to me during my years of service in the New York State Legislature and ever since coming to Congress. I have introduced numerous bills to eliminate discrimination and to secure constitutional rights and protection for Negroes and members of other minority groups; many of the provisions of this civil rights bill are similar to those contained in bills I introduced in the past. Following are some of the statements I made during the debate in the House of Representatives:

> This is one of the most gratifying and thrilling moments of my life. I am grateful and proud to be a Member of this Congress, the greatest deliberative body in the world, which now has the privilege and duty of assuring to Negroes and members of other minority groups in our country their constitutional rights, so long denied them. By passing this bill, the most far reaching and comprehensive civil rights bill ever considered by the Congress of the United States, we shall achieve an honored place in the history of our Nation. The opportunity to give renewed hope, a brighter future, dignity, equality, and freedom, to millions of people, does not come our way often; I am thankful that I have been accorded that opportunity.
>
> I have used the word "opportunity," because I have been working faithfully toward this moment during all my years of service in the New York State Legislature and since coming to Congress. But let me say to the opponents of this bill, that it is the duty of this Congress to pass the bill; that failure to do our duty will invite terrible consequences too awful to contemplate. The most powerful social revolution in our history is gaining in momentum; the Negro is demanding his constitutional rights now; we must recognize the unshakable determination of the Negro to escape from second-class status. The bill is entirely reasonable—it grants no special favors or privileges; it merely assures to Negroes and others now wrongfully discriminated against, the same rights and privileges which other citizens have forever taken for granted.
>
> One hundred years have passed since the issuance of Lincoln's Emancipation Proclamation. One hundred years is a long time to suffer under the evils of discrimination, to be denied opportunities in education and employment, to be denied the right to vote, a decent place to live. One hundred years is also a long time to give human decency, moral persuasion, tolerance, love for one's fellow man, religious teachings, the chance to eliminate and to overcome the discrimination and injustices directed against generations of Negroes. Now patience is at an end; a strong law is needed.
>
> This Nation has been pleased to assist people of other nations when they have thrown off the oppressive yoke of a dictator, and when they have sought a democratic form of government. Let us face the truth. Right here in our own country we have permitted a dictator called discrimination to inflict cruelties, death of spirit, and inhumane treatment upon millions of our people for a hundred years; they have been denied the rights guaranteed them under our democratic form of government. The image we present to the world's family of nations is not very attractive at this point; we cannot expect to have our words and pleas in behalf of democracy accepted abroad when we live a lie here.
>
> The conscience of every right-thinking American has now been aroused. State and city officials, religious leaders, civic groups of all kinds, business organizations, labor leaders, educational leaders, millions of individuals, have given us a mandate to pass this civil rights bill. We, the representatives of the people, must obey that mandate.
>
> This bill would secure for Negroes and members of other minority groups their rights regarding voting, public accommodations, desegregation of public facilities, school desegregation, nondiscrimination in federally assisted programs, equal employment opportunity; it also contains other important and helpful provisions. Although the bill before us will not accomplish all our aims, it will go far toward correcting present glaring injustices, and it represents a good start toward our final goal.
>
> Think of this scene. A white father looks upon his newborn son. He is proud of his beautiful baby and says: "He'll be President someday." Now think of this. A Negro father sees his son for the first time and is equally proud of him. But immediately fears and doubts come to his mind. He knows that as things now stand, his son will not have good schooling, he will not be able to achieve his full potential in education or in employment, he will be insulted when he tries to find lodging while on a journey, he will be prevented from voting, his ambitions and hopes will die, he will be prevented from establishing a home of his choice, he will forever suffer under the scourge of discrimination because of the color of his skin. These evils of discrimination exist throughout our Nation. Negroes today say that for many of them, the benefits provided by the bill before us come too late to change their lives to a great degree. But they demand, now, that this law be passed and its provisions faithfully carried out. They want

their children to have the opportunities provided by the bill and the protection and true freedom and equality they have never known themselves. They want to know that their children will be able to find work commensurate with their ability, and to enjoy the dignity of equality with their neighbors. They want their children to face the world with hope and courage, not heartache and despair.

One of the gravest problems of the Negro today is job discrimination. Reports show that the income, per capita, of U.S. Negroes is $1,100, of U.S. whites $2,450. We know that Negroes are nearly always last to be hired and the first to be fired. Also, most of the employed Negroes in this country are in the unskilled or semiskilled service trades, because they have been denied educational and training advantages enjoyed by the whites. This bill seeks to provide equal employment opportunity. The public accommodations section of the bill will give to Negroes all over the United States a measure of assurance against the ugly, cruel, destructive and humiliating refusals of service which have made interstate travel a terrible experience for them.

It is an indisputable fact that the future and well-being of our Nation depend upon enactment of this civil rights bill. I sincerely hope and pray that this Congress will meet its responsibility and that we will now, finally, establish here in our Nation the true democracy of which we have boasted, and that all our citizens will be enabled to enjoy the equality and rights guaranteed them by our Constitution.

The Late Rear Admiral David Potter, U.S. Navy, Retired

EXTENSION OF REMARKS

OF

HON. MILTON W. GLENN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 6, 1964

Mr. GLENN. Mr. Speaker, in memoriam to the late Rear Admiral David Potter, Supply Corps, U.S. Navy, retired, and his distinguished record of service in the Navy, I wish to take this opportunity of inserting in the RECORD today a biography and other tributes to his outstanding performance of duty.

Rear Admiral Potter died on December 13, 1962, at the age of 88. In a brochure entitled "Rear Adm. David Potter Who Sailed the Seven Seas for His Country but Who Never Forgot the Friends and Scenes of His Boyhood," compiled and edited by Francis A. Stanger, Jr., of Greenwich, N.J., member of the New Jersey bar, and president of the Cumberland County Historical Society, the following tribute is made to Admiral Potter:

> Rich in heredity and environment, endowed with natural brilliance and courage, honored and loved, David Potter was never boastfully proud nor uncultured. Truly he was one who could and did "talk with crowds and keep his virtue, and walk with kings, nor lose the common touch." Attainments were considered by him humbly as incidents arising from the performance of duty, while honors and praise were gratefully accepted by him as inspirations to greater service.

The Secretary of the Navy also paid tribute to Admiral Potter in a letter written to Mrs. Potter, shortly after the admiral's death. The Secretary said:

> Your husband's record of military service is a distinguished account of more than four decades of naval progress. Loyalty, honesty, and extreme dedication to the highest standards of the Navy are the hallmarks of his life—a life which provides an outstanding example for all who wish to follow. I hope the knowledge of his distinguished achievements, and the deep appreciation of a grateful people, will bring some measure of consolation to you in your bereavement.

A short biography on this fine gentleman and dedicated naval officer follows:

> Rear Adm. David Potter, Supply Corps, U.S. Navy, retired.
>
> David Potter was born on December 19, 1874, at Bridgeton, N.J., son of William Elmer Potter, counselor at law, major of Twelfth Regiment of New Jersey Volunteers, Army of the Potomac, 1862–65, and Mrs. Alice Eddy Potter. He attended Princeton University, Princeton, N.J., where he was active in athletics; a member of the Elm Club and the Monday Night Club, Whig Hall; an editor of Nassau Literary magazine; and historian of the class of 1896. He was graduated with a bachelor of arts degree in 1896, and the next year became attorney at law and master of the court of chancery of New Jersey.
>
> Appointed assistant paymaster with rank of ensign on February 18, 1898, he took the oath of office on February 25. He subsequently rose to the rank of rear admiral in the Supply Corps of the U.S. Navy, on November 24, 1937. He was transferred to the retired list of the Navy on January 1, 1939.
>
> Upon acceptance of appointment as assistant paymaster in 1898, he was assigned to the U.S.S. *Katahdin*, and after continuous sea duty in that vessel and others for 3 years during the War with Spain, 1898, and the Philippines campaign in 1899–1900, during which period he participated in the affair at Zapote River in Luzon, June 13, 1899; at Cape Melville lighthouse in Balabac on July 13, 1899; at San Fabian, Luzon, November 7, and Zamboanga, Mindanao, November 16 of the same year; at Cagayan, Mindanao, March 29, 1900; and at Oroquieta, Mindanao, October 1, 1900.
>
> Other naval vessels in which he served were: U.S.S. *Buffalo*; U.S.S. *Boston*; U.S.S. *Manila*; U.S.S. *Hancock*; U.S.S. *Illinois*; U.S.S. *Kearsarge*; U.S.S. *Mississippi*; U.S.S. *Minnesota*; and U.S.S. *Pennsylvania* He participated as fiscal officer of customs during the American occupation of Vera Cruz, Mexico, in July and August 1914; and during that year attended the Naval War College. During World War I in 1917–18, as a member of the Navy Compensation Board, he handled matters of the costs of naval vessels built at civilian shipyards (until 1919).
>
> He was fleet paymaster of the Atlantic Fleet from 1919 to 1921, and in the rank of rear admiral he served as paymaster general of the Navy and Chief of the Bureau of Supplies and Accounts from 1921 to 1925, during which period he was a member of the Board for Settlement of Claims arising from Treaty Limiting Naval Armament, 1923. From 1926 to 1930, he was a member of the Naval War Claims Board, and for 4 years thereafter was general inspector of the Supply Corps for the west coast. He relinquished the latter position in March 1934, ultimately to establish and remain in charge of the Finance and Supply School located at the Navy Yard, Philadelphia, concluding that duty in 1938.
>
> After temporary duty at headquarters, 12th Naval District, San Francisco, Calif., he was transferred to the retired list of the Navy on January 1, 1939.
>
> He has the Spanish Campaign Medal (1898); the Philippine Campaign Medal (1899–1900); the Mexican Service Medal (1914); and the Victory Medal (1918).
>
> Admiral Potter has long been a member of the Army and Navy Clubs of Washington, D.C., and Manila, Philippine Islands; the Princeton Club of New York; and the Shoemaker Post of the American Legion of Bridgeton, N.J. He is the author of monographs concerning the financial and supply affairs of the Navy, and has lectured on such matters at various colleges.
>
> His wife was the former Jane Grey, daughter of Vice Chancellor Martin Phillip Grey of New Jersey, to whom he was married at Salem, N.J., on April 23, 1904.

Mr. Stanger's brochure on Admiral Potter, dedicated to the Cumberland County Historical Society, sets forth the distinguished Potter family genealogy.

It contains five articles written by Admiral Potter and published in news media circulated in Bridgeton, N.J., which concern his boyhood and early days of manhood in Cumberland County, N.J. It tells of his outstanding service to the city of Bridgeton Chamber of Commerce and of the orations delivered by him in his native city. It also gives an account of Admiral Potter's literary achievements, which include six books of fiction, four novelettes, and one moving picture. Admiral Potter also wrote a volume of memoirs, one biographical volume "New Jersey Men in the U.S. Navy," 20 poems and 75 special articles. He also prepared and delivered many lectures and addresses.

Adm. David Potter's record as a citizen and as an officer in the U.S. Navy will long constitute a standard of patriotism for adults and a guide to patriotic service for all American youth.

SENATE

FRIDAY, FEBRUARY 7, 1964

The Senate met at 10 o'clock a.m., and was called to order by Hon. LEE METCALF, a Senator from the State of Montana.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, we beseech Thee that Thou wilt make this pause in the work of the day a moment of devotion, a pavilion of Thy peace, as—trusting only in Thy mercy—we bring our soiled souls to Thy cleansing grace.

We come with heavy burdens on our minds and hearts, for our Nation and for our world. We come with deep anxiety concerning the tomorrows our children and our children's children will inherit from our hands. Yet we live and labor in the confidence that—overruling our failures—Thy truth is marching on, even in the seeming bafflements of these tumultuous days.

Take us, we pray Thee, as we are. With unfulfilled purposes and disappointed hopes, with impulses, strivings, and longings so often frustrated and thwarted, and even with what is broken and imperfect in us, may we be used to make Thy radiant dreams for all Thy children come true.

We ask it in the name of Him who made life a sacrament, and a cross a throne. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 7, 1964.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. LEE METCALF, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. METCALF thereupon took the chair as Acting President pro tempore.

REVENUE ACT OF 1964

The ACTING PRESIDENT pro tempore. Under the order of yesterday, the Chair lays before the Senate H.R. 8363, the Revenue Act of 1964.

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

The ACTING PRESIDENT pro tempore. The pending question is on agreeing to the amendment of the Senator from Tennessee [Mr. GORE], numbered 418, upon which there is a limitation of debate, with controlled time.

The Senator from Tennessee has 20 minutes of his time remaining.

The pending amendment will be read.

AMENDMENT NO. 418

The amendment was read, as follows:

Beginning on page 121, line 23, strike out all through line 23, page 128.

On page 129, line 1, strike out "423" and insert "422".

On page 135, line 1, strike out "424" and insert "423".

On page 140, line 16, strike out "425" and insert "424".

On page 140, line 19, strike out "425" and insert "424".

On page 142, line 20, strike out "422(b)(7), 423(b)(3), and 424(b)(3)" and insert "422(b)(3) and 423(b)(3)".

On page 144, line 3, strike out "422(a)(2), 423(a)(2), and 424(a)(2)" and insert "422(a)(2) and 423(a)(2)".

On page 144, line 8, strike out "425" and insert "424".

On page 144, line 16, strike out "423 AND 424" and insert "422 AND 423".

On page 144, line 20, strike out "423 or 424" and insert "422 or 423".

On page 146, line 9, strike out "422(b)(6), 423(b)(9), and 424(b)" and insert "422(b)(9) and 423(b)".

On page 147, line 19, strike out "423" and insert "422".

On page 147, line 25, strike out "424" and insert "423".

On page 149, in the material following line 3, strike out "(1) The term 'qualified stock option', see section 422(b)."

On page 152, line 4, strike out "425" and substitute "424".

On page 153, lines 9 and 10, strike out "paragraphs (2) and (3)" and substitute "paragraph (2)".

Beginning on page 153, line 18, strike out all through line 2, page 154.

THE INTERNATIONAL COFFEE AGREEMENT

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield 2 minutes to me?

Mr. LONG of Louisiana. I yield 2 minutes to the Senator from Kansas.

The ACTING PRESIDENT pro tempore. The Senator from Kansas is recognized for 2 minutes.

Mr. CARLSON. Mr. President, perhaps I should ask unanimous consent that I may proceed to discuss briefly a matter which is not exactly related to taxes, namely, the International Coffee Agreement.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. CARLSON. Mr. President, I opposed the Senate's approval of the International Coffee Agreement and its ratification, when it was before the Senate last May. I opposed it against the strenuous opposition of the administration and most of the Senate leadership. I stated then that if that agreement was approved and ratified, it would cost the consumers $500 million.

This morning, I am sorry to report that it will cost the consumers more than $500 million.

Every 1-cent increase in the price of coffee costs all the consumers $70 million. The United States uses over 50 percent of the coffee consumed in the world. Therefore, a 1-cent-a-pound increase in the price costs American consumers between $35 and $40 million.

I was interested to read in the news dispatches yesterday an article in which it was stated that coffee prices have increased from 7 to 10 cents a pound since December. The dispatch reads as follows:

COFFEE INDUSTRY FEARS CONTINUED PRICE INCREASES

Coffee prices have been increased by 7 to 10 cents per pound since mid-December and industry spokesmen say the rise will continue unless the Government steps in with some kind of control.

The import price of green coffee has jumped from 34 cents a pound to 48 cents since mid-January, informed sources said today. However, all this increase has not yet been reflected in the retail prices.

"As soon as our present stocks are depleted I can see no way out of increasing the consumer price," one wholesaler said. The cost to wholesalers has increased about 14 cents a pound since the first of the year, while the cost to the housewife has increased only 7 to 10 cents in the same period.

In other words, a 10-cent-a-pound increase means an increased cost of $700 million to all the consumers.

It will cost our U.S. consumers between $350 and $400 million.

Some will say there has been a frost in Latin America, and that the coffee crop has been damaged. This is no doubt true. I made some checks on this subject; and I find that we have 2 years' supply of coffee. So no one can claim there is a shortage of coffee.

There has been manipulation of the coffee markets of the world, largely because the United States entered the International Coffee Agreement. When it was before the Senate, I stated that it was the intention of those who wrote the articles of agreement and signed it to have the price rise between 5 and 10 cents a pound.

One who has read the hearings and testimony given at that time can come to no other conclusion.

The real purpose of the agreement was not stabilization of prices but to raise coffee prices.

I believe it is time for the United States to immediately withdraw from the coffee agreement, in order to protect the consumers of the United States.

DESIGNATION OF SENATOR METCALF AS ACTING PRESIDENT PRO TEMPORE

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield 2 minutes to me?

Mr. LONG of Louisiana. I yield 2 minutes to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I submit a resolution for which I request immediate consideration.

The ACTING PRESIDENT pro tempore. The resolution submitted by the Senator from Montana will be stated.

The resolution (S. Res. 296) was read and, by unanimous consent, was considered and agreed to, as follows:

Resolved, That notwithstanding the provisions of paragraph 3 of rule I of the Standing Rules of the Senate, the Senator from Montana [Mr. METCALF] be, and he is hereby, authorized to perform the duties of the Chair as Acting President pro tempore until otherwise ordered by the Senate.

CUBAN FISHERMEN AND THE GUANTANAMO WATER SUPPLY

Mr. MANSFIELD. Mr. President, no matter how the Cuban Government may act, the Cuban fishermen are entitled to, and will receive, the same justice and the same impartial protection of domestic and international law as any other alien persons in similar circumstances. The fact that they are Cubans or that Cuba retaliates for their arrest is irrelevant insofar as the judicial processes of this Nation are concerned. However the Cuban Government may regard the matter, there will not be any mixing of justice and water on our part.

Insofar as the water supply issue is concerned, if the pretext of the arrest of the Cuban fishermen had not sufficed, the Havana government would have had no difficulty in creating another. It is obvious that Castro wants us out of Guantanamo, and it is also obvious that he is not going to make it easier for us to stay. It is equally obvious that we have no intention of being pressured out. At this time the need is for cool water at the Guantanamo base. Hot words on the floor of Congress will not supply it. We have the technical means to supply the water for as long as it takes and in whatever quantities it takes. I have every confidence that the President will see to it that we are not parched out of Guantanamo.

Mr. KUCHEL. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. KUCHEL. The days through which our country and the rest of the world are now passing are difficult ones. In my judgment, international communism is, once again, testing the American Government, her resolve, her courage, how she will react to potential danger.

So far as the Senate—representing the people of the United States—is concerned, and so far as our country as a whole is concerned, we want our Government to demonstrate that we will continue to be guided by the same high principles on which our country was founded. We intend to treat all people equally. We will talk with anyone on international disputes. We seek just and peaceful means of settling them. We intend to stand firm with respect to our rights.

Let communism understand that the people and the Government of the United States are not going to be pushed around.

Mr. MANSFIELD. Mr. President, I appreciate those words of the Senator from California, and I am sure our President will carry out the policy outlined in the statements made by the distinguished acting minority leader.

REVENUE ACT OF 1964

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

Mr. LONG of Louisiana. Mr. President, without prejudice to the pending amendment, I ask unanimous consent for the present consideration of a technical amendment in the nature of a clarification of a committee amendment.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered; and the amendment submitted by the Senator from Louisiana will be read.

The Legislative Clerk. On page 75, in lines 7 and 8, it is proposed to strike out "with respect to property".

On page 75, line 9, strike out "such".

On page 75, line 12, after the period insert:

> For purposes of the preceding sentence, a debt which becomes worthless shall, to the extent of any deduction allowed under section 166(a), be treated as a loss.

Mr. LONG of Louisiana. Mr. President, the purpose of this technical amendment is to make it clear that the 10-year foreign expropriation loss carryover will apply to a taxpaper who incurs a loss because the stock of a 95-percent-owned subsidiary becomes worthless or because a business debt becomes wholly or partially worthless by reason of an expropriation of assets. The amendment would not create a new deduction or change the character of any loss from capital to ordinary.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana.

The amendment was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that the amendment of the Senator from Tennessee [Mr. Gore] may be laid aside temporarily in order that the Senate may proceed to consider an amendment which I have cleared with members of the committee and the Treasury Department.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. WILLIAMS of Delaware. Mr. President, on behalf of myself, the Senator from Colorado [Mr. Allott] and the Senator from Florida [Mr. Smathers], I offer an amendment and ask that it be stated.

The Chief Clerk. At the appropriate place insert a new section in the bill as follows:

> That section 165 of the Internal Revenue Code of 1954 (relating to losses) is amended by relettering subsection (i) as subsection (j) and by adding the following new subsection (i):
>
> "(i) Property confiscated by Cuba: For purposes of subsection (c)(3) losses of property which arise from expropriation, intervention in or confiscation by Cuba, shall be deemed to be losses from 'other casualty.'"

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

Mr. LONG of Louisiana. Mr. President, this is a matter with regard to which the Treasury Department would like to cooperate to reach a proper solution of problems relating to Cuban expropriation. While we have not been able to determine the matter conclusively, we hope to do so in conference. In the event we cannot arrive at an adjustment, I hope the Senator will not be intransigent about the matter.

Mr. WILLIAMS of Delaware. Mr. President, I talked with representatives of the Department of the Treasury. First they thought the desired result could be accomplished by regulation or that we should wait until a general bill dealing with this subject came over. This is too important to wait, and I hope the provision I am proposing can be inserted in the bill.

I see no reason why individuals whose property is confiscated by Castro should not be allowed to claim such loss of property as a casualty loss in the same manner they would, should the property be destroyed by fire or flood.

Corporations or other business activities can claim their losses—why should individual property owners not be treated the same.

I urge the approval of the amendment.

Mr. SMATHERS. Mr. President, I am a cosponsor of the amendment. We have talked with representatives of the Treasury Department. The Treasury Department thinks the difficulty can be resolved. I believe it can. The amendment would provide simple justice for everyone.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

The amendment was agreed to.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the amendment of the Senator from Tennessee may be temporarily laid aside.

The PRESIDING OFICER. Is there objection to laying aside temporarily the amendment of the Senator from Tennessee? The Chair hears none, and it is so ordered.

Mr. SMATHERS. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The legislative clerk read as follows:

> Sec. —. Extension of Time for Payment of Estate Tax on Value of Reversionary or Remainder Interest in Property
>
> (a) Extension under 1954 code—Section 6163(b) (relating to extension of time for paying estate tax on value of reversionary or remainder interest in property to prevent undue hardship) is amended by striking out "not in excess of 2" and inserting in lieu thereof "or periods not in excess of 3".
>
> (b) Extension under 1939 code—Section 925 of the Internal Revenue Code of 1939 (relating to periods of extension of time for paying estate tax attributable to future interests) is amended by striking out "not in excess of 2" and inserting in lieu thereof "or periods not in excess of 3".
>
> (c) Effective date:
>
> (1) The amendment made by paragraph (a) shall apply in the case of any reversionary or remainder interest only if the time for payment of the tax under chapter 11 of the Internal Revenue Code of 1954 attributable to such interest, including any extensions thereof, has not expired on the date of the enactment of this Act.
>
> (2) The amendment made by paragraph (b) shall apply in the case of any reversionary or remainder interest only if the time for payment of the tax under chapter 3 of the Internal Revenue Code of 1939 has not expired on the date of the enactment of this Act.

Mr. SMATHERS. Mr. President, the proposed amendment to section 925 of the 1939 code and section 6163(b) of the 1954 code, identical in substance, are designed to lengthen to 3 years the present 2-year period for which the payment of the estate tax on a remainder or reversionary interest may be extended where earlier payment would cause undue hardship.

Mr. President, the proposal has been checked out with the Treasury on both sides of the aisle. There is no objection to it. No cost to the Treasury would be involved. It is more in the nature of a technical amendment.

Mr. WILLIAMS of Delaware. Mr. President, I concur. The amendment would in no way change the tax liability of this company. I am willing that we accept the amendment.

Mr. SMATHERS. Mr. President, I ask unanimous consent that an explanation of the amendment be printed at this point in the Record.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

MEMORANDUM IN SUPPORT OF AMENDMENTS TO SECTION 6163(b) OF THE INTERNAL REVENUE CODE OF 1954 AND SECTION 925 OF THE INTERNAL REVENUE CODE OF 1939 RELATING TO HARDSHIP EXTENSIONS OF TIME TO PAY ESTATE TAX ON REMAINDER INTERESTS

The attached proposed amendment to section 925 of the 1939 code and section 6163(b) of the 1954 code, identical in substance, are designed to lengthen to 3 years the present 2-year period for which the payment of estate tax on a remainder or reversionary interest may be extended where earlier payment would cause undue hardship. Under section 6163(a) of the 1954 code and sections 925 and 926 of the 1939 code, executors may, by posting an appropriate bond, postpone for 6 months the payment of that part of the estate tax attributable to the inclusion in the estate of a reversionary or remainder interest. If, after the period of postponement, the payment of the tax would result in undue hardship section 6163(b) of the 1954 code and section 925 of the 1939 code, as amended by the Technical Amendments Act of 1958, provide for a further 2-year extension of time for payment.

The provision for 2-year hardship extensions added by section 66 of the Technical Amendments Act of 1958 was designed to provide for situations in which payment of the tax could not be effected within 6 months after the termination of the precedent interest. It had been found that the settlement of the accounts of a complicated trust sometimes delays the executors' possession of the reversion or remainder interest. In some instances, a court construction of a doubtful trust instrument is required to determine the distribution of the trust corpus.

Unfortunately, experience has shown that the 2-year extension provided in 1959 is inadequate in certain cases. Accordingly, it is proposed that the period for which extensions may be granted be increased to 3 years.

Such an increase in the time period would not prejudice the revenue and would give the Secretary of the Treasury added flexibility in dealing with taxpayers who might otherwise be seriously prejudiced by the present limitations. The amendments would apply only to estates as to which the time for payment has not expired on their effective date.

The amendments give the Secretary authority to grant a series of extensions within the 3-year period thereby facilitating control of the length of such extensions and preventing any taxpayer's delaying payment for a period longer than actually required by circumstances.

Prompt enactment of the amendments is urgently needed to prevent a substantial estate having an extension under present law which will shortly expire from being in default on payment of tax by reason of inability to conclude the litigation of relevant issues prior to the expiration of its extension.

Mr. LONG of Louisiana. Mr. President, we will take the amendment to conference and see if we can work it out.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida.

The amendment was agreed to.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the amendment of the Senator from Tennessee [Mr. GORE], which is pending, be temporarily laid aside so that I may offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The LEGISLATIVE CLERK. It is proposed that at the appropriate place in the bill insert the following:

That section 6511 of the Internal Revenue Code of 1954, relating to limitations on credit or refund, is hereby amended by adding at the end of subsection (d) thereof, relating to special rules applicable to income taxes, the following new paragraph:

"(5) SPECIAL PERIOD OF LIMITATION WITH RESPECT TO SELF-EMPLOYMENT TAX IN CERTAIN CASES.—If the claim for credit or refund relates to an overpayment of the tax imposed by chapter 2 (relating to the tax on self-employment income) attributable to the retroactive effect of an agreement, or modification of an agreement, made pursuant to section 218 of the Social Security Act (relating to coverage of State employees), by reason of which the self-employment income (as defined in section 1402 (b)) of an individual is different from what it would be but for such agreement (or modification), and if the allowance of a credit or refund of such overpayment is otherwise prevented by the operation of any law or rule of law other than section 7122 (relating to compromises), such credit or refund may be allowed or made if claim therefor is filed on or before the later of the following dates: (A) the last day of the second year after the calendar year in which such agreement (or modification) is agreed to by the State and the Secretary of Health, Education, and Welfare, or (B) December 31, 1965."

Mr. KUCHEL. The amendment has been cleared with the Senator in charge of the bill. The Treasury Department has approved it. The Budget Bureau has approved it. The Department of Health, Education, and Welfare has approved it.

The amendment provides for the same treatment for the self-employed under the social security system with respect to refunds as the present law now authorizes for others in the system. I ask unanimous consent that the reports on S. 1480 which I authored and introduced on May 8, 1963, submitted by the Secretary of the Treasury and the Secretary of Health, Education, and Welfare, be printed in the RECORD at this point.

There being no objection, the reports were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., November 1, 1963.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request of May 9, 1963, for a report on S. 1480, a bill to provide credit or refund of self-employment tax in certain cases.

The bill would provide for a credit or refund of social security self-employment taxes paid in cases where the retroactive coverage of State or local Government employees under the old-age, survivors, and disability insurance program extends to years for which refunds of such taxes are barred by statute.

Social security coverage for employees of States or their political subdivisions may be provided under agreements entered into between the States and the Secretary of Health, Education, and Welfare pursuant to section 218 of the Social Security Act. Section 218(f) of the act provides that an agreement, or a modification of an agreement, shall be effective with respect to services performed after the date specified in the agreement or modification, but such date may not be earlier than the last day of the sixth calendar year preceding the year in which the agreement or modification, as the case may be, is agreed to by the Secretary of Health, Education, and Welfare and the State.

Retroactive coverage under section 218 of the Social Security Act has been provided for employees who, in some instances, have paid taxes on self-employment income for years in the period of retroactive coverage for which they must also pay social security contributions on their wages from State or local government employment. This retroactive period of coverage can include years for which no refund of self-employment taxes can be made because the taxes were paid in the period for which refunds are barred by section 6511 of the Internal Revenue Code. Thus, when the total of wages and self-employment income credited for a year in the retroactive period exceeds the maximum amount of earnings that can be credited for social security purposes, the employee would have paid an excessive amount of social security taxes; if the year is within the period barred by the statute of limitations the worker can receive no credit or refund of the taxes, and the taxes paid on the extra earnings will not increase the social security benefits payable on his account. The extra taxes paid by a worker in these cases result from the implementation of statutory provisions authorizing retroactive coverage and not because of any action taken by the worker.

Substantially the same problem was encountered a number of years ago when State or local government employees had other wages on which social security taxes had been paid in the period of retroactive coverage. Relief from the payment of excess taxes in these cases was granted by Congress in the Social Security Amendments of 1954. S. 1480 would provide relief, in the form of a credit or refund of taxes, that is similar to that provided for employees whose excessive payment of social security tax relates to wages rather than self-employment income.

Since section 218 of the Social Security Act distinguishes an "agreement" from a "modification of an agreement," we believe that the bill should include a reference to such modifications as well as to the basic agreement itself. The situation for which the bill would provide relief can occur not only as a result of an agreement but also as a result of a modification to an agreement.

The bill provides that in order to get a refund of social security self-employment taxes paid for a barred year an application for a refund would have to be filed within 3 years from the time the agreement for retroactive coverage was entered into. Some State and local government employees have retroactive coverage under agreements made more than 3 years ago and therefore they could not qualify for a refund of taxes under the provisions of S. 1480, the time limit for filing having already expired. We believe the bill should be changed so that it would apply to these people.

We would have no objection to enactment of the bill subject to the modifications proposed above.

We are advised by the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,
ANTHONY J. CELEBREZZE,
Secretary.

TREASURY DEPARTMENT,
Washington, D.C., October 22, 1963.
Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the views of this Department on S. 1480, "A bill to provide credit or refund of self-employment tax in certain cases."

Social security coverage for employees of States or their political subdivisions may be provided under agreements entered into between the States and the Secretary of Health, Education, and Welfare pursuant to section 218 of the Social Security Act. Under section 218(f) of the act the agreement, or modification of an agreement, "shall be effective with respect to services performed after an effective date specified in such agreement or modification; except that such date may not be earlier than the last day of the sixth calendar year preceding the year in which such agreement or modification, as the case may be, is agreed to by the Secretary and the State."

It is our understanding that retroactive coverage under section 218 of the Social Security Act has been provided for employees who, in some instances, have paid self-employment tax on amounts earned from sources other than State employment (for example, by writing a textbook). Under section 1402(b) of the Internal Revenue Code, relating to the definition of self-employment income, an individual's maximum income subject to self-employment tax for a year is determined by subtracting his "wages" for that year from $4,800 (from $4,200 for the years 1955 through 1958). Thus, if a State employee is retroactively covered for 1961 and he received wages of $4,000 from the State in that year (and no other wages), his self-employment income, if any, for that year could not exceed $800 ($4,800 minus $4,000). If the individual paid self-employment tax on earnings in excess of $800 he would be permitted to recompute the self-employment tax and claim credit or refund of any overpayment. There is no barrier to the allowance of the credit or refund if the claim is filed before the expiration of the period of limitation prescribed by section 6511 of the Internal Revenue Code. In the cases to which S. 1480 is directed, however, such period expired, or will have expired, before the existence of retroactive coverage under section 218 of the Social Security Act. Under these circumstances, the individual concerned has no opportunity to avoid the duplication of coverage and taxes, and under existing law there is no remedy. The Treasury Department believes that in these circumstances an inequity exists and that a remedy should be provided.

S. 1480 would add a new section to the Internal Revenue Code (sec. 6424) which would provide for the allowance of a credit or refund in any case in which the amount of self-employment income for a barred year, before the retroactive coverage of wages under section 218 of the Social Security Act, differs from the amount of such income after the wages are retroactively covered. The credit or refund would be computed by multiplying the amount of such difference by the rate of self-employment tax applicable to the barred year. The credit or refund would be allowable, however, "only if claim therefor is filed within 2 years from the date on which the agreement under section 218 was entered into."

The Department would like to suggest a revision of the bill, as set forth in the enclosed draft, which is intended to accomplish the following changes:

1. Section 6402 of the code, providing general authority for credits or refunds of overpayments, is applicable to the cases in question, and the only additional provision needed is an appropriate period of limitation in lieu of the period prescribed by section 6511(a). Accordingly, as a matter of code arrangement, it would seem preferable to place the additional provision in section 6511, rather than to state it as a new section 6424.

2. It is our understanding that the 2-year period of limitation proposed in S. 1480 may have expired, or that expiration thereof may be imminent, for some of the cases which S. 1480 is intended to remedy. The enclosed draft would open the period of limitation for all concerned until December 31, 1965, and would provide thereafter for a period ending at the close of the second year following the calendar year in which the retroactive coverage is agreed upon by the State and the Secretary of Health, Education, and Welfare. (This latter period is the same as the period provided for State employees in sec. 202(a)(2) of the Social Security Amendments of 1954, 68 Stat. 1090.)

3. Section 218 of the Social Security Act distinguishes an "agreement" from a "modification of an agreement." It appears necessary to include a reference to such modifications inasmuch as they may be a source of retroactive coverage. An "agreement," for example, would not necessarily be the only appropriate event from which to measure a period of limitation.

Subject to the changes referred to above, the Treasury Department has no objection to the enactment of S. 1480.

The Bureau of the Budget has advised the Treasury Department that there is no objection from the standpoint of the administration's program to the presentation of this report.

Sincerely yours,
STANLEY S. SURREY,
Assistant Secretary.

Mr. GORE. Mr. President, reserving the right to object, will the Senator in charge of the bill give us an explanation of the amendment?

Mr. KUCHEL. I believe the best way to explain it is to read a portion of the letter from the Secretary of Health, Education, and Welfare which refers to the amendment that I have offered:

> The bill would provide for a credit or refund of social security self-employment taxes paid in cases where the retroactive coverage of State or local government employees under the old-age, survivors, and disability insurance program extends to years for which refunds of such taxes are barred by statute.
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> * * * * *
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> The bill provides that in order to get a refund of social security self-employment taxes paid for a barred year an application for a refund would have to be filed within 3 years from the time the agreement for retroactive coverage was entered into. Some State and local government employees have retroactive coverage under agreements made more than 3 years ago and, therefore, they could not qualify for a refund of taxes under the provisions of S. 1480, the time limit for filing having already expired. We believe the bill should be changed so that it would apply to these people.
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> We are advised by the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

In addition, having listened to representatives of this Department, the House of Representatives has reported similar legislation in the House.

Mr. GORE. Mr. President, I have listened to the explanation, and I have also conferred with staff members. I am now familiar with the problem to which the amendment is addressed, and I have no objection.

Mr. KUCHEL. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that, without prejudice to the pending amendment, the Senate may proceed to consider certain amendments that are purely technical in nature.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana? The Chair hears none. The amendments of the Senator from Louisiana will be stated.

The CHIEF CLERK. The following amendments are proposed:

Page 33, line 7, strike out "amendment" and insert "amendments".

Page 47, in the second line following line 9, strike out "602(a)" and insert "6052(a)".

Page 66, line 5, strike out "tribution" and insert "tributions".

Page 67, line 20, strike out "intervening year" and insert "taxable year intervening".

Page 69, line 9, strike out "years" and insert "year".

Page 75, line 6, strike out "loss" " and insert "loss' ".

Page 75, line 13, strike out "such" and insert "any taxable".

Page 76, line 9, strike out "year." and insert "year,".

Page 76, line 13, after "expropriation" insert "loss".

Page 87, line 3, after "date of" insert "the".

Page 88, line 20, strike out "on or".

Page 92, line 6, strike out "year." and insert "year,".

Page 92, line 11, strike out ") relating" and insert "(relating".

Page 95, line 7, before "(c)" insert opening quotation marks.

Page 100, line 15, after "80a–2)" insert closing parenthesis.

Page 105, line 13, strike out "described" and insert "described".

Page 109, line 22, after "corporation" insert ", with respect to the plan described in subsection (a) (2).".

Page 110, line 7, strike out "plan" and insert "plans".

Page 116, line 1, after "poration" insert ", with respect to the plan described in subsection (a) (1) (A),".

Page 116, line 11, strike out "plan" and insert "plans".

Mr. LONG of Louisiana. The amendments are clerical.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Louisiana.

The amendments were agreed to.

Mr. CARLSON. Mr. President, I would like to inquire of the Senator in charge of the bill as to the application of the minimum distribution tables contained in section 123(b) of the bill, relating to minimum distributions from controlled foreign corporations under section 963(b) of the code.

Section 123(b) of the bill provides three separate minimum distribution tables to give effect to the new corporate tax rate changes. The first of these tables is provided for "Taxable years beginning in 1963" and is the same as existing law. The second table is provided for "Taxable years beginning in 1964"; the third for "Taxable years beginning after December 31, 1964."

Many U.S. corporations to which these tables will apply may own one or more foreign subsidiary corporations having taxable years which differ from the taxable year of the U.S. parent. Is it intended that each of the references to taxable years in the revised minimum distribution tables is to the taxable year of the U.S. parent corporation receiving the minimum distribution and not the taxable year of any foreign subsidiary?

For example, is the table provided in section 963(b)(2) to apply in determining the amount of minimum distribution required to be received by a domestic corporation whose taxable year begins in 1964 irrespective of the taxable year of any of its foreign subsidiaries from whom the minimum distribution has been, or is to be received?

Mr. LONG of Louisiana. The answer to the question is "Yes." Similarly the table described in section 963(b)(3) is to be used for taxable years of the U.S. parent corporation beginning after December 31, 1964.

Mr. CARLSON. Mr. President, I appreciate very much the response of the Senator from Louisiana.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, February 6, 1964, was dispensed with.

REVENUE ACT OF 1964

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. WILLIAMS of Delaware. I was talking with representatives of the Treasury Department yesterday, and I understand there may be technical error in the personal holding company section and that they might suggest an amendment.

It is my understanding that such an amendment would not in any way change the intent but would merely correct a draftsmanship error. I do not know whether the Senator from Louisiana is familiar with this or if he has the amendment.

Mr. LONG of Louisiana. As the Senator well knows, this bill is 379 pages long. It is extremely technical in nature. The Senator knows that the members of the staff are perhaps the most overworked persons in the United States, having been driven almost like slaves in a galley for the last 2 weeks, and, to a considerable degree, even for months preceding that. The staff has been working 16 hours a day, including Sundays, trying to do all the technical drafting necessary for the bill. People can be only human. They can make errors. No one is perfect. So if there have been a few oversights in drafting, we certainly wish to do away with any technical mistakes or any failures in language to carry out what was the intent of the committee when the staff attempted to carry out that intention. Our staff, and the Treasury staff, have performed Herculean tasks in drafting this bill in such a short time.

Mr. WILLIAMS of Delaware. I join the Senator in commending the staffs of both the committee and the Treasury.

Mr. LONG of Louisiana. It may well be that at some point in this lengthy bill of some 375 pages of technical drafting an undue hardship may have been inadvertently placed on someone. If that is the case, I will cooperate with the Senator in trying to correct it.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. CARLSON. I wish to pay tribute to the staff and the Treasury for the outstanding service they have rendered to the committee in executive sessions as well as during the consideration of the bill on the floor. It was my privilege to serve for many years on the House Ways and Means Committee, and for the past 8 years on the Senate Finance Committee. This is the finest cooperation we have ever had. It was interesting to note that there were no problems this year in that connection. I think I should mention that previously there was discussion as to whether representatives of the Treasury Department should sit in with the committee during consideration of the bill. This year there was no objection to the representatives of the Treasury Department continually sitting with the committee. I urged it. I think it was helpful.

I do not always support the views of the Treasury. At the same time, I think they can be helpful. This bill represents evidence of hard work. Some of the staff members worked on Sunday to get together a report in 2 or 3 days which might well have taken at least 10 days. They are entitled to great commendation.

Mr. WILLIAMS of Delaware. Mr. President, I join the Senator in congratulating the staff on the job they have done. It would be a miracle if we did not discover more errors before final passage of the bill.

Mr. LONG of Louisiana. We have found that the Treasury and the staff can be most helpful. On one particular occasion the Senator from Louisiana did not prevail with an amendment when the Treasury did not agree with him on it. The Senator from Louisiana had not invited the staff to give views on what the result of the adoption of my amendment would be. That is what happens when we do not have the views of the advisers, and tell them to speak only when they are spoken to, when they are available for professional advice.

Mr. CARLSON. Mr. President, I probably had more amendments that were opposed by the Treasury representatives and received less consideration or approval than any other member of the committee. Nevertheless, I appreciate their position and do not hold it against them.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. SMATHERS. I wish to join other Senators. I shall not prolong the tributes too long, but I wish to highly commend the staff for the wonderful work they have done. Without their help we could not have understood the bill, and the Treasury Department officials themselves, who, as the Senator from Louisiana has said, worked around the clock in order for us to consider the bill as expeditiously as we have.

I wish to ask the Senator from Louisiana certain questions for the purpose of clarification.

The first question is on section 216 of the bill, relating to interest on loans on certain insurance contracts. The general explanation of this provision, contained in the reports of the House Ways and Means Committee and the Senate Finance Committee, explains that "the interest deduction is not to be denied where the indebtedness actually is to finance business obligations, rather than to carry insurance." How would section 216 of the bill apply where life insurance is purchased by a business in the following situations:

First, a corporation which every year borrows substantial sums to carry on its business has agreed to pay employees an income after retirement. To fund this corporate obligation it purchases level premium life insurance but does not plan to borrow the funds needed to pay the premiums.

Mr. LONG of Louisiana. The answer to the first question is that the mere fact that the corporation purchased a cash value life insurance policy would not cause any disallowance of the interest paid on the corporation's normal indebtedness. This would be true even if the policy is later used as part of the collateral for the corporation's borrowings for purposes other than to carry life insurance policies.

Mr. SMATHERS. The second question is as follows: A finance company borrows money and lends it to customers. Is it correct that interest on the borrowed funds would not be disallowed as a deduction merely because the corporation also owned a cash value policy on the life of a key employee?

Mr. LONG of Louisiana. That is correct.

Mr. SMATHERS. The third question is as follows: A bank purchases cash value insurance on the life of one of its key executives.

Mr. LONG of Louisiana. The answer to that question is that no part of the deduction for interest paid to depositors will be disallowed merely because the bank owns a cash value life insurance policy. Similarly, a corporation which has outstanding bonds will not have any portion of the interest paid on such bonds disallowed as a deduction merely because it purchased cash value life insurance. In these cases, the interest deduction will not be disallowed unless there is a plan for systematically borrowing increases in the cash value of the policy; for example, by increasing the amount of corporate indebtedness each year by the amount of increase in the cash value.

Mr. President, without prejudice to the pending amendment, I send to the desk another amendment, which I believe has been cleared with Senators on both sides.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Louisiana will be stated.

The legislative clerk read as follows:

On page 47, line 9, after the period, insert: "In applying section 79(b) of the Internal Revenue Code of 1954 (as added by subsection (a)(1) of this section) to a taxable year beginning before May 1, 1964, if paragraph (2)(B) of such section applies with respect to an employee for the period beginning May 1, 1964, and ending with the close of his first taxable year ending after April 30, 1964, such paragraph (2)(B) shall be treated as applying with respect to such employee for the period beginning January 1, 1964, and ending April 30, 1964."

Mr. LONG of Louisiana. Mr. President, this amendment has also been cleared with the Treasury and with both sides of the aisle. This amendment gives until April 30, 1964, for this one year, to give all rights to group term insurance over to a charity without the insurance giving rise to income to the taxpayer involved. This is to take into account the fact that the provision was not enacted by January 1, 1964.

Mr. GORE. Mr. President, reserving the right to object, the bill as it came from the House and as it was reported by the Senate committee moves to limit the amount of group term life insurance which can be carried on any employee without the employee having to include in his taxable income the value of the premium paid. Under present law, the employee is not subject to tax liability for the value of the premium paid but his employer corporation does receive a tax deduction. I am pleased, indeed, that, even though the limits are much higher than I believe equitable, the bill does contain a limit, as does the House version.

The Treasury advised us of instances in which corporation officers were given policies to the extent of $900,000, of coverage payable to their estates. The vast benefits which they receive under present law to the extent of the value of the premium paid go entirely without tax liability as to them. The premium payment thereon is entirely without tax liability, as to the employee, yet the premium payment is deductible as to the corporation.

So we have the case of an individual who is receiving a vast benefit without any tax liability thereon. Due to the corporate tax rate, the Treasury is financing a little more than half of the premium, for the total amount is deductible to the corporation.

Accordingly, I am pleased that we are moving toward a limit. The Treasury wanted initially a $5,000 limit; the House bill has a $30,000 limit. Unfortunately, the Senate committee recommends a $70,000 limit. I trust the conferees will agree to the lowest possible compromise.

The pending amendment, it seems to me, is all right, and I hope its adoption will assist in holding a good limitation in conference.

Mr. LONG of Louisiana. This is to prevent unintended hardship for persons who would have expected the law to have become effective on January 1, 1964, and found that they were prejudiced because it did not become effective on that date; so that date would be advanced to April 30.

Mr. GORE. Mr. President, I concur in the amendment.

Mr. SMATHERS. Mr. President, I congratulate the able Senator from Tennessee with respect to this particular amendment and the others in this field. There is no question that sometimes someone goes too far. In some instances companies bought too large policies for their executives; and I believe the practice was being abused. We owe a considerable debt to the able Senator from Tennessee for having called this situation to our attention. I believe we will arrive at a reasonable and sensible compromise, and I believe the Senator from Tennessee deserves the credit.

Mr. GORE. I thank the Senator from Florida.

Mr. WILLIAMS of Delaware. Mr. President, I should like to call up an amendment on behalf of the Senator from Iowa [Mr. MILLER], identified as Amendment No. 414, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

SEC. . CROP INSURANCE PROCEEDS.

Section 451 of the Internal Revenue Code of 1954, as amended (relating to general rule for taxable year of inclusion), is amended by adding the following subparagraph:

"(c) In the case of insurance proceeds received as a result of destruction or damage to crops, a taxpayer reporting on the cash basis of accounting may elect to include such proceeds in income for the year following the year of destruction or damage provided he establishes to the satisfaction of the Secretary or his delegate that, under his practice, income from such crops would not have been reported in the year in which raised."

Mr. WILLIAMS of Delaware. Mr. President, the purpose of the amendment is to provide a means to aid farmers who are accustomed to carrying a crop over and not selling it until after the first of the year.

Should their crops be destroyed, under existing law the insurance they collect for the damaged crops would be received in the same year they had sold their previous year's crops. This would result in a heavy tax in one year—the year of the crop damage—and a loss in the next year's taxes.

This amendment would allow the farmer to carry forward until the next year the amount he collects as insurance on the damaged crops.

I join the Senator from Iowa in urging its adoption.

Mr. MILLER. Mr. President, I thank the distinguished Senator from Delaware [Mr. WILLIAMS] for the courtesy in offering my amendment in my behalf during my unavoidable absence from the floor.

The Senator from Delaware has succinctly stated the purpose of my amendment.

I invite attention of my colleagues to the fact that the amendment applies only to farmers reporting on the cash basis of accounting. There is no need to cover farmers using the accrual or inventory basis of accounting. Let me give an example to illustrate this. Take an accrual-basis farmer who harvests $5,000 worth of corn in October, with the intention of not selling it until the following spring. He will have to include the $5,000 worth of harvested grain in his closing year inventory and compute his annual income accordingly. Now, if his crop is destroyed by hail and windstorm and he receives $5,000 in insurance proceeds, these proceeds will have to be reported when they are received in that year. In either case, whether his crops are destroyed or not, he is going to have $5,000 of income for the year the crops are being raised.

But the cash-basis farmer is in a different position. If his crop is harvested, and he does not sell it until the following year, he will not have to report the $5,000 income until the year of sale—the following year. If his crop is destroyed and he receives $5,000 insurance proceeds in the current year, however, he must report the $5,000 as income for the current year. This would mean doubling up income from crops from the previous year—which were not sold until the current year—with the $5,000 insurance proceeds. Thus, we have an abnormal amount of income thrown into 1 year as a result of a hardship over which the farmer had no control. My amendment would prevent this abnormality by giving the farmer an election to report the insurance proceeds in the following year, when the crops—had they not been destroyed—would have normally been sold.

My amendment requires that the taxpayer satisfy the Internal Revenue Service that it was his practice to sell his crop in the following year. This should not be difficult, because farmers who follow this practice can readily obtain records showing delivery of their crops in the spring or summer following the previous year when harvested.

If it be suggested that a farmer engaged in his first year of operations could not show an established practice, the answer is that it will not work hardship on him to report the insurance proceeds in the current year, since he will not have any crop income from a previous year to double up on.

A number of farmers seal their grain crop in the year of harvest. They have a choice of reporting the loan proceeds received from the Commodity Credit Corporation as income in the year the loan is received or in the year when the grain is actually sold. Once they make a choice of how they want to handle it, they are required to consistently follow their procedure until and unless they receive permission to make a change from the Internal Revenue Service.

In the case of a farmer who normally seals his crop in the year it is harvested, and reports the loan proceeds as income, he will not be adversely affected by having to report insurance proceeds received in the same year. My amendment would not affect him, because he does not need to be protected from the doubling-up problem. He already has a practice of reporting income from the crop in the year harvested, because he reports the loan proceeds received from sealing the crop in the same year.

In the case of a farmer who normally seals his crop in the year it is harvested, but does not report the loan proceeds as income and does not report the income until the crop is sold, he can readily show that income from the crop would not be reported in the year harvested under his practice, and my amendment would cover him and protect him from the doubling-up problem.

One other situation calls itself to mind. Take the case of a cash-basis farmer who feeds his raised crops. Normally he keeps enough feed on hand so that the crops raised in one year are not fed until the following year. But in one year the crops are destroyed and he receives insurance proceeds in that year which he must report as income. My amendment would not cover this individual, but it need not do so. He can already protect himself from an abnormality by simply taking the insurance proceeds, which he must report as income, and purchasing feed grain, using the purchase as an offsetting deduction. Thus he already can protect himself from an abnormality.

I have attempted to explain the various situations under which the application of my amendment might arise with a view to providing some legislative history to assist the Internal Revenue Service in the preparation of a regulation to cover this change in the law. I am confident that the equity of the amendment is readily apparent, and the only wonder is that the law was not changed long ago. I hope my amendment will be adopted, and I trust there will be no difficulty in having it approved by the Conference Committee.

Mr. LONG of Louisiana. I assume that this would be done with the understanding that if the amendment encounters any serious objection from the House the Senator will not be adamant. I should be glad to have the amendment considered in conference.

Mr. WILLIAMS of Delaware. That would be acceptable.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS] on behalf of the Senator from Iowa [Mr. MILLER].

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee [Mr. GORE].

Mr. LONG of Louisiana. Mr. President, I yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. SMATHERS. Mr. President, I thank the able Senator from Louisiana. With respect to the proposed stock option amendment of the able Senator from Tennessee [Mr. GORE] in this area, I believe it is the general opinion of most members of the committee that there has been some abuse. In the case of the Chrysler Corp., which the Senator from Tennessee most eloquently pointed out some time ago, the president of that corporation was able to take company stock rather precipitately—I believe to his credit and business ingenuity—but in any event he was able to come out of the transaction with what would appear to be vast profits over the course of the years.

The stock option period has been carried out, and the option has been made, open end, so to speak, for such a long period of time that there have been cases where the profits have been inordinate, and I believe went too far.

There has been no abuse of the law. Nonetheless, I believe that some restriction should be placed upon the practice.

Mr. KUCHEL. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I yield.

Mr. KUCHEL. Do I correctly understand that no allegation is made in this debate that the present law has been violated?

Mr. SMATHERS. No allegation has been made that the present law has been violated.

Mr. KUCHEL. By any corporation?

Mr. SMATHERS. The Senator is correct.

Mr. KUCHEL. Then I understand that we have the present law; we have the recommendation of the committee changing the present law; and the Senator from Tennessee has a proposal now pending to change the provision in the committee.

Mr. GORE. The Senator is correct.

Mr. KUCHEL. I wish the record to be clear that on this floor no one has alleged that any corporation in America has violated the present statute.

Mr. SMATHERS. The Senator is eminently correct. No one charges that. The only claim, which has been made—and verified to some extent by the recommendations of the Treasury, and the action taken by the House Ways and Means Committee, and now the action taken by the Senate Finance Committee—is that the law as it has existed, has been a little overgenerous with respect to the stock option features. Therefore, the Treasury, the House Ways and Means Committee, and now the Senate Finance Committee have tightened up in various respects on the stock option provision, which I shall describe in just a moment.

The Senator from Tennessee thinks we ought to go even further than the committee has gone. We have tightened up the situation in four major respects, which I shall enumerate. The Senator from Tennessee would like to go even further in tightening up the stock option provision.

We had some very interesting testimony from the Secretary of the Treasury and from many others with respect to the value of stock options, which are in the form of premiums that are given to young business executives who understand how to operate large business corporations.

Because of the high rate of taxes on large salaries, the only manner in which it is possible to attract talented young men to take over the guidance and operation of major business corporations, is to give them, in most instances, an opportunity to become part owners of the company. When such a man becomes a part owner in a company, an incentive is provided by setting a time limit and a price at which he can buy the stock, and the incentive is to make the company's profits bigger. As a result, everyone benefits. When the profits become larger, the price of the stock goes up. He can exercise his option, and take the stock. He can keep it for himself. If he wishes to increase his immediate cash income he holds it for 6 months, and then sells it. Of course, it then receives only capital gains treatment. Therefore, his taxable income in effect, is increased substantially.

Mr. GORE. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield to the Senator from Tennessee.

Mr. GORE. The Senator makes a correct statement, in my view.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. SMATHERS. I yield myself 2 additional minutes.

Mr. GORE. I would not take from business and industry the flexibility needed to provide proper incentive compensation for employees. Of course, this can be accomplished through a bonus plan conditioned upon the success and profits of the corporation. The bonus plan can have an escalating clause. This was the incentive plan often used by business before the restricted stock option provision was placed in the law.

The Senator from Florida has given an example of how the salary of a corporate officer may be increased by the use of the restricted stock option, on which the employee would be taxed only at a low rate; or, if he wishes to keep his stock, pay no income tax at all.

Mr. SMATHERS. That is true of every stockholder. He does not pay anything until he gets something by the sale of the stock.

Mr. GORE. What the Senator has said is a fact. I agree.

Mr. SMATHERS. We are not in disagreement.

Mr. GORE. But if the salary of a teacher or bank clerk or grocery store clerk is increased, he pays more taxes. This illustrates the favoritism that is involved in this situation. The corporate insiders have a provision in the law by which they receive added compensation, but they do not pay taxes on this added compensation in the same way that ordinary American citizens pay taxes.

If we struck this provision out completely, business could still provide all the incentive necessary through a bonus plan. Under such a plan the ordinary employee or the officer would pay the same kind of taxes. They would be taxed alike on their reward.

Mr. SMATHERS. It seems to me that when a person is in the 70-percent bracket, there is not much incentive under the plan suggested by the Senator, when one sees 70 cents of every dollar taken out of one's salary to pay a tax to the Government. That is the reason, I suppose, for the stock option plan in the first place. Actually there are two reasons. I believe it came into existence in 1950.

It was done in order to get away from the very high personal income tax rate that was in existence. Even when a man's salary was raised, it was possible that he might get only 9 cents out of every dollar he earned. That did not provide very much incentive under the competitive conditions that existed with respect to attracting talented, bright business executives. Some plan had to be devised which would make it possible for them to buy into the company.

The second reason was that a person might own a little stock in the company. If he were an officer in a company, it would not look very good. For example, when I see how much an executive owns in a company, and I see that he does not own very much, I begin to think that it is not a very good investment to buy stock in that company, because the men who operate it apparently are not sufficiently interested in its success to own much stock in it. The officers may be working only for their salary, and that might lead me to believe they are not interested in making the company grow or expand.

It is something like the case of a professional baseball player, who goes from one team to another. In this case the man would probably go from one company to another, if he did not show enough interest in the company to buy stock in it. It would seem that he did not owe any great loyalty to his company. When a better offer came along, he would probably move to another company.

I am sure the Senator knows that from his own business operations. When a man holds stock in a company he usually does a much more efficient job in helping the company become successful and in helping it to expand.

Mr. GORE. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield.

Mr. GORE. In the beginning of his remarks a short time ago the Senator made what appears to me to be a peculiar but fair admission.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SMATHERS. I yield myself an additional 3 minutes.

Mr. GORE. The Senator expressed a too widely accepted view, namely, that we really do not believe in the progressive income tax at all, because he said, in effect, that when a man receives a sufficient income, we ought to provide tax avoidance, or some way in which he can earn more money without paying additional taxes on it.

I dare say that many people hold that view. I am not one who does. I believe that we ought to have a federal income tax system based upon the ability to pay, and that we should measure every man by the same yardstick, and not give corporate insiders special treatment and make of them a privileged class.

That is what the present provision in the law, section 421, does, and the able Senator from Florida has just demonstrated what it does.

Mr. SMATHERS. I thank the able Senator from Tennessee. He states my position to some extent, and I understand his position. I believe that so long as a person works and produces, he is entitled to receive a reward for what he does. I believe in the progressive income tax, but I do not want it to get to the point where, when the person reaches a certain level of ability, he will receive nothing or practically nothing. That is what our present tax law has done. That is why incentive has gone out of a lot of businessmen. That is why we see, in many instances, men who do not work more than 3 or 4 days a week. That is why we are beginning to see some of the fortunes beginning to be reduced.

I had suspected all along that the able Senator from Tennessee believed that there should be a limit to what a person could earn; and when he reached that point, he should be cut off from earning more. I do not believe in that. I believe that if a person works and produces, he ought to have the right to receive compensation commensurate with the value of what he can produce. Although the tax rate is high, I do not believe it should reach such a level that it would confiscate practically everything a person made.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. SMATHERS. I yield myself 3 additional minutes.

Mr. GORE. Mr. President, will the Senator yield?

Mr. SMATHERS. I shall be glad to yield, but first I should like to conclude my own statement.

Mr. GORE. I shall be glad to desist, but the Senator from Florida imputed to me views that he says I hold, but which I do not hold.

Mr. SMATHERS. Very well; I yield to the Sentator from Tennessee.

Mr. GORE. The Senator said he had suspected all along that the senior Senator from Tennessee thought there ought to be a limit to what a person could earn or hold or own. The Senator from Tennessee has never made such a statement as that. What I do believe, ardently, is that when we have a system of taxation based upon the income of the individual, we ought not to start to welsh upon the principle as soon as one gets into a bracket where he begins to pay in taxes a large share of his income. Unless one believes in that principle, we do not have a progressive system at all.

Mr. SMATHERS. While I do not wholly agree with what the Senator says, I shall use his argument with respect to stock options. Let us see what the committee has done along the line the Senator is describing. What we are really talking about at the moment is the stock option provision. The committee has tightened up on stock options. We believe, generally speaking, that stock options should not be eliminated. They are an important part of business operations; and they are needed in order to provide incentive to certain officials and certain employees. At the same time, we believe they afford an opportunity for employees to acquire a stake in the company for which they work. So we believe stock options should not be totally eliminated.

The section of the bill we are talking about requires a holding period for the stock of 3 years, as distinguished from the 6 months' period provided in existing law. That is a material change. Obviously, that provision had to be changed for the better, even in the mind of the able Senator from Tennessee.

Second, the maximum period during which the option can run is to be 5 years, instead of 10 years, as provided in existing law. In other words, it was formerly the view that a person who worked for a company had a period of 10 years during which he could exercise his option. If the price of the stock were to rise at the end of 9 years and 9 months, he could exercise his option, and there would be a great margin of difference, and he could take the stock, even at the interest price, and make for himself a large profit. We have shortened the time during which the option may be exercised by 50 percent. We have reduced the period from 10 years to 5 years.

Next, the stock option must be issued at the market price on the date of grant, as against 85 percent of that price under existing law. It should be remembered that stock options are not always made available only to the president, vice president, treasurer, and other officers. I know of many cases in which companies provide stock options to employees as far down as floor walker, janitor, elevator operator, and others.

If the stock were selling at $100, the company could let its employees buy it at $85. Under the committee's proposal, that would not be possible any longer. The option must be issued at the market price on the date of the grant, although the employee would not have to exercise the option at the moment. The date on which the opportunity to buy stock is issued is fixed; and it must be offered at the market price on that day.

Those are three respects in which the committee has materially tightened up the stock option section.

Another respect in which we have tightened up is that the bill modifies the provisions so that the price of stock options can no longer be reset when the price of the stock goes down. That is self-explanatory. That is the fourth way in which we have tightened up the stock option provision. If the price of the stock goes down, the company cannot set a lower price. It must retain the price as of the first date of issue, if they exercise it, and wait until it reaches the price at which it was originally set. Obviously, if the price of the stock goes down, the employee will not use his option. That is another important way in which the stock option privilege has been tightened.

The fifth way in which it has been tightened is that stockholder approval now must be obtained for the option plans. Rather than to let a few executives of a company meet and set for themselves and their employees the kind of stock option plan they propose to allow their employees to have, it is now proposed to require the company executives, who obviously would previously have made the determination, to hold a regular stockholders' meeting. The stockholders, whether they own 1 share, 10 shares, 50 shares, or 50,000 shares, would in the future be called into meeting and advised as to what the new stock option plan would be. So if there is any stockholder who believes the proposed option plan would be a little too generous to persons in the higher echelons of the company, or if he did not like the way in which the company was operated, or thought it might cost too much money, he would have an opportunity to disagree with the proposed plan.

I have enumerated what the committee believes are five effective ways to tighten up the entire stock option provision. If it is agreed at the outset that stock options are necessary for incentive and to provide responsible management of business, the Committee on Finance, the Treasury, and the Committee on Ways and Means have provided five effective ways in which to tighten up the stock option proposals and to eliminate practically all the abuses, including the abuses about which the Senator from Tennessee has been speaking.

Mr. LONG of Louisiana. I can appreciate the arguments of both sides—the argument made by the Senator from Tennessee [Mr. GORE] and the argument made by the Senator from Florida [Mr. SMATHERS]. When this provision first became law, I voted for it. I did not understand it too well, but I was persuaded by the late Senator Kerr, of Oklahoma, that in view of the almost confiscatory rate of taxation in the upper income brackets, some relief should be provided as an incentive to energetic young men to go into management and stay with the corporation. It was felt that they should be encouraged to work, in the Horatio Alger sense, to make for themselves a substantial income, to be a personal success, to be a success in business and finance. It was designed, one might say, to enable a person to earn his way from rags to riches by becoming a great success as a leader or captain of industry.

Industry's argument today is that something of this sort is needed in order to attract and retain good management.

So the Senator from Louisiana voted for the provision at that time. However, I am frank to say that it was the confiscatory tax rates in the upper income brackets that caused me to vote for the provision when it became law in 1950.

When President Kennedy proposed tax legislation that would afford a large measure of relief, to overcome the confiscatory rates and provide a number of adjustments that business was well entitled to expect, it seemed to me that the case for the qualified stock option could no longer be justified, liberal as that provision is, for the benefit of those to whom it applies.

At that time I stated that I expected to vote for the Kennedy recommendation; and, in truth and in fact, I did vote for the Kennedy recommendation. In the committee, the Senator from Tennessee moved for adoption of the Treasury's recommendation, as originally made by President Kennedy; and I voted for it, for it seemed to me that it made good sense. However, that was not the view of the majority of the committee. The majority of the committee felt that we have substantially tightened up in this field, and that the amendment would result in going too far; and the majority of the committee feels that the incentive is necessary.

Mr. President, I feel that, all things considered, the amendment represents a fair compromise between the views of the contending sides. I hope that next year we shall consider the stock option situation, and shall determine whether we should improve or change this situation one way or the other. Perhaps we have gone too far.

It is contended that a requirement that a person must exercise his first option first would be unfair, in that a person might have two options, one selling below the market and the other selling above the market, and that it would be unfair to require him to sell the one on which he would lose money, instead of selling the one on which he would gain money.

Next year we can consider all those situations, and can determine whether we have gone too far in this field.

But insofar as the committee felt that the case for relief was justified, the committee did act to provide some flexibility.

I feel that it was most unfortunate that the name of the Chrysler Corp. was used extensively in the debate, for, so far as I am able to determine, it was by no means the only large corporation using the stock option plan in just the way it was intended to be used, in order to make it possible for the corporations to acquire good management.

If I may relate a personal story, my own mother was trustee for certain funds for her grandchildren; and she bought some Chrysler stock at a time when Chrysler had poor internal management and when all sorts of difficulties confronted it. For a while she thought she had made a bad decision—because of the situation then existing in the management of that corporation. However, we are told that the stock option incentive was one of the main reasons which caused the management of that company to improve and caused the stock to double or more than double in value. In fact, I think it actually increased in value five times. So, so far as my relatives are concerned, they do not have any objection whatever to the stock option plan, and they are not the least disturbed about the fact that the Chrysler Co.'s executives made a profit by means of the plan.

After all, Mr. President, if a friend proposed to one of us that he knew how to make some money by means of a good business deal, one of us might reply, "Fine, I will put up some of the money you need; and when you succeed, I will share in the profits."

So that development was a fine break for the Chrysler Corp., for in that way it acquired improved management; and I doubt that one would find that anyone who was holding 100 shares of Chrysler stock at the time when the Chrysler Corp. had poor management, and who subsequently found that the stock rose very greatly in value, now begrudges that development. In fact, many persons will contend that is exactly what Congress wanted to happen in connection with the stock-option plan. So if the stock-option plan was largely responsible for that result, I think they would bless us for voting that provision into the law and for letting the Chrysler Corp. take advantage of it.

I have referred to that great corporation because it happens to be one of the large employers in Louisiana, as a large contractor.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement from the president of that corporation, together with certain explanatory information which I believe was prepared by the information officers of that corporation. The material is in regard to that transaction.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

WHAT STOCK OPTIONS MEAN TO INCENTIVE

Incentive is a critical ingredient in any economic system. The chance to sharply improve their condition is the chief reason men work hard. This has been true for a long time, and in many kinds of societies (even the Soviets are now making increasing use of personal incentives for their managers), but it has been true to a unique extent of this country. The opportunity to make it big if you're good enough is an essential part of America.

For 200 years this has been perhaps the world's most open society—which is to say, the one in which personal incentive has had the most hope of fulfillment. We have tried to encourage, not dampen, incentive through many devices; for example, through the development of a system of education which provides more opportunity—and personal incentive—than any other country, and by far. We have tried to encourage personal incentive, and protect the spark which it provides for the whole society, in many ways. These include the law, and it is with such a law that we are concerned here.

The incentives for hard work and good performance in American business are complex, but three, at least, are unmistakable. One is the satisfaction and self-esteem that comes from doing a job well. Another is the tangible reward of money; the hope of acquiring not only enough for the things one wants today, but for the establishment of an estate. The third is a sense of ownership; of being not an employee, but a partner; of feeling "I helped build it, and a part of it is mine."

Probably every highly successful man in American business seeks in some combination all three of these rewards. But basic changes in the nature of the American corporation in the years after the great depression sharply affected the hopes of their attainment by an important group of men. This was the period which crystallized the trend away from the family-run corporation which was not only owned, but directed, by individuals of great inherited wealth. A new kind of man took over the essential decision-making functions of industry. He was a manager. not a capitalist; he was a technician, a man who knew how to make businesses go. And he was almost invariably a salaried employee.

This fact sharply limited his personal incentive. The fact that his salary might be high—very high indeed, in some cases—did not solve the problem. Taxes on income were high enough that it was, by the end of World War II, impossible to build a personal fortune through salary alone. And, if the corporation was of substantial dimensions, it was equally impossible to accumulate—through salary—enough money to buy into the business in any sizable way. This left the new breed of executive with a comfortable way of life and, presumably, great personal satisfaction—but little else.

There was, in both business and in some circles in Government, particular concern about the lack of opportunity to share in ownership. Stock option plans were devised as a means of opening a shorter road to something beyond employee status.

Essentially, a stock option is the right granted to an employee to buy a specified stock in his company at a particular price. The price is the market price, or very near it, on the day the option is granted. The employee then retains the right to buy that amount of stock, at that original market price, over a period of time (the length of time varies, depending on the company; the legal limit is 10 years). If the price of the stock goes up during that period, he has, in effect, a bargain. If it does not, he normally will not exercise the option.

This procedure obviously represented some encouragement for top management to build a deeper interest in their company's performance, but stock option plans did not become popular immediately. Until 1950, gains realized from the sale of stock purchased on options were considered compensation by the Treasury Department; they were regarded, in effect, not as profits, but as a part of salary, and were subject to standard income tax rates. Hence, the dampening effects of a high rate schedule on personal income tax continued, essentially, to operate.

In 1950 the law setting up restricted stock options was passed by the Congress and signed by President Truman. The law set forth new, and more restrictive, rules concerning the award of stock options, but its most important change was a redefinition of the philosophy for taxation. Senate Report No. 2375, 81st Congress set it out in this fashion:

"Such options are frequently used as incentive devices by corporations who wish to attract new management, to convert their officers into 'partners' by giving them a stake in the business, to retain the services of executives who might otherwise leave, or to give their employees generally a more direct interest in the success of the corporation."

To meet this need for a kind of incentive which could not be provided by treating option-stock gains as salary, the law of 1950—modified slightly, from time to time, by later Congresses—provides that profit from the sale of stocks bought under restricted option plans and held for at least 6 months shall be taxed as capital gains.

With this modification in the concept of taxation in relation to incentive, restricted stock option plans rapidly became more popular. By 1951, 85 corporations had adopted such plans; by 1958, some 800; and by 1961 well more than half (714) of the firms listed on the New York Stock Exchange alone were using restricted stock options as a primary incentive for managerial talent. One of these was Chrysler, which adopted a plan of this kind in 1952.

The reasons why so many major corporations found such plans attractive was put succinctly by Henry Ford II, who, after pointing out that he did not and would not hold any options in his company, said:

"We (had) developed a group of exceptionally able younger men who contributed materially to the company's growth and who were not being rewarded commensurately with their contributions. * * * Some outstandingly capable people left us for that reason.

"When Congress authorized restricted stock options by amending the Internal Revenue Code, it gave us an effective means to recognize and stimulate exceptional performance. * * * In 1953, when our only shareholders were members of the Ford family and the Ford Foundation, the board of directors made its first grants of restricted stock options to 114 key employees, thus breaking a tradition of long standing.

"We have had no reason to regret that decision. I am convinced that, in broad effect, stock options have helped materially to raise the company to third place among American industrial corporations in total dollar sales. Without stock options or some comparable incentives, the same results would not have been achieved." (Harvard Business Review, July–August 1961.)

Restricted stock option arrangements work well for many kinds of companies, as well as for many kinds of employees; the fact that they are useful to small corporations as well as large ones, to middle-range executives as well as the top echelon, have helped increase their popularity. And such a plan was to be particularly useful to Chrysler. The way it operated in this corporation is described in the next memorandum.

RESTRICTED STOCK OPTIONS AND CHRYSLER

The fact that restricted stock options would play an important part in Chrysler's future was not apparent in the first years after the plan's adoption. The period 1952–58 was one of overall decline in the market price of the company's stock; there was little advantage in the option prices generally, and only about 20 percent of options granted were exercised. This decline became more precipitous and the general position of the corporation weaker in the 4 years (1958–62) which followed; no restricted stock options were taken up during this period.

Unable to meet its competitors on across-the-board salaries and bonuses to its top officers, Chrysler was able to put the restricted stock option law to work to do what it was designed to do: to provide incentive, to say to the men it needed and wanted most "come with us and stick with us; make the company's future your future, and you will be rewarded." The men who would be attracted by this kind of challenge, it might be assumed, were the kind who could meet it best.

The success of the Chrysler Corp. during the past 2 years has been spectacular, a story almost without parallel in terms of major modern corporations. And if the rewards of the men at the center of this massive corporate rebuilding have been substantial, it should be no surprise. This is precisely the way the system is supposed to work. Specific figures for Chrysler's top officers are shown on the following table:

	Number of shares purchased [1]	Difference between market value and option price [1]
Officers who are directors:		
Paul C. Ackerman	24,000	$194,535
R. S. Bright	30,000	500,175
John D. Leary	10,000	133,725
George H. Love	80,000	1,281,614
F. W. Misch	32,000	481,981
E. C. Quinn	43,200	632,298
Lynn A. Townsend	37,600	667,483
Total	256,800	3,891,811
All executives	876,000	13,658,979

[1] Equivalent number of $6.25 par value shares, after adjustment for stock splits, Apr. 19 and Dec. 20, 1963.

Source: Chrysler Corp. and SEC reports.

The most important point is not that some individuals profited, but that a company which is a substantial force in the American economy is contributing to that economy with a vigor undreamed of 3 years ago. The evidence is striking:

Chrysler sales and earnings, 1958–63

	1963 [1]	1962	1961	1960	1959	1958
Net sales.....million dollars	2,212	2,378	2,127	3,007	2,643	2,165
Earnings (loss) before taxes on income.....do	148	126	21	66	(10)	(74)
Taxes on income (credit).....do	47	61	10	34	(5)	(40)
Net earnings (loss).....do	101	65	11	32	(5)	(34)
Per share (on present shares).....dollars	2.72	1.81	.31	.90	(.16)	(.97)

[1] 9 months only.

The rewards for incentive shown in table 1 would not have been possible without the corporate success shown in table 2; they are inextricably linked.

This point has sometimes been lost sight of in the past few months. Critics have pointed to the fact that many of the chief officers have taken advantage of the rise in the market value of the company's stock, as well as two splits, to obtain substantial personal gains. This is unquestionably true; once again, it should be pointed out that this is the way the system is supposed to work.

Some critics have gone further than this, however. They have charged that this is profit taking pure and simple, and that any presumed longtime interest in ownership is a sham. This is not true. An account of the operations of the Chrysler stock option plan is available in the report to the Senate Committee on Finance prepared by the Treasury Department and the Joint Committee on Internal Revenue Taxation, and comprehensive tables set out the activities of each of the officers as well as the general dimensions of the plan. At the end of 1963, the year in which more options were exercised than in all the rest of the company's history, Chrysler officers held almost seven times the amount of stock they held at the year's beginning. The willingness to reinvest in one's own company the profits just earned from it would seem the clearest kind of long-term commitment to partnership. There is another indication of that commitment in the fact that over half the options granted officers of the company since 1958 still have not been exercised. This hardly represents a cynical gutting for the sake of a fast dollar.

It has been said also that the utilization of restricted stock options is risk free; that it is a game in which it is possible only to win and impossible to lose. This is hardly the case; in the first place, it is a naive view of the highly competitive automobile business in which much is constantly at stake for any officer. The slightest competitive advantage can have implications of millions of dollars. In Chrysler's case, the necessity to fight for its life in competition with two larger competitors has made the atmosphere of risk perpetual. This risk is made clear by the fact that 6 months ago there were 5 major automobile companies in the United States—and now there are 4.

Secondly, this is a naive view of personal finance. Options must be exercised for cash and in full. (This meant that most of Chrysler's officers had to arrange personal bank loans, at their own risk.) An officer must at minimum hold this stock for 6 months. If the stock goes down sharply in value, he can be wiped out—and this has happened in American corporations. If it declines substantially, he will be asked to provide more collateral. His debt, and his risk, are genuine indeed; and the pressure upon him grows as his participation increases. This is a major reason why, in the early stages of a profitable option cycle, many options are exercised; their holders pay off their debt so that in future purchases they will be working with their own, and not borrowed, money. Although the holder of restricted stock options has what is in many ways an advantageous position, it hardly can be described as free of risk.

Finally, there have been attempts to give the whole business of restricted stock options a vaguely tainted air; as if it were a process which, if not illegal, is somehow unethical or unfair. It has been described as a "tax loophole," which it is not; a loophole is a defect unwittingly built into a statute through faulty drafting, or emergent because of changing circumstances. The law of 1950 has worked precisely as it was designed to work; the Chrysler experience demonstrates its full potential. The concept of capital gains taxation was deliberately built into the law to produce incentive—and incentive has been built into the American economic system to make it function increasingly well, to the benefit of all of us.

STATEMENT ISSUED BY GEORGE H. LOVE, CHAIRMAN OF THE BOARD, CHRYSLER CORP.

NEW YORK, December 20.—A lifetime spent in American business has made me proud of our system and of the businessmen which it fosters. A few days ago, as chairman of Chrysler Corp.'s board of directors, I commented during a special meeting of the company's stockholders on the remarkable progress Chrysler has made in the short space of 2 years.

Furthermore, I reported with some pride on the working of the stock option plan which, as an incentive to its vigorous management team, has helped that company write one of the finest comeback stories in the annals of American business.

I have been shocked at the reaction which my rather forthright statement seems to have aroused. I feel so strongly about the stock option plan and its value that I want to make certain things very clear. Two years ago Chrysler was floundering. The search for top management candidates outside the company was fruitless—no one wanted the job. We finally decided to entrust the fortunes of the corporation to the younger but experienced and aggressive men who were running it on an interim basis. By using stock incentives already approved by shareholders, and thus holding out the opportunity to share in the company's improvement, good men, both in and out of the corporation, were persuaded to tackle this really formidable task.

How well have they succeeded?

The company's earnings have gone from $11 million in 1961 to $65 million in 1962 to $100 million in the first 9 months of this year.

The value of the company's stock has increased by over a billion dollars in 2 years' time.

The dividend on the original shares has been doubled and doubled again.

The company's dealer body—each an independent and important business in itself—has grown to 6,000 and is still growing.

The company enjoys full employment—every man and woman laid off in the lean years has now been offered reemployment in a Chrysler facility.

The company's purchases are near an all-time high.

The company is now expanding vigorously at home and abroad. This expansion will mean thousands of additional jobs.

The company's tax payments for 1963 will be among the highest in its history.

Furthermore, from the stockholders' standpoint, the stock option is the most economical method of incentive. And it has the added advantage of making possible a significant investment by men who are not wealthy. It is important to get these young men out of debt so that they can devote full energy to their job, and pull themselves into the position of making additional purchases with their own earned capital.

It should be remembered that the total dispositions by officers of Chrysler Corp. since the end of February 1961, have amounted to less than one-third of their total purchases and that they today own over 10 times as many shares in their company as they owned at the end of February 1961.

Naturally, the personal investment situation varies from officer to officer. In my own case, having been in business for many years and having achieved a measure of financial security, I have neither the need nor intention to dispose of my option purchases of Chrysler stock. With younger men whose salaries are their principal income, the situation is of necessity different.

I feel so strongly that stock options are important to the successful management accomplishment we are seeing at Chrysler and also to the maintenance of national economic strength, that I will gladly make myself available at any time to anyone in our Government who wishes to discuss the workings of this plan in detail.

Mr. LONG of Louisiana. Personally, Mr. President, I am inclined to take their view that that was an intended use of the stock option plan; and I am inclined to believe that if they went too far with it, Congress should modify the law, after studying all the facts.

I think it unfortunate that the way the matter was handled caused a temporary decline in the price of the stock. However, all of us recognize that unfortunate events or developments often cause the price of stock to fall. I recall that on one occasion when an investigation was being made of stock market conditions and the situation with regard to a number of corporations, the result was a temporary decline in the price of the stock of the American Telephone & Telegraph Co.; but soon it recovered from that drop.

Mr. KUCHEL. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. KENNEDY in the chair). Does the Senator from Louisiana yield to the Senator from California?

Mr. LONG of Louisiana. I yield.

Mr. KUCHEL. As I understand the statement the Senator from Louisiana has made, he believes it inappropriate and inaccurate to describe as an abuse the stock-option arrangements which were entered into by the Chrysler Corp.

Mr. LONG of Louisiana. Yes. Of course, all that is a matter of opinion; but I would say that if the Senator had placed 100 shares of Chrysler Corp. stock in trust, for the benefit of his children, and if the stock was then worth $4,000, and if partially as a result of the stock-option provision which Congress passed, the market price of that stock increased to such an extent that the value of those 100 shares rose from $4,000 to $20,000, the Senator would be inclined to bless Congress and to bless the corporation, and would feel that he was happy to have the corporation's executives share in his good fortune.

Mr. KUCHEL. I have asked the question so that we can understand that the use of the word "abuse" in connection with that situation is not relevant.

Mr. LONG of Louisiana. Of course, it all depends on a person's point of view. From one angle, someone might consider that development an abuse.

Perhaps that situation is somewhat similar to a situation which developed shortly after a papermill was established at Hodge, La. When the mill began operations, some of the people in that community complained about the smell. But an old storekeeper there said, as he rang up purchase after purchase on his cash register, "You know, every time I push the button on this cash register, the smell from that mill smells—to me—just like Chanel No. 5." [Laughter.]

I think that is the average reaction. Of course, someone might feel resentful when he found that the officers of the corporation had made more money; but no doubt the stockholders feel tickled pink about that entire situation.

Mr. MORTON. Mr. President, will the Senator from Louisiana yield briefly to me?

Mr. LONG of Louisiana. I yield 3 minutes to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 3 minutes.

Mr. MORTON. Mr. President, I support the committee's position, and I am in opposition to the amendment offered by the Senator from Tennessee [Mr. GORE].

As has been pointed out by both the Senator from Florida and the Senator from Louisiana, the stock-option plan has developed in recent years, since World War II, during the period of high, confiscatory taxes. This plan would not have been developed if there had been more moderate income-tax rates.

Some economists say our country could get by with a maximum personal income-tax rate of between 35 percent and 40 percent, if Congress eliminated all tax-free obligations, eliminated all depletion, eliminated the credits for charitable contributions, and also eliminated this, that, and the other provisions. But we know that will not be done.

So we are reducing the rate from 91 percent to 70 percent; but 70 percent is still a very confiscatory tax rate for a person who has all his income come from his own earnings, and thus be subject to the full tax.

That is how this situation came about.

I also share the opinion of the Senator from Louisiana in connection with the publicity the Chrysler Corp. received. It happened to receive a considerable amount of publicity—whereas hundreds of others are using the same plan. Mr. Love became Chairman of the Board and reorganized the management—why? He was not necessarily trying to bail out the Chrysler Corp. stockholders. Certainly he is engaged in other important operations.

He is one of the leading management authorities in the United States. He did what he did because he had a personal reason to do so. If he were successful, he had an opportunity to make some money for himself. Is that so wrong? Who would try to straighten out that stack of worms if an incentive had not been provided?

Therefore, what the Committee on Ways and Means and the House itself have done to tighten the provision is probably a good thing. We may have to tighten it further. We may have to relax it somewhat. We will have to see what happens. But basically there is nothing wrong in what occurred. What has made our country great is a fundamental will to produce. While America has many natural resources, it has also a great people. In 150 years we did more than any people in human history. Why? Because we had the will to produce.

The **PRESIDING OFFICER**. The time of the Senator has expired.

Mr. **LONG** of Louisiana. Mr. President, I yield 1 additional minute to the Senator.

Mr. **MORTON**. We have an incentive system that generates and nourishes the will to produce. If we kill the will to produce, we will never take care of the 4 or 5 million who are unemployed today. We will never expand our economic horizons as we are hopeful of doing as a result of the bill. For those reasons, I believe the tightening up process has gone far enough. I trust that the Senate will support the committee and reject the amendment of the distinguished Senator from Tennessee.

Mr. **KEATING**. Mr. President, will the Senator yield?

Mr. **LONG** of Louisiana. I yield 1 minute.

Mr. **KEATING**. Mr. President, I desire to add a word to what the distinguished Senator from Kentucky has said. Frankly, I have not reached a conclusion yet as to whether I shall support the Gore amendment. I believe the stock option provisions should be tightened. The committee has done a good deal of tightening. There has been an increase in the holding period for capital gains treatment. The period during which options may be outstanding has been cut in half. Options would no longer be issuable at bargain prices. Very importantly, stockholder approval of option plans would be required. These are all substantial reforms, and should be given a chance in operation. Whether the committee has gone far enough is a question I have not yet resolved, and I can assure the Senator from Tennessee [Mr. GORE] of my earnest attention to his arguments.

However, on reading last night's RECORD, I was rather distressed to see that a particular company—the Chrysler Corp.—was singled out for criticism. I hope no intimation will be left that what has happened in the Chrysler Corp. is unique or unusual. Executives in a great many companies have been taking advantages of the stock option provisions. No one has alleged, and I do not believe anyone could properly allege, that there has been anything illegal about it. All these executives have lived completely within the letter of the law. For this reason, I very much resent seeing any one company made a scapegoat. After all, that company has competitors which have pretty much the same kind of stock option plans for their own executives. So, one company should not be singled out unless there should be a clear case of illegal transactions. I do not understand that the distinguished Senator from Tennessee [Mr. GORE] is making such a contention. If he is, I would appreciate the Senator clarifying it.

Mr. **GORE**. Mr. President, will the Senator yield?

Mr. **KEATING**. I yield.

Mr. **GORE**. I do not know why the Senator from New York raises the question.

The **PRESIDING OFFICER**. The 1 minute yielded has expired.

Mr. **LONG** of Louisiana. Mr. President, how much time remains on both sides?

The **PRESIDING OFFICER**. The Senator from Louisiana [Mr. LONG] has 8 minutes, and the Senator from Tennessee has 20 minutes.

Mr. **GORE**. I yield the Senator 1 minute of the time allotted to me. I do not know why the Senator from New York raises the question of using the Chrysler Corp. as a scapegoat. No one has attempted to do so. But this transaction is an example of abuse by the corporate insiders of the loophole that is in the law.

I do not mean to say that they acted illegally. As far as I know, and so far as the Treasury report after its investigation showed, the transaction was entirely legal. The point is that I am trying to correct the law. I am not charging that these people have acted illegally at all. The committee unanimously asked for that report, and I placed the report of the Treasury in the RECORD.

Mr. **KEATING**. Mr. President, will the Senator yield 1 minute?

Mr. **LONG** of Louisiana. I yield 1 minute.

Mr. **KEATING**. I was reasonably sure that the Senator from Tennessee was endeavoring to present his case without reference to particular companies, but this particular company was the only one cited in the RECORD. I felt that it would be unfair to any one company to have it appear that that company was unique in its operation. That is the only point I was making. As I have said, I am not yet sure where the merits in the amendment are, but in fairness, I did not want to permit the RECORD to be construed as an attack upon any particular company.

Mr. **GORE**. Mr. President, I have cited many instances in debate and in the course of the committee hearings in which this loophole of tax favoritism has been abused. In 1961 I used IBM as an example. I cited the stock option benefits received by the president of that corporation, Mr. Thomas Watson. I did not do so by way of criticism of Mr. Watson. I do not now mention his name in any critical way. But to cite the abuses which are legally available and the inequitable situation that is legally made possible, I have mentioned him. I desire to close that loophole. That is what I have been fighting for. President Kennedy asked that the loophole be closed.

Since I have referred to Mr. Watson—and again I say uncritically—I should like to cite the record.

Mr. Watson is a man of great talents. He has made great social contributions. I honor him for his contributions. But he is also a man who inherited a large fortune. I do not condemn him for that. But why should the Senator state that it is necessary, as an incentive to Mr. Watson, who already owns a very large share of IBM, to give him stock options on which he has a profit of more than $5 million?

I point out also that the record does not show that he has sold any of the stock. What he intends to do with it, I do not know. But there is an example of the president of a corporation who, through the entirely legal device about which we have been speaking, has been receiving and earning a fortune of $5 million on which he has not paid one dime in taxes, and on which the law does not require him to pay any income taxes. Yet every person who sweeps the floor pays taxes out of every check he receives.

Let Senators examine their consciences. Shall we continue to let corporate officers be a privileged class? Not only are they receiving compensation without tax liability, but we are also enticing them to increase their option benefits, thereby reducing the value of the stock which the ordinary stockholder holds.

Mr. **JAVITS**. Mr. President, will the Senator yield?

Mr. **GORE**. I yield.

Mr. **JAVITS**. The Senator has been quite fair to Mr. Watson, whom I know as a constituent, and whom I regard very highly.

Mr. **GORE**. So do I.

Mr. **JAVITS**. I should like to add one point to the recital of the Senator from Tennessee which I think is important. Tom Watson is not only the president of the IBM Co., but also he operates the company in a very active way. I believe he spends about as many hours on the job as we do. That is important.

Second——

Mr. **GORE**. Before the Senator proceeds to his second point, I wish to say that I agree with everything he has said. I know Mr. Watson. I hold him in high regard. I say for the third time that I do not speak critically of him as a citizen or as an officer of a corporation. He has taken advantage of the law, and our eyes are open to it. So are his. True, he operates the company. I merely cite that example as an answer to the canard that we must provide stock option benefits for preferential tax treatment in order to give the officers of a corporation an incentive to run their business efficiently.

Mr. Watson would operate the business efficiently whether this loophole was in the law or not. He already owns a substantial part of it, and I think he would.

Furthermore, if I may allude once more to Chrysler Corp., the Senator from Kentucky made a statement earlier about how Mr. Love had increased the profits of that corporation. The truth is that last year was a great automobile year. The percentage of Chrysler's share of automobile sales has not significantly changed during the last 5 or 6 years. Six of the Chrysler Corp. officers who made a killing last year on stock options have been in the employ of the corporation for years and had options at least as early as 1958. They did not suddenly have to become activated. They did not suddenly have to be offered this premium or incentive to perform for Chrysler Corp. They had made a career in Chrysler Corp. Yet in a 7-month period last year they made a killing.

They receive compensation for their services, and they should pay taxes on their compensation the same as a man working on a lathe has to pay taxes every week from his salary.

Mr. JAVITS. As a friend of Tom Watson, let me say that he has not only operated the company well, but with phenomenal success. I do not know whether the stockholders vote on these options, but I am sure they would approve——

Mr. GORE. If I may interrupt, stockholders do approve most of them; but, as the Senator knows, the business of stockholder approval, with all the proxies that are held, is a mere formality. The corporate officers control the corporation, in large measure.

Mr. JAVITS. In my judgment, that fact cannot be used as an argument. A stockholder has a right to vote——

Mr. GORE. Let us not get into that argument. Let us say that the stockholders approved.

Mr. JAVITS. My next point is that I am sympathetic toward the Senator's position. I only suggest we would be better advised if we sought to spread the stock option doctrine to the man who works at the lathe than to penalize certain persons for helping to produce great results for the American economy.

Mr. GORE. The Senator has a suggestion that is on all fours with a provision in the bill. There is an employee purchase plan provision in the bill, but it must be nondiscriminatory, and I think it should be nondiscriminatory. Under this plan, every employee of a corporation can be given an option to buy $25,000 worth of stock annually at 85 percent of the market value the day he receives the option. This can go on year after year; but it must be nondiscriminatory. My amendment leaves that provision in the bill. But over and beyond that, the bill has this other category, the "qualified" opinion. This is the "top insiders" deal, and there is no limit on it. It can be $250 million. It can be any amount.

That is unconscionable. It is wrong. It sets up the corporate officers as a privileged class. We permit them to receive compensation on which they owe a very limited tax liability; and, if they are affluent, on which they will owe no income tax liability whatsoever.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. PASTORE. What does the Senator's amendment do?

Mr. GORE. My amendment would strike from the bill this new category of qualified stock option. It would in no way affect the stock purchase plan, which must be nondiscriminatory.

I would strike this qualified section on which there are no limits—to be specific, section 422.

If we are to permit under the law preferential tax treatment for stock options, there ought to be two conditions: First, it ought to be nondiscriminatory. The man who works by the hour should benefit from the profits of that corporation, the same as the man who works at the front office. Second, there should be some reasonable limit to the amount of the options.

There is in the bill a provision that does exactly that: First, it provides for nondiscrimination; second, it is limited to $25,000 a year. Third, the option can be granted at 85 percent of market value.

I think this is liberal enough for the man at the top or the man at the bottom. True, the man working on a machine will not be able to buy $25,000 worth of stock a year; but the man at the top may be, and it seems to me that is enough incentive for him to have.

The bill now contains section 422. This provides a new category, called "qualified" options to replace the present restricted stock option.

Mr. PASTORE. Mr. President, will the Senator yield further?

Mr. GORE. I yield.

Mr. PASTORE. I am sympathetic toward the Senator's amendment. My reason is simple, without mentioning personalities, which is regrettable, because Mr. Watson and I are cotrustees of Brown University. I have great admiration for him. I regret that anyone's name had to be used on the floor of the Senate. But that as it may, I have known cases in which ingenious and talented persons had been taken into large corporations and, within 5 or 6 years, became very wealthy men. Some retired from the corporations after only 10 years and had so much money that they could not spend it during the remainder of their lives. I heard that testimony in some of the committees on which I have served. I am not critical, because they are acting within the law.

Mr. GORE. But we are lawmakers.

Mr. PASTORE. There is abundant legal opinion to the effect that no man has to be embarrassed or apologize for doing what the law permits. But the fact is that something should be done about it. What disturbs me is the ceiling of $25,000. Why could it not be measured on a man's salary? Would that not be more effective? Suppose a man earns a quarter of a million dollars. Why should he be confined to $25,000? Why not base it on his salary or earnings? I think it should be based on a percentage of the salary that the board of directors are willing to pay him, rather than have it gaged arbitrarily at $25,000. To me $25,000 is a large sum of money, but I know that to some of my colleagues $25,000 is not much. I am looking at the Senator from Ohio [Mr. Lausche].

Mr. GORE. In which category does the Senator from Rhode Island put the Senator from Ohio?

Mr. PASTORE. In my category.

I think it might be better if it could be measured in terms of a man's salary. In other words, no one could benefit to the extent of more than a certain percentage of his salary.

Mr. GORE. The Senator's suggestion has some merit. There should be some limit or some guideposts. But there are no limits in this "qualified" plan.

Mr. PASTORE. That is correct. I do not think we ought to measure it on that basis. A man may have the ability to earn $250,000 a year, for example. He has to pay a tax on it, sometimes amounting to 90 percent of his salary. I think we ought not to measure it by a ceiling which is arbitrary, because it is difficult to say that the ceiling should be $25,000. Perhaps it should be 25 percent, or 50 percent, or another percentage, of his salary. But it ought to be gaged upon a man's ability to earn rather than on an arbitrary ceiling of $25,000.

Mr. GORE. The Senator refers to a possible 90-percent tax rate. I point out that the maximum rate is, by this bill, cut to 70 percent. Senators have been saying here for years that what we should do is cut the highly progressive rates, but at the same time close the loopholes.

Mr. PASTORE. That is correct.

Mr. GORE. What we are doing here is cutting the rates and opening up more loopholes.

Mr. PASTORE. That is right. That is one reason why I have made the suggestion. It takes into account that 91 percent of a man's salary is rather much.

Mr. GORE. That is correct.

Mr. PASTORE. To cut out the cause of the abuse and reduce it from 90 percent to 70 percent is right. We should give consideration to what the Senator from Tennessee has in mind, but I would hope that we would gage it more on a percentage of salary, rather than on an arbitrary figure. That is the only reason I have made the suggestion.

Mr. GORE. Mr. President, may I inquire how much time remains to me?

The PRESIDING OFFICER. Five minutes remain to the Senator from Tennessee.

Mr. GORE. Mr. President, I reserve the remainder of my time.

Mr. HART. Mr. President, will the Senator from Tennessee yield briefly?

Mr. GORE. I yield.

Mr. HART. The Senator from Tennessee referred to the Record of yesterday. I refer to page 2222 of that Record, where seven officers of the Chrysler Corp. are listed. I believe I understand the Senator from Tennessee perfectly. I am a friend of six of the seven officers listed. It is unusual to find ourselves in the Chamber talking about individuals whom some of us know personally. I should like to make myself clear on this point.

Each of these individuals is a contributing, responsible citizen in Detroit. Each would adhere rigidly to any requirement of the law with respect to a stock option, which, in the case of these friends of mine, the Senator from Tennessee has agreed is quite within the law.

Mr. GORE. Yes, indeed.

Mr. HART. I should like to have that made clear in the Record. It so happens that I support the amendment offered by the Senator from Tennessee, because I believe it moves in the proper direction, but when I see such phrases as "insiders dealings," and "making a killing," somehow this suggests in the minds of casual readers, perhaps, that it was in violation of law, or socially wrong. However, I wish to make it explicit and tell the Senator from Tennessee that I believe his approach is sound and his amendment should be adopted.

Mr. GORE. I am in disagreement with only one part of the statement of the Senator from Michigan. I believe it is socially wrong. Unfortunately, it is necessary to cite specific cases. We do not deal in a vacuum in our debates and we must bring things down to concrete reality.

I have referred to "restricted" options as "insiders deals." That is what it essentially is. Numerous instances have been cited to me of smaller corporations than Chrysler in which the value of a stock was deliberately manipulated to a low point at the time the options were granted and then, once the options are granted, once the options are in hand, the publicity begins to flow, the dividends are paid, and the stock goes up on the market—and then the corporation officers cash in.

I have had instances cited in which corporations were left almost bankrupt. I am not speaking now of big corporations, I am speaking of something almost——

Mr. PASTORE. I agree with the Senator from Tennessee. Of course it is socially wrong. If we look at the automobile industry, the automobile industry is controlled by the Big Three, namely, Chrysler, Ford, and General Motors. There was a time when Kaiser tried to inject himself into the automobile industry, but he did not last too long.

If we wish to buy an automobile today, unless we wish to buy a foreign import, we buy either General Motors, Chrysler, or buy Ford. We say that is competition. That is all among the Big Three. But this system is socially wrong. Who pays for it? The man who buys the automobile is paying for it.

If we allow these abuses, they will be reflected in the price, and when they are reflected in the price, the consumer is hurt. When we hurt the consumer by some loophole, it is socially wrong.

Mr. GORE. Mr. President, let me now review the changes made in existing law by the pending bill.

Under existing law, let me repeat, we have specifically recognized a certain method of paying employees additional compensation at a reduced tax rate. This is the so-called restricted stock option as now set out in section 421 of the code.

The pending bill terminates—albeit, very, very slowly so as not to upset the affluent—the "restricted" stock option. The Finance Committee has made some changes in this regard which I hope will be revised by the conferees. But these changes are relatively unimportant when viewed in the light of the main issue.

The pending bill then sets up a new stock purchase plan, with conditions very similar to the old "restricted" stock option plan, except that the ordinary employee must not be discriminated against, and a ceiling of $25,000 per year is set. This provision is modeled somewhat on the employee purchase plan now in effect at A.T. & T.

The pending bill then sets up a brand new type of option plan for corporate executives and insiders which is called the "qualified" stock option. This is similar to the old "restricted" stock option, with the following changes:

First. The stock must be held for 3 years. This is certainly a vast improvement over the corresponding requirement with respect to the "restricted" stock option, under which the stock must be held for only 6 months. This new requirement should discourage some of the quick profit operations, such as we have recently seen at Chrysler.

Second. An option cannot be outstanding for more than 5 years. The present requirement is 10 years. This is some improvement, although the 5-year period will be sufficiently long to allow the market to fluctuate through an economic cycle so the corporate insiders can at least get one good free ride during the life of the option.

Third. The new "qualified" options must be issued at 100 percent of market value. This is an ostensible improvement, but the corporate insider who is manipulating the market and looking for a 100- or 200-percent rise in the price of his stock, from low to high, is not going to be concerned over this rise from 95 to 100 percent in the requirement. Little use has been made by insiders of the present 85-percent limit.

Fourth. The new requirements are said to be tight enough to beat the present vicious practice of "resetting," that is reducing the price of outstanding options when the market goes down. The old requirements were thought by some to be good enough in that regard, but they were not. Whether these new requirements are good enough remains to be seen. Already, the experts are, I am sure, busy trying to see how best to circumvent these new requirements.

Fifth. Stockholder approval is to be required under the new rules. This is a rather meaningless requirement. Corporate management uses the proxy system. It takes something more exciting to the insiders, such as a battle for outright control, to upset the routine proxy system by which management always controls sufficient votes to carry any question at a stockholders' meeting such as a new option plan.

Sixth. Stockholders with more than 5-percent ownership in the corporation are not to be allowed to participate in new option plans. Few people who are still working own 5 percent of any publicly held corporation.

Mr. President, I would not belittle the improvements made under the new "qualified" system over the old "restricted" plan. But the only real improvements are the first two, that is, the lengthening of the holding period, and the shortening of the option period. I am not so sure the latter is too important.

The first requirement, that is, the 3-year holding period, can perhaps be circumvented to some extent by setting up liberal loan plans or otherwise having the corporation set up some system for helping the insiders swing their deals. And, of course, with the backing of an option, the insider can still play the market, including puts and calls, straddles, strips and straps, and all the other manipulations.

It is to the credit of the Congress that something is being done to clean up this option mess. But what ought to be done is to put an end to this whole free ride at the expense of the taxpayers and of the ordinary corporate stockholders.

Mr. President, let me advert to the Chrysler situation. I placed in the Record yesterday, and Senators will find it beginning on page 2220, the Treasury report. Let me emphasize that the Chrysler situation is not unique. There has been no violation of law. I do think there has been something of a violation of trust. The ordinary stockholder has not been properly dealt with by the insiders, in my opinion.

There are two things about the Chrysler situation which do seem to me to be worth emphasizing.

First, Chrysler has had a stock option plan in effect since 1952. If stock options guarantee top performance and top profits, why did Chrysler not prosper during the past several years? It should be quite obvious that Chrysler is really riding the crest of a wave of 3 good automobile years.

Second, most of the Chrysler executives who made such a killing on Chrysler stock during the past year have been with the company for some time. Of the top seven officers who figured so prominently in this current Chrysler deal, only Mr. George H. Love, chairman of the board, is a relative newcomer to the company. All the others have been with the company for years, and all had stock options at least as far back as 1958. Why did not options encourage these people to work harder, take more interest in their company's affairs, and pull it into a strong profit position years ago?

The plain truth, Mr. President, is that the stock option gimmick is nothing more than a tax dodge. It does not help the company. Any corporate executive who is paid upward of $200,000 per year, as is the case with these top seven Chrysler people, is going to do his best. He is going to take an interest in his work. He is going to try to make money for his stockholders.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. GORE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. GORE. Mr. President, I ask unanimous consent that because of the official absence on important business of the distinguished chairman of the committee, the yea-and-nay vote on this amendment be postponed subject to the call of the Senator in charge of the bill, the Senator from Louisiana [Mr. LONG].

Mr. LONG of Louisiana. I was taken somewhat by surprise by such a request, but now the Senator has informed me of the purpose of his request. Will the Senator from Tennessee inform me as to what hour he would like to have the vote?

Mr. GORE. Whenever the Senator from Louisiana wishes to call it up. The Chairman of the Committee is necessarily absent and the distinguished majority leader, the Senator from Montana [Mr. MANSFIELD] has asked that the vote be delayed, and I am sure that all Senators will wish to comply.

Mr. LONG of Louisiana. I agree to that. Do we also reserve the time that is available prior to the vote under the unanimous-consent request of the Senator from Tennessee?

Mr. GORE. I would prefer that the debate be finished to be followed by the yea-and-nay vote at the pleasure of the Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President, how much time remains?

The PRESIDING OFFICER. Four minutes remain.

Mr. LONG of Louisiana. Four minutes?

The PRESIDING OFFICER. Four minutes remain to the Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President, I suggest that the time be reserved and divided, 2 minutes for each side; and that the Senate proceed to another amendment and take the yea-and-nay vote at a later hour—perhaps in one-half hour.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Rhode Island will state it.

Mr. PASTORE. Does whispering between Members get into the RECORD? I should like to know what happened in this whispering session, so that Senators may be informed. There is so much happening on the floor.

Mr. GORE. Mr. President, the chairman of the committee is now at the White House conferring with President Johnson, and I should like to have the vote on this amendment postponed until he returns.

Mr. PASTORE. When can we expect to vote on the amendment?

Mr. GORE. I understand that the chairman of the committee will return at 12 o'clock.

Mr. LONG of Louisiana. Mr. President, I shall defer the vote until the chairman of the committee has returned, and Senators can then vote on it.

Mr. PASTORE. Then, do Senators stand around waiting until——

Mr. LONG of Louisiana. We will proceed with other amendments. The chairman particularly wished to vote on this amendment offered by the Senator from Tennessee.

Mr. PASTORE. Then we will proceed with another amendment at this time?

Mr. LONG of Louisiana. Yes.

Mr. PASTORE. That is satisfactory.

Mr. LONG of Louisiana. Mr. President, I reserve the time for the yea-and-nay vote on this amendment when it is called up by the Senator in charge of the bill.

The PRESIDING OFFICER. Is there objection?

The Chair hears none and it is so ordered.

Mr. CARLSON. Mr. President, I offer my amendment No. 385 which I send to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the following:

TITLE IV—EXCISE TAX CHANGES

SEC. 401. REBUILT AUTOMOBILE PARTS.

(a) EXEMPTION FROM TAX.—Section 4063 (relating to exemptions from the tax on motor vehicles) is amended by adding at the end thereof the following new subsection:

"(c) REBUILT PARTS.—Under regulations prescribed by the Secretary or his delegate, the tax imposed by section 4061(b) shall not apply in the case of rebuilt parts or accessories."

(b) TECHNICAL AMENDMENT.—Section 4062 (relating to definitions) is amended by striking out subsection (b).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to articles sold on or after the first day of the first month which begins more than 10 days after the date of the enactment of this Act.

Mr. CARLSON. Mr. President, the minority leader, the Senator from Illinois [Mr. DIRKSEN], offers the amendment, which I am presenting it for him today in his absence. I shall read the statement which the minority leader had prepared for delivery.

The tax bill has been sponsored by the administration as a means of invigorating our economy. In this connection, epistles have been written and voices have rung loud throughout the Nation in concern over the plight of the small businessman. I take my place with those who believe that the small businessman has been considered the least while known to be one of the most important in the survival of our economic system. I think we should take steps to afford the small businessman the relief that he so richly deserves. Along with my colleagues, Senators BENNETT and CARLSON, I am offering amendment 385 to H.R. 8363 as a token of the recognition that the Congress must soon give to those whom we so eloquqently profess to protect. Lip service is no longer enough.

I refer in this particular instance to the small companies that are rebuilding automotive parts and who have been so seriously and adversely affected by the imposition of an excise tax on their goods. They are not rebuilding luxury items, rather they are rebuilding essentials required by our Nation on wheels. And they do so at a low price with the quality of an originally manufactured automotive replacement part. The tax imposed on these restored parts is a double tax that is ultimately borne by the consumer twice—for the original part was taxed upon its manufacture and, under the code, is taxed again when it is restored.

There are over 1,200 of these small businesses in Illinois and if each Senator were to examine the rebuilders, machine shop operations, independent garagemen, service stations and the various car and truck dealer services who operate in Senators' States and who deal in restored automotive parts, they would easily see that the removal of this tax will stimulate their small businesses and benefit the Nation as a whole.

The revenue derived from this tax is relatively small. The Secretary of the Treasury admits difficulty "even to obtain a reasonable estimate of the total revenue from rebuilt parts" but uses the figure of from 5 to 8 million as an estimate. This revenue derived from this excise tax is almost completely offset by the indecision and confusion arising out of the uncertainty of the regulations of the Internal Revenue Service as to which rebuilding operations are taxable. The language of the regulations is at best difficult and elusive of interpretation. Over the years there have been constant negotiations with the Internal Revenue Service as to the application of the tax.

I believe Senators will find on their desks the basic regulation which is now being considered by the Internal Revenue Service. It would affect anyone who drove his car into a filling station to have his spark plugs cleaned. Such an operation would be subject to an excise tax. The cleaning of plugs would be treated as if the plugs were new.

The 8-percent excise tax as imposed is supposedly applied to manufacturing and is defined in the Internal Revenue regulations as "rebuilding of automobile parts and accessories as distinguished from reconditioning or repairing."

From this seemingly simple but illusory distinction have emerged interpretations full of potholes. Indeed the Internal Revenue Service has frolicked with the traditional definition of the courts that manufacturing means a transformation, the making of a new and different article with a distinctive name, make, and use.

Thus, in 1959, Revenue Ruling 58–620 was proposed which would have applied the tax to any rebuilding operation if there was merely a commingling of the components of automotive parts in the restoring process. This was finally withdrawn on June 29, 1959, after months of confusion and unrest.

Again, in 1961 the Internal Revenue Service proposed regulations based on another new theory—that would have labeled as manufacturing the simple cleaning of a commutator in a lathe operation.

After long negotiations with the Internal Revenue Service the proposed regulation in this respect was not promulgated.

Today, as in the past, we find the small businessmen who restore automotive parts unable to forecast their tax liability with any degree of accuracy. For example, the Internal Revenue Service has just issued Revenue Ruling 63–255 which would extend the manufacturers' excise tax on automobile parts to spark plugs under the unique theory that in view of the "totality" of the cleaning operation, it is somehow the same as manufacturing.

I have one of these spark plugs on my desk, as an example of what would be involved in this situation.

In view of the factors we have outlined; namely, the fact that rebuilding is not manufacturing, the adverse impact of the tax on the thousands of small businesses, and the very small revenue involved, I submit that this tax should be repealed entirely.

Having in mind the fervent plea of the administration to stimulate the economy through the tax cut, it would seem antipodal not to rescue the thousands of small businessmen engaged in these operations which involve the restoration of nonluxury, essential items which are made available to the consumer at low prices and original quality.

Mr. President, the Department of Commerce states that as of June 30, 1961, there were 240,431 filling stations in the United States. Of these, 203,960 were sole proprietorships, 30,554 were partnerships, and 5,907 were corporate owned.

When we combine the filling station operators with the regular rebuilders and jobbers we approach a total of 288,000 small businessmen who must file quarterly tax reports on the excise tax. This represents over a million tax reports to be prepared by the small businessman; these reports must then be processed and audited by the Revenue Service, and the total yield in revenue is between $5 and $8 million, far less than the cost of preparing them and probably less than the cost incurred by Revenue Service in processing them. In fact, the Revenue Service probably loses money in collecting and processing this tax.

Senators will find on their desks the proposed regulation 63-255 dealing with rebuilt spark plugs.

I sincerely hope that the Senate will give consideration to the problems of the great number of people who would be involved in this situation. Under the ruling, a person who drove into a service station to have his spark plugs cleaned would have to pay an excise tax on the cleaning of used spark plugs. That is what the ruling would provide. This is the ruling that the Internal Revenue Service is considering issuing.

I sincerely hope that the Senate will accept the amendment.

Mr. LONG of Louisiana. Mr. President, if the matter had been presented to the committee, the committee could have persuaded the Treasury to change its regulation insofar as the cleaning of spark plugs is concerned. I agree with the Senator from Kansas with respect to the cleaning of spark plugs. Although the Senator's amendment involves a revenue loss of $8 million, it also involves commodities which are competitive with manufactured articles, which are also subject to a higher excise tax, and those articles yield tax revenue of $240 million.

The competitive nature of rebuilt parts as against new parts, and of new parts being more heavily taxed than rebuilt parts, raises a number of problems that should be considered. If an automobile is being repaired, no tax is imposed for the repair and rebuilding of the part, if the owner has title to the automobile while it is being repaired, contrary to the impression the Senator's statement may have left.

The adoption of the amendment would, again, mean entry into the excise tax field, in which the Senate thus far has avoided engaging.

In addition, the amendment is proposed by the Senator from Kansas [Mr. CARLSON] on behalf of the junior Senator from Illinois [Mr. DIRKSEN], who is not present. No member of the Committee on Finance was able to persuade the committee to adopt more amendments than was the Senator from Illinois. Actually, the bill contains amendments originally proposed by the junior Senator from Louisiana and disagreed to by the committee, which were subsequently proposed by the junior Senator from Illinois and then agreed to. [Laughter.] There is no stronger advocate of any cause in the Senate than the junior Senator from Illinois, who unfortunately is not present today for reasons of health. If there is merit to the amendment he should have offered the amendment in committee. He did not. So far as I know, the Senator from Illinois has a better batting average for having amendments agreed to in committee than has any other member of the committee.

I hope the Senator from Kansas will permit the committee to consider this proposal further and to study it in connection with expected excise tax legislation. I assure the Senator from Kansas, even though I do not believe the junior Senator from Illinois needs help from the junior Senator from Louisiana, that if there is any help I can give, as the Senator in charge of this bill and as a member of the committee, I shall be glad to give it. I hope the Senator from Kansas will not insist on including the amendment in the tax bill. The Senator knows how fervently I insisted that excise tax amendments should not be included in the bill. When the question of revision of excise taxes comes up in a subsequent bill, I shall have no objection to considering such an amendment as the Senator from Kansas proposes.

Mr. CARLSON. The distinguished Senator from Louisiana has made a correct statement. When it comes to having amendments agreed to in committee, I am sure that the efforts of the minority leader, the distinguished Senator from Illinois [Mr. DIRKSEN], were much more successful than were those of the senior Senator from Kansas.

Mr. LONG of Louisiana. More than the efforts of both of us together.

Mr. CARLSON. In view of the opposition of the Senator from Louisiana, I assume that the amendment will not be agreed to today, thus keeping my batting average about where it was in committee. But I do say that the amendment has merit, in view of the proposed regulation of the Treasury Department, which, to say the least, is outlandish.

Mr. President, I ask unanimous consent that the text of the proposed regulation and also a list of the auto part rebuilders, by States, be printed at this point in the RECORD.

There being no objection, the proposed regulation and list were ordered to be printed in the RECORD, as follows:

REVENUE RULING 63-255, REBUILT SPARK PLUGS

The restoring of used spark plugs to serviceable condition by a process which consists of the washing, drying, sandblasting, filing the electrodes, plating, and packaging of the plugs constitutes a "comparable major operation" within the meaning of section 48.4061(b)-3(a) of the Manufacturers and Retailers Excise Tax Regulations. Therefore, such operation is considered to be rebuilding (manufacturing), and the restored spark plugs are subject to the manufacturers excise tax on automobile parts or accessories, imposed by section 4061(b) of the Internal Revenue Code of 1954, when sold by the rebuilder (manufacturer).

For purposes of determining the applicability of the manufacturers excise tax on automobile parts or accessories, advice has been requested whether the restoration of automobile spark plugs in the manner and for the purpose described below is considered to be "rebuilding" (which constitutes manufacturing).

A company is engaged in the business of restoring and selling automobile spark plugs. The company purchases used spark plugs from garages and service stations. The spark plugs are then sorted and only the restorable plugs are retained and processed.

The first step performed by the company in restoring the used plugs is to wash them in detergent and water and dry them in ovens. After sandblasting the plugs to remove all carbon deposits, the electrodes are filed and the plugs are cadmium-plated to retard corrosion and make the plugs look new.

Finally, the plugs are sorted as to brand and type, stamped with the word "Repaired" and packaged eight to a box. These restored plugs are guaranteed for 10,000 miles.

Section 4061(b) of the Internal Revenue Code of 1954 imposes a tax on the sale by the manufacturer, producer, or importer of parts or accessories (other than tires and inner tubes, and other than automobile radio and television receiving sets) for any of the articles enumerated in section 4061(a) of the code.

Section 48.4061(b)-3(a) of the manufacturers and retailers excise tax regulations provides that rebuilding of automobile parts or accessories, as distinguished from reconditioning or repairing, constitutes manufacturing, and the rebuilder of such parts or accessories is liable for the tax imposed by section 4061(b) with respect to his sales of such rebuilt parts or accessories. Reboring or other machining, rewinding, and comparable major operations constitute rebuilding. The person owning the part or accessory being rebuilt is the manufacturer of the article and is liable for the tax on his sale of the rebuilt part or accessory. The tax attaches whether the machining or other operation is performed by the rebuilder himself or by some other person on his behalf.

The spark plug restoring process described above, when viewed in the totality of the operation, constitutes a comparable major operation within the meaning of section 48.4061(b)-3(a) of the regulations. Therefore, such operation is rebuilding (manufacturing) for purposes of the manufacturers excise tax.

Accordingly, it is held that the rebuilt automobile spark plugs are subject to the manufacturers excise tax on automobile parts or accessories, imposed by section 4061(b) of the code, when sold by the rebuilder (manufacturer).

This Revenue ruling will not be applied to sales of the rebuilt spark plugs made prior to January 9, 1964, under the authority set forth in section 7805(b) of the code.

Auto parts rebuilders: Independent garagemen and service stations in the United States total over 288,000 small businesses.

In addition to the service stations, the count of rebuilders and jobber-warehousemen by States follows:

State	Rebuilders	Jobbers
Alabama	87	274
Alaska	7	11
Arizona	141	131
Arkansas	50	199
California	1,320	1,374
Colorado	113	173
Connecticut	167	160
Delaware	30	40
District of Columbia	43	57
Florida	237	569
Georgia	121	442
Hawaii	29	25
Idaho	33	85
Illinois	472	969
Indiana	311	340
Iowa	113	253
Kansas	113	198
Kentucky	61	278
Louisiana	127	212
Maine	22	70
Maryland	83	235
Massachusetts	221	255
Michigan	492	429
Minnesota	190	297
Mississippi	42	189
Missouri	253	411
Montana	33	76

State	Rebuilders	Jobbers
Nebraska	74	153
Nevada	36	40
New Hampshire	30	33
New Jersey	336	334
New Mexico	56	91
New York	583	738
North Carolina	109	779
North Dakota	35	76
Ohio	441	1, 121
Oklahoma	193	447
Oregon	148	238
Pennsylvania	473	985
Rhode Island	37	52
South Carolina	36	132
South Dakota	30	62
Tennessee	122	530
Texas	500	1, 289
Utah	34	100
Vermont	20	35
Virginia	135	217
Washington	184	381
West Virginia	37	140
Wisconsin	151	247
Wyoming	25	42

Mr. CARLSON. Mr. President, in view of the statement made by the distinguished Senator from Louisiana, I shall not ask for a yea-and-nay vote on the amendment, but I urge that the Senate vote on it.

Mr. LONG of Louisiana. I appreciate the excellent argument made by the Senator from Kansas. I hope the Senate will not agree to the amendment. But speaking for myself, I promise the Senator my full cooperation to try to solve this problem when new legislation is considered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas.

The amendment was rejected.

Mr. MORTON. Mr. President, on behalf of the Senator from Illinois [Mr. Dirksen], I call up amendment No. 359, which was offered in committee.

The PRESIDING OFFICER. The amendment will be stated.

The Legislative Clerk. On page 179, between lines 12 and 13, it is proposed to insert the following new subsection:

(b) Increase in Amount of Ordinary Income Which May Be Offset by Capital Losses.—Section 1211(b) (relating to limitation on capital losses of taxpayers other than corporations) is amended by striking out "plus the taxable income of the taxpayer or $1,000, whichever is smaller" and inserting in lieu thereof the following: "plus whichever of the following is smaller: (A) the taxable income of the taxpayer, or (B) $2,000, in the case of a taxable year beginning in 1964; $3,000, in the case of a taxable year beginning in 1965; $4,000, in the case of a taxable year beginning in 1966; and $5,000, in the case of a taxable year beginning in 1967 or any subsequent taxable year".

On page 179, line 13, strike out "(b)" and insert "(c)".

On page 180, line 22, strike out "(c)" and insert "(d)".

On page 203 (line 8, strike out "(d)" and insert "(e)".

Mr. SMATHERS. Mr. President, is this the amendment the Senator from Illinois [Mr. Dirksen] offered in committee?

Mr. MORTON. If the Senator will allow me to explain the amendment the Senate will know what we are talking about.

The amendment deals with the stepup amount a person can carry forward on capital losses. The House language provides that $1,000 may be carried forward indefinitely. As I recall, the present law provides 5 years. The amendment would step that up. It would increase the $1,000 to $2,000 in 1964, to $3,000 in 1965, to $4,000 in 1966, and to $5,000 thereafter.

As members of the committee may remember, the Senator from Illinois stated that we were trying to encourage risk capital. He cited the example of one who might risk, perhaps $50,000, and then have no chance of ever recovering it if the venture went sour. The amendment is designed to encourage more people to invest risk capital and in that way create jobs.

Mr. President, I ask unanimous consent that a statement prepared by the Senator from Illinois may be printed at this point in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Increase in Amount of Ordinary Income Which May Be Offset by Capital Losses

In his tax message to the Congress the President in commenting on capital losses said "More adequate capital-loss offsets will improve the investment odds, encourage risk taking on the part of investors, and stimulate economic growth." H.R. 8363 provided for an indefinite loss carryover period, repealing the 5-year limitation. This was deleted by the Finance Committee. It is doubtful that this provision alone would have the desired effect, asked by the President particularly among the small investors.

The amendment I am proposing increases the annual dollar limitation on the amount of capital losses which may be deducted from ordinary income. Presently the limit is $1,000.

This amendment increases the $1,000 to $2,000 in 1964; $3,000 in 1965; $4,000 in 1966; and to $5,000 in 1967 and subsequent taxable years.

1. DOUBLE STANDARD FOR TAXING GAINS AND LOSSES

Under section 1211(b) of the Internal Revenue Code the individual is permitted to deduct capital losses to the extent of his capital gains plus $1,000 in any one year.

In the absence of capital gains, an individual who sustains a capital loss of $10,000 in 1963 could deduct only $1,000 on his 1963 return even though he paid capital gains tax on $10,000 of capital gains in the previous year.

2. INDIVIDUAL MAY NEVER RECOVER CAPITAL LOSSES IN FUTURE YEARS

Under section 1212 of the Internal Revenue Code the individual is permitted to carry capital losses forward for 5 years. If the taxpayer does not have capital gains during this 5-year period there would be an opportunity to recover capital losses to the extent of only $5,000. In the case of a deceased taxpayer, it would appear that any capital losses not utilized on his final return could not be deducted thereafter.

The tax bill which passed the House of Representatives extended the 5-year limit to an indefinite period. This bill did not change the $1,000 limit above.

3. TAXPAYER DEPRIVED OF USE OF FUNDS EVEN IF HE RECOVERS LOSSES IN FUTURE YEARS

If an individual carries forward capital losses in the amount of $5,000 from the calendar year 1963, he would be deprived of the use of $5,000 for 1 year, $4,000 for 2 years, $3,000 for 3 years, $2,000 for 4 years, and $1,000 for 5 years in the absence of capital gains.

To carry $10,000 in capital losses forward under the House bill, in the absence of capital gains, would cost the taxpayer about $2,700 in lost interest on his money at 6 percent.

To carry forward nine-tenths of a $10,000 capital loss to future years results in a cost of $2,700 in interest when figured at the rate of 6 percent under the House bill. The figures are as follows:

$9,000 for 1 year at 6 percent	$540
$8,000 for 2 years at 6 percent	480
$7,000 for 3 years at 6 percent	420
$6,000 for 4 years at 6 percent	360
$5,000 for 5 years at 6 percent	300
$4,000 for 6 years at 6 percent	240
$3,000 for 7 years at 6 percent	180
$2,000 for 8 years at 6 percent	120
$1,000 for 9 years at 6 percent	60
Total	2, 700

While we profess to encourage free competitive enterprise and risk capital, under the House bill we would be requiring that capital losses be carried forward to future years if these losses exceeded 5 percent of a $20,000 investment or 2 percent of a $50,000 investment or 1 percent of a $100,000 investment. The maximum dollar investment that one could afford under these restrictions would be very limited.

The percentage of income on securities is relatively small in comparison with earlier years. Once a price-earnings ratio of 19 times earnings was considered reasonable. This ratio has about doubled. This means that more savings and larger investments are required to buy securities that will earn the same number of dollars, and these dollars will buy even less. Therefore, investors cannot take an undue risk for themselves and their families.

4. INDIVIDUAL CANNOT USE DIVIDEND INCOME AS OFFSET AGAINST LOSSES

If an individual received dividends of $10,000 in 1963, and sustains capital losses of $10,000 in 1963, he could deduct only $1,000 of the capital losses on his 1963 income tax return and would be required to pay taxes on the total $10,000 in dividends received.

5. INDIVIDUAL NOT ALLOWED CARRYBACK ON CAPITAL LOSSES

If an individual had paid income taxes on $10,000 in capital gains in 1962, and the situation is reversed and he sustains capital losses of $10,000 in 1963, this taxpayer can deduct only $1,000 in capital losses in 1963.

6. CAPITAL LOSSES ALLOWED INDIVIDUALS COMPARES UNFAVORABLY WITH OTHER RESERVES FOR LOSSES

The $1,000 limit on capital losses imposed under section 1211(b) of the Internal Revenue Code amounts to 1 percent of a $100,000 investment, to 2 percent of a $50,000 investment, or 4 percent on a $25,000 investment. A $1,000 limit on capital losses does not provide a worthwhile incentive and it is inequitable on its face.

The Government is in effect stating to investors that on their future investments, in the absence of capital gains, an allowance of $1,000 will be made annually regardless of the size of the investment. This offer is being included in a bill that is designed to encourage risk capital. The limit of $1,000 permits a deduction of 20 percent of a $5,000 investment, of 10 percent of a $10,000 investment, or a mere 1 percent of a $100,000 investment. Instead of encouraging investment, the present law and the House bill discourages investment above $5,000 to $10,000.

Investors have avoided risk situations for some time. There are undoubtedly more risk situations in the over-the-counter market than are involved in securities listed on the New York Stock Exchange. An examination of the volume in these two markets would no doubt reveal the extent to which investors are avoiding risk situations at the present time.

Individual investors are entitled to an allowance for capital losses that is more in line with the reserves for losses that are set up by lending institutions.

7. REASONABLE OPPORTUNITY FOR PROFIT

It is ordinarily assumed that there should be some reasonable relationship between the opportunity for profit and the risk of loss in any given transaction. The individual who invests his money in the stock of a corporation recognizes that about one-half of the company profits will be paid to the Government in the form of corporation income taxes. It is essential that part of the remaining profits be retained by the business to maintain facilities that will continue to be profitable. The stockholder in the final analysis receives a fractional part of the total earnings as dividends. At an income level of about $16,000 the Government would again take about one-half of the dividends. Of the total distributions made to the Government and to the stockholder, the Federal Government received about 75 percent and the stockholder about 25 percent. If there is to be any reasonable relationship between the opportunity for profit and the risk of loss, the Federal Government should assume about 75 percent of the risk and the stockholder about 25 percent of the risk. Yet, if the stockholder is unfortunate to sustain even a $5,000 capital loss, the Federal Government required the stockholder to bear 80 percent of this loss and to postpone the remainder to an uncertain future time.

8. DID THE $1,000 LIMIT ON CAPITAL LOSSES ACCELERATE THE 1962 MARKET DECLINE?

Assume that an individual had an investment of $20,000 in 1962. Assume further that the decline in the value of his securities amounted to an average of 20 percent on his total investment, or $6,000. On a mere 20 percent decline the taxpayer would have incurred all of the capital losses he would be allowed to utilize in future years in the absence of capital gains. Is it reasonable to conclude that the investor might consider it sensible to get out of the market without incurring additional losses which he might never recover?

9. IS THERE A RELATIONSHIP BETWEEN THE $1,000 LIMIT ON CAPITAL LOSSES AND CAPITAL INVESTMENT AND ECONOMIC GROWTH?

In past years the U.S. Government has offered various incentives when there was a desire to bring about increased industrial expansion. Tax incentives were the most widely used. If tax incentives constituted the most effective and widely used means of expanding the economy in the past, is it logical to conclude that the taxing of gains accompanied by the postponement or disallowance of losses would have the opposite result.

10. RISK CAPITAL

A new venture requires risk capital. At best these new ventures start on a shabby foundation. The probability of failure is frequently greater than that of success. Yet it is this very type of undertaking that must be encouraged, but it will not be encouraged if the present limitation of $1,000 is retained.

Every large business in this country started small—risk capital was required. If we are to encourage the formation of small businesses, if small businesses are to expand, a more favorable climate for investment and recovery of losses must be provided. This amendment to increase the amount offset, in stages from $1,000 to $5,000 marks a modest beginning, but one that must be made.

Mr. LONG of Louisiana. The Senate has voted to sustain the committee by eliminating entirely the capital gains provisions in the bill. It is the hope of the committee that there will not be any change in the capital gains treatment now.

This amendment would increase the amount of capital losses that could be deducted against ordinary income. The Treasury is vehemently opposed to the amendment, not only because of the revenue loss involved, but because the Treasury feels there is a considerable possibility for manipulation of capital losses to be used against ordinary income. Persons could bunch their losses in 1 year and bunch their gains in other years, to achieve substantial advantages at the option of the taxpayer.

Upon that basis, the committee voted, 11 to 5, against the amendment. I sincerely hope the Senate will sustain the position taken by the committee on the amendment.

Mr. MORTON. Mr. President, I yield back the remainder of my time.

Mr. LONG of Louisiana. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. MORTON] on behalf of the Senator from Illinois [Mr. DIRKSEN].

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, and that there may now be a brief quorum call, but without charging to the time available under the unanimous-consent agreement the time required for the quorum call.

The PRESIDING OFFICER (Mr. BAYH in the chair). Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 412

Mr. PROXMIRE. Mr. President, I call up my amendment No. 412.

The amendment was read, as follows:

At the end of the bill add the following new title:

"TITLE IV—EXCISE TAXES

"SEC. 401. Repeal of tax imposed with respect to amounts paid by patrons of cabarets, roof gardens, or other similar places.

"(a) IN GENERAL.—Section 4231(6) (relating to tax on amounts paid by patrons of cabarets, roof gardens, or other similar places) is repealed.

"(b) CONFORMING CHANGES.—Section 4232(b) (relating to definition of roof garden, cabaret, or other similar place) and section 4232(e) (relating to performances for profit) are repealed.

"(c) EFFECTIVE DATE.—This section shall apply only with respect to amounts paid, on or after 10 o'clock antemeridian of the first day of the first month which begins more than ten days after the date of the enactment of this Act, for admission, refreshment, service, or merchandise on or after such time."

Mr. PROXMIRE. Mr. President, this amendment presents us with an unparalleled and unusual opportunity. Would Senators be willing to adopt an amendment that would reduce excise tax rates, but actually increase revenues? I think I can show that that will be the effect of the amendment.

In addition, would Senators adopt an amendment which they knew—and I say this on the basis of hard experience—would provide between 20,000 and 30,000 jobs? I can show that the reduction of this tax will have that result.

Mr. President, I speak of the so-called cabaret tax. Until 1940, that tax was 3 percent. During the war, it was sharply increased. In 1960, it was reduced from 20 to 10 percent.

On the basis of that experience, we can determine what would happen to jobs and to revenue by now reducing the cabaret tax still further, inasmuch as the previous reduction of this tax from 20 to 10 percent caused a marked increase in the number of jobs for musicians—in fact, an increase of more than 34 percent; and that has been certified to by the International Statistical Bureau, of New York City. So there is no question about that result—an increase of nearly 35 percent.

The tax loss was none. The Treasury estimated that there would be a tax loss of approximately 50 percent. Actually, the direct tax loss was 22 percent; but when the marked increase in employment for musicians and income of proprietors is taken into consideration, and the Federal tax on that income, it becomes evident that there was an actual gain to the Treasury.

Mr. President, if Congress now reduces this tax from 10 to 3 percent, it is clear—on the basis of that experience and any kind of honest and fair assumption—that there will be a much greater increase in the demand for the services of musicians than there was when the previous reduction in this tax was made.

Most of us are old enough to remember the situation which existed before 1940—at the time when, if one went to a restaurant, there would be music and dancing. But that situation was killed cold by the cabaret tax. Although there might have been some excuse for that tax during the war, it has gone now.

When the tax was reduced from 20 to 10 percent, musician employment made some comeback.

If the rate is now reduced to 3 percent, that experience clearly shows that there will be a great increase in the number of jobs. I estimate that the increased number of jobs will total between 20,000 and 30,000. However, those jobs will not be there if this particular tax cut is not made. For those who really want to stimulate employment with a tax cut, here is the way to do it. Right here, today, now, on this bill.

Some economists say the pending tax bill will not stimulate the economy very much. However, by means of this amendment—making music and entertainment far more readily available—we can persuade the taxpayer, who will get some of the benefit of the bill, to spend some of it, for then he will have a reason to feel an incentive, a real, living reason to go to a restaurant where music is played, and where he can dance with his wife or with his girl friend, and can enjoy himself.

What harm will be done? More jobs will be provided; more revenue raised for the Federal Government.

Mr. President, if the pending tax bill has any purpose at all—it is to stimulate the economy and to solve our No. 1 economic problem, which is the need for more jobs.

Mr. KEATING. Mr. President, will the Senator from Wisconsin yield briefly to me?

Mr. PROXMIRE. I yield.

Mr. KEATING. I congratulate the Senator from Wisconsin for his fine statement and fully concur in his position. I wish to emphasize the point the Senator made at the beginning of his remarks, namely—and I sincerely believe this to be the case—that reduction in the cabaret tax rate will not result in net losses of revenue to the Treasury. The previous reduction in the cabaret tax rate actually generated increased revenues. Experience has shown that the amendment now proposed will not result in a loss of revenue, and even more important, will result in many new jobs for musicians and other entertainers and kitchen and dining room employees.

Mr. President, many restaurants and hotel dining rooms have had rough times recently, for a variety of causes, including the 1962 revisions in the tax treatment of certain business expenses. At no sacrifice to the interest of the Treasury, we now have a chance to help this vital industry along and in the bargain give new jobs to thousands of unemployed. I have over the years supported reducing the cabaret tax and shall support this amendment.

Mr. PROXMIRE. I thank the Senator from New York.

Mr. President, I realize that the leadership—and I sympathize with them—have been trying hard to keep excise-tax cuts out of the pending bill. However, I think the situation to which this amendment applies is an extraordinary one, and is very different from the others to which consideration has been given, because I believe we can show, on the basis of the experience between 1959 and 1962, that this amendment, if enacted into law, will not bring about a loss of revenue.

Mr. President, I ask unanimous consent that the excellent report showing the impact of the cabaret tax on Federal revenues and jobs be printed in the RECORD at this point.

Mr. President, I reserve the remainder of the time available to me.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

IMPROVEMENT IN MUSICIANS' EMPLOYMENT FOLLOWING REDUCTION OF THE CABARET TAX

(Prepared for American Federation of Musicians, May 15, 1963)

SUMMARY

1. Reduction in the cabaret tax from 20 to 10 percent as of May 1, 1960, has been chiefly responsible for a marked improvement in the income and employment of musicians in establishments subject to the tax. On the basis of this study, it is estimated that between late 1959 and 1962:

Man-hours increased by 34.2 percent; income increased by more than 33 percent for local musicians playing local engagements; 5 percent for traveling musicians.

2. Despite the Treasury's prior contention that a 50-percent reduction in the tax rate would cause a 50-percent decline in cabaret tax revenue, the actual decline, from fiscal 1959 to fiscal 1962, was only 22.4 percent. After the tax was reduced, consumers increased their taxable spending by about 55 percent.

3. Relief provided by the tax reduction unquestionably improved the earnings of establishments subject to the tax, the income of their proprietors, and the income and employment of employees other than musicians. For musicians, it can be estimated on the basis of this study and information from other sources, the increase in income following the tax reduction ranged between $25 and $35 million. An estimate of income improvement for proprietors and other employees of these establishments was outside the scope of this study. It seems most likely, however, that the increase in income tax revenue following the tax reduction was more than enough to offset the decline in cabaret tax revenue.

4. An earlier and more extended study, conducted in 1955, described the depressed position of musicians, analyzed the causes, and estimated the extent to which complete elimination of the cabaret tax would relieve their conditions. The chief conclusions stated in this earlier report are summarized on the following page. The present study deals with an accomplished fact. The tax was not eliminated, but it was cut in half. What has happened since May 1, 1960, when this reduction took place, strongly supports the validity of the estimates made in 1955.

INTRODUCTION

An earlier study

A nationwide survey, conducted for the American Federation of Musicians in 1955, analyzed the depressive effects of the 20 percent cabaret tax on the employment of musicians in 1954. Complete results were made available to Members of Congress, and a detailed summary of results was published by the Federation in a brochure entitled "The National Crisis for Live Music and Musicians." The most important facts established and estimates made, as a result of this earlier study are as follows:

1. During the period of the 20 percent cabaret tax, from 1943 through 1954, establishments subject to this tax reduced their employment of musicians by the equivalent of 25,000 man-years. This exceeded the losses due to technological changes between 1930 and 1940, estimated at 20,000 man-years.

2. Of the total shrinkage in employment opportunities for musicians between 1930 and 1954, from 99,000 to 59,000 man-years, the high cabaret tax level of 20 percent was a decisive factor.

3. Despite this retrenchment by establishments subject to the tax, these places in 1954 provided about 27,000 man-years of work for musicians, being the single most important source of employment.

4. It was estimated, therefore, that repeal of the 20-percent tax was bound to react favorably on the depressed condition of musicians, increasing both their employment and their income.

5. It was estimated on the basis of the survey that about 16,000 places were subject to the 20-percent cabaret tax, 63 percent of them being small businesses paying a tax of $1,000 or less a year. Repeal of the tax would increase the business income of these establishments and the personal income of their owners. It would also lead to increased employment and earnings for entertainers, waiters and waitresses, kitchen help, service help, etc.

6. It was conservatively estimated, therefore, that the loss of revenue following repeal of the tax would be more than made up by gains in personal and business income taxpayments by those individuals and establishments who were favorably affected by the elimination of the cabaret tax.

Eventual tax reduction

The so-called cabaret tax remained at 20 percent until May 1, 1960, when it was reduced to 10 percent in line with other excise taxes which had been reduced from their war-emergency levels at various earlier dates.

During 1961, the American Federation of Musicians, by means of questionnaires which were returned by 426 locals, estimated that reduction of the tax had led to an increase of 34,861 work hours per week of employment for musicians. On the basis of this survey, the Federation also estimated the increase in musicians' annual income at a little over $9 million. On the basis of this study, it was pointed out in official proceedings of the 64th annual convention of the American Federation of Musicians:

Foes of cabaret tax reduction had based a large part of their opposition on "the fact" that halving the 20-percent tax to 10 percent would decrease the yield to the Federal Government by 50 percent.

A realistic appraisal of income tax returns, compiled by the Internal Revenue Bureau in 1958, shows that wage earners in the $4,000 bracket pay approximately 10 percent of their gross earnings in income taxes. On this basis, the additional $45 million yearly cabaret workers' income made possible by the tax reduction would yield the Government an additional $4,500,000 annually in income taxes, or $1,125,000 per quarter.

When the additional business or income taxes paid by cabaret operators are added to employees tax liabilities, it is obvious that the annual yield in taxes to the Government has remained at least equal, while at the same time the general economy has been bolstered by making possible all this additional work.

Latest study of tax reduction results

Late in 1962, the American Federation of Musicians decided to employ the services of an independent agency to document any further improvement which had taken place in the position of musicians since reduction of the tax, and, incidentally, to confirm the earlier findings. The present study, conducted by International Statistical Bureau, Inc., is a result of that decision.

Musicians' report

The chief purposes of the present study have been to determine the extent to which man-hours of musicians' employment in establishments subject to the cabaret tax have changed since the reduction of the tax from 20 to 10 percent, and to gain some information about the income of musicians.

The present survey covers 202 locals, representing a musician membership of 122,266. This represents about 30 percent of the total number of locals and 46 percent of the union membership.

The survey was undertaken late in 1962, and covered man-hours of employment of musicians in establishments subject to the cabaret tax during a 4-week period ending December 16, 1962. The comparison period was the 4 weeks ending December 13, 1959. This choice of periods provided the latest possible information in 1962, and eliminated variations which might have been caused by seasonal factors or holiday periods.

The representation of locals includes those who had maintained contract files for both periods. From these it was possible to obtain the names of the establishments subject to the tax which employed musicians in one or the other or both of the two 4-week periods, and to determine from the contract files the number of musicians, the number of days per week, the number of hours per day, and the number of weeks during each of the two 4-week periods, from which could be computed man-hours of employment. The survey includes contract employment in 3,486 establishments.

Information on musicians' income was based on local tax information, covering both local and traveling musicians.

RESULTS OF THE SURVEY

The results of the survey, detailed in the following section, apply to the large and representative sample obtained. The gains for the entire union membership in actual manhours would be two or three times as large; percentage increases would probably be of about the same magnitude.

Number of establishments

Of the 3,486 establishments subject to the cabaret tax in one or the other or both of the 2 years, 1,694 were in business in both years, and employed musicians in both years.

In addition, there were almost as many, 1,336, which either employed musicians only after the tax was reduced, or came into business (and employed musicians) only after the reduction. The number, 456, which either went out of business or stopped employing musicians after the tax was reduced, was much smaller:

Additional details about establishments subject to the tax are as follows:

Establishments in existence during both periods:	
Employing musicians in both periods	1, 694
Employing musicians in 1959 but not 1962	219
Employing musicians in 1962 but not 1959	480
Establishments in business in 1959, but not in 1962	237
Establishments which came into business after the tax was reduced[1]	856

[1] A few of these establishments may have started or discontinued business between Dec. 13, 1959 (the date used in the survey), and May 1, 1960, when the tax was reduced.

Man-hours increased

The increase in man-hours which followed the reduction of the cabaret tax from 20 to 10 percent is indicative of the burden which the high tax rate had imposed. This is revealed by changes in the employment policies of the establishments involved.

The first establishments considered are the 1,694 which were in business in both 1959 and 1962, and which employed musicians in both periods. These establishments provided 494,926 man-hours of employment in the 4-week period in 1959, and this had increased to 541,031 in 1962, after the reduction in the tax.

In establishments in business in both periods, but which employed musicians in one period only, there were 43,541 man-hours in 219 establishments in the 4-week period in 1959, and 88,367 man-hours in 480 establishments in the corresponding 4-week period in 1962.

In addition, some establishments were in business in 1959 but not 1962, while others came into business only after the tax was reduced. The former provided about 75,000 man-hours of employment for musicians, while the latter provided about 194,000.

Details are as follows:

	Man-hours of musicians' employment in 4-week period [1] in—	
	1959	1962
In business both years:		
Hired musicians in both years	494, 926	541, 030
Hired musicians only in 1959	43, 541	
Hired musicians only in 1962		88, 367
In business in 1959 but not 1962	75, 565	
In business in 1962 but not 1959		194, 389
Total (4-week period)	614, 032	823, 786
Annual equivalent	7, 982, 416	10, 709, 218
Percentage increase		+34. 2

[1] 1959: 4 weeks ending Dec. 13, 1959; 1962: 4 weeks ending Dec. 16, 1962.

A comparison might be made here between an accomplished fact following the reduction of the cabaret tax from 20 to 10 percent, and the estimate made in the original study of the probable increase in musicians' employment in 20-percent establishments, if the tax were eliminated altogether.

The accomplished fact, following reduction of the tax from 20 to 10 percent is the 34.2-percent increase in musicians' employment cited above.

In the earlier study it was estimated that musicians' employment in these establishments would increase by about 68 percent if the tax were eliminated altogether.

Musicians' income

Traveling musicians are charged a payroll tax in behalf of the local in the area in which they are engaged. In many cases, there is also a small payroll tax based on the employment of local musicians in local establishments. Thus it was possible to obtain a sampling of what has happened to musicians' income, based on 18 locals which were able to report both local and traveling payroll tax, 15 locals which were able to report only the local tax, and an additional 27 locals which reported only the traveling tax.

The income estimate is not exactly comparable with the man-hour data, since the latter was limited to establishments subject to the cabaret tax, while the payroll tax covers all forms of musical employment. The estimated income is based only on the tax collected by the local, which in many cases is based on scale rather than on earnings. To the extent to which payment rates to musicians have increased more rapidly than scale rates, the estimates made here will understate the increases in musicians' income which have actually taken place.

Income estimates for local and/or traveling musicians

[Thousands of dollars; 4-week periods [1]]

	Local musicians		Traveling musicians	
	1959	1962	1959	1962
18 locals	$6, 674	$8, 059	$1, 355	$1, 271
15 locals	25, 501	34, 663		
27 locals			961	1, 153
Total (4-week periods)	32, 175	42, 722	2, 316	2, 424
Annual equivalents	418, 275	555, 386	30, 108	31, 512
Percent change	+32. 8		+4. 7	

[1] 4 weeks ending Dec. 13 in 1959; 4 weeks ending Dec. 16 in 1962.

There are three points to note in connection with these income estimates:

1. The gain of slightly less than 5 percent for traveling musicians, based on 4-week periods in 1959 and 1962, is not far from the gain of almost 8 percent shown in national collections of the traveling tax during the 2 fiscal years ending March 31, 1959 and 1962.

2. Most of the increase in musicians' income has been accounted for by local employment. This is not surprising. Traveling musicians, in the main, are employed in the larger establishments in leading cities or resort areas. Reduction of the tax, although a relief for such establishments, was not so much a matter of life or death as it was for the scattered small places, which are a major source of local employment for local musicians.

In a very real sense, therefore, it can be concluded that the reduction in the cabaret tax from 20 to 10 percent has provided relief where it was most needed, i.e., among small establishments and for local musicians.

3. The present study has been limited to the impact of the cabaret tax reduction on the position of musicians. It is not unreasonable to believe, however, that the income of the affected establishments, and of other employees of these establishments, showed somewhat similar increases. There has, therefore, been a very substantial increase in related business and income tax revenue collected by the Treasury since the cabaret tax was reduced.

In the original study commissioned by the federation, it was estimated that loss of revenue caused by complete elimination of the tax would be more than offset by increased income tax revenue.

The Treasury, however, consistently took the position that a 50-percent reduction in the tax (from 20 to 10 percent) would result in a 50-percent loss in revenue. The tax was reduced nevertheless, and the results—a decline of 22.3 percent in cabaret tax revenue between fiscal 1959 and fiscal 1962—proves conclusively that the Treasury's contention was unrealistic.

If allowance is made further for the increases in income tax revenue since the cabaret tax was reduced (based on the higher income of musicians, establishments subject to the cabaret tax, and other employees of these establishments), the conclusions of the original study seem to be substantially validated.

TAX REDUCTION CHIEF REASON FOR IMPROVEMENT

Time has elapsed since the 20-percent cabaret tax was reduced to 10 percent as of May 1, 1960, and there has, of course, been some improvement in general economic conditions since then. It might be argued that this general improvement contributed to higher income and employment for musicians, even though, as pointed out in the original study, much greater economic gains in earlier periods had failed to do so. However, various comparisons can be made which justify the conclusion that the cabaret tax reduction was primarily responsible for the marked improvement in the economic condition of establishments subject to this tax, and of the musicians and others employed by these establishments.

INCREASED SPENDING IN CABARETS

A measure of the extent to which the 20-percent carbaret tax inhibited taxable consumer spending in these establishments is the extent to which taxable consumer spending increased when the tax was reduced. This can be calculated directly from reports on cabaret tax revenue, since the tax rate was 20 percent in 1959 and 10 percent in 1961 and 1962. The increase in taxable consumer income amounted to 49 percent between fiscal 1959 and 1961, and to 55.3 percent between fiscal 1959 and 1962.

Consumer expenditures for goods and services are reported by the Department of Commerce, the last detailed information at the time of writing being for calendar 1961. The extent to which gains for other types of consumer spending fall short of the increase for taxable spending in cabarets is indicated in the table.

The relatively restricted gains for other forms of consumer spending indicate that it was the reduction in the cabaret tax, rather than an improvement in general economic conditions, which chiefly accounts for the marked gain in taxable consumer spending in cabarets.

Consumer expenditures

[In millions of dollars]

	1959	1961	Percent increase
Total	313, 538	338, 058	7. 9
Food and tobacco	84, 619	88, 738	4. 9
Purchased meals and beverages	16, 456	17, 374	5. 6
Clothing, accessories, and jewelry	33, 093	34, 502	4. 3
Personal care	4, 927	5, 790	17. 5
Housing	39, 646	43, 928	10. 8
Household operation	44, 154	47, 315	7. 2
Medical and death	19, 684	22, 426	13. 9
Personal business	18, 789	21, 615	15. 0
Transportation	39, 157	40, 093	2. 4
Recreation	18, 309	20, 638	12. 7
Books and maps	1, 353	1, 721	27. 2
Magazines, newspapers, music	2, 309	2, 534	9. 7
Nondurable toys and sport supplies	2, 378	2, 621	10. 2
Wheel goods, durable toys, sport equipment, boats, pleasure aircraft	2, 017	2, 169	7. 5
Radio, TV, records, instruments	3, 420	3, 815	11. 5
Radio and TV repair	784	909	15. 9
Flowers, seeds, potted plants	905	1, 058	16. 9
Admissions to specified spectator amusements	1, 875	2, 049	9. 2
Motion pictures	1, 271	1, 369	7. 7
Legitimate theaters, opera, and entertainment of nonprofit organizations	339	400	18. 0
Spectator sports	265	280	5. 7
Clubs and fraternal organizations	744	799	7. 4
Commercial participant amusements	868	1, 041	19. 9
Parimutuel net receipts	473	523	10. 6
Other	1, 183	1, 399	18. 3
Private education and research	4, 082	5, 106	25. 1
Religious and welfare activities	4, 281	4, 971	16. 1
Foreign travel and remittances (net)	2, 797	2, 936	5. 0

Source: Department of Commerce.

Man-hours

Man-hours of work available to musicians, in establishments subject to the cabaret tax were affected, between 1959 and 1962, by the reduction in the tax from 20 to 10 percent.

That this reduction in the tax was chiefly instrumental in the 34.2-percent increase in man-hours is indicated by comparing with the much smaller gains (or declines) in other activities, which did not have the benefit of this special stimulus.

Percent change in employment[1] *by major industry classifications*

	Percent change
Mining	−10. 7
Contract construction	−6. 3
Manufacturing	+1. 9
Durable	+3. 9
Nondurable	−. 9
Transportation and public utilities	−2. 0
Wholesale trade	+3. 0
Retail trade	+1. 5
Finance, insurance and real estate	+7. 3
Services and miscellaneous	+13. 7
Government	+12. 9

[1] Based on man-hours of employment per week, except for transportation and public utilities; finance, insurance, and real estate; services and miscellaneous; and Government, which are based on number of employees.

Source: U.S. Department of Labor.

Mr. LONG of Louisiana. Mr. President, so far those of us who have been trying to get the tax cut bill through the Senate have taken the position that if we were to agree to a single reduction in the excise taxes—any one of them—we would "pull the plug out of the dike" and all the excise taxes would flow through. It would cost us $10 billion. Once we repeal one of the excise taxes, a case is made for the repeal of the next. After that tax is repealed, the way is open for the repeal of the next excise tax. Each proposal sounds good in its own right. Each excise tax that would be repealed would set the stage for the repeal of another excise tax. After a while we would discover that we had lost $10 billion of taxes, so that instead of having a tax bill which would result in a loss of revenue in the amount of $12 billion, we would wind up with a tax bill containing a loss of revenue in the amount of $24 billion. If we take that action, we might as well repeal the entire Revenue Code.

Mr. President, this is the first time that the junior Senator from Louisiana has been the Senator in charge of a tax bill on the floor of the Senate. I suppose it would be interesting to have the distinction of being the Senator in charge of the bill that repealed the entire Internal Revenue Code and removed all taxes.

Mr. President, the Government must operate. It must have some revenues. Senators have been required to remain in the Chamber and vote to hold the bill together, knowing that if we should load the bill down with many excise tax cuts, the President would be compelled to veto it, and we would have done a vain and futile thing in attempting to help the taxpayer. In the last analysis, we would have done nothing after having labored for 2 years on a bill.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. SMATHERS. To demonstrate the sincerity and at the same time the plight in which the junior Senator from Louisiana and the junior Senator from Florida find themselves, I point out the fact is that we were the original sponsors of a similar amendment.

For 5 years we have been the ones who, at various times when bills relating to excise taxes were before the Senate, fought for a reduction in that tax. There are many cabarets in the State of Florida. In one city in Louisiana I suppose there are more cabarets than there are in the entire State of Wisconsin. I do not know. Certainly we have plenty in Florida. We sponsored a similar amendment for years.

Mr. President, I point out that we reduced the tax on cabarets from 20 percent to 10 percent. The amendment would not remove the tax entirely but would reduce it to 3 percent. As the able Senator has said, if we pull our finger out of the dike on the excise tax to which we are now referring, or any one of the excise taxes, instead of the cost being only $30 million, as the Senator has said, the final cost would be about $10 billion, because we would take off the excise taxes on lights, automobiles, tires, and all the other commodities on which excise taxes are imposed. So I hope the Senate will reject the amendment.

Mr. LONG of Louisiana. Mr. President, the junior Senator from Louisiana was the father of the amendment offered by the Senator from Wisconsin before the Senator from Wisconsin ever sought to adopt it. He is the one who made the fight to reduce the excise tax on cabarets from 20 percent to 10 percent. During the time that he was not fighting for it, the Senator from Florida fought for it.

The Senator from Illinois made the same fight. He joined us in the effort. We reduced the tax from 20 percent to 10 percent.

I hope we can do what the Senator from Wisconsin is trying to do, but not in the bill before the Senate. If we should adopt the amendment in the present bill, in my judgment, there would be no bill.

I do not know whether the musicians are as appreciative of the efforts of the Senator from Wisconsin to remove the excise tax in that industry as they were of the efforts of the Senator from Louisiana. Drew Pearson even wrote a column about me on the subject, stating that the musicians contributed to my campaign. The musicians bought an advertisement in the newspaper which read, "Thank you, Senator LONG, for cutting the tax on cabarets, because that is where we make our living playing music."

The Senator from Louisiana would be happy to cooperate with the Senator from Wisconsin in helping to repeal the tax, but not in the pending bill. When the Senator offered the amendment, he inflicted the cruelest wound of all. [Laughter.] He would like to be able to tell the people in the city of New Orleans that he had played some part in the repeal of that tax. To resist the amendment is doing the same thing as was done to certain other Senators who proposed repeal of the excise taxes on ballpoint pens, musical instruments, and certain other commodities in order to assure our obtaining a $11.6 billion tax reduction. Sometimes, when a Senator must resist that kind of amendment, such resistance can be cruel.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. SMATHERS. The able Senator from New Mexico [Mr. ANDERSON] is also one of those who has some paternity rights in the amendment, because at one time he offered an amendment of the nature of the one proposed. The Senator from Illinois did also. I believe the Senator from Washington has done so. So as the able Senator from Louisiana has said, the amendment is a sort of cruel amendment because it would require us to do a 180° turn. But I cannot accept the amendment on the bill before the Senate.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. MAGNUSON. Though many of us have strong feelings about certain excise taxes, we have stayed with the recommendations of the committee for the very reasons which the Senator from Louisiana has pointed out.

The bill before the Senate is a different kind of bill.

The argument always stated by members of the Committee on Finance is that if one excise tax is removed, we would open the floodgates for almost $11 billion of excise tax reductions, and that all excise taxes should be treated alike.

Obviously, all excise taxes are not alike. Some are more unjust than others. Some are more inequitable. Some are more irritable. Different products sold by members of the public fall into different categories. I hope that when we again come before the committee, after staying with them on the bill, the Committee on Finance will not take the position that we cannot touch any excise tax or any one segment of the excise tax structure, because we would have to repeal $11 billion worth of excise taxes.

Excise taxes must be considered as they are presented. The Senator from Florida and I had a part in the repeal of the transportation excise tax because that tax affected the whole economy of the Nation.

I believe that we ought to have a little more assurance from the Finance Committee. I know their word is absolutely good, but I wish to make it a little more clear that when we come to the committee with some suggestions as to an excise tax program—for example, a repeal of the sales tax to which the Senator from Kentucky referred—we will not be met again with the argument that if it is done for one commodity, it must be done for $11 billion worth of commodities. That is not the correct way to get rid of excise taxes. I hope that is clear.

A few days ago the Senator from Virginia [Mr. BYRD] said that, as soon as the House sends a bill to the Senate, or after the Finance Committee itself examines the excise taxes, he would call the committee immediately and consider the question. The chairman of the House Committee on Ways and Means, Mr. MILLS, has said that he would hold hearings on excise taxes this spring, as I recall the statement in the press. Some of us will stay with the committee, but we are still not abandoning the belief that there are some excise taxes the repeal of which would not cost us anything but, in many instances, would actually bring money into the Treasury.

Mr. PROXMIRE. My amendment would, too.

Mr. MAGNUSON. Some would not.

Mr. LONG of Louisiana. Mr. President, who has the floor?

Mr. MAGNUSON. When we talk about one excise tax that we believe should be repealed, and it has the feature about which I have spoken, I hope we will not be met with the argument that to repeal the tax would result in the repeal of $10 or $11 billion of excise taxes.

Mr. LONG of Louisiana. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. MAGNUSON. I believe I am entitled to 3 minutes.

Mr. LONG of Louisiana. I appreciate that fact. I merely wished to make clear that I have the floor, and that I have yielded to the Senator.

Mr. MAGNUSON. I thank the Senator.

Mr. LONG of Louisiana. As chairman of the Committee on Commerce for a number of years, the Senator from Washington knows that when he makes a commitment that a certain measure will be considered, he cannot promise what his vote will be. But based upon the circumstances, he understands what the general effect of that commitment is, and he knows as well as I do that the chairman of the committee is as much a man of his word as any man in public life.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. MORTON. On Wednesday the Republican members of the Committee on Finance made their position clear on the subject of the repeal of excise taxes. So the Senator knows that he can count on Senators on our side of the aisle.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield to the Senator from Illinois.

Mr. DOUGLAS. I have great feeling and friendship for the junior Senator from Louisiana, and always have had ever since we both came into the Senate together some 16 years ago. I hope he will not take it amiss, when he says that he had been for the removal of the original cabaret tax, but is opposed to it now, if I quote from Euripides, "The Hippolytus," as translated by Gilbert Murray:

> And to mine eyes, not in man's knowledge, not in wisdom, lies the lack that makes for sorrow.
>
> Nay, we scan and know the right, for wit hath many a man who will not to the last live, strive and serve.
>
> But some grow too soon weary and some swerve to other paths setting before the right the faint, far-off image of delight.
>
> And many are the delights beneath the sun.

Mr. LONG of Louisiana. The Senator has not borne the cross nearly as much as the Senator from Louisiana has in bringing this bill before the Senate. I am more concerned about those musicians than I am about Euripides. [Laughter.]

Mr. PROXMIRE. Mr. President, the argument for this amendment has not been disputed at all. Apparently it is agreed that the reduction of the cabaret tax from 10 to 3 percent would not reduce revenues. It is agreed that there will be new jobs, which will provide new taxes. The only argument that has come forth is that if we do this, all other excise taxes would have to be eliminated. The Senator made that argument in 1962, and led a successful fight in reducing excise taxes on transportation. The Senator from Louisiana states that he was responsible for cutting the excise tax from 20 to 10 percent on cabarets and that there has been a $10 million or $20 million cut in excise taxes. Of course that argument is not accurate. It is an argument that should not be made to an intelligent body—that if we vote to cut one excise tax, we will have to vote to cut all others. It is ridiculous.

This amendment has all kinds of fathers. Everybody supported it, apparently, under some circumstances; but Senators who really are interested in this kind of excise tax cut must vote now or not this year at all, because we know there is not going to be another tax cut this year. We are providing an $11.7 billion tax cut now. Does anyone think there is going to be another $5 billion or $10 billion tax cut later this year? Of course not. This is the only opportunity to give relief to those who need it, which will result in making more jobs and increasing revenues.

Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. LONG of Louisiana. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Louisiana has 7 minutes remaining.

Mr. LONG of Louisiana. Mr. President, New Orleans is one of the prime entertainment cities in the United States. It is sometimes known as the city that care forgot. The Senator from Louisiana could go as far as any other Senator in voting to take the tax off cabarets; but some Senators will have difficulty explaining why they voted against taking the tax off ladies' handbags, ball point pens, electric light bulbs, and spark plugs, and wound up by voting to take the tax off cabarets.

It is not a problem for me. I could get away with it. The votes I would lose in north Louisiana I probably would recoup in New Orleans. But certain Senators are going to have difficulty explaining why they voted against taking excise taxes off everything else but cabarets.

If the Senator from Louisiana has any influence, he would see to it that we look into the question of excise taxes. Excise taxes amounting to $1,900 million will have to be extended this June, or they will expire. I can assure the Senator that we will consider that item if I have any influence. But I do not think this is the time to do it.

Mr. President, I yield to the Senator from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. President, I think this is an opportune time to say that I agree with the Senator from Washington. I know when the chairman of the Commerce Committee says the committee is going to go into the matter of excise taxes this summer, he will do it, not only because his word is good, but because $1,900 million worth of excise taxes expire on June 30. But I do not vote for any excise tax in the illusion that there are to be reductions because there will be hearings. We shall be faced with a reduction of $11 billion in taxes this year. I voted against the handbag amendment last night. I shall vote against this amendment. But let us not vote against it with the idea that next summer there will be reductions in these excise taxes.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield to the Senator from Montana.

Mr. MANSFIELD. The point is not that there will be an expectation of great reductions, but that there will be hearings, and this subject will be considered on its own merits. In the words of the Senator from Louisiana [Mr. LONG], he is going to seek to avoid any excise tax reductions or abolitions in this bill.

Mr. LONG of Louisiana. Yes. Some persons may be unhappy over the fact that some excise taxes will be retained and perhaps some will not be. It may be the case that some excise taxes should be reduced, some eliminated altogether, and some continued. But the Senator from Louisiana does not propose to do that in this bill.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield 1 minute to the Senator from New York.

Mr. KEATING. Mr. President, I dislike to see all these "fathers" take to the hills. I commend the Senator from Wisconsin for standing up for the parentage of this amendment. One cannot say he is for an amendment and then vote against it. The American people cannot rely on any relief in this field this year unless the amendment is adopted. Employees in this industry—musicians, chefs, cooks, waiters, bartenders, and so on—employees who now have no jobs will find little solace in the views of those who say they favor the amendment but will vote against it now. Voting for it next year may make jobs next year, but what about this year? How about making jobs in this industry this year? Why not increase revenues this year?

This amendment would increase revenues, not reduce them, as shown by the results of excise taxes which were eliminated by similar amendments.

I am convinced of the difference in kind between this amendment and others that have gone before it, although I supported all the others, too, and in fact proposed the amendment on ladies' handbags. I think all should have been approved. But none had the peculiar status of the cabaret tax amendment. This one is entirely different from the other amendments. It would not result in losing revenues. It would create jobs and increase revenues at one and the same time.

Again, I express my admiration for the Senator from Wisconsin for sticking to his guns on this one.

Mr. PROXMIRE. Mr. President, I yield to the Senator from Hawaii [Mr. FONG].

Mr. FONG. Mr. President, I join the Senator from Wisconsin in urging adoption of the amendment. I think it is long overdue. It would give the same incentive to the economy that the bill as a whole is designed to provide. If the tax is reduced, it will stimulate employment for musicians, entertainers, waiters, cooks, and all the other personnel related to cabarets, roof gardens, and other places to which the tax now applies.

America is trying to induce foreign business people and visitors to come to our shores to view our scenic wonders, to visit our historic places, to sojourn in our vacation playlands and to enjoy our entertainment facilities. A reduction in the entertainment tax would induce many more oversea visitors and many more Americans seeking relaxation to go to cabarets and similar places. I believe it would lead to a significant increase in patronage and thereby help create jobs. I hope the amendment will be adopted.

Mr. PROXMIRE. Mr. President, I yield to the Senator from Michigan [Mr. MCNAMARA].

Mr. McNAMARA. Mr. President, I take the same position that has been explained by other Senators. I have consistently voted against repealing excise taxes in this bill because I think there is an unfair excise tax on automobiles.

However, I find the amendment now offered has so much appeal that I am going to vote for it despite my belief that I would not be able to vote for any repealers until there was an abolition of the unfair excise tax on automobiles.

Mr. PROXMIRE. I thank the Senator.

I yield now to the Senator from Tennessee.

Mr. GORE. Mr. President, every time an amendment is offered, whether it is to take a tax off women's handbags, or costume jewelry, or what not, we hear the argument that it is going to break the dike.

First, I should like to know who is breaching the dike. The $11 billion tax cut is not something to be stopped with a finger, exactly. The whole argument is unsound. There are those who advocate the $11.7 billion tax cut on the basis that it will be a wonderful thing to lose revenue that will bring prosperity and balance the budget, but if we try to do something for the people and remove Federal excise taxes, we are about to breach the dike.

Mr. PROXMIRE. I thank the Senator from Tennessee. That is particularly apropos in view of what happened to the amendment yesterday, when we had an opportunity to save $725 million a year by depreciation on the basis of 100 percent of the real cost of the asset. Where were the managers of the bill then?

I yield to the Senator from Michigan [Mr. HART].

Mr. HART. Mr. President, each of these amendments to repeal specific excise taxes has great appeal. I have shared the concern of the Senator in charge of the bill, the Senator from Louisiana [Mr. LONG], that adoption of any one such amendment could jeopardize the income tax reduction bill itself by opening up all of the excise taxes. For this reason, I shall continue to support the committee on this and other excise reductions.

We need very much the same full committee's review, report and then legislative action on the excise taxes as we have now before us on the income tax. Reduction of automobile and cabaret excise taxes, among others, would then be within such review as so much needed.

Mr. PROXMIRE. Mr. President, I yield to the Senator from Montana [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. President, we have heard the same argument time and time again during the course of this debate as it affects excise taxes on this or the other item. I would hope Senators would not allow the dike to be breached. The Senator from Louisiana has done an extremely efficient and effective job in keeping the bill together. It has been no easy task, and I would hope that the amendment will be given the support to which it is entitled. I hope the Senate will vote down the amendment. If it is adopted, we shall find other proposals along a similar line, and the dike will really be breached.

Mr. SIMPSON. Mr. President, I am comforted by the knowledge that the excise taxes will be reviewed at a later time. I believe that.

We have a song out West that should dispose of this question. I do not ask Senators to join me in singing it. They do not have to do that, but there is a little ditty which goes:

> Come little girlie and let us fly away
> Far from the noisy, gay cabaret.

[Laughter.]

So I suggest that we get on with the business of doing away with this amendment.

Mr. LAUSCHE. Mr. President, the other day I opposed a proposal to remove the tax on jewelry and other items. I did so on the basis that the bill that was pending before us dealt only with income taxes. Each Senator has some particular type of excise tax in which he is interested. He believes that that excise tax is the one that primarily should be reduced.

When we encounter the "hobbies" of various Senators, each saying, "My State has cabarets," "My State manufactures jewelry," or "My State manufactures leather goods," where are we to end?

I should like to give support to those in the cabaret business, but I believe it should be looked at as to the whole unit. Comparison should be made——

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that I may proceed for 1 minute.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 1 minute.

Mr. LAUSCHE. Comparisons should be made as to which of the excise taxes should occupy the highest priority by way of getting a concession, and that cannot be done on the floor of the Senate.

Mr. PROXMIRE. Mr. President, I yield time on the bill to the Senator from Nevada [Mr. BIBLE].

Mr. BIBLE. I should like to ask the distinguished Senator in charge of the bill as to the timetable for the hearing on the excise taxes, as to whether that has been indicated.

Mr. LONG of Louisiana. The chairman of the Ways and Means Committee of the House announced that he will undertake hearings on this subject in

May. The Senator from Virginia, chairman of the Finance Committee, has undertaken to assure the Senate that immediately after an excise tax bill reaches the Senate he will hold hearings on it.

Mr. BIBLE. I thank the Senator. As the Senator from Louisiana knows, we joined during previous debate on reduction of the carbaret tax from 20 percent to 10 percent. I believe it can be demonstrated that the reduction caused a great increase in employment. I believe it can be proved that it also resulted in an increase in revenue. I am inclined to believe that the same thing would occur again, but I am perfectly willing to defer to the entreaty of the Senator from Louisiana, and his assurance that it will be considered later in this session, at the time excise taxes are considered.

Mr. LONG of Louisiana. The Senator from Nevada was a great battler in the fight to reduce carbaret excise taxes from 20 percent to 10 percent. I look forward to joining forces with him in the future on this subject.

Mr. BIBLE. That is good, because I believe that the soundness of the reduction can be fully demonstrated

Mr. PROXMIRE. Mr. President, I shall be brief, and take less than a minute. We all know, that no matter what Senators say here, there will be no excise tax reduction this year. The only way we can get this one through is to vote for it now. This is our only opportunity. We also know that there has not been a single word to dispute the statement that it would not deprive the Treasury of one penny in revenue, and that it would provide thousands and thousands of jobs.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin. The yeas and nays have been ordered; and the clerk will call the roll.

Mr. MANSFIELD (after having voted in the negative). On this vote I have a pair with the Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. HUMPHREY. I announce that the Senator from Louisiana [Mr. ELLENDER] is absent on official business.

I further announce that, if present and voting, the Senator from Louisiana [Mr. ELLENDER] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. CURTIS] and the Senator from Illinois [Mr. DIRKSEN] are necessarily absent.

If present and voting, the Senator from Nebraska [Mr. CURTIS] would vote "nay."

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

The result was announced—yeas 30, nays 66, as follows:

[No. 35 Leg.]

YEAS—30

Beall
Bennett
Cannon
Case
Cotton
Dodd
Dominick
Douglas
Fong
Goldwater
Gore
Gruening
Hartke
Inouye
Jackson
Javits
Keating
Kuchel
McNamara
Mechem
Morse
Nelson
Neuberger
Proxmire
Randolph
Saltonstall
Scott
Symington
Williams, N.J.
Young, N. Dak.

NAYS—66

Aiken
Allott
Anderson
Bartlett
Bayh
Bible
Boggs
Brewster
Burdick
Byrd, Va.
Byrd, W. Va.
Carlson
Church
Clark
Cooper
Eastland
Edmondson
Engle
Ervin
Fulbright
Hart
Hayden
Hickenlooper
Hill
Holland
Hruska
Humphrey
Johnston
Jordan, N.C.
Jordan, Idaho
Kennedy
Lausche
Long, Mo.
Long, La.
Magnuson
McCarthy
McClellan
McGee
McGovern
McIntyre
Metcalf
Miller
Monroney
Morton
Moss
Mundt
Muskie
Pastore
Pearson
Pell
Prouty
Ribicoff
Robertson
Russell
Simpson
Smathers
Smith
Sparkman
Stennis
Talmadge
Thurmond
Tower
Walters
Williams, Del.
Yarborough
Young, Ohio

NOT VOTING—4

Curtis
Dirksen
Ellender
Mansfield

So Mr. PROXMIRE's amendment was rejected.

Mr. MORTON. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. ANDERSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair understands that the Senate is now ready to proceed to the further consideration of the Gore amendment. The Senator from Louisiana has 4 minutes remaining.

Mr. LONG of Louisiana. Mr. President, I yield 2 minutes to the Senator from Tennessee.

Mr. GORE. Mr. President, this is a very important amendment. Only 4 minutes remain. The distinguished junior Senator from Louisiana has kindly allotted 2 of those 4 minutes to me.

The bill contains two sections dealing with new types of stock options. One covers the employee purchase plan. My amendment does not touch that.

Under this new employee purchase plan, the officer of a corporation can be granted an option to buy $25,000 worth of stock each year at only 85 percent of market value.

There is another condition in the employee purchase plan. It must be nondiscriminatory. Any preferential special tax treatment of stock options should have those two requirements. Any such plan should be nondiscriminatory, so that the man who works on a lathe can benefit from the profit of the corporation the same as the man in the penthouse; second, there should be some reasonable limit to the amount. The employee purchase plan, which is found in section 423, has both of those qualities.

But there is another section in the bill that is without limit. It is section 422. This is for the officers of the corporation and is, I repeat, without limit. My amendment would strike out section 422.

I ask Senators to turn to my remarks of yesterday evening.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. LONG of Louisiana. I yield the Senator 1 minute on the bill.

Mr. GORE. I thank the Senator.

I placed in the RECORD yesterday evening the recommendation of the late beloved President Kennedy to the effect that the existing "restricted" stock option be stricken from the law. This is one tax reform that I should like to see accomplished in the bill. President Kennedy asked for it. Secretary Dillon recommended it. That is what my amendment actually would accomplish. It is fair; it is right. We should not write into law any such special benefit without limit. Vast benefits can still be received under section 423—$25,000 of options a year at 85 percent of market value.

Mr. LONG of Louisiana. Mr. President, I yield to the Senator from Utah 2 minutes on the amendment and 1 minute on the bill.

Mr. BENNETT. Mr. President, the program of qualified stock options has become a component part of the pattern for the hiring of professional management executives. The company that finds itself in management difficulty and is under great pressure to find a man who can pull it out of trouble certainly cannot induce a man to buy stock in that company in limited amounts without some special incentive.

We have voted a 7-percent tax credit as an incentive to business. Here is a device which, in the management field, serves the same purpose. The amendment offered by the Senator from Tennessee [Mr. GORE] would eliminate it completely and would have exceedingly dangerous effects on publicly held corporations with respect to their opportunities to secure management.

The bill tightens existing law very much:

First. It requires a holding period for the stock of 3 years as against 6 months under existing law.

Second. The maximum period during which an option could run would be 5 years instead of 10.

Third. Stock options must be issued at the market price on the date of grant rather than at 85 percent of the market price under existing law.

Fourth. The bill modifies the provisions so that the price of stock options can no longer be reset when the price of the stock goes down. If a person has an option, he must live up to it before he can get another option.

Fifth. The stockholders themselves must approve any plans for stock options.

In my opinion, it would be tragic and dangerous to adopt the Gore amendment. I hope the Senate will support the Committee on Finance, which heard much testimony and studied the problem very carefully, that it will have faith in the committee's decision, and will vote to retain this feature in the bill.

Mr. LONG of Louisiana. Mr. President, I yield myself 1 minute on the bill.

It is true that the Treasury originally recommended the position now urged by the Senator from Tennessee. However, this matter was studied by both the House and Senate committees and both the House and Senate committees rejected the original Treasury recommendations and took different action. Now, Treasury has accepted the position taken by the committees. The Treasury recommends that we adhere to the position covered by the bill. Therefore, Treasury is not now supporting the Gore amendment.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the amendment of the Senator from Tennessee [Mr. GORE]. The yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Louisiana [Mr. ELLENDER] is absent on official business.

I further announce that, if present and voting, the Senator from Louisiana [Mr. ELLENDER] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. CURTIS] and the Senator from Illinois [Mr. DIRKSEN] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

If present and voting, the Senator from Nebraska [Mr. CURTIS], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Arizona [Mr. GOLDWATER] each would vote "nay."

The result was announced—yeas 39, nays 57, as follows:

[No. 36 Leg.]

YEAS—39

Aiken
Bartlett
Burdick
Byrd, Va.
Cannon
Church
Clark
Cooper
Dodd
Douglas
Gore
Gruening
Hart
Hill
Humphrey
Kennedy
Lausche
McIntyre
McNamara
Metcalf
Monroney
Morse
Moss
Mundt
Muskie
Nelson
Neuberger
Pastore
Proxmire
Randolph
Ribicoff
Russell
Smith
Sparkman
Symington
Thurmond
Yarborough
Young, N. Dak.
Young, Ohio

NAYS—57

Allott
Anderson
Bayh
Beall
Bennett
Bible
Boggs
Brewster
Byrd, W. Va.
Carlson
Case
Cotton
Dominick
Eastland
Edmondson
Engle
Ervin
Fong
Fulbright
Hartke
Hayden
Hickenlooper
Holland
Hruska
Inouye
Jackson
Javits
Johnston
Jordan, N.C.
Jordan, Idaho
Keating
Kuchel
Long, Mo.
Long, La.
Magnuson
Mansfield
McCarthy
McClellan
McGee
McGovern
Mechem
Miller
Morton
Pearson
Pell
Prouty
Robertson
Saltonstall
Scott
Simpson
Smathers
Stennis
Talmadge
Tower
Walters
Williams, N.J.
Williams, Del.

NOT VOTING—4

Curtis
Dirksen
Ellender
Goldwater

So Mr. GORE'S amendment was rejected.

Mr. McCLELLAN obtained the floor.

Mr. BENNETT. Mr. President, will the Senator from Arkansas yield for about 1 minute to me? I wish to offer a technical amendment, and its consideration should not require more than 1 or 2 minutes.

Mr. McCLELLAN. Mr. President, if I yield for that purpose, I shall have to yield for the submission of several other amendments.

However, Mr. President, at this time I yield for that purpose to the Senator from Utah, with the understanding that Senators will speak in their own time on their own amendments.

I yield first to the Senator from Utah; thereafter, I shall yield to the Senator from Iowa [Mr. MILLER].

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, I offer the amendment which I sent to the desk.

The PRESIDING OFFICER. The amendment of the Senator from Utah will be stated.

The LEGISLATIVE CLERK. On page 168, in line 3, after the word "months," it is proposed to strike out "or", and to insert: "unless the loans, notes, or installment obligations are evidenced or secured by contracts of conditional sale, chattel mortgages, or lease agreements, arising out of the sale of goods or services in the course of the transferor's or borrower's trade or business, or".

Mr. BENNETT. Mr. President, this amendment arises out of an attempt by the Treasury to simplify the language of the law relating to finance companies. The Treasury has gathered up all the sections of the existing law and has shortened them very much; and in the process the Treasury wrote language which would make it impossible to finance house trailers.

The Treasury recognizes what it has done; and the language of this amendment has the approval of the Treasury, which recognizes that this change should be made. The Treasury considers this amendment to be a technical one. If the Treasury had realized the problem when it recommended the other changes in the law, the Treasury would have caught this error or oversight or complication; but the Treasury did not realize it.

Therefore, I ask that the Senate approve this amendment, and then have the amendment taken to conference as a technical amendment.

Mr. LONG of Louisiana. Mr. President, so far as I know, there is no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah.

The amendment was agreed to.

Mr. BENNETT. Mr. President, I thank the Senator from Arkansas for his courtesy in yielding this time to me.

Mr. McCLELLAN. Mr. President, have I the floor?

The PRESIDING OFFICER. Yes.

Mr. McCLELLAN. Has the time used for the last amendment been charged to the time available to me, under the unanimous-consent agreement?

The PRESIDING OFFICER. No.

Mr. McCLELLAN. Mr. President, I call up my amendment——

Mr. JAVITS. Mr. President, first, will the Senator from Arkansas yield 3 minutes to me?

Mr. McCLELLAN. Mr. President, I am perfectly willing to yield to the Senator from New York 3 minutes on the bill, provided the time he uses will not be charged to the time available to me.

Mr. JAVITS. Mr. President, I so request.

The PRESIDING OFFICER. The Chair understands that the Senator from Arkansas yields 3 minutes on the bill to the Senator from New York.

Mr. KUCHEL. With the consent of the Senator from Arkansas.

Mr. McCLELLAN. Therefore, Mr. President, at this time I yield for 3 minutes, with the understanding that the time which will be used by the Senator from New York will not be charged to the time available to me.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. Do I correctly understand that the Senator is yielding, but declines to yield any of the time available to him?

Mr. McCLELLAN. The Senator is correct.

Mr. KUCHEL. The time will be applied under the order to the bill.

Mr. McCLELLAN. With the understanding that I will not be charged with the time, I yield 3 minutes to the Senator from New York.

Mr. KUCHEL. I thank the Senator.

Mr. THURMOND. Mr. President, will the Senator yield a half minute?

Mr. JAVITS. I have only 3 minutes available.

Mr. THURMOND. Mr. President, I ask unanimous consent that my name may be added as a cosponsor of the amendment of the Senator from Arkansas. Several days ago I had asked that my name be added.

The PRESIDING OFFICER. Without objection, it is so ordered.

LET US FREE THE HANDS OF OUR GOVERNMENT ON PANAMA

Mr. JAVITS. Mr. President, the issue over the Panama Canal is a major problem facing the country. Normally there would be comment on it on the floor of the Senate, but the tax bill has more or less preempted our time. Since the time factor is a major consideration in this matter I would like to take a few minutes now to make my position clear.

The United States is faced with a grave situation in Panama that threatens to undermine the continuing expectations we have of forging new bonds of mutual interest between the United States and Latin America under the Alliance for Progress. The new indication of an effort by Communist Cuba to force us out of Guantanamo is part of this crisis but should not distract us. We will, with determination, remain at Guantanamo, supplying the base with its needs by whatever means are necessary. We are dealing in Cuba with a hostile Communist power. In Panama, while a policy of fidelity to our responsibility, the national security, and the national interest are vital, too, we draw on a great reservoir of interdependence and friendship. The situations in Cuba and Panama are not comparable and should not be considered in the same light.

At the moment the fact that the United States was caught flatfooted in Panama and that the entire situation there is a legitimate political issue must be laid aside for a later discussion in the interests of the bipartisan foreign policy.

The danger I see at this point is that "tough talk," or one eye focused on the political repercussions here at home, could result in a hardening of U.S. public opinion that will not help in arriving at a solution to this crisis—which needs urgently to be solved.

We should free the hands of our Government so that it goes into the new negotiating effort under the auspices of the OAS without preconceptions of what the negotiation will produce, ready to discuss any aspect of our relations with Panama, including our treaty relations, without fear of bucking up against a hard line U.S. public opinion and without fear of political punishment. Our Government's sole objective should be to reach an honorable agreement which preserves the integrity and security of the Panama Canal and the dignity of the United States.

The greatest danger in this situation is that in the heat of the controversy the realities of a longstanding friendship and association with Panama will go down the drain.

It is, therefore, vital to lay out the facts, and first and foremost I urge the State Department to issue a white paper on this controversy. The facts as I understand them are these:

Fact No. 1: Our legal position in the Canal Zone is clear. The Treaty of 1903, negotiated between two sovereign states, the United States and the Republic of Panama, gives the United States sovereign rights "in perpetuity" in the Canal Zone.

Fact No. 2: The United States, under the terms of the treaty, obtained the canal for a payment of $10 million and additional annual payments of $250,000 to begin in 1913.

Fact No. 3: In the agreement of March 2, 1936, the United States increased its annual payments to $430,000 a year.

Fact No. 4: On January 25, 1955, a new treaty regulating relations between the two countries was signed by Panama City which became effective August 23, 1955, following Senate ratification. Under this treaty, the United States increased its annuity paid Panama from $430,000 to $1,930,000 per year. The United States transferred to Panama about $24 million worth of real estate no longer needed by the Canal Zone administration, and also agreed to build the high-level bridge over the Pacific entrance to the canal as a link in the Inter-American Highway.

Fact No. 5: The canal is vitally important to the economic well-being of Panama, to the commerce of the hemisphere and the world, and to the security of the United States. Panamanians receive substantial payrolls from work on the locks and other canal facilities. Though Panama produces and exports some $26 million worth of shrimp, bananas, cocoa, and sugar annually, its imports run $120 million annually. The difference is largely made up of the $82 million received by Panamanians for work on the canal installations and from retail and other activities connected with the canal and its operation. The canal's importance to world commerce is evidenced by the fact that annual cargo tonnage exceeds 60 million tons, and over 11,000 ships cross it yearly.

Fact No. 6: U.S. economic aid to Panama averages $25 million annually.

Fact No. 7: Panama's cooperation in safeguarding the canal during World War II has proven to be of invaluable assistance to Allied victory.

There are great possibilities in increased cooperation with Panama over the development of the Panamanian economy. We should also urge Panama to join the Central American Common Market, which has shown great possibilities in its 2½ years of existence. The Inter-American Development Bank, the International Finance Corporation, the Export-Import Bank, and AID could also step up their operations in Panama.

I recognize the great complexity of the situation facing us in Panama. It calls for thoughtful action and the close cooperation between the executive branch and the Congress.

More than anything else, it calls for the closing of ranks, which is traditional to us in our bipartisan foreign policy, which will leave our Government's hands free to negotiate within the fundamental principles which I think every American will want and to which I have referred.

Mr. President, I ask unanimous consent to have printed, at this point, two editorials from the New York Times, one entitled "Fiddling as Panama Burns," published in the February 6 issue, and the other entitled "Bad To Worse in Panama," published in the January 30 issue; and also an article entitled "OAS To Form 17-Nation Group To Mediate United States-Panama Clash," published in the New York Tribune of February 7.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 30, 1964]

BAD TO WORSE IN PANAMA

Panama is being so obviously unreasonable in the latest phase of her conflict with the United States that she is destroying the validity of her case.

As we have reiterated in these columns, we believe that the United States could, and should have made it clear—or clearer—that it is willing to enter into negotiations which might lead to an agreed and revised treaty on the Canal Zone. This thought has certainly been implied in the American proposals to the Inter-American Peace Committee, but it has not been publicly and explicitly stated, and it should have been.

However, such a statement, which might have satisfied the Panamanians several days ago, evidently would not now. Their line has hardened and they are asking the United States to commit itself in advance to the revision of the treaty of 1903 without saying what revisions they want. It is not fair for Panama to conduct negotiations and stiffen its terms each time the other side makes a concession. It is not reasonable to demand capitulation before negotiations can even be held.

Panama's attempt now to carry the dispute first to the Organization of American States and, if fruitless, to the Security Council and General Assembly of the United Nations is dangerous. A meeting of the Organ of Consultation of the OAS would put a great strain on hemispheric relations. The OAS cannot force the United States to revise its treaty with Panama, nor can the United Nations. The Panamanians would simply be making an angry and futile gesture.

The presumption is that the internal situation in Panama is getting out of hand. The Government is thrashing out wildly because it is weak and is giving way to nationalistic, emotional mob pressures that it cannot control. Meanwhile, the economic situation is deteriorating rapidly.

Both Panama and the United States have right and wrong on their side. Both have reasons to reproach themselves and to reproach each other. But the longer the struggle lasts the more damage it does. Another effort is required by the United States, but the conflict will be insoluble if Panama does not cease demanding unconditional surrender. It is Panama's turn to make some concessions.

[From the New York Times, Feb. 6, 1964]

FIDDLING AS PANAMA BURNS

The conflict with Panama is being drawn out too long. Every unsettled day adds to the difficulties of finding an accommodation and, what is worse, adds to the dangers.

There has been a surprising tendency in Washington to be rather complacent about Panama. On the Panamanian side, the millionaire ruling clique has been using the dispute for political purposes while sending out as much private capital as possible to American and European banks.

Among the forgotten factors in this conflict are the miserably poor majority of the Panamanian people and a small but growing element of the middle classes who are emerging into political life determined to bring too long delayed reforms. Potentially, there is a revolutionary situation in Panama. It was not created by Communists and Castroites, though of course it is being used by them. There is a long history of misgovernment, corruption, and concentration of wealth and power in a few families. Socially, economically, politically, and morally Panama is in bad shape.

This is not the fault of the United States, unless it be considered that our presence in the Canal Zone and our power for 60 years might have led to better guidance. In any event, Panamanian wrongs would not excuse American mistakes, procrastination, and complacency. We are now trying to force the Panamanian governing classes to yield through economic pressures. We are standing on rights that are legally sound but politically and practically belong to 1903, not to 1964.

We, as well as the Panamanians, are playing for public galleries because we are both involved in presidential campaigns. However, these issues are life and death, politically speaking, to the Panamanian Government, but they are of minor importance to the Johnson administration.

It is time to get the agony over with, and to do so within the Inter-American system. The treaty of 1903 must be revised. Let the United States face that fact and start talking that way—without any particular commitment. The issue has to be thrashed out between the United States and Panama, even if the framework is hemispheric.

Panama does not trust the United States any more. Since this is a fact, however unfair and unjust, more is to be gained by accommodation than by toughness. While the United States waits, Panama festers.

[From the New York Times, Feb. 7, 1964]

OAS TO FORM 17-NATION GROUP TO MEDIATE UNITED STATES-PANAMA CLASH

(By Henry Raymont)

WASHINGTON, February 6.—The Organization of American States agreed in principle tonight to establish a 17-nation committee to investigate and mediate the conflict between Panama and the United States.

The action was taken at an informal session of all members of the OAS Council except the two parties to the dispute.

The session, which ended at 7:15 p.m. after a day of diplomatic activity, appeared to have broken the deadlock that developed Tuesday on the scope and membership of the investigating committee.

In effect, the full membership of the inter-American body will assume the responsibility for looking into the causes of the dispute over the Panama Canal as well as to search for a solution to it.

The Council has scheduled a meeting as a ministerial-level "organ of consultation" tomorrow at 10:30 a.m. to give formal approval to tonight's action.

The latest stalemate arose because of the reluctance of most Latin American nations to serve on a small committee that might find itself in the awkward position of having to pass judgment on the conduct of the United States and Panama in the violence on the zone border last month that led to the present situation.

The formula fashioned by the Council was the result of a combined effort by the Chairman of the Council, Juan Bautista de Lavalle, of Peru, and by the representatives of Mexico and Venezuela.

The draft resolution approved at the closed session would set up a "general commission" having the following powers:

To investigate fully and immediately the events of January 9 and 10 and submit a report to the organ of consultation. The efforts made by Panama and the United States to settle the dispute will also be assessed.

To propose to the parties procedures designed to guarantee the maintenance of peace while efforts are underway for a settlement.

To assist the parties in their quest for a solution and report on these efforts to the organ of consultation.

SUBGROUPS ARE PROVIDED

The Chairman of the Council would have authority to appoint subcommittees, presumably of three members each, that would attend to the functions outlined in the draft resolution. At least one subcommittee was expected to leave for Panama as soon as possible after tomorrow's meeting.

Apparently the groups will submit secret reports to the general commission, which would then issue the findings over the signature of all 17 members.

The draft resolution retained most of the provisions of an earlier formula submitted by Vicente Sanchez Gavite of Mexico. It invoked article 4 of the Charter of the Organization of American States, which emphasizes the regional organization's fundamental objectives of maintaining peace and security and of "assuring a peaceful solution of controversies that may arise among member states."

RECENT MOVES RECALLED

The resolution took notice that both Panama and the United States had expressed agreement that the events of January 9 and 10 be submitted to a broad investigation.

The delegates of the two countries stated this position during the special meetings of the Council on January 31, when it heard Panama accuse the United States of aggression, and again on February 4, when the Council voted to invoke the Inter-American Treaty of Reciprocal Assistance.

No reference was made to articles 6 and 9(A), which Panama had mentioned in her original charge. The articles provide for action in cases of threats to the peace through indirect aggression and in the case of direct military threats to a nation's security.

REVENUE ACT OF 1964

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, without the time required for the call of the quorum being charged to the time available to Senators on either side.

Mr. KUCHEL. Mr. President, reserving the right to object—and I shall not object because our able friend the Senator from Arkansas has cooperated with several Senators, and I believe the subject of his amendment is of sufficient importance to have a quorum call——

Mr. SMATHERS. Therefore, the Senator will not object.

Mr. KUCHEL. That is correct.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 37 Leg.]

Aiken
Allott
Anderson
Bartlett
Bayh
Beall
Bennett
Bible
Boggs
Brewster
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Carlson
Case
Church
Clark
Cooper
Cotton
Dodd
Dominick
Douglas
Eastland
Edmondson
Ellender
Engle
Ervin
Fong
Fulbright
Gore
Gruening
Hart
Hartke
Hayden
Hickenlooper
Hill
Holland
Hruska
Humphrey
Inouye
Jackson
Javits
Johnston
Jordan, N.C.
Jordan, Idaho
Keating
Kennedy
Kuchel
Lausche
Long, Mo.
Long, La.
Magnuson
Mansfield
McCarthy
McClellan
McGee
McGovern
McIntyre
McNamara
Mechem
Metcalf
Miller
Monroney
Morse
Morton
Moss
Mundt
Muskie
Nelson
Neuberger
Pastore
Pearson
Pell
Prouty
Proxmire
Randolph
Ribicoff
Robertson
Russell
Saltonstall
Scott
Simpson
Smathers
Smith
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Walters
Williams, N.J.
Williams, Del.
Yarborough
Young, N Dak.
Young, Ohio

The PRESIDING OFFICER. A quorum is present.

Mr. McCLELLAN. Mr. President, on behalf of myself, the senior Senator from Ohio [Mr. LAUSCHE], and the junior Senator from South Carolina [Mr. THURMOND], who have joined me as cosponsors, I call up my amendment No. 407.

The PRESIDING OFFICER. The amendment offered by the Senator from Arkansas, for himself and other Senators, will be stated.

The legislative clerk proceeded to read the amendment.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, and that it be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment offered by Mr. McCLELLAN, for himself and other Senators, is as follows:

On page 27, after line 24, insert the following:

"PART IV—TERMINATION OF TAX REDUCTION

"SEC. 141. TERMINATION WHEN ADMINISTRATIVE BUDGET EXPENDITURES FOR ANY FISCAL YEAR EXCEED $100,000,000,000

"(a) IN GENERAL.—If the net administrative budget expenditures made during any fiscal year ending on or after June 30, 1965, exceed $100,000,000,000, then—

"(1) with respect to taxable years beginning after the December 31 following the close of such fiscal year, the amendments made by part I (relating to individuals) and part II (relating to corporations) of this title and the amendments made by section 301 (relating to optional tax if adjusted gross income is less than $5,000) of title III shall not apply, and the provisions of the Internal Revenue Code of 1954 amended by such parts I and II and such section 301 shall apply as if this Act had not been enacted, and

"(2) with respect to remuneration paid and payments made after such December 31, the amendments made by section 302 of title III (relating to income tax collected at source) shall not apply, and the provisions of the Internal Revenue Code of 1954 amended by such section shall apply as if this Act had not been enacted.

"(b) ANNOUNCEMENT BY SECRETARY OF THE TREASURY.—The Secretary of the Treasury shall, on or before September 1, 1965 (and on or before September 1 of each succeeding year, if the amendments made by parts I and II of this title and by title III have not been terminated under subsection (a)) announce and publish in the Federal Register the net administrative budget expenditures made during the fiscal year ending on the preceding June 30.

"(c) RATE OF CORPORATE NORMAL TAX.—For purposes of subsection (a), if the provisions of section 11(b) of the Internal Revenue Code of 1954 (relating to rate of corporate normal tax) apply as if this Act had not been enacted, the rate of the normal tax under such section 11(b) shall be 30 percent.

"(d) CHANGE IN RATES DURING A TAXABLE YEAR.—Section 21 of the Internal Revenue Code of 1954 (relating to effect of changes in rates during a taxable year) shall apply with respect to changes in the rates of tax which take effect under the provisions of this section."

Mr. McCLELLAN. When I introduced this amendment last Monday, I stated the purpose of it and what its effect would be. I restate briefly the objective of the amendment.

It provides that if the net administrative budget expenditures, made during any fiscal year ending on or about January 30, 1965, exceed $100 billion, then on January 1 of the calendar year immediately following, the tax rate for individual and corporate, as well as the withholding rates provided in the bill, would cease to apply and the rates would revert to those contained in the Internal Revenue Code, 1954, as amended and as now in effect.

Mr. President, simply stated, it means this: We are going to take a tax cut—and I say "take it"—and I will explain what I mean by that term later—we are going to take a tax cut without doing anything about expenditures.

I therefore propose that the tax cut that the bill provides shall remain in effect only so long as the expenditures of government—and I am not talking about trust funds, I am talking about administrative budget expenditures—so long as they remain $100 billion or less.

First, the net effect of the amendment would be to require the administration to exercise caution in its administrative budget requests.

Second, it would require the administration to come to Congress if it becomes necessary to exceed the limitation of $100 billion in any one fiscal year.

Third, it would place a brake on deficit spending by providing adequate tax receipts to meet increases in its administrative budget expenditures which exceed the ceiling of $100 billion.

I do not believe adoption of the amendment would result in any hardship or difficulty. The total estimated administrative budget for expenditures in 1964 is $98.4 billion. The amount requested in the budget before us now, for fiscal year 1965, is $97.9 billion.

Thus, it will be seen that the $100 billion limitation contained in my amendment still leaves a leeway of $2.1 billion.

I submit this amendment because I believe it will assist in a return to prudence and thrift in the operation of our National Government. It will help bring about a reduction in expenditures that will move us in the direction of a balanced budget.

I invite the attention of the Senate to the fact that although the pending tax bill has been accorded a preferred status, it is in no way tied to or conditioned upon a corresponding reduction in Federal expenditures. The President of the United States in his state of the Union message to the Congress mentioned many things that we must do. In that brief message he used the word "must" 40 times. He used "we must" 16 times to emphasize the need for new legislation for the expansion of existing programs and for expenditures in new fields of Federal responsibility, all of which calls for additional spending.

The President said:

> Above all, we must release $11 billion of tax reduction into private spending streams to create new jobs and new markets in every area.

Yes, Mr. President, this bill is a preferred bill. It is the one remedy above all others recommended by the administration as the medicine that the economy needs, the medicine and the treatment that we need for a healthy Government, for a healthy economy, for an expanding economy, for a growing country, but the President did not say anything in support of a balanced budget. That is the one thing that is missing.

Yes, Mr. President, the trouble with the tax bill is that it is in no way tied to or conditioned upon any corresponding reduction in Federal expenditures. It is not based upon nor is it subject to any contingency whatsoever or any requirement, not even to a "hold the line" budget. Instead it is accompanied by recommendations for numerous increases in proposed new fields of governmental expenditure responsibility.

Mr. President, a tax cut of such magnitude should be geared to a positive and appropriate reduction in the already exorbitant and constantly rising cost of government. At least such an unprecedented tax reduction as is proposed in the bill should be supported and justified by an enforcible ceiling on expenditures.

That is what I seek to do. In my judgment, under the conditions that now prevail, prudence and sound fiscal policy require a limitation on expenditures to prevent inflation and to protect the purchasing power of the dollar from further erosion and deterioration.

In my judgment, without this amendment or something comparable, the tax bill should not be enacted into law.

Mr. LAUSCHE. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I am glad to yield to the Senator from Ohio.

Mr. LAUSCHE. In accordance with my understanding that in the message of the President to a joint session of Congress he emphasized the purpose of indulging in economic cooperations of Government and the movement should be toward the ending of deficit operations and that that was done for the purpose of inducing Congress to pass the tax cut, in other words, he says we will cut expenses and therefore justify the cutting of taxes. Is it not a fact that the amendment offered by the Senator from Arkansas contemplates carrying that policy into effect?

Mr. McCLELLAN. Mr. President, in answer to the distinguished Senator from Ohio I say that in the tax bill we are reducing taxes. The tax cut is one which the President requested. But we are doing nothing at all to insure the balancing on the other side of the coin.

I should like to point out that the President in his first message to the Congress on November 27 said:

> I rededicate this Government to, among other things, the maintenance of military strength second to none.

I wholeheartedly endorse that and I shall support it.

The President said further:

> To the defense of the strength and stability of the dollar.

Mr. President, is an $11 billion tax cut at a time when we have the highest gross national product in the history of the country and at a time when we are running deficits at the rate of about $8 billion a year—is a tax cut under those circumstances calculated to strengthen the dollar and to bring stability?

I say it is not, unless we do something at the same time about spending. That something should be done in this bill. We say we are going to do it in appropriations. We will, I believe, if we have a ceiling to work under. If we do not have a ceiling we will not.

The President went on to say:

> And in particular, I pledge that the expenditures of Government will be administered with the utmost thrift and frugality.

That is what I wish to help the President do. We must begin that thrift and that frugality right here in the Halls of Congress.

The budget is a guide. It is a request. We in Congress make the final decision as to whether the request will be granted. In the past 11 years, Congress has appropriated $32 billion less than was requested by the President of the United States in his budget requests.

That is pretty good work, but not good enough. Mr. President, look at the deficits, and look at the increasing debt. The record of Congress in reducing the budget has not been good enough. I say there can be further reductions. I also say we need the cooperation of the President of the United States, along with the coordinated activities of the two Houses of the Congress, to bring about the reductions that will be necessary to move toward a balanced budget and stability in our fiscal situation.

We did a better job in the past year than we did theretofore. We reduced appropriations last year by $6½ billion. That is pretty good. That amounted to more than 6 percent. We had been reducing it during the other years, on the average, by 3.9 percent.

If we are to move toward fiscal responsibility, we will have to cut the budget by more than that.

If my amendment is adopted, it will touch every person who receives a tax cut. It will impress them. It will alert them. I am talking particularly about the little people.

I had a letter yesterday from the kind of person I am talking about. This little lady, whom I do not know, wrote to me:

> When I first learned of the $11 billion tax cut, I was pleased. I am no longer. My husband is regarded as making an average salary. But with two very fast-growing children we literally live from one Friday to the next. The only time we go out for entertainment is when my mother visits us and is available to babysit and give us the money. Most of our friends are in the same financial bind. We certainly do not want the little money that we save for the education of our children to disappear because of the value of the dollar being diminished.

What is happening to the dollar? It is depreciating all the time. It has depreciated 7 cents since the Korean war. It depreciated nearly 2 cents in the last 3 years. It has depreciated 55 percent in the last quarter of a century. A dollar today is a 45-cent dollar based on its value a quarter of a century ago. Who is going to be hurt? When the dollar is depreciated it hurts the little people who buy Government bonds, the widows, and elder citizens who draw social security. Also the fathers and mothers who are saving to educate their children—who are saving or trying to save enough money to provide an education for their children.

Let us go back 15 years. Let us take $5,000 that a mother and father have saved to send little Mary or little Johnny to college. Let us assume that they bought Government bonds 15 years ago. They have had to pay income tax on the interest they collected. They had saved that money to provide an education for their children. The cost of education has increased during the last 15 years. A couple who had saved $5,000 15 years ago would now be able to buy only two-thirds of the education that they would have been able to buy for their children 15 years ago.

That is what we are doing to the dollar. That is what the little woman wrote me about.

We receive from the Budget Bureau and the President estimates of what the deficits will be. The estimate now is that the deficit will be $4,900 million this year. Let me give the Senate a little history. When we provide for a big tax cut it is a very weak reed upon which to lean. In the past 9 years the budget estimators missed in their estimates by $41.1 billion. Only $4.2 billion of that was on the plus side. They missed on the deficit side by $36.9 billion. In other words, we had deficits—we went into debt in those 9 years by $36.9 billion more than the budget calculators had estimated. So budget estimates like that are not very reliable.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. McCLELLAN. I shall be glad to yield in a moment. I should like to finish another point first.

Another argument for making an $11 billion tax cut is that the cut will put the money in the stream of public spending and into the private economy, and will engender financial growth that will provide revenues sufficient to offset any deficit, and to balance the budget. Let me give the Senate a little history on that. The last experience we had with reducing taxes, in 1954, by an estimated $7.4 billion shows what is likely to happen. Let us see what happened during the next 5 years after 1954—after a $7.4 billion tax reduction. What happened to the stimulation of our economy? In the next 5 years we had two surpluses. We had two balanced budgets, with a total surplus of $3.2 billion for the 2 years.

That was the total for 2 years. During the other 3 years, the deficits totaled $19.4 billion. Thus, a $7,400 million tax cut, as recently as 1954, produced in the next 5 years net deficits in the amount of $16.2 billion. Are we proposing now to duplicate that performance—I think something similar to that will be the result of the passage of this bill—I say we cannot rely on the budget estimates, nor can we rely on this kind of pump priming to stimulate the economy to the point where it will be dependable for a sound fiscal policy.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. LAUSCHE. I have before me the Budget in Brief for fiscal year 1965. On page 81 is a tabulation of the deficits and surpluses, respectively, that the Government has suffered and enjoyed from 1789 down to this year. According to the tabulation, in 1954, a $7,700 million tax cut was made in the Eisenhower administration, designed to stimulate the economy. In 1955, the first year after the tax cut went into effect, the deficit was $4,180 million. In 1956, the surplus was $1,626 million. In 1957, the surplus was $1,596 million.

Then we came to 1958. That was the year in which the greatest stimulating effect upon the growth of the economy was to take place. Yet in 1958 there was a deficit of $2,819 million. In 1959, the deficit was $12 billion.

Mr. McCLELLAN. Maybe some of our Democratic friends will want to blame that $12 billion on the Republicans. Those who want to spend may blame that on the Republicans. But follow through to the last deficit, that for 1963. The deficit under a Democratic administration was $6.7 billion.

Mr. LAUSCHE. The point I wish to make is that in 1954 the word was spread throughout the country that a $7.7 billion tax cut would be provided; that the result would be greater employment, greater investment in industry, a greater amount of purchasing of consumer goods, and a reduced outflow of gold. That was the argument in 1954.

But what happened in the 4 subsequent years completely demonstrated that that argument was false. There were 2 years when there were surpluses. In 1956 the surplus was $1,626 million. In 1957, the surplus was $1,590 million.

But in 1958, the deficit was $2,819 million. In 1959, the deficit was $12 billion.

What if such deficits should occur as a result of the proposed tax cut? What would be our situation? Instead of Heller being right in saying that the more we spend and the less taxes we pay, the better off we will be, he is proved completely wrong as to what would be the situation for the annuitant, the pensioner, the person who has a few dollars in the bank, the person who had bought Government bonds. That is what bothers me about the proposed tax cut.

Mr. McCLELLAN. That is what has caused us much trouble.

During the course of the debate, since the bill has been under consideration by the Senate, proposals to eliminate excise taxes have been rejected one after another. Why? Because the Government needs the money—and everyone has said so. Why is the money needed? Because there can be no spending except on a credit without the money. There cannot be such great spending if there is a larger tax cut to include excise taxes.

Why, in view of the great injustice that has been cited to us with respect to some of these excise tax cuts, can we not have them? I will tell you why. It is because of too much spending. That is why there cannot be an elimination of excise taxes on ladies' purses, perfume, jewelry, ball point pencils, cabaret and theater tickets, and many other items on which there is an excise tax. Money is needed for spending; that is why the excise taxes are not removed.

What is the answer? If we want to do justice to those people, and enable them to buy more of the goods that are now taxed, it will be necessary to get rid of these excises, which are a nuisance, by reducing spending.

It is said that the excise taxes were imposed in a time of emergency. They were. But Congress continues to perpetuate the emergency, not because of war, not because of defense spending, but because of excessive nondefense spending.

Look at the record. Our spending problem today is not due to defense. Defense spending has risen only about 12.8 percent in recent years. I will place the exact figure in the RECORD. But nondefense spending has risen 113 percent in the same period of time.

If we want to have a sound economy, if we want a stable economy, an economy that can be relied upon, without peaks or valleys, let us start to reduce Government spending. That is where the start must be made. Cut out the fat in Government spending.

The rise in defense spending since 1954—a period of 10 years—has been 12.8 percent. Nondefense spending has increased by 113.7 percent in the same period. That is our real trouble, and it is in that area where reductions can and should be made.

We are told that it is the war scare that is causing so much spending and causing budgets to be out of balance. I say it is not; and the record refutes any assertion that it is.

Mr. LAUSCHE. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield to the Senator from Ohio.

Mr. LAUSCHE. I have always been impressed by the statement made by the arch designer of this modern approach to economics. I quote Mr. Heller:

> Yes, that does indicate an enormous need for public education in economics, economic policy, and tax policy. I think it is quite remarkable that the basic puritan ethic of the American people should be such that they want to deny themselves tax cuts because of their fear of deficits and additions to the national debt.

Mr. McCLELLAN. The public at large is a little smarter than Mr. Heller, when he advocates deficit spending and irresponsibility in order to create prosperity, for that is what it seems to me he is saying.

Mr. LAUSCHE. "Puritanical" means honest adherence to integrity. The American people want to adhere to integrity in the management of their public business. But the statement I just read seems to suggest a casting aside of puritanical morality and the acceptance of deficits an additions to the national debt without fear of complaint.

Mr. McCLELLAN. I will cite another illustration. It is said that the tax cut will result in an increase in the gross national product. The increase in gross national product between 1963 and 1964 was $31 billion. How much Federal revenue did that produce? Two billion dollars. Now it is said, according to the most optimistic budget estimate, the gross national product will rise to $623 billion. It rose $31 billion in 1963.

Now they say there will be a rise of $38 billion, and that it will take up a lot of the slack—by doing what? By making a tax reduction, and by pouring the money into private channels. They say—the budget and the administration's economists say—that the gross national product will increase by $38 billion—that is their figure, not mine.

Mr. President, if an increase of $31 billion in the gross national product produced only $2 billion in revenue in 1963, how can Senators expect $38 billion increase in the gross national product in 1964, with reduced tax rates, to produce any more?

I say we are going down the wrong road, and I will not vote to travel in that direction.

Mr. DOMINICK. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield for a question.

Mr. DOMINICK. First I wish to say I agree with the statement of the Senator from Arkansas.

I have been asked this question: If the Senator's amendment is adopted, how can people plan on what their overall or individual budgets will be, if they do not know what their tax rates will be, and if they have to wait until Congress determines them?

Mr. McCLELLAN. They will know them the next year.

Mr. DOMINICK. That is correct.

Mr. McCLELLAN. But, as I have said, the father of Little Mary, back home, who is trying to save money for her education, and the pensioner, and the average wage earner and the average salaried worker will be very much interested, and they will be alerted, and they will be writing to their Congressmen and saying to them, "Hold down that budget. I do not want my taxes to be raised again." They will have that direct interest; and I am persuaded that they will manifest it, if that situation develops.

Mr. DOMINICK. Then I understand that the Senator from Arkansas believes his amendment will create an incentive to keep expenditures low, and thus make it possible to keep the tax rates low.

Mr McCLELLAN. Not only that, but I point out that the same will have to be done in connection with the debt ceiling. If an authorization for an increase in the debt ceiling is justified, they will have to show that it is justified. If my amendment is adopted, we will require the administration to justify an increase in expenditures in excess of $100 billion and to make their case for it, before we will allow Federal expenditures to exceed $100 billion in any one fiscal year.

Mr. President, we need a reduction of expenditures as much as we need a reduction in taxes. A reduction in expenditures will help us move toward a balanced budget and stability; and that will do more to strengthen the dollar and to stimulate investment confidence than will a tax cut that spirals the national debt to dizzier heights, while excessive and improvident Government spending continues unimpeded and unabated.

Recurring heavy deficits, such as we have accumulated in recent years, can only produce hindrances and serious roadblocks to sustained progress and prosperity.

Mr. President, we need a tax cut; on that point, all of us agree. I am not just arguing against making a tax cut, for we do need one. But both spending and taxes are too high, and both spending and taxes should be reduced.

Unfortunately, it is not now proposed that we do anything about reducing the governmental spending; we are not proposing to treat the two problems equally and simultaneously, whereas in fact they are interrelated and inseparable, as we must realize and concede when we weigh or evaluate the soundness of the Federal budget and of our fiscal policy.

While we are trying to remedy the one situation—too high taxes—we are virtually ignoring the other—too high expenditures—and, in my judgment, the result will be to seriously aggravate the spending and deficit problem, particularly will it result in larger deficit spending. The impact of the tax cut could readily aggravate the spending problem by enlarging the annual deficits and, thereby, further pyramiding the national debt. Therein lies the danger.

So the pending bill will require us to take a big gamble; let us make no mistake about that.

Everyone knows that at the present time the national debt is $308 billion; and it is calculated that by the end of next year it is expected to be $317 billion. This situation has a definite impact on the value and deterioration of the dollar; it means that creeping inflation is a present and a nagging reality; and the seeds of spiraling inflation lurk menacingly in mounting indebtedness and deficit spending.

To the extent that we are charging this tax reduction into the Federal debt, we are increasing the inflationany pressures and are further depreciating the value of the dollar.

Any cut in taxes on borrowed money—and that is what we are proposing—is a shirking of responsibility that will saddle on future generations a cost of government that we ourselves should bear.

How can we have a legitimate tax cut? The answer is by earning it.

That is the right way to do it. How do we earn it? We earn it by reducing Federal expenditures. Can that be done? Yes. Last year we reduced the appropriations $6½ billion; we reduced the appropriations for the State Department, the Justice Department, and the Commerce Department 15½ percent under their requests. So it can be done.

Undoubtedly this tax bill will be enacted into law.

As a result, we will be taking a tax cut without earning it. It is true that we have the power to take it, but it is also true that we have not earned it.

Mr. President, I say that we can yet earn it. How? By reducing spending and by refraining from enacting new laws that will create additional spending obligations.

The President's state of the Union message included 23 requests for new laws and for expanded programs. If Congress were to enact those laws in the first year they went into effect, they would require an increase of $2,500 million in Government expenditures. Over a period of 5 years, they would cost an additional $13,500 million—and those are underestimates, ultraconservative estimates.

Mr. President, I do not propose to go down that road. I will vote against this tax bill, unless we include a provision that has meaning, be effective, and be a directive to hold down the expenditures to a level of our revenues and the economy.

Senators talk about economy; and here is their chance—if they still favor the tax bill and if they are going to vote for it—to vote for both tax reduction and economy.

But in my judgment, many Senators will turn away from economy in voting for this measure. If Senators vote to include in the bill an amendment which simply says, "We will allow the Government to spend $2,100 million more than it is spending now, as it could do under my amendment, then Senators will be voting for economy.

Mr. President, today this body will make a most important decision. Either the Senate will decide to go down the road to more reckless spending, or the Senate will begin to apply the brakes, here and now. Senators must make that choice.

Mr. HRUSKA. Mr. President, will the Senator from Arkansas yield for a brief question?

Mr. McCLELLAN. I yield.

Mr. HRUSKA. First, I wish to say that I support the amendment of the Senator from Arkansas, and I shall vote for it.

The amendment includes the phrase "the net administrative budget expenditures." Will the Senator from Arkansas explain the meaning of that phrase? Does it relate to the estimates for the 1965 budget?

Mr. McCLELLAN. The amendment would apply to the expenditure of funds which are appropriated each year by Congress. There are carryover appropriations and obligational authority. Those would come within the proposal. But trust funds and other similar funds would be excluded. The amendment applies to the money that Congress appropriates. The administration comes to Congress to obtain authority to make obligations.

Mr. HRUSKA. Does the amendment apply to the obligational authority or the cash expenditures during the fiscal year?

Mr. McCLELLAN. It applies to expenditures during the fiscal year.

Mr. HRUSKA. The present budget estimates Government expenditures of $97.9 billion.

Mr. McCLELLAN. That is what the President has said he would like to spend, not the amount for which he has asked obligational authority. The amendment is tied to the spending and not to the obligational authority.

Mr. HRUSKA. So if spending actually remained at $97.9 billion, it would be within the limits placed by the Senator.

Mr. McCLELLAN. Yes. If expenditures stayed at $100 billion on the penny, the tax benefits would remain; but if the amount should go one penny over $100 billion, the amendment would apply.

Mr. HRUSKA. We are told that capital assets to the extent of $2.3 billion will be sold during the fiscal year.

Mr. McCLELLAN. The amendment would not include those capital assets. The administration can still sell those. We are giving the administration a great deal of leeway.

Mr. HRUSKA. When the assets were sold, would not the money received be used to increase the income of the Treasury? Would it not be used to reduce the spending and, therefore, if that amount were added to the $97.9 billion, the total would exceed **$100** billion?

Mr. McCLELLAN. The total would exceed that amount, but I have excluded those sales. The administration has said that in addition to what would be received from those sales, it wants $97.9 billion.

Mr. HRUSKA. My point is that the net administrative budget expenditures are now exceeded by the President's own calculations, because to the $97.9 billion there must be added the $2.3 billion.

Mr. McCLELLAN. That amount would not be included under the amendment. Those funds would be received from the sale of assets, and the money received from the sales of assets would not be included in the $100 billion figure contained in the amendment.

Mr. HRUSKA. Would items like the REA be included? The legislative authority will be asked of the Congress——

Mr. McCLELLAN. When the money is spent, it will be included.

Mr. HRUSKA. The money received by REA in repayment of loans already made will be available for expenditure by the REA without reporting them in the appropriation process. Would that be included?

Mr. McCLELLAN. No, it would not be included. I have in my hand a document setting forth a full explanation as to the trust funds. The amendment would not apply to them. The amendment refers to money resulting from appropriations which the President gets, or the obligational authority for which he gets us to grant an appropriation later.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. LAUSCHE. The fear I have about selling capital assets is that we would be selling capital to finance current operations. When the sale of capital assets has been completed and we must then draw on current taxation, that is the time we will get into real trouble.

Mr. HRUSKA. I thank the Senator.

Mr. McCLELLAN. Mr. President, I should like to reserve a little time. I ask unanimous consent that certain charts supporting the figures that I have stated, and explanations of subsections of the amendment, be printed at this point in the RECORD.

There being no objection, the charts and explanations were ordered to be printed in the RECORD, as follows:

THE 1954 TAX CUT

Previously, the largest tax cut in history was $7.4 billion in 1954. At that time, as now, administration officials stated that this cut would greatly stimulate the economy and result ultimately in a better budget balance.

Let us examine the record for a 5-year period following that cut:

Calendar year	Total gross national product	Dollar gain over last year	Percentage gain	Actual budget surplus (+) or deficit (−)
1954	$363,100,000,000	[1]		−$3,100,000,000
1955	397,500,000,000	$34,400,000,000	9.4	−4,200,000,000
1956	419,200,000,000	21,700,000,000	5.7	+1,600,000,000
1957	442,800,000,000	23,600,000,000	5.6	+1,600,000,000
1958	444,500,000,000	1,700,000,000	.4	−2,800,000,000
1959	482,700,000,000	38,200,000,000	8.6	−12,400,000,000

[1] Declined from 1953.

The chart above clearly reveals that in only 2 of the 5 years following the 1954 tax cut was there a Federal budget surplus, the total amount of which was $3.2 billion; whereas in 3 of the 5 years there was a deficit that totaled $19.4 billion, thus resulting in a net deficit for that period of $16.2 billion.

Past experience with budget estimates submitted by the administration forcefully demonstrates that estimates as to the anticipated budget surplus or deficits are often inaccurate. The chart below shows the differences between the budget estimates submitted by the President and the actual budget figures for the period from fiscal 1955 through fiscal 1964.

[All figures in billions of dollars]

Fiscal year	Budget as submitted by President			Actual budget figures			Differences, actual and estimated deficit or surplus
	Receipts	Expenditures	Surplus or deficit	Receipts	Expenditures	Surplus or deficit	
1955	62.7	65.6	−2.9	60.2	64.4	−4.2	1.3
1956	60.0	62.4	−2.4	67.8	66.2	+1.6	4.0
1957	66.3	65.9	+.4	70.6	69.0	+1.6	+1.2
1958	73.6	71.8	+1.8	68.5	71.4	−2.8	4.6
1959	74.4	73.9	+.5	67.9	80.3	−12.4	12.9
1960	77.1	77.0	+.1	77.7	76.5	+1.2	+1.1
1961	84.0	79.8	+4.2	77.7	81.5	−3.8	8.0
1962 (J.F.K.)	81.4	84.3	−2.8	81.4	87.8	−6.4	3.6
1963	93.0	92.5	+.5	86.4	92.6	−6.2	[1] 6.7
1964	86.9	98.8	−11.9	88.4	98.4	−10.0	+1.9
1965	93.0	97.9	−4.9				

[1] Latest estimate.

Deficits $3.9 billion more than Budget predicted; nearly $4 billion per year average.

Chart shows net error (or difference) of $36.9 billion—$41.1 billion on the minus side $4.2 billion on the plus side. Period covered, fiscal 1955 through fiscal 1964.

Comparison of revenue estimates for 1965 and gross national product compared to actual revenue and gross national product for fiscal 1963 and 1964:

Year	Gross national product	Revenue
1965	$623,000,000,000	$93,000,000,000
1964	585,000,000,000	88,400,000,000
1963	554,000,000,000	86,400,000,000

Proposed legislation for user charges (passenger and freight air travel, jet fuel, increased tax rate on general aviation fuel, new tax on fuel used in inland waterways, and new motorboat fuel tax) would add $213 million to revenues, if enacted. Otherwise revenues would be almost quarter of a billion dollars short of the $93 billion estimate.

Reductions in appropriations requests made by the Congress in fiscal years 1954–64:

Fiscal year	Budget request	Appropriations	Reductions
1964	$98,883,372,581	$92,433,123,132	$6,513,041,004
1963	95,639,477,405	92,266,154,659	3,373,322,746
1962	91,597,448,053	86,606,487,273	4,990,960,780
1961	84,011,974,490	83,800,335,992	211,638,498
1960	83,452,687,259	81,572,357,732	1,880,329,527
1959	81,737,060,999	81,119,818,276	617,242,723
1958	$73,113,555,340	$68,070,096,556	$5,043,458,784
1957	68,587,724,820	68,330,229,608	257,495,212
1956	62,030,092,195	59,954,284,321	2,075,807,874
1955	57,422,327,386	54,812,457,263	2,609,870,123
1954 (Ike)	59,117,311,150	54,539,342,491	4,577,968,659

EXPLANATION OF SUBSECTION (c) OF AMENDMENT

Under the provisions of subsection (a) of the amendment, when net administrative budget expenditures exceed $100 billion, the sections of the Internal Revenue Code which are amended by the bill to provide rate reduction will again apply as if this bill had not been enacted; that is, as if those sections had not been amended. One of the rate sections amended by the bill is section 11(b) of the Internal Revenue Code which contains the rate of normal tax on corporations. Under the language of that section as it now exists, the rate of normal tax for years beginning before July 1, 1964, is 30 percent, and for years beginning after June 30, 1964, is 25 percent. This 25-percent rate when added to the 22-percent rate of corporate surtax under existing law would give a combined corporate income tax rate of 47 percent, or a reduction of 5 percent from the combined 52-percent rate which has been in effect for many years under yearly extensions by the Congress of the 30-percent normal tax rate.

This subsection of the amendment provides that, if net administrative budget expenditures exceed $100 billion and the provisions of existing law apply as if the bill had not been enacted, the rate of corporate normal tax is to be 30 percent, the normal tax rate paid by corporations for many years. This, when combined with the existing surtax rate of 22 percent, would continue in effect the combined 52-percent corporate income tax rate.

EXPLANATION OF SUBSECTION (d) OF AMENDMENT

Section 21 of the Internal Revenue Code provides, in effect, that when income tax rates change during a particular taxpayer's taxable year, he determines his income tax liability for that taxable year according to the number of days in his taxable year during which the old rates were in effect and the number of days during which the new rates are in effect. Thus, if tax rates are reduced, such taxpayer gets the benefit of the rate reduction for the portion of his taxable year after the tax rates change, and he does not have to wait until his next taxable year begins. Likewise, if tax rates are increased, such taxpayer pays at the increased tax rates for the period of his taxable year after the rate increase.

This subsection of the amendment merely provides that these provisions of section 21 of the Internal Revenue Code shall also apply to the changes in the rates of tax which will take effect under the provisions of this amendment, if net administrative budget expenditures exceed $100 billion.

Mr. McCLELLAN. Mr. President, I yield the floor. I suppose the time is running and being charged against the other side.

Mr. LAUSCHE. Mr. President, I intend to suggest the absence of a quorum.

Mr. McCLELLAN. The time necessary for the quorum call will come from the time of one side or the other.

Mr. ERVIN. Perhaps some Senator will yield time to me.

Mr. MORTON. The Senator from Louisiana [Mr. LONG] is supposed to be in charge of the time available on the opposite side of the amendment. How much time does the Senator desire?

Mr. ERVIN. Not more than 15 minutes.

The PRESIDING OFFICER. The Senator from Louisiana [Mr. LONG] has 50 minutes remaining.

Mr. MORTON. Mr. President, at the risk of being criticized by my beloved colleague, I yield to the distinguished Senator from North Carolina 15 minutes.

Mr. ERVIN. Mr. President, Federal taxes are too high. They rob virtually every American of the economic right to retain a fair share of the fruits of his labor for himself and his family, and in that way, substantially impair the incentive which makes the free enterprise system work. For this reason, I would welcome an opportunity to vote for a bill which would reduce Federal taxes in a manner consistent with sound economics and good government.

The so-called tax reduction bill, H.R. 8363, undertakes to reduce Federal taxes. Candor compels me to confess, however, that this bill undertakes to reduce such taxes in a manner incompatible with sound economics and good government. The bill undertakes to reduce taxes when the Federal Government is operating in the red, and thus is repugnant to the sound principle that government should balance its budget in a time of comparative peace and prosperity. The bill ignores the obvious truth that Federal taxes are too high simply because Federal expenditures are too high and does not limit in any way the spiraling cost of Federal Government, which has increased by $30 billion since the end of the Korean conflict. Incidentally, the major portion of this increase; that is, $23 billion has been for civilian rather than military purposes.

The Federal Government can justify spending in excess of its tax revenues for necessary purposes in times of actual war or severe economic depression. No amount of economic or political sophistry, however, can erase the simple truth that it is folly for the Federal Government to do so in times of comparative peace and prosperity.

The tragic truth is that during 26 of the last 32 fiscal years, the expenditures of the Federal Government have exceeded its tax revenues. As a result, the national debt of the United States has increased to more than $300 billion and now exceeds the combined national debts of all the other nations on the earth. The annual interest on this national debt now totals approximately $11 billion.

For these reasons, the financial house of the Federal Government is now in sad disarray. The Federal Government has available to it two—and only two—intelligent ways in which to set its financial house in order.

It should either increase its taxes to match its expenditures or reduce its expenditures to match its tax revenues. Unfortunately, however, the Federal Government apparently lacks the fortitude to do either of these things. The first would be too displeasing to taxpayers who are already overburdened, and the second would be displeasing to the individuals, groups, institutions, communities, and foreign nations who crave Federal dollars for purposes too numerous to mention.

Instead of attempting to sets its financial house in order in either of the two intelligent ways available to it, the Federal Government seeks what it conceives to be an easy and painless way of escape from its financial dilemma by means of the so-called tax reduction bill, H.R. 8363, which deepens its deficits and heightens its debts in a period of comparative peace and prosperity when its spiraling expenditures already largely exceed its tax revenues under existing laws.

When men engage in folly, they always lay the flattering unction to their souls that their folly will produce good.

To justify the passage of the so-called tax reduction bill, those who rule in Washington invoke the economic fallacy which has brought the Federal Government to its present unhappy financial plight. They assert that the Federal Government and the people can easily and painlessly spend their way to prosperity and increased revenues and balanced budgets.

If this theory had any substance, the Federal Treasury would be overflowing at this moment with tax revenues, for those who rule in Washington have followed it with constancy for a generation.

We are hearing once again—in increased tempo—the siren song which induced Congress to pass the tax reduction bill effective January 1, 1954. At that time, Congress was assured by those who assert the Federal Government and the people can spend their way to prosperity and increased revenues and balanced budgets, that the tax cut of January 1, 1954, would stimulate the economy to such an extent that lower tax rates would produce increased Federal tax revenues and enable the Federal Government to balance its budget. Unfortunately, however, those who made these rosy predictions at that time are now numbered among the false prophets. This is true because the deficits incurred since the passage of that tax reduction bill and those prophesied by the Treasury for this fiscal year and next will total $46.4 billion.

The so-called tax reduction bill calls to mind an ancient story concerning a proposal allegedly made in the British Parliament a generation or more ago that an immense amount of bonds should be issued for immediate expenditure and that payments upon the principal of such bonds should not commence for 50 years.

One member of Parliament arose and opposed the proposal on the ground that it was not fair to posterity. The author of the proposal then arose and replied:

> Posterity has never done anything for me and I don't propose to do anything for posterity. Furthermore, posterity can't vote in the next election.

For the reasons I have given, I cannot reconcile the so-called tax reduction bill with sound economics and good government. Moreover, I do not believe that the bill is fair to posterity because it indicates that those who rule in Washington have no present intention to make any reasonable effort at any time within the foreseeable future to reduce our enormous national debt.

These things being true, I cannot vote for the so-called tax reduction bill, notwithstanding my conviction that Federal taxes are too high and ought to be reduced in a proper manner.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. ERVIN. I am glad to yield.

Mr. LAUSCHE. I do not quite understand what application the failure of posterity to vote in 1964 has to the measure before us.

Mr. ERVIN. All I can say is that the most tragic discovery ever made by politicians was that unborn generations could not vote; that made the politicians willing to spend the money of future generations, because they could do so with impunity, knowing that future generations cannot vote at the next election.

Mr. LAUSCHE. Does the Senator feel that perhaps the political election of 1964 has some influence upon what is being done on this bill?

Mr. ERVIN. I believe this bill indicates an unwillingness on the part of those who rule in Washington to levy sufficient taxes to meet expenditures for fear they might offend taxpayers, and an unwillingness on their part to reduce Government expenditures to the amount of tax revenues for fear they might offend individuals, institutions, certain groups, and foreign countries which crave tax dollars from the U.S. Treasury for purposes too numerous to enumerate at this time.

Mr. LAUSCHE. The argument has been made that if we spend more than we tax, that is evil; but if we tax less than we spend, that is a virtue. I would like to have the Senator from North Carolina comment on that.

Mr. ERVIN. I do not accept that as a correct theory, but I would have to admit that it is the economic theory that has been followed at the Washington level for a number of years.

Mr. MUNDT. Mr. President, will the Senator yield to me?

Mr. McCLELLAN. Let us see if the other side wants to use any time.

Mr. MUNDT. I am on the side of the Senator from Arkansas.

Mr. SMATHERS. We are going to speak on this side, but we do not want to yield time to those against us.

Mr. McCLELLAN. I suggest that someone on his side speak for a few minutes.

Mr. SMATHERS. I am willing to yield back the remainder of my time.

Mr. McCLELLAN. Let us hear from the Senator's side for 2 or 3 minutes.

Mr. President, I yield 2 minutes to the Senator from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. President, will the Senator from Delaware [Mr. WILLIAMS] yield me 1 minute from the time on the bill?

Mr. WILLIAMS of Delaware. I yield 1 minute to the Senator from Arkansas.

Mr. MUNDT. That gives me 3 minutes.

Mr. McCLELLAN. Two minutes.

Mr. MUNDT. Two from the Senator from Arkansas and one from this side.

Mr. McCLELLAN. Did the Senator receive 1 minute from that side?

Mr. MUNDT. Yes.

Mr. McCLELLAN. Two and one make three.

Mr. MUNDT. That is the soundest economic observation we have had so far during the tax debate.

Mr. President, it seems to me that the opponents of the McClellan amendment must either have no argument to make against it or that they are reluctant to expose those arguments to the logic of the Senate and to the cross-examination of debate.

I am going to support the McClellan amendment as one who, while he has not had much to say during this debate, has listened to or read virtually all of the debate, and has finally persuaded himself to vote for the tax cut whether the McClellan amendment prevails or not.

I do so, however, with grave doubt and considerable skepticism about the validity of the new, sophisticated argument about Federal financing which holds it wise and prudent to cut taxes and increase expenditures at the same time. I think the Senator from Arkansas [Mr. McCLELLAN] renders a distinct contribution by providing a prudent safeguard whereby we can give this new, sophisticated concept of Federal financing a chance for a year to demonstrate itself. If it demonstrates itself with anywhere near the degree of success that its optimistic advocates assume it will, there is nothing to fear from the McClellan amendment, because it will never become operative. It becomes operative only if the predictions as they are presented to us by the advocates of tax reduction do not prove to be true. Those ardent advocates of this new and novel concept—budget balancing by cutting taxes and expanding expenditures—should support the McClellan amendment if they have confidence in their own arguments.

In addition, I support the McClellan amendment because it employs a tried and tested economic concept which is utilized, for example, by General Motors in the escalator clauses of their wage contracts, which tends to utilize the scientific concept of an index number which relates expenditures to taxes. I think there should be such a concept in this area of Federal fiscal policy. The amendment gives an index number of $100 billion, in order to preserve some semblance of economic precaution.

I can see how the adoption of the McClellan amendment could change the whole climate of public thinking in America, so that instead of Members of the House and of the Senate being besieged to spend money for certain projects in this or that community, or on this or that new welfare state proposal, generally across the land a sentiment for economy would evolve and cause every taxpayer—and every individual is a taxpayer—to continue to not want to do away with the advantage of reduced taxes. Every taxpayer would then be reluctant to advocate expenditures to pierce the sonic barrier which would destroy the benefits that the individual householder got from the tax cut. He would hesitate long before advocating expenditures which would automatically and directly increase his own personal taxes.

The PRESIDING OFFICER. The time of the Senater has expired.

Mr. MUNDT. May I have one-half of a minute?

Mr. WILLIAMS of Delaware. I yield one-half of a minute to the Senator from South Dakota.

Mr. MUNDT. I urge my colleagues who have been talking about economy and the necessity of budget balancing to vote for the McClellan amendment, which puts an emphasis on economy in the tax cut.

Mr. McCLELLAN. Mr. President, I yield 2 minutes to the Senator from Iowa [Mr. MILLER].

Mr. MILLER. Mr. President, will the Senator from Delaware [Mr. WILLIAMS] yield me 1 minute?

Mr. WILLIAMS of Delaware. I yield 1 minute to the Senator from Iowa.

Mr. MILLER. Mr. President, I commend the Senator from Arkansas and the Senator from Ohio for offering the amendment. I hope it will be adopted; and I hope a majority of Senators will adhere to the economic philosophy which it represents.

The economic philosophy which this amendment represents is that we cannot preserve the purchasing power of the people's hard-earned money and continue to incur multibillion-dollar deficits.

Of course, the mere fact that there is a deficit in the Federal Treasury does not necessarily mean that there is going to be inflation. There are many factors to be taken into account. But the fact remains that during the past 3 years of the present administration, for every $1 billion that we have gone deeper into debt, there has been $1 billion worth of inflation. The record shows that during the past 2¾ years of this administration, while we were going $18 billion deeper into debt, there was $19 billion worth of inflation. That is roughly the equivalent of $7 billion of inflation a year.

I do not care what some so-called economists or columnists have to say about the wholesale price index being stable. Most of the American people buy retail. That is what counts. The retail price index has been going steadily upward. That means that the purchasing price of the dollar has been going steadily downward. The purchasing price of the dollar is down to 44.9 cents, as compared with 1939, when the dollar had 100 cents worth of purchasing power.

There is only one way to stop that trend, and that is to come somewhere near a reasonably balanced budget. A $5 or $6 billion deficit budget will continue to produce inflation.

The tragedy is that under the tax-cut bill the majority of the people who will benefit are not those who need the benefit, and who would be hurt by inflation. But the millions of people in the so-called poverty sector who do not have enough income to pay an income tax are the ones who will get no benefit under the bill, but they will be stuck with inflation.

Therefore, I hope that the amendment offered by the Senator from Arkansas [Mr. McCLELLAN] and the Senator from Ohio [Mr. LAUSCHE] will be agreed to, because it represents sound economic principles.

Mr. President, I ask unanimous consent that an excerpt from an article entitled "An Avalanche of Figures," written by the distinguished columnist David Lawrence, and published in the Washington Evening Star for January 22 may be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

An Avalanche of Figures: Statistics With the Budget Are Called Incomplete and Meaningless

(By David Lawrence)

For the last 3 days, the American people, and particularly the news correspondents in Washington, have been deluged with an avalanche of figures. This has been designed to prove that the United States from 1961 to 1963 has gone through a period of unexampled prosperity and that even better times are ahead for 1964. But the figures given are not complete and in many respects are meaningless, if not misleading.

Thus, the gross national product—the phrase supposed to describe the output of the whole economic system—is given in the President's Economic Report as reaching $623 billion in the year 1964. This is $259.9 billion above what it was in 1954, just a decade earlier.

But more than 40 percent of this rise is due to higher prices. If compared with the prices of goods and services in 1954 and the value of the dollar at that time, the gross national product this year would not be $623 billion. It would be $517.4 billion, which is $154.3 billion above what it was 10 years ago.

The President also points to corporate profits as having made a 44-percent rise in the last 3 years. This, however, is from a low point in 1961 and is not based on any annual figures. He says that a further rise will come with the tax cut. But a study of the fine print in the same volume of statistics handed to the press this week discloses that corporate profits are projected at 4.9 percent of the gross national product for 1964. This is less than what it has been in 11 of the 17 years since World War II. Corporate profits went up as high as 8 percent in those years. They were 6.2 percent in the 1949 recession year and stood at 4.6 percent in the economic setback of 1954, which is as high as they were in 1963 after 2 full years of expansion.

The sad truth is that corporate profits as a total figure are meaningless. The entire private enterprise system, even by the President's figures, will retain in 1964 only $30.5 billion after taxes. Profit margins are rarely examined in Government reports, and the fact remains that the narrowness of many of these margins prevents the investment of capital and discourages the expansion projects through which jobs can be created for the people who need them.

Much of the difficulty in creating jobs is due to psychological barriers. There can, for example, be little confidence in the economic future as long as the dollar itself is unsound. Budgets have remained unbalanced almost continuously for many years now, and the cost of living has risen as the purchasing power of the dollar has gone down.

The assertion is made by the President that a tax cut now is necessary to stimulate the economy. But the Economic Report in some sections gives the impression that the economy is really riding high and doesn't need a tax cut as a stimulus. These viewpoints are contradictory.

Mr. LAUSCHE. Mr. President——

The PRESIDING OFFICER (Mr. McINTYRE in the chair). Who yields time?

Mr. WILLIAMS of Delaware. I yield 5 minutes on the bill to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 5 minutes.

Mr. LAUSCHE. In determining what the ultimate action on the bill should be, I believe it is necessary to take a look at historic experience to find out what the impact was of past tax cuts.

Secretary Dillon testified before the Finance Committee that as far as he knew, the theory that although we are in an annual operating deficit, by increasing the deficits we will improve the economic position of the country, is a new theory which has never before been practiced in the history of our country.

Looking back into the past, I invite the special attention of the Senate to 4 years in our history, the years 1926, 1929, 1948, and 1954. In those years, substantial tax cuts were given.

If we look into the years that followed those tax cuts we will be able to learn whether it always follows that tax cuts produce economic growth.

In the year 1926, a major tax cut for individuals was given, but instead of a growth in the economy resulting, there developed a minor recession. I point out what happened in 1926 to show what the situation was during that year. We had enjoyed 6 years of surpluses. The Government decided that with annual surpluses it could make a tax cut, so in 1926, with a surplus of $865 million, it introduced the tax cut. The next year the Government produced a surplus of $1,155 million. The following year the surplus fell to $939 million, and in 1929 it fell to $734 million. In 1930 it fell to $730 million.

Except for the first year after 1926, the gross national product fell in each succeeding year.

There was another tax cut given, and that was in December of 1929. This was the second major relief tax cut given to individuals. The result was that there was a depression which ripened into the great depression of 1929 to 1933. Beginning in 1920 and on through to 1931, there were 10 years of surpluses.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that I may proceed for 5 additional minutes.

Mr. SMATHERS. Mr. President, I yield 5 minutes to the Senator from Ohio, to be charged to the time on the bill.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 5 additional minutes.

Mr. LAUSCHE. I thank the Senator from Florida.

Tax cuts were made in 1931. The depression which shook the Nation had arrived. So there were two situations, the year of the 1926 tax cut and the year of the 1931 tax cut. The tax cut of 1931, instead of producing prosperity resulted in the great depression of 1931.

I now come to the year 1948, when sizable tax relief to individuals was given in a tax cut, and a moderate recession began in December of 1948. In 1948 there was a surplus of $8,419 million. A tax cut was given, but the next year there was a deficit.

I therefore state that it does not follow that tax cuts produce growth in the gross national product.

I come now to the fourth year, August 1954, in the Eisenhower administration, when a $7,700 million tax cut was given to the people. What was the result? In 1954, when the tax cut was given, there was a deficit of $3,117 million. The next year, during the year the tax cut went into effect, the deficit rose to $4,180 million.

In 1956, there was an improvement in the economy. In 1957 there was a slide. In 1958, 4 years after the tax cut, there occurred the beginning of the great $12 billion deficit of 1959.

We are asked to pass this tax cut bill under the promise that there will be cuts in spending. Cuts in spending are now contemplated. My fear is that when the tax-cut bill is passed, all thoughts of reducing spending will come to an end, and we shall resume the same type of operations in the future that we have had in the past.

The amendment of the Senator from Arkansas contemplates applying pressure so that the spending program will not be reinstituted to the point where our spending of the administrative budget will exceed $100 billion.

To that judgment I subscribe. I will support the amendment.

Mr. McCLELLAN. Mr. President, may I inquire how much time is left on this side?

The PRESIDING OFFICER. The Senator from Arkansas has 3 minutes remaining.

Mr. McCLELLAN. I will wait to see if other Senators wish to speak.

Mr. SMATHERS. Mr. President, I yield to the majority leader such time as he may desire.

The PRESIDING OFFICER. The Senator from Montana [Mr. MANSFIELD] is recognized.

Mr. MANSFIELD. Mr. President, I believe I can say what needs to be said in about 5 minutes.

I point out that the McClellan amendment would provide that if in any future fiscal administrative budget expenditures exceed $100 billion, on January 1 of the following calendar year tax rates would revert, let us say, to the levels of the year before—in this instance, the 1963 levels.

The purpose of the tax cut is to generate more money in the economy, for the purpose of modernizing and rehabilitating plants, for the purpose of providing employment, and for the purpose of preventing what has been an undoubted pattern since the end of the Second World War; namely, a recession at the end of every 44 months. The graphs will bear out that statement.

The Senator from Arkansas said earlier that during the past 11 years Congress had reduced the budget requests of the President by $32 billion. That is a correct statement.

I point out that last year's session of Congress reduced the budget request of the President by $6.3 billion.

Under the pending amendment we would pass the buck to the President, and create a situation which is the responsibility of Members of Congress to deal with.

Everyone knows that in recent years expenditures have been rising rapidly.

In the face of widespread expectations of further increases of up to $101 or $102 billion for 1965, President Johnson cut his proposed expenditures for that year below the level of the current year, namely, from $98.4 to $97.9 billion.

I recall the smile of pleasure which this news brought to the chairman of the Finance Committee when it was announced to him personally, I believe, by the President.

President Johnson's budget was only the second budget in 9 years to propose such a reduction below the previous year. His budget also calls for a substantial reduction in total civilian employment in the executive branch, the first budget to do this since 1956.

Again I refer to the distinguished chairman of the Finance Committee, who has reported that in the intervening period there has been a consistent rise in civilian employment in the executive branch. Here we have a trend in reverse. The present budget cuts the estimated deficit in half and carries us toward the achievement of a balanced budget.

The President has shown his complete good faith in his determination to hold expenditures at an absolute minimum.

Let us not pass judgment on all of President Johnson's future requests before he makes them. If we adopt the pending amendment, that is what we shall be doing.

As set forth in the Budget and Accounting Act of 1921, the President is charged with recommending the Federal budget, and it is up to Congress to pass judgment on such recommendations when they are made.

In the face of the President's fine record on expenditures, let us not assume that he is going to run expenditures over $100 billion. If he makes such a proposal in any budget he submits in the future, that will be the time to pass judgment on it.

In short, let us give the President an opportunity to make his record on expenditures. He has proved his determination to keep down the spending level. Let us encourage him to do so. Let us help him by carrying on the policies and procedures which have marked Congress for more than a decade in every year. Congress, under both Republican and Democratic control, has reduced expenditures below those requested by the President himself. I think we ought to keep that fact in mind.

I point out also that if we should adopt an amendment of this kind we would create a feeling and spirit of uncertainty in the business community. That would mean that there would be not as much business spending as there should be. It would mean that our economic equilibrium would be shattered to some extent. It would mean that fears would rise. Many times recessions have been based on fear rather than on fact. We ought to give our support to the President and encourage him in the procedures he has laid out. Let us assume our own responsibility. Let us give business an opportunity to achieve something in the way of stability, and not adopt an amendment of this kind, which would apply not only to business, but also to income tax reductions which are planned in the bill.

In response to the distinguished Senator from Ohio [Mr. LAUSCHE], let me point out that on the basis of deficit spending Austria has been able to increase greatly its gross national product. It is a living example of what can be done under the proposal now before the Senate.

It is my further understanding, based on talks with members of the executive branch, including two Presidents, that if the proposed income tax cut goes into effect it will generate something on the order of $40 billion, to be used for plant modernization, plant rehabilitation, and more jobs.

Whereas the gross national product is $600 billion, it is anticipated that under this proposal, if it is passed as is, it might well rise to $640 billion.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. LAUSCHE. I made a thorough study of the Austrian situation. An examination of the statistics shows that its practices have led to a state of inflation. However, over and above that, Austria collects 70 percent of its revenues through excises and sales taxes, and 30 percent through income and duties on imports. Austria's fiscal structure is not at all comparable to ours, and cannot be used as a basis for demonstrating that the tax cut will produce the economy that it is argued it will.

Mr. MANSFIELD. The facts prove that as a result of tax cuts inaugurated by the Republic of Austria, its gross national product has increased, and the result has been increased prosperity.

Mr. W. P. Gullander, president of the National Association of Manufacturers, has said that if unemployment continued to increase—the figure now stands at 5.6—in 1970 the unemployment figure in this country would be 12.7 percent.

Therefore, we must do something, in looking forward to the future, to give the youngsters coming out of schools an opportunity, and to give the people who are displaced by machines an opportunity in another field.

In the opinion of many who know far more about the subject than I do—and there is much about it that I do not know—we should pass a tax reduction bill of this kind, because it would benefit both corporations and individuals, and thereby give a lift to the economy and prevent the recessions which have marked the economy of this country since the end of World War II every 44 months.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. COTTON. I congratulate the Senator. I shall vote for the tax cut. However, I find myself confused by the distinguished majority leader's remarks. I have before me an article published in the Chicago Tribune of February 4, in which the distinguished assistant majority leader, the Senator from Minnesota [Mr. HUMPHREY] is quoted. The article states:

> Senator HUBERT HUMPHREY, Democrat, of Minnesota, predicted here last night that a congressional bill proposing a cut in taxes will intensify unemployment and act as a "powerful stimulus to automation."
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> The Senator told 1,000 dentists attending the first general session of the 99th midwinter meeting of the Chicago Dental Society that the bill would release an additional $200 billion each year for capital investments.
>
> MORE JOIN LABOR FORCE
>
> He said a million more teenagers will join America's labor force this year and an additional 1.25 million teenagers will reach working age in 1965. He asserted that the present rate of 17-percent unemployment among teenagers will increase.

He said the present rate of unemployment would continue, and that the bill would not be the answer to this problem.

Mr. MANSFIELD. I remind my friend from New Hampshire that it was either Thoreau or Longfellow who said that consistency is not always a jewel. Differences of opinion exist on the Democratic side as, I assume, they also exist on the Republican side.

I spoke in Chicago on the 31st of last month, and on that occasion I addressed the Independent Grocers of Illinois on automation and taxes. What I said in effect was what I have said on the floor this afternoon. That is my understanding of the tax bill and what it will do. But I honor the honesty and integrity of the distinguished Senator from Minnesota. He may have been speaking from a different set of figures.

Mr. COTTON. Mr. President, will the Senator further yield?

Mr. MANSFIELD. I yield.

Mr. COTTON. I support the bill. I hope it will do what its supporters claim it will do. But I have discovered, after 17 years in Congress, that about the only way left to stop spending, to regulate spending, is to shut off some of the revenue.

I merely brought to the attention of the distinguished majority leader the remarks of the distinguished assistant majority leader to show that all these other hopes, while we all join in them, are a little nebulous.

Republicans are consistent. We are consistent in being frustrated and bewildered at the kaleidoscope of complicated and conflicting claims we see before us.

I agree with the majority leader. I will vote with the majority leader. But the problem is not plain black and white, as the Senator from Montana seems to present it. It would seem to me that if we could use the emergency, as the Senator from Arkansas [Mr. McCLELLAN] suggests, to put an additional brake on the march into bankruptcy, of which we are, even today, aware, it would be of great advantage.

I hope the Senator will forgive me; I could not resist stating what the Senator from Minnesota said.

Mr. MANSFIELD. I am delighted to hear what the Senator has said. However, he was not listening closely to me, because I was not trying to paint the picture black or white. Some of this problem has been in the gray regions for me, too. I was trying to explain what I thought the effect of the amendment would be and what the effect of the passage of the bill would be.

Mr. GRUENING. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. GRUENING. I wish to comment on the alarming forecast that by 1970 we may reach 12 percent of unemployment in our labor force.

Although I have listened carefully to the debate, I find myself unable to find in the proposed legislation the panacea for our economic ills that is proclaimed for it by its sponsors.

When the late President Kennedy proposed legislation for tax reduction 2 years ago he feared greatly that the country would go into a recession. But conditions have changed since then. Since that time the Nation's economy has improved so much that it is difficult now to justify the proposed far-reaching tax cut. The reasons that actuated President Kennedy no longer exist, or at least exist to a much lesser degree.

Mr. MANSFIELD. Mr. President, will the Senator from Alaska yield at that point?

Mr. GRUENING. I yield.

Mr. MANSFIELD. In my opinion, the late President was worried more by the outflow of gold than by any other factors during the 3 years of his Presidency. He looked upon a recession as likely to occur on the basis of statistical evidence that one had occurred every 44 months. With the end of the past calendar year, I think the 35th month has passed. We are now in the 37th month. There is still a little while to go. If the tax bill is passed, it will be possible to bridge that gap and keep the economy on an even trend.

Mr. GRUENING. I am hopeful that the dire economic forecasts will prove to be not valid. I shall vote for the bill, although expressing, as I have at various times in the past and shall express again, grave doubt about its effectiveness to achieve the ends claimed for it by its proponents.

I believe that if we wish to stop the increase in unemployment, it will be necessary among other things to pass legislation such as a revived accelerated public works bill, which has proved its value in a brief time, and with a relatively small amount of money. In addition to the projects constructed or under construction for which $900 million was expended, we now have $700 million of approved projects, which cannot be started because the original appropriation of $900 million has been exhausted.

If I were making policy, I would seek express authorization of at least $2.5 billion for public works to put people back to work. At the same time I would propose a substantial appropriation for retraining those who, through automation and for other reasons, are thrown out of work and need to be trained in new skills for other jobs. That is the way to stop unemployment.

Mr. MANSFIELD. That is one way.

Mr. GRUENING. I am hopeful that the tax cut bill will have the effect that the President and others who support it say that it will have. I doubt very much whether it will have that effect to any substantial degree.

Mr. MANSFIELD. I hope so. They are more intelligent and know more about it than I do. I have to take their word. It seems to me to be a reasonable assumption.

Mr. GRUENING. Mr. President, throughout the consideration by Congress of H.R. 8363, I have had and have expressed great doubts that the legislation on which we are about to vote will provide an effective remedy for the unemployment problems of our economy and even graver doubts about the wisdom of enacting legislation which does nothing to correct serious inequities in existing tax law. I feel that in view of our prospering economy—at least on the higher business levels—this is the wrong time to reduce taxes, and, further, I believe strongly that it will prove to be an error to pass a tax law that concentrates its benefits in the upper levels of income while doing nothing significant to reduce tax burdens of those wage earners in middle income levels. I doubt whether the deliberately sought loss of $11 billion in annual revenue and the resulting increase in our national debt will result in the benefits claimed for this legislation, and certainly not to a degree commensurate with so drastic a reduction in our tax revenue.

Further, and above all in importance, I am deeply fearful the expected tax cut of $11 billion will prevent enactment of badly needed legislation proven effective in supplying employment for workers now unable to find jobs. I would far prefer that a portion of the contemplated tax cut now planned to be taken from the tax liability of corporations and individuals with high incomes be used, instead, to appropriate an additional $3 billion for the accelerated public works program.

Last Tuesday, in the discussion of his amendment to increase personal tax exemptions at the expense of other revenue decreases, the distinguished senior Senator from Tennessee [Mr. Gore] expressed my feelings about this bill. I would like to quote from his remarks and again call the attention of the Senate to the views of this conscientious member of the Senate Finance Committee who has also expressed his serious doubts about the wisdom of the present tax bill. Senator Gore said:

> I have said earlier that I thought there were times when there are economic conditions under which it was inadvisable to have a balanced budget. I am not one of those who thinks that the sole and only purpose of taxation is to meet governmental expenditures. I believe a fiscal policy can be used, and should be used, for the implementation of economic and social policies. When we are experiencing recessionary conditions, one of our most effective weapons is fiscal policy. If it is desired to describe it by an ugly word, call it deficit financing; call it spending.
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> But I do not think we are now in the kind of circumstances when a general, massive deficit-financing program is justified. There are problems in our society, such as structural unemployment, which need specific treatment. There is the problem of vocational training of teenagers who are coming into the labor market without skills. But the bill does not provide for them. This is scattergun treatment, and such treatment is not called for.
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> The bill is tailored for economic recessionary conditions which do not prevail. The rationale on which the bill was based has vanished into thin air. That is why I say that even though my amendment were adopted, I would not then vote for passage of the bill, a bill which would make such a gigantic reduction in governmental revenue at this time.
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> Suppose, as a result of the hoped for stimulation, there were a repeat performance of the 1954–57 period. Suppose we used this great weapon of fiscal policy, and then find, 18 months from now, that consumer demand is not sufficient to utilize plant and facilities which are already in existence, and which would be augmented by the bill. What weapon would then be used? Would we cut taxes again, in order to balance the budget at some other time in the even more indefinite future?
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> I say that this is unsound fiscal policy. A tax cut is a powerful weapon, but it is being used at the wrong time and in the wrong way.

Senator Gore's analysis of the present law is amply sustained by the views of Mr. Leon Keyserling, who, on the basis of exhaustive economic research, came to a similar conclusion as to the shortcomings of the legislation we have been considering. Mr. Keyserling, demonstrating his remarks before the Senate Finance Committee with extensive data, explained his opposition to H.R. 8363 by pointing out:

> Gross private domestic investment and also investment in plant and equipment, during the period 1953–63 as a whole, was indeed deficient, as almost everything was deficient in an economy expanding at little better than half the needed rate. But during each period of economic upturn * * * the expansion of investment in the plant and equipment which enlarge our productivity capabilities raced forward at a nonsustainable rate, very much more rapidly than the demand for ultimate products represented by the combination of private consumer outlays and public outlays at all levels for goods and services. To take the most recent illustration, from the first half of 1961 to the second half of 1962, this investment in plant and equipment rose 8.5 percent, while demand for ultimate products rose only 5.1 percent * * * by ample or more than ample after-tax profits, savings, credit, and other sources of funds for these purposes. The sharp investment downturns which occurred periodically, and which sparked the recessionary movements, were not occasioned by any shortage of such funds, but were occasioned by the excess plant capacity which had developed in consequence of the inadequate growth in demand for ultimate products.
>
> This summary analysis of the disequilibriating factors during the past decade and even now indicate unanswerably that changes in tax policies and in other national economic policies should be directed toward bringing the demand for ultimate products into better line with the growth in our productive capabilities. * * *
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> Investment trends during the past decade, when compared with other trends, provide no justification for the proposition that large tax concessions are needed now for the purpose of stimulating investment, especially when the additional Federal deficits which these concessions would entail could be devoted to far more salutory programs in the interest of the national economy.
>
> Actually, despite much misguided propaganda to the contrary, the increases in wage

> and salary rates during the most recent years have lagged very far behind the increases in productivity, and this of course has an important bearing upon the proper distribution of tax cuts. Thus * * * during the most recent 5-year period 1957–62, productivity per employee-hour in the whole nonfarm economy rose in an average annual rate of 3.1 percent, while the average annual increase in wage and salary rates was only 2.7 percent. And in manufacturing during this 5-year period * * * the average annual increase in output per man-hour was 3.4 percent. It is only very recently that these alarmingly disparate trends have begun to receive the notice they deserve. * * *
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> The last thing in the world that we need, under such circumstances, are large tax concessions to the investment process, on the ground that these are required to speed up productivity growth, to enlarge our economic growth rate at home, to make us more competitive overseas, and to improve our balance-of-payments and gold position. Insofar as unbalanced tax concessions would increase the disequilibrium between productivity growth and idle plant capacity on the one hand, and inadequate ultimate demand on the other hand, such tax concessions would be self-defeating on all scores. In the longer run, they would even repress the rate of productivity growth (as in recent years past), in consequence of the inefficiencies resulting from high economic slack.

Although I have been greatly persuaded by the views expressed by the senior Senator from Tennessee and by the cogent analysis of the economic impact of this legislation, as described in Mr. Keyserling's remarks quoted above, I have come to the reluctant decision to vote for H.R. 8363 on final passage. Having listened throughout the week to the able arguments of the Senator from Louisiana who has been presenting a lucid and helpful explanation of the position of the administration and its hope for a beneficial effect on the economy, as well as those of the senior Senator from Illinois—one of the Nation's outstanding economists, I have decided that it is only fair to give this measure a chance. Again, I emphasize my plea that the enactment of this bill not stand in the way of badly needed public works projects which could be paid for many times over with reductions in taxes to corporations and individuals in the high income brackets. Since it seems to be the majority opinion of the experts in the field of economics who have been employed by the President and since it is the judgment of the House of Representatives and the Senate Finance Committee that this particular tax cut is needed, I believe we should pass this legislation. Certainly, those who have not served on the committees of Congress having jurisdiction over the bill are not in as strong a position to urge its defeat as the able members of the committee are to advocate its passage.

I greatly regret that in the course of our debate on the floor we have not been able to remove from the bill the provisions that are especially obnoxious. I believe we should have adopted the amendments of the senior Senator from Tennessee [Mr. GORE] to allow higher personal exemptions. I think this would have moved the legislation in the direction of correcting the glaring inequities now present in our revenue laws. Having failed to increase exemptions, I believe it was most unfortunate that the amendment of the senior Senator from Illinois [Mr. DOUGLAS] to increase the minimum standard deduction was not adopted. This amendment would also have helped in obtaining a more equitable distribution of the tax burden.

Of course, the most indefensible provision of this legislation, which, unfortunately, remains as it came to us from the House, is section 203(e) which will prohibit regulatory agencies from allowing consumers to gain the benefit of reductions in costs accruing to purveyors of services as a result of the investment credit provisions now in the law. There is no possible justification for this provision. As was thoroughly discussed on the floor last Wednesday, section 203(e) unjustifiably restricts regulatory agencies of the Government in the exercise of their responsibilities. Further, the way in which the regulatory agencies are restricted is unbelievably damaging to the people of the United States, who are dependent upon the services of those who provide telephones, power facilities, and commercial transportation of all kinds subject to regulation. Again, I deplore the action of this body in refusing to remove this iniquitous provision from the law.

The wartime excise taxes on furs and on toilet preparations, luggage and handbags should have been repealed. I regret we were not able to accomplish this improvement in the law which would have been a benefit to the rank and file of our citizenry. These taxes, which were imposed during a national emergency and to conserve materials essential to the war effort no longer serve any purpose in our tax system except as an added burden to individual consumers of the very necessary articles on which they are imposed. Further, these taxes are discriminatory against manufacturers of the products affected since they are not levied on many similar items with which they are competitive. As far as furs are concerned, this is a depressed industry at present and the repeal of the excise taxes would have been helpful to it.

I hope separate legislation will be enacted soon to eliminate the excise taxes on items which were the subject of the amendment rejected by a very close vote of this body last Wednesday.

These are, unquestionably, the most serious sins of commission of the legislation we are about to enact. Its sins of omission may be found in virtually every section of the bill. As I stated on the floor of this body last Tuesday, it is tragic that a wonderful opportunity has been lost to correct the many deficiencies in the present internal revenue law which allow special and more generous treatment for those in the upper income brackets than is available to individuals who do not make a great deal of money. The legislation remains riddled with mistaken revenue policies of the past.

I hope another attempt will be made soon to enact legislation that will give us a truly fair tax law. Now that this bill is about to become law, I would urge the administration to execute its provisions, insofar as possible, to insure the accomplishment of the promises that have been made for stimulation of the economy with resulting economic benefit to all of us.

Mr. SMATHERS. Mr. President, how much time remains to either side?

The PRESIDING OFFICER. The Senator from Florida has 24 minutes remaining.

Mr. SMATHERS. The best way for me to start my remarks is to speak about who favors the bill and whether those who favor it have had experience in the economic field, or have not. The majority leader, very modestly, said that there is much in this field that he does not know. I must make the same confession. Perhaps many other Senators also would have to make that confession. My experience in business has been rather limited. I wish it had been greater. But, as I understand, those who are for the bill are the finest group of economists that can be assembled in the United States. Four hundred of them got together and said that if we were to eliminate chronic deficits that have occurred in 24 out of the past 30 years, if we are to break out of the pattern of spending more than we take in, it is necessary to do something to enable free enterprise to operate with fewer restrictions. They did not take the position that has been advocated by the able Senator from Alaska [Mr. GRUENING], that what is needed is more public works. They said that what should be done was to leave a dollar in the pocket of the actual consumer. They said we should leave more dollars in the corporate treasury and let private enterprise spend them. It was their conclusion—and they have had a lifetime of study in this field—that if those dollars were left in the corporate treasuries, the multiplier effect would be 30 times greater than if the Government spent the money.

So I say to the Senator from Ohio [Mr. LAUSCHE] and the Senator from Arkansas [Mr. McCLELLAN] that we have placed reliance on the free enterprise system to try to do the job of overcoming economic deficits.

Mr. AIKEN. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I yield to the Senator from Vermont.

Mr. AIKEN. Is it not true that of the 400 persons who promoted the tax bill, 397 represent corporations that made unprecedented profits last year?

Mr. SMATHERS. That is not true. Those 400 economists came from universities over the Nation. Customarily, they are not the most conservative group in the world. So the Senator from Vermont is not correct as to that.

Mr. AIKEN. Was not the group headed by Henry Ford II?

Mr. SMATHERS. That was a group of 2,500 businessmen. They have had some business experience, certainly more than I have had, and possibly as much as the Senator from Vermont has had, and possibly as much as some other Senators have had.

But the group of economists said that the only way in which we can break out of the pattern of deficits is to pass a tax reduction bill and make it possible for corporations to spend some of their money, rather than to have the Government take most of it, thereby enabling the corporations to modernize their plant and equipment, so that they can compete with one another, provide more jobs, buy additional equipment, and thus improve the economy. They are some of the people who favor the passage of the bill.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. SMATHERS. I should like to continue for a moment.

Mr. LAUSCHE. Will the Senator yield for half a minute?

Mr. SMATHERS. Very well; I yield.

Mr. LAUSCHE. What agency was it that met under the circumstances? I have the fiscal and monetary policy announced by the President's Advisory Committee on Labor-Management Policy. Is that the one to which the Senator refers?

Mr. SMATHERS. I do not know about that. I said there were 2,500 businessmen, most of them of the other political persuasion from that to which the Senator from Ohio and I adhere. Yet all of them said they believed the passage of a tax bill was the way to accomplish an improvement in the economy. So we have reason to believe that competent, experienced people in this field have made a worthwhile recommendation. Certainly the way in which the Government had proceeded was not the way to move, because even during the Republican administration there were only 2 years of balanced budgets out of 8, and there have been none thus far in this administration.

Mr. LAUSCHE. Will the Senator answer my four illustrations showing that the program does not work?

Mr. SMATHERS. I will come to the Senator's point. The Senator has had his time to speak; let me have mine.

Mr. LAUSCHE. Very well.

Mr. SMATHERS. I have the deepest affection and respect for the Senator from Arkansas [Mr. McCLELLAN], but what we would be doing by adopting the Senator's amendment would be to pass the buck. Who actually makes an appropriation? Congress. Who levies taxes, under the Constitution? Congress. If we passed the Senator's amendment, we would give to the executive branch, by an order, authority to decide whether to spend a little more money or not. We would be abdicating our own responsibility.

The Legislative Reorganization Act of 1946 authorizes Congress to establish its own legislative Joint Committee on the Budget to determine these questions.

In 1947 and 1948, I believe, Congress tried it; but Congress found that it was so wrong on the estimates for January and the latter part of the year that Congress gave it up.

So we have the authority the Senator is talking about; we have it under the Legislative Reorganization Act, and we can use it if we wish. But I do not think we act in a very brave or responsible way if we decide to turn over this responsibility to the President and let him make the decision, and thereby give him authority to levy taxes and to pass on tax cuts, when that should be our concern.

Mr. McCLELLAN. Mr. President, will the Senator from Florida yield? I ask him to yield, because I do not think he wishes to make a misstatement.

Mr. SMATHERS. Certainly I do not wish to do so.

Mr. McCLELLAN. I point out that we are not turning it over to the President. We still have that responsibility, but we are inviting him to act.

Mr. SMATHERS. But if we decided to let the budget expenditures in any fiscal year exceed $100 billion, suddenly the President might have to raise the tax rates, whereas, under the Constitution, Congress is supposed to act in that field. It is one of the obligations and responsibilities of Congress to act in the field of taxation. So in that case Congress would really have abdicated part of its responsibility.

I should like to emphasize the point the majority leader made. How in heaven's name could businessmen, if they were required to operate under this system, determine what their future next year would be, if the budget should happen to exceed $100 billion? In that case, instead of having the benefit of the tax cuts that the Senate is about to vote for, the businessmen would not have the benefit of the tax cuts. How can businessmen make plans to expand their plants, on the basis of a tax reduction—for example, to open a new plant in Oklahoma or in Arkansas, or in Virginia—on the basis of a tax reduction which may never be made?

So they would live under a cloud of uncertainty, in connection with any activities in which they might wish to engage. They would live with a Damoclean sword hanging over their heads all the time.

Furthermore, consider the situation of private individuals, some of whom might be planning to take trips to Europe—and we hope they do—or to Florida—and let us hope even more enthusiastically that they do that [Laughter]—or to make repairs on their homes. What would be their situation if the country got into a recession or if it were found to be necessary to increase defense expenditures, with the result that the budget might then exceed $100 billion. In that event, there would be no tax cuts.

If it is desired to create uncertainty in the private community, let the Senate adopt an amendment such as this one. In that event, no one will know what will happen—no one except the man in the White House, who is the victim of circumstances and has to meet them when they arise.

So I think it would be a great mistake for the Senate to adopt this amendment.

Suppose we encountered a depression. As the majority leader has pointed out, periodically since World War II, every 40 months—so he said, although I thought it was 36 months—there has been a depression of some kind.

The able Senator from Alaska, the able Senator from Tennessee, the able Senator from Illinois, and other Senators discussed the situation which might exist under such circumstances, and mentioned the steps which might then be taken. The Senator from Tennessee pointed out that in such circumstances the Government would take steps to increase employment and increase economic activities, by means of road construction programs, bridge construction programs, and so forth. A moment ago the Senator from Alaska referred to such activities.

At present, we are living on borrowed money and borrowed time.

The reason there is no recession at the present time is that both individuals and corporations expect to receive the benefit of the proposed tax cuts, with the result that $9,300 million will go into the pockets of individual taxpayers. But if we encountered a recession, what would we do? The only thing to do would be to commence a program of increased Federal expenditures. Then what would happen? When the Government borrows more money and puts it into road programs, retraining programs, WPA programs, and similar programs, what happens? As the Government borrows the money and puts it into programs of that kind, on the one hand, taxes rise, on the other hand, and the result is to pull out of the economy $9,300 million. What would happen? There would be no way by which the executive branch of the Government or the Congress could do the necessary things in order to meet a recession, if we got into one.

Furthermore, as I have said, in addition, the amendment of the able and distinguished Senator from Arkansas is totally unrealistic, in view of the fact that it sets the figure of $100 billion as the limit above which the administrative budget could not go.

All of us would like to keep the budget down; there is no question that we need to eliminate every bit of waste, duplication, and fat that exists in the budget. And we are trying to do so. As the majority leader has pointed out, the President has made a magnificent effort toward eliminating waste and duplication. I am afraid that in some areas he has even cut into a little muscle. I hope that has not happened in the national security field; and I do not believe it has. But he may have done so in other areas.

At any rate, today the administrative budget is about 50 percent less than it was. So we have seen cost analysis result in a great measure, actually, from anticipation of the tax cut, I believe.

At any rate, let us remember that at present our country has a population of 191 million, and that the population grows at the rate of approximately 3 million each year. There is no way to stop that, even if we wanted to, or to make the Nation smaller, or to lessen the Nation's commitments or contract them. The Nation will continue to grow.

What will happen? It is obvious that as the Nation grows, even though we practice the greatest frugality and efficiency in connection with the operations of the Government, we already have programs which will require that additional funds be spent. I am sure the Senator from Arkansas would not want to have the Government renege in any fashion on the Veterans' Administration program. Certain hospital construction commitments have been made under the Hill-Burton Act; and in areas in which the population increases, with the result that more hospitals are needed, the Government will have to spend its share of the money required to build the hospitals. As the Nation grows, those needs will become greater; and as the population grows, it will be necessary to construct more highways. They will be constructed, and the Federal Government will provide its part of the cost. As the Nation grows, it will be necessary to construct more airports—for example, in South Dakota, in Honolulu, in Kentucky, and in Kansas—and the Federal Government will have to help pay for the cost of constructing them. Our Nation will not become smaller; it will continue to grow, and become larger and larger.

It seems to me that it would be totally unrealistic to limit the administrative budget in any fiscal year to $100 billion, and thus to say, "The budget will never be allowed to exceed that amount; but if it does, suddenly, instead of a tax reduction, taxes will increase."

Mr. President, how much time remains available to me?

The **PRESIDING OFFICER**. Eleven minutes.

Mr. **SMATHERS**. Mr. President, in support of the last statement I made, I wish to read from a statement by President Eisenhower. This may be of some interest even to Members on our side of the aisle, and I am sure it will be of great interest to Members on the other side of the aisle. President Eisenhower said:

> A growing nation requires a growing budget.

President Eisenhower recognized the inevitability of a growing budget with a growing nation. In his budget message for the fiscal year 1960 he said:

> Inescapable demands resulting from new technology and the growth of our Nation and new requirements resulting from the changing nature of our society will generate Federal expenditures in future years. We must not forget that a rapidly growing population creates virtually automatic increases in many new Federal responsibilities.

I hope that the amendment will be resisted in view of the points that I have made. I believe it would be restrictive. In many respects it might even be unconstitutional. I believe it is violative of the 1946 Reorganization Act. It does not recognize the growing population.

Moreover, I believe it would cause the Congress of the United States to abdicate its own responsibility. Members of the Appropriations Committee are sitting in the Senate Chamber. I see four of them. They have under their control appropriations. They will not permit money to be spent that Congress does not appropriate. No money will be spent that members of the committee do not approve for appropriation and that the Senate does not finally approve. Under the Constitution of the United States it cannot be done—and we still live under the Constitution. I do not wish to see a situation arise in which the chairman of the distinguished Finance Committee would lose his power and the committee itself would lose its power to determine what the tax rate for individuals and the corporations of our Nation should be. If we adopt the amendment, that is what would happen. He will have lost his authority and we will have lost our authority. We would leave it to the executive branch of the Government to make the determination as to when the proposed $11.6 billion tax reduction would go into effect and when it would not.

So I plead with Senators. While the amendment is directed toward economy, I suggest that we are all for economy. While it is said that we can have a tax cut on the one hand but we can have economy on the other, it will not work that way. It would be a terrible restriction not only on the Congress and on our authority but on the President of the United States. It would tie our hands in the event of a recession. It would tie our hands in the event that some kind of foreign situation would arise as a result of which the administration would come to Congress and ask for additional money.

I yield the floor.

Mr. **LONG** of Louisiana. Mr. President, the whole problem raised by the amendment of the Senator from Arkansas would not be a problem if Senators who are members of the Appropriations Committee would quit voting so much money for appropriations. We members of the Finance Committee have no control over that.

I talked to my senior colleague, who I believe will vote against the bill. If he votes against it, he will be expressing his honest conviction on the matter. He feels that the Government needs the revenue. I said to him:

> After all, there would be no problem about a tax cut if the Appropriations Committee would not spend so much money.

But I cannot control that committee's actions. I am on the Finance Committee. It is all I can do to discharge my responsibility on that committee.

The amendment would undertake to require me, as a member of the Finance Committee, to show members of the Appropriations Committee how to run their business. I do not feel very well qualified to do so.

I ask Senators to observe who the members of that committee are.

The chairman of the committee is Senator CARL HAYDEN. The Senator from Arizona has been in the Senate for many years. He was a Member of the Congress before I was born. Am I supposed to tell him how to conduct his business, as I would be required to do under the amendment? [Laughter.]

The next member of the committee is Senator RICHARD RUSSELL, a man whom I supported for President of the United States, a man who came to Congress the same year that my father did. Am I supposed to tell him how to conduct his business? I go to him for advice rather than he coming to me. [Laughter.]

The next member of the committee is Senator ALLEN J. ELLENDER, who I thought should have been Governor of Louisiana at a time when I was a mere boy. He is one of the most competent men I have ever known. Am I supposed to tell him how to perform his function? With the possible exception of Representative OTTO PASSMAN, also of my State, Senator ELLENDER has been the greatest economizer in the foreign aid program we could possibly have. Am I supposed to tell him how to economize and to save money? [Laughter].

Those men are experts in their field.

Should I tell Senator LISTER HILL how to run his business? Senator HILL is well qualified to run his business. I recall the day that, as a small boy, I listened over the radio to Senator HILL. He nominated Franklin D. Roosevelt for President of the United States. I can recall those events. Those men do not come to me for advice as to what they ought to do.

Read down the list. Whose name appears next? Next we have the distinguished Senator from Arkansas [Mr. MCCLELLAN]. [Laughter.] At times I have thought he was well qualified to be President. He is urging me to tell him how to discharge his responsibility. I have no doubt that, if I am required to do so, I would have to say, "Let your conscience be your guide." [Laughter.]

So we go down the list of the men who are experts in this field. They have made the appropriations and studied the budget. I have not studied the budget as they have. I have been working on the tax bill for 2 years. I have reached the point where I cannot sleep at night. I lie awake at night and mumble big numbers. [Laughter.]

After all that time of intensive work on this bill, trying to understand all of its complications, I am now asked to tell the Appropriations Committee how to handle a $100 billion appropriation bill. I have not had an opportunity to study the budget. I have been so busy on the question of taxes that I do not even know what is in the budget for flood control in Louisiana.

Mr. **PASTORE**. Mr. President, will the Senator yield?

Mr. **LONG** of Louisiana. I yield.

Mr. **PASTORE**. Why has the Senator from Louisiana stopped where he did? Why does he not continue to read the names of some of the Senators who will vote for the bill, such as the Senator from Rhode Island?

Mr. **SMATHERS**. There is a time limitation.

Mr. **LONG** of Louisiana. The committee is a large committee, with many able Senators on it.

Mr. **PASTORE**. I should like to hear a little tribute to myself.

Mr. **LONG** of Louisiana. The distinguished Senator from Rhode Island, a former distinguished Governor of Rhode Island, author of many important bills that have been passed in this body, and one of the greatest statesmen of our time, has been a student of this subject.

Mr. **PASTORE**. Mr. President, will the Senator yield?

Mr. **LONG** of Louisiana. I yield.

Mr. **PASTORE**. The Senator from Rhode Island wishes to say, "I love you, too."

Mr. **LONG** of Louisiana. I thank the distinguished Senator.

Mr. President, if the amendment is adopted, it may well be that next year we shall have, not a tax cut bill, but a tax increase bill. The amendment would seek to restore all the rates that presently exist and, in addition, would leave in effect those things in the law to which the committee bill has proposed structural changes. In other words we could get perhaps a $500 million increase in taxes. How do Senators like that as a disappointment? The taxpayer would be holding his sack out, waiting for a tax cut. What do Senators think he would get? A tax increase. [Laughter.]

Unless we are to give the American people the supreme disappointment of the century, we ought to vote the tax cut we have been talking about for 2 years instead of offering one with an amendment which would provide a "quickie" tax cut and a long increase, starting the first of next year.

Mr. McCLELLAN. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. Three minutes.

Mr. McCLELLAN. Mr. President, I have been saddened just a little, in spite of the humor of my friends, which I have enjoyed. This afternoon we have seen a demonstration in which some of the supporters of this bill have broadcast to this Nation and to the people of this country that we are not serious about expenditures. They choose to ridicule anyone who tries to reduce expenditures.

As the distinguished majority leader has said, we are today telling the country that we will continue the old order of business. We will continue to spend and spend and go into debt. The old order is all we are promised.

The Senator talks about passing the buck to the President; and telling me what to do. The Senator stands on this floor and votes. The junior Senator from Louisiana said a moment ago that he votes without knowing what he is doing, if we are to interpret his language correctly. The Senate and the House of Representatives make the appropriations; it is the duty of the President to request what he needs. It is our duty to weigh the request. The Senator from Louisiana [Mr. LONG] talks about passing the buck. When the President sends that budget down here, and then some of his aids get on the telephone and get his people from the Budget Bureau on the telephone telling us they must have this money, where is the buck passed to? Right back to us.

Let us work together cooperatively. I feel a concern about what we are doing here today to our country. It is not laughable to me. I feel that we are making a mistake in driving this country into debt. The Senator maintains that we will stimulate the economy. The Senator has cited the experience of some foreign country. I suggest that he cite our past experience here in the United States.

Tax reductions in the past have not greatly stimulated the economy. The Senator has said that we have some good economists now who know how to stimulate the economy. Who are they?

Every one of those economists believe in deficit spending as a way of life. None of them are looking toward balancing the budget. No one cares today. We are invited to spend and spend.

I am asking only that a limit be set. Why? The Senator has said that we are restricting with this amendment. Of course we are; that is the purpose of it. It is charged we are passing the buck to the President. That is not correct. The President informs us that the money is spent; then we have to raise the debt limit. Here, with respect to this amendment the Congress would have to raise the $100 billion limit if an emergency arose or a real need developed and a proper case should be made to do so.

Of course, we would raise it, if we should. But it comes back to Congress for examination, decision, and action. It is said that this will be done in the Appropriation Committees. The Appropriation Committees work hard and long. They work against the pressures sometimes of the President and the administration forces. I say to the Senate and to the country today that we need the cooperation and the dynamic leadership of the President of the United States and the Congress working together. Congress can hardly do it without that leadership. Both Congress and the President should work together to do it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUNDT. Mr. President, I yield 3 minutes to the Senator from Arkansas.

Mr. McCLELLAN. I was interested in what the distinguished Senator from New Hampshire said when he stated he was going to vote for a measure to try to hold back the money so it cannot be spent. That will not be easy. They do not necessarily need the money in order to spend. We can continue to go into debt by operating on a credit as we have been doing. Someday the strain on our credit will cause it to break. There is a limit. We are marching toward that limit today.

Mr. President, we are not conducting this Government with fiscal responsibility. I plead that we, here and now, make a start toward economy, make at least a strong gesture that may have some meaning. My amendment will have a meaning if we adopt it.

Senators are not turning me down on this issue. There is nothing personal involved here. If we vote for continued spending, if we vote for the old order that has brought us to where we are today, if we perpetuate that old order, there will certainly be a day of reckoning. That day is coming sooner than we think.

If we are not willing to start holding the spending line, now, in a period of the highest prosperity we have ever had, with the highest national income in our history, if we are not ready to hold the line when making a big tax reduction, then we are surely plunging headlong toward insolvency and inflationary chaos. Is the Senate willing to make one gesture—just one—openly, publicly, and as an indication of congressional policy, toward reducing expenditures? If the Senators are not willing to do that, then, of course, vote against the amendment. And by so doing, let the country know we are going to continue going into debt; that deficit spending—increased deficit spending—is the national—the senatorial—policy. In my judgment we are going into debt too deeply and too fast.

Someday we will be called to an accounting for this folly.

Mr. LONG of Louisiana. Mr. President, when the Senator who is now speaking went to war for his country in 1942, this country was about $50 billion in debt. When I returned from the war, I came back to a country that was $258 billion in debt—an increase of $200 billion. That was an enormous increase. This Nation apparently had its choice at the time of war. It could have levied heavier taxes. It could have gone deeper into debt. It had a third choice—which happened to the Confederacy. It could have stayed out of debt, but it would have been under an army of occupation. So the country thought that the best alternative was to go into debt. Today we have a debt of about $300 billion. Our gross national product has increased from $266 billion to $493 billion, almost double what it was at that time.

It is true that, under both Republican and Democratic administrations, we are somewhat deeper in debt; but the Senator from Louisiana still thinks this is the greatest Nation on the face of the earth, with some of the finest people that the good Lord has put on this planet. The Senator from Louisiana feels that our children are at least as good as or better than he was at a similar age, that we are growing stronger, and that this country will be equal to the risks that face us. We must take risks in everything we do in life. There is a risk in cutting taxes, but, in my opinion, there is a greater risk in not cutting taxes. There will not be a balanced budget until there is full employment.

For those reasons, I shall vote for the bill without the McClellan amendment, which says we cannot do that which I think is necessary to do for the progress of the country.

Mr. SMATHERS. Mr. President, I yield myself a minute and a half, and then I shall yield to the able majority leader.

Mr. President, the question is asked, Are we serious about economy? In all fairness, I think we have been.

The Senator from Arkansas knows that the President of the United States has recommended a budget which provides for a deficit 50 percent below what it was last year.

I think the Senator from Arkansas will agree that in every department of Government there has been a request for reductions in personnel. I think the Senator has seen 30 bases closed. I think he is going to see 30 more bases closed.

Throughout the Government we are seeing practiced an economy that is as stringent and hardheaded as any we have seen. So we have seen economy.

The Senator asks why Senators will vote for it. The Senator from Louisiana has referred to the fact that, because of the technicalities involved in the Defense appropriations—and this is true of other bills—we must rely on the Appropriations Committee. In the final analysis, it is the agency which makes recommendations.

The Senator has said that the economists say those who believe in deficit spending are for the bill. I do not think so. The chamber of commerce is for this bill; and I challenge anyone to show us that it believes in deficit spending. But it is for the bill. Henry Ford is for the bill; and he certainly is not in favor of deficit spending. The president of the Pennsylvania Railroad is for the bill; and he is not in favor of deficit spending. So I say, in all candor and honesty, that we who are in favor of the bill without the restrictive amendment of the Senator from Arkansas believe in the free enterprise economy and believe that the only solution for unemployment and for the future economy is to provide a tax cut.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. PASTORE. The Record should show that last year Congress cut the budget estimates by $6,300 million.

Mr. SMATHERS. I should like to respond to that observation with the statement that perhaps some President has called Members of Congress and has said we must do certain things; but I do not believe any Senator would say that there is any President who can "twist his arm" and make him vote against his conscience. He certainly is not able to do it with the Senator from Arkansas, or with any other Senator. It is up to Congress to decide. It is Congress that levies taxes and spends the taxpayers' money. When Congress wants economy, it can get it.

I now yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I have listened with great interest to most of the debate this afternoon, and I wish to commend the distinguished Senator from Arkansas [Mr. McClellan] for making an attempt in the right direction; but I also wish to reiterate that so far as the Senate is concerned there is a line between the legislative branch and the executive branch, and that line should be observed. The President has his responsibilities, and he has carried them out admirably. We have our responsibilities, and I believe we have done a respectable job.

The Senator from Rhode Island has stated a fact, that in the 1st session of the 88th Congress we cut expenditures below the President's budget request by $6.3 billion. The Senator from Arkansas stated at the beginning of his speech that over the past 11 years the Congresses which were in operation during that period reduced the budget request of the President by $32 billion.

So we have done our share, and a little more. The President is doing his share. We should recognize that if we place a limitation of this kind upon the President, it will tie and bind his hands.

What will the President do if a recession comes along and he is forced to raise the ceiling above $100 billion? What will happen to the tax cut? We give and we take away.

There is nothing more that I can add to what the distinguished Senator in charge of the bill, the Senator from Louisiana [Mr. Long] has said, and also his "first lieutenant" the distinguished Senator from Florida [Mr. Smathers]; but I believe, if we are to put a tax cut into effect that the way to do it is to stick to the bill as closely as possible, and give to both corporations and individuals the $11.7 billion cut envisaged in the bill, because it will help business, stimulate employment, and increase the gross national product.

Mr. McCLELLAN. I yield 1 minute to the Senator from South Carolina.

Mr. THURMOND. Mr. President, the pending amendment, which would make the reduction in income tax rates embodied in H.R. 8363 contingent on keeping the spending of the National Government below the level of $100 billion per year, is an absolute prerequisite to a sound fiscal policy for our Nation.

It is not enough to talk in terms of slowing the pace of mushrooming national expenditures. It is time to establish, by practical and effective means, an absolute limit beyond which we will not go. This amendment would partially provide such a limit, although it would not insure the elimination of continual deficit spending.

Only six times in the past 34 years has the budget of the National Government been balanced. This is nothing less than pure fiscal folly. Not only does such fiscal irresponsibility jeopardize the economic stability of our Nation, but it also constitutes an immoral deprivation of future generations of Americans of their right to decide how their own earnings will be spent. We are literally mortgaging the future of babes unborn, and if we continue at the rate we are going, we will completely dispose of their birthright.

This amendment will not, of course, prevent another deficit. It will, however, make the reduction in taxes, and, in my opinion, the reduction in receipts of the National Government enacted by this bill, contingent on expenditures being held to a reasonable level.

The level of expenditures set by the amendment does not even set the cutoff at the current or projected level of expenditures. It leaves room for an increase over current or projected level of expenses of more than $2 billion.

The bill which the Senate is now considering will reduce revenues, and thereby, it will inevitably contribute to the existing gap between receipts and expenditures. It is predicted by some, of course, that the revenues released into the economy by the tax reduction will go through multiplier and accelerator processes, and result in net increases in revenues even at the lower rates. This may be; but in the event this strange phenomenon fails to occur as predicted, this amendment would provide a very essential ceiling on expenditures above which the lower tax rates, and a larger margin of deficit, would not be effective.

This amendment is designed to effectuate in law the assurances that expenditures will be held within some range of reason. Its adoption would establish the intention of Congress to exercise a new and long overdue practice of fiscal responsibility. Its adoption would act as a welcome breath of fresh air and a basis of renewed confidence in the financial future of the United States.

Mr. McCLELLAN. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas [Mr. McClellan]. The yeas have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD (after having voted in the negative). Mr. President, on this vote I have a pair with the distinguished minority leader, the Senator from Illinois [Mr. Dirksen]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. SALTONSTALL (after having voted in the negative). Mr. President, on this vote I have a pair with the Senator from Arizona [Mr. Goldwater]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. Curtis] and the Senator from Illinois [Mr. Dirksen] are necessarily absent.

The Senator from Arizona [Mr. Goldwater] is detained on official business.

If present and voting, the Senator from Nebraska [Mr. Curtis] would vote "yea."

The respective pairs of the Senator from Illinois [Mr. Dirksen] and that of the Senator from Arizona [Mr. Goldwater] have been previously announced.

The result was announced—yeas 34, nays 61, as follows:

[No. 38 Leg.]

YEAS—34

Aiken
Allott
Beall
Bennett
Boggs
Byrd, Va.
Carlson
Cotton
Dominick
Eastland
Ervin
Gore
Hickenlooper
Hruska
Jackson
Jordan, N.C.
Jordan, Idaho
Lausche
McClellan
Mechem
Miller
Mundt
Pearson
Prouty
Proxmire
Robertson
Russell
Simpson
Smith
Stennis
Thurmond
Tower
Williams, Del.
Young, N. Dak.

NAYS—61

Anderson
Bartlett
Bayh
Bible
Brewster
Burdick
Byrd, W. Va.
Cannon
Case
Church
Clark
Cooper
Dodd
Douglas
Edmondson
Ellender
Engle
Fong
Fulbright
Gruening
Hart
Hartke
Hayden
Hill
Holland
Humphrey
Inouye
Javits
Johnston
Keating
Kennedy
Kuchel
Long, Mo.
Long, La.
Magnuson
McCarthy
McGee
McGovern
McIntyre
McNamara
Metcalf
Monroney
Morse
Morton
Moss
Muskie
Nelson
Neuberger
Pastore
Pell
Randolph
Ribicoff
Scott
Smathers
Sparkman
Symington
Talmadge
Walters
Williams, N.J.
Yarborough
Young, Ohio

NOT VOTING—5

Curtis
Dirksen
Goldwater
Mansfield
Saltonstall

So Mr. McClellan's amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. SPARKMAN. Mr. President, I have three amendments, all relating to matters in which the Small Business Committee has been interested. I send them to the desk, and ask that their reading be dispensed with, but that they may be printed in the Record. I shall make a very brief explanation of them.

The PRESIDING OFFICER. Without objection, the amendments will be printed in the Record at this point.

The amendments, ordered to be printed in the Record, are as follows:

On page 14, line 7, strike out "$25,000" and insert "$50,000".

On page 27, strike out lines 8 through 23 and insert the following:

"(2) Corporations.—In applying subsection (a) to a taxable year of a corporation beginning in 1963 and ending in 1964—

"(A) the change in the surtax exemption of such corporation (including a change by reason of the application of section 1561, relating to surtax exemptions in case of certain controlled corporations), and

"(B) the additional tax (if any) imposed on the taxable income of such corporation for such taxable year by section 1562(b) (relating to additional tax in case of component member of controlled groups which elect multiple surtax exemptions),

shall each be treated as a change in a rate of tax taking effect on January 1, 1964."

On page 247, lines 9, 15, and 19, strike out "$25,000" and insert "$50,000".

On page 248, line 7, strike out "$25,000" and insert "$50,000".

On page 250, line 4, strike out "$25,000" and insert "$50,000".

At the end of the bill insert the following:

"TITLE IV—MISCELLANEOUS PROVISIONS

"Sec. 401. Extension of Time for Payment of Estate Tax Based on Undue Hardship.

"(a) Certain Circumstances Which Would Require Sale of Closely Held Business Considered To Constitute Undue Hardship.—Section 6161 (relating to extension of time for paying tax) is amended by redesignating subsection (d) as (e), and by inserting after subsection (c) the following new subsection:

"'(d) Forced Sales of Interests in Closely Held Businesses.—

"'(1) In general.—In applying subsections (a)(2) and (b) to any case in which an extension of time for payment of the tax imposed by chapter 11 has been elected, or could have been elected, under section 6166, if the executor establishes to the satisfaction of the Secretary or his delegate that the payment of an amount described in subsection (a)(2) or (b) on the prescribed date can be made only if there is a forced sale (within the meaning of paragraph (2)) of property constituting all or part of an interest in a closely held business (as defined in section 6166(c)), it shall be considered that such payment would result in undue hardship to the estate.

"'(2) Forced sale.—For purposes of paragraph (1), the term "forced sale of property constituting all or part of an interest in a closely held business" means—

"'(A) a sale to one or more individuals who are not members of the family of the decedent (within the meaning of section 267(c)(4)), or

"'(B) a sale at a time when the market for such property is depressed.

Such term does not include any sale which is required by law or is required under the terms of the will of the decedent or of an agreement entered into by the decedent.'

"(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to amounts of tax imposed by chapter 11 of the Internal Revenue Code of 1954 (including installments thereof) the date for payment of which (including extensions thereof) is on or after the date of the enactment of this Act."

On page 14, lines 8 and 9, strike out "or the amount determined under section 1561 (relating to surtax exemptions in case of certain controlled corporations)".

On page 14, line 20, strike out the closing quotation marks, and after line 20 insert the following:

"(f) Cross Reference.—

"For limitation on surtax exemptions of certain controlled groups of corporations, see section 1561."

On page 27, line 10, beginning with "if" strike out all through "tax," in line 22, and insert the following: "if a surtax exemption is not allowed to such corporation for such taxable year by reason of the application of section 1561 (relating to limitation on surtax exemptions of controlled group of corporations), such disallowance".

On page 246, line 20, strike out "REDUCTION OF SURTAX EXEMPTION" and insert "LIMITATION ON SURTAX EXEMPTIONS."

On page 247, beginning with line 1, strike out all through line 19 on page 256, and in lieu thereof insert the following:

"PART II—CERTAIN CONTROLLED CORPORATIONS

"Sec. 1561. Limitation on surtax exemptions of controlled group of corporations.
"Sec. 1562. Definitions and special rules.

"Sec. 1561. Limitation on Surtax Exemptions of Controlled Group of Corporations.

"(a) General Rule.—If a controlled group of corporations on a December 31 consists of six or more component members, only five of such component members shall be allowed a surtax exemption for the taxable year which includes such December 31. The component members which shall be allowed a surtax exemption for such taxable year shall—

"(1) be designated, in such manner and within such time as the Secretary or his delegate shall prescribe by regulations, by all corporations which are component members of such group on such December 31, or

"(2) in the absence of a designation under paragraph (1), be determined in accordance with regulations prescribed by the Secretary or his delegate.

"(b) Certain Short Taxable Years.—If a corporation—

"(1) has a short taxable year which does not include a December 31, and

"(2) is a component member of a controlled group of corporations with respect to such taxable year,

subsection (a) and section 1562(b) shall be applied, with respect to such corporation, by substituting the last day of such taxable year for December 31."

On page 256, line 20, strike out "1563" and insert "1562".

On page 275, line 1, strike out "1563(e)" and insert "1562(e)".

On page 275, strike out lines 3 through 7, and insert the following:

"(c) Component Members of Controlled Group of Corporations.—If the surtax exemption is disallowed to a transferee corporation for any taxable year for which it is a component member of a controlled group of corporations (within the meaning of section 1562), such corporation shall not be taken into account in applying section 1561 (relating to limitation on surtax exemptions) to the other component members of such controlled group."

On page 276, strike out lines 12 through 16, and insert the following:

"(d) Component Members of Controlled Group of Corporations.—If the surtax exemption is disallowed to an acquired corporation under subsection (a) for any taxable year for which it is a component member of a controlled group of corporations (within the meaning of section 1562), such corporation shall not be taken into account in applying section 1561 (relating to limitation on surtax exemptions) to the other component members of such controlled group."

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

Mr. SPARKMAN. Mr. President, about 11 years ago the Small Business Committee made several recommendations relating to tax reform for the benefit of small business. Little by little over the years those suggestions have been written into law. When the pending bill was under consideration in committee four of the measures still had not been enacted into law.

The Senator from Nevada [Mr. Bible], the Senator from Massachusetts [Mr. Saltonstall], and the Senator from Kentucky [Mr. Cooper] are cosponsors with me of these amendments.

The first measure that we had recommended, which had not been passed at that time was with respect to reversing the surtax. Thank goodness, the bill carries that in it. The second one related to increasing the exemptions from the surtax from $25,000 to $50,000. I presented before the Finance Committee arguments in favor of increasing the surtax. It was not done. I understand why it was not done. It was because it would take considerable revenue from the Government.

However, there is real merit to the proposal. I invite the attention of the Senator from Louisiana [Mr. Long], and the chairman of the committee, the Senator from Virginia [Mr. Byrd] to the fact that there is real merit in the proposal to increase the surtax exemption. Of course, it would apply to all businesses, regardless of size, but it would be particularly beneficial to small businesses, which have a hard time building up a sufficient base on which to operate.

Testimony was given on this subject before the Finance Committee. I shall not recite it, but I wish to read some tables which I believe are rather significant.

In 1960 the reports show—excluding 1120S returns—the number of businesses earning under $25,000 were 544,364, or 82.7 percent. Between $25,000 and $50,000—this is the group that is really caught in the pinch—there were 58,722, or 8.7 percent. Between $50,000 and $100,000, there were 26,464, or 3.9 percent. Over $100,000, there were 31,689, or 4.6 percent.

Mr. President, this matter deserves the most careful study and consideration by the tax-writing committees of Congress. I shall not insist upon a vote on the amendments. Small business has done very well in the bill.

First, the bill provides a deduction in the corporate tax. Second, it provides for a reversal of the surtax. The bill contains other items that are quite helpful. I know many of the practicalities of legislation, particularly the problem of writing a tax bill on the floor of the Senate. But I believe this is a matter that is deserving of attention.

I ask the Senator in charge of the bill, the Senator from Louisiana [Mr. Long] and the chairman of the committee, the Senator from Virginia [Mr. Byrd], for their most careful and sympathetic consideration of this proposal at the earliest opportunity.

Mr. SALTONSTALL. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. SALTONSTALL. As a member of the Small Business Committee, I join in the statement of the Senator from Alabama. It is my understanding that the committee considered one amendment to increase the surtax, but voted it down for other reasons.

As to the second amendment, regarding the estate tax, we know that the estate tax provisions were not considered at all, so our amendment did not come up for consideration.

Mr. SPARKMAN. I shall say a word about that amendment later. That has been taken care of administratively.

Mr. SALTONSTALL. There was a third amendment.

Mr. SPARKMAN. It had to do with multiple-corporate exemptions.

Mr. SALTONSTALL. That is correct. If and when—and we hope it will be soon, although it does not seem likely to occur soon—the cold war ends and the need for procurement of material eases, we shall want to stimulate small business rather than to have it go out of existence. If business decreases, we would not want only the big corporations to be able to carry on. One of the purposes of the third amendment was to make it possible to create and maintain small business if there should be an overall decrease in the Government undertakings program.

So I hope, while the Senator from Alabama will not press his amendment at the present time, that the Senator from Louisiana [Mr. Long] will give thoughtful consideration to it in the coming year.

Mr. SPARKMAN. And sympathetic consideration, as well.

Mr. LONG of Louisiana. It is a great honor to serve on the Small Business Committee under its chairman, the distinguished Senator from Alabama [Mr. Sparkman], and the distinguished Senator from Massachusetts [Mr. Saltonstall], the ranking Republican member of the committee.

Many times I have noticed that proposals have come not only to the Committee on Finance, but also to other committees—proposals which originated in recommendations of the Small Business Committee. As the Senator from Alabama knows, I am the ranking member of his committee, under his able guidance. Sometimes I have dragged my feet somewhat on recommendations made by the Committee on Finance, on the theory that as a member of the Small Business Committee I would want to reserve judgment until that committee made its own recommendations.

The bill contains one of the three important, forward-looking recommendations that have been advocated for many years by the Small Business Committee; that is, a reduction from 30 to 22 percent in the tax rate for small business.

The amendments the Senator from Alabama has in mind relate to matters which I am certain the Committee on Finance will consider in the days ahead on appropriate occasions. However, we do not feel that they should be a part of the tax bill.

I deeply appreciate the fact that the Senator from Alabama is not insisting upon a vote on his amendments at this time. I assure him that at an appropriate time I shall use my best efforts to see that they are favorably considered by the Committee on Finance.

Mr. SALTONSTALL. Mr. President, may we who are members of the Small Business Committee consider that we have a very good friend of small business as a member of the Committee on Finance?

Mr. SPARKMAN. I should think so. I thank the able Senator from Louisiana.

Mr. RANDOLPH. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. RANDOLPH. It is my privilege to serve as a member of the Select Committee on Small Business under the capable leadership of the Senator from Alabama [Mr. Sparkman]. There is a feeling among small businessmen of West Virginia that the passage of the tax bill will help small business. Whether this will prove to be right or wrong——

Mr. SPARKMAN. I am sure it is right——

Mr. RANDOLPH. We need to give further assurance to the small business people of a State like West Virginia that the administration and the Congress are at work to stimulate this vital segment of our economy.

Mr. SPARKMAN. That is correct.

Mr. RANDOLPH. I now read portions of a letter received from a West Virginia citizen. The communication comes from M. P. Michael, the owner-manager of Hotel Washington, Berkeley Springs, W. Va. He wrote:

> As I am a small businessman in West Virginia, I am asking you all as one of the small businessmen in our State to support and fight in the Senate and House for the tax cut the President has recommended.
>
> I only employ seven people in my business, but on the weekends of August 17 and August 24 (no holiday weekends) I was filled to capacity and had to turn people away. Therefore, I got curious and asked some of my guests why there were so many people traveling on these two weekends. Their reply was that the President is going to get a tax cut and therefore we can afford to spend this money we will save on taxes to see some parts of this beautiful United States.
>
> I sincerely hope the House and Senate can see this tax bill the way I do and the rest of us small businessmen do.

This attitude, one of hope, indicates that the small businessman is intensely interested in the principle and purpose of a tax cut as a stimulation for business.

I congratulate the chairman of the Committee on Small Business for his continued effort to help small business.

Mr. SPARKMAN. I thank the Senator from West Virginia.

I shall now move on to the second amendment which I have sent to the desk. It relates to multiple exemptions for corporations. Under present law, and I believe under the bill as it will pass, there is no limit on the number of exemptions that may be given to corporations. I believe the Treasury Department recommended that there be only one. The Committee on Small Business felt that only one would be harsh, but at the same time felt that there ought to be some limitation. We recommended that there be five exemptions, no more. I shall not press the amendment at this time. The committee considered it but did not see fit to recommend it. I hope that during the next year we may watch the operation of this provision with reference to multiple tax exemptions for corporations.

I believe we have made a wise recommendation. I hope it will be followed, and that at some time in the future the proposal will be studied again.

I have introduced a third amendment. I call the attention of the Senator from Massachusetts [Mr. Saltonstall] to it. It relates to the estate tax that might come due as a result of forced sales. A closely held small business of any kind would be the type of business that would really be affected in case of the sudden death of the operator, owner, or manager of the business. We have proposed that such a case should be considered as a hardship case.

We were able to secure a provision that in hardship cases the heirs might have as much as 10 years in which to pay the estate taxes. What we tried to do was to have such cases included as hardship cases.

I am pleased to say that the Treasury Department wrote me a letter only a few days ago, after I had discussed the situation carefully with them. I told them I thought they could take care of the situation administratively, and I have now been assured that it will be taken care of administratively. I shall read the last paragraph:

> The Treasury has already directed the Commissioner of Internal Revenue to prepare an appropriate amendment to the regulations to solve this problem. The amendment to the regulations should be ready for publication in the near future. I assure you that the Treasury will take the necessary steps administratively to solve this problem.

Mr. President, I ask unanimous consent that the entire letter be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Under Secretary of the Treasury,
Washington, D.C.

Hon. John J. Sparkman,
U.S. Senate,
Washington, D.C.

Dear Senator: As I promised during our conversation of today, I have checked further with regard to our position on your amendment to H.R. 8363 which would allow a district director to postpone payment of estate taxes in any case where payment of the tax would require a sale of a family business.

As you know, we are in complete agreement with the substance of your proposal. We first raised it before the Ways and Means Committee in connection with our proposal to tax capital gains at death. Section 6161 presently allows payment of the estate tax in installments in any case where immediate payment of the tax would result in undue hardship to the estate. The problem arises because the definition of "undue hardship" in the regulations under section 6161 is unduly narrow. We are convinced that the problem can best be solved by an amendment to the regulations. An amendment to the statute is neither needed nor advisable. A precise statement in the statute of the cases to be covered will inevitably result in the exclusion of certain borderline cases which might well merit similar treatment.

Amendment No. 366 is itself somewhat more restrictive than we would consider appropriate. It would apply only "to any case in which an extension of time for payment of the tax imposed by chapter 11 has been elected, or could have been elected, under section 6166." Section 6166 gives taxpayers an absolute right to installment payments of estate tax if a closely held business constitutes more than 35 percent of the gross estate or 50 percent of the taxable estate. Presumably, any estate eligible for this treatment will take advantage of that section and does not need further relief. It is precisely the estates which cannot meet the requirements of section 6166 which may need relief under section 6161.

The Treasury Department has already directed the Commissioner of Internal Revenue to prepare an appropriate amendment to the regulations to solve this problem. The amendment to the regulations should be ready for publication in the near future. I assure you that Treasury will take the necessary steps administratively to solve this problem.

Sincerely yours,

Henry H. Fowler.

Mr. SALTONSTALL. Mr. President, I commend the Senator from Alabama for having worked to secure this administrative change. It is one of the most fundamental needs, from the point of view of small business. If the Senator from Alabama, the Senator from New Mexico [Mr. Anderson], or I owned a small business, and suddenly we were no longer on this earth, it might become quite essential to provide time for our heirs to straighten out their affairs before they had to sell everything to pay the estate taxes.

Mr. SPARKMAN. The Senator is correct.

Mr. SALTONSTALL. The Senator has stated that the problem will be solved administratively. How many years is allowed now?

Mr. SPARKMAN. We succeeded in having it included among hardship cases. These amendments bring this category definitely under hardship cases. It should have been there all along; and these amendments put it there.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. SPARKMAN. Mr. President, I withdraw the amendments.

The PRESIDING OFFICER. The amendments of the Senator from Alabama are withdrawn.

AMENDMENT NO. 390

Mr. SPARKMAN. Mr. President, I seek further recognition, for I have another amendment, which I can explain briefly. The Senator from South Carolina [Mr. Johnston] and the Senator from New York [Mr. Keating] are cosponsors of this amendment, which I offer and send to the desk; and I ask that it be read.

The amendment proposed by Mr. Sparkman, for himself, Mr. Keating, and Mr. Johnston, was read, as follows:

At the end of title II of the bill, add the following new sections:

"Sec. —. Transportation of Disabled Individual to and From Work.

"(a) Deduction Allowed for Expenses of Transportation of Disabled Individuals to and From Work.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals), as amended by sections 203(a) and 212 of this Act, is further amended by redesignating section 219 as section 220 and by inserting after section 218 the following new section:

" 'Sec. 219. Transportation of Disabled Individual to and From Work.

" '(a) General Rule.—In the case of a disabled individual, there shall be allowed as a deduction expenses paid during the taxable year for transportation to and from work to the extent that such expenses do not exceed $600.

" '(b) Disabled Individual Defined.—For purposes of subsection (a), the term 'disabled individual' means an individual who is blind (as defined in section 151(d)(3)) or who has lost the use of a leg, "both legs," both arms, or is otherwise disabled, to such an extent that he is unable during the entire taxable year to use, without undue hardship or danger, a streetcar, bus, subway, train, or similar form of public transportation, as a means of traveling to and from work. A taxpayer claiming a deduction under this section shall submit such proof that he is a disabled individual as the Secretary of the Treasury or his delegate may by regulations prescribe. The regulations so prescribed shall include the following provisions:

" '(1) Proof of disability shall be certified by a physician authorized to do so by any county (or equivalent) medical society.

" '(2) The certifying physician shall specify the nature, cause, and physically limiting effects of the disability.'

"(b) Technical Amendment.—The table of sections for part VII of subchapter B of chapter 1 (as amended by section 212(a)(2) of this Act) is further amended by striking out—

" 'Sec. 219. Cross references.'

and inserting in lieu thereof the following:

" 'Sec. 219. Transportation of disabled individual to and from work.

" 'Sec. 220. Cross references.'

"(c) Effective Date.—The amendment made by this section shall apply only with respect to taxable years ending after the date of the enactment of this Act.

"Sec.—. Additional Personal Exemptions for Disability.

"(a) In General.—Section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions) is amended by adding at the end thereof the following new subsection:

" '(f) Additional Exemptions for Disability.—

" '(1) For taxpayer.—An additional exemption of $600 for the taxpayer if he is a disabled individual.

" '(2) For spouse.—An additional exemption of $600 for the spouse of the taxpayer if the spouse is a disabled individual and if the taxpayer is entitled to an exemption under subsection (b) for such spouse.

" '(3) Disabled individual defined.—The term 'disabled individual' means an individual who, during the entire taxable year of the taxpayer, has a permanent loss or permanent loss of use of one or more of the extremities or is otherwise under a physical or mental disability which can be expected to result in death or to be of long-continued and indefinite duration and which renders him unable to engage in any substantial gainful activity. A taxpayer claiming a deduction under this subsection shall submit such proof that he (or his spouse) is a disabled individual as the Secretary of the Treasury or his delegate may by regulations prescribe. The regulations so prescribed shall include the following provisions:

" '(A) Proof of disability shall be certified by a physician authorized to do so by any county (or equivalent) medical society.

" '(B) The certifying physician shall specify the nature, cause, and physically limiting effects of the disability.'

"(b) Conforming Amendment.—Section 213(c) of the Internal Revenue Code of 1954 (relating to medical, dental, etc., expenses) is amended—

"(1) by striking out '(c) or (d)' and inserting in lieu thereof '(c), (d), or (f)', and

"(2) by striking out 'age or blindness' and inserting in lieu thereof 'age, blindness, or disability'.

"(c) Withholding.—

"(1) Paragraph (1) of section 3402(f) of the Internal Revenue Code of 1954 (relating to withholding exemptions) is amended by adding at the end thereof the following new subparagraph:

" '(F) one additional exemption for himself if, on the basis of facts existing at the beginning of such day, there may reasonably be expected to be allowable an exemption under section 151(f)(1) (relating to the disabled) for the taxable year under subtitle A in respect of which amounts deducted and withheld under this chapter in the calendar year in which such day falls are allowed as a credit.'

"(2) Subparagraph (D) of such paragraph (1) is amended (A) by striking out '(B), or (C),' and inserting in lieu thereof '(B), (C), or (F),', and (B) by striking out 'and' at the end thereof.

"(3) Subparagraph (E) of such paragraph (1) is amended by striking out the period at the end and inserting in lieu thereof '; and'.

"(d) Effective Date.—The amendments made by subsections (a) and (b) shall apply only with respect to taxable years ending after the date of enactment of this Act and the amendments made by subsection (c) shall apply only with respect to payment of wages made after such date.

Mr. ANDERSON. Mr. President, will the Senator from Alabama explain the amendment?

Mr. SPARKMAN. I shall do so briefly. This provision would allow a deduction for the expenses of disabled persons for their transportation, when they are not able to transport themselves to and from work, and must hire transportation—in other words, a deduction of the actual expenses, but not to exceed $600 a year.

I have not yet been able to obtain the figures for the cost of the amendment.

Mr. SMATHERS. Mr. President, we shall take the amendment to conference.

Mr. SPARKMAN. And in the meantime I shall try to get the cost figures and give them to the conferees.

The PRESIDING OFFICER (Mr. Walters in the chair.) The question is on agreeing to the amendment of the Senator from Alabama.

The amendment was agreed to.

Mr. JOHNSTON. Mr. President, this is a very important amendment; and it is very fair and equitable, because a person who is totally disabled should receive this assistance.

Mr. KEATING. Mr. President, as a cosponsor of this amendment, I associate myself fully with the remarks just made by the Senator from South Carolina [Mr. Johnston].

I have heard this bill described many times during this debate as containing "something for everybody." Only time will reveal whether this is true. But until the amendment offered by the Senator from Alabama, the Senator from South Carolina [Mr. Johnston], and myself finds its way finally into the Internal Revenue Code, that august body of law will certainly fall short of meting out justice and equity to those of our citizenry who suffer from physical disability or handicap.

Mr. President, this amendment is a tax break not for the taxpayers who would be in a position to take advantage of it in their tax returns, but a tax break for all the American people. Existing law, in discriminatory fashion, makes it exceedingly difficult for many among the handicapped and disabled to contribute their combined talents and skills to the well-being of all. Every one of us suffers when otherwise fully capable and competent citizens are deprived through the tax laws of that margin of finances that can spell the difference between enforced idleness and the ability to pursue gainful employment opportunities. Mr. President, I hope this amendment will be agreed to in conference and ultimately enacted to break the back of the existing inequity of the code.

AMENDMENT NO. 404

Mr. WILLIAMS of Delaware. Mr. President, on behalf of the Senator from North Dakota [Mr. Young], who is unable to be present at this time, I submit amendment No. 404.

The PRESIDING OFFICER. The amendment will be stated.

The Legislative Clerk. At the proper place in the bill it is proposed to add the following new section:

Sec. —. Time for Filing Claim for Refund of Taxes Paid for Gasoline Used on Farms.

Section 6420(b) (relating to time for filing claim for refund on taxes paid for gasoline used on farms) is amended by inserting immediately before the period in the second sentence thereof the following: "; except that the Secretary or his delegate may allow a claim filed after such date if the claimant had good cause for failing to file on or before such date".

Mr. SMATHERS. Mr. President, the Senator from North Dakota and the Senator from Delaware have talked with me and with other members of the committee about this amendment. We think it is meritorious; and we shall be glad to take it to conference.

Mr. WILLIAMS of Delaware. I thank the Senator from Florida.

Mr. President, I ask unanimous consent to have printed at this point in the Record a brief statement prepared by the Senator from North Dakota [Mr. Young].

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Senator Young of North Dakota

This is an amendment authorizing the Secretary of the Treasury or the Commissioner of Internal Revenue to allow claims filed late for a Federal gas tax refund to farmers.

Under the present law these claims must be postmarked by midnight on September 30 each year. Any application filed later is automatically disallowed even though it was filed late through no fault of the farmer. This amendment would give the Secretary in this instance the same authority as he has for permitting the filing of late income tax returns.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware, on behalf of the Senator from North Dakota [Mr. Young].

The amendment was agreed to.

Mr. SMATHERS. Mr. President, on behalf of the staff, I submit a technical amendment.

The PRESIDING OFFICER. The amendment will be stated.

The Legislative Clerk. On page 11, in line 19, it is proposed to strike out "equal to 15 percent" and insert "equal to 17 percent, in the case of a taxable year beginning in 1964, or 15 percent, in the case of a taxable year beginning after December 31, 1964,".

Mr. SMATHERS. Mr. President, I understand from the staff that this is strictly a technical amendment, and that it does not involve any money.

I ask that an explanation of the amendment be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

The tax rate applicable to the retirement income credit under present law is 20 percent, or the bottom individual income tax rate.

Under the bill this rate is reduced to 15 percent to correspond with the reduction of the rate on individuals to 14, 15, 16, and 17 percent for 1965 and subsequent years.

However, the rates for 1964 are 16, 16.5, 17.5, and 18. This amendment provides therefore a 17-percent rate for the retirement income credit for 1964 (instead of 15 percent) to correspond with individual rates for that year.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida.

The amendment was agreed to.

Mr. JAVITS. Mr. President, on page 195, in line 21, and on page 198, in line 2, a change was voted by the Senate committee in the portion of the House version which relates to the opportunity for companies in the personal holding company category to liquidate. The House version used the words "the date of the enactment of this subsection." The Senate committee version uses the date "December 31, 1963." The Senate committee version would thus exclude the calendar year 1963, which many companies use as the basis for paying their taxes.

In short, the argument is that they will be discriminated against in this way, because a company which uses as its tax year a fiscal year ending in October or November would thus have an advantage.

Is it understood that this question should be considered in conference, because under the House version the effective date will be calendar year 1964, which thereby will exclude calendar year 1963; and is it understood that the conferees will give consideration to the equity of this situation?

Mr. SMATHERS. I have talked with the staff about this matter and with the others who are familiar with it, and they say this matter will be in conference and will be given earnest consideration.

Mr. JAVITS. I thank the Senator from Florida.

AMENDMENT NO. 416

Mr. SALTONSTALL. Mr. President, I offer an amendment on behalf of myself, Senators Dodd, Ribicoff, Pastore, Pell, Keating, and Javits.

The PRESIDING OFFICER. The amendment will be stated.

The Legislative Clerk. At the end of the bill, it is proposed to add the following new section:

Sec. —. Excise Tax on Certain Silver-Plated Hollowware

(a) Section 4001 is amended by striking out "silver-plated hollowware" and inserting "silver-plated hollowware not sold for use in the trade or business of the purchaser".

(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to sales occurring more than 10 days after the date of the enactment of this section.

Mr. SALTONSTALL. Mr. President, I shall not press for adoption of the amendment. The ranking member of the Finance Committee in charge of the bill has stated to me that he will give consideration to the amendment at a future time.

The amendment has to do with repeal of the 10-percent Federal excise tax on silver-plated hollowware when it is used by a purchaser in his commercial business.

The present law works a hardship on the domestic silver-plated hollowware industry and places it at a serious and unfair disadvantage with respect both to foreign competition and to competitive products made in this country of stainless steel, bimetals, china, and glass, none of which is subject to the 10-percent excise tax.

I ask unanimous consent to have a statement on this matter printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Senator Saltonstall

I am glad to join the senior Senator from Connecticut and other Senators in sponsoring this amendment which would repeal the 10-percent Federal excise tax on silver-plated hollowware when it is to be used by the purchaser in his commercial business.

The amount of revenue involved is only approximately $200,000 annually, based on estimated yearly sales of $2 million of silver-plated hollowware to institutional users. Yet this is an unfair and discriminatory tax which places the domestic silver-plated hollowware industry at a serious disadvantage with respect to its foreign competition and to competitive products made in this country. It does not seem fair to levy a luxury tax on items purchased for commercial use or to discriminate against only one of a number of similar products which have the same purpose. I emphasize that this amendment would not grant hollowware any advantage with respect to competitive products of stainless steel, bimetals, china, and glass, none of which are subject to the 10-percent excise tax. It merely would provide equal treatment.

When wartime excise taxes were levied on many goods, the entire silver hollowware field was covered. As a result, although plated flatware used by hotels and restaurants is not taxed, the hollowware is. Thus institutions find themselves forced to use stainless steel, china, or glassware rather than silverplated ware which they feel is superior in many respects.

Another important point to consider in relation to the 10-percent tax on silver-plated hollowware is the fact that the manner in which it is collected makes it difficult for domestic producers to compete with foreign producers. The tax is collected by U.S. manufacturers and jobbers as they sell the products. When hotels, restaurants, schools and hospitals buy from foreign manufacturers, they are billed directly and the excise tax is not collected. Thus, not only do foreign firms have the advantage of lower wage costs, they avoid the burdens of the 10-percent excise tax.

Most U.S. hotels would prefer to buy silverware from the domestic industry since service and replacements are more easily available from the domestic manufacturer. Understandably, however, they have turned abroad for these products to avoid the tax. This is particularly true of some of the larger hotel chains which operate internationally. In a new hotel such as the Washington Hilton this can amount to a purchase of several hundred thousand dollars which means orders leaving the country, dollars leaving the country, and jobs for foreign industries rather than our own. The smaller restaurants and institutions may lack the facilities and organization to take advantage of this situation and thus may be placed at a disadvantage as compared to their larger competitors. Therefore, another defect of this tax is readily apparent. Small business is handicapped unfairly. For all of these reasons, the amendment before us is just and necessary. I hope very much that it will prevail.

Mr. SALTONSTALL. Mr. President, I withdraw the amendment at this time, because members of the Finance Committee have assured me that they will consider it carefully at a later date. I hope that it will be adopted at a future time as it would remove a basic inequity which is harmful to industry in Massachusetts and New England.

The **PRESIDING OFFICER.** The amendment is withdrawn.

Mr. LAUSCHE. Mr. President, I ask unanimous consent to have printed in the RECORD a statement of my reasons for opposing the pending bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LAUSCHE

In statements previously made on the pending tax bill, I said that while I favored relief from oppressive and burdensome Federal taxes, I could not conscientiously vote for this bill because of a multitude of current economic factors, which, in my opinion, make a tax reduction at this time unsound and seriously threatening to our future fiscal stability.

I pointed out that:

1. A tax reduction should not be made without substantial reductions in Federal spending now and in the future. This has not been accomplished.

2. Past tax cuts, contrary to modern economists' theories, have not boosted our economy.

3. A tax cut under existing circumstances might breed serious inflation; weaken our dollar and affect our gold reserves and balance of payments, both of which are in dire circumstances now.

4. A reversal of our mounting deficit will not occur to the degree claimed by proponents of the bill, and, as a result, our national debt will grow to figures that could prove disastrous.

5. Proponents of the tax cut base their conclusions on "ifs," contingencies, assumptions, and expectations which may never be realized.

I now wish to enumerate additional reasons why I believe that a tax reduction now is not in the best interests of our country and citizenry.

The pending bill containing provisions for a reduction of the tax rates against income both personal and corporate and otherwise liberalizing the income tax structure, in my judgment, should not be adopted.

The opinion urging its approval is rooted completely in expectations and contingencies which may never happen and in a new and untried economic philosophy completely contrary to past practices.

It appears that a group of modern economists have come up with the idea that the cure for unemployment, underutilization of industrial capacity, and for annual operating deficits, and for the frightening drain made upon our gold reserves by foreign short-term creditors, is to reduce income taxes.

The Honorable Douglas Dillon, Secretary of the Treasury, takes the position that the need for a major program of tax reduction and revision is pressing; that any delay in its passage would incur serious economic risks. When the recommendation was originally made, it was contemplated to tax less in the income field and to spend more on the Federal governmental level—all of which would contribute to the economic growth of the country. Arguments have been and are being made that in the face of a $315 billion debt, the precarious position of our gold reserves, the cheapened purchasing power of the dollar—which has fallen from a purchasing value of 100 cents in 1941 to about 44 cents in 1964—the way to save the economy of the country is to spend more and tax less.

On the item of spending more President Johnson has changed the approach to that subject by submitting a budget of $97.9 billion for fiscal year 1965 compared to $98.4 billion budget of President Kennedy for fiscal year 1964. Though President Johnson's budget is $500 million less than President Kennedy's for the preceding year, the fact remains that the present budget is $4.7 billion in excess of the moneys which the Congress appropriated for the operation of the Federal Government in fiscal year 1964.

In the event the Congress acts in accordance with the President's budgetary recommendation, spending instead of being cut will be increased by $5 billion. Not one of the appropriation bills for fiscal year 1965 has been adopted; what the Congress will do with respect to those bills is uncertain.

The possibility exists that after the tax cut is approved, all objectives of reducing spending may be abandoned; if they are not abandoned for the fiscal year of 1965, what, if any, assurance is there that they will be kept for the fiscal year of 1966.

In each of the 7 years that I have been in the Senate, old subsidies have been increased, new ones established; functions, traditionally and historically performed by local and State governments have been assumed by the Federal Government; and functions never performed by Government but always by private enterprise have likewise been taken on by the Government in Washington. Money spending for projects which are desirable but not essential in the period of fiscal stringency confronting the Federal Government has been fantastically advocated and adopted.

If the novel idea of these mid-20th century economic advisers proves to be false, how calamitous to the people and to the country will the consequences of mistake be?

Let us not forget that the deficits for the fiscal years of 1961, 1962, and 1963 aggregated approximately $17 billion; and that the deficit for fiscal year 1964 which will end on June 30 will add another $10 billion provided the pending revenue bill reducing taxes will be enacted early this year. When Secretary Dillon testified before the Finance Committee of the Senate on October 15, he estimated the deficit for fiscal year 1965 at $9½ billion. According to Secretary Dillon, the deficit operations for the fiscal years of 1961 to 1965 inclusive will aggregate about $34½ billion.

With regard to the time when the balanced budget will arrive, Secretary Dillon testified:

"We have said that, with stringent expenditure control and allowing for the growth in the economy, the earliest possible date we foresaw for a balanced budget from this tax bill was 1967, and that it might be 1968. It is either 1967 or 1968. We are in that area. As you recognize, it is hard enough to estimate 18 months ahead."

We are now in the uncertainty and the guesswork which underlies these recommendations. It is thoroughly apparent when one recognizes that the principal proponent of this measure takes the position that it will not be until 1968—that is, 5 years from the time he testified—that the true fruition of his prediction will be realized.

Dr. Arthur Burns, an outstanding economist, did take the position that a balanced budget would not be achievable until 1972. Secretary Dillon in his testimony went on to explain that Dr. Arthur Burns assumed that spending would continue in the future as it has in the past and that on that basis he concluded that it would not be until 1972 that the budget would be balanced. In my judgment, Dr. Arthur Burns in his assumption about the spending program was right, and that Secretary Dillon is wrong.

We will probably have less spending in fiscal year 1965 but once the tax bill is passed, the spending train will be on the greased tracks and off we will go full-speed ahead without any realistic regard of the moneys available to finance the spending program.

The tax burden imposed upon the citizens is related directly to the spending program. The more you spend, the more you have to tax. To reduce taxes you have to reduce spending. To argue that the budget will be balanced if we tax less in the income field, runs contrary to every practice followed by our preceding Secretaries of the Treasury and Executives of the Nation.

If the pains and dangers of constant operating deficits were curable in the present manner suggested by the proponents of the pending bill, it would certainly be fair to assume that this nostrum now discovered by Dr. Walter W. Heller would have been revealed to governments struggling with fiscal matters by some one of the many economists of the past.

If this recommended tax cut is the panacea for fiscal ailments confronting government, why shouldn't we then make the cut even greater than has been proposed.

The President in his budget message of 1962 predicted a $500 million surplus. In the message, he said:

"It is my current intention to advocate a program of expenditures which, including revenues from a stimulation of the economy, will not of and by themselves unbalance the budget."

The same fiscal advisers surrounded the President in 1962, when in his message it was said that for the fiscal year of 1963 a surplus of $500 million would be the result, who are now advising that an immediate income tax cut is necessary to remedy the unemployment problem, stop the outflow of gold, activate unused production facilities, and through the consequent increase in revenues to balance the budget.

The cold facts show that in fiscal 1963, instead of ending the year with a surplus of $500 million, the Government ended it with a deficit of $6.2 billion.

It is my belief that a great majority of the citizenry of our country would rather forgo a tax reduction at this time rather than to risk the possible consequences of perpetual deficits, a national debt that will plague future generations, and inflation that could wipe out many times the dollar value of the reduction.

AMENDMENT NO. 422

Mr. MILLER. Mr. President, on behalf of myself and the Senator from Iowa [Mr. Hickenlooper], I offer an amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The Legislative Clerk. At the proper place in the bill, it is proposed to add the following new section:

Sec. Corporations Improperly Accumulating Surplus

Section 533 of the Internal Revenue Code of 1954, as amended (relating to evidence of purpose to avoid income tax) is amended by adding the following subsection:

"(b) If, during the taxable year on or before the 15th day of the third month following the close of the taxable year, a corporation—

"(1) distributes 60 percent or more of its taxable income, adjusted in the manner provided in subsection 535(b), or

"(2) invests 60 percent or more of its taxable income, adjusted in the manner provided in subsection 535(b), in land or property subject to the allowance for depreciation for use in the trade or business of such corporation, or

"(3) distributes or invests, in the manner provided in subsections (1) and (2), 60 percent or more of its taxable income, adjusted in the manner provided in subsection 535(b), the same shall be presumptive evidence that any accumulation was not for the purpose of avoiding income tax. The fact that a corporation has not distributed or invested 60 percent or more of its taxable income, adjusted in the manner provided in subsection 535(b), as above provided shall not be regarded as presumptive evidence that any accumulation was for the purpose of avoiding income tax."

Mr. MILLER. Mr. President, this amendment is for the purpose of setting forth guidelines for corporations in connection with what is known as the penalty tax for unreasonable accumulation of surplus.

The Senator from Louisiana will recall that a few years ago the Treasury established a policy that if there were a distribution of earnings and profits of 70 percent, this penalty surtax would not be imposed and there would not be an audit with the idea of imposing the penalty.

Unfortunately, this policy was interpreted by some people to mean that if 70 percent was not declared out, automatically the corporation would be in danger of a penalty surtax. Such was not the intention of the Treasury, but unfortunately it received that interpretation.

Down through the years there have been numerous cases involving this problem. There are many court decisions on the point. Unfortunately, most of them are ad hoc; they are all on the facts of a particular case. As a result, it is pretty difficult for boards of directors to determine whether they are in danger or not in danger of a revenue agent suggesting the imposition of this penalty surtax.

Much has been said in the Senate during the debate on this bill about uncertainty in business. Without fixed guidelines, there is an element of uncertainty which is not healthy. We do not want to see penalty surtaxes imposed on corporations which are genuinely retaining surplus for future investments in their business. On the other hand, we do not want to see a penalty surtax avoided by an unreasonable guideline.

My amendment would provide that if 60 percent of the corporation's taxable income, with certain adjustments, is declared out as dividends, or is invested in land or property, subject to depreciation, for use in the trade or business, or both, a presumption will arise that any accumulation has not been for the purpose of avoiding tax. This would be a rebuttable presumption. The Internal Revenue Service could go forward and offer evidence which could still result in the imposition of the penalty surtax.

I believe that this approach, providing some kind of guideline with a rebuttable presumption, would not work a hardship on the Internal Revenue Service; nor should it work hardship on the taxpayer who does not see fit to declare out 60 percent. Therefore, my amendment provides further that the mere fact that the corporation has not distributed 60 percent of its taxable income, with certain adjustments, shall not be presumed to be evidence of intent to accumulate profits for the purpose of avoiding tax.

I do think that fixed guidelines are long overdue to take the uncertainty out of these cases.

Mr. LONG of Louisiana. The amendment did not reach the committee in time to be considered in connection with the tax bill. The amendment would take us into a very difficult and intricate field which would require more study. The Treasury Department is opposed to the amendment as it is presently drafted. They feel that while the amendment seems to meet certain problems, it raises additional questions, for which reason the Treasury cannot support the amendment and must oppose it.

The Senator from Louisiana would be willing to see that the question is considered when the committee can get around to it later. He discussed it with the chairman of the committee. The chairman concurs in that view. At an appropriate time we shall consider the amendment which the Senator has in mind. At the present time we could not agree to it, as the Senator realizes.

Mr. MILLER. I realize the fact that the amendment was offered at a late hour. I recognize that the floor of the Senate is not a desirable place to hold a hearing on a subject of relatively far-reaching import. With that assurance I shall offer an appropriate amendment to another bill at a later time.

Accordingly, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 410

Mr. YARBOROUGH. Mr. President, I call up my amendment No. 410.

The PRESIDING OFFICER. The amendment of the Senator from Texas will be stated.

The Legislative Clerk. At the proper place it is proposed to insert the following new section:

Sec. —. Estate and Gift Tax Treatment of Employees' Surivors Annuities Under State and Local Retirement Systems.

(a) Exemption From Estate Tax.—Section 2039(c) (relating to annuities) is amended—

(1) by striking out "or" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or";

(3) by inserting after paragraph (3) the following new paragraphs:

"(4) a pension, annuity, retirement, or similar plan established for its employees by a State, a political subdivision of a State, the District of Columbia, or an agency or instrumentality of any one or more of the foregoing; or

"(5) a retirement annuity contract purchased for an employee by an employer which is a State, a political subdivision of a State, the District of Columbia, or an agency or instrumentality of any one or more of the foregoing.";

(4) by striking out "paragraph (1) or (2) or under a contract described in paragraph (3)" in the second sentence and inserting in lieu thereof "paragraph (1), (2), or (4) or under a contract described in paragraph (3) or (5)"; and

(5) by striking out "paragraph (1) or (2)" in the third sentence and inserting in lieu thereof "paragraph (1), (2), or (4), or toward the purchase of an annuity contract described in paragraph (5),".

(b) Exemption From Gift Tax.—Section 2517(a) (relating to certain annuities under qualified plans) is amended—

(1) by striking out "or" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or"; and

(3) by inserting after paragraph (3) the following new paragraphs:

"(4) a pension, annuity, retirement, or similar plan established for its employees by a State, a political subdivision of a State, the District of Columbia, or an agency or instrumentality of any one or more of the foregoing; or

"(5) a retirement annuity contract purchased for an employee by an employer which is a State, a political subdivision of a State, the District of Columbia, or an agency or instrumentality of any one or more of the foregoing."

(c) Effective Dates.—The amendments made by subsection (a) shall apply with respect to estates of decedents dying after December 31, 1963. The amendments made by subsection (b) shall apply with respect to calendar years after 1963.

Mr. YARBOROUGH. Mr. President, the amendment is designed to eliminate a discrimination against State school teachers in State school systems and their retirement systems. Most State employees under State retirement systems receive benefits paid by public employee benefit plans. It appears that under certain rulings in some districts in this country, at least, annuities received by public school teachers may not be excluded from the gross estate of a deceased teacher. They do not qualify from exemption from the gift tax in the same manner as annuities purchased by private schools for their employees. The same statement would apply to other State employees under State retirement systems. Federal employees receive the beneficial treatment.

Under section (c) (1) and (2) of section 2039 there is excluded from the gross estate annuities or payments to a beneficiary under an approved corporate pension plan, and section (c)(3) excludes annuity contracts purchased for an employee by a tax exempt religious or charitable organization.

The revenue rulings of the Internal Revenue Service extend the same treatment to beneficiaries under the U.S. Civil Service Retirement System. Section 2517 has the same general effect on gift taxes.

This is not merely some recently offered amendment. On January 25, 1963, the distinguished Senator from Alaska [Mr. Bartlett] and I introduced the bill (S. 531).

Mr. President, I ask unanimous consent that the bill may be printed at this point in the Record.

There being no objection, the bill (S. 531) was ordered to be printed in the Record, as follows:

S. 531

A bill to amend the Internal Revenue Code of 1954 with respect to the estate and gift tax treatment of employees' survivors annuities under State and local retirement systems

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2039(c) of the Internal Revenue Code of 1954 (relating to annuities) is amended—

(1) by striking out "or" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or"; and

(3) by inserting after paragraph (3) the following new paragraphs:

"(4) a pension, annuity, retirement, or similar plan established for its employees by a State, a political subdivision of a State, the District of Columbia, or an agency or instrumentality of any one or more of the foregoing; or

"(5) a retirement annuity contract purchased for an employee by an employer which is a State, a political subdivision of a State, the District of Columbia, or an agency or instrumentality of any one or more of the foregoing."

(b) The second sentence of such section 2039(c) is amended by striking out "paragraph (1) or (2) or under a contract described in paragraph (3)" and inserting in lieu thereof "paragraph (1), (2), or (4) or under a contract described in paragraph (3) or (5)".

(c) The third sentence of such section 2039(c) is amended by striking out "paragraph (1) or (2)" and inserting in lieu thereof "paragraph (1), (2), or (4), or toward the purchase of an annuity contract described in paragraph (5),".

(d) The amendments made by this section shall apply with respect to estates of decedents after December 31, 1962.

Sec. 2. Section 2517(a) of the Internal Revenue Code of 1954 (relating to certain annuities under qualified plans) is amended—

(1) by striking out "or" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or"; and

(3) by inserting after paragraph (3) the following new paragraphs:

"(4) a pension, annuity, retirement, or similar plan established for its employees by a State, a political subdivision of a State, the District of Columbia, or an agency or instrumentality of any one or more of the foregoing; or

"(5) a retirement annuity contract purchased for an employee by an employer which is a State, a political subdivision of a State, the District of Columbia, or an agency or instrumentality of any one or more of the foregoing."

(b) The amendments made by subsection (a) shall apply with respect to calendar years after 1962.

Mr. YARBOROUGH. The identical subject was brought up under our Amendment No. 410, which includes the identical language contained in the bill (S. 531). Since the amendment was offered, we have been in conference with the Treasury Department. The officials of the Treasury Department have stated to us that they believe that the problem can be handled administratively under existing administrations, although the collector of internal revenue in my own district states that the law requires that the State employee retirement systems and the State teachers should not receive the same beneficial treatment received by Federal employees, employees of private schools, employees of private corporations, and employees of charitable and religious organizations. Everyone receives the beneficial treatment except the retirees under State and State schoolteacher systems.

From what we learn from the NEA and from a telegram which I have received today from Mr. Sturgeon of the Texas State Teachers Association, in about 48 States of the Union the beneficial treatment has not been extended by regulation. But, on the assurance of the Treasury Department that it is believed the problem can be handled without legislation, I direct the following question to the distinguished Senator from Louisiana:

If the amendment is offered and then withdrawn at this time, and if the question is not administratively worked out by the Treasury Department, as they think may be possible, will it not be possible to bring it up and offer it as an amendment to some subsequent revenue measure at the present session? I understand that there are about 30 more revenue measures expected from the House.

Mr. LONG of Louisiana. Mr. President, our investigation of the problem, since the Senator raised the question, indicates that there is a distinct possibility that the view at the national office, as contrasted with the view at the regional office, may be that which the Senator advocates. In other words, the national office view may be that the plans of which the Senator speaks are qualified. We will ask them to study the matter. In the event the Senator does not receive a satisfactory answer from the national office, we shall endeavor to look into the question for him and see if legislation is necessary. We will undertake to consider it at that time.

Mr. YARBOROUGH. The crux of the question is that the regional Internal Revenue Office has ruled that State plans should not receive the beneficial treatment because they are not irrevocable. State legislatures have reserved the right to amend their pension plans. Many plans are not irrevocable. The Federal retirement system is not irrevocable. We amend it from session to session.

Mr. LONG of Louisiana. We are not sure that because these plans are not irrevocable the teachers may be disqualified. In other words, they may be qualified anyway. If that is the case, the proposal of the Senator would not be necessary. If the proposal of the Senator should prove to be necessary, then would be the appropriate time for the committee to consider it. If that be the case, the Senator from Louisiana will move the proposed legislation as an amendment to some bill, if necessary.

Mr. YARBOROUGH. Later in this session.

Mr. LONG of Louisiana. Yes.

Mr. YARBOROUGH. The Treasury officials have assured us that they believe the problem can be reached administratively.

Mr. LONG of Louisiana. Yes.

Mr. YARBOROUGH. I ask unanimous consent that there be printed at this point in the Record amendment No. 401; a letter from Frank M. Jackson, the executive secretary of the Teacher Retirement System of Texas, dated December 29, 1962; and a telegram dated February 7, 1964, from L. P. Sturgeon of the Texas State Teachers Association, Austin, Tex.

There being no objection, the amendment, letter, and telegram were ordered to be printed in the Record, as follows:

AMENDMENT 410

"SEC. —. ESTATE AND GIFT TAX TREATMENT OF EMPLOYEES' SURVIVORS ANNUITIES UNDER STATE AND LOCAL RETIREMENT SYSTEMS.

(a) EXEMPTION FROM ESTATE TAX.—Section 2039(c) (relating to annuities) is amended—

(1) by striking out "or" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or";

(3) by inserting after paragraph (3) the following new paragraphs:

"(4) a pension, annuity, retirement, or similar plan established for its employees by a State, a political subdivision of a State, the District of Columbia, or an agency or instrumentality of any one or more of the foregoing; or

"(5) a retirement annuity contract purchased for an employee by an employer which is a State, a political subdivision of a State, the District of Columbia, or an agency or instrumentality of any one or more of the foregoing.";

(4) by striking out "paragraph (1) or (2) or under a contract described in paragraph (3)" in the second sentence and inserting

in lieu thereof "paragraph (1), (2), or (4) or under a contract described in paragraph (3) or (5)"; and

(5) by striking out "paragraph (1) or (2)" in the third sentence and inserting in lieu thereof "paragraph (1), (2), or (4), or toward the purchase of an annuity contract described in paragraph (5),";

(b) Exemption From Gift Tax.—Section 2517(a) (relating to certain annuities under qualified plans) is amended—

(1) by striking out "or" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or"; and

(3) by inserting after paragraph (3) the following new paragraphs:

"(4) a pension, annuity, retirement, or similar plan established for its employees by a State a political subdivision of a State, the District of Columbia, or an agency or instrumentality of any one or more of the foregoing; or

"(5) a retirement annuity contract purchased for an employee by an employer which is a State, a political subdivision of a State, the District of Columbia, or an agency or instrumentality of any one or more of the foregoing."

(c) Effective Dates.—The amendments made by subsection (a) shall apply with respect to estates of decedents dying after December 31, 1963. The amendments made by subsection (b) shall apply with respect to calendar years after 1963.

Teacher Retirement
System of Texas,
Austin, Tex., December 29, 1962.

Hon. Ralph W. Yarborough,
U.S. Senate,
U.S. Courthouse
Austin, Tex.

Dear Senator Yarborough: Yesterday afternoon you discussed the Federal estate tax on benefits paid by public employee benefit plans with Mr. Marlin Bownds, our comptroller. This letter is written to follow your suggestions to him.

Subsections (c)(1) and (2) of section 2039 exclude from the gross estate annuities or other payments to a beneficiary under an approved corporate pension plan. Subsection (c)(3) excludes annuity contracts purchased for an employee by a tax exempt religious or charitable organization. Revenue Ruling 5-1, I.R.B. 1956-1,6 extends the same treatment to beneficiaries under the U.S. civil service retirement system. Section 2517 has the same general effect for the gift tax.

The beneficiaries of public employees under employee pension plans of the several States and their political subdivisions are generally denied this treatment. Texas has 250,000 public employees covered by pension plans. Their beneficiaries receive less favorable treatment for gift and estate taxes than employees of corporations or employees of the Federal Government. In my opinion sections 2039 and 2517 should be amended to extend to beneficiaries under public employee pension plans the same treatment which is accorded to beneficiaries under qualified corporate pension plans.

Sincerely,

Frank M. Jackson.

Austin, Tex.,
February 7, 1964.

Senator Ralph Yarborough,
Senate Chamber,
Washington, D.C.:

Texas teacher retirement system which includes 180,000 persons and the Texas State employees system which includes an additional 60,000 individuals do not qualify under section 403B Internal Revenue Code and are discriminated against under present Federal estate tax regulations. This same situation exists in all other States with possibly one or two exceptions. Adoption of amendment 410 to H.R. 8363 would do no more than give equal treatment to the teacher and State employees included in such retirement program. Additional information follows from officials of the teacher retirement system.

L. P. Sturgeon.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. BARTLETT. I am heartened by what the Senator from Louisiana, the Senator in charge of the bill, has had to say on the subject. I trust it can be handled administratively. If it cannot be, the Senator from Texas and I will surely be calling upon our colleagues, seeking legislative action.

I joined the distinguished Senator from Texas as a cosponsor of the bill back in January a year ago, because I thought the State employees were being discriminated against. That discrimination continues, and the time has come, in my judgment, for remedial action, whether it comes through legislation or through administrative action.

I should say that Hon. William A. Egan, Governor of Alaska, has heartily endorsed the proposal.

I desire, in concluding, to commend the distinguished Senator from Texas for calling this matter, then and now, to the attention of the Senate.

Mr. YARBOROUGH. Mr. President, I thank the distinguished Senator from Alaska. He has been very diligent in discussing this matter with me since the proposal was introduced under S. 531 last year. I, too, am heartened by the statement of the Senator from Louisiana, the floor manager of the bill.

Mr. LONG of Louisiana. As the Senator knows, there are some problems in this field.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to withdraw my amendment, but we plan to reoffer the measure later to some other bill, if it has not been worked out.

The PRESIDING OFFICER. The amendment offered by the Senator from Texas is withdrawn.

Mr. WILLIAMS of New Jersey. Mr. President, I have an amendment at the desk, which I offer and ask unanimous consent to have printed in the Record at this point, instead of being read.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment offered by Mr. Williams of New Jersey is as follows:

At the proper place in the bill add the following new section:

"Sec. —. Amortization of Housing Facilities for Agricultural Workers.

"(a) In General.—Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"Sec. 183. Amortization of Housing Facilities for Agricultural Workers.

" '(a) Allowance of Deduction.

" '(1) Original owner.—Any person who constructs a certified housing facility for agricultural workers shall, at his election, be entitled to a deduction with respect to the amortization of the adjusted basis (determined under subsection (f)(1)) of such facility based on a period of 60 months. The 60-month period shall begin as to any such facility, at the election of the taxpayer, with the month following the month in which the facility was completed, or with the succeeding taxable year.

" '(2) Subsequent owners.—Any person who acquires a housing facility for agricultural workers—

" '(A) with respect to which a certificate has been issued by the Secretary of Agriculture under subsection (e) (whether such certificate is issued before or after the date such person acquires such facility), and

" '(B) with respect to which an amortization deduction under this section has been allowed for less than a 60-month period,

shall, at his election, be entitled to a deduction with respect to the adjusted basis (determined under subsection (f)(2)) of such facility based on a 60-month period reduced by the number of months with respect to which an amortization deduction under this section has been allowed to any taxpayer prior to the acquisition of such facility by such person.

" '(3) Amount of deduction.—The amortization deduction provided in paragraphs (1) and (2) shall be an amount, with respect to each month of the amortization period within the taxable year, equal to the adjusted basis of the facility at the end of such month, divided by the number of months (including the month for which the deduction is computed) remaining in the period. Such adjusted basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction above provided with respect to any month shall be in lieu of the depreciation deduction with respect to such facility for such month provided by section 167.

" '(b) Election of Amortization.—The election of the taxpayer under subsection (a)(1) to take the amortization deduction and to begin the 60-month period with the month following the month in which the facility was completed shall be made only by a statement to that effect in the return for the taxable year in which the facility was completed. The election of the taxpayer under subsection (a)(1) to take the amortization deduction and to begin such period with the taxable year succeeding such year shall be made only by a statement to that effect in the return for such succeeding taxable year. The election of the taxpayer under subsection (a)(2) to take the amortization deduction shall be made only by a statement to that effect in the return for the taxable year in which the facility was acquired. Notwithstanding the preceding three sentences, the election of the taxpayer under subsection (a) (1) or (2) may be made, under such regulations as the Secretary or his delegate may prescribe, before the time prescribed in the applicable sentence.

" '(c) Discontinuance of Amortization Deduction.—

" '(1) Discontinuance by taxpayer.—A taxpayer who has elected under subsection (b) to take the amortization deduction provided in subsection (a) may, at any time after making such election, discontinue the amortization deduction with respect to the remainder of the amortization period. Such discontinuance shall begin, and may be terminated, as of the beginning of any month specified by the taxpayer in a notice in writing filed with the Secretary or his delegate before the beginning of such month.

" '(2) Discontinuance by Secretary of Agriculture.—The amortization deduction provided in subsection (a) shall be discontinued if the Secretary of Agriculture finds and certifies, after notice to the taxpayer and opportunity for hearings, to the Secretary or his delegate that the requirements of subsection (e)(2) have not been complied with. Such discontinuance shall begin as of the beginning of the taxable year in which such finding is made and certified and shall continue until the month following the month in which the Secretary of Agriculture certifies to the Secretary that the Secretary of Agriculture is satisfied that there is no longer any failure to satisfy such requirements.

"'(3) Where a discontinuance of such an amortization deduction shall have been terminated, as provided in paragraphs (1) or (2), the period with respect to which such deduction may subsequently be allowed shall be equal to 60 months minus the number of months with respect to which such deduction shall have previously been allowed.

"'(4) Depreciation deduction.—The depreciation deduction provided under section 167 shall be allowed with respect to any housing facility for agricultural workers beginning with the first month as to which the amortization deduction does not apply, and the taxpayer shall not be entitled to any further amortization deduction with respect to such facility.

"'(d) Definitions.—For purposes of this section—

"'(1) Agricultural worker.—The term "agricultural worker" means an individual (other than the taxpayer, his spouse and dependents, and members of his household) who is a citizen or permanent resident of the United States and whose primary employment is in agriculture, as defined in section 3(f) of the Fair Labor Standards Act of 1938, or performing agricultural labor, as defined in section 3121(g).

"'(2) Certified housing facility for agricultural workers.—The term "certified housing facility for agricultural workers" means any dwelling or dwelling unit for the housing of agricultural workers—

"'(A) the construction of which is completed after December 31, 1963; and

"'(B) with respect to which a certificate has been issued by the Secretary of Agriculture under subsection (e).

If any facility is converted, through alteration or remodeling, into a housing facility for agricultural workers, or if a housing facility for agricultural workers is altered or remodeled so as to increase the number of dwelling units in such facility, or to improve any of the dwelling units in such facility, such alteration or remodeling shall be treated as the construction of a housing facility for agricultural workers.

"'(e) Certifications by Secretary of Agriculture.—

"'(1) Applications.—Any person who after December 31, 1963, completes the construction of a housing facility for agricultural workers may apply to the Secretary of Agriculture for a certificate under this subsection, or, if the person who completes such construction has not obtained such a certificate, then his successor in interest may apply to the Secretary of Agriculture for a certificate under this subsection. Such application shall be filed at such time, shall be in such form, and shall contain such information as the Secretary of Agriculture may prescribe by regulations.

"'(2) Requirements for certified housing facility for agricultural workers.—The Secretary of Agriculture shall issue a certificate with respect to a housing facility for agricultural workers if he is satisfied that—

"'(A) such housing facility has been constructed to provide decent, safe, and sanitary housing for agricultural workers;

"'(B) any rentals charged an agricultural worker for the occupancy of any dwelling unit in such facility will not exceed rates within the means of the probable occupants of such unit, due consideration being given to the income and earning capacity of agricultural workers in the area; and

"'(C) for a period of 5 years (commencing with the date of application for such certificate), the dwelling units in such housing facility (i) will be made available primarily for occupancy by agricultural workers, (ii) will, when rented, be rented at rates consistent with the provisions of subparagraph (B), and (iii) will be maintained in accordance with such safety and sanitation standards as may be prescribed by State or local law, or, in the absence of such standards, in accordance with such minimum requirements as the Secretary of Agriculture shall prescribe.

The Secretary shall not refuse to issue a certificate with respect to a housing facility for agricultural workers to any person solely by reason of the fact that such person intends to sell such facility to an agricultural worker within the 5-year period referred to in subparagraph (C).

"'(3) Preliminary certification.—An application under paragraph (1) may be filed with respect to any housing facility for agricultural workers prior to the completion of the construction of such housing facility. The Secretary of Agriculture may, by regulations, provide for the issuance of a conditional certificate to any such applicant if it appears from the information contained in his application that upon completion such housing facility will fulfill the requirements for a certificate prescribed in paragraph (2).

"'(4) Regulations.—The Secretary of Agriculture shall prescribe such regulations as he deems necessary to carry out the provisions of this subsection.

"'(f) Determination of Adjusted Basis.—

"'(1) Original owners.—For purposes of subsection (a)(1), in determining the adjusted basis of any certified housing facility for agricultural workers—

"'(A) there shall be included only so much of the amount of the adjusted basis (for determining gain), computed without regard to this subsection, as is properly attributable to construction after December 31, 1963, which the Secretary of Agriculture certifies is attributable to the provision of housing for agricultural workers; and

"(B) if the facility is a certified housing facility for agricultural workers within the meaning of the second sentence of subsection (d)(2), there shall be included only so much of the amount otherwise included in such adjusted basis as is properly attributable to the alteration or remodeling.

"'(2) Subsequent owners.—For purposes of subsection (a)(2), the adjusted basis of any certified housing facility for agricultural workers shall be whichever of the following amounts is the smaller:

"'(A) the basis (unadjusted) of such facility for purposes of this section in the hands of the person who constructed such facility, adjusted as if such facility in the hands of the taxpayer had a substituted basis within the meaning of section 1016(b); or

"'(B) so much of the adjusted basis (for determining gain) of the facility in the hands of the taxpayer (computed without regard to this subsection) as is properly attributable to construction after December 31, 1963, which the Secretary of Agriculture has certified is attributable to the provision of housing for agricultural workers.

"'(3) Separate facilities; special rule.—If any existing certified housing facility for agricultural workers (as defined in the first sentence of subsection (d)(2) is altered or remodeled as provided in the second sentence of subsection (d)(2), the expenditures for such alteration or remodeling shall not be applied in adjustment of the basis of such existing facility but a separate basis shall be computed as if the part altered or remodeled were a new and separate housing facility for agricultural workers.

"'(g) Depreciation Deduction.—If the adjusted basis of a certified housing facility for agricultural workers (computed without regard to subsection (f)) exceeds the adjusted basis computed under subsection (f), the depreciation deduction provided by section 167 shall, despite the provisions of subsection (a)(3) of this section, be allowed with respect to such facility as if the adjusted basis for the purpose of such deduction were an amount equal to the amount of such excess.

"'(h) Life Tenant and Remainderman.—In the case of property held by one person for life with remainder to another person, the amortization deduction provided in subsection (a) shall be computed as if the life tenant were the absolute owner of the property and shall be allowed to the life tenant.

"'(i) Limitation.—No deduction shall be allowed under subsection (a) with respect to a certified housing facility for agricultural workers for any month during any part of which—

"'(1) if the taxpayer is an individual (other than an estate or trust), such facility is occupied by the taxpayer or by the spouse, any dependent, or any member of the household of the taxpayer,

"'(2) if the taxpayer is an estate or trust, such facility is occupied by a beneficiary of the estate or trust, or

"'(3) if the taxpayer is a corporation, such facility is occupied by any stockholder or officer of the corporation or by any employee of the corporation who is not an agricultural worker.

"'(j) Cross Reference.—

"'For special rule with respect to gain derived from the sale or exchange of property the adjusted basis of which is determined with regard to this section, see section 1238.'

"(b) Clerical Amendment.—The table of sections for such part VI is amended by adding at the end thereof

"'Sec. 183. Amortization of housing facilities for agricultural workers.'

"(c) Conforming Amendment.—Section 1238 of the Internal Revenue Code of 1954 (relating to amortization in excess of depreciation) is amended by inserting after 'section 168 (relating to amortization deduction of emergency facilities)' the following: 'or section 183 (relating to amortization deduction of housing facilities for agricultural workers)'.

"(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1963."

Mr. WILLIAMS of New Jersey. Mr. President, the purpose of my amendment is to encourage the construction of housing facilities for farmworkers which in many parts of the country today are in a deplorable, inadequate condition for human habitation. Since there is an important public interest in correcting conditions detrimental to the health and welfare of farmworkers and their families, it is appropriate that such construction be encouraged by a tax incentive similar to those used in other areas where an important public interest is served by private construction or investment. My amendment accomplishes this objective by permitting a farmowner to amortize over a 5-year period the cost of newly constructed farm labor housing which under present law is depreciated over the useful life of the property, which may be as long as 40 years.

The reduction in revenue resulting from approval of this amendment will amount to no more than $2.5 million in any year. It is pertinent to note that this reduction—a maximum of $2.5 million—is most modest, indeed, when compared to other revenue-reducing provisions, which the committee has recommended for encouragement of other types of business investment. I refer to two of the committee's recommended revisions of the investment tax credit.

First. The provision repealing the reduction-of-basis requirement will cause an annual revenue loss of $195 million.

Second. The provision allowing investment credit for elevators and escalators will result in a further $10 million annual revenue loss.

It is highly significant to note that these provisions, giving additional tax relief as an incentive to business investment, apply to types of investment which already receive valuable economic benefits under the special tax relief measure enacted in 1962.

In addition to new construction, the 5-year amortization would be available respecting the costs of alteration or remodeling to improve existing farm labor housing.

The special deduction, in lieu of depreciation, could be taken by a farmer or other owner with respect to housing completed after December 31, 1963, or by the purchaser of such housing. To qualify, the owner would obtain a certificate from the Secretary of Agriculture covering these three points:

First. That the housing facility has been constructed to provide decent, safe, and sanitary housing for agricultural workers.

Second. If the housing is to be rented, rather than being furnished to farmworkers rent-free, that the rentals will be reasonable in view of the occupants' probable incomes and earning capacities.

Third. That during the 5-year amortization period, the housing will be made available primarily for occupancy by domestic agricultural workers and will be maintained in accordance with applicable minimum standards on safety and sanitation.

JUSTIFICATION

The farmer who employs hired labor, and especially migratory labor, has a unique labor problem, in that he generally has to provide housing for his employees. This housing is, in effect, an extra item of labor cost; it has no economic value to the farmer beyond enabling him to attract the workers he needs. Further, the adequacy of the housing provided, the questions whether it is sanitary and safe for occupancy, have come under increasingly close scrutiny as more and more States and local governments have established housing codes and stepped up their enforcement in rural areas.

The farmer's costs are especially burdensome respecting migrant housing, because migratory workers are needed in large numbers, but for short periods; and the housing provided for them is likely to stand vacant for large portions of the year. Current developments in mechanization further increase the burden of providing good housing, for in numerous crops and areas the need for the migrant's labor may be eliminated entirely within a few years.

Despite the fact that many farm employers have performed exemplarily in providing good housing for their workers, there is still a great deal of housing for migrants that can fairly be described as deplorably wretched and totally inadequate for human habitation. Furthermore, the fact that the migratory worker may, at some future time, become obsolete is no answer to his need for decent housing now.

The need for better farmworker housing was stressed—not for the first time—at a recent hearing before the Housing Subcommittee of the Committee on Banking and Currency. In testimony for the Department of Labor, Under Secretary John F. Henning gave a vivid description of the living conditions of many migrant farmworkers in this country. I quote from Secretary Henning's testimony:

> A field report by the State Services Division of the Bureau of Labor Standards on the living conditions of approximately 235 migrants in two camps in a Midwestern State is shocking. The first camp visited consisted of a group of six city buses and a trailer located in the middle of a field in the hot sun with no shade. According to the report, no water of any kind was available in the camp itself. Water was hauled in a large garbage-type can from a long distance; garbage and waste were collected in uncovered cans within 15 feet of the bus, which had no screens of any kind.
>
> The second camp included 50 old buses parked in a grove of trees, where there were at least five pumps for water and a pit on the edge of the camp for disposing of refuse. Some of the buses had screens; more of them had burlap sacks on the outside of the windows. However, the three open doorways in each bus were not protected by screens of any kind and the windows for ventilation in the outside toilet were also unscreened.
>
> A recent report from a regional consultant to the Bureau of Labor Standards on labor camps in a western State describes sanitary conditions in a particular camp as atrocious, with no bathing facilities in the camp and no running water in the cabins. Wood stoves were used for cooking purposes, making the cabins extremely hot in the summer.
>
> Typical of a widespread problem are conditions disclosed in an investigation conducted by the Bureau of Employment Security in a southwestern State where the camp was found to have no hot water for bathing, improper drainage, and fire hazards. In other camps the investigator found stagnant water around outside water spigots, bath water seeping into a nearby well, screens in need of repair, and doors, floors, and seats from outside toilets missing.
>
> Since this particular investigation was conducted under an international agreement imposing conditions on the use of foreign farmworkers, the workers could be removed from these unsanitary surroundings. The Federal Government can offer no such protections to domestic farmworkers.

We have long been cognizant of the housing needs of the farmer himself. We have only recently, however, begun to move on the housing needs of the farmer's employees. The President's housing message of this year addresses itself directly and constructively to the worker's housing problem, by proposing loan-grant aids for individual worker housing and low rent projects for workers who rent. These housing aids will be most valuable indeed in dealing with this acute part of the Nation's low income family housing problem. The gravity of this problem is so serious, nonetheless, that the Congress should seek every possible means for quick, remedial action.

The tax incentive which I have proposed to encourage construction of farm labor housing will work in logical harmony with our direct housing aids, to remove this blight from the American scene and to bring about improvements of which our Nation can be proud.

I may say to the distinguished Senator from Louisiana [Mr. LONG], that I have discussed this matter with the distinguished chairman of the Finance Committee, the Senator from Virginia [Mr. BYRD]. It could not be considered during the hearings, but it is worthy of committee study. It is my understanding from the chairman of the committee that the measure will be considered.

Mr. BYRD of Virginia. Mr. President, as chairman of the committee, I assure the Senator that, at the appropriate opportunity this measure will be given consideration.

Mr. WILLIAMS of New Jersey. I am deeply grateful. If the proposal is adopted, it will make a significant contribution to farmers and those who are housed on their land.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. DODD. Mr. President, with the indulgence of my colleagues, I should like to ask the Senator from Louisiana a question or two about an amendment which I have at the desk. I refer to my amendment No. 416.

Six of my colleagues, Senators RIBICOFF, SALTONSTALL, PASTORE, PELL, JAVITS, and KEATING, have joined with me in proposing this amendment to the tax bill to repeal the 10-percent Federal excise tax on silver-plated hollowware when it is to be used by the purchaser in his business.

It is intended to correct an inequity which has been a part of our tax laws for over 20 years.

The exemption would place silver-plated hollowware on the same footing as its competitive products made of stainless steel, bimetals, china, and glass, none of which are subject to this 10-percent excise tax.

Certainly, no item which is essential to the proper serving of food in hotels, hospitals, restaurants, and schools should be taxed as a luxury item. And it is especially unfair to tax only one of a number of products that have identical end uses, as is the case with silver-plated hollowware.

Actually, silver-plated hollowware which in effect is used for commercial purposes, as in a hospital or a restaurant, should not be taxed as a retail sale in the first place.

But due to an oversight when these excise taxes were put into effect during the early part of World War II, this particular category of sales was not exempted.

I am sure it was not intended, because silver-plated flatware, for example, has not been subject to any excise tax whether sold for institutional use or directly to consumers.

Because of this provision in our tax laws, both domestic and foreign manufacturers of stainless steel, bimetal, china and glass serving items enjoy a competitive advantage due to the extra tax that must be paid on silver-plated hollowware.

In addition, foreign producers of silver-plated hollowware frequently do not have to pay the excise tax, because the purchasers in the United States can be billed directly from the foreign country. The collection of the 10-percent excise tax is avoided this way, whereas domestic manufacturers and jobbers are required to collect the tax on their sales.

This is a distinctly unfair situation, and one that has existed for far too long. For a very modest revenue loss, estimated to be about $200,000 a year, the Senate could correct this inequity.

I regret my amendment will not be adopted, not only because the loss of income to the Treasury would be small but because this particular tax should never have been put into effect in the first place.

Earlier this week, in a very close vote, we lost in our effort to repeal retail excise taxes. Most of the items subject to this tax are not luxury items at all, and the burden of paying them falls disproportionately on the lower and middle income families.

These taxes are used now strictly as a source of revenue. Admittedly, they are a good one, bringing into the Treasury approximately $450 million a year, and I can well understand the reluctance of the Treasury Department to lose such a large and steady income.

However, I believe this is the most just excise tax amendment that has been offered to the bill. I say that with due consideration, because I feel the legislative history demonstrates it was an accident that this item was included during World War II. I will put it another way—it was an accident that this particular category of sales was not exempted.

It involves only about $200,000 a year in Federal tax revenue. All of its competitors, such as stainless steel and china hollowware, were exempted. By accident, silver-plated hollowware was included.

I have talked with the distinguished Senator from Louisiana, the Senator in charge of the bill. I want to be sure that at the appropriate time, and before too long, he will give this matter his earnest consideration. It is a matter of simple justice that this mistake be corrected, and I hope the Senator will agree.

Mr. LONG of Louisiana. Mr. President, the junior Senator from Louisiana has discussed this matter at considerable length, during the past 2 days, on an informal basis, with the Senator from Connecticut, as well as the Senator from Massachusetts, who previously mentioned this question, and the Senators from Rhode Island and New York.

The Senator from Louisiana has been persuaded that there is much equity in favor of what they would like to do. He has pleaded with them not to offer the amendment on the floor because of the long legislative history made during the last 10 days to the effect that we must insist on keeping amendments on the excise tax out of the bill, because we have not had an opportunity to study that field, and we do not know where we would go if we got into it.

This is one of the proposals that might be considered in the event separate legislation were recommended at the time we moved into the excise tax field. Perhaps this would be a meritorious measure to be considered in connection with another bill.

I say to the Senator that at no later than the time when the committee reaches the consideration of excise taxes, will it consider the matter.

I appreciate the great interest that the Senators from Connecticut, Massachusetts, Rhode Island, and New York have in this matter. We shall seek to give every consideration to this amendment when we are in a position to get around to this question, either separately or in connection with excise taxes in general.

Mr. DODD. That is characteristic of the Senator from Louisiana, and I am grateful to him. I feel this is an equitable matter. I am glad to leave it in his good hands.

Mr. RIBICOFF. Will the Senator yield?

Mr. DODD. I am pleased to yield to my colleague from Connecticut.

Mr. RIBICOFF. I am a cosponsor of this amendment and I support the argument that my senior colleague has made. Imposition of this tax on silver-plated hollowware is a serious inequity. The tax certainly should be removed. The senior Senator from Connecticut has ably presented the case on behalf of this amendment and I join with him in urging its approval.

Mr. PELL. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. PELL. Mr. President, I compliment the Senator from Louisiana for his interest and his good offices in this measure, and to associate myself with the remarks made by the Senator from Connecticut.

Mr. KEATING. If the Senator will yield further, I join in applauding the Senator from Louisiana for his assurances, as well as in the observations of the Senator from Connecticut on the pressing need for abolition of the tax on silver-plated hollowware.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. SALTONSTALL. I wish to add my commendation to the Senator from Connecticut, who introduced this measure.

Mr. DODD. I am grateful to my very able colleague. This means much to us in New England.

Mr. LONG of Louisiana. Mr. President, not only today, but in the past 3 or 4 days, the Senators from the States I have mentioned have made me aware of how important this matter is to the economy of their States.

Mr. MILLER. Mr. President, I call up my amendment No. 421.

The PRESIDING OFFICER. The amendment offered by the Senator from Iowa will be stated.

The LEGISLATIVE CLERK. On page 344, line 8, it is proposed to change "more than" to "at least", and on line 10 strike the semicolon and insert the following: "computed without regard to operating losses since such ownership was acquired."

Mr. MILLER. Mr. President, in the bill there is a provision imposing an extra 6-percent tax on members of a controlled group of corporations. An exception exists in the case of so-called franchised corporations, and it is provided that where more than 20 percent of the stock is owned by the stockholders of an individual corporation, and 79 percent or less of the stock is owned by the parent corporation, then the 6-percent extra tax will not apply. Unfortunately, the line was drawn at "more than 20 percent" being owned by the stockholders of an individual corporation.

One of the major corporations has a franchise arrangement with many of its dealers throughout the country under which they own exactly 20 percent. They do not own "more than" 20 percent, they own just 20 percent. Some of these franchised dealers are in my State of Iowa and I am sure they are also in the States of many Senators present.

My amendment would provide that if they own "at least" 20 percent, then the individual corporation will escape this extra 6-percent tax; in other words, by changing the words "more than 20 percent," to "at least 20 percent," this inequity will be removed.

There is another point and that is that after some of these dealers acquired 20 percent of the value of the stock in their corporations, in good faith, they suffered operating losses. As a result, they do not own 20 percent of the value of the stock today.

My amendment would provide that the 20 percent of the value of the stock shall be computed without taking into account operating losses since the ownership was acquired.

I recognize the difficulty of drawing the line in the bill, but I suggest that consideration should be given to whether the company might be able to work out, within the framework of the bill, the stockownership needed to meet requirements of the bill; and if it cannot do so, I should like to suggest that the Finance Committee consider an amendment later on to take care of this inequity, because it will cause a difference in treatment between the franchised dealers of various competing corporations.

Mr. LONG of Louisiana. The making of tax laws and modifications to improve tax laws is the constant task of Congress, as Senators who have worked on the tax bill well know.

The amendments of the Senator from Iowa which he has already offered on the floor of the Senate today are one more indication of that fact.

This is a subject which must necessarily be studied. There are a number of problems in this field, and I should like to ask unanimous consent to have printed in the RECORD a memorandum pointing out the sort of problems that exist in connection with the amendment of the Senator from Iowa.

There being no objection, the statement was ordered to be printed in the Record, as follows:

MULTIPLE CORPORATIONS—PROPOSED AMENDMENTS BY FORD TO FRANCHISED CORPORATION RULES

The Ford Motor Co. has proposed two amendments, viz:

1. On page 344, line 8, the phrase "more than 20 percent" would be changed to read "20 percent or more", and

2. On page 344, line 10, in determining the value of the stock it is proposed to disregard the effect "operations" might have.

It is argued that the first amendment is merely "technical." This is not true, for a principle is involved. Under the basic rules of the multiple-corporation legislation, if a corporation owns 80 percent or more of the stock of another corporation, such subsidiary is considered to be part of a controlled group. On the other hand, if the corporation only owns 79 percent of the stock, such corporation would be treated as a separate and distinct corporation. Certain "shrinkage" rules were developed to prevent abuses whereby corporations would give, for example, 21 percent of the stock to an employee in a transitory arrangement, thus breaking the affiliation. However, an exception to the "shrinkage" rules was made to take care of the "franchised" corporation where it appeared that the ownership of the employee was not transitory but was pursuant to a bona fide plan to have such employee eventually own the entire stock interest in the corporation.

The franchised corporation rule is, therefore, merely an attempt to disregard what was an inappropriate tax avoidance rule. On the other hand, the proposal goes one step further and attempts to change the fundamental line that has been drawn to differentiate controlled and noncontrolled corporations. In effect, the line is changed from 80-percent ownership to 81-percent ownership.

The argument made by Ford is that they are going to be discriminated against because the other dealerships involved (Chrysler and GM) will not be treated as members of a controlled group. This is because their dealerships start at a 25-percent ownership level. The answer to this, of course, is that anyone owning 80 percent of a subsidiary instead of 79 percent is being discriminated against. This unfortunately is the natural consequence of line drawing, and the obvious answer is that Ford ought to sell an additional 1 percent to its dealers.

The second proposal is still more troublesome. It is not clear what it really means. The problem is, how else does one compute the value of stock other than looking at the prior earnings history? It might be hoped that the Service could avoid market value determinations by looking at par or stated values or some other objective standard except in unusual cases. This amendment would seem to indicate that Congress did not intend us to do that, but wanted to measure the fair market value of the stock except in this one instance the market value was to be determined without regard to the income record of the corporation.

Mr. LONG of Louisiana. Mr. President, in due course, when we have occasion to get back into the question of multiple corporations, we will take a look at the amendment and see if we cannot accord some relief.

Mr. MILLER. As I understand the memorandum to which the Senator from Louisiana has just referred, and which he has placed in the Record, the position of the Treasury is that the parent corporation can work the problem out with its dealers. Maybe it can and maybe it cannot; only time will tell. If it cannot be done in the near future, I would expect to offer an amendment to another bill which would cure the inequity.

Mr. LONG of Louisiana. The Senator from Iowa knows that the legislative branch is the final authority on the law; and we do not always have to agree with the executive branch.

Mr. MILLER. I thank the Senator from Louisiana.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment of the Senator from Iowa [Mr. Miller] is withdrawn.

Mr. RIBICOFF. Mr. President, I call up my amendment No. 413 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

SEC. . FACILITIES TO CONTROL WATER OR AIR POLLUTION.

(a) In General.—Section 46(c) (relating to definition of qualified investment for purposes of investment credit in certain depreciable property) is amended by adding after paragraph (4) thereof the following new paragraph:

"(5) Facilities to control water and air pollution.—

"(A) In the case of section 38 property which consists of facilities or equipment to control water or air pollution, the amount of the qualified investment shall be twice the amount determined under paragraph (1).

"(B) For purposes of subparagraph (A), the term 'facilities or equipment to control water pollution' means a facility or equipment used to control water pollution by removing, altering, or disposing of wastes from any type of manufacturing or mining process, including the necessary intercepting sewers, outfall sewers, pumping power, and other equipment, and their appurtenances.

"(C) For purposes of subparagraph (A), the term 'facilities or equipment to control air pollution' means a facility or equipment used to control atmospheric pollution or contamination by removing, altering, or disposing of atmospheric pollutants and contaminants from any type of manufacturing or mining process."

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1963.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the Senator from Maine [Mr. Muskie], the Senator from New Hampshire [Mr. McIntyre], and the Senator from California [Mr. Engle] be included as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, this amendment is designed to provide an incentive for industry to purchase and install the equipment needed to combat air and water pollution. The amendment doubles the investment credit with respect to the costs of such equipment. Under existing law, most companies purchasing pollution control equipment would be entitled to an investment credit of 7 percent. This amendment would provide a credit for such purchases of 14 percent. The amendment accomplishes this result by doubling the base on which the credit is computed.

On the basis of Treasury estimates of expenditures for pollution control equipment, the revenue loss of the amendment in the first full year would be $28 million.

We will never have a successful attack on air and water pollution until we recognize the vital role that industry must play in solving this problem. We cannot simply point a finger at industry and say "You must do something to end pollution." We have to recognize realistically that the money industry spends for this equipment produces no profit. These expenditures are made in the public interest, and there is some public responsibility to provide an incentive to purchase this needed equipment.

Congress has recognized the seriousness of the problems of air and water pollution by appropriating millions of dollars for Federal assistance in this area. Under the very able leadership of the distinguished Senator from Maine [Mr. Muskie], the attack on air and water pollution has been accelerated and is now moving ahead. We are now spending $130 million a year to end water pollution, and just last year we authorized $95 million for the next 3 years to speed the fight against air pollution. How shortsighted it would be for Congress to provide these hundreds of millions of dollars and not at the same time give some incentive to industry to spend the vast sums needed to purchase and install the necessary industrial antipollution equipment.

I know from my experience as Governor that we can design all the Federal and State programs we wish, but unless we have the active cooperation of the industries in each community that are doing the polluting, we are not going to have complete success.

This is not the type of amendment that seeks to help some industry or some companies increase the profits they are already making by creating some new loophole. This amendment is aimed at a serious public health and resource problem which must be solved in part by the expenditures of large sums of money on which no profit is made.

The Treasury Department has in the past opposed this type of amendment. Yet I must point out that the Treasury last year recommended to Congress that this tax bill include a provision to allow industry to deduct in the year of purchase all the costs of equipment for research and development. That amendment would have cost $50 million, twice as much as this one, and the tax break would have been given on profitmaking expenditures. I fail to see any logic whatsoever in the Treasury's support of that provision and its opposition to an amendment of this type. Furthermore, as I have said before, Congress has its own responsibilities to decide what provisions it wishes to support. We need not accept as binding the Treasury's disapproval in every instance. This is a needed amendment. It is far more meritorious than some urged upon us by the Treasury. It is far more meritorious than many provisions now in the bill.

This type of amendment has been before Congress since 1947. The need for the amendment has increased each year. Increasing even faster has been the pollution of our water and our air. Now is the time to combine the public attack we have successfully launched with the vast private effort that must be made.

Mr. LONG of Louisiana. Mr. President, this matter was discussed on a different basis in the committee. At that time the proposal would have had a much greater revenue impact. The committee could not agree to it. We have had an opportunity to examine the amendment of the Senator from Connecticut, as modified, with a much lower revenue estimate involved, and we will be glad to take it to conference and see what the House thinks about the amendment. Perhaps the House might not be willing to agree to it. The Senator from Connecticut knows that this is a new approach to the problem, and we are in no position to guarantee what the attitude of the House will be.

Mr. RIBICOFF. I appreciate the courtesy of the Senator in charge of the bill, the Senator from Louisiana [Mr. LONG].

Mr. HART. Mr. President, as an original sponsor of the proposal, I wish to thank the Senator from Louisiana for accepting the amendment.

Mr. RANDOLPH. Mr. President, the 1st session of the 88th Congress was highly productive in the fields of air and water pollution control and the conservation of these vital resources.

The Congress enacted the Clean Air Act, of which the capable junior Senator from Connecticut [Mr. RIBICOFF] was the primary sponsor, and the Senate, under the vigorous leadership of the junior Senator from Maine [Mr. MUSKIE], passed S. 649, the Federal Water Pollution Control Amendments of 1963, which are now pending in the other body.

It was my privilege to be a cosponsor of both of these important measures, and as ranking member of the Special Subcommittee on Air and Water Pollution of the Senate Public Works Committee, I was actively involved in the hearings, the executive sessions, and the drafting of air and water pollution control legislation during the last session. Also, as a Senator from a State which has a concentration of industry in certain areas with unique topographic characteristics, I am acutely aware of the need for continued efforts in the abatement of air and water pollution.

However, I am also aware of the large capital investments being made by the industries in West Virginia, and in other States, in the voluntary effort to control waste effluents and air pollutants. It is for this reason that I associated myself with the junior Senator from Connecticut [Mr. RIBICOFF] in the cosponsorship of S. 736, and I commend him for his leadership in this attempt to grant corporate income tax deductions for expenditures for treatment facilities to control water and air pollution.

The pending amendment is consistent with the intent of the authors of the first Federal Water Pollution Control Act, the late Senators Alben Barkley and Robert Taft. It is consistent with the policy recommendations of the National Conference on Water Pollution held in 1960, and it would implement suggestions received by the Special Subcommittee on Air and Water Pollution during our hearings. Mr. President, it is not unlikely that the adoption of the pending amendment will accelerate the national program for air and water pollution control and will in many instances forestall the need for Federal abatement proceedings.

In view of the tremendous social and economic costs of air and water pollution, which responsible estimates place at $10 billion annually for air pollution alone, the pending amendment would appear to offer a financially prudent approach. Certainly, it is as justified as the granting of tax concessions for plant modernization or for research and development expenditures.

In October of last year, Mr. President, I toured the Kanawha Valley in the area near Charleston, W. Va., where the great concentration of chemical industries is located. This region, comprising a stretch of about 20 miles of the Kanawha River is often referred to as the "Little Ruhr" of America. I was greatly impressed by the active program of the chemical companies in that area in their construction of water pollution control facilities, with investments in excess of $20 million in recent years and operating costs of approximately $2 million a year. Since it is directly relevant to the pending amendment, I ask unanimous consent that an article in the Charleston Gazette setting forth the findings of this tour be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SIGNIFICANT PROGRESS ON KANAWHA: RANDOLPH HAILS RIVER CLEANUP

(By Thomas F. Stafford)

U.S. Senator JENNINGS RANDOLPH said Thursday after examining pollution abatement facilities costing an estimated $36 million that "significant progress" has been made in the effort to clean up Kanawha River.

RANDOLPH visited water treatment plants at several locations in the valley and afterward said:

"We cannot conclude that what's been done is enough or what's under construction is adequate. But I'm encouraged by the attitude and assurance of groups in the valley to clean up the Kanawha River."

RANDOLPH is ranking member of a special Senate subcommittee that has been studying air and water pollution problems nationwide for several months.

On Wednesday the Senate passed a bill designed to give new impetus to the campaign to rid the rivers and lakes of America of pollution. The legislation grew out of hearings by the special subcommittee.

After his tour of the Kanawha Valley, Randolph observed that the public isn't aware of the tremendous pollution abatement effort that has been carried out during the past 10 years.

"After what I have seen today," he continued, "I have no hesitancy in saying that West Virginia should be proud of what has been accomplished in water pollution abatement here in the Kanawha Valley by the cooperative effort of the State governmental authorities and the principal chemical plants of the area."

He said he wanted nobody to try to tell him "nothing has been done, or is being done, about this problem."

The chemical companies have recognized the problem, have faced up to it and are achieving their goals, he said, adding:

"Today, I have seen upward of $20 million in chemical plant installations for water pollution abatement requiring approximately $2 million in annual operating costs. This is not all. There are plans for expanding the present effort."

Add to this, the Senator went on, the "tremendous effort" by municipal governments and it is evident that substantial progress has been made.

Here are the plans and municipalities that have been active in the field (with value of the facilities added) he said:

Union Carbide, $6.5 million; Goodrich-Gulf, $1.5 million; Monsanto, $1.5 million; FMC Corp., $1.5 million; Du Pont, $6 million; American Viscose, $600,000; South Charleston, $2 million; Charleston, $12 million; and others, $4 million.

"The public is not aware," RANDOLPH said, "of the investment and the concern of industry, coupled with the responsible attitude in government, which has brought all of this into being."

In an interview after he completed his tour, he said:

"People are inclined very often to make generalized charges that efforts to reduce water pollution and waste abatement have been neglected. In fact, certain persons I will not identify in this statement have said in essence. 'Nothing is being done. Nothing has been done. The Kanawha River is a dirty stream.' This is untrue."

Progress has been made and more is coming, he went on. But among the problems still remaining are those connected increasingly with the aspect of air pollution.

With the legislation passed Wednesday, he said, the dominance of the Federal Government in pollution abatement has been lessened.

At present the Federal Government can move into an area after a conference with local groups and start enforcement proceedings without regard for the contributions of fact, interest and expenditures being made by industry and local governing bodies.

The new legislation, he said, is more consistent with the total needs of the Nation and the communities in the pollution abatement field.

In the face of a national population of 322 million by the year 2000, RANDOLPH said, the water pollution control problem cannot be solved within the framework of present laws.

Mr. RANDOLPH. Equally strenuous efforts, Mr. President, are being made by responsible industries in the abatement of air pollution in West Virginia. In a recent issue of the Charleston Gazette, it is reported that the Weirton Steel Co., a subsidiary of the National Steel Corp., in Weirton, W. Va., has embarked on a multimillion-dollar program of air pollution control. The total cost of the program has not been released, but it is estimated that it will exceed $1 million per furnace. I ask unanimous consent to have this article from the Charleston Gazette printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POLLUTION PLAN PUSHED IN WEIRTON

WEIRTON.—A multimillion-dollar program of air pollution control by Weirton Steel Co. is proceeding here with the cooperation of the West Virginia Air Pollution Control Commission.

Progress of the program was viewed last week by Executive Director Carl G. Beard of the air pollution control commission and one of the commission members, Weirton businessman Sam Kusic.

After the inspection trip, Beard said the steel company "is setting an example for all industry in the State by tackling its air pollution problem head on and sparing no expense to push it to completion."

The program is scheduled to be completed by 1966. "The target dates as outlined to me are satisfactory," Beard commented.

In the company's open hearth department, work is underway to install electrostatic precipitators designed to remove dust effluents from air discharged from the steelmaking furnaces.

Fred E. Tucker, coordinator of industrial health engineering for National Steel Corp., has been conferring with the State commission since inception of the present program at Weirton Steel in 1962.

Beard reviewed final engineering drawings and specifications of the control system during his visit last week.

Construction of a new stack also is underway at furnace No. 13 in the open hearth department. This project includes installation of new waste heat boilers and electrostatic collectors.

Due to the complexity and cost of Weirton's steelmaking air control efforts, a step-by-step program of construction was developed with approval of the air pollution control commission.

Weirton didn't release a total cost estimate, but said last year that it was expected to come to more than $1 million per furnace.

Mr. RANDOLPH. Mr. President, all the expenditures referred to in these articles are nonproductive in the economic sense of the term. The companies involved receive no return on such capital investments in the public interest. These must be considered, in a sense, part of the social cost of production. But it is a cost created in part by the nature of our modern urban and highly technological civilization which is placing ever heavier demands on the limited resources of air and water. Thus, it seems entirely equitable that the industries affected by our Federal air and water pollution control programs should not bear the full burden of pollution abatement. Our society as a whole benefits from these programs. To that extent, therefore, the pending amendment is a fair and just one in that it would place a portion of the burden on our entire society for industrial air and water pollution control.

Mr. President, in final reference to the progress that is being made in the control of air and water pollution in the United States, I ask unanimous consent to have printed in the RECORD a comprehensive but concise article written by the junior Senator from Connecticut [Mr. RIBICOFF] which was published in the New York Herald Tribune on February 2, 1964.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RIBICOFF HAILS PROGRESS TO A CLEANER UNITED STATES

(By Senator ABRAHAM RIBICOFF)

Critics of Congress, busy bemoaning delays on headline-making bills, have failed to notice that the 1963 session of the 88th Congress was the most successful in history in taking action to clean up our environment.

We acted to clean up the air you breathe—the water you drink and use—the food you eat. This is good news for you and your health. Here's the record:

Air: Congress passed the most comprehensive air pollution control law in our history—the Roberts-Ribicoff Clean Air Act—providing $95 million for the next 3 years to set up a national program combating dirty air.

Water: The Senate passed a major water pollution control bill introduced by Senator ED MUSKIE, Democrat, of Maine, to speed the attack on dirty water.

Pesticides: A Government Operations Subcommittee I am privileged to head began a year-long review of the entire field of pesticides—their use and their effects, beneficial and harmful. The Senate passed my bill to bar the sale of unsafe pesticides. Labeling of pesticides has been improved by Government order for greater consumer protection. We now have money to check the safety of mass spray programs and see which programs are worth continuing.

Measures like these—and those that will follow this year—are designed to deal with a great growing national problem.

Over the past decades, we have, strangely enough, become the victims of our own prosperity and growth. As factories have multiplied, as industrial plants have studded the land, as technology has perfected ways of protecting us from pests, the environment in which we live has become polluted.

Into our rivers, lakes, and harbors, into our swimming and even drinking waters, spew the wastes of modern industry and modern living. Into the air belches smoke laden with poisonous chemicals stunting or destroying crops, costing us billions of dollars a year and endangering our health and even lives. And manmade lethal poisons, sprayed indiscriminately from cans or planes, give us bug-free homes and more abundant food crops, but may be doing real harm to our bodies and to many of nature's processes.

Pollution. The word has become a hallmark of our age. Sometimes sewer-filled streams or rivers clogged with industrial wastes are simply disgusting sights. But they can also hold serious danger.

Last October, the New Hampshire Fish and Game Department's weekly newsletter said six people had come down with dysentery from eating raw oysters collected from the polluted waters of Great Bay, in the southeastern corner of the State next to Maine. Farther south, each drop of water crossing the Massachusetts-Connecticut State line has a bacteria count of 26—315 times over accepted water sport safety standards.

Still farther south, sewers converging beneath the surface spill out 50 million gallons of industrial and human wastes each day into a 30-square mile body of water called Raritan Bay. The people of New York and New Jersey use Raritan Bay for bathing, boating, and fishing and other recreational purposes as well as for the maintenance of a shellfish industry. In all, the sewage from 1.2 million people is pumped into this bay every 24 hours, along with large amounts of inorganic industrial wastes. A few years ago, an outbreak of infectious hepatitis was traced to clams taken from the bay. Bacteria standards had been set by the States around the bay—but they had not been enforced, and the Federal Government moved in under the Water Pollution Act of 1956.

Most water pollution problems across the country are the result of too little attention in the past. The States, by and large, lag behind in enforcing the clean water powers they already have. Cities and industries have resisted constructing needed waste-treatment works. They see such construction as good only for the other fellow, downstream—as needless or unbearable financial burden for themselves.

The public has an illusion: "Water purifies itself every 7 miles." It has been oversold on the cheapness and plentifulness of water and undersold on the value and necessity for pollution control.

So polluted waters often pose a threat to our health—to recreation and outdoor activities—and a deterrent to economic growth. Our efforts to clean up our water supplies will have a new lease on life under the new water pollution control act. This act:

Establishes standards of water quality for interstate waters:

Authorizes additional aid to communities for the construction of adequate sewerage and treatment facilities;

Takes a long-overdue first step toward answering a worrisome question: What to do about the used detergents now bobbing up in our waters?

Air pollution is a newer concern, more recently called to public attention. But it is no less, and possibly more, damaging to human life and property.

In 5 days of dense, choking smog, during October 1948, 43 percent of the people of the heavily industrialized community of Donora, Pa., were made ill by the smoke and poisonous gases that streamed from factory smokestacks. The town's death toll: 20.

In November 1953, New York City suffered a similar "temperature inversion"—a lid of warm air overlaid cooler, heavier air at ground level. For 10 days, the stagnant mass trapped the metropolitan area's pollutants, and smog hung over the city. By the time it blew out to sea, more than 240 people were dead.

The full cost of the New York disaster was not realized until years later, when death records for the period were compared with those of years before and after the 10-day smog. The only factor to which the investigators could attribute the increased mortality rate was air pollution.

It was London, December 1962. A killer smog enveloped the city, taking more than 300 lives. At almost exactly the same time, a stagnant air mass over the northeastern United States caused a steady, alarming increase in pollution levels from Richmond to Boston. Sulfur dioxide levels in Philadelphia and New York averaged 3½ times normal, and were, for several days, over five times normal.

During this same period, levels of solid matter in the air rose correspondingly. In Connecticut, the 5-day average in Hartford and Middletown was over three times normal, with individual days of from four to five times normal. If we hadn't been lucky—if this mass of contaminated air hadn't been blown out over the ocean in time—the United States might have suffered the worst air-pollution calamity in history.

Scientific studies show we can't always be this lucky. They point to air pollution as the culprit to an increasing array of health hazards. They show that death rates for cardiorespiratory diseases of the heart and lungs are greater in our cities—where air pollution is greater—than in rural parts of the United States. In general, these death rates increase with city size. Within the last few years, this urban-rural difference has also shown up in the death of infants less than 1 year of age.

A recent study in a southern city shows that acute asthmatic attacks among susceptible patients were directly correlated with variations in total sulfate air pollution from time to time. And, according to the Public Health Service, 3-4-benzpyrene, a potent cancer-causing substance, is present in the air breathed by the inhabitants of 100 cities. The concentrations approximate or exceed the dosage people get from cigarette smoking.

This same dirty—"polluted"—air makes our livestock ill and so reduces meat and milk production, stunts and sometimes destroys our crops. It corrodes buildings, bridges, monuments, and structures of all kinds. By reducing visibility, it creates traffic hazards and poses a threat to air navigation.

Expert estimates of the high price we are paying for filth in the air today run into billions of dollars a year. Some of our metropolitan centers suffer damages of up to $100 million a year. The daily average of airborne pollutants in one of our largest cities is 25,000 tons. The cost to every man, woman, and child in this Nation is about $65 a year—and going up. The most important cost, of course, is to our health.

That is why the new Clean Air Act is of such great importance. Under it, cities and States will get financial help to establish their own clean air programs. Federal enforcement measures against interstate polluters are authorized for the first time. Expanded research programs on the nature, causes, effects, and control of air pollution will be started. They will seek especially to develop practical low cost ways of controlling air pollution—ways, for example, of removing sulphur from fuels or controlling automotive exhausts.

The use of chemicals in agriculture, the home, and industry poses the most recent and potentially most hazardous threat to our environment.

Pesticides have been of great value to man. They have increased food and fiber production. And they have helped control diseases carried by insects and other pests. But pesticide residues are now found in the bodies of people and animals and in the environment. They are in our water, in fish far out at sea, and in wildlife.

As the President's Science Advisory Committee put it: "Precisely because pesticide chemicals are designed to kill or metabolically upset some living target organism, they are potentially dangerous to other living organisms." This was true both in California and the State of Washington last summer. "Twenty-four Modesto Peach Pickers Ill of Pesticide Poisoning" read the San Francisco headline. But the orchard where the victims worked had been cleared as safe for picking. In the State of Washington, a dust cloud traveling downward to Toppenish carried the pesticides used in crop dusting. There people and cattle fell ill.

We know that people who have eaten or drunk or even touched large doses of pesticides—either normally at work or in accidents—become ill and sometimes dies. What we do not know is what total effect small quantities of pesticides have on our health as they build up in our bodies and environment over many years. We know very little about these long-range effects; we are not sure of the balance between the good these products have brought and the harm they may cause.

In 1963, we began the long search for the answers to these questions. First, the President's Science Advisory Committee issued its report on "Use of Pesticides," recommending increased research in the field, more public education to avoid haphazard use of pesticides, and a general statement of the benefit that we have gained from pesticides and the broad problems that now face us. Next a Senate subcommittee I head began a thorough discussion of the problem of pesticides and the whole problem of health effects of our environment.

For many weeks the subcommittee conducted public hearings, listening to dozens of expert witnesses on all aspects of the problem. The facts are not all in and hearings will continue this year. But we did pinpoint some of the needs, and we generated a great deal of new activity.

Summing up: this was the year we finally began cleaning up our country. The job is formidable—the permissive years have taken their pollution toll. But an aroused citizenry and Congress are taking action that will make our earth a healthier place for all of us.

Mr. RANDOLPH. Mr. President, it is my conviction that the pending amendment will accelerate our efforts to control air and water pollution in the United States. For this reason, I hope the Senate will accept the amendment, and that the House of Representatives will concur in conference.

Mr. RIBICOFF. I thank the able Senator from West Virginia for his cooperation and support on this amendment. The Senator is one of the Nation's leaders in the fight against water pollution and air pollution.

Mr. MUSKIE. Mr. President, I rise in support of the amendment proposed by the junior Senator from Connecticut and I compliment him for his leadership in this matter.

During the course of hearings held by the Special Senate Subcommittee on Air and Water Pollution, I have been impressed with the need for legislation to encourage industries to attack their pollution control problems. The reluctance of companies to invest in non-income-producing equipment is understandable. However, the threat that air and water pollution presents to the health and safety of every American is most serious and requires immediate attention.

I believe that the modest revenue loss contemplated by this amendment will pay dividends many times over. Unless industry is encouraged to make a substantial investment in pollution control equipment, we will never be successful in meeting this problem.

I have seen the ravages of pollution throughout the country. I have also seen what research specialists have developed and are in the process of developing to meet this threat. If we are to meet the total national need in this area, we must have the full cooperation of our Nation's industries. I am convinced that this bill would provide the incentive needed to encourage them to mount a concerted attack on this problem.

Passage of this amendment will contribute to the health and safety of every American, help to preserve our Nation's natural beauty, and eliminate property losses of thousands of dollars annually.

Mr. SMATHERS. Mr. President, I ask unanimous consent that Senators who have some comments to make on the Ribicoff amendment may be permitted to insert their remarks at this point in the RECORD.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object, I should like to join as a cosponsor of the amendment because it is important to New York.

Mr. KEATING. Mr. President, I too wish to be a cosponsor of the Ribicoff amendment. It is important to the entire Nation as a device to contribute greatly to public health and safety.

Mr. PASTORE. Mr. President, reserving the right to object, I feel the same way. I should like to be a cosponsor of the Ribicoff amendment.

Mr. BARTLETT. Mr. President, reserving the right to object, I am glad I am a cosponsor of the Ribicoff amendment.

Mr. SALTONSTALL. Mr. President, reserving the right to object, this means much to us in New England. I am glad to be a cosponsor.

Mr. PELL. Mr. President, reserving the right to object, I should like to be added as a cosponsor to the Ribicoff amendment.

Mr. KEATING. Are we all on now, Mr. President?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Connecticut and other Senators.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. PASTORE. Mr. President, I wish to have printed in the RECORD a letter which I received that is relevant to the amendment that was discussed by the Senator from Connecticut [Mr. DODD], and I ask unanimous consent to have it printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GORHAM CORP.,
Providence, R.I., October 23, 1963.

Hon. JOHN O. PASTORE,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR PASTORE: As you know, the excise tax of 10 percent on sales at retail of sterling silver wares and silverplated hollowware works a great hardship on us because of the competition of other products to which it does not apply. However, this appeal to you has no bearing on this tax as it applies to the goods purchased by the retail consumer.

Under section 4001 of the Internal Revenue Code, hotels, hospitals, schools, restaurants, etc., are required to pay the excise tax of 10 percent on the purchase price of food-serving items, if such items are sliverplated, even though they are essential to the adequate, proper, and sanitary serving of food and are not for resale. Since the tax is not applicable to the same items made of stainless steel, bimetals, china, glass, etc., it gives the manufacturers of these other wares a substantial competitive advantage. This advantage has been, and is being, aggressively exploited to the serious detriment of manufacturers of silverplated institutional ware.

As the tax now functions, the large hotel chains operating internationally can easily avoid the tax, whereas it is difficult for smaller operations to do so. The silverware for certain large hotels now building in the United States has been purchased abroad. Because this merchandise will be billed from a foreign country, the tax does not apply. This results in domestic manufacturers losing substantial volume and a further increase in the U.S. balance of payments.

We know most U.S. hotels and institutions would prefer to buy silverware from domestic industry. There are many advantages, but it is most unjust to require them to pay a 10-percent premium for the privilege of supporting domestic industry.

> It is our understanding that Senator Dodd is prepared to enter an amendment to section 4001 which would grant relief to domestic industry and correct an obvious inequity. We at Gorham would appreciate it if you would cosponsor this amendment.
>
> Mr. Milton Warnstrom, legislative aid to Senator Dodd, is spearheading this matter for him and he has full and complete details on this subject, in case my brief explanation is not sufficient.
>
> Thank you in advance for any assistance you are able to give.
>
> Sincerely yours,
>
> Burrill M. Getman.

The **PRESIDING OFFICER**. The question is, Shall the bill pass?

Mr. **LONG** of Louisiana. Mr. President, how much time remains on the bill?

The **PRESIDING OFFICER**. The proponents have 14 minutes and the opponents have 13 minutes.

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that an additional hour be allowed for debate on the bill with the time to be equally divided, 30 minutes to each side, to be controlled by the Senator from Kentucky [Mr. Morton], and by the Senator from Louisiana [Mr. Long].

The **PRESIDING OFFICER**. Is there objection? The Chair hears none, and it is so ordered.

Mr. **ELLENDER**. Mr. President, at a time when the American people have more money to spend than ever before, at a time when we are riding one of the highest waves of prosperity we have ever known, and at a time when every sound economic theory dictates that we should be balancing the budget and reducing our obligations, instead of drifting deeper into debt, I can see no justification for reducing taxes.

The President's own statements, in his economic report transmitted to Congress in January of this year, attest to the vigor of our economy. On page 4 of that report, in a discussion of our current business expansion as it compares with earlier upswings in the economy, the President points out the following gains:

> The $100 billion rise in output in 2¾ years knows no parallel in our peacetime economic annals.
>
> The advance of $51 billion in labor income is also unparalleled. The average real income of nonfarm workers has risen by $345 a year, again not exceeded in any previous comparable period.

This is real money in the hands of our citizens, and means that their pockets are now better lined than at any previous time.

The report goes on to show that "corporate profits have climbed to an unprecedented height, from a rate of $38.5 billion early in 1961 to about $55 billion by the end of last year." So corporate pockets are also better lined than ever before, and the silver lining is being passed on and enjoyed by millions of our citizens who own shares in American business.

The President also notes that "American exports are in a better and stronger competitive position than in any period since the war, and our export position is better than that of any major industrial country."

I might say here, parenthetically, that should the tax cut prove inflationary, as I am convinced it will, irrevocable harm will be done to our balance-of-payments position, because inflation would inevitably worsen our competitive position in world markets.

Now, I ask: Does the economy I have been describing, using the President's own appraisal, represent an economy which is lagging behind the times—an economy which needs to be "hopped up" by the injection of a multimillion-dollar tax cut? I may be in error, but to me, it does not.

Let us now turn from the President's own Economic Report to an evaluation compiled by the U.S. Department of Commerce. In the January edition of the Department's "Survey of Current Business Statistics," we read these words:

> By most measures the performance of the American economy in 1963 was outstanding. Production and sales rose by sizable amounts to new records. The output increase was accomplished with comparatively little rise in the price level and led to new peaks in employment and a record flow of income—both wages and profit.

In other words, the American public has more money to spend, and is spending it. The Commerce Department report continues with this observation:

> All major markets shared in last year's output advance. No single element of demand was dominant, although durable goods, notably automobiles, and construction, especially residential building, were particularly strong. The course of activity was upward throughout the year, in spite of the dampening effects of a sharp reduction in steel production that followed the Spring wage settlement and lasted almost two quarters.

In other words, more people are buying new cars, more people are buying and moving into new homes than during any comparable time in our history. Wages are higher, and the economy is so strong that even a weakening of so important an industry as steel production could not seriously affect the upswing.

The Commerce Department also provides some comparative statistics between 1962 and 1963, which give a very clear picture of how the financial condition of our people has changed for the better over the past 2 years.

The national income is up from $454 to $478 billion, an increase of 5.4 percent. Personal income is up from $442 to $463 billion, an increase of 4.7 percent. Corporate profits before taxes are up 10.5 percent. Retail store sales are up almost 5 percent, and steel production has increased 11.2 percent. In the light of such a glowing report, I again ask, Is a cut in our tax revenues warranted? I do not believe we should borrow more money in order to give tax relief.

Earlier, I referred to the fact that it is long past time for us to start balancing the budget and reducing the national debt. We have all heard lately that President Johnson has made such a beginning. I believe he is making a valiant effort in that direction, and I commend him for it. But in considering the statements and claims that have recently been made concerning the budget and its balance, we should not forget past experience, and we must not overlook these salient facts: When the President refers to a reduction in expenditures in the current budget, he is referring to the administrative budget, and not to overall Federal spending.

The President pointed out that expenditures for fiscal year 1965 were estimated to be reduced by $500 million from the amount estimated for fiscal year 1964. To get the full picture of the Federal spending, it is necessary for us to look at the spending contained in all of the national income accounts.

In the President's 1965 budget, the total expenditures in the national income accounts will amount to $121.5 billion. For 1964, it is estimated that these expenditures will be $119.1 billion. For those who may be interested in finding out how the $121.5 billion will be spent in 1965, and how $119.1 billion will be spent in 1964 I direct them to special analysis A of the President's budget, particularly page 329 thereof. In this connection, I would like to insert into the Record at this point, table A–1, entitled "Relation of Federal Receipts and Expenditures in the Administrative Budget, Consolidated Cash Statement, and National Income Accounts, 1963–65."

There being no objection, the table was ordered to be printed in the Record, as follows:

Table A–1.—*Relation of Federal receipts and expenditures in the administrative budget, consolidated cash statement, and national income accounts, 1963–65*

[In billions of dollars]

	1963 actual	1964 estimate	1965 estimate
RECEIPTS			
Administrative budget receipts	86.4	88.4	93.0
Plus trust fund receipts	27.7	30.2	30.9
Less:			
Intragovernmental transactions	4.3	4.1	4.1
Receipts from exercise of monetary authority	(1)	.1	.1
Equals Federal receipts from the public	109.7	114.4	119.7
Adjustments for agency coverage:			
Less District of Columbia revenues	.3	.4	.4
Adjustments for netting and consolidation:			
Plus contributions to Federal employees' retirement funds, etc	1.9	1.9	1.9
Less interest, dividends, and other earnings	1.1	1.2	1.3
Adjustments for timing: Plus excess of corporate tax accruals over collections, personal taxes, social insurance contributions, etc	.6	–.1	–.2
Adjustments for capital transactions: Less realization upon loans and investments, sale of Government property, etc	1.5	1.1	1.0
Equals receipts—national-income accounts	109.3	113.6	118.8
EXPENDITURES			
Administrative budget expenditures	92.6	98.4	97.9
Plus trust fund expenditures (including Government-sponsored enterprise expenditures, net)	26.5	29.3	29.4
Less:			
Intragovernmental transactions	4.3	4.1	4.1
Debt issuance in lieu of checks and other adjustments	1.1	.9	.5
Equals Federal payments to the public	113.8	122.7	122.7

[1] Less than $50,000,000.

TABLE A-1.—*Relation of Federal receipts and expenditures in the administrative budget, consolidated cash statement, and national income accounts, 1963–65*—Continued

[In billions of dollars]

	1963 actual	1964 estimate	1965 estimate
EXPENDITURES—continued			
Adjustments for agency coverage:			
Less District of Columbia expenditures	.3	.4	.4
Adjustments for netting and consolidation:			
Plus contributions to Federal employees' retirement funds, etc.	1.9	1.9	1.9
Less interest received and proceeds of Government sales	.6	.6	.9
Adjustments for timing:			
Plus:			
Excess of interest accruals over interest payments	.9	.8	.6
Excess of deliveries over expenditures and other items	(1)	−.4	.6
Less Commodity Credit Corporation foreign currency exchanges	.3	.3	.1
Adjustments for capital transactions:			
Less:			
Loans—Federal National Mortgage Association secondary market mortgage purchases, redemption of International Monetary Fund notes, etc.	.7	1.1	.2
Trust funds (including Government-sponsored enterprise expenditures, net) and deposit fund items	1.9	3.4	2.6
Purchase of land and existing assets and other items	.1	.1	.1
Equals: Expenditures—national-income accounts	112.6	119.1	121.5

Mr. ELLENDER. Mr. President, in point of fact, therefore, instead of a reduction of $500 million in Federal spending in fiscal year 1965, overall Federal spending will actually increase by $2.4 billion.

Consequently, Mr. President, if Congress approves this tax reduction at this time, we will be reducing estimated revenues over the next 2 years by an amount in excess of $11 billion, and at the same time, we will be pumping into our economy through increased Federal spending $2.4 billion more than was expended last year. I submit, Mr. President, that Congress is being sold a bill of goods, as usually happens each year, when the President submits his budget.

Even if we were to look at the administrative budget only, which, as I just pointed out, merely gives a segment of the total Federal receipts and expenditures, the Congress will find that in this relatively simple category the estimates are often unreliable. Over the past 17 years, there have been considerable differences in the original budget estimates and the actual amounts of receipts and expenditures.

During the period covered by fiscal years 1946–62 the differences in receipts, both plus and minus, totaled $87.1 billion, while the differences in budget expenditures during this same period totaled $84.2 billion. These differences by fiscal year are as follows:

[In billions]

Fiscal year	Receipts	Expenditures
1946	−$1.4	+$19.7
1947	−10.2	−5.1
1948	−6.5	+1.7
1949	+4.2	−2.4
1950	+3.8	+1.6
1951	−10.9	−2.2
1952	−6.9	+5.1
1953	+5.4	+10.5
1954	+3.4	+10.1
1955	+2.2	+1.0
1956	−8.1	−4.1
1957	−5.6	−4.4
1958	+4.5	−.2
1959	+6.1	−6.7
1960	−1.4	−.2
1961	+5.6	−2.4
1962	+.9	−6.8
Total	87.1	84.2

Will the $97.9 billion estimated expenditures in the administrative budget for 1965 be as accurate as estimates made in the budgets of the last two decades?

Mr. President, I believe it will be just about as accurate, and the chances are that the expenses presented in the 1965 administrative budget will be understated between $3 and $4 billion. It just does not make sense to reduce revenues, increase expenditures, and increase our deficit at the same time. This would be bad enough during a depression period, but during a period of prosperity, it should never happen.

As Senator BYRD of Virginia stated recently on the floor of the Senate, the Secretary of the Treasury has admitted that he does not expect the budget to be balanced before fiscal year 1967, and in that event, as my distinguished colleague pointed out, the National Government will have accumulated six consecutive peacetime deficits for a total amount in new debt of $35 billion. Our budget will not have been balanced since 1960, and I personally do not consider that a real or a true balance.

As I have shown here today, we are in a period of great prosperity. The only other time when the Nation has indulged in deficit spending for as many as 6 consecutive years was in the depths of the 1930 decade of the depression. Mr. President, I believe every Senator should understand that this tax cut will not eliminate deficits for future years, no matter what its proponents claim.

This tax cut, because it is coupled with an increase in expenditure, is highly inflationary. If granted at this time, we can rest assured that the purchasing power of our dollars, already down to 45 cents, expressed in terms of 1939 dollars, will go further down. This tax cut, Mr. President, will diminish and deplete the forces that are available to fight poverty in this country, because it is geared to bring more poverty to the pensioners, who are barely eking out a living on the fixed incomes they receive.

As a final point, Mr. President, I do not believe that we can get the Nation out of debt by borrowing more dollars. I do not believe that we can make the mountainous national debt disappear by cutting the ground out from under it by reducing the national revenue. In short, I do not believe that a tax reduction at this time will redound to the Nation's benefit. I only hope that it will not redound to our sorrow. I shall vote against the pending tax bill.

Mr. MORTON. Mr. President, I yield myself 5 minutes. First, I ask unanimous consent that a statement on the bill by the Senator from Maryland [Mr. BEALL] be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BEALL

During the consideration of H.R. 8363, I have voted for several amendments which would have given additional relief to the American taxpayer. These have included amendments to grant a tax credit for college costs; tax deductions for students working their way through college, reinstatement of the 4-percent dividend credit, and repeal of the various excise taxes. The adoption of these amendments, in my opinion, would have provided tax relief where it is most needed and most deserved.

We are now approaching final passage of the tax bill. This measure represents a reduction in revenue to the U.S. Treasury of some $11 billion. The deficit resulting from this loss of revenue will have to be financed with borrowed money. This brings us to the basic question facing the Senate, Will the tax bill stimulate our economy and provide more jobs, or will it set off an inflationary spiral, thus nullifying any possible benefits?

I have given to this question the most serious and deliberate consideration. I believe that this bill, if passed, can have a beneficial effect upon our economy. But, only if we set our minds to making significant reductions in Federal spending. Unless our annual deficits are reduced, this tax bill will do nothing more than trigger inflation.

I shall vote for H.R. 8363, believing that the net result will benefit the economy. In doing so, however, I recognize that I undertake an obligation to oppose all unnecessary expenditures which may be requested. During the current session of Congress, I am sure many proposals will be offered which have much merit. However, these proposals must be considered in the light of fiscal priorities. We cannot reduce revenue on the one hand and continue to increase expenditures on the other. In voting for this bill, I pledge my continued efforts toward fiscal responsibility and reduction of Federal expenditures. I shall cooperate fully in the achievement of a balanced budget.

Mr. MORTON. Mr. President, I shall read a message from our beloved minority leader, who cannot be here today:

It has been my misfortune during this week of Senate consideration of the tax reduction bill to be confined to a hospital bed because of an indisposition important enough to put me there but not so serious to keep me there more than another day or so.

In misfortune there is frequently compensation and so it has been in my case. I have had time for reflection and contemplation on the wonders of the body politics, on the contradictions in which it exists, and on the vagaries of those who inhabit this most frail of human institutions.

My musings have impelled me to transmit to paper, and, through our esteemed colleague, Senator MORTON, of Kentucky, transmit to you, my fellow Members of the Senate, a few thoughts on the inconsistencies of the human mind when the benefits of a tax reduction are being weighed and apportioned.

Last year, when the late President Kennedy proposed the tax cut, he described it as the core of his program to reduce unemployment. Presumably the creation of jobs through a tax cut was to be achieved by (1) freeing of money for capital investment, and

(2) increasing purchasing power for consumers.

This year, President Johnson cast the fight against unemployment in new terms by declaring war on poverty, and only this week sent to Congress a lengthy message on protection of consumers.

We Republicans are very literal, and frequently, literate people. When we read perfectly plain English we are invariably led into taking it at face value. If we read that capital investment should be encouraged, that consumer purchasing power should be stimulated, that consumers should be protected, or, for example, that higher education should be encouraged, who can censure us—except possibly for our innocence—for believing that any proposals we might make to hasten these ends would not receive White House approval, even active support?

So perhaps you can imagine my bedridden amazement, my pajama-ruffled consternation, yes, my pill-laden astonishment this week, to learn that three Republican-sponsored proposals to assist in achieving these laudable goals had been defeated by very narrow margins, victims of that new White House telephonic half-Nelson known as the "Texas twist."

To those of you on the Democratic side of the aisle who are still rubbing your bruised arms, I can only extend my sympathy and hope that you who must face the electorate this fall won't need it. To you on the Republican side of the aisle I happily extend my admiration and gratitude for the unanimous support you gave each of the three proposals. When Republicans stand together, without a single defector, on three crucial Senate votes, then the entire Nation must know we were right.

These three proposals were simple. They were all designed to do something for the little fellow and to limit severely any benefits which, by their adoption, might accrue to those in the higher income layers of our economy.

First, there was the amendment sponsored by Senator PROUTY, of Vermont, as amended by Senator JAVITS, of New York, to provide that students working their way through college could deduct the cost of their tuition, books, and fees from the tax on their earned income. This sizable benefit for those young people, coming from families of extremely limited means, but still determined to obtain a college education, was defeated by a 47 to 47 tie vote despite the unanimous Republican vote for it. I am told that even the boys who run elevators in the Capitol, so they may go to college in Washington in their off-hours, were rooting for its adoption. But the White House said "no."

Second, there was the Dirksen-Morton amendment to retain the present 4-percent dividend credit, but to put a ceiling of $300 on the credit so that its benefits would go mainly to persons having a dividend income of only $3,000 to $7,500 a year. This amendment provided two needed aspects to the tax reduction bill. It would have continued the alleviation for those of modest income from double taxation on dividends as adopted by the Congress in 1954, thus encouraging the small purchasers to buy job-creating capital investments, while, at the same time, protecting those elderly retired persons who live on dividends coming from the savings of their years of work. What could possibly be wrong with those objectives? But the amendment was defeated by the narrow margin of 47 to 44, despite unanimous Republican support. The White House had said "no."

Third, there was another Dirksen-Morton amendment to remove retail excise taxes on luggage, jewelry, furs, and cosmetics and toilet preparations. These retail taxes were enacted in the war year 1941 to discourage consumer purchases of these commodities, and to impede their manufacture so that materials which go into many of the products could be diverted to the war effort. Congress gave its pledge to terminate these taxes at the end of hostilities. World War II ended 19 years ago. The Korean War ended 10 years ago. But these taxes are still on the books—still discouraging consumer purchases, particularly among low-income groups, still impeding manufacture, thus increasing unemployment. These retail taxes have been a tremendous burden to tens of thousands of small retailers and to millions of consumers, so why not get rid of them?

We all know that on January 23, 1964, the Senate Finance Committee by separate votes ranging from 13 to 2 to 10 to 5 adopted, during a forenoon session, provisions repealing these burdensome taxes. We all know that action was reversed by a 9 to 8 vote in an afternoon session the same day, thanks to that telephonic half-Nelson now discreetly referred to as the "Texas twist."

My poor bruised Democratic friends: You gave your all on the afternoon of January 23; you gave your all again on February 5 when, despite a unanimous Republican vote, the repeal of these regressive retail excise taxes was rejected 48 to 45. Again the White House had said "no."

Now I hope I can be pardoned if, from my temporary bed in a Washington hospital, I see a small cloud on the horizon, a cloud that doesn't quite shut out the sunshine or promise much rain—yet. But it is getting bigger.

Perhaps it could be a cloud that has never been very productive—the "both ways" cloud. You have bigger and better programs, but they cost less. You cut taxes, but Federal revenues go up. You stimulate job-producing investment with one hand, but discourage it with the other. You reduce deficits 1 week, but send the national debt up the next. You stop pounding your thumb with a hammer so hard; you just increase the blows on the index finger.

So much for metaphor. It proves nothing. But it is handy. And from here it is the only defense against the "Texas twist" and the "both ways" cloud.

If there is food for thought here, fine. All I can say is this: If a "both ways" sun shines on me I shall rejoin you in a week or so. If a "both ways" sun shines on my Republican colleagues who face reelection this year, they will return with others who will increase our ranks. Pending this day of voter judgment, my fondest regards to all of you. [Applause.]

Mr. President, I yield 1 minute to the Senator from Kansas.

Mr. CARLSON. Mr. President, I shall vote for the pending tax bill because I believe taxes, both personal and corporate, are too high.

I question very seriously whether the bill as it now stands will make a lasting and strong impact on unemployment. To cut taxes at a time of heavy budgetary deficits and an increasing rate of spending may temporarily produce favorable results in the economy, but it seems to me in the long run it will prove self-defeating.

I fully realize there is a difference of opinion as to whether an effective tax reduction should aim to strengthen consumer purchasing power or whether our tax laws should be so written as to provide additional incentive for investment in industrial plant expansion.

When we look at what has happened since 1956—when the rise in unemployment started and which is still plaguing us—we find that the lag was not in personal consumption—it was not in personal income and it was not in labor income, which has continued to increase. During that period corporate profits actually declined, as did expenditures for new plant and equipment if converted into constant dollars.

I am fearful that the substantial tax reduction we are giving consumers—which I favor—will not greatly expand our industrial growth.

The second reason why I believe we may not receive beneficial results from this tax reduction is the ever-increasing rise in the consumer price index. Last year the consumer price index rose 1.7 percent. The increase was somewhat greater than in 1961 and 1962, though about equal to the advances registered in the 2 preceding years.

Since 1958 wholesale prices have maintained a level of approximately 100, but the cost of living has increased from 100 to 107½ percent. The cost of living advanced to another new high in December. Wholesale prices in industrial products during that month slanted upward 0.3 percent—the sharpest monthly gain since 1959. Practically every consumer commodity sold on the market today has risen in price.

The National Association of Purchasing Agents reports advances in aluminum, lead, steel scrap, tin, zinc, fuel oil, multiwall bags, corrugated containers, kraft paper and linseed oil, coffee, sugar, clothing, furniture, farm machinery, and many other consumer items.

Some economists have stated that a 2-percent rise in price spread throughout the economy would wipe out all the increased demand that the tax cut is designed to create. We cannot ignore the threat of inflation. If inflation worked out evenly, there would be a proportionate income tax and capital levy on rich and poor alike. It never works out evenly, but falls on those least able to protect themselves.

I do not want to appear as a prophet, but neither do I want to vote for this tax bill without stating that in my opinion, it will not greatly reduce unemployment. It will bring about increased costs to the consumer and thereby greatly reduce the benefits of the proposed cut.

If this tax cut fails to greatly reduce our unemployment, next year we will be confronted with demands for expenditures of billions of dollars for public works, which will result in further fiscal irresponsibility.

As I stated in the beginning, I shall vote for this bill because I believe both personal and corporate taxes are too high, but I have no illusions of the probable affect on our Nation's economy.

Mr. MORTON. Mr. President, I yield 3 minutes to the distinguished Senator from Wyoming.

Mr. SIMPSON. Mr. President, for well over a year, the American people have been told that a tax cut should be made immediately so that our Nation would not experience an economic depression. The depression did not come, but economic growth did. Then the Democratic administration started telling the Nation that we must have an immediate cut in taxes if we were to continue our business expansion. The objective never changed only the reasons and justification for the tax cut.

For many years, I have advocated a tax cut because Federal taxes are too high. When taxes are excessively high, as they are now, they stifle incentive and discourage economic expansion. In my opinion, if we are to meet the challenges of unemployment, deficit spending, gold outflow, and so forth, we must remove the excessive governmental regulations and controls which inhibit the free enterprise system.

However, overriding these considerations which encourage a tax cut is the basic fact which cannot be set aside or ignored—Federal taxes are levied to meet Federal expenditures.

Federal taxes are too high because Federal expenditures are too high. Reduction in both is long overdue.

Although the temptation is great for citizens to ask for a tax cut without regard for the need of a commensurate cut in Federal spending, the people in Wyoming have consistently asked that I oppose any tax cut unless there is a corresponding reduction in Federal spending. This I will do.

The question then must be asked, Will there be a commensurate reduction in spending in fiscal year 1965? The answer is an emphatic, "No."

The President has prepared a budget based upon many contingencies and a lot of happy thinking. The facts are clear. President Johnson is asking for $97.9 billion which is $5.5 billion more than Congress appropriated last year. In addition, the President has asked for new spending authority of $1.2 billion more than President Kennedy had requested for fiscal year 1964.

The President's budget request which is up $5.5 billion from last year's appropriations is based upon contingencies which include enactment of new legislation, favorable market conditions for the sale of Government-held assets, the effect of weather conditions on agriculture, reduction in the postal deficit, and so forth.

Many people blame war, the cold war, and the national defense for the steady rise in Federal expenditures. But the big increases in spending are in the domestic-civilian programs. These domestic programs are characterized by their self-perpetuating nature. Once they are inaugurated, they perpetuate themselves into huge bureaucracies which become a terrible drag on our economy.

We need a tax reduction but until we can curtail the excessive expenditures we cannot afford the luxury of a tax cut.

The argument is made that a stimulated economy will make up in total revenues for the lower tax rate. This is a fine theoretical argument which can be pursued by the boys in the ivory towers. But when we are dealing with the future of America we had better be more practical than theoretical. The fact of the matter is that the effect of this bill is to charge the tax reduction to the Federal debt, which already exceeds $300 billion. This is fiscal irresponsibility.

The Federal debt has been increasing at the rate of more than $5 billion a year since 1961, and the new budget—with tax reduction—calls for another $5 billion increase in the debt next year. It cannot be said that increasing population compensates for the tremendous increase in total debt over recent years. Per capita debt has been rising at about $250 a year. Per capita debt is now $6,400.

The value of the dollar—on the 1939 index—has dropped to 45 cents. It dropped 23 cents during World War II. It has dropped nearly 7 cents since the Korean war. It has dropped nearly 2 cents since 1960. It dropped more than a half a cent last year.

Continuing inflation is a reality, and there is no doubt that the danger of spiraling inflation lurks in debt and deficit financing conditions which characterize the Nation's economy today.

The risks of massive debt and inflation incident to this tax reduction bill are inescapable. I question that its enactment at this time would contribute to sound and constructive progress.

Mr. President, I would like to be able to vote for this tax cut which is long overdue, but until the Federal Government can show itself to be fiscally responsible, I cannot vote for a measure which we cannot afford and which can have catastrophic effects upon our beloved country.

Mr. MORTON. Mr. President, I yield 3 minutes to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, I shall support the tax bill with no illusions. I shall do so because I think it is important as a minimum measure in connection with what needs to be done if we really want to meet the challenge of endemic unemployment and poverty. The evidence shows that the war on poverty will be a pretty slim war if all we seek to base it on is what the President has asked for in his budget specifications. Far more must be done if we are to make headway on either problem.

One of the most important elements of an effective progrom should be accelerated action in respect to retraining, far beyond what has been scheduled for fiscal year 1965. We are retraining only 15 percent of those who need retraining. It is essential that we enlist the full resources of the private enterprise system in this program, because only private enterprise can do that job and must be brought into it.

Next, there must be incentives for plant modernization and a tax incentive for exports. We must accelerate, extend, and expand Federal assistance to vocational and technical education programs.

A commission on automation must be established to make urgent recommendations in this critical area and to provide for the transition of workers and business to automation.

Legislation is needed to modernize the antitrust laws. Such legislation is pending. U.S. private enterprise must be brought effectively into foreign aid. A top committee to do this is called for by the Foreign Assistance Act of 1963, but has not yet been named.

Another incentive is a fair employment practices law to deal with discrimination in employment, which is contained in the civil rights bill that will soon be coming over from the House; and we must enact permanent Federal standards of unemployment compensation.

If we had all these incentives, there would be a reasonable chance to get on top of our balance-of-payments and other economic difficulties, including endemic unemployment. If we do not, then it seems to me the risk of a tax cut will not have paid off adequately.

Mr. ALLOTT. Mr. President, from the time that a tax cut was first proposed to Congress last year, I have taken the position that while expenditures by the Federal Government exceeded income by such a great margin, we simply could not afford to cut our revenues further by lowering tax rates. I have said that I would want to see some proof of the promises we have heard—promises that if the tax cut were adopted we would not be financing such a cut simply by increasing the public debt.

Last month Congress received from the President assurances that expenditures would be held down, and he transmitted to us a budget which—if we are to take it at face value—contemplates spending $500 million less in fiscal year 1965 than we will spend in fiscal year 1964. He tells us, too, that if the tax cut is granted, our economy will generate enough new growth to make up the difference in tax loss, over the long run. Hence, I intend to vote for the bill now pending. All of us realize that the high rates at which we are taxed have limited growth potential of our economy. We—all Americans—have carried this tremendous tax load for many years now. Accepting the President's promise to keep expenditures down, I feel the time has come to lighten that load. In doing so, I am hopeful that the predictions which we have all read and heard will come true—that releasing the economic growth potential from the drag of exorbitantly high tax rates will in fact lead to further solid growth of our economy, and eventually allow us to recoup the losses.

Perhaps we have seen some evidence that Congress, too, will do its part in keeping expenditures down. During the long session of last year we made substantial reductions in the President's budget requests, and this, I feel, was in some part due to an awareness that a tax cut was impending. I take this as evidence that if we seriously believe this tax cut to be worthwhile, we can keep expenditures down—for all of us must realize that we cannot continue forever on deficit spending.

And let me serve notice here and now that I shall do everything in my power to see to it that those promises are made good—that spending is kept down. I feel certain that there are others in the Chamber today who feel as I do—that in reliance on the President's assurances to us, we will give the people the tax cut that has been requested, but that new programs, especially, and new requests for money, will be carefully scrutinized.

I do believe that there is great growth potential in our economy which has been stunted by the tremendous tax burden we have been carrying. Therefore, relying on the President's assurances that he will be fiscally responsible in the budgets which he asks us to approve, I shall cast my vote in favor of the pending bill based on the statements of the President, my own determination to hold costs down, and what I feel will be the determination of Congress to do the same.

Mr. **DOMINICK**. Mr. President, I have decided to vote in favor of the tax bill for two reasons: First, the present tax rates are confiscatory in character, restrict risk capital, deter expanding job opportunities and there is a real need for substantial downward revision.

Second, Congress has made progress in reducing the proposed budget of former President Kennedy and will carefully scrutinize the proposed 1965 budget of President Johnson. If we can continue to cut back spending, real progress will be made. I am, however, skeptical of this administration's so-called economy program particularly when viewed in the light of the vast new Federal program which the President is demanding. Even a quick review will show that if these programs are passed by Congress, the inevitable enormous deficit will sharply jeopardize the remaining 42 cents of value in our dollar.

In my judgment, Mr. President, four serious mistakes have been made in this tax bill. First it gives very little assistance to the middle income group, earning from $4,000 to $15,000 per year. A tax credit to assist these people in paying for the cost of higher education was urgently needed and the administration's opposition which defeated the proposal seems indefensible.

The retail excise taxes imposed as wartime emergencies should have been eliminated in accordance with our promises. Failure to do so is a breach of faith with the consumers who pay them; the retailers who collect them and the States which should be able to use this revenue for local projects.

Third, the tax cuts should have been coupled with a restriction on spending. This would have caused a far greater pressure from the people of the country to control the spending level which is presently absorbing so much of their earnings.

Finally, the withholding tax rate is insufficient to provide for the average taxes to be collected from the vast majority of the taxpayers. Most taxpayers will find it difficult if not impossible, to pay the additional taxes which will be due in April 1965 over and beyond the amount which will be withheld. We in Colorado suffered through this once before on a State level. As before, this inequity will not show up until after the election this fall in the cynical hope that it will then be too late to change the election results.

I am hopeful that we can continue to pound these points home to improve the present tax structure while cutting down in Federal spending programs.

Mr. **STENNIS**. Mr. President, every Member of this body would like for every taxpayer to have the benefit of a true and lasting tax reduction. Every Member would like to support a bill for tax reduction.

The facts of the case, however, do not justify the willful cutting off of funds coming into the Treasury which are necessary to pay the bills and expenses of the Government which are incurred from month to month.

In times anything like normal I am convinced that the only honest way to reduce taxes is to first reduce expenditures. Until the reductions in expenditures are sufficient to justify a tax reduction, there should be no tax reduction.

Let us look at the facts.

According to the estimates for revenue for fiscal year 1964—with the proposed tax reduction in effect—we are going to take in $93 billion. During this same period we are going to spend $97.9 billion. This, of course, means that we must go out and borrow $4.9 billion—$4.9 billion which someone at some time will have to pay back, and with interest.

True, we have planned some reductions in expenditures—but at present estimates, these reductions will cause our expenses to be only $500 million less than for the last fiscal year. The Department of Defense, under Mr. McNamara's fine direction, has made some appreciable savings which have already been taken into account. In view of the enormous cost of weapons and the growing cost of each individual maintained by the military departments, I doubt there can be any appreciable further savings in the next few years ahead.

BUDGET DEFICIT FOR FISCAL YEAR 1962, $6.4 BILLION

Mr. President, the expected deficit for the current fiscal year—1964—is $11 billion. For fiscal year 1963, our deficit was $6.3 billion. This means that within only 2 years we have added $17.3 billion to our national debt. Further, this means that we have spent $17.3 billion which we did not have and which we had to go out in the markets and borrow. For the fiscal year 1962, our deficit was $6.4 billion. For fiscal year 1965, the estimated deficit is $4.9 billion. Witnesses before the committee estimate there will be a deficit in fiscal year 1966, and also a deficit for fiscal year 1967. Thus, the total deficit—estimating fiscal year 1966 and fiscal year 1967—for these 6 consecutive years will be more than $35 billion. During all of these years we of course have had the cold war. But we have not had a shooting war, and the gross national product has been progressively larger each year, and is now larger than at any time in the history of our Nation. This means that during this entire period business has been relatively good.

During these 6 years, many of us in the Congress have tried to do something about the ever-increasing Federal expenditures. We have tried to reduce appropriations. During the last calendar year, the Congress reduced the requests for appropriations and requests for authorizations by more than $6 billion. I am glad to have been a part of this effort. This is all creditable, but as yet the reductions effected have not been sufficient to justify a tax reduction.

The estimated income of $93 billion for fiscal year 1965 is the highest in all history. Still, we will nevertheless have a planned deficit of more than $4.9 billion. It is said that it is proper and wise to make the tax reduction and thereby increase the revenue. I seriously doubt that this result can be brought about at all. Certainly, it will not be brought about for any length of time—and we will fall back into even deeper deficits than heretofore.

During all votes on the amendments, I voted to protect the integrity of our fiscal affairs. Some amendments had merits that I would have liked to have supported but being against the bill, I felt compelled to vote against the amendment which would further increase the deficit.

What is actually needed is some belt-tightening. This is the very thing that we as a people are not willing to do. Furthermore, I am satisfied that this unending series of deficits will necessarily cause inflation, the injurious effect of which will far outweigh any relatively small savings in immediate reductions in taxes. In fact inflation and runaway prices are the grave and serious threat of our times.

We should be willing to slow down some and pay the price of sound financing in our national affairs. We must not continue to pass on the bills we are making to future generations to pay. Not only is this unfair and unsound, but as a nation we are thus falling into a habit that will eventually destroy us.

Our first duty is to maintain sound fiscal affairs. Upon this rest our integrity, our strength, and our security.

I shall vote against this bill as a part of maintaining the integrity of fiscal affairs and the financial structure of our public debt which is already over $310 billion and still rising.

Mr. **HRUSKA**. Mr. President, for about a week we have been laboring on legislation in H.R. 8363 ostensibly designed to give the American taxpayer some measure of relief in the form of a tax cut. We have been told by the proponents of the bill that this is necessary to stimulate the Nation's economy and to provide additional opportunity for economic growth. The reasons stated have been many, but I have not been able to accept the reasoning offered by the proponents.

After thoughtful consideration of the problem under debate and the action taken by this body, I can only conclude that this is unwise legislation which will not achieve the objectives of providing incentive for future investment by individual taxpayers and industry to stimulate economic growth. Further, this bill is inflationary and will have an undesired effect on our economy. And most importantly, it will not solve nor appreciably relieve the unemployment problem.

Under these circumstances, I have no alternative but to vote against this bill. It is heartening in this regard to be able to report that heavy correspondence received from my constituents by vast majority bears me out in my decision to follow this course of action.

WORDS NOT DEEDS

Many of us were pleased to note the President's statement that substantial reduction of Government spending could be achieved under his administration. But the words have yet to be matched with deeds.

We are being told, Mr. President, that we must relearn our economic theories. We are being told that our Government can continue to spend more than it receives. We are being told that taxes can be reduced and that through this action great benefits will accrue to our taxpayers and the Nation, that business investment will be stimulated causing an expansion in plant facilities and a consequent increase in job opportunities and of tax revenues.

This Senator does not care for the distinction between active and passive deficits. Such a distinction does not fool the people because they know that a deficit must be paid eventually and that, if it is not paid, our debt limit will have to be raised again. Also, as a consequence, the interest charges on the deficit will be increased. Inflation will continue to grow.

Many members of the public and many legislators believe that a tax cut might be appropriate if spending were cut back or even held down, but every indication today points precisely in the other direction. The simple fact is that we have not earned a tax reduction.

BILL LACKS REFORMS

The present bill does not provide reforms for our tax structure. This body at the insistence of the administration has defeated many incentive provisions sought by various amendments. Some of these provisions, such as the dividend credit and the excise tax cuts, would have directly and greatly benefited the consumer and the economy.

The present bill was originally conceived as a measure which would take effect in three stages over a period of several years. This was President Kennedy's plan. It has been abandoned. Now we find that the entire cut is to take effect immediately. There are grave and justifiable fears that we will regret our actions later on, for the impact of the bill will be felt too soon and in much greater measure than was earlier anticipated. The effect will be inflationary, bringing with it many other serious problems at a very early date after the first year.

If this bill is enacted, a large group of taxpayers will be eliminated from any tax whatsoever. Approximately, one and a half million taxpayers will go off the tax roll. I believe that almost all our citizens should bear some tax responsibility to the Federal Government even though it is a small amount of money.

Many have said in the debate that enactment of this legislation would be a step forward in that it would constitute a simplification of the tax laws. I regret this is not the case. To anyone who has studied the bill it is clearly apparent that the legislation is extremely complicated.

STEALING FROM OUR GRANDCHILDREN

Many citizens of Nebraska have been concerned about the size of our Federal debt, now in excess of $300 billion. This is a tremendous amount of money. Over the years no substantial effort has been made to decrease this debt. Recently, Mr. Maurice H. Stans stated that:

> The total of all present debts, commitments and accrued liabilities of the Federal Government—such as would appear on the financial statement of a business—is now in excess of $1 trillion. This is about $21,000 for every family of four in the country. Is it right to add to this each year for the sake of testing will-o'-the-wisp experiments that include semantic absurdities like calling a present deficit a down payment of future surpluses? Or is former President Eisenhower right in saying that "we are stealing from our grandchildren in order to satisfy our desires of today," and that it is "downright robbery for my Government to decide on policies that are merely certain to shorten progressively the monetary yearstick so that when I received my annuity or savings I would get 'dollarettes'—worth only half or a fourth as much as today's dollars?"

I agree with Mr. Stans and former President Eisenhower that we are leaving a legacy of heavy indebtedness to our children and grandchildren which is most undesirable.

We have continued throughout recent years to pile up deficit after deficit. We have actually planned these deficits. The time to meet this problem is now. We must achieve some measure of financial stability and integrity.

Tax relief is something which everyone hopes for, but taxes will remain high until we achieve greater progress in managing the fiscal affairs of our Government. We must reduce our high expenditures and we must strive toward a balanced budget. Under such conditions a meaningful tax cut could take place. A tax cut should be earned, but this one certainly has not been.

BROKEN PROMISES ON 1964 BUDGET

The American public has high on its list of requirements for our national fiscal policy the principle that Government expenditures be held down. Also high on the list is the requirement that a tax cut must be earned by actually practicing fiscal responsibility, not merely by words.

The administration recognizes this state of the public mind. Proof of this is found in the late President Kennedy's constant assurance to the public that expenditures in the present fiscal year, ending June 30, 1964, would not exceed the level of fiscal 1963 expenditures except in the fields of defense, space, and interest on the public debt. He stressed this point in his message on the budget. He made repeated promises that it would be achieved.

The Johnson administration now comes forward with a spending budget of $97.9 billion with the claim that this figure is $500 million lower than the spending figure for the current fiscal year. It is upon this fact that great reliance is placed by President Johnson in insisting that a tax cut is in order. In effect, he is saying, "We are doing our share by holding the Federal expenditures down. Hence, we ask the public to accept our tax cut bill."

But the plain fact, Mr. President, is that the fiscal 1965 budget is higher, not lower than the current year. It calls for higher, not lower appropriations which the budget calls "new obligational authority."

Contrary to the President's claim that this 1965 budget is below the magic mark of $100 billion, the plain inescapable fact is that it is above that figure. The proposed fiscal 1965 budget calls for more expenditures than this fiscal year, not less.

These statements, Mr. President, are serious and they are far reaching. They are based not only on analysis of the present budget document but are supported by the keen, perceptive appraisals made by several outstanding authorities including the Honorable CLARENCE CANNON of Missouri, chairman of the House Appropriations Committee, and the conclusions which Mr. CANNON drew after he had carefully studied the fiscal 1965 budget document.

Speaking in the House of Representatives on January 21, Mr. CANNON documented his conclusions most thoroughly. With his experience of over 40 years in the House and his standing as perhaps the Congress' leading authority on appropriations, we can accord his words complete faith and credit.

CHAIRMAN CANNON'S WARNING

Mr. President, I recommend strongly to all of my colleagues the careful reading of Mr. CANNON's speech which appears, starting at page 712, in the CONGRESSIONAL RECORD for January 21, 1964. Here are a few excerpts:

> Contrary to impressions, this budget (fiscal 1965) is higher, not lower, than the current year. It calls for higher, not lower appropriations—the budget calls it "new obligational authority."
>
> Contrary to impressions, this budget is above, not below, the magic mark of $100 billion. This is the third straight year the asking price in obligational authority in the President's budget crosses the $100-billion mark.
>
> This budget, while commendable in many respects, does not point to any lasting reversal of the upward trend of Federal spending.
>
> This budget, if adopted as presented, sows the seeds of increased spending in the future by asking for higher appropriations.
>
> It is actively misleading to regard this budget as being below the $100 billion mark. To the contrary, this is the third successive one above that peacetime record amount. New obligating authority actually enacted for fiscal 1963 was above that—$102,283 million, according to today's budget. The President, in today's recommendations, proposes that we go over that mark for fiscal 1964—to $102,554 million. He also proposes, as noted, that we go on up to $103,789 million for fiscal 1965.

It should be borne in mind, Mr. President, those words were spoken by a man now in his 85th year and continuously a Member of Congress since 1923, who has devoted his entire adult life to facts and figures in this Federal fiscal and financial field. No one challenges the degree of truth and factual knowledge of Chairman CANNON. And these conclusions on his part certainly fly flatly and forcefully into the face of the statement by other high governmental officials that the fiscal 1965 budget is $500 million lower than the present fiscal year of 1964. It simply is not.

TAX CUT NOT JUSTIFIED

Mr. President, the point is not only that it is actively misleading to regard this budget as being below the $100 billion mark. The vital point is that the attempted justification for the tax cut—namely, that spending is holding the line in the Federal 1965 budget—is totally lacking in truth and in fact. It just does not exist.

There can be no question that the 1965 budget will meet the same fate as the 1964 budget, by a heavy overspending over its estimates.

Let us recall again that the original declaration and many subsequent promises of the late President Kennedy were that spending other than defense, space, and interest would be held below fiscal 1963 levels. This was apparently true for the first 5 months of fiscal 1964; from July 1 to December 1. But it is clear that the policy of holding below 1963 levels no longer obtains. The present estimate for spending in fiscal 1964 for all purposes other than defense, space, and interest is more than $650 million higher than fiscal 1963. Bear in mind in this connection that the total of supplemental appropriation bills on which the Congress will be asked to act for fiscal 1964 comes to a little over $4.25 billion.

Bear in mind also that the growth potential for the fiscal 1965 budget is even greater than the present fiscal 1964 budget.

THIRTEEN NEW SPENDING PROGRAMS

The 1965 budget proposes at least 13 new spending programs of fiscal significance which are identifiable by proposed new appropriations in the administrative budget, and for which basic legislation must be enacted if they are to be put into operation. The total new obligational authority commitment proposed in the budget for these 13 programs is over $3.3 billion. Only about $450 million of this vast sum is to be assigned through supplemental appropriations to fiscal 1964. About $2.9 billion would be assigned to fiscal 1965. It is estimated that the total expenditures for the initiation of these 13 programs for fiscal 1965 will come to at least $1.6 billion.

It is no wonder that in his speech of January 21, Congressman CANNON stated:

> And from a brief look at the list of new propositions of legislation for new activities in today's budget (fiscal 1965), is there any doubt but that succeeding budgets will ask for still higher amounts?
>
> New programs not uncommonly began modestly and then invariably accelerated.

Mr. President, this administration is committed to even greater spending this next fiscal year than ever before in our peacetime history. That spending will necessarily and inescapably occur at a much higher level than in last year's budget or the present year's budget. At the same time it proposes to reduce the taxes and the revenues of the Federal Treasury.

This is an unsound and unwise policy. It will be highly detrimental to all of the 191 million citizens of the Republic.

This Senator is opposed to such an irresponsible policy and unwise course. I shall vote against the bill.

Mr. BREWSTER. Mr. President, we are now concluding a long but fruitful debate on a measure of great importance to our national economic growth, and to each taxpayer of this great Nation.

I should like to join with my colleagues in a tribute to the distinguished floor leader of this bill, the junior Senator from Louisiana [Mr. LONG]. His skillful management of the most complex legislative proposal to be considered by this Congress deserves the highest praise.

Mr. President, on April 23 and again on June 6, I spoke here on the floor in support of the proposed program of tax reduction. I am as convinced now as I was then of the stimulating effect these reductions will have on consumer demand, capital investment, and economic growth. This encouragement to expansion promises to be the most effective attack we could make on the problem of chronic unemployment.

For the past 5 years, between 5 and 7 percent of our labor force has been unemployed, too large a portion of our existing plant capacity has been idle, and our Federal budget has been in deficit.

The cost of this underutilization of our manpower and productive capacity is staggering. Our gross national product is $30 billion below what it could be.

At long last, with the passage of this bill, the private sector of our economy will be freed of the stifling effects of tax rates that have consistently braked expansion, reduced potential, handicapped enterprise.

To catch up, we have now committed ourselves to strengthening the private sector of our economy. We did not take the costly pump-priming route by increasing Government expenditures, artificially generating economic activity. Instead, we reaffirmed our faith in the private enterprise system by giving it the opportunity to respond to our needs.

This tax program, as a result of the economic stimulus stemming from the reduction of individual and corporate income taxes by a net total of $11.6 billion, will raise the level of our economic activity. It will help to provide more jobs, more wages and salaries, more profits and, finally, more tax revenues to bring our Federal budget into ultimate balance.

In my own State of Maryland, total individual income is expected to rise by $580 million in 1964 as a result of these tax reductions.

The reductions in individual rates—amounting to $9.3 billion—will immediately create increased consumer purchasing power. This increased purchasing power will trigger expanded production. Idle plants will come back into operation. Idle manpower will be recalled.

With the increased production will come increased profits. Increased profits and the lower tax rates on corporations and unincorporated business—amounting to $2.4 billion annually—will provide additional funds and increased incentives for expansion and modernization.

Modern equipment and techniques are essential for a company, an industry, a nation, if it hopes to compete successfully in domestic and world markets. This tax bill, the investment credit provisions of the 1962 bill, and the revised depreciation schedules, will stimulate our lagging capital goods industry.

Finally, higher employment rates, expanded production, and increased profits resulting from tax reduction will generate tax revenues which will make possible an attack on continued budgetary deficits.

I am proud to have given this balanced tax program my unqualified support. Where I have disagreed with the provisions of this bill as reported by the committee, I have done so on the basis of firm conviction that the amendments introduced were meritorious.

Two such amendments were those designed to allow a tax credit for expenses of higher education. In a floor speech earlier this week, I set forth in detail my reasons for giving these amendments my unqualified support. I emphasized my concern with the failure of this bill to stimulate investment in our Nation's No. 1 resource, the minds of our young people.

I regret the failure of these amendments, and hope that the Senate will give this proposal renewed attention at an early date. It seems obvious to me that we must promote investment in education, for only through education can we truly make progress in all fields in the years to come.

In addition, I supported an amendment to assist manufacturers in the battle against air and water pollution. The principle of Federal assistance in the control of air and water pollution has always had my support. Foul air is not contained by city or State boundaries; contaminated water flows over State lines on its way to the sea. Senator RIBICOFF proposed a means to assist manufacturers in controlling their output of corrupting materials by allowing them an extra 7 percent investment credit for purchases of pollution control equipment. I was pleased to support this incentive to industry to invest in the air and water pollution control facilities which are so desperately needed. That this amendment was accepted by the Committee and became a part of the bill was a source of satisfaction to those of us who supported it.

Nothing would have pleased me more than to vote for every amendment which would grant greater tax relief to all Americans. I am sure that all my colleagues join me in the fervent wish that every measure to further reduce the tax burden on individuals and corporations could have been supported by each of us.

But we are aware—as are most Americans—of the dreadful burdens which are upon us, and which must be supported by our tax dollars—the demands of our national defense, the necessities of a strong economy, the ever-present danger of inflation.

In the broad area of what might have been—let me select a few issues which were intensely debated.

We might have retained the 4-percent dividend credit provision in our present tax law. Instead, we voted its repeal. I do not feel that we have discriminated against taxpayers with dividend income.

There is no doubt that the present 4-percent dividend credit favors those in the high-income brackets. Repealing the credit will mean an increase of $300 million annually in Federal revenues. Considering the other provisions in the measure benefiting shareholders—increasing the exclusion from $50 to $100 and from $100 to $200 for married couples, the 4-point corporate rate reduction, and the lowered tax rates the bill provides—this legislation should not mean a greater tax burden on the investor.

We might have repealed some $400 million in retail excise taxes. I opposed this attempt, even though I have often stated my basic belief that wartime excise taxes are no longer valid and should be repealed. From the very outset, the measure before us has been confined to a revision and reduction in income tax rates. At no time have we gone into the separate matter of excise taxes.

The entire excise tax structure is a complex one. Until such time as both Houses of the Congress have an opportunity to review carefully the whole structure, we should refrain from costly piecemeal adjustments. This was plainly neither the time nor the place to embark on a hastily considered revision.

I am pleased to note that Chairman MILLS, of the House Ways and Means Committee, has already announced his intention to hold public hearings on the excise tax structure later this year. I, for one, welcome the hearings and the analyses which will be made—and look forward to the time when I can vote "aye" on a repeal of these taxes.

We might also have adhered to the House bill in the treatment of capital gains. Instead, we voted overwhelmingly to accept our Finance Committee's version of this portion of the bill—to retain the present treatment of capital gains. We recognized that the rate reductions which are the backbone of this bill will be applicable in the case of capital gains, and that a substantial reduction in tax is provided with respect to these gains.

In one major area the Senate and the committee agreed on a much needed change—in that section of the bill dealing with the taxation of sick pay benefits. Through Senator MCCARTHY's amendment, a compromise between the present law and the harsh provisions of the new bill was reached. It is an equitable solution—and one which had my wholehearted support.

One of the last amendments to be considered was that requiring that the entire program of tax reduction for our citizens be terminated if, in the future, the Federal budget exceeded $100 billion.

The present estimated budget for next year is $97.9 billion. Unpredictable emergencies, foreign or domestic, could lead to increases in essential spending, particularly for defense.

To tie an entire program for economic growth and unemployment reduction to these unpredictable exigencies would have been a very serious mistake. We would, in effect, place Khrushchev, Castro, and Mao in control of our domestic policies. By creating an emergency to which we must respond, they could torpedo our whole effort to strengthen our national economy.

This is an initiative we must not grant our enemies, no matter how deeply we are concerned with controlling Government expenditures.

I have continued to advocate reduction of nonessential Government spending. In this important matter, I congratulate President Johnson on the reduced budget he has submitted and the efforts he is continuing to make to further reduce the cost of Government.

We have finally broken the logjam of inaction on income taxes, Mr. President. We have written a balanced bill that will lift the repressive weight of income taxes on our national economy. In doing so, we have made clear our determination to move our Nation forward to greater economic strength, vitality, growth, and effectiveness.

Mr. FONG. Mr. President, I intend to vote for the pending tax reduction and reform bill (H.R. 8363).

I have long believed that Federal tax laws have been an obstacle to greater economic growth of our Nation. Income tax rates both on individuals and businesses have been too high too long. Other tax features have acted as a drag on economic expansion and job formation.

It seems to me as a general proposition that we need a two-pronged approach. Income taxes on individuals should be reduced so as to stimulate consumer buying.

At the same time, taxes on business should be lowered so that business can expand and new businesses will be formed. Other growth inhibiting features of our tax laws should be modified also to spur the economy.

In these ways, more jobs will be created for our growing work force.

In deciding how much to reduce tax rates and what other tax changes to make, we must consider the total financial picture of the Federal Government. And that picture has been one of steadily rising expenditures resulting in multibillion-dollar deficits. The deficit forecast by the President for the current fiscal year that ends June 30, 1964, is $10 billion. Another big deficit, $4.9 billion, is predicted for fiscal year 1965.

To finance tax reductions when the Federal Government is so deeply in the red means Uncle Sam will have to borrow money to pay its bills. If America is to maintain the value of its dollar and avoid the inflationary aspects of deficit financing, the upward Federal spending trend must be reversed.

Both Congress and the administration will have to exert strong efforts to stem the tide of unnecessary Federal spending to justify giving tax cuts of a size sufficient to stimulate the economy.

The combination of lower Federal spending and an economy stimulated by tax cuts would then work toward closing the dollar gap between Government income and Government outgo.

Thus, in supporting the pending bill, I do so in the full knowledge that a sizable calculated risk is involved—whether the economy will indeed be stimulated sufficiently to yield total tax revenues of $93 billion, large enough to produce a budget deficit no higher than $4.9 billion as predicted by the President and large enough eventually to get Government finances into the black once more.

This is based also on an assumption that Federal spending will be no more than the President's budgeted total of $97.9 billion in 1965. This, too, is a calculated risk and poses a challenge to the administration to hold the line.

After carefully considering the advantages and the risks, I have decided the risks are supportable.

I had hoped, however, that before the final vote on this bill is taken that the Senate would have amended it in several important respects.

First, instead of repealing the 4-percent tax credit on dividend income, as the Finance Committee recommended, I had hoped the Senate would vote to keep the tax credit but establish a reasonable maximum total tax credit that could be taken. Instead, by a close vote of 47 to 44, the Senate sustained the committee.

The dividend provision approved provides for raising the amount of dividend income allowed to be excluded to $100—$200 if husband and wife each receive dividends—and for repealing the 4-percent tax credit on dividend income now allowed in two steps: reducing it to 2 percent as of January 1, 1964, and repealing it entirely as of January 1, 1965.

The Treasury Department states these new provisions would increase tax revenues by $300 million annually.

The Treasury Department further states that of the 6.2 million taxpayers who receive dividend income, 2.5 million would find their taxes increased under the House dividend provisions; 1.7 million taxpayers would not be affected as their dividend income is already excluded under the $50 exclusion; and only 2 million taxpayers would have their taxes reduced.

In other words, more taxpayers with dividend income would be hurt than helped by the new dividend provisions. Forty percent would be hurt, 27 percent would be unaffected, only 32 percent would be helped.

This fact, plus the fact that investors will have to pay $300 million more in taxes, is directly contrary to the claimed purpose of the bill to stimulate investments in business and industry so as to create jobs.

I am concerned that these provisions may work particular hardship on elderly persons who rely on dividend income to provide for their daily needs.

I am also concerned that raising the exclusion to $100 and repealing the 4-percent tax credit may impose a hardship on modest-income taxpayers receiving dividends. I call the attention of my colleagues to page 913 of the printed hearings of the Senate Finance Committee where it was testified that:

> The majority of the investors on the 2.5 million returns facing higher taxes are not high-income shareowners. Nearly 60 percent of them have adjusted gross income of less than $10,000. Indeed, a typical stockholder (with an average household income of

> $8,600) would pay 12 percent more tax on his dividends under the $100 exclusion proposal than with a 4-percent credit and $50 exclusion.

Still another provision which I believe belongs in this bill is the amendment, No. 229, offered by the junior Senator from Louisiana [Mr. LONG] adjusting the entertainment expense deduction provision of the 1962 law.

There is no question that the 1962 act has badly hurt many employees and industries dependent upon the spending of money by businessmen for business-related travel and entertainment expenses. The amendment is directed toward creating stability in these industries while at the same time providing needed protection against abuses.

I certainly do not believe the American taxpayers should pick up the tab for parties, lodges, yachts, and other entertainment for the personal benefit of businessmen.

On the other hand, some travel and entertainment expenses directly related to business should be allowable as business costs. As representative of a State where tourism is our largest income-producing industry next to agriculture, I am keenly conscious of the importance of business conventions and travel to large numbers of employees, hotels, transportation, restaurant, and associated industries.

The Finance Committee twice rejected amendments to ease the entertainment expense provision of the 1962 act. But I am encouraged that the committee recognizes the problem and plans to hold hearings later this year on this subject.

In all fairness to the committee, I should mention that the committee repealed the travel deduction provision of the 1962 act under which only the business costs of a combined business-pleasure trip could be deducted for Federal tax purposes. I hope this provision of the junior Senator from Florida [Mr. SMATHERS] will prevail in conference with the House. I believe it will be very helpful to the tourist industry and related industries in Hawaii and in many other areas of the United States.

I was very disappointed that the Finance Committee did not have the time to perfect and include in this bill my amendment to permit real property tax deductions for land lessees. The amendment which I introduced—No. 338—is identical to S. 344, a bill introduced earlier this year by me with the cosponsorship of my colleague from Hawaii, Senator INOUYE.

The amendment would permit an individual who leases land and uses that land as the site for his residence to deduct real property taxes paid by him which are assessed against such land if the real property taxes must be paid by the lessee under the terms of the lease agreement. The lease must also be for a period of 20 years or more.

Under present provisions of the Internal Revenue Code, real property taxes are allowed as deductions to the taxpayer only if the tax is owed and paid by him.

Land in Hawaii is scarce. There are large tracts of land in Hawaii which have been subdivided and leased out as residential districts for periods in excess of 20 years. In many of the lease contracts, the lessees are required to pay all real property taxes. In such instances, because the lessor owes the tax but the lessee is required to pay it, neither party is permitted to claim the payment as a deduction on his Federal income tax return.

My amendment would correct this inequity and allow the lessee who is legally oligated to pay the real property taxes assessed against his leased land and does pay it to claim such payments as tax deductions.

This would also apply to sublessees if their leases meet the requirements applicable to prime lessees—that is, if the land is used as his residence, the lease agreement covers a period of 20 or more years, and the sublessee is required to pay the real property taxes on such property.

I am pleased with the assurances of the chairman, the able and distinguished senior Senator from Virginia [Mr. BYRD], and of other distinguished members of the committee on both the majority and minority side, that the committee will look further into this question this year. I appreciate their expressions of sympathetic willingness to give earnest consideration to this important problem affecting many people in Hawaii.

I also regret that the Finance Committee and the Senate did not approve either the tax credit amendment of the junior Senator from Connecticut [Mr. RIBICOFF] or the tax deduction amendment of the junior Senator from Vermont [Mr. PROUTY] relative to college expenses. I suported both and voted for both, as I believe it is in the public interest, through our tax laws as well as through other measures, to encourage and enable more young people to receive advanced education beyond high school.

The most striking paradox of our time is that there are jobs available all over America; yet there are more than 4 million persons without jobs. One of the major reasons is that many of these persons simply do not possess the skills required by these vacant jobs. In the future, more and more jobs will require higher skills than today. Our young people must receive training to qualify for these jobs—through better vocational education and through higher education in colleges and universities.

I would hope that before the present 88th Congress adjourns the Senate will have another opportunity to consider measures for providing tax incentives for college training.

In a 300-page bill containing many complex and technical provisions, it would be impossible to satisfy every one in every respect.

Overall, I favor the bill and congratulate the members of the committee for their diligence and hard work in drafting an acceptable bill and bringing it before the Senate so early in this session.

In providing $11.6 billion of tax reductions scheduled over the next 2 years, the bill contains the two-pronged approach I deem necessary.

Of the total reduction, $9.2 billion applies to individuals; $2.4 billion to corporations. Tax rates for individuals will drop from their present range of 20 to 91 percent to a range of 14 to 70 percent. In the case of corporations, the 30-percent rate for $25,000 or under income goes down to 22 percent. The top rates applicable to business income drop from 52 percent to 48 percent. The present withholding rate of 18 percent is to fall to 14 percent 8 days after enactment of the bill.

Thus, it provides both increased consumer and business purchasing power to give a boost to individual and business incentives to spend, grow, and expand.

In addition, the bill is a major step toward greater equity and fairness in our tax system. Should inequities show up in the provisions of the bill, Congress can always take remedial action later.

I strongly support prompt enactment of the pending tax bill.

ON BALANCE, TAX BILL TO BENEFIT AMERICA

Mr. **BARTLETT**. Mr. President, I shall vote today for final passage of the tax bill. I do so with mixed feelings. It is not as good a bill as I would have wished; it is a better bill than I had expected. The benefits which it will bring to Alaskans and to all Americans are many. These benefits will be measured in more dollars in almost every purse in America. It is my hope, if not my confident hope, that this tax bill will also benefit the general economy over the long-term view.

Over a year ago when President Kennedy first requested the tax cut, the economic reasons for such a cut were substantial and compelling. The economy was making a slow and sluggish recovery from recession and an immediate injection of $11 billion of new spending and investment power would have given a mighty help to the recovery. The Congress did not choose to act last year upon the President's request and the recovery proceeded under its own power to the point where, in the fourth quarter of 1963, the gross national product exceeded for the first time $600 billion. The tax cut which we vote today will not pull our economy out of a recession although it will help to sustain a boom. For how long this high level of economic activity will be continued, how much it will be assisted by the tax cut, I do not know. I must say I am concerned, however, with what the reaction of the economy may be when the exhilarating effect of expanded consumption as a result of the tax cut has run its course.

President Kennedy and President Johnson have both emphasized their expectation that the tax cut will mean new jobs for Americans now out of work. I hope that it will. Our present national unemployment rate stands at 5½ percent; the unemployment rate in Alaska is higher still. In a country as rich as ours, as prosperous, it is unspeakable that over 4 million Americans are unable to find work. Even more distressing is the fact that this unemployment is concentrated among the underprivileged minority groups across the land.

I vote for this tax bill, Mr. President, because it will mean more jobs. I do not believe, Mr. President, that it will solve our unemployment problem. This will take education, job training, and job placement. The President has promised to work for such programs in his war on poverty, and I trust the Congress will give him its support.

As originally proposed, this bill was to embody not only tax cuts but tax reforms. Such reforms cry out for adoption. The inequities, the complexities, the confusions in our tax code are beyond comprehension. There is crying need for a complete overhaul of our tax laws and structure. Such an overhaul is certainly not in this bill. There are some reforms in the bill and they are useful. Among these I number the reduction in the tax benefits of Americans living abroad, the tightening up of the tax requirements on personal holding companies and group-term life insurance programs, and the revision of the sick-pay and casualty-loss provisions. There are, on the other hand, provisions which will serve to increase the inequity of our tax laws. Among these I include those dealing with revolving credit plans, those preventing regulatory agencies from passing on to the consumer the benefits of the investment credit, and the loosening of the expense-account rules approved by the Congress last year.

Mr. President, I do not vote for this bill because of its economic effect which is not certain, because of its effect on unemployment which is doubtful, because of its reforms which are negligible: I vote for this bill, Mr. President, because of the tax cuts which it will bring to every American.

Our present tax rates are as high as those of any industrialized country on earth. I cannot but feel that our level of taxation has had a continuing and persistent dampening effect on our economic growth, in recession and expansion, for many, many years. The people deserve a tax break and this bill will give it to them.

There has been debate as to the fairness of the distribution of the cuts. I believe they are reasonably equitable. The man with an income of $3,000 or less will have a tax cut of about 40 percent, the man with an income of between $5,000 and $10,000 will have a cut of about 20 percent, the man making more than $10,000 will have a cut of about 15 percent. The value of individual tax cuts will be about $9.47 billion. The remaining cuts will be made in corporate taxes and will serve to stimulate new investment growth in industry.

The families of America will be the beneficiaries of this tax cut. The poorer families will benefit to a larger degree than will the richer families.

The floor debate on this measure has been extraordinarily informative and valuable; particularly so was the discussion of the Ribicoff amendment to provide tax credits for higher education. The fervor with which this proposal was discussed, the closeness of the vote illustrates most clearly the strong desire of the Senate to see that real and substantial assistance is provided for students and their parents. The Senate knows the future of our country depends upon the quality and quantity of our higher education. Now as never before a college education is vital. We will be left on the launching pad in the space age if we do not now improve our college and technical facilities and make possible the education of every able and qualified student who desires college training.

The chairman of the Education Subcommittee has promised the Senate immediate hearings on this matter. I congratulate him and I congratulate the Senate.

In closing, let me add one additional word. The floor manager of this bill, the senior Senator from Louisiana, has performed a service to us all in the skillful and intelligent manner with which he has managed this bill. We are all in his debt.

The tax bill for which I will today vote is not a bad bill. It is not as good a bill as I would have wished. It is, however, as good a bill as it is now possible to have.

Mr. TOWER. Mr. President, I will not vote for this tax bill, although I have myself introduced legislation, in the present session of Congress as well as the last, to reform and reduce personal and corporate income taxes. I have long felt that tax relief is needed and that the reduction in tax liabilities would be a necessary stimulus to our economic growth. I think that nearly everybody would agree that we do need a tax cut.

The tax legislation before us today, then, is legislation which most of us can support in principle as a stimulus to business, investment, and general economic growth. Not accompanied by a corresponding reduction in Federal spending, however, I am fearful the legislation may lead to economic chaos. Federal Government will have to borrow money in order to give this tax reduction.

The President's economic message for this year gives much cause for alarm, the budget figure itself relying far too heavily upon contingencies which may or may not arise. True, the message does talk of an eventual balanced budget, but seems to ignore the probable cost of numerous additional Federal programs being proposed.

Regardless of what has been said about the present administration's economy budget, it is not an economy budget. Total expenditures will be greater than those proposed by the previous administration, as many programs will receive approval in supplemental appropriations that will actually show up in the current year's budget.

The Secretary of the Treasury has predicted, in addition to the deficits of 1963 and 1964, further deficits in 1965 and 1966. Last year the deficit was $6.3 billion; it will probably be some $10 billion this year. The most conservative deficit estimate for the next year is $4.9 billion, giving us a combined 3-year deficit of $20 billion plus. This figure will most likely be several billion dollars higher. We must remember there is ever present the inherent danger of spiraling inflation in deficit government financing.

Federal expenditures are estimated for this year to be $98.4 billion. This is $22 billion higher than 4 years ago, for an average increase of about $5 billion a year

The biggest increases are in the domestic field, and not attributable to the cold war and necessary national defense. Of the $30 billion increase in Federal spending since the Korean war, nearly $23 billion has gone to finance domestic programs.

Mr. President, I am of the opinion this bill should not be passed unless we are prepared to reduce Federal expenditures by a comparable amount. It is my belief that the Federal budget should be balanced in periods of peace and general prosperity, such as we are now having.

I am grateful that so many of my constituents, and so many others throughout the country have expressed concern, even outrage, that we should consider reducing taxes and going further and further into deficit spending. I do not feel we can continue to pile deficit upon deficit without a day of reckoning.

Mr. President, I cannot conscientiously support this reduction of taxation without a commensurate reduction in Federal expenditures.

Mr. KEATING. Mr. President, last week one of the most distinguished Members of the Senate, who shall remain nameless, summed up all of the reasons why she should not become a candidate for her party's nomination to the Presidency and then on balance announced her determination to seek it, notwithstanding all of the obstacles she had enumerated.

I take a somewhat analagous approach to the tax bill. It is, of course, not a perfect bill. It is far from that. There are many reasons why, at other times, or under other circumstances, it would not pass congressional muster. Despite its shortcomings, however, the times and circumstances now prevailing require action on it. It will receive my vote.

The need for tax revision is compelling. The present tax structure grew Topsy-like out of the emergency of the depression in the 1930's and out of World War II and the Korean conflict. But certainly after the cessation of hostilities in Korea, changes have occurred in the American economy. These changes, unfortunately, have not generated a complete adaptation of the Federal tax system. The Internal Revenue Code of 1954, which I supported, made a wholesome start. But it was only a start. The bill now before us will take us further along the road to fiscal sanity. But it is only a little further along, and the end of the road is still before us.

I consider the heart of this bill to lie in the schedule of reductions in both individual and corporate rates. There is no question in my mind that the present, steeply progressive and very high rates of taxation have contributed significantly to retarding the natural forces for growth in the American economy. They have acted to dampen individual initiative, to curb industrial expansion, to dam up consumer purchases, and as the most damaging consequence, have failed to produce the full employment conditions to which both parties are committed by the bipartisan Full Employment Act of 1946. Also, within the last 5 years, it has been recognized that the tax structure is inflicting great injury upon America's position in world markets and has contributed somewhat, although there are a host of other factors, to the deterioration in the balance of our international payments.

Therefore, I have long regarded reduction in both individual and corporate rates as the single most important reform which could be made in the entire Federal tax structure. The cuts made in this bill will provide a measure of fair reform. Quite obviously, they are the produce of compromise and it is very easy to pick them apart on the basis that they may unduly favor certain brackets over others. They are not entirely satisfactory to me. But the short of the matter is that the rate reduction provisions of the bill are the same in the House-approved version and in the bill reported by our Finance Committee. Any attempt to change them in the Senate might result in touching off controversies productive of delay in the final enactment of this legislation. If there is one thing we cannot afford at this time, it is delay in bringing to bear upon the operation of our economic system the beneficial effects of the reductions contained in the bill.

Again, let me emphasize that the program of rate reductions is but a start. We have much farther to travel along the road of according fair income tax treatment to all our citizens.

When the revenue losses which will be incurred by rate reductions are offset by several revenue-raising reforms in this bill, the net revenue loss to the Treasury will amount to something on the order of $12 billion annually. Estimates in this area are very rough. They are based upon a great number of assumptions about the course the economy will take in the fiscal years immediately following enactment. It is difficult to predict the ultimate and permanent effect which enactment of this bill will have upon Government fiscal policy. It is hoped—and I certainly join in that hope—that after a reasonable transition period, the new tax structure will eliminate the chronic budget deficit position of the Federal Government. To do this, the economy must be counted upon to expand in all areas—production, employment, income, consumption, and investment—so as to yield higher and higher levels of revenue to the Federal Government, revenues necessary to maintain the gamut of Federal activities and services required in the interest of our national security and the well-being of all our citizens. Growth in the Federal establishment for its own sake must be discountenanced. But sane and orderly growth we must have to meet the inevitable demands of the world and times in which we live. Without the enactment of this measure we could not succeed in raising the revenues to meet these demands without imposing well-nigh intolerable burdens and inequities upon the American people.

One caveat is in order. In my judgment, there is a great deal of merit in recent observations that we may be trafficking with danger to the economy in 1965 by concentrating so much of the reduction in this bill to take effect in 1964. By contrast, the reductions of this bill to take effect in 1965 may not be sufficiently large to sustain the long upward swing of the business cycle which we have been enjoying. It will require a high degree of skill in using the tools of fiscal and monetary policy in 1965 to prevent a leveling off in the upturn which this bill is expected to generate.

Of the reform elements of this bill, there are many which I wholeheartedly endorse. The reversal of the normal and surtax corporate rates applicable to small business will provide a vital stimulus to this crucial sector of our economy, helping to create both jobs and new opportunities for gainful self-employment. The new income-averaging formula will give fairer treatment to large numbers of professionals and small businessmen whose incomes fluctuate widely from year to year. Liberalization of the child-care deductions, though not as generous as I would have cared to see them, will, nevertheless, be of great benefit to considerable numbers of women with valuable skills to contribute who otherwise could not meet their obligation to provide for decent care of their children.

The minimum standard deduction is a timely antipoverty device to help bolster the miserable standard of living of the underprivileged to a more tolerable level for an affluent society such as ours; but antipoverty measures cannot end there, and obviously, other programs must be enacted to help create better employment and living prospects for the poor.

The tax benefit to elderly citizens on the sale of their residence to furnish additional retirement income is a reform which I have sponsored in separate bills for many years, and it gives me the greatest amount of personal satisfaction and pride to witness its approval. Also, the removal of the unrealistic limitation on the deductibility of the cost of medicines and drugs for our elderly citizens is a long-overdue improvement in the tax treatment of our senior citizens.

Yet, several of the most important reforms, unfortunately, were defeated this week. Repeal of the retail excise taxes, which I have advocated for many years, is an urgent necessity, both to remove ridiculous burdens on the purchase of commonplace necessities of everyday life, as well as to generate expanding levels of production, income, and employment in large segments of American industry. The failure to bestow even a modest measure of relief upon the parents and the students who must carry the burden of investing in education, the prime asset of any advanced economy, is a failure for which this Congress must take responsibility. I am hopeful, however, in view of the narrow margin by which several proposals in this area were defeated, that a new drive can be mounted in short order to supplement education bills with appropriate accommodations in the tax structure to the pressing need for relief. It seems to me the height of irony that Congress should have adopted such a niggardly attitude toward educational expenses while leaving in the tax structure blatant opportunities for avoidance of tax, through other exemptions and deductions, for segments of our society who are among the least needy.

One final note on reform. Congress did display its good sense in rejecting from the very start several of the more extreme among original administration proposals. Now is not the time to become embroiled in controversy over novel schemes to raise revenue which would have worked inestimable damage upon individuals and institutions who, over the years, have developed a reliance interest in the present structure that cannot lightly be disregarded. The plan to put a 5-percent floor under itemized deductions would have had an unwholesome impact upon the financing of charitable and educational organizations. So, too, the simplified tax method, although certainly we must continue to explore possible means of simplifying the process of making out returns to the Internal Revenue Service. A new capital gains levy upon unrealized appreciation of assets transferred by gift or at death would have represented a harmful incursion into time-honored incentives and traditions for building an estate to improve the lot of one's children. I am glad that reform did go in the opposite direction from these proposals by widening the scope of 30-percent charitable organizations.

Limitations of time prevent extensive comment upon each and every section of the bill and amendments which were offered, some of which were approved and some of which were defeated. I shall not dwell upon them.

In closing I will express my judgment that members of our Finance Committee have labored upon this bill as hard and as diligently as any committee has labored upon legislation in recent times. The country owes a debt of gratitude toward all members, regardless of their own positions on the bill and regardless of party labels. If experience is the best teacher, the lesson should be gained from the events of the past year that perhaps in the future joint House-Senate committee sessions should be held for taking testimony, so that path-breaking revenue measures as this can be expedited when time is a crucial factor in the desirability and the efficacy of the legislation.

Mr. President, I shall vote for this bill, and I hope it gains overwhelming approval. It is also my hope that the differences between the Senate and the House can be resolved as fairly and as expeditiously as possible so that the measure may be signed into law without delay.

Mr. CANNON. Mr. President, the Senate has completed action on what is perhaps the major piece of legislation to come before the Congress in the last decade. Its significance is important for the Nation as a whole and for all individual taxpayers.

I am pleased to state for the record that I support this measure and, while I have voted for certain changes which were not accepted, I support the final bill.

It is difficult, Mr. President, to preassess the impact of such legislation as this. I believe, however, that the great majority of economists in the Nation are convinced that this bill will do more to correct the economic ills besetting this Nation than any other single type of legislative program. Our taxpayers have been long oppressed by a tax burden made necessary to keep this Nation free and strong. High tax rates were imposed not by choice, but by necessity. It is pleasing, therefore, when we can undertake a major program of tax reduction and reform without jeopardizing the Nation's strength.

In addition to the relief offered our taxpayers, this bill is designed to provide an impetus to the growth rate which must be stimulated if the Nation is to achieve a rate of production tantamount to its capacity.

As we move toward this goal, new jobs will be developed to provide employment for the too great number of the Nation's unemployed. This factor alone should be sufficient justification for the enactment of this tax bill.

I should interject here the fact that I do not suggest that this measure alone will eliminate all the Nation's problems, that it will provide everything by way of stimulus, or that it will eradicate completely our unemployment problem. I believe, on the contrary, that many other programs, some of which have been proposed, will be needed; and I intend to support such measures. But this tax bill does afford the vehicle most needed and its early enactment at the beginning of this session of the Congress is a tribute to the distinguished floor manager of the bill, Senator LONG, and members of the Senate Finance Committee, to the leadership of the Senate, and, I think, to the Senate itself.

As the economy in this Nation accelerates, and as more people obtain employment, more taxable revenue is produced, providing for an increase in Federal income and contributing to the budget balance which all Senators are so desirous of achieving. I believe that the record which was made in the first session wherein $6.5 billion was cut from appropriations requests illustrates that the Congress has more than a passive interest in balancing our budget and this possibility is enhanced by the action taken by President Johnson and now by passage of this tax bill.

The bill is more than a financial measure; it is also social legislation of the most farsighted nature.

I commend Members of the Senate for their support of this bill.

Mr. PELL. Mr. President, I would like to register disappointment that we seem to have missed the opportunity for a thoroughgoing reform of the tax structure. Indeed, if our administration had not so eloquently argued the current need for a tax cut, I would find it hard to support the bill as it now stands.

Not only do I mourn the $3.4 billion in offsetting revenues which would have helped reduce our deficit and which President Kennedy's package of reforms would have brought, but I am also sorry that we have seemingly strayed yet further from the goal of simplification of the tax structure. Instead of eliminating the countless special deductions, credits, and allowances which would permit a much lower range in personal income tax rates, the current approach has encouraged, in the name of equity, special tax concessions to be extended. If, instead, it had been possible to eliminate this host of provisions that reduce the amount of taxable income, inequitable excise taxes could have been eliminated or all tax rates could be cut further without any sacrifice of revenue.

If it has been impossible to reverse the trend with this piece of legislation which includes the sugar coating of tax reduction, but little of the bitter pill of tax reform, when can we get on the road to tax reform and simplification? To my mind I still feel that we would be lacking in foresight and shirking our responsibilities if we do not consistently give active consideration to proposals that would lead to the simplification of the tax structure. I think everyone is aware of the dreadful complexity of our Internal Revenue Code, which runs over 1,100 pages, not to mention the many rules and regulations associated with it. At the beginning it says gross income means "all income from whatever source derived," and virtually all the rest of the code is devoted to exceptions. If the proreform forces are "diffuse, inarticulate, politically impotent" and the Treasury "lacks the political leverage of a constituency of its own," as Philip M. Stern pointed out in a recent article, it is all the more important that care be taken. With several notable exceptions, such as the articles by Messrs. Evans and Novak, and J. A. Livingston, and other recent editorials, the general silence of the public on the subject of tax reform is surely due primarily to the complexity of the tax laws and the feeling of futility.

I sincerely hope that when this current piece of tax legislation is passed into law we will not sit back but rather take a fresh breath and start again with a bold approach to a more simple, equitable tax structure.

THE TAX BILL AND THE ECONOMY

Mr. WILLIAMS of New Jersey. Mr. President, the tax bill now pending in the U.S. Senate is crucial to the solution of some of the major economic problems that confront this Nation—unemployment, idle industrial capacity, and persistent deficits in our budget and our international accounts. It is crucial because nearly every one of these problems has its roots in an economic performance that, over the long term, has fallen short of its potential.

No one imagines—and no one claims—that the tax bill, or the improved economic performance that it will engender, will, like some magic wand or formula, remove these problems from our economic life instantly, completely, and forever. Six or more years of economic slack cannot be taken up that easily. But the tax bill can get to the root of these problems.

In New Jersey, for example, it is estimated that the administration's bill now before the Senate will increase the take-home pay in our State by $352 million this year, if put into effect by March 1. In 1965 the take-home pay of New Jersey workers would be increased by approximately $422 million.

Not only would this be a tremendous benefit to individual wage earners, the bill would have a much more important effect on the State's economy than these figures indicate, through the stimulus of increased industrial investment and expansion.

In addition, that Federal tax cut would also help alleviate the serious financial needs facing the State and local governments of the State. It is estimated that eventually, as these released funds work their way through the economy, the tax cut will result in an increase in State and local tax revenues of about $116 million—$36 million in State revenue and $80 million in local revenues.

Clearly this tax bill will have a profound and beneficial effect on the State of New Jersey.

It has been nearly a year now since the tax program was proposed—it has been even longer than that since tax reduction was proposed. And during that time our economy has been steadily advancing, with an unbroken forward stride which began nearly 3 years ago, as the economy emerged from the depths of our fourth recession since the Second World War.

But the best measure of what we have yet to do lies in what we have not yet succeeded in doing—not in what we have already accomplished. For if we do nothing but continue past progress—and ignore the failures that will continue to attend it—then those failures will dog our footsteps with increasing ferocity until they trip us and we fall headlong.

That is the conviction that lies behind the tax bill now before the Senate—that, and the simple fact that, while our economy has done comparatively well for nearly 3 years, it has not done nearly well enough for some 6 years.

Not once for more than 75 consecutive months has unemployment fallen below 5 percent. Over the 6-year period from 1957 through 1963, unemployment has averaged 6 percent—almost 50 percent more than during the 1947–57 period. Even during the past year—a year of steady economic upturn—unemployment has averaged 5.7 percent, and now stands at 5½ percent. Some 4 million Americans able to work, needing work, and seeking work, are unable to find it. That has been the plight of that many Americans for far too long—and that will be their prospect, and the prospect of millions more, unless our economy gathers even greater momentum. Already those millions of young people born in the early postwar years have begun to enter the labor force, and will enter it in ever-increasing numbers over the next few years—at a time when technological change will proceed at even more rapid a pace than today, and render even more jobs obsolete than it does today.

All it takes is a close look at the facts to realize how stubborn this unemployment problem is, and how urgently it requires that we take action now. A year ago last quarter, the American economy was turning out $565 billion of gross national product, and unemployment ran at an average of a little less than 5.6 percent. During the last quarter gross national product hit the $600 billion mark—$35 billion above the year before—and yet unemployment ran at an average of a little more than 5.6 percent. It took, in other words, a whopping $35 billion rise in gross national product merely to keep an already unacceptably high unemployment rate at about the same level.

Unemployment, therefore, is the most disturbing and dissonant factor that both mars the 3 years of unbroken economic progress that we will shortly complete and confronts our continued progress with its most urgent and insistent challenge.

Unemployment, however, is not the only area in which our economy has fallen short—and will continue to fall short unless it enters a new and sustained period of more rapid growth. The longrun investment picture is also disturbing.

For it reveals on the one hand, persistent inadequate levels of domestic investment and, on the other, too large and sustained an outpouring of investment funds to foreign fields where profits seem better. At home, business fixed investment has fallen from 10 to 11 percent of gross national product in the earlier postwar period to 9 percent in recent years.

One corollary of this dwindling investment in plant and equipment—in contrast to the sizable growth in total output—is the increasing obsolescence of existing plant and equipment. The proportion of that plant and equipment 10 years or older—as pointed out last year by the American Machinists magazine—has climbed from 43 percent in 1949, to 56 percent in 1953, to 60 percent in 1958, to 64 percent in 1963. And when you contrast that current 64 percent with the ratios of other leading countries—with 50 percent in the Soviet Union, 55 percent in West Germany, 58 percent in France, 59 percent in Great Britain—then it seems all the more serious.

As we all know, this lagging investment at home has been matched by a dramatic upsurge in the flow of funds abroad, where economic expansions outpacing our own have given promise of greater returns.

These, and others, are the facts that lead to an inescapable conclusion: On the basis of its long-term performance, our economy needs some kind of stimulus.

The late President Kennedy, and President Johnson, therefore recommended a program to increase the role of the private economy by freeing private incentives and initiative, incomes and capital, from the grip of restrictive tax rates. That choice is represented in the tax bill now awaiting final decision—and that final decision is ours.

I do not think that—whatever reservations we may harbor about any aspect of the tax bill—most of us have any real doubt about what our decision must be.

I am told that the tax reduction will generate economic growth in the amount and kind that will create an estimated 2 to 3 million new jobs each year—2 to 3 million new jobs over and above those the economy would create if it merely maintained its current pace.

It will not of itself abolish unemployment. But I think it will bring unemployment closer to its so-called hard core level, and provide the prosperous and expansionary climate in which specific remedies can operate most efficiently and effectively.

By improving private incentives and freeing substantial private capital, tax reduction should also result in sharply expanded domestic investment in modern plant and equipment and new techniques of production.

And this kind of result should generate, not only economic progress at home, but the lower costs and greater productivity that will sharpen the competitive edge of American industry in both foreign and domestic fields. In this respect, as well as by making America a far more attractive magnet for foreign and domestic investment, tax reduction presents the basic long-range answer to our balance-of-payments problem. Arthur Burns—a Chairman of the Council of Economic Advisers under President Eisenhower—made this point quite cogently in an interview not long ago with the Christian Science Monitor, in which he expressed his support for tax reduction of the general magnitude recommended by the administration. He said, and I quote:

> The most important single thing to do in dealing with the balance-of-payments problem is to create a climate in this country that is more favorable to investment and enterprise. * * * The proper way to keep American capital at home—and attract foreign capital to our shores—is to improve the climate for investment and profitmaking in our own country.

Tax reduction will thus radically improve our long-range economic picture in domestic employment and investment and in our international balance of payments. I think it also offers the best hope of getting us on the road to balanced budgets.

This is a goal which surely, in the light of our recent economic history, all of us can endorse wholeheartedly without, however, endorsing the view that it is all really a grandiose morality play in which deficits stand always for absolute evil and balanced budgets stand always for absolute good. For whether deficits are good or bad, or whether balanced budgets are good or bad, is a question that depends entirely on the actual economic conditions in which a given deficit or balanced budget occurs.

Surely, however, we can all endorse—emphatically and without the slightest reservation—the view that wasteful spending is intolerable, and that in a healthy and vibrant economy the Federal budget ought to be in long-term balance. The trouble with the deficits of recent years is that they are the unwanted, unwelcome children of a delinquent economy—an economy that has not lived up to its potential.

When we look, for example, at the first postwar decade—from 1947 through 1957—we see an economy nurtured and sustained in prosperity by the enormous unfulfilled demand that built up during the war. Employment was high and growing, incomes and output were rapidly expanding, and investment was running at continually high levels to keep up with the new high tide of demand. And during that same period—over the 11 fiscal years from 1947 through 1957—the Federal budget was in cash surplus seven times and in cash deficit four times, for a net cash surplus of $20 billion.

Then the tide began to fall—and we are all familiar with the results. We had not yet fully recovered from the 1957 recession, when recession struck again in 1960. And while, against that background, the recovery from the 1960 recession is an impressive accomplishment indeed—it has not been enough to make up for the ground already lost. In the 6 fiscal years from 1957 through 1963, the Federal budget has been in cash deficit five times and in cash surplus once—for a net cash deficit of $26 billion. About half of that net deficit occurred in the first 3 years—from 1957 through 1960—despite the fact that the deficit from 1961 through 1963 reflected large increases in expenditures for national defense and space.

Any objective analysis makes it quite clear, therefore, that our deficits since 1957 have their origin—not in wasteful or excessive Federal spending—but in an unsatisfactory economic performance that has failed to produce adequate revenues. Such an analysis also makes it clear that high tax rates have played a primary role in the economic difficulties we have encountered since 1957.

There is also little question that only an economy operating at reasonably full capacity can produce the Government revenues needed to bear the costs of the cold war as well as to meet urgent national needs—or that by helping expand economic activity the tax bill before this Senate will help increase Federal revenues. With the tax cut, we will, after a relatively short period, have greater Federal revenues than we will without it. This means that, with the tax cut and with the kind of expenditure control which the new budget represents, the administration estimates we can reach the point of balance in our budget within 2 or at least 3 years. Without the tax cut, the prospect is bleak indeed for a balanced budget within the near future—except at the cost of essential national needs and, very likely, of our continued economic progress.

Thus the tax cut has very great implications, not only over the long run, but for the relatively near future as well. It is very much this kind of consideration that has led men such as Prof. Raymond Saulnier—like Arthur Burns, a former Chairman of the Council of Economic Advisers under President Eisenhower, and a man not given to agreeing with the fiscal policy of the last 3 years—to resolve their earlier doubts about the tax cut and support its prompt enactment. Professor Saulnier's major concern is that the tax cut be accompanied by rigorous expenditure control.

The new budget represents what I am convinced is the positive approach to expenditure control. It will produce real savings this year and in years to come.

Yet it responds in new and forward-looking ways to real and urgent national needs. It is genuinely frugal and prudent, while at the same time refusing to pay homage to the dismal theory that between expenditure control and national needs—or between balanced budgets and national needs—there is some kind of war, that we cannot provide for one without sacrificing the other.

The tax cut and budgeted expenditures together will provide, in 1964, a net fiscal stimulus to the economy three times as great as in any of the last 3 years—greater, in fact, than that during any peacetime year in history.

With the new budget, and with prompt passage of the tax cut, I think our Nation can look forward in all sober confidence to an economic growth, throughout this year and beyond, of greater strength and magnitude than that of any comparable period in our history.

We can expect that, by the end of fiscal 1965, the current recovery will become the longest and strongest in our peacetime history. In dollar terms, the $38 billion rise in gross national product that—with a prompt tax cut—is expected this year, will represent as great a year-to-year increase in total national output as any in our peacetime history.

That, therefore, is the prospect that the tax cut holds out before us. And the importance of the tax cut becomes even more impressive when we recall that nearly all the recent forecasts by leading business economists have us verging upon recession levels by the end of this year—if we do not have a tax cut.

Thus, we stand at a historic turning point. And the tax cut will spell the difference between making economic history, or merely repeating it.

Mr. HUMPHREY. Mr. President, the Senate will take up hundreds of different proposals this session. Of all this legislation, only the civil rights bill will be as important as the tax reduction and reform bill that we have just finished discussing. H.R. 8363, the Revenue Act of 1964, will sharply reduce the taxes of almost every individual and business in this country. The impact of these tax cuts will be felt in every segment of the American economy. I would like to set forth my views on this vital piece of legislation and on the general economic conditions that make a tax reduction imperative if the American economy is to regain full health.

THE STATE OF THE AMERICAN ECONOMY

Our economy has made steady gains since the recession of 1960. In 3 years the gross national product increased $100 billion; personal income went up by 17 percent, and corporate profits by 44 percent. This is an impressive record, but it is only a progress report on the job that has to be done. We still have an unemployment rate of 5½ percent. Four million Americans, willing and able to work, are unable to find jobs. Many more people are underemployed, working fewer hours than they should and making less money than they need. The families of 30 million Americans have incomes under $3,000 a year—incomes far below the minimum necessary for health and well-being.

Unhappily, these are but the problems of the present. Unless changes are made, the future will bring more unemployment.

The economy will have to provide jobs for mounting numbers of workers released by automation. That great generation of wartime babies will soon come of age. At present a million youngsters join the labor force each year and one out of six cannot find work. The wartime babies will increase the annual addition to the labor force by more than 50 percent. If the economy cannot provide more jobs, these children will become tomorrow's lost generation, and the number of unemployed will reach catastrophic levels.

Unemployment is more than a social problem, it is a drain on every taxpayer who has a job. Putting the unemployed back to work will also put them back on the tax rolls. It will restore not only their well-being and self-respect, but their ability to contribute to the general welfare. These are the goals of President Johnson's all-out war on poverty. Waging this war requires a healthy economy, instead of the limping progress we have had since 1957. At no time since that year has unemployment been under 5 percent. Business is producing at barely 87 percent of its capacity, like an 8-cylinder motor with 1 sparkplug missing. These idle productive facilities cost over $30 billion in income every year.

For 10 years successive administrations have tried to encourage full production. The most popular approach was to provide incentives to capital investment. We cut the excess profits tax, gave the stockholders the dividend credit and exclusion, liberalized depreciation schedules, and provided a 7-percent investment credit.

These measures gave tax relief of almost $5 billion a year. Despite this massive help, unemployment went up and investment declined. Capital investment is now down to 9 percent of the gross national product, compared to 12 percent a few years ago. This is not due to lack of capital—in 1962 corporate savings exceeded gross corporate investment by $3 billion. This money has not been invested because there is not enough consumer demand to keep our present productive facilities working to capacity, let alone stimulate new investment.

Demand for consumer goods is too low because wartime taxes cripple purchasing power. Despite price stability, despite a complete return to a normal peacetime economy, despite massive incentives to investment, the sizes of the Federal tax bite has gone up as fast as total national production.

This is the heart of the case for the present tax bill. Our current tax rates were set in wartime to finance the war effort and discourage inflation. Today we are at peace and inflation is no longer a problem, yet these old taxes remain, draining off needed purchasing power and saddling the economy with a burden that is as unnecessary as it is crippling.

MAJOR PROVISIONS OF THE TAX BILL

The Revenue Act of 1964, H.R. 8363, will reduce taxes by $11.6 billion a year. $9.2 billion of this amount will go to individuals, the rest to corporations. The tax cuts will result in an increase in gross national product of between $30 billion and $40 billion. In addition to lowering taxes, the bill will bring about a number of structural reforms—lightening unfair tax burdens, chiefly on the very poor, and closing loopholes that permit a few people to escape just levels of taxation.

The bill's most important provision calls for the reduction of every taxpayer's income tax rate. The rate cuts range from 28 percent for people making less than $3,000 a year to 17 percent for those with incomes over $20,000. The new rates will go into effect in two stages—on January 1 in 1964 and 1965. The withholding rate on individual incomes will be cut from 18 percent to 14 percent 1 week after the bill is enacted. The passage of this bill will produce an almost immediate increase in gross national product of about $2 billion a month.

Most of the individual tax cuts will go to the people who need them the most, those with incomes of $10,000 a year or less, who account for 85 percent of all tax returns. An average childless married couple making $6,000 a year will have a tax saving of $186, or 22 percent of its total tax bill. A couple with two children and an income of $10,000 would have a tax cut of $258, a saving of 19 percent.

The corporate tax rate will be cut from 30 to 22 percent on the first $25,000 of income, and from 52 to 48 percent on income over $25,000. Taxpayments for corporations with incomes over $100,000 will be accelerated. At present such firms pay most of their taxes in the year after they are due. In fact, many corporations fund their tax liabilities by investing in short-term notes. H.R. 8363 provides for gradual changes which, over a period of several years, will put corporations on the same pay-as-you-go basis as individuals.

These rate cuts account for most of the tax reduction. The bill also contains a number of highly desirable reforms which will remove inequities in the present laws. The most critical of the structural reforms is the minimum standard deduction. Under present law persons who do not itemize their deductions are allowed a standard deduction of 10 percent of their gross income. This means that a single person with an income of only $667 has to pay income taxes. The bill provides that single taxpayers will get a minimum standard deduction of $300, married couples will get $400, plus $100 for each additional dependent. This provision amounts to only 2.6 percent of the total tax reduction, yet it will give relief to 13.5 million taxpayers, and will completely remove 1.5 million very poor persons from the tax rolls. Most of the benefits of this reform will go to people making less than $5,000 a year. Taking into account the rate cuts, the minimum standard deduction, and certain other reforms, the effective tax rate for persons with incomes under $3,000 will be reduced by 39 percent.

The other major humanitarian reform in the tax bill is a considerable liberalization of the provisions for deductions for child care in families suffering undue hardships. The maximum age of children for whom deductions can be claimed has been raised to 12, the maximum deduction increased to $1,000, and the maximum family income raised to $7,000.

There are other provisions that will relieve hardship and cushion the shock of economic dislocations. The present 1 percent floor for deductions for drug purchases has been abolished for people over the age of 65. The cost of moving to take a new job has been made a deductible expense, thus making it easier for workers to go from depressed areas to places where jobs are more plentiful.

The bill contains a number of reforms to prevent legal tax dodging by means of personal holding companies, artificial dispersion of corporations to evade the corporate surtax, and other devices. It prevents most of the shenanigans on stock options by tightening the provisions by which such benefits are eligible for treatment as capital gains rather than personal income.

There is one more reform that I would like to mention, because of its connection with my own State of Minnesota. This is the provision that political contributions may be deducted, up to $50 for single taxpayers and $100 for married couples. Minnesota was the first State to give such encouragement to popular financial support of the political process, and I am pleased that this progressive example is being followed by the Congress of the United States.

A PROGRESSIVE TAX BILL

I think that this is a sound and good bill. It combines urgently needed tax reduction with a number of highly desirable reforms. It does not include every necessary reform, but it would be unrealistic to expect perfection in any one piece of legislation. This bill may not be all that some of us would like, but it takes us a long way toward that goal.

Since this bill has so much that is good in it, I am amazed to hear some of my distinguished friends complaining that it is a giveaway bill, favoring the rich and mighty at the expense of the humble citizen. I can find little to justify such claims. Most of the tax cuts in this bill go to individuals, not corporations. And small businesses get three times as big a tax reduction as larger corporations—27 percent as opposed to 8 percent.

On the individual level, the bulk of the reduction, either in absolute or percentage terms, goes to the smaller taxpayer; $7.621 billion, or 80 percent of all individual tax savings, goes to taxpayers making under $20,000 a year. People with annual incomes less than $3,000 will get a 39-percent reduction in taxes, compared to a 16-percent cut for people in the $20,000 to $50,000 class, and 13.5 percent for those making more than $50,000. This is not a regressive bill; it is a progressive one, and as such it deserves the support of all those who believe in progressive principles of taxation.

By the same token, this is not a soak-the-rich bill, either. One of the most important and controversial issues is the treatment of capital gains. At present gains held more than 6 months are taxed as follows: one-half of the net gain is not subject to taxation; the other half is taxed at ordinary income tax rates; however, the total tax cannot exceed 25 percent of the entire net gain. Less than 4 percent of all the taxpayers who report capital gains actually compute their taxes at this maximum rate of 25 percent. The overwhelming majority compute their capital gains taxes by applying the regular income tax rate to half of the gain. Since these income tax rates have been reduced so sharply, more than 96 percent of all holders of capital gains will have a tax reduction on those gains equal to the reduction on regular income. If the capital gains rate were also reduced, a small, wealthy minority would get a capital gains tax cut almost double the cut on regular income.

The present treatment of capital gains is hardly oppressive. It is the chief reason why the effective tax rate for the average man with a yearly income of over a million dollars is barely 30 percent which is a lower effective rate than is paid by people making a tenth as much. We propose substantial tax reduction in every income bracket, and the largest rate reductions of all in the high tax brackets. These cuts will be fully reflected in the taxes paid by 19 out of 20 holders of capital assets. They will also reduce substantially the taxes paid by the remaining holders of capital gains. If, on top of this, we gave yet another tax cut to the wealthy few, we would in fact be shifting an equal tax burden to people who are less able to pay. For this reason I am pleased that the Senate voted, by an overwhelming margin, to support the Finance Committee's decision to retain the present capital gains tax rates.

In another wise action, the Committee on Finance eliminated the 4-percent tax credit on dividend income. At the same time, the committee encouraged the small stockholder by increasing from $50 to $100 the amount of dividend income which is not subject to taxation. The dividend exclusion for married taxpayers was also doubled, from $100 to $200. These committee actions have been confirmed by the Senate.

As a result of these changes more than 60 percent of all people with dividend income will pay less or the same amount of tax on that income. In fact, a family would have to own almost $15,000 worth of stock before these changes would increase its taxes on dividend income. For most such large stockholders the loss of the dividend credit will be offset by income tax rate cuts and by the corporate tax reduction. This last change alone will increase after-tax corporate income by 8.3 percent.

The dividend credit was enacted in 1954 in hopes that it would stimulate investment in the stock market. But the Secretary of the Treasury, a man of vast experience in the financial world, has testified that the dividend credit did not stimulate such investment. In fact the percentage of private savings invested in stock has actually declined since 1954.

SOME DEFECTS IN THE TAX BILL

As I have said, this is not a perfect piece of legislation by any means. For all its excellent provisions, this bill has several unfortunate features that I voted against and that I hope will not remain in force for long.

One of these provisions will cost customers of public utilities billions of dollars. In 1962 the Congress gave businesses a tax credit to encourage new investment. In most businesses, this credit was 7 percent of the worth of the new investment. This represents a substantial saving in operating costs.

This provision has a special significance for public utilities, whose rates are set by regulatory agencies which take cost, profit, and capital needs for future expansion into account. Since the investment tax credit lowers costs, its benefits should be passed along to utility customers in the form of lower rates. In fact, the floor manager of the 1962 tax bill specifically stated that it was intended that utilities would pass along to their customers the savings that they received under the investment credit.

But section 203(e) of the current tax bill prohibits regulatory agencies from requiring public utilities to do this. In effect this provision forces the regulatory agencies to pretend that these tax concessions do not exist for purposes of setting utility rates. It has been estimated that this provision will cost American utility customers $618 million in 1964 alone. For this reason I regret the Senate's decision to uphold section 203(e).

Second, the Senate once again refused to take any significant action on the tax treatment to the oil industry. The depletion allowance permits oil companies to exclude up to half of their net income from taxation. Together with so-called "intangible development and drilling costs," this provision lets some oil producers escape income taxation altogether. To be sure, the production of oil requires special consideration, and I am prepared to support such reasonable provisions. But I do believe there is a need for a modest revision of present depletion allowances.

Several attempts were made on the floor of the Senate to reduce this special treatment somewhat. These proposals were all defeated, despite the impressive documentation presented by Senator DOUGLAS and other Members.

There also was a valiant but unsuccessful attempt to increase the minimum standard deduction. While the bill's provision of $300 for a single taxpayer and $100 for each dependent represents a considerable reduction in the taxes paid by very poor families, this group still bears too great a tax burden. A minimum standard deduction of $400 and $200 for each dependent would give further tax relief to those people whose incomes do not permit them to maintain minimum levels of health and well-being. The revenue loss caused by this measure would be made up by a smaller reduction in the taxes paid by large corporations. I am sorry that this humane proposal was not adopted.

THE IMPACT OF THE TAX BILL

The major overriding goal of this bill is to stimulate a lagging economy by increased purchasing power freed by lower taxes. From every indication the bill's impact on the economy will be immediate and profound. About 93 percent of the tax cut will go into personal consumption spending. This will result in a speedy increase in the gross national product of between $30 and $40 billion a year. This stimulus will be felt in every industry and every part of the country, by workers, farmers, and businessmen. For example, the Treasury Department has estimated that the tax cut will result in a personal income increase of $540 million a year in my own State of Minnesota. The Senator from New Hampshire [Mr. COTTON], has quoted me as saying that this bill will not increase employment. I'm afraid he has failed to quote me in full or has failed to understand that what I sought to emphasize was the importance of long-range planning to obtain the benefits of automation, automation that will be encouraged by the benefits of this tax bill. But, automation should create jobs provided that we have an economy that is propelled forward by expanded purchasing power. It is just this purchasing power that is provided in this measure.

The tax cut's impact on the Federal budget will come in several stages. A good deal of the tax loss will be made up by higher revenues produced by increased prosperity. While the total tax cut for fiscal year 1965 will be over $8 billion, the actual loss in tax revenues will be only about half this figure, since the higher level of business activity will return more taxes to the Government. Within a few years the economy, freed from the burden of wartime taxes, is expected to produce enough tax revenue to balance the budget.

The short-run budget deficit is like borrowing in order to finance future expansion—a common practice in progressive corporations.

It is wise to remember that the actual amount of tax revenue received by the Treasury is a product of both the tax rate and the general health of the economy. A drop in the level of business activity is the surest way to deficits.

In 1959 a recession turned an estimated half-billion-dollar budget surplus into a deficit of $12 billion—a peacetime record. The important thing about the national debt is not its absolute size considered in isolation, but its size relative to the gross national product. In 1946 the national debt was slightly larger than the total of all goods and services produced in the United States in that year. Since then the GNP has grown so much faster than the national debt that today the debt is only 50 percent of the GNP. In fact, while the national debt has grown 11 percent since 1946, corporate debt has gone up by 400 percent, and State and local government debt has also increased by 400 percent.

In reducing the tax bite taken by the Federal Government, the tax bill is expanding the tax base of State and local governments. The prosperity resulting from the Federal tax cuts will provide almost $3 billion in additional revenues for State and local governments, without any rise in their tax rates. The effect of this tax bill in Minnesota will be to increase State and local tax collection by $62 million.

This bill had its inception in the careful and scholarly deliberations of the Council of Economic Advisers and the Treasury Department. The Committee on Finance and the Ways and Means Committee heard hundreds of witnesses and deliberated for months as they devised the specific legislation. They have produced a comprehensive and wisely conceived measure. This bill alone will not solve the unemployment problem. But, by freeing the great productive energies of the American economy, it holds out the promise of creating more than 2 million new jobs in the years ahead. We need those jobs, and we need this bill.

Mr. THURMOND. Mr. President, I cannot bring myself to vote for passage of H.R. 8363.

The National Government is operating almost every year at a deficit. Only six times in the past 34 years have revenues exceeded expenditures, and in most of the balanced budget years the margin of revenues over expenditures was narrow. On the other hand, in deficit years the margin of expenditures over receipts has soared. We are now faced with a deficit in years when the economy is booming. We cannot continue such fiscal irresponsibility without permanently impairing the economic stability of the Nation.

It is estimated that at constant levels of income, this bill, when fully effective, will reduce receipts of the National Government by $8.4 billion. The Treasury Department optimistically estimates that the resulting release of funds to the private economy will result in a mitigation of revenue losses, but even the Treasury's optimistic estimate concedes a net revenue loss of somewhere between $4 and $5 billion annually as a result of this bill. We have no guarantee that spending will be reduced or held to present levels, for we have rejected amendments to insure controls on spending.

Even in the absence of a reduction in taxes, we are faced with mounting deficits in prosperous times. To reduce taxes under such circumstances is to invite inflation which is even harder to control than is the spending rate of the National Government. It is impossible, therefore, to reach any other conclusion than that a tax reduction without concurrent or prior reductions in expenditures constitutes the height of fiscal irresponsibility.

Mr. President, Federal income tax rates at present are excessively high. They should be reduced. A reduction without a corresponding or greater reduction in expenses, however, constitutes a remedy for the problem with far worse consequences than the problem itself.

Generally, the structural changes made by H.R. 8363 improve the equity and operation of the tax structure. For the most part, they are long overdue. Were they to be considered separately from the reduction in rates, or were the entire bill to be considered under circumstances of assured reduction in expenditures, I would certainly support it. Under existing circumstances, I must vote against passage.

SMALL BUSINESS ASPECTS OF THE TAX BILL

Mr. FULBRIGHT. Mr. President, I wish to discuss briefly the significance of the tax bill to small business. As a former small businessman and chairman of the committee having jurisdiction over small business legislation, and as representative of a State whose economy is based on small business, I have a special interest in the implications of this bill for the small businessman. The overall effect of this bill—direct and indirect—should make this one of the most important small business-related measures ever to come before the Congress. It is especially gratifying to me that this bill proposes to reverse the corporate normal and surtax rates—an idea I have promoted for a number of years. This feature will probably prove to be the most significant provision of the bill for small corporations.

There is really nothing small about small business. Small business firms constitute about 95 percent of all businesses in the country, employ some 30 million people and account for about 40 percent of the total business volume.

They now bear the greatest burden of an economy that is operating below capacity. Larger, diversified firms are in a much better position to shift production emphasis during slack periods. Small, single-product firms with limited markets and sources of capital have little freedom to maneuver when economic conditions become unfavorable. The provisions of this tax bill should give much encouragement to small businessmen throughout the Nation who have been fighting a losing battle with bigness on every hand.

The tax bill will help small business in a number of ways.

First, the full reduction in the normal corporate tax rate from 30 to 22 percent will go into effect in 1964. I am pleased that the idea was adopted by the late President and made a part of his tax recommendations to Congress. Nearly one-half million small corporations, those with taxable incomes of $25,000 or less, will have their tax rates cut by almost 27 percent, as contrasted to an 8-percent rate reduction for those earning above that amount. The annual tax saving for these small firms will total about $230 million starting in 1964. In the case of single-proprietor businesses, the benefits from individual tax reductions will average nearly 20 percent.

Second, credit is a particular problem with the small corporation—because it does not have access to sources of capital available to big business. Lack of adequate capital—to invest in new equipment, venture into a new product line—is a prime factor inhibiting growth of most small businesses. Tax reduction, by increasing the volume of earnings that may be used for expansion and modernization, can help relieve dependence on costly short-term credit.

Continued borrowing of excessive amounts is no substitute for retained earnings. The tax bill will immediately increase retained earnings—permitting small businessmen throughout the country to expand, relocate, or purchase new machinery and equipment.

On occasion it will still be necessary for the small businessman to borrow in order to take prompt advantage of promising opportunities. But we must not lose sight of the fact that the ability to obtain such funds, at the right time, in the right amount, and on reasonable terms, depends on the outlook for profitable operations.

This tax measure will greatly improve the prospects for profitable operations for the small businessman. It can, in fact, well spell the difference between success or failure for existing small business, the difference between starting or holding back on a new venture. The tax bill will help unlock once again all the initiative and enterprise that U.S. businessmen, large and small, have always been able to call upon.

Finally, small businesses will benefit from liberalization of the investment credit provision. This will also foster expansion by encouraging acquisition of new equipment. This coupled with last year's liberalization of depreciation schedules should give great incentive for modernization that will make small businesses more able to compete for growing markets.

The present rate structure has undoubtedly contributed to the decline in the relative importance of small business in recent years. To the extent that our tax laws foster larger and more powerful business units, our political democracy is distorted and weakened. This tax bill should help insure that small business will be given a fair chance to grow and prosper under our competitive system. I can think of no action more vital to the maintenance of our system of free enterprise than the encouragement and development of small businesses. They are the very foundation of our national economy.

INFLATION AND THE TAX BILL

Mr. President, a number of points have been raised concerning possible inflationary aspects of the tax bill when coupled with restraints on Federal spending. Some argue that although the combination will bring about a high level of economic activity this year, the stimulus will "overheat" the economy and that it will create eventually inflationary pressures that will offset benefits of the tax cut. Others question the timing of the tax reduction and expenditure restrictions. They contend that the combination will cause rapid withdrawal of stimulus to the economy after 1964 and that the impact of tax reduction will be lessening at the same time Government expenditures are being lowered.

There is no doubt that inflationary pressures are likely when the economy is operating under conditions of full employment and full production. This is not the case now, nor is it likely to be in the immediate future. Although gross national product is increasing and the gap between actual and potential productivity is being closed, we have not come close to reaching our full employment level. Four million Americans are looking for work and the unemployment rate is over 5½ percent. The rate is not expected to go below 5 percent this year, even with the stimulating effect of the tax cut. It should also be kept in mind that some 3½ million new jobs must be created annually for the next decade in order to keep the unemployment situation from worsening. The labor force will also be increased by many workers returning to work who have temporarily dropped out of the labor market. Those leaving the unemployment rolls and others returning to work after a temporary layoff will also be consumers who will be in a position to help close the gap between our productive capacity and output.

Considerable excess capacity exists. It is estimated that the economy is fully capable of producing without strain at least $30 billion more in goods and services—but is not doing so because of insufficient demand. Production rates are well below maximum operating levels. The central purpose of the tax reduction is to remove these twin conditions of unemployment and unused capacity. In this sense the tax bill is a catalyst that will energize the private sector of the economy to eliminate underutilization of manpower and machines.

In considering the question of possible inflation it should be noted that a considerable part of the expansion now underway is a result of the proposed tax cut. Economists report that much of the recent rise in the level of fixed investment expenditure can be attributed to the expectation of passage of the tax bill. Actual adoption of the tax bill will not mean an entirely new factor for stimulating investment. Expectations on the part of businessmen that their own taxes as well as the taxes of consumers will be reduced undoubtedly have been significant factors in accounting for the $9 billion increase in expenditure for fixed investments over the past year.

Those who are so concerned over the possibility of inflation perhaps do not attach sufficient importance to the changes that have taken place in our economy since the end of World War II. During the late forties and early fifties, we had conditions conducive to creation of excess demand—with inflationary consequences. We are not now involved in a peacetime readjustment as we were in the late forties and we are not involved in a large-scale armed conflict as we were during the Korean period. During both periods, heavy demands were placed on the labor force which was already substantially at full employment levels. Businessmen and labor unions were not unduly concerned with pricing themselves out of the market. One reason was that we had no substantial competition from the rest of the free world at that time. But the situation is different today. Competition for markets is keen at home and abroad and workers are probably as concerned about jobs and job security as in increases in money wages. Increases in money wages and prices since the late fifties have in fact been minimal. During the past year, for example, average hourly earnings of manufacturing employees have gone up by only 8 cents while the index for manufacturing production rose almost 8 percent.

We are experiencing a period of relative price stability. The wholesale price index has been quite stable for 5 years and is now actually below the level of 3 years ago. The Consumer Price Index has gone up by only a little over 1 percent a year in the last 3 years and most of that has been due to increases in prices of services. We have had a $100 million increase in gross national product with little inflation in the last 3 years. Of the 20-percent increase in gross national product in the last 3 years, only 4 percent is attributable to a rise in prices. The $38 billion increase in gross national product predicted for this year, which includes the stimulating effects of the tax cut, should not place any undue strain on our price-wage structure in view of the ratio of idle capacity to manpower.

Concern has been expressed about the dangers from timing of the tax reduction and spending curbs. Actually, the timing of the combination in the present form turns out to be much better than originally contemplated. Government expenditures for goods and services rose during the past year and part of the increase in gross national product is attributable to this factor. Rising Federal expenditures played an important role in the 1961–63 expansion. These expenditures accounted directly for 11 percent of the growth in GNP. The tax reduction and the President's budget for the next fiscal year shift the Government's emphasis from direct stimulation sharply over to the private sector. With the combination policy proposed there should be a slight increase in Goverment expenditures for the first half of the year and a leveling out at about the time the stimulus to the economy from the tax cut takes hold. This timing as a balance in the use of the two fiscal weapons should turn out to be quite beneficial.

As a last point, it should be noted that one of the most effective lines of defense against inflation is a sense of public responsibility exercised by labor and business leaders. Decisions made by these men will decide ultimately whether or not we will have another wage-price spiral. I do not think it is unreasonable to expect these leaders to exhibit that sense of responsibility. If they do not, the outlook for our economy is bleak indeed, with or without a tax cut. The President has appealed to labor and management to hold the line on prices and wages. As Members of this body know so well, the President can be most persuasive.

I can appreciate the fears of those who look over their shoulder at the results of the Nation's past experiences with runaway inflation. None of us is willing to agree to a measure that promises to set off another disastrous wage-price spiral, diminish further the value of the dollar, and wipe out the solid economic gains that have been made in recent years. We are not confronted with such a risk in this bill. As I have attempted to point out, the prime factors which feed the fires of inflation are not at worrisome levels today—nor can they be expected to be after the effects of this bill are fully operative. The only justification for the tax cut is to try to bring employment and production up to satisfactory levels. We should concern ourselves with taking necessary steps to reach this goal and maintain it rather than permitting vague fears to keep the Congress from taking constructive action. The soundest growth periods of the Nation were not founded on either fear of the future or on reckless gambling. This bill represents that middle ground of confidence in the basic strengths of our economy which has been the key ingredient in our Nation's growth.

Mr. SMATHERS. Mr. President, I should like to propound a unanimous-consent request that the Senate be permitted to vote on the passage of the bill, and that following the vote on the passage of the bill Senators who may wish to speak concerning the bill may do so and that their remarks may appear in the RECORD prior to the final vote. The reason for the request is that at least 20 Senators have plans to take airplanes in the next 35 or 40 minutes, but will be unable to do so if many Senators speak.

Mr. CLARK. Mr. President, reserving the right to object—and I shall not object—does the Senator intend to have the conferees appointed before or subsequent to the making of the speeches? I desire to say a word about the conferees, but I am wondering whether it is intended to wait until after the vote. I should like to say a word about the conferees.

Mr. SMATHERS. Mr. President, I should like to make the unanimous-consent request with the understanding that the Senator from Pennsylvania will be permitted to make this speech before the conferees are appointed.

Mr. PROXMIRE. Mr. President, reserving the right to object—and I shall not object. I informed the majority leader and the Senator in charge of the bill this morning that I desired to make a 15-minute speech on the bill. At their specific request, I agreed not to offer an amendment for that purpose, because they assured me that I would receive time on the bill before the vote if I deferred to their wishes.

Nevertheless, I will speak after the bill passes in view of the obvious desire to vote, and to vote now.

Mr. MANSFIELD. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. The Senator from Wisconsin is absolutely correct. He was given that assurance; and, so far as I am concerned, I wish he would deliver that speech now.

Mr. PROXMIRE. No; I shall not do so.

Mr. MANSFIELD. I would appreciate it if the Senator would give his speech now, because when word is given, it must be kept.

Mr. TALMADGE. Mr. President, on the question of the passage of the bill, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. CURTIS] and the Senator from Illinois [Mr. DIRKSEN] are necessarily absent.

On this vote, the Senator from Illinois [Mr. DIRKSEN] is paired with the Senator from Nebraska [Mr. CURTIS]. If present and voting, the Senator from Illinois would vote "yea," and the Senator from Nebraska would vote "nay."

The result was announced—yeas 77, nays 21, as follows:

[No. 39 Leg.]

YEAS—77

Allott
Anderson
Bartlett
Bayh
Beall
Bible
Boggs
Brewster
Burdick
Byrd, W. Va.
Cannon
Carlson
Case
Church
Clark
Cooper
Cotton
Dodd
Dominick
Douglas
Eastland
Edmondson
Engle
Fong
Fulbright
Gruening
Hart
Hartke
Hayden
Hill
Holland
Humphrey
Inouye
Jackson
Javits
Johnston
Jordan, N.C.
Jordan, Idaho
Keating
Kennedy
Kuchel
Long, Mo.
Long, La.
Magnuson
Mansfield
McCarthy
McGee
McGovern
McIntyre
McNamara
Metcalf
Monroney
Morse
Morton
Moss
Mundt
Muskie
Nelson
Pastore
Pearson
Pell
Prouty
Randolph
Ribicoff
Robertson
Saltonstall
Scott
Smathers
Smith
Sparkman
Symington
Talmadge
Walters
Williams, N.J.
Yarborough
Young, N. Dak.
Young, Ohio

NAYS—21

Aiken
Bennett
Byrd, Va.
Ellender
Ervin
Goldwater
Gore
Hickenlooper
Hruska
Lausche
McClellan
Mechem
Miller
Neuberger
Proxmire
Russell
Simpson
Stennis
Thurmond
Tower
Williams, Del.

NOT VOTING—2

Curtis
Dirksen

So the bill (H.R. 8363) was passed.

Mr. LONG of Louisiana. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives on the disagreeing votes thereon, and that the Presiding Officer——

Mr. DOUGLAS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator will suspend. Will the Senate please be in order?

Mr. CLARK. Mr. President, under the unanimous-consent agreement, I understood that I would be entitled to speak before the conferees were appointed.

Mr. LONG of Louisiana. The Senator is correct. I had anticipated that the Senator would speak on that subject.

Mr. CLARK. Mr. President, is the Senate still on limited time?

The PRESIDING OFFICER. It is not on limited time.

SUPPORT OF THE TAX CUT

Mr. CLARK. Mr. President, for more than 7 months last year the Subcommittee on Employment and Manpower plumbed the depths of the Nation's unemployment problem. The subcommittee is now developing its reports and recommendations as a result of these studies. We are convinced that the solution to America's unemployment problem is not a simple one, but that it would be useless to try to resolve the many structural problems which lie at the heart of unemployment unless the economy is expanding at a rapid enough rate to absorb all who can be trained and educated for work.

The President's tax bill goes to the heart of this problem. It will provide a much needed stimulus which will encourage an increase in the consumption of goods and services and additional investments in modern plants and equipment.

In my judgment, this tax bill is the first step toward the intelligent use of tax and expenditure policy to achieve full employment in the United States. Every nation of Western Europe has been using the tax and expenditure policies of government to maintain high levels of employment and growth. Yet here in the United States our Federal budget remains a horse and buggy document.

The Employment Act of 1946 declared it to be our national purpose to provide all those willing and able to work with employment. Congress has never given the President the tools he needs to make good on that promise. This bill is a step in that direction and I support it for that reason.

APPOINTMENTS OF CONFEREES

Mr. President, I should like to speak briefly in reference to the appointment of conferees. I am not too clear who the conferees on the bill will be. I do not make the request that I should be advised.

I wish to call to the attention of the Senator in charge of the bill and potential conferees the very clear rules about the appointment of conferees which are set forth in the book on Senate Procedure authored by Mr. Watkins and Mr. Riddick. Beginning on page 171 of that book, the following statements appear:

> Appointment by Chair under order of Senate: It is the universal practice in the appointment of conferees for the Presiding Officer to name the Senators suggested to him by the Member in charge of the particular bill—

That is the Senator from Louisiana [Mr. LONG]. Continuing to read—

> Under rule XXIV, "the Senate may elect its conferees, if it sees fit to do so. The Senate has a right to elect its own conferees. A motion to elect certain conferees is amendable by substituting other conferees."

Still quoting:

> The conferees in theory are appointed by the Presiding Officer but in fact are designated by friends of the measure, who are in sympathy with the prevailing view of the Senate, and with consideration for the usual party ratio. And the Senate, on motion, may elect its conferees as it sees fit.

Quoting from page 174:

> Resignation or declaration to serve: Senators have declined to serve as conferees in

> some instances because they were not in sympathy with the provisions of bills as passed by the Senate or, after a conference report was rejected, a Senator declined to serve on a second conference committee because of views not in harmony with the action of the Senate.
>
> Conferees have resigned because they were not in sympathy with the action of the Senate on the bill or opposed to the bill in question.

I shall leave to the conscience of every member of the conference committee whether or not he thinks he qualifies under the terms clearly established by the precedents of the Senate. A number of questions are in disagreement between the Senate and the House. Perhaps the most important is with reference to the capital gains tax. Another important issue is the amendment of the Senator from Tennessee [Mr. GORE] dealing with the foreign tax credit. It is essential for the orderly, proper and, indeed, honest conduct of business that a majority of the conferees on the part of the Senate should have supported by their votes the position taken by the Senate on the questions which are in disagreement with the House of Representatives.

I hope that each potential conferee will search his own conscience to determine whether he qualifies under that clearly established principle.

Mr. LONG of Louisiana. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon; and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD of Virginia, Mr. LONG of Louisiana, Mr SMATHERS, Mr. ANDERSON, Mr. WILLIAMS of Delaware, Mr. CARLSON, and Mr. BENNETT conferees on the part of the Senate.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the bill, H.R. 8363, be printed with the amendments of the Senate numbered, including a table of contents following the end of the bill; and that in the engrossment of the amendments of the Senate to the bill, the Secretary of the Senate be authorized to make all necessary technical and clerical changes and corrections, including corrections in section, subsection, and so forth, designations and cross-references thereto.

Mr. PROXMIRE. Mr. President, I want to pay my respects to the tax reduction bill which has just been passed—and I choose my words carefully—as an unprincipled, irresponsible, regressive, super budget buster. Furthermore, it is inflationary. It cruelly excludes the aged. It excludes 85 percent of those over 65. It excludes a majority of the farmers from tax benefits. But it hits them hard with inflation. It is a bad bill.

Make no mistake—this 1964 tax cut bill inaugurates a brandnew era in American economic policy.

What is the new policy in the bill? It is that the Government will deliberately unbalance the budget—by cutting taxes or increasing spending in any year in which unemployment is more than 4 percent. We will do this regardless of how prosperous business may be, or how high profits are, or how rapid growth is.

As the President said in his economic message to the Congress, the fact is that this is the most prosperous peacetime year in peacetime history. It is a year of the greatest increase in personal income, savings, gross national product in our history. The stock market is at an alltime high—twice as high as 1929. The policy we follow in this tax bill is an explicit violation of the Democratic platform adopted in 1960 at Los Angeles. I read one passage from it:

> We believe, moreover, that except in periods of recession or national emergency, these needs can be met with a balanced budget * * * with some surplus for the gradual reduction of our national debt.

What we have done this afternoon is to repudiate that platform promise. We now have made it clear that it is the policy of this Congress—and I must say the policy of our party in the Congress—not to balance the budget in a period of our greatest prosperity. Suppose we had followed that policy since 1909, Mr. President.

Applied historically, this policy means that between 1908 and 1917 taxes should have been cut deliberately, or spending increased, to unbalance the budget every year, for unemployment exceeded 4 percent every year.

Then, between 1917 and 1919 when we were in World War I, and unemployment was low, we had an immensely unbalanced budget, of course, because of the huge war spending.

From 1921 to 1941—a 21-year sweep—we should have had, if we had followed this policy, deliberately unbalanced the budget in every year except three, 1923, 1926, and 1929.

During World War II and the Korean war we had an immensely unbalanced budget, because of our necessary military spending.

Between 1954 and 1964, if we had followed the policy which now has been made explicit and ratified by Congress, there would have been an unbalanced budget every year of the last 10 years with one exception.

To sum up, the policy of placing full and ultimate reliance for solving unemployment upon a fiscal policy of an unbalanced budget would if followed in the past 55 years have given us a fantastically huge national debt. If followed in the future, our debt and eventually our taxes will be immense. We are ignoring the real and proven methods of meeting our unemployment problem. We have done nothing about early retirement, or monetary policy. We have created a situation now where monetary policy is almost sure to be restrictive, and likely to offset whatever stimulative effect the tax cut may give us.

We have established the beginning of our reliance for meeting unemployment almost entirely on unbalanced budgets.

There are other elements in the tax bill which are almost as unfortunate as those which I have mentioned. This tax bill dictates to Federal regulatory bodies that they shall ignore full after-tax income in computing a fair return to utilities. It requires a super fair return.

As I have said, this bill is expressly inflationary. It is going to result in an increase in utility rates of $630 million for American consumers in the next year, and $6 billion a year within a few years. The American family's electric light bill, and its gas bill will climb and climb because of the express direction in this bill to regulatory bodies that they must permit utilities to earn more than a fair return, a super return that the full impact of Federal tax reductions specifically the investment credit cannot be considered in determining utility rates.

Another provision of the bill violates the cherished 175-year-old American legal precedent that a businessman can depreciate assets he buys only 100 percent.

It opens the door to tremendous future abuse because it provides for 114 percent depreciation. Every economist knows that when demand is deliberately increased by a $11.5 billion tax cut in a period of prosperity when prices are already high, the inflationary effect on our economy is going to be substantial indeed.

As I have said, this tax bill can be summed up as a principle-busting, financially irresponsible, inflationary, regressive monstrosity.

At the same time, it is popular. There is nothing a politician can do that is more popular than cutting taxes. Everybody wants to cut taxes.

We are entering into a new wonderful era for the politician. It means we are going to follow for the future the policy of cutting taxes regardless of what the deficit is, or how prosperous conditions are and if that does not work, increase the spending. The day of reckoning is in the long run, but as Lord Keynes has said in the long run, we are all dead.

Mr. LAUSCHE. Mr. President, will the Senator yield for a brief observation?

Mr. PROXMIRE. I yield.

Mr. LAUSCHE. I do not quite agree with the last statement made by the Senator. In Columbus, Ohio, the question was before the people as to what rate of fare should be charged on the local transportation system. The company wanted to increase it to 10 cents. The city council did not want to act upon the proposal. The mayor did not want to act. So the question was placed before the voters: "Shall you pay a 5-cent or a 10-cent fare?"

To the great amazement of everybody, after the arguments were made, the voters voted for the 10-cent fare, knowing that that was sound and just.

Mr. PROXMIRE. The Senator from Ohio makes an excellent point. If the people could know, or if they were told all the facts, I am convinced they would be against the tax cut. But the President of the United States, the great newspapers, AFL-CIO, the U.S. Chamber of Commerce, and many newspapers in the Nation have been arguing and pleading loud and long for lower taxes. They have publicized the case for tax reductions. They have done a remarkable job in the past year.

Mr. President, I had promised to yield to the Senator from Oregon [Mr. Morse], who has an appointment to keep, and I shall do so after a very brief statement.

Unfortunately, the Senator from Louisiana [Mr. Long], who has been the floor manager of the bill, has left the floor. I want to say that this not only may be a new era in economic policy or tax policy for this Nation, but it also embarks on a new era in Senate tax leadership. I think the Senator from Louisiana has done a superb job on the floor in managing this bill. I say it about him though he was the leader in fighting against every amendment I proposed. I have never seen a Senator who was more forceful and effective. He beat us, and beat us very badly. I regret very much that he has won and as I said yesterday won so smashingly. Never has a monstrous bill had such a remarkable champion.

Mr. President, if a man murdered a crippled, enfeebled orphan at high noon on the public square in the plain view of a thousand people, I am convinced after today's performance that if the Senator from Louisiana represented that guilty murderer, the jury would not only find the murderer innocent, they would award the defendant a million dollars on the grounds the victim had provoked him. The Senator from Louisiana not only made this monstrous tax bill appear good enough to win the votes of an overwhelming majority of Senators. He made those of us who fought it to the bitter end and suffered defeat grudgingly enjoy seeing an obvious legislative artist in action.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROXMIRE. Let me yield first to the Senator from Oregon.

FLAG POLICY IN PANAMA

Mr. MORSE. Mr. President, some days ago, I asked the Library of Congress to find out for me what it could about legal precedents and practices that would shed light on the current flag controversy in the Panama Canal Zone. What it has found should be of great interest to all Americans; but it should especially be brought to the attention of the young zealots and their parents in the Canal Zone who honor a piece of cloth more than they honor what it represents.

It had been my impression that there is some precedent for flying our flag only at the official installations we have abroad, and not over the adjacent or surrounding part of the enclave where civilian activities are carried on.

I find that there does not seem to be such a distinction, as far as American policy is concerned, although this research paper that I shall insert in the Record at the conclusion of these brief remarks, prepared for me by a very able scholar on the staff of the Library of Congress, deals only with American flag policy.

I have sent over a supplemental request asking for a research paper dealing with flag policies of the other major nations of the world, particularly Great Britain, France, and the other nations of the free world which have large oversea installations or colonies. I find that whether we fly the American flag at all anywhere on territory over which we lack sovereignty depends upon local practice and upon agreement with the host country. This is true both of our diplomatic missions and our military installations abroad.

In a report to the House Foreign Affairs Committee in 1960, the State Department lists 16 countries which restrict the flying of flags above diplomatic missions. Efforts have been made to reduce the flag policy for all diplomatic and consular missions to a common international practice, but no final action has been taken on any proposal. The most recent one is embodied in a United Nations Convention on Consular Rights, which grants a consul the right to fly the flag of his nation, but stipulates that "regard shall be had to the laws, regulations, and usages of the receiving state." This convention has not been submitted to the Senate.

The Library's report points out that while flag policy at our embassies and consulates abroad depends largely upon local custom and practice, flag policy at military bases situated abroad depends upon more specific treaties and agreements.

I point to the language in the report:

> The Defense Department has informed us that its general policy is to fly both the American flag and that of the host state above American bases overseas.

The policy is arrived at in formal or informal agreement with the host state.

There are four exceptions to dual flags. One is in Spain, where article II of our written agreement with Spain specifically permits only the Spanish flag to fly above U.S. military bases. The other three exceptions are in Okinawa, Guantanamo Bay, and the Panama Canal. In these cases, our written agreements make no mention of flag policy. So as a matter of practice, the U.S. flag flies alone at all U.S. military installations and civilian sites on Okinawa; Guantanamo Bay is entirely military and only the U.S. flag flies there; in the case of Panama, only the U.S. flag flies over military installations in the Zone, but under the agreement worked out during the Eisenhower administration, both flags are flown at certain civil points in the Zone.

The conclusion is inescapable that we are on rather weak ground when we try to insist that only the American flag be flown in the Canal Zone. As a matter of fact, in Panama, Guantanamo Bay, and Okinawa we are constantly subject to local opposition for our use of these enclaves as American installations. I predict that not only the Canal Zone and Guantanamo Bay, but Okinawa, too, will give us a lot more trouble in the future unless we modify our policies as symbolized by our flag policy in those areas.

The legislative attorney at the Library, Mr. Martin Krawiec, drew some conclusions from his findings that I think are inescapable. I wish to thank him very much for the fine piece of research work that he has done upon my request. I know that he will do a similarly fine piece of work in regard to the assignment that I have sent over asking for a supplement to this report on American-flag policy, and also a report on the flag policy of the major nations of the world that have oversea bases and colonies.

This able scholar states:

> The precedents are of little help in determining what flag-flying rights the parties have under the Panama Canal treaty. It is a problem of interpretation and the words "If it were sovereign" are ambiguous enough to permit both nations to argue that they have such rights. But the precedents lead to some inferences which may be valuable in interpreting the treaty.
>
> The first is that it is rare that a state has an absolute right to fly its flag within another state, even on diplomatic missions. The second is that it is even more rare for a state which claims sovereignty over an area to cede away its right to fly its flag over that area merely because it is leasing or granting use of that land to another state for a specific purpose. Finally, our practice at oversea bases of flying the flags of both nations over an installation indicates that such a practice is not unusual and does not lead to friction, but may even reduce it.

Joint flag flying on Okinawa and in the Canal Zone as a symbol of partnership could spare this country part of the animosity that has made partnership with Cuba impossible.

I ask unanimous consent to have the full text of this report by Mr. Krawiec of the Library of Congress printed in the Record, together with attachments from the Department of State.

There being no objection, the material was ordered to be printed in the Record, as follows:

The Library of Congress,
Legislative Reference Service,
Washington, D.C., January 30, 1964.

To: Hon. Wayne Morse.
From: American Law Division.
Subject: Flag-flying practices in international law which relate to the Canal Zone controversy.

This is in response to your request for a memorandum on legal precedents which are related to the current flag controversy in Panama. By way of background it should be noted that the question of when a state may fly its flag in another state is far from settled. Since 1912 the United States has contended that a consul may fly the flag of his nation at all times and not merely on holidays (Hackworth, "II Digest of International Law," sec. 127; Hyde, "I, II International Law," secs. 212, 470). Inasmuch as a diplomatic mission has a higher status in international law than a consulate, the same view would apply to embassies. Professor Hyde, former Solicitor of the Department of State, states, that, "The right of a public minister to display the flag of his country from his official residence would probably not be challenged at the present time by any state" ("II International Law," sec. 430).

Although the position of the United States appears to be the prevalent one it is not universally accepted:

"Disagreement exists with respect to a consul's right to fly his country's flag at his residence. While the United States-Irish Consular Convention of 1950 (art. 8 (2)) specifically allows this right to a consul, other treaties either are silent on this matter or permit this only 'on suitable occasions'" (Lee, "Consular Law and Practice," p. 277).

Another writer states:

"Some textwriters claim that this letter (the display of the flag) is a right which the consul is entitled to enjoy; and it must be admitted that there is a basis for such a statement in occasional official documents. Others more correctly contend that it is simply a privilege depending for its validity upon the practice in the district in which the consulate is situated. Such practice varies not only from state to state, but also from district to district within the particular state; for this reason it is impossible to state categorically that all consuls in any one state are, or are not privileged, to hoist the national flag" (Stewart, "Consular Privileges and Immunities," pp. 60–61).

Diplomatic missions also face restrictions on their ability to fly their national flag. The State Department, in a report to the House Foreign Affairs Committee, dated April 19, 1960, on House Joint Resolution 599, 86th Congress, a proposal for the prominent display of the American flag on diplomatic establishments, listed 16 countries which limit the flying of flags above diplomatic missions.

Some examples quoted from the report are:

Madrid: Since February 1957, in accordance with a request made by the Spanish Ministry of Foreign Affairs and agreed to by all diplomatic missions in Madrid, the flag is displayed on United States and Spanish national holidays and at half-mast on days of national mourning.

Rome: The flag is displayed on United States and Italian national holidays and at half-mast on days of national mourning. The practice of flying the flag daily was changed in February 1959 as the result of the strong position taken by the Italian Government opposing this practice at diplomatic missions. Under Italian law, the Italian flag is displayed only on national holidays and other special occasions.

Panama: On November 15, 1959, the U.S. Embassy adopted the practice of all other diplomatic missions in Panama and currently displays the flag only on national holidays of the United States and Panama. Prior to this date the United States was the only mission in Panama to display the flag daily.

Quito: In accordance with the practice established by the Government of Ecuador and followed by all diplomatic missions, the flag is displayed only on national holidays of the United States, Ecuador, and other accredited nations.

Tais: The flag is displayed only on Independence Day, July 4. This practice is followed by all diplomatic missions in Yemen. The Embassy reports that the Yemen people and government are extremely sensitive on this subject, and believes that any other practice would invite popular hostility and difficulties with the Yemen Government.

In order to develop a body of law acceptable to all nations the United Nations held a Conference on Diplomatic Intercourse and Immunities at Vienna in 1961. This conference, which was attended by 81 states, produced the Vienna Convention on Diplomatic Relations which is presently before the Senate for its advice and consent. (See S. Doc. Ex. H., 88th Cong., 1st sess.) As of January 3, 1962, 75 states have signed the convention. Article 20 states:

"The mission and its head shall have the right to use the flag and emblem of the sending state on the premises of the mission, including the residence of the head of the mission, and on his means of transport."

In its report, the American delegation said that discussion of this article was lively and that an amendment which would have made the flying of the flag subject to domestic laws and regulations was proposed and rejected because unnecessary (S. Doc. Ex. H., supra). A subsequent United Nations conference held at Vienna produced a Convention on Consular Rights, not yet submitted to the Senate, which grants a consul the right to fly the flag of his nation, but stipulates that "regard shall be had to the laws, regulations, and usages of the receiving state" (Vienna Convention on Consular Relations, art. 29, U.N. Doc. A/Conf. 25/12, Apr. 23, 1963).

Whereas the flying of the flag over embassies and consulates depends largely on customs and practices of many nations which have developed over a period of time, its use at military bases situated in another country depends on treaties and other agreements between the countries concerned.

The Department of Defense has informed us that its general policy is to fly both the American flag and that of the host state above American bases overseas. At times this is specifically provided for in a formal agreement such as the status of forces agreement with Australia which states:

"Whenever the U.S. flag is flown at an establishment of the United States in Australia, the Australian national flag shall be flown on a separate and adjacent flagstaff" ("Status of United States Forces in Australia," art. 17, treaties and other international acts series, 5349).

At other times informal, unpublished agreements to the same effect are reached.

Although the Department of Defense did not conduct an exhaustive survey, there appear to be only four exceptions to the general policy of flying both flags:

1. Spain: Article II of our treaty provides that "The areas (bases) which, by virtue of this agreement, are prepared for joint utilization will remain under Spanish flag and command" (4 U.S. Treaties and Other International Agreements, 1895). As a result only Spanish flags fly above our military installations in Spain.

2. Okinawa: Our peace treaty with Japan gave the United States "the right to exercise all and any powers of administration, legislation and jurisdiction" over the Ryukyu Islands even though Japan retained residual sovereignty (3 U.S. Treaties and Other International Agreements 3169, art. 3). Only American flags are flown over American military and civil installations.

3. Guantanamo: Under our treaty of 1903 with Cuba the United States has "complete jurisdiction and control" over the land which it has leased even though Cuba retains residual sovereignty (I Malloy 358). Only the American flag flies over Guantanamo.

4. Panama: Article II of our treaty with Panama states: "The Republic of Panama grants to the United States all the rights, power and authority within the zone mentioned and described in article II of this agreement and within the limits of all auxiliary lands and waters mentioned and described in said article II which the United States would possess and exercise if it were the sovereignty of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority" (33 Stat. 2234).

The United States has all of the attributes of sovereignty, but recognizes that Panama has titular sovereignty. (See statements of Presidents Eisenhower and Taft quoted in H. Rept. No. 2218, 86th Cong., 2d sess., pp. 16–21.)

Under this agreement the flag of the United States is the only one flown over military installations in the zone, but in January 1963, representatives of both nations announced that the Panamanian flag would be flown with the American flag on land in the Canal Zone where the American flag is flown by civilian authorities.

This review of flag-flying practices indicates that the situation in the Panama Canal Zone is unique. The Guantanamo area is by treaty restricted to military uses. (I Malloy 360.) No commercial or business activity such as flourishes in the Canal Zone is permitted. Although Japan has residual sovereignty over Okinawa, it is an outlying possession unlike the Canal Zone which divides the country in two. Precedents are of little help in determining what flag-flying rights the parties have under the Panama Canal Treaty. It is a problem of interpretation and the words "if it were sovereign" are ambiguous enough to permit both nations to argue that they have such rights. But the precedents lead to some inferences which may be valuable in interpreting the treaty. The first is that it is rare that a state has an absolute right to fly its flag within another state even on diplomatic missions. The second is that it is even more rare for a state which claims sovereignty over an area to cede away its right to fly its flag over that area merely because it is leasing or granting use of that land to another state for a specific purpose. Finally, our practice at oversea bases of flying the flags of both nations over an installation indicates that such a practice is not unusual and does not lead to friction but may even reduce it.

MARTIN KRAWIEC,
Legislative Attorney.

APRIL 1, 1960.

Hon. THOMAS E. MORGAN,
Chairman, Committee on Foreign Affairs,
House of Representatives.

DEAR MR. CHAIRMAN: I refer to your letter to the Secretary of February 22, 1960, enclosing copies of House Joint Resolution 599, a joint resolution "Providing for the prominent display of the flag of the United States of America on or near diplomatic establishments of the United States in foreign countries.

The Department believes that the Chief of Missions should have discretion regarding display of the flag to conform with local custom or with local situations as they arise. In several countries it is customary among all accredited diplomatic missions to display the flag only on national days of the host country, on national days of the country represented, or other special occasions. It is believed that the Chief of Mission is in the proper position to judge whether failure to comply with such customs is inimical to the interests of the United States and should have authority to conform should he deem it advisable.

For your information, the Department is conducting a survey concerning the practice at all of our embassies abroad with respect to display of the flag. When results of the survey are complete, they will be made available to you.

Sincerely yours,
WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

APRIL 19, 1960.

Hon. THOMAS B. MORGAN,
Chairman, Committee on Foreign Affairs,
House of Representatives.

DEAR MR. CHAIRMAN: In accordance with my letter to you of April 1, concerning H.J. Res. 599, there is enclosed a report on current practice with respect to display of the flag at U.S. diplomatic missions.

If you wish any further information in this connection, please do not hesitate to let me know.

Sincerely yours,
WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

DISPLAY OF THE FLAG AT U.S. DIPLOMATIC MISSIONS

The flag is displayed daily, weather permitting, at the following diplomatic missions:

Europe: Belgrade, Bonn, Bucharest, Budapest, Dublin, Helsinki, Lisbon, London, Luxembourg, Oslo, Paris, Prague, The Hague, Vienna, and Warsaw.

The Americas: Asunción, Bogotá, Buenos Aires, Caracas, Ciudad Trujillo, Guatemala, La Paz, Lima, Managua, Ottawa, Rio de

Janeiro, San José, San Salvador, Santiago, and Tegucigalpa.

Near East: Amman, Baghdad, Beirut, Colombo, Katmandu, New Delhi, Teheran, and Tel Aviv.

Far East: Bangkok, Canberra, Djakarta, Manila, Phnom Penh, Saigon, Seoul, Taipei, Tokyo, and Vientiane.

Africa: Accra, Addis Ababa, Cairo, Khartoum, Monrovia, Pretoria, Rabat, and Tripoli.

At the following diplomatic missions the flag is displayed only on limited occasions as described:

EUROPE

Brussels: In keeping with local practice for all diplomatic missions, the flag is displayed only on United States and Belgium national holidays and at half-mast on days of national mourning.

Madrid: Since February 1957, in accordance with a request made by the Spanish Ministry of Foreign Affairs and agreed to by all diplomatic missions in Madrid, the flag is displayed on United States and Spanish national holidays and at half-mast on days of national mourning.

Reykjavik: In accordance with local practice observed by all diplomatic missions in Reykjavik, the flag is displayed on the national days of Iceland, the United States and other nations accredited to Iceland. It is customary in Iceland to fly the Icelandic flag only on national holidays and similar occasions.

Rome: The flag is displayed on United States and Italian national holidays and at half-mast on days of national mourning. The practice of flying the flag daily was changed in February 1959, as the result of the strong position taken by the Italian Government opposing this practice at diplomatic missions. Under Italian law, the Italian flag is displayed only on national holidays and other special occasions.

Stockholm: In accordance with practice observed by all diplomatic missions in Stockholm, the flag is displayed on United States and Swedish national days, days of national mourning and during visits of foreign chiefs of state. The Embassy believes that the Government of Sweden is sensitive about the display of foreign flags, and might feel it discourteous should the United States propose a change.

THE AMERICAS

Montevideo: In accordance with practice observed by all diplomatic missions in Montevideo, the flag is displayed on national holidays of the United States, Uruguay and other accredited nations.

Panama: On November 15, 1959, the U.S. Embassy adopted the practice of all other diplomatic missions in Panama and currently displays the flag only on national days of the United States and Panama. Prior to that date the United States was the only mission in Panama to display the flag daily.

Quito: In accordance with the practice established by the Government of Ecuador and followed by all diplomatic missions, the flag is displayed only on national holidays of the United States, Ecuador and other accredited nations.

NEAR EAST

Ankara: In accordance with the practice observed by all diplomatic missions in Ankara, the flag is displayed only on United States and Turkish national holidays and on Sundays.

Jidda: At the request of the Government of Saudi Arabia and in accordance with the practice observed by all diplomatic missions in Jidda, the flag is displayed on Fridays (Moslem religious day) and Sundays, and on the national holidays of the United States, Saudi Arabia and other accredited nations.

Karachi: In accordance with the practice observed by all diplomatic missions in Karachi, the flag is displayed every working day and on United States and Pakistani national holidays when these fall on weekends.

FAR EAST

Kuala Lumpur: In accordance with local practice observed by all diplomatic missions, the flag at the chancery is displayed only on working days. The flag at the Embassy residence is displayed daily, weather permitting.

Wellington: The flag at the chancery is displayed only on national holidays of the United States and New Zealand. The chancery is in an office building housing six other embassies, all of which observe this practice. The flag at the Embassy residence is displayed daily.

AFRICA

Tunis: On April 27, 1959, the Government of Tunisia requested all diplomatic missions to display the flag only on their, and Tunisia, national holidays. The United States and all other missions in Tunisia agreed to follow this practice.

Tais: The flag is displayed only on Independence Day, July 4. This practice is followed by all diplomatic missions in Yemen. The Embassy reports that the Yemen people and Government are extremely sensitive on this subject, and believes that any other practice would invite popular hostility and difficulties with the Yemen Government.

EUROPE

Sofia: The legation at Sofia adheres to the practice followed by other diplomatic missions, displaying the flag on United States and Bulgarian national holidays and on the flag days of accredited nations with whom the United States maintains diplomatic relations. The flag was displayed throughout the week of March 14 to 19, 1960, in order appropriately to mark the opening of the legation.

MOUNTING TROUBLES IN LATIN AMERICA

Mr. STENNIS. Mr. President, all around the world—in Cambodia, in Zanzibar, in Ghana, in Panama, in Cuba, and elsewhere—we continue to reap the bitter fruits of our failure to pursue a firm and positive line in international affairs. Our overconcern with a favorable world image has about convinced even the smallest of nations that Uncle Sam's nose can be tweaked with impunity. The recent bloody anti-American riots in Panama, and the lawless act of Castro in cutting off the water supply to our vital naval base at Guantanamo Bay, are but further evidence of this.

Thus, two of our most important agreements in Latin America are under attack simultaneously.

The violence in Panama and the subsequent baseless Panamanian charges that the United States was guilty of aggression, are but a smokescreen for Panama's real purpose. What this small country really wants is to force us, by pressure and intimidation, to relinquish our legitimate rights to the vital Panama Canal—rights which were formalized by a solemn treaty entered into some 61 years ago.

By this treaty, and by payment of an annual rental, we have perpetual rights and privileges in the canal and the 10-mile-wide Canal Zone. We keep our share of the bargain and we must insist that Panama keep hers. The Panama Canal is vital both to our economy and our national security, and we cannot allow the now irrational and unruly Panamanians to interfere with the free traffic of free world ships between the Atlantic and Pacific Oceans.

Our rights in the canal and the Canal Zone are inviolate. They are not the subject of negotiation or renegotiation. We must not retreat one inch. The Panamanians forget, I believe, that there was no Republic of Panama 61 years ago and, except for the United States, there would be none today. Panama came into being under our auspices. We were its foster father. It has grown and survived because of our aid and assistance. American dollars have been its life's blood.

If Panama is to enjoy the privileges of a sovereign nation, it must act as one. It has no special privilege of irresponsibility. Small nations, such as Panama, must learn that they are bound by the same rules and standards of responsible conduct which are applicable to the United States and other major powers.

We have committed no aggression in Panama—regardless of the wild charges which have been made against us. We have merely defended ourselves and our rights against unprovoked attacks. As a matter of fact, live ammunition was issued to our soldiers only as a last resort and it was then used only against snipers who were threatening the lives of our Americans—soldiers and citizens.

However, the crisis in Panama should not have come as a real surprise—particularly in view of the subversive and revolutionary activities of the Castro Communists throughout Latin America. While the violence in Panama may not have been directly instigated by Castro's agents, it is clear that, once it erupted, they seized upon it and fanned it to a fever pitch. This has been confirmed by both Secretary of State Dean Rusk and then Secretary of the Army Cyrus Vance.

There is a lesson to be learned from the Panamanian incident and the other anti-American outbreaks around the world which should have been learned long ago from Cuba. This lesson is that we must be resolute, firm, and strong when lawless men and lawless bands seek to destroy or take over those things which are vital to our national interests and security.

To yield to Panamanian lawlessness and pressure—with a figurative gun at our head—would only multiply our problems. It would open the door for demands for further concession. If we yield our treaty rights in Panama, what will we say when Castro then demands—as surely he will—that we do the same in the case of the treaty covering Guantanamo Bay?

What Panama really seeks is to force us to surrender our perpetual rights in the Canal Zone and agree to get out at some, as yet, unspecified future date. This we cannot and must not do. While we must be fair as well as firm, and should redress any legitimate grievances the Panamanians may have, we must continue to give a ringing "No" to any and all demands that we surrender control of the canal which is vital to the security of the entire free world.

There is little doubt, Mr. President, that our failure to take firm and positive action in the Panamanian situation created the climate which encouraged Castro to cut off the supply of fresh water to Guantanamo. This is an act of deliberate provocation and one of its purposes, no doubt, is to test whether we will react with mere words, or with firm counteraction. Further delay with respect to Panama, and delay in the case of Guantanamo, will serve only to encourage other nations to similar belligerent and bellicose action.

While the effect of Castro's action is being minimized, I have been in Guantanamo more than once and know that it is serious. At the least, the lack of fresh water will be a serious inconvenience. At the worst, it could create operating difficulties, result in considerable expense, and perhaps cause us to consider evacuating dependents.

Once again, the situation calls for firm and decisive action. I hope it will be forthcoming.

REVENUE ACT OF 1964—TRIBUTES

Mr. MORSE. Mr. President, I wish to express my admiration and congratulations to the Senator from Louisiana [Mr. LONG] for the wonderful leadership as Senator in charge of the bill which he gave to the tax bill. Although I found myself voting against him on some amendments, I found myself at all times extending to him great admiration for his feat.

In the 20 years that I have served in the Senate, I have never seen a more effective, efficient, and able handling of a bill on the floor of the Senate than was demonstrated by the Senator from Louisiana in the debate on this controversial issue.

I congratulate him.

Mr. MANSFIELD. Mr. President, I join with Senators on both sides of the aisle who have seen fit to compliment the distinguished Senator from Louisiana on the skill and integrity he has shown over the past week or so in managing the tax bill just passed.

In all my years in Congress, which now approach their 22d year, I have never seen a more skillful job, or a better managed bill than was this most difficult measure.

I could speak from now until doomsday, but all I can say to the Senator from Louisiana is that he did a magnificent job, and we are all grateful to him.

We have praise also for the Senator's "first lieutenant," the Senator from Florida [Mr. SMATHERS], who assisted him so ably; to the Senator from New Mexico [Mr. ANDERSON] who showed his usual skill and knowledge; and also to the Senator from Kentucky [Mr. MORTON], who with the Senator from Utah [Mr. BENNETT], and the Senator from Delaware [Mr. WILLIAMS], and the Senator from Kansas [Mr. CARLSON], managed the Republican side in the discussion of the bill.

I believe great credit should go to the chairman of the committee, the Senator from Virginia [Mr. BYRD], who, though opposed to the bill, did not on any occasion hold it up, but cooperated wholeheartedly.

The same goes for Senators who opposed the bill in whole or in part, like the distinguished Senator from Wisconsin [Mr. PROXMIRE], who is a man well known for his views, and whose views are always founded on fact, not fancy; the distinguished Senator from Tennessee [Mr. GORE], who made his feelings known on the floor and who fought it and fought it cleanly and without due delay; the Senator from Illinois [Mr. DOUGLAS], and other Senators.

I am indeed sorry that our distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN], was not present during the course of the debate, because he is a member of the Finance Committee and made a contribution to the reporting of the bill. He would have made an even greater contribution during the debate on the bill in the Senate.

To make up for this, I am glad to note, on the basis of the letter from him, which was read to the Senate by the distinguished Senator from Kentucky [Mr. MORTON], he is progressing well and will be out of the hospital shortly. His health is most important.

Mr. LONG of Louisiana. Mr. President, I wish to express my deep gratitude for the compliments paid to me by the distinguished majority leader. Without his help, without the help of the majority whip, without the help and cooperation of the distinguished chairman of the committee, without the help of the Senator from Florida [Mr. SMATHERS] and the Senator from New Mexico [Mr. ANDERSON], and a great number of other Senators, some of whom cast difficult votes, in order to exercise fiscal responsibility, in the handling of the bill, this 375-page bill would have been scattered all over the Senate floor before we could have finished action on it. I also want to express my appreciation to the staff of the Senate Finance Committee and to the staff of the Joint Committee on Internal Revenue Taxation without whose help we could not have achieved this monumental task. Particularly do I want to pay my thanks to Larry Woodworth of the Joint Committee staff whose expert and generous assistance was always in evidence.

Some votes were extremely close. We might very well have opened whole new fields of legislation on revenue if some of the votes had gone the other way.

Had some of those amendments carried, it would have been necessary to recommit the bill, and no tax bill would have resulted from 2 years of effort in the House of Representatives and in the Senate.

I am deeply grateful to Senators on my side of the aisle who stood with me as steadfastly as their consciences would permit; also to those on the other side of the aisle who helped us to the extent to which they felt they could consistently support the measure.

Mr. President, this is a most important piece of legislation. It is the largest revenue bill, I am informed, in the history of Congress. It is the product of 10 years of study. I believe it is a balanced measure. It is a measure that will work for better tax equity and fairness, and increase the prosperity of our Nation.

As one who supported a large tax relief measure in the Eisenhower administration, I am proud to have had a hand during this Johnson administration in the enactment of what I believe will be the most significant revenue measure of our time, the Revenue Act of 1964.

I have heard some Senators express grave doubt about it. I am sure that history will decide who is right or wrong, although sometimes even that judgment is not conclusive.

Mr. HUMPHREY. Mr. President, I wish to take a moment merely to join our many colleagues, while the Senator from Louisiana is on the floor, in saluting him and congratulating him and commending him on his demonstration of legislative leadership and responsibility in managing this important tax bill on the floor of the Senate. What has been said about his associates I should like to underscore. The Senator from Florida [Mr. SMATHERS] and the Senator from New Mexico [Mr. ANDERSON] were faithful and loyal helpmates in this determined effort to pass the bill. They gave unfailing assistance to the distinguished Senator from Louisiana, and they are surely to be commended, along with him.

I also join in saluting other Senators—those who opposed as well as those who supported the bill. The debate on the bill will go down in the records of Congress as one of the outstanding examples of true debate and discussion, in the best traditions of Congress.

The record is filled with important information on fiscal policy and tax policy of the Government of the United States.

During the debate and during the decisionmaking process on the tax bill, I found myself faced with difficult decisions, as did other Senators. However, I feel that in the main the bill is sound, constructive, and good. It will not meet every need, but it will be an advance in the making of constructive fiscal policy.

I appreciate the kind remarks of the Senator from Louisiana with reference to what little activity I had in the effort. My role was merely to be of assistance. I trust that I have been helpful in at least some of the more crucial decisions on the bill. The Senator can consider his legislative career to be crowned today with great success, even though there is much more to come.

Mr. LONG of Louisiana. I am happy to say that the measure just passed, consisting of 375 pages, was passed with relatively few amendments to the committee bill and most of those amendments were additions that the committee felt it could accept.

None of this would have been possible without the support of the Senator from Minnesota, the majority leader, the Senator from Alabama, and other Senators whom I see on the floor, who have been so generous and helpful in their support to make possible the passage of this measure.

Mr. SPARKMAN. Mr. President, I wish to join in expressing appreciation to the Senator from Louisiana. I have told him so privately. I have taken a great deal of pride in watching him operate during the time the tax bill was on the floor of the Senate. I have the pleasure of serving on two committees with the Senator from Louisiana. Formerly we served together on another committee.

Therefore, I have had an opportunity to watch his work through all the years that the two of us have been in the Senate.

I told him earlier, privately, that it was my pleasure, when I first entered Congress—I believe I had been nominated, but not yet elected—when I sat in the gallery one day and had the pleasure of watching his distinguished father on the floor of the Senate.

As I sat watching the Senator from Louisiana a short time ago, in his masterly handling of this complex and complicated measure, I thought how proud his father would have been of him. The Senator has done outstanding work, for which all Members of the Senate, regardless of how they stood on the bill, ought to be grateful, because it was good handling of most difficult legislation.

Mr. LONG of Louisiana. I am deeply grateful to the Senator from Alabama for the help he has given to me, not only in connection with the bill, but also in connection with my services in the Senate in the past 15 years. I have served under the chairmanship of the Senator on a committee, and he has always been generous and fair to me.

Mr. DODD. Mr. President, I join with other Senators in the well-deserved commendation of the Senator from Louisiana [Mr. LONG], who managed the bill so ably. He did not do things I wanted to have done in many instances, but he demonstrated great skill and ability in managing this difficult bill, the like of which I have not observed during the time I have been a Member of the Senate. It is most fitting that the Senate should pay tribute to the Senator from Louisiana.

Mr. LONG of Louisiana. The Senator from Connecticut is most kind. I deeply appreciate his compliment.

Mr. MILLER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a joint statement by my senior colleague from Iowa [Mr. HICKENLOOPER] and me concerning the tax bill and our votes thereon.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JOINT STATEMENT BY SENATORS HICKENLOOPER AND MILLER ON H.R. 8363 (TAX BILL)

We voted against the tax bill primarily because it will reduce the Federal Government's income by some $12 billion without any assurance that Federal deficit spending will be stopped. In fact, if the President's proposals for new programs are carried out, his spending budget will be the highest in history. The result will be more inflation which will eat away the purchasing power of the people's hard-earned money.

Under the bill, a small amount of tax savings will go to the lower income groups. A substantial reduction will go to the high income groups. But the large middle-income group will receive little benefit. Inflation will offset much of the benefits and may even place some taxpayers in a worse position than they were before. For example, what good does it do for a family with an income of $6,000 today, having a purchasing power of $6,000, to have $6,200 after a tax cut but still have only $6,000 in purchasing power—or possibly only $5,800?

Millions of people do not have enough income to pay income tax. They will receive no benefit at all from the tax cut, but they must bear the burden of reduced purchasing power of their social security pensions, their savings, and their insurance as a result of the inflation which will accompany this bill. And they are the ones who can least afford to do so.

During the last 3 years the administration and its controlled Congress have run our country $20 billion deeper into debt, and this has been accompanied by $21 billion in inflation. At a rate of $7 billion a year, this is the same as a 10-percent income tax increase. Iowa's share of this inflation has been some $97 million a year—about the same as a hidden 2½-percent sales tax increase.

We are for a meaningful tax cut, but this can only be done if we have a stable dollar. And this cannot be achieved while we suffer from continued multibillion dollar deficit spending.

Mr. YARBOROUGH. Mr. President, I desire to join in the commendations of the distinguished Senator from Louisiana, who is well known in my State. He has become popular from the engagements he has filled in Texas. Knowing him well, I am not surprised at the great parliamentary skill he has shown in the handling of the bill. I did not agree with every provision of the bill; I do not believe any Member of this body of 100 Senators did. But it is a tribute to the genius of the junior Senator from Louisiana that he welded together sufficient strength, sometimes by a majority of one vote, to carry the bill through this body almost in the form in which it was reported.

Considering all the difference of opinion that was shown, he has succeeded in having passed a measure that I believe will closely resemble the one that will be written into the law of the country. This is a tribute to his parliamentary skill.

Mr. LONG of Louisiana. I thank the Senator from Texas.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On January 31, 1964:

S. 2079. An act to provide for the striking of three different medals in commemoration of the Federal Hall National Memorial, Castle Clinton National Monument, and Statue of Liberty National Monument American Museum of Immigration in New York City, N.Y.

On February 5, 1964:

S. 1309. An act to amend the Small Business Act, and for other purposes.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of G. McMurtrie Godley, of the District of Columbia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to the Republic of the Congo, which was referred to the Committee on Foreign Relations.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

RENTAL OF PROPERTY FROM EMPLOYEES OF THE FOREST SERVICE

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend paragraph (a) of the act of March 4, 1913, as amended by the act of January 31, 1931 (16 U.S.C. 502) (with an accompanying paper); to the Committee on Agriculture and Forestry.

AMENDMENT OF TITLE 10, UNITED STATES CODE, TO AUTHORIZE THE PAYMENT OF CERTAIN TRAVEL AND TRANSPORTATION EXPENSES

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize the payment of certain travel and transportation expenses to temporary civilian professors at joint military colleges of the Department of Defense, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

REPORT ON RESEARCH AND DEVELOPMENT PROCUREMENT ACTIONS

A letter from the Assistant Director, Procurement Division, Office of Naval Material, transmitting, pursuant to law, a report on research and development procurement actions, for the 6-month period ended December 31, 1963 (with an accompanying report); to the Committee on Armed Services.

REPORT ON UNNECESSARY COSTS RESULTING FROM GOVERNMENT PRODUCTION OF M-14 RIFLE REPAIR PARTS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on unnecessary costs resulting from Government production of M-14 rifle repair parts rather than procurement from commercial sources, Department of the Army, dated January 1964 (with an accompanying report); to the Committee on Government Operations.

REPORT ON OVERPRICING OF CERTAIN B-58 AIRCRAFT BOMBER RECORDING SYSTEMS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the overpricing of B-58 aircraft bomber recording systems by Melpar, Inc., Falls Church, Va., on fixed-price purchase order 509 with General Dynamics Corp., Fort Worth, Tex., Department of the Air Force, dated January 1964 (with an accompanying report); to the Committee on Government Operations.

AUDIT REPORT ON FEDERAL DEPOSIT INSURANCE CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Federal Deposit Insurance Corporation, year ended June 30, 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON OVERPRICING OF CERTAIN NUCLEAR REACTOR COMPONENTS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the overpricing of nuclear reactor components purchased from Westinghouse Electric Corp., Pittsburgh, Pa., under cost-plus-a-fixed-fee contracts awarded by the Bureau of Ships, Department of the Navy, dated January 1964 (with an accompanying report); to the Committee on Government Operations.

Admission Into the United States of Certain Defector Aliens

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Mississippi; to the Committee on the Judiciary:

"House Concurrent Resolution 3

"A concurrent resolution memorializing the Congress of the United States to defeat the civil rights bill now before that body for consideration

"Whereas we have witnessed in our time a gradual erosion of States rights and an ever-increasing degree of Federal control over affairs specifically reserved to the States by the Constitution; and

"Whereas there is a clear and unmistakable trend toward further centralization of power in the Federal Government and an ever-increasing restriction on the rights and affairs of our citizens that may be conducted outside the scope of Federal intervention and control; and

"Whereas we view this trend as a very definite danger to the existence and perpetuation of the American way of life as we have known it since the founding of our country; and

"Whereas we are of the firm conviction that this danger is not confined to any one section or area of our Nation, but that it is inimical to the rights and privileges of the majority of our citizens in every section of our Nation and in every area of life; economic, social, moral or religious; and

"Whereas we regard the so-called civil rights bill now before Congress as the most iniquitous effort ever proposed to thwart the right and choice of the individual, or the majority, to the pursuit of happiness without Federal control; and

"Whereas we believe that the passage of this bill further invading the rights of the States to govern themselves and solve their own problems would do irreparable damage to the already critical race relations, would widen the breach already brought about by efforts to force a social merger of incompatible elements of society, and would give untold impetus to the strife and turmoil that has torn our Nation asunder; and

"Whereas we regard education and an effort to resolve our own problems on a local level as more effective in arriving at a solution than Federal compulsion, and we further deny the need of any action by Congress to further restrain and control local affairs by Federal statute; and

"Whereas we regard this issue of such importance that we earnestly call upon the legislatures of other States throughout our Nation to join us in this expression of our will to the President, the National Congress, the Justice Department, and any and all other persons or agencies concerned, and to call upon them to recognize and respect the rights of States to local self-government, and to again turn their energies and efforts to the problems of unifying our Nation and performing the functions of government as defined in our Constitution: Now, therefore, be it

"*Resolved by the Mississippi House of Representatives (the Senate concurring therein)*, That this body does hereby memorialize the Congress of the United States to defeat the so-called civil rights bill now before that body and to refrain from such infringement upon States rights as would result from the passage of this act; be it further

"*Resolved*, That copies of this resolution be sent to our Senators and Representatives, to the National Congress, to the press, to the legislatures of other States, and to any other appropriate person or agency."

By Mr. SALTONSTALL (for himself and Mr. KENNEDY):

Resolution of the General Court of the Commonwealth of Massachusetts; to the Committee on Public Works:

"Resolutions Memorializing the Congress of the United States To Enact Legislation Extending Financial Aid to the Commonwealth of Massachusetts for Purification of the Waters of the Merrimack River

"Whereas the pollution of the waters of the Merrimack River continues to be a danger to the health and welfare of all the inhabitants of the Merrimack River Valley; and

"Whereas the joint effort and financial assistance of the Federal and State governments are required in order to accomplish the monumental task of purifying the Merrimack River: Now, therefore, be it

"*Resolved*, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact legislation extending financial aid to the Commonwealth of Massachusetts for the purification of the waters of the Merrimack River; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress, and to each Member thereof from this Commonwealth."

CIVIL RIGHTS—CONCURRENT RESOLUTION OF NEW YORK LEGISLATURE

Mr. JAVITS. Mr. President, I present, for appropriate reference, a concurrent resolution of the Legislature of the State of New York, relating to civil rights. I ask unanimous consent that the concurrent resolution be printed in the RECORD.

There being no objection, the concurrent resolution was referred to the Committee on the Judiciary, and, under the rule, ordered to be printed in the RECORD, as follows:

Concurrent Resolution of the Senate and Assembly Memorializing Congress To Enact Civil Rights Legislation

Whereas the guarantees of civil rights and human dignity pledged in the Declaration of Independence and Constitution of the United States have been violated and subverted by practices of racial discrimination and segregation which now exist in many areas of this Nation; and

Whereas the continuation of such discrimination and segregation violates the citizen rights of individual Americans, threatens our domestic tranquillity, impairs our Nation's economic growth, damages the foreign policies of the United States and, if not eliminated, will weaken this country as a leader of the free world; and

Whereas the laws of the State of New York have broken ground in the civil rights field, demonstrating to the States and Federal Government the beneficent social and economic consequences of implementing the moral commitments made in the Declaration of Independence and Constitution; and

Whereas there is now pending in the Congress legislation which will provide the Federal Government with needed legal instruments for pursuing its declared national goal of eliminating racial discrimination and segregation: Therefore be it

Resolved (if the senate concur), That the Congress of the United States be, and hereby is, memorialized to enact forthwith the civil rights and antidiscrimination legislation now pending before it; and be it further

Resolved (if the senate concur), That each Member of the Congress from the State of New York be urged to support and vote for the civil rights legislation, including provisions guaranteeing an end to discrimination in the use of public accommodations and in the exercise of voting rights; and be it further

Resolved (if the senate concur), That the New York delegation to the Congress commit its support to accelerating the movement of this legislation from committee to the floor for immediate action; and be it further

Resolved (if the senate concur), That copies of this resolution be transmitted to the Congress of the United States by forwarding one copy to the clerk of the Senate, one copy to the Clerk of the House of Representatives, and one copy to each Member of Congress from the State of New York.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. BURDICK, from the Committee on Interior and Insular Affairs, with amendments:

S. 178. A bill to make certain provisions in connection with the construction of the Garrison diversion unit, Missouri River Basin project, by the Secretary of the Interior (Rept. No. 870).

EXECUTIVE REPORTS OF COMMITTEE ON COMMERCE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. MAGNUSON, from the Committee on Commerce:

Capt. William W. Childress, U.S. Coast Guard, Capt. Chester R. Bender, U.S. Coast Guard, and Capt. Paul E. Trimble, U.S. Coast Guard, to be rear admirals in the U.S. Coast Guard; and

Stanley H. Rice, and sundry other persons, to be captains in the U.S. Coast Guard.

Mr. MAGNUSON. Mr. President, in addition, I report favorably sundry nominations for promotion in the Coast Guard. Since these names have already appeared in the CONGRESSIONAL RECORD, in order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk, for the information of any Senator.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The nominations ordered to lie on the desk are as follows:

Sam Pisicchio, and sundry other persons, to be commanders in the U.S. Coast Guard;

Walter R. Goldhammer, and sundry other persons, to be lieutenant commanders in the U.S. Coast Guard; and

Denny M. Brown, and sundry other persons, to be lieutenants in the U.S. Coast Guard.

BILL INTRODUCED

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ELLENDER:

S. 2499. A bill for the relief of Leobardo L. Gonzalez; to the Committee on the Judiciary.

CONCURRENT RESOLUTION

JOINT COMMITTEE TO MAKE ARRANGEMENTS FOR THE INAUGURATION OF THE PRESIDENT-ELECT AND VICE-PRESIDENT-ELECT ON JANUARY 20, 1965

Mr. HAYDEN submitted the following concurrent resolution (S. Con. Res. 71); which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President-elect and Vice-President-elect of the United States on the 20th day of January 1965.

RESOLUTION

DESIGNATION OF SENATOR METCALF AS ACTING PRESIDENT PRO TEMPORE

Mr. MANSFIELD submitted a resolution (S. Res. 296) continuing the authority of the Acting President pro tempore until otherwise ordered, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. MANSFIELD, which appears under a separate heading.)

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER (Mr. BAYH in the chair). At the request of the President pro tempore, the Chair announces the appointment by him of the Senator from Oklahoma [Mr. EDMONDSON] and the Senator from New York [Mr. KEATING] to serve as advisors with the U.S. representative to the United Nations Committee on the Peaceful Uses of Outer Space, for the balance of the year 1964.

NOMINATION AND SELECTION OF CANDIDATES FOR APPOINTMENT TO THE MILITARY, NAVAL, AND AIR FORCE ACADEMIES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 7356.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H.R. 7356) to amend title 10, United States Code, relating to the nomination and selection of candidates for appointment to the Military, Naval, and Air Force Academies.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services, with an amendment, to strike out all after the enacting clause and insert:

That chapter 403 of title 10, United States Code, is amended as follows:

(1) Section 4342 is amended to read as follows:

"§ 4342. Cadets: appointment; numbers, territorial distribution

"(a) The authorized strength of the Corps of Cadets of the Academy is as follows:

"(1) 40 cadets selected in order of merit as established by competitive examinations from the sons of members of the armed forces who were killed in action or died of wounds or injuries received or diseases contracted in, or preexisting injury or disease aggravated by, active service—

"(A) during World War I or World War II as defined by laws providing service-connected compensation or pension benefits for veterans of those wars and their dependents; or

"(B) after June 26, 1950, and before February 1, 1955.

The determination of the Veterans' Administration as to service connection of the cause of death is binding upon the Secretary of the Army.

"(2) Five cadets nominated at large by the Vice President.

"(3) Ten cadets from each State, five of whom are nominated by each Senator from that State.

"(4) Five cadets from each congressional district, nominated by the Representative from the district.

"(5) Five cadets from the District of Columbia, nominated by the Commissioners of that District.

"(6) Five cadets from each Territory, nominated by the Delegate in Congress from the Territory.

"(7) Six cadets from Puerto Rico, five of whom are nominated by the Resident Commissioner from Puerto Rico and one who is a native of Puerto Rico nominated by the Governor of Puerto Rico.

"(8) One cadet nominated by the Governor of the Panama Canal from the sons of civilians residing in the Canal Zone or the sons of civilian personnel of the United States Government, or the Panama Canal Company, residing in the Republic of Panama.

"(9) One cadet from American Samoa, Guam, or the Virgin Islands nominated by the Secretary of the Army upon recommendations of their respective Governors.

Each Senator, Representative, and Delegate in Congress, including the Resident Commissioner from Puerto Rico, is entitled to nominate a principal candidate and five alternates for each vacancy that is available to him under this section.

"(b) In addition, there may be appointed each year at the Academy cadets as follows:

"(1) 75 selected by the President from the sons of members of regular components of the armed forces.

"(2) 85 nominated by the Secretary of the Army from enlisted members of the Regular Army.

"(3) 85 nominated by the Secretary of the Army from enlisted members of the Army Reserve.

"(4) 20 nominated by the Secretary of the Army, under regulations prescribed by him, from the honor graduates of schools designated as honor schools by the Department of the Army, the Department of the Navy, or the Department of the Air Force, and from members of the Reserve Officers' Training Corps.

"(5) 150 selected by the Secretary of the Army in order of merit (prescribed pursuant to section 4343 of this title) from qualified alternates nominated by persons named in clauses (3) and (4) of subsection (a).

"(c) The President may also appoint as cadets at the Academy sons of persons who have been awarded the Medal of Honor for acts performed while in the armed forces.

"(d) All cadets are appointed by the President. An appointment is conditional until the cadet is admitted.

"(e) If the annual quota of cadets under subsection (b) (1), (2), (3) is not filled, the Secretary may fill the vacancies by nominating for appointment other candidates from any of these sources who were found best qualified on examination for admission and not otherwise nominated.

"(f) Each candidate for admission nominated under clauses (3)–(7) and (9) of subsection (a) must be domiciled in the State or Territory, or in the congressional district, from which he is nominated, or in the District of Columbia, Puerto Rico, American Samoa, Guam, or the Virgin Islands, if nominated from one of those places.

"(g) The Secretary of the Army may limit the number of cadets authorized to be appointed under this section to the number that can be adequately accommodated at the Academy, as determined by the Secretary after consulting with the Committees on Armed Services of the Senate and House of Representatives, subject to the following:

"(1) Cadets chargeable to each nominating authority named in subsection (a) (3) or (4) may not be limited to less than four.

"(2) If the Secretary limits the number of appointments under subsection (a) (3) or (4), appointments under subsection (b) (1)–(4) are limited as follows:

"(A) 27 appointments under subsection (b)(1);

"(B) 27 appointments under subsection (b)(2);

"(C) 27 appointments under subsection (b)(3); and

"(D) 13 appointments under subsection (b)(4).

"(3) If the Secretary limits the number of appointments under subsection (b)(5), appointments under subsection (b) (2)–(4) are limited as follows:

"(A) 27 appointments under subsection (b) (2);

"(B) 27 appointments under subsection (b)(3); and

"(C) 13 appointments under subsection (b)(4).

"(4) The limitations provided for in this subsection do not affect the operation of subsection (e)."

(2) The text of section 4343 is amended to read as follows:

"If it is determined that, upon the admission of a new class to the Academy, the number of cadets at the Academy will be below the authorized number, the Secretary of the Army may fill the vacancies by nominating additional cadets from qualified candidates designated as alternates and from other qualified candidates who competed for nomination and are recommended and found qualified by the Academic Board. At least three-fourths of those nominated under this section shall be selected from qualified alternates nominated by the persons named in clauses (2)–(8) of section 4342(a) of this title, and the remainder from qualified candidates holding competitive nominations under any other provision of law. An appointment under this section is an additional appointment and is not in place of an appointment otherwise authorized by law."

SEC. 2. Section 6954 of title 10, United States Code, is amended as follows:

(1) Subsection (a) is amended by inserting at the end thereof the following flush sentence:

"Each Senator, Representative, and Delegate in Congress, including the Resident Commissioner from Puerto Rico, is entitled to nominate a principal candidate and five alternates for each vacancy that is available to him under this section."

(2) Subsection (b) is amended by striking out "160" in clauses (2) and (3) and inserting "85" in place thereof, and by inserting the following new clause after clause (4):

"(5) 150 selected by the Secretary of the Navy in order of merit (prescribed pursuant to section 6956 of this title) from qualified alternates nominated by persons named in clauses (3) and (4) of subsection (a)."

(3) The following new subsection is added at the end:

"(d) The Secretary of the Navy may limit the number of midshipmen appointed under subsection (b)(5). When he does so, if the total number of midshipmen upon admission of a new class at the Academy, will be more than 3,737, no appointments may be made under subsection (b) (2) or (3) of this section or section 6956 of this title."

SEC. 3. Section 6956 of title 10, United States Code, is amended—

(1) By striking out "one or more alternates" in subsection (a) and inserting in place thereof "five alternates".

(2) By striking out "two-thirds" in the second sentence of subsection (e) and inserting in place thereof "three-fourths".

SEC. 4. Chapter 903 of title 10, United States Code, is amended as follows:

(1) Section 9342 is amended to read as follows:

"§ 9342. Cadets: appointment; numbers, territorial distribution

"(a) The authorized strength of Air Force Cadets of the Academy is as follows:

"(1) 40 cadets selected in order of merit as established by competitive examination from the sons of members of the armed forces who were killed in action or died of wounds or injuries received or diseases contracted in, or preexisting injury or disease aggravated by, active service—

"(A) during World War I or World War II as defined by laws providing service-connected compensation or pension benefits for veterans of those wars and their dependents; or

"(B) after June 26, 1950, and before February 1, 1955.

The determination of the Veterans' Administration as to service connection of the cause of death is binding upon the Secretary of the Air Force.

"(2) Five cadets nominated at large by the Vice President.

"(3) Ten cadets from each State, five of whom are nominated by each Senator from that State.

"(4) Five cadets from each congressional district, nominated by the Representative from the district.

"(5) Five cadets from the District of Columbia, nominated by the Commissioners of that District.

"(6) Five cadets from each Territory, nominated by the Delegate in Congress from that Territory.

"(7) Six cadets from Puerto Rico, five of whom are nominated by the Resident Commissioner from Puerto Rico and one who is a native of Puerto Rico nominated by the Governor of Puerto Rico.

"(8) One cadet nominated by the Governor of the Panama Canal from the sons of civilians residing in the Canal Zone or the sons of civilian personnel of the United States Government, or the Panama Canal Company, residing in the Republic of Panama.

"(9) One cadet from American Samoa, Guam, or the Virgin Islands nominated by the Secretary of the Air Force upon recommendations of their respective Governors. Each Senator, Representative, and Delegate in Congress, including the Resident Commissioner from Puerto Rico, is entitled to nominate a principal candidate and five alternates for each vacancy that is available to him under this section.

"(b) In addition, there may be appointed each year at the Academy cadets as follows:

"(1) 75 selected by the President from the sons of members of regular components of the armed forces.

"(2) 85 nominated by the Secretary of the Air Force from enlisted members of the Regular Air Force.

"(3) 85 nominated by the Secretary of the Air Force from enlisted members of the Air Force Reserve.

"(4) 20 nominated by the Secretary of the Air Force, under regulations prescribed by him, from the honor graduates of schools designated as honor schools by the Department of the Army, the Department of the Navy, or the Department of the Air Force, and from members of the Air Force Reserve Officers' Training Corps.

"(5) 150 selected by the Secretary of the Air Force in order of merit (prescribed pursuant to section 9343 of this title) from qualified alternates nominated by persons named in clauses (3) and (4) of subsection (a).

"(c) The President may also appoint as cadets at the Academy sons of persons who have been awarded the Medal of Honor for acts performed while in the armed forces.

"(d) All cadets are appointed by the President. An appointment is conditional until the cadet is admitted.

"(e) If the annual quota of cadets under subsection (b) (1), (2), or (3) is not filled, the Secretary may fill the vacancies by nominating for appointment other candidates from any of these sources who were found best qualified on examination for admission and not otherwise nominated.

"(f) Each candidate for admission nominated under clauses (3)–(7) and (9) of subsection (a) must be domiciled in the State or Territory, or in the congressional district, from which he is nominated, or in the District of Columbia, Puerto Rico, American Samoa, Guam, or the Virgin Islands, if nominated from one of those places.

"(g) The Secretary of the Air Force may limit the number of cadets authorized to be appointed under this section to the number that can be adequately accommodated at the Academy as determined by the Secretary after consulting with the Committees on Armed Services of the Senate and House of Representatives, subject to the following:

"(1) Cadets chargeable to each nominating authority named in subsection (a) (3) or (4) may not be limited to less than four.

"(2) If the Secretary limits the number of appointments under subsection (a) (3) or (4), appointments under subsection (b) (1)–(4) are limited as follows:

"(A) 27 appointments under subsection (b)(1);

"(B) 27 appointments under subsection (b)(2);

"(C) 27 appointments under subsection (b)(3); and

"(D) 13 appointments under subsection (b)(4).

"(3) If the Secretary limits the number of appointments under subsection (b)(5), appointments under subsection (b)(2)–(4) are limited as follows:

"(A) 27 appointments under subsection (b)(2);

"(B) 27 appointments under subsection (b)(3); and

"(C) 13 appointments under subsection (b)(4).

"(4) The limitations provided for in this subsection do not affect the operation of subsection (e)."

(2) The text of section 9343 is amended to read as follows:

"If it is determined that, upon the admission of a new class to the Academy, the number of cadets at the Academy will be below the authorized number, the Secretary of the Air Force may fill the vacancies by nominating additional cadets from qualified candidates designated as alternates and from other qualified candidates who competed for nomination and are recommended and found qualified by the faculty. At least three-fourths of those nominated under this section shall be selected from qualified alternates nominated by the persons named in clauses (2)–(8) of section 9342(a) of this title, and the remainder from qualified candidates holding competitive nominations under any other provision of law. An appointment under this section is an additional appointment and is not in place of an appointment otherwise authorized by law."

SEC. 5. (a) Paragraph (2) of section 4348, paragraph (2) of section 6959, and paragraph (2) of section 9348 of title 10 of the United States Code are each amended by striking out "three" and inserting in lieu thereof "five".

(b) The fourth sentence of section 182 of title 14 of the United States Code is amended by striking out "four" and inserting in lieu thereof "five".

(c) The amendments made by this section shall apply only with respect to cadets and midshipmen appointed to the service academies and the Coast Guard Academy after the date of enactment of this Act, and shall not affect the obligated period of service of any cadet or midshipman appointed to one of the service academies or the Coast Guard Academy on or before the date of enactment of this Act.

PRINCIPAL PURPOSE OF LEGISLATION

Mr. CANNON. Mr. President, the principal purpose of this bill is to increase the authorized strength of the Military and Air Force Academies, which is now 2,529 each, to the number now authorized for the U.S. Naval Academy, which is 4,417.

NEED FOR THE BILL

Mr. President, I would like to refer briefly to the need for this legislation before turning to the details of the bill.

The first objective is to enable the Military and Air Force Academies to provide a larger proportion of the young officers who accept Regular commissions for the purpose of undertaking a military career. As we all know, for many decades the service academies have provided the hard core of officers for the Regular components of the military departments. Academy training is of the highest quality. Moreover, there is a high retention rate of around 82 percent among academy graduates who decide to remain on active duty following their period of obligated service.

For a number of years it has been the goal of the Army and Air Force that their service academies provide about 50 percent of the annual input of Regular officers. This bill, by permitting an eventual graduating class of about 930 at each academy, as compared to 550 at present, will enable the Military Academy to provide about 50 percent of the required annual Regular officer input of about 1,950 officers and, for the Air Force, about 31 percent of an annual input of 3,100 Regular officers. The present academy classes fulfill only 26 percent of the requirement for the Army and 18 percent for the Air Force.

Mr. President, I should observe that while there have been significant increases in the size of the Regular officer corps of the Army and Air Force since the end of World War II, there have been no corresponding increases in the size of the service academies. The last increase in the Military Academy was in 1942 when the authorized strength of the Regular Army officer corps was 14,490, as compared to 49,500 at present. When the Air Force Academy was created in 1953, the authorized number of Regular Air Force officers was 27,500, as compared to 69,425 at the present time. By increasing the output, the academies under this bill will be in a position to fulfill a greater proportion of the needs of the Regular Army and Air Force.

It should be observed, Mr. President, that even with this bill the academies will provide only a small portion of the total officer input for the Army and Air Force. In order to meet the need of the Active Forces, the Army calls to duty each year a total of about 13,000 young officers and the Air Force about 10,000.

Mr. President, the bill would also permit the strengthening of the experience level of the officer corps. While the other sources of officer procurement provide many distinguished young officers who are as qualified as academy graduates, it cannot be expected that all of the graduates from the various sources, including the short officer training courses, will be as well qualified as service academy graduates. Moreover, we must also recognize the fact that there is a higher retention rate of academy graduates, which is now 82 percent, as compared to an overall retention rate of young officers for the Army of about 40 percent and for the Air Force of about 45 percent.

Lastly, Mr. President, this bill will fulfill the need of having uniform statutory provisions for all three of the service academies.

PROVISIONS OF THE BILL

Mr. President, the principal features of this bill may be divided into two broad categories—first, those relating to the increases in the authorized number of cadets at each academy and, second, the features which will control the method of expansion to the newly authorized strength for each academy.

FEATURES ON INCREASED AUTHORIZATION

Mr. President, with respect to the increased authorization, the bill repeals the existing law for the Army and Air Force which now provides for a total strength of 2,529 cadets at each academy. In lieu thereof, the bill would authorize a new strength which, when considered on a cumulative basis, would provide for 4,417 cadets at each academy. Under existing law, all appointment categories are authorized on a cumulative basis, meaning the number which may be in the academy at any one time. The bill retains the cumulative feature for the congressional and other noncompetitive categories, but provides that the noncompetitive categories will be appointed on an annual basis, as exists under present law for the Naval Academy.

The cumulative total of 4,417 is reached therefore by first taking the authorized number of noncompetitive appointments and then adding to it 4 times the number of annual appointments for the competitive categories. This figure represents the number which could be in the Academy at any one time. It is doubtful, however, that there would be this total number in the Academy at any one time, due to normal attrition after appointment.

On page 4 of the committee report, there is a table setting forth the number of authorized appointments under existing law, together with the authorized number under the bill for each Academy. The appointment categories which would be increased would be as follows: First, each Member of Congress would be authorized five cadets, instead of four under existing law. Second, the bill would create for all 3 Academies a new competitive category which would require the annual appointment of 150 congressional alternates, all of whom would be appointed from among qualified alternates nominated by Members of Congress. The bill further provides that these selections would be made under the order of merit system prescribed by the service Secretaries, under which the Academic Boards of the Military and Naval Academies and the faculty of the Air Force Academy would list the alternates in their order of merit based on their qualifications.

Mr. President, the bill also increases the four competitive appointment categories for the two Academies—the Presidentials, enlisted regulars, enlisted reservists, and the honor school graduates. The total competitive categories from each Academy would be increased from the present total of 309 to 1,060 when considered on a cumulative basis.

Mr. President, it should be observed that in terms of percentages the House bill would preserve the present proportion of congressional sources for academy appointments. Under present law the total number of authorized appointments for the 3 Academies is 9,403, out of which 6,955 are authorized from congressional sources, which amounts to 74 percent for the congressional sources. Under this bill the percentage of appointments which will come from congressional sources is 74.3 percent, or 9,825 out of 13,179.

Lastly, Mr. President, it should be observed that the appointment sources for all academies will be uniform for each category.

FEATURES ON THE BUILDUP OF THE TWO ACADEMIES

Mr. President, due to the lack of physical facilities at the two Academies the strengths proposed by this bill could not be reached before 1971. The tempo of expansion will depend upon the pace of the necessary construction program. The bill, therefore, contains several provisions relating to the priority which the increased appointment categories will receive as the Academies expand under the terms of the increased authorization. The bill provides that the Secretary of the Army and the Secretary of the Air Force may limit the appointment of cadets to the number that can be adequately accommodated after consulting with the Senate and House Committees on Armed Services. This authority, however, is subject to certain limitations. The first source of expansion will be the appointment of the fifth principal for each Member of Congress which will be accomplished over a 2-year period. As soon as this bill becomes law, the Army will propose that a fifth appointment be available to the senior Senator of each State and to each Member of the House who represents an even-numbered or at-large district. The Air Force would make available the fifth appointment this year to each junior Senator and to each House Member who represents an odd-numbered district. In this manner, each Member of Congress will receive one additional appointment for the new class entering in the summer of 1964. Next year the fifth appointment will be made by each Academy to the remaining Members of Congress who did not receive the authorization this year.

Both the Army and the Air Force Academies have indicated that they can accommodate the additional fifth principal for Members of Congress pending the availability of new construction. Any expansion beyond this number depends on completion of new construction.

The bill insures that the fifth congressional principal will be the first source of expansion by limiting the competitive categories to their present input if a limit is placed upon the newly authorized number of congressional principals.

Mr. President, the second source of expansion would be the new category of congressional alternates whose appointments would begin as presently planned, in 1966 for each Academy. The bill contains the further limitation that if the secretaries limit the number under this category, then certain other competitive categories will be limited to their present annual input. This insures that the congressional alternate category will receive priority during the build-up.

Along with the congressional alternates appointments from the Presidential category would also be increased. The last source of expansion would be the remaining competitive appointment categories. The tables contained on pages 6, 7, and 8 of the committee report set forth the detailed information on the appointment sources during the buildup.

OTHER FEATURES OF BILL

Mr. President, I will now turn to the other features of the bill.

STATUTORY SYSTEM FOR NUMBER OF ALTERNATES

The bill provides for the first time for a uniform statutory system for the number of congressional alternates. Existing law is silent on this matter, except for the requirement that the Navy provide for one or more alternates. By regulation the number now ranges from three to five. The bill provides specifically that each Member of Congress will be entitled to five alternates for each principal candidate. In view of the new system of congressional alternates, the entire alternate system takes on new significance.

INCREASE FROM TWO-THIRDS TO 75 PERCENT FOR CONGRESSIONAL SOURCES

Under existing law the secretaries may nominate qualified alternates and other qualified candidates when it is determined that the Academy, upon the admission of a new class, is under its authorized strength. At least two-thirds of these must be from alternates nominated by Members of Congress. The bill increases this percentage from two-thirds to three-fourths.

INCREASE IN PERIOD OF OBLIGATED SERVICE

Under existing law each cadet and midshipman must agree to serve at least 3 years in a Regular component following graduation. By regulation, the requirement is now 4 years. The bill would provide that each Academy graduate would be required to serve at least 5 years following his graduation. Because of the regulation, the bill, therefore, increases the period of obligated service from 4 to 5 years for those who are appointed after the effective date of this act.

NO COST AUTHORIZATION IN BILL

This bill contains no authority for increasing the facilities at either the Military or the Air Force Academy. This matter will be the subject of future legislation. The departments have estimated, however, that the total cost of expansion at the Military Academy would be $110 million, of which $66 million would be for expansion and $44 million for modernization, all of which would be completed over a 10-year period. At the Air Force Academy the cost of construction would be $40.7 million.

Mr. President, this legislation is vital in order for the Military and Air Force Academies to initiate their urgently needed expansion program. I recommend its prompt passage by the Senate.

Mr. DOMINICK. Mr. President, I wish to add my endorsement of the bill so ably presented by the Senator from Nevada. As one of the Senators from Colorado, where the Air Force Academy is located, I have had occasion to visit the Academy many times. I have had the double pleasure of having the opportunity to appoint some of the cadets who are now there.

I assure the Senator from Nevada that the competition for those positions is keen. On many occasions, because of the present restriction on the number of cadets, it is absolutely impossible to afford the opportunity of attending that Academy to as many persons as I think we would like to have attend it. What the Senator from Nevada has proposed is a welcome step. I heartily endorse it.

Mr. LONG of Louisiana. Mr. President, some 2 years ago, during the consideration of similar legislation, a question arose as to the right of the public to know precisely how these appointments were being handled. It was then the view of the Senate, and also the view of the junior Senator from Louisiana, that public scrutiny—the right of the public to know—would be the best assurance that the Academy appointments would be handled in a way best calculated to carry out the purposes of the bill.

After discussing this matter with the Representative from the First Congressional District of Louisiana, Mr. HÉBERT, the manager of the bill in the House and one who differed with me in the approach I took to the matter, we arrived at a compromise which I believe would fairly meet his objections. That would simply be to make it possible for any Member of Congress to obtain from the Secretary the name of the Congressman or other nominating authority responsible for the nomination of any named or identified person for appointment to the Academy.

I have discussed the amendment with the distinguished Senator from Nevada, and it is my understanding that he is willing to accept it. I do not believe there will be objection to it in the House.

Mr. President, I send the amendment to the committee amendment to the desk. I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, the reading of the amendment to the amendment will be dispensed with; and without objection, it will be printed in the RECORD.

The amendment to the amendment is as follows:

On page 17, line 5, strike out the quotation marks after the period.

On page 17, between lines 5 and 6, insert the following:

"(h) Effective beginning with nominations for appointment to the Academy in the calendar year 1964, the Secretary of the Army shall furnish to any Member of Congress, upon the written request of such Member, the name of the Congressman or other nominating authority responsible for the nomination of any named or identified person for appointment to the Academy."

On page 18, line 18, after the word "new", to strike out "subsection is" and insert "subsections are".

On page 18, after line 25, add the following:

"(e) Effective beginning with the nominations for appointment to the Academy in the calendar year 1964, the Secretary of the Navy shall furnish to any Member of Congress, upon the written request of such Member, the name of the Congressman or other nominating authority responsible for the nomination of any named or identified person for appointment to the Academy.

On page 23, line 24, strike out the quotation marks after the period.

On page 23, after line 24, add the following:

"(h) Effective beginning with the nominations for appointment to the Academy in the calendar year 1964, the Secretary of the Air Force shall furnish to any Member of Congress, upon the written request of such Member, the name of the Congressman or other naminating authority responsible for the nomination of any named or identified person for appointment to the Academy."

Mr. CANNON. Mr. President, when a similar bill was under consideration before, an amendment was proposed by the junior Senator from Louisiana. As the manager of the bill, I accepted the amendment, but we were unable to have it accepted by the House. I believe it is a good amendment; and after observing the tremendous victory of the Senator from Louisiana on the floor of the Senate today, I do not know that I would have the courage to oppose his amendment, even if I felt it was not a good one. In any event, I believe it is a good amendment, and I am willing to accept it.

Mr. LONG of Louisiana. I thank the Senator from Nevada.

The PRESIDING OFFICER. Without objection, the amendment to the committee amendment is agreed to.

Without objection, the committee amendment, as amended, is agreed to.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 7356) was read the third time, and passed.

FACILITATION OF COMPLIANCE WITH CONVENTION BETWEEN UNITED STATES AND UNITED MEXICAN STATES

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 845, S. 2394.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 2394) to facilitate compliance with the convention between the United States of America, and the United Mexican States signed August 29, 1963, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations, with amendments, on page 5, after line 14, to strike out:

(b) For commercial properties for which there are no comparable properties on the market in or near El Paso, Texas, compensation to the owner up to an amount which, when added to the total market value of his properties, including land value, would enable the owner to provide minimum facilities of reasonably equivalent utility in or near said city.

And, in lieu thereof, to insert:

(b) For commercial properties for which there are no comparable properties on the market in or near El Paso, Texas, compensation to the owner up to an amount which, when added to the total fair market value, including the land value, would compensate the owner for the "value in use" of the real estate to him. Such "value in use" is to be determined on the basis of replacement cost less deterioration and obsolescence in existing real estate and taking into consideration factors bearing upon income attributable to the real estate.

On page 6, line 17, after the word "or", to strike out "warehouse" and insert "commercial"; on page 7, after line 8, to insert a new section, as follows:

SEC. 5. The Commissioner, in rendering an award in favor of any claimant under section 3 of this Act, may, as part of such award, determine and allow reasonable attorneys' fees which shall not exceed 10 per centum of the amount awarded, to be paid out of but not in addition to the amount of award, to the attorneys representing the claimant. Any attorney who charges, demands, receives, or collects for services rendered in connection with such claim any amount in excess of that allowed by the terms of this section, if award be made, shall be fined not more than $2,000 or imprisoned not more than one year, or both.

At the beginning of line 20, to change the section number from "5" to "6"; on page 8, after line 8, to insert a new section, as follows:

SEC. 7. No amount received as an award under subsection a. and subsections b. (1) and (3) of section 3 of this Act shall be included in gross income for purposes of chapter 1 of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.). However, amounts received under subsection b.(1) shall be included in gross income to the extent that such amounts are not used within one year of the receipt thereof to purchase replacement housing or facilities.

At the beginning of line 17, to change the section number from "6" to "8"; at the beginning of line 23, to change the section number from "7" to "9"; in line 25, after the word "Commission", to strike out "such sums as may be necessary" and insert "not to exceed $44,900,000"; on page 9, line 4, after the word "project.", to insert "Of the appropriations authorized by this section, not to exceed $4,200,000 may be used to carry out the provisions of section 3 of this Act.", and in line 8, after the word "of", to strike out "1920" and insert "1950"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "American-Mexican Chamizal Convention Act of 1964."

In connection with the convention between the United States of America and the United Mexican States for the solution of the problem of the Chamizal, signed August 29, 1963, the Secretary of State, acting through the United States Commissioner, International Boundary and Water Commission, United States and Mexico, is authorized—

a. to conduct technical and other investigations relating to: the demarcation or monumentation of the boundary between the United States and Mexico; flood control; water resources; sanitation and prevention of pollution; channel relocation, improvement, and stabilization; and other matters related to the new river channel.

b. to acquire by donation, purchase, or condemnation, all lands required—

(1) for transfer to Mexico as provided in said convention;

(2) for construction of that portion of the new river channel and the adjoining levee in the territory of the United States;

(3) for relocation of highways, roadways, railroads, telegraph, telephone, electric transmission lines, bridges, related facilities, and any publicly owned structure or facility, the relocation of which, in the judgment of the said Commissioner, is necessitated by the project.

c. For the purpose of effecting said relocations—

(1) to perform any or all work involved in said relocations;

(2) to enter into contracts with the owners of properties to be relocated whereby they undertake to acquire any or all properties needed for said relocations, or undertake to perform any or all work involved in said relocations;

(3) to convey or exchange properties acquired or improved by the United States under this Act or under said convention, with or without improvements, or to grant term or perpetual easements therein or thereover.

SEC. 2. The United States Commissioner is authorized to construct, operate, and maintain all works provided for in said convention and this Act, and to turn over the operation and maintenance of any of such works to any Federal agency, or any State, county, municipality, district, or other political subdivision within which such project or works may be in whole or in part situated, upon such terms, conditions, and requirements as the Commissioner may deem appropriate.

SEC. 3. The United States Commissioner, under regulations approved by the Secretary of State, and upon application of the owners and tenants of lands to be acquired by the United States to fulfill and accomplish the purposes of said convention, and to the extent administratively determined by the Commissioner to be fair and reasonable, is authorized to—

a. Reimburse the owners and tenants for expenses and other losses and damages incurred by them in the process and as a direct result of such moving of themselves, their families, and their possessions as is occasioned by said acquisition: *Provided,* That the total of such reimbursement to the owners and tenants of any parcel of land shall in no event exceed 25 per centum of its fair value, as determined by the Commissioner. No payment under this subsection shall be made unless application therefor is supported by an itemized and certified statement of the expenses, losses, and damages incurred.

b. Compensate the said owners and tenants for identifiable, reasonable, and satisfactorily proved costs and losses to owners and tenants over and above those reimbursed under the foregoing subsection in the categories hereinafter provided, and for which purpose there shall be established by the Commissioner a board of examiners, consisting of such personnel employed and compensation fixed as he deems advisable, without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended. Said board may hold hearings and shall examine submitted evidence and make determinations, subject to the Commissioner's approval, regarding all claims in said categories as follows:

(1) For properties—

(a) For nonconforming abodes and minimum forms of shelter for which there are no comparable properties on the market in the city of El Paso and concerning which fair market value would be inadequate to find minimum housing of equal utility, compensation to the owner up to an amount which when added to the market value allowed for his property, including land values would enable purchase of minimum habitable housing of similar utility in another residential section of said city.

(b) For commercial properties for which there are no comparable properties on the market in or near El Paso, Texas, compensation to the owner up to an amount which, when added to the total fair market value, including the land value, would compensate the owner for the "value in use" of the real estate to him. Such "value in use" is to be determined on the basis of replacement cost less deterioration and obsolecence in existing real estate and taking into consideration factors bearing upon income attributable to the real estate.

(2) For loss in business:

(a) Loss of profits directly resulting from relocation, limited to the period between termination of business in the old location and commencement of business in the new, such period not to exceed thirty days.

(b) Loss to owner resulting from inability to rent to others housing or commercial space that can be reasonably related to uncertainties arising out of the pending acquisition of the owner's property by the United States, such losses limited to those incurred after July 18, 1963, and prior to the making by the United States of a firm offer to purchase.

(3) For penalty costs to property owners for prepayment of mortgages incident to acquisition of the properties by the United States.

SEC. 4. Application for reimbursement or compensation under section 3 of this Act shall be submitted to the Commissioner within either one year from the date of acquisition or the date of vacating the premises by the applicant, whichever date is later. Applications not submitted within said period shall be forever barred.

SEC. 5. The Commissioner, in rendering an award in favor of any claimant under section 3 of this Act, may, as part of such award, determine and allow reasonable attorneys' fees which shall not exceed 10 per centum of the amount awarded, to be paid out of but not in addition to the amount of award, to the attorneys representing the claimant. Any attorney who charges, demands, receives, or collects for services rendered in connection with such claim any amount in excess of that allowed by the terms of this section, if award be made, shall be fined not more than $2,000 or imprisoned not more than one year, or both.

SEC. 6. Payments to be made as herein provided shall be in addition to, but not in duplication of, any payments that may otherwise be authorized by law. The means employed to acquire the property, whether by condemnation or otherwise, shall not affect eligibility for reimbursement or compensation under this Act. Nothing contained in this Act shall be construed as creating any legal right or cause of action against the United States or as precluding the exercise by the Government of the right of eminent domain or any other right or power that it may have under this or any other law; nor shall this Act be construed as precluding an owner or tenant from asserting any rights he may have under other laws or the Constitution of the United States.

SEC. 7. No amount received as an award under subsection a. and subsections b. (1) and (3) of section 3 of this Act shall be included in gross income for purposes of chapter 1 of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.). However, amounts received under subsection b(1) shall be included in gross income to the extent that such amounts are not used within one year of the receipt thereof to purchase replacement housing or facilities.

SEC. 8. As used in this Act, the term "land" shall include interests in land, and the term "fair value" shall mean fair value of the interest acquired. The provisions of this Act shall be exempt from the operations of the Administrative Procedure Act of June 11, 1946 (60 Stat. 237), as amended (5 U.S.C. 1001–1011).

SEC. 9. There are authorized to be appropriated to the Department of State for the use of the United States section of said Commission not to exceed $44,900,000 to carry out the provisions of said convention and this Act and for transfer to other Federal agencies to accomplish by them or other proper agency relocation of their facilities necessitated by the project. Of the appropriations authorized by this section, not to exceed $4,200,000 may be used to carry out the provisions of section 3 of this Act. The provisions of section 103 of the American-Mexican Treaty Act of 1950 (22 U.S.C. 277d–3) are hereby expressly extended to apply to the carrying out of the provisions of said convention and this Act.

Mr. SPARKMAN. Mr. President, the bill was reported unanimously by the Committee on Foreign Relations. Its purpose is to implement the Chamizal Treaty. Rather than to make a statement at this late hour, I think it would be well to have printed in the RECORD that part of the report of the committee which explains the bill section by section and item by item. Therefore, I ask unanimous consent that that part of the report beginning at the top of page 3 and extending through the bottom of page 9 be printed at this point in the RECORD.

There being no objection, the excerpt from the report (Rept. No. 868) was ordered to be printed in the RECORD, as follows:

V. PROVISIONS OF S. 2394

Section 1: Investigations relating to new river channel; acquisition of required lands; relocation of facilities.

Under the terms of the Convention on the Chamizal, the channel of the Rio Grande is to be relocated in the El Paso, Tex.-Ciudad Juárez, Chihuahua, sector and the centerline of the new channel is to be the international boundary.

Section 1(a) of S. 2394 would authorize the U.S. Commissioner, International Boundary and Water Commission, United States and Mexico, to conduct technical and other investigations relating to the demarcation or monumentation of the boundary; flood control; water resources; sanitation and prevention of pollution; channel relocation, improvement, and stabilization; and other matters related to the new river channel. These investigations would be conducted jointly with the Mexican section of the International Boundary and Water Commission.

Section 1(b) of the bill would authorize the U.S. Commissioner to acquire by donation, purchase, or condemnation, all lands necessary to implement the Convention on the Chamizal. The estimated market value of the 770 acres to be acquired is $29.7 million.

About a third of the area concerned consists of agricultural lands, stockyards, and vacant lands. In the other portions, however, are an estimated 843 improvements of various types, railroad trackage, utilities, and Government border inspection facilities. Among the improvements are family dwellings, shelters, and tenement buildings. In the list of 130 commercial concerns are 37 large properties, including a major meatpacking establishment, a customs and immigration inspection building leased from private owners, supply houses and warehouses, and chemical plants.

In the transfer of lands to Mexico 630.34 acres are involved: 366 acres to come from the Chamizal tract, 71.18 acres from an area under the jurisdiction of the United States and located just below Cordova Island (a Mexican enclave jutting into El Paso) and 193.16 acres of U.S. territory contiguous to the 71.18-acre tract. The United States will receive from Mexico 193.16 acres of Cordova Island. Moreover, it should be noted that, according to the terms of the agreement, a Mexican bank is to pay the United States $4,676,000 for the value of structures passing intact on the lands transferred to Mexico.

There will also have to be acquired 140 acres for rights-of-way for the portion of the new river channel and adjoining levee in the territory of the United States and for relocation of school properties, communication facilities, and public works in the area, including Federal port-of-entry inspection facilities.

Besides the cost of acquiring the land, certain relocations will have to be made at additional cost.

Relocation of the river pursuant to the convention will involve the construction of the new channel 4.3 miles in length, which will be concrete lined to minimize right-of-way requirements and provide an efficient waterway. New bridges to replace six existing bridges over the river will also involve relocation costs. The convention provides that costs of relocating the channel and the bridges (an estimated $6.4 million) will be shared equally between the United States and Mexico.

About 6.8 miles of railroad tracks situated in the area will have to be relocated at an estimated cost of $900,000. Reimbursement or replacement will have to be made for El Paso city properties consisting of a grammar school, part of the grounds of a high school, a portion of the lands of the city's main sewage plant, garbage disposal facilities, and utilities. Relocation of these city properties is expected to cost $1.2 million. Moreover, several Federal buildings and about 1.2 miles of a Federal irrigation canal will have to be replaced.

For relocation and expansion of port-of-entry facilities, a cost of $7.6 million is estimated.

Under section 1(c) of the bill, the U.S. Commissioner would be authorized to perform the work involved in connection with relocation of the railroads, the school properties, and construction of new Federal port-of-entry facilities; to enter into contracts with property owners for the acquisition of properties and performance of work; and to convey or exchange properties acquired or improved by the United States.

Section 2: Construction, operation, and maintenance of works.

Under section 2 of the bill, the U.S. Commissioner would be authorized to construct, operate, and maintain all works provided for in the convention and the implementing legislation and, as deemed appropriate, to turn over the operation and maintenance of any such works to any Federal agency or any State, county, or other political subdivision. It is anticipated, for example, that the General Services Administration would operate and maintain properties acquired for Federal inspection facilities; that the Department of the Interior would operate and maintain the new relocated portion of a Federal irrigation canal; and that the lands and structures acquired for replacement of the El Paso school and other facilities, possibly including the U.S. portion of two new bridges, would become the responsibility of the city of El Paso.

Section 3: Compensation of owners and tenants to prevent economic injury.

The Committee on Foreign Relations made a particularly careful examination of unique provisions in section 3 of S. 2394 relating to compensation of owners and tenants affected by the Chamizal settlement.

Payments under section 3 would be made pursuant to regulations approved by the Secretary of State, and subject to administrative determination by the U.S. Commissioner that the amounts involved were fair and reasonable.

In his statement before the committee, Commissioner Friedkin described the origin of section 3 as follows:

Section 3 of the bill has its origin in the late President Kennedy's instructions to Ambassador Thomas C. Mann at the outset of the negotiations for the convention, that the people who live in El Paso today should not be injured by any settlement since they were not responsible for earlier failures to reach settlement. This section has been drawn with the view that this unprecedented circumstance of acquisition of private properties for transfer to another country warrants special consideration and treatment of the U.S. citizens affected.

Under subsection (a) of section 3, the owners and tenants affected by the Chamizal settlement may be reimbursed for moving expenses and related losses and damages. Such reimbursement shall in no event, however, exceed 25 percent of the fair value of the land. Application for payments under this subsection must be supported by an itemized and certified statement of the expenses, losses, and damages incurred. The section 3(a) authority parallels that granted by statute to the Department of the Army and the Department of the Interior.

Subsection (b) provides for compensation for certain categories of identifiable, reasonable, and satisfactorily proved costs and losses to owners and tenants over and above those related to moving expenses.

A Board of Examiners would be established to consider claims in these categories, and the Board would be empowered to hold hearings, to examine evidence, and to make determinations, subject to the Commissioner's approval. The Board would consist of men with experience in the fields of law, real estate, or business.

The categories referred to above are discussed below.

For nonconforming abodes and minimum forms of shelter for which there are no comparable properties on the market in the city of El Paso and concerning which compensation for fair market value would be inadequate to purchase minimum housing of equal utility, an owner may be compensated up to an amount which, when added to the market value allowed for his property, including land values, would enable purchase of minimum habitable housing of similar utility in another residential section of El Paso (sec. 3(b)(1)(a)).

Preliminary surveys show that for most of the single family dwelling units which would have to be vacated, there are comparable properties available on the market and that the fair market values offered will enable property owners to purchase like housing elsewhere in El Paso. However, there are about 90 shelters, substandard dwellings, for which there are no comparable properties on the market in El Paso and for which the market value would not be adequate to enable the purchase of minimum housing of like utility.

The committee has been informed that claims respecting this provision would be handled in the following manner: Upon receipt of a property owner's claim, the Government real estate officers would ascertain whether there were in fact no other comparable properties on the market. If not, they would determine the market value of the owner's property and that of the minimum housing of similar utility on the market, and these data would be presented to the Board of Examiners. The Board, upon finding the data fair and reasonable, would recommend to the Commissioner the added compensation required to enable the owner to reestablish himself in the minimum similar (standard) housing available to avoid economc loss or damage to the property owner.

Subsequent to the January 21 hearing on S. 2394, the administration reviewed its proposed basis for compensation in the case of commercial properties and proposed, as a substitute, the amended language of section (3)(b)(1)(B) which the committee approved. This language should obviate the possibility of a commercial firm being able to better its present position at Government expense.

Thus, for commercial properties for which there are no comparable properties on the market in or near El Paso, the owner may be compensated up to an amount which, when added to the total fair market value, including the land value, would compensate him for the value in use of the real estate to him (sec. 3(b)(1)(B)). Such value in use is to be determined on the basis of replacement cost less deterioration and obsolescence in existing real estate and taking into consideration factors bearing upon income attributable to the real estate. The principal such factor is that of location.

Value in use would be determined by qualified appraisers who are specialists in the type of commercial properties to be acquired. They would first determine the cost of providing the minimum facilities of reasonably equivalent utility required to replace the existing properties. This would include surveys and investigations of the existing facilities, engineering and architectural studies, and estimates of necessary new replacement works. The appraisers would then determine and deduct from the replacement cost the actual reduction in value, if any, to the existing properties due to physical deterioration and to functional obsolescence. The deterioration would be ascertained by examination and survey. Functional obsolescence, defined as impairment in usefulness brought about by new inventions, current changes in design, and improved processes for production, would require careful survey and comparative analyses of existing properties with replacement properties.

Further, in this evaluation the appraisers would obtain and take into consideration as a measure of obsolescence, reductions in costs of production, if any, with the new properties compared to the old. Moreover, in their overall appraisal of the value in use to the owner, appraisers would take into consideration the net income of the owner, and its equivalent capital value to him. The resulting appraisals and supporting data would be reviewed for fairness and equity by the Board of Examiners provided for in the proposed legislation, and their recommendations transmitted to the Commissioner for consideration in the final determination.

Under section 3(b)(2)(a), provision is made for compensation for loss of profits directly resulting from relocation of a business. Such compensation is restricted to the period between termination of business in the old location and commencement of business in the new, but such period may not exceed 30 days.

Questions were raised in the committee about the adequacy of the 30-day time limitation. After reviewing this matter, the administration informed the committee of its continued belief that 30 days was an adequate period in which to permit relocation of each business, and that any increase might result in some property owners unnecessarily drawing out the time required for moving, with increased costs to the Government. It was noted that prior to moving, and prior to terminating business at the old site, the owner's new site should be ready for commercial operations to begin, and that regulations covering the acquisition of an original property would allow reasonable time for preparation of a new site. With this explanation, the committee was satisfied that the 30-day time period is sufficient.

Under section 3(b)(2)(b), compensation may be paid for a loss to an owner resulting from his inability to rent to others housing or commercial space when such inability can be reasonably related to uncertainties arising out of the pending acquisition of the owner's property by the United States. Such losses are limited to those incurred after July 18, 1963, the date Presidents López Mateos and Kennedy publicly announced approval of the proposed terms of settlement of the Chamizal dispute, and prior to the making by the United States of a firm offer to purchase. The original restriction in the bill dealing with warehouse space was broadened to take into account commercial space that an owner may have been unable to rent in the circumstances described above.

Under section 3(b)(3), compensation may be provided for penalty costs to property owners for prepayment of mortgages incident to acquisition of properties by the United States.

Under a ceiling limitation of $4.2 million which may be paid as compensation under section 3, an estimated breakdown follows below:

Probable ceiling estimate—Compensation under sec. 3, S. 2394

Moving expenses	$770,000
No comparable properties	2,655,000
Loss in profits, commercial and industrial	450,000
Loss to owners due to inability to rent	315,000
Penalty for prepayment of mortgages	10,000
Total	4,200,000

Section 4: Time limit on application for reimbursement or compensation.

Application for reimbursement or compensation under section 3 of the bill must be submitted to the Commissioner within either 1 year from the date of acquisition or the date of vacating the premises by the applicant, whichever date is later (sec. 4).

Section 5: Limitation on attorneys' fees.

During the hearing on S. 2394, concern was expressed that attorneys' fees for claims submitted under section 3 might prove to be excessive. Section 5 of S. 2394 would allow the Commissioner discretionary authority to limit such fees to a maximum of 10 percent of the award. Such an amount would be paid out of, but not in addition to, the amount of the award. Any attorney who charges, demands, receives, or collects for services rendered in connection with such claim any amount in excess of the allowable amount shall be fined not more than $2,000 or imprisoned not more than 1 year, or both. Besides protecting the claimant from exorbitant legal fees in connection with claims under section 3, this provision may also protect an attorney's fee by insuring him payment for services.

Section 6: Prohibition against duplicate payments.

Section 6 would serve to prohibit duplicate payments and would provide that the exercise of the right of eminent domain and other rights of the Government would not be precluded, nor would the rights of owners and tenants under other laws or the U.S. Constitution be affected by this bill.

Section 7: Exclusions from gross income.

Section 7 provides that the amounts of awards under subsection (a) (moving expenses) and subsections (b)(1) (noncomparable properties) and (b)(3) (prepayment of mortgages) of section 3 of the bill shall not be included in gross income for purposes of chapter 1 of the Internal Revenue Code of 1954. An exception is made, however, where amounts received under subsection (b)(1) are not used within 1 year of the receipt thereof to purchase replacement housing or facilities. To the extent not so used, the amounts shall be included in gross income.

Section 8: Definitions, exemption from operations of Administrative Procedure Act.

The term "land" is defined to include interests in land, the term "fair value" to mean fair value of the interest acquired.

Inasmuch as the bill establishes a compensation procedure, provisions of the proposed act would be exempt from the operations of the Administrative Procedure Act of June 11, 1946 (60 Stat. 237), as amended (5 U.S.C. 1001–1011).

Section 9: Authorization of appropriations.

Section 9 of S. 2394 authorizes the appropriation to the Department of State of not to exceed $44.9 million to carry out the provisions of the Convention on the Chamizal and this proposed act. The appropriation authorized would be for the use of the U.S. section of the International Boundary and Water Commission, United States and Mexico.

A ceiling of $4.2 million is set on the amount of the total appropriations authorized which may be expended to carry out section 3 of the proposed act.

Section 9 also makes applicable to the carrying out of the provisions of the convention and the proposed act, the provisions of section 103 of the American-Mexican Treaty Act of 1950 (22 U.S.C. 277d–3). This would enable the Commission to discharge efficiently its responsibilities by having authority to use the appropriated sums for such housekeeping items as personal services, rent, transportation, communications, and supplies.

VI. COMPLEMENTARY PROJECTS

During the hearings on the Convention on the Chamizal and on S. 2394, the committee's attention was called to the interest of citizens of El Paso in several improvement projects which might be possible of realization with the satisfactory resolution of the Chamizal dispute. These proposed projects relate to the establishment of a U.S. National Park on lands to be transferred to the United States pursuant to the convention, the construction of a border highway along the new location of the Rio Grande, and relocation and improvement of a Federal irrigation canal in the El Paso area.

The committee has been informed that appropriate agencies of the executive branch have these projects under consideration and are making studies of their feasibility. The committee weighed a suggestion that these projects be made part of S. 2394 and concluded that it would be best to proceed with the bill in its present form in order that the owners and tenants affected by the Chamizal settlement might be relieved of their uncertainties and relocated as soon as possible.

In the event that in the future projects for the park, the border highway, and the canal are presented to the Congress, the committee hopes they will receive prompt attention and consideration.

VII. CONCLUSIONS AND RECOMMENDATIONS

More than half the funds authorized to be appropriated in S. 2394 will be spent for the necessary acquisition of lands and properties thereon and for compensating property owners and tenants.

The committee realizes that settlement of the longstanding boundary dispute with Mexico over the Chamizal will create difficult readjustment problems for the some 4,500 people and the commercial firms which will have to leave their established residences and places of business and relocate elsewhere. The committee has been assured by the executive branch that the unusual compensation provisions in section 3 of S. 2394 are designed to authorize compensation to keep the property owners and tenants whole—but no more—and to assure that no bonuses or enrichments will accrue to the occupants removed from their lands or properties. That approach seems to the committee fair and sound, and there appear to exist sufficient safeguards to insure the carrying out of that approach.

The estimated costs of relocating the river channel, bridges, railroad tracks, and public facilities, and of relocating and expanding port-of-entry facilities, seem reasonable.

In the committee's opinion, S. 2394, as amended, merits the approval of the Senate, and favorable action at an early date is recommended on the bill.

Mr. **YARBOROUGH**. Mr. President, I desire to commend the able Senator from Alabama for the hearing which he held on the bill in the Committee on Foreign Relations and the manner in which it was conducted. The bill now under consideration is intended to protect the 4,500 people who will be dispossessed in that part of El Chamizal that goes to Mexico. When the convention was before the Senate and before the committee, this proposed legislation was introduced. There was implicit in the ratification of the convention the fact that the proposed legislation would be forthcoming.

Mr. SPARKMAN. It was promised on the floor of the Senate that early action on the bill would be taken.

Mr. YARBOROUGH. I commend the Senator from Alabama for fulfilling that promise so diligently.

When the Chamizal Convention with Mexico was before the Committee on Foreign Relations last December, and during the debate on the ratification of the Chamizal Treaty, in the Senate this year, the plight of the American citizens residing in that part of the Chamizal zone which became undisputed Mexican territory under the convention, was stressed by me and other Senators.

The bill is required to implement the convention and to compensate the property owners and tenants who will be dispossessed as a result of the Chamizal settlement.

It is estimated that the $44.9 million authorized to be appropriated under the law will be adequate to compensate the 4,500 people and the established businesses that will have to leave their homes, residences, and places of business to relocate in other areas.

The bill was introduced on December 17, 1963, before the Chamizal Convention with Mexico was ratified. Some support for ratification was based upon the pendency of this compensatory legislation. It is an act of keeping faith by our Government that it be passed at this session of Congress, in order that money be appropriated this year for the purchase of the lands, homes, improvements, and businesses located in the portion of El Chamizal, which will be in Mexico under the convention.

The bill would permit families and businesses in the disputed zone, whose progress is stagnated by the convention settlement, to obtain resettlement funds and to move into new areas, to begin the readjustment of their lives, necessitated by the change.

The sooner the bill is passed, the sooner we can carry out our obligations under the convention, and the sooner the 4,500 Americans in the Chamizal can find other homes and relocate. Expedition is good government. It keeps our faith at home and abroad.

I commend the Committee on Foreign Relations, the leadership of the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Alabama [Mr. SPARKMAN], and the Senate majority leader for their diligence in the hearings and on the floor of the Senate to see to it that justice is done for the 4,500 residents of the Chamizal who are immediately affected by the boundary adjustment.

Mr. MANSFIELD. I recall specifically the promise made by the acting chairman of the Committee on Foreign Relations, the gentleman from Alabama [Mr. SPARKMAN]. I am glad to note, on behalf of the committee, the Senate, and the country, that that promise, made in good faith then, has been kept.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

RECOGNITION AND ENDORSEMENT OF 17TH INTERNATIONAL PUBLISHERS CONGRESS

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of Calendar 807, Senate Joint Resolution 120.

The motion was agreed to; and the joint resolution (S.J. Res. 120) providing for the recognition and endorsement of the 17th International Publishers Congress was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby extends its official welcome to the book and music publishers from abroad who will attend the Seventeenth Congress of the International Publishers Association in Washington, District of Columbia, May 30–June 5, 1965, under the sponsorship of the American Book Publishers Council, Inc., and the Music Publishers Association, Inc. The President is authorized and requested to grant recognition, in such ways as he may deem proper, to the International Publishers Congress, calling upon officials and agencies of the Government to provide such assistance, facilities, and cooperation as the occasion may warrant.

Mr. SPARKMAN. Mr. President, this measure was reported, by unanimous vote, from the Foreign Relations Committee. The joint resolution extends a welcome to an international body which will be meeting in Washington for the first time.

In lieu of a further statement on this matter, I ask that an excerpt from the committee report be printed in the RECORD.

There being no objection, the excerpt from the report (No. 832) was ordered to be printed in the RECORD, as follows:

The resolution extends the official welcome of the U.S. Congress to the 17th Congress of the International Publishers Association, to meet in Washington, D.C., in 1965, and requests the President to grant such recognition and assistance to the conference as he may consider appropriate.

BACKGROUND

From May 30 to June 5, 1965, the International Publishers Association will hold its triennial congress in Washington. Roughly 800 book and music publishers from approximately 40 free-world countries are now expected to attend. It will mark the first time in its 60-year history that the association is to conduct its meeting in the United States.

The interested agencies of the executive branch of our Government have welcomed this occasion, and are prepared to cooperate in making it a successful one. Senate Joint Resolution 120 strongly encourages such cooperation. At the same time, the phrasing of the resolution in this context is permissive and not mandatory. It should also be noted that assurance has been given that the expenses of the conference will be met entirely by the American and foreign publishers.

COMMITTEE ACTION

Senate Joint Resolution 120 was introduced on September 20, 1963, by Senator FULBRIGHT for himself and 11 cosponsors. The Committee on Foreign Relations considered the resolution in a meeting on January 28, 1964, and ordered it reported favorably to the Senate.

COLD WAR VETERANS' READJUSTMENT ASSISTANCE ACT

Mr. YARBOROUGH. Mr. President, I wish to ask about Calendar No. 319, Senate bill 5.

When, during this session, may we expect to have an opportunity to vote on this bill? Can the Senator from Minnesota give us an estimate as to that?

Mr. HUMPHREY. The majority leader has informed me that the bill is still under consideration before the policy committee, as I am sure the Senator from Texas knows. The bill is receiving very active consideration.

We have requested cost estimates from the Bureau of the Budget; and I shall notify the Senator from Texas the next time the policy committee meets to give the bill consideration.

Mr. YARBOROUGH. I thank the Senator from Minnesota. I know he supports this bill actively.

Mr. HUMPHREY. Yes; very actively.

CONTRACTS FOR INSPECTION, MAINTENANCE, AND REPAIR OF FIXED EQUIPMENT IN FEDERAL BUILDINGS

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 843, Senate bill 1233.

The motion was agreed to; and the bill (S. 1233) to amend the Federal Property and Administrative Services Act of 1949, so as to authorize the Administrator of General Services to enter into contracts for the inspection, maintenance, and repair of fixed equipment in Federal buildings, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 210(a) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(a)), is further amended by—

(1) striking out the word "and" where it appears immediately after the semicolon in subsection (12) thereof;

(2) striking out the period at the end of subsection (13) thereof, and inserting in lieu thereof a semicolon and the word "and"; and

(3) inserting at the end thereof the following new paragraph:

"(14) to enter into contracts for periods not exceeding five years for the inspection, maintenance, and repair of fixed equipment in such buildings which are federally owned"

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a pertinent portion of the committee report on the bill be printed at this point in the RECORD.

There being no objection, the excerpt from the report (No. 866) was ordered to be printed in the RECORD, as follows:

This bill would permit the Administrator of General Services to enter into contracts with private concerns for the inspection, maintenance, and repair of fixed equipment and equipment systems in Federal buildings for periods not to exceed 5 years.

Under existing authority of law contracts for such services are executed on an annual basis. The Administrator of General Services reported that authority to enter into contracts for a longer period of time will make possible greater economy, safety, and efficiency in the maintenance and operation of Federal buildings and equipment at less cost to the Government than is possible under the requirement that such contracts be negotiated on an annual basis.

BACKGROUND

The Administrator of General Services reported to the committee that the fixed equipment and equipment systems intended to be serviced, inspected, or repaired under the authority of this amendment, would include air conditioning, heating systems, elevators, plumbing, pneumatic tube systems, and other similar equipment which has been installed in Federal buildings. A substantial part of the servicing of this equipment can be performed by private firms which specialize in the maintenance of this type of equipment.

The Administrator stated that in many localities the Government has been unable to employ or retain for any length of time employees with specialized training and skilled craftsmen to perform the work, because of local labor market conditions. In some localities there is insufficient work of this nature to require full-time employees and, in other locations the workload fluctuates so much that it is difficult to schedule for a fixed staff of service personnel.

The following additional explanation and justification has been transmitted to the President of the Senate and referred to the committee by letter dated March 1, 1963, from the Administrator of General Services:

"The fixed equipment systems intended to be covered by this measure include heating, refrigeration, ventilating, air conditioning, electrical vertical transportation, plumbing, fire protection, watchman, fuel and pneumatic tube systems installed in Federal buildings. Typical items common to these systems are the following: boilers, stokers and oil burners; compressors, chillers, and cooling towers; fans, airhandlers, and induction units; transformers, motors, generators, high voltage switchgear and interior distribution wiring pumps, piping, and water tanks; fire alarms and watchman central recorders; fuel tanks, and lines; blowers and tube stations; and elevators and escalators. Such systems are relatively complex and costly and require continuous inspection, maintenance, and repair (when necessary) of such a character that they can be operated efficiently, with the greatest possible safety, with a minimum of service interruption, for the longest possible time economically justifiable.

"A substantial part of the servicing of this equipment is subject to being performed for the Government by contracting with firms which specialize in the various aspects thereof. It would be advantageous to the Government if more of this servicing could be contracted out.

"There are several reasons for this. For one thing, the Government in many localities has been unable to employ, or to retain for any length of time those employed, the necessary number of specially trained skilled craftsmen, and supervisors with know-how, to perform the work because of local labor market conditions. By contracting for this work the Government is relieved of the added costs and difficulties inherent in purchasing, transporting, and storing innumerable spare parts and other supplies which would otherwise be necessary, as well as arranging for the availability of such spare parts and other supplies promptly when and where needed in the many Federal buildings throughout the country, not infrequently on an emergency basis. For a third, even assuming that the Government could obtain and retain the necessary skilled craftsmen at all locations, the amount of such service work required at any given time for any given Federal building varies to such an extent that it would be most difficult, if not impossible, in many small isolated locations, to schedule the work so that the skilled craftsmen employed by the Government would be fully employed on the one hand, or that, on the other hand, there are sufficient skilled craftsmen available to handle the work on other occasions when unpredictable and urgent heavy demands for their services may arise to service particular buildings. For these reasons, and because of other problems, some of which are indicated hereinafter, the usual practice of private industry is to enter into long-term contracts with specialty firms for such services.

"Under present law, Government contracts for the inspection, maintenance, and repair of such equipment may be entered into for only 1 year. It is believed that authority to contract for a longer period will yield lower costs and more efficient and satisfactory service and operations.

"It has been our experience that many contractors do not fully carry out their obligations under 1-year contracts with us for equipment inspection, maintenance, and repair, as hidden deficiencies in such maintenance show up later, often after the contract has expired and a new contractor is on the job. Because of their inherently latent nature, it is most difficult to prove whether the deficiencies in performance under such contracts are attributable to one short-term contractor or to another, at least to the extent that the Government can obtain appropriate damages or other relief in a court of law, or before an administrative tribunal, for the failure of a contractor to properly perform such a maintenance contract. As one consequence, the Government has had to bear the cost of remedying such deficiencies. Another consequence has been that our equipment has not been operable, because of shutdown time for repairs, more frequently and for longer periods than it should be. Thus, we have been handicapped in properly protecting the Government's interests.

"Another somewhat different type of situation which has confronted us is that, when a yearly contract for the servicing of new equipment is involved, a contractor will bid low and thus be awarded contracts seriatim for 2 or 3 years to service this new equipment. But, when the contractor decides that the time has come when his hidden neglect in maintenance no longer can be concealed, possibly about the third or fourth year of its life, he will refrain from bidding. It is considered that authority to enter into contracts to service this equipment for a maximum of 5 years will do much to alleviate this type of situation, as most major defects in maintenance will show up in a 5-year period. Under a 5-year contract, the contractor will have a much greater incentive to perform proper maintenance during the early years of the life of equipment than under a 1-year contract. And, under a 5-year contract, even if a contractor neglects the maintenance during the early years, his neglect can much more easily be charged against him than it could be under a 1-year contract, as such a contractor could not sit back with the thought that the Government would have great difficulty in proving that he, rather than his successor contractor, was responsible therefor.

"Another benefit to the Government which would flow from the grant of authority to enter into such 5-year contracts is that, in many cases, lower prices could be obtained under one contract for 5 years as contrasted with those obtainable under five contracts for 1 year each. Under the longer term contract, contractors would be able to arrange for longer range, bigger volume purchasing of supplies and spare parts, and otherwise more economical operations. An important fringe benefit would be the greater time a contractor's personnel would have to become acquainted with the characteristics of the particular pieces of equipment which were being serviced, including the relationship of such equipment to the structural and other characteristics of the buildings in which it is located, or in connection with which it is used, and the detailed nature of the circumstances under which it must be operated. Each new contractor under an annual contract arrangement has to organize for the job and train his employees for the particular tasks required by the contract, thus sacrificing to some extent the efficiency that results from experience in actually performing the work."

BILL INDEFINITELY POSTPONED AND REMOVED FROM THE CALENDAR

Mr. **HUMPHREY**. Mr. President, I ask that Calendar 739, Senate Resolution 217, to authorize a study of a national system of scenic highways, be indefinitely postponed and removed from the calendar.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **HART**. Mr. President, this resolution was submitted by me, on behalf of myself and the Senator from West Virginia [Mr. RANDOLPH]. It is our hope that a study of the national scenic highway system will go forward—very likely under the direct control and management of the Public Works Committee, perhaps in consultation and association with the Outdoor Recreation Bureau and others.

In any event, I am satisfied that we shall move forward in this very useful and very desirable matter.

Mr. **HUMPHREY**. I am sure the observation by the Senator from Michigan will be borne out by the developments.

MASS TRANSPORTATION

Mr. **LAUSCHE**. Mr. President, the tax-cut bill has been passed. Within the last several days we have seen and heard evidence of what will happen in the spending program.

One of the subjects under rather arduous discussion is the mass transportation bill. In its beginning, it contemplates an expenditure of approximately $9,800 million—$200 million less than $10 billion.

Panels were held in Washington this week, and have been discussing and arguing about the subject.

The Senator from New Jersey [Mr. WILLIAMS], who is one of the arch proponents of the bill, inserted in the RECORD a statement made during the debate on the subject. I ask unanimous consent to have printed in the RECORD the other side of the debate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE TRANSIT BUGGY RIDE

(By Edwin P. Neilan, president, Chamber of Commerce of the United States)

It is a pleasure to be with you today. In speaking for the Chamber of Commerce of the United States, I hope you will indulge me if I express, as firmly as I can, the viewpoint of the chamber in opposition to Federal handouts, vote-buying bribery, and unnecessary as well as inequitable subsidies. These include subsidies for the acquisition of facilities and equipment for urban mass transportation. The chamber does support limited Federal expenditures for planning and transit research.

In this conference, the chamber has offered an open forum and in so doing has sought the frankest exposition of conflicting viewpoints. We recognize that a serious problem in urban mass transportation exists in some areas and appropriate solutions are required. Our quarrel is not with the end requirement, but it is rather with the means proposed by advocates of Federal subsidies, not only for urban transportation but for all initiative-stifling and politically perpetuating Federal "crutches" for local "cripples."

I would be remiss if I did not reassert here the fact that the chamber is opposed to the massive growth in all forms of Federal handouts. Our opposition is not simply or solely to the proposals for Federal subsidies to urban transport. We can even sympathize with those who sincerely feel that it is an easy way out of the problems they face. The focus of our opposition is to the steadily swelling stream of Federal handouts to States, communities, and industries willing to trade their independence for dependence, ingenuity for indolence, initiative for inaction, private enterprise for political control and willing even to trade votes for Federal funds.

This opposition is to budgets that are exploding with the fusion of fiscal irresponsibility and with the fission of outright political bribery. It is to budgets that more and more ignore the relatively poor to give to those who are better off; to budgets that feed a Federal political and bureaucratic structure more and more willing—and more and more empowered—to direct and control the economic and political destiny of areas, States, and cities.

The most recent major effort to superimpose new subsidies and with them the controls created by Federal funding is in this field of urban mass transportation. As you here know, a bill which would crack open the Treasury's vaults for urban transportation has been passed by the Senate. A similar measure is pending in the House. This scheme is a deliberate and politically motivated attempt to infiltrate or to invade an activity which is basically local in nature. Solutions demonstrably can and should be local in character. Even though the sprawling urban areas involved may overlap State lines, there is no demonstrated requirement to impose a Federal superstructure over the framework required to meet area problems. On the contrary, the San Francisco Bay area, the States of Pennsylvania and New Jersey and the Maryland-Virginia-District of Columbia compact prove otherwise. Certainly there is nothing but a superficial facade to the pretense that urban transport is a national problem requiring Federal action. It is still another effort to feed political pap to local politicians incapable of or unwilling to face their responsibilities.

The Federal Government's pellmell rush into the field of urban transport is purely and simply another effort to enlarge a politically oriented bureaucracy—which seeks to become the Department of Urban Affairs—with greater powers of economic life and death over the municipal enclaves of our land.

Locally financed transit facilities are serving American communities quite satisfactorily where they are given the proper atmosphere in which to operate. It should be a matter of pride that 95 percent of all U.S. transit systems are privately owned and operated. There is genuine reason to believe that local initiative and enterprise can solve urban transport problems—where there are such problems—in American communities. This fact has been conclusively demonstrated in such varied yet representative communities as San Francisco, Houston, Phoenix, Zanesville, Ohio, and Evansville, Ind.

The San Francisco area solved all four major problem areas in urban mass transportation without outside interference or dictation. First, it resolved the difficulties of multiple political jurisdiction. Following that, it integrated planning, solved the conceptual approach to types of systems and, finally, the question of financing.

The San Francisco plan embarrassed the Washington bureaucrats who had been busy telling Congress and the country that financing of mass transit systems could not be handled at the local level. They then dangled before San Francisco the well-polished carrot of Federal funds because they saw in the San Francisco plan an obvious danger to efforts to obtain Federal subsidies for other areas of the country. Their embarrassment was rendered more acute by pointed comments from certain Members of Congress that if San Francisco could come up with such a complicated and costly transit plan on a do-it-yourself basis, a Federal subsidy program was unnecessary and unjustifiable.

In Houston, under private ownership and with economic freedom provided by an adequate franchise and through equitable tax policies, mass transportation has been revitalized and modernized. Phoenix, reputed to be the fastest growing city in the United States, has reverted from municipal operation to private ownership with exemplary results, not to mention the added tax revenues that followed the return to the private sector. Local action similarly has cleared up souring situations in Zanesville and Evansville. These experiences are not unique and can be duplicated through effective action by cities both large and small.

The mass transit problems which have generated this demand for Federal action are centered largely in cities and sections where public officials have refused to take remedial action and in cities with the fiscal capacity to obtain their own financing. Their motives are political, centering upon a reluctance to adjust unrealistic fares or to modify franchise and tax straitjackets hampering economic operations. It is only too clearly evident that local remedies have not been exhausted in these instances. Federal help would be only a makeshift crutch to be followed by further demands for the artificial limb of permanent operating subsidies. And this can only mean a "free ride" for the few at the expense of the many.

How do we avoid this unnecessary pillage of the Federal Treasury and the inequitable burdens it would impose upon all Federal taxpayers? A more constructive approach than has been shown will be required of some local governments. A more cooperative attitude between local and State governments is essential in other areas. And above all, urban transportation clearly is a responsibility shared by local businessmen.

Problems are taking off to Washington only when local leaders fail to accept and act upon the challenge knocking on their doors. If they avert their eyes, avoid their challenges, and even join the parade to the handout trough they will find that Federal bureaucrats and all too many Congressmen are only too willing to buy support with the bribery of subsidy.

The businessman, more than others less knowledgeable, should recognize that the dollar that goes to Washington and back has a high factor of shrinkage. In the agency involved in the transit subsidy effort, the shrinkage rate is 12 percent. Nearly $1 in every $8 goes to the administrative overhead. Such is the hazard of resorting to the rigged jackpot of Washington's political slot machine.

Where local action to meet local problems has been avoided or prevented, Federal subsidies serve to perpetuate not only the problems but the political atmosphere which has created the problems and with it the fiscal immorality degrading that community and its citizens.

The pork barrel is nothing new to national politics. It is an expression that has been as familiar to the backwoods county boss as to the wardheeler of tenement alley.

For many years the pork barrel rolled out items with an electoral value of high visibility. Even, at times, of some intrinsic worth.

With the growth in Federal taxes and the ease of their extraction, the pork barrel became an outmoded, if still revered, institution. Not replacing it, but overwhelming it in political glamor, has grown the modern packaging of subsidies and handouts for a more sophisticated, if equally bemused, electorate. They now provide literally a supermarket in which a power-orented public official may shop.

Community responsibility has too often succumbed to community greed or lethargy in accepting these neatly gift-wrapped packages. Few have demanded that the hidden costs be disclosed. Fewer have insisted upon more "truth in advertising" by congressional and bureaucratic salesmen of subsidy.

Unless this is done, and soon, the alternatives inevitably are going to be vastly higher taxes or an enormously swollen Federal debt. It takes only the most simple kind of arithmetic to say that we cannot reduce Federal taxes by $11 billion, anticipate a deficit of almost $5 billion, and still superimpose new billions in new subsidies without heading down a steep path to monetary disaster.

The dollar is a delicate instrument of commerce and existence. We have seen confidence in our dollar rudely shaken more than once in recent years. The strength of this dollar is the strength of the free world—in commerce, in security, and in confidence. Yet we appear only too willing to batter and slam this delicate instrument against the hard fact of excessive, extravagant, and nonproductive expenditures.

We seek too seldom to make intelligent investment in national growth and progress. Handouts weaken rather than strengthen our economy, and they weaken the moral fiber of whole communities of our people. Attacks on the "pockets of poverty" that so newly and dramatically have become the concern of Washington officialdom, are actually serving to widen these pockets by extending their welfare dependence to ever wider areas. Let us ask how much of the handout flow of recent years has gone into developing the economy of the pockets where poverty is endemic or has been used to alleviate the problems that have perpetuated this poverty.

The course of politically conceived subsidy programs demonstrates that they proliferate from weak communities until they extend to healthy communities and spread the viruses of dependence, dictation, and domination. The integrity of local governments and their representatives in this Capital are eroded and a local disease feeds into a national fiscal epidemic.

There can be no question but that urban mass transportation problems can be met with determination at a local level. It has been accomplished, and, in many instances, done in an outstanding manner. It has been accomplished by removing transit from political sloganeering to practical administration; by freeing private enterprise to exercise judgment and initiative; by demonstrating community values to community voters and by stressing local fiscal structures to realistic strengths.

I submit that it is completely immoral for a municipal administration to be elected and to be reelected on platform promises of unrealistically low transit fares while seeking Federal subsidy to maintain and strengthen this political advantage. I submit that it would be equally immoral to establish a new autocracy in Washington which could, on the obverse of this counterfeit coin, dictate to any local government the level of fares for urban transport of its citizens.

Your discussions here have explored the problem as the individuals here have seen it in the light of present realities in their areas, against the facts of their responsibilities, or the interests of their industry. I would ask that each of you find out what can be done by your city, your State, your industry, or your corporation before you ask what the country can do for them. What your country can do is expensive, even extravagant, in far too many ways. It takes from the ill-favored many to give to the politically favored few. It destroys private industry and individual initiative to substitute political patronage and payoff. It enriches politically pampered sections of the country and to that degree impoverishes all other areas.

We must ask what we can do for ourselves—at home, in our cities, counties, and States. In the climate of today, the greatest thing we can do for our country is to encourage local businessmen, local citizens and local officials to devote local energies and funds to the solution of local problems.

Mr. **LAUSCHE**. Mr. President, I also ask unanimous consent to have printed in the RECORD an article on this subject published in the Wall Street Journal.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Dec. 9, 1963]

STUDY INDICATES RAIL SUBSIDY DID NOT MAKE LINES' BOSTON COMMUTER SERVICE PROFITABLE

BOSTON.—A railroad and a State agency indicated State and local funds to subsidize lower fares and more trains for rail commuters to Boston failed to generate during a yearlong experiment enough new passenger traffic to make it possible for commuter railroads to break even.

The low-fare subsidized experiment in Boston was set up to help provide guidelines for proposed Federal aid to cities all over the country faced with commuting problems. Most of the Nation's commuter railroads claim they are losing substantial sums on a declining number of passengers while cities contend with approach roadways that are clogged with growing automobile traffic. A prime objective of the experiment here was to determine whether lower rail fares would attract enough new passengers to end the railroad's red ink and reduce highway congestion or whether it would be cheaper to subsidize railroad commutation than to build new roadways for commuters in autos.

Boston's major commuting railroad, the Boston & Maine, apparently has decided subsidies aren't enough. Over the weekend it said it will file an application early next year to discontinue all its passenger operations in and out of Boston. The application will be filed with the State department of public utilities, which has first jurisdiction over intrastate rail operations. If the department fails to act within a specified time, the railroad can file its application with the Interstate Commerce Commission. Earlier two other railroads applied to end nearly all their rail commuting service to Boston.

PASSENGER DEFICITS ESTIMATED

Boston & Maine had a passenger deficit during the first 9 months of this year of $2,839,510 despite a Government subsidy of $1,370,250.

The New Haven Railroad said it is losing about $1,500,000 yearly on commuter service to Boston. A few days ago it petitioned the State agency for permission to end nearly half of its commuter service to Boston. This half includes all of its passenger service totally within the State. The remaining half involves commuter trains on the New Haven main line, which runs from Boston through Providence, R.I., en route to New York. The New Haven, which also was in the subsidy experiment, seeks to discontinue 32 daily trains. Its 13 trains that run each way between New York and Boston would not be affected by the application.

The Boston & Albany division of the New York Central, which runs from Boston to Albany, N.Y., through Springfield, Mass., has also applied for permission to end its passenger service on the line. The railroad claims its losses, on two trains daily each way, exceed $100,000 a year. It did not participate in the subsidy experiment.

Although the experiment "resulted in a substantially higher volume of railroad use by commuters, the project also demonstrated that the service could not have been provided without a heavy private subsidy from the railroad in addition to the support of the Government grant," said Daniel A. Benson, Boston & Maine president.

AGENCY AGREES WITH RAILROADS

The Mass Transportation Commission, the State agency set up to conduct the experiment, arrived at a conclusion similar to that of the railroads.

"There is no reasonable doubt that the Boston & Maine management must soon petition for immediate discontinuance of all its Boston passenger service unless some form of relief from the net cash drain from the commuter service is quickly obtained," the Mass Transportation Commission says in a report just released.

As an alternative to railroad losses or building additional highways, the commission tentatively recommends the formation of a massive State transportation authority. This authority would be empowered to extend lines of such mass transit facilities as subways, streetcars, and buses and to purchase commuter service from railroads. It proposes a $2.2 million purchase from Boston & Maine in each of the next 5 years.

The commission cites precedents in New Jersey and Philadelphia. In New Jersey the State Highway Department has been supplying about $6 million yearly to help pay for railroad commuter service and recently requested the sum be raised to $8.5 million yearly, the commission says.

SERVICE CUT SET JANUARY 5

The Boston & Maine says it plans to reduce passenger service on January 5, the date its experiment contract with the Mass Transportation Commission ends. But the road says it will maintain most present fares. By reverting to its old schedule the B. & M. will operate 204 trains daily Monday through Friday rather than the 386 it is operating during the experiment.

Although the experiment started out with drastically reduced fares—tickets for one run dropped to 93 cents a round trip from $1.35—peak hour fares were restored to old levels in August. Low fares continued during slack hours.

The low fares and increased service boosted passenger traffic substantially; by August volume was running over 32 percent ahead of a year earlier, the B. & M. says. Revenue, however, increased only about 4 percent, the railroad said, and was insufficient, despite the subsidy, to put the service in the black.

The Department of Public Utilities reacted to the prospect of an end to railroad commuting in Boston cautiously. "We always hear the evidence but we are reluctant to authorize the abandonment of any service unless it can be shown that it must be done," says Norman Mason, department chairman.

STEADY SWITCH IN TRAFFIC

B. & M.'s passenger business has declined steadily during recent years. Last year passengers numbered only about 5.5 million, down from 14.7 million in 1954. Commuter railroads now bring in only about 22,000 passengers daily, down from 80,000 daily in 1949.

Highways have been carrying an increasing number, up to an estimated 100,000 to 150,000 daily, according to the Mass Transportation Commission. During recent years about $600 million has been spent in the Boston area on expressways and other roads used principally during the hours most people either go to work or return home.

The vast majority of Boston commuters, about 300,000 daily, however, ride on subways and street railways operated by the Metropolitan Transit Authority, a State agency providing service to Boston and 13 suburban cities and towns. During 1952 it operated at a deficit of $16.4 million, which was made up by taxes in the towns in which it runs. The Mass Transportation Commission proposes that the new authority take over and extend the lines of the Metropolitan Transit Authority.

Mr. **LAUSCHE**. Mr. President, I oppose the mass transportation bill. As I have said, it contemplates an expenditure of $9,800 million from the start.

A man by the name of Maloney testified in hearings which were conducted by me in March 1963. He pointed out that in Boston, the Federal Government put in $4 million to conduct an 18-month's study of what would happen if the services of the commuter railroads were increased and if the fares were decreased. The U.S. Government put that amount of money into Boston, with the understanding that the service would be increased by 70 percent and the fares would be reduced by 30 percent. The argument which was made was that if that were done, more frequent trains, moving with less cost to the passengers, would provide such greatly improved service that motorists would no longer use their automobiles for commuting purposes, but would use the commuter transportation system. The test was to continue for 18 months.

Mr. Maloney, who was in charge of the Boston & Maine Railroad experiment, testified before the committee that the observations during the initial days were most encouraging. He indicated that motorists were stopping the use of their automobiles for commuting purposes, and were taking advantage of the frequent service by the Boston & Maine Railroad, and especially because it had reduced the fares by 30 percent. That was in March of 1963. In the course of his testimony he said:

> The problem will be solved. The motorists will get off the highways, and will travel by the commuter trains.

We are now in January 1964. The Boston & Maine Railroad commuter service—with a 70 percent increase in the frequency of the trains and a 30 percent reduction in the fares—has been abandoned. A public statement to the effect that the experiment has not worked out has been made.

The significant point which I wish to stress is that the tax cut bill has been passed, and now we shall see the great march of demands for subsidies. Subsidies are wanted in order to establish governmentally operated local transportation systems. The Federal Government will be called upon to provide the money. Thus far, our transportation systems have been run by private enterprise.

I hope that all the arguments which were made this week—arguments to the effect that the tax cut will be accompanied by a spending cut—will not be thrown overboard; but I fear that they will be. In fact, I have a deep conviction that the talk about reduced spending will come to an end the moment the President signs the tax cut bill.

It will be interesting to note what will be the developments of the mass transportation subsidy proposal. The Senate passed that bill; and it is now pending in the House, where there was a refusal to pass it. I suppose pressure will be placed upon the House to pass the bill, regardless of how big the deficit will be in 1965, 1966, 1967, 1968, 1969, and thereafter.

Mr. President, I yield the floor.

CIVIL RIGHTS

Mr. HART. Mr. President, in Michigan there is an organization known as the Michigan Catholic Conference. It is composed of the archbishop of Detroit and the bishops of the four Catholic dioceses of Michigan.

Joining them in the conference are three distinguished Catholic laymen of Michigan. The names of the distinguished Americans who are members of the board are as follows: Board members: Most Rev. John F. Dearden, D.D., archibishop of Detroit; Most Rev. Joseph H. Albers, D.D., JCD, bishop, diocese of Lansing; Most Rev. Stephen S. Woznicki, D.D., bishop, diocese of Saginaw; Most Rev. Thomas L. Noa, D.D., bishop, diocese of Marquette; Most Rev. Allen J. Babcock, D.D., bishop, diocese of Grand Rapids; Mr. John F. Donnelly, Holland; Mr. Frank Manley, Flint; Mr. Paul Weber, Detroit.

The statement on civil rights which was issued by the Michigan Catholic Conference contains 10 numbered paragraphs. Each should be read and considered by all Senators. The 10th explicitly endorses the President's civil rights program, which we anticipate taking up in the Senate in a matter of days.

Mr. President, as a communicant of the church and as a Senator from Michigan, it is with pride that I ask unanimous consent that the statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The following statement on civil rights, adopted by the board of directors of the Michigan Catholic Conference, has been mailed to every Catholic pastor in Michigan at the request of the five bishops of the State:

"1. Catholic health, welfare, and educational institutions shall admit persons without regard to their race and shall provide equal treatment in regard to the services and facilities of these institutions.

"2. Employment in all Catholic agencies and institutions shall be based on merit and without regard to race, color, or national origin.

"3. Contracts for the repair and construction of church related institutions shall contain a positive requirement that the contractor maintain a policy of equal employment opportunity without regard to race, creed, color, or national origin, in all categories of employment.

"4. Public officers and other leaders in industry, business, the professions, and labor, because of the influence of their positions on the welfare of many others, have special obligations to provide active leadership and good example in working toward the total elimination of discrimination and segregation.

"5. The faithful are urged to give active support to programs promoting freedom of housing opportunities for all persons. No Catholic, in good conscience, can sign petitions or support laws or ordinances that deny minorities a full and equal opportunity to secure decent homes on a nondiscriminatory basis.

"6. To coordinate these efforts, there will be established in each diocese of the State, a bishop's commission on human relations composed of lay and clerical members appointed by the bishop.

"7. Every major community should have a strong and effective public human relations agency. These agencies are as important to the life of a community as the police and fire departments. They should be generously supported where they exist, and established where they do not exist.

"8. The achievement of racial equality requires the active cooperation of all religious groups working together. We announce our willingness and desire to work with other major faiths through the establishment of local race and religion councils in the major cities of Michigan.

"9. The newly created Civil Rights Commission can be an effective instrument for achieving equality under the law for all Michigan citizens. We offer our support to insure that this Commission has sufficient means to achieve its purpose.

"10. The administration's civil rights program represents the most significant effort to achieve equal protection of the laws for Negroes in this century. Racial discrimination is a national problem that requires Federal action. We, therefore, endorse the principles of the President's civil rights program."

APPOINTMENT OF FREDERICK C. BELEN AS DEPUTY POSTMASTER GENERAL

Mr. HART. Mr. President, a number of laudatory editorials have noted the appointment by the President of the United States of Frederick C. Belen as Deputy Postmaster General. The most satisfying of such editorials is the editorial comment and expression appearing in his own hometown of Lansing.

The Belen family has long contributed to public service. The distinction richly deserved by Fred Belen is one in which we in Michigan take the greatest pride.

Mr. President, I ask unanimous consent that the editorial published in the Lansing State Journal on February 5 be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A FINE CHOICE

This community has good cause to take satisfaction in the appointment of Frederick C. Belen as Deputy Postmaster General, the second highest job in the Nation's postal system.

It isn't just that Belen is one of Lansing's native sons. The main reason the appointment is so gratifying is that it is based on demonstrated ability.

Belen has been in Washington serving in various capacities since the thirties. After World War II he became chief counsel and staff director for the House Post Office and Civil Service Committee, has served as Assistant Postmaster General in charge of operations since President Kennedy took office in January 1961, and is widely known as the originator of the ABCD system of accelerated mail delivery in downtown areas of the Nation's largest cities.

We congratulate the new Deputy Postmaster General on his well-deserved promotion and commend President Johnson for having made an appointment that recognizes the value of experience and competence.

THE CHILDREN'S BIOGRAPHY OF PRESIDENT KENNEDY

Mr. HART. Mr. President, sometimes the most eloquent tributes are those voiced by children. They are, indeed, the most lasting on many occasions.

I received from Jo Ann Johnson, of the fifth grade of the Central Grade School, Negaunee, Mich., a longhand letter which reads as follows:

FIFTH GRADE ROOM 202,
CENTRAL GRADE SCHOOL,
Negaunee, Mich., January 29, 1964.

Hon. PHILIP HART,
Senator from Michigan,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HART: Miss Carter's fifth grade is sending you a biography of President Kennedy. Every one in Miss Carter's room put this book together. We hope you will enjoy reading it.

Sincerely yours,
JO ANN JOHNSON.

The enclosure of which she speaks, the biography of President Kennedy, prepared by that fifth grade, I ask to have printed at this point in the RECORD.

There being no objection, the biography was ordered to be printed in the RECORD, as follows:

JOHN F. KENNEDY, OUR 35TH PRESIDENT

(By Grade 5, Room 202, Central Grade School, Negaunee, Mich.)

The boys and girls of many schools have been learning sayings of great leaders. Here is one that children later on will be learning:

"Ask not what your country will do for you. Ask what you can do for your country."

This story is about the great leader who said that.

John Fitzgerald Kennedy was born in Brookline, Mass., on May 29, 1917, to Joseph and Rose Kennedy. After he was finished high school, he went to Harvard University. He was among the people with the best marks. Because he had good marks, he graduated cum laude in 1940.

Mr. Kennedy joined the U.S. Navy when he was 24 years old. In World War II he was on a boat called the PT-109. At one time a Japanese boat came and cut his PT-109 into two pieces. Lieutenant Kennedy saved a man's life by putting a strap between his teeth to pull the man. He swam 5 miles to an island. By doing these things even though he was injured, he earned the Purple Heart and other medals.

Mr. Kennedy married Jacqueline Bouvier in 1953. They had two children, Caroline and John. They also had a baby named Patrick, but that baby died soon after his birth. The Kennedys named their plane the Caroline, after their daughter.

John F. Kennedy was elected to Congress. From 1947 to 1953 he was in the House of Representatives, and from 1953 to 1961 he was in the Senate. These are the two parts of the Congress of the United States.

Mr. Kennedy wrote some books, one of them when he was sick. After his injuries while in the U.S. Navy, he had to spend some time in the hospital. He wrote a book called "Profiles in Courage." Before that he had written "Why England Slept." He also wrote papers on "Strategy of Peace." He got a prize for writing "Profiles in Courage."

In 1960, Mr. Kennedy was elected President of the United States. He was inaugurated in January of 1961. As the 35th President of our country, he did many good things for America and the world. He worked with other nations because he wanted to keep the United States from having war.

Our President wanted to settle the Berlin question with Russia so the wall could be torn down. Also, President Kennedy insisted that missiles be removed from Cuba. He did this because they might damage North and South America. He also started the Alliance for Progress with countries in the Western Hemisphere. The nations wanted to work together to improve conditions.

President Kennedy started the Peace Corps, which helps countries to start a new and better life. This organization sends people to other countries to help them in getting schools, clothes, food, and many other things.

The President signed a test ban treaty, outlawing nuclear testing in the air, with Great Britain, Russia, and others. He did this because he wanted our country to make friends. Do you know another reason? The nuclear tests leave poison in the air and people breathe it in.

People were getting lazy. President Kennedy said that Marines used to walk 50 miles. He said that we need to be physically fit. Many people went on a 50-mile hike.

The President suggested some plans. His education bill is a plan to help the schools. Congress passed parts of the plan to help colleges, science study, and defense areas where more children came to the schools. He wanted money for all of the public schools.

President Kennedy worked hard for the civil rights bill. In this he could be compared with Lincoln. He believed that everyone should have equal rights, no matter what his color or race. He thought that Negro children should be able to go to the same school as white children. President Kennedy was trying to carry on the work Lincoln had begun over 100 years ago.

John F. Kennedy spent long hours working for our country and traveling to many places. He wanted to make friends with our own people and those of other countries. He didn't want war.

On a tour of Texas, President Kennedy, along with Vice President Lyndon B. Johnson, Governor Connally, and their wives, visited in Houston, Fort Worth, and then in Dallas. After getting off the plane in Dallas at Love Field, Mrs. Kennedy received a bouquet of red roses. President Kennedy shook hands with many people. Some had signs saying, "Welcome, Mr. President." Everywhere he went he was welcomed by huge crowds.

Everybody was excited when the President was riding down the street in the motorcade. People were shouting and cheering the President. All of a sudden a gun was fired from the sixth story of a huge building. Two more shots rang out. President Kennedy and Governor Connally had been hit.

Then the cars sped on faster until they reached the hospital. Doctors and nurses were able to help Governor Connally, but at 1 p.m. the world heard the sad news. President Kennedy was dead. Everywhere people were shocked.

A plane carried the President's body to Washington, D.C. Mrs. Kennedy, Mr. Johnson, and Mrs. Johnson were also on the plane. Before the plane left, Mr. Johnson took the oath of office and became President of the United States.

At the White House, U.S. leaders came to honor President Kennedy. Drums were beating and people were mourning for their beloved President. His coffin was put on a caisson pulled by silver-gray horses. The cortege was going down Pennsylvania Avenue. At the U.S. Capitol Building, the coffin was placed on the stand on which Lincoln's coffin was put when he died. Thousands of people paid their last respects to the President in the Capitol rotunda.

President Johnson ordered that Monday was to be a day of mourning. People came to Washington, D.C., from all over the world to honor the 35th President. There were presidents, princes, kings, queens, and ministers.

The President's funeral was at St. Mathews Cathedral on Monday, November 25. Some of the people, including leaders of many nations, walked behind the caisson to the church, just as people did at the time that Lincoln died.

Afterward, in the procession, they took John F. Kennedy's body on the caisson to the Arlington National Cemetery. There was a 21-gun salute because he was a hero in the Navy. Fifty jets flew over the cemetery to represent the 50 States.

Mrs. Kennedy lit a flame that will burn forever by the grave of the President to show that John F. Kennedy's spirit is everlasting.

John Fitzgerald Kennedy was a noble gentleman and a great leader. He loved our country. He was very courageous, worked hard for America, and died for our country.

President Kennedy believed in freedom and lived in a way that showed he believed in equal rights for all. He made friends with everyone of all colors. He thought that the skin may be different but the hearts are the same. He showed that he liked people by always wanting to be around them. He liked to talk to people and shake hands with everyone he met. He enjoyed living, and he couldn't keep still. He liked to have fun and play with his children because he loved them. The President, like many other people, enjoyed sports. One of the sports he liked was touch football, which he played with his family.

It was in his first speech as President that he said: "Ask not what your country will do for you, ask what you can do for your country." And he did just that.

We are thankful for our 35th President of the United States.

Our fifth-grade class studied Walt Whitman's poem "I Hear America Singing." Then we wrote a poem of our own about hearing America singing today, today's song of work and play. We include it in our story because it shows the sounds of America that President Kennedy heard:

"I hear America singing the songs of work and play:
Men sing while working for their country.
Carpenters sing while building a house.
Cars sing a song as they go—Honk! Honk!
Scientists sing as they work.
Men sing while drilling and digging for ore.
Firemen sing while putting out a fire.
Men sing while blasting rocks for a new highway.
A woman sings as a man plays the piano.
A man sings while fixing his car.
Children sing while working puppets.
Witches sing on Halloween night.
Little girls sing while playing jump rope.
Roller skates sing while children play.
In school I hear happy children singing.
The songs of work and play are glorious, beautiful, and gay."

Mr. HART. Mr. President, Jo Ann hopes that I enjoyed reading the biography. I did. I feel confident that Senators who now will have an opportunity to read it will share the same pride and reaction that I felt on reading it. I take great pride in the mature performance of these children in Negaunee.

Mr. President, I yield the floor.

THE FRENCH RECOGNITION OF RED CHINA: A TRAGEDY FOR FREEDOM

Mr. DODD. Mr. President, I am very conscious of the fact that the hour is late and the Chamber is practically empty. I am concerned about the staff and all who have labored hard this week. I do not desire to detain them or anyone else. We have had a hard week.

One of the frustrations of service in this great body is that we seek to work on subjects we think of importance; but unfortunately, particularly with respect to speeches on important subjects, we find that the only time available to deliver them is at a late hour. I believe the subject is important, and I am anxious to say what I have to say for the RECORD.

Mr. President, January 27 will be marked by history as a day of tragedy and bitterness for the Western alliance and for men who cherish freedom throughout the world. For on this day a great leader of a great Western nation, President Charles de Gaulle of France, took the fateful step of extending French recognition to Communist China.

The action would have been tragic enough had it been taken by a Neville Chamberlain rather than by a Charles de Gaulle. It is doubly tragic because Charles de Gaulle has been one of the most consistent and courageous opponents of appeasement in Europe.

Until recent months, most Americans looked upon De Gaulle as a stubborn, sometimes difficult old gentleman, but nevertheless as the savior of his country and one of the great European statesmen of our time. For all those who have shared this high opinion of De Gaulle, his decision to recognize Red China must be a cause for sadness and dismay.

I find it difficult to believe that President de Gaulle has been moved to take this step by considerations of political logic, because it flies in the face of all logic.

It has been suggested that one of the reasons behind the decision to recognize Red China is the anticipation of a large and profitable trade. Britain, too, hoped for a profitable trade with Red China when she extended recognition in 1950; but after 14 years of trying, British trade with China still remains inconsequential.

It has been suggested that President de Gaulle hopes to influence Peiping to moderate its policies. But British recognition of Red China has diminished rather than argumented the security of the area; while Indian recognition, which was also intended to serve as a moderating influence, brought historic retribution in the form of the Chinese Communist invasion of northern India.

It has been suggested that recognition may pave the way to the establishment of a chain of neutralized states, on the pattern of Laos, on the borders of Red China. But the neutralization of Laos has from the first been a demonstrable fraud, a smokescreen behind which the Communists have proceeded to occupy one area after another, to which they have then refused access to both government representatives and neutral observers.

France will not serve the cause of freedom in the Far East by recognizing Red China because anything which enhances the prestige of this government will automatically enhance its power of aggression and subversion. If the coming years should witness the enslavement of more millions of peoples in southeast Asia by the advancing tide of Red Chinese imperialism, France will not be able to escape her share of the responsibility for this tragedy.

France will not serve the Western alliance by extending recognition to Red China because this action is bound to place further serious strains on the already dangerously strained relationship between our two countries. While the American people regard other differences as negotiable, the recognition of Red China in their eyes is not negotiable.

French recognition of Red China will not serve the cause of the United Nations because the admission of Red China to the U.N. would doom that organization to paralysis and futility and deprive it of the moral significance which above all justifies its existence.

French recognition of Red China will not serve the interests of France in Africa. On the contrary, it can be predicted as a certainty that the establishment of Chinese embassies in all the former French colonies of Africa will vastly facilitate the Communist subversion of the African Continent and will lead to many more explosions similar to those now taking place in the former British colonies of East Africa.

French recognition of Red China, it has been said, is intended to reestablish the French presence and French prestige in Asia. But even from this narrow standpoint, the French action is doomed to be self-defeating.

Recognition may confer a certain immediate prestige on France in Cambodia.

It will do nothing to restore French prestige in Laos, whose embattled royalists and even neutralists now realize that the neutralization of Laos was a monstrous political trap.

It will utterly destroy whatever prestige France still retains in Vietnam, in Taiwan, in Thailand, in Malaysia, in the Philippines, and in South Korea.

It will not help French prestige in any way even in India or Japan, both of which have reason to fear the expansion of Peiping's influence.

In short, if prestige is the objective, I cannot see how recognition of Red China can produce anything but a debit for France in her relations with the nations of the Far East.

President de Gaulle's decision to extend recognition to Peiping is a terrible mistake, no matter how one looks at it.

It is a mistake that will militate against the interest of those Asian peoples who still retain their freedom, that will further undermine the Western alliance, that will reduce the authority and stability of the United Nations and that will pave the way for Communist takeovers in the newly emerging countries of French Africa.

I come back to the point that I can think of no logical reason that would justify the French decision. On the contrary, I have the impression that President de Gaulle has deliberately embarked on a series of actions calculated to undermine the authority and prestige of the United States and to extend French influence into new areas as American influence is reduced or removed.

There are persistent reports that this is the purpose of President de Gaulle's forthcoming trip to several Latin American countries. There have even been reports of suggestions to the Government of Panama that American aid might be replaced with French aid. Some of these reports may be exaggerated. But in essence, I believe, they are true.

The time has come when we can no longer ignore these facts of life because the future of the Western alliance is in peril.

I do not say that President de Gaulle has been wrong on every issue and we have been right. Indeed, on more than one difference between De Gaulle and American policy, I have been disposed to agree with the general.

In more than one situation over the course of the past decade, we have either failed to give our French allies the support to which they were entitled, or, still worse, we have acted against them.

We acted openly against Britain and France at the time of the Suez crisis; and more than one columnist has made the point that by throwing our entire weight behind Nasser in his dispute with the two great allied nations who had built and owned the canal, we established a pattern that has come home to plague us in Panama today.

We failed to give President de Gaulle the support which he requested when he offered an equitable settlement to the more moderate leaders who stood at the helm of the Algerian Nationalist Movement several years ago; and for this we are paying the price in North Africa today.

We refused to provide De Gaulle access, on the same terms as the British, to American nuclear weapons know-how; and, by this refusal, we compelled De Gaulle to embark on a costly nuclear weapons development program of his own, largely duplicating our own early efforts.

It is said that De Gaulle has considered us too prone to negotiate with Khrushchev for the sake of negotiating, and on this point I would be disposed to agree with him.

It is said that De Gaulle was disappointed in the American reaction, or lack of reaction, to the Berlin Wall; and, I, too, was disappointed that we did not impose or threaten to impose a trade embargo, that we did not recall our Ambassadors for consultation, that we could think of nothing better to do than enter a weak and belated protest.

It is said that De Gaulle considered our Congo policy as evidence of a complete abdication of political sanity. And here, too, I would have to concur in the General's estimate because our passive obedience to the will of the Afro-Asian-Communist bloc majority in the U.N., our willingness to go along with them in a clear violation of the U.N. Charter, our berserk insistence on crushing Katanga, have produced nothing but chaos throughout the Congo.

It is said that De Gaulle was horrified by the ease with which we turned against President Diem in Vietnam and by our cynical encouragement of the coup d'etat which led to his murder. If this report is accurate, than once again I can understand the general's concern over America's reliability.

President de Gaulle, in short, has some legitimate grievances against the United States. But even if one accepted the validity of all his grievances, this would still not excuse President de Gaulle's recognition of Red China or the larger effort to subvert American influence, of which it appears to be a part. This is a dangerous policy, and one that can only lead to the disintegration of the Western alliance and to ultimate disaster for the free world.

True, there are those in the United States who have applauded General de Gaulle's decision to recognize Red China. But almost without exception these are the people who are opposed to everything De Gaulle stands for in Europe. They are the people who urge concessions on Berlin, who are prepared to commit the captive nations to slavery in perpetuity through a nonaggression pact, who see merit in the Soviet proposal for a nuclear free-zone, who favor negotiation under any circumstances and with any agenda. Conversely, the scores of thousands of Americans who are in general agreement with De Gaulle's estimate of the Kremlin and how to deal with the Kremlin, are without exception dismayed by his decision on the question of China.

This is an anomaly that President de Gaulle and our French allies would do well to ponder.

Whatever weaknesses American policy of recent years has displayed, it remains as true today as it was in World War I and World War II that France and Western Europe cannot survive without America. Nor can the presence of a Peiping ambassador in Paris serve to defend France if the NATO alliance should founder.

France has extended recognition to Peiping, but the formal exchange of ambassadors is not scheduled to take place for another 3 months. To me it is barely conceivable that a firm but reasoned approach to our French allies over the coming period may persuade them to reconsider their decision. Unfortunately, the validity of our official protest against French recognition of Red China has been undercut in President De Gaulle's eyes by our overeagerness to come to terms with Khrushchev and by equivocal statements on Red China such as the one recently made by Assistant Secretary of State Roger Hilsman.

If France is to reconsider her stand on Red China, many other things will have to be reconsidered at the same time.

The crisis in the Western alliance is grave. The question, indeed, arises whether the alliance can now survive unless the four major partners come together in a determined effort to resolve their differences and to achieve the grand concert of policy that President de Gaulle has always advocated.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. LAUSCHE. I have in my possession a complete transcript of the broadcast of the free Voice of America heard in Saigon, South Vietnam, on the day of the coup. I contemplate having a meeting of the Subcommittee on the Far East of the Committee on Foreign Relations called. That transcript shows that the Voice of America was quoting American newspapers which were condemning Diem. That theme went through much of the broadcasting that was carried on. A reporter by the name of Miss Higgins—I do not think I ever met her—carried the story that our radio broadcasts inflamed and induced the coup.

I shall not discuss the context of these broadcasts, but I would like to have the Senator from Connecticut read them. I intend to bring them before the Foreign Relations Committee, to show just what the Voice of America was doing in causing people to believe that everybody in the United States was against the incumbent regime.

Mr. DODD. I thank the Senator for his pertinent remarks. The Senator may recall that I put in the RECORD the articles written by Miss Higgins.

Mr. LAUSCHE. I did not know that.

Mr. DODD. I have known her for 20 years. She is a great and distinguished journalist, and a woman of great ability, who knows that part of the world very well. I think the committee should hear her on this subject.

Mr. President, I wanted to make this record tonight. I am under no illusions about it. I do not think what I am saying is going to have a great influence; but I have a deep feeling that it should be said. Perhaps there is a chance, in the little while we have left, that President de Gaulle will reconsider and think over what he is about to do. If there is any chance that he will reconsider, then it is worth while making this statement.

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. DOMINICK. I would like to add my voice to that of the distinguished Senator from Connecticut. I know how hard he tried to get what he and I believe to be the sentiment of the overwhelming majority of the Senate before De Gaulle with the idea that it would have some influence. We were unsuccessful in getting it done in time, but it was an effort which came from our deep conviction, and one which I think would have been useful.

I want to go a little further with respect to what the Senator from Connecticut has said, into the need, as I see it, for the United States to make a careful reexamination of whatever foreign policy we have at the present time—and I must confess that I do not even know whether we have one. Whatever it is, it certainly has not been one of strength. If the recognition finally culminates in a motion to have Red China admitted into the United Nations this fall, it does not seem to me there is much doubt that the move will succeed, despite the fact that, under any rule of the U.N. Charter, Red China is not a fit member. Nevertheless, I think France's recognition of that domineering, aggressive, brutal, tyrannical dictatorship will create enough influence on the southeast African nations to join in support of the application to come into the United Nations.

I hope that is not true, but I am afraid I am being a realist, and I think it is.

Therefore, it seems to me we should be now working on a foreign policy which can be enunciated strongly to determine our own position with respect to the United Nations if Red China is so admitted. I believe there are a number of ways we could go. I believe there are a number of programs we could advocate. We could advocate, for example, a regional defense union based upon a common language. We could advocate hemispheric policy in the Western Hemisphere, in which we would say that all foreign countries trying to exert an influence on governments shall be kept out in this emergency. We could advocate a Common Market approach, perhaps with Canada, Mexico, or some of the Latin American countries. There are a number of things that could be done in exploring the situation; but the time to do it, as I see it, is now, not after the fact has occurred.

At the United Nations this fall, we shall have to determine what our relationship will be with the other nations of the world with regard to that great institution; and surer than anything, if Red China is admitted to that body and becomes one more power-seeking country, the Western World and the free world will suffer one additional defeat after another at the hands of people who have already been branded and still are branded as aggressors of the United Nations itself.

Mr. DODD. I am extremely grateful to the distinguished Senator from Colorado. He is one of the foremost among us in the Senate, with respect to the great problems that confront us. I am comforted by his words as I have been generally.

Mr. LAUSCHE. Mr. President, will the Senator from Connecticut yield?

Mr. DODD. I yield.

Mr. LAUSCHE. I intended to go home more than an hour ago, but I am glad I stayed to hear the statements made by the Senator from Connecticut and the Senator from Colorado.

I am one of those Americans who has had great respect for De Gaulle. I have felt a glow of warmth come over me to see the fearlessness with which he has dealt with problems from which most politicians would flee abjectly. He lifted France out of what it was—a lot of fragmented, political units—into an integrated nation, making progress economically and socially. I have frequently expressed these views to others. I have admired the man. I went so far as to say that I wish he were with us, giving us leadership in this country.

However, when the announcement was made of his purpose to recognize Red China, I could not understand it.

I join with the Senator from Connecticut in the hope that what has been said here tonight by a few of us will reach his ears, so that he will understand that friends of his in the United States are hoping he will not create a situation in the United Nations in which we will admit Red China, which is the antithesis of all that is good and free in the world.

Taiwan has indicated its purpose to break with France. The United States cannot approve of what he has done. I am inclined to believe, on the basis of the high respect that I had for him, that he has some reason for following this course, but I would be less than true to myself unless I said I believe he is mistaken.

I hope that what the Senator from Connecticut has said tonight will reach his ears, because we have admired him and we believe that he has been a great force in the preservation of freedom in the world; and he has continued along that path until he took this position on China.

Mr. DODD. I have said many times in the Chamber that I am sustained to a very great extent by the support given me on such occasions by the Senator from Ohio. To say it again might appear repetitious. But the Senator from Ohio has a clear mental eye, and he also has the courage to give voice to what he believes. He has put it just right.

I do not wish to say anything harsh or unkind on the floor of the Senate about our French friends or their great leader. I believe what we say here or what we speak of tonight we say with heavy hearts. It is not reproach, rather it is an appeal, an appeal that he will think over this question—which involves, I feel a dreadfully fateful step, and one which may very well sound the knell of freedom in the world.

Mr. LAUSCHE. Mr. President, will the Senator from Connecticut yield further?

Mr. DODD. I am happy to yield.

Mr. LAUSCHE. I hope that I am not arrogant when I suggest that a transcript of what has been said here tonight be sent to De Gaulle by the State Department.

Mr. DODD. Perhaps the State Department would consider that.

The Senator from Colorado reminded us that the Senator from Ohio and the Senator from Minnesota, the assistant majority leader, are patiently sitting here. This has been a source of great encouragement to me.

Originally, I sought to formulate a statement that might be sent as a message directly to the President of France.

We decided that under our division of powers this probably would not be the right way to do it; so we did not go ahead with it.

Mr. HUMPHREY. Mr. President, will the Senator yield at that point?

Mr. DODD. I am glad to yield.

Mr. HUMPHREY. I am pleased the Senator made mention of that development, because a number of Senators, including the Senator from Illinois [Mr. Douglas] and others, were desirous of sending a message to De Gaulle. However, because the main burden of foreign policy rests with the executive branch of our Government, that message was withheld.

I have been interested in what has been said here this evening. The Senator from Connecticut knows there are times when he and I have disagreed on matters of foreign policy, but it was always done with respect, and the tendency to learn from each another. I have the highest admiration for the Senator from Connecticut. He is one of the most able Members of this body, and a very good friend to me.

The remarks about Charles de Gaulle are well deserved in terms of the compliments that he has received. I have been disturbed over some of the actions of De Gaulle. I would be less than candid if I did not say it is difficult, at times, to fully understand what he seeks to do; but this I know: France is a stronger nation, and President de Gaulle does have the courage of his convictions. I disagree with his most recent action in recognizing Red China. I do not feel that the so-called People's Republic of China is a legitimate member of the family of nations.

It is neither a republic, nor does it have—in the true sense of that word—much respect for people. The Communists have a way of using precious words and distorting their meaning, like the East Germans, when they call themselves the Democratic Republic or the People's Democratic Republic. It is not democratic. It is not a republic. The people have not had a thing to say about it.

Perhaps it would be well that the Senator from Minnesota, who on occasion is viewed by many as having a different point of view than that of those who have spoken here this evening, should join in saying that we have profound respect for the Republic of France. It is a great friend. We have respect for the courage and statesmanship of President de Gaulle, despite the fact that on occasion we have sharply disagreed with him. However, this most recent decision I believe was most unfortunate, particularly because the consultations which would have been so much needed and desired did not take place, insofar as I know, at least; and I assume that our Government is giving us accurate information on that point.

The NATO alliance is somewhat shaken by this action. More significantly, it gives a kind of respectability to the Communist regime in China, which I do not believe it has earned or deserves.

Mr. DODD. I do not believe the distinguished assistant majority leader and I have had any real differences, although we may have had differences on how to approach certain problems. He is one of the great men of our country. I do not say this in any spilling over of praise. I feel he is truly a great voice in this body, a great voice in the country, and a great voice in the world. I could have predicted that he would share our general view on this situation.

I hope that out of what has perhaps been too long a colloquy may come some little good. I thank the Senator for again demonstrating his kindness to me, as he has done so many times in the past.

THE SITUATION IN EUROPE

Mr. MANSFIELD. Mr. President, the distinguished Senator from Rhode Island [Mr. Pell] has made many contributions to our understanding of the German problem. He has tried to clarify our national interest in the situation by focusing on the timelags in policy and the tendency to become entrapped by slogans. The Senator from Rhode Island is never critical for the sake of criticism. His analyses of the situation are invariably accompanied by thoughtful suggestions on how our policies might be reshaped to meet the altered situation on the European Continent.

The Senator from Rhode Island speaks from a background of wide first-hand knowledge of the situation in Europe and personal experience in the conduct of foreign policy. Senator Pell has performed a most useful service by bringing the German question repeatedly to the attention of the Senate. I am delighted that he has now seen fit to express himself to a wide public through the medium of a national publication. I refer to his article in the Saturday Evening Post of February 8, 1964, entitled, "Berlin: Let's Stop Courting Disaster." In this exceptional article, he reiterates what has been his basic theme on the German situation and elaborates upon this theme with many specific proposals.

The article warrants the thoughtful attention of the Nation as well as a most careful consideration on the part of those in the executive branch who have responsibility for the conduct of our relations with the rest of the world. Mr. President, I ask unanimous consent that the article previously referred to be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

BERLIN: LET'S STOP COURTING DISASTER

(By Senator Claiborne Pell)

Both President Johnson and President Kennedy have personally and irrevocably identified us with the people of Berlin. Indeed, our identification and our commitments have become so charged with emotion, and so rooted in policies that no longer fit the facts, that we may be losing sight of our long-term national interests in Germany and, in fact, in all central Europe.

Our lack of guaranteed land access to Berlin, coupled with our just and binding pledges to defend its freedom, make that city today the place where world peace is in greatest danger. And nowhere is the West at greater tactical disadvantage. The Soviets have shown that they can clamp down on us there whenever they choose. Not once but several times recently they have forced us almost to the edge of nuclear war by their arbitrary new demands on the traffic to the city.

The matters at issue may not seem large. As Secretary of State Dean Rusk has said, however, the point is not whether a particular truck's tailgate is lowered, nor whether American soldiers inside that truck dismount to be counted; the point is freedom of access to Berlin.

What lies beyond that point? Our presence in Berlin and our claim to access to Berlin are based on the theory that Berlin will someday be the capital of a reunited Germany. But our stated goal of reuniting Germany through free elections has no chance whatsoever under present circumstances of becoming a reality. We know that the Russians will not permit a free election to wash away the hated East German Communist regime of Walter Ulbricht, nor will the Russians permit the loss of East Germany's great industrial potential. Yet we persist in tying ourselves to the impossible. We view the crucial questions involving Germany more emotionally than realistically. As a result, we are hobbling our strategy-making, losing chances for winning important concessions from the Russians and actually putting off the day when German reunification can be achieved.

Our position in Berlin is extremely vulnerable. Our garrison, together with its French and British counterparts, numbers scarcely 11,000 men, and it is isolated more than 100 miles inside Communist East Germany. It is a token force, capable of holding off a major thrust for a day at best. If it were seriously attacked, we would be compelled to use nuclear weapons, for the Communists in central Europe have a vast superiority in conventional arms. Yet the use of nuclear arms, almost certain to lead to a global holocaust, is hardly an ideal resort.

As the recent Soviet blockade of American convoys demonstrated, our land routes to Berlin are highly susceptible to Communist harassment. Few Americans realize that we have no agreed-upon, internationally guaranteed, specific routes of land access to Berlin. While four-power agreements dating back to World War II promise us a theoretical right of general access, this theoretical right doesn't stop the Communist from throwing up roadblocks and hampering our movements.

Our rights in the air corridors are relatively specific. We have guaranteed access along specific air corridors—as we showed when we took to the air to overcome the Berlin blockade of 1948. In the air, of course, we are not subject to restrictions and regulations, dismounting and counting. What we need now, above all, is a similar guarantee of our claim to unrestricted ground access to Berlin. We could negotiate such a guarantee, but it would require some hard bargaining that we are reluctant to face.

Since the late 1940's our policy on Germany has been frozen. We have insisted on early reunification through free elections. We have insisted that Communist East Germany does not exist. We have insisted that East Germany and East Berlin are the Soviet areas of a four-power military occupation, and that our rights are based on occupation agreements which are almost 20 years old. This policy simply does not fit the facts of today, and it prevents us from exploiting the changing situation in not only Germany but all of central Europe.

We based our original support of a reunified Germany on the assumption that such a Germany would be neutral. We assumed that, because of the ravages of World War II, the Germans would have neither the industrial capacity nor the will to produce arms. At that time we ourselves had proceeded rapidly to disarm. But our hopes and beliefs in worldwide disarmament proved false. The Soviets did not cast away their weapons, and the Communists seized Czechoslovakia; thus we were compelled to rearm Europe under the mantle of the North Atlantic Treaty Organization. And Europe became divided into two armed blocs—the free West, the Communist East. As a result of this split, both West and East Germany were rearmed, and the idea of a reunited but militarily harmless Germany went out the window. If Germany were somehow to be reunified today, the result would be a military colossus. The very idea worries our West European allies and sends shivers up the spines of the East Europeans, who remember centuries of harsh treatment at the hands of the Germans—war, partition, occupation, atrocities. These fears cannot be dismissed or ignored.

There is another problem about German reunification, and that is the geographical extent of the Germany to be reunified. At the Potsdam Conference in 1945, the Allies agreed that, until a final peace treaty was signed, Poland should govern the land on Germany's eastern frontier, the area east of the Oder and Neisse Rivers. These lands, from which thousands of Germans were expelled, are today Polish in population and outlook. When I traveled through the so-called new territories of Poland, I came across no sign of Germans or of German cultural impact, except those buildings that survived the war.

From the Polish viewpoint, this Oder-Neisse river frontier is a virtually sacred issue. The Poles genuinely fear that an armed and reunified Germany would seize the Oder-Neisse territories. This issue is important, in fact, to all Eastern Europeans. No safe solution for Germany will ever be reached unless the East Europeans feel safe from new German invasions.

Americans who act as though these obstacles to reunification do not exist, who fan German desire for the reunification of an armed and ambitious Germany, are being unrealistic. By our unwillingness to consider the Poles' claim to the Oder-Neisse area, we keep alive lingering dread of a German takeover, and force the Poles to look to Moscow for protection.

Our attitude toward East Germany is equally unrealistic. The Ulbricht regime is clearly a hated dictatorship. But it is just as clear that it now controls, with the backing of Soviet military power, the future of East Germany. The Germans themselves recognize this. The West Germans trade with East Germany to the amount of $440 million a year and even extend credit to the regime that supposedly does not exist. But by our refusal to recognize the East German Government, we not only give the Russians an excuse to remain in Germany but also demand that they remain—in order that we may have an authority there whom we may recognize and with whom we may conduct business.

What is the result of this ostrichlike policy toward Germany? It is stalemate. The Kremlin dictates the crises, and we are forced to react defensively to each probe. And all this puts our American national interests in gravest jeopardy.

It is high time for us to face the impossibility of a peacefully unified and armed Germany in the near future That impossibility is perceived by nearly all Europeans, western and eastern, by many Americans and by numbers of Germans. Yet, these thoughts are rarely uttered in public. Why? Because, as so often happens in democracies, we become frozen into positions that relate more to the past than present. Public opinion in the United States is still fiercely loyal to our German policy of 10 years ago. Any suggestion of a change sounds almost un-American.

We should remember that Lord Palmerston said: "We have no eternal allies, and we have no perpetual enemies. Our interests are eternal and perpetual, and those interests it is our duty to follow." This means that we must frame our policies according to our national interests and that our national interests can and do change. We should apply this excellent advice to our policy toward Germany. We must ask ourselves where our national interest lies and what we can do about the present dangerous impasse in which we find ourselves.

We must act and not always react. We should initiate policies which will not only improve conditions for all of Berlin and Germany but lead to a relaxing of tensions in central Europe. The hard truth is that only a lessening of tensions can provide the setting for an eventual peaceful reunification of Germany.

Remembering Lord Palmerston's maxim, we should determine our objectives and set them in order of priority. By all odds, the most important single concession we must gain is absolute freedom of access to Berlin. In this question of access lies the crux of the problem. We need an actual corridor open not only to our military forces and to West Germans but to all citizens of the West.

The highway from Berlin to Helmstedt in West Germany, on which we now have only general rights of passage, would be ideal. With 79 overpasses and 65 underpasses along its 110-mile length, the highway should interfere very little with East German economic life and would afford few chances for conflict with the East Germans. Guaranteed land access—including canal and rail passage and subsidiary feeder roads, and particularly the Berlin-Helmstedt Highway—can enormously strengthen our position.

Officially, we claim we already have these rights. But, as the repeated crises on the highway show, they are constantly open to challenge. What I propose is that our rights of access be completely spelled out and that the main highway between West Germany and West Berlin be declared an international highway, an international territory, subject to no Communist controls of any kind.

What can we offer in exchange? I believe we should offer to accept the Oder-Neisse boundary; for another, I believe we should grant de facto recognition to the Government of East Germany. Is this too much to offer in return for guarantees of a right we claim we already hold? I think not. Why? Because we would be changing a claim into reality. We would simply be recognizing the realities that presently exist—we do insist on our right of access to Berlin, East Germany does exist, and so does the Oder-Neisse frontier. And once the process of negotiation began, we could press forward with a great many more demands that the Communists would have difficulty in rejecting.

The first of these would naturally be to seek the razing, or at least the opening, of the Berlin wall.

I have stood beside this hideous barricade. It is more than a brutal reminder of the failure of the Communists to retain the loyalty of their subjects. It separates families. It disrupts a whole city's life. West Berlin officials are seeking ways to improve conditions for the Germans on the other side of that barrier. If we seize the initiative diplomatically, we can truly assist these efforts. Ultimately, of course, the wall must come down, but our immediate objective must be to make it porous. This means, above all, the easier flow of human beings back and forth. As a start. we can encourage temporary openings of the wall such as the one arranged this Christmas by the governments of East and West Berlin. Another step would be to urge that United Nations bodies be moved to Berlin, preferably East Berlin—for example, the U.N.'s European headquarters and its Economic Commission for Europe, both now in Geneva, and UNESCO, now in Paris.

What could we expect from the agreement proposed here—our de facto acceptance of the East German Government and the Oder-Neisse line in exchange for ironclad guarantees of clearly defined land access to West Berlin and of the freedom of West Berlin? There would be a new atmosphere; a new, realistic, and enlightened approach—the first condition for German unification. We would have gained what we do not have: specific land access to Berlin. And the Communists would not have gained control over a single person or a single piece of territory they do not now control.

I realize that there are those who will hold that such an agreement would prolong the division of Germany and thus violate self-determination. But we must recognize that the only reunified Germany that the rest of Europe, East and West, really wants and will accept is an unarmed Germany, and that such a Germany cannot emerge in today's divided world. At this juncture it is inconceivable that the NATO nations would permit demilitarization of West Germany, which contains the strongest land force in our European alliance. Nor would the Communist nations of the Warsaw Pact accede to the loss of East Germany. It is a powerful Communist force in military terms and, next to Poland, the strongest industrially. People lose sight of these hard facts when they talk of reuniting Germany.

There are faint signs that both Washington and Bonn want to take a fresh look at the German problem. One such sign emerged from President Johnson's meeting with West German Chancellor Erhard in Texas last December. After their talks they issued a statement which, while insisting there would be no concessions to the Soviets, did pledge that both Governments would "explore all opportunities for the improvement of East-West relations." This may not be the bold action that the German situation requires, but, after all the years of blank intransigence, it is an encouraging departure.

A position of total inflexibility means weakness rather than strength. Inflexibility implies fear: a retreat from challenge, a wish to shun it entirely. Fear built in the Berlin wall—Communist fear of competition with the free Western way of life. Fear indicates weakness.

Our system should stand in contrast to such a system of fear. With its guarantees of free thought and expression, it is devised to welcome all challenges. Here is the essential source of our power. Let us not be afraid to enter into the battle of ideas, to take initiatives, to strive for an honorable settlement in Berlin and to work to bring a greater measure of peace to the world. Success could well start us on the road to that relaxation of tensions that could lead, in turn, to the settlement of outstanding central European problems and to the eventual reunification of Germany.

UNIVERSITY OF CALIFORNIA CONFERENCES ON "CALIFORNIA AND THE CHALLENGE OF GROWTH"

Mr. KUCHEL. Mr. President, a highly significant and successful yearlong study is being conducted by the University of California on major problems arising from our State's tremendous population growth.

The University of California has a long history of distinguished public service. Its campuses and libraries dot our State. Its outstanding faculty includes 12 Nobel Prize winners.

The series of seven conferences held in 1963 is another example of the important contribution the university makes to the well-being of the citizens of California and the Nation.

The purpose of the conferences, as described by President Clark Kerr, was to hold "contemplative discussions of the great challenge, as well as the opportunities and responsibilities, implicit in California's population growth."

These conferences arose from a suggestion by Chief Justice Earl Warren in Charter Day ceremonies on the Davis campus in 1962, when he pointed out to citizens of California that:

> Mere numbers do not mean happiness—

And declared:

> I would urge every university, college, school, business, and labor group; indeed, every family, to have an observance that would face up squarely to the fact that we will have the problem of providing for the happiness of more people than any State in the Union. And I would emphasize the fact that the millions to whose happiness we are dedicating ourselves are our children and their children. What better heritage could we leave them?

Thereupon the university, aided by grants from the Ford Foundation, the San Francisco Foundation, the John Randolph Haynes and Dora Haynes Foundation, and Smith Kline & French Foundation of Philadelphia, together with funds made available by the regents of the university, arranged the following seven symposia:

"Excellence in Education, an Opportunity and a Challenge," held on the Santa Barbara campus in March 1963; "The Cultural Arts," at UCLA in April; "Food for Man in the Future," at Davis during May; "The Impact of Science," at San Diego in June; "The Metropolitan Future," at Berkeley in September; "Natural Resources: Air, Land, and Water," at Riverside in October; and concluding with "The Health Sciences" at the San Francisco Medical Center in November.

Consistent with Chief Justice Warren's suggestion, a major theme of the conferences was the university's concern for improving the quality of the intellectual and material life of California. Educators, scientists, urban planning experts, Government officials, representatives of medicine and of the arts participated in the symposia, which were attended by thousands of Californians and viewed by many more thousands on television.

Two of the symposia—those held in Berkeley and in San Francisco—were carried live and in full by educational television stations of San Francisco (KQED) and Sacramento (KVIE). All of the conferences were widely covered by the mass media.

At the opening conference at Santa Barbara in March, James B. Conant, president emeritus of Harvard University, spoke on "Public Policy and Excellence in Education." Stressing the need for creation of an interstate standing group on educational strategy to develop guidelines for public education on a nationwide basis, Dr. Conant also urged that the Office of the U.S. Commissioner of Education be transformed into a Cabinet department headed by a Secretary of Education. Other principal speakers on the Santa Barbara program on education were Sterling McMurrin, former U.S. Commissioner of Education; Henry Chauncey, president of the Educational Testing Service; Lee DuBridge, president of the California Institute of Technology, and Arthur Coons, president of Occidental College.

The conference on "cultural arts" at Los Angeles attracted so much public interest that thousands were turned away. August Heckscher, special White House consultant on the arts, keynoted this significant conference. Participants included a host of experts representing the film industry, the theater, architecture, literature, and the fine arts.

"Food for Man in the Future"—theme of the Davis conference—drew a distinguished group of scientists, food processors and marketing experts together to discuss the challenges confronting agriculture. A message from Secretary of Agriculture, Orville Freeman, keynoted the conference, calling attention to the revolutionary increase in productivity as the dominant feature of American agriculture and discussing intricate problems created by abundance.

Scientists gathered at San Diego in June to examine "The impact of Science"—exploring such broad areas as science and society, science and environmental control, science and industrial growth, and science in the future. Speakers included Abdus Salam, professor of theoretical physics at the Imperial College of Science and Technology, University of London; Alan Perlin, professor of mathematics and director of the Computation Center of the Carnegie Institute of Technology, and many other outstanding scientists from industry, education, and government.

Municipal planning experts from England, Holland, and Denmark joined with American planners at the Berkeley conference in September to discuss "The Metropolitan Future." Sir Edwin Herbert, chairman of a royal commission which recently planned a drastic reorganization of London's government, delivered the opening address. The conference at Berkeley produced undoubtedly one of the most significant discussions ever held in this country on the problems of metropolitan planning and urban growth.

Delegates to the conference on "Natural Resources" at Riverside campus in October agreed that air pollution was the "most difficult natural resource problem" to be solved by California in the future. "It is paramount," according to Chancellor Herman T. Spieth, "because there is no known way to increase the supply of air or to reduce the need for it." Delegates met in sections to discuss the basic resources—air, land, and water—and President Clark Kerr of the university forecast new scientific discoveries which would put mankind into spheres of activity hardly possible to imagine now, among them development of the latent resources of the sea. Speakers representing the Federal Government included John A. Carver, Jr., Assistant Secretary of the Interior, and V. G. MacKenzie, Chief, Division of Air Pollution, U.S. Public Health Service.

"Man Under Stress" was the subject of the final conference in the series, held at the university's medical center in San Francisco during November. Speakers included many national and world figures in the health sciences. John Gunther, distinguished writer on international affairs, opened the conference with an address on "The Tensions of Peace."

Out of this conference, it is hoped, has come new understanding of how man may treat and prevent diseases caused by the tensions of modern life.

Dr. Howard A. Rusk, medical writer for the New York Times, has commented on the San Francisco conference as follows:

> Our task is not to eliminate stress, but to utilize it beneficially. The University of California has made a real contribution toward achievement of this objective. The proceedings of this distinguished group of conferences are being published by the University of California in a series of monographs.

Mr. President, the University of California is to be highly congratulated on this series of seven symposia on "California and the Challenge of Growth."

THE IMPRACTICALITY OF THE INTEREST DISCLOSURE BILL

Mr. ROBERTSON. Mr. President, for over 4 years there has been pending before the Banking and Currency Committee a bill sponsored by Senator Paul H. Douglas of Illinois (S. 750) which he euphemistically calls a truth in lending bill, but which financial institutions which lend money and other institutions which sell on credit, call an impractical and unworkable plan to force the seller to tell the purchaser both the amount and the annual rate of interest he will have to pay on a given loan or a given purchase. Thousands of pages of testimony have been taken on the Douglas bill, at a cost to the taxpayer in excess of $50,000 which, incidentally, so far as I know, is the largest amount spent on any bill by the Banking and Currency Committee in its entire history.

Yielding to the insistence of its patron that able college professors wished to testify, who could not afford the expenses of a trip to Washington, I authorized payment of the expenses of such witnesses—the first and only time that I have done so since I have been chairman of the committee. Then on the basis of claims that valuable witnesses still could not be heard unless the subcommittee conducted hearings at strategic points, the committee voted to permit Senator Douglas to expend not exceeding $4,700 in hearings in four cities to be selected by him. Those hearings have been conducted; that expense money has been expended, and we do not yet know what the printing bill is going to be. We do know, however, that no new arguments for the bill have been developed and we do know that no real demand from any State has been created. So far as our record now is concerned, it shows that there are some college professors, some labor unions, and some credit unions which favor extreme legislation of this kind. Opposed to the bill are all the financial institutions of the Nation, all the merchants of the Nation, and all national organizations representing the business interests of the Nation, such as the American Bankers Association, the U.S. Chamber of Commerce, and the National Association of Manufacturers. It also is significant that, while President Kennedy gave the bill his blessing, without knowing the details, of course, of what was involved, and President Johnson has followed that unhappy example, not a Federal agency that might become involved in the administration of the bill is willing to assume such an impossible task without major amendments to the bill, and not a Federal agency has been willing to endorse the bill in its present terms.

In the hearings last month in Boston, a distinguished member of the subcommittee, Senator SIMPSON, of Wyoming, who was opposed to the bill was unable to ask the witnesses supporting the bill a series of pertinent questions. I ask unanimous consent that the questions be printed in the RECORD at this point.

There being no objection, the questions were ordered to be printed in the RECORD, as follows:

QUESTIONS ON S. 750: MEANING OF THE STATUTE

1. Let me direct your attention to the third clause of the definition of "credit" in section 3(2), which reads: "Any contract to sell, or sale, or contract of sale of property or services, either for present or future delivery, under which part or all of the price is payable subsequent to the making of such sale or contract; * * *" Would this language cover a contract to purchase goods for cash on delivery if the goods aren't delivered until subsequent to making the contract?

2. The definition of credit would apply then to an agreement to buy a car, for example, where the car was not picked up and paid for until the following week, would it not?

3. And this is true even though the full price of the car is paid by the purchaser, is it not?

4. The definition of credit also applies to services. What if I make an agreement with my next door neighbor's son, whereby he will mow my lawn each Saturday afternoon and I will pay him 50 cents each time he completes the job. Would this be included in the definition of credit also?

5. Transactions such as those I have just outlined, where payment and performance occur at the same time, are normally thought of as cash transactions and not credit transactions, are they not?

6. Why, then, are these transactions included in the bill's definition of credit?

7. Look a little further down in the definition, where you will see the phrase, "any contract or arrangement for the hire, bailment, or leasing of property." Is a lease of property a credit transaction?

8. Are not the charges commonly incident to a lease, rental payments?

9. A finance charge is defined as a charge incident to the extension of credit. Since credit is defined to include the leasing of property, this means charges incident to a leasing of property. Are rental payments finance charges within the meaning of the bill?

10. How can a lessor fulfill the requirements of section 4 with respect to such charges?

11. There isn't any cash or delivered price for the property, is there?

12. Is there anything to which an interest charge can thus be computed?

13. Do you think the bill intends to reach such a transaction by the definitions of credit and finance charge?

14. But the definitions would seem to, wouldn't they?

15. Anyone reading the definitions and then section 4 would be puzzled as to just what he had to do, wouldn't he?

16. Wouldn't he be worried that if he guessed wrong he would be subject to the penalties of section 7?

17. Wouldn't the problem be the same if a company rented cars for $50 a week, payable at the end of the period?

18. Wouldn't the definitions of credit and finance charge similarly cover the hire of taxicabs rented for an hour, or of a horse for half an hour?

19. Doesn't the fact that those definitions would cover such transactions prove that there is something wrong with the definitions?

20. What kinds of leases, if any, was the definition of credit intended to reach? Can you think of any?

21. What kind of contracts of hire? What kind of bailments?

22. Don't you think the language of the statute should be limited to those transactions which it is intended to reach, and not to all leases, contracts for hire and bailments?

23. Now let's take the next phrase, "any option, demand * * * or other claim against, or for the delivery of, property or money." Suppose that for $100 one person sells another an option to buy a house. Wouldn't that come within the statutory definition of credit?

24. If it does, should the definition of credit apply to it?

25. What kind of option, if any, could or should the bill apply to?

26. Now how about the word "demand"? What kind of a demand is it for which a charge is made?

27. If the word is tied in with the subsequent phrases "against, or for the delivery of, property or money," what kind of transactions would it apply to?

28. And if there are some demands to which the definition of credit could apply, certainly every demand for property or money for which a charge is made shouldn't come within the definition of credit, should it?

29. Isn't the same true about the words "other claims against, or for the delivery of, property or money?"

30. What kinds of claims are intended to come within a definition of credit like this, if any?

31. Would there be many others which couldn't fit under it?

32. What about the words "lien" or "pledge?" Is every lien or pledge for which a charge is made a credit transaction?

33. Should all such liens or pledges be included in the definition of credit?

34. If not all, which ones should?

35. Shouldn't the definitions make this clear?

36. What about a rental-purchase contract?

37. Should all such contracts be subject to this definition of credit?

38. If there are any such transactions which are intended to be covered, shouldn't the definitions be tied down to them?

39. Doesn't the above make it clear that this broad classification, including leases, bailments, options, pledges, liens, demands, and claims in the definition of "credit" goes much too far, and indeed makes no sense, and that the whole definition should be thought out more carefully?

40. Refer to the beginning of section 3(2). which starts with the phrase "any loan." To take the simplest transaction, if a bank lends you $1,000 at a specified percent of interest, is there any reason why all the other items in section 4(a) should be specified?

41. Refer to the word "mortgage." This applies, of course, to real estate mortgages as well as chattel mortgages, does it not?

42. Don't mortgagees usually know the rate of interest they are paying?

43. Is it really desired that all fees such as lawyers' fees, fees for credit investigations, title searches, title insurance, be included within the interest rate?

44. Is that the way it is done now?

45. Aren't the buyers or mortgagees adequately informed now when they are told the interest rate and the dollar amount of these charges?

46. Isn't it more accurate to say that the mortgage is at a 6-percent rate plus $200 for fees which are paid once at the beginning, than to lump them all together and say that the rate is 6-plus percent?

47. What is meant by "deed of trust"?

48. Is every deed of trust a credit transaction, using that term in its normal sense and not with the enormously inflated meaning given it in this bill?

49. Even if there is a charge for a deed of trust, would it necessarily be a finance charge?

50. What is meant by "advance"?

51. In section 4(a)(4) the bill says that charges must be itemized "which are not incident to the extension of credit." This contrasts with section 3(3) which includes fees and service charges, among other things, as among the charges incurred as incident to the extension of credit. Can anyone tell clearly what charges are or are not "incident" to the extension of credit?

52. Would a fee for a title search or credit investigation be incident?

53. How about a lawyer's fee in connection with the sale of property or for recording a mortgage?

54. (a) How about title insurance?

(b) Or the fee for collision insurance on a car sold on an installment basis, or theft insurance for jewelry bought on time?

(c) Or the fee for fire insurance on leased or mortgaged property?

(d) Or the cost of life insurance on the borrower for the duration of a loan?

55. Is it clear whether any of the above charges are or should be included in the finance charge?

56. Don't you agree that if these insurance charges are finance charges they must be included in the numerator in computing the percentage rate required by section 4(a)(7)?

57. And if they are so included, would this not increase the percentage figure?

58. Don't you agree that people normally carry insurance on such items, even if they buy them outright for cash?

59. And where the merchandise is sold on time, such insurance operates to protect the buyer as well as the seller, doesn't it? It will cover the buyer's obligation to the seller, and also protect the buyer himself as he gradually pays that obligation off.

60. In view of this, isn't it unfair to the seller to require him to state insurance charges in such a way that they appear to increase the interest rate being paid by the buyer?

61. Doesn't this analysis suggest that the phrase "incident to the extension of credit" is too broad? It either includes (1) all such insurance, which is unreasonable, or (2) only some such insurance, in which case no one can tell which is included and which is not.

62. Wouldn't it seem that money actually expended for various cost items incurred at the time of the transaction should be included in computing the total cost of the purchase, or the total amount to be financed, rather than in computing the amount of interest and the annual interest rate to be earned in the future, as seems to be required under the bill?

63. Section 4(a) requires delivery of a written statement to the debtor "prior to the consummation of the transaction." Take, as an example, a typical sale of merchandise, where the store delivers to the customer a few days later. Is the transaction consummated when the buyer signs the contract to purchase, or when the goods are actually delivered?

64. The bill does not make this at all clear, does it?

65. Look at section 5(a), page 6, lines 9 through 12, which states that the board shall prescribe rules and regulations requiring that the information specified in section 4 "be set forth with sufficient prominence to insure that it will not be overlooked by the person to whom credit is extended." How can this be insured? Some persons will overlook this information no matter what the board prescribes, wouldn't you say? And what about a blind person?

66. Sections 4(b) (1) and (2) require "a clear statement in writing "setting forth the simple annual interest rate. What is meant by "clear"—big, legible print, or a statement of the percentage which can be understood?

67. Does this mean a statement written in English?

68. Several witnesses who testified before this committee about being duped into making purchases have been unable to speak English. If the buyer can't speak or write English, will a statement written in English convey any information to him?

69. Does the requirement that the written statement be "clear" mean that in such cases the seller must furnish the buyer a statement in his native tongue?

70. Section 6(2) provides that State laws shall not be affected except to the extent that they are directly inconsistent "with the provisions of this act." Does the reference to provisions of the act include the rules and regulations promulgated by an administrative agency?

71. The penalty provisions refer to violations of this act "or any regulation issued thereunder." Does the absence of any express reference to regulations in section 6(a) give rise to the argument that the section doesn't apply to regulations, and that State laws inconsistent with regulations, under the act are not to be regarded as inconsistent with the act and are not superseded?

72. Section 6(a) provides that State laws are not superseded "except to the extent that such laws are directly inconsistent with the provisions of this act." Would that exclude a State law making it illegal to disclose any of the items required by the Federal law, if there was such a State law?

73. If the State law required additional information, would that be all right?

74. Suppose the State law required approximately the same information, stated or computed somewhat differently. Would it be "inconsistent" if the information were given both ways, so as to satisfy both the State and Federal requirements?

75. Couldn't this be confusing, if the rate of interest was to be computed in two different ways? If so, would it be inconsistent?

76. If the creditor put in both rates, would that violate the Federal requirement of "a clear statement"?

77. If the creditor merely followed the Federal form, might not he be in violation of the State law?

78. Section 7(a) exempts the seller from any civil penalties "if the percentage disclosed to such person pursuant to this act was in fact greater than the percentage required by [section 4] * * * to be disclosed." Does this mean that a seller or lender who wants to be sure he is avoiding civil penalties may adopt a procedure whereby the percentage rate is intentionally overstated?

79. There is no such exemption in the criminal penalty provision, section 7(c), is there?

80. Would such a person be "willfully" violating the act by knowingly overstating the interest rate, and hence subjecting himself to the criminal sanctions of section 7(c)?

81. Section 3(5) defines the term "persons" as including the United States and any other government or subdivision or agency thereof. Would it thus cover loans by the Federal Government or State governments?

82. Section 7(d), however, says that no penalties shall apply to those agencies. Does this mean no civil penalties or no criminal penalties or no penalties at all?

83. Must the doctor pay the agency the undisclosed finance charge?

Mr. ROBERTSON. Mr. President, I have forwarded those questions to the Federal Reserve Board and the Federal Trade Commission with the request that they give me the answers promptly so that within the near future, we can bring this bill to a final conclusion.

Personally, I feel that a man does not have to have a Ph. D. degree to realize merely by reading the above questions that the Douglas bill is both impractical and undesirable, and to agree with the editor of the Wall Street Journal who said in his issue of Friday, February 7:

> But surely the Government is not trying to say the average consumer is so moronic he needs a new Federal law to knock him in the head and make him ask the simple question, "about how many dollars' worth of interest is this refrigerator going to cost me?"

Mr. President, I ask unanimous consent to have printed in the Record at this point that entire editorial entitled: "Are Consumers Morons?"

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Are Consumers Morons?

[From the Wall Street Journal, Feb. 7, 1964]

It is difficult to disagree with President Johnson when he says that "for far too long, the consumer has had too little voice and too little weight in Government." It is far less clear that the proposals in the President's message to Congress would provide the kind of help most needed.

There are now, of course, a host of laws, local and State as well as Federal, designed to protect the consumer from unsafe food and drugs, inaccurate or misleading labeling, deceptive packaging and all manner of gouging and bilking. It may be, as Mr. Johnson evidently feels, that none of this is enough.

Still, when you try to pile a raft of new statutes, with all the attending bureaucracy, atop the existing ones, any gain is bound to be fairly marginal. The possible loss lies in excessive interference with the consumer and even with his health, as in the risk of too long delaying the introduction of needed drugs.

To take the famous case of the supermarket, any shopper knows that the variety of package sizes can be confusing; at the same time he or she doesn't want, in the President's words, "monotonous conformity." Perhaps some perfect middleground can be found between occasional confusion and rigid conformity, but we are inclined to doubt it. Is it worth all the fuss of new regulations and new enforcement machinery?

Similarly, it is fine to talk about making the cost of consumer credit as clear and unambiguous as possible. And even though it's impossible to arrive at a literally true annual rate of interest on the usual installment contract, a better approximation of such costs could doubtless be shown in some instances.

But surely the Government is not trying to say the average consumer is so moronic he needs a new Federal law to knock him in the head and make him ask the simple question, "about how many dollars' worth of interest is this refrigerator going to cost me?" We don't think so, but if he is then we fear he is beyond the help of a hundred new laws.

In short, there is a limit to how much a man can be protected against himself; consumer-protection laws may already be beyond it. And for all the shoddy goods, services, and practices that will inevitably exist anywhere, the American consumer remains the best served in the world.

The areas where the Government could provide more valuable assistance it naturally ignores: Its subsidies to make the consumer's food cost more than it need, its inflation to halve his dollars' worth in the past 25 years, its endless waste and fat porkbarrels to keep his taxes high.

The consumer certainly should have more voice and weight in Government—to give him some chance of protecting himself from the excesses of Government.

BEEF IMPORTS

Mr. SIMPSON. Mr. President, yesterday my colleagues from Missouri and Kansas [Mr. Symington and Mr. Carlson] spoke on the difficult position that the American cattleman finds himself in today. We need to protect this industry if it is to remain strong and able to meet the needs of this Nation.

The American National Cattlemen's Association met recently in Memphis, Tenn. The major topic of discussion was a possible voluntary agreement that was proposed by the Department of Agriculture which would have established beef import quotas at the 1962–63 levels. This would have brought no relief. Fortunately, the cattlemen unanimously voted against it.

Mr. President, I ask for unanimous consent to have inserted in the Record the resolutions which were adopted by the American National Cattlemen's Association.

There being no objection, the resolutions were ordered to be printed in the Record, as follows:

Imports 1

Whereas imports of beef are at an all-time high; and

Whereas these heavy imports are seriously depressing our domestic cattle markets; and

Whereas a portion of these imports is of primal cuts which severely damage our domestic price structure; and

Whereas the production potential of beef in certain countries exporting beef to the United States is virtually unlimited; and

Whereas the American producers and feeders are obligated to pay high fixed costs associated with labor, land, local and Federal taxes and other expenses over which he has no control, which are higher than those of his foreign counterpart; and

Whereas the stability of the American beef industry is essential to the growth and welfare of the entire American economy in all States; and

Whereas continued price depression will inevitably result in removal of capital from the United States to foreign points with concurrent employment losses; and

Whereas the American producer taxes himself to develop an expanded market for his product; and

Whereas in recent years the foreign producer has benefited from our expanded market out of proportion as compared with the benefits derived by our domestic suppliers; and

Whereas quotas so large as to be disastrous to the American producer and feeder, and unacceptable to the American public, may well set into motion restrictive forces which in the long run will have unfavorable impact upon exporting countries: Therefore be it

Resolved, That the American National Cattlemen's Association in convention at Memphis, Tenn., January 29, 1964, recommend to the Congress, the State Department and the Department of Agriculture that quotas on imports of beef and beef products into the

U.S. ports of entry be established with principal exporters at levels substantially less than those in recent years; and be it further

Resolved, That composition of imports be considered so as to embrace in future quotas cooked and cured meats and sharp reduction in importation of primal cuts; and be it further

Resolved, That should a growth factor be involved in any negotiations, it be at substantially less than the full amount, a provision to encourage the American producer on a continued basis to use his own funds, time and energies to develop the domestic market for beef and use of our surplus feeds; and be it further

Resolved, That copies of this resolution be sent to the President, Members of Congress, the Cabinet, and all affected agencies, Government and non-Government, together with heads of government of exporting countries.

IMPORTS 2

Whereas our present import duties on beef products are inadequate as a protection for our domestic cattle industry; and

Whereas the duties on beef and beef products are scheduled for consideration at the upcoming trade negotiations at Geneva this year: Therefore be it

Resolved, That we urgently request our negotiators at Geneva entirely to delete beef and beef products as items for consideration at the forthcoming negotiations.

IMPORTS 3

Resolved, That we request our president to appoint a standing committee to deal specifically with foreign trade, the appointees to include the immediate past president and first vice president.

LABELING

Whereas meat imports are becoming a substantial supply of our meat consumption; and

Whereas the American consumer needs to be made aware of the origin of such products: Therefore be it

Resolved, That the American National Cattlemen's Association in convention at Memphis, Tenn., January 29, 1964, demand that proper legislation be enacted to insure labeling of all imported meats and meat products as to their point of origin.

FAILURE TO SETTLE "SECONDARY" ISSUES IN RAILROAD LABOR DISPUTE

Mr. MAGNUSON. Mr. President, nearly 5 months have passed since Congress enacted Public Law 88-108 to provide for the settlement of the labor dispute between most of the Nation's railroads and certain of the rail brotherhoods.

Our action in passing this law was successful in averting a nationwide interruption of railroad service. There has been no such threat since August 28 of last year. The arbitration board established under Public Law 88-108 announced, on November 26, 1963, its binding arbitration award on the firemen and the crew consist issues.

The labor dispute which came to a head last August included not only these two manning issues, but also other secondary issues. These secondary issues involve working conditions, overtime, length of runs, holidays, seniority, expenses away from home, and other matters of concern to the railroad employees and to the carriers. At the time when Public Law 88-108 was pending, we were given definite assurances that these secondary issues could be resolved by agreement of the parties, once the two manning issues were settled. We specifically wrote into the legislation a directive to the parties to immediately resume collective bargaining and to exert every reasonable effort to resolve these secondary issues by agreement.

All available information—and I am sorry to report this to the Senate—indicates that the parties have made little progress, to date, in reaching common ground on these secondary issues. On Monday, January 27, the Assistant Secretary of Labor announced that the railroads and the brotherhoods had ceased to bargain, and that the parties had no definite plans to resume negotiations. I do not know whether the situation is the same today; but, not having heard to the contrary, I assume it is the same.

The parties to this railroad labor dispute surely know that in recent days a peacefully bargained solution was reached by the operators and drivers of this country's over-the-road trucking industry. No Government agency intervened, except for the statutory participation of the Federal Mediation and Conciliation Service. Certainly an interruption of nationwide truck service would be as crippling to the essential transportation services of this Nation as would a nationwide interruption of rail service, and in some cases perhaps more so.

I am encouraged by the example of the trucking industry. The parties to that labor dispute assumed—without governmental intervention—their collective bargaining duties and responsibilities, and reached an agreement. If that industry can reach agreement through collective bargaining, certainly the railroad industry can similarly reach a solution to its dispute.

It is my hope and expectation that Congress will shortly begin to hear reports of progress from the bargaining table.

I call upon both the carriers and the brotherhoods to place the public interest above self-interest, and to move toward the reconciliation which must ultimately bring peace to this essential area of American industry.

KREBIOZEN

Mr. DOUGLAS. Mr. President, one of the best series of articles I have seen on the controversy over Krebiozen, the anticancer drug, was written by Mr. John Kokish, of the Denver Post. These articles are extremely thorough and the Denver Post editorialized after printing them that the Krebiozen dispute should be settled with a fair test, which of course has been my own position.

I think it very important that these articles appear in the RECORD. I ask unanimous consent that they be printed at this point, in the body of the RECORD.

They lay to rest many of the myths and misinformation continually put out by the American Medical Association, and more recently by the Food and Drug Administration and the National Cancer Institute, who have not acted in a disinterested and objective way on this subject.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Denver Post, Jan. 5, 1964]

KREBIOZEN STORY: PASSION, HEARSAY OBSCURING TRUTH IN MEDICAL BATTLE

(EDITOR'S NOTE.—Krebiozen, described by a few as a miracle drug for the treatment of cancer and debunked by many as one of the greatest hoaxes in history, is the center of a complicated battle which has enflamed passions like few medical controversies of our time. To get the background facts so that readers may judge for themselves, the Denver Post assigned John Kokish to a 2-month research mission which took him to Chicago, Washington, and to the offices of a score of cancer experts in Denver and elsewhere. His report will appear in seven articles, of which this is the first.)

(By John Kokish, Denver Post staff writer)

Krebiozen is the name of a drug claimed by its proponents to be effective against cancer.

It is a drug some 400 cancer sufferers believe is keeping them alive.

It is a drug virtually all of organized medicine has declared worthless and the American Medical Association has branded one of the greatest frauds of the 20th century.

This is the story of Krebiozen, why it has been under attack for nearly 13 years, and why it has survived.

It is an attempt to state the facts of a bizarre story—facts that have been obscured and twisted by passion, hearsay, and possibly even deliberate distortion.

It is not an attempt to judge whether Krebiozen is of value in the treatment of cancer. Neither the Denver Post nor any member of its staff is qualified to pass scientific judgment on the merits of the drug.

Many Krebiozen supporters will be disappointed, because this account is not a crusade for Krebiozen.

Many physicians will be exercised, because it does not slam the door on Krebiozen.

The Krebiozen controversy reaches beyond the drug itself.

It has raised significant questions about the integrity of science, the influence of organized medicine upon research, and the adequacy of legal machinery designed to protect the public from fraudulent or dangerous new drugs.

And it is these issues that concern some medical and nonmedical people even more than whether Krebiozen is effective against cancer.

Krebiozen is coined from a Greek word meaning "regulator of growth."

It is a white-yellowish powder extracted from the blood of horses, then dissolved in mineral oil for injection into human muscle tissue.

Dr. Stevan Durovic, discoverer of the drug, and Dr. Andrew C. Ivy, its chief scientific sponsor, say the powder extract is an anticancer agent present in all living tissue.

They say human cancer is the result of a deficiency of this agent, which retards cell growth, and the powder replaces what the body lacks.

Since 1951, they say, about 3,000 physicians have used Krebiozen on 5,000 cancer patients with 35 types of tumors. They say 97 percent of these cases were advanced and considered hopeless.

Neither Dr. Ivy nor Dr. Durovic has ever claimed Krebiozen is a "cancer cure." They have said it "appears to be beneficial in the treatment of many kinds of cancer."

But the results they claim to have achieved on 4,200 patients are somewhat astounding. They reported:

An observable decrease in the size of the tumor for varied periods of time on 20 to

70 percent of the patients, depending on the type of tumor.

Reduction of pain in 33 to 74 percent of the patients, including some who did not know they were receiving Krebiozen.

Clearing of the mind for varied periods of time in 49 to 72 percent of 68 patients who were in coma, semicoma or mental state of confusion because of a brain tumor or spread of a tumor to the brain.

Dramatic long-range improvement in about 12 percent of the patients.

Survival for from 4 to 12 years of 10 percent of the patients whose physicians had given them a few days to a year to live.

In addition, Drs. Ivy and Durovic claim that, unlike other drugs used in the treatment of cancer, Krebiozen is nontoxic.

STAND OF AMA

The medical profession, for the most part, has scoffed at these claims.

"Pure quackery," said Oliver Field, chief investigator for the AMA. "We tested it in 1951 and showed it was no good."

"It's not worth a damn," a Denver surgeon said. "The AMA says so, the Government says so and anybody who knows anything about cancer says so."

"I used it on two patients," a Denver general practitioner said. "I only did it because their families insisted. Krebiozen didn't have any effect. The patients died."

The dramatic results claimed by Dr. Ivy are disputed primarily on these grounds:

Cancer, in its many forms, is an unpredictable disease. Tumors sometimes increase and decrease for no apparent reason. Occasionally, they even disappear by themselves.

Most of the patients treated with Krebiozen had received previous therapy, either surgery, radiation, drug or hormone. It is incorrect to assume Krebiozen and not the previous therapy caused the beneficial results.

Dr. Ivy's case histories are not complete. In many cases, there is no proof that patients actually had cancer. Furthermore, he got much of his information secondhand—from other doctors who had used the drug.

A logical way of resolving the problem would seem to be to test the drug.

BASIS OF DISPUTE

And this is what the Krebiozen controversy is basically all about.

Opponents of the drug say it has already been tested, found to be ineffective and doesn't warrant further investigation.

Backers of the drug insist it has never been given a fair trial, and that an organized conspiracy has blocked an honest clinical test.

Krebiozen was first introduced March 26, 1951, at what turned out to be a semipublic meeting at the Drake Hotel in Chicago.

Dr. Ivy, then vice president of the University of Illinois and a distinguished physiologist at the peak of a brilliant career, said he called the meeting to interest other doctors and a small group of laymen in a drug he felt might be an effective anticancer agent.

DISCOVERED IN 1947

He had been studying the drug since 1949 when Dr. Durovic, a Yugoslav political refugee, interested him in the Krebiozen theory. Dr. Durovic said he discovered the drug in 1947 in Argentina.

Well intentioned or not, Dr. Ivy's meeting and the resulting publicity created a furor the drug has never lived down.

A news release which Dr. Ivy denied knowing anything about touted fantastic claims for the drug.

Dr. Ivy, the University of Illinois, and everyone connected with Krebiozen, were flooded with requests for the drug.

And the medical community became enraged.

Seven months after the Drake Hotel meeting, the AMA published a status report on Krebiozen. It was based on the results of use of the drug on 100 cancer patients.

The AMA report pronounced Krebiozen worthless.

The scientific validity of this original report has been seriously questioned in both medical and legal circles.

Not only was the report premature, the Krebiozen people charged, it was conducted on an unsound basis and was in some areas deliberately falsified.

CONSPIRACY CHARGED

This was how the conspiracy charges arose.

Drs. Ivy and Durovic claimed an AMA official had been in cahoots with two Chicago businessmen to get distribution rights to the drug.

Unable to do this, they supposedly set out to destroy Krebiozen and the men connected with it.

Dr. Ivy charges the official used his influence in the AMA to discredit the drug.

(The report will be discussed in detail in a later article, but conspiracy or not, it became the basis for most medical opinion on Krebiozen for the next decade.)

Two weeks after the AMA report, Dr. Ivy was suspended from the Chicago Medical Society on "secret remedy" charges.

Then, 2 weeks after Dr. Ivy's suspension, the National Research Council's cancer therapy and diagnosis committee reported it had reviewed 63 patients treated with Krebiozen and found "no evidence of any curative effect."

The AMA followed up its initial report with another indictment of the drug in the March 15, 1952, issue of the AMA Journal.

FIVE HUNDRED CASE HISTORIES

In September 1952, a review committee appointed by Dr. George Stoddard, president of the University of Illinois, published a report on a study of 500 Krebiozen-treated patients whose case histories Dr. Ivy had submitted.

The committee, headed by Dr. Warren Cole of the university wrote the report in such ambiguous language that its interpretation even today remains a mystery.

Both the followup article by the AMA and the Cole committee report became key issues as the battlelines were drawn in the Krebiozen conflict.

On one side were the AMA, the University of Illinois, most physicians, nearly every cancer expert in the country and later, the American Cancer Society.

On the other were Drs. Ivy and Durovic, Marko Durovic, an attorney and brother of Stevan, several hundred physicians (maybe more) who used the drug and say it works, the cancer patients and their families, Senator Paul Douglas, Democrat, Illinois, and an increasing number of Senators and Congressmen.

LAYMEN ENTER DISPUTE

Also in the Krebiozen camp were the laymen a controversy of this magnitude would be expected to attract.

Many were the kind who champion underdogs just because they are underdogs. And the professional AMA haters came—those who would join any cause that would give them a chance to take potshots at organized medicine.

Most of them, however, were sincere individuals who believed Krebiozen was getting a raw deal.

The effect the lay groups had on the Krebiozen issue is questionable.

Physicians resent laymen meddling in medical matters, and they resent the pressure lay groups manage to exert on public officials, by emotional demonstrations and other means.

In March 1953, a committee of the Illinois Legislature heard testimony from doctors, patients, and other individuals connected with the Krebiozen matter.

The hearings dragged on into the early months of 1954 and the conspiracy charges were aired.

When the committee was dissolved, nothing conclusive was established but some of the key figures—including Dr. Stoddard—emerged somewhat tarnished.

Krebiozen eventually cost both Drs. Ivy and Stoddard their positions at the University of Illinois. It also cost Dr. Ivy practically every medical post he held.

From 1951 to 1954, Krebiozen was distributed free to physicians as an experimental drug.

Dr. Durovic said the Krebiozen Research Foundation (a nonprofit organization) could no longer afford to give the drug away.

The KRF began charging $9.50 an ampule (or dose), an amount Dr. Durovic maintained was production cost. The cost of an ampule has varied through the years. However, Dr. Durovic said patients who couldn't afford to pay were given the drug free or allowed to pay only what they could afford, if the case would further investigation of the drug.

Dr. Ivy has estimated some 60 percent of the patients received the drug free.

OTHER ISSUES

Two other factors that have played important roles in the Krebiozen battle were the chemistry of the drug and the process by which it is manufactured.

Little is known—even by Drs. Ivy and Durovic—about the drug's chemistry and they have published, they say, all that they do know.

The manufacturing process, however, has been published, perhaps more often than that of any other drug. Opponents, though, still insist it is a secret remedy and that the Krebiozen people won't say how it's made.

These allegations have resulted in reports, first, that Krebiozen doesn't exist, then that it is only mineral oil, and finally, that it is creatine, a common substance found in the body in large amounts and already proved ineffective against cancer.

Efforts to get a fair test for Krebiozen, one which would prove conclusively whether it worked, have been fruitless for 12 years. Dr. Ivy insists that either the AMA, American Cancer Society or National Cancer Institute (NCI) conduct the test, since this is the only way the drug would gain approval by the medical community.

The stalemate over Krebiozen ended with dramatic swiftness last June 7 when interstate shipment of the drug was banned under new Federal drug laws.

Cancer patients who believe they depend on the drug panicked.

Many of them moved to Illinois where it is manufactured. Others made periodic trips to the State to pick up supplies.

Meanwhile, the Government began an investigation of the drug.

Last September 17, the Food and Drug Administration announced its scientists had definitely identified Krebiozen as creatine.

Five weeks later, a screening committee of 24 cancer experts appointed by the NCI reported it had studied 504 case histories of Krebiozen-treated patients and found the drug of no value in the treatment of cancer.

The Government declared the Krebiozen case closed, at least scientifically.

But the case was not closed.

Senator DOUGLAS continued his efforts to force a test of Krebiozen through Congress. His staff, which includes a physician, issued an extensive report tearing into the two Government announcements.

The FDA scientists did not establish that Krebiozen was creatine, the Douglas report said.

He called the FDA findngs "demonstrably false" and accused the governmental agency of yielding to pressure by the AMA, which he said is trying to save face.

The NCI conclusions are based on standards unreasonably severe, Douglas said. They are standards that would be valid only if Krebiozen were alleged to be a cancer cure, not a treatment.

On November 8, the Government began legal proceedings against Drs. Ivy and Durovic to determine if Federal law had been violated in the distribution of Krebiozen.

CHANCE TO BE HEARD

Dr. Ivy said he welcomed the charges, that perhaps it would finally give him a chance to be heard.

After nearly 13 years, it appears evident that evaluation committees, reports, and even legal action are not going to resolve the Krebiozen controversy.

Neither the AMA nor the Krebiozen people indicate they plan to back down an inch.

The Government is caught in the middle and, although it now has taken what seems to be a firm stand, Boisfeuillet Jones, an official of the Department of Health, Education, and Welfare, told the Post:

"I'd like nothing better than to be wrong."

Evidence has been presented, as later articles will indicate, that Krebiozen possibly shows promise and should be given a thorough clinical test.

Nobody has yet submitted proof that Krebiozen is effective in the treatment of cancer.

But nobody has yet submitted proof that it isn't.

[From the Denver Post, Jan. 6, 1964]

Krebiozen Story: Cheyenne Case Is Examined

(By John Kokish, Denver Post staff writer)

Gary Cathcart, 11, of Cheyenne, Wyo., was underweight.

He was down to 68½ pounds, refused to eat and constantly complained of being tired.

What alarmed his parents most, though, was that he ignored the bicycle he had coaxed them to buy for him.

On March 1, 1951, they took Gary to the family doctor, a Cheyenne general practitioner.

The doctor found a soft mass in the left side of the boy's abdomen, just underneath the ribs.

The next day, Gary entered Laramie County Memorial Hospital for thorough examination.

X-rays and other procedures showed a definite obstruction in the abdominal area. Doctors suspected cancer.

Several days later, Gary was taken to the Mayo Clinic in Rochester, Minn., one of the Nation's leading cancer hospitals.

There he received an intensive course of radiation therapy from March 20 to April 5.

The treatment had no apparent effect, at least at the time.

On April 14, an exploratory operation was performed. Surgeons found a tumor the size of a grapefruit. It had pushed the boy's kidney and large intestine to the side.

The tumor encircled several major blood vessels and was extremely vascular (containing its own blood vessels). Had the surgeons attempted to remove it, Gary would have bled to death.

The surgeons had no choice but to sew the boy up and hope the tumor was not malignant.

But the tumor was malignant. The Mayo pathologist said the biopsy showed the tissue was "malignant neoplasm, unclassifiable, grade 4 (fastest growing)."

Because the tumor bled so easily, the surgeons could not even cut away enough tissue for a permanent biopsy.

GIVEN 6 WEEKS

Gary was sent home to Cheyenne and given, at most, 6 weeks to live.

At home, his condition continued to worsen and by June 7, he was down to 63 pounds.

Gary's parents had heard about a new experimental drug called Krebiozen which reportedly had been effective against some kinds of cancer.

As a last resort, they contacted Dr. Andrew C. Ivy, vice president of the University of Illinois and chief scientific sponsor of Krebiozen.

SENT TO CHICAGO

In mid-June, Gary—who was now down to 59 pounds—was sent to Chicago and put under the care of Dr. John F. Pick, one of the first physicians to use Krebiozen.

Gary received his first injection of Krebiozen—0.01 milligram, the normal adult dose—June 25.

Three days later, the tumor had shrunk to about half its previous size, Dr. Pick reported.

Gary began gaining weight, and Drs. Pick and Ivy decided to double the dose of Krebiozen because early experimentation had shown varying doses were required for different tumors.

The double dose, administered July 2, put the boy into shock.

Gary recovered, however, and several days later, Drs. Pick and Ivy reported the tumor could barely be felt.

It should be pointed out here that radiation therapy sometimes has a delayed effect. Gary's last X-ray treatment had been April 5, 2½ months before Krebiozen was started.

To find out whether the tumor decrease might have been due to a delayed radiation effect, Drs. Pick and Ivy discontinued Gary's weekly Krebiozen shots.

On July 28, they reported the tumor growing again.

By August 4, they said it had enlarged to about half its original size. Krebiozen was resumed.

This time larger doses of Krebiozen were required to combat the growth.

On August 15, Gary was discharged from the Chicago hospital and sent back to Cheyenne.

Three days later, his family physician recorded in his records his amazement at the "remarkably healthy youngster, far from the sickly individual who presented himself for examination on March 1."

The Cheyenne physician continued administering weekly Krebiozen shots to Gary, and Gary continued improving. By November 1, he weighed 74 pounds.

Dr. Ivy's records show that on examination in October 1952 the tumor could not be felt.

KREBIOZEN STOPPED

A month later, Krebiozen again was discontinued. Gary was checked at regular intervals by his family physician and Dr. Pick.

On May 21, 1953, the tumor again could be felt, but Gary's health was good and he began distinguishing himself scholastically in high school.

But at an examination June 10, 1954, the mass again showed evidence of enlargement.

Two months later, Gary got severe pains in his abdomen. His doctor said it was an intestinal obstruction.

The boy was flown to Chicago and hospitalized. X-rays confirmed that the tumor again had grown to about its original size.

Krebiozen was administered. The obstruction cleared. The tumor became softer. Gary returned to Cheyenne.

By May 27, 1955, Gary weighed 116 pounds and the tumor could hardly be felt.

SHOTS NOW REGULAR

Since then, Gary has been taking regular Krebiozen shots.

The tumor has grown and shrunk somewhat sporadically.

In September 1957, Gary entered the University of Wyoming. His scholastic excellence and good health continued.

In the fall of 1960, surgeons removed a lump which had developed on a lymph gland in the groin area. They said it was caused by the large amount of mineral oil which had been injected into Gary's body and got into the gland. (Krebiozen is dissolved in light mineral oil.)

The mass was not malignant.

When the surgeons opened Gary up, they saw that the abdominal mass was about its original size.

NOW RHODES SCHOLAR

Today—nearly 13 years after doctors at the Mayo Clinic had written him off—Gary is still in good health, a Rhodes scholar in mathematics at Oxford University in England.

He still takes regular injections of Krebiozen.

The dramatic story of Gary Cathcart, whose malignant growth seemingly was checked three times by Krebiozen, is one of the cases the drug's supporters point out in their demands for a "fair test" for Krebiozen.

Physicians with a knowledge of cancer will argue that other factors may have been involved.

The first regression, they might contend, could have been the delayed results of radiation, the other two pure coincidences.

Or they might say the Mayo pathologist who made the original diagnosis could have been wrong. Pathologists have been wrong before.

MAY HAVE MATURED

Or, because the exact type of malignancy never was determined they might argue, as Dr. Edward H. Soule, a Mayo pathologist, wrote to a Cheyenne pathologist, that the tumor might have been a neuroblastoma (malignant nerve cancer) that matured to a ganglioneuroma (nonmalignant nerve growth.)

"One should be careful in attributing the cure to Krebiozen," Dr. Soule wrote in the October 2, 1961, letter.

Gary's family physician?

"I don't know; Gary is the only patient I've used it on, and Gary seems to be fine. Maybe it was Krebiozen, maybe it wasn't. But I don't think they've given it a fair test. That's the only way we'll ever know."

BIOPSY URGED

He has suggested—and Dr. Ivy agrees—that the mass should be removed when Gary returns from England next summer. Another biopsy would show whether the tumor is still malignant and its growth arrested, or whether it is now just a benign mass.

Gary's father, Bill Cathcart, a Union Pacific brakeman, feels like many relatives of Krebiozen patients:

"They sent that bag of bones home to die. Look at him now. You'll never convince me it [Krebiozen] doesn't work."

Doctors argue, quite correctly, that patients and their relatives are not qualified to judge the value of a treatment or drug.

"They don't understand the course of cancer, and so they jump to conclusions," a Denver surgeon said. "Every quack in medical history has had a string of patients testifying he cured them."

But there is a surprising number of physicians who are not satisfied by official pronouncements of organized medicine that Krebiozen is worthless.

SO MANY CASES

"You can always explain away a few cases by natural regression, concurrent therapy, and other factors," one doctor said. "But there are so many cases in this Krebiozen thing that, frankly, I'm disturbed. It ought to be tested once and for all."

Dr. Ivy and Dr. Stevan Durovic, discoverer of Krebiozen, claim that on 4,200 patients treated with the drug since 1951, tumors have decreased in 20 to 70 percent of the patients, and pain was relieved in 33 to 74 percent.

A Denver surgeon told the Post he used Krebiozen on 12 patients, and that he believed it had a favorable effect on most of them.

Another Denver surgeon said that "although I'm no torchbearer for Krebiozen, I've used it on five patients, and I believe it works."

Still another Denver physician said he had been skeptical about the drug, like most other doctors, until he used it.

SAW A MIRACLE

"Then I saw it work a miracle. I saw it dissolve a tumor the size of a tennis ball in an old man." He said it appeared to work in varying degrees on other patients, too.

On the other hand, a Denver surgeon who is on the cancer committee of the Colorado Medical Society said he used it on 10 patients and saw no results.

Dr. Robert Huseby, research director of the American Medical Center, one of the Nation's foremost cancer hospitals, said he had used Krebiozen on 20 patients in 1951 after it was introduced.

"It had no effect that we could see in any of the patients," he said.

And Dr. Mason Morfitt, head of the oncology (study of tumors) section at the University of Colorado Medical Center, said he tried it on six patients without success.

It is interesting that physicians who damned Krebiozen did not particularly object to being quoted on their positions, but doctors who felt it might be effective refused to discuss the matter before they received assurance their identities would not be disclosed.

Perhaps the most disconcerting element of the whole Krebiozen controversy is the passion with which most physicians react when asked about the drug.

Some of this passion is based on sincere concern—concern for cancer sufferers who they feel are being given false hope by proponents of a worthless drug.

Most of the passion, however, is based not on direct or even indirect experience with the drug, but on the position of the American Medical Association, hearsay and a generally disfavorable attitude toward the drug in the medical community.

"Are you serious?" a Denver physician laughed. "That's nothing but a hoax."

"Did you ever use Krebiozen yourself?"

"No."

"Then how do you know it's a hoax?"

"The AMA says so. Besides, I know a doctor who used it on a cancer patient, and it didn't do any good."

Another physician earnestly asked the Post not to print any more stories about Krebiozen "because it's a dead issue and should be buried for the sake of cancer patients."

A member of the ACS cancer committee said he never used the drug either, but "I believe firmly in the scientific journals. That's how we run our business."

Still another member of the State society's cancer committee said Krebiozen is actually cholesterol.

"Cholesterol? We've heard it called many things, but never cholesterol."

"Say, who are you anyway? My secretary didn't tell me."

"A reporter from the Post."

"Oh, my goodness. Well, then don't say it's cholesterol. Say it's mineral oil. That's all it is. Mineral oil."

[From the Denver Post, Jan. 7, 1964]

KREBIOZEN STORY: DR. IVY'S THEORY CALLS CANCER RESULT OF DEFICIENCIES IN BODY

(By John Kokish, Denver Post staff writer)

The Krebiozen theory, according to its chief scientific sponsor, represents a new approach to the study of cancer.

Dr. Andrew C. Ivy, former vice president of the University of Illinois and a world-renowned medical scientist, believes cancer is a "deficiency" disease in which the body has lost its ability to halt cell growth.

Dr. Ivy's approach differs sharply from orthodox treatments—surgery, radiation, and powerful, toxic chemicals.

Although these so-called destructive treatments are useful against some kinds of cancer, researchers in the field have all but abandoned them as the final answer to the cancer problem.

Surgery, radiation, and chemotherapy destroy certain cancerous growths, but they do not eliminate the cause and they do not prevent new lesions.

Dr. Ivy's theory also differs from the immunological approach in which scientists attempt to harness the body's own defense mechanisms against the cancerous growth in much the same way the body fights disease bacteria.

The relatively new endocrinological (hormone) approach to the cancer puzzle perhaps parallels the Krebiozen theory more closely than any other.

GLANDULAR THEORY

Endocrinologists in cancer research believe the disease is the result of changes that occur in the hormone-producing glands.

Several types of breast cancer in women and cancer of the prostate gland in men are being successfully treated with hormones, natural and synthetic.

The Krebiozen theory goes one step further, but it follows the line that the answer to cancer will eventually be found in the body itself.

Dr. Ivy maintains every living cell produces two substances of opposite biological function.

One of these substances stimulates cell growth and division, and the other restrains it.

Cells and tissues depend upon the balance of these two substances if they are to remain normal, Dr. Ivy says.

ABNORMAL REPAIR

He contends cancer is, basically, the abnormal repair of an injury.

Normally, when a person cuts his finger, the growth-stimulating substance in the injured area works overtime and repairs the damage.

When enough cells have been produced and the injury is healed, the growth-restraining substance takes over and cell reproduction stops.

"If we didn't have this growth-restraining substance," Dr. Ivy says, "we'd get a tumor every time we cut a finger, because the cells would continue multiplying."

A weakness or a breakdown in the body's growth-restraining system will result in uncontrolled cell multiplication after an injury, Dr. Ivy says.

And this is cancer.

CIGARETTE TARS

The injury can be external or internal, and can be caused by a number of agents—physical, chemical, or other.

For example, the tars in cigarette smoke are now generally regarded by physicians as an irritant which damages the lungs and contributes greatly to the development of lung cancer.

Why, then, don't all heavy cigarette smokers get lung cancer?

Dr. Ivy says the difference might be in their growth-restraining systems.

Bodies with strong growth-restraining systems are able to maintain a balance-of-injury repair and retardation of repair, despite the constant irritation.

Bodies which lose some of this growth-restraining ability succumb.

In other words, some persons are more susceptible to cancer than others, and the susceptibility depends on their bodies' power to halt cell growth.

Dr. Ivy believes the growth-restraining substance, like most of the body's parts, generally weakens with age and makes older persons more prone to get cancer.

He says the presence of an anticancer agent in the body is evidenced by the rare cases of "spontaneous remission" of a tumor in advanced cancer patients.

This happens only about once in 100,000 cases, and Dr. Ivy believes it is the result of a weak growth-restraining system that somehow has regained its strength and destroyed the extra cells.

Krebiozen, he claims, contains this growth-restraining substance and bolsters the body's broken-down system.

If Dr. Ivy stands alone in the medical world on the question of the effectiveness of the drug Krebiozen, a handful of researchers share his views on the theory.

SUBSTANCES FOUND

Dr. Albert Szent-Gyorgyi of Woods Hole, Mass., in the June 28, 1963, issue of Science magazine, reported finding two "antagonistic" substances in the tissues of mice.

He called one of the substances "promine" and said it promoted cell growth. He called the other "retine" and said it retarded cell growth.

Dr. Szent-Gyorgyi said promine becomes activated on injury and makes cells grow faster.

Retine, on the other hand, tends to stop their growth and "can make cancer, already developed, regress."

The report is almost a carbon copy of Dr. Ivy's discussion of Krebiozen, and suggests that the theory might lead to "a possible new approach" to cancer therapy.

OTHER FINDINGS

Four other research groups, including one at New York City's famed Sloan-Kettering Institute, have since 1961 reported the presence of an anticancer substance in tissue cells.

"Sooner or later," Dr. Ivy says, "they'll come around to Krebiozen. They may call it by another name but it will be Krebiozen. I think this is the key to cancer."

So far, none of the five other research groups has carried experimentation beyond tests in laboratory animals.

When Dr. Ivy first met Dr. Stevan Durovic in 1949, he was somewhat skeptical of the Yugoslav political refugee who claimed he had a drug that seemed to be effective against cancer.

Dr. Durovic was unknown in the United States.

BELGRADE FACULTY

He was born July 24, 1905, in Ulcinji, Yugoslavia, and received his medical degree in 1930 from the University of Belgrade. He later became a professor of medicine at the same institution.

From 1930 to 1941, Dr. Durovic practiced medicine and engaged in research.

Then came World War II, and when Yugoslavia was invaded, Dr. Durovic was taken prisoner by the Italian Army.

In June 1942 he was freed because of a heart condition.

Dr. Durovic went to Spain, and from there to Buenos Aires, Argentina, where he did medical research as scientific director of the Duga Biologic Institute, a commercial drug house established by Dr. Durovic, his brother, Mark, and others.

He entered the United States March 26, 1949, ostensibly to test and market a drug called Kositerin, which he had extracted from the blood of cattle.

TESTS IN CHICAGO

Kositerin had shown some promise in reducing high blood pressure, but tests at Northwestern University in Chicago showed the drug wasn't particularly effective.

Dr. Durovic, however, claimed he also brought with him two grams of another drug he had discovered in 1947, this one extracted from the blood of horses.

One of his reasons for going to Chicago, he said, was to meet the eminent Dr. Ivy and interest him in the drug Krebiozen.

Unlike Dr. Durovic, who had not one published scientific article to his credit, Dr. Ivy was riding the crest of an almost unparalleled career.

He was vice president of the University of Illinois and was in charge of its medical, dentistry, pharmacy, and nursing schools. He was also head of the university's department of clinical sciences.

HONORARY DOCTORATES

Andrew Conway Ivy, then 56, in addition to his medical degree, held a Ph. D. in physiology and three honorary doctorate degrees. He has received two more since 1949.

He had been special consultant on medical ethics and clinical investigations at the Nuremberg war trials. The board of trustees of the American Medical Association had recommended him to the Secretary of War to serve in that capacity.

He had written and published, either by himself or in collaboration with other researchers, more than 1,400 scientific articles, and has published more than 100 others—on subjects other than Krebiozen—since then.

He was executive director of the National Advisory Cancer Council of the U.S. Public Health Service, and on the board of directors of the American Cancer Society.

WIFE DISTINGUISHED

He had made significant contributions to many areas of medical research, particularly in peptic ulcer studies.

He had honors, awards, a record of Government activities, and committee posts that would take pages to list.

He had a wife with a Ph. D. who distinguished herself by showing the importance of proteins to the diet, and five sons, four of whom were to become doctors.

And 2 years before Stevan Durovic walked into his office, Dr. Ivy had published a paper on a theory he had long been mulling—that the key to cancer might be found in the body's own resistance mechanism.

Dr. Durovic, despite his lack of credentials, had a powder which he seemed to have produced on the basis of a theory that dovetailed almost perfectly with Dr. Ivy's.

POWDER EXTRACTED

Dr. Durovic told Dr. Ivy his powder contained an agent that restrains cell growth.

He had produced the 2 grams in 1947 in Argentina by injecting 2,000 horses with an extract of the fungus, actinomyces bovis.

This fungus caused a disease called "lumpy jaw," relatively common among horses. Lumpy jaw is a tumor, usually not fatal, which Dr. Durovic claimed activated the horses' growth-restraining systems.

Dr. Durovic said that several weeks later, after giving the horses time to build up a sufficient quantity of the substance, he bled them and then extracted the powder from the blood serum.

Just about the time he approached Dr. Ivy—and shortly after Kositerin had been proved worthless—Dr. Durovic said he received word from Argentina that Krebiozen had been effective against cancer in six dogs.

TOO CONVENIENT

Critics of Krebiozen find this timing a bit too convenient.

This coincidence gave birth to suspicions that Krebiozen didn't really exist—that it was actually Kositerin and Dr. Durovic had simply changed its name to Krebiozen and made different claims for it.

At any rate, Dr. Ivy was impressed.

He agreed to test the drug and started by using it on 18 dogs and cats with spontaneous tumors. In 17 of the animals, Dr. Ivy reported, the tumors regressed to some degree, and in 11 almost completely.

He said he found no significant activity against tumors induced in mice and rats, but points out that agents active in humans are not necessarily active in rats and mice, and vice versa.

Dr. Ivy, after additional animal tests to determine that the substance was not poisonous, decided it showed enough promise to be tested in humans with advanced cancer.

Many doctors feel it was appalling that Dr. Ivy should use a drug on human patients with evidence from only 18 laboratory animals, a number considered grossly insufficient by medical researchers.

Nevertheless, Dr. Ivy was convinced the theory was sound and decided to go ahead anyway, since he had shown the drug to be nonpoisonous.

Twenty-two patients with advanced cancer of different types were chosen. All had been treated with orthodox methods or had refused surgery or radiation.

They were given an initial dose of .01 milligram of Krebiozen dissolved in light mineral oil.

A second dose of the same strength was given 72 hours later, and then no Krebiozen was administered for 14 to 30 days.

Subsequent injections varied in frequency and strength but the average was 0.01 milligram once a week.

Dr. Ivy claims the drug produced favorable results in 20 of the 22 patients.

Tumor size and pain decreased, he reported. Appetite, sleep, and general well-being improved.

Then, in January 1951, Dr. Durovic committed a sin for which he has never been forgiven. He and his brother Marko, an attorney and financial backer of the drug, dissolved their entire supply of Krebiozen powder—nearly 2 grams—in 200,000 ampules of mineral oil.

This made chemical analysis impossible.

Dr. Ivy became furious. He almost walked out on the Durovics and Krebiozen then and there.

But he only did it, Dr. Durovic explained, to prevent the powder from deteriorating.

It was this type of sudden, single-minded and wholly unpredictable behavior that was to alienate Dr. Durovic from the medical profession.

If you want to play in our league, the profession insists, stick to our rules. We don't want you if you don't.

Dr. Ivy knew those rules better than most, but he chose to align himself with a balding Yugoslavian who didn't seem to care, but who had a theory that appeared to make sense, and a powder that appeared to work.

And as Dr. Durovic headed toward medical excommunication, so too went Andrew Conway Ivy.

[From the Denver Post, Jan. 8, 1964]

KREBIOZEN STORY: TEST BLOCKAGE CHARGED—CONSPIRACY DENIED

(By John Kokish, Denver Post staff writer)

The American Medical Association is the official voice of organized medicine in the United States.

It represents nearly every physician in this country, but like most large organizations, it is controlled by a small group of men.

Backers of Krebiozen, an asserted anticancer drug, have for nearly 13 years charged that a conspiracy has blocked a "fair test" of the drug.

They are convinced the AMA has led this conspiracy.

"Physicians, just like anybody else, have wives, children, parents, and other loved ones without whom life would lose much of its meaning and joy," the AMA News wrote in March 1959.

"And members of the doctors' family circles, just like anybody else, fall prey to one of the leading causes of pain, suffering, and death—cancer.

"Yet a small but persistently vocal group—advocates of the so-called cancer drug Krebiozen—would have the public believe that a 'medical conspiracy' led by the AMA has suppressed the drug. * * *"

The report emphatically denies the conspiracy charges, reviews the AMA interpretation of the history of Krebiozen and urges "a truly scientific evaluation of the drug, so that the controversy can be stilled forever."

The AMA's plea for an evaluation of Krebiozen is, at the least, a concession that up to March 1959 the drug had not been given a "truly scientific evaluation."

Almost all medical opinion on Krebiozen, however, has been based on four reports written before 1953—two by the AMA and a third closely connected with the AMA findings.

The individual doctor, whether or not he shares the AMA's political philosophy, seldom questions the scientific integrity of what he reads in the Journal of the American Medical Association.

AMA pronouncements on medical matters are, to most doctors, gospel.

The AMA on September 27, 1951, published in its journal, what it called A Status Report on Krebiozen.

It came just 7 months after a meeting in the Drake Hotel in Chicago which precluded any respectability Krebiozen might have achieved and ultimately ruined Dr. Andrew C. Ivy, then vice president of the University of Illinois.

Dr. Ivy called the meeting to disclose the results of his use of Krebiozen on 22 cancer patients. He claimed 20 of them had responded favorably.

Despite the impatience of Dr. Stevan Durovic, discoverer of the drug, Dr. Ivy had refused to submit the findings to a scientific journal "because we didn't have enough data."

Instead, Dr. Ivy said he did what is fairly common in medical research. He invited physicians he hoped would be interested in using the drug, and a handful of Chicago businessmen who had been known to contribute to cancer research.

"We simply needed money," Dr. Ivy said.

He also invited several science writers from Chicago newspapers who, Dr. Ivy said, had been holding stories at his request about cancer patients who had risen from their deathbeds after treatment with Krebiozen.

But instead of the few science writers originally invited, a battalion of reporters and photographers showed up at the meeting.

Apparently an overzealous press agent, with whom Dr. Ivy denies having had dealings, had learned of the meeting and issued a news release that proclaimed:

"The battle of medical science to find a cure for cancer achieved its realization today."

RUNS INTO CIRCUS

Dr. Ivy, who had been out of town the week before the meeting, appeared at the hotel to find a circus.

Instead of calling off the meeting, however, he pondered awhile, then decided to go ahead with it, since the dam had already broken.

Dr. Ivy claimed nothing more than that Krebiozen "shows much promise in the management of the cancer patient."

Yet, the next day, newspaper headlines told the news of Dr. Ivy's drug, and although most editors toned down the wild claims in the release, the damage was done.

Physicians became infuriated, and rightfully so, at the premature publicity on a drug which obviously had not been tested sufficiently, and at its proponents who presumptuously had bypassed orthodox medical channels and taken their findings to the lay press.

Rumors circulated that Dr. Ivy had been duped by a sinister Yugoslav quack (Dr.

Durovic), and even that the noted physiologist had lost his mind.

It was in this climate that thousands of physicians read the October 27, 1951, status report prepared by the AMA's Council on Pharmacy and Chemistry.

The report, written by Dr. Paul L. Wermer of the AMA, discusses the results on 100 cancer patients treated with Krebiozen in 7 independent tumor clinics.

If Dr. Ivy has spent the last 13 years defending Krebiozen, the AMA has spent almost as much time defending its evaluation of the drug.

It called Krebiozen a secret remedy whose nature and preparation are known only to Dr. Stevan Durovic and, presumably, his brother, Marko.

CALLED INEFFECTIVE

Furthermore, it declared the drug wholly ineffective in 98 of the 100 patients and dismissed the 2 cases in which apparent objective evidence of improvement was obtained as explainable by other reasons.

Dr. Ivy dissected the AMA report.

He charged that Dr. Henry A. Szujewski, who contributed 24 cases to the AMA's 100, actually had treated only 1 of those cases himself. Dr. William F. P. Phillips and he (Dr. Ivy) treated the other 23.

"Dr. Szujewski reported that improvement occurred in only one patient," Dr. Ivy said in a sworn affidavit. "However, relief of pain or subjective improvement occurred for a period in 20 of the 24 patients, and objective improvement occurred in 18.

"Dr. Szujewski's report was misleading and false."

Dr. Ivy also said that among the 100 patients treated, 40 were so close to death they received only 2 injections of Krebiozen, 3 days apart, and 33 others received no more than 4 injections.

Dr. Ivy told the Denver Post he never claimed—and it would be preposterous for anyone to claim—that Krebiozen or any other agent could help a person whose vital organs already had been destroyed by cancer.

"Krebiozen certainly can't reconstruct a liver eaten up by cancer," he said.

CALLED UNFAIR

Dr. Ivy charged that it was grossly unfair to evaluate a drug by administering it to patients impossible to help. Most cancer experts would agree with this.

But the AMA had spoken, and in the anti-Krebiozen setting created by the Drake Hotel meeting, the word of the AMA was sufficient for most doctors.

A month later the National Research Council's Cancer Therapy and Diagnosis Committee issued a report based on 63 cases, many of which overlapped with the AMA's 100.

The committee found Krebiozen worthless.

Then, in March 1952 the AMA handed down its second official indictment of the drug in a report written by Dr. Szujewski, whose handling of 24 cases in the first report had been attacked by Dr. Ivy.

Dr. Szujewski's article was an evaluation of Krebiozen based on enzyme analysis he had performed on 70 patients he claimed had been treated with the drug.

He said 57 of the cases had been followed closely and the other 13 were incomplete. He never explained why they were incomplete.

REBUTTAL ISSUED

"In no instance in which a patient was treated with Krebiozen was there any dramatic or startling change for the better," Dr. Szujewski reported.

Again, Dr. Ivy issued a strong rebuttal.

The 70 patients, he said, had been treated by Dr. Phillips and not Dr. Szujewski, who had only made enzyme studies.

"Dr. Szujewski did not give them Krebiozen, he did not supervise them, he did not examine them, he did not study their X-ray films.

"It is outrageous and rank falsification for him to make statements about the course of pain, body weight and complete or partial inhibition of cancerous growth, or to say that Krebiozen is or is not effective."

Furthermore, Dr. Ivy charged, 24 of the 70 patients were never given Krebiozen. They were used as controls. Ten of the 24 did not even have cancer.

And Dr. Szujewski did not follow the 57 cases closely, Dr. Ivy said. He performed an insufficient number of tests on most of them.

PRACTICED 2½ YEARS

Dr. Szujewski, who was 32 years old when he wrote the report, was a key witness at the Krebiozen hearings before a committee of the Illinois Legislature in 1953.

Testimony shows that Dr. Szujewski could not make up his mind whether, after being in practice 2½ years, he considered himself a cancer expert. He first said he didn't claim to be, then decided "I think I am an expert."

Ten of the patients written off in the AMA reports of October 1951 and March 1952 appeared at the Krebiozen hearings to testify they were alive.

Seven of the 10 were alive and apparently well December 1, 1963.

In his rebuttal to the second AMA report, Dr. Ivy wrote:

"It is difficult to understand why the editorial staff of the Journal of the AMA published an article which contains so many errors. There must have been a very special reason."

Krebiozen supporters believe they know that reason.

They charge that Dr. Josiah J. (Cy) Moore, then treasurer of the AMA, conspired with two Chicago businessmen to gain control of distribution rights to Krebiozen.

The businessmen, Edwin Moore (no relation to Dr. Moore) and his brother-in-law, Kenneth Brainard, had been Dr. Durovic's guides and almost constant companions when he first came to Chicago.

Unable to talk Dr. Durovic out of his drug, the Krebiozen people allege, the three conspirators set out to destroy the reputation of both, hoping perhaps they could gain control later.

Dr. Moore supposedly used his power in the AMA to get the organization to write unfavorable reports about Krebiozen.

RELATIONSHIP NOTED

It is no accident, Dr. Ivy has charged, that Dr. Moore's office was (and still is) in the same building as Dr. Szujewski's.

It also was no accident, Krebiozen backers say, that Dr. Danely Slaughter, chief contributor to the first AMA report, was a nephew of Ed Moore's boss.

At the Krebiozen hearings, an Argentine friend of the Durovics testified he plotted with Dr. Moore to destroy the Yugoslavian brothers, but that he was in reality gathering evidence against the AMA treasurer.

Herbert Bailey makes these and some even stronger charges in his book, "A Matter of Life and Death," which recounts the Krebiozen controversy.

The book, although somewhat hysterical in tone, never has been contested in a court of law. It was first published in 1958.

Dr. Moore did not appear as a witness before the Illinois commission, but has denied the charges in statements to the press.

TOLD NOT TO SUE

Everything he did was to protect the American public, he said. He hasn't sued for libel because he "wouldn't get in the gutter with them."

Dr. Ernest Howard, executive director of the AMA, told the Post Dr. Moore didn't sue "because the AMA lawyers told him not to. It's hard to prove damage."

In the summer of 1953, the late Senator Charles W. Tobey, Republican, of New Hampshire, commissioned an attorney to investigate the Krebiozen situation.

The attorney, Benedict F. Fitzgerald, Jr., reported that "there is plenty of color of reason to believe that the AMA has been hasty, capricious, arbitrary and outright dishonest" in the Krebiozen matter.

Tobey died before Fitzgerald turned over the report to him. Fitzgerald gave the report to Tobey's successor, who immediately buried it in the Library of Congress.

Krebiozen, still reeling from the AMA one-two punch, received another right to the chin in September 1952, when a committee appointed by Dr. George D. Stoddard, then president of the University of Illinois, reported on 500 Krebiozen-treated patients.

The committee, headed by Dr. Warren H. Cloe, chairman of the university's department of surgery, issued what is probably the strangest report of the whole Krebiozen controversy.

Its conclusions, the only portion of the report released to the press, seem to differ sharply with the body of the study.

CONFIDENTIAL PORTION

"We have found no acceptable evidence that any malignant tumor has been cured, and none has been claimed in Dr. Ivy's report," the conclusion states.

But in the confidential portion, the committee says:

"The clinical details of 15 (it was actually 18) cases were presented to the committee. * * * Thirteen (it was actually 12) were presented in person. All of these cases showed subjective improvement of some type, such as relief of pain, reduction in size of tumor, or retardation of growth, and the possible disappearance of the tumor in one case.

"Judged by this presentation alone, Krebiozen would appear to have beneficial effects."

Again, the conclusion states the committee has been presented "with no histological evidence by Dr. Ivy that the material has produced degenerative or regressive changes in tumor cells. * * *"

But inside: "Microsopic slides were examined on nine patients, six of whom were included in the series of patients demonstrated to us June 29.

OPINIONS VARY

"We concurred in the diagnosis in all except one patient. In this patient we considered the slide (representing uterine scrapings) following Krebiozen therapy was negative for malignancy instead of positive, as reported to us.

"Accordingly, this difference in opinion does not reflect disadvantageously on Krebiozen therapy, but might reflect advantageously."

The report is full of such inconsistencies.

It also apparently ignored the results on 40 patients reported by the Lankenau Hospital Research Institute in Philadelphia.

Dr. Thomas C. Pomeroy, of the Lankenau group reported, "Our impression is that this material definitely has a biological effect on tumor cells in the human, either directly or indirectly, without any primary toxic effect on the host."

Dr. Pomeroy also said that "on biopsy of several of these cases, we have seen what we believe to be unmistakable evidence of oncolytic change histologically, which coincides with the changes seen clinically." Translated, that means cell changes seen under the microscope parallel changes noted in the patient.

Objective benefits were found in 18 (45 percent) of the 40 patients, the Lankenau Hospital said.

Dr. Pomeroy warned, however, that the conclusions reached were only preliminary but suggested that "since this represents the first and only nontoxic chemical agent to show definite biological activity of any degree against tumors, it seems justifiable to encourage as much basic and clinical investigation as possible."

NO VALUE FOUND

Nevertheless, the Cole committee concluded that "Krebiozen has no curative value in the treatment of cancer."

However, it expressed conviction that Dr. Ivy's "motives are entirely honorable and sincere."

Ironically, the committee suggested chemical identification of the drug and continued testing on animals, and then, if warranted, on humans.

The group also had indicated interest in seeing Dr. Ivy's 18 cases several months later. It never called the patients back.

Six of the 18 patients were alive and apparently well December 1, 1963.

After the Cole Committee report, Dr. Stoddard ordered that further experimentation at the University of Illinois cease until Krebiozen had been reproduced and chemically identified.

Dr. Stoddard was later reprimanded at the Krebiozen hearings as being "untactful," and the university's board of trustees fired him shortly after.

LIBEL SUIT FILED

In 1955, Dr. Stoddard published a book called "Krebiozen: The Great Cancer Mystery." Dr. Ivy sued him for libel. The suit is still pending.

But whatever happened to the tests at the Lankenau Hospital, which had issued one of the few reports favorable to Krebiozen?

Five months after that report, Dr. Stanley Reimann, director of the institution, called an end to the research because "we now know we have cured no patients and we don't believe length of life has been prolonged."

A month after that, Dr. Pomeroy wrote Dr. Ivy that some testing would be resumed, but "we have quite a bit of pressure here"—pressure he said forced Dr. Reimann into announcing the previous month that testing would halt.

Dr. Pomeroy never explained the nature of the pressure.

[From the Denver Post, Jan. 9, 1964]

KREBIOZEN STORY: SECRECY BROUGHT DRUG CURB

The two most persistently nagging questions in the Krebiozen controversy have been:

What's in the powder and how is it made?

Why doesn't somebody test it?

It was inevitable—with these questions still unanswered—that the U.S. Government enter the dispute.

Perhaps the strongest charge opponents of Krebiozen have leveled against Dr. Stevan Durovic, discoverer of the drug, is that he won't tell anybody what's in it or how it is manufactured.

This charge is, to a point, justified.

When Dr. Durovic brought two grams of the drug to the United States in 1949, he told no one—not even Dr. Andrew C. Ivy—exactly how it had been made.

He did, however, outline the manufacturing process, but so vaguely that it is hardly likely anyone could reproduce it on the basis of what he disclosed.

Dr. Ivy, then vice president of the University of Illinois, had agreed to test Krebiozen.

He says Dr. Durovic, at the very beginning of their association, offered to give him the manufacturing details.

"I refused to take them," Dr. Ivy told the Denver Post. "I wanted to wait until it was protected by a patent. He and his brother (Marko Durovic, an attorney) already had too much money invested in the drug (an estimated $1.3 million).

Dr. Durovic applied for a patent in November 1951.

The type of patent (product and process) which Dr. Durovic wanted required proof of therapeutic value. Since the American Medical Association had 1 month before declared Krebiozen worthless, the patent was denied.

The application is still on file in the U.S. Patent Office and Dr. Durovic says he keeps adding information on the drug as it becomes available.

It should be pointed out that no drug firm reveals the exact manufacturing details of a drug until it is protected by patent.

A Chicago newspaper woman tried several years ago to learn the manufacturing details of penicillin, streptomycin and other widely used drugs.

She said not one pharmaceutical firm would give them to her, and that one even claimed not all the details were on file with the Patent Office.

Nevertheless, Dr. Ivy claimed in 1956 he reproduced Krebiozen—or a similar substance with the same apparent effects—from the skimpy outline Dr. Durovic had published.

He said he extracted the powder from the blood serum of 46 horses, using the solubility properties disclosed by Dr. Durovic.

Dr. Ivy's experiment raised new doubts about the drug because he produced about 10 times the amount Dr. Durovic would have extracted from an equal number of horses.

Dr. Ivy's explanation: "Dr. Durovic's powder was purer than mine."

CONFIRMED BY DUROVIC

In 1960, the New York Post printed virtually all of the manufacturing details of Krebiozen, as supplied by Dr. Ivy.

Dr. Durovic has confirmed that the process was identical with the one he used.

The procedure has been reprinted several times since then.

Had Dr. Durovic disclosed the chemistry of Krebiozen when he introduced the drug, medical scientists probably would not have been so disturbed by his refusal to reveal manufacturing details.

Neither Dr. Durovic nor Dr. Ivy, however, knew the chemistry of Krebiozen.

"Chemistry isn't that important," Dr. Ivy says. "It comes second. Activity comes first."

Dr. Ivy apparently did not feel that way, however, when Dr. Durovic in 1951 dissolved his entire supply of the drug—2 grams—in mineral oil.

That boner ended all chances, at least for a while, of analyzing Krebiozen. Dr. Ivy exploded and nearly washed his hands of the project at that point.

REFUSAL IRKED AMA

The lack of knowledge of the chemistry of Krebiozen, coupled with Dr. Durovic's refusal to reveal how it was made, led to AMA charges, certainly not wholly unfounded, that Krebiozen was a "secret remedy."

A report by a University of Illinois medical committee in 1952 also reflected considerable concern of its members over their ignorance of the chemistry of what they were evaluating.

An ironclad rule of medical research is: Tell us what's in it, or if you can't, tell us exactly how it's made.

This rule is based on sound scientific principle, and without it, the door would be open to any number of fraudulent practices.

But Dr. Durovic didn't care about the rules. He didn't know the chemistry of Krebiozen and he wouldn't tell how he made it.

Dr. Ivy, already in up to his neck, trudged along.

In 1958, two California chemists, Drs. Arthur Furst and Paul L. Kirk, said they had analyzed Krebiozen and found it contained nothing but mineral oil.

Dr. Ivy fired back that the chemists did not have enough of the material to analyze. (Dr. Furst said he had six ampules, Dr. Ivy said two.)

Also, Dr. Ivy replied, Drs. Furst and Kirk said they found only Nujol, a heavy mineral oil. (Krebiozen is dissolved in No. 9 light mineral oil.)

FORMULA ANNOUNCED

Meanwhile, Dr. Ivy said he continued investigating the drug's chemistry and revealing information as he unearthed it.

In 1952, he publicly announced its empirical (or elementary) formula.

The empirical formula of a carbon compound, however, gives only a hint as to the composition of the substance.

Chemists, in order to reasonably understand a compound, need its structural formula, which shows the arrangement of the molecules.

Determining structural formula can easily cost $1 million, a chemist told the Post.

Since 1952, Dr. Ivy has announced the probable chemical nature of Krebiozen, its molecular weight, decomposition temperatures, and a few other bits of the drug's chemistry.

In February 1959, he said he had established that Krebiozen is a lipopolysaccharide. This placed it in a broad family of chemicals.

IS IT A HORMONE?

Dr. Ivy points out that the rate of increase "in the chemical knowledge of Krebiozen is similar to the progress made with insulin and cortisone.

"Progress on the chemistry of hormones, like Krebiozen, is slow and expensive."

But is Krebiozen a hormone?

Dr. Ivy says it is—a tissue hormone. The Government disagrees.

In April 1954, Dr. Durovic filed a new drug application with the Food and Drug Administration in order to change the status of Krebiozen from experimental to commercial.

The FDA turned him down on grounds that Krebiozen was not a hormone, but a biologic (because it was extracted from the blood of horses).

Biologics are licensed not by the FDA but by the Division of Biologic Standards of the U.S. Public Health Service.

Dr. Durovic again found himself against a wall.

Biologic Standards required, at that time, not only proof that a drug was safe (which is all the FDA insisted upon) but also proof it was effective.

And the AMA had said Krebiozen was not effective.

RELEASED BY FDA

Since 1954, the FDA has given the drug a free rein, mostly because the question on whether it was a hormone or a biologic was never resolved.

And since 1954, Promak Laboratories (formerly Duga Laboratories) has been requesting money for Krebiozen. The firm, owned primarily by the Durovics, says these donations cover only production costs.

The cost of an ampule has varied with what the Durovics say are production costs, but the current price is $9.50.

Dr. Ivy estimates more than half the Krebiozen patients, probably closer to two-thirds, have received the drug free. And many have been allowed to pay only what they could afford.

Critics of Krebiozen say charging patients for an experimental drug is repugnant because they are, after all, allowing themselves to be used as guinea pigs.

CHARGES DEFENDED

There have been charges that some patients have paid from $10,000 to $25,000 each for the drug.

Krebiozen backers defend the practice on grounds that the Krebiozen Research Foundation has never received grants or any financial assistance from either the Government or private foundations.

Furthermore, they say the $10,000 to $25,000 accusation is absurd because at $9.50 an ampule, a patient taking a dose a week would pay only $5,000 in 10 years. And Promak began charging less than 10 years ago.

A year's supply for the average patient costs about $500, less than the cost of a month in a hospital, they contend.

In response to charges last fall that he had made a personal fortune on Krebiozen, Dr. Durovic made public his 1962 Federal income tax returns.

It showed a net loss for adjusted gross income of $76,719 for 1962, $40,176 for 1961, and $36,542 for 1960. Internal Revenue Service has audited his books.

Dr. Durovic also declared his income tax returns have shown a net loss every year since he entered the United States in 1949. At that time, he had $190,000 on deposit in a London, England, bank.

In 1951, before Krebiozen was blacklisted, two major pharmaceutical firms offered the Durovics more than $1 million each for the drug.

IN THALIDOMIDE SHADOW

No agreement was reached with either company, and then the walls came down on Krebiozen.

The tragedy of the thalidomide-deformed babies brought on in 1962 new and more stringent drug control legislation.

Thalidomide was an experimental drug taken as a tranquilizer by pregnant women. Its side effects caused gross malformations in thousands of newborn babies, and called attention to the need for stronger regulatory measures.

The FDA, which had been politely tolerating Krebiozen for 8 years, was now required by law to crack down on the controversial cancer drug.

The Kefauver-Harris drug amendments required, among other things, that sponsors of experimental drugs file investigational plans with the FDA.

Failure to file such a plan by June 7, 1963, would make interstate shipment of the drug illegal.

Krebiozen was among 2,500 drugs that fell into this category.

The plan requires sponsors to show how the drug is made and controlled to assure its identity, strength, quality, and purity; information on toxicity studies in animals; results of past tests on humans, and the program for continued investigation.

IN DRIVER'S SEAT

Although pharmaceutical firms consider the requirements a nuisance, the sponsor of the drug is in the driver's seat once he files the plan.

The only way the FDA can then prevent interstate shipment of the drug is by proving it doesn't work. This is difficult to do.

If, however, the sponsor does not file an application, the burden of proof falls on him. He must then show his drug is effective.

No sooner did the June 7 deadline begin approaching, than Dr. Durovic began seeing the shadow of the AMA hovering over the Government.

The AMA now had even the Federal Government in its grip, he believed.

Meanwhile, the cancer patients—some 400 of them—who believe Krebiozen is keeping them alive began fearing their lifeline would be severed.

Emergency committees sent frantic letters to congressional leaders, administration officials, newspapers—anywhere they hoped they would receive some help.

And Dr. Durovic, convinced he was going to be unfairly treated, continued to balk.

DELEGATION TO CAPITOL

Late in May, a delegation of about 80 Krebiozen patients went to Washington, D.C., to plead with officials.

Among them was Mrs. Virginia Mayberry, 119 West Alameda Avenue, who believes Krebiozen has checked the growth of her brain tumor.

Make an exception, they asked. Don't cut off our supply of Krebiozen.

There can be no exceptions the Government replied.

Then, on June 6, 1 day before the deadline, Dr. Durovic filed the required investigational plan.

The Krebiozen patients breathed easy. The drug would not be cut off from them.

Their relief was short lived.

The National Cancer Institute of the Public Health Service had been considering testing Krebiozen.

SET TO PROVE CLAIMS

At the suggestion of Drs. Ivy and Durovic, they enlisted the aid of FDA field representatives to gather necessary medical records needed to document claims the Krebiozen sponsors had made.

The FDA also set out—as required by law—to collect adequate samples of Krebiozen and inspect the production facilities at Promak Laboratories.

A barrage of charges and countercharges ensued.

The FDA claimed Dr. Durovic refused to supply inspectors with adequate samples, broke appointments and wouldn't let them examine his manufacturing facilities.

Dr. Durovic countered that the inspectors were harassing him, taking photographs which would incriminate him, asking for unreasonable supplies of the drug and intimidating patients.

Dr. Durovic unsuccessfully tried to get a court to grant a temporary injunction ordering the FDA to stop harassing him, an injunction that would, in effect, have halted the investigation.

Then, on July 12, without consulting either Dr. Ivy or his attorney, Paul Sembower, Dr. Durovic withdrew the investigational plan he had filed with the FDA.

That made interstate shipment of Krebiozen illegal.

LIMIT OF TOLERANCE

Dr. Durovic's reason was that he had "reached the limit of my tolerance for harassment, fraudulent and threatening tactics."

He said he now would take Krebiozen back into the scientific field.

Even Dr. Durovic's closest associates, however, could not condone the effects the action would have on the cancer patients.

Publicly, Dr. Ivy stood by his colleague. Privately, he steamed.

Sembower said it was "typical of Durovic's singlemindedness and monomania." He said Krebiozen could have been distributed indefinitely with the burden of proof on the FDA.

The attorney said he has urged Dr. Durovic to refile with the FDA. The Government, under the law, would have no choice but to accept a new application.

The Krebiozen patients, of course, went into panic.

They made trips to Chicago from everywhere in the United States to get their drug. Some of them even moved to Illinois.

Last August 6, another delegation of frightened Krebiozen patients and their relatives, dressed in black, set up a "death watch" in Washington, D.C.

They were not ready to give up. Neither were Drs. Ivy and Durovic.

And neither was the Government.

[From the Denver Post Jan. 10, 1964]

KREBIOZEN STORY: DRUG BACKERS PROTEST FDA FINDING

(By John Kokish)

The Government announcement last September 7 that Krebiozen is nothing more than creatine came down on the drug's backers like a bucket of melted lead.

Creatine is an amino acid derivative found in large quantities in the human body and is readily available as an inexpensive laboratory chemical.

It has been tested as an anticancer agent and found ineffective in animals.

"It isn't true," said Dr. Stevan Durovic, discoverer of Krebiozen.

"Ridiculous," said Dr. Andrew C. Ivy, its chief scientific sponsor.

And the cancer patients who are convinced Krebiozen is keeping them alive refused to believe it.

The Food and Drug Administration, however, said tests conducted by its scientists "leave no doubt as to the identity of the powder Dr. Durovic labeled 'Krebiozen.'"

The FDA announcement blew up hopes Krebiozen backers had been nurturing that the National Cancer Institute (NCI) would afford Krebiozen the "fair test" they had been seeking for 12 years.

An NCI screening committee had been evaluating 504 cases of Krebiozen-treated patients to determine whether the drug showed enough promise to be tested clinically.

The NCI had not yet discovered the results of its evaluation when the FDA declared that Krebiozen is creatine.

How could the NCI possibly recommend a test, the drug's proponents asked, after another arm of the same governmental department (Health, Education, and Welfare) had identified Krebiozen as a worthless substance?

They had suspected that the American Medical Association, to save face, was exerting pressure on the Government.

Now they were convinced of it. Anything to prevent a fair test, they charged.

EVIDENCE WEIGHTY

The FDA's findings were backed by weighty evidence.

Dr. Frank H. Wiley, head of the FDA's Division of Pharmaceutical Chemistry, supervised the analysis. He told the Denver Post:

"There isn't any doubt of it. The powder he gave us is at least 99 percent creatine.

We're convinced of it, and so are the outside experts we used." Dr. Wiley said four tests were used to establish the identity of the slightly more than 2 milligrams of powder Dr. Durovic submitted to the FDA.

The original identification was made through infrared spectrography, a technique chemists say is comparable to fingerprinting.

Scientists used the Krebiozen sample to produce an infrared "fingerprint" curve of the compound. Then they compared it with curves of known substances.

A 20-year-old summer student matched the Krebiozen "fingerprint" with that of creatine.

Dr. Wiley said an infrared spectrogram of Krebiozen Dr. Durovic gave the NCI in 1961 matched creatine in another form.

Infrared spectrograms made by the NCI from Krebiozen samples provided by Dr. Durovic in 1961 also were similar, the FDA chemist said.

The only differences in the curves on the spectrograms were because of the varying amounts of moistures the different samples had absorbed, and the small amount of impurities present.

The Krebiozen was then treated with hydrochloric acid and converted to creatinine, a substance similar to creatine. Only creatine becomes creatinine when treated this way.

Dr. Wiley said the identity was further established by three other techniques: Microscopic crystallography, X-ray crystallography, and mass spectrographic studies.

Representatives of the NCI, the Division of Biologics Standards, the U.S. Geological Survey and the National Bureau of Standards assisted the FDA in the experiments.

In addition, scientists from the Universities of Maryland, New Mexico, and Texas, and the Massachusetts Institute of Technology worked with Government personnel.

FINDINGS CONTESTED

Dr. Durovic, in a letter September 11 to Anthony J. Celebrezze, Secretary of Health, Education, and Welfare, contested the FDA findings.

He said chemical studies made for him by two independent laboratories produced results that differ sharply with those of the FDA.

(The two laboratories are Anderson Physical Laboratory and Clark Microanalytic Laboratory, both of Urbana, Ill. They have excellent reputations.)

Dr. Durovic said Krebiozen differed from creatine in molecular weight, solubility properties, carbon content, and melting point. He also criticized FDA procedures.

In a stinging rebuttal to Dr. Durovic's objections, Boisfeuillet Jones, special assistant to Celebrezze, reaffirmed the FDA findings and called the Government's verdict "conclusive."

FDA Commissioner George P. Larrick told the Post he is prepared "to produce the greatest scientists in the world" to verify the FDA findings.

IVY ALSO PROTESTS

Dr. Ivy also protested the FDA results.

He admitted Krebiozen contains creatine but said this has no bearing on its activity.

The sample submitted to the FDA contained seven-eighths percent Krebiozen, he said.

"Unfortunately and accidentally," Dr. Ivy said, "the sample represented an attempt to purify and crystallize the average Krebiozen preparation. This concentrated the creatine-like substance."

He said the preparation in ampules normally contains about 30 percent Krebiozen.

Critics of the drug call this an attempt to sidestep the FDA findings.

Dr. Ivy also pointed out that Dr. Kenneth Endicott, NCI Director, in a letter to him and Dr. Durovic March 7, 1962, wrote:

"In the absence of other evidence, infrared spectral curves are insufficient to characterize a compound or to establish its degree of purity."

DOUGLAS REPORT

Senator Paul Douglas, Democrat, of Illinois, an old friend of Dr. Ivy, who for years has been trying to force a test of Krebiozen through Congress, issued a voluminous report lashing the FDA announcement.

The report, prepared by his administrative assistant, Howard E. Shuman, calls the FDA results an example of "bureaucratic schizophrenia," lists alleged differences between Krebiozen and creatine and accuses the Government agency of ignoring differences found by its own scientists.

Shuman was assisted in the report by a physician on Douglas' staff and several chemists, including Dr. Durovic's.

Among the differences pointed out in the report are color, sugar and acid content and actual differences in the infrared curves.

DRI STUDIES RESULTS

The Post took the Government findings and the Douglas report to the Denver Research Institute for analysis.

Dr. Joseph Schmidt-Collerus, head of the DRI chemical section, and Francis Bonomo, a research chemist experienced in infrared spectography, said the technique is about 95 percent accurate.

They said it is, in fact, possible that the Krebiozen sponsors lost a good deal of their active material in attempting to purify their drug.

It is also possible that the 1 percent in the Krebiozen sample has the active agent, the chemists said.

They said the FDA should have concentrated on the impurities rather than on the creatine.

On the other hand, the DRI researchers said the Douglas staff seemed to be enlarging on some "extremely insignificant points, apparently to mask the major ones."

Then, too, if Krebiozen is a lipopolysaccharide as Dr. Ivy has claimed, the sugars should have shown up on the spectrogram, even if they were in the 1 percent.

SHARP DIFFERENCE

The lipopolysaccharide curve differs markedly from that of an amino acid, the scientists said. There should have been some indication on the spectrogram, and there apparently was none.

Meanwhile, the NCI evaluating committee was preparing to release the results of its study of 504 cases submitted by Dr. Ivy.

Twenty-four cancer specialists from university medical schools, cancer clinics and the NCI spent 10 days last August evaluating the cases in a Maryland motel.

Their report was released October 16.

Then the ax fell again.

The committee reported its members unanimously had agreed "Krebiozen does not possess any anticancer activity in man" and strongly recommended against a clinical trial of the drug.

Krebiozen backers said "we told you so" and again leveled charges of AMA pressure.

They accused Dr. Endicott, NCI Director, of reneging on a promise they said he had made to test the drug.

The Government stood firm.

CASE IS CLOSED

"From a scientific stand," Dr. Endicott said, "we regard the case closed."

The standards set up by the committee were admittedly severe, but no more so than those upon which any other drug would have been judged, said Dr. Carl Baker, NCI Associate Director for Programs.

The committee threw out 216 cases because of what it called inadequate test situation.

Of the 216, 101 had other therapy at the time Krebiozen was administered, 50 had no microscopic proof of cancer, 49 showed no cancer remaining after previous therapy and for 16, the data was inadequate (this was not explained in detail).

That left 288 cases to evaluate.

Of those, the committee said it found no evidence of "significant regression" of tumor in 273.

The committee's criterion for significant regression was tumors that showed reduction in size of more than 50 percent.

It disregarded cases in which the tumor was arrested, and cases in which the tumor regressed 1 to 50 percent.

For 13 of the remaining 15 cases, the committee expressed uncertainty because of "obscure conditions" which included inadequate documentation, doubt about measurements and ignorance of the precise stage of the disease.

TWO CASES REMAIN

That left two cases.

One was that of Gary Cathcart, the boy whose recovery was described in part II of this series. The committee said lack of permanent microscopic slides and previous X-ray treatment made the case inconclusive.

The one remaining case, that of a Krebiozen patient whose stomach cancer disappeared completely and who had no other therapy, was attributed to spontaneous remission.

The committee also threw out all cases in which improvement was only subjective.

Because these represented Dr. Ivy's best cases, the committee said, Krebiozen apparently is worthless. (Dr. Ivy said they were not all his best. He said they included many of his best cases, but also some that were recent and showed typical immediate results.)

In any case, the NCI standards were severe, and there is good reason to believe the committee members were working in the prejudicial climate created by years of anti-Krebiozen sentiment in the medical community.

Dr. Juan del Regato, noted director of Penrose Cancer Hospital in Colorado Springs, denies this. Dr. Del Regato was one of the 24 experts on the NCI team and chairman of the review committee which carefully examined all doubtful cases.

BENEFIT OF DOUBT

"We gave Krebiozen every benefit of doubt," he told the Post. "In fact, we began the study intending to recommend a test.

"I had expected to run into difficulty evaluating these cases. But most of them were surprisingly easy to throw out.

"The material they (Drs. Ivy and Durovic) submitted showed an almost childish ignorance of the behavior of cancer."

Originally, Dr. Del Regato said, the Krebiozen people submitted only brief summaries—many of which they received second hand—of case histories.

The FDA had to spend months compiling medical records, X-rays, death certificates, and other information to document the case histories.

"In a number of cases," Dr. Del Regato said, "the evidence gathered by the FDA did not support the claims made in the case histories. Some of them differed drastically."

The Colorado Springs radiologist said tumor regressions are difficult to measure and even more difficult to explain.

"Several doctors can measure the same tumor and come up with different results," he said.

"Sometimes a tumor outgrows its own blood supply, dies, and stops growing. Occasionally, it will even shrink.

"Sometimes a tumor is not as large as it seems. It is actually infected, and the infection makes it look bigger. An antibiotic a patient receives might clear the infection and make it appear as if the tumor is going down. It's also possible Krebiozen contains antibiotics.

"Breast cancer, we now know, often spreads to the ovaries and prevents them from secreting hormones. This has the same effect as one of our best treatments for breast cancer—cutting off the female hormone supply. And it sometimes makes the breast tumors decrease."

ANOTHER BATTLE

Douglas and his staff again tore into the Government's findings.

They charged that the standards set up by the NCI were for a cancer cure rather than for a treatment.

In all cases of improvement in which another treatment was given, it was always presumed the other treatment and not Krebiozen caused the beneficial results, Douglas said.

The committee did not see one Krebiozen-treated patient in person, he said. Nor did it see one doctor who used the drug. Nor did it allow Dr. Ivy to appear to explain some of the results.

A report issued by the Douglas staff charges bias in many of the cases, and says some valid cases actually were ignored.

The Post asked Dr. Robert A. Huseby, highly regarded cancer scientist and research director of the American Medical Center in Lakewood, what he considered "significant regression" of a tumor, whether the standard of more than 50 percent is valid.

"Significant regression in breast cancer (Huseby's particular interest) is when the size of the tumor shows a reasonable decrease and no new lesions appear," he said. "It is difficult to use percentages in dealing with this type of work." (Dr. Huseby believes Krebiozen is worthless.)

Dr. Ivy, as he had done so many times before, protested the NCI committee's findings.

He said "spontaneous remission" (disappearance by itself) of a tumor, according to the standard Everson-Cole study, occurs about once in every 100,000 cases.

Even if the two remissions in the 504 cases studied by the NCI were all that could be attributed to Krebiozen, the frequency would be 2 in 5,000 cases (all Krebiozen-treated patients), many times more than the accepted ratio.

ANOTHER ERROR

He said also the committee was wrong in ignoring subjective improvement, such as pain relief, because it generally paralleled reduction in tumors. Furthermore, he said, many of the patients did not know they were receiving Krebiozen.

"Medical history has shown that evaluating committees have been notoriously wrong," Dr. Ivy said. "A truly scientific test—one with the strictest controls—is the only way to test a drug that shows promise."

But most of the doctors had cleared out of the forest, and there were not many left to listen.

[From the Denver Post, Jan. 12, 1964]

Krebiozen Story: Miraculous Relief Reported; Disease Hard To Understand—Krebiozen Raises Numerous Questions—Many Doctors Seek Full Clinical Tests

(By John Kokish)

Has Krebiozen been tested? No.

It has been evaluated, discussed, criticized, and "identified," but not tested.

There are still physicians who, despite the pronouncements of the Government and organized medicine, believe Krebiozen shows promise.

The Denver Post talked with many of them and saw letters from others.

They want Krebiozen clinically tested.

Drs. John F. Pick and William F. P. Phillips, of Chicago, have used the drug on advanced cancer patients since 1951. They believe it works.

Dr. F. Allen Rutherford, of Lebanon, Pa., has treated many cancer sufferers with Krebiozen. He believes it works.

"I haven't seen anything like this in 40 years of practice," wrote a Dixon, Ill., physician.

TRUMAN'S DOCTOR

"This patient has shown unbelievable results," wrote a doctor in Corning, Ark.

Maj. Gen. Wallace H. Graham, USAF, retired, who was personal physician to former President Harry S. Truman, reported unusually good results with Krebiozen.

Dr. L. Paul Ralph, of Grand Rapids, Mich., reported his patient, the late Sen. Arthur H. Vandenberg, Republican, of Michigan, miraculously relieved of practically all pain.

Dr. Ralph also expressed interest in whether the Senator's life might have been saved had Krebiozen been administered earlier, before he was all but dead.

Several physicians in the Denver area say they have used the drug with varying degrees of success.

There are hundreds of other doctors who have reported beneficial results.

Perhaps they are wrong.

But what if they are right?

BRAIN TUMOR

Mrs. Virginia Mayberry, 44, of 119 West Alameda Avenue, believes her brain tumor has been arrested by Krebiozen.

Her doctor believes it, too. He says Krebiozen seemed to have checked an inoperable cancer as soon as it was administered.

Symptoms of the tumor began reappearing when Krebiozen was discontinued, he said. When the drug was resumed, Mrs. Mayberry again improved.

Cancer is a difficult disease to understand. The average physician knows very little about it.

Cancer is, in fact, nearly 250 diseases, and the course of none can be predicted with absolute certainty.

Some doctors feel that the Krebiozen case history file of 5,000 patients contains a disturbingly large number of apparent tumor regressions coincidental with Krebiozen therapy.

Scientifically, these cases prove nothing.

CONTROLS NEEDED

They do, however, seem to underline the need for a controlled test that forever would end the bitter 13-year-old battle over Krebiozen.

Dr. Stevan Durovic, discoverer of the drug, and Dr. Andrew C. Ivy, its chief scientific sponsor, vow that if a clinical test shows Krebiozen is of no value, they will stop claiming it can be effective against cancer.

Dr. Ivy insists, however, that the test be conducted by an organization whose findings will be accepted by the medical community—preferably the National Cancer Institute (NCI) of the U.S. Public Health Service.

Serious efforts by the Krebiozen people and the NCI to test the drug have been underway for several years.

There has been general agreement that a "double blind" test would best establish the merits of Krebiozen.

In a double-blind test, 100 terminal cancer patients would be given injections of Krebiozen and another 100 would receive injections of a placebo (an agent known to be inactive).

SAME TYPE

Neither the patient nor the administering physician would know whether Krebiozen or the placebo was being injected.

Patients with the same type of cancer (probably breast) in about the same stage of the disease would be used.

After a given number of months (three has been suggested), the results would be evaluated.

Dr. Ivy has suggested treating an additional 100 female patients with a male hormone currently the most effective known breast cancer treatment. He says this would show whether Krebiozen is more beneficial than the hormone, which has ugly side effects.

Negotiations between the Krebiozen people and the NCI to set up a test broke down several times because of two major areas of disagreement:

Dr. Ivy, because of the prejudice he believed existed against Krebiozen, insisted he be on the committee which would evaluate the drug.

(The NCI felt it would be absurd for a sponsor to be on the committee to evaluate his own drug.)

The NCI insisted a clinical test be conducted only if a screening committee first recommended it.

(Dr. Ivy distrusts screening committees. He says they often are wrong and probably would be antagonistic to Krebiozen.)

GROUNDWORK LAID

Despite these disagreements, the groundwork for a test was laid last summer when an NCI screening committee evaluated 504 cases of Krebiozen-treated patients.

The committee, using criteria which many doctors believe were far too severe, found the drug worthless and recommended no clinical trial be undertaken.

A month earlier the Food and Drug Administration had announced its scientists had chemically identified Krebiozen as creatine, a common substance found in the body and already proved ineffective against cancer. This finding has been strongly contested.

The Government now, however, refuses to test Krebiozen.

MORE NEEDED FOR TEST

Boisefeuillet Jones, an official of the Department of Health, Education, and Welfare, parent organization of both the NCI and FDA, told the Post:

"They (Drs. Durovic and Ivy) won't conform to the law. They've refused to give us enough of the drug to chemically analyze properly, and they won't let us inspect their manufacturing premises."

Dr. Durovic has offered to let Government inspectors watch him manufacture Krebiozen, step by step.

"But not until he found himself in an uncomfortable position," Jones said. "That's the way he's been all through this thing."

Dr. Durovic's attorney, John F. Sembower, admits his client's suspicious nature has hurt him.

"He's literally goaded the Government into what they've done. You just don't slap the Federal people in the face and expect them to turn the other cheek."

Dr. Kenneth Endicott, Director of the NCI, says Krebiozen fails to meet any of the three criteria required for a clinical test. They are—

A valid theory.

Consistent and strong anticancer activity in animals.

The accidental discovery that the drug has strong anticancer activity in humans.

DR. IVY'S STAND

Dr. Ivy says the Krebiozen theory alone is grounds for a test, the drug has shown anticancer activity in animals and there is sufficient evidence it is effective in humans.

The NCI spends $33 million a year for its cancer chemotherapy program, fighting the mysterious disease that continues to puzzle science and kills some 250,000 Americans a year. (Cancer will strike one in every four Americans now alive.)

The Government agency screens some 14,000 substances a year (at one time, 50,000) and is currently giving over 100 agents thorough clinical tests.

FDA Commissioner George P. Larrick told the Post the Government spent about $250,000 on Krebiozen the first 10 months of 1963, most of it to gather data for the screening committee which evaluated the drug.

Dr. Ivy estimates that a clinical test of Krebiozen—assuming charity hospitals were used—would cost $75,000, including cost of manufacturing the drug.

In 3 months, he says, the American people could know whether Krebiozen is effective.

But the Government says no.

It is wrong, officials argue, to dignify Krebiozen with a test. They say it is also morally wrong to use terminal cancer patients to test a drug known to be worthless when they might instead be treated with something that shows real promise.

Proponents of a test for Krebiozen include Dr. Ivy's longtime friend, Senator Paul Douglas, Democrat, of Illinois.

Douglas has charged the American Medical Association, which called Krebiozen worthless in 1951, with control of Government agencies which allocate money for medical research and testing.

He told Congress in 1962 that the Government spends huge sums of money on projects such as "feeding caesarian and natural born germ-free rodents, $40,000"; "the social role of the aging wild ungulate, $8,250"; a "stereotactic atlas of the beagle brain, $9,775," and "appointment breaking in a pediatric clinic, $18,000."

Douglas said he felt a test for a promising cancer drug also warrants Government money.

OTHER SUPPORTERS

Some 30 other Senators and Representatives have joined Douglas in his demands for a test for Krebiozen.

Ironically, one of them was the late Estes Kefauver, Democrat, of Tennessee, whose 1962 amendment put teeth into drug control laws.

Dr. Ivy no longer insists he be on the evaluating committee should a test be undertaken. He does, however, want to advise attending physicians on the size and frequency of the dosage.

Krebiozen supporters are still hopeful the double-blind test will be conducted and the merits of the drug finally determined.

A cancer chemotherapist at a Denver area hospital says:

"Patients are usually pretty far gone when we see them. We're happy if we get a chemical that helps even a little. Anything that shows promise should be tested.

"Still, I feel uneasy about Krebiozen. I'd be interested in testing it only if we find out what's in it.

"It's very hard for me to believe that Krebiozen is just creatine or mineral oil."

Do you believe charges that the AMA has been deliberately suppressing this drug?

"Nothing is impossible, especially with the AMA."

Ernest Howard, executive director of the AMA, laughs at the conspiracy charges.

"We told our people all along to say Krebiozen is worthless," he said.

CHANGED ATTITUDE

The facts, however, show the AMA has fluctuated in its attitude toward Krebiozen.

In 1951 and 1952, it called the drug worthless. In 1954, in response to a letter of inquiry, an AMA official said the organization does not discourage physicians from using it and was, in fact, encouraging a clinical trial.

In 1959, the AMA again said the drug should be scientificially evaluated.

Last November, Oliver Field, head of the AMA's investigative division, said Krebiozen has been given all the tests it deserves and shown to be useless.

He called it a "perfect example of quackery" and placed it in the same category as the Hoxsey and Koch "cancer cures." (Neither Dr. Ivy nor Dr. Durovic ever called Krebiozen a cure.)

Dr. Hugh H. Hussey, director of the AMA's division of scientific activities, last fall publicly said Krebiozen "might very well be the greatest medical fraud of the 20th century."

Dr. Hussey, an internist, told the Post he had never used the drug himself, and didn't know any physicians who had.

"I wasn't speaking for myself when I made that statement," he said. "I was speaking for the AMA."

PAPER ISSUED

The American Cancer Society, which is closely tied to the AMA, issued a "Background Paper on Krebiozen" in 1960, endorsing the committee evaluations of the drug and charging the drug's sponsors with blocking all further tests.

Dr. Ivy issued a point-by-point rebuttal of the paper.

Ned Greenslit, executive director of the Colorado chapter of the ACS, thinks Krebiozen ought to be tested. He, too, feels Drs. Ivy and Durovic have been the stumbling blocks.

The average person knows virtually nothing about Krebiozen.

Newspapers, in an attempt to avoid giving what at first seems to be a suspicious drug undue publicity have largely avoided the issue.

Chicago newspapers have blanketed the controversy and the New York Post published a well-researched series in 1960, but aside from those two cities readers have been exposed only to a few brief stories of Government condemnations of the drug.

INCOMPLETE DATA

Much that has been written about Krebiozen has been incomplete or inaccurate.

For example, Life magazine in an article on Krebiozen last October 4, ran a picture of Mrs. Evelyn Vogel, a Chicago woman who believes Krebiozen cured her breast cancer. Life said her tumor was removed surgically.

Mrs. Vogel, however, in a sworn affidavit, said her tumor was not removed surgically, and that Krebiozen was the only therapy she received.

And last October 28, Diane Lindstrom, 18, of Rockford, Ill., died of bone cancer. She had refused amputation of her leg which doctors said might have saved her and instead chose Krebiozen therapy.

Wire service stories indicated Krebiozen had failed the girl. So did newspaper headlines.

The girl's father, Milton Lindstrom, told the Post Diane had not received a shot of Krebiozen since May 3, nearly 6 months before she died.

"Her tumor was not getting any bigger, but it didn't seem to be going away," Lindstrom said, "So we gave up on Krebiozen."

The wire story also failed to mention that Dr. Ivy had recommended surgery plus Krebiozen.

It should be noted that he has always recommended orthodox treatments first, and Krebiozen only as a last resort or as concurrent therapy.

The story of Krebiozen is hardly over yet. It will end only when the drug is tested.

And whatever the outcome, it will have been one of the greatest tragedies in medical history.

If it is shown conclusively that Krebiozen is worthless, thousands of cancer patients and relatives will have had false hopes raised.

Then the questions will be asked:

Did they (the Krebiozen people) do it on purpose? How did they get away with it so long? Why didn't the Government step in sooner? Are the laws we have covering this type of thing adequate?

If, however, Krebiozen is shown to be effective, the questions will be even more serious.

Was there really a medical conspiracy against the drug? Does AMA influence reach into the Federal Government? Do scientific procedures designed to protect the public against fraud also shackle unorthodox but nonfraudulent drugs and treatments?

How much time has been lost in man's war against cancer?

And—how many cancer victims died needlessly because an unorthodox drug was not accepted by the medical community?

The history of medicine and science is full of quacks.

It is also full of men like Galileo, the "father of modern science"; William Roentgen, who discovered X-rays; Samuel Morse, inventor of the electric telegraph; Thomas Edison, who invented the electric light bulb; and Alexander Fleming, discoverer of penicillin.

All were called quacks.

Dr. Ivy, once vice president of the University of Illinois and an internationally renowned physiologist, is not a quack either.

Stripped of virtually all his titles and medical posts, he now does his research in a laboratory at Roosevelt University in Chicago.

His papers on ulcers are still published by reputable scientific journals.

He also is continuing work on the effect of Krebiozen on cataracts in dogs. He believes the drug is the key to several other degenerative-type diseases, but is hesitant to discuss it lest it be called a "cure-all."

Some of his former colleagues say he has been duped on Krebiozen by Dr. Durovic. Others say he is simply obsessed with winning a Nobel Prize. Still others say he is slightly senile.

Dr. Ivy is not senile. His mind is alert and inquisitive, his respect for scientific procedure is profound; his determination to see Krebiozen tested is fierce.

Dr. Ivy has never made 1 cent on Krebiozen.

He may be wrong, but he sincerely believes it works. He sincerely believes 115 cancer patients who have survived 4 to 12 years owe their lives to Krebiozen.

And he believes the drug might be keeping his brother alive, because surgeons who more than 3 years ago removed a cancer from the brother's large intestine weren't sure they got it all.

Meanwhile the FDA has started legal proceedings against Drs. Ivy and Durovic. Charges have not been disclosed but they apparently are in connection with the legality of past distribution of Krebiozen.

In a recent announcement, the FDA said Krebiozen ampoules before 1960 were filled with nothing but plain mineral oil.

The tiny, white-haired man, whose daily lunch is an apple and whose only obsession seems to be football, doesn't worry much about the charges.

"Fine," he said. "Maybe now they'll listen to me."

Dr. Ivy, in some ways, has been a victim of a series of bizarre events.

He also made mistakes—many mistakes. He has violated rules he knows well should not be violated; important rules he helped establish.

He has paid the price. Dr. Ivy has lost more respect and prestige in 13 years than 1,000 average doctors gain in a lifetime.

Somehow, he still believes it will all work out.

"I may lose," he says, "but science will ultimately win. They'll test Krebiozen one of these days and find out I'm right."

But until they do and unless they find the drug effective, Andrew Conway Ivy will remain a medical outcast.

[From the Denver Post, Jan. 13, 1963]

Settle Krebiozen Dispute With Tests

The strange, 13-year-old dispute over Krebiozen, a drug claimed to be effective against cancer, has reached another stalemate.

Despite the Government's refusal to test the drug, proponets of Krebiozen still tout its alleged beneficial effects and some 400 cancer patients who believe it is keeping them alive still go to great lengths to get it.

A series of articles in the Denver Post reported the background facts of this bitter controversy.

It pointed out the evidence presented for and against Krebiozen, and the mistakes made by its backers and by its critics.

The articles also showed the confusion in the minds of laymen and most doctors about the drug and the issue.

This newspaper has said before it cannot judge the merits of Krebiozen. It has made no such attempt.

We do feel, however, that the scientific value of the drug should be determined by a rigidly controlled test.

The dispute should be ended once and for all.

It should be ended for the sake of the cancer patients who believe it works, for the sake of science and medical knowledge, and for the sake of the American people who have a right to know whether Krebiozen is really an effective treatment or a dud.

Unless the drug is tested, no one will ever know for sure.

Pronouncements by the Food and Drug Administration that Krebiozen is actually creatine, and by the National Cancer Institute that it has no value, seem to us to fall short.

The FDA findings are disputed by a number of chemists, and the NCI study was admittedly severe and conducted in a highly prejudicial climate.

Krebiozen backers have charged conspiracy against the drug—a conspiracy led by the American Medical Association and reaching into governmental agencies.

We certainly make no such charge.

Krebiozen critics have charged quackery and fraud.

We make no such charges either.

But we do feel the Government should seriously reconsider testing Krebiozen.

And we do feel Drs. Durovic and Ivy should cast aside their suspicions and cooperate.

The NCI has several basic criteria a drug must meet before a clinical trial is undertaken. Since the agency screens some 14,000 substances a year and tests only about 100, these criteria are absolutely necessary.

Krebiozen seems to meet at least two of these criteria. The theory appears to many scientists sound and use on patients possibly indicates biological activity against cancer.

Dr. Durovic should, in the first place, refile his application with the FDA so that the interstate shipment ban on Krebiozen could be lifted.

If his concern for cancer patients is as great as he claims, he should not put them through the mental torment, trouble and expense of traveling to Illinois to get Krebiozen.

Then he should allow FDA inspectors to watch him produce Krebiozen step by step—as he claims he has offered to do.

This is the law and the FDA has no choice but to enforce it.

Dr. Ivy has said a clinical trial can be conducted for less than $75,000, one-fourth of the amount the FDA spent last year getting evidence to simply evaluate it.

Since the Government spends some $33 million a year on its cancer chemotherapy program, the $75,000 does not seem like too extravagant a sum.

Drs. Ivy and Durovic have pledged to stop claiming Krebiozen is beneficial against cancer, if a test shows it isn't.

They will be held to that pledge.

Cancer patients have been the pawns for too long in this seemingly endless dispute.

Krebiozen should be tested so we may know once and for all whether it deserves to be investigated further or buried for good.

The public interest demands it.

NATIONAL BAPTIST CONVENTION, U.S.A., CALLS FOR STRONG CIVIL RIGHTS ACT

Mr. DOUGLAS. Mr. President, the National Baptist Convention, U.S.A., has appealed to Congress to pass this year "a strong, meaningful, comprehensible, and creative civil rights bill." Dr. J. H. Jackson, the well-known Chicago religious leader and president of this 5-million-member association, presented this appeal to the board of directors of the National Baptist Convention at their recent meeting in Hot Springs, Ark. The board unanimously adopted the appeal on January 14, 1964.

The National Baptist Convention urges Congress to enact meaningful legislation which will permit the achievement of equal justice and opportunity through processes which are in keeping with the spirit of the Constitution. The plea specifically recognizes that economic opportunity must underlie the full exercise of civil rights and so endorses also President Johnson's announced war on poverty.

I ask unanimous consent that the appeal be printed in the RECORD.

There being no objection, the appeal was ordered to be printed in the RECORD, as follows:

AN APPEAL TO THE 88TH CONGRESS OF THE UNITED STATES OF AMERICA

(By Dr. J. H. Jackson, president of the National Baptist Convention, U.S.A., Inc., January 14, 1964)

To the Congress of the United States of America, as a Whole, and to Every Member Individually:

DEAR HONORABLE SIRS: Thousands of us are aware of the tremendous responsibility that is yours, and know well the multiplicity of your duties and the complexities of your task. You must look well to the needs peculiar to your several districts that sent you to Washington, but also you are bound by oath of office to work for the well-being, security, preservation, and continuous growth of the Nation's life and character. And by the events of history and the demands of the times, you now carry a major share of the responsibility for the peace of the world, the distribution and the administration of the economic well-being and social justice to the peoples around the world, and maybe on your shoulders and that of your Nation rest the fate and future of Western civilization and the whole of mankind.

The Congress of the United States of America is not now, and never has been, a mere assembly of elected politicians bound to their local districts by the campaign promises of the previous election. Rather, it is a fellowship of chosen statesmen called upon to work creatively with all of the human, economic, social, moral, and spiritual forces that can make or destroy a nation and that can redeem or damn a civilization.

With due regard for all the pressing issues before you, both foreign and domestic, it is the earnest desire of millions of Americans that you in this session will pass a strong, meaningful, comprehensible, and creative civil rights bill for the following reasons:

1. The issues of civil rights are basically the unanswered questions and the unsolved problems of the full freedom of the individual in a democratic society and the practical application of the ideals of the Federal Constitution in matters regarding the rights of persons and groups in our body politic. Here, as you well know, we deal with the very nature of our country and you are called upon to help answer the question: Can a nation of all the people, by all the people, and for all the people, really exist? Can this lofty theory be put into practice? The Congress of the United States of America has the power to help or hinder this Nation in answering these most important questions. There are social, economic, and political philosophers who have already given a negative answer to these all important American questions. This 88th Congress has both the authority and the power to refute all of these false philosophies by a very positive action in the defense of and in the support of first-class citizenship for all Americans now.

2. America as the moral leader of the free world has recognized her debt and responsibility to the oppressed, enslaved, hungry, and weaker nations of the world by her voluntary gifts of foreign aid, technical assistance, without showing any desire to practice the ancient sins of colonialism. This Nation is still committed to the doctrine of the self-determination of all nations—thanks to the insights of some of our great American leaders past and present. But to add the essential depth and meaning to these acts of kindness our Nation must always stand for and advocate freedom, equality of opportunity, social justice, and respect for human personality both at home and abroad.

The Congress of the United States, the lawmaking body of the Nation, should be the unquestioned, the most powerful, and the most vocal tribunal for equality and freedom in all the world. No type of discussion and no debate should ever be construed so as to negate in the eyes of the world this high and lofty position of our great Congress.

3. While we do appreciate all of the great achievements of our Nation in the interest of freedom, justice, democracy, and all the cultural things of life, we must admit that there are still areas of the Nation's life where freedom is fettered, justice is handicapped, and racial segregation and group discrimination are still shameful blots on the Nation's life. Today the nations need a clear, positive message from this Congress in the interest of the complete emancipation of all Americans in every section of the Nation.

Since the heroic achievements of the great emancipator, Abraham Lincoln, there have appeared on the American scene individuals and groups who would make us believe that those who desire complete freedom should look away from the Congress of the United States and away from law and order to other methods and techniques. We beg this honorable Congress to help free the Nation of such groups, not simply by appropriating larger budgets for a Committee on Un-American Activities, but by exercising the power and authority vested in you as the lawmaking body of this Nation, and by giving to this Republic the essential laws that will spell out clearly and uncompromisingly the Nation's philosophy of human freedom and thus make a practical application of our lofty theories of the rights of man to the needs of every citizen under the Stars and Stripes.

4. There are thousands of white Americans who are committed, without reservation, to the American way of life and who are laboring to help remove the sins of racial prejudice and to destroy the ancient tradition of racial segregation and discrimination, but many of them are handicapped by the pressure from their communities, and some are discriminated against. Such people need the acts of Congress in written civil rights laws that will rescue them from the thralldom and persecution of the segregationists with their un-American activities.

Here is a serious division in our Nation, and a historic breach among American citizens that cannot be healed without the actions of Congress.

5. Many of us are dedicated to the proposition that there are no civic evils in America, no unjust laws written or unwritten in our several States, and no grievances between individuals and groups that cannot be corrected through obedience to and the application of the principles of the Federal Constitution. Millions of us who still believe in the American way of solving all citizenship problems are asking this session of Congress to pass a strong civil rights bill in order to strengthen the hands of those who are the disciples of law and order, and remove once and for always from the American scene any

assumed legal grounds for the justification of segregation. This should be done in such a way that the Nation's time and money will not be spent in the task of presenting to Congress from year to year legislation to complete the task of defining and giving first-class citizenship to all.

And let there be employed in this country no other way to freedom than the American way, and let us not sanction any methods of settling disputes within our borders that are foreign to the democratic process and out of harmony with the letter and spirit of the Federal Constitution.

6. It is our further plea that this 88th Congress will erect a living monument to the late President John F. Kennedy, not of stone, brass, or bronze, but in the form of a strong civil rights bill that shall be as eternal as the perpetual flame that burns at his final resting place on the sacred slopes of Arlington.

7. Also our request to Congress on this civil rights measure is a petition to help President Lyndon B. Johnson to carry to a successful conclusion his announced war on proverty and to aid him in completing the unfinished task of his predecessor in the field of equality of opportunity for all. His colleagues both North and South must not be guilty of sabotaging his noble aims or hindering his progressive efforts for the Nation by defeating a civil rights program that is so badly needed to help the image of the Nation abroad and to give unity, harmony, and peace at home.

These things we petition you not in the name of group prejudice and group antagonism, but in the name of the Federal Constitution and in the name of the Nation as a whole, and in the spirit of justice, freedom, and good will. We have confidence in your integrity and we await with hope the verdict of your actions.

HOT SPRINGS, ARK., January 22, 1964.—The foregoing plea to Congress was presented to the board of directors of the National Baptist Convention, U.S.A., Inc. by the president, Dr. J. H. Jackson. It was adopted unanimously as the sentiment of the board. The plea calls for a strong civil rights bill, and advocated its necessity not only for the freedom of colored Americans, but for the full emancipation of all Americans. It called upon Congress to perform well its task in these days of crises.

THE 46TH ANNIVERSARY OF LITHUANIAN INDEPENDENCE DAY—FEBRUARY 16

Mr. DOUGLAS. Mr. President, each year at this time our attention is drawn to the people of Lithuania and of Lithuanian descent who, with an irrepressible dedication to liberty, commemorate annually that nation's reestablishment of independence. It was during the late 18th century that Lithuania was first engulfed. Catherine the Great accomplished the traditional Russian objective of gaining an opening to the sea by annexing her Baltic neighbors in 1795.

Russian hegemony was succeeded by German occupation during the First World War. Independence was reestablished at the close of that war, on February 16, 1918.

Unfortunately, independence and constitutional government did not last long. World War II brought subjection again—first under the shadow of the swastika and then the hammer and sickle.

In Russia, communism had replaced the autocracy of the czar, but the traditional greed for the neighboring Baltic States had not diminished. In fact, by 1940, this greed for a seaport was further infected by malice and envy. Independent Lithuania's economic and social progress was a thorn in the side of Russia's Communists. Tormented by the comparison with their own unfulfilled ambitions for the Communist system, the Soviet leaders determined to punish the Lithuanians for their success by extermination, deportation, and imprisonment. We, who have lived our lives in freedom cannot even imagine the terrors endured by the people of Lithuania as they fought for self-preservation. As has so often been true, Communist touting of anti-imperialism did not hinder Soviet authorities in their policy of blatant and brutal colonialism.

This ghastly crime cannot be forgotten. In commemorating Lithuanian Day each year we hope to keep alive the determination of all who cherish freedom that Lithuania may one day again be free. We also commend and support loyal Lithuanian Americans whose hope for ultimate justice, and faith that freedom will prevail over the mailed fist, must at times be hard to sustain.

What can we say or do to help justify their faith? I believe that our Government has been doing everything possible in the way of official protests and remonstrances in the United Nations. I am proud that the United States has consistently refused to recognize the Soviet Union's incorporation of the Baltic States. The U.S. Senate affirmed this policy in passing the Douglas resolution in 1954 and, again, in 1959, with passage of my proposal for the annual observance of Captive Nations Week. We continue to recognize the diplomatic and consular representatives of the prewar Governments of Lithuania and her Baltic neighbors. Our Presidents, Secretaries of State, and other Government representatives have always made our position clear, and I have been reassured by the State Department this week that—

> This Government will continue to press the issues in the United Nations and to focus world attention on the injustices suffered by the Baltic and other captive peoples as the occasion arises during the course of debate in the General Assembly and the Security Council.

Hence, although I am sometimes asked to submit further resolutions instructing the United Nations to pursue various policies, I feel that to do so at this time would not be a substantive contribution. It might convey the misleading impression that more could be done than is presently being done, and I do not believe that that is true.

Americans can best support the Lithuanian people by seeking to understand from their history the inestimable worth of human liberty and by standing fast in our historic policy. As we recall their courage and endurance can we not all reaffirm our own determination to keep the fiber of our democracy strong—never to betray our heritage by denying the "inalienable rights" of others?

The new Lithuanian independence day for which we pray has not come this last year, but we can show the people of Lithuania and all captive peoples that the freedom of which they dream is still the most powerful idea in the world, and ideas cannot be held by chains.

THE TRUE NATURE OF WAR

Mr. RIBICOFF. Mr. President, I recently read an unusual review about an unusual book, by an unusual man. He is S. L. A. Marshall, who is, I agree with the reviewer, the ablest combat historian of our day. He is a great writer and editor and a great brigadier general in our Reserve forces. Because I admire him and his work so much and would like to call attention to both, I ask unanimous consent that "Figures in the Savage Masquerades of War," from the New York Times of February 6, 1964, be printed in the RECORD.

There being no objection, the review was ordered to be printed in the RECORD, as follows:

BOOKS OF THE TIMES: "FIGURES IN THE SAVAGE MASQUERADES OF WAR"

(By Charles Poore)

("Battle at Best," by S. L. A. Marshall. Foreword by J. C. F. Fuller, illustrations by Garver Miller, 257 pages, Morrow.)

The champagne floods again, the tricolor billows, the snipers snipe and the mademoiselles give the City of Life their own radiance in Mr. Marshall's splendid account of how a remarkably infinite handful of warriors in 1944 helped the French liberate Paris. Wonderful stuff here, wonderful stuff. As duty and pleasure I think I have now read little less than a thousand somewhat similar narratives of that glorious August week. Similar, but by no means in detailed agreement. Nor shall we ever have the ultimate, the absolutely definitive story. How could we? In the very nature of things it is impossible. It is impossible for Americans, anyway. Why? Because it marks a transcendent moment in our long and lengthening oversea experience. The moment when the expeditionary forces of World War II reached the promised land that the expeditionary forces of World War I had talked about with such glints in their eyes during the peaceful, anecdotal aftermaths of batttles long ago.

That decidedly was a week that was. And if Mr. Marshall now chooses to correct others—with Hemingway once more as the centerpiece—no doubt he will in turn come under the rampant revisionists' direct and flanking fire.

Mr. Marshall is the ablest combat historian of our day. He is both a newspaper editor and Reserve brigadier general. Whew. Hard to beat all that rank and regalia. A one-two power of awesome vapability. Either is tough enough when you go against it with your constitutional rights, your oriflamme of the civilians' printed superiority to the military. In tandem, it's what Brendan Behan likes to call massive.

Yet, Mr. Marshall goes easy on the Draconian bit. He has, in this skilletful of war reminiscences, many fish to fry and he accomplishes his missions crisply. You move with him through the jungles of South Pacific warfare, the immortal moments when mortality was tide high at Omaha Beach, the harsh heroism of the fight for South Korea.

He tells us, in one memorable passage, that: "Those who would understand the true nature of war must begin by understanding man's own true nature, in its strength and in its weakness and in that fine balancing of good and evil, compassion amid brutality, hope and ruin and laughter in the middle of death, which gives man his unique capacity for survival."

Those who would stand finically apart from men's wars get no quarter from Mr. Marshall. Indeed, he shows us that the bystanders are generally not innocent—and that their very chance to make egregious judgments from afar depends inexorably upon how far away the men of the line kept the enemy from their imperiled stances of fastidious distaste toward shells fired in fury. After all, the citizens in uniform share that distaste; they can imagine many pleasanter places they'd prefer to be, you know.

"I'm taking this one," Pvt. Joe Mann, his arms numbed by wounds, said, during the battle at the Dutch town of Best that gives this book its title. He deliberately lay back on a German grenade no one could handle in time to throw it out of the hole before it exploded. He took it. Others survived. Who survived? Well, on that foxhole's illimitable perimeter, you and I.

The high incidence of Mr. Marshall's encounters with unusually individualistic characters gives one touch of continuity to these sketches.

"At the outskirts of Chartres," he recalls, "a gentleman farmer flagged us down.

"He said, 'You have a funny army.' "

Mr. Marshall told him it was no funnier than any other army, but the gentleman farmer thought it was extraordinarily curious that passing American battalions wouldn't drink the cans of milk he had put out for their refreshment. Trying to console him, Mr. Marshall explained that, licentious soldiery or no, they preferred it pasteurized.

"Why didn't they tell me?" the gentleman farmer howled. "Pasteur was my grandfather. And you tell me how to purify milk?"

Mr. Marshall stayed in Paris sporadically. He probably saw something that shook Frenchmen in a rather more traditional way. That happened when the Red Cross served coffee and doughnuts across the champagne-cocktail-hallowed bar of the Crillon.

AN UNKNOWN SIDE OF TRUMAN

Mr. LONG of Missouri. Mr. President, almost 20 years ago, Harry S. Truman ascended to the highest office in the land.

This distinguished Missourian and great American left his imprint on the Presidency.

Today, nearly two decades after his becoming President, the Congress of the United States is considering a civil rights bill. Undoubtedly, Mr. Truman's sincere actions in this vital area helped to stimulate the movement which has touched the conscience of America. It was he who abolished segregation in the Armed Forces. It was he who set up the President's Committee on Civil Rights, the first Government group specifically concerned with the problem of equal rights.

I ask unanimous consent to have printed in the Record an article, "An Unknown Side of Truman," by Eric Sevareid, which appeared in the Washington Evening Star on February 4, 1964. It is a fitting salute to the humanity of this great American.

There being no objection, the article was ordered to be printed in the Record, as follows:

An Unknown Side of Truman: Public Scolding of Student Reveals Sensitivity of Former President

(By Eric Sevareid)

The devoted students of Sherlock Holmes are as divisive as they are numerous, but they must surely agree that there was a certain respect as well as affection implicit in Holmes' exclamation, "Good old Watson, you are the one fixed point in a changing age."

This must be the sentiment of many Americans, at least those of middle age or more, as they see the news films of Harry Truman striding out on his morning walk, each foot firmly planted, each crisp pronouncement—on Panama, Lyndon Johnson, Barry Goldwater—delivered with the finality of a man who has no regrets, who relishes his enemies as much as his friends, and who enjoys the final freedom: contentment with life and no fear of death.

It is a good and inspiring thing to witness, this evening of a life that was full to the brim and never seriously marred. A man's character is his fate, said the ancient Greeks. Chance, in good part, took Harry Truman to the Presidency, but it was his character that kept him there and determined his historical fate. He is, without any doubt, destined to live in the books as one of the strongest and most decisive of the American Presidents.

It was Dean Acheson, Mr. Truman's Secretary of State, who said once, in musing about the Presidency: "If a President will make decisions, you're in luck. That is the essential quality. And if he has a high batting average in the correctness of his decisions, then you're in clover."

About this quality of Truman's there was never any doubt from the beginning, in the minds of those of us who covered his Presidency all the way through. His simplicity, his honesty and his self-discipline were so obvious as to be nonarguable, however much we disagreed about some of his actions and appointments. We were aware of his sensitivity about the institution of the Presidency—"this is the most honorable office a man can hold," he used to say—and aware of his relative lack of sensitivity to criticism of himself. What we were not aware of, at least not I, was his sensitivity about the feelings of other people.

This has been a sadly belated discovery of recent days for this reporter. It was made during private and therefore, privileged conversations, but I think he will not mind if I extract the small portion of the talk that illustrates my theme. The talk had wandered back a dozen years or so, and an aid remarked that Mr. Truman should have fired so and so. The man who had occupied the most powerful office in the world immediately said, "No, no. That would not have been right. There were other ways to do it. What you don't understand is the power of a President to hurt."

An American President has the power to build, to set fateful events in motion, to destroy an enemy civilization, to win or lose a vast personal following. But the power of a President to hurt the feelings of another human being—this, I think, had scarcely occurred to me, and still less had it occurred to me that a President in office would have the time and the need to be aware of this particular power among so many others.

Mr. Truman went on to observe that a word, a harsh glance, a peremptory motion by a President of the United States could so injure another man's pride that it would remain a scar in his emotional system all his life.

He recalled a painful episode during one of the lectures he loves to make to student audiences about the story and the art of governing America. A college boy stood up to ask the former President what he thought of the State's Governor, whom he described as "our local yokel." Mr. Truman told the boy he should be ashamed of himself for his lack of respect toward the high office of Governor. The boy turned pale and sat down. Later, Mr. Truman made it a point to seek out the shaken, apologetic lad and to reassure him. He did much more. He had the boy's dean send him frequent reports on the lad's progress in school and followed his later career with the interest of a friend. What this interest by a former President must have done for the boy's pride and self-respect may be imagined.

The simple point here is that Mr. Truman had instantly realized how a public scolding by a former President could mark and mar the boy's inner life and his standing in the community.

I feel gratified to have heard this story. It has given me an insight to the responsibilities of a President that I did not have, and it has immeasurably added to my own residue of memories about the man from Missouri. He is nearly 80 now. He may live to be a hundred—his is strong stock—but this, I know, is the specific memory that will return to me when his time does come.

THE WEST AND ITS PUBLIC LANDS

Mr. MOSS. Mr. President, Stewart L. Udall, Secretary of the Interior, is a brilliant and articulate public servant. His book the "Quiet Crisis," is a thoughtful and thrilling story of conservation in our still young and changing Nation. His insight into our land and resource problems, his dedication and devotion to preservation, development and usage of our great resources by all of our people, stamps him as a truly great leader of his time, and of all time, in the field of natural resources.

At the University of New Mexico in Albuquerque, Mr. Udall delivered a thoughtful speech about the West and our public lands. I am sure that my colleagues and all who read the Record would profit by reading the speech of the Secretary so I ask unanimous consent that it be printed in the Record at this point.

There being no objection, the address was ordered to be printed in the Record, as follows:

The West and Its Public Lands: Aid or Obstacle to Progress?

(Address by Secretary of the Interior Stewart L. Udall at the John Field Simms Memorial lecture, University of New Mexico, Albuquerque, February 6, 1964)

Two years ago this month in an unguarded moment I decided to attempt a book about the land-and-people story of our continent. At odd and interspersed times I did the reading and the writing that resulted in a volume I chose to call "The Quiet Crisis."

The writing was a splendid misery, but the reading was a revelation. After the first few weeks I realized how ignorant I was of my own job, and how little I really knew the conservation history of the American land. Near the end, when the task seemed almost too large to finish, I knew that finished or not the further education of Stewart Udall had made the whole effort worthwhile.

No Secretary of the Interior can read or write about conservation history with detachment. Every decision or plan or program proposed in the past throws fresh light on the questions awaiting decision on his own desk. Half-forgotten names like Hetch Hetchy, Teapot Dome, and Muscle Shoals become the landmarks that help chart a course through the pressures and controversies of the present.

Three-fourths of my years have been spent in and about the West. Yet I must confess that preparing to write "The Quiet Crisis" furnished insights into the land-and-people history of my own region that I had lacked. As student, citizen, lawyer, and Congressman I had puzzled over, but largely taken for granted, the public land policies of the West. As Secretary, in the process of asking the why of things, I have been often compelled to search for the deeper answers.

Are the public lands of the West—and by public lands I mean the national forest and park and wildlife and grazing lands owned by the Federal Government—an aid or an obstacle, to progress? I think the time has come for us to discuss this question with a thoroughness and respect for the essential facts which will yield up honest and clear-cut answers.

The time is late. These historic policies are now under an oblique, but damaging, attack by a rising tide of antifederalism that is undermining the very foundations of our conservation action program.

One should not be surprised, I suppose, that men of our region are leading coiners and reciters of anti-Washington slogans; after all, it was the late Bernard De Voto who often reminded us that the eddies of politics in the Far West always seemed to spawn spokesmen he called "westerners against the West."

It is easy in 1964 to explain the anti-Federalist sentiment of the South. That region is in the throes of a social revolution which is the outgrowth of demands for new national unity and a single national standard of citizenship.

However, it is more difficult to explain the anti-Federal Government movement in the West, for our region has always had a special—and uniquely profitable—relationship with the Government in Washington. One might say that Lewis and Clark—the outriders sent by Thomas Jefferson—were the first Federal "presence" in the West. The cavalrymen, Indian agents, forest rangers, and reclamation engineers who followed were the visible symbols of the Federal involvement in western development.

The new wave anti-Federalists of the West have, I fear, misread the political history of their region, and have failed to grasp the central significance of the conservation policies hammered out by Powell, by Pinchot, and by the two Roosevelts.

By edict of nature, nearly all of the West was, and always will be, different from the rest of our country. Daniel Webster called it a wasteland, but from the first the West was destined to write a special chapter in our history. The Plains Indians, the vast prairies, the mighty massif of the Rocky Mountains, the parched deserts were all formidable barriers to settlement and migration. Its searing winds and harsh climate, its uncertain rainfall and thin soils made settlement a struggle and resource planning a necessity. Moreover, the West's remoteness from eastern markets, its spare patterns of settlement, lack of transportation, and inadequate local capital made it susceptible to domination by outside entrepreneurs—and made investments of development capital by the National Government an absolute necessity if orderly growth was to occur.

Yet, despite all this, the anti-Federalists in our midst have identified the growing National Government of a growing Nation as the paramount threat to our way of life. ("Fear Washington more than Moscow" some of them say.) To hear these men tell it, government action and individual freedom are irreconcilable opposites. Nor are they deterred by the historical circumstance that nearly all of the programs and policies formulated by Presidents and Congresses since 1932 have been designed to cope with a great depression, to win a great war, and to carry the leadership burdens of a free world coalition.

It is not my intention to analyze all of the root causes of these symptoms. Suffice it to say that States rights and other anti-Federal slogans have taken the same form in the West as in the South: The Federal Government's role as proprietor of the public estate is attacked as forcefully by some western spokesmen as the Federal Government's role as the protector of civil rights is attacked by the southern segregationists. To remind these westerners that the Federal activities and appropriations have underwritten much of the West's progress is about as fruitless as to remind the South that only as all Americans enjoy civil rights can we realize our full potential as an equal-opportunity society that revitalizes America each generation.

The current crop of anti-Federalists begin any discussion of resource policies in the West by arraigning Federal stewardship of the public estate: One hears of Federal land grabs, of a Federal "lockup" of resources, or of the insidious encroachments of the agents of big bureaucracy. Those who espouse the most extreme anti-Government views were given their comeuppance the other day by Dr. Joe Frantz of the University of Texas at the annual meeting of the American Historical Association in these words: "Is the tradition of a West where men stood alone against their environment, asking no help from anyone, and least of all their Government—is that tradition tenable? When that long-legged son-of-a-gun stands up in a cattleman's club in Cheyenne, or in a chamber of commerce banquet in Tucson, or at a Governors' conference in Helena—and when he issues a blast at an all-consuming Federal encroachment in words more blistering than all the winds that blow from Spokane to San Antonio, is he historically sound, or has he swallowed a whole hunk of home-manufactured, self-illuminated halo without chewing it first?"

Let us begin with the essential facts. It is indeed a fact that half the land of the 11 westernmost contiguous States is in Federal ownership. It is also a fact that in these 11 States, three-quarters of these 400-odd million Federal acres is managed by the Forest Service and the Bureau of Land Management for mineral, forage, timber, and outdoor recreation values. The other quarter contributes to the national welfare as areas reserved for national parks, military reservations, and Indian reservations.

It is also a fact, which some of our citizens conveniently forget, that under our system the Federal "ownership" means ownership by all. Whether one regards the present National Government as being too large or too small, I daresay few citizens of this State regard the Federal Government as a faceless bureaucracy. I daresay the everyday faces most of you in New Mexico associate with the National Government are those of park and forest rangers, of public land managers, Los Alamos scientists and aiders of Indian welfare. The truth of the matter is that the Federal Government maintains, conserves, and develops these lands as a common estate that each of you, if you obey the rules, can use at will. In a very real sense we are all owners and proprietors of the public lands. Take it from one who is of late a fenced-in easterner, your ownership of and ready access to these spacious, scenic lands at your back door is a precious heritage that includes a special brand of personal freedom.

Let us, then, discuss the real issues that touch the public lands of the West. What, for example, has this land meant to the private sector of the economy, and to the States, counties, and municipalities? What kind of Federal investments have been made, and what has been the result in terms of both local and national economies? Are local interests consulted and accommodated in carrying out resource policies? Do national parks contribute to the economies of the several States, and if so, how much? Would it really be profitable for the States to have the Federal lands transferred to State ownership? These are the hard questions we should ask—and answer—for ourselves and for our children.

Some western leaders periodically make the charge that their States have been discriminated against because the Eastern States "got all their land" while the Western States were deprived of theirs. Such persons fail to recognize that the minerals, timber, forage, water, and wildlife resources of the public lands are all available for use by industry, by associations of water users, and by those who seek the simple pleasures of the out-of-doors.

To listen to some latter-day orators, one might think that the Federal Government had had nothing to do with the development of the West. That kind of talk, of course, does not reckon with the daring diplomacy of Thomas Jefferson, John Quincy Adams, and James K. Polk; each presided over an acquisition of territory now included in the Western States. Lewis and Clark and later Army officers explored the West. Others reconnoitered the prospective railroad routes more than a century ago. Federal land grants made transcontinental railroads possible. Government geologists King, Powell, and Hayden systematically reported the mineral wealth. Congress passed settlement laws, the Homestead Act, the Desert Land Act, the Timber and Stone Act, and the mining laws. All of these encouraged early settlement.

Judged by any standards, the West owes a big debt to Washington. The deeds, if not the words, of the western anti-Federalists in Washington bear witness to this truth every week. Almost to a man, while decrying big Federal Government and big Federal spending, they simultaneously advocate bigger Federal allocations and bigger Federal programs for their own States. The schizophrenic character of such discourse became clearly visible a few months ago when one prominent western Senator advocated the sale of a successful Federal interstate water project—the socialistic TVA—at the very moment he was sponsoring a $1.1 billion Federal water project for his own State.

I reiterate that such men have misread the history of their region. They suffer from what might be called a Zane Grey syndrome. Their oversimplified world—a world of individualistic "good men" pitted against bureaucratic "bad men"—ignores the central fact of western history, the circumstance that settlement succeeded best where governments and associations of individuals worked together for the common good.

To be sure, the bold entrepreneurs who established copper and timber and railroad empires played a big role in the beginning, but I would suggest that no less significant is the role of the ordinary men who organized irrigation districts, water conservancy boards, grazing districts, rural electric cooperatives, soil conservation districts, and the other resource action groups which have done so much to build a solid base for economic growth. The grassroots leaders of action by free association have succeeded because they believed in the conservation policy and were willing to work with the Federal and State and local governments to develop the resources of the West.

My concern today is that the myths and misconceptions of the anti-Federalists will win widespread acceptance in the West, and disrupt the pattern of partnership between the West and Washington. The Clinton Andersons and the Carl Haydens and Aspinalls and Jacksons and Kuchels are still regarded as the authentic voices of the West in Washington. But if the antifederalists ever are regarded as our spokesmen lasting damage will be done to the cooperative partnership in conservation begun 60 years ago by Theodore Roosevelt.

The first articulated western public land policies were the end product of a century of trial and error in land management. The Constitution gave the Congress power to dispose of Federal property. A century ago, beginnings were made to exercise this power on sound principles, by the first laws which contemplated permanent ownership by all of the people.

However, the first premanagement phase in our national land policy began during President Washington's first term, and continued until the time of Theodore Roosevelt. It might be called the period of land distribution.

The General Land Office was then the biggest land broker in the history of the world. Land was in such a state of surplus that even Thomas Jefferson could not see any need to reserve tracts for public purposes. There was enough land in the United States, he said, for descendants "to the thousandth and thousandth generation." Yet within three generations, the Census Bureau had declared the disappearance of the frontier.

The sellaway-giveaway of the public lands moved forward at a "land office" pace. Vast tracts were given to the States, small tracts were granted or sold to individual citizens, speculators bought up choice areas at bargain prices, and railroad and canal companies wangled from the Congress both provident and improvident grants amounting to millions of assorted acres.

With the notable exception of its administration of the Homestead Act, the General Land Office could not escape being a part of the political spoils system. The GLO was not prepared to manage lands; alienation of title was its single-minded purpose.

The second phase, beginning with the Yellowstone Park Act of 1872 and the Forest Reservation Act of 1891, came to full flower under Theodore Roosevelt and Gifford Pinchot, whose conservation policies took into account the peculiar land stewardship problems of the West.

These men drew heavily upon the doctrines of the West's John the Baptist—Maj. John Wesley Powell, of the Geological Survey. In his "Arid Lands Report" of 1877, Powell had pointed out that colonization could not result in permanent prosperity unless all thinking began, and ended, with a recognition that wise water planning was the sine qua non of western growth. The land, he wrote, was almost worthless unless every ranch had a waterhole and every farm a water right.

By 1900, ranch-homesteaders had claimed the choicest lands around the best waterholes in the grassland country, and farm-homesteaders had settled the river valleys where some kind of water supply seemed assured.

But it became obvious, even then, that the homemade dams and irrigation systems of the farmers were not enough. Furthermore, the ranch homesteaders were showing little concern for management of the public grasslands which they used in common. Timber operators (who could legally acquire only limited woodlands, due to the land reform provisions of the Homestead and "Timber Culture" Acts) were hard at work on the most accessible stands of public timber. Miners were locating their claims by the thousands. But sustained growth remained dependent on the availability of water and transportation.

The principles of conservation evolved by Newell, Pinchot, and Theodore Roosevelt proceeded from four major premises:

1. That water development and conservation was the first priority of the West, which only a Federal program could realize in full.

2. That the arid climate of the West dictated continued Federal ownership and management of a large portion of the public domain.

3. That the farms and businesses would be private, not public.

4. That land monopoly or a monopoly of basic resources was intolerable.

To these premises, certain elemental conservation concepts were considered the prerequisites of an action plan:

(a) To protect vital watersheds, and to insure the orderly harvesting of timber and forage, the forested mountain country should be reserved as "national forests," to be managed according to sustained-yield conservation principles.

(b) The river basins had to be the setting for water use planning.

(c) Federal funds for irrigation projects would be repaid interest-free by the small farmers who benefited by such projects.

(d) The finest scenic areas should be reserved and managed as national parks for the enjoyment of all the people.

(e) Areas required for the protection of migratory waterfowl and wildlife should also be kept in Federal ownership.

(f) Most of the grasslands should remain under the Federal stewardship, but open to homesteading and mining.

(g) Those who extracted products from the public domain or used public lands for private gain should pay for the privilege.

The action plan had begun, as I stated, in 1872 with the act creating Yellowstone Park. Beginning in 1891, the great decisions concerning the public lands of the West took form by executive and congressional action. These provide the framework of the land conservation plan of the West. Those decisions—and the funds and followup laws implementing them—have built up the West and strengthened the Nation.

Six of the most important were:

1. The Forest Reservation Act of 1891 which empowered Presidents to create national forests out of the public domain. Some 148 million acres in the West were set aside by Presidents Harrison, McKinley, Cleveland, and Theodore Roosevelt pursuant to that historic act.

2. The Reclamation Act of 1902 which established a special reclamation fund and set forth a plan for western water conservation. This made it possible through a pioneering venture of united action between the Federal, State, and local governments to develop irrigation in the fertile valleys of the West. The land reform provisions of that act also extended the Homestead Act by limiting participation to small farmers. This was an act designed to promote the development of a single region—the area west of the 100th meridian.

3. The Antiquities Act of 1906 gave Presidents the power to establish national monuments in the public domain. This enormously aided the growth of the national park system.

4. The Mineral Leasing Act of 1920 established a system with appropriate fees and royalties, for the private leasing of oil, gas, coal, phosphate and several other minerals found on lands of the public estate.

5. Land grants were made at various times by the Congress to each of the 11 Western States and to various railroads as a contribution toward the support of public institutions and as a stimulus to economic development. These generous grants added up to 18½ percent of the total land area—9½ percent went to the States, and 9 percent to the railroads.

6. The Taylor Grazing Act of 1934 ended unrestricted free-choice homesteading on the public domain except in Alaska; it substituted land classification, and established a belated program for the multiple use and conservation management of our public grasslands. By this act and the Executive orders which were later congressionally ratified, the policy of headlong alienation of public lands was ended.

Implicit in this land-use action plan was the idea that the Federal Government would manage as well as own, would plan conservation, would provide development funds, and would contribute to the general economy of the West. Under these decisions, the region's development was favored in the sense that the National Government undertook to shoulder more responsibility than would otherwise have been the case.

Once the basic guidelines of the plan were established, the Congressmen and Senators of the West did a remarkable job in securing the appropriations required, and in securing enactment of a whole series of statutes to insure that Federal ownership of the public lands would encourage sound patterns of growth. The vigilance and vision of these leaders enabled the grand plan of development to move forward in orderly fashion.

Considering the alert and effective work of these western Congressmen, any dispassionate historian would express dismay at the antifederalist doctrine that the Federal management of the public lands has retarded the growth of the region.

It has been my job, and that of my colleagues, for the past 3 years to act as trustee and land manager of most of the Western public land. I have also had an opportunity to observe land and people problems in other parts of the United States, and in other countries on other continents. As one Westerner I want to record a personal judgment here tonight—the judgment that the conservation plan of the West is a high water mark in world resource stewardship.

Whether one measures Western development by the new forms of human cooperation it has developed, by the wise investments of national wealth, by the equity of arrangements for the sharing of benefits and burdens by the region and by the Nation, or by the way of life developed in the region itself, one can only conclude that this public-private partnership in conservation is a singular success.

Let us enumerate some of the benefits which have accrued to the West and write them large so that he who runs may read:

1. The Reclamation program is regarded as a model today in all parts of the world. Under it the Federal Government has spent $4.5 billion in building the dams, canals, and irrigation works needed to provide the assured supply of water that has made 8½ million acres of land permanently productive. Over 90 percent of the money advanced by the Federal Government for construction is repaid. The Reclamation Fund set up by Congress to help finance construction receives money from public land sales, mineral leases, project operations, and repayments of project obligations. Accruals to this Fund, continually being reinvested, have reached the $2 billion mark. The working relationship of Interior's Bureau of Reclamation with local water users and State water officials is an outstanding example of pluralistic American Government in action.

2. Since the close of the Second World War, the Federal Government has spent more than $375 million developing, operating, and maintaining the units of the national park system, chiefly in the West. These investments have been a major factor in development of a tourism industry that is now an economic mainstay of the Western States.

3. The wildlife habitat on public lands provides the best outdoor recreation in the West. The States and the tourist industry reap large economic benefits. A comparatively minor benefit, for example, is the $34 million receipts realized by the States from the sale of hunting and fishing licenses in 1961.

4. On the Taylor Act lands, grazing fees are paid by range users. Part of those receipts are paid in cash to the States. As westerners know, the Taylor lands are by no means valuable only for grazing. They have important watershed values and are rapidly gaining recognition for wildlife habitat and for outdoor recreation. The new movement to protect, rehabilitate and conserve these lands is an outstanding example of community cooperation.

5. Oil, gas, and several other minerals on the various public lands are managed by the Federal Government under a mineral leasing system. However, again alert western Con-

gressmen have put the plowback principle into law, and in our States only 10 percent of the total revenues realized from mineral leasing on public domain lands are returned to the general fund of the U.S. Treasury. Of the remaining 90 percent the eclamation fund gets 52½ percent and the States 37½ percent.

6. As for the Indian lands and the Indian people, at an expense that this fiscal year will total more than $228 million, the Federal Government provides health, education, welfare, and development funds for the Indian people and their resources. Again the benefits to the Western States far outweigh the burdens. If the Indian lands were "put on the tax rolls" and the States provided the same level of public services, all of the "Indian States" would need new taxes to carry this extra load. (For instance, in my own State of Arizona, Federal expenditures on behalf of the Indian tribes in fiscal year 1963 added up to almost $64 million. If the State assumed the responsibility for these services it would entail nearly a 20-percent increase in the current State budget.)

But this is only part of the picture. Transfer of the public lands "to the tax rolls" would automatically alter the liberal highway-fund matching concessions which these States now enjoy. In the fiscal year 1963 allocation of Federal-aid highway funds, for example, the 11 Western States obtained their allocations with $145 million less State matching money than would have been required had these States had no Indian and public-domain lands within their boundaries.

There are other special Federal road financing benefits as well. There were expenditures of $74 million in the 11 Western States in fiscal year 1963 for forest roads. An additional $30 million of unmatched Federal funds were expended on highways and roads within the national parks and monuments, on Indian reservations, and on the other Federal lands. States do not pay for public land taken for rights-of-way. The total financial benefit to the 11 Western States from highway and road expenditures in fiscal year 1963 on account of Federal landownership was at least $245 million.

In rough terms, as near as my experts can estimate it, well over half of the total revenues, receipts and royalties from the public lands today are either reinvested directly in the West or are shared with State and local governmental units—notwithstanding the fact that practically all of the land management costs are borne by the National Government.

Over the years, the flow of funds westward from Washington has been heavier proportionately than to any other region of the United States. The new brigade of antifederalists may choose to ignore this fact, or to explain away the connection between tourism and the outdoor estate that all of us own.

Finally, there are the intangible benefits of the public lands. To those who prize the out of doors, these are the most tangible of advantages. I refer, of course, to the unique freedom men have who live next door to great parks and forest lands and open spaces. Each man can use this resource at will. Those who live in congested areas of our country where "No Trespassing" and "Do Not Enter" signs dominate the landscape know the real worth of an adequate estate of public lands.

The vast public domain has other uses too, as the West discovered after 1941 when the military services and defense industries who needed space located disproportionately in the West. Such vital wasteland installations as White Sands, Los Alamos, Hanford, and Yucca Flat illustrate this advantage public lands have conferred on the States of the West.

I voice no complaint against any man who lodges constructive criticism against obsolete laws, inefficient administration or arbitrary bureaucracy or who demands that the National Government strive to be more sensitive to local needs and local judgments on public affairs. We need vigorous-minded citizens ready to speak out against the erosion of due process or the chance intrusions of officious agents of the government. However, if the experience of the last two generations has proven anything, it is that western individualism is compatible with the requirements of modern government.

I must leave you with no misconceptions. There is always room for criticism of the Federal management of our public lands. There is much that we must and will do to make our procedures efficient and responsive. Many of the difficulties are grounded in archaic laws. The Congress is considering Representative Aspinall's proposal to establish a Public Land Law Review Commission, and such a commission, properly chartered, properly supported, and properly led, could help us to bring our land laws up to date, and to eliminate unnecessary sources of friction between citizens and government, or between the States and the Federal Government.

To encourage other desirable policy changes, I have directed the Bureau of Land Management to analyze and classify the public lands in an effort to distinguish more precisely those areas that will be needed for local suburban, industrial, or open-space use from those remote areas requiring intensive protection and conservation measures under multiple-use management. Every effort will be made to enlist the participation of local governmental representatives and planning agencies in determining what lands belong in the first category. Modern techniques of land classification which have been used in other areas can be adapted for use in making this basic classification of the public lands.

The lesson of history of public land administration denies us the comfort of assuming that there are final and complete answers. The population explosion, the "westward tilt" of our continent, the mobility and leisure and affluence of our people, and the completion of a revolutionary superhighway net, challenge the quality of our planning for recreation; changes in agricultural technology equally test us; and minerals, fuels, and hydrology are dynamic beyond description.

So management becomes our watchword. We must assure that the public domain continues to be an aid to progress, just as I trust I have demonstrated tonight it has been for the past two centuries.

To sum up, I submit that whether one measures it by the conservation objectives achieved, by living values attained, by the economic consequences of our Federal-State-people program of cooperation, or by the future opportunity the West has not only to grow but to grow right, the Federal Government has been a creative partner this century in the development of the West.

There is much unfinished work, and we cannot afford the luxury of anti-federalism. It is my hope that in the years ahead the people of the West will reject the sterile doctrines of antifederalism and build a bright future based on the patterns of action and cooperation of the past.

MEMORIAL TRIBUTE TO THE LATE PRESIDENT KENNEDY

Mr. MOSS. Mr. President, as a fitting part of the 14th biennial National Convention of the Young Democratic Clubs of America held last week in Las Vegas, Nev., a memorial tribute was paid to the late President of the United States, John F. Kennedy. More than 1,500 young men and women of our Nation gathered there to hear a stirring memorial address by the senior Senator from Nevada, Hon. Alan Bible. Because I feel that Senator Bible has so completely spoken the sentiments of us all in this eulogy, I ask that it be printed in full following my remarks in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Memorial Tribute Address to President John F. Kennedy by U.S. Senator Alan Bible, Democrat, of Nevada, at 14th Biennial National Convention, Young Democratic Clubs of America, January 31, 1964, Flamingo Hotel, Las Vegas, Nev.

President Allan Howe, distinguished guests, and fellow Democrats all, mine today is a solemn task. Were that I stood here not in memoriam but only with a rallying call.

But, I ask, would John F. Kennedy—would the legacy that the 35th President of the United States left to Americans, and particularly young Americans such as yourselves, want us to tarry long in the sorrow of his passing?

John F. Kennedy's incisive answer, crackling with an Irish glint in his eyes, would be: "There is work to be done, mountains to be climbed, bridges to be built, races to be won."

But, I believe he would not deny us the privilege, as we linger today for a few minutes, to pay him honor and dedicate ourselves to those principles and ideals for which he fought and died.

Since that fateful hour on November 22 last, certainly the United States has been joined by most of the world in witnessing and participating in the greatest and deepest outpouring from human souls in modern history. His tragic and untimely death touched the heartstrings of Americans everywhere—men and women, young and old, rich and poor, the mighty and the humble.

In paying a memorial tribute for this entire convention today here in my home State, I do so with the deepest sense of humility which has come my way during my lifetime. It is not my purpose to attempt to add to the wonderful words, the beautiful phrases, and the sincere pronouncements about this great humanitarian.

Each of us, who knew John Kennedy as a personal friend, as a dynamic leader of our party, or as the President of the United States, know full well we have been touched by a great man and a great moment in world history. Only on rare occasions do figures appear on the stage of our world who capture the attention and excite the imagination of all mankind. To each of us, John Kennedy probably represented something innately good in different ways. For many of us, around him was the aura of the age of chivalry. Some saw him as a courageous, young knight who dared to challenge war and human misery everywhere.

To others, John Kennedy was a magnetic leader who possessed the ability and the dauntless courage to forge ahead in spite of obstacles. Controversy did not sway his direction. He brought to the Government of the United States and our world a very special luster that we will not soon see again.

With the passage of 70 days since his tragic death, this country and the world has moved along. Others must take up the challenges and the tasks as has been the sinew and strength of our way of life.

It is not for us to attempt to recapitulate his great deeds. His leadership throughout the free world was probably unequaled by any American President.

Certainly, John Kennedy probably did more than any man in our time toward getting this world started toward peace—a durable, universal and dependable peace.

One of his hallmarks was his youth. In it most Americans, if not the leaders of the world, saw in him an ability to attempt to do those things which all men have a great desire to do—to build a more decent, understanding civilization for mankind everywhere. No man in modern history has created a greater respect or image for what decent people want the world to be.

Only months ago, John F. Kennedy spoke a few short blocks from where we sit today. His message was one of hope and one of challenge for us here in a growing Western United States, for our country generally and for the world. May I recall for those members of the National Young Democratic Committee the words of President Kennedy to you in the new flower garden at the White House on April 26, 1963. And I quote:

"I think that the purpose of any political party is to serve a great cause and I think the cause in the 1960's is to see if domestically we can develop and manage our economic society so that we do not move from recession to recession with continuing and ever-increasing unemployment, with millions of young people coming into the labor market, with millions of others trying to go to our colleges, with millions still unemployed. With a history of recessions in 1958 and 1960, all these make important the development of an effective national economy which offers an opportunity for all of our citizens on a basis of equality, and makes that one of our most difficult and pressing challenges in the 1960's.

"Now all this can be done and must be done under our system by a party which has responsibility. We have the responsibility now in the Executive, in the House and the Senate and I am asking your help not only in mobilizing the people of this country to comprehend what our program means, but also to make it possible for those Democrats who believe in progress—and most of them do or they wouldn't be Democrats—that you will do your part to assist them in 1964 to get our citizens registered, to get them out to vote, to make them understand that this is an important election and its does go to their welfare."

Now as this great convention helps to gird our party for our important November elections this year, I know that the image of John Kennedy and his dynamic example of what youth can bring to this world will be the greatest memorial possible.

Can we but build on his foundations and permit such to be a model for the betterment of mankind. We can do what he would want us to do by dedicating ourselves to this great cause.

It was my good fortune when I first went from the State of Nevada to the U.S. Senate 10 years ago, to strike up a friendship with the then Senator Kennedy. Our desks in the Senate Chamber were adjoining. I saw his suffering that kept him from his Senate duties because of recurrent complications from injuries he sustained while fighting for his country in South Pacific waters during World War II.

We marveled at the energetic campaign he waged across this land for the nomination for the Presidency, his great vigor displayed in winning that office and his tremendous inward and personal growth in rising to the many responsibilities that great office demands. The world is a much better place for all mankind because he passed our way. Many of his ideas and ideals will forever encourage and assist men in the quest for peace, justice, and the good way of life.

The world lost one of its greatest leaders, humanity a noble champion and our country a fearless, courageous President whose name will be enshrined forever in immortality.

Taps that sounded over his grave that sunny November day at Arlington National Cemetery spelled eternal rest for John Kennedy, the man. But for John Kennedy, the martyr, they sounded the reveille of action to search out more of God's great benefits.

John F. Kennedy was not a man of inaction. The torch which he threw down on that tragic November 22 has been grasped strongly and firmly by the man he chose as his successor, Lyndon B. Johnson—a torch still held high for all the world to see. Certainly the greatness for which John Kennedy gave so much is pointed up by the mastery with which his successor has gone so far to prove that America can forge, not one, but more than one man of greatness in a single era.

And let me close this memorial tribute with several paragraphs from a moving eulogy delivered by Chaplain Joseph P. Trodd, U.S. Navy, at a solemn pontifical requiem mass at the Dulce Nombre de Maria Cathedral at a far Pacific Ocean base in Agana, Guam, on November 25:

"Within him there smoldered a burning compassion for his fellow man, a fiery conviction that true peace in the world depends upon the peace of Christ in the heart. This compassion, this conviction, became his mission. He tolled incessantly to teach that all men are created equal and that each, irrespective of the color of his skin, is an individual with a soul precious in the eyes of God. His fidelity to his faith, his dedication to his country, his service to all marked him plainly as a doer of the word as well as a believer.

"To a Winston Churchill is it given to live in greatness. To a martyr to die in greatness. A select few both live and die magnificently. Such was Abraham Lincoln. And such, we believe, was John Fitzgerald Kennedy.

"For when the annals of time are weighed, history will agree, that in the manner of his dying, unwittingly he taught his greatest lesson. Here was a man, in the fullness of his strength; perhaps the most powerful single individual on earth—whose whim or nod could make a statesman or break a general, who, by pressing one button, could bring death and destruction to most of the civilized world.

"And yet, last Friday afternoon, as he rode down a sun-drenched Dallas street accepting the plaudits of thousands at the summit of his career, a finger was bent and a shot sounded.

"Honor, dignity, and power faded. And in a matter of minutes a soul, naked and alone, stood before its Maker.

"And what of the lesson?

"A poet would say 'All that beauty, all that wealth ere gave, await alike the inevitable hour. The paths of glory lead but to the grave.' But the Christian mindful of eternity asks 'What doth it profit a man if he gain the whole world and suffer the loss of his immortal soul.'

"Our prayer today is this: May you, John Fitzgerald Kennedy, hear from the lips of your Savior, 'Well done thou good and faithful servant. Enter into the reward which has been prepared for you for all eternity.' And then may you see a tiny figure disengage itself from the choir of angels and saints and feel its baby fingers grasp your hand and lead you to the throne of the Almighty and hear your son, Patrick Bouvier Kennedy say:

" 'This is my beloved father in whom I am well pleased. For here was indeed, a profile in courage.' "

TELEVISION STATION EDITORIALS ON DEATH OF PRESIDENT KENNEDY

Mr. BIBLE. Mr. President, 77 days have passed since the tragic death of President John F. Kennedy. This country, its citizenry, and the world have moved along to take up the challenges and the tasks presented day by day.

From among the many messages of mourning that came to me from the State of Nevada, I have excerpted some representative tributes and have selected particularly fitting editorials, written in memory of the late President, which appeared in the newspapers and over television stations of my State.

I ask unanimous consent that they be printed at this point in the body of the RECORD.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

[From Elko (Nev.) Daily Free Press]

PRESIDENT KENNEDY IS DEAD

The world is in a state of shock because of the assassination of President John F. Kennedy of the United States.

It seems unbelievable that he is dead.

One moment he was flashing his famous smile, and in the next he was slumped limply in the arms of his wife. Within the hour he was dead, a victim of an assassin's bullets.

He was the first Catholic ever elevated to the Presidency, and his election helped to stem the march of bigotry. Many of those who opposed him because of his religion would have voted for him in the next election. His renomination for a second term to the Presidency was considered a mere formality. While polls showed that he had lost some of his popularity, they also indicated that he would be continued in office.

The greatest issue today is civil rights, an issue which will continue for many years to come. It was because of his firm stand in favor of the Negro race that he lost some of his popularity. He tempered his wishes for legislation with the hope that a bill might be passed over the objections of southern Congressmen and other opposition. The President placed the tax cut before civil rights, saying that without jobs the fight to aid Negroes would be nullified.

It was a contradictory thing that the young Democratic President, only 46 years of age, found difficulty in securing passage of legislation in a Congress which was heavily dominated by the members of his own party. The greatest stumbling block was the conservative committee chairmen, whose positions have been gained through seniority. His victory over Richard Nixon in seeking the Presidency was slim. It was difficult indeed to see where he had been given a mandate by the people. But he was a man with strong convictions on the type of legislation he desired. Much of his thinking ran into strong opposition from conservative forces throughout the Nation. This did not deter his efforts in the direction he wished to push the country.

He showed great strength of character when the chips were down in the Cuban situation and he demanded the removal of Soviet missiles from that island. But he missed a golden opportunity to unseat Fidel Castro at the Bay of Pigs. Only recently, he called upon the Cuban people to arise against Castro promising assistance from this country.

He took a step toward peace in pushing the nuclear test ban treaty. His greatest desire was to assure a lasting peace, and he went further than many Americans felt he should in seeking a better understanding with the Russians.

He was the fourth American President to be assassinated while in office. He was a perfect target for his assassin as he rode through the streets of Dallas in an open car. He had faced death before in the service of his country in World War II. He faced it many times in the past while touring the country, despite protection from those assigned to guard him. His death could mean that Presidents of the future will take greater care in shielding themselves from possible assassination. That is a horrible thought to express in America, said to be the most advanced nation in the world.

Death came to him while he was in the full strength of years. His greatest contributions to his country still lay ahead. Many of his goals had not been reached, because much of his favorite legislation was in controversy. The story is now left untold. We will never know what his future successes and failures might be. There is no doubt in our own mind that he would have been reelected in 1964. We appreciate that there were grave differences between him and many people of the country, some of it being based upon party politics alone. However, some members of his own party were opposed to liberal legislation, including the proposed tax cut. Opposition here stemmed from the fact that those of more conservative leanings wanted expenses cut before taxes were reduced.

Men and women of the world will grieve over the death of America's young President. Their sincere sympathy will go out to Mrs. Kennedy and to her two children. They have lost the guiding hand of a fine father. The Kennedy family has been famous because of its close binding ties. We can think of nothing which could bring more grief to them than the loss of this loved son.

America has lost a leader highly respected in world forums. While we will still be the seat of the greatest power of any country on earth, we are likely to suffer at least a temporary setback because his leadership will be gone.

His great consideration for the common man; his humanitarian approach to all great problems; his linking of the historical past to the present and future were among his great characteristics.

The words he spoke at his inaugural address will probably be those which will live in history longer than any of his others. He said, "Ask not what your country can do for you, but what you can do for your country."

This country has faced great losses from the death of leading men in the past. It has always risen to the occasion to meet the demands placed upon it. There will be no change today. The prayers of the Nation will be offered to Lyndon B. Johnson, now President. Those of us old enough to remember, will recall that Harry S. Truman succeeded Franklin Delano Roosevelt to the Presidency, at the time the President died in office. The new President rose to the occasion just as we are sure Lyndon Johnson will.

November 22 will go down a black day in the history of this country, but the people can be expected to meet this disaster with the same courage they have shown in the past.

[From Carson City (Nev.) Appeal]

NATION IN PRAYER

Tearful, confused, and ashamed, the people of the world's greatest nation were on their knees this morning in prayer.

The United States is mourning the death of its 35th President, John F. Kennedy.

Some unknown but God-given buffer has allowed the tragic and sorrowful news of the grotesque assassination of President Kennedy to seep into the bodies of the American people without shattering their hearts and minds.

And as the people of our Nation pray for the soul of their beloved late President and his family they also search their own soul for an answer to the insanity and sickness that allowed such a tragedy to strike.

A confused and sorrowful people trying to find an answer for an act that cannot be answered. A people seeking logic for a tragedy that has no logic.

And yet there must be some thanks given on this day of sorrow. Thanks that our Nation has not become incapacitated by a tragedy that hurts each and every one of us. We owe thanks that we have been given leaders such as the late John Kennedy and the new President of the United States, Lyndon Johnson—men who have, and will continue to keep our country great.

We must pay our respects, contemplate our sorrows and then do what the leaders of our Nation know we must do, go on.

The tragic loss we have suffered will not be forgotten. We must work harder to make ourselves and our Nation better. We must offer humility to our leaders no matter what faith, color, or political beliefs are involved.

We are a humble and sorrowful society ashamed of the deeds that have marred the path of our lives and changed the course of history. But we are not (and cannot) become an angry and purposeless nation.

We must lift the cloak of darkness and sorrow that is over the hearts of all of us. The people of the United States must prove that the 35th President of this great country did not die for a people and purpose that will fail. That we will work for the goals of freedom, equality, and individualism as did the late President.

We must pray but not fear.

An assassin's bullet tore apart a piece of America's heart. A nation of concerned people will mend that heart but the ugly scar it must bear will remain.

[From Las Vegas (Nev.) Review-Journal]

PRESIDENT KENNEDY GAVE THE ULTIMATE SACRIFICE

Profound shock and deep sorrow touches all Americans today.

We have lost our President. We mourn for him as a man and as a leader. It matters not how his strides are measured in history.

It is in the greatness of this Nation that the grief which befalls us with the death of John F. Kennedy is not the grief of a few, but of all of us.

President Kennedy belonged, not to a select few, not to any political party alone, but rather to the Nation as a whole, to every American no matter what his station in life.

Tributes will be paid. They will be deserved. But the truth of what this loss means to our Nation will be found only in the hearts of the people.

Here, as in perhaps no other public figure in the Nation, indeed in the world, was a man of our times—a man who found in himself the strength to take us into the space age while at the same time coping with the great social volcano a hundred years in the making.

The mantle of the Presidency of the United States has been worn by the great, the near great, the not so great. History in time will assess him not alone as a man but more in the context of our needs, our crises, our goals, our times. And that assessment, we believe, will be that he must rank among the greats even though he was tragically prevented from carrying to fulfillment his finest work.

The ultimate sacrifice that was his to give has been given.

A great nation mourns a great leader. But our greatness does not lie in one man alone—and John F. Kennedy would be the first to remind us so.

[From Wells (Nev.) Progress]

It was a sad day for our country last Friday when President John F. Kennedy's life was taken. We wish to join with the thousands of others in expressing our sincere sympathy to members of the late President's family.

We are fortunate in having a man of the caliber of President Lyndon B. Johnson to carry on. The State of Nevada was very fortunate in having a friend in the person of President Kennedy and I am sure that things will remain the same under President Johnson's leadership.

[From the Reno (Nev.) Nevada State Journal]

A GRIEF-STRICKEN NATION MOURNS LOSS OF ITS CHIEF

The startling, unbelievable, and tragic news that President Kennedy had been assassinated in Dallas yesterday threw a pall of grief over the Nation that it has seen only rarely in its history.

War, pestilence, and other cataclysmic events have aroused the Nation in the past. But these, the people have known, they would be able to combat, to do something about.

After the assassin's bullet had found its mark and the President's life had slipped away, it left the country with a hopeless, angry, frustrated, grief-stricken sense that there could be no action which would alleviate the pain.

The President was dead, and no power on earth, no superhuman effort could change the awful truth.

Condolences poured in upon the national seat of government from the high and the low, from both political parties, and from all faiths.

They expressed, with as much force as mere words can, their sorrow at such a monumental loss to our beloved country.

Even the arrest of a prime suspect in the assassination seemed of little consequence in the light of the gigantic horribleness of the deed itself.

The loss of the President was mirrored in the face of every pedestrian on Virginia Street in Reno. Conversation was at a minimum—for of what use is talk on such an occasion?

So it was throughout the Nation, and even throughout the world. The man who was perhaps the most powerful individual on earth was one moment waving and smiling at happy crowds and the next was dying in the arms of his wife.

As a new day dawns our Nation, stricken by grief in the loss of this vital, intelligent, and devoted patriot, and searching for some light to guide it, could well remember his stirring words at the inauguration:

"Ask not what your country can do for you, but what you can do for your country."

John Fitzgerald Kennedy gave the last full measure.

[From Yerington (Nev.) Mason Valley News]

Among the thousands of words eulogizing the late President John Fitzgerald Kennedy and the analysis of what could have motivated Lee Harvey Oswald to take the life of the Nation's Chief of State, none rang a clearer bell tone than those uttered by Chief Justice Earl Warren as he spoke in the great rotunda of the Capitol Building Sunday.

Warren laid the blame for Kennedy's assassination squarely on those in our country who foment and encourage racial prejudice, who incite to riot, who preach hatred and bigotry and infect the minds of those around them to the point where such a dastardly and despicable act would seem justifiable to such a person as Oswald.

These are the people who, in effect, killed John Kennedy * * * Oswald was just the instrument of that hatred and fanaticism.

If this be true—and it is without a shadow of doubt—then all of us collectively share the guilt of Kennedy's assassination. When we as a nation can shrug off the death of a Negro in the South, brutally slain * * * when we can ignore the riots which occurred when the law of our great land, laid down by the Supreme Court, was flouted in Alabama as a colored student sought to exercise his constitutionally guaranteed rights * * * when we can turn to the comic pages of the newspaper rather than become concerned when a church is bombed and youngsters killed because their skin is black * * * then we all share the guilt in the death of John Kennedy.

When men like Governor Wallace of Alabama can openly oppose the Constitution and a Supreme Court order and thus encourage the citizens of his State to violence and hatred * * * and still remain a popular political figure * * * it is indeed a black day for this Nation.

Wallace has declared a 30-day period of mourning in tribute to the late President. He should declare this same period as a time to resurvey the morals involved in condoning hatred which led ultimately to the death of this young leader.

Yes, we are morally responsible for the act of assassination either by condoning or ignoring the turmoil within our Nation today built on a foundation of violence.

"In the larger sense the guilt for the death of John Kennedy must rest with each of us who has permitted the spread of ignorance and fanaticism, who has joined in the flabby spirit of complacency or who has permitted the preachers of hatred to appear respectable.

"Yes, all who assume the self-righteous attitude that labels those who disagree with us as traitors and dolts prepared the way for the vile deed that snuffed out the life of our President, whom we sadly sent to his grave," aptly put by the Nevada State Journal this week.

Last Friday was indeed a black day for this Nation—a nation which attempts to hold up an image to the world of equality and freedom for all men.

It is indeed a time to contemplate President Kennedy's words at his inaugural: "Ask not what your country can do for you, but what you can do for your country."

Black is the mark on the city of Dallas, Tex., where two acts of incredible violence resulted within a 48-hour period, resulting in the loss of the Nation's President and later the murder of his accused assassin.

There seems little doubt but what Lee Harvey Oswald was indeed the man who from ambush snuffed out Kennedy's life at the peak of his career. A shocking, despicable act of violence but in the full sense no more a dastardly crime than that perpetrated against Oswald later in the basement of the Dallas police station when Jack Rubinstein committed coldblooded murder.

Equally as shocking as these two crimes, was the seeming stupidity of the Dallas police force. Knowing full well that an attempt might be made on Kennedy's killer as emotions throughout the country and the world boiled, they permitted Ruby, an unauthorized person, to linger in the station for some 3 days and to be in the basement when Oswald was to be transferred from the city to the county jail.

To compound the error, they publicly announced the transfer of the prisoner, the method to be used, just when it would take place, and how.

Equally as ridiculous was the announcement that as far as Dallas was concerned the case of Kennedy's assassination was closed. A presidential order to the FBI will continue the investigation until all available facts are known. Was Oswald a hired gun * * * was his life snuffed out to keep him from talking * * * was the entire episode a conspiracy? These are all questions yet to be answered.

The press played a role in Oswald's death in pressuring and prying in the line of duty for every scrap of information to feed the papers, radio, and television and, by all rights, they should have been denied the information as to when the accused assassin was to be transferred and certainly not permitted in the police station basement. Spiriting Oswald away in secret would have avoided his murder.

Despite the tragedy of last weekend, on this Thanksgiving Day, 1963, the Nation has much for which to give thanks.

As shocked as the citizenry was, and the deep, almost personal loss felt around the Nation, we can be thankful that our forefathers in their wisdom created a document known as the Constitution which provides for an orderly transition of governmental duties in times of crisis.

Had this event occurred in many nations of the world, the whole governmental procedure would have collapsed and chaos reigned. Not so in this land of ours and Lyndon Johnson, within the space of a few hours, took over the reins of government.

We can be thankful, too, that crises seem not to destroy the American people but draw them closer together in a united front and a deeper determination to go forward and to meet problems head on. Such was the case at Kennedy's death as party politics were cast aside in the pledge of the Congress to give the new President all the cooperation and support possible.

Lyndon Johnson, while lacking perhaps the personal charm of Kennedy, certainly not an intellectual and clearly a provincial, nontheless brings to the Office of the Presidency a tremendous background of political knowledge and achievement.

Only in the field of foreign relations will he face a fiery furnace but even here he will not be an unknown as he traveled the world extensively in his role of Vice President.

Only history will tell what kind of a President Lyndon B. Johnson will be. However, the ability he showed while leader of the Senate and the good impression he made in foreign lands will stand him in good stead.

Although he was of a different political affiliation we, nonetheless, admired this man tremendously.

We admired him not as a politician but as a loving husband and father, a deeply religious man, an intellectual leader and a soldier who made the supreme sacrifice in service of country.

"And I heard a voice from heaven saying unto me, write, blessed are the dead which die in the Lord from henceforth: Yea, saith the Spirit, that they may rest from their labours; and their works do follow them."—Revelations 14:13.

And finally in answer to the question posed by many: "How could this happen in a country like ours?" In what other country in the world could the assassination of a President be done with such ease? It is the American way to do things in the open to turn the sharp eye of the public on every function, to make known all the facts whether good or bad. Heads of state in other countries would not perhaps have divulged a tour route, would have ridden in a bulletproof car, would have been spirited in and out * * * but this is not the American way.

In a country where anyone can possess a firearm * * * where the same can be purchased in any catalog, if not in public stores, what easier place to achieve such a crime?

The American people have always been able to react to a crisis in such a manner that they bend but never break and herein lies the strength of this Nation. As shocked as all were last weekend, a return to normal was quick in coming and already this week such comments as: "There probably is an opening for chief of police in Dallas," and "Where else but Texas do they do things in such a big way?" are being heard. Such comment is not disrespectful to a departed leader but indicates the resiliency of Americans and their ability to "bounce back."

[From Boulder City (Nev.) News]

The Nation's leader dies at the hand of an assassin.

It is difficult to believe such could happen in a civilized country but, none of us know what goes on in the minds of people. A well-dressed, healthy, handsome man may actually be a dope addict, a maniac, a killer of men, women, children.

If there could be such a thing as an all-out drive to cure this situation in our country, it should be done now. It is a pity that a great leader be killed in the prime of his life to prove to all of us that there still lurks on our streets depraved minds, Americans who would kill.

When President Kennedy visited this area a month ago, many who watched his open car travel the route from the airport to the convention hall and back—felt he was taking a gamble against some lunatic's gun. Many of us wondered whether the security measures were detailed enough to completely shield the President.

As you watched the same sort of motorcade in Dallas, you saw the same openings for the lunatic's gun. And what didn't happen here did happen there.

A brilliant young man's life snuffed out in seconds. A nation's people brought to grief by an assassin.

Now we have President Lyndon Johnson and from all sources one learns that he should be able to steady the fears and the fallen hopes of those who felt that Mr. Kennedy alone had the answers to our Nation's immediate future.

President Johnson appears to us to be another Harry Truman. He doesn't have the educational brilliance that made Kennedy great. However, it appears he will have a way with the masses and may get much more done in Congress where for years he had the Senate in the palm of his hand.

The Ivy League influence and image around the Washington upper levels will, I believe, give way to the political machinations that one sees on the congressional levels. Possibly more laws will be passed under Johnson than under Kennedy and possibly our foreign affairs will be handled with bolder actions.

Where Kennedy's gigantic mind could fight through our international problems with brilliant words and explanations—now one may see the American stand being presented in straight-from-the-shoulder orders and demands.

Kennedy was a disciple of peace and so is Johnson, I'm sure. Johnson's western ways may prove as effective in maintaining peace as Kennedy's intellectual suavity.

Kennedy came along at the right time and proved ideal in carrying the Nation forward through difficult times. Johnson comes in and seems ideally cut out to handle the new problems before us.

Complete cooperation among all factions of our people will encourage our new President and will help him in making the transition.

Though all our hearts are weighted in grief, it is our feeling that the Nation will go on to its next steps without faltering and without serious loss or damage to our economy, our freedom, or our position as the world's leading country.

President Kennedy's short but brilliant span as our leader will be forever remembered.

He brought youth, vigor, intellect into our Government and with these he rekindled in all of us the excitement of being alive and serving the best interests of mankind.

It was a pleasure to listen to his powerful words; it was a thrill to study his face; it was heart warming to watch him live in the world spotlight with a family that played, worked, dressed, traveled, suffered—as you and I.

The man deserved to live out his life like Truman, Eisenhower, Hoover. His presence would have added so much to mankind.

Surely, a piece of each of us died with President John F. Kennedy.

[From the Henderson (Nev.) Home News]

A TRAGIC PAGE IN OUR HISTORY

Like the rest of the Nation, Henderson was stunned by the assassination of President John F. Kennedy in Dallas, Tex., Friday.

In the Nation's highest office for less than 3 years, President Kennedy was the youngest man ever to be elected to that position and the youngest to die while President.

In slightly over a period of 12 years he rose from a post as Congressman from Massachusetts to a U.S. Senator and to Chief Executive.

Only history can evaluate his mark on its pages, but his concern for the underprivileged and for the minority groups was only matched by two other great Presidents, Abraham Lincoln and Franklin D. Roosevelt.

His career in the U.S. Navy was no less phenomenal than his rise in politics.

While blessed with wealth, his programs were constructed to aid those less fortunate and particularly those who lacked equal opportunities in this democracy.

John F. Kennedy was the fourth President to be assassinated in office—a record of which all Americans should hang their heads in shame. But in our democratic way of mingling, that dreaded possibility is always in the background.

Fortunately, in this time of need, the United States had a capable man in the office of Vice President. No man is better versed in congressional procedure. Vice Presidents of the caliber of Lyndon B. Johnson have been rare throughout our brief history.

"I will do my best with your help and God's," he said after assuming office. We can ask for no more.

[From KOLO-TV, Reno, Nev.]

This is a time for retrospect. This is a time for each of us to examine those things that we are made of * * * that drive us * * * that cause us to do the things we do. It is a time for each of us to make significant changes in our own lives. It cannot be wasted or washed away by time. It must come to make more meaningful the days that we are to spend here and with each other. President Kennedy passed our way. He was a man of courage; of great moral character. The past few days you were witness to an incredible scene of events and meditation. Cannot this man and these days mean more to our future thoughts and deeds than others?

It will mean more to this station * * * in the programs we carry, in the manner in which we address ourselves to the viewing audience.

KOLO-TV has received numerous calls and messages from persons who wished us to return to regular entertainment programing. To these persons we can only repeat some of the remarks made by Harry Reasoner of CBS news. We are not God. We are only men and only able of making men's decisions. To John Fitzgerald Kennedy we entrusted the highest offering we as citizens have. In so doing we asked him to sacrifice his life if necessary for that trust. Friday he did sacrifice his life. We, as men, can only offer respect and dedication and in so doing, make men's decisions in tribute. We are sorry it was all we had to offer.

[From Gardnerville (Nev.) Record-Courier]

THE GREAT UNFINISHED TASKS

(By the Reverend Robert L. Stevenson, Coventry Cross Episcopal Church, Minden, Nev.)

The tragic events of the past few days, which have seen the assassination of our Nation's 35th President, John Fitzgerald Kennedy, have cut deeply into every sensitive American heart. The traditionally festive atmosphere of a Thanksgiving Day this year will be replaced by sober soul-searching reflection and meditation.

We can truly be thankful that our Nation has shown in this hour of loss its ability to rise from adversity into united strength and solidarity.

We can be truly thankful that out of the ashes of distress has been created a new sense of purpose and rededication to American principles and ideals.

We can be truly thankful that we have faith in an Almighty God who is present in the world to give us comfort and guidance and strength.

I would humbly suggest that you and I, along with our fellow citizens across the Nation, and those whom we have chosen as our local, State and National legislators and leaders, rededicate ourselves this Thanksgiving Day to the "great unfinished tasks" ahead.

In a Thanksgiving Day proclamation for a day he was never to live to see, our late President John F. Kennedy was to write of the "great unfinished tasks of achieving peace, justice, and understanding among all men and nations."

"Today we give our thanks," he wrote, "most of all for the ideals of honor and faith we inherit from our forefathers; for the decency of purpose, steadfastness of resolve, and strength of will; for the courage and humility, which they possessed, and which we must seek every day to emulate. As we express our gratitude, we must never forget that the highest appreciation is not to utter words, but to live by them. Let us, therefore, proclaim our gratitude to Providence for manifold blessings; let us be humbly thankful for inherited ideals, and let us resolve to share those blessings and those ideals with our fellow human beings throughout the world."

Proclaiming Thursday, November 28, 1963, as a day of national thanksgiving, John F. Kennedy concluded with this prayer:

"On that day let us gather in sanctuaries dedicated to worship and in homes blessed by family affection to express our gratitude for the glorious gifts of God; and let us earnestly and humbly pray that He will continue to guide and sustain us in the great unfinished tasks of achieving peace, justice, and understanding among all men and nations, and of ending misery and suffering wherever they exist."

John F. Kennedy is dead, but his ideals and the ideals of every American President will live on for future generations to emulate, if you and I will rise to the challenge of the great unfinished tasks.

SERMON OF MONSIGNOR JOHN LAMBE, AT CHRISTMAS MORNING MASS, OUR LADY OF LAS VEGAS (NEV.) CATHOLIC CHURCH

The glorious days of Christmas are with us again, and the magical name brings up memories both joyful and sad—joyful, because with all Christian people—with all men of good will—we are uplifted for a time from the hard cynicism of doubt and unbelief, and we share with the simplicity of little children the glad tidings that the angels and the shepherds first proclaimed: "Christ is born in Bethlehem."

And it brings sad memories, too; for who can forget the paradise of childhood, when living with loving parents and most dear members of our immediate families, now alas no more, we shared that greatest of all family days: Christmas?

For Christmas is more than the birth of Christ; it is more than the beginning of Redemption; it is more than the beginning of Christian teaching; it is the birth of our first family—first in dignity—first in meaning—first in honor.

Because Christianity began with a family, it introduces us into that way of life for which God destines us, into that close-knit group, whose memory will never die, and where mutual love will remain forever and forever.

And so each of us, with but little difference in the total picture, celebrated our Christmas days with our own families.

In my homeland, Christmas Eve saw the setting up of the red-berried holly tree, and the lighting of the Christmas candle in every home to be a guide to the Holy Family in their search for a room in which the Divine Child might be born. And in my own house, we had the unique privilege of having a mass every Christmas morning as the very first part of our celebration. Here a congregation of 10 learned early from the Holy Family that "they who pray together, stay together." And I am sure as each one of you looks back, you will remember with sweet sadness the greatness of the love that binds you with those who are your very own.

For the family is the divine institution into which all of us are born. It is the model of perfect government. In it are contained the elements which make for godliness and Christianity. It has the ruler, the teacher, the subject. All our efforts to improve our lot in life are doomed to failure if the family is not allotted its proper place.

So it was very natural that when God devised his plan for the redemption of mankind, as part of that plan, his own Divine Son would come on earth through the very human means of a family—so like our own—but oh so different—the just St. Joseph, the Immaculate Mary, and the Divine Child born into that poverty so much a part of our human heritage.

St. Joseph was the ruler, Mary was the teacher, the Son of God was the subject. To Joseph the angel came in a vision to warn him to take measures for the safety of the Divine Child. And to the Blessed Mary fell the lot of guiding, if that is the proper word, the spiritual and temporal teaching of the Redeemer.

Here are the models which we must strive to copy, the ideals so unattainable, which we must strive to reach: Jesus, Mary, and Joseph.

How different it would be if fathers and mothers everywhere looked on children as gifts entrusted to them by God, whom the little Lord Jesus wants to nourish above all in the divine life. Our schools are but substitutes—the mother is the real teacher, the father is the provider and ruler. And how different the world would be if all family life was as it should be. Ah, if all the world would only come to the crib and learn.

Just 2 months ago, I said mass on the place where our Lord Jesus was laid in the manger, and there I offered mass for my little world, for all the people I ever met: priests—sisters—everybody whom I knew during my lifetime which included all of you among whom I have been working; and I trusted, as I believed, that the infinite merits of that mass would reach out and influence the lives of all for whom it was offered. I went to the crib—because I always loved the crib—that the glory of the crib might shine on you. So come to your crib and live for a while in its reflected glory.

Come to the crib—and lest we forget—here pray often and fervently for that great President of our own faith, John Fitzgerald Kennedy, who so graced the highest office of our beloved country. Pray that his wonderful wife, Jacqueline, may continue to be a wonderful mother and that their lovely little children, Caroline, and John-John, may grow up in the image of their noble parents.

Come to the crib and pray too that the successor to that high office, Lyndon Johnson, and his dear wife, Ladybird, and their two beloved daughters may continue to be living examples of sacrifice and love of humanity, that illumine the cradle of the Divine Child.

Come to the crib and learn how things should be. You have a beautiful traditional representation of it in your own parish. Visit it often. Bring your children, young, and old.

Come to the crib and rededicate your lives to the noblest ideals of fatherhood.

Come to the crib and beg the Immaculate Mary to make you a mother worthy of her.

Children, come to the crib, and learn the humility and the obedience of the Son of God who obeying the will of man lies here in a stable in Bethlehem.

Come to the crib and pray that your bishop and your priests and your sisters, who have given so much for you, may ever remain close to Jesus, Mary, and Joseph.

Come to the crib and renew your faith. Come to the crib and find hope. Come to the crib and increase your love.

Come to the crib: for here, and here alone, will you find the peace that surpasses all understanding, the peace that will be the road to everlasting happiness for you and for your loved ones.

TEXT OF LETTER SENT TO PRESIDENT LYNDON B. JOHNSON, BY REV. JOHN F. KENNY, REV. ELWOOD LAVOY, REV. WILLIAM HARRIS, REV. BENJAMIN FRANZINELLI, AND MSGR. JOHN LAMBE

MR. PRESIDENT: With courage, grace and humility you have assumed burdens which would fill the faint-hearted with terror. Calmly and with dignity you stepped into the highest office in the world in perhaps the most difficult period in the history of mankind. Your well-founded self-confidence inspired a bereaved and grieving nation with new hope. Your deep sense of dependence upon the Almighty brought to Americans everywhere a keener sense of their dependence upon the Almighty.

The priests of this parish thank you for your courage, inspiration, and leadership.

May God continue to protect and guide you.

EFFECT OF BEEF IMPORTS ON CATTLE PRICES

Mr. HRUSKA. Mr. President, I ask to have inserted in the RECORD a letter from the Department of Agriculture containing an official correction of an erroneous statement relative to the effect of beet imports on the domestic price of fed cattle, which had previously appeared in the Livestock and Meat Situation, a departmental publication.

As many Senators are aware, during a good part of last year there was a lively public dispute as to whether the mounting imports of beef were responsible, in whole or in part, for the collapse in the cattle market. During most of the year, the Department contended that such imports had little or no effect on our cattle prices. Late in the year, however, the Department completed a full-fledged statistical analysis of the problem using advanced techniques of multiple correlation. The statistical formula derived from this analysis indicated that imports do in fact have a very depressing effect on U.S. fed cattle prices. In reporting its findings, however, the Department through error seriously understated the effect of imports on domestic cattle prices; it is this report for which I have the correction.

Both the original statement and the correction are of course stated in somewhat technical terms. Putting the matter in everyday language, each increase in imports of about 180 million pounds of beef—carcass weight equivalent, including live cattle—knocks down the market about 30 cents a hundred pounds. Thus, our imports in 1963 estimated at between 1.8 and 1.9 billion pounds account for a reduction in the price of choice cattle in Chicago of about $3 per hundred below what they would have been without the imports, all other things being equal, according to the results of this statistical analysis.

Unanimous consent is requested to insert in the RECORD an extract from the Livestock and Meat Situation, November 1963, and also the letter of correction, dated December 12, 1963, received from the Department. The letter states that an official correction was to have appeared in the next issue of the publication; however, the January issue of the Livestock and Meat Situation is now at hand and the correction does not appear therein. The correction should be made a matter of formal record in some manner. With failure on the part of the Department to do so, I call attention of the Senate thereto, so that it will be of record in the CONGRESSIONAL RECORD.

There being no objection, the extract and letter were ordered to be printed in the RECORD, as follows:

BEEF IMPORTS

[From the Livestock and Meat Situation, Nov. 1963]

As indicated in table D, fed cattle prices are influenced primarily by fed beef production. For the period 1948–62, a change of 10 percent in steer and heifer beef production caused prices of Choice steers at Chicago to change in the opposite direction by an average of about 13 percent. On the other hand, a change of 10 percent in domestic cow beef production plus imports caused prices of Choice steers to change in the opposite direction by only 3 percent. These average changes are net changes and take into account the effects of other factors in the analysis. These percentage relationships can also be translated to pounds and dollars at 1962 levels. In this case, a 1-pound-per-capita change in steer and heifer production results in a change in the opposite direction of about 50 cents in the price of Choice steers at Chicago. On the other hand, a 1-pound change in the cow-beef-plus-import aggregate affects the Choice steer price by only 15 to 20 cents.

U.S. DEPARTMENT OF AGRICULTURE,
ECONOMIC RESEARCH SERVICE,
Washington, D.C., December 12, 1963.

Hon. ROMAN L. HRUSKA,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HRUSKA: We appreciate your having called to our attention an inaccurate statement on page 41 of the Livestock and Meat Situation for November 1963. The statement "a 1-pound change in the cow-beef-plus-import aggregate affects the Choice steer price by only 15 to 20 cents," should read "about 30 cents." An official correction will appear in the forthcoming issue of this Situation report.

This error occurred even though our Situation reports are subject to very intensive review. It was due to a computational error which does not affect the validity of the underlying statistical analysis presented in this particular article, nor the explanation of the drop in the average annual price of Choice steers at Chicago from 1962 to 1963.

As we have previously stated, the preponderant factor in the decline has been the increase in the domestic production of fed beef, which could account for as much as $3 of the drop in the annual average price of Choice steers at Chicago from last year to this. However, the exact answer will not be determined until final estimates of per capita production and prices of steer and heifer beef during 1963 are available.

As you know, the Department is concerned with the price problems of the cattle industry, including the influence of meat imports. We are making every effort to provide the best possible appraisal of the factors affecting cattle prices so that all concerned will have the benefit of analyses that are accurate and objective.

Sincerely yours,
NATHAN M. KOFFSKY,
Administrator.

PUBLIC LAW 480 FOOD FOR PEACE—A BOOST TO THE RURAL ECONOMY

Mr. McGOVERN. Mr. President, the Public Law 480 food-for-peace program has, since its inception 10 years ago, proved itself a tremendous success in the wise use of America's agricultural abundance for humanitarian purposes proved itself a tremendous success in the throughout the world.

The inroads of communism would have been greater in the world if Public Law 480 had not been such a success.

But too often I think we forget that food for peace under Public Law 480 has also been of great value to our country as well. This has certainly been true in the rural communities and towns in our Nation. They have benefited directly from the record $1.6 billion worth of farm products shipped abroad in calendar year 1963 and in the more than $9 billion worth of farm products shipped to more than 100 nations throughout the world since the program began in 1954.

The shipments last year alone accounted for about one-third of total agricultural exports and created outlets for the production of an estimated 19 million acres.

The shipments of wheat, feed grains, dairy products, cotton, rice, fats and oils, and other agricultural products resulted in increased income for those who produced these crops. An estimated 1 million farmers were engaged in the production of the crops that were exported under Public Law 480.

These 1 million farmers spent the proceeds from crops used for Public Law 480 in local business establishments and had a direct impact on the local economy.

The transportation industry, the processing industry, financing facilities, and other segments of the business community gained from the activities connected with the program.

Thus, for the farmer and the small towns and cities of the country Public Law 480 means increased income, increased business activity, and increased economic strength.

As this session of the 88th Congress gives its consideration to extending this program, these facts should be in the minds of all of us.

TRIBUTE TO THE LATE PRESIDENT KENNEDY BY EUROPEAN PARLIAMENT

Mr. FULBRIGHT. Mr. President, on November 25 the European Parliament, the parliamentary arm of the six countries joined together in the European communities, paid tribute to the memory of the late President Kennedy.

The speeches of the President of the Parliament and some of his distinguished colleagues have been reprinted in a special brochure, copies of which have been sent to the Senate. A copy has been sent to each Senator's office. In order that the eloquent statements of these high European officials may have a wider audience, I ask unanimous consent that they be printed in the Record.

There being no objection, the speeches were ordered to be printed in the Record, as follows:

Tribute to John F. Kennedy, President of the United States of America

ADDRESS DELIVERED BY MR. GAETANO MARTINO, PRESIDENT OF THE EUROPEAN PARLIAMENT

Ladies and gentlemen, John Kennedy, the young and well-loved President of the United States of America, died tragically at the hand of an assassin in his own country while carrying out the duties of his high Office. He was one of the most enlightened, noble and generous figures that have guided American policy since the Declaration of Independence, one of the most brilliant and courageous men, richly endowed with creative spirit and irresistible energy that have been called upon to play a predominant part in world politics—one of the loftiest and most inspiring spirts that have been born to uplift the condition of mankind.

Today, all that he stood for dominates our world. Time will neither diminish nor efface his achievement.

During the 3 years he was President, his name was linked to events of fundamental importance. He had already secured a permanent place in history as President of the New Frontier—of a political concept and form of government aimed at promoting the consolidation and defense of freedom and democracy on American soil, through the enrichment and development of the principles and ideals that nourish and foster them and, through a relentless struggle against the factors that threaten their life and progress. These are poverty, ignorance, disease, discrimination, and social injustice. The New Frontier has meant a return and an appeal to that spirit of loyalty, courage, solidarity, and manly enterprise which distinguishes the expansive aspect of the American Nation and provided it with the moral basis that insured its progress in freedom, equality, and order.

The driving force given by President Kennedy to American domestic policy exemplified the loftiest Christian and liberal virtues. This policy knew no hesitation, respite or compromise with internal opposition. Kennedy was convinced that a man should always carry out his duty and that in this lay the basis of all human morality. Not only with the civil rights bill, but also with his antiracial discrimination, educational, economic, and social policies, he sought to give a new and richer content to liberal and democratic institutions.

The spirit of the New Frontier inspired not only domestic policy but also, I feel, above all, American foreign policy in the past 3 years. This is why the tragic end of John Kennedy's life has left its mark on the minds not only of the American people, but also of all citizens of the free world; indeed, all civilized mankind.

President Kennedy will be remembered as the fearless champion of the freedom of the peoples of the West and the initiator of the great aim of conciliation and relieving tension. He proved this at a time in international relations fraught with difficulties and grave uncertainty—the Cuba crisis—when he gave a measure of his firmness in defending the principles and the very foundations of the free world. Until then, he had not been spared the accusation that he could not accurately assess the forces that threatened the free world and that he was not as firm as his predecessors toward the unscrupulous and deceitful policy of the adversary. But when 13 months ago the defenses of the free Western World were exposed to a dire threat, he did not hesitate to adopt, on his own personal responsibility, the measures necessary to overcome it. His action showed that there are limits to democratic tolerance which cannot be ignored without involving the risk of setting off a world conflict.

I do not know whether the policy adopted by Kennedy at the time of the Cuban crisis was the origin of his tragic death. It was certainly the policy that ushered in a new phase in international relations which, while it has strengthened the moral forces of the West, has also permitted mankind—through the agreement, even if only partial, on nuclear tests—to discern a new light that raises the general hope of a brighter, less uncertain future.

There is an aspect of Kennedy's policy which I should like particularly to mention. We who live and work in a part of Europe that has already achieved a certain degree of unity, which we are endeavoring with all our might, and despite all obstacles, to consolidate and extend, also remember President Kennedy as the determined advocate of full European unity, and this not as an end in itself but as an instrument for consolidating the solidarity of the Atlantic peoples and as a decisive step toward complete union of the free world, inspired by that peace in which people live side by side in mutual respect and work together with mutual consideration.

In his historic speech at Philadelphia on July 4, 1962, Kennedy called for closer links between America and Europe as a first step toward achieving the grand design of the association of the Atlantic peoples. In noble and impressive terms, he appealed to the Europeans to carry out a creative and resolute action—the construction of their new House—while at the same time he exhorted the Americans to think no longer in continental terms but in intercontinental terms. He firmly maintained that only if we united could we play our part in building a world based on law and on freedom of choice, banishing war and coercion.

The unification of Europe is in the interest not only of America but of the entire free world; indeed, of all men anxious to reach at last a safe haven of peace. Such a united Europe, linked to America by indestructible bonds, would serve as an inexhaustible fund of energy and progress.

The basic concepts and themes of the Philadelphia speech have been embodied and amplified in the no less memorable speech of June 25, 1963, in the Paulskriche at Frankfurt. In that speech Kennedy reaffirmed the historical necessity—as well as the profound common interest of the free peoples—in creating a Europe permanently united and integrated in an Atlantic association of independent States which would also share responsibilities and decisions, all equally united in the task of defense and the arts of peace. This was no pipe dream: the association could have been achieved, he maintained, by taking concrete steps to solve the problems that face us all, whether military, economic or political. The association is not so much an attitude as a process—a continuous process which becomes accentuated over the years as we dedicate ourselves increasingly to our common tasks.

In reaffirming the absolute need for solidarity between the United States and Europe, Kennedy did not neglect to express the hope in continued talks with the Soviet world with a view to relieving tension. But he expressly asked those who look upon themselves as our opponents to understand that in our relations with them we are not bartering the interests of one nation for those of another, as the cause of freedom is common to us all. He did not underestimate but frankly recognized that the obstacles to hope are grave and threatening. And yet the goal of world peace, he concluded, should now and always inform our decisions and inspire our intentions. * * * We were therefore all idealists, all dreamers. He felt that it should not be said of this Atlantic generation that it had left ideals and dreams to the past, and firmness of purpose and decision to our opponents.

Ladies and gentlemen, during my recent official visit to the United States, as President of this Parliament, I myself had direct and conclusive evidence of President Kennedy's will to help build a united Europe, to struggle alongside us against the failures and myths of a barren and divided past, to seek with us the most appropriate means for overcoming our dissensions which he hoped would be temporary and incidental. He wanted to be informed of all serious and pressing problems that faced the European Community and wished to reaffirm explicitly, during our talks, his full support for the work of the European Parliament.

With the death of Kennedy the cause of European unity has lost a great friend and ally. In paying reverent tribute to his memory, while the American people renders its last homage to its President, I believe that it is our duty to resolve jealously to cherish the message he has left us and to continue on the path that he helped to open up and which he frequently described as the only one offered by history which alone can preserve, for us and for our children, the freedom and dignity of man—that is the basis of all that makes life worth living.

Address Delivered by Mr. L. de Block, Secretary of State for Foreign Affairs of the Kingdom of the Netherlands, President in Office of the Councils of Ministers of the European Communities

Mr. President, ladies and gentlemen, President Kennedy's tragic death has moved us deeply and fills us with great sorrow. The Councils of the European Communities join in the sympathetic words which you, Mr. President, have just expressed in memory of the man who was so cruelly killed.

The emotion his death has caused all over the world shows the extent of the loss we have suffered. We all share in the deep grief which has overtaken the American Nation.

John Kennedy's enthusiasm and drive were for millions of his contemporaries the symbol of youth. This youthfulness, combined with outstanding qualities of courage and intelligence, expressed itself above all in his broadness of outlook. He was also a symbol of justice and peace which, as the President of the most powerful Western democracy, he strove to promote with a deep sense of reality and responsibility which is the characteristic of great statesmen.

Above all, however, he was the statesman who, inspired by ideals of freedom and human dignity, gave the world new hope for a lasting peace among men. For us, Europeans, he was also the man who realized how necessary it is for Europe to unite. He supported our nations in their endeavor to achieve the economic and political unification of Europe. At the same time, he was convinced that the New World and the Old World should combine their efforts to defend their common ideals of freedom and peace, and strive together for greater prosperity in the world.

The 3 years during which President Kennedy bore his heavy responsibility have left his own mark on the international policy to which he gave a new inspiration.

His tragic demise has not allowed him to develop all his talents and to fulfill the great task he had set himself.

John Fitzgerald Kennedy is no longer with us, but his life and work will remain for us, Europeans, and for every nation sharing his ideal, a living source of inspiration. May he rest in peace.

Address Delivered by Mr. W. Hallstein, President of the Commission of the European Economic Community

Mr. President, ladies and gentlemen, the man in honour of whose membery this House is assembled here today was more than the President of a great and powerful Nation. He was a man whose resolution, whose deeds, whose counsel were directed to us all—to the entire free world and not least to Europe.

Although only 3 years have elapsed since he first took office, his Presidency appears to us in retrospect to have spanned an entire epoch. Seldom can the American people have pinned such high hopes on a new President. Seldom can a new head of state have been as fervently acclaimed as was John Fitzgerald Kennedy, a radiant, dynamic personality imbued with inexhaustible optimism, a man on the threshold of his prime who had promised to lead his people to the New Frontier. New Frontier—the term has an intimate ring in American ears, stirring up memories that have long since passed into history. The New Frontier is no rigid boundary-line immutably staked out; rather does it conjure up a vision of illimitable horizons, an escape from an order of things that has grown old and sluggish, that is slowly grinding to a standstill; a challenge to turn our eyes to the future, to brave the unknown, to prepare ourselves for hardship, trials and also adventure.

But Kennedy courted adventure not merely from a desire to change the established order or from a love of danger. The dazzling vistas revealed to him as he mounted the pinnacle of power held the key to what he called "the great human adventure" where "freedom is more than the rejection of tyranny, prosperity is more than an escape from want." Kennedy was one of the great American reformers who pinned their faith on the power of thought, the triumph of reason, the goodness in man. His resolution, like his every endeavour, sprang from the conviction that, as the American philosopher Emerson once put it, "there is an infinite worthiness in man." Kennedy was no fanatical reformer abandoning himself to a planner's irresponsible dreams. He had that rare, inestimable gift, a creative political imagination, the power to discern possibilities, to recognize what was feasible, what was essential.

Only a man who is conscious of his responsibilities is in a position to gage what can and what cannot be done. If we compare the pictures of President Kennedy taken immediately after his election, showing a man vibrant with joyous, almost carefree energy, with those of later years, we see at once that his features bear the imprint of the burden of office—stupendous if only on account of the multiplicity and complexity of the tasks—of the fearful knowledge that on his shoulders lay the responsibility for the fate not only of his own country but of the free, indeed of the entire world. He could not, as he once remarked, afford the luxury of free advice, the luxury of indecision. His responsibility was one of decision.

He never shirked that responsibility, particularly where it involved courage, contention or trials of strength. He followed the dictates of his conscience, even at the risk of alienating voters and endangering his personal prestige.

The conviction that "there is an infinite worthiness in man" enabled him to embark on his great reforms for the unification of the American peoples—a mission animated by the very spirit of the American Constitution with its insistence on equality, on the indivisibility of the freedom of the individual. Kennedy sought to establish a new social order in which man would be master of his fate. He strove for a world at peace, for "a world where peace is not a mere interlude between wars but an incentive to the creative energies of humanity." Thus he formulated a "strategy of peace" and did not hesitate to tread the brink in pursuing a policy of easing tensions, a policy of equalization where a false step, an ill-timed concession, might have precipitated a plunge into the abyss.

It is to President Kennedy that we Europeans are indebted for the idea of the Atlantic partnership—a link, on an equal footing, between the new continent and the old, a community designed not as an end in itself but as a model of a peaceful order, itself an essential factor for the peace of the world.

Nobody has expressed this concept more lucidly than Kennedy himself in the now classic utterances of his speech in Philadelphia on July 4, 1962, commemorating the American Day of Independence.

This amounted to a rejection of domination—a rejection of domination where it could well have been imposed, an offer of a partnership that went beyond the mere sharing of power, a project of full give and take between equals. It is only now that we perceive the full implication of his offer, an appeal to us, which we cannot afford to ignore, to create the conditions necessary for the Atlantic partnership, and therefore for a peaceful order, right here on the old Continent, thus justifying the faith placed in us by the New World, the world of the departed President.

In rendering homage to the late President Kennedy and offering our deepest sympathy to the family and Nation that mourn him, we take to our hearts the challenge thrown out by him about 6 months ago when, as spokesman of the free world, he once again conjured up for us a vision of a world where peace and universal freedom reigned:

"So we are all idealists. We are all visionaries. Let it not be said of this Atlantic generation that we left ideals and visions to the past, nor purpose and determination to our adversaries. We have come too far, we have sacrificed too much, to disdain the future now."

"We have sacrificed too much." The late President himself fell a sacrifice to his office. Let us answer his call. Let us hold on to what has been achieved. Let us help to crown his great achievement.

Address Delivered by Mr. E. Medi, Vice President of the Commission of the European Atomic Energy Community

Mr. President, ladies and gentlemen, the death of President Kennedy has filled the world with sorrow. He fell on the threshold of the new vistas that are opening up for mankind, in the fulfillment of a lofty mission of peace, justice, and understanding among the nations.

Our European Community—closely linked to the noble American Nation, which made and is making such a great and fundamental contribution to civilization and progress—shares the general grief.

President Kennedy has clearly shown the world the enhanced value of scientific research and peaceful development when combined with the highest human virtues. In following his lead, Europe is in unison with the other nations.

Hate propaganda generates death but love of our fellow men, as preached by those who have become its martyrs, will open up the paths of life. President Kennedy ranks with the noblest and worthiest figures in history. He gave us a shining example of faith in God and man by pointing to the arduous road of courage and sacrifice.

To our generation, to you the youth of future generations, President Kennedy's message is: to preserve life we must be prepared to sacrifice it.

Address Delivered by Mr. D. Del Bo, President of the High Authority of the European Coal and Steel Community

Mr. President, ladies, and gentlemen, the high authority wishes to express its sorrow at the death of the American President.

It is not for us in this hall to ask why he was killed and whether it was the result of the destructive urge of a revolutionary ideology or the uncontrolled and criminal initiative of a lunatic. Abraham Lincoln also remains unforgettable although he too was assassinated by a histrion who, by some grotesque irony, described himself as a gentleman of the South.

We are only interested in the heritage which Kennedy leaves to Europe.

The President of the United States of America successfully concluded a cycle which began in the now remote past with the Declaration of Rights of Virginia when the United States was born in the struggle against the relics of European despotism.

Since those days relations between the United States of America and Europe, albeit always peaceful, have almost constantly been strained. If the United States of America made her contribution and sacrifice of blood in the First and in the Second World Wars, she did this for the fortress America, which had here in our countries its own outposts to safeguard and defend. With John Kennedy, however, a purely instrumental consideration of Europe on the part of the United States came to an end.

Those among us who rightly ask that relations based on equality should be established between Europe and the United States of America, have been able to observe, particularly over the last few years, the extent to which the American John Kennedy was also a European, advancing with us at the same quick pace and with the same determination.

The high authority would like to express its distress, and also its solicitude for Kennedy's young children for whom he will always remain the best of guides, for his wife, who gave such a spontaneous example of the way in which a brave heart faces grief, and for the people of the United States of America to whom we feel as close in their hour of misfortune as at the time of their victories.

GOVERNMENT REGULATIONS

Mr. FULBRIGHT. Mr. President, those of us who are old enough have watched the size and the responsibilities of the Federal Government grow to enormous proportions in the past 30 years. I do not, as some do, ascribe this phenomenon to malice or lust for power on the part of bureaucrats. It is due to the complexity and enormous growth of our economy which has required governmental support and regulation. This is neither good nor bad—it is simply a fact of life. While many of us whose origins are in the relatively simple environs of small town America remember with nostalgia an earlier and a more simple time, we recognize that big government like big business is here to stay.

I believe, however, Mr. President, that the very fact that Federal regulation of certain facets of our economy has grown so greatly imposes even more grave responsibilities on those who are the instruments of this regulation. These instruments, known variously as administrators, commissioners, directors, bureaucrats, or in some cases those so and so's are, in most cases, devoted men trying to do a good job. Nonetheless, on occasion there arise situations where it seems that the bureaucracy has a purpose and a character of its own, separate from the aggregate of the individual wills of which it is comprised. I wish to cite for my colleagues one example of this phenomenon which should be a warning to all of us engaged in the formulation of public policy.

Last summer I received a call from the president of the Campbell Soup Co., which has a fine plant in my hometown, regarding a problem which his company has experienced with the Department of Agriculture. Like the thousands of requests which each of us in the Senate receive each year, I assumed that his difficulties stemmed from a lack of communication, a misunderstanding, perhaps some quirk in the law, or at worst an error on the part of a functionary who could as easily be an employee of the company as of the Department of Agriculture.

Upon investigation, however, I became increasingly appalled and frustrated with a bureaucratic snarl which apparently cannot be untangled.

The story goes something like this. In May 1961, the Agricultural Marketing Service published regulations to establish labeling requirements for dry soup mixes bearing a label describing them as containing poultry. These regulations were issued under the Poultry Products Inspection Act with the obvious purpose of protecting the American consumer by giving him the assurance of a Federal Department, that when a product is labeled "chicken noodle soup" the poor consumer can be confident of finding some chicken among the noodles. These regulations were, however, altered by exempting from Agriculture Department jurisdiction those dehydrated soups containing less than 2 percent poultry in the reconstituted state. To give the Agriculture Department its due, it apparently assumed that the Food and Drug Administration would police this exempted field under its general jurisdiction to require descriptive labels on food products.

The Food and Drug Administration, however, had different thoughts. Contending that a mere exemption of such products did not constitute a finding on the part of the Department of Agriculture that they should not bear the word "chicken" on the label, FDA would not accept this responsibility. Consequently, while Campbell's, relying on the intent of Agriculture's regulations, produced chicken noodle soup with a greater-than-2-percent poultry content some of their competitors did not. I might point out for the edification of those not schooled in such matters that it is quite difficult to alter the production cycle on such products and Campbell's was in fact trapped with a better and thus more costly product simply because the company sought in good faith to adhere to what it believed to be regulations promulgated to protect the public interest. It could, of course, have begun producing dry soup mixes with less chicken, but there was reason to believe that effective regulation was to be expected. I confess that 2-percent chicken seems to me to be little enough to justify calling it chicken.

This situation persisted in spite of repeated pleas from the company for a clarification of the Government's position. Upon directing an inquiry to the Department in the summer of 1963, I was advised that discussions were in progress between the Department of Agriculture and the Food and Drug Administration to resolve the problem. It was indicated by officials in both agencies that as it stood the situation was discriminatory and that a solution would soon be forthcoming, although the Commissioner of the Food and Drug Administration made it quite clear that the basic responsibility for regulating poultry and poultry products was given to the Department of Agriculture in the Poultry Products Inspection Act.

Assuming the good faith of all parties I was sure that the matter would be promptly cleared up and dismissed it from my mind.

The next step in our little drama came on October 10, 1963, when the Agriculture Department invited comments on new regulations to establish a definitive minimum poultry content on products bearing the poultry label. Comments were to be submitted by December 16, 1963, and it was indicated that a public hearing would be held should there be substantial controversy.

A hearing was requested and set for January 24, 1964. But, it seems that the 3½ months between the publication of the new regulations on October 15 and the hearing date of January 24 did not provide sufficient time for those companies requesting a hearing to prepare evidence on the issues involved. The Department of Agriculture, wishing to be fair, I am sure, has now postponed the hearing until March 23 and very thoughtfully extended the time for filing written comments on the proposed regulations until March 31. There will, of course, have to be time for analysis of the hearing record and all other evidence and with luck we can expect a final decision by May 1964, some 3 years after the problem was created. I set this deadline with some trepidation in view of the seeming reluctance to bring this fascinating chain of events to a conclusion.

I am not apprehensive as to the future of Campbell's Soup. Nor do I feel that what is good for Campbell's Soup is good for the country. There is no doubt about the company's ability to look after its own interests. Nonetheless, this case is a prime example of bureaucratic buckpassing at its worst as two Federal agencies have worried with the intricacies of administrative law while a private concern with obligations to its employees, its shareholders, and the public, has been left in utter frustration trying to determine the Government's policy. I impute no bad faith to Campbell's competitors upon whom there has been no compulsion to change their labeling practices.

I simply cite this situation as one example of government at its worst—with confidence that none of my colleagues can produce one to top it.

U.S. DOLLARS GO TO CASTRO VIA FRANCO: A NEW FASCIST-COMMUNIST BEDFELLOWSHIP FOR WHICH OUR DEMOCRACY PAYS

Mr. GRUENING. Mr. President, on November 14, 1963, during debate on the foreign aid authorization bill, I said I saw no reason for the United States of America to "pay so lavishly and generously to implement the Spanish economy." Our assistance then, and in years before, and today has not enlarged the liberty of the Spanish people in any measurable degree.

Freedom of the press, freedom of assembly, freedom of speech are unknown in Spain. Freedom of worship is limited.

Even as we deplore the lack of these freedoms in Spain, we continue to pour billions of dollars into that country which perpetuates the dictatorship and enables the Government of Generalissimo Francisco Franco to aid Cuban Premier Fidel Castro even as we attempt to curb the trade our allies have with the Cuban dictator. Specifically, General Franco is reported to have negotiated with Cuba a 350,000-ton agreement for the purchase of sugar totaling $81 million. This purchase, says the London Observer, is to be paid for in part with fishing trawlers valued at $51 million. Spain has traded with Cuba previously. In 1963, exports to Cuba from Spain were valued at $12 million.

The trade areas appear to be expanding, for a number of news accounts tell us that a Cuban trade commission visiting Spain negotiated the purchase of electric trains and machinery and has returned to Cuba with supplies of books and eggs valued at "several million dollars." If we total what we learn simply by reading, the trade between Spain and Cuba in 1964 will approximate $100 million at least.

Obviously, we are being made fools of in the most gross manner.

We had better take a quick, new, realistic appraisal of our assistance program as it applies to Spain unless we really do not care about the billions of dollars of the taxpayers money which is being used improperly.

I believe most citizens care. I think most citizens would like to know the extent of our foreign aid program to Spain which unofficially may approach $4 billion dollars since 1953.

News Correspondent Lawrence Fernsworth, a correspondent in Spain during the Spanish civil war and who continues to be informed on events in Spain, has put overgenerous Spanish handout into proper and agonizing prospective in his February 10, 1964, article entitled "Spain: Concealed Handout," appearing in the Nation.

Mr. President, I ask unanimous consent that the full text of Mr. Fernsworth's excellent piece be printed in the Record in full at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. GRUENING. Mr. President, the article illustrates the grievous gaps in our knowledge in assessing the extent of U.S. aid to Spain. Author Fernsworth notes our continuing error of loaning money at an interest-free rate for the first 10 years and at three-quarters of 1 percent for the next 30 years. The irony is, of course, that the U.S. Government itself must pay approximately 4 percent to borrow the money it lends. This so-called "loan" is one of the continuing giveaways which I sought—unsuccessfully—to eliminate by amendment to our foreign aid bill during debate on H.R. 7885 which amended the Foreign Assistance Act of 1961.

The amendment I offered was designed to make our so-called development loans realistic and to terminate a kind of fraud on the American people. Nine Members of this body cosponsored my amendment which merely provides that the United States would exact the going interest rate plus one-quarter of 1 percent as a carrying charge. Thus, the loans made would have been valid loans and the rate of interest would not have been usurious.

During my explanation of the amendment I cited as one glaring misuse of American taxpayer funds a loan made to the Egyptian Government to build a powerplant in west Cairo. I ask unanimous consent that my remarks in explanation of the absurdity of such loans and their cost to the taxpayer be reprinted in the Record at this point in my remarks.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statements by Senator Gruening

I illustrate what I am speaking about by stating a specific example. I was in Cairo last February. While I was there, I was present at the signing by the American Ambassador of a $30 million loan to Mr. Nasser to build a powerplant in west Cairo. A powerplant is a moneymaking enterprise. From the time it starts generating and delivering its power the dictator can charge his consumers—his electricity users—any rate that he wishes. Yet the loan provides that for 10 years he shall make no payment whatsoever. Meanwhile, we are borrowing money from the American people at about 4 percent, so that in each of those years it is costing us $1.25 million, which is the difference between no payment on the part of Nasser and what we have to pay. So, in the first 10 years, even before he starts repaying the loan, the Treasury will be out $12.5 million.

Mr. GRUENING. Mr. President, the discussion which ensued was vigorous and healthy and I believe helpful to Members of this body.

The full discussion is printed in the Congressional Record, volume 109, part 16, pages 21493–21503.

My amendment, rejected by a vote of 30 yeas and 44 nays, reflects a growing concern by Members of the Senate as to the use of taxpayer money for loans which are little more than handouts.

It is interesting to note that France and other European nations which our AID program has made prosperous are loaning money to Spain at commercial interest rates and that France, in return, may play an active role in the distribution of the money and is receiving favored treatment as Spain raises its tariff barriers.

This continuing flaw in our development loan program and others are spotlighted by Mr. Fernsworth and I, for one, applaud his truthfulness.

Let us contrast what crop is reaped by benevolent U.S. taxpayers.

First. Low interest rate repayment by Spain on loans.

Second. A growing accumulation of counterpart funds on deposit in Spain for commodity credits received from the United States which can be spent only in Spain.

Third. Use of U.S. dollars by U.S. military authorities in Spain rather than those dusty counterpart funds.

Fourth. A resale of certain commodity credits such as cotton by the Spanish Government made inside Spain at a profit.

Fifth. The proposed giveaway of our military base at Zaragoza to the Spanish Government.

The United States has other military bases in Spain and the growing obsolescence of military aircraft prepares us for the fate of those bases. One might predict that eventually we will pay Spain to take them off our hands.

News stories and editorial comment on the fluid Franco position these days appear often in our newspapers.

The Washington, D.C., Post of January 28, 1964, tells us that Central Intelligence Agency Director John A. McCone was in Madrid January 27 "reportedly trying to talk Gen. Francisco Franco out of trading with Cuba."

Did Director McCone suggest that the United States really does disapprove the proposed $50 million shipbuilding deal Spain is considering with Cuba? And did Director McCone mention the Cuban delegation in Madrid at the same time which was exploring the possibility of increasing imports of electrical goods from Spain.

On January 30, 1964, the Washington Post carried a story from Barcelona which appeared in the London Observer which reported:

> Despite U.S. concern, Spain is expanding her trade with Cuba.
>
> A 350,000-ton sugar deal worth $81 million has been arranged to be paid for in part with fishing trawlers worth $51 million.

Mr. President, I dislike pointing to the obvious, but I recall the recent arrest of Cuban fishing vessels within our territorial waters and I am too well aware of the nosedive our fish catch has taken. I doubt that our fishermen will applaud with glee the news that Cuba is increasing its fishing fleet. The Observer article concludes with this observation:

> The whole idea of an economic blockade to force Castro out of power meets with skepticism here. General Franco's regime survived total boycott after the civil war—without being able to count on the Soviet bloc to keep it going.

The full spectrum of General Franco's machinations is described in an editorial appearing in the February 1, 1964, edition of the Christian Science Monitor. I ask unanimous consent that the full text of "The Caudillo Maneuvers" be printed in the Record at the close of my remarks, along with the news items to which I have referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. GRUENING. Mr. President, the word "caudillo" perhaps best describes the General, for he is a military president, and as a military man he seems to be outflanking the military men of the United States at every turn.

[From the Nation, Feb. 10, 1964]

Exhibit 1

Spain: Concealed Handout

(By Lawrence Fernsworth)

("We have poured money into a non-NATO Spain, yet we cannot find out from the State Department how much. * * * It is still a top secret. * * * The American people are entitled to know every detail of the Spanish deal. * * *

("What is in that agreement (to maintain the military bases for another 5 years) is still unknown to the American people and to most of Congress. It is known to account for an undisclosed amount of military aid to Spain. * * * It is very difficult for me to see what purpose has been served by his agreement except another lush handout to Spain."—Senator Wayne Morse, during the recent foreign aid debate.)

Any attempt to assess the extent of the lush handouts to Spain since 1953, when the original bases agreements were signed, must be made in the context of the secrecy thus described. But enough information has come from various sources to make it clear that Spain has already received about $3 billion in aid and probably more, not counting the bases and other military and naval installations in Spain which are due to be handed over to the Franco dictatorship in fee simple and which have cost easily a billion more. As Senator Stephen M. Young, of Ohio, told the Senate, touching this point: "We have provided economic aid to Spain in exchange for permission to build our bases there at a cost of something over a billion dollars." The major base at Zaragoza, about midway between Madrid and Barcelona, is scheduled to be handed over to Franco this year. With it go 485 miles of pipeline carrying oil from the U.S. naval base at Rota, around the Atlantic corner from Gibraltar. Senator Young, along with Senator Morse and Senator Ernest Gruening of Alaska, tried unsuccessfully in the last session to cut all projected aid to Spain by 25 percent.

The secrecy surrounding American largess to Spain has increased, rather than relaxed, within the last 2 or 3 years. In 1961, the National Advisory Council on International and Financial Problems showed aid to Spain of $1.75 billion. Rather mysteriously, this was the last report from that source.

Senator Frank Lausche, of Ohio, dissatisfied with the information on Spain provided by the Senate Foreign Relations Committee, of which he is a member, sent a request for more information to Defense Secretary McNamara. Mr. McNamara replied that "since 1953, the United States has provided Spain with a total of $500 million in military assistance and a total of $1.4 billion in economic aid in the form of defense support, technical assistance, Public Law 480 (agricultural commodities), and Export-Import Bank and Development Loan funds."

Although this total of $1.9 billion exceeds the figure in the council's report, it is far from telling the story. Senators MORSE, GRUENING, and YOUNG have not found it convincing. The available records themselves show wide gaps. One of these is the cost to the U.S. Treasury of 40-year development loans. Another is the writeoff of commodity credits after their conversion to counterpart funds.

Development loan funds have been provided on a basis whereby the first 10 years are interest free and the next 30 years call for annual interest at three-quarters of 1 percent. The U.S. Government itself pays around 4 percent to borrow the same money. A loan of $30 million on this basis, by way of example, "would cost the United States $22.5 million if it is ever paid," as Senator GRUENING remarked. Some countries make clear to their people that such credits are gifts. A table in the hearings of the Senate Foreign Relations Committee showed that of $6.51 billion loaned in this way over a long period, only $790 million has been repaid.

The commodity credit writeoff works as follows: The credits consist of cotton, grain, and other agricultural commodities provided at low cost to the recipient country under Public Law 480. The recipient pays for these in its own currency, called counterpart funds, which is placed to the credit of the United States in local banks and is to be spent inside the country. There is nothing to prevent a country from printing as much counterpart as it needs.

Usually, as now in Spain, there is more counterpart on deposit than the American authorities know what to do with. For practical purposes it's another form of handout. In Spain, according to the latest available reports, $445 million worth of commodity credits have been written off as counterpart. This, added to the $1.9 billion reported by McNamara, brings aid to Spain up to $2.34 billion, so far as the figures are known. To this add another $100 million announced as a credit in connection with the renewed bases agreements.

But Franco has a further way of making money out of commodity credits. The House Government Operations Committee has shown that the Spanish Government resold cotton to textile mills at profits of from 50 to 70 percent. How much grain and other commodities were sold at like profits has never been made public. If one calculated a 60-percent profit on a reported $700 million in commodity credits, that would provide another $420 million.

Still another facet of the counterpart story has been the failure of the U.S. military authorities in Spain to use counterpart funds, as required by law, in payment of internal disbursements. A Comptroller General's report in 1961 showed that the U.S. Military Advisory Group, instead of drawing on counterpart, used $178,000 to reimburse its own people for living and travel; $6 million in wages, mostly to Spaniards, for modernization of Spanish naval vessels, and $6.2 million (paid by the Air Force) to a Government-controlled contractor for aircraft maintenance. This makes a total of $15.2 million passed out unlawfully in Spain because the Franco government obviously dislikes its own counterpart money and demands dollars instead. Such expenditures are hidden under "operations and maintenance" and do not appear in reports of military or other assistance in Spain.

Another source of hidden expenditures is the President's contingency and special funds. The contingency fund was $300 million last year. In addition, there was a $300 million "military assistance and special authority" fund which permitted the President to draw on Defense Department stocks and services in ways other than are provided by statute.

An example of the secrecy in Spanish matters insisted upon by the State-Defense complex was the hearing in the last session before the House Appropriations Subcommittee on Foreign Aid. When Chairman OTTO PASSMAN pressed Pentagon witness Gen. Samuel K. Eaton about reports that the United States was "tying in a substantial aid program to the new bases agreement," Eaton first tried to brush him off. Failing in that, he insisted that all amounts mentioned by him be classified and left blank in the transcript. For example, in reply to a direct question, Eaton answered:

"Spanish officials have stated publicly that they expect to receive $------ aid." When PASSMAN asked, "What kind of excess stock will you give to Spain at a cost of $------?," Eaton replied "The major items are $------." It is not very informative, but some light was cast by Senator YOUNG in the Senate debate, when he said that Franco "tried to blackmail us for planes, weapons and equipment costing between $200 and $300 million." PASSMAN's questioning of Eaton did draw out the fact that the Defense Department was planning this year to deliver to Spain five T–37 aircraft.

Spain itself is sometimes the source of aid information that is classified here. Thus, a recent dispatch tells of a presentation ceremony in which several HU–16B antisubmarine war planes were turned over to the Spanish Air Force. Spanish crews to operate them were trained in this country—at another considerable cost to the American taxpayers.

One of the Defense Department's arguments in support of more money for Spain is that the United States makes a big saving by training Spanish soldiers instead of putting American divisions in Spain. It says the cost of maintaining a Spanish soldier for a year is $522 as against a cost of $3,948 for an American soldier. To which snorts Senator MORSE: "That is a typical Pentagon fallacious piece of propaganda."

Another point raised in Congress concerns the payment of rental for the Spanish bases. Questioned on this by Senator LAUSCHE, Secretary McNamara replied:

"We do not make any direct payment, in the sense of rental, to Spain. * * * We have provided military and economic assistance in accordance with bilateral military assistance and economic assistance agreements. * * * The United States agreed (in 1953) to support Spanish defense efforts for agreed purposes by providing military end-item assistance * * * to contribute to the aid defense of Spain and to improve the equipment of its military and naval forces.

Spanish railroads and other public utilities have received heavy grants for both modernization and new starts. Some available figures show $14,900,000 for modernization of the Spanish national railways. The Union Electrica Madrileña received $3,900,000 for rehabilitation of its hydroelectric system. An electrical switchgear plant received $350,000. And General Electrica Española received $1,200,000 for its power system. How much more has been contributed to these and other public utilities has not been revealed.

Spanish steel is another beneficiary in the lush handouts. The United States spent at least $55 million on that industry, the money coming from several sources. Direct aid to the industry to June 30, 1962, has amounted to $8,413,000. Export-import credits for the same period have amounted to $38,100,000. Since 1962, no figures have been allowed to be known. Spain has also obtained World Bank loans for steel, in large part in U.S. dollars. The World Bank does not break down its loans by industries, hence the amount for Spain's steel is not of record. The recipients of these various funds have been five big steel concerns, in each of which Spain's Government has an interest.

Faced by mounting opposition to still more U.S. altruism in Spain, and by the prospect that the bases agreements will be terminated within a few years, Dictator Franco has begun turning to France for loans to be used in a 4-year development program. By way of pump primer in an announced $5.6 billion program, he has just negotiated a $150 million French loan for the further development of Spain's steel and other industries. The iron and steel output is to be raised to 4.5 million tons by 1967.

The French, unlike the Americans, provide no easy money. Commercial interest rates are charged, and there are to be reciprocal advantages for France. France has a voice and even a veto in the redistribution of loan money. One of the aspects of the program is that France is to collaborate in the installation of atomic power in Spain. At the same time, Spain has begun raising tariff barriers against the importation of steel, but with favored treatment for France.

One aspect of the 4-year program is a speedup of farm mechanization. This will benefit the big landed proprietors; it will further reduce work for the farmhands of the latifundios of Andalusia and Extremadura, who already are systematically held to near starvation on the theory that chronic hunger keeps them dutiful and helps Franco make a showpiece of his "stabilized" country. The program will also drive thousands of poor tenants off their farms.

It is evident that, as missiles make the intercontinental bomber fleet obsolete, the Spanish bases are losing their strategic importance. Evidence that the whole program is petering out is the prospective handing over to Spain of the Zaragoza base and the pipeline. The big question is what will become of the major naval base at Rota, intended to be a permanent rendezvous for the U.S. 6th Fleet in the Mediterranean. The agreements respecting that base's future permanent use are, needless to say, exceedingly secret. Will it be a Guantanamo on the Iberian Peninsula—a source of future misunderstandings between the two countries? Spain has given a hint of its right of sovereignty over Rota by refusing to allow U.S. atomic-powered submarines to gather there. The real reason for this has not been told in this country. The fact is that not only Spain, but some members of NATO as well, object to such use. Franco is piqued because the United States has not succeeded in making Spain a regular full-time member of NATO. He says that since the atomic fleet is part of NATO, Rota is no place for it to be stationed. The objecting members of NATO say the same thing.

Franco is unlikely to kick the United States out of Spain, as has been suggested. The American presence there in some form or another is far too important a source of strength to Spain's neonazism to make Franco or his successor wish to do that. But the answer to "What happens next?" depends on whether America's future policy toward Spain is to be dominated by the Pentagon, as now, or by the civilian authority.

EXHIBIT 2

[From the Washington Post, Jan. 28, 1964]

CIA MISSION SEEN AIMED AT CUBANS

MADRID, January 27.—Central Intelligency Agency Director John A. McCone, taking what appears to be an unusual role in U.S. foreign affairs, reportedly is trying to talk Gen. Francisco Franco out of trading with Cuba.

Spain is considering a $50 million shipbuilding deal with Cuba. The CIA recently released a report, which has been disputed, saying that the Soviet bloc was in much more serious economic difficulties than had been believed. It suggested that a denial of economic aid to the bloc would permit the West to exert powerful leverage.

McCone apparently is stressing this view in his talks with Franco Monday and Tuesday. Although neither American nor Spanish sources will discuss McCone's mission, it is believed that he will talk with other European leaders after leaving Madrid.

Meanwhile, a four-man Cuban delegation arrived from Havana to explore the possibility of increasing imports of electrical goods from Spain.

[From the Washington Post, Jan. 29, 1964]

McCONE ON TOUR OF FIVE CITIES IN WEST EUROPE

John A. McCone, Director of the Central Intelligence Agency, is visiting five West European cities to "exchange views on matters of mutual interest," the State Department said yesterday.

McCone left Washington January 18 and will return January 31, press officer Richard I. Phillips said. McCone has been in London, Paris, and Madrid and will go to Berlin and Rome, he said.

The State Department spokesman made the announcement after reports were published from Madrid that McCone was trying to talk Gen. Francisco Franco out of a big shipbuilding deal with Cuba.

Phillips said McCone is accompanied by his wife.

[From the Washington Post, Jan. 30, 1964]

CUBA TRADE EXPANDED BY MADRID

BARCELONA.—Despite U.S. concern, Spain is expanding her trade with Cuba.

A 350,000-ton sugar deal worth $81 million has been arranged to be paid for in part with fishing trawlers worth $51 million.

Some U.S. Government officials have hinted at a possible suspension of American aid. In reply, the state-controlled Spanish press accuses the United States of hypocrisy and stresses Spain's historic links with Cuba.

Spain still pays lipservice to fascism and jails not only Communists, but also Socialists and even Christian Democrats. Yet it is on good terms with Cuban Premier Fidel Castro partially because the key economic positions in Spain since 1958 have been held by men whose aim is to eliminate ideology from politics.

STABILIZED ECONOMY

These technocrats are all members of the Opus Dei (God's Work) lay order, a powerful body whose ends are not exclusively religious. They have managed to stabilize the economy, through the tourist trade and a strict policy of austerity. The 5-year plan of development, which is just getting underway, is their brainchild.

Spain's growing industry needs outlets, and Cuba is a customer.

For years Spain has been doing good business with Eastern Europe. Since 1962, Poland and Czechoslovakia have had stands at the international trade fair in Barcelona—despite initial protests from the Falange, Spain's only legal political party.

The Spanish consulate in Bern is one of the busiest in Europe. It handles all the trade with the Soviet Union.

The Barreiros motor works, which established a linkup with Chrysler last year, is sending trucks and tractors to Communist China.

NO PROTEST MADE

None of this has ever given rise to protest from the United States.

Last year, exports to Cuba amounted to $12 million, 1.7 percent of Spain's total exports. Spain imported mainly sugar, tobacco and rum. She exported rice, lentils, potatoes, paper, football boots, wine, olive oil, steam cauldrons and grapes.

In the last few weeks, Cuban trade commissions have visited Spain to negotiate the purchase of electric trains and machinery. They have taken home several million dollars' worth of books and a substantial consignment of eggs.

Undeterred by the American "blacklist," maritime companies do business with Cuba, while the airlines linking both countries carry the majority of passengers traveling to and from Western Europe.

The whole idea of an economic blockade to force Castro out of power meets with skepticism here. General Franco's regime survived total boycott after the civil war—without being able to count on the Soviet bloc to keep it going.

[From the Christian Science Monitor, Feb. 1, 1964]

THE CAUDILLO MANEUVERS

The Spanish Caudillo is playing a diplomatic game in some ways like that of the French President. Not that General Franco is dallying with Communist China: he is not quite that much up to date. His flirtations are with the Soviet Union and Cuban Premier Fidel Castro. The Spanish willingness to build ships for Cuba has now been well publicized. Less note has been taken, however, of hints of a possibility of the opening of diplomatic relations between Madrid and Moscow. At a New Year's reception in Paris, the Soviet Ambassador reportedly toasted the Spanish Ambassador with the remark: "To the establishment of diplomatic relations between Spain and the Soviet Union."

General Franco's gestures in the direction of Havana and Moscow can be explained, like some of General de Gaulle's moves, as a reaction to U.S. policy toward his country. Last year, the Spaniards failed, despite strenuous efforts, to get extra concessions from Washington as the price for renewing the agreement on American bases in Spain. One of Madrid's most earnest desires was for admission to the North Atlantic Treaty Organization; but the United States got the base agreement renewed without arranging even that for the Caudillo.

Quietly, it seems, General Franco is now having his revenge. Yet his domestic problem puts him in a much more delicate position within Spain than that of General de Gaulle in France. To begin with, the latter's modified authoritarianism carries with it few of the liabilities of the Caudillo's stifling and sometimes harsh dictatorship. Pressures against the Franco regime have been building up for a long time—even among those who have no desire to take Spain anywhere left of center.

To many Spaniards, the failure of General Franco to get what he wanted from Washington was a failure of Opus Dei, a secret organization of rightwing Catholic laymen which has won control of several key posts around the Caudillo. Its critics say it is much more concerned with the economic well-being of the class it represents than the social progress of the country as a whole. These critics are naturally of the left—of the left, that is, in a Spanish, not a Marxist sense. General Franco's gestures toward Moscow and Havana might well be intended to spike their guns, as well as to spite Washington.

PRESIDENT JOHNSON SEEKS TO PROTECT HOMEOWNERS AGAINST SHODDY CONSTRUCTION

Mr. GRUENING. Mr. President, the housing message sent to the Congress this year by President Johnson recommends that authority be provided for the FHA and the VA to finance the correction of substantial deficiencies.

This recommendation puts meaning into the words "FHA insured." It gives to American home consumers a long-overdue protection against the major defects they may find in homes which are purchased through the FHA or the VA.

It embodies the sense of the language I and others of my colleagues have proposed in the 87th and 88th Congresses, in S. 3460, which I introduced in the previous Congress, and S. 1200 which I introduced on March 28, 1963.

This is a wonderful victory, one which truly brings hope to millions of homeowners. The protection for the consumer which I have proposed is embodied in S. 2468.

President Johnson is to be highly commended for his forthright attack against the housing inequities and problems which confront far too many citizens of this land.

Senate bill, S. 2468, introduced by the distinguished junior Senator from Alabama [Mr. SPARKMAN] contains the proposed amendment to section 204, title V, of the National Housing Act to which I have referred which will, in large measure, restore the faith of the consumer in the words "FHA insured." Its title is "Expenditures To Correct or Compensate for Substantial Defects in Mortgaged Homes."

I ask unanimous consent that the text of this proposed section be printed in the RECORD at this point in my remarks.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

CORRECTION OF SUBSTANTIAL DEFECTS IN MORTGAGED HOMES

SEC. 204. Title V of the National Housing Act is amended by adding at the end thereof the following new section:

"EXPENDITURES TO CORRECT OR COMPENSATE FOR SUBSTANTIAL DEFECTS IN MORTGAGED HOMES

"SEC. 517. (a) The Commissioner is authorized, with respect to any property improved by a one- to four-family dwelling approved for mortgage insurance prior to the beginning of construction which he finds to have structural or other major defects affecting the livability of the property, to make expenditures for (1) correcting such defects; (2) paying the claims of the owner of the property arising from such defects; or (3) acquiring title to the property: *Provided*, That such authority of the Commissioner shall exist only (A) if the owner has requested assistance from the Commissioner not later than four years (or such shorter time as the Commissioner may prescribe) after insurance of the mortgage, and (B) with respect to property encumbered by a mortgage insured under this Act after or not more than three years prior to enactment of the Housing and Community Development Act of 1964.

"(b) The Commissioner shall by regulations prescribe the terms and conditions under which expenditures and payments may be made under the provisions of this section, and his decisions regarding such expenditures or payments, and the terms and conditions under which the same are approved or disapproved, shall be final and conclusive and shall not be subject to judicial review."

Mr. GRUENING. Mr. President, President Johnson, in his housing message, calls attention to the fact that "the partnership between private industry and Government—exemplified by Federal guarantees and insurance of private housing credit—has made possible good housing and widespread homeownership for millions of our citizens."

The President says:

> I intend to encourage—through legislative proposals, where necessary—even more effective cooperation between Government and

> industry for the joint benefit of homeowners, tenants, and the industry itself. To this end, I am proposing a number of modifications in the statutes governing our self-supporting mortgage insurance and marketing programs which will improve their efficiency and usefulness. Among these will be the following proposals:
>
> (1) To provide relief in those isolated cases in which, despite the care exercised by builders and the Federal Housing Administration and the Veterans' Administration, substantial defects develop in new construction they have approved, I recommend that authority be provided for the FHA and the VA to finance the correction of substantial deficiencies.
>
> (2) To make certain that no legislative barriers exist to discourage or prevent mortgage lenders and the Federal Housing Administration from cooperating to help delinquent mortgagers in deserving cases, I recommend that FHA's claim and forbearance authorities be amended to encourage the temporary withholding of foreclosures against homeowners who default on their mortgages due to circumstances beyond their control.
>
> (3) To expand our concerted effort to substitute private credit for Federal loans, I recommend provision of legislative authority for the pooling of mortgages held by the Federal National Mortgage Association and the Administrator of Veterans' Affairs, and the sale of participations in such pools.

This is good and heartening news to the U.S. home buyer.

The need to make the words "FHA insured" mean what they say were vividly and heartbreakingly brought to my attention by some 50 homeowners living in a new FHA-approved home construction development named Eagle River Heights, near Anchorage, Alaska. Their homes, their FHA-approved dwellings had numerous major and minor defects. They ranged from buckling wall paneling, to inadequate heating facilities, to the use of secondhand pipe for plumbing, and to improperly installed storm doors and windows, to name but a few flagrant shortcomings.

When this situation was brought to my attention by the properly indignant home purchasers in January 1962, I went to work to see what could be done.

Subsequently, after a thorough examination of the incriminating evidence, evidence so clear that one could hardly overlook it, I introduced on June 21, 1962, S. 3460, a bill to put meaning into the words "FHA insured."

The bill received favorable comment and was endorsed by then Federal Housing Administration Commissioner Neal J. Hardy.

And the defects in the Eagle River homes were corrected, thanks to the positive action of FHA officials. They deserve the highest acclaim for their prompt and effective remedial steps, an attitude which unfortunately is not found in all Federal agencies. The cost of repairs totaled $100,000.

In the months which have ensued since I introduced on March 28, S. 1200—to obviate similar deficiencies throughout our Nation—identical to S. 3460 of the 87th Congress—I have received many letters urging enactment of the bill. Eleven of my colleagues, representing various areas of this Nation have joined as cosponsors. They are the junior Senator from Minnesota [Mr. MCCARTHY], the senior Senator from Nevada [Mr. BIBLE], the senior Senator from Pennsylvania [Mr. CLARK], the senior Senator from Connecticut [Mr. DODD], the senior Senator from Illinois [Mr. DOUGLAS], the late senior Senator from Tennessee [Mr. Kefauver], the junior Senator from Montana [Mr. METCALF], the senior Senator from Oregon [Mr. MORSE], the junior Senator from Utah [Mr. MOSS], the junior Senator from New Jersey [Mr. WILLIAMS], and the junior Senator from Ohio [Mr. YOUNG].

Hearings were held October 17 and 18, 1963, on S. 1200 and a similar bill, S. 2226, introduced by my able colleague from New York [Mr. JAVITS]. They were presided over by Senator SPARKMAN, the able chairman of the Senate Banking and Currency Subcommittee on Housing. The need for such legislation was explored and documented in detail.

The knowledgeable and capable Administrator of the Housing and Home Finance Agency, Dr. Robert C. Weaver, told Chairman SPARKMAN that the Housing Agency "recommends enactment of legislation to correct major defects in property the homeowner has purchased with the assistance of FHA mortgage insurance."

Today we see the work of various individuals, the identity of some of whom we will never know, bearing fruit. Their efforts mean the homeowners of America may be better served.

Perhaps the testimony of Arthur M. Watkins, a professional writer, author of books and magazine articles about housing and homebuilding, best sums up the reasons for this type of consumer protection. Let me quote from the conclusion of his remarks during the hearing:

> Mr. WATKINS. I have one other point to make. I think a bill such as Senator GRUENING's will actually be good for builders, the whole building industry, and everybody, because it could well result in more sales of new houses.
>
> Many people today do not buy new houses or are hesitant about buying because of fantasies in their mind and suspicions. Whether ill founded, or for one reason or another, they nevertheless are suspicious of new houses. They, therefore, will not buy, when in many cases they want to buy, a new house.
>
> If they could be assured absolutely that the house is guaranteed, I think this could be good for everybody. It would sell more houses for builders. It could be a tonic for the entire industry as well as the country.
>
> Another question raised in opposition to the bill is that some people claim that cases of defective houses are very rare and isolated cases. If that is true, then carrying out this bill, administering it, and running it, will be a simple matter.
>
> I noticed another thing in the Washington Post today, an article saying, "Builders Criticized on Obsolete Methods."
>
> Here I would like to speak up in defense of the builders. It is on page 6 of the October 18, 1963, Washington Post. It says, in effect, that the builders are always the villains and that every time there is a bad house or a high-cost house, blame it on the builders.
>
> As I said before, we should not overlook the fact that again it is the "system." No single builder, however bright, smart, or experienced, can know everything there is about heating, wiring, cement, framing, and so on, that goes into his houses. That is why a large builder like Bill Levitt will have a staff or 15 or 20 topflight architects and engineers. But very few builders can afford such staffs.

When I testified before the Senate Housing Subcommittee I said that I was not concerned with the mechanics of securing protection for homeowners and homebuyers. I said:

> My concern is that the protection be available to both and that it be made available as quickly as possible.
>
> Pride of authorship in this legislation is incidental, but pride in the integrity of our Government is paramount.
>
> I urge that this subcommittee take action to restore the consumer's faith in Government by making certain that the words "FHA insured" truly mean the same to all persons.

We have taken another important step along the road toward restoring the consumer's faith in Government with the introduction of S. 2468, which embodies the recommendations made by President Johnson.

But legislative history being written has not been confined to the efforts of the Senators to whom I have referred. The history has been written, too, by Members of the other body. They are Representative ALBERT RAINS, of Alabama, Representative BENJAMIN ROSENTHAL, of New York, and Representative JAMES ROOSEVELT, of California.

We are moving ahead and are stronger for this reaffirmation of good government.

PRESIDENT JOHNSON SUPPORTS ISRAEL'S RIGHT TO ITS SHARE OF THE JORDAN'S WATERS

Mr. GRUENING. Mr. President, President Johnson deserves the highest commendation not only of the people of the United States but of the world for his most recent practical steps to bring peace to the Middle East. In that troubled crossroads of the world, water is the essence of life.

The recommendation of the Eric Johnston Committee was that the waters of the historic Jordan be divided on an equitable basis between Israel, Syria, Jordan, and Lebanon. Israel, following this recommendation, has made preparations to divert to its arid lands a just portion of the waters of the Jordan.

Yet, despite the reasonableness of Israel's actions, the leaders of the Arab nations meeting recently in Cairo, and still pursuing relentlessly their determination to drive Israel into the sea, have made threats against that little nation if it persists in diverting even those waters recommended by the Johnston Committee. This is all the more unjustifiable since Jordan has already diverted water for the East Ghor irrigation project—a project financed in part by the United States under our foreign aid program.

Yet, here is Israel, of all the lands in that area, the true—and only—bastion of democracy, forced to spend an excessive amount of its sparse resources in order to purchase arms to be ready to defend itself, and still planning to spend of its remaining reduced resources to irrigate its desert lands with the waters of the Jordan, yet threatened with armed violence by its far more populous neighbors if it should carry out its plans.

President Johnson's forthright and enlightened statement yesterday in New York provided much needed reassurance to Israel that it can carry out its plans with the comforting knowledge that in this proper peaceful pursuit it can count on the support of the United States. President Johnson's characterization of the uses of water is most appropriate. He said: "Water should never be a cause of war—it should always be a force for peace."

In that spirit President Johnson offered to cooperate with Israel and the other nations in the Middle East to do research to turn salt water into fresh. With characteristic initiative, Israel has been working on this important project.

I sincerely hope that the nations of the Middle East will at long last beat their spears into plowshares and cooperate one with the other to make green again their vast sandy wastes. It is high time that the Arab nations ceased their aggressive warmongering tactics which keeps the Middle East in a ferment, and adopted instead a policy of "live and let live." If they were wise they would, instead of plotting ceaselessly to destroy Israel, instead emulate it and adopt a policy for their own people of education, irrigation, and sanitation.

I ask unanimous consent that excerpts from the account in the New York Times of February 7, 1964, of President Johnson's statement on water development in the Middle East be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOHNSON PLEDGES ISRAEL WATER AID WITH ATOM POWER—TELLS GROUP HERE UNITED STATES HAS OFFERED TO POOL RESEARCH TO EASE MIDEAST CRISIS

(By Homer Bigart)

President Johnson disclosed last night that the United States had offered to cooperate with Israel in using nuclear power to help solve the water shortage in the Middle East.

Israel has indicated she will divert water from the Jordan River to meet her needs—a project that threatens war between Israel and the Arab States.

Mr. Johnson said this country had begun discussions with representatives of Israel on cooperative research to turn salt water into fresh water by the use of nuclear power.

The President, speaking in the Waldorf-Astoria at the annual dinner of the American Committee for the Weizmann Institute of Science, did not mention Israel's projected diversion of water from the Jordan. He did stress, however, the importance of finding a peaceful solution to the recurrent crisis.

PRIORITY FOR PEACE

"Water should never be a cause of war—it should always be a force for peace," the President solemnly told more than 1,700 guests. And he added: "Peace is first on our agenda."

Last night in the ballroom of the Waldorf-Astoria the President was cheered for his sympathetic references to Israel.

WATER OFFER WIDENED

The President hastened to add that the American offer to cooperate with Israel in a search for ways to turn salt water into fresh water was also open to "other countries," presumably Israel's Arab neighbors.

"We are equally ready," he said, "to cooperate with other countries anxious to cure water shortages. This would be part of a general program for pooling experience and knowledge in this important field. The International Atomic Energy Agency is a focal point in this program.

"In this way we can demonstrate the constructive meaning of man's mastery of the atom. We can pool the intellectual resources of Israel, America and all mankind for the benefit of all the world. And we can better pursue our common quest for water."

The discussions with Israel mark the first joint venture of the United States and another country in important desalinization research.

The President warned that the project was difficult.

"I promise no early and easy results," he said. "But the opportunities are so vast, the stakes are so high, it is worth all our efforts and all our energy."

COMPENSATORY PAYMENTS, SOUND AGRICULTURAL POLICY

Mr. HUMPHREY. Mr. President, the January 6, 1964, issue of the American Farm Bureau Federation Newsletter carried an article entitled "Compensatory Payments To Be Issued in 1964 Farm Debates." Recently I addressed the membership of the Farm Bureau at its annual convention in Chicago. I know how seriously the Farm Bureau reviews its policy statements and the importance it attaches to them.

In my address I spoke of many factors affecting agriculture, including my proposal for wheat embodied in S. 2258. My wheat bill provides for deficiency or compensatory payments under specified conditions. The American Farm Bureau Federation statement on compensatory payments deserves respectful and objective analysis.

I have examined each of the Farm Bureau arguments as related to S. 2258. Also, I have analyzed the Farm Bureau position on compensatory payments in light of policy positions enunciated with respect to other areas of agriculture from the standpoint of consistency.

First, it should be noted that the Farm Bureau proposes the following guidelines for measuring policies for agriculture, and I quote:

> Policies affecting agriculture should increase economic opportunity for farm people; promote efficiency in the farm business; protect the competitive principle; be consistent with the law of supply and demand; strengthen the market system; stimulate market expansion; encourage soil and water conservation.
>
> Policies affecting agriculture should not open the way to price fixing; stimulate excessive production; permit development of monopolies; erode individual freedom; freeze historical production patterns; encourage use of synthetics or other substitutes; shift adjustment burdens from one producer group to another; increase farm production costs; make farmers dependent on Government payments.
>
> If farm people are to enjoy freedom, we must accept the discipline of competition. We reaffirm our desire to move as rapidly as possible to the market price system.

Second, the Farm Bureau indicates support of the present peanut, tobacco, and rice marketing quota programs. Support also is given to the present type of sugar program with the overall recommendation that a larger percentage of the growth in sugar consumption be reserved for domestic producers.

Third, the Farm Bureau supports the Agricultural Act of 1958 as related to cotton, including marketing quotas and price support of 30 cents a pound for 1964 crop cotton and thereafter at 90 percent of the preceding 3-year average.

Fourth, the Farm Bureau recommends that farmers not be forced to compete with the Commodity Credit Corporation for markets. The Farm Bureau recommendation states, and I quote:

> The original purpose of commodity loan programs was to avoid glutted markets at harvest time and to encourage orderly marketing throughout the year.
>
> Government owned surpluses should not be released for unrestricted domestic use at prices representing less than 115 percent of support levels, execept as offset by comparable purchases in the open market.
>
> By permitting the market price system to function, this policy will provide farmers with a better economy and more effective markets.

Fifth, there is a statement on private competitive enterprise, as follows: "We believe in a competitive business environment in which supply and demand are the primary determinants of market prices, the use of productive resources and the distribution of output."

Sixth, with respect to compensatory payment, the Farm Bureau policy statement reads as follows:

> Compensatory payments are proposed in a variety of forms. Regardless of form, this approach is unsound and dangerous to our economic and political system. It would stimulate production, increase unit costs, depress market prices, necessitate tight production controls, and make farmers dependent on congressional appropriations for much of their total income. It also would be extremely costly.
>
> Increasing costs would invite limits on payments to individuals, and this would place a ceiling on opportunity.
>
> Payment programs mislead the buying public with respect to the value of farm products, as a part of the real cost is paid through taxes rather than at the store. This is a trap for producers and ultimately would be a trap for consumers, since it would encourage inefficiency.

Fundamentally, my analysis reveals that some of the Farm Bureau policy positions are mutually contradictory. Some of the criticisms of deficiency payments are not applicable to the Humphrey wheat proposal. Some of the criticisms of deficiency payments are emotional rather than economic. Some of the criticisms of deficiency payments are equally applicable to some of the programs supported by the Farm Bureau.

One of the major Farm Bureau criticisms of deficiency payments is that they would place a "ceiling on opportunity." Can anyone reasonably argue that the present systems for acreage allotments backed up by marketing quotas for cotton, peanuts, rice, and tobacco—all Farm Bureau supported programs—do not place an effective ceiling on opportunity? The ceiling on opportunity argument certainly is not applicable to S. 2258, which is voluntary, with no payment limitations. It is not backed up by marketing quota penalties. Any farmer can harvest as much wheat as he wants and pays no penalty. He is offered a choice not available under the four marketing quota programs.

Also, there were payment programs in effect in 1963 for wheat, feed grains, wool, and sugar. None of these had farm payment limitations on each farm.

The argument is advanced that deficiency payments would stimulate production. This argument is not valid with respect to S. 2258. Payments are based on normal yields of planted acreage with reduced amounts for the export portion.

If payments were based on total actual production, this argument might have some degree of validity. Actually, the present programs for cotton, tobacco, rice, and peanuts, involving support of the entire production of the allocated acreage are much more production stimulating than S. 2258. I want to make it clear, however, that I am not being critical of these programs. Each commodity must be looked at from the standpoint of what type program it best lends itself.

Another Farm Bureau argument is that deficiency payments would depress market prices and necessitate tight production controls. The four commodity programs supported by the Farm Bureau necessitate tight production control. S. 2258 is voluntary and does not. With respect to depressing market prices, the comparison has only some validity if high payments are made on unlimited production. As a matter of cold economic fact, S. 2258 is one way to make the free market really function, for supply and demand become the primary determinates of market price—an objective keenly sought by the Farm Bureau.

Another argument is that direct payments would be extremely costly and would be dependent on congressional appropriations. First, the Humphrey wheat proposal is one way that Congress can really budget what it wants to spend for assisting wheat growers. The techniques for the four marketing quota crops do not lend themselves to such budgeting. With respect to dependence on congressional appropriations, this is true for all programs, including the four marketing quota programs—cotton, wheat, rice, and peanuts.

The argument is used that deficiency payments create a governmentally subsidized cheap food and fibers policy. This assumes that the use of deficiency payments would not be carefully circumscribed. It should be noted that under S. 2258 the loan level for wheat is the world price level—exactly the same as provided for in the Farm Bureau proposal. As a matter of fact, with the voluntary adjustments provided, it is expected that the free market price would rise above the 115 percent of loan. I feel confident that the free market price for wheat under the Humphrey proposal will be higher than under the Farm Bureau proposals with unlimited production.

Fundamentally, I believe that the Humphrey wheat proposal will facilitate orderly marketing through the normal channels of trade without the acquisition and sales by the Commodity Credit Corporation. Farmers would have more, rather than less freedom because they would have a choice. It would work for efficiency in production and marketing. It is sound.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial from the Southwestern Miller entitled "Direct Payment Wheat Plan," and an editorial from the Springfield, Minn., Advance-Press entitled "Congress Will Weigh New Farm Price Legislation."

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Southwestern Miller, Dec. 17, 1963]

DIRECT PAYMENT WHEAT PLAN

President Lyndon Baines Johnson demonstrated in the very short period that he has been in the White House that he will move with vigor on wheat legislation, which has been a source of great uncertainty since the defeat of the referendum on the certificate plan last May. Mr. Johnson's direct influence brought hearings last week on wheat legislation by the Wheat Subcommittee of the House Committee on Agriculture. With the alertness that the subject demands of milling and with the wisdom accumulated from long experience, the Millers' National Federation presented recommendations on the first day of these hearings that tower in practicability and constructiveness above all the proposals that have been submitted on wheat. The presentation, by Carl C. Farrington of the Archer Daniels Midland Co. as chairman of the federation's committee on agriculture, calls for a measure that would include "the use of direct payments to provide any income support that might be needed in addition to that available from sales in the marketplace, the loan program, and acreage adjustment payments." Further, the recommendations of the federation propose that "such direct payments, either in cash or in kind, be conditioned on participation in the conservation and acreage adjustment programs in effect at the time."

Along with the direct payment plan, the federation recommendations include a support level in line with the International Wheat Agreement and minimum use of export subsidies, voluntary acreage adjustments that aim for adequate reserves of the "various classes and qualities" of wheat and maximum utilization. As for the cost, Mr. Farrington stated that "substantial expenditures of Government funds may be required for several years, but these expenditures can be far less than the potential billion dollars of Government benefits projected by the Secretary of Agriculture under the 1964 certificate program." Also, the direct payment plan is comparable in principle to that which the House recently voted for cotton.

Commendation is due the federation for both its choice of this plan and for its appreciation of the problems of wheatgrowers, the grain marketing industry, and the Department of Agriculture inherent in the present wheat law. Mr. Farrington pointed to the estimate of the Department of Agriculture that, without a change in the existing law, farmers' gross income from wheat would decline by some $600 million in 1964 from the annual level of $2,400 million in recent years. He also cited a fact which the Nation cannot anticipate with composure—that "such a drastic decline would involve severe hardship to many wheatgrowers and to the communities and businesses that service wheatgrowers." The House committee also was told that the present situation could result in the imposition of penalties on wheat and flour exports and the institution of controls and procedures with respect to exports that would be repugnant to all of us.

The direct payment plan, which has been found very successful in England in satisfying growers and in maintaining free markets on a world basis, has been advocated by many students of the problem of wheat. A number of the legislative recommendations by the federation already are provided for in a bill introduced by Senator HUBERT H. HUMPHREY, of Minnesota. Such an approach is being strongly urged by important elements in the grain trade and has won conditional support of the Chamber of Commerce of the United States. Robert C. Woodworth, prominent retired grain man of Minneapolis, who represented the national chamber before the subcommittee last week, said that the Humphrey direct payment plan on a gradually diminishing basis offers a solution to the wheat dilemma.

The plan would involve no bread tax or processing levy on milling such as that which the defeated certificate program would have imposed if wheatgrowers had failed to realize its implications. The complications of the certificate plan, or bread tax, alarmed milling and baking when the vote on it was impending and still alarms processors and the wheat trade. The direct payment plan is simpler and more workable. In fact, it would make possible healthier marketing domestically and internationally and help to add to the consumption of wheat.

[From the Springfield (Minn.) Advance Press]

CONGRESS WILL WEIGH NEW FARM PRICE LEGISLATION

The 1964 Congress session will face a demand for further farm legislation. After 30 years of legal experimenting, the farm situation is very little improved so far as the principal crops are concerned. Cotton farmers are having a bad time, and the wheat program may be remodeled since the wheat referendum threw a monkey wrench into the machinery.

The huge wheat surplus held by the CCC is the fly in the ointment. It far exceeds the reasonable limit required to guard against a food shortage. It is a white elephant. It was accumulated through price supports. When private buyers would not pay the support price, Uncle Sam had to take the wheat, and now Uncle Sam has too much.

Senator HUMPHREY told the American Farm Bureau Federation at Chicago that he has a new wheat bill which the Bureau should study, as it embraces features supported by the Farm Bureau. However, he pointed out that his bill provides for direct payments, and the Farm Bureau says it opposes direct payments, has opposed them since proposed by Secretary Brannan.

Congressman POAGE, of Texas, says Brannan was not the author of the plan, that direct payments were part of the 1935 act 11 years before Brannan became Secretary of Agriculture. He says it was then known as the "Oscar Johnson plan" and was favored by the Farm Bureau as then constituted.

The Farm Bureau today is a different organization from what it was in the thirties. Originally it supported the New Deal farm program. Its national president, O'Neill, was a Roosevelt Democrat. In Minnesota the Farm Bureau hired the county agent.

While the Farm Bureau opposes direct payments, it approves the sugar program, in which direct payments play an important part. It approves the land retirement plan, even favors putting whole farms into the soil bank and paying the owner for idling his acres.

Of direct payments the Chicago Farm Bureau resolutions say they would stimulate production. Not if the payments were limited to small sums, as they should be. Big farmers who belong to the Farm Bureau and who harp on a free market and no controls could then plant all the wheat they wanted and take their chances just as the farmers did 60 years ago. We had no surpluses then and would have none if each farmer got direct payments on a limited number of bushels, say parity on first 1,000, 90 percent on second 1,000 and so on. Marginal lands of large producers would revert to grass.

Favoring direct payments are the Farmers Union, Grange, and NFO. The United States already is making direct payments on sugar, which all farm organizations favor, and on wool, which the Farm Bureau does not mention in its resolutions, so evidently that's OK. The Bureau resolutions approve the peanut program and tobacco program, whatever they may be. We don't raise those crops in Minnesota. It's nice to see the Bureau favoring some existing legislation, anyway.

Canada has direct payments for eggs, and there is no good reason why we shouldn't have, as more farmers raise eggs than any other crop and it would help the small farms uniformly. We should also have direct payments for dairy products, limited in amounts, of course, so as to keep the small farmer on the farm.

The Farm Bureau says (in its resolutions passed at Chicago) that policies affecting agriculture "should not make farmers dependent on Government payments." In the very next paragraph it favors "retirement of whole farms," the farmer to be paid in cash or in kind.

The Farm Bureau says compensatory payments would depress the farm market. What if they did? The public would get cheap food and fiber and could well afford to make the limited payments to the producers. Wouldn't that be better than subsidized land retirement that would mean higher market prices besides taxation to pay the subsidies? And doesn't it sound better to pay farmers for producing rather than for not producing?

I never could see any sense in paying a farmer for not raising corn. Better to pay him a decent price on his first thousand bushels through direct payments and graduate the payments so as to take care of all the small producers. The big boys want to paddle their own canoes, so let them. They'd get a taste of the benefits, so they wouldn't be discriminated against. And they'd plant less.

The Farm Bureau admits that direct payments will be an issue in this session of Congress. With three big farm organizations favoring it and labor friendly (because of low food prices), and considering the inconsistency of the Farm Bureau opposition, direct payments should have a good chance of adoption.

Direct payments will save the small farmer and the small towns. Small town businessmen should be for this program 100 percent. It's their best survival insurance.

THE 19TH REPORT OF THE U.S. ADVISORY COMMISSION ON INFORMATION

Mr. HUMPHREY. Mr. President, I am especially pleased to call the attention of the Senate to the appearance of the 19th report to Congress prepared by the U.S. Advisory Commission on Information. The report deals with the progress and problems of the U.S. Information Agency during 1963.

This Commission consists of five patriotic citizens appointed by the President and confirmed by the Senate. They represent the broad public interest and they are a bipartisan group.

The present members of the Commission include J. Leonard Reinsch, Chairman, of Atlanta, Ga.; Sigurd S. Larmon, of New York; Clark R. Mollenhoff, of Washington, D.C.; M. S. Novik, of New York; and John L. Seigenthaler, of Nashville, Tenn.

The evidence of their diligence and dedication to their task is seen in the fact that they take time away from their busy lives and meet as a Commission about once a month. Last year they met 10 times. Their meetings are devoted to deliberations and investigations of the policies, programs and operations of the U.S. Information Agency. Their purpose is to make constructive proposals and recommendations for the steady improvement of our foreign information, cultural and educational programs and policies.

Since 1948 when the U.S. Advisory Commission on Information was first established by Congress, this Commission has published 18 previous reports. And I have commented on them from time to time pointing up some of their timely annual reminders and suggestions aimed at wresting the initiative from the Communists in the worldwide ideological struggle for the minds of men.

The current report of the Commission, its 19th, again reminds us that although we are in a state of precarious military coexistence with the Soviets, ideological competition between us remains and will remain intense and fierce for a long time.

The Commission points out, wisely in my opinion, that—

> If the United States were in a hot war, USIA or its wartime equivalent, would constitute an important arm of the total war effort. Today USIA represents an investment in preventing hot war and in helping to create an atmosphere and conditions for the establishment of peace.

This investment, the Commission states, is frequently not well understood in the Congress. Much greater support will be necessary if the United States is to convey the message of freedom to farm, labor, and cooperative groups, to cultural and educational institutions, to those who practice the arts of communicating with the masses through the mass media of radio, television, press, motion pictures, publications, the libraries, and information centers, and to the youth and students of the world.

The 19th report to Congress is particularly important this year for it comes at a time when a distinguished Director of USIA, Edward R. Murrow, was compelled to resign because of illness. It therefore offers the new Director-designate, Ambassador Carl Rowan, a timely opportunity to obtain the counsel and advice of objective, outside and independent observers who are in a unique position to point out problems and opportunities. I know that Carl Rowan will take the time to read the report, digest its critique, and discuss with members of the Commission how some of the important problems listed in this report can be tackled and eventually solved.

The Commission notes continued progress in USIA. It commends the Agency's achievements in motion pictures, broadcasting facilities, publication, translation and distribution of books in Spanish and French for Latin America and Africa and the eminently successful USIA exhibits held in the Communist countries.

At the same time it proposes that USIA improve its operations in 15 specific ways in order to do an even better job. These include the need to—

Improve internal management, communication and coordination;

Reduce the number of its publications;

Seek outside evaluation of USIA print and radio programs;

Reduce the number of USIA buildings in Washington from 11 to 1;

Improve and strengthen long-range planning;

Expand the research program and use its results more effectively;

Obtain legislation for a career Foreign Service Corps;

Improve the Government's programs for orienting and training foreign specialists in mass communications;

Review and study the role of the Cultural Affairs Officer;

Restore the balance of the Agency's cultural programs;

Reconsider the USIA decision to reduce the number of libraries or information centers in Western Europe;

Assume full responsibility for planning and executing the President's trade fair exhibition program;

Explore the possibility of consolidating into one agency of Government the related but widely scattered programs in information, education, and culture;

Seek the advice and guidance of local Latin American practitioners of mass communications in presenting the Alliance for Progress to Latin America; and

Confine USIA's domestic public relations to a minimum and limit the distribution of its media products in the United States in accordance with the intent of Congress.

In this 19th report to Congress, the U.S. Advisory Commission on Information has restated the purposes and mission of USIA in the context of the progress that has been made, the need for greater congressional understanding and support and the problems that exist.

The Commission concludes that "at a time when a new President has assumed office the paramount objectives of USIA are to help project the permanent U.S. national interest, the continuity of U.S. policies, and to help maintain confidence abroad in American leadership. To accomplish these purposes, the Commission recommends that USIA seek solutions to its continuing problems."

I am confident that the new Director-designate, the present Ambassador to Finland, Carl T. Rowan, will find this report valuable to him as he takes over the reins at USIA. It contains guidelines based on many years of observation, experience, and reflection with the USIA.

I commend this report to my colleagues in the Senate. And I commend the U.S. Advisory Commission on Information for again bringing to our attention a useful and provocative report.

I ask unanimous consent that the contents of the report be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE 19TH REPORT OF THE U.S. ADVISORY COMMISSION ON INFORMATION

FOREWORD

This report on the activities of the U.S. Information Agency (USIA) was in preparation when the news of President Kennedy's assassination shocked the Nation and the world.

This tragic episode in our national history places an extra and immediate responsibility on the USIA to dispel any doubt as to the ability of the United States to maintain domestic tranquillity, law, and order.

If there is to be continuing understanding of our character, our strength, and our motives, it becomes increasingly evident that we must compete in the field of communication with those forces that seek every opportunity to distort, misinform, and mislead.

We must be strong militarily if we are to have a peaceful world. We must also be strong in leadership toward peace.

This Commission considers it vital that there be support by the administration, by the Congress, and by the public in building up a well equipped and skillfully manned information service.

The President must continue to have direct access to those who have expert knowledge and information about foreign opinion. This is of inestimable value in the formulation and presentation of American foreign policy to the world.

An immediate and continuing assignment of USIA is to project to the world the image of President Lyndon B. Johnson, his policies, his capacity, and the depth of his experience.

This can be of material assistance in maintaining U.S. leadership in the free world.

To the Congress of the United States:

The U.S. Advisory Commission on Information submits herewith its 19th report to Congress covering the calendar year 1963 in pursuance of the U.S. Information and Educational Exchange Act (Public Law 402) enacted by the 80th Congress on January 27, 1948.

This Commission consists of five private citizens appointed by the President and confirmed by the Senate for 3-year overlapping terms. Its members represent the public interest.

The purposes of the Commission are to "formulate and recommend" to the Director of the U.S. Information Agency (USIA) "policies and programs for the carrying out of" Public Law 402, to conduct appraisals of the effectiveness of the information, education, and cultural programs administered by the Agency, and to submit a report to Congress covering these policies and programs.

The general objectives of this act and thus of USIA are "to promote a better understanding between the people of the United States and the people of other countries." More specifically the act charges the U.S. information program with the responsibility for "disseminating abroad information about the United States, its people and policies promulgated by the Congress, the President, the Secretary of State, and other responsible officials of Government having to do with matters affecting foreign affairs."

In 1963 former President John F. Kennedy expanded these objectives of USIA. He charged the Agency with "advising the President, his representatives abroad, and the various departments and agencies of the implications of foreign opinion for present and contemplated U.S. policies, programs, and official statements." (See appendix for former President Kennedy's statement of the USIA mission.)

During the past year the Commission met 10 times in Washington, D.C. Regular meetings were held with the Director of the U.S. Information Agency and with members of his staff. The Commission also met with representatives of other public agencies and private organizations which are engaged in various aspects of international communication and exchange. These included the former Coordinator of the Alliance for Progress, Mr. Teodoro Moscoso; the Assistant Secretary of State for Educational and Cultural Affairs, Mr. Lucius D. Battle; the former Deputy Director of the Peace Corps, Mr. Bill D. Moyers; the president of Radio Free Europe Fund, Inc., Mr. Theodore C. Streibert; the president of American Committee on Liberation, Mr. Howland S. Sargeant; the director of the Armed Forces Radio and Television Service, Mr. John C. Broger; and the director of the Communications Research Center of Brandeis University, Mr. Louis G. Cowan.

These meetings provided the Commission with authoritative explanations of activities that are related to those of the U.S. Information Agency. They illuminated areas of coordination and revealed the degree of effort devoted to persuasion, information, and education programs that are directed at foreign countries by other institutions.

Members of the Commission met with President John F. Kennedy at the White House on January 28, 1963, for a presentation of the Commission's 18th report to Congress and for a discussion of the implications of the Commission's findings, conclusions, and recommendations.

On February 21, 1963, J. Leonard Reinsch, Chairman of the Commission, and Commissioner Clark R. Mollenhoff presented a bound copy of the Commission's 18th report to Congress to Senator KARL E. MUNDT, of South Dakota, in honor of the 15th anniversary of the passage of Public Law 402. Senator MUNDT is one of the two authors of this legislation.

On March 29, 1963, the Chairman of the Commission appeared before the House Subcommittee on International Organizations and Movements of the Committee on Foreign Affairs, and testified at its hearings which were devoted to an examination of the ideological aspects of the cold war.

The Commission wishes to commend the chairman of the subcommittee, Representative DANTE B. FASCELL of Florida, and his colleagues on the subcommittee for pursuing this difficult task. The hearings have shed light on the need for more effective interdepartmental coordination, the need for increased research, and the amount of useful work being performed under the auspices of private American business, labor, artistic and cultural organizations. The Commission looks forward to the completion of the subcommittee's hearings and the subsequent issuance of its report.

During the past year Chairman Reinsch visited U.S. Information Service (USIS) posts in Rio de Janeiro and Brasilia in Brazil, and in Lima, Peru. In Rio he attended the Fourth Inter-American Public Relations Conference.

Commissioner M. S. Novik visited USIS posts in Rome, Athens, Ankara, and Istanbul.

In its visits to oversea posts, the Commission finds signs of the growing maturity and professional competence of USIA personnel and of the cumulative impact of its work over the years. Led by an able Director, Edward R. Murrow, the USIA has moved forward in its twofold task of serving as adviser to the Government on foreign opinion and of disseminating abroad the information about our policies, intentions, and way of life that will help protect and advance the American national interest.

The Commission hopes that the Congress of the United States shares its confidence in the expanding potential of this important agency.

The U.S. Information Agency has become an integral part of the structure of the U.S. Government. As an arm of U.S. foreign policy, it receives its foreign policy guidance from the President of the United States and the Department of State. As an Agency with public information missions in 106 countries, 180 libraries or information centers in 86 countries, 70 reading rooms in 34 countries, and 149 binational centers in 33 countries, it symbolizes and represents the American presence abroad.

The Director of USIA reports to the President and participates in the deliberations of the National Security Council. He is present at Cabinet meetings. He attends the meetings of the Secretary of State. And he is represented at high-level interdepartmental meetings in Washington.

In pursuance of the USIA mission as outlined by the President, the Director offers advice concerning foreign public opinion.

Overseas, the principal representative of USIA is the public affairs officer (PAO). He reports to the Ambassador and advises him on public opinion factors abroad, a function which was previously handled by several people. Under the general guidance of the Ambassador he conducts the Embassy's information program. With his cultural affairs officer (CAO), the PAO also administers the cultural relations and educational exchange programs for the U.S. Government.

In Washington, USIA operations cooperate with many departments and agencies. Liaison is conducted with the Department of State, the Department of Defense, the Agency for International Development, the Peace Corps, and the Department of Commerce. Less frequent but important relations exist between USIA and other departments and agencies such as National Aeronautics and Space Administration, Atomic Energy Commission, Agriculture, Labor, Health, Education, and Welfare Department, the National Academy of Sciences, etc. This liaison between USIA and the domestic agencies enables the information program to disseminate to the world official views about various aspects of the American economy and the American scene.

It was clear from former President Kennedy's statement of mission for USIA that the responsibilities of USIA include explaining those activities of domestic agencies which have significance in the foreign field.

The cumulative growth of interdepartmental responsibilities combined with their intricate pattern of relationships have increased the burdens on the Director of USIA and on his immediate staff.

Thus, the Director must represent his agency at top-level meetings in Washington, with the committees of Congress and with the general public. He must also direct and manage the operations of a worldwide communications apparatus.

The coordination of these two functions has become more complex in the light of USIA's new responsibilities because more is expected from the Agency by those who formulate and conduct U.S. foreign policy.

PURPOSE OF THE U.S. INFORMATION AGENCY

The expanded authority, the increased functions and the evolving structure of USIA are designed to meet the following purposes:

1. As an arm of U.S. foreign policy USIA is the public relations adviser to the Executive in Washington and to the ambassador in the field. At the same time it functions as an accurate expositor abroad of U.S. foreign policies and programs.

2. As an information service it disseminates accurate information about the United

States through personal contacts and by means of the media of communications that are available to it.

3. As a propaganda apparatus in competition with the apparatus of international communism, it attempts to counter and correct Communist propaganda distortions and lies about U.S. policies and intentions.

4. As the cultural and educational arm of the Department of State in the field, it administers the cultural and educational exchanges and programs.

The above purposes are directed toward maintaining and developing U.S. leadership of the free world in the daily fluctuations of the cold war. They are implemented by USIA's continuing efforts to stimulate and develop abroad: understanding of the American economy, appreciation of American culture, confidence in American military strength, interest in American education, recognition of America's peace efforts, appreciation of American economic assistance, respect for America's scientific progress, awareness of America's agricultural abundance as well as bounty, balanced understanding of America's racial problems and progress, and recognition of America's space achievements.

USIA purposes abroad however are not all general and intangible. USIA helps stimulate American foreign trade, attracts and encourages foreign tourists to travel to the United States, publicizes the advantages and results of the multilateral Alliance for Progress program, promotes the food-for-peace programs, and points out important advantages and opportunities of the free world to student, youth, and labor leaders. Such endeavors have concrete results which are beneficial to the national interest.

Linked with accurate presentations of U.S. foreign policy and with continuous efforts to counter Communist distortions and false claims, these constitute some of the major purposes of a foreign information program.

The task of promoting and increasing foreign understanding of the United States and its policies is never ending. New generations abroad arise who need to be told of the distinctive American contribution to world peace, progress, and security and of the value of this contribution to their own hopes, problems, concerns, and goals. Allies and neutrals cannot be taken for granted and potential enemies must be countered whenever our national interests are at stake.

Insofar as USIA can inform foreign audiences about U.S. policies and the U.S. national interest, it is playing its role in developing respect for and confidence in U.S. leadership of the free world.

Some evidence that USIA is making progress in this role can be found in the Soviet's growing concern over the impact of the work of USIA. In 1963 the Soviet propaganda attack on USIA reached an alltime high. It has been extensive in volume and content. It has been continuous. Hopefully, it is a sign that the Soviets are worried about the growing skill and effectiveness of the U.S. effort.

Although progress is being made two important questions still face the Agency. The first is the need for greater support by the U.S. Congress for this type of 20th century diplomacy, and greater understanding of why its continued existence is necessary to the survival and prosperity of the United States. The second is the continual accumulation of unresolved problems that are both internal and external to the work of the U.S. Information Agency.

CONGRESSIONAL SUPPORT AND UNDERSTANDING

The Commission is concerned at a seeming lack of rapport between the Agency and some congressional leaders. A fuller understanding and support of the function of USIA is needed in the Congress.

Since 1948 three Presidents representing both major political parties have recruited men from universities, from business, from the civil service, from the newspaper and radio industries and from the diplomatic establishment to direct the Government's foreign communications program.

During the past 3 years the Agency has been directed by an experienced radio and television commentator and expert in communications. Despite a serious illness, Mr. Murrow has been dedicated to his task and has added prestige to the Agency. The record is clear that neither he nor any of the 11 directors of the U.S. foreign information program who preceded him has succeeded in communicating to the Congress of the United States an adequate understanding of the foreign information program. This Commission also has attempted, with limited success, to impress on the Congress the magnitude of the effort necessary to compete effectively in the cold war. However, USIA has not had the degree of support commensurate with its requirements and potential.

Congress has provided the appropriations necessary for the construction of more powerful broadcasting facilities in the new plant at Greenville, N.C. The construction of other broadcasting facilities throughout the world also testifies to the exercise of congressional willingness to appropriate funds for the acquisition of real estate and for the construction of technical facilities.

In this Commission's view it is just as important that adequate funds be provided for USIA's programs as for engineering and construction.

This Commission is convinced that if USIA is to discharge its mission as indicated by the congressional intent that underlies Public Law 402, and as expanded by President Kennedy's statement of mission for USIA, it must obtain additional support. In the worldwide competition with communism in information, education, and ideology, the evidence indicates the need for additional and better facilities, programs, personnel, and material.

It is difficult to reach decisions on the size of appropriations that should be made available to USIA because it is difficult to pinpoint and demonstrate the tangible results that derive from activities of the USIA. Positive results are gradual, long range, and cumulative.

The Commission believes that the Agency has a good case in its efforts to modernize, improve and stay competitive with the Communist propaganda apparatus. However, the Congress in its review of appropriations has periodically discovered examples of ineffective planning and administration of programs. The Agency should examine carefully the documented congressional complaints.

This Commission and its predecessors have long urged that the Agency, through a central mechanism in Washington and with the assistance of its country public affairs officers, examine and review the programs and media that are sponsored by USIA in Washington and by each post in the field. The purpose of this recommendation was to eliminate marginal, superfluous or outdated programs and media. This recommendation has not resulted in effective action. It is urged that in the future, the Agency present the results of such reviews to the Congress.

While the Commission believes that USIA's statement of fiscal requirements in the light of its expanded mission is generally realistic, the Agency must demonstrate a toughminded attitude toward the continuous task of weeding out programs or media that are no longer necessary.

In view of the expressed attitude of the Congress and of the admonitions and recommendations offered by this Commission the Agency is again urged to examine, study, and act on a number of accumulated problems which have been called to its attention.

CONTINUING PROBLEMS

Although this Commission recognizes improvements in USIA's prestige and posture, and in some of its products, several major problems remain which require continuing attention. Some will require decisions by USIA, some by the Congress, and some by the President.

1. Internal management, communication, and coordination: USIA is an Agency of complex and intricate operations. It consists of five operating or media services, six area or geographic offices, an Office of Policy, an Office of Research, an Office of Administration, an Office of Security, an Office of Private Cooperation, and the General Counsel—all in Washington. In any such organization, proper coordination of internal groups and offices is essential.

The Commission's last report to Congress called the Agency's attention to this matter. Although some steps were taken to work on this problem, it has not been resolved. The burdens that fall on the Director's office have increased sharply because of USIA's increased responsibilities to other Government agencies. The task of coordinating media and area offices internally, of integrating their plans and programs with each other and with research requires stronger and more concerted action. In addition, no effective device has yet been developed to communicate many of the problems and decisions of the top staff to lower echelons.

This is a problem facing all large-scale organizations, but it is especially important in a communications agency which produces so many different products, engages in such diverse activities and operates in over 100 foreign countries.

USIA may wish to consider the appointment of a permanent career administrator to furnish continuity in the top management of the Agency. His primary responsibility would be to insure that all facets of USIA's intricate operation are tied together more effectively. In addition, he would be responsible for providing the Director with continuing evaluations of the Agency's programs. Such an appointment would be in line with President Johnson's November 30, 1963, memorandum for the heads of departments and agencies in which he urged that each agency become "a model of good management and economical administration."

2. Reduction in publications: The Commission has not seen results from its recommendation that the Agency reexamine the number and nature of its publications. Changing conditions and targets call for a review to determine whether the need for publications authorized years ago has changed and whether these publications continue to serve useful purposes. The Commission renews this recommendation and hopes that a reduction in the number of publications can be effected whenever objective reviews disclose that they are no longer necessary.

3. Content review of print and radio: The Commission in its last report to Congress recommended that USIA establish outside committees for the purpose of improving the contents of Agency products by examining sample programs and output. No concrete action has been taken by the Agency.

The Commission reiterates this recommendation. It believes that such a review, conducted at least semiannually, will supply top management with the additional judgment of outside experts. Such advice will help improve the quality of the Agency's media products.

4. The need for one USIA building in Washington: There is a continuing need for a single facility to house all of USIA personnel and operations.

The Commission feels that one structure, to replace the presently scattered 11 buildings, would be more economical and would materially ease top management's task of improving the Agency's internal management, coordination and communication.

5. Forward planning: The Agency acted quickly on the Commission's recommendation to initiate forward planning considerations. More needs to be done and a clarification of the function is in order.

In its report to the Senate Committee on Government Operations, the Subcommittee on National Security Staffing and Operations issued a thoughtful study in January 1963. Its observations on "planning and action" are worthy of consideration.

The section on planning stated, "Planning in order to stop trouble before it starts is more difficult in part because it is hard for top officers to give it their attention and in part because of the confusion about the nature and purpose of planning."

"The object of planning is not to blueprint future actions. The object is to decide what should be done now in the light of the best present estimate of how the future will look. Planners think about the future in order to act wisely in the present."

Planning in USIA should examine the long-range aspects and implications of its present equipment and facilities. It should strive to ascertain new trends in communication techniques and research. It should also endeavor to identify countries of strategic importance to the United States in which USIA should concentrate its maximum energies and funds. It should help determine which media should expand, level off or decrease. In these and other ways forward planning can become a critical factor in the Agency's decisions on the nature, magnitude, and geographic location of its programs and therefore of its budget.

6. Research: Little progress has been reported on the Commission's recommendations to increase funds for research and for the better use of research in the planning, conduct and evaluation of specific USIA programs and operations. More needs to be done in this important area. Research results are not a substitute for creative and imaginative programs. They do serve as useful guides, they highlight problems, identify trends in public opinion and help in the selection of media and targets.

Research also raises critical questions concerning the impact of the overall information program. And it is an important aid to the long-range planner.

7. Career legislation: The Commission again recommends that the Congress provide USIA with the legal underpinnings that will enable its foreign service career corps to look forward to the emoluments and perquisites of a permanent foreign service career. Conditions of work, promotion, salary schedule, retirement and selection out procedures sanctioned by the Congress would finally give USIA officers treatment comparable to that received by foreign service officers in the Department of State.

8. Exchanges of specialists in mass communications: Whenever possible training seminars in mass communication should be held abroad. A few have been held in Africa and they should be expanded within the limits of the budget.

The Commission believes that USIA also has a special role to perform in encouraging and selecting outstanding foreigners who work in the major communications channels of their countries to visit the United States.

Although private and public agencies have sponsored visits of individuals in the press, radio, television, motion picture and publishing industries, the Commission believes that more systematic attention should be given to this category of exchangees by USIS officers in the field and by top officers in Washington.

These are the people who among other things report on America. They should be given opportunity to visit and study the land which they interpret to their own countrymen.

Although the Commission reasserts its belief that this type of training program can best be performed in the field, it recommends that when groups are invited to the United States, they should be small in number and of high caliber. Their itineraries and hospitality should be carefully planned and their course of study well selected. Their stay in the United States should seldom extend to more than 7 or 8 weeks. Individuals invited should be given a thorough orientation on this country for they cannot understand American communications without some insight into our society and way of life. Reciprocally, and whenever possible, American escort officers and teachers should be knowledgeable of the visitor's country. And after the foreign visitor completes his experience and tour he should be afforded an opportunity to share his observations with his sponsors.

The Commission recommends that USIA and the Department of State coordinate and focus their efforts more systematically on the steady development and improvement of this program.

9. The cultural affairs officer: When the U.S. Information Agency was established as an independent agency in 1953, the administration and planning of the exchange of persons program in Washington was unfortunately separated from it and lodged in the Department of State. The responsibility for executing and implementing the exchange program in the field however remained with USIA. The USIA officer who usually discharges this responsibility in every foreign post is the CAO. He is directed by the PAO and his work is integrated with the rest of the USIS mission.

The CAO's duties have grown over the years. Today, he not only administers the exchange program, he frequently supervises the information center, library or binational center. He encourages and assists local universities in establishing courses in American studies. He helps organize and arrange for cultural, artistic and musical presentations. In this manner, all U.S. cultural programs receive maximum planned publicity from local radio, press, television, motion pictures and from USIS libraries.

The Commission believes that with the growth of responsibilities in the cultural and educational field, it would be useful for USIA to conduct a study of its CAO's. This study would reexamine the standards used in recruiting CAO's, their training program, their relationship to the USIS mission, their management of the exchange program, and their progress and promotion rate in the Agency's foreign service.

10. USIS libraries in Western Europe: The Commission has been informed that USIA plans to eliminate a number of information centers or libraries in Western Europe to accommodate pressures for reductions in the Western European budget. The Commission questions the soundness of this decision.

These libraries have been developed over a long period of time. They represent a cumulative investment in the visible U.S. presence. They have become familiar, accepted, and respected American institutions in Europe and in other parts of the world. They have developed reputations for featuring a wide variety of useful educational, cultural, and information services to many appreciative and influential citizens. The Commission hopes that the decision to eliminate these libraries will be reconsidered.

11. USIA cultural programs: In earlier reports the Commission has called attention to the periodic shifts that USIA makes in its emphasis on information as compared to cultural and educational affairs. Its emphasis today is on information programs with less effort devoted to the cultural and educational side. This tends to throw the overall program out of balance.

The Commission believes that cultural and educational activities can be presented as one of a number of important means of accomplishing U.S. foreign policy objectives. In some countries where official restriction on information activities exists or where complete censorship prevails or where there is temporary opposition to a given U.S. foreign policy, U.S. cultural events are still accepted and appreciated. In most countries, however, especially in Western Europe and in Latin America foreign information programs are permitted. There, cultural activities can be useful adjuncts to U.S. foreign policy. They should be encouraged.

The Commission recommends that the Agency restore the balance of its program by integrating more effectively its cultural and educational activities with the overall information programs. This is especially true in Europe where an important redirection of the entire program is being planned.

12. USIA trade fair exhibition program: During the past 6 or 7 years the U.S. Government has established and developed an international exhibits and trade fair program in support of U.S. foreign policy. The President of the United States has assigned this responsibility to USIA, which has received congressional appropriations for this purpose. The USIA has turned over these funds to the Department of Commerce which has been given the major responsibility for planning and executing the exhibits. In this task, it has received the guidance and assistance of an interdepartmental committee consisting of representatives from the Department of State and USIA.

The results have been uneven. These exhibits are primarily vehicles for the display of equipment, goods and commodities. Frequently, however, the managers of the exhibitions have displayed a lack of sufficient concern for projecting a major psychological message about the American economic system to foreign audiences. The Commission has received reports that despite an impressive amount of publicity and despite the large crowds that have been attracted to the shows, the desired psychological impact has been minimal. There have been some cases that the Agency itself has regarded as failures.

The Commission believes that the purpose of the international trade fair exhibitions should not be limited to showing the products that the American economic system produces. Their displays should also explain how our system works to the benefit of our people and of free people everywhere in contrast to the allegations of Marxism and of Communist propaganda.

The Agency itself has demonstrated an ability to mount exhibits with this kind of psychological impact which have enjoyed a degree of popularity and success in the U.S.S.R. and in certain East European countries. This capability should be expanded and tied in more intimately with the administration of the international trade exhibits. And it would permit the Agency to cover the major international exhibitions with greater economy and psychological impact.

The Commission believes that since USIA has both the final responsibility and the know-how, it should reconsider its decision to transfer funds to the Department of Commerce for the execution of international trade fair exhibitions. USIA should accept full administrative responsibility for this execution and planning.

13. Interdepartmental coordination: Some of the problems mentioned—trade fair exhibits, cultural presentations, exchanges—and others such as book production, distribution and translation, the teaching of English—and international broadcasting—reflect the development of programs sponsored by a half dozen or more private and public agencies.

Although each of these departments or agencies can justify its projects, it is clear that there is a continued need for interdepartmental coordination in order that duplication may be kept at a minimum.

During the past year the Commission has met with the director or deputy director of public and private organizations engaged in related international communications activities. All are attempting to seek to coordinate their activities.

The Commission remains convinced that a single department of communications, education and exchanges must some day emerge in order that the total U.S. national effort can be directed with a greater singleness of purpose and efficiency and with a central authority capable of planning these activities on a country-by-country basis.

14. The Alliance for Progress: The critical importance of the Alliance in Latin America has been underlined by the President of the United States. The USIS role in this multilateral program must continue to be exercised and guided by officers of the highest caliber.

There is no substitute for the insight, knowledge, and techniques of local editors, publishers, radio, and television executives, writers and sympathetic academic personalities. USIS should solicit their cooperation and advice, and seek their informal guidance and suggestions on the most effective methods of disseminating information about the Alliance for Progress program.

15. Domestic public relations: Although USIA's audience is overseas, the Agency has a responsibility to report to the American people and to the Congress on its activities.

Its primary vehicle is the semiannual report which contains pertinent information on USIA worldwide operations.

These operations are also examined at least once a year by the appropriate committees of Congress.

In addition, USIA has a legal obligation (title V, sec. 501, Public Law 402) to make available, upon request, its press releases and scripts, after they have been released as information abroad, to the representatives of the mass media and to Members of Congress. Its educational films may be obtained from the Office of Education. Occasional domestic press releases are prepared on important developments. And, USIA officers speak to a variety of groups in the United States.

The Commission recommends that USIA avoid those domestic activities which are contrary to the intentions of Congress. This calls for restriction of domestic speeches and press releases. The Agency should limit the distribution of its materials and media products domestically, in order to allay any congressional apprehension that the Agency may be propagandizing within the United States.

The Commission believes that a concerted attack on the problems discussed above will improve the conduct of the information program. Together with some of the outstanding developments in USIA, listed below, it will help create greater congressional appreciation and support.

RECENT ACCOMPLISHMENTS

1. The Motion Picture Division has produced firms with taste and technical proficiency. Many are of the highest quality and have been well received and appreciated abroad. However, care should be given to scripts to insure accuracy and to avoid questionable presentations of historic events which lead to domestic controversy. And the Agency should reconsider its policy of providing films for worldwide distribution without proper adaptation for regional differences.

2. There has been a substantial increase in book translations especially in Spanish for Latin America and in French for French-speaking Africa. The Commission has also been informed that with the assistance of the Government Advisory Committee on International Book Programs, progress is being made in eliminating the overlapping with the Agency for International Development in Latin America in book publications, translation, and distribution.

3. The Agency's exhibits circulating in the Soviet Union and satellite countries have been well planned and constructed. The Commission has learned that they have created a significant impact on the minds of thousands of Soviet and East European visitors who attended the exhibits. The private American guides accompanying those exhibits have been well prepared and trained to clarify further the contents of the exhibits. They have communicated a great deal of information about the United States to the curious and interested visitors in these Communist countries.

4. The long-awaited new transmitter complex in Greenville, N.C., was completed this year. This major USIA achievement was well managed and constructed and has doubled the shortwave power of the Voice of America.

CONCLUSION

In this 19th report to Congress, the Commission has restated the purposes and mission of USIA in the context of the progress that has been made, the need for greater congressional understanding and support and the problems that exist.

At a time when a new President has assumed office the paramount objectives of USIA are to help project the permanent U.S. national interest, the continuity of U.S. policies, and to help maintain confidence abroad in American leadership.

To accomplish these purposes, the Commission recommends that USIA seek solutions to its continuing problems. These include the need—

1. To improve internal management, communication, and coordination.
2. To reduce the number of publications.
3. To seek outside evaluation of USIA print and radio programs.
4. To reduce the number of USIA buildings in Washington from 11 to 1.
5. To improve and strengthen long-range planning.
6. To expand the research program and to use its results more effectively.
7. To obtain legislation for a career Foreign Service Corps.
8. To coordinate and concentrate the Government's programs for orienting and training foreign specialists in mass communications.
9. To review and study the role of the cultural affairs officer.
10. To restore the balance of the Agency's cultural programs.
11. To reconsider the USIA decision to reduce the number of libraries or information centers in Western Europe.
12. To assume full responsibility for planning and executing the President's trade fair exhibition program.
13. To consider the need to consolidate into one agency of Government the related but widely scattered programs in information, education, and culture.
14. To seek the advice and guidance of local Latin American practitioners of mass communications in presenting the Alliance for Progress to Latin America.
15. To confine USIA's domestic public relations to a minimum and limit the distribution of its media products in the United States in accordance with the intent of Congress.

During the 15 years that have elapsed since the passage of Public Law 402 and during the first 10 years of its existence as an independent agency, the Commission believes USIA has made progress. This progress must be more effectively documented and communicated to the Congress. It will help generate the understanding that must prevail if the Congress is to provide the support USIA needs to fulfill its role on behalf of the American people in the ideological struggle which will be with us for a long time.

If the United States were in a hot war, USIA or its wartime equivalent would constitute an important arm of the total war effort. Today, in a phase of cold war which has been characterized by an apparent relaxation of tension between the Soviets and the United States, USIA represents an investment in preventing hot war and in helping to create an atmosphere and conditions for the establishment of peace.

USIA has become a more effective instrument in eliminating misunderstandings of America's political intentions and in presenting the case for freedom. In an era of military coexistence and at a time of fierce ideological struggle, its value is obvious. Aggressive steps in the correction of problem areas could be helpful in gaining understanding and support from the Congress, including the tools and funds with which to do the job.

Respectfully submitted.

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Chairman.
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JANUARY 7, 1964.

APPENDIX

FORMER PRESIDENT JOHN F. KENNEDY'S STATEMENT OF THE U.S. INFORMATION AGENCY MISSION

The mission of the U.S. Information Agency is to help achieve U.S. foreign policy objectives by (a) influencing public attitudes in other nations, and (b) advising the President, his representatives abroad, and the various departments, and agencies on the implications of foreign opinion for present and contemplated U.S. policies, programs, and official statements.

The influencing of attitudes is to be carried out by overt use of the various techniques of communication—personal contact, radio broadcasting, libraries, book publication, and distribution, press, motion pictures, television, exhibits, English-language instruction, and others. In so doing, the Agency shall be guided by the following:

1. Individual country programs should specifically and directly support country and regional objectives determined by the President and set forth in official policy pronouncements, both classified, and unclassified.

2. Agency activities should (a) encourage constructive public support abroad for the goal of "peaceful world community of free and independent states, free to choose their own future and their own system so long as it does not threaten the freedom of others"; (b) identify the United States as a strong, democratic, dynamic nation qualified for its leadership of world efforts toward this goal, and (c) unmask and counter hostile attempts to distort or frustrate the objectives and policies of the United States. These activities should emphasize the ways in which U.S. policies harmonize with those of other peoples and governments, and those aspects of American life and culture which facilitate sympathetic understanding of U.S. policies.

The advisory function is to be carried out at various levels in Washington, and within the country team at U.S. diplomatic missions abroad. While the Director of the U.S. Information Agency shall take the initiative in offering counsel when he deems it advisable, the various departments and agencies should seek such counsel when considering policies and programs which may substantially effect or be affected by foreign opinion. Consultation with the U.S. Information Agency is essential when programs affecting communications media in other countries are contemplated.

U.S. Information Agency staffs abroad, acting under the supervision of the chiefs of mission, are responsible for the conduct of overt public information, public relations, and cultural activities—i.e., those activities intended to inform or influence foreign public opinion—for agencies of the U.S. Government except for commands of the Department of Defense.

TAX REFORM

Mr. HUMPHREY. Mr. President, earlier today, the distinguished Senator from Connecticut [Mr. Ribicoff] presented an amendment on air and water pollution equipment. This was presented as an amendment to the tax bill. It was accepted by the managers of the bill and subsequently adopted by the Senate.

Inadvertently, my name was left off as one of the cosponsors. I ask unanimous consent that I be included as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I wish the record to be clear that I urged the managers of the bill to accept the amendment, because I felt it was a very desirable amendment, particularly since we have a national policy on attempting to control air and water pollution. The amendment increases the efforts by the private sector of our economy in this worthy enterprise.

Mr. President, two other items in the tax bill gave us great difficulty. One was the tax credit education amendment, and the other was the amendment to repeal the excise taxes.

I hope, in the light of the demonstrated concern of the Senate over these two items, that the executive branch of the Government, from the Office of President down through the Treasury, will carefully examine the Record on the debate on these measures.

I believe these amendments should be given serious consideration by the committee.

Some modification should be made of the education amendment, to give further assistance to our colleges and universities and to parents of students, and to students themselves, in alleviating the costs of education.

The proposal by the distinguished Senator from Indiana [Mr. Hartke] should be given very careful study. It was not in order on the tax bill, because it did not deal directly with taxation. However, it is the kind of proposal on which prompt action should be taken by Congress. The proposal embodies guaranteed loans by the Federal Government. The loans would be made to students. It has other features also, including a work program. Therefore, I say it ought to be very carefully studied. I do not use the word "studied" as a way of postponing action. I mean that it should be studied for the purpose of action.

I call upon the Committee on Labor and Public Welfare to look into that bill and to examine its provisions. It should also examine the bill introduced earlier by the Senator from Oregon [Mr. Morse], carrying out the recommendations of President Kennedy on guaranteed student loans. It was my privilege to be a cosponsor of the bill, together with the majority leader.

We have a clear obligation in this field that must be fulfilled. I cannot be very content by merely resisting amendments to a tax bill which would provide relief for the cause of education.

The reasons for voting against the Ribicoff amendment were clear. There have been many changes since the original proposals along this line were introduced. I was an author of such a proposal several years ago. It would have provided tax credit for educational costs. Since that time we have enacted aid to higher education and the National Defense Education Act, and have also passed a bill for student scholarships. We have passed the tax reduction bill, which affects all taxpayers.

There is good reason for voting against the amendment. It would have cost an additional $1,300 million at the time of its full impact. Nevertheless, having said that, there is equally good reason for doing something more than has been done in the field of education and assistance to students in educational institutions.

With reference to excise taxes, I think the Treasury had better come to the recognition that the retail excise taxes are not only unpopular in many ways, but that they are also costly to enforce.

In many ways, they are ineffective and are a burden upon business. There is no doubt that they have a tendency to promote tax avoidance. I think it is fair to say that every businessman in America has had to increase the cost of the operation of his business because of the retail excise taxes. If there is to be a true collection, an honest collection of excise taxes, costly equipment is required, equipment such as cash registers that are properly supplied with the proper keys and the proper mechanism, all of which are very expensive and, to many independent small businessmen, increase the cost of operation to a point where it is injurious to the entire business structure.

I have spoken privately to the representatives of the Treasury Department about this. A review of excise taxes is to be made in May or June of this year. It seems to me that the time is at hand to take some action to reduce or to remove them and to make adjustments in the tax structure which are long overdue.

I have added this to my general statement on the tax bill because, in the main, I think the tax bill is a good one. It will serve a most useful and constructive purpose in our economy.

A POSITIVE PROGRAM FOR ANTI-COMMUNISTS

Mr. HUMPHREY. Mr. President, I had brought to my attention recently a feature article in the Minneapolis Star, entitled "25 Do's and Don'ts: A Positive Program for Anti-Communists," prepared by William C. Sullivan, Assistant Director, Federal Bureau of Investigation, and originally given in a speech at the Highland Park Methodist Church, Dallas, Tex.

The editor notes that because a number of requests for this article were received, and because of recent events, several readers with good memories suggested to the Star that it reprint the article which was first printed on November 13, 1961.

I urge every American citizen to study the article carefully. Mr. Sullivan is to be commended for his constructive, thoughtful approach to the serious problem of combating communism in the United States. He does so in a most constructive, affirmative manner.

I ask unanimous consent that the article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Minneapolis Star]

Twenty-five Do's and Don'ts: A Positive Program for Anti-Communists

(Editor's Note.—Because of a number of recent events, several readers with good memories have suggested the Star reprint the following article, which first appeared on this page November 13, 1961.)

(By William C. Sullivan, Assistant Director, Federal Bureau of Investigation, in a speech at the Highland Park Methodist Church, Dallas, Tex.)

In the battle that is now being waged between communism and the free world, our survival will depend on the strength, determination, and idealism engendered by our Judeo-Christian heritage.

In this global conflict, what is there that one can do (cleric or layman) in his local community to strengthen this heritage and to counter communism?

First, let us consider what one should not do:

1. Do not speak or act in any manner that would create fear, hysteria, and confusion. These are "the ingredients for Communist coups in nations which have fallen under its spell," says J. Edgar Hoover, Director of the FBI.

2. Do not make false charges of communism against other citizens or sow seeds of suspicion, distrust, and alarmism.

3. Do not use, unless you are capable of accurately defining, such ambiguous and misleading words and expressions as "Red," "radical," "leftist," "leftwing," "leftwing supporter," "Socialist," "collectivist," "self-styled liberal," "rightist," "rightwing," "rightwing supporter," "radical right," "reactionary," and "Fascist."

Such vague and obscure terms have nothing to contribute to a clear, intelligent, and objective understanding of difficult and complex social problems. Their use in the past has given rise to much of the current confusion in the field of communism and religion.

4. Do not confuse legitimate dissent with communism. Hoover gives this warning:

"Knowing what communism really is and how it operates will also help us to avoid the danger of confusing communism with legitimate dissent on controversial issues. Communism feeds on social ferment. On both the local and national levels, the Communist Party, U.S.A., is continually exploiting social, economic, and political grievances for its own tactical purposes. For this reason, the party line will frequently coincide with the views of many non-Communists on specific issues.

"We must not, therefore, indiscriminately label as Communists those whose opinions on a particular question may, on occasion, parallel the official party position. We must also guard against the tendency to characterize as Communists those who merely disagree with us or who advocate unorthodox or unpopular beliefs.

"When anyone is erroneously branded a Communist, it not only constitutes an injustice to the individual, but also helps communism by diffusing the strength of anti-Communist forces."

5. Do not engage in lawless vigilante action. "The job of curtailing and containing communism," Hoover admonishes, "is one for legally constituted authorities with the steadfast cooperation of every local citizen."

6. Do not contribute to bigotry, intolerance, and hatred of fellow human beings.

7. Do not violate or infringe upon any person's civil liberties.

8. Do not confuse the theological doctrine with political principles or attempt to make one serve the cause of the other.

9. Do not attribute all our social defects, difficulties, and setbacks to communism. Hoover emphasizes: "Attributing every adversity to communism is not only irrational, but contributes to hysteria and fosters groundless fears."

10. Do not fail to oppose all individuals, regardless of their ideological posture, who would subvert our social principles and traditions. Totalitarianism in any form must be rejected.

Now, let us consider what one man should and can do to reaffirm and reinforce our religious tradition and to combat communism:

1. Start with oneself. Engage regularly in self-examination as a means of better understanding, developing, and applying daily the moral and religious values of our Judeo-Christian heritage. We convince not by words but by example.

2. Study and comprehend fully our Nation's social principles, traditions, values, governmental structure, and historical goals. Relate them correctly to current local, national, and international events.

3. Elect government officials to local, State and Federal office who possess intelligence, ability and integrity.

4. Follow systematically the work and decisions of your elected representatives in government and let your views on important issues be known to them.

5. Understand Communist thought, objectives, strategy, and tactics. As Hoover points out:

"Communism is, indeed, our paramount adversary, and it leans on its credo of invincibility and a concept of historical inevitability to accomplish its ends.

"The way to fight it is to study, understand it, and discover what can be done about it. This cannot be achieved by dawdling at the spring of knowledge; it can only be accomplished by dipping deeply into thoughtful, reliable, and authoritative sources of information."

6. Insist that every citizen is entitled under law to freedom of thought, expression, action, dissent, experimentation, education, and worship.

7. Join proven local institutions or establish new organizations designed to improve and strengthen the community. Participate in them regularly and effectively.

8. Eradicate the causes of communism in local communities. These include: (a) poverty, (b) disease, (c) illiteracy, (d) economic dislocation, (e) social injustices, (f) social discrimination, (g) political corruption, (h) educational inadequacies, (i) psychological maladjustments, (j) philosophical materialism, (k) religious anemia, and (l) moral decadence, personal, and social.

9. Work steadily toward better relations between races, religions, and different social groups and between labor and management.

10. Encourage in one's local community original thinking, intellectual pioneering, and moral growth.

11. Contribute to a continuous community, beginning with oneself.

12. Stimulate cultural diversity, variety, and creativity, for the unity we seek is not uniformity.

13. Help to direct individual and community thinking into constructive action replete with social vision, because it is as true today as it was centuries ago when it was stated that where there is no vision the people perish.

14. Develop and hold forth as a community goal for the young and old alike self-discipline, personal responsibility, dedication to worthy causes, loyalty to basic values, and a deep-rooted set of convictions in the inherent dignity and preciousness of every human being and the superiority of a free and open society in which every individual has an equal opportunity to achieve self-realization.

15. Recognize that while there are both permanence and change in life, there is no fixed status quo; hence, our need to understand social transitions and to control and to direct these transitions in accordance with the spiritual and moral values of the Judeo-Christian tradition.

PRESERVATION OF THE WILDERNESS

Mr. HUMPHREY. Mr. President, in view of the fact that an important bill awaits action in the other body, the bill known as the wilderness preservation bill, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "To Preserve the Wilderness Treasure," which was published recently in the Minneapolis Tribune. If the editorial should be noticed by any of our colleagues in Congress, I hope it will inspire their prompt action in completing the legislative process on the wilderness preservation bill.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Minneapolis Tribune]

TO PRESERVE THE WILDERNESS TREASURE

Through his White House Conference on Conservation (1962) and a number of bold addresses, President Kennedy revitalized interest in the protection of natural resources. A special concern of his was the wilderness bill, which twice has passed the Senate but which Chairman WAYNE ASPINALL, Democrat, of Colorado, keeps bottled up in the House Interior and Insular Affairs Committee.

The aim of the bill is to preserve permanently the wilderness character of 60 million acres, already guarded in some degree from commercial use, within national forests, national parks, and wildlife refuges. No mining underway nor any other established use would be stopped. The principal opposition to the bill comes from mining, timber, and other groups which see a threat to future exploitation.

Now a member of the House committee, Representative JOHN SAYLOR, Republican, of Pennsylvania, has introduced a compromise bill which would inaugurate a wilderness system with 8.2 million acres of national forestland already under special protection. This includes the million acres of the Boundary Waters Canoe Area of northeastern Minnesota.

Under the original bill, the President would decide upon additions to the system, subject to a veto by Congress. Under the new bill a special act of Congress would be required to add new tracts.

This is a somewhat timid approach to a program which needs sweeping treatment. But in view of the adamant opposition of some interests, and particularly the power of the committee chairman, maybe the conservationists in Congress and throughout the country should accept this bill as a starter. That might advance conservation faster than continuing the deadlock over the better measure.

NETHERLANDS CARILLON WILL BE PLAYED THIS YEAR

Mr. HUMPHREY. Mr. President, I recently stated to the Senate that the Netherlands carillon, which stands on the banks of the Potomac near the Arlington National Cemetery, is seldom played. Prompted by the column of the distinguished music editor of the Washington Post, Paul Hume, I strongly urged that this magnificent instrument, a gift from the people of the Netherlands to the people of the United States, should be reactivated and played on a regular basis.

Since the carillon is under the jurisdiction of the Department of the Interior, I wrote a letter to the Secretary of the Interior, the Honorable Stewart Udall, urging that the Department expand the recital schedule, particularly during the summer months. As I said in my Senate statement of December 30, 1963:

> To permit these bells to remain silent and unused is a mark of ingratitude toward the wonderful people of the Netherlands and a shameful failure to make use of a magnificent musical instrument. * * * There is, of course, the additional fact that hundreds of thousands of Americans have traveled to Arlington National Cemetery to pay homage to our great President, John F. Kennedy. In the coming years millions will make this sad journey. Surely the reactivation of the Netherlands carillon would be most fitting and proper under these circumstances.

I have just received a reply from Secretary Udall noting that funds are available for at least 24 recitals during the summer months and also for appropriate holiday programs. Last summer nine concerts were held with special concerts also presented on Easter Sunday, Veterans' Day, and on December 23. This substantial increase in the weekly concerts this year is surely good news, and I compliment the Secretary for moving so expeditiously.

Since making my original statement, I have also learned that other persons have been concerned about the shameful failure to play the Netherlands carillon. Last year Mr. Frank P. Law, carillonneur of the Washington Memorial Church, Valley Forge, Pa., and Representative RICHARD S. SCHWEIKER, of Pennsylvania, were instrumental in making arrangements for the concerts scheduled last year.

Mr. Law is director of public relations, Guild of Carillonneurs in North America, and one of this country's outstanding artists on this difficult instrument.

Secretary Udall indicates in his letter that arrangements are now underway to provide for a regular schedule this season. I want the Secretary to know that the senior Senator from Minnesota volunteers to help in whatever way is appropriate to insure that full use will be made of the Netherlands carillon this year and in the years ahead. I also wish to compliment the persons who have been concerned over the inactivity and deterioration of the Netherlands carillon; it now appears that their efforts are being fully rewarded.

I hope that Senators, residents of the Washington community, and visitors to Washington will avail themselves of the opportunity to hear these concerts during the spring and summer months. It is splendid news that we will have this opportunity to hear the Netherlands carillon once again on a more regular schedule.

Mr. President, I ask unanimous consent that my letter to Secretary of the Interior Udall, his reply and a press release giving a short history of the Netherlands carillon be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DECEMBER 31, 1693.

The Honorable STEWART L. UDALL,
Secretary of the Interior,
Department of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: Attached is a clipping from the CONGRESSIONAL RECORD for Monday, December 30, 1963, where I seconded the proposal by Paul Hume of the Washington Post that the Netherlands carillon near Arlington National Cemetery be played on a more regular basis. If Paul Hume's facts are correct, this responsibility falls within the jurisdiction of the Interior Department.

It seems to me to be a most worthwhile suggestion, considering the many thousands of people who journey each week to pay their respects at the President's grave. The reactivation of the carillon at this time would be most fitting and appropriate. Are there any funds available in the Department's budget which could be used for this purpose? I urge your budget staff to review all possibilities in this regard.

I will, however, also volunteer to secure whatever funds are needed if it is impossible to locate them in existing departmental budgets. As I suggested on the Senate floor, perhaps some public spirited citizen would contribute what is needed. As a last resort, I would attempt to secure the necessary funds through the appropriations process.

Let me know what can be done to secure the regular use of the Netherlands carillon. I would also like to receive an estimate of the funds that would be needed to schedule regular concerts. I know I can count on your full cooperation and assistance in finding some workable formula whereby these magnificent bells can be played each week.

Best wishes for the new year.

Sincerely,

HUBERT H. HUMPHREY.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., January 25, 1964.

Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: We appreciate very much your letter of December 31 enclosing a clipping from the CONGRESSIONAL RECORD for Monday, December 30, 1963, where you seconded the proposal by Mr. Paul Hume that the Netherlands carillon be played on a regular basis and that you volunteer to assist in securing whatever funds are needed if it is possible to locate them.

We are all in agreement that Mr. Hume's suggestion is most worthwhile to have these magnificent bells played on a regular schedule of at least once a week and by such a competent carillonneur as Mr. Ronald Barnes.

You will be interested in the attached Department of the Interior news release dated July 1963, issued by the National Capital region, National Park Service, announcing the carillon would "ring out again at 2:30 p.m. in warm and merry sounds in the next of a series of summer Saturday afternoon concerts by members of the 'Guild of Carillonneurs in North America.' "

For the weekly recitals last summer we were able to obtain some of the leading carillonneurs in the country including the following:

July 13, 1963: Frank P. Law, Washington Memorial Church, Valley Forge, Pa.

July 20, 1963: James R. Lawson, Riverside Church, New York, N.Y.

July 27, 1963: Robert McKee, St. George's by the Sea, Rumson, N.J.

August 3, 1963: Geoffrey Garrett, St. Peter's Episcopal Church, Morristown, N.J.

August 10, 1963: Mrs. Frances Rodgers, First Methodist Church, Germantown, Pa.

August 17, 1963: Wendell Wescott, Michigan State University, East Lansing, Mich.

August 24, 1963: Mrs. Janet Dundore, St. Thomas Church, Whitemarsh, Pa.

August 31, 1963: Remy Muller, St. Vincent's Seminary, Germantown, Pa.

In addition to the above recitals which were well acclaimed by those attending, the Netherlands carillon was played last year on the following special occasions:

Easter Sunday, James R. Lawson.

Veteran's Day, Charles T. Chapman, Luray, Va.

December 23, 1963, Geoffrey Simon, Kent State University, Kent, Ohio.

For the 1964 season we have already planned more recitals than were held during 1963. Money will be available for at least 24 recitals and possibly more, both during the summer months when visitation to the Nation's Capital is heavy and also for appropriate special holiday programs.

We have also contacted several carillonneurs, including Mr. Ronald Barnes, with every anticipation that an arrangement can be made for a resident carillonneur to play on a regular schedule.

The Netherlands carillon is one of the outstanding carillons here in Washington and the National Capital region, National Park Service, proposes to make it available to visitors not only for the splendid recitals but also for the magnificent panoramic view from the tower's observation deck.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

NETHERLANDS CARILLON CONCERTS

The Netherlands carillon in Arlington, Va., will ring out again at 2:30 p.m. in warm and merry sounds in the next of a series of summer Saturday afternoon concerts by members of the Guild of Carillonneurs in North America.

The 49-bell carillon—a very large, beautifully toned, very expensive carillon—was the gift of the Dutch nation to the United States, in gratitude for the assistance we rendered that country under the Marshall plan during and following World War II.

Queen Juliana presented the bells to the American people from the people of the Netherlands in a ceremony on April 4, 1952. A token gift of 32 perfectly tuned bells was presented then, and later there were 49 bells—at that time equal in number with the States of the Union and the District of Columbia. The carillon was temporarily set up in West Potomac Park, and later Congress authorized the erection of a permanent tower on a unique spot near the U.S. Marine Corps Memorial, along Arlington Ridge Road, not far from the Arlington Cemetery. The formal dedication was on May 5, 1960, on the Netherlands national holiday, the 15th anniversary of their liberation from German occupation.

The summer series of concerts will include Carillonneurs James R. Lawson of the Riverside Church in New York City; Robert McKee, St. Georges by the Sea, Rumson, N.J.; Mrs. Frances Rodgers, of the First Methodist Church, Germantown, Pa.; Wendell Westcott, Michigan State University, East Lansing, Mich.; Mrs. Janet Dundore, St. Thomas' Church, Whitemarsh, Pa.; and Remy Miller, St. Vincent's Seminary, Germantown, Pa.

The Saturday afternoon programs have been arranged by Frank P. Law, carillonneur of the Washington Memorial Chapel in Valley Forge, Pa.

The programs will include familiar hymns and folk songs, and some music written specifically for the carillon. The "Netherlands Hymn" will be played on each program.

All concerts are at 2:30 p.m. on Saturday afternoons; and are free to the public.

NETHERLANDS CARILLON

Since the tuning of bells has been a traditional craft in the Netherlands since the 17th century, it was decided that such a gift, the Netherlands carillon, which would peal a musical tale of international friendship in the years to come, would most adequately express the gratitude of the Dutch people for our assistance during and following the war.

No one knows who made the first bell, but they were not tuned to the notes of the scale until the latter part of the 17th century and since that time, a set of tuned bells has been known as a carillon. The art of casting true-toned bells is now almost exclusively European and is chiefly practiced in the Netherlands. The art of casting bells is a poetic industry, inasmuch as the musical qualities of bells require a high rating of tuning and expression by the bellmaker, and can be compared from the artistic point of view to violinmaking.

The secret of bellmaking lies in the precision with which they are cast. Precision starts with a clay mold which is so exact it often takes several months to accomplish. Great artistry, tradition, and skill is required in bellmaking. The Van Bergen foundries, situated at Heiligerlee, Holland, where the Netherlands carillon was cast, is one of the most picturesque carillon foundries remaining in this 20th century. In the midst of a fertile farm country, for more than three centuries, the Van Bergen bell foundry has been handed down from father to son.

The 49 bells in the Netherlands carillon were given by different sections of the Netherlands population, and every bell bears a reference to a particular group. The emblems on the bells are indicated by cast-in verses written in Dutch by the poet Ven van Eysselsteyn.

The total weight of the carillon within the tower is 61,403 pounds. Only an experienced carillonneur can play this carillon. He manually pushes the wooden levers and pedals of the clavier, which are connected to the movable inner clappers of the stationary hanging bells. He uses no pneumatic or electrical aids.

The tower housing the Netherlands carillon was designed by a leading Netherlands architect, Joost W. C. Boks of Rotterdam, and the plans were approved by the Secretary of the Interior. It consists of an open steel structure, covered with steel plates with a bronze baked enamel finish. It is 25 feet deep, 36 feet wide, and 127 feet high. It stands on a quartzite plaza of 93 feet in length and width, which is enclosed by low lava stone walls, which serve as benches. The steps to the plaza are guarded by two bronze lions designed by the Dutch Sculptor Paul Koning. A rectangular staircase, which can be opened to the public, leads to a fenced-in platform at 58 feet. From there the second platform at 83 feet and the clavier in a glass cabin is reached by a small circular flight of stairs.

Thirteen large bells are suspended between the two platforms and the medium and small bells are hung above the highest platform. In order to achieve a musical balance, the tones of the large bells are slightly subdued by louvres, and a sounding board placed above the other bells amplifies their sound to a certain extent.

Listen once on a quiet summer afternoon in the wooded surroundings to the skillfully played carillon, and you will agree that the music arouses in you remarkable feelings, varying from subtle emotion while the small bells are being played to an almost overpowering feeling during the majestic sounds of the complete carillon when the largest bells are being played.

It is not surprising that a carillon can create such a deep emotion when we realize that of old even the sound of a single bell inspired poets and composers.

The carillon of real bells played by an inspired carillonneur brings us into a mood of heavenly peace and wonderful rest. As these bells ring out, putting music from the Netherlands into our American air, one more voice from beyond the sea will speak to us, and with us. It will have a noble message, for it will remind us of the great unity of the free peoples of this earth.

May the clear tones of the bells of Holland speak to us of the friendship that is possible between separate peoples. May they help us to understand that the forces which tie people together in freedom and harmony will always be greater than the forces which tend to drive them apart. May we come to see that a broader unity awaits the nations of this earth; and may this music, bespeaking the deep and lasting friendship between two great countries, take its place in our lives as a symbol of the peace and freedom which will someday prevail all across the world.

The Netherlands carillon and the surrounding grounds are administered by the National Capital region, National Park Service.

Mr. HUMPHREY. Mr. President, I have a feeling that with a little more prodding on the part of Congress, the banks of the Potomac may become melodious and that the beautiful music that can inspire the Nation's Capital will be forthcoming.

ADJOURNMENT UNTIL NOON ON MONDAY, FEBRUARY 10, 1964

Mr. HUMPHREY. Mr. President, if there is no further business to be transacted, I move that the Senate adjourn until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 6 o'clock and 55 minutes p.m.) the Senate adjourned until Monday, February 10, 1964, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate February 7, 1964:

G. McMurtrie Godley, of the District of Columbia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Congo.

HOUSE OF REPRESENTATIVES

Friday, February 7, 1964

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Romans 10: 12: *The same Lord, who is over all is rich unto all who call upon Him.*

Our Heavenly Father, inspire us to enter upon the tasks and responsibilities of this new day with noble desires and lofty purpose surging though our minds and hearts.

May we make the most of every opportunity and invest the best we have of wisdom and understanding, of intelligence and experience, of effort and enthusiasm in solving life's many problems.

Help us to appreciate more fully that the greatness and glory of life consists in doing what we can to make life less difficult for the members of the human family who are finding its struggle so difficult and burdensome.

Grant that we may go forth bravely following in the footsteps of all who have spanned the ages with the glory of service and sacrifice.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

LOUISIANA STATE SOCIETY OF WASHINGTON

Mr. LONG of Louisiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LONG of Louisiana. Mr. Speaker, this year, as in 16 other years since 1942, the Louisiana State Society of Washington is proud to salute the Nation's Capital on the occasion of Mardi Gras.

This year, I am honored to serve as chairman of the 1964 Mardi Gras ball, which will be held at the Sheraton-Park Hotel tomorrow night, Saturday, February 8.

Louisiana pays tribute to a new chapter in its illustrious history with this year's Mardi Gras ball. To the traditional trappings of Mardi Gras, with its color and pageantry, we have added the marvels of the space age.

The soil where Jean Lafitte once trod is now the home of a vital link in the space crescent, stretching from Cape Kennedy to Houston, Tex.

Our great industries are now joined by new industrial partners, all adding vital components to our Nation's space program.

Only recently, a Saturn rocket lifted the largest payload ever sent into space from our Atlantic testing ground; vital parts of its booster were made in Louisiana.

Mardi Gras also honors a part of Louisana which has no equal anywhere: beauty. We are proud of our feminine beauty and in the royal court of this year's Mardi Gras ball is a good sampling of our State's feminine blessings.

The royal assemblage of 28 queens, representing our major fairs and festivals, and 13 maids from all sections of the State, is reigned over by Miss Elizabeth M. Bolton, a 21-year-old Alexandria, La., girl who is queen of the Mardi Gras ball.

Her royal consort is a distinguished citizen of our State, Mr. Harvey Peltier, Sr., of Thibodaux, La. Mr. Peltier, as king of the Mardi Gras, joins an honor roll of some of Louisiana's finest men who have served with distinction in the past.

At another part of the RECORD, I will list the visiting queens and maids.

MISSISSIPPI VALLEY ASSOCIATION CALLS FOR WORK ACCELERATION

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was objection.

Mr. EDMONDSON. Mr. Speaker, the Mississippi Valley Association has just completed its annual meeting at New Orleans, with thousands in attendance from across the Nation.

This great association, which has led in the drive to develop America's water resources and inland waterways, has adopted a resolution which will command the attention of all Members of the House.

I am informed that this resolution was adopted unanimously, as an expression of the views of the association.

I am confident that it will not only win the attention of all Members of the Congress, but the President as well.

The text of the resolution follows:

ACCELERATED PUBLIC WORKS PROGRAM

We urge that a significant portion of any Federal funds appropriated for the acceleration of public works in the administration's war on poverty program be expended on authorized, economically justified, permanent, capital investment programs in water resources and river development in the United States of America.

ARMENIAN REVOLUTIONARY FEDERATION CREDO

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was was objection.

Mr. O'HARA of Illinois. Mr. Speaker, on many occasions in this Chamber and elsewhere my voice has been raised in the righteous cause of the captive nations. Too long have we been dragging our feet in the matter of the creation of a joint congressional committee to give direction and drive to the efforts of the world of freedom to rescue the captive nations from their unhappy plight.

Armenia is numbered among the captive nations. I am indebted to Arthur Kaprelian, a constituent of Armenian blood residing at 11915 South Wallace Street, Chicago, for a copy of the credo recently adopted by the Armenian Revolutionary Federation. It is an inspiring document worthy of place in the world's literature of freedom. That it may be read by my colleagues, I am extending my remarks to include the complete text of the credo, as follows:

THE ARMENIAN REVOLUTIONARY FEDERATION CREDO

The supreme aim of the Armenian Revolutionary Federation is the realization of a free, united, and independent democratic national homeland established on the territories of the historic fatherland of the Armenian nation.

We believe that the realization of this aim can only be possible in a free democratic world context. A world in which the danger of war is permanently eliminated, and where the existing and potential international disputes can be resolved by peaceful means through the agency of a powerful international organization which shall be endowed with the necessary means of imposing its supreme will on great or small nation alike.

We believe that it is the indisputable and inviolable right of all nations, great or small alike, to possess their own independent government and to live and prosper under the canopy of its protection.

We believe that each nation, even the smallest and the weakest, can best develop its creative talents and its unique national individuality in its own, free and independent state.

We believe that each man, regardless of sex, race, or denomination, has a birthright to live out a free and happy life.

We believe that when a nation's fatherland is under the yoke of a more powerful alien nation, and the ruling nation is reluctant to end its tyranny by peaceful legitimate means, the nation which is ruled has the inviolable right to fight against that rule, and to resort to revolution and armed conflict, if necessary, for the liberation of its own fatherland.

We believe that each nation has an undeniable right to govern itself as it wishes and to express its collective will only through the medium of the free, universal secret ballot.

We believe that a nation, even within the limits of its independent national state, can best prosper and live the happy life when all its members, regardless of sex, race, or creed, enjoy the freedoms of press, of religion, and public assembly, the freedom to organize, to work, to travel, to move, and to communicate with others—conditions of which the Armenia of today is deprived.

We believe that when a nation is independent, and enjoys the benefits of a democratic government which is elected by the free, universal and secret vote of the people, any changes in the constitutional order are made only through constitutional channels; namely, by peaceful and legitimate means. Consequently, it is a crime which is tantamount to treason to effectuate any changes in the free constitutional order by armed force or by revolution.

We believe that a nation not only has the right, but it has the duty to dispense social justice to all the classes of society without discrimination, and to create such socio-economic conditions in which the humblest classes of the nation shall have the opportunity to enjoy a life which is in keeping with human dignity, fully adequate to meet the necessities of life.

We believe that the Armenian nation, as every nation, can best preserve and develop its unique physical and spiritual existence in a free and independent national homeland.

We believe that any nation, as well as the Armenian nation, in this atomic age when science has made gigantic strides in the fields of travel and communication, cannot develop and prosper in an isolated life. Science has wiped out the limitations of space and has brought the nations closer together, that all nations, great or small, aside from their aspirations to be free and independent, necessarily have need of cooperation, because, by virtue of their economies, their means of intercommunication and their cultural activities, more than at any other time, they are interdependent, and can meet their needs only through mutual understanding and close cooperation.

We believe that, as long as Armenia continues to remain under the Soviet rule, and as long as Armenia's historic territories are held by an alien power, it is the sacred duty of all Armenians to pursue the cause of the fatherland's liberation with all the possible means at their disposal.

THE WORLD CONGRESS OF THE ARMENIAN REVOLUTIONARY FEDERATION.

CASTRO AND GUANTANAMO

Mr. WYMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. WYMAN. Mr. Speaker, I take this time to call attention to an article appearing in the New York Times today which says that the Castro decision to shut off the water at our naval base at Guantanamo Bay is a tempest in a teapot. It is nothing of the sort. It is a serious affront to our international prestige.

As one Member of the House, let me say that this fellow Castro has proven beyond reasonable doubt that he is an enemy of this country. I am constrained to ask what the devil is the matter with us when we do not act to meet these challenges? When all that is being done apparently is to have some more discussions on how to run away from a showdown with Castro.

If we are not willing to fight to protect this land of ours, to use force if need be to defend our friends and our citizens, what is going to happen to us is certain. We are going to lose, chunk by chunk, island by island, territory by territory, all around the world, which is exactly what is happening from Panama to Zanzibar.

I am confident that Americans are not so complacent in their material plenty that they do not now realize that we must deal with Castro by force of arms, if necessary. Let us be on with the unpleasant business and the sooner the better.

We have got to change the entire foreign policy of this country from defense to offense—not for imperialism but to assure that peace, justice, and freedom will survive in this world.

COFFEE PRICES TO SKYROCKET

Mr. DEROUNIAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DEROUNIAN. Mr. Speaker, when the housewife goes marketing, these days, she complains about the steady rise in coffee prices. Each week she shops, she pays more for coffee than the week before.

On November 14, 1963, when the House was considering the legislation implementing the International Coffee Agreement, I warned that the only thing this bill would accomplish would be to fill the pockets of the coffee manipulators. Although the administration assured the Congress that coffee prices would not rise, I predicted they would. The House passed this bill by a vote of 188 to 144.

What has happened in these past 3 months? Coffee prices have spiraled. Last night, the Washington Evening Star carried this report. It is entitled "Coffee Industry Fears Continued Price Increases" and it goes on to say:

> Coffee prices have been increased by 7 to 10 cents per pound since mid-December and industry spokesmen say the rise will continue unless the Government steps in with some kind of control.
>
> The import price of green coffee has jumped from 34 cents a pound to 48 cents since mid-January, informed sources said today. However, all this increase has not yet been reflected in the retail prices.
>
> "As soon as our present stocks are depleted I can see no way out of increasing the consumer price," one wholesaler said. The cost to wholesalers has increased about 14 cents a pound since the first of the year, while the cost to the housewife has increased only 7 to 10 cents in the same period.

The American consumers resent this raid on their pocketbooks. They resent being pawns for ill-conceived administration policies. The legislation the Congress passed gave the President the unprecedented power to manipulate coffee prices. President Johnson this week sent a message to the Congress in behalf of consumers. He can start acting for them right now.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 28]

Cramer
Davis, Tenn.
Derwinski
Fulton, Tenn.
Giaimo
Hoffman
Horan
Johnson, Calif.
Long, Md.
Martin, Calif.
Milliken
O'Brien, Ill.
St. George
Schwengel
Scott
Siler
Thompson, Tex.

The SPEAKER. On this rollcall, 410 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tomorrow night to file certain resolutions.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

CIVIL RIGHTS ACT OF 1963

Mr. CELLER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 7152, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through title VI, ending on line 15 of page 63 of the bill.

Are there any amendments to title VI?

AMENDMENT OFFERED BY MR. WHITENER

Mr. WHITENER. Mr. Chairman I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WHITENER: Strike out all language commencing with line 1 on page 62 through and including line 15 on page 63, said language being that included under title VI.

Mr. WHITENER. Mr. Speaker, I ask unanimous consent to proceed for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WHITENER. Mr. Chairman, the amendment I have offered is a very simple one. Its purpose is to strike all of that portion of the bill H.R. 7152 designated as "title VI," the title being "Nondiscrimination in Federally Assisted Programs."

There have been many of us who have been concerned about this entire legislation, but I think that from the testimony we have heard before the Rules Committee and from the questions asked when the subcommittee was considering the civil rights bill there was more concern expressed about this title than any other one proposal in the bill. I submit to you that there has been no more dangerous proposal before us since I have been in this Congress than the proposal set forth in title VI of the bill.

I should like, if I may, to give you a little of the history of title VI. You will note from the bill on page 34 that the original Department of Justice proposal dealt with this subject in this way:

> SEC. 601. Notwithstanding any provision to the contrary in any law of the United States providing or authorizing direct or indirect financial assistance for or in connection with any program or activity by way of grant, contract, loan, insurance, guaranty, or otherwise, no such law shall be interpreted as requiring that such financial assistance shall be furnished in circumstances under which individuals participating in or benefiting from the program or activity are discriminated against on the ground of race, color, religion, or national origin or are denied participation or benefits therein on the ground of race, color, religion, or national origin. All contracts made in connection with any such program or activity shall contain such conditions as the President may prescribe for the purpose of assuring that there shall be no discrimination in employment by any contractor or subcontractor on the ground of race, color, religion, or national origin.

When this subcommittee of the Committee on the Judiciary considered the bill, they were not content with this language which, in effect, was saying that nothing in the law should be construed as requiring or authorizing the permitting of this type of conduct. But they went ahead and tried to make it very stringent. Then when the midnight candle was burning, they came up with this monstrosity that we are dealing with now, and they carried forward substantially the same language as the subcommittee wrote.

You will note in the proposal of the Department of Justice in the original legislation, the word "religion" was used.

In the committee recommendation, religion was stricken out. I just wonder why that was but I am sure the gentleman from Colorado knows all about it. I wonder if he would tell us why you left religion out of this bill, that is, out of this revised bill?

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. I am happy to yield to the gentleman.

Mr. ROGERS of Colorado. Mr. Chairman, we believe we should not in any way whatsoever invade the area or come in conflict with the first amendment of the Constitution of the United States and in view of recent decisions relating thereto, we felt that if that was not included, then we would have less difficulty convincing some who are interested in recognizing that there should not be discrimination on account of race, color, creed, or national origin. That is the reason why it was left out.

Mr. WHITENER. I appreciate the statement made by the gentleman from Colorado. I regret that he says the Department of Justice wanted to unconstitutionally invade an area in their proposal.

Mr. ROGERS of Colorado. Mr. Chairman, if the gentleman will yield, I never said anything about the Department of Justice in that regard. This was the action of the subcommittee.

Mr. WHITENER. Did not the Department of Justice prepare the original bill which has been stricken out of the bill we are now considering?

Mr. ROGERS of Colorado. I am not so sure that it did.

Mr. WHITENER. Then let me yield to the gentleman from New York, chairman of the Committee on the Judiciary, I am sure he would know.

Mr. CELLER. Of course, the gentleman knows that while this bill is a comprehensive bill, and as I have stated before, it does not solve all the problems because we cannot have perfection in any bill—the gentleman properly asks why religion is left out.

First. There was no need shown and there was no evidence of any religious discrimination in Federal programs.

Second. The clergy who testified accepted and stated they supported fully this bill with religion omitted.

By eliminating religion, we avoid a good many problems which I am sure the gentleman understands. The aid now goes to sectarian schools and universities. Local sectarian welfare groups, I am sure you will agree, do an excellent job. There is no religious discrimination, of course, among them.

For these reasons, the subcommittee and, I am sure, the full committee or the majority thereof deemed it wise and proper and expedient—and I emphasize the word "expedient"—to omit the word "religion."

Mr. WHITENER. I thank the gentleman. I am sure there has been a lot of evidence that some people think this would be expedient and that too little effort was being made to be sound in judgment as you considered this bill.

But the gentleman still has not given a very satisfactory answer in view of the fact that there was no testimony that there was any discrimination on the ground of religion in connection with any of the other titles of the bill.

The chairman has put the word "religion" in the bill 15 times. How does he explain that?

Mr. CELLER. Because in respect to those other sections "religion" did appear and there were some elements of discrimination based on religion, so it was deemed wise to include "religion" in those other titles.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. Only very briefly. I must get on.

Mr. WILLIAMS. The chairman made the statement that there was some evidence of discrimination on religious grounds. We have tried to get the gentleman to tell us what religion has been discriminated against and who has been doing the discriminating, and we have not yet been given an answer.

Mr. WHITENER. I thank the gentleman.

I might say to the gentleman, as a member of the Committee on the Judiciary, that many of us have been trying much longer than has the gentleman from Mississippi to get an answer to that question. We have not been able to do so. It seems a little incongruous that the proponents would deliberately strike "religion" from this section, when they have been so careful to put it in 15 other places in the bill.

Let me get on with this proposition concerning the depriving of the citizens of the United States of participation in programs which they support by involuntarily paid taxes.

There are some Members here who have made the contention that this bill should be enacted as a memorial to the late President. Many Members have tried to make it appear that support of this proposed legislation would in some way pay a great tribute to our late and lamented President.

Let me point out what the late President had to say about this subject at his press conference on April 17 of last year, when he was asked to comment upon the recommendation of the Civil Rights Commission that he suspend or cancel financial Federal aid which flows to some of the States. Then the President said:

> I don't have the power to cut off aid in a general way as was proposed by the Civil Rights Commission, and I would think it would probably be unwise to give the President of the United States that kind of power because it could start in one State and for one reason or another might be moved to another State which has not measured up as the President would like to see it measure up one way or another.

Then, on April 19, in a statement before the American Society of Newspaper Editors, our late President said this:

> Another difficulty is that in many instances the withholding of funds would serve to further disadvantage those that I know the Commission would want to aid. For example, hundreds of thousands of Negroes in Mississippi receive social security, veterans', welfare, school lunch, and other benefits from Federal programs. Any elimination or reduction of such programs obviously would fall alike on all within the State and in some programs perhaps even more heavily upon Negroes.

That is what the late President of the United States, whom some say the bill would memorialize, had to say about the type of legislation which is proposed in title VI.

I say to you that he was on sound ground.

Those Members who talk about wanting to help certain people will not be helping those people if they enact into law a provision which will give some agency the authority to deprive the colored and the white alike in a given area of the benefits of programs carried on by the Government of the United States.

Is there any Member of the House who believes that if an agency should blot out its program in a given area—whether it be in Massachusetts or Mississippi—that agency, even under this law, if the bill is passed, would have the right to say that the colored people could participate and the white people could not? Certainly no one makes that contention.

Do Members know that the President, under the proposal of the Civil Rights Commission, would have made this decision, but yet the legislation which these brilliant proposals set forth would not even give to the President or to the Congress any authority to make any determination, but would vest that authority in the agency only.

This is being done even though the President, whom my friend from Colorado and others say they want to memorialize, said he doubted that even a President should have that authority, which they want to give to a faceless bureaucrat in the multitude of agencies downtown.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. First of all, I want to say I am sure the gentleman does not want to mislead us.

Mr. WHITENER. I just want to get the facts before this group, and I hope the gentleman will help us.

Mr. ROGERS of Colorado. The facts are, if you read section 601, it says:

> No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity—

Now, those are the things that say no person shall be denied his rights because of race, color, or national origin.

Mr. WHITENER. I cannot yield for a speech by the gentleman. He can get his own time. We can all read the bill. If the gentleman has any contribution, I will be glad for him to make it.

Mr. ROGERS of Colorado. Do you not feel that an analysis of section 601 is some contribution to this argument?

Mr. WHITENER. I do not think the gentleman is doing a very good job of analyzing it. I was referring to the analysis made by the Department of Justice on this very proposition, and if I may proceed, I would again like to call to your attention a question asked of itself by the Department of Justice and its answer. On page 51 of this brief they ask this question:

> Suppose a State or locality, in administering unemployment compensation, requires its offices to maintain separate waiting lines for white and Negro recipients. Would all workmen's compensation payments to the State or locality be terminated?

The question they are asking is would all of these compensation payments to white, colored, and, if you want to put religion in, which you do not, then Catholic, Protestant, Jewish, or whatever—would they all be terminated? Now, whatever the gentleman may say about it, this is what the Department of Justice says about it:

> Such separate lines would clearly be inconsistent with title VI.

That is that section the gentleman just referred to.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITENER. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WHITENER. Continuing on reading from the brief on page 51, it says:

> But it is not contemplated that the Federal agency would take so drastic a step as to cut off all unemployment assistance until this form of segregation was ended; title VI is not intended to be punitive; to deprive all recipients—

Now, all recipients means colored and white—

> of aid could result in great harm to many innocent individuals—

Innocent individuals may be members of the Negro race living in that area who would be deprived of their unemployment compensation benefits—

> who desperately require assistance. Thus, for example, the agency might provide that certain administrative costs could be disallowed if such a segregation practice were followed.

So they are saying they could disallow administrative costs, but it still would not get you by the fact that the punitive provisions of title VI would fall like the dewdrops on the just and the unjust in a given area and would do damage to the very people that some of the Members of this House profess to be trying to help. I say to you there are many others of us who are more concerned about them than some of the proponents of this vicious title VI in this bill are.

Mr. Chairman, I think we are all familiar with this proposal and what it intends to do. It may well involve veterans' benefits. It may well involve the area redevelopment program, the Federal housing program, the farm program, and almost all other programs of the Government.

It will be noted in the explanation by the Department of Justice that under this provision the agency would be entitled to determine whether or not "discrimination was so widespread" as to warrant depriving an entire State of aid even though only one or two localities in that State were practicing this so-called discrimination. Some of us are concerned about the rights of all citizens. Some of us are concerned about the future of this Republic. Some of us feel that if this type of legislation is written upon the statute books without any restrictions, you give no control by the Congress, no control by the President, but place unbridled discretion in the hands of some agency head or some functionary in an agency, who can say to the people not only of Mississippi or North Carolina or Florida or Missouri, but also Colorado, New York, and Massachusetts and other places as well, that, "We find that one or two of your cities are practicing discrimination"—"discrimination" not being defined in the bill—just the word—"and therefore we are going to say that this is so widespread in your State that none of your people will be entitled to go to the unemployment compensation office and draw their compensation check; that none of your people who participate in the food-for-the-needy program are entitled in the future, regardless of their race, color, national origin, or religion, to walk in there and carry away a bag of Irish potatoes or a little bit of wheat flour or something for their families to eat."

You are going to say to the people of this country that we are giving to some bureaucrat the right to say that the little children in your State and in my State may be deprived without the consent of the President or the Congress of the right to get a bottle of milk or participate in the food lunch program in their schools. And this may apply to parochial schools, if they benefit and participate under the food lunch program.

Mr. GRANT. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. I yield to the gentleman.

Mr. GRANT. The gentleman is speaking on a point in which I am very much interested; that is, under the suggested new stamp plan, is it the gentleman's opinion, taking an absurd illustration, if you please, that if a man, the head of a needy family, wanted some stamps, and should go to those in charge of issuing the stamps, and that person was a white person and met all the qualifications and if he stated, "I am against integration; I am in favor of segregation," under this broad policy, could he be denied the opportunity to receive those stamps?

Mr. WHITENER. I could not answer that. I am in the position, as I understand it, in which the Chairman of the Committee on Judiciary was when Judge SMITH and other members of the Rules Committee tried to get that question answered by him. I would just say that even if they could do that, to use the language that the Justice Department used in its brief so often: "I do not suppose that it is contemplated that that would happen."

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. I yield to the gentleman from Virginia [Mr. POFF].

Mr. POFF. Mr. Chairman, I support the amendment offered by the gentleman from North Carolina [Mr. WHITENER]. In its April 1963 report, the Civil Rights Commission recommended that the President seek power to cancel or suspend Federal aid funds to States which fail to "comply with the Constitution and laws of the United States." At his April 17 press conference, the President was asked to comment on that recommendation. In response the President said:

> I don't have the power to cut off aid in a general way as was proposed by the Civil Rights Commission, and I would think it would probably be unwise to give the President of the United States that kind of power.

Title VI of this bill gives the President "that kind of power" and we share the President's feelings that it is "unwise." Assuming, as the Supreme Court has said, that "what the Federal Government subsidizes it can control," should the Federal Government, acting through the executive branch, be vested with control powers to terminate or suspend by administrative fiat programs of financial assistance which the legislative branch has authorized and funded? True, this bill makes provision for judicial review of agency actions upon the demand of the State or individual aggrieved by such actions. However, agency action will have been taken, the funds will have been cut off, and the State and its citizens will have already been injured before any judicial determination of racial discrimination has been made. The cart is before the horse. Why should not the judicial determination be made first, and why should not the burden of bringing the suit rest upon the Federal Government rather than the State government or its citizens? Surely the accused should not be punished until the guilt has been established under the rules of evidence and constitutional safeguards which our American system of jurisprudence provides.

It will be seen that the judicial review authorized by this legislation—as distinguished from an original judicial proceeding—is keyed to the Administrative Procedure Act. This entails at least two pertinent consequences. First, under the Administrative Procedure Act, the review is ordinarily conducted, not by a district trial court, but by the circuit court of appeals; in all respects, this proceeding is a review rather than a trial. Second, the Administrative Procedure Act requires the circuit court to uphold the administrative findings of the agency if they are supported by "substantial" evidence. "Substantial" evidence does not mean a majority of the evidence; it does not mean a preponderance of the evidence; according to judicial construction, "substantial" evidence means only a reasonable quantum of evidence in support of the agency's decision. Why is this significant? It is significant because title VI requires the agency only to make an "express finding" of discrimination; it does not require the agency to conduct a formal hearing into that question. Accordingly, the administrator of the agency need only gather information—not under oath—treat it as evidence of discrimination, reach an "express finding" that discrimination exists, cut off the funds and then sit back and wait for the State or other recipient to take an appeal under Administrative Procedure Act to the circuit court of appeals. If the circuit court determines that "substantial" evidence exists, the agency finding is affirmed and the State is out of court without ever having had its full day in court.

We will assume, however, that although title VI does not so require, the agency would decide to conduct a full formal hearing at which the State would be permitted to produce its evidence. Even so the State would not enjoy full protection of its rights. The limited review procedure authorized in Administrative Procedure Act was justified when the act was written on the grounds that administrative agencies were supposed to have more expertise in their particular fields than the courts themselves. That is why the courts were allowed to reverse administrative findings only when they were not supported by substantial evidence, were clearly erroneous, or were contrary to law. Outside the Department of Justice itself, no administrative agency can claim to have any special expertise in the field of racial discrimination. Accordingly, the theoretical justification for the limited procedure established in Administrative Procedure Act does not exist, and because it does not exist, tying the judicial remedy of title VI to Administrative Procedure Act is not justified because it does not fully protect the rights of those charged with racial discrimination in the administration of Federal aid programs.

The foregoing consideration has to do with the judicial remedy which would be made available to those charged with acts of discrimination. It should also be remembered that this judicial procedure is available to those who bring charges of discrimination and who are aggrieved by the negative ruling of the administrative agency. Thus, no matter how frivolous the charge may be, the complainant may demand and the circuit courts must entertain petitions for judicial review. It is obvious that the passage of this legislation would clutter the docket of the circuit court with an unmanageable workload.

To what Federal aid programs would title VI apply? The subcommittee bill embraced all Federal financial assistance programs involving a grant, contract, loan, insurance, guarantee, or otherwise. The bill finally reported by the full committee narrows the scope of the act to grants, contracts, and loans. This does not mean, however, that the scope of the legislation is narrow. While it is impossible to compile a complete list, a partial list of existing Federal aid programs which apparently would be embraced will be found on page 104 of the committee report.

Not only is it uncertain what programs would be covered, it is unclear what phases of covered programs would be reached in the application of the law. Action to cut off funds can be taken not only when the agency finds that a person has been "excluded from participation in" or "denied benefits of" a Federal aid program. Such action can also be taken when the agency finds that a person has been "subjected to discrimination" under such programs. It may be clear enough what the first two clauses mean, but if it means more than the first two, what does the clause "subjected to discrimination" mean? To what does that phrase apply? Does it apply to only the direct monetary benefits under the Federal aid program? Or does it also extend to the employment practices of Federal contractors? For example, could Federal highway funds be withheld because the Administrator found that some person had been "subjected to discrimination" when he applied to the contractor or his subcontractor for a job or promotion? Can funds for the construction of hospitals under the Hill-Burton Act be denied because the administrator feels that nurses, orderlies, and other job applicants have been discriminated against because of race? Motorists receive the primary benefits under the Federal highway program; patients are the primary beneficiaries of the Hill-Burton program; but those who work for contractors constructing hospitals and building highways could be called secondary beneficiaries. To what depths may the Federal Administrator descend in searching out discrimination practiced under or incidental to Federal aid programs?

Citizens of all colors of all States pay Federal taxes. All should be entitled, without discrimination on account of race, to share in the benefits financed by Federal taxes. This cannot be, and the innocent are damned with the guilty, if a Federal executive agency can terminate Federal programs in an entire State or in some geographical portion of that State because one citizen was discriminated against by one State official or by a fellow citizen.

Mr. POWELL. Mr. Chairman, I rise in opposition to the pending amendment.

(By unanimous consent, Mr. POWELL was allowed to proceed for 5 minutes.)

Mr. POWELL. Mr. Chairman, as chairman of the Committee on Education and Labor I rise at this time to direct my remarks to that part of the bill that affects education.

I rise also because I am the author of the so-called Powell amendment which I presented on this floor for the first time on July 3, 1956, subsequently on July 5, and August 8, 1958, and on May 26, 1960. Each time I presented this amendment before you for the withholding of funds you, my colleagues in the House, sustained my amendment. It was never rejected. The Powell amendment was never rejected by this House.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield to the gentleman from Alabama.

Mr. RAINS. I would like to suggest that the gentleman has a faulty memory. Did he offer the Powell amendment to the housing bill?

Mr. POWELL. No. I am talking about education. That was the preface to my remarks. I said I would address my remarks to that part of this title which affected education and so I repeat, this House has always adopted the Powell amendment as regards education.

When I became chairman of this committee one of the things I decided on was that each member of the committee would be the author of any legislation I personally might put forward. So I gave the Powell amendment this year to the gentleman from Hawaii [Mr. GILL]. That amendment, as a bill, came out of our committee with bipartisan support this year. It was almost unanimous. Later it was embodied and broadened by the Committee on the Judiciary in title VI. I merely desired to give these remarks as the historical background.

In the 20 years that I have been here the House of Representatives during the past few days has risen to its highest peak in discussing this emotionally charged issue. I want to compliment all of my colleagues, especially those from the South, for the high level on which they have pitched their remarks, their debate, and their discussion. I think we can leave here, winners and losers, feeling proud of the fact we belong to this House. I believe that this atmosphere is because we feel that beyond the legalisms that this body is indulging in this week, there is a high sensitivity to the morality connected with this bill. This is fundamentally a great moral issue of man, and man's inhumanity to man. We are but petty men, spittled clay grown arrogant with rancor who are on this earth but for one grain in the hourglass of time. I think we all realize that what we are doing is a part of an act of God. When we talk about the color of our skin, the texture of our hair, the slant of our eyes, how high or how small we may be we are talking about an act of God. So we are not here to interfere with the acts of God. We are here today that God's children, all of the black and white, Jew and gentile, Protestant and Catholic, shall have their God-given rights. I hope we will continue this way today and tomorrow on this high level. I say "God bless all of you" as we journey together today and tomorrow, and that we shall continue to perform from our conscience in the same high spirit in which we have performed during our deliberations on this great moral issue before us.

Mr. RAINS. Mr. Chairman, I rise in support of the amendment offered by the gentleman from North Carolina, and ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. RAINS. Mr. Chairman, I shall address my remarks in the main to title VI.

In the 20 years I have been here I have seen some rather difficult bills presented on the floor of the House. While I can understand the feeling back of this legislation, in my brief appearance before the House I do not intend to speak against the equal rights of any man. This is not a bill for equal rights, it is legislation of special privilege.

What I have to say and I do not want to be unkind to the members of the committee, is that this all-inclusive bill steps over other committees' jurisdiction, in the Congress. I think there are many sections in this bill that should be separate legislation, for separate consideration by the House of Representatives. This section is one of them.

I have appreciated the level and tone of the debate. I think all of us want to stay within the bounds of reason and logic. But I was amazed yesterday, and I do not mean to criticize any individual, to see Members of the House of Representatives, known as the most careful and meticulous legislative body in the world, vote against the right of jury trial.

Before I came to this Congress I was a prosecuting attorney. I have been on both sides of the issue, have represented both the accused and the accuser, and I have profound respect for the great cloak of protection that is wrapped around any person, black or white, when he is accused of any crime, large, or small. The basic law of this country gives to the accused always the advantage of two basic rights—the right to a jury and the right to confront him with the witnesses that accuse him. Now we find this House saying, "If you are a special kind of citizen, or rather, if you commit a special kind of crime, you are not entitled to those basic principles of American jurisprudence granted in the Constitution which our forefathers wrote." Surely it is no compliment to this House of Representatives to enact any type of legislation that takes away the right of any accused, high or low, rich or poor, black or white, red or yellow, to demand a trial by a jury of his peers. I was amazed when this happened and I can only say, that thank God there is another body of the Congress that will consider and, hopefully, correct this unfortunate action by the House.

Then when we come to title VI, I am going to speak frankly to my friends on the right side of the aisle.

There is not a Member of Congress, I daresay, that has in the last 10 years brought more difficult legislation for the poor people of America before this House of Representatives than the humble speaker before you now. Time after time a great many of my friends on this side of the aisle and on that side of the aisle have pleaded the cause of the poor, black and white alike. I say to you as frankly as I ever made a statement in my life that if you enact title VI as it is now written, you will cut off and eliminate the type of legislation which I have presented to this House because it can never pass.

I look at title VI as it affects housing. Do you know what it affects? Public housing. Do you know what it affects? Urban renewal. Do you know what it affects? College dormitories, nursing homes, the nonprofit corporation type. And listen: Do you know what it leaves out? Big private enterprise. You did not put that in this bill. I am surprised that you let FHA, with its private enterprise, escape. They vote for that. Everybody does.

You let the banks escape.

You let the savings and loan associations escape.

You let everybody escape except the poor people.

Now what kind of business is that? This section needs to be amended if we are ever going to enact any other legislation of the type that we have fought for and enacted so often on this floor.

The 1961 housing bill passed by 18 votes. Sure, you can pass a type of housing bill—the type you do not want to vote for.

So while I urge to elimination of the entire section, I say with all sincerity that this section must at least be amended. Do you honestly think this Congress can ever pass a bill that will say to any city in the United States that happens to have a mayor who disagrees with the viewpoint expressed in this legislation that we can deny to all the people of that city the benefits of laws and program that we pass for the benefit of all people of the country?

Let me give you another thought. Do you realize that before you can have any of these programs, you must have appropriations? Do you realize who sit on the Committee on Appropriations in this Congress? Are they going to give money—and I am looking at them—for any bill that will not give aid to every city and municipality in the Union? You know as well as I know that they are not going to do that. So what we are doing here is placing an intolerable burden upon the programs that Members of Congress on my right have supported these many years.

It could make it easier for me—all I would have to do is to bring in a bill that the gentlemen over here on my left want—and a few more—and it would pass.

Let me bring in a bill that has any other features in it that they do not want, and it will not pass.

That is not only true on housing. It is true on area redevelopment. It is true on accelerated public works. It is true all the way down the line on every single one of these programs. Maybe you are against it but I think the Congress ought to have a right to say whether or not the benefits of any program should go to everybody or be cut off.

Let me ask one other question. Suppose in a small town or in a large town, there is an official who objects to this type of legislation. And suppose we do not give to the black and white people alike in that city the benefits of a financial program by their government for which they have paid the taxes.

What kind of justice is that? Shall we punish all the people because of the opinion of one public official? What kind of legislating are we doing in the House of Representatives? Are we legislating for some special group or are we thinking of all the people? If we are thinking of all the people, then this section ought to come out of this bill. It does not belong in it. It will be a hobble down the way. It will curb and curtail the President's program. It is headed for trouble just a few weeks ahead.

Mr. Chairman, that is all I have to say. But I will stand on this floor again one other day and if this bill is enacted, I will remind my friends that the reason we are in trouble is because of the action which this body took on title VI.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ELLIOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I oppose the civil rights bill which we debate here today. I oppose its titles and its sections. I represent an area of our country that does not need, and does not want this type legislation at this time.

The civil rights bill now before us would attempt to whiplash my region of the country into changing, overnight and under extreme penalty, human beliefs, human customs, human traditions, human attitudes, and human emotions that are centuries old. In my judgment, it will do far more harm than good. It will further stir up the resentments, and further incite the passions of our people.

I make no apology for the South. None is needed. My people sincerely and conscientiously believe that the separation of the races is in the best interests of both white and Negro citizens. We make no bones about it. But this sentiment has not prevented the South from making substantial progress in the complicated and highly complex field of human relations.

For almost 20 years now, since the end of World War II, my own State of Alabama and other States of the South have been spending millions of dollars a year to improve the lot of the Negro, to provide for him better educational opportunities, better job opportunities, better housing, better hospitals, and better living conditions in general.

These are the kind of opportunities and rights that I am interested in for all our people, regardless of their race, regardless of their religion, regardless of their creed, and regardless of their national origin.

At the same time, Mr. Chairman, I am strongly committed to the right of every American to freely choose his own associates and neighbors, without having a Federal case made of it.

I am strongly committed to the right of Mrs. Murphy to rent or refuse to rent accommodations to anyone for any reason—good, bad, or indifferent—that strikes her fancy.

I am strongly committed to the right of a private businessman to hire or refuse to hire anyone for any reason, or, indeed, without reason.

In short, I am strongly committed to the right of a free people to conduct their own personal and business affairs without fear of governmental dictation or meddling.

But these inalienable rights, these most basic of rights would be swept into the gutter if this frenzied attempt to legislate "instant" equality and "instant" brotherhood succeeds. What we really need here today is "instant" commonsense and "instant" reasoning.

As I have said, all 10 titles of this bill are bad—they are bad individually and collectively. I think the title we are now debating, title VI, stands out as one of the most heartless, as one of the most vindictive of them all.

Title VI would punish the innocent and the weak for the real or imagined administrative action of the State; it would make pawns of the old and the needy; the young and the helpless; the blind and the infirm—it would jeopardize the programs which Congress, in its wisdom, has enacted to feed the hungry, to educate the youth of this Nation, to house the homeless, and to provide sustenance for the poor.

Title VI would give the bureaucrats life and death control over the dozens of public welfare and State assistance programs which are now on the statute books. This is a power that not even the President of the United States has ever been granted in the 188-year-old history of our Republic.

It is a power that the late President John F. Kennedy said last April should not be given to any President, then or in the future.

It is a power that Congress has steadfastly and consistently refused to take unto itself. Time after time, this House has wisely voted down the so-called Powell amendments which would prohibit and prevent certain of our people from sharing in the fruits of beneficial Government programs. Title VI is a whole bundle of Powell amendments.

Mr. Chairman, I am shocked by the steel-fisted arrogance of title VI; I am hurt and dismayed by the searing inhumanity of it. I am frankly apprehensive of the sweeping authority it would give to some faceless and anonymous bureaucrat to deny Federal assistance funds to any State which, in his own personal opinion, is guilty of discrimination.

This title is so poorly written that it does not even define the word "discrimination." But, of course, it cannot. There is no universally agreed upon consensus of what constitutes discrimination. We are talking about a moral issue—one that must be decided in the heart and mind of each individual.

But title VI imputes the wisdom of Solomon and something approaching divine judgment to "each Federal department and agency" in the "termination of or refusal to grant or to continue assistance" to any given State.

I think the U.S. House of Representatives is the greatest deliberative body on earth. In that spirit I say, come, then, let us reason together. Let us consider this legislation dispassionately, calmly and above the tumult and the shouting. We must not let our judgments be swayed or distorted by emotionalism. The stakes are too high. Proponents of title VI are talking about handing over control of tens of billions of dollars a year to bureaucrats who can dispense or withhold these funds on a whim.

I earnestly beseech this body to exert its own independence and support the amendment now under consideration.

Mr. GILL. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I have not taken the floor prior to this time because I felt that the business of the Committee on Education and Labor would start today and tomorrow on the two parts of the bill next in line, titles VI and VII.

I would like to preface what little I have to say on this point by complimenting our friends from the southern area of the United States for their very competent and persistent attack on this bill, and for their rational approach to many of the problems found in the legislation. I am sure that if we were in the same position, we would be hard put to equal their performance. I can say this as one coming from a State farther south than any of theirs.

I would also like to inject into this discussion the fact that no aminus is borne. I am sure all of us basically understand the terrible human dilemma that many parts of this country face today. However, we cannot avoid the issue of equal rights for all Americans. It is here with us. We are going to have to meet it. This bill is an attempt to do so in part.

The chairman of the Committee on Education and Labor, the gentleman from New York [Mr. POWELL], mentioned that title VI was to some extent an outgrowth of an omnibus Powell amendment introduced by almost all members of the Committee on Education and Labor early last year. More exactly it is in part an outgrowth of H.R. 7771 as reported out by the Committee on Education and Labor some months ago. H.R. 7771 deals specifically with five major educational programs under the jurisdiction of that committee. It is also well to note that the bill as we reported it out was far more stringent on those programs where it applied than is this title VI before us today. H.R. 7771 cut off funds, period, at a time certain, after certain findings had been made. If you will look at title VI, you will see very clearly that we have here a relatively mild form of cutoff provision. There is no mandatory or arbitrary stopping of funds.

It merely states the right of all persons not to be denied the benefits of Federal spending because of race, color, or national origin. It further states that the individual agencies will make regulations to effectuate this provision. It requires that any action taken be "consistent with achievement of the objectives of the statute authorizing the financial assistance." It states that compliance will be asked for under two possible routes: One is termination and the other is by any other means authorized by law.

Further, title VI provides very clearly that the person or the agency which is denied the money, if it desires, can go to the courts—to the Federal district court in the district where the question arises—and that court can determine whether or not the cutoff is in accord with law and whether or not it was properly done under this statute.

Nowhere in this section do you find a comparable right of legal action for a person who feels he has been denied his rights to participate in the benefits of Federal funds. Nowhere. Only those who have been cut off can go to court and present their claim.

I think you will note that flexibility and caution is the rule of this title VI. It allows the administrative agency to try to work out special problems and to ask for compliance. It sets no time limit in which this compliance must be achieved. I submit that if title VI errs it is on the side of mildness.

Mr. Chairman, I think it is perfectly obvious that the great concern that arises over this section is directly related to the amount of Federal money received in some of the areas most likely to be affected. I call your attention to a recent report of the Tax Foundation which points out the States which receive more Federal money back than they pay in Federal taxes. It shows that almost all of the States of the "old Confederacy," if I may use that phrase, fall into this category.

Our southern friends have great reason for concern that they will lose some part of this Federal money. But the fact that they receive such a bountiful share of the Federal Treasury puts on their shoulder a comparable responsibility to be sure that all their citizens receive equal benefits from these funds.

Time and tide wait for none of us. The tide of history has run on this question. The time is now.

Mr. LINDSAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to oppose this amendment, which is a gutting amendment. That is the end of this title, if this amendment is carried, as Members well know. So now we have it out. Members know that at the present time the Federal Government in dealing with Federal funds has the power to cut off funds in some programs, to make other adjustments for statutory purposes, and to impose administrative conditions consistent with the purposes of the program. Many times, if specified conditions are not met, Federal funds are not made available. Now, in this area we have a more basic problem than in any other. Both the Federal Government and the States are under constitutional mandates not to discriminate. Many have raised the question as to whether legislation is required at all. Does not the Executive already have the power in the distribution of Federal funds to apply those conditions which will enable the Federal Government itself to live up to the mandate of the Constitution and to require States and local government entities to live up to the Constitution, most especially the 5th and 14th amendments?

I do no think anybody seriously has challenged the right of the late President of the United States to sign an Executive order having to do with discriminatory use of Federal housing money, and that includes urban renewal, as mentioned by the distinguished gentleman from Alabama [Mr. Rains] a moment ago. That was an Executive power exercised by the President under a grant of power from the Constitution. No legislation was necessary in that case.

Now we have legislation here for two reasons. One, because in some programs we well know that separate but equal provisions are explicitly written into them. Second, there is an area of doubt as to the intent of the Congress, and that derives from the fact that antidiscrimination riders on programs providing for Federal assistance have been defeated. That casts doubt. Even during those arguments on the floor of the House—and I recall them as other Members who have been here a great many more years than I recall them, the argument was always made, "This is not the time to discuss an antidiscrimination rider." Even those Members who would vote against such a condition in any event argued that this should come up by separate legislation at a separate time. That time is here, that time is now, and this is that separate legislation. It is not tomorrow; it is here today. This is the time of decision. I respectfully submit that no Member in good conscience can ignore it; no Member can turn his back on it.

One further statement, Mr. Chairman, I listened with great interest and closely to the argument made by the distinguished gentleman from Alabama [Mr. Rains], the chairman of the Subcommittee on Housing of the Committee on Banking and Currency, and one reason I listened with extra care is that I have an extra high regard for him, for the high standard of public service that he gives to his constituents and to his country, and the contribution that he always makes to the debates on the floor of this body.

A moment ago he asked the gentleman from New York [Mr. Powell] whether he had not offered an antidiscrimination amendment to the housing bill. The gentleman from New York said, "I did not offer that amendment to housing." He was right. It was I who offered the amendment. The gentleman may recall it occurred during the great housing fight that took place on the floor of the House of Representatives in 1959 or 1960. The gentleman from Alabama said there were only 18 that supplied the votes necessary to carry that great event. I was 1 of the 18. That was not easy for me, because my side of the aisle was on the other side of the question. Yet my belief at that time and my concern for our cities and our people is such I am willing to take political punishment if necessary. I voted with the gentleman for the bill.

At the same time I offered and voted for an antidiscrimination rider, which was beaten down. I remember clearly at the time that the argument was made on the floor by those who were opposed to the antidiscrimination rider, that that was not the time. Wait, they said, for a separate time and separate bill. I repeat, Mr. Chairman, that time and that bill is here.

Mr. CELLER. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I think it may be well for the purpose of legislative history to indicate the legal basis for title VI. I will say in that regard that the Congress has the fullest power to attach reasonable conditions to grants of financial assistance, and it can do that by across-the-board legislation. I refer to the Work and Hours Act of 1962, the Anti-Kickback Act of 1934. Both of these acts were applicable to contracts and work financed by Federal loans or grants, and certain conditions were attached to those grants.

The legality is based on the general power of Congress to apply reasonable conditions—they must be reasonable, of course—to grants, as was exemplified in *Unlited States* v. *San Francisco*, 310 U.S. 16, case decided in 1940; *Oklahoma* v. *Civil Service Commission*, 330 U.S. 127, case decided in 1942.

Beyond that, since the recipient has the option to accept the aid under the terms prescribed by the Congress, there is no invasion of the power reserved to the States under the 10th amendment. The power of the State is not involved. There is the option to accept or reject.

In general, it seems rather anomalous that the Federal Government should aid and abet discrimination on the basis of race, color, or national origin by granting money and other kinds of financial aid. It seems rather shocking, moreover, that while we have on the one hand the 14th amendment, which is supposed to do away with discrimination since it provides for equal protection of the laws, on the other hand, we have the Federal Government aiding and abetting those who persist in practicing racial discrimination.

It is for these reasons that we bring forth title VI. The enactment of title VI, will serve to override specific provisions of law which contemplate Federal assistance to racially segregated institutions.

As was pointed out very succinctly and logically by our distinguished colleague from New York [Mr. Lindsay], we have such "separate-but-equal" provisions embedded in our statutes. They are contained in the Hill-Burton Act—involving grants for hospital construction, 42 U.S.C. 291e(f), and the second Morrill Land Grant Act, 7 U.S.C. 323, and by implication Public Law 815, providing grants for school construction in federally impacted areas, 20 U.S.C. 636(b)(f). The validity of such provisions are now in litigation and is the subject of conflicting judicial decisions.

You may remember that the Hill-Burton Act and the second Morrill Act contain the words "separate but equal." I believe there is a case in one of the courts of appeal which has held that "separate but equal" as applicable to these hospital grants unconstitutional. That case has not as yet been decided by the Supreme Court. By the enactment of title VI you override all such "separate but equal" provisions for the future, regardless of the ultimate outcome of the pending litigation.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. CELLER was allowed to proceed for 5 additional minutes.)

Mr. CELLER. The enactment of title VI is intended to provide—and this is important—express statutory support for action being taken by the executive branch. As a matter of simple justice, Federal funds, to which taxpayers regardless of race, color, or creed contribute, ought not to be expended to support or foster discriminatory practices.

As has been pointed out also by my distinguished colleague from New York, while the executive branch is believed in most cases to have adequate authority to preclude discrimination or segregation by recipients of Federal assistance, the enactment of title VI would clarify and confirm that authority. It would tend to insure that the policy of nondiscrimination would be continued in future years as a permanent part of our national policy.

Enactment of title VI seeks to avoid legislative debate over the so-called Powell amendment, reference to which has been made by the distinguished gentleman from New York [Mr. POWELL] himself. You may remember that repeatedly in recent years amendments have been offered in Congress to bills providing for or extending Federal assistance to education, housing, and other matters, which would preclude assistance to segregated institutions. Such amendments have consistently been opposed by Members of Congress who favor the principle of nondiscrimination, including myself. I opposed the Powell amendment at some great discomfiture, because I heard very distinctly from my constituents that I should not oppose that Powell amendment. But I did oppose it.

Title VI enables the Congress to consider the overall issue of racial discrimination separately from the issue of the desirability of particular Federal assistance programs. Its enactment would avoid for the future the occasion for further legislative maneuvers like the so-called Powell amendment.

Mr. MEADER. Mr. Chairman, will the gentleman yield for a question?

Mr. CELLER. I yield to the gentleman.

Mr. MEADER. I had understood when the gentleman from New York [Mr. POWELL] was referring to the Powell amendment, a number of times he said, I think, every time an education bill was considered and the gentleman from New York, Representative POWELL, offered his amendment it was adopted by the House. Is my recollection correct? The Powell amendment has never become law in any act of the Congress; has it?

Mr. CELLER. I think the gentleman is correct.

Mr. MEADER. I think also there is a bill which the Senate has passed in this session which contains the Powell amendment; am I correct about that?

Mr. CELLER. I doubt very much that any act was passed containing the Powell amendment.

Mr. MEADER. No, not an act but a bill passed the Senate or at least is pending in the Senate or reported out of a committee.

Mr. CELLER. I have just been informed that an FEPC bill has been ordered reported by the other body.

Mr. MEADER. I thank the gentleman.

Mr. CELLER. Finally, Mr. Chairman, may I say that the toll of the "separate-but-equal" principle begins at birth.

In the segregated hospital, constructed with Federal funds, the chances of survival of a Negro infant or of a Negro mother giving birth in the limited and inadequate facilities provided to their race, are significantly lower than for whites. One court has not hesitated to conclude from the array of evidence presented to it—and I am quoting from the case of *Simkins* v. *Moses Cone Memorial Hospital*, 323 Fed. 2d, 959, that:

> Racial discrimination in medical facilities is at least partly responsible for the fact that in North Carolina the rate of infant mortality is twice the rate for whites and maternal deaths are five times greater.

So that I need not give you illustration after illustration along these lines—the case is clear—the record has been made. I do hope that the amendment of the gentleman from North Carolina will not prevail.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RODINO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we all know the Federal Government provides financial assistance for a wide variety of programs and that these programs are intended to assist or benefit certain people.

We know that the money used by the Federal Government in the conduct of these various programs comes from the taxpayers regardless of race, color, or national origin.

We also are aware of the fact that there has been cited ample evidence of discrimination in the various programs which are financially assisted by the Federal Government.

The Civil Rights Commission in its reports has brought out the fact that in programs which are presently receiving financial assistance there has been discrimination against the intended beneficiaries of such programs—discrimination on account of race, color, or national origin.

Now what does title VI of this bill do? It asserts a principle—the principle that discrimination on account of race, color, or national origin is wrong. It says to the agency or the administrator of that program that he or it is required to set up rules or regulations in accordance with the purpose of that particular program or activity in order to bring an end to discrimination on account of race, color, or national origin. But it also affords an opportunity to those who are discriminating to comply with the rules or regulations and thus not be cut off from Federal funds.

Title VI of the bill does not have as its purpose the cutting off of financial assistance to federally assisted programs. This title specifically has as its target the ending of discrimination and as long as there is no discrimination in these Federal programs, this section would not allow a cutoff of funds.

Now, Mr. Chairman, let us see what the bill actually does require.

Before the funds for any such federally assisted program are cut off, under section 602 the administration must—because he is required—set up certain rules and regulations or orders of general applicability which shall be consistent with the purposes of the program.

The administrator would set up rules and regulations so that if a case of discrimination on account of race, color, or national origin should occur, he might say to the individual, "If you comply with these rules and regulations and end discrimination, no funds will be cut off from this particular program."

Ample opportunity would be given to the recipient of the funds who might be discriminating, to end the discrimination before any funds would be cut off. As a matter of fact, throughout this title, the administrator of a Federal program would not necessarily have to cut off funds even though discrimination exists. He would set up rules and regulations. The individual discriminating might not comply with those rules and regulations, but even then, the administrator could use other means authorized by law to secure compliance. If discrimination then ended, the funds would not be cut off.

Together with this, if the person aggrieved, after an express finding on the part of the administrator of the program, felt the decision or determination was arbitrary, he might take it up under judicial review.

Mr. Chairman, we know that from time to time there has been presented to the House, in debate on various programs, the so-called Powell amendment. We know that the House has, from time to time, supported the Powell amendment. But there were many Members who, because of a vital interest in the continuance of a good program, failed to support the Powell amendment, notwithstanding the fact that they recognized there was substantial evidence that discrimination existed in those programs.

Mr. Chairman, I believe this title VI is an exercise of the undoubted power of Congress to fix the terms upon which Federal funds will be spent. The proposal expresses a principle which is fundamental and just. It would provide a fair and flexible means of effectuating the principle. It includes adequate protection against arbitrary action. I believe its enactment is long overdue. I urge, therefore, that the amendment seeking to strike this title from the bill be defeated.

Mr. DOWDY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I shall not require 5 minutes. I had prepared an amendment to strike out sections 602 and 603 of title VI. I see no objection, so far as I am concerned, to section 601, which provides:

> Notwithstanding any inconsistent provision of any other law, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

I see no objection to that, and I would not move to strike it.

The main reason I wished time was to reply to the gentleman from Hawaii, who I believe made the statement—and I am sure he had not read the bill, or he would not have made the statement—that the provisions of section 602 would not be mandatory, and that the Federal departments and agencies would not necessarily be required to cut off funds to individuals, cities, counties, or States.

The provision begins:

> Each Federal department and agency which is empowered to extend Federal financial assistance to any program or activity shall take action.

It is a mandatory provision. They would have to do it; there is no getting away from that.

To back up that authority to be given in section 602, section 603 provides for a court action. However, when one reads section 711(b) of the bill, one finds that the President is to be given authority to take whatever action he wishes to take, which would include the delegation of his authority to an agency. After such delegation there would be no opportunity to appeal to any court. The individual, city, county, or State would have no recourse, and would have to accept whatever action might be taken withholding such benefits from the individual, from a county, from a city, or from a State. That represents, actually, a handing over of the economic survival of a community to the whim, even capricious or arbitrary, of some bureaucrat in one of the Federal departments. That goes too far. It would be tyranny. It would be totalitarianism. Such power should not be granted by this House.

Mr. LIBONATI. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, provision VI is the strong core of this bill. There is no question about it. The arguments against it are based on the question of the abuse of power as against the determination that men must abide by the law. I would rather that we would not need this provision in the bill, but where you have to to have drastic action to enforce the rights and liberties of men, then you must have this type of instrumentation in a bill that will bring about the desired result.

In my questioning of the Attorney General on the various provisions in the bill we came upon a discussion of this provision:

> Mr. LIBONATI. Of course, on the other hand you said that sound discretion would control any activity on your part to determine the values of destroying the whole community school system where they had integrated, and one unit had not. So that is within your power to make that determination.
>
> Attorney General KENNEDY. Yes, sir.
>
> Mr. LIBONATI. And certainly in the public interest, no one need give you guidance on that, because you are a man of integrity and understand the responsibilities of your position.

Then below on page 2758, serial 4, part IV, October 15–16, 1963, commenting on the question of the Federal assistance programs:

> Mr. LIBONATI. On the question of the Federal assisted programs, I think there again will come into play the sense of discretion of the enforcement officer as the Attorney General, who makes the determination, especially affecting matters where prejudice may result from the fact that labor unions won't cooperate and further problems will be presented to Government in that no general contractor will bid being confronted with problems with labor that he has no control over in activating his contract.

This section VI of the bill is the enforcement section to eliminate all the prejudices practiced against the Negro in the labor market, in the schools, on questions of relief and other questions. Now, you can dillydally all you want to with the question of reasonableness of this provision or question the wide powers of discretion of the officer who has been given the authority to enforce it or the honesty of purpose of the bureau that has control of it, but you have to rely on the sound reason and the analytical evidentiary facts developed by the authority; certainty the sensible decision would be not to disturb a whole community over the question of a departure by a minor unit of that community as indicated by the answer of Attorney General Robert Kennedy as above quoted. This provision is a necessary adjunct to this bill if you are going to write any purposeful bill at all. The conditions complained of do not affect only a section or part of this country. These practices are general throughout the United States. Our southern brethren here are carrying the brunt of criticism, but you and I know that some of these practices, especially in labor and in other situations, such as schools and so forth, are also a problem in the North, and if you are in any way honest with yourselves, you will either vote this bill for the purposes intended, or you will abandon it. You have here in this provision real power for enforcement, and provision VI does it. You can leave it or take it. If you are honest with the people you are trying to help, if you have the integrity within yourselves to determine that in this effort you are going to do a job at the legislative level that will bring out a bill that will give these people basic confidence in what you believe is to be accomplished and so stop their criticism of this legislative body which represents their only hope—then do not let them feel that we are only making empty gestures. This is a strong bill and this is the strongest provision in the bill, and you must vote for this provision if you vote for any bill to meet the age-old problems at hand affecting loyal and patriotic Americans—crying and pleading for equality and public acceptance.

Mr. DORN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from North Carolina [Mr. WHITENER].

Mr. DORN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to proceed for 10 minutes additional.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN. Mr. Chairman, my distinguished colleague who preceded me is absolutely right. This is a power bill. This is a powerful section, this title VI, bestowing more power—this entire bill, in all of its sections, but particularly title VI—bestowing more power into the hands of one man or a few men than has ever been granted before in the history of the United States.

I want to address the Committee this afternoon for a few moments on the entire bill; on why I am against this bill. It is ill timed. It is ill conceived, and is the most dangerous legislation, particularly at this time, ever to come before this Congress of the United States.

In September 1919, in the State of Massachusetts, the late President Calvin Coolidge was then Governor of that great State. In Boston, you will recall, in September of that year, there was a riot, violence in the streets of that great city, to such an extent that the Governor of Massachusetts, Calvin Coolidge, called out 10,000 National Guardsmen and put the city of Boston under martial law. And he coined that famous phrase that there would be "law and order." He called the President of the United States in the White House in Washington, a Democratic President, Woodrow Wilson; and Wilson said in substance I will send you all the ammunition, all the trucks, all the equipment you need.

The Federal Government supported the State government and order was restored. Calvin Coolidge, as a result, became Vice President with the one slogan, "Law and Order," and subsequently became President of the United States.

Today, Mr. Chairman, law and order must be maintained in this country, in order that democracy, freedom, human rights, and human liberty shall be preserved.

Yesterday I saw on the front page of the Washington Post in the column on the right, under a banner headline, a cold admission that the civil rights bill is now before this House of Representatives because of violence in the streets of the United States last year. We are operating here today under the gun—both barrels. I am afraid that some of you have had your orders, and that, therefore, you must act accordingly. But listen: I say to you, my colleagues, let me plead with you not to honor violence in the streets, not to honor those who threw whiskey bottles and brickbats at the peace officers of this country. To reward mob violence with legislation is to make a mockery and fraud of democracy. Let me warn you, especially on this side of the aisle, that I have been out in this country to address various gatherings in many areas—North, South, East, and West.

It was my great pleasure to speak before the Illinois Sheriffs Association, not too long ago; and I suggest that before you vote for this type of legislation you should contact your chiefs of police, sheriffs, your deputies, State patrolmen, your peace officers, those wearing the badge of honor, trying to preserve law and order in this country. Before you go back you had better check with them. The response that I received in Illinois from the peace officers was spontaneous and overwhelming when we discussed law and order. They expressed great concern about these screaming, yelling mobs. People everywhere are united behind the principle of law and order and respect for an officer wearing the uniform.

Sheriffs, policemen, and highway patrolmen have come to me throughout this Nation and told me they had been on shifts of 18 hours a day for weeks on end trying to preserve local government, and local law and order. Here we are in this House today operating under the gun, and they openly admit that we are here because of violence.

Mr. Chairman, if we bow to blackmail, threats, and violence and pass this bill this will only be the beginning. There will be more mobs and more legislation.

What will come before this House next if we pass this bill, operating under the theory that every time legislation is needed the way to get it considered is through bloodshed, and a disrespect for law and order at local and State level?

I am shocked, as the father of five children with four in public school, to hear of a children's school strike in New York City in violation of the law. I am the son of a mother who is still living, who taught for 32 years in the public schools of this country. I am the son of a man who spent 35 years in education when I first came to this Congress at 30 years of age. If I had even remotely dreamed of going out in the streets and causing violence against law and order, my father would have taken me out of this Congress by the collar; he would have taken me behind the barn, which still stands at Route 1, Greenwood, and he would have renewed my respect for peace officers. This is the kind of education I had. I was taught to respect, from infancy, the laws, the customs and traditions in every section of this country of ours, to respect your home and to obey your customs and your traditions and to respect your heritage, and in any community in this Nation to obey the law. When I went overseas, of course, I took off my shoes and obeyed the customs of Japan and the great Arabian world, as a man should do. It is common decency and elemental good manners to respect the religions and customs of our foreign friends.

It is even more important to do so in our own homeland. Democracy, in order to survive, Mr. Chairman, will require discipline and restraint on the part of the recipients of human rights and property rights. We have not heard any talk this week about our obligations, about our responsibilities as citizens, about our duties as citizens. I have always been suspicious of anyone who came crying on my shoulder about their rights. I always question his integrity, his character, patriotism, and courage. I want a man to come to my office and ask what can he do for his country during these critical times. I want them to come and ask what they can do to help save the United States. I would like for them to write me about their duties and obligations and responsibilities and say something about the necessity for a disciplined society.

Democracy, in order to survive, must operate with restraint and must be disciplined.

Mr. Chairman, here is the main question: Where in this world have minority races enjoyed the liberties and the opportunities remotely comparable to ours?

I want to tell you about a speech that my father taught me for a declamation contest, and I want the distinguished chairman of the Committee on the Judiciary to hear this. Do you know what the title of that declamation was he taught me? The title of it was "The Wandering Jew."

I remember standing up in that declamation contest and, with all the fervor at my command, telling my school colleagues about how our Jewish friends had been persecuted in history. They were driven from their homes, their property confiscated, and their friends murdered. They were burned alive and tortured. History has been cruel to them. The Roman Republic became an empire after they had whittled away the power of the Roman Senate and discredited that great body with the same kind of campaign that is going on against this Congress today. It was then under the Roman Emperor, and under the mighty Roman Army of Imperial Rome, with their banners and golden eagles of stark power, that they marched into the city of Jerusalem and razed the entire city to the ground in A.D. 70. And they came back again in A.D. 135 and dispersed the population over the entire Roman world.

How did that happen? Under a dictatorship, when power was in the hands of one man in the imperial city of Rome. It could never have happened under the Roman republic or in a nation with good, orderly local government.

I could tell you about the Dark Ages, how they were persecuted in the cities on the Rhine River, and how thousands of Jews were murdered for refusing to be baptized; and about the persecution and confiscation of property under Henry II of England, under Philippe IV in France. And oh, yes, I wish I had an hour and 15 minutes instead of 15 minutes.

I could tell you about when Columbus sailed across the Atlantic in 1492 to discover a new world. You know what happened that same year in Spain during the Inquisition, when Columbus was seeking this palladium of liberty where we enjoy freedom? Do you know the decree that King Ferdinand and Queen Isabella issued that year, that all of the Jewish people should be banished from Spain? This happened under a dictatorship, one man and one woman in control. It has never happened in America with its 50 States and local governments. It could happen someday if you pass this bill.

Here today you are setting up the instrumentality whereby someday that man will stride forth with hobnailed boots and he will persecute minority races in this country. With this bill you will create the machinery for him to do so and as night follows the day, discrimination and persecution will come.

In opposing this bill I am fighting today for all the minority groups. The chairman should join me in standing up for his people and all minority races and creeds. We had some persecution of the Baptists in Virginia in the early days. The gentleman from Virginia can tell you of that. Roger Williams was run out of Massachusetts and established another colony that became the great State of Rhode Island. They have had local discrimination in the United States, yes. The Mormons had to leave the great State of Illinois and go to Utah. On a local basis, yes, we have had discrimination in this country, but never before on a national scale as elsewhere in the world because we have had strong State, county, and municipal governments—all respected by the Federal Government.

I read in the press the other day about this doctor admitting that he injected into 250 people at Auschwitz this fatal injection which stopped the action of their hearts. That did not happen under local government. Dachau and Buchenwald did not happen under local and State governments, but only after the German Republic had succumbed to this kind of legislation, railroaded through the Reichstag, and after Hitler had taken over command of the states, the courts, and taken over completely from the people.

So I stand in this well today fighting and trying to preserve your opportunity and mine for all generations to come.

Let me say that it has been my pleasure to attend a great church downtown, while in Washington, with the Honorable Brooks Hays, president of the Southern Baptist Convention, and Dr. Clarence Cranford, president of the Baptist Convention. Yes, we remember Rhode Island. We remember the persecution in the early days of Virginia. But we have more freedom in this country today for all races and all creeds than they have ever known any time in the history of the world. Let us preserve this freedom by rejecting this totalitarian bill.

I am proud of the United States and the opportunity it has provided for every race and every creed.

Just 3 years ago I stood out here in the snow and watched a little Irish boy inaugurated President of the United States. I went to the great city of New York not long ago and I saw there the chapel where Al Smith used to worship. Yes, this is the land of opportunity. I hope when you go home this week you will tell the real true story of Lincoln. Tell your people that there is no man or woman in America today who does not have a better opportunity than he had. How did he improve himself? How did he reach the Presidency? By study, by hard work, by respecting the rights of others, not by going out in the streets in rioting mobs against the American flag and against law and order.

Oh, yes, my friends, let us put first things first. Let us reject this entire bill. You know I am telling you the truth. As I sat with my colleague at the Billy Graham, President Lyndon Johnson breakfast the other morning you would have been amazed at the conversation. Mr. Chairman, you know that I admire you and love you, but hear this.

Yes, one of my good friends said, "DORN, if we had a secret vote on this thing, you know it would not get 15 votes." This, Mr. Chairman, was the opinion expressed privately at this great Christian breakfast.

Mr. Chairman, let us not turn the clock back to the reactionary times of the past with persecution, liquidation, and centralized power.

Let us not move the wheels of progress back to the days of Roman dictatorship, Spanish terror, or the raving Hitler. But, Mr. Chairman, let us move forward with our new, modern dynamic philosophy of State rights, strong community government, and individual freedom.

You know I was proud to serve with six brothers in World War II. Some of us were all the way from Normandy right on down to the gates of Berlin. It afforded me the greatest satisfaction of my life to see that dictatorship destroyed—once and forever.

I regret to see us, standing in this House today and day after day, placing around the necks of the people of this country the shackles of totalitarianism.

Mr. Chairman, I yet hope my colleagues on the left when they make their Lincoln Day talks will quote that great American William E. Borah when he said during a civil rights debate:

> Why beholdest thou the mote that is in thy brother's eye and consider not the beam that is in thine own eye?

No wonder he stands outside in the hall of fame.

My friends quote George W. Norris when he said:

> I would rather go down to my political grave with a clear conscience than ride in the chariot of victory * * * a congressional stool pigeon, the slave, the servant, or the vassal of any man, whether he be the owner and manager of a legislative menagerie or the ruler of a great nation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MATTHEWS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I humbly ask for just 3 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MATTHEWS. Mr. Chairman, it is very difficult to follow the magnificent and sincere oration of the distinguished gentleman from South Carolina.

Mr. COLMER. Mr. Chairman, will the gentleman yield for just one question?

Mr. MATTHEWS. I am delighted to yield to the gentleman.

Mr. COLMER. Mr. Chairman, I did not want to interrupt the previous speaker during his very interesting talk and I should not have interrupted the gentleman from Florida at all, but, Mr. Chairman, I ask unanimous consent that the gentleman may have 2 additional minutes making the gentleman's time 10 minutes altogether.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MATTHEWS. I thank the gentleman.

Mr. COLMER. I said I did not want to interrupt the distinguished gentleman from South Carolina during his speech, but I do not mind interrupting the distinguished gentleman from Florida before he gets started. But I wanted to point out to those who seem to take so much pleasure and pride and profit in the fact that they have similar laws in their own States—in fact, they say there are some 30-odd States that have laws somewhat similar to this. Is it not one thing to have laws in the State with local jurisdiction and local implementation and administration? And is it not a distinctly different thing to centralize that power in the strong arm of the Federal Government located here in Washington?

Mr. MATTHEWS. I certainly do agree with the gentleman. I think he has made a very good observation.

Mr. Chairman, if I were to call this title VI a title, it would be "Let the little children suffer." Yes, it would be "Let the little children suffer" title.

Now I speak not as a lawyer but I do speak as a former schoolteacher and despite all of the reassurances of our colleagues who propose this title, I still say to you as one who tried to teach English for a number of years, I still do not know what discrimination means. I still believe if we pass this title, it may mean that school lunch funds, for example, will be denied children in our schools.

What do we mean by discrimination? You see this title says "if there be discrimination"—it says "if there be discrimination these funds can be cut off." You look in your dictionary: It may mean "differentiation," "difference," "distinction," "test," "judgment," "insight," "critical perception," "discernment," "bias."

I think what the authors may mean is prejudice. It can mean "prejudice," "exclusion" or "to make distinctions in treatment" or "to show partiality."

Let us consider a class in vocational agriculture, for example. Could a class in vocational agriculture present the play "Othello"? Would the use of makeup be considered discrimination against a certain color?

You may laugh, but think about it.

Could a minstrel show be presented by this class in vocational agriculture, or a play with Indians killing Puerto Ricans?

I feel that if our citizens who are American Indians had more voting power, they would be able to call a halt to this constant stream of television shows which always—or at least in most instances—represent the Indian as the killer, when his adversary is at least as ferocious.

Could such a class in vocational agriculture present a comedy sketch, with characters daubed with white paint? Would this be considered as discriminating against the white people?

Now, if Members think these suggestions may be farfetched, my colleagues from Philadelphia will remember that only a few days ago there was a Mummers parade in Philadelphia. They will remember that the parade was ordered to be strictly limited, insofar as costumes and makeup were concerned, because the costumes and makeup were deemed to be, I suppose, discriminating against certain people, or at least offensive to certain people.

Now, what will be next? Must the convival paraders now be required to remove their well-worn golden slippers and replace them with shoes of another color?

So, would it be possible to deny funds—Federal funds—to the class in vocational agriculture because in such activities they practice discrimination?

Let us consider another situation. Suppose that in Florida some of our students and the principal of a school insisted on singing the Florida State song like Stephen Collins Foster wrote it—"Way Down Upon the Swanee River." Remember those words:

> Oh, darkies, how my heart grows weary—
> Far from the old folks at home.

The song in the District of Columbia does not have the words "Oh, darkies." It is, "Oh, old folks."

When you go back to your homes and look at your songbooks, I suspect that you will find "Oh, old folks" or "Oh, brothers." You will not find these words sung on television like Stephen Collins Foster wrote them. Would that be discriminating against certain people?

Suppose an obstinate principal said, "We are going to sing those words just like the poet wrote them." Would that be discriminating against certain people? Would the schoolchildren be denied the school lunches or the school milk program?

I maintain that under the language of this bill the administration of a program in the hands of an unfriendly Federal agency could result in that action.

I wonder, my colleagues, if our representatives of the cloth—ministers of my own religious faith, and from all faiths—who have left their congregations and have gone to demonstrating for civil rights, would approve of this denial? I cannot believe they would. I believe that they who sincerely quote from Him who said, "Suffer little children to come unto me" would not take the position "Let the little children suffer" for the supposed or even the factual sins of others.

With profuse apologies to my dear friend the gentleman from Arizona [Mr. UDALL], following his excellent poetical contribution of another day, I wish to say:

> We paid for Oswald's return to our beloved homeland,
> We send food to the Communists with outstretched hand—
> But for little Americans in school, in county or city,
> We have no concern, we show them no pity.

I wish to say to my distinguished friend, the gentleman from Arizona, I read this poem to a colleague, and I also read to him my colleague's poem. That colleague told me that both poems reminded him of some words written by A. E. Housman in "A Shropshire Lad":

> But, oh, good Lord, the verse you make,
> It gives a chap the stomach ache.

Mr. Chairman, I say in conclusion in all sincerity this title VI should not be in the bill. You who will go home next week to talk about Lincoln, the man who expressed in his life malice toward none and charity toward all can ill afford to vote for a section which will deny little children the school lunch program or the school milk program.

Those of us on our side who pay tribute to him who lies in silent repose by the ever-burning flame yonder in Arlington Cemetery—in that fairyland of mountain, river, and fern, can ill afford to vote for this title because it does not pay tribute to that man who gave his life for his country. He was not for this title, and despite whatever legal terms we phrase this language in, my colleagues, you are denying boys and girls of all colors, races, creeds and religions—if you are not careful, you are denying them food, you are denying them milk, and you are denying them the necessities of life. Let us defeat this title. Let our purpose be not to let the little children suffer, but "Suffer the little children to come unto Me."

Let us examine this bill in depth.

Mr. Chairman, the Constitution of these United States in article VI, clause 3, requires that Senators and Representatives, among others, "shall be bound by oath or affirmation to support this Constitution." Immediately after its ratification, the First Congress enacted legislation—act of June 1, 1789, chapter 1, section 2, 1 Stat. 23—embodying this constitutional command. This legislation is presently covered in section 25 of title 2 of the United States Code, and provides, in part, that—

> At the first session of Congress after every general election of Representatives, the oath of office shall be administered by any Member of the House of Representatives to the Speaker; and by the Speaker to all the Members and Delegates present * * * and to the Members and Delegates who afterward appear, previous to taking their seats.

Section 16 of title 5 of the United States Code contains "the oath to be taken by any person elected to any office of honor or profit" in the service of the United States. In conformity with the constitutional mandate, each and every Member of this House has repeated those most familiar words:

> I, ——— ———, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely without any mental reservation and purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God.

This is indeed a solemn oath, Mr. Chairman. By it, each and every Member of this House declares before God and the Nation that he will ever repair to and be guided by the fundamental principles embodied in the Constitution in the performance of his legislative duties. In brief, we are duty bound to see that the legal cloth we cut conforms to the pattern embraced in this our most cherished document. We cannot—we dare not without betraying this sacred oath—distort the pattern to accommodate legislation for any reason whatsoever.

The specter of unconstitutionality raised by this so-called civil rights bill represents a direct and immediate challenge to the oath we have taken to support the Constitution. The issues involved in this far-reaching proposal far and away exceed our own personal feelings on racial matters. They go to the very heart of the Constitution. The Constitution of these United States—"the most wonderful work ever struck off at a given time by the brain and purpose of man"—transcends personal or individual feelings and convictions. As we discuss this bill, let us endeavor to reconcile its provisions not only with narrow legal considerations—considerations which, as I will show, are opposed to the enactment of this proposal—but also with the grand design of the framers. That grand design is epitomized by such constitutional concepts as a national government of enumerated powers and the separation of powers. Let us heed the admonition of an earlier constitutional authority who said:

> Public sentiment and action effect * * * changes * * * [in the principles of the common law] and the courts recognize them; but a court or legislature which should allow a change in public sentiment to influence it in giving to a written constitution a construction not warranted by the intention of the founders, would be justly chargeable with reckless disregard of official oath and public duty. (Cooley, "Constitutional Limitations," 6th ed., p. 69.)

The Constitution, contrary to what some persons would have us believe, is not a matter of personal conviction. Designed "to endure for ages to come," it remains unaffected by such ephemeral considerations as individual morality, personal views of right and wrong, or individual notions of the role of government in society. If the Constitution has displayed a remarkable relevance in all ages and under all circumstances—which indeed it has—it is because of the universal quality of the principles expressed therein; not because it bends reedlike before the ever-changing wind of public opinion. Universal principles, universally recognized and universally respected. This is the foundation upon which this Nation was conceived, under which it has achieved preeminence, and, continued adherence to which, will insure its survival.

To those who view constitutional principles as considerations wholly dependent upon time and circumstance—a view which invariably amounts to little more than the personal preferences of the exponent—I repeat the words of Thomas M. Cooley. In his "Treatise on the Constitutional Limitations," this learned author states:

> A constitution is not to be made to mean one thing at one time, and another at some subsequent time when the circumstances may have so changed as perhaps to make a different rule * * * seem desirable. A principal share of the benefit expected from written constitutions would be lost if the rules they established were so flexible as to bend to circumstances or be modified by public opinion. It is with special reference to the varying moods of public opinion and with a view to putting the fundamentals of government beyond their control, that these instruments are framed.

Since the introduction of this legislation, a great many persons have suggested that we forego any discussion of the constitutional issues by passing the buck to the courts. Of course, it might simplify a whole host of problems if we just forgot about the Constitution altogether. In the words of one wit: "What's a constitution between friends." To those who urge this course of action, I would say that it is our duty in the first instance, to determine not only the wisdom of proposed legislation, but also its constitutionality. The oath we have taken implies at least this much. This is the first line of constitutional defense; or to put it in the current bureaucratic vernacular, "the buck stops here."

As for the implication that the courts will find a salutary solution to every problem, legal or otherwise, we might all reflect a moment or two on the wise counsel of one of the present members of the Supreme Court, who recently said:

> One of the current notions that holds subtle capacity for serious mischief is a view of the judicial function that seems increasingly coming into vogue. That is that all deficiencies in our society which have failed of correction by other means should find a cure in the courts. * * * Some well-meaning people apparently believe that the judicial, rather than the political, process is more likely to breed better solutions of pressing or thorny problems. This is a compliment to the judiciary, but untrue to democratic principle.
>
> A judicial decision which is founded simply on the impulse that "something should be done," or which looks no further than to the "justice" or "injustice" of a particular case, is not likely to have lasting influence. * * * Our scheme of ordered liberty is based, like the common law, on enlightened and uniformly applied legal principle, not on ad hoc notions of what is right or wrong in a particular case. (Justice Harlan, address to the American Bar Association.)

A simple reading of this civil rights bill makes it immediately apparent why some of its most ardent supporters would have us gloss over the legal issues. Many of its provisions are so clearly unconstitutional that I cannot conceive their being enacted by this or any other Congress cognizant of its constitutional duties and obligations. Title I, dealing with voting rights, is essentially a variation on the thoroughly discredited literacy test proposal introduced during the 87th Congress. Title II, the so-called public accommodations provisions of the bill, is the most brazen attempt to impose Federal authority directly on private citizens and private property since the ill-fated Civil Rights Act of 1875. Title VI, the withholding authority, is a brilliant example of how not to solve the racial problem. In short, the infirmities of this bill are so numerous and manifold, that its enactment requires not only a disregard of oath of office, but a complete and total loss of sight and hearing.

I turn now to a detailed examination of the legal principles involved.

Title I, as I have already indicated, deals with voting. Its purposes, according to its advocates is to eliminate discrimination in the application of literacy tests and to speed up the processing of voting suits through the Federal courts. Although my objections to the bill are based primarily on legal grounds, I am somewhat perplexed as to the necessity for this legislation at this time. We enacted legislation dealing with voting in 1957 and again in 1960. Nevertheless, and without allowing sufficient time for the ink to dry on these recent enactments, we are being importuned to legislate further in this area. I seriously doubt that enough time has elapsed to permit a judgment respecting the adequacy or inadequacy of existing legislation. In brief, there appears to be no basis whatsoever for arguing the necessity of this legislation at this time.

Section 101(b) of title I of the bill would amend 42 U.S.C. 1971(c), which authorizes the Attorney General of the United States to bring a suit in the name of the United States in behalf of any qualified American citizen who is wrongfully denied his right to register and vote or who is threatened with a wrongful denial to register and vote. This section—1971(c)—would be amended so as to establish a presumption of literacy in these voting suits, that is to say, any person who has completed the sixth grade in an accredited school where instruction is predominantly in the English language would be presumed to possess sufficient literacy to vote in any Federal election. Unlike the 1962 proposals, this section would apply solely to Federal elections and limits literacy to mean literacy in the English language. Furthermore, the presumption, rather than applying universally in connection with voting registration, applies solely in voting suits authorized by 42 U.S.C. 1971 (c). Notwithstanding these changes, this proposal constitutes an unwarranted and illegal intrusion into an area of State responsibility.

Although a great many changes have been wrought since the adoption of the Constitution, I believe that it is still the consensus of this House that Congress is a body possessing only limited powers. Any legislation which it enacts must be based upon a grant of constitutional power. What is the source of congressional power to impose a Federal standard of literacy, however narrowly confined, for voting purposes? If that power exists at all, it must be found in either the 14th, 15th, and 17th amendments, or article I, section 4, clause 1 of the original Constitution.

Concerning the qualifications of voters for U.S. Senators and Representatives, the Constitution provides as follows:

Article I, section 2, clause 1 provides that—

> The House of Representatives shall be composed of Members chosen every second year by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

The 17th amendment in turn provides that—

> The Senate of the United States shall be composed of two Senators from each State, elected by the people thereof, for 6 years; and each Senator shall have one vote. The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

The language of these two sections is clear beyond all doubt. The States, not the Federal Government, have been authorized to determine the qualification of its voters. Although the States may not prescribe the qualification of voters for Members of Congress as such, the qualifications prescribed by the States for electors of the most numerous branch of their legislatures are adopted by the Constitution as those applicable in the case of elections for Senators and Representatives.

Thus, Mr. Justice Miller, in *Ex parte Yarborough*, 110 U.S. 651, said:

> The States in prescribing qualifications of voters for the most numerous branch of their own legislatures, do not do this with reference to the election for Members of Congress. * * * They define who are to vote for the popular branch of their own legislature, and the Constitution of the United States says the same persons shall vote for Members of Congress in that State. It adopts the qualification thus furnished as the qualification of its own electors for Members.

In *United States* v. *Miller*, 107 F. 913, the Court in discussing the power of the States under article I, section 2, prior to the adoption of the 15th amendment declared:

> Before the adoption of the 15th amendment, it was within the power of the State to exclude citizens of the United States from voting on account of race, age, property, education, or on any other ground, however arbitrary or whimsical. The Constitution of the United States, before the adoption of the 15th amendment, in no wise interfered with this absolute power of the State to control the right of suffrage in accordance with its own views of expediency or propriety. It simply secured the right to vote for Member of Congress to a definite class of voters of the State, consisting of the most numerous branch of the State legislature. Further than this, no power was given by the Constitution, before the adoption of the 15th amendment to secure the right of suffrage to anyone.

As we shall soon see, the adoption of the 15th amendment did not confer the right of suffrage upon anyone, nor did it limit the State's acknowledged "absolute power" only to the extent that it could not favor, for voting purposes, one citizen over another solely on the basis of race, color, or previous condition of servitude. (*Pope* v. *Williams*, 193 U.S. 621.)

THE 14TH AMENDMENT

The relationship of suffrage to the 14th amendment was discussed in *Minor* v. *Happersett*, 88 U.S. 162. Chief Justice Waite, speaking for the Court, said:

> The amendment did not add to the privileges and immunities of a citizen. It simply furnished an additional guarantee for the protection of such as he already had. No new voters were necessarily made by it. Indirectly it may have had that effect, because it may have increased the number of citizens entitled to suffrage under the Constitution and laws of the States, but it operates for this purpose, if at all, through the States and the State laws, and not directly upon the citizen.

In 1898, in the case of *Williams* v. *Mississippi*, 170 U.S. 213, the Supreme Court held that a provision of the Mississippi constitution making the ability to read any section of the constitution, or to understand it when read, a necessary qualification of a legal voter, did not on its face, discriminate between the white and Negro races, and did not amount to a denial of the equal protection of the laws, secured by the 14th amendment.

It is apparent that supporters of this proposal can draw little comfort from the 14th amendment.

THE 15TH AMENDMENT

The 15th amendment deals exclusively with suffrage. It provides:

> SECTION 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.
>
> SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.

The language of this amendment is negative in character. It prohibits States from denying the right to vote to anyone on account of race, color, or previous condition of servitude. No power was given to Congress to regulate in elections save in this narrowly defined area.

In *Reese* v. *United States*, 92 U.S. 214, the Supreme Court said:

> The 15th amendment does not confer the right of suffrage upon anyone. It prevents the States, or the United States, however, from giving preference, in this particular, to one citizen of the United States over another on account of race, color, or previous condition of servitude.
>
> The power of Congress to legislate at all upon the subject of voting at State elections rests upon this amendment, and can be exercised by providing a punishment only when the wrongful refusal to receive the vote of a qualified elector at such elections is because of his race, color, or previous condition of servitude.

The power of Congress under the 15th amendment and the power of the States under article I, section 2, was examined by the Court in *United States* v. *Miller*, *supra*. The Court concluded as follows:

> The 15th amendment does not in direct terms confer the right of suffrage upon anyone. It secures to the colored man the same rights to vote as that possessed by the white man, by prohibiting any discrimination against him on account of race, color, or previous condition of servitude. Subject to that limitation, the States still possess uncontrollable authority to regulate the right of suffrage according to their own views of expediency.

This interpretation was apparently adopted by the Supreme Court in *Pope* v. *Williams*, 193 U.S. 621, wherein it said:

> The privilege to vote in a State is within the jurisdiction of the State itself, to be exercised as the State may direct, and upon such terms as to it may seem proper, provided, of course, no discrimination is made between individuals in violation of the Federal Constitution.

After noting examples of qualifications that States could and did impose, the Court said:

> The Federal Constitution does not confer the right of suffrage upon anyone, and the conditions under which that right is to be exercised are matters for the States alone to prescribe, subject to the conditions of the Federal Constitution already stated; although it may be observed that the right to vote for a Member of Congress is not derived exclusively from the State law. * * * But the elector must be one entitled to vote under the State statute. * * * The question whether the conditions prescribed by the State might be regarded by others as reasonable or unreasonable is not a Federal one.

In *Guinn* v. *United States*, 238 U.S. 347, the Supreme Court took a look at the question of literacy tests and their possible relation to the 15th amendment.

> Beyond doubt the amendment does not take away from the State governments in a general sense the power over suffrage which has belonged to those governments from the beginning and without the possession of which power the whole fabric upon which the division of State and national authority under the Constitution and the organization of both governments rest would be without support and both the authority of the Nation and the State would fall to the ground. In fact the very command of the amendment recognizes the possession of the general power by the State, since the amendment seeks to regulate its exercise as to the particular subject with which it deals. * * *
>
> It is true also that the amendment does not change, modify, or deprive the States of their full power as to suffrage except of course as to the subject with which the amendment deals and to the extent that obedience to its command is necessary. Thus, the authority over suffrage which the States possess and the limitation which the amendment imposes are coordinate and one may not destroy the other without bringing about the destruction of both.
>
> No time need be spent on the question of the validity of the literacy test considered alone since as we have seen its establishment was but the exercise by the State of a lawful power vested in it not subject to our supervision, and indeed, its validity is admitted.

It is obvious from the Guinn case that the States have the power to determine the qualification of its voters and that they may establish literacy tests as a prerequisite of voting.

The principle of the Guinn case was reaffirmed in the unanimous opinion of the court in *Lassiter* v. *Northampton County Board of Elections*, 360 U.S. 95 (1959).

It is apparent from these cases that the 15th amendment does not confer the right to vote upon anyone. That amendment presupposes that the prospective voter is able to pass all legitimate tests required by the States in which he seeks to register. Its sole purpose is to prevent the States from giving preference to one citizen over another on account of race, color, or previous condition of servitude. Since literacy is in no way limited to race, the imposition of a Federal standard is not appropriate legislation under the 15th amendment.

Article I, section 4, clause 1: The sole remaining possible source of power to enact this legislation, is in article I, section 4, clause 1, which provides:

> The times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulation, except as to the place of choosing of Senators.

The constitutionality of Federal legislation prescribing qualifications for voters in the States for Members of Congress has never been before the Supreme Court. We are not, however, without any guides as to congressional power under article I, section 4, clause 1. Giving the words of the section their plain, ordinary meaning it is obvious that the authority to direct the time and manner in which officers shall be elected, does not involve the power to determine who shall comprise the electorate.

Justice Field, dissenting in *Ex parte Clarke*, 100 U.S. 399, 404 (1879), said as much:

> The power vested in Congress is to alter the regulations prescribed by the legislatures of the States, or to make new ones, as to the times, places, and manner of holding the elections. Those which relate to the times and places will seldom require any affirmative action beyond their designation. And regulation as to the manner of holding them cannot extend beyond the designation of the mode in which the will of the voters shall be expressed and ascertained. The power does not authorize Congress to determine who shall participate in the election, or what shall be the qualification of voters. These are matters not pertaining to, or involved in, the manner of holding the election, and their regulation rests exclusively with the States. The only restriction upon them with respect to these matters is found in the provision that the electors of representatives in Congress shall have the qualifications required for electors of the most numerous branch of the State legislature, and the provision relating to the suffrage of the colored races. And whatever regulation Congress may prescribe as to the manner of holding the election for representatives must be so framed as to leave the election of State officers free, otherwise they cannot be maintained.

I think it clear from Justice Field's comment that the qualification of voters can have no reasonable relationship to the "times, places, and manner of holding elections." It is equally clear that any attempt to establish a Federal standard for voter qualifications constitutes an abridgement of powers guaranteed to the States. The fact that the bill raises the presumption in the narrower area of voting suits does not change this result one iota.

Title II, the so-called public accommodations section of the bill, represents, if anything, a more radical departure from established constitutional principles than any piece of legislation proposed since the Reconstruction period. The constitutional objections to this proposal have been expressed on countless occasions and appear to my mind insurmountable. Its introduction now is testimony to the extreme emotionalism engendered by events of recent months. But for this emotionalism, I cannot conceive anyone seriously suggesting the existence of congressional power to enact it. If enacted and sustained I cannot conceive any human activity which may not be regimented to Federal authority.

Section 201(a) of the bill provides that—

> All persons shall be entitled to the full and equal enjoyment of the goods, services, facilities, privileges, advantages, and accommodations of any place of public accommodation, as defined in this section, without discrimination or segregation on the ground of race, color, religion, or national origin.

There then follows an enumeration of the facilities and services involved and the circumstances under which the Federal Government may interfere to nullify the personal and private wishes of the owner of the facility or purveyor of services. Among the facilities and services covered are hotels, motels, or other places providing lodging to transient guests; motion picture houses, theaters, sports arenas, stadiums, exhibition halls, or other places of amusement or entertainment; restaurants, lunchrooms, lunch counters, soda fountains, or other places which offer food for consumption on the premises.

The bill would make access to these facilities and services a Federal right enforceable by the judicial, and, I suppose, military, arm of the Federal Government.

As we all know, the power of Congress to enact any piece of legislation must be traceable to a grant of such power in the Constitution. Where in the Constitution is this body authorized the unlimited power implicit in this bill? Sponsors and supporters of this proposal are not in complete agreement. Some point to the 14th amendment; others gaze hopefully upon the commerce power; and, as might be expected, some look longingly to both.

FOURTEENTH AMENDMENT

Mr. Chairman, an old professor during my college days would perfunctorily admonish the class to adhere to the facts. His pet expression was:

> Ladies and gentlemen, I want the facts; please leave the poetry for English 1.

What are the facts—the legal facts—respecting Congress' power to effect the enactment of the public accommodations provisions of this bill? An objective analysis of these facts makes it unmistakably clear that no such power is granted to Congress, particularly by the 14th amendment. Section 1 of the 14th amendment states:

> All persons born or naturalized in the United States and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

Section 5 of the amendment provides:

> The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.

The crucial words in that amendment are "no State shall." It is the sine qua non for the exercise of powers granted by section 5.

It has uniformly been held by the courts that the prohibitions in section 1 are restrictions on the actions of the States and are not operative against individuals acting alone. It has been held that any action on the part of a State or its political subdivisions, whether legislative, executive, or judicial, is the touchstone for the exercise of Federal power authorized by that amendment. Thus, such governmental instrumentalities as municipal recreational facilities, public libraries, and public schools may not violate the prohibition and restrictions set forth therein.

Notwithstanding the voluminous precedent to the contrary, this bill seeks to regulate and restrict purely private individual acts—such acts as performed by restaurateurs, movie house operators, and hotel owners. There is not the slightest trace of State involvement in these and similar activities; nor does the bill presume the existence of any.

Another limitation with respect to the 14th amendment is that the legislation "which Congress is authorized to adopt by section 5 is not general legislation upon the rights of citizens but corrective legislation, that is, such as may be necessary and proper for counteracting such laws as States may adopt or enforce, and which by the amendment, they are prohibited from making or enforcing, or such acts and proceedings as the States may commit or take, and which, by the amendment, they are prohibited from committing or taking," *Civil Rights Cases*, 109 U.S. 3. In brief, Congress cannot prohibit any action not already prohibited by that amendment. When such an act is shown to exist, Congress may validly correct it but it cannot, on the basis of that amendment, operate against persons by creating any new Federal right.

Let us examine for a moment, the course of 14th amendment decisions—decisions which give little comfort to the sponsors and supporters of this legislation.

The 14th amendment was initially construed in the *Slaughter-House Cases*, 83 U.S., 16 Wall. 36 (1873). Although this decision is primarily concerned with the meaning of the citizenship clauses and the privileges and immunities clause, the Court did discuss the meaning of the equal protection clause, and with respect to the 13th and 14th amendments, made the following observations:

> In the light of the history of these amendments, and the pervading purposes of them, which we have already discussed, it is not difficult to give meaning to this clause.
>
> The existence of laws in the States where the newly emancipated Negroes resided, which discriminated with gross injustice and hardship against them as a class, was the evil to be remedied by the clause, and by it such laws are forbidden.

It is important to remember that this decision was handed down in 1873, just 5 years after the adoption of the 14th amendment. Here we find the members of the Court, contemporaries of the framers of that amendment, declaring that it was the existence of State laws which fell within the purview of that amendment's prohibitions and restrictions.

Ten years later, in 1883, the Supreme Court held unconstitutional the forerunner, if not the twin, of the measure which we are importuned to enact now. That decision, involving five separate cases, are collectively cited as the *Civil Rights Cases*, 109 U.S. 3 (1883). The case dealt with the Civil Rights Act of 1875, 18 Stat. 335 (1875). Section 1 of the act provided:

> That all persons within the jurisdiction of the United States shall be entitled to the full and equal enjoyment of the accommodations, advantages, facilities, and privileges of inns, public conveyances on land or water, theaters, and other places of public amusements, subject only to conditions and limitations established by law, and applicable alike to citizens of every race and color, regardless of any previous condition of servitude.

Section 2 provided that any person denying such rights, or aiding or inciting such denial, should pay $500 to the person aggrieved, or alternatively should be prosecuted for a misdemeanor and fined $500 to $1,000 or imprisoned from 30 days to 1 year.

The individual cases which comprised the Civil Rights cases all involved discrimination by private persons. Of the five cases consolidated for purposes of this decision, two involved the refusal of lodging accommodations to Negroes, two others involved the refusal of admission of Negroes to theaters, and the fifth case involved the refusal of a railroad to allow a Negro the full and equal use of a railroad car.

The Supreme Court declared the act unconstitutional as applied to acts of racial discrimination by private persons. With respect to Congress power under the 14th amendment, the Court said:

> The first section of the 14th amendment (which is the one relied on) after declaring who shall be citizens of the United States, and of the several States is prohibitory in its character and prohibitory upon the States.
>
> It is State action of a particular character that is prohibited. Individual invasion of individual rights is not the subject matter of the amendment. It has a deeper and broader scope. It nullifies and makes void all State legislation, and State action of every kind, which impairs the privileges and immunities of citizens of the United States, or which injures them in life, liberty, or property without due process of law or which denies to any of them the equal protection of the law.

The Court declared that Congress authority to enforce the provisions of that amendment was corrective only; that is, it conferred upon Congress the power to correct the effect of prohibited State laws and State acts. In the words of the Court:

> The last section of the amendment invests Congress with power to enforce it by appropriate legislation. To enforce what? To enforce the prohibition. To adopt appropriate legislation correcting the effects of such prohibited State laws and State acts, and thus to render them effectively null, void, and innocuous. This is the legislative power conferred upon Congress, and this is the whole of it. It does not invest Congress with power to legislate upon subjects which are within the domain of State legislation; but to provide modes of relief against State legislation, or State action of the kind referred to.

And again:

> In fine, the legislation which Congress is authorized to adopt in this behalf [equal protection and due process] is not general legislation upon the rights of the citizen, but corrective legislation; that is, such as may be necessary and proper for counteracting such laws as the States may adopt or enforce, and which by amendment, they are prohibited from making or enforcing, or such acts and proceedings as the States may commit or take and which by amendment they are prohibited from committing or taking.

Continuing on with its discussion of the rights secured by the equal-protection and due-process clauses, and Congress power to enforce them, the Court said:

> In this connection it is proper to state that the civil rights, such as are guaranteed by the Constitution against State aggression, cannot be impaired by the wrongful acts of individuals, unsupported by State authority in the shape of laws, customs, or judicial or executive proceedings. The wrongful acts of an individual, unsupported by any such authority is simply a private wrong, or a crime of that individual; an invasion of the rights of the injured party, it is true, whether they affect his person, his property or his reputation; but if not sanctioned in some way by the State, or not done under State authority, his rights remain in full force and may presumably be vindicated by resort to the laws of the State for redress. An individual cannot deprive a man of his right to vote, to hold property, to buy and sell, to sue in the courts, or to be a witness or juror; he may by force or fraud, interfere with the enjoyment of the right in a particular case, he may commit an assault against the person, or commit murder, or use ruffian violence at the polls, or slander the good name of a fellow citizen; but unless protected in these wrongful acts by some shield of State law or State authority, he cannot destroy or injure the right; he will only render himself amenable to satisfaction or punishment; and amenable therefore to the laws of the State where the wrongful acts are committed.

If the first section of the 14th amendment was not limited to State action in derogation of individual rights, the Court reasoned that the effect of the amendment would be to weaken the Federal system. To interpret the 14th amendment as permitting Federal protection of individual rights against other individuals, would enable Congress "to establish a code of municipal law regulative of all private rights between man and man in society" and would ultimately lead Congress "to take the place of State legislatures and to supersede them."

The decision of the Supreme Court in the Civil Rights cases makes two points with unmistakable clarity: One, that the prohibitions of the 14th amendment apply not to individual invasions of individual rights, but solely to denials which result from actions by the State; two, that the power conferred on Congress by section 5 of the amendment does not permit the enactment of general legislation, but only grants authority to enact corrective legislation to prohibit States from denying the rights declared therein.

The decision in the Civil Rights cases has never been overruled and remains the law today. It has been followed and reaffirmed in countless cases in the intervening years since 1883. These cases offer little comfort to those persons who suggest that the present Supreme Court would overrule them. Thus, for example in 1948, in the case of *Shelley* v. *Kraemer* (334 U.S. 1), the Court, while holding that a restrictive covenant entered into by private property owners could not be enforced in the courts, said:

> Since the decision of this Court in the *Civil Rights* cases, 109 U.S. 3 (1883), the principle has become firmly embedded in our constitutional law that the action inhibited by the first section of the 14th amendment is only such action as may fairly be said to be that of the States. That amendment creates no shield against merely private conduct, however discriminatory or wrongful.

The point was recently reaffirmed in *Petersen* v. *City of Greenville* (373 U.S. 244), decided on May 20, 1963, along with a spate of so-called sit-in cases. In that case the Court said:

> It cannot be disputed that under our decision private conduct abridging individual rights does no violence to the equal protection clause unless to some significant extent the State in any of its manifestations has been found to have become involved in it.

It is regrettable, not to say somewhat ludicrous, to hear persons, at one and the same time, advocating that the Brown decision is the supreme law of the land and that the Civil Rights cases are not. We can't have it both ways, Mr. Speaker. We cannot pick and choose among the cases to satisfy our personal likes and dislikes. What is true for private citizens is equally true for the Congress.

There is another group of persons who advance the novel notion that State action exists in individual action—this is contradictory on its face—where the individual action, such as the operation of a business, is regulated by the State in the form of sanitary, fire or occupany requirements or by virtue of the simple act of licensing. It is therefore argued, the operation of the enterprise becomes State business subject to all the limitations and conditions imposed by the 14th amendment upon the States.

Given syllogistic form, this tortuous method of finding State action would read as follows:

> All businesses licensed or regulated by the State, are State businesses;
>
> Joe's laundry business is licensed by the State;
>
> Therefore, Joe's laundry business is a State business.

Thanks be to God, Mr. Chairman, the major premise is not a universal proposition in this country where the word enterprise is still prefaced by the adjective free.

Assuming for the moment, however, some amount of verity in this chameleon-like fantasy, let us ask ourselves what is the nexus between the fact of licensing and the resulting discrimination? The act of licensing is, of course, State action, "but this is not the end of the inquiry. The ultimate substantive question is whether there has been State action of a particular character—(Civil Rights cases, supra, at 11)—whether the character of the State's involvement in an arbitrary discrimination is such that it should be held responsible for the discrimination"—Justice Harlan, Peterson against City of Greenville, supra. Obviously there is no relationship between these two factors and to create such a legal fiction would raise a whole host of problems. I will only suggest one example. If the State is to be held responsible for the discrimination resulting from the conduct of a privately owned but licensed business, say a laundry, may not it likewise be responsible for the loss of my shirt?

If this analogy appears somewhat far fetched, it is simply because it arrives at a conclusion which the adherents of the licensing theory do not want to reach. The reasoning in both cases is the same.

The flaw in this argument results from a confusion between a license and a franchise. In the New York case of *Madden* v. *Queens County Jockey Club,* 72 N.E. 2d 697, the court was asked to determine whether the operator of a racetrack could without reason or sufficient excuse exclude a person from admission to the races held therein. In upholding the right of the operator to be as arbitrary as he please in the conduct of his business, the court discussed the plaintiff's contention that the license "constituted the licensee an administrative agency of the State and a permit to perform a public purpose." The court said:

> Plaintiff's argument results from confusion between a "license" imposed for the purpose of regulation of revenue, and a franchise. A franchise is a special privilege, conferred by the State on an individual, which does not belong to the individual as a matter of right. It creates a privilege where none existed before, its primary object being to promote the public welfare. A familiar illustration is the right to use the public streets for the purpose of maintaining and operating railroads, waterworks and electric light, gas and power lines.
>
> A license, on the other hand, is no more than a permission to exercise a pre-existing right or privilege which has been subjected to regulation in the interest of the public welfare. The grant of a license to promote the public good, in and of itself, however, makes neither the purpose a public one nor the license a franchise, neither renders the place public nor places the licensee under obligation to the public.

This distinction has been no less clearly noted by the Federal courts. In *Bowman* v. *Birmingham Transit Co.,* 280 F. 2d 531 (1960), the Court of Appeals for the Fifth Circuit held that a city transit company could not segregate bus passengers on racial grounds.

> Because of the peculiar function performed by this transit company as a public utility, and its relation to the city and State of Alabama through its holding of a special franchise to operate on the public streets of Birmingham, we conclude that so long as such an ordinance was in force, the acts of the bus company in requiring racially segregated seating were State acts and thus violative of appellants' constitutional rights.

The ordinance referred to provided that carriers could formulate such rules and regulations for the seating of passengers on public conveyances as were reasonably necessary to assure the speedy, safe, orderly, convenient and peaceful handling of its passengers.

On the distinction between a license and a franchise the court said:

> It is, of course, fundamental that justification for the grant by a State to a private corporation of a right or franchise to perform such a public utility service as furnishing transportation, gas, electricty, or the like, on the public streets of the city, is that the grantee is about the public's business. It is doing something the State deems useful for the public necessity or convenience. This is what differentiates the public utility which holds what may be called a special franchise from an ordinary business corporation which in common with all others is granted the privilege of operating in corporate form but does not have that special franchise of using State property for private gain to perform a public function.

We are not obliged, however, to argue by analogy the inability of the licensing theory as a touchstone for the exercise of congressional power under the 14th amendment. This novel theory was repudiated by the Court of Appeals for the Fourth Circuit in *Williams* v. *Howard Johnson Restaurant,* 268 F. 2d 845. The essence of plaintiff's argument in that case in the words of the court "is that the State licenses restaurants to serve the public and thereby is burdened with the positive duty to prohibit unjust discrimination in the use and enjoyment of the facilities."

In response to this argument the court said:

> This argument fails to observe the important distinction between activities that are required by the State and those which are carried out by voluntary choice and without compulsion by the people of the State in accordance with their own desires and social practices. Unless these actions are performed in obedience to some positive provisions of State law they do not furnish a basis for the pending complaint. The license laws of Virginia do not fill the void.

This, Mr. Chairman, is the state of the law in connection with the 14th amendment. This examination does not purport to exhaust all the cases, nor, is it intended to suggest that the courts have not extended the "State action" requirement to the farthest reaches which logic will permit. Nevertheless, the courts have consistently held that section 1 of the 14th amendment is a prohibition against "State action." This is the status of the law today. What authority does it confer upon Congress to enact this measure? The answer is obviously none.

This is not privileged information, but a matter of public record. The decisions, extending from the Slaughter-House cases down to the Greenville case, decided only a few months ago, are accessible to any person desiring to read them. That the Attorney General is familiar with the contents of the Supreme Court reports was apparent in his testimony before the various committees which have held hearings on this proposal. He acknowledged, and this acknowledgement is likewise a matter of public record, that Congress is powerless under the 14th amendment to legislate with respect to individual discrimination; that Congress power to enforce that amendment's prohibitions by appropriate legislation is corrective only. "It is for this reason," and I quote the Attorney General, "that we rely primarily on the commerce clause." It is only too apparent, Mr. Chairman, that having recognized the difficulties involved in predicating the constitutional basis for such legislation solely upon the 14th amendment, the authors of the bill have sought to find a refuge for this legislation within the commerce clause of the Constitution.

COMMERCE CLAUSE

It is regrettable that the authors of this bill did not examine the Civil Rights cases, supra, more closely. Had they done so, it would have obviated the necessity of drafting the provisions contained in title II. In that case which, as we have seen, held unconstitutional the power of Congress to pass a law prohibiting discrimination in places of public accommodations, the Supreme Court declared that "no one will contend that the power to pass—this law—was contained in the Constitution before the adoption of the last three amendments." Although the Constitution has been amended since that decision, the power of Congress to regulate commerce among the States remains as provided in the original Constitution. Consequently, if the commerce power did not support this legislation in 1883, it will not do so today.

Although the congressional power to regulate interstate commerce is concededly broad, it does have reasonable limits. "This power," declared Chief Justice Marshall in the landmark case of *Gibbons* v. *Ogden*, 9 Wheat. 1, "is complete in itself, may be exercised to its utmost extent, and acknowledges no limitations, other than are prescribed in the Constitution." In fine, the authority of Congress over commerce among the States cannot be made a means of exercising powers not entrusted by the Constitution. *Pipe Lines* cases, 243 U.S. 548.

Further, the exercise of the commerce powers, the courts tell us, must rest upon "a close and substantial relation to interstate commerce in order to justify the Federal intervention for its protection." *Santa Cruz Fruit Packing Co.* v. *N.L.R.B.*, 203 U.S. 453.

They may not "be pushed to such an extreme as to destroy the distinction which the commerce clause itself establishes, between commerce 'among the several States' and the internal concerns of a State. That distinction between what is national and what is local in the activities of commerce is vital to the maintenance of our Federal system." *N.L.R.B.* v. *Jones & Laughlin Steel Corp.*, 301 U.S. 1.

While it is not an easy matter to mark the line which separates congressional and State power over commerce, the course of decisions make it all too clear that the commerce clause was not intended to regulate the use of private property or to govern personal relations with the borders of a State. Nevertheless, this is exactly what is intended to be accomplished by the bill.

The gloss of interstate commerce which is set forth in the findings that precede the substantive parts of the bill cannot make interstate commerce that which is essentially intrastate commerce. The power of Congress to regulate commerce depends upon the existence of activities which burden or obstruct interstate or foreign commerce. The exercise of this power must have a real or substantial relation to some part of commerce. *Atlantic Coast Line R. Co.* v. *Riverside Mills*, 219 U.S. 186. Once such a relationship is determined, the acts which are productive of this result, are subject to Federal control. The test, in short, is the effect upon commerce.

There has been no showing that discriminatory practices in connection with so-called public accommodations have any effect on commerce. No one has demonstrated that the exercise of a proprietor's private property rights impedes the commerce in a particular commodity. Nor has it been shown that the exercise of such rights impedes human commerce, that is the interstate movement of persons. In other words, it has yet to be shown that enactment of this measure will facilitate or stimulate a substantial increase in the sale of catsup for example. An absurd example, perhaps, but this, and not so-called civil rights, is the subject of commerce. In the absence of such a showing, we are powerless to legislate.

Here again, however, we are not devoid of guides with respect to the constitutionality of the commerce power as a vehicle for enacting this legislation. This argument was squarely before the court in the case of *Williams* v. *Howard Johnson's Restaurant*, 268 F. 2d 845. With specific reference to certain business covered by this bill the court said:

> We think, however, that the cases cited are not applicable because we do not find that a restaurant is engaged in interstate commerce merely because in the course of its business of furnishing accommodations to the general public it serves persons who are traveling from State to State. As an instrument of local commerce, the restaurant is not subject to the constitutional and statutory provisions discussed above and, thus, is at liberty to deal with such persons as it may select.

Let there be no mistake, if this proposed legislation should be sustained, there is no activity of our citizens which may not be controlled by Federal legislation, and no individual who may not be directly dealt with in relation to any and all of his affairs. The existence of such power would virtually nullify the remainder of the Constitution, for in truth, this is the ultimate power. The commerce clause would henceforth be relied upon to justify anything Congress might choose to do.

> It is safe to say that if, when the Constitution was under consideration, it had been thought that any such danger lurked behind its plain words, it would never have been ratified. *Carter* v. *Carter Coal Co.*, 298 U.S. 238.

Given the gross unconstitutionality of titles I and II, Mr. Chairman, it would seem that the authors of this bill would have contented themselves and called it a day. But such is not the case. In title VI, we are asked to enact legislation which would provide for the withholding of Federal funds as a means of coercing the State to accelerate the process of desegregation. Although the language in the bill also refers to discrimination, I do not believe anyone knows what is meant by discrimination.

The bill would give the Federal agencies discretionary authority to withhold financial support in any program when discrimination is found, regardless of the provisions of existing law. This is a startling request, Mr. Chairman. The Congress is, in effect, being asked to abdicate its constitutional responsibility for the policy formulation by delegating unlimited discretion to the executive branch. This request is even more startling in light of the late President's statement that he did not have this power nor did he think any President should have it.

Mr. Chairman, this proposal is a brilliant illustration of how not to solve the racial problem. We are told on all sides that the problem of race relations is essentially a moral one. Assuming this to be true, is the method authorized by the bill a sound course of action to follow? Can a moral problem be solved by the exercise of vindictiveness or the exaction of harsh penalties? Obviously not. We have on countless occasions acted on a contrary premise, that is, that the promotion of the national welfare by the disbursement of Federal funds outranked in significance the eradication of segregation. Are we to abandon this policy judgment on the narrow grounds that we do not like what is going on inside the borders of a particular State? I submit this is the method least likely to effect a solution to the problem. If this is "an indestructible Union, composed of indestructible States," *Texas* v. *White* (7 Wall. 700), it is incumbent upon us to reject this proposal, the ultimate result of which portends the isolation of a State from its sisters. It is a testimony to the extreme emotionalism or shortsightedness, or both, of the authors of this proposal, that it would hurt more deeply those whom it seeks to assist.

We are asked in title VII of this bill to give legislative sanction to the existing Committee on Equal Employment Opportunity by establishing a new Federal agency—the Federal Equal Employment Opportunity Commission—consisting of 5 members appointed by the President, with its principal office in Washington and with regional offices located wherever the Commission "deems necessary," staffed by attorneys, officers, agents, and employees, unlimited in number, which the Commission deems necessary to carry on its assigned duties. This title would extend coverage under the bill to any employer "affecting" interstate commerce, with 25 or more employees. And what affects interstate commerce? The bill does not say, but in the Wickard case—*Wickard* v. *Filburn*, 317 U.S. 111, 215 (1942)—a farmer who produced only 239 bushels of wheat which never left his own farm was declared to be affecting interstate commerce. Title VII directs the President to prevent racial discrimination among contractors and subcontractors of agencies of the Federal Government, and under section 711(b) blanket and unlimited authority is given him to enforce the bill's provisions.

The Constitution does not confer upon the Federal Government such sweeping power to extend government control into virtually every corner of our social and economic structure.

I quote from the minority report on this bill:

> We do not believe that the American people as a whole, whether employers or employees, want to embark upon this new

> adventure. We do not believe that they want to make this departure in the functional aspects of the American free enterprise system. We do not believe that they want the Federal Government, through its administrators, commissioners, investigators, lawyers, and judges, to assume this quality and quantity of control over their property and personal freedom to manage their own affairs. If this title of this legislation becomes a statute, we predict that it will be as bitterly resented and equally as abortive as was the 18th amendment, and what it will do to the political equilibrium, the social tranquillity, and the economic stability of the American society, no one can predict.

This, then, Mr. Chairman, is a substantial portion of the bill we are asked to pass. While the remaining titles raise many questions of policy and judgment, they do not portend the horrendous consequences of the titles which have been examined in this discussion—consequences which, as I indicated at the outset, transcend our personal feelings on racial matters.

A vote against this bill is not a vote against civil rights, for this bill is only nominally concerned with civil rights. A vote aganst this bill, is a vote for the Constitution. Our oath of office commits us to such a vote.

Mr. CELLER. Mr. Chairman, I wonder if we could arrange by unanimous consent the time at which all debate on this amendment will be concluded.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto conclude in 45 minutes.

Mr. WAGGONNER. Mr. Chairman, I object.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate conclude in 1 hour.

Mr. SMITH of Virginia. Mr. Chairman, reserving the right to object, we have gotten along pretty well and we have gotten along pretty rapidly. However, this is the most important amendment, probably, in this bill. It is so complicated that I think we should have a lot of time on it. I would rather that the gentleman did not make that request yet. I had a few remarks that I wanted to make on it, also, and I might need a little more than 5 minutes. You know, I have not had a chance today to exercise my vocal cords.

Mr. CELLER. Mr. Chairman, I withdraw my unanimous-consent request.

Mr. WHITTEN. Mr. Chairman, I rise in support of the amendment.

First, Mr. Chairman, I would like to compliment the gentleman from South Carolina [Mr. DORN], one of the great speakers here, who has made such a dramatic address to the Members of the Congress and called our attention to many terrible things which have happened under dictatorship throughout history. For my own part I would like to tell you that human nature has not changed. Even today power is used to serve political purposes, not in a dramatic appeal, but to call your attention to the fact that I mentioned earlier that the passage of a law is only the beginning. Some of you think this bill, if enacted, would solve or tend to solve present problems of riots, sit-ins, bloodshed, and so forth. To me this bill, if enacted, would really be the beginning of more and more trouble. Individuals will be carrying its terms or such part as they wish to carry out, in such sections as they wish. Those charged with enforcing this act would have the same frailties of other humans.

Mr. Chairman, the title before us would authorize the Federal Government to withhold funds from communities and from areas and from institutions, which would enable them to discriminate. There are those that say that is not too bad, in fact, most proponents seem to believe that if my section is the only one to be hit that would be all right.

Some seem to feel that my section does not deserve its fair share of Federal funds. I say to you, Mr. Chairman, that you should look at this as the instrument to work the will of the executive department upon the people of this Nation, and not merely a formula for distributing Federal funds.

Let me tell you what has already happened even without this law authorizing such action. In my good State of Mississippi for quite a long time—and listen to this—notwithstanding that the Congress has provided in the Community Facilities Act for national application, with the rights to all counties and all cities and all States to participate, for a period of many months there was not a single application approved in the State of Mississippi except two for the all Negro city of Mound Bayou, a segregated city.

May I say to you that there is not a man in Mississippi who would not have been proud to endorse the approval of those projects for this Negro city. But may I say to you that every other project throughout the State was held up except those two projects; and again may I say that we do not condemn approval of those two projects because that is a fine old Negro community—dating back for many years, it is a matter of their choice that they are an all Negro city. Mr. Chairman, it was only after an investigation by the Appropriations Committee that this situation was changed and in the period when all projects were being held up, representatives of the agency advised me they were holding such applications up because, "We had orders from down on Pennsylvania Avenue."

Now, let me tell you another case of executive pressure as would be authorized by this bill. Under the accelerated public works program—and I had no connection with this project—the administration approved an accelerated public works project in my good State and sent a telegram to the applicant approving it. They had their representative on the plane to go down there and make arrangements with the applicant in person. Then, on the same day, when the two Senators from my good State voted against an expansion of the accelerated public works program, that telegram was withdrawn, the man was taken off the plane and the project was turned down.

Mr. LENNON. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and forty Members are present, a quorum. The gentleman from Mississippi [Mr. WHITTEN] will proceed.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes additional.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Chairman, I repeat that that is the basic thing that our Republican friends on the left and my Democratic friends on the right are overlooking. We do not in this bill set up a new formula for distributing Federal funds, but place ever greater power in the executive department to pressure Congressmen, communities, and so forth. Enforcement will not be handled by men who are beyond prejudice, but will be handled by people appointed to a political office by a politician. The law, since time immemorial, has been in the hands of those who held positions of power and throughout time there have been those who misused that power, just as I believe it was misused in the cases cited. Whatever we may say, we live in a political world. I repeat, to pass this measure, and particularly this section in the face of the circumstances that I have described to you—where the Community Facilities Act of national application providing benefits on a fair basis for every county and State throughout the Nation would be to invite the most dictatorial and destructive action possible—and that is, if your Senator or Congressman does not vote like we say or if you do not do as we believe proper, you will be left out of Federal programs, even though your section paid part of the taxes to pay for it.

In my years in Congress I have seen much of that. Just now, I am glad to say, the Community Facilities Act and the accelerated public works programs are being handled properly.

And, Mr. Chairman, may I say I do not believe the late President Kennedy or President Johnson would ever resort to such unfair discrimination. Unfortunately such decisions are made below them.

May I say again, when this bill becomes law, who knows who will be in the saddle in the future?

In other countries and throughout history, power granted has always been used.

I do not know of any man big enough to resist permanently the power this bill would grant.

If you give to any man the power you would give under this bill you are saying to him that here it is, here is what the law provides. I am strongly in favor of the amendment which would eliminate this section which would put in the hands of certain people and powers in the executive department to say: "Do as I tell you to do, or we will turn your application down."

That is what has happened in the past. In view of the situation I have described to you I have prepared an amendment to prohibit discrimination by the Government.

Let me read my proposed amendment.

> (A) Nor shall any community, county, parish, State, nor section of the United States, on the ground of the race, color, or national origin of some of its citizens, nor because of the actions of some of the citizens of such community, county, parish, State, or section of the United States, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity providing Federal financial assistance by any Federal department or agency.

What I am trying to say to you is, not only do you give this power to the executive but you do it in the face of a known record where Federal agencies have been guilty of discriminating against areas and people. There is far more reason here today to write language saying that Federal agencies and departments shall not discriminate against sections or communities of the country than there is for the language in this bill which says the people in an area shall be deprived of everything because a few people may not do what they are told to do from Washington.

The gentleman from South Carolina recited many instances in history, all of which support the premise that whenever any people get to where they are so disturbed and would like finally to surrender their power to a central government to look after them, the end result has been the same. A dictator uses all the powers he gets when his interest is great enough. History has moved on but human nature has not. There has never been a dictator who ever turned back to the people a single power that got into his hands. There has never been a country that surrendered this power to a dictator who sooner or later was not a ruthless one, such as Stalin, Hitler, Khrushchev, or Castro. No matter how much feeling you may have for a particular Attorney General, power once surrendered to the executive department is there for the next man, and we could go down the road that our friend from South Carolina pointed out. We can easily see the day when this power of the dictator will be used against many minorities in this country, and I think particularly against the section I have the honor to represent for we do not have enough votes to prevent such action against us.

Keep in mind that you may be looking south, but when you write this act it applies all over the country. The Government might not move against you for the same things they move against us for. However, the power is available to any man from the White House down to the lowest man in the executive department to withhold this, not on a fair basis, but in order to make Members of Congress of the United States vote as they are told to vote. We have evidence it has been so used.

I hope you will strike out this whole section. If not, you should amend to prevent discrimination by Federal departments and agencies.

Mr. ROBERTS of Alabama. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, in this particular type of bill I have always tried to be sure that my remarks give off light instead of heat.

I would like to compliment the distinguished Chairman of this Committee and the ranking minority members and all members of the Judiciary Committee, and members of the Rules Committee and others who have spoken on this bill, on the tenor of their remarks. As I have seen it, it has been a good debate, except for the fact that we from the South where the gun has been pointed have not been able to ignore the fact that there is a majority here today with the votes. I suppose my chances of success would be similar to that of the taxpayer who was before the court of tax appeals, and he said, "As God is my judge, I do not owe the taxes." The judge said, "He is not, I am, and you do." So that what I have to say will be very brief.

As my colleagues, the gentlemen from Alabama [Mr. RAINS and Mr. ELLIOTT], so well pointed out, in their respective fields of housing and education, this title before us today is going to punish a lot of people who have had nothing to do with the making of the policy that is sought to be changed in this title. It so happens that under my distinguished chairman, the gentleman from Arkansas, as chairman of the Subcommittee on Public Health and Safety, I have had the privilege of helping him handle what I think are many bills important to the health, welfare, and well-being of this country. I refer to the Hill-Burton Act, Health Facilities Act, Child Health Institute Act, Medical Education Assistance Act, Mental Health and Mental Retardation Act.

I say that when any legislation such as this title would get down and strike at children in school, that is pretty bad; but when you seek by this title to cut off funds that are going in many sections of this country to mentally retarded children, blind and deaf children, handicapped children, emotionally disturbed children, crippled and physically defective children, that is almost unthinkable. Under this mentally retarded program you are undoubtedly going to cut off from both black and white the benefits of a new piece of legislation by title 6 that has never been able to pass this body, even though vigorously pursued. What you are trying to do with this is to do with a shotgun what you have never been able to do with a rifle. When Congress can properly consider these individual programs, they would refuse to write and accept such nondiscriminatory proposals and have repeatedly refused to write into the law of this land, such as the Hill-Burton program, this kind of insidious, iniquitous provision.

Mr. TUCK. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS of Alabama. I yield to the gentleman from Virginia.

Mr. TUCK. The principle of this is not unlike the same principle used by Castro when he cut the water off at the U.S. Naval and Marine base at Guantanamo yesterday, is it?

Mr. ROBERTS of Alabama. That is about the same situation, because it is a spite situation.

Edmund Burke, the distinguished British statesman, said you cannot indict all the people. He was speaking of the revolutionary effort in this country which finally was successful and gave birth to the greatest republic on the face of this earth.

You may think you are indicting the South. You may think that by denying these children and denying these underprivileged people who have no power of forming the policy to which you direct this legislation that you are leveling out this whole country and trying to make every section of it like every other section. But if you look at the facts you will find that what you call discrimination exists to a greater degree, in my opinion, in areas like New York, areas like Illinois, and many of the other States, than in the South.

Mr. FLYNT. Mr. Chairman, I move to strike out the last word and rise in support of the amendment offered by the gentleman from North Carolina [Mr. WHITENER]

Mr. Chairman, I support the amendment that has been offered by the gentleman from North Carolina [Mr. WHITENER], and I urge that it be adopted.

If only one title of the bill now under consideration could be stricken from this bill, in my judgment, it is title VI.

The authority given in title VI is one which would place dictatorial power into the hands of a nameless and faceless employee of any of the many Federal agencies within our Government charged with the administration of programs which benefit every section of the United States.

Mr. HUDDLESTON. Mr. Chairman, the gentleman from Georgia is making a very fine statement and it seems to me he is entitled to be heard by so many of these Members of the House who are so all-fired anxious to dispose of this bill. Therefore, Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting]. One hundred and thirteen Members are present, a quorum.

The gentleman from Georgia is recognized.

Mr. FLYNT. Mr. Chairman, title VI would place dictatorial power into the hands of a nameless and faceless employee of the many Federal agencies in our Government charged with the administration of programs which benefit every section of the United States.

The language in title VI is ineptly drawn. The proponents of this legislation disagree on what it means.

After carefully reading all three sections of title VI—section 601, section 602 and section 603—I defy any person to analyze and define the power which this title contains.

Among the many powers that are contained in title VI there is the power of someone in the Housing and Home Finance Agency to deny any of the rights conferred under many of our housing acts as amended, to an entire subdivision, to an entire community or, perhaps, to an entire State on the unsubstantiated complaints of someone that he had been discriminated against in the administration of one section of the Housing Act.

He would not have to establish that he had been discriminated against beyond reasonable doubt or by a preponderance of the evidence. It is highly possible, Mr. Chairman, that it would be sufficient to carry out the terms of title VI for such person to state, without any further evidence and without any corroboration of any kind, that he had been denied a loan under the provisions of one of the housing acts because of his race, color, or national origin.

For example, he might be denied a loan because of a bad credit record. Under title VI he could claim that it was because of his race, color, or national origin, and either have his loan approved or an employee of the agency could arbitrarily withhold approval of all other loan applications in such subdivision or community.

The fact that the evidence might be all to the contrary, except for his statement, would have no bearing whatsoever on the final determination and adjudication of the case, because the power is to be placed—and it is very indefinite as to the person or agency in whom the power is to be placed—in a nameless and faceless individual, to concur in the complaint which has been made, and thereby to deny all the rights, privileges and benefits of the particular housing act affected to all persons who might be similarly situated.

One other example of this would be in the administration of the provisions of the Medical Education Assistance Act, which the Congress of the United States recently passed. An applicant for admission into a recognized medical college might complain to the appropriate Federal agency that he had been denied admission to this particular medical college because of his race, color, or national origin.

The fact that he might have been denied admission to this particular medical college because his grades did not come up to the standards which that medical college required would be of no consequence if the administrative officer before whom he took his complaint took the position that grades had nothing to do with it and that he had to be admitted regardless of his grades.

(By unanimous consent, Mr. FLYNT was given permission to proceed for 3 additional minutes.)

Mr. FLYNT. Mr. Chairman, we could discuss in detail and with accuracy for the remainder of today the various applications of administrative tyranny which would be vested in administrative agencies and executive departments by the provisions of this title.

Mr. Chairman, the late President of the United States, John F. Kennedy, stated in clear language that he did not approve of the language contained in title VI. He said that he did not want the power and the authority which that language would confer. The language of title VI would confer power that no good man would want and that no bad man should have.

The language in title VI would confer upon an administrative employee the power and the right and the authority to thwart the will of Congress and the will of the American people. The power to be granted under provisions of title VI would be subject to perhaps the greatest misuse and abuse of power of any of the many bad sections of H.R. 7152.

Mr. Chairman, if any real discrimination is allowed by any agency in the administering of any of the provisions of the many acts which would be affected by this title, in the name of good judgment, logic, and reason, I suggest that certain limitations and prohibitions should be added by appropriate amendment in each particular instance affecting each particular act.

Mr. Chairman, the approach contained in title VI is one of a shotgun approach, as it has been described. It is a provision which could destroy the beneficial administration of many of these acts. It is one which could come back to haunt many of our colleagues who will support this title and will vote in favor of this bill on final passage. It will indeed be a flimsy excuse when someone might try to explain his actions by saying, "I did not know the gun was loaded." The gun is loaded—this title VI is loaded, and it is aimed at the heart of America.

Mr. Chairman, I do not believe that the power to administer broad punitive action, such as contemplated in this title, should be conferred upon any individual or agency.

If such power is to be conferred on anyone, the act should provide that the application for injunction or other order should be directed to the appropriate district court in the first instance.

The provision contained in section 603 providing for judicial review is meaningless. The Administrative Procedure Act referred to in section 603 would permit the agency action be affirmed with no evidence other than the unsworn statement of a complainant—regardless of the quantity or quality of the evidence to the contrary.

I urge that the amendment offered by the gentleman from North Carolina [Mr. WHITENER] be adopted.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. FLYNT] has again expired.

Mr. MEADER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time for the purpose of announcing to the Committee that at the appropriate time I will offer an amendment to strike all of title VI and insert substitute language for that title.

For some hours now the text of this amendment and a one-page explanatory statement has been available at the various desks in the Chamber.

I have decided to make one change in the amendment as it appears in mimeographed form before offering it. I will strike out the last three lines in section 602 of my amendment and strike out the word "but" on the fourth line from the end of section 602 of my amendment, and insert a period.

Basically the nature of this substitute is to carry out the same purposes as title VI, but to utilize the law of contracts in doing so.

Before any recipient of Federal financial assistance would receive any money, be would be obliged to assume a legally enforcible undertaking that he would not discriminate among the beneficiaries of the program and then that undertaking would be enforced in the same way that any contractual undertaking can be enforced between private parties to contracts. Striking the last three lines would make available to either party any proceedings in equity, specific performance or restraining orders, as would be appropriate in the case.

The merit of this approach rather than the approach of title VI of the bill is, one, its flexibility. That is because it would require the recipient and the agency in all of these different programs who are familiar with the details and operation of the program to spell out in detail in the document evidencing the grant, contract, or loan precisely what the recipient would or would not do to carry out his obligation not to discriminate in the use of the funds.

The second feature is the remedy. Instead of being an arbitrary decision of an administrator, which has only limited review under section 10 of the Administrative Procedures Act, my procedure would be equal for both sides to go into court de novo and have their full day in court utilizing the vast body of contract law. I think there is a great deal of merit in this method of solving a very complex and difficult problem of dealing with withholding Federal financial assistance in such a variety and multitude of programs.

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from California [Mr. CORMAN].

Mr. CORMAN. I want to ask if the gentleman will repeat his amendment again. I want to get it on our copy.

Mr. MEADER. Yes. Do you have a copy before you?

Mr. CORMAN. Yes, sir. I do now.

Mr. MEADER. If you will direct your attention to section 602, in the fourth line from the bottom, after the word "undertaking" I would insert a period and strike the word "but" and the remainder of that section.

Mr. CORMAN. Thank you, sir.

Mr. MEADER. Mr. Chairman, I yield back the balance of my time.

Mr. RYAN of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and proceed for 5 minutes additional.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN of New York. Mr. Chairman, title VI which is before us would strike down racial discrimination and segregation in federally assisted programs. This goes to the heart of the moral issue confronting the Nation and confronting this Congress.

In a very historic speech last June 11 President Kennedy asked the Congress, and the Nation, to make a full commitment "to the proposition that race has no place in American life or law." Title VI makes clear that commitment. The Federal Government must cease to underwrite segregation. It is only simple justice. It is indefensible to use Federal funds to perpetuate segregation in the Hill-Burton hospital construction program, the impacted areas school program, and other federally assisted programs.

Mr. Chairman, earlier in the debate I was disturbed when the very distinguished gentleman from Alabama, the chairman of the Subcommittee on Housing of the Committee on Banking and Currency, suggested that the passage of this title might result in a sitdown strike on the part of those Members of Congress who serve on the Appropriations Committee. It is difficult to believe that appropriations for urban renewal, for public housing, for college dormitories and other public needs would not be voted because Congress had determined finally that they should not be used to perpetuate segregation.

However, if that is the case, let us meet the issue head on, and carry the fight to the country. The people of America will not stand for it.

This title is essential to the bill. It empowers the administrator to strike at the very root of the problem which has been raised numerous times before this body when antidiscrimination and antisegregation amendments have been offered.

Since my election to Congress I have fought against using Federal funds for programs in which discrimination is practiced. I have introduced and supported antidiscrimination amendments to authorization and appropriation bills. When the Housing Act of 1961 was before the House, I was the only Member on my side of the aisle to vote for an antidiscrimination amendment. I have supported an amendment to the Health Professions Education Assistance Act of 1963 to prevent funds from being used for segregated facilities. I introduced, and filed a discharge petition for H.R. 5741 which provides that no Federal financing or other assistance may be furnished in connection with any program or activity which is segregated or in which individuals are discriminated against on the ground of their race, religion, color, ancestry, or national origin. Before the administration's civil rights bill was introduced, I urged the Attorney General to recommend a provision to bar Federal funds for segregated programs.

We who have supported those amendments have constantly been told that there would come a time when we could consider this issue as a distinct matter, separate and apart from the legislation then pending before the House. We have that opportunity in this bill today, and we should seize it. The policy is clearly expressed in section 601:

> No person * * * shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

This title is not mandatory. I think it should be. For those who are so alarmed about the discretion placed in the hands of the Federal administrators and department heads, I would encourage them to support an amendment to make mandatory the denial of funds for segregated programs. Then they would not have to worry about the use of discretion.

Many of the opponents of this measure have tried to confuse and distract us by talking about the possibility that an individual's benefits could be cut off, such as veterans benefits, social security benefits, unemployment benefits. No such action is envisioned by title VI. If we turn to the hearings, part IV, at page 2773, it is clear from the letter of the Deputy Attorney General, Mr. Katzenbach, to Chairman CELLER that this is not intended. I should like to quote from that. It says:

> 2. A number of programs administered by Federal agencies involve direct payments to individuals possessing a certain status. Some such programs may involve compensation for services rendered, or for injuries sustained, such as military retirement pay and veterans' compensation for service-connected disability, and perhaps should not be described as assistance programs; others, such as veterans' pensions and old-age, survivors, and disability benefits under title II of the Social Security Act, might be considered to involve financial assistance by way of grant. But to the extent that there is financial assistance in either type of program, the assistance is to an individual and not to a "program or activity" as required by title VI. In any event, title VI would not substantially affect such benefits, since these payments are presently made on a nondiscriminatory basis, and since discrimination in connection with them is precluded by the fifth amendment to the Constitution, even in the relatively few instances in which they are not wholly federally administered. Accordingly, such programs are omitted from the list. For similar reasons, programs involving direct Federal furnishings of services, such as medical care at federally owned hospitals, are omitted.

That statement by the Deputy Attorney General should dispel a lot of the confusion which has been created. The purpose is clear—to prevent discrimination among the beneficiaries of Federal programs.

Mr. Chairman, the harsh facts are that constitutionally protected rights have been disregarded in the administration of Federal programs.

For example, the Government has perpetuated school segregation through the allocation of school maintenance and construction funds under the impacted areas program. In fiscal year 1962, the Federal Government allocated $297,169,905 for school maintenance and construction under the impacted areas program. Of this total, 36 percent, or $106,129,107, was allocated to Southern and border States. In fiscal year 1963, $315,110,323 was allocated for school maintenance and construction under the impacted areas program. Of this total, 33 percent, or $106,092,763, was allocated to Southern and border States.

A subcommittee of the House Education and Labor Committee in 1962 prepared a statistical sample of school districts in Southern and border States which had received Federal funds for school maintenance and operation under this program in fiscal year 1961. The study shows that 63.6 percent of the funds allocated to this area went to segregated school districts.

A Civil Rights Commission study shows that, for the 1962–63 school year, totally segregated schools in military base impacted areas in Alabama, Georgia, South Carolina, and Mississippi received $16,592,733.

On March 30, 1962, the Secretary of the Department of Health, Education, and Welfare stated:

> Beginning in September 1963, we will exercise sound discretion, take appropriate steps as set forth in the law with respect to those children still attending segregated schools who by law are entitled to suitable education.

However, the Secretary determined that he had discretion only with respect to children living on Federal property. In eight situations where only segregated schools were available to children living on military bases, the Government has built schools—three schools in Alabama, two in South Carolina, two in Georgia, and one in Louisiana. However, this ruling only applies to the 285,863 children of Federal employees living on Federal property and does not apply to the 1,555,154 children living off Federal-owned property.

The 1963 Report of the Civil Rights Commission points out the limited effectiveness of this ruling:

> Up to September 1963, however, the HEW ruling has affected only 26 of the 242 southern school districts where children reside on Federal property and attend schools in the community. And for the most part, the ruling will redound only to the benefit of children living on base. They constitute only 10 percent of all military dependents in the South.

Mr. Chairman, in Alabama, Florida, Georgia, Louisiana, South Carolina, Mississippi, North Carolina, and Virginia segregated school districts are still receiving Federal assistance under the impacted areas program.

The Hill-Burton hospital construction program is another example of a program in which Federal funds have been used to underwrite segregation.

The Hill-Burton Act provides that Federal funds can be allocated "in cases where separate hospital facilities are provided for separate population groups, if the plan makes equitable provisions on the basis of need for facilities and services of like quality for each such group." In addition to "separate but equal" hospitals, Federal funds have gone to hospitals within which patients are segregated on the basis of race.

The Civil Rights Commission 1963 Report states:

> The Public Health Service has stated that, from the inception of the Hill-Burton program in 1946 until December 31, 1962, grants have been made to aid in the construction or remodeling of 89 medical facilities intended for the exclusive use of either white or Negro persons. The Federal contribution to these projects totals $36,775,994; of this amount, Federal contribution to the 13 projects intended for the use of Negroes, is $4,080,308.

According to the Department of Health, Education, and Welfare, as of June 1963, 102 segregated medical facilities have been approved out of 6,810 approved projects. In addition to the totally segregated hospitals, there are other hospitals which admit Negro patients but segregate them within the hospital. For instance, one hospital in Georgia provided only 12 beds for Negro patients which were located in a segregated basement. Many southern hospitals refuse to hire Negroes, or to permit Negro doctors to practice medicine.

The Department of Health, Education, and Welfare has now discontinued grants to "separate but equal" hospitals. But, according to the Civil Rights Commission, hospitals, in which patients are segregated according to race, are still receiving assistance.

The denial of the best available medical care because of a patient's color is inconsistent with the most basic democratic principles. By passing title VI Congress will make clear its intention that this practice cease.

The Federal Government has also supported libraries which discriminate. The 1961 Civil Rights Commission report states that only 24 percent of the libraries in the 11 Southern States were integrated. In 1960–61 under the Library Services Act, these States received a total of $2,302,882, or approximately 28 percent of the total $7,500,000 allotted to all the States. For fiscal year 1963, $2.2 million of the $7.4 million Library Services Act appropriations was obligated to the 11 Southern States.

In the summer of 1963, the American Library Association issued a report entitled "Access to Public Libraries" in which it reported that 16 Southern States deny Negroes access to libraries. On July 9, 1963, the Library Services Branch of the Office of Education issued a memo which stated that Federal funds would no longer be available for segregated facilities or facilities in which discrimination was practiced. As of January 1964, investigators from the Library Services Division of the Office of Education have visited North and South Carolina to seek compliance.

After investigating the training programs under the Area Redevelopment Act and the Manpower Development and Training Act, the Civil Rights Commission in 1963 found:

> In no Southern State did the proportion of Negro Manpower Development and Training Act trainees equal or approach the State's 1960 urban nonwhite unemployment rate. While the proportion of Negroes in the southern Area Redevelopment Act programs was slightly higher than in the Manpower Development and Training Act, more than 90 percent of the Area Redevelopment Act Negro trainees were in the State of Arkansas. Nearly 85 percent of all the Area Redevelopment Negro trainees were enrolled in agricultural courses.

The Commission in 1963 conducted field investigations of the Area Redevelopment Act and the Manpower Development and Training Act programs in Alabama, Arkansas, North Carolina, and Tennessee. Additional data were also received from South Carolina and Mississippi. The Civil Rights Commission 1963 report states:

> Negroes in North Carolina and Tennessee were trained on a desegregated basis. All of Alabama's and Mississippi's training programs were segregated and Negroes were excluded from some Manpower Development and Training Act programs. Little Rock's Manpower Development and Training Act courses were desegregated. In South Carolina, this Commission's State advisory committee reported that "there is a large measure of discrimination against Negroes." The reasonable expectation of employment provision has been strictly interpreted against Negroes, the committee stated. It was also stated that Negroes were excluded from 9 of 12 available courses because State law still forbids desegregated classes in public schools.

The Department of Labor has reported that since March 27, 1963, the approval of the Manpower Development and Training Act and the Area Redevelopment Act programs has been contingent upon assurances from the States that training programs would be conducted without discrimination or segregation.

A particularly heinous instance of discrimination in the administration of a federally supported program came to my attention last March when Leflore County in Mississippi discontinued the distribution of surplus food. During the winter months of the preceding year the county had distributed food which it has received free from the Department of Agriculture to 26,000 needy persons, over 90 percent of whom were Negroes. In that county the average income for Negroes is approximately $300 per year. The decision not to participate in the surplus food program coincided with a Negro voter registration drive in Greenwood, Miss. I immediately contacted the Secretary of Agriculture. After much pressure by him and others, the program was reinstated.

Mr. Chairman, it is apparent that Federal funds have been used to underwrite segregation. Although some administrators have acted to eliminate it, discrimination persists in some of the programs. Congressional disapproval is long overdue. If we believe in the Constitution and the inherent dignity of man, let us now in 1964—more than 100 years too late—make it clear that this affront to our democratic principles will no longer be tolerated by Congress.

Mr. WELTNER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, a few weeks ago the President of the United States issued a call to arms in the war against poverty. And today the administration has assigned as a priority measure the formulation of a program that will attack on many fronts this greatest of our ills. Our section of the Nation, the South, has a great deal to gain from the successful conclusion of a war on poverty. We have a great deal to lose if that effort fails. The South, all of its people and all of its races, will profit greatly from the success of this effort, and I applaud the administration for the determination it has shown.

Now, that war will necessarily involve substantial Federal resources. It cannot be won without it. Yet this title, title VI, would deprive us of the very weapons with which that war can be waged.

What will be the outcome if title VI is enacted? There may be a war on western poverty, Mr. Chairman. There may be a war on eastern poverty. Possibly we will see a war on northern poverty. But in the South there will be no war on poverty. In the South, title VI will make war on the poverty stricken.

I urge that this amendment be adopted.

Mr. ROSENTHAL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time really to stall for 5 minutes. The fact of the matter is that after the gentleman from South Carolina and the gentleman from Florida spoke so eloquently I finally conceded a well-known fact, that the opponents of this bill on my side of the aisle really have all the oratorical skill and class in this body. They have all the great ability to make speeches, and I admire them for it, and I wish I could do the same thing. I have always found it difficult. I do not even know how to punch the air with my hands when I talk. I think this is one practice they use to make their speeches so forceful and so eloquent. What I did before I thought I would be recognized, a few speakers ago, I went outside and practiced making this speech first with my right hand, then with my left hand. Unfortunately, my eyesight is not quite as good as my intentions, and I struck one of the proponents of the bill right in the middle of his face. He is outside now with a bloody nose. It will take about 20 minutes for him to recover. I do not want to lose his vote on this next amendment and so I thought it would be wise if I could take this time and perhaps give him an opportunity to recoup.

There is no question in my mind, that our brethren on this side of the aisle, who are in opposition to this bill, really have the oratorical skill and class and all the good things that a legislator should have. Unfortunately, they do not have the facts and they do not have the issue.

The bogeyman issue that they raise in this body is fear of Federal control. Whatever their motivations or reasons might be, the single argument they have offered in opposition to the bill is a fear of the Federal Government and fear of Federal control.

The fact of the matter, and I rely on the words of a very famous American and suggest to them that they really have nothing to fear but fear itself.

Whether they admit it or not what they fear is not Federal control but fear of change—fear of change of an existing situation that is bringing poverty and is bringing a lack of respect for government and is bringing a failure of American democracy to a large number of our American citizens.

The fact of the matter is—if government, whether it be Federal, State, or municipal, is used to obstruct the freedoms of an individual citizen, then that government must fail whether it be this year or the following year or some other time in this generation.

Mr. Chairman, the one thing we must do to preserve this Republic is to recognize our responsibilities and obligations and go forward to give this Federal Government powers that it needs to meet its responsibility to meet the challenge of these times.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DOWNING. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, I think my colleagues and friends on this floor will have to agree that I have not usurped this microphone too much during my terms in the Congress.

I cannot, however, sit and stem back my deep personal resentment against the philosophy of the harsh implications which are contained in title VI of this bill.

I cannot bring myself to believe that there are men and women in this great body of the Congress who harbor such ill feeling against the South that they would put in this bill provisions which spell out recrimination in its worst form.

I cannot believe the democratic theory of government ever contemplated the use of recriminatory threats to effectuate civil legislation.

I cannot believe that you would deny needed Federal assistance to many because of the noncompliance of a few.

You and I have sat here day after day and have seen dozens of amendments systematically and automatically voted down by a determined and sincere majority.

But you will never get me to believe that your majority is a ruthless majority, nor a vindictive majority, nor a heartless majority.

If I understand title VI correctly—and I think I do, it basically provides for a cutoff of Federal funds if segregation persists—in whole or in part: Federal funds created in part by the very area suffering the cutoff and despite the fact that the locality itself may have been trying conscientiously to comply with the intent of this law; and the cutoff of Federal funds which would be for the benefit of all the taxpaying citizens in that area both black and white.

The ultimate result of title VI would be the retroactive amendment of every Federal statute which allocates Federal funds. It could—and probably would reach down into such fine institutions as the FHA, the GI program, the school construction programs, the school lunch program, and countless other humanitarian programs. If carried out, it could affect every element of our society, every phase of our commerce, and every color of our citizenry.

And remember too, when we passed these programs, we more or less told our people that they could rely on the law we passed—that there were no strings attached other than those stipulated in the law itself and that there was no hidden "hooker" up our sleeve.

Despite your sincere feelings about the protection of civil rights of all our people and despite the fact that perhaps the majority of the people in this country may favor this legislation, if you pass title VI you are going to destroy the trust and confidence that was given to you by a few people who believed that there were no strings attached.

Why did you not tell us when these bills were passed that you were later going to use them as a common threat? That would have been the fair way, and we could have voted accordingly. And in fairness, the people who drafted, debated, and passed those bills did not ever intend that they were to be used this way. And down in the hearts of my colleagues you do not want it used this way now.

The past President did not think this power wise. He said so publicly. The Attorney General did not want this broad a power.

The Congress itself in the past has repeatedly—on six different occasions—defeated amendments to pending housing acts which would grant the President this authority.

And the chairman of the Judiciary Committee, a man who wears lightly many years of distinguished public service and a man for whom I have the greatest personal respect—I have seen him stand up here for seven long weary days valiantly and successfully coping with the greatest onslaught of legislative questions that we have ever seen and he has lost neither his humor or his vigor.

I cannot believe that this great man is too eager about this title.

If you will read the record of the hearings in this cause you can feel the concern of those who now advocate it. On page 1787, our chairman showed concern when he asked Mr. George Meany, president of the AFL–CIO the following question in regard to the Federal fund cutoff "might that not, in some instances, hurt the very people—the recipients of deserved compensation—that you want to help and that might cause a disservice to Negroes on Federal installations."

And then our good and able minority leader for this bill, the genial gentleman from Ohio [Mr. McCULLOCH], brought out in the hearings that he well remembered the misery that was caused in the thirties when the Federal Government arbitrarily withheld over a million dollars in Federal funds for a program to help the needy. Down in his heart he must feel concern over the effect of this title.

I would like to conclude with this. My friends, you have a strong civil rights bill without this title ever appearing on it. Please do not take your majority to pass a title which would be retroactive in effect and harmful in its result.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

(By unanimous consent (at the request of Mr. HUDDLESTON) Mr. DOWNING was given permission to proceed for 5 additional minutes.)

Mr. DOWNING. I thank the gentleman from Alabama.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. DOWNING. I yield to the gentleman from New Jersey.

Mr. RODINO. I wish to inquire how many other Members are interested in speaking on the amendment, so that we may set a time limit for this particular amendment.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. DOWNING. I yield to the gentleman from Alabama.

Mr. HUDDLESTON. I ask the gentleman if he does not get the impression, from talking to some of our colleagues in the House, that a number of our colleagues intend to vote for this legislation with the idea that the Members in the other body will "bail them out" and that the minority groups will blame the southerners in the other body for it.

Mr. DOWNING. I have heard that is the case, but I am only interested in getting title VI out of the bill. It should not be in the bill. I hope Members will support the amendment of the gentleman from North Carolina.

Mr. ROGERS of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I realize now we are probably engaging in activities that are futile, but I think that we ought to stop, look, and think before we go any further. What we are dealing with here is a bill of attainder. Let me show you what the Constitution of the United States says about a bill of attainder. This is section 9, clause 3:

> No bill of attainder or ex post facto law shall be passed.

What is the definition of a bill of attainder? A bill of attainder has been defined many times by the Court of our land and here is one accepted definition:

> A bill of attainder is a legislative act which inflicts punishment without judicial trial and includes any legislative act which takes away the life, liberty, or property of a particular named or easily ascertainable person or group of persons because the legislature thinks them guilty of conduct which deserves punishment.

Now, I hope the Members of this House of Representatives will stop and think about this for just a minute, because if you do, you will vote for this amendment and strike out this provision because it is unconstitutional. I have heard general statements made about the unconstitutionality of portions of this section. I am specifying for you exactly where this section is unconstitutional. In the early days it was held that a bill of attainder was a law that worked a corruption of the blood. The definitions as they come down through jurisprudence have reached the definition that I read you just a moment ago. Let me show you how much further this bill goes than that.

This bill not only is in violation of the Constitution of the United States because the legislator does not have the right to do this, but this Congress is attempting to delegate powers to the heads of departments and agencies. Powers that the Constitution denies to the Congress, and hence prohibits to any agency of Government.

Read the language of the bill. Here is what it says:

> Compliance with any requirement adopted pursuant to this section may be effected (1) by the termination of or refusal to grant or

> to continue assistance under such program or activity to any recipient as to whom there has been an express finding of a failure to comply with such requirement, or (2) by any other means authorized by law—

Now listen to this—

> *Provided, however,* That no such action shall be taken until the department or agency concerned has advised the appropriate person or persons of the failure to comply with the requirement and has determined that compliance cannot be secured by voluntary means.

That simply means this, that the head of a Federal department or agency has the power under this act that the Congress of the United States under the Constitution of the United States does not have. If we are going to proceed blindly to pass an act because of some emotional trend, I think it would do us well to stop and think this over. I have watched this House in action for many years and I have seen movement go along here and they say, "Strike down every amendment." That is the word that goes out. And many Members—and I am not reflecting on them—many Members do not have the time to acquaint themselves with what is going on, so they simply follow the leaders and vote against all amendments. To me that is not responsible legislating, and when you come in here with a bill of attainder that is prohibited by the Constitution of the United States, it seems to me that it is high time that we slow down just a little bit and try to proceed on a well-balanced, a reasonable path, and not do violence to the powers entrusted to us.

This section should be stricken. I urge you to vote for the amendment.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, with my colleagues I have been enjoying this great feast of oratory. This is really an historic occasion. On the last lonesome fringe of a lost battlefield our colleagues from the South are standing bravely and eloquently. Mr. Chairman, I have been moved by their eloquence. Among my dear friends was one of the greatest Governors Virginia, or any other State ever had, and as fine an orator as ever moved an audience to tears and noble deeds, and when Governor Tuck concluded his remarks, although I did not agree with him, his eloquence had moved me so that I found myself on my feet clapping my hands in appreciation of a performance in pure oratory.

But, Mr. Chairman, what is this all about? Is there any serious objection to the statement in this bill of the position of our country, of the United States, that no person shall on the ground of race, color, or national origin be excluded from participation in or be denied the privileges of or be subjected to discrimination under any program or activity receiving Federal financial assistance?

Does anyone disagree with that? Is not every American entitled to his full share of the benefits that accrue from the expenditure of public funds? If it be in social progress or in education, no matter what the field, any American should not be excluded because of the color of his skin or the country of his origin.

Mr. Chairman, I think I know the South. No one has greater love for the South than have I. Many a time I have boasted that once I was a Virginian, as Illinois once was in fact a territory of Virginia. We owe a great deal to the South. It has given us great principles of democracy, great Democratic leaders, a pioneer leadership in the attainment of worthy goals.

But, Mr. Chairman, the status quo has changed. So has it always been. Yesterday is gone. We have a feeling of deep affection for our friends from the South, and we want them as comrades and fellow workers in the adventures and the strivings of the today.

The yesterdays are gone, with all of their mistakes, with all of their crudities and cruelties, yes, with all of their aspirations and their blessings. Let us together, the North and the South, the East and the West forget the yesterdays.

Come with us, you from the South, into the sunshine of the today in which we live. Together we have so much to do in the years ahead and our mission of service to ourselves and mankind, we cannot afford to weaken by the taint of discrimination in any form.

Mr. POFF. Mr. Chairman, I move to strike out the requisite number of words.

It is obvious to those on the floor that members of the committee on both sides have deferred seeking recognition in order that our colleagues who are not members of the committee might have an opportunity to speak on this important amendment. It would appear that only a few remaining speakers who are not members of the committee are now seeking recognition and I would hope we might move as promptly as possible to a vote on the pending amendment in order that other amendments which undoubtedly will be offered can be maturely considered.

I take this time to propound questions to both sides of the aisle which I think might be helpful in illustrating the ramifications of this title. I am concerned first of all about the connection, if there is a connection, between titles VI and VII. Some people maintain, and I am one who does, that there is a definite connection between the two titles. More specifically, I contend that discrimination in employment under any program which receives financial assistance is intended to be covered within the proscription of title VI, and may I explain why I think so?

Section 601 reads as follows:

> SEC. 601. Notwithstanding any inconsistent provision of any other law, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

My question specifically is, Does the last clause which I have stated embrace discrimination in employment under a program which is receiving Federal financial assistance?

I yield to the ranking member of the committee on the majority side to respond.

Mr. RODINO. I believe it would be necessary to look at each program to determine what the purpose of that program is in order that we might find out whether it is covered.

Mr. POFF. I will ask the ranking member on the minority side the same question, and will attempt to illustrate the question with an example:

Let us assume that a contract has been awarded or is about to be awarded to a local community under the Hill-Burton program, and the charge is made by some person that he applied for employment to the contractor who had been employed to construct the addition to the local hospital and had been denied employment on account of his race. Would the proscription of title VI extend to such a case?

Mr. McCULLOCH. If the discrimination was solely by reason of race, and all the other factors implied in the question were present, it is my opinion there would be authority to withhold the funds. As a matter of fact, Mr. Chairman, there probably is authority to withhold those funds now. I might say it appeared to be the feeling of the Secretary of Health, Education, and Welfare that he had that authority now. As a matter of fact, the record contains at least eight acts passed by this and previous Congress where such authority was given to the Secretary of Health, Education, and Welfare. I am surprised at the speeches that have been made by members of the committee describing this authority as they have described it.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. McCULLOCH. Mr. Chairman, I move to strike out the requisite number of words, and yield to the gentleman from Virginia, whose time I took.

Mr. POFF. I thank the gentleman.

May I propound one more question with reference to a contract to construct a primary or secondary highway under the program of Federal financial assistance to the States. I will invite the ranking Member on the majority side to respond, if the gentleman from Ohio will permit.

Mr. RODINO. With respect to the Federal-aid highway program, this program provides Federal grants to States for construction of highways. Generally the Federal share is 90 percent of the cost of the Interstate System and 30 percent of the cost of the primary and secondary system. The recipients of aid are therefore the States. In this case we include the highway users and construction and maintenance employees. I would expect, therefore, that title VI would authorize action in such a situation to preclude racial discrimination with respect to the services in the facilities made available through this program.

Mr. McCULLOCH. I agree with the able, dependable answer of my colleague on the committee, the gentleman from New Jersey [Mr. RODINO].

Of course, members of this committee know that the Federal Government has already moved to implement the declaration that the gentleman has made under laws now in investigation.

Lest my answer was not completely accurate with respect to the Hill-Burton Act, my good friend and colleague, the gentleman from Michigan [Mr. MEADER] hands me the hearings on the civil rights legislation. On page 1539 the Secretary of Health, Education, and Welfare says this:

> In certain programs, such as, for example, the Hill-Burton program, the Congress itself has said "separate and equal." We are in court on that question. The Congress itself also said we cannot interfere with the internal affairs of the hospital. We probably have no discretion.

But, Mr. Chairman, the Supreme Court of the United States has struck down the "separate but equal" doctrine as contrary to the Constitution of the United States, and rather than mislead my able colleague in the slightest, I would say first I do not think that segregation even with separate but equal facilities is in accordance with the law of the land, and I do not think it would be certainly under the legislation which we are considering; and, Mr. Chairman, it should not be.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman.

Mr. POFF. It is my understanding that title IV is intended to deal only with public schools. May I inquire with reference to title VI? If school lunch benefits or school milk benefits are extended to private schools, could the Department of Agriculture cut off such assistance to private schools under title VI?

Mr. LINDSAY. Mr. Chairman, will the gentleman from Ohio yield so that I may answer the inquiry of the gentleman from Virginia?

Mr. McCULLOCH. I yield to the gentleman.

Mr. LINDSAY. As I understand it, the gentleman's question was, Are those cases where Federal funds are supplied for school milk to private schools covered? The answer is "Yes."

Mr. Chairman, will the gentleman from Ohio yield further?

Mr. McCULLOCH. I yield to the gentleman from New York.

Mr. LINDSAY. I wonder if I could just add one comment here—I hope for clarification. On the question that the gentleman from Virginia put with respect to the Hill-Burton Act program, it would certainly be true that title VI eliminates all doubt and overrides the separate-but-equal provision contained in the Hill-Burton Act.

I thought the gentleman's question was as to the relationship between title VI and title VII with respect to Hill-Burton.

Mr. POFF. No; I am afraid I did not make my question clear.

Mr. CRAMER. Mr. Chairman, I move to strike out the last word and I do so also to yield later to the gentleman from Virginia.

Mr. Chairman, there are a number of aspects about this title that are quite disturbing to me.

One of the basic areas of disagreement, and I think it is understandable, is that resulting from the language found on page 62, lines 20 and 21, referring to the termination of, or refusal to grant or continue assistance under such program or activity to any recipient.

I think everyone will admit this is an area where that causes extreme difficulty. I do not think the title is artfully drawn. I do not believe it will accomplish its objective.

Now who is the "recipient"? Is the recipient the agency that administers the program or is it the ultimate recipient, meaning the beneficiary? How can you differentiate between recipient and beneficiary? According to the dictionary, they are the same thing—a recipient is a beneficiary and a beneficiary is a recipient.

I was rather surprised to listen to the arguments made by the distinguished chairman of the Committee on the Judiciary, before the Committee on Rules, as to what is the differentiation. The chairman tried to explain that the word "recipient" was used because it was different from "beneficiary." Recipient really means the agency that gets the money to be disbursed.

But I find it impossible to make that distinction with only the word "recipient" being in line 21 and I think that area needs considerable clarification.

Secondly, what is meant by "such program or activity to any recipient"?

You can cite numerous examples.

Let us take this example that the gentleman from Virginia was discussing just a minute ago. Let us take the school program. Let us take the lunch program.

Let us say, there is a school board with 25 schools, and in 1 school the program is administered in a way that discriminates between students in that school. According to this wording, the school lunch funds would be cut off. According to the chairman's interpretation, the recipient would be the school board. And the funds would be cut off across the whole school district.

I ask the gentleman from New Jersey—is that not the effect—that the entire school district would be cut off because one school may be administered in such a way that someone wants to complain, with regard to this title?

Mr. RODINO. In my opinion, that does not necessarily have to be the case.

Mr. CRAMER. If the chairman's definition of "recipient" is correct, then the funds will be withheld from all schools in that district because the school board is the recipient.

Mr. RODINO. No, I do not agree with the gentleman that that would necessarily follow.

Mr. CRAMER. Well, then, the gentleman did not hear the testimony of the distinguished chairman, or he did not follow his logic.

At this time, Mr. Chairman, I yield to the gentleman from Virginia [Mr. POFF] who was discussing this matter.

Mr. POFF. I thank the gentleman. If I may, however, I would like to pose a question on another subject, or would the gentleman prefer that I defer until later?

Mr. CRAMER. Let me ask another question first and then I will be glad to yield to the gentleman.

Let us take the Hill-Burton Act. Here is what bothers me when you get to the practicality of how this thing is going to be administered. I do not think anybody knows exactly how it is going to be administered, and who is going to be affected, and how or what rules and regulations are going to be adopted in order to carry out the broad intent of this title.

Let us consider the Hill-Burton Act. Let us assume there is to be an addition to a hospital, and for the addition Hill-Burton funds are to be permitted. As a result of the board of health saying, "OK," hospital A has finally reached the top priority. It is now entitled to build an addition, to the exclusion of all other hospitals in the State, and to have money for it. The money, let us assume, is made available for the addition. The addition is halfway constructed. Half of the bills have been paid and half have not been paid.

Then let us assume that nurse X comes in to apply for a job. She is a Negro who wants to be hired for work in the addition to the hospital which is not yet even completed, but will be in the future. The hospital, for some reason, does not hire her. Let us say the reason does not even relate to race, color, or national origin. That is something the hospital would have to prove at a later date. The nurse is not hired. She is a Negro. She applied in a group of five, four of whom were white.

That Negro nurse, under this title, let us assume, complains to the Secretary of Health, Education, and Welfare that she was discriminated against in not being hired, and demands that the funds be cut off.

The funds could be cut off under those circumstances. Is that not correct?

The CHAIRMAN. The time of the gentleman from Florida has expired.

(By unanimous consent, Mr. CRAMER was given permission to proceed for 5 additional minutes.)

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from New Jersey for an answer.

Mr. RODINO. If I correctly understand the gentleman's question, he asked whether or not funds could be cut off at the request of a nurse claiming to have been discriminated against.

Mr. CRAMER. This language would give the Secretary authority to make rules and regulations and to cut off funds if the hospital administrator discriminated.

Mr. RODINO. To assure nondiscrimination; yes.

Mr. CRAMER. That is correct. That is exactly what I thought was the thrust of the title.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Virginia.

Mr. POFF. I should like to pose a question and to invite answers from both sides of the aisle.

I am aware of the purpose of the language which introduces this title. Namely, "Notwithstanding any inconsistent provision of any other law," is among other things intended to except such statutes as the Hill-Burton Act, which contain a separate-but-equal clause.

However, I wonder if that language might not have another effect which perhaps is not intended. Let me explain what I mean—41 United States Code 5 requires advertisement for competitive bids on Government contracts for construction or supply.

This title of the bill would require the administrator of every agency—and that would include the Department of Defense—to take action to effectuate the provisions of section 601. It would also authorize any administrator to effectuate those provisions "by any other means authorized by law."

In taking action to effectuate the provisions of section 601, could the Department of Defense award a contract to a high bidder on the grounds that the low bidder was not a responsible bidder because he had discriminated on account of race?

Mr. CRAMER. Mr. Chairman, I am delighted to yield to the gentleman from New Jersey for an answer.

Mr. RODINO. It is possible, on the grounds that the bidder did not comply with requirements that there be nondiscrimination. But such a procurement program, in any event, the Federal Government deals directly with the contractor. Any discrimination in such procurement would be prohibited by the fifth amendment to the Constitution.

Mr. CRAMER. May I follow up, with another question?

Mr. RODINO. If the gentleman will yield further, I add, that is the law today under Executive Order 10925.

Mr. CRAMER. There is no statutory authority for the President to do so at the present time, however.

Let me ask the gentleman an additional question.

What is meant, on line 14, by the words "an order of general applicability"?

If I correctly understand, what is meant is that if there is a given rule or regulation or an order relating to a specific discrimination situation, then the Secretary of Health, Education, and Welfare, or some other administrator, could issue an order that would have general applicability covering the entire country. Is that not correct?

Mr. RODINO. My understanding of this term is that it would be generally applicable to the entire program.

Mr. CRAMER. All right. The gentleman has answered that question. Then, how would this order evolve? If that hospital administrator wants to be heard on the question—and the crucial question is discrimination, is it not?

Mr. RODINO. That is correct.

Mr. CRAMER. If he wants to be heard on whether he did or did not discriminate—and whatever that means I do not know, because it is not defined in this title—but if he wants to be heard on the question of whether he did or did not discriminate, he does not have a right, according to title VI to be heard on the question of discrimination until it comes to a review under section 603. Is that not correct? If he does not like the order, then he has a right to a judicial review in section 603.

Mr. RODINO. He has that right.

Mr. CRAMER. But he has no right to be heard, which is the point I want to make, on the question of discrimination until after an order has been issued saying, "You cannot. You, you school board supervisor, you, you hospital administrator—you have discriminated and your funds will be cut off." Then he has the right to go to court under the Administrative Procedure Act with very limited review on the question of whether he did or did not in fact discriminate.

Mr. CRAMER. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. I am disturbed about this because it is quite obvious that the real crux of this whole title is the manner of determining whether a person did or did not discriminate. Yet a public official, a hospital administrator or otherwise, the State board or the administrating agency, does not have an opportunity to be heard on the question of discrimination until after the order is issued. Of course, I know and acknowledge what is in this bill with regard to advising an agency of its failure to comply. It says:

> *Provided, however*, That no such action shall be taken until the department or agency concerned has advised the appropriate person or persons of the failure to comply with the requirement and has determined that compliance cannot be secured by voluntary means.

However, the order is issued and there has been no hearing on the question of discrimination. He is not entitled to go to a hearing on it unless he wants to go to the Administrative Procedure Act, which gives the Government the advantage of having the defendant or the party aggrieved having to prove that there was an abuse of discretion. He does not have a right to the predominance of evidence rule. I think the gentleman will agree with that. But the party does not have a right before the ordinary issues to have the question of discrimination decided. That is the weakness of this whole procedure. I ask the gentleman that, and I am glad to yield to the gentleman on that point.

Mr. RODINO. Mr. Chairman, first of all, the gentleman cannot, I say, disregard the fact that the administrator of the particular department would have to establish a record in order to cut off funds. There must be an express finding of noncompliance. This record would be established on the basis of the continued refusal of the recipient to comply with the rules and regulations prohibiting discrimination.

Mr. CRAMER. And on the initial determination of fact as to whether that administrator discriminated in refusing to hire that Negro who was one of five applicants in that hospital, he would not have the right to have that determination made until after the order had issued and the funds had been cut off with no attempt at voluntary compliance. He has to go to court under the Administrative Procedures Act to prove it, but he never had the opportunity to appear before that agency and say, "You are wrong and here are the facts."

Mr. RODINO. All the person who is supposedly charged with discrimination has to do is to voluntarily comply, and end discrimination and then there will be no cutoff.

Mr. CRAMER. That is the very point. The only position he can take is to hire this person who otherwise is not qualified and against whom he did not discriminate. That is the very point I am making.

Mr. MATHIAS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, in the colloquy which has just taken place there has been a certain beclouding of the question of the scope of the cutoff order that would be issued if there were a finding of discrimination in the administration of a Federal program. We had some testimony on this subject before the Judiciary Committee and I think it is relevant at this point to refer to page 2766 of the hearings. The Attorney General was before the committee as a witness and the question was asked him in probing what the administration's intentions were in recommending this title:

> Take the school lunch program. Suppose there were some discriminations in the school lunch program. Does this mean that the school is going to be cut off from school lunch funds, or in your judgment would you cut the school off from area aid?

The Attorney General answered:

> No, just from the particular program where the discrimination exists.

Then the gentleman from Ohio asked the question:

> If there were discrimination in the school lunch program within the school district, would it affect the schools that were not discriminating and those that were discriminating as well in the same district?

And the Attorney General answered:

> It would just be the ones that were discriminating.

He was further asked:

> Mr. Attorney General, I would take it from your remarks that it is the position of the administration that in withholding funds from a program, that it would not be a whole State or a whole county or a municipality. It would be very closely particularized.

And the Attorney General answered:

> As specific and particular as it possibly could be.

I believe this was certainly the understanding of the members of the committee in working on the bill, that this title would be administered so that the cutoff would be localized to a specific program at a specific place.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. MATHIAS. I yield to the gentleman from North Carolina.

Mr. WHITENER. The gentleman, I am sure, made the statement by inadvertence when he said that title VI which we are now debating was the administration proposal. Is it not correct that the administration proposal as sent up by the Department of Justice is the one to be found on pages 34 and 35 of the print which we have before us and that the Attorney General was really before us at the time the gentleman mentions for the purpose of telling the full Judiciary Committee that the subcommittee bill was intolerable even as far as he was concerned?

Mr. MATHIAS. I think the gentleman will recall that when the Attorney General was here and answered these questions which I have quoted to you was in mid-October and at that time there was under discussion the drafting of a bill which melded various views which were discussed fully before the committee from the 8th of May until the 15th or 16th of October when he was testifying.

Mr. WHITENER. But the bill before the committee to which the gentleman referred at that time was the one which the Attorney General said in effect was a police-state bill and was not the bill which the administration recommended.

Mr. MATHIAS. In any event I think that title VI which is now before this Committee is a very much improved version over the original version.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. MATHIAS. I yield.

Mr. CRAMER. The gentleman's remarks included very properly the testimony of the Attorney General relating to this program and who had been cut off and according to what he read it is in complete divergence with what the distinguished chairman said on page 141 of the Rules Committee when he appeared and said:

> The receipt of the grant is the one in charge of the program or activity.
>
> The purpose is to cut off funds and the only purpose in the first instance is the agency that gets the funds to be cut off.

The distinguished chairman of the committee, the person whose name is on the bill, says the program for that whole agency will be cut off. The Attorney General said that individual schools will be cut off. I would like to get the gentleman's opinion as to which would be cut off.

Mr. MATHIAS. It would be the local cutoff of a particular program at a particular place.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. MATHIAS. I yield to the gentleman from Ohio.

Mr. McCULLOCH. My answer is the same as that of the gentleman from Maryland, and the RECORD later on carries that answer with respect to all such cutoffs. It is particularized in accordance with the testimony which I read.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on the amendment offered by the gentleman from North Carolina end in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. HARRIS. Mr. Chairman, reserving the right to object, I would like for the gentleman to withhold that. I have a perfecting amendment I would like to offer. I think it will get to the heart of the decision on this particular matter.

Mr. WAGGONNER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time, after a rather lengthy discussion of this particular title of the legislation has been had, to ask a couple of questions in order to clarify some of the questions which have not yet been clarified, and I would like to direct to the chairman of the committee, if he will give me his attention, these questions:

Mr. Chairman, in section 601, title VI of this legislation, we find these words:

> Notwithstanding any inconsistent provision of any other law, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in—

I would like to ask the chairman of the committee why for the first time in describing those not to be excluded from participating in federally aided programs why religion has been omitted from this particular wording, whereas on page 35 of the administration bill the word "religion" was included.

Mr. CELLER. I did answer that question.

Mr. WAGGONNER. The gentleman talked quite a bit, but he did not answer it.

Mr. CELLER. I cannot answer it beyond the words I said, and I will repeat them. We left the word "religion" out because there was no need shown for inclusion of the word "religion." Clergymen testified that they were satisfied with the elimination of the word "religion" in this particular title.

We also felt it would avoid a great many problems and it would be expedient to leave the word "religion" out. Finally, aid presently goes to sectarian schools and universities. There is a good deal of that going to sectarian schools that have precluded the word "religion."

Mr. WAGGONNER. Does not the chairman of the committee find it a little bit inconsistent to say that there is no need to include "religion" in this title when day before yesterday the gentleman from Mississippi [Mr. ABERNETHY] offered an amendment to strike "religion" from title II, and he pointed out very conclusively that during the hearings on this proposed legislation, not one single word of testimony was taken during the course of the hearings which indicated that there was any discrimination on the ground of religion anywhere?

Mr. CELLER. The other title related to accommodations. It was felt that in the case of accommodations it was quite essential to include the word "religion." In the case of title VI, which we are now debating, there was no need for it. The prelates who appeared before us thought we should include "religion" where it came to places of public accommodation, publicly or privately owned, and they were willing to have it excluded in this title. We felt if they were of that mind we would follow their advice.

Mr. WAGGONNER. The 88th Congress in the first session passed and saw signed into law a Federal aid to education measure wherein grants and loans were made available to sectarian and parochial schools. Does the gentleman mean to tell me that we are going to not deny assistance to these people if they as religious institutions discriminate against somebody because of religion in an aid to education program, and we are going to make all inclusive all of these other parties?

Mr. CELLER. What discrimination they would make would be along these lines.

Mr. WAGGONNER. We have not defined discrimination in this bill, so how can you separate or justify any type of discrimination here? If it is discrimination, it is discrimination.

Mr. CELLER. We do not wish to exclude it from the program.

Mr. WAGGONNER. Would the gentleman be willing to accept an amendment including religion?

Mr. CELLER. No, there is no need for it. The local welfare groups do a good job. They have not asked for it.

Mr. WAGGONNER. I am glad the gentleman brought up welfare groups. That leads to my next question; that is, we object to any discrimination by an activity. How do you define "activity"? What is an activity?

Mr. CELLER. We speak of "program or activity."

Mr. WAGGONNER. You do not define "activity." What is an activity?

Mr. CELLER. We felt where "actiity" or "program" was used, that means the activity or the work that may be done by a particular agency of the Government. A school lunch program would be an activity. I would call that an activity.

Mr. WAGGONNER. Is that not a program of the Government, of some governmental subdivision, at least?

Mr. CELLER. Yes.

Mr. WAGGONNER. Would the gentleman be willing to accept an amendment to that effect?

Mr. CELLER. I do not think it is necessary.

Mr. CORMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not know that any title has been more belabored or more erroneously interpreted than this one. It might be well to see what it is we are doing with this legislation, and what we are doing with this title. Already this committee has said to the business community:

> If you are in interstate commerce or if you serve interstate travelers you cannot discriminate.

Then we went on to say to the local and State governments:

> You cannot require discrimination in the business community in any way nor can you discriminate in your own activities or in your own facilities.

This title goes another step. It says the Federal Government will maintain the same standards that we have imposed on the business community and on the States and their local governments. We are not going to discriminate, either. The fact of the matter is that Federal welfare programs are generally administered, and properly so, by State and local governments, who act for us in a sense as an agent. We set up all kinds of rules and regulations as to what they must do if they are to distribute this Federal money. And we are adding one more requirement—we are saying you cannot discriminate because of race. And that is all.

Now it is reasonable to ask whether there is any evidence as to a need for this legislation.

If you listened a while ago to the gentleman from New York [Mr. RYAN] you heard a long list of cases of discrimination. If you would check the Civil Rights Commission reports, you would see that that list is a very sad one.

The fact of the matter is, a great number of people have had the bread taken from them because of their activities in attempting to exercise their rights to vote. There is a need. There is no question about it and there was no question about it on the part of the committee.

We are going to see that this agent does not discriminate when it administers these programs for the Federal Government. This title will require the departments to take action to carry out this provision. They may promulgate rules. An amendment will be offered and I hope it passes that these rules will have to be approved by the President.

As an ultimate means of enforcement, if the agency insists on discriminating, then we will no longer permit them to act as agent for the Federal Government for the distribution of funds.

First, the department must make an express finding that there is discrimination. Then it advises this agent and they negotiate and attempt to terminate the discrimination.

Assuming that all this fails, and this agent who is distributing Federal funds insists on discriminating then the department has the ability to cut off the funds.

There will be an amendment offered, which I hope will pass, that the Congress must be notified 30 days before such action becomes effective.

What about the agent who is faced with this decision by a so-called faceless administrator? How is he to be protected from this action? Maybe this will be a capricious act on the part of some politician. He has the right to appeal to the Federal courts up to the U.S. Supreme Court. If he does, then the administrator must go in and prove by a substantial amount of evidence that he did not violate his discretion.

Congress will make clear by the passage of this title that when using Federal funds they are to be distributed without discrimination, just as we insist that businessmen and the States do not discriminate.

What about the starving children? This is a tough one. Are we really going to say that because you will not feed black children, we will not let you feed the white children either? What we are saying is we are not going to let you be our agent any more. If you want to administer the program and you discriminate, we are going to have 30 days notice of that fact and this Congress can then see that the welfare program is administered in some other way.

There is no reason at all to believe there will be little children suffering. This Congress has it within its power to distribute these funds directly if the present program is disrupted.

I would like to say with reference to this whole legislation, and I hesitate because I saw what happened to one of my colleagues when he cited something that he had learned in law school before the Committee on Rules. But I learned something in law school and it is this—when you have the facts with you—pound on the facts. If you do not have the facts, pound on the law. If you do not have the facts or the law, pound on the table.

Now the opponents of this bill have done an awful lot of pounding on the table. When that pounding reduces itself to attacks on the chairman of the Committee on the Judiciary or takes the form of the shouting dictatorship and communism it reminds me of a fellow who once pounded on the table with his shoe.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman.

Mr. JONES of Missouri. I was amazed at your statement when you said that if the agent refuses to act, then the Congress can enact a new law setting up a new agency within 30 days. Are you not rather optimistic about that?

Mr. CORMAN. I believe that if, as the gentleman from Florida was saying a while ago, little children were suffering that this great and goodhearted Congress would provide the funds necessary to keep them from suffering and the funds could be distributed directly to them without going through the hands of a State or county agent who insists on giving it only to some children and not to others.

Mr. JONES of Missouri. What if Congress had adjourned in July?

Mr. CORMAN. I would say that if the plight were as bad as painted by the gentleman from Florida, Congress would come back into session.

AMENDMENT OFFERED BY MR. HARRIS

Mr. HARRIS. Mr. Chairman, I offer a perfecting amendment.

Mr. MEADER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MEADER. Is it in order to offer an amendment in the nature of a substitute to the motion by the gentleman from North Carolina [Mr. WHITENER] to strike title VI?

The CHAIRMAN. The answer is "No."

Mr. MEADER. Then if the motion made by the gentleman from North Carolina to strike title VI should prevail, that would be the end of title VI and it would not be open to further amendment; is that correct?

The CHAIRMAN. Following favorable action on the amendment offered by the gentleman from North Carolina [Mr. WHITENER], an amendment to propose a new title might be offered.

Mr. JONES of Missouri. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JONES of Missouri. Are we to understand that if the amendment offered by the gentleman from North Carolina [Mr. WHITENER] should be defeated, we would move from title VI or have to offer some new thing? We would not be able to amend the other title?

I understood the Chair to say we could not amend title VI if the amendment of the gentleman from North Carolina [Mr. WHITENER] fails.

The CHAIRMAN. I believe the gentleman from Missouri misunderstood what the Chair said.

Mr. JONES of Missouri. Would the Chair please repeat what the Chair said?

The CHAIRMAN. In substance the Chair said that following the adoption of the amendment offered by the gentleman from North Carolina an amendment could take the form of a new title VI.

Mr. JONES of Missouri. That is, if the amendment of the gentleman from North Carolina prevailed?

The CHAIRMAN. The gentleman from Arkansas [Mr. HARRIS] has offered a perfecting amendment, which is in order at this time.

Mr. MEADER. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MEADER. If the amendment of the gentleman from North Carolina [Mr. WHITENER] is defeated, will title VI then be open to amendment at any point?

The CHAIRMAN. Title VI then would be open to amendment.

The Clerk will report the perfecting amendment offered by the gentleman from Arkansas [Mr. HARRIS].

The Clerk read as follows:

Amendment offered by Mr. HARRIS: On page 62, line 3, after "Sec. 601" strike out all language through and including line 15 on page 63 and insert the following:

"Notwithstanding any provision to the contrary in any law of the United States providing or authorizing direct or indirect financial assistance for or in connection with any program or activity by way of grant, contract, loan, insurance, guaranty, or otherwise, no such law shall be interpreted as requiring that such financial assistance shall be furnished in circumstances under which individuals"——

Mr. CELLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CELLER. What is the perfecting nature of this amendment to the pending amendment?

The CHAIRMAN. The Chair advises the gentleman from New York that the perfecting amendment is now being reported by the Clerk. The objective of that amendment will, I assume, be made clear on the completion of the reading.

The Clerk will continue to read.

The Clerk read as follows:

> "in circumstances under which individuals participating in or benefiting from the program or activity are discriminated against on the ground of race, color, religion or national origin or are denied participation or benefits therein on the ground of race, color, religion, or national origin. All contracts made in connection with any such program or activity shall contain such provisions as the President may prescribe for the purpose of assuring that there shall be no discrimination in employment by any contractor or subcontractor on the ground of race, color, religion, or national origin."

Mr. MEADER. Mr. Chairman, a parliamentary inquiry.

Mr. CELLER. Mr. Chairman, I make a point of order that the amendment offered by the gentleman from Arkansas is not a perfecting amendment but is an amendment in the nature of a substitute, and therefore is out of order as a substitute to the amendment of the gentleman from North Carolina, which would strike out the entire title.

The CHAIRMAN (Mr. KEOGH). The Chair points out to the gentleman from New York that the amendment offered by the gentleman from Arkansas undertakes to strike out part of the language contained in title VI and to insert new language; and that therefore it is in fact a perfecting amendment. The point of order is overruled and the gentleman from Arkansas is recognized.

Mr. CELLER. Mr. Chairman, will the gentleman from Arkansas yield?

Mr. HARRIS. I yield to the chairman.

Mr. CELLER. Mr. Chairman, I would like to know whether I could propound a unanimous consent request to the gentleman as to how long it will take for the gentleman to argue his amendment.

The CHAIRMAN. Does the gentleman from Arkansas yield to the gentleman from New York for that purpose?

Mr. HARRIS. I will be glad to yield so long as it does not come out of my time.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that this not be taken from the time of the gentleman.

The CHAIRMAN. Without objection, that will be done.

There was no objection.

Mr. HARRIS. So far as I am concerned, I am going to take just a few minutes, because I think it is very clear and simple as to what this will do as compared with what the language in the present substitute bill does.

Mr. CELLER. Mr. Chairman, will the gentleman consent to a unanimous consent request that all debate on his amendment cease or conclude in 20 minutes?

Mr. HARRIS. That depends on how many want to talk on it.

Mr. CELLER. In 25 minutes?

Mr. COLMER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLMER. Did I understand that the request is for 30 minutes on this particular amendment?

Mr. CELLER. That is right.

Mr. COLMER. And confined to that amendment?

Mr. CELLER. That is right.

The CHAIRMAN. The Chair understands the request to be 25 minutes on the amendment offered by the gentleman from Arkansas.

Mr. CELLER. Mr. Chairman, I make that 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair observes on their feet awaiting recognition the following: Mr. CELLER, Mr. COLMER, Mr. MEADER, Mr. LINDSAY, and Mr. BOGGS.

Mr. ROOSEVELT. Mr. Chairman, I wish to make a parliamentary inquiry, and I ask unanimous consent that it not be taken out of the time of the gentleman from Arkansas.

The CHAIRMAN. Without objection, that will be done.

There was no objection.

Mr. HARRIS. Mr. Chairman, I yield to the gentleman for that purpose.

Mr. ROOSEVELT. I make the parliamentary inquiry, Mr. Chairman, to find out whether, if the amendment of the gentleman from Arkansas is adopted, that then becomes open to amendment.

The CHAIRMAN. Not after it is adopted.

Mr. ROOSEVELT. I thank the chairman.

The CHAIRMAN. The gentleman from Arkansas is recognized for 5 minutes.

Mr. HARRIS. Mr. Chairman, we are arriving at a point where we are going to make, in my judgment, a most important decision. I do not think there is anybody in this House that wants arbitrarily to deprive anyone of something that will help as the various laws which this Congress has put on the statute books provide for.

The late President of the United States felt that there should be something done in this particular field. My committee has wrestled with this highly sensitive problem a good many times. We did the other day with the extension of the Airport Construction Act. We did previously with H.R. 12, the Medical Education Assistance Act, and with the mental health and retardation program which this Congress passed this year.

When the President said that this could be reached in a way that would be more meaningful and effective it was included in the bill originally introduced, which was the President's bill. The language sent up to the Congress is on page 34 beginning at line 23. That is simply what this amendment would do. That was the program. It would be clear cut and decisive in bringing about compliance of these programs if the people to be benefited want to obtain assistance through Federal programs.

The title which we have before us has virtually, in a much narrower paragraph the same meaning in section 601. But sections 602 and 603 following sets up a procedure which provides that regardless of any statutes if the person who is to enforce compliance feels that any action consistent with the "achievement of the objectives of the statute" is necessary, such action becomes the law by rule or regulation.

When this program was put together it was good procedure and it is good procedure today. What is done by these sections? We set up a procedure for judicial review and even bring into play the Administrative Procedure Act.

Mr. Chairman, one of the things with which we have had so much difficulty over the years is the procedures and interpretation of the Administrative Procedures Act. We are going to find that we are so fouled up, as are agencies themselves by this kind of procedure—I wish I had the time to tell you about it.

The record has to be developed, which goes before the board, the agency, or Commission. Then the case is decided by the full Commission or by the agency. Judicial review is requested. Then it goes to the courts. The courts can consider nothing except the record made by the hearing examiner as interpreted and approved, if it is approved, by the Commission itself.

What this amendment does in very precise and specific terms is to say that you cannot require such financial assistance to be furnished and that the laws of the land are applicable thereto.

There is a provision to which I would like to call your attention with reference to contracts made in connection with such programs. They shall be subject to such conditions as the President may prescribe. So it reaches into the field not administered by the agency itself. I think it is a much better procedure and I urge this perfecting amendment be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. BOGGS].

Mr. COLMER. Mr. Chairman, will the gentleman yield to me?

Mr. BOGGS. I am glad to yield to the gentleman from Mississippi.

Mr. COLMER. Mr. Chairman, I ask unanimous consent that the time allotted to me may be used by the gentleman from Louisiana.

Mr. BOGGS. I appreciate that, but I am not certain I need that much time. I thank the gentleman.

The CHAIRMAN. Without objection, the time allotted to the gentleman from Mississippi [Mr. COLMER] may be used by the gentleman from Louisiana [Mr. BOGGS].

There was no objection.

Mr. BOGGS. Mr. Chairman, I would first like to compliment the Members of the House on their diligence in attending the sessions for the past week. I would also like to compliment all of those who have participated in the debate on the very complex and controversial issues which have been before us.

I would like to express the hope that the debate will continue in that tenor and vein it has proceeded up to this time.

Mr. Chairman, I have been reluctant to participate in the debate for a variety of reasons. The main one being that a great many people wanted to be heard and have been heard. But I am constrained now to support the perfecting amendment to title VI. I say this with the greatest degree of sympathy for the problems that confront us as a nation and the problems that confront the various groups in our country.

I think that President Kennedy, whom all of you know I considered one of my beloved personal friends, was right when he looked at this provision with a great deal of questioning. As a matter of fact—it may be now in the RECORD, but it does not hurt to put it in the RECORD again—last April the President was asked about this problem and he said:

> I don't have the power to cut off the aid in a general way as was proposed by the Civil Rights Commission and I think it would probably be unwise to give the President of the United States that kind of power * * * what was suggested was a wholesale cutoff of Federal expenditures, regardless of the purpose for which they were being spent, as a disciplinary action on the State of Mississippi. I think that is another question, and I couldn't accept that view.

A few days later, at another news conference, the same issue was raised again, and the President repeated his views. I shall state them as I have them before me:

> We shall also continue not to spend Federal funds in such a way as to encourage discrimination. What they were suggesting was something different. That was a blanket withdrawal of Federal expenditures from a State. I said I didn't have the power to do so, and I do not think the President should be given that power.

Again, when the President sent up his civil rights message to this body in June, if I remember correctly, he limited his recommendations on this issue to a request that the law be amended, making it clear that the Federal Government is not required under any statute to furnish any kind of financial assistance to any program in which racial discrimination exists.

I think that recommendation is indeed a far cry from the granting of sweeping authority contained in the existing title VI as we now have it before this body, which would give all of the agencies of the Federal Government unlimited power to cut off funds which have been collected in the form of taxes from all of our citizens from all over the United States. Obviously, this is discrimination in reverse, since each citizen regardless of race, color, or religion, has paid taxes uniformly throughout the 50 States of our Union. We seek to do here what we say we do not do in the main body of the legislation before us. Title VI is discriminatory. The effect of title VI, in my judgment, would be tremendously harmful to the Negro citizens in my section of our great country.

Why do I say that? In my area we have more unemployment, we have less education and training, we have more poverty, we have more health problems among our Negroes than we do among the other groups, and I regret this as much as any other person. I bow to no one in my support of programs which are designed to alleviate these conditions, to help the Negro have exactly the same opportunities to enjoy a decent standard of living.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from New York.

Mr. CELLER. Is the gentleman aware that the amendment offered by the gentleman from Arkansas contains the words "insurance" and "guaranty", and that in the bill we have offered, which comes out of the Judiciary Committee, we eliminate the words "insurance" and "guaranty"? The result would be as follows: The amendment offered by the gentleman from Arkansas would mean that they would be included and could be cut off, such programs as grow out of the Federal Deposit Insurance Corporation, the Federal Savings and Loan Corporation, the FHA insurance programs, any Federal insurance or mortgage guarantee program; whereas we in our bill eliminate the words "insurance" and "guaranty" so that our bill, that is, the Judiciary Committee bill, has no relation whatsoever, it does not embrace within its terms the FDIC, involving bank loans, the Federal Savings and Loan Insurance Corporation, FHA insurance programs, or any Federal insurance or guarantee program. They are included in the amendment offered by the gentleman from Arkansas. They are excluded in the bill we have before us. We excluded them because there was an avalanche of protests.

Mr. BOGGS. I appreciate the gentleman's explanation, but I think the fundamental difference is that in the original language in your original bill—which is now in the Harris substitute—the whole approach was in a discretionary fashion rather than in a mandatory fashion.

Mr. CELLER. No; it is quite different. Not only that, I want to show you another difference. In the provision of the amendment offered by the gentleman from Arkansas there is no judicial review, so that any arbitrary action by the agency is not reviewable, whereas in the provision we have we give review under the Administrative Procedures Act, and a review can be had before the court of appeals.

Mr. BOGGS. Let me proceed for just a moment. Frankly, the thing that concerns me about this whole provision is the effect it may have upon our Negro citizens.

Now let me give you some examples of what I am talking about.

Let me be specific. In my own State of Louisiana, for instance, the old-age assistance program, if you look at the language as it now exists in title VI, would be subject to this provision.

In the State of Louisiana, every Negro over 65 years of age with the exception of about 5 percent draws old-age assistance. This has made a tremendous difference in the way these people live. It is unfortunate that they have to qualify for old-age assistance. But think what it would be like if they were not able to get that assistance?

Some time ago we had a little problem involving the highway system in the State of Louisiana. I say it was a little problem—it was a major problem. The question arose on this very point as to whether or not Federal participating funds would be cut off. As a matter of fact, the person who ultimately resolved the issue was the President of the United States himself, President Kennedy, and he determined that the funds should not be cut off.

The effect, had the funds been cut off, would have been to affect our Negro population much more severely than our white population because of the total amount of manpower employed in the highway system in Louisiana, about 80 percent is Negro.

So I could go on and cite these statistics one after another.

As I said a moment ago, I support these programs to eliminate poverty. I have supported the ARA program and the manpower retraining program. I have supported educational bills. I have supported hospital bills and bills for aid to the mentally ill, old-age assistance bills and social security legislation. I have supported all of these things that are designed to help all of our people regardless of race, religion, creed, or whatever it may be.

Mr. Chairman, it occurs to me that if title VI is applied, the people who are going to be hurt the most are the people who need this assistance the most, all over our country.

Finally, I want to point out one other thing that gives me a great deal of concern. I am afraid this proposed legislation comes before this legislative body basically as a punitive proposition. I am frank to say, I think that is the wrong way to legislate on any kind of issue which may divide our Nation.

I have been in political office, and I have been in hard-fought political campaigns all of my life. I have had some experiences from which I could have built within my own mind and heart and soul a great deal of bitterness and sometimes I found it awfully difficult to eliminate that feeling from my own thinking. But I have refrained from doing so.

I know that punitive measures only beget more punitive reaction. I know that the way you proceed from any point of view other than trying to do right and to solve a problem, you not only do not solve the problem but you make the problem more difficult.

I am reminded, if I may, in this connection of a statement made a few years ago by one of the great Speakers of the House of Representatives, Speaker Rayburn. This is what he said:

> I have never thought that legislation should be passed to punish anybody, any group or any section. I think it should be passed and made law to bring about justice to everyone as nearly as possible. In my opinion, we should not pass legislation in heat or in response to clamor but we should pass it after using every bit of brains and reason that we have.

Mr. CAREY. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman.

Mr. CAREY. I think this is an appropriate time to inquire of the gentleman who is now in the well, the distinguished whip, if he would explain to me the implications in the amendment of the word "religion" now being inserted which was not in the committee amendment.

Mr. BOGGS. I yield to the author of the amendment if he cares to respond to the gentleman's inquiry.

Mr. CAREY. Then I will direct the question to the author of the amendment.

My question is this: I assume this amendment would apply to existing legislation in Federal programs. I can conceive of a situation, in a program which now exists of laws, which now exist on the statute books—with reference to teacher-training programs where in the training of teachers, if a teacher takes out a loan for the purpose of financing a teacher's education—if the teacher thereafter agrees to serve in the educational system in the employment of the public school system, the teacher is allowed forgiveness on that loan up to $5,000. On the other hand, if the teacher desires to serve in a parochial school system, the teacher does not receive forgiveness on that $5,000 loan.

Many educators have concluded that this is discriminatory because there is no reference to the religion of the teacher himself. It precludes the teacher from seeking employment in anything but a public school.

Now under the wording of this amendment, if an applicant for employment as a teacher brought in this set of facts, could the teacher contend that this is discrimination? If so would the program fall or should it be modified or withheld because of discrimination against his religious right to teach what and where he pleases under the wording of this amendment.

Mr. HARRIS. The word "religion" was included because of the pattern throughout the bill. What the gentleman does not seem to remember is that this, as the gentleman from Louisiana said a moment ago, would make it discretionary in the administration of the law. The President, or whomever he designated in the administration of the law for this purpose, would have discretion to carry it out as intended.

I say to the gentleman that under this provision there would be no problem at all with respect to the administrator administering the law as he should.

Mr. CAREY. Mr. Chairman, will the gentleman yield further? Will the gentleman point out to me where any discretion lies in the amendment?

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

The Chair recognizes the gentleman from New York [Mr. Lindsay] for 5 minutes.

Mr. LINDSAY. Mr. Chairman and members of the Committee, this amendment is an empty box all tied up in a beautiful ribbon, and is the biggest mousetrap that has been offered since the debate on this bill began.

Do Members realize what is being attempted here? This offering you are asked to accept by the majority whip would do nothing more than say that we deal with two programs, Hill-Burton hospitals and land-grant colleges. Those laws have "separate but equal" clauses in them; they allow "separate but equal" segregation. This amendment would declare that unlawful; that is all. The fact is that those "separate but equal" provisions are probably illegal today under law, and we do not need any statute to make them illegal.

This amendment would be a "gutting" of one of the most important titles in this bill. Frankly, I am appalled that this is being supported in the well of the House by the majority whip.

I might ask, parenthetically, if this should be adopted, will the gentleman vote for the bill?

I might ask also who else the gentleman speaks for when he takes the floor and asks us to throw into the ashcan title VI of this bill?

I believe it appropriate to point out to the Committee that we have climbed a long, hard mountain since the middle of November when we had to salvage an impossible stalemate. We have fashioned together, in a bipartisan way, with the backing of the Executive and close work with the Justice Department, a bill now before us, which we have thought would have a majority of support.

Does this mean there is a "cave-in" on this important title?

The gentleman from Louisana says that the proposal the Committee is debating—title VI as it stands—would run the gamut. That is the point. It would run the gamut, and we say that the time has come—the time is now—in this separate legislation, for the U.S. Congress to make its declaration that, along with all the other conditions which Congress imposes on the grant of Federal money and which the Executive imposes in administrative regulations, we add that there shall be no use of Federal money to foster or perpetuate discrimination between the races.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield briefly, for a question, to the gentleman from Oklahoma.

Mr. EDMONDSON. Will the gentleman comment also on the argument made by the gentleman from Louisiana about the President taking part in the decision with respect to the amendment which he is supporting? I understand the gentleman from New York intends to offer an amendment on that point to the committee language.

Mr. LINDSAY. No, but I just heard our distinguished chairman of the Committee on the Judiciary yesterday on the floor say that the President supports the bill as it stands and as it came out of the Committee on Rules, and I do not understand that there is to be any retreat from that here and we will not accept any retreat in the other body.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the distinguished gentleman from Colorado, a member of the committee.

Mr. ROGERS of Colorado. You, as a member of the Committee on the Judiciary have participated with the subcommittee in the consideration of the language in this bill at the present time, have you not?

Mr. LINDSAY. Yes.

Mr. ROGERS of Colorado. We did discuss the question of judicial review with the ranking minority member, the gentleman from Ohio [Mr. McCulloch], time and time again, we did want a judicial review. The President, when he sent the civil rights message to Congress on June 9, 1963, made certain recommendations concerning the enactment of legislation that caused us finally to write the title VI which is now here? Do you have that language before you?

Mr. LINDSAY. Mr. Chairman, I would like to refer to the message of the late President of the United States to the Congress of the United States on June 19, 1963, which reads as follows:

> Simple justice requires that public funds, to which all taxpayers of all races contribute, not be spent in any fashion which encourages, entrenches, subsidizes, or results in racial discrimination.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from California.

Mr. ROOSEVELT. The gentleman asked whether there was any cave-in on this side. I want to emphasize that as I understand it there is no cave-in on this side.

Mr. LINDSAY. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from Michigan [Mr. Meader] for 5 minutes.

Mr. MEADER. Mr. Chairman, this amendment would throw out a year's work on the most difficult section of this bill and restore the raw, broad language originally sent up to Congress. We, on the Judiciary Subcommittee, worked on this title more hours than on any other, and it was more difficult to find language for it. I myself have an amendment which I hope to offer if this amendment is defeated, which is the best I have been able to do to make this section workable.

Just an example of what this amendment does. This is the original language in section 601:

> Notwithstanding any provision to the contrary in any law of the United States providing or authorizing direct or indirect financial assistance for or in connection with any program or activity by way of grant, contract, loan, insurance, guaranty, or otherwise, no such law shall be interpreted as requiring that such financial assistance—

And so forth. In our discussion with the representatives of the Department of Justice with the subcommittee over the draftsmanship and the phraseology of the bill, I asked Mr. Katzenbach as follows: "Under this language the foreign aid program would be affected, would it not?" He agreed that it would and that we would cut off foreign aid if there were discrimination in any recipient of foreign aid.

So, how did we take care of that in the subcommittee? Look at the bill as it now stands. You will see the phrase there, "No person in the United States shall."

But beyond that, as the gentleman from New York pointed out, this amendment provides coverage for insurance, guarantee, or otherwise. What is "or otherwise"? Any financial assistance of any kind. No one would ever know if anything was excluded from the terms of this bill if we go back to the original raw, imperfect language that was sent up here.

This is one title which has had more diligent legislative draftsmanship than any other.

I understand there are still some amendments to be offered if the opportunity presents itself. I myself perfected here this afternoon—I further perfected the amendment I am going to offer on the basis of discussions with some of my colleagues after they had seen a draft of the amendment.

Mr. Chairman, there is no more dangerous section in this whole omnibus civil rights bill than the one we are dealing with right now, and to ditch it in this cavalier fashion and to disregard long hours of study not only by the members of the subcommittee, the members of the Judiciary Committee and Members of the House, with the assistance of the experts in the Department of Justice, it seems to me would be the height of folly.

Mr. McCULLOCH. Mr. Chairman, will the gentleman from Michigan yield to me?

Mr. MEADER. I yield to the gentleman from Ohio.

Mr. McCULLOCH. By reason of being absent from the floor on important official business I did not hear the beginning of the statement of the gentleman from Michigan, but I wholeheartedly subscribe to that part which I heard. I want to say this further. If we pick up this old provision from the bill which did not get consideration and which does not provide for judicial review I regret to say that my individual support of the legislation will come to an end.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. Celler] to close the debate on the pending amendment.

Mr. CELLER. Mr. Chairman, I am unalterably opposed to the amendment to the amendment offered by the gentleman from Arkansas as I am opposed to the amendment offered by the gentleman from North Carolina.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I want the gentleman to clarify one point. It has been argued here that the fact that the President is part of the amendment which the gentleman from Arkansas has offered is a point in its favor. It is my understanding that an amendment is to be offered by the committee in which the President is definitely brought into the picture on enforcement procedure of title VI under the bill before the House.

Mr. CELLER. An amendment will be offered which has been cleared by all those who are in charge of the bill, both Republicans and Democrats, to the effect that no rule or regulation shall be promulgated or made effective unless and until it has the approval of the President of the United States.

Mr. EDMONDSON. I thank the gentleman, and thoroughly approve this addition to the title.

Mr. CELLER. And, second, another amendment will be offered which provides that before aid can be cut off by any agency, that agency must notify in advance the appropriate committee of the House and the Senate of its action and 30 days must elapse before the agency can cut off aid.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. ALBERT. What the gentleman is saying, in order that the Members may be fully advised, is that if these amendments are voted down, the committee will offer such amendments as the gentleman has described.

Mr. CELLER. That is correct. Mr. Chairman, I yield the balance of my time to the gentleman from Colorado [Mr. Rogers].

Mr. ROGERS of Colorado. Mr. Chairman, I believe clarification is in order as to what the administration actually supports. On June 19 there was sent a message to the House, a presidential message in connection with the civil rights bill. Part of this message was read by the distinguished gentleman from New York [Mr. Lindsay] and I think it is appropriate at this time that I read another portion of it which is as follows:

> Instead of permitting this issue to become a political device often exploited by those opposed to social and economic progress it would be better at this time to pass a single comprehensive provision making it clear that the Federal Government is not required under any statute to furnish any kind of financial aid by way of grant, loan, contract, guarantee, or otherwise to any program or activity in which racial discrimination occurs.

I quoted that for the simple reason that under the bill that was sent to the House on the 20th day of June and introduced by the gentleman from New York, we had extensive hearings.

As previously emphasized by the gentleman from Michigan and by the gentleman from Ohio, if there is any one section that we devoted any time to more than any other it is this title IV. It was after much deliberation and consideration of the problem that we arrived at the conclusion that the only way in which this question could be solved is the one set forth in title VI.

If you will examine title VI you will see, as pointed out by the gentleman from Michigan, it applies to all persons in the United States, and says:

> No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

That is the objective set forth in section 601. It is clear here. We have over 100 programs in the Federal Government where moneys are allocated. We provide a method whereby the agency or the Federal department who has this money for distribution shall draw rules and regulations. Those rules and regulations are subject to judicial review and it is important in here to have that judicial review that we have so that nobody can be denied any rights under any circumstances and as the chairman has announced when these amendments are offered it will amply clear the situation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. Harris].

Mr. HARRIS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. Rogers of Colorado and Mr. Harris.

The Committee divided, and the tellers reported that there were—ayes 80, noes 206.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. MEADER

Mr. MEADER. Mr. Chairman, I offer a perfecting amendment to title VI of H.R. 7152.

The Clerk read as follows:

> Amendment offered by Mr. Meader: On line 3, page 62, after section 601, strike out everything down through line 15 on page 63, and insert the following:
>
> "Any executive department or agency of the United States which extends financial assistance in the United States (by way of grant, loan, or contract, other than a contract of guaranty or insurance) shall require, as a condition to the receipt of such assistance, that the recipient assume a legally enforcible undertaking designed to insure that—
>
> "(1) no person of a class for whose benefit such assistance was primarily intended will, because of his race or color, be excluded from all of or a part of the benefits of such assistance or be extended benefits of a different nature; and
>
> "(2) no such person, otherwise eligible to receive the benefits of such assistance, will be subjected to different treatment because of his race or color than other persons receiving such benefits.
>
> "Sec. 602. The undertaking referred to in section 601 shall contain such appropriate terms and conditions as the head of the department or agency granting the assistance may prescribe. The United States district court shall have jurisdiction of civil actions brought in connection with such undertakings by either the United States or by any recipient aggrieved by action taken under any such undertaking.
>
> "Sec. 603. This title shall take effect one year after the date of enactment of this Act."

The CHAIRMAN. The gentleman from Michigan [Mr. Meader] is recognized.

Mr. MEADER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Chairman, in contrast to the amendment upon which we have just acted, the amendment I offer is a product of study beginning in January of last year during which it has been my sincere effort to produce the most workable, understandable and effective means of enforcing the purpose of title VI without doing untold damage to a host of very important programs.

Mr. Chairman, this amendment has been available to members of the committee, together with a one-page statement explaining it, from the beginning of the session today at noon.

Similar language, which I have since perfected, appears in the committee report together with my comments on page 56 and 57.

Mr. Chairman, this subject of withholding Federal financial assistance where discrimination is practiced has been the most troublesome question facing the subcommittee and the Committee on the Judiciary and the Members of the House of any provision in the whole bill.

The policy is clear. Certainly, Federal assistance can be given with conditions attached—as my chairman said, reasonable conditions.

Certainly, it is our national policy to treat all citizens alike and that that policy should be one of the conditions for extending Federal assistance which should not subsidize or perpetuate discrimination.

Although the policy is clear, we found it very difficult to express that policy in clear and specific legislative language.

In effect, what title VI of the committee bill would do and what my title VI would do would be to "pass the buck" to the agencies and departments and to the participants in the program.

There are two primary differences between the committee's title VI approach and my own. First, there would be greater flexibility in the approach I would take, by using the law of contracts as a means of spelling out the recipient's obligations. Second, we would use existing sanctions and remedies for violation of contract which provide for a day in court for any aggrieved person.

Basically, the bill requires departments to set up rules and regulations and to carry them out by withholding or by any other means authorized by law, whatever that means.

I feel sure Members are interested in knowing how extensive the program would be and what might be affected. To tell the truth, I do not believe anybody knows or has a complete inventory of the Federal programs to be affected.

The Department of Justice made a list, with dollar amounts, of programs which they say may involve Federal financial assistance. That starts at page 2775 and goes halfway through page 2779 of part IV of the committee hearings, which contains primarily the testimony of the Attorney General.

The committee never had much disagreement about policy on this point. We wanted to establish some criteria or standards to guide the execution of this policy. We asked the Secretary of Health, Education, and Welfare, Mr. Celebrezze, to suggest some. He never could suggest any. We have not found any. There are not any in the bill.

I believe there are more criteria and standards in the phraseology in my substitute than there are in the committee's title VI.

We wanted to provide for judicial review. Before I go into that, I wish to refer to the colloquy had between the chairman of the committee and Secretary Celebrezze, relating to criteria and standards which appears on page 1521 of part II of the committee hearings.

The gentleman from Ohio and I were quite concerned that sometimes decisions are made by administrators in the executive branch of the Government which are arbitrary and unreasonable yet there does not seem to be very much that anybody can do about it.

In my own State of Michigan, the Michigan Legislature passed a law, a draft of which had been approved by the regional office of the Department of Health, Education, and Welfare before the bill passed the house of representatives there. However, on the evening when the senate of the State was about to act on the bill, and then adjourn, word came from Washington that if the bill passed the State of Michigan still will not qualify. It was too late to do anything about it, and they passed the law.

The opinion on the part of the State officials was that Michigan did qualify. They disagreed with the Department of Health, Education, and Welfare. Michigan has never been able to take advantage of the aid to the dependent children of the unemployed program. Apparently no redress is available. The interpretation of the law and the determination of the Administrator appears as final as a decision of the Supreme Court.

If my version of title VI is adopted, there will be a redress available, because either party will then be able to go into court for the violation of the contract.

I would eliminate any limitation upon the utilization of the existing body of law of contract for a complete remedy before a court—not the "bobtailed" review of section 10 of the Administrative Procedures Act, under which the administrative findings are subject only to a limited review.

That part of the discussion and the remarks of the gentleman from Ohio can be found also in the hearings.

On page 1523 there is a colloquy between myself and Secretary Celebrezze with respect to the program to which I have just referred and also to what I regard as the arbitrary denial of the Hill-Burton funds to two hospitals in the city of Monroe in my district.

If you are interested in the costs of this program, they are found on page 1527, and if you are interested in the list of the specific programs in the Department of Health, Education, and Welfare, they are found on page 1537 of the hearings.

The Department of Health, Education, and Welfare alone, according to Secretary Celebrezze, has 128 programs costing $3.7 billion a year and in 8 of those programs he thinks he has the authority to withhold funds at the present time, and as to the rest of them he does not think he has the power.

These important programs mean a lot to a lot of people and any across-the-board legislation must be expressed most skillfully or you will find that you are disrupting these programs. This has been my aim in the language that I have fashioned here. I think it will do the job, because it requires that the administrator, who is familiar with the program, sit down with the recipient, who is also familiar with it, and spell out in detail that the recipient will do A, B, C, and D and that he will not do A, B, C, and D. He knows before he gets the money what he is required to do, and if there is any question of enforcement, they can also provide for any special method of enforcement in the terms of the contract document, and for any dispute that might arise, they can provide a means for informal settlement. Then, if all of those things fail, they have a full action in court, which is the only fair thing to do, in my judgment.

Under leave granted in the House I include an explanatory statement and the text of my amendment:

EXPLANATORY STATEMENT MEADER SUBSTITUTE: TITLE VI NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS

Withholding Federal assistance on grounds of discrimination was the most difficult and complex problem with which the Judiciary Subcommittee was faced. Policy was clear, but the expression of that policy in meaningful language was most difficult.

Certainly, Federal assistance can be given with conditions attached. Clearly it is national policy to treat all citizens alike and that policy should be one of the conditions for extending Federal financial assistance, which should not subsidize or perpetuate discrimination.

But to write that policy into a host of Federal assistance programs, differing widely in character, in such a way as to assure that the program would not be disrupted or its legitimate objectives thwarted, is nearly impossible.

The subcommittee sought standards or criteria to govern administrators in carrying out this policy. This effort was unsuccessful. The subcommittee sought to protect recipients against arbitrary decisions by administrators. The limited review under section 10 of the Administrative Procedure Act provided in title VI, hardly meets this objective.

To permit flexibility and yet make certain that the policy of nondiscrimination will be carried out, the most workable vehicle is to require the recipient in advance of receipt of the assistance to enter into a legally enforceable undertaking that he will not discriminate as between beneficiaries of the program on the basis of race or color. This undertaking would be enforced by remedies for violation of contracts.

While we in Congress cannot be familiar with all the details of all of the widely differing Federal assistance programs, the administrators of those programs and the recipients are. They can work out with respect to each differing program precisely what the recipient will or will not do. They can even agree upon sanctions for violations of the undertaking or methods of resolving disputes which may arise. In case agreement or settlement cannot be reached, either party has full access to the courts to settle the dispute.

For a partial list of programs which may involve Federal assistance, see page 2775 of part IV of the committee hearings.

For testimony on withholding Federal financial assistance, see pages 1506–1572 of part II of the committee hearings.

For a discussion of the problems involved, see page 56 of the committee report.

AMENDMENT TO H.R. 7152, AS AMENDED, OFFERED BY MR. MEADER

Beginning with line 3, page 62, strike out everything down through line 15 on page 63, and insert the following:

"SEC. 601. Any executive department or agency of the United States which extends financial assistance in the United States (by way of grant, loan, or contract, other than a contract of guaranty or insurance) shall require, as a condition to the receipt of such assistance, that the recipient assume a legally enforcible undertaking designed to insure that—

"(1) no person of a class for whose benefit such assistance was primarily intended will, because of his race or color, be excluded from all of or a part of the benefits of such assistance or be extended benefits of a different nature; and

"(2) no such person, otherwise eligible to receive the benefits of such assistance, will be subjected to different treatment because of his race or color than other persons receiving such benefits.

"SEC. 602. The undertaking referred to in section 601 shall contain such appropriate terms and conditions as the head of the department or agency granting the assistance may prescribe. The United States district courts shall have jurisdiction of civil actions brought in connection with such undertakings by either the United States or by any recipient aggrieved by action taken under any such undertaking, but no court shall issue an order or injunction restraining a breach of those provisions of the undertaking which are designed to carry out the policy set forth in paragraphs (1) and (2) of section 601.

"SEC. 603. This title shall take effect one year after the date of enactment of this Act.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. CELLER. Mr. Chairman, I oppose the so-called Meader amendment, because it would create tremendous confusion and complexity. It would create for the various agencies all manner and kinds of difficulties. It would deny the much needed flexibility to the Federal agencies to effectuate their nondiscrimination policy in a manner that would be most consistent with the existing pattern of the various agencies.

Title VI, as reported by the Committee on the Judiciary, would allow an agency to adopt a nondiscrimination requirement by rule, regulation, or order. There will be an amendment offered subsequently to the effect that such rule, regulation, or order must be approved by the President of the United States.

The Meader substitute would require that if adopted by a contractual-type undertaking that it be enforced by withholding of funds or suit for damages. No good reason whatsoever appears for denying to an agency the use of its lawmaking powers and its general authority under existing law to effectuate the nondiscrimination policy. I say that with all emphasis because of the amendment which we are going to propose that all rules, regulations, and orders must have the approval of the President.

The gentleman from Michigan [Mr. MEADER] advocates that "we take advantage of past experience to the greatest extent and importance for carrying out policy, well established principles, and methods." He said that on February 1, 1964. In fact, the proposal does the very opposite. The committee version of title VI seeks to preserve to the maximum the existing procedures under which the various Federal assistance programs are administered, including any judicial review provision.

The proposal of the gentleman from Michigan would throw out all these. He would require all agencies to use the method of contractual agreements regardless of whether they now entered into such agreements with aid recipients and regardless of how many parties may be involved in a particular activity receiving assistance. He would also place all judicial actions under title VI in the Federal district court regardless of what judicial review procedures were otherwise available. For that reason I hope his amendment will be voted down.

Mr. WHITTEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I would like a reply to this question from the chairman of the committee. As I pointed out earlier, in my State under the Community Facilities Act for quite a long period of months all applications from towns and cities where they had white and Negro populations were either turned down or held up. During that period two community facility loans were made to the all-Negro city of Mound Bayou. Understand all were for such approval. I am asking the gentleman, under the language of his bill, what would be the recourse of the towns and cities in the State who have some Negro and some white population when the executive would approve loans to the all-Negro city but either refuse to give the same privileges which are provided by law to other towns and cities either by nonaction or by actually flatly refusing to approve them? What would be the remedy under the terms of the bill?

Mr. CELLER. We provide that there shall be judicial review. If a city or political subdivision feels that it is aggrieved by the action of any of these agencies it has the right to proceed in the courts under the Administrative Procedures Act.

Mr. WHITTEN. Let me carry the matter one step further. The Government has certified about 10 times as many communities as being qualified as it has available money to meet the qualifying applicants. Since the agency could show that there was not enough money appropriated to approve all of the applications which qualified, could any applicant show that it was not a case of being bypassed because of something else? Under those conditions would they have any rights?

Mr. CELLER. We do not affect that situation at all.

Mr. WHITTEN. So you do not give relief to people who are being discriminated against, as I pointed out. The Federal Government—and this is current, it happened in the last 2 years—either flatly refused or failed to approve any project except to the all-Negro city.

Mr. CELLER. Mr. Chairman, I do not think we should let the record stand the way the gentleman has indicated. If there has been discrimination on account of race, color, or national origin, then the political subdivision aggrieved can go into court under the Administrative Procedures Act and test that action and get redress.

Mr. WHITTEN. There is a mixture of possibilities and a presumption here. First, this is a little in reverse because here the ones who got the loans are the all-Negro city, which was O.K. The ones who did not get approval were those that were not segregated. That is one case. I want to ask about one other example.

Mr. CELLER. Would the gentleman like me to answer that? And I will answer it with a question of the gentleman. Would he not call that discrimination against the white folks if there is undue favoritism to the colored folks? This works both ways.

Mr. WHITTEN. I am glad to have you indicate this could work both ways. That is the first time I have heard such admission in about a week's debate either by the Chairman or anyone else. May I say that these other cities all have Negro population, too. So they are not just white cities. They are cities of population of both races and the discrimination was a failure to give equal rights to that given the city with complete segregation. But, to pursue it one step further. Under the accelerated public works program, the Accelerated Public Works Administration approved a project in Mississippi.

They sent a wire of approval, they had their representative on the plane to work out the operations of the project. The two U.S. Senators from Mississippi on that day voted against expansion of the accelerated public works bill. The agency recalled its approval, canceled its telegram, took its man off the plane. Is there anything in the gentleman's bill that would give protection in that case?

Mr. CELLER. That is purely a political situation.

Mr. WHITTEN. Does the gentleman mean for an agency to cancel an approved project is a political matter?

Mr. CELLER. I probably used "political" in a very wide sense. In the case where the two Senators had protested I think it would be worth while to look into it.

Mr. WHITTEN. The idea would be that the Senators vote right the next time.

If that type of pressure is used without the benefit of the gentleman's law, would you not be afraid to give them the excuse by having a law?

Mr. CELLER. I would not have any fear in what we have provided in that language at all.

Mr. WHITTEN. I would not worry about the gentleman's ability to get his share, but some of the rest of us I do worry about—though may I say this particular problem has been worked out.

Mr. LINDSAY. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, this amendment would throw this whole problem into the context of contract law. The amendment raises the point of whether parties other than those who are parties to the contract may cause the cutoff of funds. Can the United States cut off funds to the distributor of funds who does not discriminate, if the beneficiary does? This is not clear. What about existing programs, what does the amendment do? Does it contemplate renegotiation of existing contracts, or the reformation of those contracts by force of law? I am not at all clear.

It seems to me that the most appropriate procedure for dealing with the problem to which this section is directed is already provided in the bill and I see no reason to substitute a different procedure.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Michigan.

Mr. MEADER. The gentleman knows that the title would not become effective until 1 year?

Mr. LINDSAY. Would not the gentleman wish to cover existing programs? Existing programs cover a big problem.

Mr. MEADER. I think you would have trouble going into things that have already been fixed and rights established. I understand the operation of title VI in the bill likewise to be only prospective in effect. Is it supposed to be retroactive? I hope not.

Mr. HARDY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is the first time I have spoken on this bill. I have listened to practically all of the debate. In the beginning I had thought that surely many of the amendments which have been so logically and forthrightly presented would have been approved. Actually there has been no change of consequence in the bill. This has been disappointing to me because to my mind the bill is extremely dangerous. In so many places it impairs or destroys fundamental rights to which every American citizen is entitled under our Constitution.

I have always regarded every American citizen as being entitled to equal rights and equal protection under the Constitution. This does not imply that all individuals are endowed equally by our Creator with mental, physical, or social characteristics. Neither does it imply that, human nature being what it is, every citizen will be fairly treated by every other citizen. The human being always has had a bent toward prejudice and this is a characteristic which does not lend itself to correction through the enactment of legislation.

It would be hard to define the areas in which prejudice or bias is practiced. Sometimes it is because of race or religion, but frequently it can be extremely serious on a geographical basis, such as a feud between people who live on opposite sides of the track, or it may be motivated by selfishness and exploitation just because the individual or group has the power to exercise it. Sometimes persons or groups are taken advantage of because of political bias. At the moment some of us who are opposing this bill have the feeling that the reason amendments which would make it fairer are repeatedly voted down is because of the hope of the proponents of the measure that they may receive some political gain.

We shall never have complete civil equity among our citizens although I agree that we must continue to strive for it. Some people are excused for traffic violations, while others may be fined or jailed for the same offense. In substance it has been argued here on the floor that our judiciary cannot be relied upon to administer justice equally to the defendants who appear before them. It is a sad commentary on this alleged effort to achieve equal treatment of citizens when one of the principal proponents of this measure is said to have stated that he was taught in law school to try to get his case before a favorable judge. Mr. Chairman, to my mind the school which teaches such a philosophy is a discredit to the American system. I cannot believe that any Member of this body would espouse this device to achieve an advantage.

Mr. Chairman, as I said earlier, I have a strong conviction that every citizen is entitled to equal treatment under the Constitution, and I am sure I realize as well as anyone else that in many places it does not work out that way. Citizens are treated unequally in every part of the country, and I am sure that discrimination because of race is practiced in varying degrees throughout the country—not just in the South.

Insofar as my district is concerned, I believe that very little racial discrimination exists today. The poll tax may have had the effect of reducing somewhat the number of qualified voters, but it has been as much a stumbling block for the white people as for the colored. That has now been eliminated insofar as Federal elections are concerned by the recently approved constitutional amendment, which I supported.

The schools in our area have been desegregated, as have many of the hotels and other places of public accommodation. Insofar as employment is concerned I believe there is extremely little evidence of racial discrimination in my community, and, in fact, during the last several years I can show some situations in which actually discrimination has been practiced in the reverse. I could cite one classic example.

This is not to say that there is not still a job to be done—that progress is not still needed. Progress is being made even in those areas where there are still unresolved problems of schools, voting, and of employment.

This bill would impair the rights of every American including the racial groups, which are supposed to be the beneficiaries. In the long run the rights which we will surrender by this legislation will never be recovered and we will have needlessly, and I think unconstitutionally, by this measure turned them over to the Executive.

No Attorney General should be given the power over individual American citizens which he will be given under this bill. No bureau or agency of the Government should be permitted to make the decisions which are provided for Federal appointive employees under title VI. No group of people should be given the potential power of oppression which is contained in title VII.

This is a drastic measure—it is a repressive measure. We have ample laws now on the books and ample court decisions to protect the individual rights of minorities. The only thing we need to do is to make continuing and stronger efforts to speed up fair and reasonable application of the laws already in effect.

Mr. Chairman, if this bill as it is now before us ever becomes law we will have surrendered basic rights which the 10th amendment to the Constitution reserves to the people. These rights belong to the people and we, as Members of Congress, should not and cannot legally transfer them to the Attorney General, or to any other executive agency or department.

Mr. CORMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to join with my colleague, the gentleman from New York [Mr. LINDSAY], who has properly stated the dilemma that this amendment would cause. It sets up some very unworkable mechanisms.

This title that this committee worked on, as has been pointed out, was worked on harder than any other title. It is good in its present form and I sincerely hope that all amendments, except those amendments offered by the committee, are defeated and that we will pass this title because it will be a useful tool in seeing that Federal funds are spent without discrimination.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have followed this debate with great interest. Everything clearly indicates what the final decison will be. Whether we like it or not, the bill now under consideration will be approved by the House without substantial change. Many clear, cogent, and convincing arguments have been made, but few, if any, votes have been changed. Certainly none of us is blinded by politics. I am convinced, however, that many of the Members of this House are prompted by the impulses of political expediency. I shall not, however, question any Member's integrity, nor impugn any Member's motives. Every Member has a right to his own views and, of course, is free to vote as he pleases. If I thought that this bill was in the national interest I would, of course, vote for it. I am certain, however, that it is not in the national interest, and I shall, therefore, vote against it.

I have never had any prejudice in my heart for any person because of race, color, or creed. I am certain that I have many close personal friends in all the minority groups in our country. Many members of the Negro race are my close personal friends. Many Negroes are my partners in our small farming operation. Negroes attended my wedding, and I am certain many of them will attend my funeral. I have practiced law for many years and throughout the years I have defended Negroes, even without compensation, when they were friendless and alone and accused of high crimes and misdemeanors. No person, regardless of his national origin, can say that I have ever indicated the slightest prejudice against them. My record in this regard is an open book and well known to the people back home. Of course, we have many minority groups in my district and State. I am certain, however, that everyone in my district knows of my interest in their welfare and happiness. In voting against this bill, I am not prompted by political motivations nor am I prompted by evil and unholy impulses. I am convinced that this bill is not in the national interest, yet I understand that we, of necessity, must face the fact that we have great and grave problems to solve in the field of civil rights.

Mr. Chairman, we cannot, by the enactment of one law, change the habits and traditions of our people, nor can we, by the enactment of a law, force people to change the promptings of their hearts and the views they have had for one hundred years. If we could only proceed with caution much could be accomplished. Intemperate zeal might lead to violence and bloodshed and to many heartaches. I suppose that our late beloved President, John Fitzgerald Kennedy, was the greatest champion of civil rights, but I doubt very much if even he would approve of the bill now under consideration. On last April 17 in his press conference, he commented upon the recommendations of the U.S. Civil Rights Commission which suggested that he suspend or cancel either all or selected parts of Federal financial aid provided for the several States. At that time he said:

> I don't have the power to cut off aid in a general way as was proposed by the Civil Rights Commission, and I would think it would probably be unwise to give the President of the United States that kind of power because it could start in one State and for one reason or another might be moved to another State which has not measured up as the President would like to see it measure up in one way or another. Another difficulty is that in many instances the withholding of funds would serve to further disadvantage those that I know the Commission would want to aid. For example, hundreds of thousands of Negroes in Mississippi receive social security, veterans, welfare, school lunch, and other benefits from Federal programs. Any elimination or reduction of such programs obviously would fall alike on all within the State and in some programs perhaps even more heavily upon Negroes.

I think that few here can deny the close feeling that the former President had for the minority groups; yet by that statement he expressed his feeling that the President should not be given the power that the Commission had asked for in section 6.

The legislation now under consideration is the most far-reaching legislation ever proposed by any Congress in this field to protect the individual rights of our citizens. It does not in fact protect but destroys the rights of our citizens.

The bill on its face states that it provides relief against discrimination. Webster defines discrimination as the act of discriminating the quality or power to finally distinguish; that is, to judge. We have come to consider the right to be discriminating with reference to dress, use of products, and so forth, as a status symbol. This bill denies our citizens the right to use this power to discriminate, but only when it is used in relation to certain segments of our citizens. Nowhere in the bill does it say that hotel owners or employers cannot use their power to distinguish in reference to certain classes of people, such as known criminals, drugs, or freckle-faced people, but narrowly limits it to a context of race or color. If a colored person is denied lodging for any reason and raises a complaint that such denial is based on race or color, it becomes a subject of investigation, when in fact such denial might have some sound basis which will have to be proved.

Nowhere in the bill, however, is this same propertyowner denied the right to refuse lodging to a Caucasian whom he finds objectionable to him for one reason or another. If this law were to be uniform in its application, the propertyowner should be denied the right to refuse public accommodations to any person, but clearly we all recognize that this is an infringement upon the constitutional rights and the property rights of an individual.

Why, then, is this not a denial of the constitutional and property rights of a propertyowner or of an employer by denying him the right of discernment in the narrow area of race or color? I think that it is clear that it is a denial of such rights.

Further, at the end of the Civil War, during the period of reconstruction, Congress in its vindictive effort to punish the South passed legislation very similar to the public accommodations part of this legislation. This law was summarily rejected by the Supreme Court in 1875. That Court decision still remains the law of the land. We are here today attempting to enact legislation that the highest tribunal of our lands has declared to be unconstitutional.

I would be the first to recognize that race or color of skin is a basis for prejudicial discrimination. But can we look in the mind of any man and determine whether his discrimination is based on prejudice or some other basis? Some persons do not like people with red hair because they have had unfortunate experiences with people whose hair is this color. Some people are prone to distrust people who are narrow between the eyes. These are just two examples of the thousands of reasons, sane or otherwise, that people use in reaching their bases of judgment in relation to their fellow man. These people will be wanting legislation to protect their civil rights.

Clearly, if we cannot legislate man's morals, as the Volstead Act proved, we cannot legislate his thinking, and to attempt to do so would be folly on the part of this Congress. The next step, if the reasoning of this bill is followed to its logical conclusion, is to attempt to pass legislation saying that it shall be a violation of Federal law to entertain thoughts that are other than favorable toward a person because of his race or color.

Again referring to section 6, this section has the effect of amending every authorization appropriation act ever enacted by this Congress, and it will be an amendment to every act that will be passed in the future, in that it requires the Federal agencies and departments to take action to effectuate the purposes of this act, and to deny to any State, county, or local government, Federal funds if discrimination is practiced in connection with federally financed programs. Even though this bill deals with discrimination and violations of civil rights, the power to decide whether discrimination is practiced with reference to a Federal program or not will be exercised by some official in our Government.

Efforts have been made and will be continued in the future to improve the lot of the downtrodden of our land. I am in accord with these efforts until they go so far as to infringe the rights or privileges of the vast majority of our citizens. If we have not learned the lesson that we cannot enhance the rights of one citizen by destroying those of another, then it is true that we learn nothing from history.

I agree with the statement made by my friend and colleague, **BASIL WHITENER**, when he appeared before the Rules Committee and made the following statement:

> ### FARMERS
>
> For more than 30 years, the American farmer has been under Federal regulation in many programs involving financial aid. Whether these regulations have served him well or poorly is a matter of divided opinion. In any event, regulation per se is nothing new to the farmer. But this is a different kind of control. It is not related to the purposes for which the financial aid was rendered.
>
> If this bill is enacted the farmer (regardless of the number of his employees) would be required to hire people of all races, without preference for any race. If experience has taught the farmer that a member of one race is less reliable than a member of another race, does less for his pay, he will no longer be allowed to hire those he prefers for this reason. If he is of the belief that members of one race are more prone to accident, less trustworthy, more neglectful of duties, are, in short, less desirable employees than those of another race, he will no longer be allowed to exercise his independent judgment. Under the power conferred by this bill, he may be forced to hire according to race, to "racially balance" those who work for him in every job classification or be in violation of Federal law.
>
> The penalty for such violation can mean being excluded from every direct and indirect Federal benefit. It can mean the calling of his bank loans, being shut off by blacklisting from the agencies of Government that recruit labor, the right to purchase supplies from farmer-associated businesses which may, themselves, be dependent in one degree or another on Federal financial assistance. In short, he will become an outcast. He will employ those people a Federal inspector says he shall employ or his farm will be deprived of every vestige of Federal aid, without which few farms, today, can successfully operate.
>
> The agencies required to police farmers, under the directions of the Attorney General and the Commission on Civil Rights, are all (1) banks for cooperatives, (2) Federal land banks, (3) Federal intermediate credit banks, (4) production credit associations, (5) the Agricultural and Stabilization and Conservation Service, (6) the Commodity Credit Corporation, (7) the Federal Crop Insurance Corporation, (8) the Agricultural Marketing Service, (9) the Farmers' Home Administration, (10) the Soil Conservation Service, and all other agencies or departments having to do with Federal financial assistance in the field of agriculture.
>
> ### HOMEOWNERS
>
> The right of homeowners in the United States to freely build, occupy, rent, lease, and sell their homes will be destroyed by this bill. Title VI will be construed by the administration to cover "land to be developed for residential use" and "the sale, leasing, rental,

or other disposition of residential property and related facilities * * * or the occupancy thereof," whenever there is involved FHA or GI financing, financing by a national bank or any bank or savings and loan association covered by the FDIC or any other type of Federal financial support. The quotations are from Executive Order No. 11063, mentioned below.

Federal personnel (not the homeowner or his wife) will make decisions as to the personnel building the home, the renting of a single room or several rooms, as well as the rental, leasing, or sale of the home whenever race, color, or national origin is concerned. Federal personnel will also dictate the actions of realtors, developers, attorneys, and the lending institutions.

What of the right of property? What if the person who seeks to rent a room, lease or buy a home, is not, in the eyes of the homeowner, trustworthy or desirable? If race, color, or national origin is involved—and, by the nature of things, these must be involved—the Federal inspector (not the homeowner or his wife) makes the decision.

The alternative—foreclosure, blacklisting, cancellation of any Federal benefits under any program.

Already, without any legislative authority whatsoever, the President has issued Executive Order No. 11063 dated November 20, 1962, purporting to put all of the above into effect concerning an estimated 30 percent of the homebuilding in the United States. This has been done in spite of the fact that Congress, on six different occasions, defeated amendments to then pending housing acts granting the President authority to so act. If this bill is passed, it will validate that order. Moreover, it will give the President carte blanche to subject every homeowner to Federal control.

BANKS AND BANKERS

A dispassionate study of the power granted in this bill will convince a reasonable person that no bank could operate under its provisions without undue hardship.

If a bank under this bill were to deny employment, a loan, a line of credit or a sales contract to a person, it would have to prove its decision was based on facts that did not, in any way, discriminate against the rejected applicant because of his race. Among the penalties that could be imposed on the bank would be the cancellation of the bank's Federal Deposit Insurance and its right to handle GI, FHA, and other Government-insured money. The power granted in the bill goes further. If a small businessman, for instance, has been held in violation of the Federal civil rights law, under the provisions of this bill the bank can be required to cease doing business with the culprit, or else lose its FDIC protection for all its customers.

To illustrate, assume a bank extends a line of credit to finance construction of an apartment house. Assume a tenant is denied the privilege of leasing one of the apartments because his credit or character, in the opinion of the management, would make him an undersirable tenant. If the Federal inspector decided this amounted to discrimination, the FHA guarantee could be canceled.

The agencies required to police banks and bankers, under the direction of the Attorney General and the Commission on Civil Rights, are all national banks, the Federal Deposit Insurance Corporation, the Federal Reserve System, the Federal Housing Administration, and all similar agencies.

Among the institutions and agencies which would be required to conform to the act and police business and professional establishments are all banks, savings and loan associations, and other financial institutions served by the FDIC or the Federal Reserve System, the agencies administering GI, FHA, SBA, and all other loans and programs involving Federal financial assistance. Withdrawal of protection or credit, foreclosure of loans, blacklisting, and similar sanctions may be expected.

Mr. Chairman, I commend and congratulate my friend, BASIL WHITENER, upon the splendid work he has done and upon the serious thought and consideration he has given to all the provisions of the pending bill. His statement before the Rules Committee clearly indicates his familiarity with the perplexing problems involved in the proposed legislation which is now being considered. Congressman WHITENER has already presented his views to the House and I am certain that all of you will give due consideration to the statements he has made.

For many long days the bill now before us and all of its provisions have been under consideration. Perhaps Solomon could not solve the problems presented to us. We must do the best we can and perhaps even the best will not be good enough. We must deal with the emotions here involved and we should, as I have said, proceed with care and caution in our search for solutions. This is the time for reason and rational thinking. This is not the time for a display of intemperate zeal. No race in all the tides of time has ever made such miraculous progress as has been made by the Negro race. A Negro has every right to be proud of his race and of the achievements of his race.

I believe, Mr. Chairman, that the Negroes of my district are proud of the fact that they are Negroes and they are proud of the achievements their race has made. In my childhood Negro boys were my playmates. We understood each other and we got along well together. We respected each other and there has never been a time when the members of my family were not helpful to and interested in the welfare and happiness of the Negro race.

When my father came to Nashville, my hometown, to practice law, his father, who was a doctor, sent with him a Negro man who was constantly with him until the day he died. No finer friend could be found anywhere else on this earth. Yet there are those who tell us what we should do, how we should think, and how we should act in dealing with members of minority groups.

If the Negroes of my district are grieved, oppressed or discriminated against in any way, they have not complained to me. They are my friends and I am their friend and this I think they well know.

In conclusion, all of our problems must be settled within the realm of reason, tolerance, and brotherly love.

Mr. GRIFFIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to support the amendment offered by my colleague from Michigan [Mr. MEADER].

In some of the press reports, every amendment offered to this bill is referred to as a weakening amendment. A thoughtful student studying this particular bill, in my opinion, will conclude that the Meader amendment is actually a strengthening amendment, and those who wish to strengthen this title should support it. I say that because the Meader amendment does not leave discretion with the heads of bureaus and agencies to decide whether and to what extent they may wish to require compliance.

The Meader amendment provides that each agency and department "shall" require as a condition in a contract certain specific requirements.

This is the way that the Federal Government now enforces what amounts to FEPC regulation with respect to industries which are awarded defense contracts. The company enters into an obligation not to discriminate—an undertaking which the U.S. Government requires to be written into the contract and agreed to before an award is made. This now is a normal, logical, and legal way for the Federal Government to deal with this particular subject.

Under the committee bill, each agency head is left with complete discretion not only as to whether he will write and promulgate regulations but as to the kind of regulations he will write, and then he has discretion as to whether or not he will enforce the regulations. He may enforce them in your congressional district but not in the adjoining congressional district, in which case he will discriminate as between politicians. The administration, obviously, can also use this power for political purposes and seek to compel you to vote this way or that way.

I would call attention to the fact that the amendment of the gentleman from Michigan [Mr. MEADER] would permit a recipient of aid, not merely an agency, to bring an action to enforce the contractual undertaking. The Meader amendment may be a weaker amendment in only one respect; that is, it would not take effect for 1 year and would apply only prospectively. I submit that this is a very fair and reasonable provision because, after all, this principle will have a tremendous and far-reaching impact. There is no question about that. And we should provide a year in which adjustments can be made in some areas to this sweeping policy.

I believe it would be well to allow a year's notice, and to apply the policy across the board rather than to give the bureaucrats in each agency the discretion to apply it or not to apply it in this area or that.

I believe the Committee would be wise to strengthen this bill by adopting the Meader amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. MEADER].

The question was taken; and on a division (demanded by Mr. MEADER) there were—ayes 24, noes 125.

So the amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from North Carolina [Mr. WHITENER].

The question was taken; and on a division (demanded by Mr. WHITENER) there were—ayes 72, noes 152.

Mr. WHITENER. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WHITENER and Mr. ROGERS of Colorado.

The Committee again divided, and the tellers reported that there were—ayes 82, noes 179.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. WILLIS

Mr. WILLIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Willis: On page 63, line 2, insert the following two new sentences at the end of section 602:
>
> "In the case of any action terminating, or refusing to grant or continue, assistance because of failure to comply with a requirement imposed pursuant to this section, the head of the Federal department or agency shall file with the committees of the House and Senate having legislative jurisdiction over the program or activity involved a full written report of the circumstances and the grounds for such action. No such action shall be effective until 30 days have elapsed after the filing of such report.".

Mr. WILLIS. Mr. Chairman, section 602 says that each Federal department and agency which is empowered to extend Federal assistance to any program or activity shall take action to effectuate the provisions of the title.

You will see that it is mandatory that each Federal department and agency shall take steps to effectuate the objectives of this particular title. Someone—a man, a human being, a fallible person—is ordered to do what, and what means shall he take or must he employ to enforce his decision? He does it by determination or refusal to grant or continue assistance under such program.

Suppose he does cut off a program. A single man is doing that. What happens in actuality? I merely repeat my colleague from Louisiana [Mr. Boggs], in that respect as it would affect my own State. Suppose the agency head would cut out the school lunch program, who actually would he be primarily hitting? He would be hitting all the people, the young people. Then suppose the distribution of surplus food is cut off, who would he be hitting? He would be hitting primarily the persons who are to be protected. Certainly in my State the colored people are the greatest beneficiaries under this program. Suppose he would cut off the welfare program, who would he be hitting? He would be primarily hitting the colored people because they are the primary and greatest beneficiaries.

Suppose he would cut off funds in connection with the highway program, what would happen? In my State we had a recent experience on that. Something like 85 percent of the manpower employed on highways are colored people. So if they cut them off their jobs and if perchance they cut off welfare and the distribution of food, what would happen then, not only aid to colored people but to aid everybody?

My amendment would bring into play other minds in connection with this question of decision to cut off a Federal assistance program. It would bring into play committees of Congress having jurisdiction over the programs under consideration. The head of the agency would have to give a report to the committees of Congress having jurisdiction over the subject matter, so that at least there would be some responsible minds over and beyond the agency head.

Then the last sentence would be that no such action shall become effective until 30 days had elapsed after the filing of such report.

This is a very carefully thought out amendment, it is sensible, and I would hope it might be accepted.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from New York.

Mr. CELLER. The amendment is acceptable to myself and most members on the Committee on the Judiciary.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from Ohio.

Mr. McCULLOCH. I am pleased to say that the amendment is an improving amendment to this title, and I hope it will be agreed to.

Mr. SELDEN. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from Alabama.

Mr. SELDEN. Mr. Chairman, title VI of the civil rights bill gives Federal departments and agencies extending Federal financial assistance practically unlimited powers to dictate the implementation of any and all Federal programs within the States. According to my interpretation of title VI, this could include control over many facets of our daily lives including our transportation and communications systems, hospitals, schools, construction companies, and even our farmers who participate in the various federally-sponsored farm programs. Under the guise of antidiscrimination, this section of the bill is little more than a legislative weapon with which Federal bureaucrats can threaten and bludgeon State authorities into surrender of constitutional powers. If enacted into law, the provisions of title VI can mean either the hampering and breakdown of Federal-State cooperation in joint programs or the wholesale usurpation of State rights by Federal authorities.

The proponents of H.R. 7152 who believe, however mistakenly, that this section will serve the purposes of American Negroes might well consider what other purposes, in the hands of this or any other President, such broad discretionary powers might serve. The amendment offered by the gentleman from Louisiana [Mr. Willis] makes a small improvement in another extremely dangerous and ill-advised section of this bill, and I urge its adoption.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from New Jersey.

Mr. RODINO. In other words, the gentleman's amendment would merely state that there is an additional 30 days which the person allegedly discriminated against would have within which to comply without any cutoff of funds? Is that it?

Mr. WILLIS. The amendment speaks for itself. It is two sentences, that the recommendations would have to be submitted to the parallel House-Senate committees having jurisdiction over the subject matter, and that the cutoff could not come until 30 days after the submission of those recommendations.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. In other words, this serves to provide a continuing oversight over the provisions of this title? I think it is a good amendment, and support it.

Mr. LONG of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LONG of Louisiana. Mr. Chairman, I wish to raise strenuous objections to title VI of this bill, a section which would place in the hands of a Government agency virtual control over the economic life or death of any given region of our Nation.

In section 602, any Federal department and agency which has the power to extend Federal financial assistance to any program or activity would have the right to withdraw those funds to force compliance with section 601; that part of the title which calls for an end to discrimination in any program involving Federal participation.

I am not going to spend a great deal of time of the basic flaw of this title, which should be obvious to anyone. But for those whose judgment may have been swayed by the force of this emotional issue of civil rights, I think I should again point it out. This is, to put it simply, bureaucratic blackmail. This title does not simply give these agencies the right to seek court action because of some alleged violation of the contract under which the funds were granted—it gives the agency the right to withdraw those funds, with what amounts to a "cease and desist" warning before the withdrawal takes effect. Not only does the title allow these unknown bureaucrats to wield this power, unchecked by the Congress; it sets no standards by which proof of noncompliance can be judged.

In the case of our welfare programs, for instance, which receive large amounts of Federal funds; under this proposal, the agency—presumably the Department of Health, Education, and Welfare—could make a determination that some form of discrimination exists in a portion of the State system. According to this title, some unknown person in that Department could issue a warning to the State officials, wait a couple of days, then cut off all funds.

There is certainly nothing in the wording of the act to say who shall make this decision; and no standard to establish how this faceless and nameless person shall decide that compliance cannot be secured by voluntary means.

This complete lack of standards violates every precedent, and it certainly should offend any Member of Congress that reads it.

This title, in effect, puts a price tag on every Federal program and says, if you do not dance the proper tune, you will have to pay the piper. If that is not blackmail, I do not know what it is.

This is an alarming precedent, and an insult to the people of the United States.

We have laws, gentlemen, which have been formed over nearly 200 years of compromise and debate. To each one of those laws you are being asked to add a clause which says:

> If, in the opinion of unknown persons in the Government, you have used Federal funds in a program which in any way discriminates against any group, said unknown person can warn you to desist and, after an undesignated period of time, take away those funds.

The fact that an ex post facto right for judicial review is held out as a mild protection does not alter the dangers and the insolence of this measure.

Mr. KASTENMEIER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise reluctantly on this occasion. As a member of the subcommittee that considered this legislation, I have sat here silent for the last 7 long legislative days on this matter. I am only sorry I did not speak sooner last night with relation to what was done on title V.

I rise in opposition to this, and think that perhaps some members of the committee conceded too much at least in this amendment, because this is obviously an open invitation, certainly, to every committee chairman from the South to call on the carpet every agency head or department head who has the temerity to file a report with him cutting out funds for any area in his State or any adjacent State. We know this would result. I think what this amendment does is render this full title ineffective. For this reason, I would urge the Committee to reject this amendment.

I am sorry that the Committee last night saw fit, also, to make the permanent section of the Civil Rights Commission now impermanent and temporary again for a period of 4 years. This I think is unfortunate. I think we should resist some of these amendments. These are not clarifying or technical amendments.

In fact, this amendment is not truly a safeguard but really again will be a question of congressional dominance over the timorous executive branch in connection with an area of legislation which is very important in terms of administration.

Actually, in the Committee on the Judiciary there was a proposal to make the program mandatory and not discretionary as it now is. For the very reason that administrative and department heads would scarcely have the courage to implement this title unless it were required of them.

This is a further invitation not to implement the program, and I think, Mr. Chairman, this amendment ought to be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. WILLIS].

The question was taken; and on a division (demanded by Mr. KASTENMEIER) there were—ayes 129, noes 21.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. LINDSAY

Mr. LINDSAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. LINDSAY: On page 62, line 17, after the words "is taken" insert "no such rule, regulation or order shall become effective unless and until approved by the President".

The CHAIRMAN. The gentleman from New York [Mr. LINDSAY] is recognized.

Mr. LINDSAY. Mr. Chairman, this amendment is designed to require that the President shall approve rules and regulations that are promulgated pursuant to section 602 of title VI.

I believe this amendment will be accepted by the chairman of the Committee on the Judiciary and the ranking minority member. The members of your committee feel that the rulemaking power is so important in this area and can be so significant because of the latitude that this title by definition has to give to the executive in drafting rules and regulations that the Chief Executive should be required to put his stamp of approval on such rules and regulations—after, of course, the normal procedures have been followed in promulgating such rules and regulations.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the chairman of the committee.

Mr. CELLER. As chairman of the Judiciary Committee, I approve the amendment of the gentleman from New York.

Mr. LINDSAY. I thank the chairman.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Ohio.

Mr. McCULLOCH. The amendment is an acceptable amendment to us.

Mr. SMITH of Virginia. Mr. Chairman, I should like to have a brief explanation of what the amendment would do.

Mr. LINDSAY. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I thought the gentleman had yielded the floor.

Mr. LINDSAY. I had not yet yielded the floor. If the gentleman would like the floor on his own time, I shall be glad to yield the floor.

Mr. SMITH of Virginia. No. I should merely like to have a more clear idea as to what the amendment would do.

Is it the gentleman's thought or intent that the President shall personally approve every regulation that is made under this regulatory power?

Mr. LINDSAY. No, it is not.

Mr. SMITH of Virginia. What would it do, then?

Mr. LINDSAY. Pursuant to title VI, rules and regulations will have to be promulgated, as the gentleman will note on lines 14 and 15 on page 62 of the bill. The rules, regulations and orders there required, which will have to be promulgated according to standard procedures, with hearing and the rest, would have to be approved by the President of the United States.

Mr. SMITH of Virginia. Then he would have to approve every one of these regulations personally.

Mr. LINDSAY. No; I did not say that.

Mr. SMITH of Virginia. I thought the gentleman did.

Mr. LINDSAY. The rules and regulations will be promulgated, and will have to be promulgated as indicated on the lines 14 and 15 as I have mentioned, and are to be approved by the President of the United States if they are to be effective.

Mr. SMITH of Virginia. Did the gentleman not just say they had to be approved by the President?

Mr. LINDSAY. That is correct.

Mr. SMITH of Virginia. Then what does that mean? Would he have to approve them or would he not have to approve them?

Mr. LINDSAY. I refer the gentleman again to the language to which I referred, on lines 13 through 17 of page 62.

> Such action may be taken by or pursuant to rule, regulation, or order of general applicability and shall be consistent with achievement of the objectives of the statute authorizing the financial assistance in connection with which the action is taken.

It is those rules, regulations, or orders of general applicability the President would be required to approve. Very plainly stated.

Mr. SMITH of Virginia. Perhaps so. I still do not understand what the President would have to do, but I am happy to see any amendment agreed to by the gentleman from New York [Mr. CELLER] and the gentleman from Ohio [Mr. McCULLOCH], so I am disposed to go along with it. I only wish I could get them to agree on my amendment to prohibit slavery.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Virginia.

Mr. POFF. Mr. Chairman, I am inclined to feel that the amendment is constructive in nature. I inquire, for the sake of the public: How will the President document his approval of the orders and regulations? Will his approval appear as an Executive order? Will it be published in the Federal Register?

Mr. LINDSAY. It will be published in the Federal Register.

Mr. POFF. I thank the gentleman.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word, for the purpose of clarifying the statement of the gentleman from New York.

I should like to have the attention of the gentleman from New York [Mr. LINDSAY].

It seems, after you offered your amendment, you started wiggling around. I will read what the amendment says. I got a copy from the Clerk's desk. It says:

> No such rule, regulation or order shall become effective unless and until approved by the President.

Does it mean that the President has to approve every rule before it will become effective?

Mr. LINDSAY. That is correct; if it is applicable to this title and is of general applicability.

Mr. JONES of Missouri. The amendment says:

> No such rule * * * shall become effective unless and until approved by the President.

Mr. LINDSAY. That is correct.

Mr. JONES of Missouri. Is that not what the amendment says?

Mr. LINDSAY. That is correct.

Mr. JONES of Missouri. You ought to be able to answer the question "Yes" or "No."

Mr. LINDSAY. It must be a rule, regulation, or order of general applicability. If it is not a rule, regulation, or order of general applicability, I would assume that the President would not have to put his approval on it.

Mr. JONES of Missouri. The "such" refers back to that, but you were trying to wiggle out of it in the discussion of the amendment.

Mr. LINDSAY. Then, vote against the amendment if you do not like it.

Mr. JONES of Missouri. No. I am like Judge SMITH. I want to do anything I can to improve this thing. Of course, I will vote against the bill.

Mr. LINDSAY. If the gentleman will yield further, I am sure he is trying to improve it, and we appreciate it.

Mr. JONES of Missouri. I am trying to make it "less worse."

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LINDSAY].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CELLER

Mr. CELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. CELLER: On page 62, line 11, strike the words "contract, or loan" and insert in lieu thereof the following: "loan, or contract other than a contract of insurance or guaranty".

Mr. CELLER. The purport of the amendment is to eliminate all guarantees programs of the Federal Government, all insurance programs of the Federal Government. In other words, title VI would have no effect, if you accept this amendment, on guarantees or insurance. Fears have been expressed by a number of the Members as to the meaning of the word "contract" in the bill before you. The word "contract," it was feared might be stretched to cover insurance or guarantee. To prevent such construction we offer this amendment. I say "we" because I cleared this amendment with the gentleman from Ohio [Mr. McCULLOCH], before offering it. In other words, we nail down the prohibition. We allay all fears that, for example, actions under the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, and the Federal Housing Administration insurance programs, or any other Federal insurance and guarantee programs are included in the bill. They are excluded because they involve guarantees and insurance. In order to make crystal clear that guarantees and insurance are not in title VI we are offering this amendment, and only contracts not connected with insurance, not connected with guarantees are included.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Ohio.

Mr. McCULLOCH. Mr. Chairman, I am glad to join with the chairman of the committee in his explanation of this amendment to make certain the meaning of the bill. It is a needed restrictive amendment and ought to be agreed to.

Mr. POFF. Mr. Chairman, will the gentleman yield to me?

Mr. CELLER. I yield to the gentleman from Virginia.

Mr. POFF. For the purpose of legislative history, will the gentleman say the amendment is intended as drafted to cure the problem which I addressed on page 379 of the hearings before the Committee on Rules?

Mr. CELLER. I do not remember it precisely, but I will take the gentleman's word for it, because I have always found the gentleman to be thoroughly careful in his remarks and I am sure what he says is accurate.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield to me?

Mr. CELLER. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. Would the gentleman please make it clear as to whether or not the amendment he offers, if adopted, will in any way affect the authority now being undertaken under President Kennedy's housing order affecting the operations of the FHA?

Mr. CELLER. No, sir. It has nothing to do with it.

Mr. O'HARA of Michigan. I thank the gentleman.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield to me?

Mr. CELLER. Yes. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I am a little bit unclear as to what language you are putting in.

Mr. CELLER. The amendment reads as follows:

> On line 11, page 62, strike out the words "contract, or loan" and insert in lieu thereof the following: "loan or contract other than a contract of insurance or guarantee".

Mr. SMITH of Virginia. That clarifies it very much; insurance is a contract.

Mr. CELLER. Yes.

Mr. RYAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. RYAN of Michigan. Mr. Chairman, I want to make it doubly crystal clear to the extent that private homes that are covered by FHA and VA loans will not be covered by the terms of this act.

Mr. CELLER. They will not be.

Mr. RYAN of Michigan. Mr. Chairman, I wish to make it very explicit and without there being any doubt whatsoever, that any person or persons owning real estate, whether it be a private home, an income, or flat or apartment, or a farm, that may now be encumbered by a mortgage insured under the Federal Housing Act, the Veterans' Administration, or other Federal agency, or which may in the future by encumbered by an FHA mortgage or VA mortgage, are not included and do not come within the provisions of title VI; that title VI simply just does not apply to private property with a mortgage insured under the Federal Housing Act, the Veterans' Administration, or other Federal agency.

Mr. WELTNER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. WELTNER. Mr. Chairman, I had prepared an amendment of similar import to this. I am happy to see that the committee has proposed a diminution of the scope of this act to this degree.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to ask the chairman of the committee a question. He did not mention Veterans' Administration loans or contracts. Were they included?

Mr. CELLER. Any direct aid is not involved in this. A veteran would get direct aid from the Government and is not covered by title VI.

Mr. JONES of Missouri. I had a VA housing case and I have been trying to get to the floor, to call attention to a situation that has arisen with a constituent of mine who is a GI, who owned a home in Las Vegas, Nev. He had been transferred to Florida and had made arrangements to sell his home to another GI. The Veterans' Administration had entered into an agreement that they would loan the money for this home. After he had gotten his appraisal, and everything seemed to be in order, someone discovered that there was a racial restriction clause on the property. The Veterans' Administration in answer to my inquiry wrote me a four-page letter telling me that the racial restriction laws under the decision of the Supreme Court were of no effect and nonenforcible and they should not affect this case. They were willing to guarantee the loan except that if it was foreclosed they would not pay any money. That is under the present law. Those are some of the things that I was fearful of under this bill. What I am trying to find out is whether under the amendment the gentleman has offered the exclusion he has indicated, this kind of loan would not be affected by any race or color restriction or anything of that kind.

Mr. CELLER. I would say this. If it involves Veterans' Administration insurance or Veterans' Administration guarantee it is not covered by title VI in any sense or form.

Mr. JONES of Missouri. Would the gentleman be so kind as to tell me if he thinks that it is covered under the present law.

Mr. CELLER. Mr. Chairman, I did not understand all of the nuances or details of the case the gentleman referred to. I just could not hear them all.

Mr. JONES of Missouri. I am not going to take the time of the Committee nor the gentleman's time to repeat them, but I am going to send the gentleman a copy of the letter that I received.

Mr. CELLER. If the gentleman wishes me to review the situation, I will be glad to do so.

Mr. JONES of Missouri. I thank the gentleman very much. I had written to the Veterans' Administration in an effort to help this GI who was losing his equity in his home. The Veterans' Administration had taken the position that the Supreme Court had said that the racial restriction would be of no force and effect, could not be enforced; but still they could not in effect guarantee the loan.

Mr. CELLER. Does the gentleman wish a legal opinion? I will be glad to get the staff of the Committee on the Judiciary to give it to him.

Mr. JONES of Missouri. I thank the gentleman.

Mr. CORMAN. Mr. Chairman, I rise in support of the pending amendment. The amendment would make absolutely clear the intention of the Congress that the authority conferred by title VI and the actions required by title VI, do not apply to programs of insurance and guaranty. Title VI will not affect such programs. It will leave the situation as to them just as it is now. In the field of housing, the President, by Executive order, has already acted to require that racial discrimination be eliminated. That action rests on authority other than title VI, and that action will not be affected by the adoption of title VI as amended by this amendment.

Mr. RANDALL. Mr. Chairman, I move to strike the last word.

I wish to ask a question of the chairman, if I may, to be sure of some things. The housing order of the Chief Executive of November 1962, is still in effect. That will not be affected by this amendment? Is that correct?

Mr. CELLER. Yes. Title VI has no effect over Presidential orders.

Mr. RANDALL. This amendment covers VA, FHA, and FDIC, and the words "other than a contract of insurance" takes out or eliminates from inclusion in title VI these three agencies?

Mr. CELLER. That is it.

Mr. RANDALL. I thank the gentleman. The reason for my concern is that a substantial portion of my congressional district consists of a suburban area containing countless subdivisions of homes that have been developed within the past few years and have been financed by loans that are federally insured. Without going into great detail I could not go home and face my people after the passage of this bill if there was any doubt as to whether title VI would affect veterans' housing or FHA housing. Mr. Chairman, there have been so many doubts and uncertainties as to some parts of this bill that in title VI now under consideration, I am glad to have the opportunity to participate in this effort to make it crystal clear and leave no room for the slightest doubt that any person owning real estate whether it be a private home or other real estate, that may now have a mortgage or which may in the future become encumbered by an FHA or VA lien, are not included nor will they be subject to the provisions of or in any way come under title VI of H.R. 7152. In other words, title VI just will not apply to private property that has a mortgage, even though it may be insured by FHA or VA. I am glad to have the opportunity with the concurrence from the chairman of the Judiciary Committee to provide this clarification in the nature of legislative history.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. CELLER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. CRAMER: page 62, line 17, after "taken," insert "after an adjudication and decision, under the provisions set forth in the Administrative Procedure Act, by such Federal department or agency that section 601 has been violated,".

Mr. CRAMER. Mr. Chairman, this is an amendment that I think would help the bill, and is a constructive amendment offered solely to require or conform the action taken by the administrative agency, whichever one it may be, to the Administrative Procedure Act. And right here it is. The Administrative Procedure Act customarily must be conformed to by agencies who make decisions with relation to the rights of citizens and otherwise.

This title is drafted purposely and intentionally to avoid the necessity of the agency that makes the finding of discrimination in the first place, ever having to hear or notify the party involved, or the agency of the State involved, to the effect that they are in the process of making this determination.

Listen to this basic law. I say there should be some provision for hearing, some right of the party, on the question of the finding of discrimination, to be heard by the agency and before the agency. You are violating the basic constitutional right of everybody whose alleged discriminatory acts are being decided. You are violating the basic constitutional right of every agency involved within the State, be it school board or otherwise, in that they have no right to be notified, they have no right to be heard on the basic question of, Is there discrimination? I say that advisedly.

Let me read to you from this case that is quoted in the administrative law text, with regard to the Administrative Procedure Act. It is the principle of this act that is being violated unless the pending amendment is adopted. You are interested in civil rights. Let us be interested in civil rights of everybody meaning the party who is supposedly discriminating. Does he not have the right to be heard?

Here is what you are violating without this amendment:

> It is elementary also in our system of law that adjudicatory action cannot be validly taken by any tribunal, whether judicial or administrative except upon a hearing wherein each party shall have opportunity to know of the claims of his opponent, to hear the evidence introduced against him, to cross-examine witnesses, to introduce evidence in his own behalf, and to make argument. This is a requirement of the due process clause of the fifth amendment.

Look at page 62, line 14, "order of general applicability". That is unusual language in legislation, in my opinion; "order of general applicability." That means you issue a nationwide order. To anybody who violates it, the administrative agency says, "You violated that. We have found that you discriminated." The agency does not at any time have to even hear or give notice to the party who supposedly is doing the discriminating before they issue the order saying, "You members of the school board, you, the administrator of this hospital, you are guilty of discrimination." The only remedy they have under this is not to be heard in the first instance but to come in later and request a partial—and I am going to discuss that in my next amendment—a partial review by the court under the Administrative Procedures Act. This violates the constitutional rights of everybody. If we want constitutional rights for those who it is being claimed are being discriminated against, why not give the parties a right to be heard according to the Constitution?

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Does it not seem reasonable to anticipate that the rules, regulations or orders of general applicability that were drawn in this matter would provide for notice, would provide for an opportunity to be heard on this subject? Does the gentleman really think that the President would approve a cutoff and have it sent up here to the Congress with a 30-day notice without having some of the elementary safeguards in the way of notice to the agency as a part of the case?

Mr. CRAMER. I am delighted the gentleman agrees with my basic thesis, and I appreciate the gentleman's contribution. I know the gentleman is sincere in making it, and I know the gentleman by his question evidences equal concern with that which I have that the party should be entitled to be notified and heard on the question. But I am not willing to rely on whether or not the President, in his discretion, or the agency in its discretion, might do this. It is the duty of this Congress to write into the law what they want the agencies to do, and certainly where a constitutional right is involved, to be notified and to be heard before an order issues that you have discriminated. It should be written in.

I felt initially that maybe the Administrative Procedures Act was applicable without so specifically providing, but after reviewing the matter very carefully, after studying the Administrative Procedures Act, which I have in my hand, I find that is not the case. Therefore, all I am doing is what the gentleman from Oklahoma suggested should be done by writing it into the statute. Who could object to that, Mr. Chairman?

Mr. CELLER. I do.

Mr. CRAMER. Will the chairman indicate why?

Mr. CELLER. In my time I will.

Mr. CRAMER. Will the chairman answer this question, then? Does the chairman agree that the administrative procedures of hearing and notification are not specifically provided for in title VI as presently constituted?

Mr. CELLER. There is no need for language like that and no evidence was adduced at the hearings requiring anything of the nature of the amendment the gentleman has offered.

Mr. CRAMER. Does not the distinguished chairman, the gentleman from New York, recall, however, that in the deliberations on this title, although it was in a different form as the administration proposed and as the subcommittee voted it out, it did contain similar language which did not provide for hearings? Did not the gentleman from Florida raise the question and discuss the question and indicate in the subcommittee that no hearings were available?

Mr. CELLER. Of course, the gentleman from Florida can remember what he did better than I can.

Mr. CRAMER. I am rather surprised at my distinguished chairman's indifference on this constitutional right.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentleman from Florida has for its purpose the establishment of uniform internal procedures, and I fear me it would put all these agencies in a sort of straitjacket. Every agency has a different purpose. The agencies cater to different demands. There could not be and there should not be absolute uniformity such as is involved in the gentleman's amendment which would require a uniform formality of procedure irrespective of the need for the particular grant or the particular law.

The purpose of title VI is certainly not to set up uniform inflexible procedures and there should be no fear—and there is no evidence of fear—that whatever procedures now prevail in the agencies or that may be adopted in the future by the agencies will contravene the principles of the Administrative Procedure Act because, in addition, we provide for appropriate judicial review and thereby we insure that the principles of the Administrative Procedure Act would prevail.

Mr. Chairman, for these reasons I hope the amendment will be voted down.

Mr. GRIFFIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask some questions and I should appreciate it if the chairman of the Committee on the Judiciary could enlighten me as I try to weigh the merits of the pending amendment. I am interested in determining the scope and meaning of the judicial review which purports to be available under the language in this title. I ask the chairman whether there would be any guarantee, without the Cramer amendment, that there will be a hearing on the record for a court to review.

Mr. CELLER. Under the Administrative Procedure Act, there is the principle of substantial evidence. That is the rule that prevails when there is an appeal taken from any agency decision. The Administrative Procedure Act was set up originally by the Committee on the Judiciary after many, many years of study.

Mr. GRIFFIN. If the distinguished chairman of the Committee on the Judiciary would not use too much of my time, may I say he has not answered my question. I understand the substantial evidence rule which applies when the court reviews the record of a hearing by an administrative agency. My question is whether there is any guarantee under the language of this bill that a hearing on the record will be held.

Mr. CELLER. No, there is nothing like a trial de novo.

Mr. GRIFFIN. I thank the gentleman. The chairman has answered my question.

Mr. CELLER. You could not expect agencies to function properly and expeditiously if this amendment is adopted.

Mr. GRIFFIN. Now then, a question of fact will be faced over and over again—that is, do the facts in a particular situation constitute noncompliance with an order or with the provisions of section 601—this is a fact determination which should be based on evidence. Let me ask the chairman if there is any requirement under this bill of a hearing on the record before any agency. If not, is there any entitlement that the court would hold a hearing on the evidence and make a determination of facts—in other words, a trial de novo?

Mr. CELLER. The court could ask for more evidence if it wishes. The court to which the appeal is taken can say, "We want more evidence"—and more evidence would be supplied. If the evidence is not supplied, it would judge accordingly. The court could send the case back to the administrative agency to take more evidence, which is done very frequently.

Mr. GRIFFIN. But what if there has not been a hearing in the first place? That is just what the gentleman from Florida is trying to write into the bill. If there has not been a hearing before the agency, there would be no hearing on the record for a court to review.

Mr. CELLER. There is a record and the record is clear. These cases have gone to the administrators under the Administrative Procedures Act to the courts of appeal and to the district courts and for many, many years these questions have never been raised. Why do you suddenly raise these questions from left field now when it comes to a matter as important as this? I cannot conceive why.

Mr. GRIFFIN. I thank the Chairman for his answer to my question.

It is disturbing to me that the House is about to reject, out of hand, an amendment like the amendment of the gentleman from Florida [Mr. CRAMER], which would simply require that an agency should hold a hearing on the record when it is going to make a determination of fact and find that there has been noncompliance. If such a hearing is not required, then there will be no record and the judicial review which purportedly is provided for in the bill will be meaningless so far as fact determinations are concerned. The extent of the review will be confined to questions of law such as whether the agency has exceeded its authority and interpretation of the law, but there could be no review of the fact determination. A determination of fact would, of course, be the crucial question in most of these cases.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Virginia.

Mr. POFF. I shall be glad to comment, as one member of the committee on this side of the aisle. It is not true that there would not be a record on judicial review; but the record which would be before the court on judicial review would be an ex parte record only.

Mr. GRIFFIN. I see.

Mr. POFF. It would be one compiled by the agency which entered the order, which took the action, and to which the party about whom the complaint was made was not privy.

Mr. GRIFFIN. These would have no opportunity to present the other side of the case.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield.

Mr. CRAMER. Of course, the gentleman has a similar case, does he not, in consideration of the FEPC measure before the Committee on Education and Labor? There was some provision made in that, was there not, for such hearings, and a proper review was attempted.

The review provisions of the Administrative Procedure Act specifically turn on the basis of whether or not there was "an adjudication and a hearing."

There is no provision for a hearing in this title, and, therefore, a proper review would not be triggered.

Mr. FLYNT. Mr. Chairman, I move to strike out the requisite number of words.

I take this time to ask the chairman of the Judiciary Committee whether the chairman of the committee contemplates that ex parte orders and ex parte hearings would serve as the basis for the judicial review which is referred to in section 603.

Mr. CELLER. There is nothing of an ex parte nature in those provisions. Nothing is intended along those lines.

Mr. FLYNT. Then I ask the chairman whether he would agree to the statement made by the gentleman from Florida in support of his amendment that the only purpose for this amendment is to guarantee the right of a hearing and to prevent an ex parte proceeding.

Mr. CELLER. No; that is not the case. I would say that the purpose of the amendment of the gentleman from Florida is to delay proceedings and to do everything other than to expedite proceedings. It would clutter up the record. It would be contrary to the ordinary procedure that is followed in an administrative agency.

This is novel and new. The gentleman cannot show me any other case in which this could happen. The Administrative Procedure Act has been applied. It is fair. It is equitable. It is just. We would follow the Administrative Procedure Act to the letter in these provisions.

The gentleman wishes to change all that. Probably he has a particular reason of his own for wishing to do so. He is opposed to the bill and he wants to clutter up this record and to clutter up this section so that we cannot have expeditious action.

That is the way I put the situation.

Mr. FLYNT. Mr. Chairman, I most respectfully disagree with the statement of the chairman of the Judiciary Committee. I should like to ask him, most seriously, whether he considers any rebuttal to any complaint which might be made to be a mere cluttering up of the record.

Mr. CELLER. Rebuttal can be made, and provision is made under the Administrative Procedure Act for rebuttal.

Mr. FLYNT. Mr. Chairman, I say to the chairman of the Judiciary Committee that that is not included in any language in title VI. We feel it is necessary, if the person complained against is to have an opportunity, that the person complained against be given a right to be heard in the administrative proceedings, because under the provisions of the Administrative Procedure Act unless he is heard before the administrative agency he will be forever barred from presenting any facts in support of his side of the case. Will not the chairman of the Judiciary Committee agree with that?

Mr. CELLER. No; I cannot agree with that because we specifically mention the Administrative Procedure Act and all of the provisions of that act are embraced in this bill by specific reference. On page 63, line 13, we mention the Administrative Procedure Act.

Mr. FLYNT. Mr. Chairman, I must respectfully state that the judicial review contemplated in section 603 is absolutely meaningless unless the party complained against has the right to be heard in the administrative phase of the proceeding.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield to me?

Mr. FLYNT. I yield to the gentleman from Michigan.

Mr. GRIFFIN. I have the Administrative Procedure Act in my hand and I have been studying it. Section 10 of the Administrative Procedure Act spells out the scope of the judicial review provided and refers back to previous sections which have to do with hearings. Section 5 of that act, dealing with the kind of hearing and notice and so forth, refers to every case of adjudication "required by statute to be determined on the record after opportunity for an agency hearing," and so forth. In other words, if there should be no statutory requirement of a hearing in this civil rights, then I doubt that the Administrative Procedure Act would confer any right to a hearing. The scope and the extent of the judicial review available is determined thereby.

Mr. FLYNT. I thank the gentleman from Michigan for his contribution, and I would just like to add in context with what the gentleman from Michigan [Mr. GRIFFIN] just stated that there is absolutely no provision for any hearing and possibly for no proceeding of any kind contemplated under section 602 as it now appears. Unless the amendment of the gentleman from Florida is adopted there may never be any record upon which the court could consider anything except a one-sided record made only by the person who filed the complaint.

Mr. FLYNT. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. FLYNT. I yield to the gentleman from Florida.

Mr. HALEY. May I say to the gentleman from Georgia that in the atmosphere prevailing here in this Congress today I do not think that we could pass and attach to this bill even one of the Ten Commandments. The gentleman is well aware of the fact of the various pressures that have been on this Congress. Let me say this to the gentleman: If this gallery here and some of these vultures that are controlling votes in this House or at least calling the turn on them were taken away from here and this closed up, I do not think you would have 25 votes for this monstrous bill you are foisting off on the American people.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. FLYNT. I yield to the gentleman from Florida.

Mr. CRAMER. I plead to my colleagues, in the name of the Constitution which this bill is supposed to protect, my objective is to uphold the Constitution as it relates to the due process clause of the fifth amendment. The law school that I went to—and I am sure they all teach the same thing—says a man should be presumed innocent until proven guilty. Yet we have an order that has been issued without the person aggrieved and discriminated against being given even an opportunity to be notified, let alone to be heard.

The language as written says it will provide for the denial of any of the benefits which are provided under any acts of this Congress that are in effect today by an ex parte order of any administrative agency of the Federal Government.

Mr. BROMWELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to address a question to the chairman of the committee if I may. This is the question. Are there any other Federal programs which are drafted in similar language to this that are outside the scope of the Administrative Procedure Act?

Mr. CELLER. Do I understand the gentleman's question to be whether this proceeding is outside the scope of the Administrative Procedures Act?

Mr. BROMWELL. The point which was made by the gentleman from Michigan is that the judicial review provided for in section 603 is meaningless unless the requirement is included in 602; in other words, what is to be reviewed must be set up in 602 to have the provisions of 603 mean anything.

Mr. CELLER. The record is made and goes to the court. If the court feels that there is insufficient evidence the court may remand the case back to the agency for additional evidence. The agency may have an additional hearing and obtain more evidence. Then the case would go back to the district court or whatever court is going to determine the case and make a decision, affirming or rejecting the decision of the agency. This is the procedure that has been followed or is usually followed with all the agencies.

Mr. BROMWELL. Is there any question in the gentleman's mind that this procedure would be followed under this act?

Mr. CELLER. I think it should be followed. The rule is ample and it would afford justice to all parties.

Mr. BROMWELL. As I understand the purport of the amendment of the gentleman from Florida it is simply to make certain that this procedure is followed and that there is a hearing and provision for review.

Mr. CELLER. There is a hearing. The way it is worded now there is a hearing. But the gentleman from Florida wants to go beyond that. He wants a hearing in a court, just as if it were a damage suit, something of that sort.

Mr. BROMWELL. He wants to afford a hearing for both sides of the question. He does not want an ex parte hearing, as I understand the meaning of his amendment.

Mr. CELLER. Under the procedure we have here both sides would be heard. There would be no prohibition against either side.

Mr. BROMWELL. Before the order issues?

Mr. CELLER. At the hearing itself.

Mr. BROMWELL. Not before the order issues?

Mr. CELLER. No, after the order. The complaint is made to the agency and the agency will hear the complaint.

Mr. BROMWELL. The purport of the gentleman's amendment is to make sure that both sides are heard before the order issues.

Mr. CELLER. If you are going to have protracted trials it would be a long time before the order of the agency issued. You would hold up the whole procedure.

Mr. BROMWELL. The thought occurs to me that unless this amendment is adopted, we may gum up the whole bill by leaving out those provisions which would sustain it on constitutional grounds.

Mr. CELLER. I must respectfully differ. All we do here is what we have done in all agencies. We treat them all alike. We provide sufficiently for relief to a party aggrieved. In all the agencies, Federal Communications Commission, Federal Trade Commission, we provide in the Administrative Procedure Act for a review to the party aggrieved, to the court on the basis of the record that has been made. That is exactly what we do here. This is fair and evenhanded justice and anything else, along the lines of the amendment of the gentleman from

Florida would be the very antithesis of fair and evenhanded justice.

Mr. BROMWELL. In my opinion you would have more fair and more evenhanded determinations if the amendment were adopted.

Mr. MEADER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am torn between two desires on this amendment. I would like to support the gentleman from Florida [Mr. CRAMER], and especially my friend from Michigan [Mr. GRIFFIN] who spoke effectively for my amendment recently which, unfortunately, did not get very much attention or support here in the committee.

I agree with the principle that they are standing for; namely, there should be a proper record upon which a proper review could be made. It is meaningless to provide a review on a record on which some administrator has concluded that some person has been discriminated against, and therefore the funds are cut off without detailed facts and reliable evidence.

There is no requirement in title VI of the committee bill that there be a record, therefore a review does not mean very much.

It was this problem that is now haunting the committee which prompted me to suggest a completely different type of proceeding. I suggested we provide that in each program a contract be negotiated and entered into by people who knew the details of the program, who could identify how and where discrimination might occur in that particular program, and make an enforceable agreement that no discrimination would occur. If it did, instead of getting a bobtailed review, they would use established methods of settling disputes.

The reasoning on the other side is that we do not know what programs will be covered in this title. There may be some rather small research programs. Are you going to have that administrator, who is supposed to grant money for scientific investigators to find the cause and cure of the ills of man, spend all his time making a record of some kind? Probably few of the people administering these programs are lawyers, and are likely never to have heard of the Administrative Procedure Act.

I am afraid that the procedure under the Administrative Procedure Act amendment would impose on Federal assistance programs a burden of redtape so great and time consuming that it would bog the program down and would not get anything done except litigation.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I ask the gentleman, it says such action may be taken. Then it may be made effective by termination of or refusal to grant or to continue assistance under such program or activity, and so forth.

Then it says it shall not be acted upon until the person affected has been notified. Then it says it shall not be actually effective until the agency head has convinced himself.

If I read the language correctly, there is nothing in this that would prevent the whole occurrence from taking place by telephone. There is not a thing in the whole section that says there has to be a word of writing. If you want to cut off the financial assistance, just do not sign the checks. If you are dissatisfied with something else you can just tell him he will not get the check. All of this review in this section could take place by telephone or by personal visit. Am I correct? Can you point out a single place that requires an affirmative written statement of any kind in that section?

Mr. MEADER. I will say that the gentleman from Louisiana [Mr. WILLIS] offered an amendment which required the agency before the shutoff took place to send to the appropriate legislative committees of the Congress a full report. I do not know how full that is going to be, but that certainly ought to be in writing. I believe the Willis amendment required a written report, with reasons.

Mr. WHITTEN. That report could be handled by telephone; a full report of what actually happened.

Mr. MEADER. I would not believe any report like that would satisfy the requirements of this title.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. The gentleman from Michigan has introduced into this discussion something that is needed. That is the simple rule of reason. It is the rule of reason that indicates any agency dealing with a situation like that would face not only a judicial review but also a possible review by a congressional committee, and it is going to observe due process and is going to have a written record.

Mr. CRAMER. The argument of the gentleman from Oklahoma is very interesting, but I have run into administrators who have been unreasonable. What are you going to do about them? The rule of reason does not apply to them. They are unreasonable.

Mr. MEADER. We had some unreasonable rulings of arbitrary administrators in HEW which seriously and adversely affected the State of Michigan. So I agree with the gentleman from Florida that bureaucrats can be unreasonable. Often they are truculent and arrogant. Sometimes they are political.

Mr. CRAMER. I thank the gentleman. So how do we conform to the due process requirement, or at least, what I would say is the requirement of fairness, if we do not have some kind of testimony for review under the Administrative Procedures Act?

Mr. MEADER. I wish I could tell the gentleman some alternative way of accomplishing what he and I both want to accomplish. The only way I know is through the amendment offered which was recently rejected.

Mr. CORMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would urge again we look at the purpose of this title. It is not to liquidate all the programs this Congress has passed. It is to stop racial discrimination, and it is obvious by language in the section that we carefully worked on, that we expect the Department to carry out that purpose. We give them very broad latitude in negotiating with an agency or recipient who is discriminating before there could be any cutoff. We require that there be a specific finding of discrimination. We require that the recipient be notified of it and given a chance to stop. Assuming he does not, then the Department notifies the Congress, and we have an additional 30 days. It seems to me we have gone quite far. Because of experiences related by the ranking member on the minority side, we added that this would be subject to judicial review. This requirement goes well beyond any other kind of requirements that have been set up in the distribution of funds. I would urge that we not burden it further if we are serious about putting an end to discrimination in the expenditure of Federal funds. I urge a "no" vote on it.

Mr. TAFT. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I should like to associate myself with the views of the gentleman from Michigan [Mr. GRIFFIN], that without a record there is no judicial review that can be had. I would like to make one point with regard to that, because I think it may affect the votes of some Members on this. That point is that the agency action in determining whether or not it is required to withhold funds may go either way. It can go against the person, the State or the agency, or whatever body it might be, that says it should not be deprived of funds. It seems to me for the protection of either side of the case it is absolutely essential that you have some record on which a judicial review may be had. Unless you have that, this whole section about judicial review is meaningless.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. TAFT. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Can the gentleman conceive of situations in which a much longer notice might be desirable than would be prescribed by the Administrative Procedures Act, just as there might be situations in which a shorter notice of hearing might be desirable?

Mr. TAFT. I assume under the preliminary action that would be taken by the agency if a longer notice than the Administrative Procedures Act notice were given, they could prescribe that in a preliminary proceeding before going into their official proceeding, if that was necessary.

Mr. EDMONDSON. The gentleman will concede the Administrative Procedures Act has specific requirements on notice of hearings and procedure to be followed that might be awkward and undesirable in this particular situation?

Mr. TAFT. I believe the procedures prescribed in general are minimum and not mandatory under the circumstances. I do not contemplate there would be any difficulty from this point of view, but I think we should realize this decision could go either way, and it is a question of protecting both sides.

Mr. EDMONDSON. I will agree thoroughly with the gentleman that it would be desirable to have a record of what takes place. It would be my hope that the record would be available for judicial review whichever way the decision went.

Mr. TAFT. Unfortunately I think some of us have had such experiences with the agencies and that we do not share the viewpoint of the gentleman that there would be a record of the decision.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. TAFT. I yield to the gentleman.

Mr. WHITTEN. I think most of the Members here would agree with me there have been many times and there have been many times in my experience here where we were hard put, under severe examination, to determine who made the decision not to act. There have been many cases in the years that I have been here where we have had department heads before us and they have had a terrific job in trying to find out who made the decision. That is one point.

The second point is, I have been here also when for years under the milk marketing orders of the Department of Agriculture, it called for the proponents of the order to give notice to those opposed to it. Of course, you know they did not do it. If you are relying on an agency to take care of these things, I would remind you there have been plenty of experiences in my own service here, and I am sure it is true of the other Members where they just simply do not do it unless you spell it out and require that they go through some procedure to keep a record in writing so that it will be available for those who have to pass judgment on the matter.

Mr. DINGELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Florida has drafted a very neat amendment. I think we can look at this amendment in the light of our good friend, the attitude of the gentleman from Florida toward this bill. He is a bitter and announced opponent of the bill. Every amendment that has been offered by our good friend, the gentleman from Florida, has had for its sole and exclusive purpose the hamstringing and destruction of this legislation in any way possible.

So once we have established this framework, we can look at this issue now before the House in the light of the established pattern of law.

The fact of the matter is the Administrative Procedure Act is not a new provision in the law. It is simply enunciative of those things which have always been the requirements of due process within the Constitution. And it has been held on many occasions that the due process clause of the Constitution, of which the Administrative Procedure Act is simply enunciative, with regard to the question of hearings and with regard to the procedural rights of persons affected by Federal action, requires that a hearing be held; requires that notice be given to the affected parties; and requires that all procedural fairness and due process be afforded to persons affected by a ruling or a proposed ruling about a matter before a Federal agency which might later become the subject matter of a hearing.

Implicit in this is the requirement that a hearing be held. Implicit in this is the requirement that a record be kept. Since without an adequate record there can be no review by the courts. The failure by the Agency concerned with regard to section 601, section 602, or section 603 to keep an adequate and full and complete record would certainly be abundant ground for reversal by the courts of any finding by the Agency either with regard to the promulgation of general rules or with regard to the finding or ruling in a specific instance.

So with or without reference to the Administrative Procedure Act in section 601, the rights of parties are fully and completely protected. But because of the requirements of section 603 that review be done by the courts in accordance with section 10 of the Administrative Procedure Act which is the section dealing with judicial review, it becomes very plain that a record must be kept; that notice must be afforded to the parties; that service must be made upon interested parties; and that procedural due process, hearings, and general requirements of fair play which are inherent in our Constitution, and which the Administrative Procedure Act has been held by the courts in many instances simply to be enunciative must be made.

So I say there is no need for the amendment offered by our good friend from Florida. It would serve no purpose other than to becloud the issues.

In view of the fact that the gentleman has repeatedly announced his opposition to this proposed legislation and in view of the fact that he has sought on a number of occasions to hamstring and cripple the legislation, I say that the House of Representatives should not accept the amendment offered by the gentleman from Florida.

Mr. McCULLOCH. Mr. Chairman, I move to strike the requisite number of words.

It is apparent that we are in a difficult technical situation, from which we wish to get legislation which will meet the approval of the majority of the House. The staff and the Chairman of the Committee are working on a substitute amendment which should clarify our uncertain position.

For many weeks we who serve on the subcommittee tried to find a way agreeable to all, to the end that the action of an administrator could be adequately reviewed. I feel sure some of us have come to the conclusion that the time has been reached, after some 18 years, for the Administrative Procedure Act to be reviewed in its entire breadth and depth. If for the time being we can solve this immediate problem, I have a commitment that the Judiciary Committee will go into a complete review of the Administrative Procedure Act.

I hope, in view of those facts, that the House will accept the substitute now being drafted at the table.

I yield back the remainder of my time.

Mr. WHITTEN. Mr. Chairman, I wonder if it would be in order to move that the House do now adjourn, while the coalition works out the substitute amendment? Would it be in order to move that the House do now adjourn?

The CHAIRMAN. A motion to adjourn, of course, does not lie while the House is in the Committee of the Whole House.

Mr. WHITTEN. I merely wished to know if it were possible under the circumstances.

Mr. Chairman, I move that the Committee do now rise, while the coalition works out a settlement of the differences.

The CHAIRMAN. The question is on the motion of the gentleman from Mississippi [Mr. WHITTEN].

The motion was rejected.

SUBSTITUTE AMENDMENT OFFERED BY MR. LINDSAY

Mr. LINDSAY. Mr. Chairman, I offer a substitute amendment for the amendment of the gentleman from Florida.

The Clerk read as follows:

Amendment offered by Mr. LINDSAY as a substitute for the amendment offered by Mr. CRAMER: On page 62, line 17, insert before the word "Compliance" "After a hearing,".

Mr. LINDSAY. Mr. Chairman, I hope the Committee members will listen carefully.

The proposed substitute would make express what we thought was at least implied, that there is a hearing in connection with the statutory requirement that there be an express finding.

Now, the chairman of the committee [Mr. CELLER] said there would be a hearing, and that is the way the title is contemplated. A hearing is on the record and, in fact, no adjudication could be made, as provided in section 603 of title VI, in the absence of such a record. In fact the court would have full plenary powers to turn the matter over to the agency in order to provide such a record. I do think a hearing, which would be a hearing on the record, is entirely proper, and that is the way the drafters of the language have contemplated it. An express finding could not be made in the absence of such a hearing in any event.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from New York.

Mr. CELLER. I accept the substitute offered by the gentleman from New York [Mr. LINDSAY].

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Florida.

Mr. CRAMER. I think it would be well to take a minute to clarify exactly what you are doing. Now, if you are going to gut my amendment, then I am a little concerned about it, but I sure heard that argument offered often enough against any amendment I have ever offered. Is it the intention and the purpose, in good faith, by the proponents of this substitute to provide for, as is provided in the Administrative Procedure Act, a hearing consistent with the Administrative Procedure Act, section 5, "in every case of adjudication required by statute to be determined on the record after opportunity for an agency hearing"? Therefore, all the protections are provided which I have tried to enumerate in my discussion of the constitutional rights of those who are being charged with discrimination. If the gentleman will give me the assurance that that is the purpose and the objective of his substitute amendment, I will be delighted to accept it.

Mr. LINDSAY. I will give the gentleman every assurance that it is our intention that all constitutional rights be meticulously taken care of. I can recall arguing some cases in the Supreme Court for the Government, having been given quite a punching around because the word "hearing" was contained in the statute, and the Supreme Court, as do all Federal courts, surrounded that word with all of the requirements of due process, notice, and everything else. I am sure that the gentleman can be assured that the requirement of the hearing will protect every constitutional right.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield to me?

Mr. LINDSAY. I yield to the gentleman from Michigan.

Mr. GRIFFIN. Section 603 refers to a judicial review in accordance with section 10 of the Administrative Procedure Act. Section 10 of the Administrative Procedure Act deals with judicial review and provides that a court may set aside a finding of an agency "if the finding is unsupported by substantial evidence in any case subject to the requirements of sections 7 and 8 or otherwise reviewed on the record of an agency hearing provided by statute."

The gentleman from New York, the chairman of the committee, referred to the substantial evidence rule.

Do I understand that this is the kind of a hearing to which they refer?

Mr. LINDSAY. I thank the gentleman from Michigan for his constructive and helpful comment, because it reinforces the statement which I made earlier to the effect that review provided for in section 605, and in that part where the Administrative Procedure Act is referred to, means that substantial evidence is required to support the decision made by the agency below. And, if substantial evidence is not apparent, then there is a reversible error.

Mr. GRIFFIN. May I say to the gentleman the thing about which I am concerned is not to pin down just the application of the substantial evidence rule. I am aware of that. I am concerned about the hearing. I wonder whether it is the kind of requested hearing which would be expedited in accordance with this provision.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LINDSAY. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LINDSAY. In answer to the gentleman from Michigan the hearing has to be on the record and the record which is made at the hearing has to be sufficient so that the reviewing court can be satisfied that all provisions of the act have been met and that the "substantial evidence" rule has been followed.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Florida.

Mr. HALEY. May I say to my colleague the gentleman from Florida [Mr. CRAMER] and the gentleman from Michigan [Mr. GRIFFIN] that perhaps the hearing will come after execution. I would suggest to the gentleman that it would be well to find out when you are going to get this hearing.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from New York [Mr. LINDSAY] to the amendment offered by the gentleman from Florida [Mr. CRAMER].

The question was taken; and on a division (demanded by Mr. CRAMER) there were—ayes 182, noes none.

So the substitute amendment was agreed to.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Florida [Mr. CRAMER], as amended.

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: On page 63, line 13, after "Act" insert "except that such action shall be sustained only as supported by a preponderance of the evidence."

Mr. CRAMER. Mr. Chairman, I am going to take as little time as possible. This also involves the basic question of whether or not after an order has been issued a full review of the facts should be had. This is another question which we discussed in the subcommittee.

The Committee on the Judiciary of the House had a tough problem to wrestle with, and I admit it is tough, and I tried to be constructive in this aspect of it, as I was in connection with one of the amendments adopted in the committee. I am trying to do it on the floor of the House in the same spirit.

In the FEPC the issue was raised, and I am the one who raised it—the gentleman from Michigan and a number of others raised it—as to what kind of a review do you get when the effect of the administrative order is as broad as this is. Do you get a right of trial by jury de novo, or do you not? Are you hampered and hamstrung by the administrative procedure rule that there must be an abusive discretion on the part of the agency in order to get any relief in the review section? That is the crucial stage. The final decision is made in the review section. All my amendment does is to say that the party is accused of discrimination on this record which we have now created through hearing. When this hearing and the record comes up for review, that we put all parties on the same basis, the party that has discriminated and the Government agency is on exactly the same ground if you accept my amendment. That is, for the party discriminated against as represented by the Government. And if the Government can prove by more than 50 percent of the evidence it is right, the decision goes to the Government. If the party who is accused of discriminating can carry the weight of the evidence, the preponderance of the evidence, which means more than 50 percent, then the decision goes to him. What could be fairer than that? But, oh, no. Contrary to what they did in the FEPC, which has the rule of preponderance of evidence that I am trying to write into this section, they said that is all right for this section, but it is not all right for the other section. I want to put both parties on an equal basis when it comes to review. That is what the amendment does. I know the Members are familiar with that fact under the Administrative Procedure Act, otherwise the heavyweight is the Government. This puts everybody on the same even, equitable, fair, square basis.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Virginia.

Mr. POFF. I think it would help matters if it were understood why a different quantum of evidence was required for the Administrative Procedure Act as compared with the Federal Government. Ordinarily the rule is preponderance of evidence. In the Administrative Procedure Act as written it was felt substantial evidence would be sufficient because it was felt that the administrative agency which rendered the decision had special expertise in the field. But in this case the gentleman will agree outside the Department of Justice no Federal agency has any special expertise in the field.

Mr. CRAMER. The gentleman has made a very crucial point. There had to be a reason for giving the Government agency the advantage of this rule of evidence against the party charged. The reason was that the agency is assumed to know more about the subject matter than a large number of other people, therefore they were entitled to this rule because they were experts and that if a substantial portion of the evidence supported what they did, the Government agency should not be upset.

Who are the experts on the question of discrimination other than the Attorney General's office? This is not involving the Attorney General's office. This is every agency of the Government across the board that has the right to make these factual determinations on discrimination. Every single agency makes the determination. They are not experts on the question, and everybody ought to have a fair chance.

Mr. RODINO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman's amendment would completely upset the design of the Administrative Procedures Act, which has been in operation for so many years. I recognize what the gentleman is intending to do, and I have some sympathy with his attempt to try to establish some other rules of evidence and procedure. But I think this is not the place or time to do it. I would urge that he or someone else on the committee, or someone else so inclined in the Congress, who has studied this matter, introduce legislation to this effect, so that the Judiciary Committee or the appropriate committee of Congress may consider this question. It is vast and covers a whole series of important issues. After thorough consideration and study we would then be able to draft a piece of legislation relating to the Administrative Procedures Act.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Ohio.

Mr. McCULLOCH. Would the gentleman from New Jersey be able to say that the Administrative Procedures Act should be opened up for examination and possible amendment in view of the tremendous and expanded increase in these matters and these cases?

Mr. RODINO. I certainly agree that this is a matter which should be properly reviewed. I have discussed this with the gentleman.

Mr. CELLER. I would say that a subcommittee of the Judiciary Committee is already studying the question of revision of the Administration Procedures Act, and we may have a staff report on that shortly.

Mr. McCULLOCH. In view of that, I regret to say that I do not believe we should adopt this amendment at this time.

Mr. RODINO. I urge the defeat of the amendment, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was rejected.

AMENDMENT OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: At end of section 601, on page 62, add a new subsection, as follows:

"(a) Nor shall any community, county, parish, State, or section of the United States, on the ground of the race, color, or national origin of some of its citizens, nor because of the political actions of some of the citizens of such community, county, parish, State, or section of the United States, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity providing Federal financial assistance by any Federal department or agency."

Mr. WHITTEN. Mr. Chairman, I first wish to apologize to the membership for keeping you here. It is late. I accept the Rules of the House, yet I have been here all afternoon trying to get recognition. But there have been so many amendments offered by my friends on the Judiciary Committee I could not get the floor. For that reason it comes up at this late hour. But I do hope I will have your attention and your vote.

Section 601 provides:

Notwithstanding any inconsistent provision of any other law, no person in the United States, shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

This section prohibits discrimination against persons.

My amendment recognizes, and I pointed out illustrations to you earlier today, and I will not repeat them, that on numerous instances agencies and departments themselves have been guilty of discrimination.

The section savs, and it leaves the other in effect, that the first part shall protect people from being discriminated because of race, creed, color, and so forth.

Mine says communities, towns, parishes, and counties shall not be discriminated against by departments and agencies because of the political activities of some of the citizens of such community or because of the race, creed, or color in some communities.

You may say this is farfetched. I repeat again—in my State for quite a long period the only two projects approved were for an all-Negro town, in Mound Bayou. All the others where there were many white people and many Negroes were either turned down or acted upon.

I can cite many, many cases where departments and agencies have discriminated against communities and against sections and so forth.

I say if you are sincere in your efforts, and I know many of you are, to protect persons from discrimination because of race, creed, and color, you should be equally interested in protecting sections of the country, communities, parishes, and counties from discrimination by agencies and departments.

I hope you will support this amendment. It is a sound amendment.

Mr. CORMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we may be back to where we were when we started because as I read this amendment we would be, in effect, negating this title.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

The amendment was rejected.

AMENDMENT OFFERED BY MR. COLLIER

Mr. COLLIER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLLIER: On page 62, line 5, after the word "color" insert the word "religion".

Mr. COLLIER. Mr. Chairman and Members of the House, those of you who were on the floor earlier this afternoon will recall that there was a brief discussion referring to this particular amendment which I formally offer now.

The argument that was presented in opposition to its acceptance by the distinguished chairman of the Committee on the Judiciary was at that time too weak and certainly too vague.

It seems to me, in order to be consistent in this section of the bill with the language used in other sections of the legislation, that we ought to adopt this amendment.

I point out to the Members of the House that no less than 14 times in this bill do we include in the phraseology the words "race, color, and national origin" along with the word "religion."

Without commenting further on this amendment, I would like to have any member of the Committee on the Judiciary tell me the why and wherefore of this inconsistency and why this amendment cannot be accepted.

Mr. CELLER. I endeavored to make myself clear on two other occasions when that question was propounded to me. We had no evidence at all so far as this title is concerned that there was any discrimination based on religion. The prelates who appeared before the committee accepted our version of title VI. They had no quarrel with it whatsoever. For those reasons, we figured it was best to leave the word "religion" out.

Mr. COLLIER. Well, I understood that to be the chairman's reason before, but as I say in the light of the previous sections of the bill, I cannot accept that as being in any way good reasoning. In pursuing that with reference to race, color, and religion in title II covering public accommodations, may I ask the chairman please, this question: In title II of the bill covering public accommodations, we include the word "religion." Did you find there was a necessity to include religion in that section of the bill because of Baptists or Catholics or Episcopalians, perhaps, were not being permitted accommodations merely because of their religion?

Mr. CELLER. Since title II involves questions of public accommodations privately owned, we felt that "religion" would be appropriate, and we included "religion." There was some evidence it would be better to include "religion" in that title.

Mr. COLLIER. Religion is also included in the investigative section on voting rights. Do you know of any case on record in which there is a claim that anyone has been denied his right to vote because he was a Baptist or a Catholic or Episcopalian?

In sum and substance let me say that despite the argument presented here, in my opinion, is that the word is omitted by intent and as a loophole.

It appears that the word "religion" is omitted because it hits right at the heart of the controversy we have had for a number of years in the area of Federal aid to education. Those who might be interested in getting off the hook so to speak—those who are caught in the web of the religious issue in Federal aid to education may take themselves right off this hook by voting for the amendment and eliminating a problem which might develop later. In consistency to the rest of the bill, I recommend that the amendment be adopted.

The CHAIRMAN. The question is on amendment offered by the gentleman from Illinois.

The amendment was rejected.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on title VI close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENTS OFFERED BY MR. WILLIAMS

Mr. WILLIAMS. Mr. Chairman, I offer two amendments and ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. ROOSEVELT. Mr. Chairman, reserving the right to object, as I understand the second amendment, it is a quotation from the Constitution?

Mr. WILLIAMS. That is the amendment I showed the gentleman a moment ago; yes.

Mr. ROOSEVELT. I thank the gentleman. I withdraw my reservation of objection.

Mr. CORMAN. Mr. Chairman, reserving the right to object——

Mr. WILLIAMS. I trust that the gentleman will not object to an amendment which has the language of the Constitution in it.

Mr. CORMAN. I only wish to make inquiry. There are 5 minutes remaining. Will there be some opportunity to respond, or will the entire 5 minutes go to the gentleman?

Mr. WILLIAMS. I do not intend to debate this at any great length. I am going to take my "licking" and sit down.

Mr. CORMAN. With that on the record, I withdraw my reservation of objection.

The Clerk read as follows:

Amendments offered by Mr. WILLIAMS: On page 62, line 5, after the word "color" insert "geographical region,".

On page 63, after line 15, add a new section as follows:

"Notwithstanding any other provision of this title, the citizens of each State shall be entitled to all privileges and immunities of citizens in the several States."

Mr. WILLIAMS. Mr. Chairman, President Johnson over the years has repeatedly stated, and while I may not quote him exactly I think I convey his meaning, that there should be no discrimination on account of "race, religion, or region." He always emphasized region—more especially when speaking before southern audiences.

The purpose of my amendment is merely to translate into law what President Johnson advocates. I hope it is not opposed by members of the Democratic Party.

Unfortunately, certain States of the Union because of their region have been discriminated against in the administration of Federal laws. It has been more pronounced in grant-in-aid programs involving this particular title. The record affirmatively shows that the Area Redevelopment Administration in the Department of Commerce has discriminated against the people of Mississippi. Proof exists in the hearings held by the Committee on Appropriations of the other body.

The Housing and Home Finance Agency has discriminated against the people of Mississippi. Urban planning assistance applications from Mississippi in fiscal years 1963 and 1964 were not approved until the General Accounting Office conducted an investigation at my request. During fiscal year 1963, in region III, HHFA approved all applications originating in Alabama, Florida, and North Carolina. Georgia had 4 out of 5 applications approved; Kentucky 6 out of 8; and 8 out of 9 from Tennessee were approved. South Carolina submitted no applications.

Ten applications from Mississippi were received. All were in order. The Housing and Home Finance Agency refused to approve a single one of the Mississippi applications.

In these two examples, the Area Redevelopment Administration and the Housing and Home Finance Agency are living proof of the need for my amendment. Officials in these agencies are prejudiced. They are biased. They discriminate. Those in authority who made the decisions in these two agencies should not be permitted to circumvent the intent of Congress by following their personal and political prejudices instead of the law of the land.

The other amendment is merely a restatement of article IV, section 2 of the U.S. Constitution. It is with regret that I appear cynical but based on the steamroller tactics we have experienced all week, I would not be surprised if a majority of the House on the ensuing vote were to express itself as being opposed to this provision of the Constitution which has been in effect for more than 174 years.

In Corfield against Coryell, Justice Washington specified the following rights as among those guaranteed by this constitutional provision:

> Protection by the Government; the enjoyment of life and liberty, with the right to acquire and possess property of every kind, and to pursue and obtain happiness and safety.

This title in H.R. 7152 does violence to the Constitution.

To protect the civil rights of all Americans, I urge the adoption of both amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Mississippi [Mr. WILLIAMS].

The question was taken; and on a division (demanded by Mr. SMITH of Virgina) there were—ayes 22, noes 120.

So the amendments were rejected.

AMENDMENT OFFERED BY MR. ROBERTS OF ALABAMA

Mr. ROBERTS of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBERTS of Alabama: On page 63, after line 15 add the following:

"SEC. 604. No Government transportation shall be furnished by any department or agency under this title to any individual or individuals other than Government employees unless on official business."

The CHAIRMAN. The gentleman from Alabama [Mr. ROBERTS] is recognized for 2½ minutes.

Mr. ROBERTS of Alabama. Thank you.

Mr. Chairman, I felt once you understood this amendment you would not have any objection to it. It is really an economy amendment. You could call it an antihitchhiker amendment. Last year, about the 15th of October, I had a well-documented report that Rev. Martin Luther King and Wolf Dawson and James Foreman had been transported in a Government-hired automobile from Birmingham, Ala, to Selma, Ala., for the purpose of addressing a meeting at the Brown Memorial Baptist Church. I complained about this and in about 2 weeks I received a letter from Mr. Burke Marshall in which he said this had not occurred, that it was a false report, and he rather chided me because he said if I had made an investigation, I would not have made the charge. Well, after that the Justice Department—and I say this with all due credit to the Justice Department—recognized after doing some investigating that they had been the victims of misinformation given them by one Thelton Henderson who later, in order to clear his conscience, admitted to the Department that the automobile had been used for this purpose; that it had been a Government-hired automobile. After this Henderson was relieved of his duties and as far as I know is no longer on the payroll of the Department of Justice, although I am not sure on that point.

Mr. Chairman, I recognize that in these tense situations the Government is going to have to talk to witnesses. So long as it is on official business I do not see how anyone could object. However, I do seriously object to the Government going into the business of paying the freight and the expenses of sending outside agitators into areas to incite trouble and to promote violations of law. Mr. King says that he reserves the right not to support an act or a law which he regards as being unjust law.

Mr. Chairman, I submit the following correspondence:

THE ATTORNEY GENERAL,
Department of Justice,
Washington, D.C.

Reliable information has reached me that Justice Department officials are serving as drivers for Martin Luther King, Wolf Dawson, and James Foreman in Hertz Renta-Cars. These cars are leased or rented in the name of Justice Department officials and used in driving these agitators in Selma and Dallas County, Ala. Such interference in local administration is unwarranted, highly inflammatory, and completely unjustified. Request you advise me as to legal authority such expenditures of taxpayers money.

Your immediate order stopping this flagrant violation and illegal use of public funds should be forthcoming.

KENNETH A. ROBERTS,
Member of Congress.

OCTOBER 30, 1963.

HON. KENNETH A. ROBERTS,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ROBERTS: This will acknowledge your telegram of October 17 to the Attorney General of the United States regarding our use of automobiles in Alabama.

Attorneys for the Department of Justice on duty in Alabama and elsewhere in the United States frequently rent automobiles. In recent weeks Department attorneys have rented automobiles in Alabama, including a 1963 blue Chevrolet Impala and a 1964 white Ford Galaxie. It has been reported that the 1963 Chevrolet was used to take Reverend King from Birmingham to Selma on October 15. This car had been rented by Kenneth McIntyre, a Department attorney, on Sep-

tember 14, 1963. Subsequent to September 14, Mr. John Doar of the Department used the car while in Alabama on Government business and thereafter, another Department attorney, Thelton Henderson, used this automobile. When Mr. Doar went to the Montgomery Municipal Airport in this car to catch an airplane back to Washington, he was accompanied by Thelton Henderson who then kept the car, as he had been instructed to continue his work in Selma and in Birmingham.

Selma, Ala., is in a county where we have now pending both a 42 U.S.C. 1971(a) suit against the board of registrars for discriminating against Negroes, and a 42 U.S.C. 1971(b) suit against the sheriff and other officials of Dallas County for intimidating Negroes in connection with their efforts to register to vote. In September, Selma was also the scene of racial disturbances which included large numbers of arrests of juveniles. Following the hearing of the case of *United States* v. *Wallace, et al.*, which was handled by Mr. Doar with the assistance of Mr. Henderson, in Montgomery, I sent both Mr. Doar and Mr. Henderson to Selma to report to me as to the racial situation there. After Mr. Doar reported to me, I decided that Mr. Henderson should remain on the scene in Selma and keep me directly advised of pending developments. Mr. Henderson has been particularly valuable to the United States in keeping this Department advised as to the scope and nature of planned demonstrations. On each of such assignments, the local FBI agents are aware of Mr. Henderson's presence and, I believe, the local sheriff and the chief of police are also aware of his presence. To date I have received no complaint about Mr. Henderson's handling of his assignments. On the contrary, it has happened that local law enforcement officers have sought and obtained information from Mr. Henderson in their preparation for handling tense situations. This has occurred, for example, in Birmingham, Ala., and Jackson, Miss.

On one occasion while in Selma, Mr. Henderson was trying to find out what the Student Nonviolent Coordinating Committee had decided to do in regard to threatened demonstrations. When James Foreman and Wolf Dawson emerged from a meeting at Brown's Memorial Baptist Church on their way to another meeting at the First Baptist Church in the same block, Mr. Henderson transported them in his automobile in order to gather what information he could from them.

Subsequently, I sent Mr. Henderson to Birmingham and he drove there in the same Chevrolet automobile that had previously been rented to Mr. McIntyre.

At about 5:15 p.m. on Ocober 15, Mr. Henderson went to the Gaston Motel to interview Reverend King at the specific direction of the Department of Justice. At that time Dr. King was at a meeting at the Gaston Motel. When Dr. King came out of the meeting, Mr. Henderson asked to speak to him. Dr. King replied that he was late and had to go immediately to the New Pilgrim Church in Birmingham. Henderson offered to drive him there if he could interview him on the way and Dr. King agreed. Henderson left the Gaston Motel at 5:30 p.m. and let Dr. King off at the New Pilgrim Church at 5:40 p.m. Henderson then returned to the Gaston Motel. The Chevrolet never left Birmingham that night.

We have learned that Reverend King was driven to Selma in a Chevrolet similar to the one rented by the Department of Justice. However, it was a privately owned vehicle and was not the one used by Mr. Henderson.

It has been reported that later on October 15, Reverend King was driven from Selma to Montgomery in the 1964 Ford which also was rented by Mr. McIntyre. Mr. McIntyre rented the Ford in Montgomery at 8:41 p.m. on October 15 and drove to Craig Air Force Base near Selma, checking into the base at 9:35 p.m. Thereafter, neither Mr. McIntyre nor the Ford left Craig Air Force Base that night. Mr. McIntyre does not know Reverend King and has never met him. The Ford remained overnight in Selma and the following morning John Doar, First Assistant Attorney General in charge of the Civil Rights Division, drove the Ford to Tuskegee and then back to Montgomery. We have been informed that Reverend King drove from Selma to Montgomery in a privately owned Cadillac.

It is obvious from these facts that neither the Chevrolet nor the Ford, nor any other car rented by the Department of Justice, was used to transport Reverend King. The reports to the contrary are false. Any efforts to ascertain the truth would have revealed these facts.

Very truly yours,
BURKE MARSHALL,
Assistant Attorney General,
Civil Rights Division.

NOVEMBER 6, 1963.

Hon. KENNETH A. ROBERTS,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ROBERTS: I regret to inform you that the information I furnished you concerning reports that vehicles rented by the Department of Justice were used to transport Rev. Martin Luther King around Alabama was in part inaccurate.

The enclosed statement corrects the inaccurate information which I earlier furnished you.

The Department is issuing a statement to this effect today. If you have any further inquiries about this matter, I would be happy to answer them for you.

Very truly yours,
BURKE MARSHALL,
Assistant Attorney General,
Civil Rights Division.

STATEMENT BY DEPARTMENT OF JUSTICE

Reports were published in Alabama last month that automobiles rented by the Department of Justice were used to transport Rev. Martin Luther King from Birmingham to Selma on the evening of October 15.

The Department of Justice issued a statement on October 18, asserting that no automobiles rented by the Department of Justice had been used to drive Reverend King either from Birmingham to Selma or from Selma to Montgomery.

No car rented by the Department was used to drive Reverend King from Selma to Montgomery. However, a car rented by the Department and being used by a Department lawyer was loaned to a private citizen who subsequently drove Reverend King from Birmingham to Selma on October 15.

During this time, the attorney, Thelton Henderson, remained in Birmingham. Nevertheless, the use of the car for unofficial business was contrary to Department of Justice regulations. It was also contrary to a statement which Mr. Henderson originally gave to the Department of Justice. Mr. Henderson came forward last night and voluntarily gave a correct account of what occurred. He has submitted his resignation to the Department and it has been accepted.

The Department regrets very much that its earlier statement as to the use of a car rented by the Department in connection with Reverend King's transportation from Birmingham to Selma was based on misinformation and, therefore, erroneous.

Mr. Chairman, I urge that the Committee adopt the amendment.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. BECKWORTH. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BECKWORTH. Mr. Chairman, I commend the gentleman from Alabama on his offering this amendment. At the time of the circumstances he describes, I recall talking to him about the uncalled for transportation. The gentleman deserves to be supported in his position. I support him in his position and am for the amendment.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment and ask that the debate on the amendment cease now.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The amendment was rejected.

AMENDMENT OFFERED BY MR. COLLIER

Mr. COLLIER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLLIER: On page 62, line 4, after the word "no" insert the following: "citizen of the United States nor any".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

Mr. COLLIER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. COLLIER. Mr. Chairman, I was on my feet. Was the time limit invoked before or after that time?

The CHAIRMAN. The time limit was invoked before the gentleman was noted to have been on his feet.

Mr. COLLIER. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLLIER. Was that request made in connection with the amendment pending or on all amendments?

The CHAIRMAN. The time was fixed and the two gentlemen noted on their feet were the gentleman from Alabama [Mr. ROBERTS] and the gentleman from New York [Mr. CELLER] and they equally divided the 5 minutes.

Mr. COLLIER. I say to the Chairman that I was on my feet at the time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. COLLIER) there were—ayes 58, noes 91.

So the amendment was rejected.

Mr. ALGER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Chairman, the withholding of Federal funds under Federal programs because of alleged discrimination as a racial matter in title VI of this bill shows the punitive nature of Federal law and the built-in danger of Federal aid programs.

On the one hand, we recognize that tax dollars are without racial color and wherever there are Federal tax funds there must, consistently, be integration as opposed to segregation.

This leads to another realization. Federal money necessarily means Federal control.

Those Members of Congress who have voted consistently for Federal aid programs, many in the South, now must recognize that the chickens are coming home to roost.

Those who want Federal aid must take Federal encroachment and Federal regulation. When Congress spends the taxpayers' money we must lay down the terms and conditions for the use of Federal funds. Obviously, all public facilities built with Federal aid must be integrated without discrimination. Did the southern Members of Congress and others forget or overlook this fact? Or did any believe that the chickens would not come home to roost?

The alternative, of course, to Federal programs and public facilities paid for by tax money is the private sector of our economy. There has been too much invasion of the private sector of our economy by the Federal Government at the behest of many Members of Congress.

When Federal Government enters, there must be rules and regulations, and punitive action, including fines and imprisonment, backed up by the police power.

Should we be surprised that the Federal Government and Federal bureaucrats will withdraw Federal aid when localities and States fail to comply with Federal regulations? Of course not.

So many times as civil rights is before us are the occasions when certain Members of Congress plead for States rights. Unfortunately on many Federal aid programs States rights have been forgotten. Only on civil rights matters do some Members want States rights inviolate.

Now we see the primitive power of Federal Government by withdrawing Federal aid, which is unquestionably one prerogative of Federal Government.

Most frightening in this context is the potential political use of Federal money. Not only in racial matters but in kindred bureaucratic decisions can friends be rewarded and enemies punished. Need more be said?

The chickens, then, will come home to roost with a vengeance.

Private programs, not Government programs, are the answer. Also, if those Members of Congress who studiously present their civil rights views were to exercise the same scholarship, zeal, and constitutional interpretation, in other Federal programs, involving Federal moneys, we of the legislative branch of our Government would collectively do a far better job.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE VII—EQUAL EMPLOYMENT OPPORTUNITY

Findings and declaration of policy

SEC. 701. (a) The Congress hereby declares that the opportunity for employment without discrimination of the types described in sections 704 and 705 is a right of all persons within the jurisdiction of the United States, and that it is the national policy to protect the right of the individual to be free from such discrimination.

(b) The Congress further declares that the succeeding provisions of this title are necessary for the following purposes:

(1) To remove obstructions to the free flow of commerce among the States and with foreign nations.

(2) To insure the complete and full enjoyment by all persons of the rights, privileges, and immunities secured and protected by the Constitution of the United States.

Definitions

SEC. 702. For the purposes of this title—

(a) the term "person" includes one or more individuals, labor union, partnerships, associations, corporations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, or receivers.

(b) The term "employer" means a person engaged in an industry affecting commerce who has twenty-five or more employees, and any agent of such a person, but such term does not include (1) the United States, a corporation wholly owned by the Government of the United States, or a State or political subdivision thereof, (2) a bona fide private membership club (other than a labor organization) which is exempt from taxation under section 501(c) of the Internal Revenue Code of 1954: *Provided*, That during the first year after the effective date prescribed in subsection (a) of section 719, persons having fewer than one hundred employees (and their agents) shall not be considered employers, and, during the second year after such date, persons having fewer than fifty employees (and their agents) shall not be considered employers.

(c) The term "employment agency" means any person regularly undertaking with or without compensation to procure employees for an employer or to procure for employees opportunities to work for an employer and includes an agent of such a person; but shall not include an agency of the United States, or an agency of a State or political subdivision of a State, except that such term shall include the United States Employment Service and the system of State and local employment services receiving Federal assistance.

(d) The term "labor organization" means a labor organization engaged in an industry affecting commerce, and any agent of such an organization, and includes any organization of any kind, any agency, or employee representation committee, group, association, or plan so engaged in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours, or other terms or conditions of employment, and any conference, general committee, joint or system board, or joint council so engaged which is subordinate to a national or international labor organization.

(e) A labor organization shall be deemed to be engaged in an industry affecting commerce if the number of its members (or, where it is a labor organization composed of other labor organizations or their representatives, if the aggregate number of the members of such other labor organization) is (A) one hundred or more during the first year after the effective date prescribed in subsection (a) of section 719, (B) fifty or more during the second year after such date, or (C) twenty-five or more thereafter, and such labor organization—

(1) is the certified representative of employees under the provisions of the National Labor Relations Act, as amended, or the Railway Labor Act, as amended;

(2) although not certified, is a national or international labor organization or a local labor organization recognized or acting as the representative of employees of an employer or employers engaged in an industry affecting commerce; or

(3) has chartered a local labor organization or subsidiary body which is representing or actively seeking to represent employees of employers within the meaning of paragraph (1) or (2); or

(4) has been chartered by a labor organization representing or actively seeking to represent employees within the meaning of paragraph (1) or (2) as the local or subordinate body through which such employees may enjoy membership or become affiliated with such labor organization; or

(5) is a conference, general committee, joint or system board, or joint council, subordinate to a national or international labor organization, which includes a labor organization engaged in an industry affecting commerce within the meaning of any of the preceding paragraphs of this subsection.

(f) The term "employee" means an individual employed by an employer.

(g) The term "commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States; or between a State and any place outside thereof; or within the District of Columbia, or a possession of the United States; or between points in the same State but through a point outside thereof.

(h) The term "industry affecting commerce" means any activity, business, or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce and includes any activity or industry "affecting commerce" within the meaning of the Labor-Management Reporting and Disclosure Act of 1959.

(i) The term "State" includes a State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island, the Canal Zone, and Outer Continental Shelf lands defined in the Outer Continental Shelf Lands Act.

Exemption

SEC. 703. This title shall not apply to an employer with respect to the employment of aliens outside any State, or to a religious corporation, association, or society.

Discrimination because of race, color, religion, or national origin

SEC. 704. (a) It shall be an unlawful employment practice for an employer—

(1) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, or national origin; or

(2) to limit, segregate, or classify his employees in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, or national origin.

(b) It shall be an unlawful employment practice for an employment agency to fail or refuse to refer for employment, or otherwise to discriminate against, any individual because of his race, color, religion, or national origin, or to classify or refer for employment any individual on the basis of his race, color, religion, or national origin.

(c) It shall be an unlawful employment practice for a labor organization—

(1) to exclude or to expel from its membership, or otherwise to discriminate against, any individual because of his race, color, religion, or national origin;

(2) to limit, segregate, or classify its membership in any way which would deprive or tend to deprive any individual of employment opportunities, or would limit such employment opportunities or otherwise adversely affect his status as an employee or as an applicant for employment, because of such individual's race, color, religion, or national origin; or

(3) to cause or attempt to cause an employer to discriminate against an individual in violation of this section.

(d) It shall be an unlawful employment practice for any employer, labor organization, or joint labor-management committee controlling apprenticeship or other training programs to discriminate against any individual because of his race, color, religion, or national origin in admission to, or employment in, any program established to provide apprenticeship or other training.

(e) Notwithstanding any other provision of this title, it shall not be an unlawful employment practice for an employer to hire and employ employees of a particular religion or national origin in those certain instances where religion or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of that particular business or enterprise.

Other unlawful employment practices

SEC. 705. (a) It shall be an unlawful employment practice for an employer to discriminate against any of his employees or applicants for employment, for an employment agency to discriminate against any individual, or for a labor organization to discriminate against any member thereof or applicant for membership, because he has opposed any practice made an unlawful employment practice by this title, or because he has made a charge, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under this title.

(b) It shall be an unlawful employment practice for an employer, labor organization, or employment agency to print or publish or cause to be printed or published any notice or advertisement relating to employment by such an employer or membership in such a labor organization, or relating to any classification or referral for employment by such an employment agency, indicating any preference, limitation, specification, or discrimination, based on race, color, religion, or national origin, except that such a notice or advertisement may indicate a preference, limitation, specification, or discrimination based on religion when religion is a bona fide occupational qualification for employment.

Equal Employment Opportunity Commission

SEC. 706. (a) There is hereby created a Commission to be known as the Equal Employment Opportunity Commission, which shall be composed of five members, not more than three of whom shall be members of the same political party, who shall be appointed by the President by and with the advice and consent of the Senate. One of the original members shall be appointed for a term of one year, one for a term of two years, one for a term of three years, one for a term of four years, and one for a term of five years, beginning from the date of enactment of this title, but their successors shall be appointed for terms of five years each, except that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed. The President shall designate one member to serve as Chairman of the Commission, and one member to serve as Vice Chairman. The Chairman shall be responsible on behalf of the Commission for the administrative operations of the Commission, and shall appoint, in accordance with the civil service laws, such officers, agents, attorneys, and employees as it deems necessary to assist it in the performance of its functions and to fix their compensation in accordance with the Classification Act of 1949, as amended. The Vice Chairman shall act as Chairman in the absence or disability of the Chairman or in the event of a vacancy in that office.

(b) A vacancy in the Commission shall not impair the right of the remaining members to exercise all the powers of the Commission and three members thereof shall constitute a quorum.

(c) The Commission shall have an official seal which shall be judicially noticed.

(d) The Commission shall at the close of each fiscal year report to the Congress and to the President concerning the action it has taken; the names, salaries, and duties of all individuals in its employ and the moneys it has disbursed; and shall make such further reports on the cause of and means of eliminating discrimination and such recommendations for further legislation as may appear desirable.

(e) Each member of the Commission shall receive a salary of $20,000 a year, except that the Chairman shall receive a salary of $20,500.

(f) The principal office of the Commission shall be in the District of Columbia, but it may meet or exercise any or all of its powers at any other place. The Commission may establish such regional offices as it deems necessary, and shall establish at least one such office in each of the major geographical areas of the United States, including its territories and possessions.

(g) The Commission shall have power—

(1) to cooperate with and utilize regional, State, local, and other agencies, both public and private, and individuals;

(2) to pay to witnesses whose depositions are taken or who are summoned before the Commission or any of its agents the same witness and mileage fees as are paid to witnesses in the courts of the United States;

(3) to furnish to persons subject to this title such technical assistance as they may request to further their compliance with this title or an order issued thereunder;

(4) upon the request of any employer, whose employees or some of them refuse or threaten to refuse to cooperate in effectuating the provisions of this title, to assist in such effectuation by conciliation or other remedial action;

(5) to make such technical studies as are appropriate to effectuate the purposes and policies of this title and to make the results of such studies available to interested governmental and nongovernmental agencies.

(h) Attorneys appointed under this section may, at the direction of the Commission, appear for and represent the Commission in any case in court.

(i) The Commission shall, in any of its educational or promotional activities, cooperate with other departments and agencies in the performance of such educational and promotional activities.

Prevention of unlawful employment practices

SEC. 707. (a) Whenever it is charged in writing under oath by or on behalf of a person claiming to be aggrieved, or a written charge has been filed by a member of the Commission (and such charge sets forth the facts upon which it is based) that an employer, employment agency, or labor organization has engaged in an unlawful employment practice, the Commission shall furnish such employer, employment agency, or labor organization (hereinafter referred to as the "respondent") with a copy of such charge and shall make an investigation of such charge. If two or more members of the Commission shall determine, after such investigation, that reasonable cause exists for crediting the charge, the Commission shall endeavor to eliminate any such unlawful employment practice by informal methods of conference, conciliation, and persuasion and, if appropriate, to obtain from the respondent a written agreement describing particular practices which the respondent agrees to refrain from committing. Nothing said or done during and as a part of such endeavors may be used as evidence in a subsequent proceeding.

(b) If the Commission has failed to effect the elimination of an unlawful employment practice and to obtain voluntary compliance with this title, or in advance thereof if circumstances warrant, the Commission, if it determines there is reasonable cause to believe the respondent has engaged in or is engaging in, an unlawful employment practice, shall, within ninety days, bring a civil action to prevent the respondent from engaging in such unlawful employment practice, except that the Commission shall be relieved of any obligation to bring a civil action in any case in which the Commission has, by affirmative vote, determined that the bringing of a civil action would not serve the public interest.

(c) In the Commission has failed or declined to bring a civil action within the time required under subsection (b), the person claiming to be aggrieved may, if one member of the Commission gives permission in writing, bring a civil action to obtain relief as provided in subsection (e).

(d) Each United States district court and each United States court of a place subject to the jurisdiction of the United States shall have jurisdiction of actions brought under this title. Such actions may be brought either in the judicial district in which the unlawful employment practice is alleged to have been committed or in the judicial district in which the respondent has his principal office. No such civil action shall be based on an unlawful employment practice occurring more than six months prior to the filing of the charge with the Commission and the giving of notice thereof to the respondent, unless the person aggrieved thereby was prevented from filing such charge by reason of service in the Armed Forces, in which event a period of military service shall not be included in computing the six month period.

(e) If the court finds that the respondent has engaged in or is engaging in an unlawful employment practice charged in the complaint, the court may enjoin the respondent from engaging in such unlawful employment practice, and shall order the respondent to take such affirmative action, including reinstatement or hiring of employees, with or without back pay (payable by the employer, employment agency, or labor organization, as the case may be, responsible for the unlawful employment practice), as may be appropriate. Interim earnings or amounts earnable with reasonable diligence by the person or persons discriminated against shall operate to reduce the back pay otherwise allowable. No order of the court shall require the admission or reinstatement of an individual as a member of a union or the hiring, reinstatement, or promotion of an individual as an employee, or the payment to him of any back pay, if such individual was refused admission, suspended, or expelled or was refused employment or advancement or was suspended or discharged for cause.

(f) In any case in which the pleadings present issues of fact, the court may appoint a master and the order of reference may require the master to submit with his report a recommended order. The master shall be compensated by the United States at a rate to be fixed by the court, and shall be reimbursed by the United States for necessary expenses incurred in performing his duties under this section. Any court before which a proceeding is brought under this section shall advance such proceeding on the docket and expedite its disposition.

(g) The provisions of the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes," approved March 23, 1932 (29 U.S.C. 101–115), shall not apply with respect to civil actions brought under this section.

(h) In any action or proceeding under this title the Commission shall be liable for costs the same as a private person.

Effect on State laws

SEC. 708. (a) Nothing in this title shall be deemed to exempt or relieve any person from any liability, duty, penalty, or punishment provided by any present or future law of any State or political subdivision of a State, other than any such law which purports to require or permit the doing of any act which would be an unlawful employment practice under this title.

(b) Where there is a State or local agency which has effective power to eliminate and prohibit discrimination in employment in cases covered by this title, and the Commission determines the agency is effectively exercising such power, the Commission shall seek written agreements with the State or local agency under which the Commission shall refrain from bringing a civil action in any cases or class of cases referred to in such agreement. No person may bring a civil action under section 707(c) in any cases or class of cases referred to in such agreement. The Commission shall rescind any such agreement when it determines such agency no longer has such power, or is no longer effectively exercising such power.

Investigations, inspections, records

SEC. 709. (a) In connection with any investigation of a charge filed under section 707, the Commission or its designated representative may gather data regarding the practices of any person and may enter and inspect such places and such records (and make such transcriptions thereof), question such employees, and investigate such facts, conditions, practices, or matters as may be appropriate to determine whether the respondent has committed or is committing an unlawful employment practice, or which may aid in the enforcement of this title.

(b) With the consent and cooperation of State and local agencies charged with the administration of State fair employment practices laws, the Commission may, for the purpose of carrying out its functions and duties under this title and within the limitation of funds appropriated specifically for such purpose, utilize the services of State and local agencies and their employees and, notwithstanding any other provision of law, may reimburse such State and local agencies and their employees for services rendered to assist the Commission in carrying out this title.

(c) Every employer, employment agency, and labor organization subject to this title shall (1) make and keep such records relevant to the determinations of whether unlawful employment practices have been or are being committed, (2) preserve such records for such periods, and (3) make such reports therefrom, as the Commission shall prescribe by regulation or order as reasonable, necessary, or appropriate for the enforcement of this title or the regulations or orders thereunder. The Commission shall, by regulation, require each employer, labor organization, and joint labor-management committee subject to this title which controls an apprenticeship or other training program to maintain such records as are reasonably necessary to carry out the purposes of this title, including, but not limited to, a list of applicants who wish to participate in such program, including the chronological order in which such applications were received, and shall furnish to the Commission, upon request, a detailed description of the manner in which persons are selected to participate in the apprenticeship or other training program. Any employer, employment agency, labor organization, or joint labor-management committee which believes that the application to it of any regulation or order issued under this section would result in undue hardship it may (1) apply to the Commission for an exemption from the application of such regulation or order, or (2) bring a civil action in the United States district court for the district where such records are kept. If the Commission or the court, as the case may be, finds that the application of the regulation or order to the employer, employment service, or labor organization in question would impose an undue hardship, the Commission or the court, as the case may be, may grant appropriate relief.

Investigatory powers

SEC. 710. (a) For the purposes of any investigation provided for in this title, the provisions of sections 9 and 10 of the Federal Trade Commission Act of September 16, 1914, as amended (15 U.S.C. 49, 50), are hereby made applicable to the jurisdiction, powers, and duties of the Commission, except that the provisions of section 307 of the Federal Power Commission Act shall apply with respect to grants of immunity, and except that the attendance of a witness may not be required outside the State where he is found, resides, or transacts business, and the production of evidence may not be required outside the State where such evidence is kept.

(b) The several departments and agencies of the Government, when directed by the President, shall furnish the Commission, upon its request, all records, papers, and information in their possession relating to any matter before the Commission.

Employment practices of governmental agencies and of contractors with the Government

SEC. 711. (a) The President is authorized and directed to take such action as may be necessary to provide protections within the Federal Establishment to insure equal employment opportunities for Federal employees in accordance with the policies of this title.

(b) The President is authorized to take such action as may be appropriate to prevent the committing or continuing of an unlawful employment practice by a person in connection with the performance of a contract with an agency or instrumentality of the United States.

Notices to be posted

SEC. 712. (a) Every employer, employment agency, and labor organization, as the case may be, shall post and keep posted in conspicuous places upon its premises where notices to employees, applicants for employment, and members are customarily posted a notice to be prepared or approved by the Commissioner setting forth excerpts of this title and such other relevant information which the Commission deems appropriate to effectuate the purposes of this title.

(b) A willful violation of this section shall be punishable by a fine of not less than $100 or more than $500 for each separate offense.

Veterans' preference

SEC. 713. Nothing contained in this title shall be construed to repeal or modify any Federal, State, territorial, or local law creating special rights or preference for veterans.

Rules and regulations

SEC. 714. (a) The Commission shall have authority from time to time to issue, amend, or rescind suitable regulations to carry out the provisions of this title. Regulations issued under this section shall be in conformity with the standards and limitations of the Administrative Procedure Act.

(b) In any action or proceeding based on any alleged unlawful employment practice, no person shall be subject to any liability or punishment for or on account of (1) the commission by such person of an unlawful employment practice if he pleads and proves that the act or omission complained of was in good faith, in conformity with, and in reliance on any written interpretation or opinion of the Commission, or (2) the failure of such person to publish and file any information required by any provision of this title if he pleads and proves that he published and filed such information in good faith, in conformity with the instructions of the Commission issued under this title regarding the filing of such information. Such a defense, if established, shall be a bar to the action or proceeding, notwithstanding that (A) after such act or omission, such interpretation or opinion is modified or rescinded or is determined by judicial authority to be invalid or of no legal effect, or (B) after publishing or filing the description and annual reports, such publication or filing is determined by judicial authority not to be in conformity with the requirements of this title.

Forcibly resisting the Commission or its representatives

SEC. 715. The provisions of section 111, title 18, United States Code, shall apply to officers, agents, and employees of the Commission in the performance of their official duties.

Appropriations authorized

SEC. 716. There is hereby authorized to be appropriated not to exceed $2,500,000 for the administration of this title by the Commission during the first year after its enactment, and not to exceed $10,000,000 for such purpose during the second year after such date.

Separability clause

SEC. 717. If any provision of this title or the application of such provision to any person or circumstance shall be held invalid, the remainder of this title or the application of such provision to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Special study by Secretary of Labor

SEC. 718. The Secretary of Labor shall make a full and complete study of the factors which might tend to result in discrimination in employment because of age and of the consequences of such discrimination on the economy and individuals affected. The Secretary of Labor shall make a report to the Congress not later than June 30, 1964, containing the results of such study and shall include in such report such recommendations for legislation to prevent arbitrary discrimination in employment because of age as he determines advisable.

Effective date

SEC. 719. (a) This title shall become effective one year after the date of its enactment.

(b) Notwithstanding subsection (a), sections of this title other than sections 704, 705, and 707 shall become effective immediately.

(c) The President shall as soon as feasible after the enactment of this title, convene one or more conferences for the purpose of enabling the leaders of groups whose members will be affected by this title to become familiar with the rights afforded and obligations imposed by its provisions, and for the purpose of making plans which will result in the fair and effective administration of this title when all of its provisions become effective. The President shall invite the participation in such conference or conferences of (1) the members of the President's Committee on Equal Employment Opportunity, (2) the members of the Commission on Civil Rights, (3) representatives of State and local agencies engaged in furthering equal employment opportunity, (4) representatives of private agencies engaged in furthering equal employment opportunity, and (5) representatives of employers, labor organizations, and employment agencies who will be subject to this title.

Mr. CELLER (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of title VII be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion of the gentleman from New York.

The question was taken; and on a division (demanded by Mr. Halleck) there were—ayes 106, noes 88.

So the motion was agreed to.

Accordingly, the Committee rose: and the Speaker having resumed the chair, Mr. Keogh, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes, had come to no resolution thereon.

ELECTION OF MEMBER TO THE POST OFFICE AND CIVIL SERVICE COMMITTEE

Mr. HALLECK. Mr. Speaker, I offer a resolution and ask for its immediate consideration.

The Clerk read as follows:

> *Resolved*, That Albert W. Johnson, of Pennsylvania, be, and he is hereby elected a member of the standing Committee of the House of Representatives on Post Office and Civil Service.

The resolution (H. Res. 625) was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING ACQUISITION OF AND PAYMENT FOR FLOWAGE EASEMENT AND RIGHTS-OF-WAY WITHIN THE ALLEGANY INDIAN RESERVATION IN NEW YORK

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 1794) to authorize the acquisition of and the payment for a flowage easement and rights-of-way over lands within the Allegany Indian Reservation in New York, required by the United States for the Allegheny River—Kinzua Dam—project, to provide for the relocation, rehabilitation, social and economic development of the members of the Seneca Nation, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado [Mr. Aspinall]?

Mr. SAYLOR. Mr. Speaker, reserving the right to object, will the gentleman from Colorado explain to the Members this bill that is being considered?

Mr. ASPINALL. Mr. Speaker, I shall be glad to explain the provisions of the bill, and I might also at this time say that the gentleman from Florida [Mr. Haley], of the subcommittee handling the legislation, the gentleman from Pennsylvania [Mr. Saylor], ranking minority member of the committee, are in a position to help in the explanation of this particular legislation.

It is necessary if we are to do what the legislation purports to do that we have this legislation agreed to by the Congress, approved by the President and in the hands of the Committee on Appropriations for reclamation as soon as possible.

I am not going into the history of the Kinzua Dam. We have had a controversy over the building of the Kinzua Dam for many years. That dam was first authorized as a part of a flood control project of the Ohio River.

Although these costs that are involved in this particular piece of legislation which would make payment to the Seneca Indian Tribe, who reside in that area of New York which would be affected by the construction of the dam, do add to the costs of the project, nevertheless the project is feasible and would have been feasible, even it these costs had been figured in at the time the first estimate was made. The benefit-cost ratio originally was 2.1 to 1. With these costs figured in, the benefit-cost ratio would still be 1.8 to 1, which is a very good project.

The bill provides for certain payments to the Seneca Tribe for damages and also provides for a rather large sum to be appropriated and used by the Senecas for reconstruction. The total now is $19,253,375.

May I say in explanation that the consideration given to this bill in my opinion merits the praise of my colleagues in the House. If you will notice in the report on this bill there appear the following individual views:

> We wish to recognize the patience and understanding shown by Representatives James A. Haley, chairman, Subcommittee on Indian Affairs, in pursuing the cause of justice for the Seneca Indians in their negotiations with the Federal Government.
>
> We commend him for his undeviating perseverance in achieving a fair settlement for the Seneca Nation in accordance with our American ideals.

This has been signed by every member of the committee other than the gentleman from Florida [Mr. Haley], who prepared and filed the report at the request of the chairman of the committee.

Mr. Speaker, the bill presently before us, H.R. 1794, concerns the Seneca Nation of Indians residing, for the most part, in New York State. The bill authorizes first, the acquisition of and payment for a flowage easement and rights-of-way over lands within the Allegany Indian Reservation that is required by the U.S. Army Corps of Engineers in the construction of the Kinzua Dam and Reservoir on the Allegheny River, and second, funds for the relocation, rehabilitation and social and economic development of members of the Seneca Nation.

The project has an interesting and controversial history. The flood Control Act of 1936 enacted by Congress was a comprehensive plan for the protection of major cities and lowlands in the Ohio Valley. The Allegheny Dam, located at Kinzua, Pa., and reservoir north of the dam site, is a major step in the completion of the program. This particular project was authorized in construction acts in 1938, 1941, and 1944, but funds were not made available until 1958. The project, now nearing completion, is located on the Allegheny River 198 miles above Pittsburgh and 9 miles south of the Pennsylvania-New York boundary line. Constructed of combined concrete and earth embankment, the dam will be 180 feet high and 1,915 feet long. The dam will create a narrow reservoir some 35 miles in length extending northward to Salamanca, N.Y. Present schedules call for partial closure of the dam in June 1964, for total closure in October of this year, and for completion of the entire structure within a year. No power generating facilities are included in the project.

The estimated cost of the Allegheny River project is $107 million, not including the costs considered in H.R. 1794 which will bring it up to roughly $120 million. The project's benefit-cost ratio on the project construction alone is reasonable, roughly 2.1 to 1. Treating all items covered by the bill as though they were project costs, the ratio becomes 1.8 to 1. In other words, it is estimated that benefits accruing from flood control, low water control, and recreation will run to approximately $6¼ million per year. The dam will provide flood protection in varying degrees, not only for Pittsburgh and its industries, but also for many other cities and industries located in the Allegheny and Ohio River Valleys. The flood control capacity to be provided by the dam and reservoir is said to be sufficient to store a flood about 2½ times the size of the greatest flood of record at the dam site. It is contended that the reservoir will substantially reduce all major floods in the 200-mile reach of the river below.

Let me describe the project further. Not much land, only 21,175 acres, in New York and Pennsylvania is involved, but it is a very important acreage so far as the Seneca Nation is concerned. The Allegany Reservation, which contains only 30,000 acres to begin with, will lose over one-third of its area to the reservoir. The remainder of the reservation land includes about 10,000 acres within the so-called congressional villages, of which Salamanca is the largest, and 2,000 acres in rights-of-way for highways and the like. There will thus be left about 8,500 acres of dry land for permanent and unrestricted use by members of the Seneca Nation residing on the reservation. Unfortunately, much of this will either be so isolated by the reservoir or so hilly that it can be scarcely utilized.

On this acreage a goodly portion—1,100 actually—of the 4,200 enrolled Senecas will be expected to reside and earn a livelihood. Of the 1,100 Senecas living on the Allegany Reservation, 482—127 families—must be relocated on two sites—Jimersontown—300 acres—and Steamburg—350 acres. These sites have been set aside for the relocatees but they must be improved and developed. Little has been done as yet to make these sites habitable and the date for removal of the residents is rapidly approaching. Thus there is a real sense of urgency in the enactment of this legislation.

I shall not dwell on the manner in which this project was handled except to say that the Indians were caught in a serious bind. Unfortunately, the Indians were not reimbursed for their losses before the dam and reservoir construction commenced. In fact, they have not received a dime to date although the project is nearing completion. Their holdings should have been considered when the Corps of Engineers planned the project and the authorizing committee should have worked with the Indians in arriving at an overall cost. It is too late to talk about what should have been done. Now our job is to enact flowage easement, rehabilitation, and relocation legislation which will make it possible to complete the construction and provide decent homes and economic opportunities for the displaced members of the Seneca Nation.

Mr. Speaker, my colleagues from the Committee on Interior and Insular Affairs will outline further the details of H.R. 1794 and explain the need for early enactment of the legislation.

Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. HALEY], the gentleman from Pennsylvania [Mr. SAYLOR], and any other Members desiring to do so, may be permitted to extend their remarks at this point in the RECORD in connection with this bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HALEY. Mr. Speaker, I thank my chairman, the gentleman from Colorado [Mr. ASPINALL] and the gentleman from Pennsylvania [Mr. SAYLOR] for their comments on H.R. 1794.

My chief interest in this legislation stems from two documents, the Pickering Treaty of November 11, 1794, signed by President George Washington, and the opinion of the Court of Appeals found in the appendix of Committee Report No. 1128.

In the Pickering Treaty the United States recognized the property of the Seneca Nation and solemnly promised not to claim the land under any circumstances:

> Until they [the Senecas] choose to sell the same to the people of the United States, who have the right to purchase.

To me the treaty means what it states. To the Corps of Engineers apparently the treaty means something else.

The Seneca Nation contested the corps' right to condemn its land and to construct the Kinzua Dam and Reservoir. The nation lost its suit legally. Morally, however, the Seneca Nation still has a case, a very strong case. If the land required for the Kinzua Dam and Reservoir were fee simple land I know of no reason why condemnation proceedings could not or should not take place. Such is not the case. The United States has a special and peculiar responsibility to its Indian wards, particularly when they are covered by treaty provisions. This is not the first time—nor will it be the last time, I fear—that Indians have seen their land taken in a ruthless manner for the benefit of persons other than themselves. In a number of instances in North and South Dakota, Indian reservation lands have been taken for flood control purposes. In those instances the tribes were reimbursed for their losses and special consideration was made for their relocation and rehabilitation. Similar treatment should be given to the Seneca Nation which has lost 10,200 acres of the best land on the Allegany Reservation.

My bill, H.R. 1794, which incidentally carries the same number as the date of the violated Pickering Treaty, provides for the payment of three classes of money to the Senecas: First, that which will be required for the acquisition of flowage easements within the Allegany Reservation; second, compensation for certain indirect damages which, in ordinary condemnation proceedings, are not compensable; and third, that which is necessary to rehabilitate and reestablish on a firm footing the Seneca's economy and to cover certain other expenses.

May I now explain what I mean by direct damages. Of the amount set aside for direct damages, $1,289,060, about $666,000 is for Seneca land being acquired for the dam and reservoir. This is a negotiated sum and, I believe, reasonable in the light of similar land values in southwestern New York State. Permanent improvements on the acquired land are listed at $522,000. Again this is a negotiated value. A compromise amount of $100,000 has been set aside for damages caused by the reservoir in exploiting oil and gas resources. Court action will be necessary to arrive at a compensable amount for sand and gravel resources. The Corps of Engineers and the Seneca Nation were unable to arrive at a compromised value of these resources.

As was done in legislating for North and South Dakota Indians in similar cases certain sums are authorized for indirect damages. Obviously it is very difficult to arrive at values which includes loss of timber and wildlife resources, access to the shoreline, payment for the river bottom, and the cost of furnishing water to the relocation sites.

In spite of the corps' objections to the propriety of charging indirect costs to the overall cost of the Allegheny River project, our committee earmarked $1,033,275 for this category. A breakdown of costs will be found on page 8 of Committee Report No. 1128.

The most costly item in the bill is for rehabilitating the 4,200 members of the Seneca Nation. For this purpose, $16,900,000 has been allocated. While actually only 127 families—482 persons—are being relocated, all 4,200 members will participate in the rehabilitation program which will become possible under H.R. 1794.

The bill itself does not specify dollar amounts for each portion of the rehabilitation program, but on page 8 of our committee report is a listing of amounts proposed for the six subitems. The committee urges that these amounts be kept flexible to insure a well-rounded program.

The first item calls for an $8 million expenditure for agricultural, commercial, and recreational development. Originally, an engineering firm employed by the Bureau of Indian Affairs with funds provided by the Corps of Engineers, recommended a $29 million project which envisaged an Indian Williamsburg tourist attraction which would have depicted life as it was in the early and mid-1800's. The committee rejected this plan and settled on a less costly development which the Senecas believe they can work out on a smaller scale.

Since the remaining acreage on the Allegany Reservation or on the other Seneca Reservation—the Cattaraugus—lying some 20 miles to the north, cannot possibly support the nation through farming activities, the committee looked favorably on the creation of an industrial park development which would provide sorely needed employment. For this purpose, $4,400,000 is set aside.

Two relocation and resettlement sites will be established to accommodate the 127 displaced families. An amount of $1,025,000 for this purpose has been approved by the Seneca Housing Committee, the Kinzua Planning Committee, and the Bureau of Indian Affairs. These two sites will have streets, water, electricity, and parking facilities.

The recommendation that $2,300,000 be made available for education is based on estimates of needs made by the Seneca Nation with advice and assistance from the Bureau of Indian Affairs. It is intended to finance a 20-year program of higher education and vocational training for a generation of Seneca children.

Several other less costly items and provisions, including cemetery relocation and attorney fees, are included in the bill but they are of a somewhat minor nature.

Mr. Speaker, I know our colleagues are interested in the overall cost of this legislation. It is estimated that the total amount involved in this bill is about $20,150,000.

The Corps of Engineers advised me this morning that its present estimated cost of the entire project is $107 million. Of this total $63,906,000 has already been appropriated, either prior to June 30, 1963 or for fiscal 1964. Yet to be appropriated for the project is $43,094,000. The corps is requesting $27 million for fiscal 1965 and will ask for the remaining $16,094,000 at a later date. The $107 million quotation, I might add, does not include the cost of indirect damages, $1,033,275, which the corps believes to be excessive.

The Bureau of Indian Affairs will justify its needs before the Appropriations Committee. Our committee will not endorse an elaborate Bureau field setup to administer H.R. 1794.

Mr. Speaker, I strong support H.R. 1794 and urge its favorable consideration by the House. Time is of the essence if we are to relocate the Senecas before the dam gates are closed and their homelands are flooded.

Mr. SAYLOR. Mr. Speaker, I introduced a companion bill to H.R. 1794 because I was greatly concerned over the treatment the Seneca Nation was receiving from the Corps of Engineers.

I followed the course of the Kinzua project with careful interest since construction work began. I waited and waited in vain for the corps to complete negotiations for the property of the Senecas needed for the reservoir. I don't think the Pickering Treaty should have been arbitrarily abrogated by the United States but the courts have acted and a decision has been rendered. I find it difficult to see why this dam construction had to commence before the corps and the Nation could have come to terms. The Indians were given cruel and inhuman treatment. They saw their reservation being eaten away for the benefit of the corps. They saw the Pennsylvania Railroad Co. receive prompt and liberal payment for the removal and replacement of its rights-of-way and rail beds. The Indians have not yet received one red cent for the loss of their holdings. They are fully aware that within 5 months the gates of the dam will be closed and their lands will be flooded. They are anxious, and rightly so, about the payment for their land. I personally doubt if any group of non-Indians would have been as patient with the Government as the Indians have been. They know that funds have been made available to build the dam, pay the railroad company and non-Indian landholders. They know that the appropriation hearings are presently being held and that unless the amounts named in this bill can be authorized, the Appropriations Committee will be hard pressed to make rehabilitation funds available.

Mr. Speaker, H.R. 1794 faces a difficult course in the other body. A Corps of Engineers-Seneca Nation compromise has been reached as set forth in this bill. It will cost Congress a sizable sum of money to meet its obligation to the Senecas. Time is running out on the Senecas. I am most hopeful that prompt and careful consideration be given to H.R. 1794, a bill which will prove to the Senecas that while we cannot heal the broken Pickering Treaty, we can to some degree make amends for our thoughtlessness.

Mr. EDMONDSON. Mr. Speaker, I wholeheartedly support this meritorious legislation, which endeavors to do justice to the Seneca Indians.

As a member of the Subcommittee on Indian Affairs, it has been a privilege to support the gentleman from Florida [Mr. HALEY] in his able and valiant effort to assure justice to these first Americans.

I earnestly hope the bill may be speedily approved by the other body and by the President.

Mr. GOODELL. Mr. Speaker, I rise to express my support for H.R. 1794, designed to assist the Seneca Nation of Indians, located in my 38th Congressional District of New York.

The bill is, in many respects, similar to H.R. 7354, the bill I introduced in the 1st session of the 88th Congress. At the time these bills were initially introduced, it was impossible to know the full details of the expected costs. A legislative vehicle was needed, however, and H.R. 1794, which we consider here tonight, is a good bill which provides justice for the Seneca Nation of Indians.

I am very pleased with this bill and especially with the fact that it has won the approval of both the Senecas and the U.S. Army Corps of Engineers whose Kinzua Dam project on the Allegheny River in Pennsylvania necessitates this action.

Time has been and is now of the essence. In June of this year the gates on the dam will be partially closed. They will close further in October of this year. Slowly but surely the floodwaters from that Pennsylvania dam will edge up in New York State on Seneca lands. Hence the need for our action here tonight.

I strongly support the proposal and am zealous that it be moved swiftly to enactment.

It should be pointed out that the total cost of this bill averages out to approximately $4,000 per Seneca, although in no case will such an amount be paid directly to any individual. If the Seneca Nation of Indians were being kept on the Federal program instituted for Indians, it is estimated that it would cost $800 per year per individual. This means that through this bill we will, over a period of 5 years, have taken up the cost that normally could be expected to continue indefinitely. The Seneca Nation, however, will be independent and cost the Federal Government very little after 5 years.

It should be added that there are some aspects of the problem of the Seneca Nation that are not covered in this bill. These are major items which have not as yet been resolved. The costs for these other items must be met later.

When I consider the $20 million which this bill will cost, I must point out that it illustrates, in an all too expensive lesson, the folly of the hasty way in which the Kinzua Dam was approved. Those of us who urged further consideration of alternate plans, costing less and displacing fewer persons, were overridden in the Congress. Tonight we pay the bill for that folly.

The costs in this bill were not considered in computing the cost-benefit ratio of the Kinzua Dam and it was not mentioned by those who sought hasty approval of the project. If these costs had been added to the huge construction costs, it is entirely likely that the cost-benefit ratio would show that we are now spending a dollar for considerably less than a dollar's worth of benefit.

Those who opposed the Kinzua Dam are justified tonight.

Let us not forget that it is the Seneca Nation of Indians that has been damaged and let it be our hope that with the impetus of this legislation they can build for themselves a way of life that will be rewarding and satisfactory in every way.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in furtherance of the Allegheny River Dam and Reservoir project authorized by the Flood Control Acts of August 18, 1941 (55 Stat. 638), and December 22, 1944 (58 Stat. 889), the United States hereby takes—

(a) the right, power, privilege and easement to overflow, flood and submerge lands within the Allegany Indian Reservation up to 1,365 feet above sea level, consisting of approximately 10,010 acres, as delineated on the map referred to in section 14 hereof, for as long as required in the construction, operation and maintenance of the Allegheny River project authorized under the aforesaid Flood Control Acts; and

(b) rights-of-way for the relocation of highways, railroads, telephone lines and other public utilities across approximately acres of land within the Allegany Indian Reservation, including lands below elevation 1,365 feet, as also delineated on the map referred to in section 14 hereof, for as long as said rights-of-way are used for the purposes originally intended.

SEC. 2. In consideration for the flowage easement and rights-of-way acquired under section 1 of the Act, the United States will pay, out of funds available for the Allegheny River project, and in accordance with the provisions of section 3 hereof—

(a) to the Seneca Nation, the amount of $ as compensation for the direct damages (including severance damages and the taking of subsurface rights as hereinafter provided in section 6) to lands within the Allegany Indian Reservation caused by the aforesaid flowage easement and rights-of-way;

(b) to individual Seneca Indians, a sum aggregating $———, to be disbursed in accordance with the provisions of a schedule prepared pursuant to section 3(b) of this Act, as compensation for the taking of houses, barns, fences, wells, and other structures and improvements on lands within the Allegany Indian Reservation; and

(c) to the Seneca Nation, the amount of $———, in settlement of all other claims, rights, and demands of the nation and its members, including indirect damages, arising out of the taking of property under this Act.

SEC. 3. (a) The payment authorized by section 2(a) of this Act shall be made directly to the Seneca Nation: *Provided*, That out of the funds so distributed to the Nation a sum aggregating $——— shall be paid to individual Seneca Indians in accordance with a schedule of allottees within the taking area prepared by the Secretary of the Army, after certification by the nation. Said schedule shall reflect the amount agreed upon by the Secretary of the Army and the Seneca Nation, with the approval of the Secretary of the Interior, as compensation for the interests in lands within the taking area of said individual Seneca Indians.

(b) The payments authorized by section 2(b) of this Act shall be made directly to individual Seneca Indians in accordance with a schedule of property owners within the taking area prepared by the Secretary of the Army, after certification by the Seneca Nation. Said schedule shall reflect the amount agreed upon by the Secretary of the Army and the nation, with the approval of the Secretary of the Interior, as compensation for the homes, barns, fences, wells, and other structures and improvements within the taking area of said individual Seneca Indians.

(c) The payment authorized by section 2(c) of this Act shall be made directly to the Seneca Nation: *Provided*, That the Nation, with the approval of the Secretary of the Interior, shall make available from the funds so distributed not to exceed $———, to pay the expenses, costs, losses, and damages incurred by individual Seneca Indians as a result of moving themselves and their possessions, including dwellings and other buildings owned by the members of the Nation, on account of the acquisition by the United States of a flowage easement and rights-of-way within the Allegany Reservation as authorized in section 1 of this Act.

(d) No part of the compensation provided for in section 2 of this Act shall be subject to any prior lien, debt, or claim of any nature whatsoever against the Seneca Nation or the individual Seneca Indians entitled to such compensation, except delinquent debts owed to the United States by the nation or delinquent debts owed to the United States or the Seneca Nation by the individual Seneca Indian entitled to the compensation: *Provided,* That such compensation shall not be applied to the payment of individual delinquent debts to the United States unless the Secretary of the Interior first determines and certifies that no hardship will result from the payment of such delinquent debts.

Sec. 4. There is authorized to be appropriated the additional sum of $, which shall be deposited in the Treasury of the United States to the credit of the Seneca Nation and which shall draw interest on the principal at the rate of 4 per centum per annum until expended, for assistance designed to improve the economic, social, and educational conditions of enrolled members of the Seneca Nation, including, but not limited to, the following purposes:

(a) agricultural, commercial and recreational development on the Allegany, Cattaraugus, and Oil Springs Reservations;

(b) industrial development on the Seneca reservations or within fifty miles of any exterior boundary of said reservations if a preferential right of employment is granted members of the Nation;

(c) relocation and resettlement, including the construction of roads, sanitation facilities, houses, and related structures;

(d) the construction and maintenance of community buildings and other community facilities;

(e) an educational fund for scholarship loans and grants, vocational training, and counseling services;

(f) the acquisition of lieu lands either within or adjacent to the Allegany Reservation, as authorized under section 13 of this Act; and

(g) a resurvey of the boundaries of the villages established pursuant to the Act of February 19, 1875 (18 Stat. 330), together with a title search to determine the current status and extent of all leases issued by the Seneca Nation therein.

The funds authorized by this section shall be expended in accordance with plans and programs approved by the Seneca Nation, after consultation with the Secretary of the Interior: *Provided,* That no part of such funds shall be used for per capita payments.

Sec. 5. The Secretary of the Army, out of funds appropriated for the Allegheny River project other than funds provided by this Act, is authorized and directed to relocate and reestablish within the Allegany Reservation such Indian cemeteries, tribal monuments, graves, and shrines inside the taking area as the Seneca Nation or the next of kin shall select and designate: *Provided,* That reinterment of individual remains, though not entire cemeteries, outside the boundaries of the Allegany Reservation also is authorized if so desired by the next of kin, but in such event reinterment to a site which exceeds the equivalent distance from the disinterment site to the farthest point at which reinterment could be made within the reservation boundaries will be made only if the next of kin agrees to pay the added cost: *And provided further,* That the Secretary of the Army is authorized and directed to provide for perpetual maintenance and care at not more than two cemetery relocation sites designated by the Seneca Nation if 50 per centum or more of the graves within the Allegany Reservation subject to disinterment by virtue of the Allegheny River project are reinterred in such sites.

Sec. 6. With the exception of sand and gravel, all minerals of any kind whatsoever, including oil and gas, within the flowage easement and rights of way acquired by the United States under this Act, are hereby reserved for the Seneca Nation. All sand and gravel within the taking area of the Allegheny River project lying under lands now designated as elevation 1340 feet or above, except lands subject to rights of way for highway or railroad purposes, also are reserved for the Seneca Nation. Notwithstanding the foregoing provisions of this section, the exploration and development of such minerals, including oil and gas, and sand and gravel, within the taking area shall be subject to all reasonable regulations of the Secretary of the Army necessary for the protection of the Allegheny River project.

Sec. 7. Members of the Seneca Nation shall have the right without charge to remain on and use the lands subject to the flowage easement and rights of way acquired by the United States under this Act until required to vacate at such times as may be fixed by the Secretary of the Army, with the approval of the Secretary of the Interior and after consultation with the Seneca Nation: *Provided,* That the time for vacating in any event will not extend beyond ———, 196–.

Sec. 8. Up to sixty days before the date for vacating the flowage easement and rights of way in accordance with section 7, the Seneca Nation on its common lands within the taking area for the Allegheny River project, and individual Seneca Indians on lands in which they have an interest as shown on the schedule of allottees described in section 3(a) of this Act, shall have the right, without charge, to cut and remove all timber and to salvage improvements: *Provided,* That if such rights are not exercised or are waived by said individual Seneca Indians within the time prescribed, the nation may exercise their rights: *And provided further,* That the timber cut and the salvage permitted by the section shall not be construed to be compensation.

Sec. 9. The Seneca Nation shall have the right to use, occupy, and control the taking area of the Allegheny River project within the Allegheny Reservation for all purposes not inconsistent with the flowage easement and rights of way acquired by the United States under this Act, including, but not limited to, the right to lease such lands for farming and grazing purposes to members or nonmembers of the nation, the power to dispose of all minerals reserved under section 6 of this Act, the right to hunt and fish on such lands, and to license hunting and fishing by nonmembers of the nation and the right to regulate access to the shoreline of the reservoir.

Sec. 10. The Secretary of the Treasury, upon certification by the Secretary of the Interior, shall reimburse the Seneca Nation for all fees and expenses incurred in relation to the Allegheny River project, including the cost of engineering and appraising services: *Provided,* That such reimbursable fees and expenses shall not exceed in the aggregate $———: *And provided further,* That attorney fees shall be paid under the terms of a contract approved by the Secretary of the Interior.

Sec. 11. (a) Any individual Seneca Indian who accepts the payment tendered to him pursuant to section 3(a) shall be deemed to waive and release any further claims, rights, or demands in his own name arising out of the taking of lands under this Act. Any individual Seneca Indian who accepts the payment tendered to him pursuant to section 3(b) shall be deemed to waive and release any further claims, rights, or demands in his own name arising out of the taking of houses, barns, fences, wells, and other structures and improvements under this Act.

(b) Any individual Seneca Indian who has been duly tendered payment in accordance with the schedules prepared pursuant to section 3 (a) and (b) of this Act shall have the right to reject either or both of the sums so tendered by filing a notice of rejection with the Seneca Nation, Salamanca, New York, and the Chief of Engineers, United States Army, District of Columbia, within one year from the date of enactment of this Act, or within ninety days after the tender is made whichever date is later.

(c) For the purposes of this section, the Secretary of the Interior is authorized to represent any individual Seneca Indian entitled to payment who is a minor, or under any other legal disability, or who cannot be located after a reasonable and diligent search.

Sec. 12. (a) In all cases where a sum tendered in payment under section 3 (a) and (b) of this Act has been rejected by an individual Seneca Indian pursuant to section 11(b), jurisdiction shall be, and hereby is, conferred upon the United States District Court for the Western District of New York to determine just compensation in accordance, except as otherwise expressly provided herein, with the laws and procedures applicable to the determination of just compensation in condemnation proceedings. No court or statutory costs, but all other costs and expenses, including attorney's fees, shall be at the contesting individual's expense. Suit may be brought against the United States on behalf of any individual rejecting payment within one year after the date of the rejection.

(b) Where the sum rejected by an individual Seneca Indian has been tendered under section 3(a) of this Act, and a suit is filed pursuant to this section, the contesting individual shall serve a copy of the complaint upon the Seneca Nation within ten days after commencement of the action. Within sixty days after service upon it of the complaint, the nation shall deposit in court the sum originally tendered to the plaintiff and, through the filing of an answer, may become a party to the suit. Any excess of the sum deposited over the amount finally determined as just compensation shall be paid back to the Seneca Nation. Any excess of the amount finally determined as just compensation over the sum deposited shall be paid by the United States.

(c) Where the sum rejected by an individual Seneca Indian has been tendered under section 3(b) of this Act, and a suit is filed pursuant to this section, the United States shall not assert as a defense that any interest in the property is owned by the Seneca Nation.

(d) For the purposes of this section, any individual Seneca Indian eligible to file suit, who is a minor or under any other legal disability, shall be represented by his legal guardian or, if no guardian has been appointed, by the Secretary of the Interior.

Sec. 13. The Secretary of the Interior is hereby authorized, with the funds provided under section 4(f) of this Act, to purchase or to acquire through condemnation proceedings lands and interests in lands within the Allegany Reservation, or adjacent thereto, not in excess of — acres, for the relocation of houses, cemeteries, and community facilities, or for recreational and industrial development. Any lands so acquired outside the Allegany Reservation shall have the same legal status as lands within the reservation.

Sec. 14. The flowage easement and rights-of-way acquired by the United States under section 1 of this Act are identified and delineated on a map entitled, "Allegheny River Reservoir Within Allegany Indian Reservation, New York." Legal descriptions of the lands shown therein, and the estate taken, shall be prepared by the Secretary of the Army and attached thereto. The map and descriptions shall be filed among the land records of the Bureau of Indian Affairs in Washington, District of Columbia, and recorded in the office of the county clerk of Cattaraugus County, New York. A true and correct copy of the map and descriptions shall be furnished without cost to the Seneca Nation.

Sec. 15. Upon a determination by the Secretary of the Army, within two years from the date of enactment of this Act, that any of the lands delineated on the map referred to in section 14 are not required for Allegheny River project purposes, or if at any time all or part of the flowage easement and rights of way acquired under section 1 of this Act no longer are necessary for such purposes, all rights, title, and interests in such lands shall be revested in the Seneca Nation.

Sec. 16. No part of any expenditures made by the United States under any of the provisions of this Act shall be charged by the United States as an offset or counterclaim against any claim, if any, of the Seneca Nation against the United States.

Sec. 17. All funds authorized by this Act paid to the Seneca Nation and individual Seneca Indians shall be exempt from all forms of State and Federal taxation.

Sec. 18. There is hereby authorized to be appropriated such amounts as may be necessary for the purposes of this Act.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That in furtherance of the Allegheny Reservoir project authorized by the Flood Control Acts of June 28, 1938 (52 Stat. 1215), August 18, 1941 (55 Stat. 638), and December 22, 1944 (58 Stat. 889), payment shall be made as hereinafter set forth in this Act to the Seneca Nation and to the individual Seneca Indians for such easements, interests in land and other property within the Allegany Indian Reservation, more particularly described in section 14 of this Act, as have been taken for the construction, operation, and maintenance of said project.

"Sec. 2. In consideration for the interests in land acquired as set forth in section 1 of this Act, the United States will pay, out of funds available for the Allegheny Reservoir project, and in accordance with the provisions of section 3 hereof—

"(a) to the Seneca Nation, the amount of $666,285, as full compensation for the direct damages (including severance damages, but excluding damages caused by the increased difficulty or impossibility of developing or otherwise exploiting the subsurface resources retained by the nation under section 6) to lands within the Allegany Indian Reservation caused by the acquisition of interests therein by the United States;

"(b) to the Seneca Nation, the sum of $100,000, as full compensation for the damages caused by the increased difficulty or impossibility of developing or otherwise exploiting the oil and gas subsurface resources retained by the nation under section 6 of this Act: *Provided, however*, That the Seneca Nation shall have the right, in the condemnation proceedings instituted by the United States in the United States District Court for the Western District of New York, to seek an additional sum as just compensation due the nation for damages to the sand and gravel resources within the Allegany Indian Reservation caused by the acquisition of interests in land therein by the United States: *Provided further*, That in the event the Seneca Nation seeks such additional compensation, the district court under section 1358, title 28, United States Code, shall have jurisdiction to determine the just compensation due to the nation for said damages.

"(c) to individual Seneca Indians, a sum aggregating $522,775, to be disbursed in accordance with the provisions of a schedule prepared pursuant to section 3(c) of this Act, as full compensation for the taking of houses, barns, fences, wells, and other structures and improvements on lands within the Allegany Indian Reservation; and

"(d) to the Seneca Nation, the amount of $1,033,275, in full settlement of all other claims, rights, and demands of the nation and its members, including indirect damages and loss of access to the bed of the Allegheny River, arising out of the taking of property as set forth in section 1 of this Act, exclusive of the interest, if any, of the Seneca Nation in houses, structures, or other improvements within the Allegany Indian Reservation claimed by nonmembers of the nation.

"(e) In making payments under this section, the United States shall be entitled to a credit for all funds heretofore deposited in condemnation proceedings before the United States District Court for the Western District of New York as the estimated just compensation for the acquisition of interests in lands and other property belonging to the Seneca Nation or individual Seneca Indians in connection with the Allegheny Reservoir project.

"Sec. 3. (a) The payment authorized by section 2(a) of this Act shall be made directly to the Seneca Nation: *Provided*, That out of the funds so distributed to the nation a sum not exceeding $611,675 shall be paid to individual Seneca Indians in accordance with a schedule prepared by the Secretary of the Army, after certification by the nation. Said schedule shall reflect the amount agreed upon by the Secretary of the Army and the Seneca Nation, with the approval of the Secretary of the Interior, as compensation for the interests in land within the taking area of said individual Seneca Indians.

"(b) The payment authorized by section 2(b) of this Act shall be made directly to the Seneca Nation: *Provided*, That if the nation through litigation recovers additional compensation for damages to its sand and gravel resources, the United States shall be entitled to a credit against that supplemental award in the amount paid to the nation under section 2(a) for damages to the surface of the lands on which such sand and gravel are located.

"(c) The payments authorized by section 2(c) of this Act shall be made directly to individual Seneca Indians in accordance with a schedule of property owners within the taking area prepared by the Secretary of the Army, after certification by the Seneca Nation. Said schedule shall reflect the amount agreed upon by the Secretary of the Army and the nation, with the approval of the Secretary of the Interior, as compensation for the homes, barns, fences, wells, and other structures and improvements within the taking area of said individual Seneca Indians.

"(d) The payment authorized by section 2(d) of this Act shall be made directly to the Seneca Nation: *Provided*, That the nation, with the approval of the Secretary of the Interior, shall make available from the funds so distributed not to exceed $127,050, to pay the expenses, costs, losses, and damages incurred by individual Seneca Indians as a result of moving themselves and their possessions, including dwellings and other buildings owned by the members of the nation, on account of the acquisition by the United States of interests in land within the Allegany Reservation as set forth in section 1 of this Act.

"(e) No part of the compensation provided for in section 2 of this Act shall be subject to any prior lien, debt, or claim of any nature whatsoever against the Seneca Nation or the individual Seneca Indians entitled to such compensation, except for the repayment of development loans made to the Seneca Nation, or of housing or resettlement loans made to individual Seneca Indians, by a bank or other recognized lending institution, and also except for delinquent debts owed to the United States by the nation or delinquent debts owed to the United States or the Seneca Nation by the individual Seneca Indian entitled to the compensation: *Provided*, That such compensation shall not be applied to the payment of individual delinquent debts to the United States unless the Secretary of the Interior first determines and certifies that no hardship will result from the payment of such delinquent debts.

"Sec. 4. There is authorized to be appropriated the additional sum of $16,931,000, which shall be deposited in the Treasury of the United States to the credit of the Seneca Nation and which shall draw interest on the principal at the rate of 4 per centum per annum until expended, for assistance designed to improve the economic, social, and educational conditions of enrolled members of the Seneca Nation, including, but not limited to, the following purposes:

"(a) agricultural, commercial, and recreational development on the Allegany, Cattaraugus, and Oil Springs Reservations;

"(b) industrial development on the Seneca reservations or within fifty miles of any exterior boundary of said reservations;

"(c) relocation and resettlement, including the construction of roads, utilities, sanitation facilities, houses, and related structures;

"(d) the construction and maintenance of community buildings and other community facilities;

"(e) an educational fund for scholarship loans and grants, vocational training, and counseling services;

"(f) the acquisition of lands either within or contiguous to the Allegany Reservation, as authorized under section 13 of this Act; and

"(g) a resurvey of the boundaries of the villages established pursuant to the Act of February 19, 1875 (18 Stat. 330), together with a title search to determine the current status and extent of all leases issued by the Seneca Nation therein.

"The funds authorized by this section shall be expended in accordance with plans and programs approved by the Seneca Nation and the Secretary of the Interior: *Provided*, That no part of such funds shall be used for per capita payments.

"Sec. 5. The Secretary of the Army, out of funds appropriated for the Allegheny Reservoir project other than funds provided by this Act, is authorized and directed to relocate and reestablish within the Allegany Reservation such Indian cemeteries, tribal monuments, graves, and shrines inside the taking area as the Seneca Nation or the next of kin shall select and designate: *Provided*, That reinterment of individual remains, though not entire cemeteries, outside the boundaries of the Allegany Reservation also is authorized if so desired by the next of kin, but in such event reinterment to a site which exceeds the equivalent distance from the disinterment site to the farthest point at which reinterment could be made within the reservation boundaries will be made only if the next of kin agrees to pay the added cost: *And provided further*, That the Secretary of the Army is authorized and directed to provide a trust fund in an amount computed on the basis of $14.40 for each reinterment for the perpetual care and maintenance of the graves for the reinterments at the two cemetery relocation sites selected by the Seneca Nation.

"Sec. 6. All minerals of any kind whatsoever, including oil and gas, and sand and gravel, within the areas subjected to the interests in land acquired by the United States as set forth in section 1 of this Act, are hereby reserved to the Seneca Nation: *Provided*, That the exploration and development of such minerals, including oil and gas, and sand and gravel, within the taking areas shall be consistent with said interests in land and subject to all reasonable regulations of the Secretary of the Army necessary for the protection of the Allegheny Reservoir project.

"Sec. 7. Members of the Seneca Nation shall have the right without charge to remain on and use the lands subject to the interests in land acquired by the United States as set forth in section 1 of this Act until required to vacate at such times as may be fixed by the Secretary of the Army with the approval of the Secretary of the Interior and after consultation with the Seneca Nation: *Provided*, That the time for vacating in any event will not extend beyond January 1, 1965, unless the Secretary of the Army otherwise permits.

"Sec. 8. Up to sixty days before the date for vacating in accordance with section 7, the Seneca Nation on its common lands within the taking area for the Allegheny Reservoir project, and individual Seneca Indians on lands in which they have an interest as shown on the schedules described in section 3 (a) and (c) of this Act, shall have the right, without charge, to harvest crops, to cut and remove all timber, to mine and remove sand and gravel, and to salvage improvements: *Provided*, That if such rights are not exercised or are waived by said individual Seneca Indians within the time prescribed, the nation shall have an additional thirty days within which to exercise their rights on its own behalf: *Provided further*, That the crops harvested, the timber cut, the sand and gravel removed, and the salvage permitted by this section shall not be construed to be compensation.

"Sec. 9. The Seneca Nation shall have the right to use and occupy the taking area of the Allegheny Reservoir project within the Allegany Reservation for all purposes not inconsistent with the interests in land acquired by the United States as set forth in section 1 of this Act, including, but not limited to, the right to lease such lands for farming and grazing purposes to members or nonmembers of the nation, the power to dispose of all minerals reserved under section 6 of this Act, the right to hunt and fish on such lands, and to license hunting and fishing by nonmembers of the nation and the right to regulate access to the shoreline of the reservoir: *Provided*, That public access to the shoreline shall be provided and no charge shall be made to the public therefor: *And provided further*, That the use by the public of the water areas of the Allegheny Reservoir project shall be pursuant to such rules and regulations as the Secretary of the Army may prescribe.

"Sec. 10. The Secretary of the Treasury, upon certification by the Secretary of the Interior, shall reimburse the Seneca Nation for all fees and expenses incurred in relation to the Allegheny Reservoir project, including the cost of engineering and appraising services: *Provided*, That not more than $250,000 is authorized to be appropriated for such reimbursable fees and expenses: *And provided further*, That attorney fees shall be paid under the terms of a contract approved by the Secretary of the Interior.

Sec. 11. (a) Any individual Seneca Indian who accepts the payment tendered to him pursuant to section 3(a) shall be deemed to waive and release any further claims, rights, or demands in his own name arising out of the taking of interests in land as set forth in section 1 of this Act. Any individual Seneca Indian who accepts the payment tendered to him pursuant to section 3(c) shall be deemed to waive and release any further claims, rights, or demands in his own name arising out of the taking of houses, barns, fences, wells, and other structures and improvements under this Act.

"(b) Any individual Seneca Indian who has been duly tendered payment in accordance with the schedules prepared pursuant to section 3 (a) and (c) of this Act shall have the right to reject either or both of the sums so tendered by filing a notice of rejection with the Seneca Nation, Salamanca, New York, the district engineer, United States Army Engineer District, Pittsburgh, Pennsylvania, and the United States attorney for the western district of New York, Buffalo, New York, within ninety days after the tender is made.

"(c) For the purposes of this section, the Secretary of the Interior is authorized to represent any individual Seneca Indian entitled to payment who is a minor, or under any other legal disability, or who cannot be located after a reasonable and diligent search.

Sec. 12. (a) Any individual Seneca Indian who, pursuant to section 11(b) of this Act, rejects a sum tendered in payment under section 3 (a) or (c), or both, shall have the right to litigate the issue of just compensation in the United States District Court for the Western District of New York. The court shall, except as otherwise expressly provided herein, determine just compensation in accordance with the laws and procedures applicable to the determination of just compensation in condemnation proceedings in the Federal courts. No court or statutory costs, but all other costs and expenses, including attorney's fees, shall be at the contesting individual's expense.

"(b) Where the sum rejected by an individual Seneca Indian has been tendered under section 3(a) of this Act, and the United States has instituted condemnation proceedings, the Seneca Nation within sixty days shall deposit in court the total amount paid to it pursuant to section 2(a), less any credit given the United States under section 2(e), for the interests in land acquired by the United States which are the subject of the contesting individual's claims. Any excess of the sum so deposited over the amount finally determined as just compensation for the interests in land, if any, of the contesting individual shall be paid back to the Seneca Nation. If the amount finally determined as just compensation for all interests in land acquired by the United States which are the subject of the contesting individual's claim exceeds the sum deposited by the Seneca Nation, the difference shall be paid into court by the United States, and the total amount so paid and deposited shall be distributed as directed by the court.

"(c) Where the sum rejected by an individual Seneca Indian has been tendered under section 3(c) of this Act, and the issue of just compensation is litigated, the United States shall not assert as a defense that any interest in the property is owned by the Seneca Nation.

"(d) For the purposes of this section, any individual Seneca Indian eligible to file suit, who is a minor or under any other legal disability, shall be represented by his legal guardian or, if no guardian has been appointed, by an attorney appointed by the Court.

"Sec. 13. The Secretary of the Interior is hereby authorized, with the funds provided under section 4(f) of this Act, to purchase or to acquire through condemnation proceedings lands, and interests in lands, within the Allegany Reservation, for the relocation of houses and community facilities or for recreational, commercial, or industrial development, or contiguous to the Allegany Reservation for recreational or commercial development. Any lands so acquired outside the existing reservation shall become a part of the reservation and have the same legal status as lands within the reservation.

"Sec. 14. The interests in land required for the Allegheny Reservoir project within the Allegany Indian Reservation are generally identified and delineated on a map entitled 'Allegheny River Basin, Allegheny Reservoir, New York, General Map'. Detailed legal descriptions of the lands shown thereon, together with tract maps, are or shall be filed in condemnation proceedings which have been instituted by the United States in the United States District Court for the Western District of New York for the acquisition of easements, interests in land, and other property within the Allegany Indian Reservation. The estates taken shall be as specifically set forth in the complaints filed in said proceedings, except insofar as the court may determine that the condemnation by the United States of any easement, interest in land, or other property identified therein for the construction of a limited access highway to be made a part of the New York State Southern Tier Expressway has not been authorized, in which event said estate shall not be taken. Copies of the final decree and other appropriate papers in said condemnation proceedings setting forth legal descriptions of the lands and the estates taken, together with identifying tract maps, shall be filed among the land records of the Bureau of Indian Affairs in Washington, District of Columbia, and recorded in the office of the county clerk of Cattaraugus County, New York. A true and correct copy of said papers shall be furnished by the Secretary of the Army without cost to the Seneca Nation.

"Sec. 15. Upon a determination by the Secretary of the Army that all or part of the interests in land acquired as set forth in section 1 of this Act no longer are necessary for purposes of the Allegheny Reservoir project, all right, title, and interests in such lands shall thereupon vest in the Seneca Nation.

"Sec. 16. No part of any expenditures made by the United States under any of the provisions of this Act shall be charged by the United States as an offset or counterclaim against any claim of the Seneca Nation against the United States other than claims arising out of the acquisition of interests in land for the Allegheny Reservoir project.

"Sec. 17. All funds authorized by this Act paid to the Seneca Nation and individual Seneca Indians shall be exempt from all forms of State and Federal taxation."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

Mr. HUDDLESTON. I object, Mr. Speaker.

Mr. WILLIAMS. Mr. Speaker, will the gentleman withhold his objection so that I may make an inquiry?

The SPEAKER. Will the gentleman from Alabama reserve the right to object so that he may yield to the gentleman from Mississippi?

Mr. HUDDLESTON. I reserve the right to object, Mr. Speaker.

Mr. WILLIAMS. Mr. Speaker, may I inquire of the majority leader if there will be any effort to arbitrarily cut off debate in the consideration of the bill on tomorrow?

Mr. ALBERT. Mr. Speaker, in response to the gentleman, I would like to say, of course, we are sincerely hoping we may finish this bill tomorrow. But we will not do anything contrary to the expressed interest of the gentleman, as we have not done.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. HUDDLESTON. I yield to the gentleman.

Mr. HALLECK. I take it the observation just made by the gentleman from Mississippi would restrain any Member from objecting to extensions of time in connection with amendments that are offered tomorrow. In other words, that would be an individual matter in respect to which one objection could limit the time to 5 minutes?

Mr. WILLIAMS. Did the distinguished minority leader address his remarks to me?

Mr. HALLECK. Either to the gentleman from Mississippi or to the majority leader.

Mr. ALBERT. Mr. Speaker, as far as the leadership is concerned, we will not undertake to limit time either under debate generally or amendments or on the part of individuals. But, of course, every Member of the House has the right to hold Members to the 5-minute rule. It requires unanimous consent to address the House for more than 5 minutes on any amendment.

Mr. HALLECK. I join with the majority leader in expressing the very earnest hope that action on this matter can be completed tomorrow night. As a matter of fact, this debate has proceeded without any limitations on time. It has been a good debate. We are dealing here with a highly complicated and complex matter on which there are many differences of opinion. But, on the other hand, I cannot see any reason why the remaining titles, only one of which I understand is of any great importance, cannot be dealt with tomorrow and disposed of tomorrow so that this matter may be concluded.

Mr. WILLIAMS. Mr. Speaker, further reserving the right to object, the gentleman from Indiana has intimated—at least I got that inference—from what he said that objection will be made to anyone's speaking under the 5-minute rule longer than 5 minutes: that is, so far as getting additional time under the 5-minute rule is concerned.

I would remind the gentleman from Indiana that we have not employed any dilatory tactics in the consideration of this bill. All of the debate has been germane and to the point, and has been directed to the issue before the House. None of the debate has been for the sake of delay. I think the gentleman will agree with me on that.

Mr. HALLECK. I certainly agree with the gentleman from Mississippi.

Mr. WILLIAMS. There are many Members of the House who feel they should speak on this bill. I, for one, have refrained from using any time on this bill. However, I think that coming from a State that has more than 40 percent of its population that is colored, I should be entitled to 10 or 15 minutes on the floor. I hope the gentleman will be discreet in the matter of permitting Members so vitally affected to speak longer than 5 minutes.

Mr. HALLECK. May I say to the gentleman, I did not mean to intimate anything. I just wanted it understood that if someone on this side or on any side of the aisle did choose to object, it would not be, as I understand the rules of procedure, in violation of the rules. But, of course, I am not inviting any Member to object.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman.

Mr. ALBERT. Of course, it would not be a violation of the rules to object to a Member getting additional time. I think the general pattern of debate has been set. I think what the gentleman has said with respect to the matter of having ample discussion of important amendments has been observed and it seems to me the important thing here is, as the gentleman from Indiana has said, that one of the more controversial titles is to be considered tomorrow.

It would be my hope—and I believe the hope of most Members—that the tone and pattern which have heretofore been followed will be the order of the day tomorrow.

Mr. WILLIAMS. In the light of the remarks made by the majority leader and the assurance—insofar as he can give it—that this program will be followed, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. HUDDLESTON. Mr. Speaker, I believe I reserved the right to object a few moments ago.

With the understanding, I am sure, that all who are of like mind with me will have freedom of debate on the title VII which will come up tomorrow, with the assurance that we will have full consideration of each and every section of that title, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

LOUISIANA MARDI GRAS BALL

Mr. LONG of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LONG of Louisiana. Mr. Speaker, at this point I would like to revise and extend my remarks which I began this morning.

This year's Mardi Gras Ball is unusually well endowed with a wealth of lovely young ladies, representing most of our States major fairs and festivals.

The queens gracing this year's Mardi Gras Ball include—

Miss Linda Lee Breaux, of Abbeville, Louisiana Dairy Festival.

Miss Gail Broussard, New Iberia, Louisiana Fur and Wildlife Festival.

Miss Judy Broussard, Breaux Bridge, Crawfish Festival.

Miss Jane Burrill, Monterey, Future Farmers of America.

Miss Jo Ann Bussee, Glynn, Louisiana Sugar Cane Festival.

Miss Joy Castille, Chalmette, Chalmette Tomato Festival.

Miss Diane Catanese, Shreveport, Holiday in Dixie.

Miss Brenda Daigle, Branch, International Rice Festival.

Miss Shirley Kay Dalme, Natchitoches, Merry Christmas Festival.

Miss Daphne Aline Delhomme, Lafayette, Town House Order of Troubadours.

Miss Catherine F. Deshotels, Ville Platte, Louisiana Cotton Festival.

Miss Carmen Dubroc, Moreauville, Louisiana Livestock and Pasture Festival.

Miss Brenda Dunaway, Bogalusa, Rose Festival.

Miss Janet Faye Freemin, Gueydan, Louisiana Farm Bureau.

Miss Joyce Garrett, Ruston, Louisiana Peach Festival.

Miss Elna Hardee, Morgan City, Louisiana Shrimp Festival.

Miss Carol Hetherwick, Lafayette, Southwest Louisiana Mardi Gras Carnival.

Miss Ann Jennings, Lafayette, Louisiana, Gulf Coast Oil Exposition.

Miss Terry Ledet, Bogalusa, American Legion Magic Post.

Miss Patsy Manuel, Ville Platte, Tournoi Festival.

Miss Elizabeth Marseilles, Metairie, New Orleans Floral Trail.

Miss Robbie McMillin, Jonesville, Louisiana Soybean Festival.

Miss Teresa Nemeth, Hammond, Louisiana Strawberry Festival.

Miss Ginger Sue Powell, Slidell, Ozone Camellia Festival.

Miss Sylvia Rester, Bogalusa, Paper Festival.

Miss Donna Robertson, Opelousas, Vermillion Fair and Stock Show.

Miss Mary Scanlan, Gueydan, Delcambre Fish Industry.

Miss Harriet Scott, Arnaudville, Yambilee Festival.

The maids participating in this year's ball are—

Miss Barbara Jean Abdalla, of Lafayette.

Miss Lynn Bordelon, of Marksville.

Miss Carol Sue Cribbs, of Lafayette.

Miss Janet Kay Cribbs, of Lafayette.

Miss Cathy Enright, of Washington, D.C.

Miss Becky Larguier, of Baton Rouge.

Miss Cherie Martin, of Pineville.

Miss Mary Jane McNeely, of Kensington, Md.

Miss Madalyn Thomas, of Ville Platte.

Miss Mary C. Bolton, of Alexandria.

Miss Cynthia Fink, of Eunice.

Miss Susan B. Sperry, of Monroe.

Miss Lalia Leigh Sutherlin, of Alexandria.

This ball, like those of years past, is a living symbol of our State. It represents the many-faceted personality of Louisiana, with its parade of history and legend.

Its success, which has grown with each passing year, can best be measured in terms of the people who have worked each year to make the ball superior to its predecessor.

Felix M. Broussard, a Silver Spring, Md., insurance executive, has been for a number of years president of the

Louisana State Society, and is serving in that function again this year. He is one of the prime movers of the Mardi Gras celebration.

Mrs. Gloria Knox, of Lafayette, La., and Dr. Gab Ackal, of New Iberia, La., have also made important contributions to the Mardi Gras Ball.

Today our visiting queens and families were especially delighted to be greeted by President Lyndon B. Johnson at the White House. The President took time from his busy schedule to greet our people, and we were very grateful.

We were also greatly honored to have the pleasure of the honored Speaker's company at our annual luncheon with the members of the Louisiana congressional delegation, today.

With the efforts of my esteemed colleagues in the House of Representatives and our fine Senators, Russell B. Long and Allen Ellender, the ball is expected to be a fitting tribute to the State of Louisiana and its importance as a vital link in the age of space.

EXPLANATION OF H.R. 7152

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ROGERS of Colorado. Mr. Speaker, the Denver Post, an outstanding daily newspaper published at Denver, Colo., caused to be published an excellent analysis of the civil rights bill, H.R. 7152. This analysis is contained in eight good editorials. It is my hope that all members will read them and have a better understanding of the "Civil Rights Act of 1964." The editorials are as follows:

The Civil Rights Bill—I—Strengthening the Right To Vote

The civil rights bill of 1964 is a complicated 87-page document, with 10 sections, more than 20,000 words, and enough legal terminology to discourage all but the most determined readers.

Yet with all its difficulties, the bill probably constitutes the most important contribution to the Amercan heritage of freedom since the Emancipation Proclamation of 1863.

It deserves to be understood and supported by people who prize that heritage. To contribute toward that end, the Denver Post begins today a series of editorials, providing a section-by-section analysis.

A good deal of misinformation about the bill has been disseminated by its enemies. This series is an attempt to clear the air, to indicate what the bill says and what it does not say and to explain what the bill is designed to accomplish.

The purpose of the first section—title I—is "to enforce the constitutional right to vote," a right which is now denied or severely restricted in many sections of the American South.

In at least 250 counties, Negro registration has been held below 15 percent of the Negroes of voting age, and in some of these counties no Negroes are registered at all. What makes this all the more dismaying is that in some of these same counties white registration substantially exceeds the total white population.

Here are some examples prepared by Representative William M. McCulloch, of Ohio, the ranking Republican on the House Judiciary Committee:

	Population over 21	Registered voters
County A:		
White	2,624	2,810
Negro	6,085	0
County B:		
White	1,900	2,250
Negro	5,122	0
County C:		
White	1,649	1,979
Negro	5,001	275

To cope with glaring inequities of this sort, Congress passed civil rights laws in 1957 and 1960 providing for civil injunction suits and the appointment of referees to speed up registration.

But voting officials and some judges—through delays, redtape, evasions, and outright defiance of the law—have thwarted the purposes of these earlier acts. Some cases have had to wait more than 2 years for decisions. Individual judges have sometimes refused to act in the face of the most convincing evidence.

Meanwhile, registration and voting officials have been giving Negroes more difficult literacy tests than they give to whites, disenfranchising Negroes because of minor errors on written tests or simply neglecting to act on Negro applications.

As a result, progress in Negro registration has been glacial. In Mississippi and South Carolina together, 1,000 more Negroes were stricken from the voting lists than were added. In Louisiana 3,500 Negroes were dropped from the lists. In States where gains were made, they were small ones.

Title I of the civil rights bill of 1964 is designed to cope with this situation. This is what it would do:

First, it would make it unlawful to use different standards for different individuals in determining whether they are qualified to vote—all would have to be judged in the same way.

Second, it would make it unlawful to deny anybody the right to vote because of a written error or omission that is not really material in judging his qualification.

Third, it would make it unlawful to use literacy tests unless they are written and unless a certified copy of the completed test is furnished to an applicant within 25 days of his request. An oral test may be given, however, if the applicant requests it and State law allows it.

Fourth, it would create a "rebuttable presumption" that any competent person with a sixth grade education has sufficient literacy to vote. To rebut this presumption, officials would have to prove in court that the person did not have sufficient literacy.

Fifth, it would allow the Attorney General in voting cases to ask for a special three-judge Federal court. The three judges would have to be assigned to the case immediately and they would have to see to it that the case was in every way expedited. Appeals from the decisions of such courts would go directly to the U.S. Supreme Court.

Sixth, when the Attorney General didn't ask for a three-judge court, title I would require the chief judge of a Federal district court to assign a district judge to the case immediately or notify the circuit court to assign one.

We do not suggest that these provisions, in themselves, would secure Negro voting rights overnight. But they would help considerably, and the help they would give is badly needed.

In a democratic society, built in large measure around the right of the people to vote, title I represents the very least the Nation can do to make that right meaningful for millions who are now denied it.

The Civil Rights Bill—II—Banning Bias in Public Accommodations

The most controversial part of the civil rights bill of 1964 is title II, the section dealing with discrimination and segregation in places of public accommodation.

Title II makes discrimination and segregation unlawful in establishments that serve the public, if their operations affect commerce or if the discrimination and segregation are required by State law or supported by State action.

The title covers hotels, motels and lodging houses, except those that rent less than six rooms and have an owner living on the premises. It also covers most restaurants, lunchrooms, lunch counters, soda fountains, movie houses, gasoline stations, theaters, concert halls, sports arenas and other places of "exhibition or entertainment." It does not cover private clubs.

"All persons," the bills says, "shall be entitled to the full and equal enjoyment of the goods, services, facilities, privileges, advantages and accommodations" of the covered establishments "without discrimination or segregation on the ground of race, color, religion or national origin."

It is unlawful, under title II, for anyone to deny these rights or interfere with them.

In making equal access to public accommodations a national right, title II would supplement the public accommodation laws which are already on the statute books of 32 States, including Colorado. Many of these laws reflect the old common law principle that inns and way stations must be open to all people who behave themselves.

In States where these laws do not exist—and in some States where they do—the evidence is abundant that discrimination and segregation in places of public accommodation are a daily source of humiliation and hardship to American Negroes.

Negro vacationists sometimes have to drive hundreds of miles to find a restroom or a night's lodging or a place where they can buy their children an ice cream cone or a soft drink. Negro truck drivers cannot be sent on overnight runs in some sections of the country because of the lack of accomomdations.

By discouraging Negro travel and Negro participation in interstate activities, discrimination and segregation tend to impose a burden on interstate commerce of the kind Congress has traditionally been willing to remove through legislation.

Congress can act in the field of public accommodations both under its power to regulate commerce and under the 14th amendment, which is especially suited to strike at discrimination and segregation enforced by State laws.

The late President Kennedy summed up the legal argument for the public accommodations provisions in these words:

"No property owner who holds his premises for the purpose of serving at a profit the American public at large can claim any inherent right to exclude a part of the public on grounds of race or color.

"Just as the law requires common carriers to serve equally all who wish their service, so it can require public accommodations to accommodate equally all segments of the general public."

For businessmen, whose wages, hours, sanitation, ventilation, light, recordkeeping, and business practices are already regulated by various Federal, State, and local laws, the requirement that they must serve the public impartially does not constitute any radical new precedent in governmental interference.

Title II would operate through enforcement provisions which would allow aggrieved individuals or the U.S. Attorney General to seek injunctive relief in the Federal district courts when public accommodation rights have been denied or interfered with.

Where State or local public accommodation laws were in effect, the Attorney General would be required to notify State or local officials and give them a chance to enforce their own laws before taking action himself.

In any case, he might use the services of Federal, State, and local agencies to help persuade the violator of the law to comply voluntarily. But he could seek an injunction immediately, if he certified that delay would "adversely affect the interests of the United States" to make the compliance ineffective.

A person who persisted in violating the law after the court ordered him to stop could be tried for contempt. But if he were tried for criminal contempt without a jury and sentenced to a fine higher than $300 or imprisonment beyond 45 days, he could obtain a new trial before a jury.

The enforcement provisions leave enough room for conciliation and persuasion and provide ample protection for the rights of the accused. They help to make the civil rights bill a fair and constructive piece of legislation. Title II is an essential part of the civil rights package.

THE CIVIL RIGHTS BILL—III—CLEARING THE BARRIERS IN PUBLIC FACILITIES

"It is no longer open to question," the Supreme Court of the United States said last year, "that a State may not constitutionally require segregation of public facilities."

What cannot be done constitutionally, a number of Southern States and their local subdivisions have continued to do unconstitutionally for many years.

In a number of communities, public parks, public libraries, public swimming pools, public golf courses, and other public facilities remain segregated or else are closed to Negroes altogether.

These "public facilities" are distinct from the "places of public accommodation" discussed yesterday in that they are owned by the State or locality and built or maintained with public money. The "places of public accommodation" are usually privately owned.

When complaints against the segregation of public facilities are carried far enough in the courts, the segregation is invariably struck down. But many aggrieved individuals cannot afford to go to the courts or are kept from doing so by the fear of reprisals.

Title III of the civil rights bill of 1964 is designed to provide such people with help from the Attorney General of the United States.

The Attorney General is empowered by title III to bring a court action (1) if he receives a complaint from an individual to the effect that the individual has been denied "the equal protection of the laws" by not being allowed full use of a public facility; (2) if the Attorney General certifies that the individual is unable to start and maintain a lawsuit of his own, and (3) if he certifies that a court action will further the public policy of the United States "favoring the orderly progress of desegregation in public facilities."

The Attorney General can consider that a person is unable to seek court relief himself if the person can't bear the expense, can't get other persons or organizations to finance the suit or might jeopardize his job or face personal injury or economic damage if he went to court.

Title III also gives the Attorney General power to intervene in—but not to initiate—suits seeking relief from other kinds of denials of the "equal protection of the laws" in addition to the denial of the full use of public facilities.

This would presumably authorize Federal intervention in cases involving restraints by local officials on the rights of free speech, assembly and petition. It could cover cases in which individuals were treated differently by the police because of their race, including cases of police brutality.

The Attorney General's intervention in such cases could prove extremely valuable to individuals with limited resources, meeting setbacks by arbitrary local judges and needing costly and time-consuming appeals to the higher courts.

It would be better, we believe, if this power to intervene in a broad range of cases not related to public facilities were conferred under a separate title and not included in title III.

But the intervention provision is a valuable one, and we support it along with the public facilities provisions of the title. The title as a whole would strengthen the "equal protection of the laws" assured in the 14th amendment in a way that is practical and very badly needed.

THE CIVIL RIGHTS BILL—IV—NEW HELP FOR SCHOOL DESEGREGATION

Nearly 10 years after the Supreme Court outlawed racial segregation in the public schools of the Nation, segregation was still the rule last fall in 67.9 percent of the biracial school districts in the 17 States and the District of Columbia where school segregation was practiced before the Court acted.

Although the other 32.1 percent of the districts had been integrated—at least to some extent—the experts were estimating that it would take until the year 2063 to finish the job, if integration continued to move at the same pace.

Title IV of the civil rights bill of 1964 is designed both to speed the process and to make it smoother and less painful.

The U.S. Attorney General is empowered, under title IV, to start a civil court action if he receives a complaint from parents that their children are being denied the "equal protection of the laws" because of the failure of a school board to desegregate or because they are being kept out of a public college on racial grounds.

But he may start the action only if he can certify first that the signers of the complaint can't afford to start a lawsuit themselves or have reason to fear personal or economic reprisals if they do so.

He must also certify that his action "will materially further the public policy of the United States favoring the orderly achievement of desegregation in public education."

These provisions of title IV would put new Federal power behind the drive for school desegregation. But other parts of the title create new forms of Federal assistance to help communities get through the difficulties desegregation often raises.

The U.S. Commissioner of Education would be authorized by title IV to give technical assistance to communities, States, or school districts that ask for it in order to prepare and carry out desegregation plans.

The Commissioner could send experts to communities who want them and supply information on effective methods of coping with the special educational problems occasioned by desegregation.

He could also arrange with colleges or universities to set up special short-term institutes to provide special training for teachers, supervisors, counselors and other school personnel in districts about to desegregate. He could provide these people with stipends, travel money, and allowances for dependents while attending the institutes.

He could also make grants to school boards to pay the cost of giving teachers and school personnel inservice training in dealing with desegregation problems and to pay the cost of hiring specialists to advise on desegregation.

In making these grants, the Commissioner would have to keep in mind the limits of his budget, the financial position of the applicants and the gravity of their problems.

The Commissioner is instructed to make a survey and report to Congress and the President within 2 years on the lack of availability of equal educational opportunities for individuals by reason of race, color, religion, or national origin.

Both the new powers given the Attorney General and the new assistance made available to school districts under title IV seem to us to be worthwhile. Title IV adds substantially to the strength of the whole civil rights bill.

THE CIVIL RIGHTS BILL—V—BOLSTERING THE RIGHTS COMMISSION

The U.S. Commission on Civil Rights has been on the job since 1957, investigating the effects of racial discrimination, segregation, and denials of civil rights on the Nation and its people.

Its hearings and reports have brought to light a good deal of information that is useful in shaping public policy, and its existence has tended to discourage some of the injustices that fall within its area of inquiry.

But the Commission has never had permanent status, and Congress has come close to letting it die several times. It was saved in 1959 and 1961 through special last-minute riders on appropriation bills, which gave it 2-year extensions. Last year, an amendment to a private bill gave the Commission 1 more year of life.

In this tenuous and uncertain situation, the Commission has had difficulty holding onto its staff and keeping up the staff's morale. Its recurring encounters with extinction have weakened its prestige and effectiveness.

Title V of the civil rights bill of 1964 would ease the difficulties of the U.S. Civil Rights Commission by giving it permanent status. Title V would also expand its functions and improve its procedures.

Under the Civil Rights Act of 1957, the Commission has had the duty (1) to investigate complaints that citizens are being deprived of their right to vote, on racial, ethnic, or religious grounds; (2) to study legal developments (presumably in the States) that lead to a denial of the "equal protection of the laws"; and (3) to appraise Federal laws and policies with respect to "equal protection of the laws."

Title V, in the civil rights bill of 1964, would add two further duties: (1) to serve as a national clearinghouse for information on "equal protection" in the fields of voting, education, housing, employment, transportation, and others; and (2) to investigate complaints of voting frauds, including those that deprive citizens of the right to have their votes "properly counted."

The rules of procedure of the Commission were very carefully spelled out in 1957, at the insistence of Southern legislators, to protect the rights of persons who might be accused of violating the rights of others.

A 1964 rule gives the Commission the right to take defamatory or embarrassing testimony in public session, provided it gives the persons involved the opportunity to appear voluntarily as witnesses and considers their requests to subpena additional witnesses.

Finally, title V gives the Commission the power, for the first time, "to make such rules and regulations as it deems necessary to carry out the purposes of the act."

A good deal of title V is concerned with minor procedural and administrative matters. But in perpetuating and strengthening the U.S. Civil Rights Commission, the title makes an important contribution to the effectiveness of the whole civil rights bill.

THE CIVIL RIGHTS BILL—VI—SHUTTING OFF FEDERAL FUNDS

It is one of the ironies of the American race problem that a substantial amount of discrimination and segregation is carried on with funds supplied by the Government of the United States.

A number of hospitals, built and equipped with Federal money under the Hill-Burton Act, refuse to accept Negro patients, or segregate them, and deny staff privileges to Negro doctors.

A number of local officials have excluded needy Negro children from the federally financed school lunch program or refused to distribute to needy Negro families the surplus commodities provided by the U.S. Department of Agriculture.

A number of universities and research centers, working on federally financed research, operate on a segregated basis. And segregation still prevails in a number of schools built, maintained, and operated with Federal money under the impacted areas program.

These are only a few of the ways in which Federal money is serving to thwart the success of Federal policies on civil rights. Title VI of the civil rights bill of 1964 is designed to halt the use of Federal money in this manner.

The title declares that "no person in the United States shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity receiving Federal financial assistance."

Each Federal agency or department that extends financial assistance is instructed to operate in conformity with that declaration. The department or agency may set up rules and regulations and then act against violators "by the termination of or refusal to grant or to continue assistance" or "by any other means authorized by law."

Before it acts, however, the department or agency must advise the violators of their failure to comply and must make sure "that compliance cannot be secured through voluntary means." Its actions are subject to review in the courts.

Some Congressmen who have worked on the civil rights bill are convinced that the purposes of title VI can be achieved in many cases through the application of persuasion and commonsense without actually cutting off Federal assistance.

They point out that, in 1962, 11 colleges and universities in the South agreed to admit qualified Negroes to summer courses financed under the National Defense Education Act, rather than face the loss of Federal assistance.

The State of Mississippi, a few years ago, agreed to open a veterans hospital to citizens of all races rather than have no hospital at all. And this year, Florida and Texas desegregated several schools constructed and maintained under the impacted areas laws rather than lose the Federal money.

Where persuasion does not work, the Government would be expected to cut off funds from the county or area immediately involved in a specific program, and not necessarily halt all aid to the whole State.

Title VI gives the Government an important new weapon in carrying out its civil rights policy. It adds substantially to the strength of the civil rights bill.

The Civil Rights Bill—VII—Target Is Racial Barriers to Jobs

To America's 20 million Negroes, the right to earn a living is perhaps more fundamental than any other covered in the Civil Rights bill of 1964. That right is now substantially curtailed by job discrimination all over the Nation.

The Negro unemployment rate is twice as high as the rate for whites. Negro earnings are only a little more than half as high and many of the better jobs in the Nation are closed to Negroes altogether.

Because of job barriers, the potential contribution of Negroes to American society has been unfulfilled. They contribute less to American production; they buy less of American goods and services; they cost the society more in unemployment and welfare benefits than they would if the barriers were down.

To improve job opportunities for Negroes, 25 States have enacted fair employment practices laws. Title VII of the civil rights bill of 1964 would establish somewhat similar legislation for the whole United States.

Congress declares in title VII that "the opportunity for employment without discrimination" because of race, color, religion, or national origin is "a right of all persons within the jurisdiction of the United States." It seeks to implement that right through title VII in order "to remove obstructions to the free flow of commerce" and to insure the enjoyment by all persons of their constitutional rights, privileges, and immunities.

Title VII makes it an "unlawful employment practice" for an employer to refuse to hire or promote, to segregate, or to discriminate on the job against anybody because of his race, religion, color, or national origin.

It would also be an "unlawful employment practice" for an employer with 25 or more employees to refuse to hire or promote, to segregate, or to discriminate on the job against anybody because of his race, religion, color, or national origin.

A labor union would be guilty of an "unlawful employment practice" if it excluded anyone from membership on these grounds, if it segregated its membership, if it interfered with anyone's job opportunities on these grounds or tried to force an employer to discriminate. Discrimination would also be unlawful in apprenticeship programs, and it would be barred from employment advertising.

The bill is not intended to affect an employer's right to reject, demote, fire, or otherwise discipline an employee for good cause. The stipulation is that these things may not be done on racial, religious, or ethnic grounds.

Title VII sets up a five-member Equal Employment Opportunity Commission and empowers it to go to court in civil actions to halt or prevent "unlawful employment practices." Before it goes to court, however, the Commission must first investigate and then seek to bring an end to the unlawful practice "by informal methods of conference, conciliation, and persuasion." An aggrieved individual can go to court on his own, if one member of the Commission consents.

The court actions can only apply to offenses that occur in the 6 months before they are brought. If the court is satisfied that an offense took place, it can issue an appropriate injunction or, in some cases, award back pay.

The Fair Employment Opportunity Commission may work through similar State agencies. It may require accused persons to produce records. The bill requires employers, employment agencies, and labor unions to keep special records and to post notices.

Title VII is the longest and most complicated section of the civil rights bill. Not all of its details can be covered here. But the provisions discussed above show its general purpose and approach. Certainly the purpose is just.

The Civil Rights Bill—VIII—Issue Faces Test in the House

During the last week in these columns, the Denver Post has been presenting a section-by-section analysis of the civil rights bill of 1964, one of the most important measures to come before Congress in our time.

We have described the first seven titles of the bill in considerable detail. The last three, titles VIII, IX, and X, are shorter and less substantial, and they require less attention.

Title VIII directs the Secretary of Commerce to conduct a survey to compile voting and registration statistics in areas recommended by the Commission on Civil Rights.

Title IX provides that an order by a Federal judge returning a case to the State court from which it was removed is subject to appeal. Some southern Federal judges had been using the unappealable remanding order as a device to avoid granting judicial relief to aggrieved citizens. Under title IX, these orders are subject to judicial review.

Title X declares that the bill must not be construed to impair or deny rights or powers of the Attorney General which are not mentioned in it. The title also authorizes the appropriation of funds to carry out the purposes of the bill, and it provides that if any part of the bill is ruled invalid, the rest shall not be affected.

The civil rights bill of 1964 has now reached the floor of the House of Representatives, where it is being debated this week.

We hope that debate can be held to reasonable limits, since the bill has already been subjected to careful scrutiny by two committees of the House and has been before the Congress in one form or another for 7 months.

We hope also that the House will pass it by the strong margin it deserves, and that Colorado's four Congressmen will work for it and vote for it in its present form.

As a member of the House Judiciary Committee, Representative Byron G. Rogers of Denver played an important part in developing the bill and will undoubtedly vote for it.

But Rogers and the other Colorado Congressmen—Donald Brotzman, J. Edgar Chenoweth, and Wayne Aspinall—would benefit at this critical time by receiving mail from Coloradans expressing their support for the bill.

All four Congressmen can be addressed at the House Office Building, Washington, D.C. By writing them at this time, supporters of the bill may help to contribute toward its passage.

This newspaper has endorsed the bill. We are confident the House will understand the historic opportunity the Civil Rights Bill offers and will approve it with reasonable speed and send it on to the Senate.

VIOLENCE IN PANAMA

Mr. SIBAL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SIBAL. Mr. Speaker, the eruption of violence in Panama has come as another complete surprise to our Department of State. This element of surprise is becoming the hallmark of our foreign policy as it is being conducted under this administration. This is in vivid, and regrettable, contrast to the foresight and firmness with which the Eisenhower administration anticipated and met similar threats to international security. As examples we may recall the manner in which the Lebanese and Guatemalan crises were handled.

In the case of Panama, unawareness on the part of our Government is even more astonishing and inexcusable than in most cases.

For years there has been a burgeoning of nationalistic spirit in Panama, assiduously fostered by our Communist enemies operating out of their Cuban base.

Panamanian nationalism has been rising to a fever pitch over the last year or so, as was evident to any observer with an eye trained in Latin American affairs. Reports to this effect were appearing in the public press a year ago.

Our Ambassador to Panama, who left last August, Mr. Joseph Farland, had one of the most perceptive minds and was one of the most experienced and successful of our Latin American Ambassadors. It was most unfortunate that we lost the services of Mr. Farland and that the administration has left this vital post vacant for 6 months. A situation of obvious danger was developing and there was great need to have an Ambassador on the scene who could speak with the authority of the President's personal representative.

The absence of an Ambassador on the scene is only one part of the problem in Panama, however. The vacancy of this post is only a symptom of a deeper disorder within our foreign policy apparatus.

It is clear that there is an extremely serious breakdown in the flow of information from the field to the various echelons in the State Department and intelligence agencies to the top policymakers.

I do not know where this breakdown is occurring or who or what may be causing it. It may be the fault of individuals in the various departments, or it may be the fault of the system itself. It may be a combination of both.

Whichever it is, we are experiencing a breakdown in our intelligence and policymaking operations which is extremely dangerous to the national security.

Many of us recognize this and have introduced legislation calling for creation of a joint congressional committee to keep watch over all intelligence activities of the Federal Government. Too much is at stake for the Congress to be left out of close participation in these vital matters of national security.

GHANA'S APPRECIATION OF OUR FOREIGN AID

Mr. BRAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BRAY. Mr. Speaker, our continuing policy of injuring our friends by helping our enemies is causing our country increasing difficulties. The recent attacks by Ghana against the United States is a striking example of "the chickens coming home to roost."

On July 11, 1962, I pointed out the folly of giving Ghana increased foreign aid. Before further discussing the recent Ghanaian attacks on the U.S. Embassy and the desecration of the American flag, I will point out in some detail the remarks I made 2 years ago in opposing foreign aid to Ghana.

When Ghana became independent in 1957, it had nearly a billion dollars in its treasury, practically no indebtedness and a very successful and flourishing chocolate industry developed during the years it was still a British colony. It had less need for outside aid than any other country in north or central Africa. Since 1957, and in spite of Nkrumah's total hostility toward the West and his close alliance with the Communists, the United States has given almost $170 million in loans and grants to Ghana.

This includes $7 million for beginning the construction of a great power-producing project on the Volta River. This amount was contained in the 1962 foreign aid bill. During debate on this bill on July 11, 1962, I spoke against this particular item, pointing out that while the amount was small, it was merely a foot in the door and the project would cost many times that before construction was finished In my remarks on that day I pointed out that we had many countries in Africa friendly to us who greatly needed our aid and to a far greater degree than did Ghana, and that we were practically ignoring these friendly countries.

I also criticized the folly of aiding Nkrumah and giving him additional prestige, noting that this could only strengthen him in maintaining an iron hand over the lives and freedom of his own people, as well as encourage other countries of Africa to take a similar course of enmity toward the West.

In addition, I observed that construction of the Volta Dam, where power was to be used to produce aluminum in great quantities, could only injure the West. There is a world surplus of aluminum and American manufacturers who employ American workers of necessity have had to curtail their operations. The stockpiles of aluminum in the United States and the rest of the free world are great. Only the naive would doubt that the aluminum produced by the power from this dam, regardless of who technically owned the factories, could only contribute to the world Communist economic strength and potential, especially in the field of domination of the world aluminum market.

Mr. Speaker, our Embassy in Accra, the capital of Ghana, has been picketed and attacked by mobs incited and egged on by their Government. They hauled down the American flag and threatened to storm the Embassy itself. The Embassy was not damaged and there were no injuries to American personnel. However, the Ghanaian police merely looked on as the American flag was lowered; a courageous young Negro Embassy official, Emerson Player, fought his way through the mob and ran the flag back up.

Before the demonstration began, trucks with loudspeakers circulated through Accra blaring that "American imperialists have sent money into Ghana to start rumors and trouble." During the riots, one of the leaders, the editor of the Government-controlled Ghanaian Times, shouted outside the Embassy that—

> We are fed up with your imperialist American dollars. We will massacre you. You killed President Kennedy. American imperialism is a filthy civilization.

Under Kwame Nkrumah, Ghana's President, freedom has all but disappeared in that country. The newspapers have long been filled with attacks on the United States and praise for Russia. Nkrumah openly boasted on a U.S. television program a few years ago that his political philosophy was Marxist-Socialist. He was the principal African leader against the United States at the Belgrade conference and has not attempted to conceal his hostility and hatred toward the West. Just a few days ago, in a nationwide radio speech following the announcement that he had won 99 percent approval in a referendum to make Ghana a one-party state, Nkrumah denounced malicious rumors "fomented by evil men and neocolonialist agents among us." He did not specify what he meant, but another Government-controlled paper, the Ghanian Evening News, in an anti-American editorial, said:

> We suspect American imperialists and their clique of lackeys of originating and spreading certain wild, fantastic rumors concerning Nkrumah.

I want to again point out the prophetic remarks I made in July 1962:

> Briefly put, furnishing this money would follow a pattern which we in America are developing. In trying to make friends of our enemies, we make enemies of our friends. Such a philosophy has never succeeded in helping the country which followed it, but apparently we naively believe that such can be accomplished by helping the Communist leader Nkrumah.

And now we reap the fruits of this policy. The thanks we receive for the $170 million given to Ghana comes to us in the form of Government-inspired and Government-led insults, attacks upon our Embassy, desecration of our flag, threats of massacre, and slanderous accusations of having murdered our own President.

BARRY ASKED FOR IT: HERE IT IS

Mr. UDALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, in my State of Arizona we have one of America's outstanding editors, a student of history and a real authority on world affairs. Through the years he has kept all of us in the Arizona delegation on our toes. He praises us when we have taken a stand he believes is right for the country, and he upbraids us when he thinks we are wrong. The result is a high level of public discussion and public awareness of important national and international issues among his readers.

The editor of whom I speak is Mr. William R. Mathews, of the Arizona Daily Star in Tucson. My purpose in speaking of him today is that he has just published what I regard as a penetrating and revealing analysis of the foreign policy statements of one member of our Arizona delegation, a figure of some importance on the national scene these days, Senator BARRY GOLDWATER. Since

Mr. Mathews has often praised Senator Goldwater when he thought he was right, and otherwise maintained an objective attitude toward the Senator's activities, I find this analysis particularly significant and important as an indication of informed opinion in the Senator's home State.

On January 17 of this year, Senator Goldwater published a statement of his foreign policy views in Life magazine. Mr. Mathews studied and restudied this statement and published his analysis in an editorial appearing in the Arizona Daily Star last Sunday, February 2.

Mr. Speaker, I simply want to underline this fact: It is the judgment of Mr. Mathews that Senator Goldwater is unconsciously advocating war as a solution to our problems in the world. Mr. Mathews writes:

> Senator Goldwater is no doubt sincere in what he offers, but what he writes reveals that he needs to read up on history. He proposes something that has never in all history succeeded. He cannot help confusing his friends when in one breath he pleads for peaceful measures to "reduce" Communist power and then concludes, "The hope that freedom and communism can live peacefully side by side is a vain one."
>
> The people of the country are entitled to something better than this from a potential candidate for President.

These are strong words coming from one of America's distinguished editors and experts on foreign affairs. I commend the editorial to the attention of all my colleagues, Republican as well as Democrat. I include the editorial at this point in the Record:

Barry Asked For It; Here It Is

(By William R. Mathews)

Senator Barry Goldwater wrote me on January 17, enclosing a tearsheet which he prepared for publication in the January 17 issue of Life magazine. He said that he would value my comments on it.

I have read and reread the article several times, as a means of studying what he says, and the implications of what he writes. Elsewhere on this page is published a summary of this article with salient extracts to indicate the Senator's thinking.

He states his basic policy as follows:

"In present-day terms the major objectives of the United States foreign policy should be the reduction of Communist power to a level from which it cannot threaten the security of our Nation or the peace of the world. This will require all mobilization of the free world's resolve and its resources to undermine the power now held by Communists and to encourage their eviction from positions of control."

"This does not mean war. It means the alternative to war, a way to win peace—to end threats to the Nation—without war."

Barry builds his policy on the base of expanding a strong NATO into the economic and political fields. He thereby expects to forge a free world boycott of all Communist countries, and as he remarks, this would be a "win" policy to reduce rather than destroy the Communist threat.

He emphasizes this policy as follows:

"Economic warfare against problem-ridden Communist countries waged from a base of Atlantic purpose would be one means of undermining Communist power without shooting warfare."

He calls for better and more effective psychological warfare and more foresight in the use of our own political power.

One has only to take note of recent events to see how Senator Goldwater's policy of "reducing" Communist power by a free world economic boycott is already outdated. All of our allies are doing a growing business with Communist countries. France has recognized Red China, Britain is doing business with Cuba, Spain is planning to sell Cuba some fishing boats. Canada sells wheat to Red China and considerable amounts of general merchandise to Cuba.

Historically, no peaceful boycott or blockade has ever been victorious. It took four years of an armed, rigidly enforced, blockade by the Union navy, plus the overwhelming manpower of the Union armies in our Civil War, to defeat the South. Despite the British and American blockades of Germany, in two World Wars, in each instance we had to land our own armies on the continent of Europe to defeat the Germans.

The Senator overlooks how the recovery of Europe has made its nations more and more independent. They express it in current negotiations going on over reduction of tariffs. Their increasing commerce with the Communist nations testifies to that situation. They do not fear the Soviet Union the way we do. They are more accustomed to living in danger than we are.

The Senator blandly assumes that our NATO allies, and other countries of the free world, will join us in a boycott that would be a spectacular failure.

When he says that coexistence has failed, he closes his mind to the fact that since the formation of NATO, the only places where communism has made progress are Cuba, Indochina, and Zanzibar. We are living in a relatively peaceful world as a result. NATO has been a success and it can continue to be a success as our European allies become stronger and stronger.

Barry overlooks the fact that communism is a new universal belief that has grown and expanded since 1917. Because it promises a material utopia, it appeals to the ignorant and many idealists everywhere. Because it champions a dictatorship as a means of government, it appeals to many political leaders in Latin America and Africa. Barry needs to read his history.

Although the Soviet Union might be destroyed, communism no more would be destroyed than Christianity and Judaism were by the destruction of Jerusalem in 92 A.D. by the Romans. A new universal belief like communism will have its ups and downs, its peaceful periods and its periods of conflict, just as Christianity and Mohammedanism have had.

After using more than 3,000 words to explain how this new "win" policy would be successful in reducing Communist power by peaceful methods, Barry uses his final paragraphs to contradict himself. He writes:

"The hope that freedom and communism can live peacefully together side by side is a vain hope. * * * The Communists will not—and cannot—live at peace hog-tied as they are by their own militant ideology. Thus merely to echo the Communist slogan of peaceful coexistence is simply to fall in with Communist propaganda. Most certainly, to accept the division of the world between free and slave does not measure up to worthy and sensible purpose in foreign policy."

Those words mean war, and so does his last paragraph:

"Ending Communist power to distort human life and disrupt world peace is the vision of victory that has the power to inspire and the inspiration to win. It is the victory that would snuff the fuse of war and agression, liberate peoples and assure fulfillment of reasonable hopes everywhere."

Senator Goldwater is no doubt sincere in what he offers, but what he writes reveals that he needs to read up on history. He proposes something that has never in all history succeeded. He cannot help confusing his friends when in one breath he pleads for peaceful measures to reduce Communist power and then concludes, "The hope that freedom and communism can live peacefully side by side is a vain one."

The people of the country are entitled to something better than this from a potential candidate for President.

THE WATER RUSH IN RUSSIA

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ULLMAN. Mr. Speaker, one of the most capable men in the Government right now is the Honorable Floyd E. Dominy, Commissioner of the Bureau of Reclamation. Commissioner Dominy has set a consistently high standard of public service under the past two administrations, and I am grateful that we have a man of his caliber in this position because of the absolutely vital importance of reclamation to the development of the whole Western United States.

In the current issue of the magazine Reclamation Era, Commissioner Dominy has written a very interesting and worthwhile report on his recent trip to Russia which I am including in my remarks at this time for the attention of my colleagues:

The Water Rush in Russia

(By Reclamation Commissioner Floyd E. Dominy)

Soviet leaders make no secret of their plans to overtake the United States, indeed as Khrushchev has said "to bury you," in the utilization of their natural resources as in all other production.

In support of their ambitions, U.S.S.R. irrigation officials aim to develop 2.5 million acres of new irrigation lands each year for the next 20 years. This goal seemed incredible to us as specialists of reclamation in the United States, until we had the opportunity to assess the actual development and potential of Russia's land and water resources.

On the 3-week cultural exchange tour made last September, I headed a group of top U.S. irrigation engineers and leaders who inspected existing and potential irrigation developments in the U.S.S.R. Members of the U.S. delegation from the Department of the Interior were Deputy Assistant Secretary of the Interior Robert W. Nelson and Bureau of Reclamation members, Gilbert G. Stam, Chief of the Division of Irrigation and Land Use, Washington, D.C.; Hollis Sanford, Chief of the Division of Irrigation Operations; and Frank E. Rippon, Chief of the Canals Branch, both of the Office of Chief Engineer, Denver, Colo.

Other U.S. delegates were Ned Greenwood, of the Soil Conservation Service; M. C. Bryant, rancher and businessman from San Angelo, Tex.; Floyd E. Bonge, vice president of the Eastern Municipal District, Hemet, Calif.; Dr. J. B. Fuller, member of the Federal Farm Credit Board and longtime chairman of the board of commissioners of the Goshen Irrigation District, North Platte project, Nebraska; and LeSalle E. Coles, past president of the National Reclamation Association, Prineville, Oreg.

Local Soviet officials repeatedly made reference to the importance of irrigation in meeting the food and fiber needs not only of the U.S.S.R. but also of the underdeveloped nations of the world. It is plain that these leaders are looking to the dependability of irrigation in their homeland to strengthen their bid for world supremacy. Consequently, Soviet officials are moving rapidly, though somewhat awkwardly, to develop their country's vast potential in water and land resources.

VISITED TWO IMPORTANT AREAS

Escorting the American delegation wherever we requested, cordial Soviet hosts arranged for the Americanskys, as we are called in that country, to become acquainted with two important irrigation areas, Ceneral Asia and Transcaucasia.

In Central Asia, the Republic of Uzbek, which has a most picturesque land and culture, is one of the greatest producers and is a major contributor to the Soviet Union's Central Asian breadbasket. A primitive Uzbek people was captured by the Russian czars in 1859. Even with modern technology utilizing their rich native soil, these primarily Asiatic people called Uzbekians still live a relatively primitive and genuinely friendly existence. The adjacent Republics of Tadzhik and Kirgiz are similarly impressive.

People in the Republics of Azerbaidzhan, Georgia, and Armenia in the Transcaucasian area live in a more advanced technology and European influence in contrast to those of the Central Asian Republics.

Located along the 40th parallel, which in the United States is the border dividing Nebraska and Kansas and cuts through the northern parts of Colorado, Utah, Nevada, and California, these high water-yielding areas include millions of acres of fertile land suitable for irrigation.

Many thousands of acres of the primary crop of cotton can be seen from roadside. A few single-row cottonpicking machines were observed in equipment yards, but nearly all of the irrigated cottonfields are harvested by the armies of hand pickers. In contrast, nearly all of the irrigated cotton in the United States is picked mechanically.

Alfalfa and corn production is spotty, but they are used to some extent in rotation with cotton. Grapes are grown in great variety and quantity. Other important specialty crops include melons, figs, peaches, pears, apples, and nuts. Production of silk is important in some parts.

SHEEP GRAZING HEAVY

Central Asia grazes millions of sheep, primarily the fat-tailed variety, and comparatively few cattle. In Transcaucasia, the relative importance of cattle was greater. Most cattle are the dairy or dual-purpose type, with quality only fair. Development plans call for irrigation of several hundred thousand acres of mountain valley grazing land in Transcaucasia, which will improve the distribution of stockwater and increase production of milk, meat, and wool.

An infestation of noxious weeds including Canada thistle prevails in overabundance and remedial action is not evident.

Each Republic has its own well-financed design institute and hydraulics laboratory to exercise major influence over the formulation of new project plans and construction. Operations at the institutes include work in irrigation, drainage, hydraulics, soils, economics, soil and water relationships, hydraulic structures, soil mechanics, sprinkler irrigation, and machine testing. The Georgian S.S.R. hydraulics laboratory alone has an annual budget of $750,000.

Seepage from canals is a severe problem in some areas and local officials have not yet determined upon the best method of treatment. In one case the loss was estimated to be 17 percent in a 36-mile reach, a loss similar to that of many unlined canals in Western United States.

Many miles of precast concrete flumes are being installed to distribute irrigation water to irrigable lands.

Because of expansion and contraction, the joints in concrete flumes open up and leak to some extent. This results in settlement of the flume supports, misalinement, and other maintenance problems. A new type of mastic for sealing the flume joints is being developed and used in some lines. The new mastic is presumably an adhesive type of plastic material with considerable elasticity.

Some good-quality asbestos cement pipe is manufactured in the Soviet Union and is being used to a limited extent in the irrigation systems. However, virtually no concrete pipe is manufactured or used for this purpose.

In the Hungary Steppe generally the lands are afflicted by severe salt problems. The reclamation process includes construction of main drains, lateral drains, and numerous temporary open drains to permit rapid leaching of the soils. Land containing 8-percent salt must be reduced to 2 percent before crops are planted. Some of these lands are planted to rice for 3 to 4 years. After the salt problem is sufficiently corrected, cotton is planted.

After initial reclamation, the temporary drains are eliminated and many of the permanent drainage laterals are lined in tile. A machine developed in the U.S.S.R. is reported capable of laying drainage tile up to 10½-foot depths.

A large plant operation serving the Hungary Steppe development makes precast reinforced-concrete flume sections in four sizes with depths of 16, 24, 32, and 40 inches.

In Azerbaidzhan, which currently irrigates 3 million acres of land, the 60-foot-high Pirsagat Dam is being constructed of an expansive clay to provide supplemental irrigation water to an area principally devoted to feed crops and livestock. Their method of dam construction is not being used in the United States. When taken from the pits, the clay is 16 to 18 percent moisture by weight. After the clay is placed on the dam by truck and spread by tractor-dozer, water is added to raise the moisture content to 27 percent. No mechanical compaction is used except that which is incidental to movement of trucks and tractors over the surface as the layers are applied.

A large amount of irrigable land is irrigated by sprinkler systems. The sprinkler heads are of different design, but similar in principle to those in the United States.

The Republic of Armenia has some irrigation works in and near its capital city of Yerevan which are reported to be 2,000 years old. Extending from Lake Sevan to Yerevan is the costly Sevan-Razdan power and irrigation system now irrigating 32,000 acres of land. When completed it will irrigate 74,000 acres. The system includes 178 flumes (78 are finished and in operation), 70 steel siphons, and 13 bridges. The route of the canal contains eight power sites, six of which have been developed. All are operated from a central control panel in Yerevan and are interconnected with the Transcaucasion power system. Two of these plants are constructed underground.

A portion of the shoreline of Lake Sevan is equipped experimentally with automatic devices for applying fatty alcohols (principally hexadecanol) to the lake surface to reduce surface evaporation.

SOME COMPARISONS

Similar research is being conducted in the United States by or in cooperation with the Bureau of Reclamation, the chief difference being that we have concentrated on the use of a powdered form of compound, while the U.S.S.R. is using a liquid. Laboratory officials supplied the tour group with a sample of the Soviet's liquid compound. They reported experiments to date reveal that evaporation from Lake Sevan can be reduced 20 to 25 percent.

To reclamationists from the United States who inspected the water resource facilities and developments in the Soviet Union, it is evident that the differences in the programs of the two countries are like the differences in the philosophies of the two. America's development is dependent primarily upon individual initiative and free enterprise, and the Soviet's upon decisions and orders from the committee and the followers of Lenin.

In spite of gigantic efforts to increase production, improve housing, and generally raise standards of living, years will be required for Russia to develop, manufacture, and build the plants, products, and structures necessary to equal the present-day accomplishments of the United States.

Although it is not known what proportion of the national budget is used for development of her rich natural resources compared to the share devoted to the buildup of military might and exploration of space, it is evident that the Soviets neither waste time nor withhold rubles from their reclamation effort.

Whatever the outcome of the Soviet move, it will behoove us to spare no effort, under our own system of private enterprise and cooperation, to maintain and foster a positive resource development program. It is a keystone in our national economy.

WINNING THE COLD WAR: THE USIA'S ROLE IN THE U.S. IDEOLOGICAL OFFENSIVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FASCELL. Mr. Speaker, for over a year, as chairman of the Subcommittee on International Organizations and Movements of the Committee on Foreign Affairs, I have directed our subcommittee's investigation of the U.S. ideological effort in the cold war. I would like to take a few minutes today to comment on the purpose, the scope and the progress of our undertaking, and to highlight the role which the USIA plays in the cold war struggle for the minds of men.

Let me begin by stating some of the reasons why our subcommittee has undertaken this investigation.

It seems that the struggle between the world Communist movement, spearheaded by the Soviet Union, and those who oppose it—armored, sustained, and led by the United States—will continue to dominate international politics in the foreseeable future;

Second, the alleged existence of the "balance of terror" on the military plane has resulted in an intensive, global confrontation in the economic and political sphere. The cold war is being waged today in large part with economic weapons—trade and aid—and with ideas.

Coming increasingly to the fore as the decisive theater of competition in the cold war is the third dimension of our foreign policy: The psychological and ideological.

Our subcommittee study is concerned solely with this third dimension of U.S. foreign policy—the worldwide competition with communism in information, education, and ideology. We are interested in its governmental aspects, as well as in those private activities which bear upon it.

On the governmental side, it has been estimated that Federal programs operating on this plane in support of our foreign policy involve expenditures of over several hundred million dollars annually. My subcommittee is attempting to inventory these programs; to determine how effectively they are managed and coordinated; to ascertain their impact abroad; and to find out how this impact can be improved.

Simultaneously, we are attempting to ascertain whether—and how—some of the oversea undertakings of private American citizens and organizations can be dovetailed with parallel governmental programs to provide increased support for our foreign policy.

This is the first time, in my knowledge, that a congressional committee has undertaken a comprehensive study of the total range of U.S. ideological efforts in the cold war. During the past year, testimony presented to our subcommittee has filled five volumes of printed hearings. Volume VI, containing the transcript of executive hearings on the coordination of the U.S. ideological offensive at the highest governmental level, will be released shortly. We plan to follow the release of that volume with an interim report dealing with some specific issues of ideological conflict management.

This, in brief, is the purpose, the scope and the current status of our investigation.

THE ROLE OF THE USIA

At this point, I want to comment on the role which the U.S. Information Agency plays in the U.S. ideological offensive—and call to the attention of the House, a report on this subject issued earlier this week by the U.S. Advisory Commission on Information.

My subcommittee opened its investigation last year by receiving testimony from Edward R. Murrow, the then Director of USIA, and from J. Leonard Reinsch, Chairman of the U.S. Advisory Commission on Information. The primary purpose of those hearings was to clear away some misconceptions about the functions and the responsibilities of the USIA. We set out to define the mission assigned to the Agency and to inquire into the matter in which this mission was being accomplished. At the same time, we showed that USIA is not responsible—by a long shot—for the total U.S. governmental effort in this field.

The printed record of our hearings—volume II and the forthcoming volume VI—contains ample information on this subject. It shows that the general objectives of USIA, embodied in the U.S. Information and Educational Exchange Act of 1948—Public Law 402, 80th Congress, 2d session—are "to promote a better understanding between the people of the United States and the people of other countries." More specifically, the act charges the U.S. information program with the responsibility for "disseminating abroad information about the United States, its people and policies promulgated by the Congress, the President, the Secretary of State and other responsible officials of Government having to do with matters affecting foreign affairs."

In January 1963 this primary mission of the USIA was expanded by former President Kennedy. In a memorandum of January 25, 1963, to the Director of USIA, the President charged the Agency with "advising the President, his representatives abroad, and the various departments and agencies of the implications of foreign opinion for present and contemplated U.S. policies, programs, and official statements."

The USIA, then, currently has a dual mission: To help influence public attitudes in other nations, and to provide advice to the executive branch of the U.S. Government on the implications of foreign opinion for present and contemplated U.S. programs, policies, and statements.

The USIA is not alone in discharging these missions. In both instances, other Government departments and agencies—from the Atomic Energy Commission to the Veterans' Administration—contribute some effort. Their programs and activities which comprise the U.S. ideological offensive in the cold war are outlined briefly in a study released last month by my subcommittee and entitled "The U.S. Ideological Effort: Government Agencies and Programs."

USIA'S PERFORMANCE

How has the USIA performed its mission?

The answer to this question falls into two parts. On the one hand, following suggestions made by our subcommittee and by other sources, USIA has made considerable progress during recent times in strengthening and improving its operations. The quality of some of its products has improved. The scope of its operations has been extended in certain critical oversea areas. New techniques of international communications have been adopted. More effective relationships have been established with other Government departments—both with respect to policy formulation and to its execution. Basic research has been stepped up.

All of these improvements have strengthened USIA's activities directed at informing foreign audiences about U.S. policies and objectives, and thereby developing respect for, and confidence in, U.S. leadership of the free world. Some evidence that USIA is making progress in this role can be found in the Soviet Union's reaction to the work of the agency. In 1963, Soviet propaganda attacks on USIA reached an alltime high. This may be a sign that the Soviets are very much concerned about the growing skill and effectiveness of USIA's efforts.

There is, however, another side to this report. In many of its activities, the USIA continues deficient. And this brings me to the 19th Report of the U.S. Advisory Commission on Information which I mentioned earlier: the report pinpoints specific areas in which the Agency must strive to solve continuing problems.

I want to digress for a moment to say a word about the Advisory Commission.

The Advisory Commission operates pursuant to Public Law 402, 80th Congress. It consists of five private citizens appointed by the President and confirmed by the Senate for 3-year overlapping terms. Its members—currently J. Leonard Reinsch, Chairman; Sigurd S. Larmon, Clark R. Mollenhoff, M. S. Novik, and John L. Seigenthaler—represent the public interest.

The purposes of the Advisory Commission are to "formulate and recommend" to the Director of the USIA "policies and programs for the carrying out of" Public Law 402, to conduct appraisals of the effectiveness of the information, education and cultural programs administered by the Agency, and to submit a report to Congress covering these policies and programs.

In its 19th annual report, submitted to the Congress earlier this week, the Advisory Commission recommended that USIA seek solutions to its continuing problems. These were defined by the Commission to include the need—

First. To improve internal management, communication and coordination.

Second. To reduce the number of publications.

Third. To seek outside evaluation of USIA print and radio programs.

Fourth. To reduce the number of USIA buildings in Washington from 11 to 1.

Fifth. To improve and strengthen long-range planning.

Sixth. To expand the research program and to use its results more effectively.

Seventh. To obtain legislation for a career Foreign Service Corps.

Eighth. To coordinate and concentrate the Government's programs for orienting and training foreign specialists in mass communications.

Ninth. To review and study the role of the cultural affairs officer.

Tenth. To restore the balance of the Agency's cultural programs.

Eleventh. To reconsider the USIA decision to reduce the number of libraries or information centers in Western Europe.

Twelfth. To assume full responsibility for planning and executing the President's trade fair exhibition program.

Thirteenth. To consider the need to consolidate into one agency of government the related but widely scattered programs in information, education, and culture.

Fourteenth. To seek the advice and guidance of local Latin American practitioners of mass communications in presenting the Alliance for Progress to Latin America.

Fifteenth. To confine USIA's domestic public relations to a minimum and limit the distribution of its media products in the United States in accordance with the intent of Congress.

On the basis of testimony submitted thus far to our subcommittee, I concur with most of the recommendations of the Advisory Commission. I believe that the Commission has done a thorough, conscientious job and deserves to be warmly commended for it.

NEED FOR CONGRESSIONAL SUPPORT FOR USIA

There is one more thing I would like to mention. In its report, the Advisory Commission has drawn attention to the "seeming lack of rapport between the Agency and some congressional leaders." In the Advisory Commission's view, "a fuller understanding and support of the function of USIA is needed in the Congress" if the Agency is to fulfill its mission and realize its full potential as an important adjunct of our foreign policy.

I believe that there is merit to the Advisory Commission's finding in this instance. In the Commission's words:

> Today, in a phase of cold war which has been characterized by an apparent relaxation of tension between the Soviets and the United States, USIA represents an investment in preventing hot war and in helping to create an atmosphere and conditions for the establishment of peace. In an era of military coexistence and at a time of fierce ideological struggle, its value is obvious.

I sincerely urge the Members of the Congress to read the full text of the Advisory Commission's report. It is worth the effort.

A TRIBUTE TO THE FEDERAL CIVIL SERVICE EMPLOYEE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **SPEAKER.** Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FASCELL. Mr. Speaker the Government worker should be admired.

Regrettably, however, in most of society, either ancient or modern, he seems to be neither popular or admired. On the contrary, the Government worker has, all too often, been looked down upon and spoken of in disparaging terms as being some sort of parasite on the back or in the hair of the body politic. He has often been characterized as being not very able, not very ambitious or industrious—or, obviously, he would not be a Government worker—and sometimes not very honest. This misconceived stereotype of the Government worker does a gross injustice to the vast army of able and devoted men and women who today make up the Federal civil service.

Although there may be, at any given time, just enough people on the Government payrolls who conform to the old stereotype to keep alive this ancient misconception of the nature of the public service, repeated publicizing of this concept is most unfair and unfortunate. On the basis of my own experience, which extends over a period of a good many years as a practicing attorney and as the elected representative of the people of my district, my personal contacts with the civil service have been both numerous and extensive.

I want to take this opportunity of stating publicly my thought that these men and women constitute an unusually able, conscientious and devoted group. They are hardworking, and for the most part, uncomplaining. They have more or less formally dedicated their lives to the public service. Most of them entered this service because they wanted to serve their country and its Government. They are deeply committed to the goals and purposes of the public servant.

There are daily, in the lives of all of us, many evidences of the competence and devotion of the members of this important group of public servants. Alongside and often in cooperation with the employees of the State and local governments, they protect our lives and property, protect our health and welfare, educate our children. They deliver our mail, and when some emergency arises, they act promptly, in their respective areas, to take whatever action the situation may require.

I am much impressed with the scope and quality of the work of this devoted group of public servants and I am pleased that at this time each year, a series of dinners are held here in the Nation's Capitol to recognize the important contributions made by individual Federal employees. The practice of giving public recognition for conspicuous achievement is something relatively new and recent, but I like it. Recognition is given by the Stockberger Award, the Jump Award, the Flemming Award, the Rockefeller Fund Awards and the awards for outstanding women workers—to mention only a few.

An examination of the life stories of the recipients of these awards, and of the contributions that they have made is, indeed, impressive. Here are found, in the work of these men and women, the stories of significant contributions not only for the benefit of all Americans but very often for the benefit of all mankind.

But it is only a few of the more outstanding employees in the Federal Service who can be so recognized. For every one who is, there are dozens, scores, hundreds, perhaps even thousands more who inconspicuously, day by day, perform their assigned tasks competently, efficiently, and with the high standards of integrity that characterize the Federal Civil Service.

It is a pleasure to salute them, and to commend the tremendous contribution which they make to the progress and well-being of our Nation.

U.S. SHOULD FIRE CUBAN EMPLOYEES AT GITMO

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The **SPEAKER.** Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, while France, England, Sweden, Spain and other "friends" and "allies" of the United States ready all sorts of economic aid for Castro, the Cuban dictator himself has decided to create more mischief in the Caribbean.

Perhaps to take advantage of the difficult Panama problem, or for other reasons, Castro decided to willfully test U.S. resolve by sending four fishing boats into Florida territorial waters contrary to the law. If we had been looking the other way, as we have too often done in the past, he would have become even more bold the next time. However, the Coast Guard and State Department determined this time to board the trawlers, and caught them in the act of fishing in Florida waters.

Castro, reacting to our legal detention of the fishing boats and crew, cut off the water supply to our naval base in Cuba. Fortunately this event has been long expected, and water will be carried to the base from Port Everglades, Fla. This port has been equipped for this job for some time, and is ready for action now that it is needed. The people of Fort Lauderdale and Hollywood, home of the port, will cooperate fully with the Navy.

For years the United States has employed Cuban workers at the naval base. Even during the ill-fated invasion attempt, and later missile crisis, these employees continued to enter and leave the base daily.

These employees are paid in American dollars, which, of course, ends up in Castro's hands.

There is no further need for hiring Cubans to work on the base. With unemployment so high in the United States, it would be worth the extra cost to recruit American citizens in this country for the jobs to be done, and take them to the base.

This of course is not just suggested as a countermove because of the water cutoff. There are serious security problems with the Cuban nationals now working on the base which should be eliminated. We should also completely halt the flow of U.S. dollars to Castro via these workers.

Castro has now taken two steps against the United States. He has sent his fishing fleet into our waters illegally, and has cut off the water to our base. Perhaps those who still believe we can live with Castro in the Caribbean will realize that it is impossible. Perhaps, also, our "allies" will better understand the need for a complete economic blockade of Cuba, or even more stringent measures.

As to the trawlers themselves and their crew, they were caught violating the territorial waters of the United States, in violation of the law. They have been turned over to the State of Florida for legal action against them, and nothing should interfere with the due process of law.

GOV. NELSON ROCKEFELLER ISSUES THOUGHTFUL AND THOUGHT-PROVOKING WHITE PAPER ON VIETNAM

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous material.

The **SPEAKER.** Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, many American families are deeply concerned about the deteriorating situation in Vietnam. Judging by the mail and comments I am receiving from the people of the First District of Iowa, there is increasing disquiet about the lack of constructive national administration policies in this area. Because of the importance of Vietnam to the defense of free countries in Asia, Gov. Nelson Rockefeller of New York has prepared a white paper on the subject. It covers:

First. The neutralization of Laos.

Second. How the war in Vietnam is going: the process of "news management."

Third. The withdrawal of U.S. troops from South Vietnam.

Fourth. Understanding the nature of guerrilla war.

Fifth. The future of Cambodia and the rest of southeast Asia.

Because I believe very deeply that in order to save freedom in Asia, the United States must take intelligent, positive actions. I think Governor Rockefeller's white paper on Vietnam raises many important questions which all of us should be thinking about. It also provides useful guideposts in building a better foreign policy position for the people of the United States. It is another example of a leading Republican voice speaking out on foreign policy problems of our Nation and offering good proposals for tackling them.

STATEMENT BY GOVERNOR ROCKEFELLER AT A PRESS CONFERENCE IN LOS ANGELES, CALIF., WEDNESDAY, JANUARY 29, 1964

I am deeply troubled, as are many Americans, by the statement of Secretary McNamara 2 days ago on the serious deterioration of the situation in South Vietnam, and then his apparently contradictory statement yesterday that there has been a very noticeable improvement recently.

The problem is one that not only affects Vietnam, but involves all southeast Asia. And in this area, the Democratic administration in Washington has pursued policies toward Laos, Cambodia and Vietnam utterly at variance with each other, despite the fact that the fate of these countries has been historically and geographically linked.

Ever since the present administration came to power in 1961, there have been conflicting statements about southeast Asia—statements which have raised hopes one day only to dash them the next.

It is time for the administration to give the American people a full accounting of the situation in Vietnam and southeast Asia.

Specifically, the administration should address itself to the following questions:

1. What are the actual facts on the war in South Vietnam?

2. What American military commitment is necessary to win the war?

3. Does the United States still intend to withdraw all its military forces from Vietnam by the end of 1965?

4. If the war was not going well, why were 1,000 American troops withdrawn in December 1963?

5. If the war in Vietnam has not been going well, how does the administration explain the optimistic statements extending well over 2 years?

6. Will the United States take any action to counteract the Communist violations of the international neutralization agreement for Laos?

7. In view of the history of Laos since its neutralization, would the United States be justified in participating in the international neutralization of Cambodia with the same countries that are violating the previous agreement?

8. How does the administration propose to reconcile the neutralization of Laos and the imminent neutralization of Cambodia with the effort to defeat the Communists in Vietnam?

9. How should we interpret Attorney General Robert Kennedy's statement in connection with his negotiations regarding Malaysia to the effect that Indonesian aggression was a problem for Asians to settle? Does this foreshadow additional abandonment of friends or neutralization in southeast Asia? What would our American reaction be if Great Britain, which has a defensive alliance with Malaysia, took the same attitude toward our military effort in Vietnam?

To give perspective to these questions, I want to specify my own concerns in greater detail, drawing as much as possible on the administration's own statement on Vietnam and southeast Asia.

I. THE NEUTRALIZATION OF LAOS

In 1961 when the Democratic administration took office, the United States was backing a pro-Western government in Laos. The Communist Pathet Lao controlled only one-fifth of the area. On March 23, 1961, in the face of a Communist advance, the President announced that the "safety (of Laos) runs with the safety of us all." U.S. troops moved into the Gulf of Siam.

When the Communists continued their advance, despite our show of strength, the administration came up with a scheme for the neutralization of Laos. It abandoned our support for the pro-Western Government of Phoumi Nosavan and insisted on a coalition government in which the Communists play an increasingly powerful part. Since the so-called neutralization the Communists have constantly expanded the area they control. Today the Communist Pathet Lao control over half of Laos, including the entire area contiguous to the Vietnamese border, extending over 260 miles, thus opening up a new supply line and a sanctuary for the Communist guerrillas in Vietnam.

In December 1961, while Laos was being neutralized, the United States formally committed itself to a major effort to defeat the Vietcong guerrillas. Over 10,000 military personnel were sent to Vietnam as instructors. Military assistance was stepped up. It was announced that Vietnam was different from Laos.

The "neutralization" of Laos was inconsistent with our Vietnam policy on two counts: psychologically, it spurred on the Vietcong (Communist guerrillas) and demoralized our friends. It set the precedent that we were capable of sacrificing a government we had been instrumental in establishing. It thus must have created the hope in some, and the fear in others, that if the war in Vietnam was sufficiently prolonged, we would tire of it as we had in Laos.

Militarily, the so-called "neutralization" of Laos opened up the entire frontier between Laos and Vietnam to guerrilla infiltration and enabled the Communists to establish sanctuaries in Laos, and new supply lines into Vietnam.

These supply lines have strengthened the Vietcong in their unending war of harassment.

II. HOW THE WAR IN VIETNAM IS GOING: THE PROCESS OF "NEWS MANAGEMENT"

Secretary McNamara now tells us that the war in Vietnam is going badly. Until recently the administration has apparently made every effort to hide this fact from the American people. Thus:

On July 24, 1962, Secretary of Defense McNamara said that the South Vietnamese were "beginning to hit the Vietcong insurgents where it hurts most—in winning the people to the side of the government."

On April 5, 1963, General Taylor testified that "in the bitter struggle in the Republic of Vietnam, 1962 was the critical year. For the first time in 15 years the people of Vietnam with our military assistance started winning instead of losing the fight to protect their freedom."

On April 12, 1963, Secretary of State Rusk said that "an important corner has been turned" in the war in Vietnam.

On September 25, 1963, Assistant Secretary of Defense Sylvester said that military events in Vietnam were "getting better and better" and that reports showed that the government was "rapidly approaching" militarily the point where the "goals set will be reached relatively shortly."

On October 2, 1963, a White House announcement stated that the war was going so well that 1,000 U.S. military personnel could be withdrawn before the end of this year and most of the remainder before the end of 1965.

On October 31, 1963, the day before the overthrow of the Diem regime, General Harkins, the commander of our forces in Vietnam, said that victory, in the sense that it applied to this kind of war, was only months away.

In other words, even before the overthrow of the Diem regime, the administration consistently maintained that we were winning the war in Vietnam. After the overthrow, these claims continued, if anything more strongly, because the new government was supposed to be more determined. Thus:

On November 20, 1963, high administration officials meeting in Hawaii reported that the war had taken a decided turn for the better and reaffirmed the withdrawal of 1,000 American troops by January 1.

On November 25, 1963, President Johnson was reported to have reaffirmed the policy for Vietnam, including the October 2 statement on the withdrawal of 1,000 troops before the end of 1963.

On December 3, 1963, the first of 1,000 U.S. servicemen were withdrawn from Vietnam.

Suddenly, after 2 years of extraordinary optimism over the military effort in Vietnam, after a coup d'etat which put in power a government described as significantly more capable of prosecuting the war, it appears that the war is going badly. The American people have now been getting reports that, in fact, all is not well in Vietnam:

The month following the coup d'etat on November 1 was the most disastrous of the year for the Vietnamese forces. Government casualties and losses ran higher than in any other month. The Vietcong staged about 3,100 military and sabotage and propaganda actions, a record total since the resumption of hostilities in 1958.

A high ranking officer from Washington has disclosed in Saigon that the situation in the Mekong Delta is, in fact, "rough—really rough."

Only 2 days ago, Secretary McNamara told the House Armed Services Committee that the South Vietnam war is going badly, that the situation is grave, and that the Communists have made considerable progress since the overthrow of Diem.

How are all these announcements to be reconciled? How can we withdraw troops when the war is going badly? What are the American people to believe? The cynicism of the "news management" of the administration is shown by a statement from an unnamed administration official quoted in the New York Times on October 14.

"I admit the press was sometimes lied to in Saigon in the past, but that does not mean that lying has continued and that official word can never be taken at face value."

The stakes in Vietnam are too crucial for such cynical treatment. The struggle to maintain the political and territorial integrity of the Republic of South Vietnam is of vital importance to the people of the United States and to free peoples everywhere. Our failure to defeat the Communist guerrilla movement in Vietnam can lead to the extension of communism throughout all of southeast Asia. Such failure in Vietnam could convince all surrounding countries, and many others elsewhere, that Communists, indeed, are the wave of the future. It could, as well, convince our most trusted allies that our leadership is ineffective—that we have neither the power nor the will to back up our word. All Americans have a special concern with the struggle in Vietnam because the lives of 15,000 American boys are involved daily in that country and 166 Americans have already died there. The American people are willing to make sacrifices necessary to defeat Communist aggression. But they are entitled to be told the truth.

III. THE WITHDRAWAL OF U.S. TROOPS FROM SOUTH VIETNAM

The same confusion exists in regard to our policy on the withdrawal of American troops. Thus:

On October 2 the White House announced that 1,000 U.S. military personnel would be withdrawn before the end of 1963 and most of the remainder before the end of 1965.

On November 14, the White House reduced the figure of 1,000 troops for immediate withdrawal to "several hundred."

On November 15, General Timmes, Chief of the U.S. Advisory Mission in Vietnam, spoke again of a plan to withdraw 1,000.

On November 25 the policy statement of October 2 was reaffirmed by President Johnson.

On December 3, a troop withdrawal was begun and apparently 1,000 U.S. servicemen have been withdrawn from Vietnam, reducing the American contingent to 15,000 men.

On December 20, key U.S. officials were reported as regarding the 1965 target date as unrealistic.

On December 22, Secretary McNamara pointedly ignored a press question about the 1965 deadline.

American people have a right to know how we could announce a troop withdrawal when, in fact the war is going badly. They are distressed to see it reported in the New York Times of December 20 that several key U.S. officials have expressed the feeling that the 1965 target date for the removal of American troops had been established merely for domestic political reasons.

The American people are also forced to wonder what the effect of the withdrawal of 1,000 American forces had been and will be on the morale of the anti-Communist Vietnamese—at a time when visible evidence of American support must seem to be of utmost importance.

IV. UNDERSTANDING THE NATURE OF GUERRILLA WAR

In September and October of 1963, the administration suddenly began to criticize the Diem regime publicly. It was suggested that the Diem government could not effectively prosecute the war. For example:

On September 8, an administration official was quoted as saying: "We cannot go on supporting a dictatorial regime that is different from communism only in name and in its international connections."

This attitude seemed strangely inconsistent with the uninterrupted exaltation of Diem by Secretary McNamara, who, for example, spoke as follows before the House Subcommittee on Foreign Operations on May 15, 1963:

"It is a near miracle, it seems to me, that Diem, one man, could have written the constitution, organized a new government of that country, and in a period of less than 10 years, moved that country out of near feudalism into the modern world, more than trebled the educational system of the country, initiated an army, and brought some order to the country.

"Moreover, he has done this in the last few years under the severest form of subversive attack from the North Vietnamese and the Communists."

Nonetheless the new military junta was enthusiastically greeted with confidence that now the war effort would be stepped up.

But within little over 1 month many of the comments made about the Diem regime reappeared in connection with the new military junta. For example:

On December 8 an American military adviser in Vietnam was quoted as saying: "The great unanswered question is whether the new Government leaders are aware and are willing to accept the price it takes to win the war."

On December 14 U.S. officials in Saigon expressed concern to the press that the junta had failed to capitalize on its momentum from the coup, that there had been only minor reforms in the military effort, that there was a lack of a real effort to bring defectors into the Vietnamese Government. (After the coup d'etat, defections had apparently stopped completely, and then they had returned only to the same rate as had been present under Diem; new military appointments of the junta were said to have disrupted the field forces.)

On December 23 we were told that the military junta had not shown the sense of urgency that some Western observers believed was required. One Washington official expressed his views toward the junta in these words: "We should have expected delays, but we cannot tolerate them very much longer. We need momentum. If we sit back, the situation may be lost."

On January 27, 1964, Secretary McNamara now confirmed that the war was going poorly since the overthrow of the Diem regime.

Has the administration not understood that certain problems in Vietnam are inherent in the nature of guerrilla warfare? Could it be making the Vietnamese Government scapegoats for its own overoptimism?

All the criticism of the Diem regime and now of its successor may have obscured these basic facts:

The Vietcong guerrillas are trained and supported from outside the country. From such a privileged sanctuary, guerrilla action can be indefinitely maintained.

The guerrillas have a telling advantage over the Government forces in that they need fight only where they are superior, whereas the Government forces cannot be strong everywhere.

Many South Vietnamese, threatened by death by the guerrillas are compelled to offer them support, whatever their real sympathies may be.

The morale and efficiency of the existing administration is one of the chief targets of any guerrilla movement. Through assassination or blackmail they eliminate or drive many of the most competent civil servants from office.

Unfortunately, these facts cannot be removed merely by a change of government.

V. THE FUTURE OF CAMBODIA AND THE REST OF SOUTHEAST ASIA

Cambodia is a significant barometer of the estimate of Southeast Asian leaders about the probable trends in their area. The ruler of that small country, however temperamental by our standards, has seen his people through many troubles and kept communism from his territory. At a time when Washington's claims of imminent victory in Vietnam were succeeding each other with great rapidity, the ruler of Cambodia pointed out that the war was going badly. He said that he would do his best to spare his people the fate of Vietnam.

Within days of the coup against Diem, Prince Sihanouk first demanded the withdrawal of American personnel from Cambodia and the end of all economic, cultural, and military aid. On November 20, a request to this effect was formally made. Prince Sihanouk has also requested an international conference, similar to the conference which signed the neutralization of Laos at Geneva, in order to elaborate a similar status for his own country. The United States has agreed to such a conference.

The reasons for this state of affairs seem apparent. In 1962, the U.S. Government sacrificed a pro-Western government in Laos to a military junta. The Government of Cambodia must have wondered whether the effect of American aid would be similar in its own country. It also seems likely that the Government of Cambodia concluded that the effort against the Communist Vietcong guerrillas in South Vietnam was doomed to failure.

The attitude of Cambodia compounds the problem of Vietnam. It opens up the last remaining frontier of Vietnam to Communist infiltration. The New York Times of January 5 has reported that, in fact, much of the heavy equipment for the Communist guerrillas reaches Vietnam through Cambodia.

In these circumstances, what is the purpose of the conference to neutralize Cambodia? Is it to legitimize that country as a sanctuary for the war in Vietnam as was the case with Laos? What is the sense of sitting down with the countries which daily violate the neutrality of Laos to define the same status for Cambodia?

Of course, the ruler of Cambodia is free to conduct any policy he chooses, including neutrality. The problem for the United States is whether to participate in defining a special international status for Cambodia.

If Cambodia is neutralized on the model of Laos, the political and psychological pressures on Vietnam are bound to grow. It will then be argued that the solution to the problems of South Vietnam is "neutrality"—which under the "Geneva formula" would mean the takeover by communism in a measurable time. It is no accident that leaflets urging the neutralization of South Vietnam have begun to appear in that country in increasing numbers. It is high time that the United States clarified its policies on southeast Asia.

RESORTS FACED WITH DOUBLE-EDGED SWORD

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. CLEVELAND] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. CLEVELAND. Mr. Speaker, the Federal Government wields a two-edged sword that cuts both ways when it deals with the hotel and motel industry. Uncle Sam is financing the construction of new and unneeded hotel space and at the same time stiffening regulations on existing and established hotels and motels. Imposition of minimum wage standards on this recreation-dependent industry could be a serious financial blow to areas like New Hampshire that depend upon tourists and their patronage.

Hotels and motels received a double-barreled attack from the Federal Government last year. They lost substantial revenue because of changes in Federal tax regulations regarding business expense deductions, and at the same time, the Federal Government through

ARA was financing competitive new motel and hotel operations in an industry that had an average occupancy rate of only 61 percent. ARA, for example, financed construction in 1963 of a $1,894,525 motor hotel in Detroit although the hotel occupancy rate in Detroit during 1962 was only 54 percent.

While Federal policies are encouraging unemployment in the hotel business, proposals are now being made to extend Federal minimum wage standards to hotels and motels. General minimum wages could cripple the resort industry, where many employees are students receiving besides tips and wages, a free vacation, meals, and lodging. Certainly increased unemployment could be the result if resorts have to close because of the financial pressure put on them from the unwise establishment of minimum wages.

The following article from the February 1 issue of the Hotel and Restaurant News states that the hotel-motel industry suffered last year its "worst year since the depression":

A.H. & M.A. Yearend Report Labels 1963 "Worst Since Depression" for Industry: Hotel-Motel Sales Off $85 Million

New York, N.Y.—The hotel-motel industry in 1963 experienced its "worst year since the depression," according to the accounting firms which conduct independent financial surveys for the industry.

In its yearend report, the American Hotel & Motel Association announced that total sales for the Nation's 87,000 hotels and motels fell 3 percent from 1962, as gross income decreased by almost $85 million from the $2.8 billion total achieved last year.

Food and beverage sales, according to the report, dropped from 3 to 5 percent. Room occupancy, at 61 percent, slipped 1 percent from 1962, while room rates throughout the country remained unchanged.

Contributing to the generally unfavorable financial picture, according to A.H. & M.A. Executive Vice President Lawson A. Odde, were 1963 losses totaling $25 million in hotel-motel telephone operations, and "the continued refusal of the Nation's telephone companies to do anything about it."

Mr. Odde also scored "an increasing tendency on the part of the Federal Government to pass laws and regulations which jeopardize the already dangerously thin profits in the innkeeping field."

To reverse the downward trend, he declared, the A.H. & M.A. is "pulling out all the stops." He cited more research, more promotion, strengthening educational programs, working closely with the U.S. Travel Service to increase the flow of visitors from abroad, and a host of projects designed to increase profits, raise guest satisfaction, and lower costs, as areas of association concentration.

Also speaking out in the A.H. & M.A. annual yearend report were Arthur J. Packard, chairman of the group's governmental affairs committee; George D. Johnson, telephone committee chairman, and senior vice president, Sheraton Corp.; and A.H. & M.A. President Roy Watson, Jr., who is also president and general manager of the Kahler Corp., Rochester, Minn.

Mr. Packard hit the "confusing set of (travel and entertainment) tax regulations" which have turned away convention and business trade, and declared that passage of proposed minimum wage legislation would "trigger a quick rise in unemployment and force many hotels and motels to close their doors."

Mr. Johnson indicated the association is presently mapping plans for a nationwide campaign to attempt to stem telephone operating losses, while President Watson expressed the belief that the industry would recover from its present doldrums, because "we have adopted an optimistic and enthusiastic outlook, we are enlarging our effort better to merchandise better facilities, and we are emphasizing again the essence of innkeeping—good service to the guest."

TRIBUTE TO THE HONORABLE JAMES C. CLEVELAND OF NEW HAMPSHIRE

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Vermont [Mr. Stafford] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STAFFORD. Mr. Speaker, it is with great pleasure that I call to the attention of the House, the recognition which my distinguished colleague and neighbor from the great State of New Hampshire, James C. Cleveland, has received for his fine efforts to eliminate waste and discrimination in Government research activities. It is gratifying to place in the Record a resolution adopted on the part of the New Hampshire Optometric Association, in the course of its winter meeting, January 22, 1964:

Whereas Congressman James C. Cleveland, of New Hampshire, has displayed a great capability as a member of the House Select Committee on Government Research; and

Whereas his concern for elimination of waste and discrimination in Government research activities will have inestimable value in future programs: Therefore be it

Resolved, That the New Hampshire Optometric Association at its winter meeting, January 22, 1964, unanimously expressed its commendation and thanks to Mr. Cleveland for his overall interest in providing research in general and his particular interest in improving the climate for providing the best vision care for the American public by all disciplines.

THE SO-CALLED TAX REDUCTION BILL

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. Younger] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. YOUNGER. Mr. Speaker, recently I received a letter from one of our constituents in regard to the so-called tax reduction bill which was passed by the House and I would like to quote two paragraphs from that letter:

Thanks so much for the copy of H.R. 8363 on the proposed tax cut. You have gone out of your way to help me and it is greatly appreciated indeed.

I have computed my own 1963 tax bill, as well as a number of other retired people's for the same year, and find that in every instance, H.R. 8363 raises the tax, not reduces it. This sampling is a fair one and I think would be fairly close for the majority of the retired over 65.

This seems to prove what I have contended all the time, that this so-called tax reduction bill is going to impose real hardship on all retired people and instead of giving any relief it will increase the tax take out of their meager income.

COMPENSATION FOR SENECA INDIANS

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentlewoman from Ohio [Mrs. Frances P. Bolton] may extend her remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mrs. FRANCES P. BOLTON. Mr. Speaker, when the Congress of the United States voted to build the Kinzua Dam within the Allegany Indian Reservation in New York and Pennsylvania it tore into shreds the first treaty this country ever made. It was a treaty made between the Seneca Nation and the United States, signed on behalf of George Washington November 11, 1794. This action was reexamined by Thomas Jefferson March 17, 1802, when he stated that these lands shall remain the property of the Seneca and Onandago Nations forever unless they shall voluntarily relinquish or dispose of them. But the treaty was broken and some two-thirds or 20,000 acres of their best land taken to be flooded by this dam.

The least we can do now is to compensate as adequately as possible these people who built their homes, educated their children and owe no man a penny. I would like to compliment our colleague, the gentleman from Florida, Representative James Haley, and his Subcommittee on Indian Affairs for the great interest they have taken in this matter, also the House leadership for bringing up H.R. 1794 at this time. Incidentally, a very appropriate number was assigned this legislation for it was in 1794 that the treaty was signed with the Seneca Nation. It is my hope that the bill will be speedily enacted and that the Appropriations Committee will follow through with the necessary funds so these truly wonderful people will have new homes in adequate time.

CUBA

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. Shriver] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SHRIVER. Mr. Speaker, the cutoff by the Castro government of fresh water into the U.S. naval base at Guantanamo Bay comes as no surprise. However, the action by the Communist dictator and the reaction by our Government demonstrates once again the need for a clarification of U.S. policy in regard to Cuba.

Last summer I accepted an invitation from the Secretary of the Navy to join with other Members of the House in an inspection and briefing at our great naval base at Guantanamo Bay. My foremost impression at that time, and it is the same today, is that the United States must under no circumstances relinquish or leave or give up this excellent naval base. It is important to the security of this Nation as an ideal training station for our fleet. It is strategically located for protection of the Panama Canal; in fact, the sea routes to the Caribbean and Latin America. It is vital to the maintenance of American sea and air power.

While we are concerned about the cutoff of the water supply at the moment, the Castro government, assisted by Soviet military troops and technicians in Cuba, could aim a greater blow at that vital base.

On January 18, 1964, Radio Progreso broadcast from Havana a special message sent from Premier Khrushchev and Castro while the latter was in Moscow. The Soviet Premier was quoted as follows:

> We salute the peoples that fight for their liberation, those who are good fighters, and we wish them complete success in this fight * * * we salute the battle of the Cuban people for the liquidation of the Guantanamo military base * * * the soil of Guantanamo is Cuban soil and must be returned to Cuba.

Mr. Speaker, we can expect new incidents in the Caribbean. Castro, with Soviet backing, will continue to flex his muscles and intimidate the United States until the administration displays the firmness and determination which Communists understand best.

A CERTAIN RICH MAN

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Kentucky [Mr. SNYDER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SNYDER. Mr. Speaker, it is time that someone called President Johnson's attention to another approach to his "help poverty" program, where he has the opportunity to perform.

Two thousand years ago our Lord Jesus Christ applied such reasoning to another ruler, as described in the Gospel according to St. Luke, beginning with the 18th verse:

> And a certain ruler asked him, saying, Good Master, what shall I do to inherit eternal life?
>
> And Jesus said unto him, Why callest thou me good? none is good, save one, that is, God.
>
> Thou knowest the Commandments, Do not commit adultery, Do not kill, Do not steal, Do not bear false witness, Honor thy father and thy mother.
>
> And he said, All these have I kept from my youth up.
>
> Now when Jesus heard these things, he said unto him, Yet lacketh thou one thing: sell all that thou hast, and distribute unto the poor, and thou shalt have treasure in heaven: and come, follow me.
>
> And when he heard this, he was very sorrowful: for he was very rich.

If President Johnson should give away his millions to the poor it still wouldn't make much of a dent in poverty. But, if he did give away his considerable fortune to the poor, it would prove that he did sincerely mean his "help poverty" program: it would dispell the idea that he is currently delighted to help the poor by giving away other people's money.

"Charity begins at home" is a true proverb.

It is true for those who give as well as for those who get.

FEDERAL SUBSIDIES MAY EXCEED TOTAL COST OF FACILITIES PROVIDED BY DISTRICT OF COLUMBIA AS NONCASH GRANTS-IN-AID, GENERAL ACCOUNTING OFFICE FINDS

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. KYL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KYL. Mr. Speaker, I call attention to the bill, S. 628, which is now before the House Committee on the District of Columbia. The purpose of this bill, according to its proponents, is to permit urban renewal in downtown Washington, while the General Accounting Office and the American Law Division of the Library of Congress insist it would adversely affect every piece of residential, as well as nonresidential, property in the District of Columbia.

Now it is incongruous to even think about a $500 million nonresidential urban renewal program at a time when such a crying need for residential rehabilitation and improvement exists in the District of Columbia, and when archaic taxing philosophy promotes and perpetuates slums in our Nation's Capital.

Last June 27, 1963, I introduced a bill, H.R. 7319, to amend the District of Columbia Redevelopment Act of 1945 to insure that Federal subsidies may not exceed the total cost of facilities provided by the District of Columbia as noncash grants-in-aid. Under existing law the District of Columbia is permitted to receive Federal subsidies which exceed the total cost of facilities provided as noncash grants-in-aid to slum clearance and urban renewal projects. No other local community is in this same position. The Comptroller General of the United States in his audit of the District of Columbia Redevelopment Land Agency for the fiscal years 1957 and 1958 stated that:

> If the Congress desires that the credit received by the District of Columbia for noncash grants-in-aid be limited in the same manner as for other local communities, section 20(d) of the District of Columbia Redevelopment Act of 1945 will have to be amended.

My bill, H.R. 7319, carries out this eminently sensible suggestion by the Comptroller General of the United States.

The Comptroller General cited facts regarding the Southwest Expressway in the District of Columbia as proof of the special consideration given the District government and stated that:

> As a result of the URA grants and Bureau of Public Roads reimbursements, the District of Columbia will recover more than the total cost of the expressway. On the basis of cost estimates shown in loan and grant applications approved through September 1958, payments from these two sources will exceed the total cost by $3,664,391. On the basis of estimates shown in the amendatory loan and grant applications dated May 14, 1958, the excess amount recovered will be $5,766,567.

I include as part of my remarks the following excerpts from the "Audit of District of Columbia Redevelopment Land Agency, Fiscal Years 1957 and 1958, by the Comptroller General of the United States, May 1959."

FEDERAL SUBSIDIES MAY EXCEED TOTAL COST OF FACILITIES PROVIDED BY DISTRICT OF COLUMBIA AS NONCASH GRANTS-IN-AID

Under existing law the District of Columbia is permitted to receive Federal subsidies which exceed the total cost of facilities provided as noncash grants-in-aid to slum clearance and urban renewal projects. No other local community is in this same position.

Section 110(d) of the Housing Act of 1949 (63 Stat. 420) contained the following limitation with regard to the eligibility of facilities claimed as noncash grants-in-aid:

"No demolition or removal work, improvement, or facility for which a State, municipality, or other public body has received or has contracted to receive any grant or subsidy from the United States, or any agency or instrumentality thereof, for such work, or the construction of such improvement or facility, shall be eligible for inclusion as a local grant-in-aid and in connection with a project or projects assisted under this title."

Section 609 of the foregoing act also added a new section, 20(d), to the District of Columbia Redevelopment Act of 1945, which provided in part that:

"Notwithstanding the limitation contained in the last sentence of section 110(d) or in any other provision of title I of the Housing Act of 1949, the Administrator is authorized to allow and credit to the [District of Columbia Redevelopment Land] Agency such local grant-in-aid as are approvable pursuant to [said] section 110(d) with respect to any project or projects undertaken by the Agency under a contract or contracts entered into under this section and assisted under title I of the Housing Act of 1949."

The above language was developed by the Housing and Home Finance Agency (HHFA) in consultation with the Board of Commissioners of the District of Columbia, the Corporation Counsel for the District of Columbia, the RLA, the National Capital Housing Authority, and the National Capital Park and Planning Commission at the request of the chairman of the House Committee on Banking and Currency for language necessary or desirable to permit the District of Columbia to participate in the national programs of Federal aid for slum clearance and for low-rent public housing on the same basis as other communities throughout the country.

In replying to our letter requesting views as to the interpretation of section 20(d) of the District of Columbia Redevelopment Act of 1945, as amended, the Administrator, HHFA, stated in a letter dated November 6, 1958:

"Further, it is axiomatic in statutory interpretation that in ascertaining legislative intent consideration can properly be given to those statutes which are in pari materia: We find such a case in section 304 of the Territorial Enabling Act of 1950 (Public Law 615, 81st Cong., approved July 18, 1950). In this section, there is a provision, the first portion of which is identical in substance with the first sentence of section 20(d) of the District of Columbia Act. Concerning this portion of the provision, there is the following statement in the House report (H. Rept. No. 2276, 81st Cong., 2d sess., June 19, 1950):

"EXPLANATORY NOTE.—In this connection, it should be noted that the Federal Government annually appropriates funds for expenses of the government of the Virgin Islands, including normal municipal expenditures, such funds being used to supplement local revenues. It is, therefore, necessary, if the Virgin Islands is to participate in the urban redevelopment program under title I of the Housing Act of 1949, for the Congress to grant an exception to the limitation in the last sentence of section 110(d) of that act which prevents counting as a local grant-in-aid facility of service financially assisted by the Federal Government under other programs. An exception substantially similar to the instant exception was granted to the District of Columbia by section 609(d) of the Housing Act of 1949 * * *."

Section 110(d) of the Housing Act of 1949, as amended by the Housing Act of 1954 (68 Stat. 628), now contains the following limitation with regard to the eligibility of facilities claimed as noncash grants-in-aid:

"With respect to any demolition or removal work, improvement or facility for which a State, municipality, or other public body has received or has contracted to receive any grant or subsidy from the United States, or any agency or instrumentality thereof, the portion of the cost thereof defrayed or estimated by the Administrator to be defrayed with such subsidy or grant shall not be eligible for inclusion as a local grant-in-aid."

When section 110(d) is read in light of the fact that the Congress annually provides grants to the general treasury of the District of Columbia and the Virgin Islands government to supplement the local revenues and that these grants are merged with the funds collected locally, the problem of identifying the source of funds for determination under section 110(d) can be readily perceived. With the addition of section 609, no attempt at tracing the commingled Federal supplements to local revenues would be necessary and all funds could be treated as derived from local revenues as far as the urban renewal projects were concerned.

The above treatment of the Federal supplements to local revenues would be compatible with the explanation of the then Administrator, HHFA, who in transmitting the requested language enclosed an explanatory statement which provided, in part, that:

"The proposed amendment would authorize the Administrator of the Housing and Home Finance Agency to allow credit for local grants-in-aid in connection with projects undertaken within the District of Columbia * * * to the same extent as local grants-in-aid are approvable for other cities and States."

We have observed, however, that the amendment actually enabled the District of Columbia to receive larger credits for noncash grants-in-aid than other communities are permitted to receive. To illustrate the effect of section 20(d), the following facts concerning the Southwest Expressway are presented.

1. URA tentatively allowed one-third of the estimated total cost of the expressway as a part of gross project cost and as a noncash grant-in-aid for project areas B and C. Loan and grant applications, as approved by URA through September 1958, show the estimated total cost of the expressway to be $29,963,200. Amendatory loan and grant applications dated May 14, 1958, show the estimated total cost to be $47,181,000 including $5,977,000 for project land to be purchased from the RLA. At the completion of our audit in October 1958, URA had approved the amendatory application for project area B. As previously indicated, the amounts allowed by URA as noncash grants-in-aid are included in project cost. Thus, the Federal capital grants to be paid in accordance with the provisions of the Housing Act of 1949, as amended, will include two-thirds of the amounts allowed as noncash grants-in-aid.

2. The District of Columbia has also entered into agreements with the Bureau of Public Roads of the Department of Commerce covering certain costs of the Southwest Expressway. The Bureau of Public Roads will reimburse the District of Columbia for 90 percent of these costs. Our review indicated also that the District of Columbia will enter into similar agreements covering all other costs of the expressway.

3. As a result of the URA grants and Bureau of Public Roads reimbursements, the District of Columbia will recover more than the total cost of the expressway. On the basis of cost estimates shown in loan and grant applications approved through September 1958, payments from these two sources will exceed the total cost by $3,664,391. On the basis of estimates shown in the amendatory loan and grant applications dated May 14, 1958, the excess amount recovered will be $5,766,567.

4. In a letter dated December 15, 1958, to the Board of Commissioners, District of Columbia, we concluded that the allowance of credit by URA for the full cost of the portion of the Southwest Expressway benefiting project areas B and C is authorized by section 20(d) of the District of Columbia Redevelopment Act of 1945.

If the Congress desires that the credit received by the District of Columbia for noncash grants-in-aid be limited in the same manner as for other local communities, section 20(d) of the District of Columbia Redevelopment Act of 1945 will have to be amended.

APPROVAL AS NONCASH GRANT-IN-AID OF FACILITY THAT WILL BENEFIT THE ENTIRE COMMUNITY

In entering into a loan and grant contract in April 1953 the URA tentatively allowed one-third of the estimated cost of the Southwest Expressway (see p. 23) as a part of the gross project cost and as a noncash grant-in-aid even though the expressway is of communitywide benefit.

The earliest policy statement relative to facilities of this nature is found in Policy Document No. 41, issued by the Director of the Division of Slum Clearance and Urban Renewal (now the Urban Renewal Administration) on October 24, 1950, provided as follows:

"Facility which does not benefit the project area any more, proportionately, than the rest of the city cannot qualify under the proviso in section 110(d)(3) as a grant-in-aid that is of direct and substantial benefit both to the project and to other areas."

This policy was restated in LPA letter No. 29, dated February 25, 1954, and finally incorporated as part 2, chapter 10, section 4, of the LPA manual dated October 18, 1955, which provides in part:

"(1) No part of the cost of a public facility is eligible [as a noncash grant-in-aid] if such a facility is not of direct and substantial benefit to the project. A facility is not considered to be of direct and substantial benefit to the project under the following circumstances:

* * * * *

"(b) The facility is of a character which serves an entire community, or a substantial portion thereof, instead of being a neighborhood facility * * *."

The RLA files contain statements by the RLA and the Department of Highways, government of the District of Columbia, in justification of the Southwest Expressway as a noncash grant-in-aid. The RLA stated that "The single major improvement of communitywide and project benefit in the area is the Southwest Expressway." The Department of Highways stated that the expressway is part of "the 'inner belt' route, a high-volume, high-capacity highway surrounding the entire downtown business district and designed to divert approximately 25 percent of the total daily trips which presently pass through this critically congested area."

We believe that the statements of RLA and the Department of Highways indicate that the expressway will benefit the entire community. Accordingly, we do not believe that UHA should have allowed the cost of the expressway as a noncash grant-in-aid.

In a letter to us dated March 23, 1959, the Commissioner, URA, stated that he did not agree that the cost of the expressway should be disallowed as a noncash grant-in-aid because it is of countrywide benefit. He stated further that the tentative approval of a portion of the facility as a noncash grant-in-aid credit was based upon direct benefits to be derived by the projects from the facility. We agree that the projects will derive some benefits from the expressway, but we are still of the opinion that it is basically of communitywide benefit and, as such, should not have been allowed as a noncash grant-in-aid. We believe that our position is further supported by a current policy of URA set forth in LPA Letter No. 149, dated July 2, 1958, as follows:

"Where highways are considered to be of communitywide benefit, they will not ordinarily qualify as noncash local grants-in-aid to an urban renewal project. Obviously the interstate highways financed on a 90-percent Federal 10-percent local basis are of general benefit and would be ineligible as noncash local grants-in-aid to an urban renewal project. Where Federal highway financing is on other than the 90–10 basis, the non-Federal share may be in part creditable as grants-in-aid to a title I project under certain circumstances."

RECOMMENDATION TO THE COMMISSIONER, URA

We recommend that URA adhere to the policy set forth in part 2, chapter 10, section 4, of the LPA Manual and not allow the cost of facilities of communitywide benefit as noncash grants-in-aid.

RESIDUAL OIL QUOTAS INCREASES CONCERN FROM MEMBERS OF CONGRESS

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. CLEVELAND] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. CLEVELAND. Mr. Speaker, New England badly needs relief from residual oil import restrictions, which are costing fuel-starved New England over $30 million a year. Secretary of the Interior Stewart Udall refuses to recommend removal of these restrictions which could be accomplished by a stroke of the President's pen. Earlier this year I submitted for the Record correspondence I have had with Mr. Udall urgently requesting the dropping of the quotas (January 27, pages 1165–1166). Mr. Udall admits that the residual oil quotas impose "moderate" additional costs to the U.S. economy.

We on the east coast—from New England to Florida—do not share Secretary Udall's attitude of academic complacency that his restrictions on our much-needed fuel supply is merely a "moderate" additional cost. It may be "moderate" to Mr. Udall, but it isn't moderate to the millions on millions of our people who every day have to pay higher costs for everything from electric lights to school taxes and hospital bills.

Following on my continued efforts to get the President to abolish residual oil import restrictions, I met last week with J. Cordell Moore, Administrator of the Interior Department Oil Import Administration. Attending the meeting were New England Fuel Committee members and New England Congressmen.

MINDS ARE MADE UP

Our hopes that New England would be given real relief from residual oil import quotas costing New England $30 million were dashed. I came away with an impression that a decision had been made not to remove the quotas and that the presentation of facts to Mr. Moore was a completely useless exercise due to the fact that he had already made up his mind. In typical bureaucratic fashion, he made a few vague promises about relaxing the quotas. As far as I am concerned that is election year talk from people who are trying to make voters happy but have not got enough guts to do what should be done—namely, abolish the quotas that are costing New England $30 million a year by increasing costs to hospitals, schools, industry, and apartment dwellings.

I am pleased to see that Secretary Udall's inaction and faint apologies are coming to the attention of other Members of Congress. Mr. Udall sent a reply to Senator Javits, of New York, that was almost a word-for-word duplicate of the one I received. Senator Javits scored Mr. Udall for using the residual oil quotas as a price-fixing tool, a far cry from the needs of national security—the flimsy base on which these inexcusable shackles are based. I commend to my colleagues the remarks of New York's distinguished Senator which appeared in the Congressional Record, January 30, 1964, on page 1427:

Proposed Dismantling of the Present System of Unnecessary Control on Residual Fuel Oil

Mr. Javits. Mr. President, on December 17, 1963, in a joint letter to Secretary of the Interior Udall, the Senator from New York [Mr. Keating] and I urged him to dismantle the present system of unnecessary controls on residual fuel oil prior to the start of the new quota year on April 1, 1964, to permit normal competitive forces of the marketplace to prevail.

Secretary Udall's reply of January 20 is surprising and evasive, and once again fails to give any rational justification for the continuation of this administration's program of residual fuel oil import controls.

The maintenance of these controls cannot be justified in terms of our national security. This issue has clearly been disposed of on February 13, 1963, when the report of the Office of Emergency Planning to the President declared that "a careful and meaningful relaxation of controls on imports of residual fuel oil consistent with the national security and the attainment of Western hemispheric objectives which contribute to the national security."

The present basis for allocating quotas has also resulted in anticompetitive conditions in this industry and higher prices for the consumer.

The Secretary's reply openly admits that "it is most difficult to maintain effective controls of imports of residual fuel oil and at the same time engender within the industry the degree of competition which would exist in the absence of such controls."

He also concedes that control of oil imports entails "moderate" additional costs to the U.S. economy.

It looks as if Secretary Udall is justifying import restrictions of residual fuel oil on the basis of price considerations. This is in direct contradiction to his contention that these controls are needed for reasons of national security.

The Secretary also claims that the program was liberalized in the past 3 years. While in some respects this statement is true, it fails to point out that under the existing regulations the consumer is still tied to one supplier.

This is a deplorable situation, yet thus far an insoluble one. I would hope, therefore, that my colleagues from New England, the Middle Atlantic States, as well as Florida, would join us soon in a concerted effort toward rectifying this situation. Only in this way can we hope for effective and quick results.

In this regard, the Legislature of the State of Maine is to be commended for its courage in unanimously passing, at a special session of the legislature on January 16, 1964, a joint resolution calling for the removal or liberalization of import controls on residual fuel oil in the best interests of the consumer and the Nation.

I also point out that one of the things which is hurting Latin America almost irretrievably, and which is bedeviling the Alliance for Progress, is the fact that the terms of trade are turning against rather than in favor of Latin America. Latin American exporters are constantly buying less U.S. goods instead of more. One of the great difficulties is the arbitrary restrictions placed on Latin American exports, such as residual fuel oil, zinc, lead, and other commodities.

For all these reasons, I renew my plea that the residual fuel oil quotas be withdrawn and that the plan be canceled.

MORE DEFENSE FUNDS LIKELY FOR CANADA

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. Roudebush] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ROUDEBUSH. Mr. Speaker, I would like call the attention of the Members of the House to an article that was written by Allen M. Smythe, which appeared in the February 7 issue of the Washington Evening Star. I think this is an excellent article concerning purchases made by our Government from Canada, and certainly shows the seriousness of the situation. I imagine that several of you, just I have, have received letters from manufacturers in your districts. I find this article thought provoking and I commend it to your attention. With consent of the House, I wish to ask that the article be reproduced in its entirety in the Record.

More Defense Funds Likely for Canada

(By Allen M. Smythe)

An uneasy Pentagon is awaiting a White House memorandum that would require more defense funds be spent in Canada. The State Department is reported drafting policies that would not only give our northern neighbor more defense subcontracts, but approve her recent efforts by tariff changes, rebates, and tax exemptions, to entice U.S. automotive parts and component factories to move to Canada.

Rumors to this effect have been circulating in Washington since Prime Minister Pearson's recent "social" visit to President Johnson's Texas ranch. Defense officials vividly recall 5 years ago when former Premier Diefenbaker charged into the White House and with "an 18th century gusto" convinced President Eisenhower that Canada should have 10 percent of the U.S. military contracts.

The urgent White House order that followed resulted in the forming of the procurement sharing program which in turn forced American defense contractors to give Canada "a fair share" of their subcontracts. At the same time an Executive order waived for Canada the differentials in the Buy-American Act.

Military contractors say Canadian firms often do not have the equipment and technical know-how to produce components for the complex weapons of today. The Pentagon is not allowed to inspect or rate the Canadian factories. Many Canadian defense subcontracts have been far from satisfactory.

The recent transfer of Studebaker manufacturing to Canada has aroused other automotive industries and their unions. While State Department negotiations with Canada have been discreet and formal, local units of the United Auto Workers have been loud in their complaints to Congress, the White House and Pentagon.

Labor leaders would like to have the 6 and 12 percent differentials of the Buy-American Act restored to Canadian purchases.

Industry spokesmen say the $555 million balance of trade against Canada is decreasing rapidly and is more than offset by capital investments and other U.S. spending. This makes the gold balance in their favor.

Defense officials state that the Pentagon has spent more than $30 billion on the early warning lines installed in Canada. With a diminished Soviet bomber threat, the operating and maintenance costs of these lines are now sharply reduced.

Other Pentagon officials point out Canada's lack of cooperation in the Cuban crisis and her lucrative trade with Cuba in spite of the embargo. This tripled trade, largely in repair parts, has kept Cuba's refineries, sugar mills, and power stations operating. Payments were made in dollars through the eight branches of the Royal Bank of Canada—the only private banks not seized by Castro.

RESOLUTION OF THE NEW YORK STATE ASSEMBLY URGING ENACTMENT OF THE CIVIL RIGHTS BILL

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Multer] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. MULTER. Mr. Speaker, I commend to the attention of our colleagues the following resolution of the New York State Assembly memorializing Congress to enact H.R. 7152.

I believe that this resolution amply demonstrates the view of the overwhelming majority of the people of my State toward this bill.

The resolution follows:

Resolution 58

Concurrent resolution of the senate and assembly memorializing Congress to enact civil rights legislation

Whereas the guarantees of civil rights and human dignity pledged in the Declaration of Independence and Constitution of the United States have been violated and subverted by practices of racial discrimination and segregation which now exist in many areas of this Nation; and

Whereas the continuation of such discrimination and segregation violates the citizen rights of individual Americans, threatens our domestic tranquillity, impairs our Nation's economic growth, damages the foreign policies of the United States and, if not eliminated, will weaken this country as a leader of the free world; and

Whereas the laws of the State of New York, have broken ground in the civil rights field, demonstrating to the States and Federal Government, the beneficent social and economic consequences of implementing the moral commitments made in the Declaration of Independence and Constitution; and

Whereas there is now pending in the Congress legislation which will provide the Federal Government with needed legal instruments for pursuing its declared national goal of eliminating racial discrimination and segregation: Therefore, be it

Resolved (if the senate concur), That the Congress of the United States be, and hereby is, memorialized to enact forthwith the civil rights and antidiscrimination legislation now pending before it; and be it further

Resolved (if the senate concur), That each Member of the Congress from the State of New York be urged to support and vote for the civil rights legislation, including provisions guaranteeing an end to discrimination in the use of public accommodations and in the exercise of voting rights; and be it further

Resolved (if the senate concur), That the New York delegation to the Congress commit its support to accelerating the movement of this legislation from committee to the floor for immediate action; and be it further

Resolved (if the senate concur), That copies of this resolution be transmitted to the Congress of the United States by forwarding one copy to the clerk of the Senate, one copy to the Clerk of the House of Representatives, and one copy to each Member of Congress from the State of New York.

VOLUNTARY CERTIFICATE WHEAT PLAN

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Oregon [Mr. Ullman] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. ULLMAN. Mr. Speaker, the Oregon Wheat League, which was founded over 37 years ago, has gained an enviable reputation throughout American agriculture as a leader in the development and adoption of better farming, marketing methods, and programs.

The Oregon Wheat League has come out strongly in favor of a voluntary certificate wheat plan, similar to those recommended by several Members of Congress from farm areas. I wish to insert a letter expressing the position of the league, which is signed by Mr. John Welbes, executive vice president, at this point:

Oregon Wheat Growers League,
February 4, 1964.

Representative Al Ullman,
House of Representatives,
Washington, D.C.

Dear Mr. Ullman: The Oregon Wheat Growers League, since its origin in 1926, has been a leader in developing sound wheat legislation. Many other wheat producing States have looked to the Oregon Wheat Growers League for guidance. Our officers have just returned from Washington, D.C., where they talked to several Senators and Representatives on pending wheat legislation, especially H.R. 9780, which had just been reported out of the Subcommittee on Wheat.

The Oregon Wheat Growers League would like for you to consider the following statement when considering new wheat legislation:

"The Oregon Wheat Growers League fully endorses a voluntary certificate program for wheat encompassing the principles of the certificate plan. Congress should carefully consider the following points in a voluntary program if it is to be successful:

"1. A voluntary program that does not have enough incentive for grower participation signup will have a low percent of compliers. This would result in the noncompliers furnishing the cash market. The complier's wheat would end up as CCC stocks, which would mean higher storage costs, and not improve farm income.

"2. Any new program which would not maintain the 1962 income of wheat producers would result in a smaller percent of compliers.

"3. With export certificates valued at a low figure, the percent of compliance will definitely be down.

"4. The substitution clause should be in any new wheat legislation."

In reviewing President Johnson's agriculture message to Congress, he mentions, in the second paragraph, that the administration's policy is for higher farm income, reduced farm surpluses, and lower Government costs. As mentioned above, if a voluntary program is enacted, it must have participation to be effective. Less participation would result in fence-to-fence planting. This then would increase surpluses, increase Government costs due to CCC storage, and would not improve the farm income. President Johnson also mentions that the income of the average farm family is still only 55 percent of that received by the average nonfarm family.

The Oregon Wheat Growers League urges you to consider our statement in considering any wheat legislation.

Sincerely yours,
John H. Welbes,
Executive Vice President.

PANAMA CANAL—EMPLOYMENT OF ALIENS FOR CANAL ZONE POLICE TANTAMOUNT TO TREASON

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. Flood] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. FLOOD. Mr. Speaker, the Washington Post of February 7, 1964, contains two news stories about the fires now burning in the Caribbean, one about Cuba stopping the Guantanamo water supply; and the other, an announcement by Gov. Robert J. Fleming of the Canal Zone that Panamanian nationals will soon be placed on the zone police force. The water story, though important, is not crucial, because our Navy long ago took effective precautionary measures. Nevertheless, it was featured in a banner headline "Cuba Stops Guantanamo Water," in a major news story. The Governor's announcement about hiring Panamanian nationals for police duty, though of transcendent significance, is buried on page A12, column 6, in eight short paragraphs of the Washington Post.

In view of the January 9, 1964, attempted Red-led and directed mob attacks on the Canal Zone and other events over a period of years, the Governor's announcement, though truly shocking, is not surprising, in view of his anti-American stands regarding the sovereignty of the United States over the Canal Zone and Panama Canal.

Mr. Speaker, I would emphasize that this Governor's proposed action is not a mere routine matter but an intended body blow against the legitimate vital interests of the United States at the key spot of the Americas. It conforms to Communist strategy and tactics of infiltrating police forces preliminary to Red takeovers. Its consummation would be a serious breach in the Canal Zone security system that must not be tolerated under any circumstances, for its aids and abets the Red revolutionary program for conquest of the Caribbean and Latin America, including the Panama Canal.

Certainly when our houses in the Caribbean, lighted by bloody communism, are on fire and the free world everywhere is reeling from blows of revolutionary attacks, this is no time for surrender on our part of the Panama Canal and the agencies for its protection to those who, in the very nature of the case, will have in their ranks trained revolutionaries and saboteurs dedicated to the Red policy of liquidating, by any means whatsoever, all U.S. sovereignty and jurisdiction over the Panama Canal.

Today, wherever our forces are deployed beyond the seas or in foreign lands, Communist vultures are roosting on our guns.

In view of these and many other facts, the Governor's announced intention should be denounced throughout the Nation, with demands, in the interest of our national security, for the immediate dismissal of him and all others responsible for the proposed betrayal, a full and complete investigation by the Congress, and such other actions as the facts may warrant.

In this connection, Mr. Speaker, I would emphasize that, with Red influence reaching into the highest levels of the Panamanian Government, including the Cabinet of President Chiari and the National Assembly, it will be impossible to avoid Red infiltration of the Canal Zone police force, which would include some who were trained in Cuba for the revolution and sabotage and actually led the January attacks on the Canal Zone. Moreover, the misguided strategists now endeavoring to hire Panamanian nationalists to police American citizens and American territory in the Canal Zone know precisely what they intend to do. Instead of our Government employing aliens to defend the Canal Zone and our citizens there, I would urge, in line with the view of George Washington at another crucial time in our history: "Put none but Americans on guard."

In order that the Nation at large, the Congress, and the loyal elements in our Government and in mass news media may be informed as to this sinister scheme for Red infiltration of the Canal Zone Government, I insert the indicated news story at this point:

ZONE TO HIRE NATIONALISTS AS POLICEMEN

BALBOA, C.Z., February 6.—Gov. Robert J. Fleming, of the Canal Zone, said today that about 50 Panamanians will be hired soon for the Canal Zone police force.

The announcement brought immediate protests from the 250-man police unit, now composed entirely of Americans, and from the men who pilot ships through the U.S.-controlled canal.

The Governor said about 20 Panamanians will be integrated into the force first, probably next week, with 30 more added later as part of a plan to expand the force to 350 men. He said the nationals would be used in the zone sections where Panamanians working on the canal live.

Richard Meehan, 30, president of Canal Zone Police Lodge 1798 (AFL-CIO), said bringing Panamanians into the force would be "a dramatic inroad and a breach in the Canal Zone security system."

Meehan said the police force is a highly trained organization entrusted with such functions as harbor and border patrol, criminal investigation and operation of the penal system.

"Panamanians' loyalty in carrying out these functions can be questioned," he charged.

He said the plan will cause "a large number of skilled American help to quit and go home." The Canal Pilots Association sent a protest to Army Secretary Cyrus Vance in Washington, he said.

Fleming said the plan to hire Panamanian policemen "won't have the slightest effect on security in the Canal Zone." He cited the work of the all-Panamanian fire department as an example of loyalty.

CIVIL RIGHTS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. BOLAND. Mr. Speaker, at such a time in the world's history it is opportune that America should be granted the occasion both to rediscover its own soul and to focus the eyes of the world on the essential principles for which we stand.

Such an occasion is the present effort to provide further statutory protection for civil rights. Conscience itself summons us to fulfill our highest obligation, to realize in a more perfect way the very reason for the being of the United States:

> That to secure these rights, governments are instituted among men.

In spelling out and making explicit the human rights of American citizens in order to provide for these rights more secure juridical protection, we are simply returning to the Declaration of Independence to embrace once more the moral purpose for the sake of which the signers pledged to each other their "lives," their "fortunes," and their "sacred honor."

The rights which we are presently concerned to protect, are most certainly implicit in the essential, natural or human rights enunciated in the Declaration:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by the Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness.

Mr. Speaker, the Constitution translates into civil rights the inalienable rights of the Declaration. Our Constitution is meant to provide legal protection to the human rights which belong to every man because he is a man.

Nothing, surely, could remove us from fidelity to the Constitution more than discrimination between man and man with respect to rights. Nothing could have a more corrupting effect than to grant or refuse recognition and protection of rights on the basis of a man's race or color.

Is the United States or any State to countenance inequality of rights? Inequality of rights means inequality of liberties and opportunities which are essential conditions for pursuit of the rights enunciated in the Declaration of Independence. Inequality of such liberties and opportunities contradicts the very idea of the rights of man which inspired the Founding Fathers. If men are granted unequal rights, then something else than the inalienable personality of man must be assumed to be the basis of rights. But was it not in part to escape the injustices of privilege and power based on hierarchical class structure that men came to America from the Old World? Did the framers of the Constitution have any more essential aim in view than to provide a legal guarantee of the equal rights of every American citizen?

Our present duty is nothing less than to vindicate the Constitution. For the rights which we are discussing are not, in reality, rights which we are about to create, as if they did not already exist and as if they did not already bind us in conscience. The Constitution is our basic guarantor of equal rights. We are now confronting the fact of manifold denial of equal liberties and opportunities to American citizens. Are we not acting now simply to make effective in the mind and heart of every American the constitutional obligation to recognize the essential rights of every other person?

Mr. Speaker, I should like to say that the discussion and debate regarding civil rights on the floor of the House carried the subject to a high level of intelligibility. Civil rights debate this week has exemplified the most precious advantage of representative democracy, which is to clarify issues and bring about agreement and consent through rational persuasion.

Let me conclude by saying that this is one of those moments in our national history when wholehearted recourse to the Constitution itself will alone suffice to resolve an issue of critical proportions. And in having direct recourse to the Constitution, every partisan transcends party and becomes a statesman.

THE CIVIL RIGHTS BILL

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. LESINSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. LESINSKI. Mr. Speaker, to make certain the record is clear, I should like to point out that in previous Congresses, I have voted for civil rights measures—the Civil Rights Act of 1957 and the Civil Rights Act of 1960. In 1960 I signed the discharge petition which was presented to bring the latter act before the House for a vote.

I am in full accord with the stated intent of the bill now under consideration, for I believe that every one of our qualified citizens should be allowed to vote as provided for in the Constitution; everyone should be able to travel freely about this country, eating and sleeping in places open to the public. Their children should have equality in educational facilities. Everyone should be able to compete for jobs on the basis of his qualifications and ability without regard to race, creed, or color.

However, after giving long and careful thought to the measure before us, I am gravely concerned that in the anxiety to do something about the rights of those of our citizens who are now the subjects of discrimination, the path is being laid which will lead to the destruction of the rights and liberty of every one of our citizens. This measure places in the hands of the Federal Government, and in particular one official of the Federal Government, the Attorney General, a tremendous amount of power. The current incumbent, Mr. Kennedy, I believe, displayed a great deal of wisdom, which we should note carefully, when in his testimony before the committee, he cautioned against giving too much power to the office he holds and warned that to do so could ultimately lead to a national police force. Of course, I am aware that there are some in the civil rights movements who advocate the creation of a national police force, but I believe the majority of our citizens would be strongly opposed to it. Although the bill has been modified to an extent, the seeds of power are still there, scattered throughout the various sections.

I am especially concerned about the fact that the bill applies to State and local, as well as Federal elections, for Federal interference in local elections could gradually destroy the people's right to vote and could put an end to our representative form of government. The end result could too easily be the opposite of what is intended to be done here today in guaranteeing the right to vote.

Our country was founded by people who were seeking individual freedom and liberty. They came to this land to escape the rule of a strong Central Government. Our country grew and prospered through the work and contributions of immigrants from other nations where a centralized rule existed. Even today, in East Berlin and other Iron Curtain countries, people risk their lives to escape centralized government.

None of us want to live under a dictatorship, whether it be a dictatorship by one man or by a small group at the head of the government, and I am fearful that this measure could lead to such conditions. It cannot happen here, some will say. Some said the same thing in Czechoslovakia, at one time considered a showcase of democracy; some said it in Hungary, in Poland, and in the other Eastern European countries now dominated by a small group of dictators at the head of a centralized government, where people who once had, no longer have, a voice in their government.

There are a great many people who in the past have criticized big government and government interference in private affairs who do not realize the far-reaching implications of this measure. I urge them to take a careful look at the proposal.

I urge the workingman to take a careful look at it because it could affect existing seniority rights.

I urge the veterans to consider the bill carefully, for it could affect their veterans' preference rights.

I urge all citizens of America to set aside their emotions for a minute and take a look into the future for their own good.

Jobs, education, training to improve the economic conditions of the minority are needed. We have made efforts in that direction through enactment of the Manpower Development and Retraining Program; through the improvements in the Vocational Rehabilitation Act; through assistance to colleges and universities. We need more efforts on an individual level such as that being done in Detroit where a drive has been organized to raise money for Wilberforce University, the oldest Negro school of higher learning in the United States, as described in the following article from a Detroit Newspaper:

Six Million Dollars Is Goal for School

A $6 million national fundraising drive, which will cover a 10-year period, is being mapped for Wilberforce University, the oldest Negro school of higher learning in the United States.

Preliminary plans for the drive were revealed last week at a press conference at the Sheraton-Cadillac Hotel by Dr. Rembert E. Stokes, Wilberforce president, and Detroit Attorney Andrew W. Perdue, local alumni president.

The announcement followed a final planning conference between Dr. Stokes, Perdue and Hondon B. (Bud) Hargrove, vice president of the local alumni.

Perdue and Hargrove said the local alumni drive this year will have a goal of $20,000 for scholarships. It will culminate at a founder's day banquet in May. Hargrove is also general chairman of the banquet committee.

Also attending the conference was Walter Quetsch, Wilberforce's director of developments. Representatives of the local press and Newsweek magazine were on hand for the conference.

Dr. Stokes pointed out the moneys will be earmarked for scholarships, plant expansion, and general endownment.

He told the press that the drive will be kicked off here February 1, with Benjamin Levinson acting as financial adviser for this campaign. Levinson is president of the Franklin Mortgage Corp.

Dr Stokes said he felt that Wilberforce University is most fortunate to have the good counsel of Ben Levinson.

"Certainly, we are fortunate to have the guidance and leadership of an individual (Levinson) who has contributed so much to higher education in this country," Dr. Stokes said.

Levinson has distinguished himself in his association with universities for the past 20 years. Ten years ago, he was instrumental in raising $5 million to build the medical science building for Wayne State University, and received the first Distinguished Service Award from Wayne University, and a Gold Medal for his endeavors.

Levinson was honored by the University of Detroit, and received the Alpha Kappa Psi Service Award, for outstanding service to the U–D. He was made an honorary alumnus of the U–D Dental School for creating scholarship funds.

He is a founder and trustee of Maryglade College, a seminary which is located at Memphis, Mich. Levinson has represented Villanova University, his own college, for many years. He was an original member of the Michigan Legislative Study Committee on Higher Education.

Levinson has represented universities, both local and out of State. He is an ambassador of Yeshiva University, which is the oldest Jewish University in America; a national patron of the Jewish Theological Seminary in America and an associate of Brandeis University.

Sketching the background of Wilberforce, Dr. Stokes told the press conference how the school got its start in 1856 when a group of Methodist ministers founded the institution in southern Ohio to educate the "mulatto offspring" of slaveholders and their slaves.

The school was taken over by the African Methodist Episcopal Church during the Civil War when the slaveholders withdrew support. The night Lincoln was assassinated in 1865, a southern sympathizer burned down the school.

He said the tuition of $400 a year for the school "is the lowest of any accredited private college in Ohio, and only 55 percent of the national average of $740." He said such low tuitions are necessary when "you consider that the average Negro family annual income is about $3,233."

Dr. Stokes said in addition the school is presently appealing for $100,000 for next year, to strengthen such student self-help programs as work-aid, scholarships and student loans.

Unless such colleges as Wilberforce are kept alive, he emphasized, the average Negro from many culturally deprived areas in the South will not have the opportunity to acquire higher learning.

Dr. Stokes, 46, has been president of the university since 1956. He was dean of its well-known Payne Theological Seminary for 5 years before that.

These are steps to be taken to help the minority help themselves which is basically what any self-respecting individual wants.

Some of our citizens have grievances and they are impatient. Their demand is that something be done now. I would remind them that quick, seemingly sure remedies often backfire resulting in an illness that may be worse than the original one.

Once again, I wish to state that I am in full accord with the basic intent of the measure to guarantee the civil rights of all our citizens, but I believe that in the long run the methods in this bill by which that intent is to be carried out will be detrimental to everyone's freedoms.

As President Truman has said, there are already on the books sufficient laws to correct conditions. Let those laws be enforced. Let us not today enact more laws which could endanger the future of our country.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Lipscomb (at the request of Mr. Thomson of Wisconsin), for 30 minutes, on Monday, February 10, and to revise and extend his remarks and include extraneous matter.

Mrs. Sullivan (at the request of Mr. Matsunaga), for 30 minutes, on Saturday, February 8, and to revise and extend her remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional

RECORD, or to revise and extend remarks, was granted to:

Mr. MEADER to revise and extend his remarks made in Committee of the Whole and include extraneous matter.

Mr. HORTON and to include extraneous matter.

Mr. ROBERTS of Alabama (at the request of Mr. MATSUNAGA), to revise and extend his remarks during consideration of his amendment to title VI of H.R. 7152 and to include an explanation.

(The following Members (at the request of Mr. THOMSON of Wisconsin) and to include extraneous matter:)

Mr. PELLY.

Mr. FOREMAN.

Mr. PIRNIE.

Mrs. ST. GEORGE.

Mr. MORSE.

Mr. HARVEY of Michigan.

Mr. MACGREGOR.

(The following Member (at the request of Mr. MATSUNAGA) and to include extraneous matter:)

Mr. KING of California.

ADJOURNMENT

Mr. MATSUNAGA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 20 minutes p.m.), under its previous order, the House adjourned until tomorrow, Saturday, February 8, 1964, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1666. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Federal Deposit Insurance Corporation for the year ended June 30, 1963, pursuant to section 17(b) of the Federal Deposit Insurance Act (12 U.S.C. 1827) (H. Doc. No. 221); to the Committee on Government Operations and ordered to be printed.

1667. A letter from the Comptroller General of the United States, transmitting a report on the overpricing of B-58 aircraft bomber recording systems by Melpar, Inc., Falls Church, Va., on fixed-price purchase order 509 with General Dynamics Corp., Fort Worth, Tex., under Department of the Air Force prime contract AF 33(600)-41891; to the Committee on Government Operations.

1668. A letter from the Comptroller General of the United States, transmitting a report on unnecessary costs resulting from Government production of M-14 rifle repair parts rather than procurement from commercial sources; to the Committee on Government Operations.

1669. A letter from the Assistant Director, Procurement Division, Office of Naval Material, Department of the Navy, transmitting the Department of the Navy's semiannual report of research and development procurement actions of $50,000 and over for the period July 1, through December 31, 1963, pursuant to title 10 U.S.C. 2357; to the Committee on Armed Services.

1670. A letter from the Secretary of the Army, transmitting a draft of a proposed bill entitled "A bill to amend title 10, United States Code, to authorize the payment of certain travel and transportation expenses to temporary civilian professors at Joint Military Colleges of the Department of Defense, and for other purposes"; to the Committee on Armed Services.

1671. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases in which the authority was exercised in behalf of such aliens, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SISK: Committee on Rules. House Resolution 621. Resolution for consideration of H.R. 9609, a bill to broaden the investment powers of Federal savings and loan associations, and for other purposes; without amendment (Rept. No. 1131). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 622. Resolution for consideration of H.R. 8316, a bill to amend the Communications Act of 1934 to prohibit the Federal Communications Commission from making certain rules relating to the length or frequency of broadcast advertisements; without amendment (Rept. No. 1132). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 623. Resolution for consideration of H.R. 9640, a bill to authorize appropriations for procurement of vessels and aircraft and construction of shore and offshore establishments for the Coast Guard; without amendment (Rept. No. 1133). Referred to the House Calendar.

Mr. YOUNG: Committee on Rules. House Resolution 624. Resolution for consideration of H.R. 7381, a bill to simplify, modernize, and consolidate the laws relating to the employment of civilians in more than one position and the laws concerning the civilian employment of retired members of the uniformed services, and for other purposes; without amendment (Rept. No. 1134). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. House Joint Resolution 915. Joint Resolution to authorize and direct the Secretary of Agriculture to conduct research into the quality and health factors of tobacco and other ingredients and materials used in the manufacture of cigarettes; with amendment (Rept. No. 1135). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COOLEY:

H.R. 9938. A bill to amend the Watershed Protection and Flood Prevention Act, as amended; to the Committee on Agriculture.

By Mr. RIVERS of South Carolina:

H.R. 9939. A bill to establish uniform standards of admission to the U.S. Military, Naval, and Air Force Academies; to the Committee on Armed Services.

By Mr. ROOSEVELT:

H.R. 9940. A bill to amend the Clayton Act to prohibit restraints of trade carried into effect through the use of unfair and deceptive methods of packaging or labeling certain consumer commodities distributed in commerce, and for other purposes; to the Committee on the Judiciary.

H.R. 9941. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease and desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. SIKES:

H.R. 9942. A bill to provide for the suspension of U.S. foreign aid to any country with respect to which diplomatic relations with the United States have been terminated or suspended; to the Committee on Foreign Affairs.

By Mr. BATTIN:

H.R. 9943. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. BENNETT of Michigan:

H.R. 9944. A bill to amend the Public Works Acceleration Act to increase the authorization for appropriations under the act, and for other purposes; to the Committee on Public Works.

By Mr. DULSKI:

H.R. 9945. A bill to provide for the suspension of U.S. foreign aid to any country with respect to which diplomatic relations with the United States have been terminated or suspended; to the Committee on Foreign Affairs.

By Mr. PILLION:

H.R. 9946: A bill to provide that the attack aircraft carrier authorized for fiscal year 1963 shall be nuclear powered; to the Committee on Armed Services.

By Mr. TAYLOR:

H.R. 9947. A bill establishing certain qualifications for persons appointed to the Supreme Court; to the Committee on the Judiciary.

By Mr. SIBAL:

H.J. Res. 919. Joint resolution to establish a Joint Committee on Foreign Information and Intelligence; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 9948. A bill for the relief of Roy Bob Brown; to the Committee on the Judiciary.

By Mr. ASHMORE:

H.R. 9949. A bill for the relief of McKoy-Helgerson Co.; to the Committee on the Judiciary.

By Mr. DELANEY:

H.R. 9950. A bill for the relief of Emilie Antoine Stergiou; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.R. 9951. A bill for the relief of Christos Panayotopoulos; to the Committee on the Judiciary.

By Mr. ROSTENKOWSKI:

H.R. 9952. A bill for the relief of Wladyslaw Borysoglebski; to the Committee on the Judiciary.

By Mr. BROYHILL of Virginia:

H.R. 9953. A bill for the relief of Thomas H. Hughes, Jr.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

685. The Speaker presented a petition of Bea Miller, Young Men and Women's Hebrew Association and Irene Kaufmann Centers, Pittsburgh, Pa., petitioning consideration of their resolution with reference to pledging their efforts toward the realization of the goals of John Fitzgerald Kennedy, which was referred to the Committeee on House Administration.

EXTENSIONS OF REMARKS

Address by the Honorable Katharine St. George, of New York, at the Third Inter-American Parliamentary Conference, Washington, D.C., February 5-7, 1964

EXTENSION OF REMARKS
OF
HON. F. BRADFORD MORSE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Friday, February 7, 1964

Mr. MORSE. Mr. Speaker, this week, I have had the honor to be one of the U.S. delegates to the Third Inter-American Parliamentary Conference meeting here in Washington. The Chairman of the group, our distinguished colleague, Mrs. ST. GEORGE set the note on Wednesday for a profitable and thoughtful discussion of the many problems of mutual interest to all of us in the Western Hemisphere.

Emphasizing the need for expanded trade between our countries, Mrs. ST. GEORGE properly pointed out the weakness of the present Latin American trade patterns, the imbalance of our hemispheric trade and the need for common action to make trade expansion a building block for economic development and progress all over Latin America.

Mrs. ST. GEORGE's remarks follow:

SPEECH OF KATHARINE ST. GEORGE, MEMBER OF CONGRESS, PRESIDENT, U.S. GROUP AT THE THIRD INTER-AMERICAN PARLIAMENTARY CONFERENCE

It is a great pleasure and honor for the members of the U.S. Inter-Parliamentary National Group to be hosts to the Third Inter-American Parliamentary Conference.

In the past, we of the Western Hemisphere have looked more to Europe and the European powers for inspiration and guidance, and this is most natural as most of us have our roots and our basic philosophies in that Continent. Unfortunately, through this atavistic policy we have neglected our own hemisphere, we have drifted apart and we have become strangers to each other.

Never before has it been more important that the Western Hemisphere be united in its determination to preserve freedom and to improve the living conditions of the millions of its inhabitants who are impoverished. Never before has it been more important that the countries of this hemisphere understand, and be sympathetic with, each other's problems and work together for their solution. Of all the subjects that need to be discussed, and understood, by Western Hemisphere conferences none is more important than foreign trade.

Although the Western Hemisphere—Canada, the United States and Latin America—have less than 15 percent of the world's population, they account for over 40 percent of its production. The proportion of its land that can be used productively is higher than the world average, and it has an abundance of mineral wealth, including coal, iron, and nonferrous metals.

Production, per capita, in the hemisphere is much higher than in the rest of the world, averaging close to $1,500, but it is small compared with what it could be if human and material resources were utilized to maximum advantage.

WESTERN HEMISPHERE ECONOMIC GAPS

It is hardly necessary to add, before this audience, that averages and aggregates fail to portray an accurate picture and can be misleading.

Average per capita production in the Western Hemisphere is high, but parts of the hemisphere continue to lag.

Land transportation needs to be developed, and a favorable environment for the investment of domestic and foreign capital created.

These problems are not new to you, but they are problems that have thus far defied attempts at solution. The Alliance for Progress is an attempt to solve them, but it has not done so to date. It can of course be said that 10 years is too short a period of time in which to expect them to be solved. Generations rather than decades, and decades rather than years, will be necessary to get at the root causes.

IMPORTANCE OF INTERNATIONAL TRADE

Meanwhile, there is a very important area in which little has been done, but in which definitive action could be of vital importance in setting the stage for economic development. I refer to an expansion of trade throughout the hemisphere.

Historically speaking, much of the explanation of the prosperity and growth of the United States during the past century and a half lies in the fact that American labor and American capital have had access to a large and prosperous market within the country's own borders. Never before in world history have industries been as free to develop without having to worry about governmental barriers against their sales. The United States has been, and continues to be, the largest free trade area—in terms of purchasing power—in world history.

The example, or perhaps more accurately, the good fortune, of the United States in this respect has been noted in Europe.

The economic significance of the formation of the European Economic Community and the European Free Trade Association is that 13 countries have combined into 2 groups to create for themselves markets in which there will be a minimum of barriers to the exchange of goods.

It would seem that if we of the Western Hemisphere could eventually develop a vast Common Market of the West, many of our problems would cease. I realize of course that there will be many obstacles in our way and that this plan will take years to perfect and bring to fruition. But we all know that Rome was not built in a day and that the European Common Market has been an idea in men's minds since the days of Charlemagne and that the idea of a United States of Europe was written about and foreseen by Victor Hugo a century ago.

WESTERN HEMISPHERE TRADE IS UNBALANCED

Although the trade of the Western Hemisphere is large, it is not as large as it ought to be. The most significant shortcoming, as far as economic development is concerned, however, relates to the composition of the trade, rather than to its volume.

About 30 percent of all U.S. foreign trade is with Western Europe. Over 20 percent is with Canada, and about 18 percent with Latin America.

Close to 60 percent of Canada's foreign trade is with the United States. A little less than 20 percent is with Western Europe, and less than 6 percent is with Latin America.

The external trade of Latin America with the United States and Canada, together, is about equal to its two-way trade with Western Europe, each of the two areas accounting for slightly more than 40 percent of the $17 billion total.

WEAK POSITION OF LATIN AMERICAN TRADE

Latin America's foreign trade position is less favorable today than it was before World War II. Although the value of Latin American exports increased a little more than 30 percent between 1948 and 1961, over 60 percent of the improvement was attributable to increased petroleum exports from Venezuela. If the figures for Venezuela are excluded, Latin American exports expanded by only 14 percent over the 13-year period. Thus, exports from Latin America in 1961 were actually smaller, on a per capita basis, than they were in 1948.

These facts illustrate the importance of diversifying trade and of intensifying specialization of production, in Latin America. The Latin American Free Trade Association and the Central American Common Market are steps in the right direction, but there is a serious question whether the areas encompassed in their membership are sufficiently large and diversified to make possible production on a scale large enough to be economically sustainable.

It is evident that a substantial proportion of the outside assistance that has been received by Latin American countries in recent years has been canceled out by deterioration in the terms of trade. It seems to me that hope for economic development in the area lies in the direction of expanded trade and improvement in the terms of trade. A vigorous and realistic program for trade liberalization could go far toward achieving improvement in the economic well-being of the peoples of the whole hemisphere.

THE EUROPEAN COMMON MARKET (AN EXAMPLE)

The forthcoming trade negotiations in Geneva are important, not only to the United States, but to all of us in the Western Hemisphere. Together, we export approximately $7 billion of goods to the six countries comprising the European Common Market—Belgium, Netherlands, Luxembourg, France, West Germany, and Italy. It is important that we convince the European Economic Community that it keep its markets open to our exports. We need to persuade them to reduce their new common external tariffs, and to eliminate as many of their discriminations against our commerce as possible.

We in the Western Hemisphere will have a better chance of inducing the European Economic Community to adopt a liberal import policy if we present a united front in negotiating at Geneva. If a Western Hemisphere trade organization were already in being, and could speak with a single voice for the entire hemisphere, we would be in a stronger position than we now are to secure meaningful concessions. Although the six EEC countries export less to the Western Hemisphere than they import from us ($4.6 billion, compared with $7.2 billion), they are not anxious to lose important foreign markets.

A PROPOSAL

Let us give serious consideration to the formation of a free trade area or Free Trade Association for the Western Hemisphere. Let us include the Latin American Republics, Canada, and the United States, and have as our objective the adoption of free trade with respect to all commodities traded in within the hemisphere, gradually over a period of 15 to 20 years. I would propose, further, that as far as possible the external tariffs applied to nonmember countries by each of the members be harmonized with each other.

The success of such an arrangement will depend upon the willingness of each member to accept imports from other members. The United States, with a gross national product rapidly approaching the $600 billion-a-year mark, should provide an immediate inducement to other countries to cooperate.

In return for access to its own large market, the United States would have access to expanded markets throughout the hemisphere. Of even greater importance would be the advantages that would accrue from having neighbors who are becoming increasingly prosperous. A rapidly developing, prosperous Western Hemisphere would be harmonious with the interests of the United States.

Trade expansion is one of the essential building blocks of economic development. A Western Hemisphere Association would provide a powerful weapon to break the vicious circle of lack of markets, underspecialization and lack of diversification of production, underdevelopment, and low levels of living.

Finally, may I say that I am speaking as a parliamentarian and as a friend, and that these ideas are my own and do not reflect Government policies. The true parliamentarian should play his part independently for the policies in which he believes, and not become a rubberstamp for the government in power.

We all have much to be concerned about in our own hemisphere. The clouds of oppression and dictatorship hang over us all. Let us unite and keep fighting that good fight for freedom that our forefathers fought in their day, and let us maintain the freedom we inherited from them and help it to grow and prosper in a bright and progressive future.

Firmness Requested in Our Dealings With Cuba and Panama

EXTENSION OF REMARKS

OF

HON. ED FOREMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 7, 1964

Mr. FOREMAN. Mr. Speaker, our soft, vacillating foreign policy continues to embarrass our allies and degrade our image and prestige around the world when we let two-bit, leftist, Communist sympathizers like Castro shove the United States around and intentionally violate treaties and international agreements such as the water supply agreement to Guantanamo Naval Base and permit violations of such as our Panama Canal Zone Treaty.

If we expect to remain a world opinion leader and maintain the respect of our allies, we must put some firmness and backbone in our dealings and reactions over such incidents. We will not gain respect by continuing to give in, back down, writing letters of protest as we did over the U.S. fliers who were shot down in Germany last week, or by selling wheat to the Communists and guaranteeing their credit.

Specifically, if Castro persists in refusing to supply the Guantanamo Base water in disaccord with our long-standing agreement, then we should move immediately to restore the water supply by taking over control of the supply facilities. Second, Castro hostilities continuing, we should establish a sea blockade around Cuba to prohibit the shipment of all goods to that island except medicines and necessary foodstuffs. Further, we should initiate immediate hard-hitting negotiations with our allies to stop their aid and trade to Cuba. Admittedly, the latter would be more difficult, now that this administration has agreed to aid Communist Russia with the shipment of U.S.-subsidized wheat and other goods.

Address by the Honorable Joseph M. Montoya, of New Hampshire, Before the Pan-American Interparliamentary Conference, February 6, 1964

EXTENSION OF REMARKS

OF

HON. KATHARINE ST. GEORGE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 7, 1964

Mrs. ST. GEORGE. Mr. Speaker, the following speech was delivered at the third Inter-American Parliamentary Conference on February 6, here in Washington and, Mr. Speaker, I would like to say that the speech was delivered by our distinguished colleague, the gentleman from New Mexico [Mr. MONTOYA], in faultless Spanish.

The delegates from our sister republics were pleased and somewhat surprised at the Congressman's knowledge and understanding of their language. The gentleman from New Mexico [Mr. MONTOYA] was a great help to us during this Conference and I feel that, as a member of the executive committee, he will serve us well in the future.

His remarks follow:

ADDRESS BEFORE THE PAN-AMERICAN INTERPARLIAMENTARY CONFERENCE, FEBRUARY 6, 1964

Madam President and fellow delegates, as we gather here today in the seat of the Organization of American States as parliamentarians from the American Continent, it is most natural that we confront our common problems in a brotherly spirit with mutual understanding. The date of March 13, 1961, is the day during which a great effort was launched by the representatives of our Latin-American sister states and our late President, John F. Kennedy.

From this meeting emerged the blueprint for economic development and social progress under the name of the Alliance for Progress. Freedom, human dignity, and economic progress became the central themes enunciated in the Charter of Punta del Este.

Twenty American Republics became a collective entity dedicated to action. Each of us took inventory of our shortcomings and placed both our faults and our grievances upon the roundtable of international discussion.

It was at that time clearly understood by all that no program for economic development could succeed in Latin America unless a proper base were established in each country. That base was conceived as a launching pad from which to rocket our hemisphere to new heights of development as defined in the charter.

Each government pledged land reform, fiscal reform, and an equitable tax collection system. These assurances were given to the U.S. Congress when it appropriated the first funds for the United States contribution and participation.

Every nation understood that these conditions had to be met before moneys were to be disbursed from the trust fund of the Inter-American Bank. Our Congress clearly embraced these conditions as vital components of the entire plan.

Today I may say that some countries have complied with these requisites while others have not. We are told that the parliaments of some nations have refused to go along with adequate land and tax reform while other nations have not had the executive leadership necessary to push and implement such programs.

Those nations which are doing their part in the Alliance are disheartened not by setbacks or by temporary failures. They are disheartened and discouraged by lack of effort, wherever it exists.

Those nations which are making progress within the Alliance are doing so only because of their own determination to do so. Those nations which have nothing to show but recurrent failure and a slipping toehold on the status quo must accept responsibility for their own inadequacies and, above all, strike out anew on the road to victory.

One point should be made abundantly clear. The United States is behind the aims of the Alliance for Progress. But, the Congress and the American people desire partnership only with those nations which have the will to initiate and carry through long needed reforms that will insure the human dignity of their own people. Let it be known that the Alliance for Progress has proven that there exist many nations in Latin America whose national fabric is jewel studded with unrelenting dedication to such high ideals.

The American people and the Congress have approached the Alliance as a brother wishing to join together with another brother in a common effort. The affinity that has already been established between the partners in the Alliance can be further strengthened. The only forces capable of piercing that affinity are unjust, agitated attacks cloaked under a blanket of inflammatory nationalism. Only when geared to the accomplishment of constructive projects is nationalism a welcome ingredient. Each member of the Alliance must examine its own contributions and then determine for itself whether national pride has been a force for construction or destruction.

On the part of the United States we have been and are providing resources in quantities necessary to help make this development plan a success. As the late President Kennedy pointed out, we provided the resources to help rebuild the economies of Western Europe against nearly equal odds.

It was then that the United States learned that any development program must be founded on a cornerstone of healthy, amicable partnership and dedicated resolve.

From March 13, 1961 to June 30, 1963, the United States has made a total of $2,490 million available to the Alliance for Progress. Of that sum, $403.7 million have been sent to Latin America under the food-for-peace-program. That program has fed more than 15 million people throughout Latin America.

During the current fiscal year, the United States will be channeling more financial resources into the Latin American economies. Funds will include $430 million in new appropriations; $95 million carried over and available to the Agency for International Development; $130 million in new Social Progress Trust Funds and $40 million in carryover funds available for the Social Progress Trust Fund.

It is plainly obvious that no one government could possibly undertake to singularly provide the financial resources necessary to successfully conclude so broad a program of, development. A large share of the burden must be carried by private industry—both domestic and foreign. The United States, as well as many Latin American countries, has found that private enterprise can provide not only necessary capital, but also many lacking but vitally needed skills. In the United States private enterprise has provided not only goods and services, jobs, and economic advancement, but also through a lawful and just system of taxation our Government has received indispensable revenues with which to conduct the public business. It is a similar system of private enterprise and just taxation which the Alliance for Progress envisions as the ideal for Latin American development.

During 1962, all men of good will in this hemisphere were heartened to see 10 of the 19 Latin American member countries exceed the 2.5 percent per capita annual growth rate which was to be the aim of all participants. Yet due to inadequate growth in some of the larger countries the average annual growth for all of Latin America was below the 2.5 percent figure.

It must this year be our aim to achieve and exceed that rate of growth in every Latin American participating country.

President Johnson has vigorously reaffirmed this Nation's belief and trust in the Alliance. Each nation can do no less than reaffirm its trust in the Alliance and rededicate itself to its ideals.

My fellow delegates, we are all aware that those ideals are indeed high. To approach them will require a cooperative effort of great magnitude. Our determination shall be challenged in countless ways, but let us never forget that the rewards of success are also countless. The journey will be long, but it can be made, and together we shall make it.

H.R. 9744, Explanation and Analysis

EXTENSION OF REMARKS

OF

HON. FRANK J. HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 7, 1964

Mr. HORTON. Mr. Speaker, last week on January 28, I introduced H.R. 9744, a bill to terminate the Columbia Plaza urban renewal project area and plan, to restore certain property in the District of Columbia to the former owners thereof, and for other purposes. Subsequently, my bill was referred to the Committee on the District of Columbia.

Since the introduction of this measure, there has developed considerable interest in how the bill, if enacted, would be implemented. Other pertinent questions also have been raised.

In an attempt to explain the intent of my legislative proposal, acknowledge the interest being evidenced toward it, and answer the questions I have heard, I am offering these remarks. At their conclusion, I am submitting a sectional analysis of the bill.

I think it is important at the outset to establish that the general concept of urban renewal is deserving of enthusiastic endorsement. Community improvement through the elimination of slums and blight and the removal of their causes is essential to the public welfare.

Poor housing, traffic congestion, inadequate sites for commercial and industrial growth, downtown decay, and neighborhood deterioration are proper targets for improvement programs, using public and private resources. Failure to plan and execute such programs carries a high cost, measured both in human and in economic values.

The incidence of disease, crime, and juvenile delinquency is more frequent in rundown areas than elsewhere. Blight creates greater needs for municipal services, while slum areas return less tax revenue to the municipality. The suffering brought from slum and blighting conditions is widespread and needs attention at all governmental levels.

There is, in my belief, a legitimate role for the Federal Government in urban renewal. It is to make available Federal assistance, in the form of grants and/or loans, to finance surveys and plans; to acquire, clear, and prepare land for redevelopment; and to relocate site residents. Congress repeatedly has recognized its constitutional obligation to remove a burden on the public welfare and, to that end, has enacted appropriate legislation.

Urban renewal is not without its faults, however. In fact, its administration has been far from faultless. The concept has been crippled by bureaucratic bungling, inertia, and inexperience, and relocation resistance.

By startling coincidence, Mr. Speaker, on the very day that I introduced H.R. 9744 in the interests of remedying the unfortunate utilization of urban renewal in Washington's Columbia Plaza project, there appeared in the Wall Street Journal a front-page story by Reporter Stanley Penn detailing the ills of urban renewal. It is pertinent, I believe, for me to share with my colleagues in the House, the following excerpt from Mr. Penn's article:

> In some cities, projects are going ahead on schedule and making dramatic changes in slum areas. But despite a measure of progress, most of the property cities have acquired for urban renewal purposes hasn't yet been developed.
>
> Of the 22,000 acres purchased by cities since the program began in 1949, only 6,800 have been resold to redevelopers. Among the remainder, 6,000 acres haven't been cleared yet of old buildings; another 3,300 have been cleared but no redevelopers have been found; and 5,900 acres are cleared and appear close to being sold to redevelopers.

With this overview in mind, and before presenting the section-by-section analysis of H.R. 9744, I want to address my remarks specifically to the reasons which prompted—if not, provoked—my introduction of this bill.

I serve on Subcommittee No. 4 of the District of Columbia Committee. During 1963, this subcommittee spent a great deal of time conducting hearings and studying the matter of urban renewal in the District of Columbia. Within the scope of this examination came Columbia Plaza.

From the information produced, I concluded that the approval by the District Commissioners of Columbia Plaza as an urban renewal project entitled to financial assistance under the provisions of title I of the Housing Act of 1949, as amended, was improper. This resulted from the presentation to the Commissioners of documentation that was not entirely representative of fact.

Urban renewal funds under the act cited above can be made available only where evidence of slum and deteriorated conditions meet certain specific criteria, including building and environmental deficiencies. Very definite standards must be met. Further, the District of Columbia, under the Redevelopment Act of 1945, as amended, prescribes statutory provisions for such standards; namely, that those slum and blighted areas must be detrimental to the health, safety, morals, and welfare of the inhabitants of the District of Columbia.

I believe our hearings conclusively confirmed the absence of such qualifying conditions in regard to Columbia Plaza. In fact, Board of Commissioners President Walter N. Tobriner testified before our subcommittee that had the information revealed in the hearings been known to the Commissioners when the project was approved, his Board almost certainly would have acted differently.

Mr. Speaker, I am convinced the passage of H R. 9744 can help to reorient the Columbia Plaza project along more promising and less costly lines.

The analysis follows:

SECTION-BY-SECTION ANALYSIS OF H.R. 9774

GENERAL PURPOSE OF THE BILL

The general purpose of the bill is to extinguish the Columbia Plaza project by terminating the project area boundaries and the project plan and to provide for the restoration of the real property within the area to those former owners of the property from whom the Redevelopment Land Agency acquired the land.

Section 1: Section 1 of the bill expresses the sense of the Congress that at the time the agencies of the Federal and District Governments, which have the responsibilities in connection with urban renewal programs, were considering and making decisions regarding the Columbia Plaza area, the officials of such agencies were not fully aware of all of the material and essential facts which subsequently have demonstrated that such a project should not have been approved. Further, the Congress finds that because of the foregoing, the approval of the project contravened the intent of Congress and therefore the taking of private property in the area worked an improper hardship on the owners, and such owners should have an opportunity to reacquire their property upon payment of the amount they received plus interest from the date of sale to the date of their reacquisition of the property. Exempt from this intent of the Congress is that portion of the projected area which was acquired for highway purposes.

Section 2: This section provides that the Columbia Plaza urban renewal area, boundaries which were established by the Board of Commissioners, and the project plan for that area, later approved by the Commissioners, is terminated and of no further force and effect. All title and interest of the RLA to the real property in the Columbia Plaza area is transferred to the Administrator of the General Services Administration and he is authorized and directed to carry out provisions of the act and report to the Congress not later than 8 months from the date of enactment concerning the execution of the provisions of the act.

Section 3: Under this section the Administrator of the General Services Administration is directed to make an offer in writing, to each former owner of real property from whom the RLA acquired land, to reconvey the property to such former owner the land at a price equal to the cost of acquisition to the Agency plus interest at the rate of 6 percent from the date the Agency paid the former owner for the land. The offer of the Administrator shall not include any part of the urban renewal area which was acquired for highway purposes. If such former owner of land accepts the offer, transfer of title and settlement shall be effected within 90 days after acceptance.

The Administrator's offer to the former landowner shall be open for 30 days. At settlement the Administrator shall deliver to the former owner a special warranty deed without any greater encumbrances or restrictions than were of record at the date of acquisition of the property by the RLA.

Section 4: In the event the former owner rejects the offer of the Administrator, the Administrator shall, within 90 days of rejection of the offer or the expiration date of such offer, dispose of the land at public auction to the highest bidder.

Section 5: This section provides that no former owner may assign his right to repurchase to any other person. However, if any former owner is deceased or is legally incompetent to act, then, the offer shall be made to his heirs, successor, assigns or other legal representative.

Section 6: This section specifically defines the term "Columbia Plaza urban renewal project."

Section 7: This section provides that the streets and alleys which were acquired by the Agency shall revert to the same status and ownership as existed immediately before acquisition by the RLA and the Administrator of the General Services Administration is directed to execute such deeds and perform such acts as are necessary to carry out such section.

Section 8: This section provides that the zoning which shall apply to the real property which is sold by the Administrator of General Services Administration shall be the same as the zoning which was applicable to the property as of January 1, 1964, except that the property shall not be subject to any provisions or conditions relating to the Columbia Plaza urban renewal plan.

Section 9: Section 9 of the bill provides that the Administrator of the General Services Administration shall transfer to the RLA all funds received in excess of the costs incurred by him in carrying out the provisions of the act.

FINANCIAL IMPLICATIONS OF THE BILL

One of the immediate questions that arises in the minds of some persons is whether the RLA and thus indirectly the District of Columbia and the Federal Government, would lose money by such reversion of property. Inasmuch as many factors are not known and cannot be accurately projected, it is possible only to deal with existing figures and make some general estimates as to what the possible result might be in this regard.

The cost of the land purchased from the private property owners, excluding the land in the freeway area, was $5,650,995. The latest available financial statement related to Columbia Plaza, and some costs have accrued since that date indicates that other expenditures in connection with planning, inspection, administrative costs, interests, and relocation total approximately $1 million. Thus, the gross expenditures total approximately $6,500,000.

The resale of the land would return $5,650,995. The interest on the amount paid to the private landowners from the time of RLA acquisition to the date of revesting of title in the private landowners cannot be precisely calculated. It appears that the amount of this interest would be not less than $300,000 and might approach as much as $500,000.

The final item involves the status of the portions of the project area which would revert to Federal streets and alleys. Since this land was taken over by the Agency without any compensation to the Federal Government it would revert to the Federal Government without any payment. In any redevelopment program for the complete area, the code authorizes the sale of the land at its reasonable value or not less than the assessed value set upon adjoining lands. Since approximately 100,000 square feet would remain outside of the highway right-of-way, the sale of this square footage could produce to the Government an additional $2 million. This amount plus the interest is substantially in excess of the total cost accumulated by the RLA in connection with the project.

TAXES AND SUITABILITY OF PRIVATE DEVELOPMENT

If the land is reverted to the former property owners, redevelopment could be made under existing zoning law and building codes. The permitted uses for the existing zoning could result in structures which might accrue to the District of Columbia substantially more in annual taxes than the urban renewal project proposal. The objection, which opponents will interpose, are directed to the viewpoint that there would be an uncontrolled redevelopment and this would be undesirable in the area. It may be noted that Watergate Towne, immediately adjacent to the Columbia Plaza, is the most plush of any developments in the city. It is subject only to the National Capital Planning Commission, Fine Arts Commission, and the zoning regulations of the District of Columbia. No one has challenged the excellence of the Watergate project free from the covenants of an RLA plan.

Washington State Statutes Preempt Proposed Federal Civil Rights Legislation

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, February 7, 1964

Mr. PELLY. Mr. Speaker, for more than a week I have listened carefully to the debate on the civil rights legislation presently under House consideration. The arguments offered, both pro and con, have been most impressive and when amendments were offered I have supported or opposed them depending on how I believed each was in the public interest and would best protect the constitutional rights of all citizens.

Mr. Speaker, nothing is perfect and when this legislation goes to the other body, I am confident some of the provisions of H.R. 7152 can and will be improved. Meanwhile, I understand that every member of the Washington State congressional delegation has been receiving considerable mail from their constituents expressing concern with regard to the far-reaching effects of the civil rights bill. As a Member of Congress who has consistently opposed further expansion of Federal Government this concern is certainly understandable and in this connection, let me assure my constituents and the people of the State of Washington that our State already has laws comparable to or more stringent than those being considered in this bill.

As further proof, my colleague from eastern Washington's Fourth Congressional District asked for and received specific written assurances from Congressman William M. McCulloch, ranking Republican on the House Judiciary Committee, that the provisions of H.R. 7152 would have no effect on the State of Washington. Moreover I have received additional written assurances to the same effect from a representative of the Department of Justice in the person of Mr. Edward Guthman, for many years a well-known Seattle newspaperman. In other words, under H.R. 7152, State statutes would have priority over Federal law in my State of Washington and enforcement proceedings of civil rights laws would be by State rather than Federal officials. Mr. Speaker, this is particularly important to those of us who are fearful of the ever-expanding power of the Federal Government.

In this connection and under unanimous consent I include following these remarks the two letters previously referred to covering the matter of state preemption.

Congress of the United States,
House of Representatives,
Washington, D.C., January 27, 1964.

Hon. Catherine May,
Longworth Building,
Washington, D.C.

Dear Catherine: This is in response to your letter of January 22 wherein you seek information on statements made by a constituent in opposition to the civil rights bill.

One organization in particular has been circulating pamphlets, letters and other material in opposition to the civil rights bill (H.R. 7152) now before thhe House. This organization is seeking to defeat the bill by placing unfounded interpretations upon its provisions or by condemning provisions which are not actually contained in the bill as reported, but which were in the subcommittee bill.

In contrast to statements made by this organization and repeated in the letter received by you, every title of the civil rights bill is keyed strictly to the guarantee of civil rights for all Americans, Negro as well as white.

The drafters of the legislation (of which I was one) did not incorporate provisions indiscriminately for political advantage and without good reason. Each title was included because solid, well-documented proof had been presented to the House Judiciary Committee during lengthy hearings that American citizens were being denied their constitutional rights.

The bill is aimed at correcting irregularities in the right to vote, the opportunity to obtain a job, the ability to gain an adequate education, the right to receive the equal benefits and protection of Government and the opportunity to obtain reasonable accommodations while traveling in interstate commerce.

There is no doubt that the provisions of this bill will increase to some extent the authority of the Federal Government. Generally speaking, I am opposed to such increases of power. But, when basic rights of citizenship are involved and the State and local governments fail to guarantee these rights, then I believe the burden falls upon the Federal Government to take over the responsibility.

Whenever possible, the drafters of the bill have sought to surround the extension of authority with sufficient judicial and administrative safeguards. This was the case, for example, in title VI, where a recipient who has had terminated Federal financial assistance may seek judicial review of such termination. The same may be said of title VII where a businessman or labor union cannot be enjoined from discriminatory employment practices unless and until there has been a complete litigation of the matter in Federal court where the Government must sustain the burden of proof.

In addition, the important titles on public accommodations (title II) and employment (title VII), ample provision is made for the Federal Government to defer to the States complaints where State law provides a workable forum for handling the complaints.

Thirty-two States have public accommodation laws and 25 States have FEPC laws. Washington State has effective legislation in both areas which you, of course, are far more familiar with than I. Thus, in your State, as with many other States with effective legislation, there will be no cause for the Federal Government to intrude in these areas at all.

The civil rights bill is primarily aimed at correcting abuses in those areas of the country where local authority fails to take effective action. Whenever a State or locality meets its obligations in the area of civil rights, then the right or need for Federal intervention will disappear.

In this regard the drafters of the bill have taken precaution to guard against undue intrusion in local matters by the Federal Government. Thus, Federal officials will have no authority to correct "racial imbalance" but only to desegregate public schools in accordance with the Supreme Court decisions. Similarly, there will be no authority for the Federal Government to insist upon "racial balance" in employment. All that may be done is to enjoin discriminatory employment or membership practices of employers or labor unions.

I may also add that no criminal penalties are provided for in the bill. If violations are found to exist, the Federal courts are only authorized to enjoin the illegal behavior. Thus, it may be said that States and individuals alike are given the opportunity to cleanse their behavior without any undue burdens being placed upon them.

Finally, in response to the statement in your constituent's letter that all "public establishments" would be subject to Federal regulation under the bill, I can categorically deny this allegation. Title II has been primarily limited to eating establishments, places of lodging, gasoline stations, and places of amusement.

In addition, other places may be covered if they are located within one of the above covered establishments and hold themselves out as serving the patrons of such covered establishment (i.e., a barbershop located in a hotel). Every public establishment would be covered according to a provision of title II, if State law requires segregation, but this merely codifies existing case law and such a condition exists in only the most limited areas of the country.

I hope that my response to the statements of your constituent are sufficiently detailed to overcome such fears as may exist. I do regret the length of this letter.

Sincerely yours,

William M. McCulloch,
Representative to Congress.

Department of Justice,
Washington, D.C.,
February 6, 1964.

Hon. Thomas M. Pelly,
House of Representatives,
Washington, D.C.

Dear Congressman: I am pleased to reply to your inquiry about what effect the Civil Rights bill now pending in the House of Representatives would have in the State of Washington. As a practical matter, the bill would have little or no effect.

You are well aware that any bona fide resident of the State of Washington can register to vote without any difficulty. Since there is no discrimination, the sections of the bill seeking to end voting discrimination would have no application in Washington.

Washington has had a law banning discrimination in places of public accommodation since 1890. Title II—the public accommodations section—of the bill now before the House specifically sets forth that a State law banning discrimination in places of public accommodation will take precedence over the Federal law. So, again, there would be no change in the existing situation in Washington with respect to public accommodation.

Since there is no discrimination in public facilities in the State of Washington, title III and title IV of the bill would have no practical application in Washington State. This is also true with respect to title VI which bans discrimination in federally assisted programs, since, again, no such situation exists in Washington State.

Title VII deals with fair employment practices. Washington has had a similar law since 1949, I understand, so there is very little likelihood that a Federal FEPC would have much application. Title VII also sets forth that where States have existing fair employment laws, those laws will remain in effect except to the extent they might conflict with the Federal law.

This covers the pertinent sections of the bill.

I am enclosing a summary of the bill and a copy of a letter which we have sent to a number of Members of Congress who have written requesting comments on extreme attacks on the Civil Rights bill by the Coordinating Committee for Fundamental American Freedom.

I hope you will find these useful and if you have any further questions or wish any further information, please do not hesitate to call on us.

With kind regards.

Sincerely,

Edwin Guthman,
Special Assistant for Public Information.

Reasonable Firearms Legislation

EXTENSION OF REMARKS
OF
HON. CECIL R. KING
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, February 7, 1964

Mr. KING of California. Mr. Speaker, our distinguished colleague, the gentleman from Florida, Robert Sikes, recently made what I deemed to be a most excellent statement before the Committee on Commerce of the U.S. Senate concerning the nature and scope of the firearms legislation presently under consideration.

I commend this fine statement to all my colleagues:

Statement of Representative Robert L. F. Sikes, of Florida, to the Committee on Commerce of the U.S. Senate, January 23, 1964

Mr. Chairman and members of the committee, I am pleased to have this opportunity to express my feelings on the subject of additional gun laws now before this committee for consideration.

During the years that I have had the privilege of holding elected office, the subject of the right of the law-abiding citizen to keep and bear arms, as guaranteed by our Constitution, has been, and continues to be, a subject of interest and deep concern to me. It is a matter of particular moment now, because of renewed agitation for tighter gun laws.

The tragic and senseless assassination of President Kennedy quite naturally resulted in a wave of hysteria against weapons and the ownership of weapons. However deplorable this inexcusable act was, it scarcely follows that a crime committed by 1 man should cause 35 million gun owners to be persecuted. I seriously question that the legislation now proposed would have prevented the purchase of a gun by Lee Oswald or would have resulted in tighter security measures than those which were in effect.

There is already a Federal law that requires anyone selling guns interstate by mail, or otherwise, to buy a Federal Firearms License. This law further requires that every sale be recorded and this record retained on hand for a period of 10 years. This record contains a detailed description of the gun, including the name and address of the buyer as well as the serial number.

These records are available to any law enforcement officer. The fact to be remembered here is that this law is already in effect, and since the records are kept by the people in business, it does not cost the taxpayers one red cent. That this is an effective system is demonstrated by the fact that the information concerning the gun purchased by Lee Oswald was announced by the Dallas police on Saturday, the day after the assassination. The ballistic information on the bullet taken from Governor Connally, was announced on Monday. In other words, it would seem that the gun controls we already have are more effective than some law enforcement agencies of the State and Federal Government.

We do not measure loss of human life in dollars and cents. Nor would we decry the cost of a gun-control law which effectively prevented crime. Nevertheless, it is well to remember that any form of registration or control will cost tax dollars to operate and enforce. This is a burden which will be shared by all the people.

You cannot legislate against human inconsistencies. The person who shot President Kennedy was the instrument of his death; a gun is an inanimate object and by itself, can harm no one. The only people really affected by gun restrictions are the honest people. A man who needs a gun to commit a crime will get one by some method or another.

If anyone is convinced that antigun laws will reduce crime, and be a guarantee against violence and murder, then he is worse off than the ostrich. New York State has the toughest gun laws in America and probably the highest crime rate.

Great Britain, after Dunkirk, had only a few thousand small arms available in the entire country, and was requesting the people to contribute swords and crossbows for defense. This was the dilemma they faced because they did not have an armed civilian population to fall back on. Britain has tight gun laws.

During the German occupation of Norway and Denmark in World War II, the Germans were required to keep one soldier for every 10 square miles of territory because of the partisan groups' effective resistance. These people fell into the roles of guerrilla fighters easily because these were nations where gun ownership was encouraged. In other countries where government gun registration was required, the Germans had a handy list of all gun owners and were able to effectively disarm the entire nation.

When I purchase a weapon which is delivered in Washington, even though I own a Federal firearms license, I must go personally to the express office to receive it, and I must fully identify myself and sign several forms. Thus, I would assume that Washington is one of the stricter cities on ownership of firearms. But during a recent period when crime increased in the United States as a whole 14 percent, crime was increasing 41 percent in Washington. Gun laws are not the answer.

In a study by the FBI made in 564 cities during August 1960, involving a total populace of 69 million people, the following statistics were compiled:

Out of 7,348 aggravated assaults, 44 percent of the offenses were committed by cutting or stabbing—24 percent by blunt objects; 12.7 percent by shooting; 12.3 percent by hands, fists, or feet and 1.2 by use of poison.

Now, if it follows that crime will be reduced or eliminated by doing away with all the criminal's weapons, then it is reasonable to assume that these weapons should be dealt with and eliminated according to their frequence of use. Since 44 percent of the above assaults were the result of cutting and stabbing, then all knives and ice picks should be registered. Since blunt objects accounted for 24 percent of the mayhem, then naturally rocks, hammers, baseball bats, rolling pins, etc., should be serialized and registered.

Under the "shooting" heading should be included all weapons which propel any objects—whether by compressed air or rubber bands.

I do not question that there is a need for improvements. My statement simply is designed to show that we can easily go too far. The National Rifle Association, the leading organization of American sportsmen, has stated that it has no objection to legislation aimed at preventing the misuse of firearms, but that it opposes general registration of firearms and proposals to license the possession or purchase of firearms by law-abiding citizens.

Specifically, the association has said that it does not oppose legislation designed to prohibit possession of firearms by persons who have been convicted of a crime of violence, fugitives from justice, mental incompetents, drug addicts, and habitual drunkards; or making the sale of firearms to juveniles subject to parental consent.

In the event this distinguished committee feels that legislation is necessary, it is my belief that the amendments submitted by Senator DODD, which would provide notification by the shipper to the local responsible police agency when a firearms order has been placed, would provide adequate additional security and permit proper action to be taken to limit or prevent ownership of weapons by criminals, or those incompetent or irresponsible.

Now, let's look at the broader picture of firearms controls.

In recent years, seldom has a session of any State legislature or of Congress met without the introduction of at least one bill that would curtail the legitimate use and possession of firearms by citizens of good repute. The vast majority of these bills are introduced with the intention of curing some social ill, or to limit such use and possession by the juvenile delinquent and the criminal element.

While I do not take issue with the purposes for which these bills are intended, if administered correctly and given the proper emphasis, I certainly decry the efforts of some people or governmental agencies to severely limit the peaceful enjoyment of firearms by lawful citizens.

As the committee well knows, thousands of Americans who own and enjoy firearms for defense and sport now feel strongly that the continuation of this ownership and enjoyment is in jeopardy. Much of this came as the result of the assassination of President Kennedy. Before that took place, however, concern had been caused by the enactment of the Arms Control and Disarmament Act, which established the U.S. Arms Control and Disarmament Agency. The contents of this act and executive policy on this subject generated much publicity and reaction throughout the country. The general grounds for criticism have been that the implementation of this law could place the United States in a dangerous political, economic, and military position vis-a-vis the Communist bloc. In order to make it absolutely clear that the Arms Control and Disarmament Act did not include the elimination of private firearms as part of the proposed disarmament program, I introduced a bill that will protect such rights of the citizen from encroachment by the Disarmament Agency. The language of my bill is identical to the one introduced by Senator HICKENLOOPER and is now contained in Public Law 88-186, amending the Arms Control and Disarmament Act. That language is as follows:

"Nothing contained in this act shall be construed to authorize any policy or action by any Government agency which would interfere with, restrict, or prohibit the acquisition, possession, or use of firearms, by an individual for the lawful purpose of personal defense, sport, recreation, education, or training."

We consider it sound insurance in a good cause.

I have heard criticism from some quarters about allowing the free possession and use of firearms in modern American society. Arguments that this contributes to crime and constitutes a menace to free government are completely falacious. Our forefathers knew what they were doing when they approved the second amendment to the Constitution, which states that "a well-regulated militia, being necessary to the security of a free state, the right of the people to keep and bear arms shall not be infringed." Then, as now, an armed citizenry is less likely to be cowed by criminal elements or oppressive government. Rather than restricting freedom, the right to possess arms guarantees it by instilling independence and strength in an enlightened people.

The United States is facing a critical period in its history. The years to come will decide the desperate battle between communism and freedom, individualism and totalitarianism. If we are to win this struggle, we will need to preserve and use every element of strength that is available to us. Americans are fighting in farflung corners of the world. Some of them will survive because of lessons in marksmanship and acquaintance with firearms gained as boys in a free society. The emphasis placed on smallarms marksmanship for survival in Vietnam bears out my long-held personal belief that there is a continuing need for men in the Armed Forces skilled in the use of basic firearms. As the lawmakers for this great Nation, we would be derelict in our duties if we allowed the right to keep and bear arms by responsible, law-abiding citizens to be curtailed.

I have read the statement of Senator MAGNUSON concerning the scope of the activities of this committee and have been informed of the proceedings that occurred during your previous hearings. I am strongly in favor of the intentions of the committee to study in detail any problems that may have arisen as the result of the case of accessibility of firearms to the undesirable elements of our society through mail-order channels. Such problems, if allowed to go unchecked, could result in further restrictions on the law-abiding citizen. If upon completion of your investigations, you deem it necessary to the continuing good of our society to recommend additional controls on firearms, I urge that the legislation be developed in the spirit of Senator MAGNUSON's statement of December 10, 1963, when he said:

"Any legislation, State or Federal, must consider the constitutional right of our citizens to bear arms. Responsible citizens have the right to possess firearms for purposes of self-protection, security of the Nation, hunting, and recognized sporting activities."

Let me assure the committee that I will actively support any legislation in keeping with these thoughts—legislation that will make it more difficult for criminals or those inclined toward criminal activities, mental incompetents, drug addicts, habitual drunkards, and juveniles to obtain firearms, and which will severely penalize those persons perpetrating crimes while armed. But let me urge caution in the enactment of these laws, lest they go much further than is needed or intended.

In the April 1960 issue of Guns magazine, a member of the Senate Foreign Relations Committee wrote the following:

"By calling attention to a well-regulated milita for the security of the Nation, and the right of each citizen to keep and bear arms, our Founding Fathers recognized the essentially civilian nature of our economy. Although it is extremely unlikely that the fears of governmental tyranny, which gave rise to the second amendment, will ever be a major danger to our Nation, the amendment still remains an important declaration of our basic military-civilian relationships, in which every citizen must be ready to participate in the defense of his country. For that reason I believe the second amendment will always be important."

The man who wrote that was the then junior Senator from Massachusetts, the late John F. Kennedy.

Congressman Cederberg Cites Urgency in Lifting Domestic Sugar Quota Restrictions

EXTENSION OF REMARKS

OF

HON. JAMES HARVEY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, February 7, 1964

Mr. HARVEY of Michigan. Mr. Speaker, our colleague, the gentleman from Michigan, ELFORD A. CEDERBERG, 10th Congressional District, in an address to Michigan sugarbeet growers and processors last Tuesday, pointed to the outstanding production job done by the Nation's sugarbeet industry in 1963, proving groundless fears of a shortage as the result of poor crops in Europe and Cuba.

However, the gentleman from Michigan, Congressman CEDERBERG, has also cited the urgency of early action on pending legislation to remove marketing restrictions on this year's domestic sugar crop.

These statements were part of an address by the gentleman from Michigan, Congressman CEDERBERG, at the Sugarbeet Day program at Michigan State University and, because of their timeliness, I submit his address for the consideration of my colleagues in the House. It follows:

THE SUGAR SITUATION

(By Congressman ELFORD A. CEDERBERG, of Michigan)

Mr. Chairman and friends, it is indeed a special pleasure to be here today, and a privilege to be taking part in your Sugarbeet Day. This is the 34th consecutive year in which the university has set aside a special day of this great annual Farmer's Week for discussions and the exchange of ideas about sugarbeets—significant recognition of the sugarbeet industry's longtime importance to our State. I am honored to take part in your program.

An outstanding feature of Sugarbeet Day—and, indeed, of Farmer's Week for all its 49 years—is the full participation of farmers in the discussions. We in Michigan may be inclined to take that for granted, for in our State there is a rich tradition of close and enduring ties between campus and farm—a tradition that goes back to the establishment, by our State legislature on February 12, 1855, of the very first State agricultural college in the United States, the college which has grown into this magnificent Michigan State University here at East Lansing.

The close working relationship between campus and farm—between the scientist in the experimental plot and the practical farmer on the land—has been a major reason for the tremendous gains in efficiency and productivity which the agriculture of Michigan has made over the years.

The precedents in this field established in Michigan have had a profound effect on our entire Nation. The Michigan idea of a State college devoted to agriculture soon spread to other States, given encouragement and impetus by the Morrill Land Grant College Act of 1862. The present-day efficiency of American agricultural production—the envy of the entire world—may be traced to those beginnings, which encouraged scientific research in agricultural subjects and which fostered the rapid practical application of scientific findings.

The benefits of American agricultural efficiency are not confined to agriculture; in fact, the achievements of agriculture are at the basis of and are the very foundation of the American standard of living. By continuously increasing the ability of fewer and fewer people on the land to produce more and more food and fiber, the primary necessities of life, you have enabled more people to go into the production of other things—the refrigerators, the automobiles, the television sets, and the countless other products—and to provide the great host of services, which form the fabric of the American standard of living.

About 50 years ago, when your Farmer's Week first started, one person on the farm produced the prime necessities of life for himself and only seven or eight persons living in the cities. Today, 1 person on the farm produces the food and fiber for himself and 28 persons in the cities.

This is a fact which I believe is not fully appreciated by the city dweller today, and in my conversations with city people I try to impress upon them the debt that all of us in America today owe to the technological achievements of American agriculture. And let me assure you this is not always easy to do. For with the reversal in the urban and rural population ratio of our country—with the change from a predominantly agricultural economy to an economy that is oriented largely to manufacture and trade—there has come a tremendous change in the thinking of the majority of our people. Most of you, as farmers, think of yourselves primarily as producers, and you are. But you are a minority. The majority of Americans are not farmers. The great majority of Americans today, even though they may be engaged directly in the production of some manufactured product, think of themselves primarily not as producers but as consumers. Their principal concern is how to make the paycheck stretch to cover the things and the services which they, as consumers, want to buy for themselves and their families.

This concern influences their whole thinking, and their emotional reaction to such things as farm programs. We might call it consumermindedness. It represents the way of thinking of the majority of Americans. It is reflected, inevitably, in the Congress of the United States. This is a fact of life which I believe needs to be recognized more fully today by farmers, and particularly by those who develop farm legislative programs. A program which seems to benefit only producers and does not recognize the needs and attitudes of consumers has a difficult time in Congress today. As the effects of reapportionment are felt more completely, giving the city populations still greater representation, such programs, if any are proposed, will have an even more difficult time in the future.

The reverse is also true. A farm program which can be shown to have operated for the benefit of consumers should win support among those Members of Congress, and they are now a majority, whose constituents are primarily city dwellers and therefore think primarily as consumers.

This has special significance for you sugarbeet producers, since your success is so closely tied to the form and substance of sugar legislation.

I am convinced that the sugar program has always operated for the benefit of American sugar consumers, as well as for the benefit of American sugar producers. The law specifically states that it shall be administered so that it will "protect the welfare of consumers" as well as of "those engaged in the domestic sugar industry," and it has so been administered. We all know that in past years the sugar program has provided adequate supplies for American consumers and that prices in the United States have been no more than the average of prices in other nations around the globe, and in terms of living standards and wages and consumer income our sugar prices have indeed been the lowest in the world.

If ever there were justification for the sugar program, from the point of view of the American consumer, the justification occurred during last year, when the program was put to one of the severest tests it has received in nearly 30 years of operation.

Unusual circumstances developed in the world sugar situation which had repercussions in the American sugar market. Instead of the usual situation of a world supply greatly in excess of demand, a combination of rising world demand and lowered production in various foreign countries brought supply and demand close together—nearly in balance. This, abetted by what I am convinced was excessive speculation in so-called world sugar futures, caused an unusual rise in prices on the very thin, residual market which is called, improperly, the world sugar market.

All of this, in turn, alarmed many of our large industrial users of sugar, and they began to buy greatly in excess of their then-current needs. Naturally, this exerted an upward pressure on domestic sugar prices, since our program is geared to a steady flow of sugar to meet normal needs.

In this emergency, it was the domestic sugar industry, and in particular the domestic beet sugar industry, which, more than any other segment of the sugar economy, performed for the benefit of the American consumer—both as to rushing additional supplies on the market and as to resisting the tremendous upward price pressures.

If there had not been a Sugar Act over the years, to provide some encouragement for maintaining a domestic sugar-producing industry, there may have been no domestic industry last year. If there had not been a domestic sugar-producing industry last year, our consumers would have been entirely dependent upon high-priced and uncertain foreign supplies.

At the peak of the price distortion last May, the performance of the beet sugar industry in the interests of consumers was especially notable. Beet sugar prices in the large Chicago-West market, where both beet and cane sugars are sold in quantities, were 3 cents a pound below cane sugar prices. And during much of the rest of the year it was the beet sugar industry, by holding its prices significantly under cane sugar prices generally, that exercised the restraining influence so necessary to keep the U.S. price to consumers from going through the ceiling.

I can readily understand why the cane sugar refiners, paying a higher price for their foreign raw sugar, felt their increases in the price of refined sugar were required in order to maintain their customary margin for expenses and profits. They would have felt obliged to raise their refined prices still more if the Sugar Act had not keep average foreign raw sugar prices on the American market lower than prices for the same sugar on the world market. Yet it is to the beet sugar industry that the great credit must and should go for resisting the strong upward pressures on price—and performing a notable service for the sugar consumers of America.

The beet sugar industry of this Nation successfully met another challenge during the turbulent year of 1963, and that was the challenge to produce. In an urgent plea to obtain more sugar for American consumers, the Government early last year assured you there would be no acreage restrictions on the planting of sugar beets during the present year, 1964, and then a few weeks later assured the industry that operations would also be unrestricted during 1965. You responded to the Government's pleas by planting more acres, and by increasing the capacity of the sugar plants to handle the additional crop.

Here in Michigan, although your acreage was already at a high level, you planted more than 9 percent more acres than you had in 1962. You were determined about this. In many cases, I know, the unusually cold and freezing spring caused some of you to lose your first planting and in some cases your second planting. But you replanted again and still again if necessary to produce the additional sugar that American consumers would need. And you took diligent care of your crop. You harvested more than 25 percent more acres last year than you did in 1962. It is my understanding that from the 1963 crop of Michigan beets between 2,900,000 and 3 million hundredweight of refined beet sugar have been produced, an alltime record.

For the entire Nation, the production of sugar from the 1963 crop of beets also established a new alltime high—in the neighborhood of 58 million hundredweight of refined sugar. Expressed in terms of the raw value equivalent, as quotas in the Sugar Act are expressed, that is 3,100,000 tons of sugar, the first time in the industry's history that production has surpassed the 3-million-ton figure.

Truly this is a splendid record, a record of stewardship, a record of outstanding performance in behalf of consumers, a record that should, if its full meaning is thoroughly understood, win friends for this industry in Congress when sugar legislation is considered this year.

For, as you know, this again is a year when Congress will be taking up the Sugar Act. The foreign quotas expire at the end of this year, and the entire sugar picture has changed so drastically, in the domestic field as well as the foreign field, in the year and a half since the law was last amended, that the Congress will want to consider changes in the domestic quotas as well.

In fact, a substantial increase in the beet sugar quota is absolutely necessary if you are not to be penalized for having responded so remarkably to the Government's plea for greater production.

Most of the sugar from the 1963 crop of beets is available for the market this year, in 1964. This fall you will again harvest a big crop of sugarbeets, and beginning about the first of October the new-crop sugar will start to be available. This presents a problem for you and a problem for the Congress—because under the present law, your marketing quota, the limit on the amount you may sell, is only 2,700,000 tons. Yet with national production of 3,100,000 tons, you have much more than your quota available to sell—additional production that you achieved at the urgent plea of the Government.

There is now in both the House and the Senate, awaiting action, a joint resolution which would permit you to market this year all the sugar you can market from your production, regardless of your quota under the now outmoded quota pattern of the Sugar Act.

Early action is urgent so that the beet sugar companies can effectively plan for marketing all the sugar they have available, so that this sugar, which is in the warehouses and in the sugar silos here and now, which does not have to be shipped from some faroff foreign land, which is already in fully refined form and does not have to go through further processing—so that this sugar can be sold to the American consumers who need it. Early action on this resolution should be of special interest to the large industrial users of sugar because some of the foreign sugar interests have shown an inability or unwillingness to ship sugar to the United States in the quantities required during the first half of this year.

I shall, of course, support prompt action on this resolution in the Congress.

However, the joint resolution for this year will not answer your long-range quota question. This question is complicated by more elements than the simple question of this year's quota.

First, there is the high level of production which you and the rest of the industry have now achieved. You are aware that it is the established industry—not any of the new factories encouraged by the present law—which has attained the remarkable increase in production achieved in the year just ended. Only a small portion, a very small portion, of the 3,100,000 tons of beet sugar produced can be traced to the one new beet sugar mill which started operations late last summer. Much of this expansion in production by the established industry has been through increases in acreage by established sugarbeet growers and by fuller utilization of the capacity of existing factories. But there has also been a considerable investment in the expansion of existing processing facilities and there is more to come. I understand my good friend, Hugh Eldred, will discuss expansion plans of your progressive Michigan companies this afternoon.

Now all this expansion of the existing industry's production has been made in response to the urgent pleas of the Government to produce more sugar for American consumers—but it has been made without any assurance, thus far, that the acreage which has been such a significant and fundamental factor in achieving the expanded production would be protected beyond the 1965 growing season.

On the other hand, the acreage in new areas for new factories which are to go into operation this year, and in 1965, and in 1966, will be protected from cutbacks during the first 3 years of each factory's operations. For the factories that will begin operating in 1966, this protection will be carried through the 1968 crop. Thus, if the sugar supply situation should so change by 1967 or 1968 that sugarbeet acreage in the United States must be reduced in order to keep beet sugar production within the beet sugar quota, or to keep your returns per ton at a reasonable level, the brunt of the reduction will be borne by the unprotected producers, or those who were able to increase less than others, that is, by the established industry—unless the law is changed.

The logical way, and I believe the only practical way, to provide some protection to the established growers, in the event of acreage reductions in the years beyond 1965, is to enlarge the basic beet sugar quota, and perhaps also the beet sugar industry's share of future growth in the total market, to such an extent that acreage reductions, if and when they come, will not penalize you who have met the challenge to serve American consumers during these trying times. This is the only fair and just thing to do.

It is my understanding that your industry representatives have been discussing this very thing the past few weeks. I hope you will not be too modest in your goals in this respect. Of course there will be opposition to whatever quota legislative goals you set. Most of the opposition will come, as in the past, from foreign sugar interests and their allies. But those groups cannot disprove your splendid record, nor can they match the performance in behalf of American consumers that you have achieved.

For example, some of the foreign sugar interests have displayed, this year, a strange reluctance to commit sugar to the American market at the going U.S. price for raw sugar. It seems to me that those countries whose industries failed to commit any global quota sugar to this market early this year, when they had plenty of sugar available to do so, should receive little consideration by the Congress when we hear their requests for quotas this year.

Of course I am not so naive as to believe that, simply because their record is not so plainly a record of serving consumers as is yours, that the foreign sugar interests will be less vigorous in their opposition to legislative fulfillment of the legitimate needs and goals of the American beet sugar industry. Nor am I unaware that there are sometimes forces at work in the Congress which do not seem apparent, and which are not evident in the speeches which take place on the legislative floor.

Yet I firmly believe that your case is fair and just. I believe that you can enlist the great sugar-consuming industries on your side, because you have served them well. I believe that since you have served consumers so well during a crucial year in sugar, you will find unusually widespread and favorable interest in your case in the Congress.

And I pledge to you my wholehearted personal support.

Hon. R. Walter Riehlman Honored by Baptists

EXTENSION OF REMARKS

OF

HON. ALEXANDER PIRNIE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 7, 1964

Mr. PIRNIE. Mr. Speaker, we are always gratified when one of our colleagues is honored for his public service but it is particularly pleasing to me when the recognition comes to a good neighbor with whom I have closely worked and whose personal qualities have won my admiration and respect. Such was the case in the recent distinguished service award made to my good friend, R. Walter Riehlman, who has represented the 34th District of New York for over 17 years. It was given by the Onondaga Baptist Association, January 24 last, at a testimonial dinner held in his honor.

The giving of this award clearly reflects appreciation of those qualities of mind and heart which mark him as a conscientious public servant. It is very heartening to have them recognized and applauded in such an appropriate and timely manner. I am sure this honor has brought great happiness to my colleague and served to reassure him that his dedicated and brilliant efforts have brought him close to the people he represents. The language of the citation speaks for itself but we in the Congress, who have observed the day-to-day integrity, capability, and faithfulness of Walter Riehlman, add not only our confirmation of his valuable contribution on the national scene but also, our congratulations to the people of the district who have repeatedly chosen him to represent them.

The appended text of the citation chronicles a lifetime of accomplishment and emphasizes the bond of appreciation and affection which can be developed between an able Congressman and an understanding constituency:

REPRESENTATIVE R. WALTER RIEHLMAN,
JANUARY 24, 1964

To Representative R. Walter Riehlman, in recognition and appreciation of your leadership for 26 years in public service to the people of Onondaga County, the Onondaga Baptist Association wishes to take this opportunity to present you with this citation.

Distinguished public servant, dedicated Baptist layman, and Christian statesman, diligent businessman—all these and many other tributes could deservedly be paid to you on this occasion.

Representative of New York State's 34th Congressional District since 1947, you have served with distinction over these past 17 years. Prior to this office, you served on the Onondaga County Board of Supervisors, and as Onondaga County Clerk.

You have served on the Government Operations Committee of the House of Representatives, as chairman of the House Military Operations Subcommittee, the Science and Astronautics Committee, the Select Committee on Small Business, and the House Administration Committee. You give careful study to the bills before the House, on which you must vote, and you work diligently to understand and interpret the issues. You are responsive to the needs and wishes of you constituency and concerned for the area and people you represent. Your decisions and voting record reflect your basic Christian convictions and your deep sincerity in upholding what you believe to be right and just.

You have been an active member of the Tully Baptist Church, and many weekends you have traveled from Washington to Tully in order to be present at Sunday worship. Your concern for Christian higher education manifested itself in your sponsorship of the CHEC leadership dinner at Hotel Syracuse at the beginning of the CHEC campaign. Your church and your Christian faith are important to you. You have a deep concern for young people, evidenced in one way by the careful manner you utilize in selecting the young men for the three armed service academies. You call together outstanding churchmen, educators, newspapermen, and men in Government, who go over the credentials of the applicants carefully, and you abide by the recommendations of this select committee in your decisions as to who shall attend West Point, Annapolis, and the Air Force Academy.

Another evidence of your concern for young people takes the form of a story. There was a young orphan boy who ran away from an orphanage. He came to your bakery in Tully, seeking work in return for a meal. You befriended this boy and took him into your home, and put him through college and seminary. He is now a minister serving Christ through the American Baptist Convention, and was at one time a minister in the Onondaga Baptist Association. And there have been others, too, whom you have helped and befriended along the way.

Your wife, Lucia Sherwood Riehlman, and your two children and four grandchildren love and respect you for your distinguished service, given unselfishly.

You have been active in civic and community life, thus widening your influence as a Christian layman—in Tully Lodge, Shrine, Jesters Club, Rotary, Syracuse Press Club, and Scottish Rite Club. You are on the advisory board of the Tully branch of the Marine Midland Trust Co., and president of the Hill and Dale Country Club, as well as secretary and treasurer of the R W Shopping Center in Tully. Thus your family, church, community, civic, and social life, as well as your distinguished career as a public servant all give witness to your belief that a Christian in politics is one of the best places for a Christian to be.

We therefore honor you tonight, and are proud that you are a member of an American Baptist Church in the Onondaga Baptist Association, affiliated with the New York State Baptist Convention, and the American Baptist Convention.

"Let your light so shine before men, that they may see your good works and give glory to your Father who is in heaven." (Matthew 5: 16 (RSV)).

SYRACUSE, N.Y., *January 24, 1964.*

The Moment of Truth

EXTENSION OF REMARKS

OF

HON. CLARK MacGREGOR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 7, 1964

Mr. MacGREGOR. Mr. Speaker, one of our most highly respected Members of the House of Representatives is Mrs. FRANCES P. BOLTON of the 22d District of Ohio. As ranking Republican on the Foreign Affairs Committee, Mrs. BOLTON has demonstrated a deep dedication to our national security and continually makes significant contributions to the work of her committee and to the work of Congress.

On Wednesday evening of this week Congresswoman BOLTON addressed the Women's Forum on National Security in Washington. Her speech is an excellent expression of good judgment.

The speech follows:

THE MOMENT OF TRUTH—ADDRESS BY HON. FRANCES P. BOLTON, WOMEN'S FORUM ON NATIONAL SECURITY, FEBRUARY 5, 1964

Madam Chairman, members of the committee, members of the Women's Forum on National Security, and guests, to be here with you this morning is truly a great privilege and I thank you for the honor you have done me and the pleasure you have given.

What days these are. How different from those we had hoped for. How difficult to understand the many confusions we face with every rising sun. Yet we must meet them with courage trying to see through the haze that all too often obscures our sun.

Perhaps a good way to look toward the future is to glance back into the past—for we know "The past is prologue."

My first winter in Washington was in 1917. Mr. Bolton was one of Secretary of War Newton Baker's aids and we lived at 1739 N Street, now a part of the pleasant Tabard Inn. It seems hardly possible now that one could meet an old school friend as I did in the middle of Pennsylvania Avenue not far from the Willard and stand there and talk. But so it was before the onrush began.

Protocol was important in those days. One called formally, one was most careful. Even in 1928 when we returned to Washington with the Hoover administration one called on all the wives whose husbands ranked one's own. It was a pleasant custom and one met so many attractive women.

During that time some friends in New York sent me some counterfeit money and asked me to take it to the Treasury to have it looked into. Very timidly I did so and found myself in the hands of a keen-eyed, wholly delightful Mr. Moran who was soon to retire. I begged to be given the story when there was one and some weeks later had my curiosity and real interest satified. While we were waiting for the files Mr. Moran told me something of his growing concern for our country.

"Prohibition has done us all great harm," said he. "We find many of our eminent citizens are breaking the law in many ways that eventually cannot help giving the young people a sense that laws are there largely to be broken. But in addition it has established the new underground industry of bootlegging. The members of the trade are largely the Maffia and their ilk. They are paid exorbitantly, and money means power. They are men who have no regard or respect for human life nor for the country in which they live. I shall not see it," continued he, "but you will, Mrs. Bolton. They will take more and more power in higher and higher places." Look around you, ladies; was he not right?

I am inclined to believe that the era began anarchy that is abroad in the land today.

Beautiful as Washington is becoming, it has changed sadly since that day when we two women visited in the middle of Pennsylvania Avenue. It has changed tragically indeed when neither women nor men are safe on the streets. It was only a few months ago that one of my own neighbors was shot to death but three or fours doors away. We all know the succession of tragedies that have established a murder pattern in Boston, in New York, Chicago, etc., culminating in the unthinkable assassination of President Kennedy.

In southeast Asia heads of state have been murdered, as they have been in Africa, one of these, a truly wonderful man, because a small group of soldiers were discontented with their pay. What are we humans doing to ourselves? What has become of integrity and honor and loyalty?

Why are we permitting the very fundamental principles of our land to be twisted, now this way, now that, by people who have other principles? If I recall, it was one woman who started all the business about prayers in school that led to the somewhat misunderstood Supreme Court decision, one woman who has taken her boy—poor lad—to the West, declaring her atheism and disrupting everything. Only one justice dissented, and I am proud indeed that he is Justice Stewart, of Ohio.

It seems to me that there is no justification for these things. Are we no longer a Christian nation, a believing nation? We gladly give all who come here the right to worship deity in whatever way they choose. But does it follow that they have the right to tear down our ways? On our coins, and now over the Speaker's chair in the House of Representatives, are the words "In God We Trust." Whoever comes into this country knows that. If they don't like it they should keep still or get out.

But why is it that words can so confuse eight of the nine Justices of the Supreme Court that they did not uphold our very foundations? Something of great value has been lost.

Thirty-five or forty years ago a small group of men and women who had become greatly disturbed by the reading matter more and more available to the young made some exhaustive studies, which were followed by studies of the motion pictures. They found a truly appalling situation with apparently endless funds filling the newsstands and the moviehouses with constantly more destructive material which now, of course, is in everybody's living room on TV.

Once upon a time when you went to the newsstand you found Harper's, the Atlantic Monthly, St. Nicholas, and such magazines displayed. Those who wanted True Story, Confessions of a Man About Town, and more lurid ones still had to ask for them, whereupon they were brought out from way down under. Not so now. And to the magazines have been added the cheap paperbacks.

Don't mistake me. To have books at prices that can be paid easily is a tremendous boon—but there are all too many salacious volumes on the racks. There is a wonderful shop in the Washington airport that carries every sort and kind of fine book. One has to look hard to find even a detective tale. So it should be. And I must say a good word for the efforts being made by a number of the TV stations to give us increasingly attractive scientific, geographical, musical, and entertainment hours.

As I have watched these matters I have found that the Catholic Church really moved to have her people uphold decency. It has been disappointing to find volunteer censoring so ineffective.

Taking all these influence together, it would seem as if there were a powerful, well organized and financed group determined upon the destruction of the morale of the youth and the adults of the world. Are they not being tragically successful?

I think you will agree that we women as a whole do not borrow nor go into debt. Then why have we—who have had the vote for years—permitted the unbelievable extent of the national debt? Let's look at it coldbloodedly and very factually for a moment:

In fiscal year 1965, interest payments on our Federal debt will exceed the current annual cost of keeping our entire Army, Navy, Air Force, and Marine Corps in uniform.

More than five times as much will be spent in the next fiscal year for debt interest payments than for total missile procurement by the Air Force.

Interest payments will consume nearly seven times more of our taxpayers' dollars than will total Federal payments to educational facilities.

The annual cost of carrying the national debt will be twice as expensive as our 1965 outlay for the entire space program.

Interest on the national debt will account for more than five times as much as Federal expenditures for our entire natural resources program.

More than 10 times as much will be spent on debt interest than for our entire Federal health research program.

We have been told for years that Federal deficits are relatively harmless in view of the growing gross national product—the gross national product we have thrust under our noses all the time. And of course we owe it only to ourselves. And we continue the fiction of "raising the debt limit" every little while—as though that was paid attention to.

To do anything about that we women would have to get very busy and learn about all the many facets of finance. How many of us would do this? And after we had become waywise, would we get out and do something about it? If we don't, who will?

In a wholly different area of our deteriorating position at home and abroad: We know there is confusion everywhere, especially among the young people. If we are honest with ourselves, can we keep from acknowledging that women are the keepers of the home, the holders of the keys? Here in our own country, thanks to our unwillingness really to pull our weight, discipline has been lost, respect has flown out the window, endless homes have been broken up, children are being left desolate, unhappy, with no understanding of the meaning of life—which in essence is made up of the disciplines of joy and sorrow, success and failure.

Am I wrong in believing that a nation is judged by its women? Are we American women giving other nations an image which lifts and builds strength, courage, decency, honor? I have tried to forget an experience I had years back in New Mexico at a corn dance, the shame I felt when a rather buxom blond joined the audience in short shorts, bare midriff, a bra, and a large hat that kept her neighbors from viewing a most beautiful dance. We seem to have grown so callous in the matter of dress and of behavior that one even sees occasional women in very abbreviated bathing suits up on Capitol Hill, in front of the old State, Navy building, all about town—and one shudders at the actions of both the young and the adult.

When I read that a young woman was raped just outside a Government building last week, I wonder how much she herself contributed to the man's excitement. Have you been happy over the very tight skirts and sweaters, the exaggerated bosoms? Surely not. Yet, what have any of us done to change the attitude of mind that makes and wears the current fashion? Certainly an eye for beauty would burn them overnight. To exaggerate sex in all possible ways seems to be the idea.

Let's look at the current Russian women. Yes, they are still cleaning streets and clearing away rubble—but Russia trains thousands of women as engineers, scientists, researchers, doctors and nurses, gymnasts, skaters, skiers, Olympic contenders, and I must say they put it all over us there.

Did you by any chance see a documentary film on ABC-TV not too many weeks ago? "Soviet Women." Of course, it was extremely well done—happy, busy, hard working, good looking women, young, middle-aged, and old. The questioner said to a young woman who published a magazine: "You do not seem to mention sex." A lovely smile came over her face and she said with a quiet seriousness: "No, to us sex is a very private matter." Would we could say the same?

Perhaps I am dwelling too long upon matters that are not to our credit in this, the most wonderful country in all the world. I have not meant to, but somehow we have been given so very much of beauty, of space, of varying climates, of all material things, that one can't help wondering whether the infinite may not be tempting us with too much—to see what use we put it to. Isn't it time that we stop and look at the conditions that make it possible for there to be poverty, loneliness, even hunger, side by side with ease, comfort, opulence? What is wrong with us that we have angry rioting in our streets because all children do not have educational opportunities? Isn't it ironic that our scientific progress is increasing unemployment partly because of that lack of education and training? Are you and I doing anything about it? Are we insisting that vocational training be available to those who need it most? And that can be done locally.

And then are we moving into the larger aspects and doing something about creating jobs and more jobs and more jobs? You know as well as I do, and some of you, no doubt, better that the most essential thing in life is to have work—with it comes first of all a sense of self-respect, a fresh courage, a return of joy. Without it these things become increasingly less possible and happiness melts away as a deep bitterness takes its place.

This was not a part of the vision that conceived us nor of the dream that brought us into life. Where did we lose our way?

If this is our moment of truth, let us not fear it. Rather, let us take our courage and our faith in both hands and pray the infinite for the light with which to see the path.

Your committee gave me as my subject: "Moment of Truth." One comes to such a moment rather fearsomely, for it means facing one's inmost self, going down the stairway within one's soul that leads to the dark passage one would like to forget. Although one's hand trembles as it holds the candle so that its light shines upon the shapes one finds there, one realizes that only the acknowledgment of the truth about each one can dispel the darkness and the fear.

Is that not so of nations as well? Is this not a moment when this great country of ours that was conceived in a vision and born of a dream must gather up all her courage and examine herself as never before, that she may recapture the vision and be true to the great principles of freedom, of justice and above all else, the principles of demonstrating God's love in His world? Not an easy task, I grant you—but if we find ways to do it, it will save mankind.

Why is it our woman's task? Let me tell you in what might be called a parable:

"And it came to pass that the infinite Lord of all created this earth and set it in the heavens, putting upon man the caretaker's responsibility. Time elapsed. Upon His return He found all things in great confusion: the courses of many rivers had been changed, forests had been moved about, hills had actually disappeared. Deeply sorrowful, the infinite withdrew Himself that He might meditate upon the method by which restoration of beauty and productiveness could be brought about.

"Upon His return He brought with Him woman. Upon her He had bestowed all the intelligence and the capacity He had given man, and two things more. That she might understand both the agony and the ecstasy of creation He gave her pain. That she might bear it, He gave her laughter.

"Then He gave them to each other and said, 'The earth is in your charge, my children.'

"Gaily the man ran down the mountainside. But the woman turned and knelt before Him, saying, 'What wouldst Thou of me, my Lord?'

"With great tenderness He replied, 'Go thou with him, give him children, watch over him, and then when the moment comes, bring him back to me.' "

Surely there has never been such a moment as this in which we find ourselves. Although we know there are thousands upon thousands of fine, clean, earnest men and women in the United States and across the world, the very foundations of our life are being rocked by anarchy, by leachery, by faithlessness, by fear. What were we told 2,000 years ago? Was it not that "Perfect love casteth our fear"? What have we done to love?

Ladies for each of you, as for me and for our country, there is the moment of truth. May the infinite give us faith and hope and love, the greatest of them all, that we may fulfill His need of us.

HOUSE OF REPRESENTATIVES

SATURDAY, FEBRUARY 8, 1964

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Isaiah 26: 4: *Trust ye in the Lord forever; for in the Lord Jehovah is everlasting strength.*

O Thou God of all grace and goodness, whose daily blessings we frequently receive with so little of gratitude and cherish with so little of care, make us more acutely conscious of Thy divine providence.

Show us we may guard ourselves against those specters of anxiety and apprehension which seek to find lodgment in our minds as we face the adventures of an unknown future.

Help us to feel Thy nearness in the varied experiences of life, giving us guidance and courage for the demands and duties of each new day.

Grant that we may be faithful and loyal partners with all who are champions of righteousness and may none of our decisions and actions run counter to that which is just and reasonable.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 8363. An act to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. LONG of Louisiana, Mr. SMATHERS, Mr. ANDERSON, Mr. WILLIAMS of Delaware, Mr. CARLSON, and Mr. BENNETT to be the conferees on the part of the Senate.

REVENUE ACT OF 1964

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The **SPEAKER**. Is there objection to the request of the gentleman from Arkansas?

Mr. **HALLECK**. Mr. Speaker, reserving the right to object, and I shall not object, am I correct in my understanding that as chairman of the committee you discussed the matter with the gentleman from Wisconsin [Mr. BYRNES], the ranking minority member, and this meets with his approval?

Mr. **MILLS**. The gentleman is correct. I had hoped the gentleman from Wisconsin [Mr. BYRNES] would be here, but he has evidently been delayed in getting here this morning.

Mr. **HALLECK**. I withdraw my reservation of objection, Mr. Speaker.

The **SPEAKER**. Is there objection to the request of the gentleman from Arkansas? The Chair hears none and appoints the following conferees: Messrs. MILLS, KING of California, O'BRIEN of Illinois, BOGGS, BYRNES of Wisconsin, CURTIS, and KNOX.

APPOINTMENT OF MEMBERS OF U.S. DELEGATION OF MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP

The **SPEAKER**. Pursuant to the provisions of section 1, Public Law 86-420, the Chair appoints as members of the U.S. delegation of the Mexico-United States Interparliamentary Group the following Members on the part of the House: Mr. NIX, of Pennsylvania, chairman; Mr. MONTOYA, of New Mexico; Mr. McDOWELL, of Delaware; Mr. MACDONALD, of Massachusetts; Mr. WRIGHT, of Texas; Mr. JOHNSON, of California; Mr. CAMERON, of California; Mr. DERWINSKI, of Illinois; Mr. NORBLAD, of Oregon; Mr. SPRINGER, of Illinois; Mr. REIFEL, of South Dakota; and Mr. MORSE, of Massachusetts.

CUBA

Mr. **ROGERS** of Florida. Mr. Speaker, in addition to the other steps announced yesterday to protect the U.S. naval base in Cuba, the President made it quite clear that the English, French, Greek, and other "friends and allies" who are rushing to the aid of Castro's economy are giving comfort to an enemy of the United States, and helping a Communist dictator extend unrest and revolution throughout the Caribbean area.

The State Department has not done a very convincing job in the past in securing an economic blockade of Castro. Now with the President's new statement, we can hope that more will be accomplished. But it is my belief that these diplomatic moves will continue to fail unless we put teeth in our request, such as cutting off all foreign assistance to any country supplying Cuba, which has already been written into the law, and further, to close U.S. ports to the ships of any nation trading with Castro. We must take steps to effect a total free-world embargo against Cuba, and words alone will not bring this about. We have had enough talk. We need action or we face the world as a nation unwilling and unable to back up our public pronouncements on foreign policy.

CALL OF THE HOUSE

Mr. **VAN PELT**. Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present.

Mr. **ALBERT**. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 29]

Bass
Daddario
Davis, Tenn.
Derwinski
Hagan, Ga.
Hoffman
Ichord
Lankford
Lesinski
Martin, Calif.
Martin, Mass.
Morton
Norblad
O'Brien, Ill.
O'Konski
Pelly
Powell
Reid, Ill.
Siler
Steed
Stubblefield
Thompson, Tex.
Wilson, Bob
Wright
Wydler

The **SPEAKER**. On this rollcall 404 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. **ALBERT**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The **SPEAKER**. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. **ALBERT**. Mr. Speaker, I take this time first to make an announcement and then a unanimous-consent request. For the information of the Members, upon the disposition of the Civil Rights Act, we will have finished the business for this week and next week. In other words, if the bill is passed today, we will not have any legislative business next week. If it is passed early next week, we will have no legislative business during the remainder of the week. We will have pro forma meetings because we will have to meet on Monday and Thursday. We shall announce the program for the following week on Thursday next.

Mr. Speaker, I ask unanimous consent now that it may be in order at any time during this legislative day for the Speaker to declare a recess subject to the call of the Chair.

The **SPEAKER**. Is there objection to the request of the gentleman from Oklahoma?

Mr. **GROSS**. Mr. Speaker, reserving the right to object, what would be the purpose of the recess today?

Mr. **ALBERT**. Of course, the purpose would be to enable the Public Printer to finish printing the bill if it is disposed of and we have no other business pending.

Mr. **GROSS**. In other words, if this does not proceed according to the way some people want the proceedings to run, a recess would take care of the demand for an engrossed copy of the bill.

Mr. Speaker, I object.

The **SPEAKER**. Objection is heard.

CIVIL RIGHTS ACT OF 1963

Mr. **CELLER**. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7152) to enforce the constitutional right to vote to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes.

The motion was agreed to.

IN COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 7152, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

The **CHAIRMAN**. When the Committee rose on yesterday the Clerk had read through title VII ending on line 23, page 85 of the bill. Are there any amendments to title VII?

AMENDMENT OFFERED BY MR. CELLER

Mr. **CELLER**. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. CELLER: On page 71, line 7, insert after "religion" both times it appears the following: "or national origin".

Mr. **CELLER**. Mr. Chairman, the amendment would make the sentence in 705(b) include national origin as well as religion. It was so intended. The purpose is to make the exemption which you find on page 71, line 7, conform to the language in section 704(e) on page 70, lines 6 and 7. It was intended that this exemption parallel the exemption in 704(e), page 70, to which I have just referred.

Mr. **ROOSEVELT**. Mr. Chairman will the gentleman yield?

Mr. **CELLER**. I yield to the gentleman from California.

Mr. **ROOSEVELT**. I merely want to corroborate the statement of the distinguished gentleman from New York and to point out that not only do the words "national origin" appear just two lines above in line 5, but it also appears on page 70, line 7. It appears on page 69, line 17, and again on page 69, line 3. It appears on page 68, line 18, and line 23.

Obviously the omission was merely an oversight and a clerical error. In order that there be no insinuation that there was anything involved in its omission, we simply want to make the correction and have it conform.

Mr. Chairman, this amendment is in no way a substantive amendment, and I hope it will be adopted with a minimum of debate.

Mr. DOWDY. Mr. Chairman, I move to strike the last word. I would like to ask a question: Do I understand that it will be perfectly all right for a person advertising for employees to express a preference for a white person?

Mr. ROOSEVELT. No. "National origin" has nothing to do with the color of one's pigment.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield to the gentleman from New Jersey.

Mr. RODINO. It goes to the question of what is a bona fide occupational qualification. There may be some instances where a person of a certain national origin may be specifically required to meet the qualifications of a particular job.

Mr. DOWDY. Use the words "Anglo-Saxon."

Mr. RODINO. No, of course not. The gentleman thoroughly understands that that is not included under a definition of "national origin."

Mr. DOWDY. No, I do not understand it. When you say "national origin" that is a national origin, is it not?

Mr. RODINO. "National origin" does not apply to color or race.

Mr. DOWDY. I said "Anglo-Saxon."

Mr. RODINO. What "national origin" is Anglo-Saxon?

Mr. DOWDY. It is English.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield to the gentleman from California.

Mr. ROOSEVELT. May I just make very clear that "national origin" means national. It means the country from which you or your forebears came from. You may come from Poland, Czechoslovakia, England, France, or any other country. It has nothing to do with broad terms such as the gentleman has referred to.

Mr. DOWDY. I understand now. In your advertisement you could advertise that you wanted only someone from Poland, but you could not advertise that you wanted just a normal Anglo-Saxon American.

Mr. ROOSEVELT. You have to put it in the context of the amendment. This is necessary. Obviously, if you were to have a Polish organization I do not think that they want to have me as a Dutchman, necessarily, and they would have a right to say something about Polish in their advertisement. It is a very innocuous amendment. The gentleman is trying to read insinuations into it which are not there in any way.

Mr. DOWDY. I am trying to read the substance that ought to be there, that a person can hire whoever he wants to hire.

Mr. JONES of Missouri. Mr. Chairman, I move to strike the last word.

Mr. Chairman, some of us may be a little dense and cannot understand these things. Maybe you can help out if you would give us a specific example of what you are talking about. Give us one or two examples.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Pennsylvania.

Mr. DENT. National origin, of course, has nothing to do with color, religion, or the race of an individual. A man may have migrated here from Great Britain and still be a colored person. I refer the gentleman to the book just put out by the Census Bureau which gives data on origin and yet covers all races only by country of origin.

Mr. JONES of Missouri. Will the gentleman cite me an example of the club or restaurant or what he is talking about?

Mr. DENT. It has just been called to my attention that a French restaurant or a specific restaurant that deals in foods that are of a certain national type, foods like Italian foods, a person who runs such a restaurant would want to have a chef, and in advertising for a chef he would want to say that he wanted a chef but only those of a certain national origin, say Italy, need apply. There is nothing wrong with that because he would hardly be doing his business justice by advertising for a Turk to cook spaghetti.

Mr. JONES of Missouri. Would the same thing apply to the waiters in the restaurant, or the cashier or dishwasher?

Mr. DENT. No, there is no reason the dishwasher would have to be of a certain national origin.

Mr. JONES of Missouri. How are you going to get around that? Now I want to ask this question. How about the second generation?

Mr. DENT. I will be a little specific. The gentleman said he is a little dense. I do not think he is any more dense than anybody else. For instance, we have stores in this country that sell religious articles. They would be advertising for someone to work as a salesman or salesgirl in that particular store, and they would say that a person of, say, the Roman Catholic religion should apply for the job, because the articles they sold would relate to that faith. We do not want in any way to force them in that particular type of application to take somebody who would not be helpful to their business, would we? Certainly, if this is occupational, it is restricted to the professional occupation or bona fide occupation.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Illinois.

Mr. PUCINSKI. I think my colleague will find the justification for this amendment if he will refer to page 70, paragraph (e), in line 4, which provides:

> Notwithstanding any other provision of this title, it shall not be an unlawful employment practice for an employer to hire and employ employees of a particular religion or national origin in those certain instances where religion or national origin is a bona fide occupational qualification.

The amendment offered by the gentleman from New York merely permits you to advertise for such people when you feel that you need that type of employee to conform with section (e) on page 70.

Mr. RODINO. The gentleman asked for an example.

Mr. JONES of Missouri. Yes.

Mr. RODINO. I think we all know about "pizza pie," it generally carries an Italian connotation and we would assume that a baker, chef, or cook of Italian origin is especially qualified to make pizza pies, and going further the gentleman recognizes that if there is a "pizzeria," which is a pizza pie establishment, the employer or the operator of that pizza pie restaurant would probably seek as chef a person of Italian origin. He would do this because pizza pie is something he believes the Italians or people of Italian national origin are able to make better than others—and is reasonably necessary to the operation of his particular business. Therefore, national origin in the operation of a specialty restaurant such as a French restaurant or Italian restaurant could properly be an occupational qualification that is reasonably necessary to the operation of the restaurant business.

Mr. JONES of Missouri. In other words, you would preclude the hiring of a Negro as a pizza pie chef then?

Mr. RODINO. No. That would not preclude him if the operator of the restaurant wanted a Negro chef—to make pizza pie—he could hire him as well.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. McCULLOCH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendment is acceptable to us. It is a perfecting amendment and it is helpful.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from New York.

Mr. GOODELL. I think this is a very simple amendment, Mr. Chairman, with a very simple purpose. It should not be interpreted to go beyond the scope that has been described here already. There are many instances where national origin becomes a bona fide occupational qualification. It is limited by that term—just as in many instances religion is a bona fide occupational qualification. In these cases we do not mean to touch them. I think it is a thoroughly acceptable amendment and I hope the committee will adopt it.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman.

Mr. CRAMER. This is intended as a friendly question. But, it bothers me in that on the top of page 71, with reference to this notice an advertisement of unlawful employment practices is not only limited to employment. I understand the argument and the reasons for wanting to delete national origin as well as religion if you want to hire a French chef or an Italian chef or what have you. But what justification is there for providing such an exception relating to membership of a labor organization? Now as I read it, if the gentleman will read the language on the top of page 71 this limitation applies not only to employment—not only to employment—but it also relates to the "membership in a labor organization." Now what justification is there for having a chef's labor organization limited only to say, French and Italian—and that is what this would accomplish; would it not?

Mr. McCULLOCH. Mr. Chairman, I yield to the gentleman from California [Mr. Roosevelt] to answer the question.

Mr. ROOSEVELT. May I answer the gentleman by saying that there was evidence brought out before the committee of certain instances where labor unions that deal with a particular language group had to have and had to be able to hire to work with people who were able to speak the particular language used by the people of a certain national origin. Therefore, it was felt in order not to restrict their activity that quite properly they should be allowed to do that. In this instance, you will find the words are very carefully defined as to bona fide occupational qualification. So this applies only if the union can make very clear that it is a matter of necessity in order for them to carry on their normal operations.

Mr. CRAMER. Mr. Chairman, will the gentleman yield for one further clarifying question?

Mr. McCULLOCH. I yield to the gentleman for a further clarifying question.

Mr. CRAMER. I would like to have the record perfectly clear. This is not legitimized nor is it intended, that membership of a labor organization be limited to a certain national origin.

Mr. ROOSEVELT. The gentleman is absolutely correct.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from New York [Mr. Lindsay].

Mr. LINDSAY. I believe a word has to be added. The words in the bill are "a bona fide occupational qualification for employment." The key words are "for employment."

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I now yield to the gentleman from New York [Mr. Goodell].

Mr. GOODELL. I wish to add a thought, reiterating what my colleague from New York just said. Any one of these other classifications of "labor organization," "employer," or "classification or referral for employment" must be related to employment. Obviously, if it were not a bona fide occupational basis for this exception, then the exception would not apply.

AMENDMENT OFFERED BY MR. WILLIAMS

Mr. WILLIAMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Williams as a substitute for the amendment offered by Mr. Celler: On page 71, line 7, after the word "religion" and before the word "when" insert "race, color, or national origin" and after the word "when" insert "race, color, or national origin."

Mr. WILLIAMS. Mr. Chairman, I offer this amendment in all seriousness. The amendment which has been offered by the gentleman from New York is a good amendment, in my opinion, except that it would discriminate very seriously against our Negro business enterprises in the South.

It might come as a surprise to some of you who live in some of the other parts of the country to learn that in the South there are multimillion-dollar businesses operated exclusively by Negro citizens. There are multimillion-dollar businesses which cater exclusively to a Negro clientele. If the amendment I have offered is not accepted as a part of the bill many of those businesses will be destroyed.

Mr. Chairman, why should there be discrimination against a Negro savings and loan association, with a provision that it would be compelled to hire white people whether it wished to or not? Why should there be discrimination against a Negro burial association, by telling it that it must hire white salesmen? Why should there be discrimination against a Negro insurance company, by telling it that it must hire white insurance salesmen, when they and all of us here know this would destroy the business completely because it would destroy its identity as a Negro business, the very quality responsible for its success?

Mr. Chairman, I offer this amendment in all honesty and in good faith.

Mr. CELLER. Mr. Chairman, will the gentleman yield

Mr. WILLIAMS. Surely. I am delighted to yield to the gentleman from New York.

Mr. CELLER. We did not include the word "race" because we felt that race or color would not be a bona fide qualification, as would be "national origin." That was left out. It should be left out.

Mr. WILLIAMS. The gentleman has the Harlem Globetrotters in his area. What will be done about them? Would the gentleman require that the Harlem Globetrotters hire a white man, and thus destroy their identity?

What is the gentleman suggesting be done about the Birmingham Black Barons, a professional Negro baseball team? They make their living out of being identified as members of the Negro race.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I am delighted to yield to the gentleman from Mississippi.

Mr. ABERNETHY. There are several radio stations located in the District of Columbia which cater exclusively to the Negro population. I understand the personnel of those stations are Negro. Unless the gentleman's amendment is adopted, of course those stations would be penalized under the terms of this bill.

Mr. WILLIAMS. Of course they could. As the gentleman knows, there are manufacturers whose products are used exclusively by Negroes in the South. They are manufactured by Negroes, for Negroes.

I doubt if many of our northern or western colleagues ever heard of such a thing as a pomade known as a "hair straightener" or a product known as skin whitener. These products are sold in every little store in the South. They are manufactured by Negroes and sold exclusively to Negroes. Do you want to put them out of business?

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Alabama.

Mr. HUDDLESTON. I commend the gentleman from Mississippi for offering this amendment. I have in mind a situation where a theatrical group wants to put on Shakespeare's great tragedy "Othello." They need a particular type of individual to play the part of Othello. How could that be accomplished unless the gentleman's amendment is adopted? How could they possibly get the type of individual to play that part unless we incorporate the words "race or color" in this section?

Mr. WILLIAMS. I believe there are other plays, such as "Green Pastures" that call for an all Negro cast. Surely producers of these plays should be allowed to advertise for Negro actors.

Mr. HUDDLESTON. We propose in this section to add "national origin," but how would either "national origin or religion" cover the obtaining of the proper type of person to play the role of Othello in Shakespeare's play?

Mr. WILLIAMS. The gentleman from Alabama has just pointed out another reason why this kind of legislation is wholly impracticable and unworkable.

Mr. POWELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman and my colleagues, I really do not rise to discuss the amendment of the gentleman from Mississippi, but I will just briefly say that 20 million Negroes are willing to take their chances on this bill.

I really rise to give the background of the FEPC for the benefit of those who do not know it. It originated on a bipartisan basis in New York State under the sponsorship of Irving and Ives, members of the State legislature. That was the first FEPC in this country. Twenty years ago when I came to this Congress I wrote and introduced the first FEPC in this Congress. Under my philosophy as chairman I assigned the FEPC bill to the gentleman from California for authorship and for his committee's consideration. The FEPC bill has always been bipartisan as it originated in New York State and as it comes before you in this title today. This title today represents the workings of the Committee on Education and Labor with only one colleague against this particular title. That was our former colleague, Mr. Heistand. It represents the workings of the gentleman from Michigan [Mr. Griffin], the gentleman from Ohio [Mr. Taft], the gentleman from New York [Mr. Goodell], the gentleman from New Jersey [Mr. Frelinghuysen], other Republicans as well as the Democrats. It was a bipartisan matter and this is a bipartisan bill as all civil rights legislation should be.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I am glad to yield to my colleague from Georgia.

Mr. LANDRUM. I believe the gentleman may want to give the House some additional specifics about who was opposed to this title.

Mr. POWELL. I am sure that the gentleman is absolutely correct in that the gentleman from Georgia, a good, fine member of my committee, was opposed to it, and I think the gentleman from North Carolina [Mr. SCOTT] was also.

Mr. MARTIN of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. POWELL. Gladly.

Mr. MARTIN of Nebraska. I would like to call attention, Mr. Chairman, to the fact that on reporting this bill out of our full committee I voted against it.

Mr. POWELL. This bill before us now is the committee bill of February 21, 1962, and in the report accompanying it, House Report No. 1370, the only substantial opposition in the committee was on the right to investigate without a charge. Only one member of the full committee reported he disagreed with the overall thrust of this bill and that was our former colleague Mr. Heistand. That is in House Report No. 1370.

I first introduced this bill 20 years ago under the chairmanship of the father of our distinguished colleague, Congressman LESINSKI. His father was then the chairman of the Committee on Education and Labor, and on April 10, 1949, we started hearings on this bill for the first time. It was presented to the House under Calendar Wednesday on February 23, 1950.

We began that morning at 11 a.m. and stayed in session until 3:30 a.m. We finally passed an FEPC bill. The vote was 240 to 177. Our former colleague, Congressman McConnell moved the same bill you have before you now but without any teeth in it. We did pass it then. That was 14 years ago.

I believe that we have here now an opportunity to continue the bipartisan harmony that began with the birth of FEPC in New York State and which has continued in my committee. I am sure that under the guidance of our good friend and great subcommittee chairman, the gentleman from California [Mr. ROOSEVELT], who has done such a great job in this field, all of the points on which we may differ can be clearly explained and we can proceed and pass this title.

Mr. WATSON. Mr. Chairman, will the Congressman from New York yield?

Mr. POWELL. I yield to the gentleman.

Mr. WATSON. Did I understand the Congressman to say that you had an FEPC in New York?

Mr. POWELL. Yes, sir.

Mr. WATSON. And you have had no difficulty whatever so far as discrimination in employment or demonstrations and other racial disorders since the enactment of FEPC?

Mr. POWELL. In connection with FEPC we have been able to settle every case that has been brought before it. I will ask the gentleman from New York [Mr. GOODELL] how many cases have come before the courts in solving that question.

Mr. GOODELL. New York was the first State to enact an FEPC law. We did not pretend then and we do not presume now that it will solve all problems. It has done a great deal of good. There have been over a period of years 11,000 cases filed with the FEPC in New York State of which a total of only 12 have gotten to the courts.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I would like to ask the chairman of the committee a question. I have in the district which I have the honor to represent a fine insurance company known as the Lutheran Mutual Life Insurance Co. How will this bill affect the hiring practices of the Lutheran Mutual Life Insurance Co.?

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield to me?

Mr. GROSS. Yes, I yield.

Mr. ROOSEVELT. It would affect it only in this manner, that wherever there was a proper, bona fide reason why a Lutheran insurance company should have a Lutheran to do a particular job he would be allowed to do so. But let me give you an example, being a little bit in the insurance business. They would not be able to do that if they were hiring an actuary, they would not be able to say that it would have to be a Lutheran actuary because that obviously would not be a bona fide skill necessary to the job.

Mr. GROSS. I am sure the Lutherans are interested—and I am not a Lutheran or a policyholder in the company—I am sure they are interested that their money be properly taken care of. Why should not their actuary be a Lutheran? He is dealing with Lutherans' money.

Mr. ROOSEVELT. I think the gentleman will find that the Lutheran Insurance Co. does not restrict its policies to Lutherans. It sells to the general public.

Mr. GROSS. Let us say for the sake of argument that they do.

Mr. ROOSEVELT. I think under those circumstances, if they sold only to Lutherans, and there was some particular reason why Lutherans have a particular kind of actuarial method that only Lutherans could understand, then certainly Lutherans would be hired.

Mr. GROSS. I give the Lutherans credit for more understanding than does the gentleman from California.

Mr. RIVERS of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. RIVERS of South Carolina. Mr. Chairman, I asked the gentleman to yield to me to ask a very pertinent question; and this is very pertinent. We have many thousands of ships coming into the harbor of Charleston, S.C., and we also have there a very large naval base. Our only Longshoremen's Union is exclusively colored. Would this affect that union? If it does, my port is out of business.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. ROOSEVELT. I would simply have to say to the gentleman that if there were a bona fide reason why only Negroes should be longshoremen, then, of course, they would have to prove it. I could not myself understand such a justification.

Mr. RIVERS of South Carolina. If the gentleman lived down there, he would understand it.

Mr. ROOSEVELT. All I can say is, if the gentleman from Iowa will yield further to me, that in California we have white people who are longshoremen. What happens to them in South Carolina that they cannot be longshoremen?

Mr. RIVERS of South Carolina. That is what I am asking you. White people cannot get employment. They have an exclusive colored union, and they handle every single solitary ship.

Mr. ROOSEVELT. If they discriminate, they are doing something wrong, and this bill goes right at what the gentleman is talking about.

Mr. RIVERS of South Carolina. You have just put them out of business.

Mr. ROOSEVELT. I do not think so.

Mr. RIVERS of South Carolina. You come down to Charleston, and I will show you.

Mr. ROOSEVELT. I will be glad to come down and visit the gentleman.

Mr. RIVERS of South Carolina. I do not want you to visit me.

Mr. GROSS. Mr. Chairman, I am deadly serious about the question I am asking as it affects this particular life insurance company, and I want to know what their condition of servitude would be with or without the Williams amendment.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GROSS. If the gentleman can explain to me where this fine company will land in this deal, I will be glad to have the gentleman do so.

Mr. O'HARA of Michigan. I am not familiar with the exact form of organization of the insurance company to which the gentleman refers. The language on pages 70 and 71 which we have been discussing obviously provides an exemption where there is a bona fide occupational matter involved.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(By unanimous consent (at the request of Mr. O'HARA of Michigan) Mr. GROSS was allowed to proceed for 2 additional minutes.)

Mr. O'HARA of Michigan. In lines 9 and 10 on page 70 it is stated "where religion or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of that particular business or enterprise."

I am not going into the details of the enterprise. I cannot say what positions in that company might fit into that description.

Mr. GROSS. On page 71 appears the unlawful practices section. What happens to them under the unlawful practices provisions contained on page 71, lines 7 and 8?

Mr. O'HARA of Michigan. They are exempted by line 4, page 70, and again on page 71, the line to which the amendment goes.

I would like to call the gentleman's attention to section 703, page 68, which reads:

> This title shall not apply to an employer with respect to the employment of aliens

outside any State, or to a religious corporation, association, or society.

That is the exemption that applies.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. I do not know whether the gentleman from Iowa knows it or not, but my southern colleagues know that we have numerous Negro fraternal organizations. We have the Negro Masonic organizations. We have other Negro fraternal organizations. Most of these also engage in the business of selling insurance, and they have rather large insurance operations.

I am wondering if without my amendment this bill will not force them to take into their membership persons who are not members of the Negro race, or to hire persons as salesmen who are not members of the Negro race. They cater to Negroes exclusively.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

(By unanimous consent (at the request of Mr. Dowdy) Mr. Gross was allowed to proceed for 3 additional minutes.)

Mr. DOWDY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Texas.

Mr. DOWDY. Along the line the gentleman was discussing earlier, I have here a newspaper published in Boston, Mass., called the Christian Science Monitor. It is distributed all over the world. From time to time I see advertisements in the classified section, and it is the Christian Science Monitor's own advertising, and I have here this ad that appears in the issue of February 6, 1964:

> Do You Live in Albany, N.Y.? Would You Like To Do a Vital Job There for the Christian Science Monitor?
>
> A good commission will be paid to an individual who can devote some part of each week to calling on retail stores in Albany, N.Y., as advertising representative of the Christian Science Monitor.
>
> If you are a member of the Christian Science Church in Albany, N.Y., and like to meet people, write for application blank and full details to Mr. Stephen Curtis, assistant manager of Advertising Representatives, 1 Norway Street, Boston 15, Mass.

Under this bill this fine newspaper no longer would be able to advertise for a Christian Scientist to work for them as a sales representative, as I understand it. Will the gentleman yield to somebody to answer that question?

Mr. GROSS. I yield.

Mr. ROOSEVELT. If the gentleman will yield, let me point out again that Christian Science is of course a religion. If they are seeking under this ad to get a salesman for the purpose of seeking subscriptions to the Christian Science Monitor, that is bona fide, in my opinion. I agree that a qualification like that would be allowable.

Mr. DOWDY. The gentleman was not listening to what these ads were for. They are advertising for people to sell advertisements to stores. That could not be a qualification for an advertising salesman.

Mr. ROOSEVELT. The point there again would depend on what he was doing. If he was speaking of the advantages from the religious point of view of advertising in the Christian Science Monitor, that would be a bona fide qualification. It must depend on the case.

Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made earlier. I want to tell the gentleman from South Carolina in a little more detail I am sorry he will not invite me to come south.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. RIVERS of South Carolina. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Mississippi.

Mr. Chairman, I rise only to pursue the line of inquiry which I tried to follow a moment ago. I should like to get an answer from the author of the amendment whether or not this proposal by the distinguished chairman of the Committee on the Judiciary would put my Longshoremen's Union in South Carolina out of business. It is run exclusively by colored citizens of this community, and it is a large union. It is the only union we have handling the thousands of ships that bring millions and millions of tons of cargo into that port and take millions and millions of tons away from this port.

Mr. CELLER. If, for example, the International Longshoremen's Association, which is the longshoremen's association operating in New York, which is predominantly white, permitted no Negro members, they would come under this act. This situation is exactly the same if the colored International Longshoremen's organization in Charleston discriminated against a white person who is qualified for membership. Both are clear examples of discrimination. It works both ways.

Mr. RIVERS of South Carolina. Now you see how silly this thing is. This thing is so ridiculous. Ridiculous is not the word to use. We ought to coin another word. This thing will tie up America more ways than a country boy can go to town. If this thing is seriously enforced, we will be paralyzed for generations to come. It may not be reflected in the next election, but you wait until the following election—a lot of us here who are shedding crocodile tears will just have shed our commissions to serve in the Congress of the United States. That is how simple it is.

I want to yield to the gentleman from California because I would not, and I hope I did not seem to be inhospitable. If you come to Charleston, S.C., we will be glad to have you just as we did back in 1934 when you came to Charleston. Of course, social conditions are a little different there, but you will be as welcome as the flowers in May—come in April, the flowers are prettier.

Mr. ROOSEVELT. I thank the gentleman very much. I will come down and I will not talk politics while I am with the gentleman.

Mr. RIVERS of South Carolina. I am serious. I do wish the gentleman would look into this problem.

Mr. ROOSEVELT. Let me say to the gentleman, I think two things should be said. One union itself, and I think this is a great credit to the union, has already taken steps to do something about the situation in South Carolina that the gentleman has pointed to. Then another case—and the exact reverse has happened, I think, in Portland, Oregon, and I am sure the gentlewoman from Oregon will agree, where a white union would not admit any Negroes. There the situation is being investigated and changed. In each case the union has recognized that this is a great moral and fundamental question and the union sees no reason why such a situation should be continued. I think it is a great credit to the union that they have come to this conclusion.

Mr. RIVERS of South Carolina. I thank the gentleman very much, but we do not want to change this. We are getting along fine. They are a very important part of our community. We do not want to change. The only opposition I ever had in a primary was by one of our colored citizens who represented the North Carolina State Mutual, a big insurance company in Durham, N.C. They have thousands of employees. My only opposition since I have been here in the Congress has come from that highly educated man. It is sinful—you will put these people out of business.

As I said before, this thing is not "ridiculous" because that word is too mild to describe the situation. But that is the truth.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that the gentleman may have 3 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. RIVERS of South Carolina. I yield to the gentleman.

Mr. WHITTEN. I would like to compliment the gentleman for raising this point. I think the answer by the gentleman from California clearly shows what will face the Nation once this bill becomes law.

In my 22 years in the Congress, I have never seen as close a relationship—almost without any difference whatever—between the Republican leadership and the Democratic leadership—between the gentleman from New York [Mr. Celler] and the gentleman from Ohio [Mr. McCulloch]. If this law would solve all the problems of the country in the same way as it has caused these two groups to get together on the passage of this bill, that would be one thing. But I am of the opinion, after listening to the interpretation and realizing that somebody will have to carry it through, that while these two leaders are lying down comfortably together, it is like the old story the gentleman from South Carolina is familiar with where the couple went in to talk to a lawyer about getting a divorce. The lawyer told them they should get along like the cat and dog which were sleeping peacefully side by side just outside the window. The woman said, "They are now, but just you tie them together and see what happens."

My friends, I am saying that while the gentleman from Ohio [Mr. McCULLOCH] and the Republican leaders are 100 percent in accord with the Democratic leadership, in placing this law on the American people, just as soon as they realize they are tied together the fur is going to fly—and I think all the rights of the American people will go with it.

Mr. RIVERS of South Carolina. I just want to say, if I have any time remaining, that this is the first time in my experience I ever saw the ADA on my right and the ACA on my left marching arm in arm.

This is a paradox. You ACA boys get 100 percent constitutionality by your standards, and the ADA boys get zero by your standards; but, brother, you are really on this unconstitutional monstrosity, you are marching 100 percent together.

I say again, God help you.

Mr. FULTON of Pennsylvania. Mr. Chairman, I move to strike out the requisite number of words.

A question comes to my mind as to what has been the practice in the States which already have FEPC laws. Has this policy not worked out there? The answer is "Yes."

We have been able, in the State of Pennsylvania and other industrial States, to work out the operation of the FEPC laws so that there is a rule of reason. The policy is a matter of preventing discrimination, so that it involves preventing discrimination rather than any benefit, when the law applies.

I should like to ask the gentleman on my right, on the Democratic side, as well as the gentleman on my left, on the Republican side, about the national parties.

I believe the national parties have nationality divisions and they have colored or minority group divisions. For example, the Democratic National Party has a colored division, with paid employees.

I add that I come from Pittsburgh, in Allegheny County, in Pennsylvania. Many people here know that. I am quite proud of it. We on our Republican Allegheny County committee, have dropped our nationality, minority group, and colored divisions voluntarily. We believe that is not the way we should run a committee in our party, with 65 nationalities, minority groups, and various colors in our western Pennsylvania area.

I should like to ask the gentleman in charge of the bill, on each side, to tell me whether this would bar the Republican National Committee and the Democratic National Committee from hiring people of various nationalities and various colors to run various minority divisions.

My answer to that is "Yes, it will; the way the bill is drawn."

May I ask the gentleman in charge, on the Republican side, to answer?

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. FULTON of Pennsylvania. I yield to the gentleman from Ohio.

Mr. McCULLOCH. I have no hesitancy in expressing my opinion on the question the gentleman asks. I believe the employment of people in the party headquarters or elsewhere of either major party certainly is not on the basis of discrimination which is prohibited by the Constitution or by law. If the hiring of the people is in accordance with logical fact and reason, then the hiring would be lawful and there would be no breach either of the Constitution or of statutory law.

Mr. FULTON of Pennsylvania. I will now yield to the gentleman on the Democratic side who has responsibility for the bill, the gentleman from New York [Mr. CELLER].

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. FULTON of Pennsylvania. I yield to the gentleman from California.

Mr. ROOSEVELT. I wish to say that we on this side completely agree with the gentleman from Ohio [Mr. McCULLOCH].

Mr. FULTON of Pennsylvania. I thank the gentleman.

Mr. STAEBLER. Mr. Chairman, will the gentleman yield?

Mr. FULTON of Pennsylvania. I yield to the gentleman from Michigan.

Mr. STAEBLER. There are three members of the Democratic National Committee who are Members of Congress; the distinguished gentlewoman from New York [Mrs. KELLY], the gentleman from Minnesota [Mr. BLATNIK] and myself. Let me speak for them and say that there is no Negro or colored division in the Democratic National Committee. There are Negro employees, but there is no division. We pay attention to minority affairs, but there is no division designated for this purpose.

Mr. FULTON of Pennsylvania. In campaigns, as we all know, there certainly are sections in both parties that hire Negroes as Negroes to work with Negroes. I was just trying to clear it up, to make sure that was not barred. Polish people work with Polish people, and Irish people work with Irish people, and so forth.

But under this bill, minority divisions or units of national U.S. political parties are barred from hiring employees on any basis of discrimination because of race, color, religion, or national origin.

Mr. STAEBLER. Mr. Chairman, will the gentleman yield?

Mr. FULTON of Pennsylvania. I will be glad to.

Mr. STAEBLER. I respect the gentleman's description of the Republican Party. This is not the way the Democratic Party operates.

Mr. FULTON of Pennsylvania. My suggestion is that the political parties in this coming campaign do not in their lower echelons, then, set up these distinctions and divisions and speak of these nationalities and color groups and just treat everybody as Americans.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield for a comment?

Mr. FULTON of Pennsylvania. I will.

Mr. McCULLOCH. Mr. Chairman, I noted one of the members of the committee expressing concern about members of the Democratic Party or, at least, some of them joining with members of the Republican Party, members of ACA joining with members of ADA. I am not sure what all of those alphabetical combinations may mean, but you know, Mr. Chairman, I think that that is a good omen of the times. I am pleased to march up the aisle there with any patriotic American who is a Member of this body in support of a moral issue.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman and Members of the House, I would like to propound a question or two to the chairman of the committee, the gentleman from New York [Mr. CELLER] or to the gentleman from Ohio [Mr. McCULLOCH].

If this bill becomes law, would it be within the law for a political party to appeal to a group for their vote on the ground of race? Would that be permissible?

Mr. CELLER. I do not think it has anything to do with a situation like that.

Mr. ABERNETHY. Then, as I understand you, the parties could make an appeal to the voters on the ground of race?

Mr. CELLER. This does not cover political parties.

Mr. ABERNETHY. I did not ask that. I asked if it would be within the law.

Mr. CELLER. No, it would not. It would have nothing to do with it.

Mr. ABERNETHY. Then, they could not appeal to people for their vote on the grounds of race?

Mr. CELLER. This bill has nothing to do with that.

Mr. ABERNETHY. It does not?

Mr. CELLER. No.

Mr. ABERNETHY. Why was that excepted from the bill?

Mr. CELLER. We cannot cover the waterfront and do everything with a bill like this.

Mr. ABERNETHY. How would the gentleman feel about an amendment of that kind?

Mr. CELLER. I do not think an amendment like that would be germane or within the orbit or should be within the orbit of this bill.

Mr. ABERNETHY. Do you think such should have the consideration of Congress?

Mr. CELLER. I think that is another matter and some other committee might handle that.

Mr. ABERNETHY. I will ask another question. If it should be illegal—and I understand it would be under this bill—for an employer not to hire a person on the ground of race—that is, color—would it be illegal not to hire because of the shade of color, that is because the skin of the applicant is too dark?

Mr. CELLER. I suppose shade of color would be color. The whole embraces all its parts.

Mr. ABERNETHY. I have in mind a certain series of articles here.

Mr. CELLER. Of course, this would all have to be tested out eventually in the courts.

Mr. ABERNETHY. I have here a collection of articles published about 3 years ago by the Washington Star entitled "The Negro in Washington." The publication is in 14 or 15 sections. These articles were done by a gentleman from the chairman's State of New York by the name of Haynes Johnson, a young man of about 30 years of age. He is the son of one Malcolm Johnson, a 1949 Pulitzer Prize-winning member of the staff of the old New York Sun.

Article No. 5, which I will get permission to insert into the RECORD, carried distinct statements and charges by Negro citizens of the District of Columbia of dark shade that they were being discriminated against by Negroes of lighter shade, and that the discrimination was because the former were too black, or too Negroid.

This young writer went over the District seeking information from and asking questions of the colored people on this specific subject. Here are some of the questions and answers and reports he included in his article.

A Negro businessman of dark color in the District said:

> We are confronted with an entirely new type of opposition from a group which mistakenly identifies itself as "the new Negro"—

The Negro merchant defined this kind of person as the—

> self-efficient, arrogant, smug and underexposed individual who feels he has arrived. His basic shortcoming lies in his desire to disassociate—

A new word for "segregate"—

> from the Negro who has not reached the stage of the "new Negro"—

Continuing—

> "disassociate" and his failure to share his knowledge with people of his own race, who he feels are not up to standards that he now knows.

Continuing further from this article:

> A Negro sociologist tells about talking to a woman in this economic and social group—

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. ABERNETHY] has expired.

Mr. ABERNETHY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Continuing—

> who had watched Louis Armstrong on television the night before.
>
> "Wasn't that terrible?" she said. I said, "No. Why?"
>
> She said, "Oh, you know, he doesn't look right." She meant he was too black.

At another point we find the following:

> At Howard University one student has several charcoal sketches of Negroes on his dormitory wall. They portray Negro men and women with prominent negroid features.
>
> "You see those," the student said, pointing to the wall. "You know what many of the boys say when they see them? They say, "Oh, those are terrible." They mean they're too negroid.

That lays the groundwork for the rest of the article. The article goes on to charge discrimination by these Negro people of light shade, light pigment, who "have arrived," as they describe themselves. They discriminate against others of their race who have dark skin.

The discrimination is practiced in various ways—housing, seating on buses and so on.

Speaking of the "Gold Coast," which is the 16th Street area, Northwest, inhabited by colored citizens of the District who "have arrived" and whose earnings are in five figures or better per year, one of the "Gold Coast" area said:

> Yes, I know that the other Negroes call this the Gold Coast.

This is one of the "Gold Coasters" speaking:

> There are some who call this the Negro's Spring Valley.
>
> "Well, since this is the best area that's the reason we guard it just as jealously as they do in Spring Valley or Wesley Heights. We're not snobbish. That's not it. But look at it this way: Why put a big price on a home if you're going to allow the neighborhood to deteriorate?

He goes on to observe that they want to keep it from being "integrated" by the Negroes who have more distinctive negroid characteristics, which means there is a housing discrimination on the Gold Coast. They do not want any Negroes of dark skin up there. The article proceeds to tell about one particular Negro moving in who was disliked and not wanted because he was black, a poor dresser, and just not suited to the neighborhood.

Now, this further quotation from the article:

> "Certainly there's a difference among Negroes. It's not snobbery, but let's face it, if a person isn't of the same background as you, you don't even get anything out of a conversation with him.
>
> "I've sat down next to some of my people on the streetcar, and frankly I don't relish it. When you come down to it I'm segregated."

This is not a southern white man talking. It is a Washington Negro, who says he is for segregation among Negroes. And I, for one, respect his right to segregate—to choose his own friends and associates, and even who he shall sit by on a bus.

Let us repeat:

> I guess we just consider ourselves better than others.

And listen to this:

> When you come down to it, we are just segregated.

Now, I would like to ask the chairman this question: Would the FEPC have authority to correct an employment discrimination among our Negro citizens in the District of Columbia, where light-skinned Negroes refuse to hire Negroes of dark skin?

Mr. CELLER. The gentleman read a lot which has involved personal opinions of certain individuals of the Negro race which have nothing to do with this bill. I may say if there is any discrimination against the Negro regardless of his shade or gradation of pigmentation of his skin in employment, that discrimination would be a violation of this act.

Mr. ABERNETHY. Do you have an FEPC in New York?

Mr. CELLER. Yes.

Mr. ABERNETHY. Have you had any cases before the Commission in this category?

Mr. CELLER. I am not familiar with that, but the gentleman from New York might give you information.

Mr. GOODELL. I am not aware that any cases have been raised on that point.

Mr. ABERNETHY. Then the discrimination of light-skin Negroes against those of dark skin prevails only in the District of Columbia? This I cannot and do not believe. It is a well-known fact that the discrimination within the Negro race, as referred to in this article, exists in every city. All one need do to detect it is to open his eyes.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from California.

Mr. ROOSEVELT. There have been no such cases in California.

Mr. ABERNETHY. I will ask the gentleman from California if he thinks this FEPC would cover employment practices in this respect?

Mr. ROOSEVELT. I agree entirely with what the chairman of the Committee on the Judiciary said.

Mr. CELLER. I may say to the gentleman, if there is discrimination against any Negro and the discrimination is directed against the Negro by either a white man or Negro, there would be a violation.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. I would hope that the gentleman might add to the question asked the gentleman from California, in that he represents the general area of the movie colony, if without my amendment a movie concern wanting to make a picture which has its setting in Africa would be permitted to advertise for several hundred Negro extras to play in the picture?

Mr. ROOSEVELT. I do not represent the movie industry. I represent a little bit of it. My friend, the gentleman from California [Mr. CORMAN] represents an equal part, and the gentleman from California [Mr. BELL] also. But in direct answer to the question as the gentleman put it, it would seem to me that it would be a proper reason to plan such an advertisement if it was not stated or intimated that only Negroes will play the parts. We in California know this is not necessary.

Mr. WILLIAMS. Yes, with my amendment.

Mr. ROOSEVELT. Without your amendment it would be. I am opposed to the gentleman's amendment.

Mr. WILLIAMS. According to the bill the only loophole in this is that they can discriminate on the ground of religion when that is a bona fide qualification for employment and with the amendment offered by the gentleman from New York they would extend that to national origin, whenever that is a bona fide occupational qualification. My amendment would extend this to race and color so that they would also be excepted when it is a bona fide occupational qualification.

Mr. **ABERNETHY**. The article from which I read reveals a type of discrimination which the proponents of this bill and the Negro associations never mention. And it is one which their own little FEPC's never dare attack. By their own admissions, the State units of the FEPC have dared not move against such. Why? Because it is the philosophy of the proponents of this bill that Negroes, whether of light or dark skin, can discriminate against each other; but if a genuine white man is involved in such, then he must desist or go to jail. The double standard clearly exists.

The article from which I read in part is as follows:

THE NEGRO IN WASHINGTON

(By Haynes Johnson)

The Negro at the lowest level of income and education feels cut off not only from society but from many within his own race.

He is the true outsider in Washington. He believes that those in his race who hold good jobs and live in decent homes have turned their backs on him. He and thousands like him comprise what is for want of a better term—the lower class of Negroes.

That the Negro has distinct classes with all of the accompanying friction and antagonism, that the word implies, should come as no surprise. There are class structures in all groups. Within the Negro population, however, the classes are particularly complicated.

"There is a group within our race—they call themselves the educated group or the upper crust—and they feel they are better than the rest of us," a Government worker said. "They actually build barriers within our own race."

What are these barriers?

One of the most important is also the most subtle. It has to do with the word Negro itself and what that word means.

"You'll meet many people in Washington who will not use the word 'Negro,' " a distinguished Negro educator said. "It's a bad word. So many painful memories are associated with it. They might say colored, but they might not even say that. They almost try to deny such a race exists. Those scars are part of the experience of the Negro."

Some Negroes will argue there are middle- and upper-class groups that are divorced from the problems of their race. These people live in good homes, insulated by their own small social groups. They are not fighting for their race. They are afraid of anything which might upset their status.

"You see," a young Negro minister said, "when you reach the plateau of the middle class, you don't want to rock the boat, you don't want to disturb the situation, especially once you're looked on as a socially desirable class.

"Until the middle and the upper classes realize that what happens to the lower classes affects them, too, no matter how much money or status they have, you aren't really going to be able to solve the problem from within.

"They're out of contact with the other groups," he said. "They don't have to come home to one room and not know where the next meal is coming from. They don't really feel these things, and so they don't understand."

Is this true? Negroes who have studied the problem say it is. This reporter can only say he has been in some homes where it appears to be true. In fairness, though, this has not been a common experience.

The Negro intellectual is especially concerned about this problem. He will say that often Negroes who have risen to five-figure incomes—and there are many in this category in Washington—seem to wish to disassociate from the race. They even look down on Negro folk music and literature.

A Negro scholar says this reflects an attitude of "second generation respectability."

"I think it's a weakness," he said. "It tends to break down the connection betweeen the educated and the lower groups. Bessie Smith, Mahalia Jackson, people like that are honored in the community for their way of singing. The people understand it. It's a part of their culture. Why should it be denied?

"There's too much hypersensitivity about too many things."

A businessman said, "We are confronted with an entirely new type of opposition from a group which mistakenly identifies itself as 'the new Negro.' "

He defined this kind of person as "the self-efficient, arrogant, smug and underexposed individual who feels he has arrived."

"His basic shortcoming lies in his desire to 'disassociate' and his failure to share the knowledge with people of his own race, who he feels are not up to standards that he now knows."

A Negro theologist tells about talking to a woman in this economic and social group who had watched Louis Armstrong on television the night before.

"Wasn't that terrible?" she said. I said, "No. Why?"

"She said: 'Oh, you know, he doesn't look right.' She meant he was too black. Then I said: 'I think he's an artist and we should be proud of him.' She still thought they should have got someone else."

At Howard University one student has several charcoal sketches of Negroes on his dormitory wall. They portray Negro men and women with prominent Negroid features.

"You see those," the student said, pointing to the wall. "You know what many of the boys say when they see them? They say, 'Oh, those are terrible.' They mean they're too Negroid. I keep them there as my private forms of psychoanalysis for the others."

These attitudes still are factors in the colored classes in Washington (although their importance has diminished greatly in recent years).

INTEGRATION WITHIN RACE

That's what a colored man meant when he said, "The Negroes in Washington had to do their own integrating after 1954."

At one time the shade of a man's skin played a significant role among the Negro population in the Capital. (This was a heritage from slavery days, when the light-skinned Negro was given advantages over the man with a darker skin.)

"I think today there is a little less emphasis on color among Negroes," a businessman who was born and educated in Washington said. "But it's hard to change the habit of years of tradition.

"Back in the old days the Negro developed what I'm sure you heard of as a bastard aristocracy. My own father was a mulatto, for instance, and lived in a certain class.

"Color became almost a caste, both economically and socially. To be a mulatto almost always identified you with a powerful white family. Those children had more opportunities. They were sent away to school and formed their own societies in the Northern cities.

"Usually they intermarried with each other to maintain the masquerade. Some of them were able to pass for whites. It meant, of course, they had more advantages. This is not so true today. But it is true that many of the really old Washington families actually resented integration. To put it personally, my mother was one of those. She's rather stiff-necked about it."

MONEY, EDUCATION THE KEY

Who are these people in the better classes? They are the same as in any group. Status is determined by money and education. At the top are the professional groups, the doctors, lawyers, teachers, businessmen, and high-ranking Government employees.

In the middle is a large group of Government workers, merchants and ministers. In many of these families the wife works and the husband has a second job so they can buy a home in a decent section. At the bottom are the unskilled laborers.

"I think your slum dwellers today are very sharply divided from your bourgeoisie," a scholar said. "Your professional groups have more cliques. There is your clash today—between the laborers and recent migrants from the South and the Washington middle class."

Expressing it another way, it's the old story that "the lower classes are jealous." And well they might be.

DISTRICT OF COLUMBIA BEST FOR NEGRO

Negroes will tell you with justifiable pride that "this city has a better standard of living from the Negro point of view than any other city in the United States—or in the world, for that matter."

In the higher brackets, the Negro in Washington may earn up to $100,000 a year, a Negro businessman said. For those who have been able to take advantage of the opportunities here, the material rewards are visible.

The most striking is the neighborhood where the wealthiest Negroes live in the far Northwest off 16th Street near the Carter Barron Amphitheater and Rock Creek Park.

This section is enviously called the "Gold Coast."

"Certain sections seem to denote certain standards," a colored man said. "For instance, I live in Brookland (in Northeast Washington off Rhode Island Avenue) and they will say, 'Oh, you live with the rich Negro.' It's the same way with the 'Gold Coast' where the richest Negroes live."

FEAR DETERIORATION

When the phrase "Gold Coast" was mentioned to a man who lives there, he smiled and said: "Yes, I know that the other Negroes call this the Gold Coast. There are some who call this the Negro's Spring Valley.

"Well, since this is the best area that's the reason we guard it just as jealously as they do in Spring Valley or Wesley Heights. We're not snobbish. That's not it. But look at it this way: Why put a big price on a home if you're going to allow the neighborhood to deteriorate? No, no one up here is snobbish, although I guess there are Negroes in other parts of town who think so."

A housewife on that street told how worried everyone was because "a family who left Southwest because of the redevelopment moved in next to the church on the corner, and we are all quite upset about the appearance of the yard. The man sits out on the porch in his overalls. They are a more rural type of family. Not the way other people here are."

As you go down the economic ladder you will hear similar comments. Here are some:

"Certainly there's a difference among Negroes. It's not snobbery, but let's face it, if a person isn't of the same background as you, you don't even get anything out of a conversation with him. You wouldn't choose that kind of person as a friend or marry that type."

"I've sat down next to some of my people on the streetcar, and frankly I don't relish it."

"I guess we just consider ourselves better than others."

"When you come down to that part of it I'm segregatory myself. There are some of 'em I wouldn't be caught walking the street with."

"Now I got to say it—there are some who just don't fit in with the people in Washington. You'll find this in all races. Some, they don't fix up like us. We was both glad when the people next door moved. They wasn't good neighbors. We're not all in the same class."

As one man said, everyone knows there are second-class Negroes.

Mr. SMITH of Virginia. Mr. Chairman, I move to strike the last word.

We have spent an hour and a half on this amendment. There seems to be a hurry to get away. This amendment was not offered by those who are trying to modify this bill. It was offered by the chairman of the committee. I rise to ask if somebody who is advocating this original amendment and opposing the amendment offered by the gentleman from Mississippi will take a little time, and someone who is opposed to going across the board with the substitute amendment, and tell us why you all seem to be in agreement. What is the matter with it? Is it just because the gentleman from Mississippi offered it?

Mr. HÉBERT. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I just wanted to pursue the discussion of the gentleman from Mississippi [Mr. Abernethy] and take cognizance of the fact that he mentioned the name of Louis Armstrong. Louis Armstrong was born in my congressional district and was a resident of it. What he has contributed to music throughout the world is something that any community would be proud of. We in New Orleans particularly are proud of what Louis Armstrong has contributed. In that connection, I want to direct a question to the chairman of the committee or the gentleman from California.

Mr. ABERNETHY. If the gentleman will yield, may I comment on that?

Mr. HÉBERT. Yes.

Mr. ABERNETHY. I would like to say that the person to whom the statement was made about Louis Armstrong is the one who wrote the article. His reply to this person, who was critical of Armstrong, was "You ought to be proud of him."

Mr. HEBERT. I understood what the gentleman said and I was not critical of what he said.

Mr. ABERNETHY. I understand that. I just wanted the Record to show it.

Mr. HÉBERT. I did want to indicate that we are proud of our colored citizens as well as our white citizens.

The question I want to direct to the chairman of the committee or the gentleman from California is this: Louis Armstrong was once a king in New Orleans of what was known as the Zulu Parade. The Zulu Parade was as famous in New Orleans as the Rex Parade which, incidentally, will take place next Tuesday in New Orleans. Louis Armstrong was probably the most prominent king this Negro organization had. Some Negro organizations in New Orleans have since, and successfully, boycotted the Zulu Parade because it was an all-Negro parade. The question I ask is, Would these people who discriminated against that parade because it is an all-Negro parade come under this act?

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HÉBERT. I yield.

Mr. O'HARA of Michigan. We should keep in mind that title VII applies only to employment by employers as defined in the act and to membership in labor organizations as defined in the act. Title VII has nothing whatever to do with fraternal organizations or parades or any other matter of that kind.

From the gentleman's example it does not seem to me that what he has referred to would in any way come under the coverage of title VII.

Mr. HÉBERT. But it is discrimination, is it not?

Mr. O'HARA of Michigan. It would not matter whether I thought it was or not, it would not be governed by title VII.

Mr. HÉBERT. But it still is discrimination because the parade is an all-Negro parade and these people, Negroes themselves, some, not all, these Negroes in New Orleans were most happy until the NAACP and CORE came into being and started these disturbances down there. Now the parade has gone by the boards because of this discrimination.

Mr. ALGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this merely to endeavor to get additional information and I relate my remarks to what the gentleman from Virginia [Mr. Smith] just said and direct my remarks to the substitute proposed by the gentleman from Mississippi [Mr. Williams].

I am aware, Mr. Chairman, of the exemption on page 68 of the bill and, I direct these remarks to the chairman of the Committee on the Judiciary, the gentleman from New York [Mr. Celler]. I am also aware of the use of the terms on page 70, Mr. Chairman, of religion and national origin. Then on page 71, I am well aware of the gentleman's amendment to include "or national origin" after "religion." If I understand the debate at this point, the substitute would add "race and color."

Now coming back to the question that was aked, if I understand this language, Mr. Chairman, it would not be possible to advertise by movie executives as was asked a few minutes ago for Negro extras or colored extras or whatever the phrase would be to work in a particular job. I do not understand this, Mr. Chairman, and I also want to say as a preface to my question, I do not think there is anybody here, either the gentleman from Ohio or anyone on this side of the aisle or on the other side who is against amending the bill, if they think it can improve the bill. I regret that statement was made. I hope it is not true. I am not part of any agreement or any alliance between parties or otherwise not to amend the bill. I want to understand—do I understand such an advertisement would be possible according to the terms of this bill or not?

Mr. CELLER. Is the gentleman speaking of the ad that might be put in the press by a motion picture producer who wants to produce a picture involving African scenes and is advertising for Negroes to participate in it? Is that what the gentleman is referring to?

Mr. ALGER. I am not referring necessarily to the African scenes. No matter for what purpose the motion picture producer wants to employ Negroes. If he wants Negro extras, he ought to be able to advertise so that he can get them. I cannot understand anybody not to permit that right to run that kind of ad regardless of their position on civil rights.

Mr. CELLER. A grave difficulty arises when we contemplate the substitute amendment. You must remember that the basic purpose of title VII is to prohibit discrimination in employment on the basis of race or color. Now the substitute amendment, I fear would destroy this principle. It would permit discrimination on the basis of race or color. It would establish a loophole, that could well gut this title.

As has been indicated, a French chef to work in a French restaurant. I fear that the substitute offered by the gentleman from Mississippi would prevent that. That is why we left those words out originally.

Mr. ALGER. Mr. Chairman, I think you have just defeated your own logic because where you protect religion and national origin, you do not remove that protection when you add race or color, neither do you invoke any unfair practices. I am completely at a loss to understand you. I would like to repeat the question made by the gentleman from Virginia. Why does not somebody tell us in the House here what is wrong with the substitute amendment?

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr ALGER. I yield to the gentleman.

Mr. O'HARA of Michigan. In the example used, which involved a dramatic performance, some particular role may require a person whose skin is of a particular hue. I do not think that when you seek such persons for that role, you come within the meaning of the unfair practices described in this bill.

The trouble with the amendment offered by the gentleman from Mississippi is that it opens it up a good deal more than the case of a casting director looking for actors to play certain roles in a dramatic production. If it was limited to that, it would be a lot more acceptable than it is. But it opens up other possibilities that I do not think any of us would want to open.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ALGER. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. I respect the views which have been given, but I must emphatically say I do not believe that answers the question at all.

Mr. Chairman, I am still at a loss to understand how this would open it up. I cannot, for the life of me, understand why a businessman who wishes to hire some people—in this case in the motion picture field; but I am sure other examples could be given—should not be able to advertise that he wants Negroes, or colored people of a particular race, or whatever he wants. I should think that would be perfectly all right.

Such a limitation as this actually would be an infringement on the civil rights of Negroes, which our colleagues wish to protect. I am in favor of that protection.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from Florida.

Mr. HALEY. I wonder what would happen, for instance, in the great State of North Carolina, in which there is an Indian tribe which puts on a fine performance called "Unto Those Hills." It is necessary to employ Indians to put on the play. Would that be discrimination against other people? Would they be forced to go out to hire whites and colored people to take part in that performance?

Mr. ALGER. I see no difference as between "religion" and "national origin" or "race" or "color." These are not incompatible. For the life of me I cannot understand what is thought to be wrong with the substitute amendment. I wish somebody would address some remarks to that.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I gladly yield to the gentleman from California, if I have time remaining.

Mr. ROOSEVELT. I wish to reemphasize what has just been stated by the gentleman from Michigan. The term "employer"—that is the only person we are talking about at the moment—means a person who is engaged in an industry affecting commerce. Most of the examples which have been given so far would not fit under that category. They would be outside of that limitation, and therefore plainly this would not be applicable.

Mr. ALGER. The gentleman knows that when we write laws they must apply equally to all people. We must not, in our zeal to protect civil rights, inflict civil wrongs on anyone in the name of protecting civil rights.

Mr. ASHMORE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the gentleman from California stated that the purpose, generally, was to apply this provision to industries affecting interstate commerce.

Since the questions asked by my colleague, the gentleman from South Carolina [Mr. RIVERS] as to the labor situation in Charleston and by the gentleman from Florida [Mr. HALEY] in regard to the Cherokee Indians of North Carolina and the great play which they put on annually, have received answers which are so clearly confused and muddled that no one understands the supposed answers:

I have a question relating to a situation which applies directly to the language used by my colleague, the gentleman from California, that is relating to industry in interstate commerce.

I wonder whether or not the labor leader, Mr. Philip Randolph, who I understand had quite a part in the drafting of this legislation, the head of the Pullman Porters' Union in this country, supports this provision. Certainly his union has an effect on interstate commerce. The trains go from State to State, daily and nightly, even hourly.

Would the amendment which has been presented by the chairman of the committee make it possible for a white man to be hired as a Pullman porter? I understand that presently all of them are colored people. They are engaged in interstate commerce.

What is the answer to that?

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. ASHMORE. I yield to the gentleman from California.

Mr. ROOSEVELT. Under the terms of the bill the employer, which would be the railroad, would be required to offer the job of pullman porter to anybody, without discrimination because of race or color.

Mr. ASHMORE. Does Mr. Philip Randolph realize that? Is he in full agreement with that, or is he trying to help the colored people he now represents who are members of the union known as the Pullman Porters' Union?

Mr. ROOSEVELT. If the gentleman will yield further, Mr. Philip Randolph has made very clear that he supports this bill in every possible respect.

Mr. ASHMORE. I wonder if the individual members of the Pullman Porters' Union realize that some of them might lose their jobs, and be replaced by white people.

Mr. DOWDY. Mr. Chairman, will the gentleman yield?

Mr. ASHMORE. I am glad to yield to the gentleman from Texas.

Mr. DOWDY. There is another situation, which is not fair, involved. The railroads might be forced under the law to employ a white person who applies for one of these jobs. By injunction they might be forced to employ the white person. However, the union the gentleman is talking about then could strike the railroad for employing a white person, and the railroad would have no injunctive relief from the strike, brought on because another injunction forced the railroad to employ white men.

That is an unfair part of this bill.

Mr. ASHMORE. We are adding confusion on top of confusion, if we pass this bill.

Mr. DENT. Mr. Chairman, will the gentleman yield for an observation?

Mr. ASHMORE. I will be glad to yield.

Mr. DENT. So that at least we do not get too far afield on this Pullman Porter Union matter, let me state one thing here. There is no restriction in the Pullman Porters bylaws or constitution of the union which restricts or eliminates the hiring of white pullman porters, but their union, just as many unions and organizations, has a restrictive covenant in it in that those who are unemployed and who are members of the union must first be called back before new members can be taken in. There has been a period of 15 or 16 years during which they have had an unemployed list of Pullman porters which runs over 5,000. Therefore, there is not anything in it that has anything to do with discrimination.

It is only a matter of rehiring because they have been unemployed and they are members of the union. So it has nothing to do whatsoever with racial or color lines.

Mr. ASHMORE. What if a white man applies for a position?

Mr. DENT. He can apply for it, but under the contract they have with the railroads, their membership represents the railroad pullman porters, and their constitution calls for the rehiring of unemployed pullman porters and today there is no vacancy. And, of course, the railroads do the hiring under the terms of the contract.

Mr. ASHMORE. Then, their contract would be in direct violation of this law, would it not?

Mr. DENT. No.

Mr. ASHMORE. Certainly it would, if all their members are Negroes, and I am sure they are.

Mr. WINSTEAD. Mr. Chairman, will the gentleman yield?

Mr. ASHMORE. I will be glad to yield to the gentleman from Mississippi.

Mr. WINSTEAD. I was just wondering about this. You know, the Post Office Department, in violation of Civil Service regulations, in Texas and some other places has skipped over and bypassed the seniority rule under civil service in order to promote Negroes above qualified white persons ahead of them on the register. What would prohibit them from doing the same thing with this organization—the Pullman Porters Union—bypassing Negroes to promote whites?

Mr. ASHMORE. Nothing whatsoever.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. DOWDY. Mr. Speaker, I ask unanimous consent that the gentleman from South Carolina [Mr. ASHMORE] may proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DOWDY. Mr. Chairman, will the gentleman yield to me?

Mr. ASHMORE. Yes. I will be glad to.

Mr. DOWDY. That is one of the provisions in this particular section of the bill. Actually, it amounts to requiring a racial balance in the unions. This union you were talking about would be forced, under this bill, to go out and enlist white people in the union, if the bill works both ways and applies to white as well as colored people. I think that is obvious.

Mr. ASHMORE. I am satisfied that is the interpretation that would be placed on the law, and some of the best lawyers in the United States, constitutional and otherwise, have agreed with that interpretation. They would be forced to go out and hire white men.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. ASHMORE. I will be glad to yield to the gentleman.

Mr. GOODELL. As I understand the gentleman's position, I do not think it can go unchallenged. There is nothing here as a matter of legislative history that would require racial balancing. That reference is just bringing in something extraneous. We are not talking about a union having to balance its membership or an employer having to balance the number of employees. There is no quota involved. It is a matter of an individual's rights having been violated, charges having been brought, investigation carried out and conciliation having been attempted and then proof in court that there was discrimination and denial of rights on the basis of race or color.

The CHAIRMAN. The time of the gentleman from South Carolina has again expired.

Mr. CURTIS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think I want to join with Judge SMITH in his plea that those who are opposing this amendment should point out why they think it would not attain a very desirable result. As I read it, unless I have misunderstood this debate, the protection against improper discrimination would be the words "bona fide." I have read this section (e) on page 70, where it says:

> Notwithstanding any other provision of title, it shall not be an unlawful employment practice * * * where religion or national origin is a bona fide occupational qualification.

There is a protection, as I see it, against anyone improperly using race or color to prevent a Negro, for example, from getting employment. But the same arguments apply to salesmen to religious groups. As the point was made, if there are actually bona fide reasons that they should be of the same religion inasmuch as they are selling to people of that religion or dealing with them then that may be a bona fide reason which renders it not improper criteria. I thought the illustrations used by some of the gentlemen arguing for this amendment were sound. Suppose someone was hiring extras for a moving picture they were going to produce and the script called for characters who were Negroes. Of course, they would advertise for Negroes and that would be a bona fide reason. There are many bona fide reasons that might cause employment to be based upon a particular religion, race, or national origin.

Mr. Chairman, I have been disturbed at times at the turn this debate takes from time to time particularly with the background of the bill. I mentioned this matter in general debate.

That was the only thing I did have to say. I referred to the reported attitude of the Democratic study group, and apparently that was true—at least it has not been corrected—to the effect that it caucused and in effect said they had agreed to oppose all amendments, regardless of their merits. Certainly there were the letters of the AFL–CIO to myself and other Members which urged all Members to vote against all amendments. I put the CIO–AFL letter to me in the RECORD.

I want to emphasize again that I am for this bill and I undoubtedly will vote for it. But there are many things in it that need improvement. Any time the proper procedure of this House is so disregarded, as was quite clearly the case in the way this bill was voted out of committee, we are going to have legislation that needs buttoning up. We are going to have the same problem with regard to the tax bill due to excessive pressure for haste from the Executive. Our technicians have not even had the time to write the accurate technical language for the various amendments, because of this forced draft for haste that has been put on by the Executive. In conference we are going to have to dig into a lot of the technicalities of the bill and do a great deal of rewriting. The same way here. This debate on the floor can give us an opportunity to take care of some of these oversights of the committee. I think it behooves Members on both sides, those who have had the handling of the bill, not to treat these amendments too cavalierly. That is why we have to pay attention to the merits of the amendments and disregard where these amendments come from. On the floor of the House yesterday we had what I felt was a very intemperate argument—I shall not name the gentleman making it—directed to one of the members of the committee. The argument made was that he was from the South and was not in favor of this bill, so he was offering this amendment to try to damage the bill.

This was the Cramer amendment that was a perfecting amendment. Fortunately, time was taken to listen to the arguments and we all began to see that he was pointing out a very important omission involving judicial review. Mr. CRAMER pointed out that judicial review to be effective had to be based on a hearing.

The committee finally got together and worked out the technicalities while the debate was transpiring and a substitute amendment correctly worded was accepted unanimously. I believe one member later said he was against it.

We must treat this present subject, which is a most difficult subject, with this kind of care. This bill has not received the kind of care that we have a right to expect. It was clearly brought out that there was only 1 minute of debate for both sides in the committee before it reported this particular bill out. I have read the bill since then. I am not an expert in this field.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CURTIS] has expired.

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS. I have tried to go over it as carefully as I can. I think possibly this is a better drafted bill than the one the committee did go over in detail. But the committee as a committee did not do its work on it so it behooves the House to do it.

What I am pleading for is for those in charge of this bill on both sides to take the floor to explain if there is any reason against this amendment. I cannot see any and what I have heard is not responsive to the points being made. In my area, in St. Louis, Mo., an old slave State, there are many fine Negro economic organizations that deal mainly with Negroes. If you do not put bona fide in with respect to race I can see where you can damage them as well as other businesses where racial bigotry has nothing to do with the case.

One of the arguments used against integrating schools was the damage that allegedly would happen to the Negro teaching profession. I did not feel that was a sufficient argument to overcome the importance of getting rid of school segregation. But it was a serious problem and remains a serious problem. I raise the question, What has happened to the Negro teaching profession as the result of school integration? In this very bill there was a recognition of this problem and an attempt to do something about training Negro teachers adversely affected by integration. However, it was considered in a slapdash manner to the extent that there was little consideration given to costs or firming up the program. Little attention was paid in the hearings or the committee report to the fact there is a problem in this business of training Negro teachers to move forward with the problem created by desegregated schools. And so we may create similar economic problems in Negro businesses, labor unions, or whatever, with none of the justification which we do have in the teaching profession because of the overriding benefits we sought in desegregating our public schools. And none of this has to do with bigotry, racial, religious, or national origin. Indeed in one sense it has to do with the rights of people to organize and work together on the basis of a common race, religion, or national origin if they so desire.

Mr. HOLIFIELD. Mr. Chairman will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from California.

Mr. HOLIFIELD. The gentleman knows of my high regard for him, and I would not have taken the well except he referred to the Democratic study group as having a caucus and having agreed in regard to action on amendments. I am a member of the Democratic study group. I make no apology for it. I am the former chairman of that. As far as I know there has been no meeting of the Democratic study group on the question. He referred to the fact no one has answered a similar challenge, which I did not hear. I want him to know as far as I am concerned there is no such agreement, and no such caucus has been held. Many of the members of the study group have voted for amendments, and we will continue to keep ourselves in the position of acting on amendments as they are being offered.

Mr. CURTIS. I want to thank the gentleman from California for making those remarks. I have a high regard for the gentleman. Although I disagree with most of the conclusions that come out of the Democratic study group, I want to commend that kind of operation.

The gentleman's statement has been timely made because there has been this conception, and I thought it probably was true. I do accept the gentleman's statement, and I am pleased these amendments are being considered on their merit.

I plead along with the gentleman from Virginia that those on the committee who see a reason against any amendment, particularly this one, to state your case. You have not done so.

Mr. CORMAN. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I think the last speaker answered the question for himself when he said maybe there is a Negro insurance company that wants to hire only Negroes and should be permitted to do so. The only logical conclusion would be that we would do the same thing for white insurance companies that want to hire only white people.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Missouri.

Mr. CURTIS. As I understand it the discussion was brought up in respect to religious groups, where they have a bona fide reason, that is, they want to sell to people of their own religion. I do believe we have a similar problem that a Negro salesman would be best in dealing with selling to Negroes. That would be a bona fide reason, it would not be racial bigotry.

Mr. CORMAN. We are not talking about Jewish salesman. That would not be bona fide. We are talking about Jewish cantors and rabbis.

I think we are entitled to look at the problem we are trying to deal with here. There is a very strict racial discrimination in employment in this Nation. It is not limited to the South at all. We are entitled to look at where it exists. There are some places in this country where only colored people can drive the garbage trucks.

There are other places where Negroes can ride on the back of the truck but are not allowed to drive it. I do not think that is an occupational qualification, but it is thought to be so by many people, apparently, because that is the practice that is followed.

The reason we are opposed to this amendment is that if you permit the advertisement of the race of the person to be hired there is no question it will implement this kind of discrimination in the field of employment. I think we are entitled to look at all we are dealing with in deciding what the amendment would do. If someone can show me where they only allow Catholics to drive garbage trucks, then I think we might have a different problem. Racial segregation is very complete in some parts of the country. There are places where race is indicated in the telephone book. That goes a long way. What we are saying is, When we hire people to work we want it to be based on their individual qualifications, not on the color of their skin. I can see a big hole in this substitute amendment. I am amused about the concern of some of my southern colleagues about the rights of Negroes in their districts. If a majority of voters or potential voters in my district were Negroes perhaps I, too, would be concerned about protecting their "rights," but that is not the case.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Missouri.

Mr. CURTIS. The point to which I think the gentleman should be addressing himself is bona fide reasons. The reasons the gentleman has given I think would not be bona fide reasons for a Catholic, and so forth, or a Negro, for certain purposes. As to other than bona fide discrimination I am in complete accord with the gentleman. I have been dealing with this subject since long before I came to Congress, and I think my record in my community on this very problem of racial problems in apprenticeship training, and so forth, will bear most minute scrutiny. There are all sorts of techniques to get around compliance, so I am suspicious, too, of things that might be subterfuge. But I think if the alleged discrimination is bona fide, just as it is in the case of religion, that would be all right, but if it is not a bona fide reason, then indeed it would be discrimination, which should be barred by this act.

Mr. CORMAN. I appreciate the gentleman's concern, but I only say that if it is a bona fide reason to permit Negro insurance companies to hire only Negro salesmen because they are the only ones they want to deal with people in a Negro community, why would it not follow that a white insurance company, and a lot of other businesses, could hire only white people to deal with people in a white community? It is true in those areas where it has been the custom and usage to completely segregate the races.

Mr. CURTIS. I think those discriminations can be made because selling is a technique of dealing with the public, but if we got into a manufacturing industry where you do not have the personal relationship involved, then you do not have the question of race. It would be whether a man is a good mechanic or a good press operator or whatever. We are dealing in a twilight zone in this territory.

Mr. CORMAN. Yes. I am anxious to clear up as much of the twilight zone as possible.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent (at the request of Mr. Williams), Mr. Corman was allowed to proceed for 3 additional minutes.)

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. A moment ago I posed a hypothetical question involving a movie company to the gentleman from California [Mr. Roosevelt] believing that he represented the Hollywood movie colony. He advised me that the gentleman who is speaking in the well of the House now represents the movie colony, so I will ask him the question. I assume he is supporting the amendment offered by the gentleman from New York [Mr. Celler] and that he opposes the substitute amendment I have offered.

Mr. CORMAN. Yes.

Mr. WILLIAMS. Under the amendment offered by the gentleman from New York [Mr. Celler], a movie company making a movie about China would be permitted to advertise for several hundred Chinese actors?

Mr. CORMAN. That would be my understanding.

Mr. WILLIAMS. That is right, because in order to play the part of a Chinaman in these movies, the national origin would be a bona fide qualification. And I quite agree they should have that permission.

Now let us assume that some movie company is making a movie, the setting of which is in Africa and they need several hundred extras who have black skin and Negroid features to play in that movie. Unless my amendment is accepted, they cannot advertise for Negro extras to play the part of Negroes in that movie. Why does the gentleman make the distinction between Chinese and Negroes?

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield? I would like to answer the gentleman's question.

Mr. CORMAN. I yield to the gentleman from California.

Mr. WILLIAMS. Of course, I asked the gentleman from California [Mr. Corman] for an answer since he represents the movie colony.

Mr. ROOSEVELT. To answer the gentleman's question from the point of view of the purpose of the bill, Africa is not just one country. Africa is several countries, if they went to Cambodia or wherever the production might be located and they want people from Cambodia, let them say so.

Mr. CORMAN. My answer, sir, is that they will just have to live with it. I am sure they are willing. I will also say before my colleague from Missouri [Mr. Curtis] leaves, that he and his committee have so rigged the tax structure of this Nation that they have encouraged the movie companies to go to Africa and make African movies. We hope some day they will close up that tax loophole which has encouraged "runaway" movie production. Then we will face the next problem when we come to it.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hope I can convince my colleagues if I cannot convince the

Detroit News—that my interest in standing up here in the well of this House is to raise relevant questions as to this legislation and not merely to aline myself with the southern Members of the House, who incidentally I regard as still eligible Members of the House and still American citizens.

I have asked for this time to raise a question and I would ask particularly for the attention of the gentleman from New York [Mr. GOODELL] because of a remark he made—and I am not quarreling with it. I understood him to say there is no plan for balanced employment or for quotas in this legislation. I am not prepared to quarrel with that proposition at all, but I am raising a question as to whether in the effort to eliminate discrimination—and incidentally that is an undefined term in the bill—we may get to a situation in which employers and conceivably union leaders, will insist on legislation providing for a quota system as a matter of self-protection.

Now let me pose this hypothetical question, and then I will be glad to yield to the gentleman if he wishes to comment on it.

Assuming you have a situation in which the employer needs to hire 100 absolutely unskilled workers or suppose the union hall is called upon to provide 100 absolutely unskilled workers.

Now let us suppose this hypothetical situation exists with 100 jobs to be filled. Let us say 150 persons apply and suppose 75 of them are Negro and 75 of them are white. Supposing the employer or the agent in the union hall in order to fill the needed number of jobs hires 75 white men and 25 Negroes. Do the other 50 Negroes or anyone of them severally have a right to claim they have been discriminated against on the basis of race or color? If you say they do, obviously because all of the white men and none of the Negroes were hired and then supposing we change it to 60 white men hired and 40 Negroes. That means 15 white men were not hired who were applicants and 35 Negroes were not hired.

If all other factors were equal—or, at least, if there were not any differences which were distinguishable—and all the 150 applicants were entirely suited for employment, what protection would the employer or the union hiring agent have against a charge of discrimination, in the two hypothetical situations which I have posed?

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield to the gentleman from New York.

Mr. GOODELL. The gentleman has asked an excellent question. In his hypothetical case he has said that all the applicants are equal. That would be an ideal situation which probably seldom would happen, but it illustrates the point very well.

It is the intention of the legislation that if applicants are equal in all other respects there will be no restriction. One may choose from among equals. So long as there is no distinction on the basis of race, creed, or color it will not violate the act.

We are going to amend a section, further along, to make this very clear. If a person refuses to hire for any reason other than race, creed, or color that would be all right.

In the instance the gentleman has stated, apparently it is a situation in which all are equal. Then the employer would have his choice.

Mr. JOHANSEN. I am glad to hear that response. I am glad to know of the assurance that there will be a further amendment to another question.

Mr. GOODELL. I say to the gentleman that I assumed the hypothetical facts as stated. That would cause no difficulty. I do not believe such a situation actually will ever exist, when all are exactly equal. There are many other qualifications which must be met in regard to jobs, so it is quite seldom, if ever, that we have to consider workers or applicants that are completely equal in qualification.

Mr. JOHANSEN. I recognize that. I recognize that to be a weakness of the hypothetical case. My question is: How are we, by law, to assure the employer or the union agent of protection against the allegation of discrimination? How will it be possible to prove that subjectively there was not an element of discrimination, particularly in view of the growing pressures in this area? Some reference was made a moment ago, I believe by the gentleman from Mississippi, to the situation at the Dallas post office.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent Mr. JOHANSEN (at the request of Mr. GOODELL) was given permission to proceed for 2 additional minutes.)

Mr. JOHANSEN. This is slightly different, but I believe it is definitely related. The Dallas post office situation was the subject of hearings. I sat as a member of the Manpower Utilization Subcommittee, which held several days of hearings on that matter. There were terrific pressures put on for the three promotions of Negroes out of order, and they came, if not directly at least indirectly, from the chairman of the Equal Employment Opportunity Commission, who is now the President of the United States. There were enormous pressures for advancement and promotion of persons far down the line, in order to have some compensatory effect, to apply some kind of reverse discrimination, to make up for past errors.

If those pressures should continue, how long would it be before the employer or the hiring agent in the union hall would be exposed to the charge of at least a subjective prejudice if, as stated in my hypothetical case, other things being equal as far as possible, he hired only 25 of the 75 Negroes and hired all 75 of the white men?

That is my concern.

Mr. GOODELL. I believe the gentleman has raised an excellent point, which emphasizes the importance of the way the section is written. The burden would be on the Government. The burden would be on the complainant to show that there had been discrimination. He would make a complaint to the Commission. Then the Commission would investigate. Then the Commission would have to take the question to court and prove a case. The burden all the way would be on those who alleged the discrimination.

It is not the opposite; it is not a situation in which a charge can be brought against an employer and thereafter the employer would have to prove that he had not discriminated. He would not have a burden. It would be the other way around. The Government would have to prove there had been discrimination.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on the amendment and on the substitute amendment conclude in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. WATSON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. JOHANSEN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. I thank the gentleman for yielding to me for a moment to respond to the reference he made to the Dallas postal employment situation. We investigated this matter very thoroughly, and I want to commend the gentleman in the well and the gentleman from Texas [Mr. POOL], and those who participated in this matter. We established quite clearly in the record that no matter what the zeal and good intentions of those men who insisted the Dallas postmaster select these three men, these Negro men, who were good men, still were not qualified ahead of the 150 other men over whom they were placed in their new jobs. This should be noted by my colleagues fully. Just because we want equality through civil rights—and I think we are all for this—we must not work discrimination in reverse in order to overcome some of the alleged discriminations of the past now by leapfrogging and promoting some men over men who have the seniority and qualifications. They must in turn perform their service and await their turn.

I thank the gentleman from Michigan for yielding.

Mr. JOHANSEN. I thank the gentleman, and before I yield to the distinguished minority leader of the committee let me say this: I predict that the time will come when there will be enormous pressures on this Congress to adopt and apply the principles of the quota system. I predict that there will come a day when it will be exceedingly difficult if not indeed impossible to resist those pressures if we set our foot on the path that we seem to clearly indicate, by majority sentiment, what we intend to do.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on the amendment and the substitute conclude in 30 minutes, at 2 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The following Members are observed on their feet: Messrs. Celler, Quie, Waggonner, Watson, McCulloch, Winstead, Kluczynski, Grant, Williams, and Roosevelt.

Mr. WATSON. Mr. Chairman, since there are apparently additional ones that are coming into this, I object to the request.

The CHAIRMAN. The objection comes too late.

Mr. WATSON. I assume, if the Chair will hear me further, you are still writing down the names of those who are on their feet at this time.

The CHAIRMAN. Yes. But the unanimous-consent request was agreed to, and the Chair was simply making certain it had observed all those Members who would participate in the time that would be fixed.

The gentleman from South Carolina [Mr. Watson] is recognized for 3 minutes.

Mr. WATSON. Mr. Chairman and distinguished colleagues, there are two points I should like to make very briefly here. I have been trying to get the floor for a little while now. First, I asked one of the Congressmen from New York as to the effectiveness of the FEPC bill in the State of New York. He said it was working real well and then deferred to one of his colleagues from New York over here. That gentleman confirmed the statement of the effectiveness of their law.

Yes, ladies and gentlemen, it is working real well. You will recall that last year it worked so well that they had some people in Brooklyn, I believe, using little children in order to lay them down in front of a construction truck protesting job discrimination. They prevented workers from going to work on a hospital there in order to minister to the illnesses of their people.

Yes, that surely is working well; it has eliminated the problems. And, to be sure, the passage of this section will result in the same thing in every section throughout the United States. So, if we will accept the word that the FEPC bill is working beautifully in New York, with such conduct as that and people so callous as to put little children out in front of a dump truck, then that is the way it undoubtedly will work throughout the Nation.

The second point I want to make is that if you pass this amendment—that is, the amendment of the chairman of the committee—and do not pass the substitute of the gentleman from Mississippi, we are writing into this bill permissive discrimination by minority groups. Strip it of all the talk here about the possibilities of this amendment affecting unions and other organizations, which are real possibilities—let me say if you write the amendment of the chairman of the committee into the bill, you are permitting discrimination by minority groups and are forbidding discrimination by majority groups. I hope that we shall not do that.

Down my way people do not stand as Italians, but they stand as Americans; they do not stand as Jews, but they stand as Americans; they do not stand as Polish people, but they stand as Americans. Let us get the facts straight. The Baptists do not have a prerequisite of religious requirements for employment by a Baptist employer. The Lutherans do not have it. Let us face up to the facts of life. If we write this amendment of the chairman of the Committee on the Judiciary, we are going to permit per se discrimination by minority groups. I support their right to do so but not at the expense of the majority of our citizens. Let every businessman, regardless of race, creed, or religion have the right to hire whom he wishes, promote whom he wishes, fire whom he wishes; in short, let the American businessman operate his own business as he sees fit. That is his constitutional right so long as he does not jeopardize the health of our people or violate legitimate business laws.

If we do not adopt the substitute amendment of the gentleman from Mississippi we are going to say to the majority, "You cannot discriminate," but we will say to the minority groups, "You can." I am for these minority groups having the right to be discriminatory in the matter of selecting the best possible employee. Likewise I want every American, regardless of his place in life, or the geographical region from which he comes, to have the opportunity to do that.

Think it over before you vote on it.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. Quie].

Mr. QUIE. Mr. Chairman, I wanted to ask a question of the chairman of the committee, but I do not see him at the moment. I want everyone to know when I ask this question that I support this bill in general and this fair employment practice title in particular and support the Celler amendment not the Williams substitute. Perhaps the gentleman from California [Mr. Roosevelt], can answer my question. The question was brought up about the movie company which wanted to secure individuals for an African film. My question is in a way related to that. In Minnesota we, by State law, require that only Indians may harvest wild rice on their reservations. So the employment in the wild rice fiields or should we say "waters" and also the advertising for people to work in it if such is done, would be limited to Indians. My question is, Is this considered a question of national origin? Would Minnesota be permitted to give preference to the Indians? It is true that white people can gather wild rice as well as Indians, sometimes we feel too efficiently, because when the Indians gather wild rice some of the rice falls back into the water and reseeds itself. So my question is, May we continue to permit this in Minnesota, under the amendment offered by the chairman of the committee [Mr. Celler].

Mr. ROOSEVELT. Mr. Chairman, I think the answer is that you have to rely on the rule of reason. I am not trying to quibble, but the American Indian is not of a different race, alone he also is generally conceded to be of "national origin." Therefore, under the terms of the amendment in my opinion, the practice the gentleman has described could continue under the national origin exception as proposed by the chairman of the committee.

Mr. QUIE. Would it also be the case that we could not advertise for Indians to come and work in the wild rice harvest unless the chairman's amendment were adopted to include national origin along with the religion in section 705(b)?

Mr. ROOSEVELT. I think the gentleman is correct.

Mr. SELDEN. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. SELDEN. I would think, contrary to the views of my colleagues from California [Mr. Roosevelt], that Indians are a race. Also, I would think that, unless the substitute amendment of the gentleman from Mississippi [Mr. Williams] is adopted, Indians can no longer exclusively harvest the wild rice to which the gentleman from Minnesota [Mr. Quie] referred.

Mr. QUIE. As we consider Indians in this country, they all come from the United States. The problem with the Africans is different, as they may come from any one of many countries in Africa. We do not have that problem. I am opposed to discrimination or special preference given to people on the basis of race under any circumstances, however, there are times when preference, must be given on the basis of religion or national origin in order to accomplish the purpose of some enterprise.

Mr. SELDEN. If the substitute amendment of the gentleman from Mississippi [Mr. Williams] fails, then only religion and national origin will be included in the exception. If Indians are considered a race, as I am certain they should be considered, then I do not believe the Indians to which the gentleman from Minnesota [Mr. Quie] referred will be allowed exclusively to harvest the rice in question.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. Kluczynski].

Mr. KLUCZYNSKI. Mr. Chairman, I have not yet spoken on this very important bill that is before us today. Everybody in the House knows how I am going to vote. I am very happy to be a Member of this august body, the greatest deliberative body in the entire world.

We have been arguing for 2 hours over a simple amendment offered by the gentleman from New York, which has to do with advertising and national origin. Lawyers in the House have been talking about French cuisine and German cooking and Danish pastry, yet they know nothing about the restaurant business. You have before you, Mr. Chairman, a man who has operated restaurants in Chicago for 40 years. We sell sausage. We have a Polish sausagemaker, and when we advertise we want a Polish sausagemaker. It is good sausage, too, and you do not have to have a copper-lined stomach to eat it.

I have three colored cooks with me who have been with me for years. They are the ones who heat or boil the sausage.

On Sundays, Mr. Chairman, we have what we call a Czarnina soup which we serve, like they serve bean soup here every day in the House restaurant. Czarnina is a soup, some call it a chocolate soup, and they come from miles around for this soup. A couple of Irishmen were over at my place several Sundays ago, and said "Klu, this is the best soup I have ever had. What is it made of?" And we tell them, like we do at the race track, out of the corner of our mouth, "It is made from Dutch blood."

So, Mr. Chairman, we are here this afternoon arguing about a little, minor amendment. I am happy the time is limited. I do not want to have to ask for extra time, and I do not want to filibuster, so I appeal to you, vote for Mr. Celler's amendment and let us go on with the show.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. Winstead].

(By unanimous consent (at the request of Mr. Winstead), his time was yielded to Mr. Waggonner).

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. Waggonner].

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Alabama.

Mr. HUDDLESTON. I would like to ask the gentleman if he knows what the five races of man are? I ask this in connection with the statement of the gentleman from California to the effect that the American Indians are of national origin.

Mr. WAGGONNER. Apparently the gentleman refers to the remark of the gentleman from California. So I will defer to the gentleman from California [Mr. Roosevelt] for his answer.

Mr. HUDDLESTON. I would like to ask the gentleman from California if he can tell me the five races of man?

Mr. ROOSEVELT. The five races of man?

Mr. HUDDLESTON. Yes.

Mr. ROOSEVELT. If the gentleman will give me a minute and a half, I will go out and look up the matter and come back and let him know.

Mr. HUDDLESTON. The five races of man are white, black, brown, yellow, and red. I think it is clear that the American Indian is a matter of race, not national origin.

Mr. WAGGONNER. Mr. Chairman, the gentleman from California a few moments ago in answering a hypothetical question said the rule of reason would have to be applied to this amendment, and to this particular title of the bill. During the course of the discussion on this proposition or legislation this is the first time I have found myself in agreement with him. But that is not what has been done for the rule of reason has not been applied. We have not applied the rule of reason anywhere at any point in considering this entire package of legislation.

A philosopher whose name I do not now recall once said that when he was buried he would like to be buried face down because the world some day would be upside down.

He ought to be looking at us now, because the world is all upside down.

Diogenes has been referred to. Of course, we all know who Diogenes was for supposedly he spent his life searching for an honest man. I want to submit to you that this afternoon in the course of the debate in this House we have found one honest man who is going to vote for this bill, because the gentleman from California [Mr. Corman]—and I ask him to remain on the floor until I can ask him this question—a few moments earlier said to you, the Members of the House, that if he had a predominance of businessmen in his congressional district in voting strength he might be a little more interested in preserving their businesses for them.

Mr. CORMAN. Mr. Chairman, I said Negro businessmen and I was speaking facetiously when I said that. I think the gentleman should understand that.

Mr. WAGGONNER. This is not a facetious proposition. If you speak facetiously of something that is this serious, then you have erred.

Mr. CORMAN. If I erred, I have been chastised most properly. I make my remarks in the same vein as do people from the gentleman's part of the country who say that they oppose this bill because it prohibits Negroes from discriminating.

Mr. WAGGONNER. There is probably some basic difference between me and the gentleman from California. I speak to you in all sincerity and ask for the right to discriminate if I so choose because I think it is my right. I think it is my right to choose my social companions. I think it is my right if I am a businessman to run it as I please, to do with my own as I will. I think that is a right the Constitution gives to every man. I want the continued right to discriminate and I want the other man to have the right to continue to discriminate against me, because I am discriminated against every day. I do not feel inferior about it. There are people who exceed me in many phases of life, and more power to them.

Mr. CORMAN. The gentleman has accurately and precisely stated the difference between us. I do not believe it is my right to discriminate because of race.

Mr. WAGGONNER. I am glad, thank God there is that difference.

The other thing is exactly this: The gentleman has supplied the rule of reason as an ingredient in the course of the discussion of this amendment and he has stated that there are bona fide cases when a Negro insurance company for example should be allowed to have all Negro employees, because only Negro salesmen would be acceptable to Negro clients. If that is the case, he says that it does follow that a white insurance company should have the same right to employ only white insurance salesmen, because only white insurance salesmen might by the same token be acceptable to white clients of this particular company. That is what we are talking about. There is commonsense to be applied to this legislation, and this bill does not apply commonsense to any provision of this proposal.

The gentleman from Michigan [Mr. Johansen] stood before you, and with words of admonition, and warned you of what would come about if we embarked on this step we are considering today. I ask you to think seriously about what you are doing. I ask you to think a second time. I ask you to forget about politics, forget about everything except the integrity of the individual, leaving to the people of this country the right to live their lives in the manner they choose to live. Do not destroy this democracy for a Socialist government. A vote for this bill is no less.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. Grant].

Mr. GRANT. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Mississippi.

Mr. Chairman, I rise at this moment because I recall about 2 hours ago, when this debate started, the gentleman from Iowa [Mr. Gross] asked a question about a Lutheran insurance company. I am interested in the employees in such a type of company and I just want to ask the gentleman from Iowa if he has yet received an answer to the question.

Mr. GROSS. I think the gentleman from South Carolina [Mr. Ashmore] well described the answer I got. He said it was a clearly muddled answer.

Mr. GRANT. I thank the gentleman.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. GRANT. I yield.

Mrs. GREEN of Oregon. May I call the attention of the gentleman from Alabama to the fact that the Lutherans have endorsed this legislation?

Mr. GRANT. Of course, may I say to the distinguished gentlewoman, I did not make the statement; probably the gentlewoman is speaking of Lutherans as a church. The gentleman who made the statement to which I referred was speaking about an insurance company, I believe.

Mr. Chairman, I would like to point out the reason I am interested in this is that we have some good Negro insurance agencies down my way. In fact, we have one called the Sons and Daughters of I Will Arise. I want to see that agency and all other organizations protected.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. GRANT. I yield to the gentleman.

Mr. GATHINGS. We have in the First District of Arkansas a lot of cooperative cotton gins owned and operated by Negroes. If this amendment of the gentleman from Mississippi is not agreed to the pattern of hiring would or could be changed in these gins. While the gentleman from New York [Mr. Celler] and the proponents of this bill seek to protect the Negro in connection with jobs and other matters, without the amendment of Mr. Williams they will not be protected in these jobs which they have in these cooperative gins.

Mr. GRANT. They should be allowed to do so.

Mr. Chairman, of course this debate on this one amendment has gone pretty far afield.

I noticed a few moments ago the gentleman from Pennsylvania [Mr. FULTON] was telling the Democrats how they should run their national committee. I think the gentleman from Pennsylvania has work to do in his own vineyard. I think the gentleman might look at the membership in this House and the last few presidential elections and he would see that the Democrats have done rather well, without accepting the opinion of the gentleman from Pennsylvania.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I do not care to take the time of the House to discuss this matter further. I think the amendment I have offered can stand on its own merits. I respectfully ask you to examine the amendment and consider it on its merits exclusively, and not on the basis of the author's geography.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ROOSEVELT] to close debate on the pending amendment and on the substitute thereto.

Mr. ROOSEVELT. Mr. Chairman, may I first just tell the gentleman from Mississippi, my good friend, that I would not ever oppose an amendment because it was offered by any particular person or because it came from any one place. I am sure the gentleman did not mean to imply that any of us would do any such thing.

I want to say to the gentleman—I do not remember which one it was—who a minute ago pointed out that he felt there might be a reason why an insurance company or some company felt that only white people could serve white customers and, therefore, they should be allowed to have only white servicemen or white salesmen.

I would refer him to a very interesting development in our testimony before the committee where the Chesapeake & Potomac Telephone Co. came before our committee and said that for years they had subscribed to this point of view and then they found out that they could send out a Negro on a selling job or on a service job in an entirely white community, and if he did a good job he was as fully accepted as any white person who might go into that particular community.

So all we are trying to do is to break down this unfortunate idea—this wrong idea—which unfortunately is prevalent in many areas of the country.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman.

Mr. GOODELL. A great deal has been said about the movie colony and about advertising for people to play Africans. Will the gentleman agree that under the provision in question, without any further amendment than just adding the words "national origin," an advertisement for anybody to play the part of Negroes would be perfectly valid. If any white people want to apply to play the part of a Negro, in that movie, they would be perfectly free to do so?

Mr. ROOSEVELT. The gentleman is quite correct.

Mr. GOODELL. If they qualify properly to play the part they can get the job.

Mr. ROOSEVELT. That is so. As the gentleman knows, the state of the art makes it possible for that to occur in many instances. It has happened over and over. The gentleman is quite correct.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I am happy to yield to the gentleman from Mississippi.

Mr. WHITTEN. One of the large automobile agencies in the Washington, D.C., area tried to hire Negroes, because about 85 percent of its business was with Negroes, but the agency has learned that the Negro customers will not buy from Negro salesmen. Would that company have to balance its situation, even though it might mean the business would go bankrupt, under the terms of the bill?

Mr. ROOSEVELT. I say to the gentleman that if a person were being refused simply because he was a Negro, that would violate the law. If he were being refused because it had been found he could not do the work, for a bona fide lack of qualifications, that would be a bona fide situation.

I say to the gentleman that I do not know which company it is he refers to, but I would be willing to wager that if the company found the right kind of salesman he could sell in any area of Washington, D.C., no matter what kind of neighborhood or the race of the salesman.

Mr. WHITTEN. May I say that anyone who has had experience with businessmen in many areas of the country where there are large numbers of Negroes frequently has found that the Negro customers will not do business with Negro salesmen.

Mr. ROOSEVELT. I have to say, as a businessman, I have found that not to be true. I have been a perfectly successful salesman to Negro customers, and I happen to be white.

Mr. WHITTEN. For the record, will the gentleman please tell me where he has been in business? That will make a difference.

Mr. ROOSEVELT. In California, in Massachusetts, and in New York.

My friends, the debate is now clear. We are not against the amendment because it is offered by the gentleman from Mississippi. We are against it because it would open up the wrong kind of emphasis in respect to the problem of discrimination. We are trying to get rid of discrimination in our national life, as will be brought out in the remainder of this debate.

I hope the substitute amendment will be defeated and that the amendment of the gentleman from New York will be agreed to.

The CHAIRMAN. The time of the gentleman from California has expired. All time has expired.

The question is on the substitute amendment offered by the gentleman from Mississippi [Mr. WILLIAMS] to the amendment offered by the gentleman from New York [Mr. CELLER].

The question was taken; and on a division (demanded by Mr. WILLIAMS) there were—ayes 70, noes 108.

So the substitute amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from New York [Mr. CELLER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CELLER

Mr. CELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. CELLER: Page 74, line 15, after "mission" insert the following: "where he has reasonable cause to believe a violation of this Act has occurred".

Mr. CELLER. Mr. Chairman, this is a perfecting amendment and it provides as follows:

> Whenever it is charged in writing under oath by or on behalf of a person claiming to be aggrieved, or a written charge has been filed by a member of the Commission—

And we add the words "as a condition precedent" where he, the Commissioner, has reasonable cause to believe a violation of the act has occurred. In other words, we want to be sure that before the member of the Commission acts he has reasonable cause to believe a violation of the act occurred. We want unequivocally to nail down that condition precedent and, therefore, we provide for this additional language. That is all this amendment does.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. Mr. Chairman, this amendment is in conformity with the views arrived at in a discussion among members of the Committee on Education and Labor which originally reported this bill and the ranking member and the chairman of the Committee on the Judiciary. It is agreeable to all of us.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Ohio.

Mr. McCULLOCH. Mr. Chairman, this is a perfecting amendment. It was under discussion for some time before it was unanimously agreed to by members of the group from both the Committee on Education and Labor and the Committee on the Judiciary.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from New York.

Mr. GOODELL. Mr. Chairman, I think the chairman will agree with me that this is a section that is to protect us from errant and arrogant bureaucracy—from any administrator running wild without any reasonable cause. It derives from the welfare and pension amendments which we placed in the law 2 years ago. We very carefully provided that there had to be reasonable cause to believe that there had been a violation before any administrator moved into a situation. It is a very important amendment and a very worthy one, I think.

Mr. CELLER. The gentleman is correct.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from New York.

Mr. LINDSAY. This amendment, like other amendments being offered as committee amendments, have been worked out with great care over the past several days between members of the Committee on the Judiciary and members of the Committee on Education and Labor on both sides of the aisle. I should like, as a member of the Committee on the Judiciary, to express my appreciation to those members of the Committee on Education and Labor who have contributed so much to this title.

Mr. SMITH of Virginia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been around here since 11 o'clock this morning. Some of us think we have some amendments that we think are meritorious and we would like to have an opportunity to offer them. We have been here 2½ hours on an amendment offered by the chairman of the Committee on the Judiciary. He is now proceeding with another list of amendments which I understand he has quite a few of. I believe that I heard tell that the gentleman from Ohio [Mr. McCulloch] will proceed to offer a series of amendments, also. Of course, we were told yesterday that this legislation was perfect and it did not need any amendments; nothing could be done about it. No; no one could dare to offer an amendment to it. Now we are confronted, in this great haste to wind this bill up, we are confronted today with a series of amendments from members of the committee who have a preferential right to offer amendments and who are being recognized while other Members who are not members of the committee who would like to offer some meritorious amendments are waiting. I have one and I have been waiting here a long time to get it before the Committee. I think it would probably be accepted if it were. I would like to know whether in this unholy combination of the Democratic leadership and the Republican leadership there is ever going to be any opportunity for just a plain, common, ordinary, garden variety of Congressman to offer some meritorious amendment.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. CELLER. I would be glad to ask unanimous consent to offer these amendments en bloc. Would the gentleman consent to that?

Mr. SMITH of Virginia. I do not think from what has happened up to now that that would be very encouraging to me or anybody opposed to this bill, to agree to any unanimous-consent request that might be made.

Mr. CELLER. We do not want to forestall the gentleman or anybody else from offering amendments.

Mr. SMITH of Virginia. Well, you have done a pretty good job of it up to now.

Mr. CELLER. We have the preferential right to offer amendments from the committee itself.

Mr. SMITH of Virginia. Of course, the committee has the right. What I am talking about is whether we are going to get any chance. I do not want to be rushed off so we do not get any chance.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, I want to join the gentleman from Virginia in his observations. I thought that after the months the committee claims to have spent on this bill the members would come to the House floor with a bill as letter perfect as the committee could make it. Now we see the strange spectacle of the committee offering all kinds of amendments.

Mr. SMITH of Virginia. I do not think the gentleman from Iowa or this speaker were fooled by that. We never did think it was perfect. But there was a claim that nothing could be done to improve this, that it was the last word in proper legislation.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Ohio.

Mr. McCULLOCH. Mr. Chairman, I thank the gentleman for yielding. I want to assure him that I have no amendments that I am going to offer to this title before it is finally disposed of. I would like to say this to the Members of the House, that this title, in substance, came to the Judiciary Committee from the Committee on Education and Labor.

Mr. SMITH of Virginia. Mr. Chairman, I decline to yield further. The gentleman from Ohio has taken up most of the time around here. I have had only 5 minutes in 2 days. If he wants to talk, I will let him talk in his own time.

Mr. CRAMER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, at this point in the Record I would like to ask the chairman of the committee or any of the members of the Committee on Education and Labor, perhaps the gentleman from California, why on line 21—and, of course, this is where there is an initial charge filed or a member has reason to believe, if this amendment is adopted, that a violation has occurred—I would like to ask him why does it take only two, a minority of the Commission, to decide that there is a reasonable cause to believe that he should go ahead with a full investigation, meaning inspection of books and records at any time of the day or night or otherwise as contained in the bill at the present time, and use persuasion to try to get the employer to conform to what the Commission thinks is a violation and is in effect discrimination—there is no precedent for such a decision only by a minority, is there, I ask the gentleman?

Mr. ROOSEVELT. Of course, I would be happy if the gentleman would ask the gentleman from New York [Mr. Goodell] to answer the question, but the fundamental reason why the majority side felt this way was this: I did not want to leave any implication that there was a closed, an already-decided point of view by the members of the Commission before the issue actually came before them and that therefore if we said three members were required it would seem to indicate, what was the use of the man coming before three people who had already made up their minds. Therefore, we set it at two in order not to give that effect. That, at least, is my point of view.

Mr. CRAMER. Let me finish with this line of reasoning of the gentleman from California as to what the minority of this Commission does, two members, not three, not a majority of the quorum. It will be my intention to offer an amendment to strike "two or more members" so that it will read, "if the commission shall determine there is reasonable cause to believe," they can offer their investigation, they can go ahead with their persuasion. Does the gentleman believe in the rule of a minority?

Mr. ROOSEVELT. Of course, I do not believe in a rule by minority in such matters, but, on the other hand, we are discussing getting something before the Commission. If a majority had made that decision then it would seem to me the case was almost foreclosed. We did not feel that was fair. We wanted to give the minority their day in court, and I believe in giving the minority their day in court.

Mr. CRAMER. Will the gentleman answer this question: The gentleman is not talking about the minorities who are being charged with discrimination; he is talking about a minority of the membership of a bureaucratic commission.

Mr. ROOSEVELT. No. The gentleman is correct.

Mr. CRAMER. Two or more members of the Commission can make this decision. What sense does it make that in the first instance the minority of the Commission can make a decision that there is "creditable" ground to believe, and go ahead with the investigation, make their findings, bring into play persuasion and do everything but file a suit against a man or union charged with discrimination? Then at a later date they take a vote, and if at that time they vote two in favor and three against sending the discrimination case, no further action is taken. What justification is there in the first instance where they in effect try to use persuasion?

They find cause exists and later on it is a question of whether they go to court and a majority finds there is no justification.

Mr. ROOSEVELT. It makes sense, but let the gentleman from New York [Mr. Goodell] explain it.

Mr. CRAMER. I will ask the gentleman from New York [Mr. Goodell].

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from New York.

Mr. GOODELL. It takes two members of the Commission to make a decision to conciliate any problems they may have found. One of the reasons, and the main reason for this, is that we anticipate a five-member commission may panelize themselves. They may form panels of three for this purpose.

The CHAIRMAN. The time of the gentleman from Florida has expired.

(By unanimous consent (at the request of Mr. ROOSEVELT) Mr. CRAMER was allowed to proceed for 5 additional minutes.)

Mr. GOODELL. In other words, if the gentleman will yield, if the Commission panelizes and they have a panel of three, especially in the preliminary steps, to determine whether there is enough reasonable evidence to support the charge, the Commission may go on to investigate it further and conciliate. Two of the members can make that decision.

Mr. CRAMER. There is nothing in the statutes presently relating to any commission the gentleman just mentioned, to permit minority of a commission to make decisions that result in persuasion against the employer to try to get him not to discriminate. In this instance, though, there is nothing comparable to that in any of the administrative laws. Panelization is before investigation. But this is for enforcing it through persuasion.

There is an agreement in keeping with practices in which the respondent agrees to refrain from committing certain things. That goes further than a panel or a recommendation to the full Commission. This is a preliminary order in anticipation of court action.

Mr. GOODELL. Under NLRB they make many decisions with a three-man panel. In this case the two-man decision is at the early stages. It is a decision to conciliate if they find something wrong.

Mr. CRAMER. The gentleman has brought out the point I am talking about. They do it for investigation purposes. But I am talking about trying to enforce its decision on the basis of a two-man minority decision to prevent discrimination. Why should not the Commission make the decision whether the agreement and persuasion came into effect?

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from New York.

Mr. LINDSAY. I think a little further clarification is essential here. The order of progression is as follows: First is the charge, filed in written form and under oath by someone. Then there may follow an investigation. The third step, which is the part the gentleman is referring to, sets in motion conciliation procedures. That is where the two members of the Commission must agree that reasonable cause exists for crediting the charge, and that finding sets in motion conciliation procedures. It is called voluntary compliance. One would thing that the two-commissioner requirement would be welcome as an extra protection to the employer because unless this voluntary procedure is complied with nothing further can happen.

The fourth step is the hearing; in other words, the adjudication de novo in the court. To begin that process it takes a majority of the Commission to agree.

Mr. CRAMER. I yielded to the gentleman to answer my question, so could I ask the gentleman a further question? Is it not necessary before persuasion takes place, which, of course, means that the man is discriminating, that the Commission, the two members in this instance, find that the man is in fact discriminating and, therefore, he should cease it, by persuasion? Is that not correct?

Mr. LINDSAY. If the investigation which has already been made has led two members to determine that voluntary compliance procedures should go forward.

Mr. CRAMER. To carry out their findings.

Mr. LINDSAY. To bring about compliance voluntarily.

Mr. CRAMER. To carry out their two-man finding that there was discrimination. It does not take a majority of the Commission to make that finding and have persuasion. Why should it take the Commission to make persuasion?

Mr. LINDSAY. Would the gentleman rather have a procedure where a majority of the Commission immediately may determine to take an employer into court? File a complaint and go into court?

Mr. CRAMER. The gentleman is not answering my question.

Mr. LINDSAY. The gentleman is answering the gentleman's question.

Mr. CRAMER. What I am saying is, if the Commission shall determine after such investigation reasonable cause exists for carrying on the charge, why should there be persuasion? Why should they persuade a man against discrimination when a three-man commission could later find no discrimination exists? What sense does it make?

Mr. LINDSAY. The gentleman apparently objects to the conciliation features, and he apparently further objects to the further safeguard we put in here that two Commissioners must find reasonable cause for setting in motion conciliation procedures.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. LINDSAY. Mr. Chairman, I move to strike out the requisite number of words in order to answer any questions.

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Florida.

Mr. PEPPER. I was going to ask my able colleague from Florida who is an attorney if he is not aware that if in any case four justices of the U.S. Supreme Court, a minority of that Court, votes to grant a petition for a writ of certiorari in any case before that Court, that will cause the whole Court to hear and fully consider such case.

Mr. CRAMER. We are not talking about the Supreme Court, we are talking about a commission which is going to make this decision as to whether an employer in fact discriminates. Yesterday I fought hard to get written into the previous title of this bill a provision for hearings in cases of cutting off funds where an agency finds there has been discrimination. But here you have a commission set up and a majority who possibly have to make the preliminary finding that there was discrimination go ahead and try to force the employer or through persuasion cause the employer to carry out an antidiscriminatory procedure. In effect, they are making a preliminary finding that discrimination does exist, and it takes only two members to do that. My point is, all three members later may decide that the first two were wrong. But the employer still has been subject to this persuasion on this preliminary finding, and I think that is wrong.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman.

Mr. GRIFFIN. As my able colleague, the gentleman from Florida will remember, I helped him yesterday to get the amendment in the other title to which he referred. Yet, I regret it is offered here. I wish I could agree with him in this particular instance, but frankly I cannot.

Before an amendment was accepted to this particular title limiting the powers of the Commission to those of an investigative body without any authority to make judicial decisions. I would have been more concerned about the point of the gentleman from Florida. But we have provided that judicial decisions must be made in court. Now then the limit of function here of the Commission is exactly the same as it would be in the case of a district attorney or prosecuting attorney who is presented with a charge It might just as well be one Commissioner and it would not be too bad—he must investigate and find "reasonable cause to believe" and so on—and then they actually commence action in court. They seek through conciliation or persuasion to adjust the matter. If the employer or whoever it is at that point does not want to talk or be persuaded or be conciliated, I suppose he can just say he does not want to talk. There is nothing to require him to talk or to be persuaded or they just terminate any talk and both go no further in the proceedings and actually begin a lawsuit. It is only for the purpose of actually settling these things as much as possible before going to court.

Mr. LINDSAY. The gentleman from Michigan is entirely correct in that statement and I think it has to be restated: The two-commissioner provision which the gentleman from Florida apparently complains about only provides that conciliation procedures can go forward if two Commissioners find that reasonable cause exists for crediting a charge. The gentleman is correct when he states that later on, when and if you get down to the business of formal procedures, it takes a majority of the Commission and that majority can come to a different conclusion. It may or may not elect to proceed in the courts if it determines there is reasonable cause to believe the respondent has engaged in practices proscribed.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman.

Mr. CRAMER. I understand what the gentleman is saying. I think conciliation is a proper approach. But the problem I have is with reference to the two-man minority members of a commission who may initially make a finding that discrimination has, in effect, taken place and may make some effort to try to stop it. Now the three-man Commission at a later time can find—oh, no, those two were wrong and we as a majority find there is no discrimination that justifies court action. That just does not make much sense.

Mr. LINDSAY. The same rule applies as the gentleman from Florida [Mr. Pepper] pointed out where the Supreme Court can grant certiorari on the basis of four members concurring and then the full Court at a later date may come to a different conclusion when the matter is tested on the merits.

I would point out the two-member provision, as the gentleman from Michigan [Mr. Griffin] aptly pointed out, sets in motion only a conciliation procedure and you could have one member and you would not be prejudicing anybody.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. Celler].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CELLER

Mr. CELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Celler: On page 75, beginning at line 8, strike out "or in advance thereof if circumstances warrant,".

Mr. CELLER. Mr. Chairman, the language is stricken out to make certain that there will be a resort by the Commission to conciliatory efforts before it resorts to a court for enforcement. For this reason I ask that the amendment be adopted.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. LINDSAY. Mr. Chairman, the members on the minority side on the Committee on the Judiciary are in accord with the amendment.

Mr. POFF. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I understood my chairman, the gentleman from New York [Mr. Celler] to say that the language was just surplusage. Is that exactly what the gentleman intended to say?

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield to me?

Mr. POFF. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. I have worked with the chairman on this amendment. The words "or in advance thereof if circumstances warrant" simply meant to convey the fact that if conciliation turned out to be impossible after it had been tried the Commission could then file suit in the district court.

However, there were some who believed that perhaps that language, as it stood, would authorize bringing the action in court before any attempt had been made to conciliate. We thought that striking the language would make it clear that an attempt would have to be made to conciliate in accordance with the language on lines 21 through 25 of the previous page, before an action could be brought in the district court.

Mr. POFF. I thank the gentleman. Of course, that is a proper response to the question which I posed.

This language is more than surplusage. Indeed, I drafted an amendment to delete this language myself. I would not have drafted it if I considered it only surplusage.

I say parenthetically, because I drafted a similar amendment, I am glad to join the gentleman in support of the amendment.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. POFF. I am glad to yield to the gentleman from Florida.

Mr. CRAMER. In view of the manner in which the bill is being considered for amendments, with no other opportunity for discussion of the case, I should like to take this opportunity to ask the distinguished gentleman from California [Mr. Roosevelt], or the gentleman from New York [Mr. Goodell], if he wishes to answer, as to why on line 20, page 75, the language provides, after a majority of the Commission has found there are not reasonable grounds to take the discrimination case to court, that the individual who is claiming to be aggrieved may bring an action in a court himself if only one member of the Commission gives permission?

The majority of the Commission previously would have found that there was not reasonable grounds to believe that discrimination existed, yet one man of the five-man Commission could give the individual the right to bring suit. What reasonable justification is there for such a procedure?

Mr. POFF. Mr. Chairman, I yield to the gentleman from California, so that he may reply to that question.

Mr. ROOSEVELT. I thank the gentleman.

Obviously the point involved is judicial review, something which I believe the gentleman has supported many times and which he has urged upon us. We seek to give the person who has been ruled out an opportunity for a judicial review. All we seek to do is to protect his right to obtain that judicial review.

But we did not want to do it without a reasonable ground for doing so. We did not wish to flood the courts. We did not wish to have a person come in on some rather flimsy case. Therefore, we provided that at least one member who heard the case, a responsible member, should say, "Well, there is a reasonable cause, so I am perfectly willing that he be given the opportunity to go into court."

Mr. GOODELL. Mr. Chairman, will the gentleman yield further on that point?

Mr. POFF. I yield to the gentleman from New York.

Mr. GOODELL. I only add to the comment of the gentleman from Florida that we felt it should require a unanimous Commission to deny to a citizen the right to go into court and sue in his own behalf at his own expense.

Putting it the other way, if a unanimous ruling of the Commission was that there was no ground at all, then the person could not sue in court. Otherwise the citizen would be free to go into court on his own, with no assistance from the Commission, to try to prove his case.

Mr. CRAMER. Mr. Chairman, will the gentleman yield for a question?

Mr. POFF. I yield to the gentleman from Florida.

Mr. CRAMER. Then, in effect, this is not to be a review of the decision of the Commission, but is to be a trial de novo by the individual.

The individual, however, could only get the trial if a commissioner permitted him to do so.

Ordinarily, as is provided in previous titles, such as with respect to withholding of funds in title VI, a person is automatically entitled to bring a case for review if he feels he is aggrieved, without permission from anybody and without limitation. Why should the person be limited by the Commission in the bringing of an action?

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. POFF. I yield to the gentleman from New York.

Mr. GOODELL. This technically is not a judicial review. A person has a right to sue in court on his own. If a commission makes a ruling it is not a ruling that is a final decision that can be appealed to a court. The Commission would merely make a decision to take the case to court and to try to prove it. If the Commission did not believe there were sufficient facts to justify the taking of the case to court, then one Commissioner could authorize the individual to take the case to court himself.

Mr. MAHON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Chairman, I shall not discuss the pending amendment. I want to discuss the broader aspects of the bill.

Members of the Judiciary Committee who favor or who oppose the pending civil rights bill have claimed the major portion of the time in debate. This is understandable, inasmuch as the bill originated in the Judiciary Committee and the hearings were held there.

I have supported many of the amendments designed to improve the bill, which have been offered. Almost without exception these amendments have been defeated, and usually by about the same margin of votes. It has been obvious for several days that a majority of the Members of the House will not join in adopting major amendments to the bill and that, generally speaking, amendments offered to the bill will be routinely defeated.

Under these circumstances, I realize that words are somewhat futile, but I want the RECORD to show my opposition to the pending measure.

I make no attempt to go into a detailed discussion. The details of the measure have been well discussed. A majority of the House has simply been unwilling to modify and ameliorate the measure and make it more acceptable. The measure goes too far. If enacted into law, it will tend to defeat its avowed purpose.

I abhor discrimination and injustice. I believe in fairness and equality under the law for all our citizens, regardless of race and creed. I am pleased that progress has been made and is being made in the field of human relations, but the pending measure goes entirely too far. It gives the Federal Government too much power to meddle in the day-to-day lives of American citizens—all American citizens. It threatens basic American freedoms, and, if the pending bill becomes the law, I predict that it will rise to plague many of those who support it. Americans of all races and creeds simply do not like harassment and unnecessary regimentation. They realize that law is necessary, but they also realize that some of the problems to which the bill addresses itself simply cannot be dealt with successfully through legislation.

Individual initiative and individual responsibility will continue to be the key elements in the promotion of a strong and free democratic society. I wish to register my opposition to any attempt to tamper with our basic individual freedoms.

I shall continue to vote for perfecting amendments and I shall continue to oppose the pending bill in its present form.

The **CHAIRMAN** (Mr. PRICE). The question is on the amendment offered by the gentleman from New York [Mr. CELLER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CELLER

Mr. **CELLER**. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. CELLER: On page 77, line 4, strike out "cause" and insert in lieu thereof the following: "any reason other than discrimination on account of race, color, religion, or national origin."

Mr. **CELLER**. Mr. Chairman, the purpose of the amendment is to specify cause. Here the court, for example, cannot find any violation of the act which is based on facts other—and I emphasize "other"—than discrimination on the grounds of race, color, religion, or national origin. The discharge might be based, for example, on incompetence or a morals charge or theft, but the court can only consider charges based on race, color, religion, or national origin. That is the purpose of this amendment.

COALITION OF REPUBLICANS AND LIBERAL DEMOCRATS

Mr. **FISHER**. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I once saw a sign in a barbershop which reads: "Don't bother me with facts—my mind is made up." That appears to be a good description of the prevailing mood of the majority of the Members of this body in considering the pending legislation.

This bill has now been debated for 9 days. Many amendments have been offered; practically none have been adopted. Many of these amendments have undoubtedly been meritorious. As reported, this bill contains provisions never even recommended by the President, and some which even the Attorney General said went too far in delegating unnecessary power into the hands of Federal officials.

We have witnessed a denial of the right of jury trial for those accused of wrongdoing under the terms of this bill—a right which has been considered sacred under our system of jurisprudence since the Magna Carta was adopted. Indeed one of the reasons why our forefathers came to this country was because they were being denied the right of trial by jury in the old country.

We have seen the futile efforts to strike out the delegation of the awesome power of sanctions to Federal agencies—by allowing such agencies to arbitrarily cut off funds to which taxpaying individuals are by law entitled—all because a bureaucrat might decide someone had engaged in an act of "discrimination" which act happened not to fit in with the bureaucrat's fancy.

Every provision in this mammoth bill adds to the vast concentration of power in the Federal Government, at the expense of the States and of the people. Never before in American history has the Congress proposed to go so far, in one fell swoop, in delegating power and authority to the executive branch of the Government—powers that directly affect the rights and privileges of the American people.

I do hope that when our Republican friends who vote for this bill go home to speak at the Lincoln Day ceremonies next week they will not be heard to say anything critical of the principle of big government in Washington. If you, Republicans and Democrats alike, who support this bill, mention big government in Washington, you should add that only last week you contributed mightily to that cause; that no one has done quite as much as you in the massive buildup of governmental powers in Washington, at the expense of the States.

All I can say is that if you are sincerely opposed to the principle of big government—as that term is usually understood—then you will not and you cannot vote for this bill. It is just that simple.

Yes; we have seen amendments offered to improve the public accommodations provision, and also to strike it out, but to no avail. It seems to make no difference to these apostles of big government that the Supreme Court has held that the public accommodations provision is against the Constitution of the United States.

The Constitution leaves it to the States to determine the qualification of voters. But that did not deter the sponsors of this legislation to write in a provision which would spell out for the States a requirement with respect to qualifications for voting—in direct violation of the plain words of the Constitution. Amendments to make the bill conform with the Constitution in that respect were defeated.

Indeed more than a score of amendments have been offered in an attempt to make the bill acceptable, or at least less vicious and more in conformity with the Constitution. But these efforts have been in vain in the face of one of the smoothest and most effective coalitions that has been seen in the Congress for years. It has been called an unholy alliance, and I suppose that is about as good a description as any.

In any event we know that all the liberal Democrats in the House have linked forces with about 90 percent of the Republicans in one solid, unified, cohesive body of legislative power, and there has hardly been a deviation since the debate began. This is the de luxe model of the steamroller's advent into the decade of the sixties. It is well lubricated, and it is on the move.

Now, we know from the past that most of this civil rights legislation was conceived in politics, born in politics, nurtured in politics, and sustained by the political dreams of its supporters—all of whom have their eye on that sizable bloc of Negro votes. Anyone who denies that well-known fact is either kidding himself or just trying to have a little fun.

But I would like to say to my Republican friends that you are barking up a tree. You cannot get those Negro votes back. They are gone. They have found a softer bed to sleep in. I sympathize with your dilemma, but you cannot get them back. Look at the results of the last three or four presidential elections. Study the statistics on the bloc voters who participated. You will see that the Negroes quit you during the days of the New Deal, and you have lost more of them at every election. I believe the last general election showed around 80 percent of the Negroes to have voted Democratic. And it will probably be more next time. Yet we witness our Republican friends—and it is kind of sad—still sitting by the fireside, dreaming of the past. They call out in plaintive tones: "Oh, won't you come back to us and we will give you rest?"

But there is no answer. You cannot get them back. They are gone.

This political coalition has been very effective. It is most unfortunate for the country and for the people that politics have become a controlling factor in considering this legislation, because so many basic freedoms of the average American are being sacrificed upon the altar of civil rights. It is indeed a sad day for America when this sort of thing has to happen.

If this bill, as reported by the Judiciary Committee, included a provision requiring the Capitol dome, in the name of civil rights, to be painted black, then black it would be. An amendment to strike out such a provision would, of course, be defeated, and I can tell you almost exactly how many votes would be counted for it and how many against it. There would be about 12 or 15 Republicans who would vote with the conservative Democrats to strike the paint job provision. But 90 percent of the Republicans would vote to paint the dome black, and they would be joined by a solid front of liberal Democrats.

Let us take another example to illustrate the straitjacket type of strict adherence to every word written into this bill, on the part of the members of the Republican-liberal alliance. If the bill as reported contained, in the name of civil rights, a provision granting to Martin Luther King a Congressional Medal, as a recognition for his intervention at Birmingham and the bitter racial strife, fraught with tragedy, which he triggered, what do you think would happen to an attempt to strike such a provision from the bill? Well, everyone knows what would happen. Again, 90 percent of the Republicans would join 100 percent of all the liberal Democrats in the House, in a wild scramble to try to outdo each other in impressing Martin Luther King with their loyalty to the cause of civil rights. In a desperate attempt to court his favor they would remind him of the blow they struck in his behalf—and they would do it many times before the next election rolls around.

An article in the Washington Post this morning referred to the gentleman from Ohio [Mr. McCulloch] as being "indispensable" to the passage of this bill. That is, the bill could not be passed here without Republican support, with the gentleman from Ohio providing the leadership. Well, power to him. Our Republican friends can go home to the Lincoln Day ceremonies next week and quote from the Post to prove that it was the Republicans who saved the day for civil rights. And it will sound good. And the people will clap, and clap, and clap. And then what will happen? When the votes are counted next November you will learn again that they are gone, and you just cannot get them back.

Now, I know that this so-called civil rights legislation has a lot of political mileage in it. It is more or less the brain child of the Americans for Democratic Action, ADA, COPE, NAACP, and other leftwing, radical groups. And they are whooping it up in the old corral.

One of these days some of the white folks may get tired of this sort of carrying on. One of these days the white folks may decide they have taken enough. And that warning applies to both parties to this coalition. These white folks may decide they need somebody to speak up for their rights—that is, what is left of their rights after the politicians get through carving them up. Yes, there may yet be a day of reckoning.

Mr. WAGGONNER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time to ask the chairman of the full committee how, in view of the inconsistency of yesterday, he finds the need to insert religion back into this particular portion of the legislation.

Mr. CELLER. I yield to the gentleman from Hawaii [Mr Gill].

Mr. GILL. Mr. Chairman, will the gentleman yield to me?

Mr. WAGGONNER. I will be glad to yield to the gentleman.

Mr. GILL. I do not believe there is any inconsistency here at all. All that is attempted in this particular amendment is to squeeze down and define more exactly the reasons for which a discharge can be contested under this act. For instance, you may have many other situations, such as unfair labor practices under the Taft-Hartley law which would not be covered under this amendment. This amendment merely makes sure it will be covered under some other act rather than this one.

Mr. WAGGONNER. When we were discussing title II of this proposed legislation, the gentleman from Mississippi [Mr. Abernethy] offered an amendment whereby we would exclude religion from all these titles and specifically his amendment then applied to title II. He pointed out not one single word of testimony was taken during the hearings on this proposed legislation which offered any evidence whatsoever that there had been any discrimination on the grounds of religion. In one title we want to leave it in and in another title we want to take it out. Why, I ask the question, do we want to leave it in in one title and take it out in another?

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I will be glad to yield to the gentleman from California.

Mr. ROOSEVELT. Of course, I can only speak about what is happening at this time, but let me point out to the gentleman that I inserted in the Record a very long list of pages of testimony as to why discrimination because of religion had taken place. So far as including it in this title is concerned, there can be no question of its justification from the record itself.

Mr. WAGGONNER. Listen. Is it not fair to assume if there is a possibility of discrimination in the area of civil rights because of religion in one title of this bill that there is going to be a possibility of discrimination because of religion in all titles? Is that not a fair assumption?

Mr. ROOSEVELT. No. I do not think so. I think the gentleman from New York said that it depended on the case, and he defended it on that basis. He satisfied me, and I am sorry that he did not satisfy the gentleman.

Mr. WAGGONNER. At the present time we are dealing with title VII on FEPC, but not too long ago I had occasion to spend a weekend in New York City. On Sunday morning I turned my television on. They had a full hour program by three Negro ministers up there, one of whom identified himself as being the Manhattan chairman of the NAACP in New York City. He said that the time had come to find out why New York City was discriminating against Protestants in their employment practices. You say you have had no evidence. There is evidence. So why is religion only inserted here, sir? Why not the other sections? Is a mere statement of discrimination considered sufficient?

Mr. ROOSEVELT. For the very reason that the gentleman is stating. Because we had evidence that there was discrimination because of religion in title VII, and the gentleman said that there is another case of it, and then he wants to know why. He answered his own question.

Mr. WAGGONNER. You are right. I have answered my own question. But I can tell you this: You cannot piously assume in one area that there will be no religious discrimination and in others assume there will be and at the same time say no testimony has been offered showing there has been any religious discrimination and be consistent.

Mr. GILL. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I will be glad to yield.

Mr. GILL. Certainly the gentleman is aware that the amendment offered yesterday to put "religion" in the act was offered to title VI by Mr. Collier.

Mr. WAGGONNER. The amendment was offered to title VI by Mr. Collier; yes.

Mr. GILL. But title VI is not title VII.

Mr. WAGGONNER. But title VI deals with civil rights, does it not? Do not all sections purportedly seek to avoid some mythical discrimination?

Mr. GILL. It deals with withholding Federal funds from certain programs. The testimony indicated that in that case religion was not a proper category to include in the act. However, when you deal with title VII, you are dealing with discrimination in employment and a person's religion may well be a cause for such discrimination.

Mr. WAGGONNER. That is what I wanted answered; why religion was not a proper item to be considered in the matter of discrimination under title VI but it is here.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman.

Mr. COLLIER. Just for one observation. I think it still holds good, as I pointed out yesterday, and that is that in answering this the answers have been perhaps more evasive than persuasive, because in the investigative section on voting rights you had mentioned religion. I do not know of any instance that has been brought to the attention of the Members of this House where anyone was denied the right to vote because he was a Presbyterian or a Baptist or a Catholic.

Mr. WAGGONNER. There has been no testimony offered to that effect.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. Waggonner] has expired.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. GROSS. Mr. Chairman, I would like the attention of the chairman of the committee or the ranking minority member. This bill provides, as I understand it, for the continuance of a national Commission, the Civil Rights Commission—what do you call it?

Mr. GATHINGS. The Equal Employment Opportunity Commission.

Mr. GROSS. Yes; but there is another one.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield? Is the gentleman trying to refresh his memory concerning the Civil Rights Commission?

Mr. GROSS. The Civil Rights Commission, yes; I thank the gentleman. You also have in this bill a brandnew commission called the Equal Employment Opportunities Commission.

Mr. McCULLOCH. Yes; and it is a good commission, too.

Mr. GROSS. I do not know how the gentleman from Ohio could know that it is a good commission, because this bill creates it. How does the gentleman know that it is a good commission, let me ask the gentleman from Ohio?

Mr. McCULLOCH. I would judge by the manner in which it will operate and the means by which it will be created. I have confidence in commissions created pursuant to the laws of Congress.

Mr. GROSS. The gentleman, being as frugal as he says he is, is still willing to create another commission to add to the huge Federal bureaucracy. Let me ask the gentleman, or anyone else who wishes to answer, what do you propose to do with the President's Equal Employment Opportunities Committee? Are you going to continue that, too?

Mr. McCULLOCH. First, if I have the time, I should like to reply to the gentleman's comment concerning my frugality of which I am very proud.

Mr. GROSS. Mr. Chairman, I am glad to have the gentleman wrap the flag around himself, but I wish he would do so on his own time.

Mr. McCULLOCH. Mr. Chairman, I will see that the gentleman from Iowa gets some time. I wish to repeat for him again that I am willing to spend dollars, many dollars, to see that fundamental rights and liberties of citizens are protected.

Mr. GROSS. I am not a lawyer, therefore I do not have the qualifications to be a Federal judge. So I do not have the interest some other Members may have in seeking a Federal judgeship now or later.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. The gentleman says he could not qualify for a Federal judgeship. But he could qualify as a Supreme Court Justice.

Mr. GROSS. I understand that one Supreme Court Justice had a year and a half of police court experience as a judge before he went on the bench. That constituted his entire experience as a judge. Apparently the qualifications or standards are not too high.

Perhaps the gentleman from New York can give me an answer to this question. You have a Civil Rights Commission, and you have embedded in this bill a section creating a brand new Equal Opportunity Commission. There is also in existence, and has been, headed for years by one Lyndon B. Johnson, when he was the Vice President, the President's Committee on Equal Employment Opportunity. Is that to be abolished in favor of the new Commission or will it, like Topsy, just keep on growing forever?

Mr. CELLER. This bill has nothing whatsoever to do with the Presidential Commission on Equal Opportunity. That is in existence, and it will continue in existence. We do not add or subtract anything with respect to that Commission.

Mr. GROSS. Why not abolish that when you set up this Commission as provided in this bill, and save the taxpayers the expense of both?

Mr. CELLER. Because the Presidential commission was established by Executive order. I would suggest that the gentleman address his question to the White House, not here.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Chairman, it seems to me that it could have been ended with this legislation. We do not need a Presidential Committee on Equal Employment which was headed by Vice President Johnson when it put the pressure on that deal of promoting 3 Negroes in the Dallas post office, passing over some 200 other eligibles on the list to get one of them. I cannot understand why the Presidential Committee on Equal Employment Opportunity is not abolished when you create this new Commission.

Mr. CELLER. I could give the gentleman an answer, but I cannot give him understanding.

Mr. McCULLOCH. I will give the gentleman a factual answer.

Mr. GROSS. Just a minute. I do not yield.

Mr. McCULLOCH. I can understand why the gentleman will not yield.

Mr. GROSS. If the gentleman wants to put it on that basis and give me a factual answer, I yield.

Mr. McCULLOCH. It is my opinion that the Congress of the United States does not have the authority to repeal an Executive order.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. JOHANSEN. In view of the remarks of the gentleman from New York about being unable to give the gentleman understanding, I would suggest that the gentleman from Iowa's years of service on the Manpower Utilization Subcommittee have given him plenty of understanding about the proliferation of various bureaucratic setups.

Mr. GROSS. Let me point out to you that on March 1, 1961, when this Presidential Committee decided to put on the pressure in the matter of so-called fair employment, this outfit had 26 people. Lo and behold, on August 1 of last year, when Lyndon Johnson was still the Chairman and guiding genius of the President's Equal Opportunity Committee, it had on its payroll no less than 63 people. He had practically tripled the number of his payrollers between 1961 and August of 1963.

By that time Lyndon Johnson's committee had boosted its payroll costs to $564,060. Would not that be worth saving somewhere along the line?

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. JOHANSEN. I wonder if there is any showing or if the chairman or ranking minority member can give us any estimate, even, if one has been prepared, as to the additional number of Federal employees, and particularly the number of supergrades that will be required under the title.

Mr. GROSS. That would be the next question to the gentleman from Ohio. How many people and how many supergrades are you going to need to staff this new Commission?

Mr. CELLER. We put in the RECORD yesterday the number of employees under the equal opportunity provision, and there were 155.

Mr. GROSS. At what cost? Is that a part of Mr. Katzenbach's letter?

Mr. CELLER. The entire cost of carrying out title VII, the equal employment opportunity title, would be $3,800,000.

Mr. GROSS. That is according to the Katzenbach letter? But there is no estimate in the letter I have.

Mr. CELLER. That is in a separate letter.

Mr. GROSS. The gentleman has another one?

Mr. CELLER. I put both in the RECORD yesterday.

Mr. GROSS. So there is a total of how many employees?

Mr. CELLER. The total would be 155 new employees.

Mr. GROSS. At a cost of $3,800,000; almost $4 million.

Mr. CELLER. Three million eight hundred thousand dollars, total cost.

Mr. GROSS. What is this $10 million figure in the bill?

Mr. CELLER. That is in connection with the implementing of title IV, concerning school desegregation.

Mr. GROSS. No, that is in this title, is it not? On page 84, section 716, what is the $10 million figure for there?

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Just a minute. The gentleman is not a member of the Judiciary Committee. I want some member of the Judiciary Committee to answer, for they are supposed to be in charge of this bill on the floor.

Mr. CELLER. On page 84, section 716—

> There is hereby authorized to be appropriated not to exceed $2,500,000 for the administration of this title by the Commission during the first year after its enactment, and not to exceed $10,000,000 for such purpose during the second year after such date.

Mr. GROSS. What is this money for? What is this going to finance?

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield now?

Mr. GROSS. Yes.

Mr. ROOSEVELT. If the gentleman will read the bill he will see that the enforcement provisions of the bill do not start until a year has elapsed. Therefore, the important function of the Commission as far as enforcement is concerned, which is the expensive part of it, does not begin until the second year.

Mr. GROSS. The Commission is part of that enforcement, is it not?

Mr. ROOSEVELT. Yes, it is.

Mr. GROSS. Of course, it is. So this will cost $10 million, not the $3,800,000 that was mentioned.

Mr. ROOSEVELT. The gentleman is mixed up. He is talking about the $3,800,000, which is an entirely different matter.

Mr. GROSS. Then the $3,800,000 is in addition to the $10 million? So it actually adds up to nearly $14 million instead of $10 million.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Certainly, I yield to the gentleman.

Mr. JOHANSEN. If there is a $2,500,000 figure for the first year, and a $10 million figure for a later period, are we to understand that the estimate of the number of employees that was cited is for the first year? If so, how much will it jump in relation to the dollar figure in the subsequent year?

Mr. GROSS. The Lord only knows—I do not. But you can be sure it will jump, and probably into orbit.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GILL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the discussion has wandered a little afield from the amendment offered. In fact, I see very little relation between the last two or three comments and the amendment that has been offered.

I would just like to point out on page 77 at the end of the fourth line, by striking the word "cause" and adding the words "any reason other than discrimination on account of race, color, religion, or national origin," our purpose is to pinch down the orders that can be issued by the court to a more narrow range. Thus, we would not interfere with discharges for ineptness, or drunkeness. We would not interfere with unfair labor practices that are covered under other acts. We would limit orders under this act to the purposes of this act.

I would also like to point out, Mr. Chairman, that certainly the language we have put in does not prevent the operation of a section such as section 705 (a) where the Commission has the right to protect a person who gives testimony or exercises his rights under this act.

Mr. CONTE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during the 10 hours of general debate last week which preceded our deliberation on amendments to this historic bill, our colleagues from the Deep South regaled the House with various stories, many of which were designed to show that their constituencies would never accept the provisions inherent in this bill.

I sat and listened to this debate, Mr. Chairman, and was amazed at the decorum which prevailed. I can still recall the words of the gentleman from Ohio [Mr. BROWN] who said, in effect, that our children would someday read this debate and that he hoped we could conduct ourselves in a manner befitting gentlemen.

This has been the case throughout most of the debate, and this has not lessened the oratory and the distinguished legal and constitutional discussion that has prevailed.

As all of my colleagues know, however, the House did not always follow the dictates of dignified debate and many of our predecessors were forced into more violent ways of protecting their right to express controversial opinions.

Many of these guntoting and saber incidents were vividly retold in Neil Mac Neil's recent "Forge of Democracy," an excellent history of the House.

And many other stories which have meaning to the civil rights bill under discussion here today can be told.

One of these refers to Massachusetts and although I outlined in my speech last Saturday our long history of public accommodations laws dating back to colonial government in 1710, laws remain apart from men in this Government where laws, and not men, are supreme.

In the early part of the 19th century in Massachusetts, many people were saying things similar to the opponents of this bill here today.

When, for example, William Lloyd Garrison, the abolitionist leader, established a newspaper in Boston and began criticizing the slavery institution, for all he was worth, many Bostonians became furious, to the point of violence. In 1835, a mob assembled outside Garrison's house, broke down the door, seized the editor, and proceeded to drag him through the streets at the end of a rope. Such was the initial response of many Massachusetts citizens to the cause of antislavery reform.

Notwithstanding all this, Charles Sumner—a young Boston lawyer—became an avid follower of William Lloyd Garrison's Liberator. The first major cause to which he ever devoted his tireless energies was Garrison's—the cause of universal freedom, with civil rights for all.

As a man of the law with a strong interest in politics and outstanding speaking ability, Sumner was sought after by the Whig Party as a candidate for Congress in 1846. The Whigs were then regarded as the leading antislavery party in the political scene, but to Sumner they appeared too feeble to accomplish anything along the line of adequate antislavery reform.

Daniel Webster, the old Whig leader, represented Massachusetts in the U.S. Senate, and Webster was supposed to be an antislavery man. But Sumner was not a follower of Webster, who rarely was known to wage a full-scale attack on slavery. When the Democratic Party divided in the national election campaign of 1848, Sumner became a free soiler. When this group opposed the compromise of 1850, Sumner became their chief spokesman in Massachusetts, setting forth their arguments in clear and unequivocal terms. "Why compromise further with slavery?" he asked. California settlers wanted a free State, so why was compromise necessary? What was the point to saddling the North with an unworkable fugitive slave law, merely to get the South to agree to statehood for California? Better to fight it out all year, all next year and the next, rather than accept so disgraceful an arrangement—a fugitive slave law that was an insult to every resident of every free State.

We might ask the same questions in a contemporary setting today. There were, in fact, incidents in Alabama this week which indicate the immediate necessity for this legislation. The terrible specter of six frightened Negro boys being turned away from school in Notasulga, Ala., by the mayor because conditions, as he said, were "overcrowded" is still another example of what we must prevent, unless we are willing to still be considered, "half slave, half free." Glancing back to history, we find that so well did Sumner espouse the antislavery cause, that he began to acquire a kind of bipartisan following. When, in 1851, Daniel Webster died, a special election was called to determine his successor. At this point, party lines temporarily dissolved, a large number of Whigs threw Sumner their support and this, together with the free soil vote, was enough to send Sumner to the U.S. Senate.

In Washington, Sumner at once achieved notice, in consequence of his sharp, unyielding attack against this in his first notable speech; he branded the fugitive slave law an unconstitutional device and declared his refusal to obey it.

In 1853, he defended the Missouri Compromise against the assaults of Stephen A. Douglas, proponent of the Kansas-Nebraska bill. When the Republican Party came into existence in 1854 Sumner joined it, and the following year he toured the North speaking in behalf of universal freedom.

These were violent times. A small civil war broke out on the plains of Kansas, in 1854, between free State and slave State settlers. The proslavery President, James Buchanan, appeared to side with the slave State forces in Kansas, and Sumner delivered a speech attacking the President for this, together with additional attacks on several other proslavery leaders, including Senator Butler, of South Carolina. Following the speech, Congressman Preston S. Brooks of South Carolina, a cousin of Senator Butler—crept up on Sumner, while he was writing at his desk in the Senate, and beat him on the head with a cane, until he was unconscious. This act, which was supposed to intimidate Sumner and other antislavery men, instead infuriated the North. Thereafter, until the Civil War began, fist fights between Northern and Southern Congressmen became common occurrences in Washington, and so far as the North was concerned, Sumner was the martyr of the century.

When the Civil War began, Sumner proved himself an able majority spokesman in the Senate, and an outstanding expert in the field of foreign affairs. He also continued his battle in behalf of antislavery legislation, and before the war was half over, the long desired legislation began to appear. Critical of Lincoln for his slow approach to emancipation, Sumner was nonetheless very fond of him personally, and when Lincoln finally came over to join the radical Republicans, in support of the 13th amendment, Sumner was overjoyed. It is said that when Lincoln died, Sumner was at his side, weeping bitterly, his tears symbolic of a greater national grief.

It has been properly observed by Prof. M. W. Jernigan, a renowned scholar of the Civil War period, that, "next to Lincoln (Sumner) did more to win freedom for the colored race than any other man." It is also worth noting in this regard that Sumner was acting clearly in answer to the dictates of his conscience, since in those days, there was no Negro voting bloc in Massachusetts.

A sincere believer in the American dream, unfettered and unshackled by reservations, Charles Sumner made bold to stand for the equality of man—regardless of race—years ahead of his time. His efforts were noble, his deeds magnificent, and the people of Massachusetts have every right to remember him with pride.

And, in closing, Mr. Chairman, I want to say that this example of Charles Sumner is only one of the many that could have been used to illuminate this historic debate in the House today.

Surely, in an attempt to draw a parallel between the discussion this week with the impassioned debates of the past, I could have mentioned many incidents.

There are no stylish dueling pistols inlaid with gold present today as in the early days when Southern aristocratic Members often used them for emphasis. There are no bowie knives and none of the bloody weapons that were a familiar part of debate in the past.

For now, in another perilous generation, the issues at stake in this country are of such magnitude that nothing other than calm deliberation can be the order of the day.

If the serious cleavage which pitted brother against brother and citizen against citizen during the tragedy of the Civil War is ever to be justified, it can be justified in this House and then in the other body with the passage of this legislation which can and must reaffirm the rights to all individuals which are inherent in our Constitution.

The distinguished poet Mark Van Doren has said that "equality is absolute or no, nothing between can stand," and nothing should now stand between us and the passage of strong and effective civil rights legislation. It is to this that we are united in a strong bipartisan coalition today, and when the laws of the land proclaim that the 88th Congress acted effectively, judiciously, and wisely, we can take pride in our accomplishments as free men and worthy inheritors of the tradition of Charles Sumner.

Mr. GATHINGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, painstaking, deliberate, and careful consideration is required in dealing with far-reaching legislation such as this. Title VII, equal employment opportunities, is a new section that was not requested by the administration. No hearings on it were held by the Judiciary Committee. It was lifted from the Labor Committee bill which had been reported by that group. The bill states that it is the national policy to protect persons to be free from racial or religious discrimination, and it uses the words "privileges and immunities" protected by the Constitution. What is absent is that there are no words delegated to Congress by the Constitution to consider legislation of this type of character. The words that were used in the bill that were just quoted are of little value. They were just thrown in to fill the gap.

Title VII would make it an unlawful employment practice to fail or refuse to hire or discharge a person due to race, color, religion, or national origin. Title VII embraces labor unions and employment agencies in the same way, making it unlawful for a union to exclude or expel, to limit, segregate or classify a person due to his race, and so forth. It would be effective in 1 year after enactment with companies employing 100 or more persons—the second year those companies that hire 50 or more employees, and permanently thereafter the firm that hires 25 or more people.

The legislation is administered by the Equal Employment Opportunities Commission, composed of five members appointed by the President and with the consent of the Senate at a salary of $20,000 a year, except the chairman shall receive $20,500.

Upon application or complaint of an aggrieved person the wheels begin to move. They can hold conferences and conciliation efforts. They can bring civil action against the company or employment agency or union. The punishment would be contempt of court, fine, or imprisonment. These are the people, the working man who is a member of a labor union, and business firms, large and small, who pay our salaries, whose tax money is responsible for the operation of all agencies of the National Government in its many phases. Under this legislation, the Commission representatives or agents can enter upon property, can have access to the records of such company, employment agency or union. All of these groups must keep records on race as the Commission prescribes. The Commission can adopt regulations in conformity with administrative procedure, which would have the effect of law. Now let us see what the scope of this act could entail. Beisel Veneer of Helena, Ark., employs 82 percent colored and 18 percent white. Could it be that by writing a letter any aggrieved person could call in the Commission's representative and the Beisel Veneer Co. would have to hire an equal number of white people with that of colored, in keeping with the percentage of population in the affected area, whether the company wanted to do so or not? In Phillips County, Ark., the population is 42.2 percent white and 57.8 percent colored. Would that ratio be the employment criteria that the Commission would use?

What does "equal" mean? Does it mean that there must be in Phillips County, Ark., in every one of the business establishment that are large enough to come under the provisions of the bill, 42.2 percent white employees and 57.8 percent employees of the colored race of whatever character in such business establishments upon applications made to the Commission? Does it mean that 42.2 percent of all the bookkeepers must be white and 57.8 percent colored? Does it apply to shipping clerks, stenographers, diemakers, and all types of personnel in any particular establishment? What if the 42.2 percent or 57.8 percent of their respective races are not available to be hired, who are capable of performing the duties of such positions?

Does it mean that if there are 45 percent of the population of a given county or city who are members of the Baptist Church, that upon proper application for members of that faith, that certain of their numbers are being discriminated against, that the employment practices of a particular firm must be changed to fit the 45-percent pattern of members of that faith? Does it mean that if there were 2 percent of the population in a given county who were members of the Chinese race, that they, too, must share all types of positions of whatever character in such proportion upon proper application to the Equal Employment Opportunities Commission?

This title is bad legislation. Other titles are most objectionable as well, but title VII should be stricken. It would remake the pattern of business operation in this country. We, as legislators, as representatives of a sovereign people, should not overthrow the usual and sound principles which have made our country great and strong. This title and this bill should be defeated. It is an extreme concentration—a usurpation of powers by the all-powerful Central Government.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. CELLER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CELLER

Mr. CELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CELLER: On page 78, beginning in line 22, strike out "may gather data regarding the" and all that follows down through line 4 on page 79, and insert the following: "shall at all reasonable times have access to, for the purposes of examination, and the right to copy any evidence of any person being investigated or proceeded against that relates to any matter under investigation or in question."

Mr. CELLER. Mr. Chairman, this section concerns investigations and inspections of records. The Committee on

Education and Labor which labored long and reported last year a fair employment practices bill felt that the language that would be best to adopt here would be the language taken from the Taft-Hartley Act rather than from the Fair Labor Standards Act. We have used the Fair Labor Standards Act and all the provisions of that act are reported in the bill now before you.

The amendment changes the language to conform to the Taft-Hartley Act.

Mr. GILL. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Hawaii.

Mr. GILL. Mr. Chairman, the gentleman from New York, the chairman of the Committee on the Judiciary, is exactly right. We have moved from language that was a close approximation of the Fair Labor Standards Act to the language found in section 11, the investigation section, of the Taft-Hartley law.

It is our understanding, after consultation, that this language would allow the Commission to do what is necessary in the gathering of evidence, including the viewing of books and premises and such, and would adequately meet the needs of this Commission.

Therefore, Mr. Chairman, I hope the amendment is adopted.

Mr. McCULLOCH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendment is a good amendment and should be adopted.

I am now pleased to yield to the gentleman from Ohio [Mr. TAFT].

Mr. TAFT. I thank my colleague for yielding.

Mr. Chairman, I would just repeat the statement made by the gentleman from Hawaii. This matter was fully considered in the Committee on Education and Labor. We felt the investigatory powers that are involved in the present section of the Taft-Hartley Act are fair and adequate to take care of any investigation necessary in this case. Incidentally, we went into the matter of various precedents for investigation and we found that reasonable access to the premises—but only reasonable access—had been ruled upon favorably under the present language of the Taft-Hartley Act.

Otherwise, the section is sufficient.

Mr. McCULLOCH. Mr. Chairman, it is apparent that the amendment is for the purpose of perfecting this title. I hope it will be agreed to.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding. I should like to ask the gentleman if any hearings were ever held on this title by the Judiciary Committee.

Mr. McCULLOCH. The entire testimony, which was taken before the Committee on Education and Labor, became a part of the record of the Judiciary Committee pursuant to formal action of that committee. There were no individual witnesses except probably two or three, including the Secretary of Labor and the gentleman from California [Mr. ROOSEVELT], as I recall, who appeared in person.

Mr. GROSS. So there were no hearings held on this title of the bill in the Judiciary Committee.

Mr. McCULLOCH. The facts are as I have stated.

Mr. GROSS. Is the answer "Yes" or "No" to my question?

Mr. McCULLOCH. Yes, there was a hearing. As I have indicated, the Secretary of Labor appeared before the committee. The gentleman from California came before the committee, both of whom were examined, at length, on this title.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from New York.

Mr. CELLER. We also heard the presidents of the AFL–CIO.

Mr. McCULLOCH. I thank the gentleman.

Mr. CELLER. And the president of the UAW. We heard any number of witnesses.

Mr. McCULLOCH. I thank the gentleman for that amendment.

Mr. GROSS. Mr. Chairman, if the gentleman will yield further, why then are all these amendments to the bill being presented on the floor of the House, from the Judiciary Committee itself?

Mr. McCULLOCH. They are perfecting amendments. That is in accordance with our legislative process.

Mr. GROSS. Of course it is in accordance with an extraordinary legislative process.

Mr. McCULLOCH. Mr. Chairman, I yield back the remainder of my time.

Mr. CRAMER. Mr. Chairman, I move to strike the requisite number of words.

I shall take only a few minutes, because I should like to know the reason for some language. I ask some Member who can answer the question why it is necessary to have section 709(a) relating to investigations, since investigating powers are covered already in section 710(a)?

I have before me the sections 9 and 10 of the Federal Trade Commission Act, which provide that "for the purposes of the Federal Trade Commission," in effect, the "Commission or its duly authorized agent or agents shall, at all reasonable times, have access to, for the purpose of examination, and the right to copy any documentary evidence of any corporation being investigated or proceeded against."

Of course, this investigative power is the same relating to everything within this title, and not just corporations, which are referred to in the Federal Trade Commission Act.

Could someone explain to me why the double investigatory power is needed?

Mr. GILL. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I am delighted to yield to the gentleman from Hawaii.

Mr. GILL. The gentleman read the answer to his own question as he read the section of the Federal Trade Commission Act which refers to "documentary evidence of any corporation." That does not deal with individuals or individual proprietorships. That is certainly one major reason for providing section 709(a).

Mr. CRAMER. However, I ask the gentleman whether section 710(a) does not provide that "for the purposes of any investigation" there "are hereby made applicable" the provisions of sections 9 and 10 of the Federal Trade Commission Act "to the jurisdiction, powers, and duties of the Commission," which seemingly would broaden the corporation phase to cover everything within this title; would it not?

Mr. GILL. I am not sure I understand the purport of the gentleman's question. Certainly, considering section 709(a) along with the language found in section 710(a), which incorporates by reference sections 9 and 10 of the Federal Trade Commission Act and section 307 of the Federal Power Commission Act, we can understand the full purport of investigatory power. I am not sure what the gentleman was talking about.

Mr. CRAMER. Then, why are additional words to be added, separate from the corporation question, to the investigative power in the Federal Trade Commission Act?

These words are to be added, in addition to the power contained in the Federal Trade Commission Act: "that relates to any matter under investigation or in question."

Why is that added to the investigative powers given other commissions as in the Federal Trade Commission Act in 709 but not in 710 of this bill?

Mr. GILL. I do not understand that the gentleman is raising a question here. It is merely the sum total of these sections that gives you the total investigatory power of the Commission. You will also find under section 49 of the code the Federal Trade Commission section, which lays out the subpena power and so on.

Mr. CRAMER. I understand, and let me ask the gentleman again the question, because I do not think he has gotten the purport of it. The Federal Trade Commission's powers to investigate contains the language of the amendment proposed by the gentleman from New York. Does the gentleman have that amendment before him?

Mr. GILL. The language proposed by the gentleman from New York is from the Taft-Hartley law. I do not understand where you get the Federal Trade Commission.

Mr. CRAMER. Just a moment. The proposed amendment of the gentleman from New York reads, "shall at all reasonable times have access to, for the purposes of examination, the right to copy any evidence of any person being investigated or proceeded against." That is the same wording as is in the Federal Trade Commission Act which is the investigative limits in section 710 of the bill. However, why are these words added, "that relates to any matter under investigation or in question"? That is a different investigative power than the Federal Trade Commission has or than those contained in section 710 of this act. Why is that added?

Mr. GILL. We feel it is necessary to carry out the purposes of the act. You added the language from the Taft-Hartley law which puts the right to copy any evidence or examine any evidence of any person.

Mr. CRAMER. We have already answered that question.

Mr. GILL. The Federal Trade Commission Act deals only with corporations. This deals with both persons and corporations.

Mr. CRAMER. The gentleman already answered that question, but he did not answer my second question.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. CRAMER. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. I will ask the gentleman from New York, and maybe he can clarify it, as to why the words "that relates to any matter under investigation or in question" was added to broaden or change the present investigative power of the Federal Trade Commission which is a limitation of the powers under 710(a).

Mr. GOODELL. I think the gentleman reversed it. The phrase that relates to any matter under investigation or in question is a narrow phrase. It is to limit the investigation to those matters that are in question here. It is a limiting phrase confining and restricting the Commission's authority to relevant evidence.

Mr. CRAMER. I thank the gentleman, and that is what I wanted to get in the RECORD for legislative history; that is, justification for the additional language. If it is limiting language, I wholeheartedly support it.

Mr. GOODELL. I think, as a matter of legislative history, it is.

Mr. CRAMER. I thank the gentleman.

Mr. WAGGONNER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to clarify this amendment and make the legislative history as to exactly what we are doing. Section 709(a) is what is commonly known as the wiretap section of this civil rights proposal. We have some modifying language in this amendment, and I want to be absolutely sure that in adopting this amendment we are without any doubt removing from this language any possibility of the use of any sort of wiretap. The new language I understand will read in this way:

> In connection with any investigation of a charge filed under section 707 the Commission or its designated representative shall at all reasonable times have access to, for the purposes of examination and the right to copy any evidence of any person being investigated or proceeded against that relates to any matter under investigation or in question.

I want a definition for the RECORD of the word "copy." A transcription can be a copy.

But are we completely and beyond any shadow of a doubt eliminating any use of wiretaps?

Mr. CELLER. Of course, wiretapping is now banned by the Communications Act. In that act, section 605 provides that no one is permitted to intercept any communication or to divulge the contents thereof. Anyone who taps a wire, makes a report on what the tapping contained, or makes a copy of it, would be guilty of an offense. This provision in section 709 of title VII as originally drafted, or as amended, has no relation whatsoever to that and would not override the Communications Act proscription against wiretapping. It would not permit wiretapping in any way, shape, or form.

Mr. WAGGONNER. Let us stop talking about wiretaps for awhile and talk about modern electronic methods of recording conversation from a distance without any sort of a tap but with highly advanced electronic devices. Are these permitted under this language when we talk about having the right to copy any evidence?

Mr. CELLER. There is nothing in the language of section 709 as proposed to be amended that would permit that.

Mr. WAGGONNER. Then the gentleman says that any use of any device, whether by wiretap or some modern electronic device, would not be permitted under the provisions of this amended section?

Mr. CELLER. Any interception.

Mr. WAGGONNER. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CELLER

Mr. CELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. CELLER: On page 79, line 21, after "order" insert the following: ", after public hearing,".

Mr. CELLER. The purport of this amendment is that the Commission may not prescribe any regulation unless, and until, there is a public hearing. Thus, those parties interested could be heard on the merits or the demerits of any proposed regulation.

Mr. GILL. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. GILL. The Chairman has stated the amendment very clearly. All this does is to tie the rulemaking procedures in this act to the Administrative Procedure Act to be sure that persons have a chance to be heard on the rule or regulation.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. CELLER, I yield to the gentleman from Ohio.

Mr. McCULLOCH. Mr. Chairman, this is another one of the perfecting amendments which has had intensive study over a period of several days by Members on both sides of the aisle. The amendment merits the support of those who want to perfect the title further.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. HARRIS. Do I understand that this amendment is to follow the regularly established procedures heretofore followed by the regulatory agencies of the Government in carrying out the Administrative Procedure Act with reference to the issuance of rules and regulations, and so forth?

Mr. CELLER. I think that is correct. In this particular instance there is to be a hearing, before the Commission may prescribe a regulation or order.

Mr. HARRIS. Does this mean then that it would bring into play the full import of the Administrative Procedure Act with reference to rulemaking?

Mr. CELLER. This only provides for hearings. I do not think there is any intention to interfere with the procedures under the Administrative Procedure Act.

Mr. HARRIS. I am not talking about interference with the general procedure. I am trying to find out if this would bring it into strict compliance with the Administrative Procedure Act.

Mr. CELLER. I do not know of anything that would militate against that.

Mr. HARRIS. Would it require it to do so?

Mr. CELLER. This is just limited to this one particular situation, that is all.

Mr. HARRIS. This one particular situation is rulemaking, rules and regulations. It adds another one of the many and various amendments to the basic act, and if the gentleman will permit me to do so, I would like to ask a question of the gentleman from Ohio.

I understood him to say yesterday during the course of consideration of this bill it would be the purpose and intention of the committee to give a genuine overhaul or at least thorough study and investigation, take a complete look at the Administrative Procedure Act as to just what has been done to it with amendments such as this from time to time over the years.

Mr. McCULLOCH. That is a correct statement. The act is now under study and I am hopeful that the membership of the subcommittee responsible for this bill will proceed. I am confident that they will.

Mr. HARRIS. I highly compliment the gentleman for his statement, and I hope the chairman of the committee will join the gentleman in this undertaking, because if there is any one thing the Congress has done it is to make a haven for lawyers—I have nothing against lawyers, being one myself, and we should have an opportunity to make a living—if there is anything that has really caused frustration and confusion in the majority of the regulatory agencies of the Government, it is in connection with the matter of rulemaking, and what results. It has resulted in many instances in such intolerable delays in the public being served that it deserves careful scrutiny. I hope the gentleman's committee will do so.

Mr. CELLER. The gentleman is correct in that observation. The Judiciary Committee understands that also, and we are laboring on these very problems. The staff is now studying this matter.

Mr. HARRIS. I compliment the gentleman, and I want to encourage him.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. CELLER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CELLER

Mr. CELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. CELLER: Page 81, line 11, insert "other" after "and", and immediately before the period in line 13, insert the following: "whenever disclosure of such information is not prohibited by law".

Mr. CELLER. Mr. Chairman, we want to be sure that whatever the Commission does is within the law, and not prohibited by the law.

Mr. O'HARA of Michigan. Mr. Chairman, to amplify the chairman's statement, all we are trying to do is to make it clear this act would not permit the disclosure of any information not now permitted to be disclosed.

Mr. McCULLOCH. Mr. Chairman, I am pleased to say, most if not all, members of the minority from both committees are in support of this amendment. It is a perfecting amendment, and it will make the title a better one. It should be adopted.

Mr. ROOSEVELT. Mr. Chairman, this was brought to our attention by the gentleman from Ohio [Mr. TAFT]. I hope he is satisfied with the amendment.

Mr. TAFT. I believe this covers the problem satisfactorily in reference to income tax returns, census reports, and things of that sort.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, how many more amendments are to be offered by the Judiciary Committee on behalf of the Labor and Education Committee to this bill?

Mr. CELLER. On behalf of both committees, we have three more amendments.

Mr. GROSS. I do not know how many that makes, but this certainly looks to me like Members did not do their homework well either on the Labor and Education or the Judiciary Committee. Which was it? Who wants to admit that somebody did not do their homework? Now a very substantial part of this bill is being written on the House floor, which I think most Members of the House will agree is a pretty shabby way to put together legislation.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I happen to be a member of the Education and Labor Committee. I want to ask the gentleman in the well if he recalls a bill ever coming out of our committee which did not require substantial amendments of all kinds.

Mr. GROSS. I am not able to respond to that with special respect to the Labor and Education Committee.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from California.

Mr. ROOSEVELT. I would say to the gentleman I think what is going on is a very good indication of the very fine homework that has been going on. I want to pay my respects to the fact that a difficult situation was worked out between two committees so satisfactorily.

Mr. GROSS. I suggest the gentleman compliment others on his own time.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Louisiana.

Mr. WILLIS. I completely agree with the gentleman from Iowa. It has been said in many quarters that some of us who oppose this bill have been nit picking. I would say that the gentleman concedes too much when he says that the proponents are amending this bill. Except for the amendment to come, which I talked about at length before the Rules Committee and on the floor of the House, I do not regard these amendments as significant, except to say that it is noteworthy that they are all being presented by the coalition, and it is a fact, of my good chairman, the gentleman from New York and the gentleman from Ohio, the ranking members of the Committee on the Judiciary. So I would say that the substance of what the gentleman is saying is that these amendments might go as concessions on the part of the proponents.

Mr. GROSS. Is it not true that the full Judiciary Committee heard only the Attorney General, that the full committee did not hear the other witnesses that were identified a while ago as having testified on this bill? Is it not true that many members of the Judiciary Committee did not see the bill that is presently before the House more than 30 minutes before the committee voted the bill out of committee? Is that not the fact?

Mr. WILLIS. That is correct. I said that on the floor. Along that line, let me say that the full Judiciary Committee, and I have been on it for 16 years, did not as is customary have an opportunity to read this bill or amend it or debate it and discuss it. These little piddling amendments we are talking about would have been brushed aside if we had done that. We did not do it. And many others would have been accepted. That is what we are laboring under.

Mr. GROSS. Has not this been a most extraordinary procedure from start to finish, that is, the method, the procedure by which this bill reached the House floor and is now being amended by a series of amendments that most of the members of the Judiciary Committee never saw or heard of?

Mr. WILLIS. That is correct.

Mr. GROSS. Instead of giving consideration for the last several days, as stated by the gentleman from Ohio [Mr. McCULLOCH], I am beginning to believe that some of these amendments were prepared during the last few hours and only the last few hours.

Mr. WILLIS. I would say so far as the amendments go, I supported them; I am for them. But they do not cut to the depth that, perhaps, this thing that we are going through now is intended to give the impression that they are cutting.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. CELLER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CELLER

Mr. CELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. CELLER: Page 81, strike out lines 14 through 25, and renumber the following sections accordingly. On page 65, line 2, strike "719" and insert "718". One page 66, line 10, strike "719" and insert "718".

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. CELLER].

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. WILLIS. So far as the last part of the amendment is concerned, it is simply to conform the numbers of the other sections in this title; is that not correct?

Mr. CELLER. That is correct.

Mr. WILLIS. Let me say, I am very much for this amendment. I discussed it at some length, as I pointed out a while ago, before the Committee on Rules and on this floor. It went beyond reasonable limits.

Let me read two sentences. Here is what was proposed:

> The President is authorized and directed to take such action as may be necessary to provide protections within the Federal establishment to insure equal employment opportunities—

And so on.

Then the next sentence said, and listen to this blanket authority that was proposed to have been given to the President:

> The President is authorized to take such action as may be appropriate to prevent the permitting or continuing of an unlawful employment practice by a person in connection with the performance of a contract—

And so on.

So I, as I say, am very happy the gentleman has presented the amendment and as he knew, I intended to offer it myself.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. POFF. Mr. Chairman, it is altogether true, as the gentleman from Louisiana has just said, that he has fostered this amendment from the very beginning.

May I add, and I am sure he will agree, I arrived at exactly the same conclusion separately and independently. I intended to offer precisely this same amendment. I consider it an important and substantive amendment.

Parenthetically, however, let me also add that my chief concern, and I believe the chief concern of the gentleman from Louisiana, was with section 711(b) rather than section 711(a).

Unquestionably, present law now guarantees those things to which section 711(a) addresses itself.

I add further the adoption of this amendment and the striking out of this language from the bill would in nowise affect substantive law as it is written on the books today.

Mr. CELLER. And will the gentleman not also say that the deletion of the language by the amendment does not have any effect upon existing Presidential power?

Mr. POFF. Of course, the striking of language from a bill could not in any way impair existing law.

Mr. CELLER. And it does not limit it and it does not broaden it. It remains intact as it is now.

Mr. POFF. That is true.

Mr. Chairman, I join in support of this amendment.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. McCULLOCH. Mr. Chairman, this is another amendment which makes a good bill a better one.

Incidentally, Mr. Chairman, for the chairman of the Committee on the Judiciary and other Members who have said that we are ready, willing, and anxious to accept amendments that will better the legislation, this will be either the 20th or 21st amendment that has been adopted by the Committee of the Whole House on the State of the Union.

Mr. DOWDY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. DOWDY. I appreciate the fact that the gentleman has offered this amendment. Many of us have felt section 711 to be a highly dangerous section of the bill and accordingly much of our debate has been predicated upon the fact that this language should be removed. I know all of us will support this amendment as offered by the chairman.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Minnesota.

Mr. QUIE. Even though I support this amendment, is it not true that the President has this authority right now, judging from actions being taken by the Executive of late?

Mr. CELLER. The President has the authority.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. CELLER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CELLER

Mr. CELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. CELLER: Page 82, line 19, after "suitable" insert "procedural".

Mr. CELLER. Mr. Chairman, if this amendment is adopted the Commissioner would have a right to rescind procedural regulations as distinguished from substantive regulations. It would make more definite the limitations of his powers. I believe the amendment would clarify the situation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. CELLER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CELLER

Mr. CELLER. Mr. Chairman, I offer an amendment, which is the last clarifying amendment.

The Clerk read as follows:

> Amendment offered by Mr. CELLER: Page 83, line 8, strike out "published and filed" and insert in lieu thereof the following: "failed to publish and file".

Mr. CELLER. Mr. Chairman, this would simply be clarifying language. It would not change the significance whatsoever.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from New Jersey.

Mr. RODINO. We have checked this with various members of the committee. This amendment would merely clarify the intent of this particular section. I support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. CELLER].

The amendment was agreed to.

Mr. THOMSON of Wisconsin. Mr. Chairman, I ask unanimous consent that the gentleman from Virginia [Mr. POFF] may extend his remarks at this point in the RECORD and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. POFF. Mr. Chairman, title VII, the so-called FEPC title, is the section of the bill about which I have received the most correspondence and verbal inquiry. A short analysis of the title would perhaps be helpful.

First, title VII extends coverage to any employer engaged in any industry "affecting" interstate commerce who employs 25 or more workers, to any labor union with 25 or more members and to any employment agency.

Second, this title enumerates a series of acts or omissions on the part of an employer which it declares to be "unlawful employment practice." These include:

Failure to hire a job applicant on account of his race.

Refusal to hire a job applicant on account of his race.

Discharge of an employee on account of his race.

Discrimination in compensation against an employee on account of his race.

Discrimination in terms of employment against an employee on account of his race.

Discrimination in conditions of employment against an employee on account of his race.

Discrimination in privileges of employment against an employee on account of his race.

Limitation of employees on account of race in such a way as to tend to deprive an individual employee of employment opportunities (promotions) or otherwise adversely affect his employee status.

Segregation of employees on account of race in such a way as to tend to deprive an individual employee of employment opportunities or otherwise adversely affect his employee status.

Classification of employees on account of race in such a way as to deprive an individual employee of employment opportunities or otherwise adversely affect his employee status.

Discrimination against any job applicant or any employee who makes a charge under this title or assists or participates in an investigation or proceeding conducted pursuant to this title.

Publication of any notice or advertisement relating to employment which indicates "any preference, limitation, specification, or discrimination, based on race.

Discrimination on account of race against any individual in an apprenticeship program.

Similar conduct on the part of labor unions and employment agencies is also defined as "unlawful employment practices."

Third, this title establishes a Federal Equal Employment Opportunity Commission, consisting of five members appointed by the President, with its principal office in Washington and with regional offices located wherever the Commission "deems necessary," staffed by attorneys, officers, agents, and employees, unlimited in number, which the Commission deems necessary to carry on its assigned duties.

Fourth, this title establishes the procedure to be followed. An individual claiming to be discriminated against can deliver to the Commission a verified written complaint that an employer has committed an "unlawful employment practice," or such charge can be made "on behalf" of such person by another person or organization. The Commission furnishes the employer with a copy of the complaint and proceeds to make an investigation, in pursuance of which, the Commission may "enter and inspect" the employer's place of business, examine and copy his records, question his employees, and "investigate such facts, conditions, practices, or matters as may be appropriate." If as many as two members of the Commission (less than a majority) decide that "reasonable cause exists," the Commission attempts through "conciliation and persuasion" to eliminate the unlawful employment practice. If it fails, the Commission is required to bring a civil suit in the Federal district court against the employer. If the Commission prevails, the court will issue an injunction preventing the employer from engaging in the practice with which he is charged and compelling him to take such affirmative action "as may be appropriate," including hiring of the job applicant or reinstatement of the employee, with or without back pay.

The first constitutional ground in which this title is sought to be predicated is the interstate commerce clause. For the same reasons assigned in the discussion of the public accommodations section of this bill, this clause is not a proper constitutional foundation, and even if it could be remotely considered such, Congress should not attempt to pitch a new Federal tent on this tortured ground.

The bill proceeds upon a theory similar to the "quantum of income" theory. This theory is that the quantum of employees is a rational yardstick by which the interstate commerce concept can be measured. Out of thin air, the bill pulls a figure and determines that 25 employees is the magic number—not 26 or 24 but 25.

In an effort to strengthen this flimsy yardstick the bill defines an employer as "a person engaged in any industry affecting commerce." What does the word "affecting" mean? The Supreme Court has defined it to mean anything that:

> Asserts a substantial effect on interstate commerce * * * irrespective of whether such effect at some earlier time has been defined as "direct" or "indirect." *Wickard* v. *Filburn*, 317 U.S. 111, 215 (1942).

The Wickard case, a farmer who had produced only 239 bushels of wheat and consumed the same on his own farm was declared to be "affecting" interstate commerce. In a similar vein activities of local bakeries and the sales of medicines by local retail drugstores were held to "affect" interstate commerce. *Moore* v. *Mead's Fine Bread Company*, 348 U.S. 115 (1954). *U.S.* v. *Sullivan*, 332 U.S. 689 (1947).

Under these decisions, and impelled by the broad, vague powers conferred by title VII, it is safe to predict that the Federal Equal Opportunities Employment Commission would assert plenary jurisdiction over the employment, promotion, discharge, and working conditions policies of every restaurant, hotel, gas station, manufacturer, bank, law firm, hospital, small loan company, barbershop, funeral parlor, beauty salon, nightclub, and other local retail service, trade, and professional establishment which employs 25 or more full- or part-time employees. Again, we must say that if the interstate commerce clause can be broadened and deepened to this extent, then the concept of intrastate commerce is obsolete.

The second constitutional ground on which this title is sought to be predicated is the "privileges and immunities" clause.

While it is unclear precisely what is intended, it would appear certain that the language of the bill does not refer to the comity clause, article IV, section 2, which concerns "privileges and immunities of citizens in the several States." Reference undoubtedly is intended to the 14th amendment which reads in part:

> No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States.

The latter clause, of course, applies only when action by a State or by a State official under color of law is involved, and not to action by a private citizen. So far as we are aware, no State has any statute on its books which discriminates against any citizen's right to a job on account of race. If such a statute existed, it would fall under the prohibition of the "equal protection" clause of the 14th amendment rather than the "privileges and immunities" clause.

Within 5 years after the ratification of the 14th amendment, the Supreme Court handed down a decision which had the effect of rendering the effect of the privileges and immunities clause a "practical nullity." *Slaughter-House Cases*, 16 Wall. 36 (1873). In that case, a statute of the State of Louisiana granted a corporation a monopoly in the business of slaughtering cattle. The plaintiffs brought a suit based on the theory that the right to engage in the butcher business was a "privilege and immunity" with the meaning of those words in the 14th amendment. Plaintiffs contended that these words had the effect of converting all rights enjoyed by citizens of each State into privileges and immunities of the U.S. citizenship, and that any State statute which abridges a privilege such as the right to engage in the butcher business constituted a violation of the clause. The court rejected this contention and held that the privileges protected under the 14th amendment were only those "which owe their existence to the Federal Government, its national character, its Constitution or its laws" which meant simply privileges which had been available to U.S. citizens prior to the adoption of the 14th amendment. The Court specifically found that the right to engage in the butcher business was a privilege "left to the State governments for security and protection" and had not been committed to the "special care of the Federal Government" by the privileges and immunities clause of the 14th amendment.

It would seem beyond cavil that the right to employment cannot be distinguished in this context from the right to engage in the butcher business. To contend otherwise would be, as the Court said:

> To transfer the security and protection of all the civil rights * * * to the Federal Government * * * to bring within the power of the Constitution the entire domain of civil rights heretofore belonging exclusively to the States.

Accordingly, for two reasons, the privileges and immunities clause of the 14th amendment cannot be a proper constitutional base for title VII:

First. No State statute or other State action is involved; and

Second. The right to employment is not a privilege or immunity protected by the privileges and immunities clause of the 14th amendment.

With all of its concern for inequality in employment opportunities, the equal employment opportunity title of this bill wholly fails to define "equality." Nowhere in the title can be found language to guide the Commission in its investigation of charges of racial discrimination. All the Commission is required to find is "reasonable cause" for the charge. In searching out evidence of "inequality" or "discrimination" in employment practices, what will the Commission find to be "reasonable cause"? If the Negro labor force in a particular community constitutes 10 percent of the total labor force, will a company whose Negro employees constitute only 5 percent of the company payroll be considered guilty of discrimination? If the company has 100 executives and only 4 are Negro, would this constitute discrimination in promotions to executive pay levels if the Negro work force in the rest of the company constitutes 10 percent of the total company work force? Suppose only 5 percent of the total company work force was Negro while the Negro work force of a competitor company in the same community was 15 percent of its total. Would that constitute evidence of discrimination? If the seniority list maintained by a company or a labor union had more white workers than Negro workers in the upper echelons, would this be evidence of discrimination in the discharge of employees? Even if these few examples are farfetched (which we believe they are not), still they illustrate the variety of charges which could be made and the complexity of the Commission's chore in finding or failing to find "reasonable cause" for the charges.

Once the Commission finds reasonable cause, no matter how unreasonable the evidence might appear to an impartial observer, the Commission, in order to save its own face and in compliance with the mandatory word "shall" in section 707(b) is bound to proceed with a lawsuit against the employer, and if for any reason, such as failure to find "reasonable cause," the Commission does not bring the suit, the complainant himself can bring the suit with the permission of only one member of the Commission.

At the "trial," the Commission presents whatever evidence it has compiled concerning racial disparity. At that point, the employer who has been charged with committing an "unlawful employment practice" must assume the burden of producing evidence to show, either that the conduct complained of did not, in fact, constitute discrimination, or that he did not intend by such conduct to discriminate against the complainant on account of his race. In a word, it becomes the burden of the employer to prove his own innocence. In the process of attempting to do so, he will enjoy no right of trial by jury. Rather, the entire proceeding can be conducted, not only in the absence of the jury but in the absence of a judge before a master acting as a referee for the judge. And if the decision of the court goes against the employer, he must abide strictly by the court's order or be subject to a fine or jail sentence for contempt of court, imposed by the judge in the absence of a jury.

I do not believe that the American people as a whole, whether employers or employees, want to embark upon this new adventure. I do not believe that they want to make this departure in the functional aspects of the American free enterprise system. I do not believe that they want the Federal Government, through its administrators, commissioner, investigators, lawyers, and judges, to assume this quality and quantity of control over their property and personal freedom to manage their own affairs. If this title of this legislation becomes a statute, I predict that it will be as bitterly resented and equally as abortive as was the 18th amendment, and what it will do to the political equilibrium, the social tranquillity, and the economic stability of the American society, no one can predict.

AMENDMENT OFFERED BY MR. SMITH OF VIRGINIA

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. SMITH of Virginia: On page 68, line 23, after the word "religion," insert the word "sex."
>
> On page 69, line 10, after the word "religion," insert the word "sex."
>
> On page 69, line 17, after the word "religion," insert the word "sex."
>
> On page 70, line 1, after the word "religion," insert the word "sex."
>
> On page 71, line 5, after the word "religion," insert the word "sex."

Mr. SMITH of Virginia. Mr. Chairman, this amendment is offered to the fair employment practices title of this bill to include within our desire to prevent discrimination against another minority group, the women, but a very essential minority group, in the absence of which the majority group would not be here today.

Now, I am very serious about this amendment. It has been offered several times before, but it was offered at inappropriate places in the bill. Now, this is the appropriate place for this amendment to come in. I do not think it can do any harm to this legislation; maybe it can do some good. I think it will do some good for the minority sex.

I think we all recognize and it is indisputable fact that all throughout industry women are discriminated against in that just generally speaking they do not get as high compensation for their work as do the majority sex. Now, if that is true, I hope that the committee chairman will accept this amendment.

That is about all I have to say about it except, to get off of this subject for just a moment but to show you how some of the ladies feel about discrimination against them, I want to read you an extract from a letter that I received the other day. This lady has a real grievance on behalf of the minority sex. She said that she had seen that I was going to present an amendment to protect the most important sex, and she says:

> I suggest that you might also favor an amendment or a bill to correct the present "imbalance" which exists between males and females in the United States.

Then she goes on to say—and she has her statistics, which is the reason why I am reading it to you, because this is serious—

> The census of 1960 shows that we had 88,331,000 males living in this country, and 90,992,000 females, which leaves the country with an "imbalance" of 2,661,000 females.

Now another paragraph:

> Just why the Creator would set up such an imbalance of spinsters, shutting off the "right" of every female to have a husband of her own, is, of course, known only to nature.
>
> But I am sure you will agree that this is a grave injustice—

And I do agree, and I am reading you the letter because I want all the rest of you to agree, you of the majority—

> But I am sure you will agree that this is a grave injustice to womankind and something the Congress and President Johnson should take immediate steps to correct—

And you interrupted me just now before I could finish reading the sentence, which continues on:

> immediate steps to correct, especially in this election year.

Now, I just want to remind you here that in this election year it is pretty nearly half of the voters in this country that are affected, so you had better sit up and take notice.

She also says this, and this is a very cogent argument, too:

> Up until now, instead of assisting these poor unfortunate females in obtaining their "right" to happiness, the Government has on several occasions engaged in wars which killed off a large number of eligible males, creating an "imbalance" in our male and female population that was even worse than before.
>
> Would you have any suggestions as to what course our Government might pursue to protect our spinster friends in their "right" to a nice husband and family?

I read that letter just to illustrate that women have some real grievances and some real rights to be protected. I am serious about this thing. I just hope that the committee will accept it. Now, what harm can you do this bill that was so perfect yesterday and is so imperfect today—what harm will this do to the condition of the bill?

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. SMITH of Virginia. Oh, no.

Mr. CELLER. Mr. Chairman, I heard with a great deal of interest the statement of the gentleman from Virginia that women are in the minority. Not in my house. I can say as a result of 49 years of experience—and I celebrate my 50th wedding anniversary next year—that women, indeed, are not in the minority in my house. As a matter of fact, the reason I would suggest that we have been living in such harmony, such delightful accord for almost half a century is that I usually have the last two words, and those words are, "Yes, dear." Of course, we all remember the famous play by George Bernard Shaw, "Man and Superman"; and man was not the superman, the other sex was.

I received a letter this morning from the U.S. Department of Labor which reads as follows:

> U.S. DEPARTMENT OF LABOR,
> OFFICE OF THE SECRETARY,
> *Washington, February 7, 1964.*
>
> This is in response to your inquiry about the reaction of the Women's Bureau to suggestions that the civil rights bill be amended to prohibit job discrimination on the basis of sex as well as race, creed, color, or national origin.
>
> Assistant Secretary of Labor Esther Peterson who is in charge of the Women's Bureau has replied to requests for support of such an amendment in the following way:
>
> "This question of broadening civil rights legislation to prohibit discriminations based on sex has arisen previously. The President's Commission on the Status of Women gave this matter careful consideration in its discussion of Executive Order 10925 which now prohibits discrimination based on race, creed, color, or national origin in employment under Federal contracts. Its conclusion is stated on page 30 of its report, "American Women," as follows:
>
> " 'We are aware that this order could be expanded to forbid discrimination based on sex. But discrimination based on sex, the Commission believes, involves problems sufficiently different from discrimination based on the other factors listed to make separate treatment preferable.'
>
> "In view of this policy conclusion reached by representatives from a variety of women's organizations and private and public agencies to attack discriminations based on sex separately, we are of the opinion that to attempt to so amend H.R. 7152 would not be to the best advantage of women at this time."

So we have an expression of opinion from the Department of Labor to the effect that it will be ill advised to append to this bill the word "sex" and provide for discrimination on the basis of race, color, creed, national origin, and sex as well. Of course, there has been before us for a considerable length of time, before the Judiciary Committee, an equal rights amendment. At first blush it seems fair, just, and equitable to grant these equal rights. But when you examine carefully what the import and repercussions are concerning equal rights throughout American life, and all facets of American life you run into a considerable amount of difficulty.

You will find that there are in the equality of sex that some people glibly assert, and without reason serious problems. I have been reluctant as chairman of the Committee on the Judiciary to give favorable consideration to that constitutional amendment.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. You know, the French have a phrase for it when they speak of women and men. When they speak of the difference, they say "vive la difference."

I think the French are right.

Imagine the upheaval that would result from adoption of blanket language requiring total equality. Would male citizens be justified in insisting that women share with them the burdens of compulsory military service? What would become of traditional family relationships? What about alimony? Who would have the obligation of supporting whom? Would fathers rank equally with mothers in the right of custody to children? What would become of the crimes of rape and statutory rape? Would the Mann Act be invalidated? Would the many State and local provisions regulating working conditions and hours of employment for women be struck down?

You know the biological differences between the sexes. In many States we have laws favorable to women. Are you going to strike those laws down? This is the entering wedge, an amendment of this sort. The list of foreseeable consequences, I will say to the committee, is unlimited.

What is more, even conceding that some degree of discrimination against women obtains in the area of employment, it is contrary to the situation with respect to civil rights for Negroes. Real and genuine progress is being made in discrimination against women. The Equal Pay Act of 1963, for example, which became law last June, amends the Fair Labor Standards Act of 1938 by prohibiting discrimination between employees on the basis of sex, with respect to wages for equal work on jobs requiring equal skill, effort, and responsibility.

It is a little surprising to find the gentleman from Virginia offering the language he does offer as an amendment to the pending measure. The House knows that this is the language of a proposed constitutional amendment introduced in the House.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. CELLER. It is rather anomalous that two men of our age should be on the opposite sides of this question.

Mr. SMITH of Virginia. I am sure we are not. But I know the gentleman is under obligation not to submit any amendments other than those that are agreed upon between the coalition of the Republicans and Democrats that is controlling the movement of the committee. I wanted to ask the gentleman to clarify what he said. I did not exactly get what he stated about Negroes. He said he was surprised.

Mr. CELLER. I was a little surprised at your offering the amendment.

Mr. SMITH of Virginia. About what?

Mr. CELLER. Because I think the amendment seems illogical, ill timed, ill placed, and improper. I was of that opinion, the amendment coming from the astute and very wise gentleman from Virginia.

Mr. SMITH of Virginia. Your surprise at my offering the amendment does not nearly approach my surprise, amazement, and sorrow at your opposition to it.

Mr. CELLER. As long as there is a little levity here, let me repeat what I heard some years ago, which runs as follows:

Lives there a man with hide so tough
Who says, "Two sexes are not enough."

In any event, I refer again to the President's Commission. They came to the conclusion in these words:

> The Commission strongly urges in the carrying out of this recommendation special attention be given to difficulties that are wholly or largely the products of this kind of discrimination.

The Commission says, wait until mature studies have been made. I say, wait, indeed, until more returns are in before we attempt to do anything like this on this bill. In any event, it should not be done piecemeal, it should be done generally and universally.

Mr. DOWDY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as I have offered this same amendment to some of the prior titles to which it was applicable, including one concerning education, in which I placed in the RECORD a number of instances where women are discriminated against in getting an education, if the chairman of the committee will permit me to ask a question, this letter he read from the Women's Bureau, was it signed by a man or a woman?

Mr. CELLER. It was signed by a man.

Mr. DOWDY. I had an idea that would be true—the letter from the Women's Bureau of the Department of Labor opposing this equal rights for women amendment was signed by a man. I think there is no need for me to say more. Even the Department set up by the U.S. Government for the benefit of women is opposed to equal rights in employment for women. I urge the adoption of this amendment, I would have offered it myself, but yielded the honor to my beloved colleague from Virginia [Mr. SMITH].

Mrs. FRANCES P. BOLTON. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, it is always perfectly delightful when some enchanting gentleman, from the South particularly, calls us the minority group. We used to be but we are not any more. I have just had the figures sent me. You males, as you seem to like to call yourselves, are 88,331,494. We females, as you like to call us, are 90,991,681. So I regret to state that we can no longer be the minority; indeed, we have not been for some time.

Also, I would like to suggest that to read the sports news about the winter games in Innsbruck, I think it was a woman who rather saved the United States situation?

I think that perhaps this particular motion of the gentleman from Virginia may be displaced. I do not know enough about parliamentary methods to be certain, and I have not studied it. But I do propose to submit an amendment in the 10th title, which I am told is germane there, and I shall present it at the appropriate time.

Mr. BASS. Mr. Chairman, will the gentlewoman yield?

Mrs. FRANCES P. BOLTON. I yield to the gentleman from Tennessee.

Mr. BASS. With relation to her remarks and her amendment, I just got off an airplane.

Mrs. FRANCES P. BOLTON. You did?

Mr. BASS. Yes, now what I was leading up to is this. A young lady works for an airline company, and she is worried about discrimination against married women because she is about to get married. Then she will lose her job. So she wants something done to prevent discrimination against married women.

Mrs. FRANCES P. BOLTON. May I suggest to the gentleman that married women get along very well because they usually, after they have had their children and brought them to a certain age, go back into business to really protect the family against too little money.

Mr. BASS. I am for all women, I want the record to show that I am for both the unmarried and the married women.

Mr. SMITH of Virginia. Mr. Chairman, will the gentlewoman yield?

Mrs. FRANCES P. BOLTON. I yield to the gentleman.

Mr. SMITH of Virginia. If I understood the gentlewoman correctly, she said, I believe, that she would support this pending amendment that I have offered, but that you expect to offer an amendment to title X?

Mrs. FRANCES P. BOLTON. Yes; that is title X, the miscellaneous title.

Mr. SMITH of Virginia. I do not like the idea here of it going in under "miscellaneous." I think women are entitled to more dignity than that.

Mrs. FRANCES P. BOLTON. My colleague, may I suggest to you, that we are so used to being just "miscellaneous."

Mr. SMITH of Virginia. What I wanted to say is entirely in a cooperative spirit, but I suggest that the gentlewoman examine title X because I do not think there is any place there where it would be suitable and maybe it is not germane.

Mrs. FRANCES P. BOLTON. We can take that up when I offer the amendment. I am so happy to have the gentleman's opinion in the matter.

Mr. SMITH of Virginia. I was just hoping that the good gentlewoman was going to give her full support to my amendment, and then we will talk about her amendment.

Mrs. FRANCES P. BOLTON. I would also like to add at this moment when we have been victorious over there at Innsbruck, this statement: Even your bones harden long before our bones do—we live longer, we have more endurance.

Mrs. GRIFFITHS. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, I presume that if there had been any necessity to have pointed out that women were a second-class sex, the laughter would have proved it.

Mr. Chairman, I rise in support of the amendment primarily because I feel as a white woman when this bill has passed this House and the Senate and has been signed by the President that white women will be last at the hiring gate.

In his great work "The American Dilemma," the Swedish sociologist pointed out 20 years ago that white women and Negroes occupied relatively the same position in American society.

Before I begin my argument, however, I would like to ask the chairman of the Committee on the Judiciary, the gentleman from New York, a question.

Mr. Chairman, is it your judgment that this bill will protect colored men and colored women at the hiring gate equally?

Mr. CELLER. This bill is all-embracing and will cover everybody in the United States.

Mrs. GRIFFITHS. It will cover every colored man and every colored woman?

Mr. CELLER. Yes, it will cover white men and white women and all Americans.

Mrs. GRIFFITHS. We will find out in just a few minutes how differently it is going to cover them.

Now I would like to ask you if in your judgment this bill says at any point that a Negro woman will only be protected if she is applying for a job historically held by a white woman?

Could she then invoke the act?

Mr. CELLER. It would apply to a Negro woman if she were proscribed or discriminated against on the basis of race.

Mrs. GRIFFITHS. If she applied for a job which had been historically held by a white man?

Mr. CELLER. I do not know about the "historically." The point is, if there is evidence that she has been proscribed or discriminated against in hiring, firing, promotion, or in matters of seniority, and if there were an element of discrimination which could be proved and demonstrated, then there would be a violation of the act involved.

Mrs. GRIFFITHS. Then may we consider an example. Suppose a Negro woman had been washing dishes in a "greasy spoon," a very poor restaurant, and farther up the street there was a very good restaurant which employed only white people, and all the dishwashers were white men. Suppose they put a sign in the window, "dishwasher wanted." The Negro woman with experience, qualified, let us suppose, applied for the job and was turned away.

In the chairman's judgment, could she invoke the provisions of the act?

Mr. CELLER. If the Negress who applied for the job was disqualified because of the pigmentation of her skin, because she was colored, the act would apply.

Mrs. GRIFFITHS. Suppose the employer said to her, "No, we will not employ you as a dishwasher. We have only men dishwashers." And suppose she replied, "Sir, you have only white people in this restaurant. I am qualified."

Mr. CELLER. It all involves a question as to whether or not there has been discrimination based upon color. That is a question of fact which has to be determined, finally.

Mrs. GRIFFITHS. In your judgment—and you are a good lawyer—that woman would have made a prima facie case, would she not?

Mr. CELLER. Not necessarily. We would want to get more facts. We would have to inquire.

Mrs. GRIFFITHS. That is the easy case. Let us make it tougher.

Suppose there were three men dishwashers and two women dishwashers and one man dishwasher quit, and they wished to fill one job. Suppose the Negro woman applied, and was qualified.

Would she not have made a prima facie case?

Mr. CELLER. If it can be said that she is qualified and that the employer deliberately refused to accept her because of the color of her skin, then there would be the discrimination covered by this act.

Mrs. GRIFFITHS. Right.

The CHAIRMAN. The time of the gentlewoman from Michigan has expired.

(By unanimous consent, Mrs. GRIFFITHS was given permission to proceed for 5 additional minutes.)

Mr. CELLER. May I add, of course the gentlewoman did not take into consideration the numerical requirements; that in the first year of the operation of the act the place would have 100 employees, in the second year 50 employees, and in the third year 25.

Mrs. GRIFFITHS. We will be glad to make it the first year after the act, and 100 employees. That is no problem at all.

Let us try the next case.

I come from a city in which there is a university. It is my understanding that there has never been a woman political scientist employed at that university to teach political science. Suppose a colored woman political scientist applied for a job. Could she or could she not invoke the act?

Mr. CELLER. Of course, we are addressing ourselves to business activity. It is conceivable that colleges might be covered. There again, if there were discrimination then there would be a violation.

Mrs. GRIFFITHS. Could a white woman turned away from the college or from the restaurant where all the employees were white invoke the act? Would a white woman have any recourse under the act?

Mr. CELLER. I think we covered that in colloquies we had in the earlier part of the afternoon. There could be discrimination against white people and there could be against colored people.

Mrs. GRIFFITHS. Mr. Chairman, you know well and good if every employee of that restaurant were white, that that woman cannot go to the FEPC or to a district attorney and say, "I was turned away from there because I was white," because every employee is white there.

Mr. CELLER. That is speculation. Of course, that may be due to the derelictions of the particular Government agency; and if there are such cases, there is discrimination, and I think we, as Members of Congress, should all complain if it happens. You have, for example, in your own State, I am just informed, an FEPC, and if that occurred in your State, I think they ought to be notified and you ought to ask some questions of that FEPC.

Mrs. GRIFFITHS. Mr. Chairman, I had a white woman come to my office who had been turned away from the FEPC. They refused even to consider her case. She had gone directly to the Michigan Unemployment Compensation Commission. They had not only considered her case, but they gave her compensation on the basis that no person has to work in fear of their life. The Fair Employment Practices Commission of Michigan refused to acknowledge they ever considered the case and that she ever made the complaint.

Mr. CELLER. Knowing the true and dedicated spirit in which you do your work, if that lady came to you, I am sure you would get redress for her.

Mrs. GRIFFITHS. Thank you very much, Mr. Chairman.

Now, Mr. Chairman, I would like to proceed to some of the arguments I have heard on this floor against adding the word "sex." In some of the arguments, I have heard the comment that the chairman is making, which is, that this makes it an equal rights bill. Of course it does not even approach making it an equal rights bill. This is equal employment rights. In one field only—employment. And if you do not add sex to this bill, I really do not believe there is a reasonable person sitting here who does not by now understand perfectly that you are going to have white men in one bracket, you are going to try to take colored men and colored women and give them equal employment rights, and down at the bottom of the list is going to be a white woman with no rights at all.

Let me repeat the example that I have just given you in the case of the restaurant. In that particular case, or in the case of the university, the chairman knows and I know that a white woman, when she asks for that job and is turned away, has no recourse, and nobody on earth has to explain for it. Furthermore, they have been turned away so many times in so many cases, without writing but with laughter, that it will be impossible for any employee to prove that an employer has systematically discriminated against women on account of sex. So, when the colored woman shows up and she is qualified, she is going to have an open entree into any particular field.

Now, when I brought this up with various lawyers on the floor, one of them suggested to me that I was really trying to give a 100-pound woman the right to drive a haulaway truck. So I got to thinking about it. That is not really what I am trying to do, but let us take a case. Supposing a little 100-pound colored woman arrives at the management's door and asks for the job of driving a haulaway truck, and he says, "Well, you are not qualified," and she says, "Oh, yes, I am. During the war I was the motorman on a streetcar in Detroit. For the last 15 years I have driven the schoolbus."

Surely, Mr. Chairman, we are hiring the best drivers to drive the most precious cargo. Of course, that woman is qualified. But he has only white men drivers. Do you not know that that woman is not going to have a right under this law? Merely to ask the question is to answer it.

The CHAIRMAN. The time of the gentlewoman from Michigan [Mrs. GRIFFITHS] has expired.

Mrs. GRIFFITHS. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Michigan?

There was no objection.

Mrs. GRIFFITHS. Now, it has been suggested to me by one Member on the floor that if a job were repeatedly filled by colored women, that a white woman would be able to invoke the Federal Employment Practices Act. In my judgment, as long as a majority of the drivers in a haulaway concern were white drivers, as long as the majority of employees in the restaurant, in the university, were white people, no white woman could invoke the act. She will continue to work in the greasy spoon, drive the schoolbus, and do the other underpaid jobs.

Some people have suggested to me that labor opposes "no discrimination on account of sex" because they feel that through the years protective legislation has been built up to safeguard the health of women. Some protective legislation was to safeguard the health of women, but it should have safeguarded the health of men, also. Most of the so-called protective legislation has really been to protect men's rights in better paying jobs.

As late as 1948 such an argument came from the State of Michigan before the Supreme Court of the United States in the case of Goesart et al. against Cleary et al. In the most vulgar and insulting of decisions handed down in this century by the Supreme Court, notable for its lack of legal learning as well as for its arrogant prejudice, the majority of the Supreme Court decided that it was well within the police powers of the State of Michigan for the legislature to draw the most arbitrary and capricious of lines as to who could tend bar in Michigan.

I am happy to say that in the dissenting minority were Justices Rutledge and Frank Murphy of the State of Michigan who said:

> While the equal protection clause does not require a legislature to achieve "abstract symmetry" or to classify with "mathematical nicety" that clause does require lawmakers to refrain from invidious distinctions of the sort drawn by the statute challenged in this case.

In the majority opinion, however, there was a most interesting statement made which, I think when this bill is passed, may be tested. The majority said:

> The Constitution does not require a legislature to reflect sociological insight or shifting social standards any more than it requires them to keep abreast of the latest scientific standards.

Now, of course, that runs directly contrary to the statement made long ago that the decisions of the Supreme Court follow the election returns.

In my opinion, when this bill is passed, some of these arbitrary classifications passed in State statutes will be tested again by colored women, and I have yet to find a lawyer on this floor who cares to state unequivocally that the State law will continue to prevail.

In other words, if labor is seeking to maintain the old distinction, they wil do far better to support this amendment and ask for a savings clause in this law, and we will all start even in the morning.

It would be incredible to me that white men would be willing to place white women at such a disadvantage except that white men have done this before. When the 14th amendment had become the law of the land, a brave woman named Virginia Minor, native-born, free, white citizen of the United States and the State of Missouri, read the amendment, and on the 15th of October 1872, appeared to register to vote. The registrar replied that the State of Missouri had a statute which said that only males could register to vote. Her reply, of course, was, "Why, the 14th amendment says 'No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States.'"

In October 1874 in 13 pages of tortured legal reasoning, the Supreme Court of the United States explained how the Missouri law prevailed, and finally said:

> The amendment did not add to the privileges and immunities of a citizen. It simply furnished an additional guaranty for the protection of such as he already had.

So, Mr. Chairman, your greatgrandfathers were willing as prisoners of their own prejudice to permit ex-slaves to vote, but not their own white wives.

The CHAIRMAN. The time of the gentlewoman has expired.

Mrs. GRIFFITHS. Mr. Chairman, I ask unanimous consent to address the House for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Michigan?

There was no objection.

Mrs. GRIFFITHS. Mr. Chairman, more than 40 years passed before the 19th amendment gave women the right to vote. But white women alone did not secure that right. White men voted for that right; but white people alone did not secure that right. Colored men voted for that right, and colored women were among the suffragettes. Sojourner Truth, a Detroit woman, was the greatest of all of these.

Mr. Chairman, a vote against this amendment today by a white man is a vote against his wife, or his widow, or his daughter, or his sister.

If we are trying to establish equality in jobs, I am for it, but I am for making white women equal, also.

Mrs. ST. GEORGE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I was somewhat amazed when I came on the floor this afternoon to hear the very distinguished chairman of the Committee on the Judiciary make the remark that he considered the amendment at this point illogical. I can think of nothing more logical than this amendment at this point.

This bill, which I support, so that you will know that I am not just talking off the top of my head, this bill if it is to become law will be a law that exists in a stronger form in 32 States of our Union. It will then be imposed on the other 18 States.

In support of this I would like to read a colloquy which was held not in executive session, certainly, but in open session of the Rules Committee, in which I asked the ranking member of the Committee on the Judiciary, the gentleman from Ohio [Mr. McCulloch], about this very thing. If you will bear with me a minute, I will read it:

> Mrs. St. George. Mr. Chairman, there is one question I would like to ask the gentleman from Ohio. Is it a fact that the law as now constituted in your State of Ohio and in my State of New York is, if anything, stronger than the law as it will be if this legislation passes?
>
> Mr. McCulloch. The law of the State of New York and the law of the State of Ohio is much stronger in the affected fields than is this legislation.
>
> Mrs. St. George. Another question. There are 32 States, as I understand it, that already have civil rights legislation. Are those States also in most cases stronger in their civil rights legislation than they would be under this law?
>
> Mr. McCulloch. Without having read every State statute, I would say the States with the large populations without exception have legislation in this field that is stronger than that which we propose.
>
> Mrs. St. George. Going on from there, in other words, there are 18 States that do not have such legislation, is that correct?
>
> Mr. McCulloch. That is correct.
>
> Mrs. St. George. So, this is really being written for those 18 States, to all intents and purposes, because we already have this, so this will not make any very great difference to us, except if it supersedes the law of the State. Is it going to do that?
>
> Mr. McCulloch. It is not intended to supersede the laws of the States, except when it is in conflict and grants or insures lesser rights than are provided for in this legislation.
>
> Mrs. St. George. Otherwise, as in my State of New York, we will continue to function under the law as it is now written in the State of New York, and in your State of Ohio it will be the same thing?
>
> Mr. McCulloch. That is true.
>
> Mrs. St. George. So, when we come right back to brass tacks, this is legislation written for 18 States which do not have civil rights legislation at the present time.
>
> Mr. McCulloch. I think that is an accurate statement, yes.

The reason I bring that up is that a great many gentlemen, the predominating membership of this House, have a facetious way of saying to any woman on the question of equality, equal rights under the law, and so forth, "But you have all that already."

Mr. Chairman, I am willing to admit that in a great many States we have got it already.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

(By unanimous consent, Mrs. St. George was allowed to proceed for 5 additional minutes.)

Mrs. ST. GEORGE. But there are still many States where this equality does not exist.

There are still many States where women cannot serve on juries. There are still many States where women do not have equal educational opportunities. In most States and, in fact, I figure it would be safe to say, in all States—women do not get equal pay for equal work. That is a very well known fact.

Protective legislation prevents, as my colleague from the State of Michigan just pointed out—prevents women from going into the higher salary brackets. Yes, it certainly does.

Women are protected—they cannot run an elevator late at night and that is when the pay is higher.

They cannot serve in restaurants and cabarets late at night—when the tips are higher—and the load, if you please, is lighter.

So it is not exactly helping them—oh, no, you have taken beautiful care of the women.

But what about the offices, gentlemen, that are cleaned every morning about 2 or 3 o'clock in the city of New York and the offices that are cleaned quite early here in Washington, D.C.? Does anybody worry about those women? I have never heard of anybody worrying about the women who do that work.

So you see the thing is completely unfair.

And to say that this is illogical. What is illogical about it? All you are doing is simply correcting something that goes back, frankly to the Dark Ages. Because what you are doing is to go back to the days of the revolution when women were chattels. Of course, women were not mentioned in the Constitution. They belonged, first of all, to their fathers; then to their husbands or to their nearest male relative. They had no command over their own property. They were not supposed to be equal in any way, and certainly they were never expected to be or believed to be equal intellectually.

Well, I will admit from what I have seen very frequently here, I think the majority sex in the House of Representatives may not consider us mentally quite equal, but I think on the whole considering what a small minority we are here that we have not done altogether too badly.

I think for that reason, if for no other, we would like to be given more opportunities.

I can assure you we can take them.

I can assure you that we have fought our way a long way since those days of the Revolution. We have fought our way a long way even since the beginning of this century. Why should women be denied equality of opportunity? Why should women be denied equal pay for equal work? That is all we are asking.

We do not want special privileges. We do not need special privilege. We outlast you—we outlive you—we nag you to death. So why should we want special privileges?

I believe that we can hold our own. We are entitled to this little crumb of equality.

The addition of that little, terrifying word "s-e-x" will not hurt this legislation in any way. In fact, it will improve it. It will make it comprehensive. It will make it logical. It will make it right.

Mrs. GREEN of Oregon. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I suppose that this may go down in history as "women's afternoon," but the women of the House, I feel sure, recognize that you men will be the ones who finally make the decision.

I wish to say first to the gentleman who offered this amendment and to others who by their applause I am sure are giving strong support to it that I, for one, welcome the conversion, because I remember when we were working on the equal pay bill that, if I correctly understand the mood of the House, those gentlemen of the House who are most strong in their support of women's rights this afternoon, probably gave us the most opposition when we considered the bill which would grant equal pay for equal work just a very few months ago. I say I welcome the conversion and hope it is of long duration.

I do not know whether I am in the minority or whether I am in the majority earlier referred to by the gentleman from Virginia and I do not know whether, after I leave the floor today, I shall be called an "uncle Tom"—or perhaps an "aunt Jane." However, as the author of the equal pay bill and as a member of the President's Commission on the Status of Women, I believe I have demonstrated my concern and my determination to advance women's opportunities in every reasonable way possible. But—I do not believe this is the time or place for this amendment.

Let me say first that I agree with many of the statements my women colleagues have made about the great amount of discrimination against women. Any woman who wants to have a career, who wants to go into the professions, who wants to work, I feel cannot possibly reach maturity without being very keenly and very painfully made aware of all the discrimination placed against her because of her sex.

This is true when I am invited to a club in Washington as a guest to attend a conference, and when I arrive at the front door to attend that conference, solely because I am a woman, I have to go to the side door to gain admittance.

I do not know whether you gentlemen realize it, but not long ago—in fact, in September—a group of Latin American editors were invited to the Press Club here in Washington, D.C. When that group of 12 Latin American editors arrived there was one woman among them, and the group was barred admission to the Press Club and held up for 20 minutes because one woman was in the group. After 20 minutes the group, including the woman editor, was finally escorted up the fire steps at the back of the building. That is a matter of record.

I do not feel that anyone can really, honestly deny various discriminations in many ways.

Mr. Chairman, discrimination is also rampant in politics. You gentlemen want the women to work in your campaigns, but I hear more jokes about women in politics than about women in any other field.

If I may digress, I have tremendous admiration for MARGARET CHASE SMITH—for her ability, for her integrity, for her political courage. I do not know—but deep down in her heart I do not believe she feels honestly she could possibly win this year—but what wonderful courage! And perhaps she is making that sacrifice hit which will allow some woman at some time in the future to get to third base or possibly to score.

After I have said all of this Mr. Chairman, I honestly cannot support the amendment. For every discrimination that has been made against a woman in this country there has been 10 times as much discrimination against the Negro of this country. There has been 10 times maybe 100 times as much humiliation for the Negro woman, for the Negro man and for the Negro child. Yes; and for the Negro baby who is born into a world of discrimination.

From the first day of life that baby is the object of discrimination—sometimes subtle, sometimes cruel, and he or she will feel it far more keenly all of his life than I possibly could. Yes—the Negro will suffer far more from discrimination than any discrimination that has been placed against me as a woman or against any other woman just because of her sex. Whether we want to admit it or not, the main purpose of this legislation today is to try to help end the discrimination that has been practiced against Negroes. This becomes almost a way of life. May I submit to my women colleagues, while I join with you in objecting to the discrimination against women, may I say that in all fairness the discrimination against the female of the species is not really a "way of life" and, I repeat, it is a way of life against Negroes in many parts of the country and has been for far too many years. And I must admit to my male colleagues that sometimes, in some ways, maybe women do get some advantages. However, this bill is primarily for the purpose of ending discrimination against Negroes in voting and in public accommodations and in education and, yes, in employment, under this FEPC law. As much as I hope the day will come when discrimination will be ended against women, I really and sincerely hope that this amendment will not be added to this bill. It will clutter up the bill and it may later—very well—be used to help destroy this section of the bill by some of the very people who today support it. And I hope that no other amendment will be added to this bill on sex or age or anything else, that would jeopardize our primary purpose in any way.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. THOMPSON of New Jersey. Mr. Chairman, I ask unanimous consent that the gentlewoman from Oregon [Mrs. GREEN] may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mrs. GREEN of Oregon. Mr. Chairman, in the spirit of American freedom and liberty, cruel discriminations cry out to be corrected in this Nation. Today, I repeat, let us not add any amendment that would place in jeopardy in any way our primary objective of ending that discrimination that is most serious, most urgent, most tragic, and most widespread against the Negroes of our country.

May I also say I am not in complete agreement with everything that has been said by my women colleagues. I think that I, as a white woman, have been discriminated against, yes—but for every discrimination that I have suffered, I firmly believe that the Negro woman has suffered 10 times that amount of discrimination. She has a double discrimination. She was born as a woman and she was born as a Negro. She has suffered 10 times as much discrimination as I have. If I have to wait for a few years to end this discrimination against me, and my women friends—then as far as I am concerned I am willing to do that if the rank discrimination against Negroes will be finally ended under the so-called protection of the law.

May I say, Mr. Chairman, to the best of my knowledge, there was not one word of testimony in regard to this amendment given before the Committee on the Judiciary of the House or before the Committee on Education and Labor of the House, where this bill was considered. I repeat—there was not one single bit of testimony given in regard to this amendment. There was not one single organization in the entire United States that petitioned either one of these committees to add this amendment to the bill. There was not one single Member of the House who came to the Committee on Education and Labor or who came to the Committee on the Judiciary and offered such an amendment.

Finally, Mr. Chairman, may I read a letter which was sent to me yesterday which reads as follows. It is from the American Association of University Women:

Hon. Edith Green,
House of Representatives,
Washington, D.C.

Dear Mrs. Green: It has been brought to the attention of the Legislative Program Committee of the American Association of University Women, which is meeting today, that it is probable that an amendment providing for the addition of the word "sex" to section 704 in title 7 of the civil rights bill on discrimination because of race, color, religion or national origin would be offered on the floor this afternoon. In our opinion the inclusion of the word "sex" in this title on discrimination is redundant and could actually work to the disadvantage of this very important legislation. We urge you to speak against this and other amendments which could weaken or impede the passage of this very vital legislation which you, as an AAUW member, know we in the association support.

Sincerely,

Marjorie C. Hahn
Mrs. George C. Hahn,
Chairman, Legislative Program Committee.

Mr. ROOSEVELT. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN. I yield to the gentleman from California.

Mr. ROOSEVELT. Mr. Chairman, I want to pay tribute to the courage and to the objectiveness of the very distinguished lady from Oregon. I want to corroborate what she has said. I want to say simply that before the Committee on Education and Labor there was an agreement that the committee of which my mother had the privilege to be chairman, when it was appointed, it was with the understanding that it would finish its work and after it finished its work and a report came from the administration, then a bill would be considered in the proper course of events. I would certainly say to the gentlelady, and I think she will agree, that when that time comes and the recommendation is made we will try to find a way to eliminate the discriminations which have been spoken of without doing the injuries which we all know also might exist if we legislated in an unwise fashion.

Mrs. GREEN. I thank the gentleman.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. I have the good fortune to be the chairman of the subcommittee of the Committee on Education and Labor which handled the bill of the gentlewoman from Oregon providing, after years and years of effort on her behalf, equal pay for equal work for women. I know perfectly well that although this legislation is great and good, there are still things to be done. But I think the experience which the Congress had with respect to equal pay legislation might well be thought of carefully here.

In the first instance it was not considered carefully enough, moved too fast and was defeated in this body. There is much to be done, that is true. If one were to consider carefully all of the suggestions, there is much to be done. This is a difficult area in which to legislate. I think, however, that we do not want to go so fast and so far that the old rule of abandoning ship will be changed and the woman will have to take her place in line rather than to go first.

I do not think the gentlewoman from Oregon need yield to anyone, with all due respect to her colleagues, in the interests of legislating in behalf of women because she has proven it in the form of legislation. If one were to analyze all of the cases, the hypothetical cases set forth by our distinguished colleague from Michigan [Mrs. Griffiths], it would appear that only color need be substituted for sex in those instances, and the result of every one of them would be changed.

So I thank the courageous gentlewoman from Oregon for her contribution, and I might say that I agree quite clearly with her.

Mrs. MAY. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, this indeed seems to be, as my distinguished colleage from Oregon stated, ladies' afternoon. You have heard eloquent, articulate, logical, and consistent arguments in support of this amendment from my distinguished fellow female colleagues from both sides of the aisle.

Certainly, the gentlewoman from Michigan [Mrs. Griffiths] has outlined in effective legalistic terms what we are asking here today in the way of equal consideration for all women. The gentlewoman from New York [Mrs. St. George] and the gentlewoman from Ohio [Mrs. Bolton] and others have presented additional cogent arguments. I believe the case is fully presented, and I do not wish to prolong the debate.

However, in recognizing my colleague from Oregon [Mrs. Green], for her courageous stand, I would say that I do not think we can ever really assume what is in the mind of any one of the 435 Members of the House when he offers an amendment or prejudge any Member on how he intends to vote on a measure. I would not assume that responsibility. I know the gentlewoman is sincere in her convictions, as I am sincere, because we have worked together in this field of trying to get an equal rights amendment to the Constitution. But may I point out to her that I just cannot assume, as she has, that the addition of this important amendment, no matter who offers it, will jeopardize this bill. We have been trying since 1923 to get enacted in the Congress an equal rights for women amendment to the Constitution.

Since 1923 more and more Members have offered this amendment, but we have never gotten the bill out of the Committee on the Judiciary. The League of Women Voters, some Federated Women's Clubs, the National Federation of Business and Professional Women have joined the National Woman's Party in consistently asking that wherever laws or Executive orders exist which forbid discrimination on account of race, color, religion, or national origin that these same laws and orders should also forbid discrimination on account of sex.

Recently in our congressional mail we received a letter from Emma Guffey Miller, national chairman of the National Woman's Party, which expresses alarm over the complete absence in this bill of any reference to civil rights for women. She says:

> We are alarmed over the interpretation that may be given to the words "discrimination on the account of race, color, religion, and national origin" used in the bill, if the meaning of these words is not made clear in the bill itself. We are informed that in the past some government officials have interpreted "race, color, religion, and national origin" in a way that has discriminated against the white, native-born American woman of Christian religion.

I share the views of my colleague from Oregon in her desire to eliminate the proven discrimination which colored women have suffered, but at the same time I feel it is only just and fair to give all women protection against discrimination.

Mr. Chairman, this is to me the crux of the question before us. As I say, I am supporting the amendment on that basis and on behalf of the various women's organizations in this country that have for many years been asking for action from the Congress in this field, and who see this as the one possibility we may have of getting effective action.

I urge your support of this amendment.

Mrs. KELLY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment. I feel I would be remiss in my duty if I did not so state. There is little I can add to the arguments of my colleagues who supported this amendment, the gentlewoman from Michigan who presented most legal arguments. My colleague from New York [Mrs. St. George] who stated that "fringe benefits" and the protective laws of the several States would not be destroyed by our favorable action on this amendment. I also compliment my colleague from Oregon who is opposed to the amendment, for her arguments, even though I disagree with her position. If this section VII, equal employment opportunity section cannot be perfected to include women, then, it has no place in the bill. Why restore civil rights to all and fail to give equal opportunity to all. My support and sponsorship of this amendment and of this bill is an endeavor to have all persons, men and women, possess the same rights and same opportunities. In this amendment we seek equal opportunity in employment for women. No more—no less.

I do not want any person to secure more rights than any other, all I want is same opportunities and right—on and in all levels of government, or entities.

I do not want anyone to be denied that which is his or her inherent rights as an individual.

Let us recognize that there are many minorities in this country in all groups and organizations. There are minorities within groups as was mentioned this morning by previous speakers. For their opportunity, we seek to secure these rights under this bill—whether group is civic, social, or racial or an economic group.

It is unfortunate that there is not equal opportunity on account of economic status. It is reaching a point in this country when a person cannot seek public office because one lacks the economic status. This must, too, be corrected by proper legislation. Sure, all Americans do not want this. Furthermore, we do not want opportunities obtained on account of race, color, or creed, social status, or economic status—but on account of merit.

I admit there are many places of employment I would prefer not to have women employed but I never want to deny them the right if they wish to seek that employment.

I regret to state that the Department of Labor was against the equal pay bill for many, many years. I had introduced the bill back in 1951 and was delighted to have my colleague, the gentlewoman from Oregon [Mrs. GREEN], achieve its passage last year. Mrs. Peterson whose letter was read in opposition to the present amendment does not speak for all the women of the United States nor do the university women.

Again I state I am not for the equal pay amendment. I introduced the original equal pay bill as the answer to that amendment. I believe in equality for women, and am sure the acceptance of the amendment will not repeal the protective laws of the several States. I therefore urge all to support this amendment and hope it will prevail.

Mr. TUTEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to compliment the performance of the brilliant female Members of this great body.

It has been brought out in the debate here today that I am definitely a member of a minority group. In view of the reference to Innsbruck and the brilliant performance here on the floor today, I accept my place, ladies, as a second-class citizen. Although I am second class and a member of a minority group, I rise to inform the House that I always take my stand for the majority.

I have been vigorously opposed to this bill—not as a racist—but in the interest of the rights of all of the citizens of this country. Since I am a man, which places me in the minority and makes me a second-class citizen—and the fact that I am white and from the South—I look forward to claiming my rights under the terms of this legislation.

But, Mr. Chairman, the main purpose of my rising is this: Some men in some areas of the country might support legislation which would discriminate against women, but never let it be said that a southern gentleman would vote for such legislation.

Therefore, Mr. Chairman, I rise in support of this amendment.

Mr. POOL. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, I arise in support of the amendment and point out that the interests and welfare of all American citizens, without distinction as to sex, shall prevail. This principle of equality of rights under the law for all citizens without distinction as to sex would thereby safeguard American women from such inequities with regard to their civil rights as are now threatened in the pending civil rights bill.

Mr. ANDREWS of Alabama. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, I rise in support of this amendment offered by the gentleman from Virginia [Mr. SMITH]. Unless this amendment is adopted, the white women of this country would be drastically discriminated against in favor of a Negro woman.

If a white woman and a Negro woman applied for the same job, and each woman had the identical qualifications, the chances are about 99 to 1 that the Negro woman would be given the job because if the employer did not give the job to the Negro woman he could be prosecuted under this bill. Failure to employ the white woman would not subject the employer to such action.

Commonsense tells us that the employer would hire the Negro woman to avoid prosecution. The white woman will be at a great disadvantage in the business world unless this amendment is adopted.

Mr. RIVERS of South Carolina. I rise in support of the amendment offered by the gentleman from Virginia [Mr. SMITH] making it possible for the white Christian woman to receive the same consideration for employment as the colored woman. It is incredible to me that the authors of this monstrosity—whomever they are—would deprive the white woman of mostly Anglo-Saxon or Christian heritage equal opportunity before the employer. I know this Congress will not be a party to such an evil.

Mr. SMITH of Virginia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall not take the 5 minutes but I want to call attention to the fact that the gentlewoman from Oregon read a letter from the Organization of University Women.

I did not mention it, but I assume all of you have received the same letter I received from the American Women's Party urging the adoption of this amendment. I hope you will take that into account in determining how to vote on this amendment.

There is one thing that I want to say that I think is extremely serious about this bill so far as white women are concerned.

If the bill is passed there is a provision in subparagraph (c) on page 79 which would require that every employer in the United States, from General Motors on down to anyone who employs as many as 25 people, keep an accurate record of all hiring and firing activities. That record would have to contain all of the details required by this Commission. The organization woud have to keep records as to why one was not employed and why another was employed.

I put a question to you in behalf of the white women of the United States. Let us assume that two women apply for the same job and both of them are equally eligible, one a white woman and one a Negro woman. The first thing that employer will look at will be the provision with regard to the records he must keep. If he does not employ that colored woman and has to make that record, that employer will say, "Well, now, if I hire the colored woman I will not be in any trouble, but if I do not hire the colored woman and hire the white woman, then the Commission is going to be looking down my throat and will want to know why I did not. I may be in a lawsuit."

That will happen as surely as we are here this afternoon. You all know it.

I have not heard anybody give any valid reason why the amendment should not be adopted.

Mr. GARY. Mr. Chairman, will my distinguished colleague yield?

Mr. SMITH of Virginia. I yield to my colleague.

Mr. GARY. I wish to associate myself with my colleague in support of his amendment. I believe it is a good amendment and I trust the House will adopt it.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Alabama.

Mr. HUDDLESTON. I thank the gentleman for yielding. I shall take only a minute.

I do not wish to delay the further consideration of the bill any longer than necessary.

We have all heard this afternoon from some of the opponents of this amendment a hue and cry that this will do so much damage to the civil rights bill. Those of you who were in the House in 1957 will remember that, at that time, we considered an amendment to allow women to serve on Federal juries. That amendment was offered on the floor. At that time the hue and cry went out from these same partisans to the effect that it would ruin the bill. It did not ruin that bill.

I fail to see any logic in the argument that this amendment would do any damage to the legislation.

I thank the gentleman from Virginia for yielding.

Mr. WATSON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from South Carolina.

Mr. WATSON. Mr. Chairman, I commend my distinguished leader from Virginia for his foresight in presenting this splendid amendment. I join with him and others in wholehearted support of the amendment. I hope that it will pass to prove to everyone that we believe in equal rights for all people, and especially for the ladies of our Nation.

Mr. LINDSAY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I oppose the amendment, because I do not believe it belongs in this bill. I hope it will be voted down.

Mr. MATHIAS. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Maryland.

Mr. MATHIAS. I concur fully with the gentleman from New York in opposition to the amendment.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. I have been touched by the strong support of this legislation by some of my colleagues—for instance, the gentleman from Alabama [Mr. HUDDLESTON]. Could the gentleman tell me if he gave his support to the equal-pay-for-equal-work bill, considered a few months ago?

Mr. HUDDLESTON. Last year?

Mrs. GREEN of Oregon. Yes.

Mr. HUDDLESTON. I supported that legislation, and I also supported the amendment in the 1957 civil rights bill to allow women to serve on Federal juries. I intend to support the amendment this afternoon.

Mrs. GREEN of Oregon. I am glad the gentleman did. However, many of the people who are most ardent in support of this amendment today were among those who appeared before our committee and who talked to me on the floor and who were the strongest in their opposition to a very simple bill to provide equal pay for equal work for women.

Because of biological differences between men and women, there are different problems which will arise in regard to employment. These should be carefully considered by the Committee. There will be new problems for business, for managers, for industrial concerns. These should be taken into consideration before any vote is made in favor of the amendment without any hearings at all on the legislation.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from California.

Mr. ROOSEVELT. Mr. Chairman, I thank the gentleman for yielding. I want to quote from the President's Commission on Opportunities for Women of which, as I previously said, my mother was the Chairman. There are the following words in that report, and I hope you will all read them:

> Actually situations vary far too much to make generalizations applicable and more information is needed on rates of quits, layoffs, absenteeism, and illness among women workers and on the qualifications of women for responsible supervisory or executive positions.

This is a clear indication that responsible women themselves recognize the problems that are inherent in any such approach as has now been proposed. I shall have to vote against the proposition.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from New York.

Mr. CELLER. I ask for this time in order to ask the gentleman from California if he will furnish some of the names of the women members and the organizations that are represented on that President's Commission of which your late lamented mother was Chairman.

Mr. ROOSEVELT. I do not want to take the time of the Committee to read all of them, but there are Dr. Mary I. Bunting, president, Radcliffe College; Mrs. Mary E. Callahan, member, executive board, International Union of Electrical, Radio & Machine Workers; Miss Dorothy Height, president, National Council of Negro Women, Inc.; Miss Margaret Hickey, public affairs editor, Ladies' Home Journal; Mrs. Viola H. Hymes, president, National Council of Jewish Women, Inc.; Miss Margaret J. Mealey, executive director, National Council of Catholic Women; Mr. William F. Schnitzler, secretary-treasurer, American Federation of Labor and Congress of Industrial Organizations; Dr. Cynthia C. Wedel, assistant general secretary for program, National Council of the Churches of Christ in the U.S.A.

I shall ask later for the privilege of inserting the entire list.

The list of all members of the Commission follows:

MEMBERS OF THE COMMISSION

The names of the men and women appointed to the Commission, and the posts they occupied at the time of their appointment, were:

Mrs. Eleanor Roosevelt, Chairman (deceased).

Mrs. Esther Peterson, Executive Vice Chairman, Assistant Secretary of Labor.

Dr. Richard A. Lester, Vice Chairman, Chairman, Department of Economics, Princeton University.

The Attorney General, Hon. Robert F. Kennedy.

The Secretary of Agriculture, Hon. Orville L. Freeman.

The Secretary of Commerce, Hon. Luther H. Hodges.

The Secretary of Labor, Hon. Arthur J. Goldberg, Hon. W. Willard Wirtz.

The Secretary of Health, Education, and Welfare, Hon. Abraham A. Ribicoff, Hon. Anthony L. Celebrezze.

Hon. George D. Aiken, U.S. Senate.

Hon. Maurine B. Neuberger, U.S. Senate.

Hon. Edith Green, U.S. House of Representatives.

Hon. Jessica M. Weis (deceased), U.S. House of Representatives.

The Chairman of the Civil Service Commission, Hon. John W. Macy, Jr.

Mrs. Macon Boddy, Henrietta, Tex.

Dr. Mary I. Bunting, president, Radcliffe College.

Mrs. Mary E. Callahan, member, executive board, International Union of Electrical, Radio & Machine Workers.

Dr. Henry David, president, New School for Social Research.

Miss Dorothy Height, president, National Council of Negro Women, Inc.

Miss Margaret Hickey, public affairs editor, Ladies' Home Journal.

Mrs. Viola H. Hymes, president, National Council of Jewish Women, Inc.

Miss Margaret J. Mealey, executive director, National Council of Catholic Women.

Mr. Norman E. Nicholson, administrative assistant, Kaiser Industries Corp., Oakland, Calif.

Miss Marguerite Rawalt, attorney; past president: Federal Bar Association, National Association of Women Lawyers, National Federation of Busines & Professional Women's Clubs, Inc.

Mr. William F. Schnitzler, secretary-treasurer, American Federal of Labor and Congress of Industrial Organizations.

Dr. Caroline F. Ware, Vienna, Va.

Dr. Cynthia C. Wedel, assistant general secretary for program, National Council of the Churches of Christ in the U.S.A.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GATHINGS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. GATHINGS. Mr. Chairman, the amendment of the gentleman from Virginia [Mr. SMITH] to protect the employment rights of all women should be agreed to. There can be no plausible reason that a white woman should be deprived of an equal opportunity to get a job simply because of her sex and a colored woman obtain that position because of her preferential rights as contained in this bill. Title VII seeks to make it an unlawful employment practice for an employer to fail or refuse to hire or to discharge or otherwise discriminate against any individual because of race, color, religion, or national origin. The language covers all employees, or would-be employees, except white women. I do not want to discriminate against a job applicant because of her sex and I hope that Members of this body will approve the amendment of the gentleman from Virginia.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. SMITH].

Mrs. GRIFFITHS. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. CELLER and Mrs. GRIFFITHS.

The Committee divided, and the tellers reported that there were—ayes 168, noes 133.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. REID OF NEW YORK

Mr. REID of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REID of New York: On page 69, line 23, after "training" insert "or retraining, including on-the-job training".

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. REID of New York. I yield to the distinguished chairman from New York.

Mr. CELLER. Mr. Chairman, this amendment is acceptable to me.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. REID of New York. I yield to the gentleman from Ohio.

Mr. McCULLOCH. The amendment is acceptable over here.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. REID of New York. I yield to the gentleman from New York.

Mr. LINDSAY. I congratulate the gentleman for offering this amendment. It does not change the meaning of the section at all. It restates what is already in it, and we will accept it.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. REID of New York. I yield to the gentleman from Arkansas.

Mr. HARRIS. Mr. Chairman, what does the gentleman mean by "retraining"? If you have been trained in something, what is the interpretation of "retraining"?

Mr. REID of New York. In answer to the question of the gentleman from Arkansas, it includes those in need of new skills; and those affected when a business moves. It would deal with automation, those who have been automated out. It involves any kind of retraining of that sort.

Mr. HARRIS. In other words, if a person is trained in a particular skill and it is later determined he wants to pursue another skill and he is trained in that particular skill, then you call that retraining?

Mr. REID of New York. That is one definition.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. REID of New York. I yield to the gentleman from Iowa.

Mr. GROSS. What will this cost?

Mr. REID of New York. I would hope it would save money, because I think apprentice training is basic to the whole question of hard-core unemployment. It is the area in employment where there is perhaps the greatest need—the semiskilled and the unskilled.

As the gentleman perhaps knows, something like only two percent of those undergoing apprentice training in the United States are Negroes. I would hope this section and these additional words retraining and on-the-job training would make the section explicit; would help the whole question of unemployment; and would help the economy. Above all, I hope it will represent a step forward for equal opportunity or merit in employment.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. REID of New York. I yield to the gentleman from New York.

Mr. LINDSAY. The word "training" as appears in line 23, page 69, includes retraining. The gentleman in his amendment does not add anything or take away anything. It just makes explicit what was intended by the drafters of the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. Reid].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PURCELL

Mr. PURCELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Purcell: Page 70, line 4, insert "(1)" immediately following "title," and immediately before the period in line 10 on page 70 insert the following: ", and (2) it shall not be an unlawful employment practice for a school, college, university, or other educational institution or institution of learning to hire and employ employees of a particular religion if such school, college, university, or other educational institution or institution of learning is, in whole or in substantial part, owned, supported, controlled, or managed by a particular religion or by a particular religious corporation, association, or society, or if the curriculum of such school, college, university, or other educational institution or institution of learning is directed toward the propagation of a particular religion".

Mr. PURCELL. Mr. Chairman, this amendment is being offered to provide protection to the organized religious groups in this country from action by the Federal Government under the provisions of title VII of this bill.

I am sure that it is not the intention of those who are supporting this bill to subject religious organizations or church groups to a requirement of hiring employees from outside their particular faith or belief. Evidence of the effort to protect these groups is found in the language of section 703. This section, as you will recall, exempted any "religious corporations, associations, and societies." Again, in section 704, the language indicates an intent to protect church-related organizations, when they have jobs involving a "bona fide occupational qualification reasonably necessary to a normal operation."

In my study of the bill, I discovered that generally the church-affiliated schools and colleges are not protected by these two attempts to exempt them.

Almost without exception, the term "religious corporation" would not include church-affiliated schools unless this definition should receive the most liberal possible interpretation by the courts. Actually most church-related schools are chartered under the general corporation statutes as nonprofit institutions for the purpose of education.

The same problem exists in section 704(e) as it now reads. A church-affiliated school could probably easily defend the choice of a professor of religion, a professor of philosophy, or even a professor in the social science department, on the basis of religious background and church membership. I believe, however, that a court could easily choose to interpret this law in such a way that the failure of a church-affiliated school to hire an atheist for the job of chemistry professor could subject that school to legal action.

It might be equally difficult to prove that a specific religious background would be a "bona fide occupational qualification reasonably necessary," in the hiring of a dean of students, or a director of a dormitory, or even the supervisor of library materials.

The church-affiliated schools should have the right to hire employees on the basis of religion if they choose to do so.

Should there be any doubt that these church-related schools come under this bill as "affecting commerce," I would like to call your attention to the fact that these schools: First, sell research projects to both the U.S. Government and private enterprise; second, they sell radio and TV rights to their athletic contests; third, they sell pamphlets, books, and text materials; and, fourth some of them own stocks and government bonds.

The National Labor Relations Board has found several times that colleges qualify under the commerce clause as "affecting commerce."

There may be some who feel that it would be an unwise policy for a church-affiliated school to restrict itself only to members of its own church for its employees, but certainly it should be their right to do so.

Failure to specifically exempt church-affiliated schools could subject them to legal action that should never have to happen. The church-related school should never be called upon to defend itself for failure to hire an atheist or a member of a different faith. Also the school should not be called upon to prove in a legal action that it is protected by a provision of this bill. It should be so spelled out that there is no question of their right to hire employees on the basis of religion.

Failure to be sure that church schools are exempt would be failure to continue the recognized policy of keeping churches and church activities free from Federal controls. Failure to provide specifically for the exemption of church schools as given in my amendment would be an intrusion on the right to freedom of religion and would be a violation of the principle of separation of church and state.

I earnestly request your support for this amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent, at the request of Mr. Edmondson, Mr. Purcell was granted permission to proceed for 2 additional minutes.)

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Will the gentleman tell us, is this designed to be confined entirely to schools that have a mission to propagate a religious faith? Do I understand that part of the gentleman's amendment correctly?

Mr. PURCELL. This amendment would be limited to church affiliated colleges and universities, part of whose mission, I am sure, is to propagate the belief of the denomination that is supporting that educational institution; yes, sir.

Mr. EDMONDSON. If I understand the exemption correctly, it would apply only to selections which they make of personnel on the basis of religion; is that correct?

Mr. PURCELL. It would be only on the basis of religion. It does not touch color, race, or country of origin, or any other aspect.

Mr. EDMONDSON. I thank the gentleman, and will support the amendment.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the gentleman.

Mr. GATHINGS. Mr. Chairman, I support the gentleman's amendment and wholeheartedly hope that the amendment will be adopted. Religious institutions should not be subjected to domination or control of the Equal Employment Commission or any governmental body in connection with the hiring of faculty members or any employees or in any way interfere with the policies of the religious organization. There should be complete separation of church and state.

Mr. PURCELL. I thank the gentleman.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentleman from Texas [Mr. PURCELL] would broaden the exemption of section 704(a) which provides that where religion or national origin is a bona fide occupational qualification and reasonably necessary to the normal operation of a particular business or enterprise, the provisions of title VII shall not apply.

Section 704(e) seems clearly to exempt teaching and administrative positions in religious, educational institutions, and the amendment therefore is unnecessary with respect to these classifications.

However, insofar as the gentleman's amendment would also exempt nonadministrative and nonteaching personnel, the amendment goes too far.

Now we cannot object to any bona fide occupational qualifications for positions like professors, teachers, experts, research assistants, registrars, deans, or directors of dormitories. We exempt them under the present wording of the statute, but the gentleman goes further, and he would exempt nonadministrative and nonteaching personnel and practically all personnel or employees of a particular organization.

He would exempt, for example, janitors. He would exempt laborers. For that reason—because it would go too far—and for the further reason that the wording of the provision in the bill is ample for the purposes, I feel I must oppose the amendment.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Ohio.

Mr. McCULLOCH. The chairman has carefully and accurately analyzed the legislation as is and he has carefully and accurately analyzed the amendment. I am of the opinion that it is not within the intent, the spirit, and the purpose of the legislation as written and as understood by an overwhelming majority of the House to change that concept. In my opinion, the amendment should be rejected.

Mr. HARRIS. Mr. Chairman, will the gentleman yield for a question?

Mr. CELLER. I yield to the gentleman from Arkansas.

Mr. HARRIS. As an example, let us suppose that Ouachita Baptist College in my district received an application from a person who happened to be an atheist for a position of janitor. Suppose that the college determined it would not be a proper employee. Suppose he made a complaint. Would the Commission then have authority to investigate and take action?

Mr. CELLER. Religion is not, and should not, be a qualification for the job of janitor.

Mr. HARRIS. The gentleman said a moment ago that subsection (e) was applicable insofar as the exclusion is concerned, with reference to teaching.

Mr. CELLER. As to teaching, yes; and as to administrative positions, yes; but when it comes to nonteaching and nonadministrative positions, for ordinary laborers, there should not be an exemption.

Mr. HARRIS. Then an atheist could be forced upon this particular college?

Mr. CELLER. Not necessarily. It would depend on all the circumstances.

Mr. HARRIS. But the Commission would have authority to determine whether it would come within the statute?

Mr. CELLER. That would be for the courts and the Commission. That example goes a little too far.

Mr. HARRIS. Perhaps so, but I am trying to get an understanding.

Mr. CELLER. I wish to make this clear. Certainly with respect to bona fide occupational qualifications involved in teaching and involved in the administration of a college that is covered by the title, and which may be denominational, the act shall not apply. However, with respect to nonteaching and nonadministrative positions, the ordinary laborers and the ordinary janitors, I believe the act should apply. That is what we intended.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent Mr. CELLER (at the request of Mr. HARRIS) was given permission to proceed for 2 additional minutes.)

Mr. HARRIS. Mr. Chairman, will the gentleman yield further?

Mr. CELLER. I yield to the gentleman from Arkansas.

Mr. HARRIS. I used an example of my own denomination. It could have been Catholic University or any other religious school.

A person who did not have a professed belief in God, then, could go to an institution, could apply for a laborer's job or for a janitor's job, if that were a position, and, if turned down, would have a right to go to the Commission?

Mr. CELLER. If the institution was not a "religious corporation or society," you would be correct.

Mr. HARRIS. And the Commission would have a right to say to the institution, "You have to give consideration to this man's employment."

Mr. CELLER. Yes. They would have to give consideration to it.

Mr. HARRIS. They would?

Mr. CELLER. Yes.

Mr. HARRIS. The amendment ought to be adopted, then.

Mr. CELLER. I believe the amendment should not be adopted. The gentleman has given a very isolated case which probably would not arise.

Mr. HARRIS. Let me give another illustration. Suppose a man applied as a coach of the football team. Would that be included?

Mr. CELLER. That might be in the nature of an administrative qualification, for a football coach.

Mr. HARRIS. It might be?

Mr. CELLER. It might be.

Mr. HARRIS. But it might not be?

Mr. CELLER. I believe it likely would be. I believe it would be administrative.

Mr. HARRIS. We are getting into a very dangerous area, Mr. Chairman.

Mr. CELLER. All of these cases might be in a dangerous area, and they would have to be tested in the courts, eventually. All new legislation presents difficulties.

Mr. POFF. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hesitate to take time on this. I have not spoken often today, but I think the gentleman from Texas offered an amendment which deserves very careful scrutiny before this House acts precipitously. Let us ponder for just a moment why the authors of this bill considered it wise to grant any exception under the FEPC title to those institutions which might for one reason or another prefer to employ people who profess a particular religion. Was it not because they realized that the heads of the institutions were concerned that the employees who came in daily contact with the students enrolled in those institutions might influence those students? And who can say what employee will influence the impressionable mind of a student and what employee will not? If you will pardon the personal allusion, the best friend I had among the employees of the college I was privileged to attend was not the professor of political science but the janitor. And that old gentleman had a very great impact upon the formulation of many of the convictions which I hold dear today. I say that we should not tamper with the freedom of any religious body in the operation of any of its institutions to propagate its religious beliefs by meddling with the employment policies it pursues.

Accordingly, I most earnestly, I most earnestly hope that we will not for the sake of expedition or dispatch, about which we have heard so much, lightly disregard and cast aside the import of the amendment offered by the gentleman from Texas.

Mr. McCULLOCH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I regret that it is necessary to oppose the gentleman from Virginia, my colleague, on so many occasions. I repeat what I said with respect to the chairman's statement. My conclusion was not hastily arrived at. The bill as drafted exempts all administrative personnel and those of the teaching profession in these religious institutions. It would, in my opinion, exempt the executive officials of the religious institutions. I ask the members of this committee why should the janitors of an institution be discriminated against in seeking employment on the ground that they were going to influence students in these educational institutions? If we adopt this amendment, we may well be building in the bill a legal discrimination which we have worked so long to eliminate. In my opinion, the amendment is not needed and will not serve the purpose intended by an overwhelming majority of this House.

Mr. HUTCHINSON. Mr. Chairman, will the gentleman yield to me for a question?

Mr. McCULLOCH. I yield to the gentleman for a question.

Mr. HUTCHINSON. I would like to ask the gentleman this question: Let us suppose a situation of a church-related college where the religious organizations of the church make contributions of one sort or another to the support of that college. Then do I understand that a man who is a professed atheist can be hired as the janitor at such a college and that the good people of that church can be made to support him?

Mr. McCULLOCH. This bill will have nothing to do with the logical reasons of hiring or failing to hire anyone. No chief of personnel of any religious educational institution needs to hire any atheist, if that be a logical reason for not hiring employees there. We are talking about discrimination by reason of color.

Mr. HUTCHINSON. No. We are talking about discrimination by reason of conviction.

Mr. McCULLOCH. And religion.

Mr. ROOSEVELT. Will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from California.

Mr. ROOSEVELT. Mr. Chairman, I want to say to the gentleman from Ohio that he has exactly expressed the views of those who originally wrote this legislation. In section 703 we clearly exempt all religious corporations as such, definitely and properly, and then on page 70, beginning at line 4 we again do just what the gentleman said which is, wherever there is a proper bona fide reason, because of the occupational qualification, there can be no question that the people would be exempt and need to be exempt.

Mr. ROUSH. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I have for the past few days sat on this side of the aisle and consistently supported the committee in their opposition to the many amendments which have been offered to this bill. However, on this particular amendment I must desert their cause, because I do not believe it is just. The gentleman from Texas is a very sincere and able colleague of ours. It was not his intention in any way to deprive us of the full effect and intention of this bill which was to protect and to assure our colored friends their just rights. This goes to something I think would touch almost every Member here because surely they have a denominational school in their district.

I am not so sure, as has been stated here, that the exclusion of that section 703 does apply. I am not so positive of that. First of all most of these schools are religious, nonprofit corporations. Secondly, we have no assurance that a church-related college or university is a religious corporation. Then, too, I think you have to understand the atmosphere of a college campus if that college or university is denominational.

I attended a denominational college. I serve on the board of trustees of a denominational college. I lived on the campus of a denominational college. That college insists not only that its administrators, not only its teachers and professors adhere to its religious beliefs, but insists that the janitors and everyone else who is employed by that school adhere to those beliefs. That college should have the right to compel the individuals it employs to adhere to its beliefs, for that college exists to propagate and to extend to the people with whom it has influence its convictions and beliefs. To force such a college to hire an "outsider" would dilute if not destroy its effect and thus its very purpose for existence.

There are five such schools in my particular district and each of them fits this category. You have to understand the total atmosphere of these college campuses in order to understand what this gentleman is attempting to do. To force them to hire those outside their own beliefs destroys the total influence of those colleges. Surely the membership of this House does not want that.

Mr. Chairman, I strongly urge my colleagues to support the amendment of the gentleman from Texas. I think it is a good amendment and should be adopted.

Mr. ROBERTS of Texas. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time in order to direct a question to the gentleman from California [Mr. ROOSEVELT]. The district I am privileged to represent has probably the largest church-supported orphans' home in the United States. As a matter of fairness, the house mothers for those orphans are widows of preachers of the same faith and, insofar as possible, retired ministers make up most of the other personnel.

My question is this: Is that home completely exempt? Can they employ people of their own faith in all positions in the orphans' home?

Mr. ROOSEVELT. May I ask a question? Is the organization to which the gentleman refers wholly owned by this religious order?

Mr. ROBERTS of Texas. Yes, it is.

Mr. ROOSEVELT. Unquestionably it would be exempt under section 703.

Mr. GILL. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS of Texas. I yield to the gentleman from Hawaii.

Mr. GILL. Is it an educational institution?

Mr. ROBERTS of Texas. It is an orphans' home. They operate a school in connection with it, but they also operate a very large experimental farm to take care of the orphans of the faith of this group of people. In light of the problems raised, the gentleman from Texas [Mr. PURCELL] has offered an amendment that should be approved by this body, and if there is any doubt, certainly it should be approved.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS of Texas. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I would agree with the gentleman wholeheartedly on the last statement he made because of the difference that appears to prevail in the leadership of the committee on this question. Very definitely, the gentleman from California and the gentleman from Hawaii too have given a different answer on this point than the answer that was given by the very distinguished and able chairman of the committee. Unless the chairman of the committee modifies his views as he has given them to this committee, it seems to me the only safe course to follow to assure fair action to these religious institutions such as the gentleman has described is to adopt the amendment offered by the gentleman from Texas.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS of Texas. I yield to the gentleman from Kentucky.

Mr. CHELF. Mr. Chairman, I would like for the RECORD to show that I supported the previous amendment that gave all women of this Nation equal rights. As a member of the Judiciary Committee for 19 years, I have supported equal rights for women all that time. I want the RECORD to show also I am supporting this amendment because I have far too many religious orders in my district to take any chances. I have many splendid Catholic colleges, schools and orders. Why I have the famous and God-fearing order of the Trappist Monks, Baptist colleges, Presbyterian colleges, even some fine Mormons. All of these good people have the right under the first amendment to follow the religion of their own choice. My colleagues—insomuch as there is much doubt in the hearts and minds of many of us—let us vote for the Purcell amendment. We absolutely cannot take any chances—there is far too much at stake.

Mr. Chairman, I want to compliment both the gentleman from Texas [Mr. PURCELL] and the able gentleman from Texas [Mr. ROBERTS] for their great fight to remove any doubts about religious freedom in this Nation.

Mr. GILL. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS of Texas. I yield to the gentleman from Hawaii.

Mr. GILL. Can the gentleman tell me whether he believes a large institution of higher education which is receiving a substantial amount of Federal funds, which happened to be connected with one denomination or another, should be allowed to prohibit the hiring of all other members of that institution?

Mr. ROBERTS of Texas. I certainly do. I believe any religious institution should select any employee of any faith desired.

Mr. GILL. Including the use of Federal funds?

Mr. ROBERTS of Texas. There are no Federal funds involved. The gentleman is adding a condition that does not exist. There are no Federal funds involved in this orphans' home.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS of Texas. I yield to the gentleman from Texas.

Mr. WRIGHT. Since there seems to be some doubt, if the authors of the bill believe it is the intent of the bill to exempt such institutions in the employment of people on their faculty and similar jobs, if they believe that, what possible harm can there be in spelling that out as the gentleman from Texas does in this amendment of his?

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS of Texas. I yield to the gentleman from Arkansas.

Mr. HARRIS. I want to ask a question of the distinguished gentleman from California as to whether or not there is any difference between a religious corporation and an educational institution that is supported by a denomination?

Mr. ROOSEVELT. It depends on the individual case. You will have many institutions which do not even come under the commerce clause, and they have to come under the commerce clause in order to be eligible at all under the act.

Secondly, there are other institutions which would, and I think it would depend somewhat on the degree of operations by the individual university or college, like Catholic University.

Mr. HARRIS. Is the Catholic University a religious corporation?

Mr. ROOSEVELT. I do not know. I think it is owned by one of the orders of the Catholic Church.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(On request of Mr. POAGE, and by unanimous consent, Mr. ROBERTS of Texas was allowed to proceed for 5 additional minutes.)

Mr. HARRIS. Mr. Chairman, will the gentleman yield for a question to the gentleman from California again?

Mr. ROBERTS of Texas. I yield.

Mr. HARRIS. The distinguished gentleman from New York, the eminent and very able chairman of the Committee on the Judiciary, I think answered forthrightly a moment ago what I deem to be the correct interpretation of this act applicable to this particular problem. The distinguished gentleman from California seems to rely on the exemptions in section 703. I find no place where there is any distinction between what the gentleman refers to as a religious corporation and an educational institution conducted as such by a religious organization. From the gentleman's response a moment ago, I simply do not believe the distinguished gentleman from California can give the committee the correct answer to the question as to whether or not it would be applicable.

Mr. ROOSEVELT. Will the gentleman yield so that I can have a try at it?

Mr. HARRIS. I would like to have that information from the gentleman if he can give it.

Mr. ROOSEVELT. I can only tell the gentleman what the purpose of the committee was. Let me give an example. Suppose you have a religious corporation. My son happens to go to one of them, which is wholly owned and operated for the purposes of a religious corporation. It is not open to outside students. It is run only for the purposes of that religious corporation. Suppose, however, we take the case of Catholic University.

Mr. HARRIS. That is all right with me, because I used the example of Ouachita Baptist College, in my district, in my earlier remarks.

Mr. ROOSEVELT. Here is a university that is not run only for the particular order that owns it, it is an institution operated for general purposes. It would be correct to say, I believe, that it is operated for religious purposes only in the case of religious courses, or something of that kind. There, I think, they would have the right to demand that religion play a part. They would not want anybody not related to that religious purpose.

Mr. HARRIS. Then I would say to the gentleman that the chairman of this committee is correct when he says it would be applicable to an educational institution supported by a particular denomination, and the gentleman's interpretation of section 703 is narrowly limited to that particular religious corporation which promotes only the beliefs of that organization.

Mr. ROOSEVELT. I think the gentleman from New York and I are in complete accord on it.

Mr. HARRIS. Then the amendment should be adopted.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS of Texas. I yield to the gentleman from Texas.

Mr. POAGE. It seems we have two different viewpoints on the part of the committee. The chairman has clearly expressed, as the gentleman from Arkansas pointed out, his viewpoint, which I think is the proper interpretation of the bill as written. The gentleman from California and the gentleman from Hawaii have indicated that in their view the bill is subject to a different interpretation, but they then narrowed that down to where it probably has no meaning.

Now, is it the view of the gentleman from Texas, as it is mine, that a great majority of the church-affiliated schools over the United States are established not simply to provide instruction in mathematics, science, or language, or even simply to promulgate a specific religious faith but in a great many cases it is also to provide a religious atmosphere in which they may help develop a better citizenship, and that that religious atmosphere certainly cannot be maintained if these schools are required by some agency in Washington to employ any atheist that comes along and asks for employment when they have a vacancy?

Mr. ROBERTS of Texas. I certainly agree with the gentleman from Texas [Mr. POAGE]. I feel that here are these religious leaders and their wives who have contributed to this religious faith all of their lives. Now they have come upon times when they need to be employed. Certainly, they are entitled to be taken in by their church that they have supported all of their adult life.

Mr. CHELF. If there is any doubt about it, then we should adopt the amendment; should we not? Of course, we should.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ROBERTS of Texas. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS of Texas. I yield to the gentleman.

Mr. POAGE. Without regard to the orphans' home, and I think the gentleman has given us a splendid illustration there, but there are hundreds of church-affiliated schools throughout the United States. Maybe they are more prevalent in the country with which I am familiar than they are in the area with which the chairman of the Committee on the Judiciary, the gentleman from New York, is familiar. There are hundreds of them across the South. I think these schools are rendering a wonderful service to our Nation and to our civilization. I think, if they should be wiped out, and even if we should replace them with State-supported institutions which might well be able to give our young people every bit of education and cultural training which these church-affiliated institutions are now giving, Mr. Chairman, that the Nation would suffer an irreparable loss in the type of training for citizenship and Christian living which the church-affiliated institutions provide.

I want to ask the gentleman from Texas if he did not understand that the chairman of the Committee on the Judiciary made it perfectly plain that he did not believe that our church-related schools had any purpose except to promote a particular theology. The chairman made it plain that he was not concerned with the moral or religious attitude of the students, but that his only concern was to see that there were properly qualified teachers of mathematics and of physics and of sociology and that he was willing that the head of the department of religion held views somewhat in accord with the beliefs of the denomination which supported the school. He then went on to make it clear that the bill as written would prohibit the school from refusing employment to a housemother, for instance, just because she was an atheist. Would not the gentlemen agree that any church affiliated school should be free to deny employment to anyone who comes in contact with students—and on the strictly religious grounds that such a person was of another faith?

Mr. ROBERTS of Texas. I would answer the gentleman by saying we certainly have no unanimity and certainly the amendment ought to be adopted.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS of Texas. I yield to the distinguished chairman of the full committee.

Mr. CELLER. There is no inconsistency whatsoever with the statement I made and the statement made by the gentleman from California.

Mr. ROBERTS of Texas. May I repeat the illustration, Mr. Chairman, since the gentleman from New York was not here when I first started to speak.

I have in the district that I am privileged to represent one of the largest church supported orphans homes in the United States. As a matter of course, they employ the widows of deceased preachers of their faith and pastors who have become disabled to come in as teachers in that orphans home. They maintain a large farm. It is a wholly church supported institution. Is my orphans home exempt from your bill?

Mr. CELLER. If it is a wholly church supported organization, that is, a religious corporation that comes under section 703.

Mr. ROBERTS of Texas. But it is not set up as a corporation.

Mr. CELLER. Will the gentleman let me please answer. I appreciate the gentleman's impatience, but please let me answer.

That orphans home, as the gentleman described it, would be exempt under the terms of section 703 where we state specifically that this title should not apply to an employer with respect to the employment of aliens outside any State, or to a religious corporation, association, or society. So, therefore, they would be exempt completely.

Mr. ROBERTS of Texas. Mr. Chairman, it is not established as a corporation. It is an association. It is not a corporation.

Mr. CELLER. The language of the bill uses the word "association" and therefore would be covered by this provision. The bill says "religious corporation and association or society." The word "association" is in the bill and, therefore, they are exempt.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS of Texas. I yield to the gentleman.

Mr. COLLIER. In light of the fact that the question was raised here on whether or not this amendment would be in order where there are Federal funds used in aid or in support of an institution of higher learning under this amendment, I respectfully call to the attention of the House that in the original land-grant charter of the American University here in Washington, the U.S. Government permitted a provision that certain members of the board of directors be of the Methodist faith.

So I believe by precedent and historically this should erase any argument which might develop in that light.

Mr. ROBERTS of Texas. Mr. Chairman and my colleagues, under the circumstances it would seem obvious there is no way to be certain other than by adopting the amendment of the gentleman from Texas [Mr. PURCELL]. I hope it will be adopted and I congratulate the gentleman for introducing the amendment.

Mr. LINDSAY. Mr. Chairman, I move to strike the requisite number of words.

I shall not use the entire 5 minutes.

I should like to remind Members of the remarks made by the ranking minority member of the committee, the gentleman from Ohio [Mr. MCCULLOCH] when he stated very clearly that the bill provides a clear exception in any instance when religion or national origin is a bona fide occupational qualification reasonably necessary to the normal operations of the business or enterprise.

What could be more reasonable? What could be more all embracing? What could be more fair than that language?

I cannot understand why we should now open this up to the broadest possible loophole by removing the standard that the exception be related to bona fide occupational qualification reasonably necessary to the enterprise. No college, no school, no university, no church that I can think of would call this standard unreasonable. It appears to me to be eminently fair.

The amendment which has been offered is designed to strike out any standard at all and would eliminate the application of this act in all areas involving colleges and universities of religious orientation. It seems to me to be unreasonable. I believe the amendment should be voted down.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Arkansas.

Mr. HARRIS. Do I correctly understand the gentleman to say that there is no conflict between what is presently included in the exemption of the present section and the provisions included in the amendment offered by the gentleman from Texas?

Mr. LINDSAY. There is most certainly a conflict, because the amendment offered by the gentleman from Texas would remove the standard.

Mr. BROMWELL. Mr. Chairman, I move to strike the requisite number of words.

It seems to me, at this stage of the debate, we may tend subconsciously to become confused with respect to the racial provisions of the law and the religious provisions. What we are in the position of advocating, it seems to me, if we take a position against this amendment, is that a religiously founded and maintained institution shall be judged on its compliance with the laws of the United States on the basis of the number of people of some other faith it employs. That does not seem reasonable to me.

I believe there is room for an exception. Perhaps more important than this is the point beginning to be made repeatedly by speakers at this time that if there ever was a legislative history which became confused in the time of less than an hour, this is it. I believe every shade of opinion has been ventured on this language which is conceivable.

I agree most wholeheartedly with the vigorous gentleman from Kentucky and others that so long as there is any question about the interpretation of this we should nail it down with the amendment of the gentleman from Texas.

Mr. SCHADEBERG. Mr. Chairman, will the gentleman yield?

Mr. BROMWELL. I yield to the gentleman from Wisconsin.

Mr. SCHADEBERG. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

I rise in support of this amendment. At this point in our deliberations I am inclined to vote for this bill. I, however, must vigorously approve any attempt by this Government to interfere in any way with any church or religious institution in its hiring of personnel—in any category.

I agree with my good friend from Ohio that by this amendment we may be throwing a legal roadblock in any way—but if we do not include this amendment we are throwing a moral roadblock in the attempts of the church related institutions to carry out what they consider to be their moral responsibility to their faith.

Mr. GILL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the evening has worn on to the point where the hunger gnawing at our vitals may be gnawing a little bit at our understanding as well. We are now attempting to move into an area where there are great wells of emotion, where there is probably a great well of misunderstanding, intentional or otherwise, and an area which is going to cause us a great deal of difficulty unless we stop and think carefully about what we are trying to do here.

I assume the gentleman offering this amendment is not trying to kill the bill. I have to make that assumption. I assume he is not trying to open up a door which will cause us trouble in the future.

I would like to call your attention to the language of the amendment, which is the only thing that has not been discussed so far. The amendment says:

> It shall not be unlawful employment practice for a school, college, university, or other educational institution or institution of learning to hire and employ employees of a particular religion if such school, college, university or other institution of learning is in whole or in substantial part owned, supported, controlled, or managed by a particular religion or by a particular religious group, association, or society or if the curriculum of such school, college, university, or other educational institution or institution of learning is directed toward the propagation of a particular religion.

Let me merely point out that a very large percentage of the private universities of this country—and American University has been mentioned; Harvard University has not been mentioned, but I now mention it, and Southern Methodist University is another, and there are scores of other large and prestigious universities of this country that were connected in the beginning or are still connected with some particular denomination of the Christian faith. What this amendment would allow these universities to do, if they so desired—and I think or I hope, at least, that their good sense would prevent them from doing it—would be to say that you cannot work for Southern Methodist if you are a Presbyterian, or you cannot work for Harvard if you are a Catholic.

Now, this is ridiculous. If what is involved is the control of the institution or exercising guidance over it, as some of your boards of visitors in your Methodist colleges do, fine; you are exempted in the act. It is a bona fide condition of employment. But if it is a matter of working as a janitor or cafeteria employee, why should you be a Methodist, Presbyterian, Catholic, or, in my State, a Buddhist? What difference does it make as long as you can do the job? I might ask you further what difference does religion make to a mathematics professor at Southern Methodist? Are Methodists better mathematics professors than Presbyterians or Baptists? Not necessarily. It depends on the individual. I think you are opening up a Pandora's box, perhaps unintentionally.

If the gentleman who offered this amendment would like to limit the application of the amendment by the condition that the curriculum of such school is directed toward the propagation of a particular religion, I think his amendment would be fine. Certainly you should hire Methodists to teach Methodism but not necessarily Methodists to sweep the floor just because they are Methodists.

I would also like to point out there is hardly a large private school in this country that does not receive substantial amounts of Federal funds. We all know this. And under the new Higher Education Act they will receive more funds. Do you not think you are going to run into a problem here of paying Federal funds to an institution which would have the right under this law to say, "We will not hire certain qualified citizens of these United States purely because of their religion"? I think you have a problem—a real bag of pears, prickly pears, out of Texas.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. GILL. I yield.

Mr. EDMONDSON. I thank the gentleman for yielding.

Mr. Chairman, I will concede that some of the points he has made have validity, but I think when you turn the coin around, when you look at it from the other side, a case can be made which is just as strong the other way. While I think it is very unlikely that a university like Harvard would lay down the type of restriction you are talking about, at the same time will not the gentleman concede that a college that is dedicated primarily to the propagation of its faith should have the right to say that, "We are not going to hire someone who opposes that faith and vigorously talks against that faith?" Should not that college have at least that basic right, on the other side?

The CHAIRMAN. The time of the gentleman from Hawaii [Mr. GILL] has expired.

Mr. QUIE. Mr. Chairman, I rise in support of the Purcell amendment.

Mr. Chairman, I am going to support this amendment because I think it will clear up what we really mean to do. There seems to be an assumption that religious-affiliated educational institutions—an assumption made by those who oppose the Purcell amendment—refuse to hire anyone of a religion other than their own. That is just not the case. You will find instance after instance in religious-affiliated educational institutions where they hire people of other religions. I know of instances where a Catholic university hired a Jewish professor or a Lutheran college hired a Catholic professor. What we are really saying by this amendment is that there is no way for the Federal Government to make the judgment of whether the institution made a mistake in selecting a person because they took into consideration his religion.

Let us take for example Harvard University which has been referred to as having religious affiliation. Suppose they have a Newman club in that university and they want to hire a mathematics professor who agrees that he will be the advisor of a Newman club at that university. They should be permitted to do that. There is nothing in this amendment which goes to the question of race, color, or national origin. In title VI if the university receives Federal money under the Academic Facilities Bill that we passed earlier this year they will be subject to the provisions of Title VI in regard to race, color, or national origin.

However, I think there is no way for the Federal Government to make a proper decision as to the religion of employees in religious educational institutions. I think in the case of an institution which is in whole or in part connected with a religious denomination or is directed toward the propagation of a particular religion, that decision ought to be made by them and in order to make it absolutely clear this amendment should be adopted.

This amendment does not strike out any language that applies to section 703. The language in 703 still applies. The language in section 704(e) still applies. Nothing has been stricken.

Just to make it abundantly clear, in the case of religious educational institutions or those that propagate a particular religion, they can have this freedom to decide whether they think a janitor or somebody to take care of their lawns or a mathematics professor or someone working in the treasurer's office in the college or any other employee should be of any particular religion. They may want him to be of their own religion or some other religion. I think we had better leave religious decisions to religious institutions themselves and not attempt to do it ourselves through Federal executive agencies.

Therefore I believe that we can and should in our best judgment support this amendment.

Mr. DON H. CLAUSEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DON H. CLAUSEN. Mr. Chairman, the amendment offered by the gentleman from Texas [Mr. PURCELL] deserves our most serious consideration. In my judgment, it is one of the most important amendments yet introduced. I vigorously support this amendment and urge my colleagues to do likewise because it penetrates right to the heart of the church-state issue. The fact that this bill, if enacted into law, without the Purcell amendment could set the stage for regulation or possible subversion of any religion, under the guise of discrimination is, in my opinion, in direct conflict with the first amendment to the Constitution. As stipulated, "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof"; the language is precise and very clear.

Unless this amendment is accepted, the civil rights bill in its entirety will be in jeopardy for final passage and rightly so because one of the most important and fundamental rights of mankind is that of religious liberty. Destroy this, in whole or in part and you have set the stage for the moral decay of this great republic.

Any and all acts by legislation or Executive decree which unite or tend to unite church and state are subversive of human rights, potentially persecuting in character, and opposed to the best interests of church and state, therefore, it is not within the province of human government to enact such legislation.

It is our duty to use every lawful and honorable means to prevent the enactment of legislation which tends to unite church and state, and to oppose every movement toward such union, so that all may enjoy the continuing and inestimable blessings of religious liberty.

Mr. LINDSAY. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. LINDSAY to the amendment offered by Mr. PURCELL: In line 3, after the word "employ", insert "administrative or instructional".

Mr. HARRIS. Mr. Chairman, I ask unanimous consent that the original amendment be read as amended by the amendment that has been offered to the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read as follows:

On page 70, line 4, insert "(1)" immediately following "title," and immediately before the period in line 10 on page 70 insert the following: ", and (2) it shall not be an unlawful employment practice for a school, college, university, or other educational institution or institution of learning to hire and employ administrative or instructional employees of a particular religion if such school, college, university or other educational institution or institution of learning is, in whole or in substantial part, owned, supported, controlled, or managed by a particular religion or by a particular religious corporation, association, or society, or if the curriculum of such school, college, university, or other educational institution or institution of learning is directed toward the propagation of a particular religion.

Mr. LINDSAY. Mr. Chairman, it seems to me that the amendment to the amendment covers on all fours precisely the problem that we were discussing, and I would hope that the distinguished gentleman from Texas, author of the original amendment, would accept this amendment to the amendment.

Mr. CELLER. Mr. Chairman, I accept the amendment to the amendment offered by the gentleman from New York and I understand the author of the amendment will accept it.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Virginia.

Mr. POFF. May I inquire of the gentleman if the language on pages 68 and 71 does not already exclude administrative and instructional personnel?

Mr. LINDSAY. It does not, because there would be religious qualifications involved.

Mr. POFF. What does the language in those sections exclude?

Mr. LINDSAY. A librarian would be one.

Mr. POFF. Are professors instructional personnel?

Mr. LINDSAY. Yes; all members of the faculty, deans and the dean offices.

Mr. POFF. Is the gentleman saying when the language was written on pages 68 and 71 there was no intent to except professor's in church-related schools?

Mr. LINDSAY. Again, every professor, in my judgment, could be one who could meet this standard that is written into the bill; he may have the occupational qualifications reasonably necessary for the operation of that institution.

Mr. POFF. I can only express the hope that the author of the amendment will not heed the entreaties to accept the amendment to his amendment.

Mr. LINDSAY. I cannot see how a reasonable man could quarrel with the proposition. The amendment would cover members of the faculty. It covers all administrative personnel. The persons who would not be covered would be those of the labor force, groundskeepers and the like. I am at loss to try to discover what the objection is.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Minnesota.

Mr. QUIE. What about the housemother in a girls' dormitory, or the family that takes care of the boys' dormitory?

Mr. LINDSAY. That is clearly administrative.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Is it not commonly taken in law that where you set out by name a particular group, which is excepted, that the courts would hold all those not named would be included? If you except administrative employees together with one or two groups by name, do you not thereby include everybody else or every other group not mentioned?

Mr. LINDSAY. I think the word "administrative" is very wide. I understand the gentleman's point of view. He does not want to include anybody.

Mr. WHITTEN. Is it not true that when the gentleman's amendment attempts to name one group, the provisions of the act would apply to everyone who is not named?

Mr. LINDSAY. Who is the gentleman worried about? What employees is the gentleman concerned about?

Mr. WHITTEN. Where religious institutions are involved, I believe that the religious institutions should have full right to see that all employees fit into their own plan of operations and are cooperative with what their objective is. There are plenty of religious denominations who are taught under their beliefs to be missionaries, to attempt to convert every other person they come in contact with. I will not call their names here, but there are several such denominations in the United States. The gentleman would require a religious group to employ even members of these competing religious groups who make a practice of converting members of another faith? I say to the gentleman that would be done.

Mr. ASHMORE. Mr. Chairman, I move to strike out the last word.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ASHMORE. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman from New York [Mr. LINDSAY] says he is at a loss to understand why the author of the amendment, the gentleman from Texas [Mr. PURCELL], will not accept his amendment. May I say a few words: In the first place, the gentleman from New York [Mr. LINDSAY] was opposed to any amendment to the original language of this section of the bill. He said there was nothing wrong with it; that there be no tampering with the bill. So did the gentleman from New York [Mr. CELLER]. Now they offer an amendment and expect us to follow them down their "primrose path."

Mr. ASHMORE. I agree with what the gentleman from Iowa has said. It is as I said last Saturday during the general debate. I attempted to tell you how this bill got here. It was never considered by the full Judiciary Committee. Mind you, I say the full committee. The full Judiciary Committee has never debated, never discussed, never analyzed, and never attempted to amend one single word, line, phrase, or section in title VII of this bill. If we had, it would have come to you in far different shape than what it is today.

Therefore, I say we are spending time here this afternoon on this measure that should have been spent months ago by the Committee on the Judiciary of this House of Representatives where 35 lawyers could have sat down and acted as a law firm at the conference table and discussed this thing in a proper, calm, temperate manner, as we ordinarily do when we have important legislation to consider.

Of course, that is all gone—water over the dam. But I just want to emphasize to you that here we have the chairman of the Committee on the Judiciary and the ranking minority member of the committee offering 8 or 10 amendments, to perfect this most imperfect bill—this bill that all of us will have to acknowledge is in exceedingly bad condition, and which should never have come here to this floor.

Now to get to the main point for which I arose, Mr. Chairman. Certainly there is, in the minds of most Members of this House, serious question as to whether religious institutions are eliminated or covered under the present language of the bill. Therefore, as several Members have already stated, we should give serious consideration to this and, if there is any doubt about what the bill now provides, we should support the amendment offered by the gentleman from Texas.

But there is one point that has not been mentioned so far in the debate on this paritcular amendment. That is something fundamental which I want to call to your attention. I do not believe anyone then will say that there is any reason not to adopt the amendment of the gentleman from Texas.

I call to your attention, Mr. Chairman, and to my friends on both sides of the aisle that the first amendment to the Constitution of the United States says, that is the clause I am interested in says:

> Congress shall make no laws respecting an establishment of religion or prohibiting the free exercise thereof.

Now is the Government of this country under this FEPC section of the bill entitled to tell a college or university of any religious faith who they must hire or fire? Whether the employee is a member of the faculty or of the administrative department of the university or college, or whether he be a cook, janitor, or gardener, it makes no difference—because it would be contrary to the Constitution in either case. That college or that university has the right, if it is a religious institution, to select all of its administrative officers, its faculty members and all of its employees without being dictated to by the Federal Government.

So if you do not adopt the amendment that my friend, the gentleman from Texas offered, you will be going directly contrary to the first amendment of the Constitution. The language in the bill as now written is unconstitutional.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BENNETT of Florida. Mr. Chairman, I move to strike out the last word.

I come in the well of the House with a great deal of trepidation and a deep emotional impact on my own personal life when I talk about this particular amendment. This is because I belong to a brotherhood, the same one which the President of the United States belongs to. I belong to the Disciples of Christ—and some people call it the Campbellite Church and some call it the Christian Church. It came into existence in the log cabins of western Virginia, which was later Kentucky, about 200 years ago. I am proud of my church. I am glad to belong to it. I feel the principles it teaches are good and I want to hand those principles on down to my children after me. Part of the principles of my church is that it is a brotherhood. We have church schools. I am on the board of trustees of Lynchburg College, which is a Disciples of Christ Church school. I am happy to be there. I am happy to serve in connection with the old people's home in Jacksonville, Fla., where retired Disciples of Christ people go. They do hire janitors of my faith. They hire charwomen of my faith. Is there something bad about that? Every year of my life I give something, I hope it is generous, to these institutions. I am happy to belong to this brotherhood. I hope I die a member of this brotherhood. Is there something wrong that I want to see the fine women of my church—why may reach the point in life where they are having a tough time and who have contributed to our church through the years—have an opportunity to become charwomen in the old people's home or in the school at Lynchburg? I hope these fine institutions would not be discriminating against anyone in the sense of hurting anybody, but they do have a right not only to pick the faculty from my brotherhood but they have a right to have a community of our brotherhood there.

This is the reason why the first amendment to the Constitution was adopted. The electrical unhappiness about what is happening here today is at the heart of the first amendment to the Constitution.

Several days ago I heard the President of the United States make a statement before a group of us at a prayer meeting. I cannot quote his words exactly, but in essence he said that he hoped our country would never get into the position where it entered into the vitals of church matters and destroyed their ideals and fundamental principles.

I say we should turn down the amendment of the gentleman from New York, and accept the amendment of the gentleman from Texas, because this is the way our country was wisely operated. We do have different people. We do have different religious beliefs. We ought to preserve them. We should not insult anyone. All of us should allow all of us to worship as we see fit.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the gentleman from Virginia.

Mr. GARY. I am a member of the board of trustees of a Baptist college, and it is a large Baptist college. It employs Negroes.

But I do not want that college to be forced to employ a janitor or any other employee who is an atheist or a Communist or a member of some other religious faith unless it wishes to do so. On the other hand, if it prefers to employ only Baptists, whether it be for the position of janitor, charwoman, or any other service, I see no reason why it should not have the right to do so.

We are talking about rights in this bill. I believe we ought to respect the rights of all of our people. I do not believe we should pass legislation aimed solely at rights for a certain group or class of people. I believe it should protect the rights of all the people of the United States.

Certainly a religious college should have a right to employ members of its own religious faith to administer and to handle the affairs of that college, regardless of the position which might be involved. I thank the gentleman from Florida for yielding me the floor.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. The gentleman from Florida now in the well has, as always, spoken from the heart. He has gone directly to the heart of this problem.

I know the gentleman from New York [Mr. LINDSAY] is well intentioned in this regard, but I agree wholeheartedly with the gentleman from Florida that his amendment will not do the job which would be done by the amendment of the gentleman from Texas [Mr. PURCELL]. I hope we will reject the amendment of the gentleman from New York and adopt the amendment of the gentleman from Texas.

Mr. BENNETT of Florida. I thank the gentleman.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the gentleman from Texas.

Mr. MAHON. I wish to heartily endorse the statements made by the gentleman from Florida and the other gentlemen. I want to join in strong support of the amendment of the gentleman from Texas [Mr. PURCELL].

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. I wish to associate myself with the remarks made by the gentleman from Florida.

Mr. BENNETT of Florida. I thank you for your support.

Mr. KORNEGAY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Texas and in complete opposition to the amendment to the amendment offered by the gentleman from New York.

In my district and State there are many religious and church-related colleges, orphanages, and other charitable institutions. They are Baptist, Methodist, Quaker, Catholic, Presbyterian, Christian, Masonic Order, and others. I do not know of my own personal knowledge what their employment practices are. It is none of my business and none of the business of the Federal Government. I feel very strongly, Mr. Chairman, that the Government should never have the authority to dictate or meddle into the affairs of our religious and charitable institutions. This provision should never have been placed in the bill, and it should be removed by the amendment. I stand here on the floor and earnestly beg this House not to take away from our dedicated historical and vital church-related schools and other charitable institutions the right to employ the teachers or the janitors of their choice. Gentlemen, this is a fundamental and constitutional right which must never be violated, and I urge with all of my power that the chairman of the committee accept the amendment of the gentleman from Texas.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. KORNEGAY. I yield to the gentleman from New York.

Mr. CELLER. In the light of the debate which has ensued on the amendment offered by the gentleman from Texas and the amendment to the amendment offered by the gentleman from New York, I personally am willing to accept the amendment offered by the gentleman from Texas.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. KORNEGAY. I yield to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. I simply wish to say that I am happy at the decision of the gentleman from New York. The Committee on Education and Labor felt that was what it had done in the bill. Obviously, as it appears, we had not sufficiently covered the point. Therefore, we are entirely in agreement with the decision of the gentleman from New York.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. KORNEGAY. I yield to the gentleman from Ohio.

Mr. McCULLOCH. We were pleased to discuss the matter with the chairman of the committee and we are glad to withdraw our amendment and support the amendment of the gentleman from Texas.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. KORNEGAY. I yield to the gentleman from Arkansas.

Mr. HARRIS. Do I understand after these most distinguished and able colleagues have gotten together here and finally gotten religion, do I interpret them to mean the amendment of the gentleman from New York [Mr. LINDSAY], would not be acceptable?

Mr. CELLER. That is correct.

Mr. HARRIS. And without the amendment to the amendment you are willing to take the amendment of the gentleman from Texas?

Mr. CELLER. That is correct.

Mr. HARRIS. Let me commend the gentleman and each of the gentlemen, and I hope the gentleman from New York [Mr. LINDSAY], will give his assent to it.

Mr. KORNEGAY. I would like to highly commend the gentleman from New York for accepting this amendment which will permit our religious and church-related colleges and charitable institutions the freedom to employ the teachers and personnel of their choice.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. KORNEGAY. I yield to the gentleman from South Carolina.

Mr. DORN. I want to join my distinguished colleague from North Carolina in support of the amendment. I thank the gentleman from North Carolina for his able argument as I am certain his contribution to this debate greatly influenced the chairman and the House to accept this amendment which protects our sacred institutions.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. KORNEGAY. I am grateful to the gentleman from South Carolina and I now yield to the gentleman from Kentucky.

Mr. CHELF. I want, too, to add my commendation and congratulations to our distinguished and beloved chairman of the great Judiciary Committee of the House on his acceptance of this Purcell amendment. It is very wise and fair. He reminds me of St. Paul on the road to Damascus. He suddenly sees the light. Also I want to salute my good friend from North Carolina [Mr. KORNEGAY] for his hard fight to secure the adoption of this most vital amendment. Bless you, my dear friend. Your support on this fight was most convincing.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. LINDSAY. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Without objection the amendment offered by the gentleman from New York [Mr. LINDSAY] to the amendment offered by the gentleman from Texas is withdrawn.

There was no objection.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CAHILL

Mr. CAHILL. Mr. Chairman, I offer two amendments. Mr. Chairman, I ask unanimous consent that both amendments be read together and considered at the same time. They both amend the same section.

Mr. GROSS. Mr. Chairman, may we have the amendments read before consent is given to having them considered en bloc?

The CHAIRMAN. The regular order is that the Clerk will report the amendment offered by the gentleman from New Jersey.

The Clerk read as follows:

Amendment offered by Mr. CAHILL:

On page 69, line 17, after the semicolon, strike out the word "or" and after line 20 add, "(4) to give preference to one applicant for membership over another applicant for reasons other than job qualifications and for reasons which may have the indirect effect of causing discrimination because of race, color, religion, or national origin."

On page 70, line 3, strike out the period and insert in lieu thereof a semicolon and add the following: "or to give preference to one applicant over another in admission to, or employment in, any such program for reasons other than job qualifications and for reasons which may have the indirect effect of causing discrimination because of race, color, religion, or national origin."

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey that the amendments be considered en bloc?

There was no objection.

Mr. CAHILL. Mr. Chairman and members of the committee, these two amendments would amend section 704 of the bill. I was surprised to learn—and I do not know whether it is within the knowledge of the members of the committee or not—that prior to this bill there has never been a Federal statute under which any agency of the Federal Government could compel a union to accept any person as a member. I understand that all of the national unions of the United States are supporting this title of the bill, as am I, but as I read the section of the bill which makes it an unlawful employment practice for a labor organization to exclude membership, it can only exclude membership on the basis of race, color, religion, or national origin; and, in the following section, section (d), it is only an unlawful practice if an employer or a labor organization fails to accept apprentices on the same basis.

The courts have held, as I understand the law, that unions have an absolute right to fix the qualifications of their members and it has been my impression that the national unions of this country have been experiencing a good deal of trouble with some of the smaller unions, some of the unaffiliated unions, that have excluded membership in spite of the fact that the applicant is qualified.

For example, I have a case in my own district where a man served his apprenticeship, he worked at the trade since 1948, and he cannot get membership in a union.

The purpose of my amendment is to permit any qualified person to become a member of a union and not to limit the authority of the Commission merely to cases of disqualification on the basis of race, color, creed, or national origin. Thus, if a qualified person makes application for membership in the union and is denied membership for any reason other than his qualifications to do the job, that person would also have a right to go to the Commission and there get a hearing. If it were determined by the Commission or the courts that he was excluded for any reason other than qualifications, he would be permitted to become a member of the union. In that way he would be permitted to go and get a job where union membership was required.

A similar amendment having the same intent and purpose would apply to section (d) of the bill. It has been my understanding that the national labor organizations have been conducting a commendable fight to eliminate this type of discrimination where some of the small unions that have handed down jobs from father to son and brother to brother, and who have declined to accept membership, even though the members were qualified. While the national unions have been trying to eliminate this abuse and I want to commend all of the national organizations, particularly the AFL–CIO, in attempting to do this, and also in supporting title VII of this bill, the evil nevertheless continues to exist.

I feel therefore if we are going to eliminate discrimination on the basis of race and color we ought to also eliminate any other discrimination that may exist, so that any man who is qualified and who is anxious to work can become a member on paying the union dues. Since there is no statute compelling admission to a union, this will be the only statute, and if this statute is not amended then the only basis for exclusion will be race, color, and so forth.

I would urge the Committee to accept my amendment.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. CAHILL. I yield to the gentleman from Pennsylvania.

Mr. DENT. If I understand the gentleman right, you would go beyond just a labor organization. You might take in a professional association that practices that sort of discrimination, as you call it?

Mr. CAHILL. No. That is not the fact.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(By unanimous consent (at the request of Mr. ROOSEVELT) Mr. CAHILL was allowed to proceed for 3 additional minutes.)

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. CAHILL. I yield to the gentleman from Pennsylvania.

Mr. DENT. I want to clarify this situation. In Pennsylvania, for instance, a student may enter a law school, he may graduate from that law school, and the local bar association can prevent him from practicing law in any specific county although he has passed the bar, graduated from college, yet the bar association committee on admittance will bar him for something he had nothing to do with.

Mr. CAHILL. I understand the gentleman's question, and I understand the situation as it exists in Pennsylvania. I will say this is an amendment to section 704, subsection (1) which reads that it shall be an unlawful employment practice for a labor organization. The bar association is not included.

Mr. DENT. I do not think the gentleman's amendment is germane to the purpose of the act anymore than if I offered an amendment to prevent a bar association from admitting only approved applicants.

Mr. OSMERS. Mr. Chairman, will the gentleman yield?

Mr. CAHILL. I yield to the gentleman from New Jersey.

Mr. OSMERS. Mr. Chairman, I am in strong support of the bill.

Mr. Chairman, the enactment of broad civil rights legislation is long overdue. I urge my colleagues to give their full support to the bill before us and to oppose any amendments which have the objective of weakening its enforcement provisions or limiting its coverage.

The bills which I introduced in January and June of 1963 contain substantially the same provisions as those included in the bill before us today.

In the preamble to our Constitution it is stated that "We the People of the United States" are establishing the Constitution to "secure the blessings of Liberty to ourselves and our Posterity."

The Emancipation Proclamation signed by President Lincoln more than a century ago gave freedom to the enslaved. That action will always stand as a great monument to freedom. But now, we, as the Congress of the United States, have the responsibility and the long delayed obligation to guarantee equality as well as freedom to all Americans regardless of race, color or creed.

Then, in 1868, the 14th amendment was ratified. Section 1 of that amendment to the Constitution states that "no State will make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws." Section 5 of the same amendment clearly states that "The Congress shall have power to enforce, by appropriate legislation, the provisions of this article."

The 15th amendment, ratified in 1870, gives to all citizens the right to vote and empowers the Congress to enforce the right by appropriate legislation.

To the credit of a large majority of our States, nearly every civil right that is provided for in the bill before us is completely protected by State law. But until every citizen in every State, in every county, and in every municipality, has his constitutional rights spelled out and safeguarded by the Federal Government, we cannot claim to the world or to ourselves that we are the land of the free.

Other Members have gone into the most exhausting detail with respect to every provision of this bill. Every conceivable, and a few inconceivable, amendments to it have been offered. Very little more can be said with respect to its detailed provisions. The broad provisions contained in it have withstood every assault.

It is my deepest hope, Mr. Chairman, that the House will pass this bill without substantial change so that in the future every American will have his right to vote, to use public accommodations and public facilities, to equality in education and employment. Let us also end Federal financial assistance to any program of any kind, anywhere, when there is a finding of racial discrimination. The enforcement provisions must remain clear and strong or the whole bill will prove to be a farce.

The time has long since passed when any citizen of the United States anywhere in our great land should be required to ask for his constitutional rights with hat in hand. They have been his rights under the Constitution for nearly 100 years. It is the duty of the Congress to insure that he is protected in the exercise of them by law.

Mr. ROOSEVELT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to make very clear that if we had understood the amendment when it was read we would have objected to it on the ground of germaneness, because this bill is limited to discrimination on account of race, color, or creed. The gentleman from New Jersey may have a very laudable idea in his mind and certainly, perhaps, one that should be given consideration, but it has nothing to do with this bill. I earnestly ask my colleagues on the committee not to bring into the bill subject matter which has really nothing to do with this bill at all.

Mr. GRIFFIN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I am very reluctant to oppose the amendment of my colleague from New Jersey but I am constrained to do so. We are dealing here with legislation having a limited purpose. The amendment of the gentleman from New Jersey goes to a serious evil which is outside the scope of this bill. Regretfully, I must indicate that I think it would be bad legislative practice to try to deal with a different problem on the floor in this fashion.

The amendment of the gentleman from New Jersey refers to other practices which "may" have the "indirect effect" of discriminating on the basis of race, color, and so forth.

I should like to say here for the record, for the purpose of establishing legislative history, that if a union, or an employer, for that matter, engages in a practice which actually is a subterfuge amounting to discrimination on the basis of race, color, or creed in some indirect fashion then a court could probably find that such a practice would fall within the scope of this bill.

However, so far as the gentleman's amendment is concerned, there are factors such as seniority, length of employment, and other factors which could affect union membership, union rights, and so forth, and have nothing to do with color, race, or creed.

I realize and appreciate the general problem at which the gentleman's amendment is directed. And, I am in sympathy with what he is trying to do. However, I hesitate to support the amendment for the reasons I have indicated.

Mr. CAHILL. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from New Jersey.

Mr. CAHILL. I wonder if the gentleman would let me have his expert opinion about a small union which excluded applicants from membership because they were not sons or brothers of members. If they excluded a Negro because he was not a brother or a son of one of the members, would the gentleman say that the bill as presently written would take care of that situation?

Mr. GRIFFIN. If the admission rule were adopted for that purpose, for the purpose of actually excluding Negroes, then I believe the bill would cover it; however, that would be a question of fact. Again, I must say that the gentleman's amendments raises a number of different problems and a lot of factors outside the scope of the limited subjects we are trying to deal with in this legislation.

Mr. O'HARA of Michigan. I gather that one of the things the gentleman from New Jersey is trying to get at is discrimination because of relationship.

Mr. CAHILL. Or no relationship. I think this is something the Committee on Education and Labor ought to go into.

Mr. O'HARA of Michigan. We discussed this matter before in a different context and never seemed to get anywhere in connection with labor employment because of relationship. I do not know why we ought in this bill to try to impose it on one particular kind of citizen and no one else.

Mr. CAHILL. The gentleman recognizes that the only thing that can happen is that the person excluded would then have the same right as the Negro excluded, that is, to say that he was unfairly discriminated against. The only thing that could happen would be that the union would have to accept him as a member.

Mr. GRIFFIN. I realize that in our society there are lots of situations of discrimination besides the discrimination against Negroes, but we are not trying to solve all the other problems today. I think it would be unwise to try to do that on the floor of this legislation.

Mr. TAFT. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Ohio.

Mr. TAFT. I would like to have the gentleman's comments on the qualifications that would be required for the members of this particular Commission in times to come. Would they assure ability to decide on questions relating to labor relations?

Mr. GRIFFIN. Having looked at the language of the amendment, I think it might be very difficult for experts in labor relations to make the determinations required. It would be even more difficult for Commission members who did not have expertise in this field.

Mr. CAHILL. The gentleman is one of the ranking members of the Labor Committee. He recognizes this abuse exists. I wonder if he can tell me what, if anything, the committee is doing to correct this.

Mr. GRIFFIN. I cannot report that the committee is doing anything in that field right now; however, perhaps we can persuade the people on the other side of the aisle who control the committee to take a look at it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey.

The amendment was rejected.

Mr. DONOHUE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DONOHUE. Mr. Chairman, I have consistently opposed every attempt to weaken any section of this bill and wish to emphasize, again, as earnestly as I can, the urgent necessity of passage of H.R. 7152, as presented to us by the Judiciary Committee, without the adoption of any crippling changes.

As a member of the House Judiciary Subcommittee that recommended this measure to the full committee I can solemnly state that all of the subcommittee members and the full committee membership worked harder and longer and more conscientiously, with inexhaustible patience and tolerance, over several months to present this House with a civil rights bill as strong as it could be humanly made to legally insure, to every American citizen, the fullest exercise of his God-given rights, as recognized in our Declaration of Independence and guaranteed by our Constitution. I sincerely believe that this measure eminently achieves the purposes I have just recited and I sincerely trust the effectiveness of the bill will not be diminished by the addition of restrictive and confusing amendments.

I very deeply feel the distinguished chairman of the House Judiciary Committee, who served as chairman of this particular Civil Rights Subcommittee, the members of the subcommittee and the full committee, as well as the committee staff personnel, deserve the approbation of this House for their untiring efforts and zeal in the preparation and presentation of this measure. I hope that when everyone here has enjoyed their privilege of discussing the provisions of the bill it will finally be given the well-merited stamp of your overwhelming approval.

This measure, as you are aware, is composed of seven major and three procedural sections or titles. None of them can be deleted or diminished without crippling the patriotic purpose and effectiveness of this long overdue legislative program.

To summarize the major sections of the bill, title I deals with the subject of voting rights and is designed to remove the frustrating barriers of continued use of literacy tests and similar performance examinations as devices to prevent the exercise of a voting right.

Title II applies to the problem of negation of equal access to public facilities, which negation provoked most of the racial demonstrations that took place in 1963. This title reaffirms and projects the right of all citizens, without regard to race or color, to the full and equal enjoyment of defined public accommodations and prohibits any deprivation or interference with the right to use the public accommodations within its coverage.

Although this title appears to have generated the greatest fears and called forth the widest expression of technical disagreement in law and in custom, I very deeply believe that, while obviously sincere, these fears and technical contentions are factually unfounded. To my mind this title solely and simply emphasizes the traditional basic proposition in a civilized society that, whenever they confront each other, human rights take precedence over property rights. To flagrantly deny, directly or indirectly, this fundamental concept of human association, under God, would be tantamount to a rejection of the American system and it could well mark the beginning of the fall of a great Nation from its destined role of leadership in an already divided and fearful world.

Title III attempts to prevent discriminatory denials in connection with access to public accommodations. When facilities "owned, operated, or managed by or on behalf of any State or subdivision thereof" fall within the scope of the 14th amendment the objective of this section is to authorize the Attorney General of the United States to enjoin denials to such places as well as the right to intervene in equal protection cases, generally.

Title IV covers the vitally important subject of segregation in public education and is designed to accelerate the acceptance of current law which holds that continuously indefinite delay in elimination of racial barriers in schools amounts to frustration of the concept of deliberate speed. Title IV of this measure has two fundamental objectives: First, to authorize technical assistance to public school officials in fulfillment of desegregation plans; and second, it provides authority to the Justice Department to initiate civil suits in the Federal courts in cases presenting discrimination in public schools and colleges.

Title V would make the Commission on Civil Rights a permanent unit of the Federal Government. Even though the enactment of this measure is inevitable it cannot and it will not solve all our racial problems overnight. The Commission on Civil Rights has performed a most valuable research service in this field and we will obviously have a continuing urgent need of the agency's invaluable service into an unchartered future.

Title VI reminds us all that the Federal Government, as recognized by the Fourth Circuit Court in connection with the Hill-Burton Hospital Act, is under a legal obligation to prohibit the use of Federal funds in programs being administered in a manner to perpetuate racial discrimination.

Unquestionably, both from the legal and moral standpoints, the benefits of programs aided by Federal funds should and must be made available to all regardless of race or color. Title VI, then, enables Federal agencies to withhold Federal financial participation from any program found to be administered on a segregated or discriminatory basis.

Title VII is designed to cover the vitally important area of equal employment opportunities to all. The just and sole purpose of this section is to insure that an individual's qualifications to do a particular job constitute the only measure by which he is given or continued in employment.

Mr. Chairman, the language of the provisions within each title of this bill is as strong as could be humanly made in legislative pursuit of the establishment of equal rights and opportunities for all American citizens, but it is not extreme and it does not diminish or intrude upon the rights of some in order to give expanding rights to others. The objectives of this measure are not directed toward any one geographical area of the country; it is obvious that the problem and issues involved exist in every sector of the Nation, south and east, west and north, and the urgency of the whole matter is increasing daily.

It is abundantly clear that the time has come, now, for this body to legislatively redeem its previous pledges that the promises of equal opportunity for all, as set forth in our Constitution, shall be realistically fulfilled through and by Federal direction and authority.

Mr. Chairman, the substance of this problem, now threatening the very foundations upon which this Nation rests, is the need to spur our national consciousness to the stark realization, out of our human experience, that incidents of disastrous and unintended violence inevitably develop from certain peaceful activities. Accepting this realization and to forestall any expansion of the atmosphere and circumstances for violence, which no responsible citizen desires, let us promptly demonstrate our legislative willingness to make federally available to each and every American, through our legal institutions, the effective instruments, for the fullest and freest exercise of constitutional rights, contained in this measure.

Mr. Chairman, we are faced today with the absolute and imperative need for removing racial, and all other discriminations, from every walk of American life. Our response should be heightened by the reflection that it is hypocritical and contradictory to aspire for world leadership to honorable peace until we have removed every temptation for the occurrence of racial strife in the streets of our own cities.

The issues being debated here are truly of national significance. The problems confronting us here are not those of one race; they are a challenge to all Americans worthy of the name.

The responsibility for equitable solution cannot be placed upon one faction of our people or our government; every person in all stratas of our society and at every level of government must share in the responsibility and contribute toward the solution.

The major accomplishments we have already reached in this legislative area have been the results of mutual respect and unified patriotic determination without prejudice, without partisanship and without parliamentary harassment.

Strengthened by reflection of past achievement, let us go forward again in unified patriotic response to our individual duty and fulfillment of our national obligation.

Mr. Chairman, it is written in the Book of Proverbs that "where there is no vision, the people perish." Mindful of this holy admonition and the example of our forefathers' foresight let us join our minds and our hearts and our voices to the speedy accomplishment of this milestone in the legislative history of the United States so that the heralded "home of the brave" may become now and forever and in truth, "the land of the free."

AMENDMENT OFFERED BY MR. DOWDY

Mr. DOWDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. DOWDY: Page 68, line 18, after the word "individual's", insert the word "age".
>
> Page 68, line 23, after the word "individual's" insert the word "age".
>
> Page 69, line 3, after the word "his", insert the word "age".
>
> Page 69, line 5, after the word "his" insert the word "age".
>
> Page 69, line 10, after the word "his", insert the word "age".
>
> Page 69, line 16, after the word "individual's", insert the word "age".
>
> Page 69, at the end of line 24, insert the word "age".

Mr. DOWDY. Mr. Chairman, I shall not take very long on this amendment. I offered this as an amendment to a former civil rights bill in 1957 or 1960, I have forgotten which one.

I am sure that most of the Members of this House have had the same experience I have had, hearing from people in our districts.

This amendment inserts the word "age" as one of the things that cannot be discriminated against. Along with color, race, sex, religion, or national origin it just adds "age" as another factor.

I have had many pitiful letters from people in my district and I am sure you have had the same kind of letters from yours stating how after they get over 40 years of age or maybe 45 years of age, they cannot get jobs. The employers simply will not hire them.

That is the worst kind of discrimination when a person is discriminated against at that age, particularly, that young age. In some parts of the country it has gotten to where at 35 years of age it is impossible to get a job—at a time when a man is trying to raise his family.

A lot of this is caused by laws that the Congress has passed. A lot of this is caused by laws that the States have passed on account of physical examinations, insurance, workmen's compensation laws and such things as that.

Certainly, if we are going to prevent discrimination in employment, I feel this is an area that should be included in the bill. I cannot help but believe the rest of you feel the same way.

I believe the official statistics of the U.S. Government show that when a person loses his job after he is 40 years of age, the chances are 6 to 1 that he will not be able to get employment in a similar job or a job paying anything like the salary that he had before he lost his job.

Many people are being thrown out of their businesses and out of their jobs by programs of the U.S. Government, which makes this amendment more essential.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield to the gentleman.

Mr. BECKWORTH. I want to commend the gentleman for taking an interest in this particular problem. Not only is this true in the case of private industry, but the Government itself is a difficult place for an older man to obtain employment. There are plenty of statistics on that. Even though we have agencies in the Department of Health, Education, and Welfare and in the Department of Labor that are supposed to be doing something about it, yet, when one asks them for the statistics they say they have no estimates and no information on the extent to which older people are hired. The gentleman is on a mighty important line of reasoning.

Mr. DOWDY. A few years ago Congress passed a law to keep the Federal Government from discriminating on account of age in employment, yet the gentleman is correct. The problem still exists.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Does the proposed amendment of the gentleman contemplate equal application to Government employment as well as private employment?

Mr. DOWDY. Actually a law already exists for Government employment, which we passed. My amendment would apply to everything the bill before us would apply to. I have offered it in every place that race, color, sex, religion, or national origin discrimination is to be banned.

Mr. Chairman, I believe the amendment deserves the utmost of consideration. Certainly it should be adopted. I urge it. The people of the country are writing to you and writing to me asking, "What can we do? We are past 40 or past 45 and cannot get a job. Employers will not listen to us."

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield to the gentleman from Florida.

Mr. PEPPER. Is it not a fact that the Full Employment Act of 1946 committed the Government of the United States to the principle of providing an economic climate in this country in which all citizens who were ready, willing, and able to work should have an opportunity to work, and did not exclude senior citizens?

Mr. DOWDY. That is correct; it did not exclude them.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield to the gentleman from Florida.

Mr. SIKES. I certainly support the gentleman in what he is attempting to do. This is one of the best of the amendments which have been offered.

Mr. Chairman, there is a group—a growing group—of Americans who need help and need it badly. They are the men and women whose age makes them no longer desirable in the job markets of the Nation. Many of them are skilled. But companies which are looking at retirement, disability, and fringe benefit problems want younger employees. There is discrimination against men and women in this group. Theirs is a harsh problem. Living costs are high. Income is low. Employers all too frequently follow a hard and fast rule against employing persons over 45.

In the field of help for the aging, a bill such as this could be useful. It would force action on a problem which has long been recognized, but about which nothing of consequence has been done. Year after year there is talk. There are high level conferences. Commissions are appointed. But nothing comes of it. After some pious resolutions, the problem goes back on the shelf. There is no comprehensive plan to help provide jobs for the aging.

For days the House has attempted to create an image by which to place this bill in a favorable light. A provision on the aging will not make it a good bill. But here at least is an area where action is needed. I sincerely hope the amendment will be accepted.

Mr. DOWDY. Mr. Chairman, I feel sure that Members will find that more discrimination is practiced in this area than in any other. I urge the adoption of my amendment.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

However laudable may be the purpose of the gentleman from Texas in the offering of the amendment, I am convinced that acceptance of the amendment would cause a great deal of difficulty and would result in confusion without end.

The gentleman speaks of discrimination based on age. What age? Some men are old at 20. Others are young at 70. At what age would discrimination occur?

I think we would be entering into a thicket of difficulties if we adopted the amendment.

If Members will turn to page 84 of the bill, to section 718, under the heading "Special Study by Secretary of Labor" they will see that the committee provided:

> The Secretary of Labor shall make a full and complete study of the factors which might tend to result in discrimination in employment because of age and of the consequences of such discrimination on the economy and individuals affected.

In other words, not only the Committee on Education and Labor, but also the Committee on the Judiciary felt restrained about going into this difficult area because of a lack of knowledge; because of woefully insufficient information on the subject of so-called discrimination based upon age.

In the bill we call upon the Secretary of Labor to make a comprehensive study and to report back to us. After we receive the conclusions of the Secretary of Labor we shall be in a better position to offer legislation.

The answer is that now we do not have sufficient information, concerning discrimination based on age, to act intelligently. I believe, therefore, it would be rather brash to rush into this situation without having sufficient information to legislate intelligently upon this very vexatious and difficult problem.

Mr. **COLMER**. Mr. Chairman, will the gentleman yield for a brief question?

Mr. **CELLER**. I yield to the gentleman from Mississippi.

Mr. **COLMER**. What difference would it make what the age was, provided the discrimination was because of age?

Mr. **CELLER**. It might make a big difference, depending upon the surrounding circumstances. But, frankly I do not know; and I do not believe the gentleman knows. We should wait until we get the fullest possible information on the subject. We should permit the Secretary of Labor to look into the situation. We should permit him to put his experts to work on it and give us the results of their labors. Then we could legislate on this subject intelligently.

I do not believe we could do so now. We cannot legislate intelligently now.

Mr. **COLMER**. If the gentleman will permit a further interruption, it seems to me that the gentleman is begging the question when he wants to put it off until we can get the bureaucrats to give a report on it. That may never happen. Also, the question of whether a man is 35, 40 or 50 years of age is immaterial. The same point might be made by somebody else on the question of the color of a man's skin; as to whether it was a light color or a dark color, a chocolate color or a medium color.

The question would be a question of discrimination because of age.

Mr. **CELLER**. Mr. Chairman, I want to say that the bill provides that the Secretary of Labor investigate discrimination in employment because of age and to indicate the consequences of such discrimination on the economy and the individuals affected. I think that we should wait for the results of such an investigation and then we will be armed with the proper facts.

Mr. **PUCINSKI**. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it has been my privilege to serve on the subcommittee that has held very extensive hearings for 3 years now, I believe, on this whole question of fair employment practices. The committee is chaired by the distinguished gentleman from California [Mr. ROOSEVELT]. We have traveled to New York. We have held hearings in Chicago and held hearings in California. So we are not entirely strangers to this subject.

Mr. Chairman, I rise in support of this amendment. I have been pleading with my committee from the very first day we started hearings that we really cannot do an effective job in eliminating discriminatory practices in hiring in this country if we limit ourselves only to race, religion, and national origin. I have 174,000 citizens in my district who are 45 years old or older. I was extremely depressed when I saw a survey of the Department of Commerce which indicated that unless an American worker has an extraordinary skill, his chances of getting another job once he loses his original job are 6 to 1 against him if he is 45 years old or older. I tell you that you cannot solve the problem of discrimination in hiring practices with this title VII, limiting yourself to what you have in the bill now, because there is not a Member on this floor—and I fear no contradiction in this statement—there is not a Member on this floor who does not know that when people apply for a job today the first question they are asked—and it does not make any difference whether they are white, colored, Indian, Chinese, Catholic, Protestant, or Jew—the first question that is asked is, "How old are you?" You know and no one can deny the fact that when you tell a personnel manager that you are 45 years old or older, he does not want to know any more about you. Now, you know this. Gentlemen, let us test the wisdom of what I am saying.

There are 26 States in the United States that have adopted various forms of fair employment practices acts. Of those 26 States, 14 have learned that their acts fell short of the purpose, which is to bar discrimination in employment, and they have since been compelled to adopt amendments dealing with age. This goes for the State of my chairman, the gentleman from California [Mr. ROOSEVELT], and this goes for the State of the ranking member of the committee on the Republican side, the gentleman from New York [Mr. GOODELL]. Both the State of New York and the State of California had to recognize the fact that they cannot deal effectively to wipe out discrimination in providing an opportunity for people to earn a living in this country unless they wrote into their act the question of age.

I say to you that the very same arguments that apply to this whole title apply to age. We have based this title on one thing. We say in this title that if an American worker, be he man or woman, is otherwise qualified for employment—and that is the key of this whole title—otherwise qualified for employment—he shall not be denied an opportunity to earn his living because of his race, color, or national origin.

Earlier today we voted to bar discrimination because of "sex," and now I hope we make this act complete by adding the word "age."

The **CHAIRMAN**. The time of the gentleman from Illinois has expired.

Mr. **PUCINSKI**. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The **CHAIRMAN**. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. **PUCINSKI**. Mr. Chairman, I have sat here for 7 days patiently listening to debate and listening to the learned members of the Committee on the Judiciary argue the points that they know best. Therefore, I do not think that I am imposing upon the good will of the membership when I take the floor and ask for additional time to discuss a subject that I have spent years studying very carefully as a member of the Labor Committee. This is not something that I am pulling out of my pocket. I sat in California and heard the director of labor there argue that the State law of California was ineffective until they wrote a bar against discrimination in hiring because of "age" into their act. I heard witnesses in New York argue that their act was ineffective until that State included in their State law a prohibition against discrimination in hiring practices in that State because of a person's age if he or she is otherwise qualified for the particular job.

So, Mr. Chairman, we can look through the committee hearings, and the statements are there, the testimony is there.

I know there are those who say, let us not include this point because we may lose some support for this bill. I say you will gain support. If you want to do something, if we honestly and sincerely want to do something about this problem of giving every American an opportunity to earn a living if he is otherwise qualified, we will include this subject of age in this title.

I am aware of one thing: There is no question that there is an economic factor involved, and I believe the Congress will have to deal with this economic factor if we accept this principle of nondiscrimination because of age. I recognized that it may cost an employer more money to hire an older worker and it is for this very reason that I have introduced legislation to relieve an employer of these additional costs by giving him a tax credit for these additional costs if such additional costs occur in hiring older people.

Mr. **WHITENER**. Mr. Chairman, will the gentleman yield?

Mr. **PUCINSKI**. I yield to the gentleman from North Carolina.

Mr. **WHITENER**. Mr. Chairman, I want to congratulate the gentleman for the excellent statement he has made. It so happens that I come from a very large textile area, and I can say to the gentleman that there is no greater discrimination in employment than you will find in this age situation.

I would point out to the gentleman something that came to my attention a few days ago that was astounding. One of the qualifications under the unemployment compensation law, in North Carolina, at least, is that before one is eligible for benefits he must be "available for work."

A lady wrote to me and sent a copy of a decision by the unemployment commission in which they found as a fact that the textile industry in that area did not generally employ people over a certain age even though they had experience and, therefore, this lady was not under the law "available for work."

I wrote to the State director of the employment security commission and received not only a letter, but a copy of the instructions given to their hearing examiners in which this very item appeared. They said in order to qualify under the act and be available for work you must be within the age group generally employed in the area in the industry of one's experience. I will say to the gentleman I do not agree with that decision, but it does point up the severity of age discrimination.

Mr. PUCINSKI. It is my hope that the chairman of the Committee on the Judiciary will accept the amendment.

This amendment will do no more violence to this bill than any other amendment we have accepted so far. I honestly believe this amendment strengthens the bill. There is not going to be any more difficulty in enforcing this amendment than in any of the other amendments, including sex.

I say to the Members of this Congress that unless you prohibit discrimination because of age in here, the rest of this title, in my judgment, will be ineffective. It is not the young people; it is not the highly skilled people of America who are having difficulty finding jobs. It is that unemployed American worker who is in his forties or fifties, regardless of his race or religion, who has been displaced by automation and for no other reason than because of a growing practice of refusing to hire older workers of this country, is being denied a job. If you want to make this an effective piece of legislation, I do not see how you can leave this big loophole in there. You know and I know that once you bar discrimination because of race, religion, or national origin, you will find age as the main factor for continuing discrimination in hiring.

The Department of Labor has been making surveys and said it is going to make more surveys, but these, in my judgment, are of very little value. We have been working on this problem in my committee for almost 4 years. The Labor Department has had all kinds of opportunity to recognize the fact that more than one-half of the people unemployed in America today are victims of discrimination because of age. The President sent to the Congress an antipoverty bill. We have declared war on poverty. How can we hope to solve these problems of poverty when more than half of the people in the country today who are unemployed are unemployed for no other reason than because they are 45 years of age or older.

I fail to see how this amendment can create any more problems than all the other provisions of this title. I am confident that just as the 14 States have found ways to adequately enforce their State laws barring discrimination in hiring practices because of age, so can the Department of Labor set up adequate procedures under the title not to cause industry any more problems with this age provision than it will have with the other provisions of this title.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Florida.

Mr. SIKES. The gentleman is making a most significant contribution. We have had commissions, hearings, studies from year to year, but the problem becomes more aggravated. Now is the opportunity to do something about it.

Mr. PUCINSKI. I would like to conclude with one statement. If what I am saying is incorrect, why have 14 of the 26 States that have FEPC laws on their books had to amend their acts to bar discrimination in hiring practices because of age in order to make their State laws effective. The experience of these 14 States which, incidentally, are among the most industrially developed States, proves better than anything I might say that you cannot have effective antidiscrimination legislation unless you include age as a factor. If I am wrong, then, Mr. Chairman, these 14 States are also wrong.

Mr. SMITH of Virginia. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is a right serious amendment to some of us. I will have to look after myself a little bit, as we carry on. I have carried the amendment in my pocket all day, waiting for an opportunity to offer it. I was so busy looking after the amendment protecting women that somebody got the floor before I could offer this.

I want to direct my remarks to the chairman of the Judiciary Committee, my friend, the gentleman from New York [Mr. CELLER]. We have been here for 10 days in the most grueling debate I have ever seen in my 30 years in Congress, and he is going strong. I do not know of any of the boys around here that could beat his record for staying on the job and doing an intelligent job and doing an able job, yet he is opposing an amendment that is going to put us out of business. I think the chairman of this committee is exhibit A in favor of this amendment.

I have been here all the time he has been here and sometimes when he was not here. I have been here night and day during this debate. I offer myself as exhibit B.

Then I look around the Chamber. I see some gentlemen whose hair has departed from their cranium. I see others who are grey and wrinkled. He is going to put those, too, out of business. I think he ought to accept this amendment. I think he ought to have compassion on the rest of us and those in that category.

I want to say to you that age has nothing to do with it. My father lived to be 72 years old, and he said that it was not a question of how many years old you were, it was a question of how old did you feel. The gentleman from New York feels like a boy. Why should he vote to put himself out of business and put me out of business and put the rest of you baldheaded fellows out of business?

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from New York.

Mr. CELLER. An old adage is, you know, "While the candle burns there is work to be done." There is another adage I think the gentleman understands, that "old trees bear fruit."

Mr. SMITH of Virginia. Well, I do not know what the gentleman has reference to, but there is another adage along that line. That is the old spiritual that says that "as long as the light holds out to burn, the vilest sinner may return." I hope the gentleman will avail himself of that advice and support the amendment.

Mr. ROOSEVELT. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

Mr. Chairman, I want to underscore what the gentleman from Michigan just said that this vote is going to be a real test of the responsibility of this House of Representatives, because we all recognize and know that if we continue to load up the bill with all kinds of impractical amendments which cannot be administered, the time will come when even the best supporters of the bill will find it impossible, of course, to vote for it.

I want to say in all good faith, I must admit there is very definitely a problem of discrimination because of age in the United States. Our own records of our own committees show that to be a fact.

But I want to also say that our committee was unable immediately to find a proper solution for this kind of discrimination and, therefore, we only dealt with those kinds of discriminations where we knew we could find an adequate and a workable remedy.

I would say to you, Mr. Chairman, and to my colleagues, I can asure you if that clause in the bill which directs the Secretary of Labor to make a report gives any kind of reasonable assurance as to how we can legislate that I, as chairman of the committee before whom it would come, and I say this to my friend, the gentleman from Illinois, even if it does not come from the Secretary, that we will sit down and bring out the kind of a measure which we believe does have some practical way to enforce it.

As the gentleman has introduced it here today all I can say is it would run against the practice of nearly every business in the United States. Is there a man or a woman who is supporting this who is not at the same time the first to say, "Let us not interfere with the prerogatives of management"? Yet here you are getting some of the same people who are saying they want to interfere with them without giving them the proper kind of protection in order that they can efficiently run their business.

Mr. ROONEY of New York. Mr. Chairman, will the gentleman from California yield?

Mr. ROOSEVELT. I am happy to yield to the gentleman.

Mr. ROONEY of New York. Mr. Chairman, I should like to ask the distinguished gentleman from California if it is not the fact that the matter of age in the American labor market is entirely and presently within the jurisdiction of the House Committee on Education and Labor, and is it not also the fact that the pending amendment is merely another attempt to gut this civil rights bill and delay its passage?

Mr. ROOSEVELT. I think the gentleman is absolutely correct.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman.

Mr. PUCINSKI. I certainly hope the gentleman from New York is not accusing me of trying to gut the bill because I have been interested in the subject of age for a long time. As a matter of fact, the gentleman might be interested to know that the first bill that was reported out of the Committee on Education and Labor on FEPC did include an age provision in it and that was the bill that was stymied in the Committee on Rules and never came to the floor of the House.

Second, I would like to ask the gentleman from California how his own State handles the question of age?

Mr. ROOSEVELT. Oh, I am glad the gentleman asked me that because it is important that I answer it.

My own State of California has a very carefully written statute which surrounds the question of age with all kinds of hedges which would protect management. This is not in this amendment as it is offered here. Therefore, it very clearly is not the matter we are discussing at this time.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to my friend, the gentleman from New York [Mr. GOODELL].

Mr. GOODELL. I think the gentleman from California will agree with me that what we are seeing here, in some instances with great sincerity and in other instances less so, is an attempt, frankly, to load the bill with items and factors that the bill is not designed to cope with.

The problem of this amendment is that the whole framework, and our whole section here was drawn especially to meet the very peculiar problems of discrimination on the basis of race, creed, or color.

Discrimination based on age has an economic source. There are many other factors that are very complicated in the problems of age. We should cope with this problem. We should try to develop some machinery to deal with it. But this is not the vehicle by which to do it.

I hope we are not going to load this bill down or load this title down with this kind of amendment and jeopardize the entire title to the bill.

Mr. ROOSEVELT. The gentleman has made an excellent statement.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman.

Mr. WAGGONNER. The gentleman from New York asked the gentleman from California if he would not agree that this was a matter which properly should lie within the jurisdiction of the Committee on Education and Labor. He agreed that it should be there.

Since the gentleman has made this admission, would he not further admit that the entire section or entire title should lie within the jurisdiction of the Committee on Education and Labor?

Mr. ROOSEVELT. It does lie within that jurisdiction.

Mr. WAGGONNER. Then it should not be in this bill.

Mr. ROOSEVELT. We requested the Committee on the Judiciary to include it in this bill; therefore, they are not violating our jurisdiction.

Mr. WAGGONNER. The gentleman said that the vote would reflect the responsibility of the House on this particular amendment. Will the gentleman admit that the vote will also reflect the interest of the House and who we are interested in as well?

Mr. ROOSEVELT. I do not quite understand what the gentleman means by that comment.

Mr. WAGGONNER. Would not the gentleman admit that the vote will reflect the interest we have in the old people?

Mr. ROOSEVELT. It may reflect the interest that some people have in the older people, but it is also a reflection of doing something in the wrong way and a reflection of the fact that we are losing sight of the main purpose of the bill.

I am just as interested as is the gentleman in the older people of this country, I say to my friend. I have demonstrated that time and time again. I am dedicated to trying to do something meaningful with respect to discrimination because of age. I would not ruin the bill to do so. I would not put in something to lead them down a wrong path. Then at some time in the future, after their hopes had been raised, we would find there was nothing for them. Let us not mislead the senior citizens but I strongly feel they will be able to recognize their true friends.

Mr. RODINO. Mr. Chairman, I move to strike the requisite number of words.

I shall not take 5 minutes. Since the gentleman has already discussed the question of age and its wide impact, and I recognize how seriously concerned he is, would he not agree that a provision against discrimination because of age would open up a tremendous number of problems which are not envisaged.

Mr. ROOSEVELT. Yes. I agree with the gentleman.

Mr. RODINO. Would it not be better to have this subject studied comprehensively by the Committee on Education and Labor.

Mr. ROOSEVELT. Yes.

Mr. RODINO. I agree wholeheartedly with the gentleman, who as a member of the Committee on Education and Labor has great knowledge of the subject. But we had no opportunity to go into this subject of age. I, too, am seriously concerned, for as the gentleman from California has already stated, there is evidence on discrimination because of age, and yet I believe this bill is hardly the proper vehicle to deal with this question. I believe the subject is properly within the jurisdiction of the Committee on Education and Labor.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike the requisite number of words.

If there is any subject in the world I have a right to discuss it is that of age.

I am happy to say that I am now 81; that I will be 82 in April; that I am a candidate for reelection; and that I will be reelected this year—but that, 20 years thereafter, I do intend to retire, and not before.

My friends and colleagues, we started out here to do a little job, to do what we could to guard against discrimination because of race or creed. We started on a simple little excursion. Then, because we like women and we want to give them all we can give them, we included them.

Now, apparently because I must have made so many friends—and I thank you all—you want to include old people.

Do you not feel that would be going pretty far? Do you not feel we should get back on that little excursion on which we started, to take care of discrimination because of race or creed?

Then, after we have done the job and have a happy world, without anyone being discriminated against because of his race or religion, we can help out the ladies and the old folks. I can wait for another 10 or 12 years at least for you to get around to me, if that is necessary. The job now is to complete what we set out to do—to end discrimination because of the color of the skin or the manner of worship.

Then you can come and help out the ladies and the old people. If you wrap them all in one package, three good causes will die on the vine. That is the way I think about it.

Thank you for giving me your attention. I know you want to vote, but I insisted on my right to speak, and I am going to insist upon that. Once in a campaign they raised the age issue on me. I challenged anybody in the audience not over 21 who would put on the gloves with me with the understanding that if I could not knock him out in two rounds, I would quit the race. I hope the amendment will be defeated. It is in a good cause, but the timing is bad.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The question is on the amendment offered by the gentleman from Texas [Mr. DOWDY].

The question was taken; and on a division (demanded by Mr. DOWDY) there were—ayes 94, noes 123.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. LANDRUM

Mr. LANDRUM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANDRUM: On page 63, line 16, strike out "Title VII—Equal Employment Opportunity" and all that follows through line 23 on page 85.

Mr. LANDRUM. Mr. Chairman, this is, I suppose, what you would call a sort of perfecting amendment. It has the effect of striking the entire title. The debate here since 11 o'clock today has demonstrated that the longer we go the more ridiculous we get. With that being the true state of facts, I see no reason why we should not, as mature men and women, realize the futility of trying to legislate in such a field as telling an employer whom he can hire and strike the title entirely and go ahead with some sort of decision on the balance of the bill.

What we have here is the poor employer. No one has talked about him today. What we have here, though, is the poor employer faced with the proposition first of discriminating between two or more applicants for a job. Then, after he makes his choice, he is not sure that he will not be charged under the terms of this bill and harassed for a year or more with defending himself on the choice he made. Then after he makes his choice, he also may decide that, "Well, I have made a mistake. This person I have employed cannot do the job that I expected him to do. So, I cannot afford to promote him. I will shift him over here a bit and keep him because I am afraid to fire him, because the terms of this bill will get me into trouble if I fire him. So I shift him over here a little bit, and then what happens to me? I am charged with discriminating against him on promotion."

So the employer, any way it goes, is caught "between the rock and the hard place." He cannot run the risk of not hiring him; he is afraid to fire him, and he is afraid to shift him over, out of the way, if he is complicating his manufacturing schedule or the balance of the operation of his business. So he just keeps him drifting along there, and the poor employer is just frankly out of luck.

Therefore, I think the wise thing to do—and we are trying to do the fair thing for the welfare of the country—is to strike this entire title and get up from here at 8 o'clock p.m., after more than 9 hours of debate today, and go home.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Georgia.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

Mr. JONES of Missouri. Mr. Chairman, reserving the right to object, if this unanimous-consent request is agreed to, is it the purpose of the Chairman to move that the Committee do now rise and come back and finish this bill next week?

Mr. CELLER. I have no such intention.

Mr. JONES of Missouri. Under my reservation to object, I might make the observation we are going through a period now that we know we are coming back next week. We have tortured ourselves here for 3 nights, and I think it is apparent we will come back next week to finish the bill.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Georgia.

Mr. LANDRUM. If the amendment which the gentleman from Georgia has just offered to strike title VII is agreed to, then there is a very small amount of this bill left, and it could be attended to quickly.

Mr. JONES of Missouri. What I am saying is: If we agree to limit debate on this part of the bill, the most important part, and I am going to want to speak on it, we ought to be realistic. We are going to be back here on Monday. We are going to have an engrossed copy of this bill read before it is passed.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. Celler]?

Mr. JONES of Missouri. Mr. Chairman, I object.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on this amendment conclude in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. WILLIAMS. Mr. Chairman, reserving the right to object, I am wondering if there has been any agreement reached as to what time the Committee might rise this evening?

Mr. CELLER. It is not within my power to determine that. I think that will be up to the leadership on this side.

Mr. BARRY. Mr. Chairman, I think the majority and minority leaders are outside now.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. WILLIAMS. Mr. Chairman, I object.

Mr. CELLER. Mr. Chairman, one of the most widespread forms of discrimination harmful to the Negro and to the Nation as a whole, is racial discrimination in employment. Denial to the Negro of the right to be gainfully employed shuts off to him all prospect of economic advancement. The right to be served in places of public accommodation is meaningless to the man who has no money. The opportunity for education in an integrated school or college is lost on a child who knows that, whatever his education, he is condemned to a life of unskilled and menial labor punctuated by periods of unemployment.

Congress has received ample evidence of the extent and seriousness of the problem of discrimination in employment because of race, color, religion, or national origin. The House Committee on Education and Labor recently concluded, after 10 days of hearings, that:

> Job opportunity discrimination permeates the national social fabric—North, South, East, and West.
>
> Job discrimination is extant in almost every area of employment and in every area of the country. It ranges in degrees from patent absolute rejection to more subtle forms of invidious distinctions. Most frequently, it manifests itself through relegation to "traditional" positions and through discriminatory promotional practices. The maxim "last hired, first fired," is applicable to many minority groups, but most particularly Negroes, as is evidenced by the greater unemployment rate for these groups. (H. Rept. No. 570, 88th Cong., 1st sess., p. 2.)

The committee report points out that certain rapidly growing fields which are traditionally prime employers of young people, are among the chief practitioners of discrimination—banks and other financial institutions, advertising agencies, insurance companies, trade associations, management consulting firms, and book and publication companies. House Report No. 570, page 3.

Statistics presented to the Congress by the Department of Labor demonstrate the gravity of the problem. Among male family breadwinners, the unemployment rate today among nonwhites is three times what it is among whites. While nonwhites represent approximately 11 percent of the total civilian workforce, they represent more than 25 percent of those who have been out of work more than 26 weeks, the long-term unemployed. Furthermore, the discrepancy between white and nonwhite unemployment is steadily growing greater. In 1947, the nonwhite unemployment rate was 64 percent higher than the white; in 1952, 92 percent higher; in 1957, 105 percent higher; and in 1962, it was 124 percent higher.

Nor are comparative unemployment rates the most significant indicators of the extent to which discrimination in employment affects our racial minorities. Where nonwhites are employed, it is generally in the lower paid and less desirable jobs. For example, 17 percent of the employed nonwhites have whitecollar jobs; the corresponding proportion among whites is 47 percent. Fourteen percent of all employed nonwhites are unskilled laborers in nonagricultural industries; the corresponding proportion among whites is only 4 percent.

Secretary of Labor Wirtz pointed out in his testimony before a subcommittee of the House Committee on Education and Labor:

> Negroes make up 90 percent of the nonwhite population and also receive the brunt of the burden of discrimination. Only one-half percent of all professional engineers are nonwhites. There are no more than 3 percent of male Negroes employed in each of 19 of the standard professional occupations for which we have data; for example, accountants, architects, chemists, farm assistance, and lawyers. These numbers are depressingly small.
>
> There were only about 250 professional male Negro architects in 1960; the largest number in any of the 19 professions was about 4,500, which is the figure for doctors. (Hearings before the General Subcommittee on Labor of the House Committee on Education and labor, 88th Cong., 1st sess., p. 445. June 6, 1963.)

Unquestionably some of the present disparity between the employment figures for whites and for nonwhites is not the direct result of discrimination in hiring. For many skilled jobs there is a lack of qualified nonwhite applicants. This shortage of skills, however, is attributable in large part to present and past patterns of discrimination which discourage Negroes and other nonwhites from preparing themselves for those jobs from which they have been traditionally excluded by reason of their race. It is an unhappy fact that if all racial discrimination in employment were to cease tomorrow, the legacy of past discrimination, as reflected in inadequate training, economic and cultural deprivation, as well as the seniority rights of the present work force, will be felt for at least a generation. Permitting such discrimination to continue projects these evil effects still further into the future.

Mr. DENT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENT. Mr. Chairman, the question of race discrimination, along with all other forms of discrimination, enters into the field of job opportunities even more dramatically than it does in other fields of human endeavor. Of all forms of discrimination against which the civil rights bill is directed none is more widespread and none more harmful to the Negro and to the Nation as a whole than discrimination in employment.

For the past few years there have been some misconceptions on the importance of the various areas of discrimination and the order of sequence of that importance to the welfare of those discriminated against.

Great emphasis has been put upon the discrimination against equal opportunity for education. A great deal has been said about the discrimination in housing and in places of public accommodations. The matter of job discrimination has been brought to the public's attention. There are those amongst us on the floor of this House who would be willing to vote for this legislation but hesitate to do so with a FEPC provision in it.

I find that there are some numbers of our citizens, including Members of Congress, who want to end discrimination in the fields of education, and accommodation, but who balk at any suggestion that an employer must be forbidden the right to discriminate because of race, color, creed, or national origin.

It is my humble belief that man's first need is for his physical well-being and, therefore, the first right under any government that must be guaranteed in order that any and all other rights and freedoms can be enjoyed must be the right to an equal opportunity for gainful employment. Once a man's stomach is full he will then seek shelter from the elements. So, second in importance in the rights to be guaranteed a citizen is the right to decent and proper housing without geographical, racial, or any other line of discrimination.

The next item in man's step toward full freedom and enjoyment and the pursuit of happiness is after having been fed and sheltered he searches for knowledge. This, then, is the third step toward fulfillment of the promises of the Constitution of the United States and the goal of men of good will.

This series of man's steps toward fulfillment of life goes way back to the days of the early beginning of mankind when early man, after having killed his game and fed upon it, crawled into his cave, safe from the dangers of the outside, and then he scratched crude drawings and lines on the walls of the caves in search of knowledge.

So, Mr. Chairman, I want to particularly stress the importance of keeping title VII in this bill as a meaningful weapon against discrimination in its meanest form. Job opportunities are not too abundant and the competition for the diminishing job openings is keen indeed. For the person seeking employment today, the added handicap of discrimination because of color, race, creed, or country of origin makes it practically impossible for such a person to find employment.

In my district the upward trend of public dependency continues. In December, 435,457 persons were on public relief. This is an increase of 11,527 persons over the previous month. In a recent report from the Pennsylvania Public Assistance Department the following information appeared:

> In Pittsburgh the unemployed total increased by 600 over the previous month's total of 65,300 of 7.1 percent of the work source. As in November the reason for the rise in unemployment and in public assistance was the loss of gainful employment. Aid to dependent children increased by 10,407 persons. There were 3,761 more new cases opened than cases closed. Application for new assistance increased by 3,800 from the previous month. Expenditures for the public assistance totaled $21,729,000 for the month of December.

This means, Mr. Chairman, that with 4 percent of Pennsylvania's total population on relief, approximately 12 percent of the citizens of the State are dependent upon unemployment relief and public assistance. Any Member of this House can readily understand why discrimination must not be allowed in the area of employment opportunities.

Sending a jobseeker into the highly competitive job-seeking competition with the added burden of discrimination strapped to his back, certainly does not give that person any hope whatsoever of winning one of the few jobs available.

This may be true in greater or lesser degrees in every State. Nothing contained in title VII will destroy job opportunities for any select group. However, it may open up some job opportunities, especially for the Negroes who have for too long been discriminated against in many fields, and in many areas.

I support this legislation in all of its phases and all of its titles but I would only support it with great disappointment if title VII is deleted or weakened in any manner. It has been said by the old Chinese philosopher that "a man once bitten by a snake fears every rope," Having personally tasted poverty in the bitter cold and desolation of a strike bound mining camp in the hills of Pennsylvania, I know of no greater agony or more degrading experience to mortal man than the deprivations of poverty as mirrored in the eyes of hungry children; the helpless look of the mother; and the voiceless protest of the jobless father.

I know, as you all know, nothing in this legislation will make a lamb lie down with a lion nor will it remove the spots from the leopard. Discrimination, bigotry, and prejudice are as old as man himself. Not only between the blacks and the whites, the blacks and the blacks, the whites and the whites, the reds and the reds, the yellows and the yellows, but between the Catholics, the Jews, and the Protestants, the rich and the poor, the strong and the weak; yes, in every field of endeavor in a greater or lesser degree we find it.

It goes way back in history and as children we were all told the tale contained in Holy Writ of the poor travelers from Galilee who spent that eventful night with the animals in the stable because, for them, there was no room in the inn.

Those of us who support this legislation whether we are white or colored, do not do so with the idea it will make over the hearts of all men into something good and understanding, but we fight for its enactment because we believe that all pretense of constitutional or legal protection for the discriminator must be removed by the affirmative action of the Congress of the United States, in legal language spelled out for once and for all. We must believe that the pursuit of happiness was not just a whimsical phrase of one man. John Adams wrote:

> The happiness of society is the end of government as all divine and moral philosophers will agree that the happiness of the individual is the end of man.

Somewhere in the 19th century we degraded the faith of Jefferson, or at least we tarnished it, with the materialism of Josh Billings' definition of happiness.

> Most of the happiness in this world konsists in possessing what others kan't git.

I believe it is essential to the well-being and security of the Nation that increased emphasis be placed upon all measures to prevent poverty, including the elimination of racial and religious discrimination and the development of full and unrestricted opportunity for employment at a suitable wage, and for adequate housing, education, social insurance, and medical care.

I believe that a democracy has the obligation to assure to all persons in the Nation, without regard to race, color, creed, or national origin, full and equitable opportunity for family life, healthful living, responsible citizenship, and maximum use of their potentialities.

I advocate that public welfare programs should provide effective services to all who require them, including financial assistance and preventive, protective, and rehabilitative services; these services should be available on the same basis to all persons without regard to race, color, creed, national origin, residence, settlement, source of citizenship or circumstances of birth.

WHEN WE LOOK AT POVERTY WE FIND

It has no face, and yet it has a million faces.

Poverty is everywhere, in the slums, on the farms, in the coal towns, the steel towns, the big and the little towns. Pockets of poverty can be found in the silk suits of prosperity.

It is recognized mostly by those who are in it.

Poverty has always been with us but that is no reason for it to be with us forever.

It is different today.

Abe Lincoln said "The Lord must have loved the poor, he made so many of them."

Being poor is different than being poverty stricken.

Today so many things besides food, clothing, and shelter are a part of our way of living that a person can be poor by not having carpeted floors, mechanical refrigeration, a radio or a car, maybe having just one suit or one decent dress makes a person poor by our standards, but poverty, that is something else.

Being poor is to be in an income class below the minimum standards. Being poverty stricken is to be in the no-earned income class. To be on relief year after year with a large family, to be sick with a chronic disease depending entirely upon charity care, being out of work and fighting to save your little home from the State relief department, living on the barest of diets; this is poverty in its meanest form.

We have uncounted hundreds of thousands of our people, according to our own Government statistics, over 20 percent of our population is living in those miserable degrading conditions, in the stench and darkness of poverty.

I hate poverty more than any other single thing in life.

The disease of poverty is a cancer upon the body politic and the Government of our Nation.

Unless we strike at its roots with this and other legislation aimed at the inequities that make the breeding ground so prolific we shall have not the biblical poor but the degradation of poverty in a world filled to the rim with the good things of life, with a surplus of food, shelter, and education piled into the caldron of despair with our surplus of poverty.

Denial to the Negro of the right to be gainfully employed shuts off to him the opportunity for economic advancement. The right to be served in places of public accommodation is meaningless to the man who has no money. The opportunity for education in an integrated school or college is lost on a child who knows that, whatever his education, he is condemned to a life of unskilled and menial labor punctuated by periods of unemployment. If there is any single point at which the vicious circle which discrimination has drawn around the Negro must be broken, it is in the field of employment.

Statistics presented to the Congress by the Department of Labor demonstrate the gravity of the problem. Among male family breadwinners, the unemployment rate today among nonwhites is three times what it is among whites. While nonwhites represent approximately 11 percent of the total civilian work force, they represent more than 25 percent of those who have been out of work more than 26 weeks, the long-term unemployed. Furthermore, the discrepancy between white and nonwhite unemployment is steadily growing greater. In 1947, the nonwhite unemployment rate was 64 percent higher than the rate for whites; in 1952, 92 percent higher; in 1957, 105 percent higher; and in 1962, it was 124 percent higher.

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> There were only about 250 professional male Negro architects in 1960; the largest number in any of the 19 professions was about 4,500 which is the figure for doctors. (Hearings Before the General Subcommittee on Labor of the House Committee on Education and Labor, 88th Cong., 1st sess., p. p. 445.)

Unquestionably some of the present disparity between the employment figures for whites and for nonwhites is not the direct result of discrimination in hiring. For many skilled jobs there is a lack of qualified nonwhite applicants. This shortage of skills, however, is attributable in large part to present and past patterns of discrimination which discourage Negroes and other nonwhites from preparing themselves for those jobs from which they have been traditionally excluded by reason of their race. It is an unhappy fact that if all racial discrimination in employment were to cease tomorrow, the legacy of past discrimination, as reflected in adequate training, economic and cultural deprivation, as well as the seniority rights of the present work force, will be felt for at least a generation. Permitting such discrimination to continue projects these evils effects still further into the future. For this very reason, it is essential that this Nation take prompt and decisive action to end discrimination in employment.

Federal fair employment legislation has often been considered by Congress. Title VII of the civil rights bill draws very heavily on this previous consideration, and is substantially similar to H.R. 10144, which was favorably reported by the House Committee on Education and Labor in the 87th Congress. The title would make it an unlawful employment practice for employers of more than 25 persons, employment agencies, or labor organizations with more than 25 members to discriminate on account of race, color, religion, or national origin in connection with employment, referral for employment, membership in labor organizations, or participation in apprenticeship or other training programs. Exemptions are provided for religious organizations and other situations in which race, religion, or national origin is a bona fide occupational qualification. An Equal Employment Opportunity Commission made up of five members appointed for staggered 5-year terms by the President, with the advice and consent of the Senate, would be created to administer the law. No more than three members of the Commission could be members of the same political party.

The Commission would be empowered to receive and investigate charges of discrimination, to attempt through conciliation and persuasion to resolve disputes involving such charges and, if conciliation is unsuccessful, to seek judicial relief against such discrimination. In the event, however, that the Commission fails or declines to bring suit within a specified period, the individual claiming to be aggrieved may, with the written consent of any one member of the Commission, bring a civil action to obtain relief. Relief available upon suit either by the Commission or an individual would include injunctions against future violations, and orders for reinstatement and, in appropriate cases, the payment of back pay. In order to avoid the pressing of stale claims, the title provides that no suit may be brought on any practice occurring more than 6 months prior to filing of a charge with the Commission.

The Commission itself will issue no enforcement orders. Instead, if its efforts to secure voluntary compliance fail, the Commission may seek relief in the Federal court, where the judge, or a master appointed by him, will hear the matter de novo. This procedure will meet the objection which is sometimes raised to an agency serving as both judge and prosecutor, and is an effective means of achieving the objectives of the title. The experience of the State and local commissions teaches that more may often be accomplished in achieving fair employment opportunities through the exercise of persuasion, mediation, and conciliation than through the initial use of compulsory enforcement.

Ample provision has been made in title VII for the utilization of existing State fair employment laws and procedures to the maximum extent possible. Present State laws would remain in effect except to the extent that they conflict directly with Federal law. Furthermore, where the Commission determines that a State or local agency has and is exercising effective power to prevent discrimination in employment in cases covered by the title, the Commission is directed to seek agreements with that agency whereby the Commission would refrain from prosecuting any such cases. The Commission is also authorized to use the services and employees of State and local agencies in the carrying out of its statutory duties, and to reimburse the agencies accordingly. Thus, the bill envisions the closest cooperation of Federal, State, and local authorities in attacking this national problem.

In order to enable employers, employment agencies, and labor organizations to bring their policies and procedures into line with the requirements of the title, and to avoid a multitude of claims arising while such adjustments are being made, the provisions prohibiting unlawful employment practices and providing relief therefrom are not to take effect until 1 year after the date of enactment of the title. For similar reasons, employers of fewer than 100 employees and labor organizations with fewer than 100 members will be excluded from coverage during the first year after the date on which the enforcement provisions of the title become effective, and employers of fewer than 50 employees and labor organizations with fewer than 50 members will have an additional 1-year period before the title becomes applicable to them.

Mr. JONES of Missouri. Mr. Chairman, I move to strike the last word.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from New York.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment conclude in 15 minutes.

The **CHAIRMAN.** Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JONES of Missouri. Mr. Chairman, I rise in support of the amendment to strike out all of title VII offered by the gentleman from Georgia. I am observing that during the day a lot of people got religion here, and I am glad to see that. I am glad to see that the Committee has agreed by their acceptance of amendments that the bill was not perfect in the first place.

We did a lot of things here today which are contrary to the private property rights of people.

I recall when I was a boy there was a man in St. Louis named Mr. Danforth, who started the Purina Mills. He employed people who did not smoke, who did not drink, and who were regular attendants at church. Under this bill he would be accused of discriminating. Yet I think that since he owned the business and used his money he was taking the full risk. By hiring people who were regular church attendants he had some assurance that he was going to have men of good morals around him, he was not going to have employees who were using vile language, who were telling dirty stories, and doing things which would have a bad influence on the minds of young people who might be employed in that business. Yet under this title here you are taking away from people like that the opportunity to exercise a right that I think they have under the Constitution.

If the Government has any money in a business, if they have made a loan, if it is their business, if it is anything that the Government has a financial interest in, I would say then he would have the right to do it, but this title involves, if the amendment does not carry—if it does not carry, then I think the title should be open to a lot of other amendments. I do not think we should try to close off debate on this section here tonight. We are going to come back here Monday. I think I can assure you of that. We are going to be back here; we are going to be back. Anybody proceeding under the illusion that they are going to try to stay here and pass this bill tonight I think has another think coming. This bill needs a lot more debate on it. There are a whole lot more amendments needed here. The simplest thing to do is knock out title VII. Then you might get a few more votes for passing the bill.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Michigan.

Mr. GRIFFIN. In the event that the pending amendment does not carry and we do have this title in the bill and it does become a law, I would not want the statement of the gentleman to go unchallenged in the Record that under this title an employer could not set up qualifications for employment, such as to require that the employee to be hired shall not drink or smoke or swear, and so forth, because under this bill he can require any qualification or discriminate on any other ground than race, color, religion, or sex.

Mr. JONES of Missouri. Can he require that an employee must be a regular attendant of a church but not a member?

Mr. GRIFFIN. If he did not specify any specific religion, I think he could.

Mr. HALL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HALL. Mr. Chairman, since last Friday, I have listened intently through almost 40 hours of debate on H.R. 7152, commonly referred to as the civil rights bill, now before the House of Representatives. I have studied both the majority and minority reports issued by the supporters and opponents on the all-lawyer House Judiciary Committee which considered this legislation. I have tried to judge the merits of each of the titles in the bill, which is quite detailed and very complex, in contrast to the simple label of "Civil Rights." This is not the administration's bill, nor the full committee bill, but a substitute of unknown parentage and origin.

I regret that when the issue is finally decided, it will not be possible to vote separately on each of the 10 major titles in the bill. I believe some of these sections are unjust, and that others contain more good than bad. The uninformed may be amazed to know that some of these titles contain penalties for discrimination based on religion, as well as race, color, and common origin—and others do not. But, there is one section of the bill, in particular, which I cannot support, and unless it is stricken from the bill in the hours that lie ahead, I cannot in good conscience vote in favor of the whole bill.

The section I refer to is title VII, the so-called fair employment practice section, which, in my opinion, is unconstitutional, and will, if adopted, ultimately create a police state with authority to dictate hiring and firing policy for 70 million Americans.

I do not believe the Constitution gives the Attorney General of the United States that kind of authority, and I believe it would touch off more racial problems than it would solve. I feel all prudent men would agree, if they could read and study the exact language with me.

In the technical sense of the word, an employer discriminates every time he hires someone, as long as there is more than one applicant for any position. What Federal officer can say whether such discrimination is based on race, education, religion, appearance, experience, personality, or the way an applicant responds to questions? The only way we could ever avoid complete lack of discrimination in employment would be to force an employer to hire everyone who applies for a job. I believe an employer must have the final authority to hire whoever he believes will advance the interest of his customers, his business, and the investment it represents. I believe the Constitution gives him that right and I don't think it can be delegated to the Attorney General of the United States, unless we are ready to accept the premise of a police state. Who is to say what percent of minority group employment constitutes nondiscrimination? Is it 3, 5, 10, or 50 percent? In short, moral intent is difficult if not impossible to legislate.

I do not believe the issue here is one of civil rights. It is one of extending the power of government beyond reason, and beyond the specific limits set forth in the Constitution. Inclusion of this particular section will signify the end of constitutional guarantees against the excessive use and abuse of power, and might well place it in the hands of a minority group.

Over the past 2 years, I have voted on every occasion, in support of civil rights amendments to specific bills, such as the vocational training bill, for example, to insure that the benefits of any Federal program were available to all those whose taxes support them. That issue is entirely different from the one posed by the fair employment practices section of this bill. I hope that section will be eliminated. It was not in the original bill, and it does not deserve to be in this one. If it is not stricken, I shall be constrained to vote against the entire bill, and will always feel it was political in nature—not good legislation.

The **CHAIRMAN.** The Chair recognizes the gentleman from New York [Mr. Ryan].

Mr. RYAN of New York. Mr. Chairman, throughout the day we have listened to a great deal of talk and many implausible arguments. But we have failed repeatedly to face the crucial issue, and that is whether or not it is time for us to declare as a matter of national policy that there shall be no discrimination in employment on the basis of race, creed, or color. I think that is the issue.

Discrimination in employment is obvious if we look at the statistics. We know that unemployment among Negro workers in this country is twice as high as among white workers. We know that the average income of Negro families is far below the average income of white families. That is the root of this problem.

Let us fulfill this obligation. Let us have enough of this irrelevant talk about property rights. Now is the time to seize the opportunity to make it clear that human rights and human values are the important things. So let us put human rights ahead of property rights.

Mr. Chairman, Title VII: Equal Employment Opportunities is one of the most important titles of the civil rights bill. Equal rights will never be fully realized until we eliminate discrimination in employment. The inseparable concomitant of racial justice is equal economic opportunity—the right to work based on one's merit, skill, and ability and not on one's race, color, religion or national origin.

The demands for equal employment opportunity are based on the realities of our economic life. In 1963 the average rate of unemployment for nonwhite workers was 10.9 percent as compared to an unemployment rate of 5.1 percent for white workers. In cities like Detroit and Pittsburgh, the unemployment rate for Negro males hovers around 17 percent. Among younger workers, age 14 to 19, the 1963 unemployment rate for whites was 14 percent while for nonwhites it was 28.4 percent. Not only is there more unemployment among nonwhite workers, but they stay unemployed much longer than white workers. Of the long-term unemployed—more than 26 weeks—in 1963, 27 percent were nonwhites, although nonwhites are only 11 percent of the labor force.

In addition, the gap between the white and nonwhite unemployment rate, with the exception of 1963, has grown steadily greater. In 1947, the nonwhite unemployment rate was 64 percent higher than the rate for whites; in 1955, 92 percent higher; in 1957, 105 percent higher; and in 1962, it was 124 percent higher. In 1963, the nonwhite unemployment rate was still appallingly 114 percent higher than that of white workers.

Even a Negro with a college education finds it difficult to obtain a well-paying job. The Senate Committee on Labor and Public Welfare in its February 4, 1964, report on S. 1937, the Equal Opportunity Act, states:

> According to the projections developed by the Bureau of the Census, the average nonwhite male with 4 years of college education can expect to earn during his working lifetime $185,000, while the white dropout with no more than eight grades of elementary education will earn $191,000.

Even when they are employed, nonwhites are generally employed in the lower paid and less desirable jobs. Secretary of Labor Wirtz stated on June 6, 1963, before a subcommittee of the House Committee on Education and Labor:

> Negroes make up 90 percent of the nonwhite population and also receive the brunt of the burden of discrimination. Only one-half percent of all professional engineers are nonwhites. There are no more than 3 percent of male Negroes employed in each of 19 of the standard professional occupations for which we have data; for example, accountants, architects, chemists, farm assistants, and lawyers. These numbers are depressingly small.
>
> There were only about 250 professional male Negro architects in 1960; the largest number in any of the 19 professions was about 4,500, which is the figure for doctors. (Hearings Before the General Subcommittee on Labor of the House Committee on Education and Labor, p. 445.)

The sad story of unemployment and discrimination is reflected in the statistics on income. Sixty percent of all nonwhite families in this country still have incomes of less than $4,000 a year, compared with 26 percent of all white families. As a whole, the income of Negro families is only slightly more than half of that of white families, a situation that has remained almost unchanged during the last decade.

It is clear that in the economic life of the Nation the Negro is not equal.

In 1962 and 1963 the Civil Rights Commission held hearings on discrimination in employment in Indianapolis, Newark, Memphis, and Phoenix and found evidence of racial discrimination by employers and unions. According to the Civil Rights Commission, rarely are open confessions of discrimination made, but many, even those who are obliged by law not to discriminate, frequently say that, if Negroes were hired for certain positions, customer relations would be jeopardized or there would be dissension among white employees.

Secretary of Labor Wirtz on August 2, 1963, before the Senate Subcommittee on Employment and Manpower discussed the prevalence of discrimination in employment. According to the Secretary:

> Discrimination has become, furthermore, institutionalized so that it obtains today in some organizations and practices and areas as the product of inertia preserved by forms and habits which can best be broken from outside.

The failure of civilian employers to eliminate discrimination comes most clearly into focus when their performances is compared with that of the military. Fifteen years ago President Truman decreed an end to racial segregation in the Armed Forces. Last year the Commission on Civil Rights reviewed the implementation of the Truman order. It found that, compared with the civilian economy, the military had made striking progress. Negro enlisted men in the Armed Forces do better in every clerical, technical and skilled field. These include jobs in electronics, as medical and dental technicians, draftsmen, aircraft and auto mechanics, electricians and communications linesmen, construction and printing craftsmen. The same is true to a large extent for Negro officers who serve in fields such as engineering, finance and accounting, aviation, navigation and other management careers in much larger proportions than do Negroes in the civilian economy. And Negroes reenlist in larger proportions than whites, in great part because opportunities in these fields are not open to them in the civilian economy.

This does not suggest that the Armed Forces are by any means perfect; there are still areas of deficiency. But compared with their counterparts in the civilian economy, the armed services are better employers. Their success in developing and utilizing Negro manpower helps to demonstrate how large a barrier racial discrimination is in the civilian economy.

Clearly, discrimination is not the only factor involved in the Negro's economic plight. The Negro from the time he is born is disadvantaged. President Kennedy eloquently pointed this out in his June 11, 1963, civil rights speech:

> The Negro baby born in America today, regardless of the section of the Nation in which he is born, has about one-half as much chance of completing high school as a white baby born in the same place on the same day, one-third as much chance of completing college, one-third as much chance of becoming a professional man, twice as much chance of becoming unemployed, about one-seventh as much chance of earning $10,000 a year, a life expectancy which is 7 years shorter, and the prospects of earning only half as much.

However, racial discrimination in employment is at the root of the problem. Senate Labor Committee report—Senate Report No. 867—on S. 1937 which was based on extensive hearings shows the interrelation between discrimination in employment and the total situation of the Negro. The report states on page 6:

> Discrimination in employment thus begins at the top of the economic system and filters down through the lower levels despite educational attainment. The Negro youth, observing this, becomes demoralized and disinterested in educational achievement and drops out of school at alarming rates, ranging as high as 20 percent. He is caught in a vicious cycle in which, untrained, undereducated, and undermotivated, he is rarely prepared for an employment opportunity should one arise.

The responsibility to break the vicious cycle rests with the Federal Government. Racial discrimination in employment as in other areas is a fundamental violation of our constitutional principles. In addition, racial discrimination in employment has a severe negative effect on our national economy. President Johnson, on December 12, 1963, told a meeting of representatives from 64 leading companies:

> The Council of Economic Advisers has estimated that our gross national product would be more than $20 billion greater than it is if the full potential of our Negro citizens were at work in our economy.

The President went on to say:

> The fullest use of this Nation's most vital resource—human beings—will be achieved only when the artificial standards of race, religion, and national origin are no longer used.

Mr. Chairman, title VII is a major step toward eliminating the "artificial standards of race, religion, and national origin" in employment. It requires that all employment agencies, employers, and labor organizations with a specified minimum number of employees or members shall not discriminate against any person on account of race, color, religion, or nationality. This requirement applies to nondiscrimination in employment, advancement, referral to employment, membership in unions, and participation in apprenticeship and other training programs.

Under this title a bipartisan Equal Employment Opportunity Commission will be set up to implement these provisions. It will receive and investigate charges of discrimination and use conciliatory techniques to resolve bona fide disputes. If informal methods are unsuccessful, the Commission may commence a civil action to prevent the continuance of the unlawful practices. Unfortunately, the Commission has not been given the same power as the NLRB, the SEC, ICC, and other agencies of the Federal Government which have the power to issue cease and desist orders which are enforceable in the Federal court of appeals. Instead, if informal methods are unsuccessful in eliminating unlawful discrimination, the Commission must go to the district court where the case will be de novo.

Mr. Chairman, title VII is not a panacea; its passage will not totally eliminate discrimination in employment. But it does set a Federal standard of conduct and does empower the Federal Government to end racial discrimination in employment where it finds such practices exist. It is a long overdue step toward fullfilling our constitutional guarantees and our democratic ideals.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. Ashbrook].

Mr. ASHBROOK. Mr. Chairman, I yield back my time since I intend to offer an amendment at the proper time.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. Ashmore].

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. ASHMORE. I yield.

Mr. FUQUA. Mr. Chairman, title VII of the Civil Rights Act of 1963 is counter to my basic beliefs in the rights of all American citizens. The right of a business owner to judge the competency of his own employees seems to me to be a basic one.

Does not our system of free enterprise allow the owner of a business to judge for himself the type of employee that he wishes to have in his business. Under the free enterprise system it seems to me that a man who operates a business must meet the competition of his competitors and this is the criteria by which he must employ his work force.

This particular section seems to me to be not only extremely unfair, but unconstitutional and unworkable. The establishment of the Fair Employment Practices Commission brings to the fore a new governmental agency, that through its investigators, commissioners, administrators, lawyers, and judges, assumes control in a sense over the management of the affairs of businesses and their private property.

What is to constitute discrimination? If only 5 percent of a particular racial group is employed in a particular industry, and this group constitutes 50 percent of the population of that community, does this constitute discrimination. I doubt seriously that we would say that half of the lawyers in that community would have to be of that particular racial group, when, just for example, none had the training to become attorneys.

And when the Commission states that it has cause to proceed against an employer, that employer who has been charged must then assume the burden of producing evidence that he did not discriminate—he has to prove his own innocence. He is in essence guilty until proven innocent.

The competency of such a commission is in question. They are given powers over the conduct of businesses to such an extent that the management of industry and business has their hands tied in the type of employees they must hire. I ask you, Is this fair? Is it not a basic precept of these United States that a man has the right to hire those employees he feels will most benefit his business, and make him a profit on his investment.

This is the concept which our Nation used to become the greatest and most powerful nation in the world. Under this system we have developed the means to become the best fed and most prosperous people in the history of mankind. Contrast this Nation with that of the Communist nations where government dictates all existence.

Such action as this on the part of the Government of these United States does not eliminate discrimination, it simply takes away the basic rights of our free enterprise system and I sincerely hope that the Members of this body, with so much at stake, will stop and think, and vote to eliminate title VII.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. ASHMORE. I yield.

Mr. GATHINGS. Mr. Chairman, title VII deals with jobs. Let us look at what is happening in the Deep South with regard to the employment practices of larger employers of labor. I have asked four firms in Phillips County, Ark., to furnish me a comparison of employment by race in their business establishments. Here are the replies received from them. They indicate full well that Negroes are accorded the privilege of good jobs and good pay. They are in the great majority in filling all the available jobs in these business establishments:

McKnight Veneer & Plywoods Inc.,
Helena, Ark., November 15, 1963.

Hon. E. C. Gathings,
Congress of the United States, House of Representatives, Washington, D.C.

Dear "Took": It's nice to have your note of November 13, inquiring about the percentage of our employees by race.

We are one of the older employers in this community, and we have always had a preponderance of the colored. The figures are as follows:

Total number employed, 140; 14 percent white, 86 percent colored.

With kindest regards, I am,

Yours very sincerely,

French R. McKnight.

Chicago Mill & Lumber Co.,
West Helena, Ark., November 19, 1963.

Hon. E. C. Gathings,
Congress of the United States,
House of Representatives,
Washington, D.C.

Dear Sir: In reply to your letter of November 13, with regards to our percentage of employees by race, as of week ending November 17, we have 30 percent white and 70 percent colored employees.

Yours very truly,

W. J. Little,
Office Manager.

Howe Lumber Co., Inc.,
Wabash, Ark., November 29, 1963.

Hon. E. C. Gathings,
Congress of the United States,
House of Representatives,
Washington, D.C.

Dear Took: In answer to your letter of November 13 our records show that we presently employ 341 Negroes (72 percent), 34 Mexicans (7 percent), and 98 white people (21 percent).

From these figures it would appear that we are being unfair to the white race. No one here, however, has complained of this situation as yet.

Hope this information may be of help to you. I also send best personal regards.

Sincerely yours,

S. J. Howe, *President.*

Beisel Veneer Co.,
West Helena, Ark., November 18, 1963.

Hon. E. C. Gathings,
House of Representatives,
Washington, D.C.

Dear Took: Appreciate very much your November 13 letter mentioning your plan to appear before the House Committee on Rules regarding civil rights legislation.

In our plant we have 18 percent white and 82 percent colored.

Trusting this information may be of some small help to you, and to all of us, I am

Sincerely yours,

Ervin Beisel, *President.*

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. Andrews].

Mr. ANDREWS of Alabama. Mr. Chairman, I rise in support of this amendment. The purpose of this bill is to try to eliminate discrimination against Negro applicants for jobs. But just as sure as the sun rises in the east it is going to amount to giving Negro applicants the right-of-way in the employment field.

If I understand correctly, under this bill any man who fails to give a Negro a job on account of his race will be subject to severe action taken against him under the provisions of this bill.

Now let us assume an employer runs an ad in the paper advertising for 10 workers to appear at 8 o'clock on Monday morning at a certain place. Let us say 15 men appear, 10 of whom are white and 5 of whom are colored. For sure those 5 colored people will get the jobs, and only 5 out of the 10 whites will be employed, for the simple reason that if the employer fails to give 1 of the Negroes 1 of those jobs he will be hailed into court. That is a decided preference that is given to the Negro applicant to the disadvantage of the white applicant.

I am opposed to this section. I think it is one of the worst, if not the worst, section of the entire bill.

Mr. Chairman, when the Federal Government can step into a man's place of business, if he is covered by this act, and tell him whom he can employ and whom he can promote and whom he can fire it sounds more like Russia than America.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. Oliver P. Bolton].

Mr. OLIVER P. BOLTON. Mr. Chairman, I am in favor of the objective of title VII.

I have taken this time, however, to ask members of the committee in order to establish a legislative record why the exception was made in subsection (b) of section 702 on page 64 which specifically excludes the United States or a corporation wholly owned by the Government of the United States from the applicability of this act. I ask members of the committee that question in order to establish a record whether this would apply to the TVA or any similar corporation under the provisions of this title and whether they would be exempt from the applicability of its provisions. Would one of the committee members respond to my request?

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield to me, although I am not a member of the committee?

Mr. OLIVER P. BOLTON. I am glad to yield to the gentleman from California.

Mr. ROOSEVELT. We felt this was a matter which should be left to the discretion of the executive branch.

Mr. OLIVER P. BOLTON. If the gentleman will let me comment at that point, that was the specific reason why I raised the point when I discussed the matter with counsel for the committee. I was assured that this was not within the executive jurisdiction but that this was because of the provision of the Constitution. If it is a question of executive jurisdiction I would say to the gentleman it will be my intent to offer an amendment which will make this act applicable because I do not think it should be a question of executive jurisdiction. I think it should be a question of law.

Mr. ROOSEVELT. I think I should point out to the gentleman in previous action today we have already eliminated this section of the bill that dealt with that subject and the Committee of the Whole has distinctly made the decision that this is a matter for the executive and therefore unless we reverse that decision through the gentleman's amendment, that decision has already been made.

As to whether or not the TVA is a corporation wholly owned by the Government of the United States, one of my lawyer friends will have to tell me. I believe it is. If it is, it would be excluded.

Mr. OLIVER P. BOLTON. I am trying to establish a legislative record. I shall do that later.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. SELDEN] for 2½ minutes.

Mr. SELDEN. Mr. Chairman, title VII of the measure now before us would do, in the realm of employer-employee relations, what the public accommodations section proposes to do in other areas of community life.

What is proposed in title VII, in my opinion, is a veritable "Star Chamber Employment Bureau"—a Federal commission to be vested with powers of regulation over American business and economic relationships.

Our Nation today leads the world economically, and this is due in large part to the economic freedom we enjoy.

Consequently, I believe that this title not only is unnecessary but that it would be a very dangerous extension of Federal powers. Therefore I support the amendment of the gentleman from Georgia [Mr. LANDRUM] to strike title VII from the bill.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. CORMAN] to close the debate on the pending amendment.

Mr. CORMAN. Mr. Chairman, I yield to the gentleman from Alabama [Mr. GRANT].

Mr. GRANT. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. GRANT. Mr. Chairman, I rise in support of the amendment to strike title VII. For years, there have been groups in this country who have recommended the enactment of legislation establishing a Fair Employment Practices Commission which has become known as FEPC. The proper legislative committee of this House, that is, the Education and Labor Committee, has time and time again considered this proposal, and now this monstrosity appears under the title of "Equal Employment Opportunity." But, to paraphrase the well-known phrase, a rose by any other name smells the same; of this, I say that under any other name, it stinks just the same.

I am frank to say that this measure will, in the end, not accomplish what its proponents claim that it will. It is punitive, vindictive, and ill considered. Some are constantly talking about this Nation's image before the world. Must we surrender everything that has made this Nation great in order to attempt to show the world that this Government tells its people whom they must or cannot employ?

Never in the history of this Nation has there been proposed such drastic legislation which takes over the intricate and personal matters relating to the hiring and firing of employees; and, here and now let me warn my union, labor members that section is a slap in your face and that these high-sounding phrases are only a gimmick to snare your support.

Since this bill has been under consideration, we have seen some chairmen and ranking minority members of the various committees of the House sit by and see the legislative rights and prerogatives of their respective committees gobbled up by this bill. Never has this been so brazenly done in the legislative history of this House. There have, of course, been a few exceptions to this which is a matter of record. Do we want to surrender our responsibilities and rights under the rules of this House to turn the legislative program over to one, all-powerful committee? As for me, I do not.

I am sincere when I say that I want people of all races to have good employment. I am not so blind that I do not realize that the economic development of my great section of the country is inevitably bound between the white and Negro races and that the more the white race prospers, the more all races prosper—and this is just and right as it should be.

This section, if enforced, will cause more trouble, hatred, and ill feeling than anything else. It is unworkable and will do much more harm than any contemplated good.

If this motion to strike this section is not adopted, let me appeal to you to give careful attention to the well thought out and carefully drawn amendments that will be offered in an effort not to kill this section, although I wish that this could be done, but in an effort to make the section more workable.

It is stated under the findings and declaration of policy that the Congress declares that the section is necessary in order, first, to remove obstructions to the free flow of commerce among the States and with foreign nations and, second, to insure the complete and full enjoyment by all persons of the rights, privileges, and immunities secured and protected by the Constitution of the United States.

Do I understand from this that in order to provide this "free flow of commerce" that an employer must abandon his rights given him under the Constitution and laws of our Nation? As to the second part, it is noted that this will insure complete and full enjoyment by all persons of the rights, privileges, and so forth. I challenge this statement because it would not insure the rights of all or any employers. Does not the employer have some rights under the Constitution of the United States? Has he no protection under this same Constitution?

It is a matter of unlawful practice for an employer to discriminate, and so forth. Now, let us presume that a person is fired because he is shiftless or for any other reason that can be named, such as always being late, leaving his responsibilities unattended, and so forth, and he reports to this all-powerful commission and states that he was fired because of his race or religion. This immediately makes the employer a defendant—not the employee—and the employer has to prove that the employee was not fired because of his race or religion. Why should the burden of responsibility be on the employer? This is a new departure in American jurisprudence.

Mr. CORMAN. Mr. Chairman, I yield to the gentleman from Hawaii (Mr. GILL).

Mr. GILL. Mr. Chairman, the civil right to enter a hotel or a motel or a restaurant is of little value without the money to pay the bill. The civil right to equal schooling is of little use when that schooling cannot be put to use in a job. If we are to raise the economic and social status of the Negro and other underprivileged people of this Nation, we must insure their equal opportunity to use their training and talents without discrimination because of their race.

This title, and indeed this bill, will not solve our racial problems, but it will help. It will state clearly that the law will protect our people against racial discrimination in employment. It will put the weight of this Nation behind the concept of equal opportunity for all. If it does nothing else it will give hope where there is no hope; a hopeful future where the future is bleak.

This title may not be in the form that I would prefer, and many others have reservations, but it is workable. I hope this amendment which would strike the entire title VII is defeated.

Mr. CORMAN. Mr. Chairman, this is an honest amendment, because it would do directly what has been attempted by some rather circuitous routes. It would destroy a very important portion of the bill. I urge that it be defeated.

The **CHAIRMAN.** The question is on the amendment offered by the gentleman from Georgia [Mr. LANDRUM].

The question was taken; and on a division (demanded by Mr. WAGGONNER) there were—ayes 90, noes 150.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: On page 70, line 10, after the word "enterprise" insert a new section:

"(f) Notwithstanding any other provision of this title, it shall not be an unlawful employment practice for an employer to refuse to hire and employ any person because of said person's atheistic practices and beliefs."

Mr. ASHBROOK. Mr. Chairman, I have heard it said time and time again that we are not endeavoring to include all types of discrimination in this title and in this bill. However, we are prescribing very definite and positive requirements on employers.

If I may have the attention of the chairman of the Judiciary Committee, I should like to propound a question to him, because if my interpretation of the bill is incorrect I shall gladly withdraw my amendment.

I would like to propound just one question. I am thinking in terms of a private enterprise for profit, which would be covered by this bill. A man comes for employment and the employer is honest enough to tell the applicant, while he is otherwise qualified, he will not hire anyone of atheistic convictions. The man then uses his remedies provided by this measure. It is my interpretation of the bill that as a part of his civil rights purported to be extended by this FEPC title, he could allege he has been discriminated against and proceed against the employer.

I wonder if the chairman of the Committee on the Judiciary could give me his interpretation of this. As I said, if I am wrong, I will gladly withdraw my amendment.

Mr. CELLER. The bill provides there can be no discrimination on the ground of religion. That is the answer I have to give you.

Mr. ASHBROOK. So if I do not want to hire an atheist, I can be forced to hire one?

Mr. CELLER. Not necessarily. It all depends on the surrounding circumstances. If the employer deliberately discriminates against a person because of his religion, although he may be otherwise qualified and all other things being considered, he may run afoul of the law. But just because he is an atheist would be no reason why there should be any discrimination, whether he be a Catholic, a Protestant, or a Jew. It all depends on the facts and circumstances in the case.

Mr. ASHBROOK. I think you have answered my question. I have stipulated that the man would be otherwise qualified and he has been honestly told this is why he would not receive the position.

Mr. CELLER. There is no need for your amendment.

Mr. ASHBROOK. This would be a practice which the employer could not do, according to what you said. He could not discriminate against a person because he is an atheist. Is that correct?

Mr. CELLER. That is correct.

Mr. ASHBROOK. That is what my amendment would endeavor to do; that is, to say the employer could discriminate because of the atheistic practices or beliefs of an applicant for a job. My amendment would seem to speak for itself, and I certainly encourage everyone to support it. It seems incredible that we would even seriously consider forcing an employer to hire an atheist. This is one of the booby traps in the bill which the sponsors have very glibly alleged did not exist.

Mr. ELLIOTT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ELLIOTT. Mr. Chairman, I cannot but recall that when word spread that land was near, the brave band of our forefathers aboard the *Mayflower*, 350 years ago, immediately met in the hold of their ship and adopted an agreement, now known as the Mayflower Compact, which started with the words:

In the name of God, Amen.

America started under God.

The United States of America has progressed under God to the highest pinnacle of perfection of any nation on this earth.

Her dedication to God in the early years was inscribed upon all her basic documents, upon her constitutions, her declarations, and her tablets of stone.

America wrote upon her coins of money "In God We Trust."

As our Nation grew, she pushed her boundaries across her frontiers and her men of God were the keepers of civilization pending the formal planning of our political subdivisions.

The concept of a nation which respects God has continued to this very hour.

A few years ago I had the privilege, as a Member of the U.S. House of Representatives, of helping to write into our basic statutes the recitation in the Pledge of Allegiance to our flag that we are "one nation under God."

In furtherance of that dedication we set aside a prayer room in this Capitol where men of all faiths might repair for communion with God.

We erected the declaration "In God We Trust" over the Speaker's chair of this very Chamber.

We stand today upon the very summit of the world. Men of earth proclaim our greatness. It is written upon the winds. Soon it will be reflected upon the stars. Surely the God of all things has directed us. Divine Providence has led us.

In the midst of it all is man. God put him there. He gave him the wonderful attribute of free choice. America gave to all a free choice of religion. We call it freedom of religion. We protected that choice in the Constitution itself. America gave the atheist the right of disbelief. It gives it to him today. But surely, our America gives the employer the right to reject an applicant for employment who does not believe in God. Under this amendment we are speaking of private employment. Today the American employer has a right to insist that his employees believe in God. This amendment insists that that right not be taken away from the American employer if he desires to exercise it.

There will be cries of anguish from those on the other side of this debate that this amendment is abridging a freedom of free man. On yesterday many of these same people voted to give a swarm of bureaucrats the right to cut off the very milk that goes into the mouths of little schoolchildren of whatsoever color. They voted to uproot customs and habits that were more than 300 years old in our America. They voted to cut off the benefits of a hospital program which is the envy of the world. They voted to cut off aid in fields where that aid is necessary and beneficial.

Here, we do not seek to take any right away from anybody. We leave the right of the atheist to believe, or not to believe, as may be his choice. All this amendment does is preserve for the American employer a freedom to insist that his employees be under God. I think the amendment ought to be adopted.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, after listening to the debate for about a week and reading this bill and hearing the answers of the gentleman from New York and the gentleman from Ohio, at least their replies rather than answers, I have tried to determine why it is that the Republican leadership and, may I say, most of the Republican Members have worked in such complete harmony with the gentleman from New York and the Democratic leadership to pass this bill without substantial amendment. I have never seen it before. I am not going to put this in the form of a question, because I would not want my Republican colleagues to give me a misleading answer. Yet I could not expect them to admit it if it is true.

However, after consideration, to my mind, the only plausible answers I can see for this close harmony between the Republican and Democratic leaders to the point of holding councils around the table while debate continued and going outside to further cooperate are two in number. One is that my Republican friends in helping to pass this bill are knowingly giving to President Johnson and to Attorney General Kennedy all the rope in the world, where if anything occurs they can say, "Well, we certainly gave them the authority. Why did they not keep it from happening?" or they will say, "It is not the law, it is the administration of the law," and may I say, no person and no President and no Attorney General could handle the authority granted in this bill without stirring up all the people, and I believe, without destroying a great country.

The only other plausible basis for the Republican leadership helping the Democratic leadership is that they note that the senior Democratic members on the Judiciary Committee in the Senate are first the chairman, Senator EASTLAND, of Mississippi, the Senator from South Carolina, Senator JOHNSTON, the Senator from Arkansas, Mr. MCCLELLAN, the Senator from North Carolina, Mr. ERVIN, and then that you Republicans feel that if the present bill goes to the Senate as is and they follow the custom of appointing the most senior Members to the conference committe, then you can go to the country and say, "We Republicans did everything, but the Democrats knocked out something in conference."

That is not absolutely true as I understand it, because the senior members do not have to be appointed.

But I want to follow a thought for the moment that many of you have not apparently given any attention to. The gentleman from New York and the gentleman from Ohio said that this is not covered and that is not covered; this is exempted and that is exempted. My friends, I challenge any man in the House to tell me that there is any section in this bill that one individual cannot put anybody under the control of this bill until he can get himself out. It may be that a man in business may be able to get himself out, but any individual can go in and make a claim that he is being mistreated or discriminated against. Then you get into the question of, Is it so or is it not?

Where does that leave us? If you read this, everything and everybody, every home, and every school, every election in every precinct could be claimed to be included. Then the person, or organization has to prove his right to be out from under the terms.

I know the gentleman from Ohio [Mr. MCCULLOCH] said in a letter to Congresswoman MAY, which appears in the RECORD on page 2541—I know he said this bill affected only a small section of the country. My friends, he may just intend it to be my section of the country, but this bill will have general application. You may think your section is not involved, but remember it just takes one complainant to charge he or she has been discriminated against to get the businessman into trouble, and he has to get himself out.

Before it is too late, realize you make it possible for one individual to drag anybody into court, drag him all over the place.

In 1956 I was in Russia. We were with our most experienced U.S. Government representatives, people who have been there for 4 or 5 or more years. Our committee made arrangements to go by train from Moscow to Kiev. We then decided afterward that we would like to go by automobile. It took us 3 days to get permission to change our plans and go from Moscow to Kiev by automobile, though we were cleared to go by train. We could visualize that the delay was perhaps because of mass movement of troops, that we were going into an area where they were testing this or testing that. Our American friends, our representatives, our attachés, said "Oh, no. It is nothing like that. This nation is so regulated and so controlled there is nobody in this nation that would sign anything short of taking 3 days, to be sure he was not getting into trouble with his superiors."

Mr. Chairman, that is what we are doing here. We, too, are setting up a Russian system and the Republican leadership is a 100-percent partner in this effort.

Mr. JONES of Missouri. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, it is very apparent that there is a lack of agreement among members of the committee. You will recall a minute ago I made the inquiry of the chairman of the committee, the ranking member of the committee, who was not here. The gentleman from Michigan gave me his interpretation that as an employer I could require that an employee be a member of a church. Yet, we have heard the chairman of the full committee say that this bill would permit an atheist to go before this Commission and making the point he had been discriminated against. I do not know how the rest of you people feel about this. I am sorry that the author of the amendment did not include Communists in here also.

It would be interesting to see how many people are going to stand up here and be counted, and say they feel an employer is compelled to give consideration to the hiring of an atheist, when he is trying to run a business that is based on good moral grounds.

I would invite your attention to a speech made by our President last Thursday morning when he spoke at the Presidential prayer breakfast about his belief in God. He thought we should have here in the Capital City a monument, a religious center—not paid for out of public funds. I do not think the President of the United States would have any objection to this.

I want to ask at this time the chairman of the committee if he would be willing to accept this amendment?

Mr. CELLER. Of course I cannot. How could the Federal Government give sanction to religious discrimination?

Mr. JONES of Missouri. We are not doing that.

Mr. CELLER. That is what the amendment does.

Mr. JONES of Missouri. What you are trying to do is to give a preference to guarantee employment of atheists. That is what you are doing if you fail to accept this amendment. I know you try to get out of this, but we found out a lot of things here today that have happened in connection with this section. There are still many more amendments that are going to come. I would like to find out what the position of the people is in relation to atheists.

This is a nation that believes in God, a nation that was established under a belief in God. We have put up over the Speaker's dais, and I want to remind you of this, these letters, "In God We Trust," which were put there after the Supreme Court decision. They were put there to show, at least, that many Members wanted to do something positive to indicate they did not agree with or concur in the Supreme Court decision.

I still believe that the American people believe in God; that they have very implicit trust in God, and I do not want to have any of our laws weakened to the extent we do not recognize that this is a nation that believes in God.

I support the pending amendment, and hope it will be adopted.

Mr. BROMWELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to make this comment on the recent remarks of the gentleman from Missouri. Although I am reluctant to do so, I disagree with the chairman of the committee. While the debate was in progress here a moment ago I looked in Webster's dictionary, and in my opinion, discrimination on the ground of religion, if we accept the definition in the dictionary which we have in the front of this Chamber, does not include atheists. It says that atheism and religion are antithetical terms. Hence, under the terms of this bill, one cannot discriminate among Methodists, Catholics, or Mohammedans, yet may discriminate against an atheist with impunity.

Mr. JONES of Missouri. If the gentleman will yield, in other words, the gentleman would have no objection to putting this amendment in the bill?

Mr. BROMWELL. I think in the circumstances, under my view, it would be surplusage and unnecessary.

Mr. JONES of Missouri. In the light of what the chairman has said in establishing this legislative history, that it could be, I should think the gentleman would demand that this amendment be adopted to conform to his belief.

Mr. BROMWELL. I think it to be unnecessary. This is my view of the matter. I myself would not see any reason to include it.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. BROMWELL. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Suppose an interpretation were later made by the Supreme Court that would say that atheism would be lack of religion? They would not treat them in the same way.

Mr. BROMWELL. I would hesitate to anticipate an opinion of the Supreme Court. It is entirely possible you would have a judicial construction which would make the amendment necessary.

Mr. RODINO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am opposed to this amendment. I was one of the original cosponsors of the proposal to include the words "under God" in the Pledge of Allegiance. I am a Catholic by faith, but I respect the right of other people to believe or not to believe. I do not see any reason to discriminate against a person on account of race, color, national origin, or religion. If a person seeks not to believe in God, I believe it is his American right not to believe, although I would continue to adhere to my religion. Believing that this Nation grew because it had in its basic fabric a strong belief in God, nevertheless I as an American and as a Member of this Congress feel that this amendment is entirely out of order. Therefore, I oppose it and hope that the rest of the Members, feeling as strongly as we do about this great country of ours and about the right of every individual to believe in his own religion, will vote down this amendment.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I appreciate the statement made by the gentleman from New Jersey, but he does not go to the root of this matter. That which is sought to be cured is the compulsion upon an employer to hire an atheist. That is the issue. It is not a question of how the gentleman from New Jersey or the gentleman from Iowa feels, but rather it is the compulsion upon the employer to hire. That is why this amendment ought to be adopted.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. JONES of Missouri. If we adopt the amendment and an employer wants to hire atheists he could do it if he wanted to, but we leave it in the discretion of the employer.

Mr. GROSS. An employer who does not want to hire an atheist should not be compelled to do so for any reason, and by the same token he should not be prohibited from doing so if that is his desire.

Mr. Chairman, I have no quarrel with an atheist simply because he is a godless person. I would protect his right under the Constitution to believe or not believe in God with all the vigor at my command.

Again I urge adoption of the amendment and yield back the balance of my time.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think we have come to the point where this subject of freedom of religion compels me to rise and say a few words.

I want to say in advance that I am not an atheist. I believe in a Supreme Being, so I am not here protecting an atheist from the standards of my personal beliefs. I take exactly the same position that the gentleman from New Jersey [Mr. RODINO] takes. I happen to be a Protestant. I happen to believe in God Almighty, but I say that any nation that protects freedom of religion has no right to impose compulsory religion on any citizen in this country. If any man in this country wants to go to a church of any denomination or stay away from one he has that right under the Constitution, and there is no place in the Constitution that tells man to worship God in any fashion. This is a matter of individual decision. This is a matter of individual conscience.

I can remember the teaching of the Holy Scriptures, when the Saviour spoke to the people of Jerusalem. He condemned the Pharisees and the Sadducees for their adherence to the forms of religion and their denial of the true spiritual principles of religion.

I can remember that he condemned the Pharisees for making long prayers in the marketplace, where they could be seen by men and for the purpose of being applauded for their false piety.

But the Saviour said they, the Pharisees, would not lift the burden of the poor with their little finger, a burden that was pressing down on some person who needed that help nor would they give a crumb to those who were hungry.

So I say to these people who are religious—and I am religious—that there is something wrong with your religion if you seek to impose upon any man a specific form of religion or an adherence to a religion of any type. That is tyranny whether it is imposed by the sword or by legislation. True religion is a matter of personal conviction within the soul and the spirit and the mind of man.

There is an inscription in the Jefferson Memorial that quotes the words of Jefferson. He said:

> I have sworn eternal hostility against every form of tyranny over the mind of man. To enforce the form of religion on a man against his will is tyranny.

There have been many crimes committed throughout the centuries of history in the name of religion. Millions have died because of persecution in the name of religion. So I say, let us not get so excited about whether a man believes in God or not that we are willing to embrace tyranny. That is his privilege under our country's Constitution, and it is not your job nor is it my job to impose upon him any specific religion; or to punish him because he does not have a religion.

Mr. HARDY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I did not want to talk on this subject, but we have gotten into some very fundamental discussions here and I am afraid some of my good friends are missing the point entirely.

There is not any imposition on a man to have any kind of religion because an employer who does not want to employ an atheist refuses to employ him. The employer certainly should not be compelled to employ the man. The compulsion is on the employer and not on the man who is seeking a job. I do not feel any discrimination in my heart because of anybody's religion. But I do not want anybody to say to me that I have to employ an atheist if I should happen not to want to employ one.

I know some good, God-fearing business people who are very, very strong in their convictions on this subject. If you say to one of them, "You have to employ this fellow whether you want him or not, and you have to ignore the fact that he does not believe in God," that is an impairment of the right of that businessman and employer that is much more serious than the impairment of a man's right to have that job. Certainly, the employer should have the same right to determine whom he will hire.

Mr. Chairman, this is a very, very serious thing. No man ought to be compelled to hire a man who is an atheist if he has strong religious convictions. The problem would not arise in big industry but it could happen in a small company and that is the place where the danger really exists.

Mr. Chairman, the amendment ought to be adopted and I am surprised that the gentleman from New York did not accept the amendment when it was offered.

Mr. JOELSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as a person with deep religious convictions personally, I merely rise to say I never dreamed the time would come when I would hear it argued in the name of religion that we would say to the children of a nonbeliever that because your father is a nonbeliever, you shall not be given your daily bread.

Mr. Chairman, I yield back the balance of my time.

Mr. BALDWIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to direct one question to the chairman, the gentleman from New York [Mr. CELLER]. If a person came to an employer and asked for employment and the person identified himself as a Communist, if the employer denied him employment, would the employer be violating this act in its present form?

Mr. CELLER. This bill has nothing to do with political affiliation. It would be the same as if it were denied to a Republican, to a Democrat, or to a "mugwump."

Mr. BALDWIN. The theory of communism also includes the theory of atheism. If the man identified himself as a Communist, what is there in the bill which would insure to the employer that if he denied employment on that ground the employer would not be accused of violating the provisions of the bill?

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Georgia.

Mr. FLYNT. I say to the gentleman from California that I have an amendment at the desk which I believe will answer the question the gentleman from California has raised. I hope he will support my amendment at the proper time.

Mr. WHITENER. Mr. Chairman, I move to strike the requisite number of words.

I rise in support of the amendment.

Mr. Chairman, I had not intended to inject myself into this discussion, but we have heard so many pious phrases about freedom of religion that I am reminded that perhaps more damage has been done to the foundations of this Nation throughout history with pious phrases and appearances of piety than has been done in any other way.

I do not attack any other Member, but I was shocked to see a Member stand here a moment ago and talk about takthe bread out of the mouths of the children of an atheist, when that individual diligently voted to take the bread out of the mouths of innocent children who may live in a community which might fall under the provisions of title VI, which we sought to strike out of the bill.

It is felt to be bad, by some, to defend the fundamental faith of mankind, which has made this country great, and yet it is felt to be a terrible thing to disagree with the gentleman's views of sociology in this country.

You would take the milk bottles out of the lunchrooms of the parochial and public schools because someone does not agree with you on the matter of segregation, but you would say to those of us who believe deeply in the power and the necessity of preserving Christian beliefs in this country that we should not have such a right.

I yield to no man in the sincerity of my belief that we in this Nation will not survive unless we adhere to the principles of Christianity.

When we get to the heart of this proposition, I believe we are not being honest with ourselves or with our colleagues if we try to make this a religious freedom amendment. This is an amendment which would give to an employer the freedom to select his employees, and to refuse to employ an atheist. I say to you that no man should be required by his government to employ anyone in contravention of his own religious and moral views.

I say further to the gentleman who has spoken so eloquently that if tonight I were walking down the street and some man walked up to me and said, "I am an atheist," I would ask him to let me walk on or to get out of his presence, because I do not wish to be in the presence of such people, and I certainly do not wish to employ one.

Mr. TUCK. Mr. Chairman, will the gentleman yield for a friendly question?

Mr. WHITENER. I yield to the gentleman from Virginia.

Mr. TUCK. I ask the gentleman whether he considers that in this country there is an alliance between atheism and communism.

Mr. WHITENER. Of course, the gentleman serves on the Committee on Un-American Activities, and I know he would agree with me that the question answers itself.

Mr. MATTHEWS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I had not intended to talk on this particular amendment, but it may be the only opportunity that many of us in the Congress will have to talk about some of the fundamental things in which we believe.

I have received more communications concerning the Supreme Court's decision on the prayer and Bible-reading cases than I have received on civil rights questions or on any other question which has ever come before the Congress.

As many of us know, we have not had an opportunity to talk about this fundamental matter. This is the reason why I wish to take a few minutes to talk about the amendment of the gentleman from Missouri.

I am in favor of the amendment. It would not deny a man a right of belief. It would not deny a man a right to be an atheist. It would merely say to a man who owns property, a man who has jobs to give, "You do not have to give that man a job if he is an atheist."

Mr. Chairman, I have gone about my district for years saying that there are two fundamental differences between our way of life and that of communism. The first is that our Nation was founded on a belief in God.

In Thomas Jefferson's immortal Declaration of Independence he said:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights—

Mr. Chairman, when Thomas Jefferson wrote the Declaration of Independence he said, "These privileges come from God." Gentlemen, they come from God. They do not come from man, but they come from God. So if this Nation were not founded on God, I contend we would not have the kind of Nation we do.

The other differentiation, as I said, between our way of life and that of communism is that we believe in private property. We believe a man ought to have the right to own his property and to manage it within rules and regulations that are not alien to the interests of the people. So you see this is what worries me now about the bill we are considering. We are talking about taking away a man's property rights, and now some of us say that a man who owns property must hire an atheist and he seemingly practices discrimination against the man because he is an atheist.

You know, I started out in life to be a preacher, Mr. Chairman. Sometimes when I get up to make a talk in the church, after I finish, someone says, "I can understand why you are a good Congressman." Then other times I try to make a political speech and someone says, "Well, I can understand why you would make a good preacher." But be that as it may, I cannot for the life of me, Mr. Chairman, see why a man who owns his property, and manages his property, must hire an atheist.

Let me say it has nothing to do with the right of that man to believe as he wants to believe.

Mr. GRANT. Mr. Chairman, will the gentleman yield to me?

Mr. MATTHEWS. I will be glad to yield.

Mr. GRANT. I would like to call the attention of the gentleman and the House to the words above the Speaker's desk.

Mr. MATTHEWS. I want to thank the gentleman. And let me say again I believe every man, every man, ought to have a right to his beliefs as far as his religion is concerned, but at the same time I do not believe that a man who owns property, who has a business, should be made to hire a man if he is an atheist.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield to me?

Mr. MATTHEWS. I yield to the gentleman from Virginia.

Mr. JENNINGS. I want to commend the gentleman for the fine talk he has made and to associate myself with his remarks and his beliefs.

Mr. MATTHEWS. I thank the gentleman very, very much.

Mr. BEERMANN. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Nebraska. There is no finer man in the Congress than he is. Is the gentleman going to agree with me?

Mr. BEERMANN. I would like to say for the benefit of my friend from Florida and my associate on the Agriculture Committee that for the benefit of the House and his benefit I did not want this opportunity to go by to recognize this amendment was sponsored by the gentleman from Ohio [Mr. ASHBROOK], instead of the gentleman from Missouri, and I congratulate you for supporting it, Billy Matthews Graham.

Mr. MATTHEWS. I thank you. I am for the gentleman's amendment, as the gentleman from Nebraska [Mr. BEERMANN] explained, and I think the gentleman from Missouri [Mr. JONES] is also in favor of this amendment, as are others.

I will be delighted to yield to anyone else who will say a kind word about me, Mr. Chairman, or for this amendment.

Mr. SCHADEBERG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment of the gentleman from Ohio.

I am not going to take 5 minutes, but just make one short statement. The issue in this amendment is not whether or not anyone has a right under our Constitution to be an atheist. The issue is whether or not under our Constitution a believer in God has a right to choose whether or not he must hire an atheist. In other words, if we do not have this amendment, our Government is going to be in a position in which it has the authority to interfere with a man's right to make what he believes to be a moral judgment. I think this is not the prerogative of government.

Mr. WICKERSHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment. At this time I should like to ask the chairman of the committee a question with reference to this section of this bill. Can the chairman assure the Members that this bill, as written, exempts fraternal orders in their daily activities, as well as in the operation of Masonic homes, Woodman homes, Moose homes, Elks homes, Odd Fellows homes, and in the operation of their respective lodges, orphans homes, and homes for the aged?

Mr. **CELLER**. It exempts all fraternal orders.

Mr. **WICKERSHAM**. All fraternal orders are exempted. Thank you. That is the assurance I desired.

In connection with the pending amendment I should like to say this to you: I agree with the gentleman here that if you permit, if you require those who are religious to hire those who are not religious, you are interfering with the religious freedom on which this country was founded. I cannot see how any employer, including a Congressman, should be required to hire a Communist or an atheist or anyone else in that category whom he does not desire to employ, even though such individual might meet all other requirements. You might even require the churches and lodges, clubs and businessmen and Congressmen to hire atheists unless this amendment is accepted.

Therefore, Mr. Chairman, I am in thorough accord with the gentleman who offered the amendment. I urge the adoption of the amendment, and I yield back the balance of my time.

Mr. **RYAN** of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this Nation was founded and has been made great by people who were seeking religious freedom. Our Founding Fathers wrote the guarantee of religious freedom into the Bill of Rights. Diversity has been our strength.

I was shocked a few moments ago to hear the gentleman from North Carolina—I hope he did not mean what he said—say there was only one form of religion that matters in this country, and that is the Christian religion. Many religions and many diverse points of view have made up this Nation. Our citizens belong to many faiths.

Mr. **WHITENER**. Mr. Chairman, will the gentleman yield?

Mr. **RYAN** of New York. I yield to the gentleman from North Carolina.

Mr. **WHITENER**. I will say to the gentleman he either inadvertently or purposely entirely misconstrued what I said. I will say to the gentleman and to Members of the House that whatever I said I meant every word of it.

Mr. **RYAN** of New York. I do not think I misunderstood the gentleman.

Mr. **ROBERTS** of Texas. Mr. Chairman, will the gentleman yield?

Mr. **RYAN** of New York. I yield to the gentleman from Texas.

Mr. **ROBERTS** of Texas. If the gentleman will refer back to the history of our country he will find it was based on the premise of freedom to worship God according to the dictates of his own conscience.

Mr. **RYAN** of New York. That is fundamental, but I take exception to the false concept that only one religion should be singled out as the source of our greatness.

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from Ohio [Mr. ASHBROOK].

The question was taken; and on a division (demanded by Mr. CELLER) there were—ayes 137, noes 98.

So the amendment was agreed to.

Mr. **GALLAGHER**. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **CHAIRMAN**. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. **GALLAGHER**. Mr. Chairman, we are today debating what I consider to be the most important provision of the civil rights bill—that which would assure that an individual could not be denied employment because of race, color, or national origin.

If the Negro is to be fully integrated into our American society, a status to which he is entitled by our Constitution, he must be given the opportunity to work and advance to the highest levels of employment in business, government, and industry. If he is denied, because of the color of his skin, the opportunities of employment and advancement on merit and on the same basis as others, the benefits deriving from equal opportunities and privileges in education, voting, and public accommodation would be to a great extent, nullified.

We may achieve for the Negro the unrestricted right to vote, integrated education, and the right to be accommodated in a hotel no matter where it may be located, and I sincerely hope that we will, but if we fail to assure that he will be granted equal employment opportunity, our efforts will have been largely in vain.

Consider the Negro who struggles for an education under the most difficult circumstances and after many years of schooling, frequently including post graduate work, is thus eminently qualified as a scientist, industrial designer, merchandise manager, art director, advertising account executive, editor, or stockbroker; how slim are his opportunities, even out of the South, to gain employment compatible to his qualifications.

Consider the Negro who perseveres and qualifies as a doctor, lawyer, or educator; how limited are his opportunities outside of the Negro community. I know this provision does not cover the professional man in private practice, but the problem is related—the Negro doctor whose patients are largely members of his own race; the Negro lawyer whose clients are largely Negroes and who has little hope for an integrated clientele.

I am mindful of this great waste of talent at a time when this country desperately needs to make the greatest possible use of every available educated, trained, and qualified citizen. And yet how many college trained Negroes, as qualified as other employees, more so than many, are employed as messengers, clerks, and truckdrivers and never given the opportunity for advancement because of the color of their skin.

There have been hundreds of thousands of Negroes graduated from college in recent years, many with postgraduate training. But how many Negro corporation vice presidents are there, how many department store managers, how many top level industrial designers, how many advertising executives. Very few.

The argument is made that they are not equally qualified, but the record refutes this. There is a tremendous pool of trained talent, upon which this country does not draw for the distressing reason that they are Negro. This provision of the civil rights bill would do much to assure that the Negro employee would be hired and advanced in his employment on the basis of merit; that he would not be denied employment or promotion merely because of the color of his skin.

It is imperative that in our economic and business community we assure a place for the Negro on the very same basis as it is provided for every other citizen. We must tear down the wall that now holds back the educated and qualified Negro.

Unless we make way at the top, we shall find the pool of unused talent growing larger.

The first step toward the accomplishment of this is the passage of a civil rights bill which includes strong fair employment practices provisions. I believe it is imperative that the section remain intact and be enacted into law.

Mr. **ALGER**. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **CHAIRMAN**. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. **ALGER**. Mr. Chairman, the long and reasoned debate of the past several days on the Civil Rights Act of 1963 has made it abundantly clear that this legislation is indeed a blueprint for total Federal regimentation of the people of the United States.

Many of the provisions of the proposed bill are, in my opinion, unconstitutional and should not be enacted into law. If they are, I am convinced of the results as outlined by Loyd Wright and John C. Satterfield, both past presidents of the American Bar Association.

These gentlemen, in a detailed study of the bill, point out that it will extend Federal control over businesses, industry and over individuals, with a corresponding destruction of State power in a degree that exceeds the total of such extensions of power by all judical decisions and all congressional actions since the Constitution of the United States was adopted.

Think of it, Mr. Chairman, in this one measure we are wiping out more basic freedoms than in all the legislative history of this Nation.

This bill will destroy the constitutional checks and balances between the Federal Government and the States.

It will destroy the constitutional checks and balances between the executive branch of the Federal Government and the legislative and judicial branches.

The "civil rights" aspect of this legislation is but a cloak; uncontrolled Federal executive power is the body.

The Civil Rights Act of 1963 is skillfully drawn with the patent, deliberate intent to destroy all effective constitutional limitations upon the extension of Federal governmental power over individuals and the States. It draws within the ambit of Federal control, all material phases of such governmental regulation and vests it largely in the executive branch.

By adopting this one bill, Mr. Chairman, we put into hands of the Chief Executive the awful power to make himself a virtual dictator.

No one section of the bill shows more clearly the direction in which we are headed, nor is more of a threat to private enterprise and individual freedom than title VII, The Federal FEPC.

Title VII sets up a Commission to:

> Prevent discrimination against employees or applicants for employment because of race, color, religion or national origin by Government contractors and subcontractors.

And, note this well:

> By contractors and subcontractors participating in programs or activities in which direct or indirect financial assistance by the U.S. Government is provided by way of grant, contract, loan, insurance, guarantee, or otherwise.

It cannot be overlooked that "Government contractors and subcontractors" compose only a very small percentage of those covered. There are more than 100 Federal agencies administering Federal financial programs or activities by way of grant, contract, loan, insurance, guaranty or otherwise. All acts creating such agencies and appropriating the moneys therefore are amended by this bill to give authority to administrative personnel to withhold, restrict, or deny participation in such programs or activities.

There are hundreds of thousands of professional men, individual businessmen and small businesses not now engaged in interstate commerce nor subject to Federal control under the 14th amendment which affects only "State action." The control of those engaged in interstate commerce has been heretofore largely limited to legitimate business purposes. If this legislation is enacted and upheld, the Constitution of the United States will have been amended, or nullified, by the deadly combination of legislative and judicial action. The basis will have been laid for every individual who pays a license to the State or municipality and every private corporation organized under State law to become subject to control of Federal personnel to bring about sociological and political ends.

Under Federal FEPC those who contract with the U.S. Government, those who are contractors or subcontractors in the programs and activities defined by this measure include banks and savings and loan associations, persons entering into loan contracts through the FHA, VA, PHA, FNMA, CHA, Federal Home Loan Board, Small Business Administration, Federal land banks, banks for cooperatives, production credit associations, Commodity Credit Corporation, Soil Conservation Service, Farmers' Home Administration, REA, Area Redevelopment Administration, Forestry Service, airlines, railroads, buses which carry the mail, all colleges, high schools, and elementary schools which themselves or through their students directly or indirectly participate in Federal financial programs. And this only names a few. If you buy or sell or borrow or lend, under this bill you will be subject to Federal regulation.

Title VII creating the "Commission on Equal Employment Opportunity" goes far beyond what we know in any existing State FEPC. A Federal FEPC under this title has unlimited powers. This act states:

> The Commission shall have such powers to effectuate the purposes of this title as may be conferred upon it by the President.

This act includes not only the hiring of employees, but every element that goes into the relationship of employer and employee. Under this act business could be required to go out and recruit Negroes, or Protestants or Catholics or Jews, to end the "racial imbalance" or "religious imbalance" found to exist by Federal inspectors. I submit that private enterprise could not exist under such conditions so that, in the end, the Government will necessarily own all business and we will have achieved the Socialist-Communist goal of the end of capitalism.

The harsh penalties provided in this bill for failure to hire according to the demands of a Federal inspector will not only destroy private business but it will destroy labor unions, seniority rights, civil service, and private employment.

I would like to call to the particular attention of those in the labor movement who are strong advocates of this bill, the minority views on how this legislation will affect labor unions and members. This may be found on page 71 of the report.

Some idea of the extent to which business, private employers, employment agencies, and unions will be controlled by Federal bureaucrats may be had by quoting again from the minority report on page 107 in an analysis of title VII enumerating a series of acts or omissions on the part of an employer which it declares to be "unlawful employment practices." These include:

First. Failure to hire a job applicant on account of his race.

Second. Refusal to hire a job applicant on account of his race.

Third. Discharge of an employee on account of his race.

Fourth. Discrimination in compensation against an employee on account of his race.

Fifth. Discrimination in terms of employment against an employee on account of his race.

Sixth. Discrimination in conditions of employment against an employee on account of his race.

Seventh. Discrimination in privileges of employment against an employee on account of his race.

Eighth. Limitation of employees on account of race in such a way as to tend to deprive an individual employee of employment opportunities (promotions) or otherwise adversely affect his employee status.

Ninth. Segregation of employees on account of race in such a way as to tend to deprive an individual employee of employment opportunities or otherwise adversely affect his employee status.

Tenth. Classification of employees on account of race in such a way as to deprive an individual employee of employment opportunities or otherwise adversely affect his employee status.

Eleventh. Discrimination against any job applicant or any employee who makes a charge under this title or assists or participates in an investigation or proceeding conducted pursuant to this title.

Twelfth. Publication of any notice or advertisement relating to employment which indicates "any preference limitation, specification, or discrimination based on race."

Thirteenth. Discrimination on account of race against any individual in an apprenticeship program.

Mr. Chairman, there is only one way any American citizen can get and hold a job or take advantage of opportunities for promotion and that is through his willingness to learn, his ability and his initiative on the job. To throw out as job qualifications learning, ability, know-how, willingness to work in favor of the sole consideration of race, religion, or national origin is to destroy for every American the incentive which has enabled the least of America's workers to rise to topmost positions in American business and industry. The success stories of Americans who have achieved success on the job includes Negroes as well as whites, Catholics, Protestants, Jews, and members of every national group whose ancestors helped create and build this land of ours.

I could go on in greater detail to point out the inequity which adoption of this title will bring about among all American citizens. The minority views in the report on the bill contain strong arguments on the unconstitutionality of this section, the consequences to business, industry, and labor if it is adopted. I have attempted here to outline the most dangerous aspects to freedom and private enterprise. I would like to include just one more thought to show that, in proportion to their percentage of the population, Negroes are already being given great consideration.

The latest figures I have been able to obtain from the Library of Congress indicate that Negroes make up about 10 percent of our total population. Figures in private employment are not easy to come by as the Department of Labor studies concentrate on unemployment rather than on those holding jobs. But it is apparent that Negroes occupy well above 10 percent of existing jobs.

In the Federal Government as of June 1962, the latest figures available to me, 13 percent of all Federal jobs in the United States are held by Negroes. As a sample of the spread of such employment we find 9.1 percent in classified jobs, 18.6 percent in wage board or blue collar jobs and 15.1 percent in the postal service.

Federal employment of Negroes in the District of Columbia show 22.8 percent in all Government jobs; 16.4 percent in classified jobs; 48.6 percent in blue collar jobs and 48 percent in postal jobs. We are already discriminating in favor of Negroes in Federal employment.

We cannot improve the lot of the Negro by taking away the rights of all our citizens. We cannot guarantee the Negro job equality, greater opportunity, by destroying the private enterprise system, the only way we can continue to create jobs. The Negro citizen, along with every citizen of the United States, can best be protected and his freedom preserved only by maintaining the strength of our constitutional guarantees of liberty. A Federal FEPC will destroy the security we enjoy under the Constitution.

This title, as well as the whole bill, may be subjected to the same criticism that under the zealous guise of protecting our "civil rights" we are playing a dangerous game with our freedoms. Terms used throughout the bill are never defined.

We talk constantly of "discrimination" but it is never defined. Nor is "segregation", and in some instances the two are used interchangeably so we are not sure if we are talking about "discrimination and segregation" or "discrimination or segregation".

The whole concept of this bill is based on government by men and not by law and therein is its greatest threat.

Mr. TALCOTT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **CHAIRMAN.** Is there objection to the request of the gentleman from California?

There was no objection.

Mr. TALCOTT. Mr. Chairman, it appears to me that we should not delay this "civil rights" debate any longer than is necessary to give every Member an opportunity to be heard fully on any amendment.

We should adjourn to an early time Monday, if we will not conclude the debate tonight. I have no speech commitments over the Lincoln week. However, if we can commence a meeting of the House at 7 a.m. to give a credit card to Russians for the purchase of our wheat, we could certainly come at 7 a.m. on Monday next to insure civil rights or equal opportunities to our citizens.

Mr. CELLER. Mr. Chairman, it is apparent we cannot finish either the bill or even title VII tonight. It is hoped that we may finish the entire bill on Monday, and for that reason I now move that the Committee do now rise.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Indiana.

Mr. HALLECK. I just want to say that I cannot agree to have the Committee rise tonight. I expressed the hope all along that this bill could be disposed of today. We have been debating it for many days, and I guess by this time about 55 hours, and something over 100 amendments have been considered and at least a third of those have been adopted.

Having said as much, because I thought we ought to go on and finish the bill tonight, it would seem to me that the least the gentleman from New York could do would be to ask unanimous consent now that if we are forced to go over until Monday, and as I said, I shall not vote for the Committee to rise, if we do have to go over until Monday then there should be a limitation as of now as to the debate not only on this title but the whole bill and amendments thereto.

Mr. CELLER. Must I not make that request in the House rather than in the Committee of the Whole?

Mr. HALLECK. It can be made right here and right now. I would like to find out what the "score" is. As I say, I would rather go on and finish tonight. That has been my firm position. It is still my position.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. SMITH of Virginia. I notice the gentleman from Indiana says he would like to see this predicated upon the idea that the bill would be completed on Monday. I am wondering if the gentleman means that if that agreement is reached the gentleman would vote to rise at this time.

Mr. HALLECK. No. No, I have made my position clear.

Mr. SMITH of Virginia. I wondered why the gentleman made the suggestion that the Committee rise.

Mr. HALLECK. I made the suggestion yesterday that I thought we ought to complete this bill this week. There has been an arrangement here under which debate has not been shut off. It is the first time in my experience we have operated under such an arrangement. I do not want to quarrel with the gentleman from Virginia. He and I have been good friends too long to be in any controversy like that, and I will say as much for the gentleman from New York. I want to say for the people on the Republican side that we have been here, and we have participated in the debate. We have done everything we could to expedite a fair consideration of the bill. As I said a little bit ago, there has been full and free consideration. It was not too long ago that I was subjected to a little criticism for allegedly having done a little something to get this bill to the floor of the House of Representatives. May I say to the chairman of the committee, of course, we are in the minority, and we cannot arrange to finish this bill tonight if the Committee is to rise. The only suggestion I make, and I make my position clear, is that certainly before the Committee rises we ought to have some understanding of what we can expect on Monday next.

Mr. CELLER. I can say to the gentleman from Indiana as chairman of the committee that I would be very happy to meet early on Monday morning and be able, therefore, to conclude not too late on Monday evening. The gentleman will agree, I am sure, that the debate we have had thus far has been on a very high level. Everyone that desired to express himself has had a free opportunity to do so. I certainly have not sought to invoke cloture. I have only asked unanimous consent to end debate. I felt that was the appropriate thing to do on a bill as important as this was because of its far-reaching consequences. A great many men have spoken, and many amendments have been offered. Of course, it is now almost 9 o'clock. We have been at this since 11 o'clock today. It is natural that some of us are a bit weary, and we would like to conclude. The gentleman, I am quite sure, would be willing to arrange to come here early, say at 10 o'clock Monday morning, and enter into an agreement that all debate on title VII end at 12 o'clock on Monday, so that we would then start a few minutes after 12 on the three remaining titles. They are very short. I do not think they are too controversial. Then we can end in the late afternoon. That would be the latest we would conclude the bill.

Mr. SMITH of Virginia. I think the chairman of the committee has made a suggestion which is eminently fair. His suggestion, I understand, is that the Committee rise now—it is 9 o'clock—and that we meet Monday and conclude the consideration of the bill on Monday.

Mr. CELLER. And that we vote definitely on VII at 12 o'clock on Monday.

Mr. SMITH of Virginia. All I can say is that insofar as I can, I will cooperate with the gentleman.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. ALBERT. Mr. Chairman, it is obvious we cannot make the agreement to vote at 12 o'clock now, but why could we not make an agreement that debate on title VII be limited to 1 hour and 30 minutes on Monday next?

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. HALLECK. I appreciate the suggestion of the majority leader. But let me just say this. The chairman has said that these other titles in the bill are not controversial and I do not think they should be controversial. But debate on them could run along ad infinitum. I would say that the request could be made now and if we have to go over until Monday, which I am against, we ought to have the arrangement made right now to close debate not only on title VII but on the bill and all amendments thereto within some reasonable time.

Mr. CELLER. I would be willing to pledge, for example, that we close debate on title VII in 2 hours after we meet; and that we meet at 10 o'clock and we conclude debate on the entire bill by 6 o'clock or 5 o'clock on Monday.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. ARENDS. In case the gentleman makes the request that we come in at 10 o'clock on Monday morning and someone objects, which is of course entirely possible, then what would we do?

Mr. CELLER. Then we would have to start at 12 o'clock.

Mr. ARENDS. That is exactly it. I think it would be better to find out tonight what we are trying to do before we adjourn.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. HAYS. What is wrong with the gentleman asking right now to end debate on the bill at a specified time on Monday afternoon and we can see where we are. I do not care what time it is, but this will give you an idea as to whether you are going to get an objection.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. McCULLOCH. I should like to ask, Mr. Chairman, if the Committee of the Whole House on the State of the Union can now effect binding action as to time on the titles of the bill which we have not reached?

The CHAIRMAN. The Chair would inform the gentleman from Ohio that that could be done only by unanimous consent.

Mr. ALBERT. And cannot it be done in Committee of the Whole, Mr. Chairman?

The CHAIRMAN. It can be done in Committee of the Whole. It would also depend in a measure on the nature of the request.

Mr. McCULLOCH. Might I suggest, Mr. Chairman, in view of this exchange, with all due deference to the majority leader, that the gentleman make a request that will be binding on Monday procedure.

Mr. Chairman, the reason I say this is because some of us have been working since the 31st day of January 1963 on civil rights legislation.

So, Mr. Chairman, I would like the arrangement to be definite and certain and binding before I agree to it.

Mr. ALBERT. Mr. Chairman, will the gentleman yield so that I may propound a unanimous-consent request?

Mr. CELLER. I yield to the gentleman.

Mr. ALBERT. Mr. Chairman, I ask unanimous consent that debate on title VII on Monday next be limited to 2 hours and that the debate on the remainder of the bill be limited to 2 hours, making a total of 4 hours.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. COLMER. Mr. Chairman, reserving the right to object, and I am just one ordinary Member of this House, but I do have certain rights as one ordinary Member of the House, if I understand what was agreed upon originally, I am willing to abide by that agreement. That understanding and agreement, as I understand it, was that we who oppose this bill might have through Tuesday of the coming week, if necessary, to complete this work.

Some of us are not in as big a hurry to get this monstrosity enacted into law as some of the other people around here may be. I happen to be one of those humble Members of the House who are not in a hurry to get it passed.

I am perfectly willing to go along with any reasonable request, but my friend the majority leader is talking about limiting this particular provision to 2 hours, to finish this title, and then 2 hours for the remainder of it, because the chairman of the committee, who certainly sees no controversy about this, says it is noncontroversial.

I believe the whole thing is controversial, and I believe we ought to go along and give everybody an opportunity, within the limitations of the agreement. Unless that is done, some of us are going to feel constrained to object.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield to the majority leader.

Mr. ALBERT. There has been a lot of talk about an agreement. My understanding of the matter was—and I believe I was present when some of these conversations were had—that the only element involved in the request of those who wanted to go on was that all the principal titles of this bill should be debated with ample time for full consideration. It was particularly desired, if I remember correctly, that we not cut off at the end of this week unless we could allow ample time for the consideration of title VII, which was the last major title in the bill.

We have been debating title VII for 10 hours today, and we would debate it for 2 hours on Monday under the request I have made, making a total of 12 hours on title VII.

There has been no attempt at all to limit the debate. I should think that would be ample time on this title. My friend would agree with that.

There was never any agreement to have this go until Tuesday. The agreement was that we would try to finish debate this week, but to make certain that every title was amply debated, through title VII, we would not try to cut off debate by motion this week.

Mr. COLMER. Unless it was necessary.

Let me say to my friend that he speaks of debating this title for 10 hours. Has it ever occurred, I wonder, to some of the people around here that when the bill gets to the other body, where the rules are more flexible, it might be debated for 10 days or 10 weeks? Why should we put ourselves in a straitjacket here, with respect to consideration of something which strikes at the very foundations of this country? Do we have an inferiority complex, that we must be placed in such a position, that we must be placed in a straitjacket?

Mr. ALBERT. If the gentleman will yield, in response to the gentleman I wish to say I do not really believe this is a proper time to argue the merits of the rules of the House and the rules of the other body. The rules of the House require a limitation of 5 minutes on debate, and there has not been one effort by the leadership to limit any Member on any amendment to 5 minutes, or to have any other limitation that was not satisfactory to the gentlemen debating the amendment.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COLMER. The gentleman from Indiana asked me earlier to yield. I yield to the gentleman.

Mr. HALLECK. I thank the gentleman.

I wish to have it clearly understood that in all the conversations I had with everybody having anything to do, as I understood it, with the progress of the civil rights bill through the House of Representatives, my constant position was—and I thought the understanding was—that we would finish consideration tonight. I was quite surprised when I read in the newspaper an announcement that some sort of arrangement had been made to carry it over until Tuesday. I just want everybody on my side of the aisle, before they start criticizing me, to know that I did not participate in any such agreement.

Mr. HALEY. Mr. Chairman, will the gentleman yield to me?

Mr. COLMER. I yield to the gentleman from Florida.

Mr. HALEY. May I inquire, Mr. Chairman, as to how many amendments on title VII are pending at the desk at this time?

The CHAIRMAN. The Chair will state to the gentleman from Florida that there are at the desk at this time two amendments to title VII.

Mr. CELLER. Mr. Chairman, will the gentleman yield? Five amendments have been handed to me, in addition.

Mr. HALEY. Mr. Chairman, will the gentleman yield further?

Mr. COLMER. I yield to the gentleman from Florida.

Mr. HALEY. I understand, from the chairman of the Judiciary Committee, that he now has in his hands five amendments, in addition, and I understand that on the other side of the aisle there are several amendments.

If we are going to cut off debate here, I think every Member of this Congress should have a right to present his amendment and be heard. I do not know how many are pending on the other side, but there are two up here and five over here. I know of seven. How many do you have over there? I think, after all, if you are going to come in here at 10 o'clock and cut off debate at 12 o'clock, undoubtedly you are going to have a quorum call. So that will give you what? Less than an hour and a half to debate these amendments.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Oklahoma.

Mr. ALBERT. On the observation of the gentleman, we have just about finished Saturday. I think everybody is convinced of that. There is no agreement that anyone can have any extra time on Monday, and we will move to conclude debate on Monday by motion unless we can work out a reasonable agreement by unanimous consent.

Mr. HAYS. Mr. Chairman, will the gentleman yield to me?

Mr. COLMER. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, I would like to propound a parliamentary inquiry. If the unanimous-consent request of the majority leader should be objected to, would not the majority leader or the chairman of the committee have a right to move that that be set and that the debate be ended at a specified time on Monday?

The CHAIRMAN. The Chair would say a motion to limit debate would be in order after there has been debate on the title.

Mr. COLMER. Mr. Chairman, if I have the floor, I yield to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, as I said a few minutes ago, I think the suggestion that the chairman of the committee, the gentleman from New York, made is a reasonable suggestion. As I understood it, that was that we rise now and, I believe, have two hours of debate on this title.

Mr. CELLER. And meet at 10 o'clock.

Mr. SMITH of Virginia. Ten o'clock is all right with me. I cannot speak for others. Then that we would conclude the consideration of the bill at some time on Monday night. That seems to be a reasonable thing, and I do not know why we should stand here bickering about it for so long. However, I am impelled to say one thing further, because there has been some talk here about what this original agreement was. I was a party to it, and the way I happened to be a party to it was that I happened to be right in the middle. As chairman of the Committee on Rules I was being shot at from all sides to get this bill out so that we could get it through in time so that our Republican colleagues and friends could depart prior to Lincoln's birthday and go back to their homes and make eloquent speeches about how they had killed the bear. I have no objection to that.

During the course of those negotiations, which occurred not on the floor and not in the presence of the minority leader, the gentleman from Indiana [Mr. HALLECK], but we were dealing with it in the Rules Committee, the agreement was—and I submitted it to the minority side on the committee—I dealt with the leader, the minority member, the gentleman from Ohio [Mr. BROWN], and I went to him—and as a matter of fact, I went to him the morning we passed the rule out—and I told him just what I said before; namely, that we would agree to bring this bill out and let it start two days ahead of time so that they could go out and make these dinner speeches, which I am sure will be very entertaining to their constituents, and that we would agree there should be no limitation upon the debate and anybody would have an opportunity to discuss the seven separate bills contained in this document. Also there would be no limitation until Tuesday, at the latest, of next week at which time debate would cease and we would vote on the bill and conclude it not later than Tuesday.

If it could be concluded earlier, we would all be happy. That was the situation and that was the arrangement made and, of course, the minority leader at that time was not a party to the agreement. That was agreed to and that was the way it was followed in the Committee on Rules.

Mr. ALBERT. Mr. Chairman, will the gentleman yield to me?

Mr. COLMER. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Does the gentleman from Virginia feel the request I have made is substantially in accordance with that agreement considering the progress we have made up to this point?

Mr. SMITH of Virginia. No, sir. I cannot say I do, because you are putting a limitation on debate prior to the date. But it seems to me that the suggestion made by the chairman of the committee, the gentleman from New York, is reasonable.

Mr. ALBERT. Mr. Chairman, may I withdraw my unanimous-consent request and ask unanimous consent that the debate on title VII and all amendments thereto be limited to not exceeding 2 hours on Monday?

Mr. BROWN of Ohio. Mr. Chairman, reserving the right to object, I think it is about time I make a little comment on the whole matter.

I opened the debate for our side of the aisle on this rule, and I explained it thoroughly. I thought at that time I had explained the agreement. I want to repeat that an agreement was made.

Mr. COLMER. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. BROWN of Ohio. If it does not come out of my time.

Mr. COLMER. Mr. Chairman, the majority leader made a unanimous-consent request. I reserved the right to object. Then the gentleman from Oklahoma, the majority leader, after some discussion, asked unanimous consent to withdraw his unanimous-consent request. I did not hear the Chair rule on the gentleman's request, therefore, I assume I still have the floor.

The CHAIRMAN (Mr. KEOGH). The gentleman from Oklahoma withdrew his unanimous-consent request to which the gentleman from Mississippi had reserved the right to object. The gentleman from Oklahoma submitted a new unanimous-consent request to which the gentleman from Ohio [Mr. BROWN] reserved the right to object.

Mr. BROWN of Ohio. The gentleman from Ohio has the floor?

The CHAIRMAN. The gentleman from Ohio [Mr. BROWN] has the floor.

Mr. COLMER. Mr. Chairman, it was the request of the gentleman from Oklahoma to withdraw his unanimous-consent request. The Chair has not ruled on that.

The CHAIRMAN. There need not be unanimous consent to withdraw a unanimous-consent request.

Mr. BROWN of Ohio. Mr. Chairman, under my reservation, I would like to comment, if I may. The agreement, as I explained in opening debate on the rule, was made in substance as the gentleman from Virginia [Mr. SMITH] has explained. The agreement was made by all members of the Rules Committee. I think I spoke first with the gentleman from Virginia [Mr. SMITH] about the matter, or he spoke to me. Then later we discussed it with the two sides, then all members participated in the discussion that the rule would be reported the following week.

That agreement was made a week before the rule was reported.

It was agreed that the rule to be reported would provide, first, we agreed on 2 days or 12 hours, finally we agreed on 10 hours' general debate to be conducted on Friday and Saturday, following which, on Monday of this week, we would start consideration of the bill under the 5-minute rule, which was done.

At that time, after the matter had been discussed the night before and the morning before, we were informed, and I was informed, by the chairman of the committee, and he has been a very fair chairman, I do not question anything he has said—he advised me, and I believe other members of the committee, that he had discussed the situation with the leadership of the House and with the Speaker, and had advised he wanted the privilege of debating if necessary—we had talked about a week under the 5-minute rule for amendment, or until tonight—the privilege and right to take the bill out, if it was not completed on Monday, and on Tuesday, the 10th and 11th. I pointed out at that time, and we did so in the full committee hearing—I believe the record will so show—it was the desire of the minority leadership to finish the bill on this Saturday night or this week, April 8. Of course, once the bill is brought to the floor of the House under the rule, then the leadership of this House controls it.

Since that time, under the agreement that was made that there would be no attempt to shut off debate on any amendment or discussion by any Member, except in cases of delaying tactics, as everybody knew was for delaying purposes only, there would be no attempt to filibuster. Those agreements have been kept up to this time. However, there was no agreement made as to how long the House would sit and consider these amendments or debate the different sections or titles of the bill under the 5-minute rule.

We have had the question here before us two or three times this week as to whether or not we should rise or whether we should stay here and complete the bill and consider amendments. In keeping with that agreement that I made in behalf of the minority leadership of this House and the agreement that the minority members of the Rules Committee made that we would do everything we could to make certain that every Member of this House had every opportunity in the world to offer any amendment that he might desire and have it considered and debated, we have consistently opposed every attempt to close debate. I oppose it now because I want to keep that agreement and give those of you who may oppose this bill, or may support it, every opportunity in the world to offer your amendments and have them considered. If you have to stay all night, all right. I am ready. I think most of the men and women on the minority side of this House are ready to do just that.

I have been in Congress for a long time, not quite as long as my good friend, the gentleman from Virginia, Judge

Smith, the chairman of the Rules Committee, perhaps too long as many people may believe, but I have seen the sun come up many times on Sunday morning when the House was still in session. I have wended my way home from sessions of Congress on Sunday morning when the church bells were pealing out their calls to prayer and to worship. What is wrong with that now, if you want to debate this bill, if you want to offer amendments; whether you are for or against it, it makes no difference. If you want to talk about an amendment, if you want to discuss it, why not stay here and do just that, instead of taking all the time that has been taken in a vain attempt to rise and to shut off debate or do something else. We do not want to shut off debate, we want to conclude it, and there is a difference between shutting it off and finishing the job. If we can do it by tonight or tomorrow morning, fine. If not, that is something else again. But we ought to make an honest, decent effort to do just that which we know ought to be done. We ought not to begin to talk about quitting at 6 or 7 o'clock every evening.

Mr. ALBERT. I want to say to the gentleman that I have not been a party to any effort to cut off debate. I said that those agreements had been kept.

Mr. BROWN of Ohio. I would like to say to the gentleman, and I say this sincerely and not facetiously, that most of the requests were made, and it is natural that they would be, because next week is Lincoln's Birthday.

Mr. ALBERT. I am trying to cooperate and finish this bill on Monday.

Mr. BROWN of Ohio. That is fine. I appreciate the gentleman's cooperation, and I love him for it, but I know that President Lincoln's birthday will be celebrated in many communities, and there will be many Democratic fundraising dinners held, too.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Louisiana.

Mr. HÉBERT. I asked the gentleman to yield to ask the majority leader a question. As I understand it, the gentleman's unanimous-consent request is contingent on the fact that the Committee will rise. If it is not contingent on the Committee's rising immediately after this discussion, I shall object.

Mr. BROWN of Ohio. I understand that a motion to rise will be made. Of course, if the Committee votes that down, there will be no point in making a unanimous-consent request.

Mr. HÉBERT. I want to know that there is a definite motion to rise and that we vote on it, not a unanimous-consent request.

Mr. BROWN of Ohio. The gentleman from New York can speak for himself, and I understand he will move that the Committee rise.

Mr. CELLER. Mr. Chairman, I move that the Committee do now rise.

Mr. BROWN of Ohio. I still have the reservation.

Mr. HALLECK. Mr. Chairman, will the gentleman from Ohio yield to me for a parliamentary inquiry?

Mr. BROWN of Ohio. I yield to the gentleman.

Mr. HALLECK. As I understand it, Mr. Chairman, there was pending a unanimous-consent request that debate on title VII and all amendments thereto close in 2 hours. Is that the proposition that the Chair was putting to the Committee?

The CHAIRMAN. That is correct.

Mr. HALLECK. Then, Mr. Chairman, may I make a further parliamentary inquiry? If the request is granted, then as I understand it, it would be effective as long as the Committee were to sit tonight and if the Committee did rise, when we come in on Monday it would likewise be effective?

The CHAIRMAN. That is correct.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman.

Mr. HÉBERT. That is what I was trying to clear up.

Mr. Chairman, there have been so many misunderstandings as to these arrangements here that I want it pinned down in black and white. And it is very difficult to do that.

Mr. BROWN of Ohio. Might I remind the gentleman that that is what this whole discourse is about—black and white.

Mr. HÉBERT. Yes, I know, and I do not want any discrimination in it.

Mr. BROWN of Ohio. There has been a lot of discourse on this.

Mr. HÉBERT. There is much discourse and I want to see that there is no discrimination.

Mr. ALBERT. Mr. Chairman, I am quite sure that my unanimous-consent request was that debate should be limited to 2 hours on Monday next on title VII.

Mr. BROWN of Ohio. On Monday? Then, Mr. Chairman, I object to that.

Mr. CELLER. Mr. Chairman, I renew my motion that the Committee do now rise.

The question was taken; and on a division (demanded by Mr. Halleck) there were—ayes 175, noes 154.

Mr. STINSON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. Celler and Mr. McCulloch.

The Committee again divided, and the tellers reported that there were—ayes 169, noes 159.

So the motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Keogh, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes, had come to no resolution thereon.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. When the motion to adjourn is made, could that be subject to a rollcall vote?

The SPEAKER. If a sufficient number stand.

SMALL BUSINESS INVESTMENT ACT AMENDMENTS

Mr. PATMAN. Mr. Speaker, I call up the conference report on the bill (S. 298) to amend the Small Business Investment Act of 1958, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. HAYS. I object.

The Clerk read the conference report.

The conference report and statement are as follows:

Conference Report (H. Rept. No. 1129)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 298) to amend the Small Business Investment Act of 1958, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 1, 4, 6, and 7.

That the Senate recede from its disagreement to the amendments of the House numbered 2, 3, and 5, and agree to the same.

Wright Patman,
Albert Rains,
Abraham J. Multer,
W. A. Barrett,
Clarence E. Kilburn,
William B. Widnall,
James Harvey,
Managers on the Part of the House.

A. Willis Robertson,
John Sparkman,
Tom McIntyre,
Milward L. Simpson,
Peter H. Dominick,
Managers on the Part of the Senate.

Statement

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 298) to amend the Small Business Investment Act of 1958 submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: Section 2 of the bill as passed the Senate raises the amount of subordinated debentures of a small business investment company which the Small Business Administration may purchase on a matching basis under section 302(a) of the Small Business Investment Act of 1958 from the present limit of $400,000 to $700,000. The Senate bill also increases the time during which such debentures may be purchased to 5 years from the date of enactment of the bill or the licensing of the SBIC, whichever is later.

Amendment No. 1 of the House would have reduced the period within which such debentures could be purchased in the case of SBIC's licensed before the enactment of the bill, and would also have placed a time limitation expiring June 30, 1965, on the purchase of debentures in excess of $400,000. The House recedes.

Amendment No. 2: Section 3 of the bill deals with loans by the Small Business Administration, both direct and participating, to SBIC's.

Amendment No. 2 requires that such loans bear interest in no case lower than the average investment yield, as determined by the Secretary of the Treasury, on marketable obligations of the United States outstanding at the time of the loan involved. The Senate recedes.

Amendment No. 3: Section 3 of the Senate bill would have increased to $5,000,000 the dollar limitation on section 303(b) loans to any one SBIC. The House amendment restores the limitation of $4,000,000 contained in existing law. The Senate recedes.

Amendment No. 4: Amendment No. 4 would have added to the provisions of the bill relating to section 303(b) loans a requirement that the Administration's share on a participating basis could not exceed 90 percent. The House recedes.

Amendment No. 5: Amendment No. 5 corrects a purely technical error in the Senate bill, by which the section heading of section 306 of the Small Business Investment Act of 1958 would have been inadvertently stricken out. The Senate recedes.

Amendment No. 6: Section 4 of the Senate bill eliminates the present dollar limitation, in section 306 of the act, of $500,000 on the investment in a single small business enterprise by an SBIC, but retains the limitation of 20 percent of combined capital and surplus.

Amendment No. 6 would have imposed a dollar limitation of $1,500,000. The House recedes, but it was the sense of the conferees that the Administration should pay particular attention to very large investments by SBIC's in single enterprises, and should include a special report on such investments in its annual report to the Congress.

Amendment No. 7: Section 5 of the bill authorizes SBIC's to invest their funds not needed for current operations in insured savings accounts (up to the amount of the insurance) in institutions insured by the Federal Savings and Loan Insurance Corporation.

Amendment No. 7 would have added an express authorization to invest in savings accounts insured by the Federal Deposit Insurance Corporation. The House recedes, as the intended effect of the House amendment is already being accomplished under existing law through the mechanism of time certificates of deposit.

WRIGHT PATMAN,
ALBERT RAINS,
ABRAHAM J. MULTER,
W. A. BARRETT,
CLARENCE E. KILBURN,
WILLIAM B. WIDNALL,
JAMES HARVEY,
Managers on the Part of the House.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CIVIL RIGHTS ACT OF 1963

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. GURNEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. GURNEY. Mr. Speaker, this Civil Rights Act of 1963 disturbs me profoundly. From listening to the debate, from observing the voting on the amendments that have been offered, and from talking to my colleagues, I am convinced that the House has embarked upon a dangerous course.

It is evident by now that this bill is going to pass the House without substantial amendment.

It is also evident that many Members will vote for this bill who firmly believe that it is not good legislation. Any number of my colleagues have told me this in private.

This House is caught in an emotional crisis, which is overriding reason, and which is about to dictate passage through this House, of legislation that we shall fast come to regret.

This bill should not be termed a "civil rights bill." It should be termed a "power-grab bill," for it proposes the stretching of the long arm of the Federal Government to lengths never conceived in the minds of lawmakers, even a few years ago.

Now, all men of reason and good judgment realize that race relations need improvement. Except for a relatively few in this House, most Members would support some kind of a civil rights bill.

In title I, covering voting rights, is legislation that most of us concede is needed. It protects Negroes and whites alike, and will help remove election frauds. I would have preferred that we did not create a special three judge court to handle cases under this section. I think it will cast unnecessary burdens on the Federal judiciary, but this is more an objection to procedure rather than substance.

Title II—the public accommodations section—is far too sweeping in its coverage. For example, in throwing open the doors of motels and hotels, it reaches down to establishments as small as six rooms.

It goes far beyond the opening up of motels and hotels for interstate travel, which the proponents say is the purpose of the section. Furthermore, it permits the Attorney General to prosecute actions under this title. This, in effect, means that the powerful legal arm of the U.S. Government would be available on the side of one citizen against another in private law suits.

There is great danger in this provision, that there may be an abuse of this new power given to the Attorney General. For example, many small defendants will be unable to bear the cost of litigation, and especially against an adversary as formidable in money and legal talent as the Federal Government. This is clearly unjust. Great economic harm will result to many small individual businessmen, under this title.

Title III: Desegregation of Public Facilities is another instance where the legal arm of the Federal Government, the Attorney General's office, is made available to private citizens in actions brought under this title. Again, I would point out that the use of the Attorney General of the powers granted to him under this section, can work great economic hardship upon some defendants.

Title IV: Desegregation of Public Education is particularly objectionable. Had this title been limited to the purpose seemingly expressed in its caption, then I think most reasonable men in the House of Representatives would have been willing to support it. Desegregation of public education has been the law of the land for many years. To authorize the Attorney General to bring suits on behalf of complainants, would have been a reasonable extension of and implementation of this title.

However, the title goes far beyond that and most of the new law here is in the field of Federal aid to education. It provides for Federal grants to public schools in the whole field of training teachers, employing specialists, drafting plans, establishing institutes of special training, all in connection with desegregation. Again, this matter of desegregation should be a local matter.

People on a local level can best determine how to meet it, once they face up to the problem, through the legal action which will be permitted under this section.

However, to inject the Federal Government further into the handling of this matter on a local level, in our public school system, is a type of extension of Federal aid to education, which has long been frowned upon by the Congress. This further intrusion of the Federal Government in aid to education to the public schools is wholly unwarranted. It would be unthinkable to have this matter handled by the Judiciary Committee, instead of the Committee on Education and Labor, except for the emotional drive behind this bill. Again, we shall live to regret the enactment of this title.

Title VI—which provides for a cutoff of Federal aid in cases of discrimination—is particularly objectionable. This puts in the hands of the Federal Government a political club, which can be wielded with arbitrary and capacious intent against State and local governmental units. It is clearly possible under this title that many innocent people, taxpayers and residents of local governmental units, may be injured because of discriminatory acts of a few who may be in government or policymaking positions on the local level. Great harm can be done under this section by a politically and power-minded Federal administration.

Moreover, the provisions in this title for judicial review of the actions hereunder of the administrative agencies are very poorly drawn and do not at all meet criteria for the protection of defendants under this title.

Title VII—the equal employment opportunity section of the act—will make the Federal Government virtually a partner, at least in the case of employment, of employers in determining who to hire and fire.

I cannot imagine a greater threat to the free enterprise system. Under this act, minor bureaucrats in the Federal Government, will be in a position to tell an employer who to hire and to fire, and dictate policy in his employment practices. The whole fabric and strength of the free enterprise system, which has made this country the greatest industrial Nation in the world, will be seriously hampered and interfered with, to the extent that the United States will inevitably lose much of the efficiency and capability of her great industrial might.

That this will come to pass is evident, for in the last year, even without any such power as is provided here to be placed in the hands of the Federal Government, the Federal Government has definitely influenced the hiring and firing patterns of some employers in this country. When the Federal Government is able to do this with no special legislation, what will be the result under legislation of this sort?

This Nation can tremble in predicting the evil which will flow from this title.

Time does not permit me to comment further on this civil rights bill.

I should like to point out in closing that my reason for opposing this bill is not a matter of integration-segregation—not a matter of color.

I am opposed to this bill because it places entirely too much power in the hands of the Federal Government. We are here granting too much power to the Federal Government, even though it were wisely used. We know from long experience that power granted to a giant Federal bureaucracy is often misused, and the misuse of the power which this bill will grant can and will lead to dire consequences for the whole economic and social fabric of this Nation.

THE FATS AND OILS SITUATION

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. FINDLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. FINDLEY. Mr. Speaker, recent stock reports and forecasts issued by the U.S. Department of Agriculture have had an adverse effect on soybean prices, and are costing farmers millions of dollars as they market their soybeans.

I called this situation to Agriculture Secretary Freeman's attention in a letter dated February 2, as follows:

DEAR MR. SECRETARY: May I invite your attention to the Department's Fats and Oils Situation report for January 1964, which forecasts a carryover of 15 million bushels of soybeans on next October 1, and adds this comment:

"The above carryover forecast is based on a total 1963–64 soybean supply of 717 million bushels. However, the January 1, 1964, soybeans stocks in all positions (559 million bushels) plus the October-December 1963 disappearance indicate a total that may be somewhat larger than the 717 million bushels. * * * Based on the relationship of the January 1 stocks compared with actual disappearance for the entire year, stocks estimated as of January 1 for the 1959–63 period averaged around 20 million bushels too high."

What all of this adds up to is that USDA is forecasting that the soybean carryover will be either 15 million bushels or about 40 million bushels, depending upon whether you want to accept the Department's Fats and Oils report or its stocks report—both issued the same week. It seems to me that soybean producers, processors and exporters are entitled to a more reliable reporting system. If, as is indicated, the January 1 stocks reports on soybeans have "averaged around 20 million bushels too high" over the preceding 5 years, the public should have been cautioned against accepting at face value the Department's stocks estimate at the time it was issued.

As you may know, the recently released soybean stocks report was about 25 million bushels higher than the trade (and apparently USDA's Fats and Oils Division) had anticipated. The result was a sharp drop in soybean prices, this coming at a time when farmers still have perhaps 35 to 40 percent of their crop to market. In other words, an official USDA report which is probably inaccurate (if past experience is any criterion) is costing farmers millions of dollars as they market their soybeans.

If the January 1 stocks report by any chance is correct, then it must follow that USDA's December crop report which set 1963 soybean production at 701 million bushels was around 25 million bushels too low. Obviously there is something radically wrong with present methods of estimating either soybean production, or stocks, or both. Unfortunately, the farmer seems to be the principal victim of the system.

It is my fear that the producer will also be the ultimate victim if soybean price supports are increased for 1964, as has been widely rumored. It seems likely that soybean acreage will increase substantially in 1964 without any additional price-support incentive. Some land coming out of the soil bank this year will undoubtedly go into soybeans and the reduction in Soft Red Winter wheat acreage in the Midwest also points toward an increase in soybean plantings.

Except for the problem of an oversupply of soybean oil, the soybean industry is in good shape and will probably remain that way unless the Government insists upon creating unnecessary headaches through unsound price-fixing policies. Brazil and other countries can expand soybean production and will probably do so at an increasingly rapid rate if U.S. soybeans are priced out of world markets. In view of this Nation's unfortunate experience in pricing cotton too high and encouraging increased production in other countries, I believe that further tinkering with soybean price supports at this time would be most unfortunate.

Sincerely yours,

PAUL FINDLEY,
Representative in Congress.

IMPORTANCE OF TITLE VI

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. FINDLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. FINDLEY. Mr. Speaker, as the Representative of the congressional district in Illinois which includes Lincoln's Springfield, I am proud of the role taken by the party of Lincoln in the debate of this bill and particularly in connection with title VI.

Several times during my 3 years in this body I have exerted my effort and vote in behalf of amendments and bills to withhold Federal aid funds from facilities and programs which permit racial discrimination.

I recall the amendment offered by the gentleman from New York [Mr. LINDSAY] on the housing bill of 1961, and an amendment I offered to the farm bill of June 1962. Both were given solid Republican support. Unhappily, both were opposed almost unanimously on the Democratic side and were defeated.

Similar amendments were offered to the impacted school aid, and library services bills this year in the House Education and Labor Committee. At the committee level they received solid Republican support, and, I am glad to report, Democratic support too. Later, the nondiscrimination clauses got lost in the legislative shuffle.

Several of my colleagues on both sides of the political aisle supported legislation which emerged from the Committee on Education and Labor, with bipartisan support, to withhold Federal funds from existing Federal aid to education programs. Unfortunately, the legislation did not reach the House floor.

Therefore, it is gratifying to have the opportunity to support a title that would establish a very elementary rule of fair play: if we do not discriminate on the basis of color in collecting taxes, we should not discriminate on the basis of color in making available tax-financed facilities and program.

PANAMA IMPASSE

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. STAGGERS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. STAGGERS. Mr. Speaker, in view of the continuing difficulty in reaching a solution in Panama, I wish to make a suggestion to the President and to the Congress. My proposal is very simple: First, close the canal for a period of 1 year; and, second, bring home all operating and all auxiliary personnel, leaving only sufficient military forces to guard the canal against sabotage.

My proposal is by no means so drastic as it may appear at first glance. I point out several considerations: No emergency, military or commercial, makes the canal indispensable at this moment.

The canal has outlived its original justification; it is neither wide enough nor deep enough to accommodate modern traffic, either military or commercial. Its series of locks makes passage slow and expensive. An accident to any one of the locks, easily possible in this unsettled state of affairs, would close the canal for an indefinite period. It would be much easier to protect the canal if it were not in use.

Meanwhile, alternative routes of necessary transportation are now available. Efficient railroad lines cross the United States, and possibly Mexico and some of the other Latin American nations, ending in well-developed ports on the west coast. Shipping originating in South America could be diverted to these rail lines and reach its destination with a possible saving in time and in transportation costs. Much of the shipping finds its terminal point in the United States in any event. The railroads are indispensable to this country. They would be benefited by increased freight consignments. New life would be infused into the sick railroad employment situation. Without doubt, the railroads would give sympathetic consideration to the problem of working out satisfactory arrangements with shippers.

A period of suspended operation of the canal would give opportunity for a calm and dispassionate reexamination of the whole Panama situation. Causes of irritation to the Panamanians would be removed. The true interests of Latin American and U.S. citizens in cooperative understandings would be clarified. Possibilities of enlarging and improving the present canal, or finding alternative sites for a sea level canal, could be investigated and evaluated.

Let us close the canal now and bring an end to this fruitless wrangling. No other solution that will restore good will and harmony has yet been proposed. On the contrary, every move we have made thus far drags us deeper into the morass of misunderstanding and animosity.

THIS IS THE 54TH SCOUT WEEK ANNIVERSARY

Mr. HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HALL. Mr. Speaker, last Friday I had the opportunity of attending the national Boy Scout breakfast at the Statler Hilton, which has been traditional in Washington during Boy Scout Week for the last 20 years. This breakfast honored 12 "Report to the Nation" Scouts who were selected out of the Boy Scout membership of over 4 million boys, 1 each from the 12 regions. The breakfast was attended by more than 100 representative citizens from the Congress, various branches of the Government and representatives of church, civic, and school organizations that are sponsoring the scouting program. I had the privilege of making a response along with our colleague, Senator RALPH YARBOROUGH, of Texas.

Attendance from the Congress was limited to the Congressmen from the home districts of the 12 boys and the Senators from their State. I am proud to report that every boy had his Congressman by his side, and either one or both of the Senators from his home State.

Mr. Speaker, I avail myself of the privilege of writing into the CONGRESSIONAL RECORD the names of the 12 Scouts and the Congressmen and Senators.

I would also like to include as part of the RECORD remarks by Gen. Bruce C. Clarke, chairman of the division of relationships, Boy Scouts of America, who represented President Ellsworth Augustus, as chairman of the meeting, and also a resolution of appreciation to the Congress as read by Mr. Joseph A. Brunton, Jr., chief Scout executive.

Secretary of Agriculture Orville Freeman was especially honored for his strong scouting cooperation and that of the various Services of the U.S. Department of Agriculture. Secretary Freeman is a longtime Scout and Scouter.

A special feature of the Boy Scout breakfast was the unveiling of a new program to strengthen our American heritage in the minds of millions of youngsters throughout America, through the cooperation of the Freedom's Foundation and the Boy Scouts of America. This program features the great documents of our country, including the Declaration of Independence, the Constitution, and the Bill of Rights, and will be highlighted at Freedom Camp Fires all over the country, and at Valley Forge on July 18 of this year. The Scouts, at that time, will pledge to help friends and the people of their community to appreciate the rich heritage of our country and enrich our freedom through reverent resolution, and responsible patriotism, and to pass on this heritage for all Americans.

Mr. Speaker, this voluntary youth training program for tomorrow's leadership, is the U.S. way, based on the American heritage, in which the Nation, the sponsoring institutions, and the Congress can hold deserved pride.

STATEMENT OF GEN. BRUCE CLARKE

This breakfast is an important part of the annual report of the Boy Scouts to America. Meetings similar to this will take place by groups of Scouts reporting to Governors, mayors, and other officials all over the Nation.

This morning we honor the 12 regional Scouts who because of their outstanding scouting and other accomplishments have been chose to report on scouting personally to the President of the United States and members of his Cabinet. They will do this during their current stay in Washington.

The outstanding Scouts represent 4 million boys in scouting in the United States. They also represent the 1½ million adults who as volunteers help carry on this great cooperative movement for the benefit of boyhood and the part they will play in the future of our country.

My role here is as chairman of the National Relationships Committee of the Boy Scouts of America. I am honored to represent President Ellsworth Augustus.

Am pleased to welcome you all. You represent not only the Congress, which charters the Boy Scouts of America, but also the national leadership of 90,000 local churches, schools, service clubs, fraternal organizations, veterans' groups, and citizens who sponsor scouting in 139,000 local Scout units. We're all happy to come together this morning to salute the Scouts and their leaders.

RESOLUTION READ BY MR. JOE BRUNTON, JR., CHIEF SCOUT EXECUTIVE

To the Congress of the United States:

Public Law 88-41, passed by the House of Representatives on February 4 and the U.S. Senate on June 11, authorizes the Secretary of Defense, under such regulations as he may prescribe, to lend certain Army, Navy, and Air Force equipment and provide certain services to the Boy Scouts of America for use in the 1964 National Jamboree, and for other purposes.

The national executive board of the Boy Scouts of America at its quarterly meeting held October 17, 1963, acknowledged with deep appreciation this act of the 88th Congress. The board offers its thanks to Representative CARL VINSON and Senator CARL HAYDEN, authors of the act; to the Armed Services Committees; to all Members of the Senate and the House; and to the President of the United States for this expression of confidence in the Boy Scouts of America.

On behalf of scouting's 5½ million members, the national executive board extends you a warm invitation to visit the 50,000 Scouts and Scouters who will be at the jamboree at Valley Forge State Park, July 17-25, 1964, thus to reconfirm your faith in American youth.

BOY SCOUTS OF AMERICA: 1964 "REPORT TO THE NATION" SCOUTS

Explorer Bruce Alan Schulze, Congressman Sylvio O. Conte, Senator Leverett Saltonstall.

Explorer James Craig Adamson, Congressman Harold C. Ostertag, Senators Jacob K. Javits and Kenneth B. Keating.

Explorer Thomas Young Davies III, Congressman Harris B. McDowell, Senators John J. Williams and James Caleb Boggs.

Explorer James D. Goforth, Congressman Frank A. Stubblefield, Senators John Sherman Cooper and Thruston B. Morton.

Explorer John Whitterka Dorough, Jr., Congressman Kenneth A. Roberts, Senator John J. Sparkman.

Explorer Ronald Aaron Riepe, Congressman Phillip M. Landrum.

Explorer Michael Stanley Costello, Congressman Winfield K. Denton, Senator Vance Hartke (represented by Dr. Clair Cook, administrative assistant) and Senator Birch Bayh.

Explorer Briney Welborn, Congressman Paul S. Jones, Senator Stuart Symington.

Explorer Robert William Dupuay, Congressman Wright Patman, Senators Ralph W. Yarborough and John G. Tower.

Explorer James M. Sulerud, Congressman Odin Langen, Senator Eugene J. McCarthy.

Explorer Michael Masao Michigami, Congresswoman Edith Green, Senators Wayne L. Morse and Maurine B. Neuberger.

Explorer David Reynolds Mendenhall, Congressman Walter S. Baring, Senators Alan Bible and Howard W. Cannon.

URBAN RENEWAL PROBLEMS

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HUDDLESTON. Mr. Speaker, it gives me great pleasure to bring to the attention of our colleagues a recent address by the Honorable John Dowdy, of Texas, on the subject of urban renewal problems.

In his remarks before the Dayton Lawyers Club of Dayton, Ohio, Congressman Dowdy spoke on several aspects of the urban renewal program, not only in the District of Columbia but throughout the Nation.

At the present time, Congressman Dowdy is chairman of Subcommittee No. 4 of the House Committee on the District of Columbia, of which I have the honor to be a member.

This subcommittee has spent many hours of constructive hearings on urban renewal problems in the District of Columbia. I feel every Member should take time to read this speech as it covers a subject that affects every citizen of the Nation.

I insert Congressman Dowdy's remarks at this point in the Record:

Urban Renewal Problems

Gentlemen, I am honored to be with you tonight. I must admit considerable trepidation, however, as a country lawyer who has had no opportunity to practice during the 11 years I have been in Congress, appearing before big city lawyers. I learned something last year—I learned that by sitting quietly and listening to the self-styled planners, you can find out what makes them tick.

After listening to renewal and redevelopment planners for hours, I learned what they consider to be trifles. I suppose the head of the local public agency in Washington is about par for the course. In his plans he treats human beings as commodities, and as cattle. In the mind of the planner, it is all right to uproot 5,000 families, bulldoze their homes, and leave them no place to go. His answer is that 5 or 6 years from now, he will have another 5,000 families in there to take their places. That is much like a rancher handles his cattle. The planners forcibly take homes, businesses and jobs, and tell the man and his family to move out, and they tell him they don't care where he goes, just so he goes.

Here we have an agency that will take your job and leave you unemployed; it will take your home and leave you in the street; it has callous disregard for old and young alike; in Washington its actions caused an elderly woman to freeze to death, and a young woman to be condemned to a life in a mental institution, and on and on, the planners consider those things to be trifles—so this is the Agency without a heart.

It has been the stated policy of the Government for many years to encourage homeownership. I asked the administrator in Washington about this, and he indicated his opinion that it is better to demolish the homes of the homeowners, and let them become tenants of what one of the administrators chose to call the chosen instrument redeveloper. He overlooks the fact that these homeowners could never afford the high rent on the luxury apartments that will someday be built on the barren wastes that are left in the wake of the demolition crew.

From my study of law, I obtained a high and wholesome regard for precedent. It is a lesson that can be learned from history, or from science, or, over a long life, from personal experience and observation—but the law teaches it best. For over a thousand years, our common law has evolved from man's experience in particular cases. Experience has produced the theory, rather than theory coloring the experiences. The American law for the new is an asset of the human race, but a respect for the experiences of the past can contribute more to its fulfillment than is generally understood or appreciated by the average person. My study of the law, and the resulting regard for precedent, enabled me to see the substance of the soil out of which the present and the future grow.

Men are not ready to turn the clock back 200 years, and surrender to government condemnation of their property for private use for the enrichment of the chosen few.

Liberty and property are necessary, one to the other. A man has the right to his land and the fruits of his toil, and to his savings, whether great or small. The poor and the wealthy alike possess this right, and government exists to guard it—not destroy it. Your right to your property is God-given, and is as sacred as your soul.

As lawyers, we necessarily play pretty close to the rules, and if, perchance we stray, someone shortly and abruptly pulls us up. This is not so in urban renewal and redevelopment as it is operated in the District of Columbia, under Federal subsidy. The rules have been thrown away and the game is being played according to the changing whims of a few planners.

John Searles, when he was head of the redevelopment agency there, in referring to rules, laws and regulations said: "We struggle with them daily and feel that the world would be richer for the dumping of about 95 percent of the U.S. Government total bag of procedures, regulations, rules, manuals and other requirements, particularly those that relate to us." There is much evidence that the program is now being operated in disregard of the rules and regulations, though they have not been repealed.

Earlier this week, the man who is now head of the Urban Renewal Agency which doles out your money in the billions to local public agencies, was testifying before my subcommittee. He stated, in effect, that it is not necessary to meet the tests of the law in declaring an area to be a redevelopment project, and that he would approve such action, and subsidize it with tax money. In this particular instance the area did not meet the residential test, nor did it meet the test of having existing substandard housing at the time of its approval.

This particular testimony had to do with the Columbia Plaza project in the District of Columbia. At no time, while serving as chairman or member of a congressional committee, during the last 12 years, have I experienced such a parade of vague answers, inconsistent statements, and evasive tactics on the part of witnesses speaking under oath, as I did in those hearings. My committee worked tirelessly to bring to light the facts about the administration and conduct of the urban renewal program, not to undermine it, but to clean it up. If the discrepancies which we have uncovered are not given the public discussion necessary to democratic action, then scoundrels and opportunists will pervert this attempt to provide housing for the Nation's poor and rehabilitation for the Nation's slums, into a sham of corruption, graft and unrestrained Government license.

I am far from convinced that private enterprise is incapable of doing the job, without taxpayer subsidy, but I am amenable to the notion that the program be reviewed with an open mind. I must admit that theoretical and abstract questions of the need of Federal aid for urban renewal have been clouded by what is actually going on in the District. The urban renewal program as now being conducted is not the urban renewal program on the lawbooks; rather, it is a confused story of deceit, with the law becoming what the selfishly interested parties want it to be.

I believe you would be interested in the activities connected with the appraisers. As attorneys, you will readily understand the implications, which would be missed by laymen. Appraisers enter the urban renewal picture early in the game. Ordinarily you would expect that many appraisers would be involved in various aspects of the program. At least two appraisers would work for the owners of the land, making separate appraisals as to the value of the property. At the same time, two other appraisers would be at work for the local redevelopment agency, appraising the land for the prospective public purchaser. Later, more appraisers would be called in to perform reuse evaluations for the public agency in order that the selling price to the redevelopment might be established. At the same time, the prospective redevelopers would have their own appraisers looking into what should be paid. Out of all this work, by many different experts, a fair market price would be established between willing buyers and willing sellers.

At least, that's what the books say should be the operation—but after hearing the story of Columbia Plaza, the authors may want to rewrite the books.

From the testimony given before my committee, there were just two appraisers involved in the Columbia Plaza project, from beginning to end. They worked for the original owners of the property; they appraised the land for the local redevelopment agency which bought the property; they did the reuse appraisals, and apparently worked for the prospective redeveloper. These two men monopolized the appraisal activity regarding acquisition of the property, as well as its disposition. It was also noted that the reuse appraisal was completed 2 months before the final acquisition appraisal, and long before there was an approved urban renewal plan. In other words, the reuse appraisal was made before it was known what the reuse would be.

The evidence showed that the appraisers were advised of their selection some 6 months before the contract for the appraisals were let by the local redevelopment agency, and that the redeveloper was also predetermined, permitting him, as the chosen instrument, to get advance opinion as to the value of the land. In fact, a statement made under oath by Mr. Searles, the then head of the local redevelopment agency, indicates that the redeveloper agreed to advance the money for the appraisers.

There was plenty of cooperation here—but hardly in the public interest. In the business world it would be called collusion.

I could continue indefinitely demonstrating that the planners have utter disregard and contempt for the law, morals and ethics, but I have styled the renewal and development as an agency without a heart, and want to prove that to you.

First, there is the question of jobs—a man's means of making a living for his family. Unemployment is created by the urban renewal and redevelopment programs. They are destroying small businesses and jobs all over the United States, and contributing to our unemployment problem. Hundreds of thousands of business firms, and many times that number of jobs are involved. In the city of Washington, alone, the planners intend in one project to dislocate 2,000 of the 5,000 businesses; and in another project which has 141 businesses, providing employment for 1,000 people and a payroll in excess of $5 million per annum, they plan to displace the lot. The head planner expressed before my committee a cold disregard for the plight of the people involved; he said they could find jobs somewhere else, and that the services they are now rendering would be taken over by someone else. Heartless? Well, you render the verdict.

A central factor in all renewal projects is that a substantial part of the businesses displaced never are able to relocate at all. They are compelled by the severity of the jolt, to discontinue operations and give up as independent businessmen, and this, of course, also involves their employees. Various studies of numerous projects in many cities have disclosed that more than 25 percent of the firms in a redevelopment area discontinue operations altogether, and in some lines, the proportion giving up and going on public welfare and relief rolls, 30 percent, 40 percent, and even more. A Brown University report shows that 40 percent of the establishments in the urban renewal areas of Providence had to go out of business, and that same percentage holds true in Washington, D.C.

Urban renewal programs have resulted in significant increases in unemployment, and it is just starting. As these projects increase and get under full sway, they will become an even more important factor in unemployment.

Business and industry dislocations to date have been incidental to the demolition of residential areas, but the numbers will increase by leaps and bounds as the planners are now getting into the commercial and industrial areas.

The high mortality rate of firms within urban renewal areas has resulted in a level of unemployment, the magnitude of which can only be guessed from the reports and studies that have been made. No one has made a full accounting, but it could well total into a significant proportion of the total unemployed in the Nation, and be an important factor in hard-core unemployment. It is no consolation to say that the firms which fail to relocate were small firms; they had provided jobs and livings for their owners and for their employees. This is a national loss that is never taken into account in the rosy descriptions which are put out by the Agency without a heart.

According to information furnished us from Pittsburgh, not one small business firm displaced from what is now the Golden Triangle has been allowed to relocate in that area; practically the same thing has happened in Southwest Washington. When businessmen in Reno, Nev., brought suit to protest the designation of their buildings as slum or blighted, the judge said it appeared that such designation was made in order to qualify for Federal funds.

And in that connection, to stray for a moment, I will mention a few of the fantasies that are indulged by the planners to declare buildings as slum or blighted in order to get their sticky fingers in the taxpayer's pocket. In Washington, in the mentioned Columbia Plaza project, nonexistent buildings were declared to be substandard; in the Erieview project in Cleveland, according to a GAO investigation, millions of dollars worth of fine buildings were declared blighted and condemned to the wrecking crews for such reasons as this: In one building, the light bulbs in the hallway were not strong enough; in another, the wastebaskets had not been emptied; in another, the stairway to the basement did not have a handrail—all picayune—a $900,000 building was condemned to destruction for a complaint that could have been remedied in a matter of hours for an expenditure of $200 or $300 at the most. Is it any wonder taxes are so high and our debt so great, with planners of so little judgment, so wasteful and destructive of the resources of our people.

As an aside, I might mention that you lawyers are going to have to be doubly vigilant of your clients' property rights, because the courts seem to be holding that once a city council approves a project, no matter how arbitrary or capricious such action may be, that no appeal will be heard.

The tale of the Agency without a heart is a complex and often sad story about how a piece of legislation has been manipulated and corrupted in the hands of do-good bureaucrats and windfall-hungry developer speculators. During our investigation of the Southwest Washington urban renewal development, we compiled case studies on some of the citizens who were displaced, and, as I recall, there were some 13,000 people.

The Government Accounting Office made a spot check on some of the Redevelopment Agency's relocation reports, and in investigating two addresses where families were reported, in the files, to be relocated in standard housing. These two addresses were vacant lots, with no buildings at all on them. Is that a heartless disregard for truth and for people? I would say yes.

A careful examination of the projects will reveal that a large majority of the people whose homes and businesses are demolished and who are displaced are getting along in life, and the most heartless action of the Agency is what it is doing to these people; it is making them miserable and fearful—there are not enough phrases in the dictionary to gloss over this ugly reality. I have letters from all over the United States from aging people who are helpless before the ruthless, grasping, greedy thrust of urban renewal. There is no amount of money that can remedy what is being done to these old people—it tears them loose by their roots, and they will never root again. As a matter of fact, perhaps the relocation of the elderly is the easiest of the relocation problems, because it kills so many of them, after which they are no longer relocation problems.

The urban renewal planners have lost sight of the human destruction involved in taking a person's home; they have pushed people into the background; "out of sight, out of mind" is the heartless philosophy of the master planners. The Urban Renewal Agency does not tally the number of the homes of the aged it has destroyed—it does not tally the number of people it has killed, put in asylums, and added to the welfare rolls—but the number is considerable.

People object to being forced out of the neighborhoods which they love, and from locations which offer advantages to them which are not visible to the stranger's eye. People know what they want and like; they have a right to their property—are they being foolish, as the planners suggest? Are the planners justified in assuming that they know what is best for the people involved?

Only a person as heartless as the planners could agree that the planners are justified. I want to relate to you a few case studies, of which there are a great number, to illustrate the Agency without a heart.

The first case involved a 65-year-old widow, with a daughter in college. She had a fine old brick home in Southwest Washington, recently rebuilt, with new plumbing, new lighting and completely modernized. Rental of rooms gave her an income approximating $300 per month. The Redevelopment Agency offered her $16,000 for her home, which was $11,500 less than it cost. When she refused this amount, the Agency advised her tenants they would have to leave as the house was being taken for urban renewal. Without an income, the 26-year-old daughter was taken out of college; with insufficient income to live, the situation was so desperate the daughter suffered a nervous breakdown, and was placed in a mental institution. She has not recovered. The widow had to apply for public welfare to subsist. When she was finally evicted from her home, she found living space, but was again evicted for inability to pay rent. Her own health is breaking, and will probably not be a problem much longer.

In the second case, two elderly sisters owned and operated a rooming house, with an income to be self-sufficient. Here the Agency advised them the property was to be taken, and notified the roomers to leave. The sisters were permitted to stay on in their home, but they had to pay rent to the Agency. During a freeze, the heating system failed for lack of fuel, and the water pipes froze. The Agency refused to make repairs, and also did not relocate these helpless sisters. One of them became ill, and died in this unheated home, probably freezing to death, as the undertaker found ice on the bed covers when he came for the body.

The third case is a Negro family with 10 children which was displaced from the property they owned. The family was informed that they would be relocated, but that the family would have to do away with two of the children, since no more than eight children could be accommodated. Did I say "heartless"? I need a stronger word.

The fourth case involved an 81-year-old widow, who lived in her home for 50 years, supporting herself by renting rooms after her husband's death. She received only a fraction of the worth of her home, and the shock of losing both her home and her income brought on a heart condition which caused heavy expenses for doctors and hospitalization. This tragedy reduced her savings to zero; she was living in a second floor room with a kitchenette and bath, when she was struck and killed by a trolley car, which relieved the Agency of its obligation in this case.

These are just a few of the stories that lie behind the statistics of the Agency without a heart. I am heartsick that such results should be obtained; it is a terrible price that has been paid—yet urban renewal has only just begun to dislocate people. According to the planners, nearly 11,000 additional families are to be displaced in Washington alone, during the ensuing 4 years. Is all this necessary for a beautiful city? Can a city without a heart be a beautiful city?

The story is the same all over the country. Urban renewal is just now at the takeoff point, and it will displace untold thousands in the future. I hear the anguished cries of those who are displaced. It is my obligation to represent the people—I am bound to represent the people against the powerful planners and developers who disregard human values in favor of their own private enrichment.

Under the urban renewal program, the lofty purpose of helping low-income families obtain decent housing has been deflected. Landgrabbing and moneygrubbing has become the most important end. Most of the families being displaced are Negro families, and they are getting a bad deal. As one Congressman expressed it, this program started out as slum clearance, and is now being used for Negro clearance. Being from the South, I have many times come to the defense of Negro people who were being mistreated, and I believe this is an example of gross mistreatment at the hands of these planners. I will oppose it by every means at my command; their right to their homes is just as precious to them as my right to my home is to me.

Urban renewal sounded splendid when first proposed, and all sorts of respectable people got behind what seemed a very good thing—and for the real estate people who are on the inside, it is a very good thing.

When the press releases come out about a project, it goes on with words like blight, slums, and blighted area. The word "blight" is a curious word. I have never been able to get one of the planners to define it for me, though I have asked several times during committee hearings. But if you investigate, you will find that the blighted area is about the best area in town—and particularly, it is not the worst area—but these urban planners come in with their favored real estate operator, loaded with Federal money and the vast and drastic power of eminent domain.

They throw you out of your home, pay you a condemnation price for a house whose mortgage you have been paying off for 20 years, and construct a monstrous anthill in its place which is called luxury housing—and all at the expense of the taxpayer.

What is particularly sickening about this is the use to which our language is put in these affairs. Gentleness is called blight; homes are called slums; middle class and even fine neighborhoods are called blighted areas.

So tell me, if we are to have renewal and redevelopment programs, why do they not descend on the worst neighborhoods in town, rather than on the best, or near best. Americans can never again afford to build homes and buildings as fine and as substantial as those that have been torn down in the name of urban renewal. Why can't we keep these homes we have. And why should we use public funds to build high rent apartments, with rents running from $4,000 per annum. To my mind, it is an unconscionable waste of our national resources to tear down substantial, and even beautiful buildings, that might be remodeled at much less expense.

Of course, my suggestion would reduce the plunder to the builders and real estate speculators that are favored by the Urban Renewal Agency. There are plenty of places to build buildings, which places are not currently occupied by homes. Why tear down the homes, and displace honest, hardworking people, when it's unnecessary.

THE PAPERWORK JUNGLE

Mr. OLSEN of Montana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. OLSEN of Montana. Mr. Speaker, I know that Members of the House were pleased, as I was, to learn that President Johnson has launched a new drive against excessive paperwork in the Federal Government. In the President's statement to the Cabinet released on December 11, 1963, he asked Cabinet officers to give more attention to the management of their departments and agencies and to cut out excessive paperwork because it breeds overstaffing. I might add also that excessive and unnecessary paperwork generated by the Federal agencies places a costly burden on the business community, so costly in fact, that the small businessman can hardly manage to cope with it.

COMMITTEE REPORTS

Now, this problem is not new to me nor to the members of our Subcommittee on Census and Government Statistics of the Committee on Post Office and Civil Service. Ever since this subcommittee was organized in the 86th Congress, we have received numerous complaints about Government paperwork and we have been investigating and reporting on the problem. Our report on the "Business Reporting Requirements of the Federal Government" in the 86th Congress, followed by our report on "Reducing the Reporting Requirements of Transportation Industries" in the 87th Congress and our report on the "Use of Electronic Data Processing Equipment in the Federal Government," released in October 1963, during the 1st session of the 88th Congress—all of these reports in whole or in part have dealt with Federal reports and statistics and the collection, compilation, processing of billions of pieces of paper by the Federal Government.

Mr. Speaker, let me quote briefly from our October 1963 report on the subject of paper:

> This committee has been particularly watchful of opportunities to reduce paperwork requirements originating in the Federal agencies. It has also been mindful to the fact that computers are prodigious consumers and producers of paperwork with the result that, without judicious selection and use of data processing programs and materials, this new technology could [literally] bury us in paper. It seems elementary, but one of the first—and most important—electronic data processing decisions that has to be made is whether the program which is under consideration for automation should be continued at all.
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> There have been a number of cases in the Government where feasibility studies [made by experts brought in from outside] have raised serious doubts as to the validity of the basic programs. In some instances, activities have been discontinued; in others, monthly reporting has been converted to quarterly or annual reporting, thus reducing the volume of reports to be filed by respondents. The Interstate Commerce Commission, for instance, recently simplified its monthly hours of service report, required of motor carriers, resulting in an estimated annual reduction of some 400,000 pages of reports.
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> The possibilities of paperwork reduction through or as a byproduct of electric data processing automation in the Government are enormous. Exploration of machine-to-machine reporting is only in its infancy, but a few applications reported by the agencies suggest what the future has in store. As described in this report, an outstanding example of paperwork reduction through interagency data exchange is the Treasury Department's arrangement whereby the Division of Disbursements receives check issue information on magnetic tape from a number of cooperating agencies [Veterans' Administration, Department of Health, Education, and Welfare, Internal Revenue Service, and others]. Another example is the arrangement whereby the Bureau of Old-Age and Survivors Insurance (BOASI) receives Federal Insurance Compensation Act (FICA) earnings statements on magnetic tape; some 4 million earnings items are received quarterly, 3 million from the Armed Forces and 1 million from State agencies and private employers. A third, which may point the way to greater paperwork savings, is the Census Bureau's use of BOASI lists and employer identification numbers in the 1963 Censuses of Business and Manufactures.

From these remarks, it will be understood that although some progress is being made, there is no easy or simple solution to the paperwork problem. What we need is continuing vigilance against the empire builders and paper pushers who if we gave them half a chance would, as I said, "literally bury us in paper." In his state of the Union message, the President made it clear that we do not intend to be buried by anyone, and I am sure he included the Federal agencies in those remarks. Now, I do not mean to be unfair to those agencies which have been and are making a genuine effort to simplify and streamline their reporting systems. As I indicated, the outstanding job done by any agency in recent months was done by the Interstate Commerce Commission which has been studying ways of reducing the paperwork burden of rail, motor, and water carriers.

The Interstate Commerce Commission recently reported to me that after a review of its reporting systems it was able to eliminate 13 reports completely, 11 others were changed from monthly to quarterly, resulting in 500,000 less forms each year from the regulated carriers. I want to commend Chairman Goff, of the Interstate Commerce Commission, for this work and to urge other Federal agencies to follow this fine example set by the ICC. I wonder how many other agencies could cut out a half-million reports each year if they took a good look at their paperwork load.

Paperwork is often too onerous for the small businessman who does not have the employee numbers or skills to fulfill the reporting required of some Government—Federal or local—agencies.

Paperwork requirement can often make the difference of profit or loss for the small businessman.

THE NUMBERS GAME

Mr. Speaker, earlier I referred to the fact that electronic data processing offers enormous possibilities for paperwork reduction and cited several examples in the Federal agencies. But, it is also true that electronic data processing automation is creating its own new load of paperwork, much of which did not exist prior to the widespread use of computers. Today we are all playing the numbers game—your number is much more important than your name to the Internal Revenue Service, the Social Security Administration, and to your bank, insurance company, magazine publisher, and, of course, to the telephone company.

The biggest paperwork operation in history is going on right now in the Internal Revenue Service and the Social Security Administration. This program calls for, first, assigning tax account numbers to over 100 million wage earners and business enterprises; and second, assigning tax numbers to every recipient of rents, dividends, and interest payments; this phase alone affects 50 million shareholder accounts, 40 million depositors in banks and savings and loan firms, plus an unknown number of millions of accounts in mutual funds, brokerage houses, real estate firms, and similar groups. Now this taxpayer numbering program was approved by the 87th Congress in Public Law 87–397, which also authorized the Internal Revenue Service to impose penalties on taxpayers for failure to supply their numbers. But, in spite of the threat of penalties, many taxpayers have refused to disclose their social security numbers for tax account purposes. Many others have ignored IRS requests to supply them. One large corporation canvassed all of its stockholders requesting social security numbers—only 64 percent of the shareholders complied.

NEARLY 500 MILLION REPORTS

We all know that there is nothing more certain than death and taxes and everyone agrees that we should support the Internal Revenue Service in its efforts to collect taxes from tax evaders, but let us look at some of the mechanics involved in this new reporting system. First of all, the assigning of a tax account number is obviously only the first step in the paperwork flow. A taxpayer who owns stock in five corporations and has savings accounts in three banks will have to make out eight IRS forms No. 3435 and return them to the sender with his name, address, and social security number, if he has one. But, if he does not have one, he has to apply for a social security number on IRS No. 3227 and after he received his number back from the Social Security Administration, he can then proceed to fill out the No. 3435 forms. Note that the mechanics I have described so far are designed to get the tax account numbering system started, the real volume of paperwork—and I am talking about some 500 million reports each year—will start to flow when corporations and savings institutions begin to report their dividend and interest payments to all recipients for the year 1963 on an individual tax account number basis. To be specific, imagine, for instance, the paperwork job of the American Telephone & Telegraph Co., when it reports on dividend payments to its 2 million shareholders, and then the verification job to be done in the Internal Revenue Service when each of these 2 million A.T. & T. shareholders' reports are verified against the 78 million taxpayer records in the IRS masterfile.

We can get some idea of the paperwork dimensions of this IRS program if we compare it to the decennial census, which is always referred to as the biggest statistical operation in the world. In 1960, the Census Bureau enumerated some 180 million persons in 53 million households and although the Census tabulations were completely automated using the most modern EDP and optical scanning devices—equipment which IRS does not use, as yet—it took the Bureau over 3 years to finish the job. The IRS, we are told, will keep a current masterfile of 78 million taxpayer accounts and will update the file once a week under present plans. According to Mr. Caplin, this weekly updating is necessary so that the payment of refunds will not be delayed.

ATLANTA EXPERIENCE

Now, the first individual income tax returns to be automated by IRS were the 1962 returns from individuals residing in seven southeastern States. These returns were processed last year at the IRS Atlanta service center. Let me quote from a report appearing in the Wall Street Journal of September 5, 1963, which discusses the Atlanta experience:

> Though the exercise rang several warning bells, investigation by Federal agents uncovered little proof of premeditated fraud and much evidence of inadvertent error. Out of 7 million returns analyzed, only one cheat has been turned up so far. Other leads produced such interesting but far from alarming discoveries as these:
>
> About 10,000 taxpayers in the area filed more than one return. At first glance, this suggested a broad-scale attempt by citizens to bilk Uncle Sam by seeking more than one refund. But apart from the lone swindler [he's been jailed], all of the other duplicate filers were guilty of sins no more serious than: Submitting a second return when a withholding statement arrived late from a forgotten past employer; or, in the case of a husband and wife who had filed separate returns, the filing of a joint return after they had learned this would save them taxes. "We didn't realize so many people filed duplicate returns," say William Bookholt, Atlanta regional IRS commissioner.
>
> Another 14,000 returns each contained a social security number that had been used by an earlier filer. This, too, aroused IRS suspicions, but checks with the late filers disclosed that about half simply had erred in jotting down their social security numbers. The other half insist they were accurate. Now agents are contacting taxpayers who used these duplicated social security numbers first and, though it's felt some fraud may be detected, the law of averages suggests that human error again will be the discovery in most cases.
>
> Atlanta's computers are the first of a network that eventually will screen returns filed by all Americans, but that won't come for several years. New installations are expected to be ready to examine 1964 income tax returns by January 1, 1965, in Philadelphia, Dallas, and Cincinnati. A year later facilities in Boston, Chicago, Omaha, and San Francisco are scheduled to complete the network.

Most of us will agree that surely there must be more sensible and infinitely cheaper ways of finding 1 crook in 7 million. As for the persons who were claiming more than one refund and similar cases, you may rest assured that such cases are more than offset by others which are in IRS's favor. We are all familiar with the quota system and similar gimmicks used by the IRS in the past. I understand that Mr. Caplin, to his credit, has stopped some of these malpractices.

PAPERWORK JUNGLE

Mr. Speaker, I would urge Secretary Dillon to carefully review this IRS program, and I suggest that the appropriate congressional committees take a good look at this bureaucratic monster we have created. I strongly support the statement of my esteemed colleague, the gentleman from Virginia [Mr. GARY], the chairman of the Appropriations Subcommittee:

> There is such a thing as being a little too meticulous in enforcement.

And further:

> You can spend more time on a tax return than is necessary with the result that the additional revenue added to the rolls does not justify the expenditures or the efforts to discover it.

The events have justified the gentleman from Virginia [Mr. GARY] worst fears: Since 1960, in spite of millions spent for computers, employment in the IRS has increased by 13,000, and the 1965 budget calls for 2,000 more employees in Treasury, most in IRS. The costs of collecting $100 in taxes has gone up over 30 percent. How could it be otherwise in the paperwork jungle I have been describing?

In closing, Mr. Speaker, let me refer again to the President's statement about excessive Federal paperwork and suggest that he might start with the IRS. Our committee fully supports any efforts taken by the executive branch to ease the reporting burden placed on the public generally and on the business community, in particular. I want also to announce at this time, as chairman of the Subcommittee on Census and Government Statistics, that our subcommittee is scheduling hearings on paperwork with key Federal agencies to be held in March. If any of my colleagues in the House would like to present testimony or statements or have any thoughts on the matters discussed here, I hope you will get in touch with me.

THE ARREST IN HATTIESBURG, MISS., OF MEMBERS OF CLERGY

Mr. HALPERN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HALPERN. Mr. Speaker, at the very time of this historic debate on the civil rights bill, a flagrant development has occurred which tragically highlights the need for the legislation before us.

I refer to the outrageous situation in Hattiesburg, Miss., which has resulted in a travesty of justice involving nine distinguished and highly respected clergymen, two of whom are outstanding spiritual leaders in the district I am privileged to represent in this body, the Reverend Charles H. Nelson and the Reverend Donald Key Scott, of Hollis Presbyterian Church, Hollis, Long Island, N.Y.

These men, moved by faith in God and in the brotherhood of man, thoroughly dedicated to the principles they so devoutly believe, joined in peaceful protest of blatant instances of voter intimidation in this Mississippi community. It resulted in their arrest and their conviction for breach of peace. What an ironic twist of justice for men of peace and good will.

Before I relate the immediate development I want, Mr. Speaker, to explain some of the background which has a direct pertinence to several of the provisions of the bill before us and which sets the stage for the incident involving the arrested clergymen.

The Reverend Carl R. Smith, of the First Presbyterian Church, Jamaica, Long Island, who is thoroughly familiar with the climate of fear that prevails in Hattiesburg, since he was one of 50 clergymen who had been there on January 21 through 25, informs me that the facade of law was present in the community. The clergymen were protected, no mobs were permitted to gather, and the leaders of the city appeared to be courteous. But behind this facade, two facts remained immovable. On the one hand, the voting registrar, Theron Lynd, continued to register Negroes at the glacial rate of 35 a day, and on some days less. On the other hand, police maintained a policy of harassment that kept the Negro community afraid and away from the registrar's office, except for the unusually brave ones.

For instance, during the week Rev. Dr. Smith was there, a young Negro civil rights leader was fined $200 and given 60 days in jail for failure to move along fast enough when ordered to do so. A home where two clergymen were staying was searched late at night for liquor. A New York SNCC volunteer was thrown into a cell with two drunks, who were told he was an integrationist, which resulted in a physical attack on him. Three Negroes lost their jobs because they peacefully demonstrated. An 18-year-old Negro youth was picked up on his way to a mass meeting and put in jail overnight.

This campaign of intimidation has been successful. Out of about 10,000 Negroes in Hattiesburg, only 100 are registered to vote and during the week there were only about 150 to appear at the registrar's office.

The question of criminal contempt against the registrar is now in the hands of the Justice Department, and I fervently trust that there will be the fullest possible probe of all the circumstances involved in this matter, so that the ends of justice can be properly served. I have strongly protested the entire Hattiesburg situation to the Attorney General and have asked him for a complete report on the Department's role in the case and all the facts concerned with it.

Mr. Speaker, the latest development in this abuse of human rights, which I included in my protest to the Attorney General, occurred only last Tuesday. It involves, among others, the two learned and respected constituents I mentioned earlier. I bring it to the attention of this House today in view of its timeliness to the vital subject before us.

The nine clergymen, including the the Reverends Charles H. Nelson and Donald Key Scott, were arrested on January 29 on charges of breach of the peace while walking in an area, adjacent to the courthouse, arbitrarily restricted by Hattiesburg city police.

Their trial was set for Tuesday, February 4, and each of the clergymen were held on a $500 bond. Following the arrest, Circuit Judge Stanton J. Hall issued an injunction against picketing or acts calculated to breach the peace, which named the United Presbyterian Commission on Race and Religion and the Episcopal Society on Racial and Cultural Unity, among others.

Eight of the nine found guilty were fined $200 each and sentenced to 4 months in jail; one was fined $100 and given a 30-day jail sentence. These arrests and convictions, as well as the naming of these groups in the injunction, are further evidence of a deliberate policy of harassment not only against the local citizens who desire to fulfill their constitutional rights but against their sympathetic champions, these clergymen who were in Hattiesburg as observers of Negro attempts to register to vote.

Yes, Mr. Speaker, what more blatant example do we need to pass this civil rights bill? We must have strong, effective statutes to protect the human rights of all Americans. This, coupled, of course, with understanding and compassion, which I am sure will inevitably result despite the unfounded and decadent contentions that have been made by certain Members of this body against this bill.

In the name of justice, decency, morality, and conscience, I trust this bill will pass overwhelmingly and that good, dedicated men will never find it necessary to face up to another Hattiesburg.

THE PRESIDENT IS TO BE COMMENDED FOR HIS MESSAGE ON CONSUMER INTERESTS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, the President is to be commended on his message on consumer interests. His recommendations, if carried out, can fulfill a most vital function.

It is commonly accepted that we are the most diverse nation in the history of the world. Our economy is composed of many industries—many conflicting interests. Virtually every interest group has representation somewhere within our governmental structure. Farmers, labor, commerce, these and other segments of our economy have received the representation to which they are entitled. Yet, the largest single group of all within our economy—the consumer—has for too long had no one to speak for him.

President Kennedy's initiation of this program was a bold new step to protect the interests of the people. President Johnson has now come forth with a well-considered program to implement and broaden the program begun by his predecessor.

The President has called for the enactment of a number of legislative proposals which would be of assistance in insuring the consumer a square deal. I have today introduced legislation in line with his recommendations on temporary cease and desist orders. This matter has long been of great interest to me. In a number of the hearings held by my small business subcommittee, I have had firsthand opportunity to see the irreparable harm that has been done to both small businessmen and the consumer for want of such legislation.

I have likewise today introduced a bill designed to carry out the President's recommendation on truth in packaging.

One matter not covered by the President's message which is closely related as a matter of consumer interest is the question of the home buyer's right to rely on FHA insurance. On November 20 I introduced a bill to require indemnification bonds in all cases of new construction to cover the reasonable costs of correcting structural and other defects which might be found in the building in order to bring it into substantial conformity with plans and specifications approved by FHA. Thus the home buyer would be secure in his belief that he was receiving a soundly built home actually conforming to the specifications called for by FHA.

As the President points out, in the final analysis, this is a matter not only for governmental concern but also for those engaged in the many industries that compose our national economy. I have every confidence that, given the leadership of the President and the very distinguished and able Special Assistant for Consumer Affairs, Esther Peterson, American industry will make every effort to cooperate with this program.

The American consumer in many respects is the most fortunate individual in the world today. He has a choice of a vast array of consumer goods. Personal incomes continue to reach record heights. We can succeed in this attempt to increase the effective purchasing power of those who have not shared this prosperity. All consumers will get a square deal. This program will make a vital contribution to the public interest.

THE GUILT OF THE UNITED STATES IN PANAMA

The SPEAKER. Under previous order of the House, the gentlewoman from Missouri [Mrs. SULLIVAN] is recognized for 30 minutes.

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include various statements and additional material.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Speaker, in the month since the eruption of rioting and bloodshed in and around the Canal Zone on January 9 and 10, the role of the United States in the operation of the Panama Canal, and our relationships with the Republic of Panama, have been matters of utmost public attention in the press and over radio and television, as well as here in the Congress. During that time, every fault or alleged fault in our policy and conduct in the Canal Zone has been discussed and analyzed and microscopically inspected. The question always seems to be: What have we done wrong?

As chairman of the Subcommittee on the Panama Canal of the House Committee on Merchant Marine and Fisheries, I have been deeply involved in the official discussions within the Government on the situation in Panama and our future policies in the zone. However, except for a brief statement on the revenues of the canal which I made in the House on January 22—appearing at pages 966–967 of the CONGRESSIONAL RECORD—I have done all my talking on Panama and the canal in executive session, and in private discussions with the Secretary of the Army and the top aids in the State Department in this area of great national concern, and I have also written privately to the President. I have not felt it useful to attempt publicly to instruct the President through speeches or press releases, or to contribute in any way to a further deterioration of our relations with the Republic of Panama.

In the latter connection, Mr. Speaker, it has not been at all easy to stay silent, because I have received a great deal of information about the savagery of the attacks upon our people and upon our property in the zone, and about the deliberate manner in which the mobs were incited to this savagery by some of their political leaders. However, while rehashing the events of last month will not solve the serious problems which confront us, and which also confront responsible leaders in the Republic of Panama, I certainly believe we must speak forthrightly and unequivocally about the sham and shame of the charge of aggression placed against us by Panama in the Organization of American States.

WERE WE RESPONSIBLE FOR THE RIOTS?

My purpose in asking for this time in the House today, therefore, is to try to put the charge of aggression in some perspective. I have been moved to make this statement because of deep concern—a sense of shock—which I have experienced in noticing how quickly and enthusiastically some of our editorialists and commentators were ready to plead guilty for the United States as being responsible for all of the problems in Panama, and for the bloodshed and rioting of last month.

The newspapers, and the other media, have, of course, tried to give objective accounts of the facts in their spot news coverage of the events in the Panama story since January 9. The facts were not always easily obtainable at first, and are still not clear in all details; some new facts have been uncovered, for instance, as to the alleged spontaneity of the rioting last month. Essentially, however, most Americans interested in knowing the facts about the Panama riots have found them in print, and these facts are essentially correct.

At the same time, however, floods of nonsense—reams of uniformed opinion and smug, know-it-all editorial bombast—have also been printed and spoken through our news media convicting the United States over and over of villainy, colonialism, bourbonism, dollar diplomacy, cruel exploitation, and economic imperialism in our relations with the Republic of Panama.

God knows, Mr. Speaker, pure altruism has not always marked every step of our relations with every other country over the last 188 years of our independence. Anyone who could claim that the United States always was right in every situation involving foreign affairs is blind to the fact that we have committed our share of mistakes. We could argue endlessly whether the act of Teddy Roosevelt in recognizing—and thus making possible—Panama's independence from Colombia so that we could get on with the canal was the best thing which ever happened for the Panamanian people, just as General de Gaulle these days might have some questions in his mind whether his royal predecessor back in our Revolutionary War days really did us a favor by helping us win independence from Great Britain. And, on our part, we can deeply resent or oppose some De Gaulle policies today without reference to the fact that our two countries almost went to war against each other soon after we won independence with France's help.

The point is, Mr. Speaker, that relations between sovereign nations must be based on current actualities as well as on past favors or even ancient grudges. Our relations with the Republic of Panama are seriously disrupted right now, but in assessing the reasons, we are obligated to look at the facts as they are, not at the possible shape of those facts if something different had been agreed to in 1903.

"OUR COUNTRY, RIGHT OR WRONG" IS WRONG

And, above all, I think all Americans—and that includes columnists and commentators and editorial writers who seek to shape public opinion according to their concepts of the facts—owe it to their country to give the United States at least the benefit of a reasonable doubt when it comes to assessing our alleged criminality or depravity. We are not a depraved people, or a government of imperialists. We have made mistakes in Panama, and in the zone, and some of our Zonians have, from time to time, acted arrogantly and as poor examples of American democracy.

But our Government has neither enslaved the Panamanians nor deprived them of any birthright. We have, through the Panama Canal, brought far more prosperity to Panama than is enjoyed by any other Central American nation. The people of Panama, I am sorry to say, do not seem to have equal opportunities to share in that prosperity—but since the Republic of Panama is not our colony, we can hardly dictate to its leaders how poverty should be eliminated or employment and education opportunities be more equally distributed. Besides, we have some gaps in our own prosperity and equality of opportunity here in the United States—as we have been discussing here all week in this civil rights bill and in the poverty battle.

Mr. Speaker, it is because so much of the public discussion in the United States about the Panama crisis has gone on the assumption that this country has been acting like some sort of monster in Panama—because so many commentators have proclaimed America's guilt, voicing a theme which seems to say "Our country, right or wrong, is wrong"—that I think some of the official documents on the matter should be spread on the record, here in the CONGRESSIONAL RECORD, for more objective analysis of the facts.

PRESIDENT JOHNSON'S STATEMENT

I therefore submit at this point in my remarks the statement made by President Johnson on January 23 about the Panama situation. This statement has, of course, been printed widely. However, it should be read again as a preliminary to the further official documents I am introducing.

Herewith is President Johnson's statement:

THE WHITE HOUSE, STATEMENT OF THE PRESIDENT ON PANAMA, JANUARY 23, 1964

I want to take this opportunity to restate our position on Panama and the Canal Zone. No purpose is served by rehashing either recent or ancient events. There have been excesses and errors on the part of both Americans and Panamanians. Earlier this month actions of imprudent students from both countries played into the hands of agitators seeking to divide us. What followed was a needless and tragic loss of life on both sides.

Our own forces were confronted with sniper fire and mob attack. Their role was one of resisting aggression and not committing it. At all times they remained inside the Canal Zone and they took only those defensive actions required to maintain law and order and to protect lives and property within the canal itself. Our obligation to safeguard the canal against riots and vandals and sabotage and other interference rests on the precepts of international law, the requirements of international commerce, and the needs of free world security.

These obligations cannot be abandoned. But the security of the Panama Canal is not inconsistent with the interests of the Republic of Panama. Both of these objectives can and should be assured by the actions and the agreement of Panama and the United States. This Government has long recognized that our operation of the canal across Panama poses special problems for both countries. It is necessary, therefore, that our relations be given constant attention.

Over the past few years we have taken a number of actions to remove inequities and irritants. We recognize that there are things to be done and we are prepared to talk about the ways and means of doing them. But violence is never justified and is never a basis for talks. Consequently, the first item of business has been the restoration of public order. The Inter-American Peace Committee, which I met this morning, deserves the thanks of us all not only for helping to restore order, but for its good offices. For the future, we have stated our willingness to engage without limitation or delay in a full and frank review and reconsideration of all issues between our two countries.

We have set no preconditions to the resumption of peaceful discussions. We are bound by no preconceptions of what they will produce. And we hope that Panama can take the same approach. In the meantime, we expect neither country to either foster or yield to any kind of pressure with respect to such discussions. We are prepared, 30 days after relations are restored, to sit in conference with Panamanian officials to seek concrete solutions to all problems dividing our countries. Each government will be free to raise any issue and to take any position. And our Government will consider all practical solutions to practical problems that are offered in good faith.

Certainly, solutions can be found which are compatible with the dignity and the security of both countries as well as the needs of world commerce. And certainly Panama and the United States can remain, as they should remain, good friends and good neighbors.

THE U.S. POSITION IN OAS

Next, Mr. Speaker, I submit the statement made on behalf of the United States by Ambassador Ellsworth Bunker before the Council of the Organization of American States on January 31, when Panamanian accusations against us of aggression were taken before that organization:

STATEMENT BY AMBASSADOR ELLSWORTH BUNKER BEFORE THE COUNCIL OF THE ORGANIZATION OF AMERICAN STATES, JANUARY 31, 1964

Mr. Chairman, the Government of the United States regrets that the Government of Panama has chosen to break off not only diplomatic relations and direct talks, but discussions which were going on through the Inter-American Peace Committee, and to take instead the course of bringing this matter before the Council to level charges of aggression against the United States.

Both the U.S. Government and our people were profoundly saddened by the unfortunate events which transpired in Panama on January 9, 1964, and on the days immediately following. These events, which have left a tragic balance of dead and wounded on both sides, cannot in any way be considered to have served the best interests of either the United States or Panama, but rather have redounded to the sole benefit of those who seek the breakdown of the inter-American system, of those who would sow the seeds of discord among the sister republics of the New World, of those who seek to reap the bitter harvest that would result from internecine strife in the Americas.

I want to reiterate that the United States remains ready at all times to try to resolve our differences around the conference table. We do not think that violence is the way to settle disputes, nor, may I add, for emotion. This is a time for calm and reason.

The record will show that the Peace Committee has worked tirelessly and selflessly, literally day and night, in Panama and in Washington, and always in the spirit of utmost impartiality and helpfulness in its efforts to bring the two parties together. My Government wishes to express its deep gratification to the Inter-American Peace Committee and individually to the distinguished members who make it up, for their significant contribution to the peacekeeping tradition of our Organization. I shall have occasion to refer again to the Inter-American Peace Committee, Mr. Chairman, but I now wish to turn to the specific charges which have brought us together today.

The truth is that the United States has at no time committed any act of aggression against the Government or the people of Panama. There is no basis in fact for the charges which have been made. Since we have not committed aggression, we are obviously not responsible for the damages and injuries to which Panama alludes.

The United States therefore welcomes a full investigation of the charges which have been made by an appropriate body of the Organization of American States and will, of course, cooperate fully in such an investigation.

If an investigation is made it will demonstrate that the civil police and the U.S. military forces in the Canal Zone never made any attempt to enter Panama itself and, indeed, that they only attempted to protect lives and property in the zone. It will show that, as a result of the attacks which were made on the zone, there were more than 100 American casualties, both civilian and military, including 4 killed. It will show continuous sniping with rifle fire from buildings and the roofs of buildings in Panama City into the zone and great restraint on the part of U.S. forces notwithstanding these attacks. It will show that violent mobs, infiltrated and led by extremists, including persons trained in Communist countries for political action of the kind that took place, assaulted the zone on a wide perimeter, setting fire to buildings inside the zone, and attacking with incendiary bombs and rocks the people who were inside. It will show that the Government of Panama, instead of attempting to restore order, was, through a controlled press, television and radio, inciting the people to attack and to violence. It will show a delay for some 36 hours on the part of the Government of Panama in restoring order. It will show looting and burning by violent mobs in Panama City itself. And it will show that no small proportion of the Panamanian casualties were caused by Panamanians themselves, including those who died of fire and suffocation in buildings and in automobiles which were set on fire.

Mr. Chairman, I reserve the right at a future meeting to make specific comments on these details of alleged happenings to which the distinguished representative of Panama referred which unfortunately do not correspond with the facts.

We also think it important that any investigation include the full story of the efforts of the IAPC in the last 20 days. For we are confident that that will demonstrate that the United States has gone more than halfway in seeking to resolve this matter.

As to the most appropriate mechanism by which such an investigation might be undertaken, my delegation believes that there are several possibilities which might be explored and certainly it would be essential to have a full investigation before seeking or implying any judgment on the charges. In addition to the present proposal to invoke the Rio Treaty, it is possible, and in the view of my Government would be quite appropriate, for the IAPC itself to undertake an investigation. This has the advantage that its members are thoroughly familiar with so much of the situation. Alternatively, the United States would be willing to undertake a joint investigation with representatives of Panama under the chairmanship of a representative of the Council. Perhaps, as an initial step before taking final action on the current proposal, the Council might request one of its own committees to gather the necessary information and evidence.

In determining what action should be taken, however, it seems to me important to bear in mind the principal stumbling-block at the moment which has divided the United States and Panama and the real objective which we seek. This point was well stated by the distinguished delegate of Panama himself when he said, if I heard him right, that "Since it has not been possible to attain an express manifestation of the intention of the Government of the United States to initiate negotiations for the conclusion of a new treaty * * * the Government of Panama finds itself under the painful necessity of presenting its case to the Council of the OAS."

Whether the Rio Treaty is the proper instrument to seek to force a revision of existing treaties is a question which the Council will, of course, want to consider.

However, the most important consideration which guides our deliberations and action is the objective which we seek. So far as the United States is concerned, our consistently held objective remains to restore diplomatic and friendly relations with the Government and people of Panama and to sit down together with them at the conference table to seek to resolve all outstanding issues.

As President Johnson has said, "Our obligation to safeguard the canal against riots and vandals and sabotage and other interference rests on the precepts of international law, the requirements of international commerce, and the needs of free world security.

"These obligations cannot be abandoned. But the security of the Panama Canal is not inconsistent with the interests of the Republic of Panama. Both of these objectives can and should be assured by the actions and the agreement of Panama and the United States."

We have taken the position that while we cannot agree to preconditions which impair existing treaties in advance of discussion and agreement, we are prepared to engage in a full and frank review and reconsideration of all issues, may I repeat, all issues between the two countries, including those arising from the canal and from the treaties relating to it, in an effort to find practical solutions to practical problems and to eliminate the cause of tension.

We have made it abundantly clear that in the discussions which we propose, each Government would be free to raise any matters it wished and that each Government must be equally free to take any position it deems necessary on any issue raised by the other.

In short, Mr. Chairman, the United States rejects all charges of aggression.

The United States reiterates its appreciation for the work of the Inter-American Peace Committee and its conviction that the instrumentalities of the OAS are competent to deal with this problem.

The United States is prepared to cooperate in a full investigation of the facts if that is desired.

The United States urges that the Council issue a call to prevent any further violence.

The United States feels that the principal stumbling block at the moment is the insistence of one of the parties on a precondition of treaty revision.

The United States maintains its objective of resuming talks on all issues.

The United States is willing to do this on the basis of the communique of January 15. It is willing to accept the wording of the draft communique which was discussed in the sessions of the Inter-American Peace Committee. In any event the United States is prepared to resume meetings with the Peace Committee and with the representatives of Panama to seek to work out a new solution.

And finally, the U.S. Government and people continue to extend the hand of friendship to Panama and to the Panamanian people.

CHILE QUESTIONS THE APPROPRIATENESS OF CHARGE OF AGGRESSION

And now, Mr. Speaker, I submit the text of an address delivered by Ambassador Manual Trucco, of Chile, at the special meeting of the Council of the Organization of American States on February 4, 1964, questioning the appropriateness of a charge of "aggression" against the United States under the Inter-American Treaty of Reciprocal Assistance—a treaty which calls upon all nations in the hemisphere to come to the aid of any nation which is the victim of armed attack:

ADDRESS DELIVERED BY HIS EXCELLENCY, MANUEL TRUCCO, AMBASSADOR, REPRESENTATIVE OF CHILE, AT THE SPECIAL MEETING OF THE COUNCIL OF THE ORGANIZATION OF AMERICAN STATES HELD ON FEBRUARY 4, 1964 [1]

Mr. Chairman and fellow members of the Council: In invoking articles 6 and 9 of the Inter-American Treaty of Reciprocal Assistance and basing a request for the convocation of the organ of consultation on them, the Government of Panama has formed an accusation: it has filed suit against the Government of the United States for having endangered the peace of America and for having committed an "unprovoked armed attack against the territory" and "the people" of Panama.

In invoking the Inter-American Treaty of Reciprocal Assistance, the Government of Panama, in our judgment, has had recourse to the instrument of greatest importance in the inter-American system; to the treaty of the most far reaching and serious consequences; to the penal code of the juridical structure of the hemisphere.

My country has always held that the Inter-American Treaty of Reciprocal Assistance should be interpreted in a restrictive sense, due to the drastic consequences of its application and because it is founded on the principle of hemispheric solidarity against aggression.

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[1] The original Spanish text appears in OEA/Ser.G/II/C–a–533, Acta de la sesión extraordinaria del Consejo de la OEA celebrada el 4 de febrero de 1964.

This characteristic of the Inter-American Treaty of Reciprocal Assistance flows from the trustworthy history of its origin. The work of drafting the Rio Treaty was prolonged and laborious. Two years elapsed between Chapultepec and Quitandinha. The Quitandinha conference devoted 3 weeks to the job of giving final form to the Inter-American Treaty of Reciprocal Assistance.

Anyone who studies this legislative history of its creation, even superficially, will see that nothing was left to the interpretation of the parties and that the mechanism thus forged can only be put into operation in cases of necessity, on those occasions when the peace, the political independence, the sovereignty, the territorial integrity, or the security of the states is truly threatened, or when some clear act of aggression has been committed, such as those pointed out in article 9 of the treaty.

The principle of hemisphere solidarity against aggression was reflected, in the first place, in article 3 of the treaty, which considers that an armed attack [against an American state] will be considered as an attack against all the American states, and as a result each American nation undertakes to assist in meeting the attack.

Later on, the same article states that the Organ of Consultation will meet without delay for the purpose of examining the immediate measures that each state may individually take in accordance with the principle of continental solidarity in the face of aggression, and agreeing upon the measures of a collective character that should be taken.

Later on, in article 6, which has been invoked by the Government of Panama, the Inter-American Treaty of Reciprocal Assistance provides that the Organ of Consultation shall meet immediately in order to agree on the measures that must be taken in case of aggression to assist the victim of the aggression or, in any case, the measures that should be taken for the common defense and for the maintenance of the peace and security of the continent.

Emphatically holding to this thesis that, as I have stated, arises from the trustworthy history of this law and from its own stipulations, the eminent Colombian internationalist, Mr. Caicedo Castilla, states that "in defending a state that is the victim of aggression, the other states are indirectly defending themselves, since their independence and territorial integrity would be placed in danger by the success of the aggressor"; and Mr. Caicedo Castilla adds that "it is obvious that consequences of extraordinary seriousness are derived from that principle that need not be taken account of or given too great emphasis, for they are plain enough to be self-evident."

And in his report to the Pan American Union on the Inter-American Conference for the Maintenance of Continental Peace and Security, the then Director General of the Pan American Union, Dr. Alberto Lleras Camargo, holds that the Inter-American Treaty of Reciprocal Assistance, signed in 1947, is of such importance that if the American governments had not concluded the American Treaty of Pacific Settlement in Bogotá the following year, the terms of our juridical relationship would have been reversed and we would have entrusted to collective force the supreme guarantee of peace, rather than entrust it, in the first instance, to law, to pacific procedures, to intelligence.

For his part, the enlightened Mexican internationalist, Mr. Gómez Robledo, has stated that the Inter-American Treaty of Reciprocal Assistance "was conceived, if we must say the least about it, to meet tremendous situations."

When a state presents a claim based upon Articles 6 and 9 of the Inter-American Treaty of Reciprocal Assistance, as Panama has done on this occasion, another state is being accused of the crime of aggression, another state is being classified as an international criminal on which the entire weight of the force and punishment of the hemisphere must fall.

Suffice it to recall that article 8 of the treaty, in citing the measures that the Organ of Consultation should adopt against the aggressor, lists those that are quite familiar to all of the representatives and that conclude with the use of armed force. These are the reasons that have persuaded my Government always to take the position that, in order to invoke the Inter-American Treaty of Reciprocal Assistance and start the punitive machinery of the organization, there must be a series of conditions that are not alternative but copulative in nature, one of which is that there be a clear aggression or acts or situations that in fact endanger the peace of America.

To put the machinery of the Inter-American Treaty of Reciprocal Assistance into operation the acts referred to in article 9 must be evident, patent, and unimpugnable.

It is not enough, in our judgment, and in this thesis we follow the most famous treaty experts of modern American international law, that one state unilaterally classify an act of aggression. It is the Council that is responsible for declaring whether or not the qualification of aggression is valid, and whether there is or is not process of law. And this prior action on the part of the Council is indispensable, because admitting process of law is already indicating that there is an accused and an accuser, a presumed victim of aggression and a possible aggressor.

I have said that the acts of aggression committed must be evident, patent, and unimpugnable, because the Inter-American Treaty of Reciprocal Assistance is founded on the principle of solidarity against aggression and because the punitive machinery of the treaty should be put into effect, through the organ of consultation, "without delay for the purpose of * * * agreeing upon the measures of a collective character that should be taken."

So obvious is this nature of the Inter-American Treaty of Reciprocal Assistance, insofar as it refers to aggression, that in no part is there mention of any investigating procedure that should be followed in order to determine whether or not an act of aggression exists. The aggression, I repeat, must be patent, evident, unimpugnable. Our illustrious colleague, Ambassador Penna Marinho, rightly maintains that one of the virtues of article 9 of the treaty is that it gives a "clear definition of aggressor."

But, Mr. Chairman, it is all too clear that the case of aggression claimed by the representative of Panama is not one of these evident, patent, and unimpugnable acts, since the claimant has not been able to formulate precisely the crime committed by the accused nor to frame that crime, also precisely, within the terms of the penal statute it asks to applied.

We have carefully studied note No. 10, dated January 29, 1964, addressed to the Chairman of this Council by the Ambassador Representative of Panama, the speech delivered by Ambassador Moreno at the special meeting of the Council held on January 31, and the draft resolution that has been submitted to this body for consideration.

In note No. 10, of January 29, the Ambassador of Panama includes the cable sent by the Minister of Foreign Affairs of Panama, His Excellency Galileo Solís, to the Chairman of the Council in the early morning hours of January 9, and makes some brief comments on the situation that has arisen.

My Government believes, Mr. Chairman, and has so informed the Government of Panama, that the crisis that developed on January 9 and 10 might have justified, at that very time, the application of the Inter-American Treaty of Reciprocal Assistance, on the basis of the terms of article 6. But it is also the firm belief of my Government that that situation was mitigated and superseded by the intervention of the Inter-American Peace Committee and that, as a result, there is not now a situation that endangers the peace of the hemisphere.

I was a member of the Inter-American Peace Committee. In the minutes of the meetings held by the Committee in Panama, and as each of my distinguished colleagues and the representatives of both parties will remember, I am sure, there was sufficient evidence that the emergency situation that existed in Panama on January 9 and 10 was completely solved within 48 hours after the Inter-American Peace Committee, with the collaboration of both parties, took action. Communique No. 2, published by the Committee on January 31, 1964, states:

"In compliance with the objective assigned to it by its statutes, of keeping vigilance to insure that states between which any dispute or controversy exists will solve it as quickly as possible, the Inter-American Peace Committee is pleased to announce that, through its good offices, and with the acquiescence of the parties, the following agreement has been reached in the case between Panama and the United States:

"1. To create a Mixed Committee on Cooperation, whose specific purpose shall be to take cognizance of the problems that may arise in the maintenance of order within their respective jurisdictions, especially in the bordering areas of the Canal Zone and the Republic of Panama, to agree upon measures to prevent and resolve any disruption of order, and to determine the places to be especially watched. The Mixed Committee on Cooperation shall be composed of one civilian and one military representative appointed by each of the two governments, respectively, and they shall act jointly with a representative of the Inter-American Peace Committee, who shall preside over the Mixed Committee.

"2. To take note that the fact that on January 11, 1964, the U.S. Secretary of the Army, Cyrus Vance, announced that the Canal Zone authorities would continue to fly the U.S. flag outside the public schools in the Canal Zone, and that, in accordance with the agreement between the Republic of Panama and the United States, the Panamanian flag would be flown along with that of the United States at these places."

At the first meeting of this Mixed Committee on Cooperation it was agreed to remove the barricades and obstruction of the Bridge of the Americas and the so-called Colón Corridor. That occurred on January 13 of this year.

No new act of violence, no clash between the Panamanian civilian population and the police or armed forces of the Canal Zone occurred or has occurred since that date.

I can also say that, from January 13 to the 29th of the same month, on which date Ambassador Moreno stated to the Inter-American Peace Committee that he had instructions from his Government to put an end to its action before that autonomous agency of the Organization of American States, the members of the Committee never heard any discussion between the parties as to the existence of an aggression. In the innumerable meetings the Committee held, day and night, for more than 2 weeks, with the representatives of the United States and Panama, all the conversations referred to the need for quickly reestablishing diplomatic relations between the two countries. All the exchanges of points of view of the parties were limited to the question of stipulating the terms under which negotiations should be undertaken later with a view to solving the problems existing between them, as a consequence of the existence of the Panama Canal.

To such an extent was this the case that, on January 15, the parties agreed to and signed an agreement that has been read by the Ambassador of Colombia.

That agreement was revoked only 20 hours after it was signed. But I do not believe it appropriate at this time to analyze the manner and the circumstances in which that occurred.

I can also state emphatically that, when the meetings of the Inter-American Peace Committee with the representatives of both parties were resumed here in Washington, for more than a week the parties continued to search, among themselves, with the assistance of the Committee, for a formula that would permit them to establish their diplomatic relations and later begin direct negotiations with a view to the solution of the problems that separated them. Those problems did not include, nor was there any discussion of, a presumed aggression.

It has been only after the end of the efforts of the Committee and of both parties to agree upon the text of a declaration that would state the aim of both governments of reestablishing their diplomatic relations as soon as possible and endeavoring to begin direct negotiations between the parties, that the representative of Panama has presented to this Council the claim of aggression of which we are taking cognizance.

The situation that I have just described also demonstrates, in my judgment, and with excess of eloquence, the inadmissibility of the claim.

Nor did Ambassador Moreno, in his address before this Council on January 31, define the offense committed by the accused. In the opinion of our distinguished colleague, there had been "a police action that gave rise to an exaggerated display of military might on the part of a great power." Our esteemed friend has also told us that "the aggression is latent and will rise to the surface when the Panamanians demand compliance by the United States with the obligations contracted with Panama." But, Mr. Chairman, unfortunately, in our opinion, the Organ of Consultation cannot meet and the Inter-American Treaty of Reciprocal Assistance should not be invoked for future and problematical cases.

Ambassador Moreno has also referred to the fact that the United States authorities in the Canal Zone closed off the normal traffic on the Bridge of the Americas and the so-called Colón Corridor during the days of the emergency to which I have referred. I repeat, Mr. Chairman, that those acts are reprehensible, but that they were rectified and resolved on January 13 with the intervention of the Committee and the exemplary cooperation of the parties.

My Government maintains, Mr. Chairman, that what in truth exists is a dispute between the United States of America and Panama. This dispute, which concerns other matters, can only be resolved through understanding between the parties, with the good faith of the parties, with the devotion of the parties to the peaceful means of settlement that constitute the most valued tradition of the inter-American system. The settlement of this dispute can be obtained only through good and normal relations between the parties and not by the application of the punitive machinery of the system.

For the reasons I have stated, I find it necessary to deny my Government's vote to the request presented. This is not an easy attitude to take, because the Panamanians and Chileans are united by the bonds of a close and cordial friendship and our sympathies and our affection will always be with the noble Panamanian nation. But sympathy for the weaker should not lead us to violation of the law, in whose majesty and untouchability, precisely, lies the guarantee of the weak. Before the law, Mr. Chairman, there are neither strong nor weak men or nations. The foundation of justice is in the equality of all before the law. I have the hope, which comes from the bottom of my heart, Ambassador Moreno, that perhaps this attitude will be well understood by the people and the Government of Panama. So sincere is our conviction that the best interests of Panama lie in the search for peaceful means of settlement of the dispute, and so profound is our conviction that the procedure that is being used will only place Panama further away from those possible solutions, introducing new elements of friction into its relations with the United States, that we believe that our position is not prejudicial to Panama but rather is a positive contribution to meeting its real needs. It is for this reason that we have cooperated, to the extent of our ability, but without sparing any effort, and with loyal devotion, in the work of the Inter-American Peace Committee. I am sure that the Government of Panama, and that of the United States, will recognize the impartiality and inflexibility that has characterized our action. This position of the Government of Chile was expressed by the Minister of Foreign Affairs of my country to His Excellency the Foreign Minister of Panama, Galileo Solis, in the cable dated January 31, that I take the liberty of reading to you now. It reads:

"I have the honor to acknowledge the receipt of Your Excellency's cable of January 30, 1964, and of a note that was delivered to me personally by your Ambassador in Santiago, Mr. Alfredo T. Boyd, referring to the presentation made by Panama to the Council of the OAS requesting the convocation of the organ of consultation by virtue of the Inter-American Treaty of Reciprocal Assistance.

"The Government of Chile has followed closely and with deep concern the events that have disturbed Panama, and has made every effort to help solve the problems that have arisen between your country and the United States of America. The representative of Chile on the Council of the OAS, Ambassador Manuel Trucco, as a member of the Inter-American Peace Committee, has interpreted the feelings of the Chilean Government and people by cooperating in the search for a solution to the controversy that separates the two countries today.

"Notwithstanding the feelings of my Government and the close ties of friendship that unite us with the Panamanian people, I have had to inform your Ambassador that unfortunately we will be unable to accede to the petition presented by Panama.

"I have informed Ambassador Boyd of the principles that Chile has always maintained on the restrictive application of the Inter-American Treaty of Reciprocal Assistance and which, in our opinion, are essential requisites in safeguarding the integrity of the inter-American system. The representative of Chile to the United Nations, Mr. Carlos Martinez, has also made known this position to the representative of Panama to that organization. Ambassador Aquilino Boyd.

"I wish to point out once more, however, that Chile maintains its firm intention to cooperate, through the appropriate machinery of the inter-American system, in the effort to find a solution that will settle the disagreement between two countries with which we maintain close ties of friendship.

"JULIO PHILIPPI,

"Minister of Foreign Affairs of Chile."

In summary, Mr. Chairman, I am instructed by my Government to explain that Chile's position conforms to its firm conviction that the inter-American juridical system must be safeguarded through the proper use of the instruments that compose it. The Government of Chile believes that there is an international controversy between Panama and the United States, but that the application of the Inter-American Treaty of Reciprocal Assistance as invoked by the Government of Panama is not suitable. The Government of Chile firmly upholds its longstanding position that the Inter-American Treaty of Reciprocal Assistance must be interpreted restrictively, that it is a treaty to be applied in exceptional cases, when there has been a clear breach of the peace. The Government of Chile believes that a loose, unrestricted interpretation of the Inter-American Treaty of Reciprocal Assistance would immediately lead us into difficult situations, possibly endangering the inter-American juridical system. The Government of Chile faithfully and resolutely intends to cooperate through the appropriate machinery of the inter-American system, as it has already done on the Inter-American Peace Committee, in finding a solution to the controversy. The Government of Chile supports any measure designed to solve this dispute, short of invoking the Inter-American Treaty of Reciprocal Assistance. The Government of Chile believes that if what the parties seek is the appointment of an investigating committee, which is one of the peaceful means for settling a dispute, they should be supported in achieving that common objective, but within the appropriate mechanisms of the inter-American system.

Many thanks.

AMBASSADOR BUNKER OFFERS PROOF OF RIOT PLANNING

On the same day, Mr. Speaker, on February 4, last Tuesday, Panama again made accusations of aggression against us, and Ambassador Bunker made the following significant reply—very little of which, I believe, was apparently considered newsworthy at the time, for I saw only about a paragraph about it in the newspapers I read:

Statement by Ambassador Ellsworth Bunker, Representative of the United States, at the Meeting of the Council of the Organization of American States, February 4, 1964

Mr. Chairman, I regret that my distinguished colleague from Panama has seen fit to return to these charges which he made at the last meeting. As President Johnson said, it seems rather futile to rehash these past events; what we ought to do is—it seems to me—to be devoting our energies to finding ways of restoring relations between our two countries and getting around to the conference table where I am sure that with good will and trust on both sides our problems can be resolved.

In my remarks to the Council on January 31, I indicated that at some future meeting I might make some specific comments on the details of alleged happenings to which the distinguished representative of Panama referred to in his speech. I had not intended to do so today, but in view of additional inaccuracies and distortions to which we have just listened, Mr. Chairman, I feel it is more than ever important that the world knows what really happened.

As I indicated in my statement before this Council at our last meeting, the United States firmly rejects the charge of aggression which has been leveled against us and not only welcomes but is indeed most interested in having all of the facts concerning the events of the 9th and 10th of January brought to light. Indeed as we have gone more deeply into our own investigations of the situation, U.S. authorities have developed considerable information concerning the acts of violence and the behavior of the mob, which we may well want to insist, be brought to light.

Mr. Chairman, much as I dislike having to question the statements made by the distinguished representative of Panama the allegation is untrue that U.S. high school students, some of their parents, and the Canal Zone police attacked the Panamanian students who entered the Canal Zone at approximately 4:30 p.m. January 9 and who marched peacefully to the Balboa High School where a delegation of five Panamanian students displayed the Panamanian flag. There is incontrovertible evidence from photographs which I would be glad to show any interested member of the Council as well as sworn statements of U.S. officials indicating that there was no attack by the American students or those parents present on the Panamanian students. The photographs will show that the Canal Zone police kept these groups apart; that the whole affair was orderly and that the police at no time used firearms on these students or in fact did anything more than escort them out of the zone, despite the fact that the Panamanian students did engage in considerable property damage. As a matter of fact, the Canal Zone authorities had several buses brought to the area to take the Panamanian students back to the Republic of Panama but the students did not care to use them and departed on foot.

I would be able to show any interested member of the Council a photograph of the Panamanian flag being borne to the school by the students. An examination of this photograph will show that the center top of the flag was already torn prior to the time it was alleged we tore their flag. In other words, the flag was torn before it ever went from Panama into the Canal Zone and the allegation that the American students, their parents, and the Canal Zone police had anything to do with defiling the Panamanian flag is simply not correct.

Later on in his statement the distinguished representative from Panama indicated that the U.S. Army forces in battle gear used machineguns, tanks, and long-range automatic weapons in firing on crowds of Panamanians whose only wish was to enter the Canal Zone to raise the Panamanian flag. I am in a position to offer evidence to any member of the Council who is interested that no machineguns were used, that no tanks were used although I am sure the distinguished representative from Panama has confused the personnel carriers that were used to bring the troops from their quarters to the area where the mob was running wild, with tanks. No automatic weapons were ever employed by U.S. personnel during the mob violence. In fact, most of the American soldiers initially were not issued ball ammunition at all and when it was later used, it was carefully directed at Panamanian snipers in order to avoid casualties.

The distinguished members of the Council may recall that the widow of one of the U.S. soldiers killed early in the violence in Colón was recently in Washington when her husband was buried at Arlington Cemetery and that at that time it was stated that this particular sergeant had no ammunition for his rifle when he was shot and killed. This is because it is, I am told, standard procedure for only the leaders to have ammunition in riot control with the rest of the group equipped with tear gas and instructed to use persuasion.

The distinguished representative from Panama indicated that U.S. helicopters and aircraft violated airspace of Panama and added to the confusion. What he failed to point out was that the helicopters had loudspeakers and Spanish-speaking personnel were urging the mobs to disperse and go home. It is true that the Colón corridor through the Canal Zone on the Atlantic side had to be closed for a short period of time, in keeping with specific treaty provisions, because of the danger of mob elements getting in behind the forces trying to defend the Canal Zone in that general area, but the statement that the Isthmian Highway was closed thus preventing the shipment of blood plasma and medical help to the Atlantic side is absurd.

The destruction of property by the mob on the Atlantic side was very great. I have, if any member of the Council is interested, photographs of the destruction caused by the mob in that area.

In short, as I stated on January 31, the facts when brought to light will show that what little force the United States used was employed with the greatest restraint and solely within the Canal Zone for the protection of the residents of the zone. Reflection will convince you, I think, that a crisis with Panama could serve no conceivable U.S. interests; that my country had nothing whatsoever to gain either in causing the crisis or seeing it expand; and that U.S. interests as well as humanitarian considerations argued for the very minimum use of force. However, my Government could not and should not be expected to order its defensive forces to stand aside and permit violent mobs, the true character and intentions of which is clearly shown by the pillaging, looting, and wanton destruction that took place in Panama City and Colón, to enter the Canal Zone unopposed.

Now, Mr. Chairman, it seems to me not particularly helpful to keep on attempting to present evidence before the Council, evidence which should go to an investigating committee, if we have one. It doesn't seem to me that we are promoting the cause of understanding which we want to achieve here. I do, however, consider it necessary to say that I again must reserve the privilege of commenting further on statements of my distinguished colleague from Panama, if this is the course which is to be pursued here. But I do hope that we may be able now to get on with the business in hand, and certainly my Government is most appreciative of the strenuous efforts, not only those which the Peace Committee made but also those which the distinguished members of this Council have been making over the last days here to attempt to find some formula that will provide an avenue of approach to these problems.

HOW PANAMA HAS REALLY FARED FINANCIALLY IN OUR RELATIONSHIP

Mr. Speaker, I now want to put into perspective another question which has been so widely discussed in these past 4 weeks, that of our financial treatment of Panama. Many of the editorial comments in the press and over the air have indicated we have been reaping huge profits out of the Canal and giving only a pittance to poor Panama—not only robbing the country of its greatest single resource, but underpaying the Panamanians who work for us, depriving them of opportunities for promotion, and otherwise acting the bully while the Panamanian economy staggers under our exploitation and neglect.

I am familiar with the charges, because I have heard them time after time in the years I have been visiting Panama—not only since coming to Congress in 1953 and being assigned to the Subcommittee on the Panama Canal, but for years before that when I vacationed in Panama or visited friends in the zone. Compared to the United States, Panama is a poor country and the Panamanian standard of living is low—although many Panamanians live most luxuriously as a result of the monopolistic privileges accorded the families which control the economy. But unless there are far-reaching reforms in the Panamanian economy, including fairer taxation and more equality of opportunity—more economic democracy—it would not make much difference how much aid the United States directed into the country—most of its benefits would go to the few at the top. This is a fact we have to face.

On the other hand, the degree of well-being of the average Panamanian is still very directly affected by the aid and assistance and business activities we carry on with Panama. I have had a factual compilation made of the benefits accruing to Panama and to the people of Panama as a result of our purchasing policies in the zone and of our other economic relationships with Panama and I think this information will be an eye opener to many Americans.

This compilation, as I said, is factual. In fact, it is matter of fact. For instance, it explains that we provide the principal cities of Panama with purified water "at the relatively low rates of $0.075 per unit of 100 cubic feet for the first 100,000 units, and $0.07 per unit for all in excess of 100,000 units," and states, furthermore, that "Panama distributes this water in her terminal cities at sufficiently high rates to generate a significant income from the sale of this water."

THE UNPAID WATER BILLS AND OTHER ACCOUNTS

What the factual account does not explain, however—it was prepared to give a perspective, rather than throw rocks—it does not explain that Panama, while reselling the water we provide it, has not been paying us for the water. At the modest rates we charge them, they owe us about $2½ million for water. The President of Panama announced when he took office several years ago that he would just wipe off the books and forget the $2 million Panama owed us for various services—water, hospitalization of Panama residents, and so on—and would start fresh with a clean slate, paying us from then on. Since then, however, Panama has run up another $1 million or so of additional debts for these services—so that when the compilation which follows says Panama can make a significant income from the resale of water purchased from the United States, it is a whole lot more significant than it would appear, since the Government of Panama apparently counts on getting the water free from us while charging their nationals a price based on what we are supposed to receive for it.

A FACTUAL SURVEY

In any event, Mr. Speaker, I now submit the factual survey prepared at my request of benefits accruing to the Republic of Panama in our relationships, as follows:

PART I. DIRECT FINANCIAL BENEFITS ACCRUING TO PANAMA

The following is a listing of estimated income received by the Republic of Panama from Canal Zone sources for the years 1960, 1961, and 1962:

	1960 (revised)	1961 (revised)	1962 (preliminary)
Net payments, including retirement and disability to non-U.S. citizens employed in the Canal Zone	[1] $28,183,000	[1] $33,219,000	[1] $36,461,000
Direct purchases made in Panama by U.S. Government agencies	9,611,000	9,743,000	11,781,000
Purchases of goods in Panama by private organizations operating in the Canal Zone	4,416,000	4,600,000	4,400,000
Contractors' purchases in Panama of goods and services for Canal Zone projects	8,400,000	10,415,000	10,668,000
Expenditures made in Panama by U.S. citizens employed in the Canal Zone	12,990,000	15,675,000	19,155,000
Canal Zone annuity to the Republic of Panama	1,930,000	1,930,000	1,930,000
Total	65,530,000	75,582,000	84,395,000

[1] Includes estimated net payments to all non-U.S. citizens employed in the Canal Zone by U.S. agencies, contractors, and private organizations. Derivation: Gross payrolls less deductions for civil service retirement and employees' expenditures in the Canal Zone for service center and retail store purchases; medical and hospital services, rent and utilities; and miscellaneous services.

PART II. BENEFITS ACCRUING TO PANAMA FROM PANAMA CANAL COMPANY-CANAL ZONE GOVERNMENT

Introduction

Outlined below are benefits that accrue to Panama from the Panama Canal Company and the Canal Zone Government and from the proximity of the U.S. presence in the Canal Zone. This listing emphasizes benefits currently accruing to Panama; however, highlights and cumulative totals of past major benefits and services are included where appropriate for purposes of perspective and completeness. Dollar valuations are included when applicable to illustrate the extent of capital facilities or the cost of operating programs. Benefits accruing from other agencies on the Canal Zone are not listed nor are all of the direct benefits covered in the estimated $84 million in purchases and payments tabulated as part I of this report.

Direct economic support

Increasing revenues from transactions in goods and services with the Canal Zone accounted, in important part, for the 8.5 percent rise in Panama's gross national product for 1962. Increased direct economic support from the Canal Zone also aided in offsetting Panama's worsening foreign trade deficit caused by her increased spending for imports over export sales in 1962.

(a) Direct purchases from Panama by the Panama Canal organization and its contractors totaled $13,300,000 in 1962. In addition, U.S. citizen employees of the canal organization spent approximately $8,500,000 in Panama for goods and services in 1962.

(b) The canal organization currently employs approximately 11,000 non-U.S. citizens, primarily Panamanians, at a total 1962 payroll cost of $25 million.

(c) The U.S. Government agencies in the Canal Zone on September 1, 1963, initiated, at the Republic of Panama's request, a tax-withholding service to collect Panamanian income tax from the salaries of Panamanian citizens employed in the Canal Zone by the U.S. Government. The Panama Canal spent $29,000 on start-up costs for this tax collecting service and operating expenses will exceed $15,000 annually. Checks are dispatched to the Panamanian Government biweekly to cover the previous pay period's collections. Annual tax receipts of approximately $675,000 are expected to be deducted from the salaries of canal employees and paid to the Republic. Total tax receipts from all the agencies in the Canal Zone will probably reach $900,000 annually.

Capital facilities

The canal organization currently maintains heavy investments in capital facilities that provide important services and support to the Republic and to large numbers of Panamanian citizens. The lands and improvements transferred to Panama in the past 20 years with a total market value of $40 million are not included in the items described below.

(a) Water system: Perhaps no other Latin American capital city has the safe, modern water system enjoyed by Panama City. During the canal construction era the United States invested $10,600,000 in a water purification and distribution system to handle water needs in the Canal Zone and in Panama's two terminal cities, Colon and Panama City. In 1946, the U.S.-built water and sewer systems in these two cities were transferred to the Republic at an unrecovered cost of $669,000 to the United States.

1. Last year the Panama Canal Company spent $1,562,733 to operate its Water Laboratories Branch; more than 70 percent of the water it purified went to Panama. In 1963 the Panama Canal Company spent $700,000 for a 30-inch main to meet the increasing needs of Panama City and suburbs. The population of Panama City and Colon has increased from 24,000 in 1904 to 350,000 in 1963. Now under construction is a 14,000-foot pipeline, 12 inches in diameter, costing $110,665 which the Company is building to furnish fresh water to five Atlantic-side communities in Panama. More than $1 million has previously been spent in water system improvements to accommodate increased Panamanian consumption.

2. Panama is charged for purified water at the relatively low rates of $0.075 per unit of 100 cubic feet for the first 100,000 units, and $0.07 per unit for all in excess of 100,000 units. Panama distributes this water in her terminal cities at sufficiently high rates to generate a significant income from the sale of this water.

(b) Ports and harbor facilities:

1. Docks and piers: The Panama Canal Company has 11 docks and piers, which total 2.9 miles of berthing space in operation at Cristobal and Balboa. Panama has no deep water docks or piers and utilizes the canal organization's facilities for her export-import trade. Panama Canal Company docks and piers at Balboa and Cristobal have a plant value of $19 million.

2. Aids to navigation: The Panama Canal maintains lighthouses and buoys more than 100 miles beyond the canal's entrance to guide vessels safely to Balboa, Panama City, and Cristobal-Colon. Modern, accurate, and perfectly maintained inner harbor aids assure the safe and expeditious handling of vessels entering and leaving the terminal-city ports. Many vessels dock at Cristobal and Balboa without transiting the canal, using Panama Canal tugs, pilots, and equipment for this purpose. A portion of the cargoes carried by these nontransiting vessels figures in Panama's external trade.

3. Floating equipment: The Panama Canal maintains a fleet of tugs, dredges, drill barges, launches, craneboats, and salvage equipment. This expensive, specialized equipment is available to the Republic at nominal cost for special projects, emergency use, etc.

(c) Transportation facilities:

1. Panama Railroad: Completed in 1855, the Panama Railroad has played a key role in Panama's development since the Republic's birth in 1903. It continues to be widely used by Panamanian shippers and undoubtedly acts as a lever on transisthmian passenger and shipping rates and as quality control guide for services rendered by truckers. The Panama Railroad furnishes free carriage of Panama's mail and allows a 50-percent reduction on freight rate for native products. These services have a total subsidy value of $35,000 annually to the Republic.

2. Thatcher Ferry Bridge: This important link in the Inter-American Highway was completed in 1962 at a cost of $19 million. Prior to the construction of the bridge the canal operated a large ferry service, at an annual estimated cost of $400,000, that was of primary benefit to the Republic. Total cost of operating the Thatcher Ferry from 1930 to 1962 is estimated at $12,500,000.

3. Highways: The Canal Zone Government currently maintains a paved highway through the Canal Zone that links Panama City and Arraijan, Republic of Panama. This heavily traveled and well-maintained highway is of increasing importance to the Republic, as it carries all of Panama's expanding commercial and passenger traffic between the capital city and the Pacific interior regions. To handle the increasing traffic, a project to widen and improve the Thatcher (Arraijan) Highway at an estimated cost of $3 million is currently under study. In years past, the U.S. Government has spent a total of $13 million to construct a transisthmian highway and a portion of the Rio Hato Highway in the Republic.

(d) Rental and sale of capital items to Panama:

1. Much specialized equipment, on occasion, is loaned or rented to Panama at nominal charges. This Canal Zone equipment serves as a reservoir or reserve for Panama's emergency or special project use and represents an investment that her economy cannot afford. Special repairs to the Republic's government-owned equipment is also undertaken at times at a token cost.

2. Panama's Government agencies are furnished, at token cost, much needed equipment that becomes excess to the canal's needs. In the past year or so, such capital items as large generators, diesel launches, garbage trucks, etc., having a total value of over $321,000, were released through property disposal channels to Panama for only $20,000. It has been determined that such direct sales by the Panama Canal to Panama's Government agencies are in the national interest of the United States.

(e) Health facilities: The Canal Zone Government maintains extensive medical facilities having a plant value of $5,700,000. The majority of users who benefit from these modern facilities are Panamanian citizens.

1. Hospitals (general): Gorgas Hospital on the Pacific side and Coco Solo Hospital on the Atlantic side presently provide heavily subsidized inpatient and outpatient services,

including dental care, for approximately 60,000 Panamanian citizens. Gorgas Hospital is currently being enlarged and modernized at a projected cost of $6 million.

2. Palo Seco Leprosarium: The Canal Zone Government continues to operate a 120-bed leprosarium although almost 95 percent of the current patient load is Panamanian. Since there is no similar facility in Panama, the Canal Zone maintains the leprosarium and for each patient admitted at Panama's request bills the Republic a daily charge to recover a proportionate share of the cost of operating the facility.

3. Corozal Hospital for Mental and Domiciliary Care: This Pacific-side facility with its 300-bed capacity currently provides for the care and treatment of an average of 200 mental patients, over 70 percent of whom are Panamanians.

(f) Low-rental housing: The Panama Canal Company currently provides low-rental housing for almost 11,000 Panamanians and other non-U.S. citizens who otherwise would be dependent upon the critically short housing market in Panama City and Colon. The canal's current capital investment in housing for Latin Americans totals $4,765,000. Additional capital for new construction and modernization is being obligated annually in support of this program.

(g) Latin American school system: Cooperating closely with Panamanian school authorities, the Canal Zone Government has evolved an excellent Spanish language school system on the Panamanian model. It currently provides a full primary and secondary education for over 3,700 Panamanian students. The Panamanian faculty of the Canal Zone Latin American schools, totaling 120 teachers at present, represents one of the best trained and highest paid faculties in Latin America. The school system's physical plant is valued at $2,149,000. Its annual operating cost to the Canal Zone Government is $901,695.

(h) Police and fire protection facilities: Specialized Canal Zone police facilities for performing ballistic and chemical tests and other crime detection techniques are available to Panamanian authorities on request. The Canal Zone's highly trained and well-equipped firefighting force has played a vital role through the years in helping to contain large fires occurring in the tenement areas of Panama's two largest cities.

Benefits to Panama's trade, commerce, and industry

(a) Tourist industry:

1. Tourism is estimated by the Panamanian Government to represent a $14-million-a-year industry in the economy of Panama. It is conservatively estimated that the average tourist spends more than $20 per day while visiting the isthmus. Tens of thousands of passengers, plus ships' crews, who transit the canal annually, stop and shop on the economy of Panama.

2. The Panama Canal Company recognizes that the canal continues to be the prime center of interest for most visitors, whether they arrive by air or sea. To accommodate these tourists and to aid Panama in exploiting this unique tourist attraction, the Panama Canal annually spends $188,000 for tour guides, informational material, operation of tourist launches, etc. In the past several years the Panama Canal has spent over $200,000 to expand and modernize facilities and services for tourist and recreational use.

3. The Canal Zone Government has performed essential customs and immigration services for Panama continuously since 1904. This service currently is estimated to have an annual value of $170,000 to the Republic. During the past year approximately 100,000 ship passengers, including in-transit passengers entering the Republic to shop, were cleared by Canal Zone customs and immigration for the Republic.

(b) External trade:

1. The Colon Free Zone, served by the ports within the Canal Zone in recent years has developed into one of Panama's most important trade enterprises. The Free Zone, the numerous shipping agencies, and the export-import houses with large payrolls based in Panama all enjoy substantial freight advantages over other Central American countries. Within the past year USAID/Panama completed a study which shows that of 129 possible comparisons between Canal Zone ports and other Central American ports, Panama lacks the advantage in only 10.

2. The efficient port service offered by the Panama Canal accounts in substantial part for freight rates to Panama which are low in relation to other Latin American countries. The short turnaround time in canal ports makes this area very attractive to shippers. In addition, according to the USAID report, because loading and unloading of cargo occurs within the Canal Zone, Panama enjoys the lowest pilferage and breakage losses of any port in the Western Hemisphere.

3. Panama has relatively cheap and readily available water transportation to any port in the world due to the presence of the canal. One thousand ships per month pass through the canal while many others dock and work cargo but do not transit. Recently attracted to the area have been such enterprises as the Refineria Panama at Colon. With three of the largest oil storage tanks in the world and an operating payroll amounting to over $1 million per year, this recent addition to Panama's economy exemplifies the benefits of the canal's presence to industries in Panama. Cemento Panama, one of the most modern business enterprises in the Republic, for several years has enjoyed a special handling rate by the Panama Canal for cement exported across Canal Zone piers. The special rate is offered as an export incentive and savings in pier handling costs of $30,000 were realized in fiscal year 1963.

(c) Agriculture:

1. Canal Zone commissary officials tour the interior to advise Panamanian producers how to upgrade product quality and production so as to meet the Canal Zone's standards and needs. This has resulted in a bigger and more stable market for the Panamanian producer and, in some cases, it has opened agricultural export markets.

2. Inspections and consultations from Canal Zone veterinarians working in the Republic, who inspect all meat and dairy products destined for sale in the Canal Zone, has resulted in a marked upgrading of quality and higher levels of production by the Panamanian producer. As a result, the beef and dairy industries are assuming greater importance in the economy of Panama.

3. Veterinary research and experimentation at Mindi Dairy in the Canal Zone has benefited the Republic's dairy industry greatly. A dairy herd of good yield, hardy enough to withstand the rigors of the Tropics, has been developed at Mindi. Blood stock from Mindi is being used to improve dairy herds in Panama. In the past few months, 15 calves worth $1,500 have been donated to small farmers in the Republic. Canal Zone veterinarians are also aiding Panama in its current drive to eradicate brucellosis from its dairy herds.

(d) Banking facilities, investment climate, and monetary stability:

1. Panama is the only Central American country having extensive U.S. branch banks (Chase Manhattan Bank alone has six branches in the Republic.) In addition, Panama has branches of Swiss and French banks. The existence of the canal and the need for concomitant maritime financing account largely for Panama's excellent banking facilities. The presence of these highly reputable banks insures good commercial services generally, and prospective foreign investors also regard them as trusted and reliable sources for unbiased information concerning investment possibilities.

2. Panama's monetary system, regulated by a monetary agreement with the United States since 1904, is pegged to the U.S. dollar. This represents a boon to Panama's foreign commerce since she has virtually no exchange problems and enjoys perhaps the most stable currency in Latin America.

3. The steadying effect of the Canal Zone on the Panamanian economy, together with the strong American influence that pervades the area, helps Panama in attracting foreign investors and entrepreneurs. Many large business enterprises currently headquarter their Latin American operations in Panama and it is estimated that most of the 3,000 leading U.S. corporations maintain some sort of subsidiary in Panama.

Canal Zone leadership in the development of a skilled and productive labor force

a. Diversity of skills: The Panama Canal Company-Canal Zone Government possesses a greater diversity of manpower than almost any other agency in the Federal Government. Over 15,000 employees, occupying more than 900 distinct job categories, are required to maintain and operate the canal, its supporting services, and its governmental functions. Approximately 11,000 of these employees are Panamanian citizens whose efficiency, productivity, and job skills are continuously being upgraded. During the past 4 years Panamanians employed in higher paid professional, technical, and administrative positions have increased from 141 to about 850 out of the 4,000 such jobs. In addition to being the largest single employment agency for Panamanians, the canal occupies the position of wage leader and pace setter—by training and example—for Panama's growing industrial labor force.

(b) Industrial training program (crafts): The Panama Canal in its drive to upgrade the skills of its Panamanian workers carries on extensive craft training programs. Twenty-five young Panamanians are hired each year to begin extensive 3 to 5 year apprenticeships in a variety of the electrical, machine, and metal and wood-working trades. Approximately 140 apprentices now receive both academic and carefully planned shopwork so that full journeyman status and pay are awarded upon graduation. An increasing number of these highly trained craftsmen will find their way into Panama's growing industrial work force. In addition to apprentice training, the Panama Canal offers periodic refresher and special skills training programs to journeymen and others. Operating cost of the Industrial Training Branch and the apprentice program is approximately $136,000 annually.

(c) Other training: Continuous training is being carried out by the Panama Canal in such fields as heavy equipment operation, cargo handling, warehousing, merchandising and selling, clerical and administrative skills, firefighting, food handling, safety methods, etc. The canal's 1,500-man stevedoring force, for example, through training and rotational job assignments, is probably the most productive and best paid cargo handling force in Latin America.

(d) Panama's labor force: The effects of the canal's leadership in wage rates, job efficiency, and productivity can be clearly traced into Panama's work force as a whole. Panamanians, employed in Panama, are generally regarded to be the highest paid wage earners in Central America and, partly due to the training and example from the Canal Zone, Panamanian production per worker is one of the highest in Latin America. Panama's per capita gross national product in 1962 is estimated at $445, the highest in Central America and one of the highest in Latin America. Panama (population 1.1 million), with an estimated $500 million gross national product for 1962, is exceeded in gross national product only by Guatemala (population 4 million) and El Salvador (population 2.8 million). Additionally, due to the U.S. influence in the Canal Zone, the labor force of Panama City and Colon is largely bilingual. This is a great attraction to a potential investor in Panama, whether he is concerned with blueprints, instruction manuals, or needs a bilingual secretary.

(e) Technical personnel available to Panama: During emergencies or for special projects and studies, technical and professional employees in the Canal Zone provide Panama with expert counsel and guidance that would not otherwise be locally available. To cite an example, Panama maintains no meteorological service. Recently, the Panama Canal's chief hydrographer and a senior geologist investigated and reported on earth tremors in the Chiriqui Province at the Republic's request.

(4) Health benefits: Since the advent of its canal construction effort in 1904, the United States has provided the vigorous leadership and the enormous monetary investments required to conquer and control the numerous environmental health menaces on the isthmus. Today, Panama enjoys one of the highest life expectancy rates in Latin America. Life expectancy in Panama is estimated at 62 years, compared to Costa Rica's 60 years, Colombia's 46 years, and Guatemala's 37 years.

(a) Public health and sanitation programs: The epic struggle to transform an area of tropical pestilence into a healthful environment still stands as a world-renowned triumph for the U.S. early sanitation efforts on the isthmus. In addition to operating the water and sewer systems of Panama City and Colon for 50 years, the canal also performed street cleaning and garbage disposal services for these cities. Between 1926 and 1955, the United States spent a total of $2,600,000 on these services to Panama. From 1904 to 1955, U.S. health offices and services were maintained in Colon and Panama City at a total cost of $9,200,000.

1. The canal currently operates an extensive environmental sanitation program in the Canal Zone costing approximately $400,000 annually. Programs of insect and rodent control are carried on continuously and malaria has been all but eradicated from the populated areas in the Canal Zone. The canal's sanitation experts offer cooperation and consultation and training services to the Republic's sanitation authorities.

2. Preventive medicine programs conducted in the Canal Zone in the fields of adult, school, and industrial health and immunization programs provide experience and support to Panama's health authorities, who are invited to observe these activities. The Canal Zone's support and leadership to Panama in her recent extensive polio immunization program and antituberculosis campaign typify this cooperation. Many thousands of dollars of medical care is provided to tubercular patients from Panama each year.

3. The canal's quarantine service prevents the introduction, by ships, of human or animal diseases into the Canal Zone and the Republic. Panama's growing cattle industry has been protected to date from the dread hoof and mouth disease that has attacked most other areas in Latin America.

(b) Medical research and training programs: The Canal Zone Government maintains facilities and personnel for considerable research and training in the medical and veterinary sciences.

1. Tropical and communicable disease research is carried on continuously to provide information on the early detection of health hazards and the development of preventive methods. The results achieved through the efforts are shared fully with Panama.

2. In addition to its contributions to the beef and dairy industry, the Canal Zone's veterinary research program has yielded a great deal of knowledge recently concerning the menace of batborne rabies on the isthmus.

3. Some of the finest physicians in the Republic received training or early experience in world-famed Gorgas Hospital. Each year Gorgas Hospital graduates a small number of young Panamanians as fully qualified laboratory technologists. Canal Zone doctors and interns spend a considerable amount of their own time in Panama's outpatient clinics and in the interior regions combating epidemics and giving general medical aid. Laboratory and other medical equipment worth several thousands of dollars was donated to medical institutions in Panama last year.

PART III. BENEFITS TO THE REPUBLIC OF PANAMA THROUGH THE ARMED FORCES PRESENCE IN THE CANAL ZONE

1. General: The U.S. military presence in the Canal Zone reduces the necessity for the Republic of Panama to organize, maintain, and equip its own armed forces for its national defense. Personnel and funds which would be required for an armed forces establishment can be utilized to improve and develop other facets of the nation's economic, social, and cultural progress. The only force in being of a quasi-military nature in the Republic is the Guardia Nacional, which serves primarily as a national police force.

2. Economic impact:

(a) Purchases made and contracts let by the Armed Forces in the Canal Zone are included in totals compiled and to be submitted by the U.S. Embassy in Panama. In brief, appropriated and nonappropriated fund procurements by U.S. Southern Command components made total purchases of $10,369,554 in 1962.

(b) There are 4,882 non-U.S. citizens employed by the Armed Forces in the Canal Zone. These personnel, citizens of or resident in the Republic of Panama, have an annual payroll of $13,163,920.

(c) In addition to purchases by appropriated and nonappropriated fund activities, U.S. military and civilian personnel of the Armed Forces and their families spend an estimated $8 million annually for personal purchases of merchandise, recreation, and services.

(d) Disposal of U.S. military surplus property:

1. During fiscal year 1963, the U.S. Southern Command provided the Guardia Nacional equipment costed at $35,000 at a nominal price of $3,500 (10 percent of costed value). This equipment, if sold at usual prices, would have realized approximately $9,000 to the U.S. Government.

2. Property Disposal Office sales to Republic of Panama business enterprises through its standard disposal procedures netted the Republic approximately $15,000 in duties paid to the national treasury by the purchaser upon import of the merchandise into the Republic.

3. Trade, commerce, communication:

(a) On April 1, 1963, a commercial communication cable from the Canal Zone to the United States via Jamaica by I.T. & T. (American Cable & Radio) was completed. This facility, containing 128 channels for voice and teletype communication, was constructed primarily because of military requirements. If U.S. forces were not stationed in the zone, it would not have been feasible to construct the facility as a commercial enterprise at this time. Services from the cable are available to the Republic of Panama, providing effective communication to the United States.

(b) U.S. Navy forces in the Canal Zone provide record (teletype) communications facilities for Republic of Panama official government traffic to the United States. One hundred and ten messages to and from Washington are handled monthly. This service eliminates the requirement for the Republic of Panama to provide facilities for such communication, or to contract for them commercially.

(c) The U.S. Navy provides maritime communications for commercial vessels in the waters off the Republic of Panama. This service processes messages to commercial stations, where they can be refiled worldwide to the final destination. Charges from the refile point to destination are paid by the sender. By this service, the Republic of Panama is absolved of the expense of maintaining maritime communications facilities. Approximately 4,700 messages from ships are handled monthly by the Navy.

(d) Approximately $200,000 is expended annually by U.S. forces to maintain the Boyd-Roosevelt Highway, major transisthmian route. This highway, built by the U.S. Government, has been deeded to the Republic of Panama. In return for maintaining the highway, U.S. military forces are entitled to use of all Republic of Panama roads without payment of any fee or toll.

(e) Inspection and guidance provided by U.S. military veterinarians to Panamanian suppliers of meats, dairy products, sea foods, fruits, and vegetables, and other foodstuffs have raised standards of the Panamanian industry whereby their products are acceptable for purchase by military forces in the Canal Zone. Without this assistance, in many instances products would have been of inferior quality, and major sales to the Canal Zone could not have been effected.

4. Air-sea rescue and mercy flights:

(a) Military forces in the Canal Zone have flown 91 air-sea rescue or mercy evacuation missions thus far in 1963 in the Republic of Panama. In 1962, 73 missions were completed. The average cost per mission is approximately $400. Its greatest contribution, however, is in the relief of suffering and saving of life of the citizens of Panama.

(b) Many of the missions flown are to remote, inaccessible regions of the Republic of Panama to evacuate seriously ill to medical facilities in major Panamanian communities. The Republic of Panama does not have the air or sea capability to provide this humanitarian service for its population.

5. Disaster relief: Military forces in the Canal Zone stand ready to provide relief in event of disaster in the Republic of Panama. An example of such a relief function was the supply by air of 10 large tents to house homeless as a result of a disastrous fire at Garachine, Panama, on June 18–19, 1963. The tents were air-dropped to the stricken village.

6. Public health:

(a) Medical personnel of U.S. Armed Forces have provided voluntary medical services, both medical and dental, to various isolated communities in the Republic of Panama. In many instances, these services have been virtually the sole source of medical care available to the recipients. Examples are dispensaries operated on a continuing basis at Rio Hato and on Taboga Island.

(b) Personnel have on a continuing basis made voluntary contributions of blood to hospitals in the Republic of Panama. These donations have been made both by members of the Canal Zone military and civilian community and by crews of U.S. naval vessels temporarily docking in the Canal Zone.

7. Geodetic and mapping operations:

(a) The Inter-American Geodetic Survey, headquartered in the Canal Zone, since 1946 has mapped approximately 25 percent of the Republic of Panama and has provided 1:50,000-scale topographic maps to the Republic without cost. The mapping and survey of the Republic of Panama is conducted under a joint agreement signed by the United States and the Republic.

(b) Exclusive of military salaries for 30 military personnel on full-time duty establishing supplemental map control and conducting field classification surveys in the Republic of Panama, IAGS expended approximately $130,000 in fiscal year 1963 in the mapping program for the Republic.

(c) The IAGS Cartographic School in the Canal Zone has trained more than 100 Panamanian citizens in phases of mapping procedures since 1952. These provide a repository of personnel of the Republic skilled in mapping procedures.

(d) Not included in IAGS expenditures are grants for mapping provided the Republic of Panama by the Agency for International Development (AID). Portions of an AID grant of $1 million have been expended by the Republic of Panama for large-scale (1:10,000) mapping programs in the Republic which are supported by the IAGS.

8. Science and technology:

(a) U.S. military forces in the Canal Zone have numerous survey, scientific and technical facilities in operation. These facilities provide information and guidance to the Republic of Panama, which in many instances does not have the trained personnel or equipment for such endeavors. Among such facilities is the U.S. Navy Corrosion Laboratory and Tropical Exposure Station where periodic testing of the effects of the Tropics on materials, metals and petroleum is conducted. Another is the Navy Branch Oceanographic Office, which studies tides, currents and prepares chartwork of regional waters. Results of their studies are made available to the Republic of Panama.

(b) Sea transportation assistance has been provided to archeologists on official research trips to otherwise inaccessible areas of the Republic of Panama.

9. Military training:

(a) During fiscal year 1962, training under the military assistance program was provided to 418 members of the Guardia Nacional. This training was provided primarily at the U.S. Army Forces, Southern Command, School of the Americas, and included courses in pure military skills and techniques, as well as in such technical fields as maintenance of weapons, vehicles, and communications equipment, communications procedures, and radio operation. The U.S. Navy Forces, Southern Command, trained 12 personnel in maintenance and operation of small craft in fiscal year 1962. In fiscal year 1963, 221 Guardia Nacional personnel received MAP-costed training. Thus far, some 900 personnel of Panama have been trained at the School of the Americas since 1949.

(b) In addition to training provided under MAP, the U.S. Air Forces, Southern Command, School for Latin America, has trained Guardia Nacional personnel on a nonreimbursable, space available basis in such subjects as electrical radio repair and operation, fundamental communications, administration and supply, and aircraft mechanics and maintenance. Since 1953, 324 Panamanians have received such training, with 52 of these graduating during the current calendar year.

(c) Training received at Canal Zone military service schools has added to the efficiency of operation of the Guardia Nacional. The technical training received has also added to the Republic's repository of personnel skilled in numerous technical fields.

10. Civilian training: Non-U.S. citizen civilian employees of the U.S. military component commands in the Canal Zone have received substantial training through the years in a variety of technical, supervisory and management skills required by the diversified functions of the command. English language instruction has also been given. A total of 1,953 persons received training under this program in fiscal year 1963, materially improving their earning capability and job competency.

Military people-to-people programs

Tangible monetary benefits to the Republic of Panama, resulting from the presence of U.S. citizens in the Canal Zone, have been uniquely supplemented by highly successful people-to-people programs conducted by the U.S. military community. These programs cannot, and should not, be measured in dollars and cents. Their ultimate purpose is to achieve a mutual understanding of material, social, and cultural environments of both countries.

The people-to-people programs fall under the broad title of "Military Community Relations." Army, Navy, and Air Force community relations efforts in Panama can be summed up through a prime example known as Operation Friendship. This active program was conceived by the U.S. Army Forces, Southern Command, in 1960 to meet an urgent need for improved relationship between the people of Panama and those of the United States.

Operation Friendship activities have touched virtually every facet of life and activity in Panama. School children have benefited through hot lunch programs and school supplies; military units have "adopted" entire orphanages; local athletic programs and facilities have been developed through assistance by the military; interchange athletic contests have been held; local festival participation has been encouraged. These Operation Friendship projects often involve monetary contributions, but more important are the contributions of compassion, interest, knowledge, labor, and enthusiasm by participants.

Dependents of military personnel have joined wholeheartedly in the community relations programs. Women's and youth groups have given assistance to hospitals and orphanages, including many hours of volunteer service, and have participated in joint social and athletic activities with Panamanian groups.

Many of the community relations projects have been successfully consummated through the combined efforts of civic, religious and social leaders of Panama working in concert with members of the U.S. military community. Each contributes according to his means and abilities, and in the achievement of a common goal, increased understanding and harmony between the United States and Panama and the people of the two republics has been realized.

PART IV. PRINCIPAL SOURCES OF EXTERNAL ASSISTANCE TO PANAMA[1]

Introduction

The attached summary of principal sources of external assistance to Panama from fiscal years 1961–63 includes the major contributors only. It should also be noted that the amount of U.S. grant assistance for development projects accounts for only the U.S. contribution and does not reflect the amounts contributed by the Government of Panama.

The Alliance for Progress program in Panama began in fiscal year 1961. This is a joint effort between the United States and Panama in both financial support and practical implementation. Although the Alliance program was initiated in fiscal year 1961, U.S. technical assistance to Panama dates back to World War II and programs administered by the Institute of Inter-American Affairs. Since World War II, there has been a continuous program of technical and economic assistance involving both grants and loans.

U.S. economic assistance listed in this report represents assistance to Panama since fiscal year 1961.

Fiscal years 1961–63

[In millions of dollars]

SUMMARY

U.S. loans	21. 1
U.S. grants	18. 1
Total	39. 2
Loans, international lending institutions	24. 5
Total all assistance	63. 7

1. U.S. LOANS (AID, EXIMBANK)

Fiscal year 1961:	
AID—feeder roads, Nov. 10, 1960	5. 3
AID—budget support, Nov. 30, 1960	5. 0
Eximbank—Tocumen airport, 1961	. 3
Total	10. 6
Fiscal year 1962:	
AID—low cost housing, Feb. 9, 1962	2. 5
Eximbank—garbage collection equipment, Apr. 18, 1962	. 4
Eximbank—highway construction equipment, June 1962	1. 6
Total	4. 5
Fiscal year 1963: AID—Panama City water and sewer	6. 0
Total	21. 1

2. LOANS, INTERNATIONAL LENDING INSTITUTIONS (IDB, IBRD)

Fiscal year 1961: IBRD—feeder roads	7.2
Fiscal year 1962:	
IDB—low cost housing, Aug. 22, 1961	7. 6
IDB—agricultural credit, Jan. 10, 1962	2. 9
IDB—water and sewer (Interior), June 14, 1962	2. 8
Total	13. 3
Fiscal year 1963: IBRD—electrification—Central Provinces, Sept. 14, 1962	4. 0
Total	24. 5

3. SUMMARY OF LOANS BY FUNCTION (SINCE FISCAL YEAR 1961)

U.S. loans:	
Road construction	6. 9
Housing	2. 5
Health—water and sewer improvement, garbage equipment	6. 4
Airport improvement	0. 3
Budget support	5. 0
Total	21. 1
Loans, international lending institutions:	
Road construction	7. 2
Housing	7. 6
Agricultural credit	2. 9
Health	2. 8
Electrification	4. 0
Total	24. 5

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[1] This report includes only the major sources of economic assistance to Panama since fiscal year 1961. It does not include assistance granted under programs sponsored by the U.N., OAS, military assistance program, and food for peace, and therefore, should not be construed as representing the total external assistance efforts during the past 3 years.

Fiscal years 1961-63—Continued

[In millions of dollars]

U.S. GRANT ASSISTANCE

Fiscal year 1961:	
Rural development	1.2
Description: Projects covered agriculture development, agrarian reform, rural cadastre and resources survey, and water resources and power development.	
Financial institution and private enterprise development	.2
Description: Projects covered industrial development institutions, housing credit institution, self-help housing, and national economic planning studies.	
Human resources development	.8
Description: Projects covered higher education, nursing education, and advisory services for education, including University of Panama.	
Nongoal activities	.2
Description: Projects covered public safety and program support.	
Terminating activities	.5
Total fiscal year 1961 grants	2.9
Fiscal year 1962:	
Rural development	9.2
Description: Projects cover agricultural development, agrarian reform, farm-to-market road construction, aerial photo and mapping, self-help schools, contract school construction, rural health facilities construction, water resources and power development.	
Financial institutions and private enterprise development	1.0
Description: Projects: Private enterprise development, industrial development institutions, self-help housing, mineral resources survey, national economic planning.	
Human resources development	.8
Description: Projects cover higher education, nursing education, government management and administration, manpower training, and advisory services for education including University of Panama.	
Nongoal activities	.5
Description: Projects cover public safety, sewer design, program support, hospital design, technical studies for electric power development.	
Terminating activities	.5
Total fiscal year 1962 grants	12.4
Fiscal year 1963:	
Rural development	1.1
Description: Projects cover agrarian reform, farm-to-market road construction, self-help schools, rural health facilities, and water resources and power development.	
Financial institutions and private enterprise development	0.3
Description: Projects cover private enterprise development, housing credit institution, self-help housing, and national economic planning studies.	
Human resources development	.5
Description: Same as fiscal year 1962.	
Nongoal activities	.9
Description: Projects cover public safety, sewer design, and program support.	
Terminating activities	0
Total fiscal year 1963 grants	2.8
Summary of grant assistance fiscal years 1961-63:	
Rural development	11.5
Financial institutions and private enterprise	1.5
Human resources development	2.1
Nongoal activities	2.0
Terminating activities	1.0
Total grants	18.1

(NOTE.—All grant figures represent obligations only. All loan figures represent the total authorized amount of the loan, not the drawdown or amount expended.)

Sources: U-203 reports fiscal years 1961-63. Implementation Approval Documents fiscal years 1961-63. AID Report W-224, "Status of Loan Agreements." CPB fiscal years 1961-63. USAID/P Status of External Loans Report, September 30, 1963. AID S. & R. Division, report, "U.S. Foreign Assistance," July 1, 1945-June 30, 1962.

REMARKS ON SELDON RESOLUTION IN 1960 AND EXCERPTS FROM SUBCOMMITTEE REPORT ON THE PANAMA CANAL IN 1957

Mrs. SULLIVAN. Mr. Speaker, the documents which I have placed in the RECORD as part of my remarks today demonstrate that the United States has not been guilty either of aggression or of cruelty in our dealings with Panama. We could do much more for the Panamanian people than we have done, or than their own leaders have made it possible for us to do. I am convinced that once this serious crisis in our relationship is over, both countries must work more diligently to help the average Panamanian enjoy a better standard of living and a more promising hope of a future for his children, but not as blackmail over the canal.

Surrender of American rights in the Canal Zone will not solve these problems. The decision of President Eisenhower in 1960 to permit the flying of only a single Panamanian flag in the Canal Zone has turned out to have been a cause of greater, rather than less friction, for it led to demands for more flags, and eventually for full parity in flag flying. That, in turn, led to the Balboa High School episode which set off the tragic riots. Whoever thought back in 1959 and 1960 that the Panamanians would be satisfied with the recognition of their "titular" sovereignty through the flying of a single Panamanian flag in the Canal Zone was obviously looking for an oversimplified solution to a bitterly complex problem.

In that connection, Mr. Speaker, and to complete this report I submit the remarks I made in the House on February 2, 1960, when we debated the proposed flying of a Panamanian flag in the Canal Zone.

As part of that speech 4 years ago, I included some excerpts from a report made by my Subcommittee in 1957, following an extensive survey in the Canal Zone and in the Republic of Panama of all major problems then confronting us in that part of the hemisphere:

Mr. Speaker, I hope, after reading the background I have placed in the RECORD of our relations with Panama, any commentators who have been informing us how ignobly we have treated Panama and the Panamanians might be less avid to convict their own country of Panama's bitter charges against us.

SPEECH BY REPRESENTATIVE LEONOR K. SULLIVAN IN THE HOUSE OF REPRESENTATIVES, FEBRUARY 2, 1960, ON HOUSE CONCURRENT RESOLUTION 459, 86TH CONGRESS.

(H. Con. Res. 459 stated that "it is the sense of Congress that any variation in the traditional interpretation of the treaties of 1903, 1936, and 1955 between the United States and the Republic of Panama, with special reference to matters involving the provisions of such treaties concerning territorial sovereignty, shall only be made pursuant to treaty.")

BUNGLING OF OUR RELATIONS WITH THE REPUBLIC OF PANAMA

Mrs. SULLIVAN. Mr. Speaker, as chairman of the Subcommittee on the Panama Canal of the House Committee on Merchant Marine and Fisheries, I have mixed feelings about this resolution. I think it is a sad commentary on the status of national policy formation in this country that the Congress has to say to the executive department, "Don't be so quick to try to give away fundamental American rights." Yet, in effect, that is what we now find we must say on this matter of our relationships with the Republic of Panama over the status of the Canal Zone.

I said I have mixed feelings about the resolution. One reason for those feelings is that the resolution seems to invite the Republic of Panama to come up with proposals for a new treaty, to augment or supplement or replace existing treaties. I am just wondering how much good it would do under present circumstances to have our State Department and the diplomatic officials of the Republic of Panama sit down to talk about another treaty. The last time that happened we practically gave away the Panama Canal Company—at least $24 million worth of its property, plus heavy costs it will have to sustain for years to come, plus an additional $1,500,000 a year which all of the taxpayers of the United States must pay in perpetuity for what amounts to increased rental on the Canal Zone.

RELATIONS WORSENED AFTER 1955 TREATY

Did we get anything for the United States out of the 1955 treaty with the Republic of Panama which has carried such a high price tag? I think the Eisenhower administration felt and hoped it was buying a cessation or at least a reduction of friction between the United States and the Republic of Panama over the existence of the canal in U.S. ownership and possession. If that was the hope, of course it has not materialized. I would say our relations with the Republic of Panama have steadily worsened since that treaty was negotiated and signed. And now, like the constituent who demanded to know of the politician who had done him so many favors in the past, "What have you done for me lately?" the Republic of Panama is pushing and demanding and insisting on further concessions from our Government on the implied threat of violence and other blackmail.

I am going to vote for this resolution now before us but, as I said, my feelings about it are mixed because of its language stating that nothing should be done to change traditional interpretations of our treaties with the Republic of Panama, especially as regards the issue of sovereignty, unless it be done pursuant to treaty. The purpose of this resolution as reported from the Committee on Foreign Affairs is, of course, to make clear congressional opposition to any decision President Eisenhower may make to permit the flying of the Panamanian flag in the Canal Zone as a mark of so-called titular sovereignty of the Republic of Panama over the land which the United States holds in perpetuity for the purpose of operating the Panama Canal. But, as I stated, this is almost an open invitation to the Republic of Panama to demand new treaty negotiations.

MERCHANT MARINE SUBCOMMITTEE DEFERS

We on the subcommittee on the Panama Canal of the Committee on Merchant Marine and Fisheries have had before us for some years other resolutions dealing with the general subject of Panamanian claims of "sovereignty"—titular or otherwise—over the Canal Zone, and while we have from time to time conducted executive session discussions on this matter we have held no public hearings or reported any legislation on it. Our reason was this: The issues involved in this matter are primarily those of a foreign affairs nature as between our country and the Republic of Panama; we did not want to muddy the waters and unnecessarily aggravate discords into open hostility. But, of course, as we all know, events in the area around the Panama Canal last November put the issue blazingly on the front page of every newspaper and after that nothing anyone in the United States might have done or said would have made our relations with the Republic of Panama much worse than they already were.

Nevertheless, we have continued to exercise official restraint as a subcommittee vitally interested in this matter, and we deferred to the Foreign Affairs Committee and joined them in hearings on this question. We still have before our subcommittee proposed resolutions which would denounce as violative of law, treaty, international usage and historic American policy any administrative decision by President Eisenhower to permit the formal display of the flag of the Republic of Panama in the Canal Zone. I would hate to have to support such condemnation of our President as such a resolution would imply. On the other hand, I think it is clear to all of us here that Congress is unitedly opposed to the giveaway of American rights that the flying of the Panamanian flag in the Canal Zone would represent.

APPEASEMENT INVITES BLACKMAIL

We are concerned primarily not over the flying of a pennant, but what that would mean to the people of Panama—and what it would mean in terms of future demands and blackmail upon the United States. Let us make no mistake: the leaders of the Republic of Panama and the people of the Republic of Panama long for the day which would bring them possession and control of the canal. And the less responsible the politician in that country, the more success he can achieve for his cause by flaying Uncle Sam and demanding the seizure of the canal. Those of us who have been there have seen this in operation time and time again. And no matter how responsible the Government of the Republic of Panama is and tries to be, it cannot deny the potency of the groups within the Republic which build political power on the idea of acquiring the canal for the Republic of Panama.

This is what we are up against—and we all know it. But we wonder if our State Department recognizes it. We wonder if the President realizes it. The offhand remark made by the President that the Republic has titular sovereignty, and the announcement that we may very well agree to let the Republic's flag fly in the Canal Zone are part of a pattern of bungling. I feel, of our relations with the Republic of Panama.

Does this mean I am anti-Panama or feel we should do nothing to help Panama? Far from it. I do not believe in waving a big stick at a nation with which we have such long and close ties. Nor on the other hand do I think we should shrink in timid fear from the issues involved in that relationship.

U.S. HAS MISSED OPPORTUNITY FOR MEANINGFUL HELP TO PANAMA

But we have—particularly in recent years, under the present administration—bungled our relationship with Panama by failing utterly to take advantage of a great opportunity available to us there. We have a multibillion-dollar foreign aid program underway all over the world. We are helping underdeveloped nations—or should be trying to do so—in every part of the world. What have we done for and in the Republic of Panama to help the people of that impoverished nation to build up their resources and raise living standards? Very little.

A year ago, my subcommittee from the 85th Congress filed a report with the Committee on Merchant Marine and Fisheries which was later reported to the House on July 14, 1959—and printed as House Report 656 of the 86th Congress. In it, we discussed all aspects of the operation of the canal by the Panama Canal Company and the problems of expansion of capacity and so on. It was a broad review of canal operations.

We were, however, acutely conscious of the problems arising for the Panama Canal Company—and the Government and people of the United States, too, I might add—growing out of the continued poverty of the people of Panama, the lack of job opportunities and industries, and their need for economic help. For out of the economic deprivation which attacks so many Panamanians is generated the political dream of great riches for all if only Panama owned the canal. In the meantime, every Panamanian seems convinced the canal is a logical source for ever-greater annuities, concessions, and benefits—it always appears as the answer to every Panamanian's unfilled economic wants.

Why is that so? Because so many in Panama have so little, and not too much immediate hope of getting more, except through dreams of the seizure of the canal or the milking of the canal's revenues.

AVERAGE PANAMANIAN SEES CANAL AS ANSWER TO ALL NEEDS

As long as there is so much poverty in the Republic of Panama, and as long as American citizens in the Canal Zone live so close by in comfort, along the lines of American living standards, the people of Panama are going to envy and yearn. Those Panamanians who work on the canal are so much better off than their fellow Panamanians that the magic of the canal's economic power grows and grows in the minds of the Panamanian people.

We will never succeed in having really solid relationships with the people of Panama until they, too, are able generally to live on a decent standard. The canal cannot provide it for them. We know that and the responsible leaders of the Republic of Panama know it. But the people tend to think the canal could answer all of their needs and desires.

In our report last year, we discussed this matter at some length and I will include that part of our report at the end of my remarks today. I hope the members will read that inserted material—I do not have the time allotted to me here now to read it aloud. But I want to make this point:

WE SHOULD HELP THROUGH REAL POINT 4 PROGRAM

We said in our report that the subcommittee "noted with approval the attempts being made by the United States toward helping to solve the economic problems of the Republic of Panama through various U.S. Government programs for helping underdeveloped areas." The report then proceeded to list some of these activities.

Actually, as I first drafted this part of the report, it would have gone much further to call for a great expansion of point 4 and related activities in the Republic of Panama to help raise living standards so that the canal no longer seemed to stand as the symbol of the only means by which a Panamanian could hope to live decently. In trying to achieve a unanimous report, however, I had to delete this language because some of the minority members of the subcommittee in the 85th Congress felt they did not want to be committed to the principle of broadening foreign aid. So what we did was merely to list the programs already underway in Panama and "note with approval" that they were in operation.

But they do not begin to meet the real needs of that country for help in building up industrial and economic resources. And this represents a failure on the part of our State Department and diplomatic planners and top executive policy.

If Panama were truly prosperous—if it had resources other than this canal—if it had jobs for all of its people and decent housing for them and an expanding economy, we could look for tranquillity in the operation of the canal and in our relationships with Panama. But we are trying to buy a proud people with driblets of handouts and are being blackmailed in turn, and we have no policy or plan for dealing with this dilemma except to wait until the pressures build up and explode around the boundaries of the Canal Zone and then give a little here or there and hope we have bought peace.

This is a ridiculous policy, and a useless one. It has won us nothing but animosities and jealousy and discontent from the Panamanians and the ever-ready weapon of blackmail used whenever it suits the purposes of some of the nationalist leaders in Panama.

THIS RESOLUTION NO SUBSTITUTE FOR EFFECTIVE NATIONAL POLICY

I will support the resolution before us, but with mixed feelings. It is a stopgap emergency measure to try to halt the implementation of a mistaken executive policy. But this resolution is no subtitute for an affirmative policy. That is what we need desperately in Panama—a policy to help the Panamanian people in ways that count. If we had that kind of policy, the piecemeal surrenders which we have been making on this important question of American ownership and control of the Panama Canal would no longer be necessary, for the people of Panama could then look objectively at the canal and its problems and help us solve those problems for the mutual benefit of them and us and all maritime nations.

But as long as nearly 1 million Panamanians live on less-than-minimum standards, they can hardly look objectively at the problems connected with the canal—they would rather gobble it up even though it meant eating the goose that lays the golden eggs. When you are hungry, Mr. Speaker, it is hard to put off eating the meal which appears to be so invitingly spread before you, and that is exactly what the Panama Canal looks like to most citizens of Panama.

Mr. Speaker, I include at this point the relevant portions mentioned above of House Report No. 656 on the Panama Canal. First I include our discussion of the impact of the 1955 treaty. This material indicates what happened the last time our Government negotiated a new treaty with the Republic of Panama.

[Excerpts from H. Rept. No. 656, a report on the Panama Canal]

"IV. IMPACT OF THE 1955 TREATY WITH REPUBLIC OF PANAMA

"The physical limitations of a facility built half a century or so ago are not the only problems facing officials and employees in the operation of the canal. As a matter of fact, the subcommittee was deeply concerned during its extended visit to the Canal Zone over the extent of the problems created for thousands of employees of the canal and for our entire operation in the zone by numerous provisions of the 1955 treaty.

"Morale among American citizen employees of the Canal Company and Zone Government was seriously threatened by some adjustments made necessary as a result of the treaty. The Governor of the Canal Zone (and ex officio President of the Panama Canal Company), Maj. General W. E. Potter, is to be congratulated for the tremendous job he has done personally in trying to meet morale problems head on. He has made it possible for employees to bring new problems to official attention immediately—to his personal attention—and to enable employees to receive clear and unequivocal answers to their questions. Undoubtedly, the Governor's warm personality and sincere interest in employee living and working conditions have been largely responsible for preventing a serious breakdown in morale as a result of recent, necessary readjustments.

"Since management officials of the Canal Company and the Zone Government were also having their own share of problems in conforming with treaty requirements, most of the U.S. citizen rank-and-file employees were willing to make the best of a difficult transitional situation, knowing that as Americans they were all involved in varying degrees in the same problems.

"Open hearing scheduled in Canal Zone

"The subcommittee performed, we believe, a most valuable function in this connection in conducting an open hearing at which various employee groups were represented by spokesmen and individual witnesses were also heard on a wide variety of phases of Canal Zone living, problems, and concerns.

"Testimony ranged over such widely divergent fields as the standards for nurses to the degree of—or lack of—democracy available to the American families living in the Canal Zone. A basic concern, however, was the impact upon living costs and living conditions as a result of the 1955 Treaty of Mutual Understanding and Cooperation agreed to by the United States and the Republic of Panama, and its accompanying memorandum of understandings reached.

"Much of the time of the subcommittee—most of the time of the subcommittee—was devoted to study of the impact of this treaty upon canal operations but the morale aspect involving individual employees was certainly important enought to warrant the serious attention the subcommittee gave it.

"Provisions of 1955 treaty

"The original 1903 treaty between the United States and the Republic of Panama, following the later nation's achievement of independence from Colombia, provided for a lump-sum payment of $10 million in gold coin, and an annual payment of $250,000 in gold coin, for U.S. rights in perpetuity in the 10-mile-wide strip which then became the Canal Zone. The land was to be turned over for the purpose of construction of a ship canal, with powers within that area which the United States would possess and exercise as if it were the sovereign of the territory—to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority.

"In 1936, following the devaluation of the American dollar in terms of gold content, the 1903 treaty was revised by mutual agreement between the United States and the Republic of Panama to raise the annuity payment to $430,000, retroactive to the 1934 payment reflecting the actual change in gold value. The amount of the annual payment remained unchanged thereafter until the treaty of 1955.

"That treaty, and the memorandum of understandings reached increased the annual payment to the Republic of Panama by $1,500,000 to a total of $1,930,000. It made these further concessions or awards to the Republic of Panama:

"It provided for the outright transfer to the Republic of Panama, free of cost, as soon as practical, of all of the properties of the Panama Canal Company or the Canal Zone Government located outside of the Canal Zone itself in the territory of the Republic of Panama. Extensive other properties of the Defense Department and the Department of State of the United States similarly located outside the Canal Zone in Republic of Panama territory were also to be transferred on the same terms.

"(The property involved in this mass transfer—schools, hospitals, extensive residential construction, complete terminal facilities at both the Atlantic and Pacific ends of the Panama Railroad, railroad yards, military reservations, etc., was valued at about $24 million. Many of the facilities involved required replacement, within the Canal Zone, in one manner or another.)

"The United States, furthermore, has undertaken to construct a high-level, $20 million bridge across the canal at Balboa to speed Panamanian vehicular traffic from one part of the Republic of Panama to another.

"(The existing Miraflores Bridge, a drawbridge, has been opened so often in recent years to permit ships to go through, and has been kept open for such long intervals due to delays in transiting larger ships, that it has been a serious bottleneck and a source of resentment to citizens of Panama. A ferry service operated as a free convenience by the Panama Canal Company is far from adequate to meet the needs.)

"There were many additional concessions included in the 1955 agreements with the Republic of Panama: an agreement to eliminate various Panama Canal Company commercial operations regarded by the Republic of Panama as competing with its enterprises; the denial of commissary privileges in the Canal Zone to Panamanian citizen employees not actually living in the Canal Zone; establishment of a single basic wage and salary scale for both U.S. citizens and Latin Americans performing similar work (although U.S. citizens continue to receive a 25-percent differential); extension of U.S. civil service competitive procedures in the Canal Zone to non-U.S. citizens applying for jobs for which they are qualified (except for designated security positions reserved to U.S. citizens); right to impose income tax on Panamanian citizens living in the Canal Zone; transfer to the Republic of Panama of full responsibility for all sanitation work outside the Canal Zone; extension of U.S. civil service retirement benefits to Latin American employees in the Canal Zone; and numerous other concessions to the Republic of Panama, its treasury, its economy, and its sense of national pride.

"Subcommittee, and Congress, carry out treaty obligations

"Negotiations for the treaty of 1955 were initiated by the Presidents of the United States and of the Republic of Panama during a state visit by President Remon of Panama to the United States in September–October 1953, and were completed by diplomatic officials of the two countries. The resulting treaty was then ratified by the Senate of the United States. Up to that moment, of course, there was no requirement under the Constitution of the United States for consultation with the House of Representatives or any of its committees as to the terms of the treaty.

"Nevertheless, the negotiation and ratification of the treaty of 1955 created substantial obligations for the United States which could be fulfilled only by legislation either originated by or concurred in by the House of Representatives. This subcommittee, and the Committee on Merchant Marine and Fisheries, thus were faced with the responsibility for guiding to enactment some of the necessary legislation to implement the 1955 treaty. It was not a particularly happy assignment.

"In addition to the House Committee on Merchant Marine and Fisheries, the House Committee on Post Office and Civil Service, and the House Committee on Appropriations also had legislative responsibilities thrust upon them by the 1955 treaty.

"Of course, with the good faith of the Government of the United States in the balance, it is incumbent upon the House of Representatives to agree to the enactment of necessary implementing legislation to carry out treaty obligations entered into without any consultation with the House, unless there appear to be compelling, overriding reasons of the most far-reaching importance to the Nation for the House to feel it should not go along.

"Thus, even though the 1955 treaty with the Republic of Panama gave to the United States virtually no concession of any significance (other than the temporary use of some Panamanian land for defense maneuvers), and even though the treaty imposed many financial burdens on the United States, the Canal Company, and the Canal Zone Government, and even though it disrupted the living arrangements of many American families, the various committees of the House required to initiate or approve legislation to implement the treaty all carried out this obligation conscientiously, even if reluctantly.

"For instance, on the recommendation of this subcommitte, the Committee on Merchant Marine and Fisheries approved and guided through the House H.R. 6709, by Chairman BONNER, to authorize transfer of the listed treaty property items to the Republic of Panama and to provide for appropriate revisions in the Panama Canal Company's financial structure. This legislation was ultimately approved August 30, 1957, as Public Law 85–223.

"Similarly, on the recommendation of the Committee on Post Office and Civil Service, legislation to establish the single wage scale for both U.S. citizens and Latin American employees in the zone and to extend civil service opportunities and retirement benefits to non-U.S. citizens in the Canal Zone was approved July 25, 1958, as Public Law 85–550.

"And the Committee on Appropriations provided funds in the appropriate appropriations bill to pay an additional $1,500,000 a year to the Republic of Panama and to build the $20 million high-level bridge across the canal at Balboa Heights.

"Allocation of cost of increased annuity

"President Eisenhower and the Bureau of the Budget had recommended in connection with committee and subcommittee consideration of H.R. 6709, that the additional $1,500,000 annual money payment to the Republic of Panama be added to the annual obligations of the Panama Canal Company.

(The Canal Company, out of its resources as a business-enterprise-type Government corporation, has been responsible since 1951 for providing the $430,000 to pay the Republic of Panama each year as called for under the treaty of 1936.) The Committee on Merchant Marine and Fisheries did not include this administration recommendation in H.R. 6709. As a result, the additional $1,500,000 for Panama each year is appropriated by Congress as part of the funds of the Department of State, while the Panama Canal Company continues to provide annually for this purpose only the $430,000 originally assessed against it.

"Canal Company—Zone Government relationship

"The subcommittee has noted a great deal of misunderstanding over the different roles played by the Panama Canal Company and the Canal Zone Government and the completely different accounting systems and budget structures they have. Perhaps this is a good place to try to clear up some of the possible confusion. Both agencies exist primarily, of course, for the purpose of assuring the efficient operation of the canal.

"Prior to 1951 the Panama Canal was maintained and operated by a governmental agency known as the Panama Canal which was also responsible for governmental activities in the Canal Zone and operated part of the supporting activities essential to the operation of the canal. The Panama Railroad Company, which before 1948 was a New York corporation, had been owned by the United States since the stock was acquired in 1904 with the other assets of the New French Canal Co. The corporation was originally formed as a private company to build and operate the Panama Railroad, but after the U.S. Government acquired the stock the Company was used extensively in support of first the construction and then the operation of the canal. It not only furnished transportation services through the railroad and the steamship line, but it also operated the commissaries, the dairy, the hotels, and other supporting activities of a business type.

"Public Law 808 of the 80th Congress, approved June 29, 1948, provided a Federal charter for the Panama Railroad Company and several of the activities of a business type that had been carried on by the Panama Canal were transferred to the corporation.

"Public Law 841 of the 81st Congress, approved September 26, 1950, and effective July 1, 1951, provided for the transfer to the corporation of the remaining business-type activities of the Panama Canal, including the waterway. The name of the corporation was changed from Panama Railroad Company to Panama Canal Company, since the operation of the waterway would thereafter be the primary activity of the Company.

"Activities of a governmental nature, such as the operation of schools and hospitals and the provision of police and fire protection, which had been carried on by the Panama Canal, were not transferred to the corporation but the name of that agency was changed to Canal Zone Government.

"Funds for operation of the Canal Zone Government are appropriated annually by Congress, but the entire appropriation is reimbursed by the Treasury from receipts of the Canal Zone Government or direct reimbursement by the Panama Canal Company. In fiscal year 1958 the net cost of Canal Zone Government reimbursed to the Treasury by the Company was $10.7 million.

"The Panama Canal Company is required by law to recover all costs of operation and maintenance of its facilities, including depreciation. The Company is also required to pay interest to the U.S. Treasury on the net direct investment of the U.S. Government in the Company, and to reimburse the Treasury for the annuity payments to the Republic of Panama of $430,000 required under the 1936 treaty. The Panama Canal Company, while not expected to make any significant profits, is expected to pay its own way in every respect. If it does not do so, tolls are to be revised to make the operation self-sustaining. Revising the tolls structure, however, is a very long drawn out and complicated procedure. The tolls structure has remained virtually unchanged since the canal was first opened.

"While the Canal Company's operating revenues since 1955 would probably have covered the additional $1,500,000 annuity payment if such charge were assessed against the Company, it is possible that within a few years this added obligation would require a change in toll rates. Unresolved, in the meantime, is the question whether the additional amount of the annuity is properly assignable as an operating expense of the Panama Canal or is more appropriately a charge against the Nation's foreign policy, where it now lies."

Now, Mr. Speaker, I submit for inclusion as part of my remarks on this resolution another segment of our subcommittee report in the last Congress on the Panama Canal, as reprinted in this Congress in House Report No. 656 from the Committee on Merchant Marine and Fisheries. The following material, including a detailed description provided us by the International Cooperation Administration of all point 4 programs operating at that time in the Republic of Panama, attempts to show the basic cause of our difficulties in Panama—the poverty of the people there and the need for improved living standards.

This section of House Report No. 656 is as follows:

"VI. RELATIONS WITH REPUBLIC OF PANAMA

"In its tours of the many and valuable properties and parcels of land being turned over to the Republic of Panama under terms of the 1955 treaty, the subcommittee was distressed to learn that the Republic of Panama had incomplete or completely vague plans as to the use of much of this property.

"For instance, attractive residences in the Colon area which had already been transferred were boarded up and unused, rapidly deteriorating in the tropical humidity. The old Colon Hospital was also unused and seemingly abandoned—marked by vandalism.

"At the same time, we were aware that some anti-U.S. elements in the Republic of Panama were actively seeking to stir up discord over the so-called delays of the United States in carrying out the 1955 treaty.

"American citizens forced under the treaty transfer to move out of their previous residences were understandably resentful in seeing their old homes boarded up and unused. Such were some of the elements of friction in the relations between national groups.

"Resentment over delay on new bridge

"On the other hand, the subcommittee was impressed by the sincere desire of Governor Potter and his aids to comply not only with the letter of the 1955 treaty but with the spirit of that treaty, as well. Governor Potter quickly was able to make clear to us the importance to the average citizen of the Republic of Panama of a prompt start on the Balboa Heights Bridge, for instance. After noting the long delays suffered by the motorist in trying to get across the canal, we could understand how the failure of the Congress to appropriate construction funds for the new bridge in 1957 could have led to strong anti-American feeling. A motorist held up interminably long by an open drawbridge or waiting in the tropic sun to find space on the auto ferry can quickly become a most impatient person—and if Uncle Sam seems to be the cause of the discomfort, the motorist can be forgiven, perhaps, for feeling put upon. Now that this Congress has appropriated the necessary funds to construct the new bridge, it should restore to the United States the goodwill that may have been lost last year.

"Governor Potter took additional pains to outline to the subcommittee facts on the needs as well as aspirations of the people of the Republic of Panama in trying to overcome a serious deficit in their balance of trade, in providing better employment opportunities for their people, desperately needed housing, and other improvements in a small country with little or no industry and many serious problems.

"These problems, also described to the subcommittee informally by officials of the U.S. Embassy and the Technical Cooperation Administration mission in Panama, were readily apparent to the subcommittee.

"Endless arguments over sovereignty

"Nevertheless, the subcommittee was frankly disturbed to note efforts of some elements in the Republic of Panama to see an easy solution to every problem affecting the country by the simple device of demanding an ever-higher annuity from the United States, demanding some fixed percentage of tolls collected, or even suggesting the claim of Panamanian sovereignty over the canal.

"Arguments among student groups, particularly, over the question of sovereignty in the Canal Zone are seemingly endless. And agitation for further revisions in the treaty appears to be receiving constant attention in the Panamanian press. The success of the Republic of Panama in negotiating for so many highly desirable concessions from the United States in 1955 has seemingly whetted the appetite of some groups within the country to seek another round.

"It is the firm conviction of the subcommittee that the United States should not permit the Panama Canal to be a pawn in our normal diplomatic relations with Panama.

"Under the circumstances, the subcommittee was particularly gratified to concur in a request to the Department of State by Chairman BONNER of the Committee on Merchant Marine and Fisheries to keep our committee informed of any future negotiations leading to any change in treaty relationships. Chairman BONNER recalled the extremely vague State Department explanation of the background of the negotiations leading to the 1955 treaty and also cited the difficulty encountered by our committee in winning House concurrence on legislation to implement the 1955 treaty.

"Despite the tremendous concessions made to the Republic of Panama under that treaty, some ultranationalist elements within that country continue to see in the canal an ever-handy instrument for attacks upon U.S. policies.

"Point 4 programs in Panama

"In view of our country's traditional friendship for the people of Panama, the subcommittee noted with approval the attempts being made by the United States toward helping to solve the economic problems of the Republic of Panama through various U.S. Government programs for helping underdeveloped areas.

"We are currently engaged in a point 4 program in Panama which represents an annual expenditure on our part about equivalent to the annuity we now pay under the treaty of 1955. In addition, we donate surplus foodstuffs to the needy of Panama—through CARE and the U.N. Children's Fund—to a value of $1,378,000, mostly cheese and nonfat dry milk.

"A recent compilation of point 4 projects undertaken in the Republic of Panama under the direction of the International Cooperation Administration included the following:

" 'ICA PROGRAM IN PANAMA

" 'Food and agriculture

" 'Crop and livestock development.

" 'Agricultural economics and planning.

" 'Research, agricultural education, and extension.

" 'Land use studies.

" 'Cooperatives promotion.

" 'The current program of assistance in agriculture endeavors to support a basic agricultural improvement program through the creation of modern technical service agencies. Experimental and demonstration projects in crop and livestock improvement have contributed to increased local production of corn, milk products, meat, poultry, rice, and coffee. Economic planning activities and a technical information service have been well established. Many young Panamanians have now returned from undergraduate and graduate study in the United States and have assumed professional responsibilities for many phases of the program.

" 'The poultry project in Panama has been particularly successful. In November 1953, the cooperative agricultural program in Panama initiated a project aimed at creating a national source of baby chicks and fertile eggs, and also demonstrating modern methods of poultry care. After some success with ICA demonstrations, a number of private individuals began to raise poultry on a volume basis. These new projects have increased the number of chickens in Panama by 15 percent since 1953. This represents an increase in value in private industry within the country in birds alone of approximately $250,000. The ICA-sponsored demonstration project was ended in December 1957.

" 'Industry and mining

" 'Industrial development center.

" 'Water resources development.

" 'Investigation of Panama's water resource potential initiated in 1956 was greatly accelerated last year. The production of basic hydrologic data and aerial mapping were stepped up. Preliminary feasibility studies were undertaken by contract arrangement for the three most probable power damsites in the central provinces and required transmission systems. This contract included a power market survey, preliminary designs, and cost estimates; the contract was recently completed, and will be used as a basis for the preparation of a definite project report during 1959. Meanwhile the collecting of basic hydrologic data will be continued at the present rate.

" 'The Industrial Development Center, established by joint United States and Panamanian funds late in fiscal year 1956 under the directorship of a Panamanian has expanded to include economic analysis, industrial engineering, and public information. A start has been made in bringing a series of special consultants to advise on the improvement of specific industries. An industrial engineer has been added to the U.S. technical staff. The present organization of the center now provides an effective base which permits a rate of training and technical guidance not considered possible a year ago. Technical assistance is being offered in (1) evaluation and promotion of development possibilities in productive enterprises with emphasis on small-to-medium-sized new industry, (2) improvement of productivity of existing industry including food, clothing, shoes, and essential household items, and (3) evaluation of possible resource development projects. A major project during 1958 was a top management conference.

" 'Transportation and power

" 'Civil aviation.

" 'Public roads.

" 'Technical assistance in this field during the past year, provided by one consultant who draws upon the regional aviation assistance group as required, has been centered on (1) the preparation of a national airport development plan on which considerable progress has been made, (2) the establishment of sound aviation standards, (3) the development of a modern civil aviation law, and (4) the development of technical skills through training.

" 'A project in support of Panama's public road program financed by the World Bank, consisting of training only, is under consideration. Training will include maintenance, engineering, and administration.

" 'Health and sanitation

" 'General engineering services.

" 'Health education and nutrition.

" 'Nursing education.

" 'Hospital administration.

" 'In fiscal year 1959, consultation in tuberculosis control will continue, although the Government of Panama is expected to take over the entire mass X-ray program. The nursing program at the school of nursing will phase out in fiscal year 1959, but consultation will continue. Efforts in health education will be primarily toward training to further strengthen the health education service now established in the Ministry. Support to the nutrition service of the Ministry, emphasizing nutrition education will reach full proportions. The hospital administration project, having achieved major reforms will be brought to a close. Major emphasis will be given to the water and sewer system project under the Smathers amendment of the Mutual Security Act of 1957.

" 'In 1957 an ICA loan was made to Panama for the improvement and extension of the water and sewer system in Panama City. Funds for the loan, $2 million, were made available by the Smathers amendment, which provide development funds specifically for Latin American countries. The loan was received with great appreciation by the Government of Panama. A contribution nearly matching ICA's contribution was made by the Panamanian Government. Construction on the project has progressed rapidly. The first phase of construction has been completed and contracts for the second and third phases have already been let. Aprpoximately one-fourth of the dollar amount of the project has already been let in contracts.

" 'Education

" 'Vocational and industrial arts.

" 'Elementary (rural) education.

" 'The elementary teacher-training program now includes all three national normal schools with their affiliated primary practice schools. During the past year elementary school supervision was advanced by stateside training for 17 supervisors and by a seminar in supervision for primary school directors. A rural school nuclei comprising 10 schools around the town of Capira was organized for demonstration in grouping schools for improved administration and supervision.

" 'Assistance in vocational agriculture at David and Divisa was extended to include prevocation agriculture at six junior high schools elsewhere. Further leadership and technical training has been provided to national vocational supervisors in business education, homemaking, school administration, vocational agriculture, vocational arts, and vocational industrial education. In both vocational and rural elementary education, intensive work was carried out during the summer vacation in the form of seminars, workshops, and institutes for inservice training credit, attended by 180 teachers in 5 subject fields. The program for fiscal year 1959 included a continuation of the work in vocational and junior high schools and in the rural elementary and normal schools, elementary school supervision, the development and production of teaching materials, industrial arts, and elementary school agriculture.

" 'Public administration

" 'The major project in this field involves a university-to-university contract between the University of Tennessee and the University of Panama. Under the contract, the University of Tennessee is aiding the University of Panama to strengthen its school of public administration.

" 'Community development

" 'An interministerial committee was first organized in August 1956 as an instrument to bring all governmental resources into focus on community problems of rural improvement. Under Panamanian leadership, it embraces agricultural extension, education, health, welfare, housing, credit, and university interests. Under the sponsorship of this group, a training course in community development was offered and a new community project was begun in the town of Capira.

" 'Point 4 Week in Panama

" 'Panama celebrated Point 4 Week in March 1958. The ICA mission worked closely with the U.S. Information Service in carrying out this project. In his proclamation President de la Guardia said, "It gives me great pleasure to acknowledge publicly the magnificent assistance extended by the point 4 program in support of the economic and technical development of my country. This program illustrates the spirit of cooperation and mutual understanding between the United States and Panama, a spirit so necessary to stimulate a prosperous and peaceful way of life among nations." Throughout the week point 4 was publicized by news articles, newsreels, and publicly displayed models of point 4 projects.'

"Panama overdependent on canal

"It is interesting to note, in this connection, that an official ICA factsheet on Panama, issued as part of the International Cooperation Administration's country series, states that the Republic of Panama is overdependent on the Canal Zone for income.

"It is natural, in the absence of industry or other important avenues of earning for the people of Panama, that canal revenues expressed in terms of $50 million of receipts a year might appear to look extremely inviting as a solution for all of Panama's economic ills.

"The truth is, of course, that the seemingly high receipts of the Panama Canal Company represent not profits, but the recovery of maintenance costs, interest, amortization, and other costs of an enterprise which by law is supposed to pay its own way. As a matter of fact, the Republic of Panama already collects each year, in the present $1,930,000 annuity, much more than half of the approximately $3 million in so-called profits of the canal's operations. The $3 million estimate of 'profits,' furthermore, would be cut in half if the full cost of the present annuity to Panama were assessed against the Company.

"We repeat for emphasis: The canal should not be permitted to become a pawn in our normal diplomatic relations with the Republic of Panama.

"Subcommittee on Panama Canal: Leonor K. Sullivan, Chairman; Edward A. Garmatz; T. A. Thompson; Herbert Zelenko; Vincent J. Dellay; Timothy P. Sheehan; William S. Mailliard; Francis E. Dorn; Robert J. McIntosh."

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. THOMPSON of New Jersey, on Monday, for 1 hour.

Mr. HOLIFIELD, on Monday, for 1 hour.

Mr. SMITH of Iowa, on Monday, for 30 minutes.

Mr. GALLAGHER, on Monday, for 1 hour.

Mr. **Ashbrook**, on Monday, for 1 hour.

Mr. **Moorhead**, for 1 hour, on Monday next.

Mr. **Multer**, for 1 hour, on Monday next.

Mr. **Halpern** (at the request of Mr. **Thomson** of Wisconsin), for 15 minutes, on Monday, February 10.

Mr. **Conte** (at the request of Mr. **Thomson** of Wisconsin), for 1 hour, on Monday, February 10.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. **Gathings** in two instances.

Mr. **Flynt** and to include a statement by the gentleman from Florida [Mr. **Sikes**].

Mr. **Patman**.

Mr. **Abernethy** to extend his remarks made in the Committee of the Whole and to include extraneous matter.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The question is on the motion.

Mr. McCULLOCH. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 220, nays 175, not voting 36, as follows:

[Roll No. 30]

YEAS—220

Abbitt
Abernethy
Addabbo
Albert
Andrews, Ala.
Ashley
Ashmore
Aspinall
Baring
Beckworth
Bennett, Fla.
Blatnik
Boggs
Boland
Bolling
Bonner
Brademas
Brooks
Brown, Calif.
Buckley
Burke
Burkhalter
Burleson
Byrne, Pa.
Cameron
Carey
Casey
Celler
Chelf
Cohelan
Colmer
Corman
Daddario
Daniels
Davis, Ga.
Dawson
Delaney
Dent
Denton
Diggs
Dingell
Donohue
Dorn
Dowdy
Downing
Edmondson
Edwards
Elliott
Everett
Evins
Fallon
Farbstein
Fascell
Finnegan
Fisher
Flood
Flynt
Forrester
Fountain
Fraser
Friedel
Fulton, Tenn.
Fuqua
Gallagher
Garmatz
Gary
Gathings
Giaimo
Gibbons
Gilbert
Gill
Gonzalez
Grant
Gray
Green, Oreg.
Griffiths
Hagan, Ga.
Hagen, Calif.
Haley
Hanna
Hansen
Harding
Hardy
Harris
Hawkins
Hays
Healey
Hébert
Hechler
Henderson
Herlong
Holifield
Huddleston
Hull
Jarman
Jennings
Joelson
Johnson, Calif.
Johnson, Wis.
Jones, Ala.
Jones, Mo.
Karth
Kastenmeier
Kee
Kelly
Keogh
King, Calif.
Kirwan
Kornegay
Landrum
Lennon
Lesinski
Libonati
Long, La.
McDowell
McFall
McMillan
Macdonald
Madden
Mahon
Marsh
Matsunaga
Matthews
Miller, Calif
Mills
Minish
Monagan
Montoya
Moorhead
Morgan
Morris
Morrison
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Murray
Natcher
Nedzi
Nix
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen, Mont.
Olson, Minn.
O'Neill
Patman
Patten
Pepper
Perkins
Philbin
Pickle
Pilcher
Poage
Pool
Price
Pucinski
Purcell
Rains
Randall
Reuss
Rhodes, Pa.
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Rodino
Rogers, Fla.
Rooney, N.Y.
Rooney, Pa.
Roosevelt
Rosenthal
Rostenkowski
Roush
Roybal
Ryan, Mich.
Ryan, N.Y.
St Germain
St. Onge
Scott
Selden
Senner
Shipley
Sickles
Sikes
Sisk
Slack
Smith, Iowa
Smith, Va.
Staebler
Staggers
Stephens
Stratton
Stubblefield
Sullivan
Taylor
Teague, Tex.
Thomas
Thompson, La.
Thompson, N.J.
Toll
Tuck
Tuten
Udall
Ullman
Van Deerlin
Vinson
Waggonner
Watson
Weltner
White
Whitener
Whitten
Wickersham
Williams
Willis
Wilson, Charles H.
Winstead
Wright
Young
Zablocki

NAYS—175

Abele
Adair
Alger
Anderson
Andrews, N. Dak.
Arends
Ashbrook
Avery
Ayres
Baldwin
Barry
Bates
Battin
Becker
Beermann
Belcher
Bell
Berry
Betts
Bolton, Frances P.
Bolton, Oliver P.
Bow
Bray
Brock
Bromwell
Broomfield
Brotzman
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Bruce
Burton
Byrnes, Wis.
Cederberg
Chamberlain
Chenoweth
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Collier
Conte
Corbett
Cramer
Cunningham
Curtin
Curtis
Dague
Derounian
Derwinski
Devine
Dole
Dulski
Duncan
Dwyer
Ellsworth
Findley
Fino
Ford
Foreman
Frelinghuysen
Fulton, Pa.
Glenn
Goodell
Goodling
Grabowski
Griffin
Gross
Grover
Gubser
Gurney
Hall
Halleck
Halpern
Harrison
Harsha
Harvey, Ind.
Harvey, Mich.
Hoeven
Horton
Hosmer
Hutchinson
Jensen
Johansen
Jonas
Karsten
Keith
Kilburn
King, N.Y.
Knox
Kunkel
Kyl
Laird
Langen
Latta
Lindsay
Lipscomb
Lloyd
Long, Md.
McClory
McCulloch
McDade
McIntire
McLoskey
MacGregor
Mailliard
Martin, Nebr.
Mathias
May
Meader
Michel
Miller, N.Y.
Milliken
Minshall
Moore
Morse
Morton
Mosher
Nelsen
Norblad
Osmers
Ostertag
Pike
Pillion
Pirnie
Poff
Powell
Quie
Quillen
Reid, Ill.
Reid, N.Y.
Reifel
Rhodes, Ariz.
Rich
Riehlman
Robison
Rogers, Colo.
Roudebush
Rumsfeld
St. George
Saylor
Schadeberg
Schenck
Schneebeli
Schweiker
Schwengel
Secrest
Short
Shriver
Sibal
Skubitz
Smith, Calif.
Snyder
Springer
Stafford
Stinson
Taft
Talcott
Teague, Calif.
Thomson, Wis.
Tollefson
Tupper
Utt
Vanik
Van Pelt
Wallhauser
Weaver
Westland
Whalley
Wharton
Widnall
Wilson, Ind.
Wyman
Younger

NOT VOTING—36

Auchincloss
Barrett
Bass
Bennett, Mich.
Cahill
Cannon
Cooley
Davis, Tenn.
Feighan
Fogarty
Hemphill
Hoffman
Holland
Horan
Ichord
Johnson, Pa.
Kilgore
Kluczynski
Lankford
Leggett
Martin, Calif.
Martin, Mass.
O'Brien, Ill.
O'Konski
Passman
Pelly
Rivers, Alaska
Rogers, Tex.
Sheppard
Siler
Steed
Thompson, Tex.
Trimble
Watts
Wilson, Bob
Wydler

So the motion to adjourn was agreed to.

Mr. MONTOYA, Mr. HAYS, Mr. PRICE, and Mr. ROOSEVELT changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

Accordingly (at 10 o'clock and 7 minutes p.m.), under its special order, the House adjourned until Monday, February 10, 1964, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1672. A letter from the Secretary of Defense, transmitting a draft of a proposed bill entitled "A bill to amend title 37, United States Code, to increase the rates of basic pay for members of the uniformed services"; to the Committee on Armed Services.

1673. A letter from the Secretary of Commerce, transmitting a report relative to providing aviation war risk insurance for the period as of December 31, 1963, pursuant to title XIII of the Federal Aviation Act of 1958; to the Committee on Interstate and Foreign Commerce.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GLENN:

H.R. 9954. A bill to provide health care for persons 65 years of age and over through contributory social insurance, and a complementary basic national private insurance plan; to the Committee on Ways and Means.

By Mr. KYL:

H.R. 9955. A bill to provide more adequate compensation for small businessmen and other persons whose property is taken under certain federally assisted programs, to provide improvements in the urban renewal program with emphasis on rehabilitation, to authorize a new form of low-rent housing utilizing private accommodations, and for other purposes; to the Committee on Banking and Currency.

By Mr. NIX:

H.R. 9956. A bill to establish a National Economic Conversion Commission, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of Florida:

H.R. 9957. A bill to prohibit fishing in the territorial waters of the United States and in certain other areas by persons other than nationals or inhabitants of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. CAHILL:

H.R. 9958. A bill to amend title 18 of the United States Code to make certain acts against the person of the President and Vice President of the United States and certain other Federal officers a Federal crime; to the Committee on the Judiciary.

By Mr. GUBSER:

H.J. Res. 920. Joint resolution providing for the establishment of a National Ideals Monument Commission; to the Committee on House Administration.

By Mr. NIX:

H.J. Res. 921. Joint resolution to authorize the President to designate Philadelphia, Pa., as the site of a world's fair commemorating the 200th anniversary of the signing of the Declaration of Independence; to the Committee on Foreign Affairs.

By Mr. CAHILL:

H.J. Res. 922. Joint resolution proposing an amendment to the Constitution relating to vacancies in the office of Vice President; to the Committee on the Judiciary.

By Mr. BATES:

H.J. Res. 923. Joint resolution proposing an amendment to the Constitution of the United States to preserve and protect references to reliance upon God in governmental matters; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to enact legislation extending financial aid to the Commonwealth of Massachusetts for purification of the waters of the Merrimack River; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Mississippi, memorializing the President and the Congress of the United States to defeat the civil rights bill now before that body for consideration; to the committee on the Judiciary.

Also, memorial of the Legislature of the State of Pennsylvania, memorializing the President and the Congress of the United States to give sole and sustained consideration to the location of the NASA Electronics Research Center in the Delaware Valley area of Pennsylvania, New Jersey, and Delaware without being distracted by region rivalries; to the Committee on Science and Astronautics.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HOSMER (by request):

H.R. 9959. A bill for the relief of Harold A. Saly; to the Committee on the Judiciary.

By Mr. BURKHALTER:

H.R. 9960. A bill for the relief of Lt. Donald Henry Gehring, U.S. Navy; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Statement on Conference Report, S. 298, Adopted Today, February 8, 1964

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Saturday, February 8, 1964

Mr. PATMAN. Mr. Speaker, this bill is good legislation. It was reported unanimously by the Banking and Currency Committee.

The small business investment companies program is one of the best ever adopted by the Congress in the economic field. Money that would not have been available to small businesses came within their reach. It is a wonderful program—a gesture of faith in the ability of small business to serve this Nation.

Basically, the bill facilitates investment in small business investment companies and in investment by small business investment companies.

First of all, it raises the limit on the amount of debentures of small business investment companies that may be purchased by the Small Business Administration from $400,000 to $700,000, and permits such purchase for a period of 5 years after the date of enactment.

Secondly, it eliminates the dollar limit of small business investment companies investment in a single concern, but it retains a limitation that not more than 20 percent of assets would be reflected in a loan to any single company.

Thirdly, it permits small business to invest idle funds in insured savings and loan associations up to the amount of insurance.

Finally, it gives SBA specific authority to participate with banks and other lending institutions to make loans to small business investment companies.

HAS ALREADY PASSED SENATE

This bill will make it possible to continue this program of assistance to small business. Present funds are all tied up in prior investments. As a result, if the program is to continue, we must have this additional authorization. It is a bill that has been gone over carefully. It has passed the House without opposition. It has passed the Senate. And the two houses have come to an agreement in conference.

I urge immediate enactment of this bill, S. 298.

A. Philip Randolph

EXTENSION OF REMARKS
OF
HON. E. C. GATHINGS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Saturday, February 8, 1964

Mr. GATHINGS. Mr. Speaker, several times I have placed in the CONGRESSIONAL RECORD a report taken from the files of the House Committee on Un-American Activities which showed that the director of the march on Washington, A. Philip Randolph, in years past had been cited by that committee many times as being affiliated with subversive or Communist organizations. I am not alleging that he is a member of the Communist Party, as I do not know; but his background ought to be closely scrutinized and examined. He was cited on 20 occasions for associating with, or sponsoring groups that had been determined to be subversive by the House Committee on Un-American Activities or by the U.S. Attorney General.

The designs of the Communist conspiracy to bore from within and undermine America may be found in the ranks of both the marchers for freedom and the outspoken element which has called for a simultaneous demonstration to counter the August 28 assembly. The overzealous extremists on both sides of the civil rights movement could fall easy prey to Communist infiltration. That is the thing that needs to be guarded against as the underlying aim of the Reds is to foment discord, bitterness, and division among our people. The Washington marchers have a right to peaceably assemble and ask redress of their complaints. It seems to me that it would be most desirable that the group meet in a stadium and air their charges instead of taking over so many of the Capital's busy arteries of traffic and interfering with vital and necessary governmental and business functions.

A. Philip Randolph was coeditor of the Messenger, which was published from 1919 to about 1925. The masthead of the Messenger referred to it as the only radical Negro magazine in America.

In order to portray the principles and philosophy of that magazine, I am quoting some excerpts from the Messenger:

> "Soviet Government proceeds apace. It bids fair to sweep over the whole world. The sooner the better, on with the dance" (the Messenger, May–June 1919).
>
> "We want more Bolshevik patriotism. We want a patriotism represented by a flag so red that it symbolizes truly its oneness of blood running through each one's veins. We want more patriotism that surges with turbulent unrest. That is Bolshevik patriotism, and we want more of that brand in the United States" (from the Messenger, May–June 1919).
>
> "You next take to task the editors of the Messenger, A. Philip Randolph and Chandler Owen, for being Bolshevists. While you are generally adept at distortion of facts and misrepresentation of circumstances, you have not greatly misrepresented us.
>
> "The sword of Damocles dangles over your so-called white man's domination. Rumblings of revolution are heard in the distance. Nemesis is at hand" (the Messenger, October 1919).

Since the Messenger discontinued operations, Randolph has been furthering integration objectives. Here is a 1948 news item from the Washington, D.C., Times Herald, June 27, 1948:

> JIM CROWISM FIGHT OPENED AGAINST DRAFT—DISOBEDIENCE DRIVE URGED BY AFL LEADER
>
> NEW YORK, June 26.—A rebellion against the Draft Act was launched today by A. Philip Randolph, Negro AFL leader. Determined to fight Jim Crowism in the armed services, he announced a nationwide drive to urge Negroes and whites to refuse to register or be inducted and, if need be, to resort to such trickery as feigning illness and faking dependents. It was a daring step, but Randolph was prepared to face the consequences. "The drive," he said, "will get underway throughout the country unless President Truman issues an Executive order against segregation before August 16. "It will be conducted," he said, "by the League for Non-Violent Civil Disobedience Against Military Segregation," whose formation he announced. The civil disobedience was threatened by Randolph at a hearing of the Senate Armed Services Committee in Washington March 3. Senators MORSE of Oregon, and Baldwin, of Connecticut, warned that Randolph and his followers would face treason charges if they carried out their threat. "Field campaigners of the league will start visiting ma-

> jor cities Monday," Randolph said. "Adherents subject to the draft registration after August 16 will be urged," he said, "to take any of four main courses of action: (1) open refusal to register; (2) quiet ignoring of registration; (3) refusal to be inducted; and (4) feigning illness—and other subterfuges."

Mr. Speaker, this is a time for all of us to be on guard in this country and find out the kind of company that certain civil rights leaders keep.

The NAACP

EXTENSION OF REMARKS

OF

HON. E. C. GATHINGS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Saturday, February 8, 1964

Mr. GATHINGS. Mr. Speaker, one of the principal sponsors of civil rights legislation is the National Association for the Advancement of Colored People. A few years ago the House Committee on Un-American Activities investigated the various members of the board of directors and the official family and committees of the NAACP to determine their affiliation, if any, with organizations which had been determined by either the House Committee on Un-American Activities or the Attorney General as being subversive.

On July 29, 1963, public records from the files of the House Committee on Un-American Activities covering 59 officers, directors, and members of committees of the NAACP were placed in the CONGRESSIONAL RECORD by me. This material filled 29½ pages of the CONGRESSIONAL RECORD. On February 23, 1946, when the original insertion on this subject was made by me, it consisted of 77 persons who were in some official capacity of the NAACP organization.

There was a three-phase purpose in bringing this information to the attention of the public, one being that many years had passed and there was a likelihood of quite a number of personnel no longer holding official positions in the organization; a further reason being that the 1956 RECORD had become practically extinct; and finally to enlighten anyone, including the President and the present Attorney General about the activities of a large number of the leaders of the NAACP. All of those who were not in 1961 associated with the NAACP as revealed by the publication, "NAACP in Action—Report for 1961" have been deleted from the material incorporated in the RECORD.

The House Committee on Un-American Activities in compiling the material with respect to each individual used this language at the outset: "The public records, files, and publications of this committee contain the following information concerning the subject individual. This report should not be construed as representing the results of an investigation by or findings of this committee. It should be noted that the individual is not necessarily a Communist, a Communist sympathizer, or a fellow traveler unless otherwise indicated."

To understand the civil rights movement as propagated by the NAACP, I feel that a person must know something of the history and development of the American Negro movement here in the United States subsequent to the Reconstruction period.

In 1895, Booker T. Washington, president of Tuskegee Institute, Alabama, was selected to speak for the southern Negro at the Atlanta Exposition. Dr. Washington stated his position clearly and with great effect. I would like to quote a small part from his address which I feel sums up the entire philosophy enunciated by him and his group:

> The wisest among my race understand that the agitation of questions of social equality is the extremest folly, and that progress in the enjoyment of all the privileges that will come to us must be the result of severe and constant struggle rather than of artificial forcing. No race that has anything to contribute to the markets of the world is long in any degree ostracized. It is important and right that all privileges of the law be ours, but it is vastly more important that we be prepared for the exercise of these privileges. The opportunity to earn a dollar in a factory just now is worth infinitely more than the opportunity to spend a dollar in an opera house.

There was an entirely different school of thought, however, which was headed by Dr. W. E. B. DuBois, of Atlantic University. Dr. DuBois was a very bitter critic of the Washingtonian movement, which he referred to as the Tuskegee machine. Dr. DuBois was the leader of the leftwing element of American Negro society which, in 1905, met at Niagara Falls, N.Y., and devised plans whereby complete social equality could be attained. This group was subsequently called the Niagara movement. The Niagara movement was not very effective, because it was hampered by lack of funds. However, in 1908, a race riot occurred in Springfield, Ill., the home of Abraham Lincoln, which aroused the interest of the dormant abolitionist movement in the North. As a result of the feeling which was aroused by the riots, William English Walling made a strong appeal for the emancipation of the American Negro in the fields of political and social equality. This appeal later became the clarion for the formation of a new organization, called National Association for the Advancement of Colored People, which joined the white liberals of the northern abolitionist traditions with the Negro liberals of the Niagara movement. Dr. DuBois was one of the founding fathers of the present-day NAACP, which was founded in 1909. This Dr. DuBois, who broke away from the Booker T. Washington group, was the leader of the Niagara movement. His record of citations from the House Committee on Un-American Activities takes up nine pages single spaced.

Many of the present-day NAACP officials have been cited many, many times as being affiliated with groups that have been declared subversive by the House Committee on Un-American Activities or the Attorney General.

Statement of the Honorable Robert L. F. Sikes Before the Senate Commerce Committee on Firearms Control

EXTENSION OF REMARKS

OF

HON. JOHN J. FLYNT, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, February 8, 1964

Mr. FLYNT. Mr. Speaker, our able colleague, the gentleman from Florida, Hon. ROBERT L. F. SIKES, testified January 23, 1964, before the Senate Committee on Commerce.

The gentleman from Florida, Representative SIKES, appeared before the committee in opposition to certain firearms control legislation. In an excellent statement he dealt with almost every argument used in favor of the proposed legislation, and countered each proposition with strong logical assertions in opposition to them.

One of the prized possessions throughout our history always has been to bear and own arms. This attitude toward firearms has become a historical tradition in the United States. Convictions on the right of reputable citizens to own and use firearms for lawful purposes were so strong that the Bill of Rights contains an amendment to the Constitution providing that "the right of the people to keep and bear arms shall not be infringed."

In the light of this fundamental principle, the gentleman from Florida, Congressman SIKES, concluded his remarks with the following quote:

> By calling attention to a well-regulated militia for the security of the Nation, and the right of each citizen to keep and bear arms, our Founding Fathers recognized the essentially civilian nature of our economy. Although it is extremely unlikely that the fears of governmental tyranny, which gave rise to the second amendment, will ever be a major danger to our Nation, the amendment still remains an important declaration of our basic military-civilian relationships, in which every citizen must be ready to participate in the defense of his country. For that reason I believe the second amendment will always be important.

That quoted statement was made by the then junior Senator from Massachusetts, the late John F. Kennedy.

I commend to you the reading of his testimony which, with pleasure, I include as an extension of my remarks:

STATEMENT OF REPRESENTATIVE ROBERT L. F. SIKES BEFORE THE U.S. SENATE COMMITTEE ON COMMERCE, JANUARY 23, 1964

> Mr. Chairman and members of the committee, I am pleased to have this opportunity to express my feelings on the subject of additional gun laws now before this committee for consideration.
>
> During the years that I have had the privilege of holding elected office, the subject of the right of the law-abiding citizen to keep and bear arms, as guaranteed by our Constitution, has been, and continues to be, a subject of interest and deep concern to me. It is a matter of particular moment now, because of renewed agitation for tighter gun laws.
>
> The tragic and senseless assassination of President Kennedy quite naturally resulted

in a wave of hysteria against weapons and the ownership of weapons. However deplorable this inexcusable act was, it scarcely follows that a crime committed by one man should cause 35 million gun owners to be persecuted. I seriously question that the legislation now proposed would have prevented the purchase of a gun by Lee Oswald or would have resulted in tighter security measures than those which were in effect.

There is already a Federal law that requires anyone selling guns interstate by mail, or otherwise, to buy a Federal firearms license. This law further requires that every sale be recorded and this record retained on hand for a period of 10 years. This record contains a detailed description of the gun, including the name and address of the buyer as well as the serial number.

These records are available to any law-enforcement officer. The fact to be remembered here is that this law is already in effect, and since the records are kept by the people in business, it does not cost the taxpayers one red cent. That this is an effective system is demonstrated by the fact that the information concerning the gun purchased by Lee Oswald was announced by the Dallas police on Saturday, the day after the assassination. The ballistic information on the bullet taken from Governor Connally was announced on Monday. In other words, it would seem that the gun controls we already have may be more effective than some law-enforcement agencies of the State and Federal Government.

We do not measure loss of human life in dollars and cents. Nor would we decry the cost of a gun-control law which effectively prevented crime. Nevertheless, it is well to remember that any form of registration or control will cost tax dollars to operate and enforce. This is a burden which will be shared by all the people.

You cannot legislate against human inconsistencies. The person who shot President Kennedy was the instrument of his death; a gun is an inanimate object and, by itself, can harm no one. The only people really affected by gun restrictions are the honest people. A man who needs a gun to commit a crime will get one by some method or another.

If anyone is convinced that antigun laws will reduce crime, and be a guarantee against violence and murder, then he is worse off that the ostrich. New York State has the toughest gun laws in America and probably the highest crime rate.

Great Britain, after Dunkirk, had only a few thousand small arms available in the entire country, and was requesting the people to contribute swords and crossbows for defense. This was the dilemma they faced because they did not have an armed civilian population to fall back on. Britain has tight gun laws.

During the German occupation of Norway and Denmark, in World War II, the Germans were required to keep one soldier for every 10 square miles of territory because of the partisan groups effective resistance. These people fell into the roles of guerrilla fighters easily because these were nations where gun ownership was encouraged. In other countries where government gun registration was required, the Germans had a handy list of all gun owners and were able to effectively disarm the entire nation.

When I purchase a weapon which is delivered in Washington, even though I own a Federal firearms license, I must go personally to the express office to receive it, and I must fully identify myself and sign several forms. Thus I would assume that Washington is one of the stricter cities on ownership of firearms. But during a recent period when crime increased in the United States as a whole 14 percent, crime was increasing 41 percent in Washington. Gun laws are not the answer.

In a study by the FBI made in 564 cities during August 1960, involving a total populace of 69 million people, the following statistics were compiled:

Out of 7,348 aggravated assaults, 44 percent of the offenses were committed by cutting or stabbing—24 percent by blunt objects; 12.7 percent by shooting; 12.3 percent by hands, fists or feet and 1.2 percent by use of poison.

Now, if it follows that crime will be reduced or eliminated by doing away with all the criminal's weapons, then it is reasonable to assume that these weapons should be dealt with and eliminated according to their frequency of use. Since 44 percent of the above assaults were the result of "cutting and stabbing," then all knives and ice picks should be registered. Since "blunt objects" accounted for 24 percent of the mayhem, then naturally rocks, hammers, baseball bats, rolling pins, etc., should be serialized and registered. Under the "shooting" heading should be included all weapons which propel any object—whether by compressed air or rubber bands.

I do not question that there is a need for improvements. My statement simply is designed to show that we can easily go too far. The National Rifle Association, the leading organization of American sportsmen, has stated that it has no objection to legislation aimed at preventing the misuse of firearms, but that it opposes general registration of firearms and proposals to license the possession or purchase of firearms by law-abiding citizens.

Specifically, the association has said that it does not oppose legislation designed to prohibit possession of firearms by persons who have been convicted of a crime of violence, fugitives from justice, mental incompetents, drug addicts and habitual drunkards; or making the sale of firearms to juveniles subject to parental consent.

In the event this distinguished committee feels that legislation is necessary, it is my belief that the amendments submitted by Senator Dodd, which would provide notification by the shipper to the local responsible police agency when a firearms order has been placed, would provide adequate additional security and permit proper action to be taken to limit or prevent ownership of weapons by criminals, or those incompetent or irresponsible.

Now, let's look at the broader picture of firearms controls.

In recent years, seldom has a session of any State legislature or of Congress met without the introduction of at least one bill that would curtail the legitimate use and possession of firearms by citizens of good repute. The vast majority of these bills are introduced with the intention of curing some social ill, or to limit such use and possession by the juvenile delinquent and the criminal element.

While I do not take issue with the purposes for which these bills are intended, if administered correctly and given the proper emphasis, I certainly decry the efforts of some people or governmental agencies to severely limit the peaceful employment of firearms by lawful citizens.

As the committee well knows, thousands of Americans who own and enjoy firearms for defense and sport now feel strongly that the continuation of this ownership and enjoyment is in jeopardy. Much of this came as the result of the assassination of President Kennedy. Before that took place, however, concern had been caused by the enactment of the Arms Control and Disarmament Act, which established the U.S. Arms Control and Disarmament Agency. The contents of this act and executive policy on this subject generated much publicity and reaction throughout the country. The general grounds for criticism have been that the implementation of this law could place the United States in a dangerous political, economic, and military position vis-a-vis the Communist bloc. In order to make it absolutely clear that the Arms Control and Disarmament Act did not include the elimination of private firearms as part of the proposed disarmament program, I introduced a bill that will protect such rights of the citizen from encroachment by the Disarmament Agency. The language of my bill is identical to one introduced by Senator Hickenlooper and is now contained in Public Law 88-186, amending the Arms Control and Disarmament Act. That language is as follows:

"Nothing contained in this Act shall be construed to authorize any policy or action by any Government agency which would interfere with, restrict, or prohibit the acquisition, possession, or use of firearms by an individual for the lawful purpose of personal defense, sport, recreation, education or training."

We consider it sound insurance in a good cause.

I have heard criticism from some quarters about allowing the free possession and use of firearms in modern American society. Arguments that this contributes to crime and constitutes a menace to free Government are completely fallacious.

Our forefathers knew what they were doing when they approved the second amendment to the Constitution, which states that "A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed." Then, as now, an armed citizenry is less likely to be cowed by criminal elements or oppressive government. Rather than restricting freedom, the right to possess arms guarantees it by instilling independence and strength in an enlightened people.

The United States is facing a critical period in its history. The years to come will decide the desperate battle between communism and freedom, individualism and totalitarianism. If we are to win this struggle, we will need to preserve and use every element of strength that is available to us. Americans are fighting in farflung corners of the world. Some of them will survive because of lessons in marksmanship and acquaintance with firearms gained as boys in a free society. The emphasis placed on small-arms marksmanship for survival in Vietnam bears out my long-held personal belief that there is a continuing need for men in the Armed Forces skilled in the use of basic firearms. As the lawmakers for this great Nation, we would be derelict in our duties if we allowed the right to keep and bear arms by responsible, law-abiding citizens to be curtailed.

I have read the statement of Senator Magnuson concerning the scope of the activities of this committee and have been informed of the proceedings that occurred during your previous hearings. I am strongly in favor of the intentions of the committee to study in detail any problems that may have arisen as the result of the ease of accessibility of firearms to the undesirable elements of our society through mail-order channels. Such problems, if allowed to go unchecked, could result in further restrictions on the law-abiding citizens.

If upon completion of your investigations, you deem it necessary to the continuing good of our society to recommend additional controls on firearms, I urge that the legislation be developed in the spirit of Senator Magnuson's statement of December 10, 1963, when he said:

"Any legislation, State or Federal, must consider the constitutional right of our citizens to bear arms. Responsible citizens have the right to possess firearms for purposes of self-protection, security of the Nation, hunting, and recognized sporting activities."

Let me assure the committee that I will support legislation in keeping with these thoughts—legislation that will make it more difficult for criminals or those inclined toward criminal activities, mental incompetents, drug addicts, habitual drunkards and juveniles to obtain firearms, and which will severely penalize those persons perpetrating crimes while armed. But let me urge caution in the enactment of these laws, lest they go much further than is needed or intended.

In the April 1960 issue of Guns magazine, a member of the Senate Foreign Relations Committee wrote the following:

"By calling attention to a well-regulated militia for the security of the Nation, and the right of each citizen to keep and bear arms, our Founding Fathers recognized the essentially civilian nature of our economy. Although it is extremely unlikely that the fears of governmental tyranny, which gave rise to the second amendment, will ever be a major danger to our Nation, the amendment still remains an important declaration of our basic military-civilian relationships, in which every citizen must be ready to participate in the defense of his country. For that reason I believe the second amendment will always be important."

The man who wrote that was the then junior Senator from Massachusetts, the late John F. Kennedy.

SENATE

Monday, February 10, 1964

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, in a tense and strained world so agitated and divided, we would seek the peace which is the gift of Thy love and grace to all those who, with true purpose of heart, turn unto Thee.

At the beginning of a new week, with tangled human problems pressing for solution, we humbly bow at this wayside shrine to which, across the long years, a pathway has been worn by those who with a sense of the eternal have here served the Republic. We come praying that to Thy servants in the high functions of governance there may be given open ears, that they may hear voices calling to high endeavor; open minds, ready to receive and welcome new light and truth as it is revealed to them; open eyes, quick to discover Thine indwelling in all this wondrous world which Thou hast made; open hands, ready to share as they hold all good things in trust for Thee, and through Thee, for Thy other children.

We ask it in the name of the Holy One who came, not to be ministered unto, but to minister. Amen.

THE JOURNAL

On request of Mr. Mansfield, and by unanimous consent, the reading of the Journal of the proceedings of Friday, February 7, 1964, was dispensed with.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, I send to the desk a proposed unanimous-consent agreement, and request its immediate consideration.

The proposed unanimous-consent agreement was considered and agreed to, as follows:

Ordered, That at the conclusion of its business today the Senate stand in recess until 12 o'clock noon Thursday, February 13, 1964; and that immediately after convening on said day the Presiding Officer shall, without the transaction of any business or debate, declare a recess of the Senate until 12 o'clock noon on Monday, February 17, 1964.

Mr. MANSFIELD. Mr. President, when the Senate concludes its session today, it will take a recess until Thursday, for a pro forma session only; and from Thursday, it will take a recess until the following Monday.

It is possible that the period of recesses may be extended several days beyond that time, as well.

The leadership has decided on this schedule, for several reasons: First, it will allow Senators from across the aisle to travel the length and breadth of our land, to espouse the glories of the Republican Party's great and colorful history; second, it will allow the conferees on the tax bill time in which to arrive at the final form of that important legislation.

It is my hope that the chairmen of all Senate committees will take advantage of this period of inactivity on the Senate floor to move forward as rapidly as possible the business of the committees. That would apply not only to the essential business of the Appropriations Committee and the hearings before the Committee on Rules and Administration, but also to the work of all other committees. Controversial legislation will soon demand the attention of all Senators; and it is likely that committees will not be able to meet during extended periods when such proposed legislation will be before the Senate. As it is also of some importance for Congress to adjourn at a reasonable time in this election year, so that the issues of the campaign can be presented to the American people, we must do now the work we have to do. I hope the chairmen of all the committees will use the time at their disposal to the best advantage.

Mr. MILLER. Mr. President, will the Senator from Montana yield for a question?

Mr. MANSFIELD. I yield.

Mr. MILLER. I understand that a part of the reason for the schedule is to enable Members on the Republican side of the aisle to have an opportunity to travel the length and breadth of the land, to extoll the virtues of the Republican Party.

Mr. MANSFIELD. That is a part of the reason.

Mr. MILLER. But is there not also to be an opportunity during the following week for the Members on the other side of the aisle to extoll the virtues of the Democratic Party?

Mr. MANSFIELD. Not necessarily, because we do that day in and day out, 365 days a year, Sundays included.

Mr. MILLER. If that is so, do I correctly understand that there will be no Jackson Day dinners this year?

Mr. MANSFIELD. They will come along in the course of events. But we feel that our Republican brethren should have a special dispensation, so to speak, so that at the time of Lincoln's birthday they will be able to rally their cohorts as well as they can.

Mr. MILLER. We appreciate that consideration.

But in order that it may be understood that the Republicans feel the same way about their Democratic friends, let me say that I am sure the majority leader will have no difficulty in obtaining concurrence by the Republicans in connection with the Jackson week activities of the Democratic Party, because we know that while they are doing that job 365 days a year—just as the Republicans are doing—they, too, feel that they should have an opportunity to travel the length and breadth of the land to extoll the virtues of their party at a special time of the year—namely, the Jackson Day period; and we would not want the Democrats to feel that the Republicans are not in sympathy with according to them that opportunity likewise.

Mr. MANSFIELD. Mr. President, we take that for granted, just as the Republicans take their Lincoln Day goings-on for granted. We understand and appreciate the spirit of comity which prevails between the two parties; and we wish the Republicans every success—up to a point.

Mr. AIKEN. Mr. President, will the Senator from Montana yield briefly to me?

Mr. MANSFIELD. I yield.

Mr. AIKEN. I should like to get a clear understanding of this situation. It is now my understanding that members of the Republican Party will go across the land, extolling the virtues and the glorious history of the Republican Party; and that at a little later time the Members across the aisle will follow their tracks, and will extoll the virtues and accomplishments of the Democratic Party. But do I correctly understand that under no circumstances will the members of one party use the opportunity to refer to the mistakes and shortcomings of the other party?

Mr. MANSFIELD. That would be asking too much.

Mr. AIKEN. I am glad the world has not changed.

Mr. JOHNSTON. Mr. President, will the Senator from Montana yield briefly to me?

Mr. MANSFIELD. I yield.

Mr. JOHNSTON. Is it not true that this has been a custom for many, many years?

Mr. MANSFIELD. Yes.

Mr. JOHNSTON. The Republicans have been going out and extolling the virtues of their party, on or about the time of Lincoln's Birthday; and a little later the Democrats extoll the virtues of the Democratic Party, at about the time of the Jefferson-Jackson Day dinners? Has not that been true for a long time?

Mr. MANSFIELD. Yes; but I am happy to say that both parties also extoll the virtues of our country.

Mr. JOHNSTON. I know that is the main thing the Democratic Party will do; I have heard the Democrats do that many times. I have not heard too many Republicans do that. Down my way, we have not heard them, unless they came down to speak to us. In recent years some of the Republicans have come to South Carolina and have told us about their party.

Mr. MANSFIELD. When they come to Montana, we welcome them; we put out the welcome mat, and treat them courteously, and are glad to have them come.

But, as I have said, we wish them success—up to a point.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Merchant Marine and Fisheries Subcommittee of the Commerce Committee was authorized to meet during the session of the Senate today.

TRIBUTE TO GEN. EMILIO AGUINALDO

Mr. MANSFIELD. Mr. President, it is with deep sadness that many of us in the Senate and in the Congress note the passing of the great Philippine hero, Gen. Emilio Aguinaldo.

I had the pleasure of visiting with the general and his wife 2 years ago, while they were in the Veterans' Hospital in Manila. The Philippines have lost one of their greatest citizens, and in my opinion the United States has lost one of its great friends. While General Aguinaldo fought long and hard for Philippine independence, and while we were not always on the same side, I believe there was a mutual respect between the general and the Americans and the Philippine people. It is with great sadness that we note the passing of this great man. To those of his family who remain behind we extend our condolences and our deepest sympathy in his passing.

I ask unanimous consent that an article entitled, "General Aguinaldo, War Hero of Philippines, Dies," by Carl Zimmerman, published in the Montana Standard-Post of February 6, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GENERAL AGUINALDO, WAR HERO OF PHILIPPINES, DIES

(By Carl Zimmerman)

MANILA.—Gen. Emilio Aguinaldo died Thursday nearly seven decades after he led barefoot Philippine peasants in war for independence, first against Spain and then the United States.

He was 94 and has been nearly blind and unable to walk.

Death came after a series of heart attacks at Veteran Memorial Hospital where Aguinaldo had spent most of the past 4 years. His wife, Maria, 82, died at the same hospital last May.

Aguinaldo led the Filipino revolt against Spain in 1896 and fought a bloody rebellion against the United States after the Spanish-American War.

When the Philippines received independence from the United States on July 4, 1946, he proudly marched down Manila's Dewey Boulevard and ceremoniously removed a black bow tie he had worn for almost half a century as a symbol of mourning for the republic he had founded in 1898.

Much of his time in recent years was devoted to helping the survivors of his campaign for independence. Solemn and owlish-eyed, he preserved his military bearing always. He usually wore starched white uniforms with high choker collars.

In 1896, armed only with bolo knives and a few shotguns, Aguinaldo's forces jolted the Philippines with the capture of a Spanish garrison at Binakayan. The rebels' success brought promises from the Spanish to reform their administration.

Offered money to leave the country, Aguinaldo accepted and went to Singapore, where he waited in vain for the reforms he expected. His opportunity to strike again came with the outbreak of the Spanish-American War.

FLUORSPAR, AN IMPORTANT MONTANA INDUSTRY

Mr. MANSFIELD. Mr. President, the U.S. Tariff Commission is now conducting a series of public hearings under section 221 of the Trade Expansion Act. These hearings, as I understand it, are to determine which items should be considered for possible adjustment in tariff schedules at the next round of GATT negotiations in Geneva.

Tomorrow, the Commission will consider the desirability of adjusting the tariff on fluorspar imported into this country. I wish to state emphatically that I am opposed to any reduction in the present tariff on fluorspar. This mineral is not a very large item in the Nation's total mining picture, but it is a very essential one. It is one that is extremely important to Montana, particularly to Ravalli County in western Montana.

At the present time approximately four-fifths of the metallurgical grade of fluorspar that is consumed in this country is imported. The major portion of the remaining is produced at Darby, Mont. Thus, Montana is by far the largest domestic producer of metallurgical grade fluorspar. Any reduction in the existing tariff would be disastrous to the domestic producers which are currently operating under a somewhat marginal situation.

The fluorspar industry at Darby is a major contributor to the economy of Ravalli County; in fact, it is one of the top four taxpayers in the county. If the present tariff schedule is adjusted downward, it is likely that the Roberts Mining Co. would have to shut down because they could not compete with foreign producers who have more favorable labor costs.

In brief, Mr. President, I do not believe that the United States can permit itself to become totally dependent on outside sources of metallurgical fluorspar; such action would be contrary to our national interest. In addition, a reduction in these tariffs would be a very serious economic blow to a very important area of Montana. I urge that the U.S. Tariff Commission refuse to include fluorspar among those items that will be subject to negotiation at Geneva.

Mr. President, I ask unanimous consent that a news story giving more details from the February 4 issue of the Daily Ravalli Republican published at Hamilton, Mont., be printed at the conclusion of my remarks in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HEARING SET FEBRUARY 11 IN WASHINGTON—BITTER ROOT FLUORSPAR OPERATIONS THREATENED BY REDUCTION IN TARIFF

A threat to the Ravalli County tax base and to the Nation's largest supplier of fluorspar—the Roberts Mining Co. of Darby—was seen here Monday afternoon by John Taber, general manager of the valley firm.

Taber said a U.S. Tariff Commission hearing will be held in Washington, D.C., February 11 on a proposal to lower the protective tariff on fluorspar produced outside the United States.

"If the tariff is lowered or eliminated it could well put us out of business," Taber commented. The Roberts Mining firm produces more than half of the commercial fluorspar mined in the United States. It has been one of the biggest taxpayers in the county since the company's operation started in 1952.

Fluorspar is used as a flux in the production of steel. The valley supply comes from Crystal Mountain, about 26 miles by road east of Darby. Fluorspar from the Roberts operation is used primarily by Utah steel mills and by plants in the Great Lakes area.

Taber, in explaining the proposed tariff reduction, said companies operating in the United States are "running close to the borderline" in cost. The current tariff amounts to about 23 percent of the total selling price of fluorspar in the United States.

He said most of the fluorspar produced outside the country is mined in Mexico. "If the tariff is lowered, Mexico would have an immediate advantage with its lower labor costs," he commented.

Taber said the Roberts firm has paid about 6½ percent of the total taxes levied in Ravalli County over the past 10 years.

Since taxation on mines in Montana is based on a percentage of the net proceeds (profits) annually, the county would lose a great deal of tax income if the firm were forced to curtail or suspend its operations in the valley.

Taber pointed out the firm paid a whopping 13⅔ percent of all county taxes in 1959, when operations were at a peak and profit was great. In 1963 the firm's production was down from record levels, but Roberts Mining Co. still was among the top four taxpayers in Ravalli County.

The general manager said H. Evan Roberts, owner of the firm, will go to Washington February 9 to voice testimony against the proposed tariff reduction.

In an advertisement carried in Monday's Republican, the firm asked valley individuals to write their Congressmen this week protesting the proposal.

The ad commented that any lowering of the county tax base is of immediate concern to all persons in the valley.

"This is not an appeal for you to help the fluorspar mining industry," the ad commented. "The industry is preparing to help itself and will do so to the utmost of its ability. This is a public service notice with information on a matter which may affect every taxpayer of Ravalli County," it added.

A recapitulation of taxes paid by Roberts Mining Co. (originally Cummings Roberts) showed the firm has been assessed $763,245.81 in county taxes during the past 10 years.

Over a 10-year period Roberts has been the biggest taxpayer in the valley. Other firms who contributed heavily in the past decade were the Northern Pacific Railroad, $646,961.24; Montana Power Co., $577,806.70, and Mountain States Telephone, $280,653.56.

Total taxes paid by the Roberts Co. during the past 10 years include:

	Total
1954	$9, 725. 98
1955	36, 025. 34
1956	41, 947. 78
1957	103, 283. 68
1958	151, 732. 32
1959	162, 967. 30
1960	54, 990. 54
1961	118, 894. 70
1962	56, 085. 36
1963	27, 593. 34

Mr. METCALF. Mr. President, will my colleague from Montana yield?

Mr. MANSFIELD. I am happy to yield.

Mr. METCALF. I am happy that my colleague from Montana has brought this very important question to the attention of the Senate. The national defense of our country depends upon the continued supply of fluorspar. Most of it is my former home county, in Ravalli Valley, Mont. The Senator has pointed out that it would be a disastrous blow at the economy of that county if the tariff were to be reduced so that we would have more and more imports. There are too many now for our defense program. In addition, we must develop more of our domestic supply in order that we can provide this very important product for defense. I join my colleague from Montana, the majority leader, in appealing to the Tariff Commission to prevent any further reduction in the tariff on fluorspar. I thank the Senator from Montana for yielding.

COMMITTEE MEETING DURING SENATE SESSION

The ACTING PRESIDENT pro tempore. The Senator from South Carolina is recognized.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the Committee on Agriculture and Forestry be permitted to meet while the Senate is in session today.

Mr. MANSFIELD. Mr. President, reserving the right to object, and I do not object——

Mr. AIKEN. Is the purpose of the request merely to hear the witness whose testimony was not heard this morning?

Mr. JOHNSTON. Merely to hear the witness. We do not intend to do anything in executive session.

Mr. AIKEN. I have no objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TRANSACTION OF ROUTINE BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is in order.

The presentation of petitions and memorials is in order.

Mr. CHURCH. Mr. President, I have a resolution to submit.

The ACTING PRESIDENT pro tempore. No debate is in order. Resolutions will be called in order.

Mr. CHURCH. Mr. President, I have a resolution to submit. I believe that is a part of the routine morning business.

The ACTING PRESIDENT pro tempore. The Chair will call for the introduction of bills and resolutions.

Mr. CHURCH. Very well. As soon as the Chair calls for that order of business, I shall ask to be recognized.

The ACTING PRESIDENT pro tempore. The Senator will be recognized.

The reports of standing and select committees is in order.

The introduction of bills and joint resolutions is in order.

The Senator from Idaho is recognized.

PROPOSED CHANGE OF RULE VII

Mr. CHURCH. Mr. President, one of the most useful customs of the Senate is the practice of making statements, limited to 3 minutes, on subjects of each Senator's choice, during the morning hour. The custom furnishes Senators with a convenient opportunity to briefly comment on issues of the day, or to make remarks appropriate to inserting in the CONGRESSIONAL RECORD, editorials, columns, and other printed matter, which Senators believe to be worthy of publication.

The ACTING PRESIDENT pro tempore. Debate is not in order.

Mr. CHURCH. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. CHURCH. Does not the rule provide that brief statements may be made to accompany the introduction of bills and resolutions?

The ACTING PRESIDENT pro tempore. The Senator from Idaho is referring to the rule that applies to petitions and memorials. The rule states:

> Every petition or memorial shall be signed by the petitioner or memorialist and have endorsed thereon a brief statement of its contents, and shall be presented and referred without debate.

Mr. CHURCH. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. CHURCH. Do I correctly understand that brief statements may not be made under the rules, in connection with the introduction of bills or the submission of resolutions?

The ACTING PRESIDENT pro tempore. The Senator from Idaho is correct.

Mr. CHURCH. I ask unanimous consent that I may be permitted to make a brief statement to accompany the resolution which I propose to submit.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. MILLER. Mr. President, reserving the right to object, is it the ruling of the Chair that a brief statement is the same, or is embraced within the meaning of the word "debate," as set forth in the rule which the Chair has read?

The ACTING PRESIDENT pro tempore. A brief statement is permitted to be endorsed on a petition or memorial, and any further statement from the floor is debate and not in order.

Mr. MILLER. I thank the Chair.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered. The Senator from Idaho is recognized.

Mr. CHURCH. Mr. President, one of the most useful customs of the Senate is the practice of making statements, limited to 3 minutes, on subjects of each Senator's choice, during the morning hour. The custom furnishes Senators with a convenient opportunity to briefly comment on issues of the day, or to make remarks appropriate to inserting in the CONGRESSIONAL RECORD editorials, columns, and other printed matter, which Senators believe to be worthy of publication.

The custom, however, is not based upon any existing Senate rule, but rather has developed by habit, upon the basis of unanimous consent. The only morning business expressly prescribed by the rules is that covered by rule VII, which allows for the presentation of petitions and memorials, reports of standing and select committees, the introduction of bills and joint resolutions, and the introduction of concurrent and other resolutions, in that order.

In connection with the business prescribed, the Senate rules permit "brief statements," but the customary 3-minute statement dealing with extraneous subjects, during the morning hour, is nowhere expressly authorized under existing Senate rules. In order that Senators may engage in this practice, during the morning hour, it is necessary for the majority leader to first request unanimous consent. This means, as we have all come to realize during the past few days, that any one Senator can deny all other Senators the convenience of making 3-minute statements in the morning hour, simply by voicing his individual objection when the requisite unanimous consent is requested.

There is no rational reason why so useful and convenient a custom as the morning hour 3-minute statement should not be fortified by an appropriate revision of the Senate Rules. The practice serves the needs of all Senators by enabling them to comment on current matters at a convenient time, before the Senate proceeds to take up the unfinished business. Moreover, the custom takes on added importance, in view of the Senate's recent decision to adopt a rule on germaneness. If we are to honor the objective of the new rule by keeping debate germane during the 3 hours which follow after the Senate takes up its unfinished business, then Senators will have added need for their 3 minutes during the morning hour to speak on matters that they regard as important, but which are not germane to the legislative business, pending for consideration.

The custom of the 3-minute statement during the morning hour is neither the product of whimsy nor accident. It has developed by consensus as an expeditious method for meeting a common need. It took form in the Senate more than 10 years ago during the 83d Congress, and was, in part, fashioned by one of the great Republican leaders of the Senate, Robert Taft, of Ohio. The custom has become a regular part of the Senate morning hour since early 1953. Now, for the first time, the custom is threatened by a handful of Senators who refuse to give their consent, imposing a kind of "penance" on the Senate for having adopted Senate Resolution 89, the germaneness rule, sponsored by the senior Senator from Rhode Island [Mr. Pastore], and Senate Resolution 111, the resolution I sponsored, together with four of my colleagues, permitting committees to sit during that part of the morning hour given over to the insertion of extraneous material and routine morning business.

This unfortunate breakdown of comity now requires the correction of the omission in the Senate rules. If unanimous consent is to be withheld out of pique, then Senators ought to have, as a matter of right, what has heretofore been their privilege of making 3-minute statements during the morning hour. What custom has sanctified, the rules ought properly to prescribe.

As the distinguished senior Senator from Oklahoma [Mr. Monroney] said on the floor last Wednesday:

> Senators who would block the use of the traditional morning hour will find the public in complete disagreement with them and they will be proved out of step with the great mass of the people who do not like the dilatory tactics being employed in the Senate.

Accordingly, I send to the desk a resolution which would amend rule VII of the Standing Rules of the Senate by adding to the matters of morning business prescribed, the following:

> Statements or comments not to exceed 3 minutes.

It is to be noted, Mr. President, that the amendment I propose would not alter the existing rules concerning the placing of insertions in the Congressional Record. The resolution relates only to the 3-minute period that Senators should be allowed, in accordance with what heretofore has been the customary practice, for the making of such insertions. Insertions, themselves, whether during the morning hour or afterwards, would remain a matter for unanimous consent, thus leaving with the Senate the discretion to regulate against abuses.

Mr. President, I ask unanimous consent that the text of the resolution may be printed in the Record following these remarks, and that the resolution may lie on the desk for a period of 1 week, so other Senators who may wish to join in cosponsorship shall have an opportunity to do so. I ask that it then be appropriately referred, in the hope that the Senate Committee on Rules and Administration may act favorably upon it.

The ACTING PRESIDENT pro tempore. The resolution will be received, printed, and appropriately referred; and, without objection, the resolution will be printed in the Record, and held at the desk, as requested by the Senator from Idaho.

The resolution (S. Res. 297) was referred to the Committee on Rules and Administration, as follows:

> *Resolved*, That rule VII of the Standing Rules of the Senate be amended by inserting, after "Concurrent and other resolutions" in paragraph 1, a new clause, as follows:
>
> "Statements or comments not to exceed three minutes."

THE DEATH OF PRESIDENT KENNEDY

Mr. ERVIN. Mr. President, the Reverend Mr. R. F. Smith, Jr., pastor of the First Baptist Church of North Wilkesboro, N.C., made a touching statement concerning the untimely death of President John F. Kennedy at a service conducted at his church on November 24, 1963. Some of those who were privileged to hear this statement have called it to my attention and have suggested to me that it is worthy of reproduction in the Congressional Record in order to assure its wide dissemination. I share their view, and for this reason ask unanimous consent that Mr. Smith's statement be printed at this point in the body of the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

On the Death of John F. Kennedy, President

(The following words were spoken during the 11 o'clock worship service, November 24, 1963, and again at the Union Memorial Service at the First Methodist Church, 12 noon, November 25, 1963, by our pastor. They are presented here upon request of many members.)

The 35th President of the United States is dead.

The horrible tragedy which stunned our Nation into shocked disbelief, paralyzed the free world and numbed the imprisoned souls behind the Iron Curtain, finds in no language adjectives capable of describing the wrongness of it all.

The bullet that cut its way into the head of our President has cut way into our hearts with jagged edges that have torn our tissues and brought sadness to our souls and tears to our eyes.

We are part of a nation and a system that declares all men are free—free to speak, free to believe, and free to criticize those in power.

From the halls of Montezuma to the shores of Tripoli; from Bunker Hill to Kings Mountain; from Bull Run to Gettysburg; from the trenches of France to the foxholes of Belgium; from Pearl Harbor to Iwo Jima; from Seoul to Heartbreak Ridge; our grandfathers, our father, our brothers, and our sons, have fought, shed crimson blood, and died that this Nation and its system of freedom might not pass from the land.

In such a system we campaign, we debate, we criticize, and we vote. And whether we win or lose in a political campaign is beside the point to thinking men and women, because the President, regardless of his political affiliation, becomes our President.

He is a man—a man with human frailty and weakness—but he is more than a man.

He is a symbol—of a nation; a symbol of freedom; a symbol of freemen; a symbol of a free and powerful country.

And when the blast of the assassin's rifle bored its way into the head of John F. Kennedy to seal his lips forever—it was my President who died; it was my President who was cut down; and with that blast every American died a little—and every hope for freedom was dimmed a little—and every battle our fathers fought in was tainted a little.

Is it, then, a time for hate—a time to organize vigilantes and go witch hunting? No, this would be to tear down what our fathers have fought for and our President believed in.

But it is a time to rethink our role as parents and leaders in this world.

The bullet fired from the assassin's gun was molded in a furnace of a growing boy who perhaps read the wrong books or gave the wrong interpretation to what he read.

The bullet was fired, not with his finger, but from his mind—from his heart. And the task of every parent—every leader—is to fill hearts with love and understanding—fill their minds so full that there will be no sweltering furnace hot enough to melt the bulwarks and ramparts of reason and justice and hearts so cold as to mold bullets.

And if we do this, he, and the thousands before him, will not have died in vain. I do not understand how such a thing could happen in America—in Christian America—in the Bible Belt of the South—I don't know.

I am numbed. I find myself staring with glazed eyes of disbelief into outer space.

My heart goes out to a lonely and widowed wife—to his two children the same age as mine—to a 3-year-old boy who will never know what it is to have a daddy to show him how to hold a baseball bat and to throw a body block and to toss a basketball.

But I have found comfort in the immortal words of James Russell Lowell:

"Truth forever on the scaffold,
Wrong forever on the throne;
Yet that scaffold sways the future
And the dim, dark unknown
Standeth God within the shadows
Keeping watch above his own."

THE PANAMA CANAL

Mr. ERVIN. Mr. President, I am much gratified by President Johnson's assurance that the United States intends to retain its rights in respect to the naval base at Guantanamo Bay in Cuba. I sincerely hope that he will take a like position in respect to our rights in the Canal Zone.

On January 14, 1964, Mr. Loyd P. Bowman, a constituent of mine who has resided in the Canal Zone for some years wrote me a very illuminating letter concerning the Canal Zone. In the course of such letter, he pointed out the fundamental truth that Latin Americans are like other people in that they do not respect weakness and that we merely render ourselves insecure rather than secure when we indicate a willingness to surrender rights merely to appease. His letter merits the consideration of Members of the Congress, and for this reason, I ask unanimous consent that it be printed at this point in the body of the RECORD as part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BALBOA, C.Z.,
January 14, 1964.

The Honorable SAM J. ERVIN, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SIR: My name is Loyd P. Bowman and I am a native of Hickory, N.C. My father-in-law, Mr. Elmer W. Rudisill, lives in the eastern edge of Burke County and has been active there in the Democratic Party for a number of years. I am employed here in the Canal Zone with Federal Aviation Agency; my previous duty stations were Hickory, N.C., Honolulu, and Guam. I have been here in the Canal Zone since November 1, 1954; and have observed a steady decrease of respect by the Panamanian Government toward the United States.

The above information is offered in the belief that it may help to assure you that what I may be going to say comes from a mature observation of people and events, and that only a deep sense of duty to my fellow citizens, and a very real feeling of alarm for their and my own security could prompt me to write a letter such as this. I am asking you to believe that the urgency for immediate action to resolve the crisis in the Canal Zone transcends even my appeal for justice.

The statements and observations that follow are made in the interest of truth and fairplay for a few thousand Americans living and working in the Canal Zone. These Americans are without official representation in their native land, and have been grossly misrepresented and castigated by the very Government which they serve. The dignity and pride inherent in U.S. citizenship have, through a succession of events during the past few years, been so eroded that they are barely recognizable. Faith in basic principles of truth, honesty, justice, and moral integrity is not easily extinguished, but this faith, among the U.S. citizens working in the Canal Zone, has been severely shaken.

One of the ultimate tragic consequences is the loss of self-respect. In the face of complete distortion of fact, and blatant falsification by the Panamanian press and their compatriots occupying positions of responsibility in the Government, and the apparent willingness of U.S. authorities—in the Canal Zone and in Washington—to accept and credit these distortions and lies, the average U.S. citizen employee in the Canal Zone is a man without a country, without representation, and with no recourse to equality and justice. He is expendable in the long-range program of appeasement under the present U.S. policy of "friendly relations" at any cost or sacrifice. I feel that this evidence of weakness is the achilles heel of our foreign policy and that most of the world, including Latin America has discovered this vulnerability. The Republic of Panama is most certainly using this discovery to the fullest advantage. The Latin American people do not respect weakness—it has no place in their scheme of things. Fear, vascillation, and weakness are scorned and trampled upon by the greedy and ambitious. When these people find that the United States—the richest and strongest free nation in the world—lacks in its foreign policy, the courage of its own convictions, then, to these Latin Americans, the United States ceases to be great in the essence of basic moral integrity, prestige, and respect throughout the world—especially among the smaller nations who have looked to the United States for decisive action and leadership—America becomes the target for pressure propaganda. We are condemned whether we "do" or whether we "don't." There has been, within the past 2 years, abundant evidence that U.S. prestige in Latin America is reaching for an all-time low. Events and developments in Venezuela, Brazil, Colombia, Panama, and Cuba—most certainly substantiate the above conclusion. That the U.S. dollar continues to be sought after should afford no consolation. The billions that are being poured into countries throughout the world are not buying friendship, allegiance, or respect as long as we fail to insist upon proper commitment or accounting.

There are, in the Republic of Panama, only two major classes—the well-to-do, and the very poor. This delineation has always existed, and succeeding administrations have carefully done nothing to upset the traditional situation. The squalor to be observed in many sections of Panama City is, in no way, a reflection upon the character of the people in the Canal Zone or the United States. These poor have known nothing better, and the United States can accomplish no enduring good by attempting to force upon this group, without genuine cooperation and assistance from the Government of Panama, a higher standard of living. The Canal Zone is clean throughout—nothing less is tolerated—and this is as it should be. There are contrasts to be seen at many points along the Panama-Canal Zone boundary, but there are also many homes in Panama City that are palatial in comparison to anything in the Canal Zone. Actually, there can be no basis or legitimate comparison in terms of overall housing, since all enterprise, housing and services in the Canal Zone are Government operated and maintained. It should be observed that there is nothing which would prevent the Government [of Panama] from "cleaning up" Panama City—and keeping it clean—if they [the Panamanians] so desired. We would not permit the Canal Zone to deteriorate in appearance simply to reduce any possible contrasts.

The word "nationalism" as applied to Panama, is somewhat of a misnomer. There is little national consciousness or national pride throughout this group—they are the prey of politicians, opportunists, and agitators with no loyalty to any country. There are, it is reported, more millionaires per capita in Panama than in the United States and yet the Government of Panama perennially finds itself unable to meet essential obligations to its citizens. The large amount of money which finds its way into Panama City from the Canal Zone, and from tourists, seems to also dissipate, along with the rest.

The Canal Zone, and the United States, are being constantly beset with propaganda, charging mistreatment, in one way or another of Panama and its citizens who find employment in the Canal Zone. Recently, groups in Panama attempted to force the U.S. agencies in the Canal Zone to raise the minimum wage paid Panamanian citizens employed in the Canal Zone to $1 per hour. At the same time businessmen in Panama City had loudly objected to a proposition that the minimum wage in Panama be raised to 50 cents per hour, claiming that such wages would put them out of business. The list of accusations and demands is endless, and will continue until such time as our Government and U.S. State Department recognizes the futility in further concessions and "giveaways" and stands firmly upon truth and fact. Our constituted authorities here and in the United States will face the necessity, that of calling a lie a lie and branding false representation as precisely that. This courage of conviction must extend through all levels, from local officials both civil and military—to the U.S. Secretary of State and the President.

I am convinced, judging from what I have seen and heard in respect to U.S. press releases and newspaper editorials, that the true facts are either not reaching the Washington level, or are being disregarded and discounted under present policy. I wish to emphasize the fact that nearly all news services in this area originate in Panama City, and to also that, in my opinion, much distortion of fact occurs when such manipulation suits the needs of the person or group releasing the item. It is also obvious that little has been done by Canal Zone civil or military officials to counter fiction with fact, to call a spade a spade. It is, of course, recognized that local authorities operate under a greater or lesser degree of dispensation, and cannot, therefore, establish foreign policy, but to continue to permit libel of U.S. citizens in the zone by the Communist-type propaganda pouring out of Panama is very depressing. The Communists believe that a lie, if repeated over and over, will eventually be accepted as the truth by sufficient number of people to effect the desired degree of confusion, or to further some scheme or plan. I have used the term "Communist type" in lieu of Communist but whichever it may be, the desired result is one and the same.

I am enclosing the first page from the Panama American Daily News, which is published in Panama City; along with this I am sending a portion of the morning paper here, the Star Herald and also a Panamanian paper Critica. This will give you some insight as to what is being reported here. Your attention is directed to the editorial reprint from the Spanish edition of the day previous—January 10. I have never encountered such a sickening, barbarous succession of lies and deliberate misstatements. Are we to be defenseless against this sort of propaganda? Is this the type of inflammatory journalism to which our people in Washington (and the American people) are given credence? Similar statements are found in other items on this page and other pages which I have enclosed.

Mr. Ernest Silva, a U.S. citizen, residing in the Canal Zone and employed by the FAA is a correspondent for ABC. He has obtained, on tape and film, some significant and conclusive records relating to the recent rioting and disorders. I urge you to request—and this as soon as possible—from ABC, in Washington this tape and film, in order to carefully review the evidence therein. This film and tape may well prove to be one of the few sources of factual information available to you and other Congressmen.

What actually occurred between Thursday, January 9 and Sunday, January 12, and what Panamanian news sources alleged to have occurred are worlds apart. How can the American people in the United States arrive at the truth when only lies and distorted facts are available to them? As a matter of fact, for almost 2 days—or from Thursday until late Saturday the only information available to Canal Zone residents was an occasional press release heard over shortwave radio from the United States.

May I present the following as examples of deliberate falsification versus fact?

1. U.S. students tore and otherwise defiled a Panamanian flag in an incident at the Balboa High School (January 9).

Fact: The Panamanian flag was not touched by any U.S. student or adults who were present. There was no contact between the Panamanian students and the U.S. students. En route back to Panama City, the students from Panama stopped, tore their own flag, and put blood thereon or some similar liquid. This tattered and bloodstained flag was later presented as evidence that U.S. citizens had provoked all the subsequent violence.

Fact: The raising of an American flag, by students, at the Balboa High School was not a protest against anything except the action of the Governor of the Canal Zone, when he announced that, effective January 2 no flag of any sort would be flown outside of U.S. schools in the Canal Zone. This meant that existing flagpoles, from which the American flag had, up to this time, been flown on schooldays, would be removed. That Americans should be denied the privilege of flying their own flag at a U.S. public school seemed incomprehensible—not only to the students, but to parents as well. In a well-planned, respectful and orderly ceremony, students raised an American flag on the pole (single pole) in front of the Balboa High School. This protest to the Canal Zone administration was entirely apart from, and unrelated to Panama, and no reference to the flag of Panama was made by the students. This was simply a case of my flag—the flag of my country—the flag which has been flying from this pole every schoolday since I can remember.

2. U.S. Armed Forces invade Panama territory.

Fact: At no time did any Canal Zone police or any Armed Forces personnel cross the boundary into Panama territory. However, rioting mobs from Panama, throwing rocks, and supported by sniper fire, several times penetrated some distance into the Canal Zone before being dispersed by tear gas.

3. U.S. troops used machineguns and tanks against defenseless youth, teenagers, young and old men and women who were armed only with their patriotism.

Fact: At no time were either machineguns or tanks used in the border action. Actually, no machinegun ammunition was even issued; the defenseless Panamanians did succeed in killing 3 U.S. soldiers and one civilian employee, and in wounding some 80 additional soldiers.

4. The violence which took the lives of 20 Panamanians and brought injury to 600 more was provoked by U.S. citizens in the Canal Zone.

Fact: The above figures are those given by Panamanian sources. It has been definitely established that five Panamanians died in the looting and burning of the new Pan American Airways building and by rioting mobs. How many more who were killed or injured by widespread violence within the city of Panama, cannot be determined. The list of buildings burned and looted by the rioting mobs is rather lengthy, and the number of cars wrecked and burned will never be known.

How by the greatest stretch of the imagination, can the residents of the Canal Zone be held responsible for the wanton destruction, by Panamanian rioters, of their own buildings and property (the dirtying of their own beds as it were). Fire and looting have deprived a great number of Panamanians of their jobs. Many buildings have been gutted by fires set by the mobs, and the litter and trash strewn by the rioters, armed only with their patriotism, is something to nauseate even the strong of heart.

At no time, during the destructive rioting, was the Panamanian National Guard able to contain or control the mobs, to stop the burning and lootings. Further, the Panama police took no action to locate and flush the snipers who were firing with high powered automatic rifles from the legislative building and other buildings on the Panama side of the border.

The U.S. citizens in the Canal Zone ask that the truth be told, and the facts substantiated. Only by this means can the lies be exposed, and the so called "arrogant Zonian" vindicated. No one has done so much for charitable causes in Panama as have these Zonians—not even the people of Panama—not even the Government of Panama.

The rehabilitation of some 1,000 dependents of U.S. citizens living in Panama who were evacuated to the Canal Zone following the outbreak of rioting is now a problem facing the military and civilian authorities.

What I have attempted to state in as dispassionate a manner as possible under the circumstances, is at best only fragmentary. The entire picture would require many more pages. Be assured of my sincere thanks for your consideration in reading this to the final word. Whatever you may be able to accomplish toward clarifying the status of conditions in this area will be appreciated and long remembered by all of us here who were born under the Stars and Stripes.

My sincere regards to you and yours,

LOYD P. BOWMAN.

ORDER OF BUSINESS

Mr. MILLER. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. MILLER. Is the Senate proceeding in the morning hour?

The ACTING PRESIDENT pro tempore. The Senate is proceeding in the morning hour. The Chair is about to call for concurrent and other resolutions. No debate is in order.

Mr. MILLER. Mr. President, I ask unanimous consent that I may make certain remarks with respect to morning business.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

SENATE INVESTIGATION OF BAKER CASE

Mr. MILLER. Mr. President, in yesterday's Washington Star the lead editorial, entitled "Intimidation," bears upon the so-called Bobby Baker investigation. It calls attention to an attempt to discredit the testimony of a principal witness who appeared before the committee recently. While it does not comment one way or the other regarding the accuracy of the information recently revealed in the attempt to discredit this witness, it points to the danger of intimidating a witness, or possible future witnesses, appearing before the Rules Committee in connection with this investigation, and the danger that the committee may not be able to obtain full information if witnesses fail to come before the committee because of their fear of possible retaliation by the Federal Government.

The editorial points out, as I did recently, that all principal parties should be called before the committee to "have it out," so that if there is conflicting testimony, this conflict may be brought before the committee and it may have an opportunity to press perjury charges, if that is indicated.

The editorial concludes with this very proper observation:

> It is much too late to sweep this business under the rug or to hush it up by resort to smear tactics. On the contrary, it seems to us that the members of the Jordan committee ought to be outraged by what has happened—and determined to dig harder and deeper.

I ask unanimous consent that the full editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INTIMIDATION

There are several aspects—all bad—of the attempt to discredit the testimony of Don B. Reynolds, a principal witness in the Senate investigation of the Bobby Baker case.

One is the apparent effort to smear Mr. Reynolds by "leaking" supposedly confidential information in Government files. The accusations against Mr. Reynolds may be true or untrue. This is beside the point. What should be of primary concern, upon even a little reflection, are the implications of this shabby business. If anyone is disposed to shrug it off, he should ask himself: Could I be next?

Another aspect is the probable effect on some other person who may be called upon to testify before Senator JORDAN's committee. Would he testify freely? Probably not, in the face of the prospect that the contents of the Government's secret files might be used against him. If this isn't intimidation, what is it?

A third aspect is the effect on the Senate committee. It has been made to look slightly idiotic. For its chairman says that neither the Senators on the committee nor the members of its staff had any knowledge of the information which somebody in the White House or elsewhere in the executive branch saw fit to "leak."

The person or persons really responsible for this, not the underlings, ought to be publicly identified. But this may not be possible. One thing, however, is entirely possible. This is for the Jordan committee to get down to the serious business of investigating the Baker case and to demonstrate that it will not tamely submit to intimidation of its witnesses.

Don Reynolds should be called on for public testimony. Bobby Baker should be brought in and asked to tell his story under oath, subject to cross-examination. The same goes for Walter Jenkins, the President's aid. And there are others, whose names, if now unknown to the committee, can be readily ascertained.

It is much too late to sweep this business under the rug or to hush it up by resort to smear tactics. On the contrary, it seems to us that the members of the Jordan committee ought to be outraged by what has happened—and determined to dig harder and deeper.

THE FALLACY BEHIND THE TAX CUT

Mr. MILLER. Mr. President, the February issue of the Reader's Digest contains an article which I feel should be must reading for the American taxpayer. It bears out what some of us called attention to last week—the built-in inflation in the tax cut legislation passed last week by the Senate.

James Daniel, a roving editor of the magazine with a background as an economic and tax writer, city editor and a writer for Time magazine, is on solid ground when he contends that "a phony tax cut, financed by more borrowing and more debt, is no favor to anybody."

Mr. Daniel takes the position, as some of us also have, that a tax reduction, without a meaningful and corresponding cut in present Federal spending, is self-defeating.

He points out that the rising cost of living—stimulated by continued budget deficits—will nullify for most people any possible increase in purchasing power likely to result from the tax cut.

With the cost of living at an alltime high of 222.3 and the value of the dollar at an alltime low of 44.9 cents—both based on the 1939 purchasing power base—it is accurate to say that the average person may find himself poorer than before.

Last Friday, Senator HICKENLOOPER and I stressed that millions of people not only will receive no benefit at all from the tax cut because they do not have enough income to pay income tax, but in addition they must bear the burden of reduced purchasing power of their social security pensions, their savings, and their insurance as a result of the inflation which will accompany the tax cut bill—see page 2399, February 7, CONGRESSIONAL RECORD.

We questioned what good it would do for a family with an income of $6,000 today, having a purchasing power of $6,000, to have $6,200 after a tax cut bill, but still have only $6,000 in purchasing power—or even possibly only $5,800.

Mr. Daniel takes the same tack and cites some strong examples.

Let me quote from his article:

> Under the tax-cut bill a married man with a $5,000 income, a wife and two children, taking standard deductions, will owe $325 of Federal income tax in 1964 instead of the $420 he owed in 1963 and preceding years. Under the second and final stage of the tax cut he will owe $290 in 1965 and succeeding years.
>
> But with the dollar losing around 1½ percent of its purchasing power every year, such a man's after-tax income in 1964 will have lost $69.09 of the purchasing power it had in 1963—making his tax "relief" not the $95 announced by proponents but only $25.91. This is barely enough to buy an extra pack and a half of cigarettes once a week.
>
> In 1965 this man's after-tax income will have $138.08 less purchasing power than it had in 1963—converting his $130 of tax "relief" into a net loss of $8.08. After 1965 the after-tax purchasing power of a $5,000 income will decline at a more rapid rate because there will be no further tax reduction.

And Mr. Daniel applies this to savings, social security, and insurance.

He feels, and correctly so, that the U.S. Government is sliding out from under its major unbonded obligations as well. Again I quote:

> Under the social security system the Government is now committed to pay $625 billion in future retirement, survivors' and disability benefits to presently covered individuals. With the dollar depreciating around 1½ percent per year, the Government is reducing the purchasing power of these future payments to you and me by $9.2 billion a year.

As the Wall Street Journal observed, Federal Government deficits are being taken out of the hide of the economy—the American people, that is.

I ask unanimous consent that the article, entitled "The Fallacy Behind the Tax Cut," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

The Fallacy Behind the Tax Cut

(By James Daniel)

For millions of Americans, cutting taxes without reducing Federal spending will mean not the greater purchasing power the administration promises but only more inflation.

In all the talk out of Washington about the controversial $11 billion Federal tax cut, much has been said about its stimulating benefits. Surprisingly little attention has been paid to the adverse effect that reducing Federal revenue is likely to have on the real incomes and savings of the American people. For this is the first time that a tax cut has been introduced without a corresponding reduction of expenditures.

The proposal is "a 'time bomb' for inflation," according to the minority report of the House Ways and Means Committee. The proposed bill, says the report, "embarks upon a program of deliberate and planned deficits in the guise of tax reform. The danger of such a course should be obvious. It is self-destructive. The Russians will not bury us, we will bury ourselves. A long-range program of planned deficits means a long-range program of planned inflation."

There is little doubt that a properly proportioned tax cut, substantially offset by a reduction of present Federal spending, would stimulate business and employment, raise real wages and profits and lay the foundation for a new surge of economic growth. But this, unhappily, is not the kind of tax cut being advocated. The administration wants tax rates cut when Federal spending for 3 years has been soaring in $5 billion leaps (from $81.5 to $98 billion) and is bound to keep rising. Even if President Johnson's new budget stays close to $100 billion, it contains built-in spending programs—from space to education to welfare—that will mean vast future increases. Moreover, past experience shows that a January estimate of spending almost always is on the low side and must be augmented in later months via supplemental requests.

Thus, with taxes going down and expenditures going up, the revenue losses must be made up by additional Federal borrowing. And since sustained Federal borrowing invites, makes possible and sooner or later is followed by inflation, any lessening of the citizen's burden as a taxpayer will be counteracted by an increase in his burden as a consumer.

Already, the rising cost of living stimulated by the $4.6 billion deficit in fiscal 1962 and the $6.2 billion deficit in fiscal 1963 has nullified for most people any possible increase in purchasing power likely to result from the tax cut. And if this "planned" inflation accelerates even moderately, the average citizen soon may find himself poorer than before.

Fortunately for the politicians in Washington—and unfortunately for their 190 million constituents—most people have difficulty explaining the connection between Federal deficit spending and rising costs and prices. But the majority of the American people, deep in their bones, are convinced that such a connection exists. They know that the wealth of the Government is simply the wealth of its citizens, that the Government cannot give something away without first taking it away from the people.

INSTANT MONEY

As the Wall Street Journal commented recently: "If the Government reduces taxes while it has a $9 billion deficit (or more), those $9 billion must be taken out of the hide of the economy in some other fashion. In effect, the Government will simply print up 9 billion paper dollars. The resulting inflation will take back from the people the relief that the Government professes to give by 'lower' tax rates."

This is how it works:

When the Government spends more than it takes in, it must borrow to cover the difference. How it borrows determines how inflationary the effect will be. It is least inflationary if you or I lend money to the Government by buying a bond. It is potentially more inflationary if a commercial bank buys the bond. No actual cash is exchanged. The purchasing bank simply credits the Government with a deposit from which the Government can draw. But when the commercial bank resells the bond to a Federal Reserve bank, it becomes highly inflationary. In that case, the commercial bank's reserves have been increased by the amount of the bond and it now can lend six or seven times that amount to other borrowers.

The whole process is not essentially different from ordering the Bureau of Printing and Engraving to print up x billion new dollar bills. Since the central banking system operates on credit, the old-fashioned "printing press" method of inflation is unnecessary.

All this "new money" or credit begins to compete with the "old money"—represented by your and my current income and our savings—to capture the available supply of goods and services. More dollars chasing after goods and services spell higher prices.

Furthermore, the mere knowledge that more money is being put in circulation serves as an invitation for sellers of goods and services to raise their prices. (In several basic industries with relatively few companies setting prices, a flurry of price increases took place last fall, apparently in the mere expectation that the tax cut would pass.) Labor unions, emboldened by the prospect of more money in circulation, demand higher wages. Employers are tempted to grant wage demands they cannot afford to pay except on the premise that the higher wages will be recovered by higher prices.

The result of this vicious circle is steadily rising prices—and a decline in the value of the dollar. Not only do real incomes fail to keep pace with money incomes, but fixed savings—the money you and I put away for a rainy day—are secretly leached away.

SHRUNKEN DOLLARS

Some economic planners do not view this deterioration of the dollar with any alarm. Indeed, some of them believe that deficit spending will cure unemployment and promote growth. Their argument is based on the economic theory that creeping inflation is inevitable and beneficial. In the thinking of many economists in Washington this is the only way to have "full employment."

The fact that inflation is "planned" is something that Washington officials prefer not to talk much about in public. But in November 1961, the President's Council of Economic Advisers circulated a "model" of the managed U.S. economy, assuming a 1½-percent-per-year increase in prices. The official title given to the model was "Full Employment Perspective."

Full employment, as they define the term, still eludes the Council of Economic Advisers, but the cost-of-living rise is right on schedule. In August, the Bureau of Labor Statistics' Consumer Price Index for the Nation as a whole registered a 1½-percent increase over the year before. In New York City, the 12-month increase amounted to 2½ percent. But where will prices soar from here? The deficits in the foreseeable future are certain to be much bigger than in fiscal 1962 or 1963.

OUT OF WHOSE HIDE?

The existence of an officially planned dollar depreciation of around 1½ percent per year is reason enough by itself to be extremely skeptical of the proponents' claim that tax cutting will send American consumers on a buying spree to load up on washing machines, refrigerators, color television sets and new automobiles.

Here's why:

Under the tax-cut bill a married man with a $5000 income, a wife and two children, taking standard deductions, will owe $325 of Federal income tax in 1964 instead of the $420 he owed in 1963 and preceding years. Under the second and final stage of the tax cut he will owe $290 in 1965 and succeeding years.

But with the dollar losing around 1½ percent of its purchasing power every year, such a man's after-tax income in 1964 will have lost $69.09 of the purchasing power it had in 1963—making his tax relief not the $95 announced by proponents but only $25.91. This is barely enough to buy an extra pack and a half of cigarettes once a week.

In 1965 this man's after-tax income will have $138.08 less purchasing power than it had in 1963—converting his $130 of tax relief into a net loss of $8.08. After 1965 the after-tax purchasing power of a $5,000 income will decline at a more rapid rate because there will be no further tax reduction.

Nor is this the whole story of what a tax cut financed with borrowed money can do to American pocketbooks. A man with a $5,000 income has some fixed savings. They may be a savings account, or the cash surrender value of life insurance, or prospective retirement benefits under a company pension plan or social security. If the total of such credits amounts to, say, $2,000, then a 1½-percent dollar depreciation is costing this man $29.56 a year—wiping out even the $25.91 temporary net increase in his purchasing power in 1964.

From the Federal Government's point of view, the whole operation can be quite profitable, because it steadily reduces the Government's future obligations. When the dollar is shrinking in value 1½ percent per year, the Government is in effect repudiating $4.5 billion annually of the present bonded national debt of $300 billion. This is value taken from the millions of Americans who have bought U.S. savings bonds or have entrusted their savings to institutions such as insurance companies that invest in Government bonds.

In addition, the United States is sliding out from under its major unbonded obligations. For example, under the social security system the Government is now committed to pay $625 billion in future retirement, survivors' and disability benefits to presently covered individuals. With the dollar depreciating around 1½ percent per year, the Government is reducing the purchasing power of these future payments to you and me by $9.2 billion a year.

Thus, even the Government's own books confirm the truth of the Wall Street Journal's statement that the deficit is being "taken out of the hide of the economy—the American people, that is."

SELF-PROTECTION

Can we protect ourselves against such irresponsible fiscal management? The answer is an emphatic "Yes." Any time we, the people, insist that the Government balance its budget, inflation will grind to a halt. A good way to begin is to invest in a 5-cent stamp to write your Congressman saying that a real tax cut it devoutly to be desired; but a phony tax cut, financed by more borrowing and more debt, is no favor to anybody. It would do no harm to say that a vote for such a tax cut will be remembered in the privacy of the voting booth this coming November.

After that you might spend another nickel on a letter to the Council of Economic Advisors, the White House, Washington, D.C., saying that you are watching carefully what is happening to your cost of living and that you are holding the economic planners jointly responsible with Congress.

If Washington officials want to claim credit, as they always do, for the good things that happen in this great American economy of ours, then it is high time they be made to accept responsibility for the daily defeats millions of Americans suffer in their struggle with the rising cost of living.

THE WORK OF SENATOR WILLIAMS OF DELAWARE

Mr. MILLER. Mr. President, there appeared in the New York Times magazine of February 9 an excellent and factual account of the work of the senior Senator from Delaware [Mr. Williams], which I think his colleagues will appreciate because it shows how many Senators can and do accomplish worthwhile things for the benefit of their country without great fanfare. The Times story, written by Mr. Frederic W. Collins, is an example of fine journalism. He points out that "Senator Williams has perhaps brought down more wrongdoers operating in the U.S. Government, or chiseling from it, than any other man." We are proud of John J. Williams—and while probably he would not want such an article in the Record because it might use some extra paper—nevertheless this is a story which deserves to be in the Record, and I ask unanimous consent that it be printed in the body of the Record at the conclusion of my remarks.

In this connection, the Senate might be interested to know of an even greater tribute paid the senior Senator from Delaware. This was when he was last running for reelection. One day, his charming wife received a telephone call from a neighbor about a block away. The neighbor reported that the grandchildren of Senator Williams were going door to door asking people not to vote for their grandfather because they wanted him to stay home and be with them. This is a true story, Mr. President, and one that probably is the greatest of all tributes. There may be some persons today who fear that their wrongdoing may be exposed and thus would like Senator Williams not to run for his fourth term, but in later years his grandchildren most certainly will be proud of the work he has done for his country. One other matter: One of those grandchildren has now grown up to about 18 and last week she was named the "Cherry Blossom Princess" from Delaware.

Also, I ask unanimous consent to have printed in the body of the Record the article printed in the Times of the same date which favorably comments on the Senator's executive secretary, Miss Eleanor Lenhart, a member of the Senator's fine staff.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Senator Williams: Public Eye

(By Frederic W. Collins)

Washington.—That man following right behind Bobby Baker is U.S. Senator John J. Williams, Republican, of Delaware. He has been the goad driving the Rules Committee onward in its investigation of the tangled financial affairs of the former secretary to the Senate majority.

Senator Williams has perhaps brought down more wrongdoers operating in the U.S. Government, or chiseling from it, than any other man. By dollar measurement, the misfeasances, nonfeasances, and malfeasances he has uncovered run to hundreds of millions. The amounts recovered run in the millions. The numbers of persons jailed run into the hundreds.

Nearly 17 years of more or less continuous activity of this kind, however, had left his name and his face largely unknown—outside Washington and Delaware. His performance has not included TV spectaculars. He has no committee setting for his investigations. (He is not, for example, a member of the Rules Committee.) He has no power of subpena. He has no sleuthing staff, no special counsel serving as prosecutor. His equipment includes paper, pencils, a sharp mind, a sense of duty, the Senate floor, and the Congressional Record. With these, he can in effect move mountains. He can scare the daylights out of the bureaucracy and make it act when it would rather not be bothered. This time, it just happens to be the Senate bureaucracy rather than the downtown bureaucracy. It's all the same to Williams.

It is perfectly obvious to a wide public right now, however, that Senator Williams is in the middle of the Bobby Baker investigation—and ranging along its outer borders, as well. Characteristically, he is moving ahead of the committee inquiry. This has already been noteworthy in connection with advertising on the L.B.J. Co.'s broadcasting station in Austin, Tex., and the quality of construction performed at a Boston veterans hospital by a group including Matthew H. McCloskey, a leading Democratic Party fund raiser.

Senator Williams is, on the one hand, feeding information to the committee investigation and, on the other hand, publicizing on the Senate floor and in press statements information he has collected himself, beyond what the committee had shown itself prompt in pursuing. There is evidence that people interested in getting information out regard Senator Williams as the most efficient relay point between them and the public.

Probably the thing best known about Senator Williams is that in private life he sells chickenfeed in Millsboro, Del., a town of 536 people. There is something about chickens and chickenfeed that tickles the American funnybone. The instant sophistication conferred by settlement in the National Capital, even upon persons from smaller towns than Millsboro, has made many laggard in taking Williams seriously. Some have snickered all the way to the penitentiary.

The secret of Williams' success is simple. He just never believes that there is any difference between the books at his hay, grain, feed and coal business and those of General Motors or Du Pont; or those of the Commodity Credit Corporation; or the labyrinthine processes by which a crooked tax collector lets a delinquent taxpayer buy him a Cadillac, or a racketeer finesses a six-figure income past the Treasury's aces.

Washington folklore holds that any Delaware politician jumps when Du Pont snaps its fingers in Wilmington. Williams, an extremely conservative Republican, is certainly no thorn in the Du Pont corporate hide. But when special legislation was proposed to avoid taxes on the yield from the incredibly complicated transactions by which Du Pont divested itself of its General Motors holdings by court order, Senator Williams led the opposition. Then he wrote the formula the Government now applies.

"The first proposal," he recalls, "would have made the distribution tax exempt. The stockholders would have wound up making money as the result of losing a court decision. I couldn't believe that was right." The formula he pushed through requires that Du Pont stockholders pay capital gains tax on General Motors shares if their market value exceeds the purchase price. "That's fair," Williams says.

Now 59, Williams drafted himself for the U.S. Senate in 1946, after a life innocent of political office. He had been in the feed business since he was 18, when he went into partership with an older brother. "It was just an average feedstore," he says. "Poultry and dairy feed. Picture one in Kansas and one in Millsboro; they're no different."

Why did he try for the Senate? "I don't know as I could say why," he replies. "It couldn't happen in a larger State. A political unknown couldn't get around to meet people. I was known a little bit as a businessman and I like to think I had a little reputation for respectability. I had that." A few chance circumstances had left him a little more free of his business. Downstate Delaware had a claim for a place on the ticket, and the vacancy was for the Senate.

"So I thought there was a chance," he says. "I liked the idea and thought I'd try it. I got the nomination 99 percent because no one else wanted it. They thought it was a Democratic year."

Williams went to Washington in January 1947, with his ambitions directed at supporting the conservative causes defined by the Republican 80th Congress. Before his freshman year was over, he was launched on an additional career as demon investigator.

It all started when he began to get complaints from his constituents that there was something wrong in the Wilmington office of the U.S. Collector of Internal Revenue. People who had paid their income taxes were nonetheless receiving notices of delinquency—in such numbers as to suggest more than a simple clerical error.

A novice at investigations, Williams asked the General Accounting Office how to check. The GAO said the best opening move would be to get from the Wilmington collector, without advance notice and in person rather than by correspondence, the list of purported delinquents.

At the same time, Williams discussed the matter with Senator Styles Bridges, then chairman of the Appropriations Committee. By coincidence, an investigator from the GAO had just joined the committee staff. Off he went to Wilmington, and brought back the list, ostensibly for the committee, but actually for Williams, who was not a member. The investigator was a little embarrassed by one name on the list—that of Senator John J. Williams.

Williams knew he was not in arrears. With his knowledge of Delaware, he began to comb from the hundreds of names those of others he was sure were equally innocent. From them, he amassed several cubic feet of photostats of canceled checks showing payment.

With the records in hand, breaking the case was easy. The cashier in the Wilmington office had been embezzling tax funds for 7 years. Furthermore, it developed, he had been discovered by his superiors, but had been kept on the payroll with a promise to replace his defalcations. It was during this grace period that he had subverted the Williams account.

Now the freshman Senator went after officials of the Bureau of Internal Revenue and of the Treasury Department itself. He called them into his Senate office and quizzed them about what they knew. He was on the Civil Service Committee, and he stretched its jurisdiction a bit. The best official explanation he could get was that the embezzler had persuaded his superiors that his operations were small. Williams brought out his records and showed that the operations had netted at least $30,000.

The embezzler was arrested and held for a grand jury. In January 1948, he pleaded guilty and was sentenced to 4 years in prison.

What Williams accomplished in this first case was to needle the Government into action against a wrongdoer. He did it by activity behind the scenes. He proved that tenacity pays off, and that the fullest possible documentation of a case gives an investigator the upper hand.

He has been operating much the same way ever since. He does not start many cases. Tips from inside the Government, tips from citizens, newspaper stories, casual conversations, or the letters which come to him in considerable numbers suggesting something wrong, may set him going. He checks and asks for information, and, he says, tries first to disprove it. If it stands up, he goes further.

A typical example of Williams in action is the case—his biggest up to now—exposing what he calls an organized tax-fixing ring. The original tip came in the spring of 1949, when he was busy investigating the bookkeeping practices of the CCC. "If you think you've got a big one there," a respected Delaware Democrat said to him, "let me tell you something." The tipster then sketched a story of widespread collusion between officials "at an extremely high level" and "certain groups, including some in the underworld," who were able to fix their taxes by payoffs.

Williams worked for 2 years, after getting that first lead, before he opened up on the Senate floor in May 1951. By then, he had piles of photostats; he had traced hidden operations of the most intricate sort. He even had the serial numbers of automobiles which had been part of the payoffs. He will not say how he obtained all his information (asked on the Senate floor one time, he ducked with a joking reply that the Secretary of the Treasury was feeding it to him), but he had it, and he used it as a lever to force official action. He raised Ned in tax offices in Boston, New York, St. Louis, and Philadelphia, reached into the Treasury, the Revenue Bureau and the White House itself, and brought various underworld creatures out into the light.

Early in his investigation, he had discovered that a remarkably chummy relationship existed between the revenuers and Frank Costello, the New York gambler. The Bureau told him that two special agents had been checking Costello's taxes for several years and were experts on the subject. "Get them down here tomorrow morning," Williams insisted. When the agents arrived, he soon satisfied himself that they knew little or nothing about the case. Other agents were assigned. And in 1954 Costello was convicted of evading income taxes and sent to prison in Atlanta.

There were lulls, but through the years the results mounted. In 1957, Williams listed for the Senate his record with Internal Revenue Service cases from 1949 through 1956: indictments, 169; convictions, 125. He had earlier listed crooked grain-storage cases: $11.3 million in shortages discovered; more than $4 million recovered; "many individuals both in and out of Government indicted."

His office log of Congressional Record entries relevant to such activities runs to around 200 pages. Nothing much seems to have escaped him. He denounced a Republican national chairman for representing a private client before a Government agency. His was one of the early demands that Sherman Adams resign: "There can be but one code." He obtained legislation requiring U.S. shipping companies to charge Congressmen full fare, and requiring Congressmen to account for counterpart funds spent abroad.

Williams has concerned himself with the number of automobiles in the Bureau of Indian Affairs, the bookkeeping in the consulate at Lahore and in the Alaska Railroad, the weird purchasing practices of the armed services, and lost shipments of grain to Austria and elsewhere.

People may wonder what Williams does when he is not tracking down wrongdoers. The answer is that he occupies himself with the normal business of the Senate. He sits at present on the Finance and Foreign Relations Committees. He is a "negotiator" under the Trade Expansion Act, which means that he will be a liaison man between the Finance Committee and participants in the "Kennedy round" of tariff talks at Geneva this spring.

His record includes votes to cut the oil-depletion tax allowance, for civil rights bills, and in favor of censuring Senator Joseph McCarthy—because he so heartily disliked McCarthy's practice of condemning people against whom he had no case. Williams himself has no great legislative causes. His investigative work unquestionably comes first in his interest.

Not everyone, of course, applauds his performance. There are inevitably those who regard him as a zealot, as a tiresome Johnny One Note, always blowing the whistle on weaker mortals. Some Government sources who have been glad to cooperate with him are now worried that he is beginning to reach for headlines. But Williams, tall and spare, with friendly smile lines grooved at the corners of his mouth, has the protective coloration of his rural, slightly Southern, small-business Methodist background. He has not provoked vigorous attack.

There is no neat package which can be wrapped up and labeled "What Williams Has Achieved." His accomplishments have been in straightening things out and prompting remedy and punishment rather than in original creation. One of the things he is pleased about is the fact that district directors of internal revenue are now chosen by civil service rather than by patronage. The reform was made administratively rather than by legislation bearing Williams' name, but to him the results are the same. Similarly, he is now interested in getting whatever legislation is required to improve regulation of the commodity exchanges, a purpose growing out of the New York-New Jersey vegetable-oil scandal.

"I'm proud of what I've been able to do," Williams says. "I hope I never get to the point of taking pride in denouncing a fellow man. It's not something I get satisfaction out of. But I'll do it as long as I get the information. I don't want to stay down here long enough to take pleasure out of exposing a man and destroying him—or rather, exposing his own self-destruction.

"You've got to be extremely careful. With the power of the Senate you can destroy a man, and you've got to be right. A retraction never catches up with a charge. I have cases here that are maybe going to explode some day, but until I can document them, they stay right in that file. I'd rather let a dozen go than start one before it's ready."

Now the course of events has brought Williams to the Baker case. One of his first comments on that was: "Baker's got a family just like yours and mine, a wife and children. This is hurting them. These things hurt a lot of people who are not responsible."

When Baker was sued by an outside business associate for alleged sharp practice, Williams became interested. "Then people began coming to me with information," he says, "and I was able to build up enough of a case to go to the Senate leaders and convince them the matter merited investigation."

The moment the inquiry was launched, several questions arose in the Washington mind. Everyone knew Baker and President Johnson had a close relationship when Mr. Johnson was majority leader in the Senate. They knew Baker was chummy with other Senators and some high officials. The questions really boiled down to how far the investigators would go.

The answers are partly in. The investigation began to hit President Johnson almost at once. Most people here think it has already hit hard, in political terms. But there is still an unsettled issue of the extent to which public confidence in the President—and, for that matter world confidence in the President—ought to be hazarded to fulfill an ideal of relentless investigation. It is, after all, a campaign year, and the line between full investigation and political exploitation is hard to draw.

Williams is not willing to comment directly on those points, but he does talk around their edges. "If there's real involvement," he says, "there'll be no cover-up, no matter the height of the official. We'll accept no allegations as true until proven, and disregard none because they seem unimportant."

The importance of what Williams says about following through—and upward—lies in his access to the Senate floor. If the investigating committee for whatever reason should seem to be dragging its feet, Senator Williams can always arise on the floor and place on the record what he thinks the public should know, whether the committee thinks so or not. He may not be running the official Baker investigation, but he's an irresistible and inescapable propulsive force behind it.

Lady in Red

Though he has never starred in a series of televised congressional hearings, Senator Williams has one of the prerequisites for any self-respecting TV sleuth—an attractive female assistant investigator. She is Miss Eleanor Lenhart, a Millsboro, Del., girl whose family has long bought its chickenfeed from Williams' hometown firm.

A graduate of a Wilmington business school, she accompanied him to Washington as his principal secretary, and proved a natural partner in the dogged pencil-and-paper analyses which underlie his cases. More than that, she takes to the trail with him. Miss Lenhart is a rather small and slender young woman, although not at all wispy, who might be tagged by a tabloid reporter as the lady in red because she favors that color in her dress.

Recently a newspaperman went out to interview a girl whose name had cropped up in the Bobby Baker case. He claims that when he got to her house, the FBI had just been rebuffed. But—and about this there is no question—as he reached for the bell, the door opened and Senator Williams and Miss Lenhart came out. They are, however, not garrulous about their gumshoe activities.

—F.W.C.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, what is the next order of business under the morning hour?

The ACTING PRESIDENT pro tempore. The next order of business is concurrent and other resolutions.

Mr. SPARKMAN. Mr. President, under what order is the Senate now proceeding?

Mr. MANSFIELD. The morning hour; but the Chair must go through the prescribed order.

Mr. SPARKMAN. I should like to be able to make some comments at the proper place in the morning hour.

The ACTING PRESIDENT pro tempore. That is the business in which the Senate is now engaged—the introduction of concurrent and other resolutions.

Mr. SPARKMAN. I wish to make a correction of the Record. Would this be the proper place?

Mr. MANSFIELD. The Senator should ask unanimous consent.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that I may make a correction of the Record.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

ORDER DISPENSING WITH CALL OF LEGISLATIVE CALENDAR

On request of Mr. Mansfield, and by unanimous consent, the call of the Legislative Calendar was dispensed with.

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

Subsequently, by unanimous consent, the following additional routine business was transacted:

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

U.S. PARTICIPATION IN THE INTERNATIONAL ATOMIC ENERGY AGENCY—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 226)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Joint Committee on Atomic Energy:

To the Congress of the United States:

I transmit herewith, pursuant to the International Atomic Energy Participation Act, the sixth annual report covering U.S. participation in the International Atomic Energy Agency for the year 1962.

Believing the International Atomic Energy Agency could assume a position of leadership in bringing the benefits of atomic energy to the people of the world, President Kennedy gave it continued support during the period of his administration. I, likewise, hold that belief and affirm my support for the International Atomic Energy Agency as an important instrument in promoting the peaceful uses of atomic energy.

Lyndon B. Johnson.

The White House, *February 10, 1964.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, informed the Senate that, pursuant to the provisions of section 1, Public Law 86-420, the Speaker had appointed Mr. Nix, Mr. Montoya, Mr. McDowell, Mr. Macdonald, Mr. Wright, Mr. Johnson of California, Mr. Cameron, Mr. Derwinski, Mr. Norblad, Mr. Springer, Mr. Reifel, and Mr. Morse as members of the U.S. Delegation of the Mexico-United States Interparliamentary Group, on the part of the House.

The message announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 298) to amend the Small Business Investment Act of 1958.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Mills, Mr. King, of California, Mr. O'Brien of Illinois, Mr. Boggs, Mr. Byrnes of Wisconsin, Mr. Curtis, and Mr. Knox were appointed managers on the part of the House at the conference.

The message further announced that the House had passed a bill (H.R. 1794) to authorize the acquisition of and the payment for a flowage easement and rights-of-way over lands within the Allegany Indian Reservation in New York, required by the United States for the Allegheny River (Kinzua Dam) project, to provide for the relocation, rehabilitation, social, and economic development of the members of the Seneca Nation, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R.1794) to authorize the acquisition of and the payment for a flowage easement and rights-of-way over lands within the Allegany Indian Reservation in New York, required by the United States for the Allegheny River (Kinzua Dam) project, to provide for the relocation, rehabilitation, social and economic development of the members of the Seneca Nation, and for other purposes, was read twice by its title and referred to the Committee on Interior and Insular Affairs.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

Increase of Basic Pay for Members of the Uniformed Forces

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to amend title 37, United States Code, to increase the rates of basic pay for members of the uniformed services (with an accompanying paper); to the Committee on Armed Services.

Audit Report of St. Lawrence Seaway Development Corporation

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the financial statements of St. Lawrence Seaway Development Corporation, Department of Commerce, calendar year 1962 (with an accompanying report); to the Committee on Government Operations.

PETITION

The **PRESIDENT** pro tempore laid before the Senate a telegram in the nature of a petition, signed by K. Williams, secretary, AWSC, of Detroit, Mich., relating to the transfer of the Chrysler Detroit Foundry to Canada, which was referred to the Committee on Labor and Public Welfare.

REPORT ENTITLED "IMPLEMENTATION OF CARGO PREFERENCE LAWS BY ADMINISTRATIVE DEPARTMENTS AND AGENCIES"—REPORT OF A COMMITTEE (S. REPT. NO. 871)

Mr. MAGNUSON. Mr. President, from the Committee on Commerce, I submit a report entitled "Implementation of the Cargo Preference Laws by the Administrative Departments and Agencies," which I ask unanimous consent may be printed.

The **ACTING PRESIDENT** pro tempore. The report will be received and printed, as requested by the Senator from Washington.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. MAGNUSON, from the Committee on Commerce, with amendments:

S. 1732. A bill to eliminate discrimination in public accommodations affecting interstate commerce (Rept. No. 872).

(See the remarks of Mr. MAGNUSON when he reported the above bill, which appear under a separate heading.)

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. METCALF (for himself, Mr. MANSFIELD, Mr. CHURCH, Mr. JORDAN of Idaho, and Mr. MOSS):

S. 2500. A bill to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of phosphate on the public domain; to the Committee on Interior and Insular Affairs.

By Mr. SMATHERS:

S. 2501. A bill for the relief of CWO Charles M. Bickart, U.S. Marine Corps (retired); to the Committee on the Judiciary.

By Mr. BREWSTER:

S.J. Res. 153. Joint resolution to prevent the eviction or dispossession of lawful occupants of Federal lands in the Potomac River Basin pending the completion of the survey of such basin by the Department of the Army; to the Committee on Interior and Insular Affairs.

RESOLUTION

AMENDMENT OF RULE VII TO PERMIT MORNING BUSINESS STATEMENTS OR COMMENTS FOR 3 MINUTES

Mr. CHURCH submitted a resolution (S. Res. 297) to amend rule VII to permit morning business statements or comments for 3 minutes, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when submitted by Mr. CHURCH, which appears under a separate heading.)

THE GOVERNMENT'S ROLE IN DEVEOPMENT OF WESTERN STATES

Mr. CHURCH. Mr. President, I have often tried to emphasize the importance of the role of the Federal Government in the development of the Western States, but I have never seen the case better presented than it is in a recent address by the Secretary of the Interior, Stewart L. Udall, delivered at the University of New Mexico on February 6, 1964.

For all those who, having forgotten their history, cry out for an end to the public domain in the Western States, and advocate either a takeover by State governments or wholesale conveyances into private ownership, Udall's factual and forthright speech ought to be "must" reading.

I ask unanimous consent that the text of this excellent address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD as follows:

The West and Its Public Lands: Aid or Obstacle to Progress?

(Address by Secretary of the Interior Stewart L. Udall at the John Field Simms memorial lecture, University of New Mexico, Albuquerque, February 6, 1964)

Two years ago this month in an unguarded moment I decided to attempt a book about the land-and-people story of our continent. At odd and interspersed times I did the reading and the writing that resulted in a volume I chose to call the "Quiet Crisis."

The writing was a splendid misery, but the reading was a revelation. After the first few weeks I realized how ignorant I was of my own job, and how little I really knew the conservation history of the American land. Near the end, when the task seemed almost too large to finish, I knew that, finished or not, the further education of Stewart Udall had made the whole effort worthwhile.

No Secretary of the Interior can read or write about conservation history with detachment. Every decision or plan or program proposed in the past throws fresh light on the questions awaiting decision on his own desk. Half-forgotten names like Hetch Hetchy, Teapot Dome and Muscle Shoals become the landmarks that help chart a course through the pressures and controversies of the present.

Three-fourths of my years have been sent in and about the West. Yet I must confess that preparing to write the "Quiet Crisis" furnished insights into the land-and-people history of my own region that I had lacked. As student, citizen, lawyer, and Congressman I had puzzled over, but largely taken for granted, the public land policies of the West. As Secretary, in the process of asking the why of things, I have been often compelled to search for the deeper answers.

Are the public lands of the West—and by public lands I mean the national forest and park and wildlife and grazing lands owned by the Federal Government—an aid or an obstacle, to progress? I think the time has come for us to discuss this question with a thoroughness and respect for the essential facts which will yield up honest and clear-cut answers.

The time is late. These historic policies are now under an oblique, but damaging, attack by a rising tide of antifederalism that is undermining the very foundations of our conservation action program.

One should not be surprised, I suppose, that men of our region are leading coiners and reciters of anti-Washington slogans: after all, it was the late Bernard DeVoto who often reminded us that the eddies of politics in the Far West always seemed to spawn spokesmen he called westerners against the West.

It is easy in 1964 to explain the antifederalist sentiment of the South. That region is in the throes of a social revolution which is the outgrowth of demands for new national unity and a single national standard of citizenship.

However, it is more difficult to explain the anti-Federal Government movement in the West, for our region has always had a special—and uniquely profitable—relationship with the Government in Washington. One might say that Lewis and Clark—the outriders sent by Thomas Jefferson—were the first Federal "presence" in the West. The cavalrymen, Indian agents, forest rangers, and reclamation engineers who followed were the visible symbols of the Federal involvement in western development.

The new-wave antifederalists of the West have, I fear, misread the political history of their region, and have failed to grasp the central significance of the conservation policies hammered out by Powell, by Pinchot, and by the two Roosevelts.

By edict of nature, nearly all of the West was, and always will be, different from the rest of our country. Daniel Webster called it a wasteland, but from the first the West was destined to write a special chapter in our history. The Plains Indians, the vast prairies, the mighty massif of the Rocky Mountains, the parched deserts, were all formidable barriers to settlement and migration. Its searing winds and harsh climate, its uncertain rainfall and thin soils made settlement a struggle and resource planning a necessity. Moreover, the West's remoteness from Eastern markets, its sparse patterns of settlement, lack of transportation, and inadequate local capital made it susceptible to domination by outside entrepreneurs—and made investments of development capital by the National Government an absolute necessity if orderly growth was to occur.

Yet, despite all this, the antifederalists in our midst have identified the growing National Government of a growing nation as the paramount threat to our way of life. ("Fear Washington more than Moscow" some of them say.) To hear these men tell it, Government action and individual freedom are irreconcilable opposites. Nor are they deterred by the historical circumstance that nearly all of the programs and policies formulated by Presidents and Congresses since 1932 have been designed to cope with a great depression, to win a great war, and to carry the leadership burdens of a free world coalition.

It is not my intention to analyze all of the root causes of these symptoms. Suffice it to say that States rights and other anti-Federal slogans have taken the same form in the West as in the South: the Federal Government's role as proprietor of the public estate is attacked as forcefully by some western spokesmen as the Federal Government's role as the protector of civil rights is attacked by the southern segregationists. To remind these westerners that the Federal activities and appropriations have underwritten much of the West's progress is about as fruitless as to remind the South that only as all Americans enjoy civil rights can we realize our full potential as an equal-opportunity society that revitalizes America each generation.

The current crop of antifederalists begin any discussion of resource policies in the West by arraigning Federal stewardship of the public estate: one hears of Federal land grabs, of a Federal "lock up" of resources, or of the insidious encroachments of the agents of big bureaucracy. Those who espouse the most extreme antigovernment views were given their comeuppance the other day by Dr. Joe Frantz, of the University of Texas, at the annual meeting of the American Historical Association in these words:

"Is the tradition of a West where men stood alone against their environment, asking no help from anyone, and least of all their government—is that tradition tenable? When that long-legged son-of-a-gun stands up in a cattleman's club in Cheyenne, or in a chamber of commerce banquet in Tucson, or at a Governor's conference in Helena—and when he issues a blast at an all-consuming Federal encroachment in words more blistering than all the winds that blow from Spokane to San Antonio, is he historically sound, or has he swallowed a whole hunk of home-manufactured, self-illuminated halo without chewing it first?"

Let us begin with the essential facts. It is indeed a fact that half the land of the 11 westernmost contiguous States is in Federal ownership. It is also a fact that in these 11 States, three-quarters of these 400-odd million Federal acres is managed by the Forest Service and the Bureau of Land Management for mineral, forage, timber, and outdoor recreation values. The other quarter contributes to the national welfare as areas reserved for national parks, military reservations, and Indian reservations.

It is also a fact, which some of our citizens conveniently forget, that under our system the Federal ownership means ownership by all. Whether one regards the present National Government as being too large or too small, I daresay few citizens of this State regard the Federal Government as a faceless bureaucracy. I daresay the everyday faces most of you in New Mexico associate with the National Government are those of park and forest rangers, of public land managers, Los Alamos scientists, and aiders of Indian welfare. The truth of the matter is that the Federal Government maintains, conserves, and develops these lands as a common estate that each of you, if you obey the rules, can use at will. In a very real sense we are all owners and proprietors of the public lands. Take it from one who is of late a fenced-in Easterner, your ownership of and ready access to these spacious, scenic lands at your back door is a precious heritage that includes a special brand of personal freedom.

Let us, then, discuss the real issues that touch the public lands of the West. What, for example, has this land meant to the private sector of the economy, and to the States, counties, and municipalities? What kind of Federal investments have been made, and what has been the result in terms of both local and national economies? Are local interests consulted and accommodated in carrying out resource policies? Do national parks contribute to the economies of the several States, and if so how much? Would it really be profitable for the States to have the Federal lands transferred to State ownership? These are the hard questions we should ask—and answer—for ourselves and for our children.

Some western leaders periodically make the charge that their States have been discriminated against because the Eastern States "got all their land" while the Western States were "deprived" of theirs. Such persons fail to recognize that the minerals, timber, forage, water, and wildlife resources of the public lands are all available for use by industry, by associations of water users, and by those who seek the simple pleasures of the out of doors.

To listen to some latter-day orators, one might think that the Federal Government had had nothing to do with the development of the West. That kind of talk, of course, does not reckon with the daring diplomacy of Thomas Jefferson, John Quincy Adams, and James K. Polk; each presided over an acquisition of territory now included in the Western States. Lewis and Clark and later army officers explored the West. Others reconnoitered the prospective railroad routes more than a century ago. Federal land grants made transcontinental railroads possible. Government geologists King, Powell, and Hayden systematically reported the mineral wealth. Congress passed settlement laws, the Homestead Act, the Desert Land Act, the Timber and Stone Act, and the mining laws. All of these encouraged early settlement.

Judged by any standards, the West owes a big debt to Washington. The deeds, if not the words, of the western antifederalists in Washington bear witness to this truth every week. Almost to a man, while decrying big Federal Government and big Federal spending, they simultaneously advocate bigger Federal allocations and bigger Federal programs for their own States. The schizophrenic character of such discourse became clearly visible a few months ago when one prominent western Senator advocated the sale of a successful Federal interstate water project—the "socialistic TVA"—at the very moment he was sponsoring a $1.1 billion Federal water project for his own State.

I reiterate that such men have misread the history of their region. They suffer from what might be called a Zane Grey syndrome. Their oversimplified world—a world of individualistic "good men" pitted against bureaucratic "bad men"—ignores the central fact of western history, the circumstance that settlement succeeded best where governments and associations of individuals worked together for the common good.

To be sure, the bold entrepreneurs who established copper and timber and railroad empires played a big role in the beginning, but I would suggest that no less significant is the role of the ordinary men who organized irrigation districts, water conservancy boards, grazing districts, rural electric cooperatives, soil conservation districts, and the other resource action groups which have done so much to build a solid base for economic growth. The grassroots leaders of action by free association have succeeded because they believed in the conservation policy and were willing to work with the Federal and State and local governments to develop the resources of the West.

My concern today is that the myths and misconceptions of the antifederalists will win widespread acceptance in the West, and disrupt the pattern of partnership between the West and Washington. The Clinton Andersons and the Carl Haydens and Aspinalls and Jacksons and Kuchels are still regarded as the authentic voices of the West in Washington. But if the antifederalists ever are regarded as our spokesmen lasting damage will be done to the cooperative partnership in conservation begun 60 years ago by Theodore Roosevelt.

The first articulated western public land policies were the end product of a century of trial and error in land management. The Constitution gave the Congress power to "dispose of" Federal property. A century ago, beginnings were made to exercise this power on sound principles, by the first laws which contemplated permanent ownership by all of the people.

However, the first premanagement phase in our national land policy began during President Washington's first term, and continued until the time of Theodore Roosevelt. It might be called the period of land distribution.

The General Land Office was then the biggest land broker in the history of the world. Land was in such a state of surplus that even Thomas Jefferson could not see any need to reserve tracts for public purposes. There was enough land in the United States, he said, for descendants "to the thousandth and thousandth generation." Yet within three generations, the Census Bureau had declared the disappearance of the frontier.

The sellaway-giveaway of the public lands moved forward at a "land office" pace. Vast tracts were given to the States, small tracts were granted or sold to individual citizens, speculators bought up choice areas at bargain prices, and railroad and canal companies wangled from the Congress both provident and improvident grants amounting to millions of assorted acres.

With the notable exception of its administration of the Homestead Act, the General Land Office could not escape being a part of the political spoils system. The GLO was not prepared to manage lands; alienation of title was its single-minded purpose.

The second phase, beginning with the Yellowstone Park Act of 1872 and the Forest Reservation Act of 1891, came to full flower under Theodore Roosevelt and Gifford Pinchot, whose conservation policies took into account the peculiar land stewardship problems of the West.

These men drew heavily upon the doctrines of the West's John the Baptist—Maj. John Wesley Powell, of the Geological Survey. In his arid lands report of 1877, Powell had pointed out that colonization could not result in permanent prosperity unless all thinking began, and ended, with a recognition that wise water planning was the sine qua non of western growth. The land, he wrote, was almost worthless unless every ranch had a waterhole and every farm a water right.

By 1900, ranch homesteaders had claimed the choicest lands around the best waterholes in the grassland country, and farm homesteaders had settled the river valleys where some kind of water supply seemed assured.

But it became obvious, even then, that the homemade dams and irrigation systems of the farmers were not enough. Furthermore, the ranch homesteaders were showing little concern for management of the public grasslands which they used in common. Timber operators (who could legally acquire only limited woodlands, due to the land reform provisions of the Homestead and "Timber Culture" Acts) were hard at work on the most accessible stands of public timber. Miners were locating their claims by the thousands. But sustained growth remained dependent on the availability of water and transportation.

The principles of conservation evolved by Newell, Pinchot, and Theodore Roosevelt proceeded from four major premises.

1. that water development and conservation was the first priority of the West, which only a Federal program could realize in full;

2. that the arid climate of the West dictated continued Federal ownership and management of a large portion of the public domain;

3. that the farms and businesses would be private, not public;

4. that land monopoly or a monopoly of basic resources was intolerable.

To these premises, certain elemental conservation concepts were considered the prerequisites of an action plan:

(a) to protect vital watersheds, and to insure the orderly harvesting of timber and forage, the forested mountain country should be reserved as "national forests," to be managed according to sustained-yield conservation principles;

(b) the river basins had to be setting for water use planning;

(c) Federal funds for irrigation projects would be repaid interest-free by the small farmers who benefited by such projects;

(d) the finest scenic areas should be reserved and managed as national parks for the enjoyment of all the people;

(e) areas required for the protection of migratory waterfowl and wildlife should also be kept in Federal ownership;

(f) most of the grasslands should remain under the Federal stewardship, but open to homesteading and mining;

(g) those who extracted products from the public domain or used public lands for private gain should pay for the privilege.

The action plan had begun, as I stated, in 1872 with the act creating Yellowstone Park. Beginning in 1891, the great decisions concerning the public lands of the West took form by executive and congressional action. These provide the framework of the land conservation plan of the West. Those decisions—and the funds and followup laws implementing them—have built up the West and strengthened the Nation.

Six of the most important were:

1. The Forest Reservation Act of 1891 which empowered Presidents to create national forests out of the public domain. Some 148 million acres in the West were set aside by Presidents Harrison, McKinley, Cleveland, and Theodore Roosevelt pursuant to that historic act.

2. The Reclamation Act of 1902 which established a special reclamation fund and set forth a plan for western water conservation. This made it possible through a pioneering venture of united action between the Federal, State, and local governments to develop irrigation in the fertile valleys of the West. The land reform provisions of that act also extended the Homestead Act by limiting participation to small farmers. This was an act designed to promote the development of a single region—the area west of the 100th meridian.

3. The Antiquities Act of 1906 gave Presidents the power to establish national monuments in the public domain. This enormously aided the growth of the national park system.

4. The Mineral Leasing Act of 1920 established a system with appropriate fees and royalties, for the private leasing of oil, gas, coal, phosphate, and several other minerals found on lands of the public estate.

5. Land grants were made at various times by the Congress to each of the 11 Western States and to various railroads as a contribution toward the support of public institutions and as a stimulus to economic development. These generous grants added up to 18½ percent of the total land area—9½ percent went to the States, and 9 percent to the railroads.

6. The Taylor Grazing Act of 1934 ended unrestricted free-choice homesteading on the public domain except in Alaska; it substituted land classification, and established a belated program for the multiple use and conservation management of our public grasslands. By this act and the executive orders which were later congressionally ratified, the policy of headlong alienation of public lands was ended.

Implicit in this land-use action plan was the idea that the Federal Government would manage as well as own, would plan conservation, would provide development funds, and would contribute to the general economy of the West. Under these decisions, the region's development was "favored" in the sense that the National Government undertook to shoulder more responsibility than would otherwise have been the case.

Once the basic guidelines of the plan were established, the Congressmen and Senators of the West did a remarkable job in securing the appropriations required, and in securing enactment of a whole series of statutes to insure that Federal ownership of the public lands would encourage sound patterns of growth. The vigilance and vision of these leaders enabled the grand plan of development to move forward in orderly fashion.

Considering the alert and effective work of these western Congressmen, any dispassionate historian would express dismay at the antifederalist doctrine that the Federal management of the public lands has retarded the growth of the region.

It has been my job, and that of my colleagues, for the past 3 years to act as trustee and land manager of most of the western public land. I have also had an opportunity to observe land and people problems in other parts of the United States, and in other countries on other continents. As one westerner I want to record a personal judgment here tonight—the judgment that the conservation plan of the West is a high-water mark in world resource stewardship.

Whether one measures western development by the new forms of human cooperation it has developed, by the wise investments of national wealth, by the equity of arrangements for the sharing of benefits and burdens by the region and by the Nation, or by the way of life developed in the region itself, one can only conclude that this public-private partnership in conservation is a singular success.

Let us enumerate some of the benefits which have accrued to the West and write them large so that he who runs may read:

1. The reclamation program is regarded as a model today in all parts of the world. Under it the Federal Government has spent $4.5 billion in building the dams, canals and irrigation works needed to provide the assured supply of water that has made 8½ million acres of land permanently productive. Over 90 percent of the money advanced by the Federal Government for construction is repaid. The reclamation fund set up by Congress to help finance construction receives money from public land sales, mineral leases, project operations, and repayments of project obligations. Accruals to this fund, continually being reinvested, have reached the $2 billion mark. The working relationship of Interior's Bureau of Reclamation with local water users and State water officials is an outstanding example of pluralistic American Government in action.

2. Since the close of the Second World War, the Federal Government has spent more than $375 million developing, operating, and maintaining the units of the national park system, chiefly in the West. These investments have been a major factor in development of a tourism industry that is now an economic mainstay of the Western States.

3. The wildlife habitat on public lands provides the best outdoor recreation in the West. The States and the tourist industry reap large economic benefits. A comparatively minor benefit, for example, is the $34 million receipts realized by the States from the sale of hunting and fishing licenses in 1961.

4. On the Taylor Act lands, grazing fees are paid by range users. Part of those receipts are paid in cash to the States. As westerners know, the Taylor lands are by no means valuable only for grazing. They have important watershed values and are rapidly gaining recognition for wildlife habitat and for outdoor recreation. The new movement to protect, rehabilitate and conserve these lands is an outstanding example of community cooperation.

5. Oil, gas, and several other minerals on the various public lands are managed by the Federal Government under a mineral leasing system. However, again alert Western Congressmen have put the plowback principle into law, and in our States only 10 percent of the total revenues realized from mineral leasing on public domain lands are returned to the general fund of the U.S. Treasury. Of the remaining 90 percent the reclamation fund gets 52½ percent and the States 87½ percent;

6. As for the Indian lands and the Indian people, at an expense that this fiscal year will total more than $228 millions, the Federal Government provides health, education, welfare, and development funds for the Indian people and their resources. Again the benefits to the Western States far outweigh the burdens. If the Indian lands were "put on the tax rolls" and the States provided the same level of public services, all of the "Indian States" would need new taxes to carry this extra load. (For instance, in my own State of Arizona, Federal expenditures on behalf of the Indian tribes in fiscal year 1963 added up to almost $64 million. If the State assumed the responsibility for these services it would entail nearly a 20-percent increase in the current State budget.)

But this is only part of the picture. Transfer of the public lands "to the tax rolls" would automatically alter the liberal highway-fund matching concessions which these States now enjoy. In the fiscal year 1963 allocation of Federal-aid highway funds, for example, the 11 Western States obtained their allocations with $145 million less State matching money than would have been required had these States had no Indian and public-domain lands within their boundaries.

There are other special Federal road financing benefits as well. There were expenditures of $74 million in the 11 Western States in fiscal year 1963 for forest roads. An additional $30 million of unmatched Federal funds were expended on highways and roads within the national parks and monuments, on Indian reservations, and on the other Federal lands. States do not pay for public land taken for rights-of-way. The total financial benefit to the 11 Western States from highway and road expenditures in fiscal year 1963 on account of Federal land ownership was at least $245 million.

In rough terms, as near as my experts can estimate it, well over half of the total revenues, receipts and royalties from the public lands today are either reinvested directly in the West or are shared with State and local governmental units—notwithstanding the fact that practically all of the land management costs are borne by the National Government.

Over the years, the flow of funds westward from Washington has been heavier proportionately than to any other region of the United States. The new brigade of antifederalists may choose to ignore this fact, or to explain away the connection between tourism and the outdoor estate that all of us own.

Finally, there are the intangible benefits of the public lands. To those who prize the out of doors, these are the most tangible of advantages. I refer, of course, to the unique freedom men have who live next door to great parks and forest lands and open spaces. Each man can use this resource at will. Those who live in congested areas of our country where "no trespassing" and "do not enter" signs dominate the landscape know the real worth of an adequate estate of public lands.

The vast public domain has other uses too, as the West discovered after 1941 when the military services and defense industries who needed space located disproportionately in the West. Such vital "wasteland" installations as White Sands, Los Alamos, Hanford, and Yucca Flat illustrate this advantage public lands have conferred on the States of the West.

I voice no complaint against any man who lodges constructive criticism against obsolete laws, inefficient administration or arbitrary bureaucracy or who demands that the National Government strive to be more sensitive to local needs and local judgments on public affairs. We need vigorous-minded citizens ready to speak out against the erosion of due process or the chance intrusions of officious agents of the Government. However, if the experience of the last two generations has proven anything, it is that western individualism is compatible with the requirements of modern government.

I must leave you with no misconceptions. There is always room for criticism of the Federal management of our public lands. There is much that we must and will do to make our procedures efficient and responsive. Many of the difficulties are grounded in archaic laws. The Congress is considering Representative ASPINALL's proposal to establish a Public Land Law Review Commission, and such a Commission, properly chartered, properly supported, and properly led, could help us to bring our land laws up to date, and to eliminate unnecessary sources of friction between citizens and government, or between the States and the Federal Government.

To encourage other desirable policy changes, I have directed the Bureau of Land Management to analyze and classify the public lands in an effort to distinguish more precisely those areas that will be needed for local suburban, industrial, or open-space use from those remote areas requiring intensive protection and conservation measures under multiple-use management. Every effort will be made to enlist the participation of local governmental representatives and planning agencies in determining what lands belong in the first category. Modern techniques of land classification which have been used in other areas can be adapted for use in making this basic classification of the public lands.

The lesson of history of public land administration denies us the comfort of assuming that there are final and complete answers. The population explosion, the "westward tilt" of our continent, the mobility and leisure and affluence of our people, and the completion of a revolutionary superhighway net, challenge the quality of our planning for recreation; changes in agricultural technology equally test us; and minerals, fuels, and hydrology are dynamic beyond description.

So management becomes our watchword. We must assure that the public domain continues to be an aid to progress, just as I trust I have demonstrated tonight it has been for the past two centuries.

To sum up, I submit that whether one measures it by the conservation objectives achieved, by living values attained, by the economic consequences of our Federal-State-people program of cooperation, or by the future opportunity the West has not only to grow but to grow right, the Federal Government has been a creative partner this century in the development of the West.

There is much unfinished work, and we cannot afford the luxury of antifederalism. It is my hope that in the years ahead the people of the West will reject the sterile doctrines of antifederalism and build a bright future based on the patterns of action and cooperation of the past.

SHADOWS ALONG THE POTOMAC

Mr. CARLSON. Mr. President, President Lincoln, whose birthday we commemorate this week, was responsible for many great humanitarian programs.

It was on April 8, 1864, that President Lincoln signed the charter for the establishment of Gallaudet College. Edward Miner Gallaudet, who was also born in February, was the first president of Gallaudet College and served from its founding in 1864 to 1911.

Yesterday services were held at the Washington Cathedral in commemoration of the 100th anniversary of Gallaudet College and in observance of the birthday of these two men who were instrumental in the founding of this national college for the deaf.

Participating in the program were Dr. Albert W. Atwood, president of the board of directors; Dr. Leonard M. Elstad, president of Gallaudet College; Dr. Powrie V. Doctor, chairman of the department of history and political science, instructors, and many students. The service was interpreted by members of the faculty.

A most impressive rendition of the Lord's Prayer was interpreted by a religious modern dance chorus of the deaf of Gallaudet College.

The address, "Shadows Along the Potomac," was delivered by Dr. Powrie V. Doctor, chairman of the Department of History and Political Science at Gallaudet College. He gave the early history of the college and stressed the great humanitarian programs that have been carried on during the past century.

I ask unanimous consent that Dr. Doctor's address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SHADOWS ALONG THE POTOMAC

(By Powrie Vaux Doctor, Ph. D., chairman, Department of History and Political Science, Gallaudet College, Washington, D.C.)

In the long shadow of history in the Western World perhaps one of the most dominating ideas in the Judeo-Christian domain has been the gradually developing concept that not only the man who possesses all his physical and mental faculties, but also the man who is deprived of some of these, is an individual in the eyes of God and possesses a soul. In the long years of history man has again and again denied to another man certain rights because of his color, or his nationality, or of his creed. It has been even a greater struggle in the long years of history for the man who is physically handicapped to achieve a place for himself as an individual even within his own community and even among his own kind.

Brilliant as were the many achievements of the Greeks who placed so much emphasis on the physical and mental achievements of man as a man, yet they never made a place for an individual who had failed to meet these requirements through no fault of his own. It is the long shadow of the Judean way of life that first introduced into our Western World civilization the concept that all men possess souls regardless of the temple in which they are housed. It is the Old Testament that we read, "Do not curse the deaf nor place a stone before the blind."

In the field of biology we learn that when a certain specie of animal starts to kill its old and its disabled, it is on the road to extinction. The care of the disabled in any nation is a fairly accurate index of the height to which that civilization has reached in that country. However, as we glance back through the corridors of time we see so clearly that seldom has this concept of being responsible for the disabled come about purely from a political or a social point of view. The reason for the dawning of such a concept has nearly always sprung from a religious motive.

It is difficult today to find a more clear illustration of the distinction between Christianity and other religions than in the area of the treatment of people who have been deprived of their sight, or their hearing, or the use of their limbs. A sense of responsibility for our brothers who are handicapped is the very essence and foundation of the teachings of Jesus. A sense of duty prompts us to honor our war dead, but so seldom is that same sense carried over to the soldier lying in some distant hospital who may be counted neither among those of the living nor among those of the dead. How well we know how much longer it took during the dark shadows of history to realize a duty to the wounded and to the sick and to build a shelter for them, than it took to build some marble memorial to the memory of those who were slain.

The shadow of the cross that lay across the centuries has called to men's minds again and again their responsibility to those of their brothers who have been maimed along the way, and sometimes to a brother injured by the color of his skin, or because of his age, or because he follows the creed of his fathers. This is the essence of the teachings of Jesus. This is the shadow cast on history from the Judean hills.

Although we are gathered here today to commemorate an anniversary of an educational institution for the deaf founded in many ways by a civil government, we must never forget that it was men and women with strong religious convictions that made such an occasion possible, to men and women reared in a Western civilization permeated in every way by the Judeo-Christian ideals. The first free public school for the deaf in the United States was founded in 1817 by a minister of the Protestant faith. The first free public school for the deaf in the world was founded in France in 1756 by a Roman Catholic priest, and both men were confirmed in their convictions by the teachings of Jesus who was the first to show mercy to a man who could not hear nearly 2,000 years ago. The culture bequeathed to the world by the Greeks, and the fundamental elements of law left to history by the Romans take a minor role in the history of mankind when compared to that bequeathed by Jesus of Nazareth in his compassion for mankind.

Many of us today believe momentarily that our modern 20th century, our civilization with all its scientific attributes, will do away with much that has plagued humanity in the past. Would that this were true. Much more probable is the fact that because of many of our modern medicines and drugs we are keeping alive many persons who would not have been kept alive even some 50 or 60 years ago.

The number of children who need extra teaching and extra care is increasing almost beyond our capacity to care for them. Modern medicine has resulted not only in saving innumerable lives but also in saving the lives of children and men and women who require special care.

As we read medieval history we learn of the place of the madonna in the church, the madonna of the fields, the madonna of the various groups, each pinpointing some particular idea, usually of importance in that particular age. It may yet come to pass in our time that the symbol of the modern 20th century will not be the mushroom cloud of the atomic bomb, but of the madonna gazing in bewilderment and in compassion on the handicapped child in her arms. Then will this madonna of the handicapped child of the 20th century gaze at you and will gaze at me and will seemingly ask, why, why do you men and women so often tend to forget him?

This afternoon not only do we observe the anniversary of a college, but we also observe the memory of the man who, as President of the United States in the year 1864 signed the Enabling Act officially creating the first college in the world for any handicapped group of persons. It may be that such an institution would never have come into realization except for the compassion of Lincoln for a group of people who, through no fault of their own, formed a minority group in our Nation. It would only be a man of Lincoln's humility who, during the dark clouds of the closing years of the War Between the States, would take the time and make the effort to perform such a humanitarian act.

As we observe the approaching anniversary of the birth of Abraham Lincoln, we will note that history has recorded his official acts as President and his conduct of the war, but humanity at large remembers him as a man who believed that a man, regardless of his color, should be granted a place of dignity as an individual within his own community.

As the future years fall into place history may well record the official acts as President of John F. Kennedy, but humanity may well remember him as the man who as President was responsible for enacting legislation that will help many people handicapped as is one of the sisters of the late President.

Events have cast their shadows over history throughout the world, but the shadows cast along the Potomac by the memorial to Lincoln, and by the newly erected cross in Arlington Cemetery, may well be the shadows of the memory of two men who, though occupying a high place in the Nation, did not fail to remember those who might have been forgotten.

SAM HOUSTON: GIANT ON A POSTAGE STAMP

Mr. YARBOROUGH. Mr. President, at the first day cover sale of the Tom Lea drawn Sam Houston 5-cent U.S. postage stamp at Houston on January 10, 1964, Postmaster General John A. Gronouski and other officials spoke. I ask unanimous consent that the program of that notable event be printed at this point in the Record, and that my remarks on that occasion, under the title of "Sam Houston: Giant on a Postage Stamp," be printed at this point in the Record.

There being no objection, the program and address were ordered to be printed in the Record, as follows:

Program

Invocation: Rev. Stanley E. Smith, D.D., Palmer Memorial Episcopal Church, chaplain, Holland Lodge No. 1, A.F. & A.M.

Luncheon

Presiding: Hon. Granville W. Elder, postmaster of Houston.

Address of welcome: Hon. Louie Welch, mayor of Houston.

Greeting: Hon. Claud B. Barrett, president, Houston Chamber of Commerce.

Address: Hon. Ralph W. Yarborough, U.S. Senator.

Address: Hon. Frederick C. Belen, Assistant Postmaster General.

Address and presentations: Hon. John A. Gronouski, Postmaster General.

Benediction: Father Anton Frank, pastor, Annunciation Church, chaplain, Sons of the Republic of Texas, San Jacinto Chapter.

Sam Houston Commemorative Stamp First Day of Issue Ceremony, January 10, 1964

It is most fitting that the first "first day" commemorative stamp to be issued in this city should bear the portrait of one of the Nation's, and Houston's, most colorful heroes—Gen. Sam Houston.

Tom Lea, famous Texas artist, is designer of the 5-cent stamp that shows the first President of the Republic of Texas standing resolutely, with his rifle, in a heroic pose. A shotbag and powder flask bulge his frock coat, and his facial expression—under an early Texas hat—is stern, forceful and dynamic.

Mr. Lea's portrait of Houston is based on a lithograph by F. Davignon in 1848. The portrait on the stamp was engraved by Arthur W. Dintaman. Outline, frame, lettering, and numeral are by George A. Payne.

Mr. Lea is nationally known as a muralist, easel painter and book illustrator. Major collections of his fine art hang in Dallas and El Paso. During World War II he was a war correspondent and artist for Life magazine, and some of his work in this capacity hangs in the war art collection in the Pentagon.

Gen. Sam Houston was born in Rockbridge County, Va., in 1793, the son of a veteran of the American Revolution. His birthday was March 2, which later became the Independence Day of his beloved Texas.

Against overwhelming odds of more than two to one, he was the hero-conqueror at the Battle of San Jacinto, which established the independence of Texas. History records this battle as one of the seven most decisive battles in the world. He was twice President of the Republic of Texas, one of the first two U.S. Senators from Texas, the seventh Governor of Texas and also had been the Governor of Tennessee.

In 1861, he retired to his farm near Huntsville, Tex., and on July 26, 1863, Sam Houston died in the Steamboat House at Huntsville. Gen. Sam Houston now rests in peace in the Oakwood Cemetery at Huntsville. His noble spirit and his unselfish devotion to democratic principles has won for him the love and affection of freedom-loving people throughout the world.

Sam Houston: Giant on a Postage Stamp

(Speech of Senator Ralph W. Yarborough at the first day of sale of the Sam Houston commemorative stamp at the Rice Hotel, Houston, at 12 noon, Friday, January 10, 1964)

Sam Houston is one of the giants of American history, entitled to this honor and this commemoration. As we honor him here today with the first-day issuance of this 5-cent U.S. commemorative stamp, we pay tribute in a manner not unknown in his own lifetime, but at the time of Sam Houston's death in 1863, only Benjamin Franklin, George Washington, Thomas Jefferson, and Andrew Jackson had been so honored on U.S. stamps, and Thomas Jefferson, Andrew Jackson, and Jefferson Davis had been so honored on Confederate stamps, a total of five men in two nations. So, even Sam Houston, honored in life by the naming of this great city and of Houston County in his honor, and a man of vision, of dreams of the future, likely would not have foreseen the tribute we pay him today. With his granddaughter, Mrs. Jennie Morrow Decker, and nearly a dozen other direct descendants of Gen. Sam Houston present, we hold this commemorative meeting in the Rice Hotel, here in Houston, on the very spot where the Capitol Building of the Republic of Texas was located, and on the same spot where Sam Houston, President of the Republic, presided as Chief Executive of the Nation.

Why was Sam Houston chosen for this national honor?

Because of his exceptional position in the history of this Nation, one U.S. Senator stated to me recently that he regarded Sam Houston as possibly the greatest, most typically American figure in American history. There is solid basis for this estimate. Born in a hall of splendor in the valley of Virginia, the son of a Virginia planter who as a captain in Morgan's Riflemen was a hero in the American Revolution, Sam was orphaned as a boy. He grew up in the hills of east Tennessee, in a poverty of material goods, but in a richness of cultural background provided by his mother, who instilled in him a deep sense of honor and a love for classical Greek and Roman literature.

Sam Houston was a run-away teenager among the Cherokees for 3 years. He read Homer aloud by mountain streams, listened to by Cherokee girls, while he lingered lazily among the unlettered Indians. While some writers about Houston have treated those years as "the lost years," at least two historians said that he received among the Cherokees knowledge of great value, stating, "In the theology and folklore of the Cherokees, Sam entered another world almost as rich as that of the Greek Olympus." And Sam Houston himself later said, "Certain it is that my early life among the Indians was a necessary portion of that wonderful training that fitted me for my destiny."

A country school teacher at 18, an enlisted soldier in the Creek Indian wars, a hero in Andrew Jackson's eyes in the battle with the Creeks at Horseshoe Bend, where he charged the breastworks in the first wave with blood flowing from three wounds in his body, he was from that day marked by destiny.

An ensign in the U.S. Army at 20, a U.S. Congressman at 30, Governor of Tennessee at 34, he was Andrew Jackson's heir apparent.

While a youthful Governor of Tennessee, there came a tragically mismatched marriage; he was an exile in disgrace among the Indians, a lawyer in Mexican-Texas, a leader and a general of the Texans who won a revolution in an historic battle at San Jacinto and created a nation, President of the Republic of Texas, a U.S. Senator for 13 years, then Governor of the State of Texas.

What other unusual titles did this complex man earn? Who else equals his versatility in American history?

Sam Houston was the only American ever to be elected a Governor of two different States in the Union. He was a citizen of four different nations in the course of his life and was married three times, to three women of two different races, Caucasian and American Indian. He worshipped as a member of four different faiths, three Christian denominations, and one pagan religion, and never changed one of them suddenly and precipitately, but each only after long deliberation. And yet, the hard-drinking, hard-swearing frontiersman, who could dominate Jim Bowie or "The Bowl" (Chief Bowles), command Davy Crockett, and conquer Santa Ana, has received at least one tribute that would have surprised him more than the one we give him here.

In the First Baptist Church of Washington, D.C., among stained-glass windows that honor the saints of Christendom (Baptist, Protestant, and Catholic—all groups are represented in the catholicity of its religious veneration), there is a colored stained-glass window depicting Sam Houston in full figure—placed by a subsequent generation for the example he set and the aid he gave to a small struggling church, in the years of his senatorship in the settled maturity and sobriety of his life, when he was a loving father and devoted family man.

He created a republic; he was a great designer, planning to enlarge it fourfold toward the South and West until it reached the Pacific Ocean. Then he brought his Republic into the Union as a State, and gave up his public career in an effort to keep it there.

The eight volumes of his collected state papers show him to be without question the first ranking statesman of all the men who have served Texas in the U.S. Senate.

He was no mere politician, bending with the winds of change.

He fought a bitter, lonely, unpopular, losing fight for justice for the American Indians.

He fought a bitter, lonely, unpopular, losing fight in Texas against secession and disunion. And when he lost, they stoned and jeered him in the streets of the capital for the Republic he created. In all of these fights, he was a true statesman, his positions were just and history gives him a halo for fairness, justice and governmental wisdom, while the men who defeated and jeered him then, are forgotten now.

Tom Lea, Austin artist, was selected for the great drawing from which this stamp is made. I will let Tom Lea describe in his own words what he did in getting this dramatic drawing of Houston. I read from a part of his official letter in the files of the Post Office Department:

"Enclosed please find my drawing for a Sam Houston commemorative stamp. I earnestly hope that it may be considered satisfactory. I have tried to keep the design simple, the portraiture forthright, and the forms congruent to rendering by steel engraving.

"I have used the full figure rather than the more conventional portrait head as a means of more vividly characterizing Houston's personality. The rifle, the early Texas hat, the boots, the bulge of the shotbag and powder flask under the coat, are included as objects to further express the man's character. To give the massive figure greater effectiveness (he was in life 6 feet 6 inches tall) I have not used a confining rectangular frame around the edge of the plate, indicated by the inside pencil line on the drawing.

"The signature was a part of the man, and I think, more effective in the design here than the name merely lettered in. Incidentally, for legibility's sake, I have made Houston's capital S faintly more like an S than he did, for he often wrote 'Sam' so that it would read 'I am.'

"I am by no means certain how the head itself will retain proper likeness when reduced to very small size, though I have been greatly preoccupied with that problem. My main source for the forms of the features has been the lithograph by F. Davignon, 1848, a copy of which is on file in the Library of Congress, should the engraver wish to refer to it. I have attempted, however, to show Houston when he was a few years younger than in 1848: when he was in his full spectacular prime as victor at San Jacinto and first president of the Republic of Texas."

How did Houston look and act in those years of his prime?

At the crucial meeting with the Cherokee chiefs in east Texas in February of 1836, with Santa Ana at the gates of San Antonio, Sam Houston made and signed a treaty with "The Bowl" at high noon on February 23, 1836, that saved east Texas and the Texas revolution.

The handsome Houston, 6 foot 6 with blue eyes and chestnut hair, came dressed for Indian diplomatic negotiations. He wore a suit of purple velvet, upon which was embroidered a silver fox's head. A Bowie knife of great length was thrust in his belt. Houston understood Indian psychology. Presents were exchanged in keeping with Chief Bowles' and Sam Houston's governmental and physical stature. Houston gave "The Bowl" a flaming silk vest and sash and sword—"The Bowl" gave Houston his favorite mount, to replace the little nag Houston was riding. Two days of oratory and pow-wows preceded Houston's success with the treaty; in Sam Houston, the man and the hour met. Destiny claimed her own in this eventful year of 1836, when a new English-speaking nation was formed on the American continent.

Houston achieved a diplomatic success with the Cherokees in February. He won out in a game of intrigue against him at the Texas Independence Convention at Washington-on-the-Brazos in March, and after Independence was declared March 2, 1836, he received confirmation of his major general's commission and the title of Commander in Chief of the Texan forces. He defeated and captured Santa Ana and his army on the field of San Jacinto, just a few miles from here, on April 21 of that year. He won a political contest with the noble Stephen F. Austin, "the Father of Texas," in October of that eventful year, and became Texas first elected president that same month.

The many biographers of Sam Houston have variously called him, in the titles of their books: "American Giant," "The Great Designer," "Colossus in Buckskin," "The Tallest Texan," "The Empire Builder," "Patriot," and "A Diamond in the Rough." He was all of these and more. He earned them all, as well as the honors that have been paid him in previous reproductions of his likeness on stamps and coins of the United States. It is symbolic of his life that a woman, a great sculptress, Elizabeth Ney, did the magnificent marble statues of him that stand in the National Capitol at Washington and the Texas Capitol at Austin.

Sam Houston had the dash and leadership and iron will to lead his army to victory at San Jacinto while painfully wounded himself. He had the wisdom and organizational ability to organize a new government of a new republic in 1836, and to save it from chaos in 1841 when the maladministration of others had brought it to the brink of fiscal ruin.

He had the patience to serve nearly 14 years in the U.S. Senate, and the fortitude to serve most of them when he was being shunned by his own party and by the Senators from his own region. But he was shunned because he was right, because he believed in the Union and in justice for all men of whatever race.

To insult him, the Texas Legislature elected his successor in 1857, 2 years before his term as Senator ended. In his valedictory statement as Senator, he said:

"I make no distinction between southern rights and northern rights. Our rights are rights common to the whole Union. I would not see wrong inflicted on the north or on the south, but I am for the Union, without any 'if' in the case; and my motto is, it shall be preserved."

Houston was an orator of the first rank. When hard pressed in his fight against secession, he limped on the leg that was shot to pieces at San Jacinto, and he thundered against the leaders of secession like Demosthenes warning against Alexander.

He argued unsuccessfully that there was no legal ground for secession, that the North had done no overt act against the South, and that secession meant certain war and a great danger of defeat and ruin. His statesmanship was swept aside by the emotions of the hour, and our Nation will always continue to pay a penalty for the terrible cost of that catastrophic mistake.

Houston was first and foremost a statesman and patriot. His country came first and his country was that generation and this generation.

He was magnanimous in victory, and uncomplaining in defeat.

Sam Houston received the adulation given a victorious nation-creating general, and he withstood the venom of the mob alone as he trod his Calvary's path in Austin in 1861 without one to share the cross with him, and neither experience turned his head or his heart.

Houston was an American for all the people for all the ages. He enriched our history, our legends, our traditions and our ideals. Honor was his Grail; material wealth did not allure him. He lifted the standards of public service, and set a milestone by which to measure statesmanship. It is appropriate that this likeness appear upon millions of letters we send to ourselves, and to all the lands of this earth. Sam Houston added to mankind's pride in its own capacity for greatness.

THE COLD WAR GI EDUCATION BILL IS NEEDED NOW

Mr. YARBOROUGH. Mr. President, many thousands of those individuals on the unemployment rolls of this country are persons who were drafted after the end of the Korean conflict and who have returned home without money either to enter college, or to pursue an educational desire, or to learn a trade, or to enter some other field of educational endeavor. Nothing has remained for these men but to enter the labor market untrained, unskilled, and unemployable and unable to compete for scarce jobs with the 55 percent of our young men who do not see substantial military service.

Ironically, we have recognized the plight of these men by providing them with unemployment compensation while refusing to eliminate the cause of their unemployability by passing the cold war GI bill. During 1963 alone, more than 210,000 cold war veterans qualified and received unemployment compensation of more than $94 million under the ex-servicemen's unemployment compensation program of the Social Security Act. The importance of this figure of almost $100 million is seen when it is realized that in the vast majority of our States, a veteran who has been released or discharged from the Armed Forces for more than 15 months would not qualify under this provision of our unemployment compensation laws. This provision is a valuable and a necessary one. But how much better it would be if we were to spend our money to enable these men to increase their education, skills, employability, and income so that there would be no need for them to resort to unemployment compensation.

These men have not only asked what they could do for their country, they have done it; and now it is time for us to ask of ourselves: What can our country do for them? I again urge the Senate to consider and pass the cold war GI bill, S. 5, which has been on the calendar since July 2, 1963.

THE SITUATION IN CYPRUS

Mr. SIMPSON. Mr. President, for centuries Russia has tried to get past the Dardenelles, guarded by Turkey, and into the Mediterranean. She tried again last week with a questionable note by Premier Khrushchev declaring that the Soviet Union was opposed to a solution of the Cyprus minority issues within NATO.

It is probable that the Soviet Premier was merely trying to pick up more votes for communism in the Greek elections February 13 but, as usual, our policymakers are showing a tendency to panic.

For an excellent report on the true situation regarding Cyprus, I ask unanimous consent to print in the RECORD a column by Cyrus Sulzberger, its chief foreign correspondent, published in the New York Times of Saturday, February 8.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AN EYE FOR TWO EYES IN CYPRUS

(By C. L. Sulzberger)

PARIS.—There is an old Balkan tale that might well apply to Cyprus. The Greek peasant, Yanni, has led such an excellent life that the Lord God Himself is impressed and He leans over the gold bar of heaven, saying:

"Yanni, you are the best Greek peasant I have ever had, so I am going to reward you by doing for you anything you wish. Only remember, generosity is a virtue, so I shall do twice as much for your neighbor Mehmed, the Turkish peasant who lives across the olive grove. Now tell me what you wish."

And Yanni stands a while thoughtful, wrinkling his brow and scratching his behind. Finally he says: "Very well, then, Lord, take out one of my eyes."

Cyprus became an independent nation only by accident. Four-fifths of its inhabitants speak Greek and feel Hellenic by tradition and religion. But they have never been Greek politically since Byzantium; that is to say since the idea of nation states evolved. The island was successively a Turkish and a British colony.

When Cypriot guerrillas sought to force unity with Greece, the project failed. Turkey refused; Britain opposed, and Greece realized such a formula risked disaster. Therefore, the hodgepodge Zurich and London agreements decided to make a nation out of people who didn't feel Cypriot nationality.

The Cypriots had no conception of how to create a state of mixed peoples, like Switzerland, or of mixed religions, like Lebanon. They continued to feel Greek and Orthodox or Turkish and Moslem, not Cypriot. They looked for guidance to Ankara and Athens and they looked to London for protection.

A wise, generous government might have planted the roots of nationhood. The Cypriots had, after all, lived happily together for years on their lovely and far from destitute island. But Archbishop Makarios did not provide such wise, generous leadership.

A DANGEROUS GAME

He tried to outwit the Turkish minority and play with a considerable Communist movement that was cleverer than he. He thought he could fool Ankara, Athens, London and even Washington by unilaterally denouncing the treaties that had so recently put him in power. The result was chaos.

Cyprus is politically a Balkan offshore island even if it lies beside the Asia Minor coast. Its population is excitable and not averse to bloodshed. Because it has not been given steady leadership, it has spawned a murderers' nest. The Cypriots today seem intent on proving they cannot dwell together. This, as they have demonstrated in the past, is nonsense.

Any dream of now incorporating the island into Greece is out of the question because this would produce war with Turkey. The Turks therefore propose partitioning Cyprus into segments under Ankara and Athens.

But partition is rarely a useful solution and always leaves a legacy of hatred, as in Ireland, India and Palestine. Recourse to this formula would merely create an artificial new frontier with neither economic nor geographical meaning.

There is no fully satisfactory solution to the Cyprus question. In this age of exaggerated nationalism, the only thing to do is persevere in making the island an independent state, now that the process has begun. And the process will take time.

It will require international policing for a long enough period to allow international mediators to calm and eventually reconcile both sides. And it is right that the United States should participate. We are NATO's leader and we must keep the alliance from splitting.

Furthermore, the less we rely on U.N. to implement—rather than oversee—the task, the better. Under complete U.N. responsibility, Russia could stir up still more trouble through the Cypriot Communists and the overconfident Makarios.

Moscow slammed the door in U.N.'s face in Hungary when it was Moscow's interest. NATO would suffer most if Cyprus divides the alliance. Therefore NATO should bear most of the burden for avoiding this possibility, even if Russia and the Cypriots grumble. The Cypriots must learn from the past that they can live together reasonably and from the present that the world is too preoccupied to afford needless crises.

QUALITY STABILIZATION

Mr. SCOTT. Mr. President, seldom has any remedial legislation relating to the American economy been subjected to the high-powered propaganda barrage now being aimed at the quality stabilization bill.

The special interest groups opposing this legislation have in the past launched their attacks from many quarters and along diverse lines, but these attacks all have had one thing in common. Each seeks to hide the real issues involved in quality stabilization amid a fog of slogans and name calling.

My attention has now been called to another of these propaganda assaults, a purported fact sheet being distributed among economic academicians. It is a remarkable fact sheet, even as a propaganda document, in that it succeeds in raising many more questions than it answers.

But I find it even more remarkable that academicians responsible for the teaching of economics could themselves take part in an effort to obfuscate and confuse the real facts at issue regarding legislation vital to the Nation's retail economy.

Certainly there is room for legitimate debate and discussion regarding the merits of quality stabilization. We who support this legislation long have urged that opponents enter into such debate. We believe that the American people should be fully informed on a legislative topic so important to their interests.

However, it is impossible to debate any legislative issue in an atmosphere of slogan shouting and name calling. Unfortunately, sloganeering and other oversimplification of issues have been the mainstay of opposition arguments against quality stabilization to date.

In this regard, this so-called fact sheet being circulated by a half-dozen New York area economics professors is a double blow to the people's right to be informed about issues affecting our Nation's economy. For we ought to be able to look to the academic world for objective clarification and inquiry into issues, to offset the propaganda bilge spewed forth by special interest advocates.

However, anyone seeking the university spirit of inquiry regarding quality stabilization had best look elsewhere than this so-called fact sheet. In it we can discern the unmistakable spirit of the dogmatic propagandist. The voice is that of the academy, but the hand is all too familiar to those of us who have taken part in the fight for quality stabilization.

The cover letter accompanying this document opens with the flat statement that quality stabilization legislation "represents a sharp departure from a free enterprise system." This is not free and fair inquiry, but a biased accusation. It is a serious charge, one which reflects not only upon the legislation but upon its sponsors.

Consider the fact that the quality stabilization bill is sponsored and supported by leaders and members of both parties, in both Houses of Congress, representing all areas of the country. A congressional committee, after hours, days, weeks, and months of study and analysis of quality stabilization, came to a conclusion diametrically opposed to that reached in this fact sheet. And this committee's conclusion that quality stabilization is needed to preserve free enterprise in our retail marketplace was overwhelmingly endorsed by its membership.

Indeed, those of us who believe in quality stabilization do so out of a deep concern for the future of the free enterprise system in the American retail marketplace. We are motivated by a genuine fear that unless action is taken to remedy its present ills, this free enterprise retail economy will die.

None of us has claimed that quality stabilization is a cure-all for these ills. But the bill's aims are to preserve free competition and to strengthen the independent businessman in his fight against encroaching retail monopoly. These aims, to my mind, are consistent with and vital to the preservation of free enterprise.

I am not a professor of economics, but I have had long years of firsthand experience with our free enterprise system and what makes it work. Moreover, I have firsthand knowledge of the flesh-and-blood aspect of that economy—the small, independent business men and women whose livelihoods depend on its health and stability. I do not know to what extent the half-dozen New York area professors have worked with our free enterprise retail economy or the flesh-and-blood people who make it up. Nor do I know their definition of what constitutes a true free enterprise economy. But I do know that anyone, be he professor or otherwise, who begins an analysis of the quality stabilization bill with the flat statement that it represents sharp departure from the free enterprise system simply does not understand the quality stabilization bill or the free enterprise system or both.

As I have said, this so-called fact sheet raises more questions than it answers. It calls upon economics professors throughout the country to make their opposition to quality stabilization known to the Congress. I would warn responsible economics academicians, in this instance, to read carefully before endorsing.

THE IOU'S—NO. 5 (THE RIGHT TO KNOW)

Mr. METCALF. Mr. President, prior to 1948 investor-owned electric utilities were required to furnish the Federal Power Commission annually information concerning each contract—written or unwritten—in effect at any time during the year with an associated corporation, partnership, individual, or organization of any form whatever, whereby the respondent received management, construction, engineering, supply, financial, legal, accounting, purchasing, or other type of service of a continuing nature.

The FPC form was revised in 1948 so as to exclude class B utilities from the reporting requirement unless the payment amounted to $5,000 or more a year, and to exclude class A utilities from the requirement unless the payment amounted to $10,000 or more a year.

A class A utility is one with an operating revenue of $2,500,000 or more a year.

A class B utility is one with an operating revenue between $1,000,000 and $2,500,000 a year.

In 1957 the regulations were again relaxed to exclude any utility with an operating revenue of $25 million or more a year from the reporting requirement except those payments amounting to $25,000 or more annually.

Mr. President, we have here an instance of gradual erosion of the right to know, the right of the public, of the Congress, of the regulatory agency, to be informed.

Let me emphasize that I infer no wrongdoing on the part of any utility in this regard. Disclosure of retainers paid by a public utility should increase confidence of ratepayers and stockholders alike in the management of their company.

Members will recall that there have been instances in the past when undisclosed payment of this nature raised substantial questions.

The report of the Senate Subcommittee on Antitrust and Monopoly, in the 83d Congress, under a Republican chairman, noted in the Dixon-Yates case "a range of political and public-relations activities, including retaining of local lawyers in communities throughout the power company service area and at the State capital, distribution of contracts for services and supplies, with the understanding that helpful political activity is expected."

That same report deals with the testimony of the former chief financial officer of an electric utility, who listed 21 law firms in 1 State which received from $15 to $1,158 per month although, he testified, they rarely rendered service to the company.

The Federal Power Commission, in a memorandum opinion dated February 27, 1941, following investigation instituted on its own order into accounting disposition of expenditures by certain public utilities, also drew attention to subsidization of front organizations and local lawyers.

None of the present members of the Federal Power Commission served in their present capacity when the regulations regarding disclosure of retainers were adopted. I would hope that the present members would review and revise these regulations, in order that they, the Congress and the public have access to information to which they are entitled concerning regulated monopolies.

Mr. President, I ask unanimous consent to insert in the body of the RECORD, immediately following these remarks, the Commission's requirements for listing charges for professional services by electric utilities, and the February 27, 1941, FPC memorandum opinion to which I have referred.

There being no objection, the list and memorandum opinion were ordered to be printed in the RECORD, as follows:

CHARGES FOR PROFESSIONAL SERVICES (1962 FORM)

1. Report the information specified below concerning rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, public relations, or other similar professional services rendered by the respondent under written or verbal arrangements, for which aggregate payments during the year to any corporation, partnership, individual (other than for services as an employee), or organization of any kind whatever amounted to $5,000[1] in case of class B utility or $10,000[1] for a class A utility:

(a) Name and address of person or organization rendering services.

(b) Description of services received during year and project or case to which services relate.

(c) Basis of charges.

(d) Total charges for the year and utility department and account charged.

2. For any such professional services which are of a continuing nature give date and term of contract and date of Commission authorization, if contract received Commission approval.

3. Designate associated companies.

INVESTIGATION INSTITUTED BY THE FEDERAL POWER COMMISSION ON ITS OWN ORDER INTO ACCOUNTING DISPOSITION OF EXPENDITURES BY CERTAIN PUBLIC UTILITIES—IT-5647

(In the matter of Northwestern Electric Co., Pacific Power & Light Co., Portland General Electric Co., Puget Sound Power & Light Co., Washington Water Power Co.)

(Decided February 27, 1941)

SYLLABUS

1. On an investigation instituted by the Federal Power Commission on its own motion into the accounting disposition of expenditures by certain public utilities to further their own political and legislative interests and to influence public opinion, approximately one-half of such expenditures were found to be charged to operating expenses or the cost of rendering service to electric consumers, despite the fact that such expenditures were obviously not made for the benefit of such consumers (p. 371).

2. The Federal Power Commission disapproves and condemns as disregarding the fundamentals of good accounting and violating the uniform system of accounts prescribed by the Federal Power Commission, the following expenditures of certain of the public utilities under investigation which were charged to operating expenses:

(a) The subsidizing of "front" organizations to campaign and promote political and legislative activities favorable to the utilities (p. 372).

(b) The repayment of a loan made by a committee of employees of said public utilities for such political activities (p. 373).

(c) Salaries of regular employees of the public utilities who devoted their time in conducting a systematic house-to-house bell-ringing campaign devoted to political issues, without substitutes for their regular work (p. 373).

(d) Payments to former opponents of the public utilities subsequently hired by such utilities (p. 374).

(e) Payments made directly or indirectly through purported civic associations financed by such utilities to prominent citizens purporting to act for unbiased civic organizations (p. 374).

(f) Payments to dominated publications; and payments to the press and radio constituting indirect subsidies to organs of public opinion (p. 375).

(g) The cost of contesting solely for the benefit of stockholders a PUD condemnation suit (p. 376).

3. The Commission will issue orders deemed requisite in connection with accounting entries disclosed by the record covering expenditures for political, legislative, and other purposes; and also promulgate such regulations relating thereto as may be done within the limits of the statutory authority of the Commission (p. 377).

Lowell P. Mickelwait and Ferd. J. Schaaf for Puget Sound Power & Light Co.

John A. Laing and Henry S. Gray for Pacific Power & Light Co. and Northwestern Electric Co.

Alan G. Paine for Washington Water Power Co.

Cassius Peck for Portland General Electric Co.

Lambert McAllister, Chas. V. Shannon and Wm. B. Spohn for the Federal Power Commission.

Don G. Abel for the Department of Public Service of the State of Washington.

Harry A. Bowen for the Attorney General of the State of Washington.

Ormond R. Bean and Joseph Kennedy for the Department of Public Service of the State of Oregon.

By the Commission:

"MEMORANDUM OPINION

"*I. Nature of the investigation*

"The Federal Power Commission by its order dated October 4, 1940, instituted an investigation into the accounting disposition of expenditures for political purposes by Northwestern Electric Co., Pacific Power & Light Co., Portland General Electric Co., Puget Sound Power & Light Co., and Washington Water Power Co. Hearings were held in Seattle and Spokane, Wash., Portland, Oreg., and Los Angeles, Calif. The testimony taken between October 14 and December 20, 1940, covers 5,295 pages and is supplemented by 282 exhibits.

"*II. Large political expenditures by utilities*

"The investigation shows that these five electric utilities (respondents), during the period 1935-40, expended large sums of money to further their political and legislative interests and to influence public opinion. The following tabulation depicts in summary fashion the various amounts discovered to have been expended by respondents during the period under inquiry:

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[1] $25,000 if respondent's annual utility operating revenues are $25,000 or more.

	Definitely political	Undetermined in part	Total
Puget Sound Power & Light Co	$75,813.55	$76,217.51	$152,031.06
Washington Water Power Co	261,423.55	67,781.50	329,205.05
Pacific Power & Light Co	167,996.42	28,419.75	196,516.17
Northwestern Electric Co	121,590.03	15,677.87	137,267.90
Portland General Electric Co	163,829.52	58,766.81	222,596.33
Total	790,653.07	246,863.44	1,037,516.51

"III. Substantial part of political expenditures charged to consumer's cost of service

"Approximately one-half of these political expenditures were charged by the utilities to their operating expenses, that is, to the cost of rendering service to electric consumers. This was done in spite of the fact that the expenditures were obviously not made for the benefit of such consumers. The rest of the expenditures were charged to surplus accounts and were not reflected in the cost of service. The details of such charges so far as available are set out in the appendix to the trial examiner's report which is issued herewith.

"IV. Proper accounting practices were violated. Incomplete, misleading, and false records were maintained

"The investigation disclosed that the accounting practices followed by these utilities, individually and collectively, were neither consistent nor uniform, that they disregarded the fundamentals of good accounting, and violated the uniform system of accounts prescribed by the Federal Power Commission.

"Accounting records relating to political activities and expenditures therefor, were meager and inadequate. Vouchers covering such expenditures were misleading and, in some cases, deliberately false.

"Records were not maintained to show the time consumed or expenses incurred by employees on political and legislative matters or on efforts to mold and influence public opinion.[1]

"Expense accounts of employees, officers and other paid workers were abused to hide political and legislative expenditures. For example, William H. Ude, an official of the Washington Water Power Co., charged $485 for a multisignature telegram in opposition to the Wheeler-Rayburn bill to operating expenses through his personal expense account. The keeping of expense accounts by Charles M. Sanford, secretary and political agent of the Pacific Power & Light Co. and Northwestern Electric Co., became such a travesty that the companies eventually canceled his obligation to account for $2,850. Although there was thus no proper accounting for the use of these funds, the entire amount was charged to operating expenses. Through these means the operating expenses of the utilities were burdened with the cost of hiring indirectly individuals not otherwise identified with the utilities, with the payment of their expenses, hotel bills, etc. and with the financing of many other activities.

"V. Utilities made large indirect concealed political expenditures

"Many political expenditures were made indirectly to conceal the fact that they were being made by the utilities. Chairman of the Board and former President Franklin T. Griffith of the Portland General Electric Co. frankly admitted this. The extent and nature of these activities were concealed until the present investigation brought them to light. To the public they purported to be the activities of disinterested organizations and citizens rendering advice for the public weal. In fact, they were actually subsidized partisan activities.

"Various front organizations were provided with funds to campaign and promote political and legislative activities favorable to the utilities. The Washington State Taxpayers Association was of this character, and during the 28 months ending with November 1940, received $115,000 from the utilities, substantially more than half of its revenues. During 1940 this association, in turn, advanced some $48,000 to the Let the People Vote League to support initiative 139, a measure designed to cripple public power districts in the State of Washington. All the revenue of the Let the People Vote League came from this source.

"There were many other allegedly disinterested organizations financed in large part by respondents in Oregon and Washington. Some of the principal ones, in addition to the Washington State Taxpayers Association and the Let the People Vote League, were Washington Bureau of Governmental Research, Washington Business and Investors, Spokane Taxpayers Economy League, Oregon Business and Tax Research, Inc., Oregon Tax Fax, Inc., Oregon Tax Review Publishing Co., and many other so-called citizens' committees and local groups.

"Typical of the public deception was the fact that the Washington State Taxpayers Association, far from being the independent public-spirited organization its name implied, was used as a tool of the utilities for their political purposes. For example, the Taxpayers Association, along with F. H. Young and the Washington Business and Investors, was used by the Pacific Power & Light Co. and Northwestern Electric Co. as a vehicle by which funds paid out by these utilities were conveyed to the United States National Bank in Portland, Oreg., to repay a debt of $48,000 ($46,000 plus interest) incurred by 60 of the companies' higher paid employees in financing the political activities of the companies.

"VI. Employees' committees and pretended use of employees' funds

"Employees' committees supporting the utilities' political activities were directed and financed by the utilities. Sixty of the higher-paid employees of the Northwestern and Pacific companies, referred to above, formed a committee known as the Northwestern-Pacific Employees Protective Committee. The committee never functioned as such, although the employees in question posted notes equal to their salaries for 2 months with the United States National Bank of Portland and secured a loan of $46,000.

"The work of the committee and its funds were handled by Charles M. Sanford, political agent for the companies, in a devious series of check and cash transactions.

"When the political campaign was over the companies bailed out their employee protectors and did it with the aid of their organizational fronts by a series of financial transactions based upon falsified vouchers.

"VII. Bell-ringers—Card indexes of voters—Use of employees on company time

"The utilities conducted systematic house-to-house bell-ringing campaigns through employees schooled for the purpose. For example, in the fall campaign of 1940, the Washington Water Power Co., used 196 employees, approximately one-eighth of its 1,160 employees, in full time doorbell-ringing campaign, in attempts to defeat public utility district proposals in three districts which it served, and to procure passage of initiative 139.

"An elaborate card system was developed showing house numbers, residents of voting age, names of registered voters, persons interviewed, their position on the public utility district proposals, and other information which might have a bearing on power campaign issues. The areas to be canvassed were systematically organized, and crew leaders designated to whom the campaign workers reported daily.

"The employees worked early and late and they were paid overtime at union rates. Expenses were provided and transportation furnished. Mileage was allowed for personally owned automobiles used. The record shows that Washington Water Power spent $173,499.60 to carry on such campaigns—practically all within the last 3 years. Such expenditures were described in the books and records of the company as customer information programs. Washington Water Power spent $21,512.31 to school its employees in campaign issues. The expense incurred in this regard was described on the company books and records as employees education program.

"Even when expenditures of the character described were charged to the customer information programs and the employees education program, the charges were not complete because the salary of individuals so engaged were not charged to the programs if during absence from their regular jobs no one was hired specially to do their work. While most of the reported items charged to the programs, were not charged to operating expenses, the salaries of politically active employees who had no substitutes during such activity were charged to operating expenses.

"Portland General Electric Co., and Northwestern Electric Co., the latter aided by Pacific Power & Light Co., employees, carried on a similar campaign during the Portland public utility district campaign of 1940.

"Political expenses were constantly charged to consumer's cost of service through the use of employees on company time for political activity. All the officers of the utilities questioned in the investigation admitted that they engaged in political activities—speaking, conferences, lobbying and the like—on company time. The use of many other employees on company time was disclosed.

"VIII. Former utility opponents indirectly put on payroll

"Former opponents of the utilities were hired by respondents and their compensation charged to operating expenses. For example, Washington Water Power Co., Pacific Power & Light Co. and Northwestern Electric Co., units in the Electric Bond & Share group, paid Joseph C. Cheney, a Yakima attorney and former advocate of public power, $5,515.75 indirectly through Laing & Gray, counsel for Northwestern and Pacific, to support certain of their political activities. Of the $5,515.75, $300 was advanced in cash to Cheney by Charles M. Sanford, secretary and political agent for Pacific and Northwestern. Laing & Gray billed the three companies for the total amount and deposited $300 to Sanford's bank account to reimburse him for the amount advanced to Cheney. Laing & Grey also purchased two cashier's checks from the United States National Bank of Portland payable to Cheney for $2,715.75 and $2,500, respectively, so that Cheney could conceal the source of his income.

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[1] With the exception that the Portland General Electric Co. records show this information for 1940.

"IX. Utilities made secret payments to prominent citizens

"Prominent citizens in the Northwest were paid by these utilities, or through purportedly civic organizations financed by respondents, for political activities favorable to the utilities. Connection of these citizens with respondents was not made known so that such individuals appeared to give disinterested advice to the electorate. For example, in one instance Portland General Electric, through the expense accounts of Franklin T. Griffith, its president, paid over to the late George T. Brodie, a former U.S. Minister to Finland and Siam, large sums of money to be spent, as Griffith intimated, where it would do the most good.

"There were many other instances where individuals, well known and respected in their community, were paid to carry the torch for the private utilities. Among these, Joseph C. Cheney's activities have already been recounted. N. C. Richards, a local attorney in Yakima, was paid for his services in opposing the formation of a public utilities district in that area in 1936, 1938, and 1940. He received a total of $3,750 in all. Owen Clark, a Yakima attorney, was secretary of Richard's committee in 1940 and received $500 salary. The committee itself received $12,499.10 from Pacific Power & Light Co. Irving Bounds, another Yakima attorney, received $1,600 from the same company during 1938 and 1939 for his activity against public utility districts. E. J. Barnes, a Yakima real estate dealer, was frequently employed by Sanford and in the 1938 campaign against a public utility district in that area received $2,788 for organizing and heading up a group of citizens called Small Home Owners Committee to oppose the formation of a public utility district.

"After the 1939 public utility district campaign in Wasco County, Oreg., Pacific Power & Light Co. paid $1,000 to L. J. Kelly of The Dallas (a director of Oregon Business & Tax Research, Inc.), who was chairman of a special committee to oppose the public utility district.

"A. J. Peters, a real estate operator in King County, Wash., was induced by an officer of Puget Sound Power & Light Co. to organize a committee known as Rural King County Committee in 1938. Puget Sound Power & Light Co. assisted Peters in securing $3,000 from Washington State Taxpayers Association to finance his activities and also provide speakers for Peters' campaign meetings. Peters received $250 for his services. Again, in 1940, Peters was provided with $900 direct from the company for his committee. He admitted that in 1940 he himself constituted the only member of the committee. From time to time Fred Adams, a former member of the legislature, was hired directly or indirectly by the utilities for work in the Spokane area.

"Numerous other individuals were hired and made use of by the utilities in like manner.

"X. The use of dominated publications

"The circulation of publications whose policy was dominated by the utilities was increased at the utilities' expense. For example, the Washington Taxpayer, a monthly magazine of the Washington State Taxpayers Association, increased its circulation from 60,000 to 440,000 copies during the 1940 campaign.

"XI. Attempts to influence the press and radio

"Extensive advertising and radio programs were featured by the utilities during political campaigns, thus providing indirect subsidies to the organs of public opinion. Kinsey M. Robinson, president of the Washington Water Power Co., boasted that 90 percent of the newspapers in the territory served by his company favored the point of view which he advocated in utility matters.

"Many of these definitely political advertising and radio programs were charged to operating expenses. For example, 'advertisements with reference to public utility districts and related matters' during 1940, 'advertisements re condemnation elections,' and political advertisements entitled 'Where Do We Go From Here?' and the like, were charged to account 787 to which only charges for promotion of sales of electric energy should have been made.

"XII. Expenditures by the utilities in condemnation suits improperly charged to cost of service

"Of particular significance in this regard is the fact that Puget Sound Power & Light Co., to and including December 31, 1940, and in addition to the amounts expended by that utility as shown in section II of this opinion, spent in excess of $670,000 in contesting the Whatcom County Public Utility District condemnation suit and charged all such expenditures to operating expenses, contrary to the uniform system of accounts prescribed by the Federal Power Commission, and notwithstanding the fact that all such expenditures were for the sole benefit of the stockholders of the company.

"Extravagant expenditures in such proceedings are unwarranted. That principle is very clearly recognized by the Supreme Court of the United States in *Smith* v. *I.C.C.*, 245 U.S. 33, 46 (1917), where the Court definitely stated that a utility 'may not * * * use its funds and its power in opposition to the policies of Government.'

"XIII. Utilities intend to continue in 1941 the practices described above

"Because of the revelations of the Commission's investigation, the Commission thought it advisable on February 4, 1941, to ask information of the respondent utilities as to their current and intended expenditures and accounting practices for 1941. All the respondent utilities have replied except the Puget Sound Power & Light Co., which has stated its intention to respond not later than March 1, 1941.

"The replies received indicate that all the utilities intend to continue many of the practices before described and to make substantial charges to the cost of customer's service for such expenditures.

"The Washington Water Power Co. in its report states that it intends to contribute $8,000 to the Washington State Taxpayers Association and $7,000 to the Spokane Chamber of Commerce, the latter item to be charged to operating expenses.

"In addition to these expenditures, the Washington Water Power Co. states that in the present municipal ownership election in Spokane, Wash., it expects to expend $43,000 more. Of this, $23,000 will be paid to employees in opposing the municipal power ordinance. However, this will not cover the time of officers and other employees whose jobs are not filled while they are out campaigning. The company also states it will spend further sums of $10,750 for advertising in newspapers and on billboards, $1,500 for radio talks, $5,000 for printing, and $2,750 for miscellaneous expenses.

"The fact that the company's actual expenditures to influence public opinion, uncovered by this investigation, exceeded more than 12 times over those which the company was originally willing to admit suggests that the proposed expenditures for 1941 may well be exceeded by a wide margin.

"The Commission will hereafter issue orders deemed requisite in connection with accounting entries disclosed by the record and promulgate such regulations relating thereto as may be done within the limits of our statutory authority.

"Leland Olds.
"Claude L. Draper.
"Basil Manly.
"Clyde L. Seavey."

CONCURRING OPINION

Scott, Commissioner, concurring:

"I concur in the action and general conclusion of the Commission. In addition thereto, however, my examination of the record developed in this investigation impels me to discuss further a situation which, in my opinion, strikes at the very roots of our democratic form of government.

"The companies investigated were created under franchises of the State, to engage in the public service, a business affected with a public interest. The very essence of their right to exist is a contract with the sovereign people that, in consideration of receiving a virtual monopoly, they shall devote their property to a public use in furnishing essential utility services. The utility companies subject to this inquiry are public service corporations. They exercise a sort of public office, and have duties to perform in which the public is interested. They were granted no authority to participate in political matters and were not created for the purpose of molding public opinion.

"Chief Justice Waite, speaking for the Supreme Court of the United States, as far back as 1877, in *Munn* v. *Illinois* (94 U.S. 113, 24 L. Ed. 77), stated that 'when, therefore, one devotes his property to a use in which the public has an interest, he, in effect, grants to the public an interest in that use, and must submit to be controlled by the public for the common good, to the extent of the interest he has thus created.'

"The activities of these companies, disclosed by the record, show no willingness to permit the sovereign citizenship of the areas in which they operate to maintain by normal democratic processes the choice of the means of providing for themselves essential utility services. Through the expenditures and subversive activities of these companies the strength gained from nursing at the public breast was used to strike at the very heart of the continuance of free elections by free people in the determination of great public issues. The record discloses that by subterfuge these companies sought to pollute the political process of free choice at public elections. Funds obtained from the consuming public have been lavishly expended to prevent the people from obtaining electric energy through publicly or cooperatively controlled organizations. The companies arrogated to themselves the right to defeat, if possible, the choice by the people of using other instrumentalities than company owned facilities to supply their requirements for electric energy.

"With respect to such multipurpose, public projects as those at Bonneville Dam and Grand Coulee Dam, the record discloses that the companies have continued to resist their development and utilization by the public, long after the will of the people has been expressed through their duly elected representatives in Congress. With other so-called private utility interests these companies have engaged in activities constituting economic warfare against such public instrumentalities created by the people through the duly and regularly conducted democratic processes of the ballot and election.

"If activities such as the record discloses, defying the will of the public, are permitted to continue, the people may be prevented from obtaining the full benefits of cheap electric energy made available to them by the Bonneville and Grand Coulee Dams.

"The public has invested millions of dollars in these great projects, not for the purpose of increasing the profits of the private utilities, but to provide cheap electric energy for consumers generally. Not only is this public purpose threatened by the utilities' activities, but the great public investment itself is endangered. To make accounting entries or adjustments in the books of the utility companies is no solution of the basic problem posed by the record in this matter. The important thing is the adequate protection of the inherent right of the people to make economic and social progress and to permit them to utilize and enjoy a great natural resource.

"To accomplish these ends Congress may wish to notice the facts disclosed by this record and consider the necessity for appropriate action to protect the public investment and principles involved."

SHOULD AMERICAN SHIPPERS AND SEAMEN SUBSIDIZE SALES TO COMMUNISTS?

Mr. MUNDT. Mr. President, selling the sinews of economic strife to a Communist adversary who has promised to "bury us" and who constantly is stirring up new troubles for America in Panama, Cuba, Zanzibar, Cyprus, Vietnam, Berlin and in other troubled areas of the world is at best a dubious and a self-defeating business.

To sell the supplies the Communists most badly need on credit guaranteed by the taxpayers of America and on delivery terms offering the Communists bargain shipping rates to the detriment of American shippers and seamen is indefensible.

Increasingly, American editors, columnists, commentators, public officials, and private citizens are registering grave concern over these strange new policies which have developed within the past 90 to 120 days in direct contradiction with the trade-aid policies this Government has been following with consistency since 1946 and 1947.

Surely the continued deterioration of our American position of world leadership and the dramatic new problems which are arising to plague us with both our adversaries and our allies indicate the expected good will this administration hoped to win from the Communists by going to their rescue as they falter in their cold war efforts has not materialized. Mr. President, I think we should promptly reconsider this abrupt change of face concerning the matter of trading with the enemy before the situation worsens beyond recovery.

I ask unanimous consent to have printed at this point in the Record an article appearing in the February 7 edition of the Washington Post indicating how domestic unrest and recriminations are now being added to the international unrest and recriminations developing out of this new passion to do business with the Reds even though it is at the potential expense of our own taxpayers and at the present expense of our own shippers and seamen.

There being no objection, the article was ordered to be printed in the Record, as follows:

Red Wheat Sale Tieup Threatened

Russia agreed to buy another 700,000 tons of American wheat yesterday but a labor leader threatened a tieup of all grain ships to the Soviet Union unless 50 percent of the cargoes are carried in U.S. vessels.

The threat was made by Thomas W. (Teddy) Gleason, president of the International Longshoremen's Union, at a Maritime Administration hearing on a request to waive the shipping preference.

Gleason said he had been against any Soviet-bloc grain deal but agreed to support it on the pleas of other maritime union leaders, of Under Secretary of Commerce Franklin D. Roosevelt, Jr., and Assistant Secretary of Labor James J. Reynolds.

Yesterday, Gleason accused the Government of reneging on its promise that a majority of the grain would go in domestic bottoms.

BITTER EXCHANGE

"I'm for boycotting them [the Soviets] and giving them nothing," Gleason said heatedly. "It's time Americans get their backs up and tell the Russians to go to hell. * * * It's time for us to make the rules, not the Russians."

What began in the morning as a dry discussion of technical shipping data ended up late in the afternoon with an exchange of bitter charges between Acting Maritime Administrator Robert E. Giles and maritime labor leaders.

Gleason accused Giles of "begging off" domestic shipowners at the hearing so that Continental Grain Co. could be granted a waiver to ship more than 50 percent of its 1-million-ton wheat commitment to the Soviet Union in cheaper foreign vessels.

A day earlier, J. M. Calhoon, president of the Marine Engineers Beneficial Association, had wired Giles, charging that the Maritime Administration was either "in collusion" with Continental or "incompetent."

WITNESS EXEMPTED

At the hearing, Giles delivered a long answer to Calhoon's charges, which he called "irresponsible and libelous." He said he would keep the record open for Calhoon who is on the west coast, to document his accusations "if he has the courage."

"There is a limit to what the country will tolerate from a few irresponsible officials in the maritime unions," said Giles.

Giles exempted the next witness, Paul Hall, from his remarks. But Hall, the burly, outspoken president of the Seafarers International Union of North America, blasted Giles for his attack on Calhoon and chided him for letting the wire "overwhelm you so that you have been busy all day soliciting character recommendations."

Earlier, Giles had asked several shipowner witnesses if they thought the Administration and its staff were in collusion or incompetent. No one said yes.

CONTRACTS ORDERED

Continental contended that as of a Wednesday deadline it was unable to find domestic shipping which met Maritime Administration ground rules for some 183,000 tons of the 50-percent requirement. The hearing was called to rule on offers, turned down by Continental, of seven American ships totaling about 150,000 tons.

Giles upheld Continental in turning down three of the ships, ordered the grain company to sign contracts with two and left one case open pending further evidence. The seventh ship was booked for another cargo during the hearing.

Mr. MUNDT. Mr. President, I am also going to ask unanimous consent to have printed in the Record a thought-provoking editorial carried in the Sunday edition of the Kansas City Star, dated February 9. Its very title carries a stern admonition all its own—indeed, it is true the West needs to discuss trade with Reds.

Over 3 months ago I recommended on the floor of the Senate that this administration should call a free world trade-aid conference among the six or eight major exporting nations of the free world. I have since then renewed this recommendation many times—to the State Department, to the White House, to the Congress, and in addresses around the country. I wish to reiterate that recommendation once again today.

Such a free world trade-aid conference could eliminate many of the serious misunderstandings among our friendly free world associates concerning our prevailing attitudes toward the Communist challenge. Such a free world trade-aid conference could develop a consistent, constructive approach to this serious problem of trade with the Reds.

Should the free world exporting nations continue to compete with each other in conformity with this new and self-defeating formula adopted by the United States some 90 days ago?

Should Britain, France, West Germany, Italy, Japan, and the United States, for example, compete in a furious profitseeking contest to see which nation can sell the Communists the greatest amount of the supplies they most desperately need, at the lowest possible prices, at the most beneficial and attractively subsidized shipping rates, and on the longest and easiest terms of credit?

That, unhappily, Mr. President, is exactly what is occurring today since the announcement of the new American policy to sell supplies on American credit to the Communists. Since that announcement, France, and Britain, especially, have stepped up sharply their extension of credit and sale of goods to Cuba, Red China, and the Communist complex controlled by Moscow.

Mr. President, does any responsible American really believe anybody other than the Communists can be the real beneficiaries of such a mad, profitseeking, shortsighted, and self-defeating trade policy with our sworn enemies?

While I do not agree with all of the observations in the editorial in the Kansas City Star, Mr. President, I emphatically agree we should delay no longer in either rescinding our credit-guarantee program with the Communists or in holding a Free World Trade-Aid Conference in an effort to develop a more consistent and productive free world policy toward trade with the Reds before we venture too far down the road of no retreat. Therefore, I ask that the Kansas City Star editorial be printed at this point in my remarks. It is entitled: West Needs To Discuss Trade with Reds.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

West Needs To Discuss Trade With Reds

Last year business across the counters of world trade was good. This year it almost certainly will be better. But for international commerce, the importance of 1964 may not be measured in the dollars-and-cents statistics of exports and imports. It may lie, rather, in the decisions that will be made and, perhaps, in the attitudes that will be changed. Specifically, we refer to attitudes toward trade with the Communists.

It should be obvious to the United States that its allies, more and more, are crossing the no-man's land of cold war in search of business. British buses go to Cuba. France and De Gaulle deal with Castro and Khrushchev; Japanese businessmen seek new trade in Red China. Canada, Australia, and in turn the United States, sell wheat to the European Communists. And the Soviet Union informs the world that it is ready, willing, and able to become a better customer of the West and especially of the United States.

We must regard these developments as hints of things to come. Above all, as a people, we must learn to be realistic about them. Of all the free world nations, the United States has been most reluctant to trade with the Communists. How much this reluctance has been or will be overcome by the successful completion of the various grain transactions, we could not guess.

Nor is it a simple reluctance, for in the back of the Nation's mind there is a sincere uneasiness about anything that smacks of trade with the enemy. But many of our allies do not share this uneasiness, at least to the same degree. In European capitals, and particularly in London, Soviet trade missions have been received sympathetically. Quite obviously, this country's decision to sell wheat has in part been responsible for the attempt to expand East-West trade.

To understand why this is so, it is necessary to realize that the United States is the best customer of some nations that are seeking to expand their trade with the Communists. Japan is a case in point. In 1963, this country purchased $1.4 billion worth of Japanese goods. Until a few months ago Tokyo worried, lest too-eager overtures to Red China create an adverse reaction in Washington. The wheat deals have thus had the psychological effect of encouraging Japanese businessmen to trade more with Peiping.

The European nations have been less inhibited. More and more the names of West German and British businessmen have been appearing on the guest register of Moscow's Metropole Hotel. Last month, Valery Giscard d'Estaing, the French Finance Minister, checked in and he was not sightseeing.

If Western traders are on the move, so are their Soviet counterparts. A Soviet trade delegation has been in London, negotiating several multimillion-dollar deals to purchase new plants. There are predictions that Britain and Russia will sign a trade agreement this spring. Moscow has offered to dispatch a trade mission to the United States. The offer has not been accepted.

When it comes to discussing trade with the Communist countries, the United States does not always speak the same language that its allies speak. Perhaps this is because the Western European countries already do a larger business with the Communist bloc and are aware of what they regard as a greater trade potential. In the first half of 1963 the NATO countries sold goods worth $1.9 billion to Russia and Eastern Europe; the U.S. share of this total was a mere $124 million. From an economic point of view, trade with the Communists is much more important to Western Europe than it is to the United States.

Moreover, we must recognize that in the United States there is a larger emotional barrier to transactions of any sort with the Reds. In neither Canada nor Australia was the sale of wheat a cause of real political controversy. It was in the United States. We still have memories of the day when a delegation from Amtorg, the Soviet trade organization, was obviously laced with spies. With good reason, the United States has not forgotten the shipment of $11 billion worth of lend-lease goods to Russia. The Soviet Union has made no settlement on the small part of this debt that Washington has tried to collect. There is no reason to believe that it will.

With or without U.S. approval, there has been trade with the Soviet Union and its allies since World War II. The line of decision has been drawn by each nation between strategic and nonstrategic goods. But it is a fuzzy line. By common definition, food is not strategic nor is clothing, although both commodities obviously have a military value. As the London Economist recently observed, Nikita Khrushchev himself has pointed up the difficulty of a clear definition. Clothes—including the trousers soldiers might wear—are not strategic, he noted. But what of the buttons that hold up the soldiers' trousers?

Nevertheless, the principle that vaguely defines strategic and nonstrategic goods is widely accepted. There is no question of shipping guns or rockets to the Soviet Union and if it is difficult to classify a chemical plant or buses, that is understandable. The complexities of world trade offer few chances for clear-cut definitions.

But between the Western nations, there is a growing division over another aspect of trade with the Russians, an aspect that deals with credit, not with commodities. Britain in particular has seemed willing to grant long-term credit to Soviet customers. Washington has insisted that a policy of limiting credit to 5 years best serves the interest of the West. Last fall, at a NATO meeting, George Ball, of the State Department, put the case forcefully. But there was no consensus of agreement among the attending nations.

Washington, citing its own CIA report on the problems of the Russian economy, believes that longer term credit will make it too easy for Moscow to get off its own economic hook. Moreover, easier credit terms have by almost common consent been reserved for the developing nations. Normally, industrialized nations get 5 years or less. But in the changing world of trade it is difficult to define what is normal.

Another point to be considered by all nations is the potential part that trade may play in reducing world tensions. You can read into history the lesson that trade, while it has at times been a source of international disputes, has also served as a means of lowering political barriers. Commercial maneuvering is a part of this strange game that is called cold war. Late last year a number of U.S. businessmen and lawmakers—liberal and conservative alike—proposed greater trade with the Reds. In a sense, such a proposal is comparable to a proposal for joint ventures in space. At least, it is no more unrealistic.

There is another pertinent comparison, in the attempts of the United States to establish greater scientific and cultural exchanges with the Russians. These are necessary efforts to break down barriers and, in a small way, to ease world tensions. But one of the best ways to develop understanding is through the pocketbook. Thus the diplomatic importance of greater world trade is evident.

Yet it is obvious that space cooperation is much less complex—and poses fewer built-in problems—than trade. And in trade, the Western nations have sometimes failed to speak with a common voice. We do not refer to disputes between allies over poultry or cars, but rather to the broad issue of business with Communists.

Frankly, we doubt that the United States would get rich by selling to the Communists. On the other hand, it is necessary for Washington to understand that these transactions are of considerable economic importance to our allies. We are not in a position to dictate flatly the commercial policies of even our closest friends. Cold war or no cold war, minding the main chance is a big element in international relations.

It seems to us, however, that the Western nations would profit by a common discussion of the problems presented by Khrushchev's new interest in trade. The opportunity might present itself at the United Nations Conference on Trade and Development, which will open March 23 in Geneva. Later in the year, the members of the General Agreement on Tariffs and Trades will be negotiating tariffs, also in Geneva. Trade with the Communists might also be discussed then, at least informally.

For it should be obvious to the Western nations that change is in the air. Grant that the wheat deals may be one-shot transactions, it nevertheless is apparent that the Kremlin has entered the world of international commerce with a determination to buy more and sell more. This world has moved from the stage of national economies to the stage of a great and interrelated global economy. Like it or not, the Communist nations are a part of it.

Washington and other capitals may disagree on the wisdom or value of further trade with the Red bloc. But they cannot avoid the first challenge of this historic year for world trade: The challenge to find a common understanding and a common language in dealing with the trade-minded Communists.

Mr. MUNDT. Mr. President, before concluding, I want to call attention to two other items of more than passing interest. The first is a news story by David Sentner, noted Washington correspondent, under the heading "Why the Farm Belt Rips Wheat Deal." I ask unanimous consent that this report be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY THE FARM BELT RIPS WHEAT DEAL

(By David Sentner)

WASHINGTON, December 30.—Why is there so much bitter opposition from the American Farm Belt to the sale of perhaps $250 million in wheat to the Soviet Union in the face of its apparent benefits and profits?

This great congressional mystery which has waterlogged the passage of the foreign aid bill and the holiday adjournment of Congress drew the following findings in a Hearst headline service survey:

The major conservative farm groups are opposed to the deal "as a matter of principle" regardless of the transient monetary profits attached to the sales.

MUNDT SUMS UP

Senator KARL MUNDT, Republican, of South Dakota, leader of the Farm Belt battle against selling wheat to the Soviets, reflects the following general arguments of the opposition:

The United States since the end of World War II has spent over $100 billion of American taxpayers' money in foreign aid to weaken Communist Russia.

The waging of this economic cold war has compelled the Communists to divert from their own economy and from the economies of their unhappy satellites, foods and fabrics, grains, machinery, weapons, petroleum, and a host of other products.

Russia now swallows her pride and comes to the free world to purchase our grain among other products she so desperately needs to satisfy her foreign commitments and placate her unhappy people.

SPREAD TOO THIN

"Russia has spread herself out too thin," Senator MUNDT asserted.

"Her cumbersome Communist system is breaking down. Her extravagant promises of assistance to Cuba, Egypt, India, to Communist overlords in Asia, to the new independent governments of Africa, are being defaulted.

"Therefore she seeks to obtain from the United States the supplies and products she needs to continue her harassment of the free world and her attacks on weaker governments."

Mr. MUNDT. Finally, Mr. President, a challenging statement was recently issued by the Republican National Congressional Committee here in Washington. It is entitled "Are We Now Going To Rescue the Ruble?" It deserves the study and reflection of every serious-minded American citizen. I ask unanimous consent that it, too, be printed at this point in my remarks.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Are We Now Going To Rescue the Ruble?

Nikita Khrushchev has found a new way to deal with the West. He has discovered that softness of the heart among State Department officials also extends to their heads. By playing poor boy, Khrushchev can thrust a Red hand directly into the U.S. Treasury.

The American taxpayer will get stuck with anywhere from $68 to $100 million in subsidies on the sale of wheat to the Soviets.

Now comes the CIA with the word that Russia "needs" $2 billion. Republicans predicted when the wheat deal started that it was only the opening wedge in a prolonged series of deals with the Soviet, mostly involving extension of credit. This is why the deal was opposed when the foreign aid bill was pressured through in a pre-Christmas vote by the Johnson administration.

The super-secret CIA seems to have evolved into a political organization. L.B.J. is setting up a patsy for his "peace offensive" by authorizing the CIA to announce the Russians need credit. The suggestion will be made that it would be a great step toward peace to give them credit. How could they act against us if they owed us money?

But, before we rush to rescue the ruble, we should ask what happened to the $11 billion in lend-lease the Soviets already owe us? And when are they going to pay up their United Nations assessment? Or is this what they want the money for?

The CIA report naively says: "The United States has been trying to persuade its European allies to hold these credits to 5 years to avoid giving the Soviet economy an easy out." Once they get the money, the Russians will take whatever time they want to repay, if they ever do.

Perhaps an ironic part of the CIA report is that Russia came into such sorry straits because it has "been living on borrowed capital, improvising temporary solutions to its farm problem and chronically neglecting balanced development."

It doesn't make any sense for a nation such as the United States, which itself is living off $315 billion in borrowed capital, to go further in the hole to rescue the Communists from bankruptcy. But, with the fiscal fuzzy thinkers at the State Department who bend over backward to accommodate the Soviet Union, we are likely to see a direct, or perhaps an indirect, foreign aid approach to help Nikita pay his bills.

Question: Why should we help a system dedicated to burying us? Help is no guarantee of peace, and it enhances communism's capability to stir up revolution and brushfire wars around the world.

Mr. MUNDT. Mr. President, no program of foreign aid or mutual assistance can successfully operate if we persist as free world nations in the current attempt to strengthen the Communist aggressors so they can continue to expand the effectiveness of their attack against free world nations and freedoms. Either we should abandon foreign aid altogether or develop a consistent program of helping our friends while repressing the capacity of their enemies and ours to bring war and totalitarianism to all the world. I favor this second alternative before it is too late for it to be done effectively.

THE ECONOMY OF NEW HAMPSHIRE IN 1964

Mr. McINTYRE. Mr. President, the New England Telephone & Telegraph Co. publishes an annual report on the New Hampshire economy. The impressive record of recent years in many kinds of growth, from population to value added in manufacturing and total industrial employment, shows that New Hampshire's citizens are determined to share fully in the productive life of our Nation. The problems that remain, including retraining needs, pockets of poverty, the needs of our traditional textile and leather industries, and transportation, to name only some, shall be solved with hard work and imagination. The nature of important Federal Government programs, such as area redevelopment, small business assistance, export promotion, and aid to education, will have an important effect in determining our rate of progress. Also, Mr. President, the presence of modern industries, with capable management and skilled research staffs, such as the New England Telephone & Telegraph Co., is one of our best guarantees of progress. I ask unanimous consent that this company's report on the New Hampshire economy appear at this point in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

The Economy of New Hampshire

GENERAL REVIEW

Since 1950 New Hampshire has experienced the most rapid growth of any State in our company's territory. Nearly all the areas of the State's economy have registered substantial gains during the past 13 years. Most of the major economic indicators hit record levels in 1962. While business activity remained at a relatively high level in 1963, most areas of New Hampshire's economy were operating below the peaks attained in 1962.

Many new firms have been attracted to New Hampshire through the promotional efforts of the State's planning and development commission, the New Hampshire Business Development Corp., and the Industrial Park Authority (see Business Conditions Supplement, November 1962). Most of these new companies have located in the southern portion of the State along the Massachusetts border. They are thus in a position to tap both Massachusetts' and New Hampshire's large reservoir of skilled workmen. They also are near to the large research facilities of the many institutions of higher learning in eastern Massachusetts.

This influx of new business establishments, plus the expansion of many existing companies, helped to fill the vacuum left as a result of the exodus of the textile mills to the South. As a result of this expansion, the industrial activity index has risen an average of 3 percent per year; total nonfarm employment has risen steadily; and unemployment has decreased since 1950.

As measured in square feet of added construction, residential and nonresidential construction doubled between 1950 and 1963. The dollar value of residential and nonresidential contracts awarded in 1963 amounted to approximately $74 million. Public works and public utilities contracts reached $39 million during the past year.

Although New Hampshire's population is increasing at a rate below that of the United States, it is growing at a faster pace than the population of the other States in our company's area. Since 1950 the number of inhabitants has risen 18 percent.

This increased economic activity in the Granite State has been good news for the New England Telephone & Telegraph Co. Telephone development in a State reflects the economic activity in that State. Since 1950 the number of telephones in the New England Telephone & Telegraph Co.'s area has increased 76 percent.

POPULATION

With close to a 14-percent gain in population between 1950 and 1960, the dates of the U.S. census of population, New Hampshire set the pace for our company's territory.

The largest percent growth, 41 percent, was in Rockingham County, which includes Pease Air Force Base and the city of Portsmouth. The population of Hillsboro County, which contains more than a quarter of the State's population, rose about 14 percent.

The higher rate of population growth in New Hampshire can be partly attributed to the fact that the Granite State was the only State in our company's territory which had a net inward migration between 1950 and 1960. While the other four States reported a net outward migration, New Hampshire realized a net inward migration of more than 12,000.

Since the last census in 1960, the State's population has increased about 1.1 percent per year, compared to 1.4 percent during the 1950's. In 1963 an estimated 627,000 persons lived in the Granite State.

New Hampshire ranks 26th among the 50 States in population density. There is an average of 67 persons living in each square mile of land area. This figure is slightly above the United States' average of 50.5 persons per square mile.

More than 58 percent of the State's population were living in urban areas of 2,500 or more in 1960. This is a slightly higher percentage than in 1950.

NONAGRICULTURAL SECTOR

Preliminary figures indicate that total nonagricultural employment numbered more than 206,000, a new high for the State, in 1963. During the past 13 years the number of nonfarm jobs has increased fast enough to absorb the new entrants to the labor force. With a 22-percent rise in nonfarm employment between 1950 and 1963, New Hampshire led all the States in our region.

The rate of growth in New Hampshire's manufacturing sector also surpassed that of her sister States. In 1962 there were 12 percent more employees engaged by the State's manufacturing firms than in 1950, compared to an increase of 11 percent for the Nation. In 1963 manufacturing employment in the Granite State dropped nearly 3 percent from the 1962 peak. Manufacturers in the country as a whole, however, hired more workers in 1963.

During the past 13 years nonmanufacturing employment in New Hampshire has increased at approximately the same rate as it has in the United States. In 1963 there were about 120,000 nonmanufacturing employees in the State, a rise of more than one-third over the 1950 figure.

MANUFACTURING

Employment: As measured by the percent of nonfarmworkers holding manufacturing jobs, New Hampshire is more highly industrialized than any State in our company's area. More than 4 out of every 10 nonfarmworkers in New Hampshire are employed by the manufacturing sector, compared to a U.S. ratio of 3 out of 10.

While the peak levels of manufacturing employment in the United States and in all other New England States were attained during World War II, the peak level in New Hampshire was reached in 1962. Manufacturing employment rose steadily in the Granite State between 1950 and 1962. In 1962 the State's more than 1,400 manufacturers employed 88,700 workers. In 1963 manufacturing employment, however, averaged nearly 2,500 below this total.

The improvement in manufacturing employment since 1950 can be attributed to increased activity in the durable or hard goods sector, with the result that the dependence on the textile industry has been greatly reduced. New industries making machinery, machine tools, electrical gear, and electronic devices have come into New Hampshire to pick up the slack left by the exodus of the textile firms. Every major durable goods industry, except lumber and wood products, has added workers to its work force since 1950.

The electrical machinery industry, especially electronics, has expanded rapidly since 1950. In fiscal 1962 the Defense Department awarded $34 million in military prime contracts to New Hampshire's electronic industry. Employment in the electrical machinery industry in 1962 was 15 times higher than it was in 1947 and 4 times higher than it was in 1950. In 1963 employment in this industry dropped slightly below the 1962 peak.

Although a relatively small industry, the metals industry (fabricated and primary) has increased its employment by 86 percent during the past 13 years. This compares with a 4-percent rise in the country as a whole. New Hampshire's furniture industry also surpassed the U.S. rate by adding a third more employees to its payrolls during this period.

During the past 13 years employment in the lumber and wood products industry has been declining both in the United States and in New Hampshire. The rate of decrease was about the same in the Granite State as it was in the United States.

Employment trends in the nondurable sector contrast rather sharply with those in the durable sector. This can be attributed mainly to the rapid decline in textile employment and the slow decline in leather employment.

In 1947 the Granite State was heavily dependent on the textile industry for employment. In that year there were more employees working in this industry than in all the durable industries combined. It was the No. 1 employer of manufacturing workers. Since that time employment has dropped to less than half of the 1947 total. During the same period U.S. employment in this industry dropped by one-third. Despite this decline in employment there are still nearly 100 textile firms which employ 13 percent of New Hampshire's manufacturing workers.

Presently the leather industry is the State's No. 1 employer of manufacturing help. Since 1950, however, employment has declined 6 percent to 20,800.

While employment in the paper and allied products industries increased by more than 25 percent nationally, there was a slight decline in employment in New Hampshire.

Gains were registered in some of the smaller nondurable industries, but they were not enough to compensate for the losses in the textile and leather industries. The food and kindred products, apparel, and printing and publishing industries increased the number of their employees between 1950 and 1963, about 7, 44, and 61 percent, respectively.

Wages and salaries: The rapid growth in New Hampshire's manufacturing sector is shown by the rise of manufacturing wages and salaries. As measured in 1962 dollars, factory wages and salaries jumped 44 percent, compared to a 52-percent increase in the United States between 1950 and 1962.

During the same period average weekly earnings for factory production workers rose by a fourth, as measured in 1962 dollars, to $76.33. In 1963 wages averaged about $77.34.

In comparison with other States, New Hampshire is not a high-wage State. Average weekly earnings for production workers are considerably below the estimated $99.17 for the United States in 1963. Most of the difference can be attributed to the industrial composition of the State's manufacturing sector. Nearly 40 percent of all manufacturing employment is in the apparel, textile, and leather industries, compared to around 15 percent for the Nation. These industries generally pay lower wages than other manufacturers. Part of the reason for this is the large number of women employed in these establishments.

Value added: The amount of value added by manufacture, as measured in 1961 dollars, increased 15 times as fast as manufacturing employment between 1947 and 1961, the dates of the census of manufactures. The rest of the country is experiencing a similar situation. Automation has enabled manufacturers to increase production with little or no extra hiring.

In 1961 the amount of income generated by the State's manufacturers amounted to $589 million, up 44 percent, as measured in 1961 dollars, over the 1947 total. This rate compares with a 65-percent increase for the United States during this period.

The largest absolute gain was reported by the electrical machinery industry. In New Hampshire, as in her sister States, Vermont and Maine, the electrical machinery industry was almost nonexistent in 1947. As a result no figures for the amount of value added were shown in the 1947 Census of Manufactures. In 1961 the amount of income generated by this industry totaled nearly $101 million.

Substantial gains also were reported by several other major manufacturing industries during the 1947–61 period. The leather industry generated more than $108 million in income in 1961, up 15 percent over the 1947 total. The amount of value added by the nonelectrical machinery industry nearly doubled to $85 million. Income generated by the primary metals industry almost quadrupled.

The large declines in employment in the textile, lumber and wood products industries were reflected in the amounts of value added between 1947 and 1961. Decreases of 25 and 18 percent were experienced in these industries. Despite the increase in the number of jobs in the apparel industry, the amount of income generated in 1961 by this industry was about half the 1947 figure.

NONMANUFACTURING

Employment: Nearly 6 out of every 10 nonfarm employees in New Hampshire work in the nonmanufacturing sector. This sector has shown the most rapid growth of any segment in the State's economy, as it has in the rest of the country, since 1950. Nonmanufacturing employment reached a record high of 120,000 in 1963.

The general public has more to spend today than ever before as a result of rising personal income. This is mirrored by the record volume of purchases made every year. To handle this growing trade many stores have expanded and several large shopping centers have been constructed. Such expansion means many new jobs for sales personnel. Since 1950, 36 percent more workers have been needed by the various wholesale and retail establishments. This industry now employs more people—over 37,000—than any other nonfarm industry in the State.

People also are demanding more personal services and are traveling more than ever before. As a result, employment has increased more than 50 percent in those industries involved in providing services, such as laundries, beauty shops, hotels, etc., both in New Hampshire and in the United States.

A growing population also demands more public services, such as schools, highways, parks, welfare, etc. Since 1950 the number of persons employed by the various government agencies has increased by more than one-fourth. Government employment in the country as a whole, however, has risen by more than 50 percent.

Percentagewise the finance, insurance, and real estate agencies have added the most employees—73 percent—to their payrolls, since 1950. Contract construction employment also increased a respectable 46 percent to 10,000.

As a result of a drop in employment in the railroad industry, the transportation and public utilities sector was the only nonmanufacturing industry to report a loss in employment. This sector also reported a decrease in employment, nationally.

Nonmanufacturing wages and salaries: Total nonmanufacturing wages and salaries nearly doubled, as measured in 1962 dollars, to $560 million between 1950 and 1962. This is a rate of growth more than twice that of manufacturing wages and salaries.

Wages and salaries in construction, services, and government more than doubled during the 12-year span since 1950. Reflecting the decrease in transportation employment, wages and salaries in the transportation and public utilities sector, however, increased only 38 percent.

Retail trade: According to the U.S. Department of Commerce Survey conducted during the first quarter of 1962, there are more than 4,000 retail stores in New Hampshire. Total retail sales were estimated to be nearly $835 million, with Hillsborough and Rockingham counties accounting for half of this total. This is an increase of 34 percent, in constant dollars, between 1950 and 1962.

Department store sales, however, were disappointing in 1963 in the Granite State. The Federal Reserve Bank of Boston reported that sales were about 8 percent below the 1962 level.

INDUSTRIAL ACTIVITY INDEX

The industrial activity index for New Hampshire reflects clearly the industrial expansion that has taken place in the State since 1950. During the past 13 years there has been a 40-percent increase or a 3-percent rise per year in industrial activity as measured by the index. This is by far the largest gain registered by any of the States in our company's area. All components of the index have shown substantial increases except nondurable man-hours and shoe production since 1950.

During this period electric energy sales nearly doubled to a monthly average of nearly 86 million kilowatt hours. Reflecting the rapid growth in the durable goods sector the number of durable man-hours rose 42 percent. As would be expected following the exodus of the textile firms, nondurable man-hours remained practically unchanged.

Shoe production increased by more than 4 million pairs between 1950 and 1963 to an annual total of around 46 million pairs. This is an increase of about 10 percent. Further increases will be harder to obtain due to the large number of cheap foreign shoes being imported into this country.

The greatest percentage growth was registered in the construction industry. Residential construction more than doubled to 226,000 square feet of added construction per month. Nonresidential construction rose 94 percent to 243 square feet per month.

Industrial activity in 1963 was slightly below the high level of 1962. The 1963 industrial activity index at 113 percent of the 1957 average was 2 percent below the 1962 level. All components of the index except electric energy sales were on the downward side.

AGRICULTURE

In 1950 there were more than 13,000 farms in New Hampshire. By 1959, the date of the last U.S. census of agriculture, they had dropped by nearly 50 percent to around 6,500. Nearly 30 percent of the total land area in the Granite State was farmland in 1950. The percentage was down to 20 in 1959. The size of the average farm, however, increased by one-third to 172 acres. Only 61 farms in 1959 contained 1,000 or more acres.

With the number of farms and total farmland declining rapidly, it is easy to understand why total cash receipts for farm products, net realized farm income and agricultural employment have dropped so rapidly.

Employment: More than 6 percent of all employed persons in New Hampshire were engaged in agricultural work in 1950. By 1960, the date of the last U.S. census of population, this proportion had slipped nearly one-half to 3 percent. Presently there are only about 11,000 persons working on the farms. This is the smallest number of any New England State, except Rhode Island.

Cash receipts: As would be expected in light of the rapid decrease in the amount of farmland and number of farms, cash receipts for farm products, measured in 1962 dollars, dropped by more than one-quarter to $55 million between 1950 and 1962. The largest decreases were in the sale of feed crops, meat, and poultry. Sales of dairy products and fruits, especially apples, were the only major items to show an increase. Dairy products and poultry and eggs now account for 73 per cent of all sales of farm goods.

Farm income: With cash receipts declining rapidly, total net realized farm income also dropped considerably. Since its postwar peak in 1953, net realized farm income has dropped about 60 percent, as measured in 1962 dollars.

Despite the drop in total net farm income net income per farm increased by more than a third, measured in 1962 dollars, between 1950 and 1962 to $1,643. This is considerably below the postwar high of $2,531 in 1956 and the U.S. average for 1962 of $3,414. The small farmer, due to increasing costs, has been forced off the farms. Those farmers who are left have had to increase the size of their farms to obtain the most economical use of the expensive farm machinery that they have had to buy to stay competitive with farmers in other regions.

PERSONAL INCOME

Between 1950 and 1962 personal income, as measured in 1962 dollars, rose 59 percent to $1,394 million. In 1962 per capita income in New Hampshire amounted to $2,206, which is one-third more than the 1950 figure. This compared with a per capita income of $2,673 and $2,366 for New England and the United States, respectively. In 1963 total personal income increased about another $32 million.

Income from all major sources increased substantially, except farm wages, from 1950 to 1962. There has, however, been a shift in the composition of personal income. More than 40 percent of all income is in the form of nonmanufacturing wages and salaries, excluding farm wages, compared to 33 percent in 1950. The proportion of all other sources to the total declined during this period. Manufacturing wages and salaries dropped from 30 to 28 percent, farm wages decreased from 1.6 to 0.5 percent, and proprietors' and property income declined from 28 to 23 percent.

UNEMPLOYMENT

Because of the rapid increase in nonagricultural employment, unemployment has not been a problem in the Granite State in recent years. New Hampshire's rate of unemployment is far below that of any other State in New England or in the United States as a whole. In 1963 approximately 4 percent of the State's civilian labor force was unemployed, compared to an estimated 5.7 percent in the United States. The percent of unemployed workers has been below the Nation's rate since 1957.

In 1950 there were 13,750 jobless workers in the Granite State. By 1963 this number had dropped 20 percent to 10,939.

The number of unemployed increased in 1963. There were approximately 1,600 more out of work in 1963 than in 1962. Despite this increase the State's unemployment rate still remained substantially below that of the United States.

VACATION BUSINESS

Vacation-travel business plays an important role in the overall economy of the State, but it is difficult to measure due to the lack of reliable data. However, a survey of the vacation-travel business, prepared in 1962 by New Hampshire's Department of Resources and Economic Development, gives us an insight into the effects and importance of this industry. According to this survey nearly 20 percent of the State's income is generated in this sector. During the summer peak 25,000 job opportunities were opened up in 1960, the latest year surveyed.

The vacation-travel sector has an important effect on such travel-serving businesses as hotels, motels, amusements, auto repairs, tires, battery and accessory stores, eating and drinking places, and gasoline service stations. It is also a stimulant to the construction and finance, insurance and real estate industries, as a result of the building of motels, lodges, cottages, summer homes, restaurants, facilities, etc.

As a result of a rise in per capita income, an increasing population, more leisure time, and improved highways, people tend to travel more and spend more on holidays, weekends, and vacations. Between 1950 and 1962 it was estimated that vacation income increased 67 percent, in constant dollars, to $176 million. This is the second largest percentage increase of any of the major economic indicators.

Skiing is one of the fastest growing outdoor sports in the country. This has helped to make the winter vacation business one of the fastest growing sectors. Most of the skiing facilities in New Hampshire are concentrated in the Eastern Slope, Franconia Notch, Belknap Mountain, and Sunapee Mountain areas. Despite the expansion of the ski industry it accounted for only about 6 percent of all the vacation-travel income in 1958, the latest year for which data is available. This was considerably below Vermont's rate.

Commercial lodges, hotels, and motels make up the largest portion of the vacation-travel sector. According to the special survey conducted by the New Hampshire Department of Resources and Economic Development the number of commercial lodging places increased 12 percent to 2,205 between 1946 and 1960. During the same period the number of persons employed by these establishments jumped by one-third to 18,000.

The past year has been a good one for the various lodges, hotels, etc., in New Hampshire. The Federal Reserve Bank of Boston survey of occupancy rates during the December–March period in 1963 showed occupancy rates were 6 percent above the prior year. With a 5-percent gain during the May–September period over the corresponding period in 1962, New Hampshire set the pace in New England in regard to the percentage increase in occupancy rates.

The number of visitors to the Granite State's various tourist attractions, however, was disappointing this past summer. According to the Federal Reserve bank's "New England Attractions Report," there was a slight drop in the number of visitors to the State's parks and campgrounds and only a very small rise in the number of visitors to other types of tourist attractions during the June–September period of 1963 over the 1962 figures.

TELEPHONE DEVELOPMENT

Telephone growth during the 1950–63 period reflects the vigorous growth of New Hampshire's economy. Since 1950 the number of New England Telephone & Telegraph Co. telephones jumped 76 percent to approximately 250,000. This was the largest percentage increase of any of the States in our company's area. In 1963 there were in the Granite State a total of 262,000 telephones, including telephones owned and operated by the 14 independent telephone companies.

About 83 percent of the estimated 194,000 households in the State have telephone service. Between 1950 and 1963 there was a 54-percent increase in the number of our company residence main telephones.

The number of residence extension and residence PBX telephones more than quadrupled between 1950 and 1963. In 1950 there were only about 7,000 residence extension telephones in service. By 1963 the number had increased to more than 30,000.

Although business telephone service grew more slowly than residence telephone service, the rate of increase was respectable. The number of business main telephones increased by one-third to 24,000 while the number of business extensions, PBX and centrex more than doubled to 40,000.

THE OUTLOOK FOR THE 1960'S

Economic growth in New Hampshire will continue to benefit from the State's close proximity to the professional labor pool and research facilities of Massachusetts. Continued growth in the State's manufacturing sector is expected but at a slightly reduced level. The electronics industry will shift toward a greater emphasis on research and development work under Government contract, and will emphasize space exploration. This means a change in manpower requirements with a greater demand for professional and scientific personnel and a corresponding reduction in less skilled manpower. With a shift toward research and away from assembly, there will be some pause in the expansion of electronics in the Granite State.

The nonmanufacturing sectors are expected to show the most rapid growth, with special emphasis on trade and services. More shopping centers will be needed. In addition, we may expect a rapid expansion in the vacation business. A growing population and a high rate of growth of income in the Northeast will increase the vacation business of New Hampshire. Skiing especially should register a record growth, as people from other parts of New England and the Northeast take advantage of the Granite State's 16 major ski areas and 62 major ski lifts now in operation.

SENATOR HRUSKA URGES TRULY VOLUNTARY WHEAT LEGISLATION

Mr. HRUSKA. Mr. President, it was my pleasure today to testify before the Senate Committee on Agriculture concerning new wheat legislation.

It is encouraging to know that, after the deaf ear turned to the wheatgrower following the defeat of the Freeman wheat plan in last year's referendum, hearings are finally being held on bills vitally affecting his economic welfare.

The principal point of my remarks is that whatever bill is finally written, it be truly voluntary. The bill must allow the farmer to participate or not, as he desires. If he chooses not to take part in the program, he must not be saddled with unbearable penalties and economic punishment. That would not be a voluntary program because the farmer would not have a true choice, only a choice between participation or ruin.

I ask unanimous consent, Mr. President, that my statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR ROMAN L. HRUSKA BEFORE SENATE COMMITTEE ON AGRICULTURE, FEBRUARY 10, 1964

Mr. Chairman, I am pleased to respond to the committee's generous invitation to discuss this vital matter of new legislation for the wheatgrowers of America.

It would be difficult to overemphasize the importance of this Congress enacting a sound, workable plan which can have the broadest base of support among the men who produce wheat and among the beneficiaries of their output. Nothing else that we will do here this year will transcend the result of your deliberations.

It is unfortunate that these hearings were not held last year after the Nation's farmers turned down the rigid control programs espoused by the Department of Agriculture. The wheatgrowers of this Nation deserved better than the Congress gave them. They had a right to expect more of us.

But that is behind us and I am gratified that action is being undertaken early in this session. It is my hope, which I know the chairman and the members of the committee share, that we can put aside political consideration and turn to the task of enacting sound and responsible legislation.

No member of this committee needs to be reminded of the economic plight of the farmer who watches almost helplessly, even hopelessly, a burgeoning national economy, his share of which is constantly shrinking.

In his farm message of last Friday President Johnson pointed to certain overall gains in total, gross farm income but candidly conceded that these statistics fail to portray the true picture.

The people of Nebraska, where the basic industry is agriculture, are far more concerned with the fact that the farmer is failing to keep pace with the economic well-being of his urban cousin, than they are with billion-dollar figures of overall agricultural income. Indeed, they only wonder the more why they are not receiving their share.

If a new wheat program is not enacted, it has been estimated, net farm income in Nebraska could be about 5 percent, or $20 million, below last year. The total farm income in Nebraska over the past several years has been approximating $1.4 billion of which wheat has provided about one-tenth. But net income has been running at an annual rate of only about $400 million.

The wheat growers of America were emphatic in their decision in the referendum of last May. It was a vote against the Freeman strict-control wheat plan and against the efforts and methods used in an attempt to force it upon them.

As a result, virtually every plan to be proposed since then has carefully avoided any reference to controls. Almost every bill is labeled a "voluntary" program. Mr. Chairman, I urge that the committee consider carefully what is meant by the word "voluntary." It is described in the dictionary as "performed or done of one's own free will, impulse or choice; not constrained, prompted or suggested by others."

Some of the legislation proposed, I submit, fails to meet that definition. There is nothing voluntary about a program which leaves the farmer no real choice. The take-it-or-leave-it provisions of some of these bills are about as voluntary as a man leaping from a burning building.

As the distinguished ranking minority member of this committee, Senator AIKEN, put it on the floor of the Senate the other day, "A close scrutiny of these programs reveals the fact that 'voluntary' means the farmer will either volunteer or else."

Since 1961 we have heard a great deal about something called "supply management." The magic words this year seem to be "compensatory payments." Just as we discovered that "supply management" did not mean what it says, so we are discovering that "compensatory payments" means something other than what it says.

Compensate for what? Why are we not honest enough to admit that we are talking about a Federal endowment, the cost of which nobody knows except that it will reach many billions of dollars?

Mr. Chairman, probably no other member of our society is as independent by nature as the farmer. He doesn't want a Federal handout. He doesn't want to be on some slogan-disguised relief program. He wants a chance to work his land, raise a crop and sell it for a price that will enable him to make a decent living.

He will not accept warmed-over and thinly disguised versions of such discredited schemes as the Brannan plan of the 1930's.

What is required, Mr. Chairman and members of the committee, is a bill which allows the farmer to participate or not, as he desires. If he chooses not to participate in the program, he must not be saddled with unbearable penalties and economic punishment. That would not be a voluntary program because the farmer would not have a free choice, only a choice between participation and ruin.

The program must be voluntary because to offer anything else is to ignore the clear mandate of last May and the even more impressive fact that by and large, growers this year have planted within their acreage allotments of last year.

As the committee knows, I have joined a bipartisan group of Senators headed by Senators HICKENLOOPER, AIKEN, HOLLAND, and ANDERSON in sponsorship of a bill which deals not only with wheat, but with feed grains as well.

As I said on the floor of the Senate, my cosponsorship of that bill does not constitute an unyielding approval of the measure in its entirety or in all of its aspects and provisions. I am perfectly willing to leave the settlement of the details and the precise language to the members of this committee which has among its members some of the best-informed, most knowledgeable and capable experts on agriculture in our Nation.

I know that the committee, in writing a bill, will consult with other members of the Congress, in both Houses, with expert witnesses from the Department of Agriculture, the great farm organizations, and hopefully, with individual growers themselves.

Members of the committee, I am sure, have been receiving the same type of mail as I; an insistent appeal for sensible, workable, and uncomplicated wheat legislation. We must respond to this plea.

For whatever its value to the committee, I suggest that a reexamination of the farm policies of the past several years—ranging into both Democratic and Republican administrations—have failed because they neglected to recognize some basic truths about agriculture.

The first is that agriculture is a highly competitive industry. The only things that will dull that competition are highly restrictive and repressive measures visited upon the farmers by the heavy hand of Federal control. The second truth is that modern science and technology have irrevocably committed us to a course of abundant production. There can be no turning back; instead, we must seek progress in the direction of using that abundance effectively, not as an embarrassing economic millstone around our necks.

And the third truth is that the laws of economics are natural laws, as immutable as the laws of physics or mathematics. They were not devised by man, but result from human behavior in a free society. These laws, like the law of gravity, can be overcome, but only by control amounting to enslavement.

If we accept these basic truths, Mr. Chairman, then it is clear that we must direct our farm programs in the direction of less, not more control. Have we not yet learned the bitter lesson of the past three decades? Can we not confess that Government controls, particularly the harsh and unrelenting type proposed by the current Secretary of Agriculture, have led to our present critical difficulties?

This is not to say that the Government, having placed the farmer in the disadvantageous economic position he now occupies, can abandon him. But it is to say that we can change directions and embrace a long-range transition which will restore the farmer to a place of competibility with other segments of our economy.

We must not allow, Mr. Chairman, the club of Government retaliation to be raised over the head of American agriculture. We saw an example of that last year by the administration's refusal to consider new wheat legislation after its own programs had been repudiated. We may be seeing it again in the reluctance of the Secretary, at first to recognize that the American livestock industry was being dangerously damaged by skyrocketing imports of beef and veal into this country, and now by his resistance to the congressional authority to curb imports.

The livestock industry has stoutly and steadfastly resisted efforts to bring it under the same restrictive controls wielded over other areas of agriculture. One wonders if the Secretary's unenthusiastic approach to its current problems results from this resistance.

Mr. Chairman, I am most appreciative of your invitation to make this statement. I pledge to you and the committee my continuing support and would welcome the opportunity to be of whatever assistance the committee feels I can render.

ARCHBISHOP BERGAN GIVEN DISTINGUISHED NEBRASKAN AWARD

Mr. HRUSKA. Mr. President, last week, the Nebraska Society of Washington presented its annual Distinguished Nebraskan Award to the Most Reverend Gerald T. Bergan, Catholic archbishop of Omaha.

It was my privilege to present the award honoring Archbishop Bergan's 15 years of service to his community and his State.

I ask unanimous consent, Mr. President, that my remarks on presenting the award, and a report of the dinner from the True Voice, the official newspaper of the Omaha archdiocese, be printed in the RECORD.

There being no objection, the remarks and report were ordered to be printed in the RECORD, as follows:

Remarks of Senator Roman L. Hruska, Presenting Distinguished Nebraskan Award to Archbishop Gerald T. Bergan

It is a signal honor you fellow Nebraskans pay me tonight by allowing me to present the annual Distinguished Nebraskan Award to our guest. President Van Kirk, I salute you and your immediate predecessor, Jim Barrett, and the board of governors of the Nebraska society for conceiving the idea of this series of awards. Certainly, it is most appropriate that we should pay tribute each year to those Cornhuskers who have made significant and lasting contributions to our State and our Nation.

The timing of tonight's dinner and the award to Archbishop Bergan is particularly propitious since just a few days ago the imposing new Archbishop Bergan Mercy Hospital in Omaha opened its doors to receive its first patient.

The man we honor tonight has earned the title of the "building bishop" and the splendid hospital which bears his name is only the latest in a series of construction projects totaling more than $80 million which he has supervised since coming to Omaha 15 years ago.

Archbishop Bergan began his career of service in Illinois where he was born 72 years ago.

He studied for the priesthood at St. Viator's College, Bourbonnais, Ill., and in 1912 was elected to study at the North American College in Rome. He was ordained to the priesthood on October 28, 1915, in Rome.

Father Bergan returned to the United States in 1916 as assistant pastor of St. Mary's Cathedral in Peoria. He subsequently served as chancellor of the diocese, pastor of the cathedral, and vicar general of the diocese.

In 1934 he was appointed bishop of Des Moines, and on February 7, 1948, was named archbishop of Omaha.

Archbishop Bergan's leadership in Nebraska began at a time when critically needed buildings had to be erected. He has urged, encouraged, or personally led numerous building drives for 28 new school buildings and over 30 new rectories, with improvements to many existing structures; community hospitals at Neligh and Atkinson; St. Vincent's Home; College of St. Mary; an archdiocese seminary; Calvary Cemetery; Archbishop Ryan Memorial High School; and the newly dedicated Archbishop Bergan Mercy Hospital.

The archbishop, one of Nebraska's foremost religious leaders, has also achieved great stature as a leader in education, social welfare, citizenship, and race relations.

Throughout his long and fruitful service to his fellow man, Archbishop Bergan has displayed two qualities which characterize his leadership. One is his quiet, warm humor, even in the most trying and desperate of circumstances.

The other is his humility which is perhaps best illustrated by his reply to the society's notification that he had been selected for this award.

He wrote to President Van Kirk, "During the 15 years I have been in Omaha I have done very little for our beloved State and, in contrast, the people of Nebraska have been very kind to me."

Speaking personally, it has been my great pleasure and honor to have known the archbishop for the past several years and to have developed a friendship which I shall always cherish.

Archbishop Bergan, on behalf of the Nebraska State Society of Washington, I am honored to present to you this plaque emblematic of your selection as the recipient of the annual Distinguished Nebraskan Award.

[From True Voice]

Archbishop Bergan Is "Nebraskan of Year"

OMAHA.—The annual Distinguished Nebraskan Award of the Nebraska Society of Washington, D.C., was presented to Archbishop Gerald T. Bergan Thursday evening at a dinner in the Madison Hotel in Washington, D.C.

U.S. Senator ROMAN L. HRUSKA made the presentation, saluting the archbishop "for outstanding and dedicated service to Omaha and Nebraska in the fields of religious and civic affairs and for many good works and selfless devotion to his work."

"During the 15 years I have been in Omaha. I have done very little for our beloved State. In contrast, the people of Nebraska have been very kind to me," the archbishop responded. "This statement better than anything else * * * this sense of humility * * * characterizes the archbishop's work," Senator HRUSKA said.

"Archbishop Bergan has become a greatly respected and loved figure among non-Catholics as well as Catholics in Nebraska. It is certainly propitious that we honor the "building archbishop" just a few days after the opening of the Archbishop Bergan Mercy Hospital," Senator HRUSKA said.

The Nebraska Society of Washington, D.C., is composed of more than 300 Cornhuskers residing in Washington. It is the second largest State society in Washington. The organization is dedicated to the "advancement of Nebraska, its citizens, industries, and businesses."

Purpose of the annual Distinguished Nebraskan Award is to "call to the attention of the Nation's Capital the contributions made by Nebraskans to this great country of ours," according to Burkett Van Kirk, president of the Nebraska Society. Other officers of the society are Miss Lois Fahrlander, secretary; and William W. Spear, treasurer.

The board of governors of the society originated the award 2 years ago and alternate the award between "former Nebraskans who have achieved prominence outside the State and those who have brought glory to Nebraska through service within its borders."

The 1963 recipient was Clair M. Roddewig, president of the Association of Western Railways. Only persons now residing within Nebraska were considered for the 1964 award.

LILLIAN TYBERING, INDISPENSABLE HELPER

Mr. HRUSKA. Mr. President, experience has shown the folly of labeling anyone indispensable in any job. No matter how valued the performance of an associate or an assistant, we somehow have found it possible to carry on after his departure.

Nonetheless, Mr. President, I would risk the term "indispensable" in describing Miss Lillian Tybering, secretary to the Douglas County Board of Commissioners in Omaha.

Certainly, without Miss Tybering, life would not be the same in the Douglas County Courthouse. I know, Mr. President, because it was my great privilege to have worked under Miss Tybering while I served as chairman of the Douglas County board. It is no exaggeration to say that I learned more from her than from any other person in my political career. I owe her a great debt.

And I am only one of a long line of commissioners and other county officials who have been helped by Miss Tybering in her 32 years in the courthouse, the last 20 as secretary to the board.

Rosemary Madison, a capable staff reporter for the Omaha Sunpapers, has captured the spirit of Miss Tybering's personality and character in an interview appearing in the February 6 issues of the Sunpapers. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

Lillian Tybering Makes Courthouse Her Domain

(By Rosemary Madison)

"Everyone here brings happiness. Some by coming in, some by leaving." This little sign greets all who enter the county board meeting room at the Douglas County Courthouse.

It was put there by a woman who can attest to its truth, a woman who has been an on-the-scene observer at both peaceful and turbulent sessions, who has watched local politics at close range and has recorded it all.

She is Lillian Tybering, a 32-year courthouse employee, who celebrated her 20th anniversary as secretary to the board of county commissioners on January 11.

Lillian is more than a mere courthouse personality who has weathered the tides of political change. She is unofficial attorney, tactful adviser, and mentor to the uninitiated. Through the years she has attained something of a political matriarch image. If you listen closely at the courthouse, you'll hear the county board referred to as "Lillian's boys."

When the public confuses the city council and the county commissioners (which it frequently does) Lillian is the first to set things straight. "What are your boys doing down there, raising so much Cain?" When people ask me this, I say, "Oh, no; that's across the street; my boys are being good."

Lillian Tybering's job is by appointment of the county clerk and she has remained at her post through two Republican and two Democratic clerks.

ALMOST DESPAIRED

"The first one to hire me and give me a chance," said Lillian, "was Grace Berger." This was during depression years, when any job was hard to find. Lillian had graduated from Tech High School in 1928 and despaired of getting a job because of the economy and a disability.

"I had polio at 4 months," she said. "In those days the doctors said to my mother 'Do whatever any old lady tells you to do.' This was before Sister Kenny, and they admitted not knowing anything about it. Mother put white sand in the oven, put me in the bathtub with the sand and hotpacks. My joints began to move. At first I wore two braces, gradually got away from one. In the office I don't need crutches, but use them outside."

At first, she worked in the auditing department, later for the board of equalization where she met Leo Abramson, then secretary to the board of county commissioners. When Jim Hoctor was elected clerk, Abramson was assigned new duties and needed a secretary. "He asked for me," said Lillian, "and I've been here since." Other clerks who have continued her appointment are John Slavik and incumbent Walter X. Spellman.

"If I went into a eulogy I couldn't say enough good about Lillian," said Spellman.

"Everyone admires her drive and energy and the splendid job she does 'taking care of her boys' so to speak. Everyone benefits by her knowledge and personal experience. She's my key representative and is a master at meeting the public."

Because of personal experience, Lillian's memories of depression years are vivid. "In about 1935 I was young and new at the job when we had such a terrific relief problem. One of the commissioners said to one of the indigent people, 'If you don't like the way we run things, you can come up here and complain.'

"The whole group at Jefferson Square marched on the courthouse. The commissioners all ran to the backroom and locked the door. I sat here alone and had to face them. I lowered my voice and called the sheriff's office. They came down but it didn't mean a thing because they were in plainclothes. The men were threatening to mob the commissioners, throw them out the window.

"I called the police and they sent 8 or 10 big men, in uniforms, with billy clubs. They were able to get them out—but as one left, I heard him say 'If we can catch him, we'll kill the guy that called the police.'"

Lillian also remembers "the sad state of things when we weren't being paid here. Douglas County was in the red, people weren't paying their taxes. In lieu of salaries, we were given warrants which business firms bought at a discount."

As secretary to the commissioners, Lillian keeps the minutes, prepares all resolutions and reports, takes care of correspondence and (according to an assistant) "educates the new ones when they come in."

APPROPRIATE SIGN

Lillian's little door sign is often appropriate at stormy sessions of the board of equalization of which she is also secretary. "It meets in April and May," she said, "when people can come up and protest on their taxes and have them adjusted."

The by-word here was coined by a commissioner who remarked: "I didn't know there were so many rundown homes in Omaha." Approximately 1,000 property owners appear each spring for hearings on property reassessments.

"From January 1 until the board of equalization convenes in April, Joe Stolinski, county assessor, can reassess all real and personal property in Douglas County," Lillian explained. "If his office decides to increase evaluations, he sends notices to the taxpayers, who can appear before the board of equalization and make a complaint.

"If people aren't satisfied with the board's decision, they can appeal to the district court. We have 80 to 90 appeal cases each year. One year, we had 500—that was a real job.

"The biggest year was 1953, when we revalued all property in the city, had a tax appraisal board, hearings on all cases, and sent out over 18,000 notices to property owners.

"We really had sessions—from 9 a.m. to 6 or 7 in the evening. We rotated lunch hours and listened to protests 9 or 10 hours a day."

"CUSS" BOX

One day Lillian brought a little "cuss" box to the office, announced that "when anyone used profane language he had to put in a nickel." At first, it was just a little homemade box with a slit in it. But when Judge Burke brought her a ready made "cuss" box, Lillian proclaimed it official.

She remembers the day she collected a dollar in advance. "Carl Jensen was so mad he said, 'I'll put in a dollar right now, then I can say anything I want to.'" One recalcitant cusser thought up a nice dodge to get out of payment. He explained that his cuss words were all quotes. When the national press picked up Lillian's "cuss" box story, she received letters from all over the country.

Each year, the five commissioners elect a new chairman. One of the younger commissioners, Jack Cavanaugh, recently succeeded Ralph "Hap" Hefflinger to the post. The longest term member is Leonard Bergman.

Shortly after Lillian became secretary, the present U.S. Senator ROMAN HRUSKA began his political career as an appointee to the county board, replacing the late Edward Jelen.

"Each one, in his own way, is interesting," said Lillian. "Through the years, there have only been one or two who were indifferent. I think they're interested, and try to do a good job. It's a lot quieter over here than at city hall. When Spellman moved from the city commission to the county, he couldn't understand the relative calm.

"The county board has to follow statutes, set the budget for the county, must approve all county expenditures. They supervise the county hospital and youth center; they fix the salaries of all county officials with the exception of their own and the county judge, which are fixed by the legislature. The five commissioners also comprise the county assistance board.

EXPERT ON LAW

Though Lillian is not an attorney, she "certainly has to know the laws of county government." She is an unofficial courthouse expert on points of law.

More than once, she has met with members of the legislature in Lincoln on tax matters. "One time," she said, "they were going to put through legislation regarding the boards of equalization, and some points just weren't workable in Douglas County, because it is so much larger. For instance, Lancaster County has about 125 appearances compared to our thousand; some small counties probably have only 5 or 10." She talked the legislators into an amendment.

About her job she says:

"I love it—I really do. There's always something new. As one commissioner said, 'This is one of the largest dramas, and you have the A-1 seat.'

"If you try to understand people and see their side of it and help them along—then mountains today are anthills 2 or 3 weeks from now."

She finds it "quite interesting to study each commissioner's habits and character, and try to work things out so I can please them." Among her personal services outside of courthouse routines are "handling the ads, helping Leonard Bergman on the Ak-Sar-Ben drive and things of that kind."

Lillian's secretary is Mrs. Paul Robinson. A part-time worker is Mrs. Ruth Robertson, formerly chief deputy clerk of the municipal court. Other long-term women courthouse workers are Virginia Schaar in the county attorney's office, Helen Rudeen in the purchasing office, Marie Bauer in the treasurer's office, and Marie Sevick, recently retired from the county clerk's office.

BETTER OUTLOOK

Lillian remembers that "years ago, with any political change, the whole staff would move in or out. Since I've been here, employees have better advantages: insurance, a pension plan, and when we retire, we have something to look forward to. Years ago, you walked out and that was the end."

For many years, she "belonged to a lot of organizations." She was active in the Omaha Toastmistress Club and the women's division of the chamber of commerce. She still meets with a group of high school friends in a hobby and craft club. As a member of the Queen Esther Society, she works for the Cancer Society in Omaha. She is a life member of Our Savior's Lutheran Church. Lillian lives with her 93-year-old mother at 2235 St. Mary's Avenue. She has one brother, Alex Tybering, head cashier at OPPD.

Lillian Tybering wears her courthouse crown without benefit of coronation or fanfare. But her caliber as a person is recognized by everyone, and she is certainly one of the most liked and respected women in downtown political circles.

AUTHORITY FOR CERTAIN INVESTIGATIONS BY COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 808, Senate Resolution 254.

The ACTING PRESIDENT pro tempore. The resolution will be stated by title for the information of the Senate.

The legislative clerk read the resolution, as follows:

Resolved, That the Committee on Aeronautical and Space Sciences, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to the aeronautical and space activities of departments and agencies of the United States, including such activities peculiar to or primarily associated with the development of weapons systems or military operations.

SEC. 2. (a) For the purposes of this resolution the committee is authorized, from February 1, 1964, through January 31, 1965, inclusive, to (1) make such expenditures as it deems advisable, (2) employ upon a temporary basis and fix the compensation of technical, clerical, and other assistants and consultants, and (3) with the prior consent of the head of the department or agency of the Government concerned and the Committee on Rules and Administration, utilize the reimbursable services, information facilities, and personnel of any department or agency of the Government.

(b) The minority is authorized to select one person for appointment as an assistant or consultant, and the person so selected shall be appointed. No assistant or consultant may receive compensation at an annual gross rate which exceeds by more than $1,600 the annual gross rate of compensation of any person so selected by the minority.

SEC. 3. The committee shall report its findings, together with its recommendations for such legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

SEC. 4. Expenses of the committee under this resolution, which shall not exceed $88,500 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MANSFIELD. Mr. President, I understand that no action will be taken on the resolution for the time being. The purpose of my motion was to have something pending. It is my understanding that the distinguished Senator from Connecticut, the distinguished Senator from Texas and others, including myself, will have some remarks to make.

ORDER OF BUSINESS

Mr. DODD. Mr. President, I ask unanimous consent that I may be allowed to proceed for 10 minutes.

Mr. SPARKMAN. Mr. President, will the Senator from Connecticut yield that I may make an inquiry of the majority leader?

Mr. DODD. I yield.

Mr. SPARKMAN. I should like to inquire of the majority leader whether I understand correctly that there will be some speeches; and is it anticipated that the so-called money resolutions will be called up today?

Mr. MANSFIELD. The Senator is correct.

Mr. SPARKMAN. At what time?

Mr. MANSFIELD. I would estimate within 15 minutes.

Mr. SPARKMAN. I thank the majority leader.

The ACTING PRESIDENT pro tempore. The Senator from Connecticut is recognized for 10 minutes.

PANAMA, ZANZIBAR, AND CASTRO CUBA

Mr. DODD. Mr. President, the recent events in Panama, Zanzibar, and Guantanamo again point to the need for a reassessment of our policy vis-a-vis Communist Cuba.

The belief has been expressed in the past that, while Castro is admittedly a nuisance, he does not constitute a serious menace. We could, therefore, it was held, afford to follow a leisurely policy, restricted to an embargo on trade and other economic harassments.

The recent rash of Castro-inspired crises will, I hope, suffice to dispel this illusion. The fact is that Castro is a dagger pointed at our throat, at the throats of all the countries of the Americas, and for that matter at the throats of many of the newly emerging countries in different parts of the world.

I have sometimes been critical of the manner in which the press has covered foreign situations, but I must say that in Zanzibar and Panama the press has turned in a first-class performance. In the remarks that follow, I propose to quote from the press at a number of points because the total pattern emerges far more clearly from a careful dovetailing of key items in various newspapers.

The American authorities have made public the information that in the wake of the recent bloody rioting in Panama, 10 Castro agitators were seized and one of them was identified as having participated in the early firing on American troops.

It is a sobering thought that, in a situation such as exists in Panama, a handful of trained agitators and terrorists can provoke bloodshed resulting in hundreds of casualties and in the severance of diplomatic relations between Panama and the United States.

According to a column written by Joseph Alsop and published in the New York Herald Tribune for January 2, 45 Communist agents, of whom 13 had been trained in Cuba, have been identified among the leaders of the Panamanian riots. Mr. Alsop added the further information that a settlement of the Panamanian dispute is being sabotaged by two pro-Castroites in key positions in the Panamanian Government: Eloy Benedetti, legal adviser to the Foreign Minister, and Solis Palma, Minister of Education.

Mr. Alsop said:

> As Minister of Education, Solis Palma is both the protector and the voice in the Cabinet of the pro-Communist student movement, which is of course led by full party members. Of these, a good many have also been trained in Cuba.

According to Mr. Alsop, Benedetti and Solis Palma were instrumental in forcing President Chiari to reinterpret the communique he had signed in a manner which made it unacceptable to the United States; and then to sever relations completely when the State Department, as was clearly predictable, said that President Chiari's interpretation was not the one they had agreed to.

All observers are apparently agreed that the situation in Panama remains explosively dangerous and that some very ugly things can happen there within the coming months.

Panama has from the first been a prime target of Castro communism. In fact, only 4 months after Castro came into power in Cuba, on April 26, 1959, Cuban troops wearing Cuban Army uniforms landed near the village of Nombre de Dios in Panama. Since that time, there have been a whole series of events confirming that the Cuban Communist regime has designated the state of Panama as a prime target for subversion. Some of these events have been cataloged chronologically by the Cuban revolutionary movement, and I therefore ask unanimous consent to have the text of their bulletin of January 11, 1964, inserted into the Record at the conclusion of my remarks.

In this connection, I should like to quote a statement I made on the floor of the Senate on September 10, 1962. On that occasion, I said that the Soviet military buildup in Cuba "poses a distinct threat to the security of the United States in the sense that it gives Castro the military power to overthrow, or repeat his attempt to overthrow, the Government of Panama, thus placing the Panama Canal under the direct control of Moscow. In doing so, Khrushchev and Castro would not stage a frontal attack on Panama; they would attack by proxy, using an indigenous extremist movement as a front, and pretending to the world that the entire action had been initiated by the Panamanian people."

In a TV discussion which occurred shortly after the Panama riots, I was asked what I felt would be next. I replied that I believed the next item on Castro's agenda would be a move on our Guantanamo Naval Base.

Castro took far less time to comply with this prediction than I had anticipated. Last Thursday, the quisling dictator of Cuba cut off Guantanamo's water supply, ostensibly as a retaliation for the arrest of the Cuban fishermen who illegally entered American waters. Some experts have predicted, however, that this would be the first of a series of moves directed against Guantanamo, and that each provocative action that went unpunished, would encourage Castro to further provocative actions.

The events in Panama are all the more a matter for concern because they were followed within days by a successful Communist coup in Zanzibar, led by African natives who were trained in Castro Cuba.

About Zanzibar, there has, fortunately been none of the confused press reporting that attended Fidel Castro's assumption of power. Press dispatches have been unanimous in reporting that African revolutionaries, trained in Cuba and Moscow and China, had organized the overthrow of the Zanzibar Government, and that what has taken place is not a nationalist revolt but a Communist coup d'etat.

An AP dispatch of January 16, quoted one of the aides to Mr. Babu, the new Communist Foreign Minister, as saying that he had been trained in Cuba along with many other Zanzibaris.

A remarkably detailed article written by Robert Conley and published in the New York Times for January 20 said that—

> Fewer than 50 subversives trained in guerrilla warfare and political revolution carried out the Zanzibar takeover.

The article said further that it is clear that these Communist-trained Africans have seized every bit of real power on the island and that the conversion of Zanzibar into a peoples' Socialist republic gives the Communists their greatest victory to date in Africa.

Let me quote a few paragraphs from Mr. Conley's article:

> Every indication suggests that the revolution itself had been planned clandestinely before Zanzibar and its northern island of Pemba gained their independence from Britain December 10. Twenty-two Zanzibaris are reported to have returned to the island on independence day, after several months of training in Cuba, to make final preparations.
>
> These guerrillas became the hard core within the untrained ranks of the liberation army.

Writing from information available in Washington and New York, Mr. Tad Szulc, of the New York Times, said on January 22 that—

> Preparations for last week's pro-Communist revolution in Zanzibar began quietly in Cuba late in 1961 when a Zanzibari political office was established in Havana. They reached their peak with the arrival 6 weeks ago of a Cuban chargé d'affaires in Dar es Salaam, Tanganyika.

Mr. Szulc said that in 1961 the Zanzibar National Party had opened an office in Havana and that the man who ran this office had emerged as a top aid of John Okello, self-styled field marshal of the Zanzibari revolution, himself a product of 2 years' training at guerrilla camps in Cuba's Oriente Province.

Mr. Szulc said the evidence indicates that Cuba, working with the Soviet Union and possibly Communist China, has been concentrating her attention on South Africa and east Africa.

> In addition to tracing the Cuban strategy in preparing for the revolution in Zanzibar—

Said Mr. Szulc—

> the information, which comes from many quarters, discloses that several hundred African students are being trained in Cuba. The training is said to include guerrilla warfare tactics.

Eyewitness testimony on the events in Zanzibar strongly suggests the direct participation of Cuban guerrilla and political experts. An article published in the Kenya newspaper, East African Standard on January 15, said that many of the refugees from Zanzibar arriving in Dar es Salaam claimed that they had seen Cubans leading insurgent groups during the fighting. They spoke of seeing men who wore Castro-style jackets and bush hats and spoke in Spanish. In support of these statements, a Herald Tribune article of January 15 quoted Stuart Lillicoe, a U.S. Information Service officer from Zanzibar, as saying that the man in charge of one insurgent strongpoint was heard to speak Spanish, and that he was sure he was a Cuban.

I would remind my colleagues that when the Cuban underground movement reported the presence of large numbers of African natives at the time of the missile crisis, there was a disposition to consider this report inaccurate or exaggerated. "What would African natives be doing in Cuba?" some of the skeptics asked. And when the State Department was queried about the reports that African natives had been seen in Cuban training camps, they replied that they had no confirmation of this.

Once again it turned out that Cuban underground reports were more accurate than our own intelligence. Now we know that there were African natives in training in Cuba; and we also know what they were doing there.

While the American press has been virtually unanimous in its reporting of the Zanzibar situation, I note with dismay that the Department of State, after first expressing its concern over the known Communist backgrounds of the leaders of the coup, has sought in recent statements to play down the impression that Zanzibar has been taken over by a Castro-type movement. As it did in the period immediately preceding the Castro takeover in Cuba and in the period immediately following it, the Department has been emphasizing the fact that certain figures in the Government are nationalist rather than Communist, and has been suggesting to the press that what we have recently witnessed is essentially an African nationalist revolution rather than a coldblooded Communist takeover.

The State Department's blind persistence compels me to ask whether it will never learn from the past. It built up a China policy predicated on the assumption that the Chinese Reds were agrarian reformers rather than Communists. It built up a Cuba policy based on the assumption that Castro was also essentially some kind of reformer rather than a Communist. Now it appears to be building up a Zanzibari policy based on the futile hope that the few non-Communist elements in the new Zanzibari Government may be able to control the Communist majority who made the revolution.

Mr. President, again I wish to bring to the attention of my colleagues the admonition of the distinguished liberal philosopher, Salvador de Madariaga, in his book, "Between the Bear and the Eagle":

> The argument that Castro had better be left alone and given enough rope to hang himself is worthless. The experience of other nations fallen into the unscrupulous hands of the Communist Party allows of no such optimism. Time could only make of Cuba an impregnable base for communism to spread all over Latin America. The Latin American governments who shilly-shally over it are only preparing the rope with which they will be hanged. Castro must go soon.

I also wish to bring to the attention of my colleagues the fact that there has been pending before Congress for some 5 years a bill calling for the establishment of a Freedom Academy. This would be an institution where Americans and citizens of other free countries could receive concentrated training in Communist techniques and operations, and in tactics and methods designed to frustrate the Communists at every operational level, from the elections for the control of trade unions and student organizations, to street riots, to attempted insurrections.

The Senate Judiciary Committee, in reporting this measure to the floor in May of 1960, described the bill as one of the most important measures ever introduced in the Congress. But, unfortunately, although the bill was passed by the Senate, the House took no action.

In early 1961, and again in early 1963, slightly revised versions of the Freedom Academy bill were introduced with the sponsorship of the following Senators: MUNDT, DOUGLAS, CASE, DODD, SMATHERS, GOLDWATER, PROXMIRE, FONG, HICKENLOOPER, MILLER, KEATING, LAUSCHE, and SCOTT. Ever since 1961, the bill has been with the Foreign Relations Committee. The committee finally got around to holding hearings last year, but it has thus far not issued a report.

What we need, and need desperately, is an institution that can help us to prevent Panama crises and Zanzibar takeovers.

It is not enough to teach our foreign service personnel the history and language of the country to which they will be assigned.

It is not enough to teach them the details of protocol and the etiquette of diplomacy.

It is not enough to give them academic instructions on Communist philosophy and history.

All these things we are doing today; and if we wait for very many more Panamas and Zanzibars before we wake up to the realization that such a training program is not adequate, it may prove too late to save what is left of the free world.

Attorney General Robert Kennedy, on his return from his world tour in 1962, made this comment:

> In every country well-organized and highly disciplined Communist cadres concentrate their activities in universities, student bodies, labor organizations, and intellectual groups. Against these there is no one to question their positions or their facts; no organization, no cadre, no disciplined and calculated effort to present the other side. And so it is that a small, able, and well-trained unit can take over a meeting or an organization or even a government.

Had the Freedom Academy come into existence a decade ago, I believe that the recent Panama crisis could have been nipped in the bud.

The American personnel in Panama would have anticipated such a contingency and would have prepared against it.

The anti-Communist and prodemocratic Panamanian students, who certainly constitute the majority of the student body, would have been provided with the kind of training essential to frustrate Communist infiltration.

Panamanian newspapermen and editors would similarly have been trained to defend their country by resisting Communist propaganda. Meaningful contacts would have been established between the American community in Panama, both governmental employees and private citizens and the Panamanian people.

This is no pipe dream. It has been demonstrated by the Institute for Free Labor Development of the AFL–CIO that those who believe in freedom can, with proper training, defeat the graduates of the revolutionary training schools operated by Moscow and Havana. Latin American trade unionists who have been trained by the Institute for Free Labor Development have, in situation after situation, driven the Castroites from positions of control in the trade union movement.

What the trade union movement has done in its own field, can, I am convinced, be done in every other area.

We have been losing the cold war because we have been amateurs fighting against professional revolutionaries. So long as this imbalance continues, I think it can be predicted as a certainty that the Communists will continue to defeat the free world in one situation after another.

If the tragedy of Panama and the tragedy of Zanzibar can somehow compel us to reexamine our posture and to recognize the imperative need to equip ourselves with the knowledge and the trained personnel required to meet the Communist onslaught, if they can persuade Congress even at this late date to enact legislation needed to establish a Freedom Academy, then perhaps these tragedies will not have been altogether in vain.

THE PEACE CORPS

Mr. DODD. Mr. President, of the many and varied programs initiated in recent years, few have gained such wholehearted and enthusiastic nationwide support as the Peace Corps.

In the 3 short years since its inception, this youthful, vigorous program has demonstrated how much can be accomplished by a responsible, dedicated application of the principle of self-help.

The causes of peace and understanding throughout the world have been greatly advanced by the Peace Corps volunteers, many only in their early twenties, who have gone to serve in communities in many different countries. In terms of goals, projects begun, and already visible accomplishments, the program has succeeded beyond our fondest hopes and expectations.

The Peace Corps is a rare experiment in education, and we ourselves have already learned many things from it. One of the most important, I believe, is the growing awareness of the very magnitude of the undertaking and the great problems involved.

I recently received a letter from Dennis Grubb, a young man from Westport, Conn., who served for 2 years in Colombia on a community development project. His purpose in writing was to urge congressional support for the Peace Corps and its 1964 budget request.

More than this, however, is reflected in his letter as he lists the schools, bridges, roads, and other projects already completed, and describes, in addition to these, the citizens' organizations which have been formed and are gradually assuming necessary local duties and responsibilities.

As Dennis Grubb says:

> It is this type of accomplishment that makes a returned volunteer realize that through the democratic process of community development, the United States can best combat communism.

Also enclosed in this letter was a reprint of a special article from the December 10, 1962, issue of U.S. News & World Report.

This article describes the work of the first group of Peace Corps volunteers in Colombia, concentrating on the particular experience of Dennis Grubb and his coworker, Carl Stephens, in the isolated, underdeveloped mountain community of Zipacón. This outstanding article is illustrated by a series of photographs which vividly portray the community of Zipacón, its people, and the work undertaken with the help and direction of the Peace Corps volunteers.

Since Mr. Grubb's departure from Zipacón, work on these many community development projects has continued, with growing support and participation by the native Colombians.

It is impossible to measure progress in these underdeveloped areas by the number of bridges or schools built. These are important and impressive certainly, but perhaps more important are the new attitudes and outlook which are taking root, encouraging the sense of community cooperation and responsibility which enables people to work together to solve their common problems.

This new attitude can never be measured, but once instilled and developed, it can outlast all the bridges and roads we can help to build. This is the most valuable contribution we can make in a village such as Zipacón, and this is the mark the Peace Corps is leaving on countless other communities in Asia, Africa, and Latin America.

After returning to the United States last June, Mr. Grubb worked at the Peace Corps Training Center at the University of New Mexico, helping to prepare new volunteers for the type of life, work, and multifarious problems which he himself encountered in Colombia. He has now left this position to resume his education, with a view to entering the foreign service in the future.

This points up another important aspect of the Peace Corps program which is vital to the future of democracy and freedom. The underdeveloped nations comprise a large portion of the world population, and we must have a realistic grasp of the problems which they face if we are to respond in an effective, intelligent manner. Naivete in this respect can be dangerous and harmful, as is evident from past experiences.

An understanding of other nations, their cultures, heritage, and way of life comes only through study, hard work, and personal contact. As the number of Peace Corps returnees grows, these young men and women will become increasingly important educators of our own population. They can and will become a valuable nucleus of informed, educated, and experienced citizens, who continue their efforts as leaders in government, the foreign service, education, and all aspects of private business and industry.

Hunger, poverty, and disease are enemies of all mankind. The effectiveness of the approach utilized by the Peace Corps in meeting these age-old problems has been dramatically demonstrated by such individual experiences as those of Dennis Grubb. It is important to world peace, to the welfare of the developing nations, and to America that we continue to expand this valuable program as quickly as possible.

I ask unanimous consent that Dennis Grubb's letter and the U.S. News & World Report article to which I have referred may be printed in the RECORD.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

WESTPORT, CONN.,
December 16, 1963.

The Honorable THOMAS J. DODD,
Senate Office Building,
Washington, D.C.

DEAR SENATOR DODD: Last June, after my return from Colombia as one of the first Peace Corps volunteers, I tried to see you to report personally about the work the Peace Corps is doing in Latin America. However, my assignment as administrative assistant to the Peace Corps Training Center at the University of New Mexico necessitated my departure after only a few days in Washington.

I hope I can convey to you the need for the increased budget and continuation of the Peace Corps effort. I have written to your congressional colleagues from Connecticut, thanking them for their support in passage of H.R. 9009. I am sure that your position on the Foreign Relations Committee will greatly influence other members as to the necessity for the Peace Corps.

Peace Corps Director R. Sargent Shriver stated in his report to the House Foreign Affairs Committee that in Colombia alone 100 schools and school kitchens, 30 aqueducts, 49 roads, and 14 bridges have been completed. However, each corpsman who left Colombia with me, in June of this year, knows that he helped to build also hundreds of valuable local citizen organizations throughout the rural areas. These organizations do not have stamped on them "aided by the people of the United States," but they do have the influence of young Americans dedicated to democracy and world peace. It is this type of accomplishment that makes a returned volunteer realize that, through the democratic process of community development, the United States can best combat communism.

Our answer to the Communists may best be illustrated by the enclosed U.S. News & World Report article.

As of December 31, 1963, I am leaving my job with the University of New Mexico's Peace Corps Training Center to continue my studies so that I may better qualify for a Foreign Service position in the future.

I hope I may have the opportunity to see you and report in person about the Peace Corps accomplishments. I trust also that I may be of some assistance in your campaign next summer. Best wishes for a long and useful career in the Senate.

Sincerely,

W. DENNIS GRUBB.

[From the U.S. News & World Report, Dec. 10, 1962]

CLOSEUP OF THE PEACE CORPS—1 YEAR LATER

(By David B. Richardson)

ZIPACÓN, COLOMBIA.—Drive along the dusty, mountain road to this village of 3,500 people and you get an idea of what the Peace Corps has meant to one community bypassed by progress for many years.

Since late in 1961, two young Americans have been working here as part of the first contingent of Peace Corps volunteers sent to underdeveloped countries.

Zipacón, nestled in a green valley 8,700 feet high in the Andes, is only an hour's drive from Colombia's modern capital of Bogotá. But in terms of living conditions, it is ages distant.

The people of Zipacón have no running water or sewage facilities. Only a few houses have electricity. Death from dysentery, tuberculosis, or malnutrition is a constant threat.

Shortly after the Peace Corps men moved in, one of them, Dennis Grubb, 21, of Westport, Conn., told a visiting staff member of U.S. News & World Report:

"I don't know how all this is going to turn out, but we sure are going to give it a big try. Frankly, I think we've got something good going here."

EVIDENCE OF PROGRESS

That "something" Mr. Grubb spoke of is now clearly visible to the returning visitor.

Entering Zipacón, you see a cooperative food store, opened just recently. Farther down the road is the site of a low-cost housing development. On the other side of town is a new, one-room schoolhouse of brick.

Freshly cut roads wind out in three directions to outlying parts of the village. Along one of these, the foundation is being laid for a small electric-power plant. And, in the center of town, an old building is being converted into a community recreation center.

These projects—and a dozen others in the works—probably constitute the biggest burst of civic improvement that Zipacón has experienced in its 400 years of recorded history.

HELPING ONESELF

This is no "crash" program of U.S. aid. None of the projects has been financed by the Alliance for Progress, the program of economic assistance to Latin American countries. The changes in Zipacón spring from what is essentially a self-help operation.

Several organizations, public and private, are playing parts. So are dozens of villagers, working in their spare time without pay. But the spark and drive for these changes stem, in large part, from Mr. Grubb and his teammate, presently Carl Stephens, of Lexington, Ky. Theirs hasn't always been an easy task.

Most of the adults of Zipacón are farm workers who earn about 50 cents a day laboring in nearby fields. Until recently, they were accustomed to expect all benefits to flow from the top down—from the central Government, the big landowners or the church.

Like their forefathers, they waited for improvements to come from these traditional sources rather than organizing to get things done themselves. Down through the years, as a result, improvements came slowly in Zipacón—when at all.

At the start, many villagers saw the Peace Corps as a sort of philanthropic agency from which new benefits—including lots of cash—would flow. Some still think that way, despite contrary evidence. Others have answered calls for volunteers on various projects, have worked or watched a while, then drifted away. Still others have refused to cooperate.

MOMENT OF CRISIS

At one point last December, it even looked as if the Peace Corps might have to pull out of Zipacón by public demand.

Trouble broke out when a newspaper in Bogotá printed an overly vivid account of the difficulties facing the two Americans in the rural community. A few irate citizens, claiming that the article pictured their village in a bad light, organized a strong protest that singled out the Peace Corps for blame.

Dennis Grubb and his partner left town for a 2-week Christmas vacation, not knowing whether they would be able to resume work here. But several of their new friends got busy and rallied the villagers to their support. The Peace Corps men were welcomed back with a community celebration in their honor.

One measure of how far the civic do-it-yourself movement has gone since then is the number of villagers who show up each weekday morning for voluntary work details. In recent months, the turnout has numbered almost 80 percent of the farm workers in the district, working on their "off" days.

STORY OF A SCHOOL

The story of the building of the Santa Ana school shows how the Peace Corps works hand in hand with the local residents to push through improvements.

People in the Rincón Santo district had been trying to get a school for some time before the Peace Corps moved in. They had an acre of land available, but no money to pay for construction. That left 40 children in the district without classroom or teacher.

The Peace Corps men found the villagers willing to build the school themselves if they could get the materials. It was decided to put up a temporary structure that would qualify the district to get a teacher assigned by the state government.

The Peace Corps brought in a simple, hand-operated machine for making building blocks. The machine was provided by CARE, the international welfare agency. Soon, the villagers were turning out blocks made of local materials. Vounteer workers got donations of other necessary building materials. The school was finished in 1 month, and a teacher arrived a few weeks later to start the first classes.

NEEDED: A ROAD

Next, Corpsman Grubb and a village leader approached a business firm in Bogotá that had established a plan to devote part of its profits to the construction of permanent rural schools. To be eligible for such aid the village had to provide a road to the school site.

The Americans checked around and got the loan of a bulldozer from a Colombian Government agency. The community agreed to pay for fuel for the bulldozer and to put in culverts and fencing along the new road. Money for this was raised by holding a bazaar.

Both men and women chipped in to help build the road. Mr. Grubb and his partner did the surveying and helped operate the bulldozer. They pitched in and shoveled dirt when necessary.

When the road was finished, the company in Bogotá donated $2,500 for the new school. In 9 weeks, with almost every able-bodied citizen of the district taking part, the red-brick building was completed.

Out of that project, the Peace Corps got more than a school built. It got the first civic-action committee in the area that is now entirely on its own. The Peace Corps is no longer needed to spur action or round up work details. And that was one of its major goals.

"It's the future we are concerned about," says Mr. Grubb. "That one school is nothing to what these people can do for themselves in years to come with confidence and community spirit."

THE NEXT TARGET

For the immediate future, the Peace Corps has various projects in the works in Zipacón. One is the expansion of a tiny health center, which now has few drugs and limited medical equipment. Another is the building of a second school. Also active are plans for more roads to link the village with nearby communities and make it a market center.

In the meantime, the two Americans keep busy on a variety of other chores. Recently, they plastered the town with announcements of a free chest X-ray and vaccination program, provided by a Government medical team. The two also showed a movie that emphasized the importance of protection against smallpox. There was a record turnout when the doctors arrived in Zipacón.

The people of Zipacón long since have accepted the Peace Corps men as fellow members of the community. Children hail them in the streets. They are star players on the basketball team of the local athletic club. When the Governor of the Department of Cundinamarca appeared at a festival in Zipacón recently, village leaders asked Mr. Grubb to make the welcoming speech.

FOR REDS: A QUESTION

Even the Communists in Bogotá have been taking notice of the Peace Corps work in Zipacón and other villages. Not long ago, two Communists appeared at a village function and tried to stir up a protest against the United States.

"Let's talk about you Communists," said Mr. Grubb. "Just what have you done to help the people of Zipacón?" The Reds had no answer.

For the U.S. taxpayer, the cost of helping Zipacón to develop itself has been small. The two Americans each get Colombian money equivalent to about $122 a month. Another $75 a month is credited to their accounts back in the United States toward the day when they leave the Peace Corps. In their first year they received about $150 more for housing, furniture, and work clothing.

In addition, CARE provided supplies worth $1,400—a mimeograph machine for public notices, medical, and sports kits for schools, surveying equipment, books, and a horse. The Peace Corps team in Zipacón has no motor vehicle.

In looking back on his first 12 months in Zipacón, Mr. Grubb is cautious about making any claims. He feels a sense of accomplishment at having been able to adjust to different customs, different living conditions, and a different language. But he feels, too, that the job he started in Zipacón—helping other people to help themselves—has barely begun.

"There's a lot more work to be done here," he says. "You can't hope to succeed in this type of work in 1 year—maybe not even in 5 years. But I believe we have made a start in the right direction."

RELATIONS BETWEEN UNITED STATES AND PANAMA

Mr. MANSFIELD. Mr. President, on January 15 I directed certain remarks to the issues dividing the United States and the Republic of Panama over the canal. Irritants in our relations with that country have existed for many years. And easy solutions can hardly be expected. But the recent efforts to relieve even the pressure of these issues have not been very successful. The Inter-American Peace Committee of the Organization of American States has not been able to break through the impasse.

At present diplomatic relations between Panama and the United States remain suspended. It is to be hoped that Panamanians will consider the implications of continued suspension, to themselves as well as to us. It is to be hoped that they will come to understand that any eventual solution must be at least reasonably palatable to both sides.

The United States has expressed willingness to consider all matters at issue with Panama. But we can hardly be expected to agree to make prior commitment on what may result from a confrontation yet to be held. Our position finds a legal basis in the accepted practices of international law. And it also finds, I believe, a sound basis in equity and good sense. We do not ask the Panamanians to agree in advance to this outcome or that. We do not ask them to humiliate themselves as a precondition of the confrontation. It is wrong for large nations to make tyrannical demands of this nature on small nations. And it is equally wrong for the small to tyrannize the large in the same fashion.

It is proper that any nation—large or small—decline to negotiate under pressure. That is not to say that it is proper to fail to recognize that a real pressure for discussions does exist in the canal situation. It is compounded of such factors as the conspicuous privilege of zone residents in the midst of a largely poverty stricken but intensely nationalistic people. And somehow, Mr. President, the privilege of the alien seems always to be more conspicuous than that which is found among one's own countrymen—and it does exist among Panamanians themselves.

The pressure is compounded, too, Mr. President, of the fact that the rental fees, the toll fees, personnel, and other management practices of the Canal Company have not changed very much in the half century of operations. Such has been the case although vast changes have occurred in the world's commerce, in the utility of the canal and in the nation which the canal bisects. All of these matters and others are, appropriately, subject to discussion, consideration, or whatever. Most important, they are subject to new understanding and mutual agreement on adjustments of relationships, as between the two countries.

But the Panamanian Government surely recognizes that the reestablishment of diplomatic relations must precede such understanding and adjustment. Surely it must recognize that unfounded charges of aggression lead, not toward but away from understanding and agreement. Surely it must recognize, as do we, that those who counsel violence, ill will, and disorder have nothing to offer to the solution of the difficulty.

There are those who play all sorts of variations on the theme of a hysterical self-righteousness, who in a situation such as this always seek to exacerbate differences and prevent solutions by stirring mud in the waters of volatile nationalism.

There are also those who seek solution by reason and reasonable adjustment, who realize that extreme statements and calls to violence can only undermine efforts for a just and equitable agreement.

We—and I believe I speak now of the great preponderance of Americans—have no desire other than to accord decent treatment to Panama in specific arrangements involving the canal. And I am sure the great preponderance of Panamanians would have no desire other than to accord the United States an equally decent treatment. The difficulties arise in inflamed passions induced by extraneous considerations or by long-standing and unnecessary irritants.

From our point of view, it seems to me essential that we get clear in our own minds and make clear to Panama that the basic U.S. interests which is involved is trouble-free and effective usage of the canal for our own and for international commerce and for the defense of this hemisphere. And I cannot believe that the Panamanians, upon dispassionate reflection, would want anything else for the canal.

The time has come when both sides must bend their efforts toward reaching a satisfactory accommodation of those differences and misunderstandings—those secondary matters which threaten that usage.

There is a much greater basis for friendship and amity than for hate and enmity as between the people of the United States and the people of Panama. There is the compelling need to get on with the struggle to achieve economic and social development in Panama under the Alliance for Progress. There is a whole range of other hemispheric and international problems upon which the two countries have seen and can continue to see eye to eye. Insofar as the difficulties over the canal and the zone persist, they jeopardize this close relationship and introduce a note of uncertainty into the whole of hemispheric relations.

As for the Panama Canal itself, it is clear that its growing obsolescence requires additional water passage somewhere through the Americas between the Atlantic and Pacific and I am delighted to see that the distinguished chairman of the Commerce Committee [Mr. MAGNUSON] has made it clear that the search for an appropriate second route—a route in addition to the Panama Canal—should begin now in earnest. The Panamanian Government has asked that we consider building a new canal within its borders. But I cannot see that another U.S.-built canal through Panama will do anything but double the existing problem. Certainly it would be unthinkable, in the absence of a solution of the present difficulty, a solution which is clearly acceptable to the people of both sides, a solution with built-in mechanisms for adjustments to meet changing needs in the years ahead. But as circumstances are now, I have no hesitancy in saying that Panama decidedly is not the place and that one headache of this kind is enough for this or any nation.

Another possibility, as I have suggested, is a canal across the Isthmus of Tehuantepec to be constructed and operated by the Government of Mexico. If it is feasible, financial and technical aid might be forthcoming from international lending agencies and from other potential heavy users, including the United States. But I want to stress that any such project should be carried out under Mexican control and the resultant canal should be operated by Mexico. What the rest of the world has a right to expect in return for such aid that it may provide is a mutually acceptable juridical system which will guarantee fair rates for the canal and open and equal access to its facilities to all nations.

The technical feasibility of such an undertaking in Tehuantepec was established several years ago by a series of studies commissioned by Pemex, the Mexican oil company. Mexico is a stable, democratic nation whose creditworthiness and well-developed sense of international responsibility are in themselves important guarantors of effective management of a canal of this kind.

While a new canal in Mexico or elsewhere may offer a long-range alleviation of the problem, it is not a substitute for facing the immediate and urgent difficulties of the present canal. The construction of a new canal, necessary and desirable as it is, is not an alternative, if for no other reason than that it would take several years to build.

For the present, either under the aegis of the OAS or in direct confrontation, the United States and Panama must be prepared to set aside charge and countercharge, to resume diplomatic relations, and to get on with discussion, conference, or whatever, with a view to mutually acceptable agreement on the specific questions and irritants involving the zone and the canal. Once the passions and the irritants have been put aside, on both sides, it is not at all impossible that both sides will see that there is an overriding common interest in the trouble-free operation of the waterway and will make those sensible adjustments in the existing situation which are necessary to insure it.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORITY FOR CERTAIN INVESTIGATIONS BY THE COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES

The Senate resumed the consideration of the resolution (S. Res. 254) authorizing certain investigations by the Committee on Aeronautical and Space Sciences.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

Mr. ELLENDER. Mr. President, I ask unanimous consent that I may make a general statement pertaining to all the pending resolutions.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

GENERAL STATEMENT

Mr. ELLENDER. Mr. President, I had hoped that the Senate would follow the lead of the President of the United States who is trying to curtail the expenses of the executive branch. I had hoped that we would try to curtail our own. However, it seems that the amounts being asked for by the many subcommittees are identical to the amounts asked for last year.

As I have said on many occasions, some of the subcommittees do good work, and their work should, of course, be continued. However, many of them were organized on a more or less temporary basis years ago, and they continue to exist. As a result of the creation of so many subcommittees, all the extra space that was provided by the construction of the New Senate Office Building, all of the additional space that was provided in the Old Senate Office Building, and all the space that was provided in the Capitol by the extension of the East Front is now occupied.

As I have contended in the past, the additional space which has been made available and the creation of subcommittees to fill it, has resulted in the employment of more and more employees. There are entirely too many employees on the Hill. It would seem to me that if the standing committees of the Senate were to use the moneys that are allocated to them in order to operate, a fair job could be done of running this Nation's Government. Each standing committee now receives, for each fiscal year, $142,250 to pay for 10 employees, 6 of whom are clerks, and 4 specialists. A few standing committees do their work within the allotment, but most of them have formed the habit of creating a number of subcommittees. This is especially true of the Committee on the Judiciary.

Last year that committee spent, aside from its regular allotment, in excess of $1 million. This year, again, it is asking for a sum in excess of $1 million to continue studies from year to year and, of course, to maintain many of the employees on the Hill.

Last year, according to figures compiled by the Rules Committee, we provided for all the committees—and this is aside from the usual and standard $142,000 allotment to each standing committee—$4,264,733, on an 11-month basis. On a 12-month basis, that amount, is equal to $4,639,400.

The requests for 1964, according to the resolutions that have been submitted to the Senate, amount to $4,552,915. That total does not include certain expenditures by the Rules Committee in connection with its investigations now underway.

It is my contention that much of the work that is now being done by the so-called subcommittees of many of the standing committees could be done by the regular employees, those that are provided for by law or under the rules. We have reached a position in which it seems that once a subcommittee has been organized and is functioning, somehow there is always something to do, always something left undone, which causes Senators to come before the Senate every year and ask for an allowance to continue what was to be a temporary arrangement. That is true again this year.

I realize that the personnel of some committees had to be increased, particularly that of the Committee on Rules and Administration, for which in an election year the amount requested is always more than it is during a nonelection year. That committee is also conducting the so-called Bobby Baker investigation, which has somewhat increased the amount of funds it needs.

Aside from that, as we proceed to consider the various resolutions, it will be noted that no effort was made by any of the committees to decrease the number of employees. Moreover, there has grown up in the Senate, the practice, whether it is justified or not, of allowing the Democrats to have so many employees and the Republicans to have, not an equal number, but additional employees. Whether the employees are needed or not, we provide the funds necessary to pay them. To me, that is unconscionable. It makes it possible for many committees to employ personnel that are not needed. It seems to me that if the Committee on Rules and Administration were to investigate the various subcommittees and ascertain what they have done in the past 4 or 5, or 6 years, it would be time well spent and might lead to reducing the number of investigations.

Aside from the salaries paid the employees, a large amount of space is being used. As I recall, all the subcommittees together are using almost as much space, in square feet, as are the standing committees. I do not believe that situation should be tolerated. All the available space is now occupied; and every now and then requests are received for more and more space.

Another item that is not considered in the various resolutions is the huge sum necessary to print the thousands of pamphlets and reports that are prepared by the subcommittees. I know that many such documents are not read by anybody.

Also many of them are prepared, not so much by one of the subcommittees, as a result of hearings it has held, but because someone has been hired to write a pamphlet on a certain subject. After he has written it, the material is handed to the subcommittee, and the subcommittee has it printed as a Senate document. Then it is distributed all over the country. I would hesitate to state how large a printing bill is involved. In addition, there are huge mailing expenses for all the extra pamphlets issued by these committees. As I have said, many of them result, not so much from the hearings held, but at least in some cases, in order to satisfy the vanity of someone who desires to write on the subject, and present his writings to the committee, which, in turn, has them printed at Government expense.

As I understand, the first resolution now before the Senate is Senate Resolution 254, Calendar No. 808, authorizing certain investigations by the Committee on Aeronautical and Space Sciences. Last year, this committee obtained, on an 11-month basis, $82,500. On a 12-month basis, it now is asking for $88,500; is that correct?

Mr. ANDERSON. Yes.

Mr. ELLENDER. And the record shows that the committee is requesting five additional staff members. The committee now has a staff of 10 regulars, does it not—in short, 4 specialists and 6 clerical members?

Mr. ANDERSON. That is correct.

Mr. ELLENDER. In addition, the committee now is requesting two more staff members and three more clerks, is it?

Mr. ANDERSON. That is correct.

I would remind the Senator from Louisiana that in the year preceding last year, the amount authorized for the committee was $200,000. Last year, we trimmed it down to a request for $90,000, and we did not spend very much of that amount, because we were a long time getting underway.

This year we have the plans ready and the witnesses ready to come before us. Therefore, we think this amount is a rather significant reduction from what has previously been authorized.

Mr. ELLENDER. According to the record I have before me, last year the committee was allocated $82,500, for 11 months.

Mr. JORDAN of North Carolina. Yes; for 11 months.

Mr. ANDERSON. Perhaps I did not state the matter clearly. The $200,000 allocation was for the year before last. Last year the committee was allowed only $82,500, on an 11-month basis. As I have said, the year before, the allowance was $200,000; and I trimmed the amount to one half of that, for the following year.

Mr. ELLENDER. But that was because at that time the committee was investigating strategic materials, was it not?

Mr. ANDERSON. No. The late Senator Kerr had planned a rather elaborate investigation of such materials, which he mapped out when he was chairman of the committee. When he ceased to be chairman of the committee, and I became chairman, I thought that amount was unnecessary, and I trimmed it to one-half.

As the Senator from Louisiana knows, prior to that time I had been chairman of the Committee on Interior and Insular Affairs; and at the time when I became its chairman, it had a budget of $200,000, and I trimmed it down to $100,000.

Mr. ELLENDER. But last year the Committee on Aeronautical and Space Sciences had a budget, for 11 months, of $82,500, did it not?

Mr. ANDERSON. Yes.

Mr. ELLENDER. And the committee's request for this year is $88,500. Is that much needed?

Mr. ANDERSON. I do not say we obsolutely must have it; but there is very great need for it. The need this year is greater than the need was last year; and the allowance of sufficient funds to enable proper investigations to be held is of extreme importance to the taxpayers. I assure the Senator from Louisiana that none of the money will be wasted.

Mr. ELLENDER. Why could not the regular staff do this work, instead of hiring additional staff members?

Mr. ANDERSON. Because the work involves more than the regular staff can do. For example, we have supplied one person to the chief minority member of the committee, the Senator from Maine [Mrs. SMITH]. She has made the best possible use of that staff member, and has had all the material carefully brought to her by the staff member assigned to her. I think we have done well and have acted wisely in assigning a full-time staff member to her, and that she is entitled to make full-time use of that staff member. Therefore, I say that the arrangements made by the committee are not wasteful, in my opinion; and the proper precautions are taken, to make sure that the money is wisely spent.

Mr. ELLENDER. Is the extra employee assigned only to the Senator from Maine [Mrs. SMITH]?

Mr. ANDERSON. The assignment is to the members on the minority side; but this staff member takes most of the directions from the Senator from Maine. However, the assignment is to be available to any member of the minority. On the other hand, most of the work is cleared through the ranking minority member, who is the Senator from Maine.

Mr. ELLENDER. How about the system of clerk hire? Is it arranged to have one for each side?

Mr. ANDERSON. By means of this resolution, we are asking for authority to employ a new staff member, who probably will be hired on that basis, and also authority to employ a clerk for the minority members. But the particular person who now holds that position is available to the entire committee membership at all times. There has never been a time when she has said, "I will work only for the Republicans" or "I will work only for the Democrats." In other words, she works for the entire committee. I am happy to say that we have not had a partisan committee.

Mr. ELLENDER. Mr. President, before these resolutions were considered by the Committee on Rules and Administration, I was reliably informed that a cutback of at least 10 percent would be made in all requests made by the chairmen of these subcommittees.

I hope we shall find that such cuts have been made in the amounts requested under at least some of the resolutions. However, judging from the total amounts now being requested for the current fiscal year, as compared with the amounts for last year, I find there is a difference of only about 1 percent, as against the amounts for last year—which is a far cry from the 10-percent cut which I was told would be made.

If the Senator from North Carolina will give me his attention, I should like to know the extent to which the committee of which he is chairman has held hearings on these requests for funds. I have never seen copies of hearings on this subject. Were efforts made by his committee to look into the work of the subcommittees for last year, let us say, and the year before, and to ascertain whether the further existence of these subcommittees is warranted?

Mr. JORDAN of North Carolina. Mr. President, I appreciate the question the Senator from Louisiana has asked. The Committee on Rules and Administration spent 2 days working on these money resolutions. Every committee chairman and every subcommittee chairman came before the committee with an itemized account of the money he wanted and the persons on his payroll, and gave us all the information he possibly could; and our committee acted on the unanimous recommendations of the committees or subcommittees. Every one of these resolutions was acted on unanimously by our committee; and cutbacks were made in only four of the requests.

In addition, every committee chairman agreed to cut back his requests—although that action does not show on the resolutions now before the Senate—to the same amount as last year, if not even a greater cut.

In addition, $51,815 was cut from the total of last year's request. Except for an amount of $5,000 allotted to the Committee on Interior and Insular Affairs in addition to what was appropriated last year, no request is greater.

Mr. ELLENDER. The Senator has referred to a cut of $51,815. Is there included in that amount the sum appropriated for the investigation into foreign lobbying, which investigation was abandoned? Were any subcommittees abandoned last year?

Mr. JORDAN of North Carolina. So far as I know, no committee was abandoned during the past year. However, I believe the committee of which the Senator from Missouri [Mr. SYMINGTON] is chairman completed an inquiry into surpluses.

Mr. ELLENDER. I shall come to that situation in a moment when we consider the authorization for the Committee on Armed Services.

Mr. JORDAN of North Carolina. The authorization for the Committee on Foreign Relations this year would be $150,000.

Mr. ELLENDER. Was that committee's investigation of foreign lobbyists a part of its regular routine investigations? Was it included in the $150,000 or did the committee receive an additional allowance?

Mr. JORDAN of North Carolina. The total investigation allowance for the committee is the same.

Mr. ELLENDER. It is the same?

Mr. JORDAN of North Carolina. Yes.

Mr. ELLENDER. Even though the committee completed its investigation of lobbying?

Mr. JORDAN of North Carolina. The committee asked for $10,000 less this year than it requested in the 2 previous years.

Mr. ELLENDER. I shall come to that point after a while. Did the committee of which the distinguished Senator is chairman have hearings in justification of the requests printed?

Mr. JORDAN of North Carolina. We did not have the hearings printed. We received a letter of explanation from the chairman of each of the committees, and also the complete endorsement of the minority ranking member on the committees.

The chairmen of the subcommittees testified before the full committees, making their recommendations and justifications for the amounts which they requested.

Mr. ELLENDER. I presume that the justification to the committee was then made by letters addressed by the chairmen of the committees, and that those letters appear in the reports?

Mr. JORDAN of North Carolina. The Senator is correct.

Mr. ELLENDER. To the letter was attached a budget. Was that the evidence which was presented to the Senator from North Carolina upon which the Committee on Rules and Administration acted?

Mr. JORDAN of North Carolina. That is exactly correct. Incidentally, practically all members of the committee questioned the chairmen of the committees who appeared before the Committee on Rules and Administration. They were asked to justify their expenditures. We asked them if they could not possibly cut their budgets this year a little more from the amounts appropriated last year, since the President has been trying to introduce all the economies he can. We stressed that point.

Mr. ELLENDER. The stressing did not do much good.

Mr. JORDAN of North Carolina. It did to the extent that some committee chairmen had previously asked for more than we finally approved, and they agreed they would take no more than they had for the 12 months of last year. In the case of some committees, the amounts requested were cut back substantially.

Mr. ELLENDER. Will the Senator indicate such cuts as we consider the various resolutions?

Mr. JORDAN of North Carolina. Yes, I certainly shall.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from South Carolina.

Mr. JOHNSTON. The procedure is that the chairmen of the subcommittees prepare their requests and state their reasons for the requests in letters written to the chairmen of the committees. For example, the Judiciary Committee would meet and discuss the resolution pertaining to its budget. The committee would pass upon it. It might increase or decrease it to the amount which the committee thinks is proper.

Then the request goes on to the Committee on Rules and Administration. All the correspondence with the standing committee is then turned over to the Committee on Rules and Administration. The chairmen come before that committee and justify their requests. Then the subcommittee chairmen, as well as the chairmen of the full committees would come before the Committees on Rules and Administration. Those chairmen are asked questions about the requested appropriation and how much would be necessary in order to carry on the investigations.

The Committee on Rules and Administration does a thorough job in finding out what amount of money is necessary. If we did not have the protections afforded by the Committee on Rules and Administration, we would be appropriating far more than we are now appropriating for investigations.

The chairman of the Committee on the Judiciary is not in the Chamber at the moment. Some criticism has been made of the Judiciary Committee. The Judiciary Committee handles about 60 percent of the bills passed by the Senate each year. That is about the average. That work has been responsible for the great amount of expenditures in the Judiciary Committee. All claims come before the Judiciary Committee. Those call for a great deal of investigation. In some respects it is like a case that comes before a court, which calls for particular investigation.

Until one examines carefully into the work that that committee is doing, I do not believe the Committee on the Judiciary should be criticized.

Mr. ELLENDER. I am glad that my good friend from South Carolina has raised that issue. Before the passage of the Reorganization Act, I recall that all claims which are now channeled to the Judiciary Committee of which the Senator is a member were handled by a Claims Committee of which I was chairman.

Mr. JOHNSTON. I was a member of that committee also.

Mr. ELLENDER. The Senator from South Carolina was a member of the committee. With three or four clerks we handled all of that work. How did we do it? Each member of the committee worked. Each member was assigned some of the claims upon which he himself worked. Every year the Claims Committee could account for 51 of 54 percent of the bills that passed the Senate. The Senator from South

Carolina is correct in his statement that the number of bills handled by the Committee on the Judiciary amounts to approximately 50 percent of the bills that pass the Senate. That is true. But most of the bills are claims bills. This is the way that the handling has been changed. Instead of having one or two clerks doing the work, as was the case before 1946, the staff of the committee now includes a number of experts, such as lawyers, who look into the questions involved. Someone from the Judiciary Department often assists also. So the cost to the Government of adjusting claims has increased. I do not know how much that increase has been, but it has been increased many times.

Another category in which quite a number of bills are presented by the Judiciary Committee is that of naturalization cases.

These cases relate to persons who come into the country under special circumstances. A large number of individual cases are submitted to the Senate each year.

My complaint is that there are 14 subcommittees of the Committee on the Judiciary. Those 14 subcommittees are requesting $1,961,415. That is quite a sum of money.

As I have said, most of the bills about which the Senator from South Carolina has spoken pertain to claims and bills related to special cases which would enable people to get into this country. But there are many other subcommittees. For example, the Subcommittee on Antitrust and Monopoly; the Subcommittee on Administrative Practice and Procedure; the Subcommittee on Constitutional Amendments; the Subcommittee on Constitutional Rights; the Subcommittee on Federal Charters; the Subcommittee on the Federal Judicial System; the Subcommittee on Immigration and Naturalization; the Subcommittee on Internal Security; and the Subcommittee on Juvenile Delinquency, which is said to be an important subcommittee. Its work has continued for some time, but it seems that the longer the subcommittee remains in existence the more delinquents there are.

The Subcommittee on National Penitentiaries has been in existence for a long time. It is true that it does not spend much money, only $5,000.

Mr. JOHNSTON. Mr. President, if the Senator will yield, we spend $100 a year.

Mr. ELLENDER. Why is it in existence?

Mr. JOHNSTON. It is necessary in the event there is a penitentiary break, to enable the Superintendent to investigate its cause.

Mr. ELLENDER. There is the Subcommittee on Patents, Trademarks, and Copyrights. There is the Subcommittee on Refugees and Escapees. There is the Subcommittee on Revision and Codification.

There is the Subcommittee on Trading With the Enemy. That committee has been in existence for a long time.

For each of these 14 subcommittees, under the rule or practice that has grown up in the past 4 or 5 years, there must be representation on both sides, Democrats and Republicans, whether that number is needed or not.

That is what I am complaining about. When we see one committee spending, as the regular amount received each year, $142,250, and then $10,000 for one session for hearings, and then $1,961,000 extra, that is what I complain about.

It seems to me the Judiciary Committee itself, as well as the committee headed by my friend from North Carolina, could do a good job by looking into this matter and seeing what results are obtained. If they would look into it, I think we might save one-third of what is being spent.

I have nothing further to say about the pending resolution. As was stated by the Senator from New Mexico [Mr. ANDERSON], it is needed. I was in hopes of seeing carried through what I was informed would be done by the Committee on Rules and Administration; namely, that at least 10 percent would be cut back.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. ANDERSON. I appreciate the fact that the Senator from Louisiana said what he did. Of the approximately $80,000 that was authorized for the committee last year, it spent only the sum of about $30,000. I pledge to him that I personally will try to save the 10 percent to which he is referring.

Mr. ELLENDER. Why can we not start something now that will register with some of the other subcommittees? If a 10-percent cut were taken, it might have some effect on the other subcommittees.

Mr. ANDERSON. The point is that we took about a 60 percent cut last year in expenditures in order to do the things we needed to do.

Mr. ELLENDER. Yet the amount of money the Senator asked for was not spent.

Mr. ANDERSON. In the amount received we took a 50 percent or more cut from the previous years, and of that amount we spent only about 40 percent. Certain matters are coming up this year for attention, and I am sure we shall need all that money before we are through.

The PRESIDING OFFICER (Mr. BURDICK in the chair). The question is on agreeing to the resolution.

The resolution (S. Res. 254) was agreed to.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 809, Senate Resolution 286, and that the remainder of the resolutions be considered in sequence down to and including Calendar No. 842, Senate Resolution 275.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

INVESTIGATION OF CERTAIN MATTERS RELATING TO NATIONAL DEFENSE

The PRESIDING OFFICER. The next resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 286) authorizing the Committee on Armed Services to investigate certain matters relating to national defense.

The Senate proceeded to consider the resolution.

Mr. ELLENDER. As I understand, Mr. President, this committee received last year $185,000 on an 11-month basis. On a 12-month basis, the spending of the committee would have amounted to $190,000, or the same rate. Am I correct?

Mr. JORDAN of North Carolina. The Senator is correct.

Mr. ELLENDER. As I understand, the subcommittee has completed its work on the matter of the strategic and critical materials necessary for the common defense. Is that correct?

Mr. STENNIS. That matter was handled by the Senator from Missouri [Mr. SYMINGTON].

Mr. JORDAN of North Carolina. That is correct.

Mr. ELLENDER. Since that work has been completed, why is it necessary to ask for the same amount of money that was spent last year? Since there has been a completion of the duties indicated on page 2 of the resolution, item (11), "Strategic and critical materials necessary for the common defense," and I understand that competent work was done on it—why cannot the amount requested be reduced, say, by 10 percent?

Mr. STENNIS. Mr. President, I should like to make a brief statement and to go into the background of this whole matter.

The resolution pertains to work of the Preparedness Investigating Subcommittee, which for many years has been the investigating arm of the Armed Services Committee. As the Senator has said, it has a budget, in round numbers, of $190,000, which is $30,000 less than it was for the 2 preceding years.

This subcommittee does nearly all the investigating for the Armed Services Committee. With respect to strategic materials, that involved a special investigation, inquiry, or consideration by a special subcommittee of the Committee on Armed Services. As I recall, it was not authorized separately by a resolution, but the subcommittee was investigating for the full committee. It was entirely outside the present resolution.

Mr. JORDAN of North Carolina. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. JORDAN of North Carolina. Previously the work of that subcommittee was paid for under a separate resolution.

Mr. STENNIS. Yes; I was certain it was not included in this resolution.

Mr. President, this is a very skimpy budget for this year. It has already been greatly reduced. Last year we were able to keep within about $140,000, in round numbers. We hope to do so again. Barring unexpected difficulties, we probably shall. But we do not want to be trimmed down to too narrow a margin. There are only a few regular staff members, numbering six professional members and three or four secretaries. For some of the work, personnel is borrowed from the General Accounting Office for 2 or 3 months. Last year a man from that office helped us on the test ban treaty. We do not have him now, but we are under obligation to follow up on the test ban treaty, and we shall have to employ someone else. If the amount is trimmed down too greatly, to a bare bread-and-butter existence, the committee will have no discretion as to how to act. We have before us the question of the whole missile system. Another question involved is that of U.S.-owned shipyards.

We hope to turn back some of this money, but we do not want to be trimmed too sharply, when there is already a very stringent budget, and be denied the discretion which the committee would need if there happened to be another Secretary. We would then have to come back to the floor to obtain another authorization.

The money has been spent very carefully by the committee. Not one dollar was spent for travel last year for committee members. The expenditure for travel of the staff last year was only about $3,000. We have a small group, but they are hard workers and competent men.

I appreciate the courtesy of the Senator from Louisiana in yielding to me. I hope the Senate will see fit to approve this amount.

Mr. ELLENDER. I notice that reimbursable payments to agencies amount to $10,515, but I also notice that aside from the regular four professionals and the six clerical employees, on the Armed Services Committee, there are more professionals on this subcommittee than there are on the regular committee. I am wondering why that is.

Mr. STENNIS. If the Senator could watch the subcommittee at work it would be obvious to him. The volume of work accomplished at times is great. During the debate on the test-ban treaty, hearings ran day and night, week after week. The mail was also very large; the telephone calls were incessant; there was a great volume of work at that time, as there is practically all the time.

I marvel that the subcommittee is able to get along with as small a group of personnel as it has.

Mr. ELLENDER. But I point out that the subcommittee has six professionals, one chief counsel, and six clericals, which is more than the regular committee. I am wondering what the regular committee does with its personnel.

Mr. STENNIS. They have plenty to do. There are three or four secretaries now. There is no comparison between the work of the regular staff members of the full committee who consider legislation, analyze it, and are experts in the field of legislation and that of the subcommittee. There is also the investigating subcommittee that has the whole Nation for its jurisdiction, and goes even beyond the Nation, on a $50 billion budget every year. We do not cover all the $50 billion, of course, but to a degree, the committee also represents the Senate Armed Services Committee, because the membership of the Senate Appropriations Subcommittee for Defense and the membership of the Preparedness Subcommittee is almost the same. The members on the Appropriations Subcommittee of the Senate Appropriations Committee have no investigating staff. There is involved the question of authorization, followed by appropriation. If Senators who are members of the subcommittee had more time, they could profitably use three or four times the number of staff members they now have.

Mr. ELLENDER. As I pointed out to the Senator from South Carolina a short time ago, if Senators did more of the work themselves rather than depending on their professional employees, we might get along better and at less cost. I do not wish to take anything away from the Armed Services Subcommittee. The subcommittee has done good work. But I still believe that it could do with less help than it now has if only the professional staff that is allocated to the standing committee were used in much of the work being done by the special committee.

Mr. STENNIS. If the Senator from Louisiana could visit the offices of the Preparedness Subcommittee and examine the work they are doing, and also the work of the full Armed Services Committee, he would accomplish more than by making comparisons on the floor of the Senate.

Mr. ELLENDER. Well, I am confident that when the Reorganization Act was passed in 1946, it was thought that the four professionals allotted to each committee, plus the six clericals, would be sufficient. But soon after the Reorganization Act was put on the statute books, a wave of creating committees and subcommittees occurred—and today we have many more employees, both professional and clerical, on the subcommittees than there are on the standing committees. That is what I am complaining about. If efforts were made to look into the work of some of the subcommittees, it might be possible to cut back on much of the expenditure we are now being asked to make.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on agreeing to the resolution.

The resolution (S. Res. 286) was agreed to, as follows:

Resolved, That the Committee on Armed Services, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) Common defense generally;

(2) The Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force generally;

(3) Soldiers' and sailors' homes;

(4) Pay, promotion, retirement, and other benefits and privileges of members of the Armed Forces;

(5) Selective service;

(6) Size and composition of the Army, Navy, and Air Force;

(7) Forts, arsenals, military reservations, and navy yards;

(8) Ammunition depots;

(9) Maintenance and operation of the Panama Canal, including the administration, sanitation, and government of the Canal Zone;

(10) Conservation, development, and use of naval petroleum and oil shale reserves;

(11) Strategic and critical materials necessary for the common defense;

(12) Aeronautical and space activities peculiar to or primarily associated with the development of weapons systems or military operations.

SEC. 2. For the purpose of this resolution, the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The expenses of the committee under this resolution, which shall not exceed $190,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

AUTHORITY FOR CERTAIN INVESTIGATIONS BY THE COMMITTEE ON BANKING AND CURRENCY

The PRESIDING OFFICER. The next resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution authorizing the Committee on Banking and Currency to make certain investigations.

Mr. ELLENDER. Mr. President, do I understand correctly that last year, on an 11-month basis, $83,700 was appropriated; and on a 12-month basis that would aggregate $91,000?

Mr. JORDAN of North Carolina. That is correct.

Mr. ELLENDER. And the resolution is for——

Mr. JORDAN of North Carolina. $91,000.

Mr. ELLENDER. $91,000, which is the same as was allowed last year.

Mr. JORDAN of North Carolina. Exactly the same amount, minus $300.

Mr. ELLENDER. Here again we have 6 additional employees added to the regular 10 that are provided by standing committees. What does that involve?

Mr. SPARKMAN. These funds are to carry on the regular functions of the Banking and Currency Committee.

Mr. ELLENDER. But in what field? Is it housing?

Mr. SPARKMAN. In the broad investigative field of everything, except housing. Housing has been covered by a separate resolution throughout the years, and this resolution to reinforce the general committee's work has been carried year by year. The amount is the same as last year. It was estimated that for 1963 $6,000 would be turned back.

Mr. ELLENDER. I notice that the next calendar number is 811.

Mr. SPARKMAN. That deals with the Housing Subcommittee.

Mr. ELLENDER. That is the Housing Subcommittee?

Mr. SPARKMAN. That is correct.

Mr. ELLENDER. So the Banking and Currency Committee, aside from the 10 employees provided for it as a standing committee, will have 8 more added under Senate Resolution 257?

Mr. SPARKMAN. Six, I believe.

Mr. ELLENDER. Six more under Senate Resolution 256.

The resolutions are presented to us every year. The subcommittee must have done quite a bit of studying on the subject of housing. I am wondering whether there cannot be an end to it.

Mr. SPARKMAN. So long as the Government recommends housing legislation there cannot be an end to it. This is not a case of appropriating money for a great many subcommittees merely to make a study and to come forth with a report, and in that way complete the work. The Government becomes involved to the extent of probably $10 billion a year in housing. Therefore this is a continuing program. It is not something that should be looked upon as being a temporary matter. So long as the Government carries on its vast, tremendous housing program, this work must go on. We must keep up with this program as we go along.

Mr. ELLENDER. Suppose some housing legislation is proposed. How is that handled?

Mr. SPARKMAN. Our subcommittee handles the hearings. The cost of the hearings, the calling of the witnesses, and any other expenses come out of this appropriation.

Mr. ELLENDER. I thought that was what the standing committee did, when it comes to legislation. Does it depend on its subcommittee?

Mr. SPARKMAN. The standing committee handles legislation, except that dealing with housing.

Mr. ELLENDER. What about the making of a general study?

Mr. SPARKMAN. That is done by the full committee.

Mr. ELLENDER. Such as financial aid to commerce and industry, and Federal deposit insurance?

Mr. SPARKMAN. Yes.

Mr. ELLENDER. The committee goes into that subject?

Mr. SPARKMAN. Yes.

Mr. ELLENDER. For what purpose are additional funds needed?

Mr. SPARKMAN. The work of the regular committee covers those fields. The purpose of providing the extra money is to make it possible to carry on these studies. An exhaustive study was made last year of the financial situation generally in the United States over which the Banking and Currency Committee has jurisdiction. That requires considerable time.

Mr. ELLENDER. Why was that done? What was the result?

Mr. SPARKMAN. Legislation.

Mr. ELLENDER. I thought the main committee handled that.

Mr. SPARKMAN. That is correct. That is what it does. However, it is made possible by these additional appropriations.

Mr. ELLENDER. Does the Senator mean that the additional subcommittee goes into these matters?

Mr. SPARKMAN. No; let us keep this separate. The subcommittee restricts itself to a study of legislation in the field of housing.

Mr. ELLENDER. I understand. We covered that point.

Mr. SPARKMAN. That is the subcommittee. The other matter is handled by the full committee.

Mr. ELLENDER. What does the subcommittee do? Does it look into the financial situation generally?

Mr. SPARKMAN. That is not a subcommittee. That is the full committee. The amount asked for would supplement the amount appropriated for the regular committee. It enables us to have, perhaps, an additional economist assigned to us. We usually obtain someone who is an expert on Federal Reserve matters.

Mr. ELLENDER. In other words, in addition to the subcommittee that investigates housing matters the committee has six additional employees.

Mr. SPARKMAN. But they are on the regular committee staff.

Mr. ELLENDER. The Senator is asking for 16 altogether on the regular staff, instead of 10?

Mr. SPARKMAN. I believe the Senator is correct.

Mr. ELLENDER. I had hoped that the Senate would follow the lead of President Johnson in trying to cut back these expenses.

Mr. SPARKMAN. I assure the Senator that we have tried to cut back the amount. If the Senator will look at the record with respect to the Housing Subcommittee, he will see that we are turning back a substantial amount this year. The same thing is true with respect to the full committee.

Mr. ELLENDER. The Senator is asking for more this year. I assume he intends to spend it.

Mr. SPARKMAN. We will handle it in the most frugal manner possible, and we will endeavor to save all the money we can.

Mr. ELLENDER. It seems to me that the Senate should set an example, so that departments downtown will follow the lead. So long as we do not make the effort, I presume the others will say, "Why should we do it, if the Senate does not do it?"

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 256) was agreed, to as follows:

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) banking and currency generally;

(2) financial aid to commerce and industry;

(3) deposit insurance;

(4) the Federal Reserve System, including monetary and credit policies;

(5) economic stabilization, production, and mobilization;

(6) valuation and revaluation of the dollar;

(7) prices of commodities, rents, and services;

(8) securities and exchange regulation:

(9) credit problems of small business; and

(10) international finance through agencies within the legislative jurisdiction of the committee.

SEC. 2. For the purposes of this resolution the committee from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis. technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. Expenses of the committee, under this resolution, which shall not exceed $91,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INVESTIGATION OF MATTERS PERTAINING TO PUBLIC AND PRIVATE HOUSING BY THE COMMITTEE ON BANKING AND CURRENCY

The PRESIDING OFFICER. The next resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 257) authorizing the Committee on Banking and Currency to investigate matters pertaining to public and private housing.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 257) was agreed to, as follows:

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to public and private housing.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $115,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

AUTHORITY FOR COMMITTEE ON COMMERCE TO MAKE CERTAIN STUDIES

The PRESIDING OFFICER. The next resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 283) to authorize the Committee on Commerce to make certain studies.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. ELLENDER. Mr. President, I should like to ask the chairman of the Commerce Committee some questions. I note that last year the committee received $330,000 for 11 months.

Mr. MAGNUSON. The committee spent about $244,000. In other words, we turned back about $86,000.

Mr. ELLENDER. In that case, could not the committee do with a little less than the $360,000 it is requesting?

Mr. MAGNUSON. I do not suppose there is another committee in the Senate that has the problems the Commerce Committee has. It is absolutely necessary that it remain flexible and fluid to meet problems as they arise in the economic field. Problems may arise that are not anticipated. That is the case in some years. In other years we have been able to turn back some of the money that has been appropriated. Emergencies may arise, like the railroad strike of last year, for example. We hope that the serious situation pertaining to trucking will be settled. If it is not, it will be considered by the committee.

If management and industry settle the controversy in which they are engaged, and get together, and perhaps work out some of the economic problems involved, we shall not have to do anything about it. If they do not do so, we shall have to step in. Sometimes we have to serve as a mediator, and sometimes as a persuader. Sometimes we have to step in with proposed legislation.

A study is now being given to a second canal, to be built in addition to the present Panama Canal. That question is now under consideration by the committee. That is a subject which, a year or so ago, we thought we probably would not have to consider for 2 or 3 years. That is an example of the necessity for remaining flexible.

The chairman of the Committee on Rules and Administration will agree with us, I am sure, that we have been very frugal.

The chairman of the Commerce Committee is also the chairman of the Subcommittee on Appropriations for the Independent Offices, which deals with agencies like the ICC and FCC and Federal Trade Commission, as well as the Civil Aeronautics Board. It deals with all of them with the exception of the Federal Power Commission. I have never asked the Appropriations Committee for any extra employees to assist us in handling this type of special work. A very fine gentleman, Mr. Cooper, who has handled Independent Offices appropriations for years—and I am sure the Senator is acquainted with Mr. Cooper—has been of great assistance to us. He is a general employee of the Appropriations Committee. My committee must use this additional help to get out the appropriations.

I should like to mention the many subjects that will have to be considered by our committee this year. First, the railroad work rules may be back before the Senate for the consideration of another problem. This alone would require a large number of employees for the conduct of hearings. Next, we shall be considering major transportation legislation recommended both by President Kennedy and President Johnson. The House has passed a bill that will entail much technical and complex work in the consideration of a major transportation bill.

Another problem that has arisen, that we had not anticipated, but which will require some time, is the control of interstate shipments of firearms. That will entail long hearings and require much work by experts in that field.

In addition, we shall have to consider a bill whose consideration was postponed last year from week to week because of hearings on the railroad strike, the public accommodations bill, and merchant marine and aircraft problems; namely, the quality stabilization bill. That bill will require long hearings. It is probably the most controversial bill in the economic field that is before Congress today. It is of major importance.

Mr. ELLENDER. Is the bill before the committee now?

Mr. MAGNUSON. Yes. Hearings have been started. Some have been finished, some have not.

Then there is the problem of foreign trade, including shipping rates. The committee has not considered that subject as fully as I think it should.

Also, we are beginning hearings on the Great Lakes-St. Lawrence Seaway. No hearings were held on that subject last year. We did not assign any members of the staff to that subject. A subcommittee will consider it. It will require considerable work and time.

Another subject we shall have to consider is that of the supersonic air transport.

All these activities will keep the committee busy. I have asked for the same amount as was provided last year, because I think it will be be sufficient. I do not like to make a separate request for every little need. I am sure the Senator from North Carolina will corroborate my statement that the Committee on Commerce has a good record for not spending more than it needs.

Mr. JORDAN of North Carolina. I think that is true of every committee.

Mr. MAGNUSON. We have not asked for more than we have needed. We should have acquired two or three more experts in these particular fields. We have no one except the Senator from Oklahoma [Mr. MONRONEY], who is knowledgeable in the big new field of supersonic aircraft. We do not call on the agencies too frequently for help. We could, and they are willing and most cooperative. But we like to conduct our investigations independently so that we can deal with the agencies later without having been briefed by them concerning some of their own deficiencies.

Mr. ELLENDER. The Committee on Commerce has, under the standing rules, 4 professionals, and it has hired 16 more professionals.

The committee also has 10 clerical employees. The resolution would permit the committee to hire 13 more. I presume they would be hired on a year-round basis.

Mr. MAGNUSON. We have found it necessary to employ professional employees for a certain period of time for certain subjects. When we made a transportation study 3 years ago, we hired six or seven professionals for a period of 6 or 9 months and then released them. This sometimes occurs. Often the need is not anticipated.

Mr. ELLENDER. But the Senator is asking for money to employ 16 professionals. The question is: Are they employed on a year-round basis or not?

Mr. MAGNUSON. The 16 would be permanent employees.

Mr. ELLENDER. The 16 would be permanent. Then the Senator is asking for 13 clerical employees aside from the regular committee employees.

Mr. MAGNUSON. I have divided the Committee on Commerce into four subcommittees. One is the Subcommittee on Surface Transportation, which handles legislation pertaining to railroads, trucklines, bargelines, and other carriers that move on the surface. That subcommittee is headed by the distinguished Senator from South Carolina [Mr. THURMOND]. The Senator from Florida [Mr. SMATHERS] was formerly the chairman, but when be became a member of the Committee on Foreign Relations, the Senator from South Carolina became chairman of the Subcommittee on Surface Transportation.

The second subcommittee is the Subcommittee on Merchant Marine and Fisheries. The chairman of the full committee has delegated the chairmanship of that subcommittee to himself because of the very nature of its duties. I hope I have had sufficient experience in the fields of merchant marine and fisheries. Incidentally, that subcommittee will have to spend more money to acquire two more experts on the problem of world fisheries, because the Committee on Commerce is responsible for that subject. The subcommittee handles treaties with respect to fishing, Russian encroachment, the problem of fishing on the high seas, and all other such international activities, which have become a great problem.

The third subcommittee is the Subcommittee on Communications, of which the distinguished Senator from Rhode Island [Mr. PASTORE] is the chairman. That subcommittee is responsible for legislation in the fields of radio, television, telstar, American telephone and telegraph lines, and all other activities of that kind.

The four is the Subcommittee on Aviation, of which the distinguished Senator from Oklahoma [Mr. MONRONEY] is the chairman. That subcommittee is busy all the time.

We have assigned to those four subcommittees four so-called professional employees who are permanently assigned to the committee. One is considered to be an expert on transportation, another on merchant marine and fisheries, the third on communications, and the fourth on aviation. The rest of the professional staff are divided among the four subcommittees. Each one calls upon the other 12 employees. Actually, it is not so much a committee staff, but is divided, as the committee is, among four subcommittees.

The PRESIDING OFFICER. The committee amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 9, after the word "exceed", it is proposed to insert "$360,000".

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. MAGNUSON. Mr. President, before the vote on the resolution, as amended, I should like to state that the committee itself last year held 155 solid days of hearings. That must be some kind of record. I do not know where; probably in the entire Congress.

Mr. JORDAN of North Carolina. Mr. President, I ask that the resolution be agreed to.

The resolution (S. 283), as amended, was agreed to, as follows:

Resolved, That the Committee on Commerce, or any duly authorized subcommittee thereof, is authorized under section 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) interstate commerce generally;
(2) foreign commerce generally;
(3) maritime matters;
(4) interoceanic canals;
(5) transportation policy;
(6) domestic surface transportation, including pipelines;
(7) communications, including a complete review of national and international telecommunications and the use of communications satellites;
(8) Federal power matters;
(9) civil aeronautics;
(10) fisheries and wildlife;
(11) marine sciences; and
(12) Weather Bureau operations and planning, including the use of weather satellites.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $360,000 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

EXAMINATION AND STUDY OF FOREIGN POLICIES OF THE UNITED STATES

The resolution (S. Res. 277) authorizing the Committee on Foreign Relations to examine and study the foreign policies of the United States was announced as next in order.

Mr. ELLENDER. Mr. President, as I understand, the Committee on Foreign Relations is requesting the same amount as it received last year.

Mr. JORDAN of North Carolina. Yes; the same amount.

Mr. ELLENDER. This request is supplemental to the amount provided for the standing committee?

Mr. JORDAN of North Carolina. That is correct.

Mr. ELLENDER. Am I correctly informed that the investigation that was made of foreign lobbyists required a separate resolution?

Mr. JORDAN of North Carolina. That is correct.

Mr. SPARKMAN. That is correct; and that work has been finished.

Mr. JORDAN of North Carolina. That investigation was conducted under a separate resolution, and was not included in this amount.

Mr. ELLENDER. I am sorry; I was in error when I said I thought it was under this appropriation.

Mr. SPARKMAN. It was under a separate appropriation of $78,000. Of that amount, we spent $34,000.

Mr. ELLENDER. Then the present request for funds is merely to supplement the present staff?

Mr. SPARKMAN. That is correct. This year we are turning back approximately $55,000 of the amount we received in 1963.

Mr. ELLENDER. I notice the committee has 11 employees. The committee is returning $55,000. Is that because the committee does not have the employees any longer or because it did not spend the money for travel?

Mr. SPARKMAN. We have had the employees, but fortunately it was not necessary to require as much traveling as had been anticipated.

Mr. ELLENDER. I notice an item "hearings, $38,500." Was all of that amount spent? Or was that a part of the $50,000 the Senator from Alabama said was saved last year?

Mr. SPARKMAN. The amount spent for hearings last year was $16,942. There would be a saving on that amount.

Mr. ELLENDER. But the employees are still on the staff?

Mr. SPARKMAN. We have the employees; yes.

Mr. ELLENDER. That is what I am objecting to.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 277) was agreed to, as follows:

Resolved, That the Committee on Foreign Relations, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make complete studies of any and all matters pertaining to the foreign policies of the United States and their administration.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants; (3) to hold such hearings, to take such testimony, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate, and to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; and (4) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government, as the committee deems advisable.

SEC. 3. In the conduct of its studies the committee may use the experience, knowledge, and advice of private organizations, schools, institutions, and individuals in its discretion, and it is authorized to divide the work of the studies among such individuals, groups, and institutions as it may deem appropriate and may enter into contracts for this purpose.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $150,000 for the period ending January 31, 1965, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

STUDIES OF EFFICIENCY AND ECONOMY OF OPERATIONS OF THE GOVERNMENT

The Senate proceeded to consider the resolution (S. Res. 278) authorizing the Committee on Government Operations to make certain studies as to the efficiency and economy of the operations of the Government.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. JORDAN of North Carolina. Mr. President, I move the adoption of the resolution.

Mr. ELLENDER. Mr. President, as I understand, this committee, headed by the Senator from Arkansas, had $458,300, and now is requesting $450,000. Is that correct?

Mr. JORDAN of North Carolina. That is correct.

Mr. McCLELLAN. We had $458,000 for 11 months.

Mr. ELLENDER. And the committee is now asking for $450,000?

Mr. McCLELLAN. Yes, for 12 months—or a reduction of approximately $40,000. So we are turning back about $80,000.

Mr. ELLENDER. That is more than a 10 percent reduction.

Mr. McCLELLAN. Yes.

Mr. ELLENDER. Very well.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 278) was agreed to, as follows:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946 and in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Government Operations or any subcommittee thereof, is authorized from February 1, 1964, through January 31, 1965, to make investigations into the efficiency and economy of operations of all branches of the Government, including the possible existence of fraud, misfeasance, malfeasance, collusion, mismanagement, incompetence, corrupt or unethical practices, waste, extravagance, conflicts of interest, and the improper expenditure of Government funds in transactions, contracts, and activities of the Government or of Government officials and employees and any and all such improper practices between Government personnel and corporations, individuals, companies, or persons affiliated therewith, doing business with the Government; and the compliance or noncompliance of such corporations, companies, or individuals or other entities with the rules, regulations, and laws governing the various governmental agencies and its relationships with the public: *Provided*, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting that particular branch of the Government.

SEC. 2. The Committee on Government Operations or any duly authorized subcommittee thereof is further authorized from February 1, 1964, to January 31, 1965, inclusive, to conduct an investigation and study of the extent to which criminal or other improper practices or activities are, or have been engaged in in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities. Nothing contained in this resolution shall affect or impair the exercise by the Committee on Labor and Public Welfare of any power, or the discharge by such committee of any duty, conferred or imposed upon it by the Standing Rules of the Senate or by the Legislative Reorganization Act of 1946.

SEC. 3. The Committee on Government Operations or any duly authorized subcommittee thereof is further authorized and directed from February 1, 1964, to January 31, 1965, inclusive, to make a full and complete study and investigation of syndicated or organized crime which may operate in or otherwise utilize the facilities of interstate or international commerce in furtherance of any transactions which are in violation of the law of the United States or of the State in which the transactions occur, and, if so, the manner and extent to which, and the identity of the persons, firms, or corporations, or other entities by whom such utilization is being made, what facilities, devices, methods, techniques, and technicalities are being used or employed, and whether or not organized crime utilizes such interstate facilities or otherwise operates in interstate commerce for the development of corrupting influences in violation of the law of the United States or the laws of any State, and, further, to study and investigate the manner in which and the extent to which persons engaged in organized criminal activities have infiltrated into lawful business enterprise; and to study the adequacy of Federal laws to prevent the operations of organized crime in interstate or international commerce; and to determine whether any changes are required in the laws of the United States in order to protect the public against the occurrences of such practices or activities. Nothing contained in this resolution shall affect or impair the exercise by the Committee on the Judiciary or by the Committee on Commerce of any power, or the discharge by such committee of any duty, conferred or imposed upon it by the Standing Rules of the Senate or by the Legislative Reorganization Act of 1946.

SEC. 4. The Committee on Government Operations or any of its duly authorized subcommittees shall report to the Senate by January 31, 1965, and shall, if deemed appropriate, include in its report specific legislative recommendations.

SEC. 5. (a) For the purposes of this resolution, the Committee on Government Operations or any of its duly authorized subcommittees, from February 1, 1964, to January 31, 1965, inclusive, is authorized, as it deems necessary and appropriate, to (1) make such expenditures from the contingent fund of the Senate; (2) hold such hearings; (3) sit and act at such times and places during the sessions, recesses, and adjournment periods of the Senate; (4) administer such oaths; (5) take such testimony, either orally or by sworn statement; (6) employ on a temporary basis such technical, clerical, and other assistants and consultants; and (7) with the prior consent of the executive department or agency concerned and the Committee on Rules and Administration, employ on a reimbursable basis such executive branch personnel as it deems advisable; and, further, with the consent of other committees or subcommittees to work in conjunction with and utilize their staffs, as it shall be deemed necessary and appropriate in the judgment of the chairman of the committee or subcommittee: *Provided further*, That the minority is authorized to select one person for appointment and the person selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee.

(b) For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, or its chairman, or any other member of the committee or subcommittee designated by the chairman, from February 1, 1964, to January 31, 1965, inclusive, is authorized, in its or his or their discretion, as may be deemed advisable, to require by subpena or otherwise the attendance of such witnesses and production of such correspondence, books, papers, and documents.

SEC. 6. Expenses of the committee under this resolution, which shall not exceed $450,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

AUTHORITY TO STUDY MATTERS PERTAINING TO INTERAGENCY COORDINATION, ECONOMY, AND EFFICIENCY

The Senate proceeded to consider the resolution (S. Res. 288) to provide funds for the study of matters pertaining to interagency coordination, economy, and efficiency, which had been reported from the Committee on Rules and Administration with an amendment, on page 2, line 18, after the word "exceed", to strike out "$135,000" and insert "$115,000"; so as to make the resolution read:

Resolved, That the Committee on Government Operations, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to interagency coordination, economy, and efficiency.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1964, through January 31, 1965, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized at its discretion to select one person for appoinment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings upon the study and investigation authorized by this resolution, together with is recommendaions for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $115,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The amendment was agreed to.

Mr. ELLENDER. Mr. President, let me ask how much money was spent last year on this matter. Was it $108,000?

Mr. JORDAN of North Carolina. $101,500, according to my recollection.

Mr. ELLENDER. An increased amount is requested now, is it?

Mr. JORDAN of North Carolina. No. We made a cut of $20,000.

Mr. ELLENDER. A cut in the amount requested?

Mr. JORDAN of North Carolina. Yes.

Mr. ELLENDER. But not a cut as compared with the amount spent last year, for, as I understand, the request then was $135,000, and the decision was to allow the committee $115,000, although last year the subcommittee spent $108,000. Why was it necessary to increase this amount over the amount for last year?

Mr. JORDAN of North Carolina. The Senator from Louisiana is looking at the figure for 11 months, which is $112,000, under Senate Resolution 288. The request for 12 months was $115,000. The request for this year was $135,000, and it was cut back by $25,000.

Mr. ELLENDER. I notice that the title of the subcommittee is "Subcommittee To Study Matters Pertaining to Interagency Coordination, Economy, and Efficiency." Has the subcommittee done work which has resulted in any economies, or has it made any studies to that effect? I notice that the subcommittee is headed by the Senator from Minnesota [Mr. HUMPHREY].

Mr. ERVIN. Possibly I can answer one of the questions about the Permanent Subcommittee on Investigations, of the Committee on Government Operations. Several years ago we conducted investigations into fraudulent transactions in connection with the procurement of military equipment. That investigation resulted in saving the U.S. Government several million dollars—as a result of that one investigation. So we have done fairly good work.

Mr. ELLENDER. I suppose the subcommittee is living on that reputation, and wishes to remain in business because of that saving; is that correct? I thought perhaps the Armed Services Subcommittee might take credit for that, because it is supposed to investigate all military procurement subcontracts.

Mr. ERVIN. I may say to the Senator from Louisiana that about a year ago the Permanent Subcommittee on Investigations worked about 5 days a week, from the last part of June to the last part of September, investigating the manipulations of Billy Sol Estes, alone; and the subcommittee has a very great amount of work to do.

Mr. ELLENDER. I thought the McClellan committee did that.

Mr. ERVIN. That is part of the McClellan committee.

Mr. ELLENDER. Is this a subcommittee of the McClellan committee?

Mr. ERVIN. Yes, this is a subcommittee of the Government Operations Committee.

Mr. JORDAN of North Carolina. Mr. President, I move the adoption of the resolution, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Dakota.

The motion was agreed to; and the resolution (S. Res. 288), as amended, was agreed to.

AUTHORITY TO STUDY INTERGOVERNMENTAL RELATIONSHIPS BETWEEN THE UNITED STATES AND STATES AND MUNICIPALITIES

The Senate proceeded to consider the resolution (S. Res. 280) authorizing a study of intergovernmental relationships between the United States and the States and municipalities, which had been reported from the Committee on Rules and Administration, with an amendment on page 2, line 23, after the word "exceed", to strike out "$129,000" and insert "$115,000"; so as to make the resolution read:

Resolved, That the Committee on Government Operations, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by subsection 1(g)(2)(4) of rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of intergovernmental relationships between the United States and the States and municipalities, including an evaluation of studies, reports, and recommendations made thereon and submitted to the Congress by the Advisory Commission on Intergovernmental Relations pursuant to the provisions of Public Law 86-380, approved by the President on September 24, 1959.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

SEC. 4. Expenses of the committee under this resolution, which shall not exceed $115,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The amendment was agreed to.

The resolution, as amended, was agreed to.

Mr. ELLENDER. Mr. President, does this resolution call for the same amount that was provided by the Senate last year?

Mr. JORDAN of North Carolina. Yes. We cut back the request $14,000.

Mr. ELLENDER. This is a subcommittee of the Committee on Government Operations, is it?

Mr. JORDAN of North Carolina. Yes.

Mr. ELLENDER. Is this the third subcommittee of that committee? The chairman of the subcommittee is the Senator from Maine [Mr. MUSKIE], I believe.

Mr. ERVIN. Yes. He was unable to be here at this time.

Mr. McCLELLAN. There are three subcommittees.

Mr. ELLENDER. What does the subcommittee do?

Mr. ERVIN. It has jurisdiction over studies and bills which relate to intergovernmental matters—that is to say, studies and bills which relate to the Federal Government and also to the States or to local governmental subdivisions. In other words, I think the chairman of the full committee will agree that I make a correct statement when I say the committee has three subcommittees. One conducts investigations into efficiency and economy in government. A second is the subcommittee—headed by the Senator from Minnesota [Mr. HUMPHREY]—which deals with bills and studies concerned with changes in the structure of the Government. The third subcommittee—which is headed by the distinguished Senator from Maine [Mr. MUSKIE]—handles studies and bills dealing with matters with which the Federal Government, the State governments, and local governments are jointly concerned.

Mr. ELLENDER. I wonder whether the legislative branch could thus save some money.

Mr. ERVIN. This subcommittee is engaged in work which I hope will be productive of great savings.

Mr. ELLENDER. In connection with the legislative branch of the Government?

Mr. ERVIN. All the way around, because a pending bill—on which we have conducted hearings—deals with the question of all Federal grants. This subcommittee has no jurisdiction over the legislative branch, as such; but the subcommittee does have jurisdiction over such grants, because the State governments are much concerned with them. Under this bill, if it is passed and enacted, every Federal grant will be terminated at a certain time, and a review of it will be made. So we hope that under this bill we shall be able to eliminate some grants whose usefulness really has ceased—and therefore render great service to economy.

Mr. ELLENDER. I notice that the subcommittee was organized in 1962, when it spent $30,000. The next year that expenditure was more than doubled—to $66,030.

Mr. ERVIN. This year the subcommittee will be allowed, under its request, only the same amount that it had last year. The first year the subcommittee functioned for only a relatively small part of the year. It was found necessary to set up this subcommittee because of the very large number of bills referred to the other subcommittee, now headed by the Senator from Minnesota [Mr. HUMPHREY].

Mr. ELLENDER. As I understand, this subcommittee was organized on July 12, 1962, and for the whole year spent $30,900, and last year spent $66,000, and now is requesting $115,000.

Mr. ERVIN. Last year we spent all but $9,000 of the $115,000. The committee works in what I consider to be one of the most important fields in our country. They are trying to bring some order out of chaos in the field of the overlapping functions of Federal, State, and local governments. In the first year of its operation the subcommittee operated only about 3 months.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 280) was agreed to, as follows:

Resolved, That the Committee on Government Operations, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by subsection 1(g)(2)(D) of rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of intergovernmental relationships between the United States and the States and municipalities, including an evaluation of studies, reports, and recommendations made thereon and submitted to the Congress by the Advisory Commission on Intergovernmental Relations pursuant to the provisions of Public Law 86-380, approved by the President on September 24, 1959.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

SEC. 4. Expenses of the committee under this resolution, which shall not exceed $115,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

STUDY OF CERTAIN ASPECTS OF NATIONAL SECURITY OPERATIONS

Mr. JORDAN of North Carolina. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 817, Senate Resolution 279.

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 279) to study certain aspects of national security operations.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Carolina.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. ELLENDER. The resolution pertains to another subcommittee. I point out that there are four Subcommittee of the Committee on Government Operations. The committee about which we are now speaking is one headed by the Senator from Washington [Mr. JACKSON].

Mr. JORDAN of North Carolina. The Senator from Washington is not present, but the Senator from Rhode Island [Mr. PELL], who is a member of the committee, is present. He will be glad to provide any necessary information.

Mr. ELLENDER. There are probably three or four times as many professionals on those subcommittees as there are on the standing committees.

When the committee was first established, I recall that the Senator from Washington [Mr. JACKSON] said that he did not expect the work of the committee to continue very long. I have only a faint recollection of that incident, but it seems to me the amount of money which is being requested is less than the amount provided last year. Is that correct?

Mr. PELL. The Senator is correct. Last year the Senator from Washington was authorized $92,250 for an 11-month period, and cut down the amount by 10 percent to $90,000 this year.

Mr. ELLENDER. That is the second authorization in which there has been a cut.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 279) was agreed to, as follows:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946, and in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Government Operations, or any subcommittee thereof, is authorized, from February 1, 1964, through January 31, 1965, to make studies as to the efficiency and economy of operations of all branches and functions of the Government with particular reference to:

(1) the effectiveness of present national security methods, staffing, and processes as tested against the requirements imposed by the rapidly mounting complexity of national security problems;

(2) the capacity of present national security staffing, methods, and processes to make full use of the Nation's resources of knowledge, talents, and skills; and

(3) legislative and other proposals or means to improve these methods and processes.

SEC. 2. For the purposes of this resolution, the committee from February 1, 1964, to January 31, 1965, inclusive, is authorized—

(1) to make such expenditures as it deems advisable;

(2) to employ upon a temporary basis and fix the compensation of technical, clerical, and other assistants and consultants: *Provided*, That the minority of the committee is authorized at its discretion to select one employee for appointment; and

(3) with the prior consent of the head of the department or agency concerned, and the Committee on Rules and Administration, to utilize on a reimbursable basis the services, information, facilities, and personnel of any department or agency of the Government.

SEC. 3. Expenses of the committee under this resolution, which shall not exceed $90,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

AUTHORITY FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO MAKE CERTAIN INVESTIGATIONS

Mr. JORDAN of North Carolina. Mr. President, I move that the Senate proceed to consider Calendar No. 818, Senate Resolution 255.

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 255) authorizing the Committee on Interior and Insular Affairs to make certain investigations.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Carolina.

The motion was agreed to; and the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 255) was agreed to, as follows:

Resolved, That the Committee on Interior and Insular Affairs, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to Indian affairs; irrigation and reclamation; minerals, materials, and fuels; public lands; and territories and insular affairs.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. Expenses of the committee, under this resolution, which shall not exceed $105,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

STUDY OF ADMINISTRATIVE PRACTICE AND PROCEDURE

Mr. JORDAN of North Carolina. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 819, Senate Resolution 261.

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 261) to study administrative practice and procedure.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Carolina.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. ELLENDER. Mr. President, the Subcommittee on Administrative Practice and Procedure is 1 of the 14 Subcommittees of the Committee on the Judiciary. I express the hope that that committee can reorganize itself with a view toward reducing the number of subcommittees of the Committee on the Judiciary. As I pointed out a while ago, there are 14 subcommittees of the Committee on the Judiciary. I realize that one of the subcommittees deals with claims, and claims result in many bills that come to the Senate for consideration. The subcommittee dealing with questions relating to immigration and naturalization may be necessary. But even in those two cases there should be cuts made.

There is no use arguing about the various resolutions pertaining to the Judiciary Committee.

I repeat that, aside from the $142,250 and the $10,000 that will be spent for investigations, that committee will receive this year $1,968,415, which is more than the amount all the standing committees together spend.

Mr. President, I believe something should be done about that. I have brought the subject to the attention of the Senate quite often. I hope that my good friend the chairman of the Committee on Rules and Administration will have a study made of that problem and find out whether all those subcommittees are necessary. Surely all the employees of the subcommittees number many times more than the number to which the full committee is entitled, under the rule pertaining to standing committees. It strikes me that something ought to be done to reduce the number.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 261) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to make a full and complete study and investigation of administrative practice and procedure within the departments and agencies of the United States in the exercise of their rulemaking, licensing, and adjudicatory functions, including a study of the effectiveness of the Administrative Procedure Act, with a view to determining whether additional legislation is required to provide for the fair, impartial, and effective performance of such functions.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $120,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INVESTIGATION OF ANTITRUST AND MONOPOLY LAWS OF THE UNITED STATES

Mr. JORDAN of North Carolina. Mr. President, I move that the Senate proceed to consider Calendar No. 820, Senate Resolution 262.

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 262) to investigate antitrust and monopoly laws of the United States.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Carolina.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. ELLENDER. Is the amount the same as that provided last year?

Mr. JORDAN of North Carolina. It is the same as last year.

Mr. ELLENDER. No effort has been made to cut the amount.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 262) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to make a complete, comprehensive, and continuing study and investigation of unlawful restraints and monopolies, and of the antitrust and monopoly laws of the United States, their administration, interpretation, operation, enforcement, and effect, and to determine and from time to time redetermine the nature and extent of any legislation which may be necessary or desirable for—

(1) clarification of existing law to eliminate conflicts and uncertainties where necessary;

(2) improvement of the administration and enforcement of existing laws; and

(3) supplementation of existing law to provide any additional substantive, procedural, or organizational legislation which may be needed for the attainment of the fundamental objects of the laws and the efficient administration and enforcement thereof.

SEC. 2. For the purpose of this resolution the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $512,000, shall be paid from the contingent fund for the Senate upon vouchers approved by the chairman of the committee.

AUTHORITY TO STUDY MATTERS PERTAINING TO CONSTITUTIONAL AMENDMENTS

Mr. JORDAN of North Carolina. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 821, Senate Resolution 264.

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 264) authorizing a study of matters pertaining to constitutional amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Carolina.

The motion was agreed to, and the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration, with an amendment, on page 2, line 18, after the word "exceed", to strike out "$68,215.93" and insert "$55,000"; so as to make the resolution read:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to constitutional amendments.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that this gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its activities and findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $55,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JORDAN of North Carolina. Mr. President, we have cut the request of the committee.

Mr. ELLENDER. The committee cut back the request. I am talking about the expenditures of last year.

Mr. JORDAN of North Carolina. The request is approximately the same as last year's request—$68,155.

Mr. ELLENDER. Did not the committee request more.

Mr. JORDAN of North Carolina. They asked for more; $55,000 is provided for 12 months, so the amount is less than the committee received last year.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution (S. Res. 264), as amended, was agreed to.

INVESTIGATION OF MATTERS PERTAINING TO CONSTITUTIONAL RIGHTS

Mr. JORDAN of North Carolina. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 822, Senate Resolution 265.

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 265) to investgate matters pertaining to constitutional rights.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Carolina.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. ELLENDER. Mr. President, is the amount the same as provided last year?

Mr. ERVIN. Yes, the amount is the same as last year.

Mr. JORDAN of North Carolina. My colleague [Mr. ERVIN] is present.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 265) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to constitutional rights.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such exepnditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $165,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

CONSIDERATION OF MATTERS PERTAINING TO GOVERNMENT CHARTERS, HOLIDAYS, AND CELEBRATIONS

Mr. JORDAN of North Carolina. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 823, Senate Resolution 263.

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 263) to consider matters pertaining to Government charters, holidays, and celebrations.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Carolina.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. ELLENDER. Is the amount the same as provided last year?

Mr. JORDAN of North Carolina. The same amount as last year.

Mr. ELLENDER. I wonder what the subcommittee does in relation to Government charters, holidays, and celebrations? I would like to know what that important subcommittee does.

Mr. JORDAN of North Carolina. The distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN] is chairman of that subcommittee.

Mr. ELLENDER. I understand, but I believe he is too busy in his duties as minority leader to be able to do anything on that subcommittee. I should like to know something about its functions in relation to State and Federal charters, holidays, and celebrations.

Mr. ERVIN. Mr. President, I might shed some light on that question. I believe the appropriation has been $5,000. The task involved is quite difficult. There are 52 weeks in a year. That subcommittee must find some way to set aside for celebration about 80 or 90 different requests for designations of special days and weeks each year for celebrations of one kind or another. The subcommittee has quite a job trying to find a sufficient number of weeks to divide among all the requests which the subcommittee receives.

Mr. McCLELLAN. Mr. President, what is the amount contained in the resolution?

Mr. ELLENDER. Seven thousand five hundred dollars.

Mr. McCLELLAN. A number of resolutions are offered to designate a particular day or week to commemorate an occasion. Those requests come before the subcommittee. Someone must handle them. I am sure the amount requested is moderate compared with the amount of work which the committee does. It is not a subcommittee which must engage in a great deal of investigation, but there must be some inquiry made into the requests, and the amount requested is barely enough to pay one staff member.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 263) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate to consider all matters pertaining to Federal charters, holidays, and celebrations.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. Expenses of the committee, under this resolution, which shall not exceed $7,500, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

STUDY AND EXAMINATION OF FEDERAL JUDICIAL SYSTEM

Mr. JORDAN of North Carolina. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 824, Senate Resolution 267.

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 267) to study and examine the Federal judicial system.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Carolina.

The motion was agreed to; and the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 267) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to conduct a study and examination of the administration, practice, and procedures of the Federal judicial system with a view to determining the legislation, if any, which may be necessary or desirable in order to increase the efficiency of the Federal courts in the just and expeditious adjudication of the cases, controversies, and other matters which may be brought before them.

SEC. 2. For the purpose of this resolution the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis professional, technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of departments and agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

SEC. 4. Expenses of the committee under this resolution, which shall not exceed $100,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

STUDY OF MATTERS PERTAINING TO IMMIGRATION AND NATURALIZATION

Mr. JORDAN of North Carolina. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 825, Senate Resolution 266.

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 266) to study matters pertaining to immigration and naturalization.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Carolina.

The motion was agreed to; and the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 266) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate to examine, investigate, and make a complete study of any and all matters pertaining to immigration and naturalization.

SEC. 2. For the purposes of this resolution, the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $135,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INVESTIGATION OF INTERNAL SECURITY ACT

Mr. JORDAN of North Carolina. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 826, Senate Resolution 268.

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 268) to investigate the administration, operation, and enforcement of the Internal Security Act.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Carolina.

The motion was agreed to, and the Senate proceeded to consider the resolution.

Mr. ELLENDER. Is the amount involved the same as last year?

Mr. JORDAN of North Carolina. The same amount.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 268) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, insofar as they relate to the authority of the committee, to make a complete and continuing study and investigation of (1) the administration, operation, and enforcement of the Internal Security Act of 1950, as amended; (2) the administration, operation, and enforcement of other laws relating to espionage, sabotage, and the protection of the internal security of the United States; and (3) the extent, nature, and effect of subversive activities in the United States, its territories and possessions, including, but not limited to, espionage, sabotage, and infiltration by persons who are or may be under the domination of the foreign government or organizations controlling the world Communist movement or any other movement seeking to overthrow the Government of the United States by force and violence.

SEC. 2. For the purposes of this resolution, the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable service, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. Expenses of the committee, under this resolution, which shall not exceed $360,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INVESTIGATION OF JUVENILE DELINQUENCY

Mr. JORDAN of North Carolina. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 827, Senate Resolution 274.

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 274) to investigate juvenile delinquency.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Carolina.

The motion was agreed to, and the Senate proceeded to consider the resolution.

Mr. ELLENDER. The amount involved is the same as last year?

Mr. JORDAN of North Carolina. It is the same amount as last year.

Mr. ELLENDER. The resolution pertains to the committee investigating juvenile delinquency.

Mr. JORDAN of North Carolina. The Senator is correct. The Senator from Connecticut [Mr. DODD] is present.

Mr. ELLENDER. I know he can defend it. I know there is no use to go into it, because I have been challenging this resolution ever since it was first brought before the Senate more than 15 years ago, I believe. Consideration of the problems involved was supposed to be completed in 2 or 3 years, but as the years have gone by, the committee has received more and more money to investigate and to send out reports.

It happens that the subcommittee office is next to mine. It surprised me, when I came back from the holidays, to see a stack of books almost as high as the door—to be distributed, presumably. I assume it all resulted from the hearings.

Mr. DODD. Yes. Mr. President, I should like to point out with respect to the resolution before the Senate, that this Nation is faced today with the latest yearly installment of a continuous 13-year growth of juvenile delinquency. While there seemed to be a slowing down in 1962, last year we again had to record a 10-percent nationwide increase in juvenile court cases and a 9 percent increase in the number of police arrests of persons under 18 years of age.

During the 3 years that I have been chairman of the Juvenile Delinquency Subcommittee, the other members and I have worked to halt the upward trend of this menace. We have searched for the causes of this unnecessary and tragic ruination of young lives and we have searched for legislative solutions.

Three of the bills introduced or acted upon by the committee have become law. These measures will help us in the correction and rehabilitation of young offenders and they will help us establish better control over the entire problem of delinquency.

But this is only a beginning.

I believe that we must continue this work because we have other legislative proposals to consider and because we have not yet halted the forces in our society which cause our young people to become criminals.

For several years, I have introduced legislation to help eliminate the peddling of narcotics and other deadly drugs to young people. I have also proposed a resolution to create a Joint American-Mexican Commission on Narcotics to stop the illegal traffic of drugs between the two countries. These measures are supported in the report released by President Johnson on January 25, 1964, which was prepared by his Advisory Commission on Narcotics and Drug Abuse. And I am determined to work to get these measures passed in this session of Congress because their enactment would be another important step in the direction of reduced delinquency and lessened corruption of our youth.

Another major problem awaiting solution is the irresponsible trade in mail-order pistols and rifles. The tragic assassination of President Kennedy with a $12.88 rifle acquired through a mail-order source has shown us at an inestimable cost that sanity must be returned to the distribution of deadly weapons. This tragic event led us to devote the latter part of 1963 to redrafting our legislation introduced earlier concerning the sale of weapons to juveniles and criminals. The amended bill, S. 1975, is presently being considered by the Commerce Committee, and I certainly hope it will become law before the end of this session.

Another unexpected investigation that took time away from our scheduled activities concerned tracking down illegal and harmful practices in the sale of dangerous explosives which had resulted in tragic accidents and serious delinquencies among youth. Members of the committee and staff are still cooperating with the Department of Justice in uncovering these unlawful operations.

In addition to these activities, as part of our proposed program for last year, we were able to reintroduce and obtain passage of a bill to help prevent the large number of escapees from Federal juvenile institutions. This is, however, only a first step in curbing further delinquency by young people who have been detained in correctional facilities, and it must be followed by other improvements in the treatment and handling of delinquents under Federal jurisdiction.

We must also have additional time for completing our study of the influence of the mass media on young people by evaluating the excessive crime and violence that permeate television in spite of promises of improvement made by the broadcasting industry to the subcommittee during hearings in 1961 and 1962.

We must arrive at some restrictions on the unscrupulous advertising and mailing of pornographic literature to juveniles.

And we must carry through a study concerning black market adoption practices and conduct hearings that were to be chaired by our late colleague Senator Estes Kefauver, but which had to be rescheduled for this session after the Senator's death last year.

Furthermore, it is important that we undertake to evaluate and study the recent Federal effort to improve programs for the prevention and control of juvenile delinquency authorized by the Juvenile Delinquency and Youth Offenses Control Act of 1961. This act and the demonstration projects it has created in cities across the country is the first major nationwide effort to cope with delinquency with the cooperation of Federal, State, and local governments, and even with the help of nongovernmental and private agencies and organizations.

It is of vital importance that we study this ambitious program; it is important we study the factors in delinquency, such as lack of opportunity for proper education, employment, and for other constructive activity which this law proposes to modify; and it is important that we study the changes in the delinquency pattern as the program is put into action. It is crucially important for this legislative body and for this subcommittee to keep these matters under close surveillance because should this major effort fail to produce results, our country will be in a worse position with respect to delinquency than it was in 1961, because we will have no place to turn, because we will have tried most of the approaches to the solution of delinquency that seem possible today, and because we will be hesitant in mounting other programs in the face of uncertainty regarding their outcome.

Mr. President, the Juvenile Delinquency Subcommittee is proof to the American people that Congress and the Senate recognize the dangers of delinquency and the crippling effect it has on hundreds of thousands of young lives every year. The committee has stood by the new ventures to curb this menace undertaken in recent years; and it has been responsible for major legislation, some of which has been enacted and some of which is still in the developmental stage. Indeed, through the hearings and the studies we have accumulated, we are in a position to advance new bills and to seek new solutions to the problem. Mr. President, I believe that our past record and the program of future activities set forth in my letter to the distinguished chairman of the Judiciary Committee fully justifies the continuation of the subcommittee through the coming year.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 274) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to juvenile delinquency in the United States, including (a) the extent and character of juvenile delinquency in the United States and its causes and contributing factors; (b) the adequacy of existing provisions of law, including chapters 402 and 403 of title 18 of the United States Code, in dealing with youthful offenders of Federal laws; (c) sentences imposed on, or other correctional action taken with respect to, youthful offenders by Federal courts; and (d) the extent to which juveniles are violating Federal laws relating to the sale or use of narcotics.

SEC. 2. For the purposes of this resolution, the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employees; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation, as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $188,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INVESTIGATION OF NATIONAL PENITENTIARIES

The PRESIDING OFFICER. The next resolution will be stated by title.

The LEGISLATIVE CLERK. Calendar No. 828, a resolution (S. Res. 269) to investigate national penitentiaries.

The resolution was considered and agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and inspect national penitentiaries.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

EXAMINATION AND REVIEW OF ADMINISTRATION OF PATENT OFFICE

The PRESIDING OFFICER. The next resolution will be stated by title.

The LEGISLATIVE CLERK. Calendar No. 829, a resolution (S. Res. 270) to examine and review the administration of the Patent Office.

Mr. ELLENDER. Mr. President, I wonder if we may have an explanation of the resolution. This study has been going on for some time. I wonder what progress has been made in the Patent Office investigation.

Mr. McCLELLAN. Mr. President, let us see what has happened in the subcommittee program for 1964. The most important legislative matters before the committee involve several bills to establish a uniform policy concerning disposition of patent rights arising from approximately $15 billion of Government-financed research and development. Various legislative actions in the Senate in recent years have established the intent of the Senate that the Government policy in that respect should be determined by the Congress. So we have before us the patent fee bill, and extension of the programs leading to a general revision of the copyright law, and fundamentals of our present patent examination system. There is a long list of the work to be done.

I point out that the subcommittee was first established in the 84th Congress. I have been chairman of it for the past 3 years. During that time we have returned $118,000 out of the amount requested. This year we are returning $32,400 out of that amount. We shall probably operate on less than the requested amount. However, unless something intervenes, the committee's work will be much heavier than last year.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 270) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to conduct a full and complete examination and review of the administration of the Patent Office and a complete examination and review of the statutes relating to patents, trademarks, and copyrights.

Sec. 2. For the purposes of this resolution the committee from February 1, 1964, to January 31, 1965, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

Sec. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

Sec. 4. Expenses of the committee, under this resolution, which shall not exceed $125,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INVESTIGATION OF PROBLEMS CREATED BY REFUGEES AND ESCAPEES FROM COMMUNIST TYRANNY

The PRESIDING OFFICER. The next resolution will be stated by title.

The Legislative Clerk. Calendar No. 830, a resolution (S. 271) to investigate problems created by the flow of refugees and escapees from communistic tyranny.

The Senate proceeded to consider the resolution.

Mr. ELLENDER. Mr. President, I notice my good friend from North Carolina has provided $87,500 for the committee. The record shows that about all that was done by the committee was the production of an annual report. Is that correct?

Mr. JORDAN of North Carolina. The Senator from Michigan [Mr. Hart], chairman of the committee, can answer that question.

Mr. ELLENDER. Is that correct?

Mr. HART. The Senator is correct, in terms of the printed material.

Mr. ELLENDER. Who prepared the printed material? Was it a report made without hearings?

Mr. HART. I regret if the report does not reflect the series of hearings the subcommittee has held.

Mr. ELLENDER. Held when?

Mr. HART. During the past 12 months.

Mr. ELLENDER. I understood there were no hearings.

Mr. HART. Oh, no. Hearings were held in various parts of the country, including Washington and Michigan. The subcommittee reviewed specifically and at some considerable length, the problem of the relocation of Cuban refugees. I think our colleagues from Florida would confirm my statement that the hearings of the Refugee Subcommittee have contributed greatly to relieving pressure from that State. Seventy million dollars are earmarked for programs connected with Cuban refugees alone. We feel that having had these hearings has made it possible for resettlement——

Mr. ELLENDER. What did the subcommittee do?

Mr. HART. It held hearings in various places in the country. One of the difficulties in encouraging refugees to resettle in communities outside Florida was the mystery surrounding these people, the nature of their culture, possible displacement of employment. The committee succeeded in getting mayors and voluntary and church-related groups in three or four cities to look into the problem. As a consequence, it is our definite opinion that the continuing and difficult problem in Miami has been somewhat relieved.

Mr. ELLENDER. I wish the subcommittee would look into ways to save the Federal Government some money in this area, because, as he has said, it is costing us $70 million a year. As I pointed out before the Appropriations Committee, this country took care of thousands of European refugees at one time. Here we are taking in thousands of Cubans, but we do not get any assistance from our friends across the seas.

Mr. HART. The Senator could include Latin America, which by tradition and history, would have an interest.

Mr. ELLENDER. When Latin American countries agreed to take some refugees, we had to pay for the transportation of them.

Mr. HART. I am sure the Senator will be interested to know that there was a considerable effort made to establish the validity of opening a second port of entry for these refugees, in addition to Miami. It was strongly suggested that perhaps the Port of New Orleans could be opened to them.

Mr. ELLENDER. I hope we keep it closed, because we do not need them.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 271) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to the problems created by the flow of refugees and escapees from Communist tyranny.

Sec. 2. For the purposes of this resolution, the committee from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ on a temporary basis technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the department or agency concerned and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

Sec. 3. The committee shall report its findings, together with its recommendations for such legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

Sec. 4. The expenses of the committee under this resolution, which shall not exceed $87,000, shall be paid from the contingent fund of the Senate by vouchers approved by the chairman of the committee.

STUDY OF REVISION AND CODIFICATION OF STATUTES OF THE UNITED STATES

The PRESIDING OFFICER. The next resolution will be stated by title.

The Legislative Clerk. Calendar No. 831, a resolution (S. Res. 272) to study revision and codification of the statutes of the United States.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to revision and codification of the statutes of the United States.

Sec. 2. For the purposes of this resolution the committee from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis technical, clerical, and other assistants and consultants: *Provided*, That if more than one counsel is employed, the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

Sec. 3. The committee shall report its findings, together with its recommendations, to the Senate at the earliest practicable date, but not later than January 31, 1965.

Sec. 4. Expenses of the committee, under this resolution, which shall not exceed $28,200, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. JORDAN of North Carolina. Mr. President, I point out that the subcommittee asked for less than it did last year.

Mr. ERVIN. Mr. President, as chairman of that subcommittee, I thought, happening to be mostly Scotch in blood, I should support a cut in the expenditures of the subcommittee.

Mr. ELLENDER. That is why I did not say anything about it.

INVESTIGATION OF ADMINISTRATION OF TRADING WITH THE ENEMY ACT

The PRESIDING OFFICER. The next resolution will be stated by title.

The Legislative Clerk. Calendar No. 832, a resolution (S. Res. 273) to investigate the administration of the Trading With the Enemy Act, which had been reported from the Committee on Rules and Administration, with an amendment, on page 2, line 17, after the word "exceed", to strike out "$60,000" and insert "$55,400"; so as to make the resolution read:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to conduct a further examination and review of the administration of the Trading With the Enemy Act, as amended, and the War Claims Act of 1948, as amended, and consider proposed legislation affecting said Acts.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $55,400, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The amendment was agreed to.

Mr. ELLENDER. Mr. President, this request represents another cut, so I am not going to say anything about it.

I may say to the Senator from North Carolina [Mr. JORDAN], that I must have been misinformed. I had been informed that a 10-percent cut had been made in all the requests.

Mr. JORDAN of North Carolina. No.

Mr. ELLENDER. I would not be speaking against these resolutions if that had been done, but after looking over the resolutions, I found that was true in only two or three cases.

Mr. JOHNSTON. Mr. President, I point out that the reason why we did not use the $12,000 last year was that the minority party did not appoint its staff member until September. We did reduce the amount, but, at the same time, the minority has a right to have its representative on the committee.

At present we are having a great deal of trouble in this committee. Refugees from overseas were brought into this country whose property Hitler had destroyed. After they were made citizens, they are knocking at our door for relief under the Trading With the Enemy Act, to pay them for the property that Hitler had destroyed in Germany. We have been working hard trying to prevent them from receiving it, but it is no easy job.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution (S. Res. 273), as amended, was agreed to.

ADDITIONAL STAFF FOR COMMITTEE ON LABOR AND PUBLIC WELFARE

The PRESIDING OFFICER (Mr. McINTYRE in the chair). The next resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 252) to authorize additional staff for the Committee on Labor and Public Welfare.

Mr. ELLENDER. No additional staff member has been added in the previous year?

Mr. JORDAN of North Carolina. This is the same as last year.

The resolution (S. Res. 252) was considered and agreed to, as follows:

Resolved, That the Committee on Labor and Public Welfare is authorized from February 1, 1964, through January 31, 1965, to employ one additional assistant chief clerk, seven additional professional staff members, and nine additional clerical assistants to be paid from the contingent fund of the Senate at rates of compensation to be fixed by the chairman in accordance with section 202(e), as amended, of the Legislative Reorganization Act of 1946, and the provisions of Public Law 4, Eightieth Congress, approved February 19, 1947, as amended.

ADDITIONAL STAFF MEMBER FOR COMMITTEE ON LABOR AND PUBLIC WELFARE

The PRESIDING OFFICER. The next resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 253) authorizing the employment of one additional staff member for the Committee on Labor and Public Welfare—printing clerk.

Mr. ELLENDER. Is this the same as last year?

Mr. McNAMARA. This is for one additional staff member.

Mr. JORDAN of North Carolina. This is the same as it was last year.

Mr. JOHNSTON. This is the same as it was last year and has been many times in the past.

Mr. McNAMARA. Are we discussing Calendar No. 834?

Mr. ELLENDER. Yes.

Mr. McNAMARA. This is for an additional staff member to handle printing, and he will become the printing clerk. He is needed on the committee. The question was taken up by the full committee and was authorized in the regular manner.

Mr. ELLENDER. How much will the employee be paid?

Mr. McNAMARA. That will be for the chairman to decide. He has been earnfrom $12,000 to $13,000 approximately.

Mr. ELLENDER. For a printing clerk?

Mr. McNAMARA. Yes.

Mr. ELLENDER. That is quite a sum. Could not a printing clerk be obtained at a more reasonable salary?

Mr. McNAMARA. I believe this is the sum paid by other committees.

Mr. ELLENDER. Why is it necessary to have a printing clerk? Why could not a member of the regular staff take care of that?

Mr. McNAMARA. Because we have no editorial specialist on our regular staff, and a printing clerk is a technician.

Mr. ELLENDER. A technician.

Mr. McNAMARA. This man has been on the Government Printing Office payroll for years. He has been detailed to the committee by the Government Printing Office. The committee feels it will be more efficiently served by placing him on our own staff, as is done by several other committees.

Mr. ELLENDER. On whose payroll did the Senater say he was?

Mr. McNAMARA. The Government Printing Office.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was considered and agreed to, as follows:

Resolved, That the Committee on Labor and Public Welfare is authorized to employ one additional professional staff member to be paid from the contingent fund of the Senate at a rate of compensation to be fixed by the chairman in accordance with section 202(e), as amended, of the Legislative Reorganization Act of 1946.

SEC. 2. Such additional professional staff member shall be a person experienced in congressional editorial and printing work who shall also be available for the performance of other committee duties.

ADDITIONAL FUNDS FOR CERTAIN STUDIES BY COMMITTEE ON POST OFFICE AND CIVIL SERVICE

The PRESIDING OFFICER. The next resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 281) to provide additional funds for the Post Office and Civil Service Committee to make certain studies.

Mr. JOHNSTON. Mr. President, that is the same as it was last year.

The resolution (S. Res. 281) was considered and agreed to, as follows:

Resolved, That the Committee on Post Office and Civil Service, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate to examine, investigate, and conduct such studies as may be deemed necessary with respect to any and all aspects of—

(1) the postal service, particularly with respect to (a) the efficient distribution of the mail, including the ZIP code and ABCD systems, (b) the administration and operation of the Post Office Department, including modernization of equipment and facilities, (c) parcel post, with emphasis upon research into ways to bring costs and revenues into reasonable consonance, and

(2) the civil service system, studies embracing (a) the merit system and its maintenance, including inquiries to assure that civil service rules and regulations are adhered to in recruitment and promotions, (b) Federal compensation, a continuation of the committee's intensive study of congressional pay, executive pay, and all other civilian salary systems; and the principle of comparability as endorsed by Congress in the Salary Reform Act of 1962, (c) dual compensation, (d) the Federal health and life insurance programs, (e) and the Federal retirement program.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1964, to

January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

Sec. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

Sec. 4. Expenses of the committee under this resolution, which shall not exceed $75,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

ADDITIONAL EMPLOYEE FOR COMMITTEE ON POST OFFICE AND CIVIL SERVICE

The PRESIDING OFFICER. The next resolution will be stated by title for the information of the Senate.

The Legislative Clerk. A resolution (S. Res. 282) to authorize the Post Office and Civil Service Committee to employ a temporary clerical employee.

Mr. JOHNSTON. Mr. President, that is the same as last year.

Mr. JORDAN of North Carolina. Mr. President, that is the same as it has been for many years, that one extra clerk.

The resolution (S. Res. 282) was considered and agreed to, as follows:

Resolved, That the Committee on Post Office and Civil Service is authorized from February 1, 1964, through January 31, 1965, to employ one additional clerk assistant to be paid from the contingent fund of the Senate at rates of compensation to be fixed by the chairman in accordance with the provisions of Public Law 4, Eightieth Congress, approved February 19, 1947, as amended.

ADDITIONAL FUNDS FOR COMMITTEE ON PUBLIC WORKS

The PRESIDING OFFICER. The next resolution will be stated by title for the information of the Senate.

The Legislative Clerk. A resolution (S. Res. 259) to provide additional funds for the Committee on Public Works.

Mr. JORDAN of North Carolina. Mr. President, that is the same as it was last year.

Mr. ELLENDER. I inquire of the Senator from Michigan [Mr. McNamara] the purpose of the resolution.

Mr. McNAMARA. These are funds for the standing committee plus the subcommittees which are included. There is no change. This is the same as requested in the past.

Mr. ELLENDER. This is in addition to the regular amount given a standing committee?

Mr. McNAMARA. The Senator is correct. This has been the practice for a great many years. We have returned much more than 10 percent. We returned approximately $75,000 last year, and we hope to have some savings again this year.

The resolution (S. Res. 259) was considered and agreed to, as follows:

Resolved, That the Committee on Public Works, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to flood control, navigation, rivers and harbors, roads and highways, water pollution, public buildings, and all features of water resource development.

Sec. 2. For the purposes of this resolution the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

Sec. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

Sec. 4. Expenses of the committee, under this resolution, which shall not exceed $125,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

EXPENDITURE OF FUNDS BY COMMITTEE ON RULES AND ADMINISTRATION WITH RESPECT TO INVESTIGATION

The PRESIDING OFFICER. The next resolution will be stated by title for the information of the Senate.

The Legislative Clerk. A resolution (S. Res. 291) authorizing the expenditure of funds by the Committee on Rules and Administration in discharging its responsibilities under Senate Resolution 212—inquiry into the financial or business interests of any officer or employee or former officer or employee of the Senate.

Mr. JORDAN of North Carolina. Mr. President, I believe it is quite generally known that last October, by Senate Resolution 212, the Committee on Rules and Administration was authorized and directed to make an investigation with respect to any financial or business interests or activities of any officer or employee or former officer or employee of the Senate.

By Senate Resolution 221, agreed to on November 1, 1963, the sum of $50,000 was provided for the purposes of the investigation through January 31, 1964. Close to $40,000 of that amount was expended by the end of January.

Senate Resolution 291 would provide additional money in the amount of $75,000 through April 30, 1964, to continue the investigation.

At the present time, the Rules Committee has 14 temporary employees charged to the investigative payroll. This includes three employes on loan from the General Accounting Office. The present monthly payroll for the investigation is approximately $15,000. In addition, there are the expenses of travel, reporter's fees, long-distance telephone calls, and so on.

The Committee on Rules and Administration gave careful consideration to the amount requested in Senate Resolution 291 and came to the conclusion that $75,000 through April 30, 1964, would be adequate. It is my personal hope that the committee's assignment under Senate Resolution 212 can be completed by that date.

The resolution (S. Res. 291) was considered and agreed to, as follows:

Resolved, That for the purpose of discharging its responsibilities pursuant to S. Res. 212, to inquire into the financial or business interests of any officer or employee or former officer or employee of the Senate, agreed to October 10, 1963, the Committee on Rules and Administration is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other person employed under the authority of this resolution; and (3) with the prior consent of the heads of the departments or agencies concerned, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

Sec. 2. Expenses of the committee, under this resolution, which shall not exceed $75,000 from February 1, 1964, to April 30, 1964, inclusive, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

EMPLOYMENT OF TEMPORARY PERSONNEL BY COMMITTEE ON RULES AND ADMINISTRATION

The PRESIDING OFFICER. The next resolution will be stated by title for the information of the Senate.

The Legislative Clerk. A resolution (S. Res. 292) authorizing the Committee on Rules and Administration to make expenditures and to employ temporary personnel.

Mr. ELLENDER. I should like to inquire of the Senator from North Carolina whether this is an increase over last year.

Mr. JORDAN of North Carolina. The Senator is correct.

Mr. ELLENDER. That is because it is an election year. When will the hiring of extra personnel begin, for whom this money is being appropriated?

Mr. JORDAN of North Carolina. There are only two girls employed on the subcommittee at present, and one attorney who is on the temporary payroll of the investigation. No one will be hired unless we investigate an election somewhere this year.

The resolution (S. Res. 292) was considered and agreed to, as follows:

Resolved, That the Committee on Rules and Administration, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate and make a complete study of any and all matters pertaining to—

(1) the election of the President, Vice President or Members of Congress;

(2) corrupt practices;

(3) contested elections;

(4) credentials and qualifications;

(5) Federal elections generally, and

(6) Presidential succession.

Sec. 2. For the purpose of this resolution, the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants; *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

Sec. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

Sec. 4. Expenses of the committee, under this resolution, which shall not exceed $150,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INVESTIGATION OF PROBLEMS OF AMERICAN SMALL AND INDEPENDENT BUSINESS

The PRESIDING OFFICER. The next resolution will be stated by title for the information of the Senate.

The Legislative Clerk. A resolution (S. Res. 284) to investigate problems of American small and independent business.

Mr. ELLENDER. Mr. President, that is the same as last year.

Mr. JORDAN of North Carolina. It is actually $10,000 less than the amount which was requested last year.

The resolution (S. Res. 284) was considered and agreed to, as follows:

Resolved, That the Select Committee on Small Business, in carrying out the duties imposed upon it by S. Res. 58, Eighty-first Congress, agreed to February 20, 1950, and S. Res. 272, Eighty-first Congress, agreed to May 26, 1950, is authorized to examine, investigate, and make a complete study of the problems of American small and independent business and to make recommendations concerning those problems to the appropriate legislative committees of the Senate.

Sec. 2. For the purposes of this resolution, the committee, from February 1, 1964, to January 31, 1965, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

Sec. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

Sec. 4. Expenses of the committee under this resolution, which shall not exceed $125,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INCREASE IN LIMIT OF EXPENDITURES FOR HEARINGS BEFORE COMMITTEE ON ARMED SERVICES

The PRESIDING OFFICER. The next resolution will be stated by title for the information of the Senate.

The Legislative Clerk. A resolution (S. Res. 285) increasing the limit of expenditures for hearings before the Committee on Armed Services.

The resolution (S. Res. 285) was considered and agreed to, as follows:

Resolved, That the Committee on Armed Services hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-eighth Congress, $10,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946.

ADDITIONAL FUNDS FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

The PRESIDING OFFICER. The next resolution will be stated by title for the information of the Senate.

The Legislative Clerk. A resolution (S. Res. 275) providing additional funds for Committee on Interior and Insular Affairs.

Mr. MANSFIELD. Mr. President, will the Senator from North Carolina yield?

Mr. JORDAN of North Carolina. I yield.

Mr. MANSFIELD. I should like to keep this resolution as the pending business for a short time. That will take care of all the resolutions on the calendar which the Senate has agreed to consider today.

I take this opportunity to thank the distinguished Senator from Louisiana for the courtesy and consideration he has shown in the discussion of these resolutions.

Mr. ELLENDER. Without much success, I am afraid.

Mr. MANSFIELD. At least, the Senator is consistent. Sometimes consistency is a jewel.

NOTICE OF HEARINGS PLANNED BY SUBCOMMITTEE ON ANTITRUST AND MONOPOLY ON TWO ANTITRUST BILLS

Mr. HART. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HART. Mr. President, the Subcommittee on Antitrust and Monopoly is planning to hold hearings on February 19, 20, and 21 on two antitrust bills relating to the Robinson-Patman Act. They are S. 1815, introduced last June 27 by the Senator from Minnesota [Mr. HUMPHREY] to amend the Clayton Act to provide relief by governmental and private civil proceedings for violations of section 3 of the Robinson-Patman Act; and S. 1935, introduced last July 24 by the Senator from Alabama [Mr. SPARKMAN] and a number of cosponsors, to amend the Clayton Act by making section 3 of the Robinson-Patman Act a part of the Clayton Act, in order to provide for governmental and private civil proceedings for violations of section 3 of the Robinson-Patman Act.

The witness list is still in process of formulation. Anyone who wishes to testify on either or both of these bills is invited to get in touch with the general counsel of the subcommittee, Mr. James Corkey, in room 412 of the Old Senate Office Building.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call may be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERSTATE PUBLIC ACCOMMODATIONS ACT—REPORT OF A COMMITTEE—INDIVIDUAL VIEWS (PTS. 1 AND 2 OF S. REPT. NO. 872)

Mr. MAGNUSON. Mr. President, early last summer or the late spring the Senate Commerce Committee had referred to it a bill which deals with a very important segment of the civil rights problem in the United States; namely, the so-called public accommodations section.

The committee held long hearings on the bill. I do not know how many witnesses, numerically speaking, were heard, but the witnesses represented all segments of the controversy; they came from all parts of the United States; they came from all walks of life; and they came from all geographical sections of country involved in this subject.

I believe the committee did excellent work in hearing all sides of the question and all shades of opinion on the highly sensitive matter of public accommodations in the field of civil rights.

Then the committee spent several weeks in having the testimony printed and in submitting it to the members of the committee, who had various views on certain portions of the bill.

Then some days elapsed in which the members of the committee who wished to file separate views had the opportunity to do so. They were given the opportunity to look over the committee report so that they might be in a better position to prepare their separate or individual views.

That happened toward the end of the last session. The report was ready at that time, but it had not been printed. Every member of the committee had an opportunity to exercise his right to express an opinion after reviewing minutely and carefully the hearings. Then the staff proceeded to prepare the report to be sent to the Senate.

Today, on behalf of the Committee on Commerce I am submitting the report on S. 1732, the proposed Interstate Public Accommodations Act, together with individual views of four of the able and distinguished members of the committee, to be printed in two parts—part 2 to contain Mr. PROUTY's individual views. The report includes a brief summary and a section-by-section analysis of the bill.

The **PRESIDING OFFICER.** Does the Senator desire to have the individual views filed?

Mr. **MAGNUSON.** I interrupt my presentation to ask unanimous consent that I may be permitted to file the report from the Committee on Commerce on S. 1732 by 6 o'clock this evening.

The **PRESIDING OFFICER.** With individual views?

Mr. **MAGNUSON.** With individual views.

The **PRESIDING OFFICER.** Is there objection? The Chair hears none, and it is so ordered.

Mr. **MAGNUSON.** Some of the Republican members of the committee wished to make some minor changes in their individual views. They will be ready in the next hour or so.

The report includes a brief summary and a section-by-section analysis of the bill. It differs in some respect from the original draft. It contains a comprehensive review of the legal and historical background, a short résumé of committee action on the bill, and a section dealing with what we call the need for enactment.

In reporting S. 1732 today, I wish to compliment all the members of the committee, both for their thorough and searching consideration of its context in connection with the grave national problems involved, and for their fairness and cooperation in seeking legislative answers to these problems.

Mr. President, regardless of whether the witnesses represented one extreme, which is violently opposed to the whole concept of the bill, or the other extreme, that of wanting a more stringent accommodations bill, or whether they were in between these various views, they conducted themselves with high decorum. This is particularly noteworthy when we consider the sensitivity and the explosive nature of the subject at that time last year. They all stuck to the portions of the bill in which they were interested. As a matter of fact, I believe that some of the finest legal testimony that I have ever heard—and their testimony could almost have been testimony or agreement that is given in a case in a high court—was of the finest character, and their testimony represents some of the finest legal opinions in the United States on this controversial subject.

Therefore, I wish to compliment not only the committee, but also the witnesses. This was a subject of a highly explosive nature and of the greatest sensitivity.

As a result I think we have a bill in which most Members of this legislative body can concur and which the great preponderance of our Nation's citizens will welcome with enthusiasm and gratitude. They will welcome it not because it is politically or economically expedient, but because it is right.

The purpose of S. 1732 is stated in a two-sentence declaration of policy, designated as section 2. The six remaining sections are designed to implement this policy. Because this brief declaration of policy is the heart and soul of the entire bill, the basis on which this legislation will stand or fall, I propose to read it:

> Discrimination or segregation on account of race, color, religion, or national origin is a moral injustice, an affront to human dignity, a violation of the spirit and letter of the Declaration of Independence and the Constitution of the United States of America, and a rejection of the fundamental ideals of American life.
>
> Therefore, it is hereby declared to be the policy of Congress to secure the eradication of discrimination or segregation on account of race, color, religion, or national origin, and it is the purpose of this Act to assure that goods, services, facilities, privileges, advantages, and accommodations are available without such discrimination or segregation from establishments serving the general public.

Mr. President, this declaration of policy embraces no new principle of human rights. It is as old as the concepts of justice of enlightened men, as old as the common law and Bill of Rights, as old as the moral truths and ideals of the great religious faiths under which we live.

What is new is that in this bill Congress proposes to put these concepts and immortal truths into deeds as well as words; to transform our time-honored professions of justice and freedom into living realities shared by all citizens of good intention; to assure these citizens of equal access within their means to the public proofs and benefits of our cultural and commercial advances.

S. 1732 is intended to provide legal recourse, when necessary, to citizens denied access or admission to certain public places and organizations on account of race, color, religion, or national origin.

This is in keeping with the platforms of both of our great national political parties, adopted at their 1960 conventions.

> In a nation dedicated to the proposition that all men are created equal—racial discrimination has no place.

So reads the 1960 Republican platform.

The platform continues:

> We recognize that civil rights is a responsibility not only of States and localities; it is a national problem and national responsibility.
>
> We pledge the full use of the power, resources, and leadership of the Federal Government to eliminate discrimination based on race, color, religion, or national origin.

The Democratic platform of 1960 stated as follows:

> The peaceful demonstrations for first-class citizenship which have recently taken place in many parts of this country are a signal to all of us to make good at long last the guarantees of our Constitution. * * * The time has come to assure equal access for all Americans to all areas of community life.

S. 1732 is not that sweeping. It would apply only to public areas of community life.

Included among public places where citizens would be free from discrimination on account of race, color, religion, or national origin would be hotels, motels, and other accommodations where lodgings are furnished to transient guests; places of entertainment, amusement, or athletic events the participants or sources of which move in interstate commerce; and places where food, goods, or services are held out to the public for sale when the operation of such public establishments has a substantial impact on interstate travel or interstate movement of goods in commerce.

S. 1732 proposes to remove disabilities which today afflict millions of our citizens in their lawful pursuit of happiness or the necessities of life, and which afflict this huge segment of our population without benefit or advantage to the remaining citizenry and with injury to the Nation.

Discrimination disrupts trade, impedes enterprise and the flow of commerce, retards business and industrial development, impairs our culture, represses educational attainment, weakens our security and national morale, mitigates against the public health, diminishes our image before the world, damages the economy, and corrodes the Nation's conscience.

It is wrong, and unless Congress recognizes this wrong and enacts appropriate legislation to end the canker of discrimination this wrong will not be righted.

As the distinguished Senator from New Jersey [Mr. CASE] observed in his testimony before the Committee during the hearings on this bill:

> Discrimination is debasing, not just to those discriminated against but to those who discriminate. * * * When will the Government of the United States act to redeem the pledge of our Constitution that all citizens are equal under the law?

Or as my esteemed friend, the Senator from Hawaii [Mr. INOUYE] suggested to the committee at these hearings:

> In this issue human rights are paramount, not States' rights or property rights alone.

Mr. President, we are one Nation. We are one people, living under one flag, one Constitution, one Bill of Rights. We bear, each of us, a share in the tax burden, in the costs of government. Each of us should be entitled to share in its bounties.

We share, each of us, in the responsibilities of national defense. Citizens of all races and creeds, thousands upon thousands of them, have given their blood or their lives in the Nation's wars to preserve our freedoms. They should be entitled to share in those freedoms in the normal pursuits of life.

S. 1732 will be one significant step toward this goal.

The United States can no longer tolerate discrimination, the essence of intolerance.

Mr. President, I now submit the report (No. 872) on the Senate bill 1872, to eliminate discrimination in public accommodations affecting interstate commerce, with amendments, the individual views of the Senator from Oklahoma [Mr. MONRONEY], the Senator from South Carolina [Mr. THURMOND], and the Senator from New Hampshire [Mr. COTTON], to be contained in the majority report, and the individual views of the Senator from Vermont [Mr. PROUTY], to be printed as part 2 of the report.

The PRESIDING OFFICER. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Washington.

Mr. HART. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HART. The chairman complimented the committee, which reported this bill. As one member of the committee, I should like to express publicly what I feel to be the attitude of every member of the committee, whatever our specific views may be with respect to the bill we are now reporting, toward our distinguished chairman. It is that the Senator from Washington, in a setting highly emotional, with feelings running at great depth, caused the hearings to be conducted in a fashion which I believe reflects great credit on the Senate. This is one of the most difficult of all areas in which to sit and calmly debate; but the Senator from Washington has established that a Senate committee can take a hot piece of civil rights legislation, hold thorough hearings, and then report a bill. I hope the bill we report will become the law of the land, and promptly.

We talk about a "truism" in this country. The "truism" goes this way: In America we judge a man for what he is, and not for the church that he attends, nor the side of the railroad tracks from which he comes, nor how he spells his name, nor because of his color or ancestry. The only trouble with the "truism" is that it is not true.

The public accommodations bill is aimed at a practice which is not restricted to any region of the country. It aims at the practice of judging a person while he is still 50 feet away, and not by whether he is a good or a bad person. The bill is designed to prevent the experience of the Federal Government drafting a boy from Illinois or Michigan and sending him on his way to his death in uniform, if history calls for it, although he cannot get a cup of coffee on his way; cannot find comfortable accommodation for his family when he is visited by them—to eliminate the business of slamming the door on an American citizen seeking public accommodation just because of his color.

This bill responds to the most sensitive area in the civil rights revolution of today. It would enact as Federal law that which Michigan enacted as her public accommodation law many years ago.

I compliment the chairman of the committee in the handling of the bill. I welcome the opportunity, because I am in the Chamber when it is being reported, to compliment him and to agree with what he has said on the subject.

Mr. MAGNUSON. I thank the Senator from Michigan. I am glad he mentioned one thing that the report points out; namely, that a large number of States have similar laws, some of them practically identical with the provisions in the bill, and that they have been in effect for many years. Also, the report names areas which do not have such laws.

This is a bill that we all believe is long overdue. We tried to fashion a bill that would meet the national interest, consistent with constitutional rights and justice for all.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business for the consideration of nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDING OFFICER. If there be no reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

U.S. COAST GUARD

The legislative clerk proceeded to read sundry nominations in the Coast Guard.

Mr. MANSFIELD. Mr. President, I ask that the nominations in the Coast Guard be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Coast Guard are confirmed en bloc.

Mr. MANSFIELD. Mr. President, I move that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith of the confirmation of the nominations.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

AMENDMENT OF MERCHANT MARINE ACT, 1936, TO PROVIDE FOR REIMBURSEMENT OF CERTAIN VESSEL CONSTRUCTION EXPENSES

The PRESIDING OFFICER (Mr. McINTYRE in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 82) to amend the Merchant Marine Act, 1936, in order to provide for the reimbursement of certain vessel construction expenses, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MAGNUSON. I move that the Senate insist upon its amendments and agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BARTLETT, Mr. LAUSCHE, and Mr. PROUTY conferees on the part of the Senate.

AUTHORIZATION FOR PRESIDENT PRO TEMPORE OR ACTING PRESIDENT PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS DULY PASSED BY THE TWO HOUSES DURING THE RECESS OF THE SENATE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that notwithstanding the recesses of the Senate during the current week, the President pro tempore and the Acting President pro tempore be authorized to sign enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

HEALTH SERVICES — A MESSAGE FROM THE PRESIDENT (H. DOC. NO. 224)

The PRESIDING OFFICER (Mr. McINTYRE in the chair) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

The American people are not satisfied with better-than-average health. As a nation, they want, they need, and they can afford the best of health: not just for those of comfortable means but for all our citizens, old and young, rich and poor.

In America, there is no need and no room for second-class health services; there is no need and no room for denying to any of our people the wonders of modern medicine; there is no need and no room for elderly people to suffer the personal economic disaster to which major illness all too commonly exposes them.

In seeking health improvements, we build on the past. For in the conquest of ill health our record is already a proud one:

American medical research continues to score remarkable advances.

We have mastered most of the major contagious diseases.

Our life expectancy is increasing steadily.

The overall quality of our physicians, dentists, and other health workers, of our professional schools, and of our hospitals and laboratories is unexcelled.

Basic health protection is becoming more and more broadly available.

Federal programs have played a major role in these advances:

Federal expenditures in the fiscal 1965 budget for health and health-related programs total $5.4 billion—about double the amount of 8 years ago.

Federal participation and stimulus are partly responsible for the fact that last year—in 1963—the Nation's total health expenditures reached an unprecedented high of $34 billion, or 6 percent of the gross national product.

But progress means new problems: As the lifespan lengthens, the need for health services grows. As medical science grows more complex, health care becomes more expensive. As people move to urban centers, health hazards rise. As population, which has increased 27 percent since 1950, continues to grow a greater strain is put on our limited supply of trained personnel.

Even worse, perhaps, are those problems that reflect the unequal sharing of the health services we have: Thousands suffer from diseases for which preventive measures are known but not applied. Thousands of babies die needlessly; nine other nations have lower infant death rates than ours. Half of the young men found unqualified for military service are rejected for medical reasons; most of them come from poor homes.

Clearly, too many Americans still are cut off by low incomes from adequate health services. Too many older people are still deprived of hope and dignity by prolonged and costly illness. The linkage between ill health and poverty in America is still all too plain.

In its 1st session, the 88th Congress made some important advances on the health front:

It acted to increase our supply of physicians and dentists. It began a nationwide attack on mental illness and mental retardation. And it strengthened our efforts against air pollution.

But our remaining agenda is long, and it will be unfinished until each American enjoys the full benefits of modern medical knowledge.

Part of this agenda concerns a direct attack on that particular companion of poor health—poverty. Above all, we must see to it that all of our children, whatever the economic condition of their parents, can start life with sound minds and bodies.

My message to the Congress on poverty will set forth measures designed to advance us toward this goal.

In today's message, I present the rest of this year's agenda for America's good health.

I. HOSPITAL INSURANCE FOR THE AGED

Nearly 30 years ago, this Nation took the first long step to meet the needs of its older citizens by adopting the social security program. Today, most Americans look toward retirement with some confidence that they will be able to meet their basic needs for food and shelter.

But many of our older citizens are still defenseless against the heavy medical costs of severe illness or disability.

One-third of the aged who are forced to ask for old-age assistance do so because of ill health, and one-third of our public assistance funds going to older people is spent for medical care. For many others, serious illness wipes out savings and carries their families into poverty. For these people, old age can be a dark corridor of fear.

The irony is that this problem stems in part from the surging progress in medical science and medical techniques—the same progress that has brought longer life to Americans as a whole.

Modern medical care is marvelously effective—but increasingly expensive. Daily hospital costs are now four times as high as they were in 1946—now averaging about $37 a day. In contrast, the average social security benefit is just $77 a month for retired workers and $67 a month for widows.

Existing solutions to these problems are, first, private health insurance plans; and second, welfare medical assistance. No one of them is adequate, nor are they in combination: Private insurance, when available, usually costs more than the average retired couple can afford. Welfare medical assistance for the aged is not available in many States—and where it is available, it includes a needs test to which older citizens, with a lifetime of honorable, productive work behind them, should not be subjected.

This situation is not new. For more than a decade we have failed to meet the problem.

There is a sound and workable solution. Hospital insurance based on social security payments is clearly the best method of meeting the need. It is a logical extension of the principle—established in 1935 and confirmed time after time by the Congress—that provision should be made for later years during the course of a lifetime of employment.

Therefore, I recommend a hospital insurance program for the aged aimed at two basic goals:

First. It should protect against the heaviest costs of a serious illness—the costs of hospital and skilled nursing home care, home health services, and outpatient hospital diagnostic services.

Second. It should provide a base that related private programs can supplement.

To achieve these goals:

First. These benefits should be available to everyone who reaches 65.

Second. Benefit payments should cover the cost of services customarily furnished in semiprivate accommodations in a hospital, but not the cost of the services of personal physicians.

Third. The financing should be soundly funded through the social security system.

Fourth. One-quarter of 1 percent should be added to the social security contribution paid by employers and by employees.

Fifth. The annual earnings subject to social security taxes should be increased from $4,800 to $5,200.

Sixth. For those not now covered by social security, the cost of similar protection would be provided from the administrative budget.

Under this proposal, the costs of hospital and related services can be met without any interference whatever with the method of treatment. The arrangement would in no way hinder the patient's freedom to choose his doctor, hospital, or nurse.

The only change would be in the manner in which individuals would finance the hospital costs of their later years. The average worker under social security would contribute about a dollar a month during his working life to protect himself in old age in a dignified manner against the devastating costs of prolonged hospitalization.

Hospitalization, however, is not the end of older people's medical needs. Many aged individuals will have medical expenses that will be covered neither by social security, hospital insurance, nor by private insurance.

Therefore, I urge all States to adopt adequate programs of medical assistance under the Kerr-Mills legislation. This assistance is needed now. And it will be needed later as a supplement to hospital insurance.

II. HEALTH FACILITIES

Good health is the product of well-trained people working in modern and efficient hospitals and other facilities.

EXTENSION AND EXPANSION OF HILL-BURTON PROGRAM

We can be proud of the many fine hospitals throughout the country which were made possible in the last 16 years by the Hill-Burton program of Federal aid.

But there is more still to be done: too often a sick patient must wait until a hospital bed becomes available; too many hospitals are old and poorly equipped; new kinds of facilities are needed to care for the aged and the chronically ill.

I recommend that the Hill-Burton program—scheduled to end on June 30, 1964—be extended for an additional 5 years including the amendments outlined below.

First. Planning: Hospital care costs too much to permit duplication, inefficiency, or extravagance in building and locating hospitals. Individual hospitals and other health facilities should be located where they are most needed. Together, these facilities in a community should provide the services needed by its citizens. This means planning. Therefore:

(a) I recommend that the Congress authorize special grants to public and nonprofit agencies to assist them in developing comprehensive area, regional, and local plans for health and related facilities.

(b) I also recommend that limited matching funds be made available to help State agencies meet part of their costs of administering the Hill-Burton program, so that these agencies can plan wisely for our hospital systems.

Second. Modernization: The Hill-Burton program has done much to help build general hospitals where they were most needed when the program began—particularly in rural areas.

While rural and suburban areas have been acquiring modern facilities, city hospitals have become more and more obsolete and inefficient. Yet city hospitals are largely responsible for applying the latest discoveries of medical science; for teaching the new generations of practitioners; for setting the pace and direction in care of the sick. They must have adequate facilities.

A recent study showed that it would cost $3.6 billion to modernize and replace existing antiquated facilities—more than three times our annual expenditures for construction of all health facilities.

The present Hill-Burton Act cannot meet this critical need. Further neglect will only aggravate the problem. Therefore:

(c) I recommend that the act be amended to authorize a new program of grants to help public and nonprofit agencies modernize or replace hospital and related health facilities.

Third. Long-term care facilities: Our lengthening lifespan has brought with it an increase in chronic diseases. This swells our need for long-term care facilities.

We have been making some progress in meeting the backlog of demand for nursing homes and chronic disease hospitals. But there is still a deficit of over 500,000 beds for the care of long-term patients. This is a national health problem.

Our communities need better and more facilities to deal with prolonged illness, and to make community planning of these facilities more effective. Therefore:

(d) I recommend that the separate grant programs for chronic disease hospitals and nursing homes be combined into a single category of long-term care facilities. The annual appropriation for the combined categories should be increased from $40 million to $70 million.

Fourth. Mortgage insurance: Raising funds to build health facilities is a problem for almost every community: Federal aid is not always obtainable. States must set priorities for hospital projects which are to receive Federal aid; many worthwhile projects necessarily fail to win approval. Nonprofit agencies often have great difficulty raising local funds to match Federal grants. Loans available from private lenders often call for large annual payments and short payoff periods. This can either threaten a hospital's financial soundness or lead to excessive increases in the cost of hospital care.

These financing difficulties do not alter the fact that the need for hospital beds is increasing. Therefore:

(e) I recommend amendment of the Hill-Burton Act to permit mortgage insurance of loans with maturities up to 40 years to help build private nonprofit hospitals, nursing homes, and other medical facilities.

(f) In addition, I recommend that authority to insure mortgage loans for the construction of nursing homes operated for profit be transferred from the Federal Housing Administration to the Public Health Service.

These changes will help us build more hospitals and other medical facilities. And they will bring together in the Public Health Service an adequate and interlocking program of Federal aid to profitmaking—as well as nonprofit—nursing homes, hospitals, and other facilities.

ENCOURAGEMENT OF GROUP PRACTICE

To meet the needs of their communities, groups of physicians—general practitioners and specialists—more and more are pooling their skills and using the same buildings, equipment, and personnel to care for their patients.

This is a sound and practical approach to medical service. It provides better medical care, yet it yields economies which can be passed on to the consumer. It makes better use of scarce professional personnel. It offers benefits to physicians, patients, and the community.

The specialized facilities and equipment needed for group practice are often not available, especially in smaller communities. Therefore:

I recommend legislation to authorize a 5-year program of Federal mortgage insurance and loans to help build and equip group practice medical and dental facilities.

Priority should be given to facilities in smaller communities, and to those sponsored by nonprofit or cooperative organizations.

III. HEALTH MANPOWER

Medical science has grown vastly more complex in recent years—and its potential for human good has grown accordingly. But to convert its potential into actual good requires an ever growing supply of ever better trained medical manpower.

The quantity and quality of education for the health disciplines have been unable to keep pace. Shortages of medical manpower are acute.

By enacting the Health Professions Educational Assistance Act of 1963, the Congress took a major step to close this gap in medical manpower, especially as it relates to physicians and dentists. But the task is far from finished.

A STRONGER NURSING PROFESSION

The rapid development of medical science places heavy demands on the time and skill of the physician. Nurses must perform many functions that once were done only by doctors.

A panel of expert advisers to the Public Health Service has recommended that the number of professional nurses be increased from the current total of 550,000 to 680,000 by 1970.

This requires raising nursing school enrollments by 75 percent.

But larger enrollments alone are not enough. The efficiency of nursing schools and the quality of instruction must be improved. The nursing profession, too, is becoming more complex and exacting.

The longer we delay, the larger the deficit grows, and the harder it becomes to overcome it.

I recommend the authorization of grants to build and expand schools of nursing, to help the schools perfect new teaching methods, and to assist local, State, and regional planning for nursing service.

We must remove financial barriers for students desiring to train for the nursing profession and we must attract highly talented youngsters.

I therefore recommend Federal loans and a national competitive merit scholarship program. For each year of service as a nurse up to 6 years a proportion of the loan should be forgiven.

In addition, I recommend continuation and expansion of the professional nurse traineeship program to increase the number of nurses trained for key supervisory and teaching positions.

Federal action alone is not enough: State and local governments, schools, hospitals, the health professions, and private citizens all have a big stake in solving the nursing shortage. Each must take on added responsibilities if the growing demand for essential and high quality nursing services is to be met.

STRENGTHENED TRAINING IN PUBLIC HEALTH

Our State and local public health agencies are attempting to cope with mounting problems, but with inadequate resources.

Our population has risen 27 percent since 1950, and public health problems have become more complex. But there are fewer public health physicians today than in 1950. The number of public health engineers has increased by only a small fraction; and other essential public health disciplines are in short supply.

These shortages have weakened health protection measures in many communities.

The situation would be much worse than it is, but for two Public Health Service training programs: First, the program of public health traineeships; second, the complementary program of project grants to schools of public health, nursing, and engineering—designed to help strengthen graduate or specialized public health training.

The need for these programs is greater today than ever before.

I recommend that the Public Health traineeship program and the project grant program for graduate training in public health be expanded and extended until 1969.

IV. MENTAL HEALTH AND MENTAL RETARDATION

Mental illness is a grave problem for the Nation, for the community, and for the family it strikes. It can be dealt with only through heroic measures. It must be dealt with generously and effectively.

Last year, President Kennedy proposed legislation to improve the Nation's mental health and to combat mental retardation. Congress promptly responded. State and local governments and private organizations joined in that response.

The Congress enacted legislation which should enable us to reduce substantially the number of patients in existing custodial institutions within a decade, through comprehensive community-based mental health services.

Under new legislation passed last year we will train teachers and build community centers for the care and treatment of the mentally handicapped.

It was, as President Kennedy said, "the most significant effort that the Congress of the United States has ever undertaken" on behalf of human welfare and happiness.

We are now moving speedily to put this legislation into effect.

The mentally ill and the mentally retarded have a right to a decent, dignified place in society. I intend to assure them of that place.

The Congress has demonstrated its awareness of the need for action by approving my request for supplemental appropriations for mental retardation programs in the current fiscal year.

This will enable us to get started.

My 1965 budget includes a total of $467 million for the National Institute of Mental Health and for mental retardation activities. I urge the Congress to approve the full amount requested.

V. HEALTH PROTECTION

Technological progress is not always an unmixed blessing. To be sure, we have a wealth of new products, unimagined a few generations ago, that make life easier and more rewarding. But these benefits sometimes carry a price in the shape of new hazards to our health:

The air we breathe is being fouled by our great factories, our myriad automobiles and trucks, our huge urban centers.

The pure water we once took for granted is being polluted by chemicals and foreign substances.

The pesticides indispensable to our farmers sometimes introduce chemicals whose long-range effects upon man are dimly understood.

We must develop effective safeguards to protect our people from hazards in the air we breathe, the water we drink, and the food we eat.

To provide a focal point for vigorous research, training, and control programs in environmental health, I have requested funds in the 1965 budget to develop plans for additional facilities to house our expanding Federal programs concerned with environmental health.

The Clean Air Act, which I approved last December 17, commits the Federal Government for the first time to substantially increased responsibilities in preventing and controlling air pollution.

I urge prompt action on the supplemental appropriation to finance this new authority in the current fiscal year.

PESTICIDES

The President's Science Advisory Committee report on pesticides, released last May, alerted the country to the potential health dangers of pesticides.

To act without delay: I have submitted requests to the Congress for additional funds for 1964 and 1965 for research on the effects of pesticides on our environment.

I recommend enactment of pending legislation prohibiting the registration and marketing of pesticides until a positive finding of safety has been made.

In addition, the Department of Agriculture, working with the Departments of Health, Education, and Welfare and of the Interior, is reviewing and revising procedures to make certain that the benefits and hazards of pesticides to human health, domestic animals, and wildlife are considered fully before their registration and sale are approved.

Finally, the Federal Government's own use and application of pesticides are being reviewed to assure that all safeguards are applied.

FOODS, DRUGS, AND COSMETICS

The 1962 amendments to the Federal Food, Drug, and Cosmetic Act will enhance the safety, the effectiveness, the reliability of drugs and cosmetics.

To give this act the vigorous enforcement it contemplates, I am requesting increased appropriations to the Food and Drug Administration, largely for scientific and regulatory personnel.

In addition, I renew the recommendations contained in my consumer message for new legislation to extend and clarify the food, drug, and cosmetic laws.

VI. RESEARCH AND SPECIAL HEALTH NEEDS

Over the past decade, our Nation has developed an unparalleled program of medical research. This investment has already paid rich dividends, and more dividends are within reach.

The budget that I have proposed for fiscal 1965 assures the rate of growth needed to meet current opportunities and to provide a sound base for future progress.

In addition, the Office of Science and Technology has assembled a group of eminent citizens to study thoroughly the medical research and training programs of the National Institutes of Health.

This study should point to new ways to improve our medical research.

COMMISSION ON HEART DISEASE, CANCER, AND STROKES

Cancer, heart disease, and strokes stubbornly remain the leading causes of death in the United States. They now afflict 15 million Americans—two-thirds of all Americans now living will ultimately suffer or die from one of them.

These diseases are not confined to older people. Approximately half of the cases of cancer are found among persons under 65. Cancer causes more deaths among children under age 15 than any other disease. More than half the persons suffering from heart disease are in their most productive years. Fully a third of all persons with recent strokes or with paralysis due to strokes are under 65.

The Public Health Service is now spending well over a quarter of a billion dollars annually finding ways to combat these diseases. Other organizations, both public and private, also are investing considerable amounts in these efforts.

The flow of new discoveries, new drugs, and new techniques is impressive and hopeful.

Much remains to be learned. But the American people are not receiving the full benefits of what medical research has already accomplished. In part, this is because of shortages of professional health workers and medical facilities. It is also partly due to the public's lack of awareness of recent developments and techniques of prevention and treatment.

I am establishing a Commission on Heart Disease, Cancer, and Strokes to recommend steps to reduce the incidence of these diseases through new knowledge and more complete utilization of the medical knowledge we already have.

The Commission will be made up of persons prominent in medicine and public affairs. I expect it to complete its study by the end of this year and submit recommendations for action.

NARCOTICS AND DRUG ABUSE

Abuse of drugs and traffic in narcotics are a tragic menace to public health.

To deal promptly and intelligently with this situation we must take effective measures on education, regulation, law enforcement, rehabilitation. We must strengthen the cooperative efforts of Federal, State, and local authorities and public services.

The recent report of the Presidential Advisory Commission on Narcotics and Drug Abuse has rendered signal contributions: It places the problem in its proper perspective. It proposes policies and actions which deserve full consideration.

The appropriate Federal departments and agencies will review this report, and I shall at a later time send my recommendations to the Congress.

VOCATIONAL REHABILITATION

Disability—always a cruel burden—has partly succumbed to medical progress. Our Federal-State program of vocational rehabilitation has been demonstrating this fact for more than 40 years. Rehabilitation can help restore productivity and independence to millions of Americans who have been victims of serious illness and injury. Over 110,000 disabled men and women were returned to activity and jobs last year alone.

If more fully developed and supported by the States and the Federal Government, this program can be a powerful tool in combating poverty and unemployment among the millions of our citizens who face vocational handicaps which they cannot surmount without specialized help.

I have already recommended appropriation of increased Federal funds for vocational rehabilitation.

I now recommend enactment of legislation to facilitate the restoration of greater numbers of our mentally retarded and severely disabled to gainful employment, by permitting them up to 18 months of rehabilitative services prior to the determination of their vocational feasibility.

I also recommend enactment of a new program for the construction and initial staffing of workshops and rehabilitation facilities, program expansion grants, and increased State fiscal and administrative flexibility.

INTERNATIONAL HEALTH

Scientists from many countries have contributed to the enrichment of our national medical research effort. We in turn support medical research in other nations.

International collaboration in medical research, including support of research through the World Health Organization, is an efficient means of expanding knowledge and a powerful means of strengthening contacts among nations. It links not only scientists but nations and peoples in efforts to achieve a common aspiration of mankind—the reduction of suffering and the lengthening of the prime of life.

The United States participates in an ambitious international effort to eradicate malaria—a disease which strikes untold millions throughout the world.

Both of my predecessors committed the United States to this campaign, now going forward under the leadership of the World Health Organization. The Congress has endorsed this objective and his supported it financially.

We will continue to encourage WHO in its work to eradicate malaria throughout the world.

We will continue to commit substantial resources to aid friendly nations through bilateral programs of malaria eradication.

The United States will also initiate in 1964 a program to eradicate the mosquito carrying yellow fever. My 1965 budget provides expanded funds for the second year of this program.

CONCLUSION

The measures recommended in this message comprise a vigorous and many-sided attack on our most serious health problems.

These problems will not be fully solved in 1964 or for a long time to come.

They will not be solved by the Federal Government alone, nor even by government at all levels. They are deeply rooted in American life. They must be solved by society as a whole.

I ask the help of all Americans in this vital work.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 10, 1964*.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. MANSFIELD. Will the Senate at the conclusion of its business today be in recess until 12 o'clock noon on Thursday next?

The PRESIDING OFFICER. That is the order of the Senate.

Mr. MANSFIELD. What will follow the convening of the Senate at the hour of 12 o'clock noon on Thursday?

The PRESIDING OFFICER. The Senate will immediately take a recess until the next Monday.

Mr. MANSFIELD. There will be no business on Thursday?

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. No messages will be received from the House on Thursday?

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. The Senate will then take a recess until 12 o'clock noon on Monday?

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. At that time a message from the House may be received, and first reading of a bill may be had?

The PRESIDING OFFICER. That will be in order.

Mr. MANSFIELD. And is it correct to state that before the second reading is had, 1 legislative day must have passed?

The PRESIDING OFFICER. If objection is made to the second reading, that is correct; it must then go over for 1 legislative day.

Mr. MANSFIELD. The usual procedure is for the second reading to occur on the day when the bill is messaged over from the House, is it?

The PRESIDING OFFICER. Yes; but if objection is made, as is sometimes the case, the second reading cannot be had then.

Mr. MANSFIELD. I am not quite clear as to what the Chair has said. Do I correctly understand that the Chair has said, in effect, that it is possible to have both the first reading and the second reading on the same day?

The PRESIDING OFFICER. Yes; if no objection is heard, that may be done. But a single objection will force the second reading to go over to the next legislative day.

Mr. MANSFIELD. Then I wish to put the Senate on notice that when the civil rights bill comes to the Senate from the House, I will object to the second reading, and there will not be both the first reading and the second reading—if I have anything to do with the matter—on the day when the bill is messaged over.

So, to make this matter perfectly clear, I ask a further question: On the basis of an objection, the second reading will be deferred until 1 legislative day has passed; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. And in the meantime it is possible for the Senate to take a recess from day to day or from a certain day to a certain day; and in so doing, no new legislative day has been achieved?

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. I thank the Chair.

PANAMA AND CYPRUS

Mr. MORSE. Mr. President, because of the arrangement with the majority leader, I left a committee hearing, where I was serving as chairman, in order to present this statement to the Senate; and I need to return to the hearing as soon as possible, because a recess of the hearing was declared until I could return.

Mr. President, it is time for the United States to face some unpleasant but pervasive facts in two parts of the world where American foreign policy has been frustrated—Panama and Cyprus.

Two articles that have appeared in the press point up the inadequacy of our attitude toward Panama. They describe a 1962 agreement entered into by President Kennedy and President Chiari of Panama to discuss differences between our two countries growing out of the Panama Canal Zone and the treaty which governs it.

I do not see how it can be denied that President Kennedy recognized in 1962 that the United States-Panama Treaty of 1903 was not sacrosanct but was open to discussion. Those were almost the very words of the published communique of June 13, 1962. I quote from it this paragraph:

> The President of Panama and the President of the United States agreed upon the principle that when two friendly nations are bound by treaty provisions which are not fully satisfactory to one of the parties, arrangements should be made to permit both nations to discuss these points of dissatisfaction. Accordingly, the Presidents have agreed to appoint high level representatives to carry on such discussions. These representatives will start their work promptly.

Discussion of points of dissatisfaction over the treaty implies that if the discussions are in good faith, the treaty can be modified to accommodate the dissatisfied party. That is how I read this paragraph; that is how I think it should be viewed both from Washington and from Panama. It is all very well for diplomats to find loopholes and to make legalistic interpretations and come to the conclusion that the communique was meaningless. But that is making a mockery of plain and simple language, and debasing our own good faith. We said we would discuss with Panama the sections of the treaty that were unsatisfactory to her. We said that in 1962.

President Kennedy said in a formal joint communique, issued to the world, and entered into with the President of Panama, Mr. Chiari, when he was in Washington, D.C.

The clear implication is that if Panama could make a just case for revision, we would revise the treaty.

Why is this not just as true today? Why, indeed, is it still an issue between our two countries? Why are we still arguing—in 1964—over what we agreed to in 1962? There is nothing secret about this communique; it was a White House press release. This press release alone obliges us to discuss the treaty with a view to its revision, even though the June 15 memorandum referred to in the Washington Post story of February 9 may contain something else.

Of course, we cannot discuss anything until Panama restores diplomatic relations. That must be the first step.

In order to make crystal clear my position in my capacity as chairman of the Subcommittee on Latin American Affairs, I have made a series of statements on the floor of the Senate, to the press, and on the platforms of America, since this crisis arose, making it perfectly clear that we cannot sit down and bargain with Panama on unequal terms; the President of Panama has no justification for his position that he must have a commitment, in advance of rearranging diplomatic relations with the United States, that we will change the treaty.

Mr. President, I repeat, first, that that is uncalled-for on the part of the President of Panama; that is attempting to hold a diplomatic duress gun at the head of the President of the United States;

and President Johnson is perfectly correct in taking the position—as he has from the beginning—that we cannot discuss or negotiate anything with Panama or make any commitments to discuss or negotiate anything with Panama until diplomatic relations are reestablished. It is up to the President of Panama to decide whether negotiations will proceed; certainly we will not sit down with him on an unequal basis. Certainly we will not come to him, hat in hand, to carry on diplomatic negotiations, in the absence of diplomatic recognition.

Therefore, I wish to make perfectly clear that the first move is Panama's; and the first move that Panama clearly is obligated to make is to restore diplomatic relations with the United States. Panama broke them; Panama must rearrange them.

There is no point in Panama's seeking advance commitments of any kind as a condition of restoring relations, because there can be no advance commitments from the United States.

But as a people, and as a government, we should understand that when Panama does resume diplomatic relations, the canal treaty is going to have to be modified.

That is a fact of history. Standing in 1964 on rights we obtained in 1903 is not realistic. When the time comes that the absolute practice of those rights is more costly than the benefits they produce, a practical people modify the rights.

Mr. President, it is surprising that we have not heard bitter criticisms from Colombia, because Colombia had vested interests in the territory that became Panama; and history shows perfectly clearly that the United States stepped between the revolutionists in what is now Panama and Colombia, and, in effect, said to Colombia, "Come no farther"; and Colombia knew that the military and naval might of the United States of America stood as a barrier between Colombia and what has become Panama.

Mr. President, the United States of America then negotiated a treaty with that fledgling country. I am afraid that the jury boxes of the world would not find that the treaty was negotiated between equals. We negotiated a treaty with a country that we were largely responsible for bringing into being. Do not forget, we recognized Panama immediately. We negotiated the treaty with an "in perpetuity" clause.

Let us face it. We cannot, in modern times, negotiate a treaty containing a perpetuity clause. In the modern world, treaties between powerful nations and weak nations, in which the powerful nation insists upon a clause in perpetuity, are a thing of the past.

Unfortunately, there are many persons in high places in the United States who have not caught up with modern times. They are taking pretty much the attitude that the powers—the top officials of Great Britain, France, Holland, and the other great colonial powers—took 25 to 50 years ago. We ought to face that reality as a government. I am confident that once the facts are taken to the American people, the American people will want to face those facts as reality, too.

As a people and as a government, we should recognize that the treaty must be reconsidered, and that the terms of the final treaty should be a matter of negotiation; it is a matter of proof.

If Panama can come forward with proof that justifies a modification of the treaty, then the treaty should be modified; if she cannot, the treaty should not be modified. But there is one legalistic position that some technicians in the State Department and many American citizens are prone to stand on which I repudiate.

Mr. President, merely because an existing treaty under international law meets the test as to whether it is a legal treaty, does not necessarily make it a justifiable treaty. Everything that is legal is not always equitable; everything that is legal is not always right, or just.

Mr. President, we are dealing with the family relations of nations. There are values more precious than legal rights, if standing on technical legal rights moves a government and a people toward continuing an injustice.

Let us not forget that the turn of the century, when this treaty was written, was a high tide in the era of colonial expansion. The United States took its own fling at colonialism at just the moment when it was the dominant factor in relations among nations. But the history of the world since 1900 has been the history of the demise, the destruction, the liquidation of colonialism.

In 1898 and in 1903, we copied what Britain, France, the Netherlands, Portugal, Spain, and Belgium had been doing for centuries. But I remind the American people that in the next few years we are also going to have to do what Britain, France, the Netherlands, Portugal, and Spain have been doing in the last two decades, and that is giving up their colonies and their colonial policies.

Whether or not we American people like to face the fact, for it is an ugly fact, colonialism is as dead as a dodo in the world, for freemen have no intention of living in the straitjacket of colonialism.

As a matter of fact, many of us have already forgotten that it was the United States that set the finest example of all in the recognition that foreign domination is both repugnant and unnatural in the mid-20th century. It was 30 years ago that Franklin Roosevelt obtained repeal of the Platt amendment to our treaty with Cuba, an amendment that had severely limited the sovereignty of Cuba.

That same year saw enactment of the Philippine Independence Act, whereby after a 10-year period of gradual withdrawal by the United States, the Philippine Islands would have complete independence. Even the occupation and fighting in the islands during World War II did not change the course of the events we laid down in 1934, and when the appointed hour arrived, the Philippines were independent.

If all colonial powers had followed that enlightened example, some of the animosities loose in the world today might well have been avoided.

But we must recognize and follow that example ourselves. We must recognize that the use of territory in perpetuity is not a reasonable treaty provision in this day and age. Treaties of that kind belong to the age of colonialism; they are not negotiated any more, and the pressure to repeal those provisions in the old treaties is constant and increasing.

On Friday, I placed in the CONGRESSIONAL RECORD the study done by the Library of Congress on American flag policy abroad. It showed that under the treaties and agreements of the modern era that give the U.S. military bases abroad, the United States flies the flags of both countries over our installations. Only two exceptions appear in modern, or post-World War II, arrangements. One is in Spain, where only the Spanish flag is permitted over U.S. bases; the other is in Okinawa, where we obtained our rights as a result of the defeat of Japan. I predicted on Friday that the United States will have a lot of trouble in Okinawa in the future unless we alter our unilateral policies there as symbolized by our flag policy. What we could impose upon Japan in the hour of her defeat is not unlike what we imposed upon Cuba and Panama in 1903 when the other two exceptions to dual flag flying were established, because Guantanamo Bay and the Panama Canal are the other two installations abroad where the United States still flies only its own flag.

Both the American people and the American Government must face the fact that American colonialism has no more place in this world than does British, French, Portuguese, Spanish, or Dutch colonialism. We will postpone and delay the hour of reckoning only by paying an increasing price for the absolute practice of our legal rights; and even then we will only buy a little time.

In his wonderful concerts of songs and recitals, Carl Sandburg tells a little story that is very appropriate to this issue. As he tells it, the story goes like this:

> In the year 1898, when the Spanish-American War came to an end, and when this country had begun an adventure into colonialism and imperialism—we had acquired Puerto Rico, a suzerainty over Cuba, and the Philippine Islands 'way off beyond the sunset over in the Pacific—there were some Americans in Paris who gave a dinner. And there were toasts. The first speaker gave the old classical American toast:
>
> "Here's to the United States,
> Bounded on the north by Canada,
> On the south by Mexico,
> On the east by the Atlantic Ocean,
> On the west by the Pacific Ocean."
>
> The next speaker said that was a time honored toast; but in view of the changed streams of history, in view of the immense new responsibilities that would rest on the United States, he would offer the toast:
>
> "To my country, to the United States of America,
> Bounded on the north by the North Pole,
> On the south by the South Pole,
> On the east by the rising sun,
> On the west by the setting sun."
>
> Then a third speaker arose and said that it pleased him that the second toast had improved on the first. But he believed it did not go far enough, in view of the immensity

of the responsibilities ahead for the American Union of States. He lifted his glass and said, "In view of the changed streams of history I give the toast:

"To the United States of America,
Bounded on the north by the aurora borealis,
On the south by the precession of the equinoxes,
On the east by primeval chaos,
And on the west by the Day of Judgment."

Sandburg said:

They were talking history that day.

They were indeed talking history that day, and so far as the Panama Canal Treaty of 1903 is concerned, I think the day of judgment has arrived. Let us make our own accommodation with history and not wait to have it forced on us. A small beginning could be made by agreeing to fly both flags together everywhere in the Canal Zone.

I ask unanimous consent to have printed in the RECORD the two articles from the Washington Post of February 9 and 10, and the White House press release of June 13, 1962.

There being no objection, the articles and press release were ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Post, Feb. 9, 1964]

UNDERSTANDING ON PANAMA: U.S. SIGNED SECRET NOTE TO NEGOTIATE NEW TREATY

(By Dan Kurzman)

Officials of the United States and Panama signed a secret memorandum in 1962 which said "a new treaty will have to be negotiated" for the Panama Canal.

Noting that a supplemental Central American canal might be built, the joint statement said its construction would necessitate negotiation of a new Panama Canal treaty. But even if a second waterway were not built, the signatories agreed, a new treaty was required.

The memorandum was signed on June 15, 1962, after talks in Washington between Panamanian President Roberto Chiari and the the late President Kennedy.

Existence of the memorandum is revealed in the record of discussions on the canal dispute, disclosed here in detail for the first time.

The secret understanding provides a revealing backdrop for the current crisis, helping to explain its explosively emotional and thus far stubbornly inflexible nature.

On several occasions following the riots that erupted in the Canal Zone on January 9 and 10, American officials, the record shows, have privately agreed to negotiate, not just to discuss, a treaty to replace the 1903 treaty granting the United States its present rights in the zone.

However, fears of adverse reaction in the United States, particularly from Congress, have prevented U.S. officials from saying publicly what they have said privately.

The record reads like a tragi-comedy about two angry, frustrated friends embroiled in a petty quarrel over who has, literally, the last word.

But while it underscores the rather frivolous nature of the procedural arguments blocking a solution, it also reflects the grave overtones of the conflict. Never obscured is the danger that the recent violence could escalate into a serious threat to the U.S. position in Latin America, to hemispheric unity, and to the Alliance for Progress.

Here is the story of the deadlocked peace conversations:

With the arrival of the five-man OAS Peace Committee in Panama on the morning of January 11, violence for the most part ceased. For the next 4 days, U.S. officials, led by Thomas A. Mann, Assistant Secretary of State for Inter-American Affairs, and Edwin M. Martin, who had previously held that position, were in constant consultation with the Peace Committee and Panamanian leaders in the hope of reaching agreement on a formula for inaugurating talks intended to resolve differences.

Finally, at a meeting in the Panama-Hilton Hotel that started at 10:30 a.m. on January 14, an accord appeared near. Two Peace Committee members, Argentine Ambassador Rodolfo A. Weidmann and Colombian Ambassador Alfredo Vazquez Carrisoza, started dictating a final communique in Spanish, which was to end with the following paragraph:

"The participants * * * have agreed to begin formal negotiations, which will be initiated 30 days after diplomatic relations are reestablished by means of representatives who will have sufficient powers to negotiate without limitations all existing matters of any nature which may affect relations between the United States and Panama."

While the communique was being dictated, Pananamian Foreign Minister Galileo Solis requested that the two ambassadors add to the foregoing excerpt this phrase: "* * * including those (matters) deriving from the existence of the Panama Canal."

Martin, the only top U.S. official who had not already gone home, said that, in his opinion, the added phrase was superfluous, since the expression "all existing matters" obviously included the canal question. Solis agreed without much hesitation, and the phrase was withdrawn from the text.

Martin's American interpreter then typed out an English translation of the communique in which he used the word "discuss" instead of "negotiate." The Panamanians questioned this substitution but Martin is understood to have assured them that the two words were only slightly different and could be used alternately. He indicated he did not object to the use of the word "negotiate" in the Spanish text. Some sources say that Martin remarked that the word "discuss" would be more acceptable to American public opinion, particularly to Congress. He added that each side could ignore the interpretations that the press of the other country might offer for nationalist purposes.

The Panamanian delegation again accepted Martin's argument, and the communique was issued in both languages at about 1:40 a.m. on January 15.

At 12:45 the same day, Chiari told a television and radio audience that he had not backed down on his promise not to reestablish diplomatic relations with the United States until it agreed to negotiate a new treaty, and indicated no dissatisfaction with the agreement reached. He privately said that he was interested only in the Spanish text, and not the English one.

CHIARI FURIOUS

At about 7:30 that night, the Foreign Minister and two assistants, together with seven members of the National Council of Foreign Relations, a Presidential advisory board, met wih Chiari at his palace to discuss, according to informed sources, implementation of the agreement.

As the group gathered, one council member, Jose Isaac Fabriga, stormed in with a news service report of a comment made in Washington several hours earlier by State Department spokesman Richard I. Phillips indicating that the United States had agreed to discuss, but not to negotiate, a new treaty.

The President and the others present, who, it is claimed, knew nothing of the Phillips statement until then, were furious. "First they say one thing, and then another," Chiari was quoted as saying. "It's the same old story. How can we have faith in the Americans any more?"

Chiari and his advisers then decided to repudiate the agreement with the United States and drafted an announcement to this effect, issuing it about 10 p.m.

NATIONALIST PRESSURE

This version of the meeting appears in some respects to be at variance with other information pieced together indicating that Chiari was influenced in his decision less by Phillip's statement than by growing nationalist pressures from students and other groups determined not to compromise with the United States. Chiari is said to have felt, nevertheless, that the controversial statement contributed substantially to these pressures as well as to his personal distrust of American motives.

On January 16, a Peace Committee member pleaded with Panamanian leaders to agree to some compromise. It was suggested that Chiari and President Johnson issue a joint statement.

This statement was to stress that differences in interpretation of the January 15 agreement could be resolved through reference to the minutes of the Peace Committee meetings at which the accord was worked out. These minutes, the statement was to say, would confirm that both parties had given assurances that they could "consider" all matters affecting relations between them. Chiari is believed to have added a phrase indicating that these matters would include those "derived from" the existence of the canal.

Martin, when shown the draft, consulted with Washington, which apparently looked with favor on the proposal. But Chiari, under increasing pressure, decided that the statement might still further inflame the situation and so the idea was abandoned.

Discussions then moved to Washington. On January 22, newly appointed Panamanian OAS Ambassador Miguel J. Moreno confirmed to the Peace Committee that Panama definitely repudiated the January 15 agreement. He gave as the reason the Phillips statement.

One Peace Committee member said he was puzzled by the failure of the Panamanian Government to ask the United States, through the Committee, if Phillips' remark genuinely represented the American stand before rejecting the accord.

Moreno offered no comment, but Panamanians later argued that some U.S. official should have volunteered to correct Phillips if his words had not actually represented the Johnson administration's position.

At another meeting, Committee members suggested that the wording used in the communique issued after the talks between President Kennedy and President Chiari in June 1962, be used as the basis for working out a new agreement. Both the U.S. Ambassador to the OAS, Ellsworth Bunker, and Moreno agreed.

Moreno then produced a copy of the secret memorandum signed by the United States and Panamanian officials on June 15, 1962, during Chiari's trip to Washington. It read:

"President Chiari presented his case frankly, openly, and forcefully to President Kennedy. He presented the following problems: lands, flags, mixed courts, sovereignty in perpetuity, stamps.

"On the basis of his presentation to President Kennedy of the questions that have produced sources of dissatisfaction, the two Presidents agreed to appoint immediately a group of high-level representatives that will discuss the problems.

"While the discussions are going on, the question of perpetuity becomes less important, because in the meantime it is possible that the studies, research, and other factors to enable the United States to come to a definite decision to build a sea-level canal or continue with the present one, will come to a point of determination which will make the question of perpetuity obsolete because a new treaty will have to be negotiated in either case."

Signed: "Karl Kaysen (then a Kennedy foreign policy aid), Katherine W. Bracken (then State Department Director of Central American and Panamanian Affairs), Augusto Guillermo Arango (then Panamanian Ambassador to the United States and the OAS), Arturo Morgan Moralies (then Panamanian Minister Councilor to the United States)."

"NEW TREATY" CITED

The words, "a new treaty will have to be negotiated in either case," Moreno told the Peace Committee, showed that the U.S. Government, in refusing currently to agree to the same thing, was not only being unreasonable, but was going back on its word.

One high U.S. official has claimed privately that this phrase did not actually reflect President Kennedy's thinking. The President had never led Chiari to believe, he said, that the United States was prepared to agree to a new treaty.

Another U.S. official explained that in the context in which the phrase was written, "it is clear" that no time limit was involved but that a new treaty was deemed desirable as a long-range goal.

The Committee went to work on a new draft agreement, and it was presented for discussion on January 23. The United States approved the draft, which was based on suggestions submitted by Mann, but Panama held off. The first part contained language similar to that used in the Kennedy-Chiari communique.

In this part it was stated that both parties agreed that 30 days after the reestablishment of diplomatic relations, they would appoint special ambassadors with sufficient powers to examine, without any limitation, all problems affecting the relations between both countries.

"The parties agree," the draft went on, "that fundamentally they will take into consideration the principles formulated by them that when two friendly nations are bound by contractual obligations or by treaty commitments that are not absolutely satisfactory to one of the parties, arrangements must be made to permit the authorized representatives of both nations to discuss these subjects of discontent with the objective of solving them.

"Both parties also agree that the objective of this high-level meeting will be that of seeking in good faith and without delay a series of agreements. The agreements thus reached will be promptly implemented in accordance with the constitutional processes of each nation."

Under the U.S. Constitution, the President may negotiate a treaty, but it does not take effect unless and until consented to by the Senate.

At a Committee meeting on January 25, Moreno offered a new and stronger draft. He wanted to have the special ambassadors appointed 15 days instead of 30 days after the reestablishment of relations. And he would have them resolve rather than examine all the problems that affect the relations between the two countries by means of a full and frank review and reconsideration of all the treaties relating to the canal and other matters pending between the two nations for the purpose of agreeing upon new instruments to regulate relations between the two countries.

This Panamanian draft also stated that the special ambassadors have the power to "negotiate * * * new conventions relating to the Panama Canal to substitute for the existing agreement."

According to some Committee members, the United States appeared willing to consider this draft, with some modifications.

Bunker rejected the use of the word "substitute" and suggested that the draft state that the purpose of the ambassadors' meetings should be to "engage * * * in a full and frank review and reconsideration of all issues between (Panama and the United States), including those deriving from the existence of the Panama Canal"—wording similar to that suggested by Chiari himself 2 weeks previously.

The agreement would also say that "each of the governments shall be absolutely free to present for discussion any matters and to take any position it deems necessary," and would include the reference to the limitations imposed by constitutional processes.

Moreno, however, said of the first proposed change that Panamanian public opinion would take the wording to mean that the United States would "review and reconsider" only matters arising from the treaty rather than the treaty itself. And he maintained that the second two changes would simply provide the United States with loopholes to evade agreement to a new treaty.

Committee members then suggested to Moreno that for the record he express satisfaction in the event that Bunker replied affirmatively to a question asking whether the United States had in mind the treaty itself rather than just peripheral issues. The question was to read:

"Does the Government of the United States understand" that the third paragraph of the draft communique includes the right of either party at any time in the course of the conversations to request revision of the treaties relating to the Panama Canal and the duty of the other party to consider such a request, and that the parties are not therefore limited to the consideration only of the problem of the interpretation and application of the said existing treaties?"

A suggestion by one Committee member to substitute the expression, "attend to such a request" for "consider such a request" was rejected by the group.

The posing of this question was meant to get the United States on record concerning the disputed point without having to include the precise intention of the United States in the published agreement itself. The idea was, according to some observers, to keep this supplemental accord secret so as not to arouse opposition elements of U.S. public opinion. But U.S. officials deny this, maintaining that Moreno had not asked that this precise wording be included in the published agreement. Observers see little indication, however, that the United States would have agreed to such a request.

BUNKER ENCOURAGED

Bunker, after being encouraged by the Committee to reply affirmatively to the question, agreed to do so following consultation with his government.

Moreno, when informed of this reply, said he would refer the matter to his government, and Committee members glowed with optimism that an agreement was finally at hand.

But on January 28, Moreno told the Committee that his government did not approve of the "procedure" involved in the "question and answer" device. One Committee member pointed out that Chiari had previously indicated that any differences could be resolved through reference to Committee meeting minutes, which would verify the American reply.

But Moreno insisted once again that it be explicitly stated in any agreement that the United States agreed to "substitute" the 1903 treaty with a new one, though he said that wording indicating the United States would "sign" a new treaty could be used if it better suited the United States.

When Bunker reacted negatively, the Peace Committee ended the meeting and its official intervention in the dispute.

But Bunker invited Moreno to lunch on the same day, and the two men, together with Venezuelan Ambassador Enrique Dejera Paris, the Peace Committee chairman acting in his ambassadorial capacity, met for a last-chance discussion.

NEW DRAFT OPPOSED

Moreno and Bunker agreed on a new draft agreement with vague wording that referred only indirectly to the "substitution" or "signing" of a new treaty. Bunker then went to a White House meeting of congressional leaders to see if this draft was acceptable to the President and Congress. But there was so much congressional opposition to any real compromise with Panamanian demands that the last-minute accord was not even discussed.

This was later reported to Moreno, who then publicly announced that Panama would request invocation of the Inter-American Treaty of Reciprocal Assistance to consider a charge of aggression against the United States. With the possibility that the crisis might reach the United Nations, an argument over semantics is thus threatening to develop into a critical cold war issue.

[From the Washington (D.C.) Post, Feb. 10, 1964]

CANAL MEMO NOT BINDING, UNITED STATES SAYS—STATE DEPARTMENT CALLS 1962 NOTE "CONVERSATIONAL"

A 1962 memorandum signed by United States and Panamanian officials, revealed in yesterday's editions of the Washington Post, does not constitute a commitment by the United States to renegotiate the 1903 Panama Canal Treaty, the State Department said last night.

The memorandum, signed June 15, 1962, after talks between Panama's President Roberto Chiari and the late President Kennedy, said in part that "a new treaty will have to be negotiated" whether the United States decided to build a sea-level canal or continue with the present one.

But a State Department spokesman said this memorandum "never constituted agreement of any kind."

NO CHANGE OF VIEW

The spokesman said:

"There is not and never has been a secret governmental agreement between the United States and Panama concerning treaty relationships. There is no difference in the attitude of the U.S. Government today toward treaty revision and that which existed in June 1962. A memorandum being circulated by Latin American sources never constituted agreement of any kind. It is simply a memorandum of conversation describing certain conditions which might entail treaty revision."

Earlier yesterday, Under Secretary of State W. Averell Harriman said that he knows of nothing that U.S. officials have said to Panama concerning Canal Zone negotiations that has not been said publicly.

Harriman denied a report that U.S. officials have privately agreed to negotiate, not merely discuss, a new Canal Zone treaty but have refrained from saying so publicly because of fears of adverse reaction from the public and Congress.

BARS PRECONDITIONS

Asked about the report in an interview on "Face the Nation" (CBS, WTOP–TV), Harriman said the U.S. position was and is that "we are prepared to discuss the difficulties, to discuss anything that the Panamanians have in mind, but * * * we will enter these discussions without any preconditions."

Asked whether there was a secret 1962 memorandum, Harriman replied, "I don't know about what was done in 1962."

The memorandum was offered to the Inter-American Peace Committee last month by Miguel J. Moreno, Panama's Ambassador to the Organization of American States.

Following is a joint communique between President John F. Kennedy and President

Roberto F. Chiari of the Republic of Panama, following meetings in Washington, D.C., June 12–13, 1962.

The meetings of the President of the Republic of Panama and the President of the United States of America during the past 2 days have been marked by a spirit of frankness, understanding, and sincere friendship. During their talks the two Presidents discussed general relations and existing treaties between their two countries, their mutual interests in the Panama Canal, and topics of worldwide and hemispheric concern. They emphasized the close and friendly ties on which have been established a mutually advantageous association through partnership in the Panama Canal enterprise. On the conclusion of these talks, they agreed to publish the following joint communique.

They reaffirm the traditional friendship between Panama and the United States—a friendship based on their common devotion to the ideals of representative democracy, and to their determination that both nations should work as equal partners in the cause of peace, freedom, economic progress and social justice.

The Presidents recognize that their two countries are bound together by a special relationship arising from the location and operation of the Panama Canal, which has played such an important part in the history of both their countries.

The President of Panama and the President of the United States agreed upon the principle that when two friendly nations are bound by treaty provisions which are not fully satisfactory to one of the parties, arrangements should be made to permit both nations to discuss these points of dissatisfaction. Accordingly, the Presidents have agreed to appoint high level representatives to carry on such discussions. These representatives will start their work promptly.

As to some of these problems, it was agreed that a basis for their solution can now be stated. Accordingly, the two Presidents further agreed to instruct their representatives to develop measures to assist the Republic of Panama to take advantage of the commercial opportunities available through increased participation by Panamanian private enterprises in the market offered by the Canal Zone, and to solve such labor questions in the Canal Zone as equal employment opportunities, wage matters, and social security coverage.

They also agreed that their representatives will arrange for the flying of Panamanian flags in an appropriate way in the Canal Zone.

In order to support the efforts of the Government of Panama to improve tax collections in order to meet better the needs of the people of Panama, President Kennedy agreed in principle to instruct his representatives to work out in conjunction with the Panamanian representatives arrangements under which the U.S. Government will withhold the income taxes of those Panamanian and non-U.S. citizens employees in the zone, who are liable for such taxes under existing treaties and the Panamanian income tax law.

The President of Panama mentioned a number of other practical problems in relations between the two countries of current concern to his Government including the need of Panama for pier facilities and the two Presidents agreed that their representatives would over the coming months discuss these problems as well as others that may arise.

The Presidents reaffirmed their adherence to the principles and commitments of the Charter of Punta del Este. They agreed on the need to execute rapidly all steps necessary to make the Alliance for Progress effective, they recognized that the Alliance is a joint effort calling for development programing for effective use of national as well as external resources, institutional reforms, tax reforms, vigorous application of existing laws, and a just distribution of the fruits of national development to all sectors of the community.

The two Presidents declared that political democracy, national independence, and the self-determination of peoples are the political principles which shape the national policies of Panama and the United States. Both countries are joined in the hemispherewide effort to accelerate economic progress and social justice.

In conclusion the two Presidents expressed their gratification at this opportunity to exchange views and to strengthen the friendly and mutually beneficial relationship which has long existed between Panama and the United States. Their meeting was a demonstration of the understanding and reciprocal cooperation of the two countries and strengthened the bonds of common interests and friendship between their respective peoples.

U.S. POLICY IN CYPRUS

Mr. MORSE. Mr. President, I turn now to Cyprus, where I believe the United States is making a great mistake by not seeking to bring the Cypriot issue before the United Nations. The conflict in Cyprus threatens the peace of the Mediterranean. Why in the world is that not the very issue for which the United Nations was created?

The official American position that Cyprus is a NATO problem does not, in my opinion, withstand analysis. Cyprus is not a member of NATO. Panama and the United States are both members of the Organization of American States, which is a regional treaty organization with considerable machinery for handling disputes within its membership. But we are going outside the membership of NATO when we seek to make Cyprus a NATO problem.

The only NATO problem there is the possibility of rising rivalry between Greece and Turkey as a result of the conflict. That is the only place where it can be said with any justification that NATO should deal with the issue and not the United Nations.

But even there, NATO consists of a lot more than just Britain and the United States. If any action is needed to keep Greece and Turkey from getting involved directly, that action should be taken by the entire North Atlantic Treaty Organization, and not by the United States and Britain acting in the guise of NATO.

France has already made perfectly clear, as a member of NATO, that she will have none of it. Let the State Department tell the American people how many other NATO countries look with great reservation in regard to NATO intervention in Cyprus. If there ever was a case that should be taken to the United Nations, this is it, because here is a case that threatens peace in the entire Mediterranean.

The proper place for the Cypriot issue is in the United Nations. How can we condemn France and the Soviet Union for circumventing and ignoring the United Nations at their convenience, when we do the same thing at our convenience?

We are convicting ourselves before the eyes of humanity today by seeking to circumvent the United Nations and the charter we signed pledging ourselves to join in its procedures to help maintain peace in the world.

I am at a loss to understand what the Under Secretary of State, Mr. Ball, is doing in London, much less what he is flying to Cyprus for. I am at a loss to understand all this wheeling and dealing and wheedling going on between the United States and the British. It is perfectly obvious what the British want. They want the United States to pick up the check for the failure of the British Government in Cyprus. Do not forget that we are dealing with an old protectorate of the British Government. The British Government has been attempting to run out on its responsibilities in instance after instance, as its colonial policies go down the drain around the world, and looks to the United States to pick up the check.

This is not the first time I have spoken out against the policy of the State Department in regard to Cyprus, but I am alarmed at U.S. policy on many fronts. I am alarmed at the policy of the Secretary of State, Mr. Rusk, and the Under Secretary of State, Mr. Ball, who are apparently laboring under the illusion that the United States can step in and take the place of of all the former colonial powers in the trouble spots of the world. Of course, they will try to get American boys into Cyprus. I understand that the Prime Minister is on his way to the United States. What the British Government is trying to do is have Uncle Sam take as much of the responsibility and foot as much of the bill as possible. But I say to the Prime Minister of Great Britain that there are millions of Americans who will ask the question, "Why not draft your own young men into the army?" There are millions of Americans who will raise the question with our so-called NATO allies: "Why not send your young men into the trouble spots of the world?"

No matter how unpopular it may be to do so, this is one Senator who has such great confidence in the judgment of the American people that he believes that once the American people understand the equity for which he is pleading, they will make it clear to the Government—to the President, the Secretary of State, the Under Secretary of State, and the Secretary of Defense—that they want a reappraisal of American foreign policy under NATO. NATO is no longer what it is "cracked up" to be. In my judgment, NATO is rapidly becoming a great liability for the United States, and this move of the British is the latest in the attempt of some of our NATO allies who have not lived up to their NATO commitments to get the United States to assume a burden which is beyond all equity to expect the United States to fulfill.

If we believe in the United Nations and call on other nations to respect it, we must believe in it and respect it ourselves. We are not doing that when we try to keep the Cyprus problem out of the U.N.

How well I remember my services as a delegate to the General Assembly of the United Nations in 1960. The U.S. delegation was unanimously—and rightly so—critical of countries that were hedging on their United Nations obligations. We know what happened with regard to the attitude of France, Belgium, and the Soviet Union in regard to the Congo. They walked out on us. They walked out on the world. They walked out on their obligations under the United Nations Charter. I do not want to see my country make the same mistake. In my judgment, that is exactly what the United States is doing at the present moment with regard to the Cyprus issue. We are guilty of weakening the United Nations.

Mr. President, we are not fulfilling our responsibilities as signatories to the United Nations Charter when we try to keep the Cyprus problem out of the United Nations.

Great Britain, Greece, and Turkey are the guarantors of the peace in Cyprus. If they are no longer able to do the job, they should submit the issue to the United Nations. That is what the organization of the United Nations is for. It is all too easy for Greece and Turkey, whose military forces are almost entirely the product of American taxpayers, to indulge themselves in nationalistic fervor over their friends in Cyprus, and then call upon the American taxpayers again to step in between them. I am completely and flatly opposed to having the United States "used" in that fashion. If Greece and Turkey cannot get together with Great Britain in handling the issue, then they should turn to the one international body whose sole reason for existence is to cope with disputes that threaten the peace and that organization is the United Nations.

If the United States allows itself to be made the policeman of the world, we are going to end up just as Great Britain ended up after trying to fill that role for nearly a century—dead broke.

Finally, Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of these remarks the reply I have received from Mr. William Bundy to my inquiry as to what steps are being taken to insure that U.S.-furnished military equipment is not used by Greece or Turkey in their buildups over the Cyprus issue.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. MORSE. Mr. President, Mr. Bundy indicates that we have "made the most energetic possible diplomatic representations at the highest level in both the Greek and Turkish Governments to prevent the possible misuse of U.S.-furnished material." He also states that our efforts are being directed to minimizing the tensions arising from the dispute.

Unfortunately, Mr. Bundy does not say what "diplomatic representations" have been made. I only hope they have made it perfectly clear to these two governments that any use of MAP equipment in this dispute will gravely jeopardize all future aid to both of them, and in my opinion, would require an immediate termination of all military aid to Greece and Turkey.

Mr. President, do not forget that the military equipment of Greece and Turkey is U.S. equipment. Do not forget that we supplied those military forces. Do not forget that we footed most of the bill for military and economic aid to Greece and Turkey. Do not forget that Great Britain and France and most of our NATO allies have done practically nothing—in some instances, not one dollar's worth. Some help has been given by West Germany, but West Germany's contribution to the aid of Greece and Turkey has been de minimis. The American taxpayer has footed the bill.

I close with this rhetorical question on my lips: Mr. President, Mr. Secretary of State, Mr. Secretary of Defense, how much longer are you going to pour American taxpayers' money into Greece and Turkey, while at the present moment Greece and Turkey threaten the peace of the Mediterranean and could very well threaten the peace of the world?

Instead of sending American boys to Cyprus, I have a suggestion for the administration, to notify Greece and Turkey that as of now we will cut off all aid, military and economic, until peace is restored in the Mediterrannean and until Greece and Turkey, along with Great Britain and the other nations, are willing to put the issue where it belong: squarely before the United Nations.

EXHIBIT 1

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C.

HON. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: Your letter of January 29, 1964, to Secretary McNamara regarding military aid that has been furnished to Greece and Turkey by the United States has been referred to me for reply.

Regarding your query, your understanding that our aid represents most of the equipment of these two armies is correct. As you know, both countries were the first post-World War II recipients of U.S. military aid under the aegis of the Truman doctrine. In my judgment, the military assistance provided both these countries has afforded a considerable measure of security over the years. The threat to NATO through both Greece and Turkey from the Soviet Union and its satellites, particularly Bulgaria, has not abated. Actually, the qualitative improvement of Soviet and bloc forces in areas contiguous to Greece and Turkey has improved in recent years. We believe, therefore, that the investment in modernization of Greek and Turkish forces has contributed significantly to the capabilities of NATO's southeastern flank and, parenthetically, our own general security objectives in the area.

With respect to the Cyprus issue, I can assure you that the administration has naturally been concerned that MAP equipment presently in the hands of Greek and Turkish forces might become involved in a conflict over Cyprus. We have, of course, also made the most energetic possible diplomatic representations at the highest level in both the Greek and Turkish Governments to prevent the possible misuse of U.S. furnished material. Concurrently, our diplomatic efforts have been devoted to minimizing tensions arising from the Cyprus dispute. I am sure you realize that this Government is doing everything in its power to avert further agitation over this issue and to prevent anything that would poison the relationships between two of our most faithful and enduring allies—Turkey and Greece.

If I can be of further assistance to you on this matter, please feel free to communicate with me.

Sincerely,

WILLIAM BUNDY.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call may be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL THURSDAY NEXT

Mr. MANSFIELD. Mr. President, I move, pursuant to the order previously entered, that the Senate stand in recess until noon on Thursday next.

The motion was agreed to; and (at 3 o'clock and 38 minutes p.m.) the Senate took a recess, under the order previously entered, until Thursday, February 13, 1964, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 10, 1964:

IN THE ARMY

The officers named herein for promotion as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, sections 593(a) and 3384:

To be major generals

Brig. Gen. Herbert Borden Brand, O916491.
Brig. Gen. Stanley Warren Connelly, O4046538.
Brig. Gen. James Eugene Frank, O268106.
Brig. Gen. Robert Harrie Travis, O406588.
Brig. Gen. John Wister Wurts, O283443.

To be brigadier generals

Col. Melvin Ira Bookman, O349751, Transportation Corps.
Col. Charles Vines Collier, Jr., O352187, Chemical Corps.
Col. Ernest Raiford Ellis, O343225, Signal Corps.
Col. Ray DuChene Free, O331127, Artillery.
Col. Horace Barber Hanson, Jr., O361634, Corps of Engineers.
Col. Louis Kaufman, O390854, Artillery.
Col. Joseph Murray, Jr., O1081435, Infantry.
Col. Warren Earl Myers, O446047, Infantry.
Col. Paul Michael Nugent, O299714, Infantry.
Col. George Sutor Purple, O306744, Artillery.

I nominate the Army National Guard of the United States officers named herein for promotion as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3385:

To be major generals

Brig. Gen. Russell Boyt, O266555.
Brig. Gen. Lincoln Maupin Cummings, O292152.
Brig. Gen. John Alvin Dunlap, O325757.
Brig. Gen. Martin Henry Foery, O370696.
Brig. Gen. Francis Patrick Kane, O354217.
Brig. Gen. Howard Samuel Wilcox, O423347.

To be brigadier generals

Col. William Francis Bachman, O404581, Infantry.

Col. Richard Thomas Dunn, O394780, Infantry.

Col. Michael Charles Galiano, O269138, Infantry.

Col. Leon Henry Hagen, O285503, Infantry.

Col. Kay Halsell II, O342122, Armor.

Col. James Taylor Hardin, O388679, Quartermaster Corps.

Col. William George Kreger, O348066, Infantry.

Col. Robert Grant Moorhead, O515271, Infantry.

Col. William Frederick Morr, O328924, Infantry.

Col. Leonard Edward Pauley, O373640, Infantry.

Col. Francis Shigeo Takemoto, O2046481, Infantry.

I nominate the Army National Guard of the United States officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be brigadier generals

Col. Daniel Preston Lee, O320843, Adjutant General's Corps.

Col. Victor Lee McDearman, O328046, Adjutant General's Corps.

Col. John Perrill McKnight, O258303, Adjutant General's Corps.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 10, 1964:

U.S. Coast Guard

The following-named persons to the rank indicated in the U.S. Coast Guard:

To be rear admirals

Capt. William W. Childress, U.S. Coast Guard.

Capt. Chester R. Bender, U.S. Coast Guard.

Capt. Paul E. Trimble, U.S. Coast Guard.

To be captains

Stanley H. Rice
Roderick L. Harris
Opie L. Dawson
Harold T. Hendrickson
Robert J. Clark
Clinton E. McAuliffe
Hugh F. Lusk
James D. Luse
George C. Fleming
William C. Morrill
John M. Waters, Jr.
Richard W. Young
Charles Dorian
Roger H. Banner
James W. Moreau
Robert P. Cunningham
Edward D. Scheiderer
Leroy A. Cheney
Frederick A. Goettel
Albert A. Heckman
Lewis W. Tibbits, Jr.
Donald H. Luzius
Urial H. Leach, Jr.
Ernest H. Burt, Jr.
Francis X. Riley
Bainbridge B. Leland
Jerry K. Rea
Richard L. Fuller
Billy R. Ryan
George H. Lawrence
Robert E. Emerson
Sherman K. Frick
Marcus H. McGarity
John E. Day
Fletcher W. Brown, Jr.
Francis D. Heyward
Edward F. Cotter
Claude W. Bailey
George W. Walker

In the Coast Guard

The nominations beginning Sam Pisicchio, to be commander, and ending Walter E. Johnson, to be commander, which nominations were received by the Senate and appeared in the Congressional Record on January 30, 1964;

The nominations beginning Walter R. Goldhammer, to be lieutenant commander, and ending Herbert H. H. Kothe, to be lieutenant commander, which nominations were received by the Senate and appeared in the Congressional Record on January 30, 1964; and

The nominations beginning Denny M. Brown, to be lieutenant, and ending Robert S. Bates, to be lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on January 30, 1964.

HOUSE OF REPRESENTATIVES

Monday, February 10, 1964

The House met at 10 o'clock a.m.

Rev. J. C. Murphy, Community Methodist Church, Arlington, Va., offered the following prayer:

For this House, representing the purest form of democracy known to man, we give Thee humble thanks.

Guide our Representatives to the sublime faith that all problems may be solved through Thy wisdom. May the issues today be settled so wisely that each may go home and "dwell safely, every man under his vine and under his fig tree."

Open each mind to any new light. Let all motives be so far above suspicion that the "wolf and the lamb shall feed together, and the lion shall eat straw like the bullock."

May there be enacted no legislation today that if multiplied would weaken our Nation. We pray in the name of Him who came that all the kingdoms of this world might become His. Amen.

THE JOURNAL

The Journal of the proceedings of Saturday, February 8, 1964, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7356. An act to amend title 10, United States Code, relating to the nomination and selection of candidates for appointment to the Military, Naval, and Air Force Academies.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1233. An act to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the Administrator of General Services to enter into contracts for the inspection, maintenance, and repair of fixed equipment in Federal buildings for periods not to exceed 5 years, and for other purposes;

S. 2394. An act to facilitate compliance with the convention between the United States of America and the United Mexican States, signed August 29, 1963, and for other purposes; and

S.J. Res. 10. Joint resolution providing for the recognition and endorsement of the 17th International Publishers Conference.

The message also announced that the President pro tempore has appointed Mr. Edmondson and Mr. Keating to serve as advisers with the U.S. representatives to the United Nations Committee on the Peaceful Uses of Outer Space for the balance of 1964.

The message also anounced that the President pro tempore, pursuant to title 10, United States Code, section 6968(a), has appointed Mr. Monroney, Mr. Pastore, and Mr. Beall, as members of the Board of Visitors to the U.S. Naval Academy for 1964.

CALL OF THE HOUSE

Mr. **GROSS**. Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present.

Mr. **ALBERT**. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 31]

Barry
Beermann
Blatnik
Clark
Davis, Tenn.
Hoffman
Horan
Kee
Martin, Calif.
Murray
Norblad
O'Brien, Ill.
O'Konski
Pelly
Pillion
Pirnie
Powell
Rooney, Pa.
Schadeberg
Siler
Skubitz
Springer
Thompson, Tex.

The **SPEAKER**. On this rollcall 406 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CIVIL RIGHTS ACT OF 1963

Mr. **CELLER**. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes.

The motion was agreed to.

IN COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 7152, with Mr. Keogh in the chair.

The Clerk read the title of the bill.

The **CHAIRMAN**. When the Committee rose on Saturday, February 8, 1964, the Clerk had read through title VII ending on line 23, page 85 of the bill. Are there further amendments to title VII?

Mr. **CELLER**. Mr. Chairman, I ask unanimous consent that all debate on title VII and all amendments thereto conclude in 2 hours, namely: 25 minutes to 1.

The **CHAIRMAN**. Is there objection to the request of the gentleman from New York?

Mr. **SMITH** of Virginia. Mr. Chairman, reserving the right to object, the gentleman has a double-barreled request there; one part is that the debate conclude at the end of 2 hours, and the other is a specific time. Other matters may intervene. I think the request goes a little further than it should.

Mr. CELLER. Mr. Speaker, if there is no objection, I will modify the request to have all debate on title VII and all amendments thereto conclude in 2 hours.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. HALLECK. Mr. Chairman, reserving the right to object, so far as I am concerned, I think it would be very much in line with what I understood was our conversation just before we adjourned on Saturday, that we would have a definite time for winding up the debate. As far as I am concerned I should think it would be much more in line with what I understood the agreement to be, that debate shall close at 25 minutes of 1 o'clock.

Mr. CELLER. You have heard the statement of the gentleman from Virginia that there may be some intervening business which would reduce the 2 hours. The purport of the request is to have 2 hours actual debate on title VII and all amendments thereto. Two hours I think is more appropriate.

Mr. HALLECK. If the gentleman will permit me to say so, we could have one amendment after another with a division vote and a teller vote. We could be here all afternoon debating title VII. I do not understand that is what you are trying to do. I thought we were trying to move forward. If the time is fixed at 25 minutes to 1, amendments can be offered, they can be voted up or down expeditiously, and I think that is what it should be.

Mr. CELLER. Would not the 2 hours include teller votes and procedures of that sort?

Mr. HALLECK. Not as I understand the rules. Under my reservation, may I propound a parliamentary inquiry?

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. If the limit is 2 hours, would that 2 hours include teller votes or division votes, or matters of that sort, or would it be actually 2 hours of debate?

The CHAIRMAN (Mr. KEOGH). If the unanimous-consent agreement is that there be 2 hours' debate, division votes would not be taken out of the 2 hours.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on title VII and all amendments thereto close at 1 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. SMITH of Virginia. Mr. Chairman, a lot of conversation went on here Saturday. The gentleman from New York I know desires to reach some fair arrangement about this, but that was broken up. If you limit it to terminate at a specific hour then you are not asking for the same thing you asked for Saturday night. We might have a quorum call here. Make it 2 hours like the gentleman originally suggested, and I do not think there will be any objection, so far as I know.

Mr. CELLER. Mr. Chairman, I repeat the request that all debate on title VII and all amendments thereto conclude at 1 o'clock.

Mr. WILLIAMS. Mr. Chairman, I object.

Mr. CELLER. Mr. Chairman, I move that all debate on title VII and all amendments thereto conclude at 1 o'clock.

The CHAIRMAN. The question is on the motion offered by the gentleman from New York [Mr. CELLER].

The question was taken; and on a division (demanded by Mr. WILLIAMS) there were—ayes 211, noes 73.

So the motion was agreed to.

Mr. ROONEY of New York. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY of New York. Mr. Chairman, on Saturday the Committee of the Whole adopted a sex amendment to the pending bill on a teller vote of 168 ayes to 133 noes. I voted against it feeling it was only offered to cause mischief and should not be in this bill. I should like to read at this point an editorial published in this morning's New York Herald Tribune entitled "Sex and Civil Rights." It reads as follows:

> The smoothly functioning coalition of Republicans and northern Democrats that has been pushing the civil rights bill forward stumbled over only one serious amendment of the many put forward by southerners to delay, weaken, or disrupt the measure. That was the provision forbidding discrimination in employment on grounds of sex, as well as race, religion, and national origin.
>
> It may seem strange to many—as it did to nearly all of the women Representatives in Congress—that there should be any objection to ending this form of discrimination along with the others. One of the answers is that many statutes covering working conditions provide what was intended to be a more favorable position for women.
>
> What was put forward as protection has, in many cases, proved to be a hindrance. Hours, safety provisions, and the like have been improved for all by law, contract, and custom to a point where women believe they do not need a special status; what they do need, most of them would probably say, is a legal guarantee of equal opportunities in job seeking and equal pay for equal work.
>
> Yet the tangle of statutory provisions governing the employment of women remains, as well as such complex socioeconomic questions as marriage and maternity.
>
> The ban on discrimination against women passed; whether it will remain is, of course, dependent on the stormy future fate of the bill, which must still face the Senate, and then—if it surmounts the almost inevitable filibuster—a conference committee. The goal of the clause is worthy. It came, however, as an unplanned byproduct of a confused debate, in which the implications could not be studied with the care they deserved. The issue was raised for mischievous reasons, and it may well have unhappy effects.

AMENDMENT OFFERED BY MR. SIKES

Mr. SIKES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. SIKES: On page 71, line 15, after the word "Senate" strike out the remainder of line 15 and line 16 through 22; and, on page 72, on line 21, after the word "desirable" add a new sentence: "The Commission shall submit to the President and to the Congress a final and comprehensive report of its activities, findings, and recommendations not later than September 30, 1968.".

Mr. SIKES. Mr. Chairman, the Commission as set up in the bill is permanent. I seek simply to limit its life to 4 years. This was done to the Civil Rights Commission in this bill. The language which I propose is taken from present law. We have a precedent. It is logical to adopt the language. It gives the Congress and the Nation time to observe the operations and to determine the need for such a Commission.

For 30 years there have been efforts to foist an FEPC onto the American people. Periodically, it has been done but each time it has been short lived simply because it makes no sense and the American people do not want it. Now you try to slip it in the back door. You try to make it part of a catch-all bill which would reduce all American enterprise to a commissar-dictated shambles and all American employees to a common dull level.

Surely you recall that the Russians tried this system. They threw it into the discard. It would not work even under a totalitarian system. You cannot, by law, make all men equal; make everyone conform. It just will not work. But I will tell you what this bill would do. It would give the Russians their finest opportunity to pass us on all fronts—to take over world leadership. For under this bill as far as we can see into the future, we would be struggling with human discord and seeking to pass more bills in Congress to prop up a failing economic system which we ourselves had undermined by this foolish legislation.

When Khrushchev said he would bury the West, he probably had in mind a procedure just like this, by which America would destroy itself. But in his wildest dreams, I doubt that he envisioned our two major political parties scrambling for top hold on the shovel with which to dig the grave.

This bill would kill the American free enterprise system. The great industrial system which has been our pride is built on initiative. There can be no initiative where incentive is destroyed by incessant interference; where you dare not reward ability for fear you will be charged with discrimination, where you must employ not skill but one of every kind, class, religion, and color.

The entire section on FEPC should be stricken. Then at the very least, let us limit the term of the damage to 4 years. Let us not make something permanent of which we may soon be very sick—possibly even after the next election.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman.

Mr. GROSS. While I support the gentleman's amendment, I see no reason why we should have both a President's

Committee on Equal Employment Opportunities and an Equal Employment Opportunity Commission. One or the other ought to go. We are spending over a half million dollars each year on the President's Committee on Equal Employment Opportunities. Yet, there is being created, as the gentleman points out, a permanent commission in this bill for, it must be, the same purpose, and at an additional cost to the already overburdened taxpayers of nearly $4 million. This is the worst kind of duplication and there is no way by which it can be justified.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment would limit the life of the Equal Employment Opportunity Commission to 4 years, namely, through 1968. This is not like the Civil Rights Commission which we have limited. The Civil Rights Commission is a factfinding commission to advise Congress and the Nation concerning discriminations on the basis of race, color, creed, or national origin. In title VII, the Commission envisioned is permanent.

It must be remembered that in the first place, the Commission does not fully go into operation until 1 year after enactment.

In the second year, it only applies to 100 employees.

In the third year, it only applies to 50 employees.

In the fourth year, it applies to 25 employees.

Thereafter, it applies to 25 employees.

So in truth and in fact, the Commission hardly will get started before it goes out of existence if we adopt this amendment that has been offered by the gentleman from Florida. It just gets, as it were, underway and then, under this amendment, it would have to fold up.

I would say the adoption of this amendment would make the title VII and the establishment of this Commission a hollow shell.

Mr. Chairman, the amendment should be voted down.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. ROOSEVELT. I just want to state very briefly that the provisions of this bill and this title of the bill in no way infringe on the right of an employer to reward people for their skill or for the excellence of their work.

It will be a clear aid to our very fine principle of free enterprise. There will be cost savings and much help given to communities so far as school dropouts, juvenile delinquency, and other matters are concerned. Instead of being a deterrent to our free enterprise system, it will be, indeed, a great aid.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Ohio.

Mr. McCULLOCH. I rise in opposition to the amendment. It would not aid the legislation in any manner.

Mr. Chairman, will the chairman of the Committee on the Judiciary yield to the gentleman from New York [Mr. LINDSAY], who has made a particular study of this subject?

Mr. CELLER. I plan to do so.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from New York.

Mr. LINDSAY. I appreciate the compassion of the gentleman from Florida in seeking to kill the FEPC 4 years from now instead of now. It reminds me of the story of the lady who was being prosecuted and tried for killing her husband. As she was testifying on the witness stand she said:

> It was really very painful for me to have to kill my husband, but out of my deep love for him, when I pulled the triggers on the double-barreled shotgun I squeezed them ever so gently.

Mr. SIKES. I hope the gentleman is not implying that I love this bill.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. GOODELL. I hope the amendment will not be enacted. I do not believe that the FEPC will in any respect prejudice or restrict the free enterprise system. I believe it is a good and fair section of the bill, and this will operate to the advantage of our economy generally.

I do not quite understand why a limiting 4-year amendment should be attached to this title. If we are to limit it, it should be done with respect to other titles.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I believe the gentleman from New York [Mr. CELLER] has the floor.

Mr. GROSS. He has yielded the floor. He sat down.

The CHAIRMAN. The gentleman from New York has yielded the floor.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. GROSS. I should like to ask some member of the committee to answer the question why we would need an Equal Employment Opportunity Commission and an Equal Employment Opportunity Committee, costing the taxpayers several millions of dollars. Please tell me why we would need both.

Mr. Chairman, apparently no one wishes to answer.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield, if the gentleman can give me an answer as to why he wants to be so profligate with the taxpayers' money.

Mr. GOODELL. The Equal Employment Opportunity Committee to which the gentleman refers is limited to Federal contracts.

Mr. GROSS. Is limited to what?

Mr. GOODELL. To Federal contractors, when Federal contracts are involved, and to Federal employees. I would hope we could eventually eliminate the necessity for that Committee. It was set up under Executive Order No. 10925 of March 6, 1961. Its jurisdiction is limited.

Mr. GROSS. Let me say to the gentleman that I happen to be a member of the Subcommittee on Manpower Utilization of the Committee on Post Office and Civil Service. I say to the gentleman that the Equal Employment Opportunity Committee activities go far beyond Government contracts. We have investigated the operation of this Committee. The gentleman is not factual when he makes that statement.

Mr. GOODELL. That is the basis for the Committee.

The Commission in this bill, at any rate, is to operate far beyond that purview. The scope of the Commission is to cover all employers affecting interstate commerce who have more than 100 employees the first year and thereafter down to those with 25 or more employees.

Mr. GROSS. So far as the Equal Employment Opportunity Committee is concerned, there are no holds barred. They go all over the landscape into every facet of employment in this Government.

Mr. McCULLOCH. Mr. Chairman, will the gentleman from Iowa yield?

Mr. GROSS. Yes. The gentleman from Iowa is not looking for a Federal judgeship. I yield to the gentleman from Ohio.

Mr. LINDSAY. Mr. Chairman, I demand the regular order.

Mr. GROSS. Mr. Chairman——

Mr. McCULLOCH. Mr. Chairman——

The CHAIRMAN. The gentleman from Iowa yielded to the gentleman from Ohio.

Mr. McCULLOCH. Mr. Chairman, I wish to say to the gentleman from Iowa that one of the main reasons for providing for the Commission in the legislation was to give the Commission legislative stature. The Committee of which the gentleman has spoken is a Presidential Committee under an Executive order.

It was the well nigh unanimous, if not unanimous, decision of the subcommittee that that was the compelling reason for the legislation.

Mr. SIKES. Mr. Chairman, will the gentleman yield to me?

Mr. McCULLOCH. I have not finished on the point.

Mr. GROSS. I will yield to the gentleman from Florida.

Mr. SIKES. It appears you have struck the opposition where the hair is short. As is so often the case, the gentleman from Iowa is right. With two tables full of experts here in the Chamber scrambling to find an answer to a very simple question, nobody has been able to come up with one which possesses either logic or fact.

It appears pretty obvious there will be under this bill a double layer of officialdom meddling in everybody's business throughout the country. There will be two Commissions—at double cost—competing for priority.

Mr. GROSS. The gentleman is exactly right.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. SIKES].

The question was taken; and on a division (demanded by Mr. SIKES) there were—ayes 86, noes 131.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. SMITH OF VIRGINIA

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. SMITH of Virginia: On page 79, beginning at line 15, strike out all down and through line 20 on page 80.

Mr. SMITH of Virginia. Mr. Chairman, this amendment is to strike out the provision relative to regulations requiring every employer to keep elaborate records on why he hires anybody or why he does not hire anybody, why he fires somebody and why he does not fire somebody. I would like to address my remarks to my friends on the Republican side, because they have for many years carried the image of having been the great protector of the business interests of this country and being the great conservative party. Now, remember every employer who employs over 25 people is going to be required to keep such records as may be required by the Commission. It goes into details here. Let us take a great corporation such as General Motors, which employs hundreds of thousands of people. They are not given to this type of thing that this bill is aimed at, and this would cost a corporation like this hundreds of thousands of dollars in keeping records, making records, and making reports to the Commission that are required by this section. You ought to read it before you vote upon this. It is on page 79, line 15. Just remember this, also; you have been talking a lot about economy, not wasting money. Just remember that the expense of this is deductible under the tax provisions and 52 percent of the cost of keeping these useless records on these companies that are not in violation, have never been accused of being in violation, and never will be, because they have a program of nondiscrimination, as all the large corporations have, will be put on the Treasury of the United States. There are very few corporations of that size in my district, if any; but in the districts of some of you Members there are a great many of them. It just adds another horde of inspectors to be annoying and harassing big and little business throughout this country, because here is what it says:

> Every employer * * * shall make and keep such records relevant to the determinations of whether unlawful employment practices have been or are being committed, preserve such records for such periods, and make such reports therefrom, as the Commission shall prescribe by regulation.

It goes all over the lot. It applies to the just and the unjust. I am not going to stress the matter, but I would like to see the Republican Party preserve a few fragments of their image that they have boasted about over the years, of economy and the protection of the rights of business. I would like to see them vote for this amendment.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. DORN. Mr. Chairman, I rise, of course, to support the gentleman's amendment and to call the attention of the distinguished gentleman from Ohio [Mr. MCCULLOCH], to the fact that a great American corporation with headquarters in his State called to my attention the tremendous burden already imposed by the Federal Government in demanding countless forms, reports, and papers. I saw their annual report to their board of directors. In order to fill out the forms for the Federal Government alone in the last fiscal year over what they had to do 3 years ago, it cost them $250,000. They told me that they could have put the money into further capital expansion, which would provide more jobs and help eliminate poverty, but that they had to fill out these forms, many of them unnecessary and useless.

Now if we ram this bill down their throat it could well cost them another $250,000 more on top of the $250,000 it cost them last year. This is just a business harassment bill. This extra cost, time, worry, and effort forced upon this great company by the Federal Government could be diverted to more jobs which would provide more revenue for local, State, and National Government. This bill is an attack on our whole private enterprise system and every business in the United States.

Mr. ROOSEVELT. Mr. Chairman. I rise in opposition to the amendment. Before the Committee on Education adopted this section it proceeded with great deliberation. In the first place, may I point out that all the records or nearly all which will be required under this provision are already being kept by corporations in order to fulfill the requirements of other statutes such as the tax statutes, the minimum wage law, and others. May I next point out that we very carefully worded the provision to say that these must be "reasonable, necessary, or appropriate." If at any point anybody felt that these regulations were not so reasonable, necessary, or appropriate they could appeal first to the Commission for relief and second, if they felt that they were not proper they could appeal to the court for relief from any bookkeeping requirements that are here set up.

In addition, Mr. Chairman, I think it should be pointed out that there exists in the law today a provision about which there is not too much knowledge.

The Federal Reports Act of 1942, 5 U.S.C. 139–139(f), gives the Director of the Bureau of the Budget authority to coordinate information-gathering activities by executive agencies and this authority has been interpreted to include recordkeeping requirements. Therefore, the Director can refuse to approve a general recordkeeping or reporting required which is too onerous or poorly coordinated with other requirements. The legislative history that we are making should amply prove that in no way will these requirements be an extra burden on the business community.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from New York.

Mr. CELLER. These records are practically the same records, as you have indicated, as records that must be kept under the Wages and Hours Act, the Fair Labor Standards Act, and under the Federal Reports Act of 1942, as well as under the Social Security Act.

Mr. ROOSEVELT. The gentleman is absolutely correct.

Mr. CELLER. In addition thereto, we make ample provision, if there is any hardship in the keeping of these records, for application to be made to the Commission to relieve these corporate entities, the employers, or the labor unions, from keeping such records.

Mr. ROOSEVELT. That is correct.

Mr. CELLER. Then, if the Commission refuses to grant such an exemption, there is another remedy. There can be an appeal to the court indicating that the hardship is too great, and the court can rule on it.

Mr. ROOSEVELT. The gentleman is correct. We have a double safeguard in this statute.

Mr. GILL. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Hawaii.

Mr. GILL. I would like to point out that there is one further protection to any employer that is not included in the prior acts mentioned. You will find on page 80, line 14, the word "or." In other words, if the employer decides it does not want to go to the Commission to apply for exemption, it can, without even consulting the Commission, bring civil action in the U.S. district court in the district where such records are kept. They have a double-barreled choice. This is an added safeguard. It may cause us some difficulty in enforcing this law, but, nevertheless, it has been included.

Mr. ROOSEVELT. The gentleman is correct.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from New York.

Mr. GOODELL. I am sure the gentleman will agree with me that this particular recordkeeping section is more restrictive on the Government and the Commission than any other recordkeeping section in any major piece of legislation that has come before our committee in the field of labor. We bound the Commission in all directions to see to it that they could not exceed reasonable requirements. It is our anticipation that in most instances the Commission will need no additional records other than are already kept in the average company.

This starts out, after 1 year, covering only those companies with 100 employees or more, the next year, 50 or more, and ends up with 25 or more. Any small business with 25 employees or less is completely exempt from the act. In addition, I think this requirement will help protect the employer. If they do not keep reasonable records at the present time, under the present procedure, they run the danger of not being able to come forward with the defenses that are available to them.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent (at the request of Mr. GOODELL) Mr. ROOSEVELT was allowed to proceed for 2 additional minutes.)

Mr. GOODELL. This in effect requires the Commission, after public hearings, to lay out the rules or regulations on recordkeeping. Then the employers know what they are required to do. If these rules and regulations are too severe, any employer can go to the Commission and get an exemption or, as the Chairman pointed out, he can go directly to court. No other labor statute where recordkeeping is required gives that remedy to the individual citizen in such clear and workable fashion. The individual citizen is given this kind of recourse to courts to say that the requirements are unrealistic, overly burdensome, or otherwise too harsh in his particular case. We do require that the action be brought within 6 months of the occurrence. The recordkeeping beyond that point will be eliminated. Unless the charge is brought within 6 months of the occurrence there can be no authority for the Commission to move into the case, and therefore, the Commission would have no authority to require recordkeeping beyond that period.

Mr. ROOSEVELT. I want to thank the gentleman and say to him that I pay tribute to the endeavors of the minority members of the committee in helping to write this part of the proposal, because I think it is as well drawn as it is because of the completely bipartison approach to this recordkeeping section.

Mr. HARRIS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I have listened to the information given by the gentleman from California [Mr. Roosevelt] and the gentleman from New York [Mr. Goodell] on the committee about how insignificant this provision will be. I hope the Members will stop for just a moment and think what is being done. If my good friends and very able and distinguished colleagues feel conscientiously, as they have tried to lead us to believe here, that there is nothing to this, then it seems to me that we are simply ignoring a realistic responsibility.

Let us stop and think for a moment. How many of us realize what the requirements are today from the Bureau of the Budget for information from every business of this country, the Department of Commerce, the Department of Labor, the Federal Trade Commission, and so on and on as it is with these great and powerful agencies of the Government.

The gentlemen say there is nothing to it, that business is protected. Let me read to you and ask you to follow me as I read on page 79, and listen attentively. I am reading from page 79, line 15, paragraph (c):

> Every employer, employment agency, and labor organization subject to this title shall (1) make and keep such records relevant to the determinations of whether unlawful employment practices have been or are being committed, (2) preserve such records for such periods, and (3) make such reports therefrom—

Now, listen:

> as the Commission shall prescribe by regulation or order as reasonable, necessary, or appropriate for the enforcement of this title or the regulations or orders thereunder.

Then I will ask you to read the other sentence, down to line 8 on page 80:

> The Commission shall, by regulation, require each employer, labor organization, and joint labor-management committee subject to this title which controls an apprenticeship or other training program to maintain such records as are reasonably necessary to carry out the purpose of this title, including, but not limited to, a list of applicants who wish to participate in such program, including the chronological order in which such applications were received, and shall furnish to the Commission, upon request, a detailed description of the manner in which persons are selected to participate in the apprenticeship or other training program.

Then you would tell us there is no extraordinary authority delegated, that a business can then go to the Commission or to the courts and get relief.

Let me read you these so-called protective assurances:

> Any employer, employment agency, labor organization, or joint labor-management committee which believes that the application to it of any regulation or order issued under this section would result in undue hardship it may (1) apply to the Commission for an exemption from the application of such regulation or order, or (2) bring a civil action in the United States district court for the district where such records are kept. If the Commission or the court, as the case may be, finds that the application of the regulation or order to the employer, employment service, or labor organization in question would impose an undue hardship, the Commission or the court, as the case may be, may grant appropriate relief.

Do you know anything about proceedings and how easy it is for very capable and able employees in these agencies of the Government to make a case on the record as to what is reasonable and necessary to carry out a rule promulgated under this authority? A short time ago the Federal Trade Commission in complying with the regulation it proposed with the concurrence of the Bureau of the Budget sent out the so-called 1,000 forms for information. It was one of the most impractical, illogical, and ridiculous requests by a Federal agency on these businesses of this country, in my judgment, that has ever been approved by a respectable agency of the Government. We had requests all over the country from those to whom this request was sent, the 1,000 largest of our corporations and businesses. They made such loud outcries as to what was required of them and how much it would cost that, finally, somewhere along the line—I do not know—it was modified. And the agency, the Federal Trade Commission, seeing how ridiculous it was, did not cancel but softened it.

Let me tell you something else. When you require this kind of information with the authority that is given to an agency of the Government, I fear what is going to happen.

Let me also tell you, my colleagues. We, in the Congress, are going to get from these businesses, from our districts and all over the country, such demands and requests for relief that I suspect we will have to put more personnel on our own staffs to take care of them.

Mr. Chairman, this amendment ought to be approved.

The CHAIRMAN. The time of the gentleman has expired.

Mr. EDWARDS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to the amendment. I take this time to ask a question of the gentleman from California [Mr. Roosevelt].

I ask the gentleman, approximately how many States now have FEPC legislation?

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS. I yield to the gentleman.

Mr. ROOSEVELT. In response to the gentleman, I would say the latest figures we have are 26 States and Puerto Rico that now have FEPC laws of their own. They do differ in some repects, but generally I would say most of them have statutes which certainly would require this bookkeeping process at the present time, and therefore there would be no duplication in existence, certainly, at least as to most of the 26 States and Puerto Rico.

Mr. EDWARDS. Are these generally the larger industrial States?

Mr. ROOSEVELT. Yes, they are generally the larger industrial States. So far as the States are concerned that do not have FEPC legislation, they generally are States where I would say the lesser part of industry would be affected.

Mr. EDWARDS. So would you say we say we could not anticipate a great deal of duplicate recordkeeping as has been alleged here today?

Mr. ROOSEVELT. Not only would I say that because I think that has been made very clear, but I want to add if the gentleman who just spoke previously from the well has read the rest of the section, he would note that in this statute there is an exemption or way out as to anything that might conceivably be considered an undue hardship. That is not true of all other regulatory statutes and, perhaps, the gentleman could direct himself to an effort to correct these other statutes so that all the statutes might conform with this one. I certainly would support such a move.

Mr. EDWARDS. I thank the gentleman.

Mr. Chairman, I urge that the pending amendment be rejected.

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, with regard to this title and the entire bill, I would like to call the attention of the House to page 2542 of the Record. I particularly wish to direct a question to my colleague, the gentleman from Ohio [Mr. McCulloch].

On page 2542 of the Record, the gentleman from Washington [Mr. Pelly], inserted a statement to the effect that this bill would not apply to the people of his State of Washington, and particularly the FEPC provisions. It is evident that there is great objection to this bill in the State of Washington. So the gentleman from Washington [Mr. Pelly] and others have gone to great effort to try to convince the folks out there that the Federal Government will not be breathing down their necks. The gentleman from Washington [Mr. Pelly], in his remarks included a letter from the ranking minority member of the Committee on the Judiciary, the gentleman from Ohio [Mr. McCulloch], and also a letter from one Edwin Guthman of the Department of Justice, which Department incidentally has been well represented in the galleries day after day, waiting hopefully for the extraordinary powers in this bill. They have been hanging over the upper railing and running up and down the steps eagerly awaiting the birth of their brain child. I have heard some Members complain that these people were applying pressure when they failed to vote against amendments which we have offered. But back to the point I was about to make.

The gentleman from Ohio [Mr. McCulloch] in his letter to the gentleman from Washington [Mr. Pelly], who had indicated he had received numerous complaints about this legislation from his constituents and evidently was concerned about it, said, and I quote:

> In your State, as with many other States with effective [FEPC] legislation there will be no cause for the Federal Government to intrude in these areas at all.

In that paragraph he was speaking of FEPC.

I ask the gentleman from Ohio [Mr. McCulloch] if the business people of the State of Washington, who are quite upset about this bill, according to the gentleman from Washington [Mr. Pelly], will be exempt from keeping these records? Or from this title? Or from the bill?

Mr. McCULLOCH. It is my understanding that the State of Washington has——

Mr. ABERNETHY. I did not ask the gentleman that. I know the State of Washington has an FEPC. I have asked the gentleman if the businessmen of the State of Washington would be exempt from this bill, and particularly from keeping the records which the pending amendment proposes to strike?

Mr. McCULLOCH. Mr. Chairman, if the gentleman wishes me to answer the question, I shall be pleased if he will give me time to answer the question.

Mr. ABERNETHY. Will the gentleman answer? Will they be exempt?

Mr. McCULLOCH. I was going to say to the gentleman from Mississippi that the State of Washington, I am advised, has an FEPC law which has been on the books for some time.

Mr. ABERNETHY. Which I have just stated.

Mr. McCULLOCH. Which is a strong bit of legislation which requires the keeping of records. Without having every line of the statute before me, I could not say every paper would not be required.

Mr. ABERNETHY. Yes.

Mr. McCULLOCH. I say that substantially there would be no new burdens on a State such as Washington.

Mr. ABERNETHY. I cannot yield further.

Mr. McCULLOCH. Or on a State such as Ohio.

Mr. ABERNETHY. I do not yield further.

I thank the gentleman for his very evasive answer, which is quite contrary to the sentence in his letter which I have just read. In that sentence he specifically advised the gentleman from Washington [Mr. Pelly] that the people of the State of Washington would not have any problem with this legislation and that it would not be applicable to them. That was the purpose in seeking the letter from the gentleman. And it was without any doubt whatever secured and placed in the Record for the specific purpose of convincing people of the State of Washington that they would not be within the provisions of the bill. But believe you me, they will soon find out.

I should like to ask one or two other questions. I should like to ask the members of the Committee on Education and Labor and of the Committee on the Judiciary who voted to report the bill, and particularly the FEPC title, if you yourselves, who voted to report the bill are complying with the principles of FEPC in the employment of your own office staffs?

There are 25 members of the Committee on Education and Labor. A majority of them voted to report this FEPC title. There are 35 members of the Committee on the Judiciary. A majority of them voted to report the bill, including FEPC.

I believe it would be well and of interest to the people of the country, to their constituents, and particularly to their colored constituents, if each committee member who voted for FEPC would either arise now and advise the House, or insert in the Record, the number of colored employees in his office. Their constituents ought to know if they are practicing what they are preaching. Well, do you wish to stand and identify yourselves? Evidently you do not. No one is standing. But you can be assured that each of you will be called on to make your position known.

At the proper time I am going to insert in the Record, following my remarks, the names of the members of these committees. So, I here and now invite them to put a statement in the Record as to how many colored employees they have in their offices.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I see the gentleman from California has risen. I know he has several Negro employees. He has complied.

I am pleased that he has the courage to stand, to say that he voted to report the FEPC provision and that he has an integrated office staff. I know his constituency appreciates courage. Are there others now? I do not see any other members of these committees arising. So I presume they have all-white staffs. But for the masses, they must be harassed by the Federal snoopers of FEPC and forced to integrate their personnel or go to jail. Is this justice? Is this America?

Now, Mr. Chairman, I am listing below the names of members who serve on the Committee on Education and Labor, and the States from which they come, and also the names of the members of the Committee on the Judiciary and the States from which they come. A majority of each of these committees voted, in committee, in favor of the FEPC title of this bill. Of course, all members of the committees did not vote for such. Some voted against the title, particularly those from my part of the country. The members who did vote to force businessmen to hire employees, regardless of race, evidently should practice such within their own congressional offices. Only two members, Mr. Roosevelt and Mr. Corman, both of California, both of the Labor Committee, have spoken up and said they have integrated office staffs. Surely there are others, else no such title would have been included in this bill. If there are no others, then these Congressmen are guilty of fixing double standards, one for others and another for themselves. I know of a good many members of these committees who have staffs which are all white. Yet they voted for this FEPC to force everyone else to integrate their office and business personnel. Again I invite those who voted to report out the FEPC to let the Record show whether or not they practice what they preach. I trust they will put the information requested in the Record.

The members of the committees and their States are as follows:

EDUCATION AND LABOR

Adam C. Powell, chairman, New York.
Carl D. Perkins, Kentucky.
Phil M. Landrum, Georgia.
Edith Green, Oregon.
James Roosevelt, California.
Frank Thompson, Jr., New Jersey.
Elmer J. Holland, Pennsylvania.
John H. Dent, Pennsylvania.
Roman C. Pucinski, Illinois.
Dominick V. Daniels, New Jersey.
John Brademas, Indiana.
James G. O'Hara, Michigan.
Ralph J. Scott, North Carolina.
Hugh L. Carey, New York.
Augustus F. Hawkins, California.
Carlton R. Sickles, Maryland.
Sam M. Gibbons, Florida.
Thomas P. Gill, Hawaii.
George E. Brown, Jr., California.
Peter Frelinghuysen, New Jersey.
William H. Ayres, Ohio.
Robert P. Griffin, Michigan.
Albert H. Quie, Minnesota.
Charles E. Goodell, New York.
Donald C. Bruce, Indiana.
John M. Ashbrook, Ohio.
Dave Martin, Nebraska.
Alphonzo Bell, California.
M. G. (Gene) Snyder, Kentucky.
Paul Findley, Illinois.
Robert Taft, Jr., Ohio.

JUDICIARY

Emanuel Celler, chairman, New York.
Michael A. Feighan, Ohio.
Frank Chelf, Kentucky.
Edwin E. Willis, Louisiana.
Peter W. Rodino, Jr., New Jersey.
E. L. Forrester, Georgia.
Byron G. Rogers, Colorado.
Harold D. Donohue, Massachusetts.
Jack Brooks, Texas.
William M. Tuck, Virginia.
Robert T. Ashmore, South Carolina.
John Dowdy, Texas.
Basil L. Whitener, North Carolina.
Roland V. Libonati, Illinois.
Herman Toll, Pennsylvania.
Robert W. Kastenmeier, Wisconsin.
Jacob H. Gilbert, New York.
James C. Corman, California.

William L. St. Onge, Connecticut.
George F. Senner, Jr., Arizona.
Don Edwards, California.
William M. McCulloch, Ohio.
William E. Miller, New York.
Richard H. Poff, Virginia.
William C. Cramer, Florida.
Arch A. Moore, Jr., West Virginia.
George Meader, Michigan.
John V. Lindsay, New York.
William T. Cahill, New Jersey.
Garner E. Shriver, Kansas.
Clark MacGregor, Minnesota.
Charles McC. Mathias, Jr., Maryland.
James E. Bromwell, Iowa.
Carleton J. King, New York.
Patrick Minor Martin, California.

Step forward gentlemen and be counted.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. ROGERS of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is one of the most important amendments that has been offered to this legislation. Now, I realize that when we get into the Congress there is a tendency to become so worked up over international problems and national problems that some forget about the little man, but those of you who do not realize that these little people in business throughout this country are absolutely swamped with the requirement to fill out all kinds of Federal forms just have not acquainted yourselves with the business in your district. It is one of the most tragic problems we are faced with today, and here is what has happened.

As was pointed out to you by the distinguished chairman of the Committee on Interstate and Foreign Commerce [Mr. Harris], this bill delegates to these agencies the right to make rules and regulations governing businessmen, big and little. Now what happens? These agencies write rules and regulations applicable to these little businesses to make these little business people keep the records and do what work they themselves should be doing rather than the little business people. They descend upon them and they say, "Do you have these records ready? If you do not have these records ready, then you are in violation of the law." Now, who is paying the salary of that man from the Federal Government who descends upon that little businessman? That little businessman is not only required to hire an accountant to keep these records, but he also has to pay the salary of the man who descends upon him and wants to haul him off to jail.

There is a great deal of talk here about this applying only to companies that have 25 employees after 2 years. That is not true at all. This law applies to individuals, to one single individual, to groups of individuals. We are talking about every businessman, farmer, or other individual.

I have an amendment that I hope will be approved by this House. An amendment to this bill. I do not know whether I will get a chance to speak on it or not, and that is one reason why I come to the well of the House at this time. It is to exempt individual engaged in agriculture. This is the same identical exemption that is present today in the Fair Labor Standards Act. If you do not adopt this amendment or if you do not adopt the amendment I have offered with regard to agriculture, you are all going to begin to get letters from these little farmers who are forced, because of the seasonal situation in agriculture, to hire 35 or 40 people for a couple of weeks during the year and hence fall under this act. There is no exemption in this bill, and if the man hires that many people, he is going to be subjected to keeping all of the records and subjected to all of the penalties laid down by the department and agency heads from time to time, from which he has no appeal. He cannot make a living today working 12 to 15 hours on these farms. These individual farmers cannot make a living, and you are fixing to saddle him with another burden. Do you know what is going to happen? He is going to throw up his hands in frustration and he is going to move into the city and into the already overstocked labor pool, and you are going to have a further unemployment problem on your hands.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I will be happy to yield to the distinguished gentleman from Arkansas.

Mr. HARRIS. The members of the committee make a great to-do about how they protect business when they feel the requirements will go far beyond reasonableness. Is it not a fact that under present law with all of these other agencies today, they have the same right that businessmen may, if they feel an agency or a commission has gone beyond reason, request the Commission and under the Administrative Procedure Act and other requirements of the law, ask them for relief. Then, if they go too far, in fact, they can go to court and determine whether or not that is a proper proposal.

Mr. ROGERS of Texas. That is exactly right. What they are trying to do, if the chairman will permit me, is to make these people keep a separate set of records for every Federal department, in order to lessen the workload on the Government employee and increase the workload and the financial burden on the taxpayer.

Mr. HARRIS. Is it not true every agency of the Government has capable employees, and in the development of the records on the applicable rules proposed they can make a record that is usually upheld by the court since the court can only consider on the record?

Mr. ROGERS of Texas. The gentleman is eminently correct.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ROGERS of Texas. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. ROOSEVELT. Mr. Chairman, reserving the right to object—and I am not going to object in this instance—may I point out that every time we extend the time of one Member to speak beyond 5 minutes we are penalizing somebody who may want to discuss an amendment which he has or will offer.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. HARDY. Mr. Chairman, reserving the right to object, I might observe that the gentleman from California had his time extended only a few minutes ago.

Mr. ROOSEVELT. I did not ask for it, and I am not objecting now.

Mr. HARDY. But somebody else did.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Arkansas.

Mr. HARRIS. Mr. Chairman, what I am trying to say is that the Members of the House know that there is nothing to the contention of protection through the courts. I know they do not want to mislead Members, but we must understand what the present law is and know that any agency can make a record that will be sustained by the court on the question of reasonableness.

Mr. ROGERS of Texas. I thank the gentleman.

Mr. Chairman, I want to point out one further thing. When you vest in these agencies and departments downtown the right to write rules and regulations you do not bind them with the rules that are applicable in court. There was a statement made the other day that electronic devices that could be used to spy on people could not be used in the enforcement of this act. That is not true at all. All you have to do is to read the act itself. You delegate to these agencies and departments downtown the right to write these rules and regulations and to do as they please in making a determination and exercising their discretion. It will be argued that there is a provision for judicial review. Anyone familiar with the law, knows that this provision will not protect the individual, if he tries to go to court. But how many of these little fellows in business are able to get to court? Most of them cannot afford to pay the court cost, let alone the legal fees that would be necessary.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Ohio.

Mr. FEIGHAN. Mr. Chairman, does not the gentleman think it would be an excellent idea if Congress itself provided the staff through our own committees to do the work of writing these rules and regulations, instead of delegating that authority to these nonelected persons who are responsible to nobody, at least not to any electorate.

Mr. ROGERS of Texas. Let me say to the distinguished gentleman from Ohio that I think we are violating the Constitution by giving away our legislative powers when we delegate to these departments the power to write these rules and regulations from which, as the gentleman knows—and he does know because he is an able lawyer—there is no effective appeal. There is only lip service to an appeal.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from South Carolina.

Mr. DORN. Dr. Galloway of the Congressional Library is not a politician; he is a statistician. He wrote a great book on the Congress. Dr. Galloway is a recognized authority on this House and on the Federal Government in general. Dr. Galloway is reported as saying after years of study that 90 percent of the rules and regulations with the full force and effect of law are not made by this Congress but by the bureaus, departments, and agencies of the Federal Government. Mr. Chairman, unelected officials of the Federal Government are not responsible to the people. This Congress is rapidly losing its right to even pass the laws.

Mr. ROGERS of Texas. And let me add this. If you keep on doing this—you talk about people needing an education or wanting an education—you are going to have to provide that they have an education, because they are going to need a Ph. D. to stay out of the penitentiary.

Mr. FOUNTAIN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I hope this body will seriously consider the amendment offered by the distinguished and able gentleman from Virginia, Judge SMITH. This amendment deals with one of the most sensitive subjects in America today, at least so far as the average businessman is concerned—the subject of Federal bureaucratic redtape or Federal rules and regulations and congressional delegation of legislative authority to administrative agencies.

Much of my correspondence during my 11 years in the Congress has contained complaints about the "countless rules and regulations," too frequently not understood, but whether understood or not, which must be complied with, "or else." In addition to the rules and regulations of Federal bureaucracies, there are those on the State and local level which our citizens must comply with.

When I was running for Congress back in 1952, I remember driving up in front of a certain business establishment in a rural section of my congressional district. I needed some gasoline as well as some votes. I went into this country store and introduced myself to the owner. He apologized to me for not coming out as soon as I stopped my automobile by saying:

> Mr. FOUNTAIN, when you drove up, I was here reading some Federal Government regulations trying to figure out what they mean and how they affect me. You know, there are so many laws and regulations which we small businessmen have to comply with now, that everytime someone stops at my place, I am fearful it is some "Government man" stopping to accuse me of having violated some law, rule, or regulation which I either didn't understand or didn't know I had to comply with.

This man was deeply concerned. In fact, he was bitter. He asked me if I was a lawyer. I told him I was, whereupon he handed me a sheet of regulations. I do not recall the Federal agency from which they came. He said, "Read these two paragraphs and tell me what they mean." I read the two paragraphs several times and responded by saying, "I am sorry, the language is ambiguous and unclear." I will never forget that experience. If that citizen felt that way in 1952, it is not surprising that so many feel that way now in 1964.

I tell you in all sincerity that this is an extremely sensitive subject in the business world. This legislation will increase the problem.

Many of you talk about your respective States already having such requirements, about your Public Accommodations Statute and a Fair Employment Practices Act and you say these acts and their enforcement have not created any problems. Whether or not such laws in your respective States are enforced, there is a decided difference between States having their own statutes and placing such power—such all-embracing, such sweeping power in the hands of one powerful government—the Federal Government, and incidentally the Government which has control and power over all of the Armed Forces of this Nation which, if needed, can be used to enforce any of its edicts, and even to change our way of life.

Just how far do we expect to go in telling a private businessman who he must hire and fire, who his customers and associates must be, however much one may disagree with his choices. Just how far are we in this Congress going in centralizing more and more power in the hands of nonelected public officials here in Washington, especially the power of life and death over private enterprise. Why, I remember in 1952 when you on my left and your political party were supporting, and when with the help of many Democrats, you elected to the Presidency a man who spent quite a bit of his campaign time talking about the "centralization of power and authority" in Washington. In fact, after he got to the White House, he still talked quite a bit about it, but not half so much as have many of your party's congressional leaders. I am therefore amazed at your position on this bill.

Since 1953 when I came to this body, in one way or another, in one piece of legislation after another, more and more power has gradually been concentrated in this Federal Government of ours. The executive branch of Government already has, or by Executive orders, has assumed the power of life and death over business and over the rights and privileges of all freedom-loving Americans. Over a period of many years now, session after session, just a little more here and a little more there, our Federal Government has become more powerful than at any time in history. True, it has the power to do good, and it does so much good, but I pray to our God above that it will never use all of its power in the direction of evil.

I do not come into this well very often. I have found that I can do more effective talking elsewhere. However, I have listened to many speeches on this floor. I have voted on many prices of legislation both for and against, sometimes in doubt but every year I wonder how much more power the American people are willing to concentrate in Washington, without more adequate checks. How much further can we afford to go.

If the centralization trend continues without more adequate checks and balances, it is not inconceivable that in the not too distant future, there really will not be much difference between our system and the Communist system, except for our belief in God. A growing materialism in America, aided by an all-powerful centralized government could be the end of the kind of freedom bequeathed to us by our forefathers.

How long will we yield to threats and pressures and riots and threats of riots, by claims more and more of the rights and property of our people under the guardianship of either elected or nonelected Federal public officials? Have we no courage left? Can we not boldly and courageously record by our public votes our private convictions. I believe the American people would stand by such a show of support for the Constitution of the United States.

Mr. Chairman, the time has already arrived—in fact, it is later than we think. This is the hour for us to stand up and be counted for the fundamental principles upon which this Nation was founded and for the human and property rights of all our people of all races and creeds and colors everywhere. If you pass this civil rights package, in its present form, among other things you will be delegating to nonelected Federal public officials in more than 100 Federal agencies authority to withhold, restrict, or deny participation by local and State governments and private citizens in programs involving grants, contracts, and loans. This legislation is of unwarranted severity and unprecedented sweep. Many of its enforcement provisions will definitely infringe upon the rights and responsibilities of private citizens of all races, and the rights and duties of State and local government units.

Mr. Chairman, my people resent this legislation. They feel that it is aimed directly at them, and I would not be honest if I did not agree this has been admitted time and time again during this debate. They feel that its enactment will be a vote of no confidence in them, notwithstanding the almost miraculous progress they have made in race relations in recent years.

I yield to no man in my belief in equality of opportunity before the law for all people without regard to race, color, sex, or national origin. I have great respect for the Negro race and the many members of that race who I am proud to call my friends, as I believe they look upon me. For many years, I have shared their hopes, their dreams, and their aspirations, particularly of students finishing high schools and colleges for a deeper, a more meaningful, and a more abundant way of life. From days of toil in the fields as a child, at work and at play, through youth into adulthood, until this day, I have been closely associated with many members of the Negro race. Many of them are my closest friends. I cherish these friendships, but legislation of this kind, and some of the things which have occurred throughout our land within the last 2 years, have impaired communications between some of us and between our two races. As I have said, since the very day of my birth I have been associated with Negroes in one capacity or another. I hear something about the ups and downs of some of them. I have borne their burdens with them. I have pled their causes before city boards, in the courtroom, and in community life. I will continue to do so. Their problems have been upon my heart and upon the hearts of the people of North Carolina and, I believe, people throughout the Southland for many, many years. We have come a long way together and we have a long way to go.

In my home State of North Carolina, in my own congressional district, and I think, throughout America, in recent years responsible local people of both races, people closest to the problem, people who know what can and in due time what should and must be done, are solving the problem too slow for many and too fast for others but with a spirit and a will, with courage, and conviction, conscience, commonsense, and judgment, that cannot be legislated.

The cooperative efforts already demonstrated in my home State and all over the South, except for a few unpleasant spots here and there, when we look at the Nation is proof positive that racial problems can and will be worked out on the local level in a way that is honorable and effective. In my opinion this legislation before us will make a continuation of such cooperation extremely difficult. If it should be enacted, I hope my prediction will prove wrong.

Notwithstanding the apparent urgency of solutions to racial problems, in some communities solutions will be faster or slower than others, depending upon important local factors and circumstances which are familiar only to the local people involved. Even the problems will vary from community to community. In my opinion, solutions must therefore be sought in a manner consistent with the best interest of and in fairness to all our people, white and Negro alike. Such statements as "we've got the white man on the run" will not help the cause either.

The so-called civil rights crisis cannot be solved by the force of additional coercive laws, particularly laws which would give Federal officials dictatorial powers over the life and private property and rights of every individual citizen of every race, creed and color.

As pointed out in an editorial in the North Carolina Greensboro Daily News last year—the greatest collective fault with this civil rights package is that "in the name of the noble cause of racial justice," it would endow Federal officials with sweeping and unprecedented authority to invade and intrude in almost every area of local activity, public and private, superseding the rights of States and local governmental units and of private citizens, including even home authority.

I agree with Arthur Krock of the New York Times that such laws, and the provisions for their enforcement, would give Federal authorities discretionary powers over private property and its use and individual freedom of choice that would be "comparable in magnitude only with those exercised in time of war and during the post-Appomattox period of southern reconstruction." The proposals contain words, phrases, and sentences which would be interpreted to mean whatever the present or any future Attorney General of the United States, or his agents, desired. The authority contained in this legislation is "open end."

Heads and hearts, wills and spirits, mutual respect, and understanding simply cannot be forced or legislated. As I have already pointed out to attempt to do so, especially on the Federal level, in such a highly explosive area of human relations would further endanger the traditional feelings of good will between our races and seriously discourage and impair already evident cooperative efforts all over the country by responsible people of both races at the community level.

I sincerely believe that more Federal laws and power in the hands of Washington bureaucrats would simply add fuel to an already existing fire which can and will be put out by those closest to it. The task is too difficult for others.

In a proper climate, without outside interference or further Federal "force" legislation, responsible local people of both races at the community level are best equipped to find, and with the necessary help of God will find, an honorable, reasonable, and orderly approach to and a sane and sensible solution to the problem.

Mr. Chairman, the Charlotte Observer of Charlotte, N.C., yesterday, Sunday, February 9, published an extremely thought-provoking editorial entitled, "Rights Bill Would Endanger the Rights of the Majority." In a nutshell, it describes this legislation as follows:

RIGHTS BILL WOULD ENDANGER THE RIGHTS OF THE MAJORITY

The hopes of millions of Americans and the fears of millions of other Americans are wrapped up in the far-reaching civil rights package now being debated in Washington. Both the hopes and the fears are understandable, for this legislation will deeply affect our lives and the lives of those in succeeding generations.

This invests an awesome responsibility in Congress, a responsibility that has not been properly exercised in the House as it worked against the clock and under intensive political pressure from civil rights groups.

The danger of allowing the rights battle to be fought out in the streets of our Nation is obvious. But there is a danger just as serious, though not as spectacular, in baring the rights of the majority to abuse while seeking to legitimatize the rights of a minority.

There is a duty here to posterity that is so important that the U.S. Senate connot afford to be stampeded into hasty action, no matter how great the pressure on that body.

Every word and phrase of this 49-page bill must be examined to determine its possible effect on personal freedom. Powers are delegated to the executive branch which have got to be circumscribed where they are now "open-end." There are words that must be more clearly defined—"discrimination" for one.

This is not a matter of impugning the motives of those who have drawn the bill. There are mixed motives, and some are on the highest moral plane. The "caution flag" must go out on this bill because the individual liberties of Americans are too precious for Congress to seek good ends through bad means.

What we are about to do is to give the agents of the Federal Government broad and sweeping powers that they have never been able to employ before. This is not to regard the Federal Government as some alien power intent upon doing us harm.

It is our Government, just as much as the one in the State capital or at city hall. But it has always been the prerogative of the people to reserve to the States or to themselves the powers not expressly given the Federal Government in the Constitution. This is a decision about making a drastic change in Washington's historic role, and we should know what we're about.

This is not racist talk. We have no patience with those who have done everything in their power to deny basic American freedoms to a minority and now weep copiously over the bier of reason. This is simply an appeal for rational consideration of every State or personal right that the framers of this bill ask us to minimize or give up.

It is an appeal, too, that Members of the Senate seek to envision the exercise of these new powers by those whose faces we cannot see now. Given an understanding of the atmosphere in which this legislation was produced, agents of the Federal Government logically will exercise their new powers on the present generation with reason and restraint. But experience has taught us it is far wiser to circumscribe the powers of government than to put our faith in good intentions, for the passage of time has a way of turning bright castles into ashes.

Constructive changes already have been made in the bill despite the limitations on hearing and debate. Much more needs to be done in the Senate to make sure that individual Americans, not just Negroes, will be secure in their persons and effects against unreasonable Government power.

The search for justice is going on, as it should, within our highest deliberative body. But the U.S. Senate must remember that this is not a sociological treatise but law that it is writing, law that it will place in the hands of what George Washington called "a dangerous servant and a fearful master."

Mr. Chairman and my colleagues, we do not need this law. Certain of its provisions, as I have hereto pointed out, are obviously unconstitutional. What we do need—all of us, especially those of us in this body, is to get down upon our knees and call upon our Father in heaven for more faith in Him, for a better understanding of his magnificent purpose in our lives, and for a greater courage, both in private and public life, to carry out the many glorious tasks which He and the people we represent have committed to us individually and collectively.

If we, the people of America, of all races, creeds, and colors, would stop thinking in terms of what Government can do for us, and think instead of what we can and should do for ourselves, in due and proper time, with the help of God, the problems which this and much other legislation was allegedly designed to solve, will be substantially solved.

As we seek peace on the international front, while standing firm like the Rock of Gibraltar, let us together on the homefront—men and women of all races and creeds and colors—work unceasingly for the day when "reason shall strike from the hand of force the sword of hate and pluck from the heart of war the germ of greed." When love, liberty, justice, and understanding shall march up and down this Nation and all other nations of the world, finding their place and making their abode in the hearts of men, and when all tongues, awakened to hope by the inspiration of our example—your example and my example, the example of all races of people—will follow with the march of years that luminous pathway which leads to a destiny beyond the reach of vision, but surely within the providence of Almighty God.

Mr. McCULLOCH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time by reason of the fact my name was mentioned, and a letter which I had written to Mrs. MAY was referred to, but was not quoted from in some of the important aspects of this matter. If the gentleman who made the comment about me when I was on the way out to work on some other features of this legislation will stand, I will read the part of the letter which is of importance. I quote from the letter, a copy of which appears at page 2542 of the CONGRESSIONAL RECORD.

Here is what I said:

> Thirty-two States have public accommodation laws and 25 States have FEPC laws. Washington State has effective legislation in both areas which you, of course, are far more familiar with than I. Thus, in your State, as with many other States with effective legislation, there will be no cause for the Federal Government to intrude in these areas at all.

Mr. ABERNETHY. That is exactly what I said.

Mr. McCULLOCH. I have not yielded, because I had not finished reading the letter yet. The next paragraph of the letter is to this effect:

> The civil rights bill is primarily aimed at correcting abuses in those areas of the country where local authority fails to take effective action.

I now interpolate, I am sure the Members of this House have a general knowledge of those States.

> Whenever a State or locality meets its obligations in the area of civil rights, then the right or need for Federal intervention will disappear.

That is the end of that paragraph. I repeat here what I said in the letter. When those sections of America proceed to guarantee to their citizens those fundamental rights that are so clearly described in the Constitution of the United States there will not be the need of such fear and trembling, or such apparent fear and trembling shown by many of the opponents of the legislation.

Now I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I read exactly what the gentleman has just read in the paragraph on page 2542. This is what the gentleman said and what I read:

> Thus, in your State, as with many other States with effective legislation, there will be no cause for the Federal Government to intrude in these areas at all.

Mr. McCULLOCH. I do not yield any more.

Mr. ABERNETHY. I do not want you to yield any more.

Mr. McCULLOCH. The gentleman has read only a part of the letter which I wrote to the gracious lady from Washington. I stand by it. Again, I suggest that if some of the sections of this country which have failed and neglected and refused to implement the Constitution would proceed to do so, they would have no need to fear this legislation.

Mr. CORMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I take this time to answer the remarks of the gentleman from Mississippi.

We have an employee we hired because she is an efficient secretary, and her name happens to be Georgia Washington.

Now the telephone number in our District office is 345-1776.

Our telephone in the District is answered "1776—Georgia Washington." It has had a good effect. It is our subliminal effort to foster patriotism.

She happens to be Negro but that is not the reason she was hired.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman.

Mr. ABERNETHY. I thank the gentleman for taking the floor. The gentleman is doing exactly what I asked the members of the Committee on Education and Labor and the Committee on the Judiciary to do. Of the 66 members who are on those 2 committees, we have only 2 who have now testified that they live up to the principles of the FEPC. I congratulate the gentleman for practicing his convictions. I trust other members of the two committees responsible for voting out this title will take the floor of the House and testify as to what they have done in the hiring of their own office personnel. Have they practiced what they preach? Have they hired Negroes to serve as their secretaries or clerks? Or do they have all white staffs? I cannot imagine any member of either committee voting to report this FEPC section unless he has practiced the philosophy of FEPC in recruiting his office staff. Only two members have thus far come forward and told the House that they have biracial staffs. I am afraid, in fact I know, many others are now in hiding.

Mr. CORMAN. I thank the gentleman very much.

Mr. Chairman, the primary purpose for rising was to urge the defeat of this amendment.

Mr. Chairman, the Committee on Education and Labor and the Committee on the Judiciary decided it was essential that the Federal Government regulate in this field of discrimination in employment. I doubt that the business community in this land could have survived without having certain reasonable regulations that have been imposed on it by the great Committee on Interstate and Foreign Commerce. That committee, I am certain, only legislates when it is essential and in the public interest, and it makes those regulations effective. The same can be said for our two committees. But if we are going to legislate, then we have to do it with the same degree of honesty and efficiency and we would not be doing that if we legislate regulations but do not back them up with the necessary requirement to keep records so that we may ascertain whether the regulations are being complied with. I believe that is the pattern for regulation that comes out of that great Committee on Interstate and Foreign Commerce and certainly it should be the pattern for our committee.

Our committee decided and this Committee of the Whole decided last Saturday night that it wanted to regulate in this field to prevent discrimination. We have decided that already. I hope we will decide with the same clear voice that, if we are going to do it, we are going to do it honestly. We should not hold up a sham piece of legislation and say we are going to eliminate discrimination and then not make the regulations effective.

Mr. BURKE. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman.

Mr. BURKE. Mr. Chairman, I rise in support of the entire civil rights legislation. It is my fervent hope that peace and tranquillity will prevail throughout our whole Nation once this bill becomes enforcible. Our late beloved President John F. Kennedy believed that laws should be enacted in order that all of our citizens would enjoy the same rights and privileges. On February 28, 1963, the President transmitted to the Congress a message pertaining to civil rights. Subsequently, on June 19, 1963, President Kennedy transmitted a second message containing recommendations pertaining to civil rights. Hearings were held by the Committee on the Judiciary and as a result we have before us this bill which is far reaching and will give to all of our citizens protection under the laws in the areas of voting, public accommodations, public facilities, public education, federally assisted programs, equal employment opportunities, and makes permanent the Commission on Civil Rights. I support all these sections in the bill.

President Lyndon Johnson is sincerely carrying forward the program laid down by our late President on this problem of civil rights. Let us join with him during this critical period in binding the Nation's wounds and in a spirit so well pronounced by Abraham Lincoln, as we approach his birthday, let us pass the necessary legislation with malice toward none and justice for all.

Mr. Chairman, St. Francis of Assisi had the answer and if we could all follow the fine principles of his famous prayer, legislation would not be needed and all men could live together in harmony and peace. I ask permission to include this prayer.

A Prayer of St. Francis of Assisi

Lord, make me an instrument of your peace.
Where there is hatred, let me sow love.
Where there is injury, pardon.
Where there is doubt, faith.
Where there is despair, hope.
Where there is darkness, light,
and where there is sadness, joy.

O Divine Master, grant that I may not so much seek to be consoled as to console.
To be understood as to understand.
To be loved as to love.

For it is in giving that we receive.
It is in pardoning that we are pardoned.
And it is in dying that we are born to eternal life.

Mr. GOODELL. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

Mr. Chairman, I sympathize with the arguments made with reference to the recordkeeping requirements that we have in present legislation on the books. I might say the FCC is one of the worst offenders in this respect. I wish we had some of the guarantees and protections that we put into this law and into this proposal for the average individual in the FCC law—it just is not there.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman.

Mr. HARRIS. The gentleman has made a statement which I would respectfully ask him to review and to look at the Federal Communications Commission Act and determine if his statement is accurate. I think that he would then understand what the law is as the statutes provide.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman.

Mr. ROOSEVELT. May I say to the distinguished chairman of the Committee on Interstate and Foreign Commerce, I think the difference is that under our statute we can go directly to the court while in the statute to which the gentleman refers, they must first go through all of the Administrative Procedure Act, and they cannot get into court until they exhaust every piece of administrative machinery available to them. Under our law, they can go directly to court.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman.

Mr. HARRIS. The gentleman is stating the facts incorrectly, if he knows what the proceedings are with regulatory agencies. The laws and the regulations of the FCC provide that a matter before the Commission can be appealed directly to the circuit court of appeals. The Federal Communications Commission Act itself says nothing about management being controlled by Government or the operation of matters concerning employment or personnel that come under the jurisdiction of the Commission.

Mr. GOODELL. I appreciate the gentleman's contribution. I think every Member here has received a great many letters criticising the FCC's overzealous recordkeeping requirements. People are upset about it. I am glad to hear that you have the same kind of protections, to a degree at least, in the Federal Communications Commission Act that we are trying to guarantee in this act.

I say to the gentleman and to my colleagues that this is a vital sector of title VII.

I emphasize that we are creating a Commission with very little authority of its own. This is unlike most of the commissions about which we complain and about which our constituents complain. In those cases, the Commission itself can go in and make a finding and a determination of facts and when anyone goes to court to try to appeal that finding it is largely a futile and vain enterprise, because, if there is even a scintilla of evidence supporting the Commission's finding, the court will uphold those findings. This Commission would not have such power. This Commission is to be charged with a responsibility of investigating. If it finds facts which it believes justify further action, it may attempt to conciliate and thereafter take the matter to court. The Commission must prove the case in court.

We should not deprive the Commission of its only real authority; that is, the right to lay down some general standards as to what kind of evidence must be preserved in order for the matter to be determined in court. To do so would completely strip the section of any effectiveness at all.

This is a nice device to make the Commission completely ineffectual. I say that the Commission could not operate without this kind of authority.

We have restrained the Commission in every way we could think of. We have made the requirement reasonable, necessary, and appropriate. We have permitted access directly to the court, if the Commission exceeds its authority. Before any regulations are set up, there will have to be public hearings. The burden will be on the Commission to prove its case.

If this Commission were like most commissions now set up under the law, the burden would be on the employer himself to prove himself innocent. That would not be the case in regard to this Commission. The burden is to be completely on the Commission to go to court and prove that discrimination has taken place. The charge would have to be made within 6 months of the occurrence. Thereafter the recordkeeping problem would not occur.

I hope the section will be upheld and the amendment defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. Smith].

The question was taken; and on a division (demanded by Mr. Kyl) there were—ayes 61, noes 135.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Cramer: On page 74, line 23, strike out "reasonable cause exists for crediting the charge" and insert "there is reasonable cause to believe that the charge is true".

Mr. CRAMER. The reason why I offer this amendment is, in the first place, because of the concern which I previously expressed about the procedure set up under this section 707 for the prevention of these discriminatory practices. I know of no instance where the words "crediting a charge" have been used in the law today. To me, I am afraid, it means a mere scintilla of evidence; that is, a small amount of evidence, is adequate to give credence to the charge and, therefore, credit to the charge and, therefore, even though there is only a scintilla or a minute amount of evidence that discrimination actually exists, that then the persuasion—and it is pretty substantial—of the Commission can be brought into play.

I am concerned about the phrase "reasonable cause for crediting the charge." The phrase that I propose, "reasonable cause to believe the charge is true" has meaning. It is a word of art and everybody understands what it means, but nobody knows what "crediting" means.

I would like to ask the gentleman from New York [Mr. Goodell], if he will accept this amendment.

Mr. GOODELL. Mr. Chairman, if the gentleman will yield, I think the amendment clarifies exactly what we intended. I think it is a good amendment. It does tighten it up, and I would hope that this can be accepted. There is certainly no objection on the merits of the amendment as described by the gentleman from Florida.

Mr. CRAMER. Does not the gentleman agree further that if this is not adopted, then a mere scintilla of evidence can be used. Anybody can complain and without there having to be proof to constitute adequate reasonable cause to believe that the charge is true. The test would be different. If the answer is no this test is not different, then why was the word "crediting" rather than "reasonable cause to believe the charge is true" used? I ask that because it is not a word of art.

Mr. GOODELL. I would not agree. I think reasonable cause for crediting the charge requires much more than a scintilla of evidence. But I think we are quibbling over terms here. We meant the same thing essentially that you do. Your language clarifies the point, and I think we should put it in the law.

Mr. CRAMER. Then, the gentleman agrees that "crediting" is not a word of art and it would be difficult for any court or the Commission itself to determine what it means?

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. Yes; I yield to the gentleman from New York.

Mr. CELLER. I have no objection to the gentleman's amendment, but, of course, I do not concede the conclusions that the gentleman made. I think the words "there is reasonable cause to believe the charge is true" is a better selection of words without question.

Mr. CRAMER. Thank you.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from California.

Mr. ROOSEVELT. I agree with the two gentlemen from New York.

Mr. CRAMER. I thank the gentleman, and I yield back the balance of my time and ask that the amendment do pass.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WILLIS

Mr. WILLIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WILLIS: On page 65, line 2, strike out "100" and insert "150" and on page 65, line 5, strike out "50" and insert "100" and on page 65, line 6, after the word "employers" insert a comma and the following language: "and during the second year after such date persons having fewer than 50 employees and their agents shall not be considered employers."

Mr. WILLIS. Mr. Chairman, under this bill the ultimate coverage will reach establishments having 25 or more employees. Under the bill, for the first year persons having fewer than 100 employees would not be covered. For the second year persons having fewer than 50 employees would not be covered. Then beginning with the third year and permanently thereafter persons having more than 25 employees would be covered.

My proposal would mean that for the first year an establishment having 150 or more employees would be covered. For the second year, establishments having 100 employees or more would be covered. For the third year, establishments having 50 or more employees would be covered and for the fourth year and permanently thereafter the bill would cover establishments having 25 or more employees.

Mr. Chairman, I have talked to quite a number of Members about this. As a matter of fact, what I was striving to do was to get something better. I would have hoped that ultimately the coverage would not exceed 50 employees. I have tested the sentiments of Members and hoped this amendment could be agreed to.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from New York.

Mr. LINDSAY. Mr. Chairman, I ask unanimous consent that the Clerk reread the amendment offered by the gentleman from Louisiana.

The CHAIRMAN. Without objection, the Clerk will rereport the amendment offered by the gentleman from Louisiana.

(The Clerk again read the amendment offered by the gentleman from Louisiana, as above recorded.)

Mr. WILLIS. Mr. Chairman, I ask unanimous consent that the word "second" be stricken and that the word "third" be inserted in lieu thereof in this amendment.

The CHAIRMAN. Without objection, the amendment will be modified according to the request of the gentleman from Louisiana.

There was no objection.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield.

Mr. RODINO. Does the gentleman mean that after the third year any establishment having less than 50 employees would not be covered?

Mr. WILLIS. No. For the first year it would be 150; the second, 100; the third, 50; the fourth year, 25, and thereafter permanently 25.

Mr. RODINO. It would extend to establishments with 25 or more employees only at the end of the third year and the beginning of the fourth year?

Mr. WILLIS. Yes, exactly.

Mr. CELLER. Mr. Chairman, I am inclined to accept the gentleman's amendment, but I want to understand what it is.

Do I understand for the first year the title is not affected? It only operates for 1 year?

Mr. WILLIS. Yes; that is correct.

Mr. CELLER. After the first year, then your amendment would operate against the labor unions or an employer with 150 employees or more?

Mr. WILLIS. That is correct.

Mr. CELLER. Then the following year, the third year, it would operate against labor unions or employers with 100 employees or members?

Mr. WILLIS. That is correct.

Mr. CELLER. And the fourth year it would operate against 50 employees, or members?

Mr. WILLIS. That is correct.

Mr. CELLER. And the fifth year, 25?

Mr. WILLIS. That is correct. In my remarks I went up to the fourth year because I was beginning with the effective date of the bill, but as the gentleman relates it, it is correct.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. WILLIS. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. CELLER. I do not think the gentleman's amendment is consistent with that explanation. I think it should be reread and changed, or modified.

Mr. WILLIS. The gentleman suggests that 25 is not in my amendment. It is unnecessary to be in here, as I see it, because 25 is on page 64, line 17. Under the structure of the bill the first sentence reads:

> The term "employer" means a person engaged in an industry affecting commerce who has twenty-five or more employees. * * *

That is not disturbed.

Then later on in the bill there is a proviso, and let me read that:

> provided during the first year after the effective day prescribed in subsection (a) of section 719 persons having fewer than 100 employees—

I make it 150—

> and their agents shall not be considered employers. During the second year after such date persons having fewer than 50—

I make it 100—

> and their agents shall not be employers—

And I add during the third year after such date persons having fewer than 50 employees and their agents shall not be considered as employers.

I adopt the identical language of the bill except I have figures less than this amendment is intended. I do not refer to 25 because that is unnecessary. That is on page 64, line 17.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. WILLIS. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILLIS. Let us see if the chairman and counsel understand the amendment.

Mr. CELLER. I think I understand it.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. I agree that the gentleman's amendment does just what he said with respect to employers. However, in response to the questions of the chairman, he indicated that it would have a similar effect and application to labor organizations. I would like to point out to the gentleman it will not unless a similar amendment is offered to page 66, subsection (e), beginning with line 4 and running down through line 12.

Mr. WILLIS. That is correct. I was going to conform this amendment to that passage later on.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from New York.

Mr. LINDSAY. Would the gentleman accept an amendment here which would provide on line 5, instead of "fifty" it would read "seventy-five"; in the third year the figure would be "fifty"; in other words, one hundred, seventy-five, fifty, and then twenty-five. Would not that be acceptable to the gentleman?

Does the gentleman follow that, or shall I restate it?

Mr. WILLIS. I would hope that would be unnecessary. It is pretty hard to have to offer an amendment when what you originally sought was something beyond this. I would like to test the accuracy of the chairman and the ranking minority member before going into that.

Mr. CELLER. I think the suggestion made by the gentleman from New York is appropriate. If it is agreed to, I will agree to the amendment.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from Ohio.

Mr. McCULLOCH. I am of the opinion it would serve a useful purpose if the suggestion of the gentlemen from New York [Mr. CELLER and Mr. LINDSAY] were followed.

Mr. WILLIS. I accept the suggestion.

Mr. CELLER. The gentleman will accept the amendment, so that labor unions will be treated exactly like employers?

The **CHAIRMAN**. Does the gentleman make that request?

Mr. **WILLIS**. I do.

The **CHAIRMAN**. Will the gentleman state the request for the modification of his amendment?

Mr. **WILLIS**. That similar language in terms of figures be employed on page 66. It would be that the first figure of the amendment would be the figure "one hundred", the second figure would be "seventy-five", and the third figure would be "fifty".

Mr. **THOMPSON** of New Jersey. Further, that those same figures would apply to the figures on page 66?

Mr. **WILLIS**. Exactly.

Mr. **THOMPSON** of New Jersey. Where specifically do they go in?

Mr. **WILLIS**. The gentleman had the line a minute ago.

Mr. **LINDSAY**. In line 5, of the bill strike "fifty" and substitute "seventy-five".

Mr. **WILLIS**. That is correct.

Mr. **LINDSAY**. Line 5, page 65. The amendment then should read, "Strike 'fifty' and substitute 'seventy-five' ".

Mr. **WILLIS**. Yes.

Mr. **LINDSAY**. Line 2 of the same page, the figure "one hundred" remains the same.

Mr. **WILLIS**. Line 2 remains the same.

Mr. **LINDSAY**. That is correct. Then on line 6 it is exactly the same.

Mr. **WILLIS**. Yes; and then you would have added the language: "and, during the third year after such date, persons having fewer than fifty employees (and their agents) shall not be considered employers."

Mr. **LINDSAY**. That is correct. I thank the gentleman.

The **CHAIRMAN**. Without objection, the Clerk will report the amendment of the gentleman from Louisiana as modified.

There was no objection.

AMENDMENT OFFERED BY MR. WILLIS

The Clerk read as follows:

Amendment offered by Mr. WILLIS: On page 65, line 5, strike out "fifty" and insert "seventy-five" and on page 65, line 6, after the word "employers" insert a comma and the following language "and during the third year after such date, persons having fewer than fifty employees and their agents shall not be considered employers.

The **CHAIRMAN**. Is there objection to the request of the gentleman from Louisiana to modify his amendment as read by the Clerk?

There was no objection.

The **CHAIRMAN**. The gentleman from Louisiana is recognized.

Mr. **CELLER**. Mr. Chairman, will the gentleman yield?

Mr. **WILLIS**. I yield to the gentleman.

Mr. **CELLER**. Then the gentleman wants to amend the figures on page 66; does he not?

Mr. **WILLIS**. Yes, and that would be on page 66, line 11. the figure "seventy-five" would be substituted for the figure "fifty". Then on line 11, following the word "date" there would be added the language: "or fifty or more during the third year". That would make both amendments conform.

Mr. **RODINO**. Mr. Chairman, will the gentleman yield?

Mr. **WILLIS**. I yield to the gentleman.

Mr. **RODINO**. However, the amendments should be accepted together; should they not or would it be one amendment going to page 65 and page 66?

Mr. **WILLIS**. I was going to offer a separate amendment after we had finished with this one.

Mr. **RODINO**. Would it not be preferable for the gentleman to offer them together?

Mr. **WILLIS**. Mr. Chairman, I ask unanimous consent that my original amendment be amended to include the conforming amendment so far as the figures are concerned on page 66.

The **CHAIRMAN**. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk will report the amendment offered by the gentleman from Louisiana as now modified.

AMENDMENTS OFFERED BY MR. WILLIS

The Clerk read as follows:

Amendment offered by Mr. WILLIS: Page 65, line 5, strike out "fifty" and insert "seventy-five", and page 65, line 6, after the word "employers" insert a comma and the following language: "and, during the third year after such date, persons having fewer than fifty employees [and their agents] shall not be considered employers." And on page 66, line 11, strike out "fifty" and insert "seventy-five", and on page 66, line 11, after the word "date", insert the following: "or fifty and more during the third year".

Mr. **WHITENER**. Mr. Chairman, I move to strike out the last word and to revise and extend my remarks.

Mr. Chairman, on Sunday, February 9 1964, the Charlotte Observer, the largest newspaper in the State of North Carolina, which is owned by the Knight newspaper people with headquarters in Akron, Ohio, had an excellent editorial entitled "Rights Bill Would Endanger the Rights of Majority."

Mr. Chairman, at this point, I include the entire editorial as a part of my remarks.

RIGHTS BILL WOULD ENDANGER THE RIGHTS OF THE MAJORITY

The hopes of millions of Americans and the fears of millions of other Americans are wrapped up in the far-reaching civil rights package now being debated in Washington. Both the hopes and the fears are understandable, for this legislation will deeply affect our lives and the lives of those in succeeding generations.

This invests an awesome responsibility in Congress, a responsibility that has not been properly exercised in the House as it worked against the clock and under intensive political pressure from civil rights groups.

The danger of allowing the rights battle to be fought out in the streets of our Nation is obvious. But there is a danger just as serious, though not as spectacular, in baring the rights of the majority to abuse while seeking to legitimatize the rights of a minority.

There is a duty here to posterity that is so important that the U.S. Senate cannot afford to be stampeded into hasty action, no matter how great the pressure on that body.

Every word and phrase of this 49-page bill must be examined to determine its possible effect on personal freedom. Powers are delegated to the executive branch which have got to be circumscribed where they are now "open-end." There are words that must be more clearly defined—"discrimination," for one.

This is not a matter of impugning the motives of those who have drawn the bill. There are mixed motives, and some are on the highest moral plane. The caution flag must go out on this bill because the individual liberties of Americans are too precious for Congress to seek good ends through bad means.

What we are about to do is to give the agents of the Federal Government broad and sweeping powers that they have never been able to employ before. This is not to regard the Federal Government as some alien power intent upon doing us harm.

It is our Government, just as much as the one in the State capital or at city hall. But it has always been the prerogative of the people to reserve to the States or to themselves the powers not expressly given the Federal Government in the Constitution. This is a decision about making a drastic change in Washington's historic role and we should know what we're about.

This is not racist talk. We have no patience with those who have done everything in their power to deny basic American freedoms to a minority and now weep copiously over the bier of reason. This is simply an appeal for rational consideration of every State or personal right that the framers of this bill ask us to minimize or give up.

It is an appeal, too, that Members of the Senate seek to envision the exercise of these new powers by those whose faces we cannot see now. Given an understanding of the atmosphere in which this legislation was produced, agents of the Federal Government logically will exercise their new powers on the present generation with reason and restraint. But experience has taught us it is far wiser to circumscribe the powers of government than to put our faith in good intentions, for the passage of time has a way of turning bright castles into ashes.

Constructive changes already have been made in the bill despite the limitations on hearing and debate. Much more needs to be done in the Senate to make sure that individual Americans, not just Negroes, will be secure in their persons and effects against unreasonable government power.

The search for justice is going on, as it should, within our highest deliberative body. But the U.S. Senate must remember that this is not a sociological treatise but law that it is writing, law that it will place in the hands of what George Washington called "a dangerous servant and a fearful master."

Mr. **FULTON** of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment. A right postponed is a right denied.

I realize the Judiciary Committees on both sides through statements by the senior Members, have accepted this amendment. I look at the amendment in a different way. I like the bill just as it is written as to this provision. I feel strongly the Members in favor of this civil rights bill are yielding and giving up on a substantial provision of the bill that pertains to the time of taking effect and the extent of the coverage. This yielding might have a weakening effect when the House comes to the conference committee on the disagreeing votes between the two Houses.

I therefore oppose the amendment. I do not believe it should be accepted. I feel that the bill should retain, in respect to this provision, the language as it was written originally.

This ease of yielding on an important provision is too much like Shakespeare's lady, who said, a thousand times, "No," that she would never yield, and then immediately yielded.

If we get in a position of starting to yield on coverage points like this provision, we begin to weaken the bill. I look ahead to a very long session this afternoon, if this continues. I look ahead to a weakening of other provisions in the bill, because this would be an indication of a change of position and general weakening on this legislation, overall.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. FULTON of Pennsylvania. I yield.

Mr. GOODELL. I wish to express to the gentleman my complete agreement with what he has said. I do not believe this kind of amendment should be accepted. We may end up with a section that is merely a fraud and deceit. I hope there will not be many more diluting amendments accepted.

Mr. FULTON of Pennsylvania. I thank the gentleman. I am glad to see we have the same position.

I want to warn the Members who are here, who are for adequate civil rights legislation, of this weakening of a strong civil rights bill. This is something like a dam. All that is needed is the first crack which widens and weakens the whole structure. I oppose any policy of yielding in order to try to pick up additional favorable votes, as the foundation of the whole bill may be broken down. So I do not believe the committee should accept amendments of this kind which weaken the coverage and reduce the number of people who have their civil rights protected.

Although this is not a major amendment, it would derogate from the principle of civil rights and of course limit the FEPC principle for which I stand. A group of people do have their full civil rights postponed.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. FULTON of Pennsylvania. I yield to my good friend from Louisiana.

Mr. WAGGONNER. The gentleman realizes, of course, that there were 10 amendments offered by the committee at the beginning of consideration of this title.

Mr. FULTON of Pennsylvania. The gentleman makes a good point. I would say to the gentleman from Louisiana I think this has gone far enough, and at a certain point there should be no more changes and yielding. That is why I likened it to Shakespeare's lady, who continually said she would not yield and then immediately did.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisana [Mr. Willis].

The question was taken; and on a division (demanded by Mr. Fulton of Pennsylvania) there were—ayes 107, noes 31.

So the amendment was agreed to.

Mr. McCULLOCH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield 2 minutes to the gentlewoman from Ohio [Mrs. Frances P. Bolton].

Mrs. FRANCES P. BOLTON. Mr. Chairman, on Saturday there was considerable confusion, as all will admit.

When the gentleman from Virginia [Mr. Smith] so graciously offered the amendment to include the word "sex" there was an omission, by mistake I am sure, in regard to two principal areas of the title.

On line 18, page 68, after the word "religion" there was an omission of adding the word "sex." That is the hiring and firing area which, after all, was the reason we sought the change. The other omission was on page 69, line 5, after the word "religion."

I hope that the House will wish to remedy the omissions by unanimous consent.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield to me?

Mr. McCULLOCH. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I just want to say, in the hurry of preparing that amendment, I went through the title pretty thoroughly, and I thought I did have the word "sex" inserted wherever the categories occurred. It was a mistake on my part in overlooking that, and I very much hope that the gentlewoman's amendment will be accepted.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from New York.

Mr. CELLER. In order to have the amendment considered properly, I think you may have to add the word "sex" on line 3, page 69, and also on line 5 of page 69.

Mrs. FRANCES P. BOLTON. I have it on line 5. I do not have it on line 3. I will be very happy to, Mr. Chairman.

Mr. CELLER. Mr. Chairman, on page 77 there is a committee amendment that would also require the addition of the word "sex."

Mrs. FRANCES P. BOLTON. Will the gentleman add that, too, then?

Mr. CELLER. Will the gentlewoman repeat the words on page 69 where the word "sex" is added?

Mrs. FRANCES P. BOLTON. On page 68, line 18, after "religion" and on page 69, as the gentleman suggests, on line 3 after 'religion" and on line 5 after "religion" and then, I believe, as the gentleman suggested, on line 10 on page 77 and on line 17.

Mr. CELLER. And you will add it on page 77 in the committee amendment?

Mrs. FRANCES P. BOLTON. Yes, that will be added.

Mr. GOODELL. Mr. Chairman, will the gentleman yield to me?

Mr. McCULLOCH. I yield to the gentleman from New York on the Committee on Education and Labor.

Mr. GOODELL. I wonder if the gentlewoman would not intend that the requirement for no discrimination against an individual on the basis of sex would also be subject to a bona fide occupational qualification exception. Would she not accept adding the word "sex" on page 70, lines 7 and 8, after the words "national origin" and on page 71 in two instances on line 7. There are so many instances where the matter of sex is a bona fide occupational qualification. For instance, I think of an elderly woman who wants a female nurse. There are many things of this nature which are bona fide occupational qualifications, and it seems to me they would be properly considered here as an exception.

Mrs. FRANCES P. BOLTON. What line is that on page 70?

Mr. GOODELL. Page 70, lines 7 and 8, after the words "national origin" and twice on page 71, line 7, after the words "national origin" where it has been added by other amendments.

Mrs. FRANCES P. BOLTON. I have not studied that. It was not brought to my attention by the staff. But if that is the sense of the House, I will be very glad to accept it.

Mr. GOODELL. I would appreciate it.

Mrs. FRANCES P. BOLTON. Thank you very much.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. McCulloch] has expired.

The Chair will state that there is no request before the Committee at the moment.

Mrs. FRANCES P. BOLTON. Mr. Chairman, there is the unanimous-consent request that those words be added.

The CHAIRMAN. Will the gentlewoman from Ohio send up the request so that the Clerk may report it?

AMENDMENT OFFERED BY MR. COLMER

Mr. COLMER. Mr. Chairman, I offer an amendment.

Mr. CELLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CELLER. Mr. Chairman, was the unanimous-consent request of the gentlewoman from Ohio agreed to or was there objection?

The CHAIRMAN. The Chair will inform the gentleman from New York that the unanimous-consent request of the gentlewoman from Ohio has not been reduced to writing. The Chair did not have the unanimous-consent request put during the course of the colloquy between the gentleman from Ohio and the gentlewoman from Ohio.

The Clerk will report the amendment offered by the gentleman from Mississippi [Mr. Colmer].

Mr. HARRIS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARRIS. Mr. Chairman, I understood that the gentlewoman from Ohio made a unanimous-consent request with reference to a conforming amendment. The gentleman from Virginia [Mr. Smith] advised her that he intended to include the conforming amendment which the gentlewoman from Ohio wanted to offer. The gentleman from New York then suggested to the gentlewoman from Ohio that there were other places in the bill that should be included in her conforming amendment. The gentlewoman from Ohio asked the gentleman from New York if he would include those and he said he would. If that is the case, is not the unanimous-consent request of the gentlewoman from Ohio now before the Committee?

The CHAIRMAN. The Chair will state to the gentleman from Arkansas that those requests have not been reduced to the proper form so that the Clerk could report them, so that the Chair could put them to the Committee.

AMENDMENT OFFERED BY MR. COLMER

The Clerk will report the amendment offered by the gentleman from Mississippi [Mr. COLMER].

The Clerk read as follows:

Amendment offered by Mr. COLMER: On page 70, at the end of section 704, add the following new subsection: as used in this title, the phrase "unlawful employment practice" shall not be deemed to include any action or measure taken by an employer, labor organization, joint labor-management committee, or employment agency with respect to an individual who is a member of the Communist Party of the United States or of any other organization required to register as a Communist-action or Communist-front organization by final order of the Subversive Activities Control Board pursuant to the Subversive Activities Control Act of 1950.

Mr. POFF. Mr. Chairman, will the gentleman from Mississippi yield for a parliamentary inquiry?

Mr. COLMER. I yield, very briefly.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. POFF. Mr. Chairman, in light of the limitation on time may I inquire what amendments will be voted upon when the time expires? I have two amendments at the desk which I may or may not offer, depending upon developments. I would like to be advised whether I will be recognized to offer the amendments and if so when that time will occur.

The CHAIRMAN. The Chair will state to the gentleman from Virginia that up to 1 o'clock the Chair will undertake to recognize such Members as he can. After 1 o'clock the Chair will recognize those Members desiring to offer amendments and the question on each amendment will be put immediately without debate.

Mr. POFF. I thank the Chair.

Mr. COLMER. Mr. Chairman, this is a very simple amendment. It simply provides that it shall not be deemed "unlawful employment practice" under the provisions of this bill to refuse employment to a Communist or a member of any subversive group heretofore constituted as such. Or to put it in different language, generally an employer will not be penalized under the act if he fails to employ a Communist or a member of such subversive groups who otherwise would come under the provision of this section.

Mr. Chairman, I have given a great deal of time and effort to this bill. I have also, I might point out, been around this House for a good many years. I was here when all of this movement was initiated under the mislabel of "civil rights." I think I know something of the historical background of this movement.

Yes, Mr. Chairman, I had been here for approximately 10 years when the first FEPC bill was introduced; likewise, I was here when all of these so-called Powell amendments were offered as amendments to bills being considered on the floor of the House. And I need not remind you that every one of them have been defeated. Yes, I hold in my hand here the first FEPC bill which was offered in the Congress. The date of it is March 13, 1941. And who offered that bill? It was none other than the gentleman from New York and former Member of this body, Mr. Vito Marcantonio. Moreover, it is interesting to note in this connection that substantially the same amendment which I am offering here now was offered and adopted as a part of that bill. It is further of more than passing interest that the record discloses that after the adoption of this Communist amendment that its author, the gentleman from New York, Mr. Marcantonio, voted against the bill.

Mr. Chairman, I should like further to point out that this amendment has the same objective as the one that the gentleman from Georgia [Mr. FLYNT] had proposed to offer and on which he has done a great deal of work in securing support therefor.

Now let me say if I may to the Chair and my friends, the Members of this House: I do not expect this amendment to be adopted because of the strange correlation here between the Republican and Democratic leadership. I might add further that I have not had it cleared with the team of CELLER and MCCULLOCH; I have not attempted to clear it with NAACP and ADA and CORE or any of these other like organizations who are riding high and calling the turns here. Too, I might add further that I have not had it cleared through the spotters who have been occupying the gallery and calling Members off the floor to unduly influence their votes throughout the debate on this bill.

In spite of the fact that I have read the book on how to make friends and influence people, I want to say to you frankly that I have become so sick by this procedure that I have reached the point where I do not give a darn whether I am making friends or enemies on the consideration of this attack upon our common country.

I am putting it square to you. I challenge you to vote against the amendment.

Mr. CELLER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I shall not oppose the amendment offered by the gentleman from Mississippi, and I state that for this significant reason: There is nothing in this bill which would prevent a man, be he employer, or labor leader, from discriminating against a Republican or Democrat or Socialist or Communist. The only difficulty arises, and the only infraction of the act would be, where discrimination is based on race, color, creed, national origin and now, of course, sex.

I have prepared a statement which I want to read for the purpose of legislative history.

There is nothing in this title or in this bill which has anything to do with political or subversive activities; it is a bill which deals solely with discrimination because of race, color, religion, or national origin; and now, sex. The proposed amendment dealing with members of Communist Party neither broadens nor narrows the substantive terms of the title and thus, while I think it completely unnecessary, I do not oppose it.

Mr. Chairman, some Members have expressed themselves on the amendment offered by the gentleman from Mississippi as being of doubtful constitutionality, and that if stricken from the title by the courts it might also imperil the vitality of other provisions.

Let me make it perfectly clear that this is not the case. Section 717 is a separability clause, as is section 1003. These two provisions make it unmistakable that the invalidity of any provision of title VII or of any other title, or of any addition or exception to this or any other title, or of any application of the bill, will in no way affect the validity or application of any other provision or application. Therefore, I see no need to oppose this amendment relating to refusals to hire Communists because some think it of dubious constitutionality.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from California.

Mr. ROOSEVELT. I, too, accept the amendment under the terms which the chairman of the Judiciary Committee has expressed, and I do so primarily because of the speech the gentleman from Mississippi made. If we oppose this amendment it would put you in company with Communists or pro-Communists. I do not think any Member should be put in that light. I believe in the patriotism of every Member of this House. By insinuation it should not be allowed to be questioned. Therefore, I accept the amendment.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Louisiana.

Mr. WILLIS. I call to the attention of the Members that this is a very carefully prepared amendment. It uses the language employed in the Internal Security Act. In other words, by an act of this Congress we are talking about people who apply to register with the Attorney General. It is nothing novel. It is a very carefully prepared amendment, and I am glad the chairman has agreed to accept it.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Ohio.

Mr. FEIGHAN. Is not the intent of this amendment to protect loyal American citizens and to distinguish loyal American citizens from those citizens who are not loyal Americans?

Mr. CELLER. I do not want to subscribe to that statement in toto. I want to make my statement within the confines of the bill. The bill simply is intended to prevent discrimination based on race, creed, color, or national origin. It has nothing to do with subversive activities.

Mr. DORN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN. Mr. Chairman, this amendment of the distinguished and able gentleman from Mississippi [Mr. Colmer], is essential to the security of this Nation. Communists and subversives have been all too active under our present laws. We have been too lenient. Communists can buy technical magazines and scientific books at almost every newsstand and every bookstore. They have access to many of our blueprints and patents.

This civil rights bill, as written, could force an American business firm to hire a Communist or some participant in subversive activities. It would be unthinkable to have a Communist working in our business firms and in transportation which are so essential to the preservation of our way of life. Our frontline of defense is now our industrial output, technical know-how, and our research. To force an employer to hire Communists and subversives will endanger our American way of life and would be the surest way to undermine America as the arsenal of democracy and the heart and core of the free world.

I urge, with all the sincerity at my command, that this House adopt this amendment and save our American industry and private enterprise system from espionage and sabotage.

Mr. Chairman, no business should be forced by the Federal Government to employ a Communist. This section of the bill only points out how utterly absurd and unnecessary is the entire bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was agreed to.

AMENDMENT OFFERED BY MRS. FRANCES P. BOLTON

Mrs. FRANCES P. BOLTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> On page 68, line 18, after the word "religion", insert the word "sex"; and on page 69, lines 3 and 5, after the word "religion", insert the word "sex"; on page 70, lines 6 and 7, after the word "religion", insert the word "sex"; and on page 71, line 7, after the word "religion", insert the word "sex".

The CHAIRMAN. The gentlewoman from Ohio is recognized in support of her amendment.

Mrs. FRANCES P. BOLTON. Mr. Chairman, I think a good deal of argument has already been heard on this. The distinguished gentleman from Virginia [Mr. Smith] was kind enough to say it was through an error on his part that this was not included in his original amendment. I think this is a matter of vast importance, because these are crucial matters in the bill. Some of them strike at the very heart; namely, the matter of employment and discharge of women from employment.

Mr. Chairman, the Congress expressed itself as recognizing the fact that about one-third of the labor group are women, and women should have the same right as men when it comes to the matter of employment and discharge from employment.

Mr. Chairman, this amendment to include sex as one of the grounds on which there shall be no discrimination affects very deeply Negro women who, perhaps, are at the small end of the horn in a great many of these areas.

Mr. CELLER. Mr. Chairman, will the gentlewoman yield?

Mrs. FRANCES P. BOLTON. I yield to the gentleman.

Mr. CELLER. I am still trying to help the gentlewoman. I believe the gentlewoman has omitted to add the word "sex" in two places on page 71, line 7.

Mrs. FRANCES P. BOLTON. I thank the gentleman from New York, the chairman of the Committee on the Judiciary.

Mr. Chairman, I ask unanimous consent to modify my amendment so that on page 71, line 7, in the two places where the word "religion" appears to insert a comma and the word "sex", after the word "religion".

The CHAIRMAN. Is there objection to the request of the gentlewoman from Ohio?

Mr. MULTER. Mr. Chairman, reserving the right to object, I do so because I think this is a mischievous amendment. I am referring to the amendment already adopted. Conforming the rest of the title to that amendment makes it no better.

But, Mr. Chairman, I reserved the right to object, merely to inquire whether or not, if this amendment is now adopted, we will then have perfected the title to the extent of being sure that there will be no discrimination whatsoever—against men or women. Will the perfecting of this amendment permit a man to get maternity leave at the same time as his working wife gets it? When we come to hire a masseur in the gymnasium of the House or the Senate, will we be justified in saying, when a woman applies for the job, that a "masseuse" qualifies as a "masseur"?

The CHAIRMAN. Is there objection to the request of the gentlewoman from Ohio to modify the amendment?

There was no objection.

The CHAIRMAN. The gentlewoman from Ohio is recognized.

Mr. KUNKEL. Mr. Chairman, will the gentlewoman yield?

Mrs. FRANCES P. BOLTON. I yield to the gentleman.

Mr. KUNKEL. Has the gentlewoman included the amendment as suggested by the gentleman from New York [Mr. Goodell] as to the occupational qualifications section?

Mrs. FRANCES P. BOLTON. If the gentleman from New York will state what the amendment is, I will be very glad to include it.

Mr. KUNKEL. May I inquire of the gentleman from New York [Mr. Goodell] whether his amendment is included in the amendment offered by the gentlewoman from Ohio.

Mr. GOODELL. Yes.

Mr. ROOSEVELT. Mr. Chairman, I ask unanimous consent that the gentlewoman from Oregon [Mrs. Green] may extend her remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mrs. GREEN of Oregon. Mr. Chairman, the additional amendments just presented by the Representative from Ohio [Mrs. Frances P. Bolton] clearly indicate that full and careful consideration was not given to the amendment last Saturday adding sex to this bill. As I said then, there were no hearings by any committee of the House; not a single word of testimony was taken; and the full implications could not have been understood.

For example, under the amendment offered by the gentleman from Virginia [Mr. Smith], if a college wanted to hire a dean of women they would be prohibited from advertising and interviewing just women for this position, because it would be discrimination based on sex. Or if a college wanted to hire a dean of men, they would be prohibited under the language adopted from advertising or interviewing just men for this position because it also would be discrimination based on sex. Let us take another example: In a large hospital an elderly woman needs special round-the-clock nursing. Her family is seeking to find a fully qualified registered nurse. It does not make any difference to this family if the nurse is a white or a Negro or a Chinese or a Japanese if she is fully qualified. But it does make a great deal of difference to this elderly woman and her family as to whether this qualified nurse is a man or a woman. Under the terms of the amendment adopted last Saturday the hospital could not advertise for a woman registered nurse because under the amendment by the gentleman from Virginia [Mr. Smith] this would be discrimination based on sex. The suggestion of the gentleman from New York [Mr. Goodell] helped a great deal, however.

Mr. Chairman, in my judgment, if this amendment or the one on atheism were being considered by itself, and it were brought to the floor with no hearings and no testimony, such a piece of legislation would not receive 100 votes. In fact, it probably would be laughed off the floor by some of the gentlemen who this week are seemingly giving it its strongest support, some of whom are openly and honestly seeking to kill the entire bill.

Mr. Chairman, this legislation brought to the House in a bipartisan way by the Judiciary Committee is legislation born out of necessity and it has been nurtured by the cruel discriminations, the injustices—yes, and man's inhumanity to man in State after State. This title which we are loading with so many extra burdens is a very important section of this bill. In fact, voting rights and desegregation of public accommodations will not mean a great deal unless educational opportunities and job opportunities are made available to all regardless of race or color.

It was James Baldwin, I believe, who so eloquently said that civil rights will mean very little to that Negro who does not even have a dime for a lousy cup of coffee. I repeat, this FEP section of the bill is perhaps one of the most important parts.

Now we see one attempt after another to add amendments by many of the opponents of the bill—opponents who may very well soon use these same amendments to destroy this FEP section and if possible, weaken or water down the entire legislation. It reminds me of the story of the scorpion and the muskrat who wanted to cross the river. The scorpion in a very beguiling way said to the muskrat, "Will you not let me ride on your back across the river." To which the muskrat replied, "No, I will not because when we get to the middle of the river, you would probably sting me to death." And the scorpion said, "Oh, but that is ridiculous. Why would I do that, because I would drown too." The muskrat was taken in by the scorpion's beguiling way and his smiling answer and gave the scorpion a ride. Sure enough, when they reached the middle of the river, the scorpion lifted his tail and dealt the muskrat the lethal blow. As the muskrat was sinking he said to the scorpion, "You know I'm still curious why you did that." And the scorpion replied, "Oh, it's just my nature."

And so, Mr. Chairman, as opponents of the legislation in a beguiling way make a good piece of legislation carry all of the piggyback amendments, we may find that the whole proposal will sink in midstream. Of course, it is to the advantage of the opponents of this legislation to add additional burdens—to water it down—to weaken it—to divert attention from the primary objective of providing basic constitutional rights.

But may I suggest, very earnestly, that the vast majority of the people of this country have not forgotten the primary objective. In offering amendments in regard to sex—in trying to picture this legislation as the Negro woman against the white woman; in adding amendments in regard to atheists—in offering other amendments—are we losing sight of why this legislation on civil rights is being demanded by the American people?

Have we so soon forgotten Emmett Till? Have we forgotten the homes and churches that have been bombed in Florida, in California, in Cicero, in Alabama, because someone somewhere dared to speak out against the injustice and cruelty to Negroes who were demanding their voting rights and who wanted a chance to get decent jobs and decent wages?

In making jokes and introducing some very irrelevant amendments, have we so soon forgotten the James Meredith's, the Medgar Evers—yes, and Prince Edward County where for 5 long years there was no public school door open to any child who happened to be born a Negro? And have we forgotten the most un-American activity when four little girls were killed in their Sunday school classroom by a bomb because Negroes finally dared to ask for their just rights? Yes, and when the Negroes have wanted equal opportunities for decent jobs, have we so soon forgotten the electric cattle prods, the firehoses and the police dogs?

Mr. Chairman, it is to correct these injustices—it is to try to say even at this late time, 100 years after the Emancipation Proclamation, that the majority of people in the United States do believe in justice and freedom and equality and fairplay. Let us not further weaken this section of the bill or any section of the bill but rather let us by our votes make it abundantly clear that this Congress intends to have the Federal Government exercise its power in ending discrimination against Negroes wherever it is humanly possible.

The **CHAIRMAN.** The question is on the amendment offered by the gentlewoman from Ohio.

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DOWDY

Mr. **DOWDY.** Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOWDY: Strike out title VII and in lieu thereof insert the following new title VII.

"PROPOSED TITLE VII—EQUAL EMPLOYMENT OPPORTUNITY

"PART A—ESTABLISHMENT OF A COMMISSION

"The Commission on Equality of Opportunity in Employment

"SEC. 201. (a) There is hereby created a Commission to be known as the Commission on Equality of Opportunity in Employment, which shall be composed of seven members who shall be appointed by the President by and with the advice and consent of the Senate. Not more than four of such members may be of the same political party. One of the original members shall be appointed for a term of one year, one for a term of two years, one for a term of three years, one for a term of four years, one for a term of five years, one for a term of six years, and one for a term of seven years, but their successors shall be appointed for terms of seven years each, except that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed. The President shall designate one member to serve as Chairman of the Commission. Any member of the Commission may be removed by the President upon notice and hearing for neglect of duty or malfeasance in office, but for no other cause.

"(b) A vacancy in the Commission shall not impair the right of the remaining members to exercise all the powers of the Commission and four members thereof shall constitute a quorum.

"(c) The Commission shall have an official seal which shall be judicially noted.

"(d) The Commission shall at the close of each fiscal year report to the Congress and to the President concerning the cases it has heard; the decisions it has rendered; the names, salaries, and duties of all individuals in its employ and the moneys it has disbursed; and shall make such further reports on the cause of and means of eliminating discrimination and such recommendations for further legislation as may appear desirable.

"(e) Each member of the Commission shall receive compensation at the rate of $20,000 a year.

"(f) The office of the Commission shall be in the District of Columbia, but it may meet or exercise any or all of its powers at any other place. The Commission may, by one or more of its members or by such agents as it may designate, conduct any investigation, proceeding, or hearing necessary to its functions in any part of the United States. Any such agent, other than a member of the Commission, designated to conduct a proceeding or a hearing shall be a resident of the judicial circuit, so defined in section 41 of title 28, United States Code, within which the alleged unlawful employment practice occurred.

"(g) The Commission shall consider and adopt rules and regulations consistent with this title to govern its proceedings.

"(h) The Commission shall consider reports as to progress under this title.

"Rules of procedure of the Commission

"SEC. 202. (a) The Chairman or one member of the Commission designated by him to act as Chairman at a hearing of the Commission shall announce in an opening statement the subject of the hearing.

"(b) A copy of the Commission's rules shall be made available to the witness before the Commission.

"(c) Witnesses at the hearings may be accompanied by their own counsel.

"(d) The Chairman or Acting Chairman may punish breaches of order and decorum and unprofessional ethics on the part of counsel, by censure and exclusion from the hearings.

"(e) If the Commission determines that evidence or testimony at any hearing may tend to defame, degrade, or incriminate any person, it shall (1) receive such evidence or testimony in executive session; (2) afford such person an opportunity voluntarily to appear as a witness; and (3) receive and dispose of requests from such person to subpena additional witnesses.

"(f) The Chairman shall receive and the Commission shall dispose of requests to subpena additional witnesses.

"(g) No evidence or testimony taken in executive session may be relaesed or used in public sessions without the consent of the Commission. Whoever releases or uses in public without the consent of the Commission evidence or testimony taken in executive session shall be fined not more than $1,000, or imprisoned for not more than one year.

"(h) In the discretion of the Commission, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The Commission is the sole judge of the pertinency of testimony and evidence adduced at its hearings.

"(i) Upon payment of the cost thereof, a witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the Commission.

"(j) A witness attending any session of the Commission shall receive $4 for each day's attendance and for the time necessarily occupied in going to and returning from the same, and 8 cents per mile for going from and returning to his place of residence. Witnesses who attend at points so far removed from their respective residences as to prohibit return thereto from day to day shall be entitled to an additional allowance of $12 per day for expenses of subsistence, including the time necessarily occupied in going to and returning from the place of attendance. Mileage payments shall be tendered to the witness upon service of a subpena issued on behalf of the Commission or any subcommittee thereof.

"(k) The Commission shall not issue any subpena for the attendance and testimony of witnesses or for the production of written or other matter which would require the presence of the party subpenaed at a hearing to be held outside of the State wherein the witness is found or resides or transacts business.

"Powers of the Commission

"SEC. 203. (a) The Commission shall have power—

"(1) to appoint, in accordance with the Civil Service Act, rules, and regulations, such officers, agents, and employees, as it deems necessary to assist it in the performance of its functions, and to fix their compensation in accordance with the Classification Act of 1949, as amended; attorneys appointed under this section may, at the direction of the Commission, appear for and represent the Commission in any case in court;

"(2) to furnish to persons subject to this title such technical assistance as they may request to further their compliance with this title or any order issued thereunder;

"(3) to make such technical studies as are appropriate to effectuate the purposes and policies of this title and to make the results of such studies available to interested governmental and nongovernmental agencies;

"(4) to hold such hearings as the Commission may deem advisable for compliance, enforcement, or educational purposes under this part. Such hearings shall be public unless all parties thereto agree that they be private.

"(b) All departments, agencies, and independent establishments in the executive branch of the Government shall cooperate with the Commission and shall carry out the orders of the Commission relating to the termination of contracts and subcontracts and the refusal to enter into or permit the entering into of such contracts and subcontracts.

"(c) The Commission shall engage in conciliation and encourage the furtherance of an educational program by employer and labor groups in order to eliminate or reduce the basic causes of discrimination in employment on the ground of race, sex, creed, color, or national origin.

"Investigatory powers

"SEC. 304. (a) For the purpose of all investigations, proceedings, or hearings which the Commission deems necessary, the Commission, or any member thereof, shall have power to issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence relating to any investigation, proceeding, or hearing before the Commission, its member, or agent conducting such investigation, proceeding, or hearing.

"(b) In case of contumacy or refusal to obey a subpena issued to any person under this title, any district court within the jurisdiction of which the investigation, proceeding, or hearing is carried on or within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the Commission shall have jurisdiction to issue to such person an order requiring him to appear before the Commission, its member, or agent, there to produce evidence if so ordered, or there to give testimony relating to the investigation, proceeding, or hearing.

"(c) Complaints, orders, and other process and papers of the Commission, its members, agent, or agency, may be served either personally or by registered mail or by leaving a copy thereof at the principal office or place of business of the person required to be served. The verified return by the individual so serving the same setting forth the manner of such service shall be proof of the same, and the return post office receipt therefor when registered and mailed as aforesaid shall be proof of service of the same.

"PART B—DISCRIMINATORY PRACTICES BY GOVERNMENT CONTRACTORS AND LABOR ORGANIZATIONS

"SEC. 210. (a) In every contract entered into by an executive department or agency of the Government of the United States, in every subcontract under such contract, there shall be included a provision in such form and containing such terms as the Commission may prescribe (including compliance reports), designed to insure that the contractor or subcontractor, as the case may be, will not limit, segregate, classify or otherwise discriminate against any person because of race, sex, creed, color, or national origin in employment practices.

"(b) The employment practices covered by subsection (a) shall include, but not be limited to, the recruitment or advertising thereof, failure or refusal to hire, upgrading, demotion, transfer, discharge, layoff, termination, selection for training (including apprenticeship), rates of pay or other forms of compensation, and any other terms, conditions, or privileges of employment.

"SEC. 211. (a) In every contract or subcontract, covered by section 210(a), it shall be a discriminatory employment practice for any local labor organization which represents employees of an employer under such contract or subcontract—

"(1) to exclude or to expel from its membership, or otherwise to discriminate against, any individual because of his race, sex, creed, color, or national origin;

"(2) to limit, segregate, or classify its membership in any way which would deprive or tend to deprive any individual of employment opportunities, or would limit such employment opportunities or otherwise adversely affect his status as an employee or as an applicant for employment, because of such individual's race, sex, creed, color, or national origin; or

"(3) to cause or attempt to cause an employer to discriminate against an individual because of such individual's race, sex, creed, color or national origin.

"(b) It shall be a discriminatory employment practice for any employer having a contract or subcontract, covered by section 210(a), or for any labor organization or joint labor-management committee of such employer and organization controlling apprenticeship or other training programs to limit, segregate, classify or otherwise discriminate against any individual because of his race, sex, creed, color, or national origin in admission to, or employment in, any program established to provide apprenticeship or other training.

"(c) It shall be a discriminatory employment practice for any such local labor organization to discharge, expel, or otherwise discriminate against any person, because he has opposed any unlawful employment practice or has filed a charge, testified, participated, or assisted in any proceeding under this title.

"(d) For the purposes of this title, the term "local labor organization" means, with respect to the employees of any employer, an organization—

"(1) which is the certified representative of such employees under the provisions of the National Labor Relations Act, as amended, or the Railway Labor Act, as amended; or

"(2) which, although not so certified, is a national or international labor organization or a local labor organization recognized or acting as the representative of such employees.

"Proceedings before the Commission

"SEC. 212. (a) Whenever a written charge has been filed by or on behalf of any person claiming to be aggrieved by reason of a discriminatory employment practice covered by sections 210 or 211 of this title, the Commission shall investigate such charge and if it shall determine after such preliminary investigation that probable cause exists for crediting such written charge, it shall endeavor to eliminate such practices by informal methods of conference, conciliation, and persuasion. Nothing said or done during such endeavor may be used as evidence in any subsequent proceedings. If the Commission fails to effect the elimination of such discriminatory employment practices and to obtain voluntary compliance with the provisions of this title, it shall issue and cause to be served upon the contractor, subcontractor, or local labor organization involved, as the case may be (hereinafter called the 'respondent'), a complaint stating the charges in that respect, together with a notice of hearing before the Commission, or a member thereof, or before a designated agent, at a place therein fixed, not less than ten days after the service of such complaint. No complaint shall issue based upon any discriminatory employment practice occurring more than six months prior to the filing of the charge with the Commission and the service of a copy thereof upon the respondent.

"(b) The respondent shall have the right to file a verified answer to such complaint and to appear at such hearing in person or otherwise, with or without counsel, to present evidence and to examine and cross-examine witnesses.

"(c) The Commission or the member or designated agent conducting such hearing shall have the power reasonably and fairly to amend any complaint, and the respondent shall have like power to amend its answer.

"(d) All testimony shall be taken under oath.

"(e) At the conclusion of a hearing before a member or designated agent of the Commission, such member or agent shall transfer the entire record thereof to the Commission, together with his recommended decision and copies thereof shall be served upon the parties. The Commission shall afford the parties an opportunity to be heard on such record at a time and place to be specified upon reasonable notice. In its discretion, the Commission upon notice may take further testimony.

"(f) With the approval of the member or designated agent conducting the hearing, a case may be ended at any time prior to the transfer of the record thereof to the Commission by agreement between the parties for the elimination of the practice complained of on mutually satisfactory terms.

"SEC. 213. (a) If, upon the preponderance of the evidence, including all the testimony taken, the Commission shall find that the contractor or subcontractor has violated the provision included in the contract or subcontract pursuant to section 210 of this title, the Commission shall state its findings of fact and shall notify the contractor or subtractor involved that it intends to issue an order to the appropriate contracting party, as described in section 210(a), requiring that such party terminate the contract or, where a subcontractor is involved, make appropriate arrangements for the termination of the subcontract involved. Unless within thirty days, or such additional period as the Commission may determine, the Commission is furnished satisfactory assurances that the contractor or subcontractor will cease to violate such provision, and has established and will carry out personnel and employment policies as specified in such provision, the Commission shall issue such order.

"(b) Where the Commission has issued an order under subsection (a) of this section, the Commission shall take appropriate steps to insure that no executive department or agency of the Government shall thereafter enter into a contract with the contractor, until the Commission has determined that the contractor or subcontractor has established and will carry out personnel and employment policies as specified in the provision included in the contract or subcontract pursuant to section 210.

"SEC. 214. If, upon the preponderance of the evidence, including all the testimony taken, the Commission shall find that any local labor organization has engaged in any discriminatory employment practice pro[illegible] tion 211, the Commission shall state its findings of fact, and shall notify such local labor organization that it intends to issue an order to such local labor organization under this paragraph. Unless within thirty days or such additional period as the Commission may determine, the Commission is furnished satisfactory assurances that such local labor organization will cease to engage in such discriminatory employment practice, the Commission shall issue and cause to be served on such local labor organization an order requiring such local labor organization to cease and desist from such discriminatory employment practice and to take such affirmative action as will effectuate the policies of this title. Such order may further require the local labor organization to make reports from time to time showing the extent to which it has complied with the order. Such order shall be effective during all periods thereafter in which employees who are members of such local labor organization are employed on any work being done under a contract or subcontract, covered by section 210(a).

"Sec. 215. If the Commission shall find that any contractor, subcontractor, or local labor organization has not engaged in any discriminatory employment practice, or has ceased to engage in such a practice before the issuance of an order under section 213 or 214, the Commission shall state its findings of fact and shall issue and cause to be served on such parties an order dismissing the complaint.

"Sec. 216. Proceedings held pursuant to sections 212, 213, 214, and 215 shall be conducted in conformity with the Administrative Procedure Act.

"Sec. 217. The Commission may exempt any contract or subcontract, class of contracts or subcontracts, or local labor organization from the operation of this title.

"Enforcement of orders covering local labor organizations

"Sec. 218. (a) The Commission shall have power to petition any United States court of appeals or, if the court of appeals to which application might be made is in vacation, any district court within any circuit or district, respectively, wherein any discriminatory employment practice by a local labor organization occurred, for the enforcement of such order and for appropriate temporary relief or restraining order, and shall certify and file in the court to which petition is made a transcript of the entire record in the proceeding, including the pleadings and testimony upon which such order was entered and the findings and the order of the Commission. Upon such filing, the court shall conduct further proceedings in conformity with the standards, procedures, and limitations established by section 10 of the Administrative Procedure Act.

"(b) Upon such filing the court shall cause notice thereof to be served upon the local labor organization and thereupon shall have jurisdiction of the proceeding and of the question determined therein and shall have power to grant such temporary relief or restraining order as it deems just and proper and to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Commission.

"(c) No objection that has not been urged before the Commmission, its member, or agent shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances.

"(d) The findings of the Commission with respect to questions of fact if supported by a preponderance of the evidence on the record considered as a whole shall be conclusive.

"(e) If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Commission, its member, or agent, the court may order such additional evidence to be taken before the Commission, its member, or agent and to be made a part of the transcript.

"(f) The Commission may modify its findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and it shall file such modified or new findings, which findings with respect to questions of fact if supported by a preponderance of the evidence on the record considered as a whole shall be conclusive, and its recommendations, if any, for the modification or setting aside of its original order.

"(g) The jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the appropriate United States court of appeals, if application was made to the district court or other United States court as hereinabove provided, and by the Supreme Court of the United States as provided in title 28, United States Code, section 1254.

"Judicial review

"Sec. 219. (a) Any contractor, subcontractor, local labor organization, or other person who is aggrieved by a final order of the Commission under this title may obtain a review of such order in any U.S. court of appeals of the judicial circuit wherein the discriminatory employment practice in question was alleged to have been engaged in or wherein such person resides or transacts business or the Court of Appeals for the District of Columbia, by filing in such court within the 60-day period which begins on the date of the issuance of such order a written petition praying that the order of the Commission be modified or set aside. A copy of such petition shall be forthwith served upon the Commission and thereupon the aggrieved party shall file in the court a transcript of the entire record in the proceeding certified by the Commission, including the pleadings and testimony upon which the order complained of was entered and the findings and order of the Commission. Upon such filing, the court shall proceed in the same manner as in the case of an application by the Commission under section 218, and shall have the same exclusive jurisdiction to grant such temporary relief or restraining order as it deems just and proper, and to make and enter a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Commission.

"(b) Upon such filing by a person aggrieved the reviewing court shall conduct further proceedings in conformity with the standards, procedures, and limitations established by section 10 of the Administrative Procedure Act, except that questions of fact shall be conclusive if supported by a preponderance of the evidence on the record considered as a whole.

"(c) The commencement of proceedings under this section shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

"(d) When granting appropriate temporary relief or a restraining order, or making and entering a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part an order of the Commission, as provided in this section, the jurisdiction of courts sitting in equity shall not be limited by the act entitled "An act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes," approved March 23, 1932 (U.S.C., title 29, secs. 101–115).

"(e) Petitions filed under this title shall be heard expeditiously.

"PART C—NONDISCRIMINATION IN GOVERNMENT EMPLOYMENT

"Sec. 220. (a) The Commission shall continually scrutinize and study employment practices of the Government of the United States, and consider and recommend such affirmative steps as should be taken by executive departments and agencies to realize fully the national policy of nondiscrimination within the executive branch of the Government.

"(b) All executive departments and agencies shall continually conduct studies of Government employment practices within their responsibility. The studies shall be in such form as the Commission may prescribe and shall include statistics on current employment patterns, a review of current procedures, and the recommendation of positive measures for the elimination of any discrimination, direct or indirect. Reports and recommendations shall be submitted to the Commission at regular intervals as prescribed by the Commission. The Commission, after considering such reports and recommendations, shall report to the President from time to time and recommend such positive measures as may be necessary to accomplish the objectives of this part.

"Sec. 221. The President is authorized to take such action as may be necessary to conform employment practices within the Federal Government with the policies of this title and the recommendations of the Commission.

"PART D—GENERAL PROVISIONS

"Notices to be posted

"Sec. 222. (a) Every person having a contract or subcontract, covered by section 210 (a), and every local labor organization representing employees of such a contractor or subcontractor, shall post and keep posted in conspicuous places upon its premises where notices to employees, applicants for employment, and members are customarily posted a notice to be prepared or approved by the Commission setting forth excerpts of this title and such other relevant information which the Commission deems appropriate to effectuate the purposes of this title.

"(b) A willful violation of this section by a contractor, subcontractor, or labor organization shall be punishable by a fine of not less than $100 or more than $500 for each separate offense.

"Veterans' preference

"Sec. 223. Nothing contained in this title shall be construed to repeal or modify any Federal, State, or local law creating special rights or preference for veterans.

"Forcibly resisting the Commission or its representatives

"Sec. 224. The provisions of section 111 of title 18, United States Code, shall apply to officers, agents, and employees of the Commission in the performance of their official duties.

"Cooperative arrangements

"Sec. 225. The Commission is authorized to establish and maintain cooperative relationships with agencies of State and local governments, as well as with nongovernmental bodies, to assist in achieving the purposes of this title.

"Separability clause

"Sec. 226. If any provision of this title shall be held invalid, the remainder of this title shall not be affected thereby.

"Repeal

"Sec. 227. Executive Order 10925 (except section 203 thereof) and Executive Order 11114 are repealed. All references in contracts and other documents to such orders and to the Committee established thereby, shall hereafter be held and considered to refer to this title and to the Commission, respectively. All records and property of or in the custody of the said Committee are hereby transferred to the Commission, which shall wind up the outstanding affairs of the Committee.

"Effective date

"SEC. 228. This title shall become effective sixty days after enactment."

Mr. CRAMER (interrupting the reading of the amendment). Mr. Chairman, will the gentleman yield? I ask unanimous consent that this amendment be considered as read and state that it is similar to title II in the bill of the gentleman from Ohio, 3139. I am sure the chairman is thoroughly familiar with that. If we do not do that, we will not have any time left to find out what it is. It will be 1 o'clock, and I have an amendment I would like to offer.

Mr. ROGERS of Colorado. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman from Colorado will state it.

Mr. ROGERS of Colorado. Was that not the same request made by the gentleman from Texas [Mr. DOWDY], and objection was heard and that is why we are reading the amendment? The request made by the gentleman from Florida is not now in order.

Mr. CRAMER. I renew the unanimous-consent request.

Mr. CELLER. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Mr. MICHEL (interrupting the reading of the amendment). Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MICHEL. By what clock are we operating this afternoon?

The CHAIRMAN. The one the Chair is looking at.

Mr. MICHEL. Mr. Chairman, I ask unanimous consent that the amendment be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. CELLER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will continue to read the amendment.

The Clerk concluded the reading of the amendment.

Mr. ABERNETHY. Mr. Chairman, this is a very important amendment. I ask unanimous consent that the gentleman from Texas be allowed 5 minutes to discuss it.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. ROOSEVELT. I object.

The CHAIRMAN. Objection is heard.

Mr. ABERNETHY. Mr. Chairman, I have another request. There has been much disturbance in the Chamber, and we could not hear the amendment being read. I ask unanimous consent that the amendment be read again.

Mr. ROOSEVELT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

PREFERENTIAL MOTION

Mr. DOWDY. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. DOWDY of Texas moves that the Committee do now rise and report the bill to the House with the recommendation that the enacting clause be stricken out.

Mr. ANDREWS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield to the gentleman from Alabama.

Mr. ANDREWS of Alabama. Mr. Chairman, let me make one last request that this unconstitutional bill be defeated. This legislation is not needed and not wanted by a vast majority of the decent, law-abiding people of this country. I sincerely believe that if a secret vote could be taken on this bill by the Members of the House that it would be defeated by at least 2 to 1.

It is my considered opinion that the bill is in violation of the letter and the spirit of the Constitution of the United States; that its passage would destroy the individual rights which the Constitution was designed to protect, destroy not just the rights of the white citizens of this country, but also the rights of our colored citizens which it purports to protect; and that its passage would be a power grab that could lead to a totalitarian dictatorship by the Federal Government.

The proponents of this bill ignore the "natural" rights of man which no government has a right to violate. Among these rights is the right of every man to the fruits of his labor and the right of every individual to choose his associates. If these rights are denied to one, to a few, or to many they can be denied to all—by whatever group or authority that might happen to be in position to exercise the power at any given time.

Herein lies the danger. There is never any guarantee that a benevolent dictatorship, if such were possible, would remain benevolent.

Of all the natural human rights is the right of parents to provide for the welfare and education of their children without the arbitrary interference of any person, group, or governing body who might, under the guise of "civil rights," seek to impose their own social philosophy upon an unwilling people. The education of our children is a private and personal right of the parent. We cannot allow our children to be used as pawns to further the political fortunes, the ambition, or the social philosophy of any group or groups.

May I just say that the States have only such authority in the field of public education as has been delegated to the States by the people thereof through their respective State constitutions. If the people may delegate to their State governments the authority to provide public services for their benefit, they certainly have the power to withdraw this authority whenever in their opinion the service is no longer in the interest of or to the public good. If the people of the States have this right, and I contend they do, then they have the right and the duty to deny such authority to the Federal Government to whom no such authority has ever been delegated.

The founders of this country must have had unusual foresight. To protect individual human rights which are now threatened they created a central government of limited powers. To accomplish this, they delegated to the National Government only those powers necessary to the exercise of its proper functions. All other powers were reserved to the States—or to the people. So there could be no doubt as to any rights not delegated and not specifically reserved, the Constitution—ninth amendment—provides that "the enumeration in the Constitution of certain rights, shall not be construed to deny or disparage others retained by the people."

The 9th and 10th amendments are still parts of the Constitution, the basic "law of the land," and cannot be repealed by the executive, by Congress, or by the court, Brown against Board of Education to the contrary notwithstanding.

The people of Alabama and of the Nation earnestly solicit your support at this critical time to the end that future generations may enjoy the freedoms we have known; without which we cannot expect to survive as a free people.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield to the gentleman from Florida.

Mr. HALEY. Mr. Chairman, I have doubts about the legislation which is before us today, and I am sure that many people in this Nation also have doubts about the bill. We have heard good constitutional lawyers on each side of the controversy make good arguments. They certainly are not in agreement and this leaves a nonlawyer confused as to what the bill really does contain.

Opponents of the bill say that the legislation gives tremendous powers to the executive branch of our Federal Government. Even the proponents of the bill concur in this point of view.

It is regrettable that there were not more opportunities for these matters to be discussed in the committee because this legislation, beyond a doubt, is the most far-reaching bill to come to the Congress in 100 years.

There have been amendments offered which would have made this bill more acceptable to a majority of the people of this Nation—amendments that would have made this a more workable bill.

A coalition of liberals—Democrats and Republicans—have the votes and they have refused to accept any amendments which would have improved the legislation. I frankly do not think you could have amended the bill—because even the Ten Commandments would not have been acceptable under these circumstances.

It is unfortunate that a situation such as this should exist, or that legislation could be passed in this manner. Legislation is either good for the Nation as a whole—or it is bad for the Nation as a whole. Never should legislation be considered that is aimed at the people of one section of the Nation.

When the Civil Rights Act of 1956 came to the floor of the House, I predicted that proposal would bring about unrest and discord throughout the country. I stated that insofar as my section of the country was concerned, this would not be a problem to the South within 20 years.

In speaking to this House on July 17, 1956, I said that I did not believe the civil rights legislation then before us would add to the strength of our Nation. I further stated:

> Neither do I believe it will do anything to bring about better feelings between the races of the people of our country. In fact, in all of my life I don't think I have seen a bill that would tend to destroy the strength of this Nation any more than this particular one would do. The passage of this bill will not bring about the harmony between races that some people believe it will. It will merely stir up further hatred and discord. The motivating force behind this legislation is not the quest for harmony between races.

The only error in my prediction was that it has happened within 8 years rather than 20 years.

Dissension and riots have occurred in all parts of the country. The riots—and they are riots rather than demonstrations because they ignore law and order—have spread throughout communities in the North. You know what has occurred in Cleveland, Chicago, Detroit, New York, Philadelphia, and other places.

I will make another prediction: This legislation, before us now, will not solve anything. People will continue to receive recognition on the basis of their own accomplishments as individuals. No legislation will ever bring about the situation in which an individual will receive recognition and respect—other than that which he merits because of his personal achievements.

In the Southland Booker T. Washington and George Washington Carver by their own accomplishments reached positions of greatness and deep respect.

We need to reflect more upon that old adage: "You take out of something, only what you put into it." These men became leaders of their race through their own merit and they received just recognition by all Americans through their own accomplishments.

Legislation cannot set up a preferential situation in this country for the 20 million people who do not want equal rights but who do want preferential rights. This just will not come about.

This is the same situation in which, nearly 100 years ago, the vicious and demagogic politicians passed legislation that did not carry the approval of the Nation as a whole. The men who passed this legislation have gone into oblivion and the legislation they sponsored—the laws they enacted—were gradually repealed. They are unremembered today. I submit to you that the men who are jamming this legislation through the House today may face the same fate.

A law which is not acceptable to a majority of the people of this Nation will not endure. I will not be surprised if we find that it is as unworkable as the prohibition law.

I will make one further prediction and that is this: a majority of these people who wish preferential rights will not be satisfied with any legislation that might pass this House.

I have listened very attentively to the debate on the so-called civil rights bill. It gives very broad and dictatorial powers to the President and the Attorney General. If it passes in its present form, the following actions may occur:

All citizens could lose their right of freedom of speech and freedom of the press. All homeowners could lose their right to rent, lease, or sell their homes as free individuals. Realtors and developers of residential property could lose their right to act as free agents.

Banks, savings and loan associations, and other financial institutions could lose their right to make loans and extend credit in accordance with their best judgment.

Employers could lose their right to "hire or discharge any individual" and to determine "his compensation, terms, conditions, or privileges of employment."

All persons under Federal civil service could lose their seniority rights.

Union members could lose their seniority rights within their locals and apprenticeship programs. Labor unions could lose their right to choose their members, to determine the rights accorded to their members, and to determine the relationship of their members to each other.

Farmers could lose their right to choose freely their tenants and employees.

Owners of inns, hotels, motels, restaurants, cafeterias, lunchrooms, fountains, motion picture houses, theaters, concert halls, sports arenas, stadiums, and other places of entertainment could lose their right to carry on their business freely in service of their customers.

These conclusions are not mine alone—they are shared by many persons who have studied this legislation, section by section.

This is no civil rights bill—it is an unwarranted extension of Federal control over the lives and businesses of all Americans.

I say the same thing about this bill that I said in 1956. It will not bring harmony between races and the motivating force behind the bills is not the quest for harmony between races.

It is legislation of political expediency. If it is enacted in its present form, it will not endure. If the people of this country have to live with this bill, when they come to know its meaning—the Congress of the United States will quickly come to know their bitter wrath.

Mr. DOWDY. Mr. Chairman, the substitute for title VII has been read. I wish we had sufficient time to discuss it. I shall briefly state what it involves.

I am sorry there was so much noise in the Chamber during the reading of the substitute amendment that the gentlemen who wished to hear it read could not hear it.

The effect of the substitute amendment would be to limit title VII, the FEPC provisions, to Government contracts and subcontracts, and to take off the across-the-waterfront coverage as provided in the pending bill.

I mention, for the benefit of those who joined me in support of the equal-rights-for-women provision, which was incorporated in title VII of the bill, I have incorporated the same in the substitute amendment which has been read, so the equal-rights-for-women provision is in the substitute and will be in it if it is adopted.

I believe it would improve the bill a lot to adopt this lesser evil. Then not so many businessmen will have so many burdens upon them that they cannot stay in business.

There are some other amendments I wished to offer, and which I shall offer, but there will not be time for an explanation of them. I mention a few briefly.

One amendment would provide, on page 68, a change in regard to the words "to fail or refuse to hire or to discharge." I would incorporate in the language "to hire," to make it read "to hire or to fail or refuse to hire or to discharge or to fail or refuse to discharge."

The reason for that provision is to give some protection to the employer. Under the bill as written an employer might be faced with an injunction against him to force him to hire a certain number of people or a certain kind of people, and then some of the pressure groups, rabble rousers, sit in and mobs and rioters might come in to put pressure on him to make him hire even more of that particular race, color, creed, or origin than he was under order to hire. By including "to hire" it would make it possible for the employer to have some recourse, to go to the Commission and ask for protection from the pressure being put on him.

Another amendment would strike out the provision that would permit someone else, on behalf of an aggrieved person, to file charges, instead of the aggrieved person filing his own charges. This procedure will cause a multiplicity of suits, and violations of the barratry statutes of many of our States. It is not good practice to permit someone else to make a complaint for another person.

Another amendment would make the seniority system or merit system of hiring an exception to the rule of race, color, creed, and so on, in order that an employer may make a hiring decision or determination based on the merit system or seniority system or based upon the prospective employee's ability either in quantity or quality. Let the employer use those tests as well as the test of race, color, and creed. This amendment is lifted almost bodily from the Equal Pay Act of 1963 which this Congress passed last year.

I have another amendment which will be read to you in which there are some new definitions added. I define "race" to include the Caucasian race, and I define "color" to include white, and I define "religion" to include the word "Protestants" and the phrase "national origin" to include people born in the United States of America.

From the discussions we have had on the floor here there seems to be some doubt that these things were covered. This last amendment would at least make the bill applicable to everybody, and if there is any protection in the bill for anybody, it would give everybody the same equal protection under the law, if there is any protection in the bill. It looks to me like most everything in the bill is a burden rather than a protection. It takes away and destroys rights, giving nothing in return. This bill could best be described as a legislative attempt to repeal the U.S. Constitution and the Bill of Rights.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. DOWDY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks before the vote on the substitute amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DOWDY. Mr. Chairman, the original bill sought to be artful; the pending bill seeks rather to be arrogant. The first sought to explain and justify; this proposes to bluff its way.

In some respects, the most drastic provisions of the pending civil rights bill are to be found in title VII. This is a new section, not requested by President Kennedy, nor covered in hearings before the House Judiciary Committee. I doubt that 1 person in 10,000 has read title VII or pondered its enormous implications for business and labor alike.

This section opens with a declaration by the Congress of a "national policy to protect the right of the individual to be free from discrimination in employment." The policy is said to rest, first, upon the commerce clause, and second, upon the power vested in the Congress to adopt necessary and proper laws "to insure the complete and full enjoyment by all persons of the rights, privileges, and immunities secured and protected by the Constitution of the United States." In passing, we may cast a doubtful eye on the reference to "privileges and immunities," for in this context the words have no reference to any power delegated by the Constitution to the Congress.

In furtherance of this expressed policy, title VII would make it an unlawful employment practice for any employer "engaged in an industry affecting commerce," provided he has 25 or more employees—

First. To fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, or national origin; or

Second. To limit, segregate, or classify his employees in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, or national origin.

The bill would extend similar provisions both to employment agencies and to labor unions. No employment agency could refer individuals for work by any racial designation. It would be made unlawful for any labor union—

First. To exclude or to expel from its membership, or otherwise to discriminate against, any individual because of his race, color, religion, or national origin.

Second. To limit, segregate, or classify its membership in any way which would deprive or tend to deprive any individual of employment opportunities, or would limit such employment opportunities, or otherwise adversely affect his status as an employee or as an applicant for employment, because of such individual's race, color, religion, or national origin.

These provisions of the bill would become effective 1 year after the date of the bill's enactment. During the first year thereafter, the law would affect industries with 100 or more employees; during the second year, it would affect industries with 50 or more employees. The permanent effective level of 25 or more employees would be reached in the third year. The same limitations would apply to labor unions.

The bill would be administered primarily by a five-member Equal Opportunity Commission, empowered to employ "such officers, agents, attorneys, and employees as it deems necessary." The Commission would be required to establish at least one office in each of the major geographical regions of the country. During its first year of operation, the Commission would have an authorized appropriation of $2,500,000. Ten million dollars would be authorized for the second year. The Commission's principal duties would be to investigate charges of racial discrimination in employment, to seek to alleviate discrimination by conference and conciliation, to bring civil proceedings in Federal district courts against offending employers or unions, and to obtain injunctions against the defendants. Violation of such injunctions would be punishable as contempt of court, through fines and imprisonment.

This section of the bill bristles with other formidable provisions, authorizing agents of the Equal Employment Opportunity Commission to enter upon industrial property, have access to business and union records, question employees, and investigate "such facts, conditions, practices, or matters as may be appropriate." Employers and unions alike would be required to keep such records of their operations, in terms of race, as the Commission might prescribe. Particular emphasis would be laid upon prohibiting discrimination in apprenticeship and training programs. Finally, the Commission would be given authority, in conformity with provisions of the Administrative Procedure Act, to adopt regulations having the force and effect of law "to carry out the provisions of this title."

I submit that never in the history of the Congress has legislation been seriously proposed more drastic in its effects than title VII of this bill. Once these provisions became fully operative, 3 years after enactment, every business or industry in the United States, having as many as 25 employees, would have to think racially in every aspect of its employment practices. It would be unlawful for them to discriminate among applicants for employment, unlawful to fail or to refuse to hire by reason of race, and unlawful to limit or to classify employees in any way that might "tend to deprive" any individual of an employment opportunity because of his race.

Consider, if you will, the impact of this bill upon a small manufacturing plant employing 25 or 30 persons totally. The payroll includes the proprietor, two secretarial workers, a bookkeeper, a shop foreman, a dozen production workers, several salesmen, a shipping clerk, and a couple of custodial employees. Roughly 188,000 such employers, having 20 to 49 workers, were known to the Social Security Administration 5 years ago—we draw the figure from table 650 of the 1963 Statistical Abstract. Another 115,000 employers then reported more than 50 employees. Beyond question, the number of such employers is far greater now.

How are they to manage their business? What is to constitute evidence of "discrimination"? If such an employer does business in a community having 15 percent Negro population, is a prima facie assumption to be established that he is discriminating if fewer than 15 percent of his employees are Negro? If so, then 15 percent of which employees? The production men? The salesmen? The janitors? In many fine restaurants in the South, the historic practice is to hire Negro waiters only. Such a practice would become "unlawful" under this bill. The same practice is followed by Congress in the House restaurant.

I ask what becomes of established seniority under this bill? I wonder at the manifest difficulties involved in the subjective judgments that permeate employment practices everywhere: Which of two prospective cooks is the better cook? Which prospective salesmen are most likely to bring in sales? Which writers are the more creative? Not all the differences among men may be measured in standard aptitude tests. If the Negro cook is hired instead of the white, or the white instead of the Negro, are the employer's tastebuds to be put on trial? And what becomes of business management during the incessant harassment of investigations, reports, hearings, lawsuits?

These observations barely touch upon the practical problems of administration that will fly from this Pandora's box. Unlike the Department of Labor, the proposed five-member Commission would not be dealing with specific hours worked or specific wages paid. Some of the evidence presented in hearings before the National Labor Relations Board is tenuous and bizarre, but at least the unfair labor practices now condemned in interstate commerce are susceptible to familiar courtroom procedures. The problems of finding discrimination, and the correction of discrimination, carry the practice of law into a wild blue yonder.

The assertion by the Congress of a national policy against discrimination is in itself a meaningless statement. A national policy in favor of motherhood would carry about as much weight. What counts, of course, is the law enacted to support such a policy. Such law is subject to the same bedrock test we have talked about here: Has the power been delegated to the Congress by the Constitution to enact such a law as title VII? I cannot perceive such authority. No "right to be free from discrimination" is anywhere enunciated in the Constitution, save in the provisions of the 14th amendment prohibiting the States, as States, from denying equal protection of the laws. Nothing in previous interpretations of the commerce clause would suggest that private employment practices in this regard affect commerce within the meaning of congressional regulation. This is sumptuary law. Surely the history of government should teach us that such law, deeply resented, widely evaded, serves a nation not well, but ill. Surely, at the very least, we should limit this to Government contracts, as in the substitute I have tendered as a lesser evil.

Mr. CELLER. Mr. Chairman, I ask that the preferential motion of the gentleman from Texas be voted down and that after that his general amendment, which we have just heard read, likewise be voted down.

I yield back the balance of my time.

The CHAIRMAN. The question is on the preferential motion of the gentleman from Texas.

The preferential motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

AMENDMENT OFFERED BY MR. POFF

Mr. POFF. Mr. Chairman, I offer two amendments, Nos. 1 and 2. At this time I offer amendment No. 1.

The Clerk read as follows:

Amendment offered by Mr. POFF: On page 74, line 13, after "by" strike out "or on behalf of".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. POFF].

Mr. WATSON. Mr. Chairman, I have a unanimous-consent request. We have a number of amendments up there, and we try to get recognition. This is important and they are important. I ask unanimous consent that the author of each amendment be allowed 30 seconds and the chairman of the committee have 1 minute, or twice as much.

Mr. CELLER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The question is on the amendment offered by the gentleman from Virginia.

The amendment was rejected.

AMENDMENT OFFERED BY MR. POFF

Mr. POFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POFF: On page 84, line 8, after the title, strike out the remainder of line 8 and all of line 9 down to and including the word "circumstance" and on page 84, line 10, after "title" strike out the remainder of line 10, all of line 11, and all of the words on line 12 down to and including the word "invalid".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was rejected.

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: On page 78, strike lines 6 through 18 and insert: "(b) Where there is a State or local agency which has power under existing State law to eliminate and prohibit discrimination in employment in cases covered by this title, the Commission shall not exercise jurisdiction unless and until the Commission, after formal hearing, has made an express finding (which shall be subject to judicial review) that existing State law will not reasonably accomplish the objective of this title."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

The question was taken; and on a division (demanded by Mr. CRAMER) there were—ayes 103, noes 124.

Mr. CRAMER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. RODINO and Mr. CRAMER.

The Committee again divided, and the tellers reported that there were—ayes 142, noes 161.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. DOWDY

Mr. DOWDY. Mr. Chairman, I offer Amendment No. 1.

The Clerk read as follows:

Amendment offered by Mr. DOWDY: Page 68, line 14, after the "(1)" strike out all of line 14 and insert in lieu thereof, "to hire, or to fail or refuse to hire, or to discharge or to fail or refuse to discharge any"; and in line 15, after the word "otherwise", insert "to favor or"; and page 69, line 1, after the word "agency" insert "to refer for employment, or"; and page 69, line 8, after "(1)" strike out all of line 8 and insert "to accept or to exclude, or to expel or to fail to expel from its membership, or".

Mr. DOWDY. Mr. Chairman, there is marked inconsistency and inadequacy in the procedures which are set forth in this bill to assure equal employment opportunity.

Injunctive relief is the generally prescribed remedial tool. This injunctive relief, so defined, is extended only against persons such as employers, and is not extended on behalf of such employers where improper or illegal methods threaten injury, or trespass, or deprivation against those employers.

Under title VII, for example, it becomes an unlawful practice for an employer to "refuse to hire" because of race, color, religion, or national origin. There is no accompanying or corollary procedure for the employer to enjoin against conspiracy, unlawful collaboration, or use of force or trespass in derogation of the principles sought to be established by the bill.

If it is unlawful to refuse to hire, it is, per se, unlawful to hire solely because of race, color, religion, or national origin. Equal opportunity is a self-leveling, equating result. No relief is afforded an employer against the use of force, violence, or unlawful conduct, to force employment for the forbidden reasons. He should have full and equal protection under the law.

The discrimination protected against in the bill, becomes a discrimination compounded in character if there be no restraint placed upon advocates or users of violence to achieve, through illegal methods, the discrimination sought to be eliminated in the bill.

The civil rights bill is premised upon conditions which partake of social struggle and social warfare. Newly founded rights encourage peoples, even nations, to engage in excesses. These excesses, it must be admitted, have been evidenced on both sides of the social struggle. To arm one group with injunctive relief and to deny another group the same relief, is to invite and tempt violence, as well as inequity.

When the purposes of the civil rights bill are enacted into law, there should be no further reason or occasion for violence, trespass, collusion, or coercion with respect to the enforcement of rights defined under the bill, or alleged rights sought improperly.

It becomes a matter of inescapable conclusion that what constitutes an unlawful employment practice, subject to injunctive restraint, is no more reprehensible than an unlawful practice to obtain employment; the latter must be, similarly subject to injunctive restraint. To achieve the foregoing, I propose that:

Section 704(a) of the bill be amended to make it an unlawful practice to hire as well as to refuse to hire solely because of race, color, religion, or national origin; then, implementing the injunctive provision, an employer, as well as applicant can secure injunctive relief against weapons of force and violence, or conspiratorial acts to compel the breach of such provisions.

Paradoxically, the impact of the procedures presently contained in the bill, both qualitatively and quantitatively, fall principally upon the business community rather than upon those persons or groups whose actions so frequently disregard "the law of the land"; legislation, which falls short of affording adequate protection cannot truly be termed protection of civil rights and civil liberties.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

AMENDMENT OFFERED BY MR. DOWDY

Mr. DOWDY. Mr. Chairman, I offer amendment No. 2.

The Clerk read as follows:

Amendment offered by Mr. DOWDY: On page 74 line 13, strike out the words "or on behalf of".

Mr. CELLER. Mr. Chairman, I make the point of order that that amendment was voted down. It was offered by the gentleman from Virginia.

The CHAIRMAN. The Chair sustains the point of order.

AMENDMENT OFFERED BY MR. DOWDY

Mr. DOWDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOWDY: Page 68, after line 9, insert the following: "The provisions of this title shall not be applicable to any employer whose hiring and employment practices are pursuant to (1) a seniority system; (2) a merit system; (3) a system which predicates its practices upon ability to produce, either in quantity or quality; or (4) a determination based on any factor other than race, color, religion, or national origin.".

Mr. DOWDY. Mr. Chairman, the purpose of this amendment is to provide for the systematic use of an employer to obtain the best qualified employees, regardless of race, color, religion, and so forth.

The amendment speaks for itself, and has a recent precedent. Last year, this Congress, in the Equal Pay Act of 1963, contained identical provisions.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. Dowdy].

The amendment was rejected.

AMENDMENT OFFERED BY MR. DOWDY

Mr. DOWDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Dowdy: Page 68, after line 5, insert new definitions, as follows:

"(j) The word 'race' when used in this title or otherwise in this Act shall mean all races, including the Caucasian.

"(k) The word 'color' when used in this title or elsewhere in this Act shall mean all colors, including white.

"(l) The word 'religion' when used in this title or elsewhere in this Act shall include all religions, including the Protestant religions.

"(m) The phrase 'national origin' when used in this title or elsewhere in this Act shall include all countries of origin, including the United States of America."

Mr. DOWDY. Mr. Chairman, the debate on this bill has indicated some doubt, as to the meaning of the words race, color, religion, and national origin. This amendment would define the words so there could be no dispute, and would make this bill, if enacted, apply to all persons alike.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. Dowdy].

The amendment was rejected.

AMENDMENT OFFERED BY MR. DOWDY

Mr. DOWDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Dowdy: Page 84, line 8, strike out sec. 717 and insert in lieu thereof:

"Sec. 717. If any provision of this title shall be held invalid, the remainder of this title shall not be affected thereby."

Mr. DOWDY. Mr. Chairman, section 717, as contained in the pending bill is ridiculous. It provides that should a lawsuit be tried involving some provision of the title which the court finds to be invalid, nevertheless, the provision would continue to be valid as to all other persons. What this amounts to, the court would have to hear suits and declare the provision invalid as to each person, individually. This amounts to repealing precedent. My amendment would correct this by providing that once a provision is declared invalid, it will be invalid, but will not affect other provisions of the title.

I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. Dowdy].

The amendment was rejected.

AMENDMENT OFFERED BY MR. DOWDY

Mr. DOWDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Dowdy: Page 68, line 17, after the word "employment" insert the word "solely"; page 66, line 22, after the word "employee" insert the word "solely". Page 69 at end of line 2, insert the word "solely". Page 69, line 9, after the word "individual" insert the word "solely" and insert page 69, line 16, after the word "employment" insert the word "solely" and page 69, line 24, after the word "individual" insert the word "solely".

Mr. DOWDY. Mr. Chairman, this amendment provides that any discrimination proscribed in the bill must be based solely on race, color, religion, sex, or national origin. Surely that is what is intended, and it is only reasonable that the matter be clearly stated in the language of the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. Dowdy].

The amendment was rejected.

AMENDMENT OFFERED BY MR. GRIFFIN

Mr. GRIFFIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Griffin: On page 77, after line 22, add a new subsection as follows:

"(i) Notwithstanding any other provision of this title, no charge of unlawful employment practice claiming discrimination on the basis of sex shall be considered unless the person filing such charge, or the person on whose behalf such a charge is filed, signs a statement under oath certifying that the spouse, if any, of such person is then unemployed and was unemployed when the alleged unlawful employment practice occured.".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. Griffin].

The question was taken; and on a division (demanded by Mr. Griffin) there were—ayes 15, noes 96.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. SIKES

Mr. SIKES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Sikes: On page 85, line 4, strike out lines 4 through 6.

Mr. SIKES. Mr. Chairman, I propose that no part of this section become effective immediately upon enactment. As the bill is now written, some sections would become effective immediately. Other sections would become effective 1 year after the enactment of the bill. Obviously no part of a measure so broad and far reaching should become effective immediately. The Nation will need time to prepare for the shock to its economic system which most certainly would result.

At the very least, the Congress should give the American business community—and the great majority of the people—this little respite.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. Sikes].

The amendment was rejected.

AMENDMENT OFFERED BY MR. M'CLORY

Mr. McCLORY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McClory: On page 78 strike out lines 6 through 18 and insert in lieu thereof the following:

"(b) Where there is a State or local agency which has power to eliminate and prohibit discrimination in employment in cases covered by this title, the Commission shall not exercise jurisdiction under this title unless and until the President of the United States determines that such State or local agency no longer has such power or is no longer adequately exercising such power."

Mr. McCLORY. Mr. Chairman, the amendment which I offer would limit the Federal authority in the area of equal employment opportunity to States which do not already have adequate laws or which are not adequately enforcing the laws they have enacted.

Although I have received assurance that the Federal Commission would recognize the authority of the 23 or more States which have commissions known as Fair Employment or Equal Job Opportunity Commissions, I would like to see the positions of our States strengthened and safeguarded further in this important area. That is the aim and purpose of the amendment which I now offer.

My amendment would continue the States' authority, under their respective laws affecting fair employment, unless and until it is shown and the President has determined that a State, in question, either, first, does not have adequate laws on the subjects covered in the Federal law, or, second, is not adequately exercising its authority.

In the State of Illinois we have labored to create a workable and adequate law dealing with equal job opportunities. The Illinois law is working well and is receiving general support from both labor and management, as well as from the general public. The Federal Government should neither pre-empt this important function now being exercised by the Government of the State of Illinois, nor should the Federal Commission—created by H.R. 7152—be permitted to supersede the authority of the very able Illinois Fair Employment Practices Commission.

My amendment would grant further protection to the rights and prerogatives of our Illinois citizens and discourage—if not prevent—exercise of Federal authority under title VII of H.R. 7152, unless and until the State of Illinois should fail or neglect to exercise its authority in this area. This same additional protection would redound to the benefit of the other 49 States.

I urge a favorable vote on this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. McClory].

The amendment was rejected.

AMENDMENT OFFERED BY MR. ROGERS OF TEXAS

Mr. ROGERS of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Rogers of Texas: On page 64, line 24, after "1954," add a comma and the following: "or (3) individuals engaged in agriculture or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways not owned or operated for profit, or operated on a sharecrop basis and which are used exclusively for supplying and storing water for agricultural purposes."

Mr. ROGERS of Texas. Mr. Chairman, this amendment is offered for the purpose of preventing the visitation of dire difficulties on some individual farmers and ranchers in this country. I am sure it must have been an oversight on the part of those who drafted the legislation; however, the danger is present regardless of who is at fault. The act, as written, would be applicable to any individual engaged in agricultural pursuits, including water projects such as irrigation and reclamation projects devoted solely to agricultural purposes. This would mean individual farmers and ranchers could be required to comply with all facets of this measure, such as keeping all necessary records, making all reports, and complying generally with the many burdens placed upon the largest corporation. Many of these people do not have the time nor the financial means to comply with this act. In fact, they do not have the time to understand and fill out all of the reports desired by the Federal Government and the State governments under other laws. To add to this burden is to subject these private individuals who are law-abiding, taxpaying citizens, wanting to exercise their freedom under the Constitution and make a living for their families, to difficulties, trials, and tribulations never intended under our theory of government.

The amendment is offered in the identical language used in the Fair Labor Standards Act to exempt those engaged in agricultural pursuits. It seems to me that, if the exemption is applicable under the Fair Labor Standards Act, it should be applicable under this or any other act. You will note that on page 64 the term "employer" includes everyone—individual, partnership, and corporation—except the United States, a corporation wholly owned by the Government of the United States, or a State or political subdivision thereof, and it also includes a bona fide private membership club—other than a labor organization—which is exempt from taxation under section 501(c) of the Internal Revenue Code of 1954. My amendment would simply add a third exemption, to include individuals engaged in agriculture. As I pointed out, this is the same exemption included in the Fair Labor Standards Act.

Unless this amendment is adopted and this exemption included, every farmer and rancher who is required to employ more than the minimum number permitted in the bill, for even the shortest period to do emergency work or to harvest the crops, would be covered by the act. This would be true, even though the work was temporary and the employment was made necessary by an emergency situation that would mean the loss of the crop to the farmer or the loss of a herd to the rancher, unless such employment was provided. These individuals, who could aptly be called the family-sized farmers, have a difficult burden as it is to make a living for themselves and their families and to pay their taxes to help support the Federal Government. If you add to this burden it will mean that many of these farmers would simply throw up their hands in frustration and leave the farms. This would add to the unemployment situation which has been such a tragic problem for so many years.

I have tried to slow down this headlong rush into uncharted seas, which is the course being pursued by those who are bent on passing this legislation. However, if you are bound and determined to repeal the Constitution and change the basic concepts of the laws under which our country has prospered and grown great, I beg of you not to destroy the American farmer in the first assault you make on the populace.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an economy amendment.

The Clerk read as follows:

> Amendment offered by Mr. GROSS: On page 84, line 3, strike out the figure "$2,500,000" and insert "$50,000" and on page 84, line 5, strike out "$10,000,000" and insert "$100,000".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

AMENDMENT OFFERED BY MR. WATSON

Mr. WATSON. Mr. Chairman, I have four perfecting amendments at the desk. I would like them to be read in order.

The CHAIRMAN. Singly?

Mr. WATSON. Yes.

The Clerk read as follows:

> Amendment offered by Mr. WATSON: On page 77, strike out all of the lines 12, 13, and 14.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. WATSON].

The amendment was rejected.

AMENDMENT OFFERED BY MR. WATSON

Mr. WATSON. Mr. Chairman, I offer a conforming amendment.

The Clerk read as follows:

> Amendment offered by Mr. WATSON: On page 70, line 21, change the period to a comma and add the following: "Providing said discriminatory practice opposed by or testified against by said employee or applicant has been confirmed by the Equal Employment Opportunity Commission or the highest court in which said matter is adjudicated."

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. WATSON].

The amendment was rejected.

AMENDMENT OFFERED BY MR. WATSON

Mr. WATSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WATSON: On page 75, beginning on line 20, strike out the words beginning with "If" and continuing through and including the word "writing" on page 21 and substitute in lieu thereof the following: "If two members of the Commission give permission in writing".

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. WATSON].

The amendment was rejected.

AMENDMENT OFFERED BY MR. WATSON

Mr. WATSON. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

> Amendment offered by Mr. WATSON: On page 79 beginning with the word "or" on line 3, strike out everything thereafter down through and including line 4.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. WATSON].

The amendment was rejected.

AMENDMENT OFFERED BY MR. WATSON

Mr. WATSON. Mr. Chairman, I offer one final amendment.

The Clerk read as follows:

> Amendment offered by Mr. WATSON: On page 70, line 21, after the word "title" change the period to a comma and add the following: "providing said discriminatory practice opposed by or testified against by said employee or applicant has been confirmed by the Equal Employment Opportunity Commission or the highest court in which said matter is adjudicated."

Mr. WATSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. WATSON. Mr. Chairman, while I strongly oppose the entire bill as the most serious invasion of the constitutional rights of our States and our citizens, I feel that section VII will prove to be the most serious section so far as its adverse effect upon our businesses throughout the Nation.

The proponents of this measure have repeatedly rejected every amendment, although most of them have been entirely logical and were most necessary in order to reduce, in some measure, the adverse effects of this section on the business life of our communities. Apparently, though, there is no interest on the part of the proponents of this measure in its effect upon the employer or any white employee, but they have become totally obsessed with the interest of our Negro citizens alone.

The amendments which I have presented, and which must be voted upon without the benefit of debate because of the determination on the part of the leadership of both parties to restrict debate, should nevertheless be passed by this House. While these amendments could not possibly eliminate all of the unconstitutional provisions of this section, I believe they will contribute immeasurably to bringing some degree of equity and fairness to the bill.

One of my amendments would strike the provision requiring the district court to give preferential treatment to employment complaints, and I fail to see any validity in giving such priority. Certainly we have not become so calloused, indifferent, or racially crazy that we shall ignore the rights of a widow and her children seeking redress in the courts for the loss of a husband and father. Yet, under the provisions of this section, the interest of such citizens is completely subverted and subordinated to those who would allege discrimination in employment, and it is reasonable to conclude that there will be a rash of such cases should this bill become law.

Another amendment which I have proposed would prohibit the Equal Employment Opportunities Commission established under this section from unwarranted and unnecessary interference with the employees and normal business operations of our employers. Not only does this section grant these Federal agents of this Commission the right to look into those phases of a man's business operations as are directly related to alleged discriminatory practices, but these agents would be further permitted unlimited powers which would ultimately disrupt, if not destroy, a man's business. Certainly no one could object to such an equitable amendment as this, although I am sure the die is cast and that the vote will be taken with the signal of the thumb from the Judiciary Committee chairman rather than after deliberate individual consideration.

Another amendment proposed at this time is one which would add a safeguard, on page 70, line 21 of the bill, wherein an employer would not be required to consider a chronic troublemaker or professional complaint filer either for employment or promotion. Certainly the businessman should be afforded that degree of protection against the professional complaint filer or casemaker who will inevitably develop as a natural aftermath of the passage of this iniquitous bill. Another amendment which I believe is deserving of everyone's support, although unfortunately, again, the majority has decreed that debate should be cut off, is my amendment providing that a complainant cannot pursue the matter further in the courts unless at least two members of the Equal Employment Opportunities Commission give him such permission in writing. As the bill presently reads, it is only necessary for a complainant to secure the approval of one member of the Commission, and it seems totally unfair to allow the employer to be subjected to continual harassment upon the approval of merely one member of a five-member Commission. Usually, we have majority rule in this country, but apparently the proponents of this measure have decided that the time-honored democratic principles are too old-fashioned for their new-found, liberal ideas.

Mr. Chairman, the final amendment that I offer now is one which should appeal to everyone interested in equal employment opportunities, as purportedly this bill is designed to guarantee to all of our citizens. That amendment of mine is simply adding the words "who is otherwise qualified," to section 704 immediately after the words "national origin" wherever they appear in that section.

This section repeatedly prescribes penalties and provisions which would prohibit discrimination against any individual because of his race, color, religion, or national origin. Yet the authors of this bill have not seen fit to include the simple statement, "who is otherwise qualified." Under the present language of the bill, the sole burden of proof rests with the employer to prove that the applicant was not discriminated against because of color or race or these other factors; however, I believe equity would demand that we equate the burden of proof by specifying that the applicant must show that he is otherwise qualified for the position in which he is seeking employment or promotion.

Unfortunately, Mr. Chairman, it is easy for anyone to see that logic, reason, equity, or fairness have no place in the debate on this measure and that, contrary to normal expectations, those amendments which appeal to a man's sense of fairplay and to the best interests of the majority of our citizens have little or no appeal to the majority in this House. Frankly, from the way the vote on the amendments has been going, many of the Members here could just as well present their proxies to the chairman of the Judiciary Committee and the ranking member on the Republican side and have them vote automatically on each issue.

The reason I make this statement is because several of the Members have told me individually that my amendments are entirely proper and should be adopted, but at the same time those very same people are compelled because of pressures, both from the outside and in this body, to oppose practically every amendment. I hope the day will come, before this Nation and constitutional government is lost to the people, that our Representatives will have the courage to vote their convictions regardless of political pressures, from whatever source they may come.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The amendment was rejected.

AMENDMENT OFFERED BY MR. WAGGONNER

Mr. WAGGONNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WAGGONNER: On page 68, line 18, after the word "sex" insert "membership or nonmembership in a labor organization".

On page 69, line 3, after the word "sex" insert "membership or nonmembership in a labor organization".

On page 69, line 5, after the word "sex" insert "membership or nonmembership in a labor organization".

Mr. WILLIAMS. Mr. Chairman, I ask unanimous consent that the amendment be re-reported.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. WAGGONNER. Mr. Chairman, I reserve the right to object.

Mr. ROGERS of Colorado. Mr. Chairman, a point or order.

The CHAIRMAN. The gentleman will state it.

Mr. ROGERS of Colorado. Has not all time expired on debating these amendments?

The CHAIRMAN. The Chair will state to the gentleman from Colorado that a unanimous-consent request was made to which the gentleman from Louisiana reserved the right to object.

Is there objection to the request of the gentleman from Mississippi?

Mr. O'HARA of Michigan. Mr. Chairman, I object.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana.

The question was taken; and on a division (demanded by Mr. WAGGONNER) there were—ayes 58, noes 155.

So the amendment was rejected.

Mr. BERRY. Mr. Chairman, has the reading of the title now been completed?

The CHAIRMAN. If there are no further amendments to title VII, the Clerk will read.

Mr. ROOSEVELT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Chairman, as we conclude the debate on this important title and it goes ahead without any really weakening amendments, may I pay my sincere respects to all the participants. They held the debate on a courteous, high level which will, I believe, make it historic.

What adoption of this title means is that those discriminated against will be able to financially enjoy or afford the rights given them in such titles as public accommodations. Even the voting titles will be more effective if the prospective voter has some economic security and future.

Our country by this title will be able to develop and enjoy potential skills, a pool of manpower that we need in our battle to make our free enterprise system work and survive.

But think, too, of the tremendous cost savings that will accrue on every level of our national life if school children, facing a hopeless future, cease to be dropouts, cease to add to the problems of juvenile delinquency. I have visited in some of the schools in my city and here in the District of Columbia. The discouragement, bewilderment and even anger of some young people who know because of the experiences of their fathers and mothers was unmistakable, but, oh so, so, understandable.

Mr. Chairman, our international self-respect, our national image, our private rights in our free enterprise system, will all be vastly reinforced. We in the Congress are doing something today that we sincerely hope, pray, and believe will bring increased domestic tranquillity and a better climate for all who come after us.

Finally, those of us who were privileged to have a part in this successful struggle want to pay our tribute to all those who plowed the vineyard so many years before. My chairman, the gentleman from New York [Mr. POWELL], has always been one of them and his unwavering support made it possible for this title to be in this bill and to have resisted its emasculation. I will also feel a lasting gratitude to the gentleman from New York [Mr. CELLER], the gentleman from Ohio [Mr. MCCULLOCH], the gentleman from New Jersey [Mr. RODINO], the gentleman from California [Mr. CORMAN], the gentleman from New York [Mr. LINDSAY], and the gentleman from Maryland [Mr. MATHIAS], among others on the Judiciary Committee, and to the gentleman from Michigan [Mr. O'HARA], the gentleman from Hawaii [Mr. GILL], the gentleman from New York [Mr. GOODELL], the gentleman from Michigan [Mr. GRIFFIN], and the gentleman from Ohio [Mr. TAFT], of my own committee who so properly and patriotically made this an effective bipartisan effort. Politics as practiced these many hours has indeed been statesmanship.

Mr. ROOSEVELT. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio [Mr. VANIK] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VANIK. Mr. Chairman, throughout the extensive debate on this title, I am pleased that we have been able to preserve the integrity of this title without fatal amendments. During the course of the action on this bill, I have endeavored to oppose at all times those amendments which were directed to weaken this bill.

This section is a key section of the bill. The citizen employed to the full extent of his qualifications is much better prepared to help his family meet the educational and advancement goals for which every American prays. Equality of employment opportunities provides every citizen with the tools of self-help which is essential to his pride. The proposals which we adopted today are a step in the right direction.

There should be no controversy on this issue. If jobs in all walks of life and in every professional area can be made available to persons of equal qualifications and without discrimination, a giant step will have been taken toward the solution of all other problems which result from discrimination.

Mr. ROOSEVELT. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio [Mr. FEIGHAN] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FEIGHAN. Mr. Chairman, I wish to make clear why I am opposed to the amendment offered. It is unsound because it seeks to give legal sanction to the philosophy behind the right-to-work law, a concept which has been rejected by all who recognize the rights of labor to organize and bargain collectively.

Under the slogan of "Right to Work" an effort has been made to undo all the hard-won gains of labor over almost a century. This amendment would turn our industrial economy into a jungle where the predator of profits could prey upon disorganized and helpless workers. That must not be allowed to happen.

My vote is against this amendment.

Mr. GRIFFIN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GRIFFIN. Mr. Chairman, under the limitation on debate which was earlier imposed, I had no opportunity a few minutes ago to explain the amendment which I offered.

Of course, under the circumstances, I was not surprised when the amendment was rejected. In fact, I offered it more for the purpose of raising a flag—as a means of focusing attention upon some aspects of an action taken by this body yesterday.

It will be recalled that on yesterday the committee adopted the amendment of the gentleman from Virginia [Mr. SMITH] which added the word "sex" to the words "race, color, religion, or national origin" in section 704 and in other sections of title VII.

As laudable as the objective of that amendment may have been, I question whether the decision made on yesterday was a wise one. In the hearings held by the Education and Labor Committee last year, no serious study or consideration was given to the effect of adding "sex" to the scope of the so-called FEPC title.

Suppose for a moment that an unemployed man with a family to support makes application for a job. Suppose further that a woman, whose husband is working, also applied for the same job. If both are qualified, what should the employer do?

In view of title VII, as it now reads with the Smith amendment, let me suggest that it is likely that the employer would hire the woman whose husband is working rather than run the risk of hiring the man and facing a charge of discrimination on the basis of sex.

Recently President Johnson proposed that double pay be required for overtime as a means of spreading the work and reducing unemployment. The fact that many heads of families are out of jobs poses a serious problem for this Nation.

Before we adopt a provision of law which will actually operate to aggravate the unemployment problem, I believe we should at least give it serious study.

Under the amendment I proposed, a person would not be able to file a claim of discrimination based on sex unless he or she also filed a sworn statement that his or her spouse, if any, was unemployed. In other words, a married person, whose spouse is already employed, could not use this title VII as a legal wedge to force himself or herself into the labor force.

It should be understood that if my amendment were adopted, it would not prevent or prohibit any married woman from working because her husband also has a job. But the amendment would mean that a married woman or a married man whose spouse is working could not claim discrimination on the basis of sex and use title VII of this bill in order to compel an employer to hire him or her.

Mr. ROOSEVELT. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. DAWSON] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DAWSON. Mr. Chairman, the action we will take on the civil rights bill now before us will test whether this Nation really stands for the principles of freedom and equal opportunity that are engraved in our Constitution and national heritage.

The late President Kennedy hit the nail squarely in his civil rights message to the Nation last June when he said:

> We are confronted primarily with a moral issue. It is as old as the Scriptures and is as clear as the Constitution. The heart of the question is whether all Americans are to be afforded equal rights and equal opportunities, whether we are going to treat our fellow Americans as we want to be treated.

Our Nation has made considerable progress in recent years toward fulfilling its constitutional promises of equal opportunity for all. But this progress has not been enough to overcome the accumulated effects of the long years of racial discrimination. More than a century has passed since the signing of the Emancipation Proclamation. Almost 10 years have passed since the Supreme Court's historic decision holding that "separate but equal" public school facilities are unconstitutional. Yet the discriminations and indignities still borne by millions of Negroes—and other minorities—continue to negate the basic principles of equality, liberty, and justice for all which form the moral fiber of our country's existence.

The overwhelming majority of the people of this Nation realize that prompt enactment of the Civil Rights Act of 1964 is essential. Racial discrimination is harmful not only to the Negroes who directly bear it, but to the entire country.

The present patchwork quilt of public accommodations is most humiliating and demeaning. It is so spotty and inconsistent that a Negro never knows where he may receive the services and accommodations which the general public takes for granted, and where he will be refused.

The discriminatory practices in thousands upon thousands of places of public accommodation across the Nation, which refuse to admit law-abiding citizens solely because they are Negroes, have caused breaches of the peace, community strife, and personal hostility. They have caused loss of business to merchants and businessmen. They have caused great hardships for many people. They have increased juvenile delinquency and multiplied the costs of State and local government. They corrode the foundations of a free and democratic nation.

Although some businessmen in some communities have reversed or modified these discriminatory practices, we can no longer wait for slow and piecemeal changes by individual stores and restaurants.

Anyone who goes to a public place must expect to meet and mingle with all classes of people. He cannot ask, to suit his caprice or prejudice or social views, that others shall be excluded because he does not wish to associate with them. He may draw his social life as closely as he chooses at home or in other purely private places, but he cannot in a public place carry the privacy of his home with him, or ask that other people step aside when he appears.

It is impossible for most white people to realize fully the profound hurt suffered by a Negro when he is turned away from a motel or hotel, or from a lunch counter, simply because of his color. It is a deeply humiliating experience. Its scars are deep and lasting.

Despite the Supreme Court's school desegregation decision of 1954, more than 2 million Negro children are still condemned to deliberately segregated classrooms. Fewer than 9 percent of the Negro children in the South are obtaining equal nonsegregated education. There still remains 1,888 southern school districts where segregation is the rule—and scores of other districts where desegregation is merely token in form. Unless the pace of school integration is increased rapidly, we will have segregated schools for the next 100 years, and Negro children will continue to suffer the crippling effects of inferior educational standards and the degradation of second-class citizenship. The inevitable result of such inferior education will be to weaken the overall strength of the Nation.

The civil rights bill now before us will help both to accelerate and to ease the transition to unsegregated schools that comply with the Constitution.

The reports of the Civil Rights Commission have dramatically demonstrated the inadequacy of present law to protect the most basic of all rights—the right to vote. Despite 4 years of Federal litigation and vigorous and sustained action by the Department of Justice, all or most Negroes in hundreds of communities are still denied the right to register and vote for those who will govern them.

Negroes and other minorities are still discriminated against in many programs and activities supported by Federal funds.

Countless numbers of Negro, oriental, Mexican, and other workers, both skilled and unskilled, are still subjected to blatant discrimination in obtaining decent jobs and earning the income they both need and deserve.

Racial discrimination harms not only the person against whom it is directed, but also scars the mind and the morals of those who indulge or acquiesce in it. In addition, the country as a whole is weakened because substantial numbers of its people are thus deprived of adequate education, employment, recreation, voting participation, and other essentials of our national life to which all citizens ought to contribute to the maximum of their abilities.

These problems are not confined to any one section of the country. They are national. Their impact on the Nation is heavy and severe. They cannot be solved solely by voluntary groups and individuals. They cannot be left solely to the cumbersome and divisive procedures of lawsuits. It is the duty of all branches of the Government to deal with these problems. It is the duty of the Congress to set the moral tone and to provide the leadership and the machinery for implementing the national policy. The time has come for direct and positive congressional action on a major problem of our time—racial discrimination.

The civil rights bill, based on the admittedly valid power of Congress under the 14th amendment and the commerce clause of the Constitution, is a wise and proper way to use the processes of law to effectuate our national moral policy.

Mr. Chairman, it has been said that the Emancipation Proclamation freed the slave but ignored the Negro. Millions of Negroes—law-abiding American citizens—are still subjected to unlawful violence and indignities. They are denied the privileges of citizenship. Yet they must pay taxes, serve on perilous military duty, and meet all other responsibilities of citizenship. The time for full equality in sharing the benefits of citizenship—as well as its obligations—is long past due.

The enactment and implementation of the civil rights bill—H.R. 7152—will immeasurably brighten America's image in the eyes of the free and uncommitted nations of the world. It will also strike a decisive blow at the propagandists eager to distort all reports of deprivations and violations of individual rights in the United States.

But above all other reasons, the Civil Rights Act of 1964 must be passed because, as President Johnson said in his state of the Union address, it is right and just. I believe, along with millions of Americans, that it is right and just, and that it is wholly in accord with our Constitution.

Mr. Chairman, every citizen in America is entitled, not merely to "tolerance," but to the right of full and equal opportunity to share in the same life, liberty, and pursuit of happiness as every other citizen.

The Civil Rights Act of 1964 is not a panacea. But enactment of this bill by the 88th Congress will be a major step toward the achievement of full equality for all Americans. I urge and hope that it be enacted promptly.

Mr. ROOSEVELT. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MULTER. Mr. Chairman, I would have hoped that in trying to perfect this amendment, writing the word "sex" into the bill, that the proponents of the amendment would have given thought to the many statutes on our books which protect women in employment.

We have laws that limit the number of hours they may work in certain industries. We have laws that prohibit them from working nights in certain industries. We have laws that require special facilities for women in certain industries.

All of these laws affecting women, which have been fought for, by, and for women over the years, may be repealed by implication, by the amendment as adopted and as it is now sought to be perfected.

This amendment, even as now sought to be perfected, will not protect women but will endanger their rights.

Any such provision of law should be carefully studied by the Education and Labor Committee and after full and complete hearings should be separately reported to the floor for consideration.

Without impugning anyone's motives, we must take note of the fact that many of the Members who supported this amendment are the very same people who voted against a bill to protect the women of our country.

I agree with the editorials that appeared in our newspapers that this so-called sex amendment was ill considered and in its present form should be stricken from the bill before it becomes law.

I am as anxious as anyone else to be sure that the women in our country shall not only continue to receive the utmost respect but that they be treated fairly and equally and without discrimination, but at the same time, protected where they need protection.

Mr. MATSUNAGA. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. NIX] may extend his remarks at this point in the RECORD and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. NIX. Mr. Chairman, another crucial moment has arrived in our deliberations on H.R. 7152, making it necessary to reiterate the cold, hard, inescapable fact that each title of this legislation is of utmost importance. This portion of the proposed bill is essential because it deals with a most vital right—a right which is basic and indispensable to every person's effort to maintain himself at a decent level of living through honest, constructive, and remunerative labor.

The purpose of this title is clearly and simply set forth:

> To eliminate * * * discrimination in employment based on race, color, religion, or national origin.

Equally significant is that portion which refers, explicitly, to the means by which this purpose is to be achieved. Those means are remedial, curative, and corrective; whereby the economic health of the Nation would be improved through fuller and fairer utilization of available and potential manpower.

It is incontrovertible that the national full employment policy is seriously imperiled and substantially unrealized; that this legislation which guarantees full use of our human resources is a must.

The intolerable practice of failing or refusing to hire a qualified job applicant or otherwise discriminating against an employee as to compensation, terms, conditions, and privileges of employment solely because of race, color, religion, or national origin; or the equally pernicious practice of limiting, segregating, or classifying employees so as to deprive them of equality of employment opportunities or employment status because of race, color, religion, or national origin is wrong and must be made legally wrong. The law in 27 States says so.

Thus, no major employer of American labor nor any labor union whose activities substantially involve interstate or foreign commerce is exempted from the provisions of the bill as regards equal employment opportunity.

Section 707 assures that actions under title 7 are subject to established judicial process of law, in keeping with the American tradition of giving everyone his day in court. The application of the injunctive remedy reinforces both this basic legal concept and the legally corrective character of the means by which the equal employment opportunity policy would be implemented. It is a signal tribute to the authors and supporters of this measure that the idea of punishment for its own sake, the idea of retribution, was never permitted to be incorporated in any of the sections of this legislation.

Because of the compelling importance of this legislation as well as of this title, I will spell out some of the conclusive evidence which will convince even the intransigent mind of any doubt, any misconceptions, and any valid basis for denial of the truth and implications of my remarks.

First, it cannot be controverted that, for no reason other than race or color, the Negro worker is the last hired, the first fired, the lowest paid.

Second, it cannot be disputed that racial discrimination in employment exists everywhere in the Nation.

Third, while the degree varies and the form differs, the very existence of such practices is intolerable to anyone of human fabric. It is no longer doubted that the Negro is human and a citizen of the United States.

Therefore, I say this to you: We can no longer indulge in the luxury, or in the fantasy, or in the deceit which characterize the unreasonable discriminations which this title would correct. Because the percentage of white workers who are craftsmen, foremen, and whitecollar employees is four times the rate for Negroes by more than 2 to 1; because Negro service workers and nonfarm laborers exceed white percentagewise by more than 3 to 1; and because seven times as many Negroes are in household services as whites, we are under a strict obligation to face the situation with corrective measures.

The categorical and unassailable conclusion to be drawn from the record of American employment practices is that we must act now. I submit, further, that the appropriate type of action is before us at this moment. There is no more important right than to earn a decent and honest living without impairment due to unreasonable discrimination.

If this title is not enacted, then all of the other rights which are protected will be of no consequence. How does it benefit a man to possess any other right if he is unfairly deprived of the means of subsistence—if he is discriminated against in the honest acquisition of food, clothing, and shelter?

Mr. Chairman, I appeal to the sense of justice which I know every one of my colleagues possesses; and, on this basis, I ask for a positive and constructive demonstration that this body is prepared to discharge its clear responsibility, by adopting into law H.R. 7152.

Mr. ROOSEVELT. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. HAWKINS] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HAWKINS. Mr. Chairman, as one of the supporters of a strong Civil Rights Act, I am amazed at the illogical reasoning of those who oppose human rights in the name of freedom and Americanism.

Equality of the rights of citizens is the foundation upon which our republican form of government rests. In furtherance of this idea, many States have passed antidiscrimination laws, but others have done either little or just the opposite.

In the debate over this bill the representatives of these backward States plus a few others have sought to defend a system of bigotry and racism with motheaten ideas already declared unlawful or out of step with the 20th century.

In using crime statistics of the Federal district of Washington, for example, to "prove" that brotherhood and democracy cannot work, civil rights opponents only exposed a sordid record of congressional shortsightedness in not providing a decent program and adequate budget for our own Nation's Capital.

A rape case in Washington involving a Negro as the assailant reflects no more the general behavior of the Negro people and the fallibility of democracy than does the merciless bombing of Negro people in Alabama by white bigots is indicative of how all southern whites behave.

No decent American citizen can tolerate disrespect for law and order without encouraging contempt for law. Denying Negroes the right to vote; preventing them from peaceably petitioning their government; abusing them with guns, clubs, tear gas, cattle prods, and dogs; and discriminating against them in schools, public accommodations, and employment, are practices that cannot be swept away in debate by waving the flag, appealing to emotions, using old cliches, or twisting the Constitution.

The great weakness in the segregationist case is that it is built on circumstances existing in 1896 when the principle of "separate but equal" was enunciated in Plessy against Ferguson. This idea was exploded in 1954, if not before, when the Supreme Court ruled that "separate educational facilities are inherently unequal." The Court merely recognized evolutionary changes that segregationists were unwilling to see, the great progress in our country in education and human understanding, and worldwide forces that bear down on us.

Today the free peoples of the world are on the march—everywhere. In Europe, Asia, and Africa as in our country, and in Mississippi as well as California, people yearn for freedom, security, self-government, and human dignity.

Reference in this debate to this march in terms of a disorderly, whiskey bottle throwing group reveals ignorance of our own history and a contempt for the rights of petition, assembly, and free speech.

This civil rights bill is only a beginning. It is incomplete and inadequate; but it represents a step forward.

We must not stop with its passage but go on to the enactment of a fuller and more comprehensive civil rights program that will include education, full employment, medical care, old-age security, and other essentials as well as the further extension of our civil rights and liberties as American citizens.

Mr. ROOSEVELT. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. ROYBAL] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROYBAL. Mr. Chairman, perhaps the most controversial section of the civil rights legislation considered by the House of Representatives this year is contained in title VII and is designed to guarantee Americans equal opportunity in employment in industry affecting interstate or foreign commerce.

Briefly, we have three major tasks in this area to assure full and equal employment opportunities to members of minority groups: First, we must stimulate greater national economic growth, increasing the number of jobs available and reducing the high unemployment rate; second, we must greatly expand present education and vocational training programs for young, unskilled and displaced workers; and third, we must move to eliminate discrimination in training, employment, and advancement in every area over which the Federal Government has rightful jurisdiction.

Title VII is concerned with that third task.

To illustrate the urgent importance of enacting this title, permit me to quote three statements on the subject.

The late President Kennedy wholeheartedly endorsed title VII's approach to the problem when he declared:

> There can be no more significant case for our democratic form of government than the achievement of equality in all our institutions and practices—and particularly in employment opportunities.

The then Vice President Johnson pulled no punches in his forceful address to last year's annual Governor's conference in Miami, when he asserted:

> Whatever the reasons, it is wrong that Americans who fight alongside other Americans in war should not be able to work alongside the same Americans, wash up alongside them, eat alongside them, win promotions alongside them, or send their children to sit in schools alongside children of other Americans.

Secretary of Labor Wirtz summed it up this way:

> Discrimination against * * * minority groups in employment is not only intrinsically wrong, but it is an appalling waste of

> our manpower resources and a constant reflection on a nation dedicated to the proposition that all men are created equal.

In general, title VII defines discrimination in hiring, firing, referral, training, apprenticeship programs, employment advertisements, or on-the-job discriminatory limitation, segregation or classification, as unlawful employment practices.

It establishes an Equal Employment Opportunities Commission to make studies, furnish technical assistance, and investigate complaints of unlawful employment practices.

After thorough investigation and concerted efforts to utilize such informal methods as conference, conciliation, persuasion, or mutually agreeable settlements, the Commission may bring civil suits in Federal district court to obtain an injunction to prevent continuance of the alleged unlawful practice.

As in the case of civil suits authorized to prevent discrimination in regard to use of public accommodations, this title also specifically encourages voluntary and State and local remedial action prior to Federal action.

Many persons have expressed fear of this section of the civil rights measure, but the experience of every State fair employment practices law shows the utter groundlessness of those fears.

For instance, the 1961–62 Report of Progress of the California FEPC, in commenting on the outstanding record of success achieved, noted:

> We have never yet had to invoke the enforcement powers provided by the law.

Mr. BARRY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BARRY. Mr. Chairman, during the past several days we have been discussing title VII of H.R. 7152 which proposes the establishment of an Equal Employment Opportunity Commission—charged with the investigation of complaints involving the existence of discrimination in business establishments, labor unions, and employment agencies.

On numerous occasions reference has been made to the fair employment practices law which has been in effect in New York State since 1945. The New York State Commission for Human Rights, which administers the New York FEPC law chalked up a most impressive record during its first 15 years of operation—as follows:

YEARS 1945–60

Total complaints filed, 6,452 (by employees against employers, employment agencies, and unions).

Total closed, 5,857 (by close of business, January 31, 1959).

Total complaints sustained, 1,245 (only 60 of these ordered for public hearing—remaining 1,185 settled by conciliatory action).

Total complaints not sustained, 2,745 (no discrimination of any kind found. Cases dismissed or withdrawn).

Total complaints lacking jurisdiction, 460 (withdrawn or dismissed for lack of jurisdiction).

Total complaints some discrimination, 1,407 (individual complaint not sustained, but other discrimination found).

It is interesting to note that under the New York State law, employers have the right to file complaints against their employees for resisting compliance with the fair employment practices statute. However, during the first 15-year period of operation there was not a single complaint filed by an employer.

In addition the following experience of the FEPC in New York State may allay some of the fears expressed in the House of Representatives:

First. There is no case of an employer leaving New York State because of the FEPC.

Second. There has never been an employee strike due to the passage of the law.

Third. There have been no race riots due to the passage of the law, although there was much propaganda by its opponents that there would be.

Fourth. There have been no detrimental effects on business activities in New York State due to the FEPC law. The economic growth of New York State compares favorably with that of the Nation.

Fifth. Business organizations such as the Chamber of Commerce and the Commerce and Industry Association have cooperated with the New York State Commission for Human Rights in distributing information to employers concerning the FEPC statute.

It is interesting to note, too, that 26 States in addition to New York have their own fair employment practices laws, and that 115 million of the 179 million people recorded by the 1960 census live in areas with fair employment legislation and functioning FEP commissions. If the remaining 23 States would follow the example set by the majority, we would not be engaged in this struggle today over State versus Federal rights, and so forth, and could return to a more orderly way of handling our affairs. In a way it seems ironic—we have a minority of States opposed to minority rights.

In conclusion may I state for the RECORD that early returns on my 1964 questionnaire show that residents of western Westchester and Putnam Counties, N.Y., whom I have the honor and privilege to represent, overwhelmingly favor equal voting, education, employment and public accommodations rights. I stand with my people in support of the legislation before us—and urge my colleagues to do the same.

Mr. GATHINGS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. GATHINGS. Mr. Chairman, painstaking, deliberate, and careful consideration is required in dealing with far-reaching legislation such as this. Title VII—Equal Employment Opportunity—is a new section that was not requested by the administration. No hearings on it were held. It was lifted from the labor committee bill which had been reported by that group. The bill states that it is the national policy to protect persons to be free from racial or religious discrimination, and it uses the words "privileges and immunities" protected by the Constitution. What is absent is that there are no words delegated to Congress by the Constitution to consider legislation of this type or character. The words that were used in the bill that were just quoted are of little value. They were just thrown in to fill a gap.

Title VII would make it an unlawful employment practice to fail or refuse to hire or discharge a person due to race, color, religion, or national origin. The bill states that it would have an adverse effect if his status was limited, segregated, or classified due to race, color, religion, or national origin. Title VI embraces labor unions and employment agencies in the same way, making it unlawful for a union to exclude or expel, to limit, segregate, or classify a person due to his race, and so forth. It would be effective in 1 year after enactment with companies employing 100 or more persons. The second year those companies that hire 50 or more employees, and permanently thereafter the firm that hires 25 or more people.

The legislation is administered by the Equal Employment Opportunities Commission, composed of five members appointed by the President and with the consent of the Senate at a salary of $20,000 a year, except the Chairman shall receive $20,500.

Upon application or complaint of an aggrieved person the wheels begin to move. They can hold conferences and conciliation efforts. They can bring civil action against the company or employment agency or union. The punishment would be contempt of court, fine, or imprisonment. These are the people, business firms, large and small, and the labor union worker, who pay our salaries, whose tax money is responsible for the operation of all agencies of the National Government in its many phases. Under this legislation, the Commission representatives or agents can enter upon property, can have access to the records of such company, employment agency, or union. All of these groups must keep records on race as the Commission prescribes. The Commission can adopt regulations in conformity with administrative procedure, which would have the effect of law. Now let us see what the scope of this act entails. Beisel Veneer, of Helena, Ark., employs 82 percent colored and 18 percent white. By writing a letter any aggrieved person could call in the Commission's representative and could direct that an equal number of white people with that of colored be hired, in keeping with the percentage of population in the affected area. In Phillips County, Ark., the population is 42.2 percent white and 57.8 percent colored.

What does "equal" mean? Does it mean that there must be in Phillips County, Ark., in every one of the business establishments who are large enough to come under the provisions of the bill, 42.2 percent white employes, and 57.8 percent employees of the colored race of whatever character in such business establishments? Does it mean that 42.2

percent of all the bookkeepers must be white and 57.8 percent colored? Does it apply to shipping clerks, stenographers, diemakers, and all types of personnel in any particular establishment? What if the 42.2 percent or 57.8 percent of their respective races are not available to be hired, who are capable of performing the duties of such positions?

Does it mean that if there are 45 percent of the population of a given county or city who are members of the Baptist Church, that upon proper application for members of that faith, that certain of their numbers are being discriminated against, that the employment practices of a particular firm must be changed to fit the 45 percent pattern of members of that faith? Does it mean that if there were 2 percent of the population in a given county who were members of the Chinese race, that they too must share all types of positions of whatever character in such proportion upon proper application to the Equal Employment Opportunities Commission?

This title is bad legislation. Other titles are most objectionable as well, but title VII should be stricken. It would remake the pattern of business operation in this country. We, as legislators, as Representatives of a sovereign people should not overthrow the usual and sound principles which have made our country great and strong. This title and this bill should be defeated. It is an extreme concentration—a usurpation of powers by the all-powerful Central Government.

Mr. Chairman, the Negro in the district that I am privileged to serve is moving forward rapidly. His economic status has advanced at just as rapid a rate. In 1940 the per capita income in the State of Arkansas was $256. In 1962, the last year for which I have been able to obtain the figures, the per capita income was $1,604. In 32 years time the advance in income per person was nearly seven times what it was. The 1963 figures will show another increase.

I asked some of the sheriffs and collectors in the First Congressional District to furnish some information regarding the larger colored taxpayers in their counties. I attach their replies. Sheriff E. P. Hickey, of Phillips County, Helena, Ark., submitted quite a long list of landowners, as well as successful professional and businessmen who are members of the Negro race. Sheriff Hickey's list follows:

PHILLIPS COUNTY, ARK.

	Acres owned
Adams, Overters	80
Alexanders, Ben	100
Appleberry, Hattie	140
Arnold, Bessie Davis	106
Beard, Khamalow	160
Bell, Eugene and Fannie	480
Bell, Lula	80
Bentley, John	220
Betts, Otis	80
Billingsley, Alfred	80
Billingsley, Lincoln	195
Bobo, James	80
Booth, Nora	90
Bradley, Roosevelt	160
Bragg, Madison	80
Bragg, Mike B	140
Brown, Hood	80
Buckingham, J. B	160
Buckingham, John	100
Buckingham, W. T	120
Burchette, James, Jr	480
Burrell, A. J	90
Carr, Hezzie	85
Church, John	80
Claiborne, Phillip	80
Collins, Leroy	120
Cornelius, E. C	200
Davidson, Carrie S	120
Davidson, Cedel	80
Davis, Cornelius	150
Davis, S. Q	225
Dolphin, Silas	100
Dotson, Lonnie	235
Eady, James	87
English, John H. Lee	80
English, Steve	80
English, Zella	420
Fears, Eunette	80
Frazier, Ben	184
Gammill, Luther	120
Geeter, Harrison	120
Gibson, Darden	550
Glass, John H	80
Green, John H	85
Hall, Lula	80
Hall, Luther	189
Harper, Charlie	140
Hearn, Charlie	240
Hendrix, Clem	160
Herring, Arule	80
Herring, Richard	120
Hirsch, Ira	200
House, Charlie and Emma	85
House, Fred and Paralee	86
Jarrett, Arthur	130
Jarrett, Ellis	200
Jarrett, Ester J	80
Jarrett, Joseph	220
Jarrett, John	80
Jarrett, W. N	230
Jarrett, Phillip L	340
Jarrett, Willie	80
Johnson, Spencer	220
Jones, Aoni	470
Jones, Fannie M	95
Jordam, Jamie Howard	80
King, Leroy	200
Larry, Eddie	100
Mackey, Fred	298
Mackey, Memry	110
Maxie, Booker T	80
Mayberry, W	80
Medley, Moses	245
Milton, Frank	100
Milton, Wash	80
Mitchell, Viola	80
Moore, Maceo	80
Nesby, Sidney	160
Nesby, Titus	400
Nicholson, Joe, Sr	200
Page, James M	90
Page, Zeb	200
Paschal, Hattie	80
Paschal, E. C	1, 200
Paschal, Martin R	80
Paschal, Mercer M	368
Pearrie, Magnolia	180
Proffitt, Mose	165
Pugh, Emma	240
Quarles, Greenfield	120
Redd, Virgil	140
Roach, Henry	120
Ryan, Martin A	90
Sanders, Geophus	80
Scaife, Moses	400
Scaife, Tom	120
Sims, G. C. and Pauline	420
Sims, Harrison	80
Sims, Isom	90
Sims, John and Elena	80
Sims, Macon	120
Sims, Mary L	120
Sims, Pluett, Sr	435
Sims, Wilbur	120
Smiley, Henry	600
Smith, J. D	520
Smith, Norvell	320
Stewart, Ben	240
Stewart, Cornelia	87
Stinson, Clarissy	80
Taylor, Elmo	85
Turner, Hosea and Betty	126
Watkins, Mose	80
White, C. V	80
Whittington, E	160
Whittington, Elijah	86
Williams, Cliff	180
Williams, Richard	120
Wyatt, Cassie	130
Zachary, Cleve	1, 160

Professional men: Dr. H. M. Proffitt, dentist, former president of the American Dental Association (colored); Dr. D. J. Conner, physician; Dr. R. Dan Miller, physician; J. H. White, principal of Eliza Miller High School, former president of Arkansas Teacher's Association; Nexton P. Marshall, current president of Arkansas Teacher's Association, former teacher in Helena-West Helena School system, now teaching in North Little Rock.

Liquor store owners: Lonnie Dotson, Henry Smiley, Margaret Slaughter.

Gins owned and operated by colored: Our Gin in Marvell District; Phillips Co-op Gin, between West Helena and Barton; Lakeview Co-op Gin, south of Helena; Tate Gin Co., Marvell District.

Phillips County also has a full-time county agent and home demonstration agent to work with the colored farmers and housewives.

Information from Sheriff William Berryman, Mississippi County, Blytheville, Ark.; Sheriff and Collector Carl Campbell, St. Francis County, Forrest City, Ark.; Sheriff and Collector Courtney Langston, Lee County, Marianna, Ark.; and Sheriff J. C. Mann, Crittenden County, Marion, Ark., follows:

SHERIFF AND EX OFFICIO COLLECTOR,
Blytheville, Ark., December 30, 1963.

Hon. E. C. GATHINGS,
Member of Congress,
House of Representatives,
Washington, D.C.

DEAR MR. GATHINGS: With reference to your letter of December 11 requesting some specific information regarding successful Negro landowners and their holdings in this county.

We have numerous colored taxpayers in this county. I do not have the exact percentage but I know a large majority of the colored families in the city of Blytheville own their own homes.

We have a Negro dentist who has been a resident of Blytheville for quite a number of years. His property holdings here are valued by the tax assessor's office in the amount of $647,700. There is a Negro woman, whose husband was a businessman here and who died several years ago, leaving her several tracts of property valued by the tax assessor as being worth $630,500. There is a colored man who owns approximately 400 acres of land in a community where land is selling for $500 per acre and over and who also rents 400 or 500 acres more land. He is also a store owner. In this same community, land belonging to a deceased colored woman sold at public auction for $84,000.

I recall another colored man whose land and rental houses are valued by the assessor for $140,400. Of course, all this property could probably be sold for much more than that of the tax valuation.

If there is any more information you need along this line or if I can be of any further assistance to you at any time, please feel free to call on me.

With sincerest personal regards, I am,

Yours very truly,

WILLIAM BERRYMAN, *Sheriff.*

OFFICE OF SHERIFF AND
EX OFFICIO TAX COLLECTOR,
Forrest City, Ark., January 17, 1964.

Hon. E. C. GATHINGS
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR TOOK: The following are just a few of the many successful colored business and professional citizens of St. Francis County. They are all substantial property owners and some have very large real estate holdings:

U.S. Bond-Farms over 600 acres of land, owns Bondol Laboratories, which manufactures embalming fluid. Also owns a new subdivision of homes in Madison, St. Francis County;

Oliver Banks, successful farmer;

Lacy Kennedy, funeral director, owns own business and buildings in Forrest City and Marianna, Ark.;

Dr. E. C. Clay, very successful dentist. Dr. J. E. Burke, who died a few months ago was very prominent in this section of the country for his work in the field of denistry;

John Clark, county agent, paid by the county taxpayers, does good work, owns property, and a nice home;

W. L. Purifoy, lawyer, with substantial city real estate holdings;

Eugene Boyland, farmer, owns over 200 acres, leases other farms;

Luther Bailey, very large landowner and successful farmer;

Hense Roberts, cotton gin operator;

J. B. King & Son, farmers;

William Harrell, merchant;

William Elkins, funeral home owner and operator;

Charlie Freeman, cafe owner and employee of First National Bank;

Will Leggs, taxicab company owner;

Albert Stewart, taxicab company owner;

Henry Brown, farmer and minister;

Carreather Banks, widow of Dr. S. B. Banks, large property owner and home demonstration agent;

Robert Brown, merchant and landowner;

J. O. Upchurch, plumbing contractor;

Robert McAllister, brick masonry contractor; and

Colbert Turner, building contractor.

All of the above are well respected citizens of our county and are active in all civic affairs.

Hope this information will be of some help to you, and at any time I can be of any assistance please call on me.

With kindest regards, I am,

Yours very truly,

CARL CAMPBELL,
Sheriff and Collector,
St. Francis County, Ark.

MARIANNA, ARK.,
December 18, 1963.

Hon. E. C. GATHINGS,
House of Representatives,
Washington, D.C.

DEAR TOOK: As regards your letter of December 11 to certain Negro landowners, taxpayers, and so forth from this county I submit the following information for your consideration:

1. Lacey Kennedy, son of Winnie Kennedy, successful morticians in this county for approximately 40 years. Annual business probably exceeds $200,000 per year, owners of real estate worth in excess of $100,000. Highly respected by both white and colored people of this community.

2. Anna Strong, probably the most outstanding school administrator of this area. Now retired and probably the finest influence among children (colored and white) the county has produced. No other person (colored or white) has done as much for good race relations in this county as had Anna M. P. Strong.

3. Joe Nicholson, large landowner in southern part of county. Of ordinary intelligence but a willingness to work, Joe has acquired extensive holdings in this county and Phillips and pays approximately $700 to $800 in property taxes each year.

4. Ocie Broadway, of near Moro, farms and owns approximately 300 acres of cotton, rice, and soybeans. Annual tax bill runs upward of $500 each year.

5. Ocie Hamilton, of Oak Forrest community, while not a large landowner, does have approximately 300 acres in cultivation and pays approximately $200-plus in taxes each year. Ocie is highly respected by both white and Negro.

6. Mathew Ramsey, former owner of small blacksmith shop, who parlayed his savings into city real estate and who probably is the largest individual rentor (city property) in the county. Hardly able to read or write, Mathew pays upward of $800 in real estate taxes each year. Controls or owns over 50 individual houses in the city and also some farmland in the county.

7. Conner Grady, contractor and brick mason. Has managed to keep out real competitors because of the quality of his work and who has been in this business over 30 years. Much in demand, Grady has probably constructed or helped construct over 500 fine homes in this county.

8. Elijah Heggs, the county's Negro probation officer, who has been very instrumental in maintaining a high enrollment at all the Negro high schools in the county. A cotton and soybean farmer who owns approximately 160 acres of good land and pays upward of $200 in taxes each year.

9. James Lathrop, of near Brickeys, has what is probably the best land in the county. Owns approximately 350 acres and pays approximately $400 in taxes each year. One of my father's and mine best friends.

10. Spaniard Butler, Moro, Ark., merchant and farmer who owns and farms approximately 300 acres of land. Pays a tax bill upward of $400 each year.

11. Emma Claybrook, widow of John Claybrook, former logger and timber operator who was most successful. Emma has carried on the business in a successful manner. Is highly respected and admired for her everyday commonsense approach to business problems. Is the owner of several expensive pieces of logging equipment.

TOOK, I need not tell you that this is a rural area and that our business and professional people, both colored and white, are in the minority; however, this is only a sample of the successful and intelligent Negro community. I wish there was more time to elaborate on the smaller Negro farmer who has helped develop this county and whose existence has helped make this county's economic growth more stable.

I trust that this information will be of some value to you in your approach to the problem.

Yours very truly,

COURTNEY LANGSTON.

OFFICE OF SHERIFF AND EX OFFICIO
COLLECTOR, CRITTENDEN COUNTY,
Marion, Ark., January 2, 1964.

Hon. E. C. GATHINGS,
House of Representatives,
Washington, D.C.

DEAR TOOK: In answer to your letter of December 11 regarding Negro property owners in Crittenden County, they are as follows:

Luke Anthony, 101 acres; M. E. Anthony, 161 acres; Thelma Armstead, 242 acres (also numerous improved town property; Bose and Elmo Baker, 295 acres; Luther Bailey, 120 acres; Hiawatha Boyd, 80 acres; Lizzie Boyd, 160 acres; Walter Farley, 400 acres; Frank F. Foster, 240 acres; John Gammon, Jr., 374 acres; A. E. Grant, 283 acres; R. J. Johnson, 576 acres; and Jeffory Morris, 73 acres; and Lawrence Richards.

I know personally Thelma Armstead who is the widow of the late Louis Armstead and he had the respect of many if not all the white people that were acquainted with him. I have known Luther Bailey for quite a number of years and he is also respected by the citizens of Crittenden County. Walter Farley is another that I have known most of my life and he is another of the ones who have respect of the white race. John Gammon, Jr., is another property owner seemingly has made a success in this community. A. E. Grant is in the same category and a cooperative gin owned entirely by the Negro race also operated by them is named for him. Lawrence Richards is not a property owner but rents enough acreage to produce in the neighborhood of 300 bales of cotton and is another substantial citizen. The others on this list are not known by me personally, but have heard nothing against their respectability.

Hoping that this is something in the nature of what you wanted and apologizing for my lateness in answering this letter, I am,

Yours truly,

Jimmy,
J. C. MANN,
Sheriff.

Mr. ROYBAL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROYBAL. Mr. Chairman, one of the most important sections of the civil rights legislation considered by the House of Representatives this year is the one prohibiting discrimination on account of race, color, religion, or national origin in the equal access to public accommodations—restaurants, theaters, hotels, retail stores, movies, other places of amusement, and similar commercial establishments that offer their services to the general public.

In many ways this kind of discrimination is the most humiliating of all, and constitutes a daily affront to millions of our fellow citizens across the country.

We need a national law to eliminate this daily repudiation of the doctrine of equality. Already, some 30 States, including California, have such laws to "open doors that never should have been closed" and to "end the arbitrary indignity" of racial or religious exclusion from commercial establishments otherwise open to the general public.

The public accommodations section of the present bill—title II—provides a legal basis for private civil actions for injunctive relief from discrimination of this kind. In addition, it would authorize the Attorney General to initiate similar civil action when he believes the purposes of the section would best be served in that manner.

Ample provision is made in the law to encourage voluntary and local or State remedial action before or even during the time that private action is begun or the Attorney General enters the case.

With some justifiable pride, I would like to point to the wording of the California statute as a good example of the all-inclusive nature of many of the State laws on public accommodation:

> All persons within the jurisdiction of this State are free and equal, and, no matter what their race, color, religion, ancestry, or

> national origin, are entitled to the full and equal accommodations, advantages, facilities, privileges, or services in all business establishments of every kind whatsoever.

It is high time that we here in Congress voiced an equally clear and unmistakable call to eliminate what has been rightly termed the "moral outrage" of minority group discrimination in the use of public accommodations.

Mr. LIBONATI. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LIBONATI. Mr. Chairman, Title VII: Equal Employment Opportunity treats with one of the most widespread forms of discrimination against the Negro race—a racial discrimination at all levels of employment, professional or otherwise. This one factor in human relations not only results in destroying economic advancement but in utter desperation weakens the character and contributes to the many social ills that beset many of the individuals of the race. A bar to employment regardless of the qualification of the individual whether professional, technical, or menial nullifies the spirit of hope in humans and stifles ambition and reason.

The provisions of the bill are worthless of further pursuit toward realization if the individual, whether student or artisan, knows that employment opportunities are nil. The right to vote, to be served one's needs in public places including accommodations, desegregation of public education, receiving community relations service, and the Federal assisted program lever of forcing conformance mean nothing to a person who has no job and consequently no money. We have only to be reminded in the words of the greatest humanitarian of our time, President Delano Roosevelt, that every man who is qualified and wants to work should have a job in accordance with his talents. The Negro is at best relegated to menial and unskilled employment and even then punctuated by layoffs and rewarded in low wages. All over America this indictment stands. And, further, the Negro is the last hired and the first fired. Promotional practices relegate the Negro to bottom levels.

Financial institutions, advertising agencies, insurance companies, trade associations, management firms, and publication companies employing young prospects are the chief offenders.

Department of Labor statistics prove that there are three times as many heads of families unemployed among the nonwhites in comparison to the whites. Further, nonwhites represent 11 percent of the total working force, yet 25 percent of these workers have been unemployed for the long period of 26 weeks and increasing progressively at this period.

Nonemployment rate

[Percent higher than white]

In 1947	64
In 1952	92
In 1957	105
In 1962	124

It must be remembered that the nonwhites are employed at lower salaries and less desirable jobs. Seventeen percent of nonwhites have white collar jobs compared to 47 percent of the whites. Fourteen percent of nonwhites in total employment are unskilled labor—in urban areas—compared to 4 percent for the white.

Secretary of Labor, Mr. Wirtz, stated that Negroes comprise 90 percent of the nonwhite population and receive the brunt of discrimination. Of all professional engineers—nonwhites—equal one-half of 1 percent—no more than 3 percent—males—employed in each of the 19 standard professional occupations surveyed, for example, accountants, architects, chemists, farm assistants, and lawyers. In 1960 there were 250 professional male Negro architects; the largest number in any of the 19 professions were doctors—4,500.

Also we must consider that for many skilled jobs there is a dearth of qualified nonwhite applicants due to the patterns of discrimination practiced that discourage Negroes from registering in preparatory courses in a field that excludes members of their race.

Even if this discrimination should be ceased it would take a generation to rectify the damage in the curtailment of these talents through economic and cultural deprivation perpetrated against the Negro. To permit a continuance of these practices of discrimination is to destroy the ambitions of a race of Americans and stunt our economy.

Title VII, section 701(b), states that the provisions are necessary "to remove obstructions to the free flow of commerce among the States and with foreign nations" and to "insure the complete and free enjoyment by all persons of the rights, privileges, and immunities secured and protected by the Constitution of the United States. Title VII is simply supported by Congress power to regulate commerce among the States and with foreign nations—Article 1, section 8, clause 3.

Title VII covers employers engaged in industries affecting commerce—interstate, and foreign commerce and commerce within the District of Columbia and the possessions.

The title also applies to employment agencies procuring employees for employers and labor organizations engaged in such industries.

Unlawful employment practices: Title VII provides that it is an unlawful employment practice to discriminate on account of race, color, religion, sex, or national origin in connection with employment, referral for employment, membership in labor organizations, a participation in apprenticeship or other training programs—sections 702, 704.

The industries affecting interstate commerce are covered if employing 100 persons or more during the first year after the effective date of this act are considered employers and after the second year of the act having 75 employees or more are considered employers; and third year 50 employees and after fourth year 25 employees.

Labor organizations are under the same regulations with the added requisite that having 25 or more after the third year qualify.

The provision exempts governmental bodies, bona fide membership clubs, religious organizations and situations in which religion or national origin is a bona fide occupational qualification, reasonably necessary to normal business operation—sections 702(b)(c), 704(e).

The Commission consists of 5 members appointed for staggered 5-year terms appointed by the President with the advice and consent of the Senate created to administer the law. No more than three from the same political party—section 706a. The Commission would be empowered to receive and investigate charges of discrimination and to attempt through conciliation and persuasion to settle disputes involving such charges—section 707. The Commission has no powers of enforcement of its orders. This is the court's prerogative. The 29 States and Puerto Rico have some legislation designed to effect equal employment opportunity in private employment. Experience in this field through State and its local commissions indicate that a great deal can be accomplished in achieving fair employment opportunities through sagacious and earnest persuasion, mediation, and conciliation.

Enforcement: In the case of refusal to comply—the Commission may seek relief in the Federal district court—section 707(b). If Commission does not act the aggrieved party can secure permission from one of the Commissioners to file a civil suit himself to obtain relief—section 707(c). Thus a trial will be held. It would include injunctions against future violations and orders of reinstatement and in some cases, payment of back pay in court, section 707(e).

No suit can be filed if complaint has not been filed with the Commission within 6 months of its occurrence—section 707(d).

Utilization of State and local Commissions are preserved in title VII and present State laws are effective except where there is a conflict with Federal laws. Further, where State operations are effective the Commission will seek agreements with the State agency and refrain from prosecuting such cases. The Commission is authorized to use the employees of the State and local agencies in carrying out its duties—with proper reimbursement. This cooperation is highly desirable.

The effective date of the act in order to allow the employers, employment agencies, and labor organizations to perfect their policies and procedures is set at 1 year after its enactment.

Investigations: Powers granted to investigate, issue subpenas, require keeping of records of employment and factual data descriptive of employees pertinent to determinations of whether unlawful employment practices have been committed—sections 709–710.

Presidential action: The President is vested with the power to act in discriminatory practices in employment in the Federal services and in contractual relations between the Federal Government and business concerns and contractors on Federal projects and so forth.

The President is directed to hold conferences with Government representatives and representatives of groups affected by this legislation so that plans can be made for the fair and effective administration of this act—section 719(c).

A review prepared by the Department of Justice of the present State and local legislation sets out the following data:

Legislation passed in 1963 has altered somewhat the situation set forth in the Library of Congress memorandum.

Iowa, formerly a State with a hortatory nondiscrimination law, now has a mandatory provision enforcible by criminal sanctions (Laws of Iowa, 1963, ch. 330).

Vermont, a State with no previous nondiscrimination statute, now has a mandatory law, enforcible by fine for willful violations (Laws of Vermont, 1963, No. 196).

We are informed by the Department of Labor that Indiana, a State with mandatory provisions only for public contracts, now has a generally applicable mandatory statute, and that Hawaii, a State which formerly had no law, now has a generally applicable mandatory law.

A revised summary, taking into account these changes shows that 25 States and Puerto Rico have mandatory provisions applicable to private employment generally. (Of course, there are varying exemptions under these statutes.) These States are Alaska, California, Colorado, Connecticut, Delaware, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, New Mexico, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Vermont, Washington, Wisconsin.

Two States, Arizona and Nebraska, have mandatory provisions relating to employment on certain public contracts.

One State, Nevada, has mandatory provisions for employment on public contracts and hortatory provisions for other private employment.

One State, West Virginia, has only hortatory provisions.

Thus, in all, 29 States have some legislation designed to effect equal employment opportunity in private employment.

AMENDMENT OFFERED BY MR. BERRY

Mr. BERRY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BERRY: On page 85, after line 23, insert the following new title VIII as follows:

"TITLE VIII: EQUAL EMPLOYMENT OPPORTUNITY FOR INDIANS THROUGH INDUSTRIAL DEVELOPMENT

"SEC. 801. (a) The purpose of this Act is to bring about industrial development and economic advancement within Indian communities in order to aid in bringing Indian economic well-being more nearly to the level of the non-Indian community.

"(b) This Act shall be liberally construed to authorize tribal action which will enable Indians to attract and retain new industry within Indian reservations and amongst Indian communities, to promote gainful employment of Indians, and to authorize steps to improve the lot of Indians, including self-help on the part of the Indians and Indian tribes and Indian communities, legislative and corporate action by them which will accord assurances and security to industries availing themselves of the benefits of this Act, and tribal action for self-help notwithstanding regulations or review by the Secretary of the Interior.

"SEC. 802. As used in this Act—

"(1) The term 'tribe' means any Indian tribe, band, or other identifiable group living on one reservation or tract of trust land, and receiving direct services from the Bureau of Indian Affairs on the date of enactment of this Act.

"(2) The term 'Indian' means any recognized member of a tribe.

"SEC. 803. None of the provisions of this Act (except section 4) shall apply with respect to any tribe until the majority of the qualified resident voters of the tribe have voted to accept the provisions of this Act in a referendum (which may be conducted in connection with regular tribal elections or in a special election called for the purpose).

"SEC. 804. The Secretary of the Interior shall cause to be drafted a model corporate charter embodying the provisions and intents of this Act which shall be circulated to each tribe, whether or not the tribe has voted to accept the privileges of this Act, and whether or not the tribe is operating under a charter heretofore approved by the Secretary.

"SEC. 805. (a) Any Indian tribe which has accepted the provisions of this Act may adopt an appropriate constitution and bylaws, or, in the case of a tribe which already has a recognized constitution and bylaws, may adopt amendments thereto, which shall become effective, in accordance with such rules and requirements as the Secretary of the Interior may prescribe, when ratified by a majority vote of the adult members of the tribe, at a special election authorized and called by the Secretary of the Interior under such rules and regulations as he may prescribe. Any such constitution and bylaws may be revoked, in accordance with such rules and requirements as the Secretary of the Interior may prescribe, by a majority vote of the adult members of the tribe in a referendum (which may be conducted in connection with regular tribal elections or in a special election called for the purpose). Amendments to the constitution and bylaws thereafter proposed may be ratified and approved by the tribe in the same manner as is provided in this section for adoption by the tribe of the original constitution and bylaws.

"(b) Upon the adoption of a constitution and bylaws, as provided in subsection (a), the tribe shall be a body corporate, with such powers as are prescribed in this Act, and to the extent not inconsistent with this Act or any other law, shall have the powers provided by such constitution and bylaws.

"SEC. 806. (a) Each tribe which has accepted the provisions of this Act shall, in addition to any corporate powers which it otherwise may have or may be provided, have authority to purchase, sell, exchange, pledge, mortgage, or hypothecate property of every description, real and personal, in trust or fee status, on such conditions, if any, as to approval of the Secretary of the Interior as the tribe may provide: *Provided*, That if a tribe shall without approval of the Secretary of the Interior mortgage or sell property theretofore held in trust for it by the United States, it shall thereby waive any claim or demand it may otherwise have had against the United States arising out of the sale, exchange, pledge, mortgage, or hypothecation: *And provided further*, That except to the extent that this subsection authorizes the sale, exchange, pledge, mortgage, or hypothecation of property, without Secretarial approval, no provision of this Act shall be regarded as affecting or impairing any claim which the tribe may have against the United States.

"(b) Any existing lawful debts of any tribe which has accepted the provisions of this Act shall continue in force, except as such debts may be satisfied or canceled pursuant to law.

"(c) The individually owned property of members of any tribe shall not be subject to any corporate debts or liabilities of the tribe without the owner's consent.

"(d) The officers of each tribe which has accepted the provisions of this Act shall maintain accurate and complete public accounts of the financial affairs which shall clearly show all credits, debts, pledges, and assignments, and shall furnish an annual balance sheet and report of financial affairs to the Secretary of the Interior. A summary of the balance sheet shall be published in a local paper of general distribution within the area of said community or reservation, within thirty days of compilation.

"(e) Each tribe which has accepted the provisions of this Act shall have the following corporate powers, in addition to any corporate powers which it otherwise may have or may be provided:

"(1) To appropriate and use any tribal moneys (including those held in trust) as an incentive to the location of new private industry on the reservation occupied by the tribe;

"(2) To negotiate and execute contracts with private industry, Federal, State, and local governments;

"(3) To extend to new private industry on the reservation occupied by the tribe a binding waiver of tribal taxes for a period which may not, without extension, exceed fifteen years;

"(4) To borrow money from any commercial organization or from established programs of the Federal Government, and if desired, to place tribal properties, real and personal, in trust or fee status, as collateral;

"(5) To deposit corporate funds, from whatever source derived, in any National or State bank to the extent that such funds are insured by the Federal Deposit Insurance Corporation, or by a surety bond, or other security;

"(6) To pledge or assign (for periods not to exceed ten years) chattels or future tribal income due or to become due;

"(7) To lend funds from the tribal treasury to any new industrial organization locating on the reservation, or for expansion of private industry operating on the reservation, where such location or expansion will further the economic well-being of the members of the tribe;

"(8) To exercise such further incidental powers not inconsistent with law as may be necessary for the conduct of corporate business.

"The Secretary of the Interior may delegate to such tribe, upon request, such authority as may be needed for the purposes of this Act.

"(f) Before any per capita distribution is made by any tribe which has accepted the provisions of this Act to its members, not less than sixty days advance notice must be given to the Secretary of the Interior, who may prohibit such distribution to the extent that he determines, and so notifies the tribe before the expiration of such sixty days, that the sums set aside for per capita payments do not represent income over that necessary to defray corporate obligations to members or other persons; to establish an adequate reserve fund; to construct necessary public works; to cover the costs of public enterprises; to pay the expenses of tribal government; or for other necessary corporate needs. Such notice by the Secretary shall be fully documented to show the tribe why approval was not given.

"(g) Any tribe or Indian community which has accepted the provisions of this Act may sue and be sued in courts of competent jurisdiction, State and Federal, in the United States.

"(h) All officers of any tribe which has accepted the provisions of this Act, who shall have responsibility for handling money, shall be bonded in such amounts as the Secretary of the Interior may from time to time determine.

"(i) In the case of fraud, or overreaching by or through officials of any tribe which has accepted the provisions of this Act, where such fraud or overreaching is at the expense of individual members or the membership of a tribe at large, the Secretary shall have full rights of investigation and review, including authority to set aside any such action, and including the right to seek assistance of courts of competent jurisdiction to that end.

"Sec. 807. (a)(1) Where any person, firm, corporation, or other business association proposes to establish a new industry on any reservation (hereafter referred to as the 'investor'), he shall qualify for the incentives provided by this section if he enters into a contract with the tribe living on such reservation for the establishment of such industry, and the Secretary of the Interior approves such contract after finding that it will be of significant aid to the tribe. No such contract shall be approved if it is a device whereby operations of an existing industry are transferred from Indian or non-Indian areas; nor shall the investor qualify for such incentives for any period during which less than half of the employees of such industry employed on the reservation are Indians.

"(2) Any contract entered into under paragraph (1) of this subsection with the approval of the Secretary of the Interior may include provisions under which the tribe shall construct the necessary buildings, and make such improvements as may be required, for the operation of such industry, and may sell such buildings and improvements, or lease them on a long-term basis, to the investor.

"(3) Where any tribe is in need of funds to carry out construction or improvements under paragraph (2) of this subsection, such tribe may borrow such funds, under such regulations as the Secretary of the Interior may prescribe, from the revolving funds authorized by the Acts of June 18, 1934 (48 Stat. 984, 986), June 26, 1936 (49 Stat. 1967, 1968), and April 19, 1950 (64 Stat. 44), as amended and supplemented. For the purposes of augmenting such funds to the extent necessary to carry out this paragraph, the Secretary of the Treasury is authorized to advance to such funds from time to time such sums as the Secretary of the Interior may request, but not more than may be specified from time to time in appropriation Acts. The Secretary of the Interior, out of interest paid on loans made out of such funds pursuant to this paragraph, shall pay semiannually to the Secretary of the Treasury interest at the rate or rates determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the advance. For the purposes of this paragraph, the Secretary of the Treasury may use the proceeds of the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under such Act include such purposes.

"(b) No tax shall be imposed by chapter 1 of the Internal Revenue Code of 1954 on the income of any investor qualified for the incentives provided by this section, to the extent that such income is attributable to the operation of a new industry established on the reservation, for the ten taxable years ending immediately after such investor first qualifies for the incentives provided by this section.

"(c) In the case of any capital investment made by any investor qualified for the incentives provided by this section in any new industry on a reservation, the basis of the property of such investor in such industry shall, for purposes of the Internal Revenue Code of 1954, at the election of the investor, be whichever is the higher, its fair market value at the end of the tenth taxable year after such investor first qualifies for the incentives provided by this section, or its cost. In addition, at the election of the investor, the deduction for depreciation allowed with respect to such property under chapter 1 of such Code may, for the eleventh through the fifteenth taxable year after such investor first qualifies for the incentives provided by this section, be computed at the rate of 20 per centum of the basis of such property.

"(d) Where any member of a tribe who is receiving welfare income at the time he is employed in a new industry on a reservation by an investor who has qualified for the incentives provided by this section remains continuously employed in such industry during any taxable year, the investor shall be allowed a deduction from gross income, for the purposes of the Internal Revenue Code of 1954, in addition to any other deductions otherwise allowable, for the first five taxable years beginning after the tenth taxable year after the investor first qualifies for the incentives provided by this section, during any of which such member of the tribe remains continuously employed. Such deduction, for each year in which allowable, shall equal thirty-six times the monthly welfare payment being made to such member of a tribe at a time he was first employed.

"(e) Where a new industry is established on a reservation and the investor therein qualifies for any of the incentives provided by this section, the Housing and Home Finance Administrator, acting through the Community Facilities Administration, shall be authorized to make loans to the tribe located on such reservation for the same purposes, and to the same extent, as he is authorized to make such loans under title II of the Housing Amendments of 1955 to any smaller municipality.

"Sec. 808. (a) The Secretary of the Interior shall provide services to Indians under the various programs now in operation, including adult education and vocational training, on a priority basis with the view toward cooperating in the training of employable Indians for positions in industries availing themselves of this Act.

"(b) The Secretary is authorized to lease for rentals, which may range from a fair market rental downward to nominal or no rentals, depending on the attraction of industry, any surplus or excess Federal lands (including improvements) under his jurisdiction.

"(c) The Secretary is authorized, in his discretion, to lend Federal funds to be used in conjunction with tribal funds in such ratio as the Secretary may prescribe for construction of buildings and other facilities for investors seeking to qualify, or already qualified for the incentives provided by section 7, but only if the rentals to be paid by the industry over a period not exceeding fifteen years equal the original investment in Federal and tribal funds, plus interest thereon at a rate of 4 per centum per annum.

"Sec. 809. (a) Section 201(a) of the National Housing Act is amended by striking out 'or (2)' and inserting in lieu thereof ', (2)', and by inserting immediately after 'was executed' the following: ', or (3) on tribally owned land on any Indian reservation where such leasehold is for not less than twenty-five years, and is subject to an option to renew for an additional period of not less than twenty-five years'.

"(b) Section 207(a)(1) of the National Housing Act is amended by striking out 'or (B)' and inserting in lieu thereof ', (B)', and by inserting immediately after 'was executed' the following: ', or (C) on tribally owned land on any Indian reservation where such lease is for not less than twenty-five years, and is subject to an option to renew for an additional period of not less than twenty-five years'.

"Sec. 810. (a) Section 13 of title 18, United States Code, shall apply to Indians and non-Indians alike within the area set aside for any industry on a reservation established by an investor who has qualified for the incentives provided by section 7 of this Act.

"(b) Chapter 53 of title 18, United States Code, is amended by adding at the end thereof the following:

" '§ 1164. Bribes affecting Indians

" 'Whoever offers, gives, or accepts money or thing of value to, by, or at the direction of an official, agent, or employee of an Indian tribe or community with intent to influence him, or to influence some other tribal official, agent, or employee through him, in his decision or action on any question, matter, cause or proceeding pending before the tribe or any official, agent, or employee thereof, shall be fined not more than three times the amount of such money or value of such thing or imprisoned not more than three years, or both.'

"(c) The analysis of such chapter 53 is amended by adding at the foot thereof the following new item:

" '1164. Bribes affecting Indians."

"Sec. 811. (a) Where any tribe has accepted the provisions of this Act, any Indian member of such tribe who thereafter is aggrieved by any final decision of a tribal court and who has exhausted such appellate procedures as are available to him, may appeal such decision to any United States district court for the district in which the reservation on which such tribe is domiciled is located. Such appeals must be taken within one year from the date the decision of the tribal court became final, after exhaustion of administrative and other remedies.

"(b) Jurisdiction is hereby conferred on the United States district courts, without regard to the amount in controversy, to render final decisions on cases appealed to them pursuant to this section. The jurisdiction of the courts under this section shall be exclusive, and decisions rendered by such courts under this section shall be final.

"(c) The decisions of the tribal courts in any case appealed under this section shall be final, if supported by a preponderance of the evidence, unless contrary to law or tribal custom, as applicable. If the United States district court determines that the decision of the tribal court is not supported by a preponderance of the evidence, or is contrary to law or tribal custom, as applicable, the court shall reverse or modify the decision of the tribal court, or remand the case to the tribal court for further action, or make such other disposition of the case as may be just."

Mr. CELLER (interrupting reading of the bill). Mr. Chairman, enough has been read of the amendment to indicate that it is subject to a point of order, and I make the point of order that we have not completed the reading of the bill, therefore this is not the proper place to consider the amendment.

The CHAIRMAN. The Chair reminds the gentleman from New York that the amendment offered by the gentleman from South Dakota has been made in order by the resolution under which this bill is being considered. The gentleman is offering the amendment at this time, and the Chair would be impelled to hold that the amendment is in order.

Mr. CELLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CELLER. Mr. Chairman, would it be in order to offer this amendment to title VII, or must there be a new title read?

The CHAIRMAN. The gentleman from South Dakota is offering his amendment as a new title VIII to the bill.

Mr. CELLER. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CELLER. Mr. Chairman, is the amendment offered by the gentleman from South Dakota germane to title VIII, which is quite different from the Indian proposition?

The CHAIRMAN. The Chair is unable to answer the question for the reason the amendment offered by the gentleman from South Dakota has not been completely read.

Mr. CELLER. Mr. Chairman, I reserve the point of order until after the amendment is read.

The Clerk continued the reading of the amendment.

Mr. BERRY (interrupting reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. ASPINALL. Mr. Chairman, I object.

Mr. ROOSEVELT (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with.

Mr. WILLIAMS. I object, Mr. Chairman.

Mr. BERRY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. BERRY. Mr. Chairman, we have had 10 days of consideration, or lack of consideration, if you wish, concerning the segregation of the Negro people. The purpose of this amendment is to eliminate the segregation of the American Indian. Originally the American Government segregated the Indians very effectively by the American cavalry. Down through the years we have removed the barbed wire fences from around the reservations but in recent years they are still segregated by our reservation system.

I have a friend—and I have known him for a good many years—who came up to South Dakota from Texas in one of the last big cattle drives. He came up as a rider for the Matador Cattle Co. He was 18 years old, and at that time the Matador Cattle Co. had all of the Standing Rock Indian Reservation under lease. He has told me a good many times how during those years all of the riders for that company had to carry passes in order to get on or get off of the Standing Rock Indian Reservation.

Now, listen, my friends. This is within the lifetime of one man. In recent years we have removed the cavalry and the barbed wire from around the reservation, but the reservation today is just as segregated as it was in those days when my friend was riding for the Matador, by reason of what I call a mental block. I do not know whether any of you realize it, but every Indian born on an Indian reservation or every allotted Indian is considered by law to be incompetent until the Secretary of the Interior declares by a certificate that he is competent to handle his own business and his own personal affairs. The title to his land is held in trust by the Federal Government. He cannot even lease his own land. These reservation areas today are broken up into what is known as range units.

If you were an Indian and you have a quarter section of land in a range unit, you have nothing to say about whether or not it will be rented and you have nothing to say about who the renter will be and you have nothing to say about the amount of the lease. The Federal Government not only holds the title, but they lease the land. In addition to that, Mr. Chairman, they collect the rent. If you happen to be on relief, then, Mr. Chairman, the lease check is turned over to the welfare department to be doled to you on the same basis as other welfare funds. Not even in darkest Russia does an individual have less liberty and less freedom than an allotted Indian on an Indian reservation.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. BERRY. I yield to my chairman.

Mr. ASPINALL. Do you consider and would you tell the committee that the amendment you propose is going to alleviate the situation you describe to us?

Mr. BERRY. Of course it will.

Mr. ASPINALL. It is my honest opinion that it will not.

Mr. BERRY. Of course it will, and I shall tell you how.

I want to say also that we in Congress here appropriate the money and the Department builds and operates segregated Indian schools. I have a dozen of them in my district which no non-Indian can attend.

Philleo Nash, Commissioner of Indian Affairs, has said that he has under his jurisdiction some 380,000 Indians. Of this number he says from 100,000 to 125,000 are employable. And of this number of employables from 40,000 to 45,000 are unemployed. We get very exercised when 4 percent of the Nation's labor force are unemployed. Here 40 percent are unemployed.

The problem is that every or nearly every reservation is very remotely located and is generally unproductive. We found these people on the land, we thought all of them should be farmers. But the truth is that today the reservation areas do not have sufficient productive areas to provide a livelihood for more than 10 percent of the Indians on that reservation; the remaining 90 percent are either on relief or employed in some Government make-work program.

The Indians make good industrial workers. The Bulova Watch Co. has a plant in Rolla, N. Dak. The president of the company testified before our committee in 1960 that the absenteeism in the Rolla plant in North Dakota was the lowest of any plant the company has in the United States, less than 3 percent. The difficulty is, though, that since these reservation areas are remotely located, the cost of transportation of raw material to the reservation, and then the cost of transportation of the finished product from the reservation makes it so expensive that it is impossible for these plants to compete unless there is some kind of a direct subsidy, or unless there is some kind of a tax incentive. And that is exactly what this amendment proposes to do, namely, provide that tax incentive to offset the high transportation costs.

Just as a sideline, 17 years ago the Senate subcommittee held hearings in Puerto Rico on the economic conditions down there. They came back with a report to the effect that the situation in Puerto Rico was "unsolvable." Then 16 years ago Puerto Rico's retiring Governor, Rexford Tugwell, chose as the title for his book about the island, "The Stricken Land." Today this "stricken land" has the highest per capita income of any of the Latin-American countries except oil-rich Venezuela. This change has come about because Governor Munoz Marin established his "Operation Bootstrap" program down there. In this program he offered any industry establishing a plant on the island and providing employment for the Puerto Rican people a 10-year exemption from Federal or State taxes, and where necessary he would build the building or purchase some of the equipment if necessary.

The result is that today these people have been able to lift themselves out of the quagmire of slums and despair through Operation Bootstrap. And I say to you, Mr. Chairman, that what Operation Bootstrap did for Puerto Rico, "Operation Bootstrap, reservation style" can and will do on the Indian reservations of these United States.

My colleague is going to offer an amendment to strike the surplus materials from this amendment. When it is stricken, there are four things that this bill will provide. One, it will authorize an Indian tribe to enter into a contract with an industry to come onto the reservation and establish a plant on the reservation. Following the Puerto Rican program, if it is necessary the tribe is authorized to help in the construction of the building or the purchase of some of the equipment.

Second, when a contract has been made between the tribe and the company, it does not take effect until it has been approved by the Secretary of the Interior. He has authority to either approve or veto any contract.

Third, when the contract has been made, when it has been approved by the Secretary of the Interior, the industry will be given a 10-year Federal tax exemption on that business—providing that each year when the industry files its income tax return it files with that return a certificate that more than 50 percent of the employees are enrolled Indians on that reservation.

And fourth, it makes available FHA housing loans on the reservation where the Indian people are employed and have an income.

Those are the four things it does. And I want to point out, Mr. Chairman, this cannot be used as a windfall to some big corporation, first, because the Secretary of the Interior has the veto power over this contract before it is approved. If it looks like some kind of a windfall he will veto it. Secondly, because each year the company must certify that more than 50 percent of its employees are enrolled Indians. This limits the program to small businesses because most reservations are not too large and the 50-percent limitation will keep the industry small.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. BERRY. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. BERRY. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. The gentleman says his proposed amendment would make available FHA loans to Indians on reservations. Does he refer to the section that says the Community Facilities Administration shall be authorized to make loans to the tribe for the same purpose and to the same extent he is authorized to make loans under title II of the housing amendment to any smaller unit?

Mr. BERRY. Yes.

Mr. EDMONDSON. So it is a group housing or public housing loan you are talking about, and not individual loans?

Mr. BERRY. It also makes available housing loans.

Mr. EDMONDSON. I wish the gentleman would show me where it makes housing loans to individuals on individually owned land because the only section I find is this one.

Mr. BERRY. It does make individual housing loans available and community housing as well.

I want to say in closing that this bill provides for integration of the Indian reservations because when an industry comes to the reservation the majority of the managers and skilled workers will for a time be non-Indians. They will come to the reservation, they will bring their families with them, and we will have schools operated by school districts, and attended by both Indians and non-Indian children instead of the segregated school of today. When they learn a trade these people will be moving into other areas of the Nation for better jobs and where they will be integrated into the non-Indian communities.

So we will have integration of the reservation, we will have schools not segregated by Federal law, and in 10 years' time there will be no more need for the Bureau of Indian Affairs and we will save the quarter of a billion we are annually spending on this program now.

I believe it is time to give the Indian an opportunity to earn his freedom, to earn his liberty, to earn self-respect, and to earn self-reliance. After 175 years it is time that we give the original American this original American heritage; namely, the privilege of earning a living and rearing a family through private industry.

I have here many letters from Indian tribes, from church groups and from individuals supporting this amendment and expressing their hope that it may be included in this bill.

Mr. ASPINALL. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from South Dakota [Mr. BERRY] and any amendment that he may see fit to offer to such amendment.

To say that I was surprised that H.R. 980 was made in order as an amendment to H.R. 7152, and prohibiting a point of order being made against it, is putting it mildly. I not only was surprised, but I was shocked to think that the chairman of the committee and the members of the committee having jurisdiction of H.R. 980 by assignment from the Speaker could possibly receive such treatment from another member of the committee or from the Committee on Rules as indicated by their taking jurisdiction of this matter without notice being given to the chairman of the House Committee on Interior and Insular Affairs of their intention or their contemplated actions.

Mr. Chairman, the amendment offered by the senior member of the delegation from South Dakota is not and in no sense of the imagination can it be considered as being germane to the provisions of H.R. 7152. If there were any logical argument for it being considered germane, the provision in the resolution granting the rule would not have been worded in the language that it was. The inclusion of such a subject in the matter under debate is a discredit not only to the matter of civil rights but it is a disservice to the members of the various Indian tribes which it purports to benefit.

The senior member of the South Dakota delegation, one of the ranking minority members of the committee I chairman, has had this legislation before the House of three Congresses. I have cooperated with him in every way, trying to get the legislation in position so that it could be constructively considered by the committee. Yet the Member from South Dakota did not even show the courtesy to his chairman or to the ranking minority member to advise either of them that he was asking for the Rules Committee to yank this bill out of the Committee on Interior and Insular Affairs and send it directly to the floor of the House without the orderly and constructive consideration that should be given to all important pieces of legislation. After the rule was granted and I reproached the Member for his lack of courtesy, his remark to me was that he really did not expect to get the rule but that he was endeavoring to get some publicity. I shall give the Member the benefit of the doubt and state here that I hope what he meant was that he was trying to get publicity in favor of a few, and I say a few advisedly, Indian communities which might ultimately benefit from this type of legislation. It is my opinion that no constructive or worthwhile legislation can be developed from the kind of procedure used by the senior Member from South Dakota.

And, Mr. Chairman, I think the method by which this amendment was made in order by the Rules Committee does a disservice to our colleagues.

Now let me hasten at this place to add that I understand what prompted the action of my colleagues on the Committee on Rules who represent the areas of the South, and my criticism does not go to them individually because I know they have felt compelled to oppose this legislation with every weapon at their command. However, I do feel that they have belittled and weakened their cause. They have unnecessarily caused the expenditure of time and effort by those who have other orderly and demanding duties to perform in order to perfect the case against this amendment.

Mr. Chairman, the provisions of H.R. 980, or what would be left of it if the Member from South Dakota had his way, will not be of any significant benefit to our fellow citizens of the Indian race. I am not contending at this time that some such program, properly considered and thought out, might not be beneficial. What I am saying is that what is proposed here will not be beneficial. It will be the reverse. It will cause some of the unsuspecting members of the Indian tribes to think that the House of Representatives is desirous of helping them. But in fact, in my opinion, no help whatsoever can come of what is proposed at this time. One of the difficulties that the Indians have had to face throughout the years has been the professed friendship which led them to believe that they could expect valuable services but which professions of interest, in the end, proved to be empty and worthless.

As I have stated before, this bill, H.R. 980, or similar legislation, has been introduced in the 86th, 87th, and 88th Congresses. In the 86th Congress reports were requested and 3 days' hearings were held and the subcommittee decided that the legislation was not timely. In the 87th Congress reports were requested from the administrative branch of the Government but nothing further developed. In the 88th Congress the bill was introduced on January 9, 1963, and it was referred to the Committee on Interior and Insular Affairs on the same day. On January 24, 1963, reports were requested from the Department of the Interior, the Department of Commerce, the Housing and Home Finance Administration, and from the Treasury Department. Up until the time the bill was made in order for consideration as an amendment to H.R. 7152, the civil rights bill, no reports were forthcoming. However, since H.R. 980 was made in order by the Rules Committee as an amendment to the bill now under discussion, I have received reports from the Department of Commerce, the Department of the Interior, and the Department of the Treasury, all of which are in opposition to the bill embodied in the amendment.

Under permission heretofore given to me, I am making these letters a part of the RECORD at this point:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 4, 1960.

Hon. WAYNE N. ASPINALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. ASPINALL: Your committee has requested a report on H.R. 7701, a bill to provide a program for an "Operation Bootstrap" for the American Indian in order to improve conditions among Indians on reservations and in other communities, and for other purposes. Our comments will also apply to H.R. 8033 and H.R. 8590.

We endorse the purpose of the bill, and we recommend that the bill be enacted if satisfactory answers to the problems referred to below can be worked out.

The bill falls into three major parts. The first part deals with tribal constitutions and charters, and the control over the use of tribal property. The second part deals with incentives to encourage the establishment of new industries on Indian reservations. The third part deals with Federal criminal jurisdiction over persons on the area occupied by an industry on a reservation, and appeals to the Federal courts from decisions by a tribal court.

The second part of the bill will perhaps be regarded as the most important part. The incentives provided for new industry are as follows:

1. Exemption of the new industry from Federal income tax for 10 years.

2. Accelerated amortization of capital investment during the 5 years following the 10-year period of tax exemption.

3. Deduction from gross income of 36 times the monthly welfare payment made to an Indian employee immediately preceding his employment if the employee remains employed constantly throughout the tax year. This provision applies during the 5 years following the 10-year period of tax exemption.

4. Leases of surplus or excess Federal land and improvements at nominal or no rental.

5. Loans of tribal and Federal funds for the construction of buildings and facilities.

The tax incentives are designed to apply automatically, without any agreement with the tribe or the Federal Government, to any person who establishes a new industry on an Indian reservation and employs Indians for not less than one-half of its employees. This presents the following problems, among others:

1. Without suggesting in any way that small business should be disqualified from participation in the program, is the program intended to apply to the operator of a trading post, for example, that has only three or four employees? Is it intended to apply to a filling station operator if he employs one or two Indians? Is a distinction to be made between the service industries, traders, manufacturers, processors, etc.? What about the manufacturer of Indian-style jewelry who moves his plant from a nearby town to a reservation without changing substantially the number of Indian employees?

2. No provision is made regarding wage standards. If an Indian is paid a salary that is little more than his relief payment, will the tax incentives to the industry accomplish much in terms of improving the status of the Indian or in terms of relieving the Federal Government of a part of its financial burden?

3. If a new industry with a substantial number of employees is established on a reservation, some provision will need to be made for housing and community services for the employees who must live in the vicinity of the industry. The development of shanty towns or slum areas would defeat the purpose of the program. There will be an urgent need to provide sanitation facilities, streets, water, fire protection, housing, etc., and because the location is on an Indian reservation the tendency will be to look to the Federal Government for the purpose.

4. Marginal enterprises may be attracted by the tax incentives, with the intention of moving to more favorable sites when the tax incentives are withdrawn.

The first part of the bill, which deals with tribal constitutions and charters and controls over tribal property, presents a number of technical problems. Some of the provisions are ambiguous and incomplete, and some of them will raise practical difficulties. We shall be glad to work with the committee staff in rephrasing this part of the bill if the committee wishes us to do so.

The third part of the bill relates to Federal jurisdiction over the area. Section 9(a) makes Federal criminal law, including the Assimilative Crimes Act, applicable to Indians within the reservation area that is occupied by an industry. Section 10 permits any Indian on any reservation to appeal to a U.S. district court from a final decision of a tribal court. This subject of tribal jurisdiction versus State or Federal jurisdiction over Indians on Indian reservations is a delicate one with many ramifications, and it is not directly related to the rest of the bill. We believe that the preferable procedure would be to treat this subject separately in a different bill where the issues can be explored carefully.

The Bureau of the Budget has advised us that there is no objection to the submission of this report.

Sincerely yours,

ROGER ERNST,
Assistant Secretary of the Interior.

THE SECRETARY OF THE TREASURY,
Washington, March 7, 1960.

Hon. WAYNE N. ASPINALL,
Chairman, Committee on Interior and Insular Affairs, U.S. House of Representatives, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in reference to your request for the views of the Treasury Department on H.R. 7701, a bill to provide a program for an Operation Bootstrap for the American Indian in order to improve conditions among Indians on reservations and in other communities, and for other purposes.

The Treasury Department is primarily concerned with section 7 of the bill which would provide special tax incentives to firms establishing a new industry on a reservation, with Indians constituting at least 50 percent of the employees. These incentives would consist of—

1. Complete exemption from Federal income tax for the first 10 years.

2. Special tax deductions for depreciation in each of the next 5 years amounting to 20 percent of the original cost of the property or its market value at the close of the 10-year period of tax exemption, whichever is higher.

(3) A special deduction for the employment of Indians previously receiving welfare payments which would be granted in addition to all other deductions. This deduction, which would be available in each of the 5 years following the close of a 10-year period of tax exemption, would amount to 36 times the monthly welfare payment made to any member of a tribe at the time he was first employed.

The Treasury Department recognizes the plight of some Indian tribes whose economic well-being has generally remained below that of the non-Indian population. However, we are opposed to the tax features of the proposed legislation. Tax exemptions or special tax concessions tend to create marked differences in tax treatment between those eligible for the special treatment and other taxpayers who continue to pay the full amount of tax on comparable amounts of income. A broad range of proposals are constantly being offered to use the tax system for the achievement or appealing social and welfare objective. Once we start to use the tax system to grant favored treatment for certain welfare programs it is difficult to know where to stop. For these reasons the Treasury Department believes that the tax system should be designed for revenue purposes and not for the achievement of social and welfare objectives.

The special depreciation deduction provided by the bill would allow depreciation deductions on a basis completely unrelated to the normal useful life of the capital assets concerned. It also could result in allowing a firm which has enjoyed complete tax exemption for 10 years to amortize over the next 5 years the full original cost of assets which may already have been used up in the production of income during the tax-exempt period. In addition, the option granted to the taxpayer of basing the special depreciation deduction on the market value of the asset at the specified date would introduce an undesirable precedent for the use of depreciation deductions based on current market value rather than investment costs.

Moreover, the provision allowing a special deduction from gross income equal to 36 times the monthly welfare payment made to any member of a tribe when he was first employed, could result in providing very substantial tax concessions even though the salary paid to the Indian might be little more than his relief payments. In view of present tax rates, such special deductions in addition to the regular deductions granted for wage payments might enable qualifying firms to increase their net income after tax at the expense of the tax revenue merely by making wage payments to Indians regardless of their contribution to the productive process. This is because, under certain conditions, the tax reductions resulting from all the tax deductions that would be allowed for the wage payments made to Indians previously receiving welfare payments would approach or even exceed the amount of such wage payments. Since this special deduction would be granted only for the employment of Indians receiving welfare payments, it is also likely to discourage the employment of Indians not receiving such payments.

The tax provisions of the proposed legislation would establish a far-reaching precedent for the use of special tax treatment to achieve similar objectives, such as employment of the handicapped, the aged, persons in economically depressed areas, or any other groups for whom assistance is desired. The extension of such tax treatment would have serious consequences for our tax systems in terms of both losses of revenue and distortion of the equitable distribution of the tax burden. It may be noted that during the course of recent hearings on income tax revision before the Ways and Means Committee, particular emphasis was placed on proposals to broaden rather than to narrow the tax base. It is our view that to the extent Federal participation in a program as envisioned by the bill is desirable, it should be done on the basis of direct appropriations where the cost is known and the benefits can be directed through specific outlays where they are most needed.

In view of these considerations, the Department recommends the deletion of section 7 of the bill.

In addition, the Department would be opposed to limiting the return on Federal funds loaned directly to private borrowers to an interest rate of 4 percent as would be provided in section 8(c) of the bill. We recommend that the interest rate be established at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current market yields on outstanding marketable obligations of the United States with maturities comparable to the term the Federal funds are outstanding, plus an amount deemed adequate by the Secretary of the Interior to cover administrative expenses and probable losses to the extent consistent with the purposes of the proposed loan program.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

FRED C. SCRIBNER, Jr.,
Acting Secretary of the Treasury.

THE GENERAL COUNSEL
OF THE TREASURY,
Washington, January 31, 1964.

The Hon. WAYNE N. ASPINALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of this department on H.R. 980, to provide a program for an "Operation Bootstrap" for the American Indian in order to improve conditions among Indians on reservations and in other communities, and for other purposes.

The only provisions of the bill of primary interest to this department are those relating to special tax incentives and loans for the construction of buildings for new industries on Indian reservations.

With respect to special tax incentives, section 7 of the bill would provide such incentives to firms establishing a new industry on a reservation in cases where Indians constituted at least 50 percent of the employees. These incentives would consist of—

1. Complete exemption from Federal income tax for the first 10 years.

2. Special tax deductions for depreciation in each of the next 5 years amounting to 20 percent of the original cost of the property or its market value at the close of the 10-year period of tax exemption, whichever is higher.

3. A special deduction for the employment of Indians previously receiving welfare payments which would be granted in addition to all other deductions. This deduction, which would be available in each of the 5 years following the close of the 10-year period of tax exemption, would amount to 36 times the monthly welfare payment made to any member of a tribe at the time he was first employed.

The department would be opposed to the foregoing tax features of the bill. Tax exemptions and preferences of this type create an economic disparity between those eligible for special tax preferment and other taxpayers who continue to pay the full amount of tax on comparable amounts of income. Such an exemption would grant to the tax-preferred enterprise a substantial economic advantage over other business competitors. The importance of the policy of tax neutrality toward competing business enterprises is evidenced, for example, by the fact that the unrelated business income of charitable organizations is subject to Federal income tax. Nevertheless, the bill would exempt the income of business enterprises organized for the private profit of shareholders and other owners.

The Department does not believe that the tax exemptions and preferences proposed by the bill would be an appropriate or efficient method of providing Federal aid to Indians. The foregone Federal revenue would be directly channeled to the owners of the business enterprise. Any benefits to the Indians would be incidental consequences which would bear no necessary relation either to the need of the particular Indians or to the amount of the tax subsidy granted to the owners of the business enterprise.

In addition, the proposed tax exemption would establish a precedent for the use of special exemptions of business income to achieve similar objectives, such as employment of the handicapped and the aged, persons in economically depressed areas, or any other group for whom assistance seems desirable. The extension of such tax preferment would have serious consequences for our tax system in terms of both losses of revenue and distortion of the equitable distribution of the tax burden. Consequently, we believe that financial assistance to improve the status of reservation Indians should not be rendered on the basis of a tax subsidy.

With respect to the loan features of the bill, section 7(a)(2) would authorize Indian tribes to construct buildings for new industries on reservations and to sell or lease such buildings. To obtain financing for such construction, section 7(a)(3) of the bill would authorize the tribes to borrow funds from certain existing revolving funds and to augment the revolving funds, the Secretary of the Treasury would be authorized to make advances to such funds in amounts specified in appropriation acts. The Secretary of the Interior would be required to pay interest on the advances at rates based on the current average rate on outstanding marketable obligations of the United States. In addition, section 8(c) would authorize the Secretary of the Interior to lend Federal funds to be used in conjunction with tribal funds for the construction of buildings for new industry.

The Treasury Department as a matter of general principle is opposed to new loan programs or the expansion of existing loan programs except when essential to implement impelling national policy objections. The loan authority that would be provided by the bill should be considered in light of that general principle.

Should the loan features of the bill be favorably considered, however, the Department believes that the proposed legislation should be revised so as to assure that an interest rate subsidy would not be provided in the loan program. Consequently, it is recommended that the bill establish an interest rate on loans to private borrowers at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current market yields on outstanding marketable obligations of the United States with maturities comparable to the term of the loans, plus an amount deemed adequate by the Secretary of the Interior to cover administrative expenses and probable losses. In addition, the Department recommends that the rate of interest to be paid on advances by the Secretary be based on the interest rate on current market yields on outstanding marketable obligations of the United States with maturities comparable to the term the advances are outstanding rather than the current average rate on all outstanding marketable obligations of the United States.

The Department has been advised by the Bureau of the Budget that there is no objection from the standpoint of the administration's program to the submission of this report to your committee.

Sincerely yours,

FRED B. SMITH,
Acting General Counsel.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., February 3, 1964.

Hon. WAYNE N. ASPINALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. ASPINALL: This responds to your request for a report on H.R. 980, a bill to provide a program for an "Operation Bootstrap" for the American Indian in order to improve conditions among Indians on reservations and in other communities, and for other purposes.

This Department is strongly against the enactment of the bill in its present form.

We are, of course, extremely interested in promoting industrial development and economic advancement within Indian communities, and we are actively pursuing that goal. This bill, however, in its present form, is not the right way to approach the subject because it raises too many problems and issues that require further study and discussion.

For example, by making far-reaching changes in tribal governmental powers and responsibilities, including the disposition of reservation lands, a number of basic issues are raised on which there are conflicting and strongly held opinions. Moreover, the issues have not been discussed with the Indian people or their representatives.

The special tax incentives, in the form of exemptions and deductions, require careful consideration and evaluation in the light of the general structure of our tax laws.

We shall not enumerate here all of the problems that are raised by the bill, but in our opinion they are sufficiently great to require deferment of action on the bill pending further study.

The Bureau of the Budget has advised that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

GENERAL COUNSEL OF THE
DEPARTMENT OF COMMERCE,
Washington, D.C. February 3, 1964.

Hon. WAYNE N. ASPINALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for the views of this Department with respect to H.R. 980, a bill to provide a program for an "Operation Bootstrap" for the American Indian in order to improve conditions among Indians on reservations and in other communities, and for other purposes.

As the title implies, this is an omnibus bill for the industrial development and economic advancement of Indian communities, enabling the tribes to exercise broad corporate powers, to enter into contracts, and to waive tribal taxes for the establishment of local industries, and to participate in benefits under the National Housing Act.

It also provides for special concessions under the Internal Revenue Code for income derived from operations and from capital gains in connection with any new industries established on Indian reservations.

While this Department has no objection to, and is inclined to favor, the granting of full municipal powers to Indian tribes, we are not sufficiently acquainted with the problems involved to say that the provisions of the proposed act are the best way to accomplish this purpose.

On the other hand, we definitely do not favor the provisions of sections 7 and 8 of the bill which would grant income tax exclusions and provide a special loan program to industries on Indian reservations. The concept of extending income tax exoneration as an inducement to investors to locate in particular areas is one which requires very careful consideration; and if such exoneration is to be used as an inducement, it ought not be limited to Indian reservations but should be made available to all areas in which the Government has a special interest in economic development. By the same token, we see no need which would be met by the proposed loan program which is not already adequately being met by the area redevelopment program.

Since both of these latter provisions would place other equally or more needy areas at a great disadvantage in the attraction of industry and would not further the purposes of the Area Redevelopment Act, we cannot endorse this bill in its present form.

We have been advised by the Bureau of the Budget that there would be no objection to the submission of our report from the standpoint of the administration's program.

Sincerely,

LAWRENCE JONES,
Acting General Counsel.

HOUSING AND HOME FINANCE AGENCY,
Washington, D.C., February 5, 1964.
Hon. WAYNE N. ASPINALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in further reply to your request for the views of this Agency on the above-captioned bill to provide a program for an "Operation Bootstrap" for the American Indian in order to improve conditions among Indians on reservations and in other communities, and for other purposes.

This bill would authorize Indian tribes, upon approval of the Secretary of the Interior, to enter into certain contracts for the purpose of establishing new industries in their reservations. In addition to any corporate powers it might already posses, each tribe would be given the right to borrow money from commercial sources or from established programs of the Federal Government and to pledge real or personal tribal property as collateral. The bill would authorize the Housing and Home Finance Administrator to make loans to any Indian tribe for assistance in the construction of basic public works. Also, to facilitate FHA mortgage insurance, mortgages would be made eligible for insurance where they cover tribal land held under leases for not less than 25 years and are subject to options to renew for periods of not less than 25 years.

Heretofore, the Congress has not considered it appropriate to permit the FHA to insure mortgages on property held under leases having less than 50 years to run. Even if this term were to be reduced to 25 years for leases on tribal land, it is doubtful that many mortgage contracts would be entered into because of the difficulty in obtaining financing. The duration of the lease upon the property sought to be mortgaged would probably not meet the standards of private investing institutions. The existence of an option for renewal for an additional 25 years would not solve the lender's problem since there is no assurance that the option would be exercised.

The Department of the Interior has interpreted the Indian Leasing Act of 1955 to permit the execution of a 25-year lease extension simultaneously with the execution of a 25-year lease on tribal land. As a result, the FHA has issued regulations making it possible to insure mortgage loans on Indian properties where the leases have a period of 50 years to run from the date of the mortgage. However, the procedure whereby the lease and extension are simultaneously executed tends to be technically difficult and thus to inhibit the free use of FHA-insured financing.

The Housing Agency, therefore, urges as an alternative to the lease provisions in H.R. 980, that the Congress amend the Indian Leasing Act of 1955 to permit leases of up to 99 years where the purpose of such a lease is to obtain an FHA-insured loan. This would facilitate the financing of mortgage loans on Indian properties and enable Indians to benefit from the lower monthly payments and rental changes on FHA-insured mortgages having maturities of more than 25 years.

The provisions of this bill which would authorize the Housing and Home Finance Administrator to make loans to Indian tribes for assistance in the construction of basic public works no longer seem necessary. Public Law 87-808 which made Indian tribes eligible for assistance under the public facilities loan program has apparently accomplished the objective of this provision of H.R. 980.

We also note that H.R. 980 contains no provisions which would require comprehensive planning for the development of Indian reservations. If the type of development anticipated for Indian reservations by H.R. 980 is to be best achieved, it will require comprehensive planning such as that assisted by our urban planning assistance program, under section 701 of the Housing Act of 1954.

With respect to the other provisions of H.R. 980, designed to promote the establishment of private industry on Indian reservations, the Housing Agency would defer to the comments of the Department of the Interior and other Federal agencies whose programs are more directly concerned with providing aid for the establishment of industry.

The Bureau of the Budget has advised that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,
MILTON P. SEMER,
For ROBERT C. WEAVER,
Administrator.

Mr. Chairman, I want to thank my colleagues for the confidence you have had in the work of the Committee on Interior Affairs and in its chairman. Just last Friday night by unanimous consent you permitted to pass a bill which had been thoroughly studied by the subcommittee on Indian affairs chairmaned by the gentleman from Florida [Mr. HALEY]. That is the way we always try to bring legislation before the House of Representatives.

Mr. Chairman, the amendment to the amendment that is to be offered by the junior Member from South Dakota is just as untimely at this time as are all of the provisions of the original H.R. 980. What the Member has attempted to do is to remove those portions of the bill which apparently he feels do not involve civil rights. It is my considered opinion that no part of the bill in its original form or in its proposed amended form has any direct bearing to the overall subject of civil rights.

My colleague the gentleman from Pennsylvania [Mr. SAYLOR], the ranking minority Member, will explain in as much detail as time will permit the provisions and effect of H.R. 980 as well as the proposed amendment to such bill. I shall refer but briefly as to what is involved.

H.R. 980 falls into three major parts: The first deals with tribal constitutions and charters and the control over the use of tribal property; the second part concerns incentives to encourage the establishment of industries on Indian reservations; and the third portion involves Federal criminal jurisdiction over reservation Indians on the area to be occupied by an industry, appeals to the Federal courts from decisions rendered by tribal courts, and matters relating to briberies or attempted briberies.

I am somewhat at a loss to follow the reasoning behind the amendment proposed to the amendment since some of the language that remains cannot stand by itself. For example, I do not see how sections 1 and 2 can be made operable without sections 3, 4, and 5. Some necessary provisions have been removed. By themselves, sections 1 and 2 are inappropriate. Likewise, I find it difficult to see how section 7(a) can be effective without the funds provided under section 7(a)(3). I cannot see why section 10 (a) and (b), concerning law and order jurisdiction and bribery, are removed from the bill.

So far as I can find, no attempt has been made to answer the questions posed by the 1960 report of the Department of the Interior. At the National Congress of American Indians convention in Bismarck last September, Commissioner Nash indicated his sympathy for this bill but stated a favorable report could not be made because of the objections of other Federal agencies. The same arguments against the legislation, voiced by the Secretary of the Treasury in 1960, are expressed again in the report just received.

Mr. Chairman, this amendment and all amendments related thereto should fail of support by the members of this committee. Let us be honest and fair not only with ourselves but with the procedures which we have adopted in order to see that our actions and decisions are orderly. Let us also be honest and fair with our fellow citizens of the Indian tribes and not mislead them into thinking they are going to receive benefits which I can assure you are not provided in this legislation. The bill has been rereferred by the House to the Committee on Ways and Means so that that committee may study the bill and advise the Committee on Interior and Insular Affairs as to the effect of the legislation on our fiscal affairs and advise us of such committee's position.

In closing, may I say to my colleagues that they need have no fear that the Committee on Interior and Insular Affairs will not give consideration to the legislation embodied in this amendment or any other legislation at the proper time. The gentleman from Florida [Mr. HALEY] has been very attentive in his responsibility to the Indian tribes, and whenever his Subcommittee on Indian Affairs has the time and gives its support to legislation you can be sure that such legislation is in order and will more than likely accomplish what it is supposed to do.

To date the legislation embodied in this amendment has not been ready for consideration by the gentleman from Florida and his subcommittee. In my opinion, it would be a great disservice to the gentleman from Florida and to all the members of the Committee on Interior and Insular Affairs to give approval of legislation in the manner here proposed.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SENNER. Mr. Chairman, I ask unanimous consent that the gentleman from Colorado [Mr. ASPINALL] may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. SENNER. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Arizona.

Mr. SENNER. I should like to associate myself with the gentleman's remarks and comment thereon. As the gentleman knows, I represent more Indians in my district than any other Congressman in this House, or any other State in this Union. I have received the following telegrams from two of my Indian reservations.

With your permission, I would like to read them at this time:

> Have made a cursory examination of H.R. 980. Feel that bill has much merit. However White Mountain Apaches have great faith in House Interior Committee and recommend that you not vote for bill as attached to civil rights but that bill be reintroduced and referred to Interior Committee for study and to give Indians sufficient time to appear and consult with committee.
>
> Lester Oliver,
> *Chairman,*
> *White Mountain Apache Tribe.*

I received this other telegram which is as follows:

> Re "Operation Bootstrap" for Indian reservation desire H.R. 980 completely divorced from so-called civil rights bill and passed as separate measure, after study by House Interior Committee and appropriate Federal agencies reports and consultation with tribes.
>
> Abbott Sekaquaptewa,
> *Chairman, Hopi Tribal Council,*
> *Oraibi, Ariz.*

Mr. Chairman, I have also received other telegrams from several of my other Indian reservations. They indicate they were in favor of the Berry amendment as printed in the Federal Register, and yet although I have looked in the Federal Register, Mr. Chairman, I have not been able to find any Berry amendment.

Mr. ASPINALL. Of course, the gentleman is correct. Their attention was called to the Berry amendment since the Committee on Rules made its consideration in order in spite of the fact it is not germane to the bill that we are now considering. Many of the responses result from the drive by lobbyists here and elsewhere who love the Indians so much that they make their living working for them and desire to make it appear that what is proposed here is worthwhile giving the legislation due consideration. All this in spite of the fact that many tribes have called by telephone and have stated in telegrams and letters that they are opposed to the legislation because it has not been well thought out. They realize that ill-considered legislation will react against their best interests. They will not only not receive the benefits that the Member from South Dakota says they will receive, but it is my opinion that they will be penalized.

Let the Committee on Interior and Insular Affairs follow its usual procedure and let us give thoughtful consideration to this legislation. The gentleman from South Dakota went back some 300 years and now he is complaining because this bill in which he has some interest for 6 years is not taken care of at once. If it is good legislation, and if it can be perfected, we can take care of it with the proper consideration that such matter deserves.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman.

Mr. ALBERT. Mr. Chairman, this bill that has been proposed here as an amendment to the pending bill is applicable to Indians on reservations. The amendment would not apply to Indians who do not live on the reservations but who live on their own individually allotted land. The State of Oklahoma is one of the States with an important Indian population, and as I see the matter, unless it gets additional consideration as suggested by the gentleman from Colorado, which will deal with the entire subject, it would be useless so far as Indians in the State of Oklahoma are concerned, many of whom are just as much in need of help as Indians in any other State.

Mr. ASPINALL. The gentleman from Oklahoma is entirely correct.

Of course, in this respect this proposed amendment imposes an inequity on the very people and on the race of people that it is contended the amendment will help. It is just too bad that it is this way.

The gentleman from Pennsylvania [Mr. Saylor], the ranking minority member of the Committee on Interior and Insular Affairs, will speak on the legislation and he will assure my colleagues to my left that at the proper time this will have the committee consideration that it deserves.

We shall be in a position now, as soon as the Committee on Ways and Means makes its report back to the Committee on the Interior and Insular Affairs as to the effect on the Treasury, that can give consideration to it.

Mr. RIVERS of Alaska. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman.

Mr. RIVERS of Alaska. Mr. Chairman, I wish to associate myself with the presentations made here by the chairman of the full Committee on Interior and Insular Affairs, the gentleman from Colorado [Mr. Aspinall] and the gentleman from Arizona [Mr. Senner].

I think this matter should be processed in an orderly manner and through the appropriate legislative committees and not be treated as legislation on the floor of the House, as part of a civil rights bill, without adequate study by the Committee on Interior and Insular Affairs and by the Committee on Ways and Means. I yield to no one in regard to the scope of my concern for the economic welfare of Indians, including the Indians and Eskimos and Aleuts of Alaska, which is the reason I wish to see this matter given adequate consideration as a separate subject.

Mr. ASPINALL. This is the first time that any bill has ever been referred from my committee in this particular manner.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

(By unanimous consent, Mr. Aspinall was given permission to proceed for 1 additional minute.)

Mr. BERRY. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from South Dakota, a member of my committee.

Mr. BERRY. I thank the chairman for yielding to me.

I appreciate everything the gentleman has said. By the same token, it has not been too easy to get the report, as my chairman knows.

Mr. ASPINALL. This was proposed during the administration of the Republican Party. The first reports came up under the signature of Assistant Secretary Roger Ernst, who was Assistant Secretary at the time the Honorable Fred Seaton was Secretary. The reports were adverse.

Mr. BERRY. Favorable, if amended.

Mr. ASPINALL. They were not amended. My colleague the gentleman from South Dakota has never presented those amendments. They are not in the bill as proposed at the present time.

Mr. BERRY. I did offer these amendments, Mr. Chairman, and they were considered by the subcommittee. During the 87th Congress, six times I wrote to the Commissioner of Indian Affairs begging for a report. You, Mr. Chairman, wrote to him three times. The Commissioner in every instance said he would not report until hearings were set by the committee. Our committee has made a practice of not setting hearings until the report has been made by the department.

The CHAIRMAN. The time of the gentleman from Colorado has again expired.

(By unanimous consent, Mr. Aspinall was given permission to proceed for 1 additional minute.)

Mr. ASPINALL. Mr. Chairman, I asked for the 1 minute to answer the last statement by the gentleman from South Dakota.

At the National Congress of American Indians convention at Bismarck last September, Commissioner Nash indicated his sympathy for the bill but stated that a favorable report could not be made because of the objections of other Federal agencies.

The same arguments against the legislation voiced by the Secretary of the Treasury in 1960 are expressed again in the report just received. This is the reason why there has not been any further consideration.

Until we have sufficient time to consider the bill, and perhaps until we have time to get rid of some of the other bills which seem to have priority of attention so far as my colleague from South Dakota is concerned, we simply cannot take care of such important legislation.

Mr. RUMSFELD. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Illinois.

Mr. RUMSFELD. I have listened to the gentleman's statement. I believe the history behind the proposal is quite interesting. The gentleman has mentioned a number of times that there are objections to the proposal.

The committee will have to vote shortly. I wonder if the gentleman will use a minute or two to explain some of the objections.

The ASPINALL. The objections come from the four departments, as I have stated. They will be included in the Record, so that my friend can read them They are quite germane to the bill itself, I may say.

Mr. CELLER. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

The amendment would incorporate into the pending measure the bill, H.R. 980, to provide for a program of what is called "Operation Bootstrap" on the alleged grounds that it would help the Indians. This is about as germane to the civil rights bill as an elephant is to a pussy cat. It probably is sought to be added to the civil rights bill to so weigh it down so that the civil rights bill might fall of its own weight.

Pray tell me how in thunder an Indian reservation is relevant to a labor organization, or how financing Indian factories is relevant to discrimination on the grounds of race, color, national origin, or sex?

If you approve this amendment, you will approve a most gauché method of bringing bills before this House.

I certainly should like to have the power, which apparently resides in the gentleman from South Dakota, to have my bills given this kind of preferential treatment, avoiding the scrutiny of the proper standing committee and securing immediate clearance from the Rules Committee. I have some bills before the Rules Committee which have been gathering dust for many, many months, and I cannot get the bills out of the Rules Committee. I should like to have them tacked onto some other bill, utterly irrelevant, and then have the rule indicate they are relevant.

I have not the foggiest idea as to what the amendment is all about, but it is well to give some legislative history on the bill. It would appear that it was put before the Committe on Interior and Insular Affairs January 9, 1963.

On January 24, 1963, more than 1 year ago, the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs requested reports from the Departments of Treasury, Interior, and Commerce, as well as the Housing and Home Finance Agency, on H.R. 980. None of these reports has yet been received by the subcommittee. No hearings have been held or scheduled nor has any other action been taken by the subcommittee. The result is that we have an amendment amounting to a 13-page extremely complex legislative measure concerning which the House has been given absolutely no official committee comment or advance information. In the 86th Congress a hearing was held on H.R. 7701, a predecessor bill, but inspection of this hearing indicates that the Department of the Interior had serious reservations about the bill and the Department of the Treasury opposed the tax provisions. No representative of any Federal agency appeared at the hearing and no further action of any kind on the measure was taken in the 86th Congress.

I am informed that H.R. 980, which is the present amendment to the civil rights bill, would require the Secretary of the Interior to draft model corporate charters for Indian tribes; that Indian tribes accepting the provisions of the act would be authorized to adopt constitutions and bylaws; and that new industries would be encouraged to establish themselves on Indian reservations. The bill would provide substantial tax exemptions in favor of industries so establishing themselves and that is quite a gimmick. Loans at low interest would be made available. Tribes would be authorized to execute mortgages on Indian property. We have no idea what enactment of the bill would cost in taxes.

Obviously, the bill, as its title indicates, is an industrial promotion proposal applicable to Indian reservations. The tax impact of the measure would, of course, be of vital interest to the Ways and Means Committee of the House, but I understand that until last Saturday 2 weeks ago, that committee had not even been consulted about its terms, particularly the tax terms and exemptions of the bill. On the motion of the distinguished chairman of the Committee on Interior and Insular Affairs, the House discharged that committee from further consideration of H.R. 980 and referred it to the Committee on Ways and Means. Of course, that committee has had insufficient time to study the bill's provisions.

We should wait until that committee has had sufficient opportunity to go into a detailed consideration of the bill and its report is filed. Then we might be able to act.

I repeat, that I have not the vaguest idea whether or not the proposals of H.R. 980 are desirable or undesirable. But it is obvious that the House should not be asked to consider legislation of such far-reaching, specialized consequence without the views of the appropriate Federal agencies, including the Bureau of Indian Affairs, the Housing Commissioner, and the Treasury, nor without an analytical committee report. There is not a word of testimony or analysis concerning the provisions of H.R. 980 or its legal consequences before the House.

Beyond this, there is nothing in the text of H.R. 980 that would remotely serve to advance the stated objectives of the pending bill, H.R. 7152. The amendment should be rejected.

Mr. BATTIN. Mr. Chairman, I rise in favor of the amendment.

Mr. Chairman, I would say to the chairman of the Committee on the Judiciary, the gentleman from New York [Mr. CELLER], who just left the well of the House, that the amendment offered by our colleague from South Dakota had more time in consideration than H.R. 7152 did in the Committee on the Judiciary before it was reported and we have been debating this bill for 10 days.

I also notice a great absence of people on the floor and just a few minutes ago we had a full house. Has some pressure group been taken care of now so that we do not have to worry about anyone else? I think not. There are tax loopholes in the amendment, the gentleman from New York says. Did he read the trade expansion bill? If some industry in this country gets hurt because of foreign competition, we do not give them a tax break; we give them a subsidy. What difference does it make whether you talk about the technical language or the general effect of what will happen. Maybe the gentleman has not ventured into the Indian territory. It would be interesting if he did. If you want to talk about discrimination, if you want to talk about lack of opportunity, go there. I cannot help but think of what the Indian said in a talk with Vice President Barkley. He told him to watch our immigration laws. The Indian did not, he said, and look what happened to him. Now some of us are worried about what we are going to do to try to help him out of the situation he presently finds himself.

The bill itself is rather simple. We gave the Indians back part of their land. We are now giving them the right to mortgage it and do what is necessary to attract industry. We are offering an opportunity for someone to come in, build an industry, give employment, let the Indian raise himself by his own bootstraps, rather than having to come back here year after year and accept some sort of a dole from the Federal Government.

If you want to prove socialism does not work, go to an Indian reservation. We provide schools, teachers, doctors, supervisors, advisers, welfare and they have everything except what they really want and that is an opportunity to work—an opportunity to make a living.

I think the amendment of the gentleman from South Dakota should carry and should carry very handsomely.

Mr. BERRY. Mr. Chairman, will the gentleman yield?

Mr. BATTIN. I yield to the gentleman from South Dakota.

Mr. BERRY. Mr. Chairman, under the Foreign Aid Act is it not true that we have an amendment known as the Hemisphere Corporation Act under which we give to any corporation that establishes an industry in the Western Hemisphere a 27-percent tax benefit?

Mr. BATTIN. That is correct.

Mr. BERRY. Do we not reduce the corporation tax from 52 percent down to 38 percent and at the same time do we not provide that any investment made down there is 90 percent guaranteed by the taxpayers of this country against expropriation, against damages by strike and insurrection, and against nonconvertibility of money? We give them a 90-percent guarantee. And yet when we ask for a simple little thing that might help 40,000 to 45,000 unemployed Indians, what do we get?

Mr. BATTIN. I would say that they do not have enough of a national bloc in the voting structure of our country. That is the answer to it.

Mr. BERRY. And they have too much pride to get out into the streets.

Mr. FULTON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BATTIN. I yield.

Mr. FULTON of Pennsylvania. How much would this cost?

Mr. BATTIN. I did not offer the amendment; the gentleman from South Dakota did, but we are talking about giving a tax break for 10 years to those people who would establish an industry on a reservation, so that any loss we would have would certainly be offset by employment benefits and in the payment of taxes by employed peoples in the years to come. I am certain that in the long run there would not be any loss of revenue to the United States.

Mr. BERRY. Mr. Chairman, will the gentleman yield further?

Mr. BATTIN. I yield.

Mr. BERRY. I understand that through the Department of HEW and the Indian Bureau, they spent a little over a quarter of a billion dollars last year just for the Indian people. How much benefit do they gain from that? Very little. Certainly this would not cost anything like that.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BATTIN. I yield.

Mr. GROSS. When it comes to the matter of cost, I have tried for days and have been unable to get a specific answer to the question of how much this bill will cost without the Berry amendment.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and the amendments thereto close in 40 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. REIFEL. Mr. Chairman, I object.

Mr. CELLER. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 45 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. SAYLOR] for 5 minutes.

Mr. SAYLOR. Mr. Chairman, I am very sorry that the gentleman from New York [Mr. CELLER], the chairman of the Committee on the Judiciary, has walked off the floor. If the gentleman thought that what he said here a few minutes ago was so horrible, the gentleman had the opportunity when the rule was up on the civil rights bill to vote against the rule and to have an open rule where only germane amendments could have been adopted. Thereby he could correct the ills about which he talked. However, the gentleman did not say anything about it at the time, and was perfectly happy to have a rule waiving points of order.

Mr. Chairman, according to the rules of the House, the Committee on Rules made this amendment germane. Now, I do not think they should have done that, but they did.

Mr. Chairman, I am opposed to including H.R. 980 in the bill that is presently pending before us.

H.R. 980, 88th Congress, introduced by our colleague, the gentleman from South Dakota, Representative E. Y. BERRY, seeks to improve the lot of reservation Indians by encouraging industrial development in Indian communities which, under existing circumstances, cannot provide a livelihood for their populations. In order to attract industrial development which, it is believed, would produce gainful employment, it would be necessary to offer some type of Federal subsidy.

This bill falls into three major parts: the first deals with tribal constitutions and charters and the control over the use of tribal property; the second part concerns incentives to encourage the establishment of industries on Indian reservations; and the third portion involves Federal criminal jurisdiction over reservation Indians on the area to be occupied by an industry, appeals to the Federal courts from decisions rendered by tribal courts, and matters relating to briberies or attempted briberies.

As introduced, H.R. 980 would encourage the utilization of human and natural resources of reservations in several ways.

First. Tribes would be authorized to create corporations which would build plants to be sold or leased to industrial firms on a long-term basis, subject to the approval of the Secretary of the Interior. Funds for the construction of these plants might come from tribal funds, Federal loans, or commercial loans to the tribal corporation.

Second. Industrial firms buying or leasing these plants, which would be exempt from Federal, State, and local taxes for 10 years.

Third. The firm receiving the right to amortize property eligible for depreciation on a 5-year schedule.

Fourth. The firms receiving a deduction for 5 years from any Federal tax in an amount equal to three times annual welfare payments paid to an Indian prior to his industrial employment; and

Fifth. The firms receiving Government aid in conducting on-the-job training for Indian employees.

You will recognize these features as being among those operating in Puerto Rico and the Virgin Islands.

Further, I might call attention to the fact of what we have done with reference to these two territories. We have created a tax-exempt haven that is not good for the country in my opinion. There is now a measure before the Committee on Interior and Insular Affairs to take a real good look at what has happened in those two places. What has happened there is not in accordance with the American system, and I am sure will cause all of us trouble in the future.

Other features of H.R. 980, as introduced, includes section 9 which extends the National Housing Act to certain Indian reservations and section 10 which would make section 13 of title 18, United States Code, "Laws of States Adopted for Areas Within Federal Jurisdiction" and chapter 53 of title 18, United States Code, "Offer to Officer or Other Person" applicable to Indians.

When the gentleman from South Dakota [Mr. BERRY] makes his deletions from his bill he says he will have removed those portions which do not involve civil rights. I am somewhat at a loss to follow his reasoning in permitting some of the language to remain since the remaining language cannot stand by itself. For example, I do not see how sections 1 and 2 can be made operable without sections 3, 4, and 5. To me, some necessary provisions have been removed. By themselves, sections 1 and 2 leave a great deal to be desired. Likewise, I find it difficult to see how section 7(a) can be effective without having the funds which would have been made available under section 7(a)(3).

Section 9, referring to National Housing, remains in the bill and presumably rightly so. Why section 10 (a) and (b), concerning law and order jurisdiction and bribery are removed is something I cannot understand. To me, they appear to be genuine civil rights issues.

It is interesting to note that on March 4, 1960, the Assistant Secretary of the Interior reported:

> We endorse the purpose of the bill, and we recommend that the bill be enacted if satisfactory answers to the problems referred to below can be worked out.

So far as I can find, no attempts to answer the questions posed by Assistant Secretary Ernst have been made in H.R. 980, as introduced. At the National Congress of American Indians Convention in Bismarck last September, Commissioner Nash indicated his sympathy for this bill but stated a favorable report could not be made because of the objections of the Bureau of the Budget.

The same arguments against the legislation were voiced by the Secretary of the Treasury in 1960 as are expressed today. Perhaps if H.R. 980, as introduced, could have been more carefully studied and restyled with more time and care, it could have been a reasonable amendment to the civil rights bill. As it now stands, I find that the residue contains nongermane material and is lacking items which appear to me, at least, as being within the scope of civil rights legislation.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. REIFEL].

Mr. REIFEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. REIFEL to the amendment offered by Mr. BERRY: strike all of sections 803, 804 and 805; and in subsection 3 of section 807, following the words "amended and supplemented," strike all of the remainder of that paragraph to and including the word "purposes."
>
> Strike all of sections 810 and 811.
>
> Add a new section 810 to read as follows: "Nothing in this Act shall take precedence over or abrogate any treaty entered into by a tribe with the United States."

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. REIFEL. I yield to the gentleman from Colorado.

Mr. ASPINALL. This will bring the amendment in line with what the senior Member from South Dakota proposed when he spoke on the bill originally?

Mr. REIFEL. Yes, except to add certain language in the last paragraph, reading:

> Nothing in this act shall take precedence over or abrogate any treaty entered into by a tribe with the United States.

I think in a rights bill one of the things we ought to do, if there are any rights left to the Indians, is to do this, and the House should not have any objection.

Mr. Chairman, I support the Berry amendment to the civil rights bill to provide new equality of opportunity for the original American.

The Federal Government, through the Bureau of Indian Affairs alone, is spending staggering amounts of money on Indian health, education, and welfare programs without really getting to the core of the problem—preparing these disadvantaged Americans to compete equally in our complex society.

In fiscal 1964 the Indian Bureau will spend nearly $271 million. That is over $100 million higher than the cost of Indian programs in 1960. Total cost of Bureau of Indian Affairs program services during the past 5 years alone is more than $1.1 billion.

Indian reservations are the most economically depressed areas in the entire Nation. Virtually every one of them has been designated a depressed area and is receiving additional Federal assistance through such programs as the Area Redevelopment Administration and accelerated public works.

In addition, the taxpayer provides further Indian support through Public Law 874 to assist with educational costs.

All these programs have been of assistance to the Indian American. Yet when one visits these reservations he sees conditions of squalor and poverty that are nothing short of shocking. Somehow we are missing the mark in really helping these people get on their feet and become dignified, self-supporting citizens.

The distinguished chairman of the House Committee on Interior and Insular Affairs [Mr. ASPINALL] conducted a study of 99 of the 130 Indian reservations last year in an effort to learn the true nature of the Indian labor force.

Out of a total Indian reservation population of 380,000 covered by that study, the committee found approximately 150,000 individuals in the working age group of ages 18–54. Of these, approximately 30,000 were classified as unemployable for one reason or another, leaving a potentially employable labor force of 120,000.

The unemployment rate among these 120,000 Indian Americans was 49 percent. Think of that—49 percent unemployed. Compare it with the admittedly high unemployment rate among American Negroes and one can see why it is fitting and proper to include Indian assistance measures in the civil rights bill.

Many of the 59,000 Indians who were classified as employed in that survey work for only portions of the year, existing the remainder of the year on welfare payments.

If conditions are so bad, opportunity so lacking, why do not more Indians leave the reservations? Many try every year. Some succeed in finding jobs and opportunity in the white man's world. Most do not. They return to the reservations, crushed and beaten, embittered by their experience, relating it to others.

Although the life expectancy of the average Indian American is only 42 years, as compared with 62 years for the non-Indian population, the rate of births over deaths is higher than that for the general population.

The Indian reservation population is expanding at the rate of 2¼ percent annually as compared with 1⅓ percent for the non-Indian population. In other words, the outmigration of laborers and their families is not keeping pace with the Indian population increase each year. As a result the number of unemployed on the reservations climbs higher each year. The situation will get worse unless there is a clear change in the direction of our assistance—inauguration of a permanent program to provide job opportunities and training by bringing industries to the reservations. Certainly this would be more fruitful than the temporary, make-work programs now being undertaken.

In seeking to obtain better understanding for the plight of the American Indian, I have appeared before numerous groups to explain how the American economy has passed by the Indian. He lacks the equality of opportunity to compete successfully in a complex world alien to all his traditions and upbringing.

Our past experiments in relocating Indians in off-reservation employment, even with the benefit of special training, in large measure have amounted to a shifting of the problem. The Indian American needs more actual working experience on the reservation to prepare him adequately for meaningful integration into our society.

Such integral parts of our American way of life as time, work, and savings are utterly alien to his background. He needs sustained experience in employment and modern living conditions to master these fundamentals. We must bring these things to the Indian in his reservation surroundings if he is ever to have the confidence and ability to compete successfully off the reservation.

When the Congress of American Indians sent a delegation to call upon the President recently, they listed unemployment as their major concern. The President gave them another solemn pledge—the kind we have been giving them for 100 years—to try to help them. He included them in his newly declared war on poverty. And certainly the pockets of poverty found on our Indian reservations match anything found among other minority groups.

When we as a nation, acting as the elected representatives of the people, are facing up at last to the necessity of assuring equality for all in America, how could we turn our backs on the original American? How can we refuse the Indian the same ray of hope we offer to others?

Why cannot we do for the Indian what we have done for the offshore Commonwealth of Puerto Rico? If it was deemed in the taxpayers' interest to provide industrial incentives for a commonwealth possession, it ought surely to be advantageous for our original mainland citizens.

There are numerous reasons why tax incentives to bring industry to the reservations are justified. The suggestion that it would open a panacea of demands from other disadvantaged groups is not a valid one. The Indian is in a class by himself, lacking even the Negroes' opportunity for gainful employment.

The high incentive of a 10-year tax writeoff is the minimum required to interest industries in locating in the remote areas we have benevolently given to the Indian American after taking away from him that which was his.

This will be no gravy train for investor-owned industries. Cost of training, marketing, and transportation will be exceedingly high. This is a program for Indians, not for industry.

This program would be self-limiting. We have a predetermined number of workers who can be utilized under Government-supervised contract arrangements.

Safeguards against "pirating" of industries are included. This will broaden the base of industrial America. It will strengthen our transportation and marketing networks. It will reduce the competition for an insufficient number of jobs in the urban centers.

Industries locating on the reservations will be better able to compete with the cheap foreign labor which is flooding our markets with products we cannot afford to produce ourselves. This, of course, will assist in our balance-of-payments difficulties.

The Bureau of Indian Affairs has endorsed a program of this type in the past. As a longtime administrative officer of that agency before I came to Congress, I feel it is fully in keeping with BIA objectives.

The Treasury Department argues the merits of an $11 billion tax cut at a time of unprecedented national prosperity; yet it fails to see the wisdom in a temporary tax break for some new industries who will make employable, productive, taxpaying citizens of thousands of Indians now living off the taxpayers at an ever-mounting cost with no end in sight.

If, as the Treasury contends, there are disparities in singling out Indian reservations for this special tax treatment, which would be temporary and self-limiting and produce greater Federal tax revenues in the long run, why do we give depletion allowances for risk capital entering mineral exploration operations? What about the disparity of Area Redevelopment Administration and accelerated public works handouts to selected communities across the Nation with two-thirds of the Nation's counties paying the bill to help the other one-third?

Indians differ from other disadvantaged groups such as the aged and the handicapped. They are a unique Federal responsibility we as a nation have never fully met.

The Treasury Department fears preferential loan treatment may be given to those industries choosing to locate on Indian reservations. Yet it finds acceptable the preferential treatment given to rural electrification cooperatives in the way of 2-percent Government loans. This is a mission much in the tradition of electrifying rural America. Here we shall be bringing the light of opportunity to the Indian America. It is temporary, not self-perpetuating special treatment.

The American people and the eyes of the world will be watching this vote to determine whether this Nation wants at last to do something worthwhile in extending opportunity to disadvantaged Americans. As we have put off the Negro these 100 years, are we to go on keeping the Indian out of sight, out of mind?

My distinguished colleague, the Honorable E. Y. BERRY, has been an ardent and courageous champion of Indian causes down through the years. I commend him for giving us this opportunity to set right a situation which has been wrong for too long.

The American Indian, like the Negro, will never have true civil rights as guaranteed to him unless we make it possible for him to become a productive, working citizen ready and willing to make his full contribution to a dynamic America on the same basis as other Americans.

Mr. FULTON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. REIFEL. I yield.

Mr. FULTON of Pennsylvania. If we would do something like this, and I do not say by what method, would it relieve the number of Government bureaucrats that we have here taking care of Indian affairs? I understand there is one Government bureaucrat for each Indian, telling them what to do.

Mr. REIFEL. If we had opportunity for these people on the reservations to be employed, they could pay their own way, provide their own schools, provide the necessities that now the Federal Government must provide.

Mr. FULTON of Pennsylvania. Why do we not fire some Government bureaucrats and give the Indians the jobs to stop the unemployment?

Mr. REIFEL. Most of the money that goes from the Government to the Indians is for education, health, and social welfare activities that must be provided by the teachers, the medical profession, and the social workers in order to get the help to them that is needed in order to keep them alive because they do not have jobs.

Mr. FULTON of Pennsylvania. Would this provision supersede the quarter of a billion dollars a year?

Mr. REIFEL. It would in time aid materially to bring the people to a social and economic level so they would not need this help that is now provided to the people on the reservations by our Government to the extent we do now.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. REIFEL. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. I think the gentleman from South Dakota is making a forthright statement. I would like to associate myself with his remarks. However, I am inclined to agree with the chairman of the committee, the gentleman from Colorado [Mr. ASPINALL], who is one of the fairest Members of this body—with respect to our not circumventing the committee.

The fact that the gentleman from South Dakota [Mr. REIFEL] has seen firsthand the great deprivation of opportunity on the part of the American Indian certainly should be recognized and urgently considered. The Indians are in need of the removal of restrictions and should be encouraged to initiate programs of self-help wherever possible.

Where the gentleman from Colorado's [Mr. ASPINALL] position is clear, I sincerely hope the remarks of the gentleman from South Dakota [Mr. REIFEL] will not go unheeded because the obligation to this group of people is also very clear. They are certainly entitled to the unlimited opportunities of a free society.

Mr. EDMONDSON. Mr. Chairman, do we not have a division of the time?

The CHAIRMAN. We do have a division of the time.

Mr. BERRY. Mr. Chairman, I will yield 4 of my 5 minutes to the gentleman from Oklahoma.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, let me begin by saying I have the deepest respect for the genuine concern of the gentlemen from South Dakota who have addressed us here, and the gentleman from Montana, as well, who are properly and legitimately concerned about the problem of the lack of opportunity of the Indian people of the United States. I do not think there is any question about the fact that on reservation land and on trust land and on land that is owned in fee by Indians throughout the country, we find some of the most severe economic problems we have in the United States today.

I think President Johnson recognized it in his state of the Union message by making specific reference to the need for a more aggressive program to deal with the problems of lack of economic opportunities for Indians.

Now the question is, Is the proposal which is offered here in the amendment offered by the gentleman from South Dakota [Mr. BERRY] and as amended by the gentleman from South Dakota [Mr. REIFEL] a constructive step at this time and is it properly something that we should adopt in connection with the bill pending before us?

I do not believe it needs very much of a student of the parliamentary situation nor very much study of the proposal now before us to conclude that this is not the time and this is not the place to adopt the proposal that has been advanced.

For my own part, I am deeply sympathetic to the need for incentives for the location of industry on reservations. I certainly recognize the merit in the proposal to revise the credit provisions, particularly in our housing legislation today. I know that Indian people located in my own State share such needs, and I could digress at this point to debate with my good friend from Arizona as to who has the most Indians, because I believe the Second District of the State of Oklahoma has probably more Indians than any district in the United States. I know the Second District of the State of Oklahoma has more than 2½ times as many Indians as the whole State of South Dakota.

But at the same time, recognizing these needs and recognizing the problems of the Indian people, I still must conclude that the proposal that has been advanced is not in harmony with the proposition that is pending before us at this time which is known as the civil rights bill.

My good friend, the gentleman from South Dakota, said that this is designed to end segregation among Indians. I submit to you, if you examine the provisions of the proposed amendment, its benefits and the things it seeks to do, which may be entirely worthwhile, are concentrated almost entirely on the reservations. The job and credit opportunities and the housing benefits they have been talking about and the factory location benefits that they are talking about are all located on reservations.

Thousands of Indians who live off reservations and who live on their own allotted land and who live on fee title land have no benefits under such a program and no hope of any benefits. How would they be benefited? They would have to go back to the reservation. That is what this proposal offers to you—"Go back to the reservation."—where other Indians are suffering today with a lack of an adequate land base and with a lack of adequate opportunity; go back, take your chances there under the so-called Operation Bootstrap.

This is a proposal that in fact will promote segregation. Maybe it will simultaneously promote prosperity on the reservation—I do not know—I would hope that it would—but it is not the kind of proposal that is going to promote what the gentleman says it is going to promote. On the contrary, it is going to encourage an increase in segregation of our Indian people.

There are some leaders among Indian people who favor that, and they are men of good intentions. I know men who have the welfare of Indian people at heart and many of them who believe that that is the route to follow. There are others who believe that the route of education and vocational education and relocation is the route that offers better long-term opportunities for the Indian people.

For my own part, I would like to see additional opportunities for Indians on reservations and Indians off the reservations as well.

Mr. Chairman, I think this bill as we have thus far acted upon it attempts to move in that direction. The pending bill is aimed at reducing discrimination against people of all races and of all colors all over the country. Regardless of the merit present in the Berry proposal, I do not think we ought to dilute this bill by the adoption of the proposed amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS] for 5 minutes.

Mr. GROSS. Mr. Chairman, I ask unanimous consent that my time be given to the gentleman from Minnesota [Mr. LANGEN].

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. LANGEN] for 10 minutes.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. I am happy to yield.

Mr. CUNNINGHAM. I should like to ask the gentleman from Oklahoma [Mr. EDMONDSON], who has just spoken, if there are any oil wells on the Indian reservations in his district?

Mr. EDMONDSON. There are some Indian reservation lands and individual allotments with oil wells on them.

There are many more Indians who are destitute and without any trace of oil, even to put in automobiles.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. I yield to the gentleman from Iowa.

Mr. GROSS. I wish to observe, as did my colleague, the gentleman from Montana, in response to the distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Colorado [Mr. Aspinall], who opposes the Berry amendment at least in part because it has not been given consideration by his committee, that if such a test is to be applied to legislation brought before the House, then, as the gentleman from Montana [Mr. Battin], well pointed out, this whole bill has no business being here, because the Judiciary Committee held no hearings on the bill presently before us, the so-called civil rights bill, H R. 7152.

Mr. ASPINALL. Mr. Chairman, will the gentleman from Minnesota yield to me?

Mr. LANGEN. I thank the gentleman from Iowa for yielding me his time and for the contribution he has made.

I am happy to yield to the gentleman from Colorado, very briefly.

Mr. ASPINALL. My only comment to my friend, the gentleman from Iowa, is that two wrongs do not make a right. My colleague, the gentleman from Iowa, cannot find one instance, during his time in the Congress, in which the committee of which I am the chairman has ever refused to consider a bill.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. I yield.

Mr. GROSS. That is what some of us have been saying about this so-called civil rights bill for the past several days—that two wrongs do not make it right to continue to discriminate against American Indians.

Mr. LANGEN. Mr. Chairman and Members of the Committee, it comes as no great surprise to me that we again find the American Indian being deserted and being left out of consideration by this House. In fact, the American Indian has pretty consistently received this kind of treatment over the years. This is exactly what has happened to him ever since the beginning of this Nation.

It has been pointed out to the House before that every single contract we ever made with the Indian has been broken. All the promises and all the claims and everything else have been disregarded and he has not been recognized with the degree of equity and respect which should have been paid to any American citizen.

Yes, for the past 10 days we have heard debate in this House concerning civil rights, educational opportunities, employment opportunities and all the other things which we have been endeavoring to establish in some kind of equity, and I hope, for all the citizens of this Nation.

Now, much to my surprise, what do I hear? It has been said that it is not in order to consider this proposal, because it is not relevant. One of the speakers a few moments ago referred to the fact that it does not relate to race or to religion or to national origin.

I ask, in all sincerity, whether or not the Indians are a race? Are they not a part of our citizenry? Are they not at least entitled to consideration of an amendment, much the same as those which have been presented for the past 10 days?

It is of interest to note that despite all of the broken contracts and despite the fact that Indians having waited for years and years for claims to be paid—yes, claims that later have been approved, after the beneficiary in many cases is dead and gone.

Talk about segregation. Yes, we have segregated the American Indians to the point of designating an area in which they must live and in most cases the poorest area in that particular section of the country.

We have said to them, "You either live here or you are not entitled to any further benefits or claims that may be accruing to you." Yet, at this point, we find a reluctance on the part of this House even to consider them. I ask you in all sincerity if these points of segregation, if these hardships and the desolate life they have lived over all these years has not been brought about by this Government's either failure to act or not to act.

Now, then, are we as a legislative body after having spent all of this time discussing the degree to which we are about to establish equity, going to desert the Indian; are we now going to find ourselves practicing segregation, practicing inequity right in this very same body that has for all this time been attempting to convince the people of this country that we have the interest of all of our citizens in mind? I wish many of you had had the occasion to visit an Indian reservation such as I have done a good many times. If you had gone through and noted the tarpaper shacks, yes, and the conditions under which they live, without job opportunity in any way, shape, form, or manner I think you would feel differently about this amendment. I heard a long dissertation on this floor yesterday concerning the women of this Nation, both white and colored. I noted the reference to the degree which the colored woman had been subjected to inequities in employment and so on. I ask you what about the Indian woman? Did anyone ever think of her? Has anyone even taken time to explore the degree to which they have suffered hardships, and have not had either educational, employment, or any other opportunity available to them?

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. I shall be delighted to yield to my colleague the gentleman from North Dakota [Mr. Andrews].

Mr. ANDREWS of North Dakota. Mr. Chairman, I certainly do not want to speak on whether or not this is a proper parliamentary time to be discussing the needs of Indian Americans, but I would like to point out that even more important is the fact that we must in this Congress realize that the Indian, the original American, is rapidly becoming the forgotten American. Perhaps it is because he has too few votes, but he has been fenced off on his reservation and forgotten for all too long. Those of us who have traveled the Indian reservations and seen the Indian people walking 6 miles to get water for their children and have seen Indians who do have jobs and the way they can take care of their families and the pride they take in their homes, recognize that we must have and should have rapid action on a way to provide job opportunities for the Indians on the reservations in America. I certainly feel Congress must act and act soon on this very important problem of implementing job opportunities for the American Indians. Indians are proud people, and should be, and those who can find employment do an outstanding job of meeting the needs of their families. This is the help they would prefer—help so they may help themselves and their people.

I am glad to associate myself with the remarks of my distinguished colleague, the gentleman from Minnesota [Mr. Langen].

Mr. LANGEN. Mr. Chairman, I thank my colleague for his most convincing remarks. Let me make just one more point. The amendment we have before us is very simple. All it does is to provide an incentive for industry to locate near a reservation so that the jobs might be provided; yes, and it proposes to do so by a tax exemption. Now all at once there is objection to a tax exemption. Around these Halls I have been hearing for the past several months of the good that can come to this country by virtue of reducing taxes and giving industry some chance to make a better contribution to our economy. All at once even this is bad if an Indian is going to share a little in that kind of an endeavor. But I notice there is a real hurried effort to get the tax reduction conference report enacted for the benefit of everyone else. I would like to say that at least we ought to provide the same effort in behalf of the Indians. Here is an endeavor that does not provide for any further Government restriction. It does not let Government reach out any further in its control and regulation of our populace. No. Rather, it does the reverse. It gives an opportunity for private industry, if you will, to come to the rescue of a situation that has been deplorable throughout this Nation for all of these many years. I can heartily recommend to you the adoption of this amendment.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The Chair recognizes the gentleman from Michigan [Mr. Dingell].

Mr. DINGELL. Mr. Chairman, it is a rather remarkable procedure we have here today. I would like to start by asking the author of this bill how much this is going to cost.

Mr. BERRY. I would say considerably less than the program that we have today.

Mr. DINGELL. Will the gentleman tell us whether there has been any cost estimate made with regard to this bill?

Mr. BERRY. There has been, but it has not been completed. However, it is relatively small.

Mr. DINGELL. Since the gentleman is the author of this bill or amendment, he would not mind telling me how much this is going to cost.

Mr. BERRY. It will be less than the one-fourth billion dollars, which we are now spending and annually appropriating.

Mr. DINGELL. The gentleman says less than a quarter of a billion dollars.

Mr. WATSON. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and sixteen Members are present, a quorum.

Mr. DINGELL. The gentleman has told us that this bill is going to cost less than a quarter of a billion dollars. I assume as the sponsor of this bill he knows how much less than or more than a quarter of a billion dollars it will cost.

Mr. BERRY. It has been estimated that the program may cost $1 million.

Mr. DINGELL. How much?

Mr. BERRY. One million dollars.

Mr. DINGELL. One million dollars for the whole bill, or a quarter of a billion?

Mr. BERRY. One million dollars for the whole bill.

Mr. DINGELL. The gentleman just told me that it is going to cost less than one-fourth billion dollars. One million dollars is a great deal less than one-fourth of a billion dollars.

Mr. BERRY. One-quarter of a billion dollars is what we are spending now. This program is estimated to cost about $1 million. But it will take some 40,000 people off the relief rolls which will greatly reduce the actual cost.

Mr. DINGELL. I am entitled to an answer. Can the gentleman tell me where he got this estimate of $1 million?

Mr. BERRY. From the Treasury Department.

Mr. DINGELL. How much is the so-called back-door spending under this program?

Mr. BERRY. There is no back-door spending.

Mr. DINGELL. That was taken out because the gentleman found out that would kill the bill, is that correct?

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Colorado.

Mr. ASPINALL. Mr. Chairman, I have a report from the Treasury Department under date of January 31, 1964, and there is no such figure as $1 million as the cost of this program. There is no such figure in any of these reports from the departments downtown.

Mr. DINGELL. I thank the gentleman. The fact of the matter is, Mr. Chairman, that here we have a bill that covers about 15 pages, with some 9 or 10 sections, which has not been studied by any committee. It is opposed by the Treasury Department; it is opposed by the Commerce Department; it is opposed by the Interior Department; it is opposed by HHFA. I happen to think that some of the things in this bill are good. But I think we ought to go through this bill in a careful and orderly manner. I think we ought to consider it in the appropriate manner. It ought to be heard and considered first in the appropriate committee.

I appreciate the plight of the American Indian. But I notice a number of things in this bill. Certain tax incentives are given to individuals who will locate in Indian areas. There is nothing which says that these tax incentives are going to go to the Indians or will be under Indian control, or that they are going to benefit, nor that the corporations which are owned and controlled by Indians will benefit from this.

Mr. Chairman, this in my opinion is a very important point. Beyond this, it prohibits the giving of bribes to Indians. I have no objection to this last prohibition; I happen to think it is bad for Indians to take bribes. However, why do we say that, when we do not say the same thing to a white man, when we do not say the same thing to a colored man or to a Chinese? I believe this is an important distinction.

Mr. Chairman, there is a tax incentive provision which deals with the Internal Revenue Code, which may cost the country not $1 million, not a quarter of a billion dollars, but would cost the country billions of dollars. The author of the amendment tells us we can expect it will only cost $1 million. However, the distinguished gentleman from Colorado [Mr. ASPINALL], chairman of the full committee, which committee has studied this matter for a considerable length of time, and the Department of the Treasury which has studied it, indicate it may well cost much more.

Who will get the benefits of this bill? The Indians, maybe; the exploiters of the Indians, perhaps. This point requires the careful considered scrutiny imposed by the regular order of the House.

How much will this cost? I do not know—the sponsor does not know, the chairman of the committee indicates there is no firm estimate; yet here we are considering it, without these essential facts.

Will this help the Indians? No one really knows. The sponsor hopes so—but no solid fact is adduced to show that it would do so.

Certainly the bill provides a kind of economic preference having no place in a civil rights bill. The basic legislation before us helps all religious, racial ethnic, minorities—Indians included.

If the Indian needs help—and I am sure he does—I am prepared to support legislation—considered, appropriate legislation, brought up after proper consideration. I pledge my efforts to this end, but let us not make so unwise an act as accepting an untested, unconsidered amendment such as this, at so unwise a time as this, when the amendment is so unrelated to the matter before us.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. SHORT] for 5 minutes.

Mr. LAIRD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LAIRD. Mr. Chairman, would it be possible to have the vote on the Reifel amendment at this time?

The CHAIRMAN. If the gentleman from North Dakota waives his right to recognition at this time, we could put the Reifel amendment.

Mr. LAIRD. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LAIRD. Would the gentleman from North Dakota be recognized after the vote on the Reifel amendment?

The CHAIRMAN. The gentleman would be recognized after the vote on the amendment. The same observation would apply to the gentleman from South Dakota [Mr. BERRY] and the gentleman from Colorado [Mr. ASPINALL], who are the three remaining speakers within the time allocated.

Does the gentleman from North Dakota [Mr. SHORT] waive his right at this time?

Mr. SHORT. I do, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. REIFEL] to the amendment offered by the gentleman from South Dakota [Mr. BERRY].

The question was taken; and on a division (demanded by Mr. BERRY) there were—ayes 61, noes 59.

Mr. ASPINALL. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. REIFEL and Mr. ASPINALL.

The Committee again divided, and the tellers reported that there were—ayes 94, noes 122.

So the amendment to the amendment was rejected.

AMENDMENT OFFERED BY MR. LAIRD

Mr. LAIRD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. LAIRD of Wisconsin to the amendment offered by Mr. BERRY of South Dakota: In section 802, following the words "Bureau of Indian Affairs" strike out the word "on" and insert in lieu thereof the words "within three years of".

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. SHORT].

Mr. SHORT. Mr. Chairman, I rise in support of the amendment offered by the gentleman from South Dakota, even though the amendment to the amendment offered by the gentleman from South Dakota [Mr. REIFEL], which would have improved the original proposal, was defeated.

I have joined my colleague in offering this same piece of legislation in every one of the Congresses since I have been down here, and this is nearly 6 years. It seems to me this would have been ample time to have considered the proposal of extending to the Indians of the Nation not only in my State of North Dakota and not only in South Dakota, but the Indians in the entire Nation, an opportunity to really help themselves.

I am glad this proposition was determined by the Committee on Rules as being germane to the civil rights bill, because I think this is an appropriate time to discuss the question. I believe this bill is appropriate as a title to the civil rights bill because the Indians of this country are largely unemployed, they are largely poorly housed, they are positively and strictly segregated in many Indian schools. They certainly have a problem that is related to the problem we are discussing here in the civil rights bill.

The Indian is discriminated against in this country, and probably one of the most obvious places that he is discriminated against, and I think a lot of the people will be surprised to know this but certainly everybody that is considering this bill today ought to know it, is in this situation: You let an Indian move off the reservation in search of a job or let him leave the reservation to get a job, and misfortune overtakes him, he loses his job, he is temporarily unemployed, he has an illness in the family, and he needs welfare assistance. But he is away from his home base, this little segregated place that is reserved for him, and he applies for public welfare, which is in a sense a national program supported at least partially by funds from the U.S. Treasury. He is told to go back to the reservation from whence he came, because there is the place he is supposed to be taken care of, there is the place where there are programs to provide for his welfare, there is the place where he must go if he is to receive the benefits to which everybody else is entitled as a citizen of the United States regardless of where he is or where he is from.

All this bill does is to provide a means of helping and encouraging the establishment on or near Indian reservations, of industrial establishments that would provide the Indian with an opportunity to have a job so he could help himself.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Colorado.

Mr. ASPINALL. I share my colleague's concern. My colleague as far as I can remember has never spoken to the chairman of this committee about the welfare of the Indians, in relation to the proposed amendment. Does the gentleman recall any time when he has ever spoken to me about this bill or about the Indian interest in its provisions?

Mr. SHORT. I would say to the gentleman from Colorado with all sincerity that I have introduced this bill in three sessions of Congress, and I have asked the gentleman appropriately for departmental reports, which the gentleman has received. I think I have indicated my interest in this bill. What would the gentleman have me do that I have not done?

Mr. ASPINALL. I would have you press a little further as you are doing at the present time, in trying to get committee support. I pressed it as far as I could for my colleague so far as departmental reports are concerned.

Mr. SHORT. But the gentleman apparently made the determination that there was not much point in pressing the bill before the committee because we had an adverse departmental report; is that not true?

Mr. ASPINALL. That is right, but we have not had any reports until within the last 2 weeks. You see that is what has been wrong. I am not upholding the procedure of the House which seems to require that a committee should not proceed until it gets reports from the departments concerned, but nevertheless that is the accepted procedure in the House of Representatives. That is why we have waited for so long as I can remember. My colleague never complained about it.

Mr. SHORT. I might say that I have found that it does little good to complain about bills not being taken up by a committee. I do not think the chairman of the Interior and Insular Affairs Committee has been holding back, but I also know that it is common practice to obtain departmental reports before taking up a bill in committee.

May I add that we have demonstrated at the jewel bearing plant at Rolla, N. Dak., that Indians are reliable and able workers in an industrial plant. We need and must have opportunities in areas other than agriculture on our Indian reservations in North Dakota. The development of the Missouri River has resulted in over 500,000 acres of land in North Dakota being flooded by the Garrison and Oahe Dams. Most of this land was a part of the Fort Berthold and Standing Rock Reservations. This was a tragic loss to our North Dakota Indians of productive grazing and farmland. Because there is not adequate opportunity in agriculture for our Indians, we need the industry that could be established under the provisions of this bill.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. BERRY].

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. BERRY. I yield to the gentleman from Wisconsin.

Mr. LAIRD. I thank the gentleman from South Dakota for yielding to explain the amendment offered by me.

Mr. Chairman, the amendment I have before the committee at the present time provides that this bill and the benefits in this bill shall be applicable to two Indian tribes that have been terminated from Federal supervision. One of these terminated tribes happens to be in my Congressional District, the Menomonee Indian Tribe. Under legislation passed by the Wisconsin State legislature, this tribe is now set up in a separate county. It is the only county I know of that has been segregated by State law as to certain property rights.

My amendment merely does away with the discrimination which would exist if the Berry amendment were adopted. In the Berry bill presented under the rule, this group of Indians would be excluded. The Menomonee Indians are making an all-out effort to establish themselves as a new county in Wisconsin. This task is most difficult and the problems of these fine people are far from solved. We hear much talk about making war on poverty all over the world but we seem to overlook some problems right here at home. The tax advantages and housing aid of this bill should be made applicable to the new Menomonee County of Wisconsin.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I would say to the gentleman from Colorado, I do not have the floor, the gentleman from South Dakota has the floor.

Mr. ASPINALL. But I understand the gentleman from South Dakota had yielded 3 minutes to the gentleman.

Mr. LAIRD. If that is the case I would be happy to yield to the gentleman.

Mr. ASPINALL. What the gentleman is saying is that the amendment now before the House not only provides for segregation between Indians on the reservation and Indians off the reservation, but also provides for segregation between the tribes that have been released from Federal supervision.

Mr. LAIRD. That is correct. This particular tribe is making an all-out effort in this new county and there is no reason that they should be discriminated against by this legislation.

I hope the House will accept this amendment.

Mr. BERRY. Mr. Chairman, I just want to point out some of the efforts I have made to get reports on this bill because of the fact that our committee will not set a hearing until a report is made by the Department. I have personally made six requests of the Department in writing, trying to get a report. That is in addition to those the committee has made. I made three telephone calls to the Commissioner himself asking the Commissioner for a report.

In October 1962, at a big meeting on the Pine Ridge Reservation, on the occasion of the visit there by the Commissioner, I explained the Operation Bootstrap program to the crowd. The Commissioner said, "I am in favor of this bill." I had said that we had not been able to get a report from the Department which is the reason we could not get hearings.

The Commissioner said he would report when the hearings had been set and not until.

I do not know how a person could get on the horns of a more serious dilemma, when the committee will not hold hearings until it gets a report from the Department, and the Department will not report until the committee sets hearings. That is the situation as it exists today and has existed since January 1961.

I believe the only way we can desegregate these Indian reservations is to provide jobs and to provide opportunity through industry on the reservations. Because the reservations are so remotely located, the only way to get industry to go to the reservations is to provide some kind of subsidy program or tax-exemption program. This proposal would provide for tax exemption.

We have done exactly the same in Puerto Rico and we have almost the same program in many of the countries of the Western Hemisphere. Under the Western Hemisphere Crop Act, we allow a 27-percent tax reduction to an industry which will go into any of the Western Hemisphere countries and establish an industry. Why is it possible to grant tax benefits to provide employment in other countries but not our own?

All I am asking is that we grant a similar concession to provide employment for our own people from whom we took this country.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado for 5 minutes to close debate on the pending amendment and the amendment thereto.

Mr. ASPINALL. Mr. Chairman, I yield to the gentleman from Arizona [Mr. UDALL].

Mr. UDALL. Mr. Chairman, in a few moments we shall vote on one of the important parts of the civil rights debate, the so-called Indian amendment.

We have heard a lot of misleading information. This is not the time and not the place to attach a bill of this kind. There have been no hearings before the Committee on Interior and Insular Affairs. The chairman of that great committee, than whom there is no more fair man in the Congress, has spoken against it. The gentleman from Pennsylvania, the ranking minority member of the committee, has spoken against it.

The Indians will be as fully protected as all other Americans in their job rights and voting privileges and use of public accommodations and every other civil right by the regular provisions in the titles of the pending bill. There is no need or necessity for this amendment.

The proposal which it is sought to add to this measure has not been adequately considered and would not do the job. It is full of pitfalls and gimmicks. One was just pointed out. It would not apply to Indian tribes which have been terminated. It would not apply to Indians off the reservations.

This proposal has not been fairly and adequately considered. I know the gentleman from Colorado will see that this kind of legislation is adequately considered. He has done more for American Indians than any other person.

I am advised that many Indian tribes and groups have stated that the Berry amendment, in its present form, is not approved by them. I hope the amendment will be defeated.

Mr. ASPINALL. Mr. Chairman, it is my understanding that such organization is in opposition to the present amendment. There are many Indian tribes. It is my opinion that many of the Indian tribes do not support this proposal at this time.

I say to my colleagues that as soon as the great Committee on Ways and Means gets the information and reports back to the Committee on Interior and Insular Affairs relative to the effect that part of the proposal dealing with Internal Revenue has upon the Treasury of the United States, it will be in order for the Committee on Interior and Insular Affairs to hold further hearings on the legislation.

Mr. Chairman, I ask for a vote.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. LAIRD] to the amendment offered by the gentleman from South Dakota [Mr. BERRY].

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. BERRY].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. BERRY. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BERRY and Mr. ASPINALL.

The Committee divided, and the tellers reported that there were—ayes 95, noes 149.

So the amendment was rejected.

The Clerk read as follows:

TITLE VIII

Registration and voting statistics

SEC. 801. The Secretary of Commerce shall promptly conduct a survey to compile registration and voting statistics in such geographic areas as may be recommended by the Commission on Civil Rights. Such a survey and compilation shall, to the extent recommended by the Commission on Civil Rights, include a count of persons of voting age by race, color, and national origin, and a determination of the extent to which such persons are registered to vote, and have voted in any statewide primary or general election in which the Members of the United States House of Representatives are nominated or elected, since January 1, 1960. Such information shall also be collected and compiled in connection with the Nineteenth Decennial Census, and at such other times as the Congress may prescribe.

AMENDMENT OFFERED BY MR. TUCK

Mr. TUCK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TUCK: On page 86, line 3, strike out all the language on lines 3 through and including line 16 on page 86, and insert in lieu thereof:

"SEC. 801. The Secretary of Commerce shall promptly conduct a survey and compile registration and voting statistics in geographic areas of the United States. Such a survey and compilation shall include a count of persons of voting age by race, color, and national origin, and a determination of the extent to which such persons are registered to vote, and have voted in any statewide primary or general election in which the Members of the United States House of Representatives are nominated and elected, since January 1, 1960. Such information shall also be collected and compiled in connection with the Nineteenth Decennial Census, and at such other times as the Congress may prescribe."

Mr. TUCK. Mr. Chairman, I shall state the case as briefly as I know how.

Mr. Chairman, the amendment which I have offered would delete the language as presently included under title VIII which would authorize the Commission on Civil Rights to direct the Secretary of the Department of Commerce to make a survey and compile permanent records in any area of the United States, in any congressional district of the United States, or any part of any congressional district of the United States.

My amendment would direct the Department of Commerce to promptly gather such information as is set out in title VIII and it would authorize that it be done all over the United States and not just in certain areas.

In effect, Mr. Chairman, my amendment would strike that part of the language of this bill so as to make it possible to have this survey promptly, but it shall be made by the Secretary of the Department of Commerce or by the Department of Commerce. However, it would not be made at the direction of the Civil Rights Commission. Further, it shall be made in all areas of the United States alike.

Mr. Chairman, if we pass title VIII as it is presently written, it would be highly discriminatory. But, of course, discrimination may be what some people want so long as the discrimination is in their favor. However, I am certainly opposed to that kind of discrimination in this instance. It seems to me to be unfair and unwise indeed to confer any such power as this upon a subagency of the Government, to enable it and authorize it to require a Cabinet officer, an officer of Cabinet rank, serving in the Cabinet of the President of the United States, to follow its direction.

Mr. Chairman, it is my opinion that any legislation which we pass should be important legislation and be of a meritorious nature, contrary to some legislation which we have heretofore passed. I do not believe there is any record of any such legislation as this.

Mr. Chairman, I truly hope that my amendment will be adopted, thereby leaving out the objectionable language to which I previously referred. It would truly be more preferable, as has been suggested by the gentleman from North Carolina, who will offer an additional amendment later on, to strike out the entire section and have nothing remaining in the bill pertaining to this survey.

Mr. Chairman, let us continue with our regular decennial census in 1970. The amendment which I have offered would authorize the Secretary of Commerce to promptly conduct a survey along the lines contained in this bill, and he shall do it promptly. It will enable him to obtain the same information which is sought to be obtained in title XVIII. My amendment also would require that it be done again in the regular decennial census to be held in 1970.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. TUCK. I shall be delighted to yield to the gentleman from Mississippi.

Mr. WILLIAMS. Mr. Chairman, I want to congratulate the distinguished former Governor of the great State of Virginia for offering this amendment. It is difficult for me to understand why such a survey should not be made for the entire United States rather than selected geographic areas. It seems to me that the purpose of the language contained in the committee bill is to provide for collecting information on certain areas—and we know what those areas are—they are the States of the South. This title is aimed at our people; let us not be deceived.

Mr. TUCK. The gentleman is exactly correct, except that they may go into any areas of the United States, and particularly into any congressional district. They may decide to go down and make an investigation to find out where the unregistered voters are located, get those voters registered, and bring them to the polls and vote any man in or out of Congress in accordance with what they want to do.

Mr. Chairman, I certainly think that would represent a bad case of legislating. I would hope that my distinguished chairman, the gentleman from New York [Mr. CELLER], would accept my amendment.

Mr. Chairman, I want to take this opportunity, in the few remaining minutes which I have, to say that I congratulate my friend the gentleman from New York [Mr. CELLER] on the generous way in which he has conducted himself during this tedious debate. It is true that while we have asked for bread, at times he has given us a stone, but always with a smile. I particularly want to congratulate the distinguished Chairman of the Committee of the Whole House on the State of the Union [Mr. KEOGH] for the very able and skillful manner in which he has presided over the deliberations of this body and for the fair and impartial manner in which he has presided during this historic Monday debate.

Mr. CELLER. Mr. Chairman, I am constrained to rise in opposition to the amendment offered by the gentleman from Virginia [Mr. TUCK].

I wish with all my heart I could agree with the amendment offered by the distinguished gentleman from Virginia. We all love him in our committee, and I am sure you all love him because of his splendid attainments, his affability, his benign, erudite, articulate way of expressing himself. He is an ideal Member of the House.

Unfortunately, because of our coming from geographically different locations, we cannot always agree with one another. That is why I am constrained to take issue with him on his amendment.

His amendment would limit the areas in which these registration voting statistics would be gathered and would widen the areas to include the entire Nation. I think that would be idle and it would be far better to limit the so-called investigations to certain areas. The resulting information with reference to the compilation of registration voting statistics by race, color, and national origin, are helpful to the Congress in determining the dimension of discrimination in voting and would aid the Congress in assessing the progress made in assuring to each qualified person the fundamental right to vote. In order to avoid unnecessary burden and cost, however, the survey required will be made only in those geographic areas specified by the Commission on Civil Rights. The Commission on Civil Rights has been laboring ceaselessly for a long, long time, on this subject. They have the expertise. They know where there are denials and where there are no denials. The Commission will recommend the extent to which the survey and the resulting statistics should be secured with respect to race, color, and national origin. In this way it will be possible to focus on the areas and groups as to which there is reason to believe there has been discrimination. Obviously, race has not been a basis of disenfranchisement in all areas, and there is ample proof with reference thereto, that race has not been a basis of disenfranchisement in all areas. We all know that. Similarly, national origin has operated as a factor in voting discrimination with regard only to certain groups, not of all groups, throughout the Nation. Thus, there is no reason to incur the added costs of a nationwide compilation when a more selective survey can provide the desired and needed information.

It seems unnecessary, therefore, to require that a nationwide survey be conducted with respect to persons of all races and all national origins. To require, for example, compilation of voting and registration statistics for the entire country with respect to persons of English or Norwegian descent would seem unwarranted. The dimension of the survey to be conducted can best be limited, and compilation of necessary and useful data assured by relying upon recommendations of the Commission on Civil Rights, which through its past and present investigation of voting practices can be expected to suggest that the survey be conducted only in those areas and with respect to those minorities as to which there is reason to believe discrimination has been practiced. For that reason, I again say reluctantly, I hope the amendment will be voted down.

Mr. MATHIAS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is a matter of deep regret to me that I have to rise to oppose an amendment offered by my friend, colleague, and neighbor, the gentleman from Virginia, but I think if we understand the background and necessity for this provision in the bill it will be apparent that this title should stand without amendment.

In all candor, I am sure we all understand that the basis of this title when it was first originated was the second section of the 14th amendment. In the course of the hearings on this bill there were, however, many instances, and I can cite just by way of illustration and not by way of limitation one which appears on page 1434 of the hearings. The Attorney General referred there to the fact that the Justice Department, in dealing with certain statistics in cases affecting voting, must call for figures in some cases from the Bureau of the Census, in others from the Civil Rights Commission, and from other sources. In those cases the figures the Justice Department relies on come from many sources and are not available at a single point. We think therefore that the information which would be provided under title VIII is peculiarly necessary.

In addition, title VIII would put the Congress in the position of following the recommendation in the 1961 Civil Rights Report, which at page 141 of the first volume recommends that the Congress direct the Bureau of the Census to initiate promptly a nationwide compilation of registration and voting statistics. It would then be in a position to implement the second section of the 14th amendment if it is necessary to do so.

Mr. ROBERTS of Texas. Mr. Chairman, will the gentleman yield?

Mr. MATHIAS. I yield.

Mr. ROBERTS of Texas. Is my distinguished friend from Maryland afraid to lay out before this body all the information? Let us get all the information so we can pass on it and look at it everywhere across the country. Is the gentleman afraid to let them get it all and allow it to show?

Mr. MATHIAS. I would be glad to have the entire Nation surveyed when and if there is a need. I have in mind comments made during the last week by our distinguished colleague from Iowa, who refers to the cost. We do have a cost estimate for this title of the bill of about $1 million annually to do what might be expected to be done under the present provisions of the bill. But if you go into a nationwide survey including places where nobody is being deprived of the right to vote or is being discriminated against, then you are going into a tremendously increased expense, and for no public good.

Mr. ROBERTS of Texas. If you have that information available for the Congress, if my State shows up badly, let it be shown to the world. But let us look into the whole picture. There is nothing wrong about that. It is not going to cost a great deal of money. Let the Secretary of Commerce bring it all out. I am amazed the distinguished chairman of the Committee on the Judiciary did not accept the amendment.

Mr. MATHIAS. I think a mandatory nationwide survey would accumulate a great deal of extraneous information although there is no need for it. If it is shown that a need exists, the Civil Rights Commission could recommend to the Secretary of Commerce that such information should be obtained and it would be obtained. That is the way the bill is set up, to economically and efficiently provide for the information that is necessary in order to carry out the provisions of the Constitution and to properly enforce the laws.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HENDERSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is the first opportunity I have had to speak on this very important legislation. I have been moved in the last few minutes more than I have been because this is a subject I have been prepared on.

Prior to the House debate, practically everything which has been written about this bill has been deliberately twisted and distorted to reflect the viewpoint of the author. Its proponents describe it as a "modest" or "moderate" measure, which it certainly is not. Its more extreme opponents have predicted that its passage would bring about a Hitler-like police state which would spell the end to our American way of life.

My personal view is that the bill is unwarranted, unnecessary, and will not accomplish what its advocates really want. It gives the Justice Department authority it has never had before and should not have now to proceed against State officials and private individuals, to force them to give what amounts to preferential treatment to Negroes.

In the name of justice and fairplay, it gives extremely broad authority to the

Attorney General to bring court actions to enforce rights recited in the bill. The entire expense of such litigation from the standpoint of the complainants is borne by the Federal Government, while the local governmental unit and/or individuals against whom the proceeding is brought must defend the suit at their own expense. This is hardly justice. It is hardly fairplay to throw the weight of the Federal Government behind a proceeding against an individual businessman and make him defend it at his own expense.

It has been interesting to me to hear at least some so-called liberals who, in a broad sense are for what they like to call civil rights, admit doubts that this bill would accomplish its ostensible purpose.

As I have consistently stated, the true goal of the civil righters is personal, social acceptance of Negroes by whites as equals. This cannot be brought about by legislation or court decree, by Executive order or Federal bayonets. It will occur only when persons of good will of both races voluntarily determine in their own hearts that it should be so. I oppose and will vote against the bill; not because I oppose equal rights for all, but because I oppose the concept of using Federal force to ram down the throats of our citizens social customs with which they disagree.

I am amazed that we hear admitted so openly that the purpose of the provision which the gentleman from Virginia seeks to amend is focused at certain areas in these United States. It is admitted that once there is an allegation of wrongdoing in voting in a given area the Civil Rights Commission may call on the Secretary of Commerce and say, "Go and take a survey"—not count all the people—but take a sampling and a survey. Then we will spread that information across the land of America.

The amendment that the gentleman from Virginia proposes is not exactly what some of my colleagues would have. Some would have us strike out all of this head counting. Perhaps that would be better. But I point out, the gentleman's amendment is reasonable. He is saying, make the survey properly—make it nationwide. Perhaps these voting statistics will show where discrimination is being practiced. If it is being practiced in the district of my good friend, the gentleman from Virginia, I am sure he would like to know it just as I would if practiced in mine.

I do not want to focus the gun at any of my colleagues and say that the Civil Rights Commission will trigger the head count and the survey in a particular congressional district. Mr. Chairman, all that we are asking for at this point, since we have not gutted the bill, is that we get a little bit of order and fairness in title VIII, with regard to voting statistics.

In all sincerity and in all seriousness, I say that voting statistics can be helpful. I will support them, but for them to be helpful, they must be reliable and they must be nationwide and not limited to any geographical area.

I am interested in what the voting situation is with regard to Puerto Ricans in New York as well as I am with regard to Negroes in the South or Asiatics in California. We will not get this if the gun is pointed at certain areas. The survey should be nationwide.

I think the gentleman from Virginia has been very fair and very openminded and has afforded us an opportunity to put some equity into this bill and into this title. For the first time, we hear something about the cost of the so-called civil rights bill. Yes, a nationwide survey will cost more money, but if it is necessary, we ought to spend that money. The Census Subcommittee has held hearings over a period of several years with regard to a mid-decade census, in which we would count all heads and in which we would know, mind you, sex and the national origin of people. A mid-decade census is an expensive proposition, but it would be uniform. If we wanted to add voter statistics in a 1965 mid-decade census, the Congress could do it. If we are going to adopt this bill, this section should at least be amended as recommended by the amendment offered by my good friend, the gentleman from Virginia. I am just at a loss, after you proponents have won all of the other points, that you cannot see here that the gun is going to be pointed at individual Members of the Congress, and at some congressional districts, to say nothing of being pointed at certain States. This just is not fair or equitable.

The Congress in no other instance would do this. I believe I can speak, as one member of the committee, to say that if the House Post Office and Civil Service Committee, which has jurisdiction over a national census, were handling this provision, it would not give serious thought to taking a shotgun approach for any census, because that would not be fair or effective.

I urge Members to give serious consideration to the amendment of the gentleman from Virginia. I commend him for offering it.

Mr. WYMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. WYMAN. Mr. Chairman, I have not previously spoken in the course of this debate. I do not expect to speak again. But I have followed the discussion closely and as the hour approaches when we will vote on final passage I can no longer remain silent.

I am sure that we are all agreed that there is and should be no such thing in America as second-class citizenship. We are likewise agreed that public functions of both the States and the Federal Government must be open to all citizens regardless of race, color, or religion. It is surprising, dismaying, and even shocking that there should be any need to legislate such things; any need to enact laws that require human beings to so conduct themselves toward other human beings that such a minimum of mutual respect and decent treatment should have to be assured by law.

Yet in all this controversy certain essential fundamentals of government shine clearly if we will but think carefully. And now is the time for us to think carefully even if some parts of the Nation appear to let their emotions run away with them on this subject. We are the representatives of the people—of all of the people, colored, white, sectarian, and nonsectarian—and it is for us to do the best we can to secure and preserve to the American people their rights and privileges under the most wonderful instrument for representative government yet devised in this world, the American Constitution.

A substantial proportion of the Members of this House are lawyers, sworn to uphold the Constitution as lawyers, and sworn again as Members. This is our oath, this is our duty, this is our responsibility, as we seek through the legislative process to help supply some answers to some very pressing social problems that we all recognize exist, and we know we must do something about, not merely as Congressmen but as citizens of a truly free country. And it is worthy of mention that several of our membership are colored and that at least two of these are chairmen of important and even vital committees of the House. So it can scarcely be urged that indeed this is not the land of opportunity or that such opportunity is not open to all citizens regardless of race or color or religious preference.

In other lands we have seen what happens when the leadership has chosen to follow the path that the end justifies the means. Whether a beneficent despot, a tyrannical Fascist, or a cynical Communist, whenever this has been the direction of government it has been the people who have suffered. Freedom has been lost and human rights have been brutally disregarded in the courts, in the streets, and in the ghettos. We must be ever vigilant to make certain that in our zeal to accomplish a lessening of social injustice that we do not ignore the wisdom of our Constitution or for that matter the plain and simple truth that even the Federal Government of the United States of America is one of limited powers.

Reduced to its lowest common denominator what does this mean for us in respect to the subject matter included in these proposals that have been called the civil rights bill? It means that we must adhere to the Constitution and this in turn means that we may impose requirements of this type in things Federal or upon activities in the several States that are truly State action, and not more. It means finally that there is no power in this Congress to legislate as is here proposed in regard to private lives, private business, and individual activity within and among the several States having nothing to do with interstate commerce and not constituting State action.

And it is the sheerest hypocrisy to contend that by so defining such private conduct that it becomes constitutionally amenable to Federal law when the power to enact that law was never given to the Federal Government in the Constitution.

It is hypocrisy compounded by fraud upon the people to ignore these basic truths because some Members believe there are more votes for their reelection to be found in perpetuating the fraud than in protecting the constitutional rights of the people—all the people, both white and colored, Protestant, Catholic, Jewish, and disbeliever.

Mr. Chairman, let us face squarely what each of us knows deep down inside. In several important respects this legislation is an unconstitutional extension of Federal power over the private rights of individual American citizens to live their private lives or conduct their private business as they please—short of criminal offense—and over the powers and rights reserved to the States and to the peoples thereof, to regulate the pattern of living within State borders, each unto each as the legislatures of each determine.

It is way past time here when some pretty plain English was spoken—on the record and not just in the cloakrooms—so that we may get hold of ourselves and not go off the deep end with this legislation. It is common knowledge that if a secret ballot could be taken on this bill in its present form it would not get 50 votes. This legislation is a baldfaced attempt by a majority of the States to impose on a small minority of other States a way of living private lives that the minority of States at least to this date have not seen fit to require within their borders. The making of such a statement is not to condone nor support the way of life that has prevailed within the borders of this minority, but the Constitution is as clear as a bell that except as State action may be involved there is just no constitutional power whatsoever in the Federal Government to do this in non-Federal matters. There are still many private rights in America that under our Constitution are beyond the power of government to regulate, and one of these is the right to pick and choose one's associates, one's friends and one's customers in private business. It is of little avail to urge that the elimination in this proposed legislation of retail stores solves the invasion in the same legislation of these private rights of all Americans. It does not, for the simple reason that the fatal defect of the so-called public accommodations restrictions is that while these accommodations may be open to the public they are privately owned and privately run. If they are not subsidized by taxpayers' money or by Government in any way, nor engaged in interstate commerce, there is simply no power under the Constitution to regulate them by the Federal Government in the sweeping manner proposed in this bill. The definition of interstate commerce in the bill is a snare and a delusion.

With all due respect to the chairman of the Judiciary Committee and to the ranking minority member, I am constrained to say to my colleagues here that in my opinion this legislation is fatally unconsitutional in several important respects. For what it is worth I give this opinion as a graduate of the Harvard Law School, Attorney General of one of the States for nearly a decade, and twice chairman of the American Bar Association's Standing Committee on Jurisprudence and Law Reform for the country. I give it not to make trouble, not to stir controversy further, but only to voice my deep conviction that passage of unconstitutional legislation in the face of political pressure, contrary to oath to support the Constitution, on the basis that the end justifies the means, is a perversion of our function as responsible legislators. I cannot in good conscience be a party to passage of legislation that no matter its good intentions makes a mockery of the U.S. Constitution. I cannot do it and I will not do it although there are more experienced political mentors who say it will be returned to constitutional limits by Senate action no matter what is done here in the House.

Suppose it is not. Suppose the Senate were just to steamroller this package right straight through to a President publicly committed to sign it into law. A vote here for this bill is a vote against the proper interests and reserved rights of the American people, not a vote for them. Make no mistake about one thing. This is that we are dealing with an iceberg here. Nine-tenths of public opinion on this legislation has never been shown on the surface. When people realize what an invasion of their private rights is here involved—and they will come to realize it as time goes by should this ever become law—we can rest assured that as surely as there will be an 89th Congress, a vote in favor of this bill will come back to haunt those who did so.

This is not to say that all of this legislation is undesirable. Not at all. But its sponsors have insisted on wrapping the entire package up in one piece, so it is now to be before us on a take-it-or-leave-it basis—all 10 titles. It is not the kind of package we ought to put together, yet a majority of this House has refused to permit consideration of the packages separately. Thus, to have voting protection in Federal elections and a 4-year extension of the Civil Rights Commission, both desirable objectives, we must also have a so-called public accommodations title, and an equal employment opportunity title, both of which titles, by the way, are as misleading as their names are self-serving.

Where is the unconstitutionality in this bill? In title II, called "Public Accommodations," and title VII, called "Equal Employment Opportunity," to say nothing of other provisions of an act that is so long and so cumbersome that very few individuals in the entire country have ever even read it all the way through. They like the sound of it, because it is called "civil rights," but if they read it carefully and consider its consequences if ever put in operation they will not like all of it, not a bit.

The fatal defect of the public accommodations section is that the bill attempts by definition to declare that inns, motels, hotels, or lodging houses, or restaurants, or other facilities selling food, or motion-picture houses, theaters, arenas, and the like are interstate commerce upon a formula that has never been held to constitute interstate commerce by any court, and that defies commonsense and good judgment as to what constitutes interstate commerce even to laymen. It should be clearly understood in this connection that what is here sought to be regulated is private business. These are not federally run establishments nor even State-owned or operated. They are privately owned—maybe even by you or me or our next-door neighbor, be he or she black or white.

My friends, if they are privately owned and operated and if they are not in interstate commerce, there is no power anywhere in the U.S. Constitution for Congress to regulate their choice of customers. And it is wrong for us now to subscribe to this legislative legerdemain out of sympathy toward some who may have been unreasonably turned from the door on a stormy night or when far from home, when what we do here is to destroy the private right that each of us has under the Constitution to run his or her business affairs that are not in interstate commerce as we see fit, short of committing a crime in the process. Now we would hope that in running our business we would not discriminate among customers solely on the ground of race, color, or religion. And we would hope that anybody who did do this would lose his business and eventually, if he kept it up, be forced out of business by public opinion. But not by some assistant Attorney General from far-off Washington on the basis of a complaint that there has been discrimination when in fact what occurred was that we just decided we did not want the complainant as a paying customer. This is our right as American citizens and taxpayers. We have never subscribed even by the Founding Fathers to a Constitution that ever gave to the Federal Government the power to say by decree that if we want to engage in business for a profit we must so manage the business as not to be discriminating in our choice of customers. Heaven forbid such doctrine or yet another rock in the foundation of free enterprise will have been shattered by representatives of a government that itself grew to giant stature and strength in a competitive world through that very same free enterprise.

And it is no real answer to say that there are more customers than there are landlords, and hence that customers also being voters there will be more votes for those who vote for such an unconstitutional policy of compulsion. Did you ever stop to think that most customers like to be selected as well as selective. They choose their hotel or motel or restaurant just as that hotel or motel or restaurant chooses them.

It would have been perfectly possible to confine the scope and sweep of the public accommodations section of this bill to genuine interstate commerce but this has not been done. Even the distinguished gentleman from Michigan [Mr. MEADER] offered an amendment to limit the scope of the title to such institutions adjacent to the interstate highway system but this was peremptorily rejected by those who for obviously political reasons here want whole hog or none.

Likewise, the 14th amendment to the Constitution of the United States, in its admonition that all citizens of the United States shall be entitled to the equal protection of the laws, has long since been held to apply only to State action not to individual conduct within a State. Now we all know what State action is and what it is not. If the State police carry out a prescribed operation this is clearly State action—if a State law prescribes a policy of segregation its adherence within a State is undoubtedly the same—but if the private establishments within a State determine in the exercise of their private discretion that they wish to confine or classify their customers and this policy is neither aided, abetted nor regulated by the State, there is absolutely no constitutional power under the 14th amendment for the Federal Government to regulate it, whether or not a majority of Congressmen approve or disapprove of it.

And in title VII, called "Equal Employment Opportunity," there is a completely unconstitutional declaration of policy that purports to impose upon private employers a legal obligation by defining a right in citizens of the United States to be free from discrimination by employers in that private employment. Again, of course, there are more employees than employers, but where in the Constitution of the United States is there to be found any authority whatsoever to allow the Congress by Federal law to control private employment practices in the several States to the extent of declaring whom a private employer may hire and fire short of juvenile laws and conditions of work? There is none, even as to employers who manufacture goods that find their way into interstate commerce.

One would think that the proposers of so bold an invasion of private rights throughout this Nation would have at least required that the employment have something to do with the Federal Government—that it would involve a Government contract or be on a Government job or be truly engaged in interstate commerce, not merely "affecting" commerce. Such looseness applies Federal power to you or me, or John Smith in Middletown, U.S.A., who employs more than 25 persons. It is a completely, patently, and blatantly unconstitutional grab for Federal control over our people. It is, of course, politically inspired, motivated in part by human sympathy, but it again would have us vote that the end justifies the means. If enacted, we would pay an awful price for it in loss of constitutional protection for each citizen of America because if the Federal Government can legislate itself into private business by drafting definitions of human rights for the express purpose of modifying the Constitution without a legitimate process of constitutional amendment, virtually anything can be next.

I repeat that I believe this legislation is patently unconstitutional.

Mr. Chairman, to those who would make reckless haste here at the expense of cherished constitutional principles, I can only caution once again that we are dealing with an iceberg. When the full scope of the destruction of private rights by this legislation is made known to all of the people of the United States, then the iceberg will expose itself to full view in protest against such unconstitutional legislation.

If we do not stand up and be counted in this Chamber for what we know is legally required by the Constitution of the United States of America, then what are we preserving? Do we have majority rule in this land or do we not? Are we to abdicate our responsibilities as Congressmen to satisfy a minority pressure that urges that out of sympathy and a record of social injustice because regulation by Congress of those States that have failed to regulate is a desirable end, that we should with this legislation say "Damn the Constitution, full speed ahead"? Of course not.

Mr. Chairman, certain parts of this bill do violence to the very cement that holds America together. They disregard and destroy the wisdom of our forefathers written into our Constitution. I came here to uphold the Constitution, not to destroy it. To uphold it I am compelled to vote against this bill.

Mr. WHITENER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. TUTEN. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. I yield to the gentleman.

Mr. TUTEN. Mr. Chairman, I wish to associate myself with the remarks of the gentleman from New Hampshire.

It was my privilege to go before the Rules Committee and express my vigorous opposition to the civil rights bill. Although I have been hesitant as a freshman Congressman to appear on the floor, I cannot remain silent any longer. The debate during the past week made my blood boil. It is my conviction that all Members of the U.S. Congress should rise above partisan politics and protect the interest, welfare, and freedom of the American public. This plea is made in behalf of all citizens of the United States. The freedom of all races of every color and origin is definitely at stake. Complete equality before the law should be extended to every man without regard to his race, religion, or locality, but the terms of this bill (H.R. 7152) are ridiculous, unreasonable, and absolutely detrimental to the rights, privileges, and freedom extended to the American citizen under the terms of the Constitution of the United States.

Slavery has no place in the world today. Every man is entitled to the right to vote, the right to make his own personal choice, the right of a trial by due process of the law, and the right to own and control private property. These and all other rights to which a citizen is reasonably entitled are guaranteed under the Constitution of the United States. It is certainly reasonable that any citizen, anyone who pays taxes and bears arms in defense of his country, is entitled to all the rights of citizenship and this certainly would include any service or the use of any facility provided by public funds. Morally and technically, this would include the right to attend a public school. However, I am convinced that the Government should permit the choice of the people to prevail. It is absolutely ridiculous to transfer students across town, outside of their own school districts, in order to satisfy the opinion of some bureaucrat that the students of some particular school are not properly proportioned from a standpoint of race.

It is amazing, indeed, that the U.S. Congress would consider legislation which takes from the American people the right of personal choice in the operation of their private places of business. It is alarming that the U.S. Congress would consider a bill authorizing the Attorney General to require any citizen in private enterprise to serve anyone against his will. Every citizen has a right, as he travels the highways of our country, to decide whether or not he desires to secure lodging in any place of public accommodation on the basis of its appearance, the appearance of the owner, the manner in which it is operated, or by any other standard which he desires to use. Is it not reasonable that a private owner of an establishment should enjoy an equal privilege in determining whether he should accommodate the traveler? The privileges to which I refer are privileges which should be enjoyed by every citizen of the United States whether he be white, Negro, Indian, Oriental, or otherwise. It becomes the duty of the U.S. Congress to protect the rights and the freedom of all of its citizens.

How inconsistent can an assembly of so-called leaders be. Last Saturday, I heard Members of this House pour out their hearts in behalf of the constitutional rights of an atheist during debate on a bill which takes from the American citizen some of the basic rights guaranteed under the Constitution of the United States. The same Members who defended the right of an atheist to demand employment are the ones who argued vigorously in behalf of legislation which would impose upon our most worthy citizens involuntary servitude and withhold from them their constitutional right of a jury trial. It is our responsibility as Members of this Congress to extend to all citizens every possibility to succeed according to American tradition; a real American expects the price of achievement to be character, ability, and aggression.

There is no need for this legislation. This bill would find its appropriate place in Russia's Soviet system of government.

May I warn you that American citizens will not hold this Congress guiltless for forcing this kind of legislation upon them.

Mr. WHITENER. Mr. Chairman, for the past 7 years I have on numerous occasions had the great flattery of being introduced when I was about to speak to organizations as a member of the "powerful" Judiciary Committee of the House of Representatives. I always appreciated that, but never as I have appreciated it since we have come to debate this bill. I find for the first time that this powerful committee of which I am a member not only has the jurisdiction as set forth in the rules of the House but has now moved into the area of the Ways and Means Committee, the Post Office and Civil Service Committee, the Education and Labor Committee, and whatever other committees anybody downtown suggested we ought to take over.

Here we are today with a title, title VIII, where the Judiciary Committee has taken over the office of the Secretary of Commerce.

In other words, the Civil Rights Commission shall have regulatory powers over the operations of the Department of Commerce and the Bureau of the Census. Why do I say that? If the Members will read title VIII as it is written, on page 86 of the bill, they will see that the Secretary of Commerce is given certain congressional directions to make surveys of voting statistics and registration statistics. However, that is not all the bill says. It does not stop there. It says that he can only make those studies which the Civil Rights Commission wants him to make. What sort of operation is that?

Mr. Chairman, some of my friends on the other side of the aisle are worried for the first time about the cost of this bill. We had some discussion earlier about a provision which really would involve cost. We have just heard their wonderful speeches about the rights of the man involved and that we should not be worried about the dollar.

However, Mr. Chairman, when the rights of the people to know are involved, then they become worried about the money.

Mr. Chairman, as far as my State of North Carolina is concerned, we do not have any worry about voting statistical studies.

Mr. Chairman, if we are going to have meaningful statistics, we should adopt the amendment which has been offered by the gentleman from Virginia [Mr. TUCK]. We should have the statistics for every State in the Nation. The lawyers understand why this provision is contained in the bill. We have in the existing civil rights law the nebulous language of "pattern" and "practice." Some bright fellow down in the Department of Justice—and I do not blame the chairman of the committee for drawing this bill; he is too good a lawyer to have done it—someone down there suggested that they could use the Census Bureau to obtain evidence to be used in court cases.

Mr. Chairman, this constitutes another new departure. When in the history of the country have we used the Census Bureau to develop evidence to be used in cases brought against citizens of this country? This is a new departure. This should not be tolerated.

Mr. Chairman, those of us who believe in constitutional government and who believe in the proper operation of the Department of Commerce do not think this procedure should be followed.

We have just heard from a very distinguished gentleman, a lawyer of great note and one of the outstanding members of the American Bar Association, a man who served with distinction as attorney general of his State for many years and one who comes from a section of the country different in its racial complexion from the Deep South, who has raised a conscientious objection to the provisions of this bill on the same grounds as some of the others of us have stated. I believe the message which he has given to us should serve to gird the loins of some of those who are weary in well doing and cause them to take a stand today, or if we vote on this bill tomorrow, for the Constitution of the United States and for this form of government which has meant so much to every soul in the country, whether white, colored, or of whatever religious faith.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on this title and all amendments thereto to title VIII conclude in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. WILLIAMS. Mr. Chairman, reserving the right to object, does the gentleman from New York know how many more amendments are pending at the Speaker's desk?

Mr. CELLER. If the gentleman will yield, I do not known how many there are pending.

The CHAIRMAN. The Chair will state that there are no amendments pending to title VIII at the Clerk's desk.

Mr. WILLIAMS. Mr. Chairman, I understand that there are several amendments yet to be offered.

Mr. CELLER. There may be.

Mr. WILLIAMS. Mr. Chairman, I object.

Mr. CELLER. Mr. Chairman, I withdraw my unanimous-consent request.

Mr. GURNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, like my colleague from New Hampshire, I have sat here for some days listening to the debate on this civil rights bill, and I am impelled to offer a few grains here to the civil rights grist mill.

I would like to put it this way. As many of you know, I represent a district in the Deep South, in central Florida, but you can also recognize from my talk that I do not come from there. As a matter of fact, I come from a State which neighbors that of my colleague from New Hampshire, and we went to some of the same schools together. I subscribe to what he said 100 percent about putting the thing in proper perspective, getting it out of the realm of emotion of integration and segregation, of color and all of the rest of the business that has been tangled up here for 10 days or more, and putting it in the perspective that I myself believe and the way I would like to have put it if he had not already said it. It is a matter of the constitutionality of the act, and it is a question of placing too much power in the hands of the Federal Government.

Actually, in the district I represent, while it is in the Deep South, and has many southern Democrats who think along the same lines as the opponents of the bill from the Southern States. It also has people from all over the United States that reside in the State of Florida. They come from the North, and East, they come from the Middlewest, they come from the Far West. They represent a kind of a melting pot of America.

It does not matter which way I vote, I am going to make some friends and lose some friends, but the reasons I am going to vote against this bill are the very reasons that were put forth by my colleague from New Hampshire.

Instead of offering a civil rights bill which might get this problem along on its proper course and on the proper track, the sponsors of this legislation have here presented a bill that, in my opinion, will place powers in the hands of the Federal Government to an extent that the lawmakers in Congress have never placed before. That is the reason I oppose it.

As a matter of fact, if this title VII in the bill goes through in its present form as drafted, and the other body does not change it, it is going to set back the private enterprise system in America for scores and scores of years. As a matter of fact, I can cite to you instances, if I felt I were not breaking confidences, of employers who last year in this Nation were forced by the Federal Government into hiring people, and in some instances when they wanted to fire them because the people were not competent they could not do so. I am speaking of colored employees. They were not able to do so at the time. These were cases where there was no law in support for the hiring or the firing. They did it on their own volition, and as a matter of good will, in order to get this civil rights problem in our country along the way, and to try to solve the problem. What do you think is going to be the problem of the employers in this country when this title VII gets on the statute books? As I say, this is going to put back the whole wonderful private enterprise system which has made this the greatest industrial nation, more years than any of us can predict.

I simply say I am going to vote against the bill. My decision has nothing to do with integration or segregation. I think we make these decisions in our early youth. In my early youth I was not exposed to the same thing that some of the opponents of the bill were. I intend to vote this way because I think this is unsound legislation as far as this country is concerned, and I do not think it will promote the problem of civil rights in the way the proponents of the bill believe.

We need improvement in civil rights and race relations but not in the manner proposed here which will cause irreparable harm to individual rights and private enterprise.

Mr. LONG of Louisiana. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LONG of Louisiana. Mr. Chairman, title VIII of this bill contains a mandate for the Secretary of Commerce to compile registration and voting statistics, presumably to ferret out areas where discrimination exists in voting, during the next census.

Not only does this obviously place the Bureau of the Census in the position of civil rights investigator; it, in effect, places the direction of that investigation in the hands of the Civil Rights Commission.

This may be found in section 801, where we also find this language: The bill says this investigation shall be conducted in such geographic areas as may be recommended by the Commission on Civil Rights.

We have, then, a situation where a factfinding agency, the Civil Rights Commission, can, at its discretion, and to the extent it feels necessary, pick out a certain area of the country or a portion of a certain State and hound the voter registrars with its own investigatory powers, the full force of the Census Bureau and the Justice Department.

It is not calling for an unbiased, factual study of the whole country, mind you, but only those areas selected by the Civil Rights Commission. I do not believe that anyone is naive enough to miss the implication of this title: It is obviously to be used as a weapon against areas of some Southern States which the Rights Commission has said in the past have a low ratio of Negro voters compared to the size of the Negro population.

If this is not discrimination in the most blatant form, I am sadly mistaken.

Bad as this element of the bill obviously is, there is, I believe, a more sinister motive behind this title. In my opinion, it will be used as a basis for an attempt to reduce the amount of representation in Congress by those States picked out for this purge.

I submit that it is pure folly to place this kind of power in the hands of any Government agency—particularly the Civil Rights Commission—and I declare that any survey of voting participation which fails to take in the whole country is gross discrimination and an implication that prejudice is a matter of geographic areas.

Prejudice is defined by Webster's as a "judgment made before all the facts are known." Title VIII, by giving the Civil Rights Commission authority to authorize a census of this type for only certain areas has implied that there are areas in which the frailties of human nature exist in more abundance than in certain other areas.

As an elected Representative of a region whose "frailties" have often received more publicity than its fruitfulness, I am unalterably opposed to this discriminatory and deceitful measure and strongly favor the amendment of the gentleman from Virginia.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on title VIII and all amendments thereto conclude in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. SCHWENGEL. Mr. Chairman, I object.

Mr. CELLER. Mr. Chairman, I move that all debate on title VIII and all amendments thereto conclude at 5:30.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. Morton].

(By unanimous consent, Mr. Mathias and Mr. Don H. Clausen yielded their time to Mr. Morton.)

Mr. MORTON. Mr. Chairman, this has been a long and arduous struggle. The two sides of this issue have been worked and reworked. Coming from a border State and representing a district in which there has been some real trouble in the field of racial relations—and may I quickly add, a district where there has been some very fine progress made in this same field—this bill has by far and away presented me with my most difficult decisions during my first term of office.

There is no middleground in the bay of decision. The hour is short upon us in saying yes or no to this strange and awesome law. Strange because of our sins of omission in this free land which make it necessary to consider a proposition which could be dealt with by every local agency of government, every school board, every town council and every State legislature in the land. Awesome because it twists and turns every precept with which most of us have grown up—a man's right to manage his affairs in his own interest and within the framework of local custom and law.

To me, the proposition of discrimination in places where people seek service or accommodation is unnatural and unwarranted, and I accept the objectives of this bill in this respect.

To me, the proposition of Federal control in the area of hiring and firing and the requirement of industry and labor to defend the roster of their people, their religion, their color, and their origin, extracts the freedom from our enterprise and will, in time, sap the strength of our economy.

All things in this business of legislating must be averaged and evaluated. Even with title VII in the bill—though I will vote for every amendment to get it out—I will vote for the bill.

But while we have been wrestling with this serious business of bringing forth laws under which American men and women can live and prosper, there has been an event in my district which in conscience I cannot leave ignored. It was a speech by one of our colleagues, the chairman of the House Committee on Education and Labor. This speech was delivered in Cambridge, Md., last Tuesday.

If the mission of the speaker was to achieve a new level of distrust, a new division of purpose, in short, a more difficult situation out of which that community must work itself—may I congratulate the gentleman from New York because for sure he hit the jackpot.

Among other things, he said, and I quote:

> The foreign policy of the United States of America is not being written by Dean Rusk and the Department of State. The foreign policy of the United States is being written in Cambridge, Md., by you and Gloria Richardson.

You know, at first I had very bad thoughts about this statement, but I want to apologize to the gentleman for having those thoughts because the more I considered Cuba, Panama, Vietnam, and our efforts to try to sell a few chickens to the Common Market—maybe our foreign policy is being written by a few folks in Cambridge.

But, seriously, the implications and the tone of this speech, in my opinion, reflects discredit on each Member of the House and on the integrity of the whole institution of Congress.

As reported in the Baltimore Evening Sun, February 5, the gentleman said, and I quote:

> It is divinely right for the people of Cambridge to break the law until they have a share in making the law.

To me, this statement challenges the dedicated efforts of the city council of the city of Cambridge which for many years has been biracial in its composition. To me, this statement challenges my representation of the people of Cambridge in the Congress of the United States. To me this statement challenges the American concept of a nation under law.

But above all this, to promote and encourage the resolution of this problem outside the framework of law is a challenge to the oath of office in which every Member of the House of Representatives said:

> I do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic.

Mr. DON H. CLAUSEN. Mr. Chairman, for this past week we have heard deliberation on this complex subject of civil rights. The debate has been informative, constructive and in some instances entertaining. The Judiciary Committee members leading the debate have been outstanding in their presentations and I want to commend them for their great contribution.

As provided in the preamble of the bill, H.R. 7152, the objective sought is to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a community relations service to extend the Commission on Civil Rights, to prevent discrimination in federally assisted programs, and to establish a Commission for Equal Employment Opportunities throughout this great country of ours.

The multitude of amendments points out very clearly the varied differences of opinion with respect to civil rights. These differences are to be expected when one considers the long established traditions in the many sections of this country.

Accordingly, I have been very selective in my voting for these many amendments. Some Members have chosen to aline themselves with the leadership of the opposition to the bill—following them blindly. Some Members have done the same with the advocates of the legislation. I chose not to follow either group, voting simply on the merits of the amendments as my conscience would dictate. I believe this to be the only responsible approach one can take when evaluating matters of this importance. I have voted with my primary thoughts being directed toward improvement of the bill—seeking to adhere to the basic concepts of the Constitution.

STATEMENT OF DON H. CLAUSEN, MEMBER OF CONGRESS, ON THE CIVIL RIGHTS BILL

First of all, I would reflect back to my youth in Humboldt County, Calif., when I had a Negro teacher. This man made a profound impression on me. He taught me respect and fair play. His contribution at that stage of my life provided the foundation for whatever successes I have enjoyed. It is my intent now to reciprocate. An elementary school was named in his honor, and whatever I do in the field of civil rights will be in recognition of his unselfish willingness to share his talents with me.

Second, I deplore the need for this bill. The clear responsibility to see that every citizen of these United States has an equal opportunity to vote and obtain an education has been badly neglected by some of our States. These are not just moral rights, but rights basic to our form of government. These are the rights referred to in the 14th amendment of the Constitution, the provision which states that all citizens must have equal protection under the law. This amendment also provides that the Congress may adopt legislation to implement this equal protection. Therein lies the key to States rights.

I think that the 14th amendment spells out the crux of this entire debate; that rights and responsibilities go together in the United States. The Constitution gives certain rights to our citizens, and it gives the several States the responsibility to see that these rights are honored. Because the States have failed or refused to meet their responsibility, Congress has become dutybound to implement equal protection.

Other titles of the bill, such as the public accommodations section and the fair-employment practices section, are largely moral issues. I do not think we can legislate morals. Further, I do not think these problems will ever be solved, except in the hearts of all Americans. Morals are the responsibility of society—our churches, schools, and families. Here again the responsibilities have not been met, and the churches, schools, and family units face their greatest challenge.

Whatever step we take in the right direction is beneficial, to be sure. However, I resent the scattergun approach in this bill. This measure has 10 different parts. Some are necessary, some are not. We are forced to vote in favor of this bill despite its faults, or we must vote against it in spite of its redeeming features. We spent several days debating amendments and legal language with regard to this bill. If this measure had been given a proper hearing in committee, as is the intent of our committee system, the members of the Judiciary Committee could have had the opportunity to improve the language instead of railroading the measure through committee in 1 day.

Some of the major redeeming features of this bill, in my opinion, are the so-called antipreemptive sections. These may well be labeled "States rights" sections, because they exempt the many States which have met their responsibilities in this field. I am proud to say that my own State of California is one of those which has adopted progressive legislation in the civil rights field and, as a result, will not be subjected to Federal control.

Those States which have not, as yet, met their responsibilities in this field also may become exempt, by adopting their own civil rights laws.

While, I state again, full equality will come only in the hearts of all men, the equal voting and education titles of this bill will be a major help. By the voting section, many of our people will assume the responsibilities of citizenship by voting for their representatives and having representatives that are responsible to them. This is one of the needs right now in the District of Columbia.

The District is one of the clearest examples of this in our Nation. If the people of the District do not have the right to vote for their local government representatives, who can hold them responsible? What chain of command can we use to point to these people and ask: "Why haven't you cleaned up your city and reduced the overwhelming crime rate?" There is no vote, no chain of command, no individual responsibility except in the House District Committee whose members, necessarily, are more responsive to their own districts and their own States. Home rule and a properly drafted organizational structure is long overdue.

By the education section, we will prepare our deprived citizens for this responsibility and for the unlimited opportunities to move up the economic and social ladders. But because of the moral lag resulting from the failure of our society, I would suggest that our restricted citizens look beyond the continental horizon for unlimited opportunity. Basketball star Bill Russell did it. While this legislation will provide the guidelines, it by no means will provide a "cure-all" for the many problems facing us in this field. Quite frankly, I question whether the intent of this legislation will provide satisfactory results to the advocates' desires. Rather, I should like to suggest that we look beyond the horizon of our continental limits—seeking opportunity for progress. The developing nations of the free world are depending upon our leadership—our security might well be at stake. The image we create could be the seed for opportunity, providing, of course, we have men of vision steering the Ship of State.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. Huddleston] for a minute and one-half.

Mr. HUDDLESTON. Mr. Chairman, I have an amendment at the desk. Is there an amendment pending?

The CHAIRMAN. Is the gentleman's amendment to the pending amendment?

Mr. HUDDLESTON. No, Mr. Chairman; it is not.

The CHAIRMAN. The gentleman may be recognized at this time, but he will have to defer to offer his amendment later.

Mr. HUDDLESTON. Mr. Chairman, can I wait until the present amendment is disposed of?

The CHAIRMAN. The time for debate has been fixed on this title and all amendments thereto.

The gentleman is recognized for 1½ minutes.

Mr. HUDDLESTON. Mr. Chairman, I am operating under a double handicap because not only am I limited to a minute and one-half of debate, but I am not even allowed to have my amendment read before I discuss it.

But my amendment, if the Members of the House will follow me, is to line 10 of title VIII. At the end of line 10 I propose to add the following words: "and have had their votes properly counted."

That would make that sentence read as follows:

> Such a survey and compilation shall, to the extent recommended by the Commission on Civil Rights, include a count of persons of voting age by race, color, and national origin, and a determination of the extent to which such persons are registered to vote, and have voted, and have had their votes properly counted.

And so on. Now, this right of suffrage is a two-pronged proposition. In the first place, it is essential as a guarantee of our constitutional liberties that every qualified citizen be allowed to vote.

The second is that he have his vote, once cast, properly counted.

Those two rights go hand in hand and unless both rights exist, then there is no constitutional right of suffrage.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. Schwengel] for 1½ minutes.

Mr. SCHWENGEL. Mr. Chairman, today I rise in support of H.R. 7152. This, as has already been suggested, is the most important piece of legislation dealing with civil and human rights that we have considered in this House since the passage of the resolutions which became the 13th, 14th, and 15th amendments to the Constitution.

My feelings, my thoughts, my beliefs, and my convictions on civil rights are well known. They are documented and are part of the public record.

My attitude on this question comes from and has been influenced by my reflection on history and my evaluation of what freedom has done and can do for my country. My position on this civil rights question comes also from the conviction that all of us have more freedom and opportunity when we gradually give it to those who have less than we have.

The first, and greatest, major stride toward freedom under the Constitution after the first 10 amendments took place when this Congress, 100 years ago, adopted the resolutions that freed the slaves, provided for their vote and presumably guaranteed the protections and opportunities many of us still want for our people.

Lincoln called attention to the rewards of giving freedom when he reminded Congress, after he issued the Proclamation of Emancipation that:

> In giving freedom to the slave, we assure freedom to the free—honorable alike in what we give and what we preserve.

Lincoln spoke for today, also, and to us, I believe, when he said:

> We shall nobly save or meanly lose the last best hope of the earth. Other means may succeed; this could not fail. The way is

> plain, peaceful, generous, just—a way which, if followed, the world will forever applaud, and God must forever bless.

It is my belief, my colleagues, that if and when we pass the legislation before us we will, in addition, provide for the domestic tranquillity and attend to the general welfare which our forefathers called for in the adoption of the Constitution which this March 4 will celebrate its 175th birthday.

This assurance, if you could be convinced of it as I am, is reason enough to pass the legislation before us.

But, there are other reasons, and compelling ones, that bring me to the well of the House today to support this legislation.

One is an Iowa tradition and heritage of which I am proud and about which I should like to speak very briefly.

On March 19, 1866, a distinguished Member of Congress said:

> Peace, prosperity, national harmony, progress, civilization, Christianity, all admonish us that our only safety lies in universal freedom.

The Congressman had stated a great and everlasting truth that should never be forgotten by this, the greatest legislative body in all the world; a body that has more power and opportunity to do good than any other comparable legislative body in all the rest of history.

The same man also said:

> This, our experience with the principles involved has taught us, is a truism from which indifference will not enable us to escape nor dissemination release us.

And, the Congressman went on to explain in detail how the preamble to the Constitution sets forth the objectives which the people had in view in ordaining the Constitution—

> When we give it our attention—

He said of the preamble—

> we find it a very plainspoken guide, void of guile or dissimulation. It discloses to us, first, that the Constitution is the work of the people; and this at once develops the thoroughly republico-democratic character of the Government established. It was a grand creation of the people for their own security. All of the powers embraced in the Constitution were placed there for the sole purpose of putting these objects above interference from any source and beyond the hazard of loss. These objects are not only compatible with, but absolutely necessary to, the existence and enjoyment of a free government.

My colleagues, the man who spoke these words sat where the gentleman from Ohio [McCulloch] sits today. He was the Republican chairman of the Judiciary Committee when the resolutions became the 13th, 14th, and 15th amendments. His name was James Falconer Wilson. He was from Fairfield, Iowa. His town is in the First Congressional District—that is, my district.

Because of his brilliant, appropriate utterances, of which I have quoted only a few, his leadership on this question and his many other contributions, he is justly claimed by Iowans as one of the great statesmen in the history of America.

We, in Iowa, are proud to point out that on the final vote on those three all-important amendments, in the 38th, 39th, and 40th Congresses he was joined by every Iowa Congressman.

I have a special interest in those men. First, because they were from Iowa, but, also, because the three great Senators who served during the period of the passage of these laws—Senators Grimes, Harlan, and Kirkwood—were from the present First Congressional District.

In addition, Hiram Price, who also actively helped in the passage of this far-reaching legislation, then represented the Second Congressional District which included my hometown of Davenport.

It should be pointed out that it was not easy then, just as it may not be easy for some of my colleagues from Iowa today, to support such legislation.

The people in Iowa's First Congressional District at the beginning of the Civil War had some grave doubts about the objectives of the war, including the slavery question. But they, as I do today, saw the moral question involved. They based their decision upon what they knew was morally right even though it may have been, in the minds of some of them then, politically wrong.

This, and experiences I have had in politics and government, have led me to believe and assert many times that nothing in the long run is politically right if it is morally wrong.

I am asking permission to have the voting record of those Iowa Congressmen and Senators on the resolutions which became the 13th, 14th, and 15th amendments inserted here for you to see and reflect upon. I am sure you will agree that their "yes" votes, made almost 100 years ago, look much better by every test than the negative votes that were cast by others.

I. *Iowa congressional delegation for 38th, 39th, and 40th Congresses*

A. 38TH CONG.

(Mar. 4, 1863, to Mar. 3, 1865)

SENATE

Name	Party	Committees	Vote on S. 16 (13th amendment)
1. James Harlan	Republican	Agriculture; Public Lands (chairman); Indian Affairs; Pacific Railroad	Yea.
2. James W. Grimes	Republican	Naval Affairs; District of Columbia (chairman); Public Buildings and Grounds	Yea.

HOUSE

1. James F. Wilson	Republican	Judiciary (chairman)	Yea.
2. Hiram Price	Republican	Revolutionary Claims (chairman)	Yea.
3. William B. Allison	Republican	Public Lands	Yea.
4. J. B. Grinnell	Republican	Post Office and Post Roads	Yea.
5. John A. Kassom	Republican	Ways and Means	Yea.
6. A. W. Hubbard	Republican	Foreign Affairs	Yea.

B. 39TH CONG.

(Mar. 4, 1865, to Mar. 3, 1867)

SENATE

Name	Party	Committees	Vote on H. Res. 127 (14th amendment)
1. James W. Grimes	Republican	Naval Affairs (chairman); Patents and the Patent Office; Public Buildings and Grounds; Joint Committee on Reconstruction.	Yea.
2. Samuel J. Kirkwood	Republican	Post Office and Post Roads; Public Lands; Pensions; Select Committee on Ventilation	Yea.

HOUSE

1. James S. Wilson	Republican	Judiciary (chairman); Revisal and Unfinished Business	Yea.
2. Hiram Price	Republican	Pacific Railroad (chairman); Revolutionary Pensions	Yea.
3. William B. Allison	Republican	Ways and Means; Expenditures in Interior Department	Yea.
4. Josiah B. Grinnell	Republican	Agriculture; Freedman's Affairs	Yea.
5. John A. Kassom	Republican	Appropriations; Coinage, Weights, and Measures (chairman)	Yea.
6. A. W. Hubbard	Republican	Public Expenditures; Indian Affairs	Yea.

I. *Iowa congressional delegation for 38th, 39th, and 40th Congresses*—Continued

C. 40TH CONG.

(Mar. 4, 1867, to Mar. 3, 1869)

SENATE

Name	Party	Committees	Vote on S. Res. 8 (15th amendment)
1. James W. Grimes	Republican	Appropriations; Naval Affairs; Public Buildings and Grounds	First vote on measure. (Listed as absent). (Conference report) listed as absent.
2. James Harland	Republican	Foreign Relations; Post Office and Post Roads; District of Columbia; Pacific Railroad; Joint Committee To Examine the Accounts for Furnishing the Executive Mansion.	Yea; conference report, yea.
HOUSE			
1. James F. Wilson	Union; Republican	Judiciary, chairman; Revisal and Unfinished Business	Yea; conference report, yea.
2. Hiram Price	Republican	Pacific Railroad; Revolutionary Pensions and the War of 1812	Yea; conference report, yea.
3. William B. Allison	Republican	Ways and Means	Yea; conference report, yea.
4. William Loughridge	Republican	Private Land Claims; Agriculture; Education in District of Columbia	Yea; conference report, nay.
5. Grenville M. Dodge	Republican	Military Affairs; Roads and Canals	Yea; conference report, yea.
6. A. W. Hubbard	Republican	Public Expenditures; Indian Affairs	Listed as not voting; conference report, listed as not voting.

The Iowa people saw the wisdom and approved the judgment of these Iowa men, for they returned them repeatedly to Congress and otherwise recognized their contributions. We note that the three Senators and six Congressmen who served during the 38th, 39th, and 40th Congresses served a total of 71 years in the Senate and 42 years in the House.

There were two Governors of the State of Iowa from that list. One, Senator Allison, became a serious candidate for President. Two served as members of the President's Cabinet.

Mr. Chairman, here is an enviable record of which every Iowan may well be proud. It has become and will forever remain a rich and inspiring part of American heritage.

Now, Mr. Chairman, let me suggest that we reflect a little more on the preamble of the Constitution. It is clear that my predecessor did this 100 years ago as he so brilliantly led that successful fight for civil rights in that period.

It is necessary to do this to show that fulfillment of that preamble demands this civil rights bill.

Those men who sat in Congress a century ago, and the millions of people who had seen so much sacrifice during the Civil War, thought the actions taken by those Congresses would do much to fulfill the high ideals and standards set forth in the preamble.

Little did they realize that 100 years later the noble objectives of that preamble would still be unfulfilled in spirit and in law.

This should be a warning to us. The bill before us is not the last we will hear of civil rights. As long as there are any vestiges of discrimination left in this country our job will not be done.

It cannot be completed by legislation alone. While we are changing and improving laws we need also to change and improve the hearts and minds of men.

Actions speak louder than words. What a great thing it would be if each Member of this body would go home to his district with the feeling and assurance that he had done what he could to promote equal opportunity for all and thus fulfill the spirit of the preamble, the Constitution, and the spirit embodied in this legislation.

We would prove, then, that we have not diminished in stature since that Congress of 100 years ago took steps to end discriminations that were even greater than those we propose to take in 1964.

Mr. Chairman, the introduction to the Constitution, our most meaningful state paper, reads:

> We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquillity, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.

This introduction is probably the most eloquent statement of noble purpose that can be found anywhere.

These words should have been enough to win the battle of equality of opportunity; but, alas, words alone have not been effective and they lack power of enforcement. Certainly what we say today will have little effect or little power.

This is why we must provide the executive with the power to enforce laws and to assure the gradual attainment of the objectives we all want. The legislation before us, while not perfect, will help do this. In the passage of this legislation we can show our determination to meet this problem constructively, positively, and fairly.

"We, the People." Those words have special meaning for me. They form the title of a book about this building, so close to all our hearts, in which we meet.

But, more than that, the word "we" means all the people. It doesn't say we white or we black; it says we the people. All of us, no matter what color, race, or creed, are entitled to the rights, the privileges, and the grave responsibilities that follow the words "We, the People."

The brotherhood of man is the basis of all of this world's great religions. As Markham said:

> There is a destiny that makes us brothers,
> None goes his way alone.
> All that we sent into the lives of others,
> Come back into our own.

Our goal must also be to take from our hearts the prejudice and hate that stands between us and the fulfillment of brotherhood in its finest sense. For, when we see discrimination the least we can do is raise our voices in protest. That much all of us can do; that much all of us much do.

"In order to form a more perfect union." Our forefathers saw in their handiwork an attempt to unify several States so as to further extend freedom and opportunity among them.

I do not believe they saw their work as the ultimate, but they took the first steps on the right road. Though it was risky and fraught with difficulties, they took it. We should emulate them. Their work has made the direction clearer and the going easier for us.

Robert Frost spoke of this most appropriately. His poem, "The Black Cottage," is mainly about the Declaration of Independence—the document that fired American hearts during the Revolution and inspired the Constitution. The poem reads:

> That's a hard mystery of Jefferson's.
> What did he mean? Of course the easy way
> So to decide it simply isn't true.
> It may not be. I heard a fellow say so.
> But never mind, the Welshman got it planted
> Where it will trouble us a thousand years.
> Each age will have to reconsider it.

This is as applicable to the Constitution as it is to the Declaration of Independence.

The Constitution was meant to be a living document. The founders, thankfully, provided for its growth, for change, and for the gradual extension of the basic freedoms. It must be reevaluated in the light of new opportunities to extend freedom and to make equal opportunity more certain.

Next, we come to the almost sacred words, to "establish justice."

Certainly this legislation will enhance the struggle to fulfill this also unrealized goal of our forefathers.

Justice rests upon equality, upon the principle that every citizen has an equal voice in the determination of his representatives at all levels of government, the principle that every man is equal before the law.

If justice rests upon equality, then equality rests upon freedom. One of the best orations on the importance of freedom I have heard was given by that learned historian, Bruce Catton, May 25, 1963, in Boston. He said:

> We are no longer concerned with the institution of chattel slavery. That is gone from our country forever. But we are concerned with the cruel heritage that comes down from it * * * second-class citizenship. It is our responsibility * * * it is in our own immediate self-interest * * * to see that that also is abolished from our land for all time to come.
>
> This garment of freedom that we wear so proudly is a seamless robe. Cut it anywhere and you ruin all of it. If there can be a second-class citizenship anywhere in America * * * if the notion that one group of people is somehow superior to another group can be enforced for one part of our countrymen * * * then all of us are in danger. Infringe the rights and privileges of anyone in America and you threaten the rights and privileges of everyone else in America. You and I are not safe, if everyone is not safe. What can be enforced against the least fortunate of our fellow citizens can also be enforced against us.

I submit then that this bill is designed truly to establish justice for all the people of the several States. The 14th amendment guarantees equal protection before the law.

Congress was authorized under that amendment to fulfill the purposes thereof. We, then, are helping to bring about the realizations of those noble aims of the Constitution.

The reference to domestic tranquillity needs our attention also. Certainly an aim of this legislation is to help to prevent outbreaks of violence.

Only once in our history has the domestic tranquillity of this Nation been broken by internal war.

True, we have had riots, fights, and other disturbances, but I say to you not since the Civil War has the domestic tranquillity of this Nation been threatened to such a massive extent as it is today.

This is not to say that another civil war is imminent. It is not.

But, there is unrest today, unrest because we do have second-class citizens, unrest because there is not equality of opportunity. Therefore there is no tranquillity.

The peace and tranquillity we want and need will never be completely secure until men everywhere and especially in America have learned to conquer poverty without sacrificing liberty to security.

Tranquillity will be uncertain as long as great sections of humanity live with discrimination and exploitations, racial or economic, which make them militantly conscious of loyalty to the advancement of their own race class, or religion, rather than loyalty to the whole human family.

We, and our descendants, will have to work intelligently and hard to deal with this challenge or we will let freedom deteriorate and die.

They say, let them become qualified. I say let them have the opportunity to be qualified.

It is hypocrisy on one hand to say that if a person is qualified you will hire him and let him vote if on the other hand you deny him the opportunity to gain those qualifications.

Fellow Members, by passing this legislation we will lessen the possibility of violence. We will open doors of orderly change where our citizens, if discriminated against, can seek relief in the courts of this land rather than in a picket line, a sit-in, or other kinds of hazardous demonstrations.

Now, many might say civil rights has nothing to do with providing for a common defense. But, I say we can be no stronger abroad than we are at home.

In providing for our defense today we need more than H-bombs, carriers, missiles, planes, or guns.

It is essential to our defense today that we stand out among nations in promoting the freedoms and in giving equal opportunity. Without such leadership surely our stature, our prestige as the foremost liberty-giving nation, is in jeopardy.

Certainly we can fight communism in no better way than to show the world that America practices what it preaches, that the United States means what it says about the importance of democracy.

The potential ways that this bill can and will promote the general welfare are innumerable. Let me mention a few; more jobs, a better living and better schooling for those who have been subject to discrimination, and preventing frustrations that otherwise could end in violence or disorder.

And yet, this bill should help ease the conscience of all Americans and at the same time increase their sense of responsibility in meeting such problems.

> The general welfare—

Said James Falconer Wilson—

> rests upon * * * equality, democracy, and the elevation of the masses. There can be no true development of those qualities which make a nation great and prosperous unless its energies are so diffused as to reach all classes, all interests, all sources of power and embrace them all in its grand march of progress.

Lastly, the Constitution was ordained and established to "secure the blessings of liberty to ourselves and our posterity."

What beautiful and patriotic words they are. What a shame and pity it is that it remains for this Congress to act to carry out that mandate given in the preamble.

Here, almost 175 years later, these words are not yet entirely fulfilled.

So, I say, let us not thrust aside the responsibility that is ours. Let us delay no more. But, rather, let us proceed by joining hands, man with man, brother with brother, to break down the bonds and bars that withhold from this Nation the fullest measure of the blessings of liberty not only for ourselves but for our preamble.

I would like to conclude by quoting from two men who were intimately associated with this same movement 100 years ago, James Falconer Wilson and Abraham Lincoln.

Wilson, closing debate on the 14th amendment as chairman of the Judiciary Committee of the House, March 1, 1866, said in reference to that amendment:

> I assert that we possess the power to do those things which governments are organized to do; that we may protect a citizen of the United States against a violation of his rights by the law of a single State; that by our laws and our courts we may intervene to maintain the proud character of American citizenship; that this power permeates our whole system, is a part of it, without which the States can run riot over every fundamental right belonging to a citizen of the United States; that the right to exercise this power depends upon no express delegation, but runs with the rights it is designed to protect; that we possess the same latitude in respect to the selections of means through which to exercise this power that belongs to us when a power rests upon express delegation; and the decisions that support the latter maintain the former.

I believe those comments are equally applicable to the bill we are considering here.

Now, I close with Lincoln's finest statement in his second inaugural address where he issued a prayer, a plan, and a program that speaks to us today.

> With malice toward none, with charity for all; with firmness in right as God gives us to see the right, let us strive to finish the work we are in.

Mr. Chairman, if the title of statesmanship can be given to historians, then I am sure Bruce Catton, author, historian, and publisher, is one—he writes accurately and eloquently—on the history of the Civil War.

From his deep understanding of the basic American philosophy learned from history he has reached clear conclusions on human rights and privileges. Last May 25, he spoke on this question during the annual assembly of the National Civil War Centennial Commission at Boston.

The program logically called for reflecting the great influence and leadership of Robert Gould Shaw while he lead a Negro company in battle during the Civil War.

Because his keen observations are pertinent to the subject and issue. I am including his fine dissertations at this point in the Record where my colleagues can have the benefit of Bruce Catton's wise counsel:

Robert Gould Shaw

(Boston, May 25, 1963)

The most obvious fact about Col. Robert Gould Shaw and the 54th Massachusetts Infantry is that they were defeated. Colonel Shaw and many of his men died on the flame-swept ramparts of Battery Wagner; their assault failed; by all ordinary standards, they were beaten hopelessly.

And yet of course they were not really beaten. They won something—something priceless and permanent.

And the point that makes this ceremony of commemoration worth our while is that what they won they won for us, here today. What they won still lives, and we are a part of it.

They won, not merely an end to human slavery, but a broader concept of human freedom.

Under everything else they were fighting for the notion that freedom means the full equality of all of the races of man. They were not simply trying to free the colored man from bondage; they were fighting for his acceptance—for the recognition of the rights and dignity of all men everywhere. That is what is so significant to us today.

If our observance of their centennial this morning is to have any meaning at all, we ourselves have got to recognize our own continuing responsibility. Colonel Shaw and the men of the 54th Massachusetts were not just fighting to destroy the institution of Negro slavery. They were fighting for us—for you and me here today, for us fortunate people who have all of the rights and privileges that go with membership in the American family.

As happened so often, Abraham Lincoln expressed it perfectly. In his message to the Congress in December 1862, he put it this way:

"We—even we here—hold the power and bear the responsibility. In giving freedom to the slave we assure freedom to the free—honorable alike in what we give and what we preserve. We shall nobly save or meanly lose the last best hope of the earth."

We are no longer concerned with the institution of chattel slavery. That is gone from our country forever. But we are concerned with the cruel heritage that comes down from it—second-class citizenship. It is our responsibility—it is in our own immediate self-interest—to see that that also is abolished from our land for all time to come.

This garment of freedom that we wear so proudly is a seamless robe. Cut it anywhere and you ruin all of it. If there can be a second-class citizenship anywhere in America—if the notion that one group of people is somehow superior to another group can be enforced for one part of our countrymen—then all of us are in danger. Infringe the rights and privileges of anyone in America and you threaten the rights and privileges of everyone else in America. You and I are not safe, if everyone is not safe. What can be enforced against the least fortunate of our fellow citizens can also be enforced against us.

It is interesting to see how Robert Gould Shaw went about his task.

Colonel Shaw was an aristocrat, a man who had everything to lose and nothing to gain, a man of family and position and wealth. He went among the people who had nothing at all; the men just freed from bondage, who were not yet even accepted as people with rights that had to be respected. He identified his own humanity with theirs. The point of his whole struggle was to help these colored men to prove, once and for all, that they were entitled to take their place as equals in the great family of man.

On that night when the 54th regiment made its doomed assault on Battery Wagner, Colonel Shaw passed along the ranks of his men just before the charge was made. He had one final word for them. He said: "Now—I want you to prove that you are men." Men—not chattels, bits of property, held on the level of the ox and the mule, but immortal sons of the living God. Under his leadership, responding to the aspiration that was in their own hearts, they did prove it. Because they did, all of us today are better people.

In the Book of Ecclesiastes it is written that the spirit of man goeth upward, but that the spirit of the beast goeth downward into the earth.

We in our generation have seen the spirit of the beast going abroad in the land, in our own country and all over the globe. By this time we know something about how it proceeds. It makes its dreadful advance in three stages.

The first stage is very simple, homely and familiar.

It begins with people like you and me: begins in our own hearts and minds.

We say: No, I do not want to live on that particular street—if I do I may have to live next door to people who are somehow inferior to me. My children may have to go to school with their children. I may have to sit beside those people in restaurants or in theatres, I may have to rub elbows with them in the same stores, visit parks which they also visit, travel on buses or trains in the next seat to them. I will not do it.

That is the first stage.

The next stage brings people to the point where they turn police dogs on schoolchildren, or send State troopers out to blackjack inoffending citizens who are sitting on their own front steps.

The third stage leads us straight up to the men in black uniforms and shiny boots who stand guard at the gates of Buchenwald and Auschwitz.

If we take the first step, we have no certainty whatever that someone else will not eventually take the last. That is where the spirit of the beast goes.

Whatever we do about this, let us not be too self-righteous about it.

Every decent American is bound to feel sick at heart when he considers what has happened recently in Birmingham. But I suggest that instead of looking too fixedly at Birmingham we look around us here, right in our own neighborhoods. What has happened there is abominable—but are we ourselves without fault?

I suggest that we would not have to walk more than a short mile from this spot where we are meeting this morning to find plenty of places where some human being's right to a full, free, happy life is diminished because of the color of his skin or the way he pronounces his name. We do not need to go a thousand miles from Boston Common to see prejudice, discrimination and cruelty in operation. If we are to live up to the noble example of the soldiers whose memory we honor this morning, we can begin right at home, in our own city and our own State.

At least we can reach into our own hearts and wrench out everything that may stand between us and complete acceptance of the eternal brotherhood of man. At least we can stand up and be counted on all of this. At the very least, when we see discrimination practiced in our own backyards we can raise our voices and assert: This, in my own city and my own State, I will not have. That much all of us can do. That much all of us must do.

We know by now where the spirit of the beast goes. We know by looking at it. But the spirit of man, let us always remember, goeth upward.

Robert Gould Shaw and the men of the 54th Massachusetts followed it. It led them upward—up the steep ramparts of Battery Wagner, to death and an everlasting transfiguration.

If our ceremony today has any meaning at all, we must make up our minds to follow the spirit they followed—upward.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. BONNER] for 1½ minutes.

Mr. BONNER. Mr. Chairman, I never expected to live to see the day when this would happen in this great legislative body, recognized to be one of the greatest in the world. To me, the disregard of our Constitution—I have listened on the floor of the House, I thought the debate—which has been on a high plane I have taken an oath to support the Constitution of the United States in November 1940—I have sat here for a week and a day and listened to amendments offered to the bill to uphold the Constitution of the United States and seen those amendments voted down. The Constitution in my opinion disregarded.

It is difficult for me to understand.

I do not question the sincerity of any Member of the House. I was born and reared in a country which lived under constitutional government, a government based on the Constitution of the United States, which has lasted so well throughout the years, and made possible for all men to prosper and their children to have opportunity of education.

It is difficult for me to find a way to do other than not to vote for the bill.

Mr. Chairman, in my 23 years in the House of Representatives, I have endeavored to represent all of the citizens of my district, without regard to race, color, religion, or national origin, and without discrimination as to the rights and proper interests of one group as opposed to another. I have followed the same principles in carrying out my duties in the Congress, in its committees, and on the floor of the House in regard to the broader interests of the United States as a whole in its national and international affairs.

I do not believe in class legislation. I have never voted for class legislation. This new civil rights bill is class legislation. I cannot vote for it.

This bill, under the guise of putting an end to racial discrimination, would firmly plant the seeds of Federal dictatorship in the fields where relations between private citizens have heretofore flourished without interference. The freedoms, which under our Constitution have made our country great, would become the subject of political control.

Our private enterprise system would be distorted beyond recognition, if, and when, the Federal Government is given powers by which it might—regulate who shall or shall not be given a job—direct the making of promotions to suit the wishes of the administration in power—assume the right to use the granting or withholding of licenses as a method of opposing alleged racial discriminations—interfere with matters such as wage or salary scales for particular job classifications.

Mr. Chairman, never did I expect to witness the disregard of the Constitution of the United States—the refusal of an amendment to reaffirm the antislavery amendment—the right of trial by jury and other securities provided to freemen in the Constitution.

Under the pretext of trying to eliminate discrimination in certain limited areas, greater and more far-reaching discrimination would be molded into permanent law.

The sections of the bill dealing with public accommodations would immediately create chaotic conditions, particularly in small businesses throughout the country. In eastern North Carolina, for example, there is a very fine restaurant owned and operated by a Negro. He chooses to serve white clientele, and to require certain standards of dress and comportment. In other cases establishments choose to serve only Negro patrons. Now they have the freedom of choosing to do as they are doing. If they choose, they may adopt other standards. I say that no Government, through legislative fiat, knows, or should have the right, to tell these businessmen what their decisions should be in the conduct of their business.

I am not a lawyer, but it is beyond my conception that the power of Congress to regulate interstate commerce should extend to the regulation of personal behavior or the right to select customers or personal associates. Yet, if the public accommodations provisions of the bill are held valid by the Supreme Court, there is no end to the powers that could be exerted on the ground that it affects interstate commerce.

I regret that the Judiciary Committee of the House has seen fit to present to the House such an extreme proposal with implications and precedent-setting provisions extending far beyond our concepts of liberty and justice for all.

This is a normal issue, and it should be worked out through negotiation and education of people of good will and dedicated understanding.

The CHAIRMAN. The gentleman from Iowa [Mr. GROSS] is recognized for 1½ minutes.

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. GROSS to the amendment offered by Mr. TUCK: On page 86, line 13, strike out "1960" and insert "1948".

The CHAIRMAN. The gentleman from Iowa is recognized for 1½ minutes.

Mr. GROSS. Mr. Chairman, when the gentleman from New York [Mr. CELLER], the chairman of the Committee on the Judiciary, spoke on title VIII, he repeatedly used the word "discrimination" and referred to the fact that this title was necessary because of discrimination, yet strangely enough we do not find the word "discrimination" in title VIII. I do not know why he seeks to limit discrimination to Negroes and Negro voting.

If we accept the chairman's statement that this provision is necessary because of discrimination, then let us apply it to those who have been discriminated against—to those who lost their votes in Texas, for instance, in the senatorial election of 1948. Let us apply it to those who cast honest votes in Texas in the senatorial election in 1948, who should have had their votes counted, instead of a Federal judge finding the ballot boxes in some instances stuffed with trash and shredded newspapers.

Fraudulent elections, involving crooked voting, are an even worse discrimination and deprivation of the rights of honest citizens than a denial of the right to vote. I believe every person qualified to vote should have that right regardless of race or color. But this is meaningless if a crooked election is to deprive the honest citizen of the full force and effect of his ballot.

Mr. Chairman, I also call attention to the 1960 election in Chicago where there were sweeping charges of fraudulent voting. There again it is alleged that the votes of qualified electors were not honestly counted. Those people were discriminated against. They lost their votes because of the fraudulent ballots that were cast.

What is being done about this discrimination and fraud? Does it not seem strange that the Judiciary Committee and the Justice Department is unable to show any real interest in this brand of discrimination and protection of the rights of voters?

The CHAIRMAN. The time of the gentleman from Iowa has expired.

The Chair recognizes the gentleman from Florida [Mr. FUQUA].

Mr. BENNETT of Florida. Mr. Chairman, I ask unanimous consent that the gentleman from Florida [Mr. FUQUA] may proceed for an additional minute and a half.)

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The gentleman from Florida [Mr. FUQUA] is recognized for 3 minutes.

Mr. FUQUA. Mr. Chairman, I have an amendment pending at the desk which I will take the time briefly to explain. On page 86, in title VIII, line 6, strike out "Commission on Civil Rights" and insert in lieu thereof "Congress." Then on lines 7 and 8, strike out "Commission on Civil Rights" and insert "Congress."

We have here, as has been pointed out, a Presidential Commission ordering a Cabinet member as to when and where he should conduct these surveys or these voting statistics. My amendment says that the Congress shall do this. We can still have this done, but it is a matter of who does the authorizing.

We have in Congress, and we have had for many years, appropriate committees both in the House and in the Senate to provide for investigations in case of questions regarding elections or election frauds or the method or manner in which Members of the House are elected. The Constitution and the Rules of the House provide that the House be the sole judge as to who shall sit as Members of this House. I say to the Members of this House let us protect this right that we have, because in just about every other section of this bill we are relegating this right to some bureaucracy from time to time. I plead with the Members that we can still have this, if this is what you are sincerely after, that is, the voting statistics to see whether discrimination has been going on in various congressional districts. It can be done through appropriate action of the Congress by resolution. It can be carried out by the Congress. When the time comes for my amendment to be considered, I plead with you on bended knee to support my amendment, because I think this is a very bad title, and my amendment will certainly improve it somewhat. I plead with you that we do not relegate our authority to the Civil Rights Commission, who have to answer to no one, but, rather, that we relegate it to people who have been elected by the people of this country from all parts of the country and let them decide if there has really been discrimination; and if there has been wrong going on in some district, then these voting statistics and so forth can be carried on by the Secretary of Commerce and the Bureau of the Census. I plead with you to support my amendment when the time comes and we are voting on the amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. BENNETT of Florida. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BENNETT of Florida. Mr. Chairman, now that we are in the final period of consideration of this bill, I would like to speak once more in opposition to this bill.

Our country has long been a haven of liberty. The quest of personal liberty was a primary motive of those who emigrated to our shores and of those who established our Government.

The bill before us not only violates our Constitution but it strikes a serious blow against the treasured ideal of liberty. If this bill becomes law, people will lose their freedom to choose their associates and their employees.

In our country we allow people to belong to the Communist Party, which seeks to overthrow our Government. We allow people to refuse to salute our American flag. We allow people to refuse to fight for our country. We are extremely tolerant of people who want to see our country fail or who want no part of helping it. Much of this tolerance is based upon misconstruction of our doctrine of religious freedom. Yet we are told that this bill before us is a moral matter demanded by our religious ideals. It seems to me there is a paradox here.

In a country which tolerates all sorts of peculiar behavior based upon religious convictions, is it not possible that those same concepts of religious toleration should allow people to teach their children to love all people of all races but discourage close associations that may lead to intermarriage with members of other races?

I want no part of establishing such bizarre contrasts. Surely there are better ways of accomplishing assistance to our Negro citizens, several of which measures I have already discussed in this debate.

I sincerely feel that a vote against this bill, is a vote for freedom, and that the bill as drafted has in it the intolerance of the Inquisition, which, of course, was also based on so-called religious and moral grounds. For these reasons, I feel that the entire bill violates the first amendment to the Constitution—the religious freedom amendment.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RIVERS] for 1½ minutes.

Mr. RIVERS of South Carolina. Thank you, Mr. Chairman.

Mr. Chairman, those who are just before departing to extoll the virtues of "Honest Abe" and rattle the bones in his memory tomorrow, on his birthday, I want to call to your attention what he said 100 years ago come the 21st day of March 1964 in the city of New York. When you talk to all your folks back home and they ask you about what you did in public accommodations, what are you going to say when they reach in their back pocket and pull this out:

> Let not him who is houseless pull down the house of others but let him work diligently and build one for himself, thus by example assuring that his own shall be safe from violence when built.

Lincoln said this in reply to the Committee of Working Men's Association of New York, March 21, 1864—source: Legislative Reference Service, Congressional Library.

He said this to a committee of a workingmen's association in New York City 100 years ago.

Mr. SCHWENGEL. Mr. Chairman, I challenge that statement because as I understood the gentleman I believe that some of his references are from a spurious statement. He never made that statement in New York. I would like to have the opportunity to debate that.

Mr. RIVERS of South Carolina. Mr. Chairman, I did not yield to the Latter Day Saint ABRAHAM SCHWENGEL of Iowa.

Mr. Chairman, my veracity is about as unimpeachable as are some other people's, if you catch the point. But old "Abe" said this. Now, run home and prove me a liar, if you catch the point.

The CHAIRMAN. The Chair recognizes the gentleman from Hawaii [Mr. MATSUNAGA].

Mr. MATSUNAGA. Mr. Chairman, the proponents of the civil rights bill tell us that a hundred years is a long time—much too long. And this I did believe, until very recently when an editor of Reader's Digest made a startling revelation. He said he had spoken to a man who had shaken the hand that had shaken the hand of George Washington. This dramatically brought to my mind a realization that ours is indeed a very young Nation, although it is chronologically more than 180 years old. A hundred years, therefore, may not be as long a time as we may initially be led to believe. There are those among us here whose grandfathers owned slaves and whose fathers knew Negroes only as slaves, for even after the great Civil War, many of the freed slaves remained to serve their masters by their own free choice and for their own economic security.

It is understandable, therefore, that those among us whose ancestors owned slaves would today oppose the passage of the civil rights bill. We who support the pending legislation understand this, and we want our good friends from the South to know that we do understand this. We realize what an emotional and tumultous problem is here involved.

But we want our southern friends to understand that by constitutional amendment our supreme law of the land freed the Negro from servitude 100 years ago, and what we are attempting to do here is merely to give meaning to that greatest of human documents.

While we admittedly cannot legislate over the hearts and minds of men, as Father Hesburgh of the President's Committee on Civil Rights has said:

> Law, defining the goals and standards of the community, is itself one of the great changers of minds and hearts.

We are well aware, of course, that law, no matter how strictly enforced, cannot eliminate ingrained prejudices overnight. But I am confident that in time men will comply with the law forbidding discrimination not from fear of legal consequences but from a conviction that what the law requires is just.

To those who have opposed the civil rights measure now under consideration, let me say this: Throughout this long debate you have fought a losing battle, but you have fought gallantly and you have fought clean; and if this be any consolation at all, let me say that the whole world loves a gallant man and admires a clean fighter. And I might add that you all have won my love and admiration, but not my vote. Why not? Because you are trying to cling to the past and perpetuate a condition which is not right.

America is a land where people from every nation in the world have come to find personal freedom and opportunity. American society can be true to itself, therefore, only as rights are accorded to every person because he is a person. Rights will be fully recognized only when every individual is recognized as the person that he is.

And discrimination based on race, color, religion, and national origin directly contradicts such an idea of rights. It tends to destroy the integrity of the American way of life.

I therefore ask those who oppose this measure to join us in passing it because it is the right thing to do.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. ROBERTS].

Mr. ROBERTS of Alabama. Mr. Chairman, I rise in support of the amendment of the gentleman from Virginia. I think history has shown that every time you have tried to legislate in the field of personal rights you have failed to accomplish the mission of such legislation.

Here we have the paradoxical situation of a quasi-judicial commission directed to tell a Cabinet officer, the Secretary of Commerce, how to carry out the duties of that office.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. STAEBLER].

Mr. STAEBLER. Mr. Chairman, I rise to oppose the pending amendments and to support the bill as presented by the committee. One of the arguments presented to this body in support of the amendments was that we need to study the whole country, we ought not to study parts of it.

Let me give you some figures that suggest the reason why we should study some particular parts. These are figures taken from voting statistics of 1960. They represent the portion of the adult population that voted in 1960 in the Presidential election. The national figure was 63.8 percent. In other words, 63.8 percent of all adults voted in that election. The six highest States have these figures: Idaho, 80.7 percent; Utah, 80.1 percent; New Hampshire, 79.4 percent; North Dakota, 78.5 percent; South Dakota, 78.3 percent; West Virginia, 77.3 percent.

Mr. Chairman, the six lowest States have these percentages: Arkansas, 41.1; Virginia, 33.4; Alabama 31.1; South Carolina, 30.5; Georgia, 30.4; Mississippi, 25.5.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The Chair recognizes the gentleman from Georgia [Mr. WELTNER] for 1½ minutes.

Mr. WELTNER. Mr. Chairman, the end of discrimination on the basis of race is a worthy aim and few Americans will quarrel with the ideal of equality of opportunity. Certainly, as an individual, I must agree that racial discrimination is contrary to the great principles of the Republic. As an individual, I agree that racial prejudice is a moral wrong.

But, as a legislator, I am loath to impose by nationwide legislation that moral judgment upon others in areas clearly within the sphere of individual action. As a legislator, I am reluctant to sanction wholesale delegation of congressional responsibility empowering every agency of Government to eliminate or curtail congressional programs by rule or decree.

Accordingly, I will vote against this bill. In so doing, I am not unmindful of past injustices, or of difficulties ahead. I shall lend every effort to foster that climate of mutual regard and cooperation between the races—without which no law, no matter how stringent or far-reaching—can avail.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. OLSEN] for 1½ minutes.

Mr. OLSEN of Montana. Mr. Chairman, I rise to speak on an amendment which I have at the desk but which of course will be voted upon at a later time than the pending amendment.

Mr. Chairman, I would ask for the attention of the chairman of the Committee on the Judiciary, the gentleman from New York [Mr. CELLER], since I have submitted my amendment to the gentleman and to the minority side. I wish to point out the fact that the last phrase in title VIII is to the effect that the information may be obtained from the Bureau of the Census and at such other times as the Congress may prescribe.

Mr. Chairman, if the Congress should prescribe a mid-decade census we will have to climb this mountain again in order to get the information as to this matter, as there is contained in title VIII no provision for general information concerning registration and voting statistics in a mid-decade census.

Mr. Chairman, in the committee on which I have the honor to serve, the Subcommittee of the Census and Government Statistics, of which I am chairman, we plan to hold hearings on this subject.

The CHAIRMAN. The time of the gentleman from Montana has expired.

The Chair recognizes the gentleman from North Carolina [Mr. KORNEGAY].

Mr. KORNEGAY. Mr. Chairman, I ask unanimous consent to yield my 1½ minutes to the gentleman from Montana [Mr. Olsen].

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. OLSEN of Montana. Mr. Chairman, I believe it is only fair to point out to the Committee that if we are going to gather any information on registration and voting statistics that we should do it generally throughout the Nation and that a good and proper time would be in a mid-decade census, in 1965.

Mr. Chairman, I say this one more thing about the need for a census. Many people continue to think that because a census is provided for each 10 years, commencing in 1791, that that is all that is necessary.

In 1791 we had 4 million people in this country. Today, we grow by almost 4 million people a year.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. Dowdy.]

Mr. DOWDY. Mr. Chairman, we are drawing near to the close of the debate on this deceptively styled civil rights bill. In my votes and in the amendments I have offered I have endeavored to remove the unconstitutional and totalitarian provisions of this bill. I have been joined by many other good Democrats and a few Republicans. Our votes have been cast in this manner because we believe in preserving the rights of all the people regardless of race, color, or creed.

I have strongly contested these points but have won only a few small victories. I do not have the time to point out to you all of the unconstitutional and totalitarian provisions embodied in the bill and have been unable to do so in the 9 days we have debated. There are just too many provisions. Certain portions of it are so clearly unconstitutional that if the bill is enacted the basic and fundamental powers of the States and of the local governments to regulate business and to govern the relationships of individuals to each other will have been preempted.

Some of you have stated privately that you are against the bill, yet that you will stand on the floor of this House and vote in favor of passing this bill because you hope to gain a vote by such a vote. This is in derogation of your oath to support the Constitution. As for me, I refuse to barter the liberties provided to all of the people in the Constitution and sell their freedom for the hope of a vote.

I think too much of my oath as a Member of Congress and I value my self-respect too highly to commit such an act of perfidy. This so-called civil rights bill will be a campaign issue in all of your districts including my own—yet I have made my decision and have faced the matter squarely as any sincere representative of the people should do. Already, this bill is a campaign issue in my own district, where a liberal opponent has embraced this bill as dear to his heart. Nevertheless, I have felt impelled to be unequivocal in my stand. I am not a fence straddler and it is not my nature to be such and I do not believe that the people of the Seventh Texas Congressional District elected me to betray them, as this bill, if enacted, would do.

Discrimination of every form is demonstrated in the bill but its authors were extremely careful to refrain from defining "discrimination" at any place in the proposal. I believe this was wilfully done in order to make it easier for its executioners to carry out whatever end they may seek by regulation rather than being bound by the provisions of law. In all the history of Congress, no committee has ever, ever brought forth a piece of legislation that would hand such dictatorial powers to the executive branch and particularly to the Attorney General. If this bill is enacted as written, I predict that within a few years, its strongest proponents of today will be coming before Congress begging to stop the discrimination brought on by this act against all of the people of this country of all races, creeds, and colors.

I have always supported equal rights under the law for all people; I have always been for the protection of the rights of every race, regardless of the color of skin, or the religion. The amendments that I offered on the floor of the House during the debate on the bill were to guarantee such equal rights. But let me tell you, if this piece of legislation goes through the Congress, and becomes law, we have practiced discrimination against our own—our brothers, sisters, mothers, fathers, aunts, and uncles, but most serious of all, against our own children, because we are throwing them back into the reactionary feudal days of the past, with persecution, liquidation, and centralized power—and this is true, regardless of race, religion, or color of the skin.

I do not think that the Democratic leader who lies beneath the eternal flame atop a hill in Arlington Cemetery would have cast his vote for the passing of this bill. It does not pay tribute to the ideals of nondiscriminatory living. In fact, this proposal is 11 bills rolled up into one, at least half of which enact discrimination into the law of the land.

I would like to hear any one of the supporters of this bill give his definition of "liberty." That small, but meaningful word, "liberty"—the most precious word placed between the covers of a dictionary. I think that some of the supporters and even the authors of the bill would decline the opportunity to present such definition, because it just might tell us where they all really stand.

Someone stood on the floor of the House a few days ago, and said that at a recent breakfast attended by President Johnson and Evangelist Billy Graham, the idea was discussed that if there were a secret ballot on the bill, that it would not get 15 votes in favor of its passage—and I think that is true.

I have been elected to Congress six times in the past and I say to you if I have ever practiced discrimination against any person, group, or body, I do not think I would be here today on the floor of this House as a Member of Congress. If there be anyone who thinks differently, he is calling the people of the Seventh Texas Congressional District dishonest.

We must not move backward into the darkness of the past—let us not chain our leaders of the future with the shackles of totalitarianism contained in this vicious proposal. Instead, we should look at ourselves, and forget party, left, right, middle, or anything else, and think of future generations. We must be honest with ourselves; when liberty is chained, it dies. If all the Members of the U.S. Congress would be honest with themselves and with posterity—if they really care for the future of our great Nation, the walls of dictatorship that have been drawn in this legislation would be dropped, and these 11 bills, wrapped under one cover and called civil rights would be relegated to the infamous Hades from whence it came, and America could yet be called the land of the free and the home of the brave.

The plea is made that this legislation is necessary—that this retreat to medieval times is good—yet it has been well said that necessity is the plea for every infringement of human liberty. It is the argument of tyrants and the creed of slaves.

My colleagues, from the depths of my heart and with all sincerity, I urge you, for the sake of all we hold dear, for the sake of human liberty, for the sake of posterity, to oppose this bill as it is here before us. By doing so, you can insure for yourselves the blessing of future generations. If this bill is enacted you will have entombed liberty and earned for yourself the fervent condemnation by your children and your children's children for enslaving them.

As we approach the end of debate on whether to impose this instrument of dishonor and disgrace upon a free people, I stand here pleading and praying on behalf of the people in the words of that king of olden times—"deliver us into the hands of a merciful God; place us not in the hands of man."

Mr. STRATTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Virginia [Mr. Tuck]. Actually, I have been very much interested in this whole matter of voting statistics, particularly insofar as they may relate to the abridgment or the impairment of the right to vote on the part of any of our citizens for reason of race or color.

Indeed some months ago, in order to carry out the provisions of the 2d section of the 14th amendment to the Constitution, I introduced H.R. 6801. My bill would call for a full-scale census to be held, without waiting for the next decennial census; it would require the Bureau of the Census, in conducting that new census, to record the figures regarding those citizens over 21 years of age whose right to vote had been abridged in any way for any other reason than for participation in rebellion or other crime; and it would further require that the Bureau would then certify to the Congress a new apportionment of seats in the House of Representatives based on these specific figures, and in conformance with the 2d section of the 14th amendment.

Mr. Chairman, personally I would very much like to see my bill H.R. 6801, added to this bill in place of the present title VIII. However, as I pointed out in my testimony last year before the Committee on the Judiciary in its public hearings on this bill, I am willing to refrain from pressing my own legislation in an effort to get a broader measure of agreement on an overall civil rights bill which we can pass here quickly in the House and which we can reasonably expect to pass also in the other body.

Title VIII as it now stands is at least a step in the direction I have proposed that we go, that is, toward the full enforcement of the 2nd section of the 14th amendment. It does not, however, require an immediate new census nor does it give the Bureau of the Census the authority, as I personally believe it should be given, to determine not only the extent of the abridgment of voting ing rights in this country but also the extent to which the representation of various States must be correspondingly reduced by reason of this voting abridgment.

If title VIII were to go this far then the survey of the Bureau of the Census should, of course, be conducted nationwide. But since the title as written does not go nearly as far as my bill would go, Mr. Chairman, then I think it does make sense that the somewhat more limited survey of the Department of Commerce should be pinpointed toward those specific areas where the very ample record of the Civil Rights Commission has demonstrated that the right to vote is indeed substantially abridged by reason of color and race.

For this reason I oppose the amendment of the gentleman from Virginia, and I urge the retention of title VIII as already included in the committee's bill.

Mr. Chairman, may I also add at this time another comment or two of my own on this overall bill. Until now, Mr. Chairman, I have refrained from taking part in this extended debate on this very important legislation simply because I have been anxious to see this committee move as swiftly as possible to pass this great new civil rights bill so that it can move promptly over to the other body and with the least possible delay, be enacted into law.

Mr. Chairman, when President Kennedy first submitted his civil rights proposals to Congress a year ago, I supported them wholeheartedly and enthusiastically. When the bills embodying the President's suggestion were referred to the Committee on the Judiciary and hearings were begun, I was privileged to testify before the committee in wholehearted support of the legislation. In fact I told the committee then that I felt we had already been debating the subject of civil rights for a hundred years; I said I felt the time had now come for action, and I urged the committee to move with all dispatch.

When, several months later, the Committee on the Judiciary had reported out its legislation and that legislation was languishing in the Rules Committee I was among the first Members of the House to sign the discharge petition to force the civil rights bill to the House floor.

So I am glad, Mr. Chairman, that at long last this very important legislation is now before us, and since my position has already been so clearly stated in favor of this legislation, I have not wished to detain the Committee further or to delay the action of this House by any lengthy restatement of my own position, or to press my own versions of civil rights legislation.

Let me just say, Mr. Chairman, that I am sure there are many ways in which this bill could be strengthened and improved. But the real battle here, and especially in the other body, has been and in the next months will continue to be, a battle to keep this important legislative milestone from being watered down from the very fine bipartisan version agreed to within the Committee on the Judiciary.

I am glad to see that we have moved so far in this Committee without having impaired the original legislation in any very serious way. I am proud to have stood strongly against all these efforts to water down the bill.

Thus, Mr. Chairman, we have here now a very significant piece of legislation of which we can all be proud. It will vastly improve the opportunity of Negroes to vote. It will remove the barriers of segregation that have existed for years in public facilities in some States, which of course precipitated the demonstrations last year in Birmingham and elsewhere which in turn directly sparked the introduction of this new omnibus civil rights bill. It will greatly improve our progress toward carrying out the Supreme Court's historic 1954 decision on desegregation of public schools. It will bring a prompt and long-needed end to the insupportable business of using Federal tax funds to underwrite segregated operations in all fields—a so-called Powell amendment to apply to all Federal programs. And it will finally create a Federal Fair Employment Practices Commission to insure that in the future Negroes shall not be denied jobs because of their race or color.

So this is a historic bill. Of course it will not accomplish everything. Of course it will not end all those un-American discriminatory practices which have grown up here in our country over some two centuries. But this is still a big giant step forward, Mr. Chairman, in the direction of putting into action the long-standing promises of the Declaration of Independence that "all men are indeed created equal."

So I am happy to be able to support the bill and I urge its adoption by a very substantial majority at the proper time in this debate.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. CORMAN].

Mr. CORMAN. Mr. Chairman, I urge the Committee to reject this amendment and support title VIII. It will provide information which is badly needed by the Congress. We ought to get this information only in those places we need it, and the Civil Rights Commission is obviously the proper agency to determine where they are.

Every State has an advisory committee which will act as a guide to the Commission. The Commission will be adequately advised in all 50 States.

I would like to say to the gentleman from New Hampshire that he and I differ diametrically on the constitutionality of this law; however, the final arbiter of that issue is the U.S. Supreme Court. I realize the gentleman from New Hampshire [Mr. WYMAN] is trying to change that system, but I do not think he will succeed in his effort. The final determination of constitutionality will be made by the nine Justices of the U.S. Supreme Court.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS] to the amendment offered by the gentleman from Virginia [Mr. TUCK].

Mr. HORAN. Mr. Chairman, I ask unanimous consent that the amendment to the amendment be reread.

Mr. MEADER. Mr. Chairman, I ask unanimous consent that the original amendment be reread.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Virginia [Mr. TUCK].

The Clerk reread the Tuck amendment.

The CHAIRMAN. The Clerk will report the amendment to the amendment offered by the gentleman from Iowa [Mr. GROSS].

The Clerk reread the Gross amendment to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS], to the amendment offered by the gentleman from Virginia.

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. TUCK].

The question was taken; and on a division (demanded by Mr. TUCK) there were—ayes 83, noes 137.

So the amendment was rejected.

The CHAIRMAN. Are there any further amendments to title VIII?

AMENDMENT OFFERED BY MR. FUQUA

Mr. FUQUA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. FUQUA: On page 86, line 6, strike out "Commission on Civil Rights" and insert "Congress"; and in lines 7 and 8 strike out "Commission on Civil Rights" and insert "Congress".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was rejected.

AMENDMENT OFFERED BY MR. HUDDLESTON

Mr. HUDDLESTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HUDDLESTON: On page 86, line 10, after the word "voted" at the end of line 10 add the following: "and have had their votes properly counted".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The amendment was rejected.

AMENDMENT OFFERED BY MR. OLSEN OF MONTANA

Mr. OLSEN of Montana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OLSEN of Montana: Page 86, immediately following the period in line 16, insert the following:

"The authority contained in this section to conduct surveys and compilations shall be in effect until the effective date of legislation enacted after the date of enactment of this act providing for mid-decade censuses of population and providing for the inclusion, in each mid-decade and decennial census of population conducted by the Secretary of Commerce, of the registration and voting statistics and other information required by this section."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana.

The amendment was rejected.

The CHAIRMAN. If there are no further amendments to title VIII, the Clerk will read.

The Clerk read as follows:

TITLE IX—PROCEDURE AFTER REMOVAL IN CIVIL RIGHTS CASES

SEC. 901. Title 28 of the United States Code, section 1447(d), is amended to read as follows:

"An order remanding a case to the State court from which it was removed is not reviewable on appeal or otherwise, except that an order remanding a case to the State court from which it was removed pursuant to section 1443 of this title shall be reviewable by appeal or otherwise."

AMENDMENT OFFERED BY MR. TUCK

Mr. TUCK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TUCK: On page 86, line 17, strike out all the language on line 17 through line 25.

Mr. TUCK. Mr. Chairman, the present section in the Code which title IX seeks to amend reads as follows:

> An order remanding a case to the State court from which it was removed is not reviewable on appeal or otherwise—

Title IX would amend that section so as to add to the statute which I have just read these words:

> except that an order remanding a case to the State court from which it was removed pursuant to section 1443 of this title shall be reviewable by appeal or otherwise.

The effect of my amendment is to leave section 1447(d) of 28, United States Code, just as it is at present and just as it had been for almost 80 years.

It keeps all litigants, if the amendment is adopted that I have offered, on an equal footing and that is the way they ought to be.

Title IX which I have just read will give to the civil rights litigant, and that type of litigant alone, the right to appeal from an order of the U.S. district court remanding his case back to the State court.

The legal problems involved in this are quite simple and not complicated at all.

This is an attempt to bypass the U.S. district judges and to bypass the State courts.

This title is an insult, gentlemen, to every U.S. district judge in America. It undertakes to reflect discredit not only upon these U.S. judges but also upon the honored judiciary of every State in the American Union.

This vicious package of legislation involves court procedure and thus has attracted less attention than any other part of the bill, but it is nevertheless as outrageous as many of these other parts of the bill.

The obvious purpose of this is simply to bypass and impede the processes of justice in our State courts.

There are now, as all lawyers know, three types of cases which may be removed from the State court to the Federal court:

First, is cases which involve the interpretation of laws and treaties of the United States and the Constitution of the United States.

The second type of cases are those which involve a diversity of citizenship.

The third type of case is under section 1442 of title 28 which permits certain Federal officers who are being prosecuted in State courts to remove their cases. It is this section which they seek to amend by discriminating against all other types of litigants in favor of this particular type of litigant.

Since 1887 we have had a statute to which I have just referred, and which in effect provides that an order by a U.S. district judge remanding a case to the State court is not reviewable on appeal or otherwise.

Federal courts for many years in all of the litigation on this subject, have interpreted this statute to mean just exactly what it says.

Now the removal of a case, as all lawyers know, from the State court to the Federal court is a simple process. All a litigant has to do is simply file a petition and the pertinent papers and the case is automatically removed.

The effect of such a procedure, as we know, is to deprive the State court of all powers of process and to deprive the court of all power to enter any orders while that case is pending in the U.S. court. To allow this repeal from removal orders of U.S. district judges destroys the delicate balance of power which has historically existed and been maintained between the State and Federal courts.

In such a situation, when you undertake to amend a statute as you are now doing, it leaves the States and the local law-enforcement authorities of the States absolutely without any police power. It leaves them with nothing but anarchy.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

(By unanimous consent (at the request of Mr. ABBITT) Mr. TUCK was given permission to proceed for 5 additional minutes.)

Mr. TUCK. Mr. Chairman, I thank my friend and colleague from Virginia, our Democratic leader in our State. I am glad to know that what I am saying is pleasing to him, because what he thinks of me may have some effect upon my tenure in this honorable body.

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. TUCK. I am delighted to yield to the gentleman from Virginia.

Mr. ABBITT. I commend the gentleman for the fine statement he is making. I commend his statement to our colleagues. I hope and trust sincerely that the amendment will be approved.

Mr. TUCK. I thank my friend, the gentleman from Virginia.

I have quite a lengthy legal argument I could make in behalf of the amendment I have offered, but I regret to say that because of the temper existing in the House of Representatives at this time I fear it would do no good purpose.

If I were able to indulge in the most powerful eloquence—and I am inclined to be emotional on this subject—if the Members of this House are as deaf and blind to logic and legal discussions as they are to the meritoriousness of legislation, I feel sure my arguments would be in vain.

Mr. Chairman, I feel that we are somewhat in the position described to me one day by my old friend, the Honorable J. Melville Broughton. Mr. Broughton served as Governor of the great State of North Carolina at a time comparable to when I served in a similar capacity in Virginia. We were good friends. We visited with each other often. He related a story to me which I believe pretty well illustrates the situation in which we find ourselves here today.

He said that a colored minister of erstwhile good repute in the western part of North Carolina had become enmeshed in the talons of the law and was required to serve a term of 1 year and 1 day in the central prison at Raleigh. Governor Broughton said that the welfare officer assigned to that institution thought it would be a good idea and that it would help to rehabilitate the prisoner for him to preach the sermon on the next Sunday morning, and thought it might be helpful to the inmates to receive a message from one of their own number. But the prisoner refused to do so. He said it would be sacrilegious for him to speak in a prisoner's garb, but that if authorities would provide clerical regalia he would undertake to accommodate them. They did. The warden came over and sat down to listen to the sermon.

As soon as the warden took his seat the minister got up and looked him straight in the eye and he said, "Brothers, this morning I am going to preach on the Book of Daniel.

In fact, I am going to take my text from Daniel himself. The first point I want to make is that Daniel was in the lions' den with the lions. The second point I want to make is that Daniel was not afraid of the lions. And the third and last point I want to make is "them darned lions weren't afraid of Daniel, either."

So that is sort of the situation we are in. I thought yesterday you were going to throw the ladies in the den here with us. If you had, the situation would be much more comfortable than it is here now. You have approved this bill almost in its entirety except for this one title. I know that I come as a voice crying from the wilderness. I do not so much as expect a crumb to fall from the legislative abundance from which your table of plenty abounds. If fact, I surmise that, if the precious and celebrated Bill of Rights which we all cherish so much were offered to you, in the present frame of mind and under the aegis of the leadership which inspires you, this great document, this bulwark of liberty would likewise bite the bitter dust of defeat. It has been said that the same fate would be meted out by you to the Ten Commandments which were handed down to Moses from the Heavens amid the thunders of Sinai.

Like the well-known character which the great English bard so vividly described, you have demanded and secured the last pound of flesh and, unfortunately, the last drop of blood goes with it.

> Although peace like a river attendeth our way, our sorrows like sea billows roll.

He who cannot drink the bitter dregs of defeat does not deserve to enjoy the elixir of victory.

Although we go down in defeat, we can do so in the proud knowledge that we have held high the torch of liberty. We can also take comfort in the knowledge that the American people of the present and succeeding generations will finally understand the issues involved and will rise up to applaud the efforts of the gentleman from Virginia, HOWARD SMITH, the gentleman from Louisiana EDWIN WILLIS, and others.

And now, my friends, in conclusion let me say that I hope you will give us just this one amendment and save for us and the American people our temples of justice, that peace where all men may at last go in the comforting knowledge that there is equality before the law where we can ask for redress of grievance and surcease from sorrow.

After I had completed my term in Richmond and returned to my home in Halifax, a former distinguished U.S. Senator from the State of New Jersey paid me a visit and left with me a little poem which I hope I have committed to memory and which I will leave with you, providing you will not believe me to be making an effort to become overly dramatic. It is entitled "The Man in the Glass," and goes like this:

When you get what you want in your struggle for self,
And the world makes you king for a day,
Just go to a mirror and look at yourself
And see what that man has to say.

For it isn't your father or mother or wife
Whose judgment upon you you must pass,
But the fellow whose verdict counts most in life
Is the man who stares back from the glass.

You may be like Jack Horner and chisel a plum,
And think that you are a wonderful guy,
But the man in the glass says you're a bum
If you can't look him straight in the eye.

He is the fellow to please, never mind all the rest,
For he will be with you right up until the end,
And you have passed your most dangerous, difficult test
If the man in the glass is your friend.

You may fool the whole world down the pathway of years
And get pats on the back as you pass,
But your final reward will be heartaches and tears
If you cheated the man in the glass.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. CELLER. Mr. Chairman, I am unalterably opposed to the amendment offered by the gentleman from Virginia, and I yield the balance of my time to the gentleman from Wisconsin [Mr. KASTENMEIER].

Mr. KASTENMEIER. Mr. Chairman, I thank the chairman.

Of course, the effect of the amendment offered by the gentleman from Virginia is to strike the entire title, all of title IX. I think it is necessary, even at this late hour, for the House to see why title IX is in the bill at all in terms of its history. For that we need to go back to 1866—98 years ago—when the Congress first wrote a removal statute for civil rights in anticipation of the time when citizens in various times and places and various situations would seek removal from State courts to be able to get justice. Section 1443 today is the successor of that 1866 law. We are not amending section 1443. We are amending section 1447, which would allow appeal on a remand; that is, a return to the State court of a case removed to the Federal court. It is true that the law presently does not allow appeal. It did for awhile. In the 1800's, from 1875 to 1887, all cases which were removed from the State courts could have a decision of remand appealed. Apparently in 1887 this was changed, although some people even argue today that the civil rights laws were an exception and the ability to appeal the remand was never meant to have been eliminated by section 1447. Nevertheless, on the surface of it, 1447 allows no appeal from remand at this point. Furthermore, 1443 has been so narrowly construed by the courts that it virtually only applies to one set of circumstances; that is, where a State law or a State constitution on the face of it denies equal rights to the defendant. The result is, as the Attorney General said when he came before our committee, that while a special statute has long permitted such removal, the nonavailability of an order of remand has made the provision almost useless.

We are not asking for an extraordinary remedy in this case, Mr. Chairman, but we are only asking that the law, frozen as it has been for almost 60 years so that the civil rights provisions of removal are almost useless, be reviewed, the power of appeal from the district court orders of removal be granted, and also, incidentally, that the court of appeals be authorized to reinterpret these laws. It would seem that under reinterpretation of section 1443 cases involving State criminal prosecution brought to intimidate the petitioner, cases involving such community hostility that a fair trial in the State or local courts is unlikely or impossible, and other such cases as set forth certain conditions which would seem likely or certain to preclude a fair trial, might now well be construed to be within the scope of said section. If so, once again we will breathe life into the Civil Rights Acts of 1866 and give meaning to the purpose intended. This will not destroy any balance of power, delicate as it may be, between the States and the Federal Government. All this does is to extend the possibility of appeal. Nor will it be dilatory, nor is it intended to be dilatory or to contribute to dilatory tactics on anybody's part.

Mr. Chairman, I sincerely urge the Committee to turn down this amendment and all others and to conclude with the passage of the Civil Rights Act of 1964.

Mr. POFF. Mr. Chairman, I move to strike out the required number of words.

Mr. Chairman, may I first of all pay tribute to my distinguished colleague, the gentleman from Virginia [Mr. TUCK] for offering this amendment and compliment him upon the manner in which he has explained its content, purpose, and effect. May I suggest, however, that he should not at this early hour despair. There may yet be enough fairminded men to rally to his support and adopt the amendment. In any event, that is the purpose I take my feet and I hope I will be able to add in some small measure to what the gentleman has already so ably presented.

Mr. TUCK. Mr. Chairman, will the gentleman yield?

Mr. POFF. I am delighted to yield to my distinguished colleague.

Mr. TUCK. Mr. Chairman, I appreciate very much these plaudits coming from my very distinguished young colleague from Virginia. We have been friends a long time; our districts adjoin. I would like at this time to compliment him on the fine services he has rendered to the people not only of his district and his State but also his Nation, in the House of Representatives and particularly in the Judiciary Committee of which we are both members. I commend him also for the fine work he has done in the Committee of the Whole House on the State of the Union in the consideration of this measure.

Mr. POFF. Mr. Chairman, I thank the gentleman and reciprocate in fullest measure all that he has said.

Mr. Chairman, I think it would be helpful in the full understanding of the amendment here involved if we fastened ourselves upon the legal history involved. Originally all Federal questions were decided by State courts. The litigants were left to the protection of their rights under normal appellate procedure. Then when cases began to be removed from State courts into Federal courts, originally it was impossible to get an appeal of a remand order simply because that remand order did not constitute what was called a final judgment. Then in 1885 the Congress saw fit to change what had been practiced and wrote a statute which prescribed that appeals from remand orders would be in order. The country lived with that new statute for only 2 years. The Congress in 1887 restored the former practice and provided that an appeal from a remand order would in nowise be in order.

Now this bill would again change the 1887 act. But it is important I think to understand that it would change it with respect to only one class of cases. As written the bill would authorize an appeal from a remand order in civil rights cases only. With respect to all other cases the remand order issued by the district judge would be final and there would be no right of appeal. If any proponent of the legislation can justify the reason for particular treatment of one class of cases to the exclusion of all other classes of cases, I might be disposed to accept that.

Mr. Chairman, so far I have heard no attempt in the Committee on Rules, in the Committee on the Judiciary, or on the floor of the House to justify this special unique treatment of one class of cases; namely, civil rights cases.

Mr. Chairman, why was the 1887 statute written denying appeal of remand orders? Principally because such an appeal involves extraordinary delay. Why is a delay of crucial significance with respect to a remand order? Because when the case is originally removed from the State court to a Federal court the State court loses all jurisdiction over the litigation. It no longer has any power to maintain the status quo. No process can issue. During the course of the delay in civil cases the subpenas of the witnesses may expire and new witnesses whose identity can be learned only when the trial is in progress may leave the jurisdiction of the State court. If accessories before or after the fact come to light during the course of a criminal prosecution they could depart the jurisdiction of the State court and not be amenable to its process.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. POFF. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. POFF. In conclusion, Mr. Chairman, I say that the gentleman's amendment will do no violence to the substantive rights of any litigant. This is true because under the law as it exists today a litigant who is aggrieved by the remand order has the full right to protect his constitutional rights under the Federal appellate procedure from the State court.

Therefore, Mr. Chairman, I earnestly trust that the amendment offered by the gentleman from Virginia [Mr. TUCK] will be adopted.

Mr. DOWDY. Mr. Chairman, I move to strike the requisite number of words. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this attempt to bypass U.S. district judges and State courts as provided in title IX is the sleeper in this package of legislation. It is a direct slap at the U.S. district judges. It would cause chaos in the administration of justice in the State courts. It is designed to paralyze the processes of all State courts in the field of civil rights. It would destroy the delicate balance which has been maintained throughout the years between the jurisdiction and powers of the parallel systems of Federal and State courts.

Title 28 United States Code annotated, section 1447(d) now provides:

> An order remanding a case to a State court from which it was removed is not reviewable on appeal or otherwise.

Section 1447(d) provides that "an order remanding a case to a State court from which it was removed is not reviewable on appeal or otherwise." Title IX would add to that "except that an order remanding a case to the State court from which it was removed pursuant to section 1443 of this title shall be reviewable by appeal or otherwise."

Section 1443 of title 28 has to do with the removability of civil rights cases:

> Any of the following civil actions or criminal prosecutions, commenced in a State court may be removed by the defendant to the district court of the United States for the district and division embracing the place wherein it is pending:
>
> (1) Against any person who is denied or cannot enforce in the courts of such State a right under any law providing for the equal civil rights of citizens of the United States, or of all persons within the jurisdiction thereof;
>
> (2) For any act under color of authority derived from any law providing for equal rights, or for refusing to do any act on the ground that it would be inconsistent with such law (June 25, 1948, c. 646, 62 Stat. 938).

This title is highly discriminatory. It would give so-called civil rights groups a special "weapon" all of their own, to use the terminology of Attorney William M. Kunstler, counsel for CORE. It would effectively prevent for a long period of time any trial, Federal or State.

Originally the litigation of Federal questions was left to the State courts in cases filed in such courts, with recourse to the U.S. Supreme Court through appellate procedures. Then, as the process of removal and remand developed by trial and error, the present procedure was devised. Since 1887 it has proved to be the only feasible procedure and has been the law that the decision of the U.S. district judge on the motion to remand has the effect of revesting in the State court the power to proceed with the case, without suspending or destroying the power of that court during an extended period of delay necessarily arising from an appeal to the Court of Appeals of the United States from the order remanding the case.

The devastating effect of this proposed amendment upon State courts is apparent when it is realized that under the present statutes removal is accomplished by a simple act of the party, without the necessity of any order by either a State or Federal judge. One of the litigants, by a simple filing of the petition and appurtenant papers, automatically removes the case to the Federal court. Thereafter no process of any kind can issue from the State court, no depositions can be taken, hearings scheduled or in process must be suspended. The State court is powerless to maintain the status quo. Upon the return date of subpenas theretofore issued, witnesses need not appear, and there is no way to fix new return dates. Witnesses who are sought for cross-examination in the cause may not be served with State subpenas and they may not be reached by Federal process because there has been no determination by the Federal court of its jurisdiction. Restraining orders cannot be issued in the State court, although the Federal court has the power to do so in aid of its jurisdiction, pending a determination thereof.

The legal relief available is an immediate application to the Federal court for a remand, on the basis that the removal was improper and that the Federal court lacks jurisdiction. This is a matter presented to the Federal judge for determination by him as a part of procedure within the Federal judicial system. It is not within the control of the State courts.

Under the present statute, the litigant wishing the protection of the Federal courts already has two bites at the apple. The motion to remand is decided by a Federal judge. If the Federal judge determines that the Federal court does not have jurisdiction and that the State court should be permitted to proceed, the litigant still has the right to obtain a determination of Federal questions in due course of appellate review by the Supreme Court of the United States.

There is absolutely no justification for the proposed amendment. It flies in the face of the experience which resulted in the passage of the act of March 3, 1887, chapter 373, section 6, 24 Statutes at Large 552. This provided that an order remanding a case to the State court shall be "immediately carried into execution" and "no appeal or writ or error" from the order should be allowed. Thereafter, the present wording was embodied in section 1447 of title 28 so that subparagraph (d) now reads:

> An order remanding a case to the State court from which it was removed is not reviewable on appeal or otherwise.

The practical effect of the amendment would be to place in the hands of a litigant in civil rights cases the power to destroy the efficacy of State proceedings, without any judge of any court having found that the State court was without jurisdiction and in the face of a finding by a U.S. district court that the State court was vested with jurisdiction and the Federal court had no right to proceed in the cause. In a case where the State courts had enjoined the commission of unlawful acts, all process and all proceedings of the State court would be nullified for many months. By the time that the matter was reached on the appellate docket of the Court of Appeals of the particular circuit involved, the acts enjoined by the State court would have long since been carried to consummation in direct violation of orders of that court. The issues would have become moot.

A discussion of the details of modern removal practices will be helpful. A case is removed from State to Federal court simply by the defendant's filing in the Federal court a "verified petition containing a short and plain statement of the facts which entitle him or them to removal" and other papers of the case (28 USCA, sec. 1446(a)). "The petition for removal of a criminal prosecution may be filed at any time before trial" section 1446(c). Minimum bond is required, section 1446(d). Whether the Federal court has jurisdiction, i.e., whether the case was properly removed, is a question for the Federal courts.

It is obvious that to allow an appeal as to whether the case was properly remanded would cause great delay in the prosecution of the case.

Judge Parker of the fourth circuit explained what is now section 1447(d):

> The purpose of the statutory provision * * * was to obviate the delay which would result over reviewing orders of removal" *Ex parte Bopst*, 4 Cir. 1938, 95 F. 2d 828, 829.

On the other hand, not allowing an appeal merely requires that the litigation proceed. Any Federal rights claimed can, under any circumstances, be reviewed by the U.S. Supreme Court by direct appellate procedure.

Mr. Chief Justice Fuller said in *Missouri Pacific R. Co.* v. *Fitzgerald,* 40 L. ed. 536, 543 (1896):

> So far as the mere question of the forum was concerned, Congress was manifestly of opinion that the determination of the circuit (now district) court that jurisdiction could not be maintained should be final, since it would be an uncalled-for hardship to subject the party who, not having sought the jurisdiction of the circuit court, succeeded on the merits in the State court, to the risk of the reversal of his judgment, not because of error supervening on the trial, but because a disputed question of diverse citizenship had been erroneously decided by the circuit court; while as to applications for removal on the ground that the cause arose under the Constitution, laws, or treaties of the United States, that this finality was equally expedient, as questions of the latter character, if decided against the claimant, would be open to revision under section 709, irrespective of the ruling of the circuit court in that regard in the matter of removal.
>
> It must be remembered that when Federal questions arise in causes pending in the State courts, those courts are perfectly competent to decide them, and it is their duty to do so.
>
> As this court, speaking through Mr. Justice Harlan, in *Robb* v. *Connolly*, 111 U.S. 624, 637 (28:542, 546), said: "Upon the State courts, equally with the courts of the Union, rests the obligation to guard, enforce, and protect every right granted or secured by the Constitution of the United States and the laws made in pursuance thereof, whenever those rights are involved in any suit or proceeding before them; for the judges of the State courts are required to take an oath to support that Constitution, and thev are bound by it, and the laws of the United States made in pursuance thereof, and all treaties made under their authority, as the supreme law of the land, 'anything in the Constitution or laws of any State to the contrary notwithstanding.' If they fail therein, and withhold or deny rights, privileges, or immunities secured by the Constitution and laws of the United States, the party aggrieved may bring the case from the highest court in the State in which the question could be decided to this court for final and conclusive determination."

The history of what is now 28 USCA 1447(d) was explained by Mr. Justice Van Devanter in *Employers Reinsurance Corp.* v. *Bryant,* 81 L. ed. 289, 292–293 (1937):

> For a long period an order of a Federal court remanding a cause to the State court whence it had been removed could not be reexamined on writ of error or appeal, because not a final judgment or decree in the sense of the controlling statute. But in occasional instances such an order was reexamined in effect on petition for mandamus, and this on the theory that the order, if erroneous, amounted to a wrongful refusal to proceed with the cause and that in the absence of other adequate remedy mandamus was appropriate to compel the inferior court to exercise its authority.
>
> By the act of March 3, 1875, chapter 137, 18 Statutes at Large 472, dealing with the jurisdiction of the circuit (now district) courts, Congress provided, in section 5, that if a circuit court should be satisfied at any time during the pendency of a suit brought therein, or removed thereto from a State court, that "such suit does not really or substantially involve a dispute or controversy properly within" its "jurisdiction," the court should proceed no further therein, but should "dismiss the suit or remand it to the court from which it was removed, as justice may require." Thus far this section did little more than to make mandatory a practice theretofore largely followed, but sometimes neglected, in the circuit courts. But the section also contained a concluding paragraph, wholly new, providing that the order "dismissing or remanding the said cause to the State court" should be reviewable on writ of error or appeal. This provision for an appellate review continued in force until it was expressly repealed by the act of March 3, 1887, chapter 373, section 6, 24 Statutes at Large 552, which also provided that an order remanding a cause to a State court should be "immediately carried into execution" and "no appeal or writ of error" from the order should be allowed.
>
> The question soon arose whether the provisions just noticed in the act of March 3, 1887, should be taken broadly as excluding remanding orders from all appellate review, regardless of how invoked, or only as forbidding their review on writ of error or appeal. The question was considered and answered by this Court in several cases, the uniform ruling being that the provisions should be construed and applied broadly as prohibiting appellate reexamination of such an order, where made by a circuit (now district) court, regardless of the mode in which the reexamination is sought. A leading case on the subject is *Re Pennsylvania Co.* 137 U.S. 451, 34 L. Ed. 738, 11 S. Ct. 141, which dealt with a petition for mandamus requiring the judges of a circuit court to reinstate, try, and adjudicate a suit which they, in the circuit court, had remanded to the State court whence it had been removed. After referring to the earlier statutes and practice and coming to the act of March 3, 1887, this Court said (p. 454):
>
> "In terms, it only abolishes appeals and writs of error, it is true, and does not mention writs of mandamus; and it is unquestionably a general rule, that the abrogation of one remedy does not affect another. But in this case we think it was the intention of Congress to make the judgment of the circuit court remanding a cause to the State court final and conclusive. The general object of the act is to contract the jurisdiction of the Federal courts. The abrogation of the writ of error and appeal would have had little effect in putting an end to the question of removal, if the writ of mandamus could still have been sued out in this court. It is true that the general supervisory power of this court over inferior jurisdictions is of great moment in a public point of view, and should not, upon light grounds, be deemed to be taken away in any case. Still, although the writ of mandamus is not mentioned in the section, yet the use of the words "such remand shall be immediately carried into execution," in addition to the prohibition of appeal and writ of error, is strongly indicative of an intent to suppress further prolongation of the controversy by whatever process. We are, therefore, of opinion that the act has the effect of taking away the remedy by mandamus as well as that of appeal and writ of error."

U.S. v. *Rice,* 90 L. Ed. 982, 988 (1949), Mr. Justice Stone:

> Congress, by the adoption of these provisions, as thus construed, established the policy of not permitting interruption of the litigation of the merits of a removed cause by prolonged litigation of questions of jurisdiction of the district court to which the cause is removed. This was accomplished by denying any form of review or an order for remand, and before final judgment of an order denying remand. In the former case, Congress has directed that upon the remand the litigation should proceed in the State court from which the cause was removed. * * * But the congressional policy of avoiding interruption of the litigation of the merits of removed causes, properly begun in State courts, is as pertinent to those removed by the United States as by any other suitor.

It is readily apparent that title IX would allow civil chaos without giving State authorities any remedy. After the prosecution is prepared, a criminal defendant could wait until minutes before trial and have the case removed. Then, when several days or a week later the Federal court has decided it has no jurisdiction and an order of remand is entered, such defendant could appeal that order. Trial could be put off almost indefinitely, especially considering the congested dockets of the Federal courts of appeal.

In a civil case in which a State court has entered a temporary restraining order, removal would oust one State court of jurisdiction. An example of what can happen is the recent Clinton, La., case. The Parish of East Feliciana was engaged in prosecuting a request for injunctive relief filed in a State court on August 20, 1963, against the Congress of Racial Equality and others who had been conducting—with the usual violence—a typical nonviolent civil rights operation in that community. A temporary restraining order against certain unlawful activities was issued on that date, and the hearing on the application for preliminary injunction was fixed for August 28, 1963.

Under Louisiana law an ex parte temporary restraining order cannot continue for more than 10 days, at which time the plaintiff must proceed with his application for a preliminary injunction under the penalty of automatic dissolution of the restraining order. For good cause shown, and with the reasons therefor entered of record, the temporary restraining order may be extended for additional periods of not to exceed 10 days each, but only if the court has jurisdiction to act.

A few minutes before trial on August 28, and without notice or warning, a removal petition was filed by defendants. At this time, several witnesses were under subpena for cross-examination, and officers were seeking an additional 20 or more imported agents of the defendant for service of similar summons. The removal effectively halted the State court action.

The U.S. district court extended the temporary restraining order to maintain the status quo and in aid of its jurisdiction and a hearing on the motion to remand was fixed for September 6, at which time the matter was taken under advisement. On September 13, the court remanded the case, and the State court again extended the temporary restraining order.

During the interval, most of the witnesses sought for subpena were removed from the State and those under subpena took the position that, the return date having passed, they were under no obligation to return to court.

Service of an order reassigning the hearing on the preliminary injunction was delayed when CORE agents on whom process could be served dodged service, although other agents immune from process remained active. When finally served, defendants sought and received a continuance until October 14. Efforts to serve additional agents of CORE with subpenas for cross-examination were only partially successful, as these individuals "hid out" to avoid service.

On October 12, approximately 42 arrests were made for violation of several statutes in connection with picketing. Of those arrested, 21 were also cited for contempt along with the Congress of Racial Equality and 5 individuals who were not under arrest.

On October 14, during the trial of the application for a preliminary injunction, counsel for the defendant notified the court that the fifth circuit had issued a stay order pending its determination of its jurisdiction to hear an appeal from the order of the U.S. district court remanding the case to the State court. U.S. marshals served the stay order approximately 4 hours later, at which time the case was adjourned.

On October 15, while application was being made to the judge who issued the stay order, the Attorney General was testifying in Washington to the effect that there was no authority for such an appeal and advocating enactment of the amendment to 28 United States Code Annotated 1447(d). Although the circuit judge had issued the stay in New Orleans, he refused to consider dissolving it except upon formal hearing.

After lengthy argument in Atlanta, the fifth circuit took the matter under advisement, called for briefs, and refused to take any action but a minor modification of the sweeping stay which still emasculated the State court in the proceedings.

It should be noted that as soon as the fifth circuit stay was issued, agents of CORE who had hidden to avoid service for several weeks emerged from hiding and operated openly and publicly. It should be further noted that the Clinton case is actually in trial, i.e., this is not a case of staying execution of an order, but suspends proceedings of a State court in the middle of a trial, with all of the consequent obstruction of the process of the court, the inability to subpena witnesses because of the impossibility of fixing a return date, and, most important, the inability of the State court to extend its temporary restraining order after its expiration on October 24, without the danger of being in contempt of the fifth circuit.

All of this was done under the present statute. If amended, it would permit this to be accomplished by the litigant in the face of an adverse holding of the Federal district court.

Attorney General Kennedy testified before the House Judiciary Committee on October 15, 1963, as follows:

> [The amendment] allows an appeal to be taken from Federal court orders remanding civil rights cases to the State courts from which they have been removed. While a special statute has long permitted such removal, the nonappealability of an order of remand has made the provision almost useless.

It is readily apparent that removal is "useless" where the Federal court has no jurisdiction. Attorney General Kennedy's inference that Federal district judges have been less than honest in testing their own jurisdiction seems to be either a terrible indictment of them, or the result of his lack of understanding of the purpose of removal. Too, he may not understand that the end does not justify the means. In this case, the end itself is of highly debatable wisdom. Justice is delayed and artificial obstructions are thrown in the path of the orderly disposal of cases so that the demonstrators' purposes may be completed in the meantime. The desired result is accomplished by what will probably be held to be illegal acts, but such a judgment will be too late.

It is very important that it be understood that an appeal from a remand is not necessary to protect Federal rights. A Federal judge does the remanding. The State courts can and will enforce the Constitution; if not, the Supreme Court of the United States can correct the mistake. Allowing appeal from remand, especially in a highly inflammable atmosphere, leaves a hiatus, a vacuum, in which law and order may well falter.

I urge a favorable vote on the amendment by the gentleman from Virginia [Mr. Tuck].

Mr. KASTENMEIER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I shall not take the full 5 minutes.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. KASTENMEIER. I yield to the gentleman from New York.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on title IX and all amendments thereto conclude in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. SCHWENGEL. I object.

The CHAIRMAN. Objection is heard.

Mr. CELLER. Mr. Chairman, I move that all debate on title IX and all amendments thereto conclude in 30 minutes.

The motion was agreed to.

(By unanimous consent, the time allowed Mr. Celler was given to Mr. Edwards.)

The CHAIRMAN. The chair recognizes the gentleman from Wisconsin [Mr. Kastenmeier].

Mr. KASTENMEIER. Mr. Chairman, we have heard again that this is a reflection on the Federal judges. It is nothing of the sort. Federal district judges in this section are not affected any more than in title I where we adopted the three-judge court provision.

Mr. Chairman, what we have done is probably the most modest thing possible in this field. The subcommittee had before it a slightly more ambitious section dealing with this problem, and would have amended 1443 and 1447, but the committee took the most conservative approach and provided merely for an appeal of the remand decision. I would very much like to say, in answer to the gentleman from Virginia [Mr. Poff], who said there was no precedent at all, that the Congress wrote into the statute, 1443, a provision which did treat civil rights cases differently from other cases.

Furthermore, there was the Rice case cited by the gentleman from Virginia [Mr. Tuck] in his earlier discussion on the floor of the House during the week, in which the court held that the application for an appeal of a remand decision could not be sustained.

The U.S. Congress in 1947 passed a special statute permitting appeal of that type of remand decision. That constituted a precedent in one area of cases. That happens to be an Indian lands case. I think there is ample precedent for this, Mr. Chairman, and I hope the Committee votes down the amendment.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. KASTENMEIER. I yield to the gentleman from New York.

Mr. LINDSAY. The gentleman from Virginia [Mr. Poff] is an excellent lawyer. He asked a very fair question which I think deserves an answer. He asked what is the special reason for having an exception to the general rule with respect to re-remands from State to Federal courts?

The distinguished gentleman will disagree with me, but the reason is this: You have a special problem which needs a solution. This, then, is a procedural remedy designed to handle this very special problem which, in voting cases, has been especially difficult. Those trial lawyers who have been litigants in this area trying to put an end to the prevention of voting on the ground of race have found this problem a roadblock, an insuperable one.

The 15th amendment to the Constitution says:

> The Congress shall have the power to enforce this article by appropriate legislation.

The 15th amendment to the Constitution was special legislation in itself designed to cure special problems. That is the reason, I submit, that the amendment should be voted down.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WILLIAMS].

(By unanimous consent, Mr. WILLIAMS yielded his time to Mr. RIVERS of South Carolina.)

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. SCHWENGEL].

Mr. SCHWENGEL. Mr. Chairman, a minute and a half does not give me much time to say some things I wanted to say, and to answer some questions. I am sorry I interrupted the gentleman from South Carolina, but when somebody misquotes Lincoln, I want to get the quotation right.

Mr. RIVERS of South Carolina. I am sorry I misquoted the gentleman.

Mr. SCHWENGEL. Mr. Chairman, if I understood the gentleman I thought some reference to a set of "cannot" statements often accredited to Lincoln that are spurious—I understood him to say that Lincoln made this statement in New York.

The spurious statements often attributed to Lincoln and which I received permission to put in the RECORD at this point are as follows:

> The 10 points, which have been the subject of numerous inquiries, have been erroneously attributed to Abraham Lincoln, but the identity of the person who first willfully or unwittingly ascribed them to Lincoln has not been discovered.
>
> The text of the 10 points most frequently used is as follows:
>
> "1. You cannot bring about prosperity by discouraging thrift.
>
> "2. You cannot strengthen the weak by weakening the strong.
>
> "3. You cannot help small men up by tearing big men down.
>
> "4. You cannot help the poor by destroying the rich.
>
> "5. You cannot lift the wage earner up by pulling the wage payer down.
>
> "6. You cannot keep out of trouble by spending more than your income.
>
> "7. You cannot further the brotherhood of man by inciting class hatred.
>
> "8. You cannot establish sound social security on borrowed money.
>
> "9. You cannot build character and courage by taking away a man's initiative and independence.
>
> "10. You cannot help men permanently by doing for them what they could and should do for themselves."
>
> ### THE DOCUMENTATION
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> The earliest dated appearances of any of the 10 points that have come to our notice are in publications of the Reverend William John Henry Boetcker (b. 1873). One of these booklets entitled "Inside Maxims, Gold Nuggets taken from the Boetcker Lectures" (Wilkinsburg, Pa., Inside Publishing Co., 1916) contains several maxims which bear a strong resemblance to points 2, 3, 4 and 10; his "Open Letter to Father Charles E. Coughlin" (Erie, Pa., Inside Publishing Co., 1935) reproduces maxim 25 (i.e. points 2 and 4) on page 56, and the same page contains lines which greatly resemble point 3.
>
> Also, the "10 dont's" enumerated in an undated, printed handbill captioned "The New Decalog," which Mr. Boetcker has distributed widely, contains points 2 to 5 and 10, and a slightly different version which, under the title "The Industrial Decalog," was included in the American Charter Compass, by Mr. Boetcker (Erie, Pa., Inside Feature Service, 1945) contains points 6 and 8 in a single "don't."
>
> Furthermore, the 10 points were published under the title "Warning Signs on the Road to Prosperity" on the outside back cover of Investor America for February 1940, with no attribution of authorship. This periodical, a monthly publication of the American Federation of Investors, Inc., of which Mr. Hugh Stewart Magill was president, bore on the front cover a photograph of the Lincoln Memorial in Washington. Subsequently, the maxims which had gained considerable popularity both in the business and social world were reprinted in a leaflet form by the Federation; and before long they were appearing in the CONGRESSIONAL RECORD, in the newspaper press, in house organs, official documents, and periodicals, and on Christmas cards.
>
> "Lincoln on Limitation" is the caption of a leaflet published by the Committee for Constitutional Government, of New York, in the fall of 1942, which contained on the reverse the 10 points. Of the four printings which we have seen (one bearing the caption "Lincoln on Private Property") one attributes their source to Land O'Lakes News, another to "Inspiration of Wm. J. H. Boetcker"; the third and fourth bear no attribution of source whatever, and none bears any attribution to authorship. However, as these printings carried on the face of the leaflet excerpts from Lincoln's writings, it appears that by printing the 10 points dos-a-dos to authentic Lincolnisms, without specifically relieving him of the distinction, the committee has earned the honor of having first associated Mr. Lincoln with the maxims.
>
> The Royle Forum, published quarterly by John Royle & Sons, Paterson, N.J., in No. 24, September 15, 1943, printed the 10 points (p. 4) in a variant sequence under the title "Ten Things You Cannot Do," and ascribed them to Abraham Lincoln. This text, incorporated in a radio script, was broadcast as the work of Mr. Lincoln in Galen Drake's program of November 30, 1948.
>
> More recently the 10 points, slightly transposed, with the omission of a word or two, have been attributed directly to Lincoln in various media, and there seems to be no way of overtaking the rapid pace with which the mistaken identity has been spreading.

The full statement made by Lincoln from which the gentleman quoted and was part of his statement can be found on page 253 of the "Lincoln Treasury" and reads as follows:

> The strongest bond of human sympathy outside the family relations should be one of uniting all working people, of all nations and tongues and kindred. Nor should this lead to a war upon property, or the owners of property. Property is the fruit of labor; property is desirable; is a positive good in the world. That some should be rich, shows that others may become rich, and hence is just encouragement to industry and enterprise. Let not him who is houseless, pull down the house of another, but let him work diligently and build one for himself. Thus by example, assuring that his own shall be safe from violence when built.

Mr. Chairman, a wrong to American history, a wrong to the sense and weight of the life and character of Abraham Lincoln, and a wrong to our own generation, has been done by an advertisement that appeared today, Monday, February 10, 1964, in the Washington Post. Of course, the Post abhors the advertisement and says so in an accompanying editorial answering this distortion which is predicated upon a minimum of truth. It is significant that the sponsors of the advertisement, the advertisement says, are the Citizens' Councils of America, whose director is noted as W. J. Simmons, of Jackson, Miss. The Post published the advertisement only because it defers to the right—in a sense the Lincolnian right—to publish in their own columns the views of those with whom they disagree.

What is wrong with this unfortunate use of honest quotations from Lincoln is the misuse and apparently deliberate torturing of the truth. Lincoln was, of course, a statesman who had to deal with the materials at hand and make the most out of the situation as it then existed. What matters is not what can be excised out of what Lincoln said in 1858 urging the separation of the white and the black races. What matters is the demonstrated genius of Lincoln in his capacity for growth. Thus in a second quote from Lincoln dated 1862, 4 years later, and used in the advertisement, there is already the evidence of Lincoln's greater reserve, and more restrained attitude toward the problem as he had defined it before. The more he delved into the problem this advertisement seeks to exploit in the interests of injustice, the more convinced he became of the position that led to the Emancipation Proclamation.

What matters in this ugly, unhistorical, unscholarly, misuse of the facts of history, is that the whole weight and moral persuasion of Lincoln's life is in precisely an antithetical position to what the Citizens' Councils of America and this Mr. Simmons is seeking to prove. Indeed, it is possible to take the noblest works ever fashioned by the hand of man, from sculpture and painting, to the written or the spoken word, and by concentrating on a single area make the whole seem unworthy of public approbation.

Further, the advertisement does not make any reference to other quotes by Lincoln, both before 1858 and after 1862, which more fully and more accurately reflect Lincoln's thinking and position on the subject.

A copy of the Washington Post advertisement follows:

> [From the Washington Post, Feb. 10, 1964]
>
> ### LINCOLN'S HOPES FOR THE NEGRO
>
> What I would most desire would be the separation of the white and black races. (Spoken at Springfield, Ill., July 17, 1858, "Abraham Lincoln Complete Works," edited by Nicolay and Hay, published by the Century Co., 1894, vol. I, p. 273.)
>
> I will say, then, that I am not, nor ever have been, in favor of bringing about in any way the social and political equality of the white and black races—that I am not, nor ever have been, in favor of making voters or jurors of Negroes, nor of qualifying them to hold office, nor to intermarry with white people; and I will say in addition to this that there is a physical difference between the white and black races which will ever forbid the two races living together on terms of social and political equality. And inasmuch as they cannot so live, while they do remain together, there must be the position of superior and inferior, and I, as much as any other man, am in favor of having the superior position assigned to the white race. (Spoken in sixth joint debate with Senator Douglas at

Quincy, Ill., Oct. 13, 1858, "Abraham Lincoln Complete Works," edited by Nicolay and Hay, the Century Co., 1894, pp. 369, 370, 457, and 458; also at Charleston, Ill., Sept. 18, 1858, in fourth debate with Douglas.)

Why * * * should the people of your race be colonized, and where? Why should they leave this country? This is, perhaps, the first question for proper consideration. You and we are different races. We have between us a broader difference than exists between almost any other two races. Whether it is right or wrong I need not discuss, but this physical difference is a great disadvantage to us both, as I think your race suffer very greatly, many of them by living among us, while ours suffer from your presence. In a word, we suffer on each side. If this be admitted, it affords a reason at least why we should be separated.

It is better for both, therefore, to be separated. (Spoken to a committee of colored men at the White House, July 14, 1862. The New York Daily Tribune, Aug. 15, 1862, p. 1; New York Semi-Weekly Times, Aug. 15, 1862, p. 5.)

Mr. Chairman, a good and sufficient answer to the advertisement is found in the following editorial:

[From the Washington (D.C.) Post, Feb. 10, 1964]

QUOTING LINCOLN

Several things should be said about the advertisement by the Citizens' Councils of America appearing elsewhere in this newspaper today. The advertisement dishonors the memory of Abraham Lincoln and does injustice to Negro Americans. We publish it, nevertheless, out of deference to the right of those with whom we disagree to present their views to the public.

The statements attributed to Lincoln were made by him. They are presented here divorced from the context and the circumstances in which they were uttered. Considered by themselves, they make Lincoln sound like a racist, a rank segregationist. He was neither. Sedulous selection, it is well known, can make the Scriptures seem the work of Satan.

Lincoln lived in a time when Negroes were bought and sold and traded and transported and used as chattels. Their development was so frustrated, their lives so degraded that only the most visionary could think in terms of the complete equality which the 14th amendment later guaranteed to them. Lincoln was not a visionary. He was a politician, engaged in political debate with adversaries who sought to keep the Negro in a state of slavery. His concern was with what was politically practicable and possible at that time.

In Lincoln's debates with Stephen A. Douglas, from which some of the statements quoted in the advertisement are drawn, Douglas defended the Supreme Court's Dred Scott decision; Lincoln attacked it. In one of those debates, Lincoln said to his opponent: "I adhere to the Declaration of Independence. If Judge Douglas and his friends are not willing to stand by it, let him come up and amend it. Let them make it read that all men are created equal except Negroes." That seems to us an apt challenge to fling into the face of the Citizens' Councils of America.

It does a disservice to the memory of Abraham Lincoln to treat him as a god, or even as a demigod. He was a human being with human frailties, capable of error, yet capable, too, of majestic strength and compassion. As he matured in political experience and wisdom, he came to understand that the Nation could not endure with one race in subjugation to another. And so, in 1863 he wrote the Emancipation Proclamation. And in 1864 he wrote that "the restoration of the rebel States to the Union must rest upon the principle of civil and political equality of both races." And in 1865, in the second Inaugural Address, he sought "to bind up the Nation's wounds."

One hundred years later the Citizens' Councils are striving to reopen those wounds and to restore a system which has been the Nation's curse. The Great Emancipator was never their ally and will not serve them now. History has passed them by. A new birth of freedom is dawning.

Mr. Chairman, to further clarify the Lincoln position and attitude I call attention to the following:

LEARNING TO LIVE WITH THE PAST

(Address delivered by Prof. John Hope Franklin at the first statewide assembly of the New York Civil War Centennial Commission, Albany, N.Y., April 17, 1961.)

A most formidable task for a people who would learn to live with their own history is that of proving worthy of its greatness, overcoming its sordidness, and knowing the difference between the two. The capacity to make this distinction, in large measure, depends on the extent to which history and tradition have provided values and criteria by which to make the proper judgments. In the course of this country's history we early enjoyed an abundance of such experiences. We learned in the 17th and 18th centuries that independence was preferable to tyranny, and we moved steadily in that direction. We learned that tolerance was a sign of greater strength and wisdom than bigotry, and we engraved on our national conscience a promise that we would learn tolerance. History taught us that human freedom was more becoming to a civilized community than the barbarism of slavery; and in increasing numbers we became committed to that view.

In the brief history of our country we have had the great variety of experiences that have provided a context for the crystallization of our values. We have seen triumph and defeat, joy and sadness, pleasure and pain, greatness and meanness. In the crucible of conflict and controversy we have hammered out a conception of a way of life that, at once, excites our imagination and challenges our ingenuity. It is a way of life that places the highest premium on the freedom of the individual, the equality of all, and justice on the basis of an objective evaluation of the person and his cause. If the conception remains unrealized, it is no less real and no less worthy; and in the crucible of conflict and controversy we have also developed some capacity to judge what aspects of what experiences contribute toward the realization of the goals we seek.

One of the greatest tests we have ever faced regarding our capacity to live with our history and to profit from its lessons is now before us. As we approach the centennial of our greatest national tragedy we do so with humility and, indeed, with some trepidation. We can make of this occasion a banal and blasphemous travesty or we can make of it an inspiring moment of rededication. We can regard it as an unpleasantness to be forgotten or we can seize upon it as an opportunity to learn to live with our past. We can turn our face from it as a child would hide from a picture of horror or we can look it squarely in the face hoping to prove worthy of its moments of greatness and attempting to overcome its moments of baseness and infamy. It is indeed an exciting and challenging test from which we cannot escape any more than we can escape truth or history or the tides or the seasons.

We would not want to be guilty of refusing to live with our past merely because an incredibly display of poor taste and even sacrilege has already attempted to caricature and blaspheme this great moment in our national history. The ludicrous, mocking speeches, the hideous and barbarous celebrations, and the wild, irresponsible attacks on those who saved this Union in its darkest hour impel us to remember and to proclaim to the entire world that the struggle to preserve this Union and the fight to achieve liberty for all persons was, after all, this Nation's finest hour. It would be a mark of enormous ingratitude as well as a mark of great insensitivity if we who believe that the Civil War was a triumph for civilized man did not say so. It would be an indication that we were trying to escape history or were refusing to live with it if we did not see in this great struggle important lessons for the present and significant suggestions for the future.

The lessons of the war have the greatest significance for this country as it seeks to realize the more perfect union of which the Founding Fathers dreamed. Their lessons have the profoundest importance for this country as it undertakes to build on the dream of freedom and equality for all its people that was expressed so eloquently on so many occasions by our wartime President, Abraham Lincoln. For surely the war taught us that the preservation of the Union was of supreme importance; and the intervening century has certainly validated this lesson. Surely the war taught us that human freedom is the highest goal of civilized society; and the intervening century has indicated that there is much yet to be learned in this regard. Indeed, the war taught us that magnanimity, tolerance, forbearance were the hallmarks of unity and brotherhood; and the intervening century suggests to us that in a dozen different ways these hallmarks are flouted.

It was the man who led this country through the dark hours of bloody, civil war who, at the end of the war, set the tone of peace and reconciliation that could well guide us in our remembrance of the war and its goals. Abraham Lincoln was not interested in crushing the adversary so that he could stride over the battle ruins in vulgar vanity. He realized that there could be no lasting victory unless the talents and resources that produced it were used with equal diligence in making and keeping the peace. His visit to the fallen Confederate capital in the closing days of the war was not a tour of triumph but a sobering experience filled with challenge. To a group of Negroes in Richmond, he said, "I am but God's humble instrument, but you may rest assured that as long as I shall live no one shall put a shackle to your limbs, and you shall have all the rights which God has given to every other free citizen of this Republic." In days he was brutally shot but he still lives in the hearts and minds of all who have liberty.

Earlier he had said that efforts to deny the Negro his rights and his freedom were also "calculated to break down the very idea of free government, even for white men, and to undermine the very foundations of free society." The war merely confirmed his views. He knew that there could be no just and lasting peace where legally enforced inequality prevailed. He knew that there could be no equivocation about simple, decent humane treatment of human beings.

In his remarks to the Negroes at Richmond, Lincoln spoke to our generation as well as to his own. To his own generation he urged that the people should move with steadfastness and determination toward securing and protecting the rights of all the citizens of the Republic. It involves, as he said, more than binding up the Nation's wounds and caring for those who fought in the war and for their dependents. It also involved doing "all which may achieve and cherish a just and lasting peace among ourselves and with all nations." To our generation he calls for a continuing of the effort to create a just and lasting peace. While the intervening century has seen some steps in the direction of a just peace, there is still an enormous amount of unfinished business. He could not finish it. Succeeding generations would not finish it.

We in this generation can complete the task of creating a more perfect Union and securing the rights of all persons if we seize this opportunity that is now ours. We can use the observance of the Civil War centennial to rededicate ourselves to the task and, in the spirit of those who gave so much in the way of sacrifice and their very lives during the war, push ahead to the goal of perfecting our democracy. We cannot do this by growing beards and simulating the appearance of mid-19th century militant swains. We cannot do this by appropriating millions of dollars to put on sham battles and going through ludicrous ceremonies that make a mockery of that tragic period and of this solemn moment of remembrance. We cannot do this by attacking President Lincoln, whose name some of us are unworthy to utter, and by seeking to create more than a breath of scandal around the name of everyone who fought to save this Union. We cannot do this by invoking the archaic and anachronistic arguments of the secessionists in order to defy and nullify the Supreme Court decisions today.

We can best observe the centennial of the Civil War by redoubling our efforts to complete the task begun by those who fought and died to preserve the Union, eradicate the barbarism of slavery, and establish equal rights for all people. We shall observe it in this State by appropriate measures and activities that will indicate our understanding of the deep significance and the great implications of the war and its outcome. We shall do no violence to the memory of any man or woman on either side of the war. We shall subscribe to the view that our responsibility is as great for us today as it was for those who a century ago gave their all for a cause in which they believed. We shall through our own rededication accept the challenge of Lincoln to finish the task that he began. We shall make a part of our observances, indeed, a part of our lives the words he uttered in 1856, when he said:

"The human heart is with us; God is with us. We shall again be able not to declare that 'all States as States are equal,' nor yet that 'all citizens as citizens are equal,' but to renew the broader, better declaration, including both these and much more, that 'all men are created equal.' "

If we observe the centennial of the Civil War in this spirit, we shall not have escaped history, but we shall have learned to live with it. We shall, in a small measure have proved worthy of the great legacy that has been handed down to us by those who served their nation and their consciences during the Civil War.

A VICTORY MORE CERTAIN

(Address delivered by Dr. John Hope Franklin, professor and chairman, Department of History, Brooklyn College, at the annual meeting sponsored by the Lincoln Group of Washington, D.C., Feb. 11, 1961)

One hundred years ago today, on the eve of his 52d birthday, the President-elect had no time for celebrations. The victory at the polls in November had hardly been exhilarating, merely sobering. In its wake lay a Nation almost prostrate, broken into a dozen fragments. With every passing day the situation deteriorated. By mid-February the fragments had collected themselves into a new and frightening arrangement, calling itself the Confederate States of America. Not even the most ardent supporter of the victorious party could be certain that the results would be clearly salutary. Everywhere there were lingering doubts; and some of these doubts were entertained by the man who had been summoned to lead his country in this dark hour.

Now he was busy saying his farewells and making his departure from the place he had been pleased to call his home for a quarter of a century. Before him lay the long and tedious journey to Washington. And although he was tempted to take a backward glance at his beloved Springfield, there was scarcely time for that either. Beyond the journey lay grave responsibilities and arduous duties. He knew that for the next 4 years he would be absorbed with the gigantic task of reuniting the disrupted Nation and searching for a permanent solution to the problems that divided it. It would take one with less wisdom than Abraham Lincoln to fail to appreciate this awesome task and one with less courage than Lincoln had to shrink from it.

When he threw himself into the task of restoring and preserving the Union and administering its affairs, he did so with utter and selfless abandon. He had no interest in a personal triumph, and there was more than a hint that his election was a pyrrhic victory. What he now sought was the preservation of the first principle of popular government, the rights of the people, against which the insurrection was making war. What he sought was a victory over the evils that were subverting free institutions and making a mockery of the great heritage for which patriots had fought and died almost a century earlier. What he sought was the revitalization of the democratic principle so that for years to come it could withstand the assaults of those who would rebel against it. This is what he meant when he told Congress in 1861: "The struggle of today, is not altogether for today—it is for a vast future also. With a reliance on Providence, all the more firm and earnest, let us proceed in the great task which events have devolved upon us."

His conduct of the affairs of his office betrayed no obsession to wield power for the sake of it. He quarreled with McClellan because the general was unable to convince him that his plan would produce "a victory more certain" than the plan of the President. He suspended the writ of habeas corpus because he was convinced that widespread disloyal acts and deeds made victory far less certain. He kept his Secretary of the Treasury under wraps because he was convinced that political ambitions were distracting the Secretary from the faithful execution of the duties of his office. If the Rebels could resort to unconstitutional means to destroy the Union, he said, surely he could use similar means to save the Union. He was, indeed, a man obsessed. He was obsessed with the task of welding a nation together and leading it back to its own high purpose. "No personal significance, or insignificance," he said, "can spare one or another of us. The fiery trial through which we pass, will light us down, in honor or dishonor, to the latest generation." He hoped and prayed that the fiery trial would reveal his efforts to be filled with honor.

Nor was he interested in crushing the adversary in order to stride over the battle ruins in vulgar vanity. That held out no satisfaction for him. He realized that no victory was certain or lasting unless the talents and resources that produced it were used with equal diligence in making and keeping the peace. His visit to the fallen Confederate capital was not a tour of triumph but a sobering experience filled with challenge. When Negroes fell to their knees before him to bless him and thank him, he was embarrassed and filled with humility. "This is not right. You must kneel to God only, and thank Him for the liberty you will hereafter enjoy. I am but God's humble instrument; but you may rest assured that as long as I live no one shall put a shackle to your limbs, and you shall have all the rights which God has given to every free citizen of this Republic." Then, later on the same day, "I have but little time to spare. I want to see the capitol, and must return at once to Washington to secure to you that liberty which you seem to prize so highly."

This, then, was the challenge of Richmond: To move with steadfastness toward securing and protecting the rights of all the citizens of the Republic. He had so little time. His remaining days were devoted largely to the formidable task of making the surrender at Appomattox a victory more certain. This was a task that involved more than binding up the Nation's wounds, and caring for those who fought in the war and for their dependents. It involved, as Lincoln said, doing "all which may achieve and cherish a just and lasting peace among ourselves and with all nations." This was an enormous task, and to it the President summoned you and me, as he summoned his own contemporaries, to dedicate ourselves to the task of making the victory at Appomattox more certain.

Even before the war Lincoln became irrevocably committed to the idea of equality for all men. He eloquently supported the doctrine of equality set forth in the Declaration of Independence. The class of arguments that claimed that Negroes were not included in the Declaration, he said, "is also calculated to break down the very idea of free government, even for white men, and to undermine the very foundations of free society." The war merely confirmed his views. He knew that there could be no just and lasting peace where legally enforced inequality prevailed. He knew that there could be no equivocation about simple, decent, humane treatment of human beings. He knew that the extension of the suffrage beyond the white race would not only give the Negro the means of protecting himself but would also constitute a shield for the effective growth of democratic institutions. He knew all too well that wisdom was not always the handmaiden of literacy and that loyalty to the Union and devotion to the cause of freedom often cast a bright light on the proper path for the unlettered and inexperienced to follow.

One wonders what Lincoln might have accomplished had he lived for even a few years after the war's end. Those last days were filled with searching for the means by which to establish an effective peace. Up to the very end he continued the search. Even in his last public utterance he spoke of plans to make some announcements on the matter shortly. What these plans were we shall never know. We only know that the Nation immediately felt the impact of his sudden departure. There was no peace. The victory had turned to ashes, and there began the long, dark night of groping for some sanity in the relationship of men with each other.

Lincoln spoke to our generation as well as his own; and since he was unable to complete the task of making victory more certain, it is well that he did. The century that has intervened has been an extremely difficult one for those who subscribed to the doctrine of equality set forth in the Declaration of Independence and heartily endorsed by Lincoln. It has been a veritable nightmare for those who hoped that for the first time in the Nation's history the principle of equality would also be theirs to enjoy. The first generation of freedmen were hardly surprised that the former Confederates, deeply entrenched in power in 1865 and 1866, would withhold from them the simple, elementary recognition of equality. Or, in subsequent years, that they would become victims of the violence—burnings, hangings, and untold indignities—committed in the name of civilization and, as they were wont to put it, in the name of the superiority of the white race. They hoped that, in time, these things, too, would pass, that the principles underlying free institutions espoused by the great wartime

President would prevail. But not in their time.

The fruits of victory are slow to materialize, and the implications of victory are even slower to crystallize. In the span of history, a generation is not a very long time even in the relatively brief history of this country. Time, the great healer of wounds and the great solvent of differences, would surely rectify the difficulties experienced by the first postwar generation. Surely, a century would be adequate time to provide the basis for the just and lasting peace for which Lincoln worked and died. Surely, a century would be sufficient time for this country to reestablish a connection between its own first principles espoused during its birth pangs and the amplification of these principles that emerged from the crucible of civil war. But was it? Listen to the replies made in the decade of the 1960's:

A Negro physician is run out of his Mississippi home because he attempted to vote. He has his own doubts about the meaning of Appomattox. A Negro professor of history is a doctor of philosophy from the University of Chicago and is highly respected in his profession. He may well have his doubts about the meaning of freedom when a Governor demands and secures his dismissal from a State college on flimsy, unsupported charges of affiliation with subversive organizations. A South Carolina Negro is chased at the point of a shotgun from a gasoline station by a white proprietor who shouts that desegregation is a Communist plot and that he wants no Negro in his place of business. The Negro wonders if the crime of having a black skin indicates that all was lost in 1865 and for all time to come. A white Methodist minister escorts his 6-year-old daughter to a desegregated school and is spat upon by hissing, hysterical white mothers. This man of God recalls with difficulty the words of Lincoln about a just and lasting peace. A white nursing supervisor in Florida is caught having lunch with her Negro colleague and is dismissed for the "crime." She can only conclude that the century since Appomattox has not made the victory over hatred and bigotry and racism a great deal more certain.

But Grant's self-effacing triumph at Appomattox and Lincoln's humble visit to Richmond have not been entirely forgotten. Today they are remembered by States who proudly fly the Stars and Bars on their streets and from their capitols, who openly shout defiance of Supreme Court decisions in one breath and decry the subversion of the desegregationists in the next. They are remembered in the millions of dollars appropriated to commemorate the "lost cause" by States whose schools are deficient and whose energies and resources are diverted from the urgent needs of their citizens. They are remembered by the extravagant expenditures planned in the next 4 years to put on sham battles between the blue and the gray with some of the more enthusiastic participants secretly entertaining the hope that somehow this time the results will be different. But these seem hardly the ways to remember our great national tragedy. These seem hardly the ways to remember the sacrifices of all who fought for a cause so essential to the very survival of the Nation * * *. These seem hardly worthy of one who sought a victory more certain than Appomattox.

A century has passed, and yet many of the problems remain. Three generations have seen these problems, and yet many of them seem unchanged. If they remain unchanged, it is not because material progress has not been made. We delight in pointing to this as evidence of what we call improvement in the condition of all our American citizens. For example, we point to the remarkable progress that Negroes have made since emancipation and forget that emancipation released the white man as well as the Negro from the barbarism of slavery. And in speaking of the progress the Negro has made in learning to live as a freeman, we do not also measure the progress that the white man has made, or has not made, in learning to live with freemen who happen not to be white. Only as Negroes learn to live as completely freemen and only as whites learn to live with Negroes who are free and, consequently, their equals, will we move toward solving the problems Lincoln had no time to solve.

When Lincoln arrived in Washington a hundred years ago this month the situation was critical. He did all that his heart and mind could do to relieve it. There was a moment of failure as the Nation fell apart and as war came, with all its untold suffering and stark tragedy. Then, at long last, he and the Nation could hold their heads high and rejoice in the conclusion of the war and the triumph of the principle in which he believed that right made might. But his steady hand was stilled, and he sent hurtling down through the century not only a great legacy but a grave responsibility. It is a legacy of steadfastness to a principle and dedication to a cause. It is an inspiring legacy and one that is easy to accept, even when one feels unworthy.

The responsibility that is ours—yours and mine—is that which charges us to take his legacy and, through our own dedication, use it to make the victory over inequality and injustice more certain. It is a frightening responsibility. But if we are to be worthy of standing in this place and sharing in the legacy he gave to us, we must finish the task that he began. We must take a part of our lives and the central feature of our purpose the words he uttered in 1856, when he said: "The human heart is with us; God is with us. We shall again be able not to declare that 'all States as States are equal,' nor yet that 'all citizens as citizens are equal,' but to renew the broader, better declaration, including both these and much more, that 'all men are created equal.'"

The triumph of this principle will mark the victory of which all can be proud and which will be consonant with the great American principle of freedom and equality. This will indeed be the victory more certain.

ABRAHAM LINCOLN'S WORLD INFLUENCE IN OUR TIME

Mr. Chairman, on Sunday, February 9, I had the pleasure of attending the annual Lincoln birthday observance at Ford's Theater in Washington, D.C. Those of us who attended this commemorative ceremony heard a program of song, prayer, and speeches in tribute to our 16th President.

The highlight of this program was an address delivered by William Coblenz, public affairs specialist of the Legislative Reference Service of the Library of Congress. Mr. Coblenz spoke on "Abraham Lincoln's World Influence in Our Time."

It was an outstanding address, well delivered, and all the more meaningful on this 155th anniversary of Lincoln's birth, because of the tenor of the times.

I personally feel that its message should have circulation beyond the walls of Ford's Theater and the some five score of us who attended the ceremony, so I am inserting Mr. Coblenz speech in the RECORD.

It is pertinent to note, I feel, that in Mr. Coblenz' position at the Legislative Reference Service, he has drafted remarks for many Members of Congress. On this occasion he was able to deliver one of his own speeches. Mr. Coblenz is a superb writer. He reaches great heights when he delivers his own material.

The address follows:

Abraham Lincoln's World Influence in Our Time

The whole burden of my message to you today is that when we come into the story of Abraham Lincoln we enter upon a wholly new and formerly unknown temple of history.

The burden of my message is that in the whole catalog of human biography since before Plutarch there is no one—but no one—who even remotely approaches the tragedy, the turmoil, the complexity of problems, that confronted this strange man and his Biblically elevated approach to them and to his fellowman.

There have been the outstanding founders of religion for whom I have the deepest reverence. They preached perhaps the greatest lessons in ethics the human race has ever known.

They didn't command armies.

They were not pressured by newspapers and politicians, by generals and by pulpit crackpots, by malicious cartoonists, and by sometimes brilliant, sometimes ugly, and often inept criticism from the official establishment, in this case Congress itself.

They had no combat front in the literal military and political sense.

The orbit of their operations was limited to the spoken, perhaps the written word, and no more.

They had no cabinet—no departments to administer, no armies, no navies.

This man was a Commander in Chief in a savage and costly civil war that tore the very heart of this Nation into pieces. But he talked like the great and saintly founder of a religion of compassion. He was a prophet who dealt with armies and with treason as no Commander in Chief before him in the whole gamut of history for the last 10,000 years had dealt with opposition, with revolution, with betrayal, whether in his own political family or outside it. Here was the grandeur of a personality beyond anything hitherto known to scholarship and research. Everything that he did, unlike so many other characters in the galaxy of the great, matched the tone and the spirit of his words, and was consistent with a nature that belonged more in the area of Biblical decency than in the area of slaughter and bloodshed on a continental level.

How could this be?

Kentucky, to Indiana, to Illinois, to the White House. Less than 1 year of formal schooling and this on a most inadequate and elementary level. For intellectual companions, in the way of books, he had the basic best, but that was hardly enough for the 19th century of man's rise to the classics, after the Greeks, after the Renaissance, after the feeble establishment of the principle of democratic government. He had the Bible—a prodigious influence. He had Shakespeare. He had "Pilgrims Progress" and "Robinson Crusoe" and maybe a faint smattering of other things. Also he had the Constitution of the United States which must have invested his heart and his mind greatly, and he had access to the eloquence of the Founding Fathers. Of course, there was Nancy Hanks and the profound gifts that a mature woman of humble wisdom and immense affection and understanding can impart to a growing boy, sensitive and unique.

What I must say in the most reverent spirit is that there was being fashioned on this soil—as if by the finger of God—the noblest individual personality in the whole story of human civilization since antiquity.

That's one.

Second, it is my thesis today, that this strange and unbelievable—yet so real—personality, is indeed the founder of a modern-day American religion that is already having a powerful impact on the whole family of nations on this planet. Thus, I am saying that in my judgment Abraham Lincoln is the greatest human being God has ever bequeathed to man. And I am saying, that as a consequence of that fact, and the stage upon which destiny thrust him, he is indeed the founder of a new aspect of religion that is unencumbered by a theology. This religion is so amenable to the generality of mankind that all peoples everywhere can repair to it without prejudice to their inherited or habitual theological religion, to their respective denominations, to whatever is their hitherto religious faith, their cult, their system, their God.

It is not a religion to which one has to be converted in the traditional sense.

Yet it is a religion in the most real and the purest sense of the word.

And like any religion from Abraham to Moses, to Jesus, to Mohammed, to the Latter-day Saints, to Mary Baker Eddy, the religion of which Abraham Lincoln is the great prophet was not born with him, and is by no means his total creation. The ideas, the principles, the concepts were there floating in the milieu of mankind, and demanding desperately what he, Lincoln, desperately gave them: a restatement with a calm and an impact, a sweetness, a humor and an appeal, a sense of history and a sense of God, that renders them universal and eternal. The scholars tell us that everything that Jesus said had of course been said before, much of it, for instance, by Philo the Greek, in the library at Alexandria. Much of it deriving from the Old Testament. And more expounded by those around Jesus from John the Baptist to the Essenes. But he, Jesus, gave them a restatement, a kind of literary codification, that is the wonder of Western civilization and the foundation upon which our very lives are now built.

Abraham Lincoln, for what I call his religion, had source materials, as the religious leaders before him had their source materials, and he molded these into an understandable set of principles that I believe is now electrifying mankind, as mankind would not heve been electrified without them. These source materials are the title-deeds of American freedom: the Declaration of Independence, the Constitution of the United States, the Bill of Rights.

And he had in him the free spirit of the times, the released liberties of the frontier, and the deep and abiding revulsion in the midst of this atmosphere of decency, that came from his direct observance of injustice and inhumanity.

He was not a crusader.

He was not a zealot.

He was not a firebrand.

He was a conciliator.

Certainly the wisest and the kindest, the firmest and the strongest conciliator since man first discovered God.

Thus he projected upon the world stage a moral force that is the real essence of his greatness—a moral force.

It is this moral force that I call religion.

The Western World, pragmatic and skeptical, after 2,000 years, had lost its kinship to the mythology of religion. The Western World, and indeed, the whole world, was questing, was enhungered, prayed for some sign from Almighty God that the human condition was not just subject to simply wild and undisciplined forces over which there was no control either from God or from man.

I am not suggesting that man had lost his faith in the religion of his fathers.

I am suggesting that man was reaching out for a reaffirmation. Man wanted a renewal, I say, of Christianity, a reaffirmation of the eternal truths. Man wanted another sign from on high. Man wanted something within the concept of his own understanding. Man wanted, so to put it, a visitation, a stronger hold upon, and a firmer grasp of the great ethics of Judaeo-Christianity, now almost 2,000, indeed 3,500 years old and handed down from afar.

And there in the middle of the 19th century it came.

It came in the person of this tall, gaunt, brooding, and hopelessly tortured figure.

There he stood, Abraham Lincoln.

I never see his portrait, his statue, contemplate his words, read his decisions, but that I feel myself somehow in the midst of some divine prayer, overcome with a feeling of pure and unadulterated religious feeling.

This is no statesman per se, and yet statesman is absolutely what he was.

This is no warrior per se, and yet warrior is absolutely what he was.

This is no preacher of the word and yet isn't this precisely what he did?

Then what, indeed, is he?

For me he is the visitation that mankind has been yearning for and it came in the form and the meaning and the aspect, and even the costume, that the people in his day and people for another 3,500 years would be able to understand, and believe in, and comprehend and act upon.

The pages of history are pregnant with the portraits of what the historians and the biographers call the world's great men.

The greatest of these in terms of the wordage and the space they occupy, and the adulation they engender only chill the heart of men and freeze the blood. They are indeed the master cutthroats and the unmitigated criminals of all times. They have been artificially shaped into greatness by stoop-shouldered, thick-lensed, sedentary and dyspeptic, often well-meaning, but gushing biographers who never held a bayonet in their hands and couldn't possibly know what a battlefield looked like, really looked like at the time of carnage or shortly after. They read a statistic about a battle the way a bookkeeper for a corporation reads a statistic about General Motors.

They write a line: "The Turks in 1921 drove 80,000 Greeks—men, women and children—into the Mediterranean Sea."

Then they go on to something else. As if so frightful an utterance were a line from the budget. Bookkeepers who make figures about the work that other people do have no conception of the inherent truths they are tabulating.

Don't they know what it means to drive 80,000 men, women, and children into the sea at the point of bayonets, the helpless unarmed father trying with his bare hands to protect his family. The screaming mother. The terrified children. Then the onslaught of great armies bayonetting, crushing skulls, drowning their victims. In the end this enormous canvass of the ruthless slaughter of the innocents is treated with what the historians call "objectivity." For me this is easily the most pusillanimous word in the English language.

Objective about what? About murder? About massacre? About limitless hate?

Of course when I speak of this school of biographers and historians I do not mean those we shall always honor and respect, even if we disagree with them. I certainly do not mean writers and thinkers of the great stature, for example, of Carl Sandburg, Allen Nevins, the Beards, Douglas Southall Freeman, Van Doren, Parkman, and Henry Commager are the honest and diligent and truthful guides to history and biography and the truth of mankind's past. I do not mean Lord Charnwood. This country is immensely indebted to the diligence and the skill of Samuel Eliot Morison and long before him to Bancroft. Albert Bushnell Hart was a great American historian. Men in the Library of Congress like David C. Mearns and C. Percy Powell and Lloyd A. Dunlap have so fenced Abraham Lincoln within a wall of research and rugged and honest accuracy and integrity that their work is like a literary barbed wire to keep out the fakes and the phonies who make profit out of biographical distortion and fabrication.

When I was a boy, and avid for history, I read with wonderment and worship how that unmitigated gangster of antiquity—Alexander the Great—broke down and wept because he had no more world's to conquer.

There was nothing further for him to muscle in on.

Now wasn't that a shame?

Of course Alexander had immense ability and persuasive charm—they say.

But how about justice? morality? decency? And I mean decency. Not the showmanship of a conqueror who, in a great display, takes his dagger, so to speak, from the jugular of his victim and makes a great and glamorous show of letting him live in subjection.

I like to think what even more magnificent heights Lincoln might have risen to in the world history had he been given the opportunities that came so abundantly to this monster of frightfulness.

If Lincoln had owed as much to his father as Alexander owed to Philip of Macedon would he have openly or privately insulted him—mimicked his father's drunkenness before an assemblage of the most distinguished generals and personalities of the court?

Can you imagine what it means to have Aristotle—that peripatetic philosopher, probably the greatest intellectual of all time—as your personal tutor? And living with you right there in the palace? Why that's Harvard and Princeton and Yale, all rolled into one, and multiplied 10 times.

There may have been—although I doubt it—some justification for Alexander in the light of his times.

Was there for Napoleon?

Here was a really pretentious little Corsican bandit: A liar. A cheat. A kidnaper. An arrogant, supercilious, potbellied swindler with the moral sense of a subway pickpocket.

This brilliant assassin murdered the Duke of Enghien after he kidnaped him.

Under him the whole of France was turned into one massive funeral parlor.

He bathed Europe in blood for 20 years.

He paraded through slaughter to a throne.

He depleted France and Europe of its manhood.

He passed out kingdoms to members of his family and his hoodlums as if they were postmasterships.

He was good at assignations—although I doubt that, too—but demonstrably lousy at marriage, except for profit.

I believe Leo Tolstoy and H. G. Wells about Napoleon.

I do not believe Napoleon's openmouthed and overawed biographers of adulation. He had no more to do with the Code de Napoleon than the lawyers of France had to do with the victory at Austerlitz.

His closest associates were unutterably corrupt: Talleyrand, Fouché.

Why do I tell you this?

I tell you this because until Lincoln came along this ghastly gallery of rogues and despots constituted the image and glamor of greatness for hundreds of millions of Europeans and for a whole millennium.

The misery-ridden masses of Europe had nothing to adore, no one to adulate, no idol to look up to, but one blood-drenched Caesar after another.

What uplift could there be in Ivan the Terrible?

In Frederick the so-called Great?

In Napoleon the Third?

What were the peoples of the West offered? The Hapsburgs? The Hohenzollerns? The Romanoffs?

Yet these were held aloft as the symbols of incarnate glamour and leadership at its greatest.

The more you read about them the more the revulsion, or the pity, or the dismay and the shock, pile up.

The more you read about Abraham Lincoln, as Carl Sandburg tells us, the more he grows on you.

Mankind was crying to high heaven: Must it be this way?

Revolution stalked the Continent.

There seemed to be so much potential for human grandeur in Bismarck. But it was Bismarck who gave Germany the tradition of "blood and iron." This was the "Iron Chancellor" who deliberately falsified the telegram at Ems helping to bring on the war of 1870. Above all there was the classically inhuman remarks of Bismark to Field Marshal von Moltke, as Von Moltke was about to invade France in command of the Prussian troops: "Leave them nothing but their eyes to weep with."

That line, for its exquisitely poetic expression of pure ruthlessness, might have been invented for one of the characters in Shakespeare.

I think it a distortion of the worst kind to even begin to equate or compare Bismark with Hitler. Bismarck was certainly a statesman in the 19th century concept.

And yet how far is the "blood and iron" tradition of the 19th century from being the roots of the thinking that made possible the unimaginable horrors of the Hitler awfulness in the 20th?

That grim man in the bleak Kremlin: Stalin.

And Mussolini, the "sawdust Caesar" of the Mediterranean.

Stalin who could murder in the millions and Il Duce the castor oil genius of Italy.

Are these the image of greatness that lifts the heart of a people?

For the cloud of international melancholia, frustration, and defeat, that swept the masses of Europe through the centuries, there was the solace, the inner comfort, the escape of the church that even the religious wars could not wholly nullify. It can never be estimated what strength emotionally this spiritual balm afforded what were known as the "lower classes." It probably prevented an epidemic of insanity that might have made Europe one enormous asylum for the insane, with consequences more devastating than the black plague.

Indeed, there were periods when Europe, certainly portions of it, seemed actually stricken with violent mass mental disturbance. This religious antidote to hysteria and sickness of the mind is a contribution, I believe, to the formal religions, for which there must be an incalculable debt of gratitude.

It may even have saved civilization.

The church provided positive sanctuary for "the tired, the poor, the huddled masses yearning to breathe free," as Emma Lazarus described them in another context.

Then came the emigration explosion when these "huddled masses" by the millions poured into the promised land for whom Lincoln presented, as a symbol, what I insist on calling the new religion—the religion of implementation. The religion of implementation is the religion that took the profound meanings of the Christian ethic and put them into de facto and de jure application. The dignity of the individual came to be written into the fundamental law of the land.

There was an end to the lettre de cachet.

There was an end to the ominous knock on the door in the middle of the night.

There was an end to ex post facto law.

There was an end to bills of attainder.

This citizen has a vote, no more and no less than any other citizen from the President down. The basic law of the land, the governmental holy of holies, the Constitution of the United States, spelled out the eternal and the workday, everyday decencies, under which all of us, as free men, live and prosper and have our personal and our political self-respect:

Trial by jury.

No cruel and unusual punishments.

Habeas corpus.

Freedom of speech.

Freedom of worship.

Freedom of assembly.

There is then this language of the Constitution as language. It gives us in the simplest and the most compelling rhetoric, compactly, the noblest reaches of the human spirit, the language of decision, of promise, of action, of fulfillment.

Of government by consent of the governed.

Here now in this very hour in which we live it is working for us, living truth governing our lives: "a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity."

This is the most absolute kind of prayer to Almighty God fashioned into practice.

It is the very essence of religion in action.

This is God!

And out of this sublime manifesto, this freedom, this equal justice, came the release of enormous energies and skills, education, science, culture, invention, industry, labor, the use of boundless resources—even the founding of new religious sects—that catapulted this country into the summit of world leadership it holds today: The last great hope of mankind.

For all of this the simplest, the greatest, the most dramatic human symbol is Abraham Lincoln—and the most appealing.

For the whole world he stated the American position:

"Conceived in liberty," "dedicated to the proposition that all men are created equal." "As I would not be a slave so I would not be a master." "I hold that while man exists it is his duty to improve not only his own condition, but to assist in ameliorating mankind * * *. I am for those means which will give the greatest good to the greatest number." "If the people remain right, your public men can never betray you." The dogmas of the quiet past are inadequate to the stormy present." "Let us have faith that right makes might, and in that faith let us to the end dare to do our duty as we understand it." "When an election is past, it is altogether fitting a free people, * * * that until the next election they should be one people." "If there is anything which it is the duty of the whole people to never entrust to any hands but their own, that thing is the preservation and perpetuity of their own liberties and institutions." "We are not enemies, but friends. We must not be enemies." "God selects his own instruments, and sometimes they are queer ones; for instance, he chose me to steer the ship through a great crisis."

Is this philosophy, reaffirming the philosophy of the Founding Fathers, not the nurturing ground, the seed soil from which sprang the great utterances of Franklin Delano Roosevelt and Winston Churchill? That thunderous indictment, that unobjective indignation, that challenge of guilt: "I see one-third of a nation ill housed, ill clad, ill nourished." "The forgotten man at the bottom of the economic pyramid."

The four freedoms.

The Atlantic Charter.

Is all this not an echo of Lincoln?

And in the hour of crisis the lightning bolt from the House of Commons:

"Never in the course of human conflict have so many owed so much to so few." Here we have the unexaggerated simplification in a single sentence of the intrepid heroism of the spitfires and the victory—for all the free world—of the Battle of Britain.

"We will fight from the landing fields, we will fight from the streets, we will fight from the dominions beyond the seas if need be—but we will never surrender."

There speaks easily one of the 10 greatest Englishmen who ever lived.

This is John Bull incarnate.

Yet not even these giants of history, the history of the rise of man from despotism, and of man's concern for man in place of man's inhumanity to man, can ever hope to capture and hold the imagination of the whole human race as Lincoln holds it. Lincoln is the supreme prophet because his language is really for the ages, for all time, and for all men everywhere and his life so humanly and so movingly exemplifies it.

There just is no flaw in him.

Churchill was so much more the man-of-the-hour, the indispensable genius of his own time. He did issue the order: "Treat them like a conquered province." And he did think himself back into the 18th and 19th century with: "I did not become the King's first minister in order to stand by at the liquidation of his Empire." I don't think he would be regarded an object of adulation either in India or in Ireland.

Yet no individual so far in the 20th century made as monumental a contribution to freedom as Winston Churchill.

Lincoln had the unanswerable logic of Aristotle. He was an artist on the sublime level of Michelangelo, his genius being for expression in words as that of the renaissance titan was for expression in stone and on canvas, arriving at the simple through the complex. The profoundly spiritual motivation of his character invests the very quintessence of his thinking. For me only Holy Writ matches the beauty and the brooding style of his language at once Biblical and Elizabethan. For me the music of the words: "with malice toward none, with charity for all" sounds like the 18th century echo of: "forgive us our trespasses as we forgive those who trespass against us, but deliver us from evil." The cadence, if not the meaning, of such phrases as:

"The last full measure of devotion" and; "Shall not have died in vain" and; "Thus far so nobly advanced" and; "These honored dead" are for me, reminiscent of what is certainly the most beautiful utterance in the many languages of the human race—the Lord's Prayer:

"Hallowed be Thy name, Thy kingdom come, Thy will be done. Give us this day our daily bread."

The humility, the simplicity, the ineffable spiritual surcease from the agony of the human condition.

That this man, with the soul of a poet and the heart of a saint, could have been, among all statesmen of all time, essentially, also, a man of action and a creator of statesmanship and policy—a military Commander in Chief—places him again in the company of only the outstanding figures in Holy Writ; the company of Solomon and his songs, of David and his psalms.

They were also heads of states and also poets and warriors.

Where is his triumph, I ask, greatest?

In saving the Union and thus providing, for his time at least, that "a nation so conceived and so dedicated can long endure"? Or in his genius with the language of spiritual sublimity that raised the tone and the techniques of politics and statesmanship to the level of God's own word?

See what he's done for the Presidents who succeeded him.

Let us take only the most recent. Harry Truman tells us in his memoirs that he was guided in his treatment of one of the great World War II generals by the example that Lincoln had set him in treating with McClellan.

On page 120 of volume 1 he says:

"I learned of General McClellan, who traded his leadership for demagoguery and eventually defied his Commander in Chief, and was interested to learn how President Lincoln dealt with an insubordinate general."

In much of what he did as Chairman of the Truman Committee in the Senate to investigate the national defense program he took guidance in what had happened to Lincoln in his dealing with the Congress under the same circumstances. Truman knew history and thus avoided the mistakes of his predecessors. Santayana tells us in effect, that those who are ignorant of history are doomed to repeat it. Truman, with Lincoln's help, avoided that pitfall.

Eisenhower uses Lincoln as a kind of text in some of his chapter headings for: "Mandate For Change."

But the Lincoln impact is worldwide. It is Tolstoy who beat me to it in comparing Lincoln to Christ. He put it this way:

"Lincoln was a Christ in miniature, a saint of humanity, whose name will live thousands of years in the legends of future generations. We are still too near to his greatness, and so can hardly appreciate his divine power; but after a few centuries more our posterity will find him considerably bigger than we do. His genius is still too strong and too powerful for the common understanding, just as the sun is too hot when its light beams directly on us." This ends the Tolstoy quote.

In this country we have an entire volume, written by my late Boston colleague: F. Lauriston Bullard, of the Boston Herald, titled, "Lincoln in Marble and Bronze." This talks about nothing but the monuments and sculptures of Lincoln in the United States. But we have statues of Lincoln, too, in London, in Manchester, in Edinburgh. There are plaster busts of him all over the earth. You will find his portrait in the Prince of Wales Museum in Bombay. You will find a cast of his hand on the desk of India's Nehru. There is a Lincoln Fellowship in Hamilton, Ontario. Lincoln, as we know, mightily influenced Sun Yat Sen. There is a society in his name in Tokyo.

Even the Soviet Union—the present rulers—deify him, in their strange way.

Lincoln had the devoted admiration of Dicey and Goldwin Smith and Earl Russell and Queen Victoria. He had the admiration of the laborers of Manchester and London. He inspired Garibaldi in Italy and Victor Hugo in France. William Makepeace Thackeray wrote a book about Lincoln that was published in Athens in a Greek translation in 1865. As far back as 1863 the Emancipation Proclamation appeared in Nestorian Syriac at a place called Oroomiah, Persia. I have several pages of data on the commemoration of the Lincoln centennial all over the world.

I wonder if you think me too far out if I say that it is more than possible that Lincoln's greatest contribution to our country and to mankind is still in the future. For the whole world he is the antithetical image of the bold and bloody conquerors of the past. Four centuries after Christ the cross of Jesus supplanted the scepter of the Caesars in Rome. Four centuries from today, or 2 or 6 or 10, the image of Lincoln will supplant the image of Karl Marx and Stalin and Lenin and the rest of that extraordinary galaxy who thrust upon our world the greatest of all frauds since the dawn of government. And I predict the present Communist domination over one-fourth of the earth's surface and one-third of the world's population will be Lincolnized.

The image of America in Africa and Asia and the four-fifths of the world that is nonwhite will be symbolized by Abraham Lincoln, and not by police dogs in Birmingham in our day or the Alien and Sedition Acts of the 1790's. It will be the image of Lincoln. It will not be the image of the know-nothing movement, the anti-Masonic outburst, the anti-Catholicism, the Ku Klux Klan, or the Red scare of 1919, which the world will recognize as the true genius of the American people. The Lincoln impact is deep and massive and goes to the heart of a thousand peoples because it has the genuineness of the noblest quality in man.

Lincoln is the greatest personality in biography and his bequest to mankind is the modern religion that includes all people within a global canopy of justice and dignity under law.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS of South Carolina. Mr. Chairman, I did not intend to get into any argument when I last spoke. I was hopeful that was my farewell address on this subject, but this is not the time to speak about farewell addresses. This is the time to speak about farewell to the civil rights of Americans, farewell to freedom, farewell to free enterprise.

This is no contest between my knowledge of history and that of the distinguished gentleman from Iowa. Indeed, if I said anything intemperately to reflect on the gentleman positively, I apologize. I checked with the Library of Congress, where we go to get the authority, and we pay them, and they sent this back to me. "Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus by example assuring that his own shall be safe from violence when built." If I am wrong the Library is wrong. If Abraham Lincoln did not say this, Abraham RIVERS said it.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. WATSON] for 1½ minutes.

(By unanimous consent, the time allotted to Mr. ASHMORE was granted to Mr. WATSON.)

The CHAIRMAN. The gentleman from South Carolina is recognized.

Mr. WATSON. Mr. Chairman, the gentleman from New York said we have a special problem and that is why it is necessary to resort to these extraordinary judicial procedures. May I ask the bleeding hearts, those who are interested in special humanitarian rights for all people——

Mr. ROONEY of New York. Mr. Chairman, I make a point of order. I should like to inquire whom the gentleman refers to as bleeding hearts?

Mr. WATSON. I am sure the gentleman is well able to determine himself as to who fits into that category. If the shoe fits, then wear it.

Mr. ROONEY of New York. Mr. Chairman, I demand that the gentleman's words be taken down.

Mr. WATSON. As I started to say, many are concerned about these alleged special problems and seek special consideration and extraordinary——

Mr. ROONEY of New York. Mr. Chairman, I submit that no Member has the right to refer to another Member or Members as bleeding hearts.

The CHAIRMAN. The gentleman from New York will suspend until he has stated his purpose in rising.

Mr. ROONEY of New York. Mr. Chairman, my purpose in rising was to demand that the gentleman's words be taken down.

The CHAIRMAN. Does the gentleman insist that that be done?

Mr. ROONEY of New York. I do, Mr. Chairman.

The CHAIRMAN. The Clerk will report the words as to which the request has been made.

Mr. ROONEY of New York. Mr. Chairman, in the interest of expediting passage of this civil rights bill and although I feel that no Member has the right to characterize another Member or Members as the gentleman from South Carolina has done, I withdraw my demand that his words be taken down.

Mr. COLMER. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Mississippi rise?

Mr. COLMER. Mr. Chairman, I had intended to object to the gentleman withdrawing his request. But in order to expedite matters, I shall not do so.

The CHAIRMAN. The gentleman from South Carolina will proceed in order.

Mr. WATSON. Mr. Chairman, if we can get back to the issue, let me underscore the fact that I stand here as a bleeding heart—a bleeding heart for all the people, not just the few. I have not referred to anyone specifically as a bleeding heart, but if anyone is offended, I say if the shoe fits, then wear it.

But we have heard a lot of people around here pleading for special rights and for special considerations for certain people. I stand before you as a bleeding heart. I wish to say a word in behalf of the majority and in behalf of the widow and her children who have lost a husband and father. They would like to have their case tried in court. Yet in this legislation you are going to provide for extraordinary judicial proceedings, not to accelerate her case, but extraordinary measures which would expedite the bringing in of cases in behalf of this 10 percent of the population. What would you do for your widow or the wife who has suffered at the hands of fate or someone in your family, who has lost their life and have to resort to the law in order to make some sort of pecuniary recovery? Do you want your case to go behind all these other cases of those people who would allege discrimination in some particular aspect? Where are our sense of values? Are we concerned for the widow and her need for a speedy trial? Let us be fair to all the people.

If we are concerned with civil rights and if we are concerned with human rights, then let us treat all alike. I just want to say I am a bleeding heart enough to respect the rights of a widow and her children to get her case tried in a court just as quickly if not quicker than one who would be out here alleging that he has been discriminated against on account of color, race or religion or what-have-you.

Mr. Chairman, despite the failure of most of our efforts to effect amendments to this bill, I still hope that some of my colleagues who have been constantly voting against every amendment will feel compelled to cast a final vote against the passage of this measure.

Naturally, it is appealing for someone to say that this bill is for humanity, that this measure will guarantee human rights and civil rights for the allegedly persecuted citizens; but at the same time there is no validity in the supposition that those of us who opposed this measure are against the guarantee of these same rights. Nothing could be further from the truth.

The fact is that we are fighting for the rights of all of our people, the 90 percent as well as the 10 percent, the white as well as the black, the native born as well as the foreign born—yes, we are supporting the constitutional rights of all of our citizens by opposing the enactment of this inequitable and unconstitutional measure.

Mr. Chairman, were we to carry the contention of the proponents of this measure to its logical conclusion, no doubt, they would contend that the Almighty himself was prejudiced and opposed to human rights simply because He made some black, some white—yes, because He gave many of us healthy bodies and minds while some were not so blessed. Our legislative as well as personal responsibility is not to believe that we can make the unequal equal, the black white, the lame walk or the mentally impaired sane, but our mission in life as well as in this Chamber is to lessen the burdensome lot of these unfortunate citizens. This will be done only so long as we keep the healthy strong so that they may strengthen the weak.

One of the greatest champions of the rights of our colored citizens was that noble President, Abraham Lincoln, who said: "You cannot strengthen the weak by weakening the strong."

It has been said that an ounce of performance is worth a pound of promises. To that I subscribe. In that statement we find an indictment of this bill for it is nothing but many pages of idle promises. It will not give one bona fide job to a single member of the minority group; the only jobs it will create will be those on the commissions established therein and the additional Federal marshals and judges necessary to enforce it.

One hundred years ago our Confederate forefathers were fighting a similar battle for individual rights. So strong was their belief in the cause which they represented that they were willing to lift arms against fellow citizens. Although our zeal in the cause of constitutional government is just as strong today as was theirs, we now appeal to you with reason and logic. Just as they, we ask nothing but what is just and right for the employer as well as the employee, for the proprietor as well as the patron—yes, for the 90 percent as well as the 10 percent. No section nor people should ask more, nor be willing to accept less.

We offer no defense but the Constitution and God forbid that we should ever forsake its defense regardless of the opposition. In asking you to oppose this bill we are not asking for any sacrifice on your part, for you, as we, have been sworn to uphold the Constitution and it will be a dereliction of your solemn duty not to do so. Pressure, regardless of how intense, should never be justification for violating your constitutional obligation.

Mr. Chairman, this bill has been provoked by lawlessness and no doubt, will be passed under strong pressure, and will ultimately reap its harvest of hate. The passage of this measure will hail the beginning of an era of business harassment and employee unrest. It will formally announce the advent of minority rule in America. It will be an admission that this Congress has succumbed to political pressure, that legislation is the result of mob rule rather than manly reasoning.

The majority in this House have not heard the words of those of us, primarily from the South, who oppose this bill, but future generations who follow after you will never stop asking why you did not hear and heed our warnings. Your numerical superiority does not prove the rightness of your position. Your votes in favor of this infamous bill will not prove the cause for which we fought wrong. No, the strength of your voting power does not prove the weakness of our position.

Mr. Chairman, the victory of the majority on this bill will be a hollow honor, based upon fear of pressure rather than faith in our people. I predict that the passage of this measure will be only the beginning of an unceasing and insatiable demand for a further destruction of our Constitution. You may think in passing this measure that you have stabbed the South, but such is not so. In actuality you have not broken the back of the Southland. You have just succeeded in breaking the heart of every lover of the Constitution everywhere.

If I may be permitted to paraphrase the words of Lincoln, I predict that future generations, as they are struggling under the heel of Federal dictatorship, will make a living example of the statement:

> People might forget what we said here, but they will never forget what we did here to our beloved Constitution.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. LEGGETT] for 1½ minutes.

Mr. LEGGETT. Mr. Chairman, we are locked in what historically will be referred to as a violent debate over the enactment of what amounts to the first civil rights bill in American history exclusive of the 13th, 14th, and 15th amendments to the Constitution.

I believe our record should show that supporting the integrity of this bill on probably at least six score amendments on nonrecorded voice, standing, and teller votes are substantial numbers of Republicans and substantial numbers of Democrats. Among the Democrats there a number of courageous Members who must fight for their votes in the Southern States. You gentlemen have the admiration of those of us from the North, and the entire Nation.

I might state, however, that the South surely has no cartel on narrowmindedness on the civil rights issue. While allegations have been made during this debate that the proponents of this legislation are forced to do so, for most of us, nothing could be further from the truth.

Were I to vote according to my mailbag I would vote against this legislation as would many other Members. This does not mean that the people are against this bill—it means that the conservative societies are most articulate. No Representative from California is oblivious to the fact that he loses many votes for expressing himself on the liberal side of this great national cause.

So why then do we take this position if we are not forced to do so? For the late President Kennedy and for many of us, this is a moral issue. While one has said that the only moral issue here is property rights, many recognize the moral issue to include freedom of speech, press, and religion and the further right implicit in our Constitution of all Americans to participate in electing government leaders, and the right to an equal share of the facilities, accommodations, and schools protected and encouraged by State action.

I anticipate this legislation will be enacted, and what will this mean? I believe it will mean that bipartisans from all over the country have substantially and emphatically expressed the overwhelming majority view that at no place in these United States will we tolerate a multiple-class citizenship. It means that the will of the people has been expressed in support of the 1954 decision of the Supreme Court of the United States "that separate but equal facilities do not satisfy basic constitutional guarantees."

It means that all of us must go forth from the Congress and support legislation validly enacted by the Congress. Many have derogated from the Supreme Court decision over the past 11 years, calling that Court's action Warren's dictatorship. Many have said that the Court usurped congressional power. Well, the simple truth is that Congress itself will act today or in a few days and when that measure is signed into law by a southern-born President, that law becomes the supreme law of the land.

We have not always been happy in the West with all Federal action—farm programs primarily—but when those programs become law we respect the Constitution.

I would expect all Members of Congress to return to their home districts with an obligation to make this act work effectively. This will take courage—this body of membership has shown substantial courage. It is the function of a Member not to reflect the mass hysterical thinking of his district but to channel public opinion into the direction of respect for law and order.

In short, when this battle is over, let us not continue the encounter such that the business of the United States is stalemated like last year. In spite of the arguments made over the past week, a substantial amount of Federal power is still amortized over all of the States. Gentlemen, use this power wisely.

While allegations have been made that the Federal Government under this bill might overrun the Southern States, as a practical matter the North would only pray that the South would find the power to live by this Federal law without interference.

The CHAIRMAN. Tne Chair recognizes the gentleman from Michigan [Mr. MEADER] for 1½ minutes.

Mr. MEADER. Mr. Chairman, I take this time to point out to the committee that title IX was not in the original administration bill. That was added by the subcommittee. So far as I can recall, in the three volumes of testimony very little was said about this provision and very little consideration was given to this change in Federal criminal procedure in the subcommittee and none at all by the full Judiciary Committee.

I was concerned—and I so expressed myself in my additional views—that we might be taking action without knowing all its ramifications by granting an appeal from a remand of a Federal court in a civil rights case but not in any other case. It is possible that dilatory tactics, by repeated appeals, might frustrate the execution of State law.

Also, we might be establishing a bad precedent to be extended to other types of cases. I believe the matter could very well stand further study.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. Brock] for 1½ minutes.

Mr. BROCK. Mr. Chairman, I rise to associate myself with the remarks of the gentleman from New Hampshire, who challenged the constitutionality of the bill. We should note that these remarks were made by one of the top constitutional attorneys in this Nation. The gentleman, Mr. Wyman, has on at least two occasions been chairman of the American Bar Association's top standing committee on constitutional law, the standing committee on jurisprudence and law reform. I wish to add, not only do I strongly feel it is unconstitutional but also, in my sincere opinion, it is the most discriminatory piece of legislation ever written in the Congress of the United States. It will discriminate not only against the small businessmen but also against the workingman and the member of a small union who perhaps will lose his seniority rights, for which he has worked so hard.

Let me be specific. Title II relating to public accommodations and title VII relating to an FEPC, are blatantly discriminatory in their treatment of the so-called little man. We all know that a small union or a small business has neither the funds nor the personnel to defend itself against unfair charges pressed by the full might of the Federal Government. In like manner title VI relating to the withholding of Federal moneys gives our Government power to keep funds from the school milk lunch program or from needy families receiving welfare relief because of actions of people over whom these innocent people have no control. We have witnessed this House voting against giving a Negro insurance firm which sells only to members of their own race the right to hire only Negro employees. We have seen provisions included to prohibit discrimination because of sex while at the same time equal treatment was not afforded to the American Indian. There are so many inconsistencies in the legislation, we can only wonder at its real purpose.

I have heard some of my colleagues on this side of the aisle say that they are going to hold their noses and vote for this bill. If this is so, perhaps it would be well for those who are going out to expound on the greatness of Abraham Lincoln this week to remember well something Mr. Lincoln said. He said, and I quote:

> If I were to try to read much less answer all the attacks made on me, this shop might as well be closed for any other business.
>
> I do the very best I know how, the very best I can, and I mean to keep doing so until the end.
>
> If the end brings me out all right, what is said against me won't amount to anything. If the end brings me out wrong, 10 angels swearing I was right would make no difference.

Mr. Chairman, I believe that the workingman and the small businessman will make their feelings known to us about this bill and the inequities involved, soon.

I personally am more concerned that the voices of our children and of the generations yet unborn be heard, for it seems to me we are tampering with their hope for freedom when we tamper with the Constitution, when we pass legislation of questionable constitutionality and take such action without having sufficient courage to face the problem and change the Constitution through the proper approach of amendment offered to and approved by the people of the United States.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. Selden] for 1½ minutes.

Mr. SELDEN. Mr. Chairman, it was my contention when the debate on H.R. 7152 began—and it is still my contention—that this so-called civil rights package diminishes the civil rights of every American citizen rather than extending those rights.

Although there has been a serious effort by some of us during the 9-day debate which has taken place here in the House of Representatives to lessen the dangers of this far-reaching measure, the amendments that have been adopted have failed to accomplish this purpose. As a matter of fact, most of the meaningful amendments have been defeated by wide margins by a coalition of Democrats outside the South and all but a handful of the Republicans.

I have been present on the floor of the House throughout the deliberation on this measure, and I have voted on all amendments that I believe would improve even one iota this drastic legislative package. Yet, neither the debate on the measure nor the amendments that have been adopted have allayed my fears concerning the almost unbelievable extension of Federal power provided by H.R. 7152.

I am convinced, Mr. Chairman, that the measure now pending is the most drastic, the most far reaching, and the most dangerous legislation to be seriously considered during the entire 20th century. By concentrating arbitrary powers in the hands of the Federal executive and judicial branches of Government, this bill, if enacted into law, will provide a means by which the American system of individual liberty and private property can be destroyed.

I am not speaking today in behalf of the people of Alabama alone, or of the South alone—but in terms of the civil rights of all the American people. For this bill is not aimed only at Alabama, or at the South, nor would its punitive aspects affect only one State or region of the country. Every American—North, South, East, and West, living in the big city or on the farm, whether white or Negro—will, if H.R. 7152 is enacted into law, ultimately be affected.

The overriding issue involved in consideration of H.R. 7152, as I see it, is whether the rights of individual Americans—regardless of race, creed, color, or national origin—can be secured or advanced by the creation of additional Government agencies and the extension of Federal power. My opposition to this proposed legislation is based on what I believe is the paramount lesson of American history—the principle upon which this country was founded: Increased Government power is not the servant of individual liberties—it is its enemy.

Mr. Chairman, I support the amendment of the distinguished gentleman from Virginia [Mr. Tuck] as it will improve at least to a small degree the pending measure. At the same time, Mr. Chairman, I point out to my colleagues that on some future day H.R. 7152 can and may be used to throttle the civil rights of all Americans, and I therefore urge the defeat of this unnecessary and dangerous so-called civil rights measure.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. Kornegay] for 1½ minutes.

(By unanimous consent, Mr. Kornegay yielded his time to Mr. Selden.)

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. Senner] for 1½ minutes.

(By unanimous consent, Mr. Senner yielded his time to Mr. Edwards.)

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. St. Onge] for 1½ minutes.

Mr. ST. ONGE. Mr. Chairman, as we continue this great debate on civil rights, I cannot help but feel that this is a most significant and historical period in the annals of our Nation. It is a matter which our people have discussed for many years and one of vital interest to the entire country. I am convinced that the problem of civil rights is not only the overriding issue of this session of Congress, but perhaps the most significant issue of our time.

Civil rights is also one of the most difficult problems this Nation has ever confronted in its history. We cannot close our eyes and believe that the problem does not exist. We cannot ignore it and wish it would somehow disappear. We must meet it—and I think what we are doing here today is making a sincere effort to deal with this problem and to find a solution.

We must recognize that times change. We must also recognize that new challenges have arisen which demand a new approach. This great Nation of ours has been characterized throughout its history by its ability to adjust to changes and to meet the challenges of the times. I am confident that we still possess that ability.

Right now we are faced with a tremendous challenge in the field of civil rights. We cannot ignore the fact that we are in the throes of a great social change, some even refer to it as a social revolution.

More than 100 years ago, in 1863, Abraham Lincoln issued his Emancipation Proclamation assuring freedom and equality to all Americans. Now, a century later, millions of our citizens are still deprived of these rights. In the South, as well as in other parts of the country, we have recently seen strong evidence of the impatience of the Negro people who are the victims of discrimination and racism. This impatience is expressed in the form of marches, demonstrations, sit-ins, protests, appeals. Fortunately, they have been of a nonviolent character, with a few exceptions. It would, indeed, be a dark and sad day for America if this impatience gives way to riots and bloodshed.

Negro leaders themselves are well aware and seriously concerned over such developments. James Farmer, the national director of CORE—Congress of Racial Equality—one of the leading Negro organizations in the country, stated last summer at the annual convention of his organization:

> No one can stop the demonstrations. The question is: Can we keep them orderly and nonviolent?

This is a matter which deserves much thought. Demonstrations can get out of control, and the consequences would then be most tragic for all concerned, Negro and white. Not only could it lead to loss of life and destruction of property, but it would alienate the sympathy of millions of white people throughout the country who support civil rights. It would bring much harm to the very cause for which Negroes are fighting and would set that cause back, and it would do irreparable harm to our Nation's prestige abroad. These are factors which should be seriously considered by Negro leaders in their efforts to keep the demonstrations from becoming destructive and violent. This is a responsibility which they must assume.

At the same time, the white people must realize that the Negro is tired of excuses and endless debates. He is alarmed, and even angry at times, when he sees that 100 years after the Emancipation Proclamation he is still far from enjoying rights of citizenship, he is still struggling for elemental justice, for the right to vote, the right to give his children an education, the right to decent housing, equal opportunities for employment, and the use of public accommodations. White people, too, must assume their share of responsibility under such circumstances by showing understanding, by avoiding provocation, and by cooperating in the effort to assure civil rights for all Americans.

Let me make one point clear, however. We must recognize the right of Negroes for equal opportunities for obtaining a job, an education, proper housing, and so forth. Denying this right to them is indefensible. But granting a man a job merely because he is a Negro is also indefensible. Merit and ability should be the determining factors, and not the color of a man's skin, or his religious beliefs, or his national origin. All that we ask—and I am sure all that the Negroes themselves ask—is that they be given an equal opportunity, that the same yardstick that is applied to whites in employment, housing, education, public accommodations, and the like, should also be applied to them. That is a fair and just request.

At all levels of government, Federal, State, county, and municipal, we must work to find a peaceful solution to this problem which, as I stated earlier, is the overriding moral issue of our day. Americans must realize that the time for excuses and explanations has passed, and that the time for action has arrived. We must reexamine our sense of moral values and moral objectives. We cannot afford in good conscience to let the struggle of the Negro for true emancipation take place within a nation that seems to have forgotten its own moral values. Failure to provide civil rights for all our citizens will weaken the fabric of our Nation at a crucial time in human events when we need our full strength to cope with other domestic and international problems.

As I reflect over the struggle for civil rights, the thought comes to mind: Why this intolerance in this great country of ours toward the member of a minority group, toward the person who belongs to a different race or faith? Did we not all contribute of our brain and brawn to make the United States what it is today? Do we not all seek the security of our country, the welfare of our Nation? The children born in our country today know neither prejudice nor hatred of their playmates in their formative years. They are given by Almighty God inalienable rights of freedom and equality, which neither man nor law can take away from them or deny to them.

A nation that lives up to these rights and provides all of its citizens with the opportunity to enjoy them is a happy and prosperous nation. A civilization or society that assumes the responsibility that what is granted to one will be granted to all should have no fear that it cannot survive the onslaught of communism. It cannot be vanquished because its people have something to live by and to fight for.

It stands to reason that, in this crucial era for all of humanity, this is certainly a time for all men of good will to unite, to set aside their petty bickering, to rise above partisan and geographical lines, and to go forward together in their efforts to achieve security and peace. Unfortunately, the civil rights issue serves to divide us, to weaken us, to arouse sectional strife, and to detract our attention from the real problems and dangers facing our country today. This is exactly what Khrushchev and his comrades in Moscow want—division in our ranks, chaos in our land, and our attention diverted to other matters, while they go about gobbling up nation after nation until we are ready to fall prey to their schemes. We fail to treat a deadly cancer, but worry over a cut on our finger.

This is a time that calls for balanced minds and clear vision to understand the human values behind the struggle for civil rights. It is time we realize that second-class citizenship for any segment of our population is no longer feasible or desirable. We have outlived those concepts. The world will no longer tolerate them. The times have changed and the challenges are here. If there are any among us who doubt it, I urge you to look at developments in Asia and Africa where many new and independent nations have recently arisen, and also at Latin America. Just as colonialism is a thing of the past, so discrimination and second-class citizenship status are things of the past. The sooner we realize this, the better for us. The longer we cling to outmoded concepts, the more we stand to lose at home and abroad.

It was one of our great labor leaders, Samuel Gompers, the founder and first president of the American Federation of Labor, who said:

> America is not merely a name. It is not merely a land. It is not merely a country, nor is it merely a continent. America is a symbol; it is an ideal; the hopes of the world can be expressed in the ideal—America.

That has been true all through our history. That is the image in which mankind has always regarded our Nation—the symbol, the ideal, the hope of humanity. The story of America over the past two centuries is the story of a growing and expanding nation where new opportunities have been opened up to more and more of its citizens, so that they can participate as equal partners in a free society—free also from discrimination. Instead of freedom from discrimination, some sections of our citizenry are suffering from an infection of discrimination which is sapping our strength, holding back our economic growth, and destroying our national unity and the moral fiber of our Nation.

Consider, for example, what discrimination in housing is doing to our cities, the decay it is causing both in human lives and in property. In a book by Howard Moody, called "The City: Metropolis or New Jerusalem?"—published about a year ago—we read as follows:

> A city is dying when it has an eye for real estate value, but has lost its heart for personal values; when it has an understanding of traffic flow, but little concern about the flow of human beings; when we have increasing competence in building, but less and less time for housing and ethical codes: when human values are absent at the heart of the city's decisionmaking, planning, and the execution of its plans. * * * Then the city dies and all that is left, humanly, is decay.

Unfortunately, this is the situation in many of our cities today, large and small, where Negroes and others are subject to discrimination in housing and to other indignities.

I am opposed to such practices. I am opposed to treating Americans as second-class citizens by denying them basic rights enjoyed by all others. We must not recognize any caste system in the United States, or the supremacy of one race over another. Such practices can never be justified in the light of our moral and democratic principles, because there is no moral justification for racial or religious discrimination.

This country is comprised of people from all corners of the earth, all races, religions, and nationality groups. All of them have made important contributions toward the growth of our country and the shaping of its destiny. To abuse our civil rights, to continue discriminatory practices against our fellow citizens, is most injurious to our way of life and to everything that this Nation has stood for and fought for in the last two centuries. It is intolerable at all times, it is morally wrong under any circumstances.

Somewhere recently I came across these lines by an American poet:

> Give us wide walls to build our temple of liberty, O God.
> The North shall be built of love, to stand against the winds of fate;
> The South of tolerance, that we may, in building, outreach hate;
> The East our faith, that rises clear and new each day;
> The West our hope, that even dies a glorious way.
> The threshold 'neath our feet will be humility:
> The roof—the very sky itself—infinity.
> God, give us wide walls to build this great temple of American liberty.

Mr. Chairman, for the sake of our great Nation and its future, we must build with love and tolerance: with faith in our country that it will remain the ideal and the hope of mankind; and with the firm belief in human brotherhood, freedom, and true understanding among the nations of the world. We cannot be wrong if we are on the side of God and man.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. LINDSAY] for 1½ minutes.

Mr. LINDSAY. Mr. Chairman, I am in opposition to this amendment. The Federal courts have long been the great buffer in the whole area we are discussing in this civil rights bill, especially in those matters involving the right to vote. We have heretofore in this legislation created special machinery for the expedition of cases of this kind which testimony taken by the Committee on the Judiciary and by the Civil Rights Commission have demonstrated to have been inordinately delayed. We did so in the three-judge court provision. We established a special proceeding there which I think will work for the protection of all parties involved. Here again if there is any error being committed by either party to a case, it will be decided by the court of appeals, a Federal court of appeals. That is all we seek to have accomplished by this title IX in the bill. I urgently request that Members vote down the amendment to strike out title IX.

I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. CORMAN] for 1½ minutes.

Mr. CORMAN. Mr. Chairman, I urge the defeat of this amendment, which would strike out an extremely important provision in H.R. 7152. In the most harsh cases of denial of constitutional rights one is frustrated at the district court level if there is no right of appeal. If the State prevails, the State has a right to appeal, but the plaintiff does not. I urge the Committee to support us on title IX because it will get at those case which are most tragic and where justice is in truth denied unless we can get the case to the appellate court.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. GILBERT] for 1½ minutes.

Mr. GILBERT. Mr. Chairman, I rise in opposition to the amendment of the distinguished gentleman from New York.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. POFF].

Mr. POFF. Mr. Chairman, I find all too often when I rise I am required to answer both the gentlemen on the other side of the aisle and the gentlemen on my own side of the aisle. The gentleman from Wisconsin [Mr. KASTENMEIER] called to my attention something which I confess I did not know. Indeed, there is another class of cases in which appeal from a remand order is available. That has to do with cases involving Indian lands. However, what the gentleman did not make plain was that only the United States has the power to appeal such a remand order in that class of cases.

If I may respond to the gentleman from New York, I want to emphasize that the class of cases referred to in section 1443 is not confined to voting cases. Section 1443 describes all types of civil rights cases and that category is rather large. But why we should single out that class of cases and the Indian cases to offer a right of appeal from a remand order and deny the right of appeal in all other cases involving Federal questions which have been removed from the State courts to the Federal courts, no one yet has satisfactorily explained.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. EDWARDS] to close debate on title IX and all amendments thereto.

(By unanimous consent, the time allotted to Mr. ROOSEVELT was granted to Mr. EDWARDS.)

Mr. EDWARDS. Mr. Chairman, I rise in opposition to the amendment offered by the distinguished gentleman from Virginia [Mr. TUCK].

First of all it is established law and has been for nearly 100 years that the defendant in a civil rights case can have his case removed from a State court to a Federal court. This right to remove a civil rights case to a Federal court is contained in 28 United States Code 1443. And particularly any of the following civil actions or criminal prosecutions which are commenced in the State court may be removed by the defendant:

First. Against any person who is denied or cannot enforce in the courts of such State a right under any law providing for the equal civil rights of citizens of the United States, or of all persons within the jurisdiction thereof.

Second. For any act under color of authority derived from any law providing for equal rights, or for refusing to do any act on the ground that it would be inconsistent with such law.

The present law is that the Federal court, however, can send a case right back to the State court and refuse to try the case. Of course, this is called the remand. But this might be just the kind of a case that should not be sent back to the State court where the defendant could not possibly get justice. Under the present law the defendant is stuck in the State court. He cannot appeal to the circuit court of appeals for a reconsideration of the order sending his case back to the State court.

So, Mr. Chairman, title IX seeks to cure this injustice in the law. It says that in civil rights cases the higher court can take a look and decide whether or not the case should be sent back to the State court or should it be tried in the Federal court as the defendant requests.

Mr. Chairman, what we are doing here is adding a judicial review of the order sending the civil rights case back to the State court; that is all. All other civil rights statutes are subject to appellate review. That is what higher courts are for.

Mr. Chairman, I urge the defeat of the amendment.

The CHAIRMAN. The time of the gentleman from California [Mr. EDWARDS] has expired. All time has expired. The question is on the amendment offered by the gentleman from Virginia [Mr. TUCK].

The question was taken; and on a division (demanded by Mr. TUCK) there were—ayes 76, noes 118.

So the amendment was rejected.

The CHAIRMAN. Are there further amendments to title IX?

AMENDMENT OFFERED BY MR. ASHMORE

Mr. ASHMORE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHMORE: On page 86 after line 25 insert the following new title:

"TITLE X—ESTABLISHMENT OF COMMUNITY RELATIONS SERVICE

"SEC. 1001. (a) There is hereby established in the Department of Commerce a Community Relations Service (hereinafter referred to as the 'Service'), which shall be headed by a Director who shall be appointed by the President with the advice and consent of the Senate for a term of four years. The Director shall receive compensation at a rate of $20,000 per year. The Director is authorized to appoint, subject to the civil service laws and regulations, such other personnel, not to exceed six in number, as may be necessary to enable the Service to carry out its functions and duties, and to fix their compensation in accordance with the Classification Act of 1949, as amended. The Director is further authorized to procure services as authorized by section 15 of the Act of August 2, 1946 (60 Stat. 810; 5 U.S.C. 55 (a)), but at rates for individuals not in excess of $75 per diem.

"(b) Section 106 of the Federal Executive Pay Act of 1956, as amended (5 U.S.C. 2205), is further amended by adding the following clause thereto: 'Director, Community Relations Service.'

"SEC. 1002. It shall be the function of the Service to provide assistance to communities and persons therein in resolving disputes, disagreement, or difficulties relating to discriminatory practices based on race, color, or national origin which impair the rights of persons in such communities under the Constitution or laws of the United States or which affect or may affect interstate commerce. The Service may offer its services in cases of such disputes, disagreements or difficulties whenever, in its judgment, peaceful relations among the citizens of the community involved are threatened thereby, and it may offer its services either upon its own motion or upon the request of an appropriate State or local official or other interested person.

"SEC. 1003. (a) The Service shall, whenever possible, in performing its functions under this title, seek and utilize the cooperation of the appropriate State or local agencies.

"(b) The Service shall hold confidential any information acquired in the regular performance of its duties upon the understanding that it would be so held. No officer or employee of the Service shall engage in the performance of investigative or prosecuting functions of any department or agency in any litigation arising out of a dispute in which he acted on behalf of the Service.

"SEC. 1004. Subject to the provisions of section 1003(b), the Director shall, on or before January 31 of each year, submit to the Congress a report of the activities of the Service during the preceding fiscal year."

Mr. CELLER (interrupting reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. ASHMORE. I yield to the distinguished gentleman from New York, the chairman of the committee.

Mr. CELLER. Mr. Chairman, the amendment is technical in nature and is acceptable to me.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. ASHMORE. I am delighted to yield to my friend the distinguished gentleman from Ohio.

Mr. McCULLOCH. Mr. Chairman, the amendment is acceptable on this side. This amendment had been acceptable before in the committee.

Mr. ASHMORE. I thank the gentleman.

Mr. Chairman, I understood that one Member wanted to speak on this matter, but I do not see him on the floor at this time.

Mr. Chairman, since the amendment has been accepted by both sides, I shall not use the full time allotted to me.

Mr. WILLIAMS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the genius of the American system of Government—the quality that distinguishes it from other and less successful governments is the intricate system of checks and balances, and the distribution of powers provided by our Constitution. This system has served us well since it was instituted 175 years ago. It has brought us from a third rate power to the position we enjoy today as the strongest and most powerful nation in the history of the world. But more important than that, our Nation, operating under the Constitution, has long been the world's citadel of freedom, protected against the dangers of oligarchic tendencies through the diffusion and distribution of governmental powers written into our Constitution.

Mr. Chairman, during the past several years, since the end of World War II, our venerable Constitution has been under assault from many quarters, beginning with a series of damaging political decisions handed down by the very courts whose duty it is to preserve the meaning and the letter of that document. It has suffered from Executive orders that seek to legislate by decree, and in the absence of approval by the Congress. Even the Congress cannot be held guiltless of the crime of encroachment against the reserved powers of the several States in the institution of various programs that have sapped away their sovereignty.

Because of conflicting philosophies as between those who advocated a weak Central Government and those who felt that the States should be merely subordinate subdivisions of the Federal Government, the struggle for supremacy has continued between the Central Government and the States. There was a time when the States were supreme in their exercise of power, and the Federal Establishment was contained within narrow limits of jurisdiction. In recent years, that trend has been reversed, and now the Federal Government is well along the way toward total and complete domination over the States and the dissolution of their constitutionally delegated and reserved powers. The trend is away from a Federal republic of States and toward a completely autocratic centralized government.

Yes, Mr. Chairman, in our day and time we are witnessing a transition in the form of our Government, and I, along with millions of fellow Americans, am deeply concerned.

Yes, Mr. Chairman, times and conditions change, which demand that our Government be sufficiently flexible in its operation as to meet the needs of the day. I might add, however, that certain principles are as timeless in their application as the Ten Commandments; that certain truths are eternal, and withstand the onslaught of time and change. Such truths and principles are the essence of our Constitution.

Mr. Chairman, the monstrous bill before us now does violence to the Constitution, with its diffusion of powers and its system of checks and balances. The bill tampers with long recognized and constitutionally guaranteed civil rights of our people. It has already been shown by those who have preceded me in this debate to be an encroachment on the right of the States to determine the qualifications of their electors; it compromises the right of our people to "be secure in their persons, papers, and effects" from unreasonable searches, and it obviates the constitutional requirement that "no warrants shall issue except upon probable cause." The bill, Mr. Chairman, severely restricts the application of the first amendment guaranteeing freedom of speech and press; it abridges the right to trial by jury, and through enforcement of title II, it gives a stamp of approval to involuntary servitude. Mr. Chairman, it has been pointed out previously in debate that title VI is nothing more nor less than a bill of attainder, specifically outlawed by our Constitution; title VI violates, also, article IV, section 2, which guarantees to the citizens of each State the privileges and immunities of citizens of the several States. Mr. Chairman, in the light of the many usurpations of the States rightful powers, there might be a valid suggestion that it is violative of article IV, section 4, which says:

> The United States shall guarantee to every State in the Union a Republican form of Government, and shall protect each of them from invasion.

Taken as a whole, Mr. Chairman, the bill disregards completely and holds in contempt the 10th amendment to the Constitution which circumscribes the powers to be exercised by the Federal Government, and reserves all other powers to the States, respectively, or to the people.

Mr. Chairman, it was never intended that the powers to be exercised by the Federal Government be as broad or comprehensive as those contained in this bill. Indeed, the Federal Government, in its original and historic concept, is a limited government, with its power delineated by the Constitution. If that were not so, there would be no need for a written constitution, for indeed, the very purpose of a written constitution is to specify and limit the powers to be exercised thereunder. A written constitution is necessarily a document of limitations.

Like the Ten Commandments, 8 of which are "thou shalt nots," 8 of the 10 articles that comprise the Bill of Rights are "thou shalt nots," each and every one prohibiting the exercise of some power by Government. There are none which seek to regulate conduct as between citizens, but rather, all provide protection to the citizen against the abuse of power by government, whether it be State or Federal.

A constitution remains a living and workable document so long as it is honored in its application; when it can no longer contain governmental powers within their appropriate jurisdictions because of legislative excesses, executive encroachments, and political court decisions, it loses its vigor and ceases to function in the interest of the governed.

Mr. Chairman, on the 22d day of February of each year, we gather in this Chamber to hear the still vibrant, living words of the Father of our Country, our first President, George Washington, as he delivered them in his Farewell Address to the Congress. Many come to hear, Mr. Chairman, but the bill before us now is almost conclusive proof that few bother to listen to the words, for indeed, he warned of the very type of legislative trap that we are being led into. I beg you now to listen to the words of Washington:

> It is important likewise, that the habits of thinking in a free country should inspire caution in those entrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and

> thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasion of the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes. To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed.

Mr. Chairman, we have witnessed a sorry spectacle in this Chamber since last Monday, when we began reading the bill for amendments. From one side, looking over your shoulders are agents of the Justice Department, who like shepherds, are riding herd over their sheep.

On the other side, peering from their perch are the political parasites of our day. They are here to check off Members individually as they walk through the tellers on the various amendments. I have seen Members summoned out of the Chamber by these people and called on the carpet for having voted their honest convictions. Members have told me of these pressures being exerted, and the threats that have been thrown at them by these organized political racketeers. The degree of success attained by these pressure activities can be measured by the failure of nearly every amendment that has been opposed by the Judiciary Committee leadership.

Mr. Chairman, I do not hold those Members in contempt who are so weak as to surrender their honest convictions to this crowd of agitators; on the contrary, they have my deepest sympathy, for it is they, not I, who will have to answer to their children and their childrens' children for this prostitution of their beliefs. It is they, not I, who will have to shoulder the blame for the destruction of our Republic, for indeed that must be the eventual result of this kind of legislation.

I am sorry that these pressure outfits have directed all of their energies into these efforts to use Negro bloc voting as a vehicle for undermining our system of government. Were they to devote their talents to the upgrading of morality among the members of the Negro race, they could make a significant contribution to the good of all mankind.

These outfits do not seem to care that every fourth Negro child entering the District of Columbia public schools is illegitimate; or that the same proportion holds true in Illinois. They are unconcerned that every sixth Negro child in Iowa and Michigan is illegitimate. One out of every five Negroes entering public schools in Pennsylvania and Minnesota is illegitimate but such sordid conditions are overlooked by the NAACP, CORE, SCLC, and other such motley organizations.

Instead of preaching morality, and obedience of law, these groups preach racial hatred against the white man. They exhort their followers to practice mob violence rather than practicing virtuous conduct.

Would it not be more useful for these leaders to teach their own the code of civilization instead of hounding Congress to socialize America?

If their time and talents were utilized to upgrade morality and respect of law among their own, they would discover a perceptible change in the attitude of white people, and their economic condition would be improved.

What do these leaders want for their people? They want nothing for their people but they do want something from them. They want political power. Let me give an example.

The Washington Star on January 29, 1964, carried an article datelined Danville, Va. The lead paragraph reads:

> Negro leaders here said today their voter registration drive has assured them a city council seat in the June 9 election.

Then the next paragraph:

> The Reverend Lawrence G. Campbell, executive secretary of the Danville Christian Progressive Association, said the registration of some 1,500 Negroes—bringing to more than 3,000 the number of eligible Negro voters—guarantees that a Negro candidate will sit in the council chambers for the first time.

Think about that. The election is not until June 9, but Negro leaders say they have already elected a Negro city councilman. No candidate has been selected.

Qualifications are immaterial. Here we have it on the admission of a Negro leader—Negroes will vote in a bloc for a Negro candidate, regardless.

That is the type of racism which has caused the deaths of thousands of whites in Africa in the last few months. That is the type of racism we can expect all over America when electors are led to the polls like sheep. These professional agitators do not expect Negro electors to cast an intelligent vote. They expect them to cast a ballot determined solely on race. Is that the type of government you would like to live under?

I think not, but if you enact this bill into law, many millions of people will be living under such a government.

Instead of trying to arrogate unto themselves political power on the sole basis of race, Negro leaders should discourage the disproportionately high crime rate which exists among their own race.

In New York, the home of the chairman of the Judiciary Committee, I find that liberally integrated State sends nine times as many Negroes to prison as it does whites. Now that State has on the books all the antidiscrimination laws ever thought up. Why, it is even prejudice within itself to call a New Yorker prejudiced. So sometime I would like for my enlightened friends from New York to explain to me why the Negro crime rate there is nine times the white.

Mr. Charman, I am indebted to the gentleman from Washington [Mr. PELLY], for letting the cat out of the bag by revealing why there is near unanimous Republican support of this bill. Apparently the ranking Republican on the Judiciary Committee and the Justice Department are making the rounds assuring Members outside the South that the bill will have no effect on the people in their States.

Those tactics point up the hypocrisy of this measure. Members are reassured that only the South will be affected. You know the old argument "those Southerners don't know how to run their own affairs. We must do it for them. We had a lot of experience following the Civil War. Our efforts to help the poor slaves met with such success that we are having to do it all over again after 100 years."

This type of tripe proves my contention that those furthest removed from the race problem are the first to propose a solution.

An oppressive majority may succeed in passing punitive legislation aimed at one region because it is politically popular to do so. But I can assure all of you that as the South solved this legislative problem once before, it will be done again. I am sorry that some people will have to suffer in the meantime.

The South has overcome many obstacles—political, social, and economic. Agitators may think they are in the saddle now, but a rude awakening awaits them. When they beome political albatrosses—and surely they will—those who now embrace them will despise them.

Time cures many things. We in the South have the patience to wait until public opinion manifests support for our position. It will not be long. When that hour comes, our representative form of government will have passed one more crucial test.

Mr. Chairman, this bill is literally crawling with vermin, snakes, and worms of every sort and kind. It should be recommitted in the interest of sound legislative procedures. But more than that, Mr. Chairman, the bill should be defeated in the interest of future generations of Americans who have the same right to enjoy the freedoms that we inherited from our fathers before us.

Mr. RANDALL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, for several days during the debate on this bill several Members, including myself, have wondered if the amendment to add the Community Relations Service would be in order and at what point in the bill. Now it has been offered by a member of the Judiciary Committee, the gentleman from South Carolina [Mr. ASHMORE]. In the past few days we have been hearing suggestions that there would be objections to this amendment by some on the grounds it would create another executive bureau. I shall answer these objections in a minute.

First, Mr. Chairman, I want to commend the gentleman from South Carolina [Mr. ASHMORE], for his efforts in the preparation of this new title XI.

Next, it is most encouraging to note that the gentleman from New York [Mr. CELLER] and the gentleman from Ohio [Mr. MCCULLOCH] have indicated they would accept the amendment as presented.

Mr. Chairman, the objective of the Community Relations Service is to settle race problems across the conference table if humanly possible, without resorting to methods that may require U.S. marshals or troops. When our late President Kennedy sent to Congress his first message on civil rights, the newspapers in my district called me and asked what I thought was the best provision in the proposal. My immediate comment at that time was that I thought this Community Counseling Service was one of the best things in the bill. That was my view then and it is my view now. When the Judiciary Committee's substitute was adopted in place of the original version of H.R. 7152, title IV of the old bill containing the Community Relations Service was omitted. I understand that one of the reasons was a fear it would be just an added Federal bureau. I submit the argument is not logical because it is not large enough to be called a bureau, but is a service which would pay its way many, many times over in reduced costs of otherwise necessary litigation. I have heard that some committee members preferred this section be added later by Executive order. Well, such an argument admits the value of the service, but is sort of a lazy way out or the old "Let George do it" attitude. In this case it would be "Let Lyndon do it." The truth of the matter is we are placing a tremendous burden of administration on the President by this new bill. In placing this burden on the President, we should give him the tools that will enable him to do a good job, and a fair job. This Community Relations Service is one such tool that he may use to avoid invoking the more severe penalties of the bill.

Examples of the value and benefits of such a community service have appeared throughout the country in the year 1963 where local or State racial commissions have acted to prevent race riots. There are many actual instances on record where race violence has been avoided by conference and conciliation. Although there may be uneasy peace over here at Cambridge, Md., I think it is mainly because of the continuous efforts of leaders from both races who have been able to remain in close contact through regular conferences that has avoided a much worse situation.

Everyone will agree that as long as opponents can keep a bitter controversy in the talking stage there is a possibility that the controversy will not move into the fighting stage. This is based upon the principle that talking allows people to let off steam, which any psychologist will tell you always lessens personal tensions. Opponents in the arenas of racial strife should have a chance to present their side of the controversy in a conference among leaders of the community. Even though they may not win their point at the conference table great violence might be averted.

In every racially troubled community, there are undoubtedly many leading citizens of both races who would under ordinary circumstances agree to confer with each other. But the severe pressures of the moment often make it difficult, if not impossible, for these persons to approach each other for fear of losing face, much less sit down to talk with each other. Tensions get so high that these leaders cannot admit publicly or openly that there is any basis for amicable settlement. I think this stage of affairs would be avoided if only they had the chance and the invitation from some third party to sit down and talk it over. This is why it seems to me it is virtually indispensable that some organization be available to bring together people of leadership from both races. In most parts of our country there is no such organization or commission, not even a local or State biracial commission. But even if there exists such a local group, it would need the help of dispassionate men who are not members of the community and not involved in or a part of the tensions of the moment.

No one need fear that this process of mediation can block or slow down the vindication of constitutional rights. Many times grievances do not involve constitutional rights. Of course there are some problems that will have to be resolved in the courts. But even those which are susceptible to judicial resolution can very frequently be handled much more quickly and economically by agreement.

This amendment specifically provides that the new Service would seek and utilize the cooperation of State and local agencies, if any. It further provides, when peaceful relations in a community are threatened, the Service may offer its help in the dispute, either on its own motion or upon the request of some State or local official or other interested person. The Service must hold confidential any information acquired in the routine performance of its duties. This means the Service would conduct its work without publicity in its efforts to seek the cooperation of State and local officials and all individuals involved.

The impact of H.R. 7152 on the country will depend, in large part, on how the measure is administered. I know it is the hope of every Member that it will be handled with fairness in a spirit of tolerance, for the rights of individuals on both sides of this great national controversy. President Johnson has had experience in this field as Chairman of the Committee on Equal Employment Opportunities. His heritage comes from the Southwest where there has long been moderation in relations between the races. In the administration of this law, he will be neither a northerner nor a southerner. What could otherwise become a very abrasive law will be administered with sufficient temperateness, forbearance, and restraint, yet with firmness when required, that will accomplish the easing of racial tensions to the satisfaction of all who want fairness and moderation rather than coercion and fanaticism. All of us are hopeful that the administration of this bill, when it becomes law, can be handled with avoidance of extremes. Persuasion and voluntary procedures are always better than force expressed in terms of marshals and troops. Conference, mediation, conciliation, arbitration, and persuasion is the better way to proceed rather than through raw, unfeeling, legal force. Only in this way can the hopes of everyone be satisfied and the fears of everyone eased.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. ASHMORE].

The amendment was agreed to.

Mr. CELLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CELLER. Do I understand that the amendment offered by the gentleman from South Carolina would be numbered title X?

The CHAIRMAN. That is correct.

Mr. CELLER. And that title X on page 87 would become title XI?

The CHAIRMAN. An amendment will have to be offered when that title is reached.

The Clerk read as follows:

TITLE X—MISCELLANEOUS

SEC. 1001. Nothing in this Act shall be construed to deny, impair, or otherwise affect any right or authority of the Attorney General or of the United States or any agency or officer thereof under existing law to institute or intervene in any action or proceeding.

SEC. 1002. There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this Act.

SEC. 1003. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of the Act and the application of the provision to other persons or circumstances shall not be affected thereby.

The CHAIRMAN. Does the gentleman from New York desire to offer an amendment to correct the title and section number?

Mr. CELLER. Mr. Chairman, I offer an amendment that title X on page 87, line 1, be changed to title XI.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

AMENDMENT OFFERED BY MR. CELLER

Page 87, line 1, strike out "Title X" and insert "Title XI".

Page 87, line 2, strike out "Section 1001" and insert "1002".

Page 87, line 7, strike out "Section 1002" and insert "1003".

Page 87, line 10, strike out "Section 1003" and insert "1004".

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. MEADER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEADER: On page 87, after line 6, insert the following:

"SEC. 1001. Nothing contained in any title of this Act shall be construed as indicating an intent on the part of Congress to occupy the field in which any such title operates, to the exclusion of any State laws on the same subject matter, nor shall any provision of this Act be construed as invalidating a provision of State law which would be valid in the absence of such Act, except to the extent that there is a direct and positive conflict between such provisions so that the two cannot be reconciled or consistently stand together."

And renumber sections 1002 and 1003 as 1003 and 1004 respectively.

Mr. MEADER. Mr. Chairman, I ask unanimous consent that the numbers in my amendment be changed to conform to the amendment just adopted.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Chairman, this is probably one of the most important amendments to this bill. The phraseology of this amendment is nearly identical with H.R. 3, which has passed this House. It is the so-called nonpreemption provision.

The gentleman from Virginia [Mr. SMITH] has been introducing this legislation for years. I know twice the Committee on the Judiciary has reported it and both times the House has adopted it.

This legislation was made necessary by the doctrine of the Nelson decision in which the Supreme Court of the United States struck down a statute of the State of Pennsylvania passed in the late nineteens or early twenties prohibiting subversive activities. The Court based its decision on the ground that when the Congress passed the Smith Act of 1940 it preempted or occupied the field of subversive activities and the statutes of the States were therefore invalid.

The purpose of this provision is to assert the intention of Congress to preserve existing civil rights laws which may be on the books of the States or which may be enacted in the municipal ordinances.

For example, to show you how critical this matter is in my hometown, the council of the city of Ann Arbor, Mich., within the last few months, adopted a so-called fair housing ordinance; but the attorney general of the State of Michigan said that that ordinance was invalid under the preemption doctrine because the Michigan constitution established a civil rights commission and the State of Michigan had thereby preempted the field of civil rights.

This bill is so sweeping, covering so many facets of civil rights problems, that unless we adopt language such as that which is proposed or something to accomplish the same purpose, the 32 States that have public accommodation laws, the 26 that have FEPC laws, and others that may have laws with regard to education and those that have laws with regard to public facilities—may have their civil rights laws held invalid. This Federal law would perhaps be, under the Nelson doctrine, a defense to anyone charged under those State and local laws.

The Committee on the Judiciary has been so concerned about this problem of preemption that when we passed a Federal criminal law we often include in the statute itself a provision that we were not intending to strike down State laws or to occupy the field.

A bill that we passed just within the last few days, S. 741, relating to bribery in connection with the outcome of sporting contests, contained on page 2 these words:

> This section shall not be construed as indicating an intent on the part of Congress to occupy the field in which this section operates to the exclusion of a law of any State, territory, Commonwealth, or possession of the United States, and no law of any State, territory, Commonwealth, or possession of the United States, which would be valid in the absence of the section shall be declared invalid, and no local authorities shall be deprived of any jurisdiction over any offense over which they would have jurisdiction in the absence of this section.

In other words, unless we adopt this language, the States of California, Michigan, or any State that has acted in this field in the past or may in the future, run the risk of having their ordinances or statutes held invalid because of the adoption of this civil rights bill, H.R. 7152, and the application of the preemption doctrine of the Nelson case. It is to preserve local civil rights laws that this amendment is offered.

How does it come about that this preemption doctrine would stifle these laws? We have, for instance, in Ann Arbor a case right now in the municipal court charging a barber with refusal to give service to a Negro. Because of the sweep of this Federal statute, if it had been in effect today, the defendant's attorneys would have come in and moved to dismiss the case on the ground that that ordinance was no longer valid since the Federal Government had preempted the field. I do not think anyone on this floor wants to run the risk of nullifying State and local laws which are designed to prevent discrimination and segregation.

I would think that this amendment ought to be acceptable to the majority of the committee as well as the committee members on my side. After all, where should these laws be enforced? If the people are protecting civil rights on a local basis, do you want to put them out of business and multiply the people you will have to hire to enforce Federal law in every nook and corner in the country? You know this law is very sweeping as far as the public accommodation section is concerned and with respect to education and public facilities. By failing to adopt this amendment I think we would run grave risk of doing great harm to State and local efforts to achieve the equal treatment of all people.

Mr. ANDERSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ANDERSON. Mr. Chairman, I rise in enthusiastic support of the amendment offered by the gentleman from Michigan [Mr. MEADER], because I am afraid of the impact that title VII as presently written will otherwise have on the 26 States that already have FEPC laws on their State statute books. The problem of eliminating discrimination with respect to employment is one of tremendous scope. I am certainly not persuaded that a Federal FEPC with 155 employees and an annual budget of $3.8 million is going to get to the root of the problem. It would probably take a Federal force 100 times that size and a budget of 100 times that mentioned in the debate unless we can enlist and energize the active support of State agencies to move against employers who wilfully discriminate on the basis of race, color, religion, or national origin.

I am not persuaded by the soothing language of the present section 708(b) that says the Federal Commission shall "seek written agreements with the State or local agency." I am reliably informed that no significant cessions of Federal authority have ever occurred in the labor-management field by the NLRB to State labor relations boards. Federal administrators out to make a record and build up a name for themselves are too busy seeing to the proper application of Parkinson's law to give much consideration to ceding their jurisdiction to State and local agencies.

The distinguished gentleman from Ohio [Mr. MCCULLOCH] said a few days ago:

> I believe in the effective separation of powers and in a workable Federal system, whereby State authority is not needlessly usurped by a centralized government, but I also believe that an obligation rests with the National Government to see that the citizens of every State are treated equally.

I applauded his statement then, and I declare my support of that principle here today. However, I fear that unless this amendment is adopted you will see a needless usurpation of State authority by the centralized Government in Washington. I am not now talking about preserving States rights where a State has refused to shoulder its rightful responsibilities to guarantee to all citizens within its borders the rights, privileges, and immunities of citizenship that are set forth in our Constitution. I am not asserting a purely negative concept of States rights. By this amendment we are pleading for States rights in those jurisdictions where they are not content to sit by and watch the creation of a vacuum caused by inaction which is then inevitably filled by the onrush of Federal power.

I agreed with much that the gentleman of South Carolina [Mr. DORN], said the other day in his eloquent address on the importance of preserving State and local responsibility even though I shall vote for this bill and he will not. Where we have effective organs and agencies of State and local government which are moving to meet problems they should not be shunted aside by the doctrine of Federal preemption. This can in truth lead to the destruction of our Federal system. State commissions in my own State of Illinois, New York, Michigan, and Ohio to name just a few States should be more aware of local problems and conditions and be better prepared to provide solutions than more distant Federal commissioners.

Businessmen have a right to complain when they find themselves confronted with State commissions, Federal commissions, and a Presidential committee like the one on equal employment opportunity, all operating in the same field. It is costly, it is inefficient, and encourages contempt for, rather than compliance with, the goals we are seeking.

If the argument is made that some States may seek to conform to the letter but not the spirit of the law by setting up State commissions which do not function effectively to attack the problems of discrimination in employment, I think the answer is obvious.

The Federal Fair Employment Practices Commission will sue an employer under this section in a Federal court and the court will then simply determine whether there is effective power in that particular State in the State agency to eliminate and prohibit discrimination in employment. If the court determines that there is a lack of effective State authority to accomplish this, then this section, as amended, would not constitute a bar to a Federal prosecution.

Mr. Chairman, I believe this is a necessary amendment—necessary to retain the effective services of existing State fair employment practices commissions. I believe it is also an important amendment if we really want to take steps to preserve the vitality of our Federal system by preventing the unnecessary centralization of Federal power in Washington.

The House of Representatives is concluding debate on what is undoubtedly the most significant piece of legislation which it will consider this year. I am going to vote for the civil rights bill as a matter of Christian conscience. The president of the American Jewish Congress, Rabbi Prinz, once said that when he was the Jewish rabbi in Berlin under Hitler, that he learned many things. He went on to say:

> The most important thing I learned under those tragic circumstances is that bigotry and hatred are not the most urgent problem. The most urgent, the most disgraceful, the most shameful and the most tragic problem is silence.

If we as Christians truly believe that man has been created in the image of God; if we truly believe that the great Commandment is to love they neighbor as thyself, then we can ill afford to be silent on one of the great issues of our time.

The Solicitor General of the United States put it this way when he said:

> The present conflict over civil rights is a conflict between the ideals of liberty and equality expressed in the Declaration of Independence on the one hand, and on the other hand, a way of life rooted in the customs of many of our people.

It is not without sympathy that I observe the fact that passage of this legislation will spell the end of the last vestiges of a society where the American Negro has been raised in a paternalistic, and in many instances, even a kindly light, by the white segment of our society. However, the record in this case contains irrefutable evidence that amid the paternalism and the kindliness are also to be found glaring and even shocking examples of discrimination and ill treatment which has been born and bred out of hatred and bigotry.

As a Member of Congress, I cannot ignore facts like these. Ten years after the decision of the Supreme Court in Brown against Board of Education, 98.9 percent of all Negro children of school age living in the 11 Southern States of the old Confederacy are still attending segregated schools. With respect to voting rights the evidence shows that there are more than 250 counties in which less than 15 percent of the Negro population has been registered and permitted to vote.

Among the most poignant testimony received by the Judiciary Committee when it was considering this legislation was that which related to discrimination practiced in many areas of the country with respect to the use by interstate travelers of public accomodations facilities. Again the unrefuted evidence in the record shows that if a man has been born with a dark skin, he may find it necessary to travel literally hundreds of miles between certain cities, particularly in the southeastern part of the United States, before he can find a suitable place to obtain rest and lodging.

Surely, the Christ who paused to bring succor and healing to the bruised and wounded Samaritan along the wayside would not turn His face from the plight of many American citizens who, solely because of race, are being denied the privileges and immunities otherwise afforded citizens of the United States. If that be true, surely those of us who seek to follow Him as Christians cannot countenance in silence the indignities that inevitably result from racial discrimination.

I am personally satisfied after literally months of study and research that this legislation has a proper constitutional basis. However, in the end, that will certainly not be the most important consideration, for a reconciliation between those who are black and those who are white will not take place if founded solely upon the law. There must indeed be a conscious determination within the hearts of each of us to contribute by our thoughts and by our actions and by our deeds to the resolution of this problem.

We do indeed especially in this time of the year need to remember the words of the great Emancipator: "With malice toward none and charity toward all." This will not be an easy task, for in many cases it will require laying aside age-old prejudices and preconceptions.

In conclusion, most of us can remember from our earliest childhood those gatherings in a Sunday school classroom, where in innocence we sang the words of that familiar child's hymn:

> Jesus loves the little children—red and yellow, black and white.

In these climactic days of crisis where we have been saddened and shamed to witness in recent months the bombing of a church and the slaying of some of these Sunday school children, the time has surely come for us as Christians to do our part to help bind up these wounds and help heal those differences that threaten to divide us.

SUBSTITUTE AMENDMENT OFFERED BY MR. MATHIAS

Mr. MATHIAS. Mr. Chairman, I offer a substitute for the amendment.

The Clerk read as follows:

> Amendment offered by Mr. MATHIAS as a substitute for the amendment offered by Mr. MEADER: Page 87, after line 6, insert the following new section 1102 and renumber the following section:
>
> "SEC. 1102. Nothing contained in any title of this Act shall be construed as indicating an intent on the part of Congress to occupy the field in which any such title operates to the exclusion of State laws on the same subject matter, nor shall any provision of this Act be construed as invalidating any provision of State law unless such provision is inconsistent with any of the purposes of this Act, or any provision thereof."

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. MATHIAS. I yield to the gentleman from New York.

Mr. CELLER. I am opposed to the amendment offered by the gentleman from Michigan [Mr. MEADER] and am heartily in favor of the substitute offered by the gentleman from Maryland.

Mr. MATHIAS. I thank the gentleman.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. MATHIAS. I yield to the gentleman from Ohio.

Mr. McCULLOCH. Mr. Chairman, the Meader amendment was a good one. The substitute makes it even better. The legislation will be improved by the adoption of the substitute. I hope it is unanimously agreed to.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Maryland to the amendment offered by the gentleman from Michigan.

The substitute amendment was agreed to.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Michigan [Mr. MEADER] as amended by the substitute amendment offered by the gentleman from Maryland [Mr. MATHIAS].

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. WINSTEAD

Mr. WINSTEAD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WINSTEAD: On page 87, line 8, after the word "appropriated" insert the following: "from and after January 1, 1966."

Mr. WINSTEAD. Mr. Chairman, I believe it is evident, after 10 days of debate and discussion here, that each Member of the House knows there is not a single Member of Congress who understands what the bill will do or how far-reaching it really will be. We also know that this is brought about largely on a political basis. I should like to have the funds delayed until we get all our campaigns over this fall, so that if there is any merit to this legislation we can approach it on a commonsense basis. My amendment would delay appropriated funds until January 1, 1966.

A Negro northerner came into my office before Christmas requesting that I sign a discharge petition for civil rights. He asked me if I had signed the petition, and I told him, "No," but I also told him, "I am glad you northern Negroes have at last caught up with professional white politicians, who have tried to put all the blame for your ills on the white people of the South."

I believe it is about time that we found some other subject to "politic" about, and let the Negro rest awhile.

Who ever heard of such legislation as we have here? I say to you that a great number of liberal church people have flooded Congressmen with letters urging passage of the civil rights bill—probably more than the Negroes themselves—yet they are thinking only in terms of what they believe the Congress should do to right some wrongs which they consider have been placed upon the Negro race. In my opinion few of them have any idea what this bill contains. If so, they would oppose it.

I prophesy that most of us—at least, many of us—think the Senate will tone the bill down. I believe that if the House Members thought that the Senate would accept this bill as written, it would be defeated on the floor of the House before this day is over.

I say to you, many things will happen if this goes into effect.

Some of you have made believe that the ills of the northern Negro were brought about because of the way he was treated in the Southern States. When the Supreme Court made its infamous school decision in 1954, many northern people thought it would only affect Southern States. But they now know that their States are also affected by it.

I say to the chairman of the Committee on the Judiciary, the gentleman from New York [Mr. CELLER] and the ranking member of the committee, the gentleman from Ohio [Mr. McCULLOCH], I understand your States already have civil rights laws as strong as this bill. If that be true, why on earth are you having so much confusion in your States as is viewed on television and read in the newspapers, if law will solve your problems? I insist that this type of legislation will harm the Negro more than it will help him.

I happen to have had the privilege before coming here to work with the Negroes of my section, and I think I have rendered a service to that group of people.

My friends, the professional politicians who exclaim so loud about discrimination, will select a few Negroes and give them top or Cabinet positions but will have little or no concern for the welfare of the masses.

In my opinion, the Negroes are generally more interested in earning a living wage, being able to go to places of entertainment, and have sufficient food, than they are in sitting by the side of you or me or any white person.

Apparently, you are still anxious to use the South as a scapegoat, especially those who voted against the amendment that was offered by the gentleman from Virginia [Mr. TUCK] to broaden a part of this bill to make it apply to all parts of the country. But you did not have the nerve to do it.

So, my friends, I just say this in conclusion, if you must pass this bill and if you will postpone funds for the bill, in keeping with my amendment, until the political uproar is over this summer, this bill will be less damaging to the Negro and to the country. I hope you will adopt my amendment and vote to defeat the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WINSTEAD].

The amendment was rejected.

AMENDMENT OFFERED BY MR. WHITENER

Mr. WHITENER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WHITENER: Strike out all of lines 10 through 13 on page 87 and insert in lieu thereof section 1103, if any provision of this act is held invalid the remainder of the act shall not be affected thereby.

Mr. WHITENER. Mr. Chairman, when we have had a previous civil rights bill before us, I offered an identical amendment to this one to strike out language identical to the language appearing on lines 10 through 13 on page 87.

At that time both the chairman of the Committee on the Judiciary and the ranking member of the Committee on the Judiciary [Mr. McCULLOCH], accepted that amendment. Before I go into a discussion of it, I wonder if they are still of the same mind as they were then.

Now, my friends, the chairman of the Committee on the Judiciary has indicated they do not agree to that.

Let us analyze this amendment and see why it is important.

Some of our friends who contend for this legislation, very generally say that the Supreme Court decisions with reference to this overall problem are "the law of the land." As I understand it, this bill is held out to us to be the law of the land if it is passed by the Congress. But yet the proponents of the legislation are not willing for that to be true, because they say if any provision of this act or the application thereof to any person or circumstance is held invalid, the remainder of the act and the application of the provision to other persons or circumstances shall not be affected thereby.

So when my good friend, the chairman of the Committee on the Judiciary, refuses to accept this amendment, he is saying in effect that if the Supreme Court of the United States should hold any part of this law to be unconstitutional as to some individual, that that would not mean it was unconstitutional as to another individual. By his position he says that if the Supreme Court holds that it is invalid as to a certain circumstance, it would not apply to any other circumstance. So I suppose that if a decision by the Court, if the will of the Congress as expressed in this language is carried forward, would hold a portion or all of the act unconstitutional, that would not stop the Department of Justice or any of these agencies from proceeding against some other individual.

Now, I did not go to Harvard Law School, but I did go to one that I think is just as good, Duke University. One of the things we were told there in law school was that there was a doctrine of stare decisis, and certainly it ill behooves legislators to say by their action on this provision that we do not believe that that doctrine should be perpetuated.

I would point out further history in a legislative way. This same language was set forth in the Landrum-Griffin bill as it came to us, and when the amendment was offered both the handlers of the bill on the Democratic side and on the Republican side readily accepted the amendment because they thought it was proper. I say to you that there should not be a special separability clause for this type of legislation from that which is generally used in other legislation, and I ask that the amendment be approved.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was rejected.

AMENDMENT OFFERED BY MR. SMITH OF VIRGINIA

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. SMITH of Virginia:
>
> 1. On page 87, beginning after line 6, insert the following new section:
>
> "SEC. 1002. Nothing in this Act shall be construed to require an individual to render labor or service without his consent; nor shall any court issue any process to compel the performance by an individual of such labor or service, without his consent.
>
> 2. Renumber Sec. 1002 and 1003 to read "Sec. 1003" and "Sec. 1004".

Mr. SMITH of Virginia. Mr. Chairman, I offered this amendment Monday to title II on public accommodations. I thought it would be adopted, but it was not.

Now I offer it again to the entire bill. It is an amendment to carry out the mandate of the Constitution that Congress shall have power to enforce the 13th amendment. The 13th amendment reads, in case some of you do not recall it:

> Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States.

Now, that was 4 or 5 days ago. Since that time we have had ample time to reflect upon our sins. Since that time the distinguished gentleman from New Hampshire [Mr. WYMAN] has made a very eloquent and able speech, this afternoon, on the Constitution of the United States. I think maybe in the little time we have had to reflect since I offered this before, some of you people who were rather inclined to laugh at my amendment might have come around to the mourners' bench, you might have reflected upon your sin of Monday and be ready to redeem yourselves and pass this amendment which ought to be passed because it is within the Constitution of the United States, the 13th amendment, which was adopted following the Civil War.

You know, it is an anomalous situation: 100 years ago your ancestors came down into the Southland, abolished slavery, destroyed our country, devastated our homes, and all of this in the name of doing away with slavery. Does it not seem anomalous that 100 years later here we few remaining tattered, unreconstructed rebels must stand up and fight for the 13th amendment which you placed in the Constitution to keep in effect the antislavery rule.

The situation is now reversed. The very people who have always stood for that policy are now enacting a bill which, if this amendment is not accepted, will restore involuntary servitude, in direct defiance of the amendment which you adopted 100 years ago.

I do not expect you to adopt this amendment. I just want to make you feel ashamed of yourselves. I know what you are going to do about it. I know you are not going to adopt this amendment but I just want to see you squirm. I just want to see you feel ashamed of yourselves. I want to see you get up and argue against the 13th amendment which you placed on the books 100 years ago.

Now, come on; let us adopt one decent amendment; let us adopt one little decent amendment that is in conformity with the Constitution of the United States which you folks from the North put in the Constitution 100 years ago.

Mr. GRANT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the die is cast. This could well be called the Appomattox of constitutional liberties for all Americans. History will surely record this date.

One hundred years ago in an hour of "triumph of arms," there occurred the most tragic era in American history. Prostrate and devastated—even more than its worst enemies could desire—for the avowed purpose of preserving the Union, brave men and women of the South were trampled underfoot, and their homes and life savings were destroyed by scalawags and carpetbaggers. The freed slaves—many of whom remained with their former masters—were in their ignorance misled by many of those to whom they looked for guidance in their hour of need. This was a time when Congress lost its power of reasoning, when it passed laws limiting the power of the President to dismiss Federal officials, limiting the President's authority over the Army, and depriving the Supreme Court of its jurisdiction over these laws.

Many of you Republicans, who shortly will be telling the Nation of the help you rendered in passage of this civil rights hollow victory, might tell of many other things that President Lincoln said besides his Gettysburg Address. Tell your audience of the tragic years following his death when President Johnson honestly sought to carry out the conciliatory program of Lincoln, but the leaders of his own party fought to force him to be vindictive—even to the point of trying to impeach him when he tried to give the crushed South a fair chance.

We Democrats, who shortly will be praising Thomas Jefferson, should tell our listeners what Jefferson meant when he said:

> That government is best which governs least.

It will be rather difficult, indeed, to explain how this terrible legislation will mean less government. It opens the door for full Federal Government encroachment into every phase of American life. By the expressed power to determine whom you must rent or sell your home to, to ascertain whether your office or place of business is racially or religiously balanced, and also tell you whom to hire—yes, the action being taken here today attempts forever to settle the question of citizens' rights. Unless this legislation is overruled by the Supreme Court, you are here today destroying—making null and void—article X of the Constitution which states:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Certainly, there is no doubt that under the guise of guaranteeing civil rights that this bill takes away not only personal rights but also the property rights of every American. This rightly called "civil wrongs" bill contains much misinformation.

The bill, under title I, is based on the theory that voting is a matter of right and not a privilege to be earned; and, further, the Federal Government assumes control over Federal elections. But, under the Constitution, this is a right reserved to the States.

Title II, providing for injunctive relief from discrimination in places of public accommodation, and title III, relating to desegregation of public facilities, are ill-advised and ignore the very principle upon which this Nation is founded in that all store-keepers and others serving the public will no longer have the free choice of serving but will be required by the Federal Government to serve everyone. At best, both sections are clearly unconstitutional.

Title IV, desegregation of public education, is based on a false premise, for desegregation of public schools is not a matter of law inasmuch as Congress has not taken action on it; however, there are some who claim that a Supreme Court decision is the law of the land; and, if this be true—which I do not admit—then this is a moot question. On the other hand, I do seriously object to the right and authorization by the Federal Government of appropriating funds for training institutes for the purpose of dealing effectively with desegregation.

Title V concerns the Commission on Civil Rights which I have strenuously objected to and will continue to do so at every opportunity.

Title VI, providing for nondiscrimination in federally assisted programs, is aimed directly at the South. This will greatly endanger the Government's programs in housing, education, and welfare because it is very doubtful that Congress will appropriate funds as it has in the past.

Title VII, known as the equal employment opportunity section, is the same old FEPC that has been kicked around for the last 10 years. It is clearly one of the most dangerous parts of this bill and, in the end, will not help those whom it purports to help. There are so many factors involved in the selection of an employee that no broad and harsh criteria can be set out.

Incidentally, what has become of the God-given right to run one's own business and employ whomsoever one pleases? This section can completely ruin one's business by forcing him to employ a person who would be objectionable to his customers. In addition to the Civil Rights Commission already set up this section sets up another expensive Commission to harass and plague the people.

All in all, this legislation is unnecessary, for we now have State and Federal laws which cover any wrongs that might occur—whether they be in the field of education, religion, employment, or otherwise. This legislation is ill-advised, vindictive and punitive. We now have a Nation under God where every citizen can live without fear of violence and where people of all races can enjoy freedom.

A great American whose birthday we soon celebrate said: "A nation cannot survive half slave and half free." Yet, under the martyred President's words, you make not one half but all men slaves. Yes; I repeat, slaves—slaves to an autocratic, all-powerful Government. This bill is a take-over by an all-powerful Government of the social, civil, and business life of the Nation.

This bill cannot be perfected; however, in an effort to save as many of the peoples' liberties as possible, over 100 amendments have been proposed, most of them voted down. Be that as it may, the adopted amendments have been helpful, and it is earnestly hoped that, if the bill cannot be defeated, that before final passage of it into law, many of the objectionable features will be deleted or amended.

I feel that during this debate a sincere effort has been made by the opponents to make a record which will be helpful to those who wish to study the legislative history of this legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. SMITH].

The question was taken; and the Chairman being in doubt, the Committee divided, and there were ayes 81, noes 106.

Mr. SMITH of Virginia. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. SMITH of Virginia and Mr. RODINO.

The Committee again divided, and the tellers reported that there were—ayes 98, noes 163.

So the amendment was rejected.

Mr. JENSEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. Mr. Chairman, after listening 10 long days to the pro and con debate on the so-called civil rights bill, I have come to the firm conclusion that if this bill H.R. 7152 is made the law of our land, the very people it seeks to benefit will soon learn it has done untold harm to all the people regardless of race, color, or creed, by placing every American under dictatorial Federal control to a far greater degree than we are experiencing at the present time.

Mr. Chairman, if for no other reason than I have just stated I could not find it in my heart after prayerful thought to support this bill in its present form.

Let us think ahead for a moment to the time when good patriotic Americans nationwide will be accused of discriminating against a person, be he or she white or colored, brought into court, fined or jailed for exercising the greatest of all our American rights and privileges, the right to choose our associates in business, be they employees or employers.

When that right to choose is denied our people, be they white or colored and the Federal Government dictations takes precedent over the civil rights laws of the States then many States rights as provided by our U.S. Constitution become mere scraps of paper and a forerunner to the abolition of all State rights. To that I refuse to be a party.

I yield to no man in my desire that every American of qualified voting age have the right to vote in every local, State, and national election and in accordance with our U.S. Constitution.

Also Mr. Chairman, to deny any American youth an equal opportunity for an education with others, because of the color of his or her skin, does not square with my ideas of our American way of life. Relative to the public accommodations section of this bill which plainly provides Federal jurisdiction and control over who shall be employed by private business, whether or not that business deals in interstate commerce, is in my studied opinion an infringement on the commerce clause in our U.S. Constitution, which I have taken the oath many times to uphold and defend so help me God.

In conclusion, let me say, Mr. Chairman, that, along with all the blessings and benefits of American citizenship it follows that to be worthy of those blessings and benefits, every American irrespective of race, color, or creed must accept and practice day in and day out the full responsibility of American citizenship.

AMENDMENT OFFERED BY MR. ABERNETHY

Mr. ABERNETHY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ABERNETHY: On page 87 add two new sections, appropriately numbered, as follows:

"SEC. —. To provide for the expeditious enforcement of this Act, the President of the United States is hereby authorized to appoint five hundred Judges of the United States district courts, the said judges to be in addition to those now authorized by law; and shall also appoint such additional prosecuting attorneys, United States marshals, investigators, and jailors as he deems necessary.

"SEC. —. In addition to all other appropriations herein authorized, there is hereby authorized to be appropriated such sums as the Attorney General deems advisable, but not to exceed $100,000,000, for the erection of appropriate jails, prisons, and compounds for the incarceration of persons found guilty of any of the provisions of this Act: *Provided further*, That the Attorney General is authorized to carry out the provisions of erecting the aforesaid jail house projects, prisons, and compounds without regard to the provisions of Title VI providing for the withholding of Federal funds in areas where discrimination is practiced."

Mr. GRANT. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Alabama.

Mr. GRANT. I am sure the gentleman from Mississippi has made a study of this. Does he feel reasonably sure that 500 will be a sufficient number of judges?

Mr. ABERNETHY. Well, in order to carry out the objectives of this bill they are going to need a lot of new courts down in our part of the country, as well as some elsewhere. If 500 is not enough we can always come back for more. At least, this would make a good start.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. Is the gentleman going to support my amendment?

Mr. SIKES. Yes. Does the gentleman's amendment include present company?

Mr. ABERNETHY. Present company? I do not know that I understand the gentleman but presume he wishes to know if we would be eligible to serve as a judge. I see no reason why Members should not be. I know some judges on the Supreme bench who have had much less experience. I am just trying to set up something in the bill for us. Up to now there is nothing in the bill for us but trouble, and more trouble.

You know there is going to be a lot of litigation between here and Texas. I do not know whether Texas will be excepted or not. It depends on the attitude down on Pennsylvania Avenue where Texas has a lot of influence.

This amendment provides for 500 new Federal judges and an appropriate number of district attorneys, marshals, and jailors. Also, we are going to need a lot of jailhouses. There is enough power in this bill to put thousands of people in jail for long periods of time. The sponsors of the bill have overlooked the need. Their entire time has been expended in trying to find ways of putting more white people, especially southern whites, in jail. They have given no thought at all to providing appropriate facilities to care for us, once we are sentenced.

Now, under title VI of the bill the Federal Government cannot spend Federal money down there because the bill specifically provides that Federal funds be withheld from that part of the country where discrimination is practiced. So I have provided in this amendment, that these jailhouse projects can be constructed with Federal money notwithstanding the limitations imposed in title VI. Therefore, this will make it perfectly legal to spend Federal money on jails in the South.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Iowa.

Mr. GROSS. Would the gentleman be willing to share a part of all of these jails with Chicago and New York City?

Mr. ABERNETHY. No, we would not want to integrate our jails with prisoners from Chicago, New York and so on. After all it is not the intention of the sponsors of this bill to send anyone from Chicago, or New York or other up county city to jail. The bill is directed at the South, at least, that is the primary direction.

These jails are for southern white folks only. These are the people who the sponsors of the bill are after. Of course, it might surprise and kick back on them, but I know they expect to have a favorable Attorney General, favorable administrators and so on.

All we of the South could possibly get out of this bill would be a few jobs for some of our people as judges, district attorneys, jailers, and the like, as well as some employment in constructing jailhouses. So, I hope you will go along with us on this amendment. Up to now you have voted down every constructive amendment. Surely you can stand with us on one. Just one!

I would appreciate it if the chairman of the committee would help us on this. We have a lot of unemployment down there. This amendment would release much money in our midst. Just think for a moment how this would stimulate our economy. Then we could pay more taxes and help reduce the national deficit. Why it might be more stimulating than the tax reduction bill.

Mr. WINSTEAD. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Mississippi.

Mr. WINSTEAD. This bill is intended toward our section of the country, anyway. Apparently they did not intend to include Chicago and some other sections.

Mr. ABERNETHY. Of course, the gentleman is correct.

Mr. ANDREWS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. ANDREWS of Alabama. I want to congratulate the gentleman on his amendment. I think that the nearer a man's home you can have the jailhouse, the better off his family will be.

Mr. ABERNETHY. And also to have a friendly jailer.

Mr. ANDREWS of Alabama. I like friendly jailers better than I do unfriendly jailers.

Mr. ABERNETHY. I thank the gentleman. He has made a very fine point.

Up to now every sensible amendment has been beaten down. The House has marched head on to pass this bill without change, and to make it just as cruel as they possibly could. The Members have bowed to the pressure of the Negro minority, as well as some religious minority or minorities, the identities of which have never been mentioned, although they have been called upon to put them in the RECORD.

You have had your day. The object has been to reelect yourselves to this body and to win the elections for your party in November. A few of you are going to stand up for sound constitutional government and vote against the bill, but outside of my section there will be only a few of you. I have known many of you a long time. I regard many of you as my personal friends. I hate to say this but I feel I must—I would not pay the price to go to Heaven that many of you are paying to stay in Congress by voting for this monstrous and vicious measure. This leads to totalitarianism.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The question was taken; and on a division (demanded by Mr. ABERNETHY), there were—ayes 20, noes 130.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. ROGERS OF TEXAS

Mr. ROGERS of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ROGERS of Texas: Page 87, after line 13, add a new title numbe-ed title XI to read as follows:
>
> "Evidence received in all proceedings under any title of this act shall be subject to and in conformity with rule 43 of the Federal Rules of Civil Procedure or rule 26 of the Federal Rules of Criminal Procedure as the case may be."

Mr. ROGERS of Texas. Mr. Chairman, it is not my purpose in offering this amendment to prolong debate. But I do want to take this last chance to add some soap and water to this measure.

This amendment does nothing in the world but make the people having the hearings under all of the titles of this bill conform to the same rules of evidence that the Federal district courts must conform to under the Federal rules of civil procedure and under the Federal rules of criminal procedure.

Now the point is simply this. If you are dealing with the rights, privileges, powers, and immunities of man in this country, and that is exactly what you are dealing with, certainly the same rules ought to be applied in hearings in which those rights, privileges, powers, and immunities are at stake in the Federal district courts.

If those rules of procedure which have been adopted after a great deal of exhaustive thought on the part of the leading legal talent of the world are good enough for the Federal courts, I think certainly they are good enough to apply to the hearings and to the examiners on these matters that are coming before the Government under these proceedings.

If there is objection to the adoption of this amendment, then those people who are espousing this are not interested in proceeding along the road of basic law in this country under the Constitution. They are not only trying to circumvent basic law, but they are trying to circumvent the procedures by which it is supposed to be applied.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. ROGERS].

The amendment was rejected.

AMENDMENT OFFERED BY MR. SIKES

Mr. SIKES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. SIKES: On page 87, line 7, strike out lines 7 through 9.

Mr. SIKES. Mr. Chairman, this is not a frivolous amendment. The language which I propose to strike on page 87 reads as follows:

> There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this Act.

I recognize the fact that this is a procedure which sometimes is followed—but it is not necessarily followed, and this language would constitute a blank check for whatever amount, in this broad bill, any administration might deem necessary to carry out its provisions.

A billion dollars? $5 billion? $10 billion? Nobody knows. As this bill is written, the amount would be authorized in advance. No further authorization would be required, regardless of the amount to be expended.

It is a wide-open bill. No one has ventured to predict what really is covered in this bill or what may ultimately be the cost of its operation.

My amendment would require the many agencies to be created or those covered in the bill to come back to the Congress for authorization in order that we would have a measure of control on the money they would spend.

The amendment is a very simple one. It requires no further explanation. I want to take one final hard look at this patently unconstitutional measure. One hundred years ago America produced the Great Emancipator. It was a time of genuine crisis, and the Nation was in great danger. There is no such period confronting us now. This is not a period of crisis. The American free enterprise system has made us the great recognized leader of the free world. Americans have never been more prosperous. That prosperity has never been shared by more people. It is indeed a golden era. It is a time when Americans working together in harmony could go on to even greater achievements, and significantly could through cooperation and understanding solve every problem which confronts us.

Regrettably, that is not what we see in prospect. A crisis has been manufactured. Mobs have been led into the streets. For what is probably the first time in history, some responsible persons in government incited and encouraged this. The world has been told a revolution is in progress in America.

To offset it, to provide the panacea and to reward those who brought on our problems, this bill is proposed. We can call it the great leveler, because it would level enterprise and restrain ability and harass and handicap the bold spirits who keep America great.

I do not know what voice the Communists had in this enterprise, but I am confident they could not have been happier had the design been written in Moscow. America's phony revolution helps their cause, not ours. It is interesting to note that there are riots and revolutions in many places—Zanzibar, Kenya, the Panama Canal—almost everywhere on our side of the Iron Curtain. It is always interesting to note that rioters and revolutionists are neither encouraged nor tolerated on the other side. But nowhere in the world are the rioters and the revolutionists free and prosperous as they are here. Nowhere else are they given an opportunity to go all the way to the top in their chosen field—even in the field of riot and revolution.

This legislation will not pull to the top of the economic heap the rank and file of those who went into the streets. It can pull our economic system down on them and on the Nation, because this legislation will destroy the free enterprise system and when that system is gone the greatness of America will be gone.

Yes, we have had a phony revolution to pressure the Congress and the administration into supporting unneeded and unwanted legislation. Now, I predict that this will not be the last word on civil rights. I predict there will be a real revolution—a revolution at the polls. The American people are not blind. The great majority do not want the free enterprise system destroyed. A majority has rights too. They will have the last word. There will be a hereafter to this debacle.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield for a question?

Mr. SIKES. I yield.

Mr. JONES of Missouri. The gentleman understands, of course, as shown on page 84 of the bill, we have already authorized $10 million for one title. That also would indicate it is not necessary to give a blank check on the entire bill.

Mr. SIKES. The gentleman is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. SIKES].

The amendment was rejected.

Mr. JONES of Missouri. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am going to object to a unanimous-consent request for extending the remarks on those amendments which were read without the benefit of debate before they were voted upon.

I wish to explain why this objection is made. I believe it is evident that what I predicted on Monday would happen has happened. I predicted the debate would be cut off, and that amendments would be offered and that there would be no opportunity either to make a speech for or a speech against.

I have no objection to any Member extending his remarks at any point in the RECORD and referring to these amendments, but I believe that we would be misrepresenting the RECORD of this House today if we permit any of the proponents or opponents to extend remarks in the RECORD to show speeches on amendments that were never debated.

It could be very difficult, when the time comes, and Members come down to the well of the House, either in the Committee of the Whole or in the House itself, to ask permission to extend their remarks at specific places in the RECORD. The reason I am taking this time now is so that when I object my objection will be not to the extension, but to the extension at a point where a speech was not made, which would leave the impression for posterity that there was a debate on the amendment.

I believe the RECORD needs to reflect accurately that the debate was cut off in the House of Representatives today, as many of us predicted it would be cut off.

Many good amendments have been offered today, and the proponent, the author of the amendment, had no opportunity to go into the well of this House and even to have the lengthy debate which was offered in the Committee at the time the bill was adopted—when each side was given 1 minute.

There were amendments offered here today that would have protected the interests of individuals, but we did not want to hear the reasons why such amendments should be adopted. As Judge SMITH said a minute ago, we do not like to have the facts called to our attention when we are doing things that are against our conscience. I want your conscience to be with you. My conscience is going to be clear, because I am going to vote against this bill. I have had Members who have told me in the cloakroom back here, "I wish I had my conscience as clear as apparently yours is. But we have committed ourselves to vote for this bill. We know it is a bad bill, but the administration has assured us that the Senate is going to take care of it when it gets over there." I say when you depend on some other body to take care of the thing that is going to be troubling your conscience, you might be disappointed.

Mr. ANDREWS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Alabama.

Mr. ANDREWS of Alabama. Mr. Chairman, I want to commend the gentleman for the many fine statements he has made during the debate on this bill and further for his announced intention of voting against the bill. I want to ask the gentleman, do you know of any way possible by which we could have a secret vote on this bill?

Mr. JONES of Missouri. I know of no way. Of course I know of none.

Mr. ANDREWS of Albama. I believe, if we could have a secret ballot, we could whip this by 3 to 1.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. I think there is a way to have a secret ballot, if the gentleman will permit me to say so, and at the proper time, by unanimous consent, we can suspend the rules of the House and conduct a secret ballot.

Mr. JONES of Missouri. The gentleman is more of an optimist than I thought he was.

I yield back the balance of my time.

Mr. CELLER. Mr. Chairman, I move that all debate on the entire bill and all amendments thereto conclude in 5 minutes.

AMENDMENT OFFERED BY MR. WAGGONNER

Mr. WAGGONNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WAGGONNER: On page 87, following line 13 insert the following new section:
>
> "SEC. 1105. Notwithstanding anything in any title in this Act to the contrary, this Act shall not become effective until the same has been approved by a majority vote in a national referendum."

Mr. McCULLOCH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCULLOCH. Is there not undisposed of a motion before the House that was made by the chairman of the Judiciary Committee?

Mr. CELLER. Mr. Chairman, I did make a motion that all debate on the bill and all amendments thereto conclude in 5 minutes of the time that I made the motion.

The CHAIRMAN. The question is on the motion of the gentleman from New York that all debate on the bill and all amendments thereto close in 5 minutes.

The question was taken; and on a division (demanded by Mr. JOHANSEN) there were—ayes 135, noes 62.

So the motion was agreed to.

The CHAIRMAN. The gentleman from Louisiana [Mr. WAGGONNER] is recognized for 5 minutes in support of his amendment.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Alabama.

Mr. HUDDLESTON. Mr. Chairman, I have an amendment at the desk which attempts to place a ceiling on section 1102 of $15,500,000 which is the amount the Department of Justice said it would cost to run this program or these various programs for the first year. I am not allowed to discuss my amendment. I have been completely throttled. I thank the gentleman from Louisiana for yielding me this amount of time.

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman.

Mr. CORMAN. Mr. Chairman, so much has been said about a secret ballot on this measure, it is my own honest opinion that if one were had, we would get at least 50 votes from south of the Mason-Dixon line. For fear that my words would be taken down, I shall not name any names.

Mr. WAGGONNER. The gentleman may feel free to name any names he chooses.

Mr. Chairman, I had not anticipated I would have the final 5 minutes in consideration of this legislation, but I am more than pleased that I do. We have come now to the end of a long, long trail in the consideration of this bill, the likes of which I doubt we will ever see again. Those of us who have been privileged to serve here in this House in these last few days, and in this Congress, have been a part of history. It is a part of history that I predict some of you are going to live to see the day you will regret. Why? You are going to regret it for many reasons and some political too because some of you are going to find that the people you represent do not like it and they are not going to send you back here because you voted for this legislation. And I do not believe I will not be one of those.

Mr. Chairman, this is a sad day. Not sad to have been a part of history, but sad because of the now uncertain future. Some of you have young children, minor children, at home. Some of you, a little older, have grandchildren. How in God's name could you do this to them? Without calling any names, I will say some of you who vote for this bill, whether you like it or not, have sold your birthright and the freedom of future generations for a mess of political votes. That is exactly what you have done. I have not been here long by comparison with some but I have been around Congress long enough to have had man after man tell me, " I wish I had the guts to vote against this legislation; it is no good."

I wish you did, too, and only for the sake of this country and its welfare.

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman.

Mr. CORMAN. The gentleman will confirm for the RECORD that I am not one of those?

Mr. WAGGONNER. I am happy to confirm that the gentleman is not.

But, again I say to you my friends, you have been a part of history that you are going to regret. No one ever did to the people of this country what this Congress is doing now. God forbid it ever happening again.

Mr. Chairman, I doubt that the Senate is going to do much about what we are doing here as much as I hope they will.

The amendment which I have offered is designed to simply add another section to this bill which will provide that this legislation will not become law until a public referendum has been conducted. Or is freedom of choice to be denied from this day on?

Mr. Chairman, I believe all of us here as Members of the House are interested in what our constituents believe, and I tell you that some of you will get the shock of your lives if we submit this question to the people and let them vote their desires. The American people oppose this bill. The Negro population of this country constitutes only 10.1 percent of the total population, and this is an effort to appease them, while 89.9 percent of the population of the country is composed of white people and are ignored by your actions. It is that simple and that tragic. Someday you will realize you cannot legislate equality.

Mr. Chairman, if the people of this country knew what was contained in this legislation they would have no part of it. Sadly they do not over a great part of the country because you have been afraid to tell them and you have had the aid of a partial news media.

Some Members say that we cannot do it. We do it in wheat referendum and do it with other farm legislation. Are you afraid to take the chance here? I think you are afraid. Why do you not let the people speak for themselves as to what they really want? I challenge you to let the people speak.

Mr. **WHITENER**. Mr. Chairman, will the gentleman yield?

Mr. **WAGGONNER**. I am glad to yield to the gentleman from North Carolina.

Mr. **WHITENER**. I can say to the gentleman that I understand his disappointment, having battled this matter through the Committee on the Judiciary and here on the floor of the House in behalf of what I believe is the right course for us to follow. However, as we close this debate, I think we can all agree—even though we do not agree perhaps with what we contemplate the extent to be—that the Members of the House have generally conducted themselves in a very exemplary manner. I want to compliment the gentleman from New York [Mr. Celler] and the other gentleman from New York [Mr. Keogh] for the splendid and fair job in which this debate was carried on.

While the chairman of our full Committee on the Judiciary and I may not agree on many items contained in this legislation, as a member of the committee, in the minority—and by the way I have been in the minority so much this week I feel I should vote for the bill—I want to commend the gentleman as well as those on the other side across the aisle for the consideration which they have given to us in allocating time in the general debate.

Mr. **WAGGONNER**. I think the gentleman has made a good point and has made it well.

Mr. Chairman, with a humble and sincere heart in closing this debate, I would like to say we had two vacancies in this House of Representatives when this debate began. There were only 433 of us present. There are still 433. I held no personal ill will toward any of you then. I hold none now. You as Members of the House and Americans are entitled to your belief as much as I am entitled to mine. None of us are infallible. I pray my fears are without foundation and for the future of my country I do pray.

Mr. Chairman, I appreciate the fact that we have had a good, sincere debate. I do not feel that any of us have been too seriously stifled. The rules have not been ignored. This is America and this is the American way. I am proud to be an American and I am proud to be a Member of this, the greatest legislative body in the world.

Mr. Chairman, it is time to call the roll, it is time to vote. The American people are waiting.

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from Louisiana [Mr. Waggonner].

The amendment was rejected.

The **CHAIRMAN**. Are there other amendments?

AMENDMENT OFFERED BY MR. HUDDLESTON

Mr. **HUDDLESTON**. Mr. Chairman, I offer an amendment:

The Clerk read as follows:

> Amendment offered by Mr. Huddleston: On page 87, line 8, after "appropriated," strike out "such sums as are necessary," and insert "$15,500,000."

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from Alabama.

The amendment was rejected.

Mr. **HARDING**. Mr. Chairman, I rise in support of H.R. 7152, which is intended to enforce the constitutional right to vote, to prevent discrimination in public accommodations, to protect constitutional rights in education, to establish a community relation service, to establish the commission on civil rights, to prevent discrimination in federally established programs, and to establish a commission on equal employment opportunity. Because of the limitation of time, I must direct my attention only to the first three objectives of H.R. 7152. That is, enforcing the constitutional right to vote, preventing discrimination in public accommodations, and the protection of constitutional rights in education.

However, Mr. Chairman, I want to digress for just a moment and say how much I have enjoyed the debate on this legislation so far. I believe that the leadership of both sides of the debate should be congratulated on the high plane that this debate has taken. However, two things that have disturbed me during the debate have been the occasional charge or insinuation that this bill is before us today because it is part of the Communist pattern for the takeover of America, and secondly, that supporters of this legislation are politically motivated. I am sure that you will agree with me that probably one of the greatest authorities on communism we have today in America is J. Edgar Hoover, the Director of the Federal Bureau of Investigation. Mr. Hoover stated on December 4, 1963, in a speech here in Washington, D.C., that "it would be absurd to suggest that the aspirations of Negroes for equality are Communist inspired. This is demonstrably not true." Mr. Hoover then went on to warn responsible Negro leaders to make it clear to all who follow them that their interest is solely in racial equality and that legitimate civil rights organizations must remain constantly alert to attempts by the Communists to influence their actions and take over their programs and corrupt their ranks. I believe that the leadership in this House who are working for the passage of this legislation are as loyal and dedicated a group of Americans as could be found anywhere in our Nation. It rankles me to have anyone charge that this is a bill the Communists want or that this leadership is playing into the hands of the Communists. By the same token, I believe that some of the greatest Members of this Congress have risen in opposition to this bill because of the courage of their convictions. It would rankle me just as much to hear supporters of the bill infer that the Communists want the defeat of this bill to enable them to continue to exploit tension, prejudice, and continued discrimination to their advantage. I have a testimony that all the Members of this body who have spoken for the bill and those who have spoken against it are dedicated, loyal, and patriotic Americans.

Now, the second charge and insinuation that I have resented is that supporters of this bill are politically motivated. I for one feel that I could vote for the bill or against the bill without a great deal of political consequence either way. I am perfectly free to vote for my convictions based entirely upon the merits of this legislation.

I believe that the minority report sums up the need for this legislation and if you haven't already done so, I would encourage every Member of the House to obtain Report No. 914, part 2, and read at the very least the first and last pages on this report. I want to congratulate the capable gentleman from Ohio [Mr. McCulloch] and his Republican colleagues who signed this report for producing one of the finest legislative reports that I have read in my two terms in the House. On the first page, the report states that no legislation of greater significance to our Nation has come before this Congress in our lifetime than the civil rights bill which is before us now. It points out that almost a century has elapsed since the 14th amendment to the Constitution was adopted but Congress has still not enacted legislation fully implementing this amendment, and that this is the purpose of the bill before us now. On the final page in the concluding section of this report it is stated:

> The United States is a nation of many peoples. The interests of some are not always the interests of all. In sustaining our way of life and in preserving our historical traditions, however, the fundamental rights of each citizen must be protected. And in order for our Nation to maintain its role as a world leader the hopes and aspirations of minorities must always be safeguarded. The enactment of H.R. 7152, while by no means a panacea, will be a significant beginning.

Then skipping to the final paragraph of the conclusion:

> Representative government itself is on trial at this critical juncture in the life of our Nation. With the tragedy of our President's death, we have witnessed a clear example where hatred and intolerance triumphed over compassion and reason. Through the action we take on this important bill, we in the Congress can do much better to conquer the forces of hatred and intolerance which have been unleashed in our land and thereby revive and sustain the faith of the American people in the viability and strength of our great Nation.
>
> It is a challenge we must not shirk and dare not fail to meet.

I want to say that I do not believe that any of these seven Congressmen who signed this minority report did so because of political expediency. I believe that they signed this report because of the courage of their convictions, and the same motive applies to the supporters of this legislation on my own side of the aisle.

Now, Mr. Chairman, it has been known for a long time that in certain areas of the South that an anti-civil-rights stand was a number one prerequisite for being elected to office, and the stronger the anti-civil-rights stand the better the chance of election. In fact, I have heard it stated that in some southern elections the man who could scream "nigger" the loudest stood the best chance of success. I suppose that there are some who thereby conclude that the opposition to this bill is politically motivated and again I want to say that I ascribe much higher motives to the opponents of this legislation than political motivation. I believe that they, too, are sincere in their convictions and they are opposing the legislation based on what they conclude is in the best interests of their particular congressional districts and the United States of America.

Now, having made my points that I object to charges or insinuations that either the supporters or the opponents of this legislation are inspired by anything other than the merits of the legislation, I want to tell you why I am supporting H.R. 7152. It is not because it is needed in my State. Idaho has a stronger civil rights law than the one we are considering today. Following is a letter Gov. Robert E. Smylie wrote to Hon. WARREN G. MAGNUSON, chairman of the Senate Commerce Committee, describing Idaho's civil rights bill:

JULY 12, 1963.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce, U.S. Senate, Washington, D.C.

DEAR SENATOR: Thank you for your letter of June 28, 1963 relative to the hearings on S. 1732.

The policy of the State of Idaho with respect to these matters is contained in Chapter 309, Idaho Session Laws of 1961, which reads as follows:

"SECTION 1. The right to be free from discrimination because of race, creed, color, or national origin is recognized as and declared to be a civil right. This right shall include, but not be limited to:

"(1) The right to obtain and hold employment without discrimination.

"(2) The right to the full enjoyment of any of the accommodations, facilities or privileges of any place of public resort, accommodation, assemblage or amusement.

"SEC. 2. Terms used in this chapter shall have the following definition:

"(a) 'Every person' shall be construed to include any owner, lessee, proprietor, manager, agent or employee whether one or more natural persons, partnerships, associations, organizations, corporations, cooperatives, legal representatives, trustees, receivers, of this State and its political subdivisions, boards and commissions, engaged in or exercising control over the operation of any place of public resort, accommodation, assemblage or amusement.

"(b) 'Deny' is hereby defined to include any act which directly or indirectly, or by subterfuge, by a person or his agent or employee, results or is intended or calculated to result in whole or in part in any discrimination, distinction, restriction, or unequal treatment or the requiring of any person to pay a larger sum than the uniform rates charged other persons, or the refusing or withholding from any person the admission, patronage, custom, presence, frequenting, dwelling, staying, or lodging in any place of public resort, accommodation, assemblage, or amusement except for conditions and limitations established by law and applicable alike to all persons, regardless of race, creed, or color.

"(c) 'Full enjoyment of' shall be construed to include the right to purchase any service, commodity or article of personal property offered or sold on, or by, any establishment to the public, and the admission of any person to accommodations, advantages, facilities or privileges of any place of public resort, accommodation, assemblage or amusement, without acts directly or indirectly causing persons of any particular race, creed or color, to be treated as not welcome, accepted, desired or solicited.

"(d) 'National origin' includes 'ancestry.'

"(e) 'Any place of public resort, accommodation, assemblage or amusement' is hereby defined to include, but not to be limited to any public place, licensed or unlicensed, kept for gain, hire or reward, or where charges are made for admission, service, occupancy or use of any property or facilities, whether conducted for the entertainment, housing or lodging of transient guests, or for the benefit, use or accommodation of those seeking health, recreation or rest, or for the sale of goods and merchandise, or for the rendering of personal services, or for public conveyance or transportation on land, water or in the air, including the stations and terminals thereof and the garaging of vehicles, or where food or beverages of any kind are sold for consumption on the premises, or where public amusement, entertainment, sports or recreation of any kind is offered with or without charge, or where medical service or care is made available or where the public gathers, congregates, or assembles for amusement, recreation or public purposes, or public halls, public elevators and public washrooms of buildings and structures occupied by two or more tenants, or by the owner and one or more tenants, or any public library or any educational institution wholly or partially supported by public funds, or schools of special instruction, or nursery schools, or day care centers or children's camps; nothing herein contained shall be construed to include, or apply to, any institute, bona fide club, or place of accommodation, which is by its nature distinctly private provided that where public use is permitted that use shall be covered by this section nor shall anything herein contained apply to any educational facility operated or maintained by a bona fide religious or sectarian institution and the right of a natural parent in loco parentis to direct the education and upbringing of a child under his control is hereby affirmed.

"SEC. 3. Every person who denies to any other person because of race, creed, color, or national origin the right to work: (a) by refusing to hire, (b) by discharging, (c) by barring from employment, or (d) by discriminating against such person in compensation or in other terms or conditions of employment; and every person who denies to any other person because of race, creed, color or national origin, the full enjoyment of any of the accommodations, advantages, facilities or privileges of any place of public resort, accommodation, assemblage, or amusement, shall be guilty of a misdemeanor."

This bill was enacted in the 1961 session of the legislature and was approved by me on March 14, 1961. It became effective 60 days later. Our experience with this legislation has been salutary and it has in many respects assisted in keeping problems in this area at a minimum.

With kind personal regards and best wishes, I am,

Sincerly yours,
ROBERT E. SMYLIE,
Governor.

However, Mr. Chairman, I support this legislation because just as I believe that it is the responsibility of every American citizen to pay taxes, to rise to the defense of our Nation by bearing arms in the military service in times of national peril, and to take an interest in the direction of our Goverment, I also firmly believe that it is the constitutional right of every American citizen to vote in free elections, to obtain an education in the public school district in which he resides and at the higher State institutions of learning in the State in which he resides, and to enjoy fully the public accommodations of restaurants, hotels, and public meetings and public places regardless of his race, creed, or color. Unfortunately, this is not possible today in some sections of our Nation. In some sections of the South, young Americans are transported unnecessarily great distances to attend schools where attendance is determined solely on the basis of color rather than the district of residence. As young colored students grow to adulthood, they pay taxes the same as other citizens, they are drafted into military service to defend this Nation the same as white citizens, but when they return home they find that they cannot attend the State-supported university of their choice. The fact that this university is partially financed with their tax money and is located in a nation that they have fought to defend makes no difference. They simply do not have the right color of skin. This also results sometimes on their being denied the right to vote. However, even if they migrate to another section of the country where they can attend a university of their choice and enjoy their constitutional right to vote, should the time come when they must visit some sections of the southern part of the United States either to be as a member of a baseball team or as a member of a scientific research team working in the defense of our country, they are often not allowed to stay in the same hotel or dine in the same restaurant with other members of the team. This is not only humiliating to them, it is often humiliating to their white team members. This is a moral injustice. This is a flagrant violation of the Constitution of the United States.

I rise, Mr. Chairman, in support of H.R. 7152 because I, too, feel that this important bill will do much to conquer intolerance and prejudice and thereby revive and sustain the faith of the American people in the vitality and strength of our great Nation.

Mr. CONTE. Mr. Chairman, I would like to take this opportunity to congratulate the distinguished chairman of the Judiciary Committee [Mr. CELLER] who has spent untold hours behind the scenes and on this floor in behalf of this legislation out of his personal conviction of its necessity and great importance.

The same could also be said of the ranking member of the minority the gentleman from Ohio [Mr. McCulloch], who, at all times, has held the high principle of cooperation as his guide in his attempts to fuse a working coalition united in behalf of H.R. 7152. The success of his endeavors have been remarkably shown here on day after day throughout this historic debate.

And, Mr. Chairman, special praise is also due the distinguished gentleman from New York [Mr. Lindsay] whose perfect civil rights record in the past was a brilliant background training period leading to his distinction on this legislation not only as a member of the committee but as an active floor participant throughout this debate.

I am inserting into the daily Record today, Mr. Chairman, an article which appeared in the New York Times of Saturday which said of the gentleman from New York [Mr. Lindsay]:

> For the last week, the Manhattan lawyer has been on the House floor or in the adjoining cloakrooms almost continuously from noon till early evening presenting the Judiciary Committee case, debating hostile amendments, and working out details with both Republicans and Democrats.

His activities here, Mr. Chairman, are such that they deserve the commendation of the entire House. We are indeed fortunate to have the services of this dedicated, wise, and progressive public servant.

It has been a great pleasure for me, Mr. Chairman, to add my voice to those across the land who cry out for equality during this surging tide for justice which will, as Eric Sevareid has said, dwarf the social pageants of this era.

The passage of this bill today, Mr. Chairman, will mark another forward step in the movement for justice which has it roots in the Judeo-Christian tradition, and in the essential philosophical tenets of our greatest religious and secular thinkers.

It is a movement that can never be ultimately completed until every vestige of prejudice is wiped from the land; until all men follow the dictates of the enduring belief that of all virtues, charity is greatest, and that love of brother is basic to every man who has been given the miracle of life.

So let us not underestimate the profound nature of the meaning of this historic legislation, which more than anything we have done so far in the halls of this Congress, has implicit within itself the heritage of freedom and liberty ingrained in the very marrow of its bones.

Nor let us delude ourselves that the battle of justice and equality will have ended with the completion of our duties in these Chambers. But we can have pride, Mr. Chairman, in aiding this cause which is stronger than men, and in the noble tradition of the common law of the ages.

Mr. HERLONG. Mr. Chairman, I have listened attentively to all of the debate on this bill and to the discussion of the various amendments that have been proposed. I have been greatly disappointed that logic and reason have been displaced by emotion in the committee action on most of the amendments to this bill.

The membership of the House is to be commended for the very high plane on which the debate has been conducted.

I particularly want to pay tribute at this time to my colleague, the gentleman from Florida [Mr. Cramer], who has throughout this debate in a forceful manner presented strong legal arguments in favor of many amendments, which if they had been adopted would have greatly improved the bill.

I am disturbed that there are so many Members of the House who, in their zeal to try to pass a civil rights bill, have ignored the sound legal arguments that have been presented against certain sections of the bill, but have simply voted in accordance with the image the bill seems to have created.

What these zealots lose sight of is the fact that there are a lot of people in the Congress who would like to vote for a civil rights bill but because of the unreasonableness of many of the proponents of the bill, they are forcing people of good will who believe that some legislation in this field is to be desired, to vote against it. Obviously, there are not going to be enough to kill the bill and it is because the proponents know this, that they have been riding roughshod over all opposition, not necessarily because they are right but because they have the votes.

I talked to one of the lobbyists for this bill the other day, who admitted to me that this was a bad bill but that they wanted to make it as strong as possible because they felt that it was going to be watered down in the Senate and therefore if they could make it quite strong here they would not have to yield as much in the other body. In my judgment, that is a pretty poor way to legislate, but then if you do not have the votes, I do not suppose there is anything you can do about it, except that we will be in a position to say, "I told you so," a few years hence.

It is obvious that from the House action so far on this bill, that the gentleman from New York [Mr. Powell] was correct in the statement that was attributed to him some time ago, when he was reported in the press as saying, "We've got the white man on the run." Can the membership of this House not see that you do not solve any problem by passing unreasonable laws? Every bit of the trouble that has come about so far is not because of the lack of laws but because of laws that have already passed or have been written by the Supreme Court. How can any reasonable person assume that more laws will make less trouble? Can anyone show me one single thing in this bill that will do the first thing toward changing people's hearts? And the only answer to this problem is not in legislation, but in people's hearts.

I think this bill, if it is passed in its present form, because of its extremism and unreasonableness, will drive away many people of good will who would like to vote for a civil rights bill. It has appeared from my observation that there are very few people who will stand off and look at this legislation objectively.

I did have a letter from a young lady sometime ago, who was a big enough person to do just that and I want at this time to pay tribute to her. She is Miss Nancy J. Hartwell, who is a student at American University here in Washington. On December 10, she wrote me in part, as follows:

> Please do not vote for the Civil Rights Act of 1963 the way it stands right now. I am an ardent integrationist but am convinced that this bill will do more harm than good in the very area that needs a civil rights bill the most—the South.
>
> A major objection I have to it is the fact that the civil rights elements are almost incidental to the vast extension of national control of decidedly private affairs. If there is ever an honest-to-God civil rights bill, I ask you to support it. This bill can hardly be called equalizing rights, unless you consider it acceptable to take most human rights away from everybody.
>
> A little medicine, taken in the proper dosages and at proper intervals, is a good and healthful aid to cure. But the whole bottle poured down unwilling throats defeats its own purpose; in fact, it is deadly poisonous.

It is too bad, yes, too sad, that more people, who are ardent integrationists as is this young lady, will not let logic and reason rather than hysteria and a false image control their votes on this bill. In its present form, it should be defeated, but being realistic, my observation of what has gone so far tells me that any hope in that direction is in vain.

Mr. O'BRIEN of New York. Mr. Chairman, the House of Representatives is now completing action on one of the most important and historic bills in our time.

All of us, alarmed by the growing tendency to downgrade our legislative branch of Government, have been inspired by the debate, pro and con, to which we have listened. It will be a gold mine in which scholars and historians can dig for many years.

Much of the credit for the high level of debate rests with the membership generally and with those on both sides of the aisle who have managed or sought to amend the legislation.

Their efforts, however, have been augmented in great measure by the gentleman from New York [Mr. Keogh], who presided over the deliberations of the Committee of the Whole during the entire discussion.

No man in recent years has had a more difficult assignment. The debate itself has extended over 9 days. During that time, the gentleman from New York has presided with courtesy, dignity, and fairness to the *n*th degree.

I know that I speak for every man and woman here when I say that the dignity which this House has reclaimed during the last 9 days was due in enormous measure to the gentleman from New York. We thank him for adding not only to his own stature but to that of the House of Representatives as a whole.

Mr. HORTON. Mr. Chairman, we are nearing the conclusion of the greatest challenge this House has had to meet in this or many Congresses. Before we cast our votes and determine whether H.R. 7152 shall leave the House of Representatives as a constructive and effective measure, designed to protect the right of every American citizen to be free from racial and religious discrimination, or leave as a crippled measure that pays no more than lip service to civil rights, or never leave at all, I want to announce my voting intentions. Thereby, I hope to reaffirm my stand in favor of this bill, because I am convinced it is a constitutionally and morally justified obligation of the Federal Government to guarantee the full enjoyment of the rights of citizenship to every man, woman, and child without regard to color or creed.

VOTING INTENTIONS

I shall vote for the civil rights bill in its present form; that is, substantially the same bill which was reported by the Judiciary Committee and which has progressed to this point unchanged except for the addition of clarifying amendments, all of which I supported.

Further, should there be offered a motion to recommit this bill which would have the effect of preventing any vote on its final passage, I shall vote "No." There is no justification for returning this piece of legislation to committee and I shall not support a motion which seeks to accomplish this recommittal.

PERSONAL OBSERVATIONS

At no time since I began my service in the House at the start of this 88th Congress have I been so proud to be an American as I have since January 31, the day we began debate on this measure. Despite the very real and very deep divisions which exist between our Members on this issue, the tenor of debate could not have been more responsible nor worthy of this legislative institution.

I only wish more of our fellow citizens could have sat in the galleries for these past 9 days. Those who did, witnessed men of good will disagreeing with sincerity and respect, not with sophistry and reproach. Minds have not been closed by partisanship, they have been open to reasonable constitutional questions, which transcend personal and political differences.

Without doubt, the Members of the House on both sides of this issue and on both sides of the aisle—and we recognize the two divisions are not identical—have been the target of much outside criticism. Where this criticism has been legitimate, it is quite properly in keeping with democratic demeanor. Unfortunately, we are all aware that a few overwrought factions both for and against the bill have been at work, yet that work of misrepresentation and distortion ultimately claims its own condemnation.

America should know that her people's Representatives have sought honestly and honorably for a fair finding.

BACKGROUND

One of my first orders of official business as a Congressman was to examine the need for civil rights legislation. During January and February of 1963, I conferred frequently with many Members of the House who shared my concern.

Our initial effort was to appraise existing law. We wanted to find out how it was working, where it could be strengthened, and what problems were the proper subject of Federal action.

This study revealed that countless politically motivated promises had raised the hopes of millions of Negro Americans and then dashed them by failure to act. For more than 2 years, the executive branch of Government had spoken loftily of civil rights ideals. Yet, there was no apparent willingness to transform promise into performance. In fact, there was evidence of reluctance and hesitation—almost the misguided and fanciful belief that if left alone, the trouble would go away.

Mounting examples of conflict, of course, proved the problem of racial inequity would not subside without public attention. The advancing storm of protests convinced many of us in Congress that it was time to act decisively and directly.

FIRST BILL

On February 20, 1963, I introduced the first of two civil rights bills which I have offered thus far. During this same period, nearly 50 other Congressmen submitted similar civil rights bills. All of these proposals, while not completely identical in language, were identical in substance.

My first civil rights bill, H.R. 4034, known as the Civil Rights Act of 1963, was a comprehensive measure. Its principal provisions sought to—

Make the Civil Rights Commission permanent and give it additional power to investigate vote frauds. On October 7, 1963, I voted for a resolution extending the life of this Commission by 1 year. The resolution was adopted 265 to 80 in the first real voting test of civil rights in this Congress. Subsequently, the measure was signed into law.

Establish a Commission for Equality of Opportunity in Employment.

Authorize the Attorney General to file injunction suits in behalf of a citizen denied admission to a nonsegregated public school.

Give Federal technical assistance to States and communities requesting aid in desegregating schools.

Declare a sixth-grade education to be a presumption of literacy qualification for voting in a Federal election.

JUDICIARY COMMITTEE HEARINGS

On May 9 of last year, the second of 20 days, between May 8 and August 20, devoted to public hearings on civil rights legislative proposals, I put before the House Judiciary Committee a statement in behalf of my bill, H.R. 4034, and others similar in their legislative intent. Quoted below are excerpts from that testimony.

> Against the grim backdrop of current racial strife in our country today, we in Congress are attempting to enact into law measures that will lend additional guarantees to our constitutional heritage. In recent times, we have witnessed many examples of American citizens who have been denied equal protection of the laws, because of their race, creed, or national origin.
>
> Mr. Chairman, as a fellow New Yorker, I know you are very much aware that if every State had on its books and implemented civil rights laws similar to those in New York State there would be little need for Federal legislation in this field. In fact, New York leads the Nation in assuring citizens the right to vote, the right to work, the right to own property, without regard to race, creed, or national origin.
>
> However, there are many States which have tried to restrict the rights of citizens as guaranteed by the Constitution. In these, the term "second-class citizen" is a sad reality.
>
> These conditions of deprivation of basic human dignity violate every ethical principle known to our society. The very mention of their existence should be repugnant to those who love what their country stands for and the structure which supports it.
>
> I earnestly solicit the serious consideration of this subcommittee to the civil rights legislation which is before it, both in my bill and the bills of many of my colleagues. Despite the many obstacles—real and imagined—this legislation faces, few bills, if enacted, could more effectively serve the national purpose.

SECOND BILL

As increasing tensions erupted in violence in countless American communities, I felt the need for Congress to provide additional legal "tools" necessary to assure all citizens equal protection of the laws.

Our Constitution contains explicit protection against the action of any State to deny a citizen such equal protection. As a nation founded on law, we hold that no government may say to any citizen that no matter how hard you work or study, no matter how much you raise yourself as an individual, you never will be accorded the lawful rights accorded to other citizens of the community. Any such denial of constitutional rights offends freedom both legally and morally.

Because of my conviction that the greatest issue facing America is the problem of race relations and the giving to each American an equal opportunity, I introduced a second civil rights bill. It is H.R. 6740, known as the Equal Rights Act of 1963.

On the occasion of its introduction, June 4, 1963, the more than 30 of us in the House sponsoring similar bills, received permission to explain the provisions of our proposals at the conclusion of the regular legislative business scheduled that day.

Toward the end of a session that lasted until 10 p.m. I addressed the House. Excerpts from my speech which include an explanation of the bill's contents follow:

> Today democracy in America is anemic, and until this Congress, until the people of America, assure each and every citizen an equal right to share in all the benefits and all the privileges of this great country, this democracy will not be a healthy democracy. So it seems to me that as this legislation is presented, we here in the Congress should pick up this challenge and do our best to make certain that our democracy is not going to continue to be an anemic democracy, and that all Americans and the world can be proud of this Congress and its leadership in making certain that all American citizens have their equal rights and their equal opportunity.
>
> The bill I have introduced would grant broad authority to the Attorney General to act in behalf of Negro citizens currently

being deprived of their constitutional guarantees. Events as current as those reported this morning on the front pages of newspapers across the country dictate that this Congress take responsible action in the area of civil rights.

Under the provisions of the legislation I am offering, there would be authority for the Attorney General to take the necessary legal steps to bar segregation and discrimination in any business which supplies accommodations, amusements, food or services to the public.

My bill also contains the so-called title III provision which was passed by the House during the Eisenhower administration, but failed in the Senate. This legislative language would give to the Attorney General the authority to institute legal proceedings against State or local officials where they are depriving or denying an individual his right to equal protection of the laws because of race, creed, color, or national origin.

Most of the elements in the appeal of the civil rights march are embodied in the two bills I have introduced. The dignity of the march was further impetus to strive for their enactment.

PRECEPT

Because of the intensity and emotion which exists in public and private considerations of civil rights, let us try to sort out from the superficial arguments the real meaning of civil rights. What do these two words say to us?

All too often the answer is: Efforts by or for Negroes to get special consideration. This response is inaccurate.

Ten percent of the American people do not deserve special consideration by the other 90 percent. Undue distinction, whether accorded a majority or minority group, can be just as discriminatory as undemocratic debasement.

However, by all that is legally right, as guaranteed by the U.S. Constitution, this 10-percent group—which includes the Negro citizens of America—cannot, should not, and must not be made to suffer even the least denial of what is rightfully their democratic heritage.

Equal protection of the laws is inherently the right of every American man, woman and child. It is prima facie the "unalienable" and just claim of 190 million people, without regard to skin color, religion, or national background.

Let us always remember that the guarantees of the Constitution are the birthright of every American or concomitant right of every naturalized citizen. No citizen should have to organize or compromise in order to enjoy his democratic freedoms. They are his because he is.

It is not, nor should it be, for Congress or any other branch of any government to dictate the terms of national morality. Democracy depends on freedom of social choice as one of its cornerstones. The correction of social injustice must find its inspiration in the heart of man.

But, when social choice is not allowed free and open exercise by individuals, when a State power assumes jurisdiction over morality, and its arbitrary actions impinge on the rights of American citizens, then our legal conscience cries out for rectitude.

What then is civil rights in the congressional context? It is a summons to enact the legislation which will assure that in this Nation which is governed by laws, not men, justice be blind to color and race.

I will answer that summons by supporting the civil rights bill and will do my utmost to assure its passage.

Mr. HORAN. Mr. Chairman, I would like to say that I am in support of this legislation although I realize that its enforcement greatly enlarges the power of the Federal Government. In the final analysis no one can deny the right of every American to vote, to an education and for a job.

Mr. PHILBIN. Mr. Chairman, the fair, impartial, and very able and tactful manner in which our distinguished, esteemed friend and colleague, the courtly gentleman from New York, has presided over the Committee during this epochal debate is truly inspiring and in the most glorious traditions of the House. I extend to the gentleman my profound gratitude and expressions of admiration and approval for his notable performance.

I am also very proud to extend to the distinguished and very able gentleman from New York, Chairman CELLER, and his fine committee heartiest commendation for their outstanding work on the bill.

To all the Members of the House, I rejoice in extending my congratulations and deep appreciation for the very high level which they have maintained during this long, difficult, and emotionally supercharged debate.

In the issues presented here, controversial and teeming with deep, soul-stirring feelings stemming from deep-rooted traditional beliefs, as well as equally profound convictions for the greater fulfillment of basic civil rights, it is the greatest of tributes to the Members of the House, that this debate has been conducted without one single instance of departure from the canons of proper procedure, good manners, due courtesy, and consideration for the point of view, the rights, and the interests of adversaries in the debate.

This is a very great, impressive credit to our renowned deliberative body—the most illustrious in the whole world. It also shows the progress toward legal reconciliation we are making in the civil rights controversy.

Now for a moment I would like to touch upon the merits of this bill. To be sure, the bill has been discussed, debated, and studied with extraordinary, penetrating, and thorough analysis and with rare ability, sincerity, and conviction by both sides. I will not repeat what the committee members have so ably said of the technical provisions of the bill. I will confine my remarks to some general observations of the significance and effect of this measure.

To me, in a very fundamental sense, stripped of all surplusage and verbiage, there is really but one great issue involved in this bill. It is a transcendant issue. It is a historic issue. And it is truly a paramount issue. In substance, it is simply this: Whether all people in this country are to be treated as equals under the Constitution and the law, or whether some people, one group, if you will, are to be denied elementary, basic, natural, and legal rights that all others enjoy.

For example, shall some people be denied the right to vote because of their color, or their race?

Shall they be denied the right to an education on the same terms as every other American?

Shall they be denied the right to get lodging, food, entertainment, and recreation on the same basis as every other American?

Shall they be barred from and discriminated against in public accommodations and public facilities and access to employment and to the stream of American life, because of the color of their skin?

Shall they be given equal treatment and equal opportunity, due process and equal protection under the law, and in the concourse of ordinary human relationships, regardless of the color of their skin?

In this enlightened day such questions, doubts, and barriers should be academic, since long ago they were legally and ideologically settled by the plain language of the U.S. Constitution and by the mandates of this Government and the solemn judgments of the American people.

These foundation rights we seek for our brothers today are not legal rights alone, however clear and authentic may be their juristic validity. These rights are preeminently moral. They spring from the Creator. They are the natural, God-given possession of every human being enrolled in the great brotherhood of man. They are also the inseparable, indefeasible bequest of free government that may be suppressed for a while, but can never be destroyed, since they are an integral part of man's proud heritage as a creature made in the image of his Maker, endowed with an immortal soul and invested with the blessed right to life, liberty, and happiness. Such are the spiritual and political attributes of the American heritage.

All too long these natural rights and these universal truths have been denied or perverted. The hour of deliverance from thoughtless discrimination and injustice for our brothers is late, to be sure, but it is now here. Just, equal treatment, and opportunity for all Americans, irrespective of color, creed, or class, can no longer be delayed, and will no longer be denied.

The Nation and the free world will hail and praise this memorable, historic event. It marks a higher level in the struggle of man to banish inequality—a brighter chapter in the advancement, progress and freedom of America. It confirms our national laws and ideals. It lifts our horizons toward the stars. It purifies and revivifies the lifestream of the Nation.

As we enact this bill—and we will—let all of us bear it very deeply in mind that rights, privileges and immunities, so vital to free government are only one side of the constitutional coin. We must never overlook the fact that the other equally important side of the coin is that there are correlative duties, obligations and responsibilities incumbent upon all Americans.

It is not enough to accept and enjoy the great blessings of our freedom. We must all, individually and collectively, with our hearts and our energies and sacrifices, when necessary, and with unflinching determination, assume and perform our fair part, according to our ability and strength in protecting this great land, in preserving its freedom, its opportunities and its laws and in keeping it as a sanctuary for the principles of freedom, justice and democracy, a safe haven for all those who seek the pathways of liberty and peace, where the individual is the supreme concern of the state, and where all people are treated with justice, equity, humaneness and equality under the law.

Let all of us know, and always keep before us, the compelling obligation we have as citizens and leaders of this unequaled country, to preserve law and order in our midst, to settle our problems and controversies as free men loving and respecting each other, under the rule of law, and save our government and economic system alike from destruction by the lawless and the predatory who would fasten upon us the shackles of tyranny, and from the insidious influences and afflictions of Godless materialistic philosophies, softness, debilitating indulgence and lack of purpose and resolution that have led so many other great nations down the road to ruin.

Let there be full civil rights, then, for all men and women. Let there be friendship, love, good will, understanding and mutual respect and cooperation among all our people.

Let us acknowledge and well remember that we are all creatures of the living God. We are all Americans—possessors of the proudest and best national heritage of all time.

It is our common, sacred task to preserve and strengthen this great heritage. And let us do it now, before the waves of materialism and communism inundate and sweep away our precious liberties. I will wholeheartedly support this bill, and I urge its overwhelming passage by the House.

Mr. SICKLES. Mr. Chairman, in a restricted sense, I deplore the necessity for the enactment of the legislation we have before us today. It is not pleasant to admit, by means of Federal legislation, that a substantial group of American citizens are denied basic constitutional rights, rights I believe are the birthright of all of our citizens. It is not pleasant to attempt to legislate discrimination out of existence because it is a tacit admission that we have lagged, in practice, far behind the American ideal that the rights of citizenship should accrue fully to each individual American. I look forward to the day when laws of the type we are enacting today can be wiped off the books because they will not be necessary.

There is, however, at the present time, a strong and compelling need for enactment of the civil rights bill before us. The growing impatience of those who for generations have been the victims of discrimination has been combined with the realization by men of good conscience that we can no longer turn our heads and neglect the gap between present realities and the American ideal of equal opportunity and the national climate where each individual can achieve self-fulfillment.

It should be recognized that some progress has been made in eliminating discrimination in the last century through local initiative and voluntary action, local and State laws, and various Federal actions along with the Civil Rights Act of 1957 and 1960. The bill before us today represents a giant step toward the resolution of the problem that has not resolved itself. No one claims that this bill will completely resolve our discrimination problems, but it should create an atmosphere for progress on the national, State, and local level, and a climate conducive to healthy change.

Mr. WIDNALL. Mr. Chairman, in speaking for the civil rights bill, I want to correct an impression that has been left by some of the debate on this legislation. It is often said that by enacting this bill, we would be establishing new freedoms or rights at the expense of others. This is not the case. The Congress of the United States has as its basic guideline the Constitution, and as its basic responsibility, the maintenance of that Constitution including the rights, freedoms, and privileges guaranteed by that document.

Through enactment of this legislation, Congress is merely providing a means by which rights that have always existed under our constitutional framework can be exercised by Americans of any race or faith, of any color or creed or national origin. The method by which this is done is an appropriate subject for debate, for there is no one sure way in which this necessary task will be accomplished. It is my opinion, however, that in the bill before us, a bill which evolved from the thoughts and efforts of members of both parties, we have an opportunity to move closer to our goal.

It is also said that provisions of this bill would impose restrictions on the manner in which individuals conduct themselves within our society. The Constitution itself imposes restrictions, for the simple reason that some rules of procedure for living in society are always necessary, and where custom does not provide guidelines, it can be expected that some type of organized restraints will eventually be constructed. Here again, if individuals will feel restricted because of provisions of this bill, it is not because the basic restriction of nondiscrimination under our Constitution is being newly imposed. It is because that basic restriction has been either impaired or continuously ignored.

I have watched with interest the development of a consensus of opinion behind a civil rights bill in this 88th Congress, and not just from the day a year ago that 40 of my Republican colleagues introduced legislation. Since that time we have witnessed a pouring out of grief and discontent in the streets, the schools, the places of work and worship in countless cities and towns, North and South, East and West. I have had the privilege of associating myself with 30 Members of the minority party in the introduction of civil rights legislation in May of last year. The approach we recommended with respect to public accommodations, that of basing legislation on the 14th amendment, has since been accepted by the majority party, and in tentative action, passed favorably upon by the House as a whole last week.

Of equal importance and equal persuasiveness are the provisions of title VI of the current bill. Last July I submitted testimony to the Judiciary Committee, with many other Members, in which I stressed the need to strengthen what was then a discretionary authority with respect to the use of Federal funds in a discriminatory fashion. I find nothing more logical or compelling than the argument that if taxes are paid by our citizens regardless of race, color, or creed, that the programs these taxes are used to support should also be carried out in a nondiscriminatory manner.

The changes that have been made to strengthen this section since its introduction provide for a more affirmative posture on the part of the Federal Government toward possible discriminatory use of Federal funds in programs administered by State and local officials. Rather than the broad discretionary authority open to agencies under the original administration proposal, the present wording circumscribes the discretion and avoids any possible abuses. At the same time, the recognition of the need to use the cutoff of funds only as a last resort when other methods of voluntary or involuntary compliance have failed is the greatest protection possible for the State and local bodies involved. This provision is intended to stop discriminatory use of taxpayer funds, not to stop the use of taxpayer funds altogether.

There should be no false hopes, no false promises rising from this legislation. It is not perfect, but its imperfections arise more from the nature of an age-old problem of prejudice and ignorance than from any lack of insight or time spent drawing up the language. It will not solve all the problems disturbing our society but it can create a framework in which reasonable men and women can better themselves and their country.

I would add only one more thought. Those individuals who have been taking pleasure in castigating the Congress for its alleged inability to cope with the problems of today and its alleged lack of informed discussion on the floor should spend a little time reading the debates of this past week. It should be a source of pride to every American to read the Congressional Record during this period of time, and see the manner in which a highly emotional issue has been handled. Both proponents and opponents of the measure have conducted themselves without malice and with the full command of logic, facts and inspired discussion that are the hallmarks of the democratic process. I consider it a privilege to be able to participate in some small way in illustrating to the world at large that democratic government and free men can treat a very vital problem in a reasonable manner, and, by passage of this legislation, can produce a responsible solution.

Mr. GILL. Mr. Chairman, passage by the House of the Civil Rights Act of 1964 is a large step toward real equality in this Nation. The law itself is not as important as the forces which gave it birth. If finally passed in its present form, it will provide a powerful weapon in the fight for human equality, but that alone is not enough. We also need the persistent and calm insistence of most of us that our culture recognizes men as men regardless of color. Without this insistence, no civil rights law can really work, any more than similar laws passed after the Civil War worked.

This bill is important for other reasons as well: first, it reaffirms the American principle that when they clash, human rights will prevail over property rights; second, it will show the rest of the world—the vast majority of which is nonwhite—that we can move in an orderly and deliberate fashion to solve our racial problems, as indeed they should move on theirs.

I am very pleased that the two areas—titles 6 and 7—where our Committee on Labor and Education contributed legislation, have survived in reasonable form in the House bill. If our committee had not acted as it did on H.R. 7771 and the FEP bill, H.R. 405, and forcefully promoted these concepts in the House, titles 6 and 7 would probably not have come through in as effective form as they have.

It has been a privilege to participate in this historic legislative struggle. What we have achieved is built on the often lonely legislative efforts of many who have gone before; may it in turn serve as a foundation for the efforts of the myriad who will follow.

Mr. ROUSH. Mr. Chairman, I have been impressed this year with the emphasis which has been placed upon the moral issues confronting the country and upon which the Congress has been asked to work its will. It appears to me that there are moral implications in most legislation; however, these implications become the heart of the question when we are asked to stand and be counted on issues which affect the basic rights of men. The civil rights bill we have before us points up such an issue and upon its passage we will, indeed, write an important page in the history book of America where free men take pride in not only enjoying their freedom but also in protecting the rights of others in their enjoyment of the same freedoms.

I shall, of course, vote for this bill. As a Christian I cannot deny the brotherhood of man, nor the concepts of love and charity, nor the precept of equality in the eyes of God.

As a lawyer trained to respect the Constitution and duly designated authority, I would find it difficult to deny an individual his guarantee of life, liberty, and the pursuit of happiness, his right of free speech, his right to peaceful assembly, his right to vote, and his right of equal opportunity.

As a legislator with grave and far-reaching responsibilities I cannot ignore the need for fair and just laws designed to protect the rights of another.

Despite these strong feelings and the definite "aye" which I shall cast on this bill, I am compelled to say that the passage of this bill is merely a short chapter in the book of accomplishments on civil rights. It is a chapter which must be written but the final victory will come only when men can erase from their hearts prejudice against and distrust for their fellow men. Just as we cannot legislate away prejudice, we cannot, unfortunately, legislate brother love. These are matters which belong to the individual conscience and only when the conscience of each of us is sufficiently touched can we hope for a final victory over racial prejudice and discrimination.

Mr. FISHER. Mr. Chairman, the principle of constitutional government as we have always known it in this country is deeply involved in the outcome of this issue. There are at least four sections of this bill that are clearly in contravention of the Constitution. Many of the sponsors know that is true, but they say: "Oh, we will just let the Supreme Court decide that." Others are assuming—and secretly hoping—that the other body will bail us out and never allow this monstrous attack upon constitutional government and the rights of the people to become the law of the land.

It is indeed a sad day for America when we legislate on that sort of a basis. I am reminded of a quotation from a great American—Sam Houston, of Texas. He served with great distinction in the Congress, as Governor of Tennessee, as President of the Republic of Texas, and as a U.S. Senator. On one occasion when a resolution was being debated at a Texas meeting, when the issue clearly infringed upon established law, the great Houston arose to say that while he favored the resolution it was not in conformance with the law then in force. With that he said he was constrained to oppose the resolution, and added: "If Texas is going to hell, then we will let it go to hell according to law."

The name of Sam Houston lives in history and it lives in the hearts of his fellow man. It is revered by those who admire and respect courage and statesmanship. It is a shining jewel among the profiles of courage. What a contrast with the display we have witnessed in this Chamber during the past 10 days.

Mr. Chairman, I am not so concerned about the issue of integration and segregation. That is not an issue or a problem in the area I represent. The racial issue as such is relatively unimportant here. The matter of dealing with racial problems is overshadowed by the far more important issue of preserving constitutional government and protecting basic rights of the average citizen. Both are now being gravely jeopardized by this legislation. Ah, what sins are committed in the name of civil rights.

Constitutional government simply cannot long survive in this country if Members of the Congress treat it so lightly, with so little concern for its real meaning and purpose.

It is high time that we stop, look, and listen. The enactment of this legislation will turn the clock of progress backward for generations. It will hurt the progress of racial relations, will create ill will and arouse passions that have heretofore been dormant or restrained. This is not the answer to the problem that has been talked about.

Mr. Chairman, the enactment of this bill will not create any new jobs. It will not encourage employers to employ more Negroes. On the contrary, despite the compulsion attempted, it is more likely to discourage those who have jobs to fill to hire members of this minority group. "A man convinced against his will is of the same opinion still." And therein lies the real problem with which these people are faced. This bill will not solve or alleviate that problem. It will aggravate it and make it more difficult than ever for Negroes to obtain gainful employment.

The Congress enacted a civil rights bill in 1957, and another in 1960. Both were ballyhooed as the answer to the problems of our colored people. But what happened? Since the enactment of those two laws this country has witnessed more racial strife, more discontent, more mob demonstrations, more bloodshed and tragedy than ever before in our history. And, if this proposal is enacted history will repeat itself, and the sponsors will have to answer for the mistake of helping to bring it on.

I shall not be a party to any such action. The cause of tranquillity among our people and the protection of those precious individual rights of our citizens have never been and never will be advanced in this manner. This bill should be defeated.

Mr. VANIK. Mr. Chairman, 9 days of legislative debate have passed since the House of Representatives commenced deliberation on this civil rights bill on Friday, January 31. During the course of this debate, almost 150 amendments were considered. Some amendments were very worthy of consideration; most were not. The fact is that the House carefully considered every amendment of merit which was submitted. Never in my decade of service in the Congress have I heard a more thoroughly or more carefully debated issue. This may not be perfect legislation, but it was arrived at in complete freedom from passion or intemperance.

During the long hours of debate, I was among those Members who remained constant in attendance during the full deliberation of this legislation, resisting every attack and supporting every vital element in the civil rights proposal. The test of support for this civil rights bill depended entirely upon the voice votes, the standing votes, and the teller votes which are unrecorded and which reflect the integrity of the legislator far more accurately than the printed record.

It was also my privilege for a short period to act as Chairman of the Committee as relief for the distinguished Chairman of the Committee, the gentleman from New York [Mr. KEOGH], who patiently and judiciously presided for the 9 days of this debate.

In the course of the debate, the Committee rejected amendments which would deny the Attorney General the authority to request the convening of a three-judge court to hear voting cases. Had this amendment prevailed, these cases would have been determined exclusively by local judges, many of whom have announced hostility to this type of law. The amendment to extend coverage of this act to State elections was motivated by a desire to render the act invalid and unconstitutional. If the amendment were adopted to eliminate transcription of oral literacy tests, it would eliminate the very record by which the denial of voting rights could be legally protested.

The amendment limiting the public accommodations title to those inns, hotels, and motels which predominantly provide lodging to interstate travelers would have established two types of accommodations—interstate or open to all travelers, and intrastate or segregated. If this had become law, the unwelcome traveler could easily be advised that the quota of interstate accommodations had been filled. This amendment would have legalized the discrimination which the high purposes of this law seeks to destroy. The other amendments to this section sought to undermine the goals of this legislation to prevent discrimination on the part of anyone in the business of offering accommodations or services to the general public.

The amendments to continue discrimination in federally assisted programs were rejected because they sought to perpetuate Federal spending on segregated projects. There certainly can be no justification for the Federal support of segregation in any form. These amendments were wisely discarded.

The section on equal employment opportunities faced the most crucial test. Efforts were made to cripple the bill by diluting its effect and reducing the scope of its authority. These amendments were substantially overcome.

The result of this trying effort is legislation—legislation Mr. Chairman, which will preserve basic human rights for all to engage fully in the elective process. Disenfranchised citizens are given immediate remedies in the exercise of their franchise.

Financial assistance has been provided to aid in school desegregation. Public accommodations are safeguarded for the use of the public in its entirety. By the adoption of title VI, Federal funds should no longer find their way into segregated programs. And the key provision of all, the section on equal employment opportunities, should bring our country to higher levels of dignity and national achievement. We have indeed moved closer toward liberty under the law.

This bill will not provide instant brotherhood, a room at every inn for every weary traveler, or a job for each according to his skill or strength, but it will multiply the chance. Our work is neither totally done nor perfectly done, but it is well begun.

Mr. LIBONATI. Mr. Chairman, H.R. 7152 incorporates into the law of our land provisions of a drastic nature that call for direct and summary law enforcement in the field of civil rights. The appeal for fairplay in the questions affecting the Negroes' rights in being denied the right to vote, to service in public accommodations, to the protection under constitutional rights in education; the discrimination suffered in federally assisted programs and at all levels of employment, have long since failed to bring about the needed and desired change. Prayers alone did not serve the purpose although many religious groups have taken the lead in sponsoring reforms toward that end in recent years.

Certainly, the several provisions in this bill will deter the corporations, agencies, and individuals who are the chief obstructionists from their longtime illegal and widespread practices of discrimination.

The bill also provides for corrective enactments affecting labor unions' programs that are inimical and prejudicial to Negro employment and job training.

The enforcement provision if properly activated can bring about a practical solution of many of the basic problems confronting the Negro due to unfair practices that victimize him in everyday life and activities.

The Commission can enforce its findings through the Federal district courts. Although the bill in its entirety is not an answer to the problems that beset the Negro race, its ultimate purpose can be realized—namely, to create a better atmosphere for the Negro in the enjoyment of his rights and privileges as an American citizen, and protect him from the proselytizing vultures of society that scorn them as members of our free society.

The community relations service, if properly administered, can alleviate the many problems and help in their solution.

No matter how humble one's social caste as in all other races facing poverty conditions, encouragement through public acceptance will fortify one to meet any social or cultural situation that one may experience. The importance of the Negro's relation to the community life is the difference between being ostracized or becoming an integral part of its civic and spiritual life.

No one should deny Negro participation in the affairs of the community. He is an integral part of the community and can render fine contributions to its operation for the good of the community.

A strong bill shows a determined and lasting effect on these specific purposes. And in this instance it is of the greatest importance to all of our society. This effort to purge a great series of wrongs against our fellow Americans must not fail. It will give impetus to our economy and raise human beings to their rightful level and standards of American life.

God's will demands that this be done for the preservation and unity of our Nation. Our leadership of the liberty-loving nations of the world would be secure in that this total effort incorporated into law by its highest legislative body proves that our Nation practices for itself what it preaches for free men of other nations to follow.

We shall merit, in the success of this program, the plaudits and blessings of all God-fearing freemen and turn back the pages of our history 100 years—accomplishing that which would have been accomplished if our martyred President Abraham Lincoln had lived.

Mr. CORMAN. Mr. Chairman, this is an excellent bill and will remedy many of the injustices long suffered by our Negro citizens.

The credit for this great accomplishment must go to Chairman EMANUEL CELLER and the ranking minority Member, Mr. WILLIAM McCULLOCH. Throughout the consideration of this bill by the Judiciary Committee and by the House, it has been their joint efforts that have produced our success. Their expeditious conduct of the hearings laid the foundation for the broad, yet moderate bill the Committee reported. The bipartisan spirit in which the bill was drafted is a tribute to the reasonableness of these two men and to the legislative process. During the 9 days the bill has been debated by the House, their brilliant leadership has defeated every attempt to weaken or destroy the effectiveness of the bill.

I feel privileged to have worked under their leadership these past months. It has been a rare and enjoyable experience in legislative work.

Mr. DADDARIO. Mr. Chairman, we are nearing the close of what is bound to be one of the most significant and important actions of the 88th Congress. I am deeply convinced that the purpose of this legislation is correct, and that we must reach a consensus of opinion which will advance the cause of civil rights in the United States.

This has been an historic debate. It culminates long months of discussion and weeks, months, years, and decades of the progress of our great Nation. We are, in these days, discussing and working for the more perfect union which is the aim of our great Constitution, seeking to secure the blessings of liberty for all our people.

I am deeply grateful, as I know we all are, for the intense work which has been done on this bill in its formative stages by the members of the Committee on the Judiciary. The deep research which has been done, on every part of this measure, is evident. It is true that we deal, in great part, with an issue that has aroused strong emotions among many people, and that they view the bill itself with differing opinions. Without question, the vote of this body must be for legislation which will strengthen the dignity of the individual, promote the maximum development of his capabilities, stimulate their reasonable exercise and widen the choice and effectiveness of opportunities for individual choice.

There has been discussion throughout this debate of the difficulties in securing full appreciation of the rights of all men. There are those who suggest that such legislation may be obviated by every man's right to choose his friends, as if he would deny himself the opportunity for friendship with many great and wonderful people. We all know of the insidious problems of the so-called gentleman's agreements, and the way in which unspoken boycotts can be maintained.

But I truly believe we are moving toward a better society, one in which each man's abilities will be judged by his actions. It is important that we strip away the artificial barriers which have been erected against such a possibility. Our churches and our people have done much to lead the way, and we have made great progress, in all parts of the Nation, although there is a long way to go. I am disturbed by some of the arguments that have been presented which appear to put property rights ahead of human rights, to give a man the opportunity to carry the venom of personal bias and prejudice into an area where public service demands a high level of effort to improve our society.

The Nation deserves no less. We are entering a civilization in which the highest skills will be demanded of us. We cannot deny to a portion of our people the opportunity to help us attain our goals, deny them for fallacious reasons of race, religion, or color. This harms us, more than it harms them. I have supported this program and have worked to see enacted into law practical measures which will help bind this Nation together as one people, striving to achieve fulfillment of our abilities. I believe we are now taking positive steps forward to that end.

Mr. KORNEGAY. Mr. Chairman, for the past 9 days, patiently and attentively I have listened to the debate on this bill—without question one of the most important pieces of legislation ever to come before this House.

In my considered opinion, it is not a true civil rights bill. Rather it is a monumental unconstitutional effort to extend and exercise control and regulation over the private businesses and private lives of all the people of our country.

This legislation is punitive in its nature. It would be destructive of initiative and incentive to the point that it would seriously jeopardize our free enterprise system—and the first to suffer would be the very minority groups which this bill is designed to aid and protect.

The authority which this bill would bestow upon Federal agents in enforcement procedures is unprecedented in democratic societies and alien to our way of government and life.

I firmly believe that every person is entitled to equality and freedom under the law. But I have great fear that the numerous and far-reaching provisions of this bill would destroy more freedom than it would insure.

I am convinced that the real and lasting solution to the racial problem lies not in laws and regulations but in the hearts and minds of men of good will working together in an atmosphere of good feeling.

Mr. Chairman, I came here to support and defend the Constitution and not to distort and destroy it. My oath as a Member of Congress, and my conscience, compel me to vote against this bill.

Mr. PEPPER. Mr. Chairman, we have the right to hope, indeed, some of us feel disposed to pray, that the passage of this legislation will add noble new arches and commanding spires to the magnificent edifice of a free America designed by Thomas Jefferson and the Founding Fathers and slowly, tediously, often painfully, but ever-persistently, perfected through nearly two centuries, by the sacrifices, the struggles, and the dreams of the American people.

Mr. GIAIMO. Mr. Chairman, no single piece of legislation in the past decade or more of our history approaches the importance and significance of this bill which this House has been debating for the past several days. Indeed, few other single pieces of legislation will ever be proposed which will have the impact of H.R. 7152.

Since debate began on the bill, we have heard many hours of discussion, and the legislative history of the civil rights bill will clearly indicate that we have attached the importance to this bill that it so justly deserves.

I think it is important to remember that this bill is designed to give the force of law to the principles for which this country has stood for centuries—equality and liberty. It is, in a way, a shame that we must legislate on this question. Equality should be axiomatic in the United States. Nonetheless, since this is a grave social and economic problem within and without our boundaries, we have the responsibility, indeed the obligation, to rectify the injustices which have plagued minority groups in America.

It is obvious that our prestige abroad has suffered as a result of our dilatory tactics in the field of civil rights. True, we are not the only nation with a discrimination problem, but as the leader of the free world and symbol of equality, this refusal to insure equal rights has seriously impaired our position.

I believe that our prestige at home has suffered also. Who can be proud of race riots and violent demonstrations of bigotry? Who can be proud of discrimination in hiring and in education? Who can be proud of unjustified blocks to voting? Our self-respect should dwindle with each indication of bigotry and racism.

Passage of this bill will not only further the cause of equality, but it will vindicate our Nation's claim to worldwide respect as the home of liberty.

A nation is more than a piece of paper which proclaims its identity and principles. Because it is composed of human beings, it is prey to human frailties. It is only as perfect as its weaknesses—only as strong as its determination to eliminate these weaknesses. The United States has always risen to outside challenges to its security and must now rise to the inward challenge to assure freedom to all of its people, regardless of race, color, or national origin.

Our colleagues on the Judiciary Committee have presented to us a bill which I feel is a good one. Its opponents have raised many arguments, especially centering around the public accommodations and fair employment practices section. I should like to reflect on these sections for a moment.

In July 1963, the Meriden Record, a prominent newspaper in my district, printed an editorial on the public accommodations section of this bill. I believe that this editorial is worthy of attention. It states succinctly the theory behind public accommodations legislation. The editor writes:

> Opponents of President Kennedy's proposed new civil rights legislation criticize the provisions having to do with barring discrimination in stores, restaurants, hotels, and the like on the grounds that they infringe the rights of private property. For the Federal Government to dictate that there be no discrimination by owners and managers of businesses which serve the public as to the race of those they serve is an unwarranted invasion of the freedom of an individual to use his property as he pleases, the argument runs.
>
> This is true. But this particular invasion, when and if it occurs on a Federal level, will be neither the first nor the most burdensome. It's been a long time since we've been able to do exactly as we pleased with our property, any of us. Its use has long been restricted for the purposes of making it conform with the general health, safety, and economic prosperity of the community, and all signs are for more restrictions rather than less.
>
> Even private property which is reserved for strictly private use has got to conform with building codes, fire laws, and zoning ordinances. A man can't put his house where he likes on his lot, and he can't put a two-family house on property he owns in a one-family zone.
>
> When you move into the field of property which is used for business serving the public, the restrictions are manifold and often expensive.
>
> A man can't wash his restaurant dishes the way he pleases. He's got to provide designated fire exits. He must obtain licenses for food and liquor, and abide by the provisions under which they are issued, in the interests of protecting the public.
>
> Connecticut is with two-thirds of the rest of the country, some 30 States and many cities besides the District of Columbia, which include among these regulations for the conduct of places doing business with the public a law which forbids discrimination on account of race or color. It can't be claimed that the law has done away with such discrimination, but at least it makes it more difficult, and defines the intent of the principle with which most of us agree. It's another infringement on the free use of private property, but it is generally recognized as neither burdensome nor unfair. Moreover, the infringement of property rights is justifiable because it is necessary to advance the cause, at least equally important, of civil rights.

Mr. Chairman, this is a thoughtful and excellent analysis of the question and I commend its contents and philosophy.

Discrimination is a subtle and devastating problem. It has faced all of our people, in varying forms, since the beginning of this country. From the Puritan abhorrence of the Catholic in the 1700's, from the Chinese Exclusion Acts of the 1800's, from the "no Irish need apply" signs of the late 1800's and early 1900's, from the refusal to hire the Italians in the early 1900's, from the problems faced by all immigrant groups down to those frustrating our Negro communities, Americans have faced and dealt with the problem of discrimination. Undoubtedly, the problems faced by the Negro are of greater magnitude and will require greater efforts to solve, but I believe that it is in the very nature of this country to act swiftly and fairly to end this grave injustice and to assure a climate of freedom that will judge each man, woman, and child on his or her merit, blind to the hallmarks of color, accent, or ethnic origin.

Although we pass this bill—and it must be passed—we must still concern ourselves with the less obvious problems of discrimination. We must work together in every city, every community, every neighborhood to give reality to our principles and strength to our goals. I am sure that all Americans will react to this challenge and that it will be met with maturity and with the wisdom of shared experiences and common goals.

The CHAIRMAN. The question now recurs on the committee substitute, as amended.

The committee substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes, pursuant to House Resolution 616, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

Under the terms of House Resolution 616 a separate vote may be demanded on any amendment adopted in the Committee of the Whole.

Mr. WILLIAMS. Mr. Speaker, I demand a separate vote on the amendment that was offered by the gentleman from Virginia [Mr. SMITH] having to do with adding the word "sex" to the bill, and also the amendment offered by the gentleman from Ohio [Mr. ASHBROOK] dealing with the subject of atheism.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

On page 68, line 23, after the word "religion," insert the word "sex."

On page 69, line 10, after the word "religion," insert the word "sex."

On page 69, line 17, after the word "religion," insert the word "sex."

On page 70, line 1, after the word "religion," insert the word "sex."

On page 71, line 5, after the word "religion," insert the word "sex."

The SPEAKER. The question is on the amendment.

Mr. GROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

On page 70, line 10, after the word "enterprise" insert a new section:

"(f) Notwithstanding any other provision of this title, it shall not be an unlawful employment practice for an employer to refuse to hire and employ any person because of said person's atheistic practices and beliefs."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the Committee substitute as amended.

The Committee substitute as amended was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. CRAMER. Mr. Speaker, I offer a motion to recommit the bill.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CRAMER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CRAMER of Florida moves to recommit the bill, H.R. 7152, to the Committee on the Judiciary.

Mr. CELLER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. WILLIAMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 290, nays 130, not voting 11, as follows:

[Roll No. 32]

YEAS—290

Abele
Adair
Addabbo
Albert
Anderson
Andrews,
N. Dak.
Arends
Ashley
Aspinall
Auchincloss
Avery
Ayres
Baldwin
Barrett
Barry
Bass
Bates
Becker
Bell
Bennett, Mich.
Betts
Blatnik
Boland
Bolling
Bolton,
Frances P.
Bolton,
Oliver P.
Bow
Brademas
Bray
Bromwell
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Ohio
Bruce
Buckley
Burke
Burkhalter
Burton
Byrne, Pa.
Byrnes, Wis.
Cahill
Cameron
Cannon
Carey
Cederberg
Celler
Chamberlain
Chenoweth
Clancy
Clark
Clausen,
Don H.
Cleveland
Cohelan
Collier
Conte
Corbett
Corman
Cunningham
Curtin
Curtis
Daddario
Dague
Daniels
Dawson
Delaney
Dent
Denton
Derounian
Derwinski
Devine
Diggs
Dingell
Dole
Donohue
Dulski
Duncan
Dwyer
Edmondson
Edwards
Ellsworth
Fallon
Farbstein
Feighan
Findley
Finnegan
Fino
Flood
Fogarty
Ford
Fraser
Frelinghuysen
Friedel
Fulton, Pa.
Fulton, Tenn.
Gallagher
Garmatz
Giaimo
Gilbert
Gill
Glenn
Gonzalez
Goodell
Goodling
Grabowski
Gray
Green, Oreg.
Griffin
Griffiths
Grover
Gubser
Hagen, Calif.
Halleck
Halpern
Hanna
Hansen
Harding
Harsha
Harvey, Ind.
Harvey, Mich.
Hawkins
Hays
Healey
Hechler
Hoeven
Holifield
Holland
Horton
Hosmer
Ichord
Joelson
Johnson, Calif.
Johnson, Pa.
Johnson, Wis.
Karsten
Karth
Kastenmeier
Keith
Kelly
Keogh
King, Calif.
King, N.Y.
Kirwan
Kluczynski
Kunkel
Kyl
Laird
Langen
Latta
Leggett
Libonati
Lindsay
Lloyd
Long, Md.
McClory
McCulloch
McDade
McDowell
McFall
McIntire
McLoskey
Macdonald
MacGregor
Madden
Mailliard
Martin, Mass.
Martin, Nebr.
Mathias
Matsunaga
May
Michel
Miller, Calif.
Miller, N.Y.
Milliken
Minish
Minshall
Monagan
Montoya
Moore
Moorhead
Morgan
Morris
Morse
Morton
Mosher
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nelsen
Nix
Norblad
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen, Mont.
Olson, Minn.
O'Neill
Osmers
Ostertag
Patten
Pepper
Perkins
Philbin
Pickle
Pike
Pillion
Pirnie
Powell
Price
Pucinski
Quie
Randall
Reid, Ill.
Reid, N.Y.
Reifel
Reuss
Rhodes, Pa.
Rich
Riehlman
Rivers, Alaska
Robison
Rodino
Rogers, Colo.
Rooney, N.Y.
Rooney, Pa.
Roosevelt
Rosenthal
Rostenkowski
Roudebush
Roush
Roybal
Rumsfeld
Ryan, Mich.
Ryan, N.Y.
St. George
St Germain
St. Onge
Saylor
Schadeberg
Schenck
Schneebeli
Schweiker
Schwengel
Secrest
Senner
Sheppard
Shriver
Sibal
Sickles
Sisk
Skubitz
Slack
Smith, Iowa
Springer
Staebler
Stafford
Staggers
Steed
Stinson
Stratton
Sullivan
Taft
Talcott
Teague, Calif.
Thomas
Thompson, N.J.
Thomson, Wis.
Toll
Tollefson
Tupper
Udall
Ullman
Van Deerlin
Vanik
Wallhauser
Weaver
Westland
Whalley
Wharton
White
Widnall
Wilson, Bob
Wilson,
Charles H.
Wilson, Ind.
Wydler
Younger
Zablocki

NAYS—130

Abbitt
Abernethy
Alger
Andrews, Ala.
Ashbrook
Ashmore
Baring
Battin
Beckworth
Beermann
Belcher
Bennett, Fla.
Berry
Boggs
Bonner
Brock
Broyhill, N.C.
Broyhill, Va.
Burleson
Casey
Chelf
Clawson, Del
Colmer
Cooley
Cramer
Davis, Ga.
Dorn
Dowdy
Downing
Elliott
Everett
Evins
Fascell
Fisher
Flynt
Foreman
Forrester
Fountain
Fuqua
Gary
Gathings
Gibbons
Grant
Gross
Gurney
Hagan, Ga.
Haley
Hall
Hardy
Harris
Harrison
Hébert
Hemphill
Henderson
Herlong
Huddleston
Hull
Hutchinson
Jarman
Jennings
Jensen
Johansen
Jonas
Jones, Ala.
Jones, Mo.
Kilburn
Kilgore
Knox
Kornegay
Landrum
Lennon
Lesinski
Lipscomb
Long, La.
McMillan
Mahon
Marsh
Martin, Calif.
Matthews
Meader
Mills
Morrison
Murray
Natcher
Passman
Patman
Pilcher
Poage
Poff
Pool
Purcell
Quillen
Rains
Rhodes, Ariz.
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Rogers, Fla.
Rogers, Tex.
Scott
Selden
Short
Sikes
Smith, Calif.
Smith, Va.

Snyder
Stephens
Stubblefield
Taylor
Teague, Tex.
Thompson, La.
Trimble
Tuck
Tuten
Utt
Van Pelt
Vinson
Waggonner
Watson
Watts
Weltner
Whitener
Whitten
Wickersham
Williams
Willis
Winstead
Wright
Wyman
Young

NOT VOTING—11

Davis, Tenn.
Hoffman
Horan
Kee
Lankford
O'Brien, Ill.
O'Konski
Pelly
Shipley
Siler
Thompson, Tex.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Shipley with Mr. Hoffman.
Mrs. Kee with Mr. Horan.

Until further notice:

Mr. O'Brien of Illinois for, with Mr. Siler against.

Mr. Pelly for, with Mr. Davis of Tennessee against.

The result of the vote was announced as above recorded.

The title was amended so as to read:

A bill to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in public facilities and public education, to extend the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes.

A motion to reconsider was laid on the table.

Mr. CELLER. Mr. Speaker, I want to express my gratitude for this, shall I say ovation; I deeply appreciate the kindness and courtesy of all the ladies and gentlemen who participated in this cause. It did warm the cockles of my heart. I want to state that the result would not have been the way it was were it not for the wholehearted support and most earnest and dedicated cooperation of my distinguished colleague and counterpart on the Judiciary Committee, the gentleman from Ohio [Mr. McCULLOCH].

Mr. McCULLOCH. Mr. Speaker and Members of the House, seldom, if ever, has anyone had the help and cooperation of able, devoted and sincere people as we have had during the debate and passage of this legislation.

Mr. Speaker, it has been indeed a pleasure for me to work with the chairman of the Committee on the Judiciary many long, difficult, trying days, and nights too, if you please. However, the result has more than justified all those difficult times.

Mr. Speaker, I am really deeply appreciative of this help and assistance from everyone of my colleagues, both the majority and the minority. Mr. Speaker, I am sure that in the 16-odd years that I have been a Member of the House no committee has ever had a more able, more effective, more devoted staff than has the Committee on the Judiciary. Mr. Speaker, I want to thank them, too.

Mr. CELLER. Mr. Speaker, also I must express my admiration for those in the minority, and state that they have been most dignified and most statesmanlike in their defeat. A tribute is due them even in their defeat.

GENERAL LEAVE TO EXTEND REMARKS

Mr. CELLER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

TRIBUTE TO CHAIRMAN OF THE COMMITTEE OF THE WHOLE

Mr. McCULLOCH. Mr. Speaker, I should like to, not only for myself, but I am sure for the chairman, if he has not already done so, say a word for the fair, able, and judicious manner in which the Chairman of the Committee of the Whole presided over these deliberations for so many days. No one has done a better job.

I WOULD HAVE VOTED "AYE"

Mr. TUPPER. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. O'KONSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. O'KONSKI. Mr. Speaker, due to illness in the family, I regret I could not be here to vote on the civil rights bill. I tried to get a live pair but could not get anyone to do so. If I were present to vote, I would have voted "aye" on the civil rights bill.

IMPRESSED BY THE DIGNITY OF THE CONGRESS

Mr. TUPPER. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. TALCOTT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. TALCOTT. Mr. Speaker, although I disagreed with the opponents of this bill on most points, I was most favorably impressed with the gentility and dignity with which they comported themselves during the long, strenuous debate. Their conduct was a credit to the Congress of the United States. The image and stature of the House of Representatives was enhanced by them in defeat.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On January 31, 1964:

H.J. Res. 779. Joint resolution to amend the joint resolution of January 28, 1948, relating to membership and participation by the United States in the South Pacific Commission, so as to authorize certain appropriations thereunder for the fiscal years 1965 and 1966.

On February 5, 1964:

H.R. 1959. An act to authorize the transportation of privately owned motor vehicles of Government employees assigned to duty in Alaska, and for other purposes.

H.R. 3368. An act to authorize the Administrator of General Services to convey by quitclaim deed a parcel of land to the Lexington Park Volunteer Fire Department, Inc., and

H.R. 4801. An act to amend subsection 506 (d) of the Federal Property and Administrative Services Act of 1949, as amended, regarding certification of facts based upon transferred records.

On February 7, 1964:

H.R. 5377. An act to amend the Civil Service Retirement Act in order to correct an inequity in the application of such act to the Architect of the Capitol and the employees of the Architect of the Capitol, and for other purposes.

HEALTH MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 224)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee of the Whole House on the State of the Union, and ordered to be printed:

To the Congress of the United States:

The American people are not satisfied with better than average health. As a Nation, they want, they need, and they can afford the best of health: not just for those of comfortable means but for all our citizens, old and young, rich and poor.

In America there is no need and no room for second-class health services. There is no need and no room for denying to any of our people the wonders of modern medicine. There is no need and no room for elderly people to suffer the personal economic disaster to which major illness all too commonly exposes them.

In seeking health improvements, we build on the past. For in the conquest of ill health our record is already a proud one: American medical research continues to score remarkable advances. We have mastered most of the major contagious diseases. Our life expectancy is increasing steadily. The overall quality of our physicians, dentists, and other health workers, of our professional schools, and of our hospitals and laboratories is unexcelled. Basic health protection is becoming more and more broadly available.

Federal programs have played a major role in these advances: Federal expenditures in the fiscal 1965 budget for health and health-related programs total $5.4 billion—about double the amount of 8 years ago. Federal participation and stimulus are partly responsible for the fact that last year—in 1963—the Nation's total health expenditures reached an unprecedented high of $34 billion, or 6 percent of the gross national product.

But progress means new problems: As the lifespan lengthens, the need for health services grows; as medical science grows more complex, health care becomes more expensive; as people move to urban centers, health hazards rise; as population, which has increased 27 percent since 1950, continues to grow a greater strain is put on our limited supply of trained personnel.

Even worse, perhaps, are those problems that reflect the unequal sharing of the health services we have: Thousands suffer from diseases for which preventive measures are known but not applied; thousands of babies die needlessly—nine other nations have lower infant death rates than ours; half of the young men found unqualified for military service are rejected for medical reasons—most of them come from poor homes.

Clearly, too many Americans still are cut off by low incomes from adequate health services. Too many older people are still deprived of hope and dignity by prolonged and costly illness. The linkage between ill health and poverty in America is still all too plain.

In its 1st session, the 88th Congress made some important advances on the health front: It acted to increase our supply of physicians and dentists; it began a nationwide attack on mental illness and mental retardation; and it strengthened our efforts against air pollution.

But our remaining agenda is long, and it will be unfinished until each American enjoys the full benefits of modern medical knowledge.

Part of this agenda concerns a direct attack on that particular companion of poor health—poverty. Above all, we must see to it that all of our children, whatever the economic condition of their parents, can start life with sound minds and bodies.

My message to the Congress on poverty will set forth measures designed to advance us toward this goal.

In today's message, I present the rest of this year's agenda for America's good health.

I. HOSPITAL INSURANCE FOR THE AGED

Nearly 30 years ago, this Nation took the first long step to meet the needs of its older citizens by adopting the social security program. Today, most Americans look toward retirement with some confidence that they will be able to meet their basic needs for food and shelter.

But many of our older citizens are still defenseless against the heavy medical costs of severe illness or disability: One-third of the aged who are forced to ask for old age assistance do so because of ill health, and one-third of our public assistance funds going to older people is spent for medical care. For many others, serious illness wipes out savings and carries their families into poverty. For these people, old age can be a dark corridor of fear.

The irony is that this problem stems in part from the surging progress in medical science and medical techniques—the same progress that has brought longer life to Americans as a whole.

Modern medical care is marvelously effective—but increasingly expensive: Daily hospital costs are now four times as high as they were in 1946—now averaging about $37 a day. In contrast, the average social security benefit is just $77 a month for retired workers and $67 a month for widows.

Existing "solutions" to these problems are (1) private health insurance plans and (2) welfare medical assistance. No one of them is adequate, nor are they in combination: Private insurance, when available, usually costs more than the average retired couple can afford. Welfare medical assistance for the aged is not available in many States—and where it is available, it includes a needs test to which older citizens, with a lifetime of honorable, productive work behind them, should not be subjected. This situation is not new. For more than a decade we have failed to meet the problem.

There is a sound and workable solution. Hospital insurance based on social security payments is clearly the best method of meeting the need. It is a logical extension of the principle—established in 1935 and confirmed time after time by the Congress—that provision should be made for later years during the course of a lifetime of employment. Therefore:

I recommend a hospital insurance program for the aged aimed at two basic goals: First, it should protect against the heaviest costs of a serious illness—the costs of hospital and skilled nursing home care, home health services, and outpatient hospital diagnostic services.

Second, it should provide a base that related private programs can supplement.

To achieve these goals:

1. These benefits should be available to everyone who reaches 65.

2. Benefit payments should cover the cost of services customarily furnished in semiprivate accommodations in a hospital, but not the cost of the services of personal physicians.

3. The financing should be soundly funded through the social security system.

4. One-quarter of 1 percent should be added to the social security contribution paid by employers and by employees.

5. The annual earnings subject to social security taxes should be increased from $4,800 to $5,200.

6. For those not now covered by social security, the cost of similar protection would be provided from the administrative budget.

Under this proposal, the costs of hospital and related services can be met without any interference whatever with the method of treatment. The arrangement would in no way hinder the patient's freedom to choose his doctor, hospital, or nurse.

The only change would be in the manner in which individuals would finance the hospital costs of their later years. The average worker under social security would contribute about a dollar a month during his working life to protect himself in old age in a dignified manner against the devastating costs of prolonged hospitalization.

Hospitalization, however, is not the end of older people's medical needs. Many aged individuals will have medical expenses that will be covered neither by social security, hospital insurance, nor by private insurance.

Therefore, I urge all States to adopt adequate programs of medical assistance under the Kerr-Mills legislation. This assistance is needed now. And it will be needed later as a supplement to hospital insurance.

II. HEALTH FACILITIES

Good health is the product of well-trained people working in modern and efficient hospitals and other facilities.

EXTENSION AND EXPANSION OF HILL-BURTON PROGRAM

We can be proud of the many fine hospitals throughout the country which were made possible in the last 16 years by the Hill-Burton program of Federal aid.

But there is more still to be done: Too often a sick patient must wait until a hospital bed becomes available; too many hospitals are old and poorly equipped; new kinds of facilities are needed to care for the aged and the chronically ill.

I recommend that the Hill-Burton program—scheduled to end on June 30, 1964—be extended for an additional 5 years including the amendments outlined below.

1. PLANNING

Hospital care costs too much to permit duplication, inefficiency, or extravagance in building and locating hospitals. Individual hospitals and other health facilities should be located where they are most needed. Together, these facilities in a community should provide the services needed by its citizens. This means planning. Therefore:

(a) I recommend that the Congress authorize special grants to public and nonprofit agencies to assist them in developing comprehensive area, regional, and local plans for health and related facilities.

(b) I also recommend that limited matching funds be made available to help State agencies meet part of their costs of administering the Hill-Burton program, so that these agencies can plan wisely for our hospital systems.

2. MODERNIZATION

The Hill-Burton program has done much to help build general hospitals where they were most needed when the program began—particularly in rural areas.

While rural and suburban areas have been acquiring modern facilities, city hospitals have become more and more obsolete and inefficient. Yet city hospitals are largely responsible for applying the latest discoveries of medical science; for teaching the new generations of practitioners; for setting the pace and direction in care of the sick. They must have adequate facilities.

A recent study showed that it would cost $3.6 billion to modernize and replace existing antiquated facilities—more than three times our annual expenditures for construction of all health facilities.

The present Hill-Burton Act cannot meet this critical need. Further neglect will only aggravate the problem. Therefore:

(c) I recommend that the act be amended to authorize a new program of grants to help public and nonprofit agencies modernize or replace hospital and related health facilities.

3. LONG-TERM CARE FACILITIES

Our lengthening lifespan has brought with it an increase in chronic diseases. This swells our need for long-term care facilities.

We have been making some progress in meeting the backlog of demand for nursing homes and chronic disease hospitals. But there is still a deficit of over 500,000 beds for the care of long-term patients.

This is a national health problem.

Our communities need better and more facilities to deal with prolonged illness, and to make community planning of these facilities more effective. Therefore:

(d) I recommend that the separate grant programs for chronic disease hospitals and nursing homes be combined into a single category of long-term care facilities. The annual appropriation for the combined categories should be increased from $40 to $70 million.

4. MORTGAGE INSURANCE

Raising funds to build health facilities is a problem for almost every community: Federal aid is not always obtainable. States must set priorities for hospital projects which are to receive Federal aid; many worthwhile projects necessarily fail to win approval. Nonprofit agencies often have great difficulty raising local funds to match Federal grants. Loans available from private lenders often call for large annual payments and short payoff periods. This can either threaten a hospital's financial soundness or lead to excessive increases in the cost of hospital care.

These financing difficulties do not alter the fact that the need for hospital beds is increasing. Therefore:

(e) I recommend amendment of the Hill-Burton Act to permit mortgage insurance of loans with maturities up to 40 years to help build private nonprofit hospitals, nursing homes, and other medical facilities.

(f) In addition, I recommend that authority to insure mortgage loans for the construction of nursing homes operated for profit be transferred from the Federal Housing Administration to the Public Health Service.

These changes will help us build more hospitals and other medical facilities. And they will bring together in the Public Health Service an adequate and interlocking program of Federal aid to profitmaking—as well as nonprofit—nursing homes, hospitals, and other facilities.

ENCOURAGEMENT OF GROUP PRACTICE

To meet the needs of their communities, groups of physicians—general practitioners and specialists—more and more are pooling their skills and using the same buildings, equipment, and personnel to care for their patients. This is a sound and practical approach to medical service. It provides better medical care, yet it yields economies which can be passed on to the consumer. It makes better use of scarce professional personnel. It offers benefits to physicians, patients, and the community.

The specialized facilities and equipment needed for group practice are often not available, especially in smaller communities. Therefore:

I recommend legislation to authorize a 5-year program of Federal mortgage insurance and loans to help build and equip group practice medical and dental facilities.

Priority should be given to facilities in smaller communities, and to those sponsored by nonprofit or cooperative organizations.

III. HEALTH MANPOWER

Medical science has grown vastly more complex in recent years—and its potential for human good has grown accordingly. But to convert its potential into actual good requires an ever-growing supply of ever-better trained medical manpower. The quantity and quality of education for the health disciplines has been unable to keep pace. Shortages of medical manpower are acute.

By enacting the Health Professions Educational Assistance Act of 1963, the Congress took a major step to close this gap in medical manpower, especially as it relates to physicians and dentists.

But the task is far from finished.

A STRONGER NURSING PROFESSION

The rapid development of medical science places heavy demands on the time and skill of the physician. Nurses must perform many functions that once were done only by doctors.

A panel of expert advisers to the Public Health Service has recommended that the number of professional nurses be increased from the current total of 550,000 to 680,000 by 1970.

This requires raising nursing school enrollments by 75 percent.

But larger enrollments alone are not enough. The efficiency of nursing schools and the quality of instruction must be improved. The nursing profession, too, is becoming more complex and exacting.

The longer we delay, the larger the deficit grows, and the harder it becomes to overcome it.

I recommend the authorization of grants to build and expand schools of nursing, to help the schools perfect new teaching methods, and to assist local, State, and regional planning for nursing service.

We must remove financial barriers for students desiring to train for the nursing profession and we must attract highly talented youngsters.

I therefore recommend Federal loans and a national competitive merit scholarship program. For each year of service as a nurse up to 6 years a proportion of the loan should be forgiven.

In addition, I recommend continuation and expansion of the professional nurse traineeship program to increase the number of nurses trained for key supervisory and teaching positions.

Federal action alone is not enough: State and local governments, schools, hospitals, the health professions, and private citizens all have a big stake in solving the nursing shortage. Each must take on added responsibilities if the growing demand for essential and high quality nursing services is to be met.

STRENGTHENED TRAINING IN PUBLIC HEALTH

Our State and local public health agencies are attempting to cope with mounting problems, but with inadequate resources.

Our population has risen 27 percent since 1950, and public health problems have become more complex. But there are fewer public health physicians today than in 1950. The number of public health engineers has increased by only a small fraction; and other essential public health disciplines are in short supply.

These shortages have weakened health protection measures in many communities.

The situation would be much worse than it is, but for two Public Health Service training programs:

(1) The program of public health traineeships;

(2) The complementary program of project grants to schools of public health, nursing, and engineering—designed to help strengthen graduate or specialized public health training.

The need for these programs is greater today than ever before.

I recommend that the public health traineeship program and the project grant program for graduate training in public health be expanded and extended until 1969.

IV. MENTAL HEALTH AND MENTAL RETARDATION

Mental illness is a grave problem for the Nation, for the community, and for the family it strikes. It can be dealt with only through heroic measures. It must be dealt with generously and effectively.

Last year, President Kennedy proposed legislation to improve the Nation's mental health and to combat mental retardation.

Congress promptly responded. State and local governments and private organizations joined in that response.

The Congress enacted legislation which should enable us to reduce substantially the number of patients in existing custodial institutions within a decade, through comprehensive community-based mental health services.

Under new legislation passed last year we will train teachers and build community centers for the care and treatment of the mentally handicapped.

It was, as President Kennedy said, "the most significant effort that the Congress of the United States has ever undertaken" on behalf of human welfare and happiness. We are now moving speedily to put this legislation into effect.

The mentally ill and the mentally retarded have a right to a decent, dignified place in society. I intend to assure them of that place.

The Congress has demonstrated its awareness of the need for action by approving my request for supplemental appropriations for mental retardation programs in the current fiscal year. This will enable us to get started.

My 1965 budget includes a total of $467 million for the National Institute of Mental Health and for mental retardation activities. I urge the Congress to approve the full amount requested.

V. HEALTH PROTECTION

Technological progress is not always an unmixed blessing.

To be sure, we have a wealth of new products, unimagined a few generations ago, that make life easier and more rewarding.

But these benefits sometimes carry a price in the shape of new hazards to our health: The air we breath is being fouled by our great factories, our myriad automobiles and trucks, our huge urban centers. The pure water we once took for granted is being polluted by chemicals and foreign substances. The pesticides indispensable to our farmers sometimes introduce chemicals whose long-range effects upon man are dimly understood.

We must develop effective safeguards to protect our people from hazards in the air we breathe, the water we drink, and the food we eat.

To provide a focal point for vigorous research, training, and control programs in environmental health, I have requested funds in the 1965 budget to develop plans for additional facilities to house our expanding Federal programs concerned with environmental health.

The Clean Air Act, which I approved last December 17, commits the Federal Government for the first time to substantially increased responsibilities in preventing and controlling air pollution.

I urge prompt action on the supplemental appropriation to finance this new authority in the current fiscal year.

PESTICIDES

The President's Science Advisory Committee report on pesticides, released last May, alerted the country to the potential health dangers of pesticides.

To act without delay I have submitted requests to the Congress for additional funds for 1964 and 1965 for research on the effects of pesticides on our environment. I recommend enactment of pending legislation prohibiting the registration and marketing of pesticides until a positive finding of safety has been made.

In addition, the Department of Agriculture, working with the Departments of Health, Education, and Welfare and of the Interior, is reviewing and revising procedures to make certain that the benefits and hazards of pesticides to human health, domestic animals, and wildlife are considered fully before their registration and sale are approved.

Finally, the Federal Government's own use and application of pesticides are being reviewed to assure that all safeguards are applied.

FOODS, DRUGS, AND COSMETICS

The 1962 amendments to the Federal Food, Drug, and Cosmetic Act will enhance the safety, the effectiveness, the reliability of drugs and cosmetics.

To give this act the vigorous enforcement it contemplates, I am requesting increased appropriations to the Food and Drug Administration, largely for scientific and regulatory personnel.

In addition, I renew the recommendations contained in my consumer message for new legislation to extend and clarify the food, drugs, and cosmetic laws.

VI. RESEARCH AND SPECIAL HEALTH NEEDS

Over the past decade, our Nation has developed an unparalleled program of medical research. This investment has already paid rich dividends, and more dividends are within reach.

The budget that I have proposed for fiscal 1965 assures the rate of growth needed to meet current opportunities and to provide a sound base for future progress.

In addition, the Office of Science and Technology has assembled a group of eminent citizens to study thoroughly the medical research and training programs of the National Institutes of Health.

This study should point to new ways to improve our medical research.

COMMISSION ON HEART DISEASE, CANCER, AND STROKES

Cancer, heart disease, and strokes stubbornly remain the leading causes of death in the United States. They now afflict 15 million Americans—two-thirds of all Americans now living will ultimately suffer or die from one of them.

These diseases are not confined to older people. Approximately half of the cases of cancer are found among persons under 65. Cancer causes more deaths among children under age 15 than any other disease. More than half the persons suffering from heart disease are in their most productive years. Fully a third of all persons with recent strokes or with paralysis due to strokes are under 65.

The Public Health Service is now spending well over a quarter of a billion dollars annually finding ways to combat these diseases. Other organizations, both public and private, also are investing considerable amounts in these efforts.

The flow of new discoveries, new drugs, and new techniques is impressive and hopeful.

Much remains to be learned. But the American people are not receiving the full benefits of what medical research has already accomplished. In part, this is because of shortages of professional health workers and medical facilities. It is also partly due to the public's lack of awareness of recent developments and techniques of prevention and treatment.

I am establishing a Commission on Heart Disease, Cancer, and Strokes to recommend steps to reduce the incidence of these diseases through new knowledge and more complete utilization of the medical knowledge we already have.

The Commission will be made up of persons prominent in medicine and public affairs. I expect it to complete its study by the end of this year and submit recommendations for action.

NARCOTICS AND DRUG ABUSE

Abuse of drugs and traffic in narcotics are a tragic menace to public health.

To deal promptly and intelligently with this situation we must take effective measures for education, regulation, law enforcement, and rehabilitation.

We must strengthen the cooperative efforts of Federal, State, and local authorities and public services.

The recent report of the Presidential Advisory Commission on Narcotics and Drug Abuse has rendered signal contributions. It places the problem in its proper perspective. It proposes policies and actions which deserve full consideration.

The appropriate Federal departments and agencies will review this report, and I shall at a later time send my recommendations to the Congress.

VOCATIONAL REHABILITATION

Disability—always a cruel burden—has partly succumbed to medical progress. Our Federal-State program of vocational rehabilitation has been demonstrating this fact for more than 40 years. Rehabilitation can help restore productivity and independence to millions of Americans who have been victims of serious illness and injury. Over 110,000 disabled men and women were returned to activity and jobs last year alone.

If more fully developed and supported by the States and the Federal Government, this program can be a powerful tool in combating poverty and unemployment among the millions of our citizens who face vocational handicaps which they cannot surmount without specialized help.

I have already recommended appropriation of increased Federal funds for vocational rehabilitation.

I now recommend enactment of legislation to facilitate the restoration of greater numbers of our mentally retarded and severely disabled to gainful employment, by permitting them up to 18 months of rehabilitative services prior to the determination of their vocational feasibility.

I also recommend enactment of a new program for the construction and initial staffing of workshops and rehabilitation facilities, program expansion grants, and increased State fiscal and administrative flexibility.

INTERNATIONAL HEALTH

Scientists from many countries have contributed to the enrichment of our national medical research effort. We in turn support medical research in other nations.

International collaboration in medical research, including support of research through the World Health Organization, is an efficient means of expanding knowledge and a powerful means of strengthening contacts among nations. It links not only scientists but nations and peoples in efforts to achieve a common aspiration of mankind—the reduction of suffering and the lengthening of the prime of life.

The United States participates in an ambitious international effort to eradicate malaria—a disease which strikes untold millions throughout the world.

Both of my predecessors committed the United States to this campaign, now going forward under the leadership of the World Health Organization. The Congress has endorsed this objective and has supported it financially.

We will continue to encourage WHO in its work to eradicate malaria throughout the world.

We will continue to commit substantial resources to aid friendly nations through bilateral programs of malaria eradication.

The United States will also initiate in 1964 a program to eradicate the mosquito carrying yellow fever. My 1965 budget provides expanded funds for the second year of this program.

CONCLUSION

The measures recommended in this message comprise a vigorous and many-sided attack on our most serious health problems.

These problems will not be fully solved in 1964 or for a long time to come.

They will not be solved by the Federal Government alone, nor even by government at all levels. They are deeply rooted in American life. They must be solved by society as a whole. I ask the help of all Americans in this vital work.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 10, 1964.*

INTERNATIONAL ATOMIC ENERGY AGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 226)

The **SPEAKER** laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Atomic Energy and ordered to be printed:

To the Congress of the United States:

I transmit herewith, pursuant to the International Atomic Energy Agency Participation Act, the sixth annual report covering U.S. participation in the International Atomic Energy Agency for the year 1962.

Believing the International Atomic Energy Agency could assume a position of leadership in bringing the benefits of atomic energy to the people of the world, President Kennedy gave it continued support during the period of his administration. I, likewise, hold that belief and affirm my support for the International Atomic Energy Agency as an important instrument in promoting the peaceful uses of atomic energy.

LYNDON B. JOHNSON.

(Enclosure: Sixth annual report.)

THE WHITE HOUSE, *February 10, 1964.*

THE ECONOMY MYTH AND THE GOP TASK FORCE

Mr. **JENSEN**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER**. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. **JENSEN**. Mr. Speaker, I shall now read the statement of the Republican budget task force, which was released by me for today's morning newspapers.

THE ECONOMY MYTH AND THE GOP TASK FORCE

We, the Republican members of the Appropriations Committee of the House, think it is time to expose the widely circulated myth that the Johnson administration is practicing economy in the expenditure of the taxpayers' money. The Members of Congress, who must appropriate the money, know that we are dealing with a myth, but the public is being misled.

Here are two simple facts that should set the record straight:

1. President Johnson is already planning to spend, according to his own budget figures, $600 million more by the end of the current fiscal year next June 30, than the late President Kennedy planned to spend according to a statement by Budget Director Gordon on November 19, 1963, 3 days before Mr. Kennedy's assassination (Gordon: $97.8 billion; Johnson budget: $98.4 billion).

2. President Johnson's budget for the next fiscal year calls for an increase of $6 billion over what Congress appropriated under the late President Kennedy's budget for the current fiscal year.

The second fact results from the little-publicized action of this Congress, which, during the first session, reduced cash appropriations $6.3 billion below the amount requested by Mr. Kennedy. This reduction effort was initiated a year ago by a Republican budget-cutting task force under the able leadership of Congressman FRANK BOW of Ohio, but the reduction was possible because of the dedicated assistance of all Members of Congress who believe in fiscal responsibility, both Republicans and Democrats alike.

I wish to announce that at a meeting of the Republican members of the House Appropriations Committee we decided to continue the operation of the Bow task force this year. Last year the task force had the invaluable assistance of two top experts—Maurice H. Stans, of Los Angeles, former Director of the Budget, and Robert E. Merriam, of Chicago, former Deputy Director of the Budget, both of whom served under President Eisenhower—and both have been invited to assist again this year. We reached the decision to continue the task force for two reasons:

(a) We do not believe that Congress, if it is to act in good faith with the taxpayers, can allow appropriations to zoom up $6 billion as President Johnson has requested. True economy demands that we substantially reduce Mr. Johnson's requested increase.

(b) In making the cuts in last year's appropriations, most of us were motivated by the belief that spending must be cut if taxes were to be cut, otherwise the threat of inflation would be risked. With the tax reduction imminent, this threat is even more real today, and the need for cuts in appropriations this year even more imperative if this Nation is to avoid further cheapening of the dollar.

Therefore, as we undertake this effort in the days, weeks, and months ahead, we earnestly invite all Members of Congress, in the House and in the Senate, to join in a determined effort to preserve the purchasing power of our taxpayers' dollars. To do less would not be worthy of the constituencies which elected us.

It is fitting at this time for us all to pay tribute to the chairman of the House Appropriations Committee, Congressman CANNON, of Missouri, for his leadership in the economy battle last year and to express our confidence that he will again cooperate with us for economy this session.

Further, we commend our chairman, Mr. CANNON, for the timetable he has scheduled when each of the 12 appropriations bills shall be reported to the floor of the House. The schedule follows:

District of Columbia Subcommittee, report, Friday, February 28; floor, Tuesday, March 3.

Interior Subcommittee, report, Friday, March 13; floor, Tuesday, March 17.

Treasury-Post Office Subcommittee, report, Friday, March 20; floor, Tuesday, March 24.

Legislative Subcommittee, report, Friday, April 3; floor, Tuesday, April 7.

Labor-Health, Education, and Welfare Subcommittee, report, Friday, April 10; floor, Tuesday, April 14.

Defense Subcommittee, report, Friday, April 24; floor, Tuesday, April 28.

State-Justice-Commerce-Judiciary, Subcommittee, report, Friday, May 1; floor, Tuesday, May 5.

Agriculture Subcommittee, report, Friday, May 8; floor, Tuesday, May 12.

Independent Offices Subcommittee, report, Friday, May 15; floor, Tuesday, May 19.

Military Construction Subcommittee, report, Friday, May 22; floor, Tuesday, May 26.

Public Works Subcommittee, report, Friday, May 29; floor, Tuesday, June 2.

Foreign Aid Subcommittee, report, Friday, June 5; floor, Tuesday, June 9.

We pledge our full cooperation in thus expediting the business of the House and in order to meet this timetable we respectfully urge all legislative committees to report their respective authorization requests to the floor before the date as above scheduled for House consideration of each appropriation bill.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 225)

The **SPEAKER** laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

To the Congress of the United States:

Section 201(a) of the Communications Satellite Act of 1962 directs the President of the United States to "aid in the planning and development and foster the execution of a national program for the establishment and operation as expeditiously as possible of a commercial communications satellite system."

The year 1963 has been a period of major accomplishment toward the objectives established by the Congress in the Communications Satellite Act. The Communications Satellite Corporation has been organized, established, has employed a competent staff, and is implementing plans for a commercial communications satellite system. All agencies of Government concerned have contributed wholeheartedly to the furtherance of the objectives of the act.

As required by section 404(a) of that act I herewith transmit to the Congress a report on the activities and accomplishments under the national program.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 10, 1964.*

LEGISLATIVE PROGRAM FOR THE REMAINDER OF THIS WEEK

Mr. **ARENDS**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I take this time to ask the majority leader if he can inform us as to the legislative program for the balance of this week and next week, if possible.

Mr. ALBERT. In response to the inquiry of the distinguished Republican Whip, may I say that we have finished the legislative business for this week. The next legislative business will be on Monday next. We expect to be able to announce the complete program on Thursday of this week. We will have business on Monday of next week, which will include not only the Consent Calendar but a savings and loan bill from the Committee on Banking and Currency, and there will be business for the balance of that week.

Mr. ARENDS. I thank the gentleman from Oklahoma.

ADJOURNMENT OVER

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Thursday next, and that when the House adjourns on Thursday next it adjourn to meet on Monday next.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PANAMA CANAL ZONE

Mr. CANNON. Mr. Speaker, I ask unanimous consent to address the House, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, the Associated Press reports that Governor Flemming announces his intention to induct foreign nationals as members of the Canal Zone Police.

The press releases of President Chiari and photographs taken at the time of the attacks on Americans on American territory and published in the metropolitan newspapers show unmistakably that the leaders of the Panamanian mob were well-known Communists from Cuba.

I ask you, Mr. Speaker, what protection could be expected from Panamanian police against Panamanian mobs which sweep across the border and murder American citizens and American soldiers on American soil?

This information is taken from the daily newspaper, the Star & Herald, received from the Canal Zone Central Labor Union and Metal Trades Council, AFL–CIO, Balboa Heights, C.Z., and I append corroborating telegrams:

CRISTOBAL, C.Z.,
February 6, 1964.

HOUSE OF REPRESENTATIVES,
Washington, D.C.:

Protest plan to recruit Panamanians for Canal Zone police force endangers security, invites Communist infiltration. Suggest investigation of plan originator for subversion or incompetence. Letter follows.

PRESIDENT, COCO SOLO CIVIC COUNCIL,
Coco Solo, C.Z.

CRISTOBAL, C.Z.,
February 7, 1964.

HOUSE OF REPRESENTATIVES,
Washington, D.C.:

The Department American Legion Auxiliary, Panama Canal Zone, is opposed to plan recommending employment of Panamanian citizens in Canal Zone police force.

AMERICAN LEGION AUXILIARY,
DEPARTMENT OF PANAMA,
Canal Zone.

CRISTOBAL, C.Z.,
February 7, 1964.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C.:

Protest integration of non-U.S. citizens into Canal Zone police force.

GATUN CIVIC COUNCIL.

CRISTOBAL, C.Z.,
February 7, 1964.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C.:

The plan to hire Panamanian citizens in the Canal Zone police force is opposed by unanimous vote by Margarita Civic Council. The morale of U.S. citizens in this area would suffer further. It is an immoral, unethical, impractical move to make citizens of another country be torn between loyalty to their employer or loyalty to their nation in a crisis. Further this plan is in violation of the spirit and intent of Public Law 85–550 as spelled out in House Report No. 1869, 85th Congress.

PRESIDENT,
Margarita Civic Council.

BALBOA, C.Z.,
February 7, 1964.

HOUSE OFFICE BUILDING,
Washington, D.C.:

Have registered strong protest with Canal Zone Governor relative hiring of non-U.S. personnel for enforcement of Canal Zone and U.S. laws in the Canal Zone. No objection to hiring of any U.S. citizens who qualify under present requirements. Must have immediate help and support in this matter.

CARE FOR THE AGED

Mr. TUPPER. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. GLENN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. GLENN. Mr. Speaker, last year the National Committee on Health Care for the Aged made its report after a full and thorough investigation into the subject. It went into the problem of the total health care needs of the older citizens and did not restrict its study to hospitalization alone. As a result it recommended separate but complementary programs for Government and private insurance as the best solution to the problem of the health care of all citizens over 65.

I have considered this subject for several years and I am convinced this is the best overall approach and accordingly I have introduced in the House, H.R. 9954 entitled "The Health Care Insurance Act of 1964."

This bill is a companion bill to S. 2431 by Senators JAVITS, CASE, COOPER, KEATING, KUCHEL, and Mrs. SMITH. It encompasses the use of the social security system and the private insurance system with its vast body of experience which it has developed.

It limits the Government's role to insurance covering costs of hospitalization and skilled nursing home care to be financed under social security, and at the same time makes possible coverage of medical and noninstitutional care under low-cost private insurance plans to be developed on a nonprofit tax-free basis with special provision for concerted selling and risk pooling.

This is by far the most advanced and comprehensive program to be placed before the Congress. That part of it to be covered by social security financing provides for 45 days of hospital care for all persons 65 years of age or over without deductible or option, up to 180 days of skilled nursing care, and over 200 days of home care following treatment in a hospital. This portion of the program would be financed by an increase of one-fourth of 1 percent each on employers and employees in the social security tax to be deposited in a separate health fund. It would also permit local administration by existing agencies.

The complementary national private insurance program for physicians, surgeons, and other noninstitutional care limits the Government's role and is a built-in limit on its future expansion, and thereby offers the key aspect of the bill, answering the fears of many that the Government in a political way was seeking to expand its part in the health care field for the aged.

It is estimated that the national standard policy could be made available at a cost of about $2 a week, which is well within the income range of most aged persons. All over 65 would be eligible to purchase this national standard policy, which will be stamped with a symbol of approval. The bill provides for a nationwide federally chartered association which private insurance and group service companies could join in order to sell a standard policy providing uniform basic coverage at a uniform low rate but with regional variations in benefits and fees, or qualified alternative policies.

By covering the major causes of dependency due to illness and the largest part of the individual's total medical bill in this dual public-private program, the burden placed on public assistance measures such as Kerr-Mills would be substantially reduced.

Our elderly citizens are being priced out of the health's care market by rapidly increasing costs; yet we want them to have the best health care that enhanced life expectancies can produce.

Private health insurance alone cannot do the job of providing protection at a cost this growing section of our population can afford. While 50 percent of those over 65 are estimated to have some kind of health insurance, less than 10 percent of their total medical costs are paid by this insurance.

Moreover, the heaviest burden and the greatest loss risk for health insurance comes from hospital costs which in the last decade have gone up by 65 percent. Even higher, therefore, went the group insurance premiums for the over-65 group, in some States soaring as high as 83 percent.

The bill seeks to do the following:

First, to include all over 65 including those not now covered by the social security system; second, to provide for the participation of State agencies and approved private organizations in the administration of the program; and third, to set up a special health insurance fund separate from other social security funds.

The potentialities of this public-private program go far beyond any existing practice developed to meet a special social need. It includes in the legislation provision also for the establishment of a strong National Advisory Council on Health Insurance for the Aged which will be charged with the task of advising the Secretary in administering the public plan and with making reports to Congress on the progress of both the public and private sectors of the program. This council should be broadly representative of all groups, public and private, who are directly concerned with health care for the aged and who will be able to have some effective influence on the formulation of policy in the administration of the plan.

Finally, when President Kennedy, of beloved memory, received the report of the National Committee on Health Care for the Aged—and the bill translates into legislative terms the Committee's recommendations—he expressed the hope that implementing legislation would have broad bipartisan support.

I believe that the bill comes close to meeting the requirements of the health care experts as well as of legislators on both sides of the aisle. It will do so at a cost which is relatively modest in view of the magnitude of the program. I am confident that the cost of the public part of it will be just about what is called for under the King-Anderson proposal. It will avoid the dangers of so-called socialized medicine. It will observe the traditional doctor-patient relationship, and provide for the participation of the private sector which has built up a great and deserved interest in the field over the years.

It is important to note that this bill goes further than any medicare bill up till now. It proposes a two-part program—one for hospitalization and one for doctors and medical bills. One is basically medicare, a proposal to help pay hospital bills through social security. The second part would supplement this by encouraging private insurance companies through tax relief and other Government aid to provide adequate reasonably priced policies to cover doctors' and other medical bills.

It would use social security financing to provide 45 days of hospital care, up to 180 days of nursing home treatment, or over 200 days of home health care following hospital treatment for persons 65 or older. This would come by a one-half percent increase in the social security tax that would go into a special fund.

It would create a national, federally chartered nonprofit association of private insurance and group service companies which would authorize a standard medical-surgical policy for those over 65.

I am convinced that the health care needs of our elder citizens can only be met by this dual approach—coverage in both areas of hospitalization and medical bills. The need is present and growing. It is incumbent on this Congress to act now so that the benefits can flow as soon as possible to those who are in dire need of this protection.

THE CIVIL RIGHTS BILL

Mr. TUPPER. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. FOREMAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. FOREMAN. Mr. Speaker, this civil rights bill, H.R. 7152, has been debated longer, and amended at, more than, perhaps any bill that has come before this House of Representatives. Undoubtedly, this particular legislation will affect more people, more personally, and more deeply than any other previous legislation.

Civil rights emerge from civil responsibilities. I fear that we are in grave danger of violating the rights of all Americans in our efforts to legislate social equality for some.

Of course, we must recognize the civil, individual, and property rights of all people, regardless of race, color, or creed. I am proud to represent the progressive area of west Texas where, within our own local communities, we have, and are, solving our own differences.

I do not believe new Federal laws can legislate social equality. This is a matter that only the people themselves—in our churches, civic clubs, schools, libraries, public meeting places, and so forth—can, must, and will solve.

Two titles of this proposed legislation, H.R. 7152, Title II—Injunctive Relief Against Discrimination in Places of Public Accommodation, and Title VII—Equal Employment Opportunities, concern me greatly, because in them, I find discrimination against the private property rights of all people, including colored and white.

We must clearly understand that there can be no distinction between property rights and human rights. There are no rights but human rights, and what are spoken of as property rights are only the human rights of individuals to property.

The Bill of Rights in the U.S. Constitution recognizes no distinction between property rights and other human rights. The ban against unreasonable search and seizure covers "persons, houses, papers and effects," without discrimination.

The Founding Fathers realized what some present-day politicians seem to have forgotten: A man without property rights—without the right to the product of his labor—is not a free man. Unless people can feel secure in their abilities to retain the fruits of their labor, there is little incentive to save to expand the fund of capital—the tools and equipment for production and for better living.

I am concerned about the so-called human rights that are represented as superior to property rights. By these, I mean the right to a job, the right to a standard of living, the right to a minimum wage or a maximum workweek, the right to a fair price, the right to bargain collectively, the right to secure against the adversities and hazards of life, such as disability and old age.

Those who wrote our Constitution would have been surprised to hear these things spoken of as rights. They are not immunities from governmental compulsion; on the contrary, they are demands for new forms of governmental compulsion. They are not claims to the product of one's own labor; they are, in some if not in most cases, claims to the product of other people's labor.

These human rights are indeed different from property rights. They are not freedoms or immunities assured to all persons alike. They are special privileges conferred upon some persons at the expense of others. The real distinction is not between property rights and human rights, but between equality of protection from governmental compulsion on the one hand and the demands for the exercise of such compulsion for the benefit of favored groups on the other.

This, then, gentlemen of the Congress, I believe, should be the light and guidelines by which we reach our decision on this legislation, or for that matter, any legislation with which we may be confronted. We must exercise care not to violate the rights of all Americans in our efforts to secure social equality for some.

THE CIVIL RIGHTS BILL—TITLE VII

Mr. TUPPER. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. TAFT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. TAFT. Mr. Speaker, the progress that we have made in this country and the benefits which we all enjoy stem from certain basic principles with which this country started. Hopefully, we have not since abandoned them. The most important of these is the concept of a maximum degree of individul freedom consistent with the individual freedom of others. True enjoyment of that freedom requires equality of opportunity. Essential to this equality is equal opportunity for education and employment. Also essential in the society in which we live today is economic opportunity.

Unfortunately, some aspects of our development as a nation have indicated that equality of education and economic opportunity have not been provided and are not being provided to some of our citizens. This is particularly true as to those citizens who are Negroes. Long standing and commendable efforts of private individuals and organizations and, in many instances, of local and State governments have been inadequate to provide that equality or even to assure adequately any promise of providing it in the foreseeable future.

For this reason many Americans, among whom I number myself, have become convinced that there is a concern and a responsibility as a nation that can only be met by fair and workable legislation by the National Congress. This is not to derogate or desert the efforts that have been made through other channels, and, hopefully, the actions and programs of any authority set up under this legislation will recognize this and will move with moderation and reason, but will move. Should such authority fail to do so, there would, of course, be legislative remedies available to us to curb proven abuses. Obviously, no law so broad in its implications as the one here being considered can in all aspects be perfect. But it is a beginning, and a beginning must be made. It is important that existing State programs and enforcement will be used wherever possible, and, even more importantly, that the processes of conciliation and conference, authorized under the legislation, will handle all but the most difficult cases.

Fortunately, from the experience with State laws exceeding in their powers the Federal legislation here proposed, experience indicates that most of the objections and fears of those who oppose this legislation should be unfounded. We respect the sincerity and convictions of those who oppose the measure, but we hope as the years pass and progress is made, even they will become convinced of the wisdom of the action which is expected to be taken by the House this day.

THE CIVIL RIGHTS BILL—TITLE VI

Mr. TUPPER. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. Rumsfeld] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. RUMSFELD. Mr. Speaker, I wish to express my full support of title VI of the Civil Rights Act, concerning nondiscrimination in federally assisted programs.

The question is whether Federal tax dollars, collected from all, regardless of race, color, or national origin, must be expended without regard to race, color, or national origin. Clearly the answer should be "Yes." It is unthinkable that the Federal Government should serve as a vehicle for fostering and encouraging discrimination.

Opponents of this title point out that it constitutes Federal control. To this I must agree. It is obvious Federal control. But Congress has a proper responsibility to reasonably control the expenditure of Federal tax dollars. It amazes me to find so many who seem to be discovering for the first time that with Federal involvement and Federal money comes Federal control.

I believe this title should be approved intact. It will represent an important step by the Congress to assure that all taxpayers receive the benefits of their tax dollars. But, in addition, the Nation as a whole may reap an unexpected benefit. Hopefully, recognizing that Federal control follows Federal involvement, the people of the country and the Congress will be less eager to support a multiplicity of vast domestic Federal spending programs to involve the Federal Government in practically every aspect of American life. Possibly the Congress will recognize that many domestic problems can be better handled by individuals or by State or local governments. I am optimistic enough to hope that future programs will be carefully analyzed to see if the problems involved might not be solved more economically, more efficiently, and more responsively to the needs of the people at the State or local level. Not until that happens will the American people see a more realistic approach to many of the problems facing this growing, dynamic Nation which so urgently need attention.

Amendments similar to title VI have been offered to various Federal programs during the 88th Congress, but, unfortunately, they have never prevailed, although I supported each such move.

Final passage of this title will be a proper and historic step by the Congress. It will finally set as the policy of our Federal Government that it will not discriminate on the basis of color in making available tax-financed Federal programs and facilities.

GUANTANAMO

Mr. TUPPER. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. Keith] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. KEITH. Mr. Speaker, the recent water incident at Guantanamo Bay, with Castro's unsuccessful attempt to intimidate U.S. forces there, grew out of the seizure and threatened prosecution of Cuban fishermen caught illegally operating in our territorial waters.

There has been legislation pending for some months now which would have had a direct bearing on this situation and, in fact, would have given the U.S. Federal Government the power to act against these foreign fishermen, rather than limiting the Federal authority to that of either simply escorting the violators back to the high seas or of turning them over to Florida for prosecution under State law.

The fact is that under present Federal law, while it is of course illegal for foreign vessels to fish within our 3-mile limit, this prohibition is little more than words. Existing law provides no effective sanctions to enforce the prohibitions. As in the case of the Cuban fishermen, the United States would have to rely on State law to pursue the action.

We can reasonably assume that situations will again arise where the Federal Government would also have to rely on the discretion of the State courts in matters that could have serious international ramifications.

Mr. Speaker, I am pleased to report the chairman of the Merchant Marine and Fisheries Committee [Mr. Bonner], recognizing the timeliness and importance of this matter, has announced his committee will hold hearings February 25 on a bill that I have had the privilege of sponsoring, along with the distinguished Member from Alaska [Mr. Rivers] and the distinguished Member from Florida [Mr. Rogers], which would, for the first time, make foreign fishermen subject to strict penalties for intrusions into U.S. territorial waters. Penalties would include forfeiture of catch, tackle and cargo, imprisonment up to 1 year and a fine of up to $10,000. This legislation—H.R. 7954, H.R. 8296, and H.R. 9957—also recognizes U.S. jurisdiction over fishery resources appertaining to the Continental Shelf.

A similar bill (S. 1988) passed the Senate with enthusiastic support during the past session.

Mr. Speaker, the problem is not limited to intrusions by Cuban vessels. The great armada of Soviet vessels off Cape Cod and in the Bering Sea, off the coast of Alaska, long ago made it apparent that the hollow prohibitions now on the statute books were ineffective and, as such, invite intrusions in our waters and contemptuous disregard for U.S. rights.

The Soviets have been especially indifferent to our jurisdictional rights, but I might add it is a different story when the Russian Government apprehends a foreign fishing vessel in their coastal sea, which, and it is worthy of note, they claim out to 12 miles—as opposed to our traditional 3 miles. Senator Magnuson noted during the past session that the Soviet Government has seized 854 Japanese vessels and 7,024 Japanese fishermen in the last 10 years. We do not know what disposition the U.S.S.R. has made of the catch aboard these ships or of the vessels themselves, but it is known from Japanese reports that some of the fishermen have been held in Russia for more than 2 years.

Last August, for example, the Japanese Information Service announced that the Soviets had promised to release "about 120" Japanese fishermen "now in Soviet custody, who have been found guilty or indicted on charges of violating Soviet territorial waters or operating in Soviet waters."

Recent comments by the State Department as to the suspected intelligence purposes of the Russian fishing fleet off our coasts makes it imperative that in the interests of national security we enact effective measures to deny these quasi-military vessels casual access to our inshore waters. At present they risk little by "accidental" violations, which in some cases have brought them within hailing distance of the coast.

Passage of the bill I have introduced, with the modification approved by the Senate, would mean intruders would risk considerable. They could lose their vessels, equipment, and catch and find themselves in jail. As such the U.S. Government would have a powerful tool for dealing with the Soviets, the Cubans, or nationals of any other unfriendly nation who boldly exploit our fishery resources or compromise our security or intelligence missions carried out under the guise of commercial fishing.

Such legislation is long overdue. It is time this country stopped letting itself get pushed around and time, too, that we start protecting the interests of our own beleaguered fishermen.

HOW MANY SECRET DEALS?

Mr. **TUPPER**. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. ALGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER**. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. **ALGER**. Mr. Speaker, since Franklin Roosevelt began appeasing the Soviet Union in secret meetings at Teheran and Yalta, succeeding Democratic administrations have followed the policy of mistrusting the American people and establishing foreign policy through secret agreements. The Democratic secret deals have invariably been against the best interests of the United States, but this seems to make no difference to the policymakers of Democratic administrations.

Yesterday's Washington Post exposed a memorandum signed on June 15, 1962, by the late President Kennedy and President Chiari, of Panama, which has now become the basis of Panama's demands that we give up our sovereign rights in the Canal Zone. Of course, we are getting the usual denials and interpretations from the State Department, but the fact remains that Panama does have the signed memorandum, it does say in part that "a new treaty will have to be negotiated," and it was signed by the President of the United States.

It is this type of confused negotiation with foreign governments that has resulted in the mess in foreign affairs now coming to light under the present administration. The past 2 months has seen American prestige and American interests falling to pieces everywhere in the world. Every little pipsqueak dictator safely thumbs his nose at Uncle Sam, every Communist-inspired mob attacks American embassies, assaults American personnel, tears down and desecrates our flag, and the Democratic administration does nothing.

American boys are dying almost daily in Vietnam while the administration stumbles and staggers trying to determine a proper course to follow or which group to support or overthrow.

The Panama crisis steadily worsens without any apparent plan by the administration to meet the situation.

As for Guantanamo, the best we can come up with in answer to Castro's latest attempt to blackmail us is to supply our own water. It is planned to try to persuade our allies not to trade with Cuba, but this seems a little bit hollow in the face of the determined effort the administration made to force congressional action just before Christmas to permit the United States to trade with Soviet Russia with our taxpayers underwriting most of the deal.

No, Mr. Speaker, I am afraid this administration has no more conception of the reality of the Communist world conspiracy, no more understanding of communism's goal, no more ability to cope with the Communist menace, no more talent for world leadership than displayed by previous Democratic administrations.

There is a very simple rule, it seems to me, that should underlie all of our foreign policy—the self-interest of the United States. If we are determined to preserve our own freedoms, to protect our sovereignty, and to save this Republic, then all of our policy in foreign affairs should be directed toward that end. The strength of this Republic is in the strength of the people. It is the people who must pay the bill with their tax dollars and with their lives in time of war. Yet, the Democrats have no faith in the people. The Democratic leadership refuses to tell the people about its secret agreements and secret deals. In the Cuban missile crisis of 1962, even Members of Congress were being told by the administration that there were no Russian missiles in Cuba at the very time the whole world had proof that there were.

In view of the sorry record in foreign affairs of the Democratic leadership, I believe it is imperative that the administration and the State Department tell us now, how many more secret agreements and deals have been made or are in the works?

Are we going to do whatever it takes to stay in Guantanamo, or are we already planning to abandon it with some lame excuse several months from now that is no longer serves our purpose? This happened in Greece and Turkey, remember. Khrushchev said we had made an agreement to get our military bases out of Greece and Turkey if he would take his missiles out of Cuba. The State Department denied this, but within just a few months it happened and we were told we no longer needed them.

Are we going to agree, or have we already agreed, to the nationalization of the Panama Canal under the supervision of the United Nations? The administration says no, but they did not tell us about the memorandum exposed yesterday by the Washington Post.

Are we going to agree to the seating of Red China in the United Nations? Already there has been a deluge of the softening-up propaganda which usually precedes appeasement of the Communists.

Mr. Speaker, we have spent some 9 days debating a civil rights bill, and we are concerned about a tax cut and a war on poverty, but unless we demand a more realistic foreign policy, a policy designed to win, then all our efforts to fashion a domestic program are useless because the Communists will take us over, perhaps without the loss of a single Red soldier.

We need a clear, understandable foreign policy now. We should hold the door open for all those nations who believe in freedom and will stand by us in the cause of freedom. We must stop playing games with Soviet Russia and other Communist countries as well as those who are with them and against us. We should reinstate the Monroe Doctrine and clean the Communist conspirators out of this hemisphere, starting with Cuba. In other words, we should decide to win the cold war.

Is our fear of nuclear war so great that we would sacrifice the American dream of freedom to avoid it? None of us want war, but there are worse calamities. Is slavery preferable to death? Our forefathers did not think so. Have we become so craven and so base that we would deny our heritage for which generations of Americans worked and fought and died? I do not believe the American people have foresaken the dream. Is it too much to ask that our leaders have the same faith in our system?

Time is running out for America and for the free world. We must determine now that we will lead the world or else admit that Khrushchev was right and that we will be buried because we do not have the courage to live.

As for me, and I believe for the overwhelming majority of the American people, there will be no compromise with fear, no kneeling to those who would enslave the world. We, the people of America, will fight to the end for a strong America, a free America, a foreign policy which will let our enemies as well as our allies know that we have the means and the will to achieve this end.

I would like to include, at this point in these remarks, a news story from today's Washington Post with the State Department's analysis of the Panama Canal memo. I would also like to include a column by Edgar Ansel Mowrer, "L.B.J. Must Get Tough, Disown 'Peace' Role," and a column by Ted Lewis in the New York Daily News exposing the current "phony line that all is calm in the world."

[From the Washington (D.C.) Post]

CANAL MEMO NOT BINDING, UNITED STATES SAYS—STATE DEPARTMENT CALLS 1962 NOTE CONVERSATIONAL

A 1962 memorandum signed by United States and Panamanian officials, revealed in yesterday's editions of the Washington Post, does not constitute a commitment by the United States to renegotiate the 1903 Panama Canal treaty, the State Department said last night.

The memorandum, signed June 15, 1962, after talks between Panama's President Roberto Chiari and the late President Kennedy, said in part that "a new treaty will have to be negotiated" whether the United States decided to build a sea-level canal or continue with the present one.

But a State Department spokesman said this memorandum "never constituted agreement of any kind."

NO CHANGE IN VIEW

The spokesman said:

"There is not and never has been a secret governmental agreement between the United States and Panama concerning treaty relationships. There is no difference in the attitude of the U.S. Government today toward treaty revision and that which existed in

June 1962. A memorandum being circulated by Latin American sources never constituted agreement of any kind. It is simply a memorandum of conversation describing certain conditions which might entail treaty revision."

Earlier yesterday Under Secretary of State W. Averell Harriman said that he knows of nothing that U.S. officials have said to Panama concerning Canal Zone negotiations that has not been said publicly.

Harriman denied a report that U.S. officials have privately agreed to negotiate, not merely discuss, a new Canal Zone treaty but have refrained from saying so publicly because of fears of adverse reaction from the public and Congress.

BARS PRECONDITIONS

Asked about the report in an interview on "Face the Nation" (CBS, WTOP-TV), Harriman said the U.S. position was and is that "we are prepared to discuss the difficulties, to discuss anything that the Panamanians have in mind, but * * * we will enter these discussions without any preconditions."

Asked whether there was a secret 1962 memorandum, Harriman replied, "I don't know about what was done in 1962."

The memorandum was offered to the Inter-American Peace Committee last month by Miguel J. Moreno, Panama's Ambassador to the Organization of American States. Moreno claimed the document showed that the United States was going back on its previous commitment, the Washington Post story said.

Harriman said "basically the thrust of the article is not true. The article is based on statements made by Panamanian officials." (The article was based principally on non-Panamanian sources, including talks with Latin American and U.S. officials.)

L.B.J. Must Get Tough, Disown "Peace" Role

(By Edgar Ansel Mowrer)

Pity L.B.J. He feels compelled to run for reelection on his predecessor's "peace" policy just when that policy's bankruptcy is filling the international air with explosions.

From Panama to South Vietnam, by way of France and Africa, the result of the policy of abdication pursued by the Kennedy administration is bursting out all over and demanding action of Kennedy's successor.

It is not his fault. He, like so many supporters of the past administration, was simply taken in by the fallacious assumption of the New Frontiersmen. This was that appeasement of, and economic aid to, the U.S.S.R., Indonesia, the United Arab Republic, etc., would keep these countries, if not totally quiet, at least within limits.

This included the belief that American advisory action in Vietnam would contain communism until such time as all Vietnam could be reunited and neutralized. It implied that communism, having secured the neutralization of once pro-West Laos, would refrain from seeking to take over that country.

ESPOUSE APPEASEMENT

In short, the New Frontiersmen who swarmed into the White House and the State Department in 1961 started acting on the assumption that soft answers, plenty of bakhsheesh, a little time and, above all, the renunciation of the use of power by the United States and its major allies (even while Red Russia and Red China were continuing to stir up trouble wherever they could) would gradually end the cold war.

And now history is once more revealing the reality behind the dream: World order can exist only when it is enforced; if not by a world authority (which does not exist), then either by us or by the enemy. Otherwise, as at present, there is no world order.

What we are seeing in Panama, Zanzibar, the Yemen, South Vietnam (with more to come) is the anarchy that occurs when two great powers, Red Russia and Red China, promote it by all possible means, while the others, the United States and Britain, wring their hands and do nothing but protest.

The United Arab Republic intervenes in the Yemen in defense of the U.N., Indonesia grabs Dutch New Guinea, confiscates British property and destroys the British embassy in Djakarta, Panama demands control of the canal and—finally—the Soviets shoot down another unarmed American airplane with impunity.

ACTION DEMANDED

All this, as I said, is very disturbing to President Johnson.

He may shortly have to give up the current comedy and send many more Americans to South Vietnam; as soldiers, not just as advisers and chauffeurs. He may have to stir up a revolution in Panama. He may have to order the 7th Fleet to stop or even sink Indonesian ships carrying soldiers to attack Malaysia.

In short, he may have to start acting more like a Texan and less like a frightened atomic scientist of the "rather Red than dead" school. How such a change would affect his election chances I cannot venture to predict. It would certainly delight a great many million Americans sick at heart of over 20 years' appeasement of the Soviet Union and restore our allies' confidence in us.

And it would enhance L.B.J.'s place in history.

[From the New York (N.Y.) Daily News]

Capitol Stuff

(By Ted Lewis)

WASHINGTON, February 6.—Fidel Castro's latest threat against our Guantanamo base constitutes a dramatic shocker of a crisis which, it may be hoped, will end the Johnson administration's phony honeymoon line that all is relatively calm in world affairs.

This effort to play down every explosive situation around the globe was a disservice to the Nation from the start. It amounted to the withholding of vital information, if that information tended to show that a situation was potentially critical.

Everybody was supposed to keep calm. If they did, every crisis threat was supposed to just blow away or simmer down.

Now Castro, as might be expected, has kicked up a crisis that won't allow the President to delay making a major foreign decision until after the November election.

Actually, there never was a chance of the administration's self-proclaimed lull lasting that long anyway.

The State Department won't say so, but a witch's brew of troubles has churned up which slops over not only in Cuba but just as seriously elsewhere.

For instance:

The Cyprus crisis is far more dangerously tricky than it's made out to be in the official line. Greek Cypriot Communists are blamed for the bombing of our Embassy. It is feared that if the strategic island is controlled completely by the Greek Cypriots, it won't be long before Moscow gets control of Cyprus and has an "unsinkable aircraft carrier" in the eastern Mediterranean.

The South Vietnam military situation is moving uncomfortable close to a crisis stake. Vietcong infiltration of the Mekong Delta is now beginning to involve artillery and battalion-size forces.

This is the traditional Communist-type of buildup. The next step would be regimental actions, aimed at establishing Vietcong occupation of the delta itself. That effort could be made within 2 months, it is reported here. If it is, then the United States would have to make a choice: either commit more American troops, ordering them directly into combat, or seek from an unfavorable bargaining position a neutrality agreement such as the one in Laos.

CASTRO EMBOLDENED BY OUR ALLIES' ATTITUDE

In Panama, the situation is far more precarious than the administration will admit publicly. Communist agents from Cuba played a much bigger role in the riots there than was ever acknowledged. What is feared next is a coup d'etat which will mess up Panama internally and could clear the way for a Castro-inspired regime.

The Cuba problem is far more complex than the present clear-cut threat to Guantanamo. It is believed here that Castro would not have acted with such insane boldness but for the way our everloving European allies have run out on supporting our blockade policy.

British and French firms have made significant new commitments to sell trucks, buses, tractors, and factory equipment to Cuba, with only softly worded protests from this Government.

British firms are now making 400 buses for Castro and the sale of an additional 1,050 is in the works. The French are selling $10 million in trucks.

But this is not all. French firms are about to sign a contract to deliver hundreds of locomotives to Cuba. And Spain's Generalissimo Franco has just turned down a forceful appeal not to sell 100 fishing craft, including trawlers, to Cuba.

TRADE UNDERCUTS EFFORT TO STIFLE CUBAN ECONOMY

These are only the latest sorry instances of lack of cooperation in this country's effort to clamp an effective economic blockade on Cuba.

In 1961, for example, a British firm sold Castro $2.5 million worth of equipment to build a factory. In 1961, French firms sold Cuba turbogenerators and gas plant equipment. In 1962, another French company sent over the needed machinery for a big yeast plant.

What has been the impact of these Western European efforts to undercut the effort to stifle Cuba's Communist economy until it collapses?

It has had primarily two effects. First, it has raised havoc with the morale of the exiled "freedom fighters."

Recruiting for the anti-Castro cause has dropped off markedly in Miami, center of the undercover effort. A year ago there was enthusiasm among the exile leaders. They planned raids by guerrilla forces along the Cuban coast, aimed at tearing up railroads, blowing up factories, and arousing Castro's impoverished, regimented slaves to join the cause.

A TENDENCY TO RECOGNIZE CASTRO REGIME

What good now is it to blow up a train, if the French are supplying more than enough locomotives to replace it? Or to blow up a factory if a European firm will sell equipment for a new one?

The second effect of the British-French—and upcoming Spanish—trade with Cuba is the unhappy fact that there is already in Government echelons here a tendency to give the Castro regime a permanence. In other words, if our allies insist on keeping Cuba's economy going, perhaps we should adopt a policy leading to de facto recognition—accept the idea that Castro is there to stay, and make our main effort against him on the mainland, to prevent communism from Cuba infiltrating Latin America.

As for the immediate crisis resulting from Castro shutting off Guantanamo's water supply President Johnson's response could be a lot tougher than Fidel expects.

Castro should know that at the time of the Bay of Pigs invasion decision, Johnson, then Vice President, strongly favored U.S. air support to protect the exile forces. If President Kennedy had taken Johnson's advice, there would not be any Castro in Cuba today.

PANAMA CANAL: U.S. TROOPS, CANAL ZONE POLICE WIN HIGHEST PRAISE

Mr. TUPPER. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. Bow] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. BOW. Mr. Speaker, every Member of the Congress who has read the statement of my distinguished colleague from Pennsylvania [Mr. FLOOD] to the House on January 31, 1964, on the subject, "Panamanian Outbreak, January 9, 1964: What Really Happened," have authoritative knowledge of what occurred. That together with statements by many other Members of the Congress have supplied an irrefutable documentation derived from facts ascertained by observers on the same.

Despite severe provocation the defensive operations of the U.S. Army under Gen. Andrew P. O'Meara, commander in chief, U.S. Southern Command, and of the Canal Zone police was exemplary in restraint. It was their defense that made it possible for our civil employees to keep the Panama Canal operating without interruption and as efficiently as ever throughout the attempted mob invasions of the zone.

It was, therefore, with the highest satisfaction that I read in the January 27, 1964 issue of the Panama Canal Spillway the spontaneous commendation that Deputy Secretary of Defense Cyrus R. Vance gave to the gallant defenders of the Panama Canal. This commendation will appeal strongly to every patriotic American citizen who knows what really happened at Panama.

In order that Secretary Vance's fine commendation of the defenders of the Panama Canal, the U.S. Army and Canal Zone police, may be known to the Nation and recorded in the permanent annals of the Congress, I quote it as part of my remarks:

U.S. TROOPS, CANAL ZONE POLICE WIN HIGHEST PRAISE FROM SECRETARY VANCE

Highest commendation for the U.S. troops and the Canal Zone police was expressed by Deputy Secretary of Defense Cyrus R. Vance, in a press conference at the Pentagon in Washington, D.C., following his return from Panama.

"I would like to say very strongly that I was tremendously impressed with the high level of discipline and restraint that our forces showed under extreme provocation and danger to their lives from mobs and snipers. In my opinion they deserve the highest commendation," Secretary Vance said.

Question. "Mr. Secretary, isn't it a little unusual for our troops to be given orders not to fire back at people who are firing at them, and can you go into this whole realm of the problem?"

Answer. Secretary Vance. "Yes, I can and I would be delighted to. It is usual for our troops in a riot situation to use that amount of force which is necessary to protect their lives, the lives of others, and property. And they use only that amount of force which is required to do that job. This is exactly what our troops did during the entire period of time. And I want to say again, I just have the greatest admiration for the way they handled themselves during this period. I also include the Canal Zone police who faced very, very tremendous odds during the early stages of rioting, and I think conducted themselves in splendid fashion."

OFF THE RECORD VOTING

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. GONZALEZ] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, it is well known that criticism of Congress has been increasing. Much of this criticism is unwarranted and based on a lack of understanding of the proper function of Congress. For this reason some people say Congress does too much and some people say it does too little.

But some criticism is based on facts and has merit. Some of the questions being raised about Congress and the actions of some Members of Congress need to be answered. For example, it has been said that although a Congressman may go on record in favor of a specific bill the same Congressman may have actually been working behind the scenes against that bill. He may vote to kill the bill or to wreck it so long as no record is made of his vote, as in a division vote, and then vote for the bill on a record vote. It is said that such tactics are obstructive and not constructive; that such behavior is less than forthright and less than honest. It is said that when a Congressman votes one way when no one is looking and no record is being made, and then votes the opposite way when a record is being made, that he is being deceptive. These are the things that some of the critics of Congress are saying.

A case in point is the action that took place on the floor of the House during the debate of the bill to provide for the coinage of 50-cent pieces bearing the likeness of President John F. Kennedy, H.R. 9413. I was particularly concerned with the progress of this bill because I introduced the first bill in Congress to provide for a Kennedy 50-cent piece—H.R. 9293—and as a member of the House Banking and Currency Committee I played some part in passing the Kennedy coin bill out of committee so that it could be considered on the floor of the House. Because of my affection and deep respect for our late President and because of my personal efforts in getting this bill to the floor, I was greatly interested in this matter and I took careful note of what transpired during the debate.

It will be recalled that the debate took place on December 17, 1963. Most of us were still moved and shocked by the brutal assassination of our beloved President. It was scarcely 3 weeks since a good part of the world wept at his burial. We were still in the official period of mourning. It was, therefore, a great surprise to see that even on the occasion of memorializing John F. Kennedy the detractors and the obstructors were still at work. A constituent of mine was in the gallery during that debate and he noticed a very odd thing. He noticed that there were actually two votes taken on the Kennedy coin bill. The first vote was a division vote and no record was made on who voted aye and who voted no. But there were relatively few votes against the Kennedy coin bill and it was easy to see and identify the ones voting against it. My constituent noticed that on the division vote only eight persons stood up to vote against the bill. And at least one of the persons who stood up against the Kennedy coin bill was the Congressman from the 16th District of Texas. But after this division vote was taken there was a motion that a quorum was not present and it was necessary to take a record vote. On the second vote the Congressman from the 16th District changed his vote and voted "aye." My constituent asked:

> How come the Congressman from the 16th District of Texas voted against the Kennedy coin bill when no record was being made, and then changed his vote and voted "aye" when a record was made?

My constituent asked:

> Is it right for a Congressman to vote against a bill when no record is made of his vote, and to then vote for the bill when a record is made? Is it ethical? Is he trying to fool the people who cannot be present to see how he really acted? Is he trying to pull the wool over the public's eyes by making them believe he was for the Kennedy coin bill when he was really against it?

These are some of the questions my constituent asked me.

The trouble was I could not answer these questions. He witnessed the events on the floor of the House December 17, 1963, as did I, and the strange off-the-record "no" but on-the-record "yes," now you see me, now you do not type behavior was a little baffling. I could not explain it, and now I am afraid that my constituent does not think as well of Congress as he used to. I am afraid he has joined the increasing number of critics of Congress.

COMMUNISM

The SPEAKER pro tempore (Mr. ALBERT). Under previous order of the House, the gentleman from California [Mr. LIPSCOMB] is recognized for 30 minutes.

Mr. LIPSCOMB. Mr. Speaker, the administration's peculiar desire to both fight communism and to feed it at the same time is bewildering to many Americans.

Administration officials who are responsible for establishing and carrying out policy on East-West trade—such as Secretary of State Dean Rusk, Secretary of Commerce Luther Hodges, Secretary of the Treasury Douglas Dillon, and Secretary of Defense Robert McNamara—in my view have been less than candid about the real rationale behind U.S. sales of items such as wheat, rice, fertilizer plants, mining machinery, and chemicals to the Soviet Union.

A particularly revealing piece of evidence about basic administration thinking in this area is a disturbing document released July 18, 1963, which was financed by taxpayers' funds under Government contract. It is entitled "Common Action for the Control of Conflict: An Approach to the Problem of International Tension and Arms Control," by Vincent P. Rock.

The document presents the conclusions of a study known as Project Phoenix, performed by the Institute for Defense Analysis for the U.S. Arms Control and Disarmament Agency and its predecessor agency in the State Department. The Institute for Defense Analysis is a private research organization with over $10 million in Government contracts, primarily for the Pentagon.

The document is labeled "An Analysis of the Present and Potential Scope of Interdependence Between the United States and the Soviet Union." Author Rock, according to the study's foreword, is a member of the Institute for Defense Analysis' International Studies Division and has been associated with national security policy on the White House staff, in the Executive Office of the President, and with the National Security Council.

It is reported that 300 copies of the Rock report were printed and distributed in July 1963. The study reportedly has been must reading for administration officials. Published accounts have indicated that copies were given to members of the U.S. team that negotiated the test ban treaty in Moscow last July. It has been speculated that Secretary of Agriculture Orville Freeman spent more time reading the Rock report than looking at Soviet crops on his trip to Russia last summer; this might explain his announcement, made just weeks before Soviet crop failures became public knowledge, that Russian agriculture was doing just fine.

The Rock report becomes an important document because, since its release, administration policies seem to have coincided to a high degree with its recommendations. Although it purports to be nothing more than its author's opinions, it has turned out to be a handy advance guidebook to administration actions.

Example: The Rock report recommended that the United States develop an informal understanding with the Soviet Union to cut the level of military spending on both sides.

Action: President Johnson announced January 8, that the United States would reduce by 25 percent the production of enriched uranium and would close four plutonium piles. He endorsed a policy of mutual example to limit the arms race. From the New York Times, January 9, 1964:

> In essence, the President agreed to an attempt by both the Soviet Union and the United States to hold down military budgets and their rates of increase without formal agreement. Neither side would significantly inhibit its overall military power, but each would save money for other purposes and encourage the other along the road to economy.
>
> Officials of the State and Defense Departments explained today that none of the cutbacks in fissionable materials would reduce the strength of American forces and weapons. However, the limitations do take into account, they said, the levels of military spending in the Soviet Union.

Example: The report recommended the United States seek Soviet cooperation in future space efforts.

Action: On August 16, 1963, the National Aeronautics and Space Administration announced Soviet agreement to a joint cooperative space program. A memorandum of understanding with the Soviets listed a coordinated weather satellite program and joint contributions of satellite-gathered data to the World Magnetic Survey. On September 20, 1963, President Kennedy proposed that the U.S.S.R. join the United States in a cooperative expedition to the moon.

Example: The report recommended that the United States consider assisting Soviet agriculture.

Action: Since August 1963, the Department of Commerce has licensed sales to the U.S.S.R. of $9.5 million worth of potash mining equipment to boost Soviet fertilizer production, technical data for a complete fertilizer plant, a laboratory grass incubator, nearly $2 million worth of insecticides and herbicides, $7.45 million worth of rice, and about $311 million worth of wheat. As much as three-quarters of the wheat sales will be for 18-month credit, not cash, guaranteed by the U.S. Export-Import Bank, according to press reports.

Example: The report recommended reducing restrictions on trade with the Soviet Union.

Action: Secretary of Commerce Hodges announced at a January press conference that trade with the Soviets is still under study. He affirmed his stand in favor of expanding such trade. From the New York Times, January 9, 1964:

> The administration * * * will explore further the opportunities for developing East-West trade with emphasis on its readiness to sell agricultural products.

Example: The report recommended increasing scientific cooperation with the Soviet Union.

Action: On January 26, 1964, joint United States-U.S.S.R. scientific communications experiments with the American Echo II balloon satellite were revealed. According to a New York Times story, February 2, 1964, the United States and U.S.S.R. will measure the intensity of cosmic ray particles in a joint Antarctic research project.

The Rock report made other recommendations, all aimed at achieving greater interdependence with the Soviet Union. If the past is any guide, we can look for forthcoming administration moves to implement these additional recommendations: A freer flow of Western technology into the U.S.S.R.; common action in weather and ocean research; a search for areas in the world where the United States can disengage with the Soviets; more art, games, and creative play with the Russians; mutual restraint of allies and neutrals; joint participation in foreign aid projects; encouragement of Soviet development of mutually invulnerable weapon systems; and an overall U.S. policy of collaboration plus conflict toward the U.S.S.R. to replace a policy of simple conflict.

Since administration moves seem to have generally corresponded to the Rock report outline, let us inspect some of the paper's more questionable assumptions.

Fallacy 1: The report reasons that the Soviets will catch up economically with the United States during the next decade or two. Therefore, interdependence—or common ties—are urgently needed to temper Soviet aggressiveness before the economic balance of power shifts in the Communists' favor.

The report's rosy view of Soviet economic progress is refuted all the way from the CIA to the Soviets themselves. According to the CIA estimate released in January, the Soviet economy grew only 2.5 percent last year. The U.S. economy meanwhile has been growing roughly twice as fast.

A Soviet Central Statistical Board report disclosed Soviet economic growth has actually dropped 1 percent a year since 1960. The dean of Soviet economists, Stanislav Strumlin, remarked in a 1963 Soviet statistical tract that the U.S.S.R. has made practically no progress since 1960 in catching up with the United States. Strumlin added that the U.S.S.R. will not catch up until well after the turn of the 21st century.

Time is against the Soviets. Nikita Khrushchev admitted, January 6, 1961:

> To win time in the economic contest with capitalism is the main thing.

Fallacy 2: The report assumes that a widening of trade relations and assistance to Soviet agriculture will induce the Communist regime to spend more of its resources on consumer goods for the Russian people.

Does commonsense not tell us that U.S. assistance will have the opposite effect? The less the regime has to worry about its stagnant agricultural sector, the more resources it can plow into its obsession to become the world's No. 1 industrial power.

At this moment in history, the Communists hope to create a modern chemical industry to solve their fertilizer production shortfall which in turn may help solve their massive agricultural dilemma. U.S. agricultural assistance will help the Communist regime relieve its immediate crisis, but it is hard to see just how free world generosity will motivate Communist economic planners to change their priorities.

If Communist planners decide to invest more in consumer goods, they will do so for cold reasons of power—less Russian public discontent, more incentive for Russian workers, more propaganda appeal, and a more stable Communist power base.

Fallacy 3: The report assumes that better fed, better clothed Russians will create a less aggressive, more representative government in the Soviet Union, and, consequently, a change in the militant goals of the Communist Party toward world domination.

This crude fallacy apparently is shared by many in the administration. For instance, a Washington Star article recently quoted anonymous top-level Department of State officials:

> A well-fed Soviet population might in the long run be to this country's interest.

It is hard for me to see the Russian people pressing hard for changes in their Government if they are content with their material lot in life. Even Arthur Schlesinger, Jr., former special assistant to the President and resident White House historian, wrote in Encounter, January 1960, after an extensive trip through the Soviet Union:

> The unquestionable progress in the last half dozen years toward greater personal security and greater personal comfort may even have strengthened rather than weakened the dogmatic and ideological character of Soviet society.

Philip E. Mosely, widely known Sino-Soviet expert and principal research fellow, Council on Foreign Relations, New York, had much the same comment in Foreign Affairs, April 1961:

> Far from raising a stronger demand for freedom of information and opinion, the rising [Russian] standard of living seems from personal observation of many visitors to have raised the level of popular trust in the party's propaganda. It has positively enhanced Khrushchev's ability to mobilize the people's energies and loyalties behind his foreign as well as his domestic programs.

Finally, consider the example of totalitarian Germany during the 1930's when the German people acquiesced in Hitler's aggressive adventures despite a relatively affluent living standard.

Past experience teaches that popular discontent with the system is most likely to dilute the schemes of Communist rulers. For example, Poland's liberalization occurred only after 1956 mass uprisings attributed primarily to food shortages.

Fallacy 4: The report assumes that Communist ideology now has mellowed enough so that the United States and the U.S.S.R. can work together as well as independently, that the Communist Party can learn to identify the cumulative mutual advantages to be gained from restraint, cooperation, and common endeavors.

It is difficult to imagine what these common endeavors might be as long as Nikita Khrushchev or his successors stick to the major strategy statement he delivered January 6, 1961, to a meeting of the party organizations in the higher party school, the Academy of Social Sciences, and the Institute of Marxism-Leninism of the Central Committee, Communist Party of the Soviet Union:

> Our era is the era of the struggle of two diametrically opposed social systems * * * an era of the collapse of capitalism * * * and the triumph of socialism and communism on a world scale.

As late as January 18, 1964, in a speech to Soviet textile workers, he said:

> Communism is being built not only within the borders of the Soviet Union; we are also doing all we can to see that communism triumphs over all the earth.

Khrushchev means to overthrow all non-Communist regimes on earth as capitalist or imperialist. Certainly he would never enter into any agreements or common endeavors which would, in his opinion, conflict with this aim.

The Rock report greatly exaggerates the affects of persuasion on hardened, disciplined men like Khrushchev, Mikhail Suslov—the Kremlin's sinister Stalinist holdover—or Andrei Gromyko—who lied to President Kennedy's face about Soviet missiles in Cuba. They are a generation of uncompromising Communists who have a personal, professional, and public interest in obliterating Western society. The suggestion that common endeavors are possible recalls Hilaire Belloc's "The Barbarians":

> We sit by and watch the Barbarian, we tolerate him; in the long stretches of peace we are not afraid.
>
> We are tickled by his irreverence, his comic inversion of our old certitudes and our fixed creeds refreshes us; we laugh. But as we laugh we are watched by large and awful faces from behind; and on these faces there is no smile.

Fallacy 5: The report reasons that, since both Americans and Russians like to enjoy life, why should the United States not contribute food to the Soviet economy? This way, the Russians will get more to eat and Americans can spend less time worrying about the atomic bomb threat—and both peoples will enjoy life more.

This kind of reasoning looks a little strained. We do not need to bribe the Russian people with wheat to win their friendship. The Russian common man has always been friendly despite the Communist propaganda barrier. The Communist leadership, not the Russian people, decided the alleged 100-megaton terror bomb exploded in 1961 testing was a better investment for Russian rubles than Soviet farming. Wheat contributions will only make it more unlikely for Russians to urge political change on the party apparatus, easier for a vindicated Khrushchev to threaten us with atomic incineration in the future.

Fallacy 6: The report states that so-called peaceful technology can be traded to the Soviets and war technology withheld; that long-term credits may safely be granted to the civilian sector of the Soviet economy.

The Soviet economy is not a market ruled by consumer demand but a weapon at the service of the Communist Party. As long as the Communist Party sets its economic priorities in terms of world domination, as it has, rather than consumer demand, there is no difference between peaceful and warlike trade. Everything from a samovar to a missile silo is strategic because it means a savings in materials and labor which the regime can divert to more necessary or strategic use.

In this sense, U.S. wheat sales, superficially peaceful, are in fact especially strategic. W. W. Rostow, Chairman of the Department of State Policy Planning Council and an advocate of interdependence, said on August 19, 1963:

> One of the oldest propositions in economics is that agricultural output is, in the widest sense, the basic working capital of a nation.

If grain is working capital, it seems odd to hand the Soviet regime this kind of blank-check financing, particularly if all evidence indicates we are financing our own downfall.

Fallacy 7: The report assumes that trade promotes peace and reasonableness between nations.

Trade may. On the other hand, we remember the examples of pre-World War II Germany and Japan when it did not.

For generations Germany had been our largest trading partner, Britain excepted. There were cultural ties with the United States in art, science, music, and, additionally, by virtue of millions of U.S. citizens of German extraction closely tied to their former homeland. We also shared deep business and educational ties with Japan. Yet did trade prevent misunderstanding with the totalitarian regimes then in power? Did all the interdependent ties prevent a bloody war?

We also have the present-day example of East Germany, a state practically supported by extensive trade with free West Germany yet still gripped by the most repulsive, aggressive dictatorship in Eastern Europe.

Fallacy 8: The report assumes that trade between the United States and the U.S.S.R. could be greatly expanded, given long-term U.S. credit, and that beneficial contacts between the two countries would follow.

Trade expansion would be selective and temporary, because the Communists have not lost hope of eventual autarchy or independence of non-Communist supply sources. The Communist state trading monopoly imports technology in one-shot deals to build a self-sufficient Soviet industrial and agricultural capability. For example, wheat is being purchased from the West while the Communists build a chemical industry to increase fertilizer production and to gain eventual agricultural self-sufficiency. If and when the Communists can grow enough grain themselves, they will obviously have no need for Western grain. In fact they will become competitors. It is hard to envisage great volumes of trade with a state bent on becoming a self-sustaining economic fortress.

Time and again specific Western prototypes have been bought for copying by Soviet industry. Western know-how has been purchased or stolen in order to build particular industries. Khrushchev's current chemical industry campaign is the latest example.

His recent address to the U.S.S.R. Communist Party Central Committee on

December 9, 1963, about Soviet chemicalization contained this paragraph:

> I must frequently listen to complaints from scientists that research institutes have difficulty in obtaining reagents—particularly of high purity, complex modern instruments, and other equipment. We must do everything possible so that our scientists do not have to waste time in striving to manufacture by their own efforts instruments and reagents that they need. We must provide them with all of this. It is necessary to set up an industrial basis for manufacturing experimental equipment and reagents.

Within a 2-day period—October 23–25, 1963—the Department of Commerce announced at least nine separate licenses for export of reagent chemicals to Soviet laboratories. What is more, all shipments are small. Seven licenses were for reagents valued at less than $100. The largest was valued at only $2,184.

The Soviets can take a shortcut by buying U.S. samples, analyzing them, and putting the Soviet version into production. Does anyone seriously think that the sale of small sample batches will open up a huge market for U.S. chemical reagents? On the contrary, as soon as the Soviets become self-sufficient, there will be no market at all.

The same goes for medicinal preparations. Said Khrushchev in the same speech:

> Our production of * * * medicinal preparations is seriously lagging.

Between October 14, 1963, and January 14, 1964, the Department of Commerce announced at least 16 different licenses for shipment of medicinal and pharmaceutical items to the Soviet Union. Fourteen of these licenses were for shipments valued at $400 or less, many for only a few dollars. The largest license was $3,364. Do these sample shipments go into the Soviet consumer market or into laboratories for analysis and subsequent Soviet independent production?

On synthetic resins, Khrushchev said:

> By 1970, it is planned to utilize 1.1 million tons of plastics and synthetic resins in the engineering and electrical industry. And what does this mean? This will enable a saving of nearly half a billion rubles in capital investments alone. * * * However, the machine builders have been very timid so far about applying plastics. This is explained by the lag in research work. It is time to tackle in the proper manner the creation of a new chapter in the science of materials * * * to determine the fields of application of plastics and synthetic resins, and to publish appropriate reference literature.

On November 20, 1963, the Department of Commerce announced it had licensed export of $144 worth of industrial chemicals used in the manufacture of synthetic resins. A $1 license for a synthetic resin sample was revealed on October 9, 1963, another on October 25, 1963.

The list of small prototype lots exported to the Soviet Union during its chemical expansion drive extends similarly to industrial and organic chemicals, synthetic rubber compounds, petroleum additives, synthetic fibers, and antioxidants.

Do these odd lot sales really expand East-West trade or are they simply contributions toward an independent Soviet capability in a specific product field—a shortcut in overtaking capitalism?

Regarding the Rock report's contention that trade brings beneficial contact, one need only ask if the heavy-handed presence of Amtorg, the Soviet state trading monopoly's New York representative for industrial espionage since the 1920's, has had any beneficial influence whatever on the basic conflicts that divide East and West. According to an article by FBI Director J. Edgar Hoover, "The U.S. Businessman Faces the Soviet Spy," Harvard Business Review, January–February 1964:

> Amtorg * * * is staffed by Soviet intelligence agents, is a seedbed of espionage. Prior to diplomatic recognition of the Soviet Union in 1933 and the opening of the Soviet Embassy, it served as the chief base of Russian spy operations in the United States.

Fallacy 9: The report states that a relaxed trading policy is reversible; that we could cut off trade if the Soviets refuse to behave well, to become interdependent, or to funnel more resources into consumer goods.

Assuming East-West trade reaches the large volume the report optimistically visualizes, would not any U.S. administration find domestic difficulties in cutting off relaxed trade? U.S. businessmen and workers, newly dependent on East-West business, would be hurt. Would not an administration be prone to argue that interdependence takes time, that we should not cut off trade because of short-term Soviet misbehavior?

Further, would it not be practically impossible to cut off relaxed Allied trade with the Soviet Union? U.S. wheat sales have shown how hard it is to hold the line once a trade breakthrough takes place or when one ally sets a precedent for another. Look at the postwheat sale record: 400 British buses sold to Cuba January 7, and an option February 3 for 1,000 more; a $51 million sale of Spanish fishing trawlers to Cuba is pending; a British announcement January 28 she is willing to liberalize machine tool trade with Eastern Europe; a French agreement January 28 to negotiate a long-term trade pact with the Soviet Union to include exports of machine tools and entire synthetics plants; a French offer February 3 to sell jetliners to Red China; an Italian deal February 5 to expand Soviet trade 15 to 20 percent in 1964–65; a Polish-French trade pact February 5; a Moscow-Tokyo pact February 5 to expand 1964 trade 14 percent. Every day brings new reports of Allied trade defections.

Once trade bars are lowered, as a practical matter it is very difficult to backtrack. The allies would ignore our about-face once their profit carvings were blessed by sufficient precedent.

Fallacy 10: The report uses the argument that if we do not trade with the Soviets, others will; the Soviets can get it elsewhere.

When the Communists offer to buy an item from the United States, essentially they do so because first, our price is better; second, our quality is better; third, we can deliver sooner; or fourth, our state of the art is more advanced. Otherwise they would not bother to make the offer. Also, the Soviets want to establish trade precedents with the United States when possible; that is, sales to be used later as arguments for allied countries to sell to the U.S.S.R. more obviously strategic items.

There are many other fallacies in the Rock report that bear investigation. Despite these fallacies, events suggest that its ideas are at this moment influencing U.S. East-West trade strategy.

The evidence leads me to conclude that our planners believe a wealthier, economically stronger Soviet Union is desirable. The theory is evidently accepted that U.S. economic assistance to the U.S.S.R. is not necessarily bad. How else to construe a letter written to me by Secretary of Commerce Luther Hodges, August 30, 1963, explaining the sale of potash mining equipment to the Soviet Union. His letter said:

> There was little doubt that the equipment would make a significant contribution to the production of potash in the Soviet bloc.

He added that the machinery sale was—and I quote:

> A significant contribution to the bloc economic potential.

Mr. Hodges maintained that this significant contribution to the bloc economic potential was in the overall best interests of the United States, and that the decision was considered at the highest levels of the administration.

How else to construe the fact that the administration has actively promoted installment plan wheat sales to the Soviets instead of treating the Soviet Union, as President Kennedy promised October 9, 1963, "like any other cash customer who is willing and able to strike a bargain with private American merchants."

Examples are the Department of Agriculture's subsidies on durum wheat paid to U.S. shippers to offset part of the shipping cost; reported coercion of United States ships into U.S.S.R. wheat carriage by bid discrimination investigated by the House Merchant Marine Subcommittee; Export-Import Bank credit guarantees on three-quarters of all wheat sales; and a Presidential determination February 4, 1964, that such credit is in the national interest.

Why this effort to push through agricultural commodity sales if the administration does not believe an affluent Soviet Union is desirable.

And why an affluent Soviet Union? According to the line of argument being promoted, the Communist Party of the Soviet Union will thereby be induced to change its beliefs and intentions. To my mind, this point is the crux of the East-West trade debate.

Any East-West trade strategy should be designed to reduce the capacity and desire of the Soviet Union to menace our national security. The policy of selling to the Soviet Union must stand or fall on whether this policy will accelerate favorable changes in Soviet society, and more particularly in its ruling elite.

For example, I would hope that no administration would gamble the national welfare solely for the sake of propaganda. Yet, according to the Presidential announcement of October 9, 1963, grain sales to the U.S.S.R. would "advertise to the world as nothing else could the success of free American agriculture."

This fact is true, but it cannot be a policy determinant. The Nation's security position is too high a price to pay for a transitory Voice of America publicity gimmick.

Also, I would hope that no administration would gamble our national welfare for minor domestic gains, or for partisan politics. Consider these much-advertised advantages: Somewhat better profits for businessmen in the export trade; possible jobs for workers; maybe better markets for farmers in future years if grain sales continue; a few million dollars less for surplus commodity storage; a minor and temporary improvement in our balance-of-payments deficit.

Weigh these microscopic gains in comparison with what we have already spent to protect the long-term security position of our free society. We have spent about $700 billion for arms and foreign aid over the past 15 years in resisting the Sino-Soviet bloc. We suffered nearly 158,000 killed or wounded in Korea. We have had more than 670 casualties so far in Vietnam. Surely we are not so anxious to make a few hundred million in excess profits that we can afford to throw away the enormous original expenditure for the free world's welfare and security.

I agree fully with a distinguished Member of the other body, who has commented to the effect that the Soviet Union is a powerful and dangerous antagonist whom we can and should influence in various ways toward abandoning its aggressive designs. Change in Communist goals is the only road to a peace we can accept.

The problem is: Precisely how can the Communist Party of the Soviet Union be so influenced.

It is quite a gamble that the Soviets will have a change of heart because of superficial interdependence or persuasion in the form of agriculture sales and other trade. After looking at the Rock report's reasoning, odds on this gamble with U.S. national security look pretty prohibitive. If the gamble fails, the enemy will be more able to war against us in the future.

The interdependence approach substitutes wishful thinking for policy based on real cause and effect. Americans have a long record of wishing reasonable acts would in themselves make the world more reasonable, but wishing never seems to help.

The cooperation delusion merely buys time for a persistent, determined enemy who needs time. A so-called detente in trade delays the day of reckoning when Communist ideology must match economic deeds with words in the minds of party functionaries and the Russian people. Khrushchev has promised the long-suffering Russian common people a better life. Why allow Khrushchev to escape from his own extravagant promises? Let his own Communist system deliver this better life without the Western help he despises, or let him pay the consequences.

A rational approach must deny the legitimacy of success to Communist ideology and the Soviet regime it now guides. We must force modernization and liberalization on the Soviet regime by demonstrating that Communist premises are wrong.

Slumping Communist economic growth rates suggest that the cumbersome system itself is unsuited to a complex modern state. Already many Russians are privately calling the system itself into question. We must give these emerging forces in Russian society every reason to oppose and pressure their leaders toward a more rational course in human affairs, toward better food, clothing, and housing, and eventually toward a more representative, pluralistic government.

But I cannot understand how outright U.S. assistance to the Communist regime itself will in any way accelerate these trends we want to see. U.S. wheat this year will simply shore up the softest spot in the Communist-planned' economy. Wheat will enable Communist planners to set their own priorities, as before, in continuing disregard of actual Soviet consumer needs. U.S economic aid will actually lessen popular Russian disillusionment and demands for more consent in the Soviet Government.

How then can we use our economic and technical superiority realistically to promote gradual erosion in Communist goals and methods? What are alternatives to interdependence in East-West trade?

A starting point has been advanced. The President of the United States should convene immediately a top-level free world East-West trade conference. Its purpose: to unsnarl rampant contradictions and inconsistencies in the free world's East-West trade.

The conference should frankly discuss the problems of resisting communism by using the West's economic superiority as a bargaining tool. Perhaps there is more of a consensus than we think, if only we marshal our efforts forcefully toward this end.

After all, no free world country as yet lives or dies on Soviet trade alone. Bloc trade with Western Europe and Japan in 1961, for example, was roughly only 4 to 5 percent of these countries' total foreign trade. Even Britain, the most eager exponent of trade with the Soviets, sent only 3.6 percent of her total 1962 exports to the Sino-Soviet bloc, less than one-half of this amount to the Soviet Union.

Next, the administration should operate on the basis that the U.S. national welfare is degraded when U.S. trade allows significant contributions to the Soviet economy without accompanying political or doctrinal concessions by the Soviets.

Fortunately we are prosperous enough to hold to this rule whether or not one or more Allied countries trade permissively with the Soviets.

An honest quid pro quo is the very least we can ask from men who are dedicated to burying us. Let them pay our price or do without. Would they not do as much for and to us if the situation were reversed? Soviet economic woes are a bargaining windfall. Let us not waste our good fortune for the sake of the illusion that unilateral investment in Soviet interdependence will reap vague future dividends in the form of a modified Soviet Communist Party.

Finally, the House of Representatives Select Committee on Export Control, active in the 87th Congress, should be revived to thoroughly investigate the disturbing trend toward permissive trade with the Soviet bloc. The select committee should be empowered to explore alternatives to economic collaboration with the Soviets.

Mr. Speaker, it is time for a more realistic East-West trade policy. Those who have the responsibility must give the matter high priority in the interest of our national welfare and security. The Department of Commerce must adhere to Congress intent expressed in the Export Control Act of 1949 that necessary vigilance be exercised over exports from the standpoint of their economic and military significance to the national security of the United States. We must pursue positive policies toward this end before the Communist rulers threat, "we will bury you," becomes a reality.

THE SO-CALLED CIVIL RIGHTS ACT OF 1964

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. ASHBROOK] is recognized for 1 hour.

Mr. ASHBROOK. Mr. Speaker, during the past 9 days of debate on H.R. 7152, the so-called Civil Rights Act of 1964, I have listened intently through the many long hours of argument and have concluded that this bill fails in its basic target. Regardless of the artful propaganda involved, this bill will take away more freedom than it will create. Time and time again, efforts at constructive amendment were brushed aside with near contempt and it became crystal clear that minds had been made up and hardly the slightest change would be allowed. There was very little concession to reason or logic and one of the very few amendments which got through over leadership protest was my own. In the minds of the proponents of the bill was the clear policy that there would be no concession in this body because the Senate would undoubtedly whittle out some of the sections. Not only is this a poor way to legislate but what if they do not cut out some of the bad provisions of this bill? We should always do what we think is right and not leave it to George.

At the outset, let me say that I am firmly committed to the principle that constitutional rights of all citizens should be protected and they should be afforded even and fair justice. At the same time, I firmly believe that the Congress does not have powers other than those enumerated in the Constitution and this bill exceeds not only our expressed powers but also good legislative policy. It is my belief that Congress clearly has authority in the following areas:

First. Protection from denial or abridgment of the basic right to vote which is secured by the 15th amendment.

Second. Regulation and protection of the interstate transportation of persons.

Third. Congressional action to guarantee that Federal assistance programs will not be utilized to subsidize and perpetuate discrimination.

Fourth. Congressional action and executive action to prevent discrimination of any type in employment by the Federal Government or in Federal contracts.

Fifth. Congressional action in areas of discrimination by States.

Other rights could be added but these serve as the basic framework for Federal activity. In my judgment, H.R. 7152 has no meaningful relation to these basic principles and so involves itself in what has hitherto been considered as proper State or local as well as private conduct that the passage of this bill will effectively remove and destroy any semblance of the Federal system which has been so carefully constructed in this Nation. In every bill there is good and bad. Rarely is a Member of Congress in total agreement with a bill or in total opposition to it. In the case of H.R. 7152, I can honestly say that the bad provisions so far outweigh the good sections that I could not give it any degree of support.

My constituents know that I have always been willing to candidly state my beliefs and my position on legislative matters. I have never willingly dodged an issue nor attempted to deceive anyone on the nature of my convictions. I will endeavor to do exactly the same thing on the issue of civil rights. Repeatedly, it has been my experience that a major difficulty in communicating is in reaching some common understanding of terms. I have received many letters earnestly advocating my support of civil rights legislation but on discussion I quite often find that we are not quite sure what those two words actually mean.

I am reminded of an applicable statement which has been attributed to Voltaire. This great philosopher once said: "Before we converse, first define your terms." I continually ask my constituents and others, "Just what do you mean when you say 'civil rights'?" Quite frankly, there is little general agreement on the term and it means about as many different things as the number of people you ask. To some, it means transporting my children 20 or 30 miles to classrooms in another school district so they will be in a racially balanced district, all of this because my hometown might happen to be predominantly white. To some it means depriving me of the right to sell or rent my property to whomever I want to and on the terms I desire. To others it would mean that I should not have my own clientele in my business whether it be newspaper or insurance. To others, it would mean that there must be Federal Government interference with what I feel is my right to choose or accept members of the community in a vast array of groups related to some phase of our total culture. To others it would mean taking what is mine without bothering to work for it or earn it. To others it would mean securing voting rights or preventing discrimination at public parks. Yes, civil rights means a great many things to a great many people and this is possibly why it is so difficult to communicate meaningfully on this sensitive subject.

It is indeed hard to arrive at any common definition. The same difficulty is encountered when we talk about individual freedom or personal liberty. As we all know, our freedom is not an absolute one. I do not have the right to yell "Fire" in a crowded theater as an exercise of my personal freedom. In many cases, people want individual freedom to abuse what may be called the civil rights of others. Some want civil rights to impinge strongly on the individual freedoms which others are exercising. Men of good will have disagreed in the past and always will disagree as to the legitimate boundary of each. It is my belief that in this bill we see such a strong intrusion into the legitimate domain of individual rights that even the words "civil rights" cannot be used to cover up the naked abuse.

I have always been keenly interested in the semantics which are used more and more as the art of modern politics. Accordingly, "civil rights" is something that is good as a semantic term and "States rights" is something bad. Unfortunately, there is a strong tendency to legislate by labels without closely examining the contents of the jar. There is a curious parallel here with another piece of legislation which had the same purported humanitarian purposes. Many of the same people were writing a short time ago urging my support of a migrant workers bill. Now who could oppose this? The spectacle of Puerto Rican and Mexican farmworkers being exploited by unscrupulous gang leaders and farmers was presented in its full glory with 1-hour TV programs and national attention. The bill, as it came to the floor, was a smokescreen cover to place Government control over all youthful farmworkers—not just the migrants. It was so extensive that it would have covered the Licking County, Ohio, farmboy who might climb the fence and go to his neighbor's barn for a few traditional chores. During the debate, one of the sponsors of the bill was asked whether or not a similar situation to the one I have just cited would be covered by the migrant workers bill and he honestly replied:

> Mr. O'HARA of Michigan. * * * That situation would be covered by this legislation and it does not make any difference if it is just across the street or how far away it is.

A lot of ground for a migrant workers bill to cover, don't you think?

Mr. Speaker, I feel that the debate on this bill clearly shows that in this same manner we are doing far more than that which we purport to accomplish. There are as many civil wrongs as there are civil rights in this bill and I would like to cover only a few of them in the brief time I have allotted for this address.

A part of the effort to sell this bill was a concerted propaganda drive which could be the subject of a speech of equal proportions. This is not to say that the propaganda has been one-sided, either, since charges have strayed all over the place from left to right field. I found the most interesting tactic, however, the repeated reference to H.R. 7152 as a compromise or watered-down civil rights bill. A strict survey of the legislative history of this bill would indicate that it is, in most particulars, a more stringent bill than the one which President Kennedy originally recommended last year. Compulsory FEPC provisions were not in the original Kennedy bill nor were the broad authority which is given to the Attorney General under title III and the cut off of Federal funds in title VI. Let us examine a few of the sections in this omnibus bill.

TITLE I—VOTING RIGHTS

Title I deals with voting rights. The 15th amendment is a fundamental part of our body of law and I certainly treat it not only as the law of the land but also an ideal which must be attained. I have absolutely no patience with chicanery of local voting officials anywhere, be it in the matter of vote frauds in Chicago or in the denial of the right to vote in a southern village. The Supreme Court has repeatedly ruled that it is the right of the States to determine the qualifications of their electors but here we see every effort made to institute Federal standards. If this is desirable, why do the proponents of this legislation not utilize the method which only recently brought into effect the 24th amendment regarding poll taxes. I supported that joint resolution and would support meaningful constitutional amendments which would assure the precious rights of citizens to vote in Chicago, Ill., Hattiesburg, Miss., or anywhere.

Many people overlook the fact that in 1957 and 1960 civil rights bills were enacted with specific emphasis on voting. They are still on the books and they are still being used.

The 15th amendment has as its sole purpose the prohibition of State law which would give preference of one citizen over another on account of race, color, or previous condition of servitude. It has uniformly been held by the Supreme Court that literacy tests are appropriate, and yet here we see an effort to tear them down. In *Guinn* v. *United States* (238 U.S. 347) the Court pronounced the following:

> Beyond doubt the amendment does not take away from the State governments in a general sense the power over suffrage which has belonged to those governments from the beginning and without the possession of which power the whole fabric upon which the division of State and national authority under the Constitution and the organization of both governments rest would be without support and both the authority of the

> Nation and the State would fall to the ground. In fact the very command of the amendment recognizes the possession of the general power by the State, since the amendment seeks to regulate its exercise as to the particular subject with which it deals. * * *
>
> It is true also that the amendment does not change, modify, or deprive the States of their full power as to suffrage except of course as to the subject with which the amendment deals and to the extent that obedience to its command is necessary. Thus, the authority over suffrage which the States possess and the limitation which the amendment imposes are coordinate and one may not destroy the other without bringing about the destruction of both.
>
> No time need be spent on the question of the validity of the literacy test considered alone since as we have seen its establishment was but the exercise by the State of a lawful power vested in it not subject to our supervision, and indeed, its validity is admitted.

In 1959 this principle was affirmed in the unanimous opinion of the court in *Lassiter v. Northampton Board of Elections* (360 U.S. 95). There are other defects but this intrusion of Federal power is the most objectionable.

TITLE II—PUBLIC ACCOMMODATIONS

Title II brings the full power of the Federal Government into purely private and local matters. As a moral belief, it certainly can be argued that shopkeepers and restaurant owners should not artificially prescribe standards on a basis of race. As a legal principle, however, it is indeed a dangerous precedent to institute the Federal regulation of service establishment by setting out a requirement to serve. The ultimate can only be Government control of every phase of what was hitherto considered private and intrastate commerce. We are already well down the road on that trend. Let us trace briefly that trend and project in on the basis of what has happened and the principles involved in this legislation. Parenthetically, let me say that there has been very little consideration given to the next logical steps in the chain of events after the passage of this bill.

When we had courts which were more interested in law than the election returns and nonlegal values, it was held in *Great Atlantic & Pacific Co.* v. *Cream of Wheat Co.* (227 Fed. 46, 2d Circuit, 1950):

> We had supposed that it was elementary law that a trader could buy from whom he pleased and sell to whom he pleased, and that his selection of seller and buyer was wholly his own concern.

The Court, quoting favorably from Colley on Torts, continued:

> It is part of a man's civil rights that he be at liberty to refuse business relations with any person whomsoever, whether the refusal rests upon reason or is the result of whim, caprice, prejudice, or malice.

The proponents of this bill have attempted to make a legal basis for this invasion of private property rights by utilizing both the 14th amendment and the interstate commerce clause. In the former, it has been repeatedly held that the 14th amendment applies only to State action. In a 1948 case, *Shelley* v. *Kraemer* (334 U.S. 1), it was held that a restrictive covenant entered into by private property owners could not be enforced in the courts but it was also concluded:

> Since the decision of this Court in the *Civil Rights* cases, 109 U.S. 3 (1883), the principle has become firmly embedded in our constitutional law that the action inhibited by the 1st section of the 14th amendment is only such action as may fairly be said to be that of the States. That amendment creates no shield against merely private conduct, however discriminatory or wrongful.

This principle was reaffirmed in *Peters* v. *City of Greenville* (373 U.S. 244) in May 20 of last year. The Court said:

> It cannot be disputed that under our decision private conduct abridging individual rights does no violence to the equal protection clause unless to some significant extent the State in any of its manifestations has been found to have become involved in it.

A clever means has been utilized to bring in State action. This title becomes operative if discrimination—which is never defined in the bill—is supported by State action. Section 201(d) sets out a definition of this key word by saying:

> Discrimination or segregation by an establishment is supported by State action within the meaning of this title if such discrimination or segregation (1) is carried on under color of any law, statute, ordinance, regulation, custom, or usage; or (2) is required, fostered, or encouraged by action of a State or a political subdivision thereof.

You do not even need to be a lawyer to see that this is an open invitation to control just about every conceivable action of local law enforcement officials. Take this example: A group illegally conducts a sit in in the entranceway of a restaurant, physically blocking all who would peacefully enter. A policeman is called to remove the offenders and at that point, under this title, the bill would say this is supported by action of a State or a political subdivision thereof. Take the broad coverage of the words "custom or usage." This can be interpreted to be just about everything.

There has always been a concerted effort to get at the corner drugstore, the barbershop, and even the doctor's office by using the licensing theory. Anything the State licenses it can control, according to this argument. Get the foot in the door and then bring in the 14th amendment, and so forth. This argument was rejected in a court of appeals decision in *Williams* v. *Howard Johnson Restaurant* (268 F. 2d 845). The court said, in answer to this licensing argument:

> This argument fails to observe the important distinction between activities that are required by the State and those which are carried out by voluntary choice and without compulsion by the people of the State in accordance with their own desires and social practices. Unless these actions are performed in obedience to some positive provisions of State law they do not furnish a basis for the pending complaint. The license laws of Virginia do not fill the void.

As to the interstate commerce clause, this bill would effectively obliterate what small vestige of distinction there is left between areas of local concern and responsibility and the broader sweep of Federal law. The clause has been broadened out of any reasonable proportions over a long period of time. The steps up to now had been gradual but here we see one fell swoop which will accomplish more in the direction of Federal control than all of the past interpretations by the Court put together. The Congress and the courts started years ago by broadening the clause through regulation of common carriers which transported goods across State lines. Next, the regulation was extended to the goods themselves and in the past few decades we have seen a further stretching of the bureaucratic arm by regulating the circumstances and conditions under which the goods were manufactured or sold. This bill will make it pretty near a full circle. Quoting from the minority report on this bill, one can get some indication of this trend:

> In *U.S.* v. *Darby,* 312 U.S. 100, 118 (1941), the Supreme Court laid down a clear criteria in this regard which has since been followed:
>
> "The power of Congress over interstate commerce is not confined to the regulation of commerce among the States. It extends to those activities intrastate which so affect interstate commerce or the exercise of the power of Congress over it as to make regulation of them appropriate means to the attainment of a legitimate end, the exercise of the granted power of Congress to regulate the interstate commerce."
>
> And, since the enactment of this act, practically every classification of business has met the test of interstate commerce. Publication of a local newspaper, *Mabee* v. *White Plains Publishing Company,* 327 U.S. 178 (1946); local ice dealers, *Gordon* v. *Paducah Ice Mfg. Co.,* 41 F. Supp. 980 (W.D. Ky., 1941); window-washing concerns, *Martino* v. *Michigan Window Cleaning Company,* 327 U.S. 173 (1946); wrecking and towing services on turnpikes, *Crook* v. *Bryant,* 265 F. 2d 541 (C.A. 4, 1959).

If there is anything that is a persistent complaint among the people I have the honor to represent it is on this precise subject of increasing Federal control of farm, business, and individual life. Those who have complained and support this legislation should not be heard to complain again because this is really D-day as far as increased Federal control is concerned.

While I realize that it does little good to speak in genuine terms of philosophy of government and the trend is pronounced against my voice in the wilderness, I am constrained to make a few points here which might remind us where we are heading. It is argued that the Government must protect these human rights to the point even of abolishing property rights if necessary. History indicates that there have never been human rights in any society or government which did not have respect for property rights. The Communists are loudest in proclaiming that they have human rights in Russia. The most fundamental right of all, of course, is to worship God in a free way, without restraint or fear of reprisal. Next to that, nothing is so basic a human right as the right to individually own property. This is the highest human right that can be attained in a society aside from the religious. To remove this right to own your property and use it peaceably in a lawful manner is to remove every vestige of human dignity. When everything becomes public and the private use and enjoyment of property are abrogated, you are indeed a slave of the state, bound to the whims and fancy of those who are supposed to serve us. This is the direct opposite of the premise on which we built this wonderful Republic.

A giant stride is being taken here under the guise of protecting and promoting the rights of a minority. The contention, of course, is made that when your doors are open for business to the general public with the implied invitation to "come in and buy my goods," you are in the same position as the public utility which is regulated by the Government. There is a difference. Utilities are required to serve everyone. Private businesses compete and do not have the same requirement. Independent businesses rest squarely upon the system of free enterprise which was the heart of our system founded by our forefathers. When the day comes that all business comes under conclusive Government control of this nature, you might as well fold up the free enterprise system. I know the argument is given that all businesses are controlled and regulated to some extent—health, fire, safety, work standards, and so forth—but this is entirely different from a requirement to serve.

Let us honestly look at the next logical step. If this "public interest" or "utility" approach is adopted here, as I fear it will be, it is only a matter of time until the same concept will be developed regarding the private use and enjoyment of your own home. It will be said that you can use it yourself but when you want to sell it, you are divesting yourself of control over it and placing it in a free and open market. At this point, anyone can buy it and you have no right to pick and choose. What is more fundamental than your right to sell your property to whomever you want, whenever you want, and on the terms you choose? When we reach this point we will have little more than the old common law tenancy by sufferance. It will also be suggested seriously—it has been in private circles—that the next logical step to achieve this thing called civil rights will be a Federal law which makes it a Federal offense to move out of an integrated neighborhood. How else can we achieve integration, it will be said.

If this bill passes, I cannot imagine an activity of our citizens whether it be in a private or a business capacity which will not ultimately come under the commerce clause. Couple this with the control which can follow the expenditure of some $100 billion by the Federal Government and an entirely new complexion is added to our way of life.

TITLE III—DESEGREGATION OF PUBLIC FACILITIES

There should be no question that public facilities should be open to all people equally. Everyone has the equal obligation to pay taxes and support public halls, terminals, parks, and so forth, and access should not be denied. It is one thing to say that and another to accomplish it by giving the Attorney General of the United States broad and unnecessary powers. Among the provisions is the authority for the Attorney General to file suits for private litigants and shop around for judges. This certainly puts the defendants on an unequal basis. Under this title, as in other sections of the bill, individuals can allege they are aggrieved by virtue of their rights being denied in access to these specified public facilities and ask the Government to prosecute their cases. The Attorney General can make this decision and require the taxpayers to bear the costs of the litigation.

TITLE IV—DESEGREGATION OF PUBLIC EDUCATION

Again it certainly can be said that where public funds are used for education, all children should have equal access to schools. It goes further than that inasmuch as most private schools benefit in some degree from Federal programs and they too may be covered and controlled.

I joined with Representative CRAMER and others to expand the definition of "desegregation" to prevent bureaucratic interpretations which would equate racial imbalance in schools to segregation. There is no doubt in my mind that this is one of the basic goals of civil rights groups. We already hear reference to "de facto segregation" which, in lawyer's language, means literally that a school is in fact segregated when for any reason it is overwhelmingly white or colored. This is happening in Burbank, Calif., New York City, Chicago, and many places. Where there is a will, bureaucrats always find a way through stretching the interpretation of a word or just plain grabbing the ball and running. The bill has so many loopholes that I feel they will accomplish their goal of breaking up and mixing local school districts to achieve racial balance. Section 402 authorizes the Commissioner of Education to conduct a survey and within 2 years report "concerning the lack of availability of equal educational opportunities for individuals by reason of race, color, religion, or national origin in public educational institutions at all levels." It is a foregone conclusion that racial balance will be at the heart of their recommendations. In terms of school districts in our area, this can best be demonstrated by a Supreme Court decision which I predict will be handed down in the not too distant future. The language is taken directly from prior decisions and current board of education directives in New York City. With paraphrasing to meet the new contingencies I have written this not-so-mythical decision as one more effort to indicate the pattern of the trend in which we are heading:

ATTORNEY GENERAL *v.* JOHNSTOWN-MONROE LOCAL BOARD OF EDUCATION, 400 U.S. 1984 (196–)

Mr. Chief Justice Warren delivered the opinion of the Court.

This case arose on direct appeals by defendants from adverse decisions in Federal district courts regarding transfer of 200 students from Johnstown-Monroe Local School District, Johnstown, Ohio, to East High School, a part of the public school system of the city of Columbus, Ohio. The Attorney General instituted for and in the name of the United States a civil action in the Federal District Court of the Southern District of Ohio on behalf of parents of two Negro students in the Johnstown district who contended that they were deprived of equal protection of the laws by reason of the failure of the Johnstown school board to achieve desegregation. The Attorney General contended that although there was no conscious policy of segregation or discrimination in Johnstown schools that the overwhelming preponderance of white students constituted de facto segregation and violated the constitutional rights of petitioners' children to public education. The Federal district court declared that the Johnstown school was, in fact, segregated and ordered the transfer of 200 white students from Johnstown school to Columbus East and 200 colored students from Columbus East to Johnstown.

Public Law 1212 of the 88th Congress (H.R. 7152) authorized the Attorney General to initiate and maintain appropriate legal proceedings for such relief as may be appropriate for parents of school students when said action will materially further the public policy of the United States favoring the orderly achievement of desegregation in public education and petitioner parents are unable to prosecute their claims. Section 407(a) gives this authority to the Attorney General whenever he receives a complaint—

> "(1) signed by a parent or group of parents to the effect that his or their minor children, as members of a class of persons similarly situated, are being deprived of the equal protection of the laws by reason of the failure of a school board to achieve desegregation."

The sole question here revolves around what constitutes segregation in public education. The Johnstown school board maintains that neither the school nor the community as a matter of policy or custom is segregated. The facts support this contention. The school, however, contains 2,345 students of whom only 13 are of the Negro race.

In *Brown* v. *Board of Education*, 347 U.S. 483, the Court held:

> "In approaching this problem. * * * We must consider public education in the light of its full development and its present place in American life throughout the Nation. Only in this way can it be determined if segregation in public schools deprives these plaintiffs of the equal protection of the laws."

It is now the duty of this Court to further determine the question of segregation "in the light of its full development and its present status throughout the Nation." The Congress, in the 1964 Civil Rights Act, wisely refrained from defining the word "segregation." Changing times demand changing interpretations. Just as the "separate but equal" dictum of *Plessy* v. *Ferguson* in 1896 was bound to be changed in the 1954 Brown decision, interpretations of "segregation" are bound to change in the light of present day circumstances particularly in the absence of a congressional statement of policy.

The Congress in the 1964 act was clearly talking about assignment of students of public schools in the broad sense and not within given school districts or even counties or States. We hold that a school district which is preponderantly white or colored is in fact segregated and assignment of students must to the extent feasible reflect racial balance to protect the constitutional rights of all in education. Artificial school district boundaries even where framed by historically natural subdivisions of city,

> county or State must not abridge these constitutional rights.
>
> In the Brown case, the Court further said:
>
> "Today, education is perhaps the most important function of State and local governments. Compulsory attendance laws and the great expenditures for education both demonstrate our recognition of the importance of education to our democratic society. It is required in the performance of our most basic public responsibilities, even service in the Armed Forces. It is the very foundation of good citizenship. Today it is a principal instrument in awakening the child to cultural values, in preparing him for later professional training, and in helping him to adjust normally to his environment. In these days, it is doubtful that any child may reasonably be expected to succeed in life if he is denied the opportunity to an education. Such an opportunity, where the State has undertaken to provide it, is a right which must be made available to all on equal terms."
>
> In the light of today's developments, this same right to education which is to be considered on truly equal terms must reflect the homogenous composition of our Nation. The major purpose of the schools is to prepare pupils to participate fully in economic, social, and political life, regardless of environmental handicaps. Pupils must learn to play their role as citizens of the world as well as of this country and to assist the United States in maintaining its leadership of the free world. In the case of the Johnstown School it is obvious, in addition to the right of the Negro petitioners, that the 2,332 white students of the total student body of 2,345 do not receive a realistic education nor receive proper preparation for citizenship in a fully integrated society.
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> In the Brown case the Court also said:
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> "Our decision, therefore, cannot turn on merely a comparison of these tangible factors in the Negro and white schools involved in each of the cases. We must look instead to the effect of segregation itself on public education."
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> The same thing is true today. We must not look merely at whether or not there has been technical compliance with constitutional provisions which clearly prohibit segregation as a State or local policy in public education. We must consider whether in reality population factors totally irrespective of traditional concepts of segregation have developed school district patterns which achieve the same result by the consolidation of racial imbalances among districts in a given geographical area. When socioeconomic factors develop a black Harlem and a white Westchester County in the same area or a white Johnstown and a more racially balanced Columbus side by side, segregation results whether intended or not.
>
> The presence in a single school of children from varied backgrounds is an important element in preparation for responsible citizenship in this democracy. Therefore, wherever possible a representative student body must be attained within the limitations of feasibility. In the case of the Johnstown school, cross-transfer of students between individual school districts located less than 25 miles apart, is within the limits of feasibility and will assist in racially balancing both school districts.
>
> The doctrine of "separate but equal" has no place in the field of public education, since separate educational facilities are inherently unequal. School districts in which there is a preponderance of any race are also inherently unequal and for purposes of the institution of a suit by the Attorney General, are, in fact, segregated within the meaning and purpose of the 1964 Civil Rights Act. The consideration of appropriate relief was necessarily subordinated to the primary question—the constitutionality of segregation in public education. We have now announced that segregation will, in fact, include racially imbalanced school districts which constitute ipso facto a violation of the constitutional protections of the 14th amendment. School districts will therefore desegregate in the most feasible manner with deliberate speed to achieve racial balance. Decision affirmed.

One item overlooked in title IV is the matter of training institutes. Under it, the Commissioner of Education is authorized to arrange through grants or contracts with institutions of higher education for the operation of short-term or regular institutes to train school personnel to deal effectively with special educational problems of desegregation. It was presented as a completely open-ended proposition which granted the Commissioner the authority to pay stipends in whatever amount he might choose and include allowances for dependents and travel. Now that is taking in quite a bit of territory. The Government could pick up the entire cost of summer school or full term study by school personnel with no limit on the amount paid. Study of desegregation problems might be only a part of the course of study. Every effort at constructively amending this section was beaten down. We tried to make it for a time certain, shutting off this program in 1970 but failed. We already have too many programs which have no termination date. There is no limitation of any kind on this program except whatever good judgment the Congress might use in the future in appropriating funds to implement this section. This is hardly a consoling factor when seriously considered. Section 404 is a good example of how not to legislate.

A zealous commissioner under this title could well use his vast authority to require any number of directives be complied with in order to get school lunch funds, National Defense Education Act assistance, impacted area grants and other Federal support. Take the matter of schoolbooks. A likely place he will start would be to require that certain texts which have only white illustrations and drawings be replaced. We will still have "Run Jane, Run" "Run Jane, Run" but they will be 15 percent colored.

This is probably coming anyway on a gradual basis but it could well be the subject of Federal directive under H.R. 7152. It is just as likely, in addition, that in one way or another the faculties of local schools will come under the sweeping control of this measure. As a part of "achieving desegregation" under title IV and the broad regulatory provisions of title VI which relates to cutoff of Federal programs of assistance, does anyone doubt that a predominantly white faculty will be considered as discrimination or de facto segregation? I feel that school boards should hire teachers on the basis of their ability, not their color, but this is entirely apart from granting the Federal Government the right to say that a white faculty is discriminatory per se.

TITLE V—CIVIL RIGHTS COMMISSION

This section of the bill would extend the life of the present Civil Rights Commission. While controversy will always surround the activities of any body which is studying so volatile a subject, their history on the whole has been one free from incident. I had several complaints of their investigation of fraternal and private organizations and on studying the matter found that, indeed, they had gone off the deep end in this instance.

Proponents of this bill are quick to say that there can be no harassment in matters of this type. However, pursuant to authority in section 105(c) of the Civil Rights Act of 1957, State advisory committees were set up. The committee in one State began questioning policies of fraternities and sororities, clearly private associations which citizens should be able to join regardless of admission requirements. I wrote the Civil Rights Commission and, in part, got the following reply from John A. Hannah, Commission Chairman:

> In undertaking this survey, the Utah committee was attempting to ascertain (1) whether fraternities and sororities located at the State university engaged in practices of racial discrimination and (2) if so, whether the university is so involved in the conduct of these societies as to bring them within the purview of the equal protection clause of the 14th amendment.

See how the tentacles of Federal authority gradually reach out into even the right to private association. Clearly a State university has a degree of supervision over sororities and fraternities. In the minds of those who would stretch every law to the ultimate and reach into every conceivable manner of private association, this would be an entree, a wedge to bring in the full force of the provisions of these bills. For now, at least, a buffer has been set up to prevent these ambitious bureaucrats from getting into the fraternal organization field. I supported an amendment which has the effect of prohibiting the Civil Rights Commission from tampering with associations of this type; fortunately, it was one of the few substantive efforts at modifying this bill which was adopted. Time and again we are told to pinpoint our objections to legislation of this type. How would you pinpoint activities of this type? As a legislator I have no way of knowing how far someone will stretch authority given to them. I do know something about their intentions and past performance and on the basis of that I certainly can see that this bill will give bureaucrats a field day. They have done pretty well by sheer assertion of their authority and in some cases without cover of law. I shudder to think what they can do with such a protective and open-ended umbrella for their activities as will be provided in H.R. 7152.

TITLE VI—NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS

I am firmly committed to the principle that where Federal funds are expended, there should be no segregation or discrimination. Federal moneys should not be utilized to support or perpetuate policies which are against our clear principle of equality under the law. In the past 3 years, I have voted for civil rights amendments to housing bills, vocational training bills, education bills, and the like. In most cases, these efforts were opposed by the people who are supporting civil rights today. I cannot account for their change of heart and shall not try.

I supported numerous amendments to this title because the effort here goes much further than what is necessary to accomplish the goals I have just mentioned. Title VI contains an awesome delegation of authority which is not tied down specifically.

One of the most persistent complaints about this bill is a key problem in this title—the matter of adequate judicial review. We already have a great deal of trouble in Government agencies where arbitrary power is granted to administrators who promulgate rules and regulations which cannot be challenged in the courts. Even where arbitrary and unreasonable, often it is impossible to do much except comply. In this bill, a determination to cut off a Federal program of assistance is absolutely unconditional. No adequate redress of grievances is available to the local or State instrumentality which had received help. This seems like a fantastic power to wield—too much power to delegate to anybody without having more safeguards. This section is also a powerful reminder that Federal aid means Federal control.

In title VI it appears that the language purposely was drafted to make a sham of proper procedure. The agency in section 602 is empowered to make orders "of general applicability" which, of course, means nationwide regulations, and on any violation of these orders whether through discrimination or not the assistance can be curtailed. What is significant is that there is no hearing and the party or the agency of the State involved has no right before this determination is made to object or say "we did not discriminate." They never have the opportunity to appear before the agency. They must comply without ever being able to question the order. They cannot be heard in the first instance, their only remedy being the ability after the finding to request a partial review by the court under the Administrative Procedure Act. No one can really predict what a burden this will be on school boards and local agencies participating in Federal programs.

TITLE VII—EQUAL EMPLOYMENT OPPORTUNITY

The so-called FEPC section of the bill is a veritable Pandora's box which when opened will literally affect businesses to the extent that they will have to think racially in every aspect of their conduct. The target of this bill is to cover establishments with 25 or more employees but the history of this type of legislation indicates the coverage will be broadened and broadened. I do not believe the Federal Government has any business in this field and it constitutes another invasion of States rights. I have already mentioned the gradual growth of Federal control under the interstate commerce clause in title II and this is one more extension.

A majority of our States have FEPC legislation and it is at best difficult to enforce. What really constitutes discrimination in employment? Unless the Federal Government lays down regulations to dictate hiring, firing, and promotion policies a businessman can never be sure just what constitutes discrimination. As said before, discrimination is not defined anywhere in this bill so you know we are headed for trouble. In the technical sense, an employer discriminates any time he chooses between two or more people in hiring, firing, and promotion. It is sheer folly to think that the Attorney General can, in millions of separate cases of choice by employers, say whether this discrimination is based on race, creed, education, religion, appearance, experience, personality, enthusiasm, confidence. How many times does an employer hire or promote on the basis of the way a man responds to his questions or the intangible feeling he gets after talking to him. Or the way he conducts himself around the office. Or the simple observation that customers just naturally go to his teller window first. We already have some idea of what criteria will be used. Contractors are faced with directives which specifically place presumptions of discrimination on quotas among workers—in effect, if you have, say, 10 percent Negro employees you are not discriminating and if you have 5 percent you are discriminating, regardless of the facts involved.

Probably the best example of just how ridiculous this whole proposal is was contained in one of my contributions to the long debate. Proponents of the bill had berated all of us who claimed there were booby traps in the bill but I found a good one. Recently I have received several thousand letters from constituents who are concerned about the Supreme Court decision concerning prayer in public schools. All of these letters expressed concern over the repeated emphasis by the Court of the rights of atheists over the majority. It occurred to me, about 8 p.m. on Saturday night, February 8, the eighth day of debate on the bill, that the language of FEPC was so broad that it could compel an employer to hire an atheist. I prepared an amendment and contributed the following to the legislative history of H.R. 7152:

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. Ashbrook. Mr. Chairman, I offer an amendment.

The Clerk read as follows: "Amendment offered by Mr. Ashbrook: On page 70, line 10, after the word 'enterprise' insert a new section:

"'(f) Notwithstanding any other provision of this title, it shall not be an unlawful employment practice for an employer to refuse to hire and employ any person because of said person's atheistic practices and beliefs.'"

Mr. Ashbrook. Mr. Chairman, I have heard it said time and time again that we are not endeavoring to include all types of discrimination in this title and in this bill. However, we are prescribing very definite and positive requirements on employers.

If I may have the attention of the chairman of the Judiciary Committee, I should like to propound a question to him, because if my interpretation of the bill is incorrect I shall gladly withdraw my amendment.

I would like to propound just one question. I am thinking in terms of a private enterprise for profit which would be covered by this bill. A man comes for employment and the employer is honest enough to tell the applicant, while he is otherwise qualified, he will not hire anyone of atheistic convictions. The man then uses his remedies provided by this measure. It is my interpretation of the bill, that as a part of his civil rights purported to be extended by this FEPC title, he could allege he has been discriminated against and proceed against the employer.

I wonder if the chairman of the Committee on the Judiciary could give me his interpretation of this. As I said, if I am wrong, I will gladly withdraw my amendment.

Mr. Celler. The bill provides there can be no discrimination on the ground of religion. That is the answer I have to give you.

Mr. Ashbrook. So if I do not want to hire an atheist, I can be forced to hire one?

Mr. Celler. Not necessarily. It all depends on the surrounding circumstances. If the employer deliberately discriminates against a person because of his religion, although he may be otherwise qualified, and all other things being considered, he may run afoul of the law. But just because he is an atheist would be no reason why there should be any discrimination, whether he be a Catholic, a Protestant, or a Jew. It all depends on the facts and circumstances in the case.

Mr. Ashbrook. I think you have answered my question. I have stipulated that the man would be otherwise qualified and he has been honestly told this is why he would not receive the position.

Mr. Celler. There is no need for your amendment.

Mr. Ashbrook. This would be a practice which the employer could not do, according to what you said. He could not discriminate against a person because he is an atheist. Is that correct?

Mr. Celler. That is correct.

Mr. Ashbrook. That is what my amendment would endeavor to do; that is, to say the employer could discriminate because of the atheistic practices or beliefs of an applicant for a job. My amendment would seem to speak for itself, and I certainly encourage everyone to support it. It seems incredible that we would even seriously consider forcing an employer to hire an atheist. This is one of the boobytraps in the bill which the sponsors have very glibly alleged did not exist.

Note how after a little avoidance, I finally got a direct answer to my basic question:

Mr. Ashbrook. * * * He could not discriminate against a person because he is an atheist? Is that correct?

Mr. Celler. That is correct.

And yet, many people will be so enchanted by the words "civil rights" that they will do almost anything which purports to work in this direction. It is interesting for me to consider the fact that the majority of my mail which encouraged my support of this measure came from ministers and social action groups of churches in our district. I am sure they were well meaning. I am equally sure that in almost every instance they had not read H.R. 7152 or fully understood its radical nature. I cannot imagine ministers urging me to support a bill which would force an employer to hire an atheist whether he wanted to or not. No one can guess how many other boobytraps are included which will not be discovered until the full sweep of its enforcement is brought down upon us. Over 100 amendments were offered to the bill and only several were adopted over the opposition of the sponsors of the bill. My amendment seemed to pinpoint the fallacy of the entire FEPC logic and, despite the opposition of the sponsors, was adopted by a vote of 137 to 98. Protection of atheists seems to be a liberal fetish at the present and I doubt that the final draft of the bill will include my amendment. Under our constitutional system a person has a right to be an atheist if he so chooses. By the same token, while I would not deprive him of that basic right I would simultaneously resist all efforts at forcing me to hire an atheist against my will. The heart of the FEPC is this type of compulsion and harassment.

Take another basic fallacy. If this bill were to be adopted in the form it came to us, white women would be the lowest on the totem pole as far as job discrimination is concerned. For example, in a situation where only white men have traditionally been employed, a Negro woman could allege discrimination and, assuming her job qualifications and character were favorable, she could attain a remedy under the FEPC title. A white woman in the same situation could not. It could not be alleged that she was discriminated against because she is white since all of the employees of this firm are white and no allegation of discrimination on account of sex could be brought. While I did not generally favor this title, I certainly felt that if it were to pass we should not discriminate against white women so I joined in the effort to add "sex" to the FEPC provisions. This was the only other basic amendment which was adopted over the proponents' opposition and like my amendment, I fear it will not be in the bill when it reaches its compromise form.

A final point is most interesting. It does not concern the ardent liberals who are endeavoring—they say—to stamp out discrimination that a job applicant may be discriminated against because he does not wish to belong to a union. This is different and FEPC would not protect this foolhardy soul. How equal is the equal employment opportunity section? As the old saying goes, everyone is equal but there are some who are more equal than others. While on the subject of unions, I doubt that their seniority system is adequately protected in this bill. If it is shown that a union, for example, discriminated against Negroes and must admit them, is it likely that the courts would consider the rights of a Negro adequately protected if he went to the lowest rung of the seniority ladder? I doubt it and possibly seniority would have to be reshuffled to adequately reflect the seniority which would have prevailed had Negroes been admitted over prior years.

CONCLUSIONS

The remainder of the bill, while important, does not concern matters as substantive as the portions already discussed. Title VIII proposes that the Secretary of Commerce shall promptly conduct a survey to compile registration and voting statistics "in such geographic areas as may be recommended by the Commission on Civil Rights." This will doubtless mean the South and little attention will be directed at Chicago and some northern cities where legitimate voters are discriminated against by phantom voters and fraudulent polling booth activities. Title IX would grant a special privilege to civil rights litigants which no one else in the United States has, again under the illusion of instant justice. Title X deals with miscellaneous provisions. Time and time again, I heard orations about undue delay in civil rights cases. A strange double standard exists, for these same voices never protested when it took 11 years to get a Supreme Court decision on the registration of the Communist Party. No protests are heard on the lengthy legal maneuvers which result in years passing before deportation cases are made final. Is speedy justice always good justice? What about Hoffa?

By no means have I covered all of the defects of H.R. 7152. There are many technical shortcomings which relate to judicial review, injunctions, interpretations of words, and so forth which, while important, are not the subject of general concern.

I listened intently to the entire debate on the bill. Never did I hear any reasonable estimate of just how far this bill could go. Never was it said "the bill goes this far and no further." Broader coverage could not be imagined. This 50-page bill is truly a bureaucrat's dream. Consider language like this:

> Sec. 407. * * * the Attorney General is authorized to institute for or in the name of the United States a civil action in any appropriate district court of the United States against such parties and for such relief as may be appropriate.
>
> Sec. 602. * * * Such action may be taken by or pursuant to rule, regulation, or order of general applicability and shall be consistent with achievement of the objectives of the statute authorizing the financial assistance in connection with which the action is taken.
>
> Sec. 711(a). The President is authorized and directed to take such action as may be necessary to provide protections within the Federal establishment to insure equal employment opportunities for Federal employees in accordance with the policies of this title.

Moreover, one of my strongest criticisms of the bill is that it furthers the trend toward injunctive relief. This bypasses jury trials and allows judges to hand down decrees. The decrees in turn are enforced by contempt proceedings in which there is no right to jury trial. This procedure effectively sheers most of the protections set forth in the Bill of Rights from the defendant. Many have said that Ohio has a more stringent civil rights law than the one enacted by the House today. While it is true that Ohio's civil rights laws provide for fines and imprisonment, they offer nothing to compare with the powers invested in the Attorney General or the injunctive provisions of H.R. 7152.

These are but a few examples. How could anything broader be granted to the executive department? Time and time again we heard it said that although there was wide discretion authorized under this bill, the Attorney General, for example, would never do this or that. This runs counter to history. Powers granted have been powers used at a later time. History has not changed; human nature has not changed. Powers granted have rarely been recovered by the Congress or the people. The sponsors have been very specific in talking about what they feel the Attorney General would not do but they have not been able to effectively deny what the Attorney General can do. Power is something to jealously guard. Under our system of government it has been intelligently diffused by separation of powers and by our Federal system. Here we see a concentration which takes it away from State and local government to the Federal level and at the Federal level it is abdicated by the Legislature and concentrated into the executive department. This is a double assault on our constitutional system. Remember, 1984 is only 20 years away.

When, in my capacity as a Member of Congress, I ask the Attorney General for information on matters of real importance to me in the discharge of my duties or for my constituents, I always get the curt but polite reply that the Attorney General can only provide this legal advice to the President or an executive department. In this bill, the Attorney General receives powers never even contemplated before. He already had the right to initiate suits in voting cases under the 1957 Civil Rights Act, part IV, section 131(c). In addition, in this bill he can now institute suits under title II, public accommodations, under the public facilities title, the public education title, and under the unlawful employment practices—FEPC—section of the bill. In addition to this vast power, other factors must be considered. We would find a basic abolition of the doctrine of administrative and legal remedies. Further, in making a determination relative to the financial inability of the private citizen to maintain his own lawsuit, there would be absolutely no opportunity for either administrative or judicial review of the Attorney General's decision, once made. We all know what this means and it is indeed "a poor way to run a railroad."

There are many difficult problems to solve. The record clearly shows that in many areas of the country, not necessarily the South, there is a pressing need to correct injustices which occur because of unfair enforcement of constitutionally fair statutes and ordinances. This is not peculiar to voting, it is the problem of law enforcement and community morality in general. A community which allows organized gambling to flourish or the law to be flouted in corruption and wrongdoing cannot have its dirty linen cleaned by pointing with pride to the fact that they do not have racial problems. All forms of conduct of this type, whether manifested in vote frauds, city hall corruption, or racial bigotry is of the same gender. All too many northern cities allow the former two of these three social blights to occur and then point an accusing finger at cities which have segregation and say "See, there is a cancer." Just as it would not help to destroy local law enforcement and charge the Attorney General with the power to conduct all elections and investigate all crime on all levels, the same deleterious effect can be accomplished by empowering the Central

Government to promulgate rules and regulations and supervise racial relations. This bill is an attempt to do by force what can only be done by logic and reason. Americans are basically a reasonable and a moral people and our great progress and contribution in the areas of self-government and man's humanity toward man certainly stand as proof that all of these problems will be answered. In my judgment, this bill is a far cry from the answer.

A LOGICAL STEP?

It has been said that this bill is a logical step, in effect a check which has been waiting 100 years for congressional signature. It has been said, and will be alleged, that it is in the spirit of Lincoln. I contend it is neither. Abraham Lincoln did not become President by threats, civil disobedience, glib catch phrases, or unconstitutional actions. He exemplifies perseverance which overcame adversity, hard work, respect for the work and the rights of others, self-improvement, and humility. It has become fashionable for the liberal theoretician to promote the thesis that property rights are not important. Lincoln certainly never subscribed to this theory. Now we hear the idea that people who do not have property can get their share by insisting on a portion of the property of someone else or through access to it. Politicians during the past 30 years have done a terrific job in fostering this notion, but it has not been in the tradition of Lincoln. Indeed, many leaders have ridden the crest of popular support they have received in proclaiming that the property owner is an evil fellow who has what we want and must take. Lincoln did not speak thusly of property rights. Property rights and human rights are not incompatible. In my judgment, they are one and the same thing. Nature, in the strict sense, endowed no other creature with rights except human beings. Property is not human. When we talk of property rights we mean human rights. Lincoln's moral soul was troubled because men were trying to make of man a property right. This is unjust in the same manner as it was morally wrong to treat women as chattels of the men in the family. Human rights and property rights are only in conflict when man endeavors to turn man into a property. The greatest political game of this century has been the political effort of politicians to establish a new category of rights, the right of nonowners of property to appropriate it from the owners. This is not in the spirit of Abraham Lincoln, and those who would so contend are doing a dishonor to his name. If he exemplified anything in his native intelligence which was correct, it was that people do not advance rights by cutting down on the rights of others, for in so doing they gain nothing and impair their heritage. Daniel Webster said the same thing earlier when he noted:

> No rights are safe where property is not safe.

It might be well to answer the very simple question which we conveniently overlook. If we are going to do all of the things which are proposed in this bill, and which will logically follow its enactment, what rights are we going to leave to the property owner? What happens to some of our fundamental rights which, although certainly not absolute, are basic, such as the right to own and enjoy property according to your own conscience? The right to occupy and dispose of property according to your personal conscience? The right of all to equally enjoy property without interference by laws giving special privilege to any group or groups? The right to determine the acceptability and desirability of any prospective buyer or tenant of your property? The right to enjoy the freedom to accept, reject, negotiate, or not negotiate with others? How many of these will be left? I will not bore you by counting them. Remember, these basic though certainly not absolute rights are applicable to any citizen—white, Negro, oriental, atheist.

It is also said that H.R. 7152 is necessary to unify this great Nation. This Nation is unified but it has become great more properly because of its diversity. If respect for diversity and for individual choice and preference in choosing associates and determining use of private property is maintained, our great free system will prevail. Freedom is never lost at one time. It is chipped away at by a myriad of forces and frequently this will be done in the name of unity. This is what the Supreme Court meant in *West Virginia State Board of Education* v. *Barnette* (319 U.S. 624) when it referred to:

> The Roman drive to stamp out Christianity as a disturber to its pagan unity, the Inquisition as a means to religious and dynastic unity, the Siberian exiles as a means to Russian unity.

Concluded the Court:

> Compulsory unification of opinion achieves only the unanimity of the graveyard.

Breaking down individual freedoms has always been a poor way of achieving unity and it will continue to be.

THE CIVIL RIGHTS MOVEMENT

It is not my intention to dwell on the forces and philosophies which have brought this civil rights bill to the fore. The issue is already difficult enough without going at length into the civil rights leaders, their associations, their tactics. There has been a gigantic propaganda effort centered on the theme of the white man's guilt which, however, deserves comment. Our society is not perfect but it certainly is not the deserving recipient of the scorn and obloquy heaped on it in the past few years. No society has ever done more for the distressed, the diseased, and the downtrodden, than America. No society can ever look more proudly at its humanitarian record. We are far from perfect but nowhere in the world can any country look forward to higher standards for everyone each and every year in the future. Nowhere is the prospect of mutual understanding among people brighter than in the United States.

Many Negro leaders have developed a strange theme. If you are concerned for the problems of the colored man as he reaches for fuller participation in a predominantly white society, there is skepticism. If you are unconcerned but not prejudiced, you meet the usual white stereotype. If you are warmly receptive to their problems and aspirations and identify yourself with their movement, it really can not be so—it is because you have a guilt complex. According to this argument, you can never win, you can never do enough, you can never be right—you are white.

I for one will never be ashamed of the society the white man forged. He did not do it alone and he has always been willing to share the fruits of the civilization he has developed. This is not to say that I am satisfied with society as it stands now—I think it can and must improve. This propaganda of the white man's guilt and sin is certainly far overdone. Time and time again we hear the argument that because of this oppression of the past, we Negroes should now get preferential rights. We hear it seriously contended that if a job is open and a Negro and a white man apply, the Negro should be hired since he has not gotten a fair shake in the past. There is no end to the balancing schemes which have and will be propounded. Some Negro leaders say "we are here because of the white man's lust and greed—your forefathers brought us here as slaves so we are your conscience problem." This to a degree is certainly true and slavery and the whole epoch of slave ships and the auction block must stand out as one of the most glaring examples of man's inhumanity to man. The other side of the picture is always soft-pedaled, however. For every white slaver there was a black forefather of the American Negro of today who willingly sold his family, his tribe, and his foe for pieces of silver. It is a sad page in the history of man—not just white man, but all men. There is no effort at reason, no attempt to balance out the picture, however, and a gigantic propaganda effort has descended upon us. Few voices try to pierce it.

The white man has fought feudalism, oppression, and slavery, too. The blood of untold millions of white men has flown in the cause of freedom. The liberties we have today were not won in a day. They were not even won in the Revolutionary War or by the men who signed the Declaration of Independence and drafted our Constitution. They were won in a slow evolution of history which brought us to this plateau. Nor was our wealth of today, our standard of living, achieved overnight. What has happened to the lessons of these battles? The struggle in the past has been against oppression by government and the absolute power of tyrants and kings. It is a strange and shortsighted historical quirk of fate that today the Negro civil rights leaders are advocating the very type of centralized government and authoritarian control over our lives that has caused slavery and oppression in the past. Yes, the past is prologue. Let us not go back to these reactionary times.

It has always failed when the effort is made to cloak government in a moral armor to combat hunger, insecurity, and deprivation. I fear it will fail in these United States as well. People can reason; government cannot. People can be compassionate; government cannot. If it is alleged that people are intolerant and unfair, let it be understood that there is no intolerance and injustice which can match that of an over-powerful government in the hands of men bent on imposing their will on a free people.

We see threats such as those which were hurled in the New Year's Day Mummers festivities in Philadelphia, threats that a peaceable assembly, a parade, would be met with a cordon of Negroes blocking their way and precipitating a fight. We see coercion brought on private groups to prevent minstrel shows. We see people blocking entrances, laying down in front of bulldozers and in the street. Is this any way to cure injustices, both real and purported? We see leaders inciting to lawlessness and predicting violence if this bill is not passed. Is this any climate for gaining redress of grievances? With all of this, it is still painted as a one-sided picture.

I could cite scores of examples of this unfortunate approach but this is not my purpose here. A few statements will suffice. Mrs. Gloria Richardson, Negro leader in the Cambridge, Md., struggle, last fall said, "Possibly in the near future we might have to go into civil disobedience."

On November 6, 1963, Rev. Martin Luther King, Jr., spoke at Howard University. I heard his remarks on radio the next morning. He warned that unless the Congress passes a civil rights bill during the current session the country would be plunged "into a night of darkness and violence."

Amid efforts of the New York City Board of Education to solve the problem of racial imbalance, Negro leaders take untenable positions. Rev. Milton A. Galamison, chairman of the Citywide Committee for Integrated Schools, was quoted by the New York Times on December 23, 1963, as bluntly stating that his group's aim was to "tie up the school system." The Times article further stated:

> He said that he would rather see the city school system "destroyed—maybe it has run its course anyway, the public school system"—than permit it to perpetuate racial segregation.

These same people travel the country and speak about alleged unfair tactics of the white majority. Do not the same principles apply to them? I feel that the news media have not presented the current civil rights controversy in anything approaching its proper perspective or in a balanced manner. Negro leaders have already announced their intention to accomplish a nationwide purge of legislators who vote against this bill. Civil rights legislation is and should be a pressing matter of concern to every fairminded American. It should not, however, be the vehicle for threats and abuse. Improvement in racial relations and the educational and economic well-being of the Negro are desired by all of us but will this type of conduct bring these goals about?

CONSTITUTIONAL PRINCIPLES

Those of us who rely heavily on our constitutional precepts are scorned. "You are selling distrust of our government," the liberals cry. "What is wrong with giving the government the power to rectify these wrongs? After all, we are the government." This sounds plausible but historically it is unwise and, indeed, dangerous. As a person who believes in government and law I would never sell distrust of government. Government is an impersonal thing which cannot wrong anybody. Men, acting under cloak of government authority, can. This is what George Washington meant when he said:

> Government is not reason, it is not eloquence. It is force. Like fire it is a dangerous and fearful master.

Liberals have the incorrect belief that for every wrong and for every human desire the Federal Government should act. Break down local government, they say. Free enterprise does not make every single person in the country wealthy and because some are hungry, tear it down and establish the welfare state. Some people do not have access to every private establishment or the right to vote so tear down the constitutional safeguards and let our leaders, through rule of man rather than law, rectify these wrongs. Both arguments are tearing at the roots of our firmly embedded constitutional and free enterprise system. Rejecting these arguments does not mean a person is not compassionate to hunger or to discrimination although this is what the liberal will charge. It more properly means that the constitutionalist recognizes that it is just as important that man be protected against an all powerful government. Hitler and Khrushchev did not visit their oppression on people through local government or a constitutional system. It came about by a strong centralized government with a near-absolute delegation of authority to men. We cannot afford to take this path.

The same notion has built up regarding the Supreme Court. Many liberal thinkers feel it is appropriate for the Court to stray from legal precepts and the established interpretations of the Constitution and produce decisions based on the jurists' concepts of what society ought to be. In an address to the American Bar Association, Justice Harlan directed some pointed comments to this contention. He said:

> A judicial decision which is founded simply on the impulse that "something should be done," or which looks no further than to the "justice" or "injustice" of a particular case, is not likely to have lasting influence. * * * Our scheme of ordered liberty is based, like the common law, on enlightened and uniformly applied legal principle, not on ad hoc notions of what is right or wrong in a particular case.

One of the most liberal members of our highest court said practically the same thing recently. The January 25, 1964, New York Daily News carried the following item:

> SHIPPENSBURG, PA., January 22.—Justice William O. Douglas of the U.S. Supreme Court says the fact that most Americans may favor Bible reading in the public schools has nothing to do with its constitutionality. In a speech at Shippensburg State College, Douglas said the purpose of the Constitution is to "protect the minority no matter how repugnant this might be to the majority."

I guess it all depends on what minority you are talking about. Turn the argument around. Does not the majority have a right to the protection of their constitutional privileges regardless of the minority? In truth, the Constitution should protect the rights of both the minority and the majority and to be stampeded into abusing the rights of the majority to accommodate the wishes of the minority is just as destructive to our fundamental system of jurisprudence as the situation to which Justice Douglas referred.

A thin line separates rule of law from tyranny. It comes in the constitutional protections against arbitrary acts by the Government which in this bill are counted for naught. The liberal may get caught in his own perfidy some day. This idea that where there is a wrong, where there is poverty, where there is something we do not like, let the Government bring instant justice, instant wealth, instant action is a bad line of reasoning. You cross the fine line of responsible government in promoting this thesis. Think about it. This bill will take care of discrimination so let's keep going. We have criminals so let us get them, too. Never mind personal rights. Authorize the FBI to legally wiretap, change our constitutional protection so law officials can forceably search and seize for evidence. Some criminals get away so reverse our time-tested principle of double jeopardy. We cannot allow mere principles to stand in the way—we want to get these criminals. Then, too, let's get the Communists. They hide behind the fifth amendment so let's abolish that. Freedom of speech—well, not for them so let us take it away. Foolish? Just as logical as many of the arguments they have given for the passage of this legislation. Of course the Negro has not achieved what is referred to as full equality. Of course we want him to. It is not anything that can be given to him. Is this any reason for tearing down carefully constructed constitutional and free enterprise principles which have allowed a maximum of individual freedom in the areas of choice, association, employment? I think not. I resist these efforts just as I would efforts to legally wiretap, to abrogate double jeopardy in criminal law, to abolish the rights of individuals protected in the fifth amendment, to legalize the seizure of evidence to obtain convictions which is now unconstitutional and so forth. Why? Because in each case, as in this so-called civil rights bill, the effect, however laudable, would be to take away individual rights and bestow more arbitrary authority and control by the Government over our lives. We have already gone too many miles down this road and the individual is in danger of losing too much of cherished liberty under the guise of protecting him, giving him security and providing for his every want. More and more people have come to realize that they do not get anything for nothing. Every time the Government tells them it will give them something it can only come from one place—from them.

It requires a great amount of restraint to live in a free society or under a free enterprise system. The tendency to raid the treasury is always present as is the inclination to bend fundamental precepts. The tendency is pronounced that we treat the Constitution as something which can be brushed aside, an archaic document which was suitable for an agrarian society but deficient for the space age. Nothing could be further from the truth. The Constitution is the bulwark of individual freedoms and these freedoms are just as necessary now as they ever were. The Founding Fathers were not without their suspicions of centralized government and they deliberately produced an organic law which made tyranny impossible. They carefully avoided putting complete power in the hands of the elected ruler or even the elected representatives of the people. They knew that the people must retain basic rights and government must have stringent limitations if they were to secure the blessings of liberty to themselves or to their posterity. Here we are, in effect, saying, "Oh, well, what's a constitution and established legal principles between friends?"

What is the difference? Well, my friends, in my opinion it is the difference between law and order, between an orderly society and a chaotic one where man has no rights. To assault the fundamental rights of the Constitution, whether it be in the form of an attack on the fifth amendment, the protection against illegal search and seizure, or on individual rights under the guise of civil rights, is to chip away at the heritage we have and move closer to that thin line which separates freedom and tyranny. I like to return to the clearly enunciated principles set out in one of our most famous Supreme Court cases, that of *Ex parte Milligan* (4 Wall. 2) in which Judge Davis said:

> By the protection of the law human rights are secured; withdraw that protection, and they are at the mercy of wicked rulers, or the clamor of an excited people. * * * These precedents inform us of the extent of the struggle to preserve liberty and to relieve those in civil life from military trials. The founders of our Government were familiar with the history of that struggle; and secured in a written Constitution every right which the people had wrested from power during a contest of ages. * * * Time has proven the discernment of our ancestors; for even those provisions, expressed in such plain English words, that it would seem the ingenuity of man could not evade them, are now, after the lapse of more than 70 years, sought to be avoided. Those great and good men foresaw that troublous times would arise, when rulers and people would become restive under restraint, and seek by sharp and decisive measures to accomplish ends deemed just and proper; and that the principles of constitutional liberty would be in peril, unless established by irrepealable law. The history of the world had taught them that what was done in the past might be attempted in the future. The Constitution of the United States is a law for rulers and people, equally in war and in peace, and covers with the shield of its protection all classes of men, at all times, and under all circumstances.

Changing times? What do you mean? The only thing that has changed has been the method man has used to destroy what he has built up. To destroy it under the mystical Pied Piper illusion of civil rights is merely finding a new way of accomplishing something man has been doing since history first recorded his yearning to be free. We have stood as an exception to the trend, in my judgment, for one basic reason: the wise constitutional limitations on actions of government. Now I am not so sure.

FEED GRAIN PROGRAM—BOON TO LIVESTOCK MEN

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Iowa [Mr. SMITH] is recognized for 30 minutes.

Mr. SMITH of Iowa. Mr. Speaker, based upon the feed grains stock report of 2 weeks ago and other information, it appears that the carryover of feed grain stocks will not be reduced this year. Although the acreage of feed grains harvested in 1963 was over 15 million acres smaller than in 1959–60, weather was unusually favorable and production per acre was higher.

The fact that there was no big increase in carryover of feed grains in spite of the unusual bumper yields proves conclusively the effectiveness of the feed grains program. But for the program, the cost of Government-stored grains would have reached an even more staggering figure than it had in January of 1961.

In the past 2 years, largely as a result of the voluntary feed grain adjustment programs, carryover stocks were reduced from 85 to 63 million tons. But the net reduction of 22 million tons in carryover stocks in 1962 and 1963 is not an accurate measure of the effectiveness of the programs.

In 1961, corn and grain sorghums were harvested on 17.9 million fewer acres than in 1959–60. After allowing for the lower yields to be expected on these idled acres, had they been planted to feed grains in 1961, feed grain production in that year alone would have been 27.5 million tons higher than it was.

To get a better picture, we should calculate how many hogs or how many hundred pounds of beef cattle can be produced with the additional 27.5 million tons of feed grains that would have been produced.

The feed grain production avoided in 1961, as a result of the feed grain adjustment program—27.5 million tons—would feed out 45 million hogs, over half the number marketed in 1962. Or, if 27.5 million tons of feed grains were used to feed out beef cattle, the weight of beef cattle marketed in 1962 would have been increased by a third.

Mr. Speaker, from time to time the Commodity Credit Corporation has been blamed for dumping feed grains, thereby causing an excessive expansion in livestock production this year. The facts show otherwise.

The Commodity Credit Corporation did sell 53.6 million tons of feed grains for domestic use in the 1961 and 1962 crop years as ordered by a provision of the Feed Grain Act; but the production avoided under the same law—as compared with 1959–60 acreages—was approximately 60 million tons.

Commodity Credit Corporation sales of feed grains, including both its payment-in-kind programs and its sales of out-of-condition stocks, were 6 million tons less than the production avoided by the voluntary adjustment programs.

If one compares the feed grain acreages harvested in 1961, 1962, and 1963—the 3 years the voluntary feed grain program has been in operation—with the acreages harvested in the previous 2 years, 1959 and 1960—54.7 million fewer acres have been harvested as a result of the feed grain programs.

Had an additional 54.7 million acres of feed grains been harvested in the last 3 years, even though they produced less than average per acre, another 75 to 85 million tons of feed grains would have been harvested.

And 75 to 85 million tons of feed grains is enough feed to produce 100 to 150 million head of hogs or 30 to 40 billion pounds live weight of beef cattle.

Perhaps the simplest way to put it is to say that the feed grain production avoided by the 1961, 1962, and 1963 feed grain programs, was sufficient—if half fed to hogs and half to beef cattle—to have increased the annual production of hogs by one-fourth and the weight of beef cattle slaughtered by 10 to 15 percent.

Or, to put it another way, if livestock feeding had not been expanded, without the voluntary feed grain programs of the past 3 years, carryover stocks at the close of this marketing year would be in the neighborhood of 140 million tons, over twice the current projected level.

Although—in view of the excellent growing weather and record acre yields in 1963—feed grain stocks may not be reduced in the marketing year ending September 30, in the absence of a feed grains acreage diversion program, either stocks would have increased by 20 to 25 million tons, or feed grain prices would have been sharply lower, to be followed next year by a big expansion in hogs and cattle feeding and an even further drop in hog and beef cattle prices paid to farmers.

Weather analysts tell us that for the last 6 years the weather has been better than average in central United States where most of the feed grains are grown. They tell us, if average or below average weather conditions are experienced for a few years, all our surplus stocks will be needed.

In the words of President Johnson, I view "our agricultural abundance as an opportunity for achievement rather than a cause for alarm." I am confident that there will be a good signup in the 1964 feed grain program, and that production under anything like normal weather conditions will be held to a level which will permit a further reduction in stocks next year.

Those who attack the voluntary feed grain programs as ineffective or as of little value to livestock producers should consider the conclusions of a recent study conducted at Iowa State University.

The university economists made an analysis of the economic effects of a large number of alternative feed grain and wheat programs. They project a decline of $5.7 billion, or 43 percent in net farm income, if the current wheat and feed grain programs were dropped. To Iowa alone this would mean a loss of hundreds of millions of dollars in farm income, hundreds of millions of dollars less spent in our retail stores, and a loss of more jobs than any industry which might conceivably come to Iowa could furnish.

In their report entitled "Farm Program Alternatives"—CAED Report 18, published a few months ago, the university economists projected production, farm prices and income for the years 1964–67 if diversion programs and price supports for wheat and feed grains were discontinued, but storage of surpluses were continued to allow "orderly marketings." These projections allow conservation reserve contracts to expire as they mature, and exports to continue to be subsidized as necessary for the maintenance of annual exports of 600 million bushels of wheat.

They conclude that if the acreage control, diversion, and price support programs were dropped, production of wheat and feed grains would increase immediately and prices to farmers would fall.

Corn prices would drop below $1 and both feed grain and wheat prices would continue dropping for several years. Their projections indicate corn prices would fall to 85 cents a bushel by 1967, and wheat would be less than $1 a bushel. Hog prices to farmers would drop to $13.50 per 100 pounds by 1967 and the farm price of cattle and calves would decline gradually for several years, falling to less than $16 per 100 pounds, or more than 25 percent, by 1967. We must therefore conclude that the feed grain program has really been a livestock adjustment program and an even greater boon to livestock producers than other producers. Two aspects of these projections interest me. In making them, the Iowa State economists have taken into account the influence of the lower market prices on the level of production to be expected in the following years. They also have noted that grain production would increase faster than livestock production could be expanded in the early years and conclude that if "orderly marketing" were to be encouraged, even at these lower price levels, carryover stocks would continue to increase for several years.

Their projections indicate that if wheat and feed grain programs similar to those in operation in 1963 were dropped, by 1967, even though cattle prices had dropped to less than $16 and hog prices to less than $14 per 100 pounds, carryover stocks of the grains would be 10 to 15 percent larger than at present. On the other hand, if no attempt were made to maintain "orderly marketing" conditions, carryover stocks might be reduced but both grain and livestock prices would be even lower than those projected.

This is the unpleasant price picture that Iowa State economists paint for us if the wheat and feed grain programs are abandoned.

And what would it mean in terms of farm income and reduced farm program costs? Because farm operating expenses are a high percentage of cash income, even though production would be increased, the fall in prices for grains and livestock would cause net farm income to decline over $3 billion the first year, or more than one-fourth. The Iowa State economists' projection of net farm income under such conditions indicates that, as livestock prices fell in subsequent years, net income would fall $5 to $6 billion—or more than 40 percent.

I cite this study because it is the most recent and most comprehensive of a number of similar studies. But I would add that its findings are in line with earlier studies made at Pennsylvania State University, Cornell University, and by technicians in the Department of Agriculture.

One of the interesting features of the Iowa State study is their projections of Government costs under alternative wheat and feed grain programs. They conclude that whereas net farm income would drop $5 to $6 billion if the 1963 wheat and feed grain programs were dropped, Government farm program costs would be only $1.3 billion lower. I think Federal income tax receipts and jobs in private industry would also be reduced considerably.

Fully as important, their projections indicate that if average weather prevails and programs similar to the 1963 programs are continued, farm prices and farm income can be maintained at approximately recent levels, at least for the next several years, without an increase in Government costs.

Mr. Speaker, these are facts which should be kept in mind. No program is without its shortcomings. But we should look at the alternatives with an open mind. Do we want to save $1 billion in one kind of Government costs at the expense of $5 billion in net farm income with all it would mean in other additional Government costs, loss of tax receipts and jobs? Most commercial family farms could not survive a cut of 40 percent in net farm income which continued for several years.

I believe, with President Johnson, that although we may now see ways that they could have been improved, the agricultural commodity programs developed in the past 30 years have served both farm and urban citizens well. They are an indispensable bulwark to our agricultural economy. We can and we should make changes in them as necessary in line with the changing conditions.

But our national economy will suffer if we drop them rather than improve and extend them.

INDIGNANT PUBLIC DEMANDS STATE DEPARTMENT REVOKE BURTON VISA

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 15 minutes.

Mr. FEIGHAN. Mr. Speaker, 1 week ago today the Subcommittee on Immigration and Nationality held an executive hearing on the eligibility of Richard Burton to receive a visa and to be admitted into the United States. The nature of this highly publicized affair called for an executive session in which we could get at the facts, unhindered by sensationalism. While the hearings were under way, word got out about the nature of the inquiry and members of the press were obviously curious to know the results of our inquiry.

At the conclusion of the executive hearing I issued the following statement to the press:

> Our subcommittee held an executive meeting this morning to examine the administration of the Immigration and Nationality laws in relation to the Richard Burton case. At issue were the questions of his eligibility to receive a visa to enter the United States and his eligibility to enter the United States under our immigration laws.
>
> Mr. Abba Schwartz of the State Department and Immigration Commissioner Raymond J. Farrell were before our subcommittee as witnesses on the issue.
>
> In the course of the hearing, both State and Justice Department representatives stated they would review their position on this case in light of the growing public clamor against admitting Burton and others like him into our country.
>
> In my opinion, the conduct of Richard Burton and Elizabeth Taylor is a public outrage and highly detrimental to the morals of the youth of our Nation.
>
> Our subcommittee will continue its inquiry into this case until a final determination is made by State and Justice Departments on the eligibility of Richard Burton to enter the United States. I can see no significant difference between the infamous Christine Keeler-Mandy Rice-Davies cases and the Burton case. The law and congressional intent thereon is clear and should be exercised without discrimination or special favor.

Since that time, as a matter of fact, within hours thereafter, my office has been deluged by letters, telegrams, and telephone calls from all parts of the country, expressing indignation against the Burton-Taylor-Fisher affair. These communications are running about 40 to 1 demanding Richard Burton be barred from admittance to the United States as an undesirable.

Mail from abroad, from Switzerland, England, Italy, Australia, and I should mention Canada, our friendly neighbor, is also beginning to come in. There can be no doubt of the international implications of this scandal. Nor can there be any doubt about its involvement with U.S. image abroad. The question here is—will the United States be regarded abroad as a happy hunting ground for those who capitalize on the public flaunting of immorality. It is about time we did something to remind people abroad that the moral ideals which make our Nation great and respected have not died. Any action in that direction would lift our index rating on friends, respectability, and honest purpose.

The decision in this matter at this point rests with the Department of State, which has the clear and uninhibited authority to revoke the visa given to Richard Burton. That authority is vested in the Department of State by law. The question is, therefore, will the law and clear congressional intent thereon be exercised by the Department of State.

The mail I have received comes from every State in the Union, from people in every walk of life, from parents of teenage children pouring out their concern over the depraved example of public conduct set by Richard Burton and the trying problems of parents striving to raise their children as decent, law-abiding adults and citizens of our country. The people of the United States in overwhelming numbers do care about the moral tone of our Nation. They are incensed about this affair. They expect their Government to act with rational concern for their feelings, as well as concern for the future of our country.

I have selected a few quotes from the volumes of letters I have received which demonstrate public sentiment on this issue. Let me read a few:

From a newspaper editor in Texas

> Thank goodness, someone is finally blowing the whistle on Burton and Taylor. * * * We have no privileged class in this country, or at least we are not supposed to have.

From Peoria, Ill.:

> I am writing for a group of college freshmen who feel that your stand on Richard Burton's entry into the United States is well taken. * * * We can only implore you to hold your ground and give you a clear vote of confidence for a job, thus far, well done.

From an American major on the front lines in Vietnam:

> I thank you for your advancement of the idea to bar entry into the United States of Richard Burton. Our youth will emulate the example of their elders; those in public life owe an obligation to this Nation to set and demonstrate a high moral and ethical code.

From the vice principal of a famous junior high school in Oklahoma:

> As one who works with and for young people, I appreciate someone like you having a strong enough sense of right and wrong to say so. We are proud of your efforts.

From a State probation and parole officer in Wisconsin:

> We have read with interest your comments on the conduct of Richard Burton and Elizabeth Taylor, and wish to state that out here "in the sticks," individuals consorting similarly are given probation terms, or possibly jail sentences. Wish you luck in attempting controls, we need them.

From the reverend pastor of a Baptist church in Metropolitan Los Angeles, Calif.:

> It is good to know that we have in Washington one who has been courageous enough to protest openly and it is my sincere hope that the visitor's visa will be canceled. There are so many respectable and honorable people in Hollywood who resent such conduct which is so often regarded as a part of Hollywood life.

From a former American Legion commander of the Adolph S. Ochs Memorial Post, No. 1207, Bronx, N.Y.:

> I am a teacher. How can I teach and inspire children when this Burton is considered a hero instead of a bum. Keep up the fight.

A letter from Pittsfield, Mass., raises this basic question:

> How can we train our youth to choose the right when adulation and tolerance are given to the wrong?

Another letter from Auburn, N.Y., calls for this action:

> It is high time that something drastic was done to prevent our children from learning that all they have to do to become popular and a great star in the movies and become a multimillionaire and get front page headlines is to marry a half dozen other people's wives or husbands.

A letter from the father of three children who resides in Cleveland, Ohio, writes in part:

> As the father of three children who is desperately struggling to raise them with some moral values against the onslaught of the popular press and TV, I sincerely hope that you are successful.
>
> For much too long a time in this country we have had a double standard where morality is concerned. If Elizabeth Taylor and Burton had been just plain Jones or Smith, they would long ago been ostracized by society or perhaps even jailed for misconduct.

Another letter from Allendale, N.J., raised the question of Hamlet and points out:

> I agree with your stand on Richard Burton, in spite of the fact that I sent money for tickets to Hamlet many weeks ago, and I will miss the pleasure of seeing him perform. I think the impact this would have on my teenage children would be of much greater benefit.

Finally, a letter from a parent in Rocky River, Ohio, which expresses the sentiments of responsibile parents throughout our country:

> As parents and teachers (both my husband and I) we are appalled at the shoulder shrugging of men in high places. Certainly if an official stand is taken perhaps our people can realize that amoral behavior is to be censured even if you are talented and have money.

THE FIGHT FOR TAX CREDITS FOR HIGHER EDUCATION COSTS MUST GO ON

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 15 minutes.

Mr. HALPERN. Mr. Speaker, the defeat in the Senate of the so-called college education amendment to the tax reduction bill is a big disappointment to all of us who have advocated tax credits for the costs of higher education. But, I am encouraged by the support the proposal received and by the closeness of the Senate vote in its first test on the floor of either body of the Congress. This convinces me that by continuing to push relentlessly for legislation of this kind, we can pass a bill which would not only afford students and parents relief from the growing cost of education, but would provide the greatest spur ever given to higher education in this country.

There is no reason whatsoever, Mr. Speaker, why the objectives of this amendment still cannot be achieved through separate legislation along the lines of my bill H.R. 5719, or the language of the amendment offered by Senator RIBICOFF, who, incidentally, did a superb job in leading the fight in the other body for this twofold program.

There is no requisite that such legislation must tie in with the omnibus tax cut bill. Commendable as many of the features of that bill may be, it still falls far short of resolving many of the inequities in our tax laws, of which tax relief for education is but one.

Mr. Speaker, I for one, intend to continue this fight for students seeking higher education and for their parents who, in most instances, must bear the ever-mounting costs.

I know of no more meaningful way to encourage college education than through tax allowances to cover a substantial portion of the costs.

To my way of thinking, the defeat of the college education amendment is an example of being penny wise and pound foolish.

The arguments in the other body against the amendment were not based on the principle of educational tax credits, but on the dollar loss to the Treasury. This is ridiculous, Mr. Speaker. The whole purpose of a tax cut is to plow back tax savings into the mainstream of the Nation's economy and thereby stimulate production, increase employment and income and, in turn, boost Treasury revenues.

What more stimulation can we give the economy than by furthering higher education and thus enhancing the opportunity for advanced knowledge and increased earning capacity of every young man and woman in America.

Of course, there will be an immediate short-term loss of revenue to the Government. But under the principle of the tax-cut philosophy it will provide an additional flow of money into the economy and, in the long run, the dividends to our Nation will be astronomical.

Aside from the basic economics of this issue which, I am convinced, are all on the plus side, we will, by enacting legislation such as I advocate, be making a great forward step in winning the race for world leadership in the sciences, the professions, the arts, and indeed, in every field of knowledge.

Mr. Speaker, let us look at some realistic facts. They clearly point up to the need for legislation of this type. Today, the average cost of a year's attendance at a publicly supported college is $1,480 according to a recent study by the U.S. Office of Education. The cost of a year's attendance at a private college is estimated to be approximately $2,240. These figures indicate an almost 100 percent increase over a 4-year period.

In the face of this substantial rise in college costs, we are confronted with the fact that about 80 percent of our families have incomes of between $3,000 and $10,000, and it is for these families that a tax credit to cover a substantial portion of college costs is a most pressing and vital matter. By denying this income group in particular a tax credit for college education, we are, in effect, perpetuating a kind of "restriction on opportunity" for their children.

Just a few months ago, we were loudly proclaiming that we faced a crisis in education. We took to the radio, to television, to the newspapers and periodicals, to urge and implore students to seek the fullest possible education. We told students that our defense posture and our space exploration efforts depended upon the development of their brainpower.

Yet, when we had the opportunity to really help students to pursue a higher education by easing the financial burden on parents, we cynically scuttled this direct and forthright approach to the problem of obtaining a national sufficiency of college trained talents and professions.

If we really mean what we say when we sloganize that "A Good Education Can Help You Stay Free," then we should not speak out of two sides of our mouth at one time. We should not say to a student "We need your brainpower, so you must go on to college," and then on the other hand say to that student's parents, "If you want your son or daughter to go to college, then skimp a little harder and do with a lot less, because we have no interest whatsoever in the matter."

I emphasize again, Mr. Speaker, that it makes good economic sense to help students obtain a college education, because such students acquire greater earning capabilities and thus contribute more in taxes during their lifetimes. It also makes good sense insofar as the defense of our country is concerned to assist students to obtain a college education.

But it makes no sense whatsoever to hold these views and proclaim them as abiding truths if we deny parents relief from the high costs of sending their children to college.

As I have said before, I intend to press the fight for tax relief for parents whose children want to go to college. I sincerely hope that the defeat of the college education amendment to the omnibus tax bill in the Senate will spur increasing public demand for this legislation, and that the closeness of the vote will encourage its advocates to press for a separate bill.

I fervently urge the Subcommittee on Education and Labor and all my colleagues in this House to review the language of the Senate amendment by the distinguished junior Senator from Connecticut [Mr. RIBICOFF], and to give fullest consideration to my own bill, H.R. 5719, so that there may yet be favorable action on this matter before this Congress adjourns.

RESIDUAL OIL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mr. CONTE] is recognized for 60 minutes.

Mr. CONTE. Mr. Speaker, I rise to clarify a matter of great concern to our Nation. It is also a matter of life and death—economic life and death—to New England, Florida and the entire east coast area of the United States.

I refer to the economic handicap arbitrarily imposed on this section of the country by Secretary Udall's reluctance to remove the crippling restrictions on imports of residual oil.

The specific matter requiring clarification are the remarks of the gentleman from West Virginia [Mr. MOORE] to this House on January 31, 1964.

In the course of those remarks it was stated that proposed legislation to restrict residual oil imports to the eastern part of the United States was said by the gentleman from West Virginia [Mr. MOORE].

> Written to protect the domestic fuel industries and the large segment of the economy which depends on them against excessive imports of an unneeded foreign fuel. It is not a coal bill. I want to make that clear.

Well, Mr. Speaker, I want to make some things clear also.

First: The eastern part of the United States does not like being ganged up on by those interests that think they know what is best for us. We in the east coast area are being economically penalized by the administrative restrictions already placed on our vitally needed residual fuel supplies. It is no time to cripple us further by turning the economic rack on which we are being financially stretched.

And, Mr. Speaker, the protest that is rising from New England to Florida is getting louder, and more determined every time our citizens pay their light bill, pay their taxes, and go to the hospital because those bills are too high—needlessly high—because of the restrictions on residual oil imports. Every person, every business, every aspect of life in this area—even job availability—is suffering because of the arbitrary, and unnecessary restrictions on these imports.

Second: I am puzzled by the gentleman from West Virginia [Mr. MOORE] statement that residual oil is "an unneeded foreign oil." It may be "unneeded" in the hometown of the gentleman from West Virginia [Mr. MOORE], although lo and behold 1,480,000 barrels of residual were used in West Virginia in 1962, but I can tell you from personal knowledge that it is greatly needed in my home area, and everywhere else on the east coast. If anyone is under the illusion that residual oil is not needed, I suggest he go to our public utilities, to our factories, to our Government buildings, to our schools, to our hospitals. It is residual oil that gives us light, powers our industry, heats our public buildings and hospitals. And if jobs, Government, utilities, and hospitals do not demonstrate the need for residual oil, then I suggest that the dictionary be rewritten with a new definition as to what the word "need" means.

And, let this point be clearly understood, too: It is not just a matter of the users placing an order for a different kind of fuel and switching from residual oil, because we do not have that choice. The fact of the matter is that our plants are designed for residual fuel. Conversion to other fuels would be, for the east coast of the United States, prohibitively high, if not impossible. But, apparently to those who do not struggle under our handicap, such an additional economic penalty is not very important.

There have been, Mr. Speaker, a lot of questionable claims made by those who are trying to break the economic back of the east coast by cutting off our fuel. But to say that residual oil is unneeded is an affront to fact and a callous disregard of the basic economic and human requirements of those who live and work on the east coast.

Third: The gentleman from West Virginia [Mr. MOORE] has, unfortunately, mixed the residual fuel reqirements of the east coast, with extraneous issues of coal production and crude oil requirements. The coal problem is not pertinent for the simple reason that it is not residual oil imports that are cutting coal employment, even while coal production is rising. Mostly it is the mechanization of the coal industry that is putting the gentleman from West Virginia [Mr. MOORE's] people out of work. For instance, the Office of Emergency Planning reported to the President, just about a year ago, that with respect to unemployment in the coal mines:

> The principal contributor has been the 85-percent increase in output per production worker man-hours in the decade following 1949, a change accomplished largely through mechanization.

So, it is not residual oil imports that cause trouble in the coal mining industry, but rather the technological progress of the mining industry, together with a loss of coal markets. I suggest that the gentleman from West Virginia [Mr. MOORE] might like to check this point out with his own people if he doubts the accuracy of my statement.

It is high time that the coal interests start trying to solve their problems with genuine and meaningful measures, and stop trying to make the residual oil-using east coast the whipping boy for the misery and poverty which I am well aware exists in the Appalachian area. These poor unfortunate people have my sympathy. I cannot help but wonder how much better off they might be today, if the coal barons, while draining the area's economic lifeblood, had thought a little of the future of the people and returned some of their profits to the area from whence they came instead of salting them away in outside interests.

I repeat, the coal industry will not find in residual oil use on the east coast either the cause or the cure for the afflictions of the unemployed coal miners.

Fourth. The legitimate need of the east coast for removal of residual oil import restrictions is not, in any practical sense, related to the domestic oil industry as a whole. The simple fact of the matter is that the domestic refinery processes are such that residual is diminishing at a rapid rate. We must find our supply in imports, mostly from our good neighbor to the south, Venezuela, where it is available at fair prices. If residual imports were a threat to our domestic oil industry, it would only be because they were in competition with domestic production. This, of course, is not so. Residual oil is in a class by itself and should be so treated. Tying this problem to the crude oil situation is clear-cut recognition of the fallacy of the arguments of those who oppose removal of residual import controls.

Fifth. It has been claimed that increased residual imports would be harmful to our national security. For those who are under the impression that we have to continue the handicap which the east coast is suffering, in order to protect our national security, I have only to quote from the conclusion of the report of the Director of the Office of Emergency Planing, to the President, on February 13,

1963. In that report the Director, Mr. Edward A. McDermott, said:

> In light of the circumstances as I find them today, a careful and meaningful relaxation of controls would be consistent with national security and the attainment of hemispheric objectives which contribute to the national security. Such a relaxation should be designed to achieve the maximum reduction of the burden on the economy, given the import levels resulting from the easing of controls.

This should help put a stop to the misinformation which is being used to justify the unnecessary and heavy economic burden which the east coast is carrying, because Mr. Udall insists on keeping the restrictions on residual oil imports.

It is high time for a fair deal for the east coast. It is high time for Mr. Udall to let us compete for domestic markets and foreign markets without an arbitrary cost handicap. The people of New England, Florida, and the eastern seaboard of our country are sick and tired of paying every day in every way for such indecision.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mrs. Kee (at the request of Mr. Albert), for today, and the balance of the week on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Gross, for 30 minutes, on Thursday next.

Mr. Vanik, for 15 minutes, on Thursday, February 13; and to revise and extend his remarks and include extraneous matter.

Mr. Feighan, for 15 minutes, today; and to revise and extend his remarks and include extraneous matter.

Mr. Foreman (at the request of Mr. Tupper), for 1 hour, on February 20.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Roosevelt and to include extraneous matter.

Mr. Schwengel in two instances to revise and extend his remarks and include extraneous matter.

Mr. Harding to extend his remarks in the body of the Record prior to the vote and to include extraneous matter.

Mr. Abernethy (at the request of Mr. Matsunaga) to revise and extend his remarks in Committee of the Whole and to include extraneous matter.

Mr. Roybal (at the request of Mr. Matsunaga) to extend his remarks in the body of the Record during consideration of the civil rights bill and to include extraneous matter.

Mr. Whitener (at the request of Mr. Matsunaga) to revise and extend his remarks made in Committee of the Whole and to include extraneous matter.

Mr. Alger.

(The following Members (at the request of Mr. Tupper) and to include extraneous matter:)

Mr. Schweiker.

Mr. Shriver.

Mr. Bray.

Mr. Sibal.

(The following Members (at the request of Mr. Matsunaga) and to include extraneous matter:)

Mr. Healey.

Mr. Burke.

Mr. Roybal.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1233. An act to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the Administrator of General Services to enter into contracts for the inspection, maintenance, and repair of fixed equipment in Federal buildings for periods not to exceed 5 years, and for other purposes; to the Committee on Government Operations.

S. 2394. An act to facilitate compliance with the convention between the United States of America and the United Mexican States, signed August 29, 1963, and for other purposes; to the Committee on Foreign Affairs.

S.J. Res. 120. Joint resolution providing for the recognition and endorsement of the 17th International Publishers Conference; to the Committee on Foreign Affairs.

ADJOURNMENT

Mr. MATSUNAGA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 40 minutes p.m.), under its previous order, the House adjourned until Thursday, February 13, 1964, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause of rule **XXIV**, executive communications were taken from the Speaker's table and referred as follows:

1674. A letter from the Comptroller General of the United States, transmitting a report on the audit of the financial statements of the St. Lawrence Seaway Development Cooperation for the year ended December 31, 1962, pursuant to 31 U.S.C. 841 (H. Doc. No. 222); to the Committee on Government Operations and ordered to be printed.

1675. A letter from the Secretary of the Army transmitting a draft of a proposed bill entitled "Funds, authorized for use of allied armed forces on a reimbursable basis"; to the Committee on Government Operations.

1676. A letter from the Assistant Secretary of the Interior transmitting amendment No. 3 to concession contract No. 14–10–0100–272, as amended, authorizing the operation of the Triangle X Ranch by Mr. John C. Turner and Mrs. Louise M. Turner in Grand Teton National Park, pursuant to 70 Stat. 543; to the Committee on Interior and Insular Affairs.

1677. A letter from the Comptroller General of the United States, transmitting a report on legislative and policy requirements governing Federal participation in acquisition of rights-of-way and in other activities of the Federal-aid highway program in the State of California, Bureau of Public Roads, Department of Commerce; to the Committee on Government Operations.

1678. A letter from the Comptroller General of the United States transmitting a report on the audit of the Inland Waterways Corporation for the fiscal year ended June 30, 1963 (H. Doc. No. 223); to the Committee on Government Operations and ordered to be printed.

1679. A letter from the Chairman and Chief Executive Officer, Communications Satellite Corporation, transmitting the report of Communications Satellite Corporation for the period February 1 to December 31, 1963, pursuant to section 404(b) of the Communications Satellite Act of 1962; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule **XIII**, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. S. 2. An act to establish water resources research centers at land-grant colleges and State universities, to stimulate water research at other colleges, universities, and centers of competence, and to promote a more adequate national program of water research; with amendment (Rept. No. 1136). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule **XXII**, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H.R. 9961. A bill to amend the Federal Firearms Act in order to provide more effective control over firearms shipped in interstate or foreign commerce; to the Committee on Ways and Means.

By Mr. HARSHA:

H.R. 9962. A bill to amend the act entitled "An act to regulate the practice of podiatry in the District of Columbia," approved May 23, 1918, as amended; to the Committee on the District of Columbia.

H.R. 9963. A bill to amend the Federal Water Pollution Control Act to authorize an additional Assistant Secretary in the Department of Health, Education, and Welfare; to provide grants for research and development; to increase grants for construction of research sewage treatment works; and for other purposes; to the Committee on Public Works.

By Mr. HOLIFIELD:

H.R. 9964. A bill to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments; to the Committee on Government Operations.

By Mr. JENSEN:

H.R. 9965. A bill for the relief of the city of Audubon, Iowa; to the Committee on the Judiciary.

By Mr. POOL:

H.R. 9966. A bill to amend the Internal Revenue Code of 1954 to provide a deduction for amounts expended by firemen for meals which they are required to eat at their post of duty; to the Committee on Ways and Means.

By Mr. RYAN of Michigan:

H.R. 9967. A bill to amend the Juvenile Delinquency and Youth Offenses Control Act of 1961 by extending its provisions for 2 additional years and providing for certain special projects and studies, and for other purposes; to the Committee on Education and Labor.

By Mr. RHODES of Pennsylvania:

H.R. 9968. A bill to permit local public agencies to ignore any diminution of value of land occasioned by subsidence or collapse in determining the price to be paid for the acquisition of the land; to the Committee on Banking and Currency.

By Mr. SAYLOR:

H.R. 9969. A bill to prescribe the size of flags furnished by the Administrator of Veterans' Affairs to drape the caskets of deceased veterans; to the Committee on Veterans' Affairs.

By Mr. GRAY:

H.R. 9970. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. BURLESON:

H. Con. Res. 266. Concurrent resolution authorizing the printing as a House document of the Constitution of the United States, together with the Declaration of Independence; and providing for additional copies; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CONTE:

H.R. 9971. A bill for the relief of Mrs. Camille Nuyt; to the Committee on the Judiciary.

By Mr. FORRESTER:

H.R. 9972. A bill for the relief of Eagle & Phenix Manufacturing Division of Reeves Bros., Inc., of Columbus, Ga.; to the Committee on the Judiciary.

By Mr. HARSHA:

H.R. 9973. A bill for the relief of Mary Edna Younie; to the Committee on the Judiciary.

By Mr. LEGGETT:

H.R. 9974. A bill for the relief of Gwendolyn Dodsley; to the Committee on the Judiciary.

By Mr. McMILLAN:

H.R. 9975. A bill to exempt from taxation certain property of the National Trust for Historic Preservation in the United States in the District of Columbia; to the Committee on the District of Columbia.

By Mrs. REID of Illinois:

H.R. 9976. A bill for the relief of Elmer Levy; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

686. By the SPEAKER: Petition of Harry E. Hart, College Park, Ga. relative to the present situation between the United States and Panama; to the Committee on Foreign Affairs.

687. Also, petition of Henry Stoner, Avon Park, Fla., relative to the U.S. Marine Corps; to the Committee on Armed Services.

688. Also, petition of Henry Stoner, Avon Park, Fla., requesting passage of H.R. 9802, relating to employment; to the Committee on Education and Labor.

689. Also, petition of Henry Stoner, Avon Park, Fla., to provide for the dissemination of dynamic, simon-pure Jeffersonian Americanism throughout the world; to the Committee on Foreign Affairs.

690. Also, petition of Henry Stoner, Avon Park, Fla., relative to an article which is a reprint from the Christian Science Monitor, entitled "A New Bill of Rights", appearing on page 16, February 4, 1964, of the Toledo (Ohio) Blade; to the Committee on House Administration.

EXTENSIONS OF REMARKS

The 46th Anniversary of the Republic of Lithuania

EXTENSION OF REMARKS

OF

HON. ABNER W. SIBAL

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1964

Mr. SIBAL. Mr. Speaker, this week marks the 46th anniversary of the establishment of the Republic of Lithuania, which took place on February 16, 1918.

The American people join with the over 1 million Lithuanians living in the United States and the nearly 3 million living in their native land in their hope and expectation that one day in the not-too-distant future they will be able to return to a free Lithuania, free from the oppression of communism. Communism in Lithuania has murdered hundreds of thousands, exiling many others to slave-labor camps in Siberia. With Soviet oppression has come poverty and an absolute decline in population.

Mr. Speaker, Lithuania stands out today as a symbol to the world of Soviet imperialism. Free elections have not been held since the Communists took control and incorporated Lithuania into the Soviet Union in 1940. This imperialism and the extent of its exploitation of all Baltic countries far surpasses anything America has ever undertaken, even in our most expansive era. Let all those who search for the truth in today's troubled world see clearly the extent and power of Soviet imperialism.

Last year, I introduced House Concurrent Resolution 55, which calls for free elections for Lithuania, Latvia, and Estonia, to be held under the supervision of the United Nations. Many members have introduced similar resolutions. Action on these resolutions should be forthcoming quickly, and the President of the United States should directly challenge the Soviet Union to permit free and internationally supervised elections in the Baltic states. This is the way to rid these states of the Communist yoke and help them onto the road to freedom.

Secret Agreement With Panama

EXTENSION OF REMARKS

OF

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1964

Mr. BRAY. Mr. Speaker, the careless and unauthorized secret agreements that our State Department is making with foreign countries are again plaguing and embarrassing the United States.

It has now come to light that on June 15, 1962, American officials made a secret agreement with Panama. One provision of this agreement:

> A new treaty will have to be adopted.

This, of course, refers to the 1903 treaty between the United States and Panama regarding the Panama Canal.

This 1962 agreement was so secret that Under Secretary of State W. Averell Harriman stated that he knew nothing about it.

This secret agreement must share a great portion of the responsibility for the anti-American riots in Panama.

According to the Washington Post on February 9, Reporter Dan Kurzman:

> The secret understanding provides a revealing backdrop for the current crisis, helping to explain its explosively emotional and thus far stubbornly inflexible nature.
>
> On several occasions following the riots that erupted in the Canal Zone on January 9 and 10, American officials, the record shows, have privately agreed to negotiate, not just to discuss, a treaty to replace the 1903 treaty granting the United States its present rights in the zone.
>
> However, fears of adverse reaction in the United States, particularly from Congress, have prevented U.S. officials from saying publicly what they have said privately.

The State Department promptly denied that the 1962 memorandum constituted any commitment by the United States to renegotiate the 1903 Panama Canal Treaty. The memo was described as "simply a memorandum of conversation describing certain conditions which might entail treaty revision." Under Secretary of State Harriman also denied that U.S. officials have privately agreed to negotiate a new treaty, but admitted that he did not know what was done in 1962.

The United States had many years of experience in observing the frequently tragic results arising from secret diplomacy. At the close of World War I, President Woodrow Wilson specified in one of his 14 points:

> There shall be no private international undertakings of any kind, but diplomacy shall proceed always frankly and in the public view.

We cannot help but wonder how many more such potentially embarrassing secret agreements have been made. It is not in the interest of the United States to engage in this sort of dangerous diplomacy. We have the lessons of the past as examples to keep us from making such mistakes, and our officials would be well advised to heed them.

A Tribute to the AMVETS

EXTENSION OF REMARKS

OF

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1964

Mr. BURKE. Mr. Speaker, the American Veterans Organization of World War II has made substantial and persistent contributions in support of patriotic programs of this Nation, and has a most impressive record of demonstrated concern for and interest in the welfare of all veterans and their dependents.

Of course no unit or organization of any kind can do its work or fulfill its ambitions without the direction of able and devoted leaders. On this score, the AMVETS are fortunate indeed to have as their State commander in Massachusetts, Mr. John J. Towey. None has given more and few have given as much in sacrifice of time, energy, and devotion to zealous performance of the AMVETS patriotic program.

The Department of Massachusetts AMVETS and auxiliary in cosponsorship with the city of Boston held the annual Pearl Harbor remembrance at Faneul Hall in Boston on December 8, 1963. On this occasion, State Commander Towey commemorated both November 22, 1963, and December 7, 1941, and paid homage to all those Americans who sacrificed their lives for our freedom.

The day before this observance Commander Towey had visited the Tomb of the Unknown Soldier and the grave of our late President John F. Kennedy and in his speech on the date of this observance pledged forever to try to live up to the standards that have been passed on to us and asked that all those in attendance make this pledge in order that we may have a better America tomorrow.

The AMVETS received their Federal charter in 1947. The name AMVETS was officially adopted at the first national convention in Chicago in October 1945. This organization, literally born in war, has served the cause of peace since its founding. The charter was amended in 1950 to make veterans of Korea eligible. Eligibility in AMVETS is based on honorable service in the armed services or to those American citizens serving with the armed forces of an allied nation on or after September 16, 1940, and before January 31, 1955.

The white clover is the official flower of the AMVETS because it grows everywhere and symbolizes the farflung battlefields where members of AMVETS have served.

In one of its recently published statements of purpose the following objectives were set forth by AMVETS:

> To help keep our country's feet on the ground in the matter of veterans' legislation and benefits; to provide the extra assistance needed and deserved by our fellow veteran, or his widow and children; to preserve in perpetual memory the sacrifice made by those who gave their lives for our country; to build a stronger Nation by helping to solve, as citizens, the problems of our communities and Nation.

It is a great honor and privilege to be a member of this fine patriotic organization. As one who holds a lifetime membership in the AMVETS I shall always cherish and try to live up to its high ideals and I shall endeavor to assist in its ambitions and aims in order to make this a better Nation for all.

As a federally chartered veterans organization the AMVETS can be depended upon to continue to serve the Nation in the cause of peace and to keep alive the memories of those who gave their full measure of devotion so that this Nation under God would not perish from the earth.

Westside Jewish Community Center, Los Angeles, Celebrates 10th Anniversary

EXTENSION OF REMARKS

OF

HON. JAMES ROOSEVELT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1964

Mr. ROOSEVELT. Mr. Speaker, the Westside Jewish Community Center, which is located in my congressional district in Los Angeles, will celebrate its 10th anniversary of service to the community on Sunday, March 1, 1964.

Serving approximately 7,000 members each year, considering its 10-year history, the center has been a meeting place for more than 6 million people from 3 to 93.

The programs offered by the center are rich and varied. They cover all of the arts with activities in drama, arts and crafts, music, and the dance. The center has been a focus of artistic endeavors including its annual art sale, regular exhibitions, and concerts. These are just a part of the many cultural endeavors which take place there.

Thousands of children especially participate in all kinds of programs sponsored by the center, including summer day camp, swimming all through the year, use of the gymnasium, the courts, and of course, the playground. Young working mothers have found a wonderful place for their very small children, under the guidance of the nursery school staff.

The center cooperates with all other community organizations. Upward of 500 groups and chapters of civic, philanthropic, and social clubs have held meetings and special events at Westside, including the Girl Scouts, Hadassah, Histadrut, Jewish War Veterans, Mizrachi Women, Pioneer Women, Red Cross, United Jewish Welfare Fund, and the United Way.

But I think that most important of all, the Westside Jewish Community Center offers an opportunity for friendship, not only to newcomers to Los Angeles, of which there are so many, but to those who have lived there for many years too. There is an opportunity for persons of any age to find a group or club to their liking.

I commend the Westside Jewish Community Center on its 10th anniversary, and I have every hope that the next 10 years will be as fruitful and as successful as these past 10.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1964

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of February 8, 1964:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas, February 8, 1964)

THE GREAT DEBATE—CIVIL RIGHTS

Debate this week in the House on the civil rights bill, H.R. 7152, made it clear we may be seeing historymaking changes which will affect the rights and freedoms of the people for all time. In one of the most scholarly debates I have witnessed in my 9 years in Congress, the following points were made:

1. This legislation is a blueprint for total Federal regimentation of the people of the United States.
2. It will extend Federal control over businesses, industry, and over individuals, and reduce the power of the States, in a degree that exceeds the total of such extensions of power by all judical decisions and all congressional actions since the Constitution was adopted.
3. In this one measure we are wiping out more basic freedoms than in all the legislative history of this Nation.
4. This one bill puts into the hands of the President the awful power to make himself a virtual dictator.

All this is done under the guise of and in the zeal of protecting civil rights. The bill covers 87 pages and the debate runs into hundreds of pages in the RECORD so it is possible here only to highlight the most glaring arguments against enactment.

RIGHT TO VOTE

Title I deals with the right to vote and few will argue with the proper objective of this section. There are some grave questions raised, however, in extending the power of the Attorney General to invade the rights of the States in this area. How determined the advocates of the bill were to prevent any amendment was shown when they even defeated a proposal by Congressman DOWDY to prevent "dead people" from being voted (the tombstone amendment).

PUBLIC ACCOMMODATIONS

One of the most dangerous and controversial sections is title II, public accommodations. This section, more than any other, threatens our freedoms by:

1. Abridging the right to own and manage private property thus putting into jeopardy one of man's basic rights, the ownership of property.
2. Section 204 of this title the Attorney General may take action against an individual or a State upon the allegation of a "threatened violation." In section 203, the terms "discrimination and segregation" are used interchangeably with no clear definition which will put an end to government by law in favor of government by men.
3. This section also displays the inconsistency of the bill. Here an amendment to permit the Attorney General to act only on a signed complaint was defeated even though in other sections of the bill a signed complaint is necessary to initiate action.
4. The civil rights advocates voted down any protection for a property owner who may suffer economic loss or indeed may be forced out of business by this law.

TRIAL BY JURY DENIED

In title III, desegregation of public facilities, an attempt to protect the basic right of American citizens of trial by jury was voted down. Again, trial by jury is contained in other sections of the bill, but denied here in trials for criminal contempt brought by the Government against individuals.

FREEDOM TO RIOT

Encouragement of those who are now leading demonstrations, riots, and urging breaking the law came when the proponents of the bill voted down an amendment that no rioters or those inciting to riot would be hired as "desegregation specialists."

ATTACK ON PRIVATE ORGANIZATIONS

Private clubs, fraternal organizations (Masons, Knights of Columbus, etc.) civic groups, fraternities and sororities came dangerously close to being eliminated and showed the intent of some behind the civil rights legislation. They would open up to Federal inspection and control and to unrestricted membership all such organizations and would forbid the secret rituals which are a part of many religious and fraternal organizations.

TITLE VI COULD SAVE MONEY

Although I do not think it probable, title VI of the civil rights bill could help the poor taxpayer. It would eliminate Federal aid to any who practice discrimination. If this were enforced it would eliminate most Federal programs; cut Federal spending and save money; cause a return to private endeavors. I raised this point in debate, almost facetiously, because I am sure those who are strongest for civil rights would not want to give up any of the handouts of a paternal government.

This section, however, proves how this bill would put practically every citizen under the threat of Federal control. It would cover through such programs as FHA, Small Business Administration, and through the use of subsidies, practically anyone who buys or sells, does business with the Government or deals with anyone who does business with the Government.

FEPC

States rights, the right to work, freedom to hire and fire, all are put in jeopardy by title VII to create a Federal Fair Employment Practices Commission. Under this title every business, industry, employer, employment agency, labor union would be affected. Under this one part of the bill business could be required:

> Recruit Negroes, Protestants, Catholics, Jews, or persons of particular national origin to end "racial imbalance" or "religious imbalance" found to exist in the opinion of Federal inspectors.

It would throw out learning, ability, training, willingness to work in the matter of hiring employees in favor of the sole consideration of race, religion, or national origin. It could well mean the end of private enterprise in America. The whole concept of the civil rights bill is based on government by men, not by law, and therein lies its greatest threat to the liberties of all.

Equal Rights and Equal Opportunities for All Americans

EXTENSION OF REMARKS

OF

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1964

Mr. ROYBAL. Mr. Speaker, I would like to take this opportunity to congratulate the leadership, as well as the individual Members, on both sides of this historic civil rights debate for the restrained and statesmanlike manner in which they have conducted themselves during the long and often arduous consideration of this measure.

I believe the Nation has a right to be proud of the way in which the House of Representatives has conducted its business these past several weeks, of the full and mature consideration given to each section of the bill, and of the strong and decisive action taken.

In my opinion, the House has acted in the highest traditions of freedom and of our democratic institutions—and in a manner to reflect honor on us all.

The actions we have taken here constitute a major step forward in our effort to guarantee every American, regardless of race, creed, color, or national origin, equal rights and equal opportunities in such vital areas as education, employment, and voting, in nearly 100 federally assisted programs of various kinds, in the administration of justice, in the use of public facilities, and in equal access to public accommodations.

BECAUSE IT IS RIGHT

My mind keeps returning to the inspiring words of the late President John F. Kennedy, when, last June, he called on Congress to take prompt and positive action "to insure the blessings of liberty for all Americans and their posterity—not merely for reasons of economic efficiency, world diplomacy and domestic tranquillity—but, above all, because it is right."

President Kennedy pointed to the "fires of frustration and discord" that had broken out across the length and breadth of the land, confronting our people with a serious moral crisis and demanding a supreme effort to right the many wrongs of the past and protect all citizens in their right to vote, to go to school, to get a job, and to be served in public places without arbitrary discrimination.

It is certainly a tragic paradox that the brutal and senseless assassination of President Kennedy in November has so shocked the country that many have finally come to believe there could be no more fitting tribute to his memory than the speedy enactment of this historic civil rights measure, for which he worked so hard.

SIDE BY SIDE

The new President, Lyndon Johnson, left no doubt of his position on this matter when, in his first address to a joint session of Congress, he declared:

> We have talked long enough in this country about equal rights. We have talked for 100 years or more. Yes, it is time now to write the next chapter—and to write it in the books of law.

In his eloquent state of the Union message in January, President Johnson set the pace when he challenged the Members of the House and Senate:

> Let this session of Congress be known as the session which did more for civil rights than the last hundred sessions combined.

Later, in the same address, the new Chief Executive outlined his personal philosophy on the subject:

> Let me make one principle of this administration abundantly clear: All of these increased opportunities—in employment, education, housing, and every field—must be open to Americans of every color.
>
> As far as the writ of Federal law will run, we must abolish not some, but all racial discrimination.
>
> For this is not merely an economic issue—or a social, political, or international issue. It is a moral issue—and it must be met by the passage this session of the bill now pending in the House.
>
> All members of the public should have equal access to facilities open to the public.
>
> All members of the public should be equally eligible for Federal benefits financed by the public.
>
> All members of the public should have an equal chance to vote for public officials—and to send their children to good public schools—and to contribute their talents to the public good.
>
> Today Americans of all races stand side by side in Berlin and Vietnam.
>
> They died side by side in Korea.
>
> Surely they can work and eat and travel side by side in America.

CALIFORNIA—AN EARLY LEADER

Those of us from California realize that most of the protections contained in the House measure have been on our statute books for many years.

But, as early leaders in the fight to extend our American constitutional heritage of freedom, equality, and individual liberty to all the State's citizens, we sometimes tend to take this heritage for granted, and often do not fully realize the importance of dynamic national leadership in the struggle to rid this country, once and for all, of the poison of racial and minority group discrimination.

ONE HUNDRED YEARS

Though it is now more than 100 years since the Emancipation Proclamation was issued by President Abraham Lincoln, and it is only too apparent that we have a long way to go to fulfill the bright promise of that historic document.

As President Johnson has said:

> Until justice is blind to color, until education is unaware of race, until opportunity is unconcerned with the color of men's skins, emancipation will be a proclamation, but not a fact.

THE SPIRIT OF FREEDOM

To me, the work of the past few years, on the part of Americans from all sections of the country, in helping to bring this comprehensive Civil Rights Act so near to enactment by the National Legislature, is an extremely encouraging and healthy sign.

It indicates, in my opinion, that the spirit of freedom is as much alive today as it was on that September day in 1787 when the framers of our Constitution joined together "to form a more perfect Union, establish justice, and secure the blessings of liberty" for themselves and for us, their posterity.

THE BILL OF RIGHTS TRADITION

From the earliest days of the Republic, Americans have always been concerned about equal enjoyment of the fruits of freedom.

In fact, the Founding Fathers and a solid majority of the citizens of the Original Thirteen States were so much in favor of written, enforcible guarantees of civil rights and civil liberties, that they insisted on acceptance of what ultimately became the first 10 amendments to the U.S. Constitution—the world-famous Bill of Rights—as a definite condition for ratification by their respective States.

There is no doubt, and historians unanimously agree, that, without such firm assurance that the first order of business for the new Government would be adoption of these civil rights guarantees, it would have been nearly impossible to obtain ratification from the required nine States.

A SELF-EVIDENT TRUTH

Despite this historic tradition, and despite the unmistakable assertion of the Declaration of Independence that all men are created equal—and that they were endowed by their Creator with certain unalienable rights—we in the United States have been incredibly slow in making this 187-year-old doctrine a reality for millions of our fellow citizens.

CONGRESSIONAL OPPORTUNITY

The year is now 1964—the 10th anniversary of the Supreme Court's famous school desegregation decision. During these 10 years the judiciary branch of the Government, led by a vigorous and outspoken Supreme Court, has taken the lead and shouldered the major burden of assuring that our constitutional heritage of freedom, equality, and individual liberty is enjoyed by all Americans, regardless of race, creed, color, or national origin.

In more recent years, the executive branch has assumed its rightful leadership role in this struggle by taking the initiative and exerting its moral and legal authority toward the attainment of full equality of treatment for minority groups under the law.

However, with the exception of two measures of rather limited scope passed in 1957 and 1960, the legislative branch has seemed unable or unwilling to adapt itself to the changing times, and has failed to take a strong, unequivocal stand in favor of the principle of equal rights for all Americans.

We now have the opportunity as well as the urgent responsibility, to shake off the paralysis of the past, to move back into the mainstream of American life, and adopt a meaningful civil rights program at this session of Congress.

We must not fail to take advantage of this opportunity, for the legislative branch must reassume its historic role of guiding the often conflicting forces at work in our dynamic society—and guiding them into positive and constructive channels that will contribute to a brighter future for us all.

THE AMERICAN DREAM

It has been a pleasure for me to support the administration's strong and meaningful civil rights bill. I have supported it because I believe it long overdue that Congress join the noble crusade to create a better America, to banish the phrase "second-class citizen" from our vocabulary, and to fulfill the revolutionary dream of freedom and equality for all Americans.

The Urgent Case for Civil Rights Legislation

EXTENSION OF REMARKS

OF

HON. RICHARD S. SCHWEIKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1964

Mr. SCHWEIKER. Mr. Speaker, I appreciate the opportunity to express my strong support for prompt enactment of meaningful and effective civil rights legislation.

I sincerely believe our Nation cannot afford to delay longer in making certain that full rights are accorded every citizen, regardless of race, creed, or color. Tragically, a full century since the signing of the Emancipation Proclamation has not yet provided equal opportunity for Negroes in voting, education, employment, housing, the administration of justice, and public accommodations.

The more glaring evidences of this problem have been brought dramatically to our attention in recent months in stories datelined not only in the South but also in the North. We from the northern part of this Nation must not hypocritically lull ourselves into believing this is a sectional problem confined to the South. Such most certainly is not the case. With increasing regularity, our Nation has seen outward manifestations of the fires which have been smoldering so long in the North as well as the South. My own State within recent months has witnessed demonstrated unrest in the City of Brotherly Love.

Many have been looking at how far Negroes have come in the past two decades. Negroes, on the other hand, are looking at how far they still have to go. They see the snail's pace of school desegregation, although 10 years has passed since the Supreme Court decided Brown against Board of Education. They see limited employment opportunities, a disproportionately high rate of unemployment, exclusion from some public accommodations, and de facto school segregation in the North, equally as damaging to the personalities of their children as the legally enforced segregation condemned by the Supreme Court in 1954.

In sharp contrast with the swift rise to independence of the Africans in the world is the painful fact that American Negro citizens, after patiently employing the slow procedures of litigation to enforce their rights, and after numerous Supreme Court pronouncements reaffirming these rights, still find that the burden of proof remains upon Negroes and the burden of bit-by-bit implementation has remained on the courts.

The increasing determination of Negroes to exercise their rights, the moral and legal justification of their cause, the intransigency of some local authorities and the apathy of the citizenry and the Federal legislative and executive branches, have encouraged the Negro to take his case directly to the Nation. To a large extent, his actions are not unlike those in past years of groups such as women seeking to vote and labor seeking to establish its right to organize and bargain collectively.

The civil rights problem is not one which our leaders and our people can continue to view with complacency. The urgency is alarmingly apparent. No longer should we deprive a group of citizens of the rights which most of us have taken for granted. The Negro is entitled to no more rights than his fellow citizens; but certainly he should be accorded no less.

It is high time that the leadership and the citizenry of our Nation face up to the fact that we have a long way to go in civil rights and that we cannot take long to travel the distance. The problem cries out for quick decisive solution. The gravity of the situation is such that every citizen should be aware of the problem and searching his soul for the answer.

In the belief that an important part of that answer must be supplied by this Congress, I introduced on June 4 with a number of my colleagues, two bills—H.R. 6778 and H.R. 6779—to enact a Civil Rights Act of 1963 and an Equal Rights Act of 1963.

The Civil Rights Act of 1963 would give permanent status to the Civil Rights Commission and provide additional authority to the Commission to investigate violation of voting rights. Completion of the sixth grade would be presumed to provide sufficient literacy to vote in Federal elections.

The bill would grant the Attorney General authority, upon written complaint, to institute civil proceedings in behalf of anyone denied admission to a public school because of race or color. A Commission on Equality of Opportunity in Employment would be created with authority to investigate charges of discrimination by businesses, labor unions, or employment agencies engaged in performing Government contracts or supported by Government funds. In addition, State and local educational agencies could request financial assistance for pupil placement and administrative services to carry out desegregation programs.

The Equal Rights Act of 1963 would prohibit racial segregation or discrimination by businesses authorized by a State or political subdivision to provide accommodations, amusement, food, or services to the public.

The Attorney General would be authorized to seek legal redress in district courts of the United States to prevent the loss of an individual's right to equal protection of the laws without regard to race, color, religion, or national origin. Such action could be instituted upon written complaint of the individual involved, if he were unable to effectively seek legal protection in his own behalf because of financial limitations or threat of physical or economic reprisal.

Many of the features contained in my bills are contained in the bill now before this House (H.R. 7152). I wholeheartedly support this measure.

Negro Americans, understandably, are especially desirous that meaningful public accommodations legislation be passed. This particular proposal appears to have evoked the greatest public opposition. Some objectors are sincere in their protestations that such legislation, based upon the commerce clause, is unwarranted Federal intervention; others have merely seized upon this as an excuse for continuing to deny to the Negro the opportunities enjoyed by white citizens.

The concept of nondiscrimination in public accommodations has a strong foundation in English common law; all accommodations opened for public use are open for all the public to use. Few would dispute that English common law has had a significant impact upon the constitutional and legal framework within which our Nation operates.

In addition to sponsoring civil rights legislation, I have indicated my full support of this important effort by speaking on the floor of the House, by presenting a statement to the Subcommittee on Civil Rights of the Committee on the Judiciary, and by signing the discharge petition on H.R. 7152.

I regret that the citizenry of this Nation, despite the gravity of the problem, apparently remains, to a large extent, apathetic regarding the solutions. For no matter the form taken by legislation this year, there will still remain much to be done by every individual if we are to achieve a solution to this most important of human problems facing our Nation.

Realize it or not, each citizen has an enormous stake in the solution of this problem, because each has a vested interest in the future of our great country. I fervently hope, not only that the Congress will enact long overdue, effective civil rights measures, but also that people in all parts of the country will no longer remain apathetic to the pressing need for action.

Congressman Shriver's Annual Report to Kansas Fourth District

EXTENSION OF REMARKS

OF

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1964

Mr. SHRIVER. Mr. Speaker, it has been my policy since coming to Congress to submit to the citizens of the Fourth Congressional District of Kansas an annual report of my activities as their Congressman in the U. S. House of Representatives. This is the third annual report which covers the 1st session of the 88th Congress.

The 1st session of this 88th Congress was the longest in the peacetime history of our Nation. Adjournment sine die came on December 30, 1963, after a session of 356 days. It is because of the record length of the session that this report is being made later than in previous years.

Overshadowing all facets of activity in Washington was the tragic and shocking assassination of our President, John F. Kennedy. It remains incomprehensible how in 20th-century America such a terrible deed could occur. On December 5, 1963, I joined with other Members of the House of Representatives in a memorial tribute to the 35th President of the United States.

Immediately following the death of President Kennedy, we witnessed the orderly continuation of Government and national leadership under President Johnson which was essential to the conduct and survival of our Republic.

APPROPRIATIONS

The Congress, sparked by a Republican economy task force, was able to effect reductions of $6.5 billion from the record budget requests of the administration for fiscal 1964. Final appropriations voted amounted to $92.4 billion. One of the largest reductions—almost a billion dollars—was made in the foreign aid program.

ROLE OF CONGRESS

Of increasing concern throughout the year was a growing effort by certain national columnists, editorialists, and commentators to downgrade the legislative branch of Government. It was true that the legislative machinery did move slowly, and the majority leadership with comfortable margins in both the Senate and House of Representatives did not always exercise its leadership effectively. However, such controversial issues as a major tax cut combined with a planned $12 billion deficit, and proposed broad civil rights legislation, required careful and extended committee hearings and deliberation.

We must remember that the Congress is a deliberative body. It cannot, nor should it, serve as a rubber stamp for Presidential requests. The legislative process is not a single isolated act of short duration. This process can be rapid when the question at issue is a relatively routine one and where there is unanimous sentiment in favor of affirmative action. But where most important questions are at stake the process of deliberation is slow.

Congress, like the executive branch, works for the common good in the national interest. Our representative system of government is dependent upon maintaining and strengthening, where possible, this legislative system.

SHRIVER VOTING RECORD

More than 14,000 bills and resolutions were introduced during the session in both the House and Senate. Only 422 bills were enacted into law.

Your Congressman had a 96-percent attendance record during the session.

SHRIVER BILLS

During this session of Congress, I introduced several bills which were the result of careful and deliberate study and research. Following is a summary of some of those which I believe to be of special significance:

IMPACTED AREAS

Legislation to extend for 2 years the temporary provisions of the law which provides Federal assistance in the construction and operation of schools in areas affected by Federal activities was introduced by me in May of 1963. Operations of McConnell Air Force Base at Wichita, construction of Titan missile sites around the Wichita area, and the defense activities of the Boeing Co. qualify many school districts in the Fourth Congressional District for such assistance. This legislation was included in the Vocational Education Act passed late in the session and signed into law by the President.

SELECT COMMITTEE ON RESEARCH

I joined in sponsoring a resolution in the House providing for the creation of a select committee to conduct a complete and thorough investigation of federally sponsored research and development. The need for such a study is demonstrated by the fact that the President's 1964 budget included requests for expenditures of nearly $15 billion for research and development. Such expenditures have increased nearly five times in a decade. The resolution was adopted and the select committee has begun its study. It is to be hoped that its findings will enable the Congress to act knowledgeably and responsibly in making annual appropriations for Government research programs.

VOLUNTARY HEALTH PLAN

In August, I again introduced legislation to provide for a system of voluntary health insurance to assist in the medical and hospital care of the aged. Hearings have been held by the House Ways and Means Committee on the various health proposals including the administration's compulsory program financed through social security.

TAX RELIEF FOR PARENTS-STUDENTS

Once again I introduced legislation, early in the session, providing for a program of tax relief in the form of an income tax deduction to those bearing the cost of higher educational expenses. It is significant that more than 100 Members of the House and Senate have introduced similar legislation. I have joined in requesting the chairman of the Ways and Means Committee to hold public hearings on this bill. Under the closed rule under which the tax bill was considered in the House, it was not possible to amend the bill to include this provision. An effort in the Senate recently to include such an amendment failed by only three votes. It is obvious that public support for such tax relief is growing as more young people go on to college, and as higher educational expenses mount.

GUANTANAMO BRIEFING

The Cuban situation is among the vital interests of the American people. Because of my own concern and of those whom I represent in the Congress, I accepted the invitation of the Secretary of the Navy in July to go to our great naval base in Guantanamo Bay in Cuba.

My foremost impression resulting from a relatively short but thorough and intensive briefing and observation was that the United States must under no circumstances relinquish or leave this excellent naval base.

It is important to the security of this Nation as an ideal training station for our fleet. It is strategically located for protection of the Panama Canal, in fact the sea routes to the Caribbean and Latin America.

DISTRICT AND DEFENSE

Since coming to the Congress I have been working, along with most of my colleagues, for the maintenance and development of a defense system second to none for the United States. The Fourth District of Kansas—particularly the Wichita area—continues to play a vital role in defense production.

Although production of the B–52 bomber has been halted by the administration, contrary to the intent of the Congress, much of the modification work on the B–52 fleet is being done at the Boeing Co. in Wichita. The 1964 budget included an appropriation of almost $200 million for this work.

I have been assured by the Secretary of Defense and the Secretary of the Air Force that the B–52 fleet will remain operational into the 1970's. It is to be hoped, however, that the administration will take steps to provide for an eventual follow-on manned aircraft to succeed the B–52 jet bomber.

SPACE VISITOR

During the past year, considerable time and effort was devoted to assisting business and industry in the Fourth District of Kansas to assume a greater role in our Nation's defense and space programs.

In March, Senators Carlson and Pearson, and myself accompanied James E. Webb, Administrator, National Aeronautics and Space Administration, on a tour of educational and industrial facilities in Kansas to determine our capabilities for space projects.

Development of those capabilities and the opportunity to compete for space programs must be initiated at the local and State levels. However, the congressional delegation stands ready to cooperate and assist our State in securing consideration and attention from the proper Federal agencies.

PROCUREMENT CONFERENCE

As an initial step toward bringing our present capabilities to the attention of the Federal Government, the University of Wichita last summer sponsored a 2-day conference on doing business with the Federal Government. I assisted in securing the cooperation and participation of 40 officials from various Federal agencies in the Wichita conference. The Defense Supply Agency conducted a study of over 3,800 Kansas firms and found that 773 businesses and industries, both large and small, in our State could do business with the Federal Government.

SERVING CONSTITUENTS

In addition to the important legislative responsibilities of this congressional office, I have continued to assist and serve my constituents, to the best of my ability, in their individual relationships and problems with the Federal Government.

During the year my staff and I held 717 conferences with 62 different agencies in Washington in behalf of Fourth District constituents. We received and replied to nearly 800 requests for information and Government documents.

I have endeavored personally to read each piece of mail addressed to me from my district, and have dictated the replies to these communications.

Nearly 1,000 visitors from Kansas signed the guest book in my office. It is especially gratifying for me to be able to personally welcome visitors from my congressional district.

OPINION POLL

More than 100,000 questionnaires in the third annual Fourth District opinion poll were mailed to citizens throughout the district inviting them to inform me of their opinions on a variety of domestic and international issues pending before Congress. I am pleased to report that more than 12,000 questionnaires were returned to me and tabulated. The results previously were reported in my constituent newsletter.

FLOOD CONTROL-WATER CONSERVATION

Fourth District public works projects for flood control purposes received appropriations totaling $6,600,000 for the 1964 fiscal year. The Cheney Reservoir project, scheduled for completion in 1965, is slated to receive $3,800,000 for continued construction; $1 million was approved to launch construction of the Marion Reservoir and Dam; and $1.8 million was appropriated for continued construction on the Council Grove Dam.

ACADEMY COMPETITION

It is my privilege each year to make certain nominations to the outstanding service academies of our Nation. Nominees selected by me compete in academy-administered examinations for the final appointments. Those chosen by the academies in 1963 were as follows: U.S. Air Force Academy, Richard Charles Hedden, of Wichita, and Raymond Matthias Seiwert, of Goddard; U.S. Military Academy, Edward Richard Hubshman, of Wichita; and U.S. Naval Academy, Thomas J. Donaldson of Wichita.

Mr. Speaker, I take this opportunity to extend my sincere appreciation to the citizens of my district for their cooperation and support. It is a pleasure and privilege for me to represent them in Congress.

Medical Care for the Aged

EXTENSION OF REMARKS

OF

HON. JAMES C. HEALEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1964

Mr. HEALEY. Mr. Speaker, with permission, I wish to insert in the CONGRESSIONAL RECORD my recent testimony before the House Ways and Means Committee in support of medical care for our aged under the social security program. It is as follows:

TESTIMONY OF CONGRESSMAN JAMES C. HEALEY, OF NEW YORK, BEFORE HOUSE WAYS AND MEANS COMMITTEE ON MEDICAL CARE FOR THE AGED

Mr. Chairman, thank you for the opportunity to give my testimony before your committee. I am one of the sponsors of medical care for our aged citizens under the social security program. My bill, H.R. 4886, is identical to the King-Anderson bill, H.R. 3920. I hope your committee will report out this legislation in the near future so that the House might act on it in this session of Congress.

During the past few years I have been greatly impressed by the tremendous increase in public awareness of the health care problems faced by our aged and aging citizens, and the growing realization that the financing of their needed health care is a problem of national magnitude. There is now a general recognition, reflected by the discussions and debates on the subject throughout the Nation, that an area of great need exists here, and that the Federal Government can and should play a part in helping to finance health care for the aged. Some have contended that programs to help finance medical care should wait until sufficient medical personnel are available and adequate facilities have been provided. Last year we took a step to improve the availability of medical care when we enacted the Health Professions Educational Assistance Act of 1963. However, arrangements to assist the aged in meeting the cost of health care cannot and should not be put off because personnel or facilities may not be available in every single instance. It is immoral to deny the aged health insurance because, with it, they will be able to compete for care on equal terms with insured younger people.

The crux of the problem facing aged persons can be stated quite briefly. People over 65 have twice the medical costs of younger people and only one-half as much income. The average aged couple in the United States has an income of a little more than $53 a week—about $27 per person. The income of the senior citizen who lives alone averages only $23 a week, and nearly half of the elderly live alone. The senior citizen simply can't stretch this income to pay for the average of two or three spells of hospitalization he can expect in old age. It is even hard to pay day-to-day living expenses on what the average aged person has.

Nor do the aged have enough savings or other assets to fall back on when illness strikes. Despite their relative prosperity before retirement, about one in three aged persons has less than $100 in savings that can be cashed.

Nine of ten people over 65 will visit a hospital before they die. Two out of three who are over 65 will visit a hospital two or more times before they die. More than half of the married couples will visit one; one of the couples will visit a hospital more than four times before they die. More than half of the couples have an average cost of expense of illness in old age of $700 per illness and an average stay in a hospital of 15 days per stay during illness for those over 65. Hospital costs have gone from an average of $9 a day in 1946 to $32 a day average now.

These facts give rise to the feeling that there is no question but that consideration must be given to means of meeting the cost of illness in old age.

That the problem of financing health care in old age is extremely serious and widespread is no longer a real issue. The American Medical Association, the distinguished bipartisan National Committee on Health Care of the Aged, and a series of disparate organizations recognize the need for Government help in meeting this need. The only major question that remains to be settled is how the problem should be relieved.

Some who oppose hospital insurance for the aged under social security have asserted that private insurance can meet practically the entire problem of insuring older people. Such optimism is wholly unfounded. About one-half of the aged do not have any health insurance at all. And many of those who have some form of health insurance have woefully inadequate coverage. This is partly because elderly people are bad health risks and it costs more for insurance companies to insure them. Another reason is that most of the working people who have health insurance are enrolled under group contracts, while retired people who are insured are, in most cases, under nongroup policies. Group coverage usually provides twice as much protection for each health insurance dollar as individual policies.

In looking at the possibility of any further spreading of voluntary health insurance, the fact must be faced that aged people who have protection tend to be in the higher income brackets and in good health, and of these, very few have protection that can be considered adequate. It is predominantly the low income people and the people who are in poor health who are still not covered or are covered very poorly. These are the very people who are the poorest risks from a health insurance standpoint and who can least afford to pay insurance premiums. As things stand now, the prospect for improvements in the health insurance coverage of our elderly citizens is far from bright.

Pointing up the inability of private insurance to do the job is the experience of my State's 65 plan—a highly publicized statewide effort to bring private health insurance to more people through a pooling of the experience and resources of 49 insurance companies.

It is apparent, after more than 1 year of experience, that the New York 65 plan is far too costly for a substantial portion of the State's aged people. Only 117,000 people out of a total eligible population of 1,900,000 are enrolled. Their low retirement incomes are characterized by the following facts: More than one-quarter of all men aged 65 and over in New York have incomes of less than $1,000 a year; another one-quarter have less than $2,000, which must be used in many cases not only to support themselves but also their wives. And aged widows—who make up more than half of all aged women—are generally worse off than these men. A premium of $228 a year represents about 20 percent of the median annual income of all persons aged 65 and over in the State of New York. A premium of $456 for an aged couple represents more than 15 percent of median family income. For example, the median annual income for aged couples in the United States is only $2,800, and not much more than this for aged couples in New York. A further indication that this plan is too expensive for our aged is the fact that 30 percent of New York's aged did not enroll themselves, but were enrolled by their sons and daughters or some other person.

The opponents of providing hospital insurance under social security say that the Federal Government's role should be limited to financial help with State and local public assistance programs. I cannot agree that improvements in these programs offer anything like a solution to the problem.

Getting help through public assistance always depends on meeting a means test—which often involves an investigation of not only the senior citizen's personal affairs, but those of his children as well. If there is one attitude Americans have in common, it is the desire to maintain individual dignity and privacy. Most people find it humiliating to have to prove they are poor, to tell how they spend their money, and to be told how the welfare office thinks they should spend their money. Many of our senior citizens would rather forgo needed medical care—even to the detriment of their health—than go before a public welfare agency and admit failure to be able to go it on their own. Unlike the younger person, once in poverty the senior citizen knows he cannot ever escape reliance on charity. He is rendered a permanent ward of the State, without hope for a better life, a decent burial, or even a token inheritance for his children. A relief recipient cannot escape the State even by dying. For the final action on his death, in New York, will be that the State will take his home to repay the relief grudgingly given him.

It is interesting that some proponents of the means test approach to medicine feel that there is just a limited need amongst the aged for help in meeting their medical expenses. These proponents do not admit that the aged, as a group, are worse off than the balance of the population. For instance, Representative CURTIS, of Missouri, during these hearings said that he estimated no more than 15 to 20 percent of the aged need help with their day-to-day living expenses and costly medical expenses, when they arise. He added that this group is being helped through existing Federal-State public assistance programs. The States do not agree this is the case. More than half of the States fail to make OAA payments which meet their own measurement of financial need—in other words, more than 25 States do not provide the aged with assistance which the States themselves have determined to be necessary to maintain a standard of living compatible with decency and health. This unwillingness to meet minimum standard of living requirements also applies to the States' willingness to meet minimum health care needs for those needing medical care assistance. Half the States allow in the budgets (which many do not then meet) less than $40 a month for rent for a couple. Slum housing results, and inadequate medical care follows, even for assistance recipients. The many needy nonrecipients get nothing.

By January 1964, 32 States and 4 other jurisdictions were operating MAA (Kerr-Mills) programs for the medically indigent. Over half of these limit eligibility to aged individuals with annual incomes below $1,200 or $1,500. Hospital care is limited to more than 15 days per admission in two States, and no more than 15 days per year in two others. Some States provide no medical relief unless the needy senior citizen has a life-endangering or sight-endangering condition. They will help only when it is generally too late. Most States act as though rehabilitation for the crippled or dental care, eyeglasses and hearing aids are luxuries to be preserved for the wealthy. Does this suggest that assistance takes care of the needy?

New York State has a good MAA program. In fiscal year 1963 all the other States put together paid out less than twice as much for their medically indigent senior citizens as New York. But even this State claims the estate of relief recipients; give no help if children of the aged might, by sacrificing, give help. It doesn't take much of an imagination to see how little the other States are doing.

The welfare patient frequently cannot use his personal physician—a clinic is good enough for him, and he is likely to be directed to the cheapest hospital, frequently a county or city institution where the quality of care is quite poor. Welfare funds are usually enough to pay only nursing homes that are of poor quality, hazardous, unsanitary, and unsafe by the State's own standards. Frequently, less is paid for nursing home care than is needed for room and board in a boarding house.

The reason that so little has been done in the great majority of the States is that they are unwilling or unable to raise their share of the needed funds. The Federal Government puts no strings on the grants of money it will provide but unless new sources for State revenues are found, older people will continue to suffer in deprivation and want.

I am convinced that we must look beyond public assistance for a solution to the problem the aged face in meeting the costs of needed health care. Public assistance programs are not a real answer to the problem because they are no help until after the individual is reduced from self-sufficiency to poverty. The goal should be to prevent poverty—to keep people off relief. Many older people preserve their dignity and independence even though barely able to meet their day-to-day living expenses. These people are constantly faced with the threat that a costly illness will wipe out a lifetime of savings, threaten the ownership of a home, and force them, after a lifetime of independence, to go on record as being no longer self-sufficient members of their community. It is unfortunate, but I am sure it is true, that aged people will go without the necessities of life before they will go before strangers and ask for charity.

I am convinced that the Federal Government must act without further delay to help our older people meet their health care costs. I am equally convinced that this help must be provided in a way that maintains the individual dignity of older people as well as their security. It is for these reasons that I have introduced a bill to provide hospital insurance for the aged under social security and have pledged my support for Representative King's identical administration bill which will, when enacted, provide a program of hospital insurance for the aged under social security.

Our hospital insurance proposal contemplates that the financing of basic hospital insurance protection for the aged through social security would be the keystone of a threefold structure of protection for the aged in meeting the cost of health care. First, basic hospital insurance protection would be afforded the Nation's aged through social security; second, the existence of a program of basic protection would encourage the development of additional protection through individual savings, private insurance, and employer benefit plans; third, good medical assistance would become practicable in all States to help the relatively small group not eligible for the basic protection under social security.

If hospital insurance were provided under social security the workers' payments would be spread over their working lifetimes and would be matched by payments by their employers, so that only modest employee payments would be required.

Those already old, it is true, would receive this hospital insurance protection without having contributed to the cost. But this is one of the advantages of a social insurance program. Under social insurance, the benefit of any improvements that are made in the program are made available to those who are already retired as well as those who will retire in the future. This has been the case with all the social security benefit increases enacted since the program started.

Few issues have stirred up as much controversy and discussion as the problem of meeting the health care costs of the aged. Much of the discussion has reflected more heat than light. Accusations, misstatements, half-truths, and glittering generalities have filled the air. Much of the correspondence I have received shows that my constituents are for a program of medical care for our aged under social security, and they are tired of attacks used by opponents to defeat a proposal that would mean so much to the great majority of our people.

Mr. Chairman, in concluding, I would like to point out that the late President Kennedy fully supported and worked for our aged and the proposal to protect them against their hospital costs. There are few who need be reminded that he told the House in a message to the Congress in February 1963, that "hospital insurance for our older citizen on social security offers a reasonable and practical solution to a critical problem. It is the logical extension of a principle established 28 years ago in the social security system and confirmed many times since by both Congress and the American voters. It is based on the fundamental premise that contributions during the working years, matched by employers' contributions, should enable people to prepay and build earned rights and benefits to safeguard them in their old age."

And President Johnson, before assuming the highest office in the land, and now in that office, has urged positive action on this critical proposal and is working to see that positive action is taken.

I want to urge the Ways and Means Committee to give the Members of the House an opportunity to vote on this bill. My constituents, and the general public, and my colleagues are all concerned with the question, and we want our votes counted on this matter of such great national significance. This issue has been in the national spotlight and it is time to bring it to a vote in the national forum.

Thank you, Mr. Chairman, and members of the committee.